

CITY OF KENAI, ALASKA ANNUAL COMPREHENSIVE FINANCIAL REPORT



**July 1, 2023
– June 30, 2024**



**CITY OF KENAI, ALASKA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2024**

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

**OF THE
CITY OF KENAI, ALASKA**

Year Ended June 30, 2024

**Brian G. Gabriel, Sr.
Mayor**

**Terry Eubank
City Manager**

**Prepared by
Finance Department**

**David Swarner
Finance Director**



March 31, 2025

Honorable Mayor Brian Gabriel,
City Council Members and Citizens of
the City of Kenai, Alaska

In accordance with Section 29.35.120 of the Alaska Statutes and the City Charter, we are pleased to submit the Annual Comprehensive Financial Report for the year ended June 30, 2024. The financial statements were prepared in conformance with generally accepted accounting principles (GAAP) and audited in accordance with audit standards generally accepted in the United States of America and the standards applicable to financial audits performed in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States, by licensed certified public accountants.

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

The City's financial statements have been audited by BDO USA P.C., a firm of independent certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2024 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of broader federally and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with certain legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are available in the City's separately issued Single Audit Reports.

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

Profile of the City of Kenai

The City was incorporated in 1960 as a home rule city and its charter was adopted May 20, 1963. The City occupies a geographic area of approximately 45 square miles located in the south-central part of the state of Alaska. Major city services include police, fire, ambulance, airport, street maintenance, recreation, parks, building inspection, water and sewer, dock, cemetery and library. Funding for the City's General Fund, by order of financial significance, is provided from sales tax, property tax, charges for services, intergovernmental revenue, other sources and interest earnings. Other funds rely on charges for services, interest earnings, grants and other sources.

The City operates under a council - manager form of government. Policy-making and legislative authority are vested in a governing council consisting of six members and the mayor. The city manager, attorney and clerk are appointed by the council. The council and mayor are elected on a non-partisan basis. Council members serve three-year staggered terms, with 2 members elected each year and are elected at large. The mayor is elected at large and serves a three-year term. The city manager is the City's chief executive officer and is responsible for carrying out the policies and ordinances of the City, for overseeing the day-to-day operations of the government and for hiring the heads of the various departments.

Budgetary Control

The annual budget serves as the foundation for the City's financial planning and control. All departments submit budgets to the city manager on or about the last Monday in February. The city manager uses these requests for developing a proposed budget. The city manager submits the proposed budget to the council at or around the first regular council meeting in April. The council is required to hold public hearings on the proposed budget and generally adopts the budget by ordinance at the first meeting in June. The city manager is authorized to make unlimited budget transfers within a department of a fund and up to \$10,000 between departments of a fund. Council action is required for transfers between funds, for transfers exceeding \$10,000 and for new appropriations. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an annual budget has been adopted.

Factors Affecting Financial Condition

Economy

The primary private sector portions of Kenai's economy are oil and gas, commercial fishing, tourism and retail sales. The repurposing of the existing liquified natural gas (LNG) terminal in Nikiski will provide certainty to the Southcentral Alaska gas market while meeting the needs of Railbelt utilities. Railbelt utilities are a group of interconnected electric utilities primarily along the Alaska Railroad. Interest in oil and natural gas exploration and development in Cook Inlet is increasing with the announcement of the rejuvenation of the LNG terminal. Support for the proposed gas pipeline from the North Slope to Cook Inlet is gaining momentum and would greatly enhance the long-term viability of the areas industrial complex. The state of Alaska is working with the gas producers and other interested entities to develop a gas pipeline, but when a gas line will be built is not known at this time.

Commercial fishing continues its cyclical cycles in terms of production. The 2024 fishing season had an above average return of sockeye salmon to peninsula rivers. Chinook (King) salmon are a stock of concern for peninsula rivers and commercial salmon fishing was significantly restricted in Cook Inlet in an attempt to protect this stock. The commercial set netting on the east side of the Cook Inlet was closed for the entire season for the second time in the history of the fishery.

Tourism to Kenai continued its upward trend in FY24 and remains a vital component to the Kenai economy. The largest personal use dipnet fishery occurs at the mouth of the Kenai River, where tens of thousands of Alaskans catch a year's supply of sockeye salmon in July, makes Kenai a busy and very popular place. Accessible beaches, beautiful scenery, fishing and abundant historic sites all make Kenai a great destination for tourists on the Kenai Peninsula. Kenai Municipal Airport is a gateway for tourist to the Kenai Peninsula and the City of Kenai, providing access to the City as a playground known by Alaskans as "The Place We Alaska".

Sales tax is the largest revenue source for the City. Retail sales businesses generate the largest share of sales tax revenue. Sales tax revenues for the current fiscal year exceeded projections. While sales tax growth slowed in FY24 it remained stable with a 2.22% increase over FY23.

Overall, the projection for the economy of Kenai is optimistic. Kenai is situated in a beautiful area with abundant land and natural resources, an accommodative business climate, and a stable population base. The City's greatest assets are its land holdings for which new lease and sale policies have been developed to encourage economic growth and the Kenai Municipal Airport, the traveling hub for the Kenai Peninsula.

Long term financial planning

General Fund, fund balance increased to 16.47 million in FY24 largely due to investment earnings. A General Fund, Fund Balance of \$16.47 million represents approximately 87% of one year's of expenditures and transfers to other funds. This healthy fund balance provides options for the City and generates interest income that can be used for operations. The City is in compliance with its fund balance policy which was implemented in FY17. The policy established a target range of fund balance with required adjustment periods should fund balance exceed or drop below the targeted range.

One of the long-term financial challenges facing the City is the loss of state funding for major capital improvement projects. Kenai, like all Alaska communities, benefited from a history of state grants for the construction of City facilities and infrastructure. With the decline in oil and gas revenues by the state of Alaska, such grants are very unlikely in the near future and the City will have to find creative ways to construct new and maintain its existing facilities and infrastructure. The City's excellent financial condition is a tremendous asset in meeting this challenge.

The City is actively pursuing economic development opportunities and the long-term financial outlook is positive.

Acknowledgment

The preparation of this Annual Comprehensive Financial Report in a timely manner was accomplished with the efficient and dedicated service of the entire staff of the Finance Department. Due credit should also be given to the City Council for their efforts in planning and conducting the financial operations of the City in a responsible manner.

Respectfully submitted,

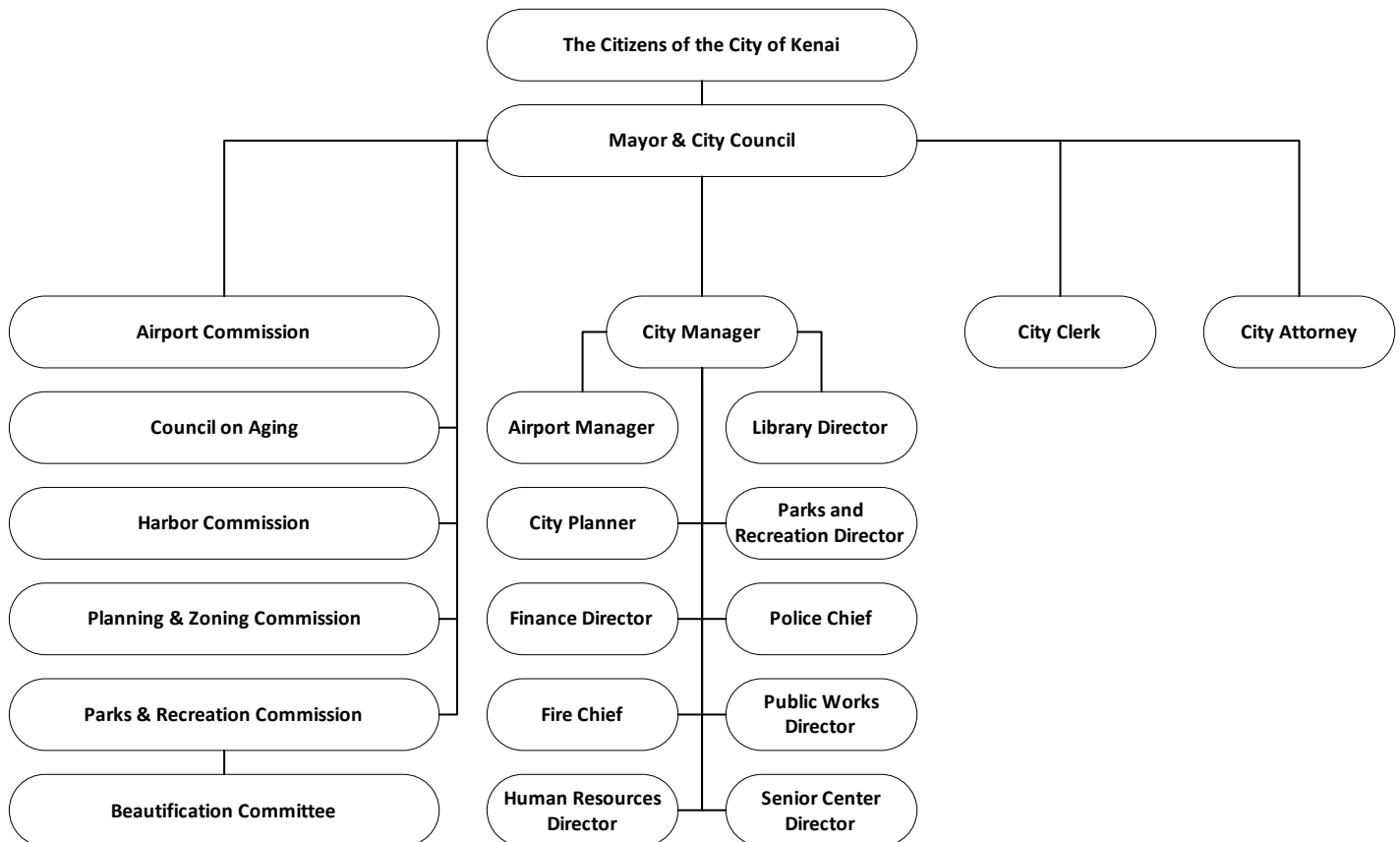


Terry A. Eubank, City Manager



David Swarner
Finance Director

City of Kenai Organization Chart



CITY OF KENAI, ALASKA ORGANIZATION AND PRINCIPAL CITY OFFICIALS

Kenai was founded in 1791. It is located south of Anchorage on Cook Inlet in the Central Kenai Peninsula. The City is 161 highway miles from Anchorage. By air, Kenai is three hours from Seattle and thirty minutes from Anchorage.

Kenai was the site of the first major Alaskan oil strike in 1957 and has served as a center for exploration and production since that time. Commercial fishing and processing contribute to the economy.

Kenai adopted the Council Manager form of government in 1963 and has been operating under this form since that time.

The City Council, together with appointed City officials, meets the first and third Wednesday of each month in the City Administration Building for regular Council sessions. In addition, numerous special meetings and work sessions are scheduled throughout the year. The Council, which consists of the Mayor and six council members, is elected at large and on a non-partisan basis. Annual elections are held in October. The terms of office are three years but are overlapping so that the City is provided with a continuity of knowledge in City business and legislative matters.

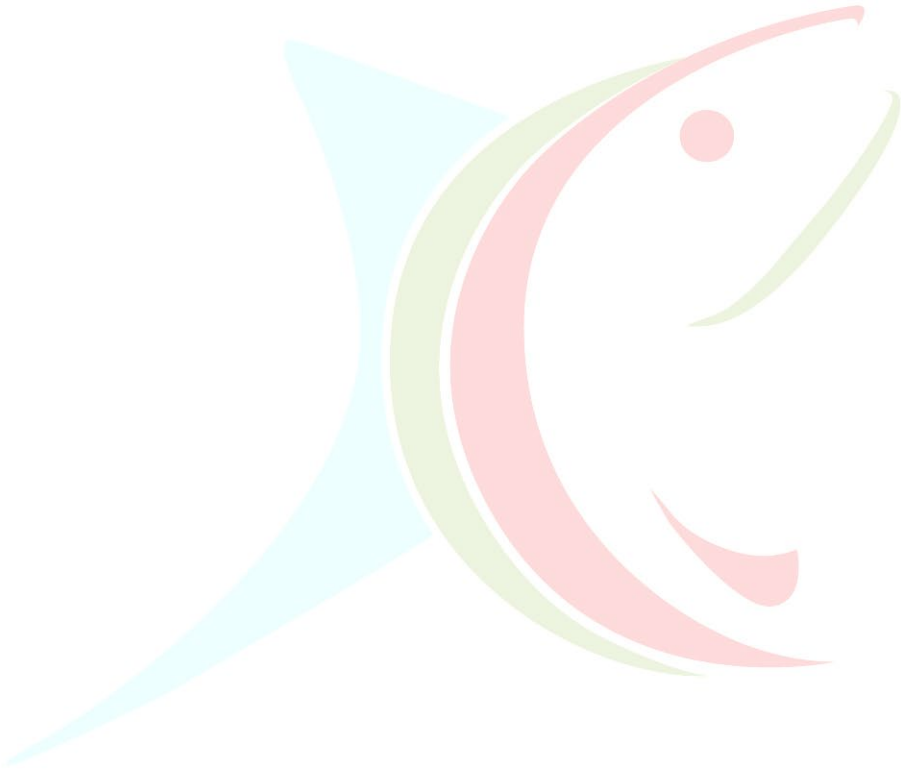
	<u>City Council</u>	<u>Term Ends</u>
Mayor	Brian G. Gabriel, Sr.	2025
Council Members	James Baisden	2024
	Deborah Sonuart	2024
	Victoria Askin	2025
	Alex Douthit	2025
	Phil Daniel	2026
	Henry Knackstedt	2026

City Administration

City Manager	Terry Eubank
Finance Director	Dave Swarner
Human Resource Director	Stephanie Randall
City Clerk	Shellie Saner
Planning & Zoning Director	Linda Mitchell
City Attorney	Scott Bloom
Police Chief	David Ross
Fire Chief	Tony Prior
Public Works Director	Scott Curtin
Librarian	Katja Wolfe
Parks & Recreation Director	Tyler Best
Airport Manager	Derek Ables
Senior Center Director	Kathy Romain

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AUDITOR REPORT



KENAI



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kenai, Alaska (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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'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 management's discussion and analysis, the budgetary comparison information, and the schedules of the City's proportionate share of the net pension and net OPEB liability or asset and City's contributions 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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



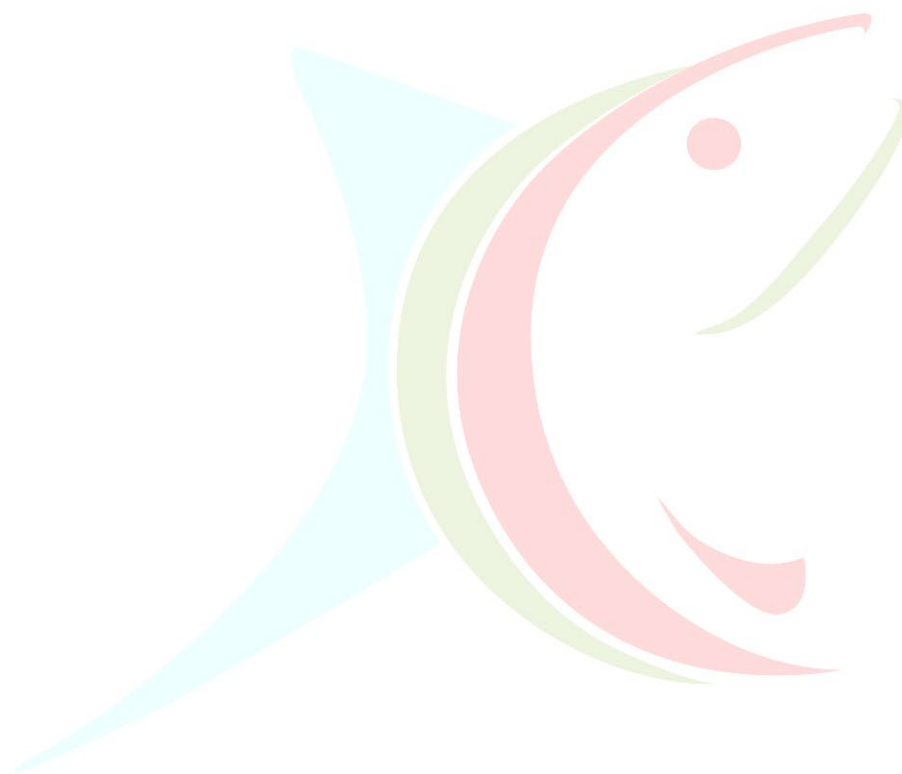
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BDO USA, P.C.

Anchorage, Alaska
March 31, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS



KENAI

Management's Discussion and Analysis

As management of the City of Kenai (the City), we offer readers of our financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- At the close of FY2024, the City assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$222,236,932. Of this amount, unrestricted net position of \$21,509,910, may be used to meet the government's ongoing obligations to citizens and creditors. A significant portion of this legally unrestricted amount has been designated for specific purposes.
- The City's total net position increased by \$4,967,744. For the fiscal year ended June 30, 2024, governmental type activities net position increased by \$4,961,380 and business-type activities increased by \$6,364.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$65,246,967, an increase of \$2,820,691 from the prior year. Prepaids and portions of the City's permanent fund, which cannot be spent, account for \$6.0 million of total fund balance. About \$60.0 million of the remaining fund balance is restricted, committed, or assigned. The remaining \$788,690 deficit is unassigned and available for spending.
- At the end of the current fiscal year, fund balance for the General Fund was \$16,474,836, an increase of \$990,474 from the prior year.
- The City has a long-term liability for compensated absences, general obligation debt, and net pension of \$1,172,143, \$665,000, and \$13,922,381, respectively.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Kenai's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The basic financial statements include two kinds of statements that present different views of the City's activities:

- *Government-wide financial statements* provide both short-term and long-term information about the City's overall financial condition in a summary format.
- *Fund financial statements* focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

Government-wide financial statements.

The government-wide financial statements are designed to provide readers with a broad overview of the City of Kenai's finances in a manner similar to a business enterprise. The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position – the difference between the City's assets and deferred outflows and its liabilities and deferred inflows - is one way to measure the City's financial position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. There are other non-financial factors, such as the condition of facilities, roads and other infrastructure that should be considered in the evaluation of overall financial condition.

The statement of activities presents information showing how a government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Kenai include general government, public safety, public works, parks, recreation and cultural, airport, water and sewer, and social welfare services. The City's only business-type activity is the operations of a congregate housing facility.

Fund financial statements.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Kenai can be divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the two. Five of the City's governmental funds are considered major funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the major funds including: the General Fund, the Airport Special Revenue Fund, the Water & Sewer Special Revenue Fund, the Kenai Bluff Erosion Capital Project Fund, and the Airport Land Sales Permanent Fund. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

A budgetary comparison statement has been provided for the General, Airport Special Revenue, and Water & Sewer Special Revenue Funds to demonstrate compliance with the Fiscal Year (FY) 2024 budget.

Proprietary funds.

The City of Kenai maintains two different types of proprietary funds: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for the Congregate Housing Facility. Information for this fund is presented in the proprietary statement of net position and the proprietary statement of revenues, expenses and changes in net position. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City of Kenai uses internal service funds to account for the purchase of heavy equipment that is primarily used by the General Fund, for the purchase of fleet vehicles used by the General and Senior Citizen Special Revenue Funds, and for the cost of managing employee health care. Because these services predominantly benefit governmental rather than business type functions, they have been included within governmental activities in the government-wide financial statements but are presented separately in the proprietary fund financial statements.

Fiduciary funds.

Through a management agreement, the City manages the donations of the Kenai Community Foundation and Kenai Senior Connection, 501(c)(3) not-for-profit entities, whose purpose is to support the Kenai Senior Center, museums, parks and recreation, music, fine arts, library, and historic purposes within Kenai's city limits. The City's sole purpose is management of the Foundations' donations; all decisions regarding Foundation awards are made by the Foundations and not the City.

Notes to the financial statements.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required supplementary information.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information and accompanying notes. Budgetary comparison schedules for certain major funds; schedules of the City's net pension and OPEB obligation information and contributions; and accompanying notes can be found on pages 67-82 of this report.

Other information.

In addition to the basic financial statements and accompanying notes and required supplementary information and accompanying notes, this report also presents certain other supplementary information. The combining statements referred to earlier in connection with non-major funds are presented immediately after the required supplementary information. Also included are budget comparisons for some of the nonmajor governmental funds.

Government-wide Financial Analysis.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2024, the City's net position exceeded liabilities by \$222,236,932. By far the largest portion of the City's net position reflects its investment in capital assets.

The following table provides a summary of the City's net position (minor arithmetic differences are due to rounding):

	Net Position (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 85,406	\$ 79,352	\$ 736	\$ 1,067	\$ 86,142	\$ 80,419
Capital Assets	155,620	155,897	2,415	2,011	158,035	157,908
Total Assets	241,026	235,249	3,151	3,078	244,177	238,327
Deferred outflows of resources	2,357	2,394	-	-	2,357	2,394
Long-term liabilities outstanding	15,362	16,291	5	8	15,367	16,299
Other liabilities	4,453	2,306	115	45	4,568	2,351
Total liabilities	19,815	18,597	120	53	19,935	18,650
Deferred inflows of resources	4,362	4,801	-	-	4,362	4,801
Net position:						
Invested in capital assets						
net of related debt	154,955	155,138	2,415	2,011	157,370	157,149
Restricted:						
Nonexpendable	3,699	3,485	-	-	3,699	3,485
Airport purposes	28,889	27,148	-	-	28,889	27,148
Net other postemployment benefits	6,746	-	-	-	6,746	-
Youth athletics	825	736	-	-	825	736
Senior Services	865	741	-	-	865	741
Unrestricted	23,227	26,997	616	1,014	23,843	28,011
Total net position	\$ 219,206	\$ 214,245	\$ 3,031	\$ 3,025	\$222,237	\$217,270

Governmental activities.

Governmental activities increased the City's net position by \$4,961,380 compared to \$8,542,460 in the prior year. The decrease in the change in net position was mainly due to public safety expenditures of \$8,247,277, which increased over the prior year's amount of \$6,368,991. Investment earnings were \$4,888,218 in the current year over the prior year's \$2,785,844, but operating grants and contributions were down in the current year at \$1,244,753, compared to \$2,569,968 in the prior year.

Business-type activities.

Business-type activities increased the net position of the City by \$6,364. The change in investment earnings from \$17,198 in the prior year to a gain of \$52,254 in FY24 is the primary cause of the change. Rental rates of the Congregate Housing Facility are insufficient to cover depreciation on the facility which was built primarily with grant funds. Absent rate adjustments for inflationary costs, future declines in net position are expected.

Changes in Net Position.

The City's total revenues and expenses for governmental and business-type activities are reflected in the following table (minor arithmetic differences are due to rounding):

	Changes in Net Assets (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 8,411	\$ 8,177	\$ 487	\$ 467	\$ 8,898	\$ 8,644
Operating grants and contributions	1,245	2,570	2	1	1,247	2,571
Capital grants and contributions	1,582	2,725	-	-	1,582	2,725
General revenues:						
Property taxes	4,440	4,316	-	-	4,440	4,316
Sales taxes	9,975	9,818	-	-	9,975	9,818
Other	4,888	2,786	51	17	4,939	2,803
Total revenues	<u>30,541</u>	<u>30,392</u>	<u>540</u>	<u>485</u>	<u>31,081</u>	<u>30,877</u>
Expenses:						
General government	3,228	2,598	-	-	3,228	2,598
Public safety	8,235	6,369	-	-	8,235	6,369
Public works	2,829	2,677	-	-	2,829	2,677
Parks, recreation, and cultural	2,952	2,653	-	-	2,952	2,653
Water and sewer services	3,031	2,860	-	-	3,031	2,860
Airport	4,426	3,924	-	-	4,426	3,924
Interest on long-term debt	35	40	-	-	35	40
Social welfare services	844	728	-	-	844	728
Senior Housing	-	-	534	510	534	510
Total expenses	<u>25,580</u>	<u>21,849</u>	<u>534</u>	<u>510</u>	<u>26,114</u>	<u>22,359</u>
Increase (decrease) in net position	4,961	8,543	6	(25)	4,967	8,518
Net position, beginning	<u>214,245</u>	<u>205,702</u>	<u>3,025</u>	<u>3,050</u>	<u>217,270</u>	<u>208,752</u>
Net position ending	<u>\$ 219,206</u>	<u>\$ 214,245</u>	<u>\$ 3,031</u>	<u>\$ 3,025</u>	<u>\$222,237</u>	<u>\$ 217,270</u>

Financial Analysis of the City's Funds

The City of Kenai uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

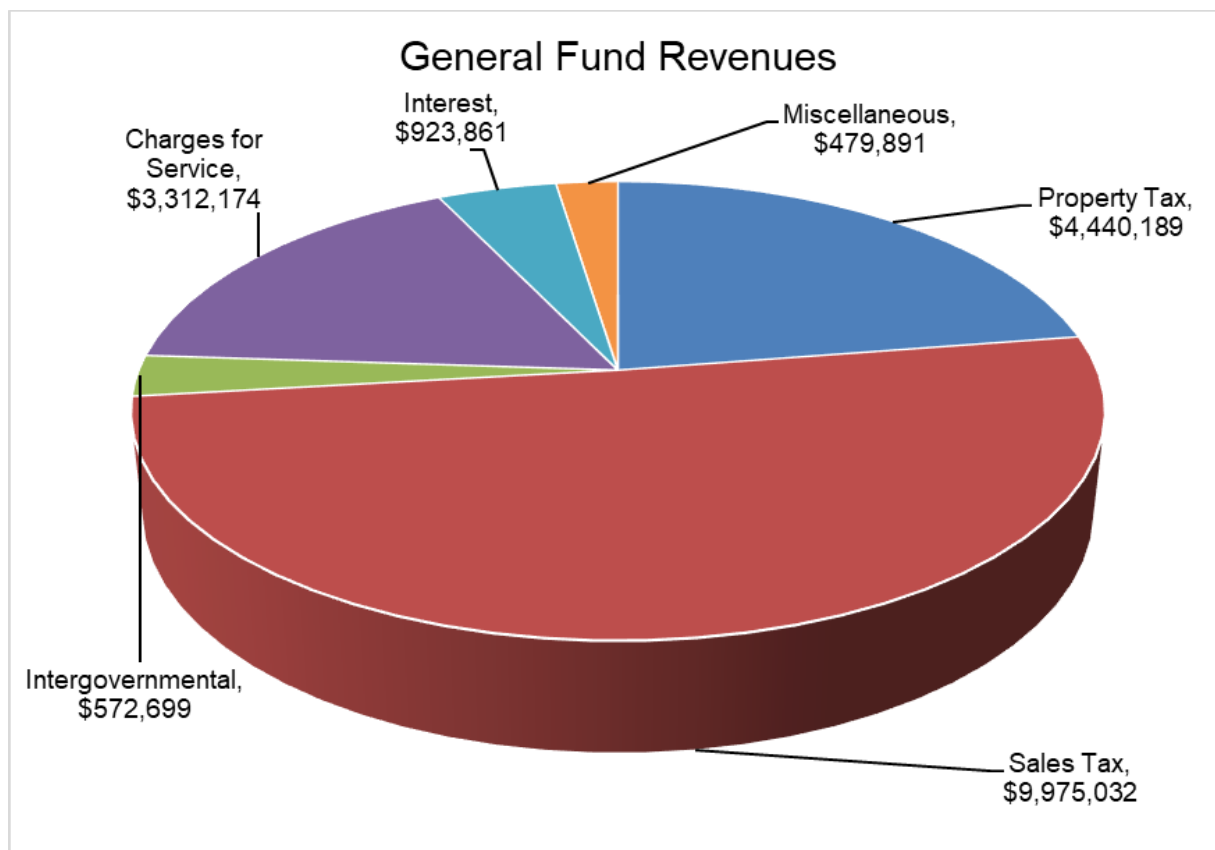
Governmental Funds.

