

Mayor

Clay Koplin

Council Members

Tom Bailer

Cathy Sherman

Jeff Guard

Melina Meyer

Anne Schaefer

David Allison

David Glasen

City Manager

Helen Howarth

City Clerk

Susan Bourgeois

Deputy Clerk

Tina Hammer

Student Council

Ari Jeppson-Bolin

**City Council Work Session
February 16, 2022 @ 6:30 pm
Cordova Center Community Rooms
Agenda**

A. Call to order

B. Roll call

Mayor Clay Koplin, Council members Tom Bailer, Cathy Sherman, Jeff Guard, Melina Meyer, Anne Schaefer, David Allison, and David Glasen

C. Work Session topics

1. City of Cordova FY20 Financial Audit Presentation..... (page 1)
BDO USA, LLC, ***Bikky Shrestha***
- City Manager Memo regarding items 2a, 2b and 3 below..... (page 128)
2. Year-end 2021 Financials (provisional)
 - a. General Fund..... (page 129)
 - b. All Funds..... (page 130)
3. Analysis of General Reserve (Permanent) Fund..... (page 131)
Investment Earnings
4. Cash Report..... (page 132)

D. Adjournment

If you have a disability that makes it difficult to attend city-sponsored functions, you may contact 424-6200 for assistance.

Full City Council agendas and packets available online at www.cityofcordova.net

City of Cordova, Alaska

Basic Financial Statements, Required
Supplementary Information, Supplementary
Information and Single Audit Reports
Year Ended December 31, 2020

City of Cordova, Alaska

Basic Financial Statements, Required Supplementary
Information, Supplementary Information
and Single Audit Reports
Year Ended December 31, 2020

City of Cordova, Alaska

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3601 C Street, Suite 600
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Independent Auditor's Report

Honorable Mayor and City Council
City of Cordova, Alaska

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cordova, Alaska, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Cordova'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, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of City of Cordova, Alaska, as of December 31, 2020, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Cordova 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 Cordova's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 60 through 63, and the schedules of the City's proportionate share of the net pension and net OPEB liability or asset and the City's contributions on pages 64 through 67, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Cordova's basic financial statements. The accompanying combining and individual fund financial statements, and schedules listed in the table of contents, and the Schedule of Expenditures of Federal Awards as required by the Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards, and the combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2022 on our consideration of City of Cordova'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 Cordova's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Cordova's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
February 4, 2022

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Basic Financial Statements

City of Cordova, Alaska

Exhibit A-1

Statement of Net Position

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Cordova City School District	Cordova Community Medical Center	Cordova Volunteer Fire Department
<i>December 31, 2020</i>						
Assets and Deferred Outflows of Resources						
Assets						
Cash and investments	\$11,570,750	\$ 2,909,197	\$ 14,479,947	\$1,779,107	\$ 1,976,865	\$ 63,684
Receivables:						
Taxes	684,772	-	684,772	-	-	-
Accounts	-	714,764	714,764	-	1,755,485	-
Grants and shared revenues	112,574	32,245	144,819	531,167	-	-
Other	95,633	-	95,633	-	5,758	-
Allowance for doubtful accounts	-	(302,543)	(302,543)	-	-	-
Prepaid items	273,324	127,879	401,203	33,156	142,334	-
Deposits	-	6,500	6,500	-	-	-
Inventory	-	-	-	35,393	407,339	-
Restricted cash and investments	-	991,428	991,428	-	-	-
Lease receivable	724,410	-	724,410	-	-	-
Net other postretirement benefit assets	370,610	127,837	498,447	163,036	578,890	-
Capital assets:						
Land and construction in progress	1,589,168	5,639,529	7,228,697	-	-	-
Other capital assets, net of depreciation	49,812,481	24,994,464	74,806,945	95,558	4,334,009	-
Total Assets	65,233,722	35,241,300	100,475,022	2,637,417	9,200,680	63,684
Deferred Outflows of Resources						
Related to pensions	369,761	122,789	492,550	382,837	634,245	-
Related to other postemployment benefits	215,051	74,181	289,232	305,338	515,562	-
Related to goodwill	-	-	-	-	105,000	-
Deferred loss on bonds	701,299	-	701,299	-	-	-
Total Deferred Outflows of Resources	1,286,111	196,970	1,483,081	688,175	1,254,807	-
Total Assets and Deferred Outflows of Resources	\$66,519,833	\$35,438,270	\$ 101,958,103	\$3,325,592	\$10,455,487	\$ 63,684

City of Cordova, Alaska

Exhibit A-1, continued

Statement of Net Position, continued

	Primary Government			Component Units		
	Governmental Activities	Business- type Activities	Total	Cordova City School District	Cordova Community Medical Center	Cordova Volunteer Fire Department
<i>December 31, 2020</i>						
Liabilities, Deferred Inflows of Resources and Net Position						
Liabilities						
Accounts payable	\$ 154,763	\$ 74,498	\$ 229,261	\$ 552,402	\$ 248,890	\$ -
Accrued payroll and related liabilities	45,534	15,476	61,010	99,420	529,070	-
Health claims payable	110,001	-	110,001	-	-	-
Customer deposits	-	37,663	37,663	-	-	-
Accrued interest payable	160,652	112,889	273,541	-	-	-
Internal balance	(28,960)	28,960	-	-	-	-
Unearned revenue	55,917	506,696	562,613	-	2,571,080	-
Noncurrent liabilities:						
Due within one year:						
Accrued vacation and sick leave	314,098	128,885	442,983	-	-	-
Bonds and loans	1,165,000	55,000	1,220,000	-	1,154,520	-
Capital lease	-	-	-	-	118,668	-
Due in more than one year:						
Loans	-	2,972,266	2,972,266	-	-	-
General obligation bonds	11,465,000	-	11,465,000	-	-	-
Capital lease	-	-	-	-	187,909	-
Net pension liability	4,524,781	1,436,314	5,961,095	4,086,479	6,428,846	-
Net other postemployment benefits liability	8,457	2,916	11,373	4,888	-	-
Unamortized bond premium	1,096,596	-	1,096,596	-	-	-
Landfill closure costs	-	858,676	858,676	-	-	-
Total Liabilities	19,071,839	6,230,239	25,302,078	4,743,189	11,238,983	-
Deferred Inflows of Resources						
Related to other postemployment benefits	301,520	104,007	405,527	155,445	-	-
Related to pensions	119,242	34,455	153,697	203,717	622,605	-
Total Deferred Inflow of Resources	420,762	138,462	559,224	359,162	622,605	-
Total Liabilities and Deferred Inflows of Resources	19,492,601	6,368,701	25,861,302	5,102,351	11,861,588	-
Net Position						
Net investment in capital assets	38,376,352	27,606,727	65,983,079	95,558	4,027,432	-
Restricted:						
E-911	64,396	-	64,396	-	-	-
Refuse	-	991,428	991,428	-	-	-
School District	-	-	-	198,812	-	-
Unrestricted (deficit)	8,586,484	471,414	9,057,898	(2,071,129)	(5,433,533)	63,684
Total Net Position (Deficit)	47,027,232	29,069,569	76,096,801	(1,776,759)	(1,406,101)	63,684
Total Liabilities, Deferred Inflows of Resources and Net Position	\$66,519,833	\$35,438,270	\$101,958,103	\$3,325,592	\$10,455,487	\$ 63,684

See accompanying notes to basic financial statements.

City of Cordova, Alaska

Exhibit A-2

Statement of Activities Year Ended December 31, 2020

Activities	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contri- butions	Capital Grants and Contri- butions
Primary Government				
Governmental:				
General government	\$ 1,709,418	\$ 561,938	\$ 3,757,470	\$ -
Public safety	929,927	359,719	-	66,240
Information and recreation	1,391,826	46,785	-	-
Public works	2,168,279	3,267	-	-
Education	2,217,280	-	621,278	-
Health	2,155,926	-	-	-
Community service	1,246,270	-	-	-
Interest	454,153	-	75,498	-
Total governmental activities	12,273,079	971,709	4,454,246	66,240
Business-type:				
Port	1,960,697	1,585,408	96,040	-
Water	1,304,740	744,590	31,222	-
Sewer	1,118,267	811,606	31,222	-
Refuse	1,113,460	1,057,381	58,945	-
Camper Park	48,436	2,840	1,378	-
Total business-type activities	5,545,600	4,201,825	218,807	-
Total Primary Government	\$ 17,818,679	\$ 5,173,534	\$ 4,673,053	\$ 66,240
Component Units				
Cordova City School District	\$ 7,081,081	\$ 22,486	\$ 980,387	\$ -
Cordova Community Medical Center	\$ 13,574,114	\$ 9,806,374	\$ 2,100,346	\$ 956,125
Volunteer Fire Department	\$ 15,076	\$ 16,465	\$ -	\$ -

City of Cordova, Alaska
Statement of Activities, continued
Year Ended December 31, 2020

Exhibit A-2, continued

Activities	Net (Expense) Revenue and Changes in Net Position					
	Primary Government			Component Units		
	Govern- mental Activities	Business- type Activities	Total	Cordova City School District	Cordova Community Medical Center	Cordova Volunteer Fire Department
Primary Government						
Governmental:						
General government	\$ 2,609,990	\$ -	\$ 2,609,990			
Public safety	(503,968)	-	(503,968)			
Information and recreation	(1,345,041)	-	(1,345,041)			
Public works	(2,165,012)	-	(2,165,012)			
Education	(1,596,002)	-	(1,596,002)			
Health	(2,155,926)	-	(2,155,926)			
Community service	(1,246,270)	-	(1,246,270)			
Interest	(378,655)	-	(378,655)			
Total governmental activities	(6,780,884)	-	(6,780,884)			
Business-type:						
Port	-	(279,249)	(279,249)			
Water	-	(528,928)	(528,928)			
Sewer	-	(275,439)	(275,439)			
Refuse	-	2,866	2,866			
Camper Park	-	(44,218)	(44,218)			
Total business-type activities	-	(1,124,968)	(1,124,968)			
Total Primary Government	(6,780,884)	(1,124,968)	(7,905,852)			
Component Units						
Cordova City School District				\$ (6,078,208)		
Cordova Community Medical Center					\$ (711,269)	
Volunteer Fire Department						\$ 1,389
General Revenues						
Sales taxes	3,178,406	-	3,178,406	-	-	-
Property taxes	2,645,179	-	2,645,179	-	-	-
Payments in lieu of taxes	471,413	-	471,413	-	-	-
Other taxes	140,727	-	140,727	-	-	-
Contributions from primary government	-	-	-	2,010,151	286,116	28,325
Grants and entitlements not restricted to a specific purpose	1,923,001		1,923,001	4,488,169	-	-
Investment income	751,691	536	752,227	12,069	-	-
Loss on disposal of capital assets	-	(381,423)	(381,423)	-	-	-
Other	-	-	-	9,746	-	-
Transfers	62,122	(62,122)	-	-	-	-
Total General Revenues and Transfers	9,172,539	(443,009)	8,729,530	6,520,135	286,116	28,325
Change in net position	2,391,655	(1,567,977)	823,678	441,927	(425,153)	29,714
Net Position, beginning	44,635,577	30,637,546	75,273,123	(2,218,686)	(980,948)	33,970
Net Position, ending	\$ 47,027,232	\$ 29,069,569	\$ 76,096,801	\$ (1,776,759)	\$ (1,406,101)	\$ 63,684

See accompanying notes to basic financial statements.

City of Cordova, Alaska

Governmental Funds
Balance Sheet

	Major Funds				Total Govern- mental Funds
	General	General Reserve Special Revenue	CARES Act Special Revenue	Nonmajor Funds	
<i>December 31, 2020</i>					
Assets					
Cash and investments	\$ 635,967	\$ 10,354,376	\$ -	\$ 451,165	\$ 11,441,508
Receivables:					
Taxes	684,772	-	-	-	684,772
Federal grants	-	-	112,574	-	112,574
Other	60,940	-	-	34,693	95,633
Prepaid insurance	273,324	-	-	-	273,324
Due from other funds	121,965	-	-	-	121,965
Lease receivable	724,410	-	-	-	724,410
Total Assets	\$ 2,501,378	\$ 10,354,376	\$ 112,574	\$ 485,858	\$ 13,454,186
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 110,771	\$ -	\$ 22,782	\$ 21,210	\$ 154,763
Accrued payroll and related liabilities	45,534	-	-	-	45,534
Due to other funds	-	-	89,792	3,213	93,005
Unearned revenue	55,917	-	-	-	55,917
Total Liabilities	212,222	-	112,574	24,423	349,219
Deferred Inflows of Resources					
Deferred property taxes	53,842	-	-	-	53,842
Deferred ambulance revenue	-	-	-	11,305	11,305
Deferred lease revenue	724,410	-	-	-	724,410
Total Deferred Inflows of Resources	778,252	-	-	11,305	789,557
Fund Balances					
Nonspendable - prepaid insurance	273,324	-	-	-	273,324
Restricted - enhanced 911 services	-	-	-	64,396	64,396
Assigned:					
Capital projects and land	-	10,354,376	-	7,144	10,361,520
Public safety	-	-	-	381,211	381,211
Unassigned (deficit)	1,237,580	-	-	(2,621)	1,234,959
Total Fund Balances	1,510,904	10,354,376	-	450,130	12,315,410
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,501,378	\$ 10,354,376	\$ 112,574	\$ 485,858	\$ 13,454,186

See accompanying notes to basic financial statements.

City of Cordova, Alaska

Exhibit B-2

**Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position
December 31, 2020**

Total fund balances for governmental funds		\$ 12,315,410
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets and related accumulated depreciation are as follows:		
Land and land improvements	\$ 1,410,419	
Artwork	136,924	
CIP	41,825	
Buildings	62,260,405	
Infrastructure	3,967,496	
Machinery and equipment	9,185,480	
Accumulated depreciation	<u>(25,600,900)</u>	
Total capital assets		51,401,649
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. These assets consist of:		
Lease receivable	724,410	
Delinquent property taxes receivable	53,842	
Deferred ambulance revenue	11,305	
Net other postretirement benefit assets	<u>370,610</u>	
Total other long-term assets		1,160,167
Certain items reported as immediate expenditures in the funds, are amortized over time on the Statement of Net Position. This is the deferred loss on bond refunding.		
		701,299
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as fund liabilities. These liabilities consist of:		
General obligation bonds payable	(12,630,000)	
Unamortized bond premium	(1,096,596)	
Accrued interest on bonds	(160,652)	
Accrued leave	(314,098)	
Net pension liability	(4,524,781)	
Net other postemployment benefits liability	<u>(8,457)</u>	
Total long-term liabilities		(18,734,584)
Certain changes in net pension and other postemployment benefit liabilities are deferred rather than recognized immediately. These are amortized over time.		
Deferred outflows of resources related to pensions	369,761	
Deferred inflows of resources related to pensions	(119,242)	
Deferred outflows of resources related to other postemployment benefits	215,051	
Deferred inflows of resources related to other postemployment benefits	<u>(301,520)</u>	
Total deferred pension and other postemployment benefits items		164,050
Internal Service Funds are used by management to charge the cost of certain activities to individual funds. The assets and liabilities of the Internal Service Funds are included in the governmental activities statement of net position.		
		<u>19,241</u>
Total Net Position of Governmental Activities		\$ 47,027,232

City of Cordova, Alaska

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

Year Ended December 31, 2020	Major Funds				Total Govern- mental Funds
	General	General Reserve Special Revenue	CARES Act Special Revenue	Nonmajor Funds	
Revenues					
Taxes	\$ 6,436,055	\$ -	\$ -	\$ -	\$ 6,436,055
Licenses and permits	19,480	-	-	-	19,480
Federal government	1,203,050	-	2,945,338	66,240	4,214,628
State of Alaska	1,972,784	-	-	7,000	1,979,784
Investment income	10,171	741,520	-	-	751,691
Land sales	-	147,169	-	-	147,169
Charges for services	666,592	-	-	-	666,592
Sale of property	2,210	-	-	-	2,210
Other revenues	747,990	2,454	29,550	81,069	861,063
Total Revenues	11,058,332	891,143	2,974,888	154,309	15,078,672
Expenditures					
Current:					
General government	1,767,035	-	-	-	1,767,035
Public safety	1,593,893	-	-	107,486	1,701,379
Information and recreation	1,428,019	-	-	110,889	1,538,908
Public works	2,239,673	-	-	8,669	2,248,342
Emergency protective measures	-	-	1,866,888	-	1,866,888
Education	1,790,000	-	-	21,227	1,811,227
Health	289,038	-	-	-	289,038
Community service	138,270	-	1,108,000	-	1,246,270
Debt service:					
Principal	1,160,000	-	-	-	1,160,000
Interest	666,491	-	-	-	666,491
Capital outlay	-	-	-	89,652	89,652
Total Expenditures	11,072,419	-	2,974,888	337,923	14,385,230
Excess of revenues over (under) expenditures	(14,087)	891,143	-	(183,614)	693,442
Other Financing Sources (Uses)					
Transfers in	246,792	62,122	-	33,000	341,914
Transfers out	(33,000)	-	-	(138,164)	(171,164)
Net Other Financing Sources (Uses)	213,792	62,122	-	(105,164)	170,750
Net change in fund balances	199,705	953,265	-	(288,778)	864,192
Fund Balances, beginning	1,311,199	9,401,111	-	738,908	11,451,218
Fund Balances, ending	\$ 1,510,904	\$ 10,354,376	\$ -	\$ 450,130	\$ 12,315,410

See accompanying notes to basic financial statements.

City of Cordova, Alaska

Reconciliation of Change in Fund Balances of Governmental Funds
to Statement of Activities

Year Ended December 31, 2020

Net change in fund balances - total governmental funds		\$ 864,192
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 (\$1,767,875) exceeds capital outlays \$1,507,364.		
		(260,511)
Revenues reported in the governmental funds represents payments that reduces lease receivables in the Statement of Activities		(13,803)
Revenues reported in the governmental funds represents the change in deferred tax payments in the Statement of Activities		(330)
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Principal payments on long-term debt	\$ 1,160,000	
Net decrease in deferred loss on bond refunding	(373,671)	
Net decrease in unamortized bond premium	574,160	
		1,360,489
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. This amount represents the net decrease (increase) in the following:		
Accrued interest payable	11,849	
Accrued leave	(37,193)	
Net pension obligation and related accounts	348,249	
Net other postemployment benefits and related accounts	350,071	
		672,976
Internal Service Funds are used by management to charge the cost of certain activities to individual funds. The net revenue of Internal Service Fund activities is reported with governmental activities.		(231,358)
Change in Net Position of Governmental Activities		\$ 2,391,655

See accompanying notes to basic financial statements.

