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Annual Comprehensive Financial Report for the fiscal year ending in December 31, 2022

CITY OF KETCHIKAN, ALASKA ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended December 31, 2022

Prepared by:

FINANCE DEPARTMENT

Michelle L. Johansen Finance Director

Shawn E. Hart, CPA Controller

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LETTER OF TRANSMITTAL



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June 30, 2023

Honorable Mayor, Members of the City Council, and the Citizens of the City of Ketchikan, Alaska

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Ketchikan, Alaska for the year ended December 31, 2022. Section 5.2 of the City Charter requires an independent audit of the City's financial records and transactions by a certified public accountant within four months after the end of the City's fiscal year.

Introduction To The Report

The ACFR was prepared by the City of Ketchikan Finance Department. The accuracy of the data in this financial report, and the completeness and the fairness of the presentation, including all disclosures is the responsibility of management. To provide a reasonable basis for making these representations, a comprehensive internal control framework has been established that is designed to protect the City's assets from loss, theft, or misuse and to maintain sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh the benefits, the framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City's financial statements have been audited by Teuscher Walpole, LLC. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the year ended December 31, 2022 are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

As a recipient of federal and state financial assistance, the City may be required to undergo a federal single audit and a state single audit. Single audits are designed to provide grantors with assurances regarding federal and state grants that have been awarded to the City. The federal single audit was performed in accordance with the provisions of the Single Audit Act Amendments of 1996 and the requirements of Title 2 of the US Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The state single audit was performed in accordance with the State of Alaska Single Audit Regulation 2 AAC 45.010 and the requirements of the *Audit Guide and Compliance Supplement for State Single Audits*. These audits were designed to meet the special needs of federal and state grantor agencies. The standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. Information related to these single audits including the Schedules of Expenditures of Federal Awards and State Financial Assistance, the auditor's reports on the internal control and compliance with applicable laws and regulations, and the schedules of findings and questioned costs are included in separately issued reports.

The narrative introduction, overview and analysis accompanying the basic financial statements entitled, "Management's Discussion and Analysis" (MD&A) provides an objective and easy-to-read analysis of the finances of the City. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with

it. The City's MD&A can be found immediately following the independent auditor's report in Financial Section of the ACFR.

Profile of the Government

The City of Ketchikan, incorporated in 1900, is a community of 7,998 and is the fifth largest city in Alaska. Located on Revillagigedo Island in southern Southeast Alaska, and within the boundaries of the Tongass National Forest, Ketchikan is 680 miles north of Seattle, Washington, and 230 miles south of Alaska's capital, Juneau. Ketchikan is the largest city located within the Ketchikan Gateway Borough and occupies five square miles. The population of the Borough is 13,762.

The City is a home rule municipality operating under the Council-Manager form of government. The Mayor and the seven-member City Council are elected for staggered three-year terms by the community at large. Local elections are held annually in October. The governing board is responsible for enacting ordinances, adopting the annual budget, establishing policy, and appointing a City Manager/KPU General Manager, a City Clerk and a City Attorney.

The City Manager/KPU General Manager serves at the pleasure of the City Council and is responsible for implementing the ordinances and policies of the governing board; and overseeing the daily operations of general government and the City's public utilities, including Ketchikan Public Utilities (KPU), the municipally owned electric, telecommunications and water utility.

The City provides a full range of government services, including police and fire protection; emergency medical services; cemetery; library; museum; harbors; parking; street maintenance and improvements; and solid waste collection and disposal. The City operates three enterprise funds that provide port, wastewater, and electric, telephone and water utility services and owns the community's largest health care facility.

The annual budget serves as the foundation for the City's financial planning and control. In the fall of each year, departments of the City are required to submit requests for appropriations and capital projects to the City Manager/KPU General Manager. The City Manager/KPU General Manager uses these requests as the basis for developing a proposed annual budget and five-year capital improvement plan and presents both spending plans to the City Council for review in November. The City Council is required to hold a public hearing on the proposed budget and to adopt a final budget no later than three days before the start of the City's fiscal year, which begins on January 1. The appropriated budget is prepared by fund and department. The City Manager/KPU General Manager may make limited transfers of appropriations within a department. Transfers of appropriations that exceed the City Manager/KPU General Manager's authority, between funds, departments and reserves require approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and all major special revenue governmental funds of the City, this comparison is presented as required supplementary information. For non-major government funds with appropriated budgets, this comparison is presented in the governmental funds subsection of this report.

Local Economy

The information presented in the City's annual financial report is perhaps best understood when it is considered in the context of the local economy in which the City is a participant. From the moment of the City's founding in 1900, the local economy has been based on natural resources. During the early 1900's mining and fishing were important area industries. At one point in its history, Ketchikan was known as the "Salmon Capital of the World". By the 1950's, mining's role in the local economy had diminished and fishing was in the process of being replaced by timber as the major industry that would drive the local economy for nearly fifty years. This transition occurred because two 50-year timber contracts to cut timber in the Tongass National Forest were awarded by the US Forest Service. The contracts resulted in the construction of two major pulp mill facilities, one of which was located in Ketchikan, and the development of several saw mills in and near Ketchikan.

For most of the second half of the 20th Century, the fishing and timber industries co-existed and the community enjoyed the benefits of a stable economy that grew at a slow, but consistent pace. By the time the 1990's arrived, both industries were under duress. The fishing industry was suffering from high operating costs, excessive inventories, low market prices and competition from farmed fish. The timber industry was faced with addressing environmental issues; changing government regulations that affected the supply of timber from the Tongass

National Forest and impacted the cost of doing business; and the premature cancellation of the 50-year timber contracts. Overcoming these issues was difficult at best and eventually resulted in the closure of the Ketchikan pulp mill facility in 1997 and the subsequent closure of a several local saw mills and other regional timber operations in Southeast Alaska.

Ketchikan's economy is still dependent on natural resources but it has transitioned from one that is based primarily on the extraction and development of natural resources to one that is more focused on the preservation of natural resources so they can be shared with future generations from around the world. The fishing industry continues to play an important role in the local economy and the mining industry is attempting to make a comeback through efforts to develop two rare earth and precious metal mines near Ketchikan that are currently in the exploratory stages. Ketchikan's most dominant economic sector is tourism and its popularity as a major port of call for large cruise ships and their passengers continues to grow. In 2019 Ketchikan saw a record number of passengers. The number of paying passengers arriving by large cruise ships has increased from 236,000 in 1990 to 1,171,000 in 2019. The industry was forecasting 46 cruise ships to make 562 stops and bring a record breaking 1.2 million paying passengers to the community in 2020. Due to the COVID-19 pandemic the tourism industry came to a halt in 2020. While the City received a full the return of cruise ships in 2022 the passenger volume was lower than usual. The Port received 42 ships making 442 stops bringing 751,009 visitors in 2022. The City invested over \$40 million dollars in 2006 to construct Berth III, add a waterfront promenade and develop ground transportation areas and other shore side amenities. Private companies have invested millions of dollars to develop a retail complex at the former Spruce Mill site and Berth IV and its adjacent ground transportation area. The City also completed phase four of a \$26 million four-phase project to upgrade Berths I and II. Going forward the City will consider options for the financing and construction of improvements costing up to \$100 million to upgrade its port facilities to accommodate the neopanamax cruise ships that are beginning to serve the Southeast Alaska cruise market but first the City must continue its recovery from the effects of the losses experienced as a result of COVID-19 pandemic. Second but just as important the City needs to determe how the privately-owned cruise ship berthing facilities located in Ward Cove, Alaska will impact the improvements for publicly owned facilities in the downtown core. At present there is a need to direct the flow of passengers coming from the Ward Cove facility to the downtown core in a safe and pleasant manner.

The City is a major contributor to the community's economy and has played an important role in planning and supporting economic development. The City is the community's sole provider of electric utility services; the largest provider of port and harbor services; a major provider of telecommunication services; the owner of the Ketchikan Medical Center, a major regional health care facility; and the lead local governmental agency responsible for constructing and maintaining a significant portion of the community's transportation infrastructure, all of which affect the overall direction and health of the local economy. The City, with an annual payroll of \$25.69 million is one of the community's top five employers.

The City is located within the boundaries of the Ketchikan Gateway Borough, which had a population of 13,741 in 2022. Approximately 59 percent of the community's population, or 8,068 residents, make their home within the city limits. The City's population peaked in 1997 at 8,552, the last year of operations for the Ketchikan Pulp Company. School enrollment also peaked in 1997 at 2,782 pupils and has since followed a similar downward trend, until bottoming out at 2,110 students in 2009. In 2022, the Ketchikan Gateway Borough School District reported an enrollment of 2,161 pupils, a decrease of 2 pupils from 2021.

The shift in the local economy from timber to tourism has resulted in a labor force that has become more seasonal. In 2022, the monthly employment varied between 5,925 and 6,967. The average employed labor force in 2022 was 6,314 with employment peaking at 6,967 in July. The average labor force in 2021 was 6,118. The average annual unemployment rate for 2022 was 4.7 percent, a decrease from the 7.4 percent that was reported for 2021. Per capita income in the Ketchikan Gateway Borough for 2019, 2020 and 2021 was \$69,052, \$67,465 and \$72,278, respectively. The 2022 data was not available.

In 2022, assessed values increased by 1.0% to \$948.33 million from \$947.23 million in 2020. The projected change in assessed values for 2022 is about 2.0%. Gross retail sales increased from \$444.6 million in 2020 to \$510.5 million in 2021, or 12.0 percent and taxable retail sales increased by 20.87 % to \$259.73 million. The City collected \$15.37 million in sales tax revenues in 2022, or \$5.52 million more than 2021. Sales tax collections for 2022 were projected to be \$11,550,000. The 2022 cruise ship season returned in May of 2022 but with lower than expected passenger counts. The number of passengers recorded in 2022 was 751,009 compared to 2019 passenger count of 1.17 million. The increase in the prices for fuel, freight and the general increase in the cost of goods contributed to the increase in sales tax revenue in 2022. The cost of goods, fuel and freight was not expected and cannot be counted on with any certainty due to the ability of consumers to modify their spending

habits with the increase in cost of household items. The City continues to recover from losses by reducing operating costs where it is reasonable and practical to do so without compromising the needs of the community, services and public safety.

Long-Term Financial Planning and Relevant Financial Policies

The mission of the City is to provide cost effective programs and services consistent with the goals of preserving and enhancing the current quality of life enjoyed by the citizens of Ketchikan. The long-term financial planning efforts of the City are directed towards identifying events and situations that may hinder the City's ability to achieve these goals, taking proactive or preemptive roles in developing strategic solutions to address the challenges that have been presented, and developing reasonable and prudent plans for ensuring that the City has the financial resources available to carry out its strategic solutions. In this context, the governing board and management of the City strive to promote policies and adopt plans that:

- Minimize the local tax burden and support reasonable and equitable fees for local government services.
- Encourage the development of reliable utility services that are adequate to meet the demands of the community at affordable rates that encourage private investment in the community.
- Actively address state mandates or regulatory issues that threaten to increase the cost of local government.
- Support full funding for the development and maintenance of infrastructure necessary to encourage economic development in the community and maintain Ketchikan's position as the major economic hub of Southern Southeast Alaska.

Port Development –Currently, the City has four berths capable of berthing panamax cruise ships. The larger neopanamax cruise ships are now being placed in service and more neopanamax class cruise ships will be added to the Southeast Alaska market as they come off the production line. Initially, the City had tentatively settled on projects to expand Berths I and II and modify to Berth III to handle the neopanamax ships but suspended these efforts due to cost considerations and the recent announcement by the Ward Cove Dock Group, a privately held company, of its plans to construct two neopanamax berths at the site of the former Ketchikan Pulp Company. The Ward Cove Dock Group finished construction of the two berths and placed in service in 2021. As a result, the City is continuing to evaluate future development needs while recovering from the economic effects of COVID-19 pandemic.

Telecommunications Utility - The telecommunications industry is fast paced industry that is constantly being subjective to rapid changes in technology that significantly affects how telecommunication services are delivered to consumers. The City owned telecommunications utility has not been immune to these changes. In response to the rapid growth in the demand for internet and video services and the need for additional bandwidth, the City undertook the development and construction of a 90 mile undersea fiber cable between Ketchikan, Alaska, USA and Prince Rupert, BC, Canada. In November 2020, the City completed installation of the new undersea fiber cable. Going forward the telecommunications utility will be focusing on projects that were deferred due to COVID-19 pandemic, starting with upgrading discontinued equipment in its core network and switches.

State Fiscal Challenges – The State of Alaska is an oil producing state that relies heavily on taxes assessed against oil companies operating the oil fields located in the state to fund its operating and capital budgets. The overall decline in oil production has had a significant impact on the State's finances and its ability to balance its annual budgets. Oil production peaked in 1987 at 2086 barrel per day in March of 1988. Current production is approximately 450 barrels per day. Per the Governor's office the current fiscal year's budget looks to make responsible investments in public safety, public education and economic development. While investing in education and economic development creates a stronger foundation for each community the fiscal health of the State plays an important role in the City's finances as well as other local governments around the State. The finances of the State can have an immediate and direct impact on the finances of the City and area wide borough government. State employment accounts for 7.26% of the local workforce, revenue sharing and, historically, has been a predominant player in the development and construction of infrastructure through its capital matching grant programs. The City's utilities and public facilities have benefited from these programs. Over the past ten years, the City has received millions of dollars, in the form of low interest loans, to improve, replace or acquire water and sewer mains, hydroelectric plant, harbor and port facilities, a fire station, a library, and a hospital wing. The City

Council is cognizant of the fact that it must carefully assess the finances of the State as it develops and approves the City's annual budgets and continues to make this assessment in its budget deliberations in order to arrive at a spending plan that maintain the quality of life for the citizens of the City without placing upon them an undue tax burden.

Property Tax and Debt Policies – The City currently subscribes to a policy of maintaining a stable property tax levy in order to promote Ketchikan as an attractive place to live and encourage economic development. Changes in the property tax levy are made in the context of a long-term perspective. As a result, increases or decreases in the property tax levy are made only if the long-term financial needs of the City warrant such changes. Short-term financial needs are addressed by making adjustments to the reserves of the City's general fund. The policy has been successful since 1990. During this period, the City's mill rate has ranged between 6.1 and 8.7. The City has lowered its mill rate six times and raised it twice. The current mill rate of 6.6 has been in effect since 2018.

The City Charter requires that the voters ratify all general obligation and revenue bonds issued by the City at either a special or regular municipal election. The primary resources for debt service on the City's general obligation bonds are property and sales taxes. The City currently limits the issuance of revenue bonds to finance improvements for its electric, telecommunications, water and wastewater utilities and its port operations. In addition, revenue bonds can only be issued provided that the net revenue available from the pledged activities is equal to or greater than 1.25 times annual debt service after the issuance of the revenue bonds. The City continues to meet these requirements.

Major Initiatives

The City is a part of a progressive community that seeks to improve the quality of life for its citizens. During 2022, a number of initiatives were undertaken by the City to improve the utility infrastructure, encourage economic development, enhance public safety and public health, promote the education and cultural experience of its citizens, and improve administrative efficiencies of city government. Some of the major initiatives are as follows:

- Continue to recover from the effects of losses experienced because of the unprecedented COVID-19 pandemic.
- Continue to improve visitor amenities in the downtown core to ensure Ketchikan is a popular port of call.
- Initiated work for the Water Street Trestle Rehabilitation.
- Completed the improvements to the Domestic Violence Shelter and donated the building to a local non-profit organization, Women-In-Safe-Homes.
- Completed improvements of a building to be used for the purpose of sheltering some of the homeless population and minimizing the risk of spreading COVID-19.
- Placed in service two ambulances, replaced the fire department's self-contained breathing apparatus and 4 defibrillators.
- Continued the installation of commercial water meters with a goal towards moving to a metered rate structure for business customers.
- The raw water main replacement on Schoenbar Road was placed in service.
- Continued efforts to seek a Limited Alternative to Filtration per the Federal Safe Drinking Water Act.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (the "GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the fiscal year ended December 31, 2021. This was the forty-third year that the City has received this prestigious award.

In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the annual comprehensive financial report was a team effort on the part of the professional staff of the Finance Department. Without their efforts, it would not have been possible to produce this report. Each member worked many extra hours and exhibited an extraordinary effort to ensure the accuracy and timeliness of this report. We appreciate their dedication and the contributions they made to this effort. These individuals are:

Stan Aegerter Anita Beaudoin Vickie Boyd Ging Day Cristina Doyle Joe Graham Kevin Heaton Patty Keeley Taylor Martinez Camille Nelson Tracey Sader Meghan Traudt Sharon Walls

We would also like to express our appreciation to City Manager Delilah Walsh and Assistant City Manager Lacey Simpson, department heads and personnel from other City departments who assisted us in the preparation of this financial report. Finally, we would like to thank the Mayor and members of the City Council for their continued interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Michelle L Jel

Michelle L. Johansen Finance Director

Shawn E. Hart, CPA Controller

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

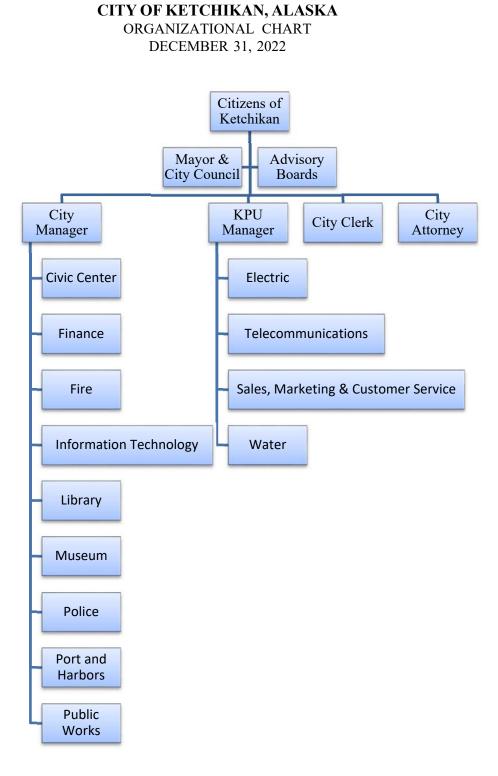
City of Ketchikan Alaska

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

December 31, 2021

Christophen P. Morrill

Executive Director/CEO



CITY OF KETCHIKAN, ALASKA

PRINCIPAL CITY OFFICIALS

December 31, 2021

MAYOR AND CITY COUNCIL

City Mayor	David Kiffer
City Councilmember	Lallette Kistler
City Councilmember	Abby Bradberry
City Councilmember	Riley Gass
City Councilmember	Mark Flora
City Councilmember	Janalee Gage
City Councilmember	Jai Mahtani
City Councilmember	Jack Finnegan

CITY STAFF

City Manager/KPU General Manager	Delilah A. Walsh
City Clerk	Kim L. Stanker
City Attorney	Mitchell A. Seaver
Finance Director	Michelle L. Johansen
Information Technology Director	Brock D. Hecla
Police Chief	Jeffrey H. Walls
Fire Chief	Richard T. Hines
Public Works Director/Engineering Mgr.	Mark W. Hilson
Library Director	Patricia A. Tully
Museum Director	Anita A. Maxwell
Civic Center Manager	Alice M. Nelson
Port and Harbors Director	Daniel E. Berg
Telecommunications Utility Manager	Daniel B. Lindgren
Water Utility Manager	John C. Kleinegger
Electric Utility Manager	Jeremy Bynum
Sales, Marketing & Customer Service Manager	Kim N. Simpson



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INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council City of Ketchikan, Alaska

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ketchikan, Alaska, for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Ketchikan, Alaska's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ketchikan, Alaska, as of December 31, 2022, 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 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 Ketchikan, Alaska and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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- · 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 Ketchikan, Alaska's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Ketchikan, Alaska's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 17–31 and 87–91 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ketchikan, Alaska's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 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 nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2023, on our consideration of the City of Ketchikan, Alaska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Ketchikan, Alaska's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Ketchikan, Alaska's internal control over financial reporting and compliance.

Teuscher Walpole, LLC

June 30, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Ketchikan is pleased to provide the users of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2022. Users should consider the information presented here in conjunction with additional information furnished in the letter of transmittal and the information included in the notes to the financial statements.

Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred outflows of resources by \$383.9 million (net position), an increase of \$20.39 million or 5.6% from 2021.
- Total net position is comprised of the following:
 - 1) Net investment in capital assets of \$288.71 million, includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - 2) Resources of \$34.55 million restricted by constraints imposed from outside the City such as debt covenants, granting agencies, laws, or regulations.
 - 3) Unrestricted resources of \$60.69 million available to maintain the City's continuing obligations to its citizens and creditors.
- The City's governmental funds reported total ending fund balance of \$40.11 million, an increase of \$8.22 million or 25.8% from 2021.
- The City was awarded funds from the American Rescue Plan Act totaling \$4,456,187.
- Unassigned fund balance for the General Fund totaled \$5.87 million or 23.89% of total General Fund expenditures. This was an increase of \$1.80 million from 2021. The General Fund reported a current year operating surplus of \$1.1 million. In 2021, an operating deficit of \$582,279 was reported.
- The City's proprietary funds reported total ending net position of \$188.67 million, an increase of \$8.89 million or 4.95% from 2021.
- The City's property tax rate remained unchanged at 6.6 mill. The City has increased its mill rate only twice in the past 30 years. For all other years, the mill rate remained unchanged or was lowered.
- The City Council approved the implementation of a seasonal sales tax rate in 2022 with an effective date start date of April 1, 2023.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This discussion and analysis introduces the City's basic financial statements, which comprise of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. Other supplementary information providing additional detail to support the basic financial statements is also included in the City's comprehensive annual financial report.

Government-wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to

that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the City's assets, deferred outflow of resources, liabilities and deferred inflow of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City should extend to other nonfinancial factors such as the diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the City's net position changed during the calendar year. All activities on this statement are reported on the accrual basis of accounting, which requires that revenues be reported when earned and expenses be reported when incurred regardless of when cash is received or disbursed. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both of the government-wide financial statements distinguish governmental activities of the City that are principally supported by taxes and intergovernmental revenues from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public works, culture, harbors, and health and welfare. Business-type activities include Ketchikan Public Utilities (KPU), a combined utility; the Port of Ketchikan and wastewater utility services.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund information for nonmajor funds is provided in the form of combining statements in a later section of this report. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term calendar accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

Proprietary funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City has five proprietary funds; three are classified as enterprise funds and two are internal service funds. The enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the City organization for electric, water, telecommunications and wastewater utilities and port facilities.

Internal service funds are an accounting mechanism used to accumulate and allocate costs internally among the City's various functions. The City uses internal funds to account for its risk management and insurance programs and compensated absences. Internal service fund assets and liabilities are predominantly governmental and have been included in the governmental activities of the government-wide statements of net position.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the governmentwide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budget presentations. A budgetary comparison schedule is included as "required supplementary information" for the general fund. The schedule demonstrates compliance with the City's adopted and final revised budget.