The purpose of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The total fund balance of governmental funds is \$65,246,967, which is up \$2,820,691 from last year. About \$788,690 of fund balance is unassigned fund deficit. The remainder of fund balance, \$66 million, is non-spendable, restricted, committed or assigned to indicate that it is not available for new spending. Restricted is the largest portion of this; \$30.6 million is restricted for airport purposes and athletics.

The General Fund is the chief operating fund of the City of Kenai. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,553,157, and total fund balance was \$16,474,836. Fund balance increased \$990,474 in the current year. The City's reserves remain healthy and stable. As a measure of liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 8.20% of total expenditures and transfers, while total fund balance represents 86.89% of that same amount.

General Fund expenditures increased \$523,753 or 3.12% over last year and \$1,414,330 or 8.91% over fiscal year 2022. General Fund revenues increased \$729,959 or 3.85% from last year. The primary revenue sources of the General Fund include property tax of \$4,440,189, sales tax of \$9,975,032, intergovernmental revenues of \$572,699 and charges to other funds of \$1,797,900. Sales tax revenue increased \$156,550 or 1.59% largely attributed to the stability of the local economy and gasoline prices. Property taxes increased by \$123,985 or 2.87%. Current year property values increased 3.89% and the mill rate remained unchanged.



Tax revenues support General Fund operations exclusively and represent 44.79% of all governmental funds revenue. Other funds rely heavily on intergovernmental revenues, charges for services and investment earnings. Investment earnings in governmental funds increased \$1,940,198 from the prior year due to strong returns in equity markets. Capital projects funds and the senior services related funds are largely financed by grants from the federal, state and borough governments.

The Airport Special Revenue Fund accounts for the operations of the airport. Fund balance decreased \$308,610 or 9.92%. Total revenues decreased \$759,136 or 21.62%. Fund expenditures increased by \$264,113 or 8.62%. FY24 transfers out included \$350,000 Boiler replacement, \$200,000 runway rehabilitation, \$100,000 sand storage facility, \$100,000 elevator maintenance, and \$46,875 airport master plan projects.

The Water & Sewer Special Revenue Fund accounts for the operations of the water and sewer utility of the City. Fund balance increased \$466,965 or 31.27%. There was a rate increase of 5.0% in FY23. Charges for service increased \$65,812 or 2.05% this year due to increased rates. Significant capital improvement projects funding continued in FY24 as transfers decreased \$60,030 or 8.11% over FY23 and was down \$840,030 or 55.27% over FY22. FY24 transfer out consisted of \$679,970 water treatment plant pump house project. Significant capital funding is anticipated in future years to ensure the utilities continued safe and efficient operation.

Kenai Bluff Erosion Capital Project accounts for \$10,500,000 in State grants designated for the Kenai Bluff Erosion Capital Project to stabilize the bluff along the ocean front of Kenai. The project is being managed by the US Army Corps Engineers. The City has prepaid the US Army Corps Engineers \$2,333,400 for the project along with \$166,148 year to date (\$90,232 in FY24 and \$75,916 in prior year) for design work on the project.

The Airport Land Sales Permanent Fund accounts for the investment of proceeds from the sale of airport lands originally deeded to the City by the federal government for operations of the airport. City code calls for the transfer of between 3.80% and 4.20% of the funds five-year average balance at December 31st to the Airport Special Revenue Fund to fund airport operations. Equity market improvements resulted in an investment gain in FY24 of \$2,794,019 compared to investment gain in FY23 of \$1,953,426. The FY24 transfer of \$1,065,518 to the Airport Special Revenue Fund for operations remained at 3.80% of the funds five-year average balance at December 31st and was \$37,040 or a 3.60% increase over the prior year.

Proprietary Funds.

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Congregate Housing Fund is the only enterprise fund. It is reported in the proprietary fund financial statements and as a business type activity in the government-wide financial statements. Internal service funds are used to accumulate and allocate costs among the City's various functions. The City utilizes three internal service funds. The Equipment Replacement Fund is used to account for the purchase of equipment costing more than \$50,000. The Equipment Replacement Fund charges the user departments in the General Fund such that the General Fund reimburses the Equipment Replacement Fund for the replacement value of the asset over its useful life. The Fleet Replacement Fund is used to account for the purchase of General and Senior Center Special Revenue Funds fleet vehicles. User departments will be billed for the replacement cost of vehicles they are utilizing. The Employee Health Care Fund accounts for the costs of providing employee health care and charges each fund based on the number of employees eligible for coverage. Because the services of the Equipment Replacement, Fleet Replacement and the Employee Health Care Funds substantially benefit only governmental rather than business type functions, its activity has been included within governmental activities in the government-wide financial statements but are presented in the proprietary fund financial statements.

At year-end, Congregate Housing Fund net position totaled \$3,030,961 and unrestricted net position was \$616,133. Net position increased \$6,634 for the year. Current revenues are simply insufficient to cover expenses. It is anticipated that net position will decline in future years without an increase in tenant rents.

General Fund Budgetary Highlights

The General Fund appropriations budget, expenditures and transfers, was amended and increased by the City Council during the year by \$996,459. Supplemental funding included \$637,765 Lilac lane road project, \$130,000 Street light assessment and repairs project, \$34,942 Sidewalk repairs, \$25,000 update roadway improvement

standards, \$20,892 for insurance, \$20,000 playground equipment, \$15,000 trauma care supplies for police officers, \$14,750 Safe streets and Roads project, \$13,750 temp staffing for waterfront project, \$12,600 for land purchase, \$6,658 two video laryngoscopes, \$5,589 forestry firefighting equipment, \$4,488 fire department flooring project and \$55,025 in various minor appropriations. Actual revenues and transfers in were \$813,166 more than the final budget. The City experienced a decrease in ambulance fees of \$128,422 compared to FY23. Ambulance fees were still \$68,944 above budget due to an increase in the Supplemental Emergency Medical Transport (SEMT) Medicaid reimbursement program for FY22 (\$436,329) received in FY24. The decrease in ambulance fees from the prior year was due to receiving two years of the initial reimbursements for FY20 and FY21 (\$330,273 and \$316,204 respectively) in FY23 for Medicaid transports through the (SEMT) program that was established by the State of Alaska with an effective date of August 31, 2019. The City experienced a positive variance in investments earnings of \$589,292 and miscellaneous revenues for wildfire deployments \$70,190, Homer Electric Association (HEA) Capital Credits \$55,300 and Kenai Peninsula Borough (KPB) leachate disposal \$28,000.

The actual expenditures and transfers out were \$1,675,131 less than budgeted compared to \$1,319,897 less than budgeted in FY23. The City typically does not spend the entire authorized appropriation. The variance this year was 8.12% of final budget compared to 6.45% last year. While the overall budget increased, the overall expenditures increased 3.12% thus resulting in more of a cost savings compared to the prior year. Primary areas of variance to budget were \$313,410 lower in wages and \$150,184 lower in benefits due to extended vacancies for a building official, police officer, firefighter, dispatcher and an unfilled temp position for a grant writer. Leave usage was lower than projected by \$150,596, the majority being in Police (\$43,285) and Fire (\$48,307) associated with the vacancy factors. Professional services were lower than projected by \$166,094, the majority being \$47,000 for a cybersecurity managed and detected response service, \$25,486 classification /compensation study under projected cost, \$15,815 parking lot stripping and pavement markings less than projected, and \$15,000 for a park fountain design not completed. Grant Awards were \$92,816 under budget with the primary amount being \$90,000 for Storefront and Streetscaping for which applicants had not completed their projects. The Contingency Fund was under budget the full amount of \$86,261 as fortunately there was not a need for it in FY24. Building improvements were \$57,101 less than budget due to a number of projects that were not completed (\$28,500 interior automatic doors at the senior center, \$23,601 fiber optic cable installation, and \$5,000 soundproofing wall in dispatch). Repairs and Maintenance was \$89,228 under budget, \$46,074 street lighting repairs and \$15,150 parks and recreation restroom and equipment maintenance lower than projected.

Capital Assets.

At June 30, 2024 the City's capital assets had a total net book value of \$158,034,937. Governmental activities totaled \$155,620,109 and business-type activities totaled \$2,414,828. Additional information on the City's capital assets can be found in the notes to the basic financial statements on pages 49. Major capital additions for FY24 included:

New Buildings and Building Improvements:

Visitor Center Roof Replacement	\$ 260,808
Parks & Rec Daubenspeck Dog Park	84,949
Fire Department Station #1 Apparatus Bay Floor Refinishing	50,632
Congregate Housing Hallway Carpet Replacement	<u>22,092</u>
Total New Facilities and Facility Improvements	<u>418,481</u>

Equipment:

Public Works Loader Mounted Snow Blower	221,347
Police Mobile Radio Replacements	111,032
Police In-Car Video System	81,370
Parks & Rec Commercial Mower	26,729
Fire Department Lion Bullex Digital Simulator Pane – Fire Extinguisher	18,821
Parks & Rec Gametime inclusive Seesaw Muni Park	18,435
Parks & Rec Pull Behind Mower	12,173
Parks & Rec 2024 Polaris 550 Voyager 155ES	10,899
Miscellaneous Other Equipment	<u>22,848</u>
Total Equipment	<u>523,654</u>

Land:

Land Purchase Bluff Stabilization	<u>12,127</u>
Construction work in progress	<u>4,467,912</u>
Total Additions	<u>\$ 5,422,174</u>

Debt Administration.

No new debt was issued by the City in FY24. At June 30, 2024, \$665,000 of General Purpose Advanced Refunding bonds remained outstanding. Remaining authorized but unissued are \$2,000,000 of Bluff Erosion Control bonds.

There are long-term liabilities for compensated absences totaling \$1,172,143 and Net Pension Liability of \$13,922,381. Additional information on the City's long-term liabilities can be found in the notes to the basic financial statements on pages 61-62.

Economic factors and next year's budget

Unemployment data is not available for the City; however, the average unemployment for the Kenai Peninsula Borough for CY2023 stood at 4.7%, an increase from 4.5% in CY2022. This compares to the CY2023 statewide average of 4.2%. Traditionally the Borough's unemployment rate has been 2% to 3% higher than the statewide rate. Much of this due to the seasonality of work in the fishing and tourism industries of the Borough.

In 2017, the City established a fund balance policy that establishes minimum and maximum amounts of fund balances for the General Fund. These levels are reviewed on an annual basis and the policy requires that fund balances exceeding the maximum or fund balances less than the minimum come back into compliance within 3 years. This is assessed each fiscal year as part of the budgetary process.

In addition, the Alaska legislature provided funding for Public Employees' Retirement System (PERS) cost in excess of 22%, which was paid directly to PERS. The total City of Kenai on-behalf payment made by the State for FY2024 was \$276,706. This contribution includes the difference between the actuarially determined rate of 25.10% and the City contribution rate of 22.00%.

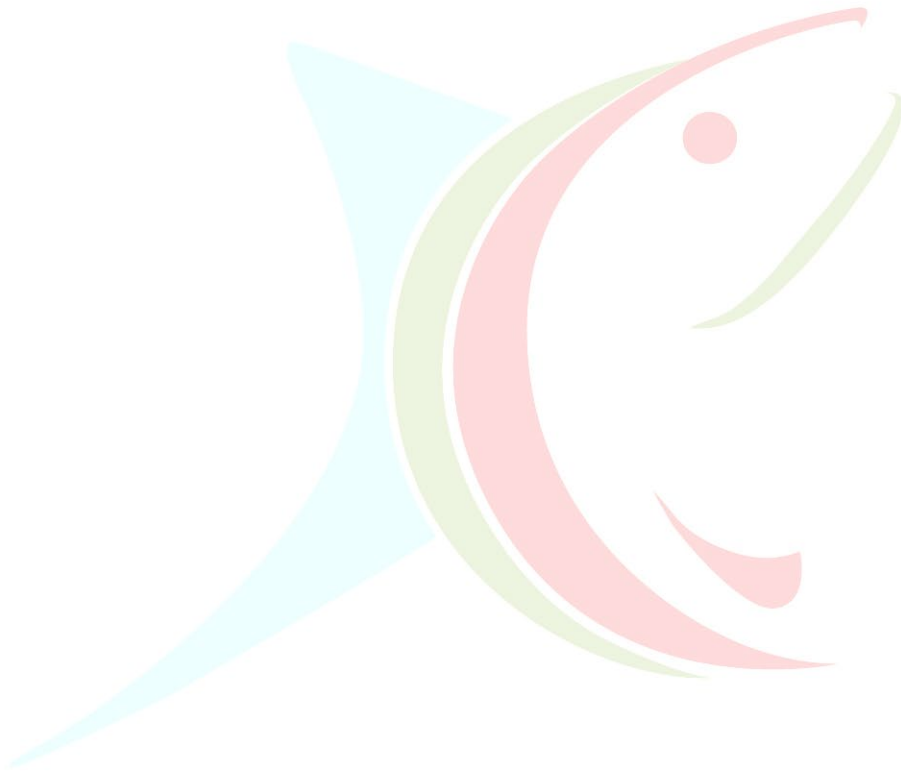
In setting the budget for FY2024, the City established goals, among them:

- Submit a budget for consideration which maintains the City's current mill and sales tax rates.
- Propose salary schedule adjustments commensurate with inflation as measured by the Alaska Consumer Price Index for All Urban Consumers, second half over second half to the extent possible while meeting the City's Fund Balance Policy/Goals.
- Improve the sustainability of and maintain the quality of employee medical, dental and life insurance.
- Seek opportunities for efficiency by striving to reduce the cost of goods and services without negatively impacting operations.
- Compile a list of capital projects costing \$35,000 or more for Council adoption.
- Adjust rates, charges and fees in all funds commensurate with inflation as measured by the Alaska Consumer Price Index for All Urban Consumers, second half over second half. The monthly rents at Vintage Point should not increase more than \$35 per month over FY23 rates for existing tenants as of June 30, 2023.
- For the Airport, Water & Sewer, Personal Use Fishery, and Congregate Housing Funds, the proposed budget should project ending fund balance/retained earnings of at least 50% of the FY2023 budgeted expenditures net of any projected lapse and any use of fund balance should be for one-time capital purchases and not for recurring expenditures/expenses.
- Senior Citizen Fund fees and rates should be adjusted to a level sufficient to limit the increase in required transfer from the General Fund to no more than a 10% increase.

Requests for information.

This financial report is designed to provide a general overview of the City of Kenai's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Director, City of Kenai, 210 Fidalgo Avenue, Kenai, Alaska 99611.

BASIC FINANCIAL STATEMENTS



KENAI

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CITY OF KENAI, ALASKA
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Equity in central treasury (cash and investments)	\$ 67,826,444	\$ 736,447	\$ 68,562,891
Receivables (net of allowances for uncollectibles)	4,387,953	18	4,387,971
Leases receivable	4,244,563	-	4,244,563
Prepays	2,333,400	-	2,333,400
Restricted assets - net other postemployment benefits asset	6,601,725	-	6,601,725
Other assets	11,458	-	11,458
Land	6,331,687	274,500	6,606,187
Property and equipment in service	251,980,075	5,739,636	257,719,711
Accumulated depreciation	(115,666,120)	(4,150,403)	(119,816,523)
Construction in progress	12,974,467	551,095	13,525,562
Total assets	<u>241,025,652</u>	<u>3,151,293</u>	<u>244,176,945</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	1,854,833	-	1,854,833
Other postemployment benefits related	501,896	-	501,896
Total deferred outflows of resources	<u>2,356,729</u>	<u>-</u>	<u>2,356,729</u>
Total assets and deferred outflows of resources	<u>\$ 243,382,381</u>	<u>\$ 3,151,293</u>	<u>\$ 246,533,674</u>
LIABILITIES			
Accounts payable	\$ 662,829	\$ 95,565	\$ 758,394
Accrued payroll and payroll liabilities	411,883	-	411,883
Unearned revenue	2,490,068	1,039	2,491,107
Other liabilities	494,278	17,000	511,278
Accrued interest	2,771	-	2,771
Long-term liabilities:			
Net pension liability - due in more than one year	13,922,381	-	13,922,381
Compensated absences:			
Due within one year	291,354	1,682	293,036
Due in more than one year	874,061	5,046	879,107
Long-term debt:			
Due within one year	100,000	-	100,000
Due in more than one year	565,000	-	565,000
Total liabilities	<u>19,814,625</u>	<u>120,332</u>	<u>19,934,957</u>
DEFERRED INFLOWS OF RESOURCES			
Prepaid licenses and fees	2,550	-	2,550
Prepaid property taxes	48,006	-	48,006
Leases	3,953,758	-	3,953,758
Other postemployment benefits related	357,471	-	357,471
Total deferred inflows of resources	<u>4,361,785</u>	<u>-</u>	<u>4,361,785</u>

See accompanying notes to basic financial statements.

**CITY OF KENAI, ALASKA
STATEMENT OF NET POSITION
JUNE 30, 2024**

	Governmental Activities	Business-type Activities	Total
NET POSITION			
Net investment in capital assets	\$ 154,955,109	\$ 2,414,828	\$ 157,369,937
Restricted:			
Permanently restricted - nonexpendable -			
General Government Land Sales Permanent Fund	3,699,115	-	3,699,115
Kenai Bluff Erosion	2,333,400	-	2,333,400
Airport purposes	28,888,731	-	28,888,731
Net other postemployment benefits	6,746,150	-	6,746,150
Youth athletics	824,433	-	824,433
Senior services	865,256	-	865,256
Unrestricted	<u>20,893,777</u>	<u>616,133</u>	<u>21,509,910</u>
Total net position	<u>219,205,971</u>	<u>3,030,961</u>	<u>222,236,932</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 243,382,381</u>	<u>\$ 3,151,293</u>	<u>\$ 246,533,674</u>

See accompanying notes to basic financial statements.

**CITY OF KENAI, ALASKA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 3,227,258	\$ 552,170	\$ 296,126	\$ 90,232
Public safety	8,235,779	1,118,823	90,797	422,027
Public works	2,829,267	189,814	16,784	155
Parks, recreation, and cultural	2,952,217	682,888	20,194	49,699
Water and sewer services	3,030,827	3,360,921	11,420	25,000
Airport	4,425,896	2,277,265	173,280	994,700
Social welfare services	843,860	229,827	636,152	-
Interest on long-term debt	35,229	-	-	-
Total governmental activities	<u>25,580,333</u>	<u>8,411,708</u>	<u>1,244,753</u>	<u>1,581,813</u>
Business-type activities:				
Senior Housing	-	486,548	-	-
Total Government	<u>\$ 25,580,333</u>	<u>\$ 8,898,256</u>	<u>\$ 1,244,753</u>	<u>\$ 1,581,813</u>

General revenues:
 Property taxes
 Sales taxes
 Unrestricted investment earnings
 Total general revenues
 Change in net position
Net position - beginning
Net position - ending

See accompanying notes to basic financial statements.

**Net (Expenses) Revenues and
Changes in Net Position**

Governmental Activities	Business-type Activities	Total
\$ (2,288,730)	\$ -	\$ (2,288,730)
(6,604,132)	-	(6,604,132)
(2,622,514)	-	(2,622,514)
(2,199,436)	-	(2,199,436)
366,514	-	366,514
(980,651)	-	(980,651)
22,119	-	22,119
(35,229)	-	(35,229)
<u>(14,342,059)</u>	<u>-</u>	<u>(14,342,059)</u>
<u>-</u>	<u>486,548</u>	<u>486,548</u>
<u>(14,342,059)</u>	<u>486,548</u>	<u>(13,855,511)</u>
4,440,189	-	4,440,189
9,975,032	-	9,975,032
4,888,218	52,254	4,940,472
<u>19,303,439</u>	<u>52,254</u>	<u>19,355,693</u>
4,961,380	538,802	5,500,182
214,244,591	3,024,597	217,269,188
<u>\$ 219,205,971</u>	<u>\$ 3,563,399</u>	<u>\$ 222,769,370</u>

See accompanying notes to basic financial statements.

**CITY OF KENAI, ALASKA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2024**

Major Governmental Funds			
	General	Airport Special Revenue	Water & Sewer Special Revenue
ASSETS			
Equity in central treasury (cash and investments)	\$ 15,473,987	\$ 2,646,816	\$ 1,905,723
Receivables (net of allowances for uncollectibles)	2,233,200	117,887	305,611
Leases receivable	666,951	3,549,360	-
Other assets	5,087	-	-
Prepaid	-	-	-
Due from other funds	20,432	-	-
Total assets	\$ 18,399,657	\$ 6,314,063	\$ 2,211,334
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 224,709	\$ 130,298	\$ 93,863
Accrued payroll and payroll liabilities	381,819	8,542	11,661
Due to other funds	-	-	-
Unearned revenue	12,957	18,482	39,826
Other liabilities	366,239	20,409	105,630
Total liabilities	985,724	177,731	250,980
Deferred inflows of resources:			
Special assessments receivable - unavailable	86,719	-	-
Ambulance billing receivable - unavailable	183,183	-	-
Land sales - unavailable	-	-	-
Leases related	618,639	3,335,119	-
Prepaid licenses and fees	2,550	-	-
Prepaid property taxes	48,006	-	-
Total deferred inflows of resources	939,097	3,335,119	-
Fund balances:			
Nonexpendable	-	-	-
Restricted	824,433	-	-
Committed	10,791,650	-	-
Assigned	3,305,616	2,801,213	1,960,354
Unassigned (deficit)	1,553,137	-	-
Total fund balances	16,474,836	2,801,213	1,960,354
Total liabilities, deferred inflows of resources and fund balances	\$ 18,399,657	\$ 6,314,063	\$ 2,211,334

See accompanying notes to basic financial statements.

Kenai Bluff Erosion Capital Project	Airport Land Sales Permanent	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 28,806,999	\$ 13,876,808	\$ 62,710,333
31,411	171,054	1,528,790	4,387,953
-	-	-	4,216,311
-	-	-	5,087
2,333,400	-	-	2,333,400
-	-	-	20,432
<u>\$ 2,364,811</u>	<u>\$ 28,978,053</u>	<u>\$ 15,405,598</u>	<u>\$ 73,673,516</u>
\$ 10,979	\$ 7,614	\$ 186,501	\$ 653,964
-	-	9,861	411,883
20,432	-	-	20,432
2,333,400	-	85,403	2,490,068
-	-	2,000	494,278
<u>2,364,811</u>	<u>7,614</u>	<u>283,765</u>	<u>4,070,625</u>
-	-	-	86,719
-	-	-	183,183
-	81,708	-	81,708
-	-	-	3,953,758
-	-	-	2,550
-	-	-	48,006
<u>-</u>	<u>81,708</u>	<u>-</u>	<u>4,355,924</u>
2,333,400	-	3,699,115	6,032,515
-	28,888,731	865,256	30,578,420
-	-	10,316,792	21,108,442
-	-	249,077	8,316,260
<u>(2,333,400)</u>	<u>-</u>	<u>(8,407)</u>	<u>(788,670)</u>
<u>-</u>	<u>28,888,731</u>	<u>15,121,833</u>	<u>65,246,967</u>
<u>\$ 2,364,811</u>	<u>\$ 28,978,053</u>	<u>\$ 15,405,598</u>	<u>\$ 73,673,516</u>

See accompanying notes to basic financial statements.

**CITY OF KENAI, ALASKA
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2024**

Total fund balances for governmental funds		\$ 65,246,967
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the funds.		153,027,008
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		351,610
The PERS ARHCT, RMP and ODD OPEB plans have been funded in excess of required contributions. This asset is not a financial resource and therefore it is not reported in the funds.		6,601,725
Certain changes in receivables are deferred rather than recognized immediately. These items are amortized over time -		
Deferred inflows of resources - leases		28,252
Some liabilities, including bonds payable, net pension liabilities, interest payable on bonds (net of related interest subsidy), and compensated absences are not payable in the current period so they are not reported in the funds.		
Bonds payable	\$ (665,000)	
Net pension liability	(13,922,381)	
Compensated absences	(1,165,415)	
Accrued interest (net of related interest subsidy)	<u>(2,771)</u>	
		(15,755,567)
Deferred outflows and inflows of resources related to pension and other postemployment benefits are applicable to future periods and therefore, are not reported in the funds:		
Deferred outflows of resources for pensions	1,854,833	
Deferred outflows of resources for other postemployment benefits	501,896	
Deferred inflows of resources for other postemployment benefits	<u>(357,471)</u>	
		1,999,258
Internal Service Funds are used by management to charge the cost of certain activities to individual funds. The assets and liabilities of the Internal Service Funds are included in the governmental activities statement of net position.		<u>7,706,718</u>
Net position of governmental activities		<u>\$ 219,205,971</u>

See accompanying notes to basic financial statements.

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**CITY OF KENAI, ALASKA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2024**

	Major Governmental Funds			
	General	Airport Special Revenue	Water & Sewer Special Revenue	Airport Improvement Capital Project
Revenues:				
Taxes	\$ 14,415,221	\$ -	\$ -	\$ -
Intergovernmental revenues	572,699	185,760	20,117	-
Charges for services	3,312,174	407,678	3,268,396	-
Investment earnings	923,861	288,474	200,941	-
Miscellaneous revenues	<u>479,891</u>	<u>1,869,588</u>	<u>82,687</u>	<u>-</u>
Total revenues	<u>19,703,846</u>	<u>2,751,500</u>	<u>3,572,141</u>	<u>-</u>
Expenditures:				
Current:				
General government	3,567,695	-	-	-
Public safety	8,763,171	-	-	-
Public works	2,533,703	-	-	-
Parks, recreation, and cultural	2,317,224	-	-	-
Water and sewer services	-	-	2,455,206	-
Airport	-	3,323,473	-	-
Social welfare services	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	<u>111,096</u>	<u>5,617</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>17,292,889</u>	<u>3,329,090</u>	<u>2,455,206</u>	<u>-</u>
Excess of revenues over (under) expenditures	2,410,957	(577,590)	1,116,935	-
Other financing sources (uses):				
Transfers in	246,550	1,065,855	30,000	-
Transfers out	<u>(1,667,033)</u>	<u>(796,875)</u>	<u>(679,970)</u>	<u>-</u>
Net other financing sources (uses)	<u>(1,420,483)</u>	<u>268,980</u>	<u>(649,970)</u>	<u>-</u>
Net change in fund balances	990,474	(308,610)	466,965	-
Fund balances - July 1	<u>15,484,362</u>	<u>3,109,823</u>	<u>1,493,389</u>	<u>4,127,522</u>
Adjustment, change from major fund to non major fund	-	-	-	(4,127,522)
Fund balances - July 1, as adjusted	<u>15,484,362</u>	<u>3,109,823</u>	<u>1,493,389</u>	<u>-</u>
Fund balances - June 30	<u>\$ 16,474,836</u>	<u>\$ 2,801,213</u>	<u>\$ 1,960,354</u>	<u>\$ -</u>

See accompanying notes to basic financial statements.