City of Cordova, Alaska

Proprietary Funds
Statement of Net Position

	Major Enterprise Funds				Nonmajor Enterprise Fund	Total Enterprise Funds	Health Insurance Internal Service Fund
<i>December 31, 2020</i>	Port	Water	Sewer	Refuse	Odiak Park		
Assets and Deferred Outflows of Resources							
Current Assets							
Cash and investments	\$ 1,781,128	\$ -	\$ 579,488	\$ 461,847	\$ 86,734	\$ 2,909,197	\$ 129,242
Accounts receivable	500,885	36,138	92,578	85,163	-	714,764	-
Allowance for doubtful accounts	(301,982)	-	-	(561)	-	(302,543)	-
Grants receivable	-	32,245	-	-	-	32,245	-
Prepaid expenses	47,907	25,558	25,558	25,558	3,298	127,879	-
Deposits	-	-	6,500	-	-	6,500	-
Total Current Assets	2,027,938	93,941	704,124	572,007	90,032	3,488,042	129,242
Restricted Assets - landfill closure cash	-	-	-	991,428	-	991,428	-
Net other postretirement benefit assets	48,803	18,992	18,992	41,050	-	127,837	-
Property, Plant and Equipment	26,996,367	23,351,005	18,651,916	4,487,727	90,080	73,577,095	-
Less accumulated depreciation	(16,709,370)	(11,363,429)	(11,981,186)	(2,823,667)	(65,450)	(42,943,102)	-
Net Property, Plant and Equipment	10,286,997	11,987,576	6,670,730	1,664,060	24,630	30,633,993	-
Total Assets	12,363,738	12,100,509	7,393,846	3,268,545	114,662	35,241,300	129,242
Deferred Outflows of Resources							
Related to other postemployment benefits	28,319	11,021	11,021	23,820	-	74,181	-
Related to pensions	53,649	15,793	15,793	37,554	-	122,789	-
Total Deferred Outflows of Resources	81,968	26,814	26,814	61,374	-	196,970	-
Total Assets and Deferred Outflows of Resources	\$ 12,445,706	\$ 12,127,323	\$ 7,420,660	\$ 3,329,919	\$ 114,662	\$ 35,438,270	\$ 129,242

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

	Major Enterprise Funds				Nonmajor Enterprise Fund	Total Enterprise Funds	Health Insurance Internal Service Fund
	Port	Water	Sewer	Refuse	Odiak Park		
<i>December 31, 2020</i>							
Liabilities, Deferred Inflows of Resources and Net Position							
Current Liabilities							
Accounts payable	\$ 18,236	\$ 23,082	\$ 31,317	\$ 1,673	\$ 190	\$ 74,498	\$ -
Accrued payroll and related liabilities	5,044	2,481	2,481	5,211	259	15,476	-
Accrued vacation and sick leave	52,692	24,800	24,800	26,593	-	128,885	-
Customer deposits	-	30,643	-	-	7,020	37,663	-
Accrued interest payable	-	108,214	4,675	-	-	112,889	-
Health claims payable	-	-	-	-	-	-	110,001
Due to other funds	-	28,960	-	-	-	28,960	-
Unearned revenue	506,696	-	-	-	-	506,696	-
Current portion of bonds and loans payable	-	-	55,000	-	-	55,000	-
Total Current Liabilities	582,668	218,180	118,273	33,477	7,469	960,067	110,001
Noncurrent Liabilities							
Loans payable to ADEC, net of current portion	-	2,092,266	880,000	-	-	2,972,266	-
Net other postemployment benefits liability	1,113	433	433	937	-	2,916	-
Net pension liability	561,691	205,646	205,646	463,331	-	1,436,314	-
Landfill closure costs	-	-	-	858,676	-	858,676	-
Total Noncurrent Liabilities	562,804	2,298,345	1,086,079	1,322,944	-	5,270,172	-
Total Liabilities	1,145,472	2,516,525	1,204,352	1,356,421	7,469	6,230,239	110,001
Deferred Inflows of Resources							
Related to other postemployment benefits	39,705	15,452	15,452	33,398	-	104,007	-
Related to pensions	13,899	4,600	4,600	11,356	-	34,455	-
Total Deferred Inflow of Resources	53,604	20,052	20,052	44,754	-	138,462	-
Net Position							
Net investment in capital assets	10,286,997	9,895,310	5,735,730	1,664,060	24,630	27,606,727	-
Restricted	-	-	-	991,428	-	991,428	-
Unrestricted (deficit)	959,633	(304,564)	460,526	(726,744)	82,563	471,414	19,241
Total Net Position	11,246,630	9,590,746	6,196,256	1,928,744	107,193	29,069,569	19,241
Total Liabilities, Deferred Inflow of Resources, and Net Position	\$ 12,445,706	\$ 12,127,323	\$ 7,420,660	\$ 3,329,919	\$ 114,662	\$ 35,438,270	\$ 129,242

See accompanying notes to basic financial statements.

City of Cordova, Alaska

Exhibit C-2

Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position

Year Ended December 31, 2020	Major Enterprise Funds				Nonmajor Enterprise Fund	Total Enterprise Funds	Health Insurance Internal Service Fund
	Port	Water	Sewer	Refuse	Odiak Park		
Operating Revenues							
Charges for services	\$ 1,585,408	\$ 744,590	\$ 811,606	\$ 1,057,381	\$ 2,840	\$ 4,201,825	\$ 989,634
Operating Expenses							
Salaries and benefits	562,980	248,218	248,221	512,494	28,966	1,600,879	-
Other operating expenses	631,967	382,080	392,884	366,062	17,432	1,790,425	1,112,364
Depreciation	765,750	629,258	427,593	200,850	2,038	2,025,489	-
Total Operating Expenses	1,960,697	1,259,556	1,068,698	1,079,406	48,436	5,416,793	1,112,364
Loss from operations	(375,289)	(514,966)	(257,092)	(22,025)	(45,596)	(1,214,968)	(122,730)
Nonoperating Revenues (Expenses)							
Investment income	-	-	-	536	-	536	-
Interest expense	-	(30,348)	(14,575)	-	-	(44,923)	-
In-kind contributions	-	(14,836)	(34,994)	(34,054)	-	(83,884)	-
Loss on disposal of fixed assets	-	-	-	(381,423)	-	(381,423)	-
State of Alaska PERS relief	96,040	31,222	31,222	58,945	1,378	218,807	-
Net Nonoperating Revenues (Expenses)	96,040	(13,962)	(18,347)	(355,996)	1,378	(290,887)	-
Loss before transfers	(279,249)	(528,928)	(275,439)	(378,021)	(44,218)	(1,505,855)	(122,730)
Transfers out	(18,000)	-	-	(44,122)	-	(62,122)	(108,628)
Change in net position	(297,249)	(528,928)	(275,439)	(422,143)	(44,218)	(1,567,977)	(231,358)
Net Position, beginning	11,543,879	10,119,674	6,471,695	2,350,887	151,411	30,637,546	250,599
Net Position, ending	\$ 11,246,630	\$ 9,590,746	\$ 6,196,256	\$ 1,928,744	\$ 107,193	\$29,069,569	\$ 19,241

See accompanying notes to basic financial statements.

City of Cordova, Alaska

Exhibit C-3

Proprietary Funds
Statement of Cash Flows

	Major Enterprise Funds				Nonmajor Enterprise Fund	Total	Health Insurance Internal Service Fund
<i>Year Ended December 31, 2020</i>	Port	Water	Sewer	Refuse	Odiak Park	Enterprise Funds	
Cash Flows from (for) Operating Activities							
Receipts from customers and users	\$ 1,574,011	\$ 702,478	\$ 781,265	\$1,027,288	\$ 2,840	\$ 4,087,882	\$1,312,604
Payments for interfund services used	(168,868)	(88,409)	(94,721)	(129,017)	(8,250)	(489,265)	-
Payments to suppliers	(503,046)	(296,562)	(289,276)	(238,736)	(10,599)	(1,338,219)	(1,447,363)
Payments to employees	(545,345)	(258,743)	(258,746)	(531,540)	(29,645)	(1,624,019)	-
Net cash flows from (for) operating activities	356,752	58,764	138,522	127,995	(45,654)	636,379	(134,759)
Cash Flows for Noncapital Financing Activities							
Transfers out	(18,000)	-	-	(44,122)	-	(62,122)	(108,628)
Cash Flows for Capital and Related Financing Activities							
Additions to property, plant and equipment	(348,814)	(58,663)	(23,584)	(17,580)	-	(448,641)	-
Increase (decrease) in due to other funds	-	27,915	-	-	-	27,915	-
Principal and interest paid on long-term debt	-	(70,081)	(69,850)	-	-	(139,931)	-
Proceeds from loans	-	42,065	-	-	-	42,065	-
Net cash flows for capital and related financing activities	(348,814)	(58,764)	(93,434)	(17,580)	-	(518,592)	-
Cash Flows from Investing Activities							
Investment income received	-	-	-	537	-	537	-
Net increase (decrease) in cash and investments	(10,062)	-	45,088	66,830	(45,654)	56,202	(243,387)
Cash and Investments, beginning	1,791,190	-	534,400	1,386,445	132,388	3,844,423	372,629
Cash and Investments, ending	\$ 1,781,128	\$ -	\$ 579,488	\$1,453,275	\$ 86,734	\$ 3,900,625	\$ 129,242
Reconciliation of Cash and Investments to Statement of Net Position							
Cash and investments	\$ 1,781,128	\$ -	\$ 579,488	\$ 461,847	\$ 86,734	\$ 2,909,197	\$ 129,242
Restricted assets	-	-	-	991,428	-	991,428	-
Total Cash and Investments	\$ 1,781,128	\$ -	\$ 579,488	\$1,453,275	\$ 86,734	\$ 3,900,625	\$ 129,242

City of Cordova, Alaska

Exhibit C-3, continued

Proprietary Funds
Statement of Cash Flows, continued

Year Ended December 31, 2020	Major Enterprise Funds				Nonmajor Enterprise Fund	Total	Health Insurance Internal Service Fund
	Port	Water	Sewer	Refuse	Odiak Park	Enterprise Funds	
Reconciliation of Loss from Operations to Net Cash Flows from (for) Operating Activities							
Loss from operations	\$ (375,289)	\$ (514,966)	\$ (257,092)	\$ (22,025)	\$ (45,596)	\$ (1,214,968)	\$ (122,730)
Adjustments to reconcile loss from operations to net cash flows from (for) operating activities:							
Depreciation	765,750	629,258	427,593	200,850	2,038	2,025,489	-
Noncash expense - PERS relief	96,040	31,222	31,222	58,945	1,378	218,807	-
Increase in allowance for doubtful accounts	88,225	-	-	-	-	88,225	-
In-kind contributions	-	(14,836)	(34,994)	(34,054)	-	(83,884)	-
(Increase) decrease in assets and deferred outflows of resources:							
Accounts receivable	(99,622)	(24,854)	4,653	3,960	-	(115,863)	322,970
Prepaid expenses	(38,744)	(11,851)	(11,851)	(11,851)	(2,310)	(76,607)	-
Net other postemployment benefits assets	(48,803)	(18,992)	(18,992)	(41,050)	-	(127,837)	-
Deferred outflows related to pensions	4,749	5,459	(588)	(1,271)	-	8,349	-
Deferred outflows related to other postemployment benefits	(1,511)	(588)	5,459	6,896	-	10,256	-
Increase (decrease) in liabilities and deferred inflows of resources:							
Accounts payable	(1,203)	8,960	20,738	(4,105)	893	25,283	-
Accrued payroll and related liabilities	(11,182)	(6,123)	(6,123)	(9,316)	(497)	(33,241)	-
Accrued vacation and sick leave	3,618	2,300	2,300	4,755	-	12,973	-
Health claims payable	-	-	-	-	-	-	(334,999)
Customer deposits	-	(2,422)	-	-	-	(2,422)	-
Landfill closure costs payable	-	-	-	14,266	-	14,266	-
Other liabilities	-	-	-	-	(1,560)	(1,560)	-
Net pension liability	1,983	(9,086)	(8,263)	(17,860)	-	(33,226)	-
Net other postemployment benefits liability	(21,233)	(8,263)	(9,086)	(10,994)	-	(49,576)	-
Deferred inflows related to pensions	17,088	2,541	(8,995)	(19,442)	-	(8,808)	-
Deferred inflows related to other postemployment benefits	(23,114)	(8,995)	2,541	10,291	-	(19,277)	-
Net Cash Flows from (for) Operating Activities	\$ 356,752	\$ 58,764	\$ 138,522	\$ 127,995	\$ (45,654)	\$ 636,379	\$ (134,759)

See accompanying notes to basic financial statements.

City of Cordova, Alaska

Notes to Basic Financial Statements Year Ended December 31, 2020

1. Summary of Significant Accounting Policies

Reporting Entity

The City of Cordova (the City) was incorporated in 1909 as a home rule municipality under the laws of the State of Alaska. The City operates under a council-manager form of government and performs municipal duties allowed by Alaska statutes and as directed by its residents.

These financial statements present the City of Cordova (the primary government) and its component units, the Cordova City School District (School District), Cordova Community Medical Center (Medical Center), and Cordova Volunteer Fire Department (Volunteer Fire Department). The component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Discretely presented component unit - Cordova Community Medical Center

Cordova Community Medical Center provides healthcare, including long-term care, in the Cordova area. The members of the board of directors are elected by the voters.

Discretely presented component unit - Cordova City School District

Cordova City School District is responsible for elementary and secondary education within the City. The members of the School Board are elected by the voters; however, the School District is fiscally dependent upon the City because the City Council approves the total annual budget of the School District, levies the necessary taxes, and provides significant operating subsidies to the School District.

Discretely presented component unit - Cordova Volunteer Fire Department

The Cordova Volunteer Fire Department assists the City's fire department with fire prevention, training, and fighting fires in the Cordova area.

In accordance with Alaska statutes, the School District maintains a June 30 fiscal year end. The Medical Center previously operated on a June 30 fiscal year end and changed its fiscal year end to December 31, beginning with December 31, 2013. The Volunteer Fire Department operates on a December 31 fiscal year end. The City has established a December 31 year end. For this report, the June 30, 2020 year-end financial statements of the School District have been included with the City of Cordova.

Complete financial statements of individual component units can be obtained from their respective administrative offices at the addresses below:

Cordova City School
District
P.O. Box 140
Cordova, AK 99574

Cordova Community
Medical Center
P.O. Box 160
Cordova, AK 99574

Cordova Volunteer Fire
Department
P.O. Box 1210
Cordova, AK 99574

City of Cordova, Alaska

Notes to Basic Financial Statements

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City and its component units. In general, the effect of interfund activity has been removed from these statements to minimize the double-counting of internal activities. *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.

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 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.

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 earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues, except reimbursement grants, to be available if they are collected within 60 days after year end. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only to the extent they have matured.

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City of Cordova, Alaska

Notes to Basic Financial Statements

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

Major governmental funds:

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

The *General Reserve Special Revenue Fund* accounts for financial activities related to land purchases and sales and serves as the City's emergency reserves fund.

The *CARES ACT Special Revenue Fund* accounts for funds received from the Department of Treasury for emergency relief to address the impact that COVID-19 has on the City.

Major proprietary funds:

The *Port Enterprise Fund* is used to account for the operations of the port and harbor.

The *Water Enterprise Fund* is used to account for the operations of the City water system.

The *Sewer Enterprise Fund* is used to account for the operations of the City sewer system.

The *Refuse Enterprise Fund* is used to account for the Refuse Utility and the solid waste landfill.

Additionally, the government reports the following fund types:

The *Internal Service Fund* is used to account for health insurance services provided.

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.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. In addition, general revenues include all taxes, investment income, and federal 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. The principal operating revenues of the Enterprise and Internal Service Funds are charges to customers for sales and services. Operating expenses for the Enterprise and Internal Service 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.

City of Cordova, Alaska

Notes to Basic Financial Statements

Budgets

An operating budget is adopted each year for the General Fund and General Reserve Special Revenue Fund on the same modified accrual basis used to reflect actual revenues and expenditures in the fund financial statements. Appropriations lapse at year end to the extent that they have not been expended or encumbered. Budgetary control is exercised at the department level. The City Manager is authorized to transfer budget amounts between line items within any department; however, any supplemental appropriations that amend the total expenditures of any department or fund require Council approval. Budgets are not adopted for the other governmental funds.

Central Treasury

A central treasury is used to account for cash from most funds of the City to maximize interest income. Investments are stated at fair value. Investment earnings are allocated to most funds based on their respective cash balances. The School District, Medical Center and Volunteer Fire Department maintain separate cash accounts from the City.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Proprietary Funds consider all cash accounts to be cash and cash equivalents. The central treasury, which holds cash and investments, is used essentially as a cash management pool by each fund.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items when purchased and charged to operations when used in both government-wide and fund financial statements.

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 expense at the time individual inventory items are consumed.

Receivables and Payables

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" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "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."

City of Cordova, Alaska

Notes to Basic Financial Statements

Property taxes

Property taxes are a lien on the assessed value of taxable property as of January 1. Pursuant to Alaska Statute, Title 29.45.240, the City establishes the mill rate levy by June 15. Tax bills are mailed prior to July 1 and may be paid in two equal installments. The first installment is due by August 31 and the second installment is due by October 31. City property tax revenues in the fund financial statements are recognized in the fiscal year in which they are collectible and available to finance expenditures of the fiscal period.

Any real or personal property taxes still due the City at December 31 are delinquent. Any amount not collected within 60 days following year end are considered unavailable and are reflected as deferred inflows in the General Fund.

Grants and Other Intergovernmental Revenues

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

Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers.

Compensated Absences

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

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets (e.g. roads, sidewalks, etc.) have been capitalized on a prospective basis beginning January 1, 2004. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at 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.

City of Cordova, Alaska

Notes to Basic Financial Statements

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

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

Buildings and improvements	50-60 years
Infrastructure	50 years
Improvements	20-50 years
Machinery and equipment	3-20 years

Unearned Grant Revenue

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

Long-term Debt

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

Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources.

Nonspendable fund balance. This 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.

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

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal ordinances 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 by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

City of Cordova, Alaska

Notes to Basic Financial Statements

Assigned fund balance. This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but are neither restricted nor committed. The City Council or their designee has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

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

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

Pension and Other Postemployment Benefits (OPEB)

Substantially all employees of the City participate in the Public Employees' Retirement System (PERS) administered by the State of Alaska. For purposes of measuring the net pension and OPEB 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 financial statements also present deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then. Generally, the City reports pension, OPEB and deferred loss on bond related items as deferred outflows of resources. These items are amortized to expense over time.

In addition to liabilities, the financial statements also present deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position 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.

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, liabilities, and deferred inflows 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.

City of Cordova, Alaska

Notes to Basic Financial Statements

2. Cash and Investments

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

Reconciliation of Deposit and Investment Balances

The following is a reconciliation of the City's deposit and investment balances to the financial statements as of December 31, 2020.

