THE CITY OF CORDOVA

Cordova, Alaska

Basic Financial Statements, Supplemental Information, and Independent Auditor's Reports Thereon

December 31, 2024

NEWHOUSE & VOGLER

Certified Public Accountants

THE CITY OF CORDOVA
Cordova, Alaska

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Independent Auditor's Report

Honorable Mayor and City Council
The City of Cordova
Cordova, Alaska

Ladies and Gentlemen:

Report on the Audit of the Financial Statements

Opinions

We have audited 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 the City of Cordova, as of and for the year ended December 31, 2024, 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, the accompanying financial statements 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 the City of Cordova, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the component units of the Cordova City School District, and the Cordova Community Medical Center, which represent 12 percent, (1) percent, and 28 percent, respectively, of the assets, net position, and revenues of the City. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Cordova City School District, Cordova Community Medical Center, is based solely on the report of the other auditors. The Cordova Volunteer Fire Department was unaudited at year end.

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

The City of Cordova's 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 City of Cordova's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and the schedules of the Authority's proportionate share of the net pension liability and contributions on pages 44-46 and 47-51 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 opinions on the basic financial statements are 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 the City of Cordova's basic financial statements. The accompanying combining and individual fund financial statements, and schedules listed in the table of contents, Schedule of Expenditures of Federal Awards, and Schedule of State Financial Assistance, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the Schedule of State Financial Assistance, as required by the State of Alaska are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, and schedules listed in the table of contents and Schedule of Expenditures of Federal Awards, and Schedule of State Financial Assistance 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 combining and individual fund financial statements, and schedules listed in the table of contents, Schedule of Expenditures of Federal Awards, and the Schedule of State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 29, 2025 on our consideration of the 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 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.

Newhouse & Vogler

Anchorage, Alaska
September 29, 2025

Exhibit A-1

THE CITY OF CORDOVA
Cordova, Alaska

Government-wide Statement of Net Position

December 31, 2024

	Primary Government			Component Units		
	Primary Governmental Activities	Business-type Activities	Total	Cordova City School District	Cordova Community Medical Center	Cordova Volunteer Fire Department
Assets and deferred outflows						
Current assets						
Cash and equivalents	$ 6,311,463	1,396,174	7,707,637	2,175,884	2,296,280	57,474
Investments	6,798,390	-	6,798,390	-	-	-
Deposits	-	6,552	6,552	-	-	-
Receivable, net:						
Taxes	1,162,621	-	1,162,621	-	-	-
Accounts	-	2,779,519	2,779,519	-	1,985,360	-
Grants and shared revenues	-	-	-	380,862	-	-
Lease (GASB 87)	55,764	-	55,764	-	-	-
Other	135,814	-	135,814	-	727,629	-
Prepaid insurance	307,418	147,551	454,969	114,780	215,543	-
Inventory	-	-	-	63,485	485,953	-
Due from other funds	108,093	-	108,093	-	-	-
Total current assets	14,879,563	4,329,796	19,209,359	2,735,011	5,710,765	57,474
Restricted assets - landfill closure cash	-	1,164,680	1,164,680	-	-	-
Noncurrent assets						
Net other postretirement benefit assets	2,186,138	723,242	2,909,380	1,917,787	3,804,827	-
Total Noncurrent assets	2,186,138	723,242	2,909,380	1,917,787	3,804,827	-
Capital assets:						
Land, artwork, and construction in progress	2,027,472	48,025,560	50,053,032	-	127,111	-
Other capital assets, net of depreciation	43,622,754	19,423,007	63,045,761	135,362	3,566,182	-
Total capital assets	45,650,226	67,448,567	113,098,793	135,362	3,693,293	-
Deferred outflows						
Related to pension and other postemployment benefits	419,346	138,734	558,080	634,999	792,990	-
Goodwill	-	-	-	-	45,000	-
Deferred loss on bonds	206,584	-	206,584	-	-	-
Total deferred outflows	625,930	138,734	764,664	634,999	837,990	-
Total assets and deferred outflows	$ 63,341,857	73,805,019	137,146,876	5,423,159	14,046,875	57,474
Liabilities and deferred inflows						
Current liabilities						
Accounts payable	$ 182,418	58,131	240,549	42,599	697,408	-
Note payable to the City of Cordova	-	-	-	-	5,466,459	-
Customer deposits	5,500	33,781	39,281	-	-	-
Accrued interest	50,041	25,281	75,322	-	-	-
Accrued payroll and related liabilities	376,988	36,751	413,739	83,907	330,826	-
Due within one year:						
Bonds and loans current portion	1,350,000	304,833	1,654,833	-	-	-
Unearned revenue	1,300	510,546	511,846	1,875	-	-
Due to other funds	22,780	658,064	680,844	410,841	-	-
Total current liabilities	1,989,027	1,627,387	3,616,414	539,222	6,494,693	-
Noncurrent liabilities						
General obligation bonds	6,440,000	6,735,000	13,175,000	-	-	-
Loan payable to ADEC, net of current portion	-	3,015,755	3,015,755	-	-	-
Accrued vacation and sick leave	294,834	152,659	447,493	-	521,173	-
Interfund advances	-	85,313	85,313	-	-	-
Unamortized bond premium	384,016	-	384,016	-	-	-
Landfill closure costs	-	1,139,247	1,139,247	-	-	-
Net pension liability	5,037,410	1,666,532	6,703,942	3,465,057	8,778,433	-
Total noncurrent liabilities	12,156,260	12,794,506	24,950,766	3,465,057	9,299,606	-
Total liabilities	14,145,287	14,421,893	28,567,180	4,004,279	15,794,299	-
Deferred inflows						
Related to leases - GASB 87	54,392	-	54,392	-	291,093	-
Related to pension and other postemployment benefits	109,288	36,156	145,444	98,263	197,144	-
Total deferred inflows	163,680	36,156	199,836	98,263	488,237	-
Net Position						
Net investment in capital assets	37,682,794	67,448,567	105,131,361	135,362	3,326,762	-
Restricted:						
E-911	63,734	-	63,734	-	-	-
Refuse	-	1,164,680	1,164,680	-	-	-
School district	-	-	-	192,646	-	-
Unrestricted	11,286,362	(9,266,277)	2,020,085	992,609	(5,562,423)	57,474
Total net position	49,032,890	59,346,970	108,379,860	1,320,617	(2,235,661)	57,474
Total liabilities, deferred inflows and net position	$ 63,341,857	73,805,019	137,146,876	5,423,159	14,046,875	57,474

See accompanying notes to financial statements.

THE CITY OF CORDOVA
Cordova, Alaska

Government-wide Statement of Activities

Year Ended December 31, 2024

		Program Revenues			Net Revenue (Expense) and Changes in Net Position				
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Business-type Activities	Cordova City School District	Cordova Community Medical Center	Cordova Volunteer Fire Department
Primary governmental activities:									
General Fund	$ 3,663,551	1,133,323	(20,361)	-	(2,550,589)	-	-	-	-
Public safety	2,721,876	175,760	441,815	22,466	(2,081,835)	-	-	-	-
Public works	3,366,069	1,100	31,342	96,540	(3,237,087)	-	-	-	-
Emergency protective measures	649,748	-	649,652	-	(96)	-	-	-	-
Information and recreation	983,501	160,113	(13,960)	5,687	(831,661)	-	-	-	-
Education	2,922,488	-	691,327	20,000	(2,211,161)	-	-	-	-
Health	322,462	-	-	-	(322,462)	-	-	-	-
Community service	163,870	-	-	-	(163,870)	-	-	-	-
Interest	380,170	-	899,581	-	519,411	-	-	-	-
Total primary governmental activities	15,173,735	1,470,296	2,679,396	144,693	(10,879,350)	-	-	-	-
Proprietary fund activities:									
Port	2,448,963	1,727,613	40,577	24,061,354	-	23,380,581	-	-	-
Water	1,536,888	764,134	17,904	-	-	(754,850)	-	-	-
Sewer	1,294,223	1,038,021	17,904	-	-	(238,298)	-	-	-
Refuse	1,326,483	1,228,812	33,724	-	-	(63,947)	-	-	-
Camper Park	28,623	17,274	-	-	-	(11,349)	-	-	-
Total proprietary fund activities	6,635,180	4,775,854	110,109	24,061,354	-	22,312,137	-	-	-
Total primary government	$ 21,808,915	6,246,150	2,789,505	24,206,047	(10,879,350)	22,312,137	-	-	-
Component units									
Cordova City School District	$ 7,410,826	125,992	1,309,962	-	-	-	(5,974,872)	-	-
Cordova Community Medical Center	$ 17,327,891	15,730,611	1,067,632	-	-	-	-	(529,648)	-
Cordova Volunteer Fire Department	$ 102,724	88,976	-	-	-	-	-	-	(13,748)

	Primary Governmental Activities	Business-type Activities	Total	Cordova City School District	Cordova Community Medical Center	Cordova Volunteer Fire Department
General revenues:						
Sales taxes	$ 5,279,703	-	5,279,703	-	-	-
Property taxes	3,036,313	-	3,036,313	-	-	-
Payments in lieu of taxes	531,057	-	531,057	-	-	-
Other taxes	283,443	-	283,443	-	-	-
Contributions from primary government	-	-	-	2,297,551	300,000	-
Grants and entitlements not restricted to a specific purpose	950,484	-	950,484	4,751,759	-	-
In-kind service allocation	167,270	-	167,270	-	-	-
Gain (loss) on disposal of assets	-	(43,000)	(43,000)	-	-	-
Other	940,188	158,142	1,098,330	10,420	-	-
Total general revenues	11,188,458	115,142	11,303,600	7,059,730	300,000	-
Investment income	839,984	22,232	862,216	55,891	-	-
Operating transfers in (out)	1,284,227	(1,284,227)	-	(291,347)	-	-
Change in net position	2,433,319	21,165,284	23,598,603	849,402	(229,648)	(13,748)
Net position, beginning of year	46,599,571	38,181,686	84,781,257	471,215	(2,006,013)	71,222
Net position, end of year	$ 49,032,890	59,346,970	108,379,860	1,320,617	(2,235,661)	57,474

See accompanying notes to financial statements.

Exhibit B-1

THE CITY OF CORDOVA
Cordova, Alaska

Governmental Funds

Combining Balance Sheet

December 31, 2024

	Major Funds			
	General	General Reserve Special Revenue	Nonmajor Funds	Total Governmental Funds
Assets				
Cash and equivalents	$ 1,293,687	4,332,500	685,276	6,311,463
Investments	-	6,798,390	-	6,798,390
Receivable, net:				
Taxes	1,162,621	-	-	1,162,621
Other	134,393	-	1,421	135,814
Lease (GASB 87)	55,764	-	-	55,764
Prepaid insurance	307,418	-	-	307,418
Due from other funds	22,780	85,313	-	108,093
Total assets	$ 2,976,663	11,216,203	686,697	14,879,563
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities:				
Accounts payable	$ 170,858	-	11,560	182,418
Customer deposits	5,500	-	-	5,500
Accrued payroll and related liabilities	376,988	-	-	376,988
Due to other funds	-	-	22,780	22,780
Unearned revenue	1,300	-	-	1,300
Total liabilities	554,646	-	34,340	588,986
Deferred inflows				
Unavailable property tax revenue	53,196	-	-	53,196
Deferred revenue	-	-	1,537	1,537
Deferred lease revenue	54,392	-	-	54,392
Total deferred inflows	107,588	-	1,537	109,125
Fund balances:				
Nonspendable - prepaid insurance	307,418	-	-	307,418
Restricted - enhanced 911 services	-	-	63,734	63,734
Assigned:				
Capital projects and land	-	11,216,203	-	11,216,203
Public safety	-	-	544,808	544,808
Unassigned	2,007,011	-	42,278	2,049,289
Total fund balances	2,314,429	11,216,203	650,820	14,181,452
Total liabilities, deferred inflows, and fund balance	$ 2,976,663	11,216,203	686,697	14,879,563

See accompanying notes to financial statements.

THE CITY OF CORDOVA
Cordova, Alaska

Governmental Funds

Reconciliation of Fund Balance to Net Position

December 31, 2024

Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balances - Total governmental funds	$ 14,181,452
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	480,129
Buildings	62,588,992
Infrastructure	4,044,257
Machinery and equipment	10,021,154
Accumulated depreciation and amortization	(33,031,649)
Total capital assets	45,650,226
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. These assets consist of:	
Delinquent property taxes receivable	53,196
Deferred ambulance revenue	1,537
Net other postretirement benefit assets	2,186,138
Total other long-term assets	2,240,871
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.	206,584
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	(7,790,000)
Unamortized bond premium	(384,016)
Accrued interest on debt	(50,041)
Accrued leave	(294,834)
Net pension liability	(5,037,410)
Total long-term liabilities	(13,556,301)
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 and other postemployment benefits	419,346
Deferred inflows of resources related to other postemployment benefits	(109,288)
Total deferred pension and other postemployment benefits items	310,058
Net position of governmental activities	$ 49,032,890

See accompanying notes to financial statements.

Cordova, Alaska

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended December 31, 2024

	Major Funds			
	General Fund	General Reserve Special Revenue	Nonmajor Funds	Total Governmental Funds
Revenues:				
Taxes	$ 9,115,588	-	-	9,115,588
Licenses and permits	24,220	-	-	24,220
Federal government	742,561	-	672,118	1,414,679
State of Alaska	2,443,251	-	5,687	2,448,938
Investment income (loss)	250,642	589,342	-	839,984
Land sales	-	20,619	-	20,619
Charges for services	676,301	-	-	676,301
Sale of property	1,100	-	-	1,100
In-kind services allocation	167,270	-	-	167,270
Other revenue	1,623,402	4,288	177,094	1,804,784
Total revenues (losses)	15,044,335	614,249	854,899	16,513,483
Expenditures:				
Current:				
General government	3,024,414	-	-	3,024,414
Public safety	2,431,677	-	48,518	2,480,195
Public works	2,967,204	-	9,279	2,976,483
Emergency protective measures	-	-	649,748	649,748
Information and recreation	1,077,680	-	5,687	1,083,367
Community service	163,870	-	-	163,870
Education	2,300,008	-	29,367	2,329,375
Health	300,000	-	-	300,000
Debt service:				
Principal	1,285,000	-	-	1,285,000
Interest	433,950	-	-	433,950
Capital outlays	-	-	179,099	179,099
Total expenditures	13,983,803	-	921,698	14,905,501
Excess of revenues over (under) expenditures	1,060,532	614,249	(66,799)	1,607,982
Other financing sources (uses):				
Transfers out	(141,258)	-	-	(141,258)
Transfers in	1,266,227	18,000	141,258	1,425,485
Total other financing sources (uses)	1,124,969	18,000	141,258	1,284,227
Net change in fund balances	2,185,501	632,249	74,459	2,892,209
Fund balances, beginning of year	128,928	10,583,954	576,361	11,289,243
Fund balances, end of year	$ 2,314,429	11,216,203	650,820	14,181,452

See accompanying notes to financial statements.