Major Governmental Funds				
Parks and Recreation Capital Project	Kenai Bluff Erosion Capital Project	Airport Land Sales Permanent	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 14,415,221
-	90,232	-	1,932,918	2,801,726
-	-	-	481,946	7,470,194
-	-	2,794,019	456,640	4,663,935
-	-	12,361	390,093	2,834,620
-	90,232	2,806,380	3,261,597	32,185,696
-	-	-	30,580	3,598,275
-	-	-	331,271	9,094,442
-	-	-	67,792	2,601,495
-	-	-	230,319	2,547,543
-	-	-	-	2,455,206
-	-	-	-	3,323,473
-	-	-	1,031,102	1,031,102
-	-	-	95,000	95,000
-	-	-	35,625	35,625
-	90,232	-	4,375,899	4,582,844
-	90,232	-	6,197,588	29,365,005
-	-	2,806,380	(2,935,991)	2,820,691
-	-	-	3,143,878	4,486,283
-	-	(1,065,518)	(276,887)	(4,486,283)
-	-	(1,065,518)	2,866,991	-
-	-	1,740,862	(69,000)	2,820,691
1,442,758	-	27,147,869	9,620,553	62,426,276
(1,442,758)	-	-	5,570,280	-
-	-	27,147,869	15,190,833	62,426,276
\$ -	\$ -	\$ 28,888,731	\$ 15,121,833	\$ 65,246,967

See accompanying notes to basic financial statements.

**CITY OF KENAI, ALASKA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Net changes in fund balances - total governmental funds	\$ 2,820,691
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The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives.

Expenditures for capital assets	\$ 4,582,844	
Current year depreciation	<u>(4,678,797)</u>	
		(95,953)

The net effect of various transactions involving capital assets (i.e. sales trade-ins and donations is to decrease net position.)	(137,930)
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Special assessments, taxes, land sales, leases and ambulance services receivable reported in the governmental activities are not revenues of the current period using the flow of current financial resources basis. This is the decrease in other long-term assets.	5,775
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the amount of the (increase) decrease in:

Compensated absences	(46,904)	
Bond interest payable	<u>396</u>	
		(46,508)

Repayment of the principal of long-term debt consumes current financial resources of governmental funds but does not have any effect on net position.	95,000
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Changes related to net pension and other postemployment benefits liabilities and assets and related accounts can increase or decrease net position. This is the net increase in net position due to changes in net pension and other postemployment benefits liabilities, assets and the related deferred inflows and outflows:

Net pension	548,235	
Other postemployment benefits	<u>820,902</u>	
		1,369,137

Internal Service Funds are used by management to charge the cost of certain activities to individual funds. The net revenue of Internal Service Fund activities is reported with governmental activities.	<u>951,168</u>
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Change in net position of governmental activities	<u><u>\$ 4,961,380</u></u>
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See accompanying notes to basic financial statements.

**CITY OF KENAI, ALASKA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2024**

	Business-type Activities - Enterprise Fund Congregate Housing	Governmental Activities - Internal Service Funds
ASSETS		
Current assets:		
Equity in central treasury (cash and investments)	\$ 736,447	\$ 5,116,111
Deposits with others	-	6,371
Accounts receivable	18	-
Total current assets	<u>736,465</u>	<u>5,122,482</u>
Noncurrent assets:		
Land	274,500	-
Property and equipment in service, at cost:		
Buildings	5,739,636	-
Equipment	<u>-</u>	<u>6,031,590</u>
Total property and equipment in service	5,739,636	6,031,590
Less accumulated depreciation	<u>(4,150,403)</u>	<u>(3,670,600)</u>
Net property and equipment in service	1,589,233	2,360,990
Construction work in progress	<u>551,095</u>	<u>232,111</u>
Total noncurrent assets	<u>2,414,828</u>	<u>2,593,101</u>
Total assets	<u><u>\$ 3,151,293</u></u>	<u><u>\$ 7,715,583</u></u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 95,565	\$ 8,865
Compensated absences - due within one year	1,682	-
Unearned revenue	1,039	-
Other liabilities	<u>17,000</u>	<u>-</u>
Total current liabilities	<u>115,286</u>	<u>8,865</u>
Noncurrent liabilities -		
Compensated absences - due in more than one year	<u>5,046</u>	<u>-</u>
Total liabilities	<u>120,332</u>	<u>8,865</u>
NET POSITION		
Investment in capital assets	2,414,828	2,593,101
Unrestricted	<u>616,133</u>	<u>5,113,617</u>
Total net position	<u>3,030,961</u>	<u>7,706,718</u>
Total liabilities and net position	<u><u>\$ 3,151,293</u></u>	<u><u>\$ 7,715,583</u></u>

See accompanying notes to basic financial statements.

**CITY OF KENAI, ALASKA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024**

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	<u>Congregate Housing</u>	
Operating revenues:		
Rents and leases	\$ 486,345	\$ -
Other revenue	<u>203</u>	<u>3,572,395</u>
Total operating revenues	<u>486,548</u>	<u>3,572,395</u>
Operating expenses:		
Personal services	93,271	-
Supplies	15,466	-
Utilities	77,836	-
Repair and maintenance	29,477	-
Insurance/benefits	22,833	2,518,282
Depreciation	140,736	271,411
Manager's fee	109,442	-
Miscellaneous	4,465	55,816
Expenses chargeable from other funds	<u>40,600</u>	<u>-</u>
Total operating expenses	<u>534,126</u>	<u>2,845,509</u>
Operating income (loss)	<u>(47,578)</u>	<u>726,886</u>
Nonoperating revenues:		
Intergovernmental grants	1,688	-
Investment earnings	<u>52,254</u>	<u>224,282</u>
Total nonoperating revenues	<u>53,942</u>	<u>224,282</u>
Change in net position	6,364	951,168
Net position - July 1	<u>3,024,597</u>	<u>6,755,550</u>
Net position - June 30	<u>\$ 3,030,961</u>	<u>\$ 7,706,718</u>

See accompanying notes to basic financial statements.

**CITY OF KENAI, ALASKA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

	Business-type Activities - Enterprise Fund <u>Congregate Housing</u>	Governmental Activities - Internal Service Funds
Cash flows from operating activities:		
Receipts from customers	\$ 483,395	\$ 357,811
Payments to suppliers	(187,285)	(2,567,022)
Payments to employees	(95,369)	-
Receipts (payments) for interfund services	(40,600)	3,214,584
Net cash provided by operating activities	<u>160,141</u>	<u>1,005,373</u>
Cash flows from noncapital financing activities -		
State grant	<u>1,688</u>	<u>-</u>
Cash flows for capital and related financing activities -		
Acquisition and construction of capital assets	<u>(544,856)</u>	<u>(226,746)</u>
Cash flows from investing activities -		
Investment earnings	<u>52,254</u>	<u>224,282</u>
Net increase (decrease) in cash and cash equivalents	(330,773)	1,002,909
Cash and cash equivalents - July 1	<u>1,067,220</u>	<u>4,113,202</u>
Cash and cash equivalents - June 30	<u><u>\$ 736,447</u></u>	<u><u>\$ 5,116,111</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ (47,578)	\$ 726,886
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	140,736	271,411
Miscellaneous expense	-	(1,178)
Accounts receivable	(18)	-
Accounts payable	72,279	8,254
Compensated absences	(2,098)	-
Unearned revenue	(3,135)	-
Other liabilities	(45)	-
Net cash provided by operating activities	<u><u>\$ 160,141</u></u>	<u><u>\$ 1,005,373</u></u>

See accompanying notes to basic financial statements.

CITY OF KENAI, ALASKA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2024

	<u>Total Custodial Funds</u>
ASSETS	
Equity in central treasury (cash and investments)	\$ 1,516,734
Interest receivable	<u>4,728</u>
Total assets	<u>\$ 1,521,462</u>
LIABILITIES	
Accounts payable	<u>\$ 873</u>
NET POSITION	
Restricted for organizations	<u>1,520,589</u>
Total liabilities and net position	<u>\$ 1,521,462</u>

See accompanying notes to basic financial statements.

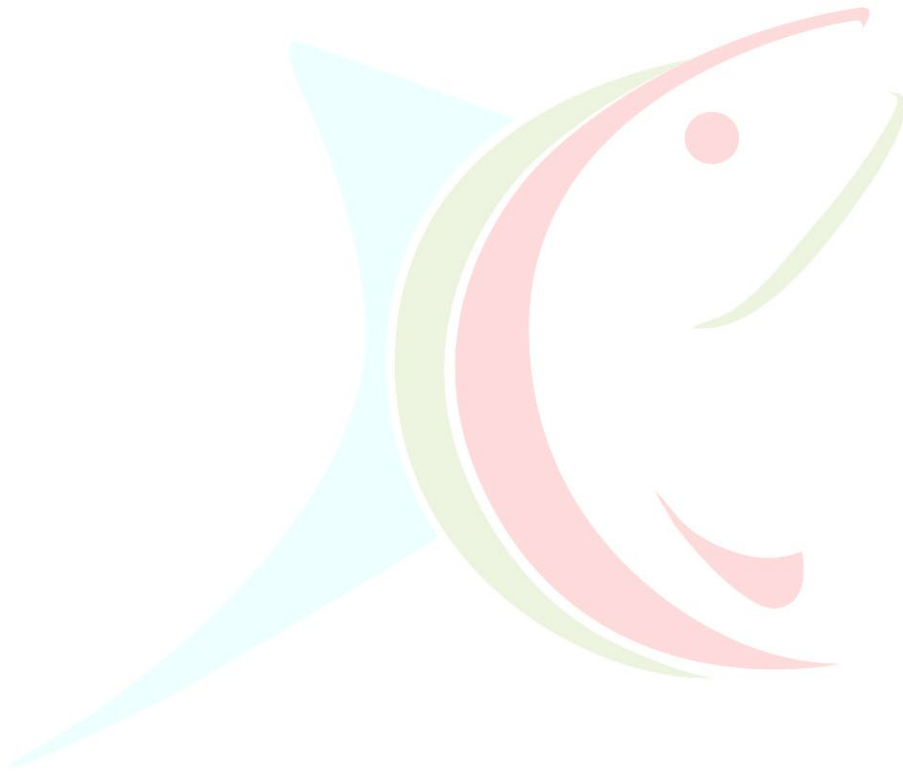
**CITY OF KENAI, ALASKA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2024**

	<u>Total Custodial Funds</u>
Additions:	
Private donations	\$ 10,000
Investment earnings	143,064
Less investment management fees	<u>2,802</u>
Net investment earnings	<u>140,262</u>
Total additions	<u>150,262</u>
Deductions -	
Payments to others	<u>9,838</u>
Net increase in fiduciary net position	140,424
Net position - July 1	<u>1,380,165</u>
Net position - June 30	<u><u>\$ 1,520,589</u></u>

See accompanying notes to basic financial statements.

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NOTES TO BASIC FINANCIAL STATEMENTS



KENAI

CITY OF KENAI, ALASKA
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

The City of Kenai (City) was formed by a Home Rule Charter on May 20, 1963 under the provisions of Alaska Statute, Title 29, as amended. The City operates under a council-manager form of government and provides the following services: public safety (police, fire, animal control, and 911 communications), public improvements, airport, dock facility, water and sewer, library, senior citizen, recreation, parks, planning and general administrative services.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting principles of the government are described below.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the City. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues along with user fees, are reported separately from the *business-type activities*, which rely to a significant extent on fees and charges for support. The effect of any interfund activity, for the most part, has been removed from these statements. 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 charges to customers or applicants who use, purchase, or directly benefit from the goods, services or privileges provided by a given segment or function and includes restricted grants and contributions that are restricted to meeting the operations or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as *general revenues*. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements, the fiduciary activities are not included.

C. Measurement focus and basis of accounting and financial statement presentation

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Grants and similar programs are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position is reported as restricted when constraints placed on the net position is either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Governmental fund type financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible in the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days after year end, except for reimbursement-type grants, in which revenue is considered available if collected within 180 days after year end. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, compensated absences, pensions, and other post-employment benefits are recorded only when payment is due.

Taxes, charge for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivables due within the current fiscal period is considered to be susceptible

to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when received by the government.

The City reports the following major governmental funds:

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

The Airport Special Revenue Fund accounts for activities of the airport except for land sales. It relies on intergovernmental revenue, user fees and investment earnings to finance operations.

The Water & Sewer Special Revenue Fund accounts for activities of the City's water and sewer utility. It relies on user fees to finance operations.

The Kenai Bluff Erosion Capital Project accounts for the capital project to stabilize the bluff along the ocean front of Kenai. The primary funding source for this fund is state grants.

The Airport Land Sales Permanent Fund accounts for sales of airport land. All proceeds from airport land sales are deposited into this account and invested. Annual transfers to the Airport Special Revenue Fund for operations is limited to 3.8% or 4.2% of the fund's balance at December 31st of each year. If the fund's market value at December 31st exceeds the fund's inflation adjusted principal balance, the allowable transfer is 4.2% and if it does not, the allowable transfer is 3.8%.

Additionally, the City reports the following fund types:

Enterprise Fund - the Congregate Housing Fund accounts for the activities of the senior housing project. Primary funding source is rents from its tenants.

Internal Service Funds – the Equipment Replacement Fund, Fleet Replacement Fund and Employee Health Care Fund are internal service funds. The Equipment Replacement Fund accounts for the purchase of equipment costing more than \$50,000 that will be used by General Fund departments on a cost-reimbursement basis. The Fleet Replacement Fund is used to account for the purchase of fleet vehicles used by departments of the General and Senior Citizen Fund on a cost-reimbursable basis. The Employee Health Care Fund accounts for the cost of providing health and life insurance to the employees of all City funds.

Fiduciary Funds – the City utilizes this fund type to account for the resources invested by the City, under management agreements, for the Kenai Community Foundation and Kenai Senior Connection. The Kenai Community Foundation is a not-for-profit organization devoted to supporting museums, parks and recreation, music, fine arts, library, and historic purposes within Kenai's city limits. Kenai Senior Connection is a not-for-profit organization devoted to supporting the operations of the Kenai Senior Center.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's enterprise functions and various other functions of the City. 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, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* 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 fund and of the City's internal service funds are charges to customers for sales and services. Operating expenses for the enterprise fund and internal service funds include the cost of sales and services,

administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance and net position

1. Cash and cash equivalents

The City maintains a central treasury for most of its cash and cash equivalents, which is utilized by all funds. For the purposes of these financial statements, the City of Kenai considers highly liquid investments that are readily convertible to cash, with an original maturity of three months or less, to be cash equivalents.

Investment income is recorded in the General Fund, except that interest earned on cash held in the Water and Sewer Special Revenue Fund (including cash in water and sewer related capital project funds), the Airport Special Revenue Fund (including cash in the Airport Land Sales Permanent Fund and airport related capital project funds), the Congregate Housing Enterprise Fund, Employee Health Care Internal Service Fund, Personal Use Fishery Special Revenue Fund, Cone Memorial Trust Special Revenue Fund, Kenai Community Foundation and Kenai Senior Connection Fiduciary Funds, and the Fleet and Equipment Replacement Internal Service Funds are recorded in these funds.

2. Receivables and payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to other funds" or "due from other funds" (i.e., the current portion of interfund loans).

3. Restricted Assets

Monies or other resources, the use of which is restricted by legal or contractual requirements are recorded as restricted assets.

4. Property Taxes

Property taxes are assessed on real and personal property. Mill rates are established annually by City resolution. The mill rate for the fiscal year 2024 was 4.35 mills. The Kenai Peninsula Borough bills and collects property taxes on behalf of the City. Taxes are levied on July 1 of each year and are due in either two equal installments on September 15 and November 15, or one installment on October 15.

Property taxes attach as an enforceable lien on property as of January 1. Property taxes are recorded as a receivable when billed. Uncollected property tax not received soon after year-end, in excess of the estimated uncollectible portion, is deferred.

5. Leases

The City of Kenai has leased multiple nonfinancial assets to third parties. The City recognizes a lease receivable and a deferred inflow of resources in both the government-wide and governmental fund financial statements, where applicable.

At the commencement of the leases, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The City uses its estimated incremental borrowing rate as the discount rate for leases where the stated interest rate is absent from the contracts. The lease term includes the noncancellable period of the lease, including any extension options that are reasonably intended to be exercised. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee. The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

6. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2024 are recorded as prepaid items. Prepaids are recognized when incurred and the expenditure is recorded in the period that is benefited using the consumption method.

7. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000. All infrastructure assets, including those acquired prior to June 30, 1980, are reported. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items are recorded at acquisition value rather than fair value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment of the City, is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings costing more than \$50,000	50
Buildings costing less than \$50,000	25
Improvements other than buildings	25
Water and sewer infrastructure	50
Street infrastructure	30
Machinery and Heavy Equipment	20
Other equipment	10
Office equipment	5

8. Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits. The City makes annual appropriations for the amount of leave expected to be used, which is available to employees at essentially their discretion. Each employee is allowed to accumulate up to 80 days of annual leave at the end of a calendar year, with any excess accumulation paid in cash in the following January. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee terminations or in situations where the leave is used but not yet paid. Most funds, except the capital project funds, will be utilized to liquidate the liability for compensated absences. The most significant, due to the fact that it has the largest payroll, is the General Fund.

9. Long-term obligations

In the government-wide and proprietary fund type 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. In the fund financial statements, governmental fund types recognize long-term debt obligations only when due.

10. Fund balances

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

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

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

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal 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 has the authority to assign amounts to be used for specific purposes by resolution. 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 non-spendable and are neither restricted nor committed.

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

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

The City has established a General Fund, Fund Balance Policy. This policy sets a minimum and maximum value for fund balance. A budget stabilization reserve is established equal to a risk adjusted three months of expenditures and operating transfers. When combined, the budget stabilization reserve and other fund balance commitments of Council equals the General Fund’s minimum level of fund balance. If fund balance drops below this minimum, Council must adopt a plan to achieve the minimum level within three years inclusive of the current budget year.

In addition to a budget stabilization reserve, the Fund Balance Policy, establishes an Operational and Capital Contingency Reserve equal to a risk adjusted one month of budgeted General Fund expenditures and transfers. The combination of the budget stabilization reserve, other fund balance commitments of Council, and the operational and capital contingency reserve equals the maximum level of fund balance. If fund balance exceeds this maximum, Council must adopt a plan to achieve the maximum level within three years inclusive of the current budget year.

11. Net Position and Net Position Flow Assumptions

Net position represents the residual interest in the City’s assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted and consists of three components: net investment in capital assets, restricted and unrestricted net position. Net investment in capital assets includes capital assets, net of accumulated depreciation, reduced by outstanding debt incurred to acquire, construct or improve those capital assets, excluding unexpended proceeds. The restricted category represents the balance of assets restricted for general use by external parties (creditors, grantors, contributors, or laws or

regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

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

12. Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net liabilities, assets, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Most funds, except the capital project funds and the Congregate Housing Enterprise Fund, will be utilized to liquidate the pension and OPEB liabilities. The most significant, due to the fact that it has the largest payroll, is the General Fund.

13. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of the net position reports a separate section for deferred outflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. Deferred outflows of resources consist of pension and OPEB related items. These items are amortized resulting in additional expense in future periods.

In addition to liabilities, the statement of net position and governmental fund balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources for ambulance services, property taxes, special assessments, land sales, leases, and other unavailable revenues are reported in the governmental fund statements. Deferred inflows of resources consist of prepaid property taxes, leases, unavailable revenues, and OPEB related items in the government-wide statement of net position. OPEB related items are amortized resulting in a reduction of expense at a later date.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental fund types, except the capital project funds which adopt project-length budgets. All annual appropriations lapse at a fiscal year end.

Budgets for the general fund, special revenue funds, debt service funds, permanent funds and enterprise fund are annual budgets. Capital project fund budgets are project-length budgets. The Equipment Replacement and Fleet Replacement Funds, which are internal service funds, are not required to have a budget. The City Council approves all asset acquisitions for these funds by resolution.

Annual budgets must be submitted to the City Council by the City Manager during or prior to the sixth week preceding the first day of each fiscal year. The City Council must adopt an annual budget and set the tax rates not later than the tenth day of June for the following fiscal year.

Budgetary control (the level at which expenditures may not exceed budget) is maintained at the object class level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders which would result in an overrun of object class balances are not released until additional appropriations are made available.

Amendments to appropriations may be made by the city administration by transfers within a fund in amounts less than \$10,000. Other amendments, including supplemental appropriations, may be made by the City Council. The City Council authorized supplemental appropriations during the year in capital projects funds, special revenue funds and the General Fund. General Fund supplemental appropriations were \$996,460. Supplemental funding included \$722,253 to provide funding or supplemental funding for capital improvement projects, \$69,589 for various grant funded expenditures, \$50,000 Street Lighting Repairs, \$34,942 for sidewalk repairs, \$25,000 for updating roadway improvement standards, \$20,892 for increase in insurance cost, \$13,750 for temporary staffing for waterfront project, \$12,600 for land purchase, \$2,000 for computer software, and \$45,434 in various donations received for appropriation.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as appropriate constraints of fund balances if they meet the definitions and criteria as outlined above. These commitments will be re-appropriated and honored during the subsequent year.

Significant encumbrances exceeding \$75,000 as of June 30, 2024 were:

	Airport Imp. Capital Project	Kenai Bluff Erosion Capital Project	Nonmajor Gov't Funds
Airport Runway Rehabilitation Project	\$ 462,625	\$ -	\$ -
Airfield Drainage Improvements	333,675	-	-
Airport Terminal Landscaping	94,733	-	-
Fire Department Community Wildfire Protection	-	-	106,844
Equipment Replacement Fund – Ambulances (2)	-	-	504,988
Fleet Replacement Fund – Police Vehicles (2)	-	-	106,458
Lilac Street Reconstruction	-	-	637,765
Wastewater Treatment Plant Digester Blower	-	-	89,396
Kenai Bluff Erosion, Stabilization	-	166,148	-
	<u>\$ 891,033</u>	<u>\$ 166,148</u>	<u>\$ 1,445,451</u>

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The City maintains a central treasury that is available for use by all funds. Each fund type's portion of the central treasury is displayed on the balance sheet or statement of net position as "Equity in Central Treasury" unless there is a deficit which is then shown as "Due to Other Funds".

At year-end, all of the City's bank deposits were either insured or collateralized with securities held by the City's agent in the City's name.

The City's general investment policy authorizes investment in: (a) obligations of the United States or an agency or instrumentality of the United States; (b) certificates of deposit with banks and savings and loan associations; (c) repurchase agreements; (d) money market mutual funds consisting primarily of obligations of the United States or an agency or instrumentality of the United States, or repurchase agreements collateralized with such obligations; and (e) the Alaska Municipal League Investment Pool (AMLIP). Generally, investment maturities cannot exceed five years from the date of purchase. Repurchase agreements must be collateralized with United States government obligations. Certificates of deposit must be insured or collateralized with obligations of the United States or its agencies or instrumentalities. Collateral must be held by a third-party trustee.

The City's Airport Land Sales Permanent Fund investment policy authorizes investment in:

- (a) Corporate obligations of investment grade quality as recognized by a nationally recognized rating organization;

- (b) Domestic Equities, which taken as a whole, attempt to mirror the characteristics or replicate the Standard & Poor's 500 Index or another index of similar characteristics, including both mutual funds and exchange traded funds (ETF's);
- (c) Domestic Equities, which taken as a whole, attempt to replicate the Standard & Poor's 400 Mid-Cap Index or another index of similar characteristics, including both mutual funds and exchange traded funds;
- (d) Domestic Equities, which taken as a whole, attempt to replicate the Standard & Poor's 600 Small-Cap Index or another index of similar characteristics, including both mutual funds and exchange traded funds;
- (e) International Equities, which taken as a whole, attempt to replicate the Morgan Stanley Capital International Europe, Australasia and Far East (MSCI EAFE) Index or another index of similar characteristics, including both mutual funds and exchange traded funds;
- (f) Equities, which taken as a whole, attempt to replicate the universe of domestic real-estate investment trusts as represented by the Standard & Poor's U.S. REIT composite index or another index of similar characteristics, including both mutual funds and exchange traded funds;
- (g) Emerging Market Equities, which taken as a whole, attempt to replicate the Morgan Stanley Capital International Emerging Markets Index or another index of similar characteristics including both mutual funds and exchange traded funds;
- (h) Global infrastructure equities which, taken as a whole, attempt to replicate the STOXX Global Broad Infrastructure Index, or a substantially similar index, including both mutual funds and exchange traded funds;
- (i) Domestic bonds which, taken as a whole, attempt to mirror the characteristics or replicate the Bloomberg Barclays U.S. Aggregate Bond Index or another index of similar characteristics and approved by resolution of the Council as a component of the annual Land Sale Permanent Funds Asset Allocation Plan, including individual securities, mutual funds and exchange traded funds (ETFs). Repurchase agreements must be collateralized with United States government obligations. Certificates of deposit must be insured or collateralized with obligations of the United States or its agencies or instrumentalities;
- (j) Alternative Beta investments which, taken as a whole, attempt to mirror the characteristics or replicate the Wilshire Liquid Alternative Index; and
- (k) Cash allocation which, taken as a whole, attempt to mirror the characteristics or replicate the Citi Group 90 Day T-Bill Index.

The Alaska Municipal League Investment Pool (AMLIP) is an external investment pool which is rated AAAM for credit risk purposes. Alaska Statute 37.23 establishes regulatory oversight of the Pool. The law sets forth numerous requirements regarding authorized investments and reporting. On a monthly basis the investments in the Pool are reviewed for fair value by an independent pricing service. The values of investments in the AML Pool are approximately equal to fair value. There are no limitations or restrictions on participant withdrawals from the AMLIP investment pool. The City had no unfunded commitments to AMLIP. The City can redeem its investments in AMLIP in a daily basis with no prior notification.

The fair value of the City's investments at year-end are shown below. All of the City's remaining investments are in the category of least risk and include investments that are insured or registered in the City's name, or securities that are held by the City or its agent in the City's name. All of the United States treasury bills, treasury notes, and United States agency securities are held in a custodial account in the Principal Financial Trust Department, and are recorded in its internal records in the City's name in accordance with a safekeeping agreement. Principal Financial is not a counterparty to security transactions.

The City maintains an interest-bearing checking account, which had a bank balance of \$1,621,636 and a carrying value of \$1,558,273 at year-end. The City also holds an account for collection of online and credit card payments for utilities with a balance of \$4,665 and cash on hand of \$2,279. These deposits are insured for the first \$250,000 and the balance is collateralized by securities held by a third-party custodian in the City's name.

As of June 30, 2024, the City had the following investments and maturities.