	Pooled Cash and Investments
Bank deposits	\$ 5,631,575
Investments	9,839,800
Total Cash and Investments	\$ 15,471,375

	Pooled Cash and Investments
Cash and investments	\$ 14,479,947
Restricted cash and investments	991,428
Total Cash and Investments	\$ 15,471,375

Restricted Cash and Investments

The City maintains restricted cash for future landfill closure costs as required by Alaska Department of Environmental Conservation. The restricted cash balance is comprised of a certificate of deposit at December 31, 2020 totaling \$486,703, with the remaining restricted funds in the amount of \$504,725 being held in the central treasury. Total restricted cash is \$991,428 at December 31, 2020.

Investment Policy

The investment policy authorizes the City to invest in U.S. Treasury obligations, U.S. government agency securities and instrumentalities of government-sponsored corporations, State of Alaska obligations, certificates of deposit with commercial banks, repurchase agreements, and investments through the Alaska Municipal League Investment Pool. Investments are carried at fair value.

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City of Cordova, Alaska

Notes to Basic Financial Statements

In 2010, the City passed an ordinance authorizing investments in different securities than those listed above in the following ratio:

Fixed income securities	50%
Equity securities	40%
Alternative securities	10%

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. The City minimizes its exposure to interest rate risk by limiting the investment horizon to either seven or ten years depending on the investment objective.

The City's investment balances as of December 31, 2020, are as follows:

Investments by Type	Fair Value	Investment Maturities (in Years)		
		Less than 1 year	1 to 5 years	Over 5 years
Investments subject to interest rate risk - certificates of deposit	\$ 486,703	\$ 486,703	\$ -	\$ -
Investments not subject to interest rate risk:				
Cash and money market funds	161,154			
Mutual funds	9,191,943			
Total Investments	\$ 9,839,800			

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. It is the City's policy to limit its investments to the following ratings: investment grade corporate securities and Yankee Bonds must be rated BBB-/Baa3 or better by Standard & Poor's, Moody's Investors Services ("Moody's"), Fitch, or another nationally recognized statistical ratings organization ("NSRO"). State and local government obligations must have an underlying rating of at least A-/A3. Securitized Assets must be rated AAA/Aaa by Standard & Poor's, Moody's, Fitch, or NSRO. Money Market Funds shall contain securities having a rating of at least A-1/P-1. For the General Reserve Special Revenue Fund, securities in a suitably diversified bond mutual fund need not meet these rating requirements.

City of Cordova, Alaska

Notes to Basic Financial Statements

The City's exposure to credit risk as of December 31, 2020, is as follows:

Investment Rating	Fair Value
Mutual Funds:	
AAA	\$ 426,687
AA	3,135,445
A	1,519
BB	1,603,042
Not Rated:	
Cash and money market funds	161,154
Mutual funds	4,025,250
Certificates of deposit	486,703
Total Investments	\$ 9,839,800

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's policy is that deposit-type securities shall be collateralized for any amount exceeding FDIC or any other federal deposit insurance limits.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of December 31, 2020, none of the City's investments were subject to custodial credit risk.

Fair Value - Investments

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 quoted prices for similar assets or liabilities in active or inactive markets; or inputs other than quoted prices that are observed; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of December 31, 2020:

- Mutual funds of \$9,191,943 (Level 2 inputs)

The City has investments in money market funds and certificates of deposits totaling \$647,857 that are not held at fair value, but instead recorded at amortized cost, as of December 31, 2020. Management believes these values approximate fair value.

City of Cordova, Alaska

Notes to Basic Financial Statements

3. Lease Receivable

The City entered into a 30-year lease of a building to a developer under a lease on May 10, 2016. Annual lease payments are \$50,500 for the first three years and after that are adjusted annually by the CPI. The lessee has the option of purchasing the property from the City for \$505,000 if the construction of the project is substantially complete by October 1, 2019. If the lessee exercises the option by May 10, 2023 the purchase price will equal the purchase price reduced by all rents paid to the City. The lease qualifies as a direct financing lease. Future minimum lease payments were discounted at a 5 percent rate. The balance of the lease receivable at December 31, 2020 was \$724,410.

Future minimum lease receipts for the next 5 years are as follows:

Governmental Activities

	Lease Receipts
Year Ending December 31,	
2021	\$ 50,400
2022	50,400
2023	50,400
2024	50,400
2025	50,400
Thereafter	472,410
	\$ 724,410

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City of Cordova, Alaska

Notes to Basic Financial Statements

4. Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

Governmental Activities	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020
<i>Capital assets not being depreciated:</i>				
Land and land improvements	\$ 1,410,419	\$ -	\$ -	\$ 1,410,419
Artwork	136,924	-	-	136,924
Construction in progress	-	41,825	-	41,825
Total capital assets not being depreciated	1,547,343	41,825	-	1,589,168
<i>Capital assets being depreciated:</i>				
Buildings	62,064,430	195,975	-	62,260,405
Infrastructure	3,906,909	60,587	-	3,967,496
Machinery and equipment	7,976,503	1,208,977	-	9,185,480
Total assets being depreciated	73,947,842	1,465,539	-	75,413,381
<i>Less accumulated depreciation for:</i>				
Buildings	17,329,896	1,161,940	-	18,491,836
Infrastructure	849,404	166,748	-	1,016,152
Machinery and equipment	5,653,725	439,187	-	6,092,912
Total accumulated depreciation	23,833,025	1,767,875	-	25,600,900
Total capital assets being depreciated, net	50,114,817	(302,336)	-	49,812,481
Governmental Activity Capital Assets, net	\$ 51,662,160	\$ (260,511)	\$ -	\$ 51,401,649

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City of Cordova, Alaska

Notes to Basic Financial Statements

	Balance January 1, 2020	Additions/ Transfers	Deletions/ Transfers	Balance December 31, 2020
Business-type Activities				
<i>Capital assets not being depreciated:</i>				
Land and land improvements	\$ 5,566,333	\$ -	\$ -	\$ 5,566,333
Construction in progress	31,130	42,066	-	73,196
Total capital assets not being depreciated	5,597,463	42,066	-	5,639,529
<i>Capital assets being depreciated:</i>				
Buildings and improvements	8,025,288	-	-	8,025,288
Improvements other than buildings	52,589,081	275,142	-	52,864,223
Machinery and equipment	7,452,138	131,435	998,274	6,585,299
Landfill	462,756	-	-	462,756
Total assets being depreciated	68,529,263	406,577	998,274	67,937,566
<i>Less accumulated depreciation for:</i>				
Buildings and improvements	1,070,060	199,274	-	1,269,334
Improvements other than buildings	35,122,743	1,449,105	-	36,571,848
Machinery and equipment	4,901,956	354,057	616,849	4,639,163
Landfill	439,703	23,053	-	462,756
Total accumulated depreciation	41,534,462	2,025,489	616,849	42,943,102
Total capital assets being depreciated, net	26,994,801	(1,618,912)	381,425	24,994,464
Business-type Activity Capital Assets, net \$ 32,592,264 \$(1,576,846) \$ 381,425 \$ 30,633,993				

Depreciation expense was charged to the functions as follows for the year ended December 31, 2020:

Governmental Activities

General government	\$ 636,289
Public safety	130,339
Information and recreation	133,195
Public works	266,024
Education	602,028
Total Depreciation Expense - Governmental Activities	\$ 1,767,875

Business-type Activities

Port	\$ 765,750
Water	629,258
Sewer	427,593
Refuse	200,850
Camper Park	2,038
Total Depreciation Expense - Business-type Activities	\$ 2,025,489

City of Cordova, Alaska

Notes to Basic Financial Statements

5. Long-term Debt

The following is a summary of long-term debt transactions of the City for the year ended December 31, 2020:

Governmental Activities	Balance January 1, 2020	Additions	Reductions	Balance December 31, 2020	Due Within One Year
General Obligation Bonds:					
\$210,000 2010 Series B bonds, due in annual installments of \$45,000 through August 1, 2020; plus interest at 4.66% to 4.76% payable semiannually	\$ 45,000	\$ -	\$ 45,000	\$ -	\$ -
\$445,000 2011 Series Three school bonds, due in annual installments of \$55,000 through 2021; plus interest at 4.00% to 5.00% payable semiannually	105,000	-	50,000	55,000	55,000
\$1,805,000 2015 Series One A Road bonds, due in annual installments of \$70,000 to \$130,000 through 2034; plus interest at 3.25% to 5.0% payable semiannually	1,500,000	-	70,000	1,430,000	70,000
\$10,065,000 2015 Series One C school refunding bonds, due in annual installments of \$890,000 to \$1,295,000 through 2028; plus interest at 4.0% to 5.0% payable semiannually	9,725,000	-	890,000	8,835,000	930,000
\$2,790,000 2015 Series One D bonds (Cordova Center), due in annual installments of \$105,000 to \$205,000 through 2035; plus interest at 4.0% to 5.0% payable semiannually	2,415,000	-	105,000	2,310,000	110,000
Accrued vacation and sick leave	276,905	350,573	313,380	314,098	314,098
Total Governmental Activities	\$ 14,066,905	\$ 350,573	\$ 1,473,380	\$ 12,944,098	\$ 1,479,098

City of Cordova, Alaska

Notes to Basic Financial Statements

Business-type Activities	Balance January 1, 2020	Additions	Reductions	Balance December 31, 2020	Due Within One Year
General Obligation Bonds:					
Alaska Department of Environmental Conservation Loans:					
\$1,380,884 Drinking Water loan, due in annual installments of \$69,045 through February 1, 2020; plus interest at 1.50%	\$ 69,045	\$ -	\$ 69,045	\$ -	\$ -
\$4,081,500 (maximum) Drinking Water loan, terms not yet established; interest at 1.5%	2,050,201	42,065	-	2,092,266	-
\$1,100,000 (maximum) Clean Water loan, due in annual installments of \$55,000 through September 1, 2037; plus interest at 1.50%	990,000	-	55,000	935,000	55,000
Accrued vacation and sick leave	115,912	162,249	149,276	128,885	128,885
Landfill closure costs payable	844,410	14,266	-	858,676	-
Total Business-type Activities	\$ 4,069,568	\$ 218,580	\$ 273,321	\$ 4,014,827	\$ 183,885

Revenues of the Water Enterprise Fund and the Sewer Enterprise Fund are pledged as security for the loans from the Alaska Department of Environmental Conservation.

On March 5, 2019, the City of Cordova authorized revenue bonds in the principal amount not to exceed \$5,000,000 to finance the planning, design, construction and acquisition of harbor and related capital improvements in the city.

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City of Cordova, Alaska

Notes to Basic Financial Statements

The annual debt service requirements of the general obligation bonds and loans outstanding at December 31, 2020 that are in repayment status follow:

Governmental Activities

General Obligation Bonds	Principal	Interest	Total Requirements
Year Ending December 31,			
2021	\$ 1,165,000	\$ 608,475	\$ 1,773,475
2022	1,165,000	550,100	1,715,100
2023	1,225,000	493,525	1,718,525
2024	1,285,000	433,950	1,718,950
2025	1,350,000	369,575	1,719,575
2026-2030	4,985,000	836,875	5,821,875
2031-2035	1,455,000	145,500	1,600,500
	\$ 12,630,000	\$ 3,438,000	\$ 16,068,000

Business-type Activities

ADEC Loans	Principal	Interest	Total Requirements
Year Ending December 31,			
2021	\$ 55,000	\$ 14,025	\$ 69,025
2022	55,000	13,200	68,200
2023	55,000	12,375	67,375
2024	55,000	11,550	66,550
2025	55,000	10,725	65,725
2026-2030	275,000	41,250	316,250
2031-2035	275,000	20,625	295,625
2036-2037	110,000	2,475	112,475
	\$ 935,000	\$ 126,225	\$ 1,061,225

The above schedule does not include the payment terms for the Drinking Water loan with a balance of \$2,092,266 at December 31, 2020. The payment terms have not yet been established for this loan.

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City of Cordova, Alaska

Notes to Basic Financial Statements

6. Landfill Closure and Postclosure Liability

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, accounting principles generally accepted in the United States of America require that the City report a portion of these closure and postclosure care costs each period based on landfill capacity used as of each balance sheet date.

There are currently two cells available for use at the City's landfill at Mile 17, and an additional cell for construction waste. The total estimated future closure cost of these two cells and the construction pit is \$1,714,982. The \$858,676 reported as landfill closure costs payable at December 31, 2020 for the landfill represents the cumulative amount reported to date based on the use of the expected usage of the two cells and construction pit. The City will recognize the remaining estimated cost of closure and postclosure care of \$856,306 as the remaining expected usage is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2020. Actual costs may be higher due to inflation, changes in technology or changes in regulations. Cell 1 is expected to be closed in 2021/2022. Cell 2 and the construction pit are estimated to have a life of approximately 16 and 25 years, respectively.

7. 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:

	Major Funds			
	General	General Reserve Special Revenue	Nonmajor Funds	Total Governmental Funds
Nonspendable:				
Prepaid insurance	\$ 273,324	\$ -	\$ -	\$ 273,324
Restricted -				
Enhanced 911 services	-	-	64,396	64,396
Assigned:				
Capital projects and land	-	10,354,376	7,144	10,361,520
Public safety	-	-	381,211	381,211
Unassigned (deficit)	1,237,580	-	(2,621)	1,234,959
Total Fund Balances	\$ 1,510,904	\$ 10,354,376	\$ 450,130	\$ 12,315,410

City of Cordova, Alaska

Notes to Basic Financial Statements

8. Defined Benefit (DB) Pension Plan

General Information About the Plan

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

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

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

(a) Defined Benefit (DB) Pension Plan

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

Historical Context and Special Funding Situation

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

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

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

City of Cordova, Alaska

Notes to Basic Financial Statements

Employee Contribution Rates

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

Employer and Other Contribution Rates

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

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

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

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

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City of Cordova, Alaska

Notes to Basic Financial Statements

Contribution rates for the plan year ended June 30, 2019 and June 30, 2020 were determined in the June 30, 2016 and June 30, 2017 actuarial valuations, respectively. The City's contribution rates for the 2020 calendar year were as follows:

<i>January 1, 2020 to June 30, 2020</i>	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
Pension	15.72%	23.73%	6.62%
Postemployment healthcare (ARHCT)	6.28%	4.89%	0.00%
Total Contribution Rates	22.00%	28.62%	6.62%

<i>July 1, 2019 to December 31, 2019</i>	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
Pension	15.42%	26.58%	8.85%
Postemployment healthcare (ARHCT)	6.58%	4.27%	0.00%
Total Contribution Rates	22.00%	30.85%	8.85%

Plan Contributions

In 2020, the City was credited with the following contributions to the pension plan.

	Measurement Period July 1, 2019 to June 30, 2020	City Fiscal Year January 1, 2020 to December 31, 2020
Employer contributions (including DBUL)	\$ 396,460	\$ 428,085
Nonemployer contributions (on-behalf)	239,529	283,705
Total Contributions	\$ 635,989	\$ 711,790

In addition, employee contributions to the Plan totaled \$82,807 during the City's fiscal year.

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City of Cordova, Alaska

Notes to Basic Financial Statements

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

At December 31, 2020, the City reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the City. The amount recognized by the City for its proportional share, the related State proportion, and the total portion of the net pension liability that was associated with the City were as follows:

	2020
City's proportionate share of NPL	\$ 5,961,095
State's proportionate share of NPL associated with the City	2,466,863
Total Net Pension Liability	\$ 8,427,958

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 to calculate the net pension liability as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, including the State, actuarially determined. At the June 30, 2020 measurement date, the City's proportion was 0.10102 percent, which was a decrease of (0.01184) from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the City recognized pension expense of \$383,444 and on-behalf revenue of \$239,529 for support provided by the State. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<i>Measurement Period June 30, 2020</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 18,910	\$ -
Net difference between projected and actual earnings on pension plan investments	242,617	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	(153,697)
City contributions subsequent to the measurement date	231,023	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	\$ 492,550	\$ (153,697)

City of Cordova, Alaska

Notes to Basic Financial Statements

The \$231,023 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,

2021	\$ (130,499)
2022	85,321
2023	90,182
2024	62,826
<hr/>	
Total Amortization	\$ 107,830

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City of Cordova, Alaska

Notes to Basic Financial Statements

Actuarial Assumptions

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

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

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

City of Cordova, Alaska

Notes to Basic Financial Statements

Long-Term Expected Rate of Return

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

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

Discount Rate

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

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

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

	Proportional Share	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
City's proportionate share of the net pension liability	0.10102%	\$ 7,750,683	\$ 5,961,095	\$ 4,460,129

Pension Plan Fiduciary Net Position

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

City of Cordova, Alaska

Notes to Basic Financial Statements

9. Defined Contribution (DC) Pension Plan

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

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

Benefit Terms

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service. Nonvested employer contributions are forfeited upon termination of employment from the Plan. Such forfeitures were applied in the year ended December 31, 2020 to cover a portion of the City's employer match contributions. For the year ended December 31, 2020, forfeitures reduced pension expense by zero.

Employee Contribution Rate

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

Employer Contribution Rate

For the year ended December 31, 2020, the City was required to contribute 5% of covered salary into the Plan.

The City and employee contributions to PERS for pensions for the year ended December 31, 2020 were \$115,449 and \$184,719, respectively. The City contribution amount was recognized as pension expense/expenditures.

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City of Cordova, Alaska

Notes to Basic Financial Statements

10. Other Postemployment Benefit (OPEB) Plans

(a) Defined Benefit OPEB Plans

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

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

Employer Contribution Rates

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

Employer contribution rates for the year ended December 31, 2020 were as follows:

<i>January 1, 2020 to June 30, 2020</i>	Other	Police/Fire
Alaska Retiree Healthcare Trust	6.28%	6.28%
Retiree Medical Plan	1.32%	1.32%
Occupational Death and Disability Benefits	0.26%	0.72%
Total Contribution Rates	7.86%	8.32%
<i>July 1, 2020 to December 31, 2020</i>	Other	Police/Fire
Alaska Retiree Healthcare Trust	-%	-%
Retiree Medical Plan	1.27%	1.27%
Occupational Death and Disability Benefits	0.31%	0.70%
Total Contribution Rates	1.58%	1.97%

City of Cordova, Alaska

Notes to Basic Financial Statements

In 2020, the City was credited with the following contributions to the OPEB plans:

	Measurement Period July 1, 2019 to June 30, 2020	City Fiscal Year January 1, 2020 to December 31, 2020
Employer contributions - ARHCT	\$ 158,151	\$ 120,579
Employer contributions - RMP	28,603	29,866
Employer contributions - ODD	6,672	7,779
Total Contributions	\$ 193,426	\$ 158,224

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

At December 31, 2020, the City reported an asset for its proportionate share of the net OPEB asset (NOA) that reflected a reduction for State OPEB support provided to the City. The amount recognized by the City for its proportional share, the related State proportion, and the total were as follows:

	2020
City's proportionate share of NOA - ARHCT	\$ 456,970
City's proportionate share of NOA - ODD	41,477
Total City's Proportionate Share of NOA	\$ 498,447
State's proportionate share of the ARHCT NOA associated with the City	189,600
Total Net OPEB Asset	\$ 688,047

At December 31, 2020, the City report a liability for its proportionate share of the net OPEB liability (NOL) associated with the City's participation in the RMP Plan. The amount recognized by the City for its proportionate share was \$11,373.

