

# City of Seward, Alaska



## Annual Comprehensive Financial Report

Year Ended December 31, 2021

Prepared by City of Seward Finance Department

**Annual Comprehensive Financial Report  
of the  
City of Seward, Alaska**

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For the Fiscal Year Ended  
December 31, 2021

Christy Terry  
Mayor

Janette Bower  
City Manager

Prepared by the Finance Department  
Sully Jusino  
Deputy Finance Director

City of Seward, Alaska

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## LETTER OF TRANSMITTAL

City of Seward

Address: 410 Adams Street, P.O. Box 167, Seward, Alaska 99664

Phone: 907.224.4050; Fax: 907.224.4038

September 14, 2022

Honorable Members of the Seward City Council  
Citizens of the City of Seward:

The City of Seward (City) is required by Alaska Statutes (AS 29.35.120 Annual Audit) and Seward City Code to publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP). Pursuant to these requirements, the Comprehensive Annual Financial Report of the City for year ended December 30, 2021 is hereby submitted.

Management is responsible to ensure the accuracy, completeness, and fairness of the presentation of this information, including all disclosures. To provide a reasonable basis for making these representations, management has established a comprehensive framework of internal controls designed to protect the government's assets from loss, theft, or misuse and to provide sufficient reliable information upon which to prepare the City's financial statements in accordance with GAAP. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Management asserts that, to the best of our knowledge, this financial report is complete and reliable in all material respects.

Altman, Rogers & Co, a firm of independent certified public accountants, has issued an unmodified (clean) opinion on the City's financial statements for the year ended December 31, 2021. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and the significant estimates made by management; and evaluating the overall presentation of the financial statements. Based on the independent audit, it was concluded that there was a reasonable basis upon which to render an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented in the financial section of this report.

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

As a recipient of federal grant awards, the City is required to undergo an audit in accordance with the provisions of the Federal Single Audit Act Requirements of 1996, the related OMB 2 CFR Part 200 (formerly OMB Circular A-133). A schedule of expenditures of federal awards, the independent auditor's report on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are prepared under a separate cover.

The City is required to undergo an audit in accordance with the provisions of Alaska State Regulation 2 AAC 45.010 due to the City receiving state grant funding. A state financial assistance schedule, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are prepared as part of the audit in accordance with the State of Alaska *Audit Guide and Compliance Supplement for State Single Audits*, and are prepared under a separate cover.

## **PROFILE OF THE GOVERNMENT**

The City was incorporated on June 1, 1912 and became a first-class City under Alaska Statute's (AS 29.04.010 Home rule) upon adoption of the City Charter by a referendum vote on January 5, 1960. The community is located on the eastern side of the Kenai Peninsula in Southcentral Alaska, 125 highway miles south of Anchorage. Year-round access is available by road, rail, water and two small-aircraft runways. The City has an area of 22 square miles and a population of 2,717 as of the 2020 census.

The form of government established by the Charter is the Council-Manager plan. The Council exercises legislative power and determines all matters of policy for the City. The Council is composed of a Mayor and six council members who are elected at-large on a non-partisan basis. Council members and the Mayor are elected and serve three-year terms. City Council appropriates three positions as follows: City Manager, City Clerk, and the City Attorney. The City Manager is responsible for managing the daily operations of the City. The City Clerk's primary responsibilities involve the safekeeping of public records and the administration of City elections. All other officers and employees of the City are appointed by the City Manager.

The City is empowered to levy a property tax on both real and personal property located within its boundaries. The property tax is an ad valorem tax. Funding for the General Fund, by order of significance, is provided by sales tax, payments in lieu of tax and administrative charges assessed to enterprise funds, intergovernmental revenues, property tax, recreation and camping fees, hotel/motel tax, and land rent and leases. The City provides the following services to its citizens: police, fire, public works, motor vehicle testing and licensing, jail, animal control, building inspection, community development, library and museum, parks and recreation, electric, water, wastewater, port and harbor, library, healthcare (primary care clinic, hospital, emergency room, long-term care facility), road maintenance, parking, and general administrative services.

## **BUDGETARY CONTROL**

The City's budget serves as the foundation for financial planning and control. The City Council approves a Biennial (two-year) budget. All departments submit budget requests to the City Manager on or before September 1 every odd-numbered year. The City Manager utilizes these requests to formulate a proposed budget and submits the proposed budget to the City Council at a regular meeting in October. The Council holds public hearings on the proposed budget and generally adopts the two-year budget in November. Adjustments to the budget are made throughout the year, as authorized by the City Council. In the second year of the biennial budget, an interim review is conducted, and modifications may be recommended to the City Council. The City Manager is authorized to make transfers between departments and line items within a Fund for amounts up to \$30,000. Council action is required for transfers between funds, for all single-item purchases exceeding \$30,000 (and all purchases of new motor vehicles regardless of cost) and for all new appropriations. Budget-to-actual comparisons are provided in this report for the General Fund.

## **LOCAL ECONOMY**

The natural beauty of Seward, its year-around deep-water port, access by road system and rail, and its relatively mild climate combine to make Seward attractive to marine and tourism-related businesses, and has remained a destination of choice for tens of thousands of visitors. The cost of living in Seward is relatively low for Alaska, and taxes are low and stable.

Seward has a fairly diversified economy with a thriving tourism industry, which helps drive the local job market and tax revenues, which both peak from May through August annually. Strong tourism, commercial and recreational fishing, boat tours, and recreational opportunities collectively contribute as a healthy revenue source for the City.

Seward has a statewide reputation as a maritime powerhouse due to quality port and harbor infrastructure and healthy growth in marine-related businesses. The City's recent \$25 million investment in Seward Marine Industrial Center (SMIC) expansion resulted in enclosing the basin by constructing a new breakwater, a new fishing pier, lineal moorage, dock upgrades, fencing, marine washdown pad, 10-ton crane, expansion of the 330-ton lift dock and pit, upgrades to electrical infrastructure, conversion of high-mast lights to LED, and other improvements. These investments are encouraging growth in marine transportation, ship repair, commercial fishing, land development and related business activity, and are attracting commercial fishing interests, transportation companies, marine scientists, the US Coast Guard and other large marine vessel operators with interest in expanded commercial facilities.

Seward's downtown corridor is expected to experience strong revitalization post the Covid-19 pandemic. Just as many City's across the country experienced, several businesses were closed for all or most of 2020 due to the pandemic. This presented a series of challenges on a scale not seen in years. However, as previously shuttered businesses are purchased, improved, and opened to new ventures, optimism will be lifted in the local business climate and tourism industry, and the City will soon see growth and healthy revenue inflows once again.

In 2021, Seward saw 24 commercial construction permits issued at a value of \$3.6 million, which is nearly identical to the prior year. At the same time, 26 residential building permits were issued at a value of \$2.8 million, the highest number of residential permits issued since 2014 with the value down around \$100,000 from 2020.

### **SHORT-TERM FINANCIAL PICTURE**

In 2021, Seward's sales tax revenues came in at \$6.8 million, or around 80% higher than the prior year's \$3.8 million and nearly 20% higher than 2019. Despite the large fluctuations due to the pandemic, over the past ten years, on average, sales tax revenues have increased steadily and represent 73% of the City's overall tax revenues, and 45% of the overall General Fund revenues. The bulk of Seward's sales tax (around 2/3) is generated during the summer months when the City experiences a large increase in tourism. Given the consistent growth in visitors to Seward it is likely Seward can continue to experience healthy sales tax growth.

The City's top ten property taxpayers have become more diverse over the past few years. The top-ten taxpayers represent various industries including tourism, seafood processing, grocery, hotel/motel, communications, petroleum products, and marine businesses, and account for approximately 19% of all taxable property in the community. The bulk of these entities are visitor-related and drive the City's tourism industry. And since sales tax, bed tax, and camping fees are largely tourism-related, these types of taxpayers contribute approximately 45% of the General Fund revenue.



## **FACTORS AFFECTING FINANCIAL CONDITION**

### **LONG-TERM FINANCIAL PLANNING**

An improved focus on long-term financial planning has resulted in tangible financial improvements in the short-term. General Fund reserves have risen above the policy band of between three to six months' expenditures and transfers-out, with Reserve levels rising to around 7 months of expenditures and transfers-out; the Capital Acquisition Fund receives periodic contributions toward general government infrastructure needs; and State revenue sharing funds are used for one-time, non-recurring capital needs.

### **FINANCIAL CONDITION**

The City's fund balance continues to remain financially healthy. The City has worked hard to bring its General Fund unassigned fund balance within the policy band of between three to six months' reserves. Unassigned General Fund fund balance increased in 2021 by \$1.3 million to \$8.5 million representing 7.7 months' reserves, up slightly from 2020. Maintaining fund balance levels within the policy band remains a priority since the City frequently relies on reserves to address unanticipated emergencies and unexpected expenses city-wide.

### **INFRASTRUCTURE CONDITION**

The City continues to refine the assessment of capital infrastructure condition and address the most critical and high-risk repair and replacement projects as funding allows. Major improvements in infrastructure condition have resulted from enterprise fund incremental rate increases over the past eight years and aggressive pursuit of grants. Recent infrastructure improvements and corresponding demand for land leases at Seward Marine Industrial Center, have significantly improved the prospects for eliminating annual deficits.

The City has made significant improvements to enterprise fund capital assets based largely on categorizing and prioritizing capital needs as "critical", "high risk" or "moderate risk" and targeting resources to the most critical needs. Nearly \$100 million in capital grants have been deployed over the past ten years, allowing external funds to pay the lion's share of capital improvements, including: \$27 million SMIC expansion; \$6 million electrical upgrades including a new warehouse, automated controls and backup generators; \$2 million Snow River flood mitigation; \$5.5 million new water tank construction and old tank refurbishments; new harbor floats, docks, restrooms, fish cleaning stations, sewer pump-out station, launch ramps and improvements; Wastewater utility dredging of Lowell Point and SMIC sewage lagoons. These improvements came at little cost to the local taxpayers but will have lasting benefits to residents of Seward for decades to come.

### **MAJOR PROJECTS**

In 2021, the City took a thoughtful and thorough approach to major projects and took advantage of funding opportunities for future projects. Construction of the new animal shelter facility began, as well as redevelopment of the Jesse Lee home site. ADA accessible restrooms were added to the harbor and the Fort Raymond electric substation upgrades were completed.

Other major capital projects in the works or in the near future, include: 1) Ongoing sidewalk replacement and ADA ramp projects; 2) significant upgrades to the Electric system funded by a \$10 million revenue bond issued in 2022; 3) construction and relocation of the City Shop; 4) replacement of G, K, and L floats in the Harbor; 5) Northeast Launch Ramp project.

Future capital initiatives which require funding and attention include: replacement of the parks warehouse, a new public safety facility for fire and police services, continued electric system work, water and sewer infrastructure expansion, completion of the heat loop project, replacement of utility piping; and a number of other major capital initiatives.

**FINANCIAL AND BUDGET REPORTING AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Seward for its annual comprehensive financial report (ACFR) for the year ended December 31, 2018. This was the 25th consecutive year that the City of Seward has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. Due to pandemic related delays and staffing shortfalls the City did not submit for the Certificate of Achievement for their 2019 or 2020 ACFRs, however, we believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

**ACKNOWLEDGMENTS**

The presentation of this report would not have been possible without the skill, effort, and dedication of the entire staff in the Finance Department. Additional thanks are extended to the other City departments for their assistance in providing necessary information and data to complete the report. Credit is also given to the Mayor and Council members for their interest and support of our efforts in conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



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Janette Bower  
City Manager



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Sully Jusino  
Deputy Finance Director



## City of Seward LIST OF PRINCIPAL OFFICIALS

### COUNCIL MEMBERS

		<u>Term Expires</u>
Christy Terry	Mayor	2022
Sue McClure	Vice Mayor	2023
John Osenga	Council Member	2024
Mike Calhoun	Council Member	2024
Liz DeMoss	Council Member	2023
Randy Wells	Council Member	2022
Ristine Casagrande	Council Member	2022

### ADMINISTRATION

Janette Bower	City Manager
Sully Jusino	Deputy Finance Director
Alan Nickell	Chief of Police
Clinton Crites	Fire Chief
Robin Montgomery	Manager of Electric Utility
Doug Schoessler	Public Works Director
Norman Regis	Harbormaster
Jason Bickling	Community Development Director
Maggie Wilkins	Parks & Recreation Director
Bailey Sayler	Library Director

### CITY CLERK

Brenda Ballou	City Clerk
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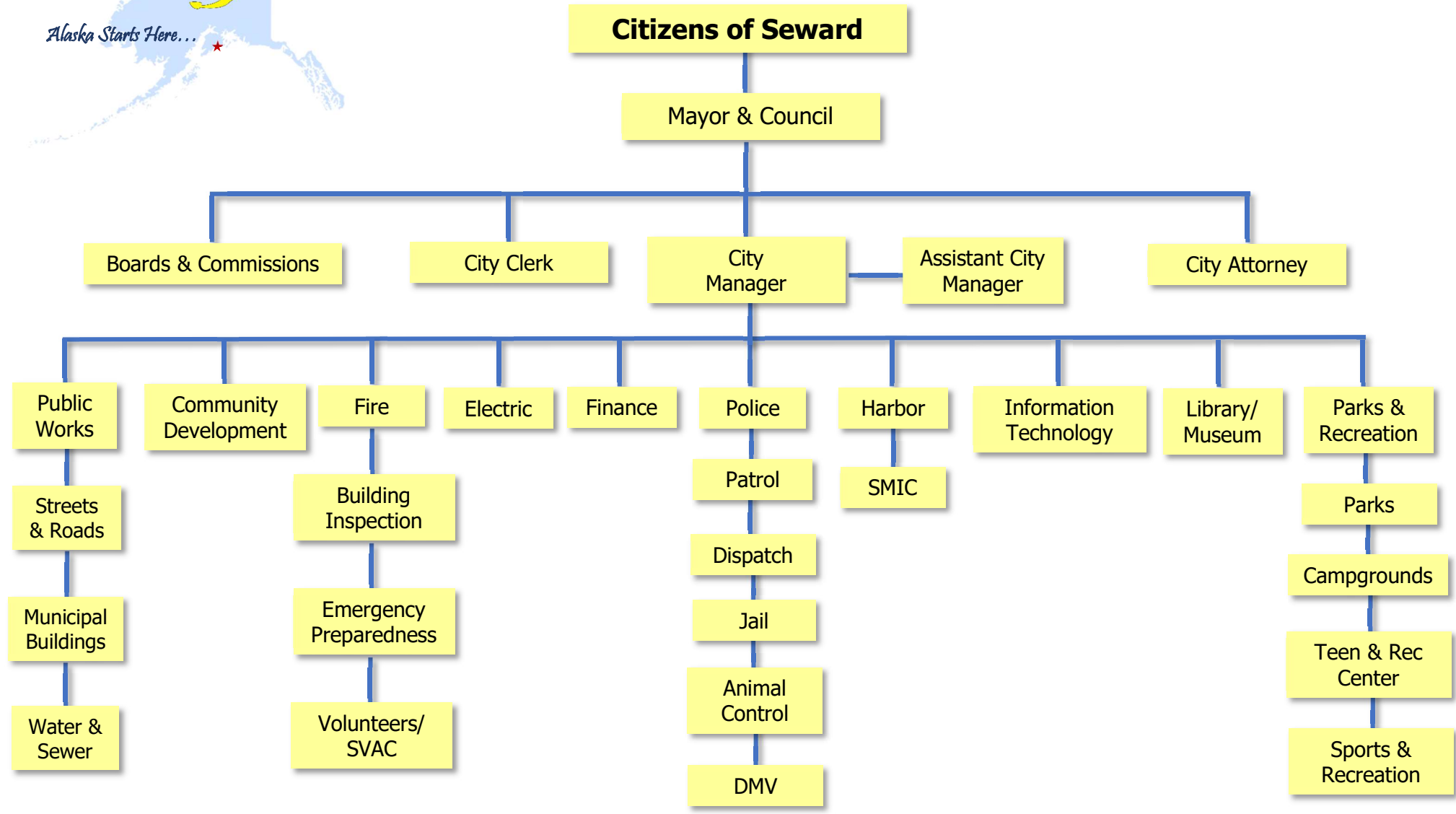
### CITY ATTORNEY

Brooks Chandler	City Attorney, Boyd, Chandler, Falconer & Munson, LLP
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The City of Seward is a home-rule city with a council-manager form of government. Legislative powers of the City of Seward are vested in a council consisting of a mayor and six council members. The mayor and each council member are elected from the city at large. The term of office is three years. The appointed officers of the City include the city manager, city clerk and the city attorney. The city council generally meets on the second and fourth Mondays of each month in the City Council Chambers located in the City Hall Building at 410 Adams Street in Seward, Alaska.



# City of Seward 2022 Organization Chart



## **Independent Auditor's Report**

Honorable Mayor and City Council  
City of Seward  
Seward, Alaska

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Seward, Alaska, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Seward, Alaska's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Seward, Alaska, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Providence Seward Medical and Care Center (PSMCC) which represent 30%, 17%, and 100% respectively, of the assets and deferred outflows of resources, net position and revenues of the Healthcare Facilities Enterprise Fund, and 6%, 1%, and 56% respectively, of the assets and deferred outflows of resources, net position and revenues of the business-type activities as of December 31, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the financial statements of the PSMCC, is based solely on the report of the other auditors.

### **Basis for Opinions**

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

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

Honorable Mayor and City Council  
City of Seward

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-16 and budgetary comparison information on page 68 and the Schedules of Net Pension and OPEB Liabilities (Assets) and Contributions for the Public Employees' Retirement System and International Brotherhood of Electrical Workers Plan and notes to the required supplementary information on pages 69-75 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Seward, Alaska's basic financial statements. The combining and individual fund financial statements and schedules, Schedule of Expenditures of Federal Awards, and the Schedule of State Financial Assistance are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance are 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 *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, respectively. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, combining and individual fund financial statements and schedules, Schedule of Expenditures of Federal Awards, and the Schedule of State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Honorable Mayor and City Council  
City of Seward

### **Other Information**

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

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2022, on our consideration of the City of Seward, 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 the City of Seward, 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 Seward, Alaska's internal control over financial reporting and compliance.



Anchorage, Alaska  
September 14, 2022



# **MANAGEMENT DISCUSSION AND ANALYSIS**

This section of the Annual Comprehensive Financial Report provides a narrative overview and analysis of the financial activities of the City of Seward for the fiscal year ended December 31, 2021. It is designed to focus on significant financial matters, provide an overview of the City's financial activities, highlight changes in the City's financial position, identify material changes from the original budget and explain any important subjects. In addition to this discussion and analysis (MD&A), readers are encouraged to read the Letter of Transmittal found on pages I-V of this report, which provides additional summary information.

**FINANCIAL HIGHLIGHTS**

- At December 31, 2021, the City of Seward's assets and deferred outflows exceeded liabilities and deferred inflows by \$206.1 million (net position). Of this amount, \$159.5 million represents net investment in capital assets, \$2.0 million is restricted for commercial passenger vessel tax, and the remaining \$44.5 million represents unrestricted net position. Unrestricted net position does not necessarily reflect a surplus of resources, since a portion of net position can be designated for capital grants, capital replacement, or other purposes determined by the City Council.
- Excluding business-type activities, the assets of the primary government exceeded liabilities by \$57.8 million. Of this amount, \$9.9 million in unrestricted net position is legally unreserved and available to meet the government's ongoing financial obligations, although Council has earmarked a portion of these funds for specific purposes.
- The City's total net position increased by \$8.1 million. Governmental activities increased by \$1.8 million and business-type activities increased by \$6.4 million.
- The City's governmental funds reported combined ending fund balances of \$14.2 million representing an increase of \$2.6 million compared to the prior year. While \$13.8 million of the fund balance is legally available for spending, only \$8.5 million has not already been earmarked for specific purposes (*unassigned fund balance*). This reflects an increase in available unassigned fund balance of \$1.3 million.
- The total debt of governmental activities decreased by \$235 thousand excluding the effect on net pension and OPEB Liabilities. This includes the issuance of the 2021 GO Refunding bonds that retired the 2012 GO bonds. The total debt of business-type activities decreased by \$1.65 million. The Net pension and OPEB Liabilities of governmental activities decreased by \$1.8 million and decreased in the business-type activities in the amount of almost \$500 thousand for combined total net pension liability debt increase of \$2.3 million.

**OVERVIEW OF FINANCIAL STATEMENTS**

The MD&A is intended to serve as an introduction to the City's basic financial statements, which include 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other required supplementary information. The basic financial statements include two types of statements reflecting different views of the City's financial activities; the government-wide financial statements, and the fund financial statements.

### Government-wide Financial Statements

The government-wide financial statements are intended to provide a comprehensive look at all financial activities of the City. These statements summarize the City's overall financial condition and contain both short-term and long-term information about the City's entity-wide finances, similar to a private-sector business. These statements combine and consolidate short-term, spendable resources with capital assets and long-term obligations.

The **Statement of Net Position** examines, on an entity-wide basis, the difference between the City's assets and deferred outflows, and its liabilities and deferred inflows, resulting in net position. Over time, increases or decreases in net position may indicate whether the City's financial position is improving or deteriorating. The purpose of this statement is to present the overall financial position of the City. There are other non-financial factors, such as the condition of public facilities, the timely investment in roads and infrastructure, and the level of maintenance funding that should be considered in evaluating the City's overall financial condition.

The **Statement of Activities** demonstrates how the City's net position changed as a result of the current year's activities. This statement reflects expenses for various programs and functions of the City, as offset by program revenue. Program revenues include fees, fines and charges for services, as well as operating grants, capital grants, and contributions. Revenues and expenses are reported when incurred, regardless of the timing of the related cash flows. Therefore, revenues and expenses may be reported in this statement for items that will result in cash flows in future periods.

Both of the government-wide financial statements distinguish functions of the City of Seward that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Seward include general government, public safety, public works, parks and recreation, library/museum, the Seward Community Health Center (clinic) and the Alaska Sealife Center. The business-type activities of the City include the hospital and long-term care facilities (healthcare facilities), harbor, marine industrial center, electric, water, wastewater, and parking. The government-wide financial statements can be found on pages 17-19 of this report.

### Fund Financial Statements

*Fund financial statements* focus on specific areas of City operations and provide more detail than the government-wide statements. A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or purposes. The City of Seward, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with legal requirements. The funds of the City of Seward are divided into three categories: governmental funds, proprietary funds, and fiduciary funds, each of which is further described below.

### Governmental Funds

*Governmental Funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, which provide a broad overview and include short-term and long-term information, the governmental funds' financial statements focus on near-term inflows and outflows of resources, and on the balance of spendable resources available at the end of the year. Such information is useful in evaluating a government's near-term financing requirements.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds, with similar information presented for governmental activities in the government-wide financial statements. Such a comparison enables the reader to better understand the long-term impact of a government's near-term financing decisions. The Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*.

The City of Seward maintains twelve individual governmental funds. The General Fund is the only Major Governmental Fund presented as a distinct column on the Governmental Funds Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances, with the other eleven governmental funds aggregated and shown in the Non-major Funds column on these same two statements. Individual fund information for the non-major governmental funds is provided in the form of *combining statements* elsewhere in this report (see pages 82-85).

The City of Seward adopts a 2-year budget for the General Fund. A budgetary comparison statement (page 68) demonstrates compliance with the budget, and a list of budgetary highlights is found later in this document. The basic governmental fund financial statements are found on pages 19-23 of this report.

**Proprietary Funds**

The City of Seward maintains two types of proprietary funds; enterprise funds and internal service funds. Enterprise funds are used to report the same functions identified as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for healthcare facilities (Providence Seward Medical & Care Center), harbor, Seward Marine Industrial Center, electric utility, water utility, wastewater utility, and parking operations. Information for each of these funds is presented in the individual fund statements found on pages 24-28 and 86-88 of this report.

Internal service funds accumulate and allocate costs internally among the various functions of the City. The City utilizes two internal service funds to account for its motor pool equipment replacement program and compensated annual leave resources. The motor pool benefits both the governmental and business-type functions. As a result, its activities have been allocated among both the governmental and business-type activities in the government-wide financial statements. Accrued leave that is earned in the governmental funds is accounted for in the Compensated Annual Leave Internal Service Fund. Individual fund data for the internal service funds can be found on pages 89-91 of this report.

**Notes to the Basic Financial Statements**

The notes provide additional information essential to a complete understanding of the data in the government-wide and fund financial statements. The notes can be found on pages 29-67 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report presents certain *required supplementary information* on the City's retirement plans on pages 69-75 of this report.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

*For the year ended December 31, 2021*

City of Seward

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Position**

At December 31, 2021, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$206.1 million. A significant portion of the City's net position (77%) reflects its investment in capital assets, less any outstanding debt used to acquire those assets. Capital assets are not liquid and are not available for future spending. Since the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The following table provides a summary of the City's net position:

**Table 1  
Statement of Net Position  
As of December 31, 2020 and 2021**

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>
Current and other assets	14,486,644	20,424,224	46,358,078	53,554,347	60,844,722	73,978,571
Capital assets	<u>55,427,538</u>	<u>53,189,682</u>	<u>133,994,268</u>	<u>129,327,007</u>	<u>189,421,806</u>	<u>182,516,689</u>
Total assets	<u>69,914,182</u>	<u>73,613,906</u>	<u>180,352,346</u>	<u>182,881,354</u>	<u>250,266,528</u>	<u>256,495,260</u>
Deferred outflows	<u>897,628</u>	<u>597,589</u>	<u>1,971,413</u>	<u>1,742,204</u>	<u>2,869,041</u>	<u>2,339,793</u>
Total assets & deferred outflows	<u>70,811,810</u>	<u>74,211,495</u>	<u>182,323,759</u>	<u>184,623,558</u>	<u>253,135,569</u>	<u>258,835,053</u>
Long-term liabilities outstanding	12,338,974	10,612,175	26,500,379	26,263,784	38,839,353	36,875,959
Other liabilities	<u>2,062,236</u>	<u>1,751,398</u>	<u>13,551,607</u>	<u>8,706,302</u>	<u>15,613,843</u>	<u>10,457,700</u>
Total liabilities	<u>14,401,210</u>	<u>12,363,573</u>	<u>40,051,986</u>	<u>34,970,086</u>	<u>54,453,196</u>	<u>47,333,659</u>
Deferred inflows	<u>437,723</u>	<u>4,071,795</u>	<u>265,708</u>	<u>1,284,416</u>	<u>703,431</u>	<u>5,356,211</u>
Total liabilities & deferred inflows	<u>14,838,933</u>	<u>16,435,368</u>	<u>40,317,694</u>	<u>36,254,502</u>	<u>55,156,627</u>	<u>52,689,870</u>
Net position:						
Net investment in capital assets	49,807,351	47,873,119	110,855,782	111,642,392	160,663,133	159,515,511
Restricted	-	-	2,289,905	2,036,464	2,289,905	2,036,464
Unrestricted	<u>6,165,526</u>	<u>9,903,008</u>	<u>28,860,378</u>	<u>34,690,200</u>	<u>35,025,904</u>	<u>44,593,208</u>
Total net position	<u>55,972,877</u>	<u>57,776,127</u>	<u>142,006,065</u>	<u>148,369,056</u>	<u>197,978,942</u>	<u>206,145,183</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2021

City of Seward

### Statement of Activities

The City's total revenues and expenses for governmental and business-type activities are reflected in the following table.