General Fund, Special Revenue Funds, Congregate Housing Enterprise Fund, Capital Project Funds and Internal Service Funds City investments:

<u>Investment</u>	<u>Fair Value</u>	<u>Less than 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>
U.S. Treasury/Agencies	\$14,036,145	\$ 5,100,839	\$2,655,451	\$6,279,855
Money Market Fund	15,756,828	15,756,828	-	-
Certificates of Deposit	<u>1,679,384</u>	<u>967,838</u>	<u>240,362</u>	<u>471,184</u>
Total Investments at Fair Value Level	31,472,357	<u>\$21,825,505</u>	<u>\$2,895,813</u>	<u>\$6,751,039</u>
AMLIP *	<u>2,491,139</u>			
Total Central Treasury	<u>\$33,963,496</u>			

* The City's investment in AMLIP is measured at net asset value, as of June 30, 2024. Management believes this value approximates fair value.

General Government Land Sales and Airport Land Sales Permanent Funds, Cone Memorial Trust Fund and Fiduciary Funds' investments:

<u>Investment</u>	<u>Fair Value</u>	<u>% of Portfolio</u>
U.S. Treasury/Agencies	\$ 7,257,718	21.01%
Investment Grade Corporate Bonds	2,142,943	6.20
Money Market Fund	1,302,409	3.77
Mutual Funds:		
High Yield Domestic Bonds	1,311,952	3.79
U.S. Equity Securities	12,878,646	37.27
International Securities	4,494,029	13.01
Infrastructure Equities	1,636,071	4.74
Alternative Beta Securities	2,903,167	8.40
Real Estate Equities	<u>623,977</u>	<u>1.81</u>
Total	<u>\$34,550,912</u>	<u>100.00%</u>

The following is a reconciliation of the City's deposit and investment balances to the financial statements at June 30, 2024.

	<u>Pooled Cash and Investments</u>	<u>Kenai Community Foundation</u>	<u>Kenai Senior Connection</u>	<u>Totals</u>
Bank deposits and cash on hand	\$ 1,557,563	\$ 5,061	\$ 2,593	\$ 1,565,217
Investments	<u>67,005,328</u>	<u>255,544</u>	<u>1,253,536</u>	<u>68,514,408</u>
	<u>\$68,562,891</u>	<u>\$260,605</u>	<u>\$1,256,129</u>	<u>\$70,079,625</u>

Interest Rate Risk. The fair values of the City's general fixed-income investments fluctuate in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in fair values of those instruments. Fair values of interest rate sensitive instruments may be affected by the creditworthiness of the issuer, prepayment options, relative values of alternative investments, the liquidity of the instrument, and other general market conditions. The City manages interest rate risk by requiring specific percentages of the portfolio to be invested within certain time periods and the policy limits the longest maturity to five years. The policy requires 20% of the portfolio to be invested for less than one year and no more than 30% of the portfolio can be invested longer than two years.

The fair values of the City's Airport & General Land Sales Funds fixed income investments fluctuate in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in fair values of those instruments. Fair values of interest rate sensitive instruments may be affected by the creditworthiness of the issuer, prepayment options, relative values of alternative investments,

the liquidity of the instrument, and other general market conditions. Duration of a financial asset measures the sensitivity of the asset's price to changes in interest rates. The benchmark indices for the fixed income component of the fund is the Bloomberg Barclays US Aggregate Bond Index for the Investment Grade Domestic Bond component and the Bloomberg Barclays U.S. Corporate High Yield Very Liquid Bond Index for the High Yield Domestic Bond allocation. The indices allow for maturities greater than 1 year. At June 30, 2024 the index had an average duration of 6.13 while the fund's fixed income component had an average duration of 6.13.

Concentration Risk. The City's general investment policy places no limit on the amount that can be invested in any one issuer. For concentration risk in the Permanent Fund & Fiduciary Fund Portfolio – There are 4 items noted with more than 5% ISHARES Core MSCI EAFE ETF = 6.96%, ISHARES CORE MSCI EMERGING MARKETS = 5.10%, ISHARES CORE S&P MID-CAP ETF = 9.08%, SPDR S&P 500 ETF TRUST = 20.18%.

The City's Land Sale Funds, consisting of the General Government and Airport Land Sales Permanent Funds, investment policy places no limits on the amount that can be invested in any one issuer but rather establishes limits by asset class. The following is a list of asset classes allowed, their benchmark index, their appropriate target weighting, and the actual weighting at June 30, 2024.

<u>Asset Class</u>	<u>Benchmark Index</u>	<u>Target % Weighting</u>	<u>Actual % Weighting</u>
Cash	90-day US Treasury Bill	0-10%	3.77%
Fixed income:			
Investment Grade Domestic Bond	Bloomberg Barclays US Aggregate Bond Index	16-36	27.21
High Yield Domestic Bonds	Bloomberg Barclays U.S. Corporate High Yield Very Liquid Bond Index	0-8	3.80
Domestic Equity:			
Large-Cap domestic equities	Standard & Poor's 500 Index	12-32	22.43
Mid-Cap equities	Standard & Poor's 400 Mid-Cap Index	0-18	10.12
Small-Cap equities	Standard & Poor's 600 Small-Cap Index	0-10	4.72
International equities	Morgan Stanley Capital International Europe, Australasia and Far East (MSCI EAFE) Index	4-16	7.90
International emerging markets	Morgan Stanley Capital International Emerging Market Index	0-10	5.10
Real-estate equities	Standard & Poor's US REIT Index	0-4	1.81
Infrastructure equities	STOXX Global Broad Infrastructure Index	0-10	4.74
Alternative Beta	Wilshire Liquid Alternatives Index	0-15	8.40
Total			<u>100.00%</u>

Credit Risk. The City's general investment policy specifies the types of investments that can be purchased. The intent of this is to limit the credit risk, or the risk that the issuer of the investment securities purchased will default at maturity of the investment. The City may invest only in obligations of the United States government, its instrumentalities and agencies; insured or collateralized certificates of deposit, savings accounts; collateralized repurchase agreements; money market funds and the State investment pool. Credit risk is effectively limited by limiting the eligible investment options. All of the U.S. Agency securities in the portfolio at year-end are rated Aaa by Moody's Investors Service and AA+ by Standard and Poor's.

The Bloomberg Barclays US Aggregate Bond Index is utilized as the benchmark by the City's Permanent Fund investment policy, which requires investment in securities of investment grade or higher (rated Baa or higher by Moody's Investor Service or rated BBB or higher by Standard and Poor's). At June 30, 2024 all fixed income investments were rated BBB or better by Standard and Poor's.

Option Risk: Option risk is the risk that an investment's issuer may exercise a right embedded in the investment—an embedded option. The City invests in securities issued by U.S. Government Agencies that may contain call options. As of June 30, 2024, there was not a portfolio security containing a call option.

The exercise of the call option by the issuer occurs during times of declining interest rates; therefore the City would be exposed to the risk of having to reinvest at a lower interest rate if it had any callable securities.

Fair Value Measurement. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The City has the following recurring fair value measurements as of June 30, 2024:

Investments Measured at Fair Value				
	<u>Fair Value</u>	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasuries	\$ 4,110,454	\$ 4,110,454	\$ -	\$ -
U.S. Agencies	17,183,409	-	17,183,409	-
Corporate bonds	2,142,943	-	2,142,943	-
Certificates of deposit	1,679,384	-	1,679,384	-
Money market funds	17,059,237	17,059,237	-	-
Mutual funds	<u>23,847,842</u>	<u>23,847,842</u>	-	-
Total investments at fair value level	66,023,269	<u>\$45,017,533</u>	<u>\$21,005,736</u>	<u>\$ -</u>
AMLIP *	<u>2,491,139</u>			
Total Central Treasury & Land Sale Funds Investments	<u>\$68,514,408</u>			

U.S. Treasuries, money market funds, and mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. U.S. Agencies, corporate bonds, and certificates of deposit classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique.

* The City's investment in AMLIP of \$2,491,139 is measured at net asset value, as of June 30, 2024. Management believes this value approximates fair value.

B. Receivables

Receivables at June 30, 2024, for the City's individual major funds and the nonmajor governmental funds in the aggregate are as follows:

	<u>General</u>	<u>Airport Special Revenue</u>	<u>Water & Sewer Special Revenue</u>	<u>Kenai Erosion Bluff Capital Project</u>	<u>Airport Land Sales Permanent</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Taxes	\$1,763,483	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,763,483
Intergovernmental	55,949	8,395	-	31,411	-	1,486,657	1,582,412
Customer and other	983,860	117,124	323,065	-	-	27,966	1,452,015
Special assessments	86,719	-	-	-	-	-	86,719
Land contracts	-	-	-	-	81,708	-	81,708
Accrued interest	<u>137,130</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,346</u>	<u>14,167</u>	<u>240,643</u>
Total receivables	3,027,141	125,519	323,065	31,411	171,054	1,528,790	\$5,206,980
Less allowances for uncollectibles	<u>(793,941)</u>	<u>(7,632)</u>	<u>(17,454)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(819,027)</u>
Net receivables	<u>\$2,233,200</u>	<u>\$117,887</u>	<u>\$305,611</u>	<u>\$31,411</u>	<u>\$171,054</u>	<u>\$1,528,790</u>	<u>\$4,387,953</u>

C. Leases Receivable

During the current year, the City, as lessor, entered into several multiple-year lease agreements with third parties for various nonfinancial assets. The lengths of the lease terms vary, and the City used their incremental borrowing rate of 5% when there was no stated interest rate in the lease contract. The City received payments totaling \$470,353 for the fiscal year ended June 30, 2024. The City recognized \$221,807 in lease revenue and \$338,299 in interest revenue for the fiscal year ended June 30, 2024. As of June 30,

2024, the City's receivable for lease payments was \$4,216,311. Accrued interest receivable was included in the City's lease receivable in the Statement of Net Position of \$28,252, resulting in a balance of \$4,244,563. The City recognized a deferred inflow of resources associated with the lease of \$3,953,758 on June 30, 2024, that will be recognized as revenue over the remainder of the lease terms.

D. Deferred Inflows of Resources, Deferred Outflows of Resources and Unearned Revenues

Governmental funds report deferred inflows in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Governmental funds report acquisitions of net assets by the governmental funds that are applicable to a future reporting period as deferred inflows of resources and consumption of net assets that are applicable to a future period as deferred outflows. At June 30, 2024, the various components of unearned revenue, deferred inflows of resources, and deferred outflows of resources reported at the fund level and the government-wide level were as follows:

	Fund Level		Government Wide		
	Deferred Inflows	Unearned	Deferred Outflows	Deferred Inflows	Unearned
Pension related	\$ -	\$ -	\$1,854,833	\$ -	\$ -
Other postemployment benefits related	-	-	501,896	-	-
Special assessments receivable (General Fund)	86,719	-	-	-	-
Ambulance billing receivable (General Fund)	183,183	-	-	-	-
Land sales receivable (Airport Land Sales Permanent Fund)	81,708	-	-	-	-
Leases	3,953,758	-	-	3,953,758	-
Prepaid property tax (General Fund)	48,006	-	-	48,006	-
Prepaid licenses (General Fund)	2,550	-	-	2,550	-
Other postemployment benefits related	-	-	-	357,471	-
Prepaid rents & leases (General Fund)	-	12,957	-	-	12,957
Prepaid rents & leases (Airport Fund)	-	18,482	-	-	18,482
Prepaid rents & leases (Congregate Housing)	-	1,039	-	-	1,039
Deferred Revenue (Kenai Bluff Erosion)	-	2,333,400	-	-	2,333,400
Deferred Revenue (NonMajor Funds)	-	85,403	-	-	85,403
Prepaid water & sewer service	-	39,826	-	-	39,826
	<u>\$4,355,924</u>	<u>\$2,491,107</u>	<u>\$2,356,729</u>	<u>\$4,361,785</u>	<u>\$2,491,107</u>

E. Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 6,319,560	\$ 12,127	\$ -	\$ 6,331,687
Construction in progress	9,095,347	4,467,912	(588,792)	12,974,467
Total capital assets, not being depreciated	15,414,907	4,480,039	(588,792)	19,306,154
Capital assets, being depreciated:				
Buildings	94,810,601	311,440	(40,814)	95,081,227
Improvements other than buildings	60,523,124	84,949	(4,245)	60,603,828
Machinery and Equipment	26,054,081	523,654	(2,107,050)	24,470,685
Infrastructure	71,824,335	-	-	71,824,335
Total capital assets being depreciated	253,212,141	920,043	(2,152,109)	251,980,075
Less accumulated depreciation for:				
Buildings	(30,825,847)	(1,725,937)	29,590	(32,522,194)
Improvements other than buildings	(32,222,159)	(1,512,531)	4,245	(33,730,445)
Machinery and equipment	(15,979,943)	(935,945)	1,979,821	(14,936,067)
Infrastructure	(33,701,620)	(775,794)	-	(34,477,414)
Total accumulated depreciation	(112,729,569)	(4,950,207)	2,013,656	(115,666,120)
Total capital assets, being depreciated, net	140,482,572	(4,030,164)	(138,453)	136,313,955
Governmental activities, capital assets, net	<u>\$155,897,479</u>	<u>\$ 449,875</u>	<u>\$ (727,245)</u>	<u>\$ 155,620,109</u>

The Internal Service Funds serve the governmental funds; therefore, their capital assets are included as part of the above totals for governmental activities.

As a result of the FY23 audit, the City determined it was necessary to perform a physical inventory of all capital assets. It was discovered that capital assets were disposed of in prior years and were not removed from the fixed asset system, and thus are included in the opening balances disclosed above. The cost of the disposed assets still included in the opening balances was \$2,152,109, with accumulated depreciation of \$2,013,656, and a net book value of \$138,453. The City determined that it was not practical to restate the opening balances in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*, since there was not adequate supporting documentation to determine the actual disposal dates of the assets and the net effect of this correction was not significant. The City has reported the activity as disposals in the current year. The City did not have any other disposals for the year ended June 30, 2024.

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 274,500	\$ -	\$ -	\$ 274,500
Construction in progress	<u>28,331</u>	<u>522,764</u>	<u>-</u>	<u>551,095</u>
Total capital assets not being depreciated	<u>302,831</u>	<u>522,764</u>	<u>-</u>	<u>825,595</u>
Capital assets being depreciated - Buildings	5,717,544	22,092	-	5,739,636
Less accumulated depreciation for Buildings	<u>(4,009,667)</u>	<u>(140,736)</u>	<u>-</u>	<u>(4,150,403)</u>
Total capital assets being depreciated, net	<u>1,707,877</u>	<u>(118,644)</u>	<u>-</u>	<u>1,589,233</u>
Business-type activities capital assets, net	<u>\$ 2,010,708</u>	<u>\$ 404,120</u>	<u>\$ -</u>	<u>\$ 2,414,828</u>
Depreciation expense charged to each governmental function is as follows:				
General government	\$ 105,680			
Public safety	271,787			
Public works	839,780			
Parks, recreation and cultural	346,213			
Water and sewer services	1,004,226			
Airport	2,314,694			
Social welfare services	<u>67,827</u>			
	<u>\$ 4,950,207</u>			

F. Pension and Other Postemployment Benefits Plans

(a) Defined Benefit (DB) Pension Plan

General Information About the Plan

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

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

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

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

Historical Context and Special Funding Situation

In April 2008, the Alaska Legislature passed legislation converting the previously existing PERS plan from a DB agent-multiple employer plan to a DB cost-sharing plan with an effective date of July 1, 2008. In connection with this conversion, the State of Alaska passed additional legislation which statutorily capped

the employer contribution rate, established a state funded “on-behalf” contribution (subject to funding availability), and required that employer contributions be calculated against all PERS eligible wages, including wages paid to participants of the PERS Tier IV defined contribution plan described later in these notes. The Alaska Legislature has the power and authority to change the aforementioned statute through the legislative process.

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

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

Employee Contribution Rates

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

Employer and Other Contribution Rates

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

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

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

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

Contribution rates for the year ended June 30, 2024 were determined in the June 30, 2022 actuarial valuations. The City’s contribution rates for the 2024 fiscal year were as follows:

	ARM Board Adopted Rate	State Contribution Rate
Defined benefit plans:		
Pension	18.47%	3.10%
Postemployment healthcare (ARHCT)	-%	-%
Defined contribution – Pension	6.63%	-%
Total Contribution Rates	<u>25.10%</u>	<u>3.10%</u>

Alaska Statute 39.35.255(a) capped the employer rate at 22% with the State of Alaska making a nonemployer contribution for the difference between actuarially required contribution and the cap. For the

fiscal year the employer rate is 22.00% for pension and 0.00% for ARHCT. The contribution requirements for the City are established and may be amended by the ARM Board. Additionally, there is a Defined Benefit Unfunded Liability (DBUL) amount levied against the DCR Plan payroll. The DBUL amount is computed as the difference between (a) amount calculated for the statutory employer contribution rate of 22.00% on eligible salary less (b) total of the employer contribution for (1) defined contribution employer matching amount, (2) major medical, (3) occupational death and disability, and (4) health reimbursement arrangement. The difference is deposited based on an actuarial allocation into the defined benefit plan's pension and healthcare funds.

In 2024, the City was credited with the following contributions to the pension plan.

	Measurement Period July 1, 2022 to June 30, 2023	City Fiscal Year July 1, 2023 to June 30, 2024
Employer contributions (including DBUL)	\$1,384,812	\$1,491,437
Nonemployer contributions (on-behalf)	247,913	276,706
Total Contributions	\$1,632,725	\$1,768,143

In addition, employee contributions to the Plan totaled \$188,626 during the City's fiscal year.

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

At June 30, 2024, the City reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the City. The amount recognized by the City for its proportional share, the related State proportion, and the total portion of the net pension liability that was associated with the City were as follows:

City proportionate share of NPL	\$13,922,381
State's proportionate share of NPL associated with the City	4,641,160
Total Net Pension Liability	\$18,563,541

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 and adjusted to reflect updated assumptions to calculate the net pension liability as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, including the State, actuarially determined. At the June 30, 2023 measurement date, the City's proportion was 0.26850 percent, which was a decrease of 0.01428 from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the City recognized pension expense of \$2,979,469 and on-behalf revenue of \$510,813 for support provided by the State. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 363,396	\$ -
City contributions subsequent to the measurement date	1,491,437	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	\$1,854,833	\$ -

The \$1,491,437 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2025	\$ (137,824)
2026	(304,816)
2027	824,631
2028	<u>(18,595)</u>
Total Amortization	\$ <u>363,396</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022, using the actuarial assumptions listed below, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023:

Actuarial cost method	Entry Age Normal
Amortization method	Unfunded accrued Actuarial Liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	For peace officer/firefighter, increases range from 8.50% to 3.85% based on service. For all others, increases range from 6.75% to 2.85% based on service.
Allocation methodology	Amounts for the June 30, 2023 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions for the Plan for the fiscal years 2024 to 2039. The liability is expected to go to zero at 2039.
Investment rate of return	7.25%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%.
Mortality	
Peace officer / firefighter	Pre-commencement mortality rates were based upon the Pub-2010 Safety Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 70% of the time. Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.
All Others	Pre-commencement mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 98% of male and 106% of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement.

Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

The total pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to the measurement date of June 30, 2023. The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021, resulting in changes in actuarial assumptions effective for the June 30, 2022 actuarial valuation, which were adopted by the Board to better reflect expected future experience.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return, excluding the inflation component of 2.82%, for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Range</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	27%	+/-6%	6.17%
Global equity (non-U.S.)	18%	+/-4%	6.55%
Aggregate bonds	19%	+/-10%	1.63%
Multi-asset	8%	+/-4%	-%
Real assets	14%	+/-7%	4.87%
Private equity	14%	+/-7%	11.57%
Cash equivalents	-%	-%	0.49%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	<u>Proportional Share</u>	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
City's proportionate share of the net pension liability	0.26850%	\$18,690,755	\$13,922,381	\$9,894,509

Pension Plan Fiduciary Net Position

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

(b) Defined Contribution (DC) Pension Plan

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

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

Benefit Terms

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service. Non-vested employer contributions are forfeited upon termination of employment from the Plan. Such forfeitures were applied in the year ended June 30, 2024 to cover a portion of the City's employer match contributions. For the year ended June 30, 2024, forfeitures reduced pension expense by \$29,141.

Employee Contribution Rate

Employees are required to contribute 8.0% of their annual covered salary. This amount goes directly to the individual's account.

Employer Contribution Rate

For the year ended June 30, 2024, the City was required to contribute 5.0% of covered salary into the Plan.

The City and employee contributions to PERS for pensions for the year ended June 30, 2024 were \$355,424 and \$568,676, respectively. The City contribution amount was recognized as pension expense/expenditures.

(c) Defined Benefit OPEB Plans

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

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

Employer Contribution Rates

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

Employer contribution rates for the year ended June 30, 2024 were as follows:

	<u>Other</u>	<u>Peace/Fire</u>
Alaska Retiree Healthcare Trust	-%	-%
Retiree Medical Plan	1.01%	1.01%
Occupational Death and Disability	<u>0.30%</u>	<u>0.68%</u>
Total Contribution Rates	<u>1.31%</u>	<u>1.69%</u>

In 2024, the City was credited with the following contributions to the OPEB plans:

	Measurement Period July 1, 2022 to June 30, 2023	City Fiscal Year July 1, 2023 to June 30, 2024
Employer contributions – ARHCT	\$ 1,564	\$ 25
Employer contributions – RMP	73,051	71,808
Employer contributions – ODD	<u>30,167</u>	<u>32,540</u>
Total Contributions	<u>\$104,782</u>	<u>\$104,373</u>

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

At June 30, 2024, the City reported an asset for its proportionate share of the net OPEB asset (NOA) that reflected a reduction for State OPEB support provided to the City. The amount recognized by the City for its proportional share, the related State proportion, and the total were as follows:

City's proportionate share of NOA – ARHCT	\$6,164,106
City's proportionate share of NOA – RMP	184,969
City's proportionate share of NOA – ODD	<u>252,650</u>
Total City's Proportionate Share of Net OPEB Asset	<u>\$6,601,725</u>

State's proportionate share of the ARHCT NOA associated with the City	<u>2,075,377</u>
Total Net OPEB Asset	<u>\$8,677,102</u>

The total OPEB asset for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 and adjusted to reflect updated assumptions to calculate the net OPEB asset as of that date. The City's proportion of the net OPEB asset was based on a projection of the City's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

	June 30, 2022 Measurement Date Employer <u>Proportion</u>	June 30, 2023 Measurement Date Employer <u>Proportion</u>	<u>Change</u>
City's proportionate share of the net OPEB assets:			
ARHCT	0.28093%	0.26790%	(0.01303)%
RMP	0.37723%	0.38954%	0.01231 %
ODD	0.47759%	0.49246%	0.01487 %

For the year ended June 30, 2024, the City recognized OPEB expense (benefit) of \$(964,553). Of this amount, \$(353,675) was recorded as on-behalf revenue and expense for support provided by the ARHCT plan. OPEB expense (benefit) and on-behalf revenue is listed by plan in the table below:

<u>Plan</u>	<u>OPEB Expense (benefit)</u>	<u>On- behalf Revenue</u>
ARHCT	\$(1,086,251)	\$(353,675)
RMP	95,067	-
ODD	26,631	-
Total	<u>\$ (964,553)</u>	<u>\$(353,675)</u>

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

<u>Deferred Outflows of Resources</u>	<u>ARHCT</u>	<u>RMP</u>	<u>ODD</u>	<u>Total</u>
Difference between expected and actual experience	\$ 12,798	\$ 5,638	\$ -	\$ 18,436
Changes in assumptions	-	19,890	-	19,890
Difference between projected and actual investment earnings	280,560	15,500	5,833	301,893
Changes in proportion and differences between City contributions and proportionate share of contributions	42,930	662	13,712	57,304
City contributions subsequent to the measurement date	<u>25</u>	<u>71,808</u>	<u>32,540</u>	<u>104,373</u>
Total Deferred Outflows of Resources Related to OPEB Plans	<u>\$336,313</u>	<u>\$113,498</u>	<u>\$52,085</u>	<u>\$ 501,896</u>
<u>Deferred Inflows of Resources</u>	<u>ARHCT</u>	<u>RMP</u>	<u>ODD</u>	<u>Total</u>
Difference between expected and actual experience	\$ -	\$ (5,971)	\$(70,989)	\$ (76,960)
Changes in assumptions	(113,433)	(150,414)	(1,051)	(264,898)
Changes in proportion and differences between City contributions and proportionate share of contributions	-	(1,805)	(13,808)	(15,613)
Total Deferred Inflows of Resources Related to OPEB Plans	<u>\$(113,433)</u>	<u>\$(158,190)</u>	<u>\$(85,848)</u>	<u>\$(357,471)</u>

Amounts reported as deferred outflows of resources related to OPEB plans resulting from City contributions subsequent to the measurement date will be recognized as an increase in the net OPEB assets in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30.</u>	<u>ARHCT</u>	<u>RMP</u>	<u>ODD</u>	<u>Total</u>
2025	\$(179,757)	\$(23,806)	\$(16,493)	\$(220,056)
2026	(253,435)	(26,786)	(17,654)	(297,875)
2027	673,224	(752)	(7,943)	664,529
2028	(17,177)	(28,049)	(9,837)	(55,063)
2029	-	(20,000)	(7,255)	(27,255)
Thereafter	-	(17,107)	(7,121)	(24,228)
Total Amortization	<u>\$ 222,855</u>	<u>\$(116,500)</u>	<u>\$(66,303)</u>	<u>\$ 40,052</u>

Actuarial Assumptions

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2023:

Actuarial cost method	Entry Age Normal
Amortization method	Unfunded Accrued Actuarial Liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	For peace officer/firefighter, increases range from 8.50% to 3.85% based on service. For all others, increases range from 6.75% to 2.85% based on service.
Allocation methodology	Amounts for the June 30, 2023 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions to the Plan for fiscal years 2024 to 2039.
Investment rate of return	7.25%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%.
Healthcare cost trend rates (ARHCT and RMP Plans)	Pre-65 medical: 6.7% grading down to 4.5% Post-65 medical: 5.5% grading down to 4.5% Prescription drug: 7.2% grading down to 4.5% Rx/EGWP: 7.2% grading down to 4.5% Initial trend rates are from FY 2024 Ultimate trend rates reached in FY 2050
Mortality Peace officer/firefighter (ARHCT and RMP Plans)	Pre-commencement mortality rates were based on the Pub-2010 Safety Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupation causes 70% of the time. Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.
(ODD Plan)	Pre-commencement mortality rates were based on the Pub-2010 Safety Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 70% of the time. Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Safety Disabled Retiree table, amount-

	weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.
All Others (ARHCT and RMP Plans)	Pre-commencement mortality rates were based on the Pub-2010 General Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 101% of male and 110% of female rates of the Pub-2010 General Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 101% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.
(ODD Plan)	Pre-commencement mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 98% of male and 106% of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.
Participation (ARHCT)	100% of system paid members and their spouses are assumed to elect the healthcare benefits paid as soon as they are eligible.
Peace officer/firefighter	20% of nonsystem paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.
All others	25% of nonsystem paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2022, rolled forward to the measurement date of June 30, 2023. The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021, resulting in changes in actuarial assumptions effective for the June 30, 2022 actuarial valuation, which were adopted by the Board to better reflect the expected future experience. For the ARHCT

and RMP plans, the per capita claims costs were updated to reflect recent experience for the June 30, 2022 actuarial valuation.