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

City of Cordova, Alaska

Notes to Basic Financial Statements

	June 30, 2019 Measurement Date Employer Proportion	June 30, 2020 Measurement Date Employer Proportion	Change
City's proportionate share of the net OPEB liabilities (assets):			
ARHCT	0.11279%	0.10091%	(0.01188)%
RMP	0.16321%	0.16035%	(0.00286)%
ODD	0.16522%	0.15215%	(0.01307)%

Collective Totals (All Plans)

For the year ended December 31, 2020, the City recognized collective OPEB expense of \$(256,571) and revenue of \$(122,012) for support provided by the Plans.

At December 31, 2020, the City reported collective deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
All Plans		
Difference between expected and actual experience	\$ 59	\$ (53,019)
Changes in assumptions	15,973	(348,545)
Net difference between projected and actual earnings on OPEB plan investments	189,865	-
Changes in proportion and differences between City contributions and proportionate share of contributions	21,419	(3,963)
City contributions subsequent to the measurement date	61,916	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plans	\$ 289,232	\$ (405,527)

The \$61,916 reported as collective deferred outflows of resources related to OPEB plans resulting from City contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liabilities (asset) in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,

2021	\$ (344,829)
2022	63,600
2023	68,400
2024	47,314
2025	(3,759)
Thereafter	(8,937)
Total Amortization	\$ (178,211)

City of Cordova, Alaska

Notes to Basic Financial Statements

ARHCT Plan

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the ARHCT plan from the following sources:

ARHCT Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (36,659)
Changes in assumptions	-	(318,535)
Net difference between projected and actual earnings on OPEB plan investments	183,349	-
Changes in proportion and differences between City contributions and proportionate share of contributions	14,855	-
City contributions subsequent to the measurement date	41,862	-
Total Deferred Outflows and Deferred Inflows of Resources Related to ARHCT Plan	\$ 240,066	\$ (355,194)

The \$41,862 reported as collective deferred outflows of resources related to the ARHCT plan resulting from City contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liabilities (asset) in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,

2021	\$ (341,814)
2022	65,262
2023	70,073
2024	49,489
Total Amortization	\$ (156,990)

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City of Cordova, Alaska

Notes to Basic Financial Statements

RMP Plan

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the RMP from the following sources:

RMP Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 59	\$ (2,444)
Changes in assumptions	15,973	(29,403)
Net difference between projected and actual earnings on OPEB plan investments	5,093	-
Changes in proportion and differences between City contributions and proportionate share of contributions	222	(3,706)
City contributions subsequent to the measurement date	15,567	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to RMP Plan	\$ 36,914	\$ (35,553)

The \$15,567 reported as collective deferred outflows of resources related to the RMP plan resulting from City contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liabilities (asset) in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,

2021	\$ (1,804)
2022	(788)
2023	(806)
2024	(1,195)
2025	(2,422)
Thereafter	(7,191)
Total Amortization	\$ (14,206)

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City of Cordova, Alaska

Notes to Basic Financial Statements

ODD Plan

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the ODD plan from the following sources:

ODD Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (13,916)
Changes in assumptions	-	(607)
Net difference between projected and actual earnings on OPEB plan investments	1,423	-
Changes in proportion and differences between City contributions and proportionate share of contributions	6,342	(257)
City contributions subsequent to the measurement date	4,487	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to ODD Plan	\$ 12,252	\$ (14,780)

The \$4,487 reported as collective deferred outflows of resources related to the ODD plan resulting from City contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liabilities (asset) in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,

2021	\$ (1,211)
2022	(874)
2023	(867)
2024	(980)
2025	(1,337)
Thereafter	(1,746)
Total Amortization	\$ (7,015)

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City of Cordova, Alaska

Notes to Basic Financial Statements

Actuarial Assumptions

The total OPEB liability for each plan for the measurement period ended June 30, 2020 was determined by actuarial valuations as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2020:

Actuarial cost method	Entry age normal
Amortization method	Unfunded accrued actuarial liability, level percent of pay basis
Inflation	2.50%
Salary increases	Graded by service, from 7.75% to 2.75% for Peace Officer/ Firefighter. Graded by service from 6.75% to 2.75% for all others.
Allocation methodology	Amounts for the June 30, 2020 measurement date were allocated to employers based on the present value of contributions for FY 2022-2039, as determined by projections based on the June 30, 2019 valuation.
Investment return of return	7.38%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.88%.
Mortality	Pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual mortality experience. Post-commencement mortality rates were based on 91% of the male rates and 96% of the female rates of the RP-2014 healthy annuitant table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. The rates for pre-commencement mortality were 100% of the RP-2014 employee table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement.
Participation (ARHCT)	100% system paid of members and their spouses are assumed to elect the healthcare benefits paid as soon as they are eligible. 20% of nonsystem paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.

City of Cordova, Alaska

Notes to Basic Financial Statements

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

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

Long-Term Expected Rate of Return

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

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

Discount Rate

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

City of Cordova, Alaska

Notes to Basic Financial Statements

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

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

	Proportional Share	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
City's proportionate share of the net OPEB liability (asset):				
ARHCT	0.10091%	\$ 145,635	\$ (456,970)	\$ (375,797)
RMP	0.16035%	\$ 70,459	\$ 11,373	\$ (33,352)
ODD	0.15215%	\$ (11,792)	\$ (41,477)	\$ (13,153)

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

The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the healthcare cost trend rates as summarized in the 2018 actuarial valuation reports as well as what the City's proportionate share of the respective plan's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	Proportional Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
City's proportionate share of the net OPEB liability (asset):				
ARHCT	0.10091%	\$ (403,495)	\$ (456,970)	\$ 180,036
RMP	0.16035%	\$ (39,907)	\$ 11,373	\$ 81,125
ODD	0.15215%	\$ n/a	\$ n/a	\$ n/a

OPEB Plan Fiduciary Net Position

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

(d) Defined Contribution OPEB Plans

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

City of Cordova, Alaska

Notes to Basic Financial Statements

Contribution Rate

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

Annual Postemployment Healthcare Cost

In 2020, the City contributed \$115,449 in DC OPEB costs. These amounts have been recognized as expense/expenditures.

11. Deferred Compensation Plan

The City offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans are available to all employees and 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 plans require that all assets and income of the plans be held in trust for the exclusive benefit of participants and their beneficiaries.

12. Risk Management

The City is exposed to various risks of loss including (a) damage to and loss of buildings and contents, (b) employee torts, (c) professional liability; i.e., errors and omissions, (d) workers’ compensation; i.e., employee injuries, and (e) medical insurance costs of employees.

The City is self-insured for its costs of providing medical insurance. Stop-loss coverage limits claims to \$55,000 each occurrence and \$1,070,148 in aggregate for all medical claims during the year. The City contracts with a third-party administrator for health claims servicing. Claims and premium costs are allocated to each department based on budgeted amounts. Claims payable is reported in the General Fund. The City accrues a liability for claims incurred but not reported at year end.

The schedules of the changes in the claims liability follows.

	Balance at Beginning of Year	Claims Expense	Claims Paid	Balance at End of Year
December 31, 2020	\$ 445,000	\$ 1,112,364	\$ (1,447,364)	\$ 110,000

	Balance at Beginning of Year	Claims Expense	Claims Paid	Balance at End of Year
December 31, 2019	\$ 95,000	\$ 1,334,242	\$ (984,242)	\$ 445,000

City of Cordova, Alaska

Notes to Basic Financial Statements

The City is a member of Alaska Public Entity Insurance (APEI), a governmental insurance pool. APEI provides the City coverage for property, including building and contents, automobiles, mobile equipment and data processing equipment; casualty, including general liability, and public officials, law enforcement professional liability, auto liability and employee benefit liability; and workers' compensation, including employer's liability. The City has no coverage for potential losses from environmental damages.

APEI is a public entity risk pool organized to share risks among its members. The bylaws provide for the assessment of supplemental contributions from members in the event that losses and expenses for any coverage year exceed the annual contributions and income earned on such contributions for the year. Such supplemental contributions shall be based upon each member's deposit contribution in comparison to the aggregate deposit contributions of all members. There were no supplemental assessments during the year ended December 31, 2020. The amount of settlements for the past three years did not materially exceed the City's insurance coverage.

13. Interfund Receivable, Payable, and Transfers

A schedule of interfund transfers for the year ended December 31, 2020, follows:

Due from Other Funds

To General Fund for short-term operating advances from:	
CARES Act Special Revenue Fund	\$ 89,792
Nonmajor Governmental Funds	3,213
Water Enterprise Fund	28,960
Total Due from Other Funds	\$ 121,965

Transfers to Other funds

To General Reserve Special Revenue Fund for "permanent fund replacement" from:	
Port Enterprise Fund	\$ 18,000
Refuse Enterprise Fund	44,122
Total transfers to the General Reserve Special Revenue Fund	62,122
To Nonmajor Governmental Funds from the General Fund for operating subsidies	33,000
To the General Fund for operating subsidies from the:	
Nonmajor Governmental Funds	138,164
Health Insurance Internal Service Fund	108,628
Total transfers to the General Fund	246,792
Total Transfers to Other Funds	\$ 341,914

City of Cordova, Alaska

Notes to Basic Financial Statements

General Fund Note Receivable from the Cordova Community Medical Center (CCMC) Component Unit

In 2017, the General Fund had a note receivable from CCMC totaling \$3,093,127. In 2017 the City determined that repayment was not to be expected in a reasonable amount of time. Accordingly, the City reduced the note receivable to \$0. The City has since made more payments to support CCMC to add to the note receivable. The City has recorded payments as contribution to the CCMC. The amount owed to the city as of December 31, 2020 was \$5,446,459, which is not reported as receivable in the Statement of Net Position. Future repayments, if any, on the note receivable will be recorded as contribution revenue as the payments are made.

14. Contingencies

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, would become a liability.

Litigation

The City is involved in various claims and pending litigation as part of the normal course of its activities. In the opinion of management, the disposition of these matters is not expected to have a material adverse effect on the City's financial statements.

15. New Accounting Pronouncements

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these statements.

GASB 87 - Leases - Effective for year-end December 31, 2022, with earlier application encouraged - This statement addresses accounting and financial reporting for certain lease assets and liabilities for leases that previously were classified as operating leases. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

GASB 89 - Accounting for Interest Cost Incurred before the End of a Construction Period - Effective for year-end December 31, 2021, with earlier application encouraged - This statement addresses accounting requirements related to interest cost incurred before the end of a construction period. It requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

GASB 91 - Conduit Debt Obligations - Effective for year-end December 31, 2022, with earlier application encouraged - This statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit obligations, and related note disclosures. This statement clarifies the definition of a conduit debt obligation and establishes standards for related accounting and financial reporting.

City of Cordova, Alaska

Notes to Basic Financial Statements

GASB 92 - Omnibus 2020 - Provisions of this Statement related to the effective date of Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The effective date for all other provisions of the Statement are to be implemented for year-end December 31, 2021. This Statement addresses a variety of topics such as leases, the applicability of Statement No. 73 and Statement No. 74 for reporting assets accumulated for postemployment benefits, the applicability of Statement No. 84 to postemployment benefit arrangements, the measurements of liabilities and assets related to asset retirement obligations in a government acquisition, reporting of public entity risk pools, referencing to nonrecurring fair value measurements, and terminology used to refer to derivative instruments.

GASB 93 - Replacement of Interbank Offered Rates - The provisions of this Statement, except for paragraph 11b, are required to be implemented for year-end December 31, 2022. The requirements in paragraph 11b are required to be implemented for year-end December 31, 2023. This Statement addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR).

GASB 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements - Effective for year-end December 31, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and also provides guidance for accounting and financial reporting for availability payment arrangements (APA).

In light of the COVID-19 Pandemic, on May 8, 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, to provide relief to governments. This Statement, which was effective upon issuance, postpones the effective dates of certain provisions in the above noted pronouncements for one year, except for Statement No. 87 and provisions related to leases in Statement No. 92 which are postponed for eighteen months, Certain other provisions of Statement No. 92 are excluded from Statement No. 95. Additionally, Statement No. 95 excludes provisions in Statement No. 93 related to lease modifications and excludes Statement No. 94 since the GASB considered the pandemic in determining effective dates. Earlier application of the standards is encouraged and is permitted to the extent specified in each pronouncement as originally issued.

GASB 96 - Subscription-Based Information Technology Arrangements - Effective for year-end December 31, 2023. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement, among other things, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset, provides capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA.

GASB Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - Effective for year-end December 31, 2022, except the portion of the pronouncement related to component unit criteria, which is effective for year-end December 30, 2020. This statement modifies certain guidance contained in Statement No. 84 and enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

City of Cordova, Alaska

Notes to Basic Financial Statements

GASB Statement No. 98 - The Annual Comprehensive Financial Report - Effective for year-end December 15, 2021. Earlier application is encouraged. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

16. COVID-19

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The COVID-19 pandemic continues as of the date of this report. As such, its effects on the City’s future revenues, liquidity, and future operations is not fully understood. Management continues to assess the effects of the public health emergency on the City’s ongoing operations, workforce, suppliers, customers, constituents, and overall financial condition.

Highlights related to the public health emergency through December 31, 2020, are as follows:

- The City is dependent upon its workforce to deliver its services. Developments such as social distancing and shelter-in-place directives will impact the City’s ability to deploy its workforce effectively. While expected to be temporary, prolonged workforce disruptions may negatively impact the City’s services, taxes collected in fiscal year 2021, and the City’s overall liquidity. Adverse economic effects of the COVID-19 outbreak may decrease demand for the City’s services based on restrictions in place by governments trying to curb the outbreak or changes in consumer behavior.
- Furthermore, it is possible that the pandemic will cause significant volatility in market value of the City’s marketable securities.

Uncertainties around the full impact of the COVID-19 pandemic still exist, but if it does continue through fiscal year 2022 and further; it could continue to adversely affect the City’s future operations, financial position, and liquidity in fiscal year 2022 and future years.

CARES Act Funding

On March 27, 2020 President Trump signed into law the “Coronavirus Aid, Relief and Economic Security (CARES) Act.” The CARES Act, among other things, appropriated funds for the Coronavirus Relief Fund to be used to make payments for specified uses to States and certain local governments. It also appropriated certain relief funds, for which the City may be eligible. To date, the City has been awarded \$3,414,908 and spent these funds during 2021.

City of Cordova, Alaska

Notes to Basic Financial Statements

17. Subsequent Event

ARPA Funding

On March 11, 2021, the President signed into law the “America Rescue Plan” (ARPA). The America Rescue Plan, among other things, appropriated funds that could be used to make payments for specified uses to States and certain local governments. To date, the City has been awarded \$834,771 during FY 2021 and \$311,191 during FY 2022 in America Rescue Plan funds, passed through the State of Alaska. The City has spent all of its 2021 funds on government services. However, the City has not finalized a spending plan for the use of its 2022 ARPA funds as of the date of this report.

The City has received a \$20 million RAISE award from the U.S. Department of Transportation, which will be used for the Cordova South Harbor Rebuild. As of the date of issuance, the City has not spent or received any of this funding.

Required Supplementary Information

City of Cordova, Alaska

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

<i>Year Ended December 31, 2020</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 6,831,957	\$ 6,831,957	\$ 6,436,055	\$ (395,902)
Licenses and permits	20,600	20,600	19,480	(1,120)
Federal government	610,000	1,192,145	1,203,050	10,905
State of Alaska	2,205,237	2,205,237	1,972,784	(232,453)
Investment income	60,000	60,000	10,171	(49,829)
Charges for services	805,950	811,586	666,592	(144,994)
Sale of property	12,000	12,000	2,210	(9,790)
Other revenues	768,302	768,302	747,990	(20,312)
Total Revenues	11,314,046	11,901,827	11,058,332	(843,495)
Expenditures				
Current:				
General government:				
City council	10,250	10,250	6,504	3,746
City clerk	283,612	283,612	282,159	1,453
Management	312,246	312,246	325,521	(13,275)
Finance	445,432	445,432	427,420	18,012
Planning and zoning	128,002	128,002	125,462	2,540
Nondepartmental services	424,300	424,300	599,969	(175,669)
Total general government	1,603,842	1,603,842	1,767,035	(163,193)
Public safety:				
Police department	1,025,789	1,031,425	926,334	105,091
Jail operations	249,660	249,660	225,062	24,598
Fire department	384,429	384,429	359,918	24,511
Department of motor vehicles	71,418	71,418	82,579	(11,161)
Total public safety	1,731,296	1,736,932	1,593,893	143,039
Information and recreation				
Library	843,804	843,804	809,356	34,448
Ski hill	87,012	87,012	86,806	206
Bidarki Center	291,624	291,624	277,203	14,421
Pool	210,105	210,105	254,654	(44,549)
Total information and recreation	1,432,545	1,432,545	1,428,019	4,526

City of Cordova, Alaska

Exhibit D-1, continued

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

<i>Year Ended December 31, 2020</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures, continued				
Current, continued:				
Public works:				
Public works administration	\$ 207,080	\$ 207,080	\$ 197,444	\$ 9,636
Facility utilities	164,850	164,850	176,205	(11,355)
Facility maintenance	366,597	366,597	377,623	(11,026)
Street maintenance	1,019,977	1,019,977	1,040,317	(20,340)
Snow removal	70,449	70,449	53,543	16,906
Equipment maintenance	328,691	328,691	300,308	28,383
Parks maintenance	101,772	101,772	90,115	11,657
Cemetery maintenance	20,537	20,537	4,118	16,419
Total public works	2,279,953	2,279,953	2,239,673	40,280
Debt service:				
Principal	1,160,000	1,160,000	1,160,000	-
Interest	666,511	666,511	666,491	20
Total debt service	1,826,511	1,826,511	1,826,491	20
Contributions:				
Cordova City School District	1,876,000	1,876,000	1,790,000	86,000
Cordova Community Medical Center	630,000	630,000	289,038	340,962
Cordova Community College	10,000	10,000	-	10,000
Family Resource Center	20,000	20,000	20,000	-
Cordova Chamber of Commerce	118,270	118,270	118,270	-
Total contributions	2,654,270	2,654,270	2,217,308	436,962
Total Expenditures	11,528,417	11,534,053	11,072,419	461,634
Excess of revenues over (under) expenditures	(214,371)	367,774	(14,087)	(381,861)
Other Financing Sources (Uses)				
Transfers in	246,628	246,628	246,792	164
Transfers out	(33,000)	(33,000)	(33,000)	-
Net Other Financing Sources (Uses)	213,628	213,628	213,792	164
Net change in fund balance	\$ (743)	\$ 581,402	199,705	\$ (381,697)
Fund Balance, beginning			1,311,199	
Fund Balance, ending			\$ 1,510,904	

See accompanying notes to Required Supplementary Information.

