

NWAB Mtg Packet

October Regular Meeting

October 23-24, 2023

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**Northwest Arctic Borough
Assembly BAF/Work Session**
Monday, October 23, 2023 – 1:00 P.M.
Assembly Chambers – Kotzebue, AK

AGENDA

- A. CALL TO ORDER**
- B. INVOCATION/MOMENT OF SILENCE**
- C. SAFETY MOMENT**
- D. ROLL CALL**
 - 1. Introduction of Staff and Guests
- E. APPROVAL OF AGENDA** **TAB 1**
- F. COMMUNICATIONS AND APPEARANCES** **TAB 3**
 - 1. Financials ending September 30, 2023
- G. PUBLIC HEARINGS, ENACTMENT OF ORDINANCES & EMERGENCY ORDINANCES** **TAB 4**
- H. INTRODUCTION OF ORDINANCES** **TAB 6**
- I. RESOLUTIONS** **TAB 7**
 - 1. **Resolution 23-56** *a resolution of the Northwest Arctic Borough Assembly adding Noah Naylor and Ellen Coffin as authorized signatories for borough checks.*
 - 2. **Resolution 23-57** *a resolution of the Northwest Arctic Borough Assembly approving a Village Improvement Fund Application from the City of Kotzebue to purchase a car crusher to facilitate community car disposal, and for related purposes.*
 - 3. **Resolution 23-58** *a resolution of the Northwest Arctic Borough Assembly approving a Village Improvement Fund Application from the Native Village of Kivalina for a Wellness Program.*
 - 4. **Resolution 23-59** *a resolution of the Northwest Arctic Borough Assembly approving submission of an application for a Department of Energy Office of Clean Energy Demonstrations Grant for the Community of Ambler, and for related purposes.*
 - 5. **Resolution 23-60** *a resolution of the Northwest Arctic Borough Assembly supporting Teck American's ongoing work towards exploration of the Aktigirug and Anarraaq deposits near the Red Dog Mine.*
 - 6. **Resolution 23-61** *a resolution of the Northwest Arctic Borough Assembly approving the unincorporated Community of Noatak for participation in the FY24 Community Assistance Program.*
- J. OTHER BUSINESS** **TAB 8**
- K. EXECUTIVE SESSION**

- L. AUDIENCE COMMENTS**
- M. ASSEMBLY COMMENTS**
- N. MAYOR'S COMMENTS**
- O. ADJOURNMENT**



**Northwest Arctic Borough
Assembly Regular Meeting**
Tuesday, October 24, 2023 – 9:00 A.M.
Assembly Chambers – Kotzebue, AK

AGENDA

- A. CALL TO ORDER**
- B. INVOCATION/MOMENT OF SILENCE**
- C. SAFETY MOMENT**
- D. ROLL CALL/MEMBER EXCUSAL**
 - 1. Introduction of Staff and Guests
- E. APPROVAL OF AGENDA** **TAB 1**
- F. APPROVAL OF PREVIOUS MEETING MINUTES** **TAB 2**
- G. COMMUNICATIONS AND APPEARANCES**
 - 1. ICC Update, Kelly Eningowuk Executive Director
- H. BOARDS, COMMISSIONS & COMMITTEES** **TAB 3**
 - 1. Budget, Audit & Finance
 - 2. Financial Report, Angie Sturm
- I. PUBLIC HEARINGS, ENACTMENT OF ORDINANCES & EMERGENCY ORDINANCES** **TAB 4**
- J. ASSEMBLY REPORTS** **TAB 8**
- K. MAYOR'S REPORT** **TAB 5**
- L. TIME AND PLACE OF NEXT MEETING**
- M. INTRODUCTION OF ORDINANCES** **TAB 6**
- N. RESOLUTIONS** **TAB 7**
 - 1. **Resolution 23-56** *a resolution of the Northwest Arctic Borough Assembly adding Noah Naylor and Ellen Coffin as authorized signatories for borough checks.*
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 - 5. **Resolution 23-60** *a resolution of the Northwest Arctic Borough Assembly supporting Teck American's ongoing work towards exploration of the Aktigiruaq and Anarraaq deposits near the Red Dog Mine.*
 - 6. **Resolution 23-61** *a resolution of the Northwest Arctic Borough Assembly*

*approving the unincorporated Community of Noatak for participation in the
FY24 Community Assistance Program.*

O. OTHER BUSINESS

TAB 8

P. EXECUTIVE SESSION

Q. AUDIENCE COMMENTS

R. ASSEMBLY COMMENTS

S. MAYOR'S COMMENTS

T. ADJOURNMENT

Northwest Arctic Borough
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September 30, 2023

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General Fund Rev/Exp-Caselle Report (pgs 1-9)	Caselle
VIF Revenue and Expenditures-Caselle Report (pgs 10-12)	Caselle

Northwest Arctic Borough
Balance Sheet
September 30, 2023

	General Fund	Contingency Reserve	Sustainability	TOTAL	VIF
General Fund & VIF Balance Sheets					
PILT Receivables	7,500,000	-	-	7,500,000	4,000,000
Tobacco Receivable	157,044	-	-	157,044	-
Interest Receivable	60,973	14,279	5,256	80,508	18,990
Cash and Investments	40,690,220	-	-	40,690,220	39,336,239
Contingency Reserve	-	9,064,403	-	9,064,403	-
Sustainability Investment	-	-	47,966,288	47,966,288	-
Due from other funds	1,104,878	921,318	-	2,026,196	-
Prepaid Expenses	1,709,676	-	-	1,709,676	-
Total Assets	<u>51,222,791</u>	<u>10,000,000</u>	<u>47,971,544</u>	<u>109,194,335</u>	<u>43,355,229</u>
Liabilities					
Accounts Payable	-	-	-	-	-
Payroll related liabilities	471,661	-	-	471,661	-
Due to other funds	5,188,688	-	-	5,188,688	-
Total Liabilities	<u>5,660,349</u>	<u>-</u>	<u>-</u>	<u>5,660,349</u>	<u>-</u>
Fund Balance					
Nonspendable	1,709,676	-	-	1,709,676	-
Financial Contingency Reserve	-	10,000,000	-	10,000,000	-
Sustainability Investment	-	-	-	-	30,856,816
Assigned to Public Services	-	-	47,971,544	47,971,544	-
Undesignated/Unreserved	43,852,766	-	-	43,852,766	12,498,413
Total Fund Balance	<u>45,562,442</u>	<u>10,000,000</u>	<u>47,971,544</u>	<u>103,533,986</u>	<u>43,355,229</u>
Total Liabilities and Fund Balance	<u>51,222,791</u>	<u>10,000,000</u>	<u>47,971,544</u>	<u>109,194,335</u>	<u>43,355,229</u>
	-	-	-	-	-

Northwest Arctic Borough
General Fund Revenue and Expenditure Totals
September 30, 2023

Revenue (alphabetical order)	Actual	Budget	% Remaining
Community Revenue Sharing	-	335,415	100%
Federal PILT Revenue	-	1,100,062	100%
Indirect Cost Recovery	-	80,000	100%
Investment Earnings Available For Ops	11,387	300,000	96%
Land Permit Revenue	-	14,000	100%
Miscellaneous Revenue	417	365,000	100%
NWABSD Land Lease	-	4,263,906	100%
PILT Revenue	7,500,000	26,825,440	72%
Tobacco & Marijuana Excise Tax	-	600,000	100%
TOTAL Revenue	7,511,804	33,883,823	22%
Expenditures (alphabetical order)			
Administration & Finance	372,598	1,098,273.00	66%
Assembly	211,080	2,157,087.00	90%
Community & Economic Dev. Commission	3,313	25,669.00	87%
Community & Economic Development	315,906	4,035,648.00	92%
Local Education Contribution	-	6,540,579.00	100%
Mayor's Office	192,493	1,802,414.00	89%
Planning & Community	75,976	909,047.00	92%
Planning Commission	4,498	36,803.00	88%
Public Safety Dept	132,773	1,416,309.00	91%
Public Safety Commission	8,441	25,592.00	67%
Public Services	251,213	1,570,178.00	84%
Transfer out - Bond Debt Service	-	1,882,950.00	100%
Transfer out - Investment Contribution	-	8,047,632.00	100%
Legal Reserve	-	1,500,000.00	N/A
Transfer out - Sulianich	-	26,500.00	100%
Water and Sewer Subsidy	320,848	2,450,000.00	87%
TOTAL Expenditures	1,889,139	33,524,681.00	94%
Revenues less Expenditures	5,622,665		

Northwest Arctic Borough
Village Improvement Fund Revenue and Expenditure Totals
September 30, 2023

Revenue	Actual	Budget	% Remaining
Revenue	4,000,000	4,000,000.00	0%
Investment Earnings Avail for Operations	5,585	100,000.00	94%
Investment Earnings/(Loss) Restricted*	-	-	
TOTAL Revenue	4,005,585	4,100,000.00	2%

**Note the Investment Earnings Restricted are not available for operations. They are reinvested as part of the Sustainability Goals.*

Expenditures (alphabetical order)

Admin-Salaries and Benefits	45,856	229,940.00	80%
Admin-Travel	19,075	88,500.00	78%
Admin-Meeting Costs	12,500	40,000.00	69%
Admin-Supplies & Fees	479	27,500.00	98%
Admin-Consultants & Legal	11,261	67,000.00	83%

Ambler	6,405
Buckland	-
Deering	156,950
Kiana	-
Kivalina	780,538
Kobuk	1,810,506
Kotzebue	280,000
Noatak	-
Noorvik	-
Selawik	100,000
Shungnak	-

The budgets for project spending are tracked on a multi-year basis. Comparing budgets in this single year financial will not work.

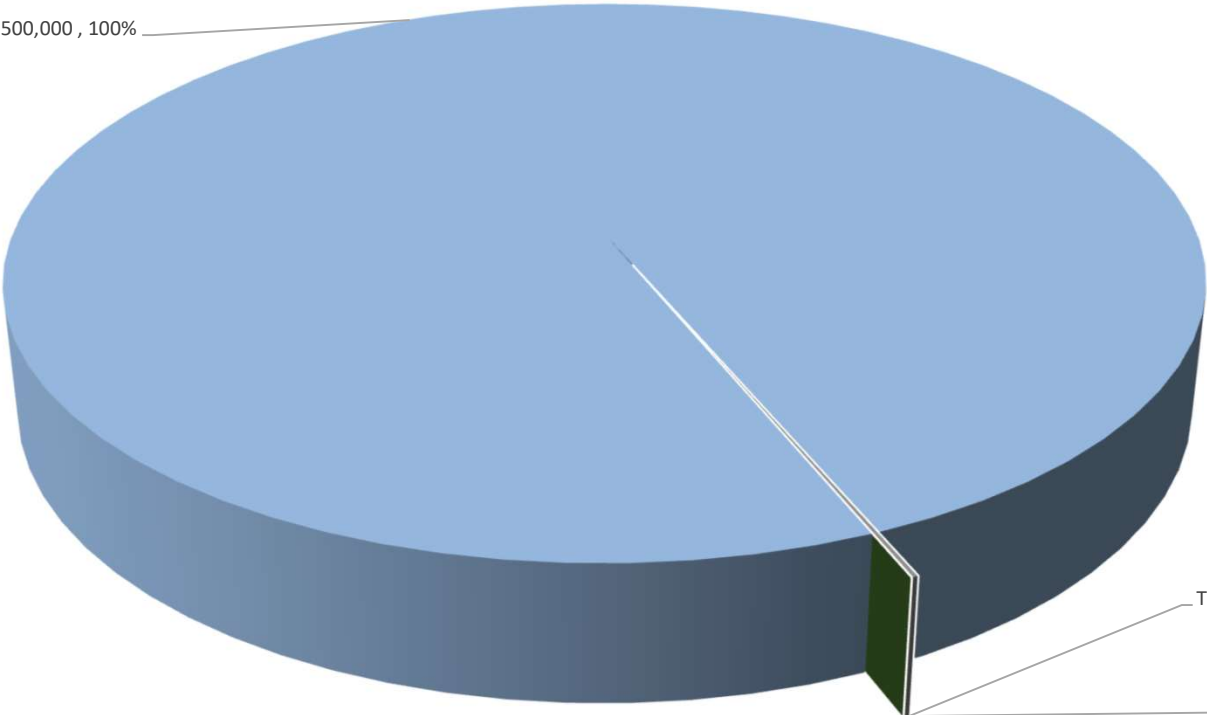
Total Operational Expenditures	89,171	452,940	80%
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TOTAL Expenditures **3,223,570**

Revenues less Expenditures	782,015
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Northwest Arctic Borough
General Fund Year-to-date Revenues
September 30, 2023

PILT Revenue, \$7,500,000 , 100%



Tobacco & Marijuana Excise Tax, \$- , 0%

Community Revenue Sharing, \$- , 0%

Indirect Cost Recovery, \$- , 0%

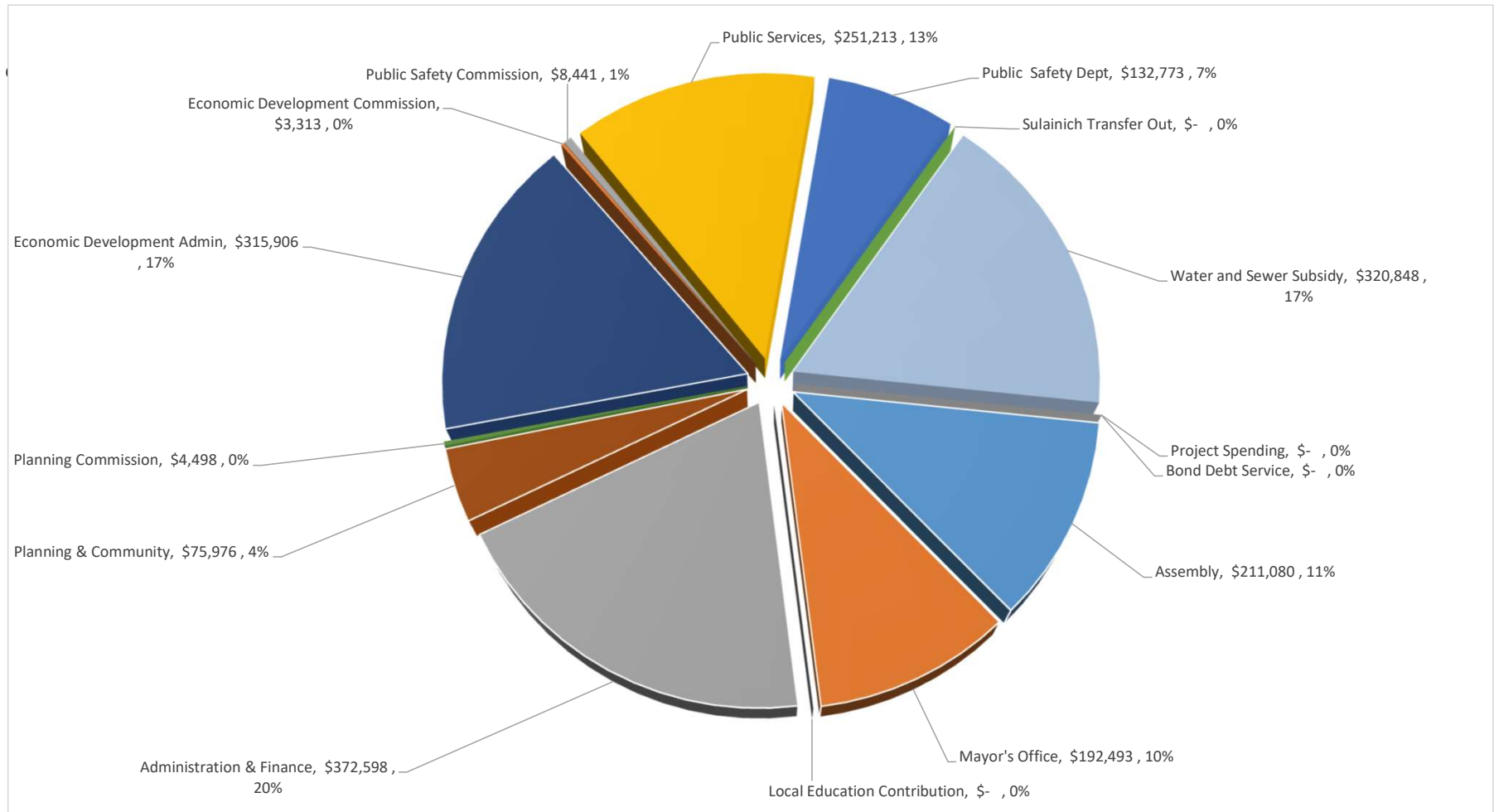
Investment Earnings Available For Ops, \$11,387 , 0%

Land Permit Revenue, \$- , 0%

Miscellaneous Revenue, \$417 , 0%

NWABSD Land Lease, \$- , 0%

**Northwest Arctic Borough
General Fund Year-to-date Expenditures
September 30, 2023**



Northwest Arctic Borough
Cash and Investment Report
September 30, 2023

Institution	General Fund Accounts	Face Value of Investment	% of Total
Wells Fargo	Main GF Checking	\$ 6,963,030	17%
Wells Fargo	Checking-Sulianich	\$ 1,414,145	3%
Wells Fargo	Money Market Trust for GO Bonds	\$ 6,417,456	16%
AMLIP	AMLIP	\$ 25,886,817	64%
AMLIP	NAB CARES	\$ 555	0%
Merrill Lynch	Investment in Teck Stock	\$ 8,217	0%
Total General Fund Operating Accounts		\$ 40,690,220	100%

Institution	GF Contingency Reserve Portfolio	Fair Market Value of Investment	% of Total	Unrealized Gain Included in FMV
APCM	Equities	\$ 2,465,324	27%	
APCM	Fixed Income	\$ 6,147,189	68%	
APCM	Cash and Cash Equivalents	\$ 451,891	5%	
Total GF Contingency Reserve Portfolio		\$ 9,064,404	100%	\$ (15,317)

Institution	Sustainability Fund Portfolio	Fair Market Value of Investment	% of Total	Unrealized Gain Included in FMV
APCM	Equities	\$ 19,277,977	40%	
APCM	Fixed Income	\$ 27,240,113	57%	
APCM	Cash and Cash Equivalents	\$ 1,448,197	3%	
Total GF Sustainability Portfolio		\$ 47,966,287	100%	\$ (607,881)

Institution	VIF Accounts	Face Value of Investment	% of Total
Wells Fargo	VIF Checking	\$ 1,194,264	14%
AMLIP	VIF AMLIP	\$ 7,285,159	86%
Total VIF Operating Accounts		\$ 8,479,423	100%

Institution	VIF Sustainability Portfolio	Fair Market Value of Investment	% of Total	Unrealized Gain Included in FMV
APCM	Equities	\$ 12,401,582	40%	
APCM	Fixed Income	\$ 17,523,486	57%	
APCM	Cash and Cash Equivalents	\$ 931,748	3%	
Total VIF Sustainability Portfolio		\$ 30,856,816	100%	\$ 352,316

Total Borough Cash and Investments

\$ 137,057,150

NORTHWEST ARCTIC BOROUGH
REVENUES WITH COMPARISON TO BUDGET
FOR THE 3 MONTHS ENDING SEPTEMBER 30, 2023

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>REVENUE</u>					
01-00-4000-00 PILT REVENUE	.00	.00	25,000,000.00	25,000,000.00	.0
01-00-4010-00 FEDERAL PILT REVENUE	.00	.00	1,100,062.00	1,100,062.00	.0
01-00-4020-00 NWABSD LAND LEASE	.00	.00	4,263,906.00	4,263,906.00	.0
01-00-4050-00 TOBACCO EXCISE TAX REVENUE	.00	.00	540,000.00	540,000.00	.0
01-00-4075-00 MARIJUANA EXCISE TAX REVENUE	.00	.00	60,000.00	60,000.00	.0
01-00-4099-00 MISCELLANEOUS REVENUE	.00	417.32	75,000.00	74,582.68	.6
01-00-4220-00 SOA COMMUNITY ASSIST PROGRAM	.00	.00	335,415.00	335,415.00	.0
01-00-4400-00 INDIRECT COST RECO PROGRAM	.00	.00	80,000.00	80,000.00	.0
01-00-4550-00 INVESTMENT INC. AVAIL. FOR OPS	.00	11,386.83	300,000.00	288,613.17	3.8
01-00-4600-00 LAND PERMIT REVE PROGRAM	.00	.00	14,000.00	14,000.00	.0
TOTAL REVENUE	.00	11,804.15	31,768,383.00	31,756,578.85	.0
TOTAL FUND REVENUE	.00	11,804.15	31,768,383.00	31,756,578.85	.0

NORTHWEST ARCTIC BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 3 MONTHS ENDING SEPTEMBER 30, 2023

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>OTHER APPROPRIATIONS</u>					
01-00-9001-00 TRANS OUT-SULIANICH	.00	.00	28,500.00	28,500.00	.0
01-00-9002-00 TRANS OUT-INVEST/SUSTAIN	.00	.00	7,500,000.00	7,500,000.00	.0
01-00-9003-00 TRANS OUT-BOND DEBT	.00	.00	1,649,513.00	1,649,513.00	.0
01-00-9004-00 TRANSFER OUT - LOCAL ED	.00	.00	6,645,111.00	6,645,111.00	.0
01-00-9007-00 WATER & SEWER SUBSIDY	.00	.00	2,450,000.00	2,450,000.00	.0
TOTAL OTHER APPROPRIATIONS	.00	.00	18,273,124.00	18,273,124.00	.0

ASSEMBLY

01-01-6000-00 SALARIES	15,461.54	51,554.01	192,461.00	140,906.99	26.8
01-01-6010-00 WAGES, TEMPORARY	.00	.00	20,000.00	20,000.00	.0
01-01-6110-00 FICA	2,338.20	5,509.71	25,741.00	20,231.29	21.4
01-01-6111-00 SOA ESC	.00	89.84	5,305.00	5,215.16	1.7
01-01-6115-00 MEDICAL	.00	.00	316,267.00	316,267.00	.0
01-01-6120-00 WORKER'S COMP	53.30	190.28	.00	(190.28)	.0
01-01-6125-00 PERS	4,710.54	13,882.89	58,313.00	44,430.11	23.8
01-01-6210-00 AIR TRANSPORTATION	717.00	3,176.00	110,000.00	106,824.00	2.9
01-01-6220-00 GROUND TRANSPORTATION	.00	1,895.95	18,000.00	16,104.05	10.5
01-01-6230-00 LODGING	278.88	2,004.36	95,000.00	92,995.64	2.1
01-01-6240-00 MEETING FEES	27,770.00	62,420.00	250,000.00	187,580.00	25.0
01-01-6250-00 PER DIEM	8,316.00	16,929.00	65,000.00	48,071.00	26.0
01-01-6320-00 PRINTING & PUBLICATIONS	171.50	171.50	33,000.00	32,828.50	.5
01-01-6370-00 DUES & SUBSCRIPTIONS	(200.00)	930.00	35,000.00	34,070.00	2.7
01-01-6399-00 MISCELLANEOUS	1,340.57	1,614.06	17,000.00	15,385.94	9.5
01-01-6400-00 CONSULTANTS	.00	.00	15,000.00	15,000.00	.0
01-01-6450-00 LEGAL	.00	.00	50,000.00	50,000.00	.0
01-01-6820-00 ASSEMBLY RETREAT	.00	.00	40,000.00	40,000.00	.0
01-01-7000-00 REVENUE SHARING GRANTS	.00	.00	335,415.00	335,415.00	.0
01-01-7050-00 CHARITABLE DONATIONS	50,000.00	50,000.00	450,000.00	400,000.00	11.1
01-01-7200-00 ELECTION EXPENSE	572.38	712.38	24,000.00	23,287.62	3.0
TOTAL ASSEMBLY	111,529.91	211,079.98	2,155,502.00	1,944,422.02	9.8

NORTHWEST ARCTIC BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 3 MONTHS ENDING SEPTEMBER 30, 2023

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
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MAYOR'S OFFICE

01-02-6000-00	SALARIES	19,551.45	73,952.52	377,601.00	303,648.48	19.6
01-02-6110-00	FICA	282.19	1,355.95	5,785.00	4,429.05	23.4
01-02-6111-00	SOA ESC	.00	219.06	6,243.00	6,023.94	3.5
01-02-6115-00	MEDICAL	.00	.00	97,313.00	97,313.00	.0
01-02-6120-00	WORKER'S COMP	150.53	569.40	.00	(569.40)	.0
01-02-6125-00	PERS	4,301.33	15,249.34	81,972.00	66,722.66	18.6
01-02-6210-00	AIR TRANSPORTATION	18,700.02	22,878.02	28,000.00	5,121.98	81.7
01-02-6220-00	GROUND TRANSPORTATION	239.17	1,916.01	9,000.00	7,083.99	21.3
01-02-6230-00	LODGING	557.76	2,345.28	20,000.00	17,654.72	11.7
01-02-6250-00	PER DIEM	2,079.00	5,544.00	13,000.00	7,456.00	42.7
01-02-6300-00	SUPPLIES	.00	1,563.40	22,000.00	20,436.60	7.1
01-02-6370-00	DUES & SUBSCRIPTIONS	.00	325.00	8,000.00	7,675.00	4.1
01-02-6380-00	TRAINING	.00	.00	8,000.00	8,000.00	.0
01-02-6399-00	MISCELLANEOUS	890.06	1,293.26	20,000.00	18,706.74	6.5
01-02-6400-00	CONSULTANTS	(6,666.66)	6,666.66	180,500.00	173,833.34	3.7
01-02-6450-00	LEGAL	14,338.81	29,355.01	235,000.00	205,644.99	12.5
01-02-6825-00	NW LEADERSHIP TEAM	.00	.00	20,000.00	20,000.00	.0
01-02-6830-00	ARCTIC ISSUES	.00	.00	20,000.00	20,000.00	.0
01-02-7050-00	CHARITABLE DONATIONS	4,725.00	20,598.30	140,000.00	119,401.70	14.7
01-02-7600-00	EMERGENCY DISASTER RELIEF	.00	.00	200,000.00	200,000.00	.0
01-02-7600-01	ABL EMERGENCY DISASTER RELIEF	.00	8,661.60	.00	(8,661.60)	.0

TOTAL MAYOR'S OFFICE

	59,148.66	192,492.81	1,492,414.00	1,299,921.19	12.9
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ADMINISTRATION & FINANCE

01-03-6000-00	SALARIES	25,118.02	95,343.42	338,873.00	243,529.58	28.1
01-03-6110-00	FICA	361.60	1,820.12	7,914.00	6,093.88	23.0
01-03-6111-00	SOA ESC	.00	274.22	4,539.00	4,264.78	6.0
01-03-6115-00	MEDICAL	.00	.00	72,985.00	72,985.00	.0
01-03-6125-00	PERS	5,525.98	19,394.89	74,552.00	55,157.11	26.0
01-03-6210-00	AIR TRANSPORTATION	.00	2,077.00	12,000.00	9,923.00	17.3
01-03-6220-00	GROUND TRANSPORTATION	.00	206.68	2,500.00	2,293.32	8.3
01-03-6230-00	LODGING	.00	225.00	14,000.00	13,775.00	1.6
01-03-6250-00	PER DIEM	99.00	1,881.00	8,910.00	7,029.00	21.1
01-03-6300-00	SUPPLIES	.00	48.74	28,000.00	27,951.26	.2
01-03-6310-00	POSTAGE AND FREIGHT	(317.85)	(156.74)	15,000.00	15,156.74	(1.0)
01-03-6320-00	PRINTING & PUBLICATIONS	(886.96)	(831.94)	30,000.00	30,831.94	(2.8)
01-03-6330-00	UTILITIES	3,227.53	6,571.63	100,000.00	93,428.37	6.6
01-03-6340-00	TELEPHONE	1,423.50	5,230.05	44,000.00	38,769.95	11.9
01-03-6365-00	GAS & OIL EXPENSE	778.28	1,718.29	28,000.00	26,281.71	6.1
01-03-6370-00	DUES & SUBSCRIPTIONS	550.00	1,849.00	5,000.00	3,151.00	37.0
01-03-6380-00	TRAINING	.00	.00	5,000.00	5,000.00	.0
01-03-6390-00	JANITORIAL EXPENDITURE	(2,881.39)	602.79	30,000.00	29,397.21	2.0
01-03-6460-00	CONSULTANTS, ACCOUNTING/AUDIT	1,043.75	11,155.30	200,000.00	188,844.70	5.6
01-03-6600-00	INSURANCE	.00	225,188.79	150,000.00	(75,188.79)	150.1

TOTAL ADMINISTRATION & FINANCE

	34,041.46	372,598.24	1,171,273.00	798,674.76	31.8
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NORTHWEST ARCTIC BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 3 MONTHS ENDING SEPTEMBER 30, 2023

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>PLANNING & COMMUNITY</u>					
01-05-6000-00 SALARIES	8,185.40	47,967.37	309,486.00	261,518.63	15.5
01-05-6110-00 FICA	118.68	692.89	4,922.00	4,229.11	14.1
01-05-6111-00 SOA ESC	.00	.00	4,807.00	4,807.00	.0
01-05-6115-00 MEDICAL	.00	.00	72,985.00	72,985.00	.0
01-05-6120-00 WORKER'S COMP	12.68	199.51	.00	(199.51)	.0
01-05-6125-00 PERS	1,800.79	10,552.82	66,547.00	55,994.18	15.9
01-05-6210-00 AIR TRANSPORTATION	.00	.00	13,200.00	13,200.00	.0
01-05-6220-00 GROUND TRANSPORTATION	.00	.00	3,600.00	3,600.00	.0
01-05-6230-00 LODGING	.00	.00	10,000.00	10,000.00	.0
01-05-6250-00 PER DIEM	.00	396.00	10,500.00	10,104.00	3.8
01-05-6300-00 SUPPLIES	.00	.00	10,000.00	10,000.00	.0
01-05-6370-00 DUES & SUBSCRIPTIONS	.00	.00	3,000.00	3,000.00	.0
01-05-6400-00 CONSULTANTS	.00	16,167.58	250,000.00	233,832.42	6.5
01-05-7120-00 PLANNING GRANTS	.00	.00	75,000.00	75,000.00	.0
01-05-7400-00 TITLE 9 MONITORING	.00	.00	75,000.00	75,000.00	.0
TOTAL PLANNING & COMMUNITY	10,117.55	75,976.17	909,047.00	833,070.83	8.4
<u>PLANNING COMMISSION</u>					
01-06-6110-00 FICA	.00	114.78	1,163.00	1,048.22	9.9
01-06-6210-00 AIR TRANSPORTATION	1,341.00	1,341.00	10,200.00	8,859.00	13.2
01-06-6230-00 LODGING	996.00	996.00	9,000.00	8,004.00	11.1
01-06-6240-00 MEETING FEES	.00	1,500.00	8,500.00	7,000.00	17.7
01-06-6250-00 PER DIEM	.00	396.00	5,940.00	5,544.00	6.7
01-06-6300-00 SUPPLIES	.00	150.00	2,000.00	1,850.00	7.5
TOTAL PLANNING COMMISSION	2,337.00	4,497.78	36,803.00	32,305.22	12.2

NORTHWEST ARCTIC BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 3 MONTHS ENDING SEPTEMBER 30, 2023

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>COMMUNITY & ECONOMIC DEVELOPME</u>						
01-07-6000-00	SALARIES	33,273.73	106,899.24	557,959.00	451,059.76	19.2
01-07-6110-00	FICA	539.12	1,674.28	8,524.00	6,849.72	19.6
01-07-6111-00	SOA ESC	16.44	36.34	9,345.00	9,308.66	.4
01-07-6115-00	MEDICAL	.00	.00	128,859.00	128,859.00	.0
01-07-6120-00	WORKER'S COMP	7.32	16.18	.00	(16.18)	.0
01-07-6125-00	PERS	7,111.23	23,055.86	121,211.00	98,155.14	19.0
01-07-6210-00	AIR TRANSPORTATION	.00	2,080.00	23,000.00	20,920.00	9.0
01-07-6220-00	GROUND TRANSPORTATION	.00	401.20	5,000.00	4,598.80	8.0
01-07-6230-00	LODGING	.00	.00	20,000.00	20,000.00	.0
01-07-6250-00	PER DIEM	(990.00)	.00	13,000.00	13,000.00	.0
01-07-6300-00	SUPPLIES	264.27	2,107.56	8,000.00	5,892.44	26.3
01-07-6320-00	PRINTING & PUBLICATIONS	.00	.00	3,000.00	3,000.00	.0
01-07-6370-00	DUES & SUBSCRIPTIONS	.00	.00	5,000.00	5,000.00	.0
01-07-6380-00	TRAINING	.00	.00	5,000.00	5,000.00	.0
01-07-6400-00	CONSULTANTS	.00	.00	35,000.00	35,000.00	.0
01-07-7100-00	SCHOLARSHIPS	8,500.00	131,320.00	302,000.00	170,680.00	43.5
01-07-7110-00	SMALL BUSINESS GRANTS	.00	2,456.01	18,000.00	15,543.99	13.6
01-07-7130-00	FISHING GRANTS	.00	45,842.59	90,000.00	44,157.41	50.9
01-07-7135-00	CEDA PROJECTS	.00	17.14	2,195,000.00	2,194,982.86	.0
TOTAL COMMUNITY & ECONOMIC DEVELOP		48,722.11	315,906.40	3,547,898.00	3,231,991.60	8.9
<u>COMMUNITY & ECONOMIC DEV COMMI</u>						
01-08-6110-00	FICA	57.39	57.39	669.00	611.61	8.6
01-08-6210-00	AIR TRANSPORTATION	340.00	340.00	6,500.00	6,160.00	5.2
01-08-6230-00	LODGING	1,245.00	1,245.00	6,000.00	4,755.00	20.8
01-08-6240-00	MEETING FEES	750.00	750.00	4,000.00	3,250.00	18.8
01-08-6250-00	PER DIEM	.00	891.00	2,500.00	1,609.00	35.6
01-08-6300-00	SUPPLIES	30.00	30.00	6,000.00	5,970.00	.5
TOTAL COMMUNITY & ECONOMIC DEV COM		2,422.39	3,313.39	25,669.00	22,355.61	12.9

NORTHWEST ARCTIC BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 3 MONTHS ENDING SEPTEMBER 30, 2023

GENERAL FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>PUBLIC SERVICES</u>					
01-09-6000-00	SALARIES	26,491.96	104,521.26	469,151.00	364,629.74	22.3
01-09-6110-00	FICA	539.49	2,160.59	18,500.00	16,339.41	11.7
01-09-6111-00	SOA ESC	.00	460.27	7,564.00	7,103.73	6.1
01-09-6115-00	MEDICAL	.00	.00	97,313.00	97,313.00	.0
01-09-6120-00	WORKER'S COMP	184.53	724.26	.00	(724.26)	.0
01-09-6125-00	PERS	5,272.32	20,691.97	87,000.00	66,308.03	23.8
01-09-6210-00	AIR TRANSPORTATION	6,522.50	15,019.00	23,000.00	7,981.00	65.3
01-09-6220-00	GROUND TRANSPORTATION	.00	.00	6,000.00	6,000.00	.0
01-09-6230-00	LODGING	996.00	1,245.00	11,500.00	10,255.00	10.8
01-09-6250-00	PER DIEM	1,089.00	3,366.00	12,350.00	8,984.00	27.3
01-09-6300-00	SUPPLIES	.00	.00	5,000.00	5,000.00	.0
01-09-6310-00	POSTAGE AND FREIGHT	1,212.20	12,314.00	20,000.00	7,686.00	61.6
01-09-6335-00	NOATAK AIRPORT LEASE - YEARLY	.00	.00	11,000.00	11,000.00	.0
01-09-6345-00	INFORMATION TECHNOLOGY	21,599.84	54,097.82	230,000.00	175,902.18	23.5
01-09-6360-00	PUBLIC SERVICES PROJECTS	24,638.71	36,598.84	550,000.00	513,401.16	6.7
01-09-6370-00	DUES & SUBSCRIPTIONS	.00	.00	8,300.00	8,300.00	.0
01-09-6399-00	MISCELLANEOUS	.00	14.32	8,000.00	7,985.68	.2
01-09-7501-00	VPSO HOUSE REPAIRS-ABL ONLY	.00	.00	7,000.00	7,000.00	.0
	TOTAL PUBLIC SERVICES	88,546.55	251,213.33	1,571,678.00	1,320,464.67	16.0
	<u>PUBLIC SAFETY COMMISSION</u>					
01-10-6110-00	FICA	.00	420.75	842.00	421.25	50.0
01-10-6210-00	AIR TRANSPORTATION	.00	981.50	6,228.00	5,246.50	15.8
01-10-6230-00	LODGING	.00	747.00	3,668.00	2,921.00	20.4
01-10-6240-00	MEETING FEES	.00	5,500.00	8,800.00	3,300.00	62.5
01-10-6250-00	PER DIEM	.00	792.00	4,554.00	3,762.00	17.4
01-10-6300-00	SUPPLIES	.00	.00	1,500.00	1,500.00	.0
	TOTAL PUBLIC SAFETY COMMISSION	.00	8,441.25	25,592.00	17,150.75	33.0

NORTHWEST ARCTIC BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 3 MONTHS ENDING SEPTEMBER 30, 2023

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>PUBLIC SAFETY DEPARTMENT</u>					
01-11-6000-00 SALARIES	29,615.66	103,766.18	480,575.00	376,808.82	21.6
01-11-6010-00 WAGES - TEMP TRAIL STAKERS	.00	.00	36,000.00	36,000.00	.0
01-11-6110-00 FICA	425.51	1,492.87	11,500.00	10,007.13	13.0
01-11-6111-00 UNEMPLOYMENT INSURANCE	.00	.00	7,756.00	7,756.00	.0
01-11-6115-00 MEDICAL	.00	.00	97,313.00	97,313.00	.0
01-11-6120-00 WORKERS COMP	228.04	793.96	.00	(793.96)	.0
01-11-6125-00 PERS	6,515.45	22,684.45	83,165.00	60,480.55	27.3
01-11-6210-00 AIR TRANSPORTATION	2,200.00	4,040.00	32,000.00	27,960.00	12.6
01-11-6220-00 GROUND TRANSPORTATION	.00	738.88	3,500.00	2,761.12	21.1
01-11-6230-00 LODGING	557.76	557.76	11,000.00	10,442.24	5.1
01-11-6250-00 PER DIEM	991.00	3,565.00	9,000.00	5,435.00	39.6
01-11-6300-00 SUPPLIES	4,998.00	5,007.99	5,000.00	(7.99)	100.2
01-11-6310-00 AIR FREIGHT	.00	680.09	15,000.00	14,319.91	4.5
01-11-6370-00 DUES & SUBSCRIPTIONS	.00	.00	7,500.00	7,500.00	.0
01-11-6399-00 MISCELLANEOUS	.00	2,297.06	4,000.00	1,702.94	57.4
01-11-6400-00 CONSULTANTS	.00	.00	2,500.00	2,500.00	.0
01-11-7150-00 WINTER TRAILS	1,642.81	1,642.81	150,000.00	148,357.19	1.1
01-11-7155-00 EMERGENCY MANAGEMENT	.00	.00	12,800.00	12,800.00	.0
01-11-7160-00 PUBLIC SAFETY SUMMIT	.00	.00	15,000.00	15,000.00	.0
01-11-7500-00 VPSO HOUSE UTILITIES	.00	.00	10,000.00	10,000.00	.0
01-11-8002-00 SEARCH & RESCUE SUPPLIES	891.21	1,137.58	80,000.00	78,862.42	1.4
01-11-8003-00 S&R EQUIPMENT	.00	1,076.96	.00	(1,076.96)	.0
01-11-8004-00 SEARCH & RESCUE STIPENDS	(27,000.00)	(27,000.00)	108,500.00	135,500.00	(24.9)
01-11-8500-00 FIRE TRAVEL	.00	1,179.00	.00	(1,179.00)	.0
01-11-8501-00 FIRE EQUIPMENT, REPAIRS, MAINT	1,395.20	9,001.44	100,000.00	90,998.56	9.0
01-11-8506-00 BATTALLION CHIEF STIPENDS	.00	.00	87,000.00	87,000.00	.0
01-11-8507-00 BATTALLION CHIEF MEETINGS	111.00	111.00	.00	(111.00)	.0
TOTAL PUBLIC SAFETY DEPARTMENT	22,571.64	132,773.03	1,369,109.00	1,236,335.97	9.7
<u>WATER AND SEWER SUBSIDY</u>					
01-12-6400-02 BUCKLAND SUBSIDY	.00	23,213.60	.00	(23,213.60)	.0
01-12-6400-03 DEERING SUBSIDY	53,410.34	53,410.34	.00	(53,410.34)	.0
01-12-6400-06 KOBUK SUBSIDY	.00	10,532.10	.00	(10,532.10)	.0
01-12-6400-09 NOORVIK SUBSIDY	100,000.00	100,000.00	.00	(100,000.00)	.0
01-12-6400-10 SELAWIK SUBSIDY	125,191.19	125,191.19	.00	(125,191.19)	.0
01-12-6400-11 SHUNGNAK SUBSIDY	8,500.68	8,500.68	.00	(8,500.68)	.0
TOTAL WATER AND SEWER SUBSIDY	287,102.21	320,847.91	.00	(320,847.91)	.0
TOTAL FUND EXPENDITURES	666,539.48	1,889,140.29	30,578,109.00	28,688,968.71	6.2
NET REVENUE OVER EXPENDITURES	(666,539.48)	(1,877,336.14)	1,190,274.00	3,067,610.14	(157.7)