THE CITY OF CORDOVA
Cordova, Alaska

Exhibit B-4

Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities

Year Ended December 31, 2024

Amounts reported for governmental activities in the statement of activities are different because:	
Net changes in fund balances - governmental funds	$ 2,892,209
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 ($1,788,957) exceeds capital outlays $493,833.	(1,295,074)
Revenues reported in the governmental funds represent the change in deferred ambulance revenue in the Statement of Activities	(22,462)
Revenues reported in the governmental funds represent the change in deferred tax payments in the Statement of Activities	14,928
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	1,285,000
Net decrease in deferred loss on bond refunding	(98,776)
Net decrease in unamortized bond premium	144,265
	1,330,489
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	8,291
Accrued leave	18,119
Net pension other postemployment benefits obligation and related accounts	(513,181)
	(486,771)
Total changes in net position of governmental activities	$ 2,433,319

Exhibit C-1

THE CITY OF CORDOVA
Cordova, Alaska

Proprietary Funds

Statement of Fund Net Position

December 31, 2024

	Major Enterprise Funds				Nonmajor Enterprise Fund	Total
	Port	Water	Sewer	Refuse	Odiak Park	Enterprise Funds
Assets						
Current assets						
Cash and equivalents	$ -	-	383,721	965,035	47,418	1,396,174
Accounts receivable	3,485,193	69,186	104,427	132,129	70	3,791,005
Allowance for doubtful accounts	(973,970)	(8,812)	(14,278)	(14,426)	-	(1,011,486)
Prepaid insurance	99,718	26,509	10,824	10,295	205	147,551
Deposits	-	-	6,552	-	-	6,552
Total current assets	2,610,941	86,883	491,246	1,093,033	47,693	4,329,796
Restricted assets - landfill closure cash	-	-	-	1,164,680	-	1,164,680
Net other postretirement benefit assets	266,528	117,597	117,597	221,520	-	723,242
Property, plant and equipment	69,483,452	23,433,253	19,024,017	5,878,495	90,080	117,909,297
Less accumulated depreciation	(19,502,045)	(13,754,703)	(13,670,588)	(3,459,792)	(73,602)	(50,460,730)
Net property, plant and equipment	49,981,407	9,678,550	5,353,429	2,418,703	16,478	67,448,567
Total assets	52,858,876	9,883,030	5,962,272	4,897,936	64,171	73,666,285
Deferred outflows						
Related to pension and other postemployment benefits	51,126	22,558	22,558	42,492	-	138,734
Total assets and deferred outflows	$ 52,910,002	9,905,588	5,984,830	4,940,428	64,171	73,805,019

See accompanying notes to financial statements.

THE CITY OF CORDOVA
Cordova, Alaska

Proprietary Funds

Statement of Fund Net Position, continued

December 31, 2024

	Major Enterprise Funds				Nonmajor Enterprise Fund	Total
	Port	Water	Sewer	Refuse	Odiak Park	Enterprise Funds
Liabilities, deferred inflows of resources and net position						
Current liabilities						
Accounts payable	$ -	29,776	19,438	8,870	47	58,131
Customer deposits	-	31,123	-	-	2,658	33,781
Accrued interest	-	16,823	3,575	4,883	-	25,281
Accrued payroll and related liabilities	12,069	6,636	6,636	11,410	-	36,751
Accrued vacation and sick leave	63,650	23,925	23,925	41,159	-	152,659
Due to other funds	291,715	366,349	-	-	-	658,064
Current portion of loan payable to ADEC	-	93,833	55,000	31,000	-	179,833
Current portion of general obligation bonds	125,000	-	-	-	-	125,000
Unearned revenue	510,546	-	-	-	-	510,546
Total current liabilities	1,002,980	568,465	108,574	97,322	2,705	1,780,046
Noncurrent liabilities						
General obligation bonds	6,735,000	-	-	-	-	6,735,000
Loan payable to ADEC, net of current portion	-	1,828,755	660,000	527,000	-	3,015,755
Interfund advances	-	-	-	85,313	-	85,313
Landfill closure costs	-	-	-	1,139,247	-	1,139,247
Net pension liability	614,148	270,973	270,973	510,438	-	1,666,532
Total noncurrent liabilities	7,349,148	2,099,728	930,973	2,261,998	-	12,641,847
Total liabilities	8,352,128	2,668,193	1,039,547	2,359,320	2,705	14,421,893
Deferred inflows of resources						
Related to other postemployment benefits	13,324	5,879	5,879	11,074	-	36,156
Total deferred inflows of resources	13,324	5,879	5,879	11,074	-	36,156
Net position						
Net investment in capital assets	49,981,407	9,678,550	5,353,429	2,418,703	16,478	67,448,567
Restricted	-	-	-	1,164,680	-	1,164,680
Unrestricted	(5,436,857)	(2,447,034)	(414,025)	(1,013,349)	44,988	(9,266,277)
Total net position	44,544,550	7,231,516	4,939,404	2,570,034	61,466	59,346,970
Total liabilities, deferred inflows of resources and net position	$ 52,910,002	9,905,588	5,984,830	4,940,428	64,171	73,805,019

See accompanying notes to financial statements.

THE CITY OF CORDOVA
Cordova, Alaska

Proprietary Funds

Statement of Revenues, Expenses and Changes in Fund Net Position

Year Ended December 31, 2024

	Major Enterprise Funds				Nonmajor Enterprise Fund	Total
	Port	Water	Sewer	Refuse	Odiak Park	Enterprise Funds
Operating revenues						
Charges for services	$ 1,727,613	764,134	1,038,021	1,228,812	17,274	4,775,854
Other revenue	-	-	-	158,142	-	158,142
Total revenue	1,727,613	764,134	1,038,021	1,386,954	17,274	4,933,996
Operating expenses:						
Salaries and benefits	768,512	400,227	400,785	679,658	-	2,249,182
Other operating expenses	1,005,288	525,028	494,375	455,646	26,585	2,506,922
Depreciation	519,776	574,714	373,945	168,895	2,038	1,639,368
Total operating expenses	2,293,576	1,499,969	1,269,105	1,304,199	28,623	6,395,472
Excess of revenues under expenditures	(565,963)	(735,835)	(231,084)	82,755	(11,349)	(1,461,476)
Nonoperating revenues (expenses):						
Bad debt	68,176	-	-	-	-	68,176
Investment income	-	-	-	22,232	-	22,232
Loss on sale of equipment	-	-	-	(43,000)	-	(43,000)
Interest expense	(223,563)	(29,417)	(11,275)	(6,050)	-	(270,305)
In-kind contributions	-	(7,502)	(13,843)	(16,234)	-	(37,579)
State of Alaska PERS relief	40,577	17,904	17,904	33,724	-	110,109
Total nonoperating expenses	(114,810)	(19,015)	(7,214)	(9,328)	-	(150,367)
Gain (loss) before other items	(680,773)	(754,850)	(238,298)	73,427	(11,349)	(1,611,843)
Capital contributions	24,061,354	-	-	-	-	24,061,354
Transfers (out) in	(1,284,227)	-	-	-	-	(1,284,227)
Change in net position	22,096,354	(754,850)	(238,298)	73,427	(11,349)	21,165,284
Net position, beginning of year	22,448,196	7,986,366	5,177,702	2,496,607	72,815	38,181,686
Net position, end of year	$ 44,544,550	7,231,516	4,939,404	2,570,034	61,466	59,346,970

See accompanying notes to financial statements.

THE CITY OF CORDOVA
Cordova, Alaska

Proprietary Funds

Statement of Cash Flows

Year Ended December 31, 2024

	Major Enterprise Funds				Nonmajor Enterprise Fund	Total
	Port	Water	Sewer	Refuse	Odiak Park	Enterprise Funds
Cash flows from operating activities:						
Receipts from customers and users	$ (67,054)	764,549	1,028,026	1,386,679	17,204	3,129,404
Payments for interfund services used	115,893	250,753	(149,073)	(177,547)	(2,246)	37,780
Payments to suppliers	(2,341,375)	(410,602)	(349,136)	(265,891)	(24,123)	(3,391,127)
Payments to employees	(659,766)	(345,848)	(343,485)	(583,272)	-	(1,932,371)
Net cash flows from operating activities	(2,952,302)	258,852	186,332	359,969	(9,165)	(2,156,314)
Cash flows for noncapital financing activities:						
Transfers (out) in	(1,284,227)	-	-	-	-	(1,284,227)
Cash flows from capital and related financing activities:						
Proceeds from capital contribution	24,061,354	-	-	-	-	24,061,354
Purchase of property, plant and equipment	(22,816,584)	(17,222)	(59,116)	(252,992)	-	(23,145,914)
Proceeds from issuance of debt	(115,000)	(121,864)	-	-	-	(236,864)
Loss on sale of equipment	-	-	-	(43,000)	-	(43,000)
Principal and interest paid on bond	(223,563)	-	-	-	-	(223,563)
Principal and interest paid on interfund advances	-	-	-	(77,218)	-	(77,218)
Principal and interest paid on ADEC loans	-	-	(66,275)	-	-	(66,275)
Net cash flows from capital and related financing activities	906,207	(139,086)	(125,391)	(373,210)	-	268,520
Cash flows from investing activities						
Investment income received	-	-	-	22,232	-	22,232
Net increase in cash	(3,330,322)	119,766	60,941	8,991	(9,165)	(3,149,789)
Cash and equivalents, beginning of year	3,330,322	(119,766)	322,780	2,120,724	56,583	5,710,643
Cash and equivalents, end of year	$ -	-	383,721	2,129,715	47,418	2,560,854

See accompanying notes to financial statements.

Exhibit C-3

THE CITY OF CORDOVA
Cordova, Alaska

Proprietary Funds

Statement of Cash Flows, continued

Year Ended December 31, 2024

	Major Enterprise Funds				Nonmajor Enterprise Fund	Total Enterprise Funds
	Port	Water	Sewer	Refuse	Odiak Park	
Reconciliation of Gain (loss) from Operations to Net Cash Flows from Operating Activities						
Gain (loss) from operations	$ (565,963)	(735,835)	(231,084)	82,755	(11,349)	(1,461,476)
Adjustments to reconcile gain (loss) from operations to net cash flows from operating activities:						
Depreciation	519,776	574,714	373,945	168,895	2,038	1,639,368
Bad debt expense	68,176	-	-	-	-	68,176
Noncash expense - PERS relief	40,577	17,904	17,904	33,724	-	110,109
In-kind contributions	-	(7,502)	(13,843)	(16,234)	-	(37,579)
Increase in allowance for doubtful accounts	49,273	1,175	(332)	464	-	50,580
(Increase) decrease in assets and deferred outflows of resources:						
Accounts receivable	(1,876,330)	(760)	(9,664)	(739)	(70)	(1,887,563)
Prepaid insurance	15,810	(9,070)	6,615	1,791	(110)	15,036
Deposits	-	-	(52)	-	-	(52)
Net other postemployment benefits assets	(8,000)	(12,548)	(12,542)	(5,493)	-	(38,583)
Deferred outflows of resources related to pensions	8,858	-	-	-	-	8,858
Deferred outflows of resources related to other postemployment benefits	-	1,816	1,817	7,631	-	11,264
Increase (decrease) in liabilities and deferred inflows of resources:						
Accounts payable	(1,527,719)	16,210	3,722	(5,290)	(11)	(1,513,088)
Unearned revenue	(35,786)	-	-	-	-	(35,786)
Customer deposits	-	(2,926)	-	-	337	(2,589)
Accrued interest	-	(808)	(275)	(271)	-	(1,354)
Accrued payroll and related liabilities	3,845	2,363	2,363	4,149	-	12,720
Accrued vacation and sick leave	(935)	(286)	(286)	5,638	-	4,131
Landfill closure costs payable	-	-	-	31,941	-	31,941
Due to other funds	291,715	366,349	-	-	-	658,064
Net pension liability	66,191	48,319	48,307	52,564	-	215,381
Deferred inflows of resources related to pensions and other postemployment benefits	(1,790)	(263)	(263)	(1,556)	-	(3,872)
Net cash flows from operating activities	$ (2,952,302)	258,852	186,332	359,969	(9,165)	(2,156,314)

NOTE 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 basic 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 Units
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.

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.

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 operates on a December 31 fiscal year end. 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, 2024 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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

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

Property and sales taxes, charges for services, leases, and interest associated with the current fiscal period are all considered to be susceptible to accrual and 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Measurement Focus, Basis of Accounting, and Basis of Presentation, continued
The City reports the following major funds:

Major governmental funds:

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

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.

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 Funds are charges to customers for sales and services. Operating expenses for the Enterprise 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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.

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.”

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 collectable and available to finance expenditures of the fiscal period.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Property taxes, continued
Any real or personal property taxes still due to the City at December 31 are delinquent. Any amounts 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 received. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of proprietary fund 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Capital Assets, continued

Property, plant, and equipment of the City are 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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fund Balances, continued

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.

NOTE 2 - CASH AND EQUIVALENTS

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 statement of net position as "cash and equivalents" or in the case of "negative cash" is included in "due to other funds."

NOTE 2 - CASH AND EQUIVALENTS, continued

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, 2024.

	Bank Balance	Book Balance
Cash and equivalents	$ 8,217,902	8,872,317
Investments, at fair market value	6,798,390	6,798,390
	$ 15,016,292	15,670,707

	Book Balance
Cash and equivalents	$ 7,707,637
Restricted cash and equivalents	1,164,680
Total cash and equivalents	$ 8,872,317

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, 2024 totaling $509,956, with the remaining restricted funds in the amount of $654,725 being held in the central treasury. Total restricted cash is $1,164,680 at December 31, 2024.

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.

In 2010, the City passed an ordinance authorizing investments in different securities other 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.

NOTE 2 - CASH AND INVESTMENTS, continued

The City's investment balances as of December 31, 2024 are as follows:

Investment by Type	Fair value	Investment Maturities: Less than 1 year	1 to 5 years	over 5 years
Investments subject to interest rate risk				
Certificates of deposit	$ 509,956	509,956	-	-
Investments not subject to interest rate risk:				
Cash and money market funds	$ 237,619			
Equities	3,610,536			
Fixed income	1,665,109			
Mutual funds	1,285,126			
Total investments	$ 6,798,390			

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.

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, 2024, 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.

