

City and Borough of Sitka



Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021



Photo credit: Don Kluting

City and Borough of Sitka, Alaska

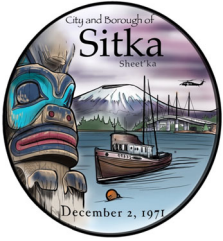
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City and Borough of Sitka

PROVIDING FOR TODAY...PREPARING FOR

A Coast Guard City

February 8, 2022

To the Honorable Mayor,
Assembly Members and
Citizens of the City and Borough of Sitka, Alaska:

The Assembly of the City and Borough of Sitka has elected to issue each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that request, we hereby issue the annual comprehensive financial report of the City and Borough of Sitka, Alaska for the fiscal year ended June 30, 2021.

This report consists of management's representations concerning the financial position and performance of the City and Borough of Sitka. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City and Borough of Sitka has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City and Borough of Sitka's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City and Borough of Sitka's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City and Borough of Sitka's financial statements have been audited by BDO USA, LLP, a global accounting network of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City and Borough of Sitka for the fiscal year ended June 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit that they will render an unmodified opinion on the City and Borough of Sitka's financial statements for the fiscal year ended June 30, 2021. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City and Borough of Sitka was part of a broader, state and federally mandated "Single Audit" designed to meet the special needs of state and federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of state and federal awards. These Single Audit Reports are published separately from the Annual Comprehensive Financial Report (ACFR).

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City and Borough of Sitka's MD&A can be found immediately following the report of the independent auditors.

Profile of Government

The City and Borough of Sitka, incorporated in 1971, is located on Baranof and Chichagof Islands which are located along the Inside Passage in Southeast Alaska. Sitka is situated on the west coast of Baranof Island, contained within the largest temperate rainforest in the world. Most of this rainforest is part of the Tongass National Forest. The City and Borough of Sitka currently occupies a land area of 2,894 square miles, a water area of 1,816 square miles and serves a population of approximately 8,371. The City and Borough of Sitka is empowered to levy a property tax on both real and personal properties located within its boundaries. The City and Borough of Sitka also levies a sales tax on sales within the City and Borough, a transient room tax, and an excise tax on tobacco product sales within the City and Borough.

The City and Borough of Sitka has operated under the Assembly-Administrator form of government since 1971. Policy-making and legislative authority are vested in a governing assembly consisting of the Mayor and six other members. The Assembly is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the government's Administrator and Attorney. The administrator is responsible for carrying out the policies and ordinances of the Assembly, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The Assembly is elected on a non-partisan basis. Assembly members serve three-year staggered terms, with two Assembly members elected each year. The Mayor is elected to serve a two-year term. The Mayor and Assembly members are elected at large.

The City and Borough of Sitka provides a full range of services, including police and fire protection; ambulance service; the construction and maintenance of streets and other infrastructure; recreational facilities and cultural events. Other services include the provision of electricity, water, wastewater treatment, solid waste disposal and recycling, harbor system moorage, cold storage facility, and leases within the industrial park. These services represent different departments in the City and Borough of Sitka and therefore have been included as an integral part of the City and Borough of Sitka's financial statements. The City and Borough of Sitka also is financially accountable for a legally separate school district which is reported separately within the City and Borough of Sitka's financial statements. Additional information on the school district can be found in Note 1 in the notes to the financial statements.

The annual budget serves as the foundation for the City and Borough of Sitka's financial planning and control. All departments of the City and Borough of Sitka are required to submit requests for appropriation on or before the end of each calendar year. Preliminary budget meetings begin early in the calendar year to seek Assembly input prior to releasing a draft budget. Once the draft budget has been released, any changes must be directed by the Assembly. As set forth in the Home Rule Charter of the City and Borough of Sitka for budget performance, the following dates outline the Charter's requirements: (1) not later than 60 days before the end of the current fiscal year, the Administrator shall submit to the Assembly a budget for the following fiscal year, a capital improvements program and an accompanying explanatory message of both; (2) not later than 15 days before the end of the current fiscal year, a public hearing shall be held on the budget and capital improvements program; (3) the Assembly by ordinance shall adopt a budget (for the next fiscal year) not later than 10 days before the end of the current fiscal year. The appropriated budget is prepared by fund and department (e.g., police). The Administrator may

make transfers of appropriations within a department, with the exception of line items for salary and benefits, travel and training, and capital assets. Assembly approval is needed for the above three line items within each department's budget. Transfers of appropriations between departments and/or funds, however, require the approval of the Assembly. Budget-to-actual comparisons are provided in this report for all funds for which an appropriated annual budget has been adopted.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City and Borough of Sitka operates.

Local economy. The City and Borough of Sitka's principal economic base is commercial fishing, fish processing, health care, government, tourism, and related businesses. The estimated population for the City and Borough is 8,371 and has been slowly decreasing over the past nine years.

Due to the impact of the coronavirus pandemic, sales tax collections, the City and Borough of Sitka's most significant source of revenue, have fallen short of previous expectations and rather than growing at a rate of 9% are only now returning to pre-pandemic levels. The Municipality joined the Alaska Remote Sellers Commission in FY2021, which has helped to lessen the impact of the decrease in revenue from sales tax receipts that resulted from a significant decrease in tourism due to the pandemic.

Long-term financial planning. The City and Borough engages in comprehensive long-range fiscal planning for general governmental activities as well as business-type enterprises. The Municipality annually updates a fiscal plan for each business-type enterprise which models cash flows from operations, working capital, long-term debt, and capital expenditures for a minimum 10-year period. These fiscal plans are the basis for recommendations to the Assembly for user fee increases in the various business-type enterprises.

Cash management policies and practices. The City and Borough of Sitka utilizes a central treasury to aggregate cash from all funds except the component units listed herein, for cash management and investment purposes. Interest income on central treasury investments is allocated monthly to participating funds based on their average monthly balance. Interest on investments held by the Permanent Fund is recognized only in the Permanent fund and, due to differing asset allocations, returns may vary significantly.

The City and Borough of Sitka utilizes professional investment management services in the management of its investment portfolios. The external investment manager adheres to a codified investment policy which sets forth authorized investment types, restrictions on investment credit quality, and other standard safeguards in order to achieve a reasonable rate of return with minimal risk of loss. The City and Borough also has an independent Investment Advisory Committee which reviews the investment portfolios and investment return on a quarterly basis.

Risk management. During FY2021, the Municipality continued a limited risk management program for workers' compensation. Various controls techniques, including employee accident prevention training, have been implemented during the year to minimize accident-related losses. Third-party coverage is currently maintained for individual workers' compensation claims and other potential losses.

Pension and other postemployment benefits. The City and Borough of Sitka and the Sitka Community Hospital provide pension benefits for all eligible employees through the State of Alaska Public Employees Retirement System (PERS). The Municipality and Hospital has no obligations in connection with the employee benefits offered through this plan beyond its annual required payment to the pension plan.

The Sitka School District provides pension benefits for all eligible employees through PERS and Teachers Retirement System (TRS). The School District has no obligations in connection with employee benefits offered through this plan beyond its annual required payments to the pension plans.

Additional information on pension arrangements and postemployment benefits can be found in the Required Supplementary Information and in the Notes to the Basic Financial Statements.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City and Borough of Sitka for its annual comprehensive financial report for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive 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 annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of the Annual Comprehensive Financial Report was made possible by the dedicated service of the staff of the Finance Department. My appreciation is extended to all members of the Finance Department who assisted and contributed to the preparation of this report. We also want to thank you, the members of the City and Borough of Sitka's Assembly, for your interest and support in conducting the financial operations of the City and Borough of Sitka in a responsible and progressive manner.

Sincerely,

A handwritten signature in blue ink, appearing to read 'M. Haley', is positioned above the typed name.

Melissa Haley
Finance Director

City and Borough of Sitka, Alaska

Elected Officials

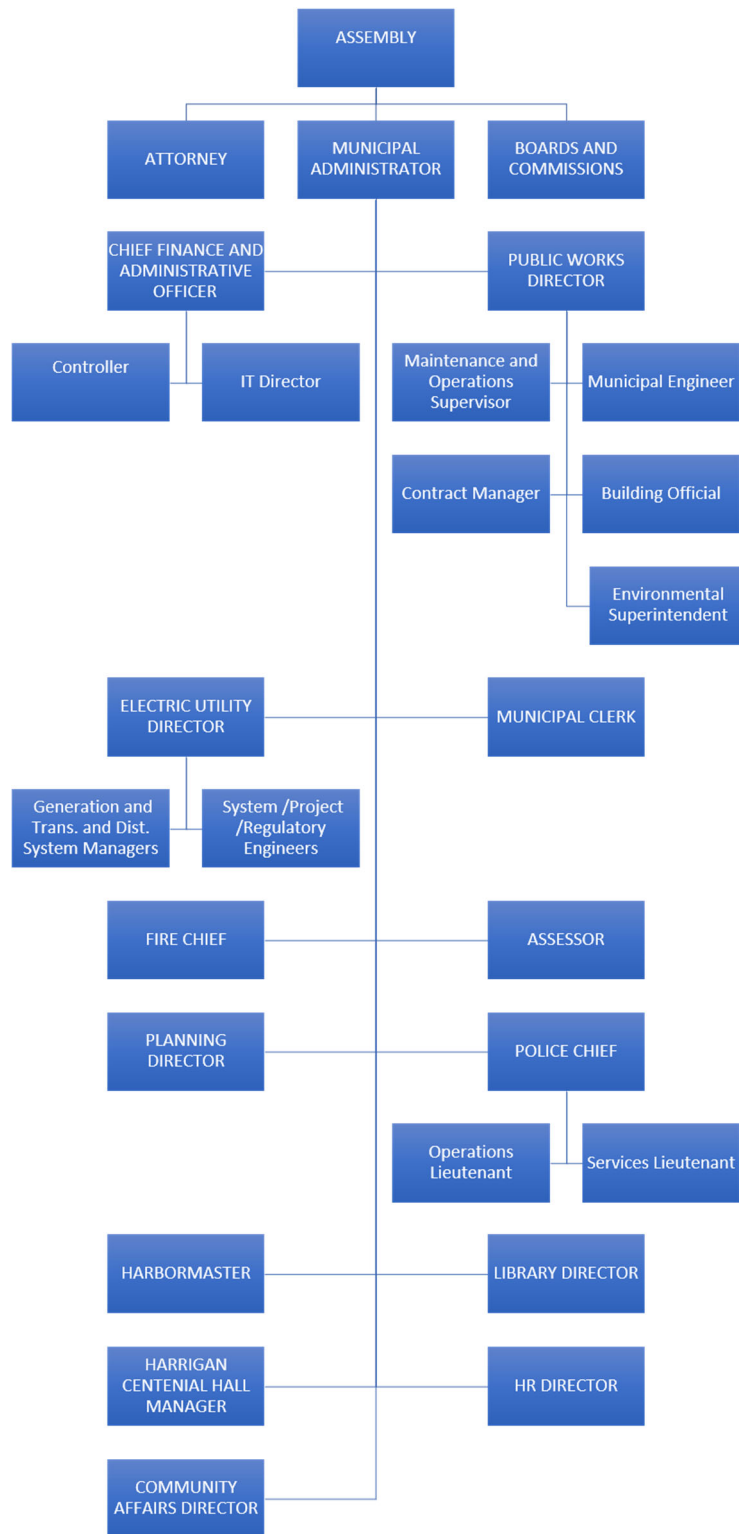
June 30, 2021

Name	Position
Steven Eisenbeisz	Mayor
Thor Christianson	Deputy Mayor
Valorie Nelson	Vice-Deputy Mayor
Crystal Duncan	Assembly Member
Rebecca Himschoot	Assembly Member
Kevin Knox	Assembly Member
Kevin Mosher	Assembly Member
John Leach	Municipal Administrator

City and Borough of Sitka, Alaska

Organization Chart

June 30, 2021





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Independent Auditor's Report

Honorable Mayor and Borough Assembly
City and Borough of Sitka, Alaska
Sitka, 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 City and Borough of Sitka, Alaska (the City and Borough), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City and Borough'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 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 and Borough, as of June 30, 2021, 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 Sitka School District (the School District), a discretely presented component unit. 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 School District, is based solely on the report of the other auditors.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 15 to the financial statements, in 2021 the City and Borough adopted the provisions of Governmental Accounting Standards Board (GASB) Statement Number 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City and Borough's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the budgetary comparison schedules, and the schedules of the City and Borough's proportionate share of the net pension and net OPEB liability or asset and the City and Borough's contributions on pages 6 through 17 and 80 through 90 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 GASB 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City and Borough's basic financial statements. The accompanying combining and individual fund financial statements and schedules, as well as the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 GAAS. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2022 on our consideration of the City and Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City and Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City and Borough's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
February 8, 2022

Management's Discussion and Analysis

City and Borough of Sitka, Alaska
Management's Discussion and Analysis
June 30, 2021

As management of the City and Borough of Sitka (Municipality), we offer the readers of the Municipality's financial statements this overview and analysis of the Municipality's financial activities for the fiscal year ended June 30, 2021. 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 page II of this report.

Financial Highlights

- The assets and deferred outflows of resources of the Municipality exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$377.9 million. Of this amount, \$60.1 million (unrestricted net position) is legally unreserved and may therefore be used to meet the Municipality's ongoing obligations to citizens and creditors.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7.9 million. Committed funds of \$10.4 million are also available to meet expenditures for the next fiscal year with varying levels of restrictions. The unassigned fund balance for the General Fund represented 31.5% of General Fund expenditures. This increases to 72.9% when committed funds are included.

Overview of the Financial Statements

The management discussion and analysis serves as an introduction to the Municipality's basic financial statements, which are the government-wide financial statements, fund financial statements, and notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements report information about the overall finances of the Municipality in a manner similar to a private-sector enterprise. These statements combine and consolidate short-term, spendable resources with capital assets and long-term obligations.

The Statement of Net Position presents information on all of the Municipality's assets and deferred outflows less liabilities and deferred inflows, which results in net position. The statement is designed to display the financial position of the Municipality. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Municipality is improving or deteriorating.

The Statement of Activities provides information which shows how the Municipality's net position changed as a result of the year's activities. The statement uses the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. All of the revenues and expenses are reported regardless of the timing of when cash is received or paid.

The Statement of Net Position and the Statement of Activities distinguish functions of the Municipality that are financed primarily by taxes, intergovernmental revenues, and charges for services (governmental activities) from functions where user fees and charges to customers help to cover all or most of the cost of services (business-type activities). The Municipality's governmental activities include administration, public safety, public works, public services and support. The business-type activities of the Municipality

City and Borough of Sitka, Alaska
Management's Discussion and Analysis
June 30, 2021

include the eight enterprise funds: electric, water, wastewater treatment, solid waste disposal, harbor, airport terminal building, marine service center and Gary Paxton Industrial Park.

The government-wide financial statements present not only the Municipality itself, which is the primary government, but also its component unit: the Sitka School District for which the Municipality is financially accountable. Financial information for the Sitka School District is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 20 through 23 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 the specific activities or objectives. The Municipality, like other state and local governments, uses fund accounting to ensure and demonstrate fiscal accountability. All of the funds of the Municipality can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 funds financial statements focus on the short-term view of the Municipality operations. 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 the governmental funds with similar information presented for governmental activities in the government-wide financial statements. 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 Municipality maintains 21 individual governmental funds. Information is presented separately for major governmental funds on the Governmental Fund Balance Sheet and Governmental Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Permanent Fund, Sitka Community Hospital Dedicated Fund and the CARES ACT Fund. The remaining governmental funds are combined and shown as Nonmajor Governmental Funds on the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances. Individual fund information for the 17 nonmajor funds is presented in the Combining Balance Sheet, Nonmajor Governmental Funds, and Combining Statement of Revenues, Expenditures, and Changes in Fund Balance, Nonmajor Governmental Funds.

Proprietary Funds

The Municipality maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Municipality uses enterprise funds to account for the electric, water, sewer treatment, and solid waste disposal utility services provided to the local citizens. The Municipality also uses enterprise funds to account for commercial activity within its harbors, airport terminal, cold storage facility, and industrial park. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Municipality's various functions. The Municipality uses internal service funds to account for the activities of its information technology systems, central garage, and building maintenance services.

City and Borough of Sitka, Alaska
Management's Discussion and Analysis
June 30, 2021

Income or loss from these services has been allocated between governmental and business-type functions while assets and liabilities have been included within the governmental activities in the government-wide financial statements. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Proprietary funds financial statements provide separate information for the Electric, Solid Waste, Wastewater, and Harbor Funds, which are the major funds of the Municipality. The remaining four enterprise funds are combined and shown as Nonmajor Enterprise Funds on the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows for Proprietary Funds. The basic proprietary fund financial statements can be found on pages 28 through 32.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Municipality in a trustee capacity or as an agent for others. Activities from fiduciary funds are not included in the government-wide financial statements because the Municipality cannot use these assets for its operations. The accounting for fiduciary funds is much like that used in proprietary funds. The basic fiduciary aggregated fund financial statements can be found on pages 33 through 34 of this report.

Notes to the Basic 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 basic financial statements can be found on pages 35 through 77 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information to provide information on the Municipalities' Nonmajor funds. Supplementary information can be found following the Notes to Financial Statements beginning on page 92. Required supplementary information directly follows the notes to the financial statements and begins on page 80.

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 Municipality, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$377.9 million at June 30, 2021 compared to \$355.0 million at June 30, 2020. By far the largest portion of the Municipality's net position (\$274.8 million) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, etc.) less any related debt used to acquire those assets that is still outstanding. The Municipality uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Municipality'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 capital assets themselves cannot be used to liquidate these liabilities.

City and Borough of Sitka, Alaska
Management’s Discussion and Analysis
June 30, 2021

City and Borough of Sitka's Net Position
June 30, 2021 and 2020
(in millions)

	Governmental activities		Business-type activities		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current and other assets	\$85.9	\$82.2	\$61.5	\$61.3	\$147.3	\$143.5
Capital assets	122.7	127.8	322.5	318.5	445.2	446.3
Total assets	<u>208.6</u>	<u>210.0</u>	<u>384.0</u>	<u>379.8</u>	<u>592.6</u>	<u>589.8</u>
Deferred outflows of resources	4.2	5.2	5.7	2.7	9.9	7.9
Long-term liabilities	23.8	43.9	170.3	163.7	194.1	207.7
Other liabilities	4.4	12.0	9.9	9.8	14.4	21.8
Total liabilities	<u>28.3</u>	<u>55.9</u>	<u>180.2</u>	<u>173.5</u>	<u>208.5</u>	<u>229.5</u>
Deferred inflows of resources	15.6	12.6	0.6	0.7	16.1	13.3
Total liabilities and deferred inflows	<u>43.8</u>	<u>68.5</u>	<u>180.8</u>	<u>174.2</u>	<u>224.6</u>	<u>242.8</u>
Net position:						
Net investment in capital assets	111.1	113.6	163.5	163.7	274.6	277.3
Restricted	30.3	26.7	12.5	16.4	42.8	43.1
Unrestricted	27.6	6.4	32.9	28.2	60.5	34.6
Total net position	<u>\$169.0</u>	<u>\$146.7</u>	<u>\$208.9</u>	<u>\$208.3</u>	<u>\$377.9</u>	<u>\$355.0</u>

Governmental Activities

Governmental activities increased the Municipality’s net position by \$22.3 million. Key elements of this increase are listed below:

- An item with significant impact on net position is the reduction of the net pension liability related to the former Sitka Community Hospital. This shows a negative pension expense of \$13.1 million.
- Due to the Coronavirus pandemic and resulting impact to tourism in Sitka, tax revenues for FY21 neared FY19 levels, where pre-pandemic, rates of growth had been significantly higher (9.7% per year) which would have resulted in additional revenue of approximately \$1.7 million.
- Federal relief funding helped to offset some pandemic related losses, though much of the funding directed to the Municipality was used for community relief programs.

The net position for the Municipality’s governmental activities is \$169.0 million, an increase of \$22.3 million. A substantial portion (65.8%) of the net position is invested in capital assets – an increase of \$2.5 million from the prior fiscal year. The Municipality uses these assets to provide services to the citizens.

City and Borough of Sitka, Alaska
Management's Discussion and Analysis
June 30, 2021

The unrestricted net position of the governmental activities was \$27.6 million as of June 30, 2021. The largest portion of the restricted net position is for the Permanent Fund (\$27.5 million).

Business-type Activities

Business-type activities increased the Municipality's net position by \$.6 million. This compares to an increase of \$3.6 million for the year ended June 30, 2020. Key elements are listed below:

- Net capital assets increased by \$4 million, reflecting investment in business type capital assets. Much capital funding was from debt, resulting in an increase to long-term liabilities.
- Bond refunding activity in FY2021 resulted both in an increase in deferred outflows (\$2.9 million) as well as in long-term liabilities. While initially increasing total debt levels, the refunding will result in significant future savings.

The net position for the Municipality's business-type activities is \$208.9 million. As with government-wide activities, a substantial portion (78.4%) of the net position is invested in capital assets. The Municipality uses these assets to provide services to the citizens. The unrestricted net position of the business-type activities is \$32.8 million as of June 30, 2021.

City and Borough of Sitka's Changes in Net Position
Year Ended June 30, 2021 and 2020
(in millions)

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 3.3	\$ 2.5	\$ 33.7	\$ 31.6	\$ 37.0	\$ 34.1
Operating grants and contributions	17.6	4.7	0.4	1.0	18.0	5.7
Capital grants and contributions	1.5	1.0	1.9	4.4	3.4	5.4
General revenues:						
Property tax	7.2	6.9	-	-	7.2	6.9
Sales and other taxes	15.0	14.0	-	-	15.0	14.0
Grants and contributions not restricted to specific programs	-	-	0.9	0.6	0.9	0.6
Unrestricted investment earnings (loss)	6.2	2.1	-0.3	2.3	5.9	4.4
Other	1.2	1.7	0.0	0.0	1.2	1.7
Total revenues	\$ 52.0	\$ 32.9	\$ 36.6	\$ 39.9	\$ 88.6	\$ 72.8

City and Borough of Sitka, Alaska
Management's Discussion and Analysis
June 30, 2021

City and Borough of Sitka's Changes in Net Position, continued
Year Ended June 30, 2021 and 2020
(in millions)

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Expenses:						
Administration	\$3.3	\$2.1	\$ -	\$ -	\$3.3	\$2.1
Public safety	6.9	4.9	-	-	6.9	4.9
Public works	5.6	5.2	-	-	5.6	5.2
Public services	2.9	5.5	-	-	2.9	5.5
Support	10.7	10.8	-	-	10.7	10.8
Interest on long-term debt	0.3	0.5	-	-	0.3	0.5
Electric	-	-	18.5	20.9	18.5	20.9
Solid waste disposal	-	-	4.8	4.5	4.8	4.5
Wastewater treatment	-	-	3.5	2.9	3.5	2.9
Harbors	-	-	4.8	4.0	4.8	4.0
Nonmajor business-type	-	-	4.4	4.2	4.4	4.2
Total expenses	29.7	29.0	36.0	36.5	65.7	65.5
Increase in net position before transfers	22.3	3.9	0.6	3.4	22.9	7.3
Transfers in (out)	-	(0.2)	0.0	0.2	-	-
Increase in net position	22.3	3.7	0.6	3.6	22.9	7.3
Special Item , sale of hospital	-	(18.9)	-	-	-	(18.9)
Increase (decrease) in net position	22.3	(15.2)	0.6	3.6	22.9	(11.6)
Net position, beginning of year	146.7	161.9	208.3	204.6	355.0	366.5
Net position, end of year	<u>\$169.0</u>	<u>\$146.7</u>	<u>\$208.9</u>	<u>\$208.2</u>	<u>\$377.9</u>	<u>\$354.9</u>

Significant year-to year variances in revenue are a result of:

- CARES Act pandemic relief funding of \$14.0 million to support associated relief and mitigation programs (included in public services).
- While still below pre-pandemic rates of growth, sales tax revenue rebounded somewhat in the second half of FY2021.

City and Borough of Sitka, Alaska
Management’s Discussion and Analysis
June 30, 2021

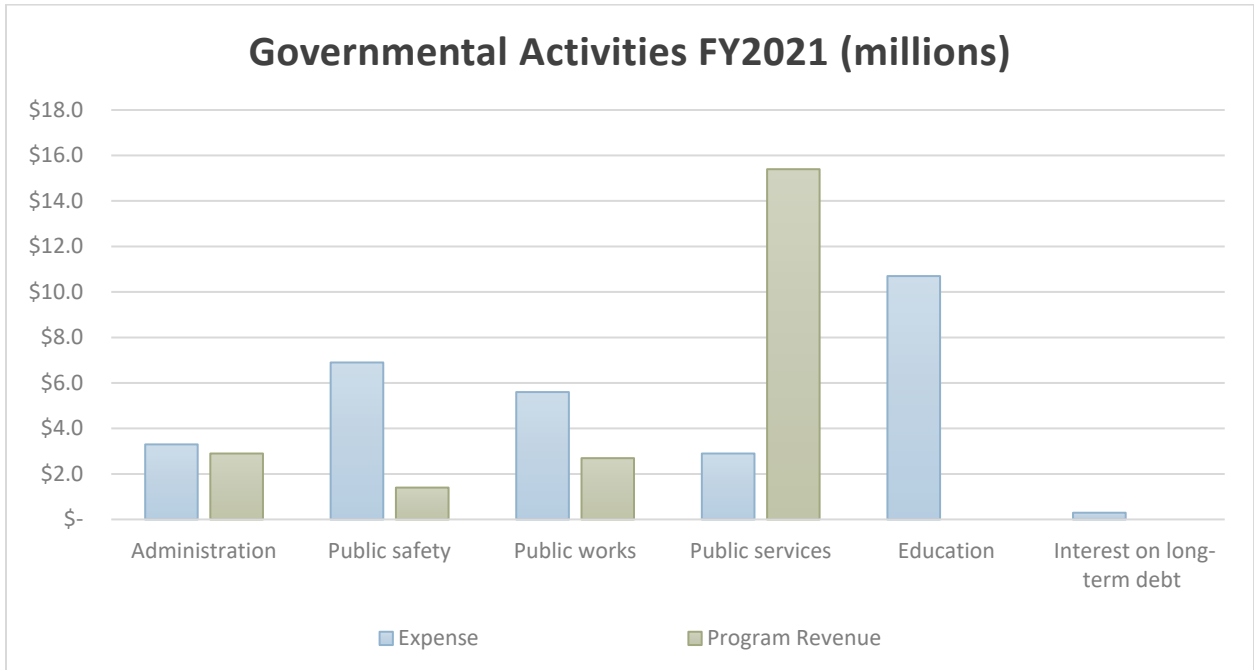
- Mark-to-market adjustments for FY2021 resulted in higher revenue in the Permanent Fund, which holds more equity investments where other areas of government that hold more fixed income securities saw a negative impact with the mark-to-market adjustment.

Significant year-to year variances in expenses are a result of:

- The significant reduction in Net Pension Expense, particularly for governmental funds (\$13.1 million total) resulted in a significant reduction in expenses recorded under public service, offsetting what otherwise would have been a much higher level of expense due to the pandemic relief programs funded through the CARES Act.
- Due to refunding of bonded debt, interest expense for the electric utility was significantly lower than in FY2020.

Expenses and Program Revenues – Governmental Activities

The graph shown below compares program expenses with associated revenues. It should be noted that revenue generated through sales, bed, and property taxes are considered general revenues and are therefore not included on this graph.