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic rates of return, excluding the inflation component of 2.82% for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Range</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	27%	+/-6%	6.17%
Global equity (non U.S.)	18%	+/-4%	6.55%
Aggregate bonds	19%	+/-10%	1.63%
Multi-asset	8%	+/-4%	-%
Real assets	14%	+/-7%	4.87%
Private equity	14%	+/-7%	11.57%
Cash equivalents	-%	-%	0.49%

Discount Rate

The discount rate used to measure the total OPEB asset for each plan as of June 30, 2023 was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the fiduciary net position for each plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability for each plan.

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

The following presents the City's proportionate share of the net OPEB asset calculated using the discount rate of 7.25%, as well as what the City's proportionate share of the respective plan's net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>Proportional Share</u>	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
City's proportionate share of the net OPEB asset:				
ARHCT	0.26790%	\$4,097,241	\$6,164,106	\$7,900,386
RMP	0.38954%	6,427	184,969	321,359
ODD	0.49246%	237,388	252,650	264,528

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

The following presents the City's proportionate share of the net OPEB asset calculated using the healthcare cost trend rates as summarized in the 2022 actuarial valuation reports as well as what the City's proportionate share of the respective plan's net OPEB asset (liability) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	<u>Proportional Share</u>	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB asset (liability):				
ARHCT	0.26790%	\$8,098,991	\$6,164,106	\$3,860,185
RMP	0.38954%	339,664	184,969	(22,819)
ODD	0.49246%	n/a	n/a	n/a

OPEB Plan Fiduciary Net Position

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

(d) Defined Contribution OPEB Plan

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

Contribution Rates

AS 39.30.370 establishes this contribution amount as "three percent of the average annual employee compensation of all employees of all employers in the plan". As of July 1, 2023, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,303 per year for each full-time employee, and \$1.48 per hour for part-time employees.

Annual Postemployment Healthcare Cost

In fiscal year 2024, the City contributed \$189,441 in DC OPEB costs. These amounts have been recognized as expense/expenditures.

G. Changes in Long-Term Obligations

Activity in long-term liabilities in governmental activities is as follows:

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2024</u>	<u>Due within one year</u>
Compensated absences	\$ 1,118,511	\$1,052,362	\$ 1,005,458	\$ 1,165,415	\$291,354
Net Pension Liability	14,412,658	-	490,277	13,922,381	-
Advance refunding bonds	<u>760,000</u>	<u>-</u>	<u>95,000</u>	<u>665,000</u>	<u>100,000</u>
Total governmental activities	<u>\$16,291,169</u>	<u>\$1,052,362</u>	<u>\$ 1,590,735</u>	<u>\$15,752,796</u>	<u>\$391,354</u>

Activity in long-term liabilities in business-type activities is as follows:

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2024</u>	<u>Due within one year</u>
Compensated absences	<u>\$8,826</u>	<u>\$6,272</u>	<u>\$8,370</u>	<u>\$6,728</u>	<u>\$1,682</u>

A summary of bonds payable (in thousands) at June 30, 2024, is as follows:

<u>Date of Issue</u>	<u>Issued</u>	<u>Interest Rate</u>	<u>Maturity Dates</u>	<u>Annual Installments</u>	<u>Outstanding June 30, 2024</u>
7/7/20	\$1,020	5.00	2020 - 2029	\$125 - \$131	\$665

Debt service requirements for the general obligation refunding bonds at June 30, 2024 are as follows:

<u>Governmental Activities</u>			
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 100,000	\$ 30,750	\$ 130,750
2026	105,000	25,625	130,625
2027	105,000	20,375	125,375
2028	110,000	15,000	125,000
2029	120,000	9,250	129,250
2030	<u>125,000</u>	<u>3,125</u>	<u>128,125</u>
Total	<u>\$ 665,000</u>	<u>\$104,125</u>	<u>\$ 769,125</u>

Remaining unissued are \$2,000,000 in general obligation bonds authorized by City voters for the City's Kenai River Bluff Erosion Project.

The City has a legal debt limit equal to twenty percent of the assessed value of all real and personal property in the City. The 2023 Certified Main and Supplemental Tax Rolls for the City showed total taxable assessed for real and personal property of \$1,006,969,330, making the legal debt limit \$201,393,866 for the City.

H. Interfund Receivables, Payables and Transfers

Amounts due from other funds are as follows-

Due to General Fund from Kenai Bluff Erosion Capital Project for short-term operating advances	<u>\$20,432</u>
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Transfers between funds were as follows:

From General Fund to:	
Nonmajor governmental funds for capital costs	\$1,336,932
Nonmajor governmental funds for debt service	130,625
Nonmajor governmental funds for operating costs	<u>199,476</u>
Total from General Fund	1,667,033

From Airport Special Revenue Fund to -	
Nonmajor governmental funds for capital costs	796,875

From Water & Sewer Special Revenue Fund to -	
Nonmajor governmental funds for capital costs	679,970

From Airport Land Sales Permanent Fund to -	
Airport Special Revenue Fund for operating costs	1,065,518

From nonmajor governmental funds to:	
General Fund for operating costs	221,180
General Fund to return unexpended capital funds	25,370
Airport Special Revenue Fund to return unexpended capital funds	337
Water & Sewer Special Revenue Fund to return unexpended capital funds	<u>30,000</u>
Total from nonmajor governmental funds	<u>276,887</u>

Total transfers to other funds	<u>\$4,486,283</u>
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I. Fund Balance Designations

Pursuant to GASB Statement Number 54, 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:

	Kenai Bluff						
	General	Airport Special Revenue	Water & Sewer Special Revenue	Erosion Capital Project	Airport Land Sales Permanent	Nonmajor and Other Funds	Totals
Nonspendable							
Prepays	\$ -	\$ -	\$ -	\$2,333,400	\$ -	\$ -	\$ 2,333,400
Permanent Fund	-	-	-	-	-	3,699,115	3,699,115
Total Nonspendable	-	-	-	2,333,400	-	3,699,115	6,032,515
Restricted:							-
Airport purposes	-	-	-	-	28,888,731	-	28,888,731
Cone Memorial Trust	-	-	-	-	-	865,256	865,256
Athletics	824,433	-	-	-	-	-	824,433
Total Restricted	824,433	-	-	-	28,888,731	865,256	30,578,420
Committed:							
Capital Imp.	-	-	-	-	-	10,316,792	10,316,792
Budget stabilization	6,713,386	-	-	-	-	-	6,713,386
Capital improvement plan reserve	4,078,264	-	-	-	-	-	4,078,264
Total Committed	10,791,650	-	-	-	-	10,316,792	21,108,442
Assigned:							
Operational & capital contingency reserve	2,237,910	-	-	-	-	-	2,237,910
Compensated abs.	1,067,706	15,747	29,111	-	-	4,226	1,116,790
Airport operations	-	2,785,466	-	-	-	-	2,785,466
Water & Sewer operations	-	-	1,931,243	-	-	-	1,931,243
Personal use fishery operations	-	-	-	-	-	244,851	244,851
Total Assigned	3,305,616	2,801,213	1,960,354	-	-	249,077	8,316,260
Unassigned	1,553,137	-	-	(2,333,400)	-	(8,407)	(788,670)
Total Fund Balances	\$16,474,836	\$ 2,801,213	\$ 1,960,354	-	\$28,888,731	\$ 15,121,833	\$ 65,246,967

J. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; environmental contamination; and natural disasters. Risk financing activities are accounted for in various operating funds, with unallocated or Citywide activities being accounted for in the General Fund. The City purchases commercial insurance to transfer a substantial portion of the above risks of loss. Property insurance is purchased to provide coverage for buildings and heavy equipment, generally with deductibles of \$25,000. Various liability insurance policies are purchased to provide protection against torts, injuries, and errors and omissions. Most liability policies are written with low or zero deductibles. In addition to the deductibles on insurance policies, the City retains risk of loss related to certain potential liabilities and property damages. These include environmental liabilities, employment discrimination, and vehicle property losses. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. The City analyzes potential losses on a case-by-case basis to determine amounts that should be accrued or disclosed in the financial statements.

K. Contingencies

The City is involved in lawsuits arising in the ordinary course of operations, including actions commenced and claims asserted against it. Management of the City does not believe that the ultimate resolution of these lawsuits and claims will have any material effect on its financial position or results of operations, and therefore, no provision has been made in the accompanying financial statements.

L. Changes within the Financial Reporting Entity

For the year ended June 30, 2024, the City had changes with the financial reporting entity as defined by GASB Statement No.100, Accounting Changes and Error Corrections. The nature of the changes are as follows:

The Airport Improvement Capital Project Fund is now classified as a nonmajor fund. For the year ended June 30, 2023, the fund was classified as a major fund.

The Parks and Recreation Capital Project Fund is now classified as a nonmajor fund. For the year ended June 30, 2023, the fund was classified as a major fund.

The Kenai Bluff Erosion Capital Project Fund is now classified as a major fund. For the year ended June 30, 2023, the fund was classified as a nonmajor fund.

	6/30/2023 As Previously Reported	Changes within the Financial Reporting Entity	6/30/2023 As Adjusted
Governmental Funds			
General Fund	\$ 15,484,362	\$ -	\$ 15,484,362
Airport Special Revenue Fund	3,109,823	-	3,109,823
Water & Sewer Special Revenue Fund	1,493,389	-	1,493,389
Airport Improvement Capital Project Fund	4,127,522	(4,127,522)	-
Parks and Recreation Capital Project Fund	1,442,758	(1,442,758)	-
Airport Land Sales Permanent Fund	27,147,869	-	27,147,869
Nonmajor Governmental Funds	9,620,553	5,570,280	15,190,833
Total Governmental Funds	<u>\$ 62,426,276</u>	<u>\$ -</u>	<u>\$ 62,426,276</u>

M. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several new accounting standards with upcoming implementation dates. The following new accounting standards were implemented by the City for the 2024 reporting:

GASB Statement No. 99 – Omnibus 2022 – Provisions of this Statement related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, classification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 are effective upon issuance. The effective date for the provisions of this Statement related to leases, PPPs, and SBITAs are to be implemented for year-end June 30, 2023. The effective date for the provisions of this Statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53, are to be implemented for year-end June 30, 2024. The City evaluated the impact of this Statement and determined there was no material impact to the financial statements for FY24.

GASB Statement No. 100 – Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62 – Effective for year-end June 30, 2024. Earlier application is encouraged. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The City evaluated the impacts of GASB 100 and determined that there was an impact to the balance of the capital assets as noted in Section E above. The City evaluated the major fund determinations and there was an impact to the major funds as noted in Section L above.

The GASB has issued new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these statements, and actual impacts have not yet been determined. The statements are as follows:

GASB Statement No. 101 – Compensated Absences – Effective for year-end June 30, 2025. Earlier application is encouraged. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2025.

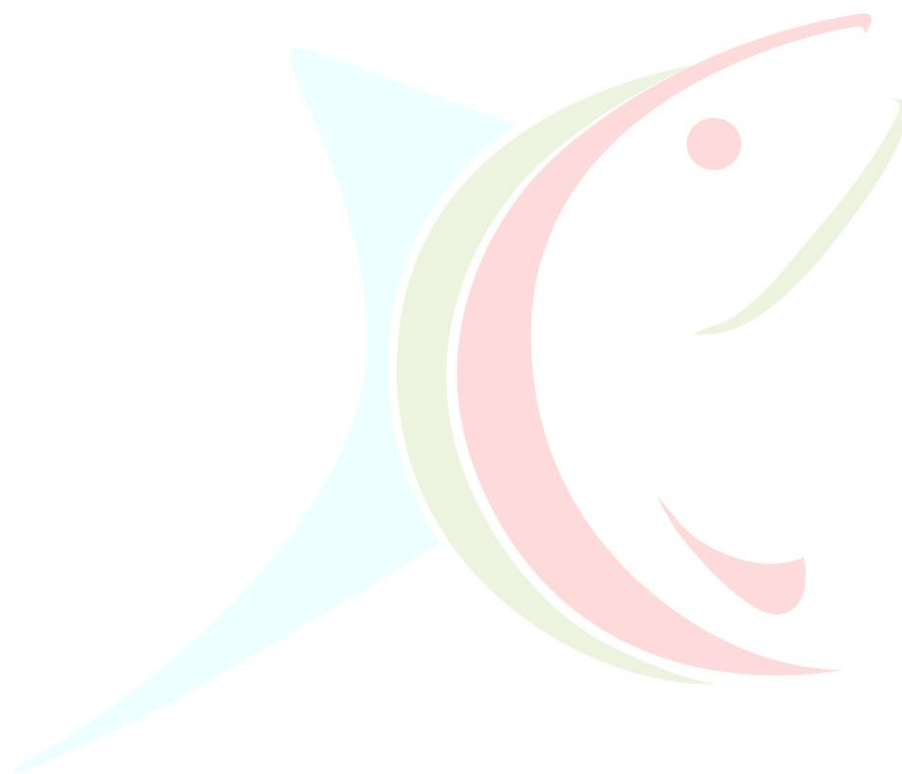
GASB Statement No. 102 – Certain Risk Disclosures – Effective for year-end June 30, 2025. Earlier application is encouraged. The objective of this Statement is to provide users of the government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact.

GASB Statement No. 103 – Financial Reporting Model Improvements – Effective for year-end June 30, 2026. Earlier application is encouraged. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

GASB Statement No. 104 – Disclosure of Certain Capital Assets – Effective for year-end June 30, 2026. Earlier application is encouraged. The objective of this Statement is to provide users of governmental financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. The disclosures requirements will improve consistency and comparability between governments.

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REQUIRED SUPPLEMENTARY INFORMATION



KENAI

**CITY OF KENAI, ALASKA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:				
Taxes:				
General property	\$ 4,311,161	\$ 4,311,161	\$ 4,428,277	\$ 117,116
General sales	9,999,729	9,999,729	9,975,032	(24,697)
Penalty and interest on taxes	<u>10,000</u>	<u>10,000</u>	<u>11,912</u>	<u>1,912</u>
Total taxes	<u>14,320,890</u>	<u>14,320,890</u>	<u>14,415,221</u>	<u>94,331</u>
Intergovernmental revenues:				
Federal grants	-	33,029	50,010	16,981
Kenai Peninsula Borough	52,800	52,800	52,800	-
State of Alaska shared revenues:				
Marijuana licenses	2,500	2,500	2,300	(200)
Electric utility tax	30,000	30,000	28,427	(1,573)
Fish tax	50,000	50,000	464	(49,536)
Liquor licenses	20,000	20,000	17,250	(2,750)
Community Assistance	75,805	75,805	172,001	96,196
State of Alaska grants:				
Library grants	-	7,000	7,000	-
Fire grants	4,700	11,358	4,700	(6,658)
Police grants	-	-	6,365	6,365
PERS relief	<u>255,735</u>	<u>255,735</u>	<u>231,382</u>	<u>(24,353)</u>
Total intergovernmental revenues	<u>491,540</u>	<u>538,227</u>	<u>572,699</u>	<u>34,472</u>
Charges for services:				
Fees and charges:				
Ambulance fees	875,000	875,000	943,944	68,944
Multipurpose facility charges	120,000	120,000	137,816	17,816
Administrative and service fees	1,797,900	1,797,900	1,797,900	-
Other	<u>78,000</u>	<u>78,000</u>	<u>113,715</u>	<u>35,715</u>
Total fees and charges	<u>2,870,900</u>	<u>2,870,900</u>	<u>2,993,375</u>	<u>122,475</u>
Licenses and permits:				
Building permits	137,000	137,000	155,624	18,624
Animal control licenses and fees	90,050	90,050	83,519	(6,531)
Other	<u>9,100</u>	<u>9,100</u>	<u>8,609</u>	<u>(491)</u>
Total licenses and permits	<u>236,150</u>	<u>236,150</u>	<u>247,752</u>	<u>11,602</u>
Fines and forfeits:				
Court fines	50,000	50,000	68,531	18,531
Library fines	100	100	805	705
Other forfeitures	<u>24,100</u>	<u>24,100</u>	<u>1,711</u>	<u>(22,389)</u>
Total fines and forfeits	<u>74,200</u>	<u>74,200</u>	<u>71,047</u>	<u>(3,153)</u>
Total charges for services	<u>3,181,250</u>	<u>3,181,250</u>	<u>3,312,174</u>	<u>130,924</u>

See accompanying notes to required supplementary information.

**CITY OF KENAI, ALASKA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL, continued**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues, continued:				
Investment earnings	\$ 461,788	\$ 461,788	\$ 923,861	\$ 462,073
Miscellaneous revenues:				
Rents and leases	237,500	237,500	177,950	(59,550)
Lease interest	-	-	53,857	53,857
Oil and gas royalties	42,000	42,000	54,175	12,175
Special assessments	10,500	10,500	3,014	(7,486)
Other	74,650	106,496	190,895	84,399
Total miscellaneous revenues	<u>364,650</u>	<u>396,496</u>	<u>479,891</u>	<u>83,395</u>
Total revenues	<u>18,820,118</u>	<u>18,898,651</u>	<u>19,703,846</u>	<u>805,195</u>
Expenditures:				
General government:				
Legislative:				
Personal services	51,768	51,768	51,768	-
Supplies	5,650	6,550	4,888	1,662
Other services and charges	118,269	117,369	97,965	19,404
Total legislative	<u>175,687</u>	<u>175,687</u>	<u>154,621</u>	<u>21,066</u>
City clerk:				
Personal services	306,871	306,871	291,443	15,428
Supplies	21,198	21,798	20,386	1,412
Other services and charges	40,530	39,930	31,496	8,434
Total city clerk	<u>368,599</u>	<u>368,599</u>	<u>343,325</u>	<u>25,274</u>
City attorney:				
Personal services	398,679	398,679	378,635	20,044
Supplies	2,269	2,669	1,408	1,261
Other services and charges	33,377	32,977	12,896	20,081
Total city attorney	<u>434,325</u>	<u>434,325</u>	<u>392,939</u>	<u>41,386</u>
City manager:				
Personal services	496,211	496,211	409,181	87,030
Supplies	3,848	3,848	2,900	948
Other services and charges	74,100	73,250	67,813	5,437
Total city manager	<u>574,159</u>	<u>573,309</u>	<u>479,894</u>	<u>93,415</u>
Human resources:				
Personal services	166,366	166,366	160,149	6,217
Supplies	9,425	9,350	6,210	3,140
Other services and charges	68,309	69,122	41,295	27,827
Total human resources	<u>244,100</u>	<u>244,838</u>	<u>207,654</u>	<u>37,184</u>
Finance:				
Personal services	791,005	791,005	737,423	53,582
Supplies	59,770	59,770	55,533	4,237
Other services and charges	105,872	105,872	105,359	513
Total finance	<u>956,647</u>	<u>956,647</u>	<u>898,315</u>	<u>58,332</u>

See accompanying notes to required supplementary information.

**CITY OF KENAI, ALASKA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL, continued**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Expenditures, continued:				
General government, continued:				
Non-departmental:				
Personal services	\$ 268,821	\$ 268,821	\$ 206,186	\$ 62,635
Supplies	49,217	51,217	47,011	4,206
Other services and charges	745,427	767,819	562,093	205,726
Capital outlays	10,000	10,000	-	10,000
Total non-departmental	<u>1,073,465</u>	<u>1,097,857</u>	<u>815,290</u>	<u>282,567</u>
Planning and zoning:				
Personal services	232,748	246,498	221,307	25,191
Supplies	7,133	13,836	13,100	736
Other services and charges	73,882	81,930	37,385	44,545
Total planning and zoning	<u>313,763</u>	<u>342,264</u>	<u>271,792</u>	<u>70,472</u>
Safety:				
Supplies	3,600	3,600	-	3,600
Other services and charges	2,300	2,300	1,635	665
Total safety	<u>5,900</u>	<u>5,900</u>	<u>1,635</u>	<u>4,265</u>
Land administration:				
Supplies	200	200	196	4
Other services and charges	63,200	63,200	2,034	61,166
Capital outlays	-	12,600	12,127	473
Total land administration	<u>63,400</u>	<u>76,000</u>	<u>14,357</u>	<u>61,643</u>
Total general government	<u>4,210,045</u>	<u>4,275,426</u>	<u>3,579,822</u>	<u>695,604</u>
Public safety:				
Police:				
Personal services	3,448,288	3,440,826	3,318,108	122,718
Supplies	152,266	186,570	162,747	23,823
Other services and charges	263,053	263,053	241,069	21,984
Total police	<u>3,863,607</u>	<u>3,890,449</u>	<u>3,721,924</u>	<u>168,525</u>
Fire:				
Personal services	3,224,626	3,224,626	3,194,933	29,693
Supplies	135,534	131,596	137,777	(6,181)
Other services and charges	336,722	352,907	332,992	19,915
Capital outlays	49,200	49,200	24,342	24,858
Total fire	<u>3,746,082</u>	<u>3,758,329</u>	<u>3,690,044</u>	<u>68,285</u>
Communications:				
Personal services	916,022	916,022	846,827	69,195
Supplies	12,155	12,355	9,503	2,852
Other services and charges	57,268	57,068	47,720	9,348
Total communications	<u>985,445</u>	<u>985,445</u>	<u>904,050</u>	<u>81,395</u>

See accompanying notes to required supplementary information.

**CITY OF KENAI, ALASKA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL, continued**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Expenditures, continued:				
Public safety, continued:				
Animal control:				
Personal services	\$ 347,380	\$ 347,380	\$ 331,892	\$ 15,488
Supplies	18,195	29,739	21,749	7,990
Other services and charges	141,025	142,625	117,854	24,771
Total animal control	<u>506,600</u>	<u>519,744</u>	<u>471,495</u>	<u>48,249</u>
Total public safety	<u>9,101,734</u>	<u>9,153,967</u>	<u>8,787,513</u>	<u>366,454</u>
Public works:				
Public works administration:				
Personal services	185,670	185,670	163,543	22,127
Supplies	9,519	9,519	5,645	3,874
Other services and charges	4,626	4,626	3,224	1,402
Total public works administration	<u>199,815</u>	<u>199,815</u>	<u>172,412</u>	<u>27,403</u>
Shop:				
Personal services	449,280	449,280	407,577	41,703
Supplies	224,656	207,356	171,757	35,599
Other services and charges	106,912	92,212	71,787	20,425
Capital outlays	-	32,000	-	32,000
Total shop	<u>780,848</u>	<u>780,848</u>	<u>651,121</u>	<u>129,727</u>
Streets:				
Personal services	677,475	677,475	640,164	37,311
Supplies	155,275	148,846	139,341	9,505
Other services and charges	280,534	346,906	303,295	43,611
Total streets	<u>1,113,284</u>	<u>1,173,227</u>	<u>1,082,800</u>	<u>90,427</u>
Dock:				
Personal services	37,519	37,519	25,548	11,971
Supplies	6,550	6,550	2,322	4,228
Other services and charges	19,996	19,996	12,719	7,277
Total dock	<u>64,065</u>	<u>64,065</u>	<u>40,589</u>	<u>23,476</u>
Buildings:				
Personal services	309,695	309,695	271,187	38,508
Supplies	32,735	34,584	28,894	5,690
Other services and charges	90,053	81,814	61,147	20,667
Capital outlays	57,101	63,492	6,391	57,101
Total buildings	<u>489,584</u>	<u>489,585</u>	<u>367,619</u>	<u>121,966</u>
Street lighting -				
Other services and charges	<u>231,339</u>	<u>281,339</u>	<u>225,553</u>	<u>55,786</u>
Total public works	<u>2,878,935</u>	<u>2,988,879</u>	<u>2,540,094</u>	<u>448,785</u>

See accompanying notes to required supplementary information.

**CITY OF KENAI, ALASKA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL, continued**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Expenditures, continued:				
Parks, recreation, and cultural:				
Library:				
Personal services	\$ 777,308	\$ 777,308	\$ 750,189	\$ 27,119
Supplies	22,083	36,935	36,189	746
Other services and charges	179,928	191,375	176,424	14,951
Total library	<u>979,319</u>	<u>1,005,618</u>	<u>962,802</u>	<u>42,816</u>
Visitors center-				
Other services and charges	<u>157,191</u>	<u>157,541</u>	<u>162,292</u>	<u>(4,751)</u>
Parks, recreation & beautification:				
Personal services	773,270	773,270	743,652	29,618
Supplies	108,205	107,565	100,080	7,485
Other services and charges	408,385	418,985	348,398	70,587
Capital outlays	76,729	86,769	68,236	18,533
Total parks, recreation & beautification	<u>1,366,589</u>	<u>1,386,589</u>	<u>1,260,366</u>	<u>126,223</u>
Total parks, recreation, and cultural	<u>2,503,099</u>	<u>2,549,748</u>	<u>2,385,460</u>	<u>164,288</u>
Total expenditures	<u>18,693,813</u>	<u>18,968,020</u>	<u>17,292,889</u>	<u>1,675,131</u>
Excess of revenues over (under) expenditures	<u>126,305</u>	<u>(69,369)</u>	<u>2,410,957</u>	<u>2,480,326</u>
Other financing sources (uses):				
Transfers in	213,209	238,578	246,550	7,972
Transfers out	<u>(944,780)</u>	<u>(1,667,033)</u>	<u>(1,667,033)</u>	<u>-</u>
Net other financing sources (uses)	<u>(731,571)</u>	<u>(1,428,455)</u>	<u>(1,420,483)</u>	<u>7,972</u>
Net change in fund balance	<u>\$ (605,266)</u>	<u>\$ (1,497,824)</u>	990,474	<u>\$ 2,488,298</u>
Fund balance - July 1			<u>15,484,362</u>	
Fund balance - June 30			<u>\$ 16,474,836</u>	

See accompanying notes to required supplementary information.

**CITY OF KENAI, ALASKA
AIRPORT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:				
Intergovernmental revenues	\$ 26,317	\$ 26,317	\$ 185,760	\$ 159,443
Charges for services - landing fees	451,094	451,094	407,678	(43,416)
Investment earnings	120,000	120,000	288,474	168,474
Miscellaneous revenues:				
Rents and leases, including penalty and interest	1,172,910	1,172,910	1,135,253	(37,657)
Parking fees	225,000	225,000	243,199	18,199
Car rental commissions	180,000	180,000	171,039	(8,961)
Advertising commissions	20,000	20,000	22,041	2,041
Fuel flowage	17,000	17,000	16,432	(568)
Other	186,392	201,392	281,624	80,232
Total miscellaneous revenues	1,801,302	1,816,302	1,869,588	53,286
Total revenues	<u>2,398,713</u>	<u>2,413,713</u>	<u>2,751,500</u>	<u>337,787</u>
Expenditures:				
Maintenance and operation:				
Personal services	426,906	426,906	433,936	(7,030)
Supplies	280,952	280,952	209,125	71,827
Other services and charges	391,221	388,703	343,795	44,908
	1,099,079	1,096,561	986,856	109,705
Expenditures chargeable from other funds	1,061,500	1,061,500	1,061,500	-
Total maintenance and operation	<u>2,160,579</u>	<u>2,158,061</u>	<u>2,048,356</u>	<u>109,705</u>
Administration:				
Personal services	265,719	265,719	246,574	19,145
Supplies	2,641	4,617	3,360	1,257
Other services and charges	21,944	69,287	60,837	8,450
Capital outlays	10,000	5,700	5,617	83
	300,304	345,323	316,388	28,935
Expenditures chargeable from other funds	67,900	67,900	67,900	-
Total administration	<u>368,204</u>	<u>413,223</u>	<u>384,288</u>	<u>28,935</u>

See accompanying notes to required supplementary information.