**Table 2**  
**Change in Net Position**  
**For the Years Ended December 31, 2020 and 2021**

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>
Revenues:						
Program revenues:						
Charges for services	1,562,508	2,670,162	43,100,085	51,292,519	44,662,593	53,962,681
Operating grants / contributions	9,443,898	3,166,769	741,425	1,673,325	10,185,323	4,840,094
Capital grants / contributions	3,512,787	1,763,029	-	388,239	3,512,787	2,151,268
General revenues:						
Sales taxes	3,805,487	6,861,114	-	-	3,805,487	6,861,114
Property taxes	1,564,692	1,636,727	-	-	1,564,692	1,636,727
Payments in lieu of tax	46,312	89,061	-	-	46,312	89,061
Other	<u>664,798</u>	<u>1,108,352</u>	<u>666,348</u>	<u>(104,961)</u>	<u>1,331,146</u>	<u>1,003,391</u>
Total revenues	<u>20,600,482</u>	<u>17,295,214</u>	<u>44,507,858</u>	<u>53,249,122</u>	<u>65,108,340</u>	<u>70,544,336</u>
Expenses:						
General government	1,431,168	2,682,966	-	-	1,431,168	2,682,966
Public safety	4,495,915	4,371,314	-	-	4,495,915	4,371,314
Public works	6,357,270	3,447,427	-	-	6,357,270	3,447,427
Parks and recreation	1,326,003	1,269,771	-	-	1,326,003	1,269,771
Library	836,239	881,107	-	-	836,239	881,107
Clinic	2,496,024	2,121,653	-	-	2,496,024	2,121,653
Unallocated interest	215,476	171,623	-	-	215,476	171,623
Alaska Sealife Center	1,400,374	1,396,490	-	-	1,400,374	1,396,490
Community support	5,081,737	-	-	-	5,081,737	-
Electric	-	-	11,680,216	12,435,907	11,680,216	12,435,907
Water	-	-	1,334,374	1,398,746	1,334,374	1,398,746
Wastewater	-	-	1,112,963	1,305,684	1,112,963	1,305,684
Harbor	-	-	3,779,722	3,689,010	3,779,722	3,689,010
SMIC	-	-	1,411,205	2,212,217	1,411,205	2,212,217
Healthcare Facilities	-	-	22,474,188	24,903,943	22,474,188	24,903,943
Parking	-	-	<u>83,994</u>	<u>90,237</u>	<u>83,994</u>	<u>90,237</u>
Total expenses	<u>23,640,206</u>	<u>16,342,351</u>	<u>41,876,662</u>	<u>46,035,744</u>	<u>65,516,868</u>	<u>62,378,095</u>
Change in net position before transfers	(3,039,724)	952,863	2,631,196	7,213,378	(408,528)	8,166,241
Transfers	<u>1,444,406</u>	<u>850,387</u>	<u>(1,444,406)</u>	<u>(850,387)</u>	-	-
Change in net position	<u>(1,595,318)</u>	<u>1,803,250</u>	<u>1,186,790</u>	<u>6,362,991</u>	<u>408,528</u>	<u>8,166,241</u>
Beginning net position, as previously stated	57,548,669	55,972,877	140,819,275	142,006,065	198,367,944	197,978,942
Cumulative effect of a change in accounting principal	<u>19,526</u>	-	-	-	<u>19,526</u>	-
Beginning net position, as Restated	<u>57,568,195</u>	<u>55,972,877</u>	<u>140,819,275</u>	<u>142,006,065</u>	<u>198,387,470</u>	-
Ending net position	<u>55,972,877</u>	<u>57,776,127</u>	<u>142,006,065</u>	<u>148,369,056</u>	<u>197,978,942</u>	<u>206,145,183</u>

# MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2021

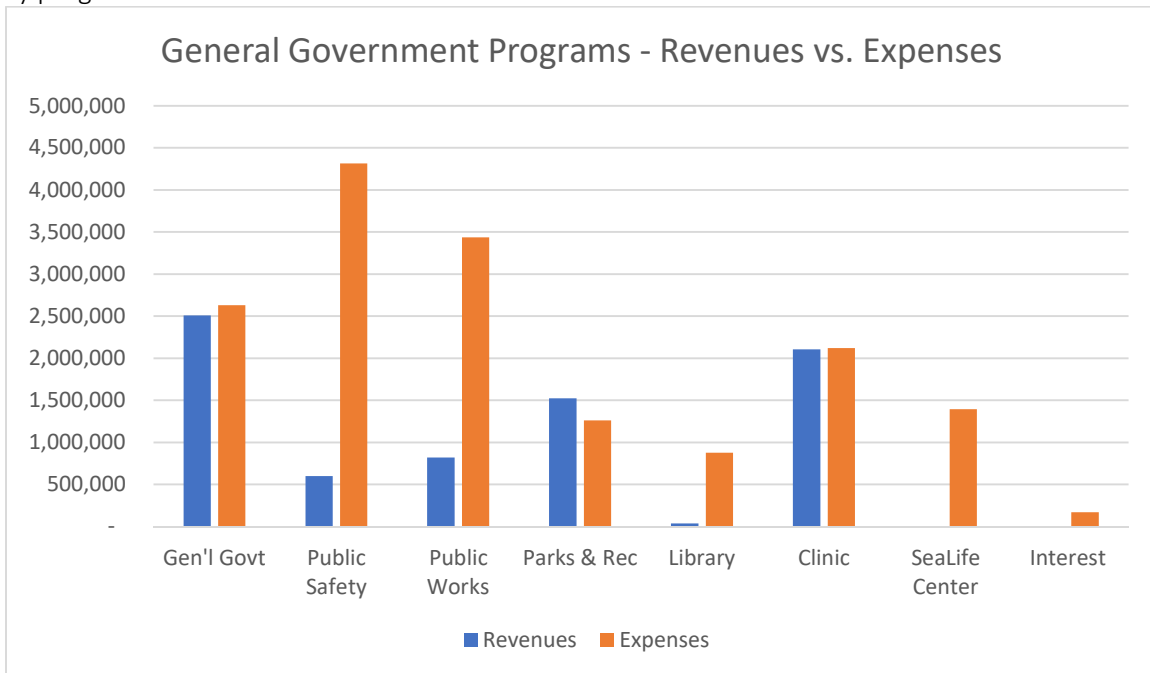
City of Seward

## Governmental Activities

The City of Seward's net position in Governmental activities increased by \$1.8 million. The following items are of particular note:

- Overall revenues for governmental activities were down by \$3.3 million or 16% compared with the prior year, due to a large influx of COVID-19 related grant revenue in 2020 that was not repeated in 2021.
- Overall expenses were down by \$7.3 million or 31% primarily due pass-thru payment expenses of COVID-19 grant funds to businesses and non-profits paid out in 2020.
- Sales tax revenue increased by \$3 million or 80% due to a bounce back in activity after COVID-19 restrictions were loosened.
- The City does not generate sufficient tax revenues to cover depreciation on general government assets. To replace capital assets in the future, the City will need to rely on external financing sources such as grants, or incurring debt to finance construction.

The following graph reflects the revenues and expenses associated with each of the general government's primary programs:



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**Business-type Activities**

Business-type activities increased the net position of the City by \$6.4 million. As is the case with governmental activities, a substantial portion (75%) of the \$148.4 million in net position is invested in capital assets. The increase in net position is comprised of the following:

Net position decreased in three major enterprise funds: Harbor Enterprise Fund by \$.2 million; Seward Marine Industrial Center Fund by \$1.5 million; and Electric Enterprise Fund by \$.9 million. Net position increased in one major enterprise fund - Healthcare Facilities Enterprise Fund by \$6.7 million. Overall net position in Non-Major Enterprise Funds increased by \$1.8 million.

- The Electric Enterprise Fund experienced earnings from operations of \$0.3 million, a decrease of \$0.1 million from the prior year. Operating revenues were \$0.7 million higher than the prior year and operating costs were up similarly by \$0.7 million. The operating performance was impacted by a net decrease of \$0.2 million in investment income and an increase of \$.4 million in transfers out.
- The net decrease in Seward Marine Industrial Center (SMIC) net position of \$1.5 million is a result of a net operating loss of \$1.4 million which was driven by an increase of depreciation expense of \$0.8 million over 2020 due to the \$26 million expansion project coming online and being depreciated for the first time in 2021.
- The net increase in Healthcare Facilities Enterprise Fund net position of \$6.7 million is mainly result of positive operating income of \$4.3 million and net operating transfer-in in the amount of \$1.6 million. Due to those factors, Healthcare Facilities Enterprise Funds presents positive net position at the end of 2021 in the amount of \$12.1 million compared to \$5.4 million in 2020.
- The net decrease in Harbor Enterprise Fund net position of \$0.1 million results from a combination of a net income from operations of \$0.1 million and nonoperating loss with transfers of \$0.2 million. The Harbor saw an increase of \$0.6 million in operating revenues and a decrease of \$0.1 million in operating expenses. The Harbor Enterprise Fund ended the year with a cash balance of \$6.5 million, but the amount of cash set aside for debt service reserves is \$0.7 million.
- Other non-major enterprise funds experienced the following: 1) increase in Parking Enterprise Fund net position of \$0.3 million; 2) an increase in Wastewater Enterprise Fund net position of \$0.7 million; and 3) an increase in Water Enterprise Fund net position of \$0.8 million. The increase in Water and Wastewater net position are primarily due to one time ARPA funds received.

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS****Governmental Funds**

The City of Seward's governmental funds focus on near-term inflows, outflows, and balances of spendable resources; long-term capital assets and long-term debt are not displayed on the governmental funds' individual fund financial statements. This focus on near-term inflows and outflows assesses whether the City is generating sufficient revenues in the current year to pay current-year obligations. However, it does not indicate whether there are sufficient funds available to cover long-term operations. The level of *unassigned fund balance* is an important indicator of net resources available for spending at the end of the year.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2021

City of Seward

At the end of the year, the City of Seward's governmental funds reported combined ending fund balances of \$14.2 million. Of this amount: \$0.5 million is *nonspendable* (prepaid items); none is currently *restricted*; \$2.0 has been *committed* by the City Council for working capital and the hospital line of credit; \$.6 million has been *assigned* by the administration for payment of insurance; and \$8.5 million is *unassigned*, and legally available for spending. These classifications of fund balance promulgated in GASB Statement No. 54, reflect efforts to create a hierarchy of fund balance to enable the reader of the financial statements to understand the extent to which fund balance reserves are available for spending. The hierarchy lists, in order, the least spendable to the most spendable fund balance; first are resources which are not available for spending (*nonspendable*), then resources which are restricted by legislation or external agencies (*restricted*), next resources which the City Council has *committed* to spend for a specific purpose by way of enabling legislation, and then resources which have been *assigned* for a specific use but don't meet the definition of *restricted* or *committed*, and finally, the *unassigned* fund balance which remains available for spending. Fund balances in the governmental funds increased by \$2.6 million

The overall net increase in fund balance is due to the following:

### General Fund

General Fund revenues were \$2.0 million higher than expenditures, but after subtracting net transfers out of \$0.6 million, fund balance increased by \$1.4 million. General Fund revenues came in \$5.3 million higher than in 2020, mainly due to the return of tourism activity and a large increase in sales tax revenues. This was partially offset by expenditures, which came in \$2.8 million higher.

The General Fund's fund balance must be able to meet unforeseen needs and emergencies as well as future spending needs. The City's fund balance policy is to maintain *unassigned fund balance* equal to between three to six-months' expenditures and routine transfers-out to other funds. The General Fund unassigned fund balance at the end of 2021 is \$8.5 million, equal to approximately 7.7 months' reserves, up from 7.4 months at the end of 2020. In the City's case, an adequate level of fund balance is between \$3.2 million and \$6.5 million, which results in the General Fund currently being on the high end of the range of the desired level of unassigned fund balance.

### Special Revenue Funds

Special revenue funds experienced a decrease in fund balance of \$4,610 in 2021, primarily due to the continuation of the Bus Transportation contract with no additional funding from CPV funds.

### Capital Project Funds

All capital project funds combined experienced a net increase in fund balance of \$1.2 million in 2021 due to new developer funding for future projects and a \$.5 million local grant. All project funds maintained a positive fund balance in 2021, as follows: Capital Acquisition Fund \$0.6 million; Street and Sidewalks Fund \$0.07 million; Energy Efficiency Fund \$0.1 million; Utility improvement \$0.2 million; Animal Shelter Fund \$0.8 million; developer reimbursement \$0.8 million, and Jesse Lee Home \$.04 million.

**Proprietary Funds**

The City of Seward maintains two types of proprietary funds; enterprise funds and internal service funds. The City's seven enterprise funds (healthcare facilities, harbor, electric, water, wastewater, parking, and SMIC) report the same functions presented as business-type activities in the government-wide financial statements, but individual fund statements are presented in more detail. Enterprise funds reported total net position of \$142.6 million with \$109.7 million invested in capital assets net of related debt, leaving unrestricted net position of approximately \$30.9 million, and restricted net position of \$2.0 million. Of the unrestricted net position, \$6.0 million is restricted cash (bond reserve funds, bond proceeds, etc.) not available for appropriation, and current liabilities total \$10.6 million. The most material current liability is \$2.2 million due to the Healthcare Enterprise Fund to Providence Health and Services. More specific factors influencing net position of the enterprise funds are addressed above in the discussion of the City's business-type activities.

The City maintains two internal service funds; the motor pool and compensated annual leave funds. The Motor Pool Internal Service Fund accumulates cash for replacement of City vehicles and heavy equipment. Departments contribute to the motor pool to purchase vehicles and pay into the motor pool to forward-fund vehicle replacement. This funding mechanism spreads the vehicle costs over the life of the vehicle in each program's annual budget, rather than incur one-time expenses in the year of vehicle/equipment purchases. The cash balance in the motor pool is \$3.7 million, reflecting an increase of \$0.6 million. However, the Motor Pool maintains outstanding loans receivable from the Healthcare Facilities Enterprise Fund of \$0.4 million related to the payoff of prior hospital PERS liabilities. The Compensated Annual Leave Fund accumulates cash reserves to pay annual leave cash-outs for governmental funds. The balance of cash in this fund at the end of 2021 is \$0.4 million.

**General Fund *Budgetary* Highlights**

On a budgetary basis, General Fund revenues came in \$2,050,085 or 16% higher than budget primarily due to substantial increase in sales tax revenue. Intergovernmental revenues were below budget by \$1,207,364, investment income was lower by \$132,308, charges for services were lower by \$322,748, and licenses and permits by \$27,514. Taxes came in over budget by \$2,843,375, other revenue by \$891,336, and fines and bails \$5,308.

**General Fund *Actual* Highlights**

General Fund revenues exceeded expenditures by \$1,988,321, and after transfers between funds and the issuance of the 2021 refunding bonds were accounted for, there was a net increase in fund balance of \$1,359,184.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the year ended December 31, 2021

City of Seward

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of December 31, 2021, the City had \$182.5 million invested in capital assets net of accumulated depreciation, representing an overall decrease of \$6.9 million from the previous year.

	<b>City of Seward Capital Assets</b>					
	<b>(in thousands, net of depreciation)</b>					
	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>
Land and improvements	5,509	5,509	30,703	30,703	36,212	36,212
Buildings	36,939	34,614	17,008	15,113	53,947	49,727
Improvements other than buildings	10,804	10,985	33,993	30,848	44,797	41,833
Machinery and equipment	1,805	1,658	5,877	7,651	7,682	9,309
Infrastructure	-	-	46,052	44,060	46,052	44,060
Construction in progress	<u>370</u>	<u>424</u>	<u>361</u>	<u>952</u>	<u>731</u>	<u>1,376</u>
Total net capital assets	<u>55,427</u>	<u>53,190</u>	<u>133,994</u>	<u>129,327</u>	<u>189,421</u>	<u>182,517</u>

Additional information regarding the City of Seward's capital assets can be found in Footnote 5 on pages 41-43.

**Long-term Debt**

As of December 31, 2021, the City had total debt outstanding of \$34.28 million. Of this amount, \$4.66 million represents outstanding general obligation bonds backed by the full faith and credit of the City for construction of the library/museum and a road improvement bond. An additional \$20.5 million represents: revenue bonds backed by operating revenues from the harbor enterprise fund (\$1.8 million), the electric enterprise fund (\$4.4 million), and long-term care facility (\$14.3 million). The remaining debt represents water and wastewater loans (\$1.8 million), compensated absences (\$0.62 million) and net pension liabilities of \$6.6 million.

**Table 4**  
**City of Seward Outstanding Debt**  
**(in thousands)**

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>
General obligation bonds	5,620	5,317	-	-	5,620	5,317
Revenue bonds	-	-	23,906	22,090	23,906	22,090
Loans	-	-	2,000	1,802	2,000	1,802
Leases	-	-	-	385	-	385
Compensated absences	416	465	178	158	594	623
Net pension liability	<u>6,624</u>	<u>4,830</u>	<u>2,312</u>	<u>1,828</u>	<u>8,936</u>	<u>6,658</u>
Total outstanding debt	<u>12,660</u>	<u>10,612</u>	<u>28,396</u>	<u>26,263</u>	<u>41,056</u>	<u>36,875</u>

Further detail regarding the City's long-term outstanding debt can be found on pages 45-50.

**Economic Factors and Next Year's Budget and Rates**

The past several years have seen strong economic growth in Seward, interrupted in 2020 by the COVID-19 pandemic. This growth has been driven largely by increased visitors and expansion of marine repair-related business. Growth has positively impacted nightly lodging businesses, charter and tour boat operators, and local retailers, and has driven up the cost of residential homes. The downtown business district has seen more retail activity and aesthetic improvements to some store fronts. The harbor is bustling, and there is growing interest in land leases at the Seward Marine Industrial Center on the east side of Resurrection Bay.

The General Fund's primary source of revenue, sales tax, was greatly impacted in 2020 but saw a strong recovery in 2021 and shows promise to continue to be strong in the future. The City continues to be conservative with spending as the 2022 summer season progresses to see where sales tax and bed tax revenues come in and to deal with any lingering impacts of the COVID-19 pandemic. Based on 2021 sales tax numbers, Administration reduced the 2022 sales tax budget by \$400. Property tax revenues are budgeted to increase \$223,500 due to the increase in construction activity city-wide. Parks and recreation revenues are budgeted to increase nearly \$500 thousand, based solely on increased campground rates approved by council and continued increase in post COVID-19 activity.

On the General Fund cost side, expenditures were budgeted at \$12,870,049. The General Fund budget was balanced largely due to switching healthcare providers resulting in significant cost savings, and revenue enhancements (increased property, bed tax, and grant revenue due to steady increases in construction activity and Federal COVID-19 relief grant funds).

Tax rates are maintained at 2021 levels after the increase in property tax rates from 3.12 to 3.84 mills to cover a general obligation bond for community-wide road improvements. The City sales tax rate remains at 4.0% and the hotel/motel bed tax rate remains at 4.0%. The harbor tariffs include a 1.2% rate increase in 2021 and 1.2% in 2022, equal to the consumer price index for Anchorage averaged over the five previous full years.

The electric tariff rates resumed approved increases of 1.2% in 2021 and 2022. A seasonal rate was implemented to provide rate relief to year-round residents by increasing rates in the summer when residential consumption tends to be lower, and reducing rates in the winter. The City council is currently exploring options relating to the sustainability of the Electric fund and possible options of outsourcing these operations.

The water tariff increased 1.2% in 2021 as funds are needed to repay \$159K annual debt on the Third Avenue Water Main upgrade. In 2022, the tariff will also increase 1.2%. The department recently completed construction of a new 600,000-gallon water storage tank and is pursuing a water storage tank refurbishment in Lowell Canyon. The tank repair job is complicated by significant mill scale and minor lead on the exterior of the tank which will result in higher-than-expected project costs. The Water Fund has not contributed toward replacement of aging infrastructure in a number of years, as all funds are needed to cover new debt payments.

The wastewater tariff increased rates 1.2% in 2021 and 1.2% in 2022 with rate increases critical to the financial solvency of the Fund due to the unavoidable need to incur new debt related to the replacement of the two sewage lagoons in 2019, at an annual new debt service requirement of more than \$75,000 per year. These rate levels do not address critical or high-risk wastewater capital infrastructure needs.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

*For the year ended December 31, 2021*

City of Seward

In the future, enterprise fund tariffs are expected to provide annual incremental rate increases equal to the CPI, enabling them to keep pace with the increased cost of goods and services, preventing further erosion of financial stability of those Funds.

### **Requests for Information**

The City of Seward's financial statements and the accompanying information are designed to present users (citizens, taxpayers, elected officials, customers, investors, and creditors) with a general overview of the City's finances, and to demonstrate accountability to taxpayers and ratepayers. Questions concerning information in this report, or requests for additional information, can be addressed to the City of Seward, Attention: Finance Director, P.O. Box 167, Seward, Alaska 99664.

# **BASIC FINANCIAL STATEMENTS**

## Basic Financial Statements - Overview

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These financial statements provide a summary of the financial position and results of operations of all funds of the City, aggregated at the government-wide and the major fund level. The following statements are included in this section:

Government-wide - Statement of Net Position

Government-wide - Statement of Activities

Governmental Funds - Balance Sheet

Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position

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

Reconciliation of the Changes in Fund Balances of Governmental Funds to Statement of Activities

Proprietary Funds - Statement of Net Position

Proprietary Funds - Statement of Revenues, Expenses and Change in Net Position

Proprietary Funds - Statement of Cash Flows

Statement of Fiduciary Assets and Liabilities

Notes to Basic Financial Statements

## City of Seward, Alaska

## Statement of Net Position

<i>December 31, 2021</i>	Governmental Activities	Business-type Activities	Total
<b>Assets and Deferred Outflows of Resources</b>			
Cash and investments	\$ 14,437,852	35,102,151	49,540,003
Receivables, net of allowance for doubtful accounts:			
Taxes	947,732	-	947,732
Accounts	147,569	8,381,383	8,528,952
Grants, shared revenues, and loans	298,348	-	298,348
Accrued interest	36,074	-	36,074
Other	-	2,347,312	2,347,312
Prepaid items	545,560	7,076	552,636
Inventory	-	814,539	814,539
Restricted cash and investments	-	5,986,829	5,986,829
Other assets	-	70,000	70,000
Internal balances	268,512	(268,512)	-
Capital assets not being depreciated	5,933,284	31,655,074	37,588,358
Capital assets being depreciated, net of depreciation	47,256,398	97,671,933	144,928,331
Net pension and OPEB assets	3,742,577	1,113,569	4,856,146
<b>Total Assets</b>	<b>73,613,906</b>	<b>182,881,354</b>	<b>256,495,260</b>
<b>Deferred Outflows of Resources</b>			
Pension and OPEB related	597,589	127,622	725,211
Unamortized deferred loss on refunding	-	1,614,582	1,614,582
<b>Total Deferred Outflows of Resources</b>	<b>597,589</b>	<b>1,742,204</b>	<b>2,339,793</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 74,211,495</b>	<b>184,623,558</b>	<b>258,835,053</b>

(continued)



**City of Seward, Alaska**  
**Statement of Net Position, Continued**

<i>December 31, 2021</i>	Governmental Activities	Business-type Activities	Total
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 777,430	2,335,353	3,112,783
Payable to Providence Health and Services - Washington	-	2,222,000	2,222,000
Due to contractual agencies	-	581,000	581,000
Accrued payroll and related liabilities	404,236	1,269,491	1,673,727
Accrued interest	24,472	316,204	340,676
Other accrued liabilities	99,198	-	99,198
Customer deposits	15,060	474,656	489,716
Unearned revenue	431,002	1,507,598	1,938,600
<b>Noncurrent Liabilities</b>			
Due within one year:			
Accrued compensated absences	106,240	61,045	167,285
Lease liability	-	94,000	94,000
Notes payable	-	202,441	202,441
Bonds payable	215,000	1,490,000	1,705,000
Due in more than one year:			
Accrued compensated absences	358,905	97,033	455,938
Lease liability	-	291,000	291,000
Notes payable	-	1,599,911	1,599,911
Bonds payable	5,101,563	20,600,724	25,702,287
Net pension and OPEB liabilities	4,830,467	1,827,630	6,658,097
<b>Total Liabilities</b>	<b>12,363,573</b>	<b>34,970,086</b>	<b>47,333,659</b>
<b>Deferred Inflows of Resources</b>			
Pension and OPEB related	3,969,585	1,284,416	5,254,001
Unamortized deferred gain on refunding	102,210	-	102,210
<b>Total Deferred Inflows of Resources</b>	<b>4,071,795</b>	<b>1,284,416</b>	<b>5,356,211</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>16,435,368</b>	<b>36,254,502</b>	<b>52,689,870</b>
<b>Net Position</b>			
Net investment in capital assets	47,873,119	108,061,535	155,934,654
Restricted for commercial passenger vessel tax	-	2,036,464	2,036,464
Unrestricted	9,903,008	38,271,057	48,174,065
<b>Total Net Position</b>	<b>57,776,127</b>	<b>148,369,056</b>	<b>206,145,183</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 74,211,495</b>	<b>184,623,558</b>	<b>258,835,053</b>

See accompanying notes to basic financial statements.

## City of Seward, Alaska

## Statement of Activities

Year Ended December 31, 2021	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Fees, Fines & Charges for Services	Operating Grants & Contri- butions	Capital Grants & Contri- butions	Govern- mental Activities	Business- type Activities	
<b>Governmental Activities</b>							
General government	\$ 2,682,966	637,177	822,565	1,049,133	(174,091)	-	(174,091)
Public safety	4,371,314	490,060	111,413	-	(3,769,841)	-	(3,769,841)
Public works	3,447,427	27,571	81,049	713,896	(2,624,911)	-	(2,624,911)
Parks and recreation	1,269,771	1,500,354	22,496	-	253,079	-	253,079
Library	881,107	15,000	22,204	-	(843,903)	-	(843,903)
Clinic	2,121,653	-	2,107,042	-	(14,611)	-	(14,611)
SeaLife Center	1,396,490	-	-	-	(1,396,490)	-	(1,396,490)
Interest on long-term debt	171,623	-	-	-	(171,623)	-	(171,623)
<b>Total Governmental Activities</b>	<b>16,342,351</b>	<b>2,670,162</b>	<b>3,166,769</b>	<b>1,763,029</b>	<b>(8,742,391)</b>	<b>-</b>	<b>(8,742,391)</b>
<b>Business-type Activities</b>							
Electric	12,435,907	13,319,862	72,931	-	-	956,886	956,886
Water	1,398,746	2,389,549	22,174	-	-	1,012,977	1,012,977
Wastewater	1,305,684	2,102,861	20,587	-	-	817,764	817,764
Harbor	3,689,010	3,730,319	68,604	388,239	-	498,152	498,152
SMIC	2,212,217	781,863	11,029	-	-	(1,419,325)	(1,419,325)
Healthcare Facilities	24,903,943	28,537,000	1,478,000	-	-	5,111,057	5,111,057
Parking	90,237	431,065	-	-	-	340,828	340,828
<b>Total Business-type Activities</b>	<b>46,035,744</b>	<b>51,292,519</b>	<b>1,673,325</b>	<b>388,239</b>	<b>-</b>	<b>7,318,339</b>	<b>7,318,339</b>
<b>Total</b>	<b>\$ 62,378,095</b>	<b>53,962,681</b>	<b>4,840,094</b>	<b>2,151,268</b>	<b>(8,742,391)</b>	<b>7,318,339</b>	<b>(1,424,052)</b>
<b>General Revenues</b>							
Taxes:							
Sales taxes					6,861,114	-	6,861,114
Property taxes					1,636,727	-	1,636,727
Other taxes					713,633	-	713,633
Payment in lieu of taxes					89,061	-	89,061
Grants and entitlements not restricted to a specific purpose					444,556	-	444,556
Investment income (loss)					(49,837)	(104,961)	(154,798)
<b>Transfers</b>					<b>850,387</b>	<b>(850,387)</b>	<b>-</b>
<b>Total General Revenues and Transfers</b>					<b>10,545,641</b>	<b>(955,348)</b>	<b>9,590,293</b>
Changes in net position					1,803,250	6,362,991	8,166,241
<b>Net Position, beginning of year</b>					<b>55,972,877</b>	<b>142,006,065</b>	<b>197,978,942</b>
<b>Net Position, end of year</b>					<b>\$ 57,776,127</b>	<b>\$148,369,056</b>	<b>\$ 206,145,183</b>

See accompanying notes to basic financial statements.

## City of Seward, Alaska

## Governmental Funds

## Balance Sheet

<i>December 31, 2021</i>	General Fund	Nonmajor Funds	Total Governmental Funds
<b>Assets</b>			
Cash and investments	11,307,444	2,665,263	13,972,707
Receivables, net of allowance for doubtful accounts:			
Taxes	947,732	-	947,732
Accounts	147,569	-	147,569
Grants, shared revenues, and loans	59,981	238,367	298,348
Accrued interest	36,074	-	36,074
Prepaid items	545,560	-	545,560
<b>Total Assets</b>	<b>\$ 13,044,360</b>	<b>2,903,630</b>	<b>15,947,990</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	518,919	258,511	777,430
Accrued payroll and related liabilities	404,236	-	404,236
Accrued liabilities	99,198	-	99,198
Deposits	15,060	-	15,060
Unearned revenue	423,453	7,549	431,002
<b>Total Liabilities</b>	<b>1,460,866</b>	<b>266,060</b>	<b>1,726,926</b>
<b>Fund Balances</b>			
Nonspendable:			
Prepaid items	545,560	-	545,560
Committed:			
Working capital	1,500,000	-	1,500,000
Hospital line of credit	500,000	-	500,000
Assigned:			
Insurance	575,000	-	575,000
Capital projects	-	2,645,898	2,645,898
Public works	-	2,150	2,150
Unassigned (deficit)	8,462,934	(10,478)	8,452,456
<b>Total Fund Balances</b>	<b>11,583,494</b>	<b>2,637,570</b>	<b>14,221,064</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 13,044,360</b>	<b>2,903,630</b>	<b>15,947,990</b>

See accompanying notes to basic financial statements.