City of Cordova, Alaska

General Reserve Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended December 31, 2020</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Investment income	\$ 210,000	\$ 210,000	\$ 741,520	\$ 531,520
Land sales	-	-	147,169	147,169
Special assessments	-	-	2,454	2,454
Total Revenues	210,000	210,000	891,143	681,143
Other Financing Sources (Uses)				
Transfers in	62,123	62,123	62,122	(1)
Net change in fund balance	<u>\$ 272,123</u>	<u>\$ 272,123</u>	953,265	<u>\$ 681,142</u>
Fund Balance, beginning			<u>9,401,111</u>	
Fund Balance, ending			<u>\$ 10,354,376</u>	

See accompanying notes to Required Supplementary Information.

City of Cordova, Alaska

CARES Act Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended December 31, 2020</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Federal government	\$ 2,832,763	\$ 2,832,763	\$ 2,945,338	\$ 112,575
Other revenues	-	29,550	29,550	-
Total Revenues	2,832,763	2,862,313	2,974,888	112,575
Expenditures				
Emergency protective measures	1,757,763	1,757,763	1,866,888	(109,125)
Community service	1,075,000	1,104,550	1,108,000	(3,450)
Total Expenditures	2,832,763	2,862,313	2,974,888	(112,575)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance, beginning			<u>-</u>	
Fund Balance, ending			<u>\$ -</u>	

See accompanying notes to Required Supplementary Information.

City of Cordova, Alaska

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

<i>Years Ended December 31,</i>	2020	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability	0.10102%	0.11286%	0.12932%	0.11937%	0.13277%	0.11051%
City's Proportionate Share of the Net Pension Liability	\$ 5,961,095	\$ 6,177,960	\$ 6,425,806	\$ 6,170,856	\$ 7,421,446	\$ 5,359,777
State of Alaska Proportionate Share of the Net Pension Liability	2,466,863	2,452,089	1,862,446	2,299,134	935,836	1,436,622
Total Net Pension Liability	\$ 8,427,958	\$ 8,630,049	\$ 8,288,252	\$ 8,469,990	\$ 8,357,282	\$ 6,796,399
City's Covered Payroll	3,484,924	3,361,544	3,486,441	3,385,723	3,399,956	3,176,623
City's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	171.05%	183.78%	184.31%	182.26%	218.28%	168.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.61%	63.42%	65.19%	63.37%	59.55%	63.96%

Schedule of City Contributions

<i>Years Ended December 31,</i>	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 428,085	\$ 402,416	\$ 416,908	\$ 400,397	\$ 370,083	\$ 307,165
Contributions Relative to the Contractually Required Contribution	428,085	402,416	416,908	400,397	370,083	307,165
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	3,521,589	3,441,867	3,413,500	3,473,278	3,501,744	3,298,167
Contributions as a Percentage of Covered Payroll	12.16%	11.69%	12.21%	11.53%	10.57%	9.31%

See accompanying notes to Required Supplementary Information.

City of Cordova, Alaska

Public Employees' Retirement System - OPEB Plans
Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset)

Years Ended December 31,	ARHCT			ODD			RMP		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
City's Proportion of the Net OPEB Liability (Asset)	0.10091%	0.11279%	0.12928%	0.15215%	0.16321%	0.19144%	0.16035%	0.16522%	0.19144%
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ (456,970)	\$ 167,356	\$ 1,326,818	\$ (41,477)	\$ (39,569)	\$ (37,182)	\$ 11,373	\$ 39,526	\$ 24,361
State of Alaska Proportionate Share of the Net OPEB Liability	(189,600)	66,554	384,626	-	-	-	-	-	-
Total Net OPEB Liability (Asset)	\$ (646,570)	\$ 233,910	\$ 1,711,444	\$ (41,477)	\$ (39,569)	\$ (37,182)	\$ 11,373	\$ 39,526	\$ 24,361
City's Covered Payroll	1,315,904	1,303,644	1,320,462	2,169,020	2,057,901	2,165,979	2,169,020	2,057,901	2,165,979
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-34.73%	12.84%	100.48%	-1.91%	-1.92%	-1.72%	0.52%	1.92%	1.12%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	106.15%	98.13%	88.12%	95.23%	83.17%	88.71%	283.80%	297.43%	270.62%

Schedule of City Contributions

Years Ended December 31,	ARHCT			ODD			RMP		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Contractually Required Contribution	\$ 120,579	\$ 145,507	\$ 133,854	\$ 7,779	\$ 6,779	\$ 5,292	\$ 29,866	\$ 24,117	\$ 20,702
Contributions Relative to the Contractually Required Contribution	120,579	145,507	133,854	7,779	6,779	5,292	29,866	24,117	20,702
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	1,212,605	1,311,695	1,320,326	2,308,984	2,130,172	2,093,174	2,308,984	2,130,172	2,093,174
Contributions as a Percentage of Covered Payroll	9.94%	11.09%	10.14%	0.34%	0.32%	0.25%	1.29%	1.13%	0.99%

See accompanying notes to Required Supplementary Information.

City of Cordova, Alaska

Notes to Required Supplementary Information Year Ended December 31, 2020

1. Budgetary Comparison Schedules

The Municipal Charter lays out the process for annual budget adoption.

At least five weeks before the beginning of the fiscal year, the City Manager shall prepare and submit a budget to the City Council. Public hearings shall be held. The Council may amend the budget, but proposed expenditures may never exceed the anticipated revenues. The Council must adopt the budget not later than the third day before the start of the new fiscal year. If the Council does not adopt the budget, the original proposed budget shall go into effect.

The city manager may transfer unencumbered appropriations within a department, office, or agency. However, Council approval is required to transfer appropriations between departments or agencies.

The City publishes its annual budget document and it is available on the City's website at: www.cityofcordova.net

Expenditures Exceeding Appropriations

Expenditures exceeded appropriations by the following amounts in departments of the General Fund.

General Government	\$ 163,193
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2. Public Employees' Retirement System Pension Plan

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

This table is presented based on the Plan measurement date. For December 31, 2020, the Plan measurement date is June 30, 2020.

Changes in Assumptions:

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

In 2019, the discount rate was lowered from 8% to 7.38%.

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

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

City of Cordova, Alaska

Notes to Required Supplementary Information, continued Year Ended December 31, 2020

Schedule of City Contributions

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

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

3. Public Employees' Retirement System OPEB Plans

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

This table is presented based on the Plan measurement date. For December 31, 2020, the Plan measurement date is June 30, 2020.

Changes in Assumptions:

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

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

In 2019, the discount rate was lowered from 8% to 7.38%.

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

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

Schedule of City Contributions

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

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

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Supplementary Information

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Major Governmental Funds

General Fund

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

Revenue, for this and other funds, is recorded by source, i.e., taxes, State of Alaska, etc. Expenditures are recorded first by function, then by activity and object of the expenditure.

General Fund expenditures are made primarily for current day-to-day operating expenditures and operating equipment. Capital expenditures for large-scale public improvements, such as buildings, are accounted for elsewhere in the Capital Project or Enterprise Funds.

Cares Act Special Revenue Fund

This fund accounts for funds received from the Department of Treasury for emergency relief to address the impact that COVID-19 has on the City.

City of Cordova, Alaska

Exhibit E-1

General Fund Balance Sheet

December 31, 2020

Assets

Cash and investments	\$ 635,967
Receivables:	
Sales tax	619,405
Delinquent property taxes	65,367
Other	60,940
Total Receivables	745,712
Prepaid insurance	273,324
Due from other funds	121,965
Lease receivable	724,410
Total Assets	\$ 2,501,378

Liabilities, Deferred Inflows of Resources, and Fund Balance

Liabilities

Accounts payable	\$ 110,771
Accrued payroll and related liabilities	45,534
Unearned revenue	55,917

Total Liabilities	212,222
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Deferred Inflows of Resources

Deferred property taxes	53,842
Deferred lease revenue	724,410

Total Deferred Inflows of Resources	778,252
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Fund Balance

Nonspendable - prepaid insurance	273,324
Unassigned	1,237,580

Total Fund Balance	1,510,904
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Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 2,501,378
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City of Cordova, Alaska

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

Year Ended December 31, 2020

	Final Budget	Actual	Variance with Budget
Revenues			
Taxes:			
Property taxes	\$ 2,659,957	\$ 2,645,509	\$ (14,448)
Sales taxes	3,504,000	3,178,406	(325,594)
Public accommodations surtax	189,000	170,655	(18,345)
Vehicle rental surtax	17,000	4,987	(12,013)
Penalties and interest	22,000	(34,915)	(56,915)
Federal payment in lieu of property taxes	440,000	471,413	31,413
Total taxes	6,831,957	6,436,055	(395,902)
Licenses and permits:			
Business licenses	20,000	18,330	(1,670)
Other licenses and permits	600	1,150	550
Total licenses and permits	20,600	19,480	(1,120)
Federal government:			
Coronavirus relief funds	582,145	582,145	-
National forest receipts	610,000	620,905	10,905
Total Federal government	1,192,145	1,203,050	10,905
State of Alaska:			
Raw fish tax	1,200,000	1,290,037	90,037
Liquor licenses	10,000	-	(10,000)
E-rate revenue	745	373	(372)
Cooperative tax refunds	230,000	308,282	78,282
Shared fisheries tax	25,000	6,718	(18,282)
Community assistance	108,421	75,788	(32,633)
PERS relief	168,000	216,088	48,088
State debt reimbursement - school bonds	463,071	75,498	(387,573)
Total State of Alaska	2,205,237	1,972,784	(232,453)
Investment income	60,000	10,171	(49,829)
Charges for services:			
Leases	294,200	292,568	(1,632)
Law enforcement	315,186	271,345	(43,841)
DMV	60,700	52,706	(7,994)
Planning department	13,500	3,188	(10,312)
Recreation department	90,500	29,812	(60,688)
Pool	37,500	16,973	(20,527)
Total charges for services	811,586	666,592	(144,994)

City of Cordova, Alaska

General Fund

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

Year Ended December 31, 2020

	Final Budget	Actual	Variance with Budget
Revenues, continued			
Sale of property:			
Material and equipment sales	\$ 10,500	\$ 360	\$ (10,140)
Cemetery lot sales	1,500	1,850	350
Total sale of property	12,000	2,210	(9,790)
Other revenues:			
In-kind allocation	160,287	184,270	23,983
Miscellaneous	65,000	66,238	1,238
Allocated administrative costs	488,015	488,015	-
Streets-cut	5,000	300	(4,700)
Cordova center	50,000	9,167	(40,833)
Total other revenues	768,302	747,990	(20,312)
Total Revenues	11,901,827	11,058,332	(843,495)
Expenditures			
General government:			
City council:			
Materials and supplies	500	166	334
Purchased services	9,750	6,338	3,412
Total city council	10,250	6,504	3,746

City of Cordova, Alaska

General Fund

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

Year Ended December 31, 2020

	Final Budget	Actual	Variance with Budget
Expenditures, continued			
General government, continued:			
City clerk:			
Salaries and benefits	\$ 254,457	\$ 266,733	\$ (12,276)
Materials and supplies	1,000	1,516	(516)
Purchased services	28,155	13,910	14,245
Total city clerk	283,612	282,159	1,453
Management:			
Salaries and benefits	294,296	300,399	(6,103)
Materials and supplies	1,500	1,373	127
Purchased services	16,450	23,749	(7,299)
Total management	312,246	325,521	(13,275)
Finance:			
Salaries and benefits	440,132	417,370	22,762
Materials and supplies	2,000	3,110	(1,110)
Purchased services	3,300	6,940	(3,640)
Total finance	445,432	427,420	18,012
Planning department:			
Salaries and benefits	108,902	115,674	(6,772)
Materials and supplies	1,250	304	946
Purchased services	17,850	9,484	8,366
Total planning department	128,002	125,462	2,540

City of Cordova, Alaska

General Fund

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

Year Ended December 31, 2020

	Final Budget	Actual	Variance with Budget
Expenditures, continued			
General government, continued:			
Nondepartmental services:			
Materials and supplies	\$ 15,500	\$ 20,320	\$ (4,820)
Purchased services	408,800	579,649	(170,849)
Total nondepartmental services	424,300	599,969	(175,669)
Total general government	1,603,842	1,767,035	(163,193)
Public safety:			
Police department:			
Salaries and benefits	921,139	836,505	84,634
Materials and supplies	12,300	8,666	3,634
Purchased services	55,350	54,599	751
Repairs and vehicle costs	28,000	13,850	14,150
Capital outlay	14,636	12,714	1,922
Total police department	1,031,425	926,334	105,091
Jail operations:			
Salaries and benefits	233,560	221,816	11,744
Materials and supplies	7,500	5,837	1,663
Purchased services	6,800	(4,197)	10,997
Repairs and vehicle costs	1,800	1,606	194
Total jail operations	249,660	225,062	24,598

City of Cordova, Alaska

General Fund

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

Year Ended December 31, 2020

	Final Budget	Actual	Variance with Budget
Expenditures, continued			
Public safety, continued:			
Fire department:			
Salaries and benefits	\$ 240,806	\$ 227,678	\$ 13,128
Materials and supplies	51,976	55,003	(3,027)
Purchased services	67,272	57,076	10,196
Repairs and vehicle costs	24,375	20,161	4,214
Total fire department	384,429	359,918	24,511
Department of motor vehicles:			
Salaries and benefits	64,518	79,869	(15,351)
Materials and supplies	1,000	550	450
Purchased services	5,400	2,160	3,240
Capital outlay	500	-	500
Total department of motor vehicles	71,418	82,579	(11,161)
Total public safety	1,736,932	1,593,893	143,039
Information and recreation:			
Library:			
Salaries and benefits	637,204	612,405	24,799
Materials and supplies	30,000	25,309	4,691
Purchased services	158,600	157,863	737
Repairs and vehicle costs	18,000	13,779	4,221
Total library	843,804	809,356	34,448

City of Cordova, Alaska

General Fund

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

Year Ended December 31, 2020

	Final Budget	Actual	Variance with Budget
Expenditures, continued			
Information and recreation, continued:			
Ski hill:			
Material and supplies	\$ 10,000	\$ 10,000	\$ -
Purchased services	77,012	76,806	206
Total Ski hill	87,012	86,806	206
 Bidarki Center:			
Salaries and benefits	241,624	232,025	9,599
Materials and supplies	4,000	6,198	(2,198)
Purchased services	39,000	31,519	7,481
Repairs and vehicle costs	5,000	5,658	(658)
Capital outlay	2,000	1,803	197
Total Bidarki Center	291,624	277,203	14,421
 Pool:			
Salaries and benefits	115,255	124,781	(9,526)
Materials and supplies	11,000	13,952	(2,952)
Purchased services	76,850	106,285	(29,435)
Repairs and vehicle costs	5,000	9,309	(4,309)
Capital outlay	2,000	327	1,673
Total pool	210,105	254,654	(44,549)
Total information and recreation	1,432,545	1,428,019	4,526
 Public works:			
Administration:			
Salaries and benefits	160,080	172,467	(12,387)
Materials and supplies	750	1,078	(328)
Purchased services	46,250	23,899	22,351
Total public works administration	207,080	197,444	9,636
 Facility utilities - purchased services	 164,850	 176,205	 (11,355)

City of Cordova, Alaska

General Fund

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

Year Ended December 31, 2020

	Final Budget	Actual	Variance with Budget
Expenditures, continued			
Public works, continued:			
Facility maintenance:			
Salaries and benefits	\$ 229,946	\$ 260,524	\$ (30,578)
Materials and supplies	9,700	8,539	1,161
Purchased services	84,451	69,995	14,456
Repairs and vehicle costs	38,500	33,745	4,755
Capital outlay	4,000	4,820	(820)
Total facility maintenance	366,597	377,623	(11,026)
Street maintenance:			
Salaries and benefits	483,829	522,167	(38,338)
Materials and supplies	135,500	98,915	36,585
Purchased services	262,648	366,542	(103,894)
Repairs and vehicle costs	138,000	52,693	85,307
Total street maintenance	1,019,977	1,040,317	(20,340)
Snow removal:			
Salaries and benefits	28,594	50,272	(21,678)
Materials and supplies	14,000	3,126	10,874
Purchased services	27,855	145	27,710
Total snow removal	70,449	53,543	16,906
Equipment maintenance:			
Salaries and benefits	210,591	188,585	22,006
Materials and supplies	25,000	18,761	6,239
Purchased services	11,600	12,076	(476)
Repairs and vehicle costs	80,000	79,393	607
Capital outlay	1,500	1,493	7
Total equipment maintenance	328,691	300,308	28,383

City of Cordova, Alaska

General Fund

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

Year Ended December 31, 2020

	Final Budget	Actual	Variance with Budget
Expenditures, continued			
Public works, continued:			
Parks maintenance:			
Salaries and benefits	\$ 70,272	\$ 65,721	\$ 4,551
Purchased services	13,500	12,229	1,271
Repairs and vehicle costs	6,500	5,149	1,351
Capital outlay	11,500	7,016	4,484
Total parks maintenance	101,772	90,115	11,657
Cemetery maintenance:			
Salaries and benefits	9,037	2,491	6,546
Materials and supplies	1,500	101	1,399
Capital outlay	10,000	1,526	8,474
Total cemetery maintenance	20,537	4,118	16,419
Total public works	2,279,953	2,239,673	40,280
Debt service:			
General obligation bond principal	1,160,000	1,160,000	-
General obligation bond interest	666,511	666,491	20
Total debt service	1,826,511	1,826,491	20
Contributions:			
Cordova City School District	1,876,000	1,790,000	86,000
Cordova Community Medical Center	630,000	289,038	340,962
Cordova Community College	10,000	-	10,000
Family Resource Center	20,000	20,000	-
Cordova Chamber of Commerce	118,270	118,270	-
Total contributions	2,654,270	2,217,308	436,962
Total Expenditures	11,534,053	11,072,419	461,634

City of Cordova, Alaska

General Fund

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

Year Ended December 31, 2020

	Final Budget	Actual	Variance with Budget
Excess of revenues over (under) expenditures	\$ 367,774	\$ (14,087)	\$ (381,861)
Other Financing Sources (Uses)			
Transfers in:			
Chip Seal Capital Projects Fund	138,000	138,164	164
Health Insurance Internal Service Fund	108,628	108,628	-
Transfers out:			
Equipment Replacement Capital Project Fund	(15,000)	(15,000)	-
Chip Seal Capital Projects Fund	(18,000)	(18,000)	-
Net Other Financing Sources (Uses)	213,628	213,792	164
Net change in fund balance	<u>\$ 581,402</u>	199,705	<u>\$ (381,697)</u>
Fund Balance, beginning		<u>1,311,199</u>	
Fund Balance, ending		<u>\$ 1,510,904</u>	

City of Cordova, Alaska

CARES Act Special Revenue Fund

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

Year Ended December 31, 2020

	Final Budget	Actual	Variance with Budget
Revenues			
Federal government:			
Coronavirus relief funds	\$ 2,832,763	\$ 2,832,763	\$ -
COVID-19 contact tracing	-	112,575	112,575
Total Federal government	2,832,763	2,945,338	112,575
Other revenues - miscellaneous COVID-19	29,550	29,550	-
Total Revenues	2,862,313	2,974,888	112,575
Expenditures			
Emergency protective measures:			
Salaries and benefits	317,855	320,668	(2,813)
Materials and supplies	1,250,000	1,256,910	(6,910)
Purchased services	189,908	289,310	(99,402)
Total Emergency protective measures	1,757,763	1,866,888	(109,125)
Community service:			
Cordova nonprofits	104,550	109,100	(4,550)
Cordova residents	1,000,000	998,900	1,100
Total contributions	1,104,550	1,108,000	(3,450)
Total Expenditures	2,862,313	2,974,888	(112,575)
Net change in fund balance	\$ -	-	\$ -
Fund Balance, beginning		-	
Fund Balance, ending		\$ -	

Nonmajor Governmental Funds

The Special Revenue Funds are established to finance particular activities and are created from receipts of restricted revenues.