**CITY OF KENAI, ALASKA
AIRPORT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL, continued**

Expenditures, continued:	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Land:				
Personal services	\$ 97,015	\$ 97,015	\$ 89,488	\$ 7,527
Supplies	24,000	53,000	43,987	9,013
Other services and charges	54,590	50,590	42,381	8,209
Total land	<u>175,605</u>	<u>200,605</u>	<u>175,856</u>	<u>24,749</u>
Training facility:				
Supplies	7,500	33,500	20,690	12,810
Other services and charges	<u>200,293</u>	<u>190,793</u>	<u>138,647</u>	<u>52,146</u>
Total training facility	<u>207,793</u>	<u>224,293</u>	<u>159,337</u>	<u>64,956</u>
Terminal:				
Personal services	209,161	209,161	191,725	17,436
Supplies	21,700	24,800	23,378	1,422
Other services and charges	<u>323,963</u>	<u>328,863</u>	<u>284,250</u>	<u>44,613</u>
	554,824	562,824	499,353	63,471
Expenditures chargeable from other funds	<u>61,900</u>	<u>61,900</u>	<u>61,900</u>	<u>-</u>
Total terminal	<u>616,724</u>	<u>624,724</u>	<u>561,253</u>	<u>63,471</u>
Total expenditures	<u>3,528,905</u>	<u>3,620,906</u>	<u>3,329,090</u>	<u>291,816</u>
Excess of revenues over (under) expenditures	<u>(1,130,192)</u>	<u>(1,207,193)</u>	<u>(577,590)</u>	<u>629,603</u>
Other financing sources (uses):				
Transfers in	1,053,635	1,053,972	1,065,855	11,883
Transfers out	<u>(346,875)</u>	<u>(796,875)</u>	<u>(796,875)</u>	<u>-</u>
Net other financing sources (uses)	<u>706,760</u>	<u>257,097</u>	<u>268,980</u>	<u>11,883</u>
Net change in fund balance	<u>\$ (423,432)</u>	<u>\$ (950,096)</u>	<u>(308,610)</u>	<u>\$ 641,486</u>
Fund balance - July 1			<u>3,109,823</u>	
Fund balance - June 30			<u>\$ 2,801,213</u>	

See accompanying notes to required supplementary information.

**CITY OF KENAI, ALASKA
WATER AND SEWER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:				
Intergovernmental revenues -				
State grant	\$ 22,525	\$ 22,525	\$ 20,117	\$ (2,408)
Charges for services:				
Residential water	1,004,010	1,004,010	985,426	(18,584)
Commercial water	386,820	386,820	370,037	(16,783)
Residential sewer	1,408,575	1,408,575	1,382,478	(26,097)
Commercial sewer	522,690	522,690	480,225	(42,465)
Hook-up fees	4,184	4,184	11,192	7,008
Other	(6,300)	(6,300)	39,038	45,338
Total charges for services	<u>3,319,979</u>	<u>3,319,979</u>	<u>3,268,396</u>	<u>(51,583)</u>
Investment earnings	<u>35,000</u>	<u>35,000</u>	<u>200,941</u>	<u>165,941</u>
Miscellaneous revenues	<u>5,000</u>	<u>5,000</u>	<u>82,687</u>	<u>77,687</u>
Total revenues	<u>3,382,504</u>	<u>3,382,504</u>	<u>3,572,141</u>	<u>189,637</u>
Expenditures:				
Water:				
Personal services	385,388	385,388	338,031	47,357
Supplies	218,286	218,286	170,529	47,757
Other services and charges	334,940	334,940	272,803	62,137
Capital outlays	<u>233,500</u>	<u>233,500</u>	<u>-</u>	<u>233,500</u>
	<u>1,172,114</u>	<u>1,172,114</u>	<u>781,363</u>	<u>390,751</u>
Expenditures chargeable from other funds	<u>101,700</u>	<u>101,700</u>	<u>101,700</u>	<u>-</u>
Total water	<u>1,273,814</u>	<u>1,273,814</u>	<u>883,063</u>	<u>390,751</u>
Sewer:				
Personal services	379,059	379,059	339,888	39,171
Supplies	44,606	44,606	16,617	27,989
Other services and charges	91,845	91,845	45,306	46,539
Capital outlays	<u>111,250</u>	<u>111,250</u>	<u>-</u>	<u>111,250</u>
	<u>626,760</u>	<u>626,760</u>	<u>401,811</u>	<u>224,949</u>
Expenditures chargeable from other funds	<u>56,800</u>	<u>56,800</u>	<u>56,800</u>	<u>-</u>
Total sewer	<u>683,560</u>	<u>683,560</u>	<u>458,611</u>	<u>224,949</u>

See accompanying notes to required supplementary information.

**CITY OF KENAI, ALASKA
WATER AND SEWER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL, continued**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Expenditures - continued:				
Sewer treatment plant:				
Personal services	\$ 425,147	\$ 425,147	\$ 460,662	\$ (35,515)
Supplies	147,626	147,626	89,152	58,474
Other services and charges	464,579	464,579	443,418	21,161
Capital outlays	<u>111,250</u>	<u>111,250</u>	<u>-</u>	<u>111,250</u>
	1,148,602	1,148,602	993,232	155,370
Expenditures chargeable from other funds	<u>120,300</u>	<u>120,300</u>	<u>120,300</u>	<u>-</u>
Total sewer treatment plant	<u>1,268,902</u>	<u>1,268,902</u>	<u>1,113,532</u>	<u>155,370</u>
 Total expenditures	 <u>3,226,276</u>	 <u>3,226,276</u>	 <u>2,455,206</u>	 <u>771,070</u>
Excess of revenues over (under) expenditures	156,228	156,228	1,116,935	960,707
Other financing sources (uses):				
Transfers in	-	-	30,000	30,000
Transfers out	<u>(679,970)</u>	<u>(679,970)</u>	<u>(679,970)</u>	<u>-</u>
Net other financing sources (uses)	<u>(679,970)</u>	<u>(679,970)</u>	<u>(649,970)</u>	<u>30,000</u>
 Net change in fund balance	 <u>\$ (523,742)</u>	 <u>\$ (523,742)</u>	 466,965	 <u>\$ 990,707</u>
 Fund balance - July 1			 <u>1,493,389</u>	
 Fund balance - June 30			 <u>\$ 1,960,354</u>	

See accompanying notes to required supplementary information.

CITY OF KENAI, ALASKA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) - PENSION PLAN
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

<u>Years Ended June 30,</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net pension liability	0.26850%	0.28278%	0.31776%	0.24754%	0.22960%
City's proportionate share of the net pension liability	\$ 13,922,381	\$ 14,412,658	\$ 11,657,104	\$ 14,607,516	\$ 12,568,996
State of Alaska proportionate share of the net pension liability	<u>4,641,160</u>	<u>3,987,974</u>	<u>1,577,585</u>	<u>6,046,118</u>	<u>4,992,668</u>
Total net pension liability	<u>\$ 18,563,541</u>	<u>\$ 18,400,632</u>	<u>\$ 13,234,689</u>	<u>\$ 20,653,634</u>	<u>\$ 17,561,664</u>
City's covered payroll	\$ 9,176,906	\$ 8,407,454	\$ 8,462,834	\$ 8,382,999	\$ 8,087,981
City's proportionate share of the net pension liability as a percentage of payroll	151.71%	171.43%	137.74%	174.25%	155.40%
Plan fiduciary net position as a percentage of the total pension liability	68.23%	67.97%	76.46%	61.61%	63.42%

CITY OF KENAI, ALASKA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) - PENSION PLAN
SCHEDULE OF THE CITY'S CONTRIBUTIONS

<u>Years Ended June 30,</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contributions	\$ 1,491,437	\$ 1,384,812	\$ 1,127,512	\$ 1,101,645	\$ 948,738
Contributions relative to the contractually required contributions	<u>1,491,437</u>	<u>1,384,812</u>	<u>1,127,512</u>	<u>1,101,645</u>	<u>948,738</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 9,737,798	\$ 9,176,906	\$ 8,407,454	\$ 8,462,834	\$ 8,382,999
Contributions as a percentage of covered payroll	15.32%	15.09%	13.41%	13.02%	11.32%

See accompanying notes to required supplementary information.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.25988%	0.25468%	0.30898%	0.26181%	0.18506%
\$ 12,913,450	\$ 13,165,767	\$ 17,270,846	\$ 12,697,944	\$ 8,631,519
<u>3,738,518</u>	<u>4,904,181</u>	<u>2,174,127</u>	<u>3,401,936</u>	<u>7,550,147</u>
<u>\$ 16,651,968</u>	<u>\$ 18,069,948</u>	<u>\$ 19,444,973</u>	<u>\$ 16,099,880</u>	<u>\$ 16,181,666</u>
\$ 7,992,166	\$ 7,663,488	\$ 4,180,200	\$ 4,415,909	\$ 4,739,928
161.58%	171.80%	413.16%	287.55%	182.10%
65.19%	63.37%	59.55%	63.96%	62.37%

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,020,687	\$ 1,048,639	\$ 891,552	\$ 811,111	\$ 780,934
<u>1,020,687</u>	<u>1,048,639</u>	<u>891,552</u>	<u>811,111</u>	<u>780,934</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,087,981	\$ 7,992,166	\$ 7,663,488	\$ 4,180,200	\$ 4,415,909
12.62%	13.12%	11.63%	19.40%	17.68%

See accompanying notes to required supplementary information.

CITY OF KENAI, ALASKA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) - OPEB ARHCT PLAN
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)

<u>Years Ended June 30,</u>	<u>ARHCT</u>						
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's proportion of the net OPEB liability (asset)	0.26790%	0.28093%	0.31913%	0.24748%	0.22969%	0.25984%	0.25476%
City's proportionate share of the net OPEB liability (asset)	\$ (6,164,106)	\$ (5,527,506)	\$ (8,186,916)	\$ (1,120,744)	\$ 340,818	\$ 2,666,667	\$ 2,117,245
State of Alaska proportionate share of the net OPEB liability (asset)	<u>(2,075,377)</u>	<u>(1,578,141)</u>	<u>(1,073,049)</u>	<u>(465,221)</u>	<u>135,484</u>	<u>773,478</u>	<u>801,210</u>
Total net OPEB liability (asset)	<u>\$ (8,239,483)</u>	<u>\$ (7,105,647)</u>	<u>\$ (9,259,965)</u>	<u>\$ (1,585,965)</u>	<u>\$ 476,302</u>	<u>\$ 3,440,145</u>	<u>\$ 2,918,455</u>
City's covered payroll	\$ 2,560,073	\$ 2,420,380	\$ 2,831,344	\$ 3,137,494	\$ 3,311,701	\$ 3,629,421	\$ 3,646,870
City's proportionate share of the net OPEB liability (asset) as a percentage of payroll	-240.78%	-228.37%	-289.15%	-35.72%	10.29%	73.47%	58.06%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	133.96%	128.51%	135.54%	106.15%	98.13%	88.12%	89.68%

CITY OF KENAI, ALASKA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) - OPEB ARHCT PLAN
SCHEDULE OF THE CITY'S CONTRIBUTIONS

<u>Years Ended June 30,</u>	<u>ARHCT</u>						
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 25	\$ 1,564	\$ 155,945	\$ 209,727	\$ 378,968	\$ 369,797	\$ 298,905
Contributions relative to the contractually required contributions	<u>25</u>	<u>1,564</u>	<u>155,945</u>	<u>209,727</u>	<u>378,968</u>	<u>369,797</u>	<u>298,905</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,618,338	\$ 2,560,073	\$ 2,420,380	\$ 2,831,344	\$ 3,137,494	\$ 3,311,701	\$ 3,629,421
Contributions as a percentage of covered payroll	0.001%	0.061%	6.443%	7.407%	12.079%	11.166%	8.236%

See accompanying notes to required supplementary information.

CITY OF KENAI, ALASKA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) - OPEB RMP PLAN
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)

<u>Years Ended June 30,</u>	<u>RMP</u>						
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's proportion of the net OPEB liability (asset)	0.38954%	0.37723%	0.38386%	0.38559%	0.39578%	0.38325%	0.38843%
City's proportionate share of the net OPEB liability (asset)	\$ (184,969)	\$ (131,012)	\$ (103,035)	\$ 27,350	\$ 94,686	\$ 48,769	\$ 20,257
State of Alaska proportionate share of the net OPEB liability (asset)	-	-	-	-	-	-	-
Total net OPEB liability (asset)	<u>\$ (184,969)</u>	<u>\$ (131,012)</u>	<u>\$ (103,035)</u>	<u>\$ 27,350</u>	<u>\$ 94,686</u>	<u>\$ 48,769</u>	<u>\$ 20,257</u>
City's covered payroll	\$ 6,616,834	\$ 5,987,074	\$ 5,631,491	\$ 5,246,705	\$ 4,776,280	\$ 4,362,745	\$ 4,016,618
City's proportionate share of the net OPEB liability (asset) as a percentage of payroll	-2.80%	-2.19%	-1.83%	0.52%	1.98%	1.12%	0.50%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	124.29%	120.08%	115.10%	95.23%	83.17%	88.71%	93.98%

CITY OF KENAI, ALASKA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) - OPEB RMP PLAN
SCHEDULE OF THE CITY'S CONTRIBUTIONS

<u>Years Ended June 30,</u>	<u>RMP</u>						
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 71,808	\$ 73,051	\$ 63,827	\$ 71,241	\$ 68,781	\$ 46,446	\$ 44,678
Contributions relative to the Contractually required contributions	<u>71,808</u>	<u>73,051</u>	<u>63,827</u>	<u>71,241</u>	<u>68,781</u>	<u>46,446</u>	<u>44,678</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 7,119,460	\$ 6,616,834	\$ 5,987,074	\$ 5,631,491	\$ 5,246,705	\$ 4,776,280	\$ 4,362,745
Contributions as a percentage of covered payroll	1.009%	1.104%	1.066%	1.265%	1.311%	0.972%	1.024%

See accompanying notes to required supplementary information.

CITY OF KENAI, ALASKA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) - OPEB ODD PLAN
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)

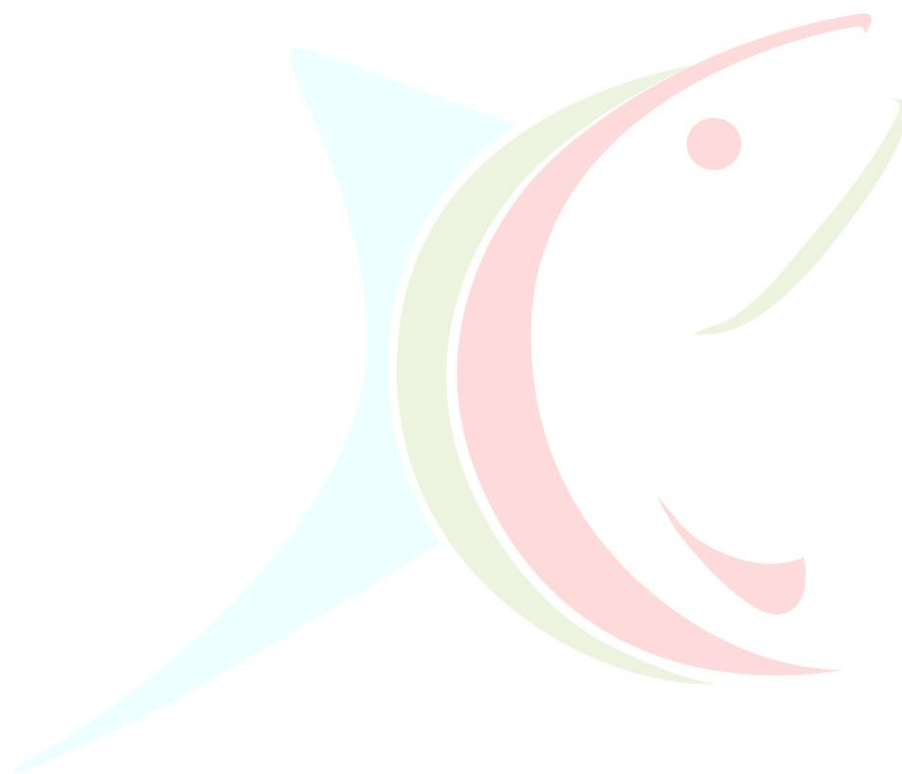
<u>Years Ended June 30,</u>	<u>ODD</u>						
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's proportion of the net OPEB liability (asset)	0.49246%	0.47759%	0.50193%	0.53960%	0.57178%	0.38325%	0.38843%
City's proportionate share of the net OPEB liability (asset)	\$ (252,650)	\$ (209,365)	\$ (221,216)	\$ (147,094)	\$ (138,628)	\$ (74,435)	\$ (55,114)
State of Alaska proportionate share of the net OPEB liability (asset)	-	-	-	-	-	-	-
Total net OPEB liability (asset)	<u>\$ (252,650)</u>	<u>\$ (209,365)</u>	<u>\$ (221,216)</u>	<u>\$ (147,094)</u>	<u>\$ (138,628)</u>	<u>\$ (74,435)</u>	<u>\$ (55,114)</u>
City's covered payroll	\$ 6,616,834	\$ 5,987,074	\$ 5,631,491	\$ 5,246,705	\$ 4,776,280	\$ 4,362,745	\$ 4,016,618
City's proportionate share of the net OPEB liability (asset) as a percentage of payroll	-3.82%	-3.50%	-3.93%	-2.80%	-2.90%	-1.71%	-1.37%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	349.24%	348.80%	374.22%	283.80%	297.43%	270.62%	212.97%

CITY OF KENAI, ALASKA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) - OPEB ODD PLAN
SCHEDULE OF THE CITY'S CONTRIBUTIONS

<u>Years Ended June 30,</u>	<u>ODD</u>						
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 32,540	\$ 30,167	\$ 27,554	\$ 26,773	\$ 23,663	\$ 23,345	\$ 3,508
Contributions relative to the contractually required contributions	<u>32,540</u>	<u>30,167</u>	<u>27,554</u>	<u>26,773</u>	<u>23,663</u>	<u>23,345</u>	<u>3,508</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 7,119,460	\$ 6,616,834	\$ 5,987,074	\$ 5,631,491	\$ 5,246,705	\$ 4,776,280	\$ 4,362,745
Contributions as a percentage of covered payroll	0.457%	0.456%	0.460%	0.475%	0.451%	0.489%	0.080%

See accompanying notes to required supplementary information.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION



KENAI

I. BUDGETARY COMPARISON SCHEDULES

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental fund types, except the Capital Project Funds which adopt project-length budgets. All annual appropriations lapse at a fiscal year end.

Budgets for the general fund, special revenue funds, debt service funds, permanent funds, enterprise funds and the Employee Health Care Internal Service Fund are annual budgets. Capital project fund budgets are project-length budgets. The Equipment Replacement and Fleet Management Funds, which are internal service funds, are not required to have budgets. The City Council approves all asset acquisitions for these funds by resolution.

Annual budgets must be submitted to the City Council by the City Manager during or prior to the sixth week preceding the first day of each fiscal year. The City Council must adopt an annual budget and set the tax rates not later than the tenth day of June for the following fiscal year.

Budgetary control (the level at which expenditures may not exceed budget) is maintained at the object class level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders which would result in an overrun of object class balances are not released until additional appropriations are made available.

Amendments to appropriations may be made by the city administration within each department of a fund by any amount and by transfers between departments of a fund in amounts less than \$10,000. Amendments between departments of a fund in excess of \$10,000 may be made by the City Council with the passage of a resolution. All new appropriations are authorized by an appropriating ordinance that amends the annual budget.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as appropriate constraints of fund balances if they meet the definitions and criteria as outlined in Note 1-D-8. These commitments will be reappropriated and honored during the subsequent year.

II. 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 June 30, 2024, the Plan measurement date is June 30, 2023.

Changes in Assumptions:

The total pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to the measurement date of June 30, 2023. The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021, resulting in changes in actuarial assumptions effective for June 30, 2022 actuarial valuation, which were adopted by the Board to better reflect expected future experience.

In 2022, the discount rate was lowered from 7.38% to 7.25%.

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.

Schedule of the City's 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.

III. PUBLIC EMPLOYEES' RETIREMENT SYSTEM OPEB PLANS

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

These tables are presented based on the Plan measurement date. For June 30, 2024, the Plan measurement date is June 30, 2023.

Changes in Assumptions:

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2022, rolled forward to the measurement date of June 30, 2023. The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021, resulting in changes in actuarial assumptions effective for the June 30, 2022 actuarial valuation, which were adopted by the Board to better reflect the expected future experience. For the ARHCT and RMP plans, the per capita claims costs were updated to reflect recent experience for the June 30, 2022 actuarial valuation.

In 2022, the discount rate was lowered from 7.38% to 7.25%.

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

GASB requires ten years of information be presented. However, until a full 10 years of information is available, the City will present only those years for which information is available.

Schedule of the City's Contributions

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

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

OTHER GOVERNMENTAL FUNDS

This section includes the Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual, for the Airport Land Sales Permanent Fund, which is a major fund, as well as the Nonmajor Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances. It also includes a Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual for each nonmajor governmental fund that adopted an annual budget.

Special Revenue Funds

Special Revenue Funds are used for specific revenues that are legally restricted to expenditures for a specific purpose.

Cone Memorial Trust Fund – This fund accounts for the proceeds received from the Tamara Diane Cone Testamentary Trust. Trust language requires the funds be used for the use and benefit of the Kenai Senior Center.

Personal Use Fishery Fund – This fund accounts for the activities responding to the State of Alaska Personal Use Fishery where thousands of Alaskans harvest salmon at the mouth of the Kenai River. The primary source of revenue is from user fees. Activities include public safety, parks, recreation and culture, and public works.

Senior Citizen Fund - This fund accounts for the activities of the Senior Citizen Title III Grant Program which is substantially financed by intergovernmental revenues. Activities include social services and a nutrition program.

Capital Project Funds

Capital Project Funds are established to account for the resources expended to acquire assets of a relatively permanent nature. These funds evolved from the need for special accounting for bond proceeds, grants and contributions for the acquisition of capital assets. 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 projects fund revenue, that their requirements regarding the use of the revenue were fully satisfied.

Streets Fund – This fund accounts for capital improvements to City streets, sidewalks, curbs and gutters, or street lighting systems. Financing is primarily by state grants and transfers from the General Fund.

Airport Improvement Fund – This fund accounts for capital projects of the City's airport. The primary funding source is federal grants.

Parks and Recreation Fund – This fund accounts for capital projects within the City's Parks, Recreation Center, Multipurpose Facility (Ice Rink), Visitor Center, Fine Arts Center, Cemetery, Personal Use Fishery, and Trail Construction. The primary funding sources for this fund are the General Fund, state grants and donations.

Water & Sewer Fund – This fund accounts for capital improvements to the City's water and sewer system. Financing is primarily by federal and state grants and transfers from the Water and Sewer Special Revenue Fund.

Miscellaneous Fund – This fund accounts for capital projects which do not fit in one of the other fund categories. These projects are generally smaller projects, which may be funded through transfers from other funds or by state or federal grants.

Debt Service Fund

Debt Service Fund – This fund accounts for the accumulation of monies for payment of advance refunding bonds issued in 2020 for the advance refunding of general obligation bonds issued for the 2010 expansion of the Kenai Community Library.

Permanent Fund

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used.

General Government Land Sales Fund – This fund accounts for the proceeds of general government land sales, including principal and interest on long-term notes. By City Charter, the principal cannot be spent. Interest revenue is transferred to the General Fund in the amount of 5% of the fund balance or calendar year actual earnings as measured at December 31st of each year.

