

CITY OF DILLINGHAM, ALASKA

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

Year Ended June 30, 2021

*Altman, Rogers
& Co.* CERTIFIED
PUBLIC
ACCOUNTANTS

CITY OF DILLINGHAM, ALASKA

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

Year Ended June 30, 2021

CITY OF DILLINGHAM, ALASKA

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Independent Auditor's Report

Honorable Mayor and City Council
City of Dillingham, Alaska
Dillingham, Alaska

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Dillingham, Alaska as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise City of Dillingham, Alaska's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Honorable Mayor and City Council
City of Dillingham, Alaska

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Dillingham, Alaska, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Public Employees' Retirement system Schedules on pages 39-42 and the Budgetary Comparison Schedules and the notes to the required supplementary information on page 43-46, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Dillingham, Alaska's basic financial statements. The information listed in the table of contents as "Supplementary Information," which includes the combining statements and schedules; individual major and non-major funds budget to actual schedules (where applicable); schedules of revenues, expenditures and changes in fund balance; the Schedule of Expenditures of Federal Awards and related notes, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; and the Schedule of State Financial Assistance and related notes as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Honorable Mayor and City Council
City of Dillingham, Alaska

The Supplementary Information listed above is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information listed above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, City of Dillingham, Alaska basic financial statements for the year ended June 30, 2020 (not presented herein) and have issued our reported dated June 3, 2021, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Dillingham, Alaska's basic financial statements as a whole. The combining statements and schedules; individual major and non-major funds budget to actual schedules (where applicable); and the schedule of revenues, expenditures and changes in fund balance for the year ended June 30, 2020, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2020 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the June 30, 2020 combining statements and schedules, individual major and non-major funds budget to actual schedules (where applicable); and the schedule of revenues, expenditures, and changes in fund balance are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2020.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2022, on our consideration of City of Dillingham, Alaska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Dillingham, Alaska'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 City of Dillingham, Alaska's internal control over financial reporting and compliance.



Anchorage, Alaska
November 28, 2022

CITY OF DILLINGHAM, ALASKA

Statement of Net Position

June 30, 2021

	Primary Government	Component Unit
<u>Assets and Deferred Outflows of Resources</u>	<u>Governmental Activities</u>	<u>Dillingham City School District</u>
Assets:		
Current:		
Cash and investments	\$ 8,274,100	3,778,162
Receivables, net	1,569,056	683,999
Inventory	-	22,112
Prepaid items	580,625	-
Restricted cash and investments	405,530	-
Total current	<u>10,829,311</u>	<u>4,484,273</u>
Noncurrent:		
Net pension and OPEB asset	472,590	306,257
Land and construction in progress	7,210,994	-
Other capital assets, net of accumulated depreciation	45,023,420	249,247
Total noncurrent	<u>52,707,004</u>	<u>555,504</u>
Deferred outflows of resources:		
Pension and OPEB deferrals	<u>1,026,943</u>	<u>694,613</u>
Total assets and deferred outflows of resources	<u>\$ 64,563,258</u>	<u>5,734,390</u>
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
Liabilities:		
Current:		
Accounts payable	157,279	32,948
Accrued payroll and related liabilities	299,930	275,093
Accrued leave	252,521	221,121
Bonds	1,061,310	-
Capital leases	125,795	-
Unearned revenue	476,655	354,647
Total current	<u>2,373,490</u>	<u>883,809</u>
Non-current:		
Net pension and OPEB liability	5,516,317	2,024,548
Bonds and debt	10,570,620	-
Capital leases	610,264	-
Landfill closure costs	552,784	-
Total non-current	<u>17,249,985</u>	<u>2,024,548</u>
Deferred inflows of resources - pension and OPEB deferrals	<u>384,239</u>	<u>1,227,146</u>
Total liabilities and deferred inflows of resources	<u>20,007,714</u>	<u>4,135,503</u>
Net position:		
Net investment in capital assets	39,866,425	249,247
Restricted	692,494	-
Unrestricted	3,996,625	1,349,640
Total net position	<u>\$ 44,555,544</u>	<u>1,598,887</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 64,563,258</u>	<u>5,734,390</u>

The notes to the financial statements are an integral part of this statement.

CITY OF DILLINGHAM, ALASKA

Statement of Activities

Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Total Governmental Activities	Unit Dillingham City School District
Primary government:						
Governmental:						
General government	\$ 1,843,683	917,411	29,131	-	(897,141)	-
Public safety	5,260,853	68,577	2,450,415	-	(2,741,861)	-
Public works	789,285	-	82,930	-	(706,355)	-
Community services	211,851	-	110,329	-	(101,522)	-
Water and sewer	1,953,591	627,346	40,121	1,136,056	(150,068)	-
Landfill	747,228	295,162	22,888	81,447	(347,731)	-
Dock	877,961	648,349	17,307	4,689	(207,616)	-
Boat harbor	431,524	123,815	43,964	-	(263,745)	-
Senior citizen center	360,219	-	174,092	-	(186,127)	-
Education	1,863,924	-	-	-	(1,863,924)	-
Unallocated interest	333,740	-	-	-	(333,740)	-
Total governmental activities	\$ 14,673,859	2,680,660	2,971,177	1,222,192	(7,799,830)	-
Component Unit - school district - Education	\$ 10,956,093	4,500	4,692,686	-	-	(6,258,907)
General revenues:						
Taxes:						
Sales and other taxes				\$ 4,015,176	-	-
Real and personal property taxes				2,708,275	-	-
Gaming taxes				62,390	-	-
Payment in lieu of taxes				485,468	-	-
Contributions from primary government				-	-	1,300,000
Grants and entitlements not restricted to a specific purpose				661,711	-	6,322,429
Investment income				14,248	-	(1,256)
E-Rate				-	-	1,345,896
Other				32,330	-	18,712
Total general revenues				7,979,598	-	8,985,781
Change in net position				179,768	-	2,726,874
Net position at beginning of year as previously stated				44,375,776	-	(1,431,316)
Cumulative effect of a change in accounting principal				-	-	303,329
Net position at beginning of year				44,375,776	-	(1,127,987)
Net position at end of year				\$ 44,555,544	-	1,598,887

The notes to the financial statements are an integral part of this statement.

CITY OF DILLINGHAM, ALASKA
Balance Sheet - Governmental Funds
June 30, 2021

<u>Assets</u>	General Fund	Coronavirus Relief Special Revenue Fund	Roads Capital Project Fund	Planning Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Cash and investments	\$ 6,236,107	-	-	2,037,183	810	8,274,100
Receivables, net of allowance of uncollectible accounts:						
Sales taxes	562,108	-	-	-	-	562,108
Real and personal property taxes	308,883	-	-	-	-	308,883
Accounts	142,198	-	-	2,436	288,215	432,849
Grants and shared revenues	-	-	-	-	265,216	265,216
Prepaid items	550,210	-	-	-	30,415	580,625
Due from other funds	2,095,905	472,784	100,772	-	2,980,761	5,650,222
Restricted cash and investments	-	-	-	-	405,530	405,530
Total assets	\$ 9,895,411	472,784	100,772	2,039,619	3,970,947	16,479,533
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>						
Liabilities:						
Accounts payable	\$ 24,908	-	-	-	132,371	157,279
Accrued payroll and payroll liabilities	241,588	-	-	-	58,342	299,930
Due to other funds	3,554,317	-	-	1,773,503	322,402	5,650,222
Unearned revenue	-	472,784	-	-	3,871	476,655
Total liabilities	<u>3,820,813</u>	<u>472,784</u>	<u>-</u>	<u>1,773,503</u>	<u>516,986</u>	<u>6,584,086</u>
Deferred inflows of resources - delinquent property taxes and user fees	<u>386,118</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,846</u>	<u>490,964</u>
Total liabilities and deferred inflows of resources	4,206,931	472,784	-	1,773,503	621,832	7,075,050
Fund Balances:						
Nonspendable	550,210	-	-	-	30,415	580,625
Restricted	-	-	-	-	692,494	692,494
Committed	-	-	100,772	266,116	654,610	1,021,498
Assigned	-	-	-	-	2,027,663	2,027,663
Unassigned	5,138,270	-	-	-	(56,067)	5,082,203
Total fund balances	<u>5,688,480</u>	<u>-</u>	<u>100,772</u>	<u>266,116</u>	<u>3,349,115</u>	<u>9,404,483</u>
Total liabilities, deferred inflows of resources and fund balances	\$ 9,895,411	472,784	100,772	2,039,619	3,970,947	16,479,533

The notes to the financial statements are an integral part of this statement.

CITY OF DILLINGHAM, ALASKA

Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position

June 30, 2021

Total fund balances for governmental funds		\$	9,404,483
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 and land improvements	\$	4,862,447	
Construction in progress		2,348,547	
Buildings		24,984,037	
Improvements other than buildings		43,886,395	
Machinery and equipment		12,114,375	
Total capital assets		<u>88,195,801</u>	
Less accumulated depreciation		<u>(35,961,387)</u>	
Total capital assets, net of accumulated depreciation			52,234,414
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds. This is the amount of delinquent real property taxes and user receivables			
			490,964
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 loans	\$	(10,340,096)	
Unamortized bond premium		(1,291,834)	
Capital leases		(736,059)	
Accrued leave		(252,521)	
Landfill closure costs		<u>(552,784)</u>	
Total long-term liabilities			(13,173,294)
Proportionate share of the collective net pension and OPEB liability:			
PERS			(5,516,317)
Proportionate share of the collective net OPEB asset:			
PERS			472,590
Deferred inflows and outflows of resources are the results of timing differences in the actuarial report.			
Pension related assets in the current fiscal year are presented as deferred outflows of resources:			
PERS			1,026,943
Pension related liabilities in the current fiscal year are presented as deferred inflows of resources:			
PERS			<u>(384,239)</u>
Total net position of governmental activities		\$	<u><u>44,555,544</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF DILLINGHAM, ALASKA

Statement of Revenues, Expenditures and Changes
in Fund Balances - Governmental Funds

Year Ended June 30, 2021

	General Fund	Coronavirus Relief Special Revenue Fund	Roads Capital Project Fund	Planning Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Intergovernmental:						
Federal sources	\$ 484,326	2,371,651	-	-	143,079	2,999,056
State of Alaska	876,127	-	-	-	797,545	1,673,672
Bristol Bay Housing Authority	1,142	-	-	-	-	1,142
Local sources:						
Taxes	6,726,584	-	-	-	-	6,726,584
Local assistance	-	-	-	-	660,897	660,897
Charges for services	845,552	-	-	-	1,763,249	2,608,801
Licenses and permits	24,370	-	-	-	-	24,370
Fines and forfeitures	1,410	-	-	-	-	1,410
Lease and rental income	46,079	-	-	-	53,450	99,529
Asset forfeiture	-	-	-	-	-	-
Investment income	7,439	-	-	1,579	5,230	14,248
Donations	-	-	-	-	-	-
Other	32,330	-	-	-	40,091	72,421
Total revenues	<u>9,045,359</u>	<u>2,371,651</u>	<u>-</u>	<u>1,579</u>	<u>3,463,541</u>	<u>14,882,130</u>
Expenditures:						
Current:						
General government	1,768,615	-	-	-	-	1,768,615
Education - contribution to School District	1,300,000	-	-	-	-	1,300,000
Public safety	2,392,600	2,371,651	-	-	23,035	4,787,286
Public works	1,322,087	-	-	-	50,000	1,372,087
Community services	112,616	-	-	-	103,069	215,685
Water and sewer	-	-	-	-	467,017	467,017
Landfill	-	-	-	-	509,827	509,827
Dock	-	-	-	-	539,951	539,951
Boat harbor	-	-	-	-	231,393	231,393
Senior citizen center	-	-	-	-	335,209	335,209
Debt service:						
Principal	-	-	-	-	855,000	855,000
Interest	-	-	-	-	490,050	490,050
Capital outlay	-	-	2,977,877	388,983	2,928,358	6,295,218
Total expenditures	<u>6,895,918</u>	<u>2,371,651</u>	<u>2,977,877</u>	<u>388,983</u>	<u>6,532,909</u>	<u>19,167,338</u>
Excess (deficiency) of revenues over expenditures	<u>2,149,441</u>	<u>-</u>	<u>(2,977,877)</u>	<u>(387,404)</u>	<u>(3,069,368)</u>	<u>(4,285,208)</u>
Other financing sources (uses):						
Insurance proceeds	-	-	-	2,436	11,569	14,005
Proceeds from the issuance of debt	-	-	-	-	759,423	759,423
Transfers in	42,794	-	-	386,547	1,740,615	2,169,956
Transfers out	(2,059,735)	-	-	-	(110,221)	(2,169,956)
Net other financing sources (uses)	<u>(2,016,941)</u>	<u>-</u>	<u>-</u>	<u>388,983</u>	<u>2,401,386</u>	<u>773,428</u>
Net change in fund balances	132,500	-	(2,977,877)	1,579	(667,982)	(3,511,780)
Fund balances at beginning of year	<u>5,555,980</u>	<u>-</u>	<u>3,078,649</u>	<u>264,537</u>	<u>4,017,097</u>	<u>12,916,263</u>
Fund balances at end of year	<u>\$ 5,688,480</u>	<u>-</u>	<u>100,772</u>	<u>266,116</u>	<u>3,349,115</u>	<u>9,404,483</u>

The notes to the financial statements are an integral part of this statement.

CITY OF DILLINGHAM, ALASKA

Reconciliation of Governmental Funds Balance Sheet
to Statement of Activities

Year Ended June 30, 2021

Net change in fund balances - total governmental funds		\$	(3,511,780)
The change in net position reported for governmental activities in the Statement of Activities is different because:			
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			
Change in unfunded pension liabilities and assets			(325,842)
Changes in deferred inflows and outflows of resources are the results of timing differences in the actuarial report and adjustments to reflect employer and non-employer contributions based on the measurement date of the liability.			
			289,702
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlay	\$	5,860,173	
Depreciation expense		<u>(2,425,011)</u>	3,435,162
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the Statement of activities, a gain or loss is reported for each disposal. The net affect of transactions involving capital assets is to decrease net position.			
			(8,017)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the amount of the increase in delinquent real property taxes and dock receivable.			
			59,257
The change in the estimated future landfill closure costs does not require the use of current financial resources and therefore is not reported as expenditures in governmental funds.			
			(17,296)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.			
Issuance of debt	\$	(759,423)	
Principal paid on bonds		855,000	
Payments on capital leases		38,095	
Amortized bond premium		<u>156,310</u>	289,982
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. This is the amount of the decrease in accrued leave.			
			<u>(31,400)</u>
Change in net position of governmental activities	\$		<u><u>179,768</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements

June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

City of Dillingham, Alaska (the City) was incorporated in 1972 as a first class city and operates under a Council-Manager form of government. The City provides a variety of services including water, sewer, dock and port facilities, landfill, police and fire protection, street maintenance, services for senior citizens and general administrative services.

As required by generally accepted accounting principles, these financial statements present City of Dillingham, Alaska (the primary government) and its component unit, Dillingham City School District. The School District is included in the City's reporting entity because of the significance of its operational or financial relationships with the City.

The component unit column in the basic financial statements includes the financial data of the School District. It is discretely presented in a separate column to emphasize that it is legally separate from the City. Dillingham City School District is responsible for elementary and secondary education within the City. The members of the School Board are elected by the voters; however, the School District is fiscally dependent upon the City because the City Council approves the total annual budget of the School District, levies the necessary taxes, and approves the issuance of bonds for school projects.

Complete financial statements of the component unit can be obtained from the administrative office of the Dillingham City School District at P.O. Box 170, Dillingham, Alaska, 99576-0170.

B. 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 activities of the City and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *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. The City does not presently have any business-type activities. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use or directly benefit from goods or services provided by a given function or department and 2) grants and contributions that are restricted to meeting the operations or capital requirements of a particular function or department. Other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the Fund Financial Statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 City considers all revenues, except reimbursement grants, to be available if they are collected within 60 days after year end. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only to the extent they have matured.

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

The City reports the following major governmental funds:

The *General Fund* is the primary operating fund of the City. It accounts for all financial resources of the City, except those reported to be accounted for in another fund.

The *Coronavirus Relief Special Revenue Fund* accounts for the use of federal funds passed through from the State of Alaska's Department of Commerce, Community, and Economic Development.

The *Roads Capital Project Fund* accounts for the capital grants association with projects to improve roads that was funded by Series One & Two 2019 Bond.

The *Planning Capital Project Fund* accounts for capital grants associated with general planning projects.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. In addition, general revenues include all taxes, investment income, and State of Alaska entitlement revenues.

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, Continued

D. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life of the asset are not capitalized.

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

Buildings and improvements	15-75 years
Infrastructure	10-50 years
Machinery and equipment	5-40 years

E. Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, governmental fund types recognize principal and interest payments made during the current period. The face amount of the debt issued plus any bond premium, are reported as other financing sources.

F. Property Taxes

Property taxes are levied as of July 1 on property values assessed as of January 1. The tax levy is payable in two installments due on the first business day of November, and the first business day of December. The taxes are considered past due after the respective tax billing due date at which time the applicable property is subject to lien and penalties and interest are assessed on the total tax liability.

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

H. Grants and Other Intergovernmental Revenues

In applying the measurable and available concepts to grants and intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts are considered "earned"; therefore, revenues are recognized based upon expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the measurable and available criteria are met.

I. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet of the Fund Financial Statements and are eliminated in the preparation of the Government-Wide Financial Statements.

J. Compensated Absences

The City allows employees to accumulate earned but unused vacation benefits. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured (e.g. the employee has terminated employment).

K. Fund Balances

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

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

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

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

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, Continued

Assigned fund balance – This classification reflects the amounts constrained by the City’s “Intent” to be used for specific purposes, but are neither restricted nor committed. The City Council and City Manager have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

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

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

The City’s Special Revenue Funds are used to account for public safety, community services, water and sewer, landfill, dock, boat harbor and the senior citizen center.

L. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding borrowings, if any, used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through external restrictions imposed by creditors, grantor or laws or regulations of other governments.

M. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditures are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and Special Revenue Funds. However, it is the City’s policy to cancel any outstanding purchase orders at June 30, and issue new ones in the new fiscal year.

N. Unearned Grant Revenue

Amounts received from grantor agencies, which are restricted as to use and have not been expended for the intended use are shown as unearned revenue.

O. Pension and Other Post Employment Benefits (OPEB)

For purposes of measuring the net pension and OPEB liabilities, assets, deferred outflows of resources and deferred inflows of resources related to pensions 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.

P. Comparative Data

Comparative data for the prior year have been presented in some of the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. In addition, certain amounts from the prior year have been reclassified to conform with the current year's presentation.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except the Permanent Fund, the Local Services, Asset Forfeiture and Dillingham Police Department Reward Special Revenue Funds, and capital project funds, which adopt project-length budgets. All annual appropriations lapse at the fiscal year-end.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.
4. The City Manager is authorized to transfer budgeted amounts within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.
5. Budgeted amounts are as originally adopted or as amended by the City Council through ordinances.
6. Budgetary control is at the department level for the General Fund and at the fund level for Special Revenue Funds.

Excess of expenditures over appropriation were as follows:

Special Revenue Funds:	
Library	\$ (2,562)

Excess of expenditures over appropriations were funded through operating transfers or available fund balance.

III. CASH AND INVESTMENTS

City of Dillingham, Alaska utilizes a central bank account that is available for use by all funds. Each fund's portion of the account is displayed on the balance sheet as "cash and investments" or included in "due from/due to other funds."

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, Continued

A. Reconciliation of Deposit and Investment Balances

The following is a reconciliation of the City's deposit and investment balances to the financial statements as of June 30, 2021.

Cash and cash equivalents	\$	8,679,630	Cash and investments	\$	8,274,100
Investments		-	Restricted cash and investments		405,530
	\$	<u>8,679,630</u>		\$	<u>8,679,630</u>

B. Investment Policy

The City's investment policy authorizes investments in:

1. Obligations of, or obligations insured or guaranteed by the United States of an agency or instrumentality of the United States.
2. Certificates of deposit, repurchase agreements, bankers acceptances and other similar obligations or a bank domiciled in the United States that has an outstanding debt rated at least "A" or its equivalent, by a nationally recognized rating service.
3. General obligations of a municipality within the United States, if the obligations are rated at least "A" by at least two nationally recognized rating services.
4. Mutual funds that consist of similar investments as listed above.
5. Money market and other cash equivalent investments (such as the Alaska Municipal League Investment Pool), with a maturity date of one year or less after date of investment, and that are of similar quality to the investments listed above.

C. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. All of the investments in the U.S. government agencies are rated AAA by Moody's Investors Service and Municipal Bonds are rated AAA.

Custodial Credit Risk

The City maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. In addition, the City maintains a collateralization agreement with a financial institution. At June 30, 2021 the City's cash deposits were fully insured.

For an investment, this is a risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments held by the City are protected by the Securities Investor Protection Corporation (SIPC) up to \$500,000 per customer per financial institution.

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, Continued

D. Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following financial instruments are recorded at fair value or at amounts that approximate fair value: (1) cash and cash equivalents, (2) receivables, net, (3) certain other current assets, (4) accounts payable, and (5) other current liabilities. The carrying amounts reported in the balance sheet and Statement of Net Position for the above financial instruments closely approximates their fair value due to the short-term nature of these assets and liabilities.

IV. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 follows:

Governmental Activities	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets not being depreciated:				
Land and land improvements	\$ 4,862,446	-	-	4,862,446
Construction in progress	3,290,942	5,417,098	6,359,492	2,348,548
Total assets not being depreciated	8,153,388	5,417,098	6,359,492	7,210,994
Capital assets being depreciated:				
Buildings	24,984,037	-	-	24,984,037
Improvements other than buildings	37,476,903	6,409,492	-	43,886,395
Machinery and equipment	11,774,756	393,075	53,456	12,114,375
Total capital assets being depreciated	74,235,696	6,802,567	53,456	80,984,807
Less accumulated depreciated for:				
Buildings	10,746,580	677,086	-	11,423,666
Improvements other than buildings	16,778,024	1,180,738	-	17,958,762
Machinery and equipment	6,057,211	567,187	45,439	6,578,959
Total accumulated depreciated	33,581,815	2,425,011	45,439	35,961,387
Total capital assets being depreciated, net	40,653,881	4,377,556	8,017	45,023,420
Governmental activity capital assets, net	\$ 48,807,269	9,794,654	6,367,509	52,234,414

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, Continued

Depreciation expense was charged to the functions as follows:

General government	\$ 70,417
Public safety	147,364
Public works	147,407
Community services	5,323
Water and sewer	712,907
Landfill	205,411
Dock	333,321
Harbor	213,929
Senior citizen center	25,010
Education	<u>563,922</u>
Total depreciation expense	\$ <u>2,425,011</u>

V. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A schedule of interfund balances and transfers for the year ended June 30, 2021 is as follows:

Receivable Fund	Payable Fund	Amount		
Roads Capital Project Fund	General Fund	\$	100,772	
General Fund	Planning Capital Project Fund		1,773,503	
Coronavirus Relief Special Revenue Fund	General Fund		472,784	
Other Governmental Funds	General Fund		2,980,761	
General Fund	Other Governmental Funds		<u>322,402</u>	
Total		\$	<u>5,650,222</u>	

Transfers In				
	General Fund	Planning CPF	Other Governmental Funds	Total
Transfers out:				
General Fund	\$ -	386,547	1,673,188	2,059,735
Other Governmental Funds	<u>42,794</u>	<u>-</u>	<u>67,427</u>	<u>110,221</u>
Total	\$ <u>42,794</u>	<u>386,547</u>	<u>1,740,615</u>	<u>2,169,956</u>

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, Continued

VI. LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended June 30, 2021:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Due Within</u> <u>One Year</u>
\$3,475,000 Series One & Two General Obligation School Installments of \$115,000 to \$265,000, plus interest at 5.0% through May 1, 2039	\$ 3,370,000	-	115,000	3,255,000	120,000
\$8,425,000 2016 Series Three & Four General Obligation School Bonds, due in annual installments of \$740,000 to \$1,035,000 plus Interest at 4.0% to 5.0% through December 1, 2027	7,030,000	-	740,000	6,290,000	775,000
\$367,000 283081 Landfill Clean Water Loan, annual installment payments begin 1 year after final disbursement, Interest 0.5% finance charge, 1% interest.	35,673	159,423	-	195,096	-
\$600,000 283091 Landfill Clean Water Loan, annual installment payments begin 1 year after final disbursement, Interest 0.5% finance charge, 1% interest.	-	600,000	-	600,000	-
Bond premium	1,448,144	-	156,310	1,291,834	156,310
Public safety vehicle lease (2017)	15,590	-	15,590	-	-
Public safety vehicle lease (2019)	22,691	-	7,044	15,647	7,551
Dock crane lease	735,873	-	15,461	720,412	118,244
Accrued leave	221,121	228,621	197,221	252,521	252,521
Estimated landfill closure costs	535,488	17,296	-	552,784	-
Net pension and OPEB liabilities (asset)	4,717,885	325,842	-	5,043,727	-
Total Long-Term Debt	\$ 18,132,465	1,331,182	1,246,626	18,217,021	1,429,626

Other long-term liabilities such as accrued leave are generally liquidated by the General Fund and bond premiums are amortized over term of the bond.

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, Continued

The annual requirements to amortize the general obligation bonds outstanding at June 30, 2021 are as follows:

Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2022	\$ 895,000	454,000	1,349,000
2023	930,000	412,250	1,342,250
2024	975,000	364,750	1,339,750
2025	1,020,000	315,000	1,335,000
2026-2030	3,745,000	1,049,625	4,794,625
2031-2035	995,000	447,750	1,442,750
2036-3039	985,000	186,250	1,171,250
Total	\$ 9,545,000	3,229,625	12,774,625

In November 2016, the City issued \$8,425,000 Series Three and Four General Obligation Bonds with an average interest rate of 4.82% to advance refund \$9,190,000 of outstanding 2008 Series One bonds. The bonds were issued at a premium of \$1,383,708. The net proceeds of \$9,734,429 (after payment of \$74,279 in issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2008 Series One bonds. As a result, the 2008 Series One bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements.

The City advance refunded the 2008 Series One bonds to reduce its total debt service payments over the next 10 years by \$1,151,482, and to obtain an economic gain (difference of the present value of the debt service payments on the old and new debt) of \$940,934.

Series Three and Four's bond premium is amortized over the life of the bond. \$125,792 is amortized each year through December 1, 2027.

On May 2, 2019, the City issued \$3,475,000 Series One and Two General Obligation Bonds with an interest rate of 5% to advance refund \$3,475,000 outstanding 2019 Series One and Two bonds. The bonds were issued at a premium of \$598,122. The net proceeds of \$4,073,122 (after payment of \$35,749 in issuance costs) were used to purchase U.S. government securities.

Series One and Two's bond premium is amortized over the life of the bond. \$30,518 is amortized each year through December 1, 2039.

In April 2019, the City obtained two Clean Water State Revolving Fund Loans one for \$367,000 and one for \$600,000 with a finance rate of 1.5% payable over 20 years starting one year after project construction ends. Total disbursements year to date is \$932,706. The balance of the notes payable at June 30, 2021 is \$795,096. A portion of the note will be forgiven in the form of a subsidy. The maximum amount of the subsidy is \$137,610. The loan is secured by an irrevocable pledge of net operating revenues from the Water Department.

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, Continued

VII. CAPITAL LEASES

The City has entered into lease agreements as lessee for financing the acquisition of a grader, a streets vehicle, a vehicle for animal control, six vehicles for general public safety and a dock crane. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments. The following is a summary of the assets acquired with the capital leases that have an outstanding balance as of June 30, 2021:

	<u>Public Works</u>	<u>Public Safety</u>	<u>Dock</u>	<u>Total</u>
Machinery and equipment	\$ 378,251	281,407	1,497,000	2,156,658
Less accumulated depreciation	(335,877)	(158,608)	(199,600)	(694,085)
Carrying value	\$ <u>42,374</u>	<u>122,799</u>	<u>1,297,400</u>	<u>1,462,573</u>

The following is a schedule of future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2021:

<u>Year Ending June 30,</u>	<u>General Fund</u>
2022	133,196
2023	133,196
2024	133,196
2025	133,196
2026	133,196
2027	<u>135,090</u>
Total minimum lease payments	801,069
Less interest portion	<u>65,010</u>
Present value of future minimum lease payments	736,059
Less current portion	<u>(125,795)</u>
Long-Term Portion	<u>\$ 610,264</u>

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CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, Continued

VIII. FUND BALANCES

Fund balances at June 30, 2021, reported in the City's individual major funds and other governmental funds in the aggregate on the governmental funds balance sheet is subject to the following constraints:

	General Fund	Roads Capital Project Fund	Planning Capital Project Fund	Other Governmental Fund	Total Governmental Fund
Nonspendable - prepaid	\$ 550,210	-	-	30,415	580,625
Restricted:					
Enhanced 911 service	-	-	-	294,592	294,592
Asset forfeiture	-	-	-	27,762	27,762
Local support	-	-	-	1,170	1,170
Reward	-	-	-	400	400
Mary Carlson Estate	-	-	-	368,570	368,570
Total restricted	-	-	-	692,494	692,494
Committed:					
Roads	-	100,772	-	-	100,772
Planning	-	-	266,116	-	266,116
Equipment replacement	-	-	-	61,652	61,652
Fire hall	-	-	-	120,541	120,541
Ambulance reserve	-	-	-	300,373	300,373
Landfill	-	-	-	172,044	172,044
Total committed	-	100,772	266,116	654,610	1,021,498
Assigned:					
Water and sewer	-	-	-	753,230	753,230
Dock	-	-	-	1,248,026	1,248,026
Boat harbor	-	-	-	17,069	17,069
Senior citizens center	-	-	-	9,338	9,338
Total assigned	-	-	-	2,027,663	2,027,663
Unassigned (deficits)	5,138,270	-	-	(56,067)	5,082,203
Total fund balances	5,688,480	100,772	266,116	3,349,115	9,404,483

The restricted funds in the Mary Carlson Permanent Fund are all expendable for repairs, maintenance, and improvements on the existing structure.

In the government-wide net investment in capital assets at June 30, 2021 is made up of the following:

Capital assets, net of accumulated depreciation	\$ 52,234,414
Less:	
Bonds payable	10,340,096
Bond premium	1,291,834
Capital leases	736,059
Net investment in capital assets	\$ <u>39,866,425</u>

The Landfill, School Bonds, and Debt Service Fund have deficits of \$769, \$1,626, and \$53,742 respectively at year end. The deficits will be covered by a transfer from the General Fund in FY2022.

IX. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform monitoring after closure. Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, accounting principles generally accepted in the United States of America require that the City record a portion of these closure and post-closure care costs as an operating expenditure in each period based on landfill capacity used during that period.

The current landfill has an estimated life of 50 years, with the installation of new more efficient incinerator equipment, resulting in the landfill lasting longer. Closure and post closure costs are estimated to be \$1,586,000. There is currently \$172,044 set aside in the Landfill Capital Project Fund. The City will recognize the remaining estimated cost of closure and post closure care cost based on a 50-year life.

X. Employee Retirement Systems and Plans

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

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

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

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

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, Continued

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

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

Other Postemployment Benefit Plans (OPEB)

Occupational Death and Disability Plan (ODD)

The Occupational Death and Disability Plan provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within the System. For the year ended June 30, 2021 the employer contribution rate is 0.70% for peace officers/firefighters and 0.31% for all others.

Membership in the plan consisted of the following at June 30, 2020 (latest available report):

<u>Membership</u>	<u>PERS</u>
Active plan members	23,378
Participating employers	152

Alaska Retiree Healthcare Trust Plan (ARHCT)

Beginning July 1, 2007, the Alaska Retiree Healthcare Trust Plan (ARHCT), a Healthcare Trust Fund of the State, was established. The ARHCT is self-funded and provides major medical coverage to retirees of the System. The System retains the risk of loss of allowable claims for eligible members. The ARHCT began paying member healthcare claims on March 1, 2008. Prior to that, healthcare claims were paid for by the Retiree Health Fund (RHF). For the year ended June 30, 2020 (latest available information) employer contributions were 4.88% of annual payroll. Membership in the plan consisted of the following at June 30, 2020 (latest report available):

<u>Membership</u>	<u>PERS</u>
Inactive plan members or beneficiaries currently receiving benefits	36,140
Inactive plan members entitled to but not yet receiving benefits	7,208
Inactive plan members not entitled to benefits	10,575
Active plan members	11,162
Total plan membership	<u>65,085</u>

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, Continued

Retiree Medical Plan (RMP)

The retiree medical plan provides major medical coverage to retirees of the DC plan. The plan is self-insured. Members are not eligible to use this plan until they have at least 10 years of service and are Medicare age eligible. For the year ended June 30, 2021 employer contributions were 1.27%. Membership in the plan consists of the following at June 30, 2020 (latest available report):

Membership	PERS
Inactive plan members or beneficiaries currently receiving benefits	46
Inactive plan members entitled to but not yet receiving benefits	1,717
Inactive plan members not entitled to benefits	14,643
Active plan members	23,378
Total plan membership	39,784

Healthcare Reimbursement Arrangement Plan

The Healthcare Reimbursement Arrangement Plan was established to allow medical expenses to be reimbursed from individual savings accounts established for eligible participants. Employer contributions are 3% of the average annual compensation of all employees in the plan. Membership in the plan consists of the following at June 30, 2020 (latest available report):

Membership	PERS
Inactive plan members or beneficiaries currently receiving benefits	63
Inactive plan members entitled to but not yet receiving benefits	1,717
Inactive plan members not entitled to benefits	14,643
Active plan members	23,378
Total plan membership	39,801

Investments

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

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

Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The annual weighted rate of return, net of investment expense, for the year ended June 30, 2020 (latest available report) for the DB Plan for PERS is 4.03%, for the ARHCT plan is 4.16%, for the ODD Plan is 4.28%, and for the RMP is 4.33%.

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, Continued

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

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

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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Broad Domestic Equity	6.24%
Global Equity (non-U.S.)	6.67%
Intermediate Treasuries	(0.16%)
Opportunistic	3.01%
Real Assets	3.82%
Private Equity	10.00%
Cash Equivalents	(1.09%)

Discount Rate: The discount rate used to measure the total pension and OPEB liabilities and assets is 7.38%, which represents a decrease of 0.00% since the prior measurement period. The projection of the cash flows used to determine the discount rate assumes that Employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the net pension and OPEB plans fiduciary net pension and OPEB liabilities and assets were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension and OPEB plan investments were applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities and assets. In the event benefit payments are not covered by the plan's fiduciary net position, a municipal bond rate would be used to discount the benefits not covered by the plan's fiduciary net position. The S&P Municipal Bond 20-Year High Grade Index rate was 2.66% as of June 30, 2020.

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

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

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, Continued

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

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

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

Employer Contribution rates for the year ended June 30, 2021 are as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
PERS:			
Pension	14.57%	26.58%	8.85%
OPEB	7.43%	4.27%	0%
Total PERS contribution rates	<u>22.00%</u>	<u>30.85%</u>	<u>8.85%</u>

Termination Costs: If the City decides to terminate coverage for a department, group, or other classification of members, even if that termination results from the decision to divest of a particular City function, all affected employees in that department, group, or other classification of members become immediately vested in the plan. The City must pay to have a termination study completed. The purpose of the study is to calculate the City’s one-time termination costs. The costs represent the amount necessary to fully fund the costs of plan members who become vested through this process and for other changes in actuarial assumptions, such as, earlier than expected retirement, that arise from the act of termination of coverage. The City must pay a lump sum within 60 days of termination or arrange a payment plan that is acceptable to the PERS Administrator. For fiscal year 2021 the past service rate for PERS is 18.23%.