E-911

This fund is established to account for restricted revenues and costs associated with Enhanced 911 surcharges.

Ambulance

This fund accounts for miscellaneous revenues that have been earmarked for additional ambulance equipment.

The Capital Project Funds are established to account for the resources expended to acquire assets of a relatively permanent nature. Capital Project Funds provide a formal mechanism which enables administrators to ensure that revenues dedicated to a certain purpose are used only for that purpose and further enables them to report to creditors, and other grantors of capital project fund revenue, that their requirements regarding the use of the revenues were fully satisfied.

Equipment Replacement

This fund accounts for various equipment purchases.

General Capital Projects

This fund accounts for various community-wide capital projects.

Chip Seal CIP

This fund accounts for various chip seal street repair and improvement projects.

City of Cordova, Alaska
Nonmajor Governmental Funds
Combining Balance Sheet

	Special Revenue Funds		Capital Project Funds		Totals
	E-911	Ambulance	Equipment Replacement	General Capital Projects	
<i>December 31, 2020</i>					
Assets					
Cash and investments	\$ 64,396	\$ 379,625	\$ 7,144	\$ -	\$ 451,165
Other receivable	-	12,993	-	21,700	34,693
Total Assets	\$ 64,396	\$ 392,618	\$ 7,144	\$ 21,700	\$ 485,858
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ 102	\$ -	\$ 21,108	\$ 21,210
Due to other funds	-	-	-	3,213	3,213
Total Liabilities	-	102	-	24,321	24,423
Deferred Inflows of Resources					
Deferred ambulance revenue	-	11,305	-	-	11,305
Fund Balances					
Restricted -					
Enhanced 911 services	64,396	-	-	-	64,396
Assigned:					
Capital projects	-	-	7,144	-	7,144
Public safety	-	381,211	-	-	381,211
Unassigned (deficit)	-	-	-	(2,621)	(2,621)
Total Fund Balances	64,396	381,211	7,144	(2,621)	450,130
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 64,396	\$ 392,618	\$ 7,144	\$ 21,700	\$ 485,858

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

<i>Year Ended December 31, 2020</i>	Special Revenue Funds		Capital Project Funds			Totals
	E-911	Ambulance	Equipment Replacement	General Capital Projects	Chip Seal CIP	
Revenues						
Federal government	\$ -	\$ -	\$ -	\$ 66,240	\$ -	\$ 66,240
State of Alaska	-	-	-	7,000	-	7,000
Other revenues	-	35,668	813	44,588	-	81,069
Total Revenues	-	35,668	813	117,828	-	154,309
Expenditures						
Public safety	-	16,098	-	91,388	-	107,486
Public works	-	-	8,669	-	-	8,669
Information and recreation	-	-	-	110,889	-	110,889
Cordova City School District	-	-	-	21,227	-	21,227
Capital outlay	-	-	-	89,652	-	89,652
Total Expenditures	-	16,098	8,669	313,156	-	337,923
Excess of revenues over (under) expenditures	-	19,570	(7,856)	(195,328)	-	(183,614)
Other Financing Sources						
Transfers in	-	-	15,000	18,000	-	33,000
Transfers out	-	-	-	-	(138,164)	(138,164)
Net Other Financing Sources (Uses)	-	-	15,000	18,000	(138,164)	(105,164)
Net change in fund balances	-	19,570	7,144	(177,328)	(138,164)	(288,778)
Fund Balances, beginning	64,396	361,641	-	174,707	138,164	738,908
Fund Balances (Deficit), ending	\$ 64,396	\$ 381,211	\$ 7,144	\$ (2,621)	\$ -	\$ 450,130

City of Cordova, Alaska
General Capital Projects Fund
Schedule of Expenditures by Project

Year Ended December 31, 2020

Culvert relocation	\$ 35,469
Stair Case	27,683
Generator	26,500
Noncapital Cordova City School District	21,227
Noncapital information and recreation projects	110,889
Noncapital public safety projects	91,388
Total Expenditures	\$ 313,156

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise - where the intent of the government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.

MAJOR ENTERPRISE FUNDS

Port

This fund accounts for the operations of the port and boat harbor.

Water

This fund accounts for the operations of the water system.

Sewer

This fund accounts for the operations of the sewer system.

Refuse

This fund accounts for the operations of the baler, refuse collection services, and landfill.

NONMAJOR ENTERPRISE FUND

Odiak Park

This fund accounts for the operations of the Odiak Camper Park

City of Cordova, Alaska

Exhibit H-1

**Port Enterprise Fund
Statement of Net Position**

<i>December 31,</i>	2020
Assets and Deferred Outflows of Resources	
Current Assets	
Cash and investments	\$ 1,781,128
Accounts receivable	500,885
Allowance for doubtful accounts	(301,982)
Prepaid insurance	47,907
Total Current Assets	2,027,938
Net other postretirement benefit assets	48,803
Property, Plant and Equipment	
Land	4,395,992
Buildings	274,983
Machinery and equipment	2,958,477
Improvements	19,366,915
Total property, plant and equipment	26,996,367
Accumulated depreciation	(16,709,370)
Net Property, Plant and Equipment	10,286,997
Total Assets	12,363,738
Deferred outflows of resources	
Related to other postemployment benefits	28,319
Related to pensions	53,649
Total Deferred Outflows of Resources	81,968
Total Assets and Deferred Outflows of Resources	\$ 12,445,706
Liabilities, Deferred Inflows of Resources and Net Position	
Current Liabilities	
Accounts payable	\$ 18,236
Accrued payroll and related liabilities	5,044
Accrued vacation and sick leave	52,692
Unearned revenue	506,696
Total Current Liabilities	582,668
Noncurrent Liabilities	
Net other postemployment benefit liability	1,113
Net pension liability	561,691
Total Noncurrent Liabilities	562,804
Total Liabilities	1,145,472
Deferred inflows of resources	
Related to other postemployment benefits	39,705
Related to pensions	13,899
Total Deferred Inflows of Resources	53,604
Net Position	
Net investment in capital assets	10,286,997
Unrestricted	959,633
Total Net Position	11,246,630
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 12,445,706

City of Cordova, Alaska

Port Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position

Year Ended December 31,	2020
Operating Revenues	
User charges:	
Slip fees	\$ 1,060,241
Wharfage and dockage	258,849
Total user charges	1,319,090
Rents, leases and storage fees	112,216
Travel lift fees	71,644
Penalties and interest	18,551
Other revenues	63,907
Total Operating Revenues	1,585,408
Operating Expenses	
Salaries and benefits	562,980
Materials and supplies	11,166
Purchased services	272,265
Vehicle expense	34,733
Insurance	57,071
Repairs and maintenance	87,864
Allocated administrative and billing expenses	168,868
Depreciation	765,750
Total Operating Expenses	1,960,697
Loss from operations	(375,289)
Nonoperating Revenues	
State of Alaska PERS relief	96,040
Total Nonoperating Revenues	96,040
Loss before transfers	(279,249)
Transfers out	(18,000)
Change in net position	(297,249)
Net Position, beginning	11,543,879
Net Position, ending	\$ 11,246,630

City of Cordova, Alaska

Port Enterprise Fund
Statement of Cash Flows

<i>Year Ended December 31,</i>	<i>2020</i>
Cash Flows from Operating Activities	
Receipts from customers and users	\$ 1,574,011
Payments for interfund services used	(168,868)
Payments to suppliers	(503,046)
Payments to employees	(545,345)
Net cash flows from operating activities	356,752
Cash Flows for Noncapital Financing Activities	
Transfers out	(18,000)
Cash Flows for Capital and Related Financing Activities	
Additions to property, plant and equipment	(348,814)
Net decrease in cash and investments	(10,062)
Cash and Investments, beginning	1,791,190
Cash and Investments, ending	\$ 1,781,128
Reconciliation of Loss from Operations to Net Cash Flows from Operating Activities	
Loss from operations	\$ (375,289)
Adjustments to reconcile loss from operations to net cash flows from operating activities:	
Depreciation	765,750
Noncash expense - PERS relief	96,040
Increase in allowance for doubtful accounts	88,225
(Increase) decrease in assets and deferred outflows of resources:	
Accounts receivable	(99,622)
Prepaid insurance	(38,744)
Net other postemployment benefits assets	(48,803)
Deferred outflows of resources related to pensions	4,749
Deferred outflows of resources related to other postemployment benefits	(1,511)
Increase (decrease) in liabilities and deferred inflows of resources:	
Accounts payable	(1,203)
Accrued payroll and related liabilities	(11,182)
Accrued vacation and sick leave	3,618
Net pension liability	1,983
Net other postemployment benefits liability	(21,233)
Deferred inflows of resources related to pensions	17,088
Deferred inflows of resources related to other postemployment benefits	(23,114)
Net Cash Flows from Operating Activities	\$ 356,752

City of Cordova, Alaska

Port Enterprise Fund

Combining Schedule of Revenues, Expenses and Changes in Net Position

<i>Year Ended December 31, 2020</i>	Port Operating	Port Capital Projects	Port Depreciation Reserves	Total
Operating Revenues	\$ 1,585,408	\$ -	\$ -	\$ 1,585,408
Operating Expenses				
Salaries and benefits	562,980	-	-	562,980
Materials and supplies	11,166	-	-	11,166
Purchased services	272,265	-	-	272,265
Vehicle expense	34,733	-	-	34,733
Insurance	57,071	-	-	57,071
Repairs and maintenance	87,864	-	-	87,864
Allocated administrative and billing expenses	168,868	-	-	168,868
Depreciation	765,750	-	-	765,750
Total Operating Expenses	1,960,697	-	-	1,960,697
Loss from operations	(375,289)	-	-	(375,289)
Nonoperating Revenues				
State of Alaska PERS relief	96,040	-	-	96,040
Total Nonoperating Revenues	96,040	-	-	96,040
Loss before transfers	(279,249)	-	-	(279,249)
Transfers out	(18,000)	-	-	(18,000)
Eliminating transfers	(150,000)	-	150,000	-
Change in net position	(447,249)	-	150,000	(297,249)
Net Position, beginning	10,282,581	200,000	1,061,298	11,543,879
Net Position, ending	\$ 9,835,332	\$ 200,000	\$ 1,211,298	\$ 11,246,630

City of Cordova, Alaska

Water Enterprise Fund
Statement of Net Position

December 31,	2020
Assets and Deferred Outflows of Resources	
Current Assets	
Accounts receivable	\$ 36,138
Grants receivable	32,245
Prepaid insurance	25,558
Total Current Assets	93,941
Net other postretirement benefit assets	18,992
Property, Plant and Equipment	
Land	881,531
Construction in progress	73,196
Buildings	7,130,545
Machinery and equipment	461,974
Improvements	14,803,759
Total property, plant and equipment	23,351,005
Accumulated depreciation	(11,363,429)
Net Property, Plant and Equipment	11,987,576
Total Assets	12,100,509
Deferred outflows of resources	
Related to other postemployment benefits	11,021
Related to pensions	15,793
Total Deferred Outflows of Resources	26,814
Total Assets and Deferred Outflows of Resources	\$ 12,127,323
Liabilities, Deferred Inflows of Resources and Net Position	
Current Liabilities	
Accounts payable	\$ 23,082
Accrued payroll and related liabilities	2,481
Accrued vacation and sick leave	24,800
Customer deposits	30,643
Accrued interest payable	108,214
Due to other funds	28,960
Total Current Liabilities	218,180
Noncurrent Liabilities	
Loans payable to ADEC, net of current portion	2,092,266
Net other postemployment benefit liability	433
Net pension liability	205,646
Total Noncurrent Liabilities	2,298,345
Total Liabilities	2,516,525
Deferred inflows of resources	
Related to other postemployment benefits	15,452
Related to pensions	4,600
Total Deferred Inflows of Resources	20,052
Net Position	
Net investment in capital assets	9,895,310
Unrestricted (deficit)	(304,564)
Total Net Position	9,590,746
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 12,127,323

City of Cordova, Alaska

Water Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position

<i>Year Ended December 31,</i>	<i>2020</i>
Operating Revenues - user charges	\$ 744,590
Operating Expenses	
Salaries and benefits	248,218
Materials and supplies	56,427
Purchased services	132,723
Vehicle expense	4,748
Insurance	39,265
Repairs and maintenance	60,508
Depreciation	629,258
Allocated administrative and billing expenses	88,409
Total Operating Expenses	1,259,556
Loss from operations	(514,966)
Nonoperating Revenues (Expenses)	
Interest expense	(30,348)
In-kind contributions to School and Medical Center	(14,836)
State of Alaska PERS relief	31,222
Net Nonoperating Revenues (Expenses)	(13,962)
Change in net position	(528,928)
Net Position, beginning	10,119,674
Net Position, ending	\$ 9,590,746

City of Cordova, Alaska

Water Enterprise Fund
Statement of Cash Flows

<i>Year Ended December 31,</i>	2020
Cash Flows from Operating Activities	
Receipts from customers and users	\$ 702,478
Payments for interfund services used	(88,409)
Payments to suppliers	(296,562)
Payments to employees	(258,743)
Net cash flows from operating activities	58,764
Cash Flows for Capital and Related Financing Activities	
Additions to property, plant and equipment	(58,663)
Increase in due to other funds	27,915
Principal and interest paid on ADEC loans	(70,081)
Proceeds from ADEC loans	42,065
Net cash flows for capital and related financing activities	(58,764)
Net decrease in cash and investments	-
Cash and Investments, beginning	-
Cash and Investments, ending	\$ -
Reconciliation of Loss from Operations to Net Cash	
Flows from Operating Activities	
Loss from operations	\$ (514,966)
Adjustments to reconcile loss from operations	
to net cash flows from operating activities:	
Depreciation	629,258
Noncash expense - PERS relief	31,222
In-kind contributions	(14,836)
(Increase) decrease in assets and deferred outflows of resources:	
Accounts receivable	(24,854)
Prepaid insurance	(11,851)
Net other postemployment benefits assets	(18,992)
Deferred outflows of resources related to pensions	5,459
Deferred outflows of resources related to other postemployment benefits	(588)
Increase (decrease) in liabilities and deferred inflows of resources:	
Accounts payable	8,960
Accrued payroll and related liabilities	(6,123)
Accrued vacation and sick leave	2,300
Customer deposits	(2,422)
Net pension liability	(9,086)
Net other postemployment benefits liability	(8,263)
Deferred inflows of resources related to pensions	2,541
Deferred inflows of resources related to other postemployment benefits	(8,995)
Net Cash Flows from Operating Activities	\$ 58,764

City of Cordova, Alaska

Water Enterprise Fund

Combining Schedule of Revenues, Expenses and Changes in Net Position

<i>Year Ended December 31, 2020</i>	Water Operating	Water Compliance	Water Depreciation Reserves	Eliminations	Total
Operating Revenues - user charges	\$ 744,590	\$ -	\$ -	\$ -	\$ 744,590
Operating Expenses					
Salaries and benefits	248,218	-	-	-	248,218
Materials and supplies	56,427	-	-	-	56,427
Purchased services	132,723	-	-	-	132,723
Vehicle expense	4,748	-	-	-	4,748
Insurance	39,265	-	-	-	39,265
Repairs and maintenance	60,508	-	-	-	60,508
Depreciation	629,258	-	-	-	629,258
Allocated administrative and billing expenses	88,409	-	-	-	88,409
Total Operating Expenses	1,259,556	-	-	-	1,259,556
Loss from operations	(514,966)	-	-	-	(514,966)
Nonoperating Revenues (Expenses)					
Interest expense	(30,348)	-	-	-	(30,348)
In-kind contributions to School and Medical Center	(14,836)	-	-	-	(14,836)
State of Alaska PERS relief	31,222	-	-	-	31,222
Net Nonoperating Revenues (Expenses)	(13,962)	-	-	-	(13,962)
Loss before transfers	(528,928)	-	-	-	(528,928)
Eliminating transfers	(50,000)	-	50,000	-	-
Change in net position	(578,928)	-	50,000	-	(528,928)
Net Position, beginning	5,170,532	104,858	456,751	4,387,533	10,119,674
Net Position, ending	\$ 4,591,604	\$ 104,858	\$ 506,751	\$ 4,387,533	\$ 9,590,746

City of Cordova, Alaska

Sewer Enterprise Fund
Statement of Net Position

December 31,	2020
Assets and Deferred Outflows of Resources	
Current Assets	
Cash and investments	\$ 579,488
Accounts receivable	92,578
Prepaid insurance	25,558
Deposits	6,500
Total Current Assets	704,124
Net other postretirement benefit assets	18,992
Property, Plant and Equipment	
Land	32,560
Buildings	93,071
Machinery and equipment	854,077
Improvements	17,672,208
Total property, plant and equipment	18,651,916
Accumulated depreciation	(11,981,186)
Net Property, Plant and Equipment	6,670,730
Total Assets	7,393,846
Deferred outflows of resources	
Related to other postemployment benefits	11,021
Related to pensions	15,793
Deferred Outflows of Resources	26,814
Total Assets and Deferred Outflows of Resources	\$ 7,420,660
Liabilities, Deferred Inflows of Resources and Net Position	
Current Liabilities	
Accounts payable	\$ 31,317
Accrued payroll and related liabilities	2,481
Accrued vacation and sick leave	24,800
Accrued interest payable	4,675
Current portion of loan payable to ADEC	55,000
Total Current Liabilities	118,273
Noncurrent Liabilities	
Loan payable to ADEC, net of current portion	880,000
Net other postemployment benefits liability	433
Net pension liability	205,646
Total Noncurrent Liabilities	1,086,079
Total Liabilities	1,204,352
Deferred inflows of resources	
Related to other postemployment benefits	15,452
Related to pensions	4,600
Total Deferred Inflows of Resources	20,052
Net Position	
Net investment in capital assets	5,735,730
Unrestricted	460,526
Total Net Position	6,196,256
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 7,420,660