Supplementary Information

As discussed, the City reports major funds in the basic financial statements. Combining and individual statements and schedules for nonmajor funds are presented as supplementary information in this report.

Government-wide Financial Analysis

Statement of Net Position

The City's net position at December 31, 2022 and 2021 totaled \$383.94 million and \$363.55 million, respectively. The net position of the City, as a whole, increased by \$20.39 million. The following table summarizes the net position of the City's governmental and business-type activities:

	Governmen	tal Activities	Business-ty	pe Activities	Total			
				Restated		Restated		
	2022	2021	2022	2021	2022	2021		
Assets								
Current and other assets	\$ 50,215,309	\$ 51,149,915	\$ 58,478,843	\$ 60,720,171	\$ 108,694,152	\$ 111,870,086		
Capital assets	217,271,150	211,530,857	228,471,000	217,105,631	445,742,150	428,636,488		
Total assets	267,486,459	262,680,772	286,949,843	277,825,802	554,436,302	540,506,574		
Deferred outflows of resources	1,848,511	1,767,179	533,041	528,596	2,381,552	2,295,775		
Liabilities								
Current and other liabilities	6,989,918	7,184,883	9,256,112	9,624,015	16,246,030	16,808,898		
Long-term liabilities	63,956,221	63,749,463	86,735,225	83,627,308	150,691,446	147,376,771		
Total liablities	70,946,139	70,934,346	95,991,337	93,251,323	166,937,476	164,185,669		
Deferred inflows of resources	3,110,193	9,736,066	2,825,512	5,330,686	5,935,705	15,066,752		
Net Position								
Net investment in capital assets	160,598,478	161,755,446	128,106,659	130,788,498	288,705,137	292,543,944		
Restricted	19,777,408	13,948,485	14,769,248	10,162,964	34,546,656	24,111,449		
Unrestricted	14,902,752	8,073,608	45,790,128	38,820,927	60,692,880	46,894,535		
Total net position	\$ 195,278,638	\$ 183,777,539	\$ 188,666,035	\$ 179,772,389	\$ 383,944,673	\$ 363,549,928		

Total assets and deferred outflows of resources for governmental activities increased by \$4.89 million and total liabilities and deferred inflows of resources decreased by \$6.61 million, resulting in an increase in net position of \$11.50 million for governmental activities. Total assets and deferred outflows of resources for business-type activities increased by \$9.13 million

and total liabilities and deferred inflows of resources increased by \$234,810, resulting in an increase of \$8.90 million in net position for business-type activities. For the City as a whole, net position increased by \$20.39 million from 2021. As noted, net position may serve over time as a useful indicator of a government's financial position. Since the City began reporting its net position in 2003, it has increased from \$207.16 million to \$383.94 million. Over the past 19 years, the City's financial position has improved by \$176.78 million, or 85.34%.

The largest component of the City's net position is its net investment in capital assets. The City's net investment in capital assets accounts for 75.19% of its net position. These capital assets include land, buildings, equipment, vehicles, and infrastructure used to provide services to the citizens of the City less any related debt that is still outstanding. These assets are not available for future spending. Although investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this outstanding debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. For the City as a whole, its net investment in capital assets decreased by \$3.84 million. The net investment in capital assets for the City's governmental activities decreased by \$1.16 million and the net investment in capital assets for business-type activities decreased by \$2.68 million.

Approximately 9.0% of the City's net position is restricted because of limitations placed on how these resources may be used. Included are resources restricted for debt service, bond proceeds for capital improvements, pension and post-employment benefits, Commercial Passenger Vessel Excise Tax funds for services provided to passengers and program specific resources accounted for in special revenue funds. Programs provided by the City include solid waste collection and disposal, harbors, and cemetery services.

A portion of the City's net position is unrestricted and may be available to meet the City's ongoing financial obligations. This portion represents resources not restricted by external requirements nor invested in capital assets. The unrestricted portion of net position amounted to \$60.69 million, or 15.81%, of total net position. This is an increase of \$13.80 million from 2021. Unrestricted net position reported for the City's governmental activities increased by \$6.83 million and the unrestricted net position of the City's business-type activities increased by \$6.97 million.

(*This page continued on the subsequent page*)

Changes in Net Position

The City's net position increased \$20.39 million in 2022. The net position for governmental activities increased \$11.50 million and business-type activities increased \$8.89 million. The following table provides a summary of the changes in the City's net position:

Changes in Net Position

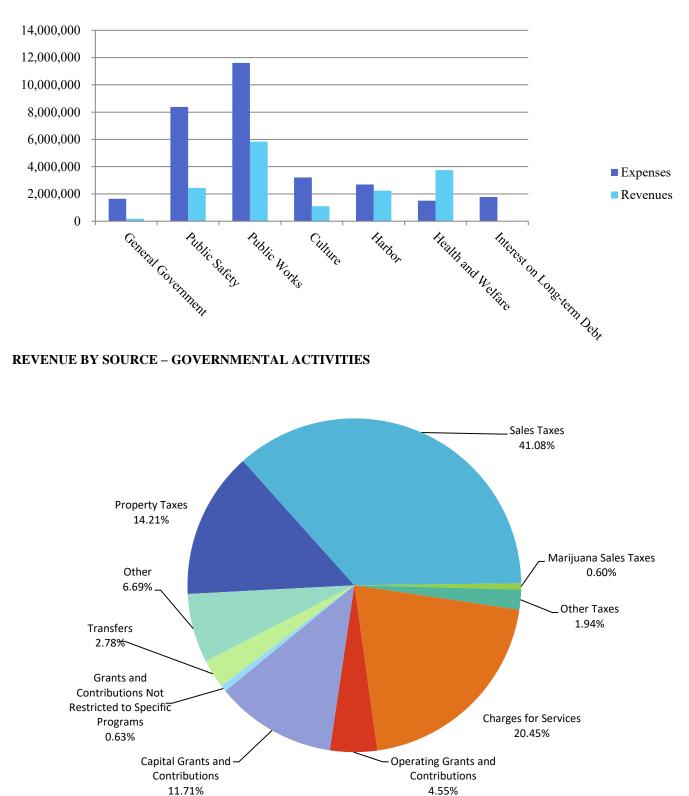
	Government	al Ao	ctivities		Business-type Activities				Total			
							Restated				Restated	
	2022		2021		2022		2021		2022		2021	
Revenues:												
Program:												
Charges for services	\$ 8,654,293	\$	6,982,791	\$	59,156,876	\$	48,043,247	\$	67,811,169	\$	55,026,038	
Operating grants	-,	*	•,• •_,• •	*		-	,,	+	,,	*		
and contributions	1,926,180		4,136,717		2,758,074		6,097,777		4,684,254		10,234,494	
Capital grants	, ,		, ,		, ,		, ,		, ,		, ,	
and contributions	4,955,960		736,594		306,400		170,301		5,262,360		906,895	
General:												
Taxes	22,511,014		17,090,241		-		-		22,511,014		17,090,241	
Other	 3,098,987		595,538		837,065		818,664		3,936,052		1,414,202	
Total revenues	 41,146,434		29,541,881		63,058,415		55,129,989		104,204,849		84,671,870	
Ever an a say	-		-									
Expenses: General government	1,651,035		2,488,224						1,651,035		2,488,224	
Public safety	8,378,446		10,682,784		-		-		8,378,446		10,682,784	
Culture and tourism	3,210,440		3,503,606		_		-		3,210,440		3,503,606	
Health and welfare	1,509,704		4,000,233		_		-		1,509,704		4,000,233	
Public works	1,509,704		7,811,076				_		11,608,984		7,811,076	
Harbor	2,693,536		2,429,503		_		_		2,693,536		2,429,503	
Interest	1,770,690		1,945,589		_		_		1,770,690		1,945,589	
KPU	1,770,090		1,945,569		43,821,710		41,089,117		43,821,710		41,089,117	
Port	-		_		6,442,673		6,471,260		6,442,673		6,471,260	
Wastewater	-		-		2,722,886		2,778,378		2,722,886		2,778,378	
					<u> </u>		<u> </u>					
Total expenses	 30,822,835		32,861,015		52,987,269		50,338,755		83,810,104		83,199,770	
Increase in net position												
before transfers	10,323,599		(3,319,134)		10,071,146		4,791,234		20,394,745		1,472,100	
Transfers in (out)	 1,177,500		1,084,853		(1,177,500)		(1,084,853)		-		-	
Increase (decrease) in												
net position	11,501,099		(2,234,281)		8,893,646		3,706,381		20,394,745		1,472,100	
Net position, beginning												
Restated	183,777,539		186,011,820		179,772,389		176,066,008		363,549,928		362,077,828	
Net position, December 31	 195,278,638		183,777,539		188,666,035		179,772,389		383,944,673		363,549,928	
Position, December 91	 				100,000,000		1,7,1,2,307		2009,211,075		200,017,720	

Governmental Activities. The City's net position from governmental activities increased \$11.50 million. In 2021, net position decreased by \$2.23 million. The key elements in the change in net position from the prior year are as follows:

- Charges for services increased by \$1.67 million. The Fire Department joined the Supplemental Emergency Medical Transport program that reimburses the City for the cost of ambulance services that are not reimbursed by service charges. This program generated additional revenue of \$744,482 in 2022. The remaining increase is due to the revival of summer travelers and cruise ship passengers coming to Ketchikan, resulting in increases in parking, civic center, museum, and transient harbor revenues. The return of summer visitors also ignited other development resulting in an increase building permits and additional refuse at the landfill.
- Taxes increased by \$4.87 million in 2022. The City realizes approximately 33% of its sales tax revenues from the tourism industry and those businesses that support the tourism industry. The resumption of summer travel increased sales and transient tax revenues accounting for nearly all of the increase.
- Operating grants decreased by \$2.21 million. The decrease was due to a reduction of financial assistance from the federal government. In 2022, the City received Non-Entitlement Unit American Rescue Plan Act (ARPA) funds compared to ARPA, FEMA and CARES Act funds utilized in 2021.
- General government expenses decreased by \$2.04 million. This decrease is due to adjustments related to the City's PERS net pension liability.
- Public safety decreased by \$2.31 million. This decrease is mostly due to adjustments to the City's PERS net pension liability and other post-employment benefits. There was also a decrease in the capital improvements purchased for police department in 2022.
- Public works expenses increased by \$3.8 million. The donation of a vacant building to a non-profit organization, Women-In-Safe-Homes accounted for approximately 73.40% this increase. The remaining 26.62% of the increase is a result of increases for the cost of wages, fuel, freight and supplies perform public works services.

The following graphs compare program revenues with expenses and illustrate the revenues by source for governmental activities.

(*This page continued on the subsequent page*)



EXPENSES AND PROGRAM REVENUES -GOVERNMENTAL ACTIVITIES

Business-type Activities. The City's net position from business-type activities increased by \$8.89 million. This is a significant change from the previous year's increase of \$3.71 million. As will be discussed below, nearly all of the increase is due to the increase in rates and return of the cruise ship season. The City's business-type activities include electric, telecommunications, water and wastewater utilities; and port operations. The key elements in the change in net position from the prior year are as follows:

Charges for services increased \$11.11 million. The table below summarizes charges of services by business-type activity.

				Restated			
		2021					
Electric	\$	19,802,565 \$ 19,162,832					
Telecommunications		20,497,990		19,790,808			
Water		4,664,989		4,342,104			
Port		10,699,430		1,301,805			
Wastewater		3,491,902		3,445,698			
	\$	59,156,876	\$	48,043,247			

Electric utility revenues increased by \$639,733 as a result of a 1.5% rate increase and a 2.1% increase in consumption generated the additional revenue in 2022. the utility increased its rates 1.5% in anticipation of an increase in the cost to purchase power from Southeast Alaska Power Agency (SEAPA).

Overall, telecommunications revenues increased by \$707,182. A combination of factors were responsible for the increase. Local network revenues and network access services increased by about \$120,239 as customers counts continue to fluctuate for landline services. Non-regulated telecommunication revenues arising from internet, television and wireless services increased by \$459,947. Consumer demand for internet, television and wireless services continues to be strong and the City's telecommunications utility has a dominant presence in the local market.

Water revenues increased \$322,885 mostly due to a 4.0% rate increase as part of a two-year increase in anticipation of the increase in debt service payments upon completion of the Schoenbar Raw Water Main Replacement project. This project is expected to be complete mid to late 2023.

Port revenues increased by \$9.39 million as a result of the resumption of a full cruise ship season. The while the number of cruise ships sailings were back to normal the number of passengers averaged 70-75% capacity over the season. Even though the passenger levels were lower than pre-pandemic levels the resumption of a full cruise ship season was an important step for the community, allowing the City and local businesses to continue recovering from the losses caused by the pandemic.

Capital grants and contributions decreased to \$3.20 million. Most of the capital grants awarded to the City are used to fund long-term improvements for assets that are generally funded in accordance with their life cycles. Funding for these types of projects tend to fluctuate over time and are dependent on the finances of the State of Alaska, which is the primary source of funding for capital grants received by the City.

The overall expenses of the City's business-type activities for 2022 increased from \$50.34 million to \$52.99 million, or \$2.65 million. The table summarizes expenses by business-type activity.

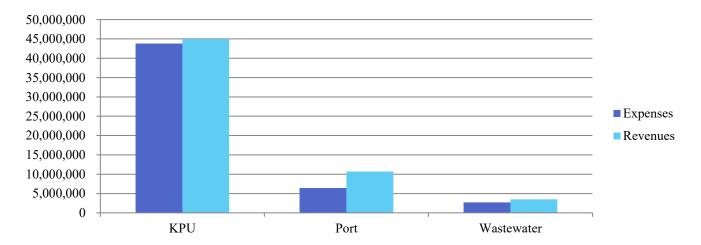
		Restated
	2022	2021
Electric	\$19,414,132	\$19,350,090
Telecommunications	18,184,475	17,433,112
Water	6,223,103	4,305,915
Port	6,442,673	6,471,260
Wastewater	2,722,886	2,778,378
	\$52,987,269	\$50,338,755

The total expenses of the electric utility saw a slight increase of \$57,111 in 2022. Personnel costs decreased from in 2021 due to a retroactive pay increase resulting from a change in the collective bargaining agreement that was paid out in 2021 and bond financing costs also decreased in 2022 as a result of a refunding in 2021, while purchased power costs increased \$1.5 million.

The cost of operating the telecommunications utility increased by \$758,444 million. The increase was due to multiple factors, wages increased 9.1% due to a COLA and hiring personnel for positions that had been vacant for an extended period, depreciation of assets increased 15.6% due to improvements in plant, an increase of 8.8% in broadcast content fees and an increase of 12% in the cost of inventory and maintenance materials, fuel and freight.

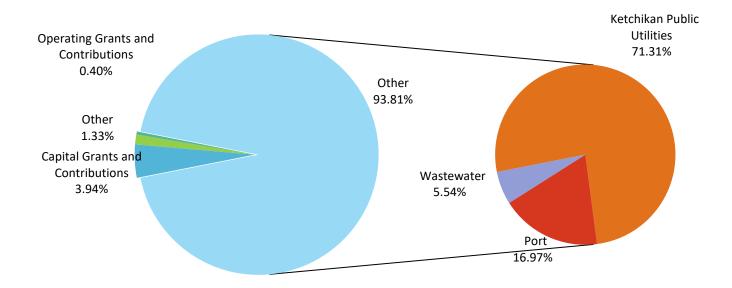
Port operating costs decreased by \$28,587. In 2022, the Port realized similar operating expenses due to the fact that a large portion of their costs are generated from debt service and lease payments. The last three years the Port has paid the minimum lease payment of \$1,800,000 due to the pandemic and the gradual return of cruise ship visitors. As passenger counts increase the lease payments are also expected to increase.

The following graphs compare program revenues with program expenses and illustrate the revenues by source for business-type activities.



EXPENSES AND PROGRAM REVENUES -BUSINESS-TYPE ACTIVITIES

REVENUE BY SOURCE – BUSINESS-TYPE ACTIVITIES



Financial Analysis of the City's Funds

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following is an analysis of the City's major governmental funds and proprietary funds.

Governmental Funds. The financial statements of governmental funds show more detail than governmental activities in the government-wide financial statements and focus on near-term, inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

The City's governmental funds reported combined ending fund balances of \$40.11 million, an increase of \$8.22 or 25.78%, from last year. Nonspendable fund balances total \$285,414 and consists entirely of land held for resale. Restricted fund balances total \$10.46 million. Assigned fund balances total \$23.49 million and includes the following:

- \$5.28 million for the subsequent year's budget deficit
- \$2.30 million for streets and sidewalks maintenance and other public works projects
- \$3.81 million for culture and tourism
- \$2.65 million for public buildings improvements
- \$3.83 million for public health
- \$1.20 million for solid waste
- \$0.30 million for abatement of dangerous buildings and parking development
- \$1.59 million for public safety
- \$1.99 million for harbors
- \$0.54 million for general government

The general fund is the primary operating fund of the City through which all receipts of and payments for City operations are processed unless they are required to be accounted for in another fund. By definition, it is a major governmental fund under generally accepted accounting principles. Total general fund revenues for 2022 amounted to \$31.01 million, an increase of \$7.45 million from 2021. Nearly all of the increase was a result of an increase in sales tax revenues. Sales tax revenues increased by \$4.95 million or 48.09% from 2021. Intergovernmental revenues increased \$1.95 million due to American Rescue Plan Act grant. Charges for services increased by \$279,824, or 15.16%. Total general fund expenditures for 2022 amounted to \$24.58 million, an increase of \$1.63 million from 2021. The primary reason for the increase in expenditures is due to the resumption of capital improvements that were delayed due to the COVI-19 pandemic. The capital outlays increased \$1.0 million. The City also made a considerable effort to hire all positions that were frozen in 2020 and 2021 due to the COVID-19 pandemic. The hiring of vacant positions contributed to \$22,279 of the increase along with a 2.0% wage increase for personnel and percentage-based benefits. The cost of travel, supplies, freight and fuel also increased \$463,545 over 2021.

Proprietary Funds. The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Factors concerning the finances of the City's three proprietary funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The legally adopted 2022 budget for the general fund does not include all the City funds that must be accounted for as part of the General Fund as defined by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. For more information on the City's general fund, please see the combining statements for the general fund.

The adopted 2022 Budget for the general fund projected annual revenues of \$19.75 million and was subsequently amended to \$19.14 million. The reduction of budgeted revenue was largely due to a budgeted increase in the property tax mill rate that failed approval by the City Council. Actual revenues totaled \$19.25 million, which resulted in a favorable budget variance of \$852,275, or 4.5% over the amended budget. The favorable budget variance was attributable to the record increase in sales tax revenues in 2022. The City received \$15.25 million in total sales tax revenues. This is the highest sales tax revenue recorded by the City. Prior to 2022, the highest sales tax revenue reported was \$12.82 million. The favorable variance in the general fund was reduced by an unfavorable revenue variance related to interdepartmental charges. It is not unusual to have an unfavorable variance for interdepartmental charges since the revenue is based on budgeted expenditures. This occurs when there is a like favorable variance of expenditures for governmental services charged to other funds.

The adopted 2022 Budget for general fund included appropriations for expenditures totaling \$23.94 million. During the year, the City Council approved amendments to expenditures totaling \$132,581 and authorized transfers totaling \$162,995 from reserves to appropriations for expenditures. The amendments and the transfers increased appropriations for expenditures to \$24.24 million. All of the amendments provided appropriations for spending the proceeds from grants awards and contributions for public safety and museum services. The transfers provided funding for professional lobbying services, heating fuel and garage supplies. Actual expenditures totaled \$22.04 million, which resulted in a favorable variance of \$3.56 million. The City is still in recovery mode and very cognizant of the need to minimize outlays. Overall, despite the desire to minimize outlays the cost to provide general fund services increased \$786,946 from 2021.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities, net of accumulated depreciation as of December 31, 2022, amounts to \$397.48 million. This investment in capital assets includes land, buildings, improvements, utility plants, port facilities, machinery and equipment, and infrastructure. The total decrease in the City's investment in capital assets, net of accumulated depreciation, was \$3.31 million or 0.83%. The City's investment in governmental activities, net of accumulated depreciation decreased \$2.85 million and business-type activities capital assets decreased by \$463,706. See Note 4-E for additional information about changes in capital assets during the calendar year and the amount outstanding at the end of the year. The following table provides a summary of capital asset activity.

Capital Assets

	Governmental Activities		Business Activities				Total				
		2022	2021		2022		2021		2022		2021
Non-depreciable assets:											
Land	\$	29,111,163	\$ 29,131,180	\$	4,534,706	\$	4,534,706	\$	33,645,869	\$	33,665,886
Easements		588,168	588,168		-		-		588,168		588,168
Construction in progress		2,132,212	5,474,959		13,179,183		14,718,995		15,311,395		20,193,954
Intangibles and other		120,750	 120,750		6,416,412		6,416,412		6,537,162		6,537,162
Total non-depreciable	\$	31,952,293	\$ 35,315,057	\$	24,130,301	\$	25,670,113	\$	56,082,594	\$	60,985,170
Depreciable assets:											
Utility plants	\$	-	\$ -	\$	300,832,886	\$	294,866,860	\$	300,832,886	\$	294,866,860
Port facilities		-	-		67,933,863		67,933,863		67,933,863		67,933,863
Land improvements		1,539,203	1,539,203		-		-		1,539,203		1,539,203
Buildings		146,087,556	142,057,021		-		-		146,087,556		142,057,021
Machinery and equipment		20,546,446	19,499,701		-		-		20,546,446		19,499,701
Infrastructure		96,107,688	95,388,671		-		-		96,107,688		95,388,671
Software		581,531	 581,531		-		-		581,531		581,531
Total depreciable assets		264,862,424	259,066,127		368,766,749		362,800,723		633,629,173		621,866,850
Less accum. depreciation		(88,132,549)	 (82,850,327)		(204,100,218)		(199,210,298)		(292,232,767)		(282,060,625)
Net depreciable assets	\$	176,729,875	\$ 176,215,800	\$	164,666,531	\$	163,590,425	\$	341,396,406	\$	339,806,225
Percentage depreciated		33%	 32%	_	55%		55%		46%		45%
Book value - all assets	\$	208,682,168	\$ 211,530,857	\$	188,796,832	\$	189,260,538	\$	397,479,000	\$	400,791,395

Major capital assets under construction during 2022 and included in construction in progress are as follows:

- Water Street Trestle #1 Rehabilitation \$477,994
- Salmon Walk and Married Man's Trail Improvements \$146,307
- Schoenbar Creek Culvert Repair \$84,434
- Sayles Gorge Bridge Replacement \$95,195
- Station 2 Parking Lot Drainage \$102,126
- Water Filtration Project \$157,692
- Beaver Falls Relicensing \$155,126

Major capital assets placed in service during 2022 are as follows:

- Raw Water Main Replacement \$7,590,150
- Ketchikan Medical Center Enhancements \$3,155,584
- Bar Harbor North Ramp 3, Float 10 and 11 Electrical Upgrade \$953,223
- Overnight Warming Shelter Building Addition and Improvements \$678,773
- Self-Contained Breathing Apparatus Replacement \$378,676
- Defibrillator Replacement \$179,551
- Ambulance and Cot Loader Replacement \$263,982
- Ambulance Refurbishment and Cot Loader \$193,775
- Totem Heritage Center Wheelchair Access Ramp \$152,645
- Central Office Transmission Improvements \$618,331

- Network Intrusion Detection System \$254,238
- Aerial Fiber Cable Improvements \$283,564
- Internet Enhancements \$397,072
- Ketchikan Generator #4 Rotor & Stator Rewind \$406,820
- Poles, Towers & Fixtures Replacements \$147,778
- Transformer Replacements \$120,249

At December 31, 2022, the depreciable capital assets for governmental activities were 33% depreciated. At December 31, 2021 and 2020, capital assets were 32% and 30% depreciated, respectively. The City's business-type activities capital assets were 55% depreciated at December 31, 2022 compared to 55% and 54% for 2021 and 2021, respectively. A trending increase in the percentage would suggest that the City has not been maintaining its capital assets and may incur the risk and cost of deferred maintenance. A trending decrease in the percentage is an indicator that capital assets have been well maintained. No change in the percentage of assets depreciated implies that capital assets have been adequately maintained.