NOTE 2 - CASH AND INVESTMENTS, continued

Level 1 inputs are quoted prices in active markets for identical assets; Level 2 are 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, 2024:

The City has the following recurring fair value measurements as of December 31, 2024:

- Mutual funds of $6,798,390 (Level 2 inputs)

The City has investments in money market funds and certificates of deposits totaling $509,956 that are not held at fair value, but instead recorded at amortized cost, as of December 31, 2024. Management believes these values approximate fair value.

NOTE 3 – LEASE RECEIVABLE

Current Leases

The City is leasing a part of the tidelands within the Cordova harbor to the United States Forest Service (USFS) for $10,000 annually. The rent is adjustment as per consumer price index (CPI). The lease is cancellable at the option of the lessee, effective at any time.

The City entered into a 30-year lease of a building to a developer on October 31, 2023. Annual lease payments are $7,579 for the first year and after that are adjusted annually by the CPI. The lease is cancellable at the option of the lessee, effective at any time.

Non-Current Leases

The City is leasing a portion of its tidelands to Alaska Marine Lines for $3,310 per year. The lease was signed on June 6, 2006, for a term of 30 years.

The City is leasing approximately 10,000 square feet of their Ocean Dock Subdivision addition #2 to Dutch Marine Industries, LLC for $3,130 per year. The lease was signed on November 1, 2022, for a term of 10 years.

The City is leasing a parcel of land at 602 Orca Street to Alascom, Inc., d.b.a. AT&T Alaska for $2,944 per year. The lease was signed on September 13, 2016, for a term of 3 years. There is an option to extend for 3 periods of 3 years each.

Total lease and interest revenue for the year was $7,541 and $1,842, respectively.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

	December 31, 2023	Additions	Deletions	December 31, 2024
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 1,410,419	-	-	1,410,419
Artwork	136,924	-	-	136,924
Construction in process	424,177	142,642	(86,690)	480,129
Total capital assets not being depreciated	1,971,520	142,642	(86,690)	2,027,472
Capital assets being depreciated:				
Buildings and improvements	62,266,050	322,942	-	62,588,992
Infrastructure	4,044,257	-	-	4,044,257
Machinery and equipment	9,906,165	273,131	(158,142)	10,021,154
	76,216,472	596,073	(158,142)	76,654,403
Less accumulated depreciation for:				
Buildings and improvements	(21,971,486)	(1,135,226)	-	(23,106,712)
Infrastructure	(1,526,660)	(173,688)	-	(1,700,348)
Machinery and equipment	(7,744,546)	(480,043)	-	(8,224,589)
Total accumulated depreciation:	(31,242,692)	(1,788,957)	-	(33,031,649)
Capital assets being depreciated, net	44,973,780	(1,192,884)	(158,142)	43,622,754
Total capital assets - governmental funds	$ 46,945,300	(1,050,242)	(244,832)	45,650,226

NOTE 4 – CAPITAL ASSETS, continued

	December 31, 2023	Additions	Deletions	December 31, 2024
Proprietary fund activities:				
Capital assets not being depreciated:				
Land	$ 5,566,333	-	-	5,566,333
Construction in process	19,664,100	22,795,127	-	42,459,227
Total capital assets not being depreciated	25,230,433	22,795,127	-	48,025,560
Capital assets being depreciated:				
Buildings	8,036,007	-	-	8,036,007
Improvements other than buildings	53,110,542	-	-	53,110,542
Machinery and equipment	7,923,644	350,788	-	8,274,432
Landfill	462,756	-	-	462,756
	69,532,949	350,788	-	69,883,737
Less accumulated depreciation for:				
Buildings	(1,873,777)	(197,431)	-	(2,071,208)
Improvements other than buildings	(40,812,259)	(1,121,556)	-	(41,933,815)
Machinery and equipment	(5,672,570)	(320,381)	-	(5,992,951)
Landfill	(462,756)	-	-	(462,756)
Total accumulated depreciation:	(48,821,362)	(1,639,368)	-	(50,460,730)
Capital assets being depreciated, net	20,711,587	(1,288,580)	-	19,423,007
Total capital assets - proprietary fund	$ 45,942,020	21,506,547	-	67,448,567

NOTE 4 – CAPITAL ASSETS, continued

Depreciation expense was charged to the functions as follows for the year ended December 31, 2024:

Governmental activities:		
General government	$	593,711
Public safety		236,416
Information and recreation		91,786
Public works		273,931
Education		593,113
Total depreciation expense - Governmental activities	$	1,788,957

Proprietary fund activities:		
Port	$	519,776
Water		574,714
Sewer		373,945
Refuse		168,895
Odiak Park		2,038
Total depreciation expense - Proprietary fund activities	$	1,639,368

NOTE 5 – LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended December 31, 2024:

Governmental activities	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024	Due Within One Year
General Obligation Bonds:					
$1,805,000 2015 Series One A Road bonds, due in annual installments of $70,000 to $130,000 through 2034; plus interest at 2.0% to 5.0% payable semiannually	$ 1,205,000	-	85,000	1,120,000	90,000
$10,065,000 2015 Series One C school refunding bonds, due in annual installments of $20,000 to $1,295,000 through 2028; plus interest at 2.0% to 5.0% payable semiannually	5,905,000	-	1,075,000	4,830,000	1,130,000
$2,790,000 2015 Series One D bonds (Cordova Center), due in annual installments of $20,000 to $205,000 through 2035; plus interest at 2.0% to 5.0% payable semiannually	1,965,000	-	125,000	1,840,000	130,000
Total Governmental activities	$ 9,075,000	-	1,285,000	7,790,000	1,350,000

NOTE 5 – LONG-TERM DEBT, continued

Proprietary fund activities	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024	Due Within One Year
Alaska Department of Environmental Conservation Loans:					
$4,081,500 (maximum) Drinking Water loan, maturing in 2042; interest at 1.5%	$ 2,015,035	-	92,447	1,922,588	93,833
$1,100,000 (maximum) Clean Water loan, due in annual installments of $55,000 through September 1, 2037; plus interest at 1.5%	770,000	-	55,000	715,000	55,000
$5,000,000 Harbor Revenue Bonds due in annual installments from $115,000 to $330,000; plus interest of 4.25% to 5.0%; maturing in 2047	5,000,000	-	115,000	4,885,000	125,000
$1,120,000 Clean Water loan due in annual installments ranging from $31,000 to $40,000 through June 1, 2042; interest at 1.5%	589,000	-	31,000	558,000	31,000
$1,975,000 Clean Water Loan due in annual installments from $67,338 to $125,552, maturing in 2055 with interest at 2.285%	1,975,000	-	-	1,975,000	-
Landfill closure costs payable	1,107,306	31,941	-	1,139,247	-
Total proprietary fund activities	$ 11,456,341	31,941	293,447	11,194,835	304,833

NOTE 5 – LONG-TERM DEBT, continued

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 October 2013, the City signed a contract for a loan of $4,081,500 as part of a Drinking Water Loan. This loan was received during the year ending December 31, 2016.

The City signed a contract for a loan of $1,100,000 as part of wastewater treatment plant upgrades. This loan was received during the year ending December 31, December 31, 2018.

On March 5, 2019, the City 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. This bond was acquired for $5,000,000 during the year ending December 31, 2022.

During June 2021, the City signed a contract for a loan of $1,120,000 for landfill equipment. This loan was received during the year ending December 31, 2023.

During August 2023, the City was approved for a loan of $1,975,000 to replace pilings within the south harbor. This loan was received during the year ending December 31, 2023.

The annual debt service requirements of the general obligation bonds and loans outstanding at December 31, 2024 that are in repayment status follow:

Governmental activities

General Obligation Bonds	Principal	Interest	Total Requirements
Year Ended December 31,			
2025	$ 1,350,000	369,575	1,719,575
2026	1,405,000	301,950	1,706,950
2027	1,475,000	231,450	1,706,450
2028	1,550,000	157,575	1,707,575
2029	270,000	79,825	349,825
2030-2034	1,535,000	207,475	1,742,475
2035	205,000	4,100	209,100
	$ 7,790,000	1,351,950	9,141,950

NOTE 5 – LONG-TERM DEBT, continued

Proprietary fund activities

ADEC Loans		Principal	Interest	Total Requirements
Year Ended December 31,				
2025	$	179,833	47,934	227,767
2026		247,074	104,954	352,028
2027		248,503	86,142	334,645
2028		249,953	81,897	331,850
2029		251,424	77,632	329,056
2030-2034		1,279,984	323,384	1,603,368
2035-2039		1,210,235	214,098	1,424,333
2040-2044		779,409	118,862	898,271
2045-2049		329,165	67,693	396,858
2050-2054		329,165	30,086	359,251
2055		65,843	1,505	67,348
	$	5,170,588	1,154,187	6,324,775

Harbor Bond		Principal	Interest	Total Requirements
Year Ended December 31,				
2025	$	125,000	217,812	342,812
2026		130,000	211,562	341,562
2027		135,000	205,062	340,062
2028		145,000	198,312	343,312
2029		150,000	191,062	341,062
2030-2034		870,000	836,360	1,706,360
2035-2039		1,065,000	636,460	1,701,460
2040-2044		1,320,000	392,614	1,712,614
2045-2047		945,000	86,402	1,031,402
	$	4,885,000	2,975,646	7,860,646

NOTE 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 is currently one cell 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 this cell and the construction pit is $1,745,318. The $1,139,247 reported as landfill closure costs payable at December 31, 2024 for the landfill represents the cumulative amount reported to date based on the use of the expected usage of the cell and construction pit. The City will recognize the remaining estimated cost of closure and postclosure care of $606,071 as the remaining expected usage is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2024. Actual costs may be higher due to inflation, changes in technology or changes in regulations. Cell 1 and the construction pit are estimated to have a life of approximately 20 and 25 years, respectively.

NOTE 7 – FUND BALANCE

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	$ 307,418	-	-	307,418
Restricted - Enhanced 911 services	-	-	63,734	63,734
Assigned:				
Capital projects and land	-	11,216,203	-	11,216,203
Public safety	-	-	544,808	544,808
Unassigned:	2,007,011	-	42,278	2,049,289
Total Fund Balances	$ 2,314,429	11,216,203	650,820	14,181,452

NOTE 8 – PENSION AND POSTEMPLOYMENT HEALTHCARE PLANS

As of June 30, 2024, all regular employees of the City who work more than fifteen hours per week participate in the Alaska Public Employees' Retirement System ("PERS"). PERS administers the State of Alaska Public Employees' Retirement System Defined Benefit Retirement Plan, an agent multiple-employer, statewide plan, until July 1, 2008. Senate Bill 125 then converted the plan to a multiple-employer cost-sharing plan. The plan includes both pension and post-employment healthcare plans for all employees hired prior to July 1, 2006.

PERS also administers the State of Alaska Public Employees' Retirement System Defined Contribution Retirement Plan which includes both pension and post-employment healthcare plans for all employees hired on or after July 1, 2006.

PERS is administered by the Commission of Administration and the Alaska Retirement Management Board (ARMB). Benefits and contributions provisions are established by Chapter 35 of Alaska Statute Title 39, and may be amended only by ARMB. Amendments do not affect existing employees.

PERS audited financial statements and related information is available at http://doa.alaska.gov/drb/pers/employee/resources/financialStatements.html#.XICiD_ZFzct.

Employee Benefits:
The Plan provides for retirement, death and disability, and post-employment health care benefits. There are three tiers of employees, based on entry date. For all tiers within the DB pension plans, 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.

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 OPEB benefits. A complete benefit comparison chart is available at the website noted above within this footnote.

This plan was closed to new entrants as of June 30, 2006. Employees hired after that date participate in the PERS Defined Contribution Plan described later in this footnote.

Funding Policy:
Under State law, regular covered employees are required to contribute 6.75% of their annual covered salary to the pension plan. Police officers and firefighters are required to contribute 7.50% of their annual covered salary.

Under State law the City is required to contribute 22% of annual covered salary. For the years ended December 31, 2024, and 2023, 22.00% and 22.00% of covered salary respectively is for the pension plan and 0.00% and 0.00% of covered salary respectively is for the Post Employment Healthcare Plan.

NOTE 8 – PENSION AND POSTEMPLOYMENT HEALTHCARE PLANS, continued

Under AS39.35.255, the difference between the actuarial required contribution for fiscal year 2024 and 2023 of 25.10% and 24.79% respectively and the employer rate of 22% is funded by the State.

Defined Benefit Pension *(Employees hired prior to July 1, 2006)*

Pension Liabilities:
At December 31, 2024, the City reported a liability for its proportionate share of the net pension liability. The amount recognized by the City as it’s proportionate share, the related state support, and the total portion of the net pension liability that was associated with the City were as follows:

	2024
City's proportionate share of the net pension liability	$ 6,703,942
State's proportionate share of the net pension liability associated with the City	2,509,739
Total	$ 9,213,681

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the new pension liability was determined by an actuarial valuation as of June 30, 2023 and rolled forward to June 30, 2024.

Pension Expense:
For the year ended December 31, 2024, the City recognized pension expense of $430,394, and revenue of $169,332 for support provided by the State.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:
At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Net difference between projected and actual earnings on pension plan investments	$ 64,535	-
Employer contributions subsequent to the measurement date	317,715	-
Total	$ 382,250	-

$317,715 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, 2024. Amounts recognized as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

NOTE 8 – PENSION AND POSTEMPLOYMENT HEALTHCARE PLANS, continued

Years Ending December 31,		
2025	$	138,037
2026		334,501
2027		(49,376)
2028		(40,912)
	$	382,250

a) Defined Benefit Other Postemployment Healthcare Plans

As part of the City's participation in the PERS plan, the City participates in the three following cost-sharing OPEB plans:

Alaska Retiree Healthcare Trust (ARHCT)
The ARHCT is a self-funded and self-insured healthcare trust fund of the State, providing major medical coverage to retirees of the defined benefit plan. The ARHCT is closed to all new members effective July 1, 2006. Major medical benefits are provided to retirees and their surviving spouses at no premium cost for all Tier 1 members or disabled retirees. Tier 2 members, and their surviving spouses, must pay the full monthly premium if they are under age 60 and will receive benefits at no premium cost if they are over age 60. Tier 3 members must pay the full monthly premium regardless of their age. Tier 2 and Tier 3 members with less than five years of credited service are not eligible for postemployment healthcare benefits. Tier 2 members who are receiving a conditional benefit and are age eligible are eligible for postemployment healthcare benefits.

Occupational Death and Disability Plan (ODD)
ODD provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within PERS.