**City of Seward, Alaska**  
**Reconciliation of Governmental Funds Balance Sheet**  
**to Statement of Net Position**

*December 31, 2021*

Total fund balances for governmental funds	\$	14,221,064
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:</p>		
Land	\$	5,509,589
Construction in progress		423,695
Buildings		70,654,374
Improvements other than buildings		29,294,548
Machinery and equipment		10,755,618
Accumulated depreciation		<u>(63,448,142)</u>
Total capital assets		53,189,682
<p>Other long-term assets are not available to pay for current period expenditures and therefore, are unavailable in the funds:</p>		
Proportionate share of the collective net OPEB assets		3,742,577
<p>Deferred outflows of resources related to pensions and OPEB liabilities (assets) are not deemed available to pay current period expenditures and therefore are not reported as governmental fund assets.</p>		
		597,589
<p>Deferred inflows of resources related to pensions and OPEB liabilities (assets) are not deemed available to pay current period expenditures and therefore are not reported as governmental fund liabilities.</p>		
		(3,969,585)
<p>An internal service fund is used by the City to charge the cost of accrued compensated absences for the governmental funds. The net position of the internal service fund attributable to governmental activities is included in the governmental column of the Statement of Net Position.</p>		
Net position related to governmental activities		268,512
Plus amount reported with long-term liabilities		<u>465,145</u>
		733,657
<p>Long-term liabilities are not deemed due and payable in the current period and therefore are not reported as governmental fund liabilities. These long-term liabilities consist of:</p>		
General obligation bonds payable	\$	<u>(4,660,000)</u>
Accrued interest on bonds		(24,472)
Unamortized bond premium		(656,563)
Deferred gain on refunding		(102,210)
Accrued compensated absences		-
Proportionate share of the collective net pension and OPEB liabilities		(465,145)
Total long-term liabilities	\$	<u>(10,273,712)</u>
		<u>(465,145)</u>
		(10,738,857)
<b>Total Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>57,776,127</u></b>

See accompanying notes to basic financial statements.

## City of Seward, Alaska

## Governmental Funds

## Statement of Revenues, Expenditures and Changes in Fund Balances

<i>Year Ended December 31, 2021</i>	General Fund	Nonmajor Funds	Total Governmental Funds
<b>Revenues</b>			
Taxes	\$ 9,326,027	-	9,326,027
Licenses and permits	116,886	-	116,886
Intergovernmental	1,239,768	3,180,175	4,419,943
Charges for services	3,639,583	-	3,639,583
Fines and bails	22,308	-	22,308
Investment income (loss)	(49,808)	(29)	(49,837)
Other revenues	917,436	748,841	1,666,277
<b>Total Revenues</b>	<b>15,212,200</b>	<b>3,928,987</b>	<b>19,141,187</b>
<b>Expenditures</b>			
Current:			
General government	4,480,785	83,801	4,564,586
Public safety	4,486,732	-	4,486,732
Public works	1,630,652	62,725	1,693,377
Parks and recreation	1,516,689	-	1,516,689
Library	616,045	-	616,045
Clinic	-	2,107,042	2,107,042
Debt service:			
Principal payments	230,000	-	230,000
Interest payments	211,404	-	211,404
Debt issuance costs	51,572	-	51,572
Capital outlay	-	1,970,121	1,970,121
<b>Total Expenditures</b>	<b>13,223,879</b>	<b>4,223,689</b>	<b>17,447,568</b>
Excess of revenues over (under) expenditures	1,988,321	(294,702)	1,693,619
<b>Other Financing Sources (Uses)</b>			
Proceeds from issuance of refunding debt	2,180,000	-	2,180,000
Premium on refunding debt	574,273	-	574,273
Payment to bond refunding escrow agent	(2,720,201)	-	(2,720,201)
Transfers in	2,286,776	1,513,596	3,800,372
Transfers out	(2,949,985)	-	(2,949,985)
<b>Total Other Financing Sources (Uses)</b>	<b>(629,137)</b>	<b>1,513,596</b>	<b>884,459</b>
<b>Change in Fund Balances</b>	<b>1,359,184</b>	<b>1,218,894</b>	<b>2,578,078</b>
<b>Fund Balances, beginning of year</b>	<b>10,224,310</b>	<b>1,418,676</b>	<b>11,642,986</b>
<b>Fund Balances, end of year</b>	<b>\$ 11,583,494</b>	<b>2,637,570</b>	<b>14,221,064</b>

See accompanying notes to basic financial statements.

## City of Seward, Alaska

Reconciliation of Statement of Revenues, Expenditures and Change in  
Fund Balances of Governmental Funds to the Statement of Activities

Year Ended December 31, 2021

Net change in fund balances - total governmental funds		\$ 2,578,078
The change in net position reported for governmental activities in the Statement of Activities is different because:		
Governmental funds report capital outlays as expenditures. However, on the Statement of Activities, depreciation expense is recognized to allocate the cost of these items over their estimated useful lives. This is the amount by which depreciation (\$2,714,611) exceeded capital outlays (\$1,146,591).		
		(1,568,020)
Governmental funds report only the revenues from the sale of assets to the extent of proceeds received. In the Statement of Activities a gain or loss is reported for each sale. This is the net effect of transactions involving disposal of capital assets.		
Cost of disposed assets	\$ (1,119,263)	
Accumulated depreciation of disposed assets	<u>449,427</u>	(669,836)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the decrease in delinquent property taxes.		
		(18,489)
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 accrued interest payable	34,295	
Change in the proportionate share of the unfunded net pension and OPEB liabilities (assets)	<u>4,952,850</u>	4,987,145
Changes in deferred inflows and outflows of resources are the results of timing differences in the actuarial report and adjustments to reflect employee and non-employee contributions based on the measurement date.		
Change in deferred inflows and outflows of resources related to pension and OPEB liabilities (assets)		(3,831,901)
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:		
Issuance of long term debt	(2,754,273)	
Debt defeasement	2,720,201	
Principal repayments	230,000	
Bond premium amortization	<u>5,486</u>	201,414
An internal service fund is used by the City to charge the cost of vehicles and heavy equipment to individual funds. A portion of the net revenue of these activities is reported with governmental activities.		
		<u>124,859</u>
<b>Change in Net Position of Governmental Activities</b>		<b><u>\$ 1,803,250</u></b>

See accompanying notes to basic financial statements.

**City of Seward, Alaska**  
**Proprietary Funds**  
**Statement of Net Position**

December 31, 2021	Major Enterprise Funds				Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Electric	Harbor	SMIC	Healthcare Facilities			
<b>Assets and Deferred Outflows of Resources</b>							
<b>Current Assets</b>							
Cash and investments	\$ 8,056,461	2,209,152	225,871	12,529,783	8,360,953	31,382,220	4,185,076
Receivables, net of allowance for doubtful accounts:							
Accounts	1,488,226	122,777	41,215	6,395,000	334,165	8,381,383	-
Accrued interest	-	-	-	-	-	-	22,252
Interfund loans	-	-	-	-	-	-	76,324
Grants and loans	-	-	-	-	-	-	-
Other	680,423	1,657	132	510,000	1,155,100	2,347,312	-
Prepaid items	7,076	-	-	-	-	7,076	-
Inventory	721,247	-	-	-	93,292	814,539	-
Other assets	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>10,953,433</b>	<b>2,333,586</b>	<b>267,218</b>	<b>19,434,783</b>	<b>9,943,510</b>	<b>42,932,530</b>	<b>4,283,652</b>
<b>Noncurrent Assets</b>							
Restricted cash and investments	322,824	4,271,055	-	1,392,950	-	5,986,829	-
Other assets	-	-	-	70,000	-	70,000	-
Interfund loans, net of current portion	-	-	-	-	-	-	347,527
Property, plant and equipment:							
Capital assets not being depreciated	766,821	18,368,001	12,021,821	287,000	211,431	31,655,074	-
Capital assets being depreciated, net of depreciation	19,516,452	16,669,368	33,855,812	12,376,012	13,278,589	95,696,233	1,975,700
Net pension and OPEB assets	152,468	523,891	110,673	-	326,537	1,113,569	-
<b>Total Noncurrent Assets</b>	<b>20,758,565</b>	<b>39,832,315</b>	<b>45,988,306</b>	<b>14,125,962</b>	<b>13,816,557</b>	<b>134,521,705</b>	<b>2,323,227</b>
<b>Total Assets</b>	<b>31,711,998</b>	<b>42,165,901</b>	<b>46,255,524</b>	<b>33,560,745</b>	<b>23,760,067</b>	<b>177,454,235</b>	<b>6,606,879</b>
<b>Deferred Outflows of Resources</b>							
Related to pensions and OPEB	(4,625)	83,663	(6,704)	-	55,288	127,622	-
Unamortized deferred loss on refunding	355,358	80,879	-	1,178,345	-	1,614,582	-
<b>Total Deferred Outflows of Resources</b>	<b>350,733</b>	<b>164,542</b>	<b>(6,704)</b>	<b>1,178,345</b>	<b>55,288</b>	<b>1,742,204</b>	<b>-</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 32,062,731</b>	<b>42,330,443</b>	<b>46,248,820</b>	<b>34,739,090</b>	<b>23,815,355</b>	<b>179,196,439</b>	<b>6,606,879</b>

(continued)

**City of Seward, Alaska**  
**Proprietary Funds**  
**Statement of Net Position, continued**

December 31, 2021	Major Enterprise Funds				Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Electric	Harbor	SMIC	Healthcare Facilities			
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>							
<b>Current Liabilities</b>							
Accounts payable	\$ 786,191	169,162	5,826	1,270,000	38,293	2,269,472	65,881
Payable to Providence Health and Services - Washington	-	-	-	2,222,000	-	2,222,000	-
Due to contractual agencies	-	-	-	581,000	-	581,000	-
Accrued payroll and related liabilities	89,474	36,704	3,727	1,106,000	33,586	1,269,491	-
Accrued interest	64,354	21,213	-	238,256	14,633	338,456	-
Current portion:							
Accrued compensated absences	16,209	19,406	6,064	-	19,366	61,045	106,240
Bonds payable	190,000	350,000	-	950,000	-	1,490,000	-
Notes payable	-	-	-	-	202,441	202,441	-
Interfund loans	-	-	-	76,324	-	76,324	-
Customer deposits	431,756	25,600	17,300	-	-	474,656	-
Unearned revenue	-	560,204	27,394	920,000	-	1,507,598	-
Lease liability	-	-	-	94,000	-	94,000	-
<b>Total Current Liabilities</b>	<b>1,577,984</b>	<b>1,182,289</b>	<b>60,311</b>	<b>7,457,580</b>	<b>308,319</b>	<b>10,586,483</b>	<b>172,121</b>
<b>Noncurrent Liabilities, net of current portion</b>							
Accrued compensated absences	4,690	51,123	3,759	-	37,461	97,033	358,905
Lease liability	-	-	-	291,000	-	291,000	-
Bonds payable, including unamortized premium	4,430,183	1,690,859	-	14,479,682	-	20,600,724	-
Notes payable	-	-	-	-	1,599,911	1,599,911	-
Net pension and OPEB liability	714,954	662,370	-	-	450,306	1,827,630	-
Interfund loans	-	-	-	347,527	-	347,527	-
<b>Total Noncurrent Liabilities</b>	<b>5,149,827</b>	<b>2,404,352</b>	<b>3,759</b>	<b>15,118,209</b>	<b>2,087,678</b>	<b>24,763,825</b>	<b>358,905</b>
<b>Total Liabilities</b>	<b>6,727,811</b>	<b>3,586,641</b>	<b>64,070</b>	<b>22,575,789</b>	<b>2,395,997</b>	<b>35,350,308</b>	<b>531,026</b>
<b>Deferred Inflows of Resources</b>							
Related to pensions and OPEB	316,799	543,888	78,921	-	344,808	1,284,416	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>7,044,610</b>	<b>4,130,529</b>	<b>142,991</b>	<b>22,575,789</b>	<b>2,740,805</b>	<b>36,634,724</b>	<b>531,026</b>
<b>Net Position</b>							
Net investment in capital assets	16,341,272	33,767,587	45,877,633	(1,588,325)	11,687,668	106,085,835	1,975,700
Restricted for commercial passenger vessel tax	-	2,036,464	-	-	-	2,036,464	-
Unrestricted	8,676,849	2,395,863	228,196	13,751,626	9,386,882	34,439,416	4,100,153
<b>Total Net Position</b>	<b>25,018,121</b>	<b>38,199,914</b>	<b>46,105,829</b>	<b>12,163,301</b>	<b>21,074,550</b>	<b>142,561,715</b>	<b>6,075,853</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 32,062,731</b>	<b>42,330,443</b>	<b>46,248,820</b>	<b>34,739,090</b>	<b>23,815,355</b>	<b>6,606,879</b>	<b>6,606,879</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						5,807,341	
<b>Net Position of Business-type Activities</b>						<b>\$ 148,369,056</b>	

See accompanying notes to basic financial statements.



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

Year Ended December 31, 2021	Major Enterprise Funds				Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Electric	Harbor	SMIC	Healthcare Facilities			
<b>Operating Revenues</b>							
Charges for services	\$ 12,709,422	3,730,187	781,863	28,537,000	3,179,428	48,937,900	-
Vehicle rental and interfund charges	-	-	-	-	-	-	1,089,881
<b>Total Operating Revenues</b>	<b>12,709,422</b>	<b>3,730,187</b>	<b>781,863</b>	<b>28,537,000</b>	<b>3,179,428</b>	<b>48,937,900</b>	<b>1,089,881</b>
<b>Operating Expenses</b>							
Salaries and employee benefits	1,848,592	985,644	154,557	17,060,000	626,640	20,675,433	453,892
Services and supplies	7,513,240	813,430	165,574	4,096,000	880,922	13,469,166	14,339
Administration	1,422,088	320,588	241,902	1,586,460	472,920	4,043,958	-
Depreciation	1,606,346	1,527,006	1,650,184	1,509,124	796,304	7,088,964	343,840
<b>Total Operating Expenses</b>	<b>12,390,266</b>	<b>3,646,668</b>	<b>2,212,217</b>	<b>24,251,584</b>	<b>2,776,786</b>	<b>45,277,521</b>	<b>812,071</b>
Income (Loss) from Operations	319,156	83,519	(1,430,354)	4,285,416	402,642	3,660,379	277,810
<b>Nonoperating Revenues (Expenses)</b>							
Intergovernmental - PERS on-behalf	72,931	68,604	11,029	-	42,761	195,325	-
Intergovernmental - Provider relief fund	-	-	-	1,478,000	-	1,478,000	-
Interest income	-	-	-	-	-	-	22,252
Investment income (loss)	(24,538)	(13,691)	(979)	(29,576)	(36,177)	(104,961)	(16,268)
Salary credits - work orders	19,869	-	-	-	-	19,869	-
Supply credits - work orders	11,308	-	-	-	-	11,308	-
(Loss) on sale of capital assets	-	-	-	(71,045)	-	(71,045)	-
Interest expense	(166,769)	(70,380)	-	(571,314)	(27,828)	(836,291)	-
Other revenue (expenses)	579,263	132	-	(10,000)	1,743,787	2,313,182	438
<b>Total Nonoperating Revenues (Expenses)</b>	<b>492,064</b>	<b>(15,335)</b>	<b>10,050</b>	<b>796,065</b>	<b>1,722,543</b>	<b>3,005,387</b>	<b>6,422</b>
<b>Income (Loss) Before Contributions and transfers</b>	<b>811,220</b>	<b>68,184</b>	<b>(1,420,304)</b>	<b>5,081,481</b>	<b>2,125,185</b>	<b>6,665,766</b>	<b>284,232</b>
Capital contributions:							
State of Alaska	-	388,239	-	-	-	388,239	-
Transfers in	-	-	60,143	1,629,872	16,000	1,706,015	288,671
Transfers out	(1,739,989)	(609,379)	(136,648)	-	(359,057)	(2,845,073)	-
Change in net position	(928,769)	(152,956)	(1,496,809)	6,711,353	1,782,128	5,914,947	572,903
<b>Net Position, beginning of year</b>	<b>25,946,890</b>	<b>38,352,870</b>	<b>47,602,638</b>	<b>5,451,948</b>	<b>19,292,422</b>		<b>5,502,950</b>
<b>Net Position, end of year</b>	<b>\$ 25,018,121</b>	<b>38,199,914</b>	<b>46,105,829</b>	<b>12,163,301</b>	<b>21,074,550</b>		<b>6,075,853</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						448,044	
<b>Change in Net Position of Business-type Activities</b>						\$ 6,362,991	

See accompanying notes to basic financial statements.

**City of Seward, Alaska**  
**Proprietary Funds**  
**Statement of Cash Flows**

Year Ended December 31, 2021	Major Enterprise Funds				Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Electric	Harbor	SMIC	Healthcare Facilities			
<b>Cash Flows from (for) Operating Activities</b>							
Receipts from customers and users	\$ 12,507,845	3,666,678	798,325	24,425,999	2,026,587	43,425,434	-
Payments to suppliers	(8,278,167)	174,429	(309,449)	(5,208,460)	(867,250)	(14,488,897)	41,709
Payments to employees	(1,791,923)	(1,110,084)	(155,026)	(17,073,000)	(689,011)	(20,819,044)	(404,862)
Payments for interfund services used	(436,996)	(1,247,351)	(98,416)	-	(468,338)	(2,251,101)	-
Receipts from vehicle rentals and interfund charges	-	-	-	-	-	-	1,089,881
Receipts from other sources	-	-	-	-	-	-	843
<b>Net cash flows from (for) operating activities</b>	<b>2,000,759</b>	<b>1,483,672</b>	<b>235,434</b>	<b>2,144,539</b>	<b>1,988</b>	<b>5,866,392</b>	<b>727,571</b>
<b>Cash Flows from (for) Noncapital Financing Activities</b>							
Transfers in	-	-	60,143	1,629,872	16,000	1,706,015	288,671
Transfers out	(1,739,989)	(609,379)	(136,648)	-	(359,057)	(2,845,073)	-
Other nonoperating receipts	31,177	-	-	-	1,743,787	1,774,964	-
Provider relief funding received	-	-	-	277,000	-	277,000	-
Provider relief funding repaid	-	-	-	(2,019,000)	-	(2,019,000)	-
Interfund interest received	-	-	-	-	-	-	26,059
Interfund loan receipts	-	-	-	-	-	-	72,517
<b>Net cash flows from (for) noncapital financing activities</b>	<b>(1,708,812)</b>	<b>(609,379)</b>	<b>(76,505)</b>	<b>(112,128)</b>	<b>1,400,730</b>	<b>(1,106,094)</b>	<b>387,247</b>
<b>Cash Flows from (for) Capital and Related Financing Activities</b>							
Principal payments on long-term debt	(180,000)	(560,000)	-	(910,000)	(199,449)	(1,849,449)	-
Interest payments on long-term debt	(163,451)	(110,549)	-	(564,004)	(30,026)	(868,030)	-
Acquisition of property, plant and equipment	(514,502)	(467,588)	(3,204)	(919,980)	(9,802)	(1,915,076)	(490,512)
Principal payments on capital lease obligations	-	-	-	(46,000)	-	(46,000)	-
Capital contributions	-	388,239	-	-	-	388,239	-
Interfund principle payments	-	-	-	(72,517)	-	(72,517)	-
Interfund interest payments	-	-	-	(26,059)	-	(26,059)	-
<b>Net cash flows from (for) capital and related financing activities</b>	<b>(857,953)</b>	<b>(749,898)</b>	<b>(3,204)</b>	<b>(2,538,560)</b>	<b>(239,277)</b>	<b>(4,388,892)</b>	<b>(490,512)</b>
<b>Cash Flows from Investing Activities</b>							
Investment income received	(24,538)	(13,691)	(979)	(29,576)	(36,177)	(104,961)	(16,268)
<b>Net increase in cash and investments</b>	<b>(590,544)</b>	<b>110,704</b>	<b>154,746</b>	<b>(535,725)</b>	<b>1,127,264</b>	<b>266,445</b>	<b>608,038</b>
<b>Cash and Investments, beginning of year</b>	<b>8,969,829</b>	<b>6,369,503</b>	<b>71,125</b>	<b>14,458,458</b>	<b>7,233,689</b>	<b>37,102,604</b>	<b>3,577,038</b>
<b>Cash and Investments, end of year</b>	<b>\$ 8,379,285</b>	<b>6,480,207</b>	<b>225,871</b>	<b>13,922,733</b>	<b>8,360,953</b>	<b>37,369,049</b>	<b>4,185,076</b>
<b>Reconciliation of cash and investments to the Statement of Net Position:</b>							
Current assets	\$ 8,056,461	2,209,152	225,871	12,529,783	8,360,953	31,382,220	4,185,076
Noncurrent assets	322,824	4,271,055	-	1,392,950	-	5,986,829	-
<b>Total cash and investments</b>	<b>\$ 8,379,285</b>	<b>6,480,207</b>	<b>225,871</b>	<b>13,922,733</b>	<b>8,360,953</b>	<b>37,369,049</b>	<b>4,185,076</b>

(continued)

**City of Seward, Alaska**  
**Proprietary Funds**  
**Statement of Cash Flows, continued**

<i>Year Ended December 31, 2021</i>	Major Enterprise Funds				Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Electric	Harbor	SMIC	Healthcare Facilities			
Reconciliation of earnings (loss) from operations to net cash flows from (for) operating activities:							
Income (loss) from operations	\$ 319,156	83,519	(1,430,354)	4,285,416	402,642	3,660,379	277,810
Adjustments to reconcile earnings (loss) from operations to net cash flow from (for) operating activities:							
Depreciation	1,606,346	1,527,006	1,650,184	1,509,124	796,304	7,088,964	343,840
Other nonoperating revenues (expenses)	579,263	132	-	(10,000)	-	569,395	438
Noncash expense - PERS on-behalf	72,931	68,604	11,029	-	42,761	195,325	-
Increase (decrease) in allowance for doubtful accounts	-	8,284	-	385,000	(81)	393,203	-
(Increase) decrease in assets and deferred outflows of resources:							
Receivables	(836,802)	(64,718)	(13,632)	(3,816,001)	(1,152,760)	(5,883,913)	405
Prepaid expenses	(2,825)	-	-	-	-	(2,825)	-
Inventory	(50,080)	-	-	-	(6,872)	(56,952)	-
Other assets	-	-	-	(2,000)	-	(2,000)	-
Net pension and OPEB assets	(125,893)	(435,939)	(110,673)	-	(271,088)	(943,593)	-
Deferred outflows of resources - pension and OPEB	12,138	41,706	6,704	-	25,995	86,543	-
Increase (decrease) in liabilities and deferred inflows of resources:							
Accounts payable	273,070	61,096	(389)	644,000	25,126	1,002,903	56,048
Other payables	-	-	-	(158,000)	-	(158,000)	-
Accrued payroll and related liabilities	31,450	(17,235)	3,727	(13,000)	(471)	4,471	49,030
Accrued compensated absences	(2,367)	(19,999)	9,823	-	(7,546)	(20,089)	-
Customer deposits	55,962	(6,603)	2,700	-	-	52,059	-
Unearned revenue	-	(604)	27,394	(680,000)	-	(653,210)	-
Net pension and OPEB liabilities	(74,464)	(252,501)	-	-	(158,011)	(484,976)	-
Deferred inflows of resources - pension and OPEB	142,874	490,924	78,921	-	305,989	1,018,708	-
<b>Net Cash Flows from Operating Activities</b>	<b>\$ 2,000,759</b>	<b>1,483,672</b>	<b>235,434</b>	<b>2,144,539</b>	<b>1,988</b>	<b>5,866,392</b>	<b>727,571</b>

See accompanying notes to basic financial statements.

City of Seward, Alaska  
Notes to Basic Financial Statements  
December 31, 2021

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## 1. Summary of Significant Accounting Policies

### ***Reporting Entity***

The City of Seward, Alaska (the City) was incorporated June 1, 1912 as a home-rule city and operates under a Council-Manager form of government. The City provides the full range of municipal services as provided for by Alaska Statute. This includes police and fire protection, electric, water and wastewater services, library, parks and recreation, public improvements, planning and zoning, port and harbor, hospital and long-term care, and general administrative services.

The City reports the Providence Seward Medical Care Center (PSMCC) as an enterprise fund in accordance with the provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. In 2013, the City entered into a contractual agreement with a nonprofit organization as co-signees to a federally funded health clinic program. The nonprofit organization is legally separate and does not meet the criteria under GASB 61 for inclusion as a component unit. However, many activities associated with the clinic are reported in the SCHC Special Revenue Fund as the City is the named grantee on the primary operating grant.

The hospital and long-term care facilities (the PSMCC) are owned by the City of Seward. The facilities are managed by Providence Health & Services - Washington, a nonprofit corporation (the Corporation), under a management and operating agreement. Under the operating agreement, the Corporation is responsible for day to day management of the hospital and long-term care facilities in exchange for a management fee. All financial risks and rewards from the operations of the hospital and long-term care facilities accrue to the City. The City is responsible for debt obligations, including payment of revenue bonds through revenues generated at the PSMCC. The City pays for all capital costs of the healthcare facilities and is legally obligated to finance potential deficits.

### ***Government-Wide and Fund Financial Statements***

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are only reported in the fund financial statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely primarily on fees and charges to external parties.

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

Notes to Basic Financial Statements, Continued

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The remaining governmental and enterprise funds are being aggregated and reported as nonmajor funds. The internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements.

***Measurement Focus, Basis of Accounting and Financial Statement Presentation***

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the *accrual basis of accounting*. Revenues are recorded when transactions occur 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, pensions and other postemployment benefits 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue in the current period. Most other revenue items are considered to be measurable and available only when received by the government.

Notes to Basic Financial Statements, Continued

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

Major Governmental Funds:

The *General Fund* is the government's main operating fund. It accounts for all financial resources of the general government, except those required to be reported in another fund.

Major Proprietary Funds:

The *Electric Enterprise Fund* accounts for all activities related to the operation of the City's electric utility.

The *Harbor Enterprise Fund* accounts for the marine-related activities of the City's harbor.

The *Seward Marine Industrial Center (SMIC) Enterprise Fund* accounts for marine-related services on the east side of Resurrection Bay.

The *Healthcare Facilities Enterprise Fund* accounts for the healthcare facilities, local hospital and long-term care facilities.

The City also reports two Internal Service Funds which account for the activities relating to the City's motor pool activities of the other funds and compensated absences of the governmental funds. The Motor Pool Internal Service Fund reports revenues charged to the other funds based on rental fees and capital lease payments designed to cover the cost of the lease payments and to fund depreciation. The Compensated Absences Internal Service Fund accounts for the accrual and payment of compensated absences of the governmental activities.

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures / expenses during the reporting period. Actual results could differ from those estimates.

***Cash and Investments***

A central treasury is used to account for the City's cash and investments to maximize investment income. Investment income is allocated among the funds based on their respective cash balances. Investments are stated at fair value. For purposes of the statement of cash flows, the City has defined cash as demand deposits and all investments maintained in the cash management pool, regardless of maturity period, since various funds use the cash management pool essentially as a demand deposit account.

***Inventory***

Inventories are valued at the lower of cost or market in the proprietary funds. Cost is determined by the first-in, first-out method. The cost is recorded as an expenditure or expense at the time individual inventory items are consumed (consumption method).

***Restricted Assets***

Restricted cash and investments are held in the proprietary funds, and are restricted because their use is limited by bond covenant or grant agreements for the construction of capital assets.

***Accounts Receivable***

All trade and tax receivables are shown net of an allowance for uncollectible accounts, determined by historical experience. Ambulance receivable allowance is recorded at 30 percent, based on historical recoveries.

***Prepaid Items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Cost is recorded as an expenditure or expense as the prepayment is applied (consumption method).

***Interfund Balances***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "due to / from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

***Capital Assets***

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$2,500 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 acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. In the case of the initial capitalization of infrastructure assets, the City chose to include all such items, regardless of their acquisition date.

Notes to Basic Financial Statements, Continued

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

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

Capital assets reimbursed by outside entities, including granting agencies, are recorded as capital contributions in the enterprise funds.