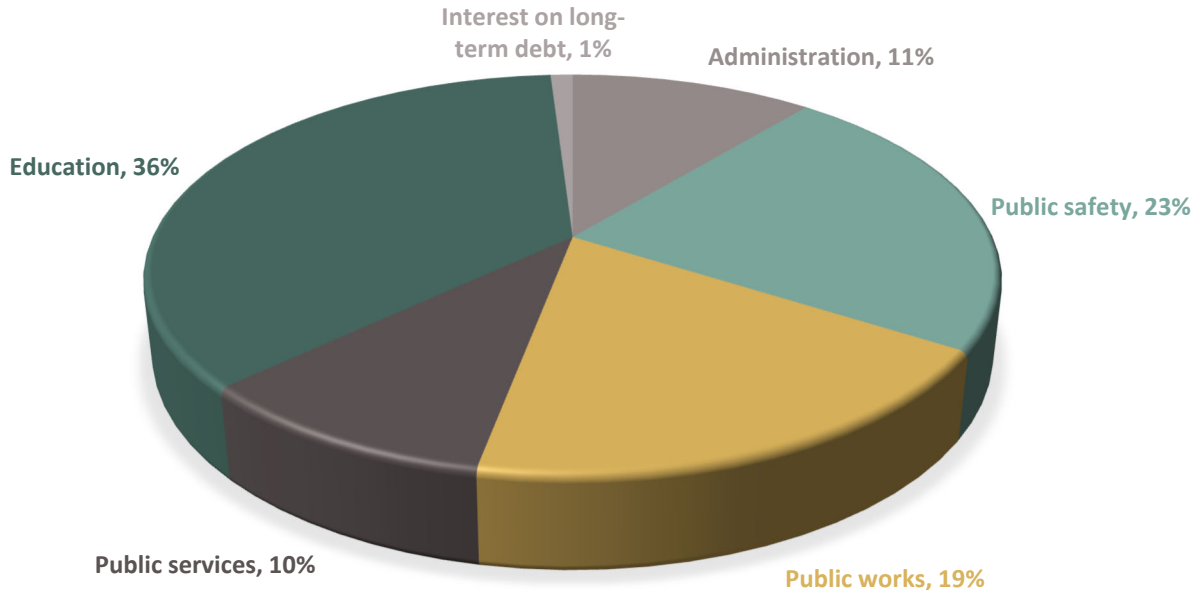


Revenues and Expenses by Source – Governmental Activities

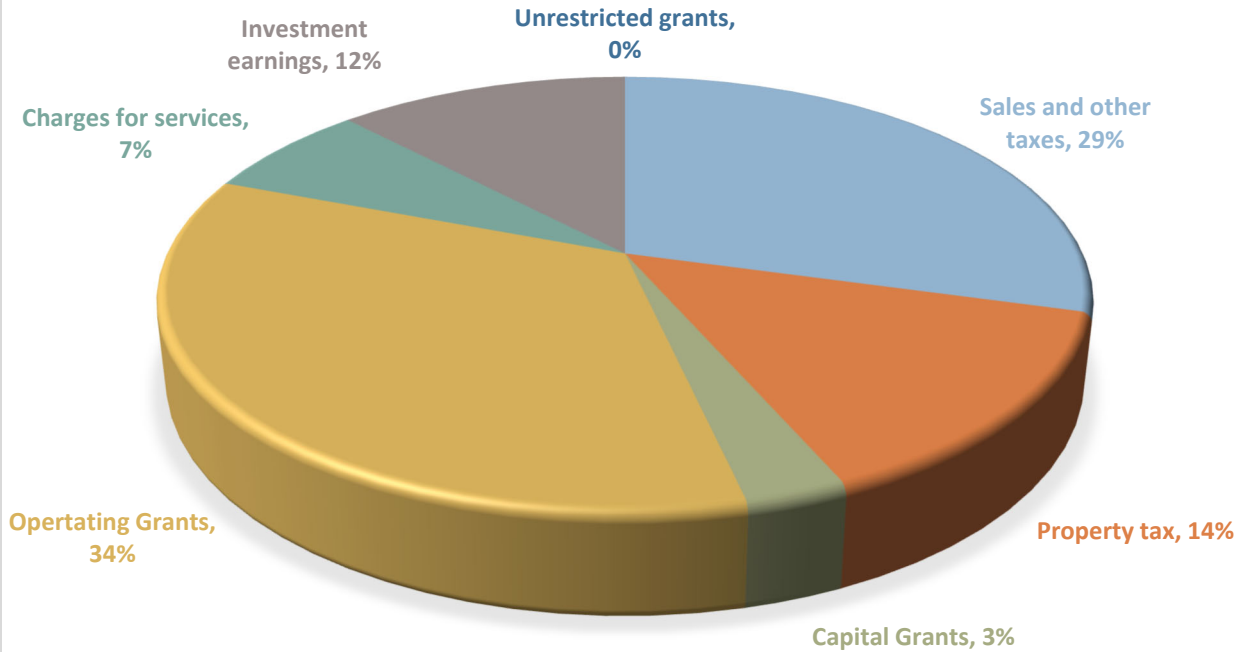
The following graphs depict all sources of revenues shown as a percentage of total governmental revenues and functional expenses, also shown as percentage of total expense.

City and Borough of Sitka, Alaska
Management's Discussion and Analysis
June 30, 2021

FUNCTIONAL EXPENSES (GOVERNMENTAL ACTIVITIES) FY2021



GOVERNMENTAL REVENUE BY SOURCE FY2021



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Management's Discussion and Analysis
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Financial Analysis of the Government's Funds

As noted earlier, the Municipality uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The focus of the Municipality's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Municipality's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available to spend at the end of the fiscal year. Did the Municipality generate enough revenue to pay for current obligations? What is available to spend at the end of the year?

At the end of the current fiscal year, the Municipality's governmental funds reported combined ending fund balances of \$66.8 million, an increase of \$9.9 million compared to the prior year. A portion of this amount is reserved to indicate it is not available to new spending because it is nonspendable, or has been restricted, committed or assigned (\$29.6, \$4.0, \$25.2, and \$3.1 million respectively). The remainder of fund balance is unassigned (\$4.8 million) and is available for spending at the government's discretion.

Analysis of individual funds

The General Fund is the chief operating fund of the Municipality. At the end of the current fiscal year, total fund balance was \$21.4 million and unassigned fund balance was \$7.9 million. Total fund balance increased by \$3.9 million from the prior year. Key factors include:

- A recovery from prior year pandemic impacts to sales tax receipts (\$1.0 million)
- An increase of \$2.4 million revenue from federal sources, including federal pandemic relief for general governmental purposes, including immediate Covid-19 mitigation, public safety expense, and some funding supporting replacement of lost general revenues.
- Reductions in overall expenditures totaling \$0.9M largely related to vacancies as well as intentional reduced spending as the potential impact of the pandemic became clear.

Within the governmental funds, the Permanent Fund showed the most significant change in fund balance. It increased by \$4.6 million due to increased valuation of its investments. Other major funds include the CARES Act Fund and the Sitka Community Hospital Dedicated Fund. The CARES Act Fund tracked Federal CARES Act funding that was used for various relief programs. The funding was recognized and spent within FY2021. The Community Hospital Dedicated Fund's fund balance increased by \$.1 million. While tobacco tax proceeds and revenue from the sale of the hospital continue to be the primary revenues to the fund, ongoing payments against PERS liabilities and continued expense related to the closure of the hospital mean the fund's fund balance improved very little.

The Capital Project Fund's fund balance increased by \$2.0 million from the prior year, largely a result of a transfer into the fund from the General Fund for future appropriation. The School Debt Service Fund showed a \$1.0 million decrease in fund balance due to the complete elimination of expected debt service reimbursement from the State of Alaska.

City and Borough of Sitka, Alaska
Management's Discussion and Analysis
June 30, 2021

Proprietary Funds

The Municipality's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the eight enterprise funds at the end of the year was \$31.4 million. Other factors concerning the finances of the proprietary funds have already been addressed in the discussion of the Municipality's business-type activities.

In the Municipality's proprietary funds, most fund's net position changed insignificantly from the prior year. The Electric Fund showed an increase in net position of \$.6 million, largely the result of maintaining flat operating expenses combined with debt refunding that resulted in lower interest expense. The Gary Paxton Industrial Park Fund showed the most significant decrease in net position of \$.4 million, largely due to operating expenses exceeding operating revenue, which is not unexpected as much of the park's property has been sold.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget in the General Fund are as follows:

- Per the Sitka Home Rule Charter, encumbered operating appropriations do not lapse at the end of the fiscal year and are added into the following fiscal year's budget through a supplemental budget ordinance. The amount of these encumbered operating appropriations was \$.1 million.
- Per the Sitka Home Rule Charter, the Assembly of the City and Borough may make supplemental appropriations by budget ordinance to authorize expenditures of public funds for purposes not anticipated in the original budget and may reduce any appropriation except for debt service. During the fiscal year, General Fund appropriations were increased by the net amount of \$3.2 million.
- Variations from budgeted revenue to actual in the in the General Fund show that revenues exceeded the budget by \$4.0 million. Much of this was a result of the federal pandemic relief as discussed previously.
- Variations from budgeted expenditures to actual in the General Fund show that expenditures were under budget by \$1.8 million. A significant reason for continuing to come well under budgeted expenditures is continued difficulties filling vacant positions.

Capital Assets and Debt Administration

Capital Assets

The Municipality's investment in capital assets for its governmental and business-type activities as of June 30, 2021 amounts to \$445.2 million (net of accumulated depreciation), a decrease of \$1.1 million from the prior year. This investment in capital assets includes land, buildings, machinery and equipment, roads and infrastructure.

City and Borough of Sitka, Alaska
Management's Discussion and Analysis
June 30, 2021

City and Borough of Sitka's Capital Assets
June 30, 2021 and 2020
(in millions, net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land and improvements	\$16.8	\$17.1	\$23.0	\$23.6	\$39.8	\$40.7
Buildings	70.4	74.7	10.7	11.2	81.1	85.9
Equipment	4.3	4.4	1.9	2.0	6.2	6.4
Infrastructure	27.4	29.3	-	-	27.4	29.3
Electric plant	-	-	194.4	201.9	194.4	201.9
Water plant	-	-	19.2	20.2	19.2	20.2
Wastewater treatment plant	-	-	15.6	16.3	15.6	16.3
Harbors	-	-	31.8	20.0	31.8	20.0
Construction in progress	3.8	2.4	25.9	23.2	29.7	25.6
Total capital assets	<u>\$122.7</u>	<u>\$127.9</u>	<u>\$322.5</u>	<u>\$318.4</u>	<u>\$445.2</u>	<u>\$446.3</u>

Major additions to capital assets during the current fiscal year included the following:

- Completion of street reconstruction projects including water, wastewater, paving and storm water improvements
- Harbor improvements.

Additional information on the Municipality's capital assets can be found in Note 5 beginning on page 48 of this report.

Long-term Debt

At the end of the current fiscal year, the Municipality had total debt outstanding of \$193.8 million. Of this amount \$10.8 million was bonded and backed by the full faith and credit of the Municipality. The remaining debt consists of debt secured by equipment, revenue bonds and notes, compensated absences, net pension obligation, and landfill closure costs.

City and Borough of Sitka, Alaska
Management’s Discussion and Analysis
June 30, 2021

City and Borough of Sitka's Outstanding Debt
June 30, 2021 and 2020
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 10.8	\$ 12.9	\$ -	\$ -	\$ 10.8	\$ 12.9
Revenue bonds	-	-	131.0	123.4	131.0	123.4
State of Alaska and revenue notes	-	-	30.3	28.1	30.3	28.1
Net pension liability	13.7	30.2	7.5	6.9	21.2	37.1
Net OPEB liability	-	1.0	-	0.2	-	1.2
Other debt	1.9	2.4	6.3	9.5	8.2	11.9
Total outstanding debt	<u>\$ 26.4</u>	<u>\$ 46.5</u>	<u>\$ 175.1</u>	<u>\$ 168.1</u>	<u>\$ 201.5</u>	<u>\$ 214.6</u>

Additional information on the Municipality’s long-term debt can be found in Note 7 beginning on page 52 of this report.

Economic Factors and the Next Year’s Budget and Rates

In setting the budgets for FY2022, the Municipality considered a number of issues with Municipality wide impact, among them:

- The continued impact of the pandemic—both on operations as well as impacts to sales tax and other sources of revenue.
- A sufficient level of funding necessary to meet the needs of Municipality residents, visitors and communities.
- Maintenance of the Municipality’s financial condition.
- The highest level of local education funding Municipality residents can reasonably afford and sustain.
- A high-quality capital and operational maintenance program that ensures the continued use and economic value of Municipality assets.

All of these factors were considered in preparing the Municipality’s budget for FY2022.

Request for Information

This financial report is designed to provide a general overview of the Municipality’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or request for addition financial information should be addressed to the Finance Director, City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska 99835.

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Basic Financial Statements

City and Borough of Sitka, Alaska

Statement of Net Position
June 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Sitka School District
Assets and Deferred Outflows of Resources				
Assets				
Equity in central treasury	\$ 42,090,563	\$ 41,936,365	\$ 84,026,928	\$ -
Cash and equivalents	-	-	-	5,652,979
Receivables (net of allowance)	5,735,541	6,872,672	12,608,213	1,107,956
Internal balances	(1,333,946)	1,333,946	-	-
Inventories	-	1,850,075	1,850,075	-
Prepaid items	1,120	-	1,120	-
Notes receivable (net of allowance)	10,641,298	50,763	10,692,061	-
Special assessments receivable	9,803	28,371	38,174	-
Water rights	-	46,966	46,966	-
Net pension asset	-	-	-	445,860
Net other postemployment benefits asset	1,178,555	576,754	1,755,309	1,781,379
Restricted assets:				
Equity in central treasury	-	150,484	150,484	-
Bond covenant accounts	-	8,605,255	8,605,255	-
Cash and investments	27,499,189	-	27,499,189	-
Interest receivable	50,175	-	50,175	-
Capital assets not being depreciated	15,082,357	30,525,012	45,607,369	-
Capital assets being depreciated, net	107,665,275	291,974,813	399,640,088	72,816
Total Assets	208,619,930	383,951,476	592,571,406	9,060,990
Deferred Outflows of Resources				
Deferred charge on refunding	386,613	3,768,998	4,155,611	-
Deferred outflows related to other postemployment benefits	951,686	418,228	1,369,914	1,088,743
Deferred outflows related to pensions	2,814,864	1,541,550	4,356,414	1,561,363
Total Deferred Outflows of Resources	4,153,163	5,728,776	9,881,939	2,650,106
Total Assets and Deferred Outflows of Resources	\$ 212,773,093	\$ 389,680,252	\$ 602,453,345	\$ 11,711,096

City and Borough of Sitka, Alaska
Statement of Net Position, continued
June 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Sitka School District
Liabilities, Deferred Inflows of Resources and Net Position				
Liabilities				
Accounts payable and accrued liabilities	\$ 1,808,427	\$ 3,987,831	\$ 5,796,258	\$ 1,045,385
Unearned revenue	760	83,707	84,467	350,928
Accrued interest payable	65,864	815,295	881,159	-
Liabilities payable from restricted assets - deposits	-	150,484	150,484	-
Noncurrent liabilities				
Due within one year:				
Bonds and notes	2,017,310	4,764,126	6,781,436	-
Capital lease	235,991	-	235,991	-
Compensated absences	294,441	136,750	431,191	-
Due in more than one year:				
Bonds, notes, and unamortized bond premium	9,658,631	161,832,331	171,490,962	-
Compensated absences	441,662	205,127	646,789	145,356
Net pension liability	13,707,624	7,506,928	21,214,552	14,725,291
Net OPEB liability	21,509	10,526	32,035	10,530
Landfill post-closure liability	-	709,667	709,667	-
Total Liabilities	28,252,219	180,202,772	208,454,991	16,277,490
Deferred Inflows of Resources				
Deferred charge on refunding	-	96,329	96,329	-
Deferred note receivable	10,141,792	-	10,141,792	-
Deferred inflows related to other postemployment benefits	1,183,604	464,624	1,648,228	1,024,566
Deferred inflows related to pensions	4,231,640	-	4,231,640	480,874
Total Deferred Inflows of Resources	15,557,036	560,953	16,117,989	1,505,440
Net Position				
Net investment in capital assets	111,104,544	163,517,555	274,622,099	72,816
Restricted for:				
Permanent Fund-nonspendable	26,326,826	-	26,326,826	-
Permanent Fund-spendable	1,213,716	-	1,213,716	-
Debt service	837,712	8,605,255	9,442,967	-
Commercial Passenger Excise Tax and Other	1,922,887	-	1,922,887	-
Acquisition of capital assets	-	3,845,189	3,845,189	-
Unrestricted (deficit)	27,558,153	32,948,528	60,506,681	(6,144,650)
Total Net Position (Deficit)	168,963,838	208,916,527	377,880,365	(6,071,834)
Total Liabilities, Deferred Inflows of Resources and Net Position (Deficit)	\$ 212,773,093	\$ 389,680,252	\$ 602,453,345	\$ 11,711,096

See accompanying notes to basic financial statements.

City and Borough of Sitka, Alaska
Statement of Activities

	Net Revenue (Expense) and Changes in Net Position							
		Program Revenues			Primary Government			Component Unit
		Expenses	Fees, Fines, & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
<i>For the fiscal year ended June 30, 2021</i>								
Primary Government								
Governmental Activities								
Administration	\$ 3,274,729	\$ 1,450,700	\$ 1,419,860	\$ -	\$ (404,169)	\$ -	\$ (404,169)	\$ -
Public safety	6,936,421	1,139,857	265,500	-	(5,531,064)	-	(5,531,064)	-
Public works	5,576,464	668,985	531,893	1,481,958	(2,893,628)	-	(2,893,628)	-
Public services	2,931,251	52,335	15,388,239	-	12,509,323	-	12,509,323	-
Education	10,680,074	-	-	-	(10,680,074)	-	(10,680,074)	-
Interest on long-term debt	316,986	-	-	-	(316,986)	-	(316,986)	-
Total Governmental Activities	29,715,925	3,311,877	17,605,492	1,481,958	(7,316,598)	-	(7,316,598)	-
Business-type Activities								
Electric	18,546,879	18,700,597	243,549	395,507	-	792,774	792,774	-
Water	2,844,519	2,908,401	23,577	35,388	-	122,847	122,847	-
Wastewater treatment	3,530,621	3,595,175	82,555	79,013	-	226,122	226,122	-
Solid waste disposal	4,809,527	4,928,391	15,190	-	-	134,054	134,054	-
Harbor	4,777,889	2,516,123	51,683	1,416,025	-	(794,058)	(794,058)	-
Airport	724,687	625,036	-	6,111	-	(93,540)	(93,540)	-
Marine Service Center	119,582	253,545	-	-	-	133,963	133,963	-
Gary Paxton Industrial Park	651,377	157,689	-	-	-	(493,688)	(493,688)	-
Total Business-type Activities	36,005,081	33,684,957	416,554	1,932,044	-	28,474	28,474	-
Total Primary Government	\$ 65,721,006	\$ 36,996,834	\$ 18,022,046	\$ 3,414,002	\$ (7,316,598)	\$ 28,474	\$ (7,288,124)	\$ -

City and Borough of Sitka, Alaska
Statement of Activities, continued

<i>For the fiscal year ended June 30, 2021</i>	Net Revenue (Expense) and Changes in Net Position							
	Program Revenues				Primary Government			Component Unit
	Expenses	Fees, Fines, & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total	Sitka School District
Total Primary Government	\$ 65,721,006	\$ 36,996,834	\$ 18,022,046	\$ 3,414,002	\$ (7,316,598)	\$ 28,474	\$ (7,288,124)	
Component Unit								
Sitka School District	\$ 22,971,493	\$ 234,969	\$ 5,173,373	\$ 150,000				\$ (17,413,151)
General Revenues								
Taxes:								
Real and personal property					7,242,611	-	7,242,611	-
Sales and bed					13,523,023	-	13,523,023	-
Commercial passenger excise tax					615,545	-	615,545	-
Tobacco tax					851,229	-	851,229	-
Contributions from primary government					-	-	-	7,011,820
Grants and entitlements not restricted to specific purpose					-	855,702	855,702	-
Investment income (loss)					6,217,663	(289,106)	5,928,557	12,918,766
Other					1,177,377	-	1,177,377	-
Transfers					(41,296)	41,296	-	-
Total General Revenues and Transfers					29,586,152	607,892	30,194,044	19,930,586
Change in Net Position					22,269,554	636,366	22,905,920	2,517,435
Net Position (Deficit), beginning as restated (Note 15)					146,694,284	208,280,161	354,974,445	(8,589,269)
Net Position (Deficit), ending					\$ 168,963,838	\$ 208,916,527	\$ 377,880,365	\$ (6,071,834)

See accompanying notes to the basic financial statements.

City and Borough of Sitka, Alaska
Governmental Funds
Balance Sheet

<i>June 30, 2021</i>	Major Funds				
	General Fund	Permanent Fund	Sitka Community Hospital Dedicated Special Revenue Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Equity in central treasury	\$ 14,922,928	\$ -	\$ 2,235,688	\$ 17,531,575	\$ 34,690,191
Receivables:					
Accounts	1,369,326	-	1,662	-	1,370,988
Taxes	3,828,617	-	63,689	184,124	4,076,430
Allowance for uncollectibles	(1,147,317)	-	-	-	(1,147,317)
Interest	174,450	-	3,858,208	-	4,032,658
Special assessments	-	-	-	9,803	9,803
Federal and State of Alaska	83,700	-	-	1,177,290	1,260,990
Due from other funds	230,630	-	-	-	230,630
Advances to other funds	3,125,552	-	-	179,888	3,305,440
Prepaid items	1,120	-	-	-	1,120
Notes receivable	-	-	10,141,792	499,506	10,641,298
Restricted assets:					
Cash and investments	-	27,499,189	-	-	27,499,189
Interest receivable	-	50,175	-	-	50,175
Total Assets	\$ 22,589,006	\$ 27,549,364	\$ 16,301,039	\$ 19,582,186	\$ 86,021,595
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 347,166	\$ 8,822	\$ 59,403	\$ 542,922	\$ 958,313
Other current liabilities	-	-	68,138	-	68,138
Accrued payroll	650,375	-	-	-	650,375
Deposits payable	44,941	-	-	-	44,941
Due to other funds	-	-	-	230,630	230,630
Advances from other funds	40,135	-	3,147,536	-	3,187,671
Unearned revenue	760	-	-	-	760
Total Liabilities	1,083,377	8,822	3,275,077	773,552	5,140,828
Deferred Inflows of Resources					
Deferred assessments	-	-	-	9,802	9,802
Prepaid property taxes	77,186	-	-	-	77,186
Deferred notes receivable and interest	-	-	14,000,000	-	14,000,000
Total Deferred Inflows of Resources	77,186	-	14,000,000	9,802	14,086,988
Fund Balances					
Nonspendable	3,126,672	26,326,826	-	179,888	29,633,386
Restricted	-	1,213,716	-	2,760,598	3,974,314
Committed	10,408,352	-	2,047,443	12,763,102	25,218,897
Assigned	-	-	-	3,132,738	3,132,738
Unassigned (deficit)	7,893,419	-	(3,021,481)	(37,494)	4,834,444
Total Fund Balances (Deficit)	21,428,443	27,540,542	(974,038)	18,798,832	66,793,779
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 22,589,006	\$ 27,549,364	\$ 16,301,039	\$ 19,582,186	\$ 86,021,595

See accompanying notes to the basic financial statements.

City and Borough of Sitka, Alaska
Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position

June 30, 2021

Total fund balances for governmental funds		\$ 66,793,779
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets, net of accumulated depreciation, consist of:		
Land	\$ 11,319,511	
Construction in progress	<u>3,762,846</u>	
Total capital assets not being depreciated	<u>15,082,357</u>	
Buildings	142,101,204	
Land improvements	8,500,278	
Infrastructure	53,615,638	
Equipment	6,783,264	
Accumulated depreciation	<u>(107,442,152)</u>	
Total depreciable capital assets, net of depreciation	<u>103,558,232</u>	118,640,589
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds. These assets consist of net OPEB assets of \$1,074,115 prepaid property taxes of \$77,186 and special assessments receivable of \$9,803.		
		1,161,104
Bond refundings may result in deferred charges. These items are treated as expenditures in the funds but deferred in the Statement of Net Position and amortized in the Statement of Activities.		
		386,613
Long-term liabilities are not due and payable in the current period and therefore are not reported as fund liabilities. These liabilities consist of:		
Bonds and State of Alaska note	(10,987,126)	
Unamortized bond premium	(688,815)	
Net pension liability	(12,445,372)	
Net other postemployment benefits liability	(19,602)	
Capital lease payable	(235,991)	
Accrued interest payable	(65,864)	
Compensated absences	<u>(659,391)</u>	
Total long term liabilities	<u>(25,102,161)</u>	(25,102,161)
Certain changes in net pension and other postemployment benefits liabilities are deferred rather than recognized immediately. These items are amortized over time.		
Deferred inflows related to pensions	(4,231,640)	
Deferred inflows related to other postemployment benefits	(1,099,469)	
Deferred outflows related to pensions	2,555,660	
Deferred outflows related to other postemployment benefits	<u>875,953</u>	
Total deferred pension and other postemployment items	<u>(1,899,496)</u>	(1,899,496)
Internal service funds are used by the Borough to charge the cost of certain activities, such as information systems, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position. This is the residual equity not reported above.		
		<u>8,983,410</u>
Total Net Position of Governmental Activities		\$ <u>168,963,838</u>

See accompanying notes to the basic financial statements.

City and Borough of Sitka, Alaska

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

	Major Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Permanent Fund	Sitka Community Hospital Dedicated Special Revenue Fund	CARES Act Special Revenue Fund			
<i>For the fiscal year ended June 30, 2021</i>							
Revenues							
Taxes:							
Commercial passenger excise tax	\$ -	\$ -	\$ -	\$ -	\$ 615,545	\$ 615,545	
Real and personal property	7,242,611	-	-	-	-	7,242,611	
Sales and bed	13,115,999	-	-	-	407,024	13,523,023	
Tobacco	-	-	851,229	-	-	851,229	
State sources	935,595	-	-	-	149,653	1,085,248	
Federal sources	4,063,471	-	-	12,112,903	1,334,205	17,510,579	
Charges for services	1,326,334	-	-	-	-	1,326,334	
Interfund services	2,705,560	-	-	-	-	2,705,560	
Fines, forfeitures and penalties	45,401	-	-	-	-	45,401	
Investment income (loss)	361,543	5,906,879	58,920	496	(77,461)	6,250,377	
Uses of property	474,498	-	-	-	-	474,498	
Licenses and permits	170,554	-	-	-	-	170,554	
Hospital sale	-	-	700,000	-	-	700,000	
Other	1,110,621	-	365,699	-	110,307	1,586,627	
Total Revenues	31,552,187	5,906,879	1,975,848	12,113,399	2,539,273	54,087,586	
Expenditures							
Current:							
Administration	5,500,788	46,585	-	-	-	5,547,373	
Public safety	6,644,317	-	-	-	10,087	6,654,404	
Public works	3,369,262	-	-	-	43	3,369,305	
Public services	1,843,222	-	1,832,333	12,113,630	527,494	16,316,679	
Education	7,581,311	-	-	-	-	7,581,311	
Debt service:							
Principal	22,309	-	-	-	1,850,000	1,872,309	
Interest	6,300	-	-	-	547,540	553,840	
Refunding bond issuance costs	-	-	-	-	48,179	48,179	
Capital outlay	127,965	-	-	-	1,947,117	2,075,082	
Total Expenditures	25,095,474	46,585	1,832,333	12,113,630	4,930,460	44,018,482	
Excess of Revenues Over (Under) Expenditures	6,456,713	5,860,294	143,515	(231)	(2,391,187)	10,069,104	
Other Financing Sources (Uses)							
Transfers in	1,591,365	-	-	-	4,332,224	5,923,589	
Transfers out	(4,117,709)	(1,213,716)	-	-	(780,145)	(6,111,570)	
Refunding bonds issued	-	-	-	-	6,290,000	6,290,000	
Premium on refunding bonds issued	-	-	-	-	585,277	585,277	
Payment to refunded bond escrow agent	-	-	-	-	(6,818,469)	(6,818,469)	
Net Other Financing Sources (Uses)	(2,526,344)	(1,213,716)	-	-	3,608,887	(131,173)	
Net Change in Fund Balances	3,930,369	4,646,578	143,515	(231)	1,217,700	9,937,931	
Fund Balances, beginning	17,498,074	22,893,964	(1,117,553)	231	17,581,132	56,855,848	
Fund Balances, ending	\$ 21,428,443	\$ 27,540,542	\$ (974,038)	\$ -	\$ 18,798,832	\$ 66,793,779	

See accompanying notes to the basic financial statements.

City and Borough of Sitka, Alaska
Reconciliation of Change in Fund Balances of Governmental Funds
to Statement of Activities
For the fiscal year ended June 30, 2021

Net change in fund balances - total governmental funds		\$ 9,937,931
The change in net position reported for governmental activities in the Statement of Activities is different because:		
Governmental funds report capital outlays as expenditures. However on the Statement of Activities, depreciation expense is recognized to allocate the cost of these items over their estimated useful lives.		
Capital outlay	\$ 2,075,082	
Miscellaneous capital asset activities (disposals, etc.)	163,386	
Depreciation	<u>(7,037,450)</u>	(4,798,982)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Decrease in deferred special assessments receivable	(3,024)	
Increase in prepaid property taxes	<u>77,186</u>	74,162
Debt refundings are reported in revenue and expenditures at the time of the transaction in the fund financial statements. Economic gains or losses are deferred and amortized on the Statement of Net Position and the Statement of Activities. This is the decrease in deferred charge on bonds.		
		(78,133)
The issuance of long-term debt (bonds, notes payable, capital lease) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of bond premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Repayment of principal on bonds and notes	1,872,309	
Principal redeemed on bond refunding	6,620,000	
Refunding bond issued	(6,290,000)	
Decrease in unamortized bond premium	211,985	
Repayment of principal on capital leases	<u>312,860</u>	2,727,154
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Decrease in accrued interest payable	103,003	
Increase in compensated absences	(67,603)	
Changes in net pension liabilities and related deferred outflows and inflows of resources	13,214,258	
Changes in net OPEB liabilities, assets and related deferred outflows and inflows of resources	<u>977,107</u>	14,226,765
Internal service funds are used by the Borough to charge the cost of certain activities, such as information systems, to individual funds. A portion of the net income of these activities is reported with governmental activities.		
		<u>180,657</u>
Change in Net Position of Governmental Activities		\$ 22,269,554

See accompanying notes to the basic financial statements.