Long-term Debt

At December 31, 2022, the City had \$133.07 million in outstanding bonded debt and other long-term debt, an increase of \$864,330 from 2021. Total general obligation bonded debt decreased from \$49.18 million to \$47.31 million, or 3.8%. Total revenue bonded debt increased from \$49.96 million to \$54.34 million, or 8.8%. The following table provides a summary of outstanding long-term debt:

	Governmental Activities		Business-type Activities		Totals	
	2022	Restated 2021	2022	Restated 2021	2022	Restated 2021
General obligation bonds	\$45,995,000	\$47,755,000	\$ 1,318,000	\$ 1,422,801	\$ 47,313,000	\$ 49,177,801
Revenue bonds	-	-	54,343,763	49,963,133	54,343,763	49,963,133
Capital leases	52,249	-	26,429,549	27,822,533	26,481,798	27,822,533
Long term note	1,206,820	1,196,213	-	-	1,206,820	1,196,213
Landfill closure costs	978,360	977,940	-	-	978,360	977,940
Compensated absences	1,596,912	1,766,355	1,145,072	1,297,420	2,741,984	3,063,775
Total	\$49,829,341	\$ 51,695,508	\$ 83,236,384	\$ 80,505,887	\$133,065,725	\$132,201,395

Outstanding Long-term Debt

In September 2018, the City issued a \$1,591,967 revenue bond through the Alaska Department of Environmental Conservation Drinking Water Loan Program for the Schoenbar Road Water Main Replacement Project. In 2022, the City amended the loan agreement, increasing the loan \$5,973,779 for a total loan amount of \$7,565,746. The proceeds from this loan are distributed to the City as it incurs construction costs. As of December 31, 2022, the City had incurred construction costs of \$7,313,378 that were eligible for reimbursement under this loan program. The final loan amount will be determined at the time the project is completed.

In May 2019, the City issued a \$1.25 million revenue bond through the Alaska Department of Environmental Conservation **Clean** Water Loan Program for the Commercial Wastewater Metering Project. The proceeds from this loan are distributed to the City as it incurs construction costs. As of December 31, 2022, the City had incurred construction costs of \$387,650 that were eligible for reimbursement under this loan program. The final loan amount will be determined at the time the project is completed.

In May 2019, the City issued a \$1.25 million revenue bond through the Alaska Department of Environmental Conservation **Drinking** Water Loan Program for the Commercial Water Metering Project. The proceeds from this loan are distributed to the City as it incurs construction costs. As of December 31, 2022, the City had incurred construction costs of \$387,650 that were eligible for reimbursement under this loan program. The final amount will be determined at the time the project is completed.

All of the City's general obligation and municipal revenue bonds have been issued through the Alaska Municipal Bond Bank Authority or the Alaska Department of Environmental Conservation. The rating agencies have not separately rated these bonds. The City's general obligation bonded indebtedness is not subject to a locally imposed legal debt ceiling. The City's revenue bonds are required to maintain debt service coverage that generates net revenue from its utilities and port operations that is equal to or greater than 1.25 times annual debt service. The City has complied with all general obligation and revenue bond covenants.

The City also has incurred capital lease obligations through Bank of America to finance the purchase of fire and EMS apparatus. These obligations are entered into subject an annual appropriation.

As of December 31, 2022, the City's total direct general obligation bond debt per capita was \$6,198.

See Note 4-I for additional information about the City's long-term debt and capital leases. The landfill closure and post-closure care liability are discussed in Note 4-H.

Economic Factors and Next Year's Budgets and Rates

Tourism continues to be a major factor for the community of Ketchikan and has a positive impact on the local economy. The driving force behind the growth is the result of years of efforts by the community to make Ketchikan a popular port of call for the cruise ships and their passengers. Significant public and private investments have resulted in modern port facilities and the development of attractions and amenities that are popular with cruise ship passengers and other visitors to the community. The COVID-19 pandemic put a halt to all cruise ship visitors in 2020. In 2021, cruise ships returned at minimal level confirming the market's desire to visit Ketchikan. In 2022 the cruise ships returned, making a strong showing given where we were in 2021. This was an important step for our community; giving businesses the confidence that cruising has returned to Alaska. In 2021, a new two-berth neo-panamax cruise ship tor the community of Ketchikan from four to six berths and changed the dynamics of the visitor experience due to its location away from the downtown core and outside the city limits. While the experience has changed and cruising is expected to return to pre-pandemic levels by 2023. All parties are committed to working towards a common goal that focuses on making sure visitors enjoy their time in Ketchikan.

In 2022, the downtown berthing facilities received 42 ships that made 442 stops and carried 751,009 passengers. To compare, the community enjoyed the economic benefits of 46 cruise ships making 570 stops and a record breaking 1.17 million visitors arriving by cruise ship in 2019. The passenger counts are expected to increase to 1.46 million in 2023 with 1.09 million expected at the Ketchikan berths and 374,000 expected at the Word Cove berths.

The City realized a record \$15.25 million in sales tax revenues in 2022 compared to \$10.38 million in 2021 and \$9.85 million in 2020. Tourism and the seafood industry are the driving forces in the local labor market and provide for employment opportunities in other sectors of the local economy. In 2022, the average employment was 6,314 that peaked at in July at 6,927 employees and the monthly unemployment rate averaged about 4.7%. The City is expecting a much more active cruise season

in 2022 but continues to budget cautiously. Currently, 477 stops are planned for Ketchikan in 2023 with an increase in the passengers scheduled compared to the 2022 passengers counts.

In 2022, the City Council approved a multi-year rate increase intended to improve the finances of its public utilities and provide additional financial resources. A water rate increase of 4% will become effective on April 1, 2023. The increase is the second of a plan to spread an 8% rate increase over a two-year period to be ready for additional debt service upon completion of the Schoenbar Raw Water Main Replacement project and to continue a plan adopted several years ago to reduce water divisions operating deficit that was being incurred by the water utility.

In August of 2022, the City Council approved a seasonal sales tax effective April 1, 2023. The sales tax will increase to 5.5% April 1 through September 30 and decrease to 3.0% October 1 through March 31. The intent is to make the most of the increase in goods purchased during the tourism season and relieve to local residents of the burden tourism has on the City's infrastructure.

The City will continue to monitor the local economy and follow a conservative approach in managing its fiscal affairs. Although the community's economy is steady, it is becoming more seasonal and continues to rely on natural resources. For these reasons, the City Council practices a balanced approach to taxes, utility rates, spending and the management of the City's reserves. The City Council is prepared to make necessary modifications to current and future fiscal plans to ensure that City's financial position remains strong and the cost of services provided to the citizens of Ketchikan are affordable.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, creditors, and investors with a general overview of the City's finances and to demonstrate the City's accountability for the financial resources it receives. Questions concerning the information provided in this report or requests for additional information should be addressed to the City of Ketchikan, Office of the Finance Director, 334 Front Street, Ketchikan, Alaska 99901 or call (907) 228-5621. This financial report and prior year financial reports are also available on our web site at www.city.ketchikan.ak.us/departments/finance/index.html.



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City of Ketchikan, Alaska Statement of Net Position December 31, 2022

	Governmental Activities		B	usiness-type Activities	Total
Assets					
Current assets:					
Cash and temporary investments (Note 3A)	\$	34,091,372	\$	43,705,437	\$ 77,796,809
Restricted cash, cash equivalents and investments		10,747,565		3,734,145	14,481,710
Receivables:					
Accounts		876,633		2,818,567	3,695,200
Taxes		2,832,270		-	2,832,270
Intergovernmental		56,814		4,205,727	4,262,541
Miscellaneous		58,944		-	58,944
Interest		147,447		166,858	314,305
Unbilled		71,544		1,404,729	1,476,273
Advances		390,101		(390,101)	-
Inventory		-		2,803,443	2,803,443
Prepaid items		942,619		30,038	972,657
Total current assets		50,215,309		58,478,843	108,694,152
Noncurrent assets:					
Land for resale		285,414		-	285,414
Restricted investments		-		9,966,597	9,966,597
Restricted - other post-employment benefits		5,827,858		1,712,390	7,540,248
Accrued interest on restricted assets		-		1,859	1,859
Leases receivable		2,423,461		1,531,692	3,955,153
Right to use asset, net		52,249		26,461,630	26,513,879
Capital Assets (Note 3E)					
Nondepreciable capital assets		31,952,293		24,130,301	56,082,594
Depreciable capital assets, net		176,729,875		164,666,531	341,396,406
Total noncurrent assets		217,271,150		228,471,000	445,742,150
Total Assets		267,486,459		286,949,843	 554,436,302
Deferred Outflow of Resources		1,848,511		533,041	 2,381,552
Total Assets and Deferred Outflow of Resources		269,334,970		287,482,884	 556,817,854

City of Ketchikan, Alaska Statement of Net Position (Cont'd) December 31, 2022

	Governmental Activities	Business-type Activities	Total
Liabilities			
Current liabilities			
Accounts payable	1,367,046	3,471,023	4,838,069
Payroll payable	2,022,116	-	2,022,116
Lease payable	11,587	1,455,454	1,467,041
Accrued interest payable	163,804	386,286	550,090
Customers deposits payable	5,542	388,215	393,757
Unearned revenue	606,529	41,875	648,404
Claims payable	405,799	-	405,799
Compensated absences payable	143,007	108,231	251,238
Note payable	265,706	-	265,706
General obligation bonds payable	1,998,782	106,377	2,105,159
Revenue bonds payable	-	3,298,651	3,298,651
Total current liabilities	6,989,918	9,256,112	16,246,030
Noncurrent liabilities			
Accrued interest payable	-	16,732	16,732
Lease payable (net of current portion)	40,662	24,974,095	25,014,757
Compensated absences payable (net of current portion)	1,287,060	974,074	2,261,134
Note payable (net of current portion)	941,114	-	941,114
Net pension liability	14,454,707	4,247,204	18,701,911
Landfill closure costs	978,360	-	978,360
General obligation bonds payable (net of current portion)	46,254,318	1,211,623	47,465,941
Revenue bonds payable (net of current portion)	-	55,311,497	55,311,497
Total noncurrent liabilities	63,956,221	86,735,225	150,691,446
Total Liabilities	70,946,139	95,991,337	166,937,476
Deferred Inflow of Resources	3,110,193	2,825,512	5,935,705
Total Liabilities and Deferred Inflows of Resources	74,056,332	98,816,849	172,873,181
Net Position			
Net investment in capital assets (Note 3K) Restricted for:	160,598,478	128,106,659	288,705,137
Capital and maintenance outlay	3,789,634	-	3,789,634
Repair and replacement funds	-	5,926,771	5,926,771
Commercial passenger excise tax funds	7,225,547	2,508,105	9,733,652
Performance guaranty	-	25,368	25,368
Debt service	-	4,596,614	4,596,614
Solid waste operations and maintenance	1,773,935	-	1,773,935
Harbor operations and maintenance	921,480	-	921,480
Cemetery operations and maintenance	112,889	-	112,889
Investigation and property seizure funds	126,065	-	126,065
Other post-employment benefits	5,827,858	1,712,390	7,540,248
Unrestricted	14,902,752	45,790,128	60,692,880
Total Net Position	\$ 195,278,638	\$ 188,666,035	\$ 383,944,673

City of Ketchikan, Alaska Statement of Activities For the Year Ended December 31, 2022

			Program Revenues					
Functions/Programs	Expenses		(Charges for Services	-	rating Grants Contributions	-	pital Grants Contributions
Governmental Activities:								
General government	\$	1,651,035	\$	77,898	\$	100,547	\$	-
Public safety		8,378,446		2,116,914		322,371		-
Culture and tourism		3,210,440		849,579		250,441		-
Health and welfare		1,509,704		59,844		1,005,232		2,677,682
Public works		11,608,984		3,846,158		37,035		1,950,000
Harbor		2,693,536		1,703,900		210,554		328,278
Interest		1,770,690		-		-		-
Total Governmental Activities		30,822,835		8,654,293		1,926,180		4,955,960
Business-Type Activities:								
Electric, telecommunications and water		43,821,710		44,965,544		214,850		305,666
Port		6,442,673		10,699,430		2,538,387		-
Wastewater		2,722,886		3,491,902		4,837		734
Total Business-Type Activities		52,987,269		59,156,876		2,758,074		306,400
Total	\$	83,810,104	\$	67,811,169	\$	4,684,254	\$	5,262,360

General Revenues:

Property taxes Sales taxes Marijuana sales tax Transient taxes Intergovernmental - unrestricted Investment earnings Miscellaneous **Transfers**

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year - Restated (Note 2)

Net Position End of Year

Net (Ex	pense) R	even	ue and Changes	s in Ne	et Position
	P	rima	ry Governmen	t	
Governme	ental	Bu	isiness-Type		
Activiti	es		Activities		Total
\$ (1,47	2,590)	\$	-	\$	(1,472,590)
(5,93	9,161)		-		(5,939,161)
(2,11	0,420)		-		(2,110,420)
2,23	3,054		-		2,233,054
(5,77	5,791)		-		(5,775,791)
(45	0,804)		-		(450,804)
(1,77	0,690)		-		(1,770,690)
(15,28	6,402)		-		(15,286,402)
	-		1,664,350		1,664,350
	-		6,795,144		6,795,144
	-		774,587		774,587
			, , , , , , , , , , , , , , , , , , ,		<i>.</i>
	-		9,234,081		9,234,081
(15,28	6,402)		9,234,081		(6,052,321)
6,01	3,552		-		6,013,552
	1,881		-		15,421,881
	3,211		-		253,211
	2,370		-		822,370
	8,415		-		268,415
3	3,565		-		33,565
	7,007		837,065		3,634,072
1,17	7,500		(1,177,500)		-
	<u> </u>				
26,78	7,501		(340,435)		26,447,066
11,50	1,099		8,893,646		20,394,745
183,77	7,539		179,772,389		363,549,928
\$ 195,27	8,638	\$	188,666,035	\$	383,944,673



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GOVERNMENTAL FUNDS

City of Ketchikan, Alaska Balance Sheet Governmental Funds December 31, 2022

	General	Other Governmental Funds	Total Governmental Funds
Assets	• • • • • • • • • • • • • • • • • • •	• • • • • • • • • • • • • • • • • • •	A 21 502 110
Cash and temporary investments Restricted cash:	\$ 20,075,053	\$ 11,707,357	\$ 31,782,410
Bond construction funds	-	1,460,187	1,460,187
Property seizure funds	-	128,365	128,365
Commercial passenger excise tax funds	-	7,189,013	7,189,013
Public works services and projects	1,970,000	-	1,970,000
Receivables:			
Accounts	450,143	426,490	876,633
Taxes	2,721,733	110,537	2,832,270
Leases	2,423,461 56,814	-	2,423,461 56,814
Intergovernmental Interest	76,892	67,449	144,341
Unbilled receivables	-	71,544	71,544
Land for resale	285,414	-	285,414
	<u>,</u>		·
Total Assets	\$ 28,059,510	\$ 21,160,942	\$ 49,220,452
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 273,597	\$ 1,093,449	\$ 1,367,046
Payroll payable	2,022,116	-	2,022,116
Customer deposits payable	-	5,542	5,542
Unearned revenue	257,656	348,873	606,529
Total Liabilities	2,553,369	1,447,864	4,001,233
Deferred Inflows of Resources	5,002,999	110,537	5,113,536
Fund Balances			
Nonspendable - Land held for resale	285,414	-	285,414
Restricted for:	,		
Law enforcement	-	126,065	126,065
Commercial passenger excise tax	-	7,225,547	7,225,547
Public works services and projects	1,970,000		1,970,000
Bond construction funds	-	1,137,666	1,137,666
Assigned:	4,493,013	700 105	5 201 500
Subsequent years budget Parking development and abatement of dangerous buildings	294,063	788,495	5,281,508 294,063
Hospital development and expansion	3,830,886	-	3,830,886
General government	431,080	112,540	543,620
Public safety	1,142,652	449,871	1,592,523
Culture and tourism	16,697	3,790,393	3,807,090
Public works	80,078	-	80,078
Collection and disposal of solid waste	-	1,196,314	1,196,314
Cemetery operations	-	109,889	109,889
Harbor operations	-	713,606	713,606
Streets, sidewalks and other public projects	2,087,156	-	2,087,156
Development of community facilities	-	2,650,172	2,650,172
Harbor construction Public works projects	-	1,278,863 23,120	1,278,863
Public works projects Unassigned	5,872,103	- 23,120	23,120 5,872,103
C HASSING AND	2,072,103		5,672,105
Total Fund Balances	20,503,142	19,602,541	40,105,683
Total Liabilities, Deferred Inflows of Resources			
and Fund Balances	\$ 28,059,510	\$ 21,160,942	\$ 49,220,452

City of Ketchikan, Alaska Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position December 31, 2022

Total Governmental Fund Balances		\$ 40,105,683
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. However, in the statement of net position the cost of these assets are capitalized and expensed over their estimated lives through		
annual depreciation expense. Cost of capital assets Less accumulated depreciation	\$ 296,814,716 (88,132,548)	208,682,168
Right to use assets used in governmental activities are not finanical resources and therefore are not reported in the funds Right to use asset Accumulated depreciation	\$ 65,987 (13,738)	52,249
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds: Taxes		2,491,061
Services An internal service fund is used by management to charge the costs of compensated absences, insurance and claims to individual funds. The assets and liabilities of the internal service fund are included in gaugemental activities in the statement of net assets		199,015 1,867,866
included in governmental activities in the statement of net assets. Accrued interest is not reported at the fund financial reporting level		(163,804)
Deferred inflows and outflows not reported at the fund financial reporting level Deferred Outflow Deferred Inflow	\$ 1,848,511 (686,733)	1,161,778
Liabilities that are not due in the current period and therefore are not reported in the funds: General obligation bonds Premiums for GO bonds Note payable Lease payable Net pension liability Net other post-employment benefits Landfill closure costs	\$ (45,995,000) (2,258,100) (1,206,820) (52,249) (14,454,707) 5,827,858 (978,360)	(59,117,378)
Net Position Of Governmental Activities		\$ 195,278,638

City of Ketchikan, Alaska Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended December 31, 2022

P	General		Other Governmental Funds		G	Total overnmental Funds
Revenues	¢	01 000 007	¢	1 072 544	¢	22 202 001
Taxes	\$	21,230,337	\$	1,073,544	\$	22,303,881
Licenses and permits		133,293		-		133,293
Intergovernmental		3,768,996		543,871		4,312,867
Charges for services		2,126,187		6,066,160		8,192,347
Fines and forfeitures		79,597		2,215		81,812
Investment earnings		20,281		(13,505)		6,776
Contributions		-		2,837,688		2,837,688
Interdepartmental charges		3,308,810		-		3,308,810
Miscellaneous		347,406		2,538,892		2,886,298
Total Revenues		31,014,907		13,048,865		44,063,772
Expenditures						
Current:				105000		
General government		5,117,881		185,000		5,302,881
Public safety		10,571,163		17,855		10,589,018
Culture and tourism		3,066,094		133,984		3,200,078
Health and welfare		24,141		-		24,141
Public works		5,796,893		3,455,774		9,252,667
Harbor		-		1,212,212		1,212,212
Debt Service:						
Principal retirement		-		1,989,770		1,989,770
Interest and fiscal charges		-		1,944,138		1,944,138
Capital Outlay		-		3,830,475		3,830,475
Total Expenditures		24,576,172		12,769,208		37,345,380
Excess (Deficiency) of Revenues						
Over (Under) Expenditures		6,438,735		279,657		6,718,392
Other Financing Sources (Uses)						
Sale of capital assets		17,873		-		17,873
Transfers in		2,238,870		4,387,921		6,626,791
Issuance of debt		-		240,378		240,378
Transfers out		(3,584,483)		(1,864,808)		(5,449,291)
Other financing sources - leases		65,987		-		65,987
Total Other Financing Sources (Uses)		(1,261,753)		2,763,491		1,501,738
Net Change in Fund Balances		5,176,982		3,043,148		8,220,130
Fund Balances Beginning of Year		15,326,160		16,559,393		31,885,553
Fund Balances End of Year	\$	20,503,142	\$	19,602,541	\$	40,105,683

City of Ketchikan, Alaska Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2022

Net Changes In Fund Balances - Total Governmental Funds		\$ 8,220,130
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period. Depreciation expense Capital outlay	\$ (5,815,150) 3,157,156	(2,657,994)
Right to use asset capital outlay expenditures Depreciation expense - right to use	\$ 65,987 (13,738)	52,249
The book value of capital assets relating to the disposition is not reported at the fund financial reporting level but is reported at the government-wide financial reporting level		(190,695)
Revenues of Internal Service Fund are included in the governmental statement of activities		26,789
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Taxes Charges for Services		207,133 139,677
Elimination of transfers between governmental funds:		
Transfers in Transfers out	\$ (5,449,291) 5,449,291	-
Interest expense reported in the statement of activities do not require the use of current financial resources and therefore are		
not reported as expenditures in governmental funds.		574
Repayment of general obligation debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
General obligation bonds Amortization of premiums and deferred charges Note payable Lease payable issued Principal payments on lease payable Net pension obligation Net other post-employment benefits obligation Landfill closure costs	\$ 1,760,000 171,830 (10,608) (65,987) 13,738 2,095,781 1,738,902 (420)	5,703,236
Change In Net Position of Governmental Activities		\$ 11,501,099