NORTHWEST ARCTIC BOROUGH
REVENUES WITH COMPARISON TO BUDGET
FOR THE 3 MONTHS ENDING SEPTEMBER 30, 2023

VILLAGE IMPROVEMENT FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>REVENUE</u>					
02-00-4100-00	REVENUE	.00	.00	4,000,000.00	4,000,000.00	.0
02-00-4550-00	INVESTMENT INC. AVAIL. FOR OPS	.00	5,585.40	100,000.00	94,414.60	5.6
	TOTAL REVENUE	.00	5,585.40	4,100,000.00	4,094,414.60	.1
	TOTAL FUND REVENUE	.00	5,585.40	4,100,000.00	4,094,414.60	.1

NORTHWEST ARCTIC BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 3 MONTHS ENDING SEPTEMBER 30, 2023

VILLAGE IMPROVEMENT FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>VILLAGE IMPROVEMENT FUND</u>					
02-00-6000-00	SALARIES	9,267.00	36,357.43	159,417.00	123,059.57	22.8
02-00-6110-00	FICA	134.38	1,483.45	5,372.00	3,888.55	27.6
02-00-6111-00	SOA ESC	.00	17.30	3,004.00	2,986.70	.6
02-00-6115-00	MEDICAL	.00	.00	27,075.00	27,075.00	.0
02-00-6125-00	PERS	2,038.74	7,998.64	35,072.00	27,073.36	22.8
02-00-6210-00	TRANSPORTATION	3,416.50	8,550.50	35,000.00	26,449.50	24.4
02-00-6220-00	GROUND TRANSPORTATION	.00	461.92	3,000.00	2,538.08	15.4
02-00-6230-00	LODGING	.00	3,033.00	27,500.00	24,467.00	11.0
02-00-6240-00	MEETING FEES	.00	12,500.00	40,000.00	27,500.00	31.3
02-00-6250-00	PER DIEM	.00	7,029.00	23,000.00	15,971.00	30.6
02-00-6300-00	SUPPLIES	268.82	478.82	20,000.00	19,521.18	2.4
02-00-6320-00	PRINTING & PUBLICATIONS	.00	.00	7,500.00	7,500.00	.0
02-00-6400-00	CONSULTANTS	.00	212.50	30,000.00	29,787.50	.7
02-00-6450-00	LEGAL	6,832.00	11,048.00	25,000.00	13,952.00	44.2
02-00-6460-00	CONSULTANTS, ACCOUNTING/AUDIT	.00	.00	12,000.00	12,000.00	.0
02-00-8001-00	VILLAGE ACCOUNTS	.00	.00	2,447,060.00	2,447,060.00	.0
02-00-9002-00	TRANS OUT - INVEST/SUSTAIN	.00	.00	1,200,000.00	1,200,000.00	.0
	<u>TOTAL VILLAGE IMPROVEMENT FUND</u>	<u>21,957.44</u>	<u>89,170.56</u>	<u>4,100,000.00</u>	<u>4,010,829.44</u>	<u>2.2</u>
	<u>AMBLER VIF</u>					
02-01-6400-09	DESIGN - CITY TANK FARM	.00	6,404.70	.00	(6,404.70)	.0
	<u>TOTAL AMBLER VIF</u>	<u>.00</u>	<u>6,404.70</u>	<u>.00</u>	<u>(6,404.70)</u>	<u>.0</u>
	<u>DEERING VIF</u>					
02-03-6400-07	ELECTRICAL GRID PHASE 3	.00	156,950.00	.00	(156,950.00)	.0
	<u>TOTAL DEERING VIF</u>	<u>.00</u>	<u>156,950.00</u>	<u>.00</u>	<u>(156,950.00)</u>	<u>.0</u>
	<u>KIVALINA VIF</u>					
02-05-6400-05	KVL WASTE PROJECT	.00	780,538.00	.00	(780,538.00)	.0
	<u>TOTAL KIVALINA VIF</u>	<u>.00</u>	<u>780,538.00</u>	<u>.00</u>	<u>(780,538.00)</u>	<u>.0</u>
	<u>KOBUK VIF</u>					
02-06-6400-07	COMMUNITY BLDG	.00	1,810,505.61	.00	(1,810,505.61)	.0
	<u>TOTAL KOBUK VIF</u>	<u>.00</u>	<u>1,810,505.61</u>	<u>.00</u>	<u>(1,810,505.61)</u>	<u>.0</u>

NORTHWEST ARCTIC BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 3 MONTHS ENDING SEPTEMBER 30, 2023

VILLAGE IMPROVEMENT FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>KOTZEBUE VIF</u>					
02-07-6400-11	KOTZ ER RESP	.00	280,000.00	.00	(280,000.00)	.0
	TOTAL KOTZEBUE VIF	.00	280,000.00	.00	(280,000.00)	.0
	<u>SELAWIK VIF</u>					
02-10-6400-02	WATER&SEWER PROJECT	.00	100,000.00	.00	(100,000.00)	.0
	TOTAL SELAWIK VIF	.00	100,000.00	.00	(100,000.00)	.0
	TOTAL FUND EXPENDITURES	21,957.44	3,223,568.87	4,100,000.00	876,431.13	78.6
	NET REVENUE OVER EXPENDITURES	(21,957.44)	(3,217,983.47)	.00	3,217,983.47	.0

NORTHWEST ARCTIC BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 3 MONTHS ENDING SEPTEMBER 30, 2023

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
03-00-6330-00 UTILITIES	794.14	6,254.14	.00	(6,254.14)	.0
TOTAL DEPARTMENT 00	794.14	6,254.14	.00	(6,254.14)	.0
TOTAL FUND EXPENDITURES	794.14	6,254.14	.00	(6,254.14)	.0
NET REVENUE OVER EXPENDITURES	(794.14)	(6,254.14)	.00	6,254.14	.0

NORTHWEST ARCTIC BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 3 MONTHS ENDING SEPTEMBER 30, 2023

CARES ACT - COVID RESPONSE

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>DEPARTMENT 03</u>					
19-03-6350-01	FEDERAL ARPA - EQUIP FIRE RESP	16,638.61	26,381.21	.00	(26,381.21)	.0
	TOTAL DEPARTMENT 03	16,638.61	26,381.21	.00	(26,381.21)	.0
	<u>DEPARTMENT 05</u>					
19-05-6350-03	SOA ARPA- KVL ROAD MAINTENANCE	(2,546.19)	85,780.93	.00	(85,780.93)	.0
19-05-6360-01	SOA ARPA KVL CITY BLDG RENOVAT	.00	191,881.00	.00	(191,881.00)	.0
	TOTAL DEPARTMENT 05	(2,546.19)	277,661.93	.00	(277,661.93)	.0
	<u>DEPARTMENT 06</u>					
19-06-6350-01	LATCF KVL EQUIPMENT	.00	309,998.44	.00	(309,998.44)	.0
19-06-6350-02	LATCF NAB TRUCK	11,408.78	66,303.78	.00	(66,303.78)	.0
	TOTAL DEPARTMENT 06	11,408.78	376,302.22	.00	(376,302.22)	.0
	TOTAL FUND EXPENDITURES	25,501.20	680,345.36	.00	(680,345.36)	.0
	NET REVENUE OVER EXPENDITURES	(25,501.20)	(680,345.36)	.00	680,345.36	.0

NORTHWEST ARCTIC BOROUGH
REVENUES WITH COMPARISON TO BUDGET
FOR THE 3 MONTHS ENDING SEPTEMBER 30, 2023

SULIANICH ART'S CENTER

		<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET</u>	<u>UNEXPENDED</u>	<u>PCNT</u>
	<u>REVENUE</u>					
40-00-4100-00	REVENUE	<u>.00</u>	<u>48,521.53</u>	<u>.00</u>	<u>(48,521.53)</u>	<u>.0</u>
	TOTAL REVENUE	<u>.00</u>	<u>48,521.53</u>	<u>.00</u>	<u>(48,521.53)</u>	<u>.0</u>
	TOTAL FUND REVENUE	<u>.00</u>	<u>48,521.53</u>	<u>.00</u>	<u>(48,521.53)</u>	<u>.0</u>

NORTHWEST ARCTIC BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 3 MONTHS ENDING SEPTEMBER 30, 2023

SULIANICH ART'S CENTER

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
40-00-6300-00 SUPPLIES	203.00	402.99	5,500.00	5,097.01	7.3
40-00-6330-00 UTILITIES	504.87	1,384.38	23,000.00	21,615.62	6.0
40-00-7800-00 ART PURCHASES	6,425.00	55,037.00	1,500,000.00	1,444,963.00	3.7
TOTAL DEPARTMENT 00	7,132.87	56,824.37	1,528,500.00	1,471,675.63	3.7
TOTAL FUND EXPENDITURES	7,132.87	56,824.37	1,528,500.00	1,471,675.63	3.7
NET REVENUE OVER EXPENDITURES	(7,132.87)	(8,302.84)	(1,528,500.00)	(1,520,197.16)	(.5)

NORTHWEST ARCTIC BOROUGH
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 3 MONTHS ENDING SEPTEMBER 30, 2023

VPSO

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>VPSO</u>					
45-00-6000-00	SALARIES	29,841.04	109,481.61	.00	(109,481.61)	.0
45-00-6110-00	FICA	431.39	1,583.54	.00	(1,583.54)	.0
45-00-6111-00	SOA ESC	131.57	450.64	.00	(450.64)	.0
45-00-6120-00	WORKER'S COMP	229.77	842.99	.00	(842.99)	.0
45-00-6125-00	PERS	6,565.03	23,174.64	.00	(23,174.64)	.0
45-00-6210-00	TRAVEL	5,633.65	14,262.35	.00	(14,262.35)	.0
45-00-6300-00	SUPPLIES	5,979.44	18,866.96	.00	(18,866.96)	.0
45-00-6400-00	CONSULTANTS	5.81	80.08	.00	(80.08)	.0
	TOTAL VPSO	48,817.70	168,742.81	.00	(168,742.81)	.0
	TOTAL FUND EXPENDITURES	48,817.70	168,742.81	.00	(168,742.81)	.0
	NET REVENUE OVER EXPENDITURES	(48,817.70)	(168,742.81)	.00	168,742.81	.0

Date	Journal	Reference	Description	Debit Amount	Credit Amount	Balance
*			08/31/2023 (08/23) Balance	.00	.00	15,873.30
09/05/2023*	AP	36.0001	GENE BARGER	75.00	.00	15,948.30
09/05/2023*	AP	44.0001	HOMER MILLS SR.	75.00	.00	16,023.30
09/05/2023*	AP	47.0001	MANIILAQ ASSOCIATION	750.00	.00	16,773.30
09/05/2023*	AP	50.0001	ROY EVAK	75.00	.00	16,848.30
09/05/2023*	AP	55.0001	MERLE SNYDER	75.00	.00	16,923.30
09/05/2023*	AP	60.0001	LORI HADLEY	300.00	.00	17,223.30
09/05/2023*	AP	64.0001	JANELLE ADAMS	75.00	.00	17,298.30
09/06/2023*	AP	65.0001	KITTY WELLS-HOWARTH	300.00	.00	17,598.30
09/07/2023*	AP	35.0001	HANNAH LOON	75.00	.00	17,673.30
09/07/2023*	AP	59.0001	RODNEY TICKETT SR	75.00	.00	17,748.30
09/07/2023*	AP	61.0001	GRACE DOWNEY	75.00	.00	17,823.30
09/07/2023*	AP	67.0001	JACQUELYN SNYDER	75.00	.00	17,898.30
09/07/2023*	AP	68.0001	JORI MORRIS	75.00	.00	17,973.30
09/12/2023*	AP	112.0001	JOHNNY SNYDER JR	75.00	.00	18,048.30
09/12/2023*	AP	120.0001	LEONA BALDWIN	75.00	.00	18,123.30
09/12/2023*	AP	121.0001	CLAUDIA SAMPSON	75.00	.00	18,198.30
09/12/2023*	AP	122.0001	LEO SHELDON	75.00	.00	18,273.30
09/18/2023*	AP	223.0001	MARY ANN WILSON	75.00	.00	18,348.30
09/18/2023*	AP	229.0001	DANIEL WILLIAMS	75.00	.00	18,423.30
09/18/2023*	AP	247.0001	SALLY MELTON	75.00	.00	18,498.30
09/18/2023*	AP	248.0001	ELLA MANSFIELD	150.00	.00	18,648.30
09/19/2023*	AP	180.0001	ELIZABETH BAYOU	75.00	.00	18,723.30
09/19/2023*	AP	195.0001	ROLAND BOOTH	75.00	.00	18,798.30
09/19/2023*	AP	217.0001	PATSY HINGSBERGEN	75.00	.00	18,873.30
09/19/2023*	AP	221.0001	MARY CLARK	75.00	.00	18,948.30
09/19/2023*	AP	231.0001	JOSEPHINE SCHAEFFER	75.00	.00	19,023.30

Amount type: Actual
 Display: Reference detail

Date	Journal	Reference	Description	Debit Amount	Credit Amount	Balance
09/19/2023*	AP	240.0001	KIRK BARGER	75.00	.00	19,098.30
09/19/2023*	AP	246.0001	TOMMY REED	75.00	.00	19,173.30
09/19/2023*	AP	250.0001	LEAH ADAMS	75.00	.00	19,248.30
09/19/2023*	AP	251.0001	BESSIE MONROE	75.00	.00	19,323.30
09/19/2023*	AP	252.0001	MARION CLEVELAND	75.00	.00	19,398.30
09/19/2023*	AP	253.0001	EZRA CURTIS	75.00	.00	19,473.30
09/19/2023*	AP	254.0001	MARY WESLEY	300.00	.00	19,773.30
09/19/2023*	AP	255.0001	JACOB FOSTER	75.00	.00	19,848.30
09/21/2023*	AP	196.0001	ELLA LEAVITT	75.00	.00	19,923.30
09/21/2023*	AP	214.0001	SUSANNA N NORTON	75.00	.00	19,998.30
09/21/2023*	AP	215.0001	ALBERT HARRIS SR	75.00	.00	20,073.30
09/21/2023*	AP	216.0001	ROY EVAK	75.00	.00	20,148.30
09/21/2023*	AP	230.0001	ALICE SHELDON	75.00	.00	20,223.30
09/21/2023*	AP	232.0001	ALICE NELSON	75.00	.00	20,298.30
09/21/2023*	AP	233.0001	RICHARD ELAM	75.00	.00	20,373.30
09/21/2023*	AP	234.0001	ROSIE BARR	300.00	.00	20,673.30
09/21/2023*	AP	235.0001	ROSIE BARR	.00	(300.00)	20,373.30
09/21/2023*	AP	238.0001	JAMES JACKSON	75.00	.00	20,448.30
09/22/2023*	AP	256.0001	PRISCILLA BURNOR	300.00	.00	20,748.30
09/22/2023*	AP	257.0001	ROSIE BARR	300.00	.00	21,048.30
09/22/2023*	AP	258.0001	CYNTHIA COFFIN	75.00	.00	21,123.30
09/22/2023*	AP	259.0001	ELVINA PETE	300.00	.00	21,423.30
09/22/2023*	AP	260.0001	MARTHA ANDREWS	75.00	.00	21,498.30
09/22/2023*	AP	261.0001	CAROLINE FOSTER	75.00	.00	21,573.30
09/22/2023*	AP	262.0001	CAROLINE FOSTER	75.00	.00	21,648.30
10/03/2023*	AP	279.0001	BILLIE MULLUK	.00	(75.00)	21,573.30
10/03/2023*	AP	280.0001	BILLIE MULLUK	.00	(75.00)	21,498.30

Amount type: Actual
 Display: Reference detail

Date	Journal	Reference	Description	Debit Amount	Credit Amount	Balance
10/03/2023*	AP	297.0001	ELLA LEAVITT	.00	(75.00)	21,423.30
10/03/2023*	AP	298.0001	ELLA LEAVITT	.00	(75.00)	21,348.30
10/03/2023*	AP	301.0001	MERLE SNYDER	.00	(75.00)	21,273.30
10/03/2023*	AP	302.0001	MERLE SNYDER	.00	(75.00)	21,198.30
10/03/2023*	AP	313.0001	MARTHA BALLOT	.00	(75.00)	21,123.30
10/03/2023*	AP	314.0001	MARTHA BALLOT	.00	(75.00)	21,048.30
10/03/2023*	AP	317.0001	PATRICK FOSTER SR	.00	(75.00)	20,973.30
10/03/2023*	AP	318.0001	PATRICK FOSTER SR	.00	(75.00)	20,898.30
10/03/2023*	AP	321.0001	JESSICA SANDS	.00	(150.00)	20,748.30
10/03/2023*	AP	322.0001	JESSICA SANDS	.00	(150.00)	20,598.30
*			09/30/2023 (09/23) Period Totals ***	6,075.00	(1,350.00)	20,598.30

Date	Journal	Reference	Description	Debit Amount	Credit Amount	Balance
*			07/01/2023 (00/23) Balance	.00	.00	.00
*			07/31/2023 (07/23) Period Totals ***	.00	.00	.00
*						
*			08/31/2023 (08/23) Period Totals ***	.00	.00	.00
*						
09/07/2023*	AP	66.0001	UAF - FINANCE OFFICE	50,000.00	.00	50,000.00
*			09/30/2023 (09/23) Period Totals ***	50,000.00	.00	50,000.00

Summary Schedule of Portfolio Changes

Base Currency: USD

Description	Beginning Market Value	Ending Market Value	% of MV	% Change in MV	Tax Cost	% of TC	Accrued Income
Principal Holdings							
Equity	2,531,477.43	2,465,323.64	27.20%	-2.61%	1,960,082.66	21.59%	7,021.97
Fixed Income	4,577,775.97	4,519,720.85	49.86%	-1.27%	4,965,489.77	54.69%	13,624.02
Real Assets	741,535.86	724,869.53	8.00%	-2.25%	766,633.22	8.44%	0.00
Alternative	930,380.11	902,598.33	9.96%	-2.99%	935,623.38	10.30%	0.00
Cash and Cash Equivalents	482,754.64	451,890.75	4.98%	-6.39%	451,890.75	4.98%	1,931.76
Total Principal Holdings	9,263,924.01	9,064,403.10	100.00%	-2.15%	9,079,719.78	100.00%	22,577.75
Current Period Accrued Income	13,666.55	22,577.75			22,577.75		
Total Principal Holdings and Liabilities	9,277,590.56	9,086,980.85			9,102,297.53		22,577.75
Total Holdings	\$9,277,590.56	\$9,086,980.85			\$9,102,297.53		\$22,577.75

Fair Value Breakdown *	Beginning Market Value	Ending Market Value	% of MV	% Chg in MV	Book Value	% of BV	Accrued Income
Total Fair Value Level 2 Holdings	7,569,779.69	7,457,769.36	82.07%	-1.48%	7,390,831.34	81.59%	20,645.99
Total Fair Value Level N/A Holdings	1,707,810.87	1,629,211.49	17.93%	-4.60%	1,667,955.50	18.41%	1,931.76
Total Holdings - Fair Value Reporting	\$9,277,590.56	\$9,086,980.85	100.00%	-2.05%	\$9,058,786.84	100.00%	\$22,577.75

* For informational purposes only. Please see the Fair Value Disclosure on the Disclosure page.



Summary Schedule of Portfolio Changes

Base Currency: USD

Description	Beginning Market Value	Ending Market Value	% of MV	% Change in MV	Tax Cost	% of TC	Accrued Income
Principal Holdings							
Equity	19,784,748.30	19,277,977.40	40.19%	-2.56%	18,042,353.72	37.14%	57,779.96
Fixed Income	17,259,176.27	16,748,654.32	34.92%	-2.96%	18,062,732.74	37.19%	0.00
Real Assets	5,900,014.71	5,726,903.98	11.94%	-2.93%	6,109,125.72	12.58%	0.00
Alternative	4,939,928.86	4,764,554.72	9.93%	-3.55%	4,911,758.85	10.11%	0.00
Cash and Cash Equivalents	1,420,753.61	1,448,197.45	3.02%	1.93%	1,448,197.45	2.98%	5,838.76
Total Principal Holdings	49,304,621.75	47,966,287.87	100.00%	-2.71%	48,574,168.48	100.00%	63,618.72
Current Period Accrued Income	5,372.03	63,618.72			63,618.72		
Total Principal Holdings and Liabilities	49,309,993.78	48,029,906.59			48,637,787.20		63,618.72
Total Holdings	\$49,309,993.78	\$48,029,906.59			\$48,637,787.20		\$63,618.72
Fair Value Breakdown *							
Total Fair Value Level 2 Holdings	39,528,074.97	38,470,777.57	80.10%	-2.67%	37,971,194.61	79.19%	57,779.96
Total Fair Value Level N/A Holdings	9,781,918.81	9,559,129.02	19.90%	-2.28%	9,978,234.55	20.81%	5,838.76
Total Holdings - Fair Value Reporting	\$49,309,993.78	\$48,029,906.59	100.00%	-2.60%	\$47,949,429.16	100.00%	\$63,618.72

* For informational purposes only. Please see the Fair Value Disclosure on the Disclosure page.



Summary Schedule of Portfolio Changes

Base Currency: USD

Description	Beginning Market Value	Ending Market Value	% of MV	% Change in MV	Tax Cost	% of TC	Accrued Income
Principal Holdings							
Equity	12,727,484.62	12,401,581.85	40.19%	-2.56%	10,730,237.45	35.18%	37,169.64
Fixed Income	11,102,951.36	10,774,371.74	34.92%	-2.96%	11,724,653.35	38.43%	0.00
Real Assets	3,795,570.57	3,684,070.69	11.94%	-2.94%	3,944,720.00	12.93%	0.00
Alternative	3,177,854.51	3,065,043.17	9.93%	-3.55%	3,173,140.23	10.40%	0.00
Cash and Cash Equivalents	913,909.06	931,748.29	3.02%	1.95%	931,748.29	3.06%	3,755.82
Total Principal Holdings	31,717,770.12	30,856,815.74	100.00%	-2.71%	30,504,499.32	100.00%	40,925.46
Current Period Accrued Income	3,455.67	40,925.46			40,925.46		
Total Principal Holdings and Liabilities	31,721,225.79	30,897,741.20			30,545,424.78		40,925.46
Total Holdings	\$31,721,225.79	\$30,897,741.20			\$30,545,424.78		\$40,925.46

Fair Value Breakdown *	Beginning Market Value	Ending Market Value	% of MV	% Chg in MV	Book Value	% of BV	Accrued Income
Total Fair Value Level 2 Holdings	25,428,495.37	24,748,277.55	80.10%	-2.68%	23,779,453.10	78.86%	37,169.64
Total Fair Value Level N/A Holdings	6,292,730.42	6,149,463.65	19.90%	-2.28%	6,374,843.52	21.14%	3,755.82
Total Holdings - Fair Value Reporting	\$31,721,225.79	\$30,897,741.20	100.00%	-2.60%	\$30,154,296.62	100.00%	\$40,925.46

* For informational purposes only. Please see the Fair Value Disclosure on the Disclosure page.



Detailed Schedule of Holdings - Principal Assets

Base Currency: USD

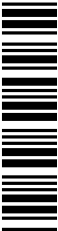
Security Description Portfolio Number	Asset Number Yield on Market Units/Par	Unit Price Price Date Market Value	FV Level* % of MV	Avg Unit Cost Accrued Income	Book Value	Unrealized Gain/Loss On Book Value
Cash and Cash Equivalents						
Money Market Funds						
ALASKA MUNI LEAGUE INVESTMENT POOL CORP	0117940A3 5.08%	1.000	Level n/a			
5001098.1	25,886,817.4500	25,886,817.45	0.00%	1.00 109,583.77	25,886,817.45	0.00
Total Money Market Funds		25,886,817.45	0.00%	N/A 109,583.77	25,886,817.45	0.00
Total Cash and Cash Equivalents		25,886,817.45	0.00%	N/A 109,583.77	25,886,817.45	0.00
Net Holdings						
		25,886,817.45	0.00%	N/A 109,583.77	25,886,817.45	0.00
Total Holdings Principal Assets		\$25,886,817.45	100.00%	N/A \$109,583.77	\$25,886,817.45	\$0.00
Total Holdings		\$25,886,817.45			\$25,886,817.45	\$0.00
Accrued Income On						
Principal Holdings		109,583.77		109,583.77	109,583.77	
Total Accrued Income		109,583.77		109,583.77	109,583.77	
Total Holdings with Accrued Income		\$25,996,401.22			\$25,996,401.22	\$0.00



Detailed Schedule of Holdings - Principal Assets

Base Currency: USD

Security Description Portfolio Number	Asset Number Yield on Market Units/Par	Unit Price Price Date Market Value	FV Level* % of MV	Avg Unit Cost Accrued Income	Book Value	Unrealized Gain/Loss On Book Value
Cash and Cash Equivalents						
Money Market Funds						
ALASKA MUNI LEAGUE INVESTMENT POOL CORP	0117940A3 5.08%	1.000	Level n/a			
5001098.2	7,285,159.4500	7,285,159.45	0.00%	1.00 30,838.85	7,285,159.45	0.00
Total Money Market Funds		7,285,159.45	0.00%	N/A 30,838.85	7,285,159.45	0.00
Total Cash and Cash Equivalents		7,285,159.45	0.00%	N/A 30,838.85	7,285,159.45	0.00
Net Holdings						
		7,285,159.45	0.00%	N/A 30,838.85	7,285,159.45	0.00
Total Holdings Principal Assets		\$7,285,159.45	100.00%	N/A \$30,838.85	\$7,285,159.45	\$0.00
Total Holdings		\$7,285,159.45			\$7,285,159.45	\$0.00
Accrued Income On						
Principal Holdings		30,838.85		30,838.85	30,838.85	
Total Accrued Income		30,838.85		30,838.85	30,838.85	
Total Holdings with Accrued Income		\$7,315,998.30			\$7,315,998.30	\$0.00





Northwest Arctic Borough
P.O. Box 1110 Kotzebue, Alaska 99752 (907) 442-2500 Fax (907)
442-2930
www.nwabor.org

DATE: October 12, 2023
TO: Dickie Moto, Mayor
FROM: Noah Naylor, Planning Director
SUBJECT: ASSEMBLY DEPARTMENT REPORT THRU THE MAYOR

This report is submitted to the Assembly on matters that support daily operations, meetings conducted or attended, planned meetings/travel to inform you of the purpose and provide public information.

I started working for the Northwest Arctic Borough on the Monday October 9th, 2023 and I have only worked several days at the Borough. Gem did a wonderful job of updating me on several projects and permits that she worked on as Acting Director. The planning offices were relocated, so I will spend some time reorganizing the office.

My report will be brief and will repeat what was reported on last month.

DAILY OPERATIONS REPORT BY PROGRAM:

Planning Director

Office and Communication:

Gem Belamour and I held a teleconference with Bill McClintock to get an update his contract. Bill stated that the lands that we are waiting for survey needs to be transferred from the Bureau of Land Management to the State before they can be then transferred to the Northwest Arctic Borough.

Planning Commission:

One Planning Commission seat and a youth representative seat available **please assist with nominations**

Next meeting scheduled for October 27th but not yet finalized.

Planning Administrator

Title 9 Permitting:

Approved Permits:

- Title 9 Major Use Permit #101-03-23: NIHA Noatak Water & Sewer Extension
- Title 9 Major Use Permit #102-03-23: NIHA Ambler Brook St. & Shungnak Ave. Road Construction
- Title 9 Minor Use Permit #103-03-23: GCI Kivalina-Kotzebue-Deering Fiber Optic Connection and Cable Landing Station Gravel Pad
- Title 9 Conditional Use Permit #104-03-23: Noorvik IRA Middle Cemetery Road Construction
- Title 9 Minor Use Permit #105-03-23: Teck American Incorporated Red Dog Mine Contractor Camp Interior Renovations
- Title 9 Conditional Use Permit #106-03-23: Ambler Metals LL Upper Kobuk Mineral Project
- Title 9 Conditional Use Permit #107-03-23: Valhalla Metals Ambler Mining District Mineral Exploration
- Title 9 Conditional Use Permit #108-03-23: Drake Construction Inc. Noorvik Hotham Peak Gravel Extraction
- Title 9 Major Use Permit #111-03-23: NANA Construction Selawik Village Office Construction
- Title 9 Major Use Permit #112-03-23: NANA Construction Kivalina Village Office Construction
- Title 9 Major Use Permit #113-03-23: NANA Construction Shungnak Village Office Construction
- Title 9 Minor Use Permit #114-03-23: Teck American Incorporated LIK Mineral Exploration
- Title 9 Minor Use Permit #115-03-23: AKDOT&PF Kivalina Temporary Wind Measuring Tower
- Title 9 Minor Use Permit #116-03-23: Native Village of Buckland Tiny Homes Construction

Partially Approved Permit:

- Title 9 Major Use Permit #110-03-23: OTZ Telephone Village Connect Project

Permits for Public Comment:

- Title 9 Major Use Permit #118-03-23: City of Kobuk Community Building Construction

Pending Permits:

- Title 9 Major Use Permit #117-03-23: City of Noorvik Sewage Lagoon Replacement & Access Road – Site Control Needed

Trainings:

- Floodplain Management Trainings
 - NFIP Substantial Damage Basics & Post Storm Workshop

Below is a list of Title 9 Permits for FY23:

Permit #	Permit Type	Permittee	Project Description	Date of Issue	Expires On
101-03-23	Major Use	Northwest Inupiat Housing Authority	Noatak Water and Sewer Main Extension	03/21/23	12/31/24
102-03-23	Major Use	Northwest Inupiat Housing Authority	Ambler Brooke Street and Ambler Avenue Road Completion	03/21/23	12/31/24
103-03-23	Minor Use	GCI Communication Corp	GCI Kivalina-Kotzebue-Deering Fiber Optic Cable Connection and Cable Landing Station Gravel Pad Construction	03/10/23	12/31/23
104-03-23	Conditional Use	Noorvik Native Community	Noorvik Middle Cemetery Road Construction	05/08/23	12/31/25
105-03-23	Minor Use	Teck American Inc.	Red Dog Mine Contractor Camp Interior Renovations	02/15/23	12/31/24
106-03-23	Conditional Use	Ambler Metals LLC	Upper Kobuk Mineral Project	05/08/23	12/31/26
107-03-23	Conditional Use	Valhalla Metals Inc.	Ambler Mining District	05/08/23	12/31/26
108-03-23	Conditional Use	Drake Construction Inc.	Noorvik Hotham Peak Gravel Extraction	05/08/23	12/31/23
109-03-23	Conditional Use	Native Village of Deering	Deering Road Maintenance, Gravel Extraction & Gravel Pad (Amendment of CU Permit #117-03-22)	05/08/23	12/31/26
110-03-23	Conditional Use	OTZ Telephone Cooperative, Inc.	OTZ Telephone Village Connect Project	Partially Approved on August 24, 2023	
111-03-23	Major Use	NANA Construction	Selawik Village Office Construction	06/23/23	12/31/24
112-03-23	Major Use	NANA Construction	Kivalina Village Office Construction	06/23/23	12/31/24
113-03-23	Major Use	NANA Construction	Shungnak Village Office Construction	06/23/23	12/31/24
114-03-23	Minor Use	Teck American Incorporated	LIK Mineral Exploration	04/20/23	12/31/26
115-03-23	Minor Use	AKDOT	Kivalina Temporary Wind Measuring Tower	07/11/23	12/31/25

116-03-23	Minor Use	Native Village of Buckland	Tiny Homes Construction	08/31/23	12/31/24
117-03-23	Major Use	City of Noorvik	Sewage Lagoon Replacement & Access Road	Pending – Site Control Needed	
118-03-23	Major Use	City of Kobuk	Community Building Construction	Public Comment Period Until 09/28/23	



Northwest Arctic Borough

P.O. Box 1110 Kotzebue, Alaska 99752 (907) 442-2500 Fax (907) 442-2930 www.nwabor.org

DATE: October 12, 2023

TO: Dickie Moto, Mayor

FROM: Clara Jones, Public Services Director

SUBJECT: DEPARTMENT REPORT TO ASSEMBLY THRU THE MAYOR

Thank you for the opportunity to provide an update regarding the activities of the Public Services Department. Our team has been involved in a variety of activities and services this period.

Attended a few teleconferences with NANA staff. Northern Contractor Team met with NANA team to schedule out village travel. A.) Ambler, Shungnak, Kobuk, Noatak B.) Kiana, Noorvik, Selawik C.) Buckland, Deering, Kivalina D.) Kotzebue. On the 11th of October the project was launched on NANA social media. We were able to get most of the small details ironed out. The NAB will hand out applications and waivers at the front desk. An email was set up: boilers@nwabor.org to receive and distribute the forms (Applications and Waivers) or if anyone has any questions, they can email that address. We can receive them by fax 442-2930. We will collect the applications and waivers and categorize them by villages and have them ready for Northern Contractors. NANA has their Resource Technicians in each of the villages distributing the application & waivers and receiving. A VHF script was provided for the Resource Technicians in each of the villages to make announcements and flyers are being posted region wide as well. More updates at the meeting if needed of where we are with this project.

The DOT Bush Cutting project. Ambler and Noatak completed. Shungnak and Kobuk are in the process of brush cutting. Buckland signed the MOA. Resent MOA's Selawik, Noorvik, Kiana & Deering. Will do follow up calls.

Sulianich Maintenance Project is completed with installing 3 doors. Chuck S and Victor S have completed prefabbing the new shelter cabins and are ready to bring them to the sites once it freezes over.

Dominic has been very busy with the Kivalina Road Maintenance Project in prepping for the winter season. Got a call from City of Kotzebue – Sam. The building permit was approved to put up the fencing around the 3rd Avenue property to secure the property. The PS department team will prepare to install the fencing before winter sets. Chip has been very busy installing the flooring throughout the NAB office and just about done. Dom and Chip will work with Public Safety to schedule out village trips to install trilogy locks to the VPSO building once Chip is done with the Flooring project.

Going over all the grants that the Public Service Department administers in our department.

STATUS OF PUBLIC SERVICES ACTIVE PROJECTS

Project Name: Elders Regional Heater Repair Program
Scope: Inspect, clean, and recalibrate residential boilers and Toyostoves
Funding: Joint Initiative with NANA
Project Phase: Maintenance
Community: All Villages
Manager: Clara Jones, Public Services Director

Status Held a few teleconferences with NANA Team. We are ready to start moving forward within the next couple of weeks. Northern Contractors and NANA team met up to schedule out the travel plans for the Villages.

- A.) Ambler, Shungnak, Kobuk*
- B.) Kiana, Noorvik, Selawik*
- C.) Buckland, Deering, Kivalina*
- D.) Kotzebue*

the Applications and waivers will be distributed in each of the Villages utilizing the Nana Resource Technicians. This service is available to all Elders 60 and over.

Flyers, VHF Announcements and Radio Announcements were created by NANA and will be shared throughout the Region.

Project Name: Main Office Carpet Replacement
Scope: Replace flooring and carpet in offices
Funding:
Project Phase: Purchase and install new carpet.
Community: OTZ
Manager: Dominic Ivanoff, Administrator

Status: Chip has been busy changing the flooring throughout the NAB

office and just about done. Dom turned in a report.

Project Name: Kivalina Road Maintenance Project
Scope: Snow removal, resurfacing, dust control.
Funding: FY23 General Fund
Project Phase: Maintenance
Community: KVL
Manager: Clara Jones, Public Services Director

Status: Road maintenance is budgeted for 100K for FY24.
Dom has a written report regarding the KVL project.

Project Name: Shelter Cabin Construction & Renovation
Description:
Scope: Construct new shelter cabins and renovate existing shelter cabins
Funding: \$77K from FY22 General Fund for construction materials
\$150K from FY23 General Fund for labor, parts, & supplies
Project Phase:
Community: All Villages
Manager: Clara Jones, Public Service Director

Status: (Materials for 5 new cabins and 5 repairs are on hand)
Chuck Schaeffer and Victor Stalker are completed with the prefabbing of the shelter cabins and will start to prepare for hauling to the sites.

Project Name: Public Safety Warm Storage Construction
Scope: Construct 20' x 24' warm storage buildings for Search & Rescue/Fire Dept equipment storage in all villages, including electrical meter base, man and garage door access, and oil heater with fuel tank.
Funding: FY23 General Fund + SOA Grant.
Project Phase: Construction
Community: All Villages
Manager: Clara Jones, Public Services Director
Status: We expanded this project to include WLK, OBU, SHG, ABL, & BKC. We've reached out to each village and identified existing vacant buildings to renovate. We met with LBB and determined a lease agreement would best serve the project due to the 20-year site control requirement. We're waiting for LBB to draft the lease.

Project Name: Buckland Kivalina VPSO Warm Storage Construction
Description:
Scope: Construct 16' x 20' warm storage units for VPSO equipment storage in Buckland and Kivalina, including electrical meter base, man and garage door access, and vented oil heater with fuel tank.
Funding: \$107,500 FY22 General Fund – Encumbered & Lapsed
Project Phase: Construction
Community: BKC & KVL
Manager: Chris Hatch, Public Safety Director
Status: Got the agreement with City of Buckland on the building. Will move forward with the project.

Project Name: Kotzebue VPSO Warm Storage Construction
Scope: Construct 16' x 20' warm storage building for VPSO program, including electrical meter base, man and garage doors, and vented oil heater with fuel tank.
Funding: FY23 General Fund
Project Phase: Construction
Community: OTZ
Manager: Chris Hatch, Public Safety Director

Status: This project postponed until village projects done per Mayor, but I'd like to get it moving by this summer, if possible, to use material.

Project Name: Kobuk VPSO Warm Storage Construction
Scope: Construct 16' x 20' warm storage building for VPSO vehicle storage in Kobuk, including electrical meter base, man and garage door access, and vented oil heater with fuel tank.
Funding: FY23 General Fund. Need to put out to bid.
Project Phase: Construction
Community: OBU
Manager: Chris Hatch, Public Safety Director

Status: Materials stored in a connex were moved to School property for winter storage. Got site control via a land lease.

Project Name: VPSO Warm Storage Meter Base Relocation
Scope: Relocate meter bases on four VPSO warm storage units to meet AVEC code requirements
Funding: \$15K FY23 General Fund

Project Phase: Maintenance
Community: Shungnak, Ambler, Kiana, Noatak
Manager: Chris Hatch, Public Safety Director

Status: We'll install a platform starting in Ambler.