City and Borough of Sitka, Alaska

Proprietary Funds
Statement of Net Position

	Major Enterprise Funds				Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Electric Utility	Solid Waste Disposal	Wastewater	Harbors			
<i>June 30, 2021</i>							
Assets and Deferred Outflows of Resources							
Current Assets							
Equity in central treasury	\$ 14,458,553	\$ 242,332	\$ 8,391,329	\$ 8,126,671	\$ 10,717,480	\$ 41,936,365	\$ 7,400,372
Receivables:							
Accounts	962,986	316,085	239,069	831,126	289,739	2,639,005	-
Allowance for uncollectibles	(253,075)	(107,977)	(75,287)	(459,793)	(61,539)	(957,671)	-
Federal and State of Alaska	275,859	-	246,780	1,048,457	3,620,242	5,191,338	-
Current portion of notes receivable	-	-	-	-	8,649	8,649	-
Inventories	1,489,483	-	126,402	-	234,190	1,850,075	-
Total Current Assets	16,933,806	450,440	8,928,293	9,546,461	14,808,761	50,667,761	7,400,372
Noncurrent Assets							
Restricted Assets:							
Equity in central treasury:							
Deposits	145,138	5,346	-	-	-	150,484	-
Bond covenant accounts	7,374,716	-	-	885,035	345,504	8,605,255	-
Notes receivable	-	-	31,752	-	10,362	42,114	-
Special assessments receivable	-	-	28,371	-	-	28,371	-
Net OPEB asset	369,168	23,980	109,178	37,214	37,214	576,754	104,440
Water rights	23,483	-	-	-	23,483	46,966	-
Capital assets:							
Property, plant and equipment	301,284,812	7,856,172	58,444,735	53,042,064	75,733,379	496,361,162	12,623,345
Construction in progress	7,613,117	87,468	11,277,687	785,311	6,151,188	25,914,771	-
Less accumulated depreciation	(103,265,636)	(3,244,067)	(42,327,013)	(19,977,405)	(30,961,987)	(199,776,108)	(8,516,303)
Total Capital Assets, Net of Accumulated Depreciation	205,632,293	4,699,573	27,395,409	33,849,970	50,922,580	322,499,825	4,107,042
Total Noncurrent Assets	213,544,798	4,728,899	27,564,710	34,772,219	51,339,143	331,949,769	4,211,482
Total Assets	230,478,604	5,179,339	36,493,003	44,318,680	66,147,904	382,617,530	11,611,854
Deferred Outflows of Resources							
Deferred charge on refunding	3,768,998	-	-	-	-	3,768,998	-
Deferred outflows related to other postemployment benefits	267,698	17,389	79,169	26,986	26,986	418,228	75,733
Deferred outflows related to pension	916,220	59,514	270,964	202,491	92,361	1,541,550	259,204
Total Deferred Outflows of Resources	4,952,916	76,903	350,133	229,477	119,347	5,728,776	334,937
Total Assets and Deferred Outflows of Resources	\$ 235,431,520	\$ 5,256,242	\$ 36,843,136	\$ 44,548,157	\$ 66,267,251	\$ 388,346,306	\$ 11,946,791

City and Borough of Sitka, Alaska
Proprietary Funds
Statement of Net Position, continued

	Major Enterprise Funds				Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Electric Utility	Solid Waste Disposal	Wastewater	Harbors			
<i>June 30, 2021</i>							
Liabilities, Deferred Inflows of Resources and Net Position							
Current Liabilities							
Accounts payable and accrued liabilities	\$ 1,180,356	\$ 763,465	\$ 665,539	\$ 65,602	\$ 1,312,869	\$ 3,987,831	\$ 86,660
Unearned revenue	8,335	-	-	57,556	17,816	83,707	-
Interest payable	298,826	-	205,113	162,950	148,406	815,295	-
Current portion:							
Revenue bonds	3,155,000	-	-	445,000	145,000	3,745,000	-
Notes payable	107,404	115,798	336,059	45,348	414,517	1,019,126	-
Compensated absences	78,071	2,594	25,896	16,779	13,410	136,750	30,685
Total Current Liabilities	4,827,992	881,857	1,232,607	793,235	2,052,018	9,787,709	117,345
Noncurrent Liabilities							
Advances from other funds	-	-	-	-	-	-	117,769
Bonds, notes, and unamortized bond premiums	120,096,773	810,582	15,565,626	10,882,959	14,476,391	161,832,331	-
Payable from restricted assets - deposits	145,138	5,346	-	-	-	150,484	-
Compensated absences	117,106	3,892	38,845	25,168	20,116	205,127	46,027
Net other postemployment benefits liability	6,737	438	1,993	679	679	10,526	1,907
Net pension liability	4,461,742	289,818	1,319,522	986,075	449,771	7,506,928	1,262,252
Landfill post-closure liability	-	709,667	-	-	-	709,667	-
Total Noncurrent Liabilities	124,827,496	1,819,743	16,925,986	11,894,881	14,946,957	170,415,063	1,427,955
Total Liabilities	129,655,488	2,701,600	18,158,593	12,688,116	16,998,975	180,202,772	1,545,300
Deferred Inflows of Resources							
Deferred charge on refunding	-	-	-	96,329	-	96,329	-
Deferred inflows of resources related to other postemployment benefits	297,396	19,318	87,952	29,979	29,979	464,624	84,135
Total Deferred Inflows of Resources	297,396	19,318	87,952	126,308	29,979	560,953	84,135
Net Position							
Net investment in capital assets	86,042,114	3,773,193	11,493,724	22,476,663	39,731,861	163,517,555	3,989,273
Restricted for debt service	7,374,716	-	-	885,035	345,504	8,605,255	-
Restricted for capital asset acquisition	-	-	-	-	3,845,189	3,845,189	-
Unrestricted (deficit)	12,061,806	(1,237,869)	7,102,867	8,372,035	5,315,743	31,614,582	6,328,083
Total Net Position	105,478,636	2,535,324	18,596,591	31,733,733	49,238,297	207,582,581	10,317,356
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 235,431,520	\$ 5,256,242	\$ 36,843,136	\$ 44,548,157	\$ 66,267,251		\$ 11,946,791
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						1,333,946	
Net Position of Business-Type Activities						\$ 208,916,527	

See accompanying notes to the basic financial statements.

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

	Major Enterprise Funds				Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Electric Utility	Solid Waste Disposal	Wastewater	Harbors			
<i>For the fiscal year ended June 30, 2021</i>							
Operating Revenues							
Charges for service	\$ 17,854,831	\$ 4,914,646	\$ 3,441,494	\$ 2,310,845	\$ 3,908,118	\$ 32,429,934	\$ 3,800,655
Other operating revenues	845,766	13,745	153,681	205,278	36,553	1,255,023	32,182
Total Operating Revenues	18,700,597	4,928,391	3,595,175	2,516,123	3,944,671	33,684,957	3,832,837
Operating Expenses							
Wages and benefits	3,505,960	281,631	1,205,424	1,037,310	428,750	6,459,075	1,125,053
Travel and training	17,629	361	200	932	2,639	21,761	965
Utilities	91,179	55,440	251,286	521,616	210,179	1,129,700	310,994
Repair and maintenance	114,000	8,624	89,817	48,670	222,129	483,240	304,171
Contracted/purchased services	525,774	3,406,201	77,635	107,872	231,203	4,348,685	592,232
Interdepartmental services	1,271,679	782,194	696,637	396,372	680,989	3,827,871	296,854
Other	1,849,559	109,019	221,558	229,504	297,395	2,707,035	161,021
Depreciation and amortization	7,903,251	176,518	883,547	1,992,287	2,029,653	12,985,256	941,874
Total Operating Expenses	15,279,031	4,819,988	3,426,104	4,334,563	4,102,937	31,962,623	3,733,164
Income (Loss) from Operations	3,421,566	108,403	169,071	(1,818,440)	(158,266)	1,722,334	99,673
Nonoperating Revenues (Expenses)							
Investment income (loss)	(80,761)	(20,748)	(26,602)	(56,655)	(79,702)	(264,468)	(57,353)
Interest expense	(2,579,921)	(15,643)	(123,680)	(440,226)	(260,784)	(3,420,254)	(9,566)
Debt issuance expense	(784,335)	-	-	(28,876)	-	(813,211)	-
Raw fish tax	-	-	-	855,702	-	855,702	-
State PERS relief	233,848	15,190	69,158	51,683	23,577	393,456	66,155
Other federal sources	9,701	-	13,397	-	-	23,098	19,812
Gain on sale of capital assets	-	-	-	-	-	-	81,620
Net Nonoperating Revenues (Expenses)	(3,201,468)	(21,201)	(67,727)	381,628	(316,909)	(3,225,677)	100,668
Income (Loss) Before Contributions and Transfers	220,098	87,202	101,344	(1,436,812)	(475,175)	(1,503,343)	200,341
Capital contributions	395,507	-	79,013	1,416,025	41,499	1,932,044	-
Transfers in	68,784	-	-	51,265	211,682	331,731	146,685
Transfers out	(75,507)	(14,722)	-	(76,000)	(124,206)	(290,435)	-
Change in Net Position	608,882	72,480	180,357	(45,522)	(346,200)	469,997	347,026
Net Position, beginning	104,869,754	2,462,844	18,416,234	31,779,255	49,584,497		9,970,330
Net Position, ending	\$ 105,478,636	\$ 2,535,324	\$ 18,596,591	\$ 31,733,733	\$ 49,238,297		\$ 10,317,356
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						166,369	
Change in Net Position of Business-type Activities						\$ 636,366	

See accompanying notes to the basic financial statements.

City and Borough of Sitka, Alaska

Proprietary Funds
Statement of Cash Flows

	Major Enterprise Funds				Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Electric Utility	Solid Waste Disposal	Wastewater	Harbors			
<i>For the fiscal year ended June 30, 2021</i>							
Cash Flows from (for) Operating Activities							
Receipts from customers and users	\$ 18,877,178	\$ 4,934,607	\$ 3,659,260	\$ 2,173,866	\$ 4,141,307	\$ 33,786,218	\$ 3,832,837
Payments to suppliers	(3,695,443)	(3,088,422)	(1,195,650)	(1,579,450)	53,754	(9,505,211)	(1,395,011)
Payments for interfund services used	(1,271,679)	(782,194)	(696,637)	(396,372)	(680,989)	(3,827,871)	(296,854)
Payments to employees	(3,935,410)	(239,889)	(1,104,071)	(925,937)	(391,646)	(6,596,953)	(1,086,330)
Net cash flows from (for) operating activities	9,974,646	824,102	662,902	(727,893)	3,122,426	13,856,183	1,054,642
Cash Flows from (for) Noncapital Financing Activities							
Other federal sources	9,701	-	13,397	-	-	23,098	19,812
Raw fish tax received	-	-	-	855,702	-	855,702	-
Receipts (repayment) of advances	-	(403,975)	-	-	-	(403,975)	(167,772)
Transfers to other funds	(75,507)	(14,722)	-	(76,000)	(124,206)	(290,435)	-
Transfers from other funds	68,784	-	-	51,265	211,682	331,731	146,685
Notes receivable payments	-	-	5,075	-	-	5,075	-
Net cash flows from (for) noncapital financing activities	2,978	(418,697)	18,472	830,967	87,476	521,196	(1,275)
Cash Flows from (for) Capital and Related Financing Activities							
Capital outlay	(4,580,876)	(10,184)	(6,283,309)	(979,625)	(5,047,406)	(16,901,400)	(598,695)
Interest paid	(5,102,941)	(15,643)	(123,680)	(524,422)	(288,241)	(6,054,927)	(9,566)
Payment to refunded bond escrow agent	(784,335)	-	-	(28,876)	-	(813,211)	-
Proceeds from refunding bonds issued	803,923	-	-	29,353	-	833,276	-
Decrease in bond covenant accounts	3,531,560	-	-	48,806	-	3,580,366	-
Payments on bonds and notes payable	(2,212,966)	(115,798)	(334,849)	(425,348)	(553,896)	(3,642,857)	-
Government grants and loans for construction received	395,507	-	8,428,972	1,416,025	1,321,760	11,562,264	-
Receipts (repayment) of advances	-	-	-	-	(49,785)	(49,785)	-
Special assessments received	-	-	10,658	-	-	10,658	-
Net cash flows from (for) capital and related financing activities	(7,950,128)	(141,625)	1,697,792	(464,087)	(4,617,568)	(11,475,616)	(608,261)
Cash Flows for Investing Activities							
Investment loss	(80,761)	(20,748)	(26,602)	(56,655)	(79,702)	(264,468)	(57,355)
Net Increase (Decrease) in Cash and Cash Equivalents	1,946,735	243,032	2,352,564	(417,668)	(1,487,368)	2,637,295	387,751
Cash and Cash Equivalents, beginning	12,656,956	4,646	6,038,765	8,544,339	12,204,848	39,449,554	7,012,621
Cash and Cash Equivalents, ending	\$ 14,603,691	\$ 247,678	\$ 8,391,329	\$ 8,126,671	\$ 10,717,480	\$ 42,086,849	\$ 7,400,372

City and Borough of Sitka, Alaska
Proprietary Funds
Statement of Cash Flows, continued

	Major Enterprise Funds				Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Electric Utility	Solid Waste Disposal	Wastewater	Harbors			
<i>For the fiscal year ended June 30, 2021</i>							
Reconciliation of Income (Loss) from Operations to Net Cash Flows from (for) Operating Activities							
Income (loss) from operations	\$ 3,421,566	\$ 108,403	\$ 169,071	\$ (1,818,440)	\$ (158,266)	\$ 1,722,334	\$ 99,673
Adjustments to reconcile income (loss) from operations to net cash flows from (for) operating activities:							
Depreciation and amortization	7,903,251	176,518	883,547	1,992,287	2,029,653	12,985,256	941,874
State PERS relief	233,848	15,190	69,158	51,683	23,577	393,456	66,155
(Increase) decrease in assets and deferred outflows of resources:							
Accounts receivable (net)	205,606	5,516	64,085	(367,518)	178,820	86,509	-
Inventory	(179,131)	-	226	-	10,331	(168,574)	-
Prepaid expenses	-	-	-	-	12,283	12,283	-
Net OPEB asset	(334,833)	(22,351)	(100,919)	(31,040)	(34,404)	(523,547)	(96,084)
Deferred outflows of resources related to OPEB	118,717	939	13,777	42,499	4,639	180,571	18,307
Deferred outflows of resources related to pensions	(141,904)	(22,787)	(84,715)	(63,254)	(28,989)	(341,649)	(70,763)
Increase (decrease) in liabilities and deferred inflows of resources:							
Accounts payable and accrued liabilities	(918,171)	506,674	(555,380)	(670,856)	994,685	(643,048)	(25,628)
Compensated absences	(20,026)	762	9,548	3,041	5,249	(1,426)	2,077
Unearned revenue	(33,636)	-	-	25,261	17,816	9,441	-
Net other postemployment benefits liability	(144,763)	(6,748)	(34,448)	(26,564)	(11,720)	(224,243)	(34,963)
Net pension liability	14,099	78,858	249,717	186,305	85,764	614,743	179,855
Deferred inflows of resources related to OPEB	105,233	10,203	41,730	(4,576)	14,252	166,842	37,370
Deferred inflows of resources related to pensions	(259,821)	(12,324)	(62,495)	(46,721)	(21,264)	(402,625)	(63,231)
Deposits	4,611	700	-	-	-	5,311	-
Landfill post-closure liability	-	(15,451)	-	-	-	(15,451)	-
Net Cash Flows from (for) Operating Activities	\$ 9,974,646	\$ 824,102	\$ 662,902	\$ (727,893)	\$ 3,122,426	\$ 13,856,183	\$ 1,054,642
Cash on Statement of Net Position							
Equity in central treasury	\$ 14,458,553	\$ 242,332	\$ 8,391,329	\$ 8,126,671	\$ 10,717,480	\$ 41,936,365	\$ 7,400,372
Deposits	145,138	5,346	-	-	-	150,484	-
Cash and Cash Equivalents, ending	\$ 14,603,691	\$ 247,678	\$ 8,391,329	\$ 8,126,671	\$ 10,717,480	\$ 42,086,849	\$ 7,400,372
Supplemental Disclosure on Cash Flow Information							
Capital expenditures included in accounts payable	\$ 933,096	\$ 1,517	\$ 643,989	\$ 37,067	\$ 159,501	\$ 1,775,170	\$ -

See accompanying notes to the basic financial statements.

City and Borough of Sitka, Alaska

Fiduciary Funds

Statement of Fiduciary Net Position

<i>June 30, 2021</i>	Rowe Trust Fund	Custodial Fund Cemetery Fund
Assets		
Restricted equity in central treasury	\$ 225,762	\$ 102,204
Net Position		
Net Position	\$ 225,762	\$ 102,204

See accompanying notes to the basic financial statements.

City and Borough of Sitka, Alaska
Fiduciary Funds
Statement of Changes in Fiduciary Net Position

<i>For the year ended June 30, 2021</i>	Rowe Trust Fund	Custodial Fund Cemetery Fund
Additions - investment income (loss)	\$ (1,958)	\$ (939)
Deductions - distributions	-	1,927
Net Decrease in Fiduciary Net Position	(1,958)	(2,866)
Net Position, beginning	227,720	105,070
Net Position, ending	\$ 225,762	\$ 102,204

See accompanying notes to the basic financial statements.

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements June 30, 2021

1. Summary of Significant Accounting Policies

Reporting Entity

The City and Borough of Sitka, Alaska (City and Borough) is governed by an elected assembly under a home rule charter. The accompanying financial statements present the government and its component unit, an entity for which the government is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government. The City and Borough has no blended component units.

Discretely presented component unit. The Sitka School District (School District) is responsible for elementary and secondary education within the government's jurisdiction. The members of the School District's governing board are elected by the voters. However, the School District is fiscally dependent upon the City and Borough because the City and Borough's Assembly approves appropriations of operating support from real and personal property tax assessments and other sources. The funds are used for the operation of the school system. The City and Borough is also responsible for repayment of all bonds, the proceeds of which were used for school construction.

Sitka Community Hospital (Hospital) closed, and its business operations sold as of July 31, 2019 at which point its balance sheet was integrated into a special revenue fund of the City and Borough of Sitka. Prior to its closure, it was responsible for hospital services within the City and Borough. Its governing board was appointed by the Assembly of the City and Borough. The Assembly approved the Hospital's budget.

Complete financial statements of the individual component unit may be obtained at the entity's administrative offices.

Sitka School District
P.O. Box 179
Sitka, Alaska 99835

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary 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 its 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 the 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.

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement 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 and fiduciary 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 imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. 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, judgments, and pension and other postemployment benefits are recorded only when payment is due.

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

The City and Borough reports the following major governmental funds:

The *General Fund* is the City and Borough'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 *Permanent Fund* was established by a vote of the people of Sitka. The principal of the fund cannot be used other than by the consent of the voters. The purpose of the fund is to provide operating income to the General Fund through the transfer of investment earnings.

The *Sitka Community Hospital Dedicated Special Revenue Fund* accounts for tobacco excise tax and any residual activity related to the closure of the Sitka Community Hospital.

The *CARES Act Special Revenue Fund* was used to account for funding related to CARES Act COVID-19 relief funding.

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

The City and Borough reports the following major proprietary funds:

The *Electric Utility Enterprise Fund* records the activities of the City and Borough's electric generation and distribution activities.

The *Solid Waste Disposal Enterprise Fund* records the activities of the City and Borough's solid waste collection and disposal activities.

The *Wastewater Enterprise Fund* records the activities of the City and Borough's wastewater collection and treatment activities.

The *Harbors Enterprise Fund* records the activities of the City and Borough's harbor system.

Additionally, the government reports the following fund types:

Internal service funds account for management information systems, central garage and building maintenance services provided to other departments of the government on a cost reimbursement basis.

The *Rowe Trust Fund* is used to account for resources legally held in trust for use by the Library Board to purchase children's books and computer equipment to increase children's enjoyment of reading.

The *Sitka Cemetery Custodial Fund* is used to account for resources held for the Sitka Cemetery Association.

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 various proprietary funds and the General Fund for administrative and other services. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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 City and Borough's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, Fund Balance, and Net Position

Deposits and Investments - Equity in central treasury represents a fund's equity in cash and investments of the central treasury of the City and Borough. For funds with a negative equity in central treasury, the amount is shown as an interfund payable to the General Fund. Interest income on central treasury investments is allocated monthly to participating funds based on their average monthly balance. Interest on investments held by the Permanent Fund is recognized only in the Permanent fund and, due to differing asset allocations, returns may vary significantly.

For purposes of the statement of cash flows for the proprietary funds, the City and Borough has defined cash and cash equivalents as the equity maintained in the central treasury since the various funds use the central treasury essentially as a demand deposit account.

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

Sitka General Code 4.28.060 authorizes the City and Borough to invest in the following securities:

1. United States government obligations, United States government agency obligations, and United States government instrumentality obligations, which have a liquid market with a readily determinable market value;
2. Certificates of deposit and other evidences of deposits at financial institutions, bankers' acceptances, and commercial paper, rated in the highest tier by a nationally recognized rating agency;
3. Investment-grade obligations of state and local governments and public authorities;
4. Repurchase agreements whose underlying purchased securities consist of United States Treasury securities;
5. Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities;
6. Local government investment pools, either state-administered or through joint powers statutes and other intergovernmental agreement legislation.

In addition, Sitka General Code 4.28.110 allows the Permanent Fund to invest in mutual funds which are invested in corporate equity securities.

Investments are stated at fair value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. All of the City and Borough's investments have established market values. As a result, fair value and market value are the same.

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

All trade and property tax receivables are shown net of an allowance for uncollectible accounts in the government-wide statement of net position. Trade accounts receivable of the primary government in excess of 120 days comprise the trade accounts receivable allowance for uncollectible accounts.

Property Tax - is considered an enforceable lien at the January 1 assessment date. Mill levies are set prior to June 30 to finance the period July 1 through June 30 of the following year. Receivables are recognized and revenues are recorded when the taxpayer liability is calculated and billed on July 1. Property tax bills are due 60 days after billing date, which normally makes them due August 30. A limit on property tax of six tenths of one percent (.006) of the assessed valuation of property is currently in effect. Levying of property tax in excess of the limit is allowed only if ratified by a majority of the voters.

Inventory and Prepaid Items - Inventories are valued at cost using the average cost method. Enterprise Fund inventories consist of items used in maintaining and upgrading the electric and water systems. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures or expenses when consumed rather than when purchased.

Restricted Assets - Certain resources set aside for the repayment of the Electric, Harbor, and Airport Terminal Funds revenue bonds are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. Additionally, unspent bond proceeds are restricted based on the purpose of the bonds.

Deposits are taken in the Electric, Water, Solid Waste and Harbor Funds. The amount is restricted in use as it is a deposit against an open account and is returned to a customer after a year when an account is in good standing.

Permanent Fund assets are classified as restricted due to the statutory limitations placed on the fund by the Sitka General Code.

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. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 or in the case of infrastructure, \$10,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Utility plant in service	25-65
Buildings	20-50
Equipment	3-20
Land improvements	15-50
Infrastructure	5-40
Harbor	7-40

Compensated Absences - It is the City and Borough's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. It is the government's policy to pay any amounts for unused sick leave when employees separate from service with the City and Borough at \$1 per hour of unused sick leave. All vacation pay and sick leave is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured.

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

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 straight-line method, which approximates the effective method. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the 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.

Deferred Outflows/Inflows of Resources - A deferred outflow of resources represents a consumption of net position or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. A deferred inflow of resources represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. Deferred outflows of resources consist of deferred charges on debt refunding as well as certain pension and OPEB related accounts. Deferred inflows of resources consist of long-term payments due (local improvement district, or special assessment districts) as well as certain pension and OPEB related accounts.

Estimates - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

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

Fund Balance and Fund Balance Flow Assumption - In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balance based on constraints imposed on the use of these resources.

Nonspendable fund balance includes amounts that cannot be spent due to either being (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

Restricted fund balance includes resources with constraints imposed by either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

Committed fund balance amounts can only be used for specific purposes pursuant to constraints imposed by formal ordinances of the Assembly on or before the end of the fiscal year. Assembly action taken after the end of the fiscal year results in an assigned (see below) amount. Those committed resources cannot be used for any other purpose unless the Assembly removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance reflects the resources constrained by an “intent” to be used for specific purposes but are neither restricted nor committed. The Assembly or Finance Director has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts - except negative balances - reported in governmental funds, other than the General Fund, that are not classified as nonspendable, restricted or committed. The General Fund assigned resources are constrained by either an Assembly resolution or ordinance adopted after the fiscal year end or by the Finance Director.

Unassigned fund balance resources are the residual classification for resources not classified as nonspendable, restricted, committed or assigned in the General Fund. It is also used to report a negative balance in other governmental funds when the totals of nonspendable, restricted, committed and assigned are greater than the fund balance of the governmental fund.

When both constrained and unconstrained resources are available for use, it is the City and Borough’s policy to use funds from the strongest constraint first with the least constrained funds used last. The order of priority in the use of assets is nonspendable, restricted, committed, assigned and then unassigned.

Net Position and Net Position Flow Assumption - Net position (deficit) represents the difference between assets and deferred outflows less liabilities and deferred inflows.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the expended and outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets.

Restricted Net Position is net position reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Unrestricted Net Position (Deficit) is all net position (deficit) that does not meet the definition of “net investment in capital assets” or “restricted net position”.

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City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

2. Stewardship, Compliance, and Accountability

Budgetary Information

The annual budget is adopted on the modified accrual basis plus encumbrances and capital additions for all funds. The Capital Projects Fund adopts individual project-length budgets and many special revenue funds are controlled by grant agreements which may include more than one fiscal year. Appropriations lapse at year-end to the extent they have not been expended or encumbered except for capital items and the Capital Project Funds, which lapse at project completion, or when the capital item is acquired, or if the project is abandoned. Special revenue fund appropriations lapse when the terms of the grant have been met and all authorized expenditures have been made; otherwise, special revenue fund appropriations lapse at the end of the fiscal year. There are seventeen special revenue funds that adopt annual budgets.

No later than sixty days before the end of the current fiscal year, the City and Borough Administrator presents to the City and Borough Assembly a proposed operating budget for the next fiscal year. The operating budget includes proposed expenditures and the projected means to finance them. Public hearings are conducted not less than one week before the final adoption of the budget to obtain taxpayer comments. No later than June 20th of the current fiscal year, the budget is legally adopted by ordinance of the City and Borough Assembly.

Annual budgeted operating expenditures are adopted at the fund level for all funds. The level at which operating expenditures cannot legally exceed appropriations is the fund level for the General Fund, Enterprise, and Internal Service Funds. Capital appropriations are made at the project level and capital expenditures cannot exceed project-level appropriations. The only exception to this rule is amounts appropriated for salaries and benefits, travel and the acquisition of capital assets by a fund. The City and Borough Assembly must approve increases and decreases to these budget line items even if the legal level of budget authority is the fund level. Appropriations for depreciation/amortization are not required, however estimates for depreciation/amortization are included in the budget. In addition, while budgeted, transfers between funds are not considered legal appropriations, as they are not an obligation external to the municipality. Thus, while a fund may appear to have exceeded legal appropriations, when depreciation and transfers are considered, no major fund exceeded its legal appropriations in FY 2021.

The City and Borough Administrator is authorized to transfer budgeted amounts within a department or fund depending on the legal level of control. The City and Borough Assembly is authorized to transfer unencumbered balances between departments and between funds. The annual budget is amended as required by the City and Borough Assembly through the passage of supplemental appropriation ordinances.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as constraints of fund balance only to the extent they meet the criteria as outlined above.

The operating budget for the School District is approved by its board. The School District budget is not approved by the Assembly. However, the Assembly determines the amount of funding to be made available from local sources for school purposes during its budget approval process.

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

3. Deposits and Investments

As of June 30, 2021, the City and Borough had the following investments:

<i>Investment Type</i>	Credit Rating	Fair Value
Investments subject to custodial credit risk:		
Corporate securities	AAA to A-	\$ 3,050,578
Municipal securities	AAA to AA-	2,453,777
Certificates of deposit	Unrated or P1	7,409,504
U.S. Treasury securities	AA+	52,575,958
External investment pool	Unrated	4,244,729
Exchange traded funds	Unrated	18,911,935
U.S. Agency securities	AA+	6,096,213
Money market funds	Unrated	5,175,737
Total Fair Value of Investments Subject to Custodial Credit Risk		\$ 99,918,431

Interest Rate Risk

The City and Borough does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The pooled investments cannot have a weighted average maturity in excess of five (5) years, while the bonds in the Permanent Fund cannot have a weighted average maturity in excess of ten (10) years. The City and Borough's investment policy mandates that the investment portfolio be structured to minimize the need to sell securities prior to maturity and that operating funds be invested primarily in shorter-term securities, money market mutual funds and similar investment pools.

As of June 30, 2021, investments subject to interest rate risk had the following maturities:

Pooled investments and debt service reserves

<i>Investment type</i>	<i>Less Than 1 Year</i>	<i>1-2 years</i>	<i>2-5 years</i>	<i>>5 years</i>
Corporate securities	\$ 998,059	\$ -	\$ 2,052,519	\$ -
Municipal securities	-	1,928,093	-	-
Certificates of deposit	740,332	3,434,398	2,996,829	237,945
U.S. Treasury securities	-	18,012,002	28,551,583	-
U.S. Agency securities	-	1,030,650	4,000,777	649,223
Total Investments Subject to Interest Rate Risk	\$ 1,738,391	\$ 24,405,143	\$ 37,601,708	\$ 887,168

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

Permanent Fund

<i>Investment type</i>	<i>Less Than 1 Year</i>	<i>1-2 years</i>	<i>2-5 years</i>	<i>>5 years</i>
Municipal securities	\$ -	\$ 525,684	\$ -	\$ -
U.S Agency securities	-	-	198,727	216,836
U.S. Treasury securities	-	873,322	3,417,686	1,721,365
Total Investments Subject to Interest Rate Risk	\$ -	\$ 1,399,006	\$ 3,616,413	\$ 1,938,201

The City and Borough’s investment policy allows the Permanent Fund to invest in mutual funds which are invested in corporate equity securities in addition to all of the investments described above. The investment policy requires that the equity securities within the mutual funds be broadly diversified across all sectors. The investment mix within the Permanent Fund’s portfolio has a benchmark percentage of 35% to be invested in fixed income securities and cash, and, must fall within a range of 25% to 45% of the market value of the portfolio. The investment mix also has a benchmark percentage of 65% to be invested in equity securities, and, must fall within a range of 55% to 75% of the market value of the portfolio. At June 30, 2021, the Permanent Fund’s portfolio contained 69% equity securities and 31% cash and fixed income securities.