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

<i>Assets</i>	<i>Years</i>
Buildings and improvements	20-40 years
Infrastructure	10-50 years
Machinery and equipment	3-8 years
Improvements other than buildings	3-40 years

***Accrued Compensated Absences***

The City allows employees to accumulate earned but unused vacation and sick leave benefits. All accrued compensated absences is accrued when incurred in the government-wide, proprietary fund, and governmental fund financial statements. Accrued compensated absences that is earned in the governmental funds is accounted for in the Compensated Absences Internal Service Fund.

***Long-term Debt***

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are amortized over the life of the bonds on a straight-line basis, which approximates the effective interest rate method. Bonds payable as reported include amounts of unamortized bond premiums or discounts.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issues are reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Principal payments on debt are reported as debt service expenditures.

***Fund Balance and Fund Balance Flow Assumptions***

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



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

*Restricted fund balance* - This classification reflects the constraints imposed on resources either externally by creditors, grantors, contributors, or laws or regulations of other governments; or 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 Council removes the specified use, also through resolution. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned fund balance* - This classification reflects the amounts constrained by the City’s “intent” to be used for specific purposes, but are neither restricted nor committed. City Resolution 2009- 131 delegates authority to assign fund balance to the City Manager and the Finance Director. Assigned fund balances, by default, 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.

***Net Position and Net Position Flow Assumptions***

Net position represents the residual interest in the City’s assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted and consists of three components: net investment in capital assets, restricted, and unrestricted net position. Net investment in capital assets includes capital assets, net of accumulated depreciation, reduced by outstanding debt incurred to acquire, construct, or improve those capital assets, excluding unexpended proceeds. The restricted category represents the balance of assets restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

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

***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 during the year. However, it is the City's policy to stop issuing purchase orders in early December. As a result, there are no outstanding encumbrances at December 31, 2021. Outstanding purchase orders, if any, at December 31, are cancelled and new ones are issued in the subsequent year.

***Unearned 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.

***Grant 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 "recognizable"; 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.

***Pension Plans***

With the exception of certain Electric Fund employees, substantially all other employees of the City participate in the Public Employees' Retirement System (PERS) administered by the State of Alaska. Certain Electric Fund employees participate in the International Brotherhood of Electrical Workers (IBEW) Defined Benefit Pension Plan.

***Pension and Other Postemployment Benefits (OPEB)***

For purposes of measuring the net pension and OPEB assets and liabilities, 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.

***Deferred Outflows of Resources and Deferred Inflows of Resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Generally, the City reports deferred charges on bond refunding and pension and OPEB related items as deferred outflows of resources. These items are amortized to expense over time.

In addition to the liabilities, the financial statements may also present deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until later. The City reports certain pension and OPEB related items as deferred inflows of resources. These items are amortized as a reduction of expense over varying periods of time based on their nature.

### ***Property Taxes***

Property taxes are liens on the assessed value of taxable property as of January 1. Pursuant to Alaska Statutes, the City establishes the mill rate and tax levy on or before June 15. The City is located within the Kenai Peninsula Borough, which acts as the City's agent in the billing and collection of property taxes. Tax bills for one-half of the taxes are mailed prior to July 1 and are payable on August 15; tax bills for the second-half of the taxes are mailed by October 1 and are payable on November 15. City property tax revenues are recognized in the fiscal year in which they are collectible and available (collected within sixty days after year-end) to finance expenditures of the fiscal year.

At December 31, any delinquent real and personal property taxes not currently available are reflected as deferred inflows of the General Fund. No amounts were reported as of December 31, 2021.

## **2. Stewardship, Compliance, and Accountability**

### ***Allocation of Sales Tax Revenues***

When the City transferred the operations of the Hospital to Providence Seward Medical and Care Center on July 1, 1996, the City agreed to allocate 1% of the sales tax for the benefit of the Hospital. During construction, the allocated sales tax was used to offset losses and transition costs. Subsequent to completion of the construction, the allocated sales tax has been used to fund the debt service on the Hospital general obligation bonds. Upon maturity of hospital bonds, sales tax revenues will be used to fund healthcare capital and operating costs, and debt service on long-term care facility bonds, if necessary. All sales tax revenue is recorded in the General Fund. The allocated portion is then transferred to the Healthcare Facilities Enterprise Fund for debt service.

## **3. Cash and Investments**

The City of Seward maintains a central treasury that is available for use by all funds. Each fund's portion of the central treasury is displayed on the balance sheet as "cash and investments" or in the case of "negative cash," is included in "due to other funds."

### ***Investments***

City statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper issued by corporations or businesses and having the highest rating of a nationally-recognized rating service and maturing within nine months, certificates of deposit insured by federal depository insurance or secured by eligible collateral held by a third party in the City's name, and investments through the Alaska Municipal League Investment Pool (AMLIP). The City's investment policy does not specify a maximum investment maturity, but the City generally invests funds for less than five years from the date of purchase. The City has complied with its investment policy throughout the year. The City's investments are recorded at fair value.

City of Seward, Alaska

Notes to Basic Financial Statements, Continued

The AMLIP is an external investment pool. Alaska Statute 37.23 establishes regulatory oversight of the Pool. The law sets forth numerous requirements regarding authorized investments and reporting. On a monthly basis the investments in the Pool are reviewed for fair value by an independent pricing service. The values of investments in the AML Pool are approximately equal to fair value.

*Reconciliation of Cash and Investment Balances*

The following is a reconciliation of the City's cash and investment balances to the financial statements as of December 31, 2021:

	Government-Wide Statement of Net Position
Cash and investments	\$ 49,540,003
Restricted cash and investments	5,986,829
<b>Total Cash and Investments</b>	<b>\$ 55,526,832</b>

As of December 31, 2021, the City had the following investments:

Investment	Fair Value	Investment Maturities (in Years)		
		Less than 1 year	1 to 5 years	Over 5 years
U.S. treasury securities (SLGS)	\$ 11,158,625	5,040,525	6,118,100	-
U.S. government bonds	5,225,965	-	5,225,965	-
<b>Total Subject to Interest Rate Risk</b>	<b>16,384,590</b>	<b>5,040,525</b>	<b>11,344,065</b>	<b>-</b>
<b>Carried at Amortized Cost</b>				
Pooled investments / AMLIP	11,281,400			
Certificates of deposit	12,874,089			
Money market account	3,209,973			
<b>Total Investments</b>	<b>43,750,052</b>			
Cash	11,776,780			
<b>Total Cash and Investments</b>	<b>\$ 55,526,832</b>			

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City of Seward, Alaska

Notes to Basic Financial Statements, Continued

***Fair Value Measurement***

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City's investments that are classified as Level 2 are valued using third party pricing models provided by brokerages. The City has the following recurring fair value measurements as of December 31, 2021:

	Total	Level 1	Level 2	Level 3
<b>Investments by fair value level:</b>				
U.S. treasury securities (SLGS)	\$ 11,158,625	-	11,158,625	-
U.S. government bonds	5,225,965	-	5,225,965	-
<b>Total investments at fair value</b>	<b>16,384,590</b>	<b>-</b>	<b>16,384,590</b>	<b>-</b>

<b>Investments measured at amortized cost:</b>	
Pooled investments / AMLIP	11,281,400
Certificates of deposit	12,874,089
Money market account	3,209,973
<b>Total investments at amortized cost</b>	<b>27,365,462</b>
<b>Total Investments</b>	<b>\$ 43,750,052</b>

***Restricted Cash and Investments***

The City maintains bond redemption and reserve accounts as required by bond covenants. The balances at December 31, 2021 are as follows:

Electric Enterprise Fund	\$ 322,824
Harbor Enterprise Fund	690,198
Healthcare Enterprise Facilities Fund	1,392,950

**Total Restricted for Bond Retirement** **\$ 2,405,972**

The City also includes in restricted cash and investments amounts that have been designated for capital projects. The total amount of restricted cash and investments that has been designated for capital projects follows:

Harbor Enterprise Fund	\$ 3,580,857
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*Custodial Credit Risk*

The fair value of the City's investments at year-end is shown below. GASB Statement 3, as amended by GASB Statement 40, establishes categories as an indication of the level of custodial credit risk involved in the investments. All of the City's remaining investments are in the category of least risk and include investments that are insured or registered in the City's name, or securities that are held by the City or its agent in the City's name. All of the United States treasury bills, treasury notes, and United States agency securities are held in custodial accounts in the U.S. Bank and Bank of New York Trust Departments and are recorded in the City's name, in accordance with safekeeping agreements. U.S. Bank and Bank of New York are not counter parties to security transactions. To limit exposure to custodial credit risk, City policy requires that all deposits and investments be fully insured or collateralized. As of December 31, 2021, \$947,000 of the Healthcare Facilities Enterprise Fund Cash balance attributable to PSMCC was subject to custodial credit risk.

*Interest Rate Risk*

The fair value of the City's fixed-income investments fluctuate in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in fair value of those investments. Fair values of interest rate-sensitive instruments may be affected by the creditworthiness of the issuer, prepayment options, relative values of alternative investments, the liquidity of the instrument, and other general market conditions. The City manages interest rate risk by allocating specific percentages of the portfolio over specified time periods, and generally holds investments for less than five years, which minimizes the sensitivity of fair value to changes in market interest rates. The City has no formal policy relating to a specific deposit or interest rate risk.

*Option Risk*

Option risk is the risk that an investment's counterparty may exercise a right embedded in the investment - an embedded option. The City invests in securities issued by U.S. government agencies that contain call provisions. The exercise of the call option by the counterparty occurs during times of declining interest rates; therefore the City is exposed to the risk of having to reinvest at a lower interest rate. In the table above, securities are categorized according to the final maturity, regardless of call option dates. If call options were exercised at the next possible call date, many of the callable securities would mature in less than one year.

*Concentration of Credit Risk*

The City's investment policy places no limit on the amount that can be invested in any one issuer. Approximately 5% of the total portfolio is held with the Federal Farm Credit Banks Funding Corporation, 5% is held with the Federal Home Loan Mortgage Corporation, and 6% is held by the Resolution Funding Corporation.

*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 U.S. Treasuries (SLGS) and Bond investments are rated AAA by Standard and Poor's. AMLIP investments are rated AAAM.

City of Seward, Alaska

Notes to Basic Financial Statements, Continued

At December 31, 2021, the City's investments in U.S. Treasuries (SLGS) and Bond investments implicitly guaranteed by the U.S. Government were rated AAA.

The City's investment policy specifies the types of investments that can be purchased in order to limit credit risk. The City may invest in obligations of the United States government, its agencies and instrumentalities; insured or collateralized certificates of deposit; savings accounts; collateralized repurchase agreements; commercial paper maturing within nine months issued by corporations having the highest rating of a national rating agency; bankers' acceptances; and the State investment pool. Credit risk is mitigated by limiting the eligible investment options.

**4. Accounts Receivable**

aggregate including applicable allowances for doubtful accounts, are as follows:

	Governmental Funds			Enterprise Funds	
	General Fund	Nonmajor Funds	Total Governmental Funds	Electric	Harbor
Receivables:					
Taxes	\$ 947,732	-	947,732	-	-
Accounts	147,569	-	147,569	1,558,989	162,773
Grants, shared revenues and loans	59,981	238,367	298,348	-	-
Accrued interest	36,074	-	36,074	-	-
Other	-	-	-	680,423	1,657
Gross receivables	1,191,356	238,367	1,429,723	2,239,412	164,430
Less: allowance for doubtful accounts	-	-	-	(70,763)	(39,996)
Net receivables	\$ 1,191,356	238,367	1,429,723	2,168,649	124,434

	Enterprise Funds				
	SMIC	Healthcare Facilities	Nonmajor Enterprise Funds	Total Enterprise Funds	Total Primary Government
Receivables:					
Taxes	\$ -	-	-	-	947,732
Accounts	41,215	8,447,000	349,910	10,559,887	12,885,960
Grants and shared revenues	-	-	-	-	298,348
Accrued interest	-	-	-	-	36,074
Other	132	510,000	1,155,100	2,347,312	2,347,312
Gross receivables	41,347	8,957,000	1,505,010	12,907,199	16,515,426
Less: allowance for doubtful accounts	-	(2,052,000)	(15,745)	(2,178,504)	(4,357,008)
Net receivables	\$ 41,347	6,905,000	1,489,265	10,728,695	12,158,418

City of Seward, Alaska

Notes to Basic Financial Statements, Continued

5. Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

Governmental Activities	Balance January 1, 2021	Additions and Reclassifications	Deletions and Reclassifications	Balance December 31, 2021
Capital assets not being depreciated:				
Land and land improvements	\$ 5,509,589	-	-	5,509,589
Construction in progress	370,275	481,391	(427,971)	423,695
Total assets not being depreciated	5,879,864	481,391	(427,971)	5,933,284
Capital assets being depreciated:				
Buildings and improvements	71,675,025	98,612	(1,119,263)	70,654,374
Improvements other than buildings	28,468,235	826,313	-	29,294,548
Machinery and equipment	10,587,372	168,246	-	10,755,618
Total assets being depreciated	110,730,632	1,093,171	(1,119,263)	110,704,540
Less accumulated depreciation for:				
Buildings and improvements	34,735,444	1,754,348	(449,427)	36,040,365
Improvements other than buildings	17,663,508	646,245	-	18,309,753
Machinery and equipment	8,784,006	314,018	-	9,098,024
Total accumulated depreciation	61,182,958	2,714,611	(449,427)	63,448,142
Total capital assets being depreciated	49,547,674	(1,621,440)	(669,836)	47,256,398
Governmental Activities Capital Assets, net	\$ 55,427,538	(1,140,049)	(1,097,807))	53,189,682

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City of Seward, Alaska

Notes to Basic Financial Statements, Continued

Business-type Activities	Balance January 1, 2021	Additions and Reclassifications	Deletions and Reclassifications	Balance December 31, 2021
Capital assets not being depreciated:				
Land and land improvements	\$ 30,703,256	-	-	30,703,256
Construction in progress	361,636	590,182	-	951,818
Total assets not being depreciated	31,064,892	590,182	-	31,655,074
Capital assets being depreciated:				
Buildings and improvements	37,201,367	901,774	(41,874)	38,061,267
Infrastructure	51,185,227	-	-	51,185,227
Improvements other than buildings	140,063,321	126,178	-	140,189,499
Machinery and equipment	29,713,568	1,218,454	(249,289)	30,682,733
Total assets being depreciated	258,163,483	2,246,406	(291,163)	260,118,726
Less accumulated depreciation for:				
Buildings and improvements	21,950,307	1,022,922	(25,125)	22,948,104
Infrastructure	5,133,702	1,991,365	-	7,125,067
Improvements other than buildings	106,070,650	3,271,210	-	109,341,860
Machinery and equipment	22,079,448	1,147,307	(194,993)	23,031,762
Total accumulated depreciation	155,234,107	7,432,804	(220,118)	162,446,793
Total capital assets being depreciated	102,929,376	(5,186,398)	(71,045)	97,671,933
Business-type Activities Capital				
Assets, net	\$ 133,994,268	(4,596,216)	(71,045)	129,327,007

\* The ending balances include \$8,535,955 and \$6,560,255 of equipment cost and accumulated depreciation, respectively, related to the Motor Pool Internal Service Fund.

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City of Seward, Alaska

Notes to Basic Financial Statements, Continued

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Depreciation for the year ended December 31, 2021 was charged to the functions as follows:

<b>Governmental Activities</b>		
General government	\$	81,904
Public safety		202,606
Public works		712,143
Parks and recreation		64,429
Library		242,428
Clinic		14,611
SeaLife Center		1,396,490
<b>Total Governmental Activities</b>	<b>\$</b>	<b>2,714,611</b>
<b>Business-type Activities</b>		
Electric	\$	1,606,346
Harbor		1,527,006
SMIC		1,650,184
Healthcare facilities		1,509,124
Water		417,881
Wastewater		353,183
Parking		25,240
In addition, depreciation on capital assets held by the City's Motor Pool internal service fund is charged to the various functions based on their usage of the assets.		343,840
<b>Total Business-type Activities</b>	<b>\$</b>	<b>7,432,804</b>

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City of Seward, Alaska

Notes to Basic Financial Statements, Continued

**6. Interfund Receivables, Payables and Transfers**

A schedule of interfund balances and transfers as of and for the year ended December 31, 2021, follows. Interfund balances typically result from short-term operating or capital advances. Transfers typically result from capital matching, operating subsidies, and payment in lieu of taxes.

**Transfers**

*From General Fund to:*

SMIC Enterprise Fund	\$ 60,143
Healthcare Facilities Enterprise Fund	1,629,872
Nonmajor Enterprise Funds	16,000
Nonmajor Governmental Funds	1,243,970

<b>Total transfers from General Fund</b>	<b>2,949,985</b>
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*From Electric Enterprise Fund to:*

General Fund	1,351,318
Motor Pool Internal Service Fund	288,671
Nonmajor Governmental Funds	100,000

*From Harbor Enterprise Fund to:*

General Fund	530,349
Nonmajor Governmental Funds	79,030

*From SMIC Enterprise Fund to:*

General Fund	136,648
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*From Nonmajor Enterprise Funds to:*

General Fund	268,461
Nonmajor Governmental Funds	90,596

<b>Total Transfers From Other Funds</b>	<b>\$ 5,795,058</b>
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The City has one outstanding interfund loan.

In 2006, the Motor Pool Internal Service Fund and the Electric Enterprise Fund issued interfund loans in the total amount of \$1,708,125 to the Healthcare Facilities Enterprise Fund for the purpose of paying the Seward General Hospital PERS unfunded pension liability. Repayment is scheduled over twenty years bearing interest at 5.25%. In 2016, the Electric Enterprise Fund portion of the loan was retired. At December 31, 2021 the outstanding balance of the loan is \$423,851 of which \$76,324 is presented as current. At December 31, 2021 \$22,252 of interest has been accrued on this loan.

City of Seward, Alaska

Notes to Basic Financial Statements, Continued

**7. Long-term Liabilities**

The following is a summary of long-term liability transactions of the City for the year ended December 31, 2021:

Governmental Activities	Balance at January 1, 2021	Additions	Retirements	Balance at December 31, 2021	Due Within One Year
General obligation bonds -					
\$3,480,000 2012 General Obligation bonds, due in annual installments of \$115,000 to \$240,000. Plus interest at 4.0% to 5.0% through July 1, 2036 December 1, 2036	\$ 2,780,000	-	2,780,000	-	-
\$2,890,000 2018 General Obligation bonds, due in annual installments of \$110,000 to \$200,000, plus interest at 2.5% to 5.0% through May 1, 2037	2,590,000	-	110,000	2,480,000	115,000
\$2,180,000 2021 General Obligation Refunding Bond, due in annual installments of \$100,000 to \$200,000, plus interest at 4.0% to 5.0% through December 1, 2036l	-	2,180,000	-	2,180,000	100,000
Net pension and OPEB liabilities	6,624,694	-	1,794,227	4,830,467	-
Accrued compensated absences	416,115	465,145	416,115	465,145	106,240
<b>Total Governmental Activities Long-term Liabilities</b>	<b>\$ 12,410,809</b>	<b>2,645,145</b>	<b>5,100,342</b>	<b>9,955,612</b>	<b>321,240</b>
Plus unamortized bond premium				656,563	
				<u>\$ 10,612,175</u>	

Liquidation of governmental accrued compensated absences is made by the Compensated Absences Internal Service Fund. All other debt service payments above are made by the General Fund.

City of Seward, Alaska

Notes to Basic Financial Statements, Continued

Business-type Activities	Balance at January 1, 2021	Additions	Retirements	Balance at December 31, 2021	Due Within One Year
Revenue bonds:					
\$17,135,000 refunding long-term care facility bonds, due in annual installments of \$870,000 to \$1,405,000, plus interest at 2.0% to 5.0% through August 1, 2033	\$ 15,210,000	-	910,000	14,300,000	950,000
\$5,045,000 refunding electric revenue bonds, due in annual installments of \$165,000 to \$330,000, plus interest at 2.0% to 5.0%, through August 1, 2038	4,565,000	-	180,000	4,385,000	190,000
\$1,055,000 refunding harbor revenue bonds, due in annual installments of \$200,000 to \$230,000, plus interest at 4.0%, through December 1, 2021	230,000	-	230,000	-	-
\$830,000 2014 A refunding harbor revenue bonds, due in annual installments of \$65,000 to \$100,000, plus interest at 5.0%, through April 1, 2025	465,000	-	85,000	380,000	90,000
\$2,575,000 2014 B refunding harbor revenue bonds, due in annual installments of \$210,000 to \$320,000, plus interest at 3.0% to 5.0%, through April 1, 2026	1,690,000	-	245,000	1,445,000	260,000
Notes payable:					
\$678,740 sewer note payable to State of Alaska Department of Environmental Conservation, due in annual installments of \$36,688 including interest at 1.5% through September 1, 2035	487,308	-	29,379	457,929	29,820

City of Seward, Alaska

Notes to Basic Financial Statements, Continued

Business-type Activities	Balance at January 1, 2021	Additions	Retirements	Balance at December 31, 2021	Due Within One Year
Notes payable, continued:					
\$620,047 sewer note payable to State of Alaska Department of Environmental Conservation, due in annual installments of \$35,944 including interest at 1.5% through September 11, 2035	\$ 479,602	-	28,749	450,853	29,181
\$2,652,849 water note payable to State of Alaska Department of Environmental Conservation, due in annual installments of \$156,844 including interest at 1.5% through April 1, 2027	1,034,891	-	141,321	893,570	143,440
Net pension and OPEB liabilities	2,312,606	-	484,976	1,827,630	-
Accrued compensated absences	178,167	158,078	178,167	158,078	61,045
Total Business-type Activities					
Long-term Liabilities	\$ 26,652,574	158,077	2,512,592	24,298,060	1,753,486
Plus unamortized bond premium				1,580,724	
				<u>\$ 25,878,784</u>	

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City of Seward, Alaska

Notes to Basic Financial Statements, Continued

Annual debt service requirements to maturity on the bonds and notes follow:

<i>General Obligation Bonds</i> Year Ending December 31,	<b>Governmental Activities</b>		
	Principal	Interest	Total
2022	\$ 215,000	196,481	411,481
2023	230,000	185,606	415,606
2024	235,000	175,544	410,544
2025	245,000	165,232	410,232
2026	255,000	152,856	407,856
2027-2031	1,465,000	581,636	2,046,636
2032-2036	1,815,000	246,931	2,061,931
2037	200,000	3,750	203,750
	\$ 4,660,000	1,708,036	6,368,036

<i>Revenue Bonds</i> Year Ending December 31,	<b>Business-type Activities</b>		
	Principal	Interest	Total
2022	\$ 1,490,000	757,806	2,247,806
2023	1,570,000	683,306	2,253,306
2024	1,635,000	604,806	2,239,806
2025	1,720,000	523,056	2,243,056
2026	1,700,000	432,256	2,132,256
2027-2031	7,530,000	1,473,695	9,003,695
2032-2036	4,220,000	378,425	4,598,425
2037-2038	645,000	34,125	679,125
	\$ 20,510,000	4,887,475	25,397,475

<i>Notes Payable</i> Year Ending December 31,	<b>Business- type Activities</b>		
	Principal	Interest	Total
2022	\$ 202,441	27,036	229,477
2023	205,477	24,000	229,477
2024	208,560	20,917	229,477
2025	211,689	17,788	229,477
2026	214,864	14,613	229,477
2027-2031	482,007	37,999	520,006
2032-2035	277,314	10,416	287,730
	\$ 1,802,352	152,769	1,955,121

## 8. Revenue Bond Requirements

### *Pledged Revenues*

The enterprise funds have pledged future customer revenues, net of specified operating expenses, to repay revenue bonds.

### *Electric Revenue Bonds*

The Electric Enterprise Fund has pledged future electric customer revenues, net of specified operating expenses, to repay Electric Enterprise Fund revenue bonds. Proceeds from the bonds provided financing for construction and other capital improvements. The bonds are payable solely from electric customer net revenues and are payable through 2038. The total principal and interest remaining to be paid on the bonds is \$5,803,075. Principal and interest paid for the current year and total customer net revenues were \$343,451 and \$2,511,404, respectively.

### *Harbor Revenue Bonds*

The Harbor Enterprise Fund has pledged future harbor customer revenues, net of specified operating expenses, to repay Harbor Enterprise Fund revenue bonds. Proceeds from the bonds provided financing for construction and other capital improvements. The bonds are payable solely from harbor customer net revenues and are payable through 2026. The total principal and interest remaining to be paid on the bonds is \$2,060,450. Principal and interest paid for the current year and total customer net revenues were \$670,459 and \$1,596,966, respectively.

### *Healthcare Revenue Bonds*

The Healthcare Enterprise Fund has pledged future healthcare customer revenues, net of specified operating expenses, to repay Healthcare Enterprise Fund revenue bonds. Proceeds from the bonds provided financing for construction and other capital improvements. The bonds are payable solely from healthcare customer net revenues and are payable through 2038. The total principal and interest remaining to be paid on the bonds is \$17,533,950. Principal and interest paid for the current year and total customer net revenues were \$1,474,004 and \$5,764,964, respectively.

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City of Seward, Alaska

Notes to Basic Financial Statements, Continued

**Revenue Requirements**

The Electric and Harbor revenue bonds also require that rates be maintained at a level that will produce net revenues after certain adjustments, equal to 1.3 and 1.2, respectively, times the amount required each year to pay the principal and interest. The City met these revenue requirements for both bonds in 2021. The bond coverage calculations are as follows:

***Electric Revenue Bonds***

Total revenues, excluding grants	\$	13,295,324
Total operating expenses, excluding depreciation		(10,783,920)

<b>Available for Debt Service</b>	<b>\$</b>	<b>2,511,404</b>
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Debt service payments:		
Principal	\$	180,000
Interest		163,451

<b>Total Debt Service Payments</b>	<b>\$</b>	<b>343,451</b>
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<b>Debt Coverage</b>	<b>7.31</b>
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***Harbor Revenue Bonds***

Total revenues, excluding grants	\$	3,716,628
Total operating expenses, excluding depreciation		(2,119,662)

<b>Available for Debt Service</b>	<b>\$</b>	<b>1,596,966</b>
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Debt service payments:		
Principal	\$	560,000
Interest		110,549

<b>Total Debt Service Payments</b>	<b>\$</b>	<b>670,549</b>
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<b>Debt Coverage</b>	<b>2.38</b>
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City of Seward, Alaska

Notes to Basic Financial Statements, Continued

**9. Fund Balances**

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

	General Fund	Nonmajor Funds	Totals
<b>Nonpendable:</b>			
Prepaid items	\$ 545,560	-	545,560
<b>Committed:</b>			
Working capital	1,500,000	-	1,500,000
Hospital line of credit	500,000	-	500,000
Total committed	2,000,000	-	2,000,000
<b>Assigned:</b>			
Insurance	575,000	-	575,000
Capital projects	-	2,645,898	2,645,898
Public works	-	2,150	2,150
Total assigned	575,000	2,648,048	3,223,048
Unassigned (deficit)	8,462,934	(10,478)	8,452,456
Total Fund Balances	\$ 11,583,494	2,637,570	14,221,064

A deficit of (\$10,478) exists in the Teen Council Special Revenue Fund as a result of the City transferring funds out of the fund to pay for Hoops for Seward. It is expected that this deficit will be eliminated through future revenues or transfers from the General Fund.

**10. Employee Retirement Systems and Plans**

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

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

City of Seward, Alaska

Notes to Basic Financial Statements, Continued

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

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

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

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

**Other Postemployment Benefit Plans (OPEB)**

*Occupational Death and Disability Plan (ODD)*

The Occupational Death and Disability Plan provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within the System. For the year ended December 31, 2021 the employer contribution rate is 0.31%.

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

Membership	PERS
Active plan members	24,481
Participating employers	151

City of Seward, Alaska

Notes to Basic Financial Statements, Continued

*Alaska Retiree Healthcare Trust Plan (ARHCT)*

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

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

*Retiree Medical Plan (RMP)*

The retiree medical plan provides major medical coverage to retirees of the DC plan. The plan is self-insured. Members are not eligible to use this plan until they have at least 10 years of service and are Medicare age eligible. For the year ended December 31, 2021 employer contributions were 1.07%. Membership in the plan consists of the following at June 30, 2021 (latest available report):

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

*Healthcare Reimbursement Arrangement Plan*

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

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

Notes to Basic Financial Statements, Continued

**Investments**

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

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

**Rate of Return**

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

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

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

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

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

Notes to Basic Financial Statements, Continued

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

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

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

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

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

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

City of Seward, Alaska

Notes to Basic Financial Statements, Continued

Employer Contribution rates for the year ended December 31, 2021 are as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
PERS:			
Pension	15.54%	21.27%	8.11%
OPEB	6.46%	8.84%	0%
Total PERS contribution rates	<u>22.00%</u>	<u>30.11%</u>	<u>8.11%</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 18.31%.