Project Name: VPSO Trilogy Lock Installation Project
Scope: Purchase and install Trilogy Locks to all VPSO facilities.
Funding: State VPSO Grant Fund
Project Phase: Maintenance
Community: OTZ, SHG, ABL, IAN, ORV, WTK, BKC, DRG
Manager: Dominic Ivanoff, Public Services Administrator

Status: Shungnak and Kiana are installed. Waiting to get Ambler, Noorvik, Noatak, Buckland and Deering installed
3 more 2 more
Once Chip is done installing the flooring. Dom and Chip will travel to The villages and install the rest of the trilogy locks.

Project Name: Buckland VPSO Residential Unit Renovation
Scope: Renovate kitchen and bedroom sections.
Funding: State VPSO Grant Fund
Project Phase: Renovation
Community: BKC
Manager: Chris Hath, Public Safety Director

Status: Site control secured.

Project Name: Kivalina Stockpiled Aggregate
Scope: Project associated with Kivalina Evacuation & School Site Access Road for road maintenance.
Funding: ARPA Fund.
Project Phase: Renovation
Community: KVL
Manager: Clara Jones, Public Services Director

Status: Dominic is getting price quotes for swing gates.

Project Name: Kotzebue Area Airport Vegetation Management
Scope: The scope of work will include vegetation management at Noatak, Buckland, Kiana, Selawik, Shungnak, Noorvik, Ambler, Kobuk, and Deering. This will include all necessary labor, management, and equipment necessary to perform this work as identified by the Department. All work must be completed by November 30, 2023.
Funding: Department of Transportation and Public Facilities \$160K
Community: Noatak, Buckland, Kiana, Selawik, Shungnak, Noorvik, Ambler, Kobuk and Deering.
Manager: Clara Jones, Public Service Director

Status: Received the MOA from Jason Sakalaskas, State contract person.
Ambler-completed project
Noatak IRA- completed project
Kobuk- MOA signed 9/6 and started the project
Shungnak IRA – MOA signed and started the project
Buckland- will present it in the next meeting (Next week)
Selawik- MOA resent
Kiana – MOA sent
Noorvik- MOA sent
Deering- will poll vote

Here is my October Report:

Kivalina:

Our operator in Kivalina has spent most of his time doing minor road repairs this month. He has been using gravel to fill in cracks on the sides of the road to the school.

As this report is being written, a trainer from the state of Alaska department of transportation is in route to Kivalina to spend 3 days there doing hands on training on all the heavy equipment we have there. He will work 1 on 1 with our operator as well as an employee from the NWABSD in Kivalina.

Delineators, we have ordered the hardware required to put together and install these. There is a 7 to 10 day lead time for these. Once received our operator will install them.

L90 loader, our loader in Kivalina has been having error codes come up on it. We are working closely with CMI out of Anchorage to get a technician there. They only have so many traveling technicians available, so it takes time to get one scheduled to head out. We are a week or so from making that happen. Ironing out final details required for this.

Cat 160 grader, the grader is there and running. We needed to order up some serrated cutting edges for the 14 foot blade. The blade that it came with was a standard straight edge. We needed the serrated ones to put small grooves in the road as it goes for traction. Their purchase will be finalized in the next day or so. We will have them sent up priority and installed asap. We have ordered 2 full sets of these new edges. Once set will go on immediately, the other set will be stored there in Kivalina should they be needed throughout the winter. We don't anticipate that will be the case, but we did not want a delay should that happen.

Fuel, 15,000 gallons of diesel was delivered to our tanks in Kivalina from Crowley in sept. We have estimated that amount along with the 5,000+ gallons that was already in the tanks will be enough to get us through this first full winter with all our new equipment and the 2 brand new forced air heaters at the shop. We will be closely monitoring the amount used for heating the shop as well as running the equipment all winter. This will give us a good idea as to how much will be needed each year going forward.

Monthly maintenance, we are working with KIC construction on developing a monthly maintenance plan for Kivalina. They have a heavy equipment mechanic that they bring up every month for theirs. So we are in the talks with them to have him go up as needed each month. He will have a check list of things to do before his arrival each time. As he does this he will also be able to give us a list of items/tasks that he will want to do on the next visit as needed.

Region wide:

The department has been able to get most of the buildings that have VPSO units installed with Trilogy lock systems. We have since been informed that we would need to install a small computer at each site with remote access for me to be able to make changes on those locks on the fly. Those computers have been purchased and are on site here in Kotzebue. I will be working with Able Locksmiths out of Anchorage along with ACS to program these computers with the database and software needed for them before I go out to deploy the computers.

We have been revisiting the idea of deploying security cameras and sensors out in the VPSO housing units and warm storage units. Since it has been almost a year since we initially looked into this, we will need to get in contact with the company and discuss an updated quote and perhaps see if anything has changed with their equipment. More to come on this topic.

Village airport Brush Clearing Project, Clara has worked hard on getting the paperwork needed between the NWAB and each village. In the meantime, the villages that have signed those agreements have received the tools necessary to do the work. We had to order four sets of the following.

- 2 x cordless chainsaws
- 2 x cordless leaf blowers
- 2 x axes
- 2 x shovels
- 2 x loppers

Once each village is done with their project these tools will be returned to the NWAB to be used in a different village until the project is completed.

Elder boiler maintenance program. As you may know we will be heavily involved with this project. We have been having meetings with NANA and the contractor. This project is ramping up, so more details to come.

Kotzebue:

Chip has been very busy with the carpet replacement project over the last month. He has made very good headway on this. As of this morning, he has the last half of the finance office to finish up. Once that is done that will be 95% all the offices in the entire building done. He will have the mayors assistants office area left. Once that is done he will need to do the assembly chambers and all the hallways. In all, he is close to 90% done with this project. Which is impressive considering he is doing it alone. The occupants of the offices have helped him move everything out of each office, which has been very helpful! Thank you to our employees for that help.

We have successfully gotten the building permit from the city of Kotzebue for the installation of the 6 foot tall fence for our lot on 3rd ave. across from the school district. The materials needed for that installation have been on site for a month. The city had been going through a transition of personnel in that department. They have a new city planner whom was finally able to help finalize that permitting process.

This concludes my October report...

Thank you!

Dominic Ivanoff



Northwest Arctic Borough

P.O. Box 1110 Kotzebue, Alaska 99752 (907) 442-2500 Fax (907) 442-2930
www.nwabor.org

DATE: October 12, 2023

TO: Dickie Moto, Mayor

FROM: Fritz Westlake, Director of Community & Economic Development

SUBJECT: ASSEMBLY DEPARTMENT REPORT THROUGH THE MAYOR

This report is submitted to the Assembly on matters that support daily operations, meetings conducted or attended, planned meetings/travel to inform you of the purpose and provide public information.

DAILY OPERATIONS REPORT BY PROGRAM:

COMMUNITY & ECONOMIC DEVELOPMENT COMMISSION – Fritz Westlake

The next scheduled regular EDC meeting will be in Anchorage on November 1, 2023. The commission will here updates from AIDEA, Ambler Metals, Teck Alaska, SEF Canada, and NANA.

FRANK R. FERGUSON MEMORIAL SCHOLARSHIP PROGRAM – Erin Stephens

There were nine awards, totaling \$10,000.00

SMALL BUSINESS GRANT PROGRAM – Erin Stephens

We had one application which was approved, for Ukpik Media.

COMMERCIAL & SUBSISTENCE FISHING GRANT PROGRAMS

All but a few Subsistence and Commercial fishing nets have now been shipped out to the grant recipients. The only ones not out are from folks that we are not able to get a hold of.

GRANTS ADMINISTRATORS REPORT – Erin Stephens

- The VIC held a meeting October 10-11. There will be two applications going before the Assembly for approval.
- There were four new hires: Marlin Autubo, VPSO; Noah Naylor, Planning Director; and Ellen Coffin, Assistant to the Mayor; and Stella Snyder, Deputy Clerk.
- Interviews were held for the position of Entrepreneurship Program Facilitator, VPSO Coordinator, and VPSO. Other open positions include Maintenance Technician, Accounting Clerk, and temporary trail stakers.
- The Public Safety Department applied for an EMPG Grant for \$20,000. This should be awarded shortly.

VIF PROJECT MANAGER REPORT – Hiram Walker

Ambler:

- Energy Study Ph. 2 & 3 payments were made and will close out project this week.
- Biomass project on hold until summer. Need to connect underground piping and complete the roof.
- Ambler fuel farm is 95% complete with design and permitting.
- Tank farm procurement for three fuel tanks FBO Ambler. Funding through VEI.
- The Ambler Biomass project purchased some tools such as chain saws to start hauling wood for Biomass Boiler before snow is all gone to make it easier to haul.
- Work with project manager on funding to complete Biomass project. Funding through VIF an application was submitted for the next VIC meeting.
- Working with vender on heavy equipment. I will need the city to sign an award agreement.
- Will need an award agreement signed for the biomass before the funding will go to the contractor. The award is for \$76,034.28, ANTHC is the contractor.
- The Biomass project is currently installing remote monitoring equipment.
- Ambler
- City of Ambler got awarded to A25G Rock trucks will be shipped to Ambler next fall.
- The City of Ambler Heavy Equipment project has been purchased and will be shipped next summer.
- Energy Study 2&3 is extending till Spring of 2023 on some late installed heatpumps that will need inspection.
- Ambler fuel tank farm, the contractor is accommodating new fuel tanks with 95% submitted drawings to the city of Ambler.
- Worked with city of Ambler to get 95% drawings for tank farm from contractor.
- Transferred remainder of funds to city of Ambler Energy Efficiency project 3.
- Made invoice payment to consultant for Ambler fuel farm project.
- No activity for May 2023
- The A25G is on it way to Ambler via Drack Construction. The dump truck should be in Ambler the later part of July.
- Waiting on closeout report on Biomass project.
- No activity on any projects for the month of July.

Buckland:

- Traveled to Buckland in the first part of June to help with gavel mining plan for new projects.
- The city of Buckland was awarded funds for the erosion project and heavy equipment repair. The amount of funding that will be used for repair is \$50,000. I am working with the city to get funding available to start repairs.
- The funding was executed for the heavy equipment repair for the erosion project.
- The city of Buckland has made a purchase of parts for heavy equipment.
- The funding of \$50,000 to get assessment and parts for equipment for erosion revetment is expended and VIF will be holding the remainder of fund tell revetment is completed.

- The city of Buckland has asked for the funding for the equipment repair, labor, shop heating fuel and electricity to get heavy equipment going by spring. The VIF office is working on getting the funding out to the city to get the project moving.
- The city of Buckland Equipment repair project is all most completed of funds and equipment is 90% repaired.
- Funding has been received by the city of Buckland for the Equipment repair and mechanic is repairing equipment.
- No activity in Feb. 23
- The city of Buckland is preparing for close out of Equipment repair project.
- Closed out Equipment repair project.
- The rock revetment is not in progress currently. There is no access to gravel. This is being worked on.
- City of Buckland is drawing down on the Equipment Maintenance project given to the city in July of 23.

Deering:

- Ipnatchiaq Electric made the first payment to contractor for Ph. 3 of Electric grid.
- I will be closing out the on demand hot water heaters project with Deering IRA.
- No activity currently on all projects.
- Ipnatchiaq Electric will postpone Ph. 3 of project till next summer it got too late in the year to start on project.
- No changes in Ph. 3 Ipnatchiaq Electric contractor will be done this summer.
- No activity in Feb. 23
- Ipnatchiaq Electric ph.3 project is back on track with the repair of heavy equipment need for the project to move on. The company has put an extension for a Title 9 and has a new timeline for the later part of July.
- No activity at this time April 2023.
- Contractor has postponed the project till July 10th 2023 for Ipnatchiaq Electric.
- Contractor will start project for Ipnatchiaq Electric when housing becomes available at the later part of July.
- Contractor for Ipnatchiaq Electric has started Ph. 3 of the electric.

Kiana:

- Kiana Manganese removal project will continue the next construction season.
- Kiana Community building is complete and is ready for close out.
- Kiana's Opt-In community building renovation had most building materials ordered from vendor FBO Kiana.
- The contractor is ready to install water and sewer lines from the mains to the new community building making ready the funding for the part of the project. The amount is \$73K+ for 60 feet of water and sewer line.
- The contractor is in Kiana to start work on the old community building, Opt.-In project.
- Made funding draw down for Opt-In Kiana to pay labor for renovation of old city of Kiana community building.
- Opt-In has a construction supervisor and has gone out to Kiana and will start the project as soon and the construction material get out to Kiana
- The contractor is in Kiana to start work on the old community building, Opt.-In project

- The Opt-In project is waiting for the mechanical contractor to come in and work on rough-in of electrical and plumbing inside of building.
- The water and sewer service line hookup on the New Community building is currently being worked on.
- The City of Kiana Manganese filter system project has a superintendent going to Kiana on Sept. 12th to finish up to 95% completion of project
- Kiana Manganese system will be completed in the latter part of November. The contractor is currently tying the backwash tank to the water plant.
- Opt-In Building has the mechanical contractor working on location.
- The City of Kiana is a new Community building. The contractor is working on water and sewer service lines.
- All projects remain in same status for Kiana.
- Opt.-In has paid off contractor. Will continue work with local labor after holidays to complete building.
- No activity in Feb. 23
- No activity in March for projects.
- No activity in April on Opt-In program.
- No activity due to no contractor available for May 2023.
- No report for the Manganese filter project.
- Opt-in has made an agreement with contractor to complete interior of building.
- No report for the City of Kiana Manganese filter system for the month of July of 23
- Opt-in is still looking for contractors to complete building

Kivalina

- The Kivalina Dump site cleanup will need reporting turned in. No reports since Oct.
- Received report on Dump site cleanup and will working with contractor that will be organizing site clean cleanup this summer.
- With the nice weather the dump cleanup is coming along well and is on schedule.
- The IRA dump cleanup has received small equipment on the barge to help with cleanup
- The funding for the Kivalina dump cleanup is almost depleted and will be looking for other funding.
- Kivalina dump cleanup is now out of funding and will be looking forward to the closeout of project.
- All projects remain the same status for Kivalina
- Kivalina Dump site cleanup has no activity this month of Dec.
- No activity in Feb. 23
- No activity in March for all projects.
- The IRA is getting ready to start Dump cleanup project up in May.
- The landfill cleanup project is going to closed out at this time.
- The IRA of Kivalina has submitted for project draw down of funds to backhaul waste for landfill.

Kobuk:

- The city's Drain Field will not start until next construction season.
- Worked with Project engineer on construction of Drain field this fall.

- I will need a signed award agreement for the City of Kobuk for the shipment of materials that will have to be airlifted to Kobuk due to low river water. The amount needed is \$162,511.00 to start airlift.
- The new community buildings will not start construction till next year the city cannot find a contractor to construct buildings.
- No progress has been made on any projects at this time.
- No progress has been made this Feb. 23
- No progress has been made in any of the projects for March.
- Made an award agreement up and sent it to City of Kobuk to get signed.
- Purchase Heavy Equipment for city of Kobuk it will be airlifted to Kobuk.
- Heavy Equipment has been delivered to Kobuk for the city of Kobuk and this will be closed out.
- The city is still waiting on community buildings to be delivered for the city of Kobuk.
- City of Kobuk has closed out the Heavy Equipment project.
- The city has sent proposal to draw down on the shipping of community building.

Kotzebue:

- KEA Renewable Turbine foundation has been ordered.
- No movement on the KEA renewable Turbine Foundation currently.
- The city of Kotzebue Self-contained Breathing Apparatus Packs has been ordered.
- All projects remain the same in Kotzebue.
- All projects remain the same in Kotzebue for Feb. 23
- All projects have no activity for the month of March.
- No activity in any projects in Kotzebue for April.
- No activity in any projects or programs for May 2023
- The Turbine base plate will be on the 2nd sealift to Kotzebue sometime this fall.

Noatak:

- Sent award agreement to Noatak IRA for the Solar and Batter Project and have not gotten it back at this time.
- No activity for Noatak IRA Solar Project due to high water for May 2023.
- The Noatak IRA Solar project is in the construction process at this time and is coming along okay.
- No activity on all projects for the month of July of 23

Noorvik:

- City of Noorvik Land fill cleanup is meeting with city council on burn unit project moving forward.
- Noorvik IRA has received an award for \$951,607.22. I am in the process of funding execution. The project is Noorvik Road Construction and Maintenance Program.
- The Native Village of Noorvik had all funding to have the A25G dump truck paid to vendor and will be FBO Noorvik this summer.
- For the Native Village of Noorvik Road Maintenance program the tribe has requested quotes for all the heavy equipment. The quotes that they have are from June of 2022.
- The native village of Noorvik has put in for an application for updated quotes for the Road Maintenance program and is waiting for funding.

- The Native Village of Noorvik has received funding to purchase, ship and start Road Maintenance program.
- Project management is working on purchasing equipment and shipping for 2023.
- No activity in Feb. 23
- The Tribe is applying for a Title 9 permit for the Road Maintenance program.
- I have not had a monthly report sent in to the VIF office for the month of April on Road Maintenance program.
- No activity for May 2023.
- I will be going out to Noorvik to meet with the new transportation planner.
- I will be meeting with the city of Noorvik to ask to return the remainder of funding for the Dump clean up and for the city to apply with a new application for funding for an incinerator for landfill I will do this at the same time when I meet with the Tribe.
- The city of Kobuk has ask to return the VIF funds remaining in the Landfill clean up.

Selawik:

- Selawik Home Water and Sewer project is on hold until the City of Selawik can get training on the project from VIF staff.
- Traveled to Selawik end of May to visit the Native Village of Selawik community center the tribe has turned in a new VIF application for completion of community center.
- The home water and sewer will be working on getting a new contractor to complete the project.
- The home water and sewer are still on hold and will be until a plan is work out with the city of Selawik.
- Water and Sewer Rehabilitation is still open with biohazard materials to be sent to Kotzebue to dispose of.
- ANTHC will be the contractor for the Selawik evaluation project. This project was awarded to the city of Selawik for \$75,000 and will be executed when the signed award agreement has been received.
- I will need to go out to Selawik to give project orientation to the city and sign an award agreement on the project for Selawik Safety upgrade of the Multipurpose building. The award is \$250,000.00
- The Native Village of Selawik is soliciting 2 or 3 consultants to do feasibility study for Gravel Access.
- A new city administrator has been hired for the city of Selawik and will need training on Multipurpose Building upgrades project can start the city will set a time for this
- City of Selawik Water and Sewer Evaluation will get stated middle of Sept.
- The Native Village of Selawik is working on RFP for the Gravel Access Study.
- The Native Village of Selawik is soliciting engineering firms to proceed with study.
- The multipurpose Building safety upgrades project had drawing down funding to start upgrades.
- Selawik home water and sewer project had an engineering firm go to Selawik to start the evaluation on project.
- The Selawik evaluation engineering firm all have Co-vid and project is on hold the later.
- All projects remain the same for Selawik
- Selawik Water and Sewer evaluation data collected from engineers' earlier trip to Selawik is being evaluated.

- Selawik IRA is working on soliciting engineering firm to proceed with Gravel Access Study.
- The Selawik Safety upgrade project has got the funding to start the procurement process.
- No activity in Feb. 23
- I will be setting up a meeting with the city of Selawik to discuss the Home Water and Sewer start up the end of March.
- No other activity on any of the other projects.
- I have no activity on any of the projects for the month of April.
- Working with contractor for home water and sewer project start up.
- No monthly report on Selawik Safety upgrade project.
- The Home water and sewer project has started backup.
- The home water and sewer project has started by ordering parts for homes and sending crew to Selawik to mob up project.
- Gravel Access study has been inactive to this point. The IRA will be applying for more funding. No one submitted for work on this project due to not enough to do study.

Shungnak:

- No open projects or programs currently.

Regional:

- KOTZ radio Ph. 2 project is ready for closeout after final reporting is sent in.
- NWABSD Inupiaq program is on hold until further notice from the school district.
- KEA Electric Co. has ordered wind turbine base.
- KOTZ has no movement on the project for this month.
- I haven't received a monthly report for at this time.
- Kotz Radio has asked for change in project it was to eliminate the gas generator and in place use an USB unit.
- KEA project is the purchase of Turbine Base for wind generators. The Base's will be in next summer's sealift.
- NWABSD Inupiaq program is on hold and will bring in Inupiaq instructors in Nov.
- NIHA has drawn down funding for the Housing Assessment for all 11 communities.
- No movement on all projects currently.
- VIF purchases continue to provide professional development for instructors. The professional development gathering for Iñupiaq Instructors occurred between November 29 to December 1. The focus was on replacing further English with Iñupiaq in the classroom, using the curriculum's games and activities to support student learning, and using the Iñupiaq language in conversation.
- NIHA is advertising for 23 surveyors and have received job applications. They will work until each household is completed. We are having them work for three weeks; however, if there is a need to continue, that will be done. It is the goal of NIHA to have no less than 70% of each community fill out the survey.
- The NWASD will be scheduling an Inupiaq Instructors Training for April
- No projects reports in for the month of April all projects.
- No activity in the NWABSD Inupiaq program for the month of May 2023.
- NIHA will be late on the monthly report on Housing survey report due to personal change.

- No report for Inupiaq program for the month of July.
- No report for the Housing Survey report for the month of July 23.
- No report for Iñupiaq program for the month of July of 23.

ENERGY DEPARTMENT - Ingemar Mathiasson

Conferences

We held another great Energy Steering Committee meeting in Kotzebue 3-4th Oct.

We had invited **Henk Rogers is the creator of the Tetris Company and a pioneer in the video game industry.**

In the 1980s, Rogers brought role-playing games to Japan and turned a little-known game called Tetris into an international phenomenon after intense negotiations with the Soviet Union and Nintendo. His efforts helped establish the Game Boy as a market leader and made Tetris one of the most popular games of all time. Rogers' story became folklore in the gaming industry and is the subject of the 2023 Apple TV+ film "Tetris."

Today, Rogers is the founder of 10 companies and non-profit organizations focused on renewable energy, space exploration, and ending the use of fossil fuels on Earth. A near-fatal heart attack in 2005 made Rogers identify his true missions in life and led to him founding the Blue Planet Foundation, a non-profit organization that has been instrumental in implementing renewable energy policies in Hawaii. Realizing this model needed to be exported to the rest of the world, Rogers 2021 founded the Blue Planet Alliance, an organization helping island communities disproportionately affected by climate change transition from being reliant on importing fossil fuels to using 100 percent renewable energy.

Rogers is also the founder of Blue Planet Energy, a global leader in renewable energy storage systems and it is his Batteries that made our Shungnak Solar project so successful.

It was good to have him up, and we tried to give him a visit at Shungnak, however the fog made it impossible to land so they had to return to Kotzebue. We did have many good discussions with him about possible collaboration on future projects. We are engineering the Selawik and Ambler projects to use Blue Planet Batteries. You can check his profile at; <https://henkrogers.com/>

Many good discussions were happening during the conference and Deering and Buckland announced that they are turning over their wind turbines to the tribes, and joining the IPP's of Shungnak and Noatak to fully engage each community stakeholder in the future of energy production in their communities.

The next Energy Steering committee meeting will likely take place in late March early April.

Also, the Governors Sustainable Energy Conference will take place 20-23rd May 2024.

I will be presenting on the Noatak project at the Denver Tribal Energy Summit 13-16th November 2023.

Current fuel costs below. **Red** are increases.

Fuel prices (tax included on retail) Oct. 2023 & FY24

Community	Gasoline \$/G Retail Aug 2023	Stove oil \$/G Retail Aug 2023	Sales Tax included	Util. & AVEC Cost \$ Barge/Air FY2022- FY2023	NWABS Cost \$ FY2023- FY2024
Kotzebue KIC and KEA	8.99	9.12	6%	3.71 KEA/3.20	4.54/4.7605
Kotzebue Vitus	7.99	7.57	6%		
Kotzebue Crowley	7.80	7.97	6%		
Ambler	18.34	18.34	3%	4.49/10.59	6.07/6.2505
Kobuk	13.91	15.45	3%	N/A	6.07/6.2505
Shungnak	14.03	16.14	2%	5.45 / 10.17	6.07/6.2505
Kiana	8.76	8.50	3%	2.82/4.18	4.71/5.0005
Noorvik	7.21	6.81	4%	2.96/4.63	4.71/5.0005
Selawik	6.39	7.72	6.5%	2.85/4.96	4.71/5.0005
Buckland	6.65	6.44	6%	2.13/3.547	5.25/5.0005
Deering	6.90	5.92	3%	2.13/4.057	4.71/5.0005
Kivalina	6.52	6.15	2%	2.78/4.18	5.16/5.0005
Noatak	13.47	14.44	6%	8.10/10.61	7.24/10.96

NAB Electric rates July 13 2023

Community	1-750Kwh \$/Kwh with PCE	Tax	1-750 Kwh Actual cost/Kwh with tax	0-750 \$/Kwh No tax	750-up \$/Kwh No tax	Utility Non firm power purchase rate \$/Kwh 1/30/2023
Kotzebue KEA	0.2275	6%	0.24	0.3949	0.3918	N/A
Ambler AVEC	0.2627	3%	0.2705	0.8580	0.7566	0.3285
Kobuk AVEC	0.3305		0.3305	1.0967	0.9912	N/A
Shungnak AVEC	0.3305	2%	0.3371	1.0967	0.9912	0.5736
Kiana AVEC	0.2561		0.2561	0.7254	0.6199	0.3003
Noorvik AVEC	0.2543	4%	0.2645	0.6896	0.5841	0.2606
Selawik AVEC	0.2534	7%	0.2711	0.6719	0.5664	0.2405
Buckland BEC	0.2781		0.2781	0.4900	0.4900	0.2823
Deering IEC	0.4081		0.4081	0.6747	0.6747	0.3575
Kivalina AVEC	0.2535	2%	0.2586	0.6295	0.5240	0.2442
Noatak AVEC	0.3982	6%	0.4221	1.1644	1.0589	0.6615

AEA REF 14 Community project grant 4 community engineering for Solar battery

- The NAB applied for Engineering of Solar/Battery projects for Selawik, Kiana, Noorvik and Ambler through the Alaska Renewable Energy Fund REF 14 submitted mid. January 2022 at an amount of \$ 590,000.00 and was awarded.
- An RFP was released 15th Dec. with deadline for responses 6th Feb. 2023.
- We completed the RFP process and selected RES/Kuna as the contractor
- This project will provide the needed inkind to leverage Construction funds in 2024-25.
- The 8th-9th June I visited the 4 communities together with the contractors RES and KUNA, we mapped out the possible areas for large solar arrays up to 4 acres and 500Kw.
- The contractors are now following up with AVEC for cost estimates on integration equipment needed to be able to accommodate the incoming Solar power.
- Currently at 65% design
- Project scheduled to complete work 30th Oct. 2023.

New Grant requests

The Energy Group is currently working on a large DOE OCED Region wide grant proposal.

Project Description

This project, “Solar PV, Battery Storage and Heat Pumps in Northwest Arctic Alaska,” proposes to install 3.35 MW of solar PV and 16.5 MWh of battery storage across all eleven villages of the northwest Arctic region, displacing an estimated 322,000 gallons of diesel fuel annually. Additionally, this project proposes to install 860 heat pumps, one in every residence in ten villages: Buckland, Deering, Kiana, Kivalina, Kobuk, Noatak, Noorvik, Selawik, and Shungnak. The solar PV, battery energy storage systems (BESS), and heat pumps will be owned and maintained by the federally recognized Alaska Native Tribe in each community, each of which will operate as an independent power producer (IPP) generating renewable power and selling it to the local utility, capturing an estimated \$1.5M in annual revenues. The expected construction cost for the proposed project is \$56,000,000

Our preliminary concept paper was accepted DOE and they wants us to do the full application.

The full application was submitted the 3rd of August and now we wait for DOE to respond, hopefully before the end of the year.

Status of Current projects under way

Selawik Rural Energy Pilot Program (REPP) Grant

100Kw Solar/1Mwh battery. (NEW) has been funded @ \$ 1,998,820.00

A grant request to USDA REPP was completed for a 100Kw Solar 1 Mwh Battery for Selawik. For a total cost of \$3,603,240. It requires a 50% inkind.

This project is aimed at stabilizing the electric grid in Selawik.

would stop dangerous power outages that endanger the waterlines in Selawik.

Inkind is available from AVEC @ \$100K and from State of Alaska (AEA) \$ 120K.

VIF and NANA VEI combined is matching in with 1,216,000.00

USDA is awarding us this grant with a Federal share of \$1,998,820.00,

Grant agreement in place. And we have started engineering

Construction scheduled for 2024

Alaska REF 15 for Selawik has been funded @ 1,134,500.00

The Northwest Arctic Borough (NAB) is requesting \$1,134,500 for Phase IV Construction of a high penetration distributed solar PV system for the community of Selawik. Based on Hybrid Optimization for Multiple Energy Resources (HOMER) software modeling and AEA's B/C Ratio model, this system will displace about 27,278 gallons of imported diesel fuel annually and will result in about 193 hours of diesels-off operation, saving the community about \$81,698 during the first year of operation. Lifetime savings for the project are estimated at 681,947 gallons of diesel fuel and \$2,511,674. In addition to reducing the cost of electrical generation, the solar PV system, in conjunction with a related and separately funded project to construct a Battery Energy Storage System, will result in a hybrid solar PV/battery/diesel system, will dramatically increase the efficiency and resilience of the power generation system by providing spinning reserve and significantly reducing brown-

outs and black-outs and associated freeze-ups of the community water system. This project will leverage the key learnings from other high penetration systems operating and in development in the Northwest Arctic Borough, including Kotzebue, Deering, Buckland, Shungnak-Kobuk, and Noatak. Upon completion of the project, this solar PV system will be transferred to ownership as an IPP by the Native Village of Selawik and sell power to the Alaska Village Electric Cooperative, similar to other projects in the region. The grant has been awarded and this funding will be added to the REPP grant above.

Ambler Fuel farm (updated)

- Ambler City is pursuing a new Fuel farm and have received \$ 180,000.00 for engineering services from the VIF to get to shovel ready status at 95% design spec.
- Full construction of a new fuel farm is likely to be close to \$ 2 Mil.
- This is a collaborative effort together with AVEC.
- Summit Construction has been allowed the Engineering contract.
- Summit personal visited Ambler early November for site evaluation
- Various documents have been produced for 65% design.
- Funding for tanks have been procured from NANA VED
- The tanks were delivered to Ambler in mid September.
- Construction funding have been applied for thru direct appropriations and \$ 1.8 Mil has been assigned to Murkowski's short list. Last we heard we may get approximately \$ 650K. of the needed funds. Waiting for grant agreement.
- AEA has contacted Ambler and would like to contribute the last \$ 650K needed to construct the project. That will fully fund the project and can conceivably be completed by summer 2024.

Regional Solar PV projects

Shungnak_Kobuk IPP

223.5 Kw Solar with a 384kWh Battery data collection ongoing

- Link to project; <https://initium.agetoenergy.com/login>
- User; Shungnak, password; shungnak2021
- This project has received a [Microgrid Greater Good Award](#).
- And also received <https://www.energy.gov/communitysolar/sunny-awards-equitable-community-solar>
- The project now have over \$ 100K in their Energy fund from proceeds of selling electricity to AVEC.



Noatak Solar Battery IPP (updated)

280.6 Kw Solar with a 460Kwh Battery

We wrote a HECG (USDA) proposal for Noatak for 2020-21, to build a 280.6 Kw Solar PV and Battery solution for them. Meetings have been held in Noatak and also with AVEC to facilitate the creation of the Grant proposal

- Resolutions and support letters have been collected.
- This is a collaborative effort by the Energy Steering Committee.
- A new application to DOE Tribal energy. DOE recently allowed us to apply with a lower in kind of only 10% versus the earlier 50%. The project cost is anticipated at approximately \$ 2.7 Mil.
- We now have approval from FAA to construct the array and is conferencing with AVEC on the technical specifics of the project. FAA approved new site near airport
- RFP was been posted 2/8/2022 with a deadline at 2/28/2022. Two bids were received.
- MOA for IPP creation and working documents between NAB and Noatak is being reviewed.
- The contract was awarded to Alaska Renewable Industries (ANRI).
- Lease agreement with NANA has been signed.
- The project will have an expansion area for an additional 100Kw of Solar in the future.
- Equipment is being ordered.
- Groundwork was begun in October 2022.
- Engineering is 100% complete.
- Fire Marshall approval pending
- Boots on the ground by late April, some delays due to the cold weather and snowloads.
- Equipment is being shipped to the site in Noatak
- I visited the project 12-13th June and connected with Edna at the tribal office to deliver the PPA agreement for signing with AVEC.
- The project tracks fine and they have now started to build the Solar arrays with the battery to be delivered by Lynden Air just after 4th July.
- The project was commissioned in the week of 17th Aug. 2023.
- The community had a ribbon cutting ceremony the 21st July. That was a great success, we took up a lot of Hotdogs and hamburgers and cooked for the whole community for a celebration feast.



Also adding the current grants I manage and report on.

Grant

Noatak Solar project	DOE Tribal	DE-IE000146	32-04	\$2,008,765.00
REF 14 engineering	AEA	AEA7014007	32-07	\$590,000.00
REF 15 Selawik expansion	AEA	AEA7015003	32-11	\$1,134,500.00
REPP Selawik Solar	USDA	RO141285-75594	32-08	\$1,998,820.00
Ambler TEDO	DOE Tribal	DE-IE0000196		\$2,700,000.00
HEC Starlink	State of Alaska	MOA # C0622-584-FX	32-10	\$135,131.00
Ambler Biomass	USDA HECG	Ak0069-A84	N/A	\$443,476.00
Shungnak Solar project	USDA HECG	AK0077-A84	32-03	\$1,291,675.00
EECBG	State of Alaska	No award yet		\$75,270.00
Ambler Tankfarm AEA	State of Alaska	AEA7210055	N/A	\$650,000.00
Ambler Tankfarm NETL	NETL	FE-0032315	N/A	\$650,000.00
Ambler Search and Rescue	HUD	B-23-CP-AK-0003	N/A	\$1,500,000.00
Total				\$13,177,637.00



Northwest Arctic Borough

P.O. Box 1110 Kotzebue, Alaska 99752 (907) 442-2500 Fax (907) 442-2930
www.nwabor.org

DATE: October 9, 2023
TO: Dickie Moto Sr., Mayor
FROM: Chris Hatch, Director of Public Safety
SUBJECT: MONTHLY REPORT TO ASSEMBLY THROUGH THE MAYOR

This report is submitted to the Assembly on matters that support daily operations, meetings conducted or attended, planned meetings/travel to inform you of the purpose and provide public information.

Public Safety Director, Chris Hatch
October 2023 Report

We have hired a new VPSO coordinator, Josh Harville, who is scheduled to start on October 19, 2023.

Work on Rehab phase one in Selawik to provide a warm Storage and work area for the SAR and Fire battalion has begun and by the time of our meeting the work should be mainly completed. In Noorvik, RFP was opened, and contract was signed with Northern Construction LLC to refurbish the VPSO office, Holding Cells, and housing. This work is scheduled to be completed by Dec 31 although the contractor tells me it should be done by the end of November.

We held a Public Safety Commission meeting and reviewed code, and Strategic plan reporting.

Work is continuing to get signatures from all communities' approval to include them on the region wide multi-jurisdictional hazard mitigation plan. Without having a hazard mitigation plan in place, It somewhat limits access to some FEMA grant opportunities.

The following is a representative list of priority projects we are working to complete or have completed in the last month.

- Fire Department long range plan to meet the strategic priorities and help our communities fire response abilities.
- We are partnering with the Department of military and veteran affairs homeland security on a multi-jurisdictional hazard mitigation plan for the region.
- ARPA Fire Department fund Spend down.



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- Receiving and shipping to communities, fire equipment that has already been ordered and received.
- Beginning fall trail maintenance and marking, and we have received most of the needed reflective tape for FY24 trails.

Public Safety Administrator, Saima Chase **October 2023 Report**

During September the public safety departments of the north slope borough and the northwest arctic borough met in Utiagvik. We discussed strategic plan priority 1, how we can provide an officer presence full time in each community with the NSB police department and leadership, we discussed statewide standards for fire training that will apply for rural firefighting with the NSB fire department, including agreeing to work together to request that the Alaska state fire standards council set a standard that both boroughs agree upon. Additional meetings were held with the NSB planning department and the local college to discuss ways to provide our Borough residents with Training.

Search and Rescue Coordinator, Shauntai Shroyer: **October 2023 Report**

Village	# of SAR's	Between villages?	Resolved:
Ambler	0		
Buckland	2	Yes	Yes
Deering	0		
Kiana	0		
Kivalina	0		
Kobuk	0		
Noatak	1	Yes	Yes
Noorvik	0		
Selawik	0		
Shungnak	0		
Kotzebue	3	Yes	Yes

Six active SARs during the month of September, 6 overdue travelers and all returned home safely. Have received 2/3 moa for snowmachines, 2 completed, 1 signed and waiting for the resolution and waiting on the last form. Had ordered some LED spotlights that also have solar panels to charge up while out in the land, will get those sent out as soon as I can, also filled up a 300-gallon tank with fuel for faster access for searches for back up.



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Interim VPSO Program Coordinator, VPSO Matthew Will: **October 2023 Report**

- Interviews were conducted for the VPSO Coordinator position, and an offer letter was sent out to a candidate.
- One (1) VPSO left the program, and we hired One (1) VPSO who has 21 years of experience in this field. He is already law enforcement certified and will just need a few weeks of training to become a certified VPSO.
- Two (2) VPSOs' attended the Alaska Fire Conference in Valdez. To attend leadership courses and training to learn how to better help our communities with fire responses and prevention.
- The Program currently has the budget for 7 funded FTE positions in FY24. Of those positions Five 5 are currently filled, one (1) officer is scheduled to attend the Spring academy beginning in January, two (2) officers will be receiving their fire certifications in October, and all (5) need ETT training for certification. We have three (3) candidates that have turned in all their paperwork and are in various stages of the hiring process. We conducted 1 interview. In September we had officers working in the community of Kiana.
- We were awarded \$1,340,468 for FY24 and a onetime additional \$500,000 in funding for positions.
- Construction was approved and is set to begin on the renovation of the VPSO housing unit in Noorvik with plans to have it completed before the end of 2023.
- All VPSO Grant reporting is up to date.

Fire Safety Coordinator, Hans Nelson **October 2023 Report**

During this reporting period, Fire Safety Coordinator worked on ARPA spend down and working on a line-item breakdown and summary of equipment purchases. Equipment purchases have been sent out to each community; However, we have a vacant chief position for Shungnak, AK and no equipment has been sent. Participated and provided a brief presentation to the NAB Public Safety Commission meeting held in Kotzebue, AK during the first week of October 2023.

The Fire Department had no fire incidents for the month of September.

The following measurable outcomes occurred during the reporting period:



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Fire Prevention Activity

- Provided a fire prevention message with KOTZ Radio and discussed the ongoing events with the Alaska Wildland fires updates and air quality.
- Provided fire extinguishers for the communities of Kivalina and Noorvik

Fire Training Activity

- Attended the Alaska Fire Conference 2023 in Valdez, AK. Provided brief comments at the Alaska Fire Chiefs Association concerning their Strategic Plan for more outreach and streamlining rural training.
- Upcoming training: VPSO Fire Academy, October 9-13, 2023; National Fire Academy Strategies and Tactics for Initial Company Operations, Kotzebue Fire Department – November 1-2, 2023.

**NORTHWEST ARCTIC BOROUGH
RESOLUTION 23-56**

**A RESOLUTION OF THE NORTHWEST ARCTIC
BOROUGH ASSEMBLY ADDING NOAH NAYLOR
AND ELLEN COFFIN AS AUTHORIZED
SIGNATORIES FOR BOROUGH CHECKS.**

WHEREAS: the Northwest Arctic Borough administration has day-to-day accounts payable obligations and responsibilities; and

WHEREAS: Section 6.04.080(C) of the Borough Code requires that the Mayor sign vouchers or checks, or in the absence of the Mayor, an authorized substitute; and

WHEREAS: Section 6.04.080(C) of the Borough Code requires Assembly approval of Borough staff designated as substitutes to sign vouchers or checks; and

WHEREAS: it is understood that no two substitutes shall have authority to sign the same voucher or check; and

WHEREAS: the Borough wishes to add Noah Naylor, Director of Planning, and Ellen Coffin, Administrator to the Mayor, as authorized check signatories.