City of Cordova, Alaska

Sewer Enterprise Fund

Statement of Revenues, Expenses and Changes in Net Position

<i>Year Ended December 31,</i>	2020
Operating Revenues - user charges	\$ 811,606
Operating Expenses	
Salaries and benefits	248,221
Materials and supplies	62,272
Purchased services	158,902
Vehicle expense	8,202
Insurance	39,265
Repairs and maintenance	29,522
Depreciation	427,593
Allocated administrative and billing expenses	94,721
Total Operating Expenses	1,068,698
Loss from operations	(257,092)
Nonoperating Revenues (Expenses)	
Interest expense	(14,575)
In-kind contributions to School and Medical Center	(34,994)
State of Alaska PERS relief	31,222
Net Nonoperating Revenues (Expenses)	(18,347)
Change in net position	(275,439)
Net Position, beginning	6,471,695
Net Position, ending	\$ 6,196,256

City of Cordova, Alaska

Sewer Enterprise Fund
Statement of Cash Flows

<i>Year Ended December 31,</i>	<i>2020</i>
Cash Flows from Operating Activities	
Receipts from customers and users	\$ 781,265
Payments for interfund services used	(94,721)
Payments to suppliers	(289,276)
Payments to employees	(258,746)
Net cash flows from operating activities	138,522
Cash Flows for Capital and Related Financing Activities	
Additions to property, plant and equipment	(23,584)
Principal and interest paid on ADEC loans	(69,850)
Net cash flows for capital and related financing activities	(93,434)
Net increase in cash and investments	45,088
Cash and Investments, beginning	534,400
Cash and Investments, ending	\$ 579,488
Reconciliation of Loss from Operations to Net	
Cash Flows from Operating Activities	
Loss from operations	\$ (257,092)
Adjustments to reconcile loss from operations	
to net cash flows from operating activities:	
Depreciation	427,593
Noncash expense - PERS relief	31,222
In-kind contributions	(34,994)
(Increase) decrease in assets and deferred outflows of resources:	
Accounts receivable	4,653
Prepaid insurance	(11,851)
Net other postemployment benefits assets	(18,992)
Deferred outflows of resources related to pensions	(588)
Deferred outflows of resources related to other postemployment benefits	5,459
Increase (decrease) in liabilities and deferred inflows of resources:	
Accounts payable	20,738
Accrued payroll and related liabilities	(6,123)
Accrued vacation and sick leave	2,300
Net pension liability	(8,263)
Net other postemployment benefits liability	(9,086)
Deferred inflows of resources related to pensions	(8,995)
Deferred inflows of resources related to other postemployment benefits	2,541
Net Cash Flows from Operating Activities	\$ 138,522

City of Cordova, Alaska

Sewer Enterprise Fund

Combining Schedule of Revenues, Expenses and Changes in Net Position

<i>Year Ended December 31, 2020</i>	Sewer Operating	Sewer Depreciation Reserves	Total
Operating Revenues - user charges	\$ 811,606	\$ -	\$ 811,606
Operating Expenses			
Salaries and benefits	248,221	-	248,221
Materials and supplies	62,272	-	62,272
Purchased services	158,902	-	158,902
Vehicle expense	8,202	-	8,202
Insurance	39,265	-	39,265
Repairs and maintenance	29,522	-	29,522
Depreciation	427,593	-	427,593
Allocated administrative and billing expenses	94,721	-	94,721
Total Operating Expenses	1,068,698	-	1,068,698
Loss from operations	(257,092)	-	(257,092)
Nonoperating Revenues (Expenses)			
Interest expense	(14,575)	-	(14,575)
In-kind contributions to School and Medical Center	(34,994)	-	(34,994)
State of Alaska PERS relief	31,222	-	31,222
Net Nonoperating Revenues (Expenses)	(18,347)	-	(18,347)
Loss before transfers	(275,439)	-	(275,439)
Eliminating transfers	(100,000)	100,000	-
Change in net position	(375,439)	100,000	(275,439)
Net Position, beginning	5,849,537	622,158	6,471,695
Net Position, ending	\$ 5,474,098	\$ 722,158	\$ 6,196,256

City of Cordova, Alaska

Refuse Enterprise Fund
Statement of Net Position

December 31,	2020
Assets and Deferred Outflows of Resources	
Current Assets	
Cash and investments	\$ 461,847
Accounts receivable	85,163
Allowance for doubtful accounts	(561)
Prepaid insurance	25,558
Total Current Assets	572,007
Restricted Assets - landfill closure cash	991,428
Net other postretirement benefit assets	41,050
Property, Plant and Equipment	
Land and land improvements	256,250
Buildings	447,327
Improvements	1,010,623
Machinery and equipment	2,310,771
Landfill	462,756
Total property, plant and equipment	4,487,727
Accumulated depreciation	(2,823,667)
Net Property, Plant and Equipment	1,664,060
Total Assets	3,268,545
Deferred outflows of resources	
Related to other postemployment benefits	23,820
Related to pensions	37,554
Total Deferred Outflows of Resources	61,374
Total Assets and Deferred Outflows of Resources	\$ 3,329,919
Liabilities, Deferred Inflows of Resources and Net Position	
Current Liabilities	
Accounts payable	\$ 1,673
Accrued payroll and related liabilities	5,211
Accrued vacation and sick leave	26,593
Total Current Liabilities	33,477
Noncurrent Liabilities	
Net other postemployment benefits liability	937
Net pension liability	463,331
Landfill closure costs	858,676
Total Noncurrent Liabilities	1,322,944
Total Liabilities	1,356,421
Deferred inflows of resources	
Related to other postemployment benefits	33,398
Related to pensions	11,356
Total Deferred Inflows of Resources	44,754
Net Position	
Net investment in capital assets	1,664,060
Restricted	991,428
Unrestricted (deficit)	(726,744)
Total Net Position	1,928,744
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 3,329,919

City of Cordova, Alaska

Refuse Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position

<i>Year Ended December 31,</i>	<i>2020</i>
Operating Revenues - user charges	\$ 1,057,381
Operating Expenses	
Salaries and benefits	512,494
Materials and supplies	18,486
Purchased services	109,008
Vehicle expense	41,026
Insurance	39,265
Repairs and maintenance	14,995
Depreciation	200,850
Allocated administrative and billing expenses	129,017
Landfill closure and monitoring expense	14,265
Total Operating Expenses	1,079,406
Loss from operations	(22,025)
Nonoperating Revenues (Expenses)	
Investment income	536
In-kind contributions to School and Medical Center	(34,054)
Loss on disposal of fixed assets	(381,423)
State of Alaska PERS relief	58,945
Net Nonoperating Revenues (Expenses)	(355,996)
Loss before transfers	(378,021)
Transfers out	(44,122)
Change in net position	(422,143)
Net Position, beginning	2,350,887
Net Position, ending	\$ 1,928,744

City of Cordova, Alaska

Refuse Enterprise Fund
Statement of Cash Flows

Year Ended December 31,	2020
Cash Flows from Operating Activities	
Receipts from customers and users	\$ 1,027,288
Payments for interfund services used	(129,017)
Payments to suppliers	(238,736)
Payments to employees	(531,540)
Net cash flows from operating activities	127,995
Cash Flows for Noncapital Financing Activities	
Transfers out	(44,122)
Cash Flows for Capital and Related Financing Activities	
Purchase of property, plant and equipment	(17,580)
Cash Flows from Investing Activities	
Investment income received	537
Net increase in cash and investments	66,830
Cash and Investments, beginning	1,386,445
Cash and Investments, ending	\$ 1,453,275
Reconciliation of Cash and Investments to Statement of Net Position	
Cash and investments	\$ 461,847
Restricted assets	991,428
Total Cash and Investments	\$ 1,453,275
Reconciliation of Loss from Operations to Net Cash Flows from Operating Activities	
Loss from operations	\$ (22,025)
Adjustments to reconcile loss from operations to net cash flows from operating activities:	
Depreciation	200,850
Noncash expense - PERS relief	58,945
In-kind contributions to School and Medical Center	(34,054)
(Increase) decrease in assets and deferred outflows of resources:	
Accounts receivable	3,960
Prepaid insurance	(11,851)
Net other postemployment benefits assets	(41,050)
Deferred outflows of resources related to pensions	(1,271)
Deferred outflows of resources related to other postemployment benefits	6,896
Increase (decrease) in liabilities and deferred inflows of resources:	
Accounts payable	(4,105)
Accrued payroll and related liabilities	(9,316)
Accrued vacation and sick leave	4,755
Landfill closure costs payable	14,266
Net pension liability	(17,860)
Net other postemployment benefits liability	(10,994)
Deferred inflows of resources related to pensions	(19,442)
Deferred inflows of resources related to other postemployment benefits	10,291
Net Cash Flows from Operating Activities	\$ 127,995

City of Cordova, Alaska

Refuse Enterprise Fund

Combining Schedule of Revenues, Expenses and Changes in Net Position

<i>Year Ended December 31, 2020</i>	Refuse Operating	Refuse Depreciation Reserves	Refuse Projects	Landfill Closure	Total
Operating Revenues					
User charges	\$ 1,057,381	\$ -	\$ -	\$ -	\$ 1,057,381
Operating Expenses					
Salaries and benefits	512,494	-	-	-	512,494
Materials and supplies	18,486	-	-	-	18,486
Purchased services	109,008	-	-	-	109,008
Vehicle expense	41,026	-	-	-	41,026
Insurance	39,265	-	-	-	39,265
Repairs and maintenance	14,995	-	-	-	14,995
Depreciation	200,850	-	-	-	200,850
Allocated administrative and billing expenses	129,017	-	-	-	129,017
Landfill closure and monitoring expense	-	-	-	14,265	14,265
Total Operating Expenses	1,065,141	-	-	14,265	1,079,406
Loss from operations	(7,760)	-	-	(14,265)	(22,025)
Nonoperating Revenues (Expenses)					
Investment income	-	-	-	536	536
State of Alaska PERS relief	58,945	-	-	-	58,945
In-kind contributions to School and Medical Center	(34,054)	-	-	-	(34,054)
Loss on disposal of fixed assets	(381,423)	-	-	-	(381,423)
Net Nonoperating Revenues (Expenses)	(356,532)	-	-	536	(355,996)
Loss before transfers	(364,292)	-	-	(13,729)	(378,021)
Transfers out	(44,122)	-	-	-	(44,122)
Change in net position	(408,414)	-	-	(13,729)	(422,143)
Net Position, beginning	2,097,910	213,556	(73,145)	112,566	2,350,887
Net Position, ending	\$ 1,689,496	\$ 213,556	\$ (73,145)	\$ 98,837	\$ 1,928,744

City of Cordova, Alaska
Odiak Park Enterprise Fund
Statement of Net Position

<i>December 31,</i>	<i>2020</i>
Assets	
Current Assets	
Cash and investments	\$ 86,734
Prepaid insurance	3,298
Total Current Assets	90,032
Property, Plant and Equipment	
Buildings	79,362
Improvements	10,718
Total property, plant and equipment	90,080
Accumulated depreciation	(65,450)
Net Property, Plant and Equipment	24,630
Total Assets	\$ 114,662
Liabilities and Net Position	
Current Liabilities	
Accounts payable	\$ 190
Accrued payroll and related liabilities	259
Customer deposits	7,020
Total Current Liabilities	7,469
Net Position	
Net investment in capital assets	24,630
Unrestricted	82,563
Total Net Position	107,193
Total Liabilities and Net Position	\$ 114,662

City of Cordova, Alaska

Odiak Park Enterprise Fund

Statement of Revenues, Expenses and Changes in Net Position

<i>Year Ended December 31,</i>	<i>2020</i>
Operating Revenues	
Park fees	\$ 2,840
Operating Expenses	
Salaries and benefits	28,966
Materials and supplies	1,251
Purchased services	2,784
Repairs and maintenance	861
Depreciation	2,038
Insurance	4,286
Allocated administrative and billing expenses	8,250
Total Operating Expenses	48,436
Loss from operations	(45,596)
Nonoperating Revenues -	
State of Alaska PERS relief	1,378
Change in net position	(44,218)
Net Position, beginning	151,411
Net Position, ending	\$ 107,193

City of Cordova, Alaska
Odiak Park Enterprise Fund
Statement of Cash Flows

<i>Year Ended December 31,</i>	<i>2020</i>
Cash Flows for Operating Activities	
Receipts from customers and users	\$ 2,840
Payment for interfund services used	(8,250)
Payments to suppliers	(10,599)
Payments to employees	(29,645)
Net cash flows for operating activities	(45,654)
Net decrease in cash and investments	(45,654)
Cash and Investments, beginning	132,388
Cash and Investments, ending	\$ 86,734
Reconciliation of Loss from Operations to Net	
Cash Flows for Operating Activities	
Loss from operations	\$ (45,596)
Adjustments to reconcile loss from operations to net cash flows for operating activities:	
Depreciation	2,038
Noncash expense - PERS relief	1,378
Increase (decrease) in assets:	
Prepaid insurance	(2,310)
Increase (decrease) in liabilities:	
Accounts payable	893
Accrued payroll and related liabilities	(497)
Other liabilities	(1,560)
Net Cash Flows form Operating Activities	\$ (45,654)

Health Insurance Internal Service Fund

Health Insurance Internal Service Funds is used to account for self-insured healthcare cost charged to other departments or agencies of the City, on a cost reimbursement basis.

City of Cordova, Alaska
Health Insurance Internal Service Fund
Statement of Net Position

<i>December 31,</i>	<i>2020</i>
Assets	
Current Assets	
Cash and investments	\$ 129,242
Total Assets	\$ 129,242
Liabilities and Net Position	
Current Liabilities	
Health claims payable	\$ 110,001
Net Position	
Unrestricted	19,241
Total Liabilities and Net Position	\$ 129,242

City of Cordova, Alaska

Health Insurance Internal Service Fund
Statement of Revenues, Expenses and Changes in Net Position

<i>Year Ended December 31,</i>	<i>2020</i>
Operating Revenues	
Employer contributions	\$ 751,995
Employee contributions	102,366
Insurance reimbursements	135,273
Total Revenues	989,634
Operating Expenses	
Claims, premiums and administrative expenses	1,112,364
Loss before transfers	(122,730)
Transfers out	(108,628)
Change in net position	(231,358)
Net Position, beginning	250,599
Net Position, ending	\$ 19,241

City of Cordova, Alaska
Health Insurance Internal Service Fund
Statement of Cash Flows

<i>Year Ended December 31,</i>	<i>2020</i>
Cash Flows from (for) Operating Activities	
Receipts from customers and users	\$ 1,312,604
Payments to suppliers	(1,447,363)
Net cash flows for operating activities	(134,759)
Cash Flows for Noncapital Financing Activities	
Transfers to other funds	(108,628)
Net decrease in cash	(243,387)
Cash and Investments, beginning	372,629
Cash and Investments, ending	\$ 129,242
Reconciliation of Loss from Operations to Net	
Cash Flows from Operating Activities	
Loss from operations	\$ (122,730)
Adjustments to reconcile loss from operations	
to net cash flows from operating activities:	
Increase in assets:	
Accounts receivable	322,970
Increase in liabilities:	
Health claims payable	(334,999)
Net Cash Flows for Operating Activities	\$ (134,759)

City of Cordova, Alaska

Schedule of Expenditures of Federal Awards
for the Year Ended December 31, 2020

<i>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</i>	<i>Assistance Listing Number</i>	<i>Pass-through Entity Identifying Number</i>	<i>Provided to Subre- cipients</i>	<i>Total Federal Expend- itures</i>
Department of Agriculture				
Forest Service Schools and Roads Cluster				
Passed through State of Alaska Department of Commerce, Community and Economic Development - Schools and Roads - Grants to States	10.665	Program Year 2019	\$ -	\$ 620,905
Department of Interior				
Passed through State of Alaska Department of Commerce, Community and Economic Development - Payment in Lieu of Taxes	15.226	Program Year 2020	-	471,413
Department of Treasury				
Passed through State of Alaska Department of Commerce, Community and Economic Development - Coronavirus Relief Fund - COVID-19	21.019	20-CRF-045	-	3,414,908
Department of Health and Human Services				
Direct - Disadvantaged Health Professions Faculty Loan Repayment Program (FLRP) - COVID-19				
Department of Homeland Security				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		-	112,575
Passed through State of Alaska Department of Military and Veteran Affairs:				
2020 Emergency Management Performance Grant	97.042	20SHSP-GY18	-	7,200
2020 Emergency Management Performance Grant	97.042	20SHSP-GY19	-	31,040
Total CFDA 97.042			-	38,240
2018 Homeland Security Grant Program	97.067	20EMPG-GY19	-	9,000
2019 Homeland Security Grant Program	97.067	20EMPG-GY20	-	9,000
2020 Homeland Security Grant Program	97.067	20EMPG-GY20 Supp	-	10,000
Total CFDA 97.067			-	28,000
Total Department of Homeland Security			-	178,815
Total Federal Awards			\$ -	\$ 4,686,041

The accompanying notes are an integral part of this schedule.

City of Cordova, Alaska

Notes to Schedules of Expenditures of Federal Awards for the Year Ended December 31, 2020

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of City of Cordova under programs of the federal government for the year ended December 31, 2020. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of City of Cordova, they are not intended to and do not present the financial position, changes in net position or cash flows of City of Cordova.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The City has elected to not use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

4. Drinking Water Revolving Loan

The Drinking Water Revolving Loan is a program that is funded through a mix of federal and state funding. The \$4,081,500 (maximum) loan was offered with a subsidized portion not to exceed \$1,967,375. The subsidy will be reported on the state schedule or federal schedule, as applicable, when the cash is received. The City is unable to determine the funding split until the drawdowns are processed by the State.