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

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

City of Seward, Alaska

Notes to Basic Financial Statements, Continued

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Total turnover	Based upon the 2013-2017 actual withdrawal experience.
Disability	Incidence rates based on 2013-2017 actual experience. Post-disability mortality in accordance with the RP-2014 disability table with MP-2017 generational improvement. Disabilities are assumed to be occupational 75% of the time for peace officers/firefighters, 40% of the time for others.
Retirement	Retirement rates based upon the 2013-2017 actual experience. Deferred vested members are assumed to retire at their earliest unreduced retirement date.
Marriage and age difference	Males are assumed to be three years older than their wives. Females are assumed to be two years younger than their husbands. For others, 75% of male members and 70% of female members are assumed to be married. For peace officers/firefighters, 85% of male members and 60% female members are assumed to be married.
Healthcare cost trend rates	Pre-65 medical: 6.5% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Prescription drugs: 7.5% grading down to 4.5% EGWP: 7.5% grading down to 4.5%.

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

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

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



Notes to Basic Financial Statements, Continued

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

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

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

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

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

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

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

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

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

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

City of Seward, Alaska

Notes to Basic Financial Statements, Continued

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

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

Employer contributions for the year ended December 31, 2021, were:

Pensions (DB)	Other Post-Employment Benefits (DB)	Total
\$ 716,692	170,648	887,340

**Public Employees Retirement Plans**

For the year ended December 31, 2021 the State of Alaska contributed \$455,867 (100% pension cost) on-behalf of the City, which has been recorded in the fund financial statements under the modified-accrual basis of accounting. In the government-wide financial statements the on-behalf contribution has been adjusted as of the measurement date June 30, 2021 to a total of (\$210,690), to represent the pension/OPEB expense attributable to the State under the full accrual basis of accounting.

City of Seward, Alaska

Notes to Basic Financial Statements, Continued

*Pension and OPEB Liabilities and Assets, Pension and OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and OPEB:* At December 31, 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:	<u>Pension</u>
City's proportionate share of the net pension liability	\$ 6,658,097
State's proportionate share of the net pension liability	<u>901,089</u>
Total	<u>\$ 7,559,186</u>
	<u>OPEB</u>
City's proportionate share of the ARHCT OPEB liability (asset)	\$ (4,678,439)
State's proportionate share of the ARHCT OPEB liability (asset)	<u>(610,964)</u>
Total	<u>\$ (5,289,403)</u>
City's proportionate share of the ODD OPEB liability (asset)	<u>\$ (112,865)</u>
City's proportionate share of the RMP OPEB liability (asset)	<u>\$ (64,842)</u>
Total City's share of net pension liabilities	<u>\$ 6,658,097</u>
Total City's share of net OPEB (assets)	<u>\$ (4,856,146)</u>

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

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

	<u>June 30, 2020</u> Measurement	<u>June 30, 2021</u> Measurement	<u>Change</u>
Pension	0.1512%	0.1815%	0.0303%
OPEB:			
ARHCT	0.1511%	0.1824%	0.0313%
ODD	0.2547%	0.2561%	0.0014%
RMP	0.2385%	0.2416%	0.0031%

City of Seward, Alaska

Notes to Basic Financial Statements, Continued

Based on the measurement date of June 30, 2021, the City recognized pension and OPEB expense of \$1,997,373 and (\$1,859,570), respectively, for the year ended December 31, 2021. At December 31, 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	\$ -	29,497
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	2,625,604
Changes in proportion and differences between City contributions and proportionate share of contributions	236,564	-
City contributions subsequent to the measurement date	381,526	-
Total	\$ <u>618,090</u>	<u>2,655,101</u>
	OPEB ARHCT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	49,131
Changes of assumptions	-	176,799
Net difference between projected and actual earnings on OPEB plan investments	-	2,189,259
Changes in proportion and differences between City contributions and proportionate share of contributions	-	31,020
City contributions subsequent to the measurement date	50,355	-
Total	\$ <u>50,355</u>	<u>2,446,209</u>

City of Seward, Alaska

Notes to Basic Financial Statements, Continued

	OPEB ODD	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	30,828
Changes of assumptions	-	857
Net difference between projected and actual earnings on OPEB plan investments	-	18,098
Changes in proportion and differences between City contributions and proportionate share of contributions	399	3,183
City contributions subsequent to the measurement date	7,766	-
Total	\$ <u>8,165</u>	<u>52,966</u>

	OPEB RMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,821	3,082
Changes of assumptions	20,154	38,536
Net difference between projected and actual earnings on OPEB plan investments	-	58,010
Changes in proportion and differences between City contributions and proportionate share of contributions	1,940	97
City contributions subsequent to the measurement date	21,686	-
Total	\$ <u>48,601</u>	<u>99,725</u>

\$381,526 and \$79,807 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 or as an increase to the net pension and OPEB assets in the year ended December 31, 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 December 31,	Pension	OPEB ARHCT	OPEB ODD	OPEB RMP
2022	\$ (403,089)	(769,825)	(10,152)	(15,649)
2023	(601,423)	(504,179)	(10,141)	(15,676)
2024	(650,573)	(541,383)	(10,331)	(16,262)
2025	(763,452)	(630,822)	(10,935)	(18,110)
2026	-	-	(5,692)	(1,973)
Thereafter	-	-	(5,316)	(5,140)
Total	\$ <u>(2,418,537)</u>	<u>(2,446,209)</u>	<u>(52,567)</u>	<u>(72,810)</u>

City of Seward, Alaska

Notes to Basic Financial Statements, Continued

For the year ended December 31, 2021, the City recognized \$1,086,737 and (\$44,037) 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:

	<u>1% Decrease (6.38%)</u>	<u>Current Rate (7.38%)</u>	<u>1% Increase (8.38%)</u>
Net pension liability	\$ 9,861,569	6,658,097	3,966,770
Net OPEB ARHCT liability (asset)	\$ (3,059,629)	(4,678,439)	(6,022,740)
Net OPEB ODD liability (asset)	\$ (108,074)	(112,865)	(116,681)
Net OPEB RMP liability (asset)	\$ 42,321	(64,842)	(145,782)

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

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Net OPEB ARHCT liability (asset)	\$ (6,180,107)	(4,678,439)	(2,866,316)
Net OPEB RMP liability (asset)	\$ (157,368)	(64,842)	61,231

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

*Plan Description and Funding Requirements.* Cities and Public Employers in the State of Alaska have a defined contribution retirement plan (PERS Tier IV) for new hires first enrolled on or after July 1, 2006. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plan noted above. The Administrator of the Plan is the Commissioner of Administration or the Commissioner's designee. Plan members make mandatory contributions of 8% of gross eligible compensation. This amount goes directly to the individual's account. State statutes require the employer to contribute 5% of employees' eligible compensation. Additionally, employers are required to contribute to OPEB (DB): 1.07% for the retiree medical plan (DB), 0.31% 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 \$327,646 for the year ended December 31, 2021, which included forfeitures of \$19,075 which have been applied as employer contributions.

## 11. International Brotherhood of Electrical Workers

### *Defined Benefit Plan*

Certain Electric Fund employees are members of the International Brotherhood of Electrical Workers (IBEW), and participate in a cost-sharing defined benefit plan, *the Alaska Electrical Pension Plan of the Alaska Electrical Pension Fund* (IEBW Plan). The Alaska Electrical Pension Trust (AEPT) Board of Trustees administers the IBEW Plan and has the authority to establish and amend benefit terms and approve changes in employer required contributions. Each year, AEPT issues annual financial reports that can be obtained by writing the plan administrator, Alaska Electrical Pension Trust, 2600 Denali Street, Suite 200, Anchorage, Alaska 99503. The City had six employees covered by the Plan as of December 31, 2021.

The IBEW Plan provides several levels of retirement benefits, including early retirement, normal retirement, late retirement, and disability retirement and includes several options for spouse participation and death benefits. The City contributes to the IBEW Plan for its covered employees according to the terms of its Agreement Covering Terms and Conditions of Employment (Agreement) with the IBEW Local 1547. The current Agreement became effective on July 1, 2019 and expires on June 30, 2022. The Agreement automatically renews for a period of one year from its expiration date and for successive periods of one year each thereafter for so long as there is no proper notification of an intent to negotiate a successor Agreement.

Employer contributions are determined from hours of work reported by participating employers and the contractual employer contribution rate in effect. The City's required contribution to the IBEW Plan for each hour for which compensation is paid to the employee for July 1, 2020 to June 30, 2021 was \$8.71 and July 1, 2021 to December 31, 2021 was \$8.96. The City's total employer contributions to the IBEW Plan for 2021 were \$127,768. These amounts are paid during the normal course of business in the month following each year end. The City is not subject to withdrawal penalties, nor are there any future minimum payments to the IBEW Plan required other than the contribution per hour compensated as required by the Agreement.

### *Defined Contribution Plan - Money Purchase Plan*

The Agreement requires employer contributions to be made in an amount of \$225 per month for eligible employees to the Alaska Electrical Workers Money Purchase Plan (Money Purchase Plan). The City's employer and employee contributions to the Money Purchase Plan during 2021 were \$16,200 and \$25,306, respectively. One hundred percent (100%) of the City's required contributions to the IBEW plans have been made through these contributions to the AETF.

## 12. Deferred Compensation Plan

The City offers its employees a voluntary 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. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The provisions of the Plan require that all assets and income of the Plan be held in trust for the exclusive benefit of participants and their beneficiaries.

### 13. Risk Management

The City faces a considerable number of risks of loss, including (a) damage to and loss of property and contents, (b) employee torts, (c) professional liability; i.e., errors and omissions, (d) environmental damage, (e) workers' compensation; i.e., employee injuries, and (f) medical insurance costs of employees.

The City is a member of the Alaska Municipal League Joint Insurance Association (JIA), a governmental insurance pool established by the Alaska Municipal League. The JIA provides the City coverage for property, including building and contents, automobiles, mobile equipment, data processing equipment and boiler and machinery; casualty, including general liability, public officials and employees liability, law enforcement professional liability, auto liability and employee benefit liability; workers' compensation, including employers liability; and commercial blanket bond. The City maintains supplemental marine insurance and firefighters group accident coverage with insurance companies placed through JIA. The City has no coverage for potential losses from environmental damages.

The 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 on each member's deposit contribution in comparison to the aggregate deposit contributions of all members. The Association made no supplemental assessments during the year ended December 31, 2021.

The JIA provides loss control services and conducts periodic inspections to ensure safe operations. The City has utilized an established safety committee to review and recommend safety policies and procedures for all departments. The City Council has committed a portion of the General Fund balance to meet potential losses not covered by insurance and insurance deductibles.

The City also participates in the Alaska Public Utilities Insurance Trust, which provides insurance coverage for employee health benefits. The Plan is a public entity risk pool in which risks are shared among the members. Stop loss insurance limits participants' liability for individual and aggregate claims.

There was no significant reduction in the City's major categories of risk insurance coverage from the prior year, and the amount of settlements for the past three fiscal years did not materially exceed the City's insurance coverage.

### 14. Commitments and Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the state and federal government. Any disallowed claims, including any amount already collected, could become a liability of the applicable funds.



Notes to Basic Financial Statements, Continued

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The City of Seward is the owner of the Alaska SeaLife Center (“Center”), which is operated on the City’s behalf by the Seward Association for the Advancement of Marine Science (“SAAMS”). The City is obligated to abide by provisions of the Cooperative Agreement (“Agreement”) between the City and the State of Alaska Department of Fish and Game, which served as a significant funding source for the construction of the Center. The City has passed most of its obligations for operating the Center on to SAAMS through a management and operating agreement (“Operating Agreement”), but the City ultimately remains responsible to ensure that provisions of the Agreement with the State are met. The Operating Agreement requires, in part, that SAAMS maintain sufficient termination fund reserves to enable the City to operate the facility for up to one full year in the event SAAMS is unable to meet its obligations under the Operating Agreement. The estimated costs of operating the Center for a full year are not easily measured based on imprecise definitions of the requirements, but could approach \$3 million per year. The Operating Agreement does not require SAAMS to maintain that level of reserves, and to the extent their termination fund reserve levels are inadequate, the City would be expected to cover any shortfall. Should the City be required to cover any shortfall, there could be a material adverse impact on the General Fund undesignated reserves.

Various other claims and lawsuits against the City are pending, but are either covered by insurance or are the types which are normal and reasonable in view of the City’s operations. City management believes the total amount of the liability, if any, which may arise from such claims and lawsuits beyond that which is covered by insurance would not have a material effect on the City’s financial condition or its ability to carry on its activities as now conducted.

## 15. 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 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 95 *Postponement of the Effective Dates of Certain Authoritative Guidance*. Effective immediately.
- GASB 96 *Subscription-Based Information Technology Arrangements*. Effective for fiscal years beginning after June 15, 2022.

## City of Seward, Alaska

### Notes to Basic Financial Statements, Continued

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- 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 Comprehensive 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.

GASB Statements No. 87, 91, 93, 94, 96, 98, 99, 100, and 101 are not expected to have any significant impact on the financial statements of the City.

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. 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. 95 provides temporary relief to governments in light of the COVID-19 pandemic. The effective dates of the following pronouncement are postponed by one year: GASB Statements No. 83, No. 84, No. 88, No. 89, No. 90, No. 91, No. 92, and No. 93. The effective date for GASB 87 has been postponed by 18 months.

GASB Statement No. 97 will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

## Required Supplementary Information

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**City of Seward, Alaska**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Original and Final Budget and Actual**

<i>Year Ended December 31, 2021</i>	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 7,828,635	6,482,652	9,326,027	2,843,375
Licenses and permits	144,400	144,400	116,886	(27,514)
Intergovernmental	891,074	2,447,132	1,239,768	(1,207,364)
Charges for services	3,184,931	3,962,331	3,639,583	(322,748)
Fines and bails	17,000	17,000	22,308	5,308
Investment income (loss)	81,500	82,500	(49,808)	(132,308)
Other	17,500	26,100	917,436	891,336
<b>Total Revenues</b>	<b>12,165,040</b>	<b>13,162,115</b>	<b>15,212,200</b>	<b>2,050,085</b>
<b>Expenditures</b>				
Current:				
General government	3,412,606	4,695,448	4,480,785	214,663
Public safety	4,354,777	4,625,519	4,486,732	138,787
Public works	1,461,661	1,524,603	1,630,652	(106,049)
Parks and recreation	1,764,541	1,852,568	1,516,689	335,879
Library	691,950	760,329	616,045	144,284
Debt service:				
Principal payments	230,000	230,000	230,000	-
Retirement benefits	731,058	733,138	-	733,138
Debt issuance costs	-	-	51,572	(51,572)
Interest and payments	223,456	223,456	211,404	12,052
<b>Total Expenditures</b>	<b>12,870,049</b>	<b>14,645,061</b>	<b>13,223,879</b>	<b>1,421,182</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(705,009)</b>	<b>(1,482,946)</b>	<b>1,988,321</b>	<b>3,471,267</b>
<b>Other Financing Uses</b>				
Proceeds from issuance of refunding debt	-	-	2,180,000	2,180,000
Premium on refunding debt	-	-	574,273	574,273
Payment to bond refunding escrow agent	-	-	(2,720,201)	(2,720,201)
Transfers in	2,127,651	2,127,651	2,286,776	159,125
Transfers out	(1,413,643)	(1,413,643)	(2,949,985)	(1,536,342)
<b>Total Other Financing Sources (Uses)</b>	<b>714,008</b>	<b>714,008</b>	<b>(629,137)</b>	<b>(1,343,145)</b>
<b>Change in Fund Balance</b>	<b>\$ 8,999</b>	<b>(768,938)</b>	<b>1,359,184</b>	<b>2,128,122</b>
<b>Fund Balance, beginning of year</b>			<b>10,224,310</b>	
<b>Fund Balance, end of year</b>			<b>\$ 11,583,494</b>	

See accompanying notes to required supplementary information.

## City of Seward, Alaska

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

## Public Employees' Retirement System (PERS)

December 31, 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	0.1853%	\$ 8,985,893	\$ 2,408,070	\$ 11,393,963	\$ 5,021,085	179%	63.96%
2016	0.2068%	\$ 11,558,576	\$ 1,457,718	\$ 13,016,294	\$ 5,098,436	227%	59.55%
2017	0.1565%	\$ 8,088,553	\$ 3,013,251	\$ 11,101,804	\$ 4,902,901	165%	63.37%
2018	0.1867%	\$ 9,276,595	\$ 2,687,289	\$ 11,963,884	\$ 5,160,904	180%	65.19%
2019	0.1569%	\$ 8,586,970	\$ 3,409,173	\$ 11,996,143	\$ 5,123,006	168%	63.42%
2020	0.1512%	\$ 8,920,386	\$ 3,692,619	\$ 12,613,005	\$ 4,838,355	184%	61.61%
2021	0.1815%	\$ 6,658,097	\$ 901,089	\$ 7,559,186	\$ 4,894,286	136%	74.46%

See accompanying notes to Required Supplementary Information.

## City of Seward, Alaska

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

## Public Employees' Retirement System (PERS)

December 31, 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)
<b>Alaska Retiree Healthcare Trust Plan (ARHCT):</b>							
2017	0.1565%	\$ 1,321,817	\$ 492,356	\$ 1,814,173	\$ 4,902,901	26.96%	89.68%
2018	0.1866%	\$ 1,915,028	\$ 556,157	\$ 2,471,185	\$ 5,160,904	37.11%	88.12%
2019	0.1569%	\$ 232,830	\$ 92,538	\$ 325,368	\$ 5,123,006	4.54%	98.13%
2020	0.1511%	\$ (684,490)	\$ (283,697)	\$ (968,187)	\$ 4,838,355	-14.15%	106.15%
2021	0.1824%	\$ (4,678,439)	\$ (610,964)	\$ (5,289,403)	\$ 4,894,286	-95.59%	135.54%
<b>Occupational Death and Disability (ODD):</b>							
2017	0.2280%	\$ (32,352)	\$ -	\$ (32,352)	\$ 4,902,901	-0.66%	212.97%
2018	0.2258%	\$ (43,856)	\$ -	\$ (43,856)	\$ 5,160,904	-0.85%	270.62%
2019	0.2477%	\$ (60,055)	\$ -	\$ (60,055)	\$ 5,123,006	-1.17%	297.43%
2020	0.2547%	\$ (69,440)	\$ -	\$ (69,440)	\$ 4,838,355	-1.44%	283.81%
2021	0.2561%	\$ (112,865)	\$ -	\$ (112,865)	\$ 4,894,286	-2.31%	374.22%
<b>Retiree Medical Plan (RMP):</b>							
2017	0.2280%	\$ 11,890	\$ -	\$ 11,890	\$ 4,902,901	0.24%	93.98%
2018	0.2258%	\$ 28,734	\$ -	\$ 28,734	\$ 5,160,904	0.56%	88.71%
2019	0.2275%	\$ 54,424	\$ -	\$ 54,424	\$ 5,123,006	1.06%	83.17%
2020	0.2385%	\$ 16,914	\$ -	\$ 16,914	\$ 4,838,355	0.35%	95.23%
2021	0.2416%	\$ (64,842)	\$ -	\$ (64,842)	\$ 4,894,286	-1.32%	115.10%

See accompanying notes to Required Supplementary Information.

## City of Seward, Alaska

## Schedule of the City's Contributions (Pension)

## Public Employees' Retirement System (PERS)

December 31, 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	\$ 485,647	\$ (485,647)	\$ -	\$ 5,098,436	9.53%
2016	\$ 541,407	\$ (541,407)	\$ -	\$ 4,902,901	11.04%
2017	\$ 645,662	\$ (645,662)	\$ -	\$ 5,160,904	12.51%
2018	\$ 644,586	\$ (644,586)	\$ -	\$ 5,123,006	12.58%
2019	\$ 550,925	\$ (547,855)	\$ 3,070	\$ 4,838,355	11.39%
2020	\$ 567,373	\$ (570,443)	\$ (3,070)	\$ 4,894,286	11.59%
2021	\$ 703,865	\$ (716,692)	\$ (12,827)	\$ 5,522,664	12.75%

See accompanying notes to Required Supplementary Information.

## City of Seward Alaska

## Schedule of the City's Contributions (OPEB)

## Public Employees' Retirement System (PERS)

December 31, 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
<b>Alaska Retiree Healthcare Trust Plan (ARHCT):</b>					
2017	\$ 285,897	\$ (285,897)	\$ -	\$ 5,160,904	5.54%
2018	\$ 207,098	\$ (207,098)	\$ -	\$ 5,123,006	4.04%
2019	\$ 209,371	\$ (209,371)	\$ -	\$ 4,838,355	4.33%
2020	\$ 163,155	\$ (163,155)	\$ -	\$ 4,894,286	3.33%
2021	\$ 110,629	\$ (110,629)	\$ -	\$ 5,522,664	2.00%
<b>Occupational Death and Disability (ODD):</b>					
2017	\$ 5,285	\$ (5,285)	\$ -	\$ 5,160,904	0.10%
2018	\$ 7,742	\$ (7,742)	\$ -	\$ 5,123,006	0.15%
2019	\$ 10,726	\$ (10,726)	\$ -	\$ 4,838,355	0.22%
2020	\$ 12,097	\$ (12,097)	\$ -	\$ 4,894,286	0.25%
2021	\$ 14,889	\$ (14,889)	\$ -	\$ 5,522,664	0.27%
<b>Retiree Medical Plan (RMP):</b>					
2017	\$ 26,831	\$ (26,831)	\$ -	\$ 1,703,098	1.58%
2018	\$ 26,770	\$ (26,770)	\$ -	\$ 1,690,592	1.58%
2019	\$ 34,650	\$ (34,650)	\$ -	\$ 1,306,356	2.65%
2020	\$ 42,569	\$ (42,569)	\$ -	\$ 1,370,400	3.11%
2021	\$ 45,130	\$ (45,130)	\$ -	\$ 1,489,300	3.03%

See accompanying notes to Required Supplementary Information.



## City of Seward, Alaska

## Schedule of the City's Contributions (Pension)

## International Brotherhood of Electrical Workers (IBEW) Defined Benefit Pension Plan

December 31, 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
2010	\$ 59,231	\$ (59,231)	\$ -	\$ 649,553	9.12%
2011	\$ 65,956	\$ (65,956)	\$ -	\$ 697,056	9.46%
2012	\$ 70,686	\$ (70,686)	\$ -	\$ 661,071	10.69%
2013	\$ 88,389	\$ (88,389)	\$ -	\$ 719,381	12.29%
2014	\$ 72,669	\$ (72,669)	\$ -	\$ 806,727	9.01%
2015	\$ 81,964	\$ (81,964)	\$ -	\$ 668,257	12.27%
2016	\$ 102,429	\$ (102,429)	\$ -	\$ 752,587	13.61%
2017	\$ 129,627	\$ (129,627)	\$ -	\$ 790,348	16.40%
2018	\$ 103,547	\$ (103,547)	\$ -	\$ 958,591	10.80%
2019	\$ 113,631	\$ (113,631)	\$ -	\$ 862,937	13.17%
2020	\$ 133,453	\$ (133,453)	\$ -	\$ 865,034	15.43%
2021	\$ 127,768	\$ (127,768)	\$ -	\$ 921,477	13.87%

See accompanying notes to required supplementary information.

City of Seward, Alaska  
Notes to Required Supplementary Information  
December 31, 2021

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**Budgets and Budgetary Accounting**

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

- The City manager must submit to the city council by November 15th a proposed operating budget for the next biennial fiscal year commencing the following January 1. The operating budget includes proposed expenditures which shall not exceed the expected revenues of the city.
- The budget proposal of the city manager shall be reviewed by the council and shall be available for public inspection in the office of the city clerk. The Council shall direct that a public hearing on the biennial budget proposal shall be held not less than one week before its final adoption. Notice of the public hearing shall be published in a newspaper by the City clerk at least one week prior to the date of the hearing.
- At a regular meeting held not less than ten days prior to the end of the fiscal year, the council shall, by resolution, adopt a budget for the next two fiscal years and make appropriation of the money needed therefore. If the council does not adopt a biennial budget prior to the third day preceding the commencement of the next fiscal year, it shall be held to make an appropriation therefore, without any further council action.
- Amendments to the budget can occur anytime during the fiscal year through the City Council or administrative action. Generally, the following actions are required at the level of the particular change.
  - The City Council may at any time, amend the budget by passing an appropriating resolution that amends the original budget.
  - Unencumbered appropriation balances may be transferred to any department within the same fund by the city manager at any time. At the request of the city manager, or on its own initiative, the council may transfer unencumbered balances from one fund to another.
- Appropriations lapse at year end to the extent that they have not been expended for all funds, except Capital Projects Funds, which lapse at project completion.
- Budgets adopted by the City Council are in accordance with accounting principles generally accepted in the United States of America.
- The City published a separate 2020-2021 biennial budget document. That document may be obtained from the City of Seward, City Clerk, 410 Adams Street City Hall Building, Seward, AK 99664 or at [www.cityofseward.us](http://www.cityofseward.us).

***Excess of Expenditures over Appropriations***

The Council approves operating budgets and appropriations of direct costs at the function and department level. For the year ended December 31, 2021, expenditures exceeded appropriations in the following General Fund function:

Public works	\$ <u>106,049</u>
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City of Seward, Alaska  
Notes to Required Supplementary Information, Continued

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*Public Employees' Retirement System*

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

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

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

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

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

- All Plans - 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.
- OPEB ARHCT - Healthcare claims costs are updated annually. Retired member contributions were updated to reflect the 5% decrease from 2020 to 2021.
- OPEB RMP - The per capital claims cost assumption is updated annually. The medical and prescription drug relative value factors were updated and the 0.2% annual trend rate adjustment factor between the DB and DCR plans was removed.

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

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

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

***Schedule of District Contributions (Pension) and (OPEB)***

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

## Additional Supplementary Information

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## **General Fund**

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The General Fund is established to account for the revenues and expenditures necessary to carry out basic governmental activities of the City such as fire and police protection, public works, recreation, planning, administrative services, etc. Appropriations are made from the General Fund annually.

Revenue is recorded by source, i.e., taxes, charges for services, intergovernmental. Expenditures are recorded first by function then by activity and object of expenditures.