NOW THEREFORE BE IT RESOLVED: the Northwest Arctic Borough Assembly approves Noah Naylor and Ellen Coffin as authorized check signatories.

PASSED AND ADOPTED THIS 24th DAY OF OCTOBER 2023.

Assembly President

PASSED AND APPROVED THIS 24th DAY OF OCTOBER 2023.

Dickie Moto, Sr., Mayor

SIGNED AND ATTESTED TO THIS 24th DAY OF OCTOBER 2023.

Stella Atoruk, Borough Clerk

ATTEST:

**NORTHWEST ARCTIC BOROUGH
RESOLUTION 23-57**

**A RESOLUTION OF THE NORTHWEST ARCTIC
BOROUGH ASSEMBLY APPROVING A VILLAGE
IMPROVEMENT FUND APPLICATION FROM THE CITY OF
KOTZEBUE TO PURCHASE A CAR CRUSHER TO
FACILITATE COMMUNITY CAR DISPOSAL, AND FOR
RELATED PURPOSES.**

WHEREAS: under Section 11.08.010 of the Borough Code, the Borough Village Improvement Commission was established to identify village service and capital improvement needs, plan and implement capital improvement and public service programs, and oversee investment of the Borough's Village Improvement Fund (VIF); and

WHEREAS: under Section 11.08.020 of the Borough Code, the Commission is responsible for advising the Borough Administration with respect to working with village residents, Borough communities, and village utilities to identify projects and programs for recommended funding; and

WHEREAS: on October 11, 2023, the Village Improvement Commission passed Commission Resolution 23-10, approving and recommending the City of Kotzebue's VIF application in the amount of \$275,000 to purchase a car crusher for final approval by the Northwest Arctic Borough Assembly; and

WHEREAS: this project will facilitate the proper removal and disposal of over 100 cars and continue to be used to save space at the Kotzebue landfill indefinitely; and

WHEREAS: the car crusher will help proper landfill operation, management, and closure through properly disposed vehicle waste; and

WHEREAS: the funding request meets the VIF eligibility requirements and will benefit the community of Kotzebue as a whole; and

WHEREAS: the Assembly wishes to approve the VIF application.

NOW THEREFORE BE IT RESOLVED BY THE NORTHWEST ARCTIC BOROUGH ASSEMBLY: the City of Kotzebue's VIF application in the amount of \$275,000 to purchase a car crusher is approved.

PASSED AND ADOPTED THIS 24th DAY OF OCTOBER 2023.

Assembly President

PASSED AND APPROVED THIS 24th DAY OF OCTOBER 2023.

Dickie Moto, Sr., Mayor

SIGNED AND ATTESTED TO THIS 24th DAY OF OCTOBER 2023.

Stella Atoruk, Borough Clerk

ATTEST:

City of Kotzebue Car Crusher

2021 Application

City of Kotzebue

Ms Teresa Kaye Baldwin
PO Box 46
Kotzebue, AK 99752

O: 907-412-3571
M: 907-412-3571

Ms Teresa Kaye Baldwin

PO Box 46
Kotzebue, AK 99752

tbaldwin@kotzebue.org
O: 907-412-3571
M: 907-412-3571

Application Form

Project Information

Project Name*

City of Kotzebue Car Crusher

What is the timeline for your project/program?*

Indefinitely

Is this an existing project/program?*

Is it already operating or has construction started? Has the project/program delivered services already?

No

If you answered yes to the previous question, please explain the status of the project/program.

What is the amount of the funding request to VIC?*

\$275,000.00

Please describe how the VIF funds will be used for this project/program.*

The City of Kotzebue is requesting funding to purchase a car crusher. Within the city we have several vehicles that are dilapidated or unused and need to go to the landfill. This issue is both a safety hazard and occupies needed space in our community. During COVID-19, KIC, QIRA and the City of Kotzebue worked together to collect 100 vehicles from around town. These vehicles are now on the Kikiktagruk Inupiat Corporation lot next to the elementary school. Our goal is to work together with the tribe and KIC to removed these vehicles and place them in the landfill. However, this requires us to properly remove these vehicles to comply with federal and state law. The VIF funds will be used to achieve these goals in collecting used and dilapidated cars throughout Kotzebue and properly dispose of them.

Does the project/program have other funding sources?*

Does the project/program have other sources of funding, including matched funding or other grants (or state, community, partner organizations contributions)? If yes, please describe and attach relevant documentation.

Our team will work with partner organizations to fund to removal of the 100 cars on the KIC lot.

Project Budget Spreadsheet*

Please upload your total project/program budget, including details on VIF funds and how other funding will be used.

Budget for VIF Car Crusher.xlsx

Has the VIF provided funding to your community before?*

Yes

If you answered yes to the previous questions, please describe.

Yes, the City of Kotzebue would like to thank the Village Improvement Fund and commissioners for funding a new ambulance and new first responder gear. We appreciate the funding that has made our community safer. In addition, we are currently working on the Flood Prevention and Planning Project which allows our team to update a hazard mitigation project and start the engineered recommendations to properly respond to the flooding on the north and east side of Kotzebue. We also were able to purchase new radios for the Police and Fire/Emergency Medical Service providers.

Project Details

Will this project/program continue after VIF funding?*

Please describe why or why not.

Yes, the car crusher will be used indefinitely at the landfill and refuse department in Kotzebue.

If you answered yes to the previous question, please describe how it will be funded.*

How will the project continue after VIF funding end and by whom.

This piece of equipment will be used by the public works refuse department. Currently we charge \$400 per car to be picked up throughout Kotzebue to drain all fluids from them prior to placing them in landfill. The car crusher will be utilized within this process to save space in the landfill. In addition, the refuse department will be trained by an outside agency to utilize the car crusher. Staff's time and training will be funded by the City of Kotzebue.

Project/Program Partnerships*

Please describe other projects in the community that could support the success of this project/program.

We do have project and program partnerships. We work with Drake's Construction yearly to clean up the City of Kotzebue. This includes large item pick up such as vehicals. In addition, we have partnered with KIC and the tribe in past car removal projects. We would like to continue this partnership.

Are there any issues or other projects that could negatively impact the success of your project?*

If yes, please explain how your organization has the administrative and management capacity to execute the project (i.e., financial software, audits, history of management of other projects, stable relationships across community entities, and examples of other successful projects).

One issue that might hold the project up is the chain of command for equipment like car crushers. Currently these pieces of equipment are on back order through out the United States.

Administrative and Management Capacity*

Please explain how your organization has the administrative and management capacity to execute the project (i.e., financial software, audits, history of management of other project, stable relationships across community entities, and examples of other successful project).

Currently, we have several operators at the landfill. We would need to train our landfill operators to utilize the equipment. Our timeline would be within six months of purchasing the equipment to get staff fully trained, and operating the machinery. We are also in the process of securing funding for the open and closure of a new cell for the landfill which will allow us to remove more vehicles.

Staff experience*

Please outline any experience your organization/staff had had with similar projects/programs.

We have a fully staffed refuse department. We will need to have a few operators trained in using the car crusher.

Is the project/program "ready to go" or shovel ready?*

Please explain how it has considered the equipment, resources, people, and permits needed for success.

Yes, the project is shovel ready. We just need to purchase the equipment and train staff to utilize this machinery.

Borough Title 9 Permit*

Has the applicant certified that it will comply with any required permits including a Borough Title 9 Permit?

No

Does the project/program address an issue that is life threatening, or a health risk?*

i.e., health and safety, emergency, danger to people, the environment, or property. Please describe.

The continuous piling of cars can be a hazard to the community. The removal of vehicles requires staff to take hazardous materials out of the vehicle before placing in the landfill.

Please describe if the project/program supports one or more priorities identified by the community.*

The Kikiktagruk Inupiat Corporation, Qikiktagruk IRA and the City of Kotzebue has prioritized cleaning up the city. We see this as a beneficial part of for our residents and town. In addition, the council has prioritized the expansion of a landfill for several years. This car crusher will support both of these projects and priorities. We have attached our resolution reflecting this as a city council priority.

Please attach any relevant documentation to show community involvement or support.*

Examples include letters of support, joint resolution, priority lists, meeting minutes, sign up sheets, Title IX permit, etc.

Car Crusher - OverBuilt.pdf

Meeting Minutes*

Exhibit A, Ordinance 23-05.pdf

Audit*

City of Kotzebue CY21 Audit (1).pdf

Benefits

What are the short-term goals of the project/program?*

Our short-term goals are to purchase the equipment to utilize the car crusher and train staff to upkeep with maintenance and use of the crusher.

What are the long-term goals of the project/program?*

Our long term goals are to clean up our city as well as ensure that our landfill it up to code with holding all dilapidated and unused vehicles.

Who will benefit from the project/program?*

Please be specific (e.g., children, youth, elders, women, etc.) and include details (e.g., numbers).

Many individuals will benefit from this project within the City of Kotzebue. We will be able to better process old cars throughout the city which are safety hazards. This will also allow for the longer life span of the landfill by taking up less room.

What is the level of community impact?*

Will the broader community benefit or just a few individuals?

Yes, we would use this to clean the whole community of Kotzebue which is home to over 3,200 individuals.

Community Impacted*

Will the project benefit one Village, more than one Village, or multiple Villages in the Northwest Arctic region?

City of Kotzebue

Will the project create local jobs? If so, how many?*

Support current jobs with a potential of adding one to two more jobs.

Electronic Signature

With my electronic signature, I certify that the information provided in this application is true, correct, and complete. I agree to allow any information on this application (unless otherwise noted) to be released for publication. I authorize the Northwest Arctic Borough to verify any information submitted as part of this application.

I have read the above information.*

Yes

Title of Authorizing Official*

City Manager

Date*

6/25/2023

Electronic Signature*

By typing in your name below, you certify that the above information is true and accurate to the best of your knowledge.

Teresa Baldwin

Direct questions related to the online application system to The Alaska Community Foundation by email: grants@alaskacf.org, or by phone: 907-334-6700.

After you submit your application you will receive a confirmation email. Thank you for applying!

ADMINISTRATOR QUESTIONS AND INSTRUCTIONS

Administrator Only

Your next steps are to respond to all required administrator questions and mark each application complete.

Documents

Check off each item as it is received, either as an upload document or as a hard copy.

File Attachment Summary

Applicant File Uploads

- Budget for VIF Car Crusher.xlsx
- Car Crusher - OverBuilt.pdf
- Exhibit A, Ordinance 23-05.pdf
- City of Kotzebue CY21 Audit (1).pdf

Item	Cost
Car Crusher	\$275,000.00
Shipping	Undetermined



X

OVERBUILT

CAR CRUSHER

Built standard with its 10 foot opening the OverBuilt Car Crusher has the highest opening on the market. In addition, it has a remarkable 159 tons of crushing power.

(<https://www.youtube.com/watch?v=M71u6uust6P6>) IN ACTION

CAR CRUSHER

SPECIFICATIONS

Imperial

Metric

Crusher Opening:

Height (raised)	10' ***
Height (lowered)	24"
Width	7' 6"
Length	20' 3", 22' 2", 24' 1"
Lid Movement (travel)	8'

Hydraulic Cylinders:

Bore	10"
Rod	4"
Travel	96"
Pressure	2400 psi
Crushing Force	159 Tons

Overall:

Weight	60,000 lbs
Length	43', 45', 47'
Height	20' 7"
Ground Clearance	16"

*** Special built 9' raised and 12" lowered unit available upon request.
Please [contact us](#) for more information.



[Car Crusher Brochure](https://www.overbuilt.com/wp-content/uploads/2018/12/OverBuilt-Car-Crusher-Brochure.pdf) (<https://www.overbuilt.com/wp-content/uploads/2018/12/OverBuilt-Car-Crusher-Brochure.pdf>)

[Maintenance Guide](https://www.overbuilt.com/wp-content/uploads/2018/12/CC-Lubrication-Maintenance-Guide.pdf) (<https://www.overbuilt.com/wp-content/uploads/2018/12/CC-Lubrication-Maintenance-Guide.pdf>)

ALL MODELS



CAR CRUSHER



BALER/LOGGER

CONTACT

1.800.548.6469
service@overbuilt.com
Sales
1.605.352.6469
sales@overbuilt.com

PRODUCTS

[Car Crusher](#)
[Baler Logger](#)
[Parts & Service](#)

INDUSTRY LINKS

> [American Recycler](#)
> [Recycling Product News](#)
> [Scrap Magazine](#)
> [Recyclers Powersource](#)
> [Recore Trading Company](#)





CITY OF KOTZEBUE CAPITAL IMPROVEMENT PROJECT CY-24 PRIORITIES

<u>PROJECT TITLE</u>	<u>AMOUNT</u>
1. CAPE BLOSSOM PORT AUTHORITY & DEVELOPMENT	\$2,672,985
2. WATER & SEWER LINE IMPROVMENTS	\$TBD
a. Replace Lift Station 9 & 12	
b. Swan Lake Loop Watermain	
c. Lagoon Water Service Loop Replacement	
d. Construct New Sewer Force Main	
e. Sewer Rehabilitation	
f. Lift Station 8 Rehabilitation	
3. WATER SOURCE IMPROVEMENTS	\$TBD
a. Vortac Lake Dam	
b. Devil's Lake	
4. MULTIPURPOSE BUILDING	\$6,500,000
5. LANDFILL CELL APPLICATION, LANDFILL OPEN NEW CELLS, LANDFILL CLOSURE & POST-CLOSURE CELL CJD	\$TBD
6. EROSION SHORE PROTECTION AND ROAD REHAB	\$21,500,000
7. <u>MUNICIPAL</u> ROAD DUST ABATEMENT/ ASPHALT PAVING	\$10,000,000
8. BIOMASS PLANT & BALER BUILDING	\$TBD
9. REFUSE CAR CRUSHER	\$TBD
TOTAL CAPITAL IMPROVEMENT PROJECTS	\$61,672,985 +

TBD Amounts will need to be confirmed by an engineer, feasibility study, or other expert.



**CITY OF KOTZEBUE
CAPITAL IMPROVEMENT PROJECT
CY-24 PROJECTS
PRIORITY #2**

Project Title: Cape Blossom Port Authority & Development - \$2,672,985

Project Description: The Cape Blossom Port Planning Project will conduct a feasibility study for a new port at Cape Blossom, Alaska. The purpose of the effort is to improve transportation efficiency and reduce freight costs to Kotzebue and the surrounding communities. The estimated timeline for completing the project is 24 months.

Proposed activities include:

1. Analysis of existing conditions and requirements: Site survey/bathymetry, metocean analysis, and sediment transportation studies that will help determine the safest site for the port.
2. Upland development needs will be established for storage capacity, power, mechanical and electrical requirements, environmental controls, safety, security, and protection during operations.
3. Administration will include hiring of a Project Manager/Grant Administrator who will complete and/or coordinate project tasks and fulfil grant requirements. A port authority process will be created to help guide crucial decisions through the planning process and into the next phases for the port development project (i.e., design and construction).
4. A "rough order of magnitude" (ROM) cost estimate will be developed for the proposed dock, including costs for dock design, pre-construction permitting costs, and construction costs. The ROM cost estimate will be important for the final activity, a Benefit-Cost Analysis, to help determine the cost-effectiveness of building a port at Cape Blossom.

Project Need: The Cape Blossom Port Site Planning Project (project) is a durable infrastructure investment in a regional port. When built, the port will eliminate the expense of barge lighterage services and reduce the overall cost of transporting goods and services to Northwest Arctic Borough (NWAB) communities. Lower shipping rates made possible by a port at Cape Blossom will promote economic development within Kotzebue and the region. Meeting the needs of a larger future population is essential to the sustainability and future growth of the Northwest Arctic Borough. Services and amenities, food and dry goods, fuel, building materials, etc., must remain affordable since the high cost of living is a hindrance to economic and job growth.

Phase	Total Cost	Funds Available	Source
Planning & Design	\$2,328,200	\$0	Pending RAISE or PIDP Grant Award
Administration	\$127,285	\$0	
TOTAL:	\$2,672,985	\$0	
TOTAL NEED/REQUEST: \$2,672,985			



CITY OF KOTZEBUE CAPITAL IMPROVEMENT PROJECT CY-24 PROJECTS PRIORITY#3

Project Title: Water & Sewer Line Improvements - \$21,000,000

Project Description:

Much of the infrastructure for water and sewer mains and lift stations are 30+ years old and need replacement and/or repair. This will include:

- | | |
|--|--------------|
| • Replace Lift Station 9 & 12 | \$TBD |
| • Replacement of the Swan Lake Loop watermain | \$5,500,000 |
| • Replacement of the Lagoon Water Service Loop | \$10,000,000 |
| • Construct New Sewer Force Main | \$TBD |
| • Sewer Rehabilitation | \$TBD |
| • Lift Station 8 Rehabilitation | \$TBD |
| • Storm Drains | \$3,000,000 |
| • Fire Hall Lift Station & isolated sections | \$2,500,000 |

Water Circulation Improvements to -34,000LF of water mains in the Swan Lake Loop (built in 1990) and Lagoon Loop (built in 1995). The PER will investigate and provide recommendations to improve the hydraulic efficiency of the water loops and reduce the prevalence of emergency repairs. In particular, the PER will provide recommendations on how to upgrade the existing 6-inch insulated HOPE with to 8-inch insulated HOPE. No additional service connections are expected to be added. (Swan Lake Loop and Lagoon Loop)

Sewer System Improvements--(a) The four sections of gravity sewer main should be replaced with 8-inch insulated HOPE, (b) The fire station lift station should be replaced in place and the force service rerouted in a carrier pipe to avoid failure of sewer service to the fire department that provides important community safety services. Because the force service is under the foundation slab of the building and the paved parking lot, a trenchless technology may need to be used making the replacement more costly than a standard residential lift station, (c) An additional 8-inch insulated arctic force main should be constructed parallel to the existing 10-inch force main to allow for an increased rate of sewage moving from the City to Wastewater Lagoon Cell 1 and simultaneous operation of Lift Stations 1 and 7. As part of this project, the force main that currently exits Lift Station 7 and then connects to FMMH 700A would also be rerouted because it is currently located inside DOT&PF airport property, making maintenance and repairs difficult. No additional service connections are expected to be added.

Elimination of Infiltration and Inflow into Lift Station 8. The project would be performed in multiple phases. The expected Phase 1 PER of the project would identify where water is infiltrating and inflowing and include a "smoke" test or similar effort to identify if water is entering the gravity lines through breaks in the pipes. Also included in Phase 1 would be a hydrologic study to better identify the areas that are draining towards Lift Station 8, provide an estimate of the amount of water that may need to be removed or diverted, and review the City's methods and locations for the storage of removed snow.

Project Need:

Water Circulation Improvements

Every time the City has to repair a part of Swan or Lagoon loop, the entire circulation loop must be taken out of service- which creates a significant risk to human health with the water pressure dropping to 0 PSI and allowing for contaminated/untreated water to enter the water main. The City releases boil water notices after these events.

Sewer System Improvements

Lift station #4 had significant issues in fall 2021 which resulted in the need for emergency bypass pumping around Lift Station #4 for several months.

Elimination of Infiltration and Inflow by improvements to storm drain systems.

Phase	Total Cost	Funds Available/Spent to Date	Source
Replace Lift Station 9 & 12	\$TBD		
Replacement of the Swan Lake Loop	\$5,500,000	Preliminary Engineering Report \$75,000	DEC
Replacement of the Lagoon Loop	\$10,000,000	Preliminary Engineering Report \$75,000	DEC
Construct New Sewer Force Main	\$TBD		
Sewer Rehabilitation	\$TBD		
Lift Station 8 Rehabilitation	\$TBD		
Storm Drains	\$3,000,000	Preliminary Engineering Report \$75,000	DEC
Fire Hall Lift Station & Isolated sections	\$2,500,000	Preliminary Engineering Report \$75,000	DEC
TOTAL NEED/REQUEST: \$TBD			

=the completion of the PERs will provide updates to the costs for each of these projects.



**CITY OF KOTZEBUE
CAPITAL IMPROVEMENT PROJECT
CY-24 PROJECTS
PRIORITY #3**

Project Title: **Water Source Improvements - \$TBD**

Project Description:

The City of Kotzebue's Vortac Dam will need replacement in 5-10 years. If the dam cannot be replaced or repaired, a secondary water source for Devil's Lake will need to be determined.

Project Need:

Environmental study to determine future location or repair and replacement of current dam and/or a secondary water source located.

Project Scope and Cost Estimate: Environmental application, planning, design, and construction for future location or repair and replacement of current dam.

Phase	Total Cost	Funds Available/Spent to Date	Source
Demolition, Planning & Design	\$TBD	\$0	
Construction	\$TBD	\$0	
TOTAL:	\$TBD	\$0	
	\$TBD	\$0	
Demolition, Planning & Design	TOTAL NEED/REQUEST: \$TBD		

This cost estimate is TBD and will need to be confirmed by an engineer, feasibility study, or other expert. Proposal will be provided by GeoTech in late April/May 2023 to determine costs, assessment, and construction. ROM quoted at \$500,000.



**CITY OF KOTZEBUE
CAPITAL IMPROVEMENT PROJECT
CY-24 PROJECTS
PRIORITY #4**

Project Title: **Multipurpose Building - \$6,500,000**

Project Description: The Recreation Center building was Kotzebue's only public gym. Unfortunately, the Rec Center has been closed since 2018 due to unsafe conditions. The cost of repairs, materials, and labor to bring the building up to code has been surveyed at \$3.6 million dollars.

Project Need: This request is to fund the demolition of the 25,000 square foot Recreation Center building, refuse and landfill fees for the building, design and construction of a replacement City owned building including a building, framework, and interior.

Project Scope and Cost Estimate: The estimated cost of demolition is about \$1,000,000. The planning and design of a new building is about \$100,000. The cost of a replacement building of comparable size and interior is estimated to be about \$5,400,000.

This cost estimate will need to be confirmed by an engineer or other expert.

Phase	Total Cost	Funds Available	Source
Demolition, Plannin	\$1,100,000	\$0.00	
Construction	\$5,400,000	\$0.00	
TOTAL:	\$6,500,000	\$0.00	
TOTAL NEED/REQUEST: \$6,500,000			



**CITY OF KOTZEBUE
CAPITAL IMPROVEMENT PROJECT
CY-24 PROJECTS
PRIORITY #5**

Project Title: Landfill Cell Application, Landfill Open & Closure, Landfill Post Closure Cell C/D - \$TBD

Project Description: This project includes opening two new landfill cells, the landfill closure of cell C and D, and post closure for cell C and D.

Project Need: The City of Kotzebue Landfill Cell C & D are scheduled to be closed in 2023.

Project Scope and Cost Estimate: In 2023, the City of Kotzebue will put out an RFP for the environmental application. Current estimates for the contract services are \$80,000-\$100,000 and an estimated cost of the landfill cell construction is about \$900,000.00. Rough estimates for the landfill open is about \$500,000, landfill closure is about \$1,500,000 for gravel coverage and materials, and post closure is about \$500,000 for coverage and materials

This cost estimate is TBD and will need to be confirmed by an engineer, feasibility study, or other expert.

Phase	Total Cost	Funds Available	Source
Planning & Design	\$TBD	\$0.00	
Construction	\$TBD	\$0.00	
TOTAL:	\$TBD	\$0.00	
TOTAL NEED/REQUEST: \$TBD			



**CITY OF KOTZEBUE
CAPITAL IMPROVEMENT PROJECT
CY-24 PROJECTS
PRIORITY #8**

Project Title: Erosion Shore Protection and Road Rehab. - \$21,500,000

Project Description: The purpose of the Kotzebue Erosion Protection- North Shore Avenue project, is to provide erosion protection along 3,000 lineal feet of Shore Avenue, North and East of Crowley Dock, for residential and commercial areas.

Project Need: Erosion has reduced road capacity, created unsafe driving conditions, and threatened residential and commercial buildings in this area. The design of the project would include a combination of shore protection utilizing both rip-rap revetment structures as well as sheet pile wall. The area has historically been hit hard by fall storms, with large waves and ice blocks reaching the residences and causing damages to homes along this stretch of coastline. Within the past 10 years numerous storms have caused damage to this area as a result of longer summer periods and later ice formation. In 2002, large scale ice masses pushed up over the shoreline causing damage to roads and structures, requiring emergency actions by the City of Kotzebue. In 2004, a severe fall storm caused significant erosion to this area and required significant repairs.

Project Scope and Cost Estimate: DOT&PF is currently in the construction phase of a project to provide erosion protection and roadway improvements along Shore Avenue from Lake Street to Crowley Marine Docks. This FHWA funded project will use a combination of Rip Rap Revetment and Sheet Pile Wall to protect 4,400 lineal feet of shoreline. The Lake Street to Crowley Marine Docks project began in 2010 and will be completed over a two-year period. The City of Kotzebue is the owner and provides maintenance for Shore Avenue, and DOT&PF has been working closely with the City on the project. An extension of this project to the North and East Side of Crowley Marine Docks would provide continuity to the erosion protection system currently being designed for Kotzebue and provide the City with protection from severe storms on the East side of the community.

This proposed project would be designed in 2022 and 2023, with construction to begin in 2024. Cost efficiencies can be realized with the use of existing Coastal Engineering Studies that were performed as part of the Shore Avenue (Lake to Crowley) Project. Funding for this project is proposed as follows: Year 1, \$1,000,000; Year 2) \$500,000; Year 3) \$10,000,000; Year 4) \$10,000,000.

This project is currently under consideration for the State of Alaska STIP program and efforts are underway through the application process that could potentially fund this project, if approved. The State of Alaska will provide an updated cost estimate if approved for the final phase of application.

Phase	Total Cost	Funds Available	Source
Planning & Design	\$2,000,000	\$0.00	
Construction	\$19,500,000	\$0.00	
TOTAL:	\$21,500,000	\$0.00	
TOTAL NEED/REQUEST: \$21,500,000			



**CITY OF KOTZEBUE
CAPITAL IMPROVEMENT PROJECT
CY-24 PROJECTS
PRIORITY #9**

Project Title: Municipal Road Dust Abatement/ Asphalt Paving - \$10,000,000

Project Description: The Dust Abatement project will allow the City to continue to add pavement and dust suppression chemical to its roads, and to help mitigate airborne dust related problems. The project will consist of paving approximately 4,600 lineal feet of road, beginning with Shore Avenue Connections, Community Gravel Streets, and a Boat Access Road. The project would also perform asphalt repairs to Ted Stevens Way and Fifth Avenue. Ted Stevens Way, as well as 5th Avenue are both paved and have experienced these types of asphalt failures. In 2021 the City was able to repave 5th street from Lagoon Street to Bison Street. Bison Street from 5th Street to 3rd Street was also repaved. We would like to repave 3rd Street in 2022 as well as pave other unpaved streets that cross it.

Project Need: Kotzebue for years has dealt with dust pollution from its gravel roads. Dust pollution in the air during the summer months has caused health and safety risks to City's residents. The road base in Kotzebue is predominately constructed of sandy-silt and clay like gravel. Permafrost attributes to the high cost of road construction and maintenance which is not nearly as great a concern outside the Arctic Region. The City of Kotzebue does not have adequate pavement repair or lay down equipment. Such material and equipment for repairs and paving is contracted out at great expense to the City. Typically, during periods of spring thaw, the paved roads undergo settling, heaving and cracking, resulting in failure.

Project Scope and Cost Estimate: This will include repaving and new Asphalt for the areas identified above. Further, the new Asphalt and Asphalt Repairs would have significant cost savings on mobilization and demobilization for this project since ADOT has an Asphalt Plant in Kotzebue for the Airport Runway Repair project slated for the 2022 construction season.

This project is currently under consideration for the State of Alaska STIP program and efforts are underway through the application process that could potentially fund this project, if approved. The State of Alaska will provide an updated cost estimate if approved for the final phase of application.

Phase	Total Cost	Funds Available	Source
Planning & Design	\$1,500,000	\$0.00	
Construction	\$8,500,000	\$0.00	
TOTAL:	\$9,500,000	\$0.00	
TOTAL NEED/REQUEST: \$10,000,000			



**CITY OF KOTZEBUE
CAPITAL IMPROVEMENT PROJECT
CY-24 PROJECTS
PRIORITY #10**

Project Title: **Kotzebue Biomass Plant & Baler Building - \$TBD**

Project Description: The City of Kotzebue, obtained an Alaska Energy Authority (AEA) grant to perform a Biomass Feasibility Study to convert Municipal Waste to Energy, the study was completed in December 2012. The project would include construction of a Biomass Plant building at our landfill outside of town and building a new Baler Building (solid waste processing facility now located in town) next to it.

Project Need: With a growing population and constantly putting more demands on the available space at the municipal landfill, the City of Kotzebue applied for the preliminary planning funds for the Municipal Waste to Energy Project. In addition, the rapidly rising costs of energy in Northwest Alaska, this project would assist the City with stabilizing the rising energy costs.

Our current Baler Building is in town in our Public Works yard. Building a new Baler Building next to a new Biomass Plant will create greater efficiency and cost savings as heat created by the Biomass Plant can be used to heat the Baler Building. It will also mitigate a bird strike problem at our airport as the current location of the Baler Building attracts birds to fly from there to the landfill on a flight path going over the airport creating a hazard for air traffic.

Project Scope and Cost Estimate: The project scope and cost estimate provided in the December 2012 Kotzebue Biomass Feasibility Study final report prepared by the City's consultant Tetra Tech identified the need for a Biomass Power Plant which includes processing equipment (Plant) and Building at an estimated cost of \$2,238,000 to \$3,000,000.

This cost estimate is TBD and will need to be confirmed by an engineer, feasibility study, or other expert.

Phase	Total Cost	Funds Available	Source
Planning & Design	\$TBD	\$0.00	
Construction	\$TBD	\$0.00	
TOTAL:	\$TBD	\$0.00	
TOTAL NEED/REQUEST: \$TBD			



**CITY OF KOTZEBUE
CAPITAL IMPROVEMENT PROJECT
CY-24 PROJECTS
PRIORITY #11**

Project Title: Landfill Car Crusher - \$TBD

Project Description: The City of Kotzebue has over 100 cars that need to be removed from City limits and disposed at the landfill.

Project Need: With a growing population and constantly putting more demands on the available space at the municipal landfill, the City of Kotzebue is looking for funding opportunities to purchase a car crusher.

Project Scope and Cost Estimate: The project scope and cost estimate will be determined by obtaining quote from vendors. Shipping costs will need to be added to reflect the most accurate cost estimates needed for the car crusher.

This cost estimate is TBD and will need to be confirmed by an engineer, feasibility stud1', or other expert.

Phase	Total Cost	Funds Available	Source
Planning & Design	\$TBD	\$0.00	
Construction	\$TBD	\$0.00	
TOTAL:	\$TBD	\$0.00	
TOTAL NEED/REQUEST: \$TBD			

City of Kotzebue, Alaska

Basic Financial Statements,
Required Supplementary Information,
Supplementary Information and Single Audit
Reports
Year Ended December 31, 2021

City of Kotzebue, Alaska

Basic Financial Statements, Required Supplementary Information,
Supplementary Information and Single Audit Reports
Year Ended December 31, 2021

City of Kotzebue, Alaska

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City of Kotzebue, Alaska

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3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report

Honorable Mayor and City Council
City of Kotzebue, 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 Kotzebue, Alaska, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Kotzebue's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Kotzebue 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.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Kotzebue'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 of Kotzebue's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Kotzebue'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 budgetary comparison information on page 48, and the Schedules of Net Pension and Other Postemployment Benefits (OPEB) Liability and Pension and OPEB Contributions on pages 49-50, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Kotzebue's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Schedule of State Financial Assistance, as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* are presented for purposes of additional analysis and are not required parts 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, the schedule of expenditures of federal awards, and the Schedule of State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of City of Kotzebue as of and for the year ended December 31, 2020, and have issued our report thereon dated September 30, 2021, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The individual fund financial statements and schedules for the year ended December 31, 2020 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 financial statements. The individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2020 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2020.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2022 on our consideration of the City of Kotzebue's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Kotzebue's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Kotzebue's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
September 30, 2022

Basic Financial Statements

City of Kotzebue, Alaska

Exhibit A-1

Statement of Net Position

<i>December 31, 2021</i>	Governmental Activities	Business-type Activities	Total
Assets and Deferred Outflows of Resources			
Assets			
Cash and investments	\$ 2,360,654	\$ 3,993,238	\$ 6,353,892
Receivables, net of allowance for uncollectible accounts:			
Accounts	207,120	269,756	476,876
Grants and shared revenues	520,951	1,407,484	1,928,435
Sales tax	390,323	-	390,323
Inventory	-	813,200	813,200
Prepaid items	548,114	-	548,114
Internal balances	(186,108)	186,108	-
Net other postemployment benefits assets	4,029,646	1,191,953	5,221,599
Capital assets:			
Land and construction in progress	26,615,329	21,714,176	48,329,505
Other capital assets being depreciated, net	12,183,365	23,359,854	35,543,219
Total Assets	46,669,394	52,935,769	99,605,163
Deferred Outflows of Resources			
Pension related	645,502	123,953	769,455
Net other postemployment benefits assets related	71,018	25,142	96,160
Total Assets and Deferred Outflows of Resources	\$ 47,385,914	\$ 53,084,864	\$ 100,470,778

City of Kotzebue, Alaska

Exhibit A-1, continued

Statement of Net Position, continued

<i>December 31, 2021</i>	Governmental Activities	Business-type Activities	Total
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
Accounts payable	\$ 142,495	\$ 1,513,297	\$ 1,655,792
Accrued payroll and payroll liabilities	293,510	22,102	315,612
Unearned revenue	250,000	-	250,000
Noncurrent liabilities:			
Due within one year -			
accrued leave	191,653	45,674	237,327
Due in more than one year:			
Net pension liability	5,852,171	1,239,718	7,091,889
Landfill closure costs	-	182,936	182,936
Total Liabilities	6,729,829	3,003,727	9,733,556
Deferred Inflows of Resources			
Pension related	2,155,119	672,968	2,828,087
Net other postemployment benefits assets related	2,193,898	657,710	2,851,608
Net Position			
Net investment in capital assets	38,798,694	45,074,030	83,872,724
Unrestricted (deficit)	(2,491,626)	3,676,429	1,184,803
Total Net Position	36,307,068	48,750,459	85,057,527
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 47,385,914	\$ 53,084,864	\$ 100,470,778

See accompanying notes to basic financial statements.

City of Kotzebue, Alaska

Statement of Activities

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			Totals
		Fees, Fines & Charges for Services	Operating Grants & Contri- butions	Capital Grants & Contri- butions	Govern- mental Activities	Business- type Activities		
Year Ended December 31, 2021	Expenses							
Governmental Activities								
General government	\$ 1,670,637	\$ 570,824	\$ 163	\$ -	\$ (1,099,650)	\$ -	\$ (1,099,650)	
Public safety	3,647,191	1,786,360	951,512	-	(909,319)	-	(909,319)	
Public works	2,699,162	-	15,891,562	-	13,192,400	-	13,192,400	
Capital projects	72,305	-	23	-	(72,282)	-	(72,282)	
Community services	76,597	5,000	-	-	(71,597)	-	(71,597)	
Small boat harbor	64,952	-	-	-	(64,952)	-	(64,952)	
Parks and recreation	437,051	-	33	-	(437,018)	-	(437,018)	
Total Governmental								
Activities	8,667,895	2,362,184	16,843,293	-	10,537,582	-	10,537,582	
Business-type Activities								
Water and sewer utility	3,540,398	2,537,018	151	10,623,967	-	9,620,738	9,620,738	
Refuse	1,034,856	927,142	95	-	-	(107,619)	(107,619)	
Package store	728,467	1,509,387	75	-	-	780,995	780,995	
Total Business-type								
Activities	5,303,721	4,973,547	321	10,623,967	-	10,294,114	10,294,114	
Totals	\$ 13,971,616	\$ 7,335,731	\$ 16,843,614	\$ 10,623,967	10,537,582	10,294,114	20,831,696	

General Revenues

Taxes:			
Sales taxes	3,808,825	-	3,808,825
Penalties and interest on delinquent taxes	8,018	-	8,018
Other taxes	639,475	-	639,475
Grants and entitlements not restricted to a specific purpose			
Investment income (loss)	182,725	-	182,725
Other	(593)	-	(593)
Other	310,514	-	310,514
Transfers	3,547,292	(3,547,292)	-
Total General Revenues and Transfers	8,496,256	(3,547,292)	4,948,964
Change in net position	19,033,838	6,746,822	25,780,660
Net Position, beginning	17,273,230	42,003,637	59,276,867
Net Position, ending	\$ 36,307,068	\$ 48,750,459	\$ 85,057,527

See accompanying notes to basic financial statements.

City of Kotzebue, Alaska

Governmental Funds

Balance Sheet

<i>December 31, 2021</i>	Major Fund General	Nonmajor Funds	Total Governmental Funds
Assets			
Cash and investments	\$ 251,265	\$ 2,109,389	\$ 2,360,654
Receivables:			
Accounts, net of allowance for uncollectible accounts	207,120	-	207,120
Grants and shared revenues	445,317	75,634	520,951
Sales tax	390,323	-	390,323
Total receivables	1,042,760	75,634	1,118,394
Prepaid items	427,690	120,424	548,114
Total Assets	\$ 1,721,715	\$ 2,305,447	\$ 4,027,162
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 132,545	\$ 9,950	\$ 142,495
Accrued payroll and payroll liabilities	293,510	-	293,510
Due to other funds	-	186,108	186,108
Unearned revenue	-	250,000	250,000
Total Liabilities	426,055	446,058	872,113
Deferred Inflows of Resources			
Delinquent sales taxes	10,643	-	10,643
ARPA revenues	393,887	-	393,887
E-911	6,043	-	6,043
Total Deferred Inflows of Resources	410,573	-	410,573
Fund Balances			
Nonspendable - prepaid items	427,690	120,424	548,114
Committed - Refuse Capital Projects	-	1,408,000	1,408,000
Committed - Water & Sewer Capital Projects	-	450,000	450,000
Assigned - public safety	-	1,389	1,389
Unassigned	457,397	(120,424)	336,973
Total Fund Balances	885,087	1,859,389	2,744,476
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,721,715	\$ 2,305,447	\$ 4,027,162

See accompanying notes to basic financial statements.

City of Kotzebue, Alaska

Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position

December 31, 2021

Total fund balances for governmental funds		\$ 2,744,476
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets, net of accumulated depreciation consist of:		
Land and land improvements	\$ 575,000	
Construction in progress	26,040,329	
Infrastructure	773,908	
Buildings	8,442,815	
Small boat harbor	9,590,671	
Machinery and equipment	4,411,544	
Total capital assets	49,834,267	
Less accumulated depreciation	(11,035,573)	
Total capital assets, net of accumulated depreciation		38,798,694
PERS ARHCT and ODD net other postemployment benefits assets plan has been funded in excess of required contributions. This asset is not a financial resource and therefore it is not reported in the funds.		4,029,646
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds. These assets consist of:		
Delinquent sales taxes receivable	10,643	
E-911 surcharge accounts receivable	6,043	
Unavailable revenue of ARPA fund	393,887	
Total other long-term assets		410,573
Long-term liabilities are not deemed due and payable in the current period and therefore are not reported as governmental fund liabilities. The liabilities consist of:		
Accrued leave	(191,653)	
Net pension liability	(5,852,171)	
Total long-term liabilities		(6,043,824)
Certain changes in net pension and OPEB liabilities are deferred rather than recognized immediately. These items are amortized over time.		
Deferred outflows of resources related to pensions	645,502	
Deferred outflows of resources related to OPEB	71,018	
Deferred inflows of resources related to pensions	(2,155,119)	
Deferred inflows of resources related to OPEB	(2,193,898)	
Total deferred pension and OPEB items		(3,632,497)
Total Net Position of Governmental Activities		\$ 36,307,068

See accompanying notes to basic financial statements.