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, Continued

Actuarial Assumptions: The total pension and OPEB liabilities on June 30, 2020 (latest available) were determined by an actuarial valuation as of June 30, 2019 which was rolled forward to the measurement date June 30, 2020. These actuarial assumptions were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017.

Investment return / discount rate	7.38% per year (geometric), compounded annually, net of expenses
Salary scale	Inflation – 2.5% per year Productivity – 0.25% per year
Payroll growth	2.75% per year (inflation + productivity)
Total inflation	Total inflation as measured by the Consumer Price Index for urban and clerical workers from Anchorage is assumed to increase 2.5% annually.
Mortality (Pre-termination)	Based upon 2013-2017 actual mortality experience, 100% (male and female) of RP-2014 healthy annuitant table with MP-2017 generational improvement.
Mortality (Post-termination)	Mortality rates based upon the 2013-2017 actual experience. 91% of male and 96% of female rates of RP-2014 health annuitant table with MP-2017 generational improvement.
Total turnover	Based upon the 2013-2017 actual withdrawal experience.
Disability	Incidence rates based on 2013-2017 actual experience. Post-disability mortality in accordance with the RP-2014 disability table with MP-2017 generational improvement. Disabilities are assumed to be occupational 75% of the time for peace officers/firefighters, 40% of the time for others.
Retirement	Retirement rates based upon the 2013-2017 actual experience. Deferred vested members are assumed to retire at their earliest unreduced retirement date.
Marriage and age difference	Males are assumed to be three years older than their wives. Females are assumed to be two years younger than their husbands. For others, 75% of male members and 70% of female members are assumed to be married. For peace officers/firefighters, 85% of male members and 60% female members are assumed to be married.

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, Continued

Healthcare cost trend rates	Pre-65 medical: 7.0% grading down to 4.5%
	Post-65 medical: 5.4% grading down to 4.5%
	Prescription drugs: 8.0% grading down to 4.5%
	EGWP: 8.0% grading down to 4.5%.

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

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

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

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

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

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

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

Currently there are 151 employers participating in PERS defined benefit plan, including the State of Alaska and 150 political subdivisions and public organizations.

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, Continued

The DB Plan's membership consisted of the following at June 30, 2020 (latest available report):

Inactive plan members or beneficiaries currently receiving benefits	36,140
Inactive plan members entitled to but not receiving benefits	7,208
Inactive members not entitled to benefits	10,575
Active plan members	<u>11,162</u>
Total DB plan membership	<u>65,085</u>

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

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

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

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

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

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

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

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

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, Continued

Employee Contribution Rate. The City's PERS active members are required to contribute 7.5% of their annual covered salary for peace officers/firefighters and 6.75% for all others.

Employer contributions for the year ended June 30, 2021, were:

Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$ 388,562	90,593	479,155

Public Employees Retirement Plans

For the year ended June 30, 2021 the State of Alaska contributed \$268,818 (100% pension cost) on-behalf of the City, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2020 to a total of \$181,057, to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

Pension and OPEB Liabilities and Assets, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB: At June 30, 2021, the City reported liabilities and assets that reflected a reduction for State pension and OPEB support provided to the City. The amount recognized by the City as its proportionate share of net pension and OPEB liabilities (assets), the related State support, and the total portion of the net pension and OPEB liabilities (assets) that were associated with the City were as follows:

Defined Benefit:	Pension
City's proportionate share of the net pension liability	\$ 5,504,093
State's proportionate share of the net pension liability	2,274,380
Total	\$ 7,778,473
	OPEB
City's proportionate share of the ARHCT OPEB liability(assets)	\$ (421,859)
State's proportionate share of the ARHCT OPEB liability (assets)	(175,380)
Total	\$ (597,239)
City's proportionate share of the ODD OPEB liability (asset)	\$ (50,731)
City's proportionate share of the RMP OPEB liability	\$ 12,224
Total City's share of net pension and OPEB liabilities and assets	\$ 5,043,727

The net pension and OPEB liabilities and assets were measured as of June 30, 2020, and the total pension and OPEB liabilities used to calculate the net pension and OPEB liabilities and assets were determined by an actuarial valuation as of that date. The City's proportion of the net pension and OPEB liabilities and assets were based on the present value of contributions for FY2022 through FY2039, as determined by projections based on the June 30, 2020 valuation.

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, Continued

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

	June 30, 2019 Measurement	June 30, 2020 Measurement	Change
Pension	0.08401%	0.09327%	0.00926%
OPEB:			
ARHCT	0.0839%	0.0932%	0.0093%
ODD	0.20426%	0.18610%	(0.01816)%
RMP	0.18316%	0.17234%	(0.01082)%

Based on the measurement date of June 30, 2020, the City recognized pension and OPEB expense of \$1,077,810 and \$(381,459), respectively, for the year ended June 30, 2021. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Defined Benefit:		
Differences between expected and actual experience	\$ 17,460	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	224,017	-
Changes in proportion and differences between City contributions and proportionate share of contributions	93,213	-
City contributions subsequent to the measurement date	388,562	-
Total	\$ <u>723,252</u>	<u>-</u>
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(33,843)
Changes of assumptions	-	(294,061)
Net difference between projected and actual earnings on OPEB plan investments	169,261	-
Changes in proportion and differences between City contributions and proportionate share of contributions	14,769	-
City contributions subsequent to the measurement date	55,014	-
Total	\$ <u>239,044</u>	<u>(327,904)</u>

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, Continued

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(17,021)
Changes of assumptions	-	(743)
Net difference between projected and actual earnings on OPEB plan investments	1,740	-
Changes in proportion and differences between City contributions and proportionate share of contributions	4,622	(1,453)
City contributions subsequent to the measurement date	<u>5,739</u>	<u>-</u>
Total	<u>\$ 12,101</u>	<u>(19,217)</u>

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 64	(2,627)
Changes of assumptions	17,168	(31,603)
Net difference between projected and actual earnings on OPEB plan investments	5,474	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	(2,888)
City contributions subsequent to the measurement date	<u>29,840</u>	<u>-</u>
Total	<u>\$ 52,546</u>	<u>(37,118)</u>

\$388,562 and \$90,593 are reported as deferred outflows of resources related to pension and OPEB resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension and OPEB liabilities and as an increase to the net pension and OPEB assets in the year ended June 30, 2021, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension and OPEB will be recognized in pension and OPEB expense as follows:

Year Ended June 30,	Pension	OPEB ARHCT	OPEB ODD	OPEB RMP
2021	\$ 114,633	(314,495)	(2,159)	(1,800)
2022	78,780	60,247	(1,746)	(708)
2023	83,268	64,689	(1,738)	(727)
2024	58,009	45,685	(1,876)	(1,145)
2025	-	-	(2,315)	(2,463)
Thereafter	-	-	(3,021)	(7,569)
Total	<u>\$ 334,690</u>	<u>(143,874)</u>	<u>(12,855)</u>	<u>(14,412)</u>

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2021, the City recognized \$72,599 and \$(30,191) of pension and OPEB amortization of the net deferred outflows and inflows of resources, respectively.

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

	1% Decrease (6.38%)	Current Rate (7.38%)	1% Increase (8.38%)
Net pension liability (asset)	\$ 7,156,484	5,504,093	4,118,197
Net OPEB ARHCT liability (asset)	\$ 440,201	(421,859)	(1,135,900)
Net OPEB ODD liability (asset)	\$ (47,672)	(50,731)	(53,177)
Net OPEB RMP liability (asset)	\$ 75,731	12,224	(35,847)

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

	1% Decrease	Current Rate	1% Increase
Net OPEB ARHCT liability (asset)	\$ (1,219,620)	(421,859)	544,183
Net OPEB ODD liability (asset)	\$ N/A	(50,731)	N/A
Net OPEB RMP liability (asset)	\$ (42,893)	12,224	87,196

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

Plan Description and Funding Requirements. City's and Public Employers in the State of Alaska have a defined contribution retirement plan (PERS Tier IV) for new hires first enrolled on or after July 1, 2006. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plan noted above. The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee. Plan members make mandatory contributions of 8% of gross eligible compensation. This amount goes directly to the individual's account. State statutes require the employer to contribute 5% of employees' eligible compensation. Additionally, employers are required to contribute to OPEB (DB): 1.27% for the retiree medical plan (DB), 0.31% for occupational and death and disability benefits (DB) and 3% of employers' average annual employee compensation to the health reimbursement arrangement (HRA DC). The effective employer contribution is 22%. Additionally, there is a defined benefit unfunded liability (DBUL) amount levied against the DC plan and allocated to the DB Plan's pension and OPEB contribution.

Plan members are 100% vested with their contributions.

Members become vested in employers' contributions as follows:

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

The City contributed \$200,403 for the year ended June 30, 2021, which included forfeitures of \$117,475 which have been applied as employer contributions.

XI. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years up to legal limits. No contributions are made by the City. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All assets and income of the Plan must be held in trust for the exclusive benefit of participants and their beneficiaries.

XII. RISK MANAGEMENT

The City faces a considerable number of risks of loss, including: (a) damage to and loss of property and contents, (b) employee torts, (c) professional liability; i.e., errors and omissions, (d) environmental damage, (e) workers' compensation; i.e., employee injuries, and (f) medical insurance costs of employees. Commercial policies, transferring the risk of loss, except for relatively small deductible amounts, are purchased for employee medical costs.

The City participates in the Alaska Municipal League Joint Insurance Association (AML/JIA) which provides insurance coverage for property and contents damage, torts, general and automobile liability and workers' compensation. The AML/JIA is a public entity risk pool organized to share risks among its members. The Association's bylaws provide for the assessment of supplemental contributions from members in the event that losses and expenses for any coverage year exceed the annual contributions and income earned on such contributions for the year. Such supplemental contributions shall be based upon each members' annual deposit contribution in comparison to the aggregate annual deposit contributions of all members. The Association made no supplemental assessments during the year ended June 30, 2021.

The City has no coverage for potential losses from environmental damages. Coverage limits and the deductibles on the policies have stayed relatively constant for the past few years.

XIII. CONDUIT DEBT

On May 19, 2005, the City Council authorized the issuance of nonrecourse revenue refunding bonds in a principal amount not to exceed \$1,300,000 to refinance previously issued nonrecourse revenue bonds on behalf of Bristol Bay Native Association. The outstanding balance at June 30, 2021 was \$30,826. These bonds do not constitute a general obligation debt or pledge of the full faith and credit of the City. Accordingly, the bonds and related assets are not reflected in the accompanying financial statements.

XIV. CONTINGENT LIABILITIES AND COMMITMENTS

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

Notes to Basic Financial Statements, Continued

A notice of violation has been filed by the Alaska Department of Environmental Conservation alleging nine violations of the city's Alaska Pollutant Discharge Elimination permit for the Dillingham Lagoon. The City is investigating the alleged violation. The notice of violation initiates the enforcement process and the process is still in the early stages. It is difficult to evaluate the likelihood of an unfavorable outcome, including the amount or likelihood of fines.

XVI. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 28, 2022, the date which the financial statements were available for issue, and one subsequent event was identified that was necessary to disclose for proper presentation of the financial statements as follows: Alaska Department of Environmental Conservation alleged nine violations of the City's Alaska Pollutant Discharge Elimination permit for the Dillingham Lagoon, however, we are unable to forecast the potential outcome, including the amount or likelihood of any fine.

XX. SUBSEQUENT ACCOUNTING PRONOUNCEMENTS

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

- GASB 87 *Leases*. Effective for fiscal years beginning after June 15, 2021.
- GASB 89 *Accounting for Interest Cost Incurred before the End of a Construction Period*. Effective for fiscal years beginning after December 15, 2020.
- GASB 91 *Conduit Debt Obligations*. Effective for fiscal years beginning after December 15, 2021.
- GASB 92 *Omnibus 2020*. This Statement has multiple effective dates which vary by topic.
- GASB 93 *Replacement of Interbank Offered Rates*. Effective for fiscal years beginning after June 15, 2021.
- GASB 94 *Public-Private and Public-Public Partnerships and Availability Payments Arrangements*. Effective for fiscal years beginning after June 15, 2022.
- GASB 96 *Subscription-Based Information Technology Arrangements*. Effective for fiscal years beginning after June 15, 2021.
- GASB 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Effective for fiscal years beginning after June 15, 2021.
- GASB 98 *The Annual Financial Report* effective for fiscal years ending after December 15, 2021.
- GASB 99 *Omnibus 2022*. Multiple effective dates.
- GASB 100 *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. Effective for fiscal years beginning after June 15, 2023. Multiple effective dates.
- GASB 101 *Compensated Absences*. Effective for fiscal years beginning after December 15, 2023.

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, Continued

GASB Statement No. 87, the objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement No. 89 requires interest costs incurred before the end of a construction period to be recognized as an expenditure or expense in the period in which the cost is incurred for financial statements prepared under the current financial resources measurement focus or the economic resource measurement focus.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures

GASB Statement No. 92, the objectives of this Statement are to enhance comparability and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

GASB Statement No. 93, addresses the fact that some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate.

Statement 94 is not expected to have any significant impact on the financial statements of City of Dillingham.

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

CITY OF DILLINGHAM, ALASKA

Notes to Basic Financial Statements, Continued

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

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

The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.

The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

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

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

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

SUPPLEMENTARY INFORMATION

CITY OF DILLINGHAM, ALASKA

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

Public Employees' Retirement System (PERS)

June 30, 2021

Year	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0605%	\$ 2,822,639	\$ 2,767,785	\$ 5,590,424	\$ 5,590,424	50%	62.37%
2016	0.0992%	\$ 4,808,667	\$ 1,289,971	\$ 6,098,638	\$ 3,784,496	127%	63.96%
2017	0.1039%	\$ 5,808,346	\$ 734,198	\$ 6,542,544	\$ 3,933,622	148%	59.55%
2018	0.0947%	\$ 4,893,666	\$ 1,824,011	\$ 6,717,677	\$ 4,060,508	121%	63.37%
2019	0.0981%	\$ 4,874,641	\$ 1,413,866	\$ 6,288,507	\$ 2,762,441	176%	65.19%
2020	0.0840%	\$ 4,599,123	\$ 1,826,842	\$ 6,425,965	\$ 3,101,332	148%	63.42%
2021	0.0933%	\$ 5,504,093	\$ 2,274,380	\$ 7,778,473	\$ 3,068,295	179%	61.61%

See accompanying notes to Required Supplementary Information.

CITY OF DILLINGHAM, ALASKA

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

Public Employees' Retirement System (PERS)

June 30, 2021

Year	City's Proportion of the Net OPEB Liability (Asset)	City's Proportionate Share of the Net OPEB Liability (Asset)	State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	Total Net OPEB Liability (Asset)	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
Alaska Retiree Healthcare Trust Plan (ARHCT):							
2018	0.0947%	\$ 799,564	\$ 297,822	\$ 1,097,386	\$ 4,060,508	19.69%	89.68%
2019	0.0981%	\$ 1,007,001	\$ 291,991	\$ 1,298,992	\$ 2,762,441	36.45%	88.12%
2020	0.0839%	\$ 124,464	\$ 49,429	\$ 173,893	\$ 3,101,332	4.01%	98.13%
2021	0.0932%	\$ (421,859)	\$ (175,380)	\$ (597,239)	\$ 3,068,295	-13.75%	106.15%
Occupational Death and Disability (ODD):							
2018	0.2058%	\$ (29,197)	\$ -	\$ (29,197)	\$ 4,060,508	-0.72%	212.97%
2019	0.1899%	\$ (36,879)	\$ -	\$ (36,879)	\$ 2,762,441	-1.34%	270.62%
2020	0.2043%	\$ (49,522)	\$ -	\$ (49,522)	\$ 3,101,332	-1.60%	297.43%
2021	0.1861%	\$ (50,731)	\$ -	\$ (50,731)	\$ 3,068,295	-1.65%	283.80%
Retiree Medical Plan (RMP):							
2018	0.2058%	\$ 10,731	\$ -	\$ 10,731	\$ 837,105	1.28%	93.98%
2019	0.1899%	\$ 24,162	\$ -	\$ 24,162	\$ 868,768	2.78%	88.71%
2020	0.1832%	\$ 43,820	\$ -	\$ 43,820	\$ 868,768	5.04%	83.17%
2021	0.1723%	\$ 12,224	\$ -	\$ 12,224	\$ 900,041	1.36%	92.23%

See accompanying notes to Required Supplementary Information.

CITY OF DILLINGHAM, ALASKA
 Schedule of City's Contributions (Pensions)
 Public Employees' Retirement System (PERS)
 June 30, 2021

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 240,625	\$ (240,625)	\$ -	\$ 3,784,496	6.36%
2016	\$ 253,526	\$ (253,526)	\$ -	\$ 3,933,622	6.45%
2017	\$ 286,868	\$ (286,868)	\$ -	\$ 4,060,508	7.06%
2018	\$ 308,901	\$ (308,901)	\$ -	\$ 2,762,441	11.18%
2019	\$ 338,963	\$ (339,298)	\$ (335)	\$ 3,101,332	10.93%
2020	\$ 313,126	\$ (313,063)	\$ 63	\$ 3,068,295	10.21%
2021	\$ 385,056	\$ (388,562)	\$ (3,506)	\$ 3,088,891	12.47%

See accompanying notes to Required Supplementary Information.