Retiree Medical Plan (RMP)
RMP provides major medical coverage to retirees of the DCR Plan. The RMP is self-insured. Members are not eligible to use this plan until they either have 30 years of service or at least 10 years of service and are Medicare eligible.

Collective net OPEB Liabilities:
At December 31, 2024, the City reported a liability for its proportionate share of the net OPEB liability. The amount recognized by the City as it's proportionate share, the related state support, and the total portion of the net OPEB liability that was associated with the City were as follows:

		2024
City's proportionate share of the net OPEB liability	$	(2,909,380)
State's proportionate share of the net OPEB liability associated with the City		(1,004,640)
Total	$	(3,914,020)

NOTE 8 – PENSION AND POSTEMPLOYMENT HEALTHCARE PLANS, continued

The net OPEB liability was measured as of June 30, 2024, and the total pension liability used to calculate the new OPEB liability was determined by an actuarial valuation as of June 30, 2023 and rolled forward to June 30, 2024.

Pension Expense:
For the year ended December 31, 2024, the City recognized pension expense of $969,368 and no support was provided by the State for fiscal years ended December 31, 2024.

The City's contributions to the defined benefit post-employment healthcare plan for the year ended December 31, 2024, totaled $48,038.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 3,731	38,223
Changes in assumptions	102,970	60,912
Net difference between projected and actual earnings on pension plan investments	42,755	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,937	46,310
Employer contributions subsequent to the measurement date	48,038	-
Total	$ 202,431	145,445

$46,086 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, 2024. Amounts recognized as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Years Ending December 31,	
2024	$ (81,076)
2025	266,607
2026	(64,567)
2027	(51,888)
2028	(10,125)
Thereafter	(1,965)
	$ 56,986

NOTE 8 – PENSION AND POSTEMPLOYMENT HEALTHCARE PLANS, continued

OPEB Plans' Fiduciary Net Position
Detailed information about the OPEB plans' fiduciary net position is available at the website noted above within this footnote.

a) Actuarial Assumptions:

The total pension and OPEB liability for fiscal year ended June 30, 2024, was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024. The valuation was prepared assuming an inflation rate of 2.5%. Salary increases were determined by grading by age and service to range from 2.85% to 6.75%. Investment rate of return was calculated at 7.25%, net of pension plan investment expenses, based on an average inflation rate of 2.5% and a real rate of return of 4.75%.

Healthcare cost and trends used for the valuation were 6.4% grading down to 4.5% for Pre-65 medical, 5.4% grading down to 4.5% for Post-65 medical, and 6.9% grading down to 4.5% for prescription drugs.

Post-commencement mortality rates were based on the mandated Pub-2010 table with MP-2021 generational improvement. Pre-commencement mortality rates were based on the Pub-2010 table with MP-2021 generational improvement.

The actuarial assumptions used in the June 30, 2023, actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. This resulted in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience.

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 rates 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 real rates of return for each major asset class included in the plan's target asset allocation as of June 30, 2024 are summarized in the following table (note that the rates shown below exclude the inflation component):

NOTE 8 – PENSION AND POSTEMPLOYMENT HEALTHCARE PLANS, continued

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return 2024
Domestic equity	26.00%	5.48%
Global equity (ex-U.S.)	17.00%	7.14%
Global equity	21.00%	5.79%
Aggregate bonds	8.00%	2.10%
Real assets	14.00%	4.63%
Private equity	14.00%	8.84%
Cash equivalents	0.00%	0.77%

Discount rate:
The discount rate used to ensure the total pension and total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, contributions from the City will be made at contractually required rates, and nonemployer State contributions will continue to follow the current funding policy. 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 City's proportionate share of the net pension liability to changes in the discount rate:

The following presents the City's proportionate share of the net pension and collective net OPEB liability of the plan as of June 30, 2024 using the discount rate of 7.25%, as well as what it would be if it were calculated using a discount rate that was 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%).

June 30, 2024

Plan	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Pension	0.12223%	8,930,281	6,703,942	4,819,925
ARHCT	0.12255%	(1,708,856)	(2,698,828)	(3,531,910)
ODD	0.20165%	(113,076)	(120,386)	(126,115)
RMP	0.19343%	15,619	(90,166)	(171,020)

NOTE 8 – PENSION AND POSTEMPLOYMENT HEALTHCARE PLANS, continued

Sensitivity of the City's proportionate share of the collective OPEB liability to changes in the healthcare cost trends rate:

The following presents the City's proportionate share of the collective net OPEB liability (asset) for each plan as of June 30, 2024 using the current healthcare cost trend rate, as well as what it would be if it were calculated using a discount rate that was 1 percentage point lower or 1 percentage point higher.

June 30, 2024

Plan	Proportional Share	1% Decrease	Current Healthcare Cost Trend	1% Increase
ARHCT	0.12255%	(3,627,019)	(2,698,828)	(1,596,199)
RMP	0.19343%	(181,692)	(90,166)	32,643

Defined Contribution Pension and Postemployment Health Care Plans *(Employees hired on or after July 1, 2006):*

Employee Benefits
There is no retirement age set, however taxes and penalties may apply if withdrawn prior to age 59 ½. Retirement benefits are equal to the Defined Contribution account balance plus interest. The employee may direct the investment of the account if so desired. The account balance is 100% of the employees contribution plus 25% of the City's contribution after two years of service, 50% of the City's contribution after three years of service, 75% of the City's contribution after four years of service, and 100% of the City's contribution after 5 years of service. The plan pays a portion of the retiree medical plan premium if the retiree retires directly from the plan and is eligible for Medicare. The portion of premium paid by the plan is determined by years of service. Disability benefits are also provided.

Funding Policy
Under State law, covered employees are required to contribute 8% of their annual covered salary. For fiscal year 2024 the City is required to contribute 5% of the annual covered salary to the pension plan. The contributions to the pension plan for the year ended December 31, 2024, by the employees totaled $302,272, respectively. The City's contributions totaled $92,845.

DCR employer forfeiture funds are created when a non-vested or partially vested employee terminates employment from the Public Employees' Retirement System (PERS) and refunds a portion or all their DCR account. The forfeited amount is determined by the years of service with all system participating employers that the employee has worked in the PERS system and is detailed in the vesting statutes above. During the year ending December 31, 2024, the state of Alaska calculated the total Forfeiture balance for the City to be $(10,021), this balance offsets future DCR payments made by the City. During the year ended December 31, 2024, the City exhausted $13,958 in forfeiture funds.

NOTE 8 – PENSION AND POSTEMPLOYMENT HEALTHCARE PLANS, continued

Under State law, covered employees are not required to contribute to the post employment healthcare plan. For fiscal year 2024, the City is required to contribute 1.01%, of the annual covered salary plus an annual flat dollar amount of $2,303 for each covered employee. The City contributed $54,226 for retiree medical and $59,403 for a health reimbursement arrangement for the year ended December 31, 2024.

If the total amount that the City has contributed for the defined contribution pension and post-employment healthcare plans is less than 22% of covered payroll, the City must pay that additional amount. This additional amount is used to reduce the defined benefit plan's unfunded liability. For the year ended December 31, 2024, the City paid additional contributions of $234,834. These contributions equal $234,824 for the defined benefit pension and $0 for the defined benefit post-employment healthcare plans.

NOTE 9 - 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.

NOTE 10 - 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.

NOTE 11 – 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 are reported in the General Fund. The City accrues a liability for claims incurred but not reported at year end.

NOTE 11 – RISK MANAGEMENT, continued

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, 2024	$ -	-	-	-

	Balance at Beginning of year	Claims Expense	Claims Paid	Balance at End of Year
December 31, 2023	$ 336,038	-	(336,038)	-

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, 2024. The amount of settlements for the past three years did not materially exceed the City's insurance coverage.

During the year ending December 31, 2022, the City decided to cease the self-insurance and go with a traditional insurance policy. The City recorded estimated amounts that will need to be paid until the complete closure of the self-insurance. This amount was fully paid off as of December 31, 2023.

NOTE 12 – INTERFUND RECEIVABLE, PAYABLE, ADVANCES, AND TRANSFERS

A schedule of interfund transfers for the year ended December 31, 2024 follows:

Receivable Fund	Payable Fund	Amount
General Fund	Harbor Enterprise Fund	$ 1,266,227
General Fund	Port Enterprise Fund	18,000
Capital Project Funds	General Fund	117,750
Special Revenue Funds	General Fund	23,508
Total		$ 1,425,485

Transfers were made to support operating activities in the general fund, enterprise funds, capital project funds, and special revenue funds.

NOTE 13 – COMPENSATED ABSENCES

A schedule of the compensated absences balance for the year ended December 31, 2024 follows:

	Beginning Balance	Net Change	Ending Balance
Accrued Vacation	$ 253,212	12,823	266,035
Accrued Sick Leave	208,268	(26,810)	181,458
	$ 461,480	(13,987)	447,493

NOTE 14 – SUBSEQUENT EVENTS

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through September 29, 2025, the date the financial statements were issued, and determined there is nothing to be disclosed or recognized.

NOTE 15 – SUBSEQUENT ACCOUNTING PRONOUNCEMENTS

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

- GASB 103 Financial Reporting Model Improvements: Effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

NOTE 15 – SUBSEQUENT ACCOUNTING PRONOUNCEMENTS, continued

- GASB 104 Disclosure of Certain Capital Assets: Effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB issued Statement No. 103, Financial Reporting Model Improvements, which revises and enhances the governmental financial reporting model to improve the effectiveness of financial statement communication. The Statement modifies requirements related to management's discussion and analysis, presentation of governmental fund financial statements, proprietary fund revenues and expenses, and the classification of unusual or infrequent items. GASB 103 is effective for fiscal years beginning after June 15, 2025, with earlier application encouraged. The City is currently evaluating the impact of this Statement on its financial reporting.

In June 2023, the GASB issued Statement No. 104, Disclosure of Certain Capital Assets, which requires more detailed disclosures for specific capital asset categories, including intangible assets and assets held for sale. The Statement aims to improve transparency and comparability by requiring separate presentation of certain capital asset information within the notes to the financial statements. GASB 104 is effective for fiscal years beginning after June 15, 2025, with earlier application permitted. The City is assessing the potential impact of implementing this Statement.

REQUIRED SUPPLEMENTARY INFORMATION

THE CITY OF CORDOVA
Cordova, Alaska

General Fund

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

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Taxes	$ 9,174,000	9,174,000	9,115,588	(58,412)
Licenses and permits	23,150	23,150	24,220	1,070
Federal government	720,000	720,000	742,561	22,561
State of Alaska	2,982,696	2,982,696	2,443,251	(539,445)
Investment income	150,000	150,000	250,642	100,642
Charges for services	727,897	727,897	676,301	(51,596)
Sale of property	8,000	8,000	1,100	(6,900)
Other revenue	838,371	838,371	1,623,402	785,031
Total revenues	14,624,114	14,624,114	14,877,065	252,951
Expenditures				
General government:				
City council	7,300	7,300	8,906	(1,606)
City clerk	344,835	344,835	357,217	(12,382)
Management	647,189	647,189	650,502	(3,313)
Finance	552,206	552,206	570,947	(18,741)
Planning and zoning	168,482	168,482	100,881	67,601
Nondepartmental services	1,146,228	1,146,228	1,335,961	(189,733)
Total general government	2,866,240	2,866,240	3,024,414	(158,174)
Public safety:				
Police department	1,366,958	1,366,958	1,402,441	(35,483)
Jail operations	433,207	433,207	421,030	12,177
Fire department	622,692	622,692	579,124	43,568
Department of motor vehicles	60,464	60,464	29,082	31,382
Total public safety	2,483,321	2,483,321	2,431,677	51,644
Information and recreation:				
Library	416,614	416,614	336,280	80,334
Information and technology	182,902	182,902	47,017	135,885
Ski hill	129,474	129,474	108,584	20,890
Bidarki center	306,540	306,540	158,763	147,777
Pool	530,774	530,774	427,036	103,738
Total information and recreation	$ 1,566,304	1,566,304	1,077,680	488,624

THE CITY OF CORDOVA
Cordova, Alaska

General Fund

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Expenditures, continued				
Current, continued:				
Public works:				
Public works administration	$ 216,885	216,885	156,669	60,216
Facility utilities	240,000	240,000	219,557	20,443
Facility maintenance	424,621	424,621	424,214	407
Street maintenance	766,565	766,565	654,050	112,515
Snow removal	83,648	83,648	77,814	5,834
Equipment maintenance	354,533	354,533	347,992	6,541
Parks maintenance	450,450	450,450	403,388	47,062
Park and recreation administration	279,998	279,998	290,014	(10,016)
Cemetery maintenance	17,769	17,769	12,526	5,243
Museum	350,412	350,412	285,336	65,076
Cordova center	142,715	142,715	95,644	47,071
Total public works	3,327,596	3,327,596	2,967,204	360,392
Debt service:				
Principal	1,285,000	1,285,000	1,285,000	-
Interest	433,950	433,950	433,950	-
Total general government	1,718,950	1,718,950	1,718,950	-
Contributions:				
In-kind service allocation	(167,270)	(167,270)	(167,270)	-
Cordova City School District	2,300,008	2,300,008	2,300,008	-
Cordova Community Medical Center	300,000	300,000	300,000	-
Family Resource Center	20,000	20,000	20,000	-
Cordova Chamber of Commerce	138,270	138,270	143,870	(5,600)
Total contributions	2,591,008	2,591,008	2,596,608	(5,600)
Total expenditures	14,553,419	14,553,419	13,816,533	736,886
Excess of revenues over (under) expenditures	70,695	70,695	1,060,532	989,837
Other financing sources (uses)				
Transfers out	-	-	(141,258)	(141,258)
Transfers in	120,835	120,835	1,266,227	1,145,392
Net other financing sources (uses)	120,835	120,835	1,124,969	1,004,134
Net change in fund balance	191,530	191,530	2,185,501	1,993,971
Fund balance, beginning of year			128,928	
Fund balance, end of year			$ 2,314,429	

THE CITY OF CORDOVA
Cordova, Alaska

General Reserve Special Revenue Fund

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

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Investment income	$ -	-	589,342	589,342
Land sales	-	-	20,619	20,619
Special assessments	-	-	4,288	4,288
Total revenues	-	-	614,249	614,249
Other financing sources				
Transfers in	-	-	18,000	18,000
Net change in fund balance	-	-	632,249	632,249
Fund balance, beginning of year			10,583,954	
Fund balance, end of year			$ 11,216,203	

THE CITY OF CORDOVA
Cordova, Alaska

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios

December 31, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.12223%	0.11562%	0.11273%	0.13126%	0.10102%	0.11286%	0.12932%	0.11937%	0.13277%	0.11051%
City's proportionate share of the net pension liability	$ 6,703,942	5,995,152	5,745,809	4,815,166	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	2,509,739	1,996,919	1,590,206	652,044	2,466,863	2,452,089	1,862,446	2,299,134	935,836	1,436,622
Total net pension liability	9,213,681	7,992,071	7,336,015	5,467,210	8,427,958	8,630,049	8,288,252	8,469,990	8,357,282	6,796,399
City's covered-employee payroll	4,716,991	4,143,185	3,571,146	3,544,441	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 covered-employee payroll	142%	145%	161%	136%	171%	184%	184%	182%	218%	169%
Plan fiduciary net position as a percentage of the total pension liability	67.81%	67.81%	68.23%	67.97%	76.46%	63.42%	65.19%	63.37%	59.55%	63.96%

* Information for these years is not available.