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

Year Ended December 31,	2021		
	Final Budget	Actual	Variance
<b>Revenues</b>			
Taxes:			
Sales	\$ 4,256,017	6,861,114	2,605,097
Property	1,500,000	1,655,216	155,216
Hotel/motel room	673,135	713,633	40,498
Payments in lieu of taxes	52,000	89,061	37,061
Penalties and interest	1,500	7,003	5,503
<b>Total taxes</b>	<b>6,482,652</b>	<b>9,326,027</b>	<b>2,843,375</b>
Licenses and permits:			
Building permits	41,600	71,091	29,491
Taxi permits	1,100	587	(513)
Department of Motor Vehicles commissions	77,000	31,089	(45,911)
Animal control licenses	200	100	(100)
Business licenses	21,000	11,670	(9,330)
Miscellaneous	3,500	2,349	(1,151)
<b>Total licenses and permits</b>	<b>144,400</b>	<b>116,886</b>	<b>(27,514)</b>
Intergovernmental:			
Jail contract	350,000	368,952	18,952
Dispatch contracts	98,800	98,800	-
Raw fish tax	420,000	350,482	(69,518)
Shared fisheries business and landing tax	2,500	3,151	651
Liquor tax	20,000	-	(20,000)
Marijuana tax	-	300	300
Library grants	-	7,000	7,000
Community assistance program	-	85,793	85,793
PERS relief program	548,832	312,756	(236,076)
Other grants	1,007,000	12,534	(994,466)
<b>Total intergovernmental</b>	<b>2,447,132</b>	<b>1,239,768</b>	<b>(1,207,364)</b>
Charges for services:			
Administrative	2,008,510	2,008,510	-
Rents and leases	127,971	111,305	(16,666)
Copying charges	7,000	1,893	(5,107)
Work orders	2,000	2,521	521
Recreation	1,797,850	1,500,354	(297,496)
Library	19,000	15,000	(4,000)
<b>Total charges for services</b>	<b>\$ 3,962,331</b>	<b>3,639,583</b>	<b>(322,748)</b>

(continued)

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

<i>Year Ended December 31,</i>	2021		
	Final Budget	Actual	Variance
<b>Revenues, continued</b>			
Fines and bails	\$ 17,000	22,308	5,308
Investment income (loss)	82,500	(49,808)	(132,308)
Other revenues:			
Sale of land, equipment and gravel	-	312,586	312,586
Refuse contract	17,500	25,050	7,550
Insurance recovery	-	41,423	41,423
Local grants	-	500,000	500,000
Other	8,600	38,377	29,777
Total other	26,100	917,436	891,336
<b>Total Revenues</b>	<b>13,162,115</b>	<b>15,212,200</b>	<b>2,050,085</b>
<b>Expenditures</b>			
General government:			
Mayor and council:			
Salaries	53,441	35,880	17,561
Employee benefits	24,177	27,413	(3,236)
Audit	115,000	127,600	(12,600)
Legal	80,000	89,551	(9,551)
Purchased services	320,958	291,371	29,587
Supplies and maintenance	11,156	9,543	1,613
Legislative representation	185,000	176,508	8,492
General and administrative	568,058	538,041	30,017
Total mayor and council	1,357,790	1,295,907	61,883
City manager:			
Salaries	385,581	321,254	64,327
Employee benefits	179,413	157,626	21,787
Purchased services	40,700	43,473	(2,773)
Supplies and maintenance	11,000	17,474	(6,474)
General and administrative	34,600	33,590	1,010
Total city manager	651,294	573,417	77,877
City clerk:			
Salaries	236,649	168,451	68,198
Employee benefits	105,523	122,165	(16,642)
Purchased services	47,962	36,194	11,768
General and administrative	16,577	13,515	3,062
Total city clerk	\$ 406,711	340,325	66,386

(continued)

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

<i>Year Ended December 31,</i>	2021		
	Final Budget	Actual	Variance
<b>Expenditures, continued</b>			
Management information systems:			
Salaries	\$ 217,130	228,849	(11,719)
Employee benefits	118,231	158,335	(40,104)
Purchased services	23,800	11,612	12,188
Supplies and maintenance	45,000	35,288	9,712
General and administrative	22,000	12,563	9,437
<b>Total management information systems</b>	<b>426,161</b>	<b>446,647</b>	<b>(20,486)</b>
Finance:			
Salaries	556,075	516,560	39,515
Employee benefits	309,911	321,943	(12,032)
Purchased services	54,650	70,407	(15,757)
Supplies and maintenance	38,000	41,320	(3,320)
General and administrative	17,000	22,149	(5,149)
<b>Total finance</b>	<b>975,636</b>	<b>972,379</b>	<b>3,257</b>
Community development:			
Salaries	183,452	159,236	24,216
Employee benefits	106,528	144,748	(38,220)
Purchased services	21,312	33,226	(11,914)
Supplies and maintenance	5,700	4,445	1,255
General and administrative	6,000	6,092	(92)
Capital outlay	-	8,253	(8,253)
<b>Total community development</b>	<b>322,992</b>	<b>356,000</b>	<b>(33,008)</b>
General services:			
Employee benefits	10,000	-	10,000
Purchased services	136,932	63,471	73,461
Supplies and maintenance	6,700	3,914	2,786
General and administrative	18,200	27,888	(9,688)
<b>Total general services</b>	<b>171,832</b>	<b>95,273</b>	<b>76,559</b>
Contributions to organizations:			
Senior Citizens	80,000	80,000	-
Chamber of Commerce	278,032	295,837	(17,805)
Boys and Girls Club	25,000	25,000	-
<b>Total contributions to organizations</b>	<b>383,032</b>	<b>400,837</b>	<b>(17,805)</b>
<b>Total general government</b>	<b>\$ 4,695,448</b>	<b>4,480,785</b>	<b>214,663</b>

(continued)



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

<i>Year Ended December 31,</i>	2021		
	Final Budget	Actual	Variance
<b>Expenditures, continued</b>			
Public safety:			
Police:			
Salaries	\$ 1,342,714	1,294,568	48,146
Employee benefits	775,920	846,714	(70,794)
Purchased services	155,197	193,893	(38,696)
Supplies and maintenance	101,500	110,203	(8,703)
General and administrative	104,000	78,776	25,224
Capital outlay	6,038	6,695	(657)
<b>Total police</b>	<b>2,485,369</b>	<b>2,530,849</b>	<b>(45,480)</b>
Jail:			
Salaries	397,846	296,439	101,407
Employee benefits	261,433	198,857	62,576
Purchased services	60,700	69,289	(8,589)
Supplies and maintenance	25,000	23,891	1,109
General and administrative	119,737	119,285	452
<b>Total jail</b>	<b>864,716</b>	<b>707,761</b>	<b>156,955</b>
Animal control:			
Salaries	102,383	85,791	16,592
Employee benefits	50,358	48,057	2,301
Purchased services	8,700	10,235	(1,535)
Supplies and maintenance	12,700	3,355	9,345
General and administrative	6,200	-	6,200
<b>Total animal control</b>	<b>180,341</b>	<b>147,438</b>	<b>32,903</b>
Fire:			
Salaries	236,910	203,476	33,434
Employee benefits	128,653	164,340	(35,687)
Purchased services	206,127	214,723	(8,596)
Supplies and maintenance	44,259	35,467	8,792
General and administrative	70,718	61,145	9,573
<b>Total fire</b>	<b>686,667</b>	<b>679,151</b>	<b>7,516</b>
Volunteer training:			
Employee benefits	4,680	5,325	(645)
Purchased services	24,815	25,753	(938)
Supplies and maintenance	36,557	28,608	7,949
General and administrative	41,869	42,200	(331)
<b>Total volunteer training</b>	<b>\$ 107,921</b>	<b>101,886</b>	<b>6,035</b>

(continued)

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

<i>Year Ended December 31,</i>	2021		
	Final Budget	Actual	Variance
<b>Expenditures, continued</b>			
Public safety, continued:			
Emergency preparedness:			
Purchased services	\$ 10,240	10,009	231
Supplies and maintenance	3,869	6,974	(3,105)
General and administrative	1,654	246	1,408
<b>Total emergency preparedness</b>	<b>15,763</b>	<b>17,229</b>	<b>(1,466)</b>
Building inspection:			
Salaries	170,559	147,547	23,012
Employee benefits	92,627	134,576	(41,949)
Purchased services	6,080	7,027	(947)
Supplies and maintenance	4,921	2,637	2,284
General and administrative	10,555	10,631	(76)
<b>Total building inspection</b>	<b>284,742</b>	<b>302,418</b>	<b>(17,676)</b>
<b>Total public safety</b>	<b>4,625,519</b>	<b>4,486,732</b>	<b>138,787</b>
Public works:			
Roads and streets:			
Salaries	292,972	295,450	(2,478)
Employee benefits	201,157	249,873	(48,716)
Purchased services	176,100	140,392	35,708
Supplies and maintenance	160,150	184,333	(24,183)
General and administrative	132,950	131,398	1,552
Capital outlay	24,950	11,650	13,300
<b>Total roads and streets</b>	<b>988,279</b>	<b>1,013,096</b>	<b>(24,817)</b>
City shop:			
Salaries	95,337	112,975	(17,638)
Employee benefits	52,422	59,997	(7,575)
Purchased services	68,000	80,679	(12,679)
Supplies and maintenance	49,300	69,490	(20,190)
General and administrative	12,500	12,240	260
Capital outlay	-	41,964	(41,964)
<b>Total city shop</b>	<b>277,559</b>	<b>377,345</b>	<b>(99,786)</b>
Municipal building:			
Salaries	47,414	44,424	2,990
Employee benefits	42,351	33,746	8,605
Purchased services	145,900	153,770	(7,870)
Supplies and maintenance	21,900	8,271	13,629
General and administrative	1,200	-	1,200
<b>Total municipal building</b>	<b>258,765</b>	<b>240,211</b>	<b>18,554</b>
<b>Total public works</b>	<b>\$ 1,524,603</b>	<b>1,630,652</b>	<b>(106,049)</b>

(continued)

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

Year Ended December 31,	2021		
	Final Budget	Actual	Variance
<b>Expenditures, continued</b>			
Parks and recreation:			
Salaries	\$ 703,939	417,355	286,584
Employee benefits	362,304	230,742	131,562
Purchased services	451,850	565,565	(113,715)
Supplies and maintenance	163,400	124,365	39,035
General and administrative	81,300	49,760	31,540
Capital outlay	89,775	128,902	(39,127)
<b>Total parks and recreation</b>	<b>1,852,568</b>	<b>1,516,689</b>	<b>335,879</b>
Library:			
Salaries	292,542	248,398	44,144
Employee benefits	154,901	130,644	24,257
Purchased services	179,909	154,727	25,182
Supplies and maintenance	119,577	74,688	44,889
General and administrative	13,400	7,588	5,812
<b>Total library</b>	<b>760,329</b>	<b>616,045</b>	<b>144,284</b>
Debt service:			
Principal payments	230,000	230,000	-
Retirement benefits	733,138	-	733,138
Interest and other costs	223,456	211,404	12,052
Debt issuance costs	-	51,572	(51,572)
<b>Total debt service</b>	<b>1,186,594</b>	<b>492,976</b>	<b>693,618</b>
<b>Total Expenditures</b>	<b>14,645,061</b>	<b>13,223,879</b>	<b>1,421,182</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(1,482,946)</b>	<b>1,988,321</b>	<b>3,471,267</b>
<b>Other Financing Sources (Uses)</b>			
Proceeds from issuance of refunding debt	-	2,180,000	2,180,000
Premium on refunding debt	-	574,273	574,273
Payment to bond refunding escrow agent	-	(2,720,201)	(2,720,201)
Transfers in	2,127,651	2,286,776	159,125
Transfers out	(1,413,643)	(2,949,985)	(1,536,342)
<b>Total Other Financing Sources (Uses)</b>	<b>714,008</b>	<b>(629,137)</b>	<b>(1,343,145)</b>
Change in fund balance	\$ <u>(768,938)</u>	1,359,184	<u>2,128,122</u>
<b>Fund Balance, beginning of year</b>		<u>10,224,310</u>	
<b>Fund Balance, end of year</b>		<u>\$ 11,583,494</u>	

## Nonmajor Governmental Funds

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### Nonmajor Special Revenue Funds

Nonmajor Special Revenue Funds are used to account for expenditures associated with dedicated or restricted revenue sources.

Teen Council - To account for the funds held by the City on behalf of the local teen council.

Public Education Signage - To account for the costs of installing signage.

SCHC - To account for the costs of running a community health center.

Bus Transportation - To account for city bussing transportation.

Beachfront Erosion - To account for the costs associated with the beachfront erosion.

### Nonmajor Capital Project Funds

Nonmajor Capital Project Funds are established to account for the resources expended to acquire or construct assets of a relatively permanent nature.

Capital Acquisition - To account for purchase of equipment not financed by the Motor Pool Fund and capital improvements and projects of at least \$20,000.

Animal Shelter - To account for all activities related to animal shelter capital costs.

Streets and Sidewalks - to account for all activities related to street and sidewalk capital costs.

Energy Efficiency - To account for all activities related to energy efficiency capital costs.

Utility Improvement - To account for public utility improvements of the approved improvement districts of the City.

Developer Reimbursement - to account for funds to help offset the cost of the development of a new subdivision in the city

Jesse Lee Home - To account for a State Designated Legislative grant for use towards hazardous material removal and site remediation at the Jesse Lee Home.

**City of Seward, Alaska**  
**Other Governmental Funds**  
**Combining Balance Sheet**

<i>December 31, 2021</i>	Special Revenue Funds					Capital Project Funds	
	Teen Council	Public Education Signage	SCHC	Beachfront Erosion	Total Special Revenue Funds	Capital Acquisition	Animal Shelter
<b>Assets</b>							
Cash and investments	\$ 6,287	7,861	-	2,150	16,298	645,673	773,630
Grants receivable	-	-	238,367	-	238,367	-	-
<b>Total Assets</b>	<b>\$ 6,287</b>	<b>7,861</b>	<b>238,367</b>	<b>2,150</b>	<b>254,665</b>	<b>645,673</b>	<b>773,630</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ 16,765	312	238,367	-	255,444	-	3,067
Unearned revenue	-	7,549	-	-	7,549	-	-
<b>Total Liabilities</b>	<b>16,765</b>	<b>7,861</b>	<b>238,367</b>	<b>-</b>	<b>262,993</b>	<b>-</b>	<b>3,067</b>
<b>Fund Balances</b>							
Assigned:							
Capital projects	-	-	-	-	-	645,673	770,563
Public works	-	-	-	2,150	2,150	-	-
Unassigned (deficit)	(10,478)	-	-	-	(10,478)	-	-
<b>Total Fund Balances</b>	<b>(10,478)</b>	<b>-</b>	<b>-</b>	<b>2,150</b>	<b>(8,328)</b>	<b>645,673</b>	<b>770,563</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 6,287</b>	<b>7,861</b>	<b>238,367</b>	<b>2,150</b>	<b>254,665</b>	<b>645,673</b>	<b>773,630</b>

(continued)

**City of Seward, Alaska**  
**Other Governmental Funds**  
**Combining Balance Sheet, continued**

<i>December 31, 2021</i>	Capital Project Funds					Total Capital Project Funds	Total Other Governmental Funds
	Street and Sidewalks	Energy Efficiency	Utility Improvement	Developer Reimbursement	Jesse Lee Home		
<b>Assets</b>							
Cash and investments	\$ 74,554	101,212	213,896	800,000	40,000	2,648,965	2,665,263
Grants receivable	-	-	-	-	-	-	238,367
<b>Total Assets</b>	<b>\$ 74,554</b>	<b>101,212</b>	<b>213,896</b>	<b>800,000</b>	<b>40,000</b>	<b>2,648,965</b>	<b>2,903,630</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	-	-	-	-	3,067	258,511
Unearned revenue	-	-	-	-	-	-	7,549
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,067</b>	<b>266,060</b>
<b>Fund Balances</b>							
Assigned:							
Capital projects	74,554	101,212	213,896	800,000	40,000	2,645,898	2,645,898
Public works	-	-	-	-	-	-	2,150
Unassigned (deficit)	-	-	-	-	-	-	(10,478)
<b>Total Fund Balances</b>	<b>74,554</b>	<b>101,212</b>	<b>213,896</b>	<b>800,000</b>	<b>40,000</b>	<b>2,645,898</b>	<b>2,637,570</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 74,554</b>	<b>101,212</b>	<b>213,896</b>	<b>800,000</b>	<b>40,000</b>	<b>2,648,965</b>	<b>2,903,630</b>

**City of Seward, Alaska**  
**Other Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

Year Ended December 31, 2021	Special Revenue Funds						Capital Project Funds	
	Teen Council	Public Education Signage	SCHC	Bus Transportation	Beachfront Erosion	Total Special Revenue Funds	Capital Acquisition	Animal Shelter
<b>Revenues</b>								
Intergovernmental	\$ -	24,000	2,107,042	-	-	2,131,042	-	-
Investment income (loss)	(29)	-	-	-	-	(29)	-	-
Other	190	34,755	-	-	-	34,945	-	-
<b>Total Revenues</b>	161	58,755	2,107,042	-	-	2,165,958	-	-
<b>Expenditures</b>								
General government	-	-	-	83,801	-	83,801	-	-
Public works	-	62,725	-	-	-	62,725	-	-
Clinic	-	-	2,107,042	-	-	2,107,042	-	-
Capital outlay	-	-	-	-	-	-	155,267	392,625
<b>Total Expenditures</b>	-	62,725	2,107,042	83,801	-	2,253,568	155,267	392,625
Excess of revenues over (under) expenditures	161	(3,970)	-	(83,801)	-	(87,610)	(155,267)	(392,625)
<b>Other Financing Sources (Uses)</b>								
Transfers in	-	3,970	-	79,030	-	83,000	-	1,000,000
Change in fund balances	161	-	-	(4,771)	-	(4,610)	(155,267)	607,375
<b>Fund Balances, beginning of year</b>	(10,639)	-	-	4,771	2,150	(3,718)	800,940	163,188
<b>Fund Balances, end of year</b>	\$ (10,478)	-	-	-	2,150	(8,328)	645,673	770,563

(continued)

**City of Seward, Alaska**  
**Other Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances, continued**

<i>Year Ended December 31, 2021</i>	Capital Project Funds					Total Capital Project Funds	Total Other Governmental Funds
	Street and Sidewalks	Energy Efficiency	Utility Improvement	Developer Reimbursement	Jesse Lee Home		
<b>Revenues</b>							
Intergovernmental	\$ -	-	-	-	1,049,133	1,049,133	3,180,175
Investment income (loss)	-	-	-	-	-	-	(29)
Other	-	-	213,896	500,000	-	713,896	748,841
<b>Total Revenues</b>	-	-	213,896	500,000	1,049,133	1,763,029	3,928,987
<b>Expenditures</b>							
General government	-	-	-	-	-	-	83,801
Public Works	-	-	-	-	-	-	62,725
Clinic	-	-	-	-	-	-	2,107,042
Capital outlay	282,500	-	90,596	-	1,049,133	1,970,121	1,970,121
<b>Total Expenditures</b>	282,500	-	90,596	-	1,049,133	1,970,121	4,223,689
Excess of revenues over (under) expenditures	(282,500)	-	123,300	500,000	-	(207,092)	(294,702)
<b>Other Financing Sources (Uses)</b>							
Transfers in	-	-	90,596	300,000	40,000	1,430,596	1,513,596
Change in fund balances	(282,500)	-	213,896	800,000	40,000	1,223,504	1,218,894
<b>Fund Balances, beginning of year</b>	357,054	101,212	-	-	-	1,422,394	1,418,676
<b>Fund Balances, end of year</b>	\$ 74,554	101,212	213,896	800,000	40,000	2,645,898	2,637,570



## Enterprise Funds and Internal Service Funds

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### Enterprise Funds

Enterprise Funds are established to account for the financing and self-supporting activities of governmental units, which render services to the general public on a user-charge basis. Enterprise Funds are maintained on the accrual basis of accounting.

Electric - To account for the provision of electrical service to the residents of the City and other areas within the electric service area.

Harbor - To account for the provision of harbor and marine services to the public within the Small Boat Harbor basin.

Seward Marine Industrial Center (SMIC) - To account for the provision of marine-related services to the public on the east side of Resurrection Bay.

Healthcare Facilities - To account for the provision of services provided by Seward Community Health Center, Providence Seward Medical and Care Center (PMSCC) and long-term care facilities.

Water - To account for the provision of water services to the residents of the City.

Wastewater - To account for the provision of sewer services to the residents of the City.

Parking - To account for the provision of public parking services.

### Internal Service Funds

Motor Pool - The Motor Pool Internal Service Fund accounts for payments from departments for the use of vehicles, in order to accumulate cash to forward-fund replacement of vehicles. This funding mechanism spreads the cost of the vehicles over the expected life of the vehicle in each program's annual budget, rather than to show the cost of vehicles as a one-time expenditure to each fund in the year of purchase.

Compensated Absences - The Compensated Absences Internal Service Fund was created in 2005 for the purpose of accumulated cash reserves to pay compensated absences cash-outs for governmental funds.

**City of Seward, Alaska**  
**Nonmajor Enterprise Funds**  
**Combining Statement of Net Position**

<i>December 31, 2021</i>	Water	Wastewater	Parking	Total
<b>Assets and Deferred Outflows of Resources</b>				
<b>Current Assets</b>				
Cash and investments	\$ 3,246,578	3,381,843	1,732,532	8,360,953
Receivables				
Accounts	157,245	192,665	-	349,910
Other	577,696	577,404	-	1,155,100
Less allowance for doubtful accounts	(7,076)	(8,669)	-	(15,745)
Inventory	93,292	-	-	93,292
<b>Total Current Assets</b>	<b>4,067,735</b>	<b>4,143,243</b>	<b>1,732,532</b>	<b>9,943,510</b>
<b>Noncurrent Assets</b>				
Land	100,420	111,011	-	211,431
Property, plant and equipment, net of accumulated depreciation	8,307,195	4,864,761	106,633	13,278,589
Net pension and OPEB assets	169,324	157,213	-	326,537
<b>Total Assets</b>	<b>12,644,674</b>	<b>9,276,228</b>	<b>1,839,165</b>	<b>23,760,067</b>
<b>Deferred Outflows of Resources</b>				
Related to pensions and OPEB	26,827	28,461	-	55,288
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 12,671,501</b>	<b>9,304,689</b>	<b>1,839,165</b>	<b>23,815,355</b>
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 8,909	21,598	7,786	38,293
Accrued payroll and related liabilities	15,869	17,717	-	33,586
Accrued interest	10,239	4,394	-	14,633
Current portion:				
Accrued compensated absences	9,683	9,683	-	19,366
Notes payable	143,440	59,001	-	202,441
<b>Total Current Liabilities</b>	<b>188,140</b>	<b>112,393</b>	<b>7,786</b>	<b>308,319</b>
<b>Noncurrent liabilities, net of current portion</b>				
Accrued compensated absences	18,730	18,731	-	37,461
Notes payable	750,130	849,781	-	1,599,911
Net pension and OPEB liabilities	231,002	219,304	-	450,306
<b>Total Noncurrent Liabilities</b>	<b>999,862</b>	<b>1,087,816</b>	<b>-</b>	<b>2,087,678</b>
<b>Total Liabilities</b>	<b>1,188,002</b>	<b>1,200,209</b>	<b>7,786</b>	<b>2,395,997</b>
<b>Deferred Inflows of Resources</b>				
Related to pensions and OPEB	181,609	163,199	-	344,808
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>1,369,611</b>	<b>1,363,408</b>	<b>7,786</b>	<b>2,740,805</b>
<b>Net Position</b>				
Net investment in capital assets	7,514,045	4,066,990	106,633	11,687,668
Unrestricted	3,787,845	3,874,291	1,724,746	9,386,882
<b>Total Net Position</b>	<b>11,301,890</b>	<b>7,941,281</b>	<b>1,831,379</b>	<b>21,074,550</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 12,671,501</b>	<b>9,304,689</b>	<b>1,839,165</b>	<b>23,815,355</b>

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

<i>Year Ended December 31, 2021</i>	Water	Wastewater	Parking	Total
<b>Operating Revenues - charges for services</b>	\$ 1,511,295	1,237,068	431,065	3,179,428
<b>Operating Expenses</b>				
Salaries and employee benefits	329,893	290,865	5,882	626,640
Purchased services	315,085	391,891	34,600	741,576
Supplies and maintenance	46,504	87,398	5,444	139,346
Administration	277,735	170,679	24,506	472,920
Depreciation	417,881	353,183	25,240	796,304
<b>Total Operating Expenses</b>	<b>1,387,098</b>	<b>1,294,016</b>	<b>95,672</b>	<b>2,776,786</b>
Earnings (loss) from operations	124,197	(56,948)	335,393	402,642
<b>Nonoperating Revenues</b>				
Intergovernmental - PERS on-behalf	22,174	20,587	-	42,761
Investment income (loss)	(13,656)	(14,328)	(8,193)	(36,177)
Interest expense	(13,904)	(13,924)	-	(27,828)
Other revenue (expenses)	878,254	865,793	(260)	1,743,787
<b>Total Nonoperating Revenues</b>	<b>872,868</b>	<b>858,128</b>	<b>(8,453)</b>	<b>1,722,543</b>
<b>Income Before Transfers</b>	<b>997,065</b>	<b>801,180</b>	<b>326,940</b>	<b>2,125,185</b>
Transfers in	-	16,000	-	16,000
Transfers out	(173,172)	(151,180)	(34,705)	(359,057)
Change in net position	823,893	666,000	292,235	1,782,128
<b>Net Position, beginning of year</b>	<b>10,477,997</b>	<b>7,275,281</b>	<b>1,539,144</b>	<b>19,292,422</b>
<b>Net Position, end of year</b>	<b>\$ 11,301,890</b>	<b>7,941,281</b>	<b>1,831,379</b>	<b>21,074,550</b>

**City of Seward, Alaska**  
**Nonmajor Enterprise Funds**  
**Combining Statement of Cash Flows**

<i>Year Ended December 31, 2021</i>	Water	Wastewater	Parking	Total
<b>Cash Flows from (for) Operating Activities</b>				
Receipts from customers and users	\$ 939,077	656,410	431,100	2,026,587
Payments to suppliers	(370,106)	(464,730)	(32,414)	(867,250)
Payments to employees	(356,461)	(326,668)	(5,882)	(689,011)
Payments for interfund services used	(274,388)	(169,531)	(24,419)	(468,338)
<b>Net cash flows from (for) operating activities</b>	<b>(61,878)</b>	<b>(304,519)</b>	<b>368,385</b>	<b>1,988</b>
<b>Cash Flows from (for) Noncapital Financing Activities</b>				
Transfers in	-	16,000	-	16,000
Transfers out	(173,172)	(151,180)	(34,705)	(359,057)
Other non-operating receipts (payments)	878,254	865,793	(260)	1,743,787
<b>Net cash flows from (for) noncapital financing activities</b>	<b>705,082</b>	<b>730,613</b>	<b>(34,965)</b>	<b>1,400,730</b>
<b>Cash Flows from (for) Capital Financing Activities</b>				
Principal payments on notes payable	(141,321)	(58,128)	-	(199,449)
Interest payments on notes payable	(15,523)	(14,503)	-	(30,026)
Acquisition of property, plant and equipment	-	-	(9,802)	(9,802)
<b>Net cash flows from (for) capital financing activities</b>	<b>(156,844)</b>	<b>(72,631)</b>	<b>(9,802)</b>	<b>(239,277)</b>
<b>Cash Flows from Investing Activities</b>				
Investment income (loss)	(13,656)	(14,328)	(8,193)	(36,177)
<b>Net increase in cash and investments</b>	<b>472,704</b>	<b>339,135</b>	<b>315,425</b>	<b>1,127,264</b>
<b>Cash and Investments, beginning of year</b>	<b>2,773,874</b>	<b>3,042,708</b>	<b>1,417,107</b>	<b>7,233,689</b>
<b>Cash and Investments, end of year</b>	<b>\$ 3,246,578</b>	<b>3,381,843</b>	<b>1,732,532</b>	<b>8,360,953</b>
Reconciliation of earnings (loss) from operations to net cash flows from (for) operating activities:				
Earnings (loss) from operations	\$ 124,197	(56,948)	335,393	402,642
Adjustments to reconcile earnings (loss) from operations to net cash flows from (for) operating activities:				
Depreciation	417,881	353,183	25,240	796,304
Noncash State PERS relief	22,174	20,587	-	42,761
Increase (decrease) in allowance for doubtful accounts	(233)	152	-	(81)
(Increase) decrease in assets and deferred outflows of resources:				
Receivables	(571,985)	(580,810)	35	(1,152,760)
Inventory	(6,872)	-	-	(6,872)
Net pension and OPEB assets	(137,527)	(133,561)	-	(271,088)
Deferred outflows of resources - pension and OPEB	13,480	12,515	-	25,995
Increase (decrease) in liabilities and deferred inflows of resources:				
Accounts payable	1,702	15,707	7,717	25,126
Accrued payroll and related liabilities	(710)	239	-	(471)
Accrued compensated absences	2,326	(9,872)	-	(7,546)
Net pension and OPEB liabilities	(84,980)	(73,031)	-	(158,011)
Deferred inflows of resources - pension and OPEB	158,669	147,320	-	305,989
<b>Net cash flows from (for) operating activities</b>	<b>\$ (61,878)</b>	<b>(304,519)</b>	<b>368,385</b>	<b>1,988</b>

**City of Seward, Alaska**  
**Internal Service Funds**  
**Combining Statement of Net Position**

<i>December 31, 2021</i>	Motor Pool	Compensated Annual Leave	Total
<b>Assets and Deferred Outflows of Resources</b>			
<b>Current Assets</b>			
Cash and investments	\$ 3,719,931	465,145	4,185,076
Receivables			
Accrued interest	22,252	-	22,252
Interfund loans - current portion	76,324	-	76,324
<b>Total Current Assets</b>	<b>3,818,507</b>	<b>465,145</b>	<b>4,283,652</b>
<b>Noncurrent Assets</b>			
Interfund loans, net of current portion	347,527	-	347,527
Property, plant and equipment, net			
Equipment and vehicles	8,535,955	-	8,535,955
Less accumulated depreciation	(6,560,255)	-	(6,560,255)
Net property, plant and equipment in service	1,975,700	-	1,975,700
<b>Total Noncurrent Assets</b>	<b>2,323,227</b>	<b>-</b>	<b>2,323,227</b>
<b>Total Assets</b>	<b>\$ 6,141,734</b>	<b>465,145</b>	<b>6,606,879</b>
<b>Liabilities and Net Position</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 65,881	-	65,881
Accrued compensated absences - current portion	-	106,240	106,240
<b>Total Current Liabilities</b>	<b>65,881</b>	<b>106,240</b>	<b>172,121</b>
<b>Noncurrent Liabilities</b>			
Accrued compensated absences, net of current portion	-	358,905	358,905
<b>Total Liabilities</b>	<b>65,881</b>	<b>465,145</b>	<b>531,026</b>
<b>Net Position</b>			
Net investment in capital assets	1,975,700	-	1,975,700
Unrestricted	4,100,153	-	4,100,153
<b>Total Net Position</b>	<b>6,075,853</b>	<b>-</b>	<b>6,075,853</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 6,141,734</b>	<b>465,145</b>	<b>6,606,879</b>