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PROPRIETARY FUNDS

City of Ketchikan, Alaska Statement of Net Position Proprietary Funds December 31, 2022

		Governmental			
	Ketchikan Public Utilities	Ketchikan Port	Wastewater Service	Total	Activities - Internal Service Fund
Assets					
Current Assets:					
Cash and temporary investments	\$ 29,769,843	\$ 8,948,515	\$ 4,987,079	\$ 43,705,437	\$ 2,308,962
Cash and temporary investments accrued interest	-	40,083	-	40,083	-
Restricted cash, cash equivalents and investments	1,012,340	2,694,368	27,437	3,734,145	-
Receivables:					
Accounts	2,569,365	51,681	197,521	2,818,567	-
Interest	109,013	109	17,653	126,775	3,106
Intergovernmental	4,200,758	-	4,969	4,205,727	-
Miscellaneous	-	-	-	-	58,944
Inventory	2,803,443	-	-	2,803,443	-
Prepaid items	30,038	-	-	30,038	942,619
Unbilled revenue	1,238,210		166,519	1,404,729	
Total Current Assets	41,733,010	11,734,756	5,401,178	58,868,944	3,313,631
Noncurrent Assets:					
Restricted Assets:					
Investments	1,799,826	8,166,771	-	9,966,597	-
Accrued interest on restricted assets	503	1,356	-	1,859	-
Other post-employment benefits	1,416,813	231,486	64,091	1,712,390	-
Lease receivable	1,483,137	48,555	-	1,531,692	-
Advances from other funds	-	-	-	-	390,101
Right to use asset, net	5,565,202	20,896,428	-	26,461,630	-
Capital Assets:					
Nondepreciable capital assets	5,600,091	17,256,716	1,273,494	24,130,301	-
Depreciable capital assets, net	105,763,007	42,397,399	16,506,125	164,666,531	
Total Noncurrent Assets	121,628,579	88,998,711	17,843,710	228,471,000	390,101
Total Assets	163,361,589	100,733,467	23,244,888	287,339,944	3,703,732
Deferred Outflow of Resources	444,612	69,634	18,795	533,041	
Total Assets and Deferred Outflow of Resources	163,806,201	100,803,101	23,263,683	287,872,985	3,703,732

City of Ketchikan, Alaska Statement of Net Position (Cont'd) Proprietary Funds December 31, 2022

	Business-type Activities - Enterprise Funds						Go	vernmental	
	Ketchikan Public Utilities		Ketchikan Port		tewater rvice		Total		ctivities - rnal Service Fund
Liabilities									
Current Liabilities:									
Accounts payable	3,390,33	7	9,291		71,395		3,471,023		-
Lease payable	373,3	6	1,082,138		-		1,455,454		-
Accrued interest	231.8	1	149,981		4,494		386,286		-
Customer deposits	388,2		-		-		388,215		-
Advances to other funds	390,10		-		-		390,101		-
Compensated absences payable	103.6		1,002		3,578		108,231		143,007
Unearned revenue	41,8		-		-		41,875		-
General obligation bonds payable	-1,0	5	_		106,377		106.377		_
Revenue bonds payable	1,880,73	2	1,387,584		30,285		3,298,651		
Claims payable			-		-		-		405,799
Total Current Liabilities	6,800,08	8	2,629,996		216,129		9,646,213		548,806
Long-Term Liabilities:									
Accrued interest	8.3	3	-		8,359		16,732		-
Lease payable	5,159,80		19,814,290		-		24,974,095		-
Compensated absences payable (net of current portion)	932.8		9,017		32,198		974,074		1,287,060
Net pension liability	3,514,08		574,149		158,966		4,247,204		-
Revenue bonds payable (net of current portion)	32,274,82		22,219,129		817,541		55,311,497		
General obligation bonds payable (net of current portion)			-		1,211,623		1,211,623		-
Total Long-Term Liabilities	41,889,93	3	42,616,585		2,228,687		86,735,225		1,287,060
Total Liabilities	48,690,04	1	45,246,581		2,444,816		96,381,438		1,835,866
Deferred Inflow of Resources	2,390,04	7	429,898		5,567		2,825,512		-
Total Liabilities and Deferred Inflow of Resources	51,080,08	8	45,676,479		2,450,383		99,206,950		1,835,866
Net Position									
Net investment in capital assets	76,806,70)2	35,686,164	1	5,613,793		128,106,659		-
Restricted for bond retirement	2,304,39		2,277,639	1	14,584		4,596,614		-
Restricted for repair and replacement	2,504,5	-	5,926,771		-		5,926,771		-
Restricted commercial passenger excise tax funds	-		2,508,105		-		2,508,105		-
Restricted performance guaranty	25,3	58	-		-		25,368		_
Restricted for other post-employment benefits	1,416,8		231,486		64,091		1,712,390		_
Unrestricted	32,172,83		8,496,457		5,120,832		45,790,128		1,867,866
Total Net Position	\$ 112,726,1	3 \$	55,126,622	\$ 2	0,813,300	\$	188,666,035	\$	1,867,866



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City of Ketchikan, Alaska Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds For the Year Ended December 31, 2022

		Governmental			
	Ketchikan Public Utilities	Ketchikan Port	ise Funds Wastewater Service	Total	Activities - Internal Service Fund
Operating Revenues Charges for services Miscellaneous	\$ 45,063,544 782,723	\$ 10,699,430 41,399	\$ 3,491,902 12,943	\$ 59,254,876 837,065	\$ 3,152,543
Total Operating Revenues	45,846,267	10,740,829	3,504,845	60,091,941	3,152,543
Operating Expenses Operation and maintenance	30,034,216	2,452,411	2,115,324	34,601,951	-
Administration and general Depreciation Depreciation - Lease	6,309,957 7,083,640 -	1,263,601 1,045,440	568,145	6,309,957 8,915,386 1,045,440	-
Compensated absences Insurance Claims	-	- - -	- - -		1,203,314 1,766,224 183,005
Total Operating Expenses	43,427,813	4,761,452	2,683,469	50,872,734	3,152,543
Operating Income	2,418,454	5,979,377	821,376	9,219,207	
Non Operating Revenues (Expenses) Operating grants Interest and fiscal charges Investment earnings	214,850 (491,897) 	2,538,387 (1,681,221)	4,837 (39,417)	2,758,074 (2,212,535)	
Total Non Operating Revenues (Expenses)	(277,047)	857,166	(34,580)	545,539	26,789
Income Before Capital Contributions, Grants and Transfers	2,141,407	6,836,543	786,796	9,764,746	26,789
Capital Contributions, Grants and Transfers Capital contributions and grants	305,666	-	734	306,400	-
Transfers Transfer from commercial passenger vessel tax fund Payments in lieu of taxes to the general fund Total Transfers	(786,000) (786,000)	7,500 (319,000) (311,500)	(80,000) (80,000)	7,500 (1,185,000) (1,177,500)	-
Total Capital Contributions and Grants and Transfers	(480,334)	(311,500)	(79,266)	(871,100)	
Change in Net Position	1,661,073	6,525,043	707,530	8,893,646	26,789
Net Position Beginning of Year - Restated (Note 2)	111,065,040	48,601,579	20,105,770	179,772,389	1,841,077
Net Position End of Year	\$ 112,726,113	\$ 55,126,622	\$ 20,813,300	\$ 188,666,035	\$ 1,867,866

City of Ketchikan, Alaska Statement of Cash Flows Proprietary Funds For the Year Ended December 31, 2022

		Governmental			
_	Ketchikan Public Utilities	Ketchikan Port	Wastewater Service	Total	Activities - Internal Service Fund
Cash Flows from Operating Activities					
Cash received from customers and users \$	45,974,555	\$ 10,695,888	\$ 3,493,226	\$ 60,163,669	\$ 3,211,908
Cash payments to employees for services	(17,008,387)	(1,365,422)	(936,211)	(19,310,020)	-
Cash payments to suppliers for goods and services	(18,731,807)	(1,288,544)	(1,201,837)	(21,222,188)	-
Cash payments for insurance and claims	-	-	-	-	(2,080,529)
Cash payments for compensated absences					(1,370,160)
Net Cash Provided by Operating Activities	10,234,361	8,041,922	1,355,178	19,631,461	(238,781)
Cash Flows from Noncapital Financing Activities					
Operating grant from other governments	214,850	2,538,387	4,837	2,758,074	-
Transfers in	-	7,500	-	7,500	-
Payment in lieu of taxes to the general fund	(786,000)	(319,000)	(80,000)	(1,185,000)	
Net Cash Provided (Used) by Noncapital					
Financing Activities	(571,150)	2,226,887	(75,163)	1,580,574	
Cash Flows from Capital and Related Financing Activities					
Advances	(394,812)	315,911	-	(78,901)	78,901
Capital grant received from other governments	305,666	-	-	305,666	-
Capital debt proceeds	3,195,521	-	73,344	3,268,865	-
Principal paid on leases	(347,544)	(1,045,440)	-	(1,392,984)	-
Principal paid on general obligation bonds	-	-	(85,997)	(85,997)	-
Interest paid on general obligation bonds	-	-	(20,960)	(20,960)	-
Principal paid on revenue bonds	(1,780,152)	(1,130,000)	(30,061)	(2,940,213)	-
Interest paid on revenue bonds	(661,899)	(1,860,561)	(7,239)	(2,529,699)	-
Payments for capital acquisitions and construction	(9,819,556)	3,677	(294,554)	(10,110,433)	
Net Cash Provided (Used) by Capital and Related	(0.500.550)				70.001
Financing Activities	(9,502,776)	(3,716,413)	(365,467)	(13,584,656)	78,901
Cash Flows from Investing Activities					
Investment earnings	(111,664)	(99,414)	(20,852)	(231,930)	23,683
Purchase of bond reserve fund investments	70,390	(509,038)		(438,648)	
Net Cash Provided (Used) by Investing Activities	(41,274)	(608,452)	(20,852)	(670,578)	23,683
Net Increase (Decrease) in Cash					
and Cash Equivalents	119,161	5,943,944	893,696	6,956,801	(136,197)
Cash and Cash Equivalents Beginning of Year (including \$1,272,185 for Ketchikan Public Utilities \$186,264 for Port and \$27,438 for Wastewater Services reported in restricted accounts)	30,663,022	5,698,939	4,120,820	40,482,781	2,445,159
Cash and Cash Equivalents End of Year					
(including \$1,076,209 for Ketchikan Public Utilities,					
\$186,369 for Port and \$27,437 for Wastewater Services reported in restricted accounts) \$	30 782 182	\$ 11642 892	\$ 5.01/ 516	\$ 47 120 582	\$ 2308 062
	50,702,105	ψ 11,042,003	φ 5,014,510	\$ 47,439,582	\$ 2,308,962

(continued)

City of Ketchikan, Alaska Statement of Cash Flows Proprietary Funds For the Year Ended December 31, 2022

(continued)

	Business-type Activities - Enterprise Funds								Governmental	
	Ketchikan Public Utilities		ł	Ketchikan Port	Wastewater Service		Total		A	ctivities - Internal vice Fund
Reconciliation of Operating Income to Net Cash Provided by Operating Activities										
Operating Income	\$	2,418,454	\$	5,979,377	\$	821,376	\$	9,219,207	\$	-
Adjustments:										
Depreciation		7,083,640		2,309,041		568,145		9,960,826		-
Other		1,706,013		-		-		1,706,013		-
(Increase) Decrease in Assets and Deferred Outf	lows:	:								
Accounts receivable		187,847		(44,941)		(10,090)		132,816		59,365
Leases receivable		(206,289)		-		-		(206,289)		-
Accrued interest - leases		(436)		-		-		(436)		-
Accrued interest		-		-		-		-		-
Unbilled revenue		(42,393)		-		(1,525)		(43,918)		-
Prepaid expenses		12,354		-		-		12,354		(69,572)
Inventory		3,482		-		-		3,482		-
Customer deposits		18,250		-		-		18,250		-
Other postemployment benefits		716,686		117,096		(626)		833,156		-
Deferred outflows		1,978		(5,797)		32,421		28,602		-
Increase (Decrease) in Liabilities and Deferred 1	[nflov	ws:								
Accounts payable		(90,466)		(42,443)		19,193		(113,716)		(61,728)
Accrued expenses		(1,165)		-		-		(1,165)		-
Compensated absences payable		(57,908)		(4,712)		(148)		(62,768)		(166,846)
Unearned revenue		(16,731)		-		-		(16,731)		-
Pension liability		568,863		92,943		25,733		687,539		-
Deferred inflow of resources for leases		206,289		-		-		206,289		-
Deferred inflows		(2,274,107)		(358,642)		(99,301)		(2,732,050)		-
Net Cash Provided by Operating Activities	\$	10,234,361	\$	8,041,922	\$	1,355,178	\$	19,631,461	\$	(238,781)
Noncash investing, capital and financing activitie	s									
Fair value of non-cash investments		(365,990)	\$	(183,040)		-				
Revenue bond arbitrage	\$	(1,885)		-		-				



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Implementation of GASB 87 tewardship, Compliance and Accountability Budgetary Information etailed Notes on All Funds Deposits and Investments Receivables Property Taxes Right to Use Assets Capital Assets Commitments Interfund Balances and Transfers Landfill Closure and Post-closure Care Long-Term Debt Pension and Other Postemployment Benefit Plans	
Implementation of GASB 87 tewardship, Compliance and Accountability Budgetary Information etailed Notes on All Funds Deposits and Investments Receivables Property Taxes Right to Use Assets Capital Assets Commitments Interfund Balances and Transfers Landfill Closure and Post-closure Care Long-Term Debt Pension and Other Postemployment Benefit Plans Net Investment in Capital Assets	
Implementation of GASB 87 tewardship, Compliance and Accountability Budgetary Information etailed Notes on All Funds Deposits and Investments Receivables Property Taxes Right to Use Assets Capital Assets Commitments Interfund Balances and Transfers Landfill Closure and Post-closure Care Long-Term Debt Pension and Other Postemployment Benefit Plans	
Implementation of GASB 87 tewardship, Compliance and Accountability Budgetary Information etailed Notes on All Funds Deposits and Investments Receivables Property Taxes Right to Use Assets Capital Assets Commitments Interfund Balances and Transfers Landfill Closure and Post-closure Care Long-Term Debt Pension and Other Postemployment Benefit Plans Net Investment in Capital Assets	2-A 3 3-A 4 4-A 4-B 4-C 4-D 4-C 4-D 4-C 4-D 4-C 4-D 4-C 4-D 4-C 4-L 4-C 4-L 4-C 4-L 4-L 4-L 4-L
Implementation of GASB 87 tewardship, Compliance and Accountability Budgetary Information retailed Notes on All Funds Deposits and Investments Receivables Property Taxes Right to Use Assets Capital Assets Commitments Interfund Balances and Transfers Landfill Closure and Post-closure Care Long-Term Debt Pension and Other Postemployment Benefit Plans Net Investment in Capital Assets Deferred Outflows and Inflows of Resources	
Implementation of GASB 87 tewardship, Compliance and Accountability Budgetary Information etailed Notes on All Funds Deposits and Investments Receivables Property Taxes Right to Use Assets Capital Assets Commitments Interfund Balances and Transfers Landfill Closure and Post-closure Care Long-Term Debt Pension and Other Postemployment Benefit Plans Net Investment in Capital Assets Deferred Outflows and Inflows of Resources Pther Notes Risk Management	2-A 3 3-A 4 4-A 4-B 4-B 4-C 4-D 4-C 4-D 4-C 4-D 4-C 4-D 4-C 4-D 4-C 4-D 4-C 4-C 4-C 4-C 4-C 4-C 4-C 4-C 4-C 4-C
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Implementation of GASB 87 tewardship, Compliance and Accountability Budgetary Information etailed Notes on All Funds Deposits and Investments Receivables Property Taxes Right to Use Assets Capital Assets Commitments Interfund Balances and Transfers Landfill Closure and Post-closure Care Long-Term Debt Pension and Other Postemployment Benefit Plans Net Investment in Capital Assets Deferred Outflows and Inflows of Resources Pther Notes Risk Management	2-A 3 3-A 4 4-A 4-B 4-C 4-D 4-C 4-D 4-C 4-D 4-C 4-D 4-C 4-D 4-C 4-D 4-C 4-D 4-C 4-D 4-C 4-C 4-D 4-C 4-C 4-D 4-C 4-C 4-C 4-C 4-C 4-C 4-C 4-C 4-C 4-C

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Note 1 – Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP) applicable to government entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. A summary of the City of Ketchikan's significant accounting policies applied in the preparation of these financial statements follows.

1-A. Reporting Entity

The City of Ketchikan, Alaska (the "City") is a home rule municipality operating under the powers granted by the constitution and laws of the State of Alaska. The City operates under a Council-Manager form of government and provides a variety of municipal services including general administration; police; fire; library; museum; health; public works; cemetery; port and harbors; solid waste collection and disposal; wastewater collection and treatment; and electric, telecommunications and water utilities.

As required by U.S. GAAP, these financial statements present the City (primary government) and its component units. The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes or issues their debt. Based upon this criterion, the reporting entity is limited to the City and no component units are included.

1-B. Government-Wide and Fund Financial Statements

The government-wide statements, which include the statement of net position and statement of activities report information on all the activities of the primary government and its component units. Eliminations have been made to minimize the double counting of internal activities. Governmental activities, which are generally supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely generally on fees and charges to external parties.

The statement of net position reports all of the City's assets and liabilities, with the difference between the two presented as net position.

The statement of activities demonstrates the extent to which the direct expenses of a given function or business-type activity is offset by program revenues. Direct expenses are clearly identifiable with a specific function. The City does not allocate indirect expenses to functions in the statement of activities. Program revenues include: (1) charges to customers who purchase, use or directly benefit from goods and services provided by the programs, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental and proprietary funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each reported as a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

1-C. Measurement Focus, Basis of Accounting and Statement Presentation

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. On the accrual basis, property taxes are recognized as revenues in

the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental funds are reported using current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they are measurable and available. Available means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period or when matured. The City considers most revenue as available if collected within 60 days after year end. Property taxes, sales taxes, and transient occupancy taxes, interest income, grant revenue and charges for services are susceptible to accrual. Sales tax revenue is considered available if it is collected within 30 days. Fines, licenses, permits and other receipts become measurable and available when cash is received by the City and are recognized as revenue at the time. Grant revenue is considered available if it is expected to be collected within one year and all eligibility requirements are met. Expenditures are recorded when the related liability is incurred except for debt service expenditures, which are recognized when the payment is due.

The City reports the following major funds:

General Fund – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of the State of Alaska.

The City reports the following proprietary funds:

Ketchikan Public Utilities Fund – This fund provides electric and telecommunication utility services to most residents of the Ketchikan Gateway Borough, which includes the City, and water utility services to the residents of the City.

Ketchikan Port Fund – This fund accounts for the operation and maintenance of the port facilities that are owned or operated by the City.

Wastewater Services Fund – This fund accounts for the collection, treatment and disposal of wastewater within the City.

Additionally, the City reports the following fund types:

Internal Service Funds – The internal service funds provide services to other funds on a cost-reimbursement basis. These services include paying the costs of compensated absences for the City's employees and to pay for claims not covered by the City's insurance plans. The City's two internal services funds are the compensated absences fund and the self-insurance fund.

The effect of interfund activity generally has been eliminated from the government-wide financial statements. Exceptions to this practice include payments and other charges between the City's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions affected.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for services. Operating expenses for enterprise and internal services funds include administrative expenses, cost of services, and depreciation of capital assets. All revenues and expense not meeting this definition are reported as non-operating revenue and expenses.

When both restricted and unrestricted resources are available for use, the City uses the restricted resources first, then unrestricted resources as needed.

1-D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balances

1-D-1 Cash, Cash Equivalents, and Investments

A central treasury is used to account for all cash and investments, except for restricted bond redemption, bond reserve, and bond construction cash and investments; and capital improvement fund investments.

Investments are recorded at fair value, which is defined as the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The exceptions are the City's nonparticipating contracts, and certificates of deposit, which are valued at cost. Investment revenue on cash pool investments is allocated to the various funds based on their month-end cash pool equity balances.

For purposes of the statement of cash flows, the City has defined cash and cash equivalents as the demand deposits and all investments maintained in the cash management pool, regardless of maturity period, since the various funds use the cash management pool essentially as a demand deposit account.

The City is authorized to invest in obligations of, or obligations issued or guaranteed by, the US Treasury, agencies or instrumentalities, negotiable certificates of deposit issued by rated banks, and certificates of deposit issued by banks located within the State of Alaska or issued by a rated bank. The City is also authorized to enter into repurchase agreements secured by obligations insured and guaranteed by US Treasury, agencies, or instrumentalities.

City bond ordinances require that funds in revenue bond reserve and redemption accounts be either deposited in demand deposits or invested in direct US Government obligations. The City policy requires that all certificates of deposits be collateralized to a level of 100 percent with federal, state or municipal obligations.

1-D-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. Unbilled utility charges are accrued as receivables and revenue.

1-D-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not expendable available financial resources and therefore are not available for appropriation.

The above amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

1-D-4 Consumable Inventories

Inventories for materials used to maintain plant in the Ketchikan Public Utilities Fund are valued at cost, which approximates market, using average cost method. The Ketchikan Public Utilities Fund also has diesel fuel inventory which is valued using the FIFO method. The cost of governmental fund-type inventories is recorded as expenditures when consumed, using the FIFO method.

1-D-5 Prepaid Items

Certain payments made to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items are recorded as expenditures/expenses

when consumed rather than when purchased. At the fund reporting level, an equal amount of fund balance is reserved as this amount is not available for appropriation.

1-D-6 Restricted Assets

Certain cash and investments are restricted for the payment of revenue bond debt service and construction costs.

The Revenue Bond Redemption Fund and Revenue Bond Reserve Fund have been established in accordance with the provisions of the revenue bond indentures. These funds can only be used for the payment of principal and interest on revenue bonds outstanding and must be maintained in accordance with the provisions of the applicable revenue bond ordinances. As of December 31, 2022 the balance on hand in the KPU Revenue Bond Redemption Fund amounted to \$567,484 which was the required amount per applicable bond ordinances. The KPU Revenue Bond Reserve Fund contained \$1,799,826, which was the required amount per applicable bond ordinances. KPU also held \$419,488 in bond construction funds and \$25,368 for a performance guaranty per State requirements at December 31, 2022. The Port Revenue Bond Redemption Fund amounted to \$186,263. The Port Revenue Bond Reserve Fund contained \$2,240,000, as required by applicable bond ordinances. The Wastewater Service Fund contained \$27,437 in the Bond Redemption Fund.