The City and Borough participates in two external investment pools. One pool is registered with the Securities and Exchange Commission, the other is not. All of the participants of the unregistered pool are municipalities within the State of Alaska. The funds in that pool are managed by the trust department of a large bank. A share price of \$1 is maintained for both pools, giving the City and Borough one share for every dollar invested in the pools. As a result, the fair value of the pools is the same as the value of the pool shares.

Credit Risk

The City and Borough’s investment policy limits investment in corporate debt securities to those rated AA or better by a nationally recognized statistical rating organization. Debt securities of state and local governmental entities must have a similar rating. Short-term commercial promissory notes must have a rating of A1/P1 or better. The long-term credit rating of the issuing organization must be A- or better. Real Estate Mortgage Investment Conduit securities are limited to the Government National Mortgage Association and the Federal Home Loan Mortgage Association. The investment policy does not require these securities to have any minimum rating. The City and Borough’s investments complied with its policy at June 30, 2021.

Concentration of Credit Risk

The City and Borough’s investment policy states that one of the general objectives of investing will be to diversify the portfolio so that potential losses on individual securities will be minimized. The policy does not limit the investment in any one security to a percentage of the total portfolio.

As of June 30, 2021, the City and Borough had no concentrations exceeding five percent from any issuer, with the exception of AMLIP which is considered to have no credit risk and securities issued by the US Government.

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City and Borough's deposits may not be returned to it. It is the City and Borough's policy to mitigate this risk by requiring that all demand deposits be fully collateralized by securities held in the City and Borough's name by an agent of the financial institution holding the demand deposits. Of the bank balance at June 30, 2021, \$1,176,426 was covered by the Federal Deposit Insurance Corporation (FDIC), and \$15,086,006 was subject to a collateral agreement.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of outside parties. All of the City and Borough's investments subject to custodial credit risk are held by the City and Borough's agent in its name.

Fair Value Measurement

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

The City and Borough has the following recurring fair value measurements as of June 30, 2021:

- U.S. government agency securities of \$6,096,213 are valued using information for market sources, integrated relative credit information, observed market movements, and sector news into the evaluated pricing applications and models (Level 2 inputs)
- U.S. treasury securities of \$52,575,958 are valued using information for market sources, integrated relative credit information, observed market movements, and sector news into the evaluated pricing applications and models (Level 2 inputs)
- Corporate securities of \$3,050,578 are valued using information for market sources, integrated relative credit information, observed market movements, and sector news into the evaluated pricing applications and models (Level 2 inputs)
- Municipal securities of \$2,453,777 are valued using information for market sources, integrated relative credit information, observed market movements, and sector news into the evaluated pricing applications and models (Level 2 inputs)
- Certificate of deposits of \$7,409,504 are valued using information for market sources, integrated relative credit information, observed market movements, and sector news into the evaluated pricing applications and models (Level 2 inputs)
- Exchange traded funds of International and U.S. equities of \$18,911,935 are valued using quoted market prices (Level 1 inputs)

The City and Borough has investments in money market funds totaling \$5,175,737 that are not held at fair value, but instead recorded at amortized cost, as of June 30, 2021. The City and Borough's investment in AMLIP of \$4,244,729 is measured at net asset value, as of June 30, 2021. Management believes that these values approximate fair value.

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

A reconciliation of cash and investments as shown in the basic financial statements for the primary government follows:

Cash on hand	\$	2,100
Carrying amount of deposits		20,689,291
Carrying amount of investments		99,918,431
<hr/>		
Total Cash and Investments	\$	120,609,822
<hr/>		
Reported in the Statement of Net Position		
Equity in central treasury	\$	84,026,928
Equity in central treasury - restricted		150,484
Bond covenant accounts		8,605,255
Cash and investments - restricted		27,499,189
Reported in the Fiduciary Funds		327,966
<hr/>		
Total Cash and Investments	\$	120,609,822

At June 30, 2021, the Sitka School District's cash and investments included operating bank accounts and sweep accounts. The carrying amount of deposits was \$5,652,979. Amounts are insured at each financial institution by the Federal Deposit Insurance Corporation up to legal maximum. The School District policy requires any amount in excess of the U.S. Federal Deposit Insurance Corporation (FDIC) limit be collateralized.

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City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

4. Receivables

Receivables as of year-end for the City and Borough’s individual major funds, and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General	Sitka Community Hospital Dedicated	Nonmajor Governmental	Total Governmental Funds
Accounts	\$ 1,369,326	\$ 1,662	\$ -	\$ 1,370,988
Taxes	3,828,617	63,689	184,124	4,076,430
Interest	174,450	3,858,208	-	4,032,658
Special assessments	-	-	9,803	9,803
Federal and State of Alaska	83,700	-	1,177,290	1,260,990
Notes	-	10,141,792	499,506	10,641,298
Total receivables	5,456,093	14,065,351	1,870,723	21,392,167
Less allowance for doubtful accounts and notes	(1,147,317)	-	-	(1,147,317)
Net Total Receivables	\$ 4,308,776	\$ 14,065,351	\$ 1,870,723	\$ 20,244,850

	Electric Utility	Solid Waste Disposal	Wastewater Utility	Harbors	Non-Major Enterprise	Total Enterprise Funds
Special assessments	\$ -	\$ -	\$ 28,371	\$ -	\$ -	\$ 28,371
Federal & State	275,859	-	246,780	1,048,457	3,620,242	5,191,338
Accounts	962,986	316,085	239,069	831,126	289,739	2,639,005
Notes	-	-	31,752	-	19,011	50,763
Total receivables	1,238,845	316,085	545,972	1,879,583	3,928,992	7,909,477
Less allowance for doubtful accounts	(253,075)	(107,977)	(75,287)	(459,793)	(61,539)	(957,671)
Net Total Receivables	\$ 985,770	\$ 208,108	\$ 470,685	\$ 1,419,790	\$ 3,867,453	\$ 6,951,806

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds report unearned revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows reported in the governmental funds were as follows:

<i>Description</i>	<i>Deferred Inflows</i>
Special assessments not yet due	\$ 9,802
Property taxes paid in advance	77,186
Notes receivable and interest	14,000,000
Totals for Governmental Funds	\$ 14,086,988

5. Capital Assets

Governmental Activities	Beginning Balance	Additions	Deletions and Adjustments	Ending Balance
<i>Capital assets not being depreciated:</i>				
Land	\$ 11,319,511	\$ -	\$ -	\$ 11,319,511
Construction in progress	2,368,762	1,947,116	(553,032)	3,762,846
Total capital assets not being depreciated	13,688,273	1,947,116	(553,032)	15,082,357
<i>Capital assets being depreciated:</i>				
Buildings	143,255,926	241,930	-	143,497,856
Land improvements	8,372,882	151,671	-	8,524,553
Infrastructure	53,575,136	72,961	-	53,648,097
Equipment	17,495,292	1,093,888	(635,956)	17,953,224
Total capital assets being depreciated	222,699,236	1,560,450	(635,956)	223,623,730
<i>Less accumulated depreciation for:</i>				
Buildings	(68,572,051)	(4,470,083)	-	(73,042,134)
Land improvements	(2,602,888)	(456,942)	-	(3,059,830)
Infrastructure	(24,295,830)	(1,890,595)	-	(26,186,425)
Equipment	(13,108,420)	(1,161,702)	600,056	(13,670,066)
Total accumulated depreciation	(108,579,189)	(7,979,322)	600,056	(115,958,455)
Total capital assets being depreciated, net	114,120,047	(6,418,872)	(35,900)	107,665,275
Governmental Activities				
Capital Assets, net	\$ 127,808,320	\$ (4,471,756)	\$ (588,932)	\$ 122,747,632

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

Business-Type Activities	Beginning Balance	Additions	Deletions and Adjustments	Ending Balance
<i>Capital assets not being depreciated:</i>				
Land	\$ 4,610,239	\$ -	\$ -	\$ 4,610,239
Construction in progress	23,230,644	16,901,740	(14,217,613)	25,914,771
Total capital assets not being depreciated	27,840,883	16,901,740	(14,217,613)	30,525,010
<i>Capital assets being depreciated:</i>				
Buildings	21,632,949	53,048	-	21,685,997
Land improvements	23,668,663	-	-	23,668,663
Equipment	7,106,616	98,417	-	7,205,033
Harbors	36,682,175	13,741,859	-	50,424,034
Electric plant	294,915,151	191,637	-	295,106,788
Water plant	37,729,619	43,649	-	37,773,268
Wastewater treatment plant	55,718,283	168,857	-	55,887,140
Total capital assets being depreciated	477,453,456	14,297,467	-	491,750,923
<i>Less accumulated depreciation for:</i>				
Buildings	(10,400,990)	(613,350)	-	(11,014,340)
Land improvements	(4,715,901)	(574,414)	-	(5,290,315)
Equipment	(5,061,151)	(233,044)	-	(5,294,195)
Harbors	(16,654,309)	(1,940,097)	-	(18,594,406)
Electric plant	(92,998,252)	(7,742,916)	-	(100,741,168)
Water plant	(17,527,218)	(1,083,807)	-	(18,611,025)
Wastewater treatment plant	(39,433,031)	(797,628)	-	(40,230,659)
Total accumulated depreciation	(186,790,852)	(12,985,256)	-	(199,776,108)
Total capital assets being depreciated, net	290,662,604	1,312,211	-	291,974,815
Business-type Activities				
Capital Assets, net	\$ 318,503,487	\$18,213,951	\$(14,217,613)	\$ 322,499,825

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

Administration	\$ 97,401
Public safety	312,788
Public works	2,369,663
Public services	1,158,835
Support	3,098,763
Capital assets held by internal service funds	941,872

Total Depreciation Expense - Governmental Activities \$ 7,979,322

Business-type Activities:

Electric	\$ 7,903,251
Water	1,392,250
Wastewater treatment	883,547
Solid waste disposal	176,518
Harbor	1,992,287
Airport terminal building	171,360
Marine service center	31,218
Gary Paxton Industrial Park	434,825

Total Depreciation Expense - Business-type Activities \$ 12,985,256

6. Interfund Receivables, Payables and Transfers

<i>Receivable Fund</i>	<i>Payable Fund</i>	<i>Amount</i>
Due to/from other funds:		
General Fund	Visitor Enhancement Fund	\$ 230,630
Total Due To/From Other Funds		\$ 230,630
Advances from/to other funds:		
General Fund	Sitka Community Hospital Fund	\$ 3,125,552
SE Economic Development Fund	Information Technology Fund	117,769
SE Economic Development Fund	Sitka Community Hospital Fund	21,984
SE Economic Development Fund	General Fund	40,135
Total Advances From/To Other Funds		\$ 3,305,440

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

Amounts due between the General Fund and nonmajor governmental funds result from negative equity in the central treasury because expenditures are made prior to the receipt of revenue, as in the case of funds that account for the activity of reimbursable grants for both capital and noncapital expenditures. Some grants require cash matches. Transfers are made from the General Fund at the conclusion of the project to meet the match requirements. Until the transfer is made, the fund has a negative equity in the central treasury.

The Southeast Economic Development Fund, a nonmajor governmental fund, was established with federal monies, to promote economic development and is also used to fund internal projects. This fund advanced amounts to other funds for expansion projects. At the end of the fiscal year, internal loans totaling \$179,889 were outstanding. Generally, internal loans are made at an annual rate of 3%. The term is usually set at 3 years but may vary.

The School Bond Debt Service Fund, a nonmajor governmental fund, receives a portion of taxes collected specifically for school bond debt service from the General Fund, payable after year-end.

The advance from the General Fund to the Sitka Community Hospital Dedicated Special Revenue Fund was to cover a known liability at the time of the closure of the Sitka Community Hospital. A small portion of the liability remains outstanding and therefore payments to the City and Borough of Sitka from the Southeast Alaska Regional Health Consortium are held in escrow. For this reason, at the end of the fiscal year, a portion of the advance remains outstanding, with the expectation that it will be repaid upon release of funds in escrow.

Interfund Transfers

Transfers are used to move general and other fund revenues for the purchase and construction of capital assets to the nonmajor governmental and internal service funds. Funds are also transferred from the General Fund to the School Bond Debt Service Fund to cover debt payments. In addition, funds are transferred to the General Fund each year from the Permanent Fund for general support.

Transfers From:

Transfers To:	General	Permanent	Electric	Solid Waste	Harbors	Nonmajor Govern- mental	Nonmajor Enterprise	Total
General	\$ -	\$1,213,716	\$ -	\$ -	\$ -	\$377,649	\$ -	\$1,591,365
Nonmajor Governmental	4,092,199	-	-	-	76,000	78,000	86,025	4,332,224
Electric	-	-	-	-	-	68,784	-	68,784
Harbor Nonmajor	21,309	-	-	-	-	13,200	16,756	51,265
Enterprise	-	-	-	-	-	211,682	-	211,682
Internal Service	4,201	-	75,507	14,722	-	30,830	21,425	146,685
Total Transfers Out	\$4,117,709	\$1,213,716	\$75,507	\$14,722	\$76,000	\$780,145	\$124,206	\$6,402,005

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

7. Long-term Debt

General Obligation Bonds

The City and Borough issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued only for governmental activities.

General obligation bonds are direct obligations and pledge the full faith and credit of the City and Borough. All of the bonds outstanding are held by the Alaska Municipal Bond Bank Authority. The State of Alaska agency purchases bonds from municipalities within the State, while simultaneously selling its own bonds to third parties in order to fund the bond purchases.

In June 2021, the City and Borough issued General Obligation School refunding bonds of \$2,775,000 to refinance \$3,300,000 of outstanding 2011 Series Two School Bonds that resulted in debt service savings through 2031 of \$576,806 and an economic gain of \$491,352.

In June 2021, the City and Borough issued General Obligation School refunding bonds of \$1,865,000 to refinance \$1,760,000 of outstanding 2012 Series A School Bonds that resulted in debt service savings through 2025 of \$93,524 and an economic gain of \$99,691. The City and Borough issued General Obligation School refunding bonds of \$1,650,000 to refinance \$1,560,000 of outstanding 2012 Series B School Bonds that resulted in debt service savings through 2024 of \$54,250 and an economic gain of \$61,709.

General obligation bonds currently outstanding are as follows:

Governmental Activities	Interest Rates	Outstanding Amount
School renovation and additions:		
\$12,755,000 2012 Series Two bonds refinancing portion of 2005 Series B School Bonds and refinancing the balance of 2004 Series A School Bonds, final payment due September 1, 2021	4.000% to 5.000%	\$ 1,260,000
\$6,095,000 2015 Series One refinancing portion of 2005 Series A and 2008 Series Two School bonds, final payment due October 1, 2027	2.000% to 5.000%	3,200,000
\$2,775,000 2021 Series One refinancing portion of 2011 Series Two School Bonds, final payment due December 1, 2030	5.00%	2,775,000
\$3,515,000 2021 Series Two refinancing the balance of 2012 Series Two that refunded 2004 Series A School Bonds, final payment due December 1, 2024	.243% to .698%	3,515,000
Total General Obligation Bonds		\$ 10,750,000

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

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

<i>Year Ending June 30,</i>	Principal	Interest
2022	\$ 1,995,000	\$ 306,384
2023	2,050,000	253,201
2024	2,075,000	220,011
2025	1,310,000	185,736
2026	740,000	147,500
2027-2031	2,580,000	202,500
	\$ 10,750,000	\$ 1,315,332

In addition, governmental activities reports three State of Alaska, Department of Environmental Conservation Loans for stormwater improvements and sewer replacement projects.

	Interest Rates	Outstanding Amount
\$195,000, note payable for stormwater improvements, #783011	1.50%	\$ 68,250
\$69,622, note payable for stormwater improvements, #783401	1.50%	41,773
\$740,000, note payable for Baranof Street Sewer Replacement, governmental portion of \$183,097, #783091	1.50%	127,103
Total State of Alaska, Department of Environmental Conservation Loans		\$ 237,126

Annual debt service requirements to maturity are as follows:

<i>Year Ending June 30,</i>	Principal	Interest
2022	\$ 22,310	\$ 3,558
2023	22,310	3,222
2024	22,310	2,887
2025	22,310	2,553
2026	22,310	2,219
2027-2031	82,300	6,512
2032-2035	43,276	1,517
	\$ 237,126	\$ 22,468

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

The City and Borough has also entered into a capital lease for the purchase of a Cerner patient health record system for the Sitka Community Hospital Dedicated Special Revenue Fund.

<i>Year Ending June 30,</i>	Outstanding Amount
2022	\$ 235,991
	\$ 235,991

Revenue Bonds

The City and Borough issues bonds where it pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds for the Airport Terminal, Electric, and Harbor funds all require cash flow from operating revenue at or above 125% of annual bonded debt service. If cashflow falls below 125% of the debt service, the City and Borough can avoid default by employing a consultant to recommend rate changes that would satisfy the rate covenant. Employment of a consultant and implementation of the recommended rate change within 180 days will ensure default is avoided. All such requirements were met for the year ended June 30, 2021.

In July 2020, the City and Borough issued Series One Electric refunding bonds of \$25,550,000 to refinance \$31,500,000 of outstanding 2010 Series Electric bonds that resulted in debt service savings through 2031 of \$5,336,840 and an economic gain of \$5,111,571.

In June 2021, the City and Borough issued Series Two Electric refunding bonds of \$39,240,000 to refinance \$35,530,000 of outstanding 2013 One Series Electric bonds that resulted in debt service savings through 2025 of \$93,524 and an economic gain of \$7,998,182.

In June 2021, the City and Borough issued Series Two Electric refunding bonds of \$28,895,000 to refinance \$25,615,000 of outstanding 2013 Three Series Electric bonds that resulted in debt service savings through 2049 of \$6,958,701 and an economic gain of \$5,293,307.

In June 2021, the City and Borough issued Series Two Electric refunding bonds of \$19,110,000 to refinance \$16,325,000 of outstanding 2014 Three Series Electric bonds that resulted in debt service savings through 2045 of \$2,990,156 and an economic gain of \$2,328,996.

In June 2021, the City and Borough issued Series Two Harbor refunding bonds of \$2,675,000 to refinance \$2,415,000 of outstanding 2013 One Series Harbor bonds that resulted in debt service savings through 2033 of \$330,508 and an economic gain of \$282,038.

In June 2021, the City and Borough issued Series Two Electric refunding bonds of \$5,975,000 to refinance \$5,807,293 of outstanding Alaska Energy Authority Electric Loan that resulted in debt service savings through 2033 of \$765,369 and an economic gain of \$693,502.

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

Revenue bonds outstanding at year end are as follows:

Business-type Activities	Interest Rates	Outstanding Amount
\$3,955,000, 2013 Series One Harbor bonds, final payment due August 1, 2022	2.00% to 5.00%	\$ 365,000
\$8,025,000, 2018 Series One Harbor bonds, final payment due February 1, 2038	5.00%	7,385,000
\$4,045,000, 2018 Series One Airport Terminal bonds, final payment due February 1, 2038	5.00%	3,770,000
\$25,550,000 2020 Series One refunding 2010 Series Electric bonds, final payment due December 1, 2030	5.00%	23,630,000
\$39,240,000 2021 Series Two refunding 2013 One Series Electric bonds, final payment due December 1, 2046	.243% to 3.128%	39,240,000
\$28,895,000 2021 Series Two refunding 2013 Three Series Electric bonds, final payment due December 1, 2048	.243% to 3.128%	28,895,000
\$19,110,000 2021 Series Two refunding 2014 Three Series Electric bonds, final payment due December 1, 2044	.243% to 3.128%	19,110,000
\$5,975,000 2021 Series Two refinancing of Alaska Energy Authority Electric loan, final payment due December 1, 2032	.243% to 2.222%	5,975,000
\$2,675,000 2021 Series Two refinancing of 2013 One Harbor bonds, final payment due December 1, 2032	.243% to 2.222%	2,675,000
Total Revenue Bonds		\$ 131,045,000

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

<i>Year Ending June 30,</i>	Principal	Interest
2022	\$ 3,745,000	\$ 4,090,929
2023	3,765,000	4,068,316
2024	3,890,000	3,934,414
2025	4,040,000	3,799,904
2026	4,180,000	3,654,259
2027-2031	23,315,000	15,716,513
2032-2036	26,985,000	11,579,566
2037-2041	26,345,000	7,441,180
2042-2046	26,505,000	3,323,763
2047-2049	8,275,000	303,651
	\$ 131,045,000	\$ 57,912,496

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

As of June 30, 2021, the City and Borough had no authorized but unissued bonds.

State of Alaska, Department of Environmental Conservation Loan Program

The City and Borough borrowed funds from the State of Alaska to upgrade water and wastewater distribution systems.

	Interest Rate	Outstanding Amount
Notes payable for completed projects:		
\$565,000, for water system upgrades on Sawmill Creek Road #783061	1.50%	\$ 174,612
\$1,000,000, for harbor water distribution system upgrades #783071	1.50%	362,785
\$1,310,000, for wastewater treatment plant upgrades #783051	1.50%	359,484
\$987,157, for I and I #783011	1.50%	344,618
\$2,400,000, for Kimsham landfill closure #783081	1.50%	926,380
\$3,170,000, for Whitcomb Heights Subdivision water tank #783211	1.50%	1,267,891
\$1,000,000, for Japonski Island water distribution main #783151	1.50%	326,772
\$1,400,000, for sewer system upgrades #783101	1.50%	527,407
\$483,000, for SMC Road/HPR Intersection water line replacement #783311	1.50%	171,573
\$308,000, for HPR/SMC Road Intersection sewer replacement #783241	1.50%	149,697
\$617,000, for water tank protection, #783341	1.50%	37,020
\$859,103, for Monastery Street sewer main replacement, #783401	1.50%	279,556
\$782,000, for Monastery Street water main replacement, #783441	1.50%	400,448
\$1,455,081, for SMC Road sewer upgrade, Phase III - ARRA Funding #783281	1.50%	94,360
\$740,000, for Baranof Street sewer replacement - #783091	1.50%	216,419
\$685,000, for Baranof Street water system replacement - #783501	1.50%	64,084
\$1,740,000, for Japonski Island sewer lift stations - #783391	1.50%	956,815
\$1,520,000, for UV disinfection facility - #783431	1.50%	1,120,000
\$297,791, for Monastery & Baranof Street water mains - #783301	1.50%	238,233
\$316,211, for Monastery & Baranof Street sewer mains - #783411	1.50%	252,969
\$58,362, for Hollywood Way water main - #783521	1.50%	46,690
\$214,600, for Hollywood Way sewer main - #783511	1.50%	171,680
\$2,375,092, for Indian River temporary filtration #783381	1.50%	2,062,309
\$482,588, for Crescent Harbor lift station #783161	1.50%	419,034
\$737,690, for Jeff Davis water main replacement #783371	1.50%	640,542
Total notes payable for completed projects		\$11,611,378

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

	Interest Rate	Outstanding Amount
Uncompleted projects in draw down phase:		
\$1,352,100, for DeGroff Street water improvements - #783111	1.50%	\$ 1,352,100
\$1,463,700, for DeGroff Street sewer improvements - #783121	1.50%	1,447,717
\$217,400, for Brady Street lift station upgrades #783321	1.50%	217,400
\$1,825,000, for wastewater treatment plant rehab - #783451	1.50%	1,825,000
\$5,079,500, for wastewater treatment plant rehab - #783461	1.50%	3,697,428
\$2,154,170, for Channel, Lake, and Monastery lift station upgrades - #783361	1.50%	2,154,170
\$2,550,000, for UV disinfection - #783481	1.50%	82,859
\$17,620,000, for critical secondary water supply - #783531	1.56%	5,034,071
\$2,832,500, for wastewater treatment plant rehab - #783221	1.52%	2,832,500
Total draw on notes yet to be finalized		\$ 18,643,245

Annual debt service requirements to maturity for notes payable on completed projects are as follows:

Year Ending June 30,	Principal	Interest
2022	\$ 1,019,126	\$ 174,169
2023	1,022,610	158,886
2024	1,026,148	143,546
2025	1,029,740	128,151
2026	1,033,385	112,707
2027-2031	3,953,799	350,220
2032-2036	2,072,677	117,441
2037-2038	453,893	9,904
	\$ 11,611,378	\$ 1,195,024

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City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

Changes in Long-term Liabilities

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	\$12,930,000	\$6,290,000	\$8,470,000	\$10,750,000	\$1,995,000
Issuance premiums	900,800	585,277	797,262	688,815	-
Total bonds payable	13,830,800	6,875,277	9,267,262	11,438,815	1,995,000
State of Alaska notes	259,435	-	22,309	237,126	22,310
Capital lease	548,852	-	312,861	235,991	235,991
Compensated absences	666,424	605,598	535,919	736,103	294,441
Net OPEB liability	1,041,098	-	1,019,589	21,509	-
Net pension liability	30,247,770	-	16,540,146	13,707,624	-
Governmental Activity Long-term Liabilities	\$46,594,379	\$7,480,875	\$27,698,086	\$26,377,168	\$2,547,742
Business-type Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
Revenue bonds	\$123,425,000	\$121,445,000	\$113,825,000	\$131,045,000	\$3,745,000
Issuance premiums	8,419,815	7,116,396	10,239,377	5,296,834	-
Total bonds payable	131,844,815	128,561,396	124,064,377	136,341,834	3,745,000
Notes payable:					
Revenue notes	5,994,442	-	5,994,442	-	-
State of Alaska notes	22,083,536	9,186,796	1,015,709	30,254,623	1,019,126
Total notes payable	28,077,978	9,186,796	7,010,150	30,254,623	1,019,126
Compensated absences	343,303	299,294	300,720	341,877	136,750
Landfill postclosure liability	725,118	-	15,451	709,667	-
Net OPEB liability	234,769	-	224,243	10,526	-
Net pension liability	6,892,186	614,742	-	7,506,928	-
Business-type Activity Long-term Liabilities	168,118,169	138,662,228	131,614,941	175,165,455	4,900,876
Entity Combined Long-term Liabilities	\$214,712,548	\$146,143,103	\$159,313,026	\$201,542,623	\$7,448,618

For governmental activities, compensated absences, pension liability, and OPEB liability are generally liquidated by the governmental or internal service fund in which they were incurred.

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

8. Restricted Assets

The balance of the restricted assets accounts in the enterprise funds at June 30, 2021 are as follows:

Customer deposits:	
Electric utility	\$ 145,138
Solid waste disposal	5,346
Investment with bond trustee pursuant to revenue bond covenants	8,605,255
Total Restricted Assets	\$ 8,755,739

9. Fund Balances

Fund balances, reported in the City and Borough's individual major funds and nonmajor funds in the aggregate on the governmental funds balance sheet are subject to the following constraints:

	General Fund	Permanent Fund	Sitka Community Hospital Dedicated Fund	Nonmajor Funds	Totals
Nonspendable:					
Advances receivable	\$ 3,125,552	\$ -	\$ -	\$ 179,889	\$ 3,305,441
Prepaid items	1,120	-	-	-	1,120
Home Rule Charter	-	26,326,826	-	-	26,326,826
Total nonspendable	3,126,672	26,326,826	-	179,889	29,633,387
Restricted:					
Sitka Public Library	-	-	-	288,360	288,360
Commercial passenger tax	-	-	-	1,634,526	1,634,526
Home Rule Charter	-	1,213,716	-	-	1,213,716
Debt service	-	-	-	837,712	837,712
Total restricted	-	1,213,716	-	2,760,598	3,974,314
Committed:					
Working capital reserve	7,026,307	-	-	-	7,026,307
Emergency reserve	2,000,000	-	-	-	2,000,000
E911 surcharge	490,412	-	-	-	490,412
SRS Title III	512,663	-	-	-	512,663
Hospital sale	378,970	-	2,047,443	-	2,426,413
SE economic development	-	-	-	3,290,414	3,290,414
Capital projects	-	-	-	9,472,688	9,472,688
Total committed	10,408,352	-	2,047,443	12,763,102	25,218,897

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

Assigned:					
Gary Paxton					
Contingency Park	\$	-	\$	-	\$ 627,010
Utility cost					\$ 627,010
subsidization		-		-	65,085
LID revolving		-		-	1,150,057
LID guaranty		-		-	279,357
Raw water sales		-		-	842,170
Other small funds		-		-	169,059
<hr/>					
Total assigned		-		-	3,132,738
<hr/>					
Unassigned (deficit)	7,893,419		(3,021,481)	(37,494)	4,834,444
<hr/>					
Total Fund Balances	\$ 21,428,443	\$27,540,542	\$ (974,038)	\$18,798,833	\$ 66,793,780

10. Risk Management

The City and Borough is exposed to various risks of loss related to torts; theft of; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City and Borough carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The City and Borough has not accrued a liability for claims and judgments at June 30, 2021 because the amount of potential claims at year end was determined to be immaterial. The City and Borough made no claim payments during fiscal year 2021.

Effective January 1, 1989, the City and Borough was self-insured with respect to unemployment claims made by former employees. The City and Borough of Sitka accounts for claims on a pay-as-you-go basis as it is immaterial.

11. Pension and Other Postemployment Benefits Plans

(a) Defined Benefit (DB) Pension Plan

General Information About the Plan

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

The Plan is included in an Annual Comprehensive financial report that includes financial statements and other required supplemental information. That report is available via the internet at <http://doa.alaska.gov/dr/pers>. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on this website.

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

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

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

Historical Context and Special Funding Situation

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

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

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

Employee Contribution Rates

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

Employer and Other Contribution Rates

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

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

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

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

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

Contribution rates for the year ended June 30, 2021 were determined in the June 30, 2019 actuarial valuations. The City and Borough's contribution rates for the 2021 fiscal year were as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
Pension	14.57%	26.58%	8.85%
Postemployment healthcare (ARHCT)	7.43%	4.27%	-%
Total Contribution Rates	22.00%	30.85%	8.85%

In 2021, the City and Borough was credited with the following contributions to the pension plan.