**City of Seward, Alaska**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**

<i>Year Ended December 31, 2021</i>	Motor Pool	Compensated Annual Leave	Total
<b>Operating Revenues</b>			
Vehicle rental and interfund charges	\$ 635,989	453,892	1,089,881
<b>Operating Expenses</b>			
Salaries and employee benefits	-	453,892	453,892
Supplies and maintenance	14,339	-	14,339
Depreciation	343,840	-	343,840
<b>Total Operating Expenses</b>	<b>358,179</b>	<b>453,892</b>	<b>812,071</b>
Earnings (loss) from operations	277,810	-	277,810
<b>Nonoperating Revenues</b>			
Interest income	22,252	-	22,252
Investment income (loss)	(16,268)	-	(16,268)
Other revenue	438	-	438
<b>Total Nonoperating Revenues</b>	<b>6,422</b>	<b>-</b>	<b>6,422</b>
<b>Income Before Transfers</b>	<b>284,232</b>	<b>-</b>	<b>284,232</b>
Transfers in	288,671	-	288,671
Change in net position	572,903	-	572,903
<b>Net Position, beginning of year</b>	<b>5,502,950</b>	<b>-</b>	<b>5,502,950</b>
<b>Net Position, end of year</b>	<b>\$ 6,075,853</b>	<b>-</b>	<b>6,075,853</b>

**City of Seward, Alaska**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**

<i>Year Ended December 31, 2021</i>	Motor Pool	Compensated Annual Leave	Total
<b>Cash Flows from (for) Operating Activities</b>			
Receipts from vehicle rentals and interfund charges	\$ 635,989	453,892	1,089,881
Receipts from other sources	843	-	843
Payments to suppliers	41,709	-	41,709
Payments to employees	-	(404,862)	(404,862)
<b>Net cash flows from (for) operating activities</b>	<b>678,541</b>	<b>49,030</b>	<b>727,571</b>
<b>Cash Flows from (for) Noncapital Financing Activities</b>			
Transfers in	288,671	-	288,671
Interfund interest received	26,059	-	26,059
Interfund loan receipts	72,517	-	72,517
<b>Net cash flows from (for) noncapital and related financing activities</b>	<b>387,247</b>	<b>-</b>	<b>387,247</b>
<b>Cash Flows from (for) Capital Financing Activities</b>			
Acquisition of equipment and vehicles	(490,512)	-	(490,512)
<b>Cash Flows from Investing Activities</b>			
Investment income received	(16,268)	-	(16,268)
<b>Net increase (decrease) in cash and investments</b>	<b>559,008</b>	<b>49,030</b>	<b>608,038</b>
<b>Cash and Investments, beginning of year</b>	<b>3,160,923</b>	<b>416,115</b>	<b>3,577,038</b>
<b>Cash and Investments, end of year</b>	<b>\$ 3,719,931</b>	<b>465,145</b>	<b>4,185,076</b>
<b>Reconciliation of earnings (loss) from operations to net cash flows from (for) operating activities:</b>			
Earnings (loss) from operations	\$ 277,810	-	277,810
Adjustments to reconcile earnings (loss) from operations to net cash flows from (for) operating activities:			
Other nonoperating revenue	438	-	438
Depreciation	343,840	-	343,840
(Increase) decrease in assets - other accounts receivable	405	-	405
Increase (decrease) in liabilities:			
Accounts payable	56,048	-	56,048
Accrued compensated absences	-	49,030	49,030
<b>Net cash flows from (for) operating activities</b>	<b>\$ 678,541</b>	<b>49,030</b>	<b>727,571</b>

# City of Seward, Alaska

## Statistical Section

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

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### Financial Trends

*These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.*

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### Debt Capacity

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**City of Seward, Alaska**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 61,393	60,740	59,408	58,190	57,113	57,141	55,207	50,880	49,807	47,873
Restricted	26	26	2,442	-	-	-	-	-	-	-
Unrestricted	8,669	10,143	8,715	6,278	5,327	5,915	5,886	6,668	6,165	9,903
<b>Total Governmental Activities</b>										
<b>Net Position</b>	\$ 70,088	70,909	70,565	64,468	62,440	63,056	61,093	57,548	55,972	57,776
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 65,910	70,569	82,209	91,783	108,513	111,762	113,424	117,621	110,856	111,643
Restricted	5,150	5,441	2,066	1,354	675	1,403	1,761	2,626	2,290	2,036
Unrestricted	10,944	10,892	15,516	17,582	10,576	12,969	16,213	20,572	28,860	34,690
<b>Total Business-type Activities</b>										
<b>Net Position</b>	\$ 82,004	86,902	99,791	110,719	119,764	126,134	131,398	140,819	142,006	148,369
<b>Primary Government</b>										
Net investment in capital assets	\$ 127,302	131,309	141,617	149,973	165,626	168,903	168,631	168,501	160,663	159,516
Restricted	5,176	5,467	4,508	1,354	675	1,403	1,761	2,626	2,290	2,036
Unrestricted	19,613	21,035	24,231	23,860	15,903	18,884	22,099	27,240	35,025	44,593
<b>Total Primary Government</b>										
<b>Net Position</b>	\$ 152,091	157,811	170,356	175,187	182,204	189,190	192,491	198,367	197,978	206,145

**City of Seward, Alaska**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 1,981,876	2,199,711	3,291,580	3,517,517	3,473,276	1,909,713	2,546,120	2,502,395	1,431,168	2,682,966
Public safety	3,360,091	3,510,922	3,476,471	3,563,666	3,902,294	3,642,114	3,939,768	3,596,487	4,495,915	4,371,314
Public works	2,410,794	1,851,321	1,635,967	1,791,967	2,421,447	2,174,105	1,973,267	1,775,480	6,357,270	3,447,427
Parks and recreation	1,320,447	1,338,404	1,315,282	1,463,364	1,446,971	1,511,469	1,581,736	1,477,450	1,326,003	1,269,771
Library	446,200	489,548	804,539	785,299	806,047	794,077	808,835	802,425	836,239	881,107
Clinic	-	-	1,454,476	1,682,532	1,846,150	1,660,050	1,637,780	1,654,018	2,496,024	2,121,653
** Community support	-	-	-	-	-	-	-	-	5,081,737	-
Sealife Center	965,206	848,940	1,279,570	1,457,308	1,355,558	1,465,285	1,556,943	1,398,053	1,400,374	1,396,490
Unallocated interest	206,778	208,840	157,984	153,950	149,966	232,290	251,372	225,493	215,476	171,623
<b>Total governmental activities expenses</b>	<b>10,691,392</b>	<b>10,447,686</b>	<b>13,415,869</b>	<b>14,415,603</b>	<b>15,401,709</b>	<b>13,389,103</b>	<b>14,295,821</b>	<b>13,431,801</b>	<b>23,640,206</b>	<b>16,342,351</b>
<b>Business-type activities:</b>										
Electric	9,935,695	10,590,994	10,255,601	10,599,641	11,023,942	12,120,052	11,390,325	11,865,052	11,680,216	12,435,907
Water	1,246,997	1,087,747	1,175,129	1,241,671	1,189,786	1,373,707	1,499,502	1,474,729	1,334,374	1,398,746
Wastewater	1,013,492	1,015,474	1,117,152	1,097,494	1,211,625	1,086,821	1,078,091	1,071,306	1,112,963	1,305,684
Harbor	4,243,734	3,837,952	3,792,623	3,858,440	4,353,766	4,093,848	4,065,082	3,508,574	3,779,722	3,689,010
Seward Marine Industrial Center	928,458	899,343	1,013,658	1,260,159	1,342,506	1,389,912	1,336,436	1,389,912	1,411,205	2,212,217
Healthcare facilities	21,856,797	20,858,042	20,344,929	19,589,784	19,329,722	21,153,694	21,845,021	22,540,528	22,474,188	24,903,943
Parking	237,522	146,239	214,775	178,886	231,666	227,174	214,637	196,181	83,994	90,237
<b>Total business-type activities expenses</b>	<b>39,462,695</b>	<b>38,435,791</b>	<b>37,913,867</b>	<b>37,826,075</b>	<b>38,683,013</b>	<b>41,216,785</b>	<b>41,482,570</b>	<b>41,992,806</b>	<b>41,876,662</b>	<b>46,035,744</b>
<b>Total Primary Government Expenses</b>	<b>\$ 50,154,087</b>	<b>48,883,477</b>	<b>51,329,736</b>	<b>52,241,678</b>	<b>54,084,722</b>	<b>54,605,888</b>	<b>55,778,391</b>	<b>55,424,607</b>	<b>65,516,868</b>	<b>62,378,095</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General government	\$ 184,410	202,893	282,318	294,499	233,945	217,317	411,980	418,449	374,760	637,177
Public safety	809,645	897,319	937,659	817,995	614,253	576,829	589,388	477,448	479,062	490,060
Public works	36,721	30,565	20,383	22,278	27,985	32,359	25,814	27,373	27,373	27,571
Parks and recreation	609,342	653,054	663,298	778,350	913,970	914,318	960,186	1,032,968	676,618	1,500,354
Library	9,208	29,911	39,707	33,762	25,200	25,094	28,644	27,639	4,695	15,000
Clinic	-	-	62,306	75,085	69,134	60,000	60,000	-	-	-
Operating grants and contributions	1,037,711	1,002,434	1,148,124	1,156,755	1,402,137	1,100,497	1,418,770	1,415,242	9,443,898	3,166,769
Capital grants and contributions	3,442,599	23,034	819,241	621,712	1,278,997	3,101,498	584,688	594,420	3,512,787	1,763,029
<b>Total governmental activities program revenues:</b>	<b>6,129,636</b>	<b>2,839,210</b>	<b>3,973,036</b>	<b>3,800,436</b>	<b>4,565,621</b>	<b>6,027,912</b>	<b>4,079,470</b>	<b>3,993,539</b>	<b>14,519,193</b>	<b>7,599,960</b>
<b>Business-type activities:</b>										
Electric	11,224,511	11,040,608	11,433,004	11,482,077	11,550,772	12,892,924	11,054,343	12,272,714	12,330,867	13,319,862
Water	1,150,109	1,280,710	1,227,631	1,283,986	1,292,890	1,411,320	1,356,104	1,453,343	1,275,656	2,389,549
Wastewater	929,514	960,591	1,016,890	1,096,290	1,151,763	1,193,276	1,244,542	1,239,669	1,208,541	2,102,861
Harbor	3,169,744	3,235,923	3,212,432	3,359,455	3,302,689	3,437,043	3,495,592	3,485,047	3,021,807	3,730,319
Seward Marine Industrial Center	414,737	391,954	469,793	593,307	608,810	531,842	1,076,575	666,303	696,747	781,863
Healthcare facilities	18,728,364	21,880,406	18,004,351	18,330,000	17,729,000	19,384,000	21,736,000	24,587,000	24,320,000	28,537,000
Parking	293,443	312,248	293,379	318,223	328,347	330,625	352,617	355,565	246,467	431,065
Operating grants and contributions	154,295	170,531	472,944	113,439	91,380	85,831	297,410	(64,177)	741,425	1,673,325
Capital grants and contributions	1,732,343	4,125,258	14,713,420	13,559,150	12,059,662	7,254,741	5,935,187	2,754,505	-	388,239
<b>Total business-type activities program revenues</b>	<b>37,797,060</b>	<b>43,398,229</b>	<b>50,843,844</b>	<b>50,135,927</b>	<b>48,115,313</b>	<b>46,521,602</b>	<b>46,548,370</b>	<b>46,749,969</b>	<b>43,841,510</b>	<b>53,354,083</b>
<b>Total Primary Government Revenues</b>	<b>\$ 43,926,696</b>	<b>46,237,439</b>	<b>54,816,880</b>	<b>53,936,363</b>	<b>52,680,934</b>	<b>52,549,514</b>	<b>50,627,840</b>	<b>50,743,508</b>	<b>58,360,703</b>	<b>60,954,043</b>
<b>Net (Expenses)/Revenue</b>										
Governmental activities	\$ (4,561,756)	(7,608,476)	(9,442,833)	(10,615,167)	(10,836,088)	(7,361,191)	(10,216,351)	(9,438,262)	(9,121,013)	(8,742,391)
Business-type activities	(1,665,635)	4,962,438	12,929,977	12,309,852	9,432,300	5,304,817	5,065,800	4,757,163	1,964,848	7,318,339
<b>Total Primary Government Net Expense</b>	<b>\$ (6,227,391)</b>	<b>(2,646,038)</b>	<b>3,487,144</b>	<b>1,694,685</b>	<b>(1,403,788)</b>	<b>(2,056,374)</b>	<b>(5,150,551)</b>	<b>(4,681,099)</b>	<b>(7,156,165)</b>	<b>(1,424,052)</b>

\*\* Community support expenses in 2020 solely related to CARES Act funds received due to COVID-19. No taxpayer dollars were used.

**City of Seward, Alaska**  
**Changes in Net Position, continued**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Sales tax	\$ 4,189,330	4,583,057	4,535,707	4,883,996	5,004,992	5,160,344	5,326,437	5,674,689	3,805,487	6,861,114
Property tax	1,025,266	1,261,276	989,910	1,013,370	1,152,116	1,208,090	1,473,199	1,556,874	1,564,692	1,636,727
Other tax	456,370	489,926	421,981	546,936	596,227	520,907	556,065	591,674	217,434	713,633
Grants and entitlements	1,250,895	1,491,511	1,766,622	850,297	608,651	880,255	768,250	570,325	342,227	533,617
Investment earnings	119,662	57,958	141,034	125,636	51,306	118,637	143,248	234,551	151,449	(49,837)
Transfers	1,970,983	546,005	1,243,171	1,181,852	1,393,673	89,589	899,264	(2,710,077)	1,444,406	850,387
<b>Total governmental activities</b>	<b>9,012,506</b>	<b>8,429,733</b>	<b>9,098,425</b>	<b>8,602,087</b>	<b>8,806,965</b>	<b>7,977,822</b>	<b>9,166,463</b>	<b>5,918,036</b>	<b>7,525,695</b>	<b>10,545,641</b>
Business-type activities:										
Investment earnings	209,176	138,115	236,175	278,688	89,578	238,518	327,860	765,327	666,348	(104,961)
Grants and entitlements	343,265	343,265	961,178	1,242,072	917,500	916,330	1,044,510	1,188,868	-	-
Other	-	-	5,520	522	-	-	-	-	-	-
Transfers	(1,970,983)	(546,005)	(1,243,171)	(1,181,852)	(1,393,673)	(89,589)	(899,264)	2,710,077	(1,444,406)	(850,387)
<b>Total business-type activities</b>	<b>(1,418,542)</b>	<b>(64,625)</b>	<b>(40,298)</b>	<b>339,430</b>	<b>(386,595)</b>	<b>1,065,259</b>	<b>473,106</b>	<b>4,664,272</b>	<b>(778,058)</b>	<b>(955,348)</b>
<b>Total primary government</b>	<b>7,593,964</b>	<b>8,365,108</b>	<b>9,058,127</b>	<b>8,941,517</b>	<b>8,420,370</b>	<b>9,043,081</b>	<b>9,639,569</b>	<b>10,582,308</b>	<b>6,747,637</b>	<b>9,590,293</b>
<b>Changes in Net Position</b>										
Governmental activities	\$ 4,450,750	(1,013,100)	(344,408)	(2,013,080)	(2,029,123)	616,631	(1,049,888)	(3,520,226)	(1,595,318)	1,803,250
Business-type activities	(3,084,177)	4,897,813	12,889,679	12,649,282	9,045,705	6,370,076	5,538,906	9,421,435	1,186,790	6,362,991
<b>Total Primary Government</b>	<b>\$ 1,366,573</b>	<b>3,884,713</b>	<b>12,545,271</b>	<b>10,636,202</b>	<b>7,016,582</b>	<b>6,986,707</b>	<b>4,489,018</b>	<b>5,901,209</b>	<b>(408,528)</b>	<b>8,166,241</b>
Beginning Net Position	\$ 151,796,018	152,091,921	157,810,991	170,356,262	175,187,361	182,203,943	188,002,717	192,466,735	198,387,470	197,978,942
Ending Net Position	153,162,591	155,976,634	170,356,262	182,578,327	182,203,943	189,190,650	192,491,735	198,367,944	197,978,942	206,145,183
<b>Change in Net Position</b>	<b>\$ 1,366,573</b>	<b>3,884,713</b>	<b>12,545,271</b>	<b>10,636,202</b>	<b>7,016,582</b>	<b>6,986,707</b>	<b>4,489,018</b>	<b>5,901,209</b>	<b>(408,528)</b>	<b>8,166,241</b>

**City of Seward, Alaska**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Fund</b>										
Nonspendable	\$ 457,897	481,449	351,045	600,308	622,337	394,161	392,169	439,653	442,217	545,560
Committed	2,126,418	2,126,418	2,126,418	2,126,418	2,126,418	2,126,418	2,126,418	2,000,000	2,000,000	2,000,000
Assigned	-	120,768	271,966	324,465	335,280	335,280	407,976	574,777	612,487	575,000
Unassigned	4,827,055	5,948,459	4,698,970	4,718,517	4,873,463	4,621,429	5,638,726	7,017,278	7,169,606	8,462,934
<b>Total General Fund</b>	<b>\$ 7,411,370</b>	<b>8,677,094</b>	<b>7,448,399</b>	<b>7,769,708</b>	<b>7,957,498</b>	<b>7,477,288</b>	<b>8,565,289</b>	<b>10,031,708</b>	<b>10,224,310</b>	<b>11,583,494</b>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ -	-	16,746	9,676	5,858	-	-	-	-	-
Restricted	26,080	26,080	-	-	-	-	-	-	-	-
Assigned	891,865	864,471	2,752,119	2,507,741	2,797,134	2,845,888	2,896,785	2,963,035	1,429,315	2,648,048
Unassigned (deficit)	(12,880)	-	-	-	-	(8,383)	(40,531)	-	(10,639)	(10,478)
<b>Total All Other Governmental Funds</b>	<b>\$ 905,065</b>	<b>890,551</b>	<b>2,768,865</b>	<b>2,517,417</b>	<b>2,802,992</b>	<b>2,837,505</b>	<b>2,856,254</b>	<b>2,963,035</b>	<b>1,418,676</b>	<b>2,637,570</b>
<b>Total All Governmental Funds</b>	<b>\$ 8,316,435</b>	<b>9,567,645</b>	<b>10,217,264</b>	<b>10,287,125</b>	<b>10,760,490</b>	<b>10,314,793</b>	<b>11,421,543</b>	<b>12,994,743</b>	<b>11,642,986</b>	<b>14,221,064</b>

**City of Seward, Alaska**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Taxes	\$ 5,661,136	6,351,525	6,027,632	6,438,604	6,755,941	7,003,205	7,421,769	7,906,241	5,636,427	9,326,027
Licenses and permits	159,114	204,926	185,925	206,365	158,174	125,690	144,462	226,052	136,475	116,886
Intergovernmental	5,749,394	3,091,794	3,921,858	3,401,334	3,188,211	5,278,081	3,083,426	3,177,394	13,798,350	4,419,943
Charges for Services	2,540,717	2,614,684	2,650,995	2,775,824	2,931,087	2,950,159	3,124,918	3,127,545	2,809,873	3,639,583
Investment earnings	56,752	5,359	80,658	78,716	10,354	65,059	87,248	234,551	151,449	(49,837)
Other revenues	708,556	186,662	693,177	208,397	247,101	183,793	330,898	177,893	129,829	1,688,585
<b>Total Revenues</b>	<b>14,875,669</b>	<b>12,454,950</b>	<b>13,560,245</b>	<b>13,109,240</b>	<b>13,290,868</b>	<b>15,605,987</b>	<b>14,192,721</b>	<b>14,849,676</b>	<b>22,662,403</b>	<b>19,141,187</b>
<b>Expenditures</b>										
General government	3,084,356	3,434,883	3,229,754	3,279,972	3,433,174	3,318,178	3,601,390	3,868,104	3,651,213	4,564,586
Public safety	3,535,153	3,280,724	3,480,308	3,366,320	3,373,133	3,489,111	3,677,579	4,005,450	4,737,696	4,486,732
Public works	2,339,996	1,832,897	1,659,642	1,523,557	2,047,067	1,901,390	1,400,688	1,181,051	1,546,116	1,693,377
Parks and Recreation	1,501,366	1,291,197	1,363,572	1,374,393	1,301,314	1,440,658	1,488,698	1,506,635	1,341,589	1,516,689
Library	7,291,434	535,747	572,512	553,272	543,123	573,535	573,595	627,727	649,865	616,045
Clinic	-	-	1,454,476	1,682,532	1,846,150	1,660,050	1,637,780	1,637,563	2,481,413	2,107,042
Community Support	-	-	-	-	-	-	-	-	5,081,737	-
Retirement benefits	656,294	836,750	1,373,271	1,401,165	591,859	616,846	576,741	-	-	-
Capital outlay	-	378,147	775,862	647,858	756,498	5,844,519	575,008	803,385	5,533,882	1,970,121
Debt service:										
Principal	-	-	85,000	90,000	95,000	100,000	200,000	210,000	220,000	230,000
Interest and other costs	153,201	159,400	159,400	155,150	151,550	204,993	253,756	244,106	234,581	262,976
<b>Total Expenditures</b>	<b>18,561,800</b>	<b>11,749,745</b>	<b>14,153,797</b>	<b>14,074,219</b>	<b>14,138,868</b>	<b>19,149,280</b>	<b>13,985,235</b>	<b>14,084,021</b>	<b>25,478,092</b>	<b>17,447,568</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(3,686,131)</b>	<b>705,205</b>	<b>(593,552)</b>	<b>(964,979)</b>	<b>(848,000)</b>	<b>(3,543,293)</b>	<b>207,486</b>	<b>765,655</b>	<b>(2,815,689)</b>	<b>1,693,619</b>
<b>Other Financing Sources (Uses)</b>										
Proceeds from debt issuance:										
Par value	-	-	-	-	-	2,790,000	-	-	-	2,180,000
Premium	-	-	-	-	-	199,733	-	-	-	574,273
Payment to bond escrow agent	-	-	-	-	-	-	-	-	-	(2,720,201)
Transfers in	4,263,668	2,389,220	5,003,400	3,421,759	3,593,615	3,293,372	3,147,358	3,083,277	2,810,006	3,800,372
Transfers out	(2,292,685)	(1,843,215)	(3,760,229)	(2,386,919)	(2,272,250)	(3,185,509)	(2,248,094)	(2,250,732)	(1,365,600)	(2,949,985)
<b>Total Other Financing Sources (Uses)</b>	<b>1,970,983</b>	<b>546,005</b>	<b>1,243,171</b>	<b>1,034,840</b>	<b>1,321,365</b>	<b>3,097,596</b>	<b>899,264</b>	<b>832,545</b>	<b>1,444,406</b>	<b>884,459</b>
<b>Net Change in Fund Balance</b>	<b>\$ (1,715,148)</b>	<b>1,251,210</b>	<b>649,619</b>	<b>69,861</b>	<b>473,365</b>	<b>(445,697)</b>	<b>1,106,750</b>	<b>1,598,200</b>	<b>(1,371,283)</b>	<b>2,578,078</b>
<b>Fund Balances, beginning</b>	<b>\$ 10,031,583</b>	<b>8,316,435</b>	<b>9,567,645</b>	<b>10,217,264</b>	<b>10,287,125</b>	<b>10,760,490</b>	<b>10,314,793</b>	<b>11,396,543</b>	<b>13,014,269</b>	<b>11,642,986</b>
<b>Fund Balances, ending</b>	<b>8,316,435</b>	<b>9,567,645</b>	<b>10,217,264</b>	<b>10,287,125</b>	<b>10,760,490</b>	<b>10,314,793</b>	<b>11,421,543</b>	<b>12,994,743</b>	<b>11,642,986</b>	<b>14,221,064</b>
<b>Net Change in Fund Balances</b>	<b>\$ (1,715,148)</b>	<b>1,251,210</b>	<b>649,619</b>	<b>69,861</b>	<b>473,365</b>	<b>(445,697)</b>	<b>1,106,750</b>	<b>1,598,200</b>	<b>(1,371,283)</b>	<b>2,578,078</b>
Debt service as a percentage of noncapital expenditures (a ÷ b) ^	0.83%	1.40%	1.83%	1.83%	1.84%	2.29%	3.38%	3.42%	2.28%	3.19%
Total non-capital expenditures	\$ 18,561,800	\$ 11,371,598	\$ 13,377,935	\$ 13,426,361	\$ 13,382,370	\$ 13,304,761	\$ 13,410,227	\$ 13,280,636	\$ 19,944,210	\$ 15,477,447

^ Computed as follows: (Principal + Interest) / (Total non-capital expenditures)

**City of Seward, Alaska**  
**General Fund Revenues by Source**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Taxes</b>	<b>Licenses and Permits</b>	<b>Inter-governmental</b>	<b>Charges for Services</b>	<b>Fines and Bails</b>	<b>Investment income</b>	<b>Other</b>	<b>Total</b>
2012	5,661,136	159,114	1,953,472	2,540,717	8,386	56,690	51,824	10,431,339
2013	6,351,525	204,926	2,095,358	2,614,684	9,530	5,359	167,360	11,448,742
2014	6,027,632	185,925	2,611,218	2,650,995	14,073	80,658	124,873	11,695,374
2015	6,438,604	206,365	2,280,061	2,757,831	17,993	78,716	125,812	11,905,382
2016	6,755,941	158,174	1,092,998	2,912,722	18,365	10,354	90,735	11,039,289
2017	7,003,205	125,690	1,229,617	2,950,159	17,006	65,059	81,718	11,472,454
2018	7,421,769	144,462	1,374,253	3,124,918	14,317	87,248	215,581	12,382,548
2019	7,906,241	226,052	1,213,515	3,127,545	9,496	234,551	97,293	12,814,693
2020	5,636,427	136,475	1,078,448	2,809,873	11,075	150,417	118,427	9,941,142
2021	9,326,027	116,886	1,239,768	3,639,583	22,308	(49,808)	917,436	15,212,200

**City of Seward, Alaska**  
**General Fund Tax Revenues by Source**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax (1)</b>	<b>Payments-in-Lieu-of-Tax</b>	<b>Hotel/Motel Tax (2)</b>	<b>Other (3)</b>	<b>Total</b>
2012	1,013,580	4,189,330	76,160	380,210	1,856	5,661,136
2013	1,276,898	4,583,057	81,670	408,256	1,644	6,351,525
2014	986,449	4,535,707	82,490	421,981	1,005	6,027,632
2015	1,003,665	4,883,996	88,331	458,605	4,007	6,438,604
2016	1,152,216	5,004,992	90,382	505,845	2,506	6,755,941
2017	1,213,627	5,160,344	107,157	520,907	1,170	7,003,205
2018	1,464,361	5,326,437	73,207	556,065	1,699	7,421,769
2019	1,556,874	5,674,689	76,694	591,674	6,310	7,906,241
2020	1,564,692	3,805,487	46,312	217,434	2,502	5,636,427
2021	1,655,216	6,861,114	89,061	713,633	7,003	9,326,027

1) Sales tax rate has been 4% since July 1, 2003 and one-quarter (1/4) of all sales tax revenue is transferred out of the General Fund to the Hospital Enterprise Fund to pay healthcare-related debt, capital, and operating costs.

2) The hotel/motel tax rate is 4%.

3) Represents tax-related penalties and interest.