The Harbor Construction Fund and the Hospital Construction Fund have been established to account for harbor and hospital capital improvements. Proceeds from the sale of bonds and grant awards are accounted for in these funds and are restricted by the provisions of bond indentures or the terms of grant agreements that limit the use for the payment of costs incurred in the construction of harbor and hospital capital improvements. The total amount restricted as of December 31, 2022 was \$37,216 in the Harbor Construction Fund and \$1,422,971 in the Hospital Construction Fund.

The Repair and Replacement Fund has been established in the Port Fund pursuant to the covenants of the 2016 Port Revenue Refunding Bond and the provisions of the long-term lease agreement for Berth IV. As of December 31, 2022 the amount required to satisfy the bond covenants and lease agreement was \$3,956,000 and \$1,970,771 respectively, for a total of \$5,926,771.

The City received Commercial Passenger Vessel Excise Tax Funds from the State of Alaska. These funds are restricted for purposes established by federal and state regulations. The City currently has \$734,557 in the Commercial Passenger Vessel Excise Tax Capital Projects Fund, \$6,536,435 in the Commercial Passenger Vessel Excise Tax Special Revenue Fund and \$1,918 in the Port Services Fund.

The City received Local Government Lost Revenue Funds from the State of Alaska. These funds are restricted for purposes established by the City Council. The City currently has \$2,506,187 in the Port Services fund and \$1,950,000 in the Public Works Sales Tax Fund for a total of \$4,456,187.

The City received from Cambria Properties LLC for the dedication of Cambria Drive and Vallenar Lane. These funds are restricted for future work as the City deems necessary. The City currently has \$20,000 in the Public Works Sales Tax Fund

The City receives from Federal and State government sources an equitable share of the funds received from the seizure of forfeited assets. These proceeds must be used for law enforcement purposes. These funds total \$128,365.

1-D-7 Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The City reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the government fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the enterprise funds' statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. Generally, the City maintains a capitalization threshold of five thousand dollars. However, the Telecommunications Division of the KPU Enterprise Fund follows the Federal Communications Commission's (FCC) capitalization rules which requires a lower capitalization limit for certain assets. The City's infrastructure consists of roads, bridges, sidewalks, storm drains, docks, and parking facilities. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the

asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise fund is capitalized.

All reported capital assets are depreciated except for land, right-of-ways and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

	Estimated Lives				
	Governmental	Business-Type			
Asset Class	Activities	Activities			
Land improvements	15-25 Years				
Buildings and components	10-100 Years	20-60 Years			
Machinery and equipment	3-25 Years	3-15 Years			
Infrastructure	10-100 Years	30-85 Years			
Dams, roads, bridges, docks, structures, water mains,					
sewer mains and generators	30-40 Years	20-60 Years			
Electric, telecommunications and water services,					
overhead and underground facilities, hydrants, fuel					
holders, poles and fixtures, meters and transformers		12-30 Years			

1-D-8 Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the City's past experience of making termination payments.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only "*when due*."

1-D-9 Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Bonds are recognized as a liability in the governmental fund financial statements when due.

1-D-10 Bond Premiums and Discounts and Refunding Gains and Losses

On the government-wide statement of net position and the proprietary fund type statement of net position, bond premiums and discounts are netted against bonds payable. On the government-wide and proprietary fund type statements of activities, bond premiums and discounts are deferred and amortized over the life of the bond using the straight-line method.

Debt refunding gains and losses are reported as deferred inflows or outflows of resources on the statements of net position. These gains and losses are deferred and amortized over the shorter of the life of the refunding debt and the refunded debt.

Bond issuance costs are recognized as outflow of resources in the reporting period in which they are incurred.

At the governmental fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as debt service expenditures.

1-D-11 Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. The City classifies its fund balance at the fund statement level based on one or more of the following categories:

Non-spendable – Fund balances that are classified as non-spendable includes amounts that cannot be spent because they are not in spendable form or not expected to be converted to cash.

Restricted – Fund balances that are classified as restricted includes amounts that have externally imposed restrictions on the use of the resources, such as creditors, grantors, laws or regulations of other governments.

Committed – Fund balances that are classified as committed includes amounts that can only be used for a specific purpose pursuant to constraints imposed by City Council's formal action to establish and rescind committed funds is through passage of a motion, the highest level of decision-making authority in the City.

Assigned – Fund balances that are classified as assigned includes amounts that are constrained by the City's intent to use the funds for a specific purpose, such as the subsequent years budget, encumbrances and special revenue fund balances that are not already classified as non-spendable, restricted or committed. The City Council and City Manager have the authority to take action provided in the Ketchikan Municipal Code or the City's Charter that would cause the City to classify fund balances as assigned.

Unassigned – Fund balance that is classified as unassigned is the residual balance not already classified as non-spendable, restricted, committed or assigned in the general fund.

When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and lastly, unassigned fund balance.

Net Position - Net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net position amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position amounts are reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

1-D-12 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for wastewater, port, electricity, telecommunications and water. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund. Any revenue and expense not meeting this definition is reported as non-operating revenue and expense.

1-D-13 Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

1-D-14 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after the non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business type activities column are eliminated.

1-D-15 Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

1-D-16 Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to future periods that will not be recognized as an outflow of resources, or expense/expenditures, until then. Deferred inflows of resources represent a consumption of net position that applies to future periods that will not be recognized as an inflow of resources, or revenues, until then.

1-D-17 Leases

Lessee – The City is party to multiple leases of nonfinancial assets as a lessee. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on an effective interest rate basis over its useful life.

Key estimates and judgements related to leases include how the City determines the (1) discount rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses the Treasury Risk Free Rate as of the month of the start of the lease.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the liability are composed of fixed payments and purchase option price the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of any lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor – The City is a lessor for noncancellable leases of lands, buildings, and equipment. The City recognizes a lease receivable and a deferred inflow of resources in both the government-wide and governmental and proprietary fund financial statements where applicable.

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

Key estimates and judgements include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the Treasury Risk Free Rate as of the month of the start of the lease.
- The lease term includes noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Note 2 – Implementation of GASB 87

In 2022 the City implemented GASB Statement No. 87, Leases. In June 2017, the GASB issued Statement No. 87 – Leases. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement requires the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the lease contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lesse is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

As a result of the implementation, the City recognized the lease receivable and deferred inflows or resources and recorded prior period adjustments of (41,243) and (812,932) to establish beginning balances as of December 31, 2021 in the Utility and Port fund respectively.

(This page continued on the subsequent page)

Note 2 – Implementation of GASB 87 (Continued)

The adjustment to Utility net position is as follows

Net position as December 31, 2021, as previously stated	\$ 111,106,283
Adjustments to net position	
Effects of adjustment to record lease receivable \$ 1,276,848	
Effects of adjustment to record accrued interest receivable - lease 3,894	
Effects of adjustment to record right to use asset 5,903,225	
Effects of adjustment to record deferred inflow from lease (1,276,848)	
Effects of adjustment to record lease payable (5,880,665)	
Effects of adjustment to record accrued lease interest payable (67,697)	
Total adjustments to net position	(41,243)
Net position as December 31, 2021, as restated	\$ 111,065,040
The adjustment to Port net position is as follows	
Net position as December 31, 2021, as previously stated	\$ 49,414,511
Adjustments to net position	
Effects of adjustment to record right to use asset \$ 21,941,868	
Effects of adjustment to remove prepaid lease expnse (750,000)	
Effects of adjustment to record lease payable (21,941,868)	
Effects of adjustment to record accrued lease interest payable (62,932)	
Total adjustments to net position	 (812,932)
Net position as December 31, 2021, as restated	\$ 48,601,579

Note 3 – Stewardship, Compliance and Accountability

3-A. Budgetary Information

The City adopts an annual operating budget for the general fund, each of its special revenue funds, capital projects funds, debt service funds, enterprise funds and internal service funds. The budget resolution reflects the total of each department's appropriation in each fund. The budgets for the enterprise and internal service funds are adopted for management purposes and are not reported in these financial statements.

The budgets are adopted on a basis consistent with GAAP except that outstanding encumbrances are reported as expenditures on the budgetary basis. For budgetary reporting purposes, advances are classified as revenues and transfers are classified as expenditures.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund.

The City Council may transfer unencumbered appropriation balances from any item of appropriation to any other item of appropriation. Council authorization is required to transfer appropriations from one department to another and from appropriated reserves. The total of expenditures and outstanding encumbrances for any department cannot exceed the amount legally appropriated for that department with the adoption of the annual budget, unless otherwise amended by the City Council.

On December 16, 2021, the 2022 General Government Operating and Capital Budget and the 2022 Ketchikan Public Utilities Operating and Capital Budget were adopted by the City Council with the passage of Resolution 21-2828 and Resolution 21-2829, respectively. During the year, the 2022 General Government Operating and Capital Budget was amended to provide for supplemental appropriations as follows:

Note 3 – Stewardship, Compliance and Accountability (Continued)

- Acceptance of a private grant for the Museum Department in the amount of \$160,000
- Acceptance of a grant for the Port and Public Works Sales Tax in the amount of \$2,506,187 and \$1,950,000 respectively
- Acceptance of a grant for the Fire Department in the amount of \$21,875
- Acceptance of a grant for the Fire Department in the amount of \$15,000
- Acceptance of donations for the Museum Department in the amount of \$5,706

In addition, transfers of funds between budget accounts, within departments, which did not increase appropriations, were made for both General Government and Ketchikan Public Utilities. The effects of these transfers were not significant in relation to the budgets taken as a whole.

All unencumbered appropriations lapse at the end of each fiscal year, but encumbered appropriation balances carry forward automatically and may be expended after year-end. All unencumbered, unexpended annual appropriations lapse at year-end. Payments made against prior year purchase orders result in current year expenditures being increased and current year encumbrance balances being reduced so that these payments do not reduce current year appropriations.

Note 4 - Detailed Notes on All Funds

4-A. Deposits and Investments

Cash and investments for the City are comprised of governmental and business-type activities. The balances at December 31, 2022 were:

Cash on hand	\$ 9,820
Deposits with financial institutions	 102,235,296
Total	\$ 102,245,116

Cash and investments for the City include both governmental and business-type activities as follows:

	 Governmental Activities		siness-type Activities	 Total		
Unrestricted	\$ 34,091,372	\$	43,705,437	\$ 77,796,809		
Restricted	 10,747,565		13,700,742	 24,448,307		
Total	\$ 44,838,937	\$	57,406,179	\$ 102,245,116		

The restricted cash and investments are comprised entirely of \$2,367,311, \$27,437 and \$2,426,263 for bond reserve accounts established for the City's municipal utility, wastewater services and port revenue bonds, respectively, \$1,879,675 for bond construction accounts, \$5,926,771 for the Port repair and replacement accounts, \$11,647,118 for commercial passenger excise tax fund accounts, \$25,368 for a performance guaranty per State requirements, \$20,000 for Public Works work in the Cambria subdivision, and \$128,365 for funds received from the seizure of forfeited assets that must be used for law enforcement purposes.

Deposits

Custodial credit risk-deposits. This is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy is in accordance with guidelines established by the City Charter, the City Council and its bond ordinances. All deposits were covered by federal depository insurance up to \$250,000 and collateralized with eligible securities in amounts equal at least 100 percent of the bank value of deposits. As of December 31, 2022, the book value of all the City deposits was \$102,235,296 and the bank value was \$103,052,846. The bank balance was under collateralized by \$92,713 or .09% of total bank deposits as of December 31, 2022.

Note 4 - Detailed Notes on All Funds (Continued)

Investments

All investment pool cash purchases and sales are part of the City's cash management activity and considered cash and cash equivalents. Interest earned from the pooled investments is allocated to each fund based on an average earnings rate and the cash balance of each fund. The city has recorded investments at fair value. The City's investment policy is in accordance with guidelines established by the City Charter, the City Council and its bond ordinances.

The following investments are permitted under the City's investment policy:

- United States Treasury Debt Obligations
- United States Agency Debt Obligations
- Alaska Municipal Debt Obligations
- Certificate of Deposit and Repurchase Agreements Secured by U.S. Treasury and Agency Debt Obligations

Interest rate risk. As of December 31, 2022, the weighted average maturity of the City's investment portfolio was 3.6 years. To minimize interest rate risk, the City's investment policy limits the portfolio to a maximum weighted average of maturity of 46 months. With the exception of bond reserve accounts, all other funds must be invested in less than two-year maturities and must meet the City's cash flow requirements.

Credit risk. The City's investments are a Certificate of Deposit secured by U.S. Treasury and Agency Debt Obligations and are not considered to have credit risk. At December 31, 2022, the City had an investment totaling \$50,576,371

Concentration of credit risk. The City's total investment as of December 31, 2022 was invested in fully collateralized Certificates of Deposit and US Agency Notes.

Custodial credit risk. This is the risk that, in the event of the failure of a counterparty, the City would not be able to recover the value of its investments or collateral securities that are in possession of an outside party. At December 31, 2022, the City's investment was held by either a counterparty or a counterparty's trust department or agent.

			Invest	_		
		Non Maturity				Average Maturity
Investment Type	Fair Value	Rated	Less Than 1	1 - 5	6 - 10	(Years)
US Agency Note	\$ 42,970,861	\$ -	\$ 4,962,109	\$38,008,752	\$	- 2.86
Certificate of Deposit	7,605,510		7,605,510		-	0.75
	\$ 50,576,371	\$ -	\$12,567,619	\$38,008,752	\$ -	

1.81

Portfolio weighted average maturity

4-B. Receivables

Receivables consist of taxes, interest, accounts (billings for user charges, including unbilled utility receivables), and intergovernmental receivables arising from grants.

Receivables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability. Receivables for the year ended December 31, 2022, consisted of the following:

Note 4 - Detailed Notes on All Funds (Continued)

	Governmental			type	
	Activities			Activities	Total
Accounts receivable	\$	6,814,113	\$	10,221,432	\$ 17,035,545
Allowance for doubtful accounts		(347,000)		(92,000)	 (439,000)
Net accounts receivable	\$	6,467,113	\$	10,129,432	\$ 16,596,545

4-C. Property Taxes

Under Alaska Statutes, boroughs are required to bill and collect property taxes for cities located within its boundaries. The Ketchikan Gateway Borough performs these functions for the City. The City must set the rate of levy by June 15 of each year. Property taxes are levied on July 1 and are based on the assessed valuation of real and personal property as of January 1. Property taxes are due and payable immediately upon levy and become delinquent if not paid on or before September 30 of the year in which they are levied. The lien date is October 1. Foreclosure proceedings are initiated by the Ketchikan Gateway Borough the following January on properties for which property taxes has not been paid by December 31. Upon the issuance of a judgment by the court, properties with delinquent taxes are transferred to the Borough and held for at least one year in order to permit the property owner with an option to redeem the property. At the end of the redemption period, all unredeemed property located within the City is deeded to the City by the court subject to the payment by the City of all unpaid borough taxes and the costs of foreclosure levied against the property.

4-D. Right To Use Assets

In accordance with Governmental Accounting Standards Board (GASB), the City implemented GASB Statement No. 87. The asset activity for the year ended December 31, 2022 was as follows.

	 Restated Beginning Balance		Increases	Decreases		Ending Balance	
Governmental activities:							
Right to use asset							
Buildings	\$ -	\$	24,415	\$	-	\$	24,415
Equipment	-		41,572		-		41,572
Total right to use asset	 -		65,987		-		65,987
Less accumulated amortization							
Buildings	-		6,374		-		6,374
Equipment	-		7,364		-		7,364
Total accumulated amortization	 -	_	13,738		-		13,738
Governmaental right to use, net	\$ -	\$	52,249	\$	-	\$	52,249
Business-Type Activities							
Right to use asset							
Telecommunications	\$ 6,272,814	\$	-	\$	-	\$	6,272,814
Port	 23,351,217		-		-		23,351,217
Total right to use asssets	 29,624,031	_	-		-		29,624,031
Less accumulated amortization							
Telecommunications	369,589		338,023		-		707,612
Port	 1,409,349		1,045,440		-		2,454,789
Total accumulated amortization	 1,778,938		1,383,463		-		3,162,401
Business- Type right to use assets, net	\$ 27,845,093	\$	1,383,463	\$	-	\$	26,461,630

Depreciation Expense was charged to functions/programs of the primary government as follows:

Governmental Activities	
General government Public works	\$ 7,364 6,374
Total governmental activities amortization	\$ 13,738
Business-Type Activities	
Port Telecom	\$ 1,045,440 338,023
Total business-type amortization	\$ 1,383,463

4-E. Capital Assets

Capital asset activity for the year ended December 31, 2022, was as follows:

		Beginning Balance Increases				Decreases		Ending Balance
Governmental activities:		Balalice		mercases		Decreases		Balance
Nondepreciable capital assets								
Land	\$	29,131,180	\$	-	\$	20,017	\$	29,111,163
Easements	+	588,168	*	-	+	,	*	588,168
Construction in progress		5,474,959		988,279		4,331,026		2,132,212
Other capital assets		120,750		_		-		120,750
Total nondepreciable capital assets		35,315,057		988,279		4,351,043		31,952,293
Depreciable capital assets:								
Land improvements		1,539,203		-		-		1,539,203
Buildings		142,057,021		4,030,535		-		146,087,556
Machinery and equipment		19,499,701		1,350,178		303,433		20,546,446
Infrastructure		95,388,671		1,119,192		400,175		96,107,688
Software		581,531		-		-		581,531
Total depreciable capital assets		259,066,127		6,499,905		703,608		264,862,424
Total capital assets		294,381,184		7,488,184		5,054,651		296,814,717
Accumulated depreciation:								
Land improvements		1,391,802		8,312		-		1,400,114
Buildings		30,537,042		2,252,658		-		32,789,700
Machinery and equipment		12,060,374		885,680		303,431		12,642,623
Infrastructure		38,495,073		2,643,148		229,497		40,908,724
Software		366,036		25,352		-		391,388
Total accumulated depreciation		82,850,327		5,815,150		532,928		88,132,549
Governmental activities capital assets, net	\$	211,530,857	\$	1,673,034	\$	4,521,723	\$	208,682,168

General government	\$ 91,954
Public safety	724,836
Public works	2,066,021
Health and welfare	1,404,455
Harbor	1,178,169
Culture	349,715

		Beginning Balance	Increases			Decreases		Ending Balance
Business-type activities:		Dalalice		mereases		Decreases		Dalalice
Nondepreciable capital assets:								
Land	\$	4,534,706	\$	_	\$	_	\$	4,534,706
Other capital assets	Ψ	6,416,412	Ψ	_	Ψ	-	Ψ	6,416,412
Construction in progress		14,718,995		820,833		2,360,645		13,179,183
Total non-depreciable capital assets		25,670,113		820,833		2,360,645		24,130,301
Depreciable capital assets:								
Electric utility plant		128,746,676		1,626,569		731,114		129,642,131
Telecommunications utility plant		81,189,916		1,901,380		1,248,402		81,842,894
Water utility plant		57,371,971		7,804,549		3,285,246		61,891,274
Wastewater utility plant		27,558,297		25,000		126,710		27,456,587
Port facilities		67,933,863				-		67,933,863
Total depreciable capital assets		362,800,723		11,357,498		5,391,472	1	368,766,749
Total capital assets		388,470,836		12,178,331		7,752,117	1	392,897,050
Accumulated depreciation:								
Electric utility plant		80,543,509		2,864,635		731,114		82,677,030
Telecommunications utility plant		58,694,497		2,402,894		1,248,402		59,848,989
Water utility plant		25,192,718		1,478,089		1,583,534		25,087,273
Wastewater utility plant		10,506,711		568,145		124,394		10,950,462
Port facilities		24,272,863		1,263,601		-		25,536,464
Total accumulated depreciation		199,210,298		8,577,364		3,687,444		204,100,218
Business-type activities capital assets, net	\$	189,260,538	\$	3,600,967	\$	4,064,673	\$	188,796,832

4-F. Commitments

The City has the following commitments as of December 31, 2022:

	Operational			Capital	Total	
Governmental Funds						
General	\$	307,007	\$	278,391	\$	585,398
Non-major special revenue funds		69,485		133,703		203,188
Non-major capital projects funds		-		1,522,151		1,522,151
Total Governmental Funds	\$	376,492	\$	1,934,245	\$	2,310,737
Enterprise Funds						
KPU	\$	1,171,254	\$	1,524,841	\$	2,696,095
Port		37,100		5,326		42,426
Wastewater		47,358		299,422		346,780
Total Enterprise Funds	\$	1,255,712	\$	1,829,589	\$	3,085,301

4-G. Interfund Balances and Transfers

The City did not have any Interfund balances at December 31, 2022. These balances result from the time lag between the dates that (1) interfund good and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The City expects to repay all interfund balances within one year except where noted when balances exists.

Interfund transfers for the year ended December 31, 2022, consisted of the following:

Transfers out			General fund		 Debt Service fund	Vonmajor vernmental funds	 Total		
General fund	\$	-	\$ 3,584,483	\$ -	\$ 3,584,483				
KPU fund		786,000	-	-	786,000				
Port fund		319,000	-	7,500	326,500				
Wastewater fund		80,000	-	-	80,000				
Nonmajor governmental									
funds		1,053,870	 -	 803,438	 1,857,308				
Total	\$	2,238,870	\$ 3,584,483	\$ 810,938	\$ 6,634,291				

During the year, transfers are used to 1) move funds from the City's enterprise funds for payments in lieu of taxes to the general fund, 2) move revenues from the funds with collection authority to the debt service fund as debt service principal and interest payments become due, 3) move commercial passenger vessel excise tax received from the State of Alaska from the fund with collection authority to the capital project and enterprise funds to provide resources for tourism related capital improvements and 4) move local resources from one fund to another to subsidize operations and provide funding for general government capital improvements.

4-H. Landfill Closure and Post-closure Care

State and federal laws and regulations require the City to place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for up to thirty years after closure. Operating and capital expenditures related to current activities of the landfill are recorded in the Solid Waste Services special revenue fund. During 2022, the City did not have any current expenditures for landfill closure costs nor any post-closure care costs. The total estimated liability for landfill closure and post-closure care costs are reported on the government-wide statement of net position.

During 2022, the future closure and post-closure costs were reevaluated and adjusted to reflect current conditions. As of December 31, 2022, the estimated liability for landfill closure and post-closure care costs totaled \$978,360, an increase of \$420 from the estimated liability as of December 31, 2021.

The estimated liability is based on an engineer's estimate taking into account various factors including used capacity. As of December 31, 2022 used capacity was approximately 63.06%. It is estimated that an additional \$221,640 will be recognized as closure and post-closure care expenses between the date of the balance sheet, and the year 2052, in 30 years, the date the landfill is expected to reach full capacity. The estimated total current cost of the landfill closure and post-closure care is \$1,200,000 and is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2022. The actual cost of closure and post-closure care may be higher due to inflation, changes in technology, and/or changes in the landfill laws and regulations.

The City is required by state and federal laws and regulations to demonstrate financial responsibility for closure and post-closure care costs. The City was in compliance with the requirements for inert landfills at December 31, 2022.