CITY OF DILLINGHAM, ALASKA

Schedule of City's Contributions (OPEB)

Public Employees' Retirement System (PERS)

June 30, 2021

Year	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
Alaska Retiree Healthcare Trust Plan (ARHCT):					
2018	\$ 88,064	\$ (88,064)	\$ -	\$ 2,762,441	3.19%
2019	\$ 122,031	\$ (122,031)	\$ -	\$ 3,101,332	3.93%
2020	\$ 125,049	\$ (125,049)	\$ -	\$ 3,068,295	4.08%
2021	\$ 55,014	\$ (55,014)	\$ -	\$ 3,088,891	1.78%
Occupational Death and Disability (ODD):					
2018	\$ 4,474	\$ (4,474)	\$ -	\$ 2,762,441	0.16%
2019	\$ 8,340	\$ (8,340)	\$ -	\$ 3,101,332	0.27%
2020	\$ 8,160	\$ (8,160)	\$ -	\$ 3,068,295	0.27%
2021	\$ 5,739	\$ (5,739)	\$ -	\$ 3,088,891	0.19%
Retiree Medical Plan (RMP):					
2018	\$ 22,136	\$ (22,136)	\$ -	\$ 868,768	2.55%
2019	\$ 21,495	\$ (21,495)	\$ -	\$ 868,768	2.47%
2020	\$ 30,744	\$ (30,744)	\$ -	\$ 900,041	3.42%
2021	\$ 29,840	\$ (29,840)	\$ -	\$ 910,923	3.28%

See accompanying notes to Required Supplementary Information.

CITY OF DILLINGHAM, ALASKA

General Fund

Schedule of Original and Final Budget to Actual

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental:				
Federal sources	\$ 546,281	484,000	484,326	326
State of Alaska	887,058	927,758	876,127	(51,631)
Bristol Bay Housing Authority	-	2,000	1,142	(858)
Local sources:				
Taxes	6,987,000	6,692,000	6,726,584	34,584
Charges for services	866,676	857,093	845,552	(11,541)
Licenses and permits	-	22,950	24,370	1,420
Fines and forfeitures	95,000	7,000	1,410	(5,590)
Lease and rental income	35,000	61,500	46,079	(15,421)
Investment income	-	10,000	7,439	(2,561)
Other	212,300	25,800	32,330	6,530
Total Revenues	<u>9,629,315</u>	<u>9,090,101</u>	<u>9,045,359</u>	<u>(44,742)</u>
Expenditures:				
Current:				
General government	2,027,321	1,854,483	1,768,615	85,868
Education	1,300,000	1,300,000	1,300,000	-
Public safety	2,919,498	2,754,220	2,392,600	361,620
Public works	1,533,563	1,533,563	1,322,087	211,476
Community services	115,893	111,944	112,616	(672)
Total expenditures	<u>7,896,275</u>	<u>7,554,210</u>	<u>6,895,918</u>	<u>658,292</u>
Excess of revenues over expenditures	1,733,040	1,535,891	2,149,441	613,550
Other financing sources (uses):				
Transfers in	72,226	51,000	42,794	(8,206)
Transfers out	(2,107,553)	(2,242,047)	(2,059,735)	182,312
Net other financing sources (uses):	<u>(2,035,327)</u>	<u>(2,191,047)</u>	<u>(2,016,941)</u>	<u>174,106</u>
Net change in fund balance	\$ <u>(302,287)</u>	<u>(655,156)</u>	132,500	<u>787,656</u>
Fund balance at beginning of year			<u>5,555,980</u>	
Fund balance at end of year			\$ <u>5,688,480</u>	

See accompanying notes to required supplementary information.

CITY OF DILLINGHAM, ALASKA

Coronavirus Relief Special Revenue Fund
Schedule of Original and Final Budget to Actual

Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental:			
Federal sources	\$ 96,281	2,371,651	2,275,370
Expenditures:			
Current:			
Public safety	96,281	2,371,651	(2,371,651)
Excess of revenues over expenditures	\$ -	-	-
Fund balance at beginning of year		-	
Fund balance at end of year		\$ -	

See accompanying notes to required supplementary information.

CITY OF DILLINGHAM, ALASKA

Notes to Required Supplementary Information

December 31, 2021

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

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. The City follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to June 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.
4. The City Manager is authorized to transfer budgeted amounts within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.
5. Budgeted amounts are as originally adopted or as amended by the City Council through ordinances.
6. Budgetary control is at the department level for the General Fund and at the fund level for Special Revenue Funds.

Excess of Expenditures over Appropriations

The Council approves operating budgets and appropriations of direct costs at the function level for all funds. For the year ended June 30, 2021 expenditures exceeded appropriations in the funds:

General Fund:	
Community Services	\$ 672
Coronavirus Relief Special Revenue Fund:	
Public Safety	\$ 2,371,651

2. Public Employees' Retirement System

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

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

Changes in Methods Since the Prior Valuation – June 30, 2019 to June 30, 2020:

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

CITY OF DILLINGHAM, ALASKA

Notes to Required Supplementary Information, Continued

Changes in Assumptions Since the Prior Valuation – June 30, 2019 to June 30, 2020:

Healthcare claim costs are updated annually. 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. The Further Consolidated Appropriations Act, 2020 that was signed in December 2019 made several changes, including the repeal of the Cadillac Tax. The amounts included in the Normal Cost for administrative expenses were updated based on the most recent two years of actual administrative expenses paid from plan assets.

Changes in Benefit Provisions Since the Prior Valuation – June 30, 2019 to June 30, 2020:

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

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

Schedule of City Contributions (Pension) and (OPEB)

The table valuation date is June 30, 2019 which was rolled forward to June 30, 2020. Actuarially determined contribution rates are calculated as of June 30th, two years prior to the fiscal year in which contributions are reported.

CITY OF DILLINGHAM, ALASKA

General Fund

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

Years Ended June 30,	2021			2020
	Budget	Actual	Variance	Actual
Revenues:				
Intergovernmental:				
Federal government:				
Payment in lieu of taxes	\$ 484,000	484,326	326	478,044
State of Alaska:				
Revenue sharing	75,700	78,307	2,607	109,587
Raw fish tax	475,000	474,820	(180)	772,264
Shared fisheries business tax	9,000	9,056	56	110,378
Electric and telephone co-op tax	65,000	69,128	4,128	65,065
PERS relief	269,058	214,416	(54,642)	169,779
Liquor licenses	4,000	-	(4,000)	-
Motor vehicle tax	30,000	30,400	400	28,949
Total State of Alaska	927,758	876,127	(51,631)	1,256,022
Bristol Bay Housing Authority - payment in lieu of taxes	2,000	1,142	(858)	-
Local sources:				
Taxes:				
Sales taxes	3,200,000	3,309,926	109,926	3,185,617
Alcohol sales taxes	260,000	267,024	7,024	284,916
Transient lodging sales taxes	85,000	78,805	(6,195)	75,597
Real property taxes	2,119,000	2,044,472	(74,528)	2,128,634
Personal property taxes	508,000	520,115	12,115	531,021
Penalty and interest on property taxes	65,000	69,022	4,022	58,526
Penalty and interest on sales taxes	20,000	15,409	(4,591)	15,059
Gaming taxes	65,000	62,390	(2,610)	63,175
Tobacco tax	370,000	359,421	(10,579)	344,465
Total taxes	\$ 6,692,000	6,726,584	34,584	6,687,010

(continued)

CITY OF DILLINGHAM, ALASKA

General Fund

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

Years Ended June 30,	2021		Variance	2020
	Budget	Actual		Actual
Revenues, continued:				
Local sources, continued:				
Charges for services:				
Contract revenue	\$ 580,367	578,371	(1,996)	565,238
Commissary	4,250	1,670	(2,580)	2,566
Court deposits	22,000	19,539	(2,461)	4,516
Fines and fees	200	309	109	2,991
Administrative overhead charges	205,776	217,470	11,694	216,432
Platting and mapping fees	500	120	(380)	250
Ambulance fees	40,000	18,832	(21,168)	41,792
Other	4,000	9,241	5,241	1,765
Total charges for services	<u>857,093</u>	<u>845,552</u>	<u>(11,541)</u>	<u>835,550</u>
Licenses and permits:				
Animal licenses	1,200	1,605	405	1,205
Business licenses	19,500	20,800	1,300	20,300
Land use permits	800	465	(335)	420
Tobacco license	450	400	(50)	375
Marijuana license	1,000	1,100	100	300
Total licenses and permits	<u>22,950</u>	<u>24,370</u>	<u>1,420</u>	<u>22,600</u>
Fines and forfeitures:				
Title 47 fines	<u>7,000</u>	<u>1,410</u>	<u>(5,590)</u>	<u>18,832</u>
Lease and rental income	<u>61,500</u>	<u>46,079</u>	<u>(15,421)</u>	<u>40,728</u>
Investment income	<u>10,000</u>	<u>7,439</u>	<u>(2,561)</u>	<u>83,190</u>
Other revenues:				
DMV commission revenue	25,000	26,643	1,643	18,896
Equipment sales	400	-	(400)	-
Property sales	-	(584)	(584)	3,758
Donations and contributions	400	3,716	3,316	37,391
Miscellaneous	-	2,555	2,555	5,825
Total other revenues	<u>25,800</u>	<u>32,330</u>	<u>6,530</u>	<u>65,870</u>
Total revenues	<u>\$ 9,090,101</u>	<u>9,045,359</u>	<u>(44,742)</u>	<u>9,487,846</u>

(continued)

CITY OF DILLINGHAM, ALASKA

General Fund

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

Years Ended June 30,	2021			2020
	Budget	Actual	Variance	Actual
Expenditures:				
General government:				
City council:				
Lobbying	\$ 24,000	24,000	-	24,000
Annexation project	-	1,171	(1,171)	980
Subscriptions and memberships	5,100	5,094	6	4,588
Training	500	873	(373)	330
Food	250	24	226	181
Supplies	100	-	100	77
Minor tools and equipment	500	2,340	(1,840)	23
Advertising	2,000	-	2,000	-
Contributions	500	-	500	-
Total city council	<u>32,950</u>	<u>33,502</u>	<u>(552)</u>	<u>30,179</u>
City clerk:				
Salaries	75,039	70,061	4,978	62,949
Overtime	-	338	(338)	-
Employee benefits	41,762	44,948	(3,186)	43,119
Subscriptions and memberships	246	495	(249)	245
Travel	-	-	-	1,478
Training	1,650	1,095	555	775
Supplies	350	200	150	55
Elections	3,866	3,825	41	3,109
Codification	2,500	1,393	1,107	2,159
Total city clerk	<u>125,413</u>	<u>122,355</u>	<u>3,058</u>	<u>113,889</u>
City administration:				
Salaries	144,371	178,949	(34,578)	120,463
Overtime	5,006	4,230	776	1,515
Employee benefits	105,252	81,399	23,853	75,745
Recruiting	21,330	5,128	16,202	-
Contract labor	30,000	9,426	20,574	-
Advertising	2,000	1,728	272	1,130
Travel	-	1,138	(1,138)	6,167
Subscriptions and memberships	400	-	400	200
Supplies	500	11,782	(11,282)	2,092
Training	-	140	(140)	650
Building rent	10,800	9,000	1,800	-
Electricity	-	634	(634)	-
Heating fuel	-	1,279	(1,279)	-
Janitorial	-	100	(100)	-
Minor tools and equipment	15,000	641	14,359	-
Total city administration	<u>\$ 334,659</u>	<u>305,574</u>	<u>29,085</u>	<u>207,962</u>

(continued)

CITY OF DILLINGHAM, ALASKA

General Fund

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

Years Ended June 30,	2021			2020
	Budget	Actual	Variance	Actual
Expenditures, continued:				
General government, continued				
Finance:				
Salaries	\$ 327,545	360,899	(33,354)	325,092
Overtime	5,459	1,356	4,103	2,079
Employee benefits	247,173	220,785	26,388	218,263
Appraisal	28,000	55,606	(27,606)	23,025
Contract labor	45,000	44,244	756	46,600
Advertising	1,000	-	1,000	-
Subscriptions and memberships	245	95	150	75
Training	1,948	126	1,822	-
Finance	-	-	-	707
Bank charges	3,000	-	3,000	-
Supplies	3,000	3,913	(913)	3,345
Computer software	1,900	1,908	(8)	-
Minor tools and equipment	1,500	330	1,170	833
Total finance	<u>665,770</u>	<u>689,262</u>	<u>(23,492)</u>	<u>620,019</u>
Legal	<u>60,000</u>	<u>46,040</u>	<u>13,960</u>	<u>30,916</u>
Insurance:				
General liability	75,117	70,200	4,917	47,293
Property	154,224	147,352	6,872	123,379
Automobile	42,716	41,757	959	35,184
Claim deductibles	5,000	-	5,000	-
Total insurance	<u>277,057</u>	<u>259,309</u>	<u>17,748</u>	<u>205,856</u>
Nondepartmental:				
Contract labor	500	2,075	(1,575)	1,985
Accounting services and audit	73,000	66,809	6,191	77,107
Advertising	-	-	-	416
Supplies	7,500	4,679	2,821	3,761
Postage	10,000	10,044	(44)	10,435
Insurance	-	1,719	(1,719)	-
Computer support services	-	9,828	(9,828)	3,501
Equipment maintenance	3,000	5,600	(2,600)	32
Leased equipment	2,500	3,120	(620)	2,422
Major equipment	16,200	16,119	81	-
Total nondepartmental	<u>\$ 112,700</u>	<u>119,993</u>	<u>(7,293)</u>	<u>99,659</u>

(continued)

CITY OF DILLINGHAM, ALASKA

General Fund

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

Years Ended June 30,	2021			2020
	Budget	Actual	Variance	Actual
Expenditures, continued:				
General government, continued:				
Planning:				
Salaries	\$ 78,393	76,991	1,402	67,119
Employee benefits	65,436	64,098	1,338	49,809
Contract labor	67,000	26,029	40,971	14,364
Advertising	1,000	445	555	51
Subscriptions and memberships	300	238	62	-
Travel	3,700	81	3,619	2,159
Training	1,905	1,766	139	320
Recording fees	200	43	157	44
Supplies	1,000	562	438	11,929
Building rent	18,000	18,000	-	6,090
Electricity	3,000	1,299	1,701	340
Heating Fuel	4,000	196	3,804	-
Gas, oil and grease	-	1,959	(1,959)	-
Total planning	<u>243,934</u>	<u>191,707</u>	<u>52,227</u>	<u>152,225</u>
Foreclosed property:				
Supplies	-	-	-	146
Foreclosure costs	500	180	320	4,556
Legal	1,500	693	807	2,932
Total foreclosed property	<u>2,000</u>	<u>873</u>	<u>1,127</u>	<u>7,634</u>
Total general government	<u>1,854,483</u>	<u>1,768,615</u>	<u>85,868</u>	<u>1,468,339</u>
Education:				
Contribution to school district	<u>1,300,000</u>	<u>1,300,000</u>	<u>-</u>	<u>1,300,000</u>
Public safety:				
Police dispatch:				
Salaries	180,183	174,049	6,134	168,934
Overtime	43,480	41,896	1,584	54,827
Employee benefits	201,115	165,714	35,401	196,777
Telephone	560	558	2	558
Supplies	200	136	64	192
Uniforms	1,400	-	1,400	217
Major equipment	16,000	-	16,000	-
Minor tools and equipment	800	4,049	(3,249)	2,449
Other expenditures	-	28,526	(28,526)	34,113
Total police dispatch	<u>\$ 443,738</u>	<u>414,928</u>	<u>28,810</u>	<u>458,067</u>

(continued)

CITY OF DILLINGHAM, ALASKA

General Fund

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

Years Ended June 30,	2021			2020
	Budget	Actual	Variance	Actual
Expenditures, continued:				
Public safety, continued:				
Police department:				
Salaries	\$ 358,676	259,530	99,146	284,747
Overtime	68,817	71,703	(2,886)	48,067
Employee benefits	365,477	282,362	83,115	243,012
Recruiting	22,000	1,000	21,000	-
Contractual	300	-	300	-
Travel and training	15,600	(1,887)	17,487	10,836
Supplies	400	344	56	382
Uniforms	2,000	1,080	920	2,255
Vehicle lease	29,500	34,865	(5,365)	25,091
Investigations	8,000	-	8,000	-
Minor tools and equipment	16,000	12,875	3,125	4,228
Major equipment	8,000	4,332	3,668	-
Required inspections	-	-	-	1,600
Equipment maintenance	500	-	500	-
Total police department	<u>895,270</u>	<u>666,204</u>	<u>229,066</u>	<u>620,218</u>
Jail:				
Salaries	271,655	258,133	13,522	254,835
Overtime	34,100	52,605	(18,505)	51,538
Employee benefits	242,172	234,052	8,120	217,029
Insurance	17,181	16,246	935	10,945
Subscriptions and memberships	100	-	100	-
Travel	-	-	-	4,221
Supplies	9,000	4,320	4,680	5,053
Uniforms	2,200	235	1,965	1,471
Food	18,000	12,835	5,165	13,588
Minor tools and equipment	4,000	1,771	2,229	2,953
Electricity	12,000	13,304	(1,304)	12,770
Heating fuel	9,000	10,214	(1,214)	11,264
Water and sewer	4,700	4,656	44	4,656
Refuse collection	1,650	1,088	562	1,504
Equipment maintenance	500	-	500	36
Required inspections	800	400	400	400
Total jail	<u>627,058</u>	<u>609,859</u>	<u>17,199</u>	<u>592,263</u>
Emergency Operations Center				
Salaries	30,250	40,085	(9,835)	-
Overtime	500	186	314	-
Employee benefits	3,900	3,198	702	-
Legal	4,750	11,342	(6,592)	-
Advertising	600	4,437	(3,837)	-
Training	-	140	(140)	-
Supplies	-	432	(432)	-
Total Emergency operations center	<u>\$ 40,000</u>	<u>59,820</u>	<u>(19,820)</u>	<u>-</u>

(continued)