THE CITY OF CORDOVA
Cordova, Alaska

Schedule of Required Pension Contributions

December 31, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 666,682	639,532	529,062	456,605	428,085	402,416	416,908	400,397	370,083	307,165
Contributions in relation to the contractually required contribution	666,682	639,532	529,062	456,605	428,085	402,416	416,908	400,397	370,083	307,165
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	*
City's covered-employee payroll	$ 4,690,274	4,460,497	3,852,703	3,385,689	3,521,589	3,441,867	3,413,500	3,473,278	3,501,744	3,298,167
Contributions as a percentage of covered-employee payroll	14%	14%	14%	13%	12%	12%	12%	12%	11%	9%

* Information for these years is not available.

THE CITY OF CORDOVA
Cordova, Alaska

Schedule of Proportionate Share of the Net OPEB Liability and Related Ratios

December 31, 2024

		2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Alaska Retiree Healthcare Trust											
City's proportion of the net OPEB liability		0.12255%	0.11540%	0.11201%	0.13167%	0.10091%	0.11279%	0.12928%	*	*	*
City's proportionate share of the net OPEB liability	$	(2,698,828)	(2,654,696)	(2,203,783)	(3,377,858)	(456,970)	167,356	1,326,818	*	*	*
State of Alaska proportionate share of the net OPEB liability		(1,004,640)	(895,650)	(630,655)	(442,422)	(189,600)	66,554	384,626	*	*	*
Total net OPEB liability		(3,703,468)	(3,550,346)	(2,834,438)	(3,820,280)	(646,570)	233,910	1,711,444	*	*	*
City's covered-employee payroll	$	4,716,991	4,143,185	3,571,146	3,544,441	1,315,904	1,303,644	1,320,462	*	*	*
City's proportionate share of the net OPEB liability as a percentage of covered-employee payroll		-57%	-64%	-62%	-95%	-35%	13%	100%	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability		130.59%	133.96%	128.51%	135.54%	106.15%	98.13%	88.12%	*	*	*
Occupational Death and Disability Plan											
City's proportion of the net OPEB liability		0.20165%	0.17809%	0.16410%	0.17589%	0.15215%	0.16321%	0.19144%	*	*	*
City's proportionate share of the net OPEB Asset	$	(120,386)	(91,366)	(71,937)	(77,519)	(41,477)	(39,569)	(37,182)	*	*	*
State of Alaska proportionate share of the net OPEB liability		N/A	N/A	N/A	N/A	N/A	N/A	N/A	*	*	*
Total net OPEB liability		(120,386)	(91,366)	(71,937)	(77,519)	(41,477)	(39,569)	(37,182)	*	*	*
City's covered-employee payroll	$	4,716,991	4,143,185	3,571,146	3,571,146	2,169,020	2,057,901	2,165,979	*	*	*
City's proportionate share of the net OPEB liability as a percentage of covered-employee payroll		-3%	-2%	-2%	-2%	-2%	-2%	-2%	*	*	*
Plan fiduciary net position as a percentage of the total OPEB Asset		346.80%	349.24%	348.80%	374.22%	95.23%	83.17%	88.71%	*	*	*

* Information for these years is not available.

THE CITY OF CORDOVA
Cordova, Alaska

Schedule of Proportionate Share of the Net OPEB Liability and Related Ratios

December 31, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Retiree Medical Plan										
City's proportion of the net OPEB liability	0.19343%	0.17370%	0.16150%	0.17060%	0.19144%	0.16522%	0.19144%	*	*	*
City's proportionate share of the net OPEB liability	$ (90,166)	(82,477)	(56,088)	(45,791)	11,373	39,526	24,361	*	*	*
State of Alaska proportionate share of the net OPEB liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	*	*	*
Total net OPEB liability	(90,166)	(82,477)	(56,088)	(45,791)	11,373	39,526	24,361	*	*	*
City's covered-employee payroll	4,716,991	4,143,185	3,571,146	3,544,441	2,169,020	2,057,901	2,165,979	*	*	*
City's proportionate share of the net OPEB liability as a percentage of covered-employee payroll	-2%	-2%	-2%	-1%	1%	2%	1%	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	119.87%	124.29%	120.08%	115.10%	283.80%	297.43%	270.62%	*	*	*

* Information for these years is not available.

THE CITY OF CORDOVA
Cordova, Alaska

Schedule of Required OPEB Contributions

December 31, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Alaska Retiree Healthcare Trust										
Contractually required contribution	-	-	31,020	66,159	120,579	145,507	133,854	*	*	*
Contributions in relation to the contractually required contribution	-	-	31,020	66,159	120,579	145,507	133,854	*	*	*
Contribution deficiency (excess)	-	-	-	-	-	-	-	*	*	*
City's covered-employee payroll	4,690,274	4,460,497	3,852,703	3,385,689	1,212,605	1,311,695	1,320,326	*	*	*
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.81%	1.95%	9.94%	11.09%	10.14%	*	*	*
Occupational Death and Disability Plan										
Contractually required contribution	13,219	6,642	10,054	9,309	7,779	6,779	5,292	*	*	*
Contributions in relation to the contractually required contribution	13,219	6,642	10,054	9,309	7,779	6,779	5,292	*	*	*
Contribution deficiency (excess)	-	-	-	-	-	-	-	*	*	*
City's covered-employee payroll	4,690,274	4,460,497	3,852,703	3,385,689	2,308,984	2,130,172	2,093,174	*	*	*
Contributions as a percentage of covered-employee payroll	0.28%	0.15%	0.26%	0.27%	0.34%	0.32%	0.25%	*	*	*
Retiree Medical Plan										
Contractually required contribution	34,819	17,817	29,611	28,987	29,866	24,117	20,702	*	*	*
Contributions in relation to the contractually required contribution	34,819	17,817	29,611	28,987	29,866	24,117	20,702	*	*	*
Contribution deficiency (excess)	-	-	-	-	-	-	-	*	*	*
City's covered-employee payroll	4,690,274	4,460,497	3,852,703	3,385,689	2,308,984	2,130,172	2,093,174	*	*	*
Contributions as a percentage of covered-employee payroll	0.74%	0.40%	0.77%	0.86%	1.29%	1.13%	0.99%	*	*	*

* Information for these years is not available.

NOTE 1 – BUDGET 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	$ (158,174)
Contributions	$ (5,600)

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

Changes in Assumptions:
The actuarial assumptions used in the June 30, 2022 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The updated demographic and economic assumptions were adopted by the Board in June 2022 based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The new assumptions were adopted to better reflect expected future experience and are effective June 30, 2022. The changes in assumptions were as follows:

- Salary ranges updated
- Health care cost trend rates updated
- Mortality trends updated

NOTE 2 – PUBLIC EMPLOYEES' RETIREMENT SYSTEM PENSION PLAN, continued

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

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

Changes in Assumptions

The actuarial assumptions used in the June 30, 2022, actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The updated demographic and economic assumptions were adopted by the Board in June 2022 based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The new assumptions were adopted to better reflect expected future experience and are effective June 30, 2022. The changes in assumptions were as follows:

- Salary ranges updated
- Health care cost trend rates updated
- Mortality trends updated

GASB requires ten years of information to 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.

SUPPLEMENTARY INFORMATION

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.

THE CITY OF CORDOVA Exhibit E-1

Cordova, Alaska

General Fund

Balance Sheet

December 31, 2024

Assets	
Cash	$ 1,293,687
Prepaid insurance	307,418
Receivables, net:	
Sales tax	1,088,927
Property taxes	73,694
Lease (GASB 87)	55,764
Other	134,393
Due from other funds	22,780
Total assets	$ 2,976,663
Liabilities and deferred inflows	
Liabilities	
Accounts payable	$ 170,858
Customer deposits	5,500
Accrued payroll and taxes	376,988
Unearned revenue	1,300
Total liabilities	554,646
Deferred inflows	
Unavailable property tax revenue	53,196
Related to leases (GASB 87)	54,392
Total deferred inflows	107,588
Fund balance	
Nonspendable	307,418
Unassigned	2,007,011
Total net position	2,314,429
Total liabilities, deferred inflows, and fund balance	$ 2,976,663

THE CITY OF CORDOVA
Cordova, Alaska

Exhibit E-2

General Fund

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

Year Ended December 31, 2024

	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes:			
Property taxes	$ 3,023,500	3,021,385	(2,115)
Sales taxes	5,476,000	5,279,703	(196,297)
Public accommodations surtax	195,000	228,389	33,389
Vehicle rental surtax	11,000	20,117	9,117
Penalties and interest	12,500	34,937	22,437
Federal payments in lieu of property taxes	456,000	531,057	75,057
Total taxes	9,174,000	9,115,588	(58,412)
Licenses and permits:			
Business licenses	23,000	24,070	1,070
Other licenses and permits	150	150	-
Total licenses and permits	23,150	24,220	1,070
Federal government:			
National forest receipts	720,000	742,561	22,561
Total federal government	720,000	742,561	22,561
State of Alaska:			
Raw fish tax	1,151,782	922,230	(229,552)
Liquor licenses	10,000	-	(10,000)
Cooperative tax refunds	300,000	12,967	(287,033)
Shared fisheries tax	30,000	15,287	(14,713)
Jail contract	360,562	465,949	105,387
Community assistance	108,156	-	(108,156)
PERS relief	110,196	127,237	17,041
State debt reimbursement - school bond	912,000	899,581	(12,419)
Total State of Alaska	2,982,696	2,443,251	(539,445)
Investment income	150,000	250,642	100,642
Charges for services:			
Leases	407,572	396,212	(11,360)
Law enforcement	106,475	79,052	(27,423)
DMV	57,000	36,154	(20,846)
Planning department	7,500	4,770	(2,730)
Recreation department	113,500	108,499	(5,001)
Pool	35,850	51,614	15,764
Total charges for services	$ 727,897	676,301	(51,596)

THE CITY OF CORDOVA
Cordova, Alaska

Exhibit E-2, continued

General Fund

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

	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues, continued:			
Sale of property:			
Cemetery lot sales	$ 3,000	1,100	(1,900)
Sale of equipment	5,000	-	(5,000)
Total sale of property	8,000	1,100	(6,900)
Other revenues:			
Miscellaneous	115,000	935,900	820,900
Allocated administrative costs	681,371	620,283	(61,088)
Cordova center	42,000	67,219	25,219
Total other revenues	838,371	1,623,402	785,031
Total Revenues	14,624,114	14,877,065	252,951
Expenditures:			
General government:			
City council:			
Materials and supplies	500	920	(420)
Purchased services	6,800	7,986	(1,186)
Total city council	7,300	8,906	(1,606)
City clerk:			
Salaries and benefits	292,832	299,325	(6,493)
Materials and supplies	1,000	1,133	(133)
Purchased services	51,003	56,759	(5,756)
Total city clerk	344,835	357,217	(12,382)
Management:			
Salaries and benefits	608,289	600,498	7,791
Materials and supplies	1,000	865	135
Purchased services	37,900	49,139	(11,239)
Total management	647,189	650,502	(3,313)
Finance:			
Salaries and benefits	471,206	538,573	(67,367)
Materials and supplies	2,500	1,146	1,354
Purchased services	78,500	31,228	47,272
Total finance	$ 552,206	570,947	(18,741)

THE CITY OF CORDOVA
Cordova, Alaska

General Fund

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

	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures, continued:			
General government, continued:			
Planning department:			
Salaries and benefits	$ 153,182	77,677	75,505
Materials and supplies	1,050	332	718
Purchased services	14,250	22,872	(8,622)
Total planning department	168,482	100,881	67,601
Nondepartmental services:			
Materials and supplies	26,000	36,917	(10,917)
Purchased services	1,120,228	1,299,044	(178,816)
Total planning department	1,146,228	1,335,961	(189,733)
Total general government	2,866,240	3,024,414	(158,174)
Public safety:			
Police department:			
Salaries and benefits	1,151,058	1,201,018	(49,960)
Materials and supplies	23,000	19,306	3,694
Purchased services	118,400	136,179	(17,779)
Repairs and vehicle costs	23,000	25,442	(2,442)
Capital outlay	51,500	20,496	31,004
Total police department	1,366,958	1,402,441	(35,483)
Jail operations:			
Salaries and benefits	395,207	380,380	14,827
Materials and supplies	10,000	9,246	754
Purchased services	20,000	29,352	(9,352)
Repairs and vehicle costs	8,000	2,052	5,948
Total jail operations	433,207	421,030	12,177
Fire department:			
Salaries and benefits	375,262	321,443	53,819
Materials and supplies	48,400	30,362	18,038
Purchased services	178,780	208,230	(29,450)
Repairs and vehicle costs	20,250	19,089	1,161
Total fire department	622,692	579,124	43,568
Department of motor vehicles:			
Salaries and benefits	55,864	25,388	30,476
Materials and supplies	2,450	174	2,276
Purchased services	2,150	3,520	(1,370)
Total department of motor vehicles	60,464	29,082	31,382
Total public safety	$ 2,483,321	2,431,677	51,644