4-I. Long-Term Debt

General Obligation Bonds - The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities.

General obligation bonds are secured by the full faith and credit of the City. These bonds are payable from taxes levied on all property located within the City, sales taxes collected within the City, and from proprietary revenues, if the bonds were issued for proprietary activities. General obligation bonds currently outstanding are as follows:

2014 Harbor General Obligation Bonds – issued to finance harbor improvements for Bar Harbor South, issued June 19, 2014, due in annual installments through June 1, 2034, bearing interest rates of 3.00 - 5.00%.

2014 Hospital General Obligation Bonds – issued to finance construction of an addition to the Ketchikan Medical Center, issued June 19, 2014, due in annual installments through June 1, 2044, bearing interest rates of 4.00 - 5.00%.

2016 Harbor General Obligation Bonds – issued to finance harbor improvements for Hole in the Wall and Bar Harbor Ramp 3, issued November 3, 2016, due in annual installments through December 1, 2035, bearing interest rates of 4.00 - 5.00%.

2020 Fire Station General Obligation Refunding Bonds – issued to finance construction of a new fire station for the Ketchikan Fire Department, refunded June 24, 2020, due in annual installments through December 1, 2030, bearing an interest rates of 5.000%.

2021 Library Facilities General Obligation Refunding Bonds – issued to finance construction of a new library for the Ketchikan area, refunded June 16, 2021, due in annual installments through December 1, 2031, bearing interest rates of 0.243 – 2.122%.

Wastewater General Obligation Bonds, ADEC Clean Water Fund 481011 – issued to finance the replacement of a portion of the Tongass Avenue sewer main, due in semiannual installments through May 1, 2032 bearing an interest rate of 1.5%.

Wastewater General Obligation Bonds, ADEC Clean Water Fund 481071 – issued to finance the replacement of a portion of the Tongass Avenue sewer main, bearing an interest rate of 1.5%, due in semiannual installments through November 1, 2033.

Wastewater General Obligation Bonds, ADEC Clean Water Fund 481072 – issued to finance the replacement of a portion of the Tongass Avenue sewer main, bearing an interest rate of 1.5%, due in semiannual installments through November 1, 2033.

Wastewater General Obligation Bonds, ADEC Clean Water Fund 481101 – issued to finance the replacement of a portion of the Jackson/Monroe Avenue sewer main, bearing an interest rate of 1.5% due in semiannual installments through November 1, 2035.

	Go	vernmental Activi	ties	Business-type Activities						
Year	Year Principal Interest		Total	Principal	Interest	Total				
2023	1,835,000	1,845,714	3,680,714	106,378	19,373	125,751				
2024	1,915,000	1,766,260	3,681,260	107,980	17,771	125,751				
2025	2,000,000	1,681,915	3,681,915	109,605	16,145	125,750				
2026	2,090,000	1,592,268	3,682,268	111,256	14,495	125,751				
2027	2,185,000	1,497,788	3,682,788	112,930	12,820	125,750				
2028-2032	11,050,000	6,102,420	17,152,420	590,677	38,076	628,753				
2033-2037	9,465,000	4,042,650	13,507,650	179,174	4,599	183,773				
2038-2042	10,590,000	2,065,600	12,655,600	-	-	-				
2043-2044	4,865,000	196,500	5,061,500			_				
Total	\$ 45,995,000	\$ 20,791,115	\$ 66,786,115	\$ 1,318,000	\$ 123,279	\$ 1,441,279				

Annual debt service requirements to amortize general obligation bonds outstanding, as of December 31, 2022 follow:

Revenue Bonds - The City issues revenue bonds where the City pledges income derived from the acquired or constructed assets to pay for debt service. All revenues of the respective funds are pledged to satisfy annual principal and interest requirements until the bonds mature. All revenue bonds issued by the City have been recorded in the Ketchikan Public Utilities, Port or Wastewater Enterprise Funds and are described below:

KPU Revenue Bonds, 2021, Series X Refunded Bonds – issued to finance a hydroelectric project, refunded June 16, 2021, due in annual installments through December 1, 2031, bearing an interest rates of 0.243 – 2.222%.

KPU Revenue Bonds, 2013, Series X Bonds – issued to finance a hydroelectric project, dated June 19, 2013. A portion was refunded June 16, 2021, due in annual installments through June 1, 2023, bearing an interest rates of 0.243 – 0.443%.

KPU Revenue Bonds, 2020, Series Y- issued to finance an undersea fiber cable project, dated June 24, 2020, due in annual installments through December 1, 2039 bearing an interest rates of 4.00 - 5.00%.

KPU Revenue Bonds, ADEC Drinking Water Fund 481021– issued a taxable junior lien municipal utility revenue bond bearing an interest rate of 1.5% to finance the replacement of a portion of the Tongass Avenue water main, due in semiannual installments through May 1, 2032.

KPU Revenue Bonds, ADEC Drinking Water Fund 481051– issued a taxable junior lien municipal utility revenue bond bearing an interest rate of 1.5% to finance the construction of a water treatment facility, due in semiannual installments through November 1, 2033.

KPU Revenue Bonds, ADEC Drinking Water Fund 481061– issued a taxable junior lien municipal utility revenue bond bearing an interest rate of 1.5% to finance the replacement of a portion of Tongass Avenue water main, due in semiannual installments through November 1, 2033.

KPU Revenue Bonds, ADEC Drinking Water Fund 481091– issued a taxable junior lien municipal utility revenue bond bearing an interest rate of 1.5% to finance the construction of the Baranof reservoir replacement, due in semiannual installments through November 1, 2033.

KPU Revenue Bonds, ADEC Drinking Water Fund 481121– issued a taxable junior lien municipal utility revenue bond bearing an interest rate of 1.5% to finance the construction of the Baranof reservoir replacement, due in semiannual installments through November 1, 2033.

KPU Revenue Bonds, ADEC Drinking Water Fund 481141– issued a taxable junior lien municipal utility revenue bond bearing an interest rate of 1.5% to finance the construction of the Jackson/Monroe water main replacement, due in semiannual installments through November 1, 2035.

KPU Revenue Bonds, ADEC Drinking Water Fund 481041– issued a taxable junior lien municipal utility revenue bond bearing an interest rate of 1.5% to finance the construction of the Mill Street water main replacement, due in semiannual installments through May 1, 2038.

KPU Revenue Bonds, ADEC Drinking Water Fund 481081– issued a taxable junior lien municipal utility revenue bond bearing an interest rate of 1.5563% to finance the construction of the Schoenbar water main replacement. The amount authorized is \$7,565,746. As of December 31, 2022 KPU incurred \$7,313,378 in design and construction costs eligible for funding from this loan program. The amount to be borrowed and the loan amortization schedule will be finalized upon completion of the project.

KPU Revenue Bonds, ADEC Drinking Water Fund 481191– issued a taxable junior lien municipal utility revenue bond bearing an interest rate of 1.5625% to finance the construction of the implementation of a water-metering program for business customers. The amount authorized is \$1,250,000. As of December 31, 2022 KPU incurred \$387,650 in construction costs eligible for funding from this program. The amount to be borrowed and the loan amortization schedule will be finalized upon completion of the project.

Port Revenue Refunding Bonds, 2016 – issued to finance the port expansion and reconfiguration project, refunded November 3, 2016, due in annual installments through December 1, 2035, bearing interest rates of 2.00 – 5.00%.

Wastewater Revenue Bonds, ADEC Clean Water Fund 481111 – issued a taxable junior lien municipal utility revenue bond bearing an interest rate of 1.5% to finance the replacement of a portion of the Alaska Avenue sewer main, due in semiannual installments through November 1, 2033.

Wastewater Revenue Bonds, ADEC Clean Water Fund 481031 – issued a taxable junior lien municipal utility revenue bond bearing an interest rate of 1.5% to finance the rehabilitation of the Front & Stedman Streets sewer force main, due in semiannual installments through May 1, 2038.

Wastewater Revenue Bonds, ADEC Clean Water Fund 481201– issued a taxable junior lien municipal utility revenue bond bearing an interest rate of 1.5563% to finance the construction of the implementation of a water-metering program for business customers. The amount authorized is \$1,250,000. As of December 31, 2021 Wastewater incurred \$387,650 in construction costs eligible for funding from this program. The amount to be borrowed and the loan amortization schedule will be finalized upon completion of the project.

The operating revenues of the KPU, Port and Wastewater Funds are pledged to pay debt service of the respective fund. The operating revenues for KPU, Port and Wastewater Funds were \$45.8 million, \$10.7 million and \$3.5 million respectively. The debt service payments for KPU, Port and Wastewater Funds were \$2.5 million or 5.41% of revenues, \$2.2 million or 20.31% of revenues, and \$162,825 or 4.65% of revenues, respectively.

Year	 Principal	 Interest	 Total
2023	\$ 2,963,043	\$ 1,703,797	\$ 4,666,840
2024	3,066,221	1,605,369	4,671,590
2025	3,164,520	1,510,253	4,674,773
2026	3,257,943	1,407,886	4,665,829
2027	3,371,495	1,299,961	4,671,456
2028-2032	18,745,315	4,617,691	23,363,006
2033-2037	10,216,297	1,309,468	11,525,765
2038-2039	 1,470,253	 86,022	 1,556,275
Total	\$ 46,255,087	\$ 13,540,447	\$ 59,795,534

Annual debt service requirements to amortize revenue bonds outstanding, as of December 31, 2021 follow:

This amortization schedule does not include \$7,701,028 for two Drinking Water Loan Fund projects and \$387,650 for one Clean Water Loan Fund projects because the projects related to the loans are in progress. A debt service schedule will be determined upon completion of the projects.

Long Term Note Payable – The City entered into a lease purchase agreement to replace aging firefighting equipment. An aerial fire apparatus for \$1,352,276 and a tanker truck for \$288,608 were purchased on December 31, 2019, bearing an interest rate of 2.010% due in semi-annual installments through December 1, 2026. In 2021 the City continued the lease purchase agreement to purchase an ambulance for \$240,378 bearing an interest rate of 3.080%

The annual debt service related to capital leases is as follows:

Year	 Principal		Interest	 Total
2023	\$ 265,706	\$	25,657	\$ 291,363
2024	271,406		19,958	291,364
2025	277,230		14,133	291,363
2026	283,183		8,181	291,364
2027	35,332		3,366	38,698
2028-2029	 73,963	_	3,434	 77,397
Total	\$ 1,206,820	\$	74,729	\$ 1,281,549

Leases

Governmental Activities - The City has entered into agreements to lease certain equipment, buildings, and land. The lease agreements qualify as other than short-term leases under GASB 87 and therefore, have been recorded at the present value of the future minimum lease payments remaining as January 1, 2022 (the date of implementation of GASB 87)

Fire Station #3 – This lease was executed on July 1, 2022, to lease the building and requires 5 yearly payments of 6,373.50. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 2.96% which was the risk free rate at the time of inception. As a result of the lease, the City has recorded a right to use asset with a net book value of \$18,042 at December 31, 2022.

Election Equipment – This lease was executed on April 1, 2022, to lease election equipment and requires 6 yearly payments ranging from \$6,784 to \$8,246. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.03% which was the risk free rate at the time of inception. As a result of the lease, the City has recorded a right to use asset with a net book value of \$34,208 at December 31, 2022.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2022, were as follows:

Year Ending December 31	Principal	Total	
2023 \$	11,587	\$ 1,570	\$ 13,157
2023	12,274	1,223	13,497
2024	12,997	856	13,853
2025	7,388	466	7,854
2026	8,003	243	8,246
\$	52,249	\$ 4,358	\$ 56,607

Business Type Activities - The City has entered into agreements to lease certain equipment, buildings, and land. The lease agreements qualify as other than short-term leases under GASB 87 and therefore, have been recorded at the present value of the future minimum lease payments remaining as January 1, 2021 (the date of implementation of GASB 87)

Equipment space for capacity (Skagway) – This lease was executed on January 1, 2021, to lease equipment space and requires 43 monthly payments ranging from 3,844 - 3,997.81. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 4.68% which was the risk free rate at the time of inception. As a result of the lease, the City has recorded a right to use asset with a net book value of 73,075 at December 31, 2022.

Equipment space for capacity (High Mountain and Ketchikan) – This lease was executed on January 1, 2021, to lease equipment space and requires 176 monthly payments at \$7,330. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.87% which was the risk free rate at the time of inception. As a result of the lease, the City has recorded a right to use asset with a net book value of \$879,672 at December 31, 2022.

Central Office Building – This lease was executed on January 1, 2021, to lease building space and requires 178 monthly payments ranging from \$14,640 - \$22,144. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.87% which was the risk free rate at the time of inception. As a result of the lease, the City has recorded a right to use asset with a net book value of \$2,231,770 at December 31, 2022.

Tower Space (Walmart location) – This lease was executed on January 1, 2021, to lease tower space and requires 217 monthly payments ranging from \$2,341 - \$4,742. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.87% which was the risk free rate at the time of inception. As a result of the lease, the City has recorded a right to use asset with a net book value of \$498,215 at December 31, 2022.

Telephone Poles – This lease was executed on January 1, 2021, to lease pole space and requires 8 yearly payments ranging from \$4,896 - \$5,604. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.62% which was the risk free rate at the time of inception. As a result of the lease, the City has recorded a right to use asset with a net book value of \$29,744 at December 31, 2022.

Tower Space (South Tongass) – This lease was executed on January 1, 2021, to lease tower space and requires 163 monthly payments ranging from 776 - 1,140. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.62% which was the risk free rate at the time of inception. As a result of the lease, the City has recorded a right to use asset with a net book value of 109,731 at December 31, 2022.

Tideland - Telecom – This lease was executed on January 1, 2021, to lease land and requires 25 yearly payments at \$22,560. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.66% which was the risk free rate at the time of inception. As a result of the lease, the City has recorded a right to use asset with a net book value of \$378,824 at December 31, 2022.

High Mountain Equipment and Building – This lease was executed on January 1, 2021, to lease equipment and a building and requires 9 yearly payments ranging from 4,851 - 6,500. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.62% which was the risk free rate at the time of inception. As a result of the lease, the City has recorded a right to use asset with a net book value of 335,770 at December 31, 2022.

Equipment Storage Colocation – This lease was executed on January 1, 2021, to lease equipment space and requires 18 yearly payments ranging from \$31,609 - \$56,729. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.87% which was the risk free rate at the time of inception. As a result of the lease, the City has recorded a right to use asset with a net book value of \$507,880 at December 31, 2022.

Tower Space (Roosevelt Dr.) – This lease was executed on January 1, 2021, to lease tower space and requires 19 yearly payments ranging from 27,998 - 52,005. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.87% which was the risk free rate at the time of inception. As a result of the lease, the City has recorded a right to use asset with a net book value of 477,120 at December 31, 2022.

Tower Space (*Ward Cove*) – This lease was executed on July 1, 2021, to lease tower space and requires 300 monthly payments ranging from 700 - 1,423. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.87% which was the risk free rate at the time of inception. As a result of the lease, the City has recorded a right to use asset with a net book value of 182,780 at December 31, 2022.

KPU Customer Service Building – This lease was executed on July 1, 2021, to lease tower space and requires 42 monthly payments ranging from 8,720 - 9,253. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.76% which was the risk free rate at the time of inception. As a result of the lease, the City has recorded a right to use asset with a net book value of 140,621 at December 31, 2022.

Berth IV – This lease was executed on July 1, 2021, to lease Berth IV and requires 17 yearly payments in the amount of \$1,800,000. There are variable payment components of the lease. These contingent lease payments are paid if the number of cruise ship passengers paying the City's passenger wharfage fee exceeds \$20,000 passengers. Various formulas are used to determine the contingent lease payments and all are dependent on passenger volume. Contingent lease payments will be decreased if passenger volume decreases. The lease liability is measured at a discount rate of 3.48% which was the risk free rate at the time of inception. As a result of the lease, the City has recorded a right to use asset with a net book value of \$20,896,428 at December 31, 2022. The City paid an additional \$20,833 in variable payments for the year.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2022, were as follows:

Year Ending December 31	Principal	Interest	Total
2023	1,455,454	925,369	\$ 2,380,823
2024	1,443,318	872,933	\$ 2,316,251
2025	1,419,887	823,051	\$ 2,242,938
2026	1,481,403	772,054	\$ 2,253,457
2027-2031	8,392,636	3,014,097	\$ 11,406,733
2032-2036	9,837,216	1,379,745	\$ 11,216,961
2037-2041	2,250,349	111,318	\$ 2,361,667
2042-2046	149,286	13,914	\$ 163,200
	\$ 26,429,549 \$	7,912,481	\$ 34,342,030

Changes in Long-term Debt - Changes in the City's long-term obligations consisted of the following for the year ended December 31, 2022:

Governmental Activities	В		Restated Beginning Balance Additions		Reductions		Ending Balance		Due Within One Year	
Bonds payable:										
General obligation bonds Plus deferred amounts:	\$	47,755,000	\$	-	\$	1,760,000	\$	45,995,000	\$	1,835,000
For issuance premiums		2,421,883		-		163,783		2,258,100		163,782
Total bonds payable		50,176,883		-		1,923,783		48,253,100		1,998,782
Leases payable		-		65,987		13,738		52,249		11,587
Long term note payable		1,196,213		240,378		229,771		1,206,820		265,706
Landfill closure costs		977,940		420		-		978,360		-
Compensated absences		1,596,912		1,414,675		1,581,520		1,430,067		143,007
Total Governmental Activities	\$	53,947,948	\$	1,721,460	\$	3,748,812	\$	51,920,596	\$	2,419,082
Business-Type Activities										
Bonds payable:										
General obligation bonds	\$	1,422,801	\$	-	\$	104,801	\$	1,318,000	\$	106,378
Revenue bonds		49,963,133		7,322,519		2,941,889		54,343,763		2,963,043
Plus deferred amounts:										
For issuance premiums		4,654,826		-		388,441		4,266,385		335,607
Total bonds payable		56,040,760		7,322,519		3,435,131		59,928,148		3,405,028
Lease payable		27,822,533		-		1,392,984		26,429,549		1,455,454
Compensated absences		1,145,072		27,003		89,770		1,082,305		108,231
Total Business-Type Activities	\$	85,008,365	\$	7,349,522	\$	4,917,885	\$	87,440,002	\$	4,968,713

The general obligation bonds and long term note payable for governmental activities are being retired by the general obligation bond debt service fund. The lease payable obligations are being retired from resources derived from the operations of the governmental funds.

The landfill closure costs are being paid from the solid waste services fund. Principal and interest payments related to the City's revenue bonds are financed from income derived from the operations of the Ketchikan Public Utilities, Port Enterprise, and Wastewater Funds. The general obligation bonds for business-type activities are being retired from resources derived from the operations of the Wastewater Enterprise Fund. The lease payable are being retired from the resources derived from the Ketchikan Public Utilities Fund and the Port Enterprise. The compensated absences liability is being liquidated from the Compensated Absences Fund.

Defeased Bonds Outstanding - In prior years, the City issued general obligation and municipal utility revenue refunding bonds to defease certain outstanding general obligation and municipal utility revenue bonds to achieve debt service savings. The City has placed the proceeds from the refunding issues in irrevocable escrow accounts with a trust agent to insure payment of debt service on the refunded bonds. Accordingly, the trust assets and liabilities for the defeased bonds are not included in the City's financial statements. Although defeased, the refunded debt from these earlier issues will not be actually retired until the call dates have come due or until maturity if they are not callable issues. As of December 31, 2022, \$38,630,000 of the bonds outstanding was considered defeased.

4-J. Pension and Other Postemployment Benefit Plans

Substantially all regular employees of the City are members of the Alaska Public Employees' Retirement System (PERS) except for employees who are members of the International Brotherhood of Electrical Workers Local No. 1547 (IBEW). IBEW members participate in a union sponsored defined benefit plan. The total 2022 pension expense for all plans was \$4,490,821.

A. State of Alaska Public Employees' Retirement System

Plan Description

All regular employees of the City not covered by a collective bargaining agreement that includes a pension benefit and work at least 14 hours are provided with a pension through the State of Alaska Public Employees Retirement System (PERS). The PERS was originally established as an agent multiple-employer plan but was converted to a cost-sharing multiple employer plan, effective July 1, 2008. The PERS includes defined benefit plans (Tiers I, II, and III) and a defined contribution plan (Tier IV). The PERS defined benefit plan was closed to all new employees hired on or after July 1, 2006 and replaced with a defined contribution plan. PERS provides retirement, disability, death and other post-retirement benefits. Benefits and employer contributions are established by Alaska Statutes and may only be amended by the State Legislature.

PERS is administered by the State of Alaska. Each fiscal year, PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of Alaska, Department of Administration, Division of Retirements and Benefits, P.O. Box 110203, Juneau, AK 99811-0203 or online at https://drb.alaska.gov/docs/reports/

Defined Benefit Plan

Plan Benefits

Retirement Benefits - The determination of retirement benefits is based on an employee's initial entry date into the PERS. Employees entering into the PERS before July 1, 1986 are classified as Tier I and are eligible for normal benefits at age 55 or early retirement benefits at age 50 after five years of service. Employees with an initial entry date of on or after July 1, 1986 are classified as Tiers II and III and, after five years of service, are eligible for normal benefits at age 60 or early retirement benefits at age 55. The benefit is calculated by multiplying the average monthly compensation times credited PERS service times the percentage multiplier. The percentage multipliers for peace officers/firefighters are 2% for the first ten years of service and 2.5% for years of service over ten years. The percentage multipliers for all others are 2% for the first ten years, 2.25% for the second ten years and 2.5% for all remaining years of service earned on or after July 1, 1986. Service earned before that date is calculated at 2%. This plan is closed to new members hired after July 1, 2006.

Death Benefits – Monthly death benefits may be paid to a spouse or dependent children upon the death of a non-retired employee calculated based on whether it is an occupational or non-occupational death. For a retired employee, the beneficiary will receive a lump sum refund of the employee's account balance or, if the member selected a survivor option, lifetime monthly benefits for the eligible spouse.

Disability Benefits – Monthly disability benefits are paid to permanently disabled employees until they recover, die or become eligible for normal retirement. Employees are appointed to normal retirement on the first of the month after they become eligible. Benefits are determined as follows:

- Occupational disability benefits are equal to 40% of an employee's gross monthly compensation at the date of their disability. Employees are not required to satisfy age or service requirements.
- Non-occupational disability benefits are calculated based on the employee's average monthly compensation and PERS service on the date of termination due to the disability. Employees must have five years of PERS service in order to be eligible to receive benefits.

Benefit Changes After Retirement – Postretirement pension adjustments (PRPA) are granted annually to eligible benefit recipients when the consumer price index (CPI) for urban wage earners and clerical works for Anchorage increases during the preceding calendar year. Ad hoc PRPAs up to a maximum of 4% may be granted to eligible recipients who first entered PERS prior to July 1, 1986 if the CPI increases and the funding ratio is at least 105%.