	Measurement Period July 1, 2019 to June 30, 2020	City and Borough Fiscal Year July 1, 2020 to June 30, 2021
Employer contributions (including DBUL)	\$ 2,342,989	\$ 2,720,378
Nonemployer contributions (on-behalf)	746,831	919,665
Total Contributions	\$ 3,089,820	\$ 3,640,043

In addition, employee contributions to the Plan totaled \$252,343 during the Borough's fiscal year.

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

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

At June 30, 2021, the City and Borough reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the City and Borough. The amount recognized by the City and Borough for its proportional share, the related State proportion, and the total portion of the net pension liability that was associated with the City and Borough were as follows:

City and Borough proportionate share of NPL	\$ 21,214,552
State's proportionate share of NPL associated with the City and Borough	8,777,499
Total Net Pension Liability	\$ 29,992,051

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 to calculate the net pension liability as of that date. The City and Borough's proportion of the net pension liability was based on a projection of the City and Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, including the State, actuarially determined. At the June 30, 2020 measurement date, the City and Borough's proportion was 0.35950 percent, which was a decrease of 0.31895 from its proportion measured as of June 30, 2019. The City and Borough's June 30, 2019 measurement date includes the Sitka Community Hospital (SCH) percent of 0.34703.

For the year ended June 30, 2021, the City and Borough recognized pension benefit of \$5,868,708 and on-behalf revenue of \$1,134,315 for support provided by the State. For the year ended June 30, 2021, the City and Borough recognized pension benefit includes \$14,024,692 associated with Sitka Community Hospital (SCH). At June 30, 2021, the City and Borough reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 67,298	\$ -
Net difference between projected and actual earnings on pension plan investments	863,436	-
Changes in proportion and differences between City and Borough contributions and proportionate share of contributions	705,302	(4,231,640)
City and Borough contributions subsequent to the measurement date	2,720,378	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	\$ 4,356,414	\$ (4,231,640)

At June 30, 2021, the City and Borough's reported deferred inflows of resources related to pension includes \$(4,231,640) associated with SCH.

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,

2022	\$ (3,443,780)
2023	303,645
2024	320,942
2025	223,587

Total Amortization	\$ (2,595,606)
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Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2019, using the actuarial assumptions listed below, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020:

Actuarial cost method	Entry age normal
Amortization method	Unfunded accrued actuarial liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	For peace officer/firefighter, increases range from 7.75% to 2.75% based on service. For all others, increases range from 6.75% to 2.75% based on service.
Allocation methodology	Amounts for the June 30, 2020 measurement date were allocated to employers based on the present value of contributions for fiscal years 2022 to 2039 to the Plan, as determined by projections based on the June 30, 2019 valuation. The liability is expected to go to zero at 2039.
Investment rate of return	7.38%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.88%.
Mortality	Pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual mortality experience. Pre-commencement mortality rates were based on 100% of the RP-2014 table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Post-commencement mortality rates were based on 91% of male and 96% of female rates of the RP-2014 health annuitant table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Deaths are assumed to be occupational 75% of the time for peace officer/firefighters, 40% of the time for all others.

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

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

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return, excluding the inflation component of 2.36%, for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad domestic equity	26%	6.24 %
Global equity (non-U.S.)	18%	6.67 %
Aggregate bonds	24%	(0.16)%
Opportunistic	8%	3.01 %
Real assets	13%	3.82 %
Private equity	11%	10.00 %
Cash equivalents	-%	(1.09)%

Discount Rate

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

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City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

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

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

	Proportional Share	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
City and Borough’s proportionate share of the net pension liability	0.35950%	\$ 27,583,403	\$ 21,214,552	\$ 15,872,862

Pension Plan Fiduciary Net Position

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

(b) Defined Contribution (DC) Pension Plan

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

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

Benefit Terms

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service. Nonvested employer contributions are forfeited upon termination of employment from the Plan. Such forfeitures were applied in the year ended June 30, 2021 to cover a portion of the City and Borough’s employer match contributions. For the year ended June 30, 2021, forfeitures reduced pension expense by zero.

Employee Contribution Rate

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

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

Employer Contribution Rate

For the year ended June 30, 2021, the City and Borough was required to contribute 5% of covered salary into the Plan.

The City and Borough and employee contributions to PERS for pensions for the year ended June 30, 2021 were \$344,478 and \$551,163, respectively. The City and Borough contribution amount was recognized as pension expense/expenditures.

(c) Defined Benefit OPEB Plans

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

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

Employer Contribution Rate

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

Employer contribution rates for the year ended June 30, 2021 were as follows:

	Other	Police/Fire
Alaska Retiree Healthcare Trust	-%	-%
Retiree Medical Plan	1.27%	1.27%
Occupational Death and Disability Benefits	0.31%	0.70%
Total Contribution Rates	1.58%	1.97%

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City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

In 2021, the City and Borough was credited with the following contributions to the OPEB plans:

	Measurement Period	City and Borough Fiscal Year
	July 1, 2019 to June 30, 2020	July 1, 2020 to June 30, 2021
Employer contributions - ARHCT	\$ 681,775	\$ 289,028
Employer contributions - RMP	80,564	87,498
Employer contributions - ODD	20,549	26,406
Total Contributions	\$ 782,888	\$ 402,932

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

At June 30, 2021, the City and Borough reported an asset for its proportionate share of the net OPEB asset (NOA) that reflected a reduction for State OPEB support provided to the City and Borough. The amount recognized by the City and Borough for its proportional share, the related State proportion, and the total were as follows:

City and Borough's proportionate share of NOA - ARHCT	\$ 1,627,572
City and Borough's proportionate share of NOA - ODD	127,737
Total City and Borough's Proportionate Share of Net OPEB Asset	\$ 1,755,309
State's proportionate share of the ARHCT NOA associated with the City and Borough	675,536
Total Net OPEB Asset	\$ 2,430,845

At June 30, 2021, the City and Borough reported a liability for its proportionate share of the net OPEB liability (NOL) associated with the City and Borough's participation in the RMP Plan. The amount recognized by the City and Borough for its proportionate share was \$32,035.

The total OPEB liabilities (asset) for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 to calculate the net OPEB liabilities (asset) as of that date. The City and Borough's proportion of the net OPEB liabilities (asset) is based on a projection of the City and Borough's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

	June 30, 2019 Measurement Date Employer Proportion	June 30, 2020 Measurement Date Employer Proportion	Change
City and Borough's proportionate share of the net OPEB liabilities (asset):			
ARHCT	0.33141%	0.35940%	(0.31915)%
RMP	1.12450%	0.45164%	(0.67286)%
ODD	1.05215%	0.46859%	(0.58356)%

The City and Borough's June 30, 2019 measurement date includes the Sitka Community Hospital (SCH) percent for ARHCT, RMP and ODD, 0.34714%, 0.59682% and 0.47446%, respectively.

For the year ended June 30, 2021, the City and Borough recognized OPEB expense of \$1,036,028. Of this amount, \$434,725 was recorded for on-behalf revenue and expense for support provided by the ARHCT plan. For the year ended June 30, 2021, the City and Borough recognized OPEB expense includes \$139,550 associated with SCH. OPEB expense and on-behalf revenue is listed by plan in the table below:

<i>Plan</i>	OPEB Expense	On-behalf Revenue
ARHCT	\$ (1,238,879)	\$ (434,725)
RMP	152,450	-
ODD	50,401	-
Total	\$ (1,036,028)	\$ (434,725)

At June 30, 2021, the City and Borough reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

<i>Deferred Outflows of Resources</i>	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ 653,025	\$ 167	\$ -	\$ 653,192
Changes in assumptions	135,329	44,989	-	180,318
Difference between projected and actual investment earnings	-	14,344	4,381	18,725
Changes in proportion and differences between City and Borough contributions and proportionate share of contributions	-	644	114,103	114,747
City and Borough contributions subsequent to the measurement date	289,028	87,498	26,406	402,932
Total Deferred Outflows of Resources Related to OPEB Plans	\$ 1,077,382	\$ 147,642	\$ 144,890	\$ 1,369,914

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

At June 30, 2021, the City and Borough's reported deferred outflows of resources for RMP and ODD related to OPEB included \$579 and \$96,494, respectively, associated with SCH.

<i>Deferred Inflows of Resources</i>	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ (130,569)	\$ (6,884)	\$ (42,859)	\$ (180,312)
Changes in assumptions	(1,134,514)	(82,818)	(1,871)	(1,219,203)
Changes in proportion and differences between City and Borough contributions and proportionate share of contributions	(151,306)	(91,635)	(5,772)	(248,713)
Total Deferred Inflows of Resources Related to OPEB Plans	\$ (1,416,389)	\$ (181,337)	\$ (50,502)	\$ (1,648,228)

At June 30, 2021, the City and Borough's reported deferred inflows of resources for ARHCT, RMP and ODD related to OPEB included \$(151,306), \$(80,191) and \$(2,680), respectively, associated with SCH.

Amounts reported as deferred outflows of resources related to OPEB plans resulting from City and Borough contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liabilities (asset) in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<i>Year Ending June 30,</i>	ARHCT	RMP	ODD	Total
2022	\$ (1,286,310)	\$ (16,487)	\$ 8,930	\$ (1,293,867)
2023	232,440	(13,625)	9,968	228,783
2024	249,577	(13,676)	9,990	245,891
2025	176,258	(14,771)	9,642	171,129
2026	-	(18,226)	8,537	(9,689)
Thereafter	-	(44,408)	20,915	(23,493)
Total Amortization	\$ (628,035)	\$ (121,193)	\$ 67,982	\$ (681,246)

Actuarial Assumptions

The total OPEB liability (asset) for each plan for the measurement period ended June 30, 2020 was determined by actuarial valuations as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2020:

Actuarial cost method	Entry age normal
Amortization method	Unfunded accrued actuarial liability, level percent of pay basis
Inflation	2.50% per year

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

Salary increases	Graded by service, from 7.75% to 2.75% for Peace Officer/Firefighter. Graded by service from 6.75% to 2.75% for all others
Allocation methodology	Amounts for the June 30, 2020 measurement date were allocated to employers based on the present value of contributions for fiscal years 2022 to 2039 to the Plan, as determined by projections based on the June 30, 2019 valuation.
Investment rate of return	7.38%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.88%.
Mortality	Pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual mortality experience. Pre-commencement mortality rates were based on 100% of the RP-2014 table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Post-commencement mortality rates were based on 91% of male and 96% of female rates of the RP-2014 health annuitant table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Deaths are assumed to be occupational 75% of the time for peace officer/firefighters, 40% of the time for all others.
Participation (ARHCT)	100% of system paid members and their spouses are assumed to elect the healthcare benefits paid as soon as they are eligible. 20% of nonsystem paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.

The actuarial assumptions used in the June 30, 2019 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017. As a result of this experience study, the ARM Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience. The assumptions used in the June 30, 2019 actuarial valuation are the same as those used in the June 30, 2018 valuation with the following exceptions:

1. Per capita claims costs were updated to reflect recent experience.
2. Retired member contribution trend rates were updated to reflect the ongoing shift in population from pre-Medicare to Medicare-eligible and a projection of expected future retiree contributions reflecting the 10% decrease from 2019 to 2020.
3. The Further Consolidated Appropriations Act, 2020 that was signed in December 2019 made several changes, including the repeal of the Cadillac Tax.
4. The amounts included in the Normal Cost for administrative expenses were updated to reflect the most recent two years of actual administrative expenses paid for postretirement healthcare plan assets.

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of postretirement healthcare plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic rates of return, excluding the inflation component of 2.36% for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2020 are summarized in the following table:

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
Broad domestic equity	26%	6.24 %
Global equity (non-U.S.)	18%	6.67 %
Aggregate bonds	24%	(0.16)%
Opportunistic	8%	3.01 %
Real assets	13%	3.82 %
Private equity	11%	10.00 %
Cash equivalents	-%	(1.09)%

Discount Rate

The discount rate used to measure the total OPEB liability (asset) for each plan as of June 30, 2020 was 7.38%. This discount rate used did not change from the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the fiduciary net position of each plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability (asset) for each plan.

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

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

	<i>Proportional Share</i>	<i>1% Decrease (6.38%)</i>	<i>Current Discount Rate (7.38%)</i>	<i>1% Increase (8.38%)</i>
City and Borough's proportionate share of the net OPEB liability (asset):				
ARHCT	0.35940 %	\$ 1,698,338	\$ (1,627,572)	\$ (4,382,410)
RMP	0.45164 %	\$ 198,459	\$ 32,035	\$ (93,941)
ODD	0.46859 %	\$ (120,034)	\$ (127,737)	\$ (133,894)

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

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

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

	Proportional Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
City and Borough’s proportionate share of the net OPEB liability (asset):				
ARHCT	0.35940%	\$ (4,705,410)	\$ (1,627,572)	\$ 2,099,511
RMP	0.45164%	\$ (112,404)	\$ 32,035	\$ 228,502
ODD	0.46859%	\$ n/a	\$ n/a	\$ n/a

OPEB Plan Fiduciary Net Position

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

(d) Defined Contribution OPEB Plans

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

Contribution Rate

AS 39.30.370 establishes this contribution amount as “three percent of the average annual employee compensation of *all employees of all employers* in the plan”. As of July 1, 2020, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,159 per year for each full-time employee, and \$1.38 per hour for part-time employees.

Annual Postemployment Healthcare Cost

In fiscal year 2021, the City and Borough contributed \$207,098 in DC OPEB costs. These amounts have been recognized as expense/expenditures.

12. Landfill Closure and Postclosure Care Cost

State and federal laws and regulations require the government to place a final cover on its municipal landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site after closure.

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the government reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each financial statement date.

The City and Borough has recognized a liability for the estimated costs of postclosure care of \$709,667 as of June 30, 2021. The Kimsham landfill was closed during fiscal year 2007 and is now a recreation facility consisting of three ball fields and a soccer/football field. The current postclosure liability as of June 30, 2021 is \$463,667. A new landfill has been permitted by the State of Alaska and is accepting only the sludge from the Wastewater Treatment Plant at this time. The current estimate of closure and postclosure monitoring is \$246,000 and the liability recognized is based on capacity used to date. The landfill is at an estimated 80% of capacity and has an estimated remaining useful life of 4 years. Actual postclosure costs may be higher because of inflation, changes in technology, or changes in regulations. Estimates will be revised as necessary to accurately reflect future outlays.

13. Contingencies

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

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Municipal Attorney the resolution of these matters will not have an adverse material effect on the financial condition of the government.

The City and Borough's sewage treatment plant provides for primary treatment of waste. The City and Borough was operating under a five-year exemption, which expired in August 1994, from Environmental Protection Agency (EPA) regulations that required secondary treatment for sewage discharged into marine waters. The City and Borough is currently under a temporary EPA permit and anticipates finalizing a permanent five-year exemption permit in the near future. The cost of upgrading the plant to secondary treatment at the expiration of the exemption, if necessary, would be approximately \$10 million. The cost of treating storm water is not presently estimable.

Other Federal and State regulations, compliance with which will require significant expenditures by the City and Borough, including the Americans with Disabilities Act, have a cost of compliance that is not currently known.

14. Subsequent Events

The City and Borough has entered into raw water export sales contracts with private entities. Revenue under these contracts is not guaranteed and is dependent on the amount of raw water exported. Revenue earned under the contracts will be accounted for in the Raw Water Sales Special Revenue Fund.

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

In October of 2021, the Assembly approved the sale of the land and building of the former Sitka Community Hospital Fund for \$8,250,000 to the Southeast Alaska Regional Health Consortium. Proceeds from this sale less associated expenses will be directed to the Permanent Fund. To date an agreement has not been finalized, but the sale transaction is anticipated to take place during FY 2022.

15. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several new accounting standards with upcoming implementation dates (effective dates are adjusted for the issuance of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance). The following new accounting standards were implemented by the City and Borough or the Sitka School District for 2021 reporting:

GASB Statement No. 84 - Fiduciary Activities - Effective for year-end June 30, 2021. This Statement addresses criteria for identifying and reporting fiduciary activities. The City and Borough previously updated reporting to comply with guidance under GASB 84. The Sitka School District implemented GASB 84 this year, which resulted in one fund no longer meeting the criteria for being reported as a Fiduciary Fund. This resulted in restatement of net position of the School District's governmental funds in the amount \$590,790.

GASB Statement No. 90 - Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61 - Effective for year-end June 30, 2021. This Statement addresses accounting and financial reporting for a majority equity interest in a legally separate organization. It provides a definition of a majority equity interest and provides guidance for further presentation as either an investment or a component unit, based on specific criteria. At present the City and Borough does not hold any majority equity interest in legally separate organizations.

GASB Statement No. 98 - The Annual Comprehensive Financial Report - Effective for year-end June 30, 2022. Earlier application is encouraged. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The City and Borough has chosen to adopt this standard prior to the required implementation date.

The Governmental Accounting Standards Board has issued several new accounting standards with upcoming implementation dates (effective dates adjusted for the issuance of GASB 95). Management has not fully evaluated the potential effects of these statements, and actual impacts have not yet been determined. The statements are as follows:

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

GASB Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period - Effective for year-end June 30, 2022. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

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

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

GASB Statement No. 93 - Replacement of Interbank Offered Rates - The provisions of this Statement, except for paragraph 11b, 13 and 14, are required to be implemented for year-end June 30, 2021. The requirements in paragraph 11b, 13 and 14 are required to be implemented for year-end June 30, 2022. This Statement addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR).

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

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

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

City and Borough of Sitka, Alaska

Notes to the Basic Financial Statements

16. Coronavirus Pandemic

The Coronavirus pandemic (pandemic) has had a significant impact on the City and Borough, as the local economy relies heavily on tourism. Due to the Canadian pandemic response and corresponding restrictions imposed, no large cruise ships visited Sitka in fiscal year 2021. As did many other municipalities, the City and Borough received CARES Act funding passed through the State of Alaska. As of June 30, 2021, the City and Borough had received disbursements totaling \$14,057,653 which were fully expended on direct pandemic mitigation as well as emergency economic relief measures for residents and businesses. In addition, the City and Borough received funding under the American Rescue Plan Act in the amount of \$824,833 which has been used as revenue replacement and to address the significant impacts of the pandemic on the City and Borough's revenue.

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Required Supplementary Information

City and Borough of Sitka, Alaska

General Fund

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

<i>For the fiscal year ended June 30, 2021</i>	Original Budget	Final Budget	Actual	Variance
Revenues				
Taxes:				
Property taxes	\$ 6,907,000	\$ 6,907,000	\$ 7,242,611	\$ 335,611
Sales taxes	12,738,200	12,738,200	13,115,999	377,799
Total taxes	19,645,200	19,645,200	20,358,610	713,410
State sources:				
Community assistance	376,291	376,291	377,870	1,579
State PERS relief	396,639	396,639	526,379	129,740
State grants	7,000	7,000	7,000	-
Other	34,500	34,500	24,346	(10,154)
Total state sources	814,430	814,430	935,595	121,165
Federal sources:				
National Forest receipts	500,000	500,000	417,175	(82,825)
Payment in lieu of taxes	600,000	600,000	807,410	207,410
Federal grants	260,000	260,000	2,838,886	2,578,886
Total federal sources	1,360,000	1,360,000	4,063,471	2,703,471
Charges for services:				
State jail contract	391,200	391,200	391,194	(6)
Ambulance fees	455,000	455,000	413,941	(41,059)
E911 surcharges	180,000	180,000	171,856	(8,144)
Jobbing	602,000	602,000	337,764	(264,236)
Other	79,800	79,800	11,579	(68,221)
Total charges for services	1,708,000	1,708,000	1,326,334	(381,666)
Interfund services	2,705,560	2,705,560	2,705,560	-
Fines, forfeitures and penalties	60,000	60,000	45,401	(14,599)
Investment income	527,000	527,000	361,543	(165,457)
Uses of property	531,600	531,600	474,498	(57,102)
Licenses and permits	131,000	131,000	170,554	39,554
Other	75,180	75,180	1,110,621	1,035,441
Total Revenues	\$ 27,557,970	\$ 27,557,970	\$ 31,552,187	\$ 3,994,217

City and Borough of Sitka, Alaska

General Fund

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

<i>For the fiscal year ended June 30, 2021</i>	Original Budget	Final Budget	Actual	Variance
Expenditures				
Administration:				
Administration/Assembly:				
Wages and benefits	\$ 765,262	\$ 765,262	\$ 604,870	\$ 160,392
Travel and training	34,266	34,266	18,933	15,333
Other	332,846	334,546	323,668	10,878
Total administration/assembly	1,132,374	1,134,074	947,471	186,603
Legal:				
Wages and benefits	322,935	322,935	339,523	(16,588)
Travel and training	7,300	7,300	115	7,185
Other	69,863	41,863	39,062	2,801
Total legal	400,098	372,098	378,700	(6,602)
Municipal clerk:				
Wages and benefits	293,305	293,305	289,973	3,332
Travel and training	11,525	11,525	532	10,993
Other	136,694	140,142	130,307	9,835
Total municipal clerk	441,524	444,972	420,812	24,160
Finance:				
Wages and benefits	1,629,019	1,764,019	1,672,161	91,858
Travel and training	18,100	18,100	-	18,100
Other	386,354	382,354	493,746	(111,392)
Total finance	2,033,473	2,164,473	2,165,907	(1,434)
Assessing:				
Wages and benefits	369,715	369,715	339,536	30,179
Travel and training	4,750	4,750	10,404	(5,654)
Other	100,529	100,529	64,781	35,748
Total assessing	474,994	474,994	414,721	60,273

City and Borough of Sitka, Alaska

General Fund

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

<i>For the fiscal year ended June 30, 2021</i>	Original Budget	Final Budget	Actual	Variance
Planning:				
Wages and benefits	\$ 236,254	\$ 236,254	\$ 226,782	\$ 9,472
Travel and training	9,000	9,000	8,669	331
Other	39,318	39,318	27,807	11,511
Total planning	284,572	284,572	263,258	21,314
General office and local grants	962,186	914,299	909,919	4,380
Total administration	5,729,221	5,789,482	5,500,788	288,694
Public safety:				
Police:				
Wages and benefits	3,759,058	3,759,058	3,572,532	186,526
Travel and training	60,300	60,300	18,437	41,863
Other	1,050,718	1,050,718	998,581	52,137
Total police	4,870,076	4,870,076	4,589,550	280,526
Fire:				
Wages and benefits	1,184,961	1,184,961	1,138,544	46,417
Travel and training	24,000	24,000	12,423	11,577
Other	594,043	579,010	565,845	13,165
Total fire	1,803,004	1,787,971	1,716,812	71,159
Ambulance:				
Wages and benefits	178,443	178,443	163,732	14,711
Travel and training	24,500	21,985	4,767	17,218
Other	157,699	155,476	140,893	14,583
Total ambulance	360,642	355,904	309,392	46,512
Search and rescue:				
Wages and benefits	5,675	5,675	7,759	(2,084)
Travel and training	7,000	7,000	8,270	(1,270)
Other	28,098	28,098	12,534	15,564
Total search and rescue	40,773	40,773	28,563	12,210
Total public safety	7,074,495	7,054,724	6,644,317	410,407

City and Borough of Sitka, Alaska

General Fund

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

<i>For the fiscal year ended June 30, 2021</i>	Original Budget	Final Budget	Actual	Variance
Public works:				
Administration:				
Wages and benefits	\$ 573,261	\$ 573,261	\$ 582,604	\$ (9,343)
Travel and training	4,000	4,000	-	4,000
Other	121,750	121,750	116,015	5,735
Total administration	699,011	699,011	698,619	392
Engineering:				
Wages and benefits	793,583	793,583	392,483	401,100
Travel and training	3,000	3,000	173	2,827
Other	49,986	(23,193)	167,071	(190,264)
Total engineering	846,569	773,390	559,727	213,663
Streets:				
Wages and benefits	508,984	508,984	470,109	38,875
Travel and training	4,000	4,000	998	3,002
Other	829,804	850,204	691,010	159,194
Total streets	1,342,788	1,363,188	1,162,117	201,071
Recreation:				
Wages and benefits	383,018	383,018	352,610	30,408
Travel and training	142	142	302	(160)
Other	386,175	386,175	308,841	77,334
Total recreation	769,335	769,335	661,753	107,582
Building officials:				
Wages and benefits	231,972	231,972	251,217	(19,245)
Travel and training	7,000	7,000	6,079	921
Other	33,197	33,197	29,750	3,447
Total building officials	272,169	272,169	287,046	(14,877)
Total public works	3,929,872	3,877,093	3,369,262	507,831
Public services:				
Library:				
Wages and benefits	637,395	637,395	620,920	16,475
Travel and training	2,400	2,400	2,980	(580)
Other	371,740	375,301	378,218	(2,917)
Total library	1,011,535	1,015,096	1,002,118	12,978

City and Borough of Sitka, Alaska

General Fund

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

<i>For the fiscal year ended June 30, 2021</i>	Original Budget	Final Budget	Actual	Variance
Harrigan Centennial Hall:				
Wages and benefits	\$ 487,799	\$ 487,799	\$ 433,354	\$ 54,445
Other	229,026	229,026	234,451	(5,425)
Total Harrigan Centennial Hall	716,825	716,825	667,805	49,020
Senior Citizen Center and Covid-19 relief	104,494	504,371	173,299	331,072
Total public services	1,832,854	2,236,292	1,843,222	393,070
Support:				
Sitka School District	7,618,993	7,618,993	7,581,311	37,682
Debt service:				
Principal	64,828	64,828	22,309	42,519
Interest	21,635	21,635	6,300	15,335
Total debt service	86,463	86,463	28,609	57,854
Equipment acquisition	6,500	217,077	127,965	89,112
Total Expenditures	26,278,398	26,880,124	25,095,474	1,784,650
Excess of Revenues Over Expenditures	1,279,572	677,846	6,456,713	5,778,867
Other Financing Sources (Uses)				
Transfers in	1,898,500	2,006,459	1,591,365	(415,094)
Transfers out	(4,396,637)	(4,455,019)	(4,117,709)	337,310
Net Other Financing Sources (Uses)	(2,498,137)	(2,448,560)	(2,526,344)	(77,784)
Net Change in Fund Balance	\$ (1,218,565)	\$ (1,770,714)	3,930,369	\$ 5,701,083
Fund Balance, beginning			17,498,074	
Fund Balance, ending			<u>\$ 21,428,443</u>	

See accompanying notes to Required Supplementary Information.

City and Borough of Sitka, Alaska

Sitka Community Hospital Dedicated Special Revenue Fund

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

<i>For the fiscal year ended June 30, 2021</i>	Original Budget	Final Budget	Actual	Variance
Revenues	\$ 1,546,500	\$ 1,546,500	\$ 1,975,848	\$ 429,348
Expenditures	1,501,922	1,956,372	1,832,333	124,039
Total Expenditures	1,501,922	1,956,372	1,832,333	124,039
Net Change in Fund Balance	<u>\$ 44,578</u>	<u>\$ (409,872)</u>	143,515	<u>\$ 553,387</u>
Fund Deficit, beginning			<u>(1,117,553)</u>	
Fund Deficit, ending			<u>\$ (974,038)</u>	

See accompanying notes to Required Supplementary Information.

City and Borough of Sitka, Alaska

CARES Act Special Revenue Fund

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

<i>For the fiscal year ended June 30, 2021</i>	Original Budget	Final Budget	Actual	Variance
Revenues	\$ -	\$ -	\$ 12,113,399	\$ 12,113,399
Expenditures	-	14,072,653	12,113,630	1,959,023
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (14,072,653)</u>	(231)	<u>\$ 14,072,422</u>
Fund Balance, beginning			<u>231</u>	
Fund Balance, ending			<u>\$ -</u>	

See accompanying notes to Required Supplementary Information.

City and Borough of Sitka, Alaska
Public Employees' Retirement System Pension Plan
Schedule of the City and Borough's Proportionate Share of the Net Pension Liability

<i>Years Ended June 30,</i>	2021	2020	2019	2018	2017	2016	2015
Borough's Proportion of the Net Pension Liability	0.35950%	0.67845%	0.37989%	0.35743%	0.44663%	0.36213%	0.26956%
Borough's Proportionate Share of the Net Pension Liability	\$ 21,214,552	\$ 37,139,956	\$ 18,877,051	\$ 18,337,623	\$ 24,965,090	\$ 17,563,590	\$ 12,572,647
State of Alaska Proportionate Share of the Net Pension Liability	8,777,499	14,745,138	5,466,809	6,834,306	3,149,104	4,706,852	10,755,597
Total Net Pension Liability	\$ 29,992,051	\$ 51,885,094	\$ 24,343,860	\$ 25,171,929	\$ 28,114,194	\$ 22,270,442	\$ 23,328,244
Borough's Covered Payroll	\$ 11,138,275	\$ 11,504,799	\$ 11,056,175	\$ 11,292,193	\$ 10,552,272	\$ 12,031,717	\$ 10,738,358
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	190.47%	322.82%	170.74%	162.39%	236.58%	145.98%	117.08%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.61%	63.42%	65.19%	63.37%	59.55%	63.96%	62.37%

Schedule of the City and Borough's Contributions

<i>Years Ended June 30,</i>	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 2,720,378	\$ 2,342,989	\$ 1,433,032	\$ 1,450,093	\$ 1,274,776	\$ 1,142,815	\$ 1,123,981
Contributions Relative to the Contractually Required Contribution	2,720,378	2,342,989	1,433,032	1,450,093	1,274,776	1,142,815	1,123,981
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	\$ 10,875,152	\$ 11,138,275	\$ 11,504,799	\$ 11,056,175	\$ 11,292,193	\$ 10,552,272	\$ 12,031,717
Contributions as a Percentage of Covered Payroll	25.01%	21.04%	12.46%	13.12%	11.29%	10.83%	9.34%

See accompanying notes to Required Supplementary Information.