City of Kotzebue, Alaska

Exhibit B-12

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

<i>Year Ended December 31, 2021</i>	Major Fund General	Nonmajor Funds	Total Governmental Funds
Revenues			
Intergovernmental:			
Federal Government	\$ 15,889,224	\$ 559,124	\$ 16,448,348
State of Alaska	1,476,770	-	1,476,770
Local Sources:			
Taxes	4,464,844	-	4,464,844
Charges for services	1,433,842	-	1,433,842
Investment loss	(593)	-	(593)
Other	356,337	1	356,338
Total Revenues	23,620,424	559,125	24,179,549
Expenditures			
Current:			
General government	1,705,880	-	1,705,880
Public safety	4,079,246	485,985	4,565,231
Public works	19,031,038	-	19,031,038
Community services	76,597	-	76,597
Small boat harbor	64,952	-	64,952
Parks and recreation	332,079	-	332,079
Nondepartmental	10,462	-	10,462
Capital outlay	-	82,601	82,601
Total Expenditures	25,300,254	568,586	25,868,840
Excess of revenues over (under) expenditures	(1,679,830)	(9,461)	(1,689,291)
Other Financing Sources (Uses)			
Transfers in	1,689,292	1,867,462	3,556,754
Transfers out	(9,462)	-	(9,462)
Net Other Financing Sources (Uses)	1,679,830	1,867,462	3,547,292
Net change in fund balances	-	1,858,001	1,858,001
Fund Balances, beginning	885,087	1,388	886,475
Fund Balances, ending	\$ 885,087	\$ 1,859,389	\$ 2,744,476

See accompanying notes to basic financial statements.

City of Kotzebue, Alaska

**Reconciliation of Change in Fund Balances of Governmental Funds
to Statement of Activities**
Year Ended December 31, 2021

Net change in fund balances - total governmental funds	\$	1,858,001
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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 these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$17,594,610) exceeded depreciation (\$904,619) in the current year.		16,689,991
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Decrease in unavailable delinquent sales taxes	(8,526)	
Decrease in unavailable ambulance revenues	(100,000)	
Increase in unavailable E-911 surcharge revenues	469	
Increase in unavailable revenue of ARPA fund	393,887	
		285,830

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 government funds.

Decrease in accrued leave	35,727	
Net increase in net pension liability and related deferred accounts	(1,320,956)	
Net increase in net other postemployment benefits assets/liability and related deferred accounts	1,485,245	
		200,016

Change in Net Position of Governmental Activities	\$	19,033,838
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See accompanying notes to basic financial statements.

City of Kotzebue, Alaska

Enterprise Funds
Statement of Net Position

	Major Funds			Nonmajor Fund	
	Water and Sewer Utility	Refuse	Package Store	Bar and Grill Enterprise Fund	Total Enterprise Funds
<i>December 31, 2021</i>					
Assets and Deferred Outflows of Resources					
Current Assets					
Cash and investments	\$ 2,810,679	\$ -	\$1,182,559	\$ -	\$ 3,993,238
Receivables:					
Accounts	334,852	204,027	-	-	538,879
Grants	1,407,484	-	-	-	1,407,484
Allowance for uncollectible accounts	(146,755)	(122,368)	-	-	(269,123)
Net receivables	1,595,581	81,659	-	-	1,677,240
Inventory	227,984	-	585,216	-	813,200
Due from other funds	1,053,647	-	-	-	1,053,647
Total Current Assets	5,687,891	81,659	1,767,775	-	7,537,325
Noncurrent Assets					
Net other postemployment benefits assets	568,582	353,915	269,456	-	1,191,953
Property, plant, and equipment:					
Property, plant, and equipment	111,684,109	6,629,209	-	25,335	118,338,653
Accumulated depreciation	(67,718,346)	(5,546,277)	-	-	(73,264,623)
Net property, plant, and equipment	43,965,763	1,082,932	-	25,335	45,074,030
Total Noncurrent Assets	44,534,345	1,436,847	269,456	25,335	46,265,983
Total Assets	50,222,236	1,518,506	2,037,231	25,335	53,803,308
Deferred Outflows of Resources					
Pension related	55,367	50,168	18,418	-	123,953
OPEB related	17,767	3,988	3,387	-	25,142
Total Assets and Deferred Outflows of Resources	\$50,295,370	\$1,572,662	\$2,059,036	\$ 25,335	\$53,952,403

City of Kotzebue, Alaska
Enterprise Funds
Statement of Net Position, continued

	Major Funds			Nonmajor Fund	Total Enterprise Funds
	Water and Sewer Utility	Refuse	Package Store	Bar and Grill Enterprise Fund	
<i>December 31, 2021</i>					
Liabilities, Deferred Inflows of Resources and Net Position					
Current Liabilities					
Accounts payable	\$ 1,462,443	\$ 11,059	\$ 39,795	\$ -	\$ 1,513,297
Accrued payroll and payroll liabilities	10,271	6,293	5,538	-	22,102
Accrued leave	24,078	13,952	7,644	-	45,674
Due to other funds	-	519,213	-	348,326	867,539
Total Current Liabilities	1,496,792	550,517	52,977	348,326	2,448,612
Noncurrent Liabilities					
Net pension liability	575,824	458,137	205,757	-	1,239,718
Landfill closure costs	-	182,936	-	-	182,936
Total Noncurrent Liabilities	575,824	641,073	205,757	-	1,422,654
Total Liabilities	2,072,616	1,191,590	258,734	348,326	3,871,266
Deferred Inflows of Resources					
Pension related	319,569	194,142	159,257	-	672,968
OPEB related	317,697	191,733	148,280	-	657,710
Total Deferred Inflows of Resources	637,266	385,875	307,537	-	1,330,678
Net Position					
Net investment in capital assets	43,965,763	1,082,932	-	25,335	45,074,030
Unrestricted (deficit)	3,619,725	(1,087,735)	1,492,765	(348,326)	3,676,429
Total Net Position (Deficit)	47,585,488	(4,803)	1,492,765	(322,991)	48,750,459
Total Liabilities, Deferred Inflows of Resources and Net Position	\$50,295,370	\$1,572,662	\$2,059,036	\$ 25,335	\$53,952,403

See accompanying notes to basic financial statements.

City of Kotzebue, Alaska

Exhibit C-2

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

	Major Funds			Nonmajor Fund	Total Enterprise Funds
	Water and Sewer Utility	Refuse	Package Store	Bar and Grill Enterprise Fund	
<i>Year Ended December 31, 2021</i>					
Operating Revenues					
Water use charges and connect fees	\$ 1,709,209	\$ -	\$ -	\$ -	\$ 1,709,209
Sewer use charges and connect fees	787,131	-	-	-	787,131
Refuse and landfill	-	927,142	-	-	927,142
Net alcohol sales and permitting fees	-	-	1,509,387	-	1,509,387
Other operating revenues	40,678	-	-	-	40,678
Total Operating Revenues	2,537,018	927,142	1,509,387	-	4,973,547
Operating Expenses					
Administration	291,347	105,000	150,000	-	546,347
Water	950,432	-	-	-	950,432
Sewer	767,464	-	-	-	767,464
Refuse and landfill	-	804,312	-	-	804,312
Package store and distribution site	-	-	578,467	-	578,467
Depreciation	1,531,155	123,759	-	-	1,654,914
Total Operating Expenses	3,540,398	1,033,071	728,467	-	5,301,936
Income (loss) from operations	(1,003,380)	(105,929)	780,920	-	(328,389)
Nonoperating Revenues (Expenses)					
State PERS relief	151	95	75	-	321
Landfill closure liability reduction	-	(1,785)	-	-	(1,785)
Net Nonoperating Revenues (Expenses)	151	(1,690)	75	-	(1,464)
Income (loss) before transfers and capital contribution	(1,003,229)	(107,619)	780,995	-	(329,853)
Other Financing Sources (Uses)					
Transfers out	(3,023,499)	-	(523,793)	-	(3,547,292)
Capital contributions - grants	10,623,967	-	-	-	10,623,967
Net Other Financing Sources (Uses)	7,600,468	-	(523,793)	-	7,076,675
Change in net position	6,597,239	(107,619)	257,202	-	6,746,822
Net Position (Deficit), beginning	40,988,249	102,816	1,235,563	(322,991)	42,003,637
Net Position (Deficit), ending	\$47,585,488	\$ (4,803)	\$1,492,765	\$ (322,991)	\$ 48,750,459

See accompanying notes to basic financial statements.

City of Kotzebue, Alaska

Exhibit C-3

Enterprise Funds Statement of Cash Flows

Year Ended December 31, 2021	Major Funds			Total Enterprise Funds
	Water and Sewer Utility	Refuse	Package Store	
Cash Flows from (for) Operating Activities				
Receipts from customers and users	\$ 2,469,684	\$ 976,836	\$3,108,280	\$ 6,554,800
Payments to suppliers	(2,117,507)	(316,177)	(1,887,173)	(4,320,857)
Payments to employees	(813,289)	(503,804)	(457,146)	(1,774,239)
Payments for interfund services used	(275,000)	(105,000)	(150,000)	(530,000)
Net cash flows from (for) operating activities	(736,112)	51,855	613,961	(70,296)
Cash Flows from (for) Noncapital Financing Activities				
Decrease in advances from other funds	-	(453,049)	-	(453,049)
Decrease in due to from other funds	353,384	501,120	-	854,504
Increase in advance to other funds	453,049	-	-	453,049
Transfers out	(3,023,499)	-	(523,793)	(3,547,292)
Net cash flows from (for) noncapital financing activities	(2,217,066)	48,071	(523,793)	(2,692,788)
Cash Flows from (for) Capital and Related Financing Activities				
Capital grants received	10,431,691	-	-	10,431,691
Acquisition and construction of capital assets	(9,581,344)	(99,926)	-	(9,681,270)
Net cash flows from (for) capital and related financing activities	850,347	(99,926)	-	750,421
Net increase (decrease) in cash and investments	(2,102,831)	-	90,168	(2,012,663)
Cash and Investments, beginning	4,913,510	-	1,092,391	6,005,901
Cash and Investments, ending	\$ 2,810,679	\$ -	\$1,182,559	\$ 3,993,238

City of Kotzebue, Alaska

Exhibit C-3, continued

**Enterprise Funds
Statement of Cash Flows, continued**

<i>Year Ended December 31, 2021</i>	Major Funds			Total Enterprise Funds
	Water and Sewer Utility	Refuse	Package Store	
Reconciliation of income (loss) from operations to net cash flows from (for) operating activities:				
Income (loss) from operations	\$ (1,003,380)	\$ (105,929)	\$ 780,920	\$ (328,389)
Adjustments to reconcile income (loss) from operations to net cash flows from (for) operating activities:				
Noncash expense - PERS relief	151	95	75	321
Increase (decrease) in allowance for uncollectible accounts	(35,369)	(74,567)	-	(109,936)
Depreciation	1,531,155	123,759	-	1,654,914
(Increase) decrease in assets and deferred outflows of resources:				
Accounts receivable	(31,965)	124,261	-	92,296
Inventory	10,512	-	(105,876)	(95,364)
Net other postemployment benefits assets	(491,170)	(307,608)	(242,024)	(1,040,802)
Deferred outflows of resources - pension related	12,593	7,887	6,205	26,685
Deferred outflows of resources - OPEB related	33,650	21,074	16,581	71,305
Increase (decrease) in liabilities:				
Accounts payable	(1,191,252)	(5,362)	(48,527)	(1,245,141)
Accrued payroll and payroll liabilities	3,151	1,777	873	5,801
Accrued leave	10,772	2,937	1,200	14,909
Net pension liability	(134,072)	(83,966)	(66,064)	(284,102)
Net other postemployment benefits liability	(7,664)	(1,200)	(3,754)	(12,618)
Deferred inflows of resources - pension related	310,405	194,400	152,952	657,757
Deferred inflows of resources - OPEB related	246,371	154,297	121,400	522,068
Net Cash Flows from (for) Operating Activities	\$ (736,112)	\$ 51,855	\$ 613,961	\$ (70,296)
Noncash Capital and Related Financing Activities				
Capital assets purchased on account	\$ 1,407,484	\$ -	\$ -	\$ 1,407,484

See accompanying notes to basic financial statements.

City of Kotzebue, Alaska
Notes to Basic Financial Statements
Year Ended December 31, 2021

1. Summary of Significant Accounting Policies

Reporting City

The City of Kotzebue (the City) was incorporated on October 14, 1958. The City operates under a Council-Manager form of government and provides a full range of services including public safety, streets, sanitation, water and sewer, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

The financial statements included in this report are for City of Kotzebue only. There are no other component units for which City of Kotzebue is financially accountable, nor do any special financial relationships exist between the City and any other City.

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City. In general, the effect of interfund activity has been removed from these statements to minimize the double-counting of internal activities. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely primarily on fees and charges to external parties.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

City of Kotzebue, Alaska

Notes to Basic Financial Statements

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

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

The City reports the following major funds:

Major Governmental Funds

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

Major Proprietary Funds

The *Water and Sewer Utility Enterprise Fund* is used to account for the operations of the City's water system and the wastewater utility.

The *Refuse Enterprise Fund* is used to account for the operations of the City's solid waste and landfill activities.

The *Package Store Enterprise Fund* is used to account for the operations of the City's liquor store activities.

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

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

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

City of Kotzebue, Alaska

Notes to Basic Financial Statements

Cash and Cash Equivalents

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

Inventory

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

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Grants and Other Intergovernmental Revenues

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

Interfund Transactions

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

Accrued Leave

All full-time employees are eligible for paid personal leave. Accrued leave is recorded as an expense in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured (e.g. the employee has terminated employment).

City of Kotzebue, Alaska

Notes to Basic Financial Statements

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. As a phase 3 government for GASB Statement 34 purposes, the City has recorded additions to infrastructure capital assets (e.g. roads, sidewalks, etc.) prospectively from the GASB Statement 34 implementation date, which was June 30, 2003. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life of the asset are not capitalized. Property, plant, and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	25 - 40 years
Improvements other than buildings	10 - 25 years
Machinery and equipment	5 - 25 years

Long-term Debt

In the government-wide and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Fund Balances

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

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

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

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

City of Kotzebue, Alaska

Notes to Basic Financial Statements

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

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

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditures are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and Special Revenue Funds. Any encumbrances outstanding at year end are reported as appropriate constraints of fund balances if they meet the definitions and criteria as outlined above.

Unearned Grant Revenue

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

Pensions and Other Postemployment Benefits (OPEB)

All full-time permanent employees of the City participate in the Public Employees' Retirement System ("PERS") administered by the State of Alaska.

For purposes of measuring the net pension and net OPEB liability, 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.

Budgets and Budgetary Compliance

Kotzebue City Code requires that the City Manager prepare and submit a budget to the Council by November 1st of each year. The Council will hold public hearings on the budget and must adopt the budget and make the appropriation ordinance not later than December 15th. If the Council does not adopt a budget, the original budget submission shall become the budget. The City Council may amend the budget at any time, following the public hearing process. All appropriations lapse at year end, unless they have been expended or lawfully encumbered.

City of Kotzebue, Alaska

Notes to Basic Financial Statements

2. Cash and Investments

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

Reconciliation of Deposit and Investment Balances

The following is a reconciliation of the City's deposit and investment balances to the financial statements at December 31, 2021.

Bank deposits	\$ 5,730,958
Investments:	
Alaska Municipal League Investment Pool (AMLIP)	369,317
Certificates of deposit	253,617
<hr/>	
Total Cash and Investments	\$ 6,353,892

Investments

Investment Policy

The City is authorized to invest in the following instruments. All securities purchased by the City and all other City investments must mature not later than the time indicated below, measured from the date of the City's investment transaction.

1. Obligations of, or obligations insured or guaranteed by the United States or an agency or instrumentality of the United States - up to ten (10) years.
2. Certificates of deposit and other deposits at banks and savings and loans associations - up to ten (10) years.
3. Federally insured deposits at banks and savings and loan associations - up to ten (10) years.
4. Bonds and notes which are issued by a State or political subdivision thereof, or pursuant to the Tribal Tax Statutes Act 26 U.S.C. Sec. 7871 and which are rated AA or higher by a nationally recognized rating service - up to ten (10) years.
5. Commercial paper issued by corporations and having the highest rating given by a nationally recognized rating service - two hundred seventy (270) days.
6. Bankers acceptances drawn on and accepted (a) at banks, all of whose debt issues are rated at least AA or its equivalent by a nationally recognized rating service or (b) if the bank is a subsidiary of one bank holding company, all of whose commercially held paper has the highest rating given by a nationally recognized rating service or whose debt issues meet the requirements in (a) above - one hundred eighty (180) days.

City of Kotzebue, Alaska

Notes to Basic Financial Statements

7. Money market mutual funds whose portfolio consists entirely of instruments - maturity date not applicable, which are U.S. government, or U.S. government guaranteed obligations, which have a constant net asset value.
8. Repurchase agreements, the securities underlying the agreement being any of the items listed in subsection 1 and 6 of this section which meet a margin requirement of 102%.
9. The Alaska Municipal League Investment Pool, made in accordance with terms of that Pool's "Common Investment Agreement."

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The City of Kotzebue's investments at December 31, 2021 consisted of nonnegotiable certificates of deposit and investment in the Alaska Municipal League Investment Pool (AMLIP), which are not subject to interest rate risk.

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Cash equivalents include \$369,317 invested in the Alaska Municipal League Investment Pool). The Pool was rated a principal stability rating of AAAM by Standard & Poor's (S&P). Stand-alone financial statements can be obtained by writing to the Alaska Permanent Capital Management Co., 900 West Fifth Avenue, Suite 601, Anchorage, Alaska 99501 or visiting www.amlip.org.

The City does not have any recurring fair value measurements as of December 31, 2021.

The City has investments in certificates of deposit totaling \$253,617 that are not held at fair value, but instead recorded at amortized cost as of December 31, 2021.

Alaska Statute (AS) 37.23 provides for regulatory oversight of the Pool. The Statute provides requirements regarding authorized investments and reporting. The Pool is incorporated in Alaska as a nonprofit corporation and reports to a board of directors. AS 37.23.050 requires retention of an investment manager. The manager is required to produce monthly disclosure statements for the Pool. An investment advisor monitors the performance of the investment manager to ensure compliance with investment policies. The Pool must maintain a dollar-weighted average maturity of 90 days or less, and only purchase instruments having remaining maturities of 397 days or less. The fair value of the investments in the Pool are reviewed monthly by an independent pricing service. The Pool meets the standards for reporting investments at amortized cost with regard to portfolio requirements including maturity, quality, diversification, liquidity and shadow price. There are no restrictions or limitations on withdrawals from the Pool. As of December 31, 2021, the fair value of the investments in the Pool approximates the amortized cost at which they are reported. The fair value of our investments in the Pool is the same as the value of our Pool units.

City of Kotzebue, Alaska

Notes to Basic Financial Statements

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. Of the bank balance at December 31, 2021, \$250,000 was covered by the Federal Deposit Insurance Corporation (FDIC), \$5,341,546 was subject to a collateral agreement with the depository financial institutions and \$253,450 was not insured or collateralized.

3. Receivables

The City maintains accounts receivable balances of which a portion is reserved as an allowance for doubtful accounts. At December 31, 2021, receivables for the City's individual major funds and nonmajor funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	General	Nonmajor Governmental Funds	Total Governmental Funds
Accounts	\$ 207,120	\$ -	\$ 207,120
Grants and shared revenues	445,317	75,634	520,951
Sales tax	390,323	-	390,323
Total Receivables	\$ 1,042,760	\$ 75,634	\$ 1,118,394

	Major Enterprise Funds			Total Enterprise Funds
	Water & Sewer	Refuse	Package Store	
Accounts	\$ 334,852	\$ 204,027	\$ -	\$ 538,879
Grants and shared revenues	1,407,484	-	-	1,407,484
Total receivables	1,742,336	204,027	-	1,946,363
Less allowance for uncollectible accounts	(146,755)	(122,368)	-	(269,123)
Net Receivables	\$ 1,595,581	\$ 81,659	\$ -	\$ 1,677,240

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

City of Kotzebue, Alaska

Notes to Basic Financial Statements

4. Capital Assets

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

<i>Governmental Activities</i>	Balance December 31, 2020	Additions & Reclass	Deletions & Reclass	Balance December 31, 2021
Capital assets not being depreciated:				
Land and land improvements	\$ 575,000	\$ -	\$ -	\$ 575,000
Construction in progress	9,603,306	16,613,851	(176,828)	26,040,329
Total assets not being depreciated	10,178,306	16,613,851	(176,828)	26,615,329
Capital assets being depreciated:				
Infrastructure	-	773,908	-	773,908
Buildings	8,442,815	-	-	8,442,815
Small boat harbor	9,540,546	50,125	-	9,590,671
Machinery and equipment	4,096,564	333,555	(18,575)	4,411,544
Total capital assets being depreciated	22,079,925	1,157,588	(18,575)	23,218,938
Less accumulated depreciation for:				
Infrastructure	-	12,898	-	12,898
Buildings	4,547,320	221,790	-	4,769,110
Small boat harbor	2,692,563	478,281	-	3,170,844
Machinery and equipment	2,909,646	191,650	(18,575)	3,082,721
Total accumulated depreciation	10,149,529	904,619	(18,575)	11,035,573
Total capital assets being depreciated, net	11,930,396	252,970	-	12,183,365
Governmental Activity Capital Assets, net	\$ 22,108,702	\$ 16,866,820	\$ (176,828)	\$ 38,798,694

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City of Kotzebue, Alaska

Notes to Basic Financial Statements

<i>Business-type Activities</i>	Balance December 31, 2020	Additions & Reclass	Deletions & Reclass	Balance December 31, 2021
Capital assets not being depreciated:				
Land and land improvements	\$ 230,983	\$ -	\$ -	\$ 230,983
Construction in progress	10,626,483	10,856,710	-	21,483,193
Total assets not being depreciated	10,857,466	10,856,710	-	21,714,176
Capital assets being depreciated:				
Buildings	2,381,895	-	-	2,381,895
Improvements other than buildings	89,809,114	-	(4,900)	89,804,214
Machinery and equipment	4,206,322	232,046	-	4,438,368
Total capital assets being depreciated	96,397,331	232,046	(4,900)	96,624,477
Less accumulated depreciation for:				
Buildings	1,810,131	79,400	-	1,889,531
Improvements other than buildings	66,091,655	1,451,152	(4,900)	67,537,907
Machinery and equipment	3,712,823	124,362	-	3,837,185
Total accumulated depreciation	71,614,609	1,654,914	(4,900)	73,264,623
Total capital assets being depreciated, net	24,782,722	(1,422,868)	-	23,359,854
Business-type Activity Capital Assets, net	\$ 35,640,188	\$ 9,433,842	\$ -	\$ 45,074,030

Depreciation expense was charged to the functions as follows:

Governmental Activities

General government	\$ 62,914
Public safety	141,438
Public works	583,181
Parks and recreation	117,086
Total Depreciation Expense - Governmental Activities	\$ 904,619

Business-type Activities

Water and sewer utility	\$ 1,531,155
Refuse	123,759
Total Depreciation Expense - Business-type Activities	\$ 1,654,914

City of Kotzebue, Alaska

Notes to Basic Financial Statements

5. Interfund Receivables, Payables, Advances and Transfers

A schedule of interfund balances and transfers for the year ended December 31, 2021, follows:

Due from Other Funds

Due to the Water and Sewer Utility Enterprise Fund from:

Capital Projects Fund	\$ 50,125
Special Revenue Fund	135,983
Bar and Grill Fund	348,326
Refuse Fund	519,213

Total Due from Other Funds	\$ 1,053,647
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Transfers to Other Funds

From General Fund to:

Nonmajor governmental funds to close fund	\$ 2,495
Nonmajor governmental funds to close fund	6,967

From Water & Sewer Fund to:

General Fund	1,165,499
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From Package Fund to:

General Fund	523,793
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From Water & Sewer Fund to:

Nonmajor governmental funds	1,858,000
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Total Transfers	\$ 3,556,754
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City of Kotzebue, Alaska

Notes to Basic Financial Statements

6. Long-term Liabilities

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

<i>Governmental Activities</i>	Balance December 31, 2020	Additions	Deletions	Balance December 31, 2021	Due Within One Year
Accrued leave	\$ 227,380	\$ 424,270	\$ (459,997)	\$ 191,653	\$ 191,653
Net OPEB liability	8,913	-	(8,913)	-	-
Net pension liability	6,789,594	-	(937,423)	5,852,171	-
Total Governmental Activities	\$ 7,025,887	\$ 424,270	\$ (1,406,333)	\$ 6,043,824	\$ 191,653

The long-term liabilities related to governmental activities are generally liquidated by the General Fund.

<i>Business-type Activities</i>	Balance December 31, 2020	Additions	Deletions	Balance December 31, 2021	Due Within One Year
Accrued leave	\$ 30,765	\$ 138,853	\$ (123,944)	\$ 45,674	\$ 45,674
Estimated landfill closure costs	181,152	1,784	-	182,936	-
Net OPEB liability	12,618	-	(12,618)	-	-
Net pension liability	1,523,820	-	(284,102)	1,239,718	-
Total Business-type Activities	\$ 1,748,355	\$ 140,637	\$ (420,664)	\$ 1,468,328	\$ 45,674

7. Fund Balances

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

	General	Nonmajor Funds	Totals
Nonspendable - prepaid items	\$ 427,690	\$ 120,425	\$ 548,115
Committed - Refuse Capital Projects	-	1,408,000	1,408,000
Committed - Water & Sewer Capital Projects	-	450,000	450,000
Assigned - public safety	-	1,389	1,389
Unassigned	457,397	(120,425)	336,972
Total Fund Balances	\$ 885,087	\$ 1,859,389	\$ 2,744,476

City of Kotzebue, Alaska

Notes to Basic Financial Statements

8. Municipal Landfill Closure and Post closure Liability

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

Management estimates that one of the two existing cells are 100% full and the other cell is approximately 77% full. Cell one is fully capped. The \$182,936 reported as landfill closure liability at December 31, 2021 represents the estimated closing cost once the cell is at capacity. The remaining life of the cell currently being used is estimated to be approximately 23 years.

9. Pension and Other Postemployment Benefits Plan

(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 <http://doa.alaska.gov/dr/pers>. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on this website.

The Plan provides for retirement, death and disability, and postemployment healthcare benefits. There are three tiers of employees, based on entry date. For all tiers within the Defined Benefit (DB) plan, full retirement benefits are generally calculated using a formula comprised of a multiplier times the average monthly salary (AMS) times the number of years of service. The multiplier is increased at longevity milestone markers for most employees. 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

City of Kotzebue, Alaska

Notes to Basic Financial Statements

calculated against all PERS eligible wages, including wages paid to participants of the PERS Tier IV defined contribution plan described later in these notes. The Alaska Legislature has the power and authority to change the aforementioned statute through the legislative process.

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

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

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 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.

City of Kotzebue, Alaska

Notes to Basic Financial Statements

Contribution rates are actuarially determined. The City's contribution rates for the 2021 calendar year were as follows:

<i>January 1, 2021 to June 30, 2021</i>	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
Pension	14.57%	26.58%	8.85%
Postemployment healthcare (ARHCT)	7.43%	4.27%	-%
Total Contribution Rates	22.00%	30.85%	8.85%

<i>July 1, 2021 to December 31, 2021</i>	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
Pension	15.54%	26.99%	8.11%
Postemployment healthcare (ARHCT)	6.46%	3.12%	-%
Total Contribution Rates	22.00%	30.11%	8.11%

In 2021, the City was credited with the following contributions to the pension plan:

	Measurement Period July 1, 2020 to June 30, 2021	City Fiscal Year January 1, 2021 to December 31, 2021
Employer contributions (including DBUL)	\$ 642,530	\$ 630,003
Nonemployer contributions (on-behalf)	435,924	406,551
Total Contributions	\$ 1,078,454	\$ 1,036,554

In addition, employee contributions to the Plan totaled \$336,849 during the City's fiscal year.

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

At December 31, 2021, 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:

	2021
City proportionate share of NPL	\$ 7,091,889
State's proportionate share of NPL associated with the City	961,765
Total Net Pension Liability	\$ 8,053,654

City of Kotzebue, Alaska

Notes to Basic Financial Statements

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 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, 2021 measurement date, the City's proportion was 0.19332 percent, which was an increase of 0.05244 from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the City recognized pension expense of \$2,359,005 and on-behalf revenue of \$435,924 for support provided by the State. At December 31, 2021, 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
Difference between expected and actual experience	\$ -	\$ (31,419)
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(2,796,668)
Changes in proportion and differences between City contributions and proportionate share of contributions	435,226	-
City contributions subsequent to the measurement date	334,229	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	\$ 769,455	\$ (2,828,087)

The \$334,229 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,

2022	\$ (246,101)
2023	(640,607)
2024	(692,959)
2025	(813,194)
Total Amortization	\$ (2,392,861)

City of Kotzebue, Alaska

Notes to Basic Financial Statements

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the actuarial assumptions listed below, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021:

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 7.75% to 2.75% based on service. For all others, increases range from 6.75% to 2.75% based on service.
Allocation methodology	Amounts for the June 30, 2021 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 2023 to 2039. The liability is expected to go to zero at 2039.
Investment rate of return	7.38%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.88%.
Mortality	Pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual mortality experience. Pre-commencement mortality rates were based on 100% of the RP-2014 employee table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Post-commencement mortality rates were based on 91% of male and 96% of female rates of the RP-2014 healthy annuitant table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Deaths are assumed to be occupational 75% of the time for peace officers/firefighters, 40% of the time for all others.

The actuarial assumptions used in the June 30, 2020 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017, resulting in changes in actuarial assumptions effective for the June 30, 2018 actuarial valuation adopted by the Board to better reflect expected experience. The assumptions used in the June 30, 2020 actuarial valuation are the same as those used in the June 30, 2019 valuation, except the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from defined benefit pension plan assets.

City of Kotzebue, Alaska

Notes to Basic Financial Statements

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return, excluding the inflation component of 2.04%, for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad domestic equity	28%	6.63%
Global equity (non-U.S.)	19%	5.41%
Aggregate bonds	22%	0.76%
Opportunistic	6%	4.39%
Real assets	13%	3.16%
Private equity	12%	9.29%
Cash equivalents	-%	0.13%

Discount Rate

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

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

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

	Proportional Share	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
City's proportionate share of the net pension liability	0.19332%	\$ 10,504,074	\$ 7,091,887	\$ 4,225,214

Pension Plan Fiduciary Net Position

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

City of Kotzebue, Alaska

Notes to Basic Financial Statements

(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 comprehensive annual financial report for PERS, and at the following website, as noted above. <http://doa.alaska.gov/dr/pers>.

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

Benefit Terms

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service. Nonvested employer contributions are forfeited upon termination of employment from the Plan. Such forfeitures were applied in the year ended December 31, 2021 to cover a portion of the City's employer match contributions. For the year ended December 31, 2021, forfeitures reduced pension expense by \$52,900.

Employee Contribution Rate

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

Employer Contribution Rate

For the year ended December 31, 2021, the City was required to contribute 5% of covered salary into the Plan.

The City and employee contributions to PERS for pensions for the year ended December 31, 2021 were \$210,531 and \$336,849 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

City of Kotzebue, Alaska

Notes to Basic Financial Statements

PERS. The Plans are administered by the State of Alaska, Department of Administration. The OPEB plans are included in the comprehensive annual financial report for PERS, at the following website, as noted above. <http://doa.alaska.gov/drb/pers>.

Employer Contribution Rate

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

Employer contribution rates for the year ended December 31, 2021 were as follows:

<i>January 1, 2021 to June 30, 2021</i>	Other	Peace/Fire
Alaska Retiree Healthcare Trust	7.43%	7.43%
Retiree Medical Plan	1.27%	1.27%
Occupational Death and Disability Benefits	0.31%	0.70%
Total Contribution Rates	9.01%	9.40%
<i>July 1, 2021 to December 31, 2021</i>	Other	Peace/Fire
Alaska Retiree Healthcare Trust	6.46%	6.46%
Retiree Medical Plan	1.07%	1.07%
Occupational Death and Disability Benefits	0.31%	0.68%
Total Contribution Rates	7.84%	8.21%

In 2021, the City was credited with the following contributions to the OPEB plans:

	Measurement Period July 1, 2020 to June 30, 2021	City Fiscal Year January 1, 2021 to December 31, 2021
Employer contributions - ARHCT	\$ 55,072	\$ 46,609
Employer contributions - RMP	54,330	49,071
Employer contributions - ODD	19,510	18,534
Nonemployer contributions (on-behalf)- ARHCT	-	-
Total Contributions	\$ 128,912	\$ 114,214

City of Kotzebue, Alaska

Notes to Basic Financial Statements

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

At December 31, 2021, 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	\$ 4,981,814
City's proportionate share of NOA - RMP	78,577
City's proportionate share of NOA - ODD	161,208
Total City's Proportionate Share of NOA	\$ 5,221,599
State's proportionate share of the ARHCT NOA associated with the City	\$ 654,504
Total Net OPEB Asset	\$ 5,876,103

The total OPEB liabilities (asset) for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 to calculate the net OPEB liabilities (asset) as of that date. The City's proportion of the net OPEB liabilities (asset) were based on a projection of the City's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

	June 30, 2020 Measurement Date Employer Proportion	June 30, 2021 Measurement Date Employer Proportion	Change
City's proportionate share of the net OPEB liabilities (asset):			
ARHCT	0.14090%	0.19420%	0.05330 %
RMP	0.30357%	0.29274%	(0.01083)%
ODD	0.39778%	0.36577%	(0.03201)%

For the year ended December 31, 2021, the City recognized OPEB expense of \$(1,830,926). Of this amount, \$(227,088) was recorded for on-behalf revenue and expense for support provided by the ARHCT plan. OPEB expense and on-behalf revenue is listed by plan in the table below:

Plan	OPEB expense	On-behalf revenue
ARHCT	\$ (1,854,069)	\$ (227,088)
RMP	26,062	-
ODD	(2,919)	-
Total	\$ (1,830,926)	\$ (227,088)

City of Kotzebue, Alaska

Notes to Basic Financial Statements

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

<i>Deferred Outflows of Resources</i>	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ -	\$ 5,842	\$ -	\$ 5,842
Changes in assumptions	-	24,423	-	24,423
Changes in benefits	-	-	-	-
Difference between projected and actual investment earnings	-	-	-	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	2,827	8,330	11,157
City contributions subsequent to the measurement date	21,679	23,559	9,500	54,738

Total Deferred Outflows of Resources Related to OPEB Plans	\$ 21,679	\$ 56,652	\$ 17,830	\$ 96,160
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<i>Deferred Inflows of Resources</i>	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ (52,317)	\$ (3,736)	\$ (44,031)	\$ (100,084)
Changes in assumptions	(188,264)	(46,698)	(1,225)	(236,187)
Changes in benefits	-	-	-	-
Difference between projected and actual investment earnings	(2,331,222)	(70,297)	(25,850)	(2,427,369)
Changes in proportion and differences between City contributions and proportionate share of contributions	(76,039)	(2,032)	(9,897)	(87,968)

Total Deferred Inflows of Resources Related to OPEB Plans	\$ (2,647,842)	\$ (122,763)	\$ (81,003)	\$ (2,851,608)
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Amounts reported as deferred outflows of resources related to OPEB plans resulting from City contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liabilities (asset) in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<i>Year Ending December 31,</i>	ARHCT	RMP	ODD	Total
2022	\$ (862,753)	\$ (19,158)	\$ (14,317)	\$ (896,228)
2023	(536,873)	(19,191)	(14,300)	(570,364)
2024	(576,489)	(19,901)	(14,572)	(610,962)
2025	(671,727)	(22,140)	(15,434)	(709,301)
2026	-	(2,633)	(8,155)	(10,788)
Thereafter	-	(6,648)	(5,895)	(12,543)
Total Amortization	\$ (2,647,842)	\$ (89,671)	\$ (72,673)	\$ (2,810,186)

City of Kotzebue, Alaska

Notes to Basic Financial Statements

Actuarial Assumptions

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2021:

Actuarial cost method	Entry Age Normal
Amortization method	Unfunded Accrued Actuarial Liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	Graded by service, from 7.75% to 2.75% for Peace Officer/Firefighter. Graded by service from 6.75% to 2.75% for all others.
Allocation methodology	Amounts for the June 30, 2021 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 2023 to 2039.
Investment rate of return	7.38%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.88%.
Healthcare cost trend rates	Pre-65 medical: 6.5% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Prescription drug: 7.5% grading down to 4.5% EGWP: 7.5% grading down to 4.5%
Mortality (ARHCT, RMP and ODD Plans)	Pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual mortality experience. Post-commencement mortality rates were based on 91% of the male rates and 96% of the female rates of the RP-2014 healthy annuitant table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. The rates for pre-commencement mortality were 100% of the RP-2014 employee table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement.
(ODD Plan)	Deaths are assumed to be occupational 75% of the time for peace officers/firefighters, 40% of the time for all others. Disability mortality in accordance with the RP-2014 Disabled Table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement.
Participation (ARHCT)	100% system paid of members and their spouses are assumed to elect the healthcare benefits paid as soon as they are eligible. 20% of non-system paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.

City of Kotzebue, Alaska

Notes to Basic Financial Statements

The actuarial assumptions used in the June 30, 2020 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017, resulting in changes in actuarial assumptions effective for the June 30, 2018 actuarial valuation adopted by the Board to better reflect expected experience. The assumptions used in the June 30, 2020 actuarial valuation are the same as those used in the June 30, 2019 valuation with the following exceptions:

1. Per capita claims costs were updated to reflect recent experience.
2. Retired member contributions were updated to reflect the 5% decrease from calendar year (CY) 20 and CY 21.
3. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid for postretirement healthcare plan assets.

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of postretirement healthcare plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic rates of return, excluding the inflation component of 2.50% for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad domestic equity	28%	6.63%
Global equity (non-U.S.)	19%	5.41%
Aggregate bonds	22%	0.76%
Opportunistic	6%	4.39%
Real assets	13%	3.16%
Private equity	12%	9.29%
Cash equivalents	-%	0.13%

Discount Rate

The discount rate used to measure the total OPEB liability for each plan as of June 30, 2021 was 7.38%. The discount rate used did not change from the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the fiduciary net position of each plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability for each plan.

City of Kotzebue, Alaska

Notes to Basic Financial Statements

Sensitivity of the Net OPEB Asset 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 7.38%, 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:

	Proportional Share	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
City's proportionate share of the net OPEB asset:				
ARHCT	0.19420%	\$ (3,258,031)	\$ (4,981,814)	\$ (6,413,287)
RMP	0.29274%	\$ 51,285	\$ (78,577)	\$ (176,661)
ODD	0.36577%	\$ (154,363)	\$ (161,207)	\$ (166,657)

Sensitivity of the Net OPEB Asset 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 2020 actuarial valuation reports as well as what the City's proportionate share of the respective plan's net OPEB asset would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	Proportional Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
City's proportionate share of the net OPEB asset:				
ARHCT	0.19420%	\$ (6,580,858)	\$ (4,981,814)	\$ (3,052,184)
RMP	0.29274%	\$ (190,701)	\$ (78,577)	\$ 74,200
ODD	0.36577%	\$ n/a	\$ n/a	\$ n/a

OPEB Plan Fiduciary Net Position

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

(d) Defined Contribution OPEB Plans

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

City of Kotzebue, Alaska

Notes to Basic Financial Statements

Contribution Rate

AS 39.30.370 establishes this contribution amount as “three percent of the average annual employee compensation of *all employees of all employers* in the plan”. As of July 1, 2021, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,168 per year for each full-time employee, and \$1.39 per hour for part-time employees.