THE CITY OF CORDOVA
Cordova, Alaska

General Fund

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

	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures, continued:			
Information and recreation:			
Library:			
Salaries and benefits	$ 373,414	315,314	58,100
Materials and supplies	18,500	12,730	5,770
Purchased services	20,200	5,644	14,556
Repairs and vehicle costs	4,500	2,592	1,908
Total library	416,614	336,280	80,334
Information Technology:			
Salaries and benefits	123,902	40,445	83,457
Purchased services	56,500	4,937	51,563
Repairs and vehicle costs	2,500	1,635	865
Total Information Technology	182,902	47,017	135,885
Ski hill:			
Repairs and vehicle costs	20,000	12,125	7,875
Purchased services	109,474	96,459	13,015
Total Ski hill	129,474	108,584	20,890
Bidarki center:			
Salaries and benefits	188,480	74,098	114,382
Materials and supplies	13,500	9,960	3,540
Purchased services	53,060	49,359	3,701
Repairs and vehicle costs	18,500	16,218	2,282
Capital outlay	33,000	9,128	23,872
Total Bidarki center	306,540	158,763	147,777
Pool:			
Salaries and benefits	319,249	209,482	109,767
Materials and supplies	21,500	26,706	(5,206)
Purchased services	159,525	175,697	(16,172)
Repairs and vehicle costs	24,500	13,114	11,386
Capital outlay	6,000	2,037	3,963
Total pool	530,774	427,036	103,738
Total information and recreation	1,566,304	1,077,680	488,624
Public works:			
Administration:			
Salaries and benefits	184,035	99,294	84,741
Materials and supplies	850	849	1
Purchased services	32,000	56,526	(24,526)
Total administration	216,885	156,669	60,216
Facility utilities:			
Materials and supplies	1,500	658	842
Purchased services	238,500	218,899	19,601
Total facility utilities	$ 240,000	219,557	20,443

THE CITY OF CORDOVA
Cordova, Alaska

General Fund

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

	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures, continued:			
Public works, continued:			
Facility maintenance:			
Salaries and benefits	$ 304,221	314,184	(9,963)
Materials and supplies	18,250	15,374	2,876
Purchased services	29,700	27,462	2,238
Repairs and vehicle costs	72,450	67,194	5,256
Total facility maintenance	424,621	424,214	407
Street maintenance:			
Salaries and benefits	599,565	489,624	109,941
Materials and supplies	18,500	18,253	247
Purchased services	118,500	128,620	(10,120)
Repairs and vehicle costs	30,000	17,553	12,447
Total street maintenance	766,565	654,050	112,515
Snow removal:			
Salaries and benefits	47,648	26,168	21,480
Materials and supplies	36,000	45,736	(9,736)
Purchased services	-	5,910	(5,910)
Total snow removal	83,648	77,814	5,834
Equipment maintenance:			
Salaries and benefits	219,033	246,396	(27,363)
Materials and supplies	21,000	8,154	12,846
Purchased services	8,000	5,912	2,088
Repairs and vehicle costs	105,000	87,530	17,470
Capital outlay	1,500	-	1,500
Total equipment maintenance	354,533	347,992	6,541
Park maintenance:			
Salaries and benefits	318,467	283,512	34,955
Materials and supplies	40,000	23,349	16,651
Purchased services	43,333	42,708	625
Repairs and vehicle costs	25,650	37,141	(11,491)
Capital outlay	23,000	16,678	6,322
Total park maintenance	450,450	403,388	47,062
Park and recreation administration:			
Salaries and benefits	258,998	278,825	(19,827)
Purchased services	21,000	11,189	9,811
Total park and recreation administration	279,998	290,014	(10,016)
Cemetery maintenance:			
Salaries and benefits	10,269	5,658	4,611
Materials and supplies	4,000	4,261	(261)
Capital outlay	3,500	2,607	893
Total cemetery maintenance	$ 17,769	12,526	5,243

THE CITY OF CORDOVA
Cordova, Alaska

General Fund

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

	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures, continued:			
Public works, continued:			
Museum:			
Salaries and benefits	$ 340,912	282,364	58,548
Materials and supplies	-	155	(155)
Purchased services	9,500	2,817	6,683
Total museum	350,412	285,336	65,076
Cordova Center:			
Salaries and benefits	122,665	83,330	39,335
Materials and supplies	5,700	4,542	1,158
Purchased services	14,350	7,772	6,578
Total cemetery maintenance	142,715	95,644	47,071
Total public works	3,327,596	2,967,204	360,392
Debt Service:			
General obligation bond principal	1,285,000	1,285,000	-
General obligation bond interest	433,950	433,950	-
Total debt service	1,718,950	1,718,950	-
Contributions:			
In-kind services allocation	(167,270)	(167,270)	-
Cordova City School District	2,300,008	2,300,008	-
Cordova Community Medical Center	300,000	300,000	-
Family Resource Center	20,000	20,000	-
Cordova Community College	-	-	-
Cordova Chamber of Commerce	138,270	143,870	(5,600)
Total contributions	2,591,008	2,596,608	(5,600)
Total expenditures	14,553,419	13,816,533	736,886
Excess of revenues over (under) expenditures	70,695	1,060,532	989,837
Other financing uses			
Transfers in:			
Harbor project	120,835	1,266,227	1,145,392
Transfers out:			
LTSA fund	-	(23,508)	(23,508)
Capital project fund	-	(117,750)	(117,750)
Net other financing uses	120,835	1,124,969	1,004,134
Net change in fund balance	191,530	2,185,501	1,993,971
Fund balance, beginning of year		128,928	
Fund balance, end of year		$ 2,314,429	

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.

ARPA 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.

LSTA 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.

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.

THE CITY OF CORDOVA
Cordova, Alaska

Exhibit F-1

Nonmajor governmental funds

Combining Balance Sheet

December 31, 2024

	Special Revenue Funds					Capital Project Funds		
	E-911	Ambulance	CARES Act Special Revenue Fund	ARPA Special Revenue	LSTA Special Revenue Fund	Equipment Replacement	General Capital Projects	Total
Assets:								
Cash and equivalents	$ 63,734	544,748	-	10,435	-	-	66,359	685,276
Other receivables	-	60	-	-	-	-	1,361	1,421
Total assets	63,734	544,808	-	10,435	-	-	67,720	686,697
Liabilities, deferred inflows of resources and fund balances								
Liabilities:								
Accounts payable	-	-	-	10,435	-	-	1,125	11,560
Due to other funds	-	-	-	-	-	22,780	-	22,780
Total liabilities	-	-	-	10,435	-	22,780	1,125	34,340
Deferred inflows of resources:								
Deferred revenue	-	-	-	-	-	-	1,537	1,537
Fund balances:								
Restricted - Enhanced 911 Services	63,734	-	-	-	-	-	-	63,734
Assigned:								
Public safety	-	544,808	-	-	-	-	-	544,808
Unassigned	-	-	-	-	-	(22,780)	65,058	42,278
Total fund balances	63,734	544,808	-	-	-	(22,780)	65,058	650,820
Total liabilities, deferred inflows of resources and fund balances	$ 63,734	544,808	-	10,435	-	-	67,720	686,697

Exhibit F-2

THE CITY OF CORDOVA
Cordova, Alaska

Nonmajor governmental funds

Combining Statement of Revenues,
Expenditures and Changes in Fund Balance

Year Ended December 31, 2024

	Special Revenue Funds				Capital Project Funds		
	E-911	Ambulance	ARPA Special Revenue	LSTA Special Revenue Fund	Equipment Replacement	General Capital Projects	Total
Revenues:							
Federal government	$ -	-	649,652	-	-	22,466	672,118
State of Alaska	-	-	-	-	-	5,687	5,687
Other revenues	-	60,554	-	-	-	116,540	177,094
Total revenues	-	60,554	649,652	-	-	144,693	854,899
Expenditures:							
Public safety	-	5,296	-	-	-	43,222	48,518
Public works	-	-	-	-	9,279	-	9,279
Emergency protective measures	96	-	649,652	-	-	-	649,748
Information and recreation	-	-	-	-	-	5,687	5,687
Community service	-	-	-	-	-	-	-
Education	-	-	-	-	-	29,367	29,367
Capital outlay	-	-	-	-	-	179,099	179,099
Total expenditures	96	5,296	649,652	-	9,279	257,375	921,698
Excess of revenues over (under) expenditures	(96)	55,258	-	-	(9,279)	(112,682)	(66,799)
Other financing sources							
Transfers in	-	-	-	23,508	-	117,750	141,258
Transfers out	-	-	-	-	-	-	-
Net other financing sources	-	-	-	23,508	-	117,750	141,258
Net change in fund balances	(96)	55,258	-	23,508	(9,279)	5,068	74,459
Fund balances, beginning of year	63,830	489,550	-	(23,508)	(13,501)	59,990	576,361
Fund balances, end of year	$ 63,734	544,808	-	-	(22,780)	65,058	650,820

THE CITY OF CORDOVA
Cordova, Alaska

General Capital Projects Fund

Schedule of Expenditures by Project

Year Ended December 31, 2024

Community recreation equipment	$ 4,866
Culvert replacement	12,905
Whitshed road matching grant	18,645
Street matching grant	123,997
CW grant	18,686
Noncapital information and recreation projects	5,687
Noncapital cordova city school district	29,367
Noncapital public safety projects	43,222
Total expenditures	$ 257,375

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.

THE CITY OF CORDOVA
Cordova, Alaska

Port Enterprise Fund

Statement of Net Position

December 31, 2024

Assets and deferred outflows of resources	
Current assets	
Accounts receivable	$ 3,485,193
Allowance for doubtful accounts	(973,970)
Prepaid insurance	99,718
Total current assets	2,610,941
Net other postretirement benefit assets	266,528
Property, plant and equipment	
Land	4,395,992
Construction in progress	42,459,227
Buildings	274,983
Machinery and equipment	2,986,335
Improvements	19,366,915
Total property, plant and equipment	69,483,452
Accumulated depreciation	(19,502,045)
Net property, plant and equipment	49,981,407
Total assets	52,858,876
Deferred outflows of resources	
Related to pension and other postemployment benefits	51,126
Total assets and deferred outflows of resources	$ 52,910,002
Liabilities, deferred inflows of resources and net position	
Current liabilities	
Accrued payroll and related liabilities	$ 12,069
Accrued vacation and sick leave	63,650
Unearned revenue	510,546
Due to other funds	291,715
Current portion of general obligation bonds	125,000
Total current liabilities	1,002,980
Noncurrent liabilities	
General obligation bonds, net of current portion	6,735,000
Net pension liability	614,148
Total noncurrent liabilities	7,349,148
Total liabilities	8,352,128
Deferred inflows of resources	
Related to pension and other postemployment benefits	13,324
Total deferred inflows of resources	13,324
Net position	
Net investment in capital assets	49,981,407
Unrestricted	(5,436,857)
Total net position	44,544,550
Total liabilities, deferred inflows of resources and net position	$ 52,910,002

THE CITY OF CORDOVA
Cordova, Alaska

Port Enterprise Fund

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

Year Ended December 31, 2024

Operating revenue	
User charges:	
Slip fees	$ 1,089,072
Wharfage and dockage	194,709
Total user charges	1,283,781
Raw fish tax	257,337
Rents, leases and storage fees	80,268
Travel lift fees	42,700
Penalties and interest	18,123
Investment income	5,253
Other revenues	40,151
Total operating revenues	1,727,613
Operating expenses	
Salaries and benefits	768,512
Materials and supplies	18,371
Purchased services	436,989
Vehicle expense	117,309
Insurance	200,658
Repairs and maintenance	56,139
Allocated administrative and billing expenses	175,822
Depreciation	519,776
Total operating expenses	2,293,576
Income from operations	(565,963)
Nonoperating revenues/(expenses)	
Bad debt recovery	68,176
Interest expense	(223,563)
State of Alaska PERS relief	40,577
Total nonoperating income and expenses	(114,810)
Income before other items	(680,773)
Capital contributions	24,061,354
Transfers in (out)	(1,284,227)
Change in net position	22,096,354
Net position, beginning of year	22,448,196
Net position, end of year	$ 44,544,550

THE CITY OF CORDOVA
Cordova, Alaska

Port Enterprise Fund

Statement of Cash Flows

Year Ended December 31, 2024

Cash flows from operating activities	
Receipts from customers and users	$ (67,054)
Payments for interfund services used	115,893
Payments to suppliers	(2,341,375)
Payments to employees	(659,766)
Net cash flows from operating activities	(2,952,302)
Cash flows for noncapital financing actives	
Transfers out	(1,284,227)
Cash flows from capital and related financing activities	
Proceeds from capital contribution	24,061,354
Additions to property, plant and equipment	(22,816,584)
Proceeds from issuance of debt	(115,000)
Principal and interest paid on bond	(223,563)
Net cash flows from capital and related financing activities	906,207
Net decrease in cash and equivalents	(3,330,322)
Cash and equivalents, beginning of year	3,330,322
Cash and equivalents, end of year	$ -
Reconciliation of Income from Operations to Net Cash Flows from Operating Activities	
Income from operations	$ (565,963)
Adjustments to reconcile income from operations to net cash flows from operating activities:	
Depreciation	519,776
Bad debt expense	68,176
Noncash expense - PERS relief	40,577
Increase in allowance for doubtful accounts	49,273
(Increase) decrease in assets and deferred outflows of resources:	
Accounts receivable	(1,876,330)
Prepaid insurance	15,810
Net other postemployment benefits assets	(8,000)
Deferred outflows of resources related to pensions	8,858
Increase (decrease) in liabilities and deferred inflows of resources:	
Accounts payable	(1,527,719)
Unearned revenue	(35,786)
Accrued payroll and related liabilities	3,845
Accrued vacation and sick leave	(935)
Due to other funds	291,715
Net pension liability	66,191
Deferred inflows of resources related to pensions and other postemployment benefits	(1,790)
Net cash flows from operating activities	$ (2,952,302)

THE CITY OF CORDOVA
Cordova, Alaska

Port Enterprise Fund

Combining Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended December 31, 2024

	Port Operating	Port Capital Projects	Port Depreciation Reserve	Total
Operating revenue	$ 1,352,473	5,253	369,887	1,727,613
Operating expenses				
Salaries and benefits	768,512	-	-	768,512
Materials and supplies	18,371	-	-	18,371
Purchased services	307,403	-	129,586	436,989
Vehicle expense	117,309	-	-	117,309
Insurance	200,658	-	-	200,658
Repairs and maintenance	56,139	-	-	56,139
Allocated administrative and billing expenses	175,822	-	-	175,822
Depreciation	519,776	-	-	519,776
Total operating expenses	2,163,990	-	129,586	2,293,576
Income from operations	(811,517)	5,253	240,301	(565,963)
Nonoperating revenue (expenses)				
Bad debt recovery	68,176	-	-	68,176
Interest expense	-	(223,563)	-	(223,563)
State of Alaska PERS relief	40,577	-	-	40,577
Total nonoperating expenses	108,753	(223,563)	-	(114,810)
Income before other items	(702,764)	(218,310)	240,301	(680,773)
Capital contributions	22,795,127	1,266,227	-	24,061,354
Transfers in (out)	(18,000)	(1,266,227)	-	(1,284,227)
Eliminating transfers	(198,791)	-	198,791	-
Change in net position	21,875,572	(218,310)	439,092	22,096,354
Net position, beginning of year	25,863,123	(6,489,585)	3,074,658	22,448,196
Net position, end of year	$ 47,738,695	(6,707,895)	3,513,750	44,544,550