**City of Seward, Alaska**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**  
**(Per \$1,000 of Assessed Value)**

<u>Fiscal Year</u>	<u>City</u>	<u>Borough (1)</u>	<u>KPCC (2)</u>	<u>Flood Service (3)</u>	<u>Total</u>
2012	3.12	4.50	0.00	0.50	8.12
2013	3.12	4.50	0.00	0.50	8.12
2014	3.12	4.50	0.00	0.50	8.12
2015	3.12	4.50	0.00	0.75	8.37
2016	3.12	4.50	0.00	0.75	8.37
2017	3.12	4.50	0.00	0.75	8.37
2018	3.84	4.70	0.00	0.75	9.29
2019	3.84	4.70	0.00	0.75	9.29
2020	3.84	4.70	0.00	0.75	9.29
2021	3.84	4.70	0.00	0.75	9.29

- 1) Includes Kenai Peninsula Borough only.
- 2) Kenai Peninsula Community College.
- 3) Seward/Bear Creek Flood Service Area created effective 2004.



**City of Seward, Alaska**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy for Fiscal Year	Collected in the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	981,134	944,950	96.312%	29,603	974,553	99.329%
2013	1,235,742	1,212,490	98.118%	18,734	1,231,224	99.634%
2014	968,272	942,952	97.385%	21,572	964,523	99.613%
2015	1,006,912	978,629	97.191%	21,119	978,629	97.191%
2016	1,101,723	1,074,987	97.573%	22,950	1,097,937	99.656%
2017	1,189,014	1,172,169	98.583%	28,556	1,200,725	100.985%
2018	1,458,073	1,419,345	97.344%	13,990	1,433,335	98.303%
2019	1,552,098	1,486,245	95.757%	56,760	1,543,005	99.414%
2020	1,563,721	1,489,328	95.243%	41,880	1,531,208	97.921%
2021	1,627,613	1,539,140	94.564%	68,778	1,607,918	98.790%

Source: Kenai Peninsula Borough

**City of Seward, Alaska**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year	Real Property		Personal Property		Total Property		Tax Rates			Ratio of Assessed Value to Total Est. Actual Value
	Assessed Value (2)	Estimated Actual Value (1)	Assessed Value (2)	Estimated Actual Value (1)	Assessed Value (2)	Estimated Actual Value (1)	Direct (City of Seward)	Overlapping (KPB, KPCC & BCFSA)^	Combined Tax Rate	
2012	222,716,400	253,609,300	92,111,313	124,568,800	314,827,713	378,178,100	3.12	5.00	8.12	83.25%
2013	228,195,800	248,357,800	168,416,865 *	405,452,500 *	396,612,665	653,810,300	3.12	5.00	8.12	60.66%
2014	212,690,900	249,826,500	79,542,045	110,605,000	292,232,945	360,431,500	3.12	5.00	8.12	81.08%
2015	239,873,088	251,015,800	80,345,819	109,149,800	320,218,907	360,165,600	3.12	5.00	8.12	88.91%
2016	247,469,769	267,717,900	100,668,606	129,667,600	348,138,375	397,385,500	3.12	5.25	8.37	87.61%
2017	265,631,189	274,511,700	102,282,822	139,869,000 **	381,263,951	414,380,700	3.12	5.25	8.37	92.01%
2018	272,890,000	282,031,815	94,933,968	129,822,201	367,823,968	411,854,016	3.84	5.45	9.29	89.31%
2019	285,579,453	305,984,502	107,419,854	145,391,590	392,999,307	451,376,092	3.84	5.45	9.29	87.07%
2020	293,699,390	309,253,199	113,771,003	153,171,921	407,470,393	462,425,120	3.84	5.45	9.29	88.12%
2021	303,134,117	319,584,941	120,245,572	161,598,923	423,379,689	481,183,863	3.84	5.45	9.29	87.99%

^ Includes Kenai Peninsula Borough, Kenai Peninsula Community College and Bear Creek Flood Service Area.

Source: State of Alaska "Alaska Taxable 2021" (1) and Kenai Peninsula Borough Certified Tax Roll (2).

\* 2013 values include one-time Shell oil rig "Noble Discoverer". Original assessed value of \$283,337,326 was appealed; revised value \$78,000,000 is included above in Assessed Value (Kenai Peninsula Borough), but Estimated Actual Value (State of Alaska ) was not downward revised.

\*\* 2017 values include one-time oil rig "Spartan"

**City of Seward, Alaska**  
**Principal Property Taxpayers**  
**Compared with Nine Years Ago**  
**December 31, 2021**

<u>Taxpayer (2)</u>	<u>Type of Business</u>	2021		Percentage of Total Taxable Assessed		2012 Assessed		Percentage of Total Taxable Assessed	
		<u>Value (1)</u>	<u>Rank</u>	<u>Value (2)</u>	<u>Rank</u>	<u>Value (1)</u>	<u>Rank</u>	<u>Value (2)</u>	<u>Rank</u>
Leirer Enterprises LLC	Real Estate/Leasing	\$ 13,838,700	1	3.3%					
Crowley Fuels LLC	Petroleum Products	13,154,772	2	3.1%	9,051,311	3	2.9%		
Vitus Energy, LLC	Petroleum Products	10,536,493	3	2.5%					
Carr Gottstein	Grocery	8,068,717	5	1.9%	6,385,100	4	2.0%		
Gateway 82 LLC	Hotel	7,221,836	4	1.7%					
Four Seasons Marine Services Corp	Marine/Ship Repair	6,597,423	6	1.6%					
Harbor 360 LLC	Hotel	6,361,200	7	1.5%					
GCI	Communications	5,992,394	8	1.4%	4,835,918	8	1.5%		
Mindenbergs Juris dba Breeze Inn	Hotel	5,414,300	9	1.3%	6,132,700	6	1.9%		
Y C Seward Hotel Group LLC	Hotel	3,893,300	10	0.9%					
Ciri Alaska Tourism	Tourism				16,015,566	1	5.1%		
Icicle Seafoods	Seafood Processing				9,054,931	2	2.9%		
Seward Hospitality LLC	Hotel/Retail				6,379,200	5	2.0%		
Kishan Group	Hotel/Retail				5,317,045	7	1.7%		
Shoreside Petroleum, Inc.	Petroleum Products				4,546,034	9	1.7%		
Delta Western, Inc.	Petroleum Products				4,429,947	10	1.4%		
<b>Total</b>		<b>\$ 81,079,135</b>		<b>19.2%</b>	<b>\$ 72,147,752</b>		<b>22.9%</b>		

1) Includes real, personal and oil taxes based on 2021 tax rolls. Source: Kenai Peninsula Borough Assessors Department

Above assessed values are a best effort to identify ten largest property taxpayers, although values reflect aggregation of multiple tax accounts. It is possible that some tax accounts may have different names, making it difficult to identify as being owned by the same entity. Therefore, some valuations may have been inadvertently omitted above.

2) Based on total assessed value of \$314,827,713 in 2012 and \$423,379,689 in 2021.

**City of Seward, Alaska**  
**Principal Taxable Sales by Line of Business**  
**December 31, 2021**

Type of Business	FY2021 Taxable Sales (1)	Percent of Total Taxable Sales	FY2012 Taxable Sales (2)	Percent of Total Taxable Sales
Retail Trade	\$ 63,628,001	37.7%	\$ 43,453,043	41.1%
Accommodations, Food Service, Entertainment	38,246,800	22.7%	23,509,022	22.3%
Guiding Water	38,407,586	22.7%	17,564,634	16.6%
Public Administration	9,831,358	5.8%	7,366,331	7.0%
Wholesale Trade	5,988,485	3.5%	6,271,717	5.9%
Rental Property	4,298,777	2.5%	2,375,877	2.2%
Services	2,818,571	1.7%	1,719,997	1.6%
Transportation & Warehousing	330,399	0.2%	-	0.0%
Professional, Scientific	799,928	0.5%	-	0.0%
Manufacturing	840,521	0.5%	-	0.0%
Construction	645,285	0.4%	-	0.0%
Other	3,018,711	1.8%	3,346,757	3.2%
	\$ 168,854,421	100%	\$ 105,607,378	100%

1) Source: Kenai Peninsula Borough, Finance Dept., Sales Tax Division

Note: Information regarding the ten principal revenue payers, and the amount collected from each, is not available. The Kenai Peninsula Borough collects sales tax on behalf of the City of Seward as required by State law. The Borough does not disclose sales tax data by individual business, even to the cities within the Borough. Rather than to provide information on the ten principal revenue payers, we are providing information on taxable sales by Line of Business.

**City of Seward, Alaska**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years (1)**

Fiscal Year	Governmental Activities (6)			Business-Type Activities (6)				Debt as a % of Total Personal Income (3)		Debt per Capita (4)		Debt as a % of Estimated Actual Taxable Value of Property (5)	
	G.O. Bonds (2) *	Revenue Bonds	Capital Leases	G.O. Bonds (2) *	Revenue Bonds	Capital Leases	Loans	Total Primary Government	Governmental	Total Primary Gov't	Governmental		
2012	3,729,027	-	229,498	710,000	38,475,000	-	2,155,164	45,298,689	3.1%	34.9%	1,437	16,448	11.98%
2013	3,718,200	-	31,320	-	37,444,409	-	1,968,688	43,162,617	3.1%	35.8%	1,508	17,355	6.60%
2014	3,622,373	-	-	-	35,531,424	-	1,840,021	40,993,818	2.7%	30.4%	1,309	14,810	11.37%
2015	3,521,546	-	-	-	34,210,046	-	4,275,945	42,007,537	2.6%	30.2%	1,285	15,331	11.66%
2016	3,210,000	-	-	-	28,370,000	-	4,085,777	35,665,781	2.4%	26.7%	1,205	13,017	8.98%
2017	6,299,126	-	-	-	29,075,650	-	2,629,364	38,004,144	5.0%	30.2%	2,502	14,271	9.17%
2018	6,082,813	-	-	-	27,314,418	- **	2,391,901	35,789,132	4.7%	27.8%	2,354	13,850	8.69%
2019	5,636,500	-	-	-	24,073,187	-	2,198,304	31,907,991	4.3%	24.1%	2,215	12,538	7.07%
2020	5,620,187	-	-	-	23,906,955	-	2,001,801	31,528,943	4.1%	21.6%	2,159	12,113	6.82%
2021	5,316,563	-	-	-	22,090,724	-	1,802,352	29,209,639	3.6%	20.0%	2,042	11,222	6.07%

1) Excludes other than debt instruments (i.e. compensated absences, net pension obligation, inter-fund loans)

2) G.O. Bonds represent general obligation bonds pledging the full faith and credit of the City.

3) Source: U.S. Dept. of Commerce, Bureau of Economic Analysis. Personal income is estimated by multiplying Kenai Peninsula Borough per-capita personal income by Seward population, as Seward-specific data unavailable ([http://www.bea.gov/iTable/index\\_regional.cfm](http://www.bea.gov/iTable/index_regional.cfm))

4) Source: Alaska Department of Commerce, Community & Economic Development Certified Municipal Population.

5) Estimated Actual Taxable Value data can be found in State of Alaska "Alaska Taxable 2020" (<https://www.commerce.alaska.gov/web/portals/4/pub/osa/14taxable.pdf>)

6) Source: City of Seward finance department

\*\* Resolution 2017-088 authorized final payment in full of the Harbor USACE breakwater loan

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

**City of Seward, Alaska**  
**Ratio of General Bonded Debt to Assessed Value and**  
**General Bonded Debt per Capita**  
**Last Ten Fiscal Years**

Fiscal Year	Population (1)	Assessed Value (2)	General Bonded Debt # ^			Ratio of General Bonded Debt to Assessed Value	General Bonded Debt per Capita
			Governmental	Business-Type	Total		
2012	2754	314,828	3,729	710	4,439	1.12%	1,612
2013	2487	296,613 *	3,718	-	3,718	1.27%	1,495
2014	2768	292,233	3,622	-	3,622	1.13%	1,309
2015	2740	320,219	3,522	-	3,522	1.10%	1,285
2016	2663	348,138	3,210	-	3,210	0.92%	1,205
2017	2518	381,264	6,299	-	6,299	1.65%	2,502
2018	2584	367,824	6,082	-	6,082	1.65%	2,354
2019	2545	392,999	5,636	-	5,636	1.43%	2,215
2020	2509	407,470	5,370	-	5,370	1.32%	2,140
2021	2603	423,380	4,660	-	4,660	1.10%	1,790

# Amounts expressed in thousands. Excludes revenue bonds of Business-Type entities.

\* 2013 Assessed Value includes one-time oil property originally assessed at \$283,337,326, downward adjusted on appeal to \$78,000,000.

1) Source: Alaska Department of Commerce, Community & Economic Development Certified Municipal Population.

2) Source: Kenai Peninsula Borough (expressed in thousands).

**City of Seward, Alaska**  
**Computation of Direct and Overlapping Bonded Debt**  
**December 31, 2021**

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Seward	Amount Applicable to City of Seward
Direct:			
City of Seward	\$ 4,660,000	100%	4,660,000
Overlapping:			
Kenai Peninsula Borough (KPB)	<u>27,535,000</u>	4.8%	<u>1,324,987</u>
	<u>\$ 32,195,000</u>		<u>5,984,987</u>

1) Excluding general obligation bonds reported in the Enterprise Funds. Includes governmental activities' general obligation bonds, revenue bonds, and capital leases.

2) Source: KPB finance department.

3) Based on ratio of City of Seward assessed value (real and personal property = \$407,470,393) to total assessed value of the Kenai Peninsula Borough (\$8,488,850,121)  
Source: "2021 Alaska Taxable" State of Alaska, and KPB main and supplemental tax rolls.

Note: Excludes State assessed values which are exempt from taxation at City and Borough level.

**City of Seward, Alaska**

**Legal Debt Margin  
December 31, 2021**

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No debt limit mandated by law.

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**City of Seward, Alaska**  
**Revenue Bond Coverage**  
**Electric Enterprise Fund**  
**Last Ten Fiscal Years**

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage (4)
				Principal	Interest	Total	
2012	11,344,047	7,844,098	3,499,949	345,000	323,987	668,987	5.23
2013	11,139,471	8,531,996	2,607,475	360,000	308,210	668,210	3.90
2014	11,236,195	8,073,997	3,162,198	380,000	290,053	670,053	4.72
2015	11,674,228	8,887,162	2,787,066	400,000	273,261	673,261	4.14
2016	11,607,631	9,421,854	2,185,777	240,000	109,739	349,739	6.25
2017	13,010,358	10,267,321	2,743,037	150,000	193,118	343,118	7.99
2018	11,168,299	9,730,414	1,437,885	160,000	185,400	345,400	4.16
2019	12,544,308	9,801,084	2,743,224	165,000	180,199	345,199	7.95
2020	12,516,634	10,057,074	2,459,560	170,000	171,949	341,949	7.19
2021	13,295,324	10,783,920	2,511,404	180,000	163,451	343,351	7.31

- 1) Total revenues, including interest, exclusive of grants.
- 2) Total operating expenses exclusive of depreciation and payments in lieu of taxes.
- 3) Includes principal and interest of revenue bonds only.
- 4) Revenue bond agreements require Net Revenue Available for Debt Service be at least 1.30 times the amount of

## City of Seward, Alaska

## Revenue Bond Coverage

## Harbor Enterprise Fund

## Last Ten Fiscal Years

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage (4)
				Principal	Interest	Total	
2012	3,228,955	2,171,180	1,057,775	400,000	299,765	699,765	1.51
2013	3,266,821	2,187,206	1,079,615	420,000	284,374	704,374	1.53
2014	3,257,122	2,358,618	898,504	294,885	179,484	474,369	1.89
2015	3,396,213	2,289,480	1,106,733	460,000	223,262	683,262	1.62
2016	3,323,340	2,500,625	822,715	470,000	200,380	670,380	1.23
2017	3,480,176	2,132,971	1,347,205	480,000	193,100	673,100	2.00
2018	3,564,884	2,268,324	1,296,560	490,000	177,900	667,900	1.94
2019	3,616,290	1,961,095	1,655,195	510,000	158,301	668,301	2.48
2020	3,126,459	2,189,254	937,205	530,000	134,899	664,899	1.41
2021	3,716,628	2,119,662	1,596,966	560,000	110,549	670,549	2.38

- 1) Total revenues, including interest, exclusive of grants.
- 2) Total operating expenses exclusive of depreciation and payments in lieu of taxes.
- 3) Includes principal and interest of revenue bonds only.
- 4) Revenue bond agreements require Net Revenue Available for Debt Service be at least 1.20 times the amount of the total annual debt service requirement.

**City of Seward, Alaska**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Fiscal Year	City of Seward				For the Kenai Peninsula Borough (A)			
	Population	School Enrollment	Personal Income (3)	Per Capita Personal Income (2)	Median Age (4)	Population (1)	School Enrollment	Unemployment Rate (4)
2012	2,754	593	122,039,039	47,121	40.6	56,369	9,083	8.60%
2013	2,768	574	117,189,666	48,485	41.4	56,756	8,892	7.90%
2014	2,768	588	134,207,628	48,728	40.0	56,862	8,832	7.80%
2015	2,740	605	133,515,899	50,760	41.1	57,763	9,132	7.80%
2016	2,663	634	139,082,614	52,639	40.8	58,060	9,141	8.20%
2017	2,518	582	128,621,617	51,081	41.4	58,024	9,027	8.50%
2018	2,584	585	128,682,204	49,800	41.5	58,471	9,005	7.70%
2019	2,545	599	132,519,283	52,015	41.8	58,367	8,881	7.00%
2020	2,509	474	137,668,490	54,870	37.3	58,708	8,085	9.10%
2021	2,603	474	146,129,817	56,139	42.1	59,414	8,495	7.30%

(A) Age and Unemployment data for City of Seward is not available, but is considered comparable to data for the Kenai Peninsula Borough

(1) Alaska Department of Labor estimates as of July 1 of each fiscal year

(2) Source: U.S. Dept. of Commerce, Bureau of Economic Analysis for Kenai Peninsula Borough; specific data not available for Seward ([http://www.bea.gov/iTable/index\\_regional.cfm](http://www.bea.gov/iTable/index_regional.cfm))

(3) Uses Kenai Peninsula Borough Per Capita Personal Income multiplied by Seward population. Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, using annual midyear population estimates.

(4) Source: <https://live.laborstats.alaska.gov/pop/estimates/data/AgeBySexBCA.xls>

## City of Seward, Alaska

### Principal Employment by Industry - Current and Seven Years Ago

Industry	2021 Resident Workers	2012 Resident Workers
Trade, Transportation and Utilities	218	232
Leisure and Hospitality	159	154
Local Government	116	121
Educational and Health Services	111	109
State Government	103	107
Professional and Business Services	75	90
Manufacturing	46	50
Construction	37	35
Financial Activities	29	28
Other	22	27
Natural Resources and Mining Information	21 4	25 5
	941	983

Source: Alaska Department of Labor and Workforce Development, Research and Analysis.

[Http://live.laborstats.alaska.gov/alari/](http://live.laborstats.alaska.gov/alari/)

\* 2021 updated data unavailable from the Department of Labor and Workforce Development. Used data from 2020 CAFR for comparison

\* Beginning in 2012, the State of Alaska by statute prohibits release of data relative to the number of employees working for an employer.

Beginning in 2014, the City of Seward is providing Employment by Industry data to demonstrate the comparative change in employment over time by Industry rather than Employer.

**City of Seward, Alaska**  
**Full-Time Equivalent Employees by Fund**  
**Last Ten Fiscal Years**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:										
City Clerk	3.00	3.20	3.00	3.00	3.11	3.23	3.53	3.00	3.05	2.70
City Manager and Legislative	4.40	4.10	4.00	4.00	3.00	3.00	4.15	3.44	3.41	3.25
M.I.S.	2.00	2.00	2.50	2.50	2.76	2.72	2.73	2.63	3.02	3.00
Finance	7.10	6.70	7.00	7.00	9.29	8.04	7.45	8.35	6.07	7.55
Police, Jail, Animal Control	24.20	24.30	25.50	25.50	24.34	23.73	23.15	23.20	24.24	22.65
Fire	2.80	2.75	2.75	2.75	2.93	2.74	2.75	2.97	2.81	2.90
Building Inspection	1.20	1.25	1.25	1.25	1.00	1.00	1.00	1.00	2.01	2.40
Public Works	7.20	5.90	5.94	5.94	6.45	7.11	5.83	4.46	7.12	7.65
Community Development	1.60	2.00	2.00	2.00	2.01	2.40	1.96	1.88	2.63	2.40
Maintenance	2.00	2.10	2.03	2.03	2.02	2.01	1.37	1.00	1.01	2.00
Parks & Recreation	14.20	14.90	15.24	14.10	13.74	14.46	14.26	13.53	9.66	7.20
Library	4.50	4.60	4.59	4.59	4.98	5.16	5.06	4.65	4.22	5.45
<b>General Fund Total</b>	<b>74.20</b>	<b>73.80</b>	<b>75.80</b>	<b>74.66</b>	<b>75.63</b>	<b>75.60</b>	<b>73.24</b>	<b>70.12</b>	<b>69.25</b>	<b>69.15</b>
Parking	2.10	1.60	3.29	3.09	1.04	1.67	1.62	0.96	0.10	0.00
Harbor and SMIC	12.00	11.60	11.65	11.65	11.72	12.12	11.77	12.25	11.70	11.60
Electric	10.90	11.30	11.00	11.00	10.82	11.89	11.46	10.63	10.69	10.60
Water	2.70	2.60	3.53	3.53	2.52	2.86	3.36	3.37	2.19	2.00
Wastewater	2.50	2.60	2.53	2.53	2.18	1.74	2.37	2.30	2.27	2.00
<b>Total All Funds</b>	<b>104.40</b>	<b>103.50</b>	<b>107.80</b>	<b>106.46</b>	<b>103.91</b>	<b>105.88</b>	<b>103.82</b>	<b>99.63</b>	<b>96.20</b>	<b>26.20</b>

Source: City of Seward finance department

**City of Seward, Alaska**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Public Safety</b>										
Police Services:										
Physical arrests	251	345	289	270	322	244	242	97	231	160
Traffic violations/warnings	1,129	1,400	1,225	2,042	785	944	1,149	1,180	641	976
Parking violations	150	79	29	63	74	79	249	336	254	196
Fire and Emergency Services:										
Number of calls answered (a)	307	339	349	376	359	361	264	300	230	292
<b>Harbor</b>										
Registered vessels	3,608	3,992	4,928	4,860	5,193	5,053	5,565	5,813	5,159	5,520
Number on waiting list for slips	192	171	183	184	161	171	147	161	166	179
Number of boat lifts	467	551	590	602	509	553	576	526	485	570
General cargo tonnage (b)	20,421	27	140	112	-	-	-	2,044	45	23,005
Fish product tonnage	17,119	24,563	10,862	21,632	10,085	8,702	15,670	13,410	8,225	9,270
Petroleum (gallons) (c)	3,934,806	2,856,968	2,536,738	3,450,054	3,637,401	2,853,828	2,786,987	2,423,856	1,855,312	2,944,847
<b>Water and Wastewater Systems:</b>										
Water service connections	949	961	958	973	976	982	980	981	996	1,007
Daily average consumption (gallons)	1,580,641	1,472,000	1,144,677	1,130,528	1,484,754	1,109,546	1,059,115	971,670	841,561	1,147,272
Sewer service connections	922	935	934	948	950	954	952	955	970	975
Daily average treatment (gallons)	681,749	657,821	519,132	519,132	652,321	609,545	653,872	591,175	450,000	399,071
<b>Electric System:</b>										
Number of service connections	3,218	2,706	2,735	2,759	2,796	2,818	2,821	2,855	2,897	2,910
Total kilowatt hour sales	58,738,003	57,950,087	55,190,496	54,842,755	53,103,072	53,263,395	51,784,110	51,672,753	52,268,253	54,495,232

(a) Beginning June 2009, began providing aid response for medical calls.

(b) In 2012, includes 20,361 tons dredged material removed from harbor.

(c) In 2012, includes 1,344,546 gallons in barrels that crossed the dock.

Source: City of Seward police, fire, harbor, water, wastewater, and finance departments

**City of Seward, Alaska**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Lane miles of street</b>	54.40	54.40	54.40	54.8	54.8	54.8	55	55	55	55
<b>Number of street lights</b>	265	265	265	265	265	265	265	265	265	265
<b>Public Safety</b>										
Number of fire stations	2	2	2	2	2	2	2	2	2	2
Fire rating (ISO)	5/9	5/9	4/9	4/9	4/9	4/9	4/4x *	3/3y *	3/3y	3/3y
Number of fire hydrants	220	220	220	220	220	220	220	220	232	232
Number of police stations	1	1	1	1	1	1	1	1	1	1
<b>Number of Facilities</b>										
Parks and playgrounds	20	20	20	20	20	20	20	20	21	21
Libraries	1	1	1	1	1	1	1	1	1	1
Sewer treatment plants	2	2	2	2	2	2	2	2	2	2
Electric distribution line (miles)	69	69	69	69	69	69	69	69	69	69
Electric substations	3	3	3	3	3	3	3	3	3	3

Source: City of Seward fire, public works and finance departments

\*New ISO rating system beginning in 2018

**City of Seward, Alaska**  
**Property Value, Construction, and Bank Deposits**  
**Last Ten Fiscal Years**

Fiscal Year	Total Real Property Value (1)	Commercial Construction		Residential Construction		Bank Deposits (2)
		Number of Permits	Value of Permits	Number of Permits	Value of Permits	
2012	253,609,300	36	6,254,641	18	717,400	82,765,489
2013	248,357,800	30	14,551,644	22	927,616	75,607,197
2014	249,826,500	25	8,072,217	26	1,070,400	79,852,000
2015	251,015,800	30	16,808,765	11	759,860	75,514,000
2016	267,717,900	27	2,661,974	26	1,603,866	87,091,000
2017	274,511,700	14	2,324,733	21	1,070,477	86,329,000
2018	282,031,815	20	3,993,376	23	1,391,200	81,076,000
2019	305,984,502	19	10,577,917	20	1,406,850	80,659,000
2020	462,425,120	24	3,590,628	21	2,984,130	95,961,000
2021	319,584,941	24	3,605,605	26	2,831,337	126,126,000

1) "Estimated Actual Value" from Table 9.

2) Bank deposit data as of 12/31 through 2014. Beginning 2015, data as of June 30.

Source: <https://www5.fdic.gov/sod/sodMarketRpt.asp?barItem=&sState=all&sZipCode=99664>

3) Source: Construction Data - City of Seward Building Department



## City of Seward, Alaska

## Miscellaneous Statistics

December 31, 2021

Date of Incorporation	June 1, 1912
Class	Home Rule City
Form of Government	Council / Manager
Area, Square Miles	22
Miscellaneous Operational Statistics:	
Library - number of volumes	29,794
Fire Department - Number of volunteers	22
Sewer System - Maximum daily capacity (gallons)	880,000
Water System - Maximum daily capacity (gallons)	399,071
Electric System:	
Miles of distribution lines	120
Miles of transmission lines	50
Harbor - Number of permanent slips	573
City Employees:	
Regular Employees - Full-time equivalent	91
Temporary Employees - Full-time equivalent	5
Demographics:	
School Enrollment, City of Seward (3)	474
Unemployment Rate - Borough-Wide (1)	7.3%
Population (2)	2,603
Per-capita Personal Income (4)	56,139
Qualified Voters	1,801
Facilities and Services not included in the reporting entity:	
Education:	
Elementary School	
Number of students enrolled	214
Number of teachers	21
Middle School	
Number of students enrolled	113
Number of teachers	14
High School	
Number of students enrolled	147
Number of teachers	20
Alaska Vocational Technical Center	
Number of students served annually	927
Number of teachers (includes Instructional Aides)	25
Healthcare Facilities - a component unit of the reporting entity:	
Providence Seward Medical & Care Center	
Number of patient beds (6) combination of inpatient care & swing beds	6
Number of long-term care beds	40
Number of employees:	138
Exempt	14
Non-Exempt (includes non-staff rotating physicians)	124

Borough; assumed to be representative of Seward, as specific Seward data unavailable  
(<http://live.laborstats.alaska.gov/labforce/labdata.cfm?s=14&a=0>)

2) Source: Alaska Department of Commerce, Community & Economic Development Certified Municipal Population.

3) State of Alaska Department of Education & Early Development - <https://education.alaska.gov/stats/>

4) Source: U.S. Dept. of Commerce, Bureau of Economic Analysis. ([http://www.bea.gov/iTable/index\\_regional.cfm](http://www.bea.gov/iTable/index_regional.cfm)) KPB per-capita personal income used, as Seward specific data not available (2020 - last updated November 16, 2021)