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**CITY OF KENAI, ALASKA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024**

ASSETS	Special Revenue Funds		
	Cone Memorial Trust	Personal Use Fishery	Senior Citizen
Equity in central treasury (cash and investments)	\$ 862,790	\$ 261,172	\$ 3,320
Intergovernmental receivables	-	-	21,253
Other accounts receivable, net	<u>2,673</u>	<u>-</u>	<u>27,966</u>
Total assets	<u>\$ 865,463</u>	<u>\$ 261,172</u>	<u>\$ 52,539</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 207	\$ 12,095	\$ 49,046
Accrued payroll and payroll liabilities	-	-	9,861
Other liabilities	-	-	2,000
Unearned revenue	<u>-</u>	<u>-</u>	<u>39</u>
Total liabilities	<u>207</u>	<u>12,095</u>	<u>60,946</u>
Fund balances:			
Nonspendable	-	-	-
Restricted	865,256	-	-
Committed	-	-	-
Assigned	-	249,077	-
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>(8,407)</u>
Total fund balances	<u>865,256</u>	<u>249,077</u>	<u>(8,407)</u>
Total liabilities and fund balances	<u>\$ 865,463</u>	<u>\$ 261,172</u>	<u>\$ 52,539</u>

Capital Project Funds					Debt Service Fund	Permanent Fund	Total Nonmajor Governmental Funds
Streets	Airport Improvement	Parks and Recreation	Water and Sewer	Miscellaneous	Debt Service	General Government Land Sales	
\$ 1,667,002	\$ 3,276,680	\$ 977,860	\$ 2,562,931	\$ 576,944	\$ -	\$ 3,688,109	\$ 13,876,808
155	1,195,975	57,300	-	211,974	-	-	1,486,657
-	-	-	-	-	-	11,494	42,133
<u>\$ 1,667,157</u>	<u>\$ 4,472,655</u>	<u>\$ 1,035,160</u>	<u>\$ 2,562,931</u>	<u>\$ 788,918</u>	<u>\$ -</u>	<u>\$ 3,699,603</u>	<u>\$ 15,405,598</u>
\$ 25,036	\$ 54,097	\$ 11,939	\$ 12,078	\$ 21,515	\$ -	\$ 488	\$ 186,501
-	-	-	-	-	-	-	9,861
-	-	-	-	-	-	-	2,000
-	-	85,364	-	-	-	-	85,403
<u>25,036</u>	<u>54,097</u>	<u>97,303</u>	<u>12,078</u>	<u>21,515</u>	<u>-</u>	<u>488</u>	<u>283,765</u>
-	-	-	-	-	-	3,699,115	3,699,115
-	-	-	-	-	-	-	865,256
1,642,121	4,418,558	937,857	2,550,853	767,403	-	-	10,316,792
-	-	-	-	-	-	-	249,077
-	-	-	-	-	-	-	(8,407)
<u>1,642,121</u>	<u>4,418,558</u>	<u>937,857</u>	<u>2,550,853</u>	<u>767,403</u>	<u>-</u>	<u>3,699,115</u>	<u>15,121,833</u>
<u>\$ 1,667,157</u>	<u>\$ 4,472,655</u>	<u>\$ 1,035,160</u>	<u>\$ 2,562,931</u>	<u>\$ 788,918</u>	<u>\$ -</u>	<u>\$ 3,699,603</u>	<u>\$ 15,405,598</u>

**CITY OF KENAI, ALASKA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds		
	Cone Memorial Trust	Personal Use Fishery	Senior Citizen
Revenues:			
Intergovernmental revenues	\$ -	\$ 249	\$ 489,964
Charges for services	-	481,946	-
Investment earnings	77,027	19,502	-
Miscellaneous revenues	<u>47,000</u>	<u>-</u>	<u>333,255</u>
Total revenues	<u>124,027</u>	<u>501,697</u>	<u>823,219</u>
Expenditures:			
General government	-	-	-
Public safety	-	116,746	-
Social welfare services	-	-	1,031,102
Parks, recreation and cultural	-	206,597	-
Public works	-	67,638	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital Outlay	<u>-</u>	<u>5,320</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>396,301</u>	<u>1,031,102</u>
Excess of revenues over (under) expenditures	124,027	105,396	(207,883)
Other financing sources (uses):			
Transfers in	-	-	199,476
Transfers out	<u>-</u>	<u>(75,000)</u>	<u>-</u>
Net other financing sources (uses)	<u>-</u>	<u>(75,000)</u>	<u>199,476</u>
Net change in fund balances	124,027	30,396	(8,407)
Fund balances - July 1, as previously reported	<u>741,229</u>	<u>218,681</u>	<u>-</u>
Adjustment, change from major fund to non major fund	-	-	-
Fund balances - July 1, as adjusted	<u>741,229</u>	<u>218,681</u>	<u>-</u>
Fund balances (deficits) - June 30	<u>\$ 865,256</u>	<u>\$ 249,077</u>	<u>\$ (8,407)</u>

Capital Project Funds					Debt Service Fund	Permanent Fund	Total Nonmajor Governmental Funds
Streets	Airport Improvement	Parks and Recreation	Water and Sewer	Miscellaneous	Debt Service	General Government Land Sales	
\$ 155	\$ 994,700	\$ 49,700	\$ 25,000	\$ 373,150	\$ -	\$ -	\$ 1,932,918
-	-	-	-	-	-	-	481,946
-	-	-	-	-	-	360,111	456,640
-	-	-	9,838	-	-	-	390,093
155	994,700	49,700	34,838	373,150	-	360,111	3,261,597
-	-	-	-	30,580	-	-	30,580
-	-	-	-	214,525	-	-	331,271
-	-	-	-	-	-	-	1,031,102
-	-	23,722	-	-	-	-	230,319
154	-	-	-	-	-	-	67,792
-	-	-	-	-	95,000	-	95,000
-	-	-	-	-	35,625	-	35,625
1,456,031	1,500,202	812,567	332,225	269,554	-	-	4,375,899
1,456,185	1,500,202	836,289	332,225	514,659	130,625	-	6,197,588
(1,456,030)	(505,502)	(786,589)	(297,387)	(141,509)	(130,625)	360,111	(2,935,991)
892,085	796,875	294,847	679,970	150,000	130,625	-	3,143,878
-	(337)	(13,159)	(30,000)	(12,211)	-	(146,180)	(276,887)
892,085	796,538	281,688	649,970	137,789	130,625	(146,180)	2,866,991
(563,945)	291,036	(504,901)	352,583	(3,720)	-	213,931	(69,000)
2,206,066	-	-	2,198,270	771,123	-	3,485,184	9,620,553
-	4,127,522	1,442,758	-	-	-	-	5,570,280
2,206,066	4,127,522	1,442,758	2,198,270	771,123	-	3,485,184	15,190,833
\$ 1,642,121	\$ 4,418,558	\$ 937,857	\$ 2,550,853	\$ 767,403	\$ -	\$ 3,699,115	\$ 15,121,833

**CITY OF KENAI, ALASKA
PERSONAL USE FISHERY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:			
Intergovernmental revenues - State grant	\$ 1,169	\$ 249	\$ (920)
Charges for services - Parking, camping, and boat launch	485,212	481,946	(3,266)
Investment earnings	750	19,502	18,752
Total revenues	<u>487,131</u>	<u>501,697</u>	<u>14,566</u>
Expenditures:			
Public safety:			
Personal services	38,663	32,200	6,463
Other services and charges	12,281	746	11,535
Capital outlays	43,800	5,320	38,480
	94,744	38,266	56,478
Expenditures chargeable from other funds	83,800	83,800	-
Total public safety	<u>178,544</u>	<u>122,066</u>	<u>56,478</u>
Public works:			
Streets:			
Personal services	19,117	10,638	8,479
Supplies	2,800	1,916	884
Other services and charges	12,942	9,764	3,178
	34,859	22,318	12,541
Expenditures chargeable from other funds	4,200	4,200	-
Total streets	<u>39,059</u>	<u>26,518</u>	<u>12,541</u>
Dock:			
Personal services	31,711	25,707	6,004
Supplies	5,300	4,417	883
Other services and charges	5,475	5,796	(321)
	42,486	35,920	6,566
Expenditures chargeable from other funds	5,200	5,200	-
Total dock	<u>47,686</u>	<u>41,120</u>	<u>6,566</u>
Total public works	<u>86,745</u>	<u>67,638</u>	<u>19,107</u>

**CITY OF KENAI, ALASKA
PERSONAL USE FISHERY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL, continued**

Expenditures, continued:	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Parks, recreation and cultural:			
Personal services	\$ 93,007	\$ 67,906	\$ 25,101
Supplies	17,650	15,562	2,088
Other services and charges	<u>99,355</u>	<u>103,929</u>	<u>(4,574)</u>
	210,012	187,397	22,615
Expenditures chargeable from other funds	<u>19,200</u>	<u>19,200</u>	<u>-</u>
Total parks, recreation and cultural	<u>229,212</u>	<u>206,597</u>	<u>22,615</u>
Total expenditures	<u>494,501</u>	<u>396,301</u>	<u>98,200</u>
Excess of revenues over (under) expenditures	(7,370)	105,396	112,766
Other financing uses -			
Transfers out	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (82,370)</u>	30,396	<u>\$ 112,766</u>
Fund balance - July 1		<u>218,681</u>	
Fund balance - June 30		<u>\$ 249,077</u>	

**CITY OF KENAI, ALASKA
SENIOR CITIZEN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:			
Intergovernmental revenues:			
State grants	\$ 280,709	\$ 278,855	\$ (1,854)
Federal grants	22,000	24,966	2,966
Kenai Peninsula Borough grant	186,143	186,143	-
Total intergovernmental revenues	<u>488,852</u>	<u>489,964</u>	<u>1,112</u>
Miscellaneous revenues:			
Choice Waiver reimbursement	75,000	103,428	28,428
Rents and leases	7,000	12,479	5,479
Donations	237,000	217,288	(19,712)
Other	300	60	(240)
Total miscellaneous revenues	<u>319,300</u>	<u>333,255</u>	<u>13,955</u>
Total revenues	<u>808,152</u>	<u>823,219</u>	<u>15,067</u>
Expenditures - social welfare services:			
Social services:			
Personal services	146,753	147,653	(900)
Supplies	7,595	5,099	2,496
Other services and charges	26,279	26,148	131
	<u>180,627</u>	<u>178,900</u>	<u>1,727</u>
Expenditures chargeable from other funds	45,466	45,466	-
Total social services	<u>226,093</u>	<u>224,366</u>	<u>1,727</u>
Congregate meals:			
Personal services	61,867	61,771	96
Supplies	46,962	44,718	2,244
Other services and charges	15,149	14,301	848
Capital outlays	1,738	-	1,738
	<u>125,716</u>	<u>120,790</u>	<u>4,926</u>
Expenditures chargeable from other funds	19,420	19,420	-
Total congregate meals	<u>145,136</u>	<u>140,210</u>	<u>4,926</u>
Home delivered meals:			
Personal services	249,441	246,743	2,698
Supplies	124,668	123,889	779
Other services and charges	39,319	35,464	3,855
Capital outlays	6,897	-	6,897
	<u>420,325</u>	<u>406,096</u>	<u>14,229</u>

**CITY OF KENAI, ALASKA
SENIOR CITIZEN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL, continued**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Expenditures - social welfare services - continued:			
Home delivered meals - continued:			
Expenditures chargeable from			
other funds	\$ 78,887	\$ 78,887	\$ -
Total home delivered meals	<u>499,212</u>	<u>484,983</u>	<u>14,229</u>
Transportation:			
Personal services	69,195	70,487	(1,292)
Supplies	6,628	10,683	(4,055)
Other services and charges	<u>12,672</u>	<u>11,198</u>	<u>1,474</u>
	88,495	92,368	(3,873)
Expenditures chargeable from			
other funds	<u>21,273</u>	<u>21,273</u>	<u>-</u>
Total transportation	<u>109,768</u>	<u>113,641</u>	<u>(3,873)</u>
Choice Waiver:			
Personal services	31,023	31,329	(306)
Supplies	17,182	14,299	2,883
Other services and charges	12,582	12,520	62
Capital outlays	<u>865</u>	<u>-</u>	<u>865</u>
	61,652	58,148	3,504
Expenditures chargeable from			
other funds	<u>9,754</u>	<u>9,754</u>	<u>-</u>
Total Choice Waiver	<u>71,406</u>	<u>67,902</u>	<u>3,504</u>
Total expenditures	<u>1,051,615</u>	<u>1,031,102</u>	<u>20,513</u>
Excess of revenues over (under)			
expenditures	(243,463)	(207,883)	35,580
Other financing sources -			
Transfers in	<u>199,476</u>	<u>199,476</u>	<u>-</u>
Net change in fund balance	<u>\$ (43,987)</u>	<u>(8,407)</u>	<u>\$ 35,580</u>
Fund deficit - July 1		<u>-</u>	
Fund deficit - June 30		<u>\$ (8,407)</u>	

CITY OF KENAI, ALASKA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Expenditures - debt service:			
Principal	\$ 95,000	\$ 95,000	\$ -
Interest	<u>35,625</u>	<u>35,625</u>	<u>-</u>
Total expenditures	<u>130,625</u>	<u>130,625</u>	<u>-</u>
 Excess of revenues over (under) expenditures	 (130,625)	 (130,625)	 -
 Other financing sources -			
Transfers in	<u>130,625</u>	<u>130,625</u>	<u>-</u>
 Net change in fund balance	 <u><u>\$ -</u></u>	 -	 <u><u>\$ -</u></u>
 Fund balance - July 1		 <u>-</u>	
 Fund balance - June 30		 <u><u>\$ -</u></u>	

CITY OF KENAI, ALASKA
GENERAL GOVERNMENT LAND SALES PERMANENT FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues -			
Investment earnings	\$ 221,897	\$ 360,111	\$ 138,214
Other financing uses -			
Transfers out	(146,180)	(146,180)	-
Net change in fund balance	<u>\$ 75,717</u>	213,931	<u>\$ 138,214</u>
Fund balance - July 1		<u>3,485,184</u>	
Fund balance - June 30		<u>\$ 3,699,115</u>	

CITY OF KENAI, ALASKA
AIRPORT LAND SALES PERMANENT FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:			
Investment earnings	\$ 1,677,543	\$ 2,794,019	\$ 1,116,476
Land sales	<u>-</u>	<u>12,361</u>	<u>12,361</u>
Total revenues	<u>1,677,543</u>	<u>2,806,380</u>	<u>1,128,837</u>
Other financing uses -			
Transfers out	<u>(1,065,618)</u>	<u>(1,065,518)</u>	<u>100</u>
Net change in fund balance	<u>\$ 611,925</u>	1,740,862	<u>\$ 1,128,937</u>
Fund balance - July 1		<u>27,147,869</u>	
Fund balance - June 30		<u><u>\$ 28,888,731</u></u>	

INTERNAL SERVICE FUNDS

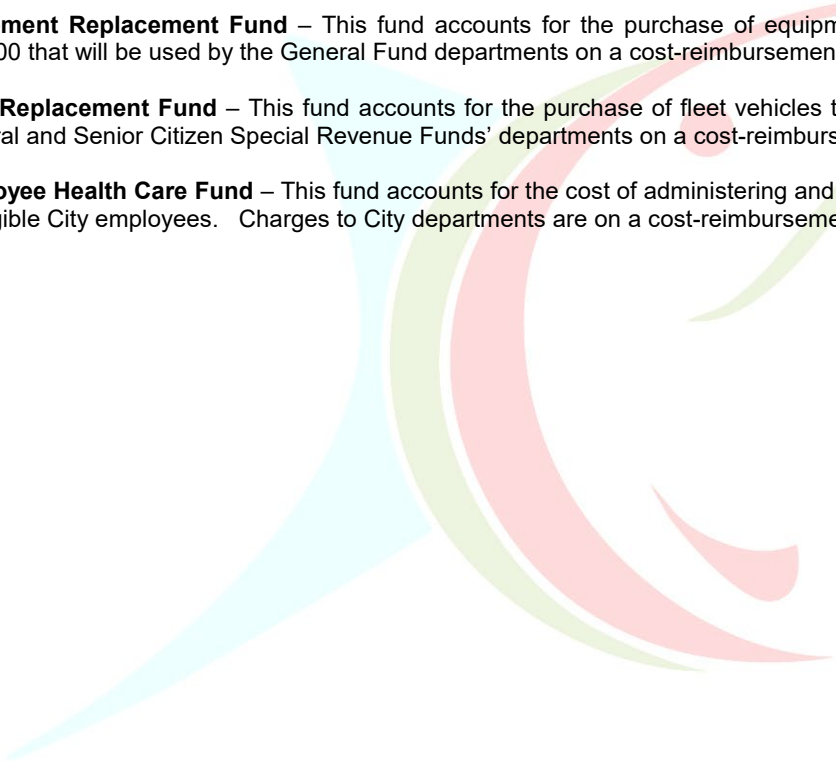
This section includes the Combining Statement of Net Position, Combining Statement of Revenues, Expenses, and Changes in Net Position, and the Combining Statement of Cash Flows for the Internal Service Funds.

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, on a cost reimbursement basis.

Equipment Replacement Fund – This fund accounts for the purchase of equipment costing more than \$50,000 that will be used by the General Fund departments on a cost-reimbursement basis.

Fleet Replacement Fund – This fund accounts for the purchase of fleet vehicles that will be used by the General and Senior Citizen Special Revenue Funds' departments on a cost-reimbursement basis.

Employee Health Care Fund – This fund accounts for the cost of administering and providing healthcare to all eligible City employees. Charges to City departments are on a cost-reimbursement basis.

A large, stylized logo for the City of Kenai. It features a light blue shape on the left, a green shape in the middle, and a pink shape on the right, all overlapping to form a circular emblem.

KENAI

**CITY OF KENAI, ALASKA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024**

	Governmental Activities - Internal Service Funds			Total
	<u>Equipment</u>	<u>Fleet</u>	<u>Employee Health</u>	<u>Internal Service</u>
ASSETS	<u>Replacement</u>	<u>Replacement</u>	<u>Care</u>	<u>Funds</u>
Current assets:				
Equity in central treasury (cash and investments)	\$ 1,962,986	\$ 648,200	\$ 2,504,925	\$ 5,116,111
Deposits with others	-	-	6,371	6,371
Total current assets	<u>1,962,986</u>	<u>648,200</u>	<u>2,511,296</u>	<u>5,122,482</u>
Noncurrent assets:				
Property and equipment in service, at cost -				
Equipment	4,618,797	1,412,793	-	6,031,590
Less accumulated depreciation	(2,480,690)	(1,189,910)	-	(3,670,600)
Construction in progress	423	231,688	-	232,111
Total noncurrent assets	<u>2,138,530</u>	<u>454,571</u>	<u>-</u>	<u>2,593,101</u>
Total assets	<u>\$ 4,101,516</u>	<u>\$ 1,102,771</u>	<u>\$ 2,511,296</u>	<u>\$ 7,715,583</u>
LIABILITIES				
Current liabilities -				
Accounts payable	\$ -	\$ -	\$ 8,865	\$ 8,865
NET POSITION				
Investment in capital assets	2,138,530	454,571	-	2,593,101
Unrestricted	<u>1,962,986</u>	<u>648,200</u>	<u>2,502,431</u>	<u>5,113,617</u>
Total net position	<u>4,101,516</u>	<u>1,102,771</u>	<u>2,502,431</u>	<u>7,706,718</u>
Total liabilities and net position	<u>\$ 4,101,516</u>	<u>\$ 1,102,771</u>	<u>\$ 2,511,296</u>	<u>\$ 7,715,583</u>

**CITY OF KENAI, ALASKA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024**

	Governmental Activities - Internal Service Funds			Total
	<u>Equipment Replacement</u>	<u>Fleet Replacement</u>	<u>Employee Health Care</u>	<u>Internal Service Funds</u>
Operating revenues -				
Other revenue	\$ 416,732	\$ 157,196	\$ 2,998,467	\$ 3,572,395
Operating expenses:				
Depreciation	217,923	53,488	-	271,411
Insurance/benefits	-	-	2,518,282	2,518,282
Miscellaneous	(1,178)	-	-	(1,178)
Administration	-	-	56,994	56,994
Total operating expenses	<u>216,745</u>	<u>53,488</u>	<u>2,575,276</u>	<u>2,845,509</u>
Operating income	199,987	103,708	423,191	726,886
Nonoperating revenues -				
Investment earnings	<u>88,525</u>	<u>27,396</u>	<u>108,361</u>	<u>224,282</u>
Change in net position	288,512	131,104	531,552	951,168
Net position - July 1	<u>3,813,004</u>	<u>971,667</u>	<u>1,970,879</u>	<u>6,755,550</u>
Net position - June 30	<u>\$ 4,101,516</u>	<u>\$ 1,102,771</u>	<u>\$ 2,502,431</u>	<u>\$ 7,706,718</u>

**CITY OF KENAI, ALASKA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

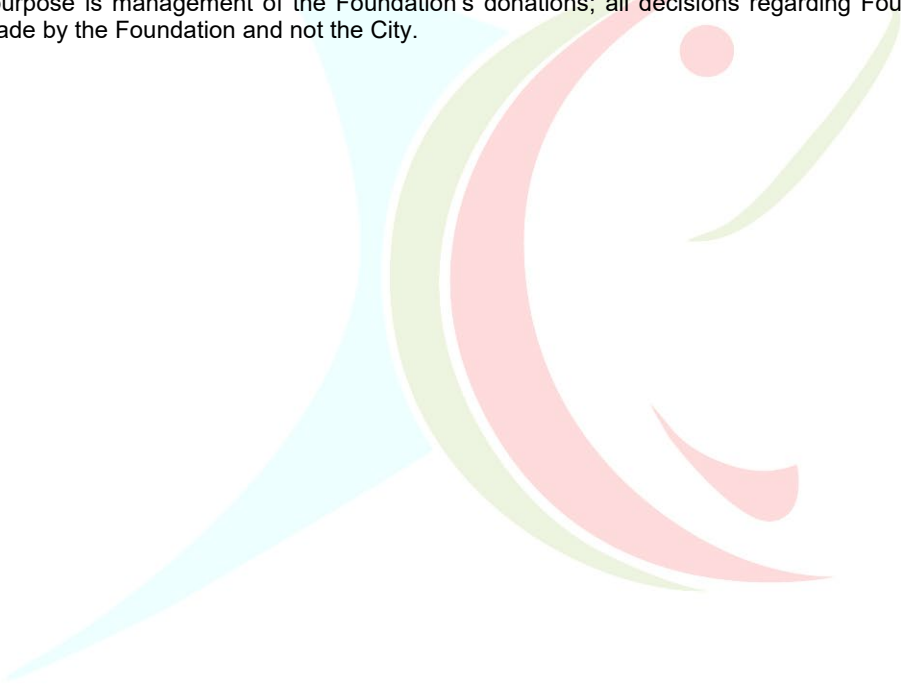
	<u>Governmental Activities - Internal Service Funds</u>			Total Internal Service Funds
	<u>Equipment Replacement</u>	<u>Fleet Replacement</u>	<u>Employee Health Care</u>	
Cash flows from operating activities:				
Receipts for interfund services	\$ 416,732	\$ 157,196	\$ 2,640,656	\$ 3,214,584
Receipts for services from others	-	-	357,811	357,811
Payments to suppliers	-	-	(2,567,022)	(2,567,022)
Net cash provided by operating activities	<u>416,732</u>	<u>157,196</u>	<u>431,445</u>	<u>1,005,373</u>
Cash flows for capital and related financing activities -				
Acquisition of capital assets	<u>(221,770)</u>	<u>(4,976)</u>	<u>\$ -</u>	<u>(226,746)</u>
Cash flows from investing activities -				
Investment earnings	<u>88,525</u>	<u>27,396</u>	<u>108,361</u>	<u>224,282</u>
Net increase in cash and cash equivalents	283,487	179,616	539,806	1,002,909
Cash and cash equivalents - July 1	<u>1,679,499</u>	<u>468,584</u>	<u>1,965,119</u>	<u>4,113,202</u>
Cash and cash equivalents - June 30	<u>\$ 1,962,986</u>	<u>\$ 648,200</u>	<u>\$ 2,504,925</u>	<u>\$ 5,116,111</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 199,987	\$ 103,708	\$ 423,191	\$ 726,886
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	217,923	53,488	-	271,411
Miscellaneous expense	(1,178)	-	-	(1,178)
Accounts payable	-	-	8,254	8,254
Net cash provided by operating activities	<u>\$ 416,732</u>	<u>\$ 157,196</u>	<u>\$ 431,445</u>	<u>\$ 1,005,373</u>

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FIDUCIARY FUNDS

Kenai Senior Connection - Through a management agreement, the City manages the donations of the Kenai Senior Connection, a 501(c)(3) not-for-profit entity, whose purpose is to support senior citizen activities within Kenai's city limits. The City's sole purpose is management of the Connection's donations; all decisions regarding the Connection's awards are made by the Connection and not the City.

Kenai Community Foundation - Through a management agreement, the City manages the donations of the Kenai Community Foundation, a 501(c)(3) not-for-profit entity, whose purpose is to support museums, parks and recreation, music, fine arts, library, and historic purposes within Kenai's city limits. The City's sole purpose is management of the Foundation's donations; all decisions regarding Foundation's awards are made by the Foundation and not the City.

The logo for the Kenai Community Foundation is a stylized, abstract face. It features a large, light blue 'C' shape on the left, a pink 'C' shape on the right, and a green 'C' shape in the center. A small pink dot is positioned above the pink 'C' shape, and a pink curved line is below it, suggesting a smile. The entire logo is set against a white background.

KENAI

**CITY OF KENAI, ALASKA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2024**

	<u>Kenai Senior Connection</u>	<u>Kenai Community Foundation</u>	<u>Total Custodial Funds</u>
ASSETS			
Equity in central treasury (cash and investments)	\$ 1,256,129	\$ 260,605	\$ 1,516,734
Interest receivable	<u>3,927</u>	<u>801</u>	<u>4,728</u>
Total assets	<u>\$ 1,260,056</u>	<u>\$ 261,406</u>	<u>\$ 1,521,462</u>
LIABILITIES			
Accounts payable	<u>\$ 820</u>	<u>\$ 53</u>	<u>\$ 873</u>
NET POSITION			
Restricted for organizations	<u>1,259,236</u>	<u>261,353</u>	<u>1,520,589</u>
Total liabilities and net position	<u>\$ 1,260,056</u>	<u>\$ 261,406</u>	<u>\$ 1,521,462</u>

**CITY OF KENAI, ALASKA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2024**

	<u>Kenai Senior Connection</u>	<u>Kenai Community Foundation</u>	<u>Total Custodial Funds</u>
Additions:			
Private donations	\$ -	\$ 10,000	\$ 10,000
Investment earnings	120,776	22,288	143,064
Less investment management fees	<u>2,391</u>	<u>411</u>	<u>2,802</u>
Net investment earnings	<u>118,385</u>	<u>21,877</u>	<u>140,262</u>
Total additions	<u>118,385</u>	<u>31,877</u>	<u>150,262</u>
Deductions -			
Payments to others	<u>-</u>	<u>9,838</u>	<u>9,838</u>
Net increase in fiduciary net position	118,385	22,039	140,424
Net position - July 1	<u>1,140,851</u>	<u>239,314</u>	<u>1,380,165</u>
Net position - June 30	<u>\$ 1,259,236</u>	<u>\$ 261,353</u>	<u>\$ 1,520,589</u>

STATISTICAL SECTION

CITY OF KENAI, ALASKA

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

Financial Trends

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

Table I	Net Position by Component
Table II	Change in Net Position
Table III	Governmental Activities Tax Revenues by Source
Table IV	Fund Balances of Governmental Funds
Table V	Changes in Fund Balances of Governmental Funds
Table VI	General Governmental Tax Revenues by Source

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax.

Table VII	Taxable Sales by Category
Table VIII	Sales Tax Rates – Direct and Overlapping Governments

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

Table IX	Ratio of Outstanding Debt by Type
Table X	Computation of Direct and Overlapping Debt
Table XI	Legal Debt Margin Information

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Table XII	Demographic and Economic Statistics
Table XIII	Principal Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.