Alaska Cost of Living Allowance – Eligible recipients who reside in Alaska receive an Alaska cost of living allowance equal to 10% of their base benefits or \$50, whichever is more.

Contributions

Mandatory contributions are required by regular employees eligible to participate in the PERS. Police and firefighters are required to contribute 7.5% of their annual covered salary and all other employees are required to contribute 6.75%.

There are several other contribution rates associated with funding the PERS. They are as follows:

Employer Contribution Rate - Alaska Statute 39.35.255 established a mandatory employer contribution rate of 22% of covered payroll. This rate is assessed on the covered payroll attributable to employees participating in the defined benefit and the defined contribution plans. Contributions derived from the employees participating in the defined contribution plan that are not required to fund the benefits of the deferred contribution plan are referred to as the Defined Benefit Unfunded Liability or DBUL contribution. The Alaska Legislature can change the mandatory employer contribution rate by amending Alaska Statute 39.35.255.

Alaska Retirement Management Board Adopted Rate – This rate is actuarially determined and used to calculate the annual funding requirements for the PERS and is the rate formally adopted by the Alaska Retirement Management Board (ARMB). Prior to July 1, 2015, there were no constraints or restrictions on the actuarial cost methods or any other assumptions used to determine the rate. Effective July 1, 2015, the Alaska Legislature began requiring the ARMB to adopted employer contribution rates for past service cost liabilities using a level percent of pay method over a closed 25-year term, which ends in 2039. This will result in lower ARMB adopted rates in future years but increase the amount required to meet the funding requirements of the PERS by extending period required to fund the pension liability by nine years. Prior to July 1, 2015, the ARMB used an actuarially determined rate based on the level dollar method.

State Contribution Rate - This is the rate paid by the State as an on-behalf payment under Alaska Statutes 39.25.280. This statute requires the State to contribute, subject to available funding, an on-behalf amount equal to the difference between the ARMB Adopted Rate and Employer Contribution Rated mandated by Alaska Statutes 39.35.255.

Contributions rates for the year ended December 31, 2022 were based on the June 30, 2022 and the June 30, 2021 roll forward PERS actuarial valuation report and were as follows:

	Employer Rate		ARME	3 Rate	State Contribution Rate		
	Jan 1 -	July 1 -	Jan 1 - July 1 -		Jan 1 -	July 1 -	
	June 30	Dec 31	June 30	Dec 31	June 30	Dec 31	
Pension	22.00%	22.00%	30.11%	24.79%	8.11%	2.79%	
Postemployment healthcare	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Total Contribution Rate	22.00%	22.00%	30.11%	24.79%	8.11%	2.79%	

The amounts contributed by the City and the State in the form of on-behalf payments for Tiers I, II, and III for the year ended December 31 were as follows:

Pension	20	22	20	021		2020		2019		2018								
Employer contributions (including DBUL)	\$ 1,88	35,703	\$ 1,8	82,249	\$	1,622,538	\$	1,175,314	\$	1,236,552								
Nonemployer contributions	61	0,998	9	917,794		917,794		917,794		917,794		917,794		912,988		646,303		428,166
Total Contributions	\$ 2,49	06,701	\$ 2,8	\$ 2,800,044 \$ 2,535,526		00,044 \$ 2,535,526 \$ 1,821,617		\$ 2,800,044 \$ 2,535,526 \$ 1,821		\$	1,664,718							
Postemployment Healthcare	2022		20	2021		2020		2019		2018								
Employer contributions (including DBUL)	\$	-	\$	-	\$	266,702	\$	446,090	\$	397,004								
Nonemployer contributions		-		-		-		-		-								
Total Contributions	\$	-	\$	-	\$	266,702	\$	446,090	\$	397,004								

The amounts contributed by the City for postemployment healthcare were equal to the required employer contributions. Included in both the pension and the postemployment health amounts are the DBUL amounts that were levied against the PERS Defined Contribution Plan (Tier IV).

Terminated employees may receive refunds of their mandatory and voluntary contributions, indebtedness payments and interest earned on the contributions and indebtedness payments. Terminated employee contribution accounts may be attached to satisfy claims under Alaska Statutes 09.38.065, federal income tax levies, and valid qualified domestic relation orders.

Defined Contribution Plan

All regular employees who are first time members of the PERS participate in the PERS Defined Contribution Hybrid Plan for Tier IV. This plan provides pension, occupational disability, death, and healthcare benefits.

Plan Benefits

Pension Benefits – The pension plan is a defined contribution plan. Employees immediately vest 100 percent in their own contributions. An employee vests 25 percent in the employer's contributions with two years of service, 50 percent with three years of service, 75 percent with four years of service and 100% with five years of service. Contributions consist solely of employee and employer contributions, with no special funding or other non-employer contributions. Alaska Statutes require that forfeitures be used to reduce employer contributions. The benefits paid to employees are based on the amounts contributed to the plan by employees and employees and investment earnings.

Occupational Death and Disability Benefits – The Occupational Death and Disability Plan is a defined benefit plan. Employees who become totally and permanently disabled from occupational causes may be eligible to receive a monthly disability benefit. Beneficiaries receive benefits when an employee dies from occupational causes before retirement.

Healthcare Benefits – The Retiree Major Medical Plan is a defined benefit plan. Employees must have a minimum of ten years of service in order to be eligible for the Major Medical Plan. The Health Reimbursement Arrangement is a defined contribution plan established to reimburse eligible medical from individual savings accounts.

Funding Policy and Contribution Rates

The employee contribution rate for the PERS Defined Contribution Plan is set by Alaska Statutes at 8 percent of eligible compensation. Contributions are accounted for in an individual pension account established for each employee and are immediately vested.

The employer contribution rate for the PERS Defined Contribution Plan set by Alaska Statutes at the same rate as the PERS Defined Benefit Plan. The current employer contribution rate is 22 percent and is comprised of five elements: (1) pension; (2) retiree major medical; (3) occupational death and disability; (4) health reimbursement account; and a (5) residual contribution applied as a payment to the PERS Defined Benefit Plan's unfunded liability (DUBL). The City's liability is limited to its employer contributions. Certain rates are set annually on July 1. The table below summarizes the rates in effect during the City's fiscal year.

	1/1/22 - 6/30/22	7/1/21 - 12/31/21
Employee:		
Pension		
Police Officers and Firefighters	8.00%	8.00%
Other Employees	8.00%	8.00%
Employer:		
Pension		
Police Officers and Firefighters	5.00%	5.00%
Other Employees	5.00%	5.00%
Retiree Major Medical		
Police Officers and Firefighters	1.07%	1.10%
Other Employees	1.07%	1.10%
Occupational Disability & Death:		
Police Officers and Firefighters	0.68%	0.68%
Other Employees	0.31%	0.30%
Health Reimbursement Account:		
Police Officers and Firefighters	\$180.70/month*	\$186.42/month*
Other Employees	\$180.70/month*	\$186.42/month*

* Fixed dollar amount per employee based on 3% of the average annual compensation of all employees of all employers in the PERS as required under AS 39.30.370.

The contributions rates for the year ended December 31, 2022, were based on the June 30, 2022 and the June 30, 2021 roll forward PERS actuarial valuation report.

The amounts contributed by the City for the PERS Defined Contribution Hybrid Plan for Tier IV for the year ended December 31 were as follows.

	2022	2021	2020	2019	2018
Covered employee payroll	\$ 7,634,253	\$ 7,031,167	\$ 6,520,582	\$ 5,497,020	\$ 4,735,319
Pension contributions	381,591	351,560	325,989	274,866	236,549
Other postemployment benefit contributions	305,341	293,177	277,429	233,084	197,462
Total Contributions	\$ 686,932	\$ 644,737	\$ 603,418	\$ 507,950	\$ 434,011

(This page continued on the subsequent page)

Liabilities, Expenses/Expenditures, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions and Other Postemployment Benefits

At December 31, 2022, the City reported a liability for its proportionate share of the net pension liability and an asset for other postemployment benefits asset that reflected a reduction for State pension support provided to the City. The amount recognized by the City as its proportionate share for its proportional share, the related State support, and the total portion of the net pension liability and other postemployment benefits asset that was associated with the City were as follows:

Liability (Asset)Liability (Asset)City's proportionate share\$-Occupational death and disability\$-Defined contribution retiree medical-(154,130)Defined benefit retiree medical-(7,169,816)Pension18,701,911-Total City's proportionate share\$18,701,911State's proportionate share attributable to employer5,177,231(2,051,383)Total Pension and Other Postemployment Benefits Liabilities/ (Asset)\$23,879,142\$Net PensionNet OPEB		N	et Pension	Net OPEB		
Occupational death and disability\$-\$(216,302)Defined contribution retiree medical-(154,130)(154,130)Defined benefit retiree medical-(7,169,816)Pension18,701,911Total City's proportionate share\$18,701,911-State's proportionate share attributable to employer5,177,231(2,051,383)Total Pension and Other Postemployment Benefits Liabilities/ (Asset)\$23,879,142\$\$23,879,142\$(9,591,631)		Liał	oility (Asset)	Liability (Asset)		
Defined contribution retiree medical-(154,130)Defined benefit retiree medical-(154,130)Pension-(7,169,816)Total City's proportionate share\$18,701,911State's proportionate share attributable to employer5,177,231(2,051,383)Total Pension and Other Postemployment Benefits Liabilities/ (Asset)\$23,879,142\$\$23,879,142\$(9,591,631)	City's proportionate share					
Defined benefit retiree medical-(7,169,816)Pension18,701,911-Total City's proportionate share\$ 18,701,911\$ (7,540,248)State's proportionate share attributable to employer5,177,231(2,051,383)Total Pension and Other Postemployment Benefits Liabilities/ (Asset)\$ 23,879,142\$ (9,591,631)	Occupational death and disability	\$	-	\$	(216,302)	
Pension18,701,911-Total City's proportionate share\$ 18,701,911\$ (7,540,248)State's proportionate share attributable to employer Total Pension and Other Postemployment Benefits Liabilities/ (Asset)\$ 23,879,142\$ (9,591,631)	Defined contribution retiree medical		-		(154,130)	
Total City's proportionate share\$ 18,701,911\$ (7,540,248)State's proportionate share attributable to employer Total Pension and Other Postemployment Benefits Liabilities/ (Asset)5,177,231 \$ 23,879,142(2,051,383)\$ 23,879,142\$ (9,591,631)	Defined benefit retiree medical		-		(7,169,816)	
State's proportionate share attributable to employer 5,177,231 (2,051,383) Total Pension and Other Postemployment Benefits Liabilities/ \$ 23,879,142 \$ (9,591,631)	Pension		18,701,911		-	
Total Pension and Other Postemployment Benefits Liabilities/ (Asset)\$ 23,879,142\$ (9,591,631)	Total City's proportionate share	\$	18,701,911	\$	(7,540,248)	
(Asset) <u>\$ 23,879,142</u> <u>\$ (9,591,631)</u>	State's proportionate share attributable to employer		5,177,231		(2,051,383)	
		\$	23 879 142	\$	(9 591 631)	
Net Pension Net OPFR	(115500)	Ψ	23,077,112	Ψ	(),0)1,001)	
		Net Pension		1	Net OPEB	
Liability (Asset) Liability (Asset)		Liability (Asset)		Liał	oility (Asset)	
City's proportionate share reported in	City's proportionate share reported in					
Governmental activities \$ 14,454,707 \$ (5,827,858)		\$	14,454,707	\$	(5,827,858)	
Business-type activities $4,247,204$ $(1,712,390)$	Business-type activities					
Total City's proportionate share $$$ 18,701,911 $$$ (7,540,248)		\$		\$		

The net pension liability and other postemployment benefits asset is liquidated by all funds that employ PERS employees. These funds include the general fund, solid waste services fund, harbor fund, wastewater services fund, port fund and Ketchikan public utilities fund.

This disclosure is based on the provisions of Alaska Statute 39.35.280, which may be amended at the discretion of the Alaska State Legislature. An amendment to the Statute could result in the City recognizing some, or all, of the State's proportionate share of the net pension liability and other postemployment benefits asset associated with the City.

The net pension liability and other postemployment benefits asset was measured as of June 30, 2022 and the total pension liability and other postemployment benefits asset used for the calculation was determined by an actuarial valuation as of June 30, 2021. The City's proportion of the net liabilities and net assets were based on a projection of the City's long-term share of contributions to the plan relative to the projected contributions of all participating employers and the State, as actuarially determined. At June 30, 2022, the City's proportion of the pension liability was .36693%, which was a decrease of .06034% from its proportion measured as of June 30, 2021. At June 30, 2022 the City's portion of the other postemployment benefits was .49341% for occupational death and disability, .44379% defined contribution retiree medical plan and .36440% for defined benefit retiree healthcare trust, which was a decrease of .02096%, .01059% and .06462% respectively, from June 30, 2021

For the year ended December 31, 2022, the City recognized pension expense credit of \$2,691,561, other postemployment benefit expense credit of \$2,246,829 and revenue of \$610,998 for support provided by the State. At December 31, 2022, the City reported deferred outflows of resources and deferred inflow of resources related to pension and other postemployment benefits from the following sources:

		Pen	sion		
	Deferr	ed Outflows	Deferred I	nflows	
	ofF	Resources	of Resources		
Difference between projected and actual investment earnings Difference between expected and actual experience	\$	- 534,695	\$	-	
Changes in proportion and differences between Employer contributions		-		-	
Contributions subsequent to the measurement date Totals	\$	925,905 1,460,600	\$	-	

		Other Postemployment Benefits										
		De	eferre	ed Outflov	vs		Deferred Inflows					
			ofR	esources					ofI	Resources		
				DC-								
	(ODD*	N	Aedical	DE	B-Medical	(DDD*	DC	-Medical	DE	B-Medical
Changes in Assumptions	\$	-	\$	29,843	\$	-	\$	1,377	\$	184,807	\$	329,032
Changes in proportion and	1											
differences between												
employer share of												
contributions Difference Between		5,759		6,160		189,202		10,457		1,510		-
Expected and Actual												
Experience		-		7,640		-		70,960		6,057		50,748
Differences between												
projected and actual												
investment earnings		7,325		21,984		406,770		-		-		-
Contributions subsequent												
to the measurement date		-		149,703		-		-		-		-
Totals	\$	13,084	\$	215,330	\$	595,972	\$	82,794	\$	192,374	\$	379,780
	Total De	ferred Out	flow	of OPEB	\$	824,386 T	otall	Deferred I	nflow	v of OPEB	\$	654,948

*ODD = Occupational Death and Disability

The deferred outflows of resources related to pensions of \$925,905 other postemployment benefits in the amount of \$149,704 resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net liability in the subsequent year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions and other postemployment benefits will be recognized as an expense as follows:

			Other Post-employment Benefits						
Year Ending December 31:	Pension			ODD	DC	C-Medical	DB-Medical		
2023	\$	(63,568)	\$	(14,428)	\$	(21,349)	\$	(258,894)	
2024		(162,936)		(14,794)		(22,425)		(142,654)	
2025		(391,147)		(15,958)		(25,820)		(321,365)	
2026		1,152,344		(6,186)		4,048		939,103	
2027		-		(9,471)		(26,953)		-	
Thereafter		-		(8,874)		(34,248)		-	

Actuarial Assumptions

The total pension liability and other postemployment benefits asset as of June 30, 2022 were determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2022:

Inflation	2.50%
Salary increases	Graded by service from 7.75% to 2.75% for peace officers and firefighters
	Graded by age and service from 6.75% to 2.75% for all others
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%
Trend rates	Pre-65 medical: 6.3% grading down to 4.5%
	Post-65 medical: 5.4% grading down to 4.5%
	Prescription drugs/Employer group waiver plans: 7.1% grading down to 4.5%

Pre-termination mortality rates were based on the 2013-2017 actual mortality experience, 91% of male and 96% of female post-termination rates. Deaths are assumed to be occupational 75% of the time for Peace Officer/Firefighters, 40% of the time for others. Post-termination mortality rates were based on 96% of all rates of the RP-2014 table, MP-2017 generational improvement.

The actuarial assumptions used in the June 30, 2021 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 the actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which bestestimate ranges of expected future real rates of return (expected returns, net of investment expenses 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 an asset allocation percentage, which is based on the nature and mix of current and expected plan investments, and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the PERS's current and expected asset allocation are summarized in the following table (note that the rates shown below exclude the inflation component):

Long-Term Expected Real Rate of Return

Asset Class	
Domestic equity	6.51%
Global ex-U.S. equity	5.70%
Aggregate bonds	0.31%
Realassets	3.71%
Private equity	9.61%
Cash equivalents	-0.50%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee, employer and State contributions will continue to be made at the current statutorily required rates. 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 active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability and Other Postemployment Benefits Asset to Changes in the Discount Rate and Healthcare Cost Rate

The following presents the City's proportionate share of the net pension liability and other postemployment benefits asset calculated using the current discount rate of 7.25%, as well as what the City's proportionate share of the net pension liability and other postemployment benefits asset would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

Comment

		Current	
	1%	Discount	1%
	Decrease	Rate	Increase
	(6.25%)	(7.25%)	(8.25%)
City's proportionate share of the net pension liability	\$ 25,176,792	\$ 18,701,911	\$ 13,242,250
City's proportionate share of the other postemployment benefits asset -			
Occupational death and disability	\$ (20,375)	\$ (216,302)	\$ (226,116)
Defined contribution retiree medical	28,350	(154,130)	(293,286)
Defined benefit retiree medical	(4,259,905)	(7,169,816)	(9,610,036)
Total City's proportionate share of OPEB	\$ (4,251,930)) \$ (7,540,248)	\$ (10,129,438)

The following presents the City's proportionate share of the other postemployment benefits asset calculated using the current healthcare cost trend and a 1% increase and decrease in the healthcare costs.

	1%	Current Healthcare Cost	1%
	Decrease	Trend Rate	Increase
Defined contribution retiree medical Defined benefit retiree medical	(312,396) (9,897,100)	(154,130) (7,169,816)	59,042 (6,742,856)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Alaska Public Employees Retirement System financial report.

B. International Brotherhood of Electrical Workers

The International Brotherhood of Electrical Workers (IBEW) retirement plan is a union sponsored defined benefit plan. The plan is funded entirely by employer contributions based upon hourly rates, which are determined by a collective bargaining process. The City's obligation for retirement under the IBEW plan is limited to the amount paid to the Alaska Electrical Trust Fund. The City exercises no fiduciary responsibility over the IBEW plan. Accordingly, the City accounts for the IBEW retirement plan as if it were a defined contribution plan. Employees who are members of the IBEW are eligible to participate immediately upon employment and are fully vested after ten years of service.

Contributions for employees covered under the public works and clerical workers collective bargaining agreement range from 17% up to \$4.07 per hour worked; contributions for employees covered under the Ketchikan Public Utilities collective bargaining agreement range from 16.5% up to \$9.50 per hour worked. The City's total payroll for the year ended December 31, 2022 was \$25,685,577 and payroll for covered employees totaled \$11,849,869. The total amount contributed to the IBEW plan in 2022 was \$1,981,095, which represents 16.72% of the City's current covered payroll.

4-K. Net Investment in Capital Assets

Net Investment in capital assets on the government-wide statement of net position as of December 31, 2022 are as follows:

	(Governmental Activities]	Business-type Activities
Cost of capital assets	\$	296,880,703	\$	422,519,103
Less accumulated depreciation		(88,146,286)		(207,262,619)
Book value		208,734,417		215,256,484
Less capital related debt		(48,051,982)		(86,004,742)
Plus (less) bond discount and refunding amounts		(83,957)		(1,145,083)
Net investment in capital assets	\$	160,598,478	\$	128,106,659

4-L. Deferred Inflows and Outflows of Resources

Deferred outflows of resources consist of deferred charges from the City's pension plan activity and debt refundings resulting from the difference in the carrying value of the refunded debt and its reacquisition price.

Deferred inflows of resources consist of revenues earned but unavailable for use, from pension plan activity and debt refundings resulting in the difference in the carrying value of the refunded debt and its reacquisition price.

The City's deferred inflows and outflows of resources at December 31, 2022 are as follows:

		Fun	d Lev	el	Government Wide Level						
	G	overnmental Funds	F	Proprietary Funds		overnmental Activities		usiness-type Activities			
Deferred Outflows											
Outflow due to refunding	\$	-	\$	-	\$	96,566	\$	-			
Outflow due to pension accounting		-		343,855		1,116,745		343,855			
Outflow due to OPEB accounting		-		189,186		635,200		189,186			
Total Deferred Outflows	\$	-	\$	533,041	\$	1,848,511	\$	533,041			
Deferred Inflows											
Revenue from taxes	\$	2,491,060	\$	-	\$	-	\$	-			
Revenue from services		199,015		-		-		-			
Inflow from leases		2,423,461		1,531,691		2,423,460		1,531,691			
Inflow from refunding		-		1,145,083		180,523		1,145,083			
Inflow from pension accounting		-		-		-		-			
Inflow from OPEB accounting		-		148,738		506,210		148,738			
Total Deferred Inflows	\$	5,113,536	\$	2,825,512	\$	3,110,193	\$	2,825,512			

Additional information regarding the deferred outflows and deferred inflows of resources related to pension plan activity are included in note 3-J.

Note 5- Other Notes

5-A. Risk Management

The City is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; and natural disasters. The City utilizes a self-insurance fund to account for and finance its uninsured risks of loss and insurance deductibles. The Self-Insurance Fund provides coverage up to a maximum of \$25,000 for each property claim, \$75,000 for each general liability claim, and \$100,000 for each employment practices claim. The City purchases commercial insurance for claims in excess of coverage provided by the Fund. Settled claims have not exceeded this commercial coverage. All funds of the City participate in the risk management program and make payments to the Self-Insurance Fund based on the amounts needed to pay insurance and related risk management services, claims paid, claims incurred, but not reported, and to maintain adequate reserves for losses not covered by insurance. As of December 31, 2022 the City had a net position of \$1,867,866 in the Self-Insurance Fund. Claims payable represents estimates of claims incurred but not settled and claims incurred but not reported based upon past experience modified for current trends and information, which approximates the actuarial estimates of the amounts needed to pay the claims. The self-insurance fund has pending claims in the amount of \$405,799 which are included as a liability and no incurred but unpaid claims exist at December 31, 2022.

Changes in the balances of claims liabilities for the years ended December 31, 2022, 2021 and 2020, are as follows:

Date	Fiscal Year	Claims and Changes	Claim	Fiscal Year
	Liability	in Estimates	Payments	Liability
2020	143,000	181,742	111,886	212,856
2021	212,856	318,068	73,074	457,850
2022	457,850	183,005	235,056	405,799

There were no significant reductions in insurance coverage from the prior year.

5-B. Contingent Liabilities

Grants - The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. The City believes such disallowances, if any, will be immaterial.