THE CITY OF CORDOVA
Cordova, Alaska

Water Enterprise Fund

Statement of Net Position

December 31, 2024

Assets and deferred outflows of resources	
Current assets	
Accounts receivable	$ 69,186
Allowance for doubtful accounts	(8,812)
Prepaid insurance	26,509
Total current assets	86,883
Net other postretirement benefit assets	117,597
Property, plant and equipment	
Land	881,531
Buildings	7,130,545
Machinery and equipment	513,053
Improvements	14,908,124
Total property, plant and equipment	23,433,253
Accumulated depreciation	(13,754,703)
Net property, plant and equipment	9,678,550
Total assets	9,883,030
Deferred outflows of resources	
Related to pension and other postemployment benefits	22,558
Total assets and deferred outflows of resources	$ 9,905,588
Liabilities, deferred inflows of resources and net position	
Current liabilities	
Accounts payable	$ 29,776
Customer deposits	31,123
Accrued interest	16,823
Accrued payroll and related liabilities	6,636
Accrued vacation and sick leave	23,925
Due to other funds	366,349
Current portion of loan payable to ADEC	93,833
Total current liabilities	568,465
Noncurrent liabilities	
Loan payable to ADEC, net of current portion	1,828,755
Net pension liability	270,973
Total noncurrent liabilities	2,099,728
Total liabilities	2,668,193
Deferred inflows of resources	
Related to pension and other postemployment benefits	5,879
Total deferred inflows of resources	5,879
Net position	
Net investment in capital assets	9,678,550
Unrestricted	(2,447,034)
Total net position	7,231,516
Total liabilities, deferred inflows of resources and net position	$ 9,905,588

Exhibit H-6

THE CITY OF CORDOVA
Cordova, Alaska

Water Enterprise Fund

Statement of Revenues, Expenses, and Changes in Net Position

Year Ended December 31, 2024

Operating revenue - user charges	$ 764,134
Operating expenses	
Salaries and benefits	400,227
Materials and supplies	54,814
Purchased services	201,878
Vehicle expense	7,358
Insurance	53,342
Repairs and maintenance	92,040
Allocated administrative and billing expenses	115,596
Depreciation	574,714
Total operating expenses	1,499,969
Income from operations	(735,835)
Nonoperating revenue (expenses)	
Interest expense	(29,417)
In-kind contributions to School and Medical Center	(7,502)
State of Alaska PERS relief	17,904
Total nonoperating income and expenses	(19,015)
Change in net position	(754,850)
Net position, beginning of year	7,986,366
Net position, end of year	$ 7,231,516

Exhibit H-7

THE CITY OF CORDOVA
Cordova, Alaska

Water Enterprise Fund

Statement of Cash Flows

Year Ended December 31, 2024

Cash flows from operating activities	
Receipts from customers and users	$ 764,549
Payments for interfund services used	250,753
Payments to suppliers	(410,602)
Payments to employees	(345,848)
Net cash flows from operating activities	258,852
Cash flows from capital and related financing activities	
Purchase of property, plant and equipment	(17,222)
Principal and interest paid on ADEC loans	(121,864)
Net cash flows from capital and related financing activities	(139,086)
Net decrease in cash and equivalents	119,766
Cash and equivalents, beginning of year	(119,766)
Cash and equivalents, end of year	$ -
Reconciliation of Loss from Operations to Net Cash Flows from Operating Activities	
Loss from operations	$ (735,835)
Adjustments to reconcile loss from operations to net cash flows from operating activities:	
Depreciation	574,714
Noncash expense - PERS relief	17,904
In-kind contributions	(7,502)
Increase in allowance for doubtful accounts	1,175
(Increase) decrease in assets and deferred outflows of resources:	
Accounts receivable	(760)
Prepaid insurance	(9,070)
Net other postemployment benefits assets	(12,548)
Deferred outflows of resources related to other postemployment benefits	1,816
Increase (decrease) in liabilities and deferred inflows of resources:	
Accounts payable	16,210
Customer deposits	(2,926)
Accrued payroll and related liabilities	2,363
Accrued vacation and sick leave	(286)
Due to other funds	366,349
Accrued interest	(808)
Net pension liability	48,319
Deferred inflows of resources related to pensions and other postemployment benefits	(263)
Net cash flows from operating activities	$ 258,852

Exhibit H-8

THE CITY OF CORDOVA
Cordova, Alaska

Water Enterprise Fund

Combining Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended December 31, 2024

	Water Operating	Water Projects	Water Compliance	Water Depreciation Reserve	Eliminations	Total
Operating revenue	$ 764,134	-	-	-	-	764,134
Operating expenses						
Salaries and benefits	400,227	-	-	-	-	400,227
Materials and supplies	54,814	-	-	-	-	54,814
Purchased services	169,998	31,880	-	-	-	201,878
Vehicle expense	7,358	-	-	-	-	7,358
Insurance	53,342	-	-	-	-	53,342
Repairs and maintenance	92,040	-	-	-	-	92,040
Allocated administrative and billing expenses	115,596	-	-	-	-	115,596
Depreciation	574,714	-	-	-	-	574,714
Total operating expenses	1,468,089	31,880	-	-	-	1,499,969
Loss from operations	(703,955)	(31,880)	-	-	-	(735,835)
Nonoperating revenue (expenses)						
Interest expense	(29,417)	-	-	-	-	(29,417)
In-kind contributions to School and Medical Center	(7,502)	-	-	-	-	(7,502)
State of Alaska PERS relief	17,904	-	-	-	-	17,904
Total nonoperating expenses	(19,015)	-	-	-	-	(19,015)
Change in net position	(722,970)	(31,880)	-	-	-	(754,850)
Net position, beginning of year	2,940,575	-	104,858	553,400	4,387,533	7,986,366
Net position, end of year	$ 2,217,605	(31,880)	104,858	553,400	4,387,533	7,231,516

THE CITY OF CORDOVA
Cordova, Alaska

Sewer Enterprise Fund

Statement of Net Position

December 31, 2024

Assets and deferred outflows of resources	
Current assets:	
Cash	$ 383,721
Accounts receivable	104,427
Allowance for doubtful accounts	(14,278)
Prepaid insurance	10,824
Deposits	6,552
Total current assets	491,246
Net other postretirement benefit assets	117,597
Property, plant and equipment	
Land	32,560
Buildings	93,071
Machinery and equipment	1,073,505
Improvements	17,824,881
Total property, plant and equipment	19,024,017
Accumulated depreciation	(13,670,588)
Net property, plant and equipment	5,353,429
Total assets	5,962,272
Deferred outflows of resources	
Related to pension and other postemployment benefits	22,558
Total assets and deferred outflows of resources	$ 5,984,830
Liabilities, deferred inflows of resources and net position	
Current liabilities	
Accounts payable	19,438
Accrued interest	3,575
Accrued payroll and related liabilities	6,636
Accrued vacation and sick leave	23,925
Current portion of loan payable to ADEC	55,000
Total current liabilities	108,574
Noncurrent liabilities	
Loan payable to ADEC, net of current portion	660,000
Net pension liability	270,973
Total noncurrent liabilities	930,973
Total liabilities	1,039,547
Deferred inflows of resources	
Related to pension and other postemployment benefits	5,879
Total deferred inflows of resources	5,879
Net position	
Net investment in capital assets	5,353,429
Unrestricted	(414,025)
Total net position	4,939,404
Total liabilities, deferred inflows of resources and net position	$ 5,984,830

Exhibit H-10

THE CITY OF CORDOVA

Cordova, Alaska

Sewer Enterprise Fund

Statement of Revenues, Expenses, and Changes in Net Position

Year Ended December 31, 2024

Operating revenue - user charges	$ 1,038,021
Total revenue	1,038,021
Operating expenses	
Salaries and benefits	400,785
Materials and supplies	60,426
Purchased services	182,751
Vehicle expense	10,179
Insurance	21,781
Repairs and maintenance	70,165
Allocated administrative and billing expenses	149,073
Depreciation	373,945
Total operating expenses	1,269,105
Loss from operations	(231,084)
Nonoperating revenue (expenses)	
Interest expense	(11,275)
In-kind contributions to School and Medical Center	(13,843)
State of Alaska PERS relief	17,904
Total nonoperating income and expenses	(7,214)
Change in net position	(238,298)
Net position, beginning of year	5,177,702
Net position, end of year	$ 4,939,404

THE CITY OF CORDOVA
Cordova, Alaska

Exhibit H-11

Sewer Enterprise Fund

Statement of Cash Flows

Year Ended December 31, 2024

Cash flows from operating activities	
Receipts from customers and users	$ 1,028,026
Payments for interfund services used	(149,073)
Payments to suppliers	(349,136)
Payments to employees	(343,485)
Net cash flows from operating activities	186,332
Cash flows from capital and related financing activities	
Purchase of property, plant and equipment	(59,116)
Principal and interest paid on ADEC loans	(66,275)
Net cash flows from capital and related financing activities	(125,391)
Net decrease in cash and equivalents	60,941
Cash and equivalents, beginning of year	322,780
Cash and equivalents, end of year	$ 383,721
Reconciliation of Loss from Operations to Net Cash Flows from Operating Activities	
Loss from operations	$ (231,084)
Adjustments to reconcile loss from operations to net cash flows from operating activities:	
Depreciation	373,945
Noncash expense - PERS relief	17,904
In-kind contributions	(13,843)
Increase (decrease) in allowance for doubtful accounts	(332)
(Increase) decrease in assets and deferred outflows of resources:	
Accounts receivable	(9,664)
Prepaid insurance	6,615
Deposits	(52)
Net other postemployment benefits assets	(12,542)
Deferred outflows of resources related to other postemployment benefits	1,817
Increase (decrease) in liabilities and deferred inflows of resources:	
Accounts payable	3,722
Accrued interest	(275)
Accrued payroll and related liabilities	2,363
Accrued vacation and sick leave	(286)
Net pension liability	48,307
Deferred inflows of resources related to pensions and other postemployment benefits	(263)
Net cash flows from operating activities	$ 186,332

Exhibit H-12

THE CITY OF CORDOVA
Cordova, Alaska

Sewer Enterprise Fund

Combining Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended December 31, 2024

	Sewer Operating	Sewer Projects	Sewer Depreciation Reserve	Total
Operating revenue	$ 1,038,021	-	-	1,038,021
Total revenue	1,038,021	-	-	1,038,021
Operating expenses				
Salaries and benefits	400,785	-	-	400,785
Materials and supplies	60,426	-	-	60,426
Purchased services	170,616	12,135	-	182,751
Vehicle expense	10,179	-	-	10,179
Insurance	21,781	-	-	21,781
Repairs and maintenance	70,165	-	-	70,165
Allocated administrative and billing expenses	149,073	-	-	149,073
Depreciation	373,945	-	-	373,945
Total operating expenses	1,256,970	12,135	-	1,269,105
Income from operations	(218,949)	(12,135)	-	(231,084)
Nonoperating expenses				
Interest expense	(11,275)	-	-	(11,275)
In-kind contributions to School and Medical Center	(13,843)	-	-	(13,843)
State of Alaska PERS relief	17,904	-	-	17,904
Total nonoperating expenses	(7,214)	-	-	(7,214)
Income before other items	(226,163)	(12,135)	-	(238,298)
Capital contributions	51,291	-	(51,291)	-
Eliminating transfers	(11,221)	-	11,221	-
Change in net position	(186,093)	(12,135)	(40,070)	(238,298)
Net position, beginning of year	4,455,470	-	722,232	5,177,702
Net position, end of year	$ 4,269,377	$ (12,135)	682,162	4,939,404

THE CITY OF CORDOVA
Cordova, Alaska

Exhibit H-13

Refuse Enterprise Fund

Statement of Net Position

December 31, 2024

Assets and deferred outflows of resources	
Current assets:	
Cash	$ 965,035
Accounts receivable	132,129
Allowance for doubtful accounts	(14,426)
Prepaid insurance	10,295
Total current assets	1,093,033
Restricted assets - landfill closure cash	1,164,680
Net other postretirement benefit assets	221,520
Property, plant and equipment	
Land	256,250
Buildings	447,327
Machinery and equipment	3,701,539
Landfill	462,756
Improvements	1,010,623
Total property, plant and equipment	5,878,495
Accumulated depreciation	(3,459,792)
Net property, plant and equipment	2,418,703
Total assets	4,897,936
Deferred outflows of resources	
Related to pension and other postemployment benefits	42,492
Total assets and deferred outflows of resources	$ 4,940,428
Liabilities, deferred inflows of resources and net position	
Current liabilities	
Accounts payable	$ 8,870
Accrued interest	4,883
Accrued payroll and related liabilities	11,410
Accrued vacation and sick leave	41,159
Current portion of loan payable to ADEC	31,000
Total current liabilities	97,322
Noncurrent liabilities	
Interfund advances	85,313
Loan payable to ADEC, net of current portion	527,000
Landfill closure costs	1,139,247
Net pension liability	510,438
Total noncurrent liabilities	2,261,998
Total liabilities	2,359,320
Deferred inflows of resources	
Related to other postemployment benefits	11,074
Total deferred inflows of resources	11,074
Net position	
Net investment in capital assets	2,418,703
Restricted	1,164,680
Unrestricted	(1,013,349)
Total net position	2,570,034
Total liabilities, deferred inflows of resources and net position	$ 4,940,428

Exhibit H-14

THE CITY OF CORDOVA

Cordova, Alaska

Refuse Enterprise Fund

Statement of Revenues, Expenses, and Changes in Net Position

Year Ended December 31, 2024

Operating revenue - user charges	$ 1,228,812
Other revenue	158,142
Total revenue	1,386,954
Operating expenses	
Salaries and benefits	679,658
Materials and supplies	17,061
Purchased services	77,306
Vehicle expense	68,713
Insurance	20,716
Repairs and maintenance	62,361
Allocated administrative and billing expenses	177,547
Landfill closure and monitoring expense	31,942
Deprecation	168,895
Total operating expenses	1,304,199
Income from operations	82,755
Nonoperating revenue (expenses)	
Investment income	22,232
Loss on sale of equipment	(43,000)
Interest expense	(6,050)
In-kind contributions	(16,234)
State of Alaska PERS relief	33,724
Total nonoperating income and expenses	(9,328)
Change in net position	73,427
Net position, beginning of year	2,496,607
Net position, end of year	$ 2,570,034