City and Borough of Sitka, Alaska
Public Employees' Retirement System OPEB Plans
Schedule of the Borough's Proportionate Share of the Net OPEB Liability (Asset)

Years Ended June 30,	ARHCT				RMP				ODD			
	2021	2020	2019	2018	2021	2020	2019	2018	2021	2020	2019	2018
Borough's Proportion of the Net OPEB Liability (Asset)	0.35940%	0.33141%	0.37992%	0.35470%	0.45164%	1.12450%	0.54709%	0.54581%	0.46859%	1.05215%	0.54709%	0.54581%
Borough's Proportionate Share of the Net OPEB Liability (Asset)	\$(1,627,572)	\$1,006,841	\$3,899,090	\$2,996,375	\$ 32,035	\$ 269,026	\$ 69,617	\$ 28,464	\$ (127,737)	\$ (255,094)	\$ (106,255)	\$ (77,445)
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	(675,536)	399,917	1,132,039	1,117,195	-	-	-	-	-	-	-	-
Total Net OPEB Liability (Asset)	\$(2,303,108)	\$1,406,758	\$5,031,129	\$4,113,570	\$ 32,035	\$ 269,026	\$ 69,617	\$ 28,464	\$ (127,737)	\$ (255,094)	\$ (106,255)	\$ (77,445)
Borough's Covered Payroll	\$ 4,681,486	\$4,838,102	\$4,862,791	\$5,282,931	\$6,080,462	\$6,356,125	\$6,193,384	\$5,719,619	\$6,080,432	\$6,356,125	\$6,193,384	\$5,719,619
Borough's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-34.77%	20.81%	80.18%	56.72%	0.53%	4.23%	1.12%	0.50%	-2.10%	-4.01%	-1.72%	-1.35%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	106.15%	98.13%	88.12%	89.68%	95.23%	83.17%	88.71%	93.98%	238.80%	297.43%	270.62%	212.97%

Schedule of the City and Borough's Contributions

Years Ended June 30,	ARHCT				RMP				ODD			
	2021	2020	2019	2018	2021	2020	2019	2018	2021	2020	2019	2018
Contractually Required Contributions	\$ 289,028	\$1,401,441	\$ 516,348	\$ 413,336	\$ 87,498	\$ 223,348	\$ 61,925	\$ 63,777	\$ 26,406	\$ (94,485)	\$ 23,586	\$ 7,852
Contributions Relative to the Contractually Required Contribution	289,028	1,401,441	516,348	413,336	87,498	223,348	61,925	63,777	26,406	(94,485)	23,586	7,852
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	\$ 3,670,783	\$4,681,486	\$4,838,102	\$4,862,791	\$6,865,641	\$6,080,462	\$6,356,125	\$6,193,384	\$6,865,641	\$6,080,462	\$6,356,125	\$6,193,384
Contributions as a Percentage of Covered Payroll	7.874%	29.936%	10.673%	8.500%	1.274%	3.673%	0.974%	1.030%	0.385%	-1.554%	0.371%	0.127%

See accompanying notes to Required Supplementary Information.

City and Borough of Sitka, Alaska
Notes to Required Supplementary Information
June 30, 2021

1. Budgetary Comparison Schedules

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

2. Public Employees' Retirement System Pension Plan

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

This table is presented based on the Plan measurement date. For June 30, 2021, the Plan measurement date is June 30, 2020.

Changes in Assumptions:

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

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

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

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

Schedule of the City and Borough Contributions

This table is based on the City and Borough'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 and Borough will present only those years for which information is available.

3. Public Employees' Retirement System OPEB Plans

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

This table is presented based on the Plan measurement date. For June 30, 2021, the Plan measurement date is June 30, 2020.

City and Borough of Sitka, Alaska

Notes to Required Supplementary Information, continued

Changes in Assumptions:

The actuarial assumptions used in the June 30, 2019 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017. As a result of this experience study, the ARM Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience. The assumptions used in the June 30, 2019 actuarial valuation are the same as those used in the June 30, 2018 valuation with the following exceptions:

1. Per capita claims costs were updated to reflect recent experience.
2. Retired member contribution trend rates were updated to reflect the ongoing shift in population from pre-Medicare to Medicare-eligible and a projection of expected future retiree contributions reflecting the 10% decrease from 2019 to 2020.
3. The Further Consolidated Appropriations Act, 2020 that was signed in December 2019 made several changes, including the repeal of the Cadillac Tax.
4. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid for postretirement healthcare plan assets.

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

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

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

Schedule of the City and Borough Contributions

This table is based on the Borough'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 and Borough will present only those years for which information is available.

Supplementary Information

City and Borough of Sitka, Alaska

Major Governmental Fund

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

Permanent Fund

<i>For the fiscal year ended June 30, 2021</i>	Budget	Actual	Variance
Revenues	\$ 742,743	\$ 5,906,879	\$ 5,164,136
Expenditures	50,000	46,585	3,415
Excess of Revenues Under Expenditures	692,743	5,860,294	5,167,551
Other Financing Sources (Uses)			
Transfers in	242,743	-	(242,743)
Transfer out	(1,456,459)	(1,213,716)	242,743
Net Other Financing Sources (Uses)	(1,213,716)	(1,213,716)	-
net Change in Fund Balance	\$ (520,973)	4,646,578	\$ 5,167,551
Fund Balance, beginning		<u>22,893,964</u>	
Fund Balance, ending		<u>\$ 27,540,542</u>	

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to be used for particular purposes.

Police Dept and Forfeitures-Accounts for the proceeds related to the property seized by the local Police Department, or Federal and State agencies.

State Homeland Security Grant-Accounts for proceeds from grants through Homeland Security.

Library Building-Accounts for donations given specifically for use on the Sitka Public Library building.

Library Donation-Accounts for donations given for purposes of supporting the Sitka Public Library.

Southeast Economic Development-Accounts for funding dedicated to local economic development.

Gary Paxton Park Contingency-Accounts for funding dedicated to environmental mitigation of former pulp mill site.

Commercial Passenger Excise Tax-Accounts for commercial passenger excise taxes that are remitted by the State of Alaska

LID Guaranty-Accounts for funds dedicated to providing a guarantee for debt service for bond issuances relating to LIDs.

LID Revolving-Accounts for funding of and for local improvement district projects.

Raw Water Sales-Accounts for funding related to the development of and revenue from the sale of bulk water from Blue Lake.

Fisheries Enhancement-Accounts for funding dedicated to enhancing local fisheries.

Pet Adoption-Accounts for donations to support adoption of pets.

Visitor Enhancement-Accounts for revenues from bed tax to be used to encourage tourism.

Student Travel-Accounts for proceeds from marijuana licenses, to be used for student travel.

Utility Subsidization-Accounts for funds appropriated to be use in support of Utility Subsidization Program.

Capital Project Fund

Capital Project-Accounts for general governmental capital projects.

Debt Service Fund

School Bond Debt Service-Accounts for general obligation bonds and dedicated revenue streams relating to building and renovating school buildings.

City and Borough of Sitka, Alaska

Nonmajor Governmental Funds

Combining Balance Sheet

	Special Revenue Funds								
	Police Dept and Forfeitures	State Homeland Security Grant	Library Building	Library Donation	Southeast Economic Development	Gary Paxton Park Contingency	Commercial Passenger Excise Tax	LID Guaranty	LID Revolving
<i>June 30, 2021</i>									
Assets									
Equity in central treasury	\$ 83,197	\$ -	\$ 18,356	\$ 271,692	\$ 2,790,908	\$ 627,010	\$ 1,018,981	\$ 279,357	\$ 1,150,056
Receivables:									
Taxes	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	9,803
Federal and State of Alaska	-	-	-	-	-	-	615,545	-	-
Advances to other funds	-	-	-	-	179,888	-	-	-	-
Notes receivable	-	-	-	-	499,506	-	-	-	-
Total Assets	\$ 83,197	\$ -	\$ 18,356	\$ 271,692	\$ 3,470,302	\$ 627,010	\$ 1,634,526	\$ 279,357	\$ 1,159,859
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ 1,688	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	1,688	-	-	-	-	-
Deferred Inflows of Resources									
Deferred assessments	-	-	-	-	-	-	-	-	9,802
Fund Balances (Deficit)									
Nonspendable	-	-	-	-	179,888	-	-	-	-
Restricted	-	-	18,356	270,004	-	-	1,634,526	-	-
Committed	-	-	-	-	3,290,414	-	-	-	-
Assigned	83,197	-	-	-	-	627,010	-	279,357	1,150,057
Unassigned (deficit)	-	-	-	-	-	-	-	-	-
Total Fund Balances (Deficit)	83,197	-	18,356	270,004	3,470,302	627,010	1,634,526	279,357	1,150,057
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	\$ 83,197	\$ -	\$ 18,356	\$ 271,692	\$ 3,470,302	\$ 627,010	\$ 1,634,526	\$ 279,357	\$ 1,159,859

City and Borough of Sitka, Alaska
Nonmajor Governmental Funds
Combining Balance Sheet, continued

<i>June 30, 2021</i>	Special Revenue Funds							Capital Projects	School Debt Service	Total Nonmajor Governmental Funds
	Raw Water Sales	Fisheries Enhance- ment	Pet Adoption	Visitor Enhance- ment	Student Travel	Utility Subsidization	Total			
Assets										
Equity in central treasury	\$ 842,170	\$ 228	\$ 73,092	\$ 9,012	\$ 12,542	\$ 65,085	\$ 9,432,677	\$ 857,212	\$ 17,531,575	
Receivables:										
Taxes	-	-	-	184,124	-	-	-	-	184,124	
Special assessments	-	-	-	-	-	-	-	-	9,803	
Federal and State of Alaska	-	-	-	-	-	-	561,745	-	1,177,290	
Advances to other funds	-	-	-	-	-	-	-	-	179,888	
Notes receivable	-	-	-	-	-	-	-	-	499,506	
Total Assets	\$ 842,170	\$ 228	\$ 73,092	\$ 193,136	\$ 12,542	\$ 65,085	\$ 9,994,422	\$ 857,212	\$ 19,582,186	
Liabilities										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 521,734	\$ 19,500	\$ 542,922	
Due to other funds	-	-	-	230,630	-	-	-	-	230,630	
Total Liabilities	-	-	-	230,630	-	-	521,734	19,500	773,552	
Deferred Inflows of Resources										
Deferred assessments	-	-	-	-	-	-	-	-	9,802	
Fund Balances (Deficit)										
Nonspendable	-	-	-	-	-	-	-	-	179,888	
Restricted	-	-	-	-	-	-	-	837,712	2,760,598	
Committed	-	-	-	-	-	-	9,472,688	-	12,763,102	
Assigned	842,170	228	73,092	-	12,542	65,085	-	-	3,132,738	
Unassigned (deficit)	-	-	-	(37,494)	-	-	-	-	(37,494)	
Total Fund Balances (Deficit)	842,170	228	73,092	(37,494)	12,542	65,085	9,472,688	837,712	18,798,832	
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	\$ 842,170	\$ 228	\$ 73,092	\$ 193,136	\$ 12,542	\$ 65,085	\$ 9,994,422	\$ 857,212	\$ 19,582,186	

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

<i>For the fiscal year ended June 30, 2021</i>	Special Revenue Funds									
	Police Dept and Forfeitures	State Homeland Security Grant	Library Building	Library Donation	Southeast Economic Development	Gary Paxton Park Contingency	Commercial Passenger Excise Tax	LID Guaranty	LID Revolving	
Revenues										
Bed taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Commercial passenger excise tax	-	-	-	-	-	-	615,545	-	-	-
Investment income (loss)	(144)	-	(160)	(2,224)	(8,255)	(5,619)	(10,413)	(2,503)	(9,861)	-
Other	75,261	-	-	8,416	-	-	-	-	1,350	-
Total Revenues	75,117	-	(160)	6,192	(8,255)	(5,619)	605,132	(2,503)	(8,511)	-
Expenditures										
Current:										
Public safety	5	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	43	-
Public services	-	-	-	3,983	-	-	-	-	-	-
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Refunding bond issuance costs	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Total Expenditures	5	-	-	3,983	-	-	-	-	-	43
Excess of Revenues Over (Under) Expenditures	75,112	-	(160)	2,209	(8,255)	(5,619)	605,132	(2,503)	(8,554)	-
Other Financing Sources (Uses)										
Transfers in	-	5,187	-	-	-	-	-	-	-	-
Transfers out	(1,210)	-	-	-	(130,831)	(7,682)	(91,200)	(3,423)	(14,086)	-
Refunding bonds issued	-	-	-	-	-	-	-	-	-	-
Premium on refunding bonds issued	-	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-
Net Other Financing Sources (Uses)	(1,210)	5,187	-	-	(130,831)	(7,682)	(91,200)	(3,423)	(14,086)	-
Net Change in Fund Balances	73,902	5,187	(160)	2,209	(139,086)	(13,301)	513,932	(5,926)	(22,640)	-
Fund Balances (Deficit), beginning	9,295	(5,187)	18,516	267,795	3,609,388	640,311	1,120,594	285,283	1,172,697	-
Fund Balances (Deficit), ending	\$ 83,197	\$ -	\$ 18,356	\$ 270,004	\$ 3,470,302	\$ 627,010	\$ 1,634,526	\$ 279,357	\$ 1,150,057	-

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

	Special Revenue Funds									Total Nonmajor
<i>For the fiscal year ended June 30, 2021</i>	Raw Water Sales	Fisheries Enhancement	Pet Adoption	Visitor Enhancement	Student Travel	Utility Subsidization	Capital Projects	School Debt Service		Governmental Funds
Revenues										
Bed taxes	\$ -	\$ -	\$ -	\$ 407,024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 407,024
State sources	-	-	-	-	1,900	-	147,753	-	-	149,653
Federal sources	-	-	-	-	-	-	1,334,205	-	-	1,334,205
Commercial passenger excise tax	-	-	-	-	-	-	-	-	-	615,545
Investment income (loss)	(7,688)	11	943	(530)	138	(1,257)	14,373	(44,272)	-	(77,461)
Other	21,350	-	3,930	-	-	-	-	-	-	110,307
Total Revenues	13,662	11	4,873	406,494	2,038	(1,257)	1,496,331	(44,272)	-	2,539,273
Expenditures										
Current:										
Public safety	-	-	10,082	-	-	-	-	-	-	10,087
Public works	-	-	-	-	-	-	-	-	-	43
Public services	-	22,463	-	501,048	-	-	-	-	-	527,494
Debt service:										
Principal	-	-	-	-	-	-	-	1,850,000	-	1,850,000
Interest	-	-	-	-	-	-	-	547,540	-	547,540
Refunding bond issuance costs	-	-	-	-	-	-	-	48,179	-	48,179
Capital outlay	-	-	-	-	-	-	1,947,117	-	-	1,947,117
Total Expenditures	-	22,463	10,082	501,048	-	-	1,947,117	2,445,719	-	4,930,460
Excess of Revenues Over (Under) Expenditures	13,662	(22,452)	(5,209)	(94,554)	2,038	(1,257)	(450,786)	(2,489,991)	-	(2,391,187)
Other Financing Sources (Uses)										
Transfers in	86,025	21,309	-	-	-	30,000	2,795,000	1,394,703	-	4,332,224
Transfers out	(104,000)	-	-	-	-	(68,783)	(358,930)	-	-	(780,145)
Refunding bonds issued	-	-	-	-	-	-	-	6,290,000	-	6,290,000
Premium on refunding bonds issued	-	-	-	-	-	-	-	585,277	-	585,277
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	(6,818,469)	-	(6,818,469)
Net Other Financing Sources (Uses)	(17,975)	21,309	-	-	-	(38,783)	2,436,070	1,451,511	-	3,608,887
Net Change in Fund Balances	(4,313)	(1,143)	(5,209)	(94,554)	2,038	(40,040)	1,985,284	(1,038,480)	-	1,217,700
Fund Balances (Deficit), beginning	846,483	1,371	78,301	57,060	10,504	105,125	7,487,404	1,876,192	-	17,581,132
Fund Balances (Deficit), ending	\$ 842,170	\$ 228	\$ 73,092	\$ (37,494)	\$ 12,542	\$ 65,085	\$ 9,472,688	\$ 837,712	\$ -	\$ 18,798,832

City and Borough of Sitka, Alaska

Nonmajor Governmental Funds

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

Police Department and Forfeitures Special Revenue Fund

<i>For the fiscal year ended June 30, 2021</i>	Original Budget	Final Budget	Actual	Variance
Revenues	\$ 1,000	\$ 1,000	\$ 75,117	\$ 74,117
Expenditures	1,000	100	5	95
Excess of Revenues Over Expenditures	-	900	75,112	74,212
Other Financing Uses				
Transfers out	-	-	(1,210)	(1,210)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 900</u>	73,902	<u>\$ 72,812</u>
Fund Balance, beginning			<u>9,295</u>	
Fund Balance, ending			<u>\$ 83,197</u>	

Homeland Security Grant Special Revenue Fund

<i>For the fiscal year ended June 30, 2021</i>	Original Budget	Final Budget	Actual	Variance
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	-	-	-
Other Financing Sources				
Transfers in	-	-	5,187	5,187
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	5,187	<u>\$ 5,187</u>
Fund Deficit, beginning			<u>(5,187)</u>	
Fund Balance, ending			<u>\$ -</u>	

City and Borough of Sitka, Alaska

Nonmajor Governmental Funds

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

Library Building Special Revenue Fund

<i>For the fiscal year ended June 30, 2021</i>	Original Budget	Final Budget	Actual	Variance
Revenues	\$ 1,000	\$ 1,000	\$ (160)	\$ (1,160)
Expenditures	1,000	1,000	-	1,000
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(160)	<u>\$ (2,160)</u>
Fund Balance, beginning			<u>18,516</u>	
Fund Balance, ending			<u>\$ 18,356</u>	

Library Donation Special Revenue Fund

<i>For the fiscal year ended June 30, 2021</i>	Original Budget	Final Budget	Actual	Variance
Revenues	\$ 6,000	\$ 6,000	\$ 6,192	\$ 192
Expenditures	5,000	5,000	3,983	1,017
Net Change in Fund Balance	<u>\$ 1,000</u>	<u>\$ 1,000</u>	2,209	<u>\$ 1,209</u>
Fund Balance, beginning			<u>267,795</u>	
Fund Balance, ending			<u>\$ 270,004</u>	

City and Borough of Sitka, Alaska

Nonmajor Governmental Funds

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

Southeast Economic Development Special Revenue Fund

<i>For the fiscal year ended June 30, 2021</i>	Original Budget	Final Budget	Actual	Variance
Revenues	\$ 50,000	\$ 50,000	\$ (8,254)	\$ (58,254)
Expenditures	-	-	-	-
Excess of Revenues Over (Under) Expenditures	50,000	50,000	(8,254)	(58,254)
Other Financing Uses				
Transfers out	(50,000)	(150,000)	(130,831)	19,169
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (100,000)</u>	(139,085)	<u>\$ (39,085)</u>
Fund Balance, beginning			<u>3,609,388</u>	
Fund Balance, ending			<u>\$ 3,470,303</u>	

Gary Paxton Park Contingency Special Revenue Fund

<i>For the fiscal year ended June 30, 2021</i>	Original Budget	Final Budget	Actual	Variance
Revenues	\$ 11,000	\$ 11,000	\$ (5,619)	\$ (16,619)
Expenditures	-	-	-	-
Excess of Revenues Over (Under) Expenditures	11,000	11,000	(5,619)	(16,619)
Other Financing Uses				
Transfers out	(11,000)	(11,000)	(7,682)	3,318
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(13,301)	<u>\$ (13,301)</u>
Fund Balance, beginning			<u>640,311</u>	
Fund Balance, ending			<u>\$ 627,010</u>	

City and Borough of Sitka, Alaska

Nonmajor Governmental Funds

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

Commercial Passenger Excise Tax Special Revenue Fund

<i>For the fiscal year ended June 30, 2021</i>	Original Budget	Final Budget	Actual	Variance
Revenues	\$ 457,000	\$ 457,000	\$ 605,132	\$ 148,132
Expenditures	250,000	250,000	-	250,000
Excess of Revenues Over Expenditures	207,000	207,000	605,132	398,132
Other Financing Uses				
Transfers out	(115,000)	(115,000)	(91,200)	23,800
Net Change in Fund Balance	<u>\$ 92,000</u>	<u>\$ 92,000</u>	513,932	<u>\$ 421,932</u>
Fund Balance, beginning			<u>1,120,594</u>	
Fund Balance, ending			<u>\$ 1,634,526</u>	

Local Improvement District Revolving Special Revenue Fund

<i>For the fiscal year ended June 30, 2021</i>	Original Budget	Final Budget	Actual	Variance
Revenues	\$ 24,000	\$ 24,000	\$ (8,511)	\$ (32,511)
Expenditures	500	500	43	457
Excess of Revenues Over (Under) Expenditures	23,500	23,500	(8,554)	(32,054)
Other Financing Uses				
Transfers out	(24,000)	(24,000)	(14,086)	9,914
Net Change in Fund Balance	<u>\$ (500)</u>	<u>\$ (500)</u>	(22,640)	<u>\$ (22,140)</u>
Fund Balance, beginning			<u>1,172,697</u>	
Fund Balance, ending			<u>\$ 1,150,057</u>	

City and Borough of Sitka, Alaska

Nonmajor Governmental Funds

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

Local Improvement District Guaranty Special Revenue Fund

<i>For the fiscal year ended June 30, 2021</i>	Original Budget	Final Budget	Actual	Variance
Revenues	\$ 6,000	\$ 6,000	\$ (2,503)	\$ (8,503)
Expenditures	-	-	-	-
Excess of Revenues Over (Under) Expenditures	6,000	6,000	(2,503)	(8,503)
Other Financing Uses				
Transfers out	(6,000)	(6,000)	(3,423)	2,577
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(5,926)	<u>\$ (5,926)</u>
Fund Balance, beginning			<u>285,283</u>	
Fund Balance, ending			<u>\$ 279,357</u>	

Raw Water Sales Special Revenue Fund

<i>For the fiscal year ended June 30, 2021</i>	Original Budget	Final Budget	Actual	Variance
Revenues	\$ 18,000	\$ 18,000	\$ 13,662	\$ (4,338)
Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	18,000	18,000	13,662	(4,338)
Other Financing Sources (Uses)				
Transfers in	-	-	86,025	86,025
Transfers out	(30,000)	(104,000)	(104,000)	-
Net Other Financing Sources (Uses)	(30,000)	(104,000)	(17,975)	86,025
Net Change in Fund Balance	<u>\$ (12,000)</u>	<u>\$ (86,000)</u>	(4,313)	<u>\$ 81,687</u>
Fund Balance, beginning			<u>846,483</u>	
Fund Balance, ending			<u>\$ 842,170</u>	

City and Borough of Sitka, Alaska

Nonmajor Governmental Funds

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

Fisheries Enhancement Special Revenue Fund

<i>For the fiscal year ended June 30, 2021</i>	Original Budget	Final Budget	Actual	Variance
Revenues	\$ -	\$ -	\$ 11	\$ 11
Expenditures	37,500	37,500	22,463	15,037
Excess of Revenues Under Expenditures	(37,500)	(37,500)	(22,452)	15,048
Other Financing Sources				
Transfers in	37,500	37,500	21,309	(16,191)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(1,143)	<u>\$ (1,143)</u>
Fund Balance, beginning			<u>1,371</u>	
Fund Balance, ending			<u>\$ 228</u>	

Pet Adoption Special Revenue Fund

<i>For the fiscal year ended June 30, 2021</i>	Original Budget	Final Budget	Actual	Variance
Revenues	\$ 2,000	\$ 2,000	\$ 4,873	\$ 2,873
Expenditures	10,000	20,000	10,082	9,918
Net Change in Fund Balance	<u>\$ (8,000)</u>	<u>\$ (18,000)</u>	(5,209)	<u>\$ 12,791</u>
Fund Balance, beginning			<u>78,301</u>	
Fund Balance, ending			<u>\$ 73,092</u>	

City and Borough of Sitka, Alaska

Nonmajor Governmental Funds

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

Visitor Enhancement Special Revenue Fund

<i>For the fiscal year ended June 30, 2021</i>	Original Budget	Final Budget	Actual	Variance
Revenues	\$ 580,000	\$ 580,000	\$ 406,494	\$ (173,506)
Expenditures	540,125	540,125	501,048	39,077
Net Change in Fund Balance	<u>\$ 39,875</u>	<u>\$ 39,875</u>	(94,554)	<u>\$ (134,429)</u>
Fund Balance, beginning			<u>57,060</u>	
Fund Deficit, ending			<u>\$ (37,494)</u>	

Student Travel Special Revenue Fund

<i>For the fiscal year ended June 30, 2021</i>	Original Budget	Final Budget	Actual	Variance
Revenues	\$ 2,700	\$ 2,700	\$ 2,038	\$ (662)
Expenditures	2,500	2,500	-	2,500
Net Change in Fund Balance	<u>\$ 200</u>	<u>\$ 200</u>	2,038	<u>\$ 1,838</u>
Fund Balance, beginning			<u>10,504</u>	
Fund Balance, ending			<u>\$ 12,542</u>	

City and Borough of Sitka, Alaska

Nonmajor Governmental Funds

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

Utility Subsidization Special Revenue Fund

<i>For the fiscal year ended June 30, 2021</i>	Original Budget	Final Budget	Actual	Variance
Revenues	\$ -	\$ -	\$ (1,257)	\$ (1,257)
Expenditures	-	-	-	-
Excess of Revenues Under Expenditures	-	-	(1,257)	(1,257)
Other Financing Sources (Uses)				
Transfers in	30,000	30,000	30,000	-
Transfers out	(79,560)	(79,560)	(68,783)	10,777
Net Other Financing Sources (Uses)	(49,560)	(49,560)	(38,783)	10,777
Net Change in Fund Balance	<u>\$ (49,560)</u>	<u>\$ (49,560)</u>	<u>(40,040)</u>	<u>\$ 9,520</u>
Fund Balance, beginning			<u>105,125</u>	
Fund Balance, ending			<u>\$ 65,085</u>	

City and Borough of Sitka, Alaska

Nonmajor Governmental Funds

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

Capital Projects Fund

<i>For the fiscal year ended June 30, 2021</i>	Original Budget	Final Budget	Actual	Variance
Revenues	\$ 80,000	\$ 318,905	\$ 1,496,331	\$ 1,177,426
Expenditures	280,000	955,612	1,947,117	(991,505)
Excess of Revenues Over (Under) Expenditures	(200,000)	(636,707)	(450,786)	185,921
Other Financing Sources (Uses)				
Transfers in	200,000	2,795,000	2,795,000	-
Transfers out	-	-	(358,930)	(358,930)
Net Other Financing Sources (Uses)	200,000	2,795,000	2,436,070	(358,930)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 2,158,293</u>	1,985,284	<u>\$ (173,009)</u>
Fund Balance, beginning			<u>7,487,404</u>	
Fund Balance, ending			<u>\$ 9,472,688</u>	

Capital appropriations do not lapse until a project is complete, in addition to the new appropriations for FY2021, over \$22,255,465 in open appropriations from prior years remain.

City and Borough of Sitka, Alaska

Nonmajor Governmental Funds

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

School Bond Debt Service Fund

<i>For the fiscal year ended June 30, 2021</i>	Original Budget	Final Budget	Actual	Variance
Revenues	\$ 839,139	\$ 839,139	\$ (44,272)	\$ (883,411)
Expenditures	2,397,540	2,457,540	2,445,719	11,821
Excess of Revenues Under Expenditures	(1,558,401)	(1,618,401)	(2,489,991)	(871,590)
Other Financing Sources (Uses)				
Transfers in	1,338,166	1,338,166	1,394,703	56,537
Refunding bonds issued	-	-	6,290,000	6,290,000
Premium on refunding bonds issued	-	-	585,277	585,277
Payment on refunded bond escrow agent	-	-	(6,818,469)	(6,818,469)
Net Other Financing Sources (Uses)	1,338,166	1,338,166	1,451,511	113,345
Net Change in Fund Balance	\$ (220,235)	\$ (280,235)	(1,038,480)	\$ (815,053)
Fund Balance, beginning			<u>1,876,192</u>	
Fund Balance, ending			<u>\$ 837,712</u>	

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NONMAJOR ENTERPRISE FUNDS

Water-Accounts for municipally owned water infrastructure and delivery.

Gary Paxton Industrial Park-Accounts for industrial park owned by the municipality.

Airport-Accounts for municipally owned airport terminal.

Marine Service Center-Accounts for cold storage building owned and operated by the municipality.