Table XIV	Full-time Equivalent City Government Employees by Fund
Table XV	Operating Indicators by Function
Table XVI	Capital Asset Statistics by Function

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

CITY OF KENAI, ALASKA

TABLE I

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Net investment in capital assets	\$ 137,296	\$ 141,096	\$ 143,098	\$ 140,725	\$ 144,824	\$ 153,447	\$ 152,943	\$ 153,069	\$ 155,138	\$ 154,955
Restricted - nonexpendable	2,888	2,943	3,050	3,130	3,296	2,941	3,091	3,239	3,485	3,699
Restricted - expendable	24,258	23,627	24,908	25,275	25,879	26,443	31,075	26,887	28,625	38,793
Unrestricted	8,810	8,188	6,718	4,792	5,847	12,907	18,345	22,507	26,997	865
Total governmental activities net position	\$ 173,252	\$ 175,854	\$ 177,774	\$ 173,922	\$ 179,846	\$ 195,738	\$ 205,454	\$ 205,702	\$ 214,245	\$ 198,312
Business-type activities:										
Net investment in capital assets	\$ 3,051	\$ 2,958	\$ 2,818	\$ 2,677	\$ 2,544	\$ 2,404	\$ 2,267	\$ 2,126	\$ 2,011	\$ 2,415
Unrestricted	419	474	507	570	680	761	843	924	1,014	-
Total business-type activities net position	\$ 3,470	\$ 3,432	\$ 3,325	\$ 3,247	\$ 3,224	\$ 3,165	\$ 3,110	\$ 3,050	\$ 3,025	\$ 2,415
Primary government:										
Net investment in capital assets	\$ 140,347	\$ 144,054	\$ 145,916	\$ 143,402	\$ 147,368	\$ 155,851	\$ 155,210	\$ 155,195	\$ 157,149	\$ 157,370
Restricted - nonexpendable	26,599	2,943	27,330	27,723	28,433	2,941	3,091	3,239	3,485	3,699
Restricted - expendable	547	23,627	628	682	742	26,443	31,075	26,887	28,625	38,793
Unrestricted	9,229	8,662	7,225	5,362	6,527	13,668	19,188	23,431	28,011	865
Total primary government net position	\$ 176,722	\$ 179,286	\$ 181,099	\$ 177,169	\$ 183,070	\$ 198,903	\$ 208,564	\$ 208,752	\$ 217,270	\$ 200,727

CITY OF KENAI, ALASKA

TABLE II

CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	\$ 4,097,380	\$ 2,801,225	\$ 2,748,439	\$ 2,099,053	\$ 2,274,910	\$ 2,472,944	\$ 3,991,258	\$ 1,588,224	\$ 2,598,494	\$ 3,227,258
Public safety	5,899,643	8,245,995	8,566,917	7,105,250	6,404,703	7,089,487	8,183,280	8,147,767	6,368,991	8,235,779
Public works	3,666,985	3,377,640	3,445,146	3,171,355	2,869,590	2,843,272	3,137,533	2,959,349	2,676,698	2,829,267
Parks, recreation, and cultural	2,355,007	2,828,177	2,946,836	4,087,141	2,459,644	2,279,505	2,300,189	2,558,915	2,652,907	2,952,217
Water and sewer services	2,237,426	2,832,563	2,900,224	2,919,777	2,917,208	2,734,796	2,934,336	2,863,872	2,860,093	3,030,827
Airport	4,188,728	3,518,240	3,718,663	3,566,203	3,561,832	3,555,513	4,133,978	4,173,644	3,924,452	4,425,896
Interest on long-term debt	95,599	92,947	89,548	86,098	83,131	76,405	18,697	44,271	39,875	843,860
Social welfare services	683,025	876,393	887,260	791,140	711,220	2,611,090	3,836,108	811,625	728,377	35,229
Total governmental activities expenses	23,223,793	24,573,180	25,303,033	23,826,017	21,282,238	23,663,012	28,535,379	23,147,667	21,849,887	25,580,333
Business-type activities -										
Senior housing	454,429	425,986	497,633	475,300	455,468	491,298	491,858	498,507	510,086	-
Total primary government expenses	\$ 23,678,222	\$ 24,999,166	\$ 25,800,666	\$ 24,301,317	\$ 21,737,706	\$ 24,154,310	\$ 29,027,237	\$ 23,646,174	\$ 22,359,973	\$ 25,580,333
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 421,241	\$ 346,625	\$ 991,000	\$ 479,150	\$ 571,269	\$ 1,147,003	\$ 274,409	\$ 938,557	\$ 434,201	\$ 552,170
Public safety	360,893	575,406	515,321	524,608	542,252	552,865	537,383	691,190	1,297,521	1,118,823
Public works	75,585	57,451	44,816	91,340	70,413	185,419	195,671	163,211	161,444	189,814
Parks, recreation, and cultural	670,565	680,232	698,805	657,627	492,815	531,178	676,279	634,563	674,711	682,888
Water and sewer services	2,485,588	2,612,383	2,766,181	2,857,191	2,864,820	2,956,313	2,889,606	3,154,664	3,208,382	3,360,921
Airport	1,977,259	1,993,493	2,013,421	1,914,438	2,018,547	1,715,419	1,540,764	2,015,076	2,179,969	2,277,265
Social welfare services	93,728	96,913	98,539	188,787	184,657	153,348	113,735	147,198	220,882	229,827
Operating grants and contributions	2,175,350	2,015,450	1,473,514	1,462,609	1,156,177	6,562,230	9,317,148	2,473,801	2,569,869	1,244,753
Capital grants and contributions	2,424,814	7,166,204	5,642,845	2,382,392	6,267,732	12,449,981	3,711,493	4,353,203	2,724,838	1,581,813
Total governmental activities program revenues	10,685,023	15,544,157	14,244,442	10,558,142	14,168,682	26,253,756	19,256,488	14,571,463	13,471,817	11,238,274

CITY OF KENAI, ALASKA

TABLE II Continued

CHANGE IN NET POSITION, continued
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business-type activities:										
Charges for services -										
Senior housing	\$ 365,450	\$ 382,330	\$ 386,708	\$ 394,318	\$ 408,188	\$ 402,475	\$ 431,967	\$ 446,881	\$ 466,641	\$ 486,548
Operating grants and contributions	16,482	2,077	1,780	1,153	1,995	3,008	3,895	3,421	1,314	-
Total business-type activities	381,932	384,407	388,488	395,471	410,183	405,483	435,862	450,302	467,955	486,548
program revenues										
Total primary government	\$ 11,066,955	\$ 15,928,564	\$ 14,632,930	\$ 10,953,613	\$ 14,578,865	\$ 26,659,239	\$ 19,692,350	\$ 15,021,765	\$ 13,939,772	\$ 11,724,822
program revenues										
Net (expenses)/revenue:										
Governmental activities	\$ (12,538,770)	\$ (9,029,023)	\$ (11,058,591)	\$ (13,267,875)	\$ (7,113,556)	\$ 2,590,744	\$ (9,278,891)	\$ (8,576,204)	\$ (8,378,070)	\$ (14,342,059)
Business-type activities	(72,497)	(41,579)	(109,145)	(79,829)	(45,285)	(85,815)	(55,996)	(48,205)	(42,131)	486,548
Total primary government net expense	\$ (12,611,267)	\$ (9,070,602)	\$ (11,167,736)	\$ (13,347,704)	\$ (7,158,841)	\$ 2,504,929	\$ (9,334,887)	\$ (8,624,409)	\$ (8,420,201)	\$ (13,855,511)
General Revenues and Other										
Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 3,656,927	\$ 3,782,538	\$ 3,919,797	\$ 3,868,445	\$ 3,890,087	\$ 3,955,484	\$ 3,906,981	\$ 3,989,661	\$ 4,316,204	\$ 4,440,189
Sales taxes	7,257,451	7,247,938	6,715,501	6,854,253	7,159,094	7,690,916	8,560,985	9,191,637	9,818,482	9,975,032
Investment earnings (loss)	789,523	600,569	2,344,330	1,752,571	1,988,451	1,654,403	6,526,926	(4,356,554)	2,785,844	4,888,218
Total governmental activities	11,703,901	11,631,045	12,979,628	12,475,269	13,037,632	13,300,803	18,994,892	8,824,744	16,920,530	19,303,439
Business-type activities:										
Investment earnings (loss)	2,533	3,880	1,822	2,558	21,630	27,502	1,060	(12,650)	17,198	52,254
Transfers	-	-	(548)	-	-	-	-	-	-	-
Total business-type activities	2,533	3,880	1,274	2,558	21,630	27,502	1,060	(12,650)	17,198	52,254
Total primary government	\$ 11,706,434	\$ 11,634,925	\$ 12,980,902	\$ 12,477,827	\$ 13,059,262	\$ 13,328,305	\$ 18,995,952	\$ 8,812,094	\$ 16,937,728	\$ 19,355,693
Changes in Net Position										
Governmental activities	\$ (834,869)	\$ 2,602,022	\$ 1,921,037	\$ (792,606)	\$ 5,924,076	\$ 15,891,547	\$ 9,716,001	\$ 248,540	\$ 8,542,460	\$ 4,961,380
Business-type activities	(69,964)	(37,699)	(107,871)	(77,271)	(23,655)	(58,313)	(54,936)	(60,855)	(24,933)	538,802
Total primary government	\$ (904,833)	\$ 2,564,323	\$ 1,813,166	\$ (869,877)	\$ 5,900,421	\$ 15,833,234	\$ 9,661,065	\$ 187,685	\$ 8,517,527	\$ 5,500,182

CITY OF KENAI, ALASKA

Table III

**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Total</u>
2015	\$ 3,656,927	\$ 7,257,451	\$ 10,914,378
2016	3,782,538	7,247,938	11,030,476
2017	3,919,797	6,715,501	10,635,298
2018	3,868,445	6,854,253	10,722,698
2019	3,890,087	7,159,094	11,049,181
2020	3,955,484	7,690,916	11,646,400
2021	3,906,981	8,560,985	12,467,966
2022	3,989,661	9,191,637	13,181,298
2023	4,316,204	9,818,482	14,134,686
2024	4,440,189	9,975,032	14,415,221

CITY OF KENAI, ALASKA

Table IV

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Restricted	\$ 546,706	\$ 588,937	\$ 628,599	\$ 682,068	\$ 741,748	\$ 811,030	\$ 640,115	\$ 673,494	\$ 735,423	\$ 824,433
Committed	409,746	409,746	6,840,662	6,976,762	7,116,039	6,047,560	8,392,252	10,394,225	8,392,252	10,791,650
Assigned	1,497,756	1,409,610	2,381,786	2,416,658	2,418,240	2,235,128	2,711,726	3,007,753	2,791,375	3,305,616
Unassigned	7,937,025	8,009,807	697,159	495,196	474,017	4,196,674	2,697,409	1,469,685	3,565,312	1,553,137
Total General Fund	\$ 10,391,233	\$ 10,418,100	\$ 10,548,206	\$ 10,570,684	\$ 10,750,044	\$ 13,290,392	\$ 14,441,502	\$ 15,545,157	\$ 15,484,362	\$ 16,474,836
All other governmental funds:										
Nonspendable:										
Prepays	-	-	-	-	-	-	-	-	-	2,333,400
Permanent funds	\$ 2,888,444	\$ 2,942,775	\$ 3,049,939	\$ 3,129,977	\$ 3,295,590	\$ 2,941,284	\$ 3,090,660	\$ 3,239,172	\$ 3,485,184	\$ 3,699,115
Total Nonspendable	\$ 2,888,444	\$ 2,942,775	\$ 3,049,939	\$ 3,129,977	\$ 3,295,590	\$ 2,941,284	\$ 3,090,660	\$ 3,239,172	\$ 3,485,184	\$ 6,032,515
Restricted:										
Airport purposes	23,711,029	23,037,659	24,280,015	24,592,355	25,138,086	25,631,649	30,434,755	26,213,430	27,147,869	28,888,731
Senior services	-	-	-	-	-	-	-	-	741,229	865,256
Total restricted	23,711,029	23,037,659	24,280,015	24,592,355	25,138,086	25,631,649	30,434,755	26,213,430	27,889,098	29,753,987
Committed -										
Capital projects funds	901,298	1,082,505	1,166,183	1,629,604	2,724,676	3,247,617	8,603,121	9,804,785	10,745,739	10,316,792
Assigned -										
Special revenue funds	5,648,280	6,528,265	7,350,294	7,916,676	6,840,111	6,994,074	5,250,704	5,496,478	4,821,893	5,010,644
Unassigned -										
Capital projects funds	-	-	-	-	-	-	-	-	-	(2,333,400)
Special revenue funds	-	-	-	-	(26,729)	(13,293)	-	(3,509)	-	(8,407)
Total all other governmental funds	\$ 33,149,051	\$ 33,591,204	\$ 35,846,431	\$ 37,268,612	\$ 37,971,734	\$ 38,801,331	\$ 47,379,240	\$ 44,750,356	\$ 46,941,914	\$ 48,772,131

CITY OF KENAI, ALASKA

Table V

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Property taxes	\$ 3,656,927	\$ 3,782,539	\$ 3,919,797	\$ 3,868,445	\$ 3,890,087	\$ 3,955,484	\$ 3,906,981	\$ 3,989,661	\$ 4,316,204	\$ 4,440,189
Sales tax	7,257,451	7,247,938	6,715,501	6,854,253	7,159,094	7,690,916	8,560,985	9,191,637	9,818,482	9,975,032
Intergovernmental	7,240,144	8,762,416	6,895,935	3,510,430	7,608,596	18,189,289	12,496,877	7,385,202	5,000,041	2,801,726
Investment earnings (loss)	821,124	637,862	2,369,153	1,780,713	2,108,245	1,588,324	6,523,654	(4,313,318)	2,723,737	4,663,935
Other revenues	8,031,907	7,983,878	8,617,986	8,409,444	8,518,056	9,132,699	8,535,094	9,489,737	10,814,134	10,304,814
Total revenues	<u>27,007,553</u>	<u>28,414,633</u>	<u>28,518,372</u>	<u>24,423,285</u>	<u>29,284,078</u>	<u>40,556,712</u>	<u>40,023,591</u>	<u>25,742,919</u>	<u>32,672,598</u>	<u>32,185,696</u>
Expenditures										
General government	5,178,312	2,715,814	2,512,819	2,347,583	2,891,363	3,220,941	4,265,253	3,668,730	3,443,404	3,598,275
Public safety	6,998,803	7,101,552	6,788,149	7,192,453	7,212,082	8,242,987	7,697,100	8,005,295	8,531,288	9,094,442
Public works	2,476,275	2,436,744	2,307,400	2,441,352	2,335,187	2,391,729	2,434,025	2,255,493	2,533,282	2,601,495
Parks, recreation and cultural	2,250,921	2,341,086	2,359,780	2,310,273	2,304,232	2,227,725	2,263,738	2,272,905	2,681,617	2,547,543
Water and sewer services	2,458,500	2,137,926	2,023,546	2,238,358	2,303,487	2,162,148	2,198,170	2,224,133	2,443,337	2,455,206
Airport	2,885,425	2,553,045	2,632,491	2,654,943	2,724,590	2,802,076	3,001,223	2,973,693	3,065,265	3,323,473
Social welfare services	952,239	940,602	858,100	883,273	877,762	2,808,809	4,024,201	1,000,560	996,173	1,031,102
Capital outlay	3,223,420	7,540,046	6,358,267	3,133,393	7,574,495	13,157,648	4,301,160	4,737,714	6,717,219	4,582,844
Debt service:										
Principal	80,000	85,000	85,000	90,000	95,000	95,000	85,000	85,000	90,000	95,000
Interest	96,198	93,798	90,398	86,998	83,398	77,704	43,775	44,625	40,250	35,625
Total expenditures	<u>26,600,093</u>	<u>27,945,613</u>	<u>26,015,950</u>	<u>23,378,626</u>	<u>28,401,596</u>	<u>37,186,767</u>	<u>30,313,645</u>	<u>27,268,148</u>	<u>30,541,835</u>	<u>29,365,005</u>
Excess of revenues over (under) expenditures	407,460	469,020	2,502,422	1,044,659	882,482	3,369,945	9,709,946	(1,525,229)	2,130,763	2,820,691
Other financing sources (uses)										
Transfers in	2,322,377	2,083,474	2,568,441	3,199,172	4,058,527	3,779,235	7,537,200	8,559,007	6,542,684	4,486,283
Proceeds from debt issuance	-	-	-	-	-	-	1,213,482	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-	-	(1,194,409)	-	-	-
Transfers out	(2,419,381)	(2,083,474)	(2,685,530)	(2,799,172)	(4,058,527)	(3,779,235)	(7,537,200)	(8,559,007)	(6,542,684)	(4,486,283)
Total other financing sources (uses)	<u>(97,004)</u>	<u>-</u>	<u>(117,089)</u>	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>19,073</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	\$ 310,456	\$ 469,020	\$ 2,385,333	\$ 1,444,659	\$ 882,482	\$ 3,369,945	\$ 9,729,019	\$ (1,525,229)	\$ 2,130,763	\$ 2,820,691
Debt service as a percentage of noncapital expenditures	0.75%	0.89%	0.89%	0.80%	0.86%	0.72%	0.50%	0.58%	0.55%	0.53%
Total non-capital expenditures	\$23,611,368	\$20,078,084	\$19,657,683	\$22,047,321	\$20,827,101	\$24,029,119	\$26,012,485	\$22,530,434	\$23,824,616	\$24,782,161

CITY OF KENAI, ALASKA

TABLE VI

**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

<u>Fiscal Year Ended June 30</u>	<u>Total Taxes</u>	<u>Property Taxes</u>	<u>Sales Tax</u>
2015	\$ 10,914,378	\$ 3,656,927	\$ 7,257,451
2016	11,030,477	3,782,539	7,247,938
2017	10,635,298	3,919,797	6,715,501
2018	10,722,698	3,868,445	6,854,253
2019	11,049,181	3,890,087	7,159,094
2020	11,646,400	3,955,484	7,690,916
2021	12,467,966	3,906,981	8,560,985
2022	13,181,298	3,989,661	9,191,637
2023	14,134,686	4,316,204	9,818,482
2024	14,415,221	4,440,189	9,975,032

CITY OF KENAI, ALASKA

Table VII

TAXABLE SALES BY CATEGORY
CURRENT FISCAL YEAR

Administrative & Waste Management	\$ 1,444,191
Agriculture, Forestry, Fishing & Hunting	10,513
Arts and Entertainment	1,524,300
Construction Contracting	1,171,785
Educational Services	1,065,263
Finance and Insurance	372,146
Guiding	704,001
Health Care and Social Assistance	23,900
Hotel/Motel/Bed & Breakfast	5,830,548
Information	1,741,776
Manufacturing	1,957,604
Mining/Quarrying	40,443
Other	12,195,393
Professional, Scientific and Technical Services	4,169,218
Public Administration	4,029,756
Rental Commercial Property	462,966
Rental Non-Residential Property	2,363,759
Rental Personal Property	1,237,862
Rental Residential Property	5,851,701
Restaurant/Bar	19,079,976
Retail Trade	232,681,193
Services	5,703,884
Telecommunications	2,383,882
Transportation and Warehousing	429,192
Wholesale Trade	<u>3,274,425</u>
Total	<u>\$ 309,749,677</u>

City direct sales tax rate 3.00%

Source: The Kenai Peninsula Borough Sales Tax Department.

CITY OF KENAI, ALASKA

TABLE VIII

SALES TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	City of Kenai	Overlapping Rates		Total
		Kenai	Peninsula Borough	
2015	3.00 %	3.00 %		6.00 %
2016	3.00	3.00		6.00
2017	3.00	3.00		6.00
2018	3.00	3.00		6.00
2019	3.00	3.00		6.00
2020	3.00	3.00		6.00
2021	3.00	3.00		6.00
2022	3.00	3.00		6.00
2023	3.00	3.00		6.00
2024	3.00	3.00		6.00

Source: The Kenai Peninsula Borough Sales Tax Department.

CITY OF KENAI, ALASKA

TABLE IX

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities	Estimated Percentage of Personal Income *	Percentage of Estimated Actual Taxable Value of Property	Debt Per Capita **
	General Obligation Bonds			
2015	\$ 1,615,000	0.43%	0.19%	\$ 223.78
2016	1,530,000	0.39%	0.18%	202.17
2017	1,445,000	0.35%	0.17%	186.57
2018	1,355,000	0.39%	0.16%	192.53
2019	1,260,000	0.34%	0.14%	180.03
2020	1,165,000	0.32%	0.13%	166.45
2021	935,000	0.25%	0.11%	125.94
2022	850,000	0.19%	0.09%	111.99
2023	760,000	0.17%	0.08%	99.31
2024	665,000	0.14%	0.07%	87.24

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

* Personal income is estimated by using Kenai Peninsula Borough income to calculate per capita income and total income for City of Kenai.

** Population data can be found on Table XII.

CITY OF KENAI, ALASKA

TABLE X

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2024

Name of Governmental Unit	Net Debt Outstanding	Percentage Applicable to this Governmental Unit (1)	City of Kenai's Share of Debt
Direct debt - City of Kenai, Alaska	\$ 665,000	100.00%	\$ 665,000
Overlapping debt: Kenai Peninsula Borough	53,606,669	10.33%	5,537,569
Central Peninsula Hospital	43,629,908	15.58%	6,797,540
Total overlapping debt	97,236,577		12,335,109
Total Direct and Overlapping	\$ 97,901,577		\$ 13,000,109

Source: The Kenai Peninsula Borough.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Kenai.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by dividing the City's taxable assessed property values by those of the Borough.

CITY OF KENAI, ALASKA

TABLE XI

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$160,891	\$165,677	\$170,328	\$173,745	\$174,215	\$ 174,366	\$178,855	\$177,949	\$178,869	\$193,845	\$201,394
Total net debt applicable to limit	<u>1,695</u>	<u>1,615</u>	<u>1,530</u>	<u>1,445</u>	<u>1,355</u>	<u>1,260</u>	<u>1,165</u>	<u>935</u>	<u>850</u>	<u>760</u>	<u>665</u>
Legal debt margin	<u>\$ 159,196</u>	<u>\$ 164,062</u>	<u>\$ 168,798</u>	<u>\$ 172,300</u>	<u>\$ 172,860</u>	<u>\$ 173,106</u>	<u>\$ 177,690</u>	<u>\$ 177,014</u>	<u>\$ 178,019</u>	<u>\$ 193,085</u>	<u>\$ 200,729</u>

COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2024

Assessed value	\$ 1,006,969
Debt limit, 20% of assessed value	201,394
Total amount of debt applicable to debt limit	<u>665</u>
Legal debt margin	<u>\$ 200,729</u>

CITY OF KENAI, ALASKA

TABLE XII

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

City of Kenai		For the Kenai Peninsula Borough (A)						
Fiscal Year	Population (1)	School Enrollment (5)	Population (1)	Personal Income (amount expressed in thousands) (3)	Per Capita Personal Income (3)	Median Age (2)	School Enrollment (5)	Unemployment Rate (2)
2015	7,226	1,815	57,147	\$ 2,933,032	\$ 50,737	40.5	8,826	7.70%
2016	7,073	1,822	57,763	2,873,397	49,371	40.0	8,788	7.60%
2017	7,046	1,789	58,060	2,898,700	49,780	40.6	8,785	8.20%
2018	6,999	1,820	58,024	3,007,832	51,687	41.4	8,712	7.70%
2019	6,999	1,855	58,471	3,153,444	53,952	41.0	8,680	7.00%
2020	6,999	1,767	58,671	3,287,660	55,778	42.5	8,535	6.10%
2021	7,424	1,438	58,799	3,541,782	59,083	42.8	7,756	9.50%
2022	7,395	1,693	59,047	3,662,719	60,430	43.0	8,298	7.30%
2023	7,506	1,744	60,006	3,798,985	62,052	42.9	8,489	4.50%
2024	7,623	1,754	61,003	3,798,985	62,052 (4)	43.2	8,401	4.70%

Sources: The Bureau of Economic Analysis, the State of Alaska and the Kenai Peninsula Borough.

Note: Information for prior years is revised yearly until a census is completed.

(A) Data for the City of Kenai is not available, but should be comparable to this data which is for the Kenai Peninsula Borough.

(1) Alaska Department of Labor estimates as of July 1 of each year. Some prior fiscal years have been updated to match updated statistical reported information.

(2) Data is provided by the State of Alaska Department of Labor and is the annual rate for 12 months ending December of the prior calendar year. The Alaska Department of Labor amends every month the unemployment rate data for the previous month and again at the end of every calendar year. Some prior fiscal years have been updated to match updated statistical reported information.

(3) Data is provided by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) and is for the 12-month period ending December of the prior calendar year. Some prior fiscal years have been updated to match updated statistical reported information.

(4) Calendar year 2024 data currently unavailable from BEA. Some prior fiscal years have been updated to match updated statistical reported information.

(5) Information provided from the Kenai Peninsula Borough School District.

CITY OF KENAI, ALASKA
KENAI AREA PRINCIPAL EMPLOYERS

TABLE XIII

With a 2009 change in Alaska Statute, specific employer information is no longer available.

CITY OF KENAI, ALASKA

TABLE XIV

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUND
LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
City Clerk	1.50	1.50	1.60	2.00	2.00	2.00	2.00	2.00	2.00	2.00
City Manager	1.67	1.67	1.90	2.00	2.00	2.00	2.00	2.50	2.50	2.50
Legal	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Human Resources	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance	4.75	4.75	4.75	4.75	4.85	4.85	4.85	5.53	5.32	5.32
Non-Departmental	0.00	0.00	0.00	0.00	0.00	0.00	0.70	0.30	0.30	0.30
Planning	2.00	2.00	1.75	1.70	1.70	1.70	1.70	1.70	1.70	2.20
Police	19.60	19.60	19.60	19.60	19.60	19.60	19.95	19.90	20.15	19.90
Fire	19.00	19.00	19.00	20.00	20.00	20.00	20.00	20.00	19.00	19.00
Dispatch	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Animal Control	2.90	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Public Works Administration	1.50	2.00	2.00	2.00	2.00	2.00	2.00	2.42	2.42	2.42
Maintenance	10.79	10.77	10.84	10.64	10.84	10.77	10.77	10.00	9.75	9.87
Library	8.10	8.10	8.10	8.10	7.65	7.65	8.00	8.12	8.12	8.12
Parks & Recreation	8.06	8.30	8.65	8.65	7.76	7.12	7.07	10.27	10.20	10.96
General Fund Total	89.87	90.69	91.19	92.44	92.40	91.69	93.04	96.74	95.46	96.59
Special Revenue Funds:										
Personal Use Fishery	2.46	2.69	2.91	2.81	2.42	2.45	2.54	2.53	2.54	2.35
Water & Sewer Operations	7.76	7.76	7.76	7.76	8.05	8.05	8.05	8.05	9.21	8.23
Airport Operations	6.95	6.95	6.97	7.12	7.00	7.20	7.00	7.00	7.20	7.20
Senior Citizen Programs	7.35	7.35	7.28	7.28	7.28	7.21	6.04	6.68	6.68	6.58
Special Revenue Funds Total	24.52	24.75	24.92	24.97	24.75	24.91	23.63	24.60	25.63	24.36
Enterprise Fund										
Congregate Housing	0.45	0.45	0.52	0.52	0.52	0.62	0.62	0.62	0.62	0.70
Internal Service Funds:										
Capital Project Management	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Internal Service Funds Total	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total All Funds	115.34	115.89	116.63	117.93	117.67	117.22	117.29	121.96	121.71	121.65

Source: The City of Kenai Finance Department.

CITY OF KENAI, ALASKA

TABLE XV

OPERATING INDICATORS BY FUNCTION
LAST TEN CALENDAR YEARS

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Police Services:										
Police requests for service	8,197	7,840	7,926	8,330	9,194	8,313	6,512	7,210	6,991	6,558
Criminal arrests	924	813	784	934	909	1,208	717	524	693	611
Fire and Emergency Services:										
Number of calls responded to	1,226	1,384	1,568	1,440	1,479	1,564	1,291	1,441	1,550	1,597
Inspections	157	118	150	79	139	243	125	267	209	171
Animal Control:										
Total requests for service	564	437	448	341	328	251	497	506	472	541
Animals Handled	1,188	1,004	928	827	829	911	832	604	467	523
Water and Wastewater										
Water Production Avg gallons per day	812,756	760,000	711,000	710,000	717,000	703,000	695,000	695,000	738,041	705,989
Wastewater Treatment Avg. gallons per day	527,250	487,200	463,583	660,000	475,000	490,000	486,000	486,000	514,000	527,000
Airport Passenger Enplanements	100,929	102,126	93,612	93,844	92,127	95,004	32,431	67,844	73,465	71,605

Source: Various City Departments.

CITY OF KENAI, ALASKA

TABLE XVI

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Miles of Streets	62	62	62	62	62	62	62	62	62	62
Miles of Sewer:										
Storm	10	10	10	10	10	10	10	10	10	10
Sanitary	68	68	68	68	68	68	68	68	68	68
Fire Protection:										
Number of Stations	2	2	2	2	2	2	2	2	2	2
Police Protection:										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Recreation:										
Number of Facilities:										
Parks	9	9	9	9	9	9	9	9	10	10
Baseball and Softball Fields	8	8	8	8	8	8	8	8	8	8
Soccer Fields	6	6	6	4	4	4	4	4	4	4
Recreation Center	1	1	1	1	1	1	1	1	1	1
Pedestrian Trails	6	6	6	6	6	6	6	6	6	6
Cross Country Ski Trails	1	1	1	1	1	1	1	1	1	1
Ice Rink	1	1	1	1	1	1	1	1	1	1

Source: Various City Departments.