Single Audit Reports



Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable Mayor and City Council
City of Cordova, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Cordova, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise City of Cordova's basic financial statements, and have issued our report thereon dated February 4, 2022. Our report includes a reference to other auditors who audited the financial statements of Cordova City School District and Cordova Community Medical Center as described in our report on City of Cordova's basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

BDO USA, LLP

Anchorage, Alaska
February 4, 2022



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Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Honorable Mayor and City Council
City of Cordova, Alaska

Report on Compliance for Each Major Federal Program

We have audited City of Cordova's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Cordova's major federal programs for the year ended December 31, 2020. City of Cordova's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

City of Cordova's basic financial statements include the operations of the Cordova City School District and Cordova Community Medical Center, which expended \$905,597 and \$815,682, respectively, in federal awards which is not included in City of Cordova's schedule of expenditures of federal awards during the year ended December 31, 2020. Our audit, described below, did not include the operations of Cordova City School District (the "School District") and Cordova Community Medical Center (the "Medical Center") because other auditors were engaged to perform the audit of the School District and Medical Center; however, they did not meet the threshold for an audit in accordance with the Uniform Guidance.

In our opinion, City of Cordova complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Cordova and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of City of Cordova's compliance with the types of compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Cordova's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the types of compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Cordova's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the types of compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Cordova's compliance with the requirements of the federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of Cordova's compliance with the types of compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Cordova's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Cordova's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over

compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Therefore, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we consider the deficiency in City of Cordova's internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards and the Uniform Guidance require the auditor to perform limited procedures on City of Cordova's response described in the accompanying schedule of findings and questioned costs to the internal control over compliance findings identified in our compliance audit. City of Cordova's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

City of Cordova is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. City of Cordova's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

BDO USA, LLP

Anchorage, Alaska
February 4, 2022

City of Cordova, Alaska

Schedule of Findings and Questioned Costs Year Ended December 31, 2020

Section I - Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified? ☐ yes ☒ no
(none reported)

Significant deficiency(ies) identified? ☐ yes ☒ reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? ☐ yes ☒ no
(none reported)

Significant deficiency(ies) identified? ☒ yes ☐ reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☒ yes ☐ no

Identification of major federal programs:

Assistance Listing

Number	Name of Federal Program or Cluster	Agency
21.019	Coronavirus Relief Fund	U.S. Department Treasury

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

Auditee qualified as low-risk auditee? ☐ yes ☒ no

City of Cordova, Alaska

Schedule of Findings and Questioned Costs, continued Year Ended December 31, 2020

Section II - Financial Statement Findings Required to be Reported in Accordance with Government Auditing Standards

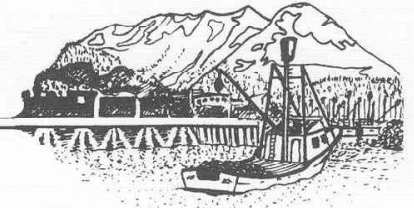
There were no findings related to the financial statements which are required to be reported in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

Finding 2020-001 **Reporting - Significant Deficiency in Internal Control Over Compliance**

<i>Identification of the federal program</i>	Assistance Listing Number 21.019 Coronavirus Relief Fund
<i>Agencies</i>	U.S. Department Treasury
<i>Award Numbers</i>	20-CRF-045
<i>Pass-through Agency</i>	State of Alaska Department of Commerce, Community and Economic Development
<i>Year</i>	2020
<i>Criteria or Specific Requirement</i>	Uniform Guidance section 2 CFR 200.303 requires a nonfederal entity to establish and maintain effective internal control over federal awards that provides reasonable assurance that the entity is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award.
<i>Condition</i>	The Organization's management was not able to provide evidence of review and approval of submitted reports.
<i>Cause</i>	The City did not follow the internal controls policy to ensure reports that have to be submitted to granting agencies are reviewed before submission by an individual other than a preparer.
<i>Effect or Potential Effect:</i>	Failure to review reimbursement requests makes the City out of compliance with grant requirements.
<i>Questioned Costs</i>	None noted
<i>Context</i>	Four out of four reports selected for testwork were not reviewed and approved by the designated reviewer before submission in accordance with the City's policy.
<i>Identification as a Repeat Finding</i>	Not applicable
<i>Recommendation</i>	We recommend establishing a system of documentation of internal control related to reporting compliance requirements.
<i>Views of Responsible Officials:</i>	Management concurs with the finding. See corrective action plan.

City of Cordova Single Audit Responses (Unaudited)



Corrective Action Plan Year Ended December 31, 2020

Name of Contact Person: Helen Howarth
City Manager
citymanager@cityofcordova.net
907-424-6200

Financial Statement Findings

Finding 2020-001

Reporting - Significant Deficiency in Internal Control Over Compliance

Corrective Action:

There will be segregation of duties between the preparer and reviewer of the quarterly reports. All reports will be reviewed by someone other than the preparer prior to submission. This will be documented via a signature and email backup.

Proposed Completion Date:

Effectively immediately

Date: February 16, 2022

TO: City Council

FROM: Helen Howarth, City Manager

Re: Financial Work session agenda

1. Presentation of FY2020 City of Cordova Audit (attached)

Bikky Shrestha, assurance partner, BDO

2. 2021 Year-End Financial statement (provisional) attached

City ended the year balanced due to ARPA funds used to replace lost revenue, primarily the loss of \$450K state school bond debt reimbursement.

Two concerns raised in both the audit and 2021 year-end financials are:

A. Sewer and water enterprise funds are operating at a year-over-year loss.

B. Health insurance reserve fund is negative heading into FY2022, with costs and claims exceeding premium payments and reserve account balance.

3. Analysis of General Reserve (Permanent) Fund investment earnings (attached)

Cordova General Reserve Fund Income and Distribution (City Code Chapter 5.44.050) states in part "... in conjunction with the audit of the city's financial statements each year..... the net income of the fund shall be determined as of the 1st day of the preceding fiscal year (and be reported by)....the city treasurer.

The net income of the fund is unrestricted general income of the City. Further stated....."net income: means the total income yielded from investment of the principal of the fund for the preceding fiscal year, less any amounts needed:

1. To reimburse the fund principal in the event a transaction results in an actual dollar loss in principal:

2. To offset any reduction in fund principal due to administrative costs

3. To offset any depletive effect of inflation on the fund principal during the fiscal year, as may be determined by a nationally recognized inflation index

The attached analysis shows City has \$517,752.45 net income from 2021 investments available as unrestricted general income.

City's approved FY22 budget included \$100K from that fund source, leaving a balance of \$417,752.45 available pending Council direction.

GENERAL FUND REVENUE	2021 Budget	Actual 2021	Budget to Actual favorable (unfavorable)	Actual 2020	2021 to 2020 Comparison
TAXES	6,551,822.00	7,098,175.55	546,353.55	6,436,056.38	662,119.17
LICENSES & PERMITS	21,000.00	21,900.00	900.00	19,480.00	2,420.00
OTHER GOVERNMENTAL	2,136,792.00	1,789,507.21	(347,284.79)	3,100,335.18	(1,310,827.97)
LEASES & RENTS	278,718.00	249,135.35	(29,582.65)	292,567.54	(43,432.19)
LAW ENFORCEMENT	293,804.00	254,300.91	(39,503.09)	271,344.97	(17,044.06)
D. M. V.	60,700.00	58,906.04	(1,793.96)	52,706.14	6,199.90
PLANNING	6,500.00	9,124.63	2,624.63	3,188.05	5,936.58
RECREATION	51,000.00	60,535.12	9,535.12	29,812.23	30,722.89
POOL	26,500.00	12,412.50	(14,087.50)	16,972.80	(4,560.30)
SALE OF PROPERTY	3,000.00	3,150.00	150.00	2,210.00	940.00
INTERFUND TRANSFERS IN	638,164.00	972,405.34	334,241.34	734,806.92	237,598.42
OTHER REVENUE	103,470.00	85,008.77	(18,461.23)	85,875.86	(867.09)
STATE DEBT SERVICE REIMBURSME	450,000.00	-	(450,000.00)	75,498.00	(75,498.00)
TOTAL GENERAL FUND REVENUES	10,621,470.00	10,614,561.42	(6,908.58)	11,120,854.07	(506,292.65)
GENERAL FUND EXPENDITURES					
CITY COUNCIL	6,500.00	4,598.14	1,901.86	6,503.70	(1,905.56)
CITY CLERK	301,759.00	299,378.80	2,380.20	282,158.81	17,219.99
CITY MAYOR	1,000.00	244.00	756.00	1,605.10	(1,361.10)
CITY MANAGER	353,654.00	317,049.93	36,604.07	323,916.00	(6,866.07)
FINANCE	441,627.00	503,232.41	(61,605.41)	427,421.06	75,811.35
PLANNING	128,917.00	129,130.70	(213.70)	125,014.49	4,116.21
PLANNING COMMISSION	1,500.00	718.21	781.79	447.40	270.81
DEPARTMENT OF MOTOR VEHICLES	93,911.00	76,343.46	17,567.54	82,578.85	(6,235.39)
LAW ENFORCEMENT	960,789.00	959,670.87	1,118.13	926,333.48	33,337.39
JAIL OPERATIONS	244,609.00	234,865.60	9,743.40	225,061.72	9,803.88
FIRE & EMS	364,963.00	353,848.29	11,114.71	351,955.88	1,892.41
DISASTER MANAGEMENT	12,000.00	10,752.87	1,247.13	7,961.11	2,791.76
LIBRARY AND MUSEUM	597,507.00	629,188.63	(31,681.63)	809,355.87	(180,167.24)
FACILITY UTILITIES	167,000.00	167,057.96	(57.96)	176,205.26	(9,147.30)
PUBLIC WORKS ADMINISTRATION	197,921.00	187,052.84	10,868.16	197,443.32	(10,390.48)
FACILITY MAINTENANCE	379,023.00	361,297.55	17,725.45	377,623.77	(16,326.22)
STREET MAINTENANCE	658,285.00	583,980.56	74,304.44	1,040,316.65	(456,336.09)
SNOW REMOVAL	74,570.00	76,200.67	(1,630.67)	53,546.65	22,654.02
EQUIPMENT MAINTENANCE	367,432.00	329,222.26	38,209.74	300,309.31	28,912.95
PARKS MAINTENANCE	100,567.00	99,440.38	1,126.62	90,114.41	9,325.97
CEMETERY MAINTENANCE	6,000.00	1,627.05	4,372.95	4,117.53	(2,490.48)
PARKS & REC ADMINISTRATION	-	19.98	(19.98)	0.00	19.98
RECREATION - BIDARKI	305,362.00	272,802.65	32,559.35	277,202.12	(4,399.47)
POOL	220,398.00	256,268.36	(35,870.36)	254,653.43	1,614.93
SKI HILL	102,046.00	97,882.43	4,163.57	108,170.66	(10,288.23)
ELECTRIC REIMBURSE CONTRA	-	(28,836.98)	28,836.98	21,365.08	(7,471.90)
NON-DEPARTMENTAL	370,836.00	583,479.84	(212,643.84)	415,699.06	167,780.78
LONG TERM DEBT SERVICE	1,773,475.00	1,773,475.00	-	1,826,490.66	(53,015.66)
INTERFUND TRANSFERS OUT	149,549.00	149,549.00	-	33,000.00	116,549.00
TRANSFERS TO OTHER ENTITIES	2,240,270.00	2,185,019.96	55,250.04	2,217,307.46	-
TOTAL GENERAL FUND EXPENDITURES	10,621,470.00	10,614,561.42	6,908.58	10,921,148.68	(306,587.26)
TOTAL GENERAL FUND CHANGE	-	-	(0.00)	199,705.39	(199,705.39)

FUND FINANCIAL SUMMARY					Budgetary Favorable
REVENUES	Budget	2021	2020	2021 V. 2020	(Unfavorable)
101 GENERAL FUND	10,621,470.00	10,614,561.42	11,120,854.07	(506,292.65)	(6,908.58)
104 CITY PERMANENT FUND	381,263.00	638,191.45	953,266.23	(315,074.78)	256,928.45
203 FIRE DEPT. VEHICLE ACQUISITION	40,000.00	31,623.92	35,668.01	(4,044.09)	(8,376.08)
205 VEHICLE REMOVAL/IMPOUND FUND	-	936.26	15,813.00	(14,876.74)	936.26
333 COVID-19	25,000.00	212,364.34	2,974,887.83	(2,762,523.49)	187,364.34
335 ARPA REVENUE	-	1,077,918.30	-	1,077,918.30	1,077,918.30
336 LSTA GRANT	-	51,554.00	-	51,554.00	51,554.00
401 GENERAL PROJ & GRANT ADMN	419,886.00	456,632.92	135,827.42	320,805.50	36,746.92
502 HARBOR ENTERPRISE FUND	1,669,981.00	1,712,454.87	1,969,673.77	(257,218.90)	42,473.87
503 SEWER ENTERPRISE FUND	903,699.00	854,061.47	842,828.72	11,232.75	(49,637.53)
504 WATER ENTERPRISE FUND	816,511.00	839,043.53	775,812.55	63,230.98	22,532.53
505 REFUSE ENTERPRISE FUND	1,260,477.00	1,172,511.32	1,116,326.55	56,184.77	(87,965.68)
506 ODIK CAMPER PARK	76,522.00	22,893.66	4,218.29	18,675.37	(53,628.34)
602 HARBOR & PORT PROJECTS	-	-	(200,000.00)	200,000.00	-
654 LT2 COMPLIANCE PROJECT	50,000.00	13,850.00	-	13,850.00	(36,150.00)
702 HARBOR FUND DEP'N RESERVE	325,000.00	337,041.56	150,000.00	187,041.56	12,041.56
703 SEWER FUND DEP'N RESERVE	350,000.00	50,000.00	100,000.00	(50,000.00)	(300,000.00)
704 WATER FUND DEP'N RESERVE	130,000.00	30,000.00	50,000.00	(20,000.00)	(100,000.00)
705 REFUSE FUND DEP'N RESERVE	85,000.00	50,000.00	75,000.00	(25,000.00)	(35,000.00)
805 LANDFILL FUND	250,000.00	50,271.18	50,536.42	(265.24)	(199,728.82)
810 HEALTH INTERNAL SERVICE FUND	1,302,298.00	943,034.98	989,634.08	(46,599.10)	(359,263.02)
TOTAL REVENUES	18,707,107.00	19,158,945.18	21,160,346.94	(2,001,401.76)	451,838.18
EXPENDITURES					
101 GENERAL FUND	10,621,470.00	10,614,561.42	10,921,148.68	(306,587.26)	6,908.58
203 FIRE DEPT. VEHICLE ACQUISITION	28,000.00	19,517.11	16,097.85	3,419.26	8,482.89
205 VEHICLE REMOVAL/IMPOUND FUND	-	3,149.38	8,668.63	(5,519.25)	(3,149.38)
333 COVID-19	25,000.00	276,872.02	2,974,887.83	(2,698,015.81)	(251,872.02)
335 ARPA REVENUE	-	334,241.26	-	334,241.26	(334,241.26)
336 LSTA GRANT	-	7,427.67	-	7,427.67	(7,427.67)
401 GENERAL PROJ & GRANT ADMN	419,886.00	433,840.83	313,155.38	120,685.45	(13,954.83)
410 CHIP SEAL C.I.P.	-	-	138,163.92	(138,163.92)	-
502 HARBOR ENTERPRISE FUND	1,588,878.00	1,559,198.68	2,216,922.63	(657,723.95)	29,679.32
503 SEWER ENTERPRISE FUND	863,237.00	800,405.17	1,218,267.54	(417,862.37)	62,831.83
504 WATER ENTERPRISE FUND	775,659.00	751,637.09	1,354,740.31	(603,103.22)	24,021.91
505 REFUSE ENTERPRISE FUND	1,208,346.00	1,096,358.91	1,649,739.95	(553,381.04)	111,987.09
506 ODIK CAMPER PARK	77,589.00	59,078.23	48,435.81	10,642.42	18,510.77
654 LT2 COMPLIANCE PROJECT	50,000.00	18,534.00	-	18,534.00	31,466.00
703 SEWER FUND DEP'N RESERVE	300,000.00	62,384.99	-	62,384.99	237,615.01
704 WATER FUND DEP'N RESERVE	100,000.00	28,180.35	-	28,180.35	71,819.65
705 REFUSE FUND DEP'N RESERVE	35,000.00	31,233.00	-	31,233.00	3,767.00
805 LANDFILL FUND	200,000.00	-	14,265.88	(14,265.88)	200,000.00
810 HEALTH INTERNAL SERVICE FUND	1,302,298.00	1,327,999.94	1,220,992.34	107,007.60	(25,701.94)
TOTAL EXPENDITURES	17,595,363.00	17,424,620.05	22,095,486.75	(4,670,866.70)	170,742.95
TOTAL GENERAL FUND					
CHANGE IN FUND BALANCE	1,111,744.00	1,734,325.13	(935,139.81)	2,669,464.94	622,581.13

City of Cordova Investments Analysis: 2020 audited v. 2021 pre-audited

[illegible]

**Year End Balances, interest,
dividends, fees, gains/losses**

9,350,332.79	9,868,085.24	517,144.66	(64,333.02)	64,940.81
		Net change - Revenue - YTD 2021	<u>517,752.45</u>	
		Return on investment 2021	5.54%	

2021 Cash Report

Account name		Available cash balance
FNBA Checking	*	(115,986.67)
FNBA Payroll	*	(1,744.97)
FNBA Sweep (Repurchase)		4,894,076.25
Total GF Cash		4,776,344.61
AMLIP		2,763.74
FNBA Harbor		2,109,843.00
FNBA Ambulance/Fire Vehicle		181,029.77
UBS - CT		599,856.69
Non-GF Cash & investments		2,893,493.20
* Balances of these accounts is the net of outstanding deposits & checks		
Grand total available cash & investments		7,669,837.81
Various clearing accounts		23,767.15
		Restricted cash & investment balance
805-Landfill CD 8877		108,896.04
805 Landfill CD 7077		378,078.63
104 UBS PF		9,170,252.77
Grand total restricted cash & investments		9,657,227.44
Grand total restricted & unrestricted cash & investments		17,350,832.40
Cash allocations		
General fund	101	372,269.54
City Perm Fund	104	10,894,592.05
Fire Dept Vehicle Aq	203	391,629.72
Vehicle Removal	205	4,931.24
COVID 19	333	(62,623.67)
ARPA Revenue	335	1,077,918.30
LSTA Grant	336	44,126.33
General Projects & Grant CIP Fund	401	22,632.65
Harbor Enterprise Fund	502	678,477.51
Sewer Enterprise Fund	503	(158,597.01)
Water Enterprise Fund	504	(448,902.98)
Refuse Enterprise Fund	505	274,109.43
Odiak Enterprise Fund	506	53,157.54
LT2 Compliance Project	654	27,561.00
Harbor Depreciation	702	1,869,857.06
Sewer Depreciation	703	709,773.01
Water Depreciation	704	508,570.90
Refuse Depreciation	705	293,767.00
Landfill Fund	805	1,041,699.36
Health Insurance	810	(308,512.99)
E-911	911	64,396.41
		17,350,832.40