CITY OF DILLINGHAM, ALASKA

General Fund

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

Years Ended June 30,	2021			2020
	Budget	Actual	Variance	Actual
Expenditures, continued:				
Public safety, continued:				
Department of motor vehicles:				
Salaries	\$ 29,233	31,660	(2,427)	25,611
Overtime salaries	1,098	85	1,013	42
Employee benefits	17,371	21,578	(4,207)	17,506
Subscriptions and memberships	50	90	(40)	70
Minor tools and equipment	400	485	(85)	462
Total department of motor vehicles	<u>48,152</u>	<u>53,898</u>	<u>(5,746)</u>	<u>43,691</u>
Fire department:				
Salaries	111,685	51,391	60,294	84,659
Overtime	974	2,159	(1,185)	2,716
Employee benefits	104,514	61,253	43,261	92,344
Insurance	845	1,003	(158)	676
Advertising	630	-	630	-
Subscriptions and memberships	420	150	270	380
Travel	3,000	-	3,000	362
Training	1,000	66	934	1,000
Office supplies	1,000	465	535	1,711
Supplies	-	48	(48)	185
Postage	150	150	-	214
EMS and fire supplies	7,000	3,047	3,953	7,977
Personal protective equipment	13,200	9,918	3,282	-
Public education	600	-	600	547
Ambulance billing	6,600	2,200	4,400	5,013
Gas, oil and grease	-	-	-	111
Minor tools and equipment	4,300	172	4,128	3,111
Fire department equipment replacement	6,600	-	6,600	342
Electricity	7,000	9,599	(2,599)	7,199
Heating fuel	16,000	22,116	(6,116)	23,886
Water and sewer	9,400	9,311	89	9,311
Refuse	1,600	928	672	1,472
Computer software	-	835	(835)	-
Required inspections	2,100	624	1,476	1,566
Sample testing	150	-	150	-
Member recognition	3,500	303	3,197	2,620
Airport lease	650	875	(225)	625
Total fire department	\$ <u>302,918</u>	<u>176,613</u>	<u>126,305</u>	<u>248,027</u>

(continued)

CITY OF DILLINGHAM, ALASKA

General Fund

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

Years Ended June 30,	Budget	2021 Actual	Variance	2020 Actual
Expenditures, continued:				
Public safety, continued:				
Animal control:				
Salaries	\$ 56,380	57,953	(1,573)	55,608
Overtime	2,071	2,314	(243)	994
Employee benefits	35,625	37,477	(1,852)	34,051
Subscriptions and memberships	400	-	400	-
Supplies	600	697	(97)	444
Postage freight	-	181	(181)	100
Food items	300	-	300	-
Uniforms	325	-	325	153
Minor tools and equipment	600	299	301	127
Electricity	3,500	4,784	(1,284)	3,928
Heating fuel	4,200	3,625	575	4,220
Water and sewer	3,200	2,845	355	2,845
Total animal control	<u>107,201</u>	<u>110,175</u>	<u>(2,974)</u>	<u>102,470</u>
Information technology:				
Contractual professional	-	10,257	(10,257)	600
Telephone	32,200	29,630	2,570	34,363
Internet	19,000	22,314	(3,314)	18,664
Computer hardware	49,920	10,664	39,256	86,541
Computer software	43,526	31,225	12,301	39,480
Computer support services	44,657	50,071	(5,414)	56,946
Total information technology	<u>189,303</u>	<u>154,161</u>	<u>35,142</u>	<u>236,594</u>
Administration:				
Salaries	46,722	48,116	(1,394)	45,342
Employee benefits	47,207	49,911	(2,704)	47,339
Advertising	100	275	(175)	-
Insurance	13,301	15,795	(2,494)	10,641
Subscriptions and memberships	350	240	110	130
Travel	1,000	-	1,000	362
Court processing	600	1,209	(609)	218
Supplies	1,500	2,017	(517)	2,745
Postage	1,300	-	1,300	-
Uniforms	250	-	250	-
Vehicle lease	2,100	-	2,100	-
Minor tools and equipment	-	106	(106)	-
Electricity	12,000	13,304	(1,304)	12,770
Water and sewer	4,700	4,656	44	4,656
Heating fuel	7,000	10,225	(3,225)	11,264
Refuse collection	1,650	1,088	562	1,504
Required inspections	800	-	800	404
Total administration	<u>140,580</u>	<u>146,942</u>	<u>(6,362)</u>	<u>137,375</u>
Total public safety	<u>2,754,220</u>	<u>2,392,600</u>	<u>421,440</u>	<u>2,438,705</u>

(continued)

CITY OF DILLINGHAM, ALASKA

General Fund

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

Years Ended June 30,	2021			2020
	Budget	Actual	Variance	Actual
Expenditures, continued:				
Public works:				
Administration:				
Salaries	\$ 138,143	116,246	21,897	126,336
Overtime	675	762	(87)	86
Employee benefits	70,208	59,336	10,872	45,133
Contract labor	-	1,849	(1,849)	-
Advertising	800	459	341	934
Recruiting	-	-	-	5,000
Subscriptions and memberships	-	50	(50)	-
Travel	1,200	-	1,200	-
Supplies	800	630	170	932
Minor tools and equipment	-	60	(60)	1,223
Leased equipment	-	-	-	334
Computer software	7,500	5,781	1,719	7,341
Equipment maintenance	-	420	(420)	-
Total administration	<u>219,326</u>	<u>185,593</u>	<u>33,733</u>	<u>187,319</u>
Building and grounds maintenance:				
Salaries	95,633	85,578	10,055	90,082
Overtime	7,866	4,186	3,680	3,656
Employee benefits	86,681	66,678	20,003	84,861
Contractual	3,000	-	3,000	-
Subscriptions and memberships	-	50	(50)	-
Travel	-	2,227	(2,227)	-
Training	500	139	361	-
Supplies	2,200	2,189	11	623
Safety equipment	2,000	969	1,031	475
Minor tools and equipment	2,200	3,010	(810)	2,664
Electricity	12,000	11,062	938	11,166
Heating fuel	19,200	24,175	(4,975)	28,149
Water and sewer	2,000	1,943	57	1,943
Refuse collection	-	3,024	(3,024)	-
Janitorial	41,000	35,000	6,000	34,345
Building repairs	31,500	15,393	16,107	13,307
Vehicle maintenance	-	47	(47)	590
Total building and grounds maintenance	<u>\$ 305,780</u>	<u>255,670</u>	<u>50,110</u>	<u>271,861</u>

(continued)

CITY OF DILLINGHAM, ALASKA

General Fund

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

Years Ended June 30,	2021			2020
	Budget	Actual	Variance	Actual
Expenditures, continued:				
Public works, continued:				
Shop maintenance:				
Salaries	\$ 61,940	65,180	(3,240)	13,354
Overtime	13,906	15,562	(1,656)	2,589
Employee benefits	151,394	106,539	44,855	65,082
Supplies	5,500	5,868	(368)	8,363
Gas, oil and grease	75,000	104,123	(29,123)	94,345
Used oil management	500	52	448	153
Minor tools and equipment	35,000	8,327	26,673	6,726
Safety equipment	1,700	1,903	(203)	2,464
Major equipment	-	560	(560)	-
Electricity	13,000	12,347	653	14,123
Heating fuel	22,900	27,196	(4,296)	32,919
Refuse collection	-	1,984	(1,984)	2,944
Vehicle maintenance	72,500	97,422	(24,922)	59,026
Required inspections	600	780	(180)	-
Equipment maintenance	103,500	45,333	58,167	89,470
Total shop maintenance	<u>557,440</u>	<u>493,176</u>	<u>64,264</u>	<u>391,558</u>
Streets:				
Salaries	122,811	93,224	29,587	120,345
Overtime	21,553	14,928	6,625	19,979
Employee benefits	102,965	69,434	33,531	102,436
Contractual	-	4,150	(4,150)	4,480
Insurance	14,188	16,848	(2,660)	11,350
Travel	3,000	250	2,750	-
Supplies	1,500	491	1,009	1,150
Gas, oil and grease	-	116	(116)	-
Salt and calcium	-	(707)	707	20,121
Street signs	4,000	110	3,890	2,366
Gravel and sand	152,000	158,031	(6,031)	61,050
Minor tools and equipment	1,500	817	683	1,581
Safety equipment	1,500	770	730	1,400
Electricity	26,000	27,705	(1,705)	29,452
Damages repair	-	1,481	(1,481)	2,125
Total streets	<u>451,017</u>	<u>387,648</u>	<u>63,369</u>	<u>377,835</u>
Total public works	\$ <u>1,533,563</u>	<u>1,322,087</u>	<u>211,476</u>	<u>1,228,573</u>

(continued)

CITY OF DILLINGHAM, ALASKA

General Fund

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

Years Ended June 30,	2021			2020
	Budget	Actual	Variance	Actual
Expenditures, continued:				
Community services:				
Library:				
Salaries	\$ 70,285	75,737	(5,452)	67,932
Overtime	-	171	(171)	253
Employee benefits	20,633	16,408	4,225	14,750
Subscriptions and memberships	1,900	1,795	105	1,251
Travel	-	-	-	494
Supplies	450	265	185	377
Postage	250	158	92	259
Audio visual	500	497	3	-
Books	500	482	18	-
Periodicals	500	481	19	15
Collection preservation	500	782	(282)	1,184
Summer reading program	500	317	183	759
Minor tools and equipment	500	296	204	216
Telephone	-	-	-	434
Internet	1,440	1,500	(60)	1,500
Electricity	4,000	3,554	446	3,980
Heating fuel	3,500	3,991	(491)	4,373
Water and sewer	1,950	1,943	7	1,943
Refuse collection	500	240	260	330
Building repairs	-	-	-	73
Required inspections	-	-	-	269
Software	776	771	5	776
Equipment maintenance	2,460	2,460	-	1,910
Total library	<u>111,144</u>	<u>111,848</u>	<u>(704)</u>	<u>103,078</u>
Meeting hall:				
Electricity	800	768	32	746
Water and sewer	-	-	-	1,295
Total meeting hall	<u>800</u>	<u>768</u>	<u>32</u>	<u>2,041</u>
Total community services	<u>111,944</u>	<u>112,616</u>	<u>(672)</u>	<u>105,119</u>
Total expenditures	<u>7,554,210</u>	<u>6,895,918</u>	<u>698,292</u>	<u>6,540,736</u>
Excess of revenues over expenditures	<u>1,535,891</u>	<u>2,149,441</u>	<u>613,550</u>	<u>2,947,110</u>
Other financing sources (uses):				
Transfers in	51,000	42,794	(8,206)	-
Transfers out	(2,242,047)	(2,059,735)	182,312	(1,718,427)
Net other financing sources (uses)	<u>(2,191,047)</u>	<u>(2,016,941)</u>	<u>174,106</u>	<u>(1,718,427)</u>
Net change in fund balance	\$ <u>(655,156)</u>	132,500	<u>787,656</u>	1,228,683
Fund balance, beginning of year		<u>5,555,980</u>		<u>4,327,297</u>
Fund balance at end of year		\$ <u>5,688,480</u>		<u>5,555,980</u>

CITY OF DILLINGHAM, ALASKA

Coronavirus Relief Special Revenue Fund

Schedule of Revenues, Expenditures and Changes
in Fund Balance

Years Ended June 30,	2021			2020
	Budget	Actual	Variance	Actual
Revenues:				
Intergovernmental:				
Federal sources	\$ 96,281	2,371,651	2,275,370	560,046
Expenditures:				
Public safety:				
Salaries	68,212	524,494	(456,282)	399,590
Overtime	5,218	8,342	(3,124)	3,639
Employee benefits	150	49,173	(49,023)	34,795
Legal	201	35,859	(35,658)	27,114
Professional services	-	153,053	(153,053)	30,950
Insurance	-	399	(399)	-
Advertising	6,000	4,567	1,433	293
Training	-	219	(219)	-
Supplies	10,300	46,078	(35,778)	39,245
Food	-	-	-	152
Minor tools and equipment	5,000	7,725	(2,725)	14,978
Elections	-	2,832	(2,832)	-
Contributions	-	1,191,868	(1,191,868)	-
Major equipment	-	262,674	(262,674)	-
Building rent	-	34,357	(34,357)	-
Utilities	1,200	13,820	(12,620)	8,830
Refuse	-	10,214	(10,214)	-
Building maintenance	-	267	(267)	-
Computer hardware	-	23,322	(23,322)	-
Computer support	-	2,388	(2,388)	-
Sample testing and inspection	-	-	-	460
Total expenditures	96,281	2,371,651	(2,275,370)	560,046
Excess of revenues over expenditures	-	-	4,550,740	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	-	4,550,740	-

CITY OF DILLINGHAM, ALASKA

Roads Capital Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

<i>Years Ended June 30,</i>	<u>2021</u>	<u>2020</u>
Revenues	\$ -	-
Expenditures - capital outlay:		
Professional services	<u>2,977,877</u>	<u>161,645</u>
Total expenditures	<u>2,977,877</u>	<u>161,645</u>
Excess (deficiency) of revenues over expenditures	(2,977,877)	(161,645)
Fund balance at beginning of year	<u>3,078,649</u>	<u>3,240,294</u>
Fund balance at end of year	\$ <u><u>100,772</u></u>	<u><u>3,078,649</u></u>

CITY OF DILLINGHAM, ALASKA

Planning Capital Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

<i>Years Ended June 30,</i>	<u>2021</u>	<u>2020</u>
Revenues - local sources		
Investment income	\$ 1,579	35,603
Other	-	20,783
Total revenues	<u>1,579</u>	<u>56,386</u>
Expenditures - capital outlay		
Salaries	-	38,731
Overtime	1,261	1,214
Employee benefits	1,175	4,911
Professional services	386,547	261,697
Equipment	-	2,370
Supplies	-	209
Total expenditures	<u>388,983</u>	<u>309,132</u>
Excess (deficiency) of revenues over expenditures	(387,404)	(252,746)
Other financing sources:		
Insurance proceeds	2,436	-
Transfers in	386,547	211,853
Total other financing sources	<u>388,983</u>	<u>211,853</u>
Net change in fund balance	1,579	(40,893)
Fund balance at beginning of year	<u>264,537</u>	<u>305,430</u>
Fund balance at end of year	\$ <u><u>266,116</u></u>	<u><u>264,537</u></u>

CITY OF DILLINGHAM, ALASKA

Other Governmental Funds
Combining Balance Sheet

June 30, 2021

	Special Revenue Funds											
	Water and Sewer	Landfill	Dock	Boat Harbor	Enhanced 911 Service	Asset Forfeiture	Senior Citizen Center	Library	Local Support	Dillingham Police Department Reward	Edward Byrne Memorial JAG	Southern Region EMS Migrant
<u>Assets</u>												
Cash and investments	\$ -	100	-	200	-	-	510	-	-	-	-	-
Receivables:												
Accounts	180,697	11,246	108,197	20,513	7,936	-	-	317	-	-	-	-
Grants	-	-	-	997	-	-	10,066	-	6,158	-	2,846	-
Allowance for uncollectible accounts	(34,830)	(371)	-	(5,490)	-	-	-	-	-	-	-	-
Prepays	-	-	30,415	-	-	-	-	-	-	-	-	-
Due from other funds	728,164	6,880	1,177,781	35,355	286,656	27,762	16,579	222	-	400	-	360
Restricted cash	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ <u>874,031</u>	<u>17,855</u>	<u>1,316,393</u>	<u>51,575</u>	<u>294,592</u>	<u>27,762</u>	<u>27,155</u>	<u>539</u>	<u>6,158</u>	<u>400</u>	<u>2,846</u>	<u>360</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</u>												
Liabilities:												
Accounts payable	\$ 19,434	6,819	9,190	23,570	-	-	10,935	469	-	-	-	-
Accrued payroll and related liabilities	10,874	11,602	15,905	9,643	-	-	6,882	-	3,436	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	1,552	-	2,846	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	360
Total liabilities	<u>30,308</u>	<u>18,421</u>	<u>25,095</u>	<u>33,213</u>	<u>-</u>	<u>-</u>	<u>17,817</u>	<u>469</u>	<u>4,988</u>	<u>-</u>	<u>2,846</u>	<u>360</u>
Deferred inflows of resources:												
delinquent property tax and user fees	90,493	203	12,857	1,293	-	-	-	-	-	-	-	-
Fund balances(deficits):												
Nonspendable	-	-	30,415	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	294,592	27,762	-	-	1,170	400	-	-
Committed	-	-	-	-	-	-	-	-	-	-	-	-
Assigned	753,230	-	1,248,026	17,069	-	-	9,338	-	-	-	-	-
Unassigned (deficits)	-	(769)	-	-	-	-	-	70	-	-	-	-
Total fund balances (deficits)	<u>753,230</u>	<u>(769)</u>	<u>1,278,441</u>	<u>17,069</u>	<u>294,592</u>	<u>27,762</u>	<u>9,338</u>	<u>70</u>	<u>1,170</u>	<u>400</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ <u>874,031</u>	<u>17,855</u>	<u>1,316,393</u>	<u>51,575</u>	<u>294,592</u>	<u>27,762</u>	<u>27,155</u>	<u>539</u>	<u>6,158</u>	<u>400</u>	<u>2,846</u>	<u>360</u>

(continued)