Annual Postemployment Healthcare Cost

In 2021, the City contributed \$119,627 in DC OPEB costs. These amounts have been recognized as expense/expenditures.

10. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all full-time employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. In accordance with the Internal Revenue Code, all assets and income of the Plan are held in trust for the exclusive benefit of participants and their beneficiaries.

11. Risk Management

The City faces a considerable number of risks of loss, including (a) damage to and loss of property and contents, (b) employee torts, (c) professional liability; i.e., errors and omissions, (d) environmental damage, (e) workers' compensation; i.e., employee injuries, and (f) medical insurance costs of employees. Commercial policies, transferring the risk of loss, except for relatively small deductible amounts, are purchased for employee medical costs. The City participates in the Alaska Municipal League Joint Insurance Association (AML/JIA) which provides insurance coverage for property and contents damage, torts, general and automobile liability, and workers' compensation. The City has no coverage for potential losses from environmental pollution damages. The AML/JIA is a public City risk pool organized to share risks among its members. The Association's bylaws provide for the assessment of supplemental contributions from members in the event that losses and expenses for any coverage year exceed the annual contributions and income earned on such contributions for the year. Such supplemental contributions shall be based upon each member's annual deposit contribution in comparison to the aggregate annual deposit contributions of all members. The Association made no supplemental assessments during the year ended December 31, 2021. Coverage limits and the deductibles on the policies have stayed relatively constant for the last several years.

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City of Kotzebue, Alaska
Notes to Basic Financial Statements

12. Contingencies

Grants

Amounts received or receivable from granting agencies are subject to audit and adjustment by the granting agency. Any disallowed grant expenditures, including amounts already collected, would become a liability of the City.

Other

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

13. Risk and Uncertainty

COVID-19 & CARES Act

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

The City's operations are heavily dependent upon the ability to collect sales taxes and charges for services. Additionally, the City also receives significant grant funding from the federal government and State of Alaska. The coronavirus pandemic has adversely impacted economic and financial market conditions, both globally and locally. It is possible that the coronavirus pandemic will adversely impact the City's tax revenue base, demand for services, access to federal and state grant funding, as well as depress the value of the City's investments in marketable securities.

The City has incurred additional, previously unbudgeted expenditures as a result of the pandemic during the year ended December 31, 2020 as well as the year ending December 31, 2021. These restrictions are primarily the result of travel and health restrictions which have negatively impacted the local economy and City workforce.

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief and Economic Security (CARES) Act." The CARES Act, among other things, appropriated funds for the Coronavirus Relief Fund to be used to make payments for specified uses to States and certain local governments. Subsequent to year end, the City received an award of \$3,179,601 from the Coronavirus Relief Fund (CRF), passed through the State of Alaska, for the year ended December 31, 2020. The City applied \$3,179,601 in CRF funding toward eligible expenditures in fiscal year 2020 and received payments of \$2,484,394 and \$695,207 in fiscal year 2020 and 2021, respectively. This award provided substantial relief to the City to help pay for the previously unbudgeted expenditures as a result of the pandemic.

During 2021 the City received a second award of \$785,667 as a non-entitlement unit via the Coronavirus State and Local Fiscal Recovery Funds program established by the American Rescue Plant Act of 2021. These funds, among other things, were used to assist in lost revenues of the City as a result of the COVID-19 outbreak. The City expended the full balance of the award and received \$391,780 of the award during 2021 with the remaining outstanding balance to be received at a later date within the terms of the award.

City of Kotzebue, Alaska

Notes to Basic Financial Statements

While the initial direct impacts of the COVID-19 pandemic have lessened as time progresses and the economy recovers, the full extent of the COVID-19 pandemic itself will not be determinable for years to come as the U.S. economy as a whole has seen lasting inflationary pressure. Management actively monitoring the rising cost of goods and services is continuing to monitor the lasting impacts of the pandemic to support the health and prosperity of the community.

14. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several new accounting standards with upcoming implementation dates (effective dates are adjusted for the issuance of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance). The following new accounting standards were implemented by the City of Kotzebue for 2022 reporting:

GASB Statement No. 87 - Leases - Effective for year-end June 30, 2022. This Statement addresses accounting and financial reporting for certain lease assets and liabilities for leases that previously were classified as operating leases. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

GASB Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period - Effective for year-end June 30, 2022. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

GASB Statement No. 92 - Omnibus 2020 - Provisions of this Statement related to the effective date of Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The effective date for all other provisions of the Statement are to be implemented for year-end June 30, 2022. This Statement addresses a variety of topics such as leases, the applicability of Statement No. 73 and Statement No. 74 for reporting assets accumulated for postemployment benefits, the applicability of Statement No. 84 to postemployment benefit arrangements, the measurements of liabilities and assets related to asset retirement obligations in a government acquisition, reporting of public entity risk pools, referencing to nonrecurring fair value measurements, and terminology used to refer to derivative instruments.

GASB Statement No. 93 - Replacement of Interbank Offered Rates - The provisions of this Statement, except for paragraph 11b, 13 and 14, are required to be implemented for year-end June 30, 2021. The requirements in paragraph 11b, 13 and 14 are required to be implemented for year-end June 30, 2022. This Statement addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR).

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

City of Kotzebue, Alaska

Notes to Basic Financial Statements

GASB Statement No. 98 - The Annual Comprehensive Financial Report - Effective for year-end June 30, 2022. Earlier application is encouraged. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

The GASB has issued several new accounting standards with upcoming implementation dates (effective dates adjusted for the issuance of GASB Statement No. 95). 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. 91 - Conduit Debt Obligations - Effective for year-end June 30, 2023. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit obligations, and related note disclosures. This Statement clarifies the definition of a conduit debt obligation and establishes standards for related accounting and financial reporting.

GASB Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements - Effective for year-end June 30, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and also provides guidance for accounting and financial reporting for availability payment arrangements (APA).

GASB Statement No. 96 - Subscription-Based Information Technology Arrangements - Effective for year-end June 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement, among other things, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability, provides capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA.

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.

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.

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.

Required Supplementary Information

City of Kotzebue, Alaska

General Fund

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

<i>Year Ended December 31, 2021</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 4,425,502	\$ 4,613,000	\$ 4,464,844	\$ (148,156)
Intergovernmental - Federal Government	125,000	-	15,889,224	15,889,224
Intergovernmental - State of Alaska	1,410,633	1,360,851	1,476,770	115,919
Charges for services	1,495,000	1,495,000	1,433,842	(61,158)
Investment income	22,000	22,000	(593)	(22,593)
Other	200,775	167,375	356,337	188,962
Total Revenues	7,678,910	7,658,226	23,620,424	15,962,198
Expenditures				
General government	1,804,182	1,895,849	1,705,880	189,969
Public safety	4,168,596	4,488,816	4,079,246	409,570
Public works	2,239,972	3,531,386	19,031,038	(15,499,652)
Community services	50,000	40,000	76,597	(36,597)
Small boat harbor	75,350	75,350	64,952	10,398
Parks and recreation	399,500	333,050	332,079	971
Nondepartmental	15,000	15,000	10,462	4,538
Total Expenditures	8,752,600	10,379,451	25,300,254	(14,920,803)
Excess of revenues over (under) expenditures	(1,073,690)	(2,721,225)	(1,679,830)	1,041,395
Other Financing Sources (Uses)				
Transfers in	1,144,728	2,027,719	1,689,292	(338,427)
Transfers out	(1,144,728)	(61,091)	(9,462)	51,629
Net Other Financing Sources (Uses)	-	1,966,628	1,679,830	(286,798)
Net change in fund balance	<u>\$ (1,073,690)</u>	<u>\$ (754,597)</u>	<u>-</u>	<u>\$ 754,597</u>
Fund Balance, beginning			<u>885,087</u>	
Fund Balance, ending			<u>\$ 885,087</u>	

See accompanying notes to Required Supplementary Information.

City of Kotzebue, Alaska

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

<i>Years Ended December 31,</i>	2021	2020	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability	0.19332%	0.14088%	0.12462%	0.16638%	0.13850%	0.17870%	0.13530%
City's Proportionate Share of the Net Pension Liability	\$ 7,091,889	\$ 8,313,413	\$ 6,821,839	\$ 8,267,291	\$ 7,157,428	\$ 9,988,174	\$ 6,561,009
State of Alaska Proportionate Share of the Net Pension Liability	961,765	3,438,730	2,709,407	2,395,921	2,667,186	1,260,828	1,758,881
Total Net Pension Liability	\$ 8,053,654	\$ 11,752,143	\$ 9,531,246	\$ 10,663,212	\$ 9,824,614	\$ 11,249,002	\$ 8,319,890
City's Covered Payroll	5,168,392	4,985,016	4,401,509	4,288,089	4,508,694	4,497,656	4,342,363
City's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	137.22%	166.77%	154.99%	192.80%	158.75%	222.08%	151.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.46%	61.61%	63.42%	65.19%	63.37%	59.55%	63.96%

Schedule of City Contributions

<i>Years Ended December 31,</i>	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 630,003	\$ 608,968	\$ 478,079	\$ 498,261	\$ 470,028	\$ 420,047	\$ 389,048
Contributions Relative to the Contractually Required Contribution	630,003	608,968	478,079	498,261	470,028	420,047	389,048
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Covered Payroll	4,881,682	5,455,102	4,514,929	4,288,089	4,508,694	4,497,656	4,342,363
Contributions as a Percentage of Covered Payroll	12.91%	11.16%	10.59%	11.62%	10.42%	9.34%	8.96%

See accompanying notes to Required Supplementary Information.

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

Years Ended December 31,	ARHCT				RMP				ODD			
	2021	2020	2019	2018	2021	2020	2019	2018	2021	2020	2019	2018
City's Proportion of the Net OPEB Liability (Asset)	0.19420%	0.14090%	0.12455%	0.16638%	0.29274%	0.30357%	0.28296%	0.28219%	0.36577%	0.39778%	0.39521%	0.28219%
City's Proportionate Share of the Net OPEB Liability (Asset)	(4,981,814)	(638,143)	184,805	1,707,569	(78,577)	21,532	67,696	35,909	(161,207)	(108,436)	(95,820)	(54,807)
State of Alaska Proportionate Share of the Net OPEB Liability	(654,504)	(264,562)	73,522	495,223	-	-	-	-	-	-	-	-
Total Net OPEB Liability (Asset)	\$ (5,636,318)	\$ (902,705)	\$ 258,327	\$ 2,202,792	\$ (78,577)	\$ 21,532	\$ 67,696	\$ 35,909	\$ (161,207)	\$ (108,436)	\$ (95,820)	\$ (54,807)
City's Covered Payroll	3,063,088	4,985,016	5,575,055	4,508,694	3,063,088	4,985,016	5,575,055	1,795,350	3,063,088	4,985,016	5,575,055	1,795,350
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-162.64%	-12.80%	3.31%	37.87%	-2.57%	0.43%	1.21%	2.00%	-5.26%	-2.18%	-1.72%	-3.05%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	135.54%	106.15%	98.13%	88.12%	115.10%	95.23%	83.17%	88.71%	374.22%	283.80%	297.43%	270.62%

Schedule of the City's Contributions

Years Ended December 31,	ARHCT				RMP				ODD			
	2021	2020	2019	2018	2021	2020	2019	2018	2021	2020	2019	2018
Contractually Required Contributions	\$ 46,609	\$ 134,873	\$ 182,356	\$ 165,894	\$ 49,071	\$ 57,977	\$ 41,323	\$ 32,053	\$ 18,534	\$ 19,807	\$ 15,961	\$ 12,220
Contributions Relative to the Contractually Required Contribution	46,609	134,873	182,356	165,894	49,071	57,977	41,323	32,053	18,534	19,807	15,961	12,220
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	671,073	5,455,102	4,514,929	4,288,089	4,210,609	5,455,102	4,514,929	2,203,386	4,210,609	5,455,102	4,514,929	2,203,386
Contributions as a Percentage of Covered Payroll	6.95%	2.47%	4.04%	3.87%	1.17%	1.06%	0.92%	1.45%	0.44%	0.36%	0.35%	0.55%

See accompanying notes to Required Supplementary Information.

City of Kotzebue, Alaska

Notes to Required Supplementary Information, continued December 31, 2021

1. Public Employees' Retirement System Pension Plan

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

This table is presented based on the Plan measurement date. For December 31, 2021, the Plan measurement date is June 30, 2021.

Changes in Assumptions:

The actuarial assumptions used in the June 30, 2020 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017, resulting in changes in actuarial assumptions effective for the June 30, 2018 actuarial valuation adopted by the Board to better reflect expected experience. The assumptions used in the June 30, 2020 actuarial valuation are the same as those used in the June 30, 2019 valuation, except the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from defined benefit pension plan assets.

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

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

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

Schedule of City Contributions

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

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

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City of Kotzebue, Alaska

Notes to Required Supplementary Information, continued December 31, 2021

2. Public Employees' Retirement System OPEB Plans

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

This table is presented based on the Plan measurement date. For December 31, 2021, the Plan measurement date is June 30, 2021.

Changes in Assumptions:

The actuarial assumptions used in the June 30, 2020 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017, resulting in changes in actuarial assumptions effective for the June 30, 2018 actuarial valuation adopted by the Board to better reflect expected experience. The assumptions used in the June 30, 2020 actuarial valuation are the same as those used in the June 30, 2019 valuation with the following exceptions:

4. Per capita claims costs were updated to reflect recent experience.
5. Retired member contributions were updated to reflect the 5% decrease from calendar year (CY) 20 to CY 21.
6. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid for postretirement healthcare plan assets.

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

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

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

Schedule of City Contributions

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

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

Supplementary Information

City of Kotzebue, Alaska
Nonmajor Governmental Funds
Combining Balance Sheet

Year Ended December 31, 2021	Special Revenue Funds			Capital Project Funds			Total Nonmajor Governmental Funds
	Emergency Services E911	Forfeiture	AEA Lights	Legislative Grants	Repairs and Replacement	Village Improve- ment	
Assets							
Cash and investments	\$ -	\$ 1,389	\$ -	\$ -	\$ 1,858,000	\$ 250,000	\$ 2,109,389
Receivables - grants	-	-	25,509	50,125	-	-	75,634
Prepaid items	120,424	-	-	-	-	-	120,424
Total Assets	120,424	1,389	25,509	50,125	1,858,000	250,000	2,305,447
Liabilities and Fund Balances							
Liabilities							
Accounts payable	9,950	-	-	-	-	-	9,950
Due to other funds	110,474	-	25,509	50,125	-	-	186,108
Unearned revenue	-	-	-	-	-	250,000	250,000
Total Liabilities	120,424	-	25,509	50,125	-	250,000	446,058
Fund Balances							
Nonspendable - prepaid	120,424	-	-	-	-	-	120,424
Committed - Refuse Capital Projects	-	-	-	-	1,408,000	-	1,408,000
Committed - Water & Sewer Capital Projects	-	-	-	-	450,000	-	450,000
Assigned for public safety	-	1,389	-	-	-	-	1,389
Unassigned	(120,424)	-	-	-	-	-	(120,424)
Total Fund Balances	-	1,389	-	-	1,858,000	-	1,859,389
Total Liabilities and Fund Balances	\$ 120,424	\$ 1,389	\$ 25,509	\$ 50,125	\$ 1,858,000	\$ 250,000	\$ 2,305,447

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

<i>Year Ended December 31, 2021</i>	Special Revenue Funds			Capital Project Funds		Total Nonmajor Governmental Funds
	Emergency Services E911	Forfeiture	AEA Lights	Legislative Grants	Repairs and Replacement	
Revenues						
Intergovernmental	\$ 483,490	\$ -	\$ 25,509	\$ 50,125	\$ -	\$ 559,124
Local interest	-	1	-	-	-	1
Total Revenues	483,490	1	25,509	50,125	-	559,125
Expenditures						
Public safety	485,985	-	-	-	-	485,985
Capital outlay	-	-	32,476	50,125	-	82,601
Total Expenditures	485,985	-	32,476	50,125	-	568,586
Excess of revenues over (under) expenditures	(2,495)	1	(6,967)	-	-	(9,461)
Other Financing Sources (Uses)						
Transfers in	2,495	-	6,967	-	1,858,000	1,867,462
Transfers out	-	-	-	-	-	-
Net Other Financing Sources (Uses)	2,495	-	6,967	-	1,858,000	1,867,462
Net change in fund balances	-	1	-	-	1,858,000	1,858,001
Fund Balances, beginning	-	1,388	-	-	-	1,388
Fund Balances, ending	\$ -	\$ 1,389	\$ -	\$ -	\$ 1,858,000	\$ 1,859,389

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General Fund

The General Fund accounts for the financial operations of City of Kotzebue which are not accounted for in any other fund. Principal sources of revenues are intergovernmental revenues, charges for services, and sales tax. Primary expenditures in the General Fund are for general government, public safety and public works.

City of Kotzebue, Alaska

General Fund
Balance Sheet

<i>December 31,</i>	2021	2020
Assets		
Cash and investments	\$ 251,265	\$ -
Receivables:		
Accounts	207,120	58,520
Grants and shared revenues	445,317	1,512,278
Sales tax	390,323	471,370
Prepaid items	427,690	268,135
Total Assets	\$ 1,721,715	\$ 2,310,303
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities		
Accounts payable	\$ 132,545	\$ 152,255
Accrued payroll and payroll liabilities	293,510	107,605
Due to other funds	-	1,040,612
Total Liabilities	426,055	1,300,472
Deferred Inflows of Resources		
Delinquent sales taxes	10,643	19,169
ARPA revenues	393,887	-
Ambulance contribution	-	100,000
E-911 surcharge revenues	6,043	5,575
Total Deferred Inflows of Resources	410,573	124,744
Fund Balance		
Nonspendable - prepaid items	427,690	268,135
Restricted for 911 services	-	59,346
Unassigned	457,397	557,606
Total Fund Balance	885,087	885,087
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 1,721,715	\$ 2,310,303

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

<i>Years Ended December 31,</i>	2021			2020
	Final Budget	Actual	Variance	Actual
Revenues				
Taxes:				
Sales tax	\$ 3,944,000	\$ 3,817,351	\$ (126,649)	\$ 3,721,386
Alcohol use tax	182,000	180,432	(1,568)	172,394
Tobacco use tax	360,000	356,257	(3,743)	340,775
Hotel and bed tax	100,000	102,786	2,786	73,790
Penalties and interest	27,000	8,018	(18,982)	9,250
Total taxes	4,613,000	4,464,844	(148,156)	4,317,595
Intergovernmental:				
Federal Government:				
Department of Transportation	-	15,446,014	15,446,014	-
ARPA funding	-	391,780	391,780	3,179,601
Other	-	51,430	51,430	-
Total Federal Government	-	15,889,224	15,889,224	3,179,601
State of Alaska:				
Jail contract	982,050	982,050	-	982,050
State revenue sharing	88,180	88,180	-	76,047
PERS relief	200,000	311,995	111,995	340,647
Fisheries business shared tax	5,000	8,924	3,924	4,737
Electric and telephone co-op tax	85,621	85,621	-	98,441
Total State of Alaska	1,360,851	1,476,770	115,919	1,501,922
Charges for services:				
Administration fees	530,000	530,000	-	487,000
Ambulance services	965,000	903,842	(61,158)	849,363
Total charges for services	1,495,000	1,433,842	(61,158)	1,336,363

City of Kotzebue, Alaska

Exhibit G-2, continued

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

Years Ended December 31,	2021			2020
	Final Budget	Actual	Variance	Actual
Revenues, continued				
Investment income	\$ 22,000	\$ (593)	\$ (22,593)	\$ 21,020
Other revenues:				
Other rentals and leases	19,500	16,145	(3,355)	19,130
Permits, licenses and fines	17,500	24,679	7,179	15,165
Community activities	3,000	5,000	2,000	3,000
Other	127,375	310,513	183,138	103,499
Total other revenues	167,375	356,337	188,962	140,794
Total Revenues	7,658,226	23,620,424	124,404	10,497,295
Expenditures				
General government:				
City council and clerk:				
Personnel	191,816	179,049	12,767	185,044
Books and publications	2,000	653	1,347	1,897
Supplies	4,000	3,426	574	3,567
Other services and charges	5,540	1,128	4,412	1,720
Telephone	3,500	1,871	1,629	3,170
Travel and per diem	15,000	4,450	10,550	1,841
Training	2,000	1,550	450	-
Dues and memberships	4,000	4,417	(417)	4,274
Insurance	1,500	1,485	15	1,111
Advertising	1,000	284	716	-
Total city council and clerk	230,356	198,313	32,043	202,624
Administration:				
Personnel	829,918	677,026	152,892	911,036
Electricity	7,200	8,524	(1,324)	7,033
Heating fuel	9,500	9,082	418	9,815
Books and publications	700	326	374	326
Supplies	16,000	30,326	(14,326)	13,463
Other services and charges	24,000	29,015	(5,015)	21,289
Telephone	30,000	30,432	(432)	32,117

City of Kotzebue, Alaska

Exhibit G-2, continued

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

Years Ended December 31,	2021			2020
	Final Budget	Actual	Variance	Actual
Expenditures, continued				
General government, continued:				
Administration, continued:				
Travel and per diem	\$ 16,000	\$ 5,931	\$ 10,069	\$ 18,394
Training	10,000	399	9,601	599
Ambulance 3rd-party billing fees	35,000	23,761	11,239	24,046
Dues and memberships	500	724	(224)	-
Postage	6,075	3,336	2,739	3,471
Other consulting	95,000	116,344	(21,344)	70,993
Auditing and consulting	275,000	287,399	(12,399)	71,287
Legal	150,000	123,502	26,498	106,685
Insurance	7,000	13,639	(6,639)	5,522
Lobbying	100,000	99,385	615	98,750
Repairs and maintenance	50,600	41,438	9,162	26,084
Equipment and capital outlay	3,000	6,978	(3,978)	2,118
Total administration	1,665,493	1,507,567	157,926	1,423,028
Total general government	1,895,849	1,705,880	189,969	1,625,652
Public safety:				
Police:				
Personnel	1,484,474	1,197,374	287,100	1,448,016
Electricity	8,500	6,900	1,600	7,568
Heating fuel	7,000	4,936	2,064	6,782
Clothing	5,300	5,299	1	4,556
Supplies	21,200	10,452	10,748	37,674
Other services and charges	16,250	657	15,593	6,814
Telephone	8,000	6,431	1,569	7,064
Travel and per diem	11,587	6,819	4,768	3,552
Employee rent	5,000	1,521	3,479	4,659
Training	35,000	12,879	22,121	16,862
Dues and memberships	750	670	80	494
Consulting	18,413	21,893	(3,480)	14,523
Insurance	125,000	137,014	(12,014)	120,121
Advertising	1,000	138	862	234
Vehicle fuel	22,500	32,631	(10,131)	27,742
Repairs and maintenance	14,500	8,741	5,759	14,315
Equipment and capital outlay	79,460	78,254	1,206	135,464
Animal control	2,000	-	2,000	718

City of Kotzebue, Alaska

Exhibit G-2, continued

Total police	1,865,934	1,532,609	333,325	1,857,158
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General Fund

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

City of Kotzebue, Alaska

Exhibit G-2, continued

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

Years Ended December 31,	2021			2020
	Final Budget	Actual	Variance	Actual
Expenditures, continued				
Public safety, continued:				
Jail:				
Personnel	\$ 935,000	\$ 841,560	\$ 93,440	\$ 941,966
Electricity	10,000	11,281	(1,281)	12,278
Heating fuel	55,835	39,225	16,610	67,969
Supplies	40,139	23,451	16,688	20,859
Clothing	3,350	3,314	36	1,171
Telephone	7,000	5,537	1,463	6,128
Travel and per diem	10,000	3,081	6,919	8,215
Training	3,000	630	2,370	1,161
Employee rent	15,700	10,314	5,386	9,900
Television	1,050	1,097	(47)	891
Dues and memberships	150	-	150	-
Consulting	14,331	16,581	(2,250)	10,304
Insurance	90,000	109,667	(19,667)	92,064
Repairs and maintenance	11,000	9,737	1,263	12,327
Equipment and capital outlay	-	37,202	(37,202)	59,673
Total jail	1,196,555	1,112,677	83,878	1,244,906
Fire and emergency medical services:				
Personnel	1,261,472	1,270,458	(8,986)	1,217,883
Electricity	14,000	15,505	(1,505)	13,206
Heating fuel	55,000	62,108	(7,108)	63,817
Supplies	7,500	5,790	1,710	5,716
Other services and charges	5,500	2,122	3,378	2,410
Clothing	5,000	2,379	2,621	4,474
Telephone	3,280	2,220	1,060	2,803
Travel and per diem	15,000	8,036	6,964	2,253
Training	12,825	11,181	1,644	3,135
Insurance	8,500	9,073	(573)	7,821
Vehicle fuel	9,000	15,197	(6,197)	12,663
Repairs and maintenance	26,500	28,653	(2,153)	12,926
Equipment and capital outlay	2,750	1,238	1,512	28,754
Total fire and emergency medical services	1,426,327	1,433,960	(7,633)	1,377,861
Total public health support	-	-	-	485,945

City of Kotzebue, Alaska

Exhibit G-2, continued

Total public safety	4,488,816	4,079,246	409,570	4,965,870
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General Fund**Schedule of Revenues, Expenditures and Changes in
Fund Balance (Deficit) - Budget and Actual, continued**

City of Kotzebue, Alaska

Exhibit G-2, continued

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

Years Ended December 31,	2021			2020
	Final Budget	Actual	Variance	Actual
Expenditures, continued				
Public works:				
Public works:				
Personnel	1,263,750	1,320,810	(57,060)	1,286,650
Street lighting	70,000	72,321	(2,321)	68,251
Electricity	13,000	11,363	1,637	11,146
Heating fuel	110,000	107,751	2,249	104,197
Supplies	-	12,827	(12,827)	5,712
Sign replacement	1,000	-	1,000	-
Clothing	4,500	1,462	3,038	4,600
Telephone	5,000	7,716	(2,716)	5,091
Travel and per diem	2,500	-	2,500	1,363
Training	5,000	(285)	5,285	-
Dues and memberships	1,400	809	591	431
Professional services	30,000	2,915	27,085	12,952
Insurance	12,000	17,780	(5,780)	11,069
Vehicle fuel	110,000	66,495	43,505	90,719
Repairs and maintenance	197,500	156,301	41,199	119,065
Gravel	30,000	29,580	420	11,280
Equipment and capital outlay	1,426,875	16,915,552	(15,488,677)	3,610
Total public works	3,282,525	18,723,397	(15,440,872)	1,736,136
Public works, continued:				
Planning:				
Personnel	\$ 125,001	\$ 137,753	\$ (12,752)	\$ 227,539
Supplies	1,500	1,216	284	1,581
Other services and charges	610	25	585	30
Telephone	500	902	(402)	290
Travel and per diem	2,500	-	2,500	4,167
Professional services	110,000	161,245	(51,245)	-
Insurance	2,000	1,980	20	1,668
Repairs and maintenance	2,750	3,866	(1,116)	2,219
Equipment and capital outlay	4,000	654	3,346	1,379
Total planning	248,861	307,641	(58,780)	238,873
Total public works	3,531,386	19,031,038	(15,499,652)	1,975,009

City of Kotzebue, Alaska

Exhibit G-2, continued

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

Years Ended December 31,	2021			2020
	Final Budget	Actual	Variance	Actual
Expenditures, continued				
Community services:				
Community support	10,000	3,003	6,997	4,525
Kotzebue Broadcasting Inc.	10,000	10,000	-	10,000
Northwest Arctic Borough - ice roads	-	49,351	(49,351)	-
Scholarship Fund	20,000	12,500	7,500	16,000
4th of July celebration	-	1,743	(1,743)	900
Total community services	40,000	76,597	(36,597)	31,425
Small boat harbor:				
Personnel	54,850	39,038	15,812	45,371
R&R docks annually	1,000	1,052	(52)	162
Insurance	9,000	13,178	(4,178)	10,058
Electricity	10,000	11,684	(1,684)	12,120
Office supplies and equipment	500	-	500	-
Total small boat harbor	75,350	64,952	10,398	67,711
Parks and recreation:				
Personnel	176,050	186,507	(10,457)	193,384
Supplies	14,000	7,184	6,816	18,973
Other services and charges	8,500	29,127	(20,627)	4,667
Telephone	5,500	7,217	(1,717)	4,382
Travel and per diem	1,000	-	1,000	698
Insurance	13,000	14,806	(1,806)	13,238
Electricity	25,000	14,635	10,365	23,111

City of Kotzebue, Alaska

Exhibit G-2, continued

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

Years Ended December 31,	2021			2020
	Final Budget	Actual	Variance	Actual
Expenditures, continued				
Parks and recreation, continued:				
Heating fuel	\$ 62,000	\$ 34,396	\$ 27,604	\$ 55,149
Repairs and maintenance	28,000	38,207	(10,207)	39,157
Equipment and capital outlay	-	-	-	80,331
Total parks and recreation	333,050	332,079	971	433,090
Nondepartmental:				
Other capital outlay	-	-	-	130,452
Employee morale and health	15,000	10,462	4,538	31,082
Total nondepartmental	15,000	10,462	4,538	161,534
Total Expenditures	10,379,451	25,300,254	(14,920,803)	9,260,291
Excess of revenues over (under) expenditures	(2,721,225)	(1,679,830)	1,041,395	1,237,004
Other Financing Sources (Uses)				
Transfers in	2,027,719	1,689,292	(338,427)	1,065,175
Transfers out	(61,091)	(9,462)	51,629	(44,117)
Net Other Financing Sources (Uses)	1,966,628	1,679,830	(286,798)	1,021,058
Net change in fund balance	<u>\$ (754,597)</u>	-	<u>\$ 754,597</u>	2,258,062
Fund Balance, beginning		885,087		(1,372,975)
Fund Balance, ending		<u>\$ 885,087</u>		<u>\$ 885,087</u>

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Special Revenue Funds

These funds account for revenues from specific sources that are designated to finance particular functions and activities.

Emergency Services 911 - This fund is used to account for the federal grant revenues restricted to the acquisition, installation, and implementation of the new E-911 dispatch system of the City.

Forfeiture - This fund accounts for amounts received through court order relating to the seizure of assets, which were either utilized in, or represented profits from, illicit or illegal activities. The amounts are then utilized for activities that are related to the investigation of crimes involving controlled substances.

AEA Light - This fund is used to account for federal grant revenues restricted to the purchase and retrofitting LED lights in the City.

City of Kotzebue, Alaska

Exhibit H-71

Emergency Services E911 Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2021

	Final Budget	Actual	Variance
Revenues - intergovernmental (Federal Government)	\$ 457,000	\$ 483,490	\$ 26,490
Expenditures - public safety	\$ 530,237	485,985	\$ 44,252
Excess of revenues over (under) expenditures	(73,237)	(2,495)	70,742
Other Financing Sources - transfers in	\$ 61,091	\$ 2,495	(58,596)
Net change in fund balance	<u>\$ (12,146)</u>	-	<u>\$ 12,146</u>
Fund Balance , beginning		-	
Fund Balance , ending		<u>\$ -</u>	

City of Kotzebue, Alaska

Exhibit H-72

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

Year Ended December 31, 2021

	Final Budget	Actual	Variance
Revenues - local interest	\$ 2	\$ 1	\$ (1)
Net change in fund balance	<u>\$ 2</u>	<u>1</u>	<u>\$ (1)</u>
Fund Balance, beginning		<u>1,388</u>	
Fund Balance, ending		<u>\$ 1,389</u>	

City of Kotzebue, Alaska

Exhibit H-73

AEA Lights Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2021

	Final Budget	Actual	Variance
Revenues - intergovernmental (Federal Government)	\$ -	\$ 25,509	\$ 25,509
Expenditures - capital outlay	-	32,476	\$ (32,476)
Excess of revenues over (under) expenditures	-	(6,967)	(6,967)
Other Financing Sources - transfers in	-	\$ 6,967	6,967
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance , beginning		<u>-</u>	
Fund Balance , ending		<u>\$ -</u>	

Enterprise Funds

Enterprise Funds account for operations that are financed and operated in a manner similar to private business operations.

Water and Sewer Utility - This fund accounts for the operations of the water and sewer system.

Refuse - This fund accounts for the operations of the refuse collection service, baler and balefill.

Package Store - This fund accounts for the operations of the City-owned package store and beverage delivery site.

Bar and Grill - This fund accounts for the operations of the City-owned restaurant.

City of Kotzebue, Alaska
Water and Sewer Utility Enterprise Fund
Statement of Net Position

December 31,	2021	2020
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	\$ 2,810,679	\$ 4,913,510
Receivables:		
Accounts	334,852	302,887
Grants	1,407,484	1,215,208
Allowance for uncollectible accounts	(146,755)	(182,124)
Net receivables	1,595,581	1,335,971
Inventory	227,984	238,496
Due from other funds	1,053,647	1,407,031
Total Current Assets	5,687,891	7,895,008
Advances to other funds	-	453,049
Net other postemployment benefits assets	568,582	77,412
Property, plant, and equipment:		
Construction work in progress	21,457,857	10,601,147
Improvements other than buildings	87,704,081	87,708,981
Machinery and equipment	2,522,171	2,390,053
Total property, plant, and equipment	111,684,109	100,700,181
Accumulated depreciation	(67,718,346)	(66,192,091)
Net property, plant, and equipment	43,965,763	34,508,090
Total Assets	50,222,236	42,933,559
Deferred Outflows of Resources		
Pension related	55,367	67,960
OPEB related	17,767	51,417
Total Assets and Deferred Outflows of Resources	\$ 50,295,370	\$ 43,052,936
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts payable	\$ 1,462,443	\$ 1,246,211
Accrued payroll and payroll liabilities	10,271	7,120
Accrued leave	24,078	13,306
Total Current Liabilities	1,496,792	1,266,637
Noncurrent Liabilities		
Net pension liability	575,824	709,896
Net other postemployment benefits liability	-	7,664
Total Liabilities	2,072,616	1,984,197
Deferred Inflows of Resources		
Pension related	319,569	9,164
OPEB related	317,697	71,326
Net Position		
Net investment in capital assets	43,965,763	34,508,090
Unrestricted	3,619,725	6,480,159
Total Net Position	47,585,488	40,988,249
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 50,295,370	\$ 43,052,936

City of Kotzebue, Alaska

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

<i>Years Ended December 31,</i>	2021	2020
Operating Revenues		
Water use charges and connect fees	\$ 1,709,209	\$ 1,681,741
Sewer use charges and connect fees	787,131	739,551
Penalties and interest	28,407	41,617
Hydroflush services	10,835	13,713
Miscellaneous	1,436	425
Total Operating Revenues	2,537,018	2,477,047
Operating Expenses		
Administration:		
Postage	2,694	2,642
Credit card charges	13,653	13,096
Allocated administrative fees	275,000	275,000
Capital outlay	-	238
Total administration	291,347	290,976
Water:		
Personnel	297,868	343,614
Electricity	150,075	141,951
Heating fuel	189,747	189,037
Gas and oil	3,251	2,714
Building maintenance	2,482	5,828
Supplies	164,644	196,869
Other services and charges	-	540
Travel and per diem	1,645	-
Clothing	2,316	2,279
Telephone	5,655	6,165
Training	2,281	1,169
Professional services	30,823	20,511
Insurance	5,148	4,954
Repairs and maintenance	94,497	2,687
Total water	950,432	918,318

City of Kotzebue, Alaska

Water and Sewer Utility Enterprise Fund

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

<i>Years Ended December 31,</i>	2021	2020
Operating Expenses, continued		
Sewer:		
Personnel	\$ 499,608	\$ 505,239
Electricity	81,357	70,180
Supplies	100,567	87,635
Training	-	60
Travel and per diem	-	1,352
Professional services	37,301	47,194
Insurance	3,974	3,115
Repairs and maintenance	44,172	18,197
Other	485	-
Total sewer	767,464	732,972
Depreciation	1,531,155	1,604,520
Total Operating Expenses	3,540,398	3,546,786
Loss from operations	(1,003,380)	(1,069,739)
Nonoperating Revenues		
State PERS relief	151	44,838
Loss Before Transfers and Capital Contributions	(1,003,229)	(1,024,901)
Other Financing Sources (Uses)		
Transfers in	(3,023,499)	540
Capital contributions - general fund	-	265,750
Capital contributions - grants	10,623,967	7,394,228
Net Other Financing Sources (Uses)	7,600,468	7,660,518
Change in net position	6,597,239	6,635,617
Net Position, beginning	40,988,249	34,352,632
Net Position, ending	\$ 47,585,488	\$ 40,988,249

City of Kotzebue, Alaska

Exhibit I-78

**Water and Sewer Utility Enterprise Fund
Statement of Cash Flows**

<i>Years Ended December 31,</i>	2021	2020
Cash Flows from (for) Operating Activities		
Receipts from customers and users	\$ 2,469,684	\$ 2,562,660
Payments to suppliers	(2,117,507)	(1,240,335)
Payments to employees	(813,289)	(862,926)
Payments for interfund services used	(275,000)	(275,000)
Net cash flows from (for) operating activities	(736,112)	184,399
Cash Flows from (for) Capital and Related Financing Activities		
Capital grants received	10,431,691	8,663,956
Acquisition and construction of capital assets	(9,581,344)	(6,191,781)
Net cash flows from capital and related financing activities	850,347	2,472,175
Cash Flows from (for) Noncapital Financing Activities		
Increase in due from other funds	353,384	981,124
Decrease in advance to other funds	453,049	(75,995)
Transfers out	(3,023,499)	540
Net cash flows from (for) noncapital financing activities	(2,217,066)	905,669
Net increase (decrease) in cash and investments	(2,102,831)	3,562,243
Cash and Investments, beginning	4,913,510	1,351,267
Cash and Investments, ending	\$ 2,810,679	\$ 4,913,510
Reconciliation of loss from operations to net cash flows from (for) operating activities:		
Loss from operations	\$ (1,003,380)	\$ (1,069,739)
Adjustments to reconcile loss from operations to net cash flows from operating activities:		
Noncash expense - PERS relief	151	44,838
Depreciation	1,531,155	1,604,520
Decrease in allowance for doubtful accounts	(35,369)	(3,148)
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	(31,965)	88,761
Inventory	10,512	(45,274)
Net other postemployment benefits assets	(491,170)	(65,660)
Deferred outflows of resources - pension related	12,593	(35,071)
Deferred outflows of resources - OPEB related	33,650	6,541
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	(1,191,252)	(376,648)
Accrued payroll and payroll liabilities	3,151	(19,825)
Accrued leave	10,772	(5,735)
Net pension liability	(134,072)	150,497
Net other postemployment benefits liability	(7,664)	(23,304)
Deferred inflows of resources - pension related	310,405	(80,791)
Deferred inflows of resources - OPEB related	246,371	14,437
Net Cash Flows from (for) Operating Activities	\$ (736,112)	\$ 184,399
Noncash Capital and Related Financing Activities		
Capital assets purchased on account	\$ 1,407,484	\$ 1,215,208
Capital assets contributed from governmental activities	\$ -	\$ 265,750