THE CITY OF CORDOVA
Cordova, Alaska

Exhibit H-15

Refuse Enterprise Fund

Statement of Cash Flows

Year Ended December 31, 2024

Cash flows from operating activities	
Receipts from customers and users	$ 1,386,679
Payments for interfund services used	(177,547)
Payments to suppliers	(265,891)
Payments to employees	(583,272)
Net cash flows from operating activities	359,969
Cash flows from capital and related financing activities	
Purchase of property, plant and equipment	(252,992)
Loss on sale of equipment	(43,000)
Principal and interest paid on interfund advances	(77,218)
Net cash flows from capital and related financing activities	(373,210)
Cash Flows from investing activities	
Investment income received	22,232
Net decrease in cash and equivalents	8,991
Cash and equivalents, beginning of year	2,120,724
Cash and equivalents, ending of year	$ 2,129,715
Reconciliation of Income from Operations to Net Cash Flows from Operating Activities	
Income from operations	$ 82,755
Adjustments to reconcile income from operations to net cash flows from operating activities:	
Depreciation	168,895
Noncash expense - PERS relief	33,724
In-kind contributions	(16,234)
Increase in allowance for doubtful accounts	464
(Increase) decrease in assets and deferred outflows of resources:	
Accounts receivable	(739)
Prepaid insurance	1,791
Net other postemployment benefits assets	(5,493)
Deferred outflows of resources related to other postemployment benefits	7,631
Increase (decrease) in liabilities and deferred inflows of resources:	
Accounts payable	(5,290)
Accrued payroll and related liabilities	4,149
Accrued vacation and sick leave	5,638
Accrued interest	(271)
Landfill closure costs payable	31,941
Net pension liability	52,564
Deferred inflows of resources related to pensions and other postemployment benefits	(1,556)
Net cash flows from operating activities	$ 359,969

Exhibit H-16

CITY OF CORDOVA
Cordova, Alaska

Refuse Enterprise Fund

Combining Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended December 31, 2024

	Refuse Operating	Refuse Depreciation Reserve	Refuse Projects	Landfill Closure	Total
Operating revenue	$ 1,228,812	-	-	-	1,228,812
Other revenue	158,142	-	-	-	158,142
Total revenue	1,386,954	-	-	-	1,386,954
Operating expenses					
Salaries and benefits	679,658	-	-	-	679,658
Materials and supplies	17,061	-	-	-	17,061
Purchased services	77,306	-	-	-	77,306
Vehicle expense	68,713	-	-	-	68,713
Insurance	20,716	-	-	-	20,716
Repairs and maintenance	62,361	-	-	-	62,361
Allocated administrative and billing expenses	177,547	-	-	-	177,547
Landfill closure and monitoring expense	-	-	-	31,942	31,942
Depreciation	168,895	-	-	-	168,895
Total operating expenses	1,272,257	-	-	31,942	1,304,199
Income from operations	114,697	-	-	(31,942)	82,755
Nonoperating revenues (expenses)					
Investment income	-	-	-	22,232	22,232
Interest expense	(6,050)	-	-	-	(6,050)
In-kind contributions to School and Medical Center	(16,234)	-	-	-	(16,234)
Loss on sale of equipment	(43,000)	-	-	-	(43,000)
State of Alaska PERS relief	33,724	-	-	-	33,724
Total nonoperating revenues (expenses)	(31,560)	-	-	22,232	(9,328)
Income before other items	83,137	-	-	(9,710)	73,427
Eliminating transfers	(71,160)	21,160	-	50,000	-
Change in net position	11,977	21,160	-	40,290	73,427
Net position, beginning of year	2,304,970	313,556	(73,145)	(48,774)	2,496,607
Net position, end of year	$ 2,316,947	334,716	(73,145)	(8,484)	2,570,034

THE CITY OF CORDOVA
Cordova, Alaska

Exhibit H-17

Odiak Park Enterprise Fund

Statement of Net Position

December 31, 2024

Assets	
Current assets:	
Cash	$ 47,418
Accounts receivable	70
Prepaid insurance	205
Total current assets	47,693
Property, plant and equipment	
Buildings	79,362
Improvements	10,718
Total property, plant and equipment	90,080
Accumulated depreciation	(73,602)
Net property, plant and equipment	16,478
Total assets	$ 64,171
Liabilities and net position	
Current liabilities	
Accounts payable	$ 47
Customer deposits	2,658
Total current liabilities	2,705
Net position	
Net investment in capital assets	16,478
Unrestricted	44,988
Total net position	61,466
Total liabilities and net position	$ 64,171

Exhibit H-18

THE CITY OF CORDOVA
Cordova, Alaska

Odiak Park Enterprise Fund

Statement of Revenues, Expenses, and Changes in Net Position

Year Ended December 31, 2024

Operating revenue - user charges	$ 17,274
Operating expenses	
Materials and supplies	1,617
Purchased services	12,373
Insurance	412
Repairs and maintenance	9,937
Allocated administrative and billing expenses	2,246
Depreciation	2,038
Total operating expenses	28,623
Income from operations	(11,349)
Change in net position	(11,349)
Net position, beginning of year	72,815
Net position, end of year	$ 61,466

THE CITY OF CORDOVA
Cordova, Alaska

Exhibit H-19

Odiak Park Enterprise Fund

Statement of Cash Flows

Year Ended December 31, 2024

Cash flows from operating activities	
Receipts from customers and users	$ 17,204
Payments for interfund services used	(2,246)
Payments to suppliers	(24,123)
Net cash flows from operating activities	(9,165)
Net decrease in cash and equivalents	(9,165)
Cash and equivalents, beginning of year	56,583
Cash and equivalents, end of year	$ 47,418
Reconciliation of Income from Operations to Net Cash Flows from Operating Activities	
Income from operations	$ (11,349)
Adjustments to reconcile income from operations to net cash flows from operating activities:	
Depreciation	2,038
(Increase) decrease in assets and deferred outflows of resources:	
Accounts receivable	(70)
Prepaid insurance	(110)
Increase (decrease) in liabilities and deferred inflows of resources:	
Accounts payable	(11)
Customer deposits	337
Net cash flows from operating activities	$ (9,165)

FEDERAL COMPLIANCE SECTION

THE CITY OF CORDOVA
Cordova, Alaska

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2024

Federal Grant Title	Award Identification	ALN	Total Grant Award	Eligible Expenditures
U.S. Department of Agriculture:				
Passed through the State of Alaska Department of Commerce, Community, and Economic Development -				
Schools & Roads Grants to States*	23NFR	10.665	$ 742,561	742,561
Total U.S. Department of Agriculture			742,561	742,561
U.S. Department of Interior:				
Passed through the State of Alaska Department of Commerce, Community, and Economic Development -				
Payment in lieu of taxes	24PILT	15.226	531,057	531,057
Historic Preservation - St. George Roof	HPF 20003	15.904	24,000	7,605
Total U.S. Department of the Interior			555,057	538,662
U.S. Department of Transportation:				
National Infrastructure Investments*	693JF72240021	20.933	20,000,000	20,000,000
Port Infrastructure Development*	693JF72440060	20.823	1,000,000	1,000,000
Total U.S. Department of Transportation			21,000,000	21,000,000
Denali Commission				
Cordova South Harbor Reconstruction Project	1802-00	90.100	750,000	54,677
Total Denali Commission			750,000	54,677
U.S. Department of Treasury:				
Passed through the State of Alaska Department of Commerce, Community, and Economic Development -				
COVID-19 Coronavirus Local Government Lost Revenue Relief	22-LGLR-05	21.027	666,505	86,702
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	AK0027	21.027	1,147,372	562,950
Total U.S. Department of Treasury			1,813,877	649,652
U.S. Department of Homeland Security:				
Passed through the State of Alaska Department of Military and Veterans Affairs -				
2023 Emergency Management Performance Grant	23EMPG-GY23	97.042	18,000	13,500
2023 State Homeland Security Program	23SHSP-GY23	97.067	1,361	1,361
Total U.S. Department of Homeland Security			19,361	14,861
Total federal awards			**$ 24,880,856**	**23,000,413**

*Indicates a major program for compliance audit purposes.

This schedule was prepared on the modified accrual basis of accounting.

NOTE 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, 2024. 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, it is not intended to and does not present the financial position, changes in net position or cash flows of City of Cordova.

NOTE 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 to reimbursement.

NOTE 3 – FEDERAL INDIRECT RATE

The City has elected to not use the 15-percent de minimus indirect cost rate allowed under the Uniform Guidance.

NOTE 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.

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

Independent Auditor's Report

Honorable Mayor and City Council
The City of Cordova
Cordova, Alaska

Ladies and Gentlemen:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cordova as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Cordova's basic financial statements, and have issued our report thereon dated September 29, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Cordova's internal control over financial reporting (internal control) as a basis for designing 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 the City of Cordova's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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.

Honorable Mayor and City Council
The City of Cordova

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 report is not suitable for any other purpose.

Newhouse & Vogler

Anchorage, Alaska
September 29, 2025

Newhouse & Vogler
Certified Public Accountants
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Report on Compliance for Its Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Independent Auditor's Report

Honorable Mayor and City Council
The City of Cordova
Cordova, Alaska

Ladies and Gentlemen:

Report on Compliance for Its Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Cordova's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City of Cordova's major federal programs for the year ended December 31, 2024. The City of Cordova's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Cordova complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

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 (*Government Auditing Standards*); 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 the City of Cordova and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for its major federal program. Our audit does not provide a legal determination of the City of Cordova's compliance with the compliance requirements referred to above.

Honorable Mayor and City Council
The City of Cordova

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 the 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 compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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 that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the 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 the City of Cordova's compliance with the requirements of its major 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 the City of Cordova's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the 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 the 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.

Honorable Mayor and City Council
The City of Cordova

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. 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, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

Newhouse & Vogler

Anchorage, Alaska
September 29, 2025

THE CITY OF CORDOVA
Cordova, Alaska

Schedule of Findings and Questioned Costs

Year Ended December 31, 2024

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	__X__ No
Significant deficiency(ies) identified?	_____ Yes	__X__ None noted
Noncompliance material to the financial statements noted?	_____ Yes	__X__ No

Federal Awards

Internal controls over major programs		
Material weakness(es) identified?	_____ Yes	__X__ No
Significant deficiency(ies) identified?	_____ Yes	__X__ None noted
Type of auditor's reports issued on compliance for major federal programs:		Unmodified
Audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ Yes	__X__ No

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster of Programs
10.665	Schools & Roads Grants to States
20.823	Port Infrastructure Investments
20.933	National Infrastructure Investments

Dollar threshold used to distinguish between Type A and Type B programs:		$ 750,000
Auditee qualified as low–risk auditee?	__X__ Yes	_____ No

Section II – Financial statement Findings

No matters were reported

Section III – Federal Award Findings and Questioned Costs

No matters were reported

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Audit period: January 1, 2024 through December 31, 2024

No audit findings were issued for the audit of the year ended December 31, 2023.

STATE SINGLE AUDIT SECTION

THE CITY OF CORDOVA
Cordova, Alaska

Schedule of State Financial Assistance

Year Ended December 31, 2024

Grant Title	Award Identification	Passed Through to Subrecipients	State Share of Expenditures
Department of Transportation and Public Facilities:			
Cordova Port & Harbor Project*	22-HG-001	-	1,740,450
Total Department of Transporation and Public Facilities		-	1,740,450
Department of Education and Early Development			
Debt retirement	Unknown	-	899,581
Public Library Assistance Grant	PLA21	-	5,687
Total Department of Education and Early Development		-	905,268
Total State financial assistance		**$ -**	**$ 2,645,718**

*Indicates a major program for compliance audit purposes.

This schedule was prepared on the modified accrual basis of accounting.

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of state financial assistance (the Schedule) includes the state financial assistance of the City for the year ended December 31, 2024. The information in the Schedule is presented in accordance with the requirements of the State of Alaska Audit Guide and Compliance Supplement for State Single Audits. The expenditures reported in the Schedule are reported on the modified accrued basis of accounting. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

Newhouse & Vogler
Certified Public Accountants
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(907) 258-7555
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Report on Compliance for Each Major State Program and Report on Internal Control over Compliance Required by the State of Alaska Audit Guide and Compliance Supplement for State Single Audits

Independent Auditor's Report

Honorable Mayor and City Council
The City of Cordova
Cordova, Alaska

Report on Compliance for Each Major State Program

Opinion on Each Major State Program
We have audited the City of Cordova's compliance with the types of compliance requirements identified as subject to audit in State of Alaska Audit Guide and Compliance Supplements that could have a direct and material effect on each of the City of Cordova's major state programs for the year ended December 31, 2024. The City of Cordova's major state programs are identified on the Schedule of State Financial Assistance. In our opinion, the City of Cordova complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2024.

Basis for Opinion on Each Major State Program
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 (Government Auditing Standards); and the audit requirements in the State of Alaska Audit Guide. Our responsibilities under those standards and the State of Alaska Audit Guide are further described in the Auditor's Responsibilities for the Audit of Compliance 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 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of the City of Cordova's compliance with the 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 the City of Cordova's state programs.

Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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 State of Alaska Audit Guide requirements will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the 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 the City of Cordova's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the State of Alaska Audit Guide, 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 the City of Cordova's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the 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 State of Alaska requirements, but not for the purpose of expressing an opinion on the effectiveness of the 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 state program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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.

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, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. 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.

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

Report on Schedule of State Financial Assistance Required by the State of Alaska
We have audited the financial statements of the City of Cordova as of and for the year ended December 31, 2024, and have issued our report thereon dated September 29, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of state financial assistance is presented for the purpose of additional analysis as required by the State of Alaska and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

Anchorage, Alaska
September 29, 2025

THE CITY OF CORDOVA
Cordova, Alaska

State Schedule of Findings and Questioned Costs

Year Ended December 31, 2024

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor report issued:				Unmodified
Internal control over financial reporting:				
Material weakness(es) identified?	______	Yes	X	No
Significant deficiency(ies) identified?	______	Yes	X	None Noted
Noncompliance material to financial statements	______	Yes	X	No

State Financial Assistance

Type of auditor report issued on compliance for major programs:				Unmodified
Internal control over major programs:				
Material weakness(es) identified?	______	Yes	X	No
Significant deficiency(ies) identified?	______	Yes	X	None Noted
Dollar threshold used to distinguish between type A and type B programs:				$750,000
Qualified as low-risk auditee?	X	Yes	______	No

SECTION II – FINANCIAL STATEMENT FINDINGS

The City of Cordova did not have any findings that relate to the financial statements for the year ended December 31, 2024.

SECTION III – STATE AWARD FINDINGS AND QUESTIONED COSTS

The City of Cordova did not have any findings or questioned costs related to the state awards.

STATE SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Audit period: January 1, 2024 through December 31, 2024

The City of Cordova did not have any findings or questioned cost related to the State of Alaska for the year ended December 31, 2023.