CITY OF DILLINGHAM, ALASKA

Other Governmental Funds

Combining Balance Sheet, continued

	Capital Project Funds							Mary Carlson Estate Permanent Fund	Debt Service Fund	Total Other Governmental Funds	
	Ambulance Reserve	Equipment Replacement	School Bonds	Fire Hall Bond	Dock and Harbor	Landfill	Wastewater System Improvement				Water Improvement
Assets											
Cash and investments	\$ -	-	-	-	-	-	-	-	-	-	810
Receivables:											
Accounts	-	-	-	-	-	-	-	-	-	-	328,906
Grants	-	11,569	-	-	892	-	-	214,012	18,676	-	265,216
Allowance for uncollectible accounts	-	-	-	-	-	-	-	-	-	-	(40,691)
Prepays	-	-	-	-	-	-	-	-	-	-	30,415
Due from other funds	300,373	56,759	-	167,915	3,284	172,044	227	-	-	-	2,980,761
Restricted cash	-	-	-	-	-	-	-	-	-	405,530	405,530
Total assets	\$ 300,373	68,328	-	167,915	4,176	172,044	227	214,012	18,676	405,530	3,970,947
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)											
Liabilities:											
Accounts payable	\$ -	6,676	-	47,374	892	-	-	-	6,959	53	132,371
Accrued payroll and related liabilities	-	-	-	-	-	-	-	-	-	-	58,342
Due to other funds	-	-	1,626	-	-	-	-	214,012	11,717	36,907	53,742
Unearned revenue	-	-	-	-	3,284	-	227	-	-	-	3,871
Total liabilities	-	6,676	1,626	47,374	4,176	-	227	214,012	18,676	36,960	516,986
Deferred inflows of resources:											
delinquent property tax and user fees	-	-	-	-	-	-	-	-	-	-	104,846
Fund balances (deficits):											
Nonspendable	-	-	-	-	-	-	-	-	-	-	30,415
Restricted	-	-	-	-	-	-	-	-	-	368,570	692,494
Committed	300,373	61,652	-	120,541	-	172,044	-	-	-	-	654,610
Assigned	-	-	-	-	-	-	-	-	-	-	2,027,663
Unassigned (deficits)	-	-	(1,626)	-	-	-	-	-	-	(53,742)	(56,067)
Total fund balances (deficits)	300,373	61,652	(1,626)	120,541	-	172,044	-	-	-	368,570	3,349,115
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 300,373	68,328	-	167,915	4,176	172,044	227	214,012	18,676	405,530	3,970,947

CITY OF DILLINGHAM, ALASKA

Other Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

Year Ended June 30, 2021

	Special Revenue Funds								
	Water and Sewer	Landfill	Dock	Boat Harbor	Enhanced 911 Service	Asset Forfeiture	Senior Citizen Center	Library	Public Safety
Revenues:									
Intergovernmental:									
Federal sources	\$ -	-	-	-	-	-	104,078	8,509	-
State of Alaska	11,499	14,190	13,085	5,313	-	-	52,829	7,429	-
Local sources:									
Local assistance	-	-	-	-	-	-	-	69,550	4,000
Charges for services	627,346	295,162	648,349	123,815	68,577	-	-	-	-
Lease and rental income	-	-	-	38,634	-	-	14,816	-	-
Asset forfeiture	-	-	-	-	-	-	-	-	-
Investment income	-	-	2,106	-	-	29	-	-	-
Donations	-	-	-	-	-	-	-	-	-
Other	28,622	172	4,222	17	-	-	2,369	-	-
Total revenues	<u>667,467</u>	<u>309,524</u>	<u>667,762</u>	<u>167,779</u>	<u>68,577</u>	<u>29</u>	<u>174,092</u>	<u>85,488</u>	<u>4,000</u>
Expenditures:									
Current:									
Public safety	-	-	-	-	-	-	-	-	4,000
Public works	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	84,614	-
Water and sewer	467,017	-	-	-	-	-	-	-	-
Landfill	-	501,301	-	-	-	-	-	-	-
Dock	-	-	539,951	-	-	-	-	-	-
Boat harbor	-	-	-	231,393	-	-	-	-	-
Senior citizen center	-	-	-	-	-	-	335,209	-	-
Debt service	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	<u>467,017</u>	<u>501,301</u>	<u>539,951</u>	<u>231,393</u>	<u>-</u>	<u>-</u>	<u>335,209</u>	<u>84,614</u>	<u>4,000</u>
Excess (deficiency) of revenues over expenditures	<u>200,450</u>	<u>(191,777)</u>	<u>127,811</u>	<u>(63,614)</u>	<u>68,577</u>	<u>29</u>	<u>(161,117)</u>	<u>874</u>	<u>-</u>
Other financing sources (uses):									
Insurance proceeds	-	-	-	-	-	-	-	-	-
Proceeds from issuance of debt	-	-	-	-	-	-	-	-	-
Transfers in	-	205,289	-	67,427	-	-	159,356	-	-
Transfers out	-	-	(67,427)	-	(42,794)	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>205,289</u>	<u>(67,427)</u>	<u>67,427</u>	<u>(42,794)</u>	<u>-</u>	<u>159,356</u>	<u>-</u>	<u>-</u>
Net change in fund balances	200,450	13,512	60,384	3,813	25,783	29	(1,761)	874	-
Fund balances (deficits) at beginning of year	<u>552,780</u>	<u>(14,281)</u>	<u>1,218,057</u>	<u>13,256</u>	<u>268,809</u>	<u>27,733</u>	<u>11,099</u>	<u>(804)</u>	<u>-</u>
Fund balances (deficits) at end of year	<u>\$ 753,230</u>	<u>(769)</u>	<u>1,278,441</u>	<u>17,069</u>	<u>294,592</u>	<u>27,762</u>	<u>9,338</u>	<u>70</u>	<u>-</u>

(continued)

CITY OF DILLINGHAM, ALASKA

Other Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits), continued

	Special Revenue Funds					Wells Fargo Outdoor Lighting
	Local Support	Dillingham Police Department Reward	Coronavirus Emergency Supplemental Funds	Impaired Driving	Edward Byrne Memorial JAG	
Revenues:						
Intergovernmental:						
Federal sources	\$ -	-	12,986	-	6,049	-
State of Alaska	-	-	-	-	-	-
Local sources:						
Local assistance	24,501	-	-	-	-	50,000
Charges for services	-	-	-	-	-	-
Lease and rental income	-	-	-	-	-	-
Asset forfeiture	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Donations	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>24,501</u>	<u>-</u>	<u>12,986</u>	<u>-</u>	<u>6,049</u>	<u>50,000</u>
Expenditures:						
Current:						
Public safety	-	-	12,986	-	6,049	-
Public works	-	-	-	-	-	50,000
Community services	15,975	-	-	-	-	-
Water and sewer	-	-	-	-	-	-
Landfill	8,526	-	-	-	-	-
Dock	-	-	-	-	-	-
Boat harbor	-	-	-	-	-	-
Senior citizen center	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>24,501</u>	<u>-</u>	<u>12,986</u>	<u>-</u>	<u>6,049</u>	<u>50,000</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-
Other financing sources (uses):						
Insurance proceeds	-	-	-	-	-	-
Proceeds from issuance of debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Net other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-
Fund balances (deficits) at beginning of year	<u>1,170</u>	<u>400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits) at end of year	<u>\$ 1,170</u>	<u>400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

CITY OF DILLINGHAM, ALASKA

Other Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits), continued

	Capital Project Funds								Mary Carlson Estate	Debt Service	Total Other Governmental	
	Ambulance Reserve	Equipment Replacement	School Bonds	Fire Hall Bond	Dock and Harbor	Landfill	Wastewater System Improvement	Water Improvement	SOA Loans	Permanent Fund	Fund	Funds
Revenues:												
Intergovernmental:												
Federal sources	\$ -	-	-	-	-	-	11,457	-	-	-	-	143,079
State of Alaska	-	-	-	-	-	-	-	693,200	-	-	-	797,545
Local sources:												
Local assistance	-	-	-	-	-	-	-	-	512,846	-	-	660,897
Charges for services	-	-	-	-	-	-	-	-	-	-	-	1,763,249
Lease and rental income	-	-	-	-	-	-	-	-	-	-	-	53,450
Investment income	-	-	-	-	-	-	-	-	-	3,095	-	5,230
Other	-	-	-	-	4,689	-	-	-	-	-	-	40,091
Total revenues	-	-	-	-	4,689	-	11,457	693,200	512,846	3,095	-	3,463,541
Expenditures:												
Current:												
Public safety	-	-	-	-	-	-	-	-	-	-	-	23,035
Public works	-	-	-	-	-	-	-	-	-	-	-	50,000
Community services	-	-	-	-	-	-	-	-	-	2,480	-	103,069
Water and sewer	-	-	-	-	-	-	-	-	-	-	-	467,017
Landfill	-	-	-	-	-	-	-	-	-	-	-	509,827
Dock	-	-	-	-	-	-	-	-	-	-	-	539,951
Boat harbor	-	-	-	-	-	-	-	-	-	-	-	231,393
Senior citizen center	-	-	-	-	-	-	-	-	-	-	-	335,209
Debt service	-	-	-	-	-	-	-	-	-	-	1,345,050	1,345,050
Capital outlay	261,715	18,244	-	666,784	4,689	-	11,457	693,200	1,272,269	-	-	2,928,358
Total expenditures	261,715	18,244	-	666,784	4,689	-	11,457	693,200	1,272,269	2,480	1,345,050	6,532,909
Excess (deficiency) of revenues over expenditures	(261,715)	(18,244)	-	(666,784)	-	-	-	-	(759,423)	615	(1,345,050)	(3,069,368)
Other financing sources (uses):												
Insurance proceeds	-	11,569	-	-	-	-	-	-	-	-	-	11,569
Proceeds from issuance of debt	-	-	-	-	-	-	-	-	759,423	-	-	759,423
Transfers in	17,235	-	-	-	-	-	-	-	-	-	1,291,308	1,740,615
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(110,221)
Net other financing sources (uses)	17,235	11,569	-	-	-	-	-	-	759,423	-	1,291,308	2,401,386
Net change in fund balances	(244,480)	(6,675)	-	(666,784)	-	-	-	-	-	615	(53,742)	(667,982)
Fund balances (deficits) at beginning of year	544,853	68,327	(1,626)	787,325	-	172,044	-	-	-	367,955	-	4,017,097
Fund balances (deficits) at end of year	\$ 300,373	61,652	(1,626)	120,541	-	172,044	-	-	-	368,570	(53,742)	3,349,115

**Non-Major
Special Revenue Funds**

A Special Revenue Fund is established to finance particular activities and is created from receipts of designated revenues that are restricted for expenditures for specified purposes. The City of Dillingham's Special Revenue Funds are as follows:

Water and Sewer – this fund accounts for the operations of the water and sewer system.

Landfill – this fund accounts for the operations of the City's landfill.

Dock and Boat Harbor - these funds account for the activities of the City's dock and small boat harbor.

Enhanced 911 Service – this fund accounts for activities of the 911 services.

Asset Forfeiture – this fund accounts for the use of funds from asset forfeitures.

Senior Citizen Center – this fund accounts for the various grants and activities of the Senior Citizen Center.

Library – this fund accounts for the various grants and operating activities of the Public Library.

Public Safety – this fund accounts for use of funds for public safety.

Local Support – this fund accounts for the use of local grants received for various community projects.

U.S. HHS CARES Grant – this fund accounts for the use of a federal grant received from the U.S. Department of Health and Human Services.

Coronavirus Emergency Supplemental Funds – this fund accounts for federal funds passed through the State of Alaska.

Impaired Driving – this fund accounts for federal funds passed through the State of Alaska's Department of Transportation and Public Safety.

Edward Byrne Memorial Justice Assistant Grant - this fund accounts for the use of a state grant received from the Alaska Department of Public Safety.

Wells Fargo Outdoor Lighting – this fund accounts for the use of a local grant received for updating exterior lighting in the City.

CITY OF DILLINGHAM, ALASKA

Water and Sewer Special Revenue Fund

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

Years Ended June 30,	2021		Variance	2020
	Budget	Actual		Actual
Revenues:				
Intergovernmental:				
State PERS relief	\$ 12,488	11,499	(989)	8,739
Local sources:				
Charges for services:				
Water sales	222,500	206,922	(15,578)	215,049
Sewer fees	458,000	420,424	(37,576)	422,648
Total charges for services	680,500	627,346	(53,154)	637,697
Other	-	28,622	28,622	22,366
Total revenues	692,988	667,467	(25,521)	668,802
Expenditures:				
Water:				
Salaries	54,320	51,772	2,548	53,441
Overtime	5,251	15,481	(10,230)	16,640
Employee benefits	49,901	38,600	11,301	46,954
Project manager	-	32,710	(32,710)	5,564
Insurance	4,392	5,215	(823)	3,513
Permits	1,300	-	1,300	-
Travel and training	-	-	-	50
Supplies	6,000	853	5,147	1,322
Gas, oil and grease	2,000	1,988	12	2,840
Chemicals	-	487	(487)	-
Minor tools and equipment	4,800	4,318	482	7,028
Major equipment	15,000	-	15,000	-
Utilities and telephone	40,250	45,214	(4,964)	48,418
Memberships	500	398	102	423
Building and equipment repairs	5,950	11,986	(6,036)	1,689
Sample testing and inspections	7,300	4,737	2,563	7,887
Administrative overhead	18,000	21,642	(3,642)	19,253
Total water	214,964	235,401	(20,437)	215,022
Sewer:				
Salaries	54,320	50,865	3,455	45,919
Overtime	5,251	14,916	(9,665)	12,860
Employee benefits	51,176	37,993	13,183	40,754
Insurance	2,660	3,159	(499)	2,128
Membership	-	50	(50)	-
Travel and training	-	-	-	350
Permits	1,300	1,280	20	-
Supplies	2,000	1,655	345	1,179
Chemicals	7,000	2,046	4,954	2,734
Gas, oil and grease	3,000	42	2,958	3,230
Minor tools and equipment	5,500	2,471	3,029	4,637
Major equipment	15,000	-	15,000	-
Utilities and telephone	75,250	92,800	(17,550)	94,768
Building and equipment repairs	8,500	2,762	5,738	2,151
Damages repairs	-	-	-	4,342
Sample testing and inspections	6,000	400	5,600	8,057
Administrative overhead	19,100	21,177	(2,077)	22,272
Total sewer	256,057	231,616	24,441	245,381
Total expenditures	471,021	467,017	4,004	460,403
Excess of revenues over expenditures	\$ 221,967	200,450	(21,517)	208,399
Fund balance at beginning of year		552,780		344,381
Fund balance at end of year		\$ 753,230		552,780

CITY OF DILLINGHAM, ALASKA

Landfill Special Revenue Fund

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

Years Ended June 30,	2021		Variance	2020
	Budget	Actual		Actual
Revenues:				
Intergovernmental:				
State PERS relief	\$ 18,675	14,190	(4,485)	12,320
Local sources:				
Charges for services - landfill fees	305,000	295,162	(9,838)	224,264
Other local revenue	-	172	172	-
Total revenues	<u>323,675</u>	<u>309,524</u>	<u>(14,151)</u>	<u>236,584</u>
Expenditures:				
Landfill:				
Salaries	180,222	159,348	20,874	175,191
Overtime	10,009	11,359	(1,350)	15,781
Employee benefits	112,664	116,994	(4,330)	113,911
Contractual	2,500	-	2,500	9,800
Insurance	5,964	7,082	(1,118)	4,729
Advertising	800	369	431	1,204
Permits	6,000	-	6,000	-
Supplies	6,000	9,998	(3,998)	5,658
Gravel	15,000	30,000	(15,000)	52,250
Gas, oil and grease	52,000	44,226	7,774	50,112
Minor tools and equipment	11,000	6,696	4,304	4,912
Major equipment	55,000	-	55,000	-
Utilities and telephone	22,900	8,876	14,024	23,790
Building and equipment repairs	38,500	16,624	21,876	94,985
Sample testing and inspections	32,000	5,535	26,465	52,944
Administrative overhead	62,700	64,981	(2,281)	59,739
Landfill closure costs	25,000	19,213	5,787	-
Total expenditures	<u>638,259</u>	<u>501,301</u>	<u>136,958</u>	<u>665,006</u>
Excess (deficiency) of revenues over expenditures	(314,584)	(191,777)	122,807	(428,422)
Other financing sources - transfers in	<u>314,584</u>	<u>205,289</u>	<u>(109,295)</u>	<u>419,277</u>
Net change in fund balance	\$ <u>-</u>	13,512	<u>13,512</u>	(9,145)
Fund balance (deficit) at beginning of year		<u>(14,281)</u>		<u>(5,136)</u>
Fund balance (deficit) at end of year		\$ <u>(769)</u>		<u>(14,281)</u>

CITY OF DILLINGHAM, ALASKA

Dock Special Revenue Fund

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

Years Ended June 30,	2021			2020
	Budget	Actual	Variance	Actual
Revenues:				
Intergovernmental:				
State PERS relief	\$ 17,186	13,085	(4,101)	9,535
Local sources:				
Charges for services:				
Wharfage and handling	515,000	400,880	(114,120)	566,133
Docking	70,000	62,242	(7,758)	71,745
Labor income	5,000	4,583	(417)	9,030
Equipment rental	35,000	31,063	(3,937)	46,845
Fuel flowage fees	130,000	149,581	19,581	90,472
Total charges for services	<u>755,000</u>	<u>648,349</u>	<u>(106,651)</u>	<u>784,225</u>
Investment income	2,000	2,106	106	15,268
Other	6,000	4,222	(1,778)	3,720
Total revenues	<u>780,186</u>	<u>667,762</u>	<u>(112,424)</u>	<u>812,748</u>
Expenditures:				
Dock				
Salaries	129,214	116,424	12,790	107,204
Overtime	54,858	37,488	17,370	35,212
Employee benefits	135,954	105,826	30,128	101,190
Insurance	41,844	28,123	13,721	41,844
Travel and training	2,900	206	2,694	779
Supplies	1,000	336	664	1,590
Gas, oil and grease	15,000	9,405	5,595	11,794
Minor tools and equipment	1,500	12	1,488	72,029
Major equipment	45,000	-	45,000	-
Leased equipment	133,196	133,196	-	133,196
Utilities and telephone	22,950	20,853	2,097	23,134
Building and equipment repairs	27,000	28,413	(1,413)	8,837
Dock repairs and maintenance	7,000	39	6,961	10,866
Inspections	2,000	1,560	440	-
Administrative overhead	60,700	58,070	2,630	62,688
Total expenditures	<u>680,116</u>	<u>539,951</u>	<u>140,165</u>	<u>610,363</u>
Excess of revenues over expenditures	100,070	127,811	27,741	202,385
Other financing sources (uses):				
Transfers out	<u>(76,378)</u>	<u>(67,427)</u>	<u>8,951</u>	<u>(97,526)</u>
Net change in fund balance	\$ <u>23,692</u>	60,384	<u>36,692</u>	104,859
Fund balance at beginning of year		<u>1,218,057</u>		<u>1,113,198</u>
Fund balance at end of year		\$ <u>1,278,441</u>		<u>1,218,057</u>