City of Kotzebue, Alaska

Refuse Enterprise Fund
Statement of Net Position

December 31,	2021	2020
Assets and Deferred Outflows of Resources		
Current Assets		
Accounts receivable	\$ 204,027	\$ 328,288
Allowance for uncollectible accounts	(122,368)	(196,935)
Net receivables	81,659	131,353
Total Current Assets	81,659	131,353
Net other postemployment benefits assets	353,915	46,307
Property, plant, and equipment:		
Land	230,983	230,983
Buildings	2,381,895	2,381,895
Improvements other than buildings	2,100,133	2,100,133
Machinery and equipment	1,916,198	1,816,270
Total property, plant, and equipment	6,629,209	6,529,281
Accumulated depreciation	(5,546,277)	(5,422,518)
Net property, plant and equipment	1,082,932	1,106,763
Total Assets	1,518,506	1,284,423
Deferred Outflows of Resources		
Pension related	50,168	58,055
OPEB related	3,988	25,062
Total Assets and Deferred Outflows of Resources	\$ 1,572,662	\$ 1,367,540
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts payable	\$ 11,059	\$ 16,421
Accrued payroll and payroll liabilities	6,293	4,516
Accrued leave	13,952	11,015
Due to other funds	519,213	18,093
Total Current Liabilities	550,517	50,045
Noncurrent Liabilities		
Advance from other funds	-	453,049
Net pension liability	458,137	542,103
Net other postemployment benefits liability	-	1,200
Landfill closure costs	182,936	181,152
Total Liabilities	1,191,590	1,227,549
Deferred Inflows of Resources		
Pension related	194,142	(258)
OPEB related	191,733	37,436
Net Position		
Net investment in capital assets	1,082,932	1,106,763
Unrestricted (deficit)	(1,087,735)	(1,003,950)
Total Net Position	(4,803)	102,813
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 1,572,662	\$ 1,367,540

City of Kotzebue, Alaska

Refuse Enterprise Fund

Statement of Revenues, Expenses and Changes in Net Position

<i>Years Ended December 31,</i>	2021	2020
Operating Revenues		
Refuse and landfill	\$ 922,851	\$ 710,089
Miscellaneous	4,291	20,104
Total Operating Revenues	927,142	730,193
Operating Expenses		
Personnel	493,497	486,793
Electricity	15,595	15,973
Heating fuel	40,487	43,979
Gas and oil	33,801	32,850
Building maintenance	3,496	2,850
Supplies	92,395	67,820
Telephone	2,538	2,369
Professional fees	54,662	98,781
Insurance	4,950	3,838
Repairs and maintenance	28,909	19,104
Equipment and capital outlay	23,991	-
Allocated administrative fees	105,000	62,000
Clothing/safety equipment	2,012	3,050
Spring cleanup	3,497	6,523
Small tools	482	1,045
Operating permit	4,000	4,568
Depreciation	123,759	135,583
Total Operating Expenses	1,033,071	987,126
Income (loss) from operations	(105,929)	(256,933)
Nonoperating Revenues (Expenses)		
State PERS relief	95	27,594
Landfill closure liability accretion	(1,785)	(13,228)
Net Nonoperating Revenues (Expenses)	(1,690)	14,366
Change in net position	(107,619)	(242,567)
Net Position, beginning	102,816	345,380
Net Position, ending	\$ (4,803)	\$ 102,813

City of Kotzebue, Alaska

Refuse Enterprise Fund
Statement of Cash Flows

<i>Years Ended December 31,</i>	2021	2020
Cash Flows from (for) Operating Activities		
Receipts from customers	\$ 976,836	\$ 766,176
Payments to suppliers	(316,177)	(293,020)
Payments to employees	(503,804)	(487,151)
Payments for interfund services used	(105,000)	(62,000)
Net cash flows from (for) operating activities	51,855	(75,995)
Cash Flows from (for) Noncapital Financing Activities		
Increase due to other funds	501,120	-
Decrease in advances from other funds	(453,049)	75,995
Net cash flows from noncapital financing activities	48,071	75,995
Cash Flows for Capital and Related Financing Activities		
Acquisition and construction of capital assets	(99,926)	-
Net increase in cash and investments	-	-
Cash and Investments, beginning	-	-
Cash and Investments, ending	\$ -	\$ -
Reconciliation of loss from (for) operations to net cash flows from operating activities:		
Loss from operations	\$ (105,929)	\$ (256,933)
Adjustments to reconcile loss from operations to net cash flows from operating activities:		
Noncash expense - PERS relief	95	27,594
Increase in allowance for doubtful accounts	(74,567)	46,708
Depreciation	123,759	135,583
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	124,261	(10,725)
Net other postemployment benefits assets	(307,608)	(40,409)
Deferred outflows of resources - pension related	7,887	(21,584)
Deferred outflows of resources - OPEB related	21,074	4,025
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	(5,362)	9,730
Accrued payroll and payroll liabilities	1,777	(9,273)
Accrued leave	2,937	1,847
Net pension liability	(83,966)	92,620
Net other postemployment benefits liability	(1,200)	(14,342)
Deferred inflows of resources - pension related	194,400	(49,721)
Deferred inflows of resources - OPEB related	154,297	8,885
Net Cash Flows from (for) Operating Activities	\$ 51,855	\$ (75,995)

City of Kotzebue, Alaska
Package Store Enterprise Fund
Statement of Net Position

Exhibit I-7

<i>December 31,</i>	2021	2020
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	\$ 1,182,559	\$ 1,092,391
Inventory	585,216	479,340
Total Current Assets	1,767,775	1,571,731
Net other postemployment benefits assets	269,456	27,432
Deferred Outflows of Resources		
Pension related	18,418	24,623
OPEB related	3,387	19,968
Total Assets and Deferred Outflows of Resources	\$ 2,059,036	\$ 1,643,754
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts payable	\$ 39,795	\$ 88,322
Accrued payroll and payroll liabilities	5,538	4,665
Accrued leave	7,644	6,444
Total Current Liabilities	52,977	99,431
Noncurrent Liabilities		
Net pension liability	205,757	271,821
Net other postemployment benefits liability	-	3,754
Total Liabilities	258,734	375,006
Deferred Inflows of Resources		
Pension related	159,257	6,305
OPEB related	148,280	26,880
Net Position - Unrestricted	1,492,765	1,235,563
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 2,059,036	\$ 1,643,754

City of Kotzebue, Alaska

Exhibit I-8

Package Store Enterprise Fund

Statement of Revenues, Expenses and Changes in Net Position

<i>Years Ended December 31,</i>	2021	2020
Operating Revenues		
Retail sales	\$ 3,051,182	\$ 2,925,645
Cost of goods sold	(1,246,525)	(1,271,691)
Freight charges	(352,368)	(356,947)
Net sales	1,452,289	1,297,007
Permitting fees	57,098	51,020
Total Operating Revenues	1,509,387	1,348,027
Operating Expenses		
Personnel	444,590	399,841
Electricity	5,568	5,868
Heating fuel	22,470	10,407
Gas and oil	3,251	2,714
Supplies	5,480	5,076
Telephone	1,292	1,945
Training	1,167	950
Insurance	45,731	41,460
Professional fees	1,477	7,188
Allocated administrative fees	150,000	150,000
Repairs and maintenance	6,063	11,664
Permits	1,900	2,448
Credit card fees	38,301	35,265
Other	1,177	653
Total Operating Expenses	728,467	675,479
Income from operations	780,920	672,548
Nonoperating Revenues		
State PERS relief	75	15,652
Income before transfers	780,995	688,200
Transfers out	(523,793)	-
Change in net position	257,202	688,200
Net Position, beginning	1,235,563	547,363
Net Position, ending	\$ 1,492,765	\$ 1,235,563

City of Kotzebue, Alaska

Exhibit I-9

Package Store Enterprise Fund

Statement of Cash Flows

<i>Years Ended December 31,</i>	2021	2020
Cash Flows from Operating Activities		
Receipts from customers	\$ 3,108,280	\$ 3,003,759
Payments to suppliers	(1,887,173)	(1,758,741)
Payments to employees	(457,146)	(394,333)
Payments for interfund services used	(150,000)	(150,000)
Net cash flows from operating activities	613,961	700,685
Cash Flows for Noncapital Financing Activities		
Transfers out	(523,793)	-
Net increase in cash and investments	90,168	700,685
Cash and Investments, beginning	1,092,391	391,706
Cash and Investments, ending	\$ 1,182,559	\$ 1,092,391
Reconciliation of income from operations to net cash flows from operating activities:		
Income from operations	\$ 780,920	\$ 672,548
Adjustments to reconcile income from operations to net cash flows from operating activities:		
Noncash expense - PERS relief	75	15,652
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	-	27,094
Inventory	(105,876)	(51,476)
Net other postemployment benefits assets	(242,024)	(22,920)
Deferred outflows of resources - pension related	6,205	(12,242)
Deferred outflows of resources - OPEB related	16,581	2,283
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	(48,527)	47,011
Accrued payroll and payroll liabilities	873	(4,946)
Accrued leave	1,200	6,444
Net pension liability	(66,064)	52,534
Net other postemployment benefits liability	(3,754)	(8,135)
Deferred inflows of resources - pension related	152,952	(28,202)
Deferred inflows of resources - OPEB related	121,400	5,040
Net Cash Flows from Operating Activities	\$ 613,961	\$ 700,685

City of Kotzebue, Alaska

Exhibit I-10

Bar and Grill Enterprise Fund Statement of Net Position

<i>December 31,</i>	2021	2020
Assets		
Property, plant, and equipment - construction work in progress	\$ 25,335	\$ 25,335
Total Assets	\$ 25,335	\$ 25,335
Liabilities and Net Position		
Current Liabilities		
Due to other funds	\$ 348,326	\$ 348,326
Total Current Liabilities	348,326	348,326
Net Position		
Net investment in capital assets	25,335	25,335
Unrestricted (deficit)	(348,326)	(348,326)
Total Net Position	(322,991)	(322,991)
Total Liabilities and Net Position	\$ 25,335	\$ 25,335

City of Kotzebue, Alaska

Exhibit I-11

Bar and Grill Enterprise Fund

Statement of Revenues, Expenses and Changes in Net Position

<i>Years Ended December 31,</i>	2021	2020
Operating Expenses		
Building maintenance	\$ -	\$ 8,000
Change in net position	-	(8,000)
Net Position (Deficit), beginning	(322,991)	(314,991)
Net Position (Deficit), ending	\$ (322,991)	\$ (322,991)

City of Kotzebue, Alaska

Bar and Grill Enterprise Fund

Statement of Cash Flows

<i>Years Ended December 31,</i>	2021	2020
Cash Flows for Operating Activities		
Payments to suppliers	\$ -	\$ (8,000)
Cash Flows from Capital and Related Financing Activities		
Decrease in due to other funds	-	8,000
Net increase in cash and investments	-	-
Cash and Investments, beginning	-	-
Cash and Investments, ending	\$ -	\$ -
Reconciliation of loss from operations to net cash flows for operating activities:		
Loss from operations	\$ -	\$ (8,000)
Net Cash Flows for Operating Activities	\$ -	\$ (8,000)

City of Kotzebue, Alaska
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Sub- Recipients	Total Federal Expenditures
U.S. Department of Justice				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034		\$ -	\$ 41,695
Edward Byrne Memorial Justice Assistance Grant Program	16.738		-	9,735
Total U.S. Department of Justice			-	51,430
U.S. Department of Transportation				
Passed through State of Alaska Department of Transportation Highway Planning and Construction Cluster Transportation Alternatives Project*	20.205	NFWY00359	-	2,020,387
Statewide Transportation Improvement Project*	20.205	NFWY00418	-	13,425,627
Total U.S. Department of Transportation			-	15,446,014
U.S. Department of the Treasury				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds American Rescue Plan Act (ARPA)	21.027		-	785,667
U.S. General Services Administration				
Passed through State of Alaska Division of Administration Donation of Federal Surplus Personal Property Donation of Federal Surplus Property	39.003	02-021-3149-02-001	-	5,821
Donation of Federal Surplus Property	39.003	02-021-3224-02-001	-	17,505
Total U.S. General Services Administration			-	23,326
U.S. Environmental Protection Agency				
Passed through Alaska Native Tribal Health Consortium Congressionally Mandated Projects Sanitation Facilities Improvements	66.202	AN 18-RO2	-	10,062,922

City of Kotzebue, Alaska

Schedule of Expenditures of Federal Awards, continued

Year Ended December 31, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Sub- Recipients	Total Federal Expenditures
Denali Commission				
Passed through Alaska Energy Authority				
Denali Commission Program				
Alaska Village Energy Efficiency Program (VEEP)	90.100	7520014	\$ -	\$ 25,509
U.S. Department of Health and Human Services				
Passed through Alaska Native Tribal Health Consortium				
Tribal Self-Governance Program:				
IHS Compacts/Funding Agreements				
Sanitation Facilities Improvements	93.210	AN 19-N5Q	-	(2,793,263)
U.S. Department of Homeland Security				
Passed through the State of Alaska Division of				
Homeland Security and Emergency Management				
F2018 State Homeland Security Program	97.067	20SHSP-GY18	-	483,490
Total Expenditures of Federal Awards			\$ -	\$ 24,085,095

The accompanying notes are an integral part of this schedule.

City of Kotzebue, Alaska

Notes to the Schedule of Expenditures of Federal Awards Year Ended December 31, 2021

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of City of Kotzebue, Alaska (the City) under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity (Alaska Native Tribal Health Consortium) decided to move all past three years expenditures from AN 19 - N5Q grant (ALN 93.210) to AN 18 - RO2 (ALN 66.202) in order to close out the latter grant.

3. Non-Cash Assistance

In FY21, the Alaska Department of Transportation and Public Facilities received federal grants that were expended by the Department to enhance City-owned assets. The value of this non-cash assistance was determined in accordance with the provisions of 2 CFR 200, Subpart F, Audit Requirements, Section 502 (g). The funds were expended for improvement of public roads and sidewalks in Kotzebue. The Assistance Listing number of such funds is 20.205 and the total expenditure of the funds is \$15,446,014.

The Alaska Division of Administration also donated a vehicle and building during the year from the U.S. General Services Administration. These assets have been included on the schedule under the assistance listing 39.003 at their fair value at the time of receipt in the amount of \$23,326.

4. Indirect Rate

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

City of Kotzebue, Alaska
Schedule of State Financial Assistance
Year Ended December 31, 2021

State Grantor / Program Title	Award Number	Total Award Amount	Passed Through to Subrecipients	State Expenditures
Department of Commerce, Community, and Economic Development				
Community Assistance Program	FY21	\$ 88,180	\$ -	\$ 88,180
Swan Lake Small Boat Harbor - Designated Legislative Grant	15-DC-096	4,000,000	-	50,125
Total Department of Commerce, Community, and Economic Development			-	138,305
Department of Administration				
* PERS on-behalf	FY21	406,551	-	406,551
Department of Revenue				
Electric and Telephone Co-op Tax	FY21	85,621	-	85,621
Department of Environmental Conservation				
Passed through Alaska Native Tribal Health Consortium * Village Safe Water	AN-18-RO2	5,291,517	-	3,354,307
Total State Financial Assistance			\$ -	\$ 3,984,784

*Denotes a major program

The accompanying notes are an integral part of this schedule.

City of Kotzebue, Alaska

Notes to the Schedule of State Financial Assistance Year Ended December 31, 2021

1. Basis of Presentation

The accompanying Schedule of State Financial Assistance (the "Schedule") includes the state grant activity of the City of Kotzebue under programs of the state government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of the City of Kotzebue, it is not intended to and does not present the financial position, changes in net assets or cash flows of the City of Kotzebue.

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting.

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Single Audit Section



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3601 C Street, Suite 600
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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Honorable Mayor and City Council
City of Kotzebue, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Kotzebue, Alaska as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise City of Kotzebue's basic financial statements, and have issued our report thereon dated September 30, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

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

Purpose of this Report

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

BDO USA, LLP

Anchorage, Alaska
September 30, 2022



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3601 C Street, Suite 600
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Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by Uniform Guidance

Honorable Mayor and City Council
City of Kotzebue, Alaska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Kotzebue's (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Kotzebue's major federal programs for the year ended December 31, 2021. City of Kotzebue's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Kotzebue complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Kotzebue's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Kotzebue's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Kotzebue's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or

significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

BDO USA, LLP

Anchorage, Alaska
September 30, 2022



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3601 C Street, Suite 600
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Independent Auditor's Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*

Honorable Mayor and City Council
City of Kotzebue, Alaska

Report on Compliance for Each Major State Program

We have audited City of Kotzebue's (the City) compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of City of Kotzebue's major state programs for the year ended December 31, 2021. City of Kotzebue's major state programs are identified in the accompanying Schedule of State Financial Assistance.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major State Program

In our opinion, City of Kotzebue complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2021.

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Report on Internal Control Over Compliance

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

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

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

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

BDO USA, LLP

Anchorage, Alaska
September 30, 2022

City of Kotzebue, Alaska

Schedule of Findings and Questioned Costs Year Ended December 31, 2021

Section I - Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified? ___ yes ___X___ no
Significant deficiency(ies) identified? ___ yes ___X___ (none reported)

Noncompliance material to financial statements noted? ___ yes ___X___ no

Federal Awards

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

Internal control over major federal programs:

Material weakness(es) identified? ___ yes ___X___ no
Significant deficiency(ies) identified? ___ yes ___X___ (none reported)

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

Identification of major federal programs:

Assistance Listing

<i>Number</i>	<i>Name of Federal Program or Cluster</i>	<i>Agency</i>
20.205	Highway Planning and Construction	U.S. Department of Transportation
21.027	Coronavirus State and Local Fiscal Recovery Funds	U.S. Department Treasury
66.202	Congressionally Mandated Projects	U.S. Environmental Protection Agency
97.067	Homeland Security Grant Program	U.S. Department of Homeland Security

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

Auditee qualified as low-risk auditee? ___ yes ___X___ no

State Financial Assistance

Internal control over major programs:
Material weakness(es) identified? ___ yes ___X___ no
Significant deficiency(ies) identified? ___ yes ___X___ (none reported)

City of Kotzebue, Alaska

Schedule of Findings and Questioned Costs, continued Year Ended December 31, 2021

Section I - Summary of Auditor's Results, continued

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

Unmodified

Dollar threshold used to distinguish a major state program:

\$ 150,000

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

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

Section III - Federal Award Findings and Questioned Costs

There were no findings and questioned costs for federal awards as defined in 2 CFR 200.516(a) that are required to be reported.

Section IV - State Award Findings and Questioned Costs

There were no findings and questioned costs for State awards (as defined in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*) that are required to be reported.

City of Kotzebue Response to Single Audit (Unaudited)



P.O. Box 46
Kotzebue, Alaska 99752

City Hall
(907) 442-3401

Police Dept.
(907) 442-3351

Fire Dept.
(907) 442-3404

Public Works
(907) 442-3401

City of Kotzebue, Alaska

Summary Schedule of Prior Audit Findings Year Ended December 31, 2021

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

Questioned Program Congressionally Mandated Projects, ALN: 66.202

Award No. AN17-RN4 and AN18-R02

Prior Year Finding Cash drawdown requests for the grants were not reconciled and approved in accordance with the City's cash management policy in the first quarter of the year.

Current Year Status The finding has been corrected in the current year.

**NORTHWEST ARCTIC BOROUGH
RESOLUTION 23-58**

**A RESOLUTION OF THE NORTHWEST ARCTIC
BOROUGH ASSEMBLY APPROVING A VILLAGE
IMPROVEMENT FUND APPLICATION FROM THE NATIVE
VILLAGE OF KIVALINA FOR A WELLNESS PROGRAM.**

WHEREAS: under Section 11.08.010 of the Borough Code, the Borough Village Improvement Commission was established to identify village service and capital improvement needs, plan and implement capital improvement and public service programs, and oversee investment of the Borough's Village Improvement Fund (VIF); and

WHEREAS: under Section 11.08.020 of the Borough Code, the Commission is responsible for advising the Borough Administration with respect to working with village residents, Borough communities, and village utilities to identify projects and programs for recommended funding; and

WHEREAS: on October 11, 2023, the Village Improvement Commission passed Commission Resolution 23-11, approving and recommending the Native Village of Kivalina's VIF application in the amount of \$223,143.48 for a Wellness Program for final approval by the Northwest Arctic Borough Assembly; and

WHEREAS: the Native Village of Kivalina submitted an application to fund a Wellness Program for ages K through 12th Grade and young adults up to 24 years of age; and

WHEREAS: the Wellness Program focuses on suicide prevention, cultural activities for youth and elders, and general assistance for students at the McQueen School; and

WHEREAS: the Wellness Program will also provide on-call services for at-risk community members with 24/7 assistance if needed; and

WHEREAS: the funding request meets the VIF eligibility requirements and will benefit the community of Kivalina as a whole; and

WHEREAS: the Assembly wishes to approve the VIF application.

NOW THEREFORE BE IT RESOLVED BY THE NORTHWEST ARCTIC BOROUGH ASSEMBLY: the Native Village of Kivalina's VIF application in the amount of \$223,143.48 for a Wellness Program is approved.

PASSED AND ADOPTED THIS 24th DAY OF OCTOBER 2023.

Assembly President

PASSED AND APPROVED THIS 24th DAY OF OCTOBER 2023.

Dickie Moto, Sr., Mayor

SIGNED AND ATTESTED TO THIS 24th DAY OF OCTOBER 2023.

Stella Atoruk, Borough Clerk

ATTEST:

Wellness Program

2021 Application

Native Village of Kivalina

Mrs. Millie M. Hawley
po box 50051
51 bering street
Kivalina, AK 99750

O: 907-645-2153
M: 907-645-5058

Ms. Josephine Gladys Adams

po box 50051
51 bering street
Kivalina, AK 99750

samhsa@kivaliniq.org
O: 907-645-2236
M: 907-645-5263

Application Form

Project Information

Project Name*

Wellness Program

What is the timeline for your project/program?*

when grant ends

Is this an existing project/program?*

Is it already operating or has construction started? Has the project/program delivered services already?

Yes

If you answered yes to the previous question, please explain the status of the project/program.

Wellness Program operates for ages K-12th grade and up to 24-year-olds in the community, we have been open at the armory building for 3 years going on 4 in August 2023 which is called the "BnG" to most of Kivalina residents. This program offers suicide prevention, cultural activities for youth and elders, during school year we assist the staff at McQueen school.

We work with suicide at-risk community members, also have a cell phone number available to each individual in the community that they can call when needed to the on-call is open for services 24/7.

We have a crew of 2 right now and one vacant opening, this program also offers assistance to the school staff and principal during the school year, we assist with sports activities, after school homework, also meet with the Junior and Seniors to develop a plan for after graduation to continue their education. During spring and summer we have community gatherings such as Walk for life is a suicide prevention activity, Spring carnival.

What is the amount of the funding request to VIC?*

\$223,143.48

Please describe how the VIF funds will be used for this project/program.*

This funds will keep the building open for the youth and maintain employees payroll to keep the club open for the youth in the community, they will also pay for building supplies such as Avec electricity, fuel oil, games, phone, internet, office supplies etc...

During the winter we pay for labor work around the building to keep the fuel and phone up and running for safety purposes, labor includes fuel tank repair, fuel tank fill, any other fixing around the building.

Youth

- 1) Violence-related behavior;
- 2) Bullying;
- 3) Suicide;
- 4) Traditional and cultural engagement; and
- 5) Community participation
- 6) Risk & prevalence of substance use, abuse & dependence

Adult

- 1) Suicide;
- 2) Domestic violence;
- 3) Mental health;
- 4) Traditional and cultural engagement; and
- 5) Community engagement and participation
- 6) Risk & prevalence of substance use, abuse & dependence

Youth and Elders will connect throughout the year, with food, games, etc... and learn about what does the Inupiaq values means.

Does the project/program have other funding sources?*

Does the project/program have other sources of funding, including matched funding or other grants (or state, community, partner organizations contributions)? If yes, please describe and attach relevant documentation.

On May 8, 2023, I turned in application to grants.gov for a SAMHSA grant, in the amount of 700,000 that can cover a 4-year term. And have not yet heard from them for an update till today.

Maniilaq Association had sent 2 checks for Wellness cultural one for 5,000 and the other for Wellness project 2023 Walk for Life 10,000 we have used those funds to pay for the activities requested, I had recently requested from Teck and Nana, but they said they already give annual and quarterly donations, so they were both denied.

Project Budget Spreadsheet*

Please upload your total project/program budget, including details on VIF funds and how other funding will be used.

Wellness Program Budget 2023.xlsx

Has the VIF provided funding to your community before?*

Yes

If you answered yes to the previous questions, please describe.

Yes, Environmental Program

Project Details

Will this project/program continue after VIF funding?*

Please describe why or why not.

Yes, We want a lifelong plan to remain open for the youth in the community. In addition to providing crucial baseline information, the focus groups and interviews will also serve as tools to assess the degree of the community's readiness to undertake substance abuse and suicide prevention activities. The goal of the readiness assessment will enable community members, and project staff to determine the success project and the community attitudes towards addressing alcohol and drug use suicide.

If you answered yes to the previous question, please describe how it will be funded.*

How will the project continue after VIF funding end and by whom.

While the SAMHSA grant specifically addresses youth & young adults ages 10-24, the Native Village of Kivalina and Kivalina Wellness Coalition believe that the success of the program is linked to the involvement and wellness of the entire community. To this extend, we believe that collecting data from community members of a broader demographic allows us to capture a fuller picture of the state of the health and wellbeing of the community.

Once the data is collected and analyzed, it will be used to guide the direction and work of the Kivalina Wellness Coalition. It will play a vital role when creating the Action Plans and the Service Delivery System. Additionally, it will share with key individuals and organizations in the community that work with youth and behavioral health, including school staff, public health aides, church leaders, tribal and city leaders. SAMHSA grant is now pending and in process of a review. The request I have now will cover for one year for the program to open.

Project/Program Partnerships*

Please describe other projects in the community that could support the success of this project/program.

In addition to providing crucial baseline information, the focus groups and interviews will also serve as tools to assess the degree of the community's readiness to undertake substance abuse and suicide prevention activities. The goal of the readiness assessment will enable community members, stakeholders and project staff to determine the success of the project. The key informant interviews and the focus groups will assess attitude of leadership towards alcohol and drug use and suicide, the community's knowledge of alcohol and suicide prevention efforts, community attitudes towards addressing alcohol and drug use and suicide, and the resources available for alcohol and drug use and suicide prevention among 10-24-year-olds.

Tribal president and City Mayor Public health aides; Elders; Tribal council members; VPSO/ VPO /Trooper; School staff; Local church leaders. The local small stores also donate annually to the youth as in snacks, pencils, papers, etc... anything as requested.

Are there any issues or other projects that could negatively impact the success of your project?*

If yes, please explain how your organization has the administrative and management capacity to execute the project (i.e., financial software, audits, history of management of other projects, stable relationships across community entities, and examples of other successful projects).

No

Administrative and Management Capacity*

Please explain how your organization has the administrative and management capacity to execute the project (i.e., financial software, audits, history of management of other project, stable relationships across community entities, and examples of other successful project).

Suicide prevention, substance abuse prevention, and mental health promotion are all priorities of the Native Village of Kivalina and the City of Kivalina. Initial meetings demonstrate that wellness, behavioral health and reducing suicides is a top priority for the community and community leaders. Previous suicide prevention, substance abuse prevention, and mental health promotion activities are limited, but were all supported by the Native Village of Kivalina. For the past three years, the IRA has partners with NANA Regional Corporation to host a Walk for Life that had positive turn out from the community. The IRA has also supported and encouraged the wellness services provided by Maniilaq's Behavioral Health program. We hope to continue these programs and events and incorporate them into our Kivalina Wellness Coalition.

We have not conducted a Community Readiness Assessment on suicide prevention, substance abuse prevention, and/or mental. However, we plan to do this as part of the SAMHSA grant and look forward to the insight it will provide to our Wellness Coalition as they plan and move forward. Additionally, we have yet to develop a "postvention protocol" for responding to suicides, suicide attempts, and clusters, and/or your "suicide attempt follow-up protocol." We plan to do this important work in Year One of the grant.

The Wellness Coordinator will coordinate project services and project activities, including training, communication, and information dissemination. The Wellness Coordinator will be a full-time staff working solely on the Kivalina IRA wellness program. This position is also key staff.

The Administrative Assistant/Bookkeeper of the Kivalina IRA Council will provide grant management support to this project as an in-kind contribution. They will work approximately 225 hours in Year One.

An intern will be hired for 500 hours of work during the summer of 2023. This intern will support the work of the Wellness Coordinator and other duties as assigned.

Staff experience*

Please outline any experience your organization/staff had had with similar projects/programs.

Assist all interested members of community and creates a year-round schedule to improve the well-ness of the community of Kivalina. This includes suicide prevention among village members, and holding community gatherings to encourage and education youth and adults in wellness.

Schedules activities, community gatherings, and implement wellness programs; In the primary point of contact for the community regarding wellness activities and resources; Fundraises and performs grant writing; Works closely with school counselors, teachers, parents and other providers to coordinate critical information essential for youth's success.

Conducts community education, outreach and writes monthly newsletters; Motivates youth and young adults to creating change in the community; Monthly reports to federal and state agencies; Oversee Youth Council, talking circles and support groups. Ability to work with public and young adults/youth independently; Have good organization and communication skills; Knowledge of social issues among children, youth, and young adults; A good role model for the community; Experience and desire to work with youth and young adults; and provide wellness program in the community.

Receives visitors and phone calls and refer them to the proper person/s; Types all correspondence, forms, reports, etc. Assists with providing information and answers to task force and tribal members; meeting agendas and packets, and types meeting minutes; Performs basic accounting responsibilities: payroll, payroll taxes, accounts receivable/payable, and reporting; and other duties as assigned by the Tribal Administrator/Project Director. Federal requirements as directed by the Tribal Administrator/Project Director. Helps plan wellness activities and events; Helps coordinate and with logistics for community meetings, events and trainings; Attends behavioral health and wellness trainings; and Other duties and assigned by the Wellness Coordinator and Project Director.

Is the project/program "ready to go" or shovel ready?*

Please explain how it has considered the equipment, resources, people, and permits needed for success.

2020-SAMHSA grant ended in August,
2021-ARP

We have been open under these funding and now seeking more to keep the program continued. Activities: Suicide prevention, oncall support 24/7 phone number provided, community crisis response training with Andy Lee who is our contract counselor.

The stages of prevention (Wellness Promotion and Suicide Prevention) are intricately linked to Crisis Intervention and Postvention. In order to successfully reduce the rate of suicide in Kivalina, the Wellness Coalition focused equally on all aspects of this continuum. Despite all the best active prevention programs, there still is a need to handle a crisis situation when a suicide attempt or completion is made. The Kivalina Wellness Coalition created a Crisis Intervention Task Force for this purpose. Even without special training, residents can always encourage someone to call Careline, Alaska's statewide suicide prevention and crisis intervention hotline. A simple task for the Kivalina Wellness Coalition printed out and provide laminated wallet cards with key phone numbers. A Crisis Intervention Team will be created and properly trained to help respond appropriately to suicide emergencies. This team will an appointed community member from the Crisis Intervention Task Force, the Maniilaq behavioral health counselor, and the village health aid. Other communities that have a Crisis Intervention Team have shown positive outcomes by averting crisis situations rather than having them escalate into larger problems because such teams are trained in verbal de-escalation techniques. We also included incident stress management training so that they have the support they need to deal and cope with the trauma in the short and long term. This team will be focused on doing the right thing for the right reasons. Additionally, the team understood that this high risk group is required special care and treatment.

Borough Title 9 Permit*

Has the applicant certified that it will comply with any required permits including a Borough Title 9 Permit?

Yes

Does the project/program address an issue that is life threatening, or a health risk?*

i.e., health and safety, emergency, danger to people, the environment, or property. Please describe.

Native Village of Kivalina will form the Kivalina Wellness Coalition, which will be comprised of the following four task forces: Wellness Promotion; Suicide Prevention; Crisis Intervention, Drug and Alcohol prevention for Kivalina residents to take ownership of the problem and of the solution through wellness promotion; To educate residents on how to effectively and appropriately respond to people at risk of suicide; and To provide Kivalina residents with immediate access to prevention, treatment, and recovery services when needed. The

overall indicators of success will be a reduction in both the rate of suicide and suicide attempts in Kivalina. Other measurable objectives include number of students participating in organized after-school activities. Each task force will target different areas on the spectrum of suicide prevention. These task forces will consist of IRA staff, Wellness staff, focus on developing these task forces and creating action plans.

Suicide Prevention Program

Please describe if the project/program supports one or more priorities identified by the community.*

Kivalina lacks data related to suicide, substance abuse, and community and behavioral health. In order to better understand the beliefs, attitudes and behaviors regarding these issues in Kivalina, phase one of the Native Connections project will be an assessment and examination of the prevalence and consequences of Alcohol, Illegal Drugs and Tobacco and other Drugs (ATODs) and suicide. Additionally, we will examine existing resources for prevention that are provided to Kivalina at the local, regional and state level. This comprehensive assessment will allow the Kivalina Wellness Coalition to better understand the population's needs, resources, and readiness and to better address the problems identified in the first phase of the project. Substance abuse creates additional challenges statewide and in the community. Domestic violence, physical and sexual assault incidences increase with the prevalence of alcohol, as do the rates of underage drinking and bootleg alcohol sales in Kivalina

Please attach any relevant documentation to show community involvement or support.*

Examples include letters of support, joint resolution, priority lists, meeting minutes, sign up sheets, Title IX permit, etc.

IMG_1352.jpeg

Meeting Minutes*

NVK SAMHSA Program Narrative 2021.pdf

Audit*

DOC (5).pdf

Benefits

What are the short-term goals of the project/program?*

Despite the lack of existing services, the Native Village of Kivalina and the Kivalina Wellness Coalition are determined to address suicide and substance abuse to and to implement programs and services that are based in our Iñupiaq values and traditions. The Native Village of Kivalina is dedicated to serving the health and wellness of the tribal members it serves by connecting members to health-related programs and

resources. We are committed to ensuring that all of these programs and services are culturally relevant to our members and the 474 people that currently reside in Kivalina. We don't at the moment goal decide to run a short-term program, but for suicide prevention and Drugs and Alcohol prevention we would like to keep the program open on the long run to support our children/babies when they are of age growing up in peer pressure, temptations and being actively social in the community where substance abuse and suicide actually do take place due to Alcohol and drugs in Kivalina

What are the long-term goals of the project/program?*

The majority of community members in Kivalina speak both the English and Iñupiaq language. However, many Elders are most comfortable with Iñupiaq. Due to the importance of Elders in both the community and the Wellness program, the Kivalina Wellness Coalition is committed to ensuring that all materials and information will be available in both languages. This also pertains to the survey, assessment materials, and focus groups. The interview tools are a standard form that will be presented in English and Iñupiaq. We will utilize a translator from the Kivalina that is fluent in Iñupiaq to assist for the non-English speaking participants to ensure that all culturally and linguistic interventions are readily available. We would like to connect the elders with the youth, where the youth will learn the tradition to keep alive and learn the meaning of Inupiat Illitqusait, where it not taught at school or anywhere in Kivalina, our children need to be reminded of this value and learn respect.

Who will benefit from the project/program?*

Please be specific (e.g., children, youth, elders, women, etc.) and include details (e.g., numbers).

After Year One is complete, the Kivalina Wellness Coalition will focus on all three strategy tiers. To address Tier 1, the Coalition will offer activities and focus on all young people through the age of 24 regardless of risk of suicide. In our community, the risk of suicide is so perverse, all young people need to develop more positive coping mechanism and build wellness into their lives. The existing activities in Kivalina follow this universal strategy currently but, with secured funding, could be continuous and offer greater programmatic depth. Tiers 2 and 3 are also needed in Kivalina. Young people who are at high risk for suicide and substance abuse, or have already attempted suicide, will have additional focus from the Coalition. This will include involvement in a Peer-to-Peer program, a Mentor relationship, as well as counselling, life skills, adult education assistance and or GED assistance. 66 young/old individuals in Kivalina did not obtain a high school diploma or GED.

What is the level of community impact?*

Will the broader community benefit or just a few individuals?

The whole village of Kivalina will benefit from this program.

Community Impacted*

Will the project benefit one Village, more than one Village, or multiple Villages in the Northwest Arctic region?

Kivalina

Will the project create local jobs? If so, how many?*

Yes, 3 (three)

Electronic Signature

With my electronic signature, I certify that the information provided in this application is true, correct, and complete. I agree to allow any information on this application (unless otherwise noted) to be released for publication. I authorize the Northwest Arctic Borough to verify any information submitted as part of this application.

I have read the above information.*

Yes

Title of Authorizing Official*

Wellness Program Manager

Date*

July 7, 2023

Electronic Signature*

By typing in your name below, you certify that the above information is true and accurate to the best of your knowledge.

Josephine G. Adams

Direct questions related to the online application system to The Alaska Community Foundation by email: grants@alaskacf.org, or by phone: 907-334-6700.

After you submit your application you will receive a confirmation email. Thank you for applying!

ADMINISTRATOR QUESTIONS AND INSTRUCTIONS

Administrator Only

Your next steps are to respond to all required administrator questions and mark each application complete.

Documents

Check off each item as it is received, either as an upload document or as a hard copy.

File Attachment Summary

Applicant File Uploads

- Wellness Program Budget 2023.xlsx
- IMG_1352.jpeg
- NVK SAMHSA Program Narrative 2021.pdf
- DOC (5).pdf

Personnel

Project Manager	\$54,600
Assistant x 2	\$101,920.00
Payroll fringe	\$32,869.20
Total Personnel	\$189,389

Supplies

Phone	\$600.00
Stove oil	\$10,233.60
Program Supplies (kids muchies and office supplies	\$20,000.00
Electricity	\$1,200.00
Internet	\$1,720.68
Total Supplies	\$33,754.28

Program Total:	\$223,143.48
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July 7, 2023

To whom it may concern:

This letter supports the Wellness Program operated by the Native Village of Kivalina, to everyone in Kivalina called the (BnG).

It is the only recreational center open to the youth in the community and needs funding to continue operating the program. I support their request for funding due to the lack of entertainment and support systems availability.

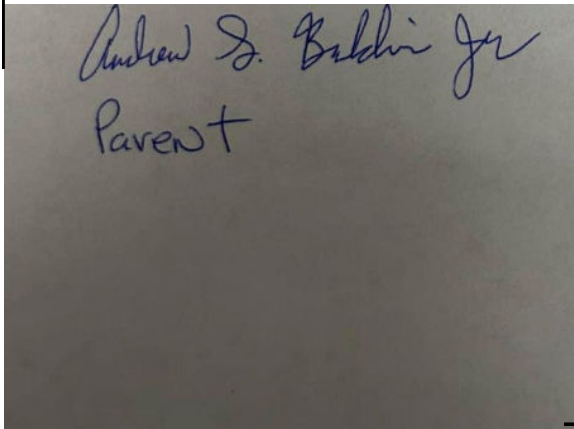
I have lived here all my life and have not yet seen anything similar to the program they provide for our children in the community, suicide prevention, drug and alcohol prevention need to be continued on in our home. They also have a phone number provided for us to call if we need help or just need to talk with someone we are comfortable with.

Teen peer pressure and underage drinking/marijuana use is now on the rise in our communities and this program will distract our young people to learn that is not the route to go, we support our young people to full extent.

Wellness program also supports the school activities and assist teachers throughout the year with sports and homework, children bring their homework there and get help finishing them. Which I thought was not a bad idea. Basketball and other sports are supported by this program.

Thank you for considering my letter of support for Wellness Program and hope to see the building stays open on a long run, more positive outcomes in the future.

Taikuu!!



Andrew S. Baldwin Jr.
Parent



Kivalina IRA Council

P.O. Box 50051 Kivalina, AK 99750

Ph: (907)645-2201 or 645-2153 Fax: (907)645-2193

e-mail: tribeadmin@kivaliniq.org

“Advocating for our people, land, waters and subsistence way of life”

HISTORY:

Kivalina first appeared on the 1920 U.S. Census as an unincorporated (native) village. The City of Kivalina formally incorporated in 1969.

The Native Village of Kivalina updated their Tribal enrollment the last 6 months of 2020 and total number of tribal members enrolled by November of 2020 is 616 members. The number of homes where people live year round is 88 houses. The population density was 202.1 people per square mile (77.8/km²). There were 88 housing units at an average density of 42.9 per square mile (16.5/km²). The Native Village of Kivalina is a federally recognized tribe with an elected tribal council. The City of Kivalina, organized under the Northwest Arctic Borough under the State of Alaska, has an elected mayor and city administrator and a 7-member city council. Manilaq Association serves the community as an Alaska Native non-profit regional corporation providing social, tribal and health care services.