City and Borough of Sitka, Alaska
Nonmajor Enterprise Funds
Combining Statement of Net Position

<i>June 30, 2021</i>	Water	Gary Paxton Industrial Park	Airport	Marine Service Center	Total Nonmajor Enterprise Funds
Assets					
Current Assets					
Equity in central treasury	\$ 2,458,413	\$ 809,876	\$ 5,101,342	\$ 2,347,849	\$ 10,717,480
Receivables:					
Trade accounts receivable and other	191,217	9,102	68,634	20,786	289,739
Allowance for uncollectibles	(61,539)	-	-	-	(61,539)
Federal and State of Alaska	3,600,914	-	19,328	-	3,620,242
Current portion of note receivable	-	8,649	-	-	8,649
Inventories	234,190	-	-	-	234,190
Total Current Assets	6,423,195	827,627	5,189,304	2,368,635	14,808,761
Noncurrent Assets					
Equity in central treasury -					
Bond covenant accounts	-	-	345,504	-	345,504
Notes receivable	-	10,362	-	-	10,362
Net OPEB asset	37,214	-	-	-	37,214
Water rights	23,483	-	-	-	23,483
Capital assets:					
Property, plant and equipment	46,928,623	20,038,332	5,260,031	3,506,393	75,733,379
Construction in progress	5,330,848	-	651,684	168,656	6,151,188
Less accumulated depreciation	(20,557,048)	(3,515,635)	(3,557,567)	(3,331,737)	(30,961,987)
Total capital assets, net of accumulated depreciation	31,702,423	16,522,697	2,354,148	343,312	50,922,580
Total Noncurrent Assets	31,763,120	16,533,059	2,699,652	343,312	51,339,143
Total Assets	38,186,315	17,360,686	7,888,956	2,711,947	66,147,904
Deferred Outflows of Resources					
Deferred outflows of resources related to OPEB	26,986	-	-	-	26,986
Deferred outflows of resources related to pensions	92,361	-	-	-	92,361
Total Deferred Outflows of Resources	119,347	-	-	-	119,347
Total Assets and Deferred Outflows of Resources	\$ 38,305,662	\$ 17,360,686	\$ 7,888,956	\$ 2,711,947	\$ 66,267,251
Liabilities and Net Position					
Current Liabilities					
Accounts payable and accrued liabilities	\$ 1,147,395	\$ 1,750	\$ 116,210	\$ 47,514	\$ 1,312,869
Interest payable	69,865	-	78,541	-	148,406
Unearned revenue	-	6,930	-	10,886	17,816
Current portion:					
Revenue bonds	-	-	145,000	-	145,000
Notes payable	414,517	-	-	-	414,517
Compensated absences	13,410	-	-	-	13,410
Total Current Liabilities	1,645,187	8,680	339,751	58,400	2,052,018
Noncurrent Liabilities					
Bonds, notes, and unamortized bond premiums	10,586,947	-	3,889,444	-	14,476,391
Compensated absences	20,116	-	-	-	20,116
Net other postemployment benefits liability	679	-	-	-	679
Net pension liability	449,771	-	-	-	449,771
Total Noncurrent Liabilities	11,057,513	-	3,889,444	-	14,946,957
Total Liabilities	12,702,700	8,680	4,229,195	58,400	16,998,975
Deferred Inflows of Resources					
Deferred inflows of resources related to OPEB	29,979	-	-	-	29,979
Net Position					
Net investment in capital assets	20,700,959	16,522,697	2,164,893	343,312	39,731,861
Restricted for capital asset acquisition	-	-	3,845,189	-	3,845,189
Restricted for debt service	-	-	345,504	-	345,504
Unrestricted (deficit)	4,872,024	829,309	(2,695,825)	2,310,235	5,315,743
Total Net Position	25,572,983	17,352,006	3,659,761	2,653,547	49,238,297
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 38,305,662	\$ 17,360,686	\$ 7,888,956	\$ 2,711,947	\$ 66,267,251

City and Borough of Sitka, Alaska

Nonmajor Enterprise Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

<i>For the fiscal year ended June 30, 2021</i>	Water	Gary Paxton Industrial Park	Airport	Marine Service Center	Total Nonmajor Enterprise Funds
Operating Revenues					
Charges for service	\$ 2,871,848	\$ 157,689	\$ 625,036	\$ 253,545	\$ 3,908,118
Other operating revenues	36,553	-	-	-	36,553
Total Operating Revenues	2,908,401	157,689	625,036	253,545	3,944,671
Operating Expenses					
Wages and benefits	428,750	-	-	-	428,750
Travel and training	2,639	-	-	-	2,639
Utilities	87,307	20,882	113,726	(11,736)	210,179
Repair and maintenance	88,043	1,611	68,244	64,231	222,129
Contracted/purchased services	36,748	106,839	80,798	6,818	231,203
Interdepartmental services	496,809	66,864	95,375	21,941	680,989
Other	233,870	22,273	33,493	7,759	297,395
Depreciation and amortization	1,392,250	434,825	171,360	31,218	2,029,653
Total Operating Expenses	2,766,416	653,294	562,996	120,231	4,102,937
Income (Loss) from Operations	141,985	(495,605)	62,040	133,314	(158,266)
Nonoperating Revenues (Expenses)					
Investment income (loss)	(46,147)	(4,584)	(12,551)	(16,420)	(79,702)
Interest expense	(93,542)	(1,618)	(165,624)	-	(260,784)
State PERS relief	23,577	-	-	-	23,577
Net Nonoperating Revenues (Expenses)	(116,112)	(6,202)	(178,175)	(16,420)	(316,909)
Income (Loss) Before Contributions and Transfers	25,873	(501,807)	(116,135)	116,894	(475,175)
Capital contributions	35,388	-	6,111	-	41,499
Transfers in	-	211,682	-	-	211,682
Transfers out	(21,425)	(102,781)	-	-	(124,206)
Change in Net Position	39,836	(392,906)	(110,024)	116,894	(346,200)
Net Position, beginning	25,533,147	17,744,912	3,769,785	2,536,653	49,584,497
Net Position, ending	\$ 25,572,983	\$ 17,352,006	\$ 3,659,761	\$ 2,653,547	\$ 49,238,297

City and Borough of Sitka, Alaska

Nonmajor Enterprise Funds
Combining Statement of Cash Flows

	Water	Gary Paxton Industrial Park	Airport	Marine Service Center	Total Nonmajor Enterprise Funds
<i>For the fiscal year ended June 30, 2021</i>					
Cash Flows from (for) Operating Activities					
Receipts from customers and users	\$ 2,962,098	\$ 211,248	\$ 703,531	\$ 264,430	\$ 4,141,307
Payments to suppliers	439,802	(150,108)	(211,037)	(24,903)	53,754
Payments for interfund services used	(496,809)	(66,864)	(95,375)	(21,941)	(680,989)
Payments to employees	(391,646)	-	-	-	(391,646)
Net cash flows from (for) operating activities	2,513,445	(5,724)	397,119	217,586	3,122,426
Cash Flows from (for) Noncapital Financing Activities					
Transfers from other funds	-	211,682	-	-	211,682
Transfers to other funds	(21,425)	(102,781)	-	-	(124,206)
Net cash flows from (for) noncapital financing activities	(21,425)	108,901	-	-	87,476
Cash Flows for Capital and Related Financing Activities					
Capital outlay	(4,752,785)	-	(244,384)	(50,237)	(5,047,406)
Interest paid	(93,542)	(1,618)	(193,081)	-	(288,241)
Payments on bonds and notes payable	(413,896)	-	(140,000)	-	(553,896)
Government grants and loans for construction received	1,315,649	-	6,111	-	1,321,760
Repayment of advances	-	(49,785)	-	-	(49,785)
Net cash flows for capital and related financing activities	(3,944,574)	(51,403)	(571,354)	(50,237)	(4,617,568)
Cash Flows for Investing Activities - Investment loss	(46,147)	(4,584)	(12,551)	(16,420)	(79,702)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,498,701)	47,190	(186,786)	150,929	(1,487,368)
Cash and Cash Equivalents, beginning	3,957,114	762,686	5,288,128	2,196,920	12,204,848
Cash and Cash Equivalents, ending	\$ 2,458,413	\$ 809,876	\$ 5,101,342	\$ 2,347,849	\$ 10,717,480
Reconciliation of Income (Loss) from Operations to Net Cash Flows from (for) Operating Activities					
Income (loss) from operations	\$ 141,985	\$ (495,605)	\$ 62,040	\$ 133,314	\$ (158,266)
Adjustments to reconcile income (loss) from operations to net cash flows from (for) operating activities:					
Depreciation and amortization	1,392,250	434,825	171,360	31,218	2,029,653
State PERS relief	23,577	-	-	-	23,577
(Increase) decrease in assets and deferred outflows of resources:					
Accounts receivable (net)	53,697	46,629	78,495	(1)	178,820
Inventory	10,331	-	-	-	10,331
Prepaid expenses	-	-	12,283	-	12,283
Net OPEB asset	(34,404)	-	-	-	(34,404)
Deferred outflow of resources related to OPEB	4,639	-	-	-	4,639
Deferred outflow of resources related to pensions	(28,989)	-	-	-	(28,989)
Increase (decrease) in liabilities and deferred inflows of resources:					
Accounts payable and accrued liabilities	878,078	1,497	72,941	42,169	994,685
Unearned revenue	-	6,930	-	10,886	17,816
Compensated absences	5,249	-	-	-	5,249
Net other postemployment benefits liability	(11,720)	-	-	-	(11,720)
Net pension liability	85,764	-	-	-	85,764
Deferred inflows of resources related to OPEB	14,252	-	-	-	14,252
Deferred inflows of resources related to pensions	(21,264)	-	-	-	(21,264)
Net Cash Flows from (for) Operating Activities	\$ 2,513,445	\$ (5,724)	\$ 397,119	\$ 217,586	\$ 3,122,426

INTERNAL SERVICE FUNDS

The City and Borough of Sitka's internal service funds account for the provision of services by one department to other municipal departments. These include:

Information Technology-Accounts for centralized IT services provided to municipal departments.

Central Garage-Accounts for centralized vehicle repair and maintenance.

Building Maintenance-Accounts for maintenance of all municipal buildings.

City and Borough of Sitka, Alaska

Internal Service Funds
Combining Statement of Net Position

<i>June 30, 2021</i>	Information Technology	Central Garage	Building Maintenance	Total Internal Service Funds
Assets and Deferred Outflows of Resources				
Current Assets				
Equity in central treasury	\$ 553,607	\$ 5,608,627	\$ 1,238,138	\$ 7,400,372
Noncurrent Assets				
Net OPEB asset	49,786	17,851	36,803	104,440
Capital assets:				
Property, plant and equipment	2,977,125	9,613,761	32,459	12,623,345
Less accumulated depreciation	(2,480,300)	(6,007,505)	(28,498)	(8,516,303)
Total capital assets, net of accumulated depreciation	496,825	3,606,256	3,961	4,107,042
Total Noncurrent Assets	546,611	3,624,107	40,764	4,211,482
Total Assets	1,100,218	9,232,734	1,278,902	11,611,854
Deferred Outflows of Resources				
Deferred outflows of resources related to OPEB	36,102	12,944	26,687	75,733
Deferred outflows of resources related to pensions	123,562	44,303	91,339	259,204
Total Deferred Outflows of Resources	159,664	57,247	118,026	334,937
Total Assets and Deferred Outflows of Resources	\$ 1,259,882	9,289,981	\$ 1,396,928	\$ 11,946,791
Liabilities, Deferred Inflows of Resources and Net Position				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 40,293	\$ 29,014	\$ 17,353	\$ 86,660
Compensated absences	12,644	6,148	11,893	30,685
Total Current Liabilities	52,937	35,162	29,246	117,345
Noncurrent Liabilities				
Advances from other funds	117,769	-	-	117,769
Compensated absences	18,965	9,222	17,840	46,027
Net OPEB liability	909	326	672	1,907
Net pension liability	601,715	215,742	444,795	1,262,252
Total Noncurrent Liabilities	739,358	225,290	463,307	1,427,955
Total Liabilities	792,295	260,452	492,553	1,545,300
Deferred Inflows of Resources				
Deferred inflows of resources related to OPEB	40,107	14,380	29,648	84,135
Net Position				
Net investment in capital assets	379,056	3,606,256	3,961	3,989,273
Unrestricted	48,424	5,408,893	870,766	6,328,083
Total Net Position	427,480	9,015,149	874,727	10,317,356
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 1,259,882	\$ 9,289,981	\$ 1,396,928	\$ 11,946,791

City and Borough of Sitka, Alaska

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

<i>For the fiscal year ended June 30, 2021</i>	Information Technology	Central Garage	Building Maintenance	Total Internal Service Funds
Operating Revenues				
Charges for service	\$ 1,552,139	\$ 1,654,918	\$ 593,598	\$ 3,800,655
Other operating revenues	-	32,182	-	32,182
Total Operating Revenues	1,552,139	1,687,100	593,598	3,832,837
Operating Expenses				
Wages and benefits	558,870	154,263	411,920	1,125,053
Travel and training	595	-	370	965
Utilities	263,807	45,887	1,300	310,994
Repair and maintenance	205,024	85,106	14,041	304,171
Contracted/purchased services	176,610	292,206	123,416	592,232
Interdepartmental services	84,175	97,286	115,393	296,854
Other	96,409	6,869	57,743	161,021
Depreciation and amortization	266,170	674,824	880	941,874
Total Operating Expenses	1,651,660	1,356,441	725,063	3,733,164
Income (Loss) from Operations	(99,521)	330,659	(131,465)	99,673
Nonoperating Revenues (Expenses)				
Investment income (loss)	(1,451)	(42,382)	(13,520)	(57,353)
Interest expense	(7,066)	(2,500)	-	(9,566)
State PERS relief	31,537	11,308	23,310	66,155
Gain on sale of capital assets	-	81,620	-	81,620
Other federal sources	13,024	-	6,788	19,812
Net Nonoperating Revenues (Expenses)	36,044	48,046	16,578	100,668
Income (Loss) Before Transfers	(63,477)	378,705	(114,887)	200,341
Transfers in	-	115,855	30,830	146,685
Change in Net Position	(63,477)	494,560	(84,057)	347,026
Net Position, beginning	490,957	8,520,589	958,784	9,970,330
Net Position, ending	\$ 427,480	\$ 9,015,149	\$ 874,727	\$ 10,317,356

City and Borough of Sitka, Alaska

Internal Service Funds

Combining Statement of Cash Flows

<i>For the fiscal year ended June 30, 2021</i>	Information Technology	Central Garage	Building Maintenance	Total Internal Service Funds
Cash Flows from (for) Operating Activities				
Receipts from customers and users	\$ 1,552,139	\$ 1,687,100	\$ 593,598	\$ 3,832,837
Payments to suppliers	(724,976)	(481,459)	(188,576)	(1,395,011)
Payments for interfund services used	(84,175)	(97,286)	(115,393)	(296,854)
Payments to employees	(511,039)	(177,722)	(397,569)	(1,086,330)
Net cash flows from (for) operating activities	231,949	930,633	(107,940)	1,054,642
Cash Flows from (for) Noncapital Financing Activities				
Repayments of advances	(117,772)	(50,000)	-	(167,772)
Other federal sources	13,024	-	6,788	19,812
Transfers from other funds	-	115,855	30,830	146,685
Net cash flows from (for) noncapital financing activities	(104,748)	65,855	37,618	(1,275)
Cash Flows for Capital and Related Financing Activities				
Capital outlay	-	(598,695)	-	(598,695)
Interest paid	(7,066)	(2,500)	-	(9,566)
Net cash flows for capital and related financing activities	(7,066)	(601,195)	-	(608,261)
Cash Flows for Investing Activities				
Investment loss	(1,451)	(42,382)	(13,522)	(57,355)
Net Increase (Decrease) in Cash and Cash Equivalents	118,684	352,911	(83,844)	387,751
Cash and Cash Equivalents, beginning	434,923	5,255,716	1,321,982	7,012,621
Cash and Cash Equivalents, ending	\$ 553,607	\$ 5,608,627	\$ 1,238,138	\$ 7,400,372
Reconciliation of Income (Loss) from Operations to Net Cash Flows from (for) Operating Activities				
Income (loss) from operations	\$ (99,521)	\$ 330,659	\$ (131,465)	\$ 99,673
Adjustments to reconcile income (loss) from operations to net cash flows from (for) operating activities:				
Depreciation and amortization	266,170	674,824	880	941,874
State PERS relief	31,537	11,308	23,310	66,155
(Increase) decrease in assets and deferred outflows of resources:				
Net OPEB asset	(46,047)	(16,141)	(33,896)	(96,084)
Deferred outflows of resources related to OPEB	5,975	6,301	6,031	18,307
Deferred outflows of resources related to pensions	(39,246)	(5,739)	(25,778)	(70,763)
Increase (decrease) in liabilities and deferred inflows of resources:				
Accounts payable and accrued liabilities	17,469	(51,391)	8,294	(25,628)
Compensated absences	2,901	1,928	(2,752)	2,077
Net other postemployment benefits liability	(15,588)	(7,219)	(12,156)	(34,963)
Net pension liability	117,409	(5,767)	68,213	179,855
Deferred inflows of resources related to OPEB	19,182	4,810	13,378	37,370
Deferred inflows of resources related to pensions	(28,292)	(12,940)	(21,999)	(63,231)
Net Cash Flows from (for) Operating Activities	\$ 231,949	\$ 930,633	\$ (107,940)	\$ 1,054,642

Statistical Section

Financial Trend Data

These schedules contain trend information that describe how the City and Borough's financial performance has changed over time. Tables 1-4

Revenue Capacity Data

These schedules contain information about the City and Borough's most significant sources of local revenue—property and sales tax. Tables 5-10

Debt Capacity

These schedules provide information on the of the current levels of outstanding debt, its affordability, and the City and Borough's ability to issue additional debt in the future. Tables 11-14

Economic and Demographic Information

These schedules provide economic and demographic indicators to help the reader understand the environment within which the City and Borough's financial activities take place. Tables 15-16

Operating Information

These schedules contain service and infrastructure indicators that describe how the information in the City and Borough's financial report relates to the services the City and Borough provides and the activities it performs. Tables 17-20

Source:

Unless otherwise noted, information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

City and Borough of Sitka, Alaska

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year				
	2017	2018	2019	2020	2021
Governmental activities:					
Invested in capital assets, net of related debt	\$ 115,405,541	\$ 115,862,733	\$ 114,600,888	\$ 113,633,981	\$ 111,104,544
Restricted	27,067,460	27,776,873	23,357,825	26,651,153	30,301,141
Unrestricted	16,597,067	15,861,001	23,985,152	6,409,150	27,558,153
Total governmental activities net assets	159,070,068	159,500,607	161,943,865	146,694,284	168,963,838
Business-type activities:					
Invested in capital assets, net of related debt	170,051,853	167,321,108	149,892,960	163,674,646	163,517,555
Restricted	10,583,555	10,748,446	11,901,160	16,387,458	12,450,444
Unrestricted	27,954,746	27,082,561	42,848,761	28,218,057	32,948,528
Total business-type activities net assets	208,590,154	205,152,115	204,642,881	208,280,161	208,916,527
Primary government:					
Invested in capital assets, net of related debt	285,457,394	283,183,841	264,493,848	277,308,627	274,622,099
Restricted	37,651,015	38,525,319	35,258,985	43,038,611	42,751,585
Unrestricted	44,551,813	42,943,562	66,833,913	34,627,207	60,506,681
Total Primary Government Net Assets	\$ 367,660,222	\$ 364,652,722	\$ 366,586,746	\$ 354,974,445	\$ 377,880,365
	Fiscal Year				
	2012	2013	2014	2015	2016
Governmental activities:					
Invested in capital assets, net of related debt	\$ 69,758,706	\$ 81,140,841	\$ 86,125,410	\$ 94,765,479	\$ 111,067,134
Restricted	28,065,049	28,969,693	25,924,835	32,149,739	27,567,141
Unrestricted	31,751,885	28,940,773	37,352,229	22,669,294	21,354,757
Total governmental activities net assets	129,575,640	139,051,307	149,402,474	149,584,512	159,989,032
Business-type activities:					
Invested in capital assets, net of related debt	89,725,575	103,467,052	156,196,702	164,836,448	171,259,337
Restricted	3,495,431	7,359,839	8,992,528	10,445,096	10,470,409
Unrestricted	48,724,671	50,906,747	25,943,451	33,109,400	28,987,128
Total business-type activities net assets	141,945,677	161,733,638	191,132,681	208,390,944	210,716,874
Primary government:					
Invested in capital assets, net of related debt	159,484,281	184,607,893	242,322,112	259,601,927	171,259,337
Restricted	31,560,480	36,329,532	34,917,363	42,594,835	38,037,550
Unrestricted	80,476,556	79,847,520	63,295,680	55,778,694	50,341,885
Total Primary Government Net Assets	\$ 271,521,317	\$ 300,784,945	\$ 340,535,155	\$ 357,975,456	\$ 370,705,906

City and Borough of Sitka, Alaska

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year				
	2017	2018	2019	2020	2021
General Fund:					
Nonspendable	\$ 988,403	\$ 625,913	\$ 117,381	\$ 4,175,552	\$ 3,126,672
Restricted	-	-	-	-	-
Committed	9,206,808	10,262,266	9,924,505	9,494,699	10,408,352
Assigned	-	-	-	-	-
Unassigned	3,977,938	4,171,993	5,716,004	3,827,823	7,893,419
Total General Fund	14,173,149	15,060,172	15,757,890	17,498,074	21,428,443
All Other Governmental Funds:					
Nonspendable	5	5	5	21,437,510	26,506,714
Restricted	25,141,562	25,681,513	27,229,862	4,739,787	3,974,314
Committed	9,249,985	9,816,366	9,780,650	12,444,137	14,810,545
Assigned	3,344,825	3,705,160	3,679,829	3,206,425	3,132,738
Unassigned	(5,187)	(5,187)	(5,187)	(2,470,085)	(3,058,975)
Total all other governmental funds	\$ 37,731,190	\$ 39,197,857	\$ 40,685,159	\$ 39,357,774	\$ 45,365,336
	Fiscal Year				
	2012	2013	2014	2015	2016
General Fund:					
Nonspendable	\$ 225	\$ 49,486	\$ 394,229	\$ 1,825,359	\$ 1,657,883
Restricted	522,444	520,742	-	-	-
Committed	9,987,028	7,904,460	7,762,442	8,295,203	8,460,152
Assigned	-	-	-	-	-
Unassigned	3,075,401	5,843,192	8,234,138	4,889,171	4,420,827
Total General Fund	13,585,098	14,317,880	16,390,809	15,009,733	14,538,862
All other governmental funds:					
Nonspendable	1,855,781	2,743,313	2,883,234	56,681	69,015
Restricted	29,036,455	28,343,985	25,924,835	26,207,854	24,863,608
Committed	8,933,726	6,727,368	11,544,459	15,111,535	11,404,858
Assigned	3,016,000	2,391,820	2,434,379	2,387,729	3,580,527
Unassigned	(35,725)	(8,870)	(4,686)	(4,785)	(5,167)
Total all other governmental funds	\$ 42,806,237	\$ 40,197,616	\$ 42,782,221	\$ 43,759,014	\$ 39,912,841

City and Borough of Sitka, Alaska

Changes in Net Position

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities										
Administration	\$ 1,620,189	\$ 1,724,076	\$ 2,258,018	\$ 2,078,240	\$ 2,388,505	\$ 2,715,896	\$ 2,461,842	\$ 3,386,382	\$ 2,119,817	\$ 3,274,729
Public safety	6,655,486	6,827,712	7,044,883	6,958,306	7,788,950	8,094,841	6,463,189	5,753,966	4,864,415	6,936,421
Public works	5,101,445	5,450,632	4,112,134	4,661,945	6,341,667	6,722,139	5,872,594	5,501,557	5,184,674	5,576,464
Public services	2,340,805	2,007,427	2,405,686	3,727,612	3,222,086	3,996,515	3,453,341	3,521,266	5,453,614	2,931,251
School and Hospital Support*	9,141,153	9,054,114	9,123,989	9,384,188	10,783,487	10,392,966	10,680,672	10,890,195	10,761,829	10,680,074
Interest on long-term debt	1,329,359	1,376,917	1,268,837	1,082,227	1,054,818	809,906	882,935	624,648	521,250	316,986
Total governmental activities	26,188,437	26,440,878	26,213,547	27,892,518	31,579,513	32,732,263	29,814,573	29,678,014	28,905,599	29,715,925
Business-type Activities										
Electric Utility	12,990,060	10,981,793	10,110,246	11,144,214	19,484,534	24,097,768	22,087,589	21,888,517	20,888,636	18,546,879
Water Utility	1,873,635	2,204,600	2,182,462	2,370,055	2,274,676	2,577,678	2,760,171	2,654,802	2,616,497	2,844,519
Waste water treatment	3,495,140	3,563,643	3,793,239	3,629,915	3,809,005	3,754,464	3,216,644	2,986,412	2,857,417	3,530,621
Solid waste disposal	3,131,311	3,319,109	3,464,859	3,344,737	3,882,003	4,519,678	4,881,503	4,564,504	4,467,101	4,809,527
Harbor	2,569,234	2,444,728	3,123,702	2,682,945	3,318,718	3,829,041	3,682,860	3,566,782	4,018,314	4,777,889
Other nonmajor business-type activities	1,624,293	1,270,621	1,404,174	1,693,904	1,467,365	1,221,382	2,650,641	1,465,345	1,599,200	1,495,646
Total business-type Activities	25,683,673	23,784,494	24,078,682	24,865,770	34,236,301	40,000,011	39,279,408	37,126,362	36,447,165	36,005,081
Total Primary Government Expenses	\$ 51,872,110	\$ 50,225,372	\$ 50,292,229	\$ 52,758,288	\$ 65,815,814	\$ 72,732,274	\$ 69,093,981	\$ 66,804,376	\$ 65,352,764	\$ 65,721,006
Program Revenues										
Governmental activities										
Charges for services										
Administration	\$ 713,129	\$ 290,450	\$ 302,118	\$ 377,681	\$ 330,066	\$ 595,703	\$ 318,388	\$ 295,686	\$ 323,746	\$ 1,450,700
Public safety	763,278	729,406	1,343,299	1,409,655	1,112,805	1,052,231	1,138,956	1,264,663	1,280,152	1,139,857
Public works	855,816	988,231	842,466	1,052,273	1,928,131	908,526	927,505	843,019	766,288	668,985
Public services	248,229	502,571	213,219	252,980	161,542	107,807	137,626	123,579	113,798	52,335
Operating grants and contributions	6,012,861	5,979,832	6,940,816	5,673,970	5,583,311	3,853,366	5,475,108	4,598,755	4,738,892	17,605,492
Capital grants and contributions	856,161	8,177,359	5,043,768	9,807,793	14,352,444	6,216,233	1,706,983	653,575	978,321	1,481,958
Total Governmental Activities	9,449,474	16,667,849	14,685,686	18,574,352	23,468,299	12,733,866	9,704,566	7,779,277	8,201,197	22,399,327

City and Borough of Sitka, Alaska

Changes in Net Position, continued
Last Ten Fiscal Years

(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type Activities										
Charges for services:										
Electric Utility	\$ 11,611,319	\$ 12,077,554	\$ 14,375,992	\$ 14,623,321	\$ 14,251,478	\$ 15,846,375	\$ 17,538,304	\$ 17,413,785	\$ 16,869,844	\$ 18,700,597
Water Utility	1,383,411	1,561,830	1,890,385	2,093,200	2,237,501	2,279,025	2,379,826	2,870,002	2,859,554	2,908,401
Wastewater treatment	2,296,085	2,434,969	2,874,795	2,906,839	3,069,962	3,093,130	3,201,110	3,335,631	3,534,237	3,595,175
Solid waste disposal	3,101,682	2,988,758	3,088,777	3,067,855	3,252,472	4,013,653	4,060,430	4,534,163	4,699,159	4,928,391
Harbor	1,529,481	1,912,463	2,696,840	2,256,944	2,376,000	2,474,704	2,419,711	2,546,141	2,440,448	2,516,123
Other nonmajor business-type	934,857	1,264,837	1,389,285	973,890	879,756	830,846	756,068	1,109,092	1,163,980	1,036,270
Operating grants and contributions	2,322,441	2,411,944	1,157,936	881,120	901,570	727,495	773,249	1,047,231	951,675	416,554
Capital grants and contributions	5,237,360	17,934,438	24,285,814	15,250,445	6,844,390	5,184,520	4,777,742	141,148	4,417,109	1,932,044
Total Business-type Activities										
Program Revenues	28,416,636	42,586,793	51,759,824	42,053,614	33,813,129	34,449,748	35,906,440	32,997,193	36,936,006	36,033,555
Total Primary Government Program Revenues	37,866,110	59,254,642	66,445,510	60,627,966	57,281,428	47,183,614	45,611,006	40,776,470	45,137,203	58,432,882
Net Revenue (Expense)										
Governmental activities	(16,738,963)	(9,773,029)	(11,527,861)	(9,318,166)	(8,111,214)	(19,998,397)	(20,110,007)	(21,898,737)	(20,704,402)	(7,316,598)
Business-type activities	2,732,963	18,802,299	27,681,142	17,187,844	(423,172)	(5,550,263)	(3,372,968)	(4,129,169)	488,841	28,474
Total Primary Government Net Revenue (Expense)	\$ (14,006,000)	\$ 9,029,270	\$ 16,153,281	\$ 7,869,678	\$ (8,534,386)	\$ (25,548,660)	\$ (23,482,975)	\$ (26,027,906)	\$ (20,215,561)	\$ (7,288,124)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property taxes	\$ 6,069,078	\$ 6,095,558	\$ 6,187,719	\$ 6,245,146	\$ 6,202,972	\$ 6,454,150	\$ 6,647,375	\$ 6,777,625	\$ 6,852,247	\$ 7,242,611
Sales and other taxes	9,544,100	9,583,108	10,466,361	10,983,577	11,712,840	12,779,601	13,887,701	15,096,448	13,960,613	14,989,797
Unrestricted grants and contributions	470,436	470,415	489,792	-	-	-	1,016,787	-	10,000	-
Investment earnings	2,266,133	2,243,289	4,705,061	1,368,824	1,098,031	2,186,968	1,838,439	2,667,299	2,080,495	6,217,663
Other	1,252,000	1,252,000	15,796	1,557,740	113,329	14	-	17,897	1,671,262	1,177,377
Transfers	(1,316,642)	(395,675)	14,299	(2,727,192)	(611,438)	(2,260,336)	(34,841)	(101,389)	(220,170)	(41,296)
Total Governmental Activities	18,285,105	19,248,695	21,879,028	17,428,095	18,515,734	19,160,397	23,355,461	24,457,880	24,354,447	29,586,152
Business-type Activities										
Unrestricted grants and contributions	-	-	1,227,772	1,009,033	879,793	953,324	1,279,885	1,188,722	621,756	855,702
Investment earnings (loss)	1,413,015	494,317	504,428	559,400	1,115,858	(120,678)	110,307	2,440,187	2,306,513	(289,106)
Other	-	95,671	-	43,664	142,013	330,561	62,659	(110,363)	-	-
Transfers	1,316,642	395,675	(14,299)	2,727,192	611,438	2,260,336	94,844	101,389	220,170	41,296
Total Business-type Activities	2,729,657	985,663	1,717,901	4,339,289	2,749,102	3,423,543	1,547,695	3,619,935	3,148,439	607,892
Total Primary Government	21,014,762	20,234,358	23,596,929	21,767,384	21,264,836	22,583,940	24,903,156	28,077,815	27,502,886	30,194,044
Special item, sale of hospital	-	-	-	-	-	-	-	-	(18,899,626)	-
Change in Net Position										
Governmental activities	1,546,142	9,475,666	10,351,167	8,109,929	10,404,520	(838,000)	3,245,454	2,559,143	(15,249,581)	22,269,554
Business-type activities	5,462,620	19,787,962	29,399,043	21,527,133	2,325,930	(2,126,720)	(1,825,273)	(509,234)	3,637,280	636,366
Total Primary Government	\$ 7,008,762	\$ 29,263,628	\$ 39,750,210	\$ 29,637,062	\$ 12,730,450	\$ (2,964,720)	\$ 1,420,181	\$ 2,049,909	\$ (11,612,301)	\$ 22,905,920