CITY OF DILLINGHAM, ALASKA

Boat Harbor Special Revenue Fund

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

Years Ended June 30,	2021		Variance	2020
	Budget	Actual		Actual
Revenues:				
Intergovernmental:				
State PERS relief	\$ 7,162	5,313	(1,849)	4,639
Local sources:				
Charges for services - boat harbor fees	104,500	123,815	19,315	115,841
Lease and rental income	30,000	38,634	8,634	38,650
Donations	-	-	-	2,016
Other	1,100	17	(1,083)	790
Total revenues	<u>142,762</u>	<u>167,779</u>	<u>25,017</u>	<u>161,936</u>
Expenditures:				
Boat harbor:				
Salaries	72,026	51,358	20,668	50,914
Overtime	5,957	6,783	(826)	9,475
Employee benefits	52,440	39,603	12,837	40,527
Contract labor	-	-	-	30,374
Memberships	150	150	-	573
Supplies	4,500	3,808	692	5,508
Gas, oil and grease	1,200	776	424	3,392
Minor tools and equipment	2,880	2,439	441	560
Major equipment	-	13,798	(13,798)	-
Utilities and telephone	57,095	77,722	(20,627)	74,991
Janitorial services	5,000	-	5,000	-
Building and equipment repairs	12,400	13,153	(753)	23,916
Inspections	1,700	780	920	-
Administrative overhead	19,700	21,023	(1,323)	23,633
Total expenditures	<u>235,048</u>	<u>231,393</u>	<u>3,655</u>	<u>263,863</u>
Excess (deficiency) of revenues over expenditures	(92,286)	(63,614)	28,672	(101,927)
Other financing sources - transfers in	<u>92,286</u>	<u>67,427</u>	<u>(24,859)</u>	<u>97,528</u>
Net change in fund balance	\$ <u>-</u>	<u>3,813</u>	<u>3,813</u>	(4,399)
Fund balance at beginning of year		<u>13,256</u>		<u>17,655</u>
Fund balance at end of year		\$ <u><u>17,069</u></u>		<u><u>13,256</u></u>

CITY OF DILLINGHAM, ALASKA

Enhanced 911 Service Special Revenue Fund

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

Years Ended June 30,	2021		Variance	2020
	Budget	Actual		Actual
Revenues - local sources:				
Charges for services:				
E911 revenue	\$ 75,000	68,577	(6,423)	75,770
Expenditures - public safety - equipment	-	-	-	-
Excess of revenues over expenditures	75,000	68,577	(6,423)	75,770
Other financing (uses) - transfers out	(51,000)	(42,794)	8,206	(51,000)
Net change in fund balance	\$ 24,000	25,783	1,783	24,770
Fund balance at beginning of year		268,809		244,039
Fund balance at end of year		\$ 294,592		268,809

CITY OF DILLINGHAM, ALASKA

Asset Forfeiture Special Revenue Fund

Schedule of Revenues, Expenditures and Changes
in Fund Balance

<i>Years Ended June 30,</i>	<u>2021</u>	<u>2020</u>
Revenues - local sources:		
Asset forfeiture	\$ -	11,574
Investment Income	<u>29</u>	<u>573</u>
Total revenues	<u>29</u>	<u>12,147</u>
Total expenditures	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	29	12,147
Fund balance at beginning of year	<u>27,733</u>	<u>15,586</u>
Fund balance at end of year	\$ <u><u>27,762</u></u>	<u><u>27,733</u></u>

CITY OF DILLINGHAM, ALASKA

Senior Citizen Center Special Revenue Fund

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

Years Ended June 30,	2021			2020
	Budget	Actual	Variance	Actual
Revenues:				
Intergovernmental:				
Federal sources	\$ -	104,078	104,078	89,415
State of Alaska	-	42,496	42,496	43,787
State PERS relief	12,526	10,333	(2,193)	7,818
Local sources:				
Lease and rental income	20,193	14,816	(5,377)	17,500
Other	1,400	2,369	969	7,802
Total revenues	<u>34,119</u>	<u>174,092</u>	<u>139,973</u>	<u>166,322</u>
Expenditures:				
Senior citizen center:				
Nutrition, transportation, and support services:				
Salaries	-	60,000	(60,000)	60,000
Employee benefits	-	40,000	(40,000)	39,999
Insurance	-	6,000	(6,000)	4,000
Food	-	15,425	(15,425)	14,542
Minor tools and equipment	-	10,704	(10,704)	489
Supplies	-	2,338	(2,338)	1,003
Gas, oil, and grease	-	1,000	(1,000)	2,550
Utilities and telephone	-	10,107	(10,107)	10,108
Total nutrition, transportation, and support services	<u>-</u>	<u>145,574</u>	<u>(145,574)</u>	<u>132,691</u>
Operations:				
Salaries	64,262	59,815	4,447	58,961
Employee benefits	25,846	34,522	(8,676)	33,874
Food	5,800	10,083	(4,283)	1,900
Minor tools and equipment	1,600	12	1,588	647
Sample testing and inspections	1,200	490	710	2,432
Insurance	10,891	14,378	(3,487)	9,512
Postage	200	180	20	150
Supplies	1,700	512	1,188	100
Gas, oil, and grease	5,400	3,291	2,109	4,450
Building and equipment repairs	1,000	2,825	(1,825)	7,442
Utilities and telephone	31,733	32,994	(1,261)	36,942
Travel and training	300	190	110	9
Maintenance	2,300	-	2,300	-
Administrative overhead	29,300	30,343	(1,043)	28,694
Total operations	<u>181,532</u>	<u>189,635</u>	<u>(8,103)</u>	<u>185,113</u>
Total expenditures	<u>181,532</u>	<u>335,209</u>	<u>(153,677)</u>	<u>317,804</u>
Excess (deficiency) of revenues over expenditures	(147,413)	(161,117)	(13,704)	(151,482)
Other financing sources - transfers in	<u>147,413</u>	<u>159,356</u>	<u>11,943</u>	<u>154,807</u>
Net change in fund balance	\$ <u>-</u>	<u>(1,761)</u>	<u>(1,761)</u>	<u>3,325</u>
Fund balance at beginning of year		<u>11,099</u>		<u>7,774</u>
Fund balance at end of year		\$ <u><u>9,338</u></u>		<u><u>11,099</u></u>

CITY OF DILLINGHAM, ALASKA

Library Special Revenue Fund

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

Years Ended June 30,	2021			2020
	Budget	Actual	Variance	Actual
Revenues:				
Intergovernmental:				
Federal	\$ 65,052	8,509	(56,543)	10,267
State of Alaska	-	7,429	7,429	7,499
Local sources:				
Local assistance	17,000	69,550	52,550	72,873
Total revenues	<u>82,052</u>	<u>85,488</u>	<u>3,436</u>	<u>90,639</u>
Expenditures:				
Community services:				
Community services	6,500	-	6,500	-
Travel and training	3,000	-	3,000	7
Audio visual	2,000	10,571	(8,571)	12,391
Utilities and telephone	65,052	69,978	(4,926)	73,332
Summer reading program	2,000	565	1,435	2,227
Books	3,500	3,500	-	3,571
Total expenditures	<u>82,052</u>	<u>84,614</u>	<u>(2,562)</u>	<u>91,528</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	874	<u>874</u>	(889)
Fund balance (deficit) at beginning of year		<u>(804)</u>		<u>85</u>
Fund balance (deficit) at end of year		\$ <u>70</u>		<u>(804)</u>

CITY OF DILLINGHAM, ALASKA

Public Safety Special Revenue Fund

Schedule of Revenues, Expenditures and Changes
in Fund Balance

<i>Years Ended June 30,</i>	<u>2021</u>	<u>2020</u>
Revenues:		
Local sources:		
Local assistance	\$ <u>4,000</u>	<u>800</u>
Expenditures:		
Public safety:		
Salaries	<u>4,000</u>	<u>800</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>
Fund balance at beginning of year	<u>-</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>

CITY OF DILLINGHAM, ALASKA

Local Support Special Revenue Fund

Schedule of Revenues, Expenditures and Changes
in Fund Balance

<i>Years Ended June 30,</i>	<u>2021</u>	<u>2020</u>
Revenues:		
Local sources:		
Local assistance	\$ <u>24,501</u>	<u>26,972</u>
Expenditures:		
Community services:		
Salaries	14,754	20,574
Overtime	-	1,564
Employee benefits	<u>1,221</u>	<u>2,222</u>
Total community services	<u>15,975</u>	<u>24,360</u>
Landfill:		
Training	<u>8,526</u>	<u>3,735</u>
Total expenditures	<u>24,501</u>	<u>28,095</u>
Excess (deficiency) of revenues over expenditures	-	(1,123)
Fund balance at beginning of year	<u>1,170</u>	<u>2,293</u>
Fund balance at end of year	\$ <u><u>1,170</u></u>	<u><u>1,170</u></u>

CITY OF DILLINGHAM, ALASKA

U.S. HHS CARES Grant Special Revenue Fund

Schedule of Revenues, Expenditures and Changes
in Fund Balance

<i>Years Ended June 30,</i>	<u>2021</u>	<u>2020</u>
Revenues:		
Intergovernmental:		
Federal sources	\$ <u> -</u>	<u> 953</u>
Expenditures:		
Public safety:		
Supplies	<u> -</u>	<u> 953</u>
Excess of revenues over expenditures	-	-
Fund balance at beginning of year	<u> -</u>	<u> -</u>
Fund balance at end of year	\$ <u><u> -</u></u>	<u><u> -</u></u>

CITY OF DILLINGHAM, ALASKA

Coronavirus Emergency Supplemental Funds Special Revenue Fund

Schedule of Revenues, Expenditures and Changes
in Fund Balance

<i>Years Ended June 30,</i>	<u>2021</u>	<u>2020</u>
Revenues:		
Intergovernmental:		
Federal sources	\$ <u>12,986</u>	<u>9,619</u>
Expenditures:		
Public safety:		
Salaries	9,766	7,234
Employee benefits	<u>3,220</u>	<u>2,385</u>
Total expenditures	<u>12,986</u>	<u>9,619</u>
Excess of revenues over expenditures	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>-</u></u>

CITY OF DILLINGHAM, ALASKA

Impaired Driving Special Revenue Fund

Schedule of Revenues, Expenditures and Changes
in Fund Balance

<i>Years Ended June 30,</i>	<u>2021</u>	<u>2020</u>
Revenues:		
Intergovernmental:		
Federal sources	\$ -	1,349
Expenditures:		
Public safety:		
Salaries	-	731
Employee benefits	-	510
Other expenditures	-	108
Total expenditures	<u>-</u>	<u>1,349</u>
Excess of revenues over expenditures	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>-</u></u>

CITY OF DILLINGHAM, ALASKA

Edward Byrne Memorial Justice Assistant Grant Special Revenue Fund

Schedule of Revenues, Expenditures and Changes
in Fund Balance

<i>Years Ended June 30,</i>	<u>2021</u>	<u>2020</u>
Revenues:		
Intergovernmental:		
Federal sources	\$ <u>6,049</u>	<u>-</u>
Expenditures:		
Public safety:		
Travel	<u>6,049</u>	<u>-</u>
Excess of revenues over expenditures	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>

CITY OF DILLINGHAM, ALASKA

Wells Fargo Outdoor Lighting Retrofit Special Revenue Fund

Schedule of Revenues, Expenditures and Changes
in Fund Balance

<i>Years Ended June 30,</i>	<u>2021</u>	<u>2020</u>
Revenues:		
Local sources:		
Local assistance	\$ <u>50,000</u>	<u>-</u>
Expenditures:		
Public works:		
Professional services	<u>50,000</u>	<u>-</u>
Excess of revenues over expenditures	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>

**Non-Major
Capital Project Funds**

Capital Project Funds are used to account for the acquisition and construction of major capital facilities. These funds evolved from the need for special accounting for grants and contributions for the acquisition or construction of capital assets.

Capital Project Funds provide a formal mechanism which enables administrators to ensure that revenues dedicated to a certain capital related purpose are used only for that purpose and further enables them to report to granting agencies that their requirements regarding the use of the proceeds were satisfied. The City's Capital Project Funds are as follows:

Ambulance Reserve – this fund is used to accumulate funds to purchase a new ambulance.

Equipment Replacement – this fund is used to accumulate funds to purchase capital assets.

School Bonds – this fund accounts for use of bond generated funds for the various repairs and replacements at the School District facilities.

Fire Hall Bond – this fund accounts for the use of bond generated funds for renovation the Lake Road Fire Hall.

Dock and Harbor – these funds account for various projects involving the dock and harbor facilities.

Wastewater System Improvement – this fund accounts for capital grants associated with wastewater system improvements.

Water Improvement – this fund accounts for the capital grants associated with water improvements.

SOA Loans – this fund is used for two projects funded by clean water loans which includes the cleanup for landfill and water and sewer.

Denali Commission – this fund accounts for the capital grant associated with the wastewater treatment lagoon erosion mitigation study project/water relocation study project.

CITY OF DILLINGHAM, ALASKA

Ambulance Reserve Capital Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

<i>Years Ended June 30,</i>	<u>2021</u>	<u>2020</u>
Revenues	\$ -	-
Expenditures:		
Capital outlay:		
Salaries	-	9,242
Overtime	-	1,172
Employee benefits	-	963
Volunteer stipend	-	3,240
Equipment	<u>261,715</u>	-
Total expenditures	<u>261,715</u>	<u>14,617</u>
Excess (deficiency) of revenues over expenditures	(261,715)	(14,617)
Other financing sources:		
Transfers in	<u>17,235</u>	<u>60,000</u>
Net change in fund balance	(244,480)	45,383
Fund balance at beginning of year	<u>544,853</u>	<u>499,470</u>
Fund balance at end of year	<u>\$ 300,373</u>	<u>544,853</u>

CITY OF DILLINGHAM, ALASKA

Equipment Replacement Capital Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

<i>Years Ended June 30,</i>	<u>2021</u>	<u>2020</u>
Revenues	\$ <u>-</u>	<u>-</u>
Expenditures - capital outlay - equipment	<u>18,244</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(18,244)	-
Other financing sources:		
Insurance proceeds	<u>11,569</u>	<u>-</u>
Net change in fund balance	(6,675)	-
Fund balance at beginning of year	<u>68,327</u>	<u>68,327</u>
Fund balance at end of year	<u>\$ <u>61,652</u></u>	<u>68,327</u>

CITY OF DILLINGHAM, ALASKA

School Bonds Capital Project Fund

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

<i>Years Ended June 30,</i>	<u>2021</u>	<u>2020</u>
Revenues	\$ <u>-</u>	<u>-</u>
Expenditures	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	-	-
Fund balance (deficit) at beginning of year	<u>(1,626)</u>	<u>(1,626)</u>
Fund balance (deficit) at end of year	\$ <u><u>(1,626)</u></u>	<u><u>(1,626)</u></u>

CITY OF DILLINGHAM, ALASKA

Fire Hall Bond Capital Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

<i>Years Ended June 30,</i>	<u>2021</u>	<u>2020</u>
Revenues	\$ -	-
Expenditures - capital outlay:		
Salaries	10,398	36
Employee benefits	1,319	5
Professional services	<u>655,067</u>	<u>17,915</u>
Total expenditures	<u>666,784</u>	<u>17,956</u>
Excess (deficiency) of revenues over expenditures	(666,784)	(17,956)
Fund balance at beginning of year	<u>787,325</u>	<u>805,281</u>
Fund balance at end of year	<u>\$ 120,541</u>	<u>787,325</u>

CITY OF DILLINGHAM, ALASKA

Dock and Harbor Capital Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

<i>Years Ended June 30,</i>	<u>2021</u>	<u>2020</u>
Revenues:		
Local sources - other	\$ <u>4,689</u>	<u>2,533</u>
Expenditures - capital outlay - utilities	<u>4,689</u>	<u>2,533</u>
Excess of revenues over expenditures	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>

CITY OF DILLINGHAM, ALASKA

Wastewater System Improvement Capital Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

<i>Years Ended June 30,</i>	<u>2021</u>	<u>2020</u>
Revenues:		
Intergovernmental:		
Federal sources - passed through ANTHC	\$ <u>11,457</u>	<u>-</u>
Expenditures - capital outlay:		
Professional services	<u>11,457</u>	<u>-</u>
Excess of revenues over expenditures	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>

CITY OF DILLINGHAM, ALASKA

Water Improvement Capital Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

<i>Years Ended June 30,</i>	<u>2021</u>	<u>2020</u>
Revenues:		
Intergovernmental:		
State of Alaska	\$ <u>693,200</u>	<u>631,507</u>
Expenditures - capital outlay - professional services	<u>693,200</u>	<u>631,507</u>
Excess of revenues over expenditures	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>

CITY OF DILLINGHAM, ALASKA

SOA Loans Capital Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Years Ended June 30,	<u>2021</u>	<u>2020</u>
Revenues:		
Intergovernmental:		
State of Alaska		
First cycle	\$ -	9,512
Federal:		
First cycle	-	26,161
Subsidy	-	21,388
Local sources:		
Second cycle	<u>512,846</u>	<u>381,474</u>
Total revenue	<u>512,846</u>	<u>438,535</u>
Expenditures:		
Capital outlay:		
Professional services	421,894	300,373
Sample testing and inspection	90,952	82,630
Other	<u>759,423</u>	-
Total expenditures	<u>1,272,269</u>	<u>383,003</u>
Excess of revenues over expenditures	<u>(759,423)</u>	<u>55,532</u>
Other financing sources (uses):		
Proceeds of issuance of debt	759,423	-
Transfers out	-	<u>(55,532)</u>
Net other financing sources (uses)	<u>759,423</u>	<u>(55,532)</u>
Net change in fund balance	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>
Fund balance at end of	<u>\$ -</u>	<u>-</u>

CITY OF DILLINGHAM, ALASKA

Denali Commission Capital Project Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

<i>Years Ended June 30,</i>	<u>2021</u>	<u>2020</u>
Revenues:		
Intergovernmental - federal sources	\$ <u>-</u>	<u>171,900</u>
Expenditures - capital outlay - professional services	<u>-</u>	<u>171,900</u>
Excess of revenues over expenditures	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>
Fund balance at end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>

**Non-Major
Permanent Fund**

Permanent funds are legally restricted to the extent that only earnings and not principal may be used for purposes that support the City's programs.