INCOME:

The median income for a household in the village was \$30,833, and the median income for a family was \$30,179. Males had a median income of \$31,875 versus \$21,875 for females. The per capita income for the village was \$8,360. About 25.4% of families and 26.4% of the population were below the poverty line, including 27.9% of those under age 18 and 30.0% of those age 65 or over.

PROGRAM FOCUS:

The population of Kivalina is 97% Alaskan Native, of which all are enrolled tribal members. Kivalina is a coastal Iñupiaq village situated atop two square miles at the southern tip of a narrow, eight-mile long barrier island in the Chukchi Sea. Similar to many Alaskan Native communities, Kivalina lacks basic infrastructure for the delivery of substance and suicide treatment and prevention. Kivalina has limited data that would enable the Native Village of Kivalina to track prevention needs and services over time. Most services are provided remotely or on an irregular basis by behavioral health aides and other service providers based in Kotzebue, 80 air miles to the northwest of Kivalina. Additionally, Kivalina has unique stressors from the community being threatened by rising sea levels and severe erosion. The Kivalina Evacuation Road was completed October 2020, which is a life saving road to the mainland in case of an ocean storm surge that may inundate the village and cause life injury or fatality. This alone is enough to cause sleep deprivation and anxiety, as parents and young folk have many small and helpless children under the age of 17. The number of children under the age of 17 is a total of 200, half of the current village population.

Despite the lack of existing services, the Native Village of Kivalina and the Kivalina Wellness Coalition are determined to address suicide and substance abuse to and to implement programs and services that are based in our Iñupiaq values and traditions.

Kivalina Wellness Coalition

Native Connections Continuation Grant

Year Four

I. Description and explanation of changes, if any, made during this budget period affecting the following:

Goals and objectives

There were no significant changes affecting goals and objectives during this budget period. Many of our goals were ongoing from the previous year, including making available cultural and wellness-oriented community activities, strengthening suicide prevention support services, and increasing community engagement. We met these goals and greatly expanded the activities and client services that we offer, as well as increased the number of individuals participating. We implemented a Crisis Line, which now allows people to have a single place to call when in crisis. This was a much needed services and a goal that we were eager to meet.

We did remove a few objectives due to the realization that they were unattainable during the grant for various reasons. Specific objectives were hosting a GONA and opening a training center to help individuals complete their GEDs. After additional review, we realize that it is unrealistic to open a training center in our small community. We did modify this objective in order to still help youth and young adults to attain their GED. The wellness life coach coordinates with the McQueen School counselor to provide one-on-one GED preparations when needed. We anticipate continuing and expanding these services in Year Four and Year Five. The program Life Coach and Wellness Coordinator are actively planning a GONA and anticipate this will occur near the end of Year Four.

Projected time line for project implementation

The program saw budgetary changes with staff in Year Three. The Wellness Coordinator position was vacant for several months but the position was filled at the end of Year Three. As a result, there was a gap in certain services due to the change in position, most notably a decline organized weekly activities, such as game nights and craft nights. However, this issue was resulted with the hiring of Tony Oktollik as the Wellness Coordination.

Approach and strategies proposed in the initially approved and funded application:

There were no significant changes affecting the approaches and strategies proposed in the initially approved and funded application.

2. Report on progress relative to approved objectives, including progress on evaluation activities

The program made the greatest advances to date in Year Three. By the end of Year Three, we had significantly increased the number of activities offered and the number of people participating. We started a Women's Group in Year Three that continues to expand. In Year Three, we continued to offer open gyms, game nights, craft nights, potlucks and inter- generational gatherings. All of these activities saw an overall increase in the number of participants. Our staff received crucial training this year, particularly Mental Health First Aid (MHFA).

Progress on goals and objectives:

Goal	Objective	Status
Coordinate and provide training, resources, and education opportunities that address mental and behavioral health issues	Offer refresher courses to the public and community	Completed / Ongoing. Held MHFA training.
Make available cultural and wellness-oriented community Activities	Create a monthly activity calendar	Completed / Ongoing
Make available cultural and wellness-oriented community Activities	Host a GONA wellness event	Incomplete. This is a priority in Year Four and our Life Coach and Wellness Coordinator are actively planning.
Make available cultural and wellness-oriented community Activities	Open a training center to help individuals complete their GEDs	Incomplete. This is too ambitious of a goal for our small community but the life coach works with individuals on GED completion and preparation.
Strengthen the suicide prevention support system within the community	Develop public awareness campaigns aimed at decreasing stigma; normalize behavioral health services (Involve Youth)	Ongoing. The Crisis Line has drastically increased people's awareness of resources. We continue to work with McQueen School on decreasing stigma and encouraging youth to see behavioral and mental health services.
Strengthen the suicide prevention support system within the community	Limit access to lethal means (guns, drugs, alcohol)	In progress. We are coordinating with the school to provide this

		support.
Strengthen the suicide prevention support system within the community	Make Careline and other community crisis lines accessible	Completed. A Crisis Line was implemented at the end of Year Three. The Wellness Team take turns staffing the line.
Strengthen the suicide prevention support system within the community	Encourage spiritual leaders and churches to provide suicide prevention services and training in their communities of faith/belief	Complete / Ongoing. We partnered with churches to host potluck and wellness events in Year Three.
Strengthen the suicide prevention support system within the community	Encourage community leaders to integrate suicide prevention services and discussions in their meetings and work	Completed / Ongoing. The wellness program provides updates at IRA meetings and the IRA and City have been involved in wellness events
Increase community engagement	Increase connections between elders and others in the Community	Completed / Ongoing. We hosted a major inter-generational gathering and continue to make many events available to all ages.
Increase community engagement	Develop a Youth Council	Initiated. It is in its infancy and the Youth Intern will work with the Wellness Coordinator on growing this program in Year Four.
Increase the capacity of the KWC to collect, track, and utilize data	Work with SAMHSA and Maniilaq to establish a data collection and reporting system	Completed
Establish Postvention Services	Establish protocols for postvention treatment plans	Completed
Establish Postvention Services	Reduce substance abuse by providing betterment meetings (AA, NA)	Ongoing. A Women's Group was started in Year Three. We are working to establish a Men's Group and to reinstate an AA group. Right now it is very informal and irregular.
Increase healing by fostering traditional connectedness	Host activities with elders and youth	Completed / Ongoing. We host several craft nights, talks, and potlucks that bring elders and youth together.
Increase healing by fostering	Coordinate and offer grief	Ongoing. Talking Circles

traditional connectedness	and talking circles	are used with the Women's Group but we hope to expand them.
Increase healing by fostering traditional connectedness	Coordinate and host celebration of life potlucks	Ongoing.

3. Summary of key program accomplishments to date and list progress

We saw significant advancements and accomplishments in the second half of Year Three. Key program accomplishments and progress in Year Three include:

- ☐ Hired new Wellness Coordinator
- ☐ Fully staffed program by the end of Year Three
- ☐ Began partnering with the Boys & Girls Club
- ☐ Implemented Crisis Line
- ☐ Quicker response to crises
- ☐ Wellness staff and community members received MHFA training
- ☐ Annual Walk for Life
- Created Women's Group
 - ☐ Nine on-site visits by program Life Coach, Andy Lee
 - ☐ Increased cooperation with McQueen School
 - ☐ Continued to expand our weekly activities (open gym, game nights)
 - ☐ Increased participation in activities
 - ☐ Decrease in suicide ideation reports
 - ☐ Increased school attendance
 - ☐ Wellness basketball camps
 - ☐ Maintain open gym and wellness workouts
 - ☐ Community potlucks
 - ☐ Inter-generational youth gatherings
 - ☐ Strong partnership established with local NANA representative
 - ☐ Job training preparation (i.e. assistance with job applications, resumes) for young adults
 - ☐ Counseling and assessment services with life coach
 - ☐ Ongoing data monitoring

4. Description of difficulties/problems encountered in achieving planned goals and objectives including:

Barriers to accomplishment

Many of the barriers were due to having an incomplete staff and a lack of locally qualified individuals to provide counseling services. Due to suicides and suicide attempts in Year Two, we greatly hoped to provide more local counseling services to individuals in Year Three. This is a clear need, yet it is one we don't yet have a clear answer to. We continue to work toward addressing this gap but at the moment counseling services continue to be primarily provided by Andy Lee during site visits and by Maniilaq in Kotzebue, the regional hub community.

One additional barrier we continue to have is limited oversight from SAMHSA and Native Connections. As in Year Two, there were times when we asked for assistance addressing certain challenges in the program and did not receive follow up. We understand that Native Connections staff are busy and have a large grantee load, but additional involvement would really help keep us moving in the right direction. A lot of this falls on our staff to reach out to Native Connections more frequently, but this is a barrier we hope will be addressed more thoroughly in Year Four.

Actions to overcome difficulties

We filled the Wellness Coordinator position with Tony Oktollik. Filling this position allowed us to both resume and expand our activities and programs. A major action we took this year was launching a Crisis Line, which provides a single number for local individuals to call when they are in crisis. This did not exist previously, and left many individuals unsure of who to reach out to. This was a major step and one that has been used and well received by the community. The Wellness Team take turns staffing the Crisis Line and it has worked smoothly to date. It does not address the need for additional local counselors, but it does provide more suicide intervention resources to people in Kivalina.

We still would like to see more engagement from SAMHSA and Native Connections. We can continue to reach out to Native Connections for additional assistance moving the program forward. With the a Wellness Coordinator and the plan to hire a Youth Intern, we will need to check in internally to ensure that we are using our action plan as a guide and sticking to our established goals and objectives. As with the previous year, there were periods last year where we were busy with general programming and lost track other goals that we should have been working on.

5. Report on milestones anticipated with the new funding request:

The Kivalina Wellness Coalition intends to continue building a culture of wellness in Kivalina through coordinating activities, support groups, and client services in the new funding cycle. In the next funding cycle we intend to achieve the following:

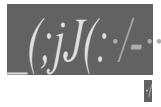
- Hire a Youth Intern
- Continue outreach to publicize the Crisis Hotline
- Continue to host weekly cultural and wellness activities
- Build the Kivalina Youth Council
- Expand the Women's Group
- MHFA refresher and training for staff and community members
- Host talking circles
- Host a GONA
- Build our relationship with the school
- Expand our relationship with the Boys & Girls Club
- Continue to host community potlucks and inter-generational gathers
- Coordinate the annual Walk for Life
- Maintain data collection
- Strengthen community and regional suicide support system

During the next budget cycle, we will continue to offer activities that focus on all young people through the age of 24, regardless of their risk of suicide. The risk of suicide in Kivalina is so perverse that all young people need to develop more positive coping mechanism and incorporate wellness routines into their lives. In addition to general wellness activities to all young people, during Year Four we will specifically focus on building support groups for specific populations. A Women's Group has formed and is slowly growing. We will continue to support and grow this group, while also forming a Men's Group and additional talking circles.

Additionally, we will continue to provide services and explore new services for individuals who are at high risk for suicide and substance abuse, or who have already attempted suicide. This will include counseling and client services, life skills training, and encouragement to participate in the program activities.

6. Key Staff Changes

Josephine G. Adams was hired as the Wellness Coordinator at the middle of Year Four. We have 2 Activities Coordinators and the intern is vacant until filled. However, one of the Activities Coordinator position will be opened again as one of our staff turned in their 2 weeks notice. With turnovers happening, and new staff coming in with no prior experience, we will plan to continue training staff to address mental first aid to all new staff.



Brad Cage, CPA
18040 Hillcrest Drive • Eagle River, AK 99577
Phone (907) 444--6465

May 18, 2023 ·

To Tribal Council and Management

Native Village of Kivalina

Kivalina, Alaska

I am pleased to confirm our understanding of the services I am to provide for Native Village of Kivalina for the year ended December 31, 2022.

Audit Scope and Objectives

I will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements, of Native Village of Kivalina as of and for the year ended December 31, 2022. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Native Village of Kivalina's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, I will apply certain limited procedures to Native Village of Kivalina's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding 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 my audit of the basic financial statements. I will not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis, if applicable.

I have also been engaged to report on supplementary information other than RSI that accompanies Native Village of Kivalina's financial statements. I will subject the following supplementary information to the auditing procedures applied in my audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and I will provide an opinion on it in relation to the financial statements as a whole in a report combined with my auditor's report on the financial statements.

- 1) Schedule of expenditures of federal awards.
- 2) Combining nonmajor funds

The objectives of *my* audit 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 issue an auditor's report that includes *my* opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore it's not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of law, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

I will conduct my audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable me to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, I exercise professional judgment and maintain professional skepticism throughout the audit.

I will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. I will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. I will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because I will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by me, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, I will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to my attention. I will also inform the appropriate level of management of any violations of laws or governmental regulations that come to my attention, unless clearly inconsequential. I will include such matters in the reports required for a Single Audit. My responsibility as auditor is limited to the period covered by my audit and does not extend to any later periods for which I am not engaged as auditor.

I will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

My procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. I will also request written representations from your attorneys as part of the engagement.

I have identified the following significant risk(s) of material misstatement as part of my audit planning:

According to GAAS, significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, I have considered these as significant risks. Significant revenue recognition risks include but are not limited to, dump fee revenues. In addition, I have also noted prior year findings related to documentation of expenses that I consider to be a significant risk.

My planning of the audit has not concluded, so there might be additional risks noted.

I may, from time to time and depending on the circumstances, use third-party service providers in serving your account. I may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, I maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, I will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and I will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that I am unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the

third-party service provider. Furthermore, I will remain responsible for the work provided by any such third-party service providers.

My audit of financial statements does not relieve you of your responsibilities.

Audit Procedures-Internal Control

I will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for my opinions. 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, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that I consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. My tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in my report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, I will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that I consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, my tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in my report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, I will express no such opinion. However, during the audit, I will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures-Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I will perform tests of Native Village of Kivalina's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and I will not express such an opinion in my report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that I also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. My procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Native Village of Kivalina's major programs. For federal programs that are included in the Compliance Supplement, my compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on Native Village of Kivalina's compliance with requirements applicable to each of its major programs in my report on compliance issued pursuant to the Uniform Guidance.

Other Services

I will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of Native Village of Kivalina in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. I will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. I, in my sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume management responsibilities for the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You **will be** required to acknowledge in the management representation letter my assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have

accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements and Single Audit

My audit will be conducted on the basis that *you* acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to me and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing me with (1) access to all information of which you are **aware** that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that I may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom I determine it necessary to obtain audit evidence. At the conclusion of my audit, I will require certain written representations from you about the financial statements: schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to me in the management representation letter that the effects of any uncorrected misstatements aggregated by me during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing me about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing me of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that I report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include my report on the schedule of expenditures of federal awards in any document that contains, and indicates that I have reported on, the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes *my* report thereon. Your responsibilities include acknowledging to me in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of

federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to me any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which I have been engaged to report on, in conformity with U.S. generally accepted accounting principles (GAAP). You agree to include my report on the supplementary information in any document that contains, and indicates that I have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes my report thereon. Your responsibilities include acknowledging to me in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to me any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to me corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on my current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Engagement Administration, Fees, and Other

I understand that your employees will prepare all cash, accounts receivable, or other confirmations I request and will locate any documents selected by me for testing.

At the conclusion of the engagement, I will complete the appropriate sections of the Data Collection Form that summarizes *my* audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the Federal Audit Clearinghouse. I will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

I will provide copies of my reports to Native Village of Kivalina; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of my reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Brad Cage, CPA and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Department of the Treasury or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality **review** of the audit, to resolve audit findings, or to carry out oversight responsibilities. I will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Brad Cage, CPA personnel. Furthermore, upon request, I may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Department of the Treasury. If I am aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, I will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Brad Cage is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. I expect to begin my audit on approximately May 18, 2023.

My fee for these services will be at my standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, confirmation service provider fees, EQCR fees etc.) except

that I agree that my gross fee, including expenses, will not exceed \$14,300. My standard hourly rate is \$110 per hour. In addition, I will bill \$550 for other expenses including report production, EQCR, audit guides, etc. My invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with my firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If I elect to terminate my services for nonpayment, my engagement will be deemed to have been completed upon written notification of termination, even if I have not completed my report(s). You will be obligated to compensate me for all time expended and to reimburse me for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, I will keep you informed of any problems I encounter and my fees will be adjusted accordingly.

Reporting

I will issue written reports upon completion of my Single Audit. My reports will be addressed to Management and the Tribal Council of Native Village of Kivalina. Circumstances may arise in which my report may differ from its expected form and content based on the results of my audit. Depending on the nature of these circumstances, it may be necessary for me to modify my opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to my auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, I will discuss the reasons with you in advance. If, for any reason, I am unable to complete the audit or am unable to form or have not formed opinions, I may decline to express opinions or issue reports, or I may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

You have requested that I provide you with a copy of my most recent external peer review report and any subsequent reports received during the contract period. Accordingly, my 2021 peer review report accompanies this letter.

I appreciate the opportunity to be of service to Native Village of Kivalina and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let me know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to me.

Very truly yours,

,, 114-

erad Cage, CPA

RESPONSE:

This letter correctly sets forth the understanding of Native Village of Kivalina.

Management signature:

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Date; _____



Report on the Firm's System of Quality Control

Brad Cage CPA

Eagle River, Alaska;

and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Brad Cage CPA (the firm) in effect for the year ended June 30, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations *of*, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsumma. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

As part of our peer review, we considered reviews by regulatory entities *as* communicated by the firm, if applicable, in determining the nature and extent of our procedures.

CPAs • Advisors

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CPAmerica

Member

Crowe Global

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Brad Cage CPA in effect for the year ended June 30, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Brad Cage CPA has received a peer review rating of *pass*.

tiYl llP

Ontario, California
March 10, 2022

**NORTHWEST ARCTIC BOROUGH
RESOLUTION 23-59**

**A RESOLUTION OF THE NORTHWEST ARCTIC
BOROUGH ASSEMBLY APPROVING SUBMISSION OF AN
APPLICATION FOR A DEPARTMENT OF ENERGY OFFICE
OF CLEAN ENERGY DEMONSTRATIONS GRANT FOR
THE COMMUNITY OF AMBLER, AND FOR RELATED
PURPOSES.**

WHEREAS: the Northwest Arctic Borough Assembly is the governing body for the Northwest Arctic Borough; and

WHEREAS: the Northwest Arctic Borough is a home rule regional government and provides essential programs and services to improve the quality of life for all residents and their 11 communities; and

WHEREAS: the U.S. Department of Energy (“DOE”) Office of Clean Energy Demonstrations (“OCED”), through Funding Opportunity Announcement DE-FOA-0003045, is awarding \$1 billion over 5 years in grants through the Energy Improvement in Rural or Remote Areas Program (“ERA”); and

WHEREAS: the Tribe wishes to improve the quality of life for the residents of the community; and

WHEREAS: the Borough wishes to apply for an ERA grant to support a High Penetration Solar-Battery Project in Ambler, Alaska; and

WHEREAS: the Project proposes to install a Solar PV and Battery system along with electric utility upgrades to support the integration of renewable energy into the islanded microgrid; and

WHEREAS: Ambler’s electricity needs are currently met exclusively by diesel-generated power provided by the Alaska Village Electric Cooperative (AVEC); and

WHEREAS: no cost-share or matching funds are required or anticipated for the project.

NOW THEREFORE BE IT RESOLVED: that the Assembly authorizes the Borough to submit an application under DE-FOA- 0003045 “Bipartisan

Infrastructure Law Energy Improvement in Rural or Remote Areas” grant proposal for up to \$5,000,000 to the Department of Energy’s Office of Clean Energy Demonstrations; and

BE IT FURTHER RESOLVED: that the Assembly authorizes Mayor Dickie Moto to act as the Business Contact and to represent the Borough in matters related to this grant program and construction project; and

BE IT FURTHER RESOLVED: that the Assembly authorizes Ingemar Mathiasson, Borough Energy Manager, to act as the Project Manager.

PASSED AND ADOPTED THIS 24th DAY OF OCTOBER 2023.

Assembly President

PASSED AND APPROVED THIS 24th DAY OF OCTOBER 2023.

Dickie Moto, Sr., Mayor

SIGNED AND ATTESTED TO THIS 24th DAY OF OCTOBER 2023.

Stella Atoruk, Borough Clerk

ATTEST:

**NORTHWEST ARCTIC BOROUGH
RESOLUTION 23-60**

**A RESOLUTION OF THE NORTHWEST ARCTIC
BOROUGH ASSEMBLY SUPPORTING TECK AMERICAN'S
ONGOING WORK TOWARD EXPLORATION OF THE
AKTIGIRUQ AND ANARRAAQ DEPOSITS NEAR THE RED DOG
MINE.**

WHEREAS: the Northwest Arctic Borough is the home rule regional government for Northwest Alaska; and

WHEREAS: residents formed the Borough in 1986 on the promise of tax revenue from the Red Dog Mine; and

WHEREAS: the Red Dog Mine has operated since 1989 and has consistently been one of the largest lead and zinc mines in the world; and

WHEREAS: since February 1987, the Borough and the operator of the Red Dog Mine have had a payment in lieu of taxes (PILT) agreement in place to provide revenue for public services and support of education; and

WHEREAS: the Borough's most recent PILT agreement for Red Dog was executed with Teck Alaska, Inc., in April 2017, and will expire at the end of 2025, with the possibility for a five-year extension upon agreement between the Borough and Teck; and

WHEREAS: under Teck's current mine plan, the Red Dog Mine will cease production in 2031; and

WHEREAS: without successful exploration and development of new deposits near Red Dog, the Borough will be without its largest taxable activity and taxpayer without a comparable replacement; and

WHEREAS: future production at Red Dog depends on successful exploration and development of surrounding deposits; and

WHEREAS: the Borough's Comprehensive Plan recognizes the importance of supporting strategic natural resource development and the important role that the Red Dog Mine play as an economic generator in the region; and

WHEREAS: Teck Resources Limited subsidiary, Teck American, Inc., is currently undertaking permitting for exploration and potential development of the

Aktigiruk and Anarraaq deposits on state lands about 10 miles north of the existing mine; and

WHEREAS: preliminary work at Aktigiruk shows an estimated resource of 80 to 150 million metric tons at 16 percent to 18 percent zinc, a grade similar to the current Red Dog Mine; and

WHEREAS: to reach Aktigiruk and Anarraaq for underground exploration, Teck must construct a surface road from the existing mine site to the deposit sites approximately 10 miles away; and

WHEREAS: Teck American proposes to develop a gravel road and work pads to provide safe, year-round overland access and foundations for support facilities, including an underground access portal, to allow a multi-year exploration drilling campaign to assess the technical characteristics and economic viability of the Aktigiruk and Anarraaq deposits; and

WHEREAS: Teck American will access the Aktigiruk and Anarraaq deposits from the proposed gravel access road and support facilities to evaluate the potential to extend milling operations at the Red Dog Mine; and

WHEREAS: as part of this work, the U.S. Army Corps of Engineers (USACE) published a Public Notice of Application for Permit (Ikalukrok Creek, POA-2018-00075) on March 10, 2022, to develop Teck American's proposed gravel exploration access road and work pads; and

WHEREAS: this work has been permitted by the Borough under Title 9 Major Use Permit No.110-03-22: Teck American, Inc. Anarraaq & Aktigiruk Drilling (approved April 14, 2022) and Title 9 Minor Use Permit No.110-03-21: Teck American Inc. Mineral Exploration; and

WHEREAS: the Borough supports this ongoing work and the careful planning and permitting effort undertaken to ensure the access road will not disturb cultural sites and natural resources; and

WHEREAS: the Borough recognizes the significant benefit that Red Dog's operations have brought to the Borough, NANA Regional Corporation, the Northwest Arctic Borough School District, and the region as a whole; and

WHEREAS: the Borough recognizes that the economic livelihood of the region depends on ongoing mineral exploration, development, and production; and

WHEREAS: while the Borough recognizes the potential that the Ambler Mining District represents, it also recognizes the existing transportation facilities and infrastructure that will immediately accommodate future mining operations around the Red Dog Mine, and in turn, the importance of fully exploring those development opportunities.

NOW THEREFORE BE IT RESOLVED: the Borough Assembly supports Teck Resources' ongoing exploration efforts to expand mining operations to the surrounding deposits.

PASSED AND ADOPTED THIS 24th DAY OF OCTOBER 2023.

Assembly President

PASSED AND APPROVED THIS 24th DAY OF OCTOBER 2023.

Dickie Moto, Sr., Mayor

SIGNED AND ATTESTED TO THIS 24th DAY OF OCTOBER 2023.

Stella Atoruk, Borough Clerk

ATTEST:

**NORTHWEST ARCTIC BOROUGH
RESOLUTION 23-61**

**A RESOLUTION OF THE NORTHWEST ARCTIC
BOROUGH ASSEMBLY APPROVING THE
UNINCORPORATED COMMUNITY OF NOATAK FOR
PARTICIPATION IN THE FY24 COMMUNITY ASSISTANCE
PROGRAM.**

WHEREAS: AS 29.60.865 and 3 AAC 180.070 require the assembly of a borough or unified municipality to adopt a resolution identifying those unincorporated communities located within their municipal boundaries that the assembly determines meet the Community Assistance Program (often referred to as Revenue Sharing) eligibility criteria established under AS 29.60.865, AS 29.60.879, and 3 AAC 180.110; and

WHEREAS: as an unincorporated community, Noatak has more than 25 residents and either a Native village council or incorporated nonprofit entity that will agree to receive and spend the Community Assistance payment for the public benefit of the unincorporated community; and

WHEREAS: the Native Village of Noatak meets these criteria and provides at least three of the following services, which are generally available to all residents of the community: fire protection, emergency medical, water and sewer, solid waste management, public road or ice road maintenance, public health, and search and rescue.

NOW THEREFORE BE IT RESOLVED: the Northwest Arctic Borough Assembly hereby certifies that the Native Village of Noatak is eligible for funding under the FY24 Community Assistance Program.

PASSED AND ADOPTED THIS 24th DAY OF OCTOBER 2023.

Assembly President

PASSED AND APPROVED THIS 24th DAY OF OCTOBER 2023.

Dickie Moto, Sr., Mayor

SIGNED AND ATTESTED TO THIS 24th DAY OF OCTOBER 2023.

Stella Atoruk, Borough Clerk

ATTEST:



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,
and Economic Development
DIVISION OF COMMUNITY AND REGIONAL AFFAIRS
Fairbanks Office

455 Third Avenue, Suite 140
Fairbanks, Alaska 99701-3110
Main: 907.451.2718
Fax: 907.451.2742

September 14, 2023

RECEIVED
SEP 21 2023

Dickie Moto, Sr., Mayor
Northwest Arctic Borough
P.O. Box 1110
Kotzebue AK, 99752

RE: FY24 Community Assistance Program (CAP)

Dear Mr. Moto, Sr.:

The Division of Community and Regional Affairs (DCRA) is pleased to announce the FY24 Community Assistance Program (CAP) payment for your community. The FY24 CAP payment for the Northwest Arctic Borough is: \$410,709.43

Municipalities that submitted all the required documentation for eligibility will be issued their CAP payment. Each unincorporated community the borough assembly certified as meeting the eligibility criteria under AS 29.60.865, AS 29.60.879, and 3 AAC 180.110 will receive an additional \$15,789.00. Municipalities that have not yet submitted the required documentation for eligibility will be issued their calculated payment amount, once received.

To check your CAP status go to the DCRA website at:

<https://www.commerce.alaska.gov/dcra/eGrantsOnLine/Pages/RevenueSharing.aspx>

The status report will reflect the required financial documentation needed to receive payment.

If there are any questions concerning the CAP payments, please contact me at (907) 451-2718 or caa@alaska.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kimberly Phillips".

Kimberly Phillips
Grant Administrator 3

LANDYE BENNETT
BLUMSTEIN LLP
ATTORNEYS

701 West 8th Avenue, Suite 1100, Anchorage, Alaska 99501
(907) 276-5152 Facsimile: (907) 276-8433

EIN: 93-0659437

Northwest Arctic Borough
Attn: The Controller
P.O. Box 1110
Kotzebue, AK 99752

October 13, 2023
Invoice No. 325049

For Legal Services Rendered through September 30, 2023

CLIENT: 01040 - Northwest Arctic Borough

Matter	Fees	Expenses	Total
001 - General	16,408.00	1,820.61	18,228.61
126 - Planning & Zoning 2004 -	68.00	0.00	68.00
	Current Billing		<u>\$18,296.61</u>

LANDYE BENNETT
BLUMSTEIN LLP
ATTORNEYS

Client Ref: 01040 - Northwest Arctic Borough

October 13, 2023

Invoice No. 325049

Re: 001 General

Professional Fees

Date		Description	Hours	Amount
09/01/23	AJK	E-mails with I. Mathiasson regarding amendment to ANRI contract; draft the same; draft ordinance regarding Energy Steering Committee MOU	1.30	247.00
09/01/23	MJM	Emails with Administration regarding Selawik grant approval; review related award and application resolution	0.20	48.00
09/01/23	MJM	Phone call with Mayor Moto regarding pending projects	0.30	72.00
09/05/23	RAC	Emails with NWABSD attorney T. McMahon regarding Kivalina school transfer MOA; analyze updated revisions (no charge)	0.30	0.00
09/05/23	AJK	Finalize ordinance re NANA MOU and confer with M. Mead regarding the same	0.30	57.00
09/05/23	MJM	Prepare materials for Assembly meeting; phone call and emails to staff and Administration for same; teleconference to review FY24 Kivalina Road maintenance plan; email to G. Schuerch regarding resolution for support of Red Dog exploration	3.80	912.00
09/06/23	RAC	Call with Mayor Moto regarding HR matters, police department trip to the North Slope and the Kivalina old school transfer; emails with S. Chase and C. Hatch regarding police department matters and associated trip; emails with Mayor Moto regarding joint borough effort	0.70	140.00
09/06/23	MJM	Phone calls with Mayor Moto to discuss pending project and personnel matters; teleconference to review Cape Blossom Road maintenance and funding issues; phone calls with S. Bloom and AMLJIA regarding personnel matter	1.90	456.00

LANDYE BENNETT
BLUMSTEIN LLP
ATTORNEYS

Client Ref: 01040 - Northwest Arctic Borough
Invoice No. 325049

October 13, 2023

Professional Fees

Date		Description	Hours	Amount
09/06/23	MJM	Phone call with A. Kiunya regarding annual meeting notice and sign-up sheet; prepare annual meeting packet and sign-up sheet	0.30	72.00
09/07/23	RAC	Call with S. Schaeffer regarding HR matter; conference with M. Mead regarding same; email with OTZ regarding OTZ lease	0.60	120.00
09/07/23	MJM	Review election notices; email to S. Atoruk for same; phone calls with Mayor Moto; prepare resolutions for Assembly meeting; emails to staff and Administration for same	2.70	648.00
09/08/23	RAC	Call with Mayor Moto regarding upcoming trip to Utqiagvik and meeting schedules; calls and emails to coordinate with NSB Planning, Police, Fire, Mayors, Search and Rescue, Ilisagvik College and ICAS for upcoming trip	2.10	420.00
09/11/23	MJM	Phone call with S. Atoruk regarding September meeting; review related materials; prepare Teck exploration support resolution; review related material	0.90	216.00
09/11/23	RAC	Meetings in Utqiagvik with Mayor Moto, N. Hadley, C. Hatch, S. Chase, and J. Reich with NSB staff and administration	8.00	1,600.00
09/12/23	MJM	Phone call and emails to staff and Administration regarding upcoming meetings and related issues, contract and procurement options, and personnel matters	0.60	144.00

LANDYE BENNETT
BLUMSTEIN LLP
 ATTORNEYS

Client Ref: 01040 - Northwest Arctic Borough

October 13, 2023

Invoice No. 325049

Professional Fees

Date		Description	Hours	Amount
09/12/23	RAC	Meetings in Utqiagvik with the Inupiat Community of the Arctic Slope Executive Director M. Lemen and Council President G. Edwardson to discuss tribal and municipal partnerships for emergency operations and incident command systems and regional partnerships for various community issues; meetings with NSB Search and Rescue regarding mutual aid assistance, updated MOA, and issues with transporters and guides	6.00	1,200.00
09/13/23	MJM	Emails to Borough staff and Administration regarding contracts, projects, and personnel matters; review related provisions of Borough Code; phone call with I. Mathiasson for same; conference with R. Camilleri regarding public safety updates	0.80	192.00
09/13/23	RAC	Review Kivalina school ROW permit with OTZ; confer with M. Mead and Utqiagvik trip and follow up items	1.70	340.00
09/14/23	MJM	Outline issues for personnel matter; email to AMLJIA for same; phone call and emails to Administration and staff regarding Assembly meeting and pending contracts	2.80	672.00
09/15/23	RAC	Call with D. Moto regarding OTZ Permit with City of Kivalina; emails to City of Kivalina and OTZ regarding draft resolution for OTZ ROW Permit; emails with OTZ regarding resolution revisions	0.30	60.00
09/15/23	MJM	Phone call with Mayor Moto	0.20	48.00
09/18/23	ACC	Review and respond to question from M. Mead regarding FSB temporary special actions adopted in response to WACH conservation concerns; research FSB meeting dates and deliberation outcomes	0.20	40.00

**LANDYE BENNETT
BLUMSTEIN LLP
ATTORNEYS**

Client Ref: 01040 - Northwest Arctic Borough
Invoice No. 325049

October 13, 2023

Professional Fees

Date		Description	Hours	Amount
09/18/23	MJM	Review and prepare materials for Assembly meeting; emails to staff and Administration for same; attend BAF Committee/Work Session; meet with staff and Administration to address follow-up issues, pending projects, and personnel matters	8.40	2,016.00
09/19/23	MJM	Participate in Regular Assembly Meeting; meet with staff and Administration; phone calls with Mayor Moto for same	4.80	1,152.00
09/20/23	MJM	Meet with AMLJIA regarding personnel matters; emails and phone calls to AMLJIA and S. Bloom for same; phone calls and emails to staff and Administration regarding grant, meeting, and contract issues; prepare boiler application and revised waiver; emails to Regional Residential Boiler Repair Program for same; prepare materials for special meeting	4.70	1,128.00
09/21/23	MJM	Red Dog site visit; meet with Administration on related issues; prepare materials for special meeting; emails to staff and Administration for same	9.20	2,208.00
09/22/23	MJM	Participate in special telephonic meeting; phone calls and emails to Borough staff and Administration regarding meeting, pending contracts, and projects; prepare Northern Contractors contract	1.40	336.00
09/23/23	MJM	Review and response to email from Mayor Moto regarding personnel matter	0.20	48.00
09/25/23	MJM	Review personnel matter; prepare related documents; emails with S. Bloom and AMLJIA for same; analyze related material; prepare letters for VIC/PSC positions; review related material; email to E. Stephens regarding lateral hires; review related Code provisions	2.90	696.00
09/25/23	JMC	Review personnel matter; research regarding taxation issues; confer with M Mead regarding same	0.80	184.00

**LANDYE BENNETT
BLUMSTEIN LLP**
ATTORNEYS

Client Ref: 01040 - Northwest Arctic Borough

October 13, 2023

Invoice No. 325049

Professional Fees

Date		Description	Hours	Amount
09/26/23	MJM	Review personnel matter	0.20	48.00
09/26/23	AJK	Draft construction services agreement with MK Consulting for Selawik VPSO Warm Storage heater installation and repairs	1.40	266.00
09/26/23	MJM	Meet with Mayor Moto to review personnel, contract, project, and meeting issues	0.80	192.00
09/27/23	AJK	Review Deerstone Consulting revisions to construction services agreement; revise the same; email M. Mead regarding the same	0.70	133.00
09/27/23	MJM	Emails with staff and Administration regarding pending contracts	0.30	72.00
09/28/23	AJK	Finalize Deerstone Construction Services Agreement	0.30	57.00
09/28/23	MJM	Phone call and emails to Borough staff and Deerstone regarding Selawik contract	0.40	96.00
09/29/23	MJM	Phone call and emails to Borough Administration regarding pending contracts; revise contract	0.30	72.00

Matter Rate Summary

		Rate	Hours	Amount
RAC	Richard A. Camilleri	0.00	0.30	0.00
RAC	Richard A. Camilleri	200.00	19.40	3,880.00
JMC	Jennifer M. Coughlin	230.00	0.80	184.00
ACC	Anna C. Crary	200.00	0.20	40.00
AJK	Alex J. Kubitz	190.00	4.00	760.00
MJM	Matthew J. Mead	240.00	48.10	11,544.00
Total for Services			72.80	\$16,408.00

Disbursements and Expenses

Date	Expenses	Amount
08/28/23	Travel Expense M. Mead flight from ANC to OTZ 9/18-9/19 conf #CDQAMW - Alaska Airlines Inc.	304.19

LANDYE BENNETT
BLUMSTEIN LLP
ATTORNEYS

Client Ref: 01040 - Northwest Arctic Borough
Invoice No. 325049

October 13, 2023

Disbursements and Expenses

Date	Expenses	Amount
09/06/23	Travel Expense R. Camilleri flight from BRW to ANC 09/12 - Alaska Airlines Inc.	279.60
10/01/23	Travel Expense R. Camilleri flight from ANC to BRW 09/10 conf #NJJXR - Alaska Airlines Inc.	373.59
10/01/23	Parking 09/10-09/12 - RAC 09/10-09/12	48.00
10/01/23	Travel Expense 09/10-09/12 - RAC 09/10-09/12	100.94
10/01/23	Parking - MJM NAB Trip	32.00
10/01/23	Meals Expense M. Mead 09/20-09/21 - MJM NAB Trip	153.09
10/01/23	Travel Expense M. Mead flight from ANC to OTZ 09/20-09/21 conf #JLXTHW - Alaska Airlines Inc.	524.20
	Delivery services/messengers thru 10/04/23	5.00
Total Expenses		<u>\$1,820.61</u>
Total This Matter		<u><u>\$18,228.61</u></u>

Receipts Since Last Invoice

Prior Balance On This Matter	12,739.81
Date Description	Total Applied to this Matter
09/28/23 Applied to 324453, 324722.	12,739.81
Less Total Payments	<u>\$12,739.81</u>
Prior Balance Due	0.00
Current Balance Due	<u>\$18,228.61</u>

**LANDYE BENNETT
BLUMSTEIN LLP**
ATTORNEYS

Client Ref: 01040 - Northwest Arctic Borough
Invoice No. 325049

October 13, 2023

Re: 126 Planning & Zoning 2004 -

Professional Fees

Date		Description	Hours	Amount
09/05/23	RAC	Emails with G. Belamour regarding Title 9 Monitoring Program with NANA	0.10	20.00
09/06/23	MJM	Emails to G. Belamour regarding Title 9 monitoring and AMDIAP SEIS	0.20	48.00

Matter Rate Summary

		Rate	Hours	Amount
RAC	Richard A. Camilleri	200.00	0.10	20.00
MJM	Matthew J. Mead	240.00	0.20	48.00
Total for Services			0.30	\$68.00

Total This Matter \$68.00

Receipts Since Last Invoice

Prior Balance On This Matter	564.00
Date Description	Total Applied to this Matter
09/28/23 Applied to 324453, 324722.	564.00
Less Total Payments	\$564.00
Prior Balance Due	0.00
Current Balance Due	<u>\$68.00</u>

Please return this page with remittance

to
Landye Bennett Blumstein LLP - ANC
701 West 8th Avenue
Suite 1100
Anchorage, Alaska 99501

Invoice No. 325049
Bill Date: October 13, 2023
Client Code: 01040
Client Name: Northwest Arctic Borough

Total Fees	16,476.00
Disbursements	1,820.61
Current Billing	<u>\$18,296.61</u>

Amount enclosed: _____

We accept the following forms of payment:

Checks – Payable to Landye Bennett Blumstein LLP
ACH – First National Bank Alaska, Routing No. 125200060 Acct No. 31098254
Please send notification of payment to ancaccounting@lbblawyers.com
Visa, Master Card & American Express accepted, 2.5% fee – www.LBBlawyers.com