City and Borough of Sitka, Alaska
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 15,199,048	\$ 15,543,311	\$ 16,351,095	\$ 17,071,383	\$ 17,697,462	\$ 18,924,241	\$ 20,129,961	\$ 21,874,073	\$ 20,812,860	\$ 22,232,408
State sources	5,807,654	9,207,616	9,384,209	15,088,635	17,218,068	8,810,809	4,952,257	4,056,169	2,222,438	1,085,248
Federal sources	2,251,970	2,132,222	2,560,281	3,057,734	2,813,097	1,525,182	2,330,840	1,446,483	2,340,356	17,510,579
Charges for services	1,711,974	1,839,516	2,029,484	2,150,939	2,748,192	1,643,371	1,751,934	1,758,868	1,668,135	1,326,334
Interfund services	2,659,323	2,693,860	3,584,990	2,807,749	2,870,628	2,750,429	2,855,203	2,695,448	2,663,479	2,705,560
Fines and forfeitures	125,112	103,541	97,102	118,679	85,245	71,293	46,773	60,572	55,730	45,401
Investment income	2,166,885	2,262,808	4,630,602	1,291,529	953,584	2,208,869	1,832,552	2,425,707	1,796,748	6,250,377
Uses of property	834,309	788,961	408,565	329,537	226,643	265,557	335,686	335,463	364,243	474,498
Licenses and permits	223,422	177,221	130,901	195,824	203,736	268,025	159,153	126,809	123,353	170,554
Other	645,879	1,023,994	971,084	827,062	387,895	419,254	441,192	268,265	1,959,575	2,286,627
Total Revenues	31,625,576	35,773,050	40,148,313	42,939,071	45,204,550	36,887,030	34,835,551	35,047,857	34,006,917	54,087,586
Expenditures										
Administration	4,082,610	4,632,192	5,202,321	5,439,736	4,750,036	4,863,965	4,906,870	5,993,080	5,159,126	5,547,373
Public safety	6,402,097	6,552,240	6,688,198	7,773,703	6,969,696	6,515,650	6,271,068	6,383,441	6,132,699	6,654,404
Public works	4,194,363	3,746,518	3,635,207	4,259,577	4,605,859	4,322,411	3,734,414	3,913,877	3,888,614	3,369,305
Public services	2,026,506	1,792,692	1,890,050	2,391,723	2,219,095	3,291,844	2,770,419	2,914,320	4,317,218	16,316,679
Support	6,893,481	6,402,944	7,067,034	6,896,830	7,650,465	7,177,703	7,294,014	7,524,879	7,511,994	7,581,311
Capital outlay	7,710,853	10,112,520	7,086,919	11,168,536	19,139,373	7,287,549	3,571,051	2,199,479	1,860,209	2,075,082
Debt service:										
Principal	2,269,750	2,449,860	2,398,231	2,483,231	2,578,831	2,717,310	2,802,310	2,902,310	2,177,310	1,872,309
Interest and fiscal charges	1,375,318	1,317,335	1,353,487	1,209,446	1,126,007	979,104	882,671	759,815	648,952	602,019
Total Expenditures	34,954,978	37,006,301	35,321,447	41,622,782	49,039,362	37,155,536	32,232,817	32,591,201	31,696,122	44,018,482
Excess of Revenues Over (Under)										
Expenditures	3,253,032	(3,329,402)	(1,233,251)	4,826,866	1,316,289	(3,834,812)	(268,506)	2,456,656	2,310,795	10,069,104
Other Financing Sources (Uses)										
Proceeds from sale of assets	-	-	-	1,052,256	22,334	-	-	-	-	-
Issuance of bonds - par	12,755,000	-	-	6,095,000	-	1,630,000	-	-	-	6,290,000
Issuance of bonds - premium	2,074,582	-	-	836,234	-	52,463	-	-	-	585,277
Payment to refund bonds	(14,829,582)	-	-	(6,876,762)	-	(1,662,944)	-	-	-	(6,818,469)
Transfers in	4,037,358	6,021,580	3,165,070	8,509,199	7,685,336	7,690,538	5,955,584	7,910,063	5,684,276	5,923,589
Transfers out	(4,180,470)	(6,184,461)	(3,333,862)	(11,336,499)	(8,189,902)	(9,988,915)	(6,204,628)	(8,181,699)	(6,029,240)	(6,111,570)
Net Other Financing Sources (Uses)	(143,112)	(162,881)	(168,792)	(1,720,572)	(482,232)	(2,278,858)	(249,044)	(271,636)	(344,964)	(131,173)
Special Item-sale of hospital	-	-	-	-	-	-	-	-	(1,553,032)	-
Net change in fund balances	\$ 1,512,836	\$ 8,338,210	\$ (3,472,514)	\$ (1,396,132)	\$ 4,658,074	\$ (404,283)	\$ (4,317,044)	\$ (2,547,364)	\$ 412,799	\$ 9,937,931
Debt service as a percentage of noncapital expenditures	13.4%	14.0%	13.3%	12.1%	12.4%	12.4%	12.9%	12.0%	9.5%	5.9%

City and Borough of Sitka, Alaska
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Residential Property	Commercial Property	Personal Property	Less Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2012	\$ 760,785,518	\$ 175,868,354	\$ 141,113,024	\$ 86,836,658	\$ 990,930,238	0.006	\$ 1,151,376,900	86.06%
2013	772,425,015	189,487,200	146,333,667	107,179,098	1,001,066,784	0.006	1,162,987,200	86.08%
2014	785,165,365	205,160,659	153,247,454	112,286,978	1,031,286,500	0.006	1,195,055,878	86.30%
2015	761,395,448	189,935,700	148,629,600	14,587,081	1,085,373,667	0.006	1,195,498,800	90.79%
2016	682,904,400	292,673,300	60,709,500	77,348,300	958,938,900	0.006	1,245,005,400	77.02%
2017	751,808,201	322,203,499	57,307,441	81,338,900	1,049,980,241	0.006	1,318,435,400	79.64%
2018	869,636,600	262,276,100	56,307,441	103,355,100	1,084,865,041	0.006	1,284,593,700	84.45%
2019	896,558,900	251,270,800	57,532,700	97,144,300	1,108,218,100	0.006	1,222,215,256	90.67%
2020	830,119,100	430,511,300	54,170,370	201,563,000	1,113,237,770	0.006	1,335,015,956	83.39%
2021	901,626,400	234,464,000	68,053,670	25,678,080	1,178,465,990	0.006	1,398,738,889	84.25%

Property values are assessed at full and true value as of January 1st of the assessment year. On average (excluding tax exemptions), the City and Borough of Sitka assesses property at about 90% of its estimated full and true value, as demonstrated by the use of standardized ratio study results.

Source: Assessing department

City and Borough of Sitka, Alaska
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	Property Tax Mill Levies (per \$1,000 Assessed Valuation)
2012	6.00
2013	6.00
2014	6.00
2015	6.00
2016	6.00
2017	6.00
2018	6.00
2019	6.00
2020	6.00
2021	6.00

Property tax rates are set in the charter and may not be changed except by affirmative vote of a majority of voters-data is derived from charter

There are no overlapping property tax rates.

City and Borough of Sitka, Alaska
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Bed Tax	Total
2012	\$ 6,069,078	\$ 9,093,595	\$ 325,351	\$ 15,019,382
2013	6,095,558	9,785,829	354,158	15,199,048
2014	6,187,719	9,678,727	377,547	15,543,311
2015	6,245,146	10,531,237	411,916	16,351,095
2016	6,202,972	11,087,495	472,900	16,335,789
2017	6,454,150	12,631,709	503,439	17,207,109
2018	6,647,375	13,309,207	543,697	20,500,279
2019	6,777,625	13,309,207	553,911	20,640,743
2020	6,852,247	12,139,374	398,187	19,389,808
2021	7,242,611	13,115,999	407,024	20,765,634

City and Borough of Sitka, Alaska
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
SCOJO, LLC	\$ 15,265,300	1	1.30%	\$ 5,454,712	7	0.55%
Silver Bay Seafoods	15,227,810	2	1.29%	13,428,543	1	1.36%
North Pacific Seafoods	9,792,860	3	0.83%	9,932,773	2	1.00%
Seafood Producers Cooperative	9,047,600	4	0.77%	6,454,000	6	0.65%
Harbor Enterprises Inc. (dba Petro Marine)	8,474,200	5	0.72%	8,042,720	4	0.81%
Hames Corporation	7,336,500	6	0.62%	8,894,083	3	0.90%
The North West Company (INTL), Inc	6,886,500	7	0.58%	7,115,400	5	0.72%
Sitka Residences, LLC	5,912,800	8	0.50%			
Sitka Dock Company, LLC	5,607,800	9	0.48%			
AK Preservation Sawmill Ltd	5,435,700	10	0.46%			
ACS				5,374,070	8	0.54%
Halibut Point Marine Services, LLC				5,140,100	9	0.52%
Shee Atika Holdings				5,130,300	10	0.52%
Totals	<u>\$ 88,987,070</u>		<u>7.55%</u>	<u>\$ 74,966,701</u>		<u>7.57%</u>

Source: assessing department

City and Borough of Sitka, Alaska
Property Tax Levies and Collection
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Amount	Percentage of Levy
		Amount Collected	Percentage of Levy			
2012	\$ 5,904,617	\$ 5,874,918	99%	\$ 26,361	\$ 5,901,279	99.94%
2013	5,957,735	5,893,452	99%	28,682	5,922,134	99.40%
2014	5,901,738	5,842,721	99%	58,017	5,900,738	99.98%
2015	6,283,300	6,146,746	98%	38,488	6,185,234	98.44%
2016	6,194,742	6,145,132	99%	29,616	6,174,748	99.68%
2017	6,337,187	6,300,105	99%	32,806	6,332,911	99.93%
2018	6,440,090	6,300,105	98%	110,484	6,410,589	99.54%
2019	6,639,822	6,431,978	98%	17,017	6,448,995	97.13%
2020	6,852,247	6,653,972	97%	61,613	6,715,585	98.01%
2021	7,242,611	7,075,478	98%	30,471	7,105,949	98.11%

City and Borough of Sitka, Alaska

Sales Tax Receipts by Industry
Last Ten Fiscal Years

Industry	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Agriculture, Forestry and Fishing	\$ 23,626	\$ 23,634	\$ 20,094	\$ 18,137	\$ 19,297	\$ 17,100	\$ 27,629	\$ 18,032	\$ 49,882	\$ 61,700
Construction	130,943	166,960	221,446	201,145	205,887	234,360	301,566	324,984	277,465	384,018
Manufacturing	318,827	346,702	213,104	233,094	249,378	267,635	290,841	357,453	315,633	242,455
Transportation & Public Utilities	681,166	692,582	675,327	680,790	657,369	625,344	646,408	705,416	633,470	543,636
Wholesale Trade	61,743	57,666	53,877	54,145	70,273	80,346	90,818	101,752	105,103	103,411
Retail Trade	5,138,245	5,141,931	5,617,392	5,510,674	5,539,053	5,656,974	6,033,590	6,693,040	6,270,305	6,981,918
Finance, Insurance & Real Estate	252,158	297,556	307,149	325,567	378,274	420,778	519,460	550,615	496,964	604,223
Services	1,475,440	1,604,007	1,782,447	1,865,545	2,173,224	2,623,270	2,954,957	3,338,532	2,685,683	3,050,104
Government - Local	722,471	762,558	895,003	789,630	930,599	892,001	1,222,743	1,067,592	1,304,869	1,144,533
Total Sales Tax Receipts	\$ 8,804,619	\$ 9,093,596	\$ 9,785,839	\$ 9,678,727	\$ 10,223,354	\$ 10,817,807	\$ 12,088,012	\$ 13,157,418	\$ 12,139,374	\$ 13,115,998

Sales tax rate during months of April through September at 6%, remainder of the year at 5%

Gross Sales by Industry
Last Ten Fiscal Years

Industry	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Agriculture, Forestry and Fishing	\$ 5,933,107	\$ 3,676,800	\$ 4,354,707	\$ 3,601,207	\$ 3,535,452	\$ 2,324,843	\$ 6,609,809	\$ 4,949,809	\$ 5,207,417	\$ 4,082,892
Construction	86,689,548	91,354,782	157,611,922	141,721,383	100,767,547	75,389,002	63,216,057	53,360,114	65,750,238	75,866,736
Manufacturing	14,436,992	13,495,858	11,721,581	12,173,509	11,546,457	14,185,850	12,954,934	11,942,032	13,677,415	17,097,426
Transportation & Public Utilities	19,040,347	18,653,208	18,475,455	18,932,722	17,792,868	17,803,360	20,127,273	24,630,228	18,738,603	17,730,630
Wholesale Trade	21,443,717	18,266,103	20,061,339	21,112,181	20,867,486	21,127,561	20,800,885	20,116,767	19,068,825	18,728,238
Retail Trade	138,148,838	137,469,327	147,432,458	147,117,219	137,741,065	147,468,118	161,438,725	160,689,354	150,832,467	166,332,439
Finance, Insurance & Real Estate	21,992,145	22,787,879	24,564,111	22,925,923	17,877,973	17,511,353	4,419,534	17,746,257	16,948,680	19,640,817
Services	56,793,564	62,679,023	71,868,610	76,340,561	78,410,397	75,071,067	67,371,555	79,005,868	68,181,873	79,523,993
Government - Local	25,899,020	26,735,836	30,718,246	33,554,572	39,544,915	31,186,998	53,764,615	34,335,761	33,422,953	36,996,834
Total Gross Sales	\$ 390,377,278	\$ 395,118,816	\$ 486,808,429	\$ 477,479,277	\$ 428,084,160	\$ 402,068,152	\$ 410,703,387	\$ 406,776,189	\$ 391,828,471	\$ 436,000,005

Source: Finance department

City and Borough of Sitka, Alaska

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	GO Bonds and Unamortized Bond Premiums	Notes Payable	Revenue Bonds and Unamortized Bond Premiums	Notes Payable			
2012	\$ 32,290,000	\$ 156,000	\$ 47,570,000	\$ 21,023,413	\$ 105,283,151	37.46%	\$ 12,000
2013	31,020,000	146,250	85,285,000	20,860,822	101,039,413	35.85%	11,287
2014	28,635,000	202,641	108,940,000	20,625,388	137,312,072	47.80%	15,116
2015	25,990,000	189,410	123,215,000	25,812,083	158,403,029	54.24%	17,411
2016	23,435,000	347,676	121,120,000	23,846,352	175,206,493	30.08%	19,811
2017	20,745,000	326,365	118,940,000	24,451,388	168,749,028	30.56%	19,111
2018	19,239,611	304,055	124,958,042	24,463,067	168,964,775	30.60%	19,446
2019	16,159,576	281,745	135,001,553	25,163,176	176,606,050	30.92%	20,424
2020	13,830,800	259,435	131,844,815	28,077,978	174,013,028	27.96%	20,489
2021	11,438,815	237,126	136,341,834	30,254,623	178,272,398	28.20%	21,296

City and Borough of Sitka, Alaska
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amount Available in Debt Service Fund	Total	Percentage of Estimated Actual Value of Property	Per Capita
2012	\$ 32,290,000	\$ 2,990,924	\$ 29,299,076	2.44%	\$ 3,830
2013	31,020,000	2,028,544	28,991,456	2.54%	3,273
2014	28,635,000	1,958,072	26,676,928	2.49%	3,191
2015	25,990,000	2,527,635	23,462,365	2.23%	2,932
2016	23,435,000	2,448,740	20,986,260	1.96%	2,373
2017	17,965,000	1,921,775	16,043,225	1.88%	2,353
2018	17,965,000	2,061,333	15,903,668	1.30%	1,830
2019	16,159,576	2,424,542	13,735,034	1.12%	1,588
2020	13,830,800	1,876,192	11,954,608	0.90%	1,408
2021	11,438,815	837,712	10,601,103	0.76%	1,266

City and Borough of Sitka, Alaska
Direct and Overlapping Governmental Activities Debt
Legal Debt Margin Information
As of June 30, 2021

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping debt	\$ -	0%	\$ -
City and Borough of Sitka, Alaska	11,438,815	100%	11,438,815
Total direct and overlapping debt	\$ 11,438,815		\$ 11,438,815

Legal Debt Margin

The City and Borough of Sitka, Alaska has had no legal debt margin requirements for any of the last ten fiscal years.

City and Borough of Sitka, Alaska

Pledged Revenue Coverage
Last Ten Fiscal Years

Electric and Water Revenue Bonds and Revenue Notes										
Fiscal Year	Electric Revenue	Transfers		Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Interest Paid	Interest Subsidies	Total	Coverage
		From Rate Stabilization Fund	Rate Fund							
2012	\$ 12,253,636	\$ -	\$ -	\$ 7,919,275	\$ 4,334,361	\$ 1,394,689	\$ 2,337,567	\$ (615,829)	\$ 3,116,427	1.29
2013	12,569,950	-	-	6,739,139	5,830,811	1,770,000	2,296,332	(616,507)	3,449,825	1.37
2014	15,283,017	-	-	8,538,616	6,744,401	1,845,000	3,781,252	(581,094)	5,045,158	1.55
2015	16,078,019	2,006,696	-	9,028,272	9,056,443	1,915,000	5,815,392	(571,533)	7,158,859	1.10
2016	14,868,306	2,881,000	-	8,287,025	9,462,281	1,955,000	5,958,317	(574,328)	7,338,989	1.29
2017	16,336,780	1,582,681	-	8,747,944	9,171,517	2,035,000	5,878,517	(574,020)	7,339,497	1.25
2018	17,790,420	-	-	8,659,112	9,131,308	2,115,000	5,762,377	(575,663)	7,301,714	1.25
2019	18,945,919	-	-	8,349,335	10,596,584	2,175,000	5,729,072	(578,078)	7,325,994	1.45
2020	17,780,674	-	-	7,305,078	10,475,596	2,260,000	5,589,072	(578,078)	7,270,994	1.44
2021	18,863,385	-	-	7,375,780	11,487,605	2,212,966	2,574,725	(7,768)	4,779,923	2.40

Harbor Revenue Bonds										
Fiscal Year	Harbor Revenue	Transfers		Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Interest Paid	Interest Subsidies	Total	Coverage
		From Rate Stabilization Fund	Rate Fund							
2014	\$ 3,860,198	\$ -	\$ -	\$ 2,454,160	\$ 1,406,038	\$ 115,000	\$ 157,728	\$ -	\$ 272,728	5.16
2015	3,819,584	-	-	2,170,161	1,649,423	135,000	175,700	-	310,700	5.31
2016	3,538,828	-	-	1,994,660	1,544,168	140,000	170,300	-	310,300	4.98
2017	3,780,767	-	-	2,257,502	1,523,265	145,000	164,700	-	309,700	4.92
2018	3,560,392	-	-	2,265,140	1,295,252	150,000	115,571	-	265,571	4.88
2019	3,236,489	-	-	2,013,743	1,222,746	390,836	219,623	-	610,459	2.00
2020	3,594,462	-	-	2,087,608	1,506,854	365,000	527,983	-	892,983	1.69
2021	3,366,853	-	-	2,342,276	1,024,577	380,000	438,726	-	818,726	1.25

Airport Terminal Revenue Bonds										
Fiscal Year	Airport Revenue	Transfers		Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Interest Paid	Interest Subsidies	Total	Coverage
		From Rate Stabilization Fund	Rate Fund							
2019	\$ 899,200	\$ -	\$ -	\$ 374,840	\$ 524,360	\$ -	\$ 43,839	\$ -	\$ 43,839	11.96
2020	840,700	-	-	397,286	443,414	135,000	199,438	-	334,438	1.33
2021	612,485	168,000	-	391,636	388,849	140,000	165,126	-	305,126	1.27

Coverage ratios are computed according to formulas in revenue bond ordinances

Revenue includes all operating and nonoperating revenues.

Expenses includes all operating expenses excluding depreciation

Interest paid is actual interest paid, not interest expense

City and Borough of Sitka, Alaska
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (1,000s)	Per Capita Personal Income	School Enrollment	Unemployment Rate
2012	8,907	\$ 513,521	\$ 57,654	1,312	6.6%
2013	9,048	544,138	60,139	1,313	6.2%
2014	9,001	562,568	62,501	1,338	6.2%
2015	8,883	569,807	64,146	1,342	6.2%
2016	8,844	582,407	65,853	1,276	5.5%
2017	8,830	552,206	62,537	1,315	3.9%
2018	8,689	571,261	65,745	1,256	4.6%
2019	8,647	622,344	71,972	1,244	4.1%
2020	8,493	632,219	74,440	1,187	6.2%
2021	8,371	622,987	74,422	1,144	4.8%

Sources: Alaska Department of Labor and Workforce Development, BEA.gov; U.S. Census Bureau; Sitka School District, population and income data provided is for prior calendar year .

City and Borough of Sitka, Alaska

Principal Employers Current Year* and Nine Years Ago

Industry*	2019 (most current data available)			2012		
	Employees	Rank	Percentage of total City Employment	Employees	Rank	Percentage of total City Employment
Educational services, health care, & social assistance	1,422	1	31%	1,647	1	35.4%
Retail trade	511	2	11.0%	388	3	8.3%
Arts, entertainment, recreation, accommodation, & food services	443	3	9.6%	392	2	8.4%
Public administration	441	4	9.5%	388	3	8.3%
Agriculture, forestry, fishing, hunting, & mining	433	5	9.4%	367	6	7.9%
Transportation, warehousing, & utilities	320	6	6.9%	222	8	4.8%
Manufacturing	242	7	5.2%	185	9	4.0%
Professional, scientific, management, administrative, & waste management services	224	8	4.8%	373	5	8.0%
Construction	221	9	4.8%	287	7	6.2%
Other services, except public administration	154	10	3.3%	175	10	3.8%
Finance, insurance, real estate, & rental/leasing	130	11	2.8%	130	11	2.8%
Information	64	12	1.4%	53	12	1.1%
Wholesale trade	24	13	0.5%	51	13	1.1%

*Data is no longer available for individual employers for the City and Borough of Sitka. For this reason employment by industry is shown using the most recent data available. Comparable data is available from 2011 forward.

Source: US Census Bureau.

City and Borough of Sitka, Alaska
Full-Time Equivalent City and Borough Government Employees By Function
Last Ten Fiscal Years

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	29	28	42	37	36	37	37	32	32	33
Public Safety:										
Police	33	33	28	33	32	31	31	30	30	29
Fire and Ambulance	10	10	10	10	10	9	9	9	9	9
Public Works	25	25	19	20	20	20	20	23	23	22
Public Services:										
Library	7	7	12	7	7	7	7	7	7	7
Centennial Building	4	4	4	4	4	4	4	5	5	5
Electric	25	27	28	26	26	25	25	25	25	25
Water	5	5	3	3	3	3	3	3	3	3
Waste Water Treatment	6	6	8	10	10	10	10	8	8	8
Solid Waste Disposal	2	2	2	2	-	-	-	3	3	3
Harbor	9	9	10	9	9	8	8	8	8	9
Sawmill Cove Industrial Park	1	-	1	-	-	-	-	-	-	-
Totals	156	156	167	161	157	154	154	153	153	153

Source: Personnel list as approved in the adopted annual budget

City and Borough of Sitka, Alaska

Active Electrical Customers Last Ten Fiscal Years

Fiscal Year	Residential	Commercial	Harbor	Public Authority	Other	Total
2012	1,893	448	284	191	12	2,828
2013	2,060	473	314	199	12	3,058
2014	2,258	504	377	204	12	3,355
2015	2,479	560	441	212	14	3,706
2016	2,795	609	546	216	14	4,180
2017	3,242	702	693	219	15	4,871
2018	3,393	729	697	224	12	5,055
2019	3,383	716	611	221	12	4,943
2020	3,375	713	545	220	-	4,853
2021	3,426	766	671	227	9	5,099

KwH Sold by Class Last Ten Fiscal Years

Fiscal Year	Residential	Commercial	Harbor	Public Authority	Other	Total
2012	47,583,037	32,013,255	3,214,648	22,778,544	5,460,139	111,049,623
2013	47,628,760	32,043,016	3,217,737	22,800,432	5,465,385	111,155,330
2014	45,078,244	35,544,622	2,543,603	24,265,723	307,163	107,739,355
2015	44,212,841	34,167,788	2,763,428	24,607,071	316,260	106,067,388
2016	42,197,620	33,626,191	2,539,114	25,004,771	305,889	103,673,585
2017	43,416,551	33,732,672	3,051,624	25,059,205	299,759	105,260,052
2018	43,233,448	35,709,803	2,883,829	25,241,700	-	107,068,781
2019	40,426,853	33,377,855	2,496,564	27,116,718	-	103,417,990
2020	42,771,637	34,243,336	2,780,405	27,553,740	-	107,349,118
2021	44,670,507	34,330,524	3,341,823	27,818,528	180,670	110,342,052

Sources: City and Borough of Sitka's Finance Department and Electric Utilities Fund

City and Borough of Sitka, Alaska
Operating Indicators by Function
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Building department transactions	196	201	209	240	196	208	197	157	133	186
Public Safety										
Number of police officers	32	32	27	32	31	30	30	29	29	29
Number of paid firefighters	10	10	10	10	10	9	9	8	8	8
Arrests made (calendar year)	404	356	344	310	269	274	411	293	291	*
Ambulance emergency responses	987	1,013	873	987	1,260	1,260	1,227	1,336	1,074	*
Fire emergency responses	205	173	182	171	193	146	159	158	184	*
Public Works										
Recreation permits issued	*	21	40	41	39	25	30	29	26	37
Public Services										
Volumes in library collection	*	*	*	*	68,039	69,941	70,831	104,061	71,876	58,000
Number of events scheduled at Centennial Hall	146	118	5	-	2	122	231	236	178	71
Water										
New connections	14	19	18	23	17	22	12	14	14	23
Wastewater										
New connections	17	16	18	21	18	20	13	14	17	20
Electric utility (see table 18)										
Marine Service Center										
Cold storage tenants	2	2	2	2	2	2	1	2	2	2
Harbors										
Active permanent moorage accounts	*	*	*	*	*	*	*	*	1,026	1,269
Airport terminal										
Enplanements (for calendar year)	72,027	81,019	83,404	83,598	83,404	83,598	87,119	90,839	38,343	*

Sources: Various municipal departments, Federal Aviation Administration

* Information not available

City and Borough of Sitka, Alaska
Capital Asset Statistics by Function
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Number of general government buildings	1	1	1	1	1	1	1	1	1	1
Public Safety										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of fire stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Number of public works buildings	1	1	1	1	1	1	1	1	1	1
Number of park and recreation facilities	25	25	25	25	25	23	23	24	24	24
Miles of paved streets	25	25	25	25	25	25	25	25	25	25
Miles of unpaved streets	5	5	5	5	5	5	5	5	5	5
Acres of park lands	*	*	*	*	*	*	*	*	109	109
Miles of trails	*	*	*	*	*	*	*	*	8	8
Public Services										
Number of library facilities	1	1	1	1	1	1	1	1	1	1
Number of meeting halls and community centers	2	2	2	2	2	2	2	2	2	2
Water										
UV disinfection plant	-	-	-	-	-	1	1	1	1	1
Number hydrants	*	*	*	*	*	*	*	*	450	450
Miles of water mains	*	*	*	*	*	*	*	*	48	48
Wastewater										
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of lift stations	*	*	*	*	*	*	*	*	78	78
Miles of sewer lines	*	*	*	*	*	*	*	*	40	40
Electric (see table 18)										
Dams and hydroelectric generation plants	2	2	2	2	2	2	2	2	2	2
Diesel plants	*	*	*	*	*	*	*	*	1	1
Miles of electricity distribution lines	*	*	*	*	*	*	*	*	155	155
Harbors										
Number of harbor facilities	7	7	7	7	7	7	7	7	7	7
Marine Service Center										
Cold storage facility	1	1	1	1	1	1	1	1	1	1
Industrial Park										
Acreage under active management	*	*	*	*	*	*	*	*	27	27
Airport										
Airport terminal buildings	1	1	1	1	1	1	1	1	1	1

Sources: Various municipal departments

* information not available