Mary Carlson Estate Permanent Fund – this fund was established to account for assets bequeathed by Mary Carlson to be used for museum and literary purposes.

CITY OF DILLINGHAM, ALASKA

Mary Carlson Estate Permanent Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

<i>Years Ended June 30,</i>	<u>2021</u>	<u>2020</u>
Revenues:		
Local sources:		
Investment income	\$ <u>3,095</u>	<u>18,185</u>
Expenditures:		
Community services:		
Utilities	642	655
Administrative overhead	234	153
Insurance	<u>1,604</u>	<u>1,081</u>
Total expenditures	<u>2,480</u>	<u>1,889</u>
Excess of revenues over expenditures	615	16,296
Fund balance at beginning of year	<u>367,955</u>	<u>351,659</u>
Fund balance at end of year	\$ <u><u>368,570</u></u>	<u><u>367,955</u></u>

**Non-Major
Debt Service Fund**

The *Debt Service Fund* accounts for the accumulation of monies for payments of the General Obligation School Bonds. Servicing of this debt requires various annual and semi-annual payments of principal and interest. Financing is provided by the State of Alaska debt reimbursement program, and transfers, determined annually by budget from the General Fund.

CITY OF DILLINGHAM, ALASKA

Debt Service Fund

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

Years Ended June 30,	2021			2020
	Budget	Actual	Variance	Actual
Revenues:				
Intergovernmental:				
State of Alaska	\$ 50,000	-	(50,000)	359,797
Expenditures:				
Principal	923,000	855,000	68,000	815,000
Interest	490,050	490,050	-	523,817
Total expenditures	1,413,050	1,345,050	68,000	1,338,817
Excess (deficiency) of revenues over expenditures	(1,363,050)	(1,345,050)	18,000	(979,020)
Other financing sources:				
Transfer in	1,363,050	1,291,308	(71,742)	979,020
Net change in fund balance	\$ -	(53,742)	(53,742)	-
Fund balance at beginning of year		-		-
Fund balance (deficit) at end of year		\$ (53,742)		-

CITY OF DILLINGHAM, ALASKA

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Grant Title	Federal Assistance Listing Number	Federal Grantor/ Pass Through Number	Grant Amount	Federal Share of Expenditures
U.S. Department of the Interior:				
Direct:				
Payment in Lieu of Taxes	15.226	None	\$ 484,326	484,326
U.S. Department of Treasury:				
Passed through the State of Alaska, Department of Commerce, Community, and Economic Development:				
COVID-19 Coronavirus Relief Fund	21.019	20-CRF-052	3,404,481	2,371,651
U.S. Department of Health and Human Services:				
Passed through the State of Alaska, Department of Health and Social Services:				
Aging Cluster:				
Nutritional, Transportation and Support Services FY21	93.044	607-309-21008	23,290	22,918
Nutritional, Transportation and Support Services FY21	93.045	607-309-21008	76,768	75,535
Nutritional Services Incentive Program FY20	93.053	None	676	272
Nutritional Services Incentive Program FY21	93.053	None	5,353	5,353
Total Aging Cluster			<u>106,087</u>	<u>104,078</u>
Institute of Museum and Library Services:				
Passed through the Curung Tribal Council:				
IMLS Native American Library Services Program				
Basic Library Services Grant FY21	45.311	NAB-246444-OLS-20	10,000	7,635
Basic Library Services Grant FY20	45.311	NG-01-19-0082-19	10,000	874
Total Institute of Museum and Library Services			<u>20,000</u>	<u>8,509</u>
U.S. Department of Environmental Protection Agency:				
Passed through Alaska Native Health Consortium:				
Station Facility Improvements	66.458	AN 15-N3E	634,483	11,457
U.S. Department of Justice:				
Passed through the State of Alaska, Department of Public Safety:				
COVID-19 Coronavirus Emergency Supplement	16.034	None	22,605	12,986
Multi-jurisdictional Task Force	16.738	21-19JAG-04	23,700	6,049
Total Department of Justice			<u>46,305</u>	<u>19,035</u>
Total federal financial assistance			<u>\$ 4,695,682</u>	<u>2,999,056</u>

See accompanying notes to the Schedule.

CITY OF DILLINGHAM, ALASKA

Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of City of Dillingham, Alaska under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of City of Dillingham, Alaska, it is not intended to and does not present the basic financial statements of City of Dillingham, Alaska.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. City of Dillingham, Alaska has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform guidance.

3. Pass Through Awards

No amounts were passed through to Subrecipients.

4. Component Unit

The City of Dillingham, Alaska's basic financial statements include \$2,981,000 of federal funds expended for the Dillingham City School District, a component unit of the City of Dillingham, Alaska. These monies are excluded from this Schedule. These monies were subjected to Uniform Guidance audit procedures and separate reports on compliance and internal control dated November 1, 2021 were issued for the Dillingham City School District.

CITY OF DILLINGHAM, ALASKA
 Schedule of State Financial Assistance
 Year Ended June 30, 2021

	Grant Number	Total Award	State Share of Expenditures
State of Alaska Department of Administration:			
Direct Programs:			
* State PERS Relief	none	\$ 268,836	268,836
State of Alaska Department of Education and Early Development:			
Direct Programs:			
Public Library Assistance	PLA-20-728-01	7,000	7,000
Alaska OWL Program	none	429	429
Total Department of Education and Early Development		7,429	7,429
State of Alaska Department of Commerce, Community and Economic Development:			
Direct Programs:			
State Revenue Sharing	none	78,307	78,307
State of Alaska Department of Revenue:			
Direct Programs:			
Fisheries Business Tax	none	9,056	9,056
* Raw Fish Tax	none	474,820	474,820
Electric and Telephone Co-op Tax	none	69,128	69,128
Motor Vehicle Tax	none	30,400	30,400
Total Department of Revenue		583,404	583,404
State of Alaska Department of Environmental Conservation:			
Direct Programs:			
* Wastewater System Improvements	MMG# 28308	2,140,119	693,200
State of Alaska Department of Health and Social Services:			
Direct Programs:			
Nutrition, Transportation and Support Services	607-309-21008	43,187	42,496
Total State Financial Assistance		\$ 3,121,282	1,673,672

See accompanying notes to the Schedule.

CITY OF DILLINGHAM, ALASKA

Notes to Schedule of State Financial Assistance

Year Ended June 30, 2021

Note 1. Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state award activity of City of Dillingham, Alaska under programs of the State of Alaska for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of City of Dillingham, Alaska, it is not intended to and does not present the basic financial statements of City of Dillingham, Alaska.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 to the City's basic financial statements.

Note 3. Subrecipients

No state funds were passed through to Subrecipients.

Note 4. Major Programs

* denotes a major program for compliance audit purposes.

Note 5. Component Unit

The City of Dillingham, Alaska basic financial statements include \$7,240,989 of State of Alaska funds expended for the Dillingham City School District, a component unit of the City of Dillingham, Alaska. These monies are excluded from this Schedule. These monies were subjected to State of Alaska single audit procedures and separate reports on compliance and internal control dated November 1, 2021 were issued for the Dillingham City School District.

COMPLIANCE REPORTS

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

Independent Auditor's Report

Honorable Mayor and City Council
City of Dillingham, Alaska
Dillingham, Alaska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Dillingham, Alaska, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise City of Dillingham, Alaska's basic financial statements, and have issued our report thereon dated November 28, 2022.

Internal Control over Financial Reporting

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

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

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

Honorable Mayor and City Council
City of Dillingham, Alaska

Compliance and Other Matters

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

Purpose of this Report

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

Altman, Rogers & Co.

Anchorage, Alaska
November 28, 2022

Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance as Required by the *Uniform Guidance*

Independent Auditor's Report

Honorable Mayor and City Council
City of Dillingham, Alaska
Dillingham, Alaska

Report on Compliance for Each Major Federal Program

We have audited City of Dillingham, Alaska's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the City of Dillingham, Alaska's major federal programs for the year ended June 30, 2021. City of Dillingham, Alaska's major federal programs are identified in the summary of auditor's results section of the accompanying federal schedule of findings and questioned costs.

City of Dillingham, Alaska's basic financial statements include operations of its component unit, Dillingham City School District, which received \$2,981,000 in federal awards, which is not included in the schedule of expenditures of federal awards during the year ended June 30, 2021. Our audit, described below, did not include the operations of Dillingham City School District because it was subjected to a separate audit in accordance with Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Dillingham, Alaska's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Dillingham, Alaska's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our qualified opinion on compliance for major federal programs. However, our audit does not provide a legal determination of City of Dillingham, Alaska's compliance.

Basis for Qualified Opinion on Coronavirus Relief Fund

As described in the accompanying federal schedule of findings and questioned costs, City of Dillingham, Alaska did not comply with the requirement regarding ALN 21.019 Coronavirus Relief Fund as described in finding number 2021-001 for reporting. Compliance with such requirements is necessary, in our opinion, for City of Dillingham, Alaska to comply with the requirements applicable to that program.

Qualified Opinion on Coronavirus Relief Fund

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, City of Dillingham, Alaska complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Other Matters

City of Dillingham, Alaska's response to the noncompliance findings identified in our audit are described in the accompanying federal schedule of findings and questioned costs and the correction action plan. City of Dillingham, Alaska's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of City of Dillingham, Alaska, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Dillingham, Alaska's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Dillingham, Alaska's internal control over compliance.

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

Honorable Mayor and City Council
City of Dillingham, Alaska

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control over compliance, described in the accompanying federal schedule of findings and questioned costs as finding number 2021-001 that we consider to be a material weakness.

City of Dillingham, Alaska's response to the internal control over compliance finding identified in our audit are described in the accompanying federal schedule of findings and questioned costs and the corrective action plan. City of Dillingham Alaska's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Altman, Rogers & Co.

Anchorage, Alaska
November 28, 2022

Federal Schedule of Findings and Question Costs

Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

Financial Statements

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

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

Internal control over financial reporting:
 Material weakness(es) identified? Yes No
 Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs (2 CFR 200.516 (a)(1)):
 Material weakness(es) identified Yes No
 Significant deficiency(ies) identified? Yes None reported

Any material noncompliance with provisions of laws, regulations, contracts, or grant agreements related to a major program (2 CFR 200.516 (a)(2))? Yes No

Type of auditor’s report issued on compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, 2 CFR 200.516(a)(3) or (4)? Yes No

Identification of major programs:

Assistance Listing Number(s)/Cluster
21.019

Name of Federal Program or Cluster
Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes No

Federal Schedule of Findings and Question Costs, Continued

Section II - Financial Statement Findings

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

Section III - Federal Award Findings and Questioned Costs

Finding 2021-001:

Late Reporting and Noncompliance with Reporting Requirements:

Federal Agency: U.S. Department of Treasury
Pass through agency: State of Alaska Department of Commerce Community and Economic Development
Federal Program: Coronavirus Relief Fund ALN 21.019
Grant Number: 20-CFR-052
Award Period: 2021
Type of Finding: Material Weakness/Material Noncompliance
Opinion: Qualified

Condition: The City did not adhere to the Uniform Guidance requirement of submitting the reporting package within the earlier of 30 days after receipt of the audit report, or nine months plus any extensions after the end of the audit period, (i.e. the FAC Report was not submitted timely.)

Criteria: The Uniform Guidance requires that the reporting package be submitted within the earlier of nine months plus any extensions after year end or 30 days after the report issuance in accordance with the provisions of 2 CFR part 200, subpart F, section 200.512.

Context: The FAC report was not submitted within the required time period.

Cause: Due to staff turnover the City was unable to have their annual audit completed with the required timeframe, and subsequently were also late in submission of the FAC Report.

Effect: The City is not in compliance with Uniform Guidance requirements.

Questioned Costs: None.

Recommendation: The City needs to work on getting financial information more timely (i.e. submit the reporting package with the guidelines of Uniform Guidance).

Management Response: Management concurs with this finding. See Corrective Action Plan.

Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance as Required by the State of Alaska Audit Guide and Compliance Supplement for State Single Audits

Independent Auditor's Report

Honorable Mayor and City Council
City of Dillingham, Alaska
Dillingham, Alaska

Report on Compliance for Each Major State Program

We have audited City of Dillingham, Alaska's compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of City of Dillingham, Alaska's major state programs for the year ended June 30, 2021. City of Dillingham, Alaska's major state programs are identified in the accompanying schedule of state financial assistance.

The City of Dillingham, Alaska's basic financial statements include the operations of its component unit, Dillingham City School District, which received \$7,240,989 in state awards, which is not included in the schedule of state financial assistance during the year ended June 30, 2021. Our audit, described below, did not include the operations of Dillingham City School District because it was subjected to a separate audit in accordance with the Guide.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Dillingham, Alaska's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about City of Dillingham, Alaska's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our qualified opinion on compliance for each major state program. However our audit does not provide a legal determination of City of Dillingham, Alaska's compliance.

Basis for Qualified Opinion on State PERS Relief, Raw Fish Tax and Wastewater System Improvements

As described in the accompanying state schedule of findings and questioned costs, City of Dillingham, Alaska did not comply with the requirement regarding State PERS Relief, Raw Fish Tax and Wastewater System Improvements as described in finding number 2020-002 for reporting. Compliance with such requirements is necessary, in our opinion, for City of Dillingham, Alaska to comply with the requirement applicable to those programs.

Qualified Opinion on State PERS Relief, Raw Fish Tax and Wastewater System Improvements

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, City of Dillingham, Alaska complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Other Matters

City of Dillingham, Alaska's response to the noncompliance finding identified in our audit are described in the accompanying state schedule of findings and questioned costs and the corrective action plan. City of Dillingham, Alaska's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of City of Dillingham, Alaska is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Dillingham, Alaska's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Dillingham, Alaska's internal control over compliance.

Honorable Mayor and City Council
City of Dillingham, Alaska

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control over compliance, described in the accompanying state schedule of findings and questioned costs as funding number 2021-002 that we consider to be a material weakness.

City of Dillingham, Alaska's response to the internal control over compliance finding identified in our audit are described in the accompanying state schedule of findings and questioned costs and the corrective action plan. City of Dillingham, Alaska's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Accordingly, this report is not suitable for any other purpose.



Anchorage, Alaska
November 28, 2022

City of Dillingham, Alaska
State Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Significant deficiency(ies) identified? Yes X None reported

Material weakness(es) identified? Yes X No

Noncompliance material to financial statements noted? Yes X No

State Awards

Internal control over major programs:

Significant deficiency(ies) identified? Yes X None reported

Material weakness(es) identified? X Yes No

Type of auditor’s report issued on compliance
for major programs: Qualified

Dollar threshold used to distinguish a state major program: \$ 150,000

Section II – Financial Statement Findings

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

City of Dillingham, Alaska

State Schedule of Findings and Questioned Costs, Continued

Section III – State Award Findings

<u>Finding 2021-002</u>	<u>Deadline for State Single Audit</u>
Type of finding:	Material weakness/material noncompliance
State Agency:	State of Alaska Department of Administration, Revenue, and Environmental Conservation
Grant Name:	State PERS Relief, Raw Fish Tax, Wastewater System Improvements
Grant Numbers:	None, None, and MMG # 28308
Award Year:	2021, 2021, 2018-2021
Criteria:	2 AAC 45.010(b) states an entity that expends a cumulative total of \$750,000 or more shall submit an audit report for the audit period by the earlier of 30 days after the entity receives its audit report for the audit period; or nine months after the end of the audit period, or a later date agreed upon in writing and advance of the date in this section.
Condition:	Due to staff turnover, the City was unable to have their annual audit completed within the required timeframe.
Questioned Costs:	None.
Context:	The City is not in compliance with 2 AAC and did not have the books adjusted until after the deadline.
Effect:	The City is not in compliance with 2 AAC 45.010(b)(1) .
Cause:	The City did not have controls in place to identify the requirements of the state single audit threshold .
Repeat Finding:	This is a repeat finding 2020-002.
Recommendation:	The City needs to adjust the accounting records timely, and submit the reporting package within the guidelines as outlined in the State of Alaska single audit regulations.
Management’s Response:	Management concurs with the finding. See Corrective Action Plan.



Summary of Prior Audit Findings

June 30, 2021

Financial Statement Findings

Finding 2020-001

Lack of Internal Control over Special Revenue Funds

Type of Finding:

Material weakness.

Condition:

During the audit a large number of the Special Revenue Funds required adjustment due to revenue and association accounts receivable/unearned revenue accounts not being properly as a result of lack of final year-end reconciliation procedures being performed by management.

Status:

This finding has been resolved.

State Award Findings

Finding 2020-002

Deadline for State Single Audit

Type of Finding:

Material weakness/material noncompliance.

Condition:

Due to staff turnover and COVID-19 impacts, the City was unable to have their annual audit completed within the required timeframe.

Status:

This finding was not resolved and is repeated as Finding 2021-002.



Corrective Action Plan

June 30, 2021

Federal Award Findings

Finding 2021-001

Late Reporting and Noncompliance with Reporting Requirements

Name of Contact Person: Anita Fuller, Finance Director

Corrective Action Plan: FY22 Audit has been scheduled in two parts. Test work is scheduled for last week of October with the final review in December. The October test work will assist with meeting future audit deadlines.

Proposed Completion Date: Immediately.

State Award Findings

Finding 2021-002

Deadline for State Single Audit

Name of Contact Person: Anita Fuller, Finance Director

Corrective Action Plan: FY22 Audit has been scheduled in two parts. Test work is scheduled for last week of October with the final review in December. The October test work will assist with meeting future audit deadlines.

Proposed Completion Date: Immediately (With FY22 audit completion by March 31, 2023).