Litigation - The City is a defendant in various lawsuits and a number of claims for damages and personal injury are pending against the City. Although the outcome of these lawsuits and claims is not presently determinable, in the opinion of City's management and legal counsel, the resolution of these contingencies should not have a material adverse effect on the financial condition of the City.

5-C. Swan Lake Hydroelectric Facility and Related Party Transactions

The City is a member utility of Southeast Alaska Power Agency (SEAPA) a joint action agency organized under AS 42.45.300 by the City and the municipalities of Wrangell, Alaska and Petersburg, Alaska. The SEAPA is Alaskan public corporation and an instrumentality of the member utilities, having a legal existence independent of and separate from the member utilities. The agency has no power to bind, obligate or impose any debt, liability, or obligation on any member utility. Each member utility appoints representatives to serve as voting members of the SEAPA's five-member governing board. The City appoints two representatives. Wrangell and Petersburg each appoint one representative. One representative serves at large on a rotating basis. The SEAPA is a jointly governed organization. Members of the jointly governed organization have neither ongoing financial interest nor financial responsibility for that organization.

The City purchases power from SEAPA under the terms and conditions of a long-term power sales agreement, which remains in effect until 2034. In 2022, the City paid SEAPA \$6,854,606 for power purchased from the Swan Lake hydroelectric facility. During 2022, approximately 53% of the City's total electric generation, or 97,633,370 kWh, was produced by the Swan Lake hydroelectric facility. During 2022 the City also paid SEAPA \$707,414 in additional fees. The amount due to SEAPA was \$2,382,057 at December 31, 2022.

Note 5- Other Notes (Continued)

5-D. Tax Abatements

In 2005, the City entered into a 30-year agreement with Alaska Industrial Development and Export Authority and the operator of the Alaska ship and dry-dock, currently Vigor Alaska LLC, to provide tax relief per AS 29.45.050. The tax relief is intended to support the growth of Ketchikan's maritime industry and provide economic diversity and strength. The property tax abatement in 2022 is \$421,553.

The City has also agreed to provide partial property tax relief to housing agencies for the purpose of encouraging the development of low income housing. The property taxes paid is equal to 10% of rents received less utilities. The total 2022 tax abatement for this program is \$65,032. The current participants of this program are Ketchikan Indian Community and Tlingit Haida Regional Housing Authority.

5-E. Subsequent Events

There are no subsequent events to report

Required Supplementary Information City of Ketchikan, Alaska General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Taxes						
Real & personal property taxes	\$ 6,850,858	\$ 6,436,841	\$ 6,358,187	\$ -	\$ 6,358,187	\$ (78,654)
Automobile & boat taxes	40,000	40,000	49,117	-	49,117	9,117
Penalty & interest	50,000	50,000	49,688	-	49,688	(312)
Senior citizen local contribution	(564,100)	(525,146)	(529,282)	-	(529,282)	(4,136)
Sales tax	4,325,000	4,325,000	5,717,305	-	5,717,305	1,392,305
Payments in lieu of taxes	24,000	24,000	28,429	-	28,429	4,429
	10,725,758	10,350,695	11,673,444	-	11,673,444	1,322,749
Payments in lieu of taxes	0.46,000	796 000		70(000	70(000	
Ketchikan public utilities fund	846,000	786,000	-	786,000	786,000	-
Port fund	345,000	319,000	-	319,000	319,000	-
Wastewater services fund	<u>86,100</u> 1,277,100	80,000		80,000 1,185,000	80,000	
Licenses and permits	1,277,100	1,185,000		1,165,000	1,185,000	
Building permits	125,000	125,000	131,493	_	131,493	6,493
Other	1,700	1,700	1,800	-	1,800	100
ould	126,700	126,700	133,293		133,293	6,593
Intergovernmental	120,700	120,700	100,270		100,200	0,000
Federal fire grants	170,997	192,872	31,662	-	31,662	(161,210)
Liquor licenses tax	30,000	30,000		-	_	(30,000)
Other state revenues	133,500	148,500	732,237	(442,511)	289,726	141,226
Federal revenues	1,103,846	1,103,846	1,055,097	-	1,055,097	(48,749)
	1,438,343	1,475,218	1,818,996	(442,511)	1,376,485	(98,733)
Charges for services						
Ambulance	800,000	600,000	659,502	-	659,502	59,502
Rentals	23,000	23,000	21,766	-	21,766	(1,234)
Parking fees	90,000	90,000	90,945	-	90,945	945
Cemetery	1,200	1,200	1,325	-	1,325	125
Library services	544,948	544,948	546,161	-	546,161	1,213
Museum services	152,500	152,500	209,172	-	209,172	56,672
E-911 emergency dispatch services	390,000	390,000	400,513	-	400,513	10,513
Civic center services	105,000	105,000	94,206	-	94,206	(10,794)
Other charges	107,500	107,500	102,597	-	102,597	(4,903)
T 10.01	2,214,148	2,014,148	2,126,187	-	2,126,187	112,039
Fines and forfeitures	75.000	75.000	50 505		72 505	(2,415)
Parking fines	75,000	75,000	72,585	-	72,585	(2,415)
Other fines	5,000	5,000	1,254	-	1,254	(3,746)
Court deposits	12,000	12,000 92,000	5,758		<u>5,758</u> 79,597	(6,242)
	92,000	92,000	79,597		/9,39/	(12,403)
Investment earnings	4,000	4,000	(5,341)	(6,039)	(11,380)	(15,380)
Other revenue						
Leases	-	-	47,320	(47,320)	-	-
Miscellaneous	77,000	82,706	65,403	53,359	118,762	36,056
	77,000	82,706	112,723	6,039	118,762	36,056
Interdepartmental charges	3,790,627	3,807,456	3,308,810		3,308,810	(498,646)
Total Revenues	19,745,676	19,137,923	19,247,709	742,489	19,990,198	852,275

Required Supplementary Information City of Ketchikan, Alaska General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Cont'd) For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Expenditures						
Current:						
General government						
Mayor and council	237,220	269,220	234,138	-	234,138	35,082
City Clerk	324,913	342,883	379,860	(49,839)	330,021	12,862
Law	361,172	361,172	338,592	(3,739)	334,853	26,319
City Manager	789,553	796,353	729,718	(20,922)	708,796	87,557
Finance	2,209,401	2,209,401	2,121,513	(49,149)	2,072,364	137,037
Information Technology	1,137,947	1,137,947	1,016,349	(18,649)	997,700	140,247
	5,060,206	5,116,976	4,820,170	(142,298)	4,677,872	439,104
Public safety						
Fire	4,284,764	4,389,764	4,037,969	(100,696)	3,937,273	452,491
Police	6,148,858	6,148,858	5,670,443	(139,858)	5,530,585	618,273
	10,433,622	10,538,622	9,708,412	(240,554)	9,467,858	1,070,764
Culture						
Library	1,372,020	1,374,120	1,262,077	(9,157)	1,252,920	121,200
Museum	1,228,192	1,233,898	1,142,161	(36,544)	1,105,617	128,281
Civic Center	530,117	548,117	518,990	(10,875)	508,115	40,002
	3,130,329	3,156,135	2,923,228	(56,576)	2,866,652	289,483
Health and welfare						
Public Health	14,325	14,325	9,548	-	9,548	4,777
Public works						
Engineering	2,146,871	2,146,871	1,548,469	(23,971)	1,524,498	622,373
Streets	1,802,129	1,802,129	1,666,061	10,948	1,677,009	125,120
Cemetery	88,940	88,940	89,141	(34,048)	55,093	33,847
Garage	691,301	790,301	733,609	(1,599)	732,010	58,291
Building Maintenance	576,905	582,905	538,714	(23,143)	515,571	67,334
	5,306,146	5,411,146	4,575,994	(71,813)	4,504,181	906,965
Total Expenditures	23,944,628	24,237,204	22,037,352	(511,241)	21,526,111	2,711,093
Deficiency of Revenues Under Expenditures	(4,198,952)	(5,099,281)	(2,789,643)	1,253,730	(1,535,913)	3,563,368
	(.,.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(3,0),201)	(=,, 0), 0 10)	1,200,700	(1,000,010)	2,202,200

Required Supplementary Information City of Ketchikan, Alaska General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Cont'd) For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Other Financing Sources (Uses)						
Transfers in						
Sales tax hospital and other public works fund	420,000	420,000	420,000	-	420,000	-
Sales tax public works fund	2,000,000	2,000,000	2,000,000	-	2,000,000	-
Transient occupancy tax fund	424,117	449,867	404,744	-	404,744	(45,123)
Marijuana sales tax fund	200,000	200,000	200,000	-	200,000	-
Shoreline area fund	6,374	6,374	6,374	-	6,374	-
Bayview cemetery fund	5,000	5,000	5,000	-	5,000	-
Commercial passenger vessel tax	291,960	291,960	154,126	-	154,126	(137,834)
Fire department SEMT fund	-	290,000	290,000	-	290,000	-
Ketchikan public utilities fund	-	-	786,000	(786,000)	-	-
Port fund	-	-	319,000	(319,000)	-	-
Wastewater services fund	-	-	80,000	(80,000)	-	-
Transfers out						
GO bond debt service fund	(799,743)	(799,743)	(799,743)	-	(799,743)	-
Community grant fund	(50,390)	(59,210)	(55,822)	-	(55,822)	3,388
Other financing sources - leases	-	-	65,987	(65,987)	-	-
Sale of capital assets	10,000	10,000	17,873		17,873	7,873
Total Other Financing Sources (Uses)	2,507,318	2,814,248	3,893,539	(1,250,987)	2,642,552	(171,696)
Net Change in Fund Balances	(1,691,634)	(2,285,033)	1,103,896	2,743	1,106,639	3,391,672
Prior Year Encumbrances Returned	<u> </u>			25,685	25,685	25,685
Fund Balances Beginning of Year	5,156,336	5,156,336	6,480,746	(335,436)	6,145,310	988,974
Fund Balances End of Year	\$ 3,464,702	\$ 2,871,303	\$ 7,584,642	\$ (307,008)	\$ 7,277,634	\$ 4,406,331

City of Ketchikan, Alaska Notes to Required Supplementary Information For the Year Ended December 31, 2022

Note 1 – Budgetary Basis

The budget for the general fund is adopted on a basis consistent with generally accepted accounting principles (GAAP) except that payments in lieu of taxes from the City's enterprise funds are treated as tax revenue, outstanding encumbrances are reported as expenditures and payments made by the State of Alaska to the Alaska Public Employees Retirement System on behalf of the City are excluded and certain funds required by GASB Statement No. 54 to be included as part of the general fund have been excluded. The legally adopted budget for the general fund of the City does not include these items or funds. The schedules below reconciles the amounts for each when it is not visible on the statement.

GAAP to Budget Adjustments - Encumbrance, On-Behalf Payments, and

	GASB 87												
		Encum	branc	es									
	Pr	ior Year	Cur	rent Year	C	In Behalf							
	/	Activity	A	Activity]	Payments	G	ASB 87		Total			
General Government													
Mayor and Council	\$	(38,000)	\$	38,000	\$	-	\$	-	\$	-			
Law		-		-		(3,739)		-		(3,739)			
City Clerk		-		-		(8,267)		(41,572)		(49,839)			
City Manager		(628)		1,665		(21,959)		-		(20,922)			
Finance		(85,198)		83,250		(47,201)		-		(49,149)			
Information Technology		(1,678)		2,410		(19,381)		-		(18,649)			
Total General Government		(125,504)		125,325		(100,547)		(41,572)		(142,298)			
Public Safety													
Fire		(27,362)		43,160		(116,494)				(100,696)			
Police		(27,302) (14,192)		43,100 33,549		(110,494) (159,215)		-		(100,090) (139,858)			
Total Public Safety		(14,192) (41,554)		76,709		(139,213) (275,709)				(139,838) (240,554)			
v				,									
Culture													
Library		(12,462)		15,691		(12,386)		-		(9,157)			
Museum		(23,342)		256		(13,458)		-		(36,544)			
Civic Center		(3,210)		750		(8,415)		-		(10,875)			
Total Culture		(39,014)		16,697		(34,259)		-		(56,576)			
Public Works													
Engineering		(1,967)		2,655		(24,659)		-		(23,971)			
Streets		(34,048)		_,		-		-		(34,048)			
Cemetery		(23,751)		39,119		(4,420)		-		10,948			
Garage		(1,917)		3,235		(2,917)		-		(1,599)			
Building Maintenance		(33,797)		35,069				(24,415)		(23,143)			
Total Public Works		(95,480)		80,078		(31,996)		(24,415)		(71,813)			
Total GAAP to Budget Adjustments	\$ (301,552)		\$	298,809	\$	(442,511)	\$	(65,987)	\$	(511,241)			
	-	(-))	+		-	())	+	())	-	())			

Note 1 – Budgetary Basis (Continued)

	Budget to GAAP Adjustments - Inclusion of GASB Statement 54 Funds											
	Revenues			xpenditures		Other	N	let Change				
General Fund	\$ 19,247,709		\$	(22,037,352)	\$	3,893,539	\$	1,103,896				
GASB Statement 54 Funds Required to be Reported as Part of the General Fund												
Hospital Sales Tax Fund		3,921,117		(14,593)		(2,989,286)		917,238				
Public Works Sales Tax Fund		7,693,720		(2,204,386)		(2,308,487)		3,180,847				
Economic Development & Parking Fund		67		(22,130)		-		(22,063)				
Shoreline Fund		(12)		-		(6,374)		(6,386)				
Community Grant Fund		152,306		(297,711)		148,855		3,450				
Total of Excluded Funds for												
Budgetary Purposes		11,767,198		(2,538,820)		(5,155,292)		4,073,086				
Total GAAP Perspective General Fund	\$	31,014,907	\$	(24,576,172)	\$	(1,261,753)	\$	5,176,982				

	N	let Change	Beginning and Balance	Fu	Ending Ind Balance
General Fund	\$	1,103,896	\$ 6,480,746	\$	7,584,642
GASB Statement 54 Funds Required to be Reported as Part of the General Fund					
Hospital Sales Tax Fund	-	917,238	2,913,648		3,830,886
Public Works Sales Tax Fund		3,180,847	5,508,935		8,689,782
Economic Development & Parking Fund		(22,063)	316,126		294,063
Shoreline Fund		(6,386)	89,524		83,138
Community Grant Fund		3,450	17,181		20,631
Total of Excluded Funds for					
Budgetary Purposes		4,073,086	 8,845,414		12,918,500
Total GAAP Perspective General Fund	\$	5,176,982	\$ 15,326,160	\$	20,503,142

Inclusion of CASP States CAADAJ . . . ----- **-- - - - -**.

City of Ketchikan, Alaska Schedule of the City's Proportionate Share of the Net Pension Liability Public Employees Retirement System Last Ten Fiscal Years Ending December 31*

	20	022	 2021	 2020	 2019	 2018	 2017	 2016	 2015
City's proportion of the net pension liability		0.3669%	0.4273%	0.3008%	0.3045%	0.3217%	0.3027%	0.3618%	0.3022%
City's proportionate share of the net pension liability State's proportional share of the net pension liability	\$ 18,	,701,911	\$ 15,674,421	\$ 17,748,663	\$ 16,669,784	\$ 15,987,481	\$ 15,648,449	\$ 20,224,243	\$ 14,655,785
associated with the City	1,2	,221,710	2,122,767	7,342,727	6,618,080	4,629,389	5,831,483	2,550,121	3,925,957
Total Net Pension Liability	\$ 19,	,923,621	\$ 17,797,188	\$ 25,091,390	\$ 23,287,864	\$ 20,616,870	\$ 21,479,932	\$ 22,774,364	\$ 18,581,742
City's covered payroll	\$4,	,111,951	\$ 4,826,554	\$ 4,668,770	\$ 4,495,243	\$ 4,889,220	\$ 5,451,027	\$ 5,469,103	\$ 5,504,557
City's portionate share of the net pension liability as a percentage of covered payroll	4:	54.818%	324.754%	380.157%	370.832%	326.995%	287.073%	369.791%	266.248%
Plan fiduciary net postion as a percentage of total pension liability		67.97%	76.46%	61.61%	63.42%	65.19%	63.37%	59.55%	63.96%

*Note: This schedule is intended to show information for a 10-year period as it becomes available.

The data provided in the schedule is based as of the measurement date of the PERS net pension

liability, which is as of June 30 of the City's calendar year.

City of Ketchikan, Alaska Schedule of City Contributions to Pension Public Employees Retirement System Last Ten Fiscal Years Ending December 31 *

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,885,703	\$ 1,822,249	\$ 1,622,538	\$ 1,175,314	\$ 1,236,552	\$ 1,271,851	\$ 1,066,834	\$ 960,680
Contributions in relation to the contractually required contributions Contribution deficiency (excess)	(1,885,703)	(1,822,249)	(1,622,538)	(1,175,314)	(1,236,552)	(1,271,851)	(1,066,834)	(960,680)
City's covered payroll	\$ 4,055,031	\$ 4,454,950	\$ 4,799,799	\$ 4,487,019	\$ 4,663,974	\$ 5,316,031	\$ 5,366,360	\$ 5,430,257
Contributions as a percentage of covered payroll	46.50%	40.90%	33.80%	26.19%	26.51%	23.92%	19.88%	17.69%

*Note: This schedule is intended to show information for a 10-year period as it becomes available.

The data provided in the schedule is based as of the City's calendar year.

City of Ketchikan, Alaska Schedule of the City's Proportionate Share of the Net Other Postemployment Benefits Liability Public Employees Retirement System Last Ten Fiscal Years Ending December 31*

		J I I	on of OPEB Lia Benefit Categor	bility/(Asset) by y	City's proportionate share of OPEB Liability/(Asset) by Benefit Category								
Year Ended December 31	Measurement Period Ended June 30	Occupational death and disability	Defined contribution medical	Defined benefit medical	Occupational death and disability	Defined contribution medical	Defined benefit medical	City's Share of the Net OPEB Liability/(Asset)	State of Alaska's Proportionate Share of the Net OPEB Liability/(Asset)	Total City Net OPEB Liabililty/(Asset)	City's Proportion of the Covered Payroll	City's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)
2022	2022	0.49341%	0.44379%	0.36440%	\$ (216,302)		\$ (7,169,816)	\$ (7,540,248)	\$ (2,051,383)	\$ (9,591,631)	\$ 4,111,951	-183.374%	0.00%
2021	2021	0.51437%	0.45438%	0.42902%	(226,697)	(121,964)	(11,005,777)	(11,354,438)	(1,446,650)	(12,801,088)	4,826,554	-235.249%	135.54%
2020	2020	0.51777%	0.45060%	0.30050%	(141,144)	31,961	(1,360,904)	(1,470,087)	(564,585)	(2,034,672)	4,668,770	-31.488%	106.15%
2019	2019	0.44667%	0.39439%	0.30455%	(108,296)	94,484	451,885	438,073	179,619	617,692	4,495,243	9.745%	83.17%
2018	2018	0.41078%	0.41078%	0.32161%	(79,782)	52,272	3,300,666	3,273,156	958,042	4,231,198	4,889,220	66.946%	88.12%
2017	2017	0.39052%	0.39052%	0.30280%	(55,411)	20,365	2,557,507	2,522,461	953,991	3,476,452	5,451,027	46.275%	89.68%

Note: This schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

City of Ketchikan, Alaska Schedule of City Contributions to Other Postemployment Benefits Plans Public Employees Retirement System Last Ten Fiscal Years Ending December 31 *

		Con	tractually R		red Contribu Category	itions	s by Benefit			Contributions				City	s Covered Pay	roll	by PERS Plan		Contributions as I	Percentage of Cov 3enefit Category	vered Payroll by	
Year Ended December 31	Measurement Period Ended June 30	de	cupational eath and isability	co	Defined ontribution medical		ined benefit medical	F	ntractually Required ntributions Total	Relative to the Contractually Required Contribution	1	Contrbution Deficiency (Excess)			RS Defined fit - Tier I, II, III		ERS Defined ntribution-Tier IV	City's Covered Payroll Total	Contributions as 0 a Percentage of Covered Payroll 0	a Percentage of	a Percentage of	Percentage of
2022	2022	\$	31,419	\$	82,787	\$	-	\$	114,206	(114,206)	\$		-	\$	4,055,031	\$	7,634,253 \$	11,689,284	0.26878%	0.70823%	0.00000%	0.97701%
2021	2021		28,657		82,420		-		111,077	(111,077)		-			4,454,950		7,031,167	11,486,117	0.40800%	1.17200%	0.00000%	1.58000%
2020	2020		25,807		84,394		266,701		376,902	(376,902)		-			4,799,799		6,520,582	11,320,381	0.39600%	1.29400%	5.55700%	7.24700%
2019	2019		20,395		62,706		446,090		529,191	(529,191)		-			4,487,019		5,497,020	9,984,039	0.37100%	1.14100%	9.94200%	11.45400%
2018	2018		13,845		46,672		397,004		457,521	(457,521)		-			4,663,974		4,735,319	9,399,293	0.29200%	0.98600%	8.51200%	9.79000%
2017	2017		10,027		50,108		477,194		537,329	(537,329)		-			5,316,031		4,531,943	9,847,974	0.22100%	1.10600%	8.99700%	10.32400%

Note: This schedule is intended to present information for 10 years. Additional years will be displayed as they become available. The data provided in the schedule is based as of the City's calendar year.



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City of Ketchikan, Alaska Combining Balance Sheet Nonmajor Governmental Funds - by Fund Type December 31, 2022

	1	Nonmajor Special Revenue Funds		Nonmajor Capital Projects Funds		Total Nonmajor overnmental Funds
Assets	•		<u>^</u>		â	
Cash and temporary investments	\$	7,179,593	\$	4,527,764	\$	11,707,357
Restricted cash:						
Bond construction funds		-		1,460,187		1,460,187
Property seizure funds		128,365		-		128,365
Commercial passenger excise tax funds		6,536,435		652,578		7,189,013
Receivables:		100.000		15 (00		12 (100
Accounts		408,808		17,682		426,490
Taxes		110,537		-		110,537
Interest		51,790		15,659		67,449
Unbilled revenue		71,544		-		71,544
Total Assets	\$	14,487,072	\$	6,673,870	\$	21,160,942
Liabilities, Deferred Inflows of Resources and Fu	ınd B	alances				
Liabilities						
Accounts payable	\$	324,507	\$	768,942	\$	1,093,449
Customer deposits payable	Ψ	5,542	Ψ	-	Ψ	5,542
Unearned revenue		348,873		_		348,873
		540,075				3-10,075
Total Liabilities		678,922		768,942		1,447,864
Deferred Inflows of Resources		110,537				110,537
Fund Balances						
Restricted:						
Law enforcement		126,065		-		126,065
Commercial passenger excise tax		6,570,440		655,107		7,225,547
Bond construction funds		-		1,137,666		1,137,666
Assigned:				, ,		, ,
Subsequent years budget		788,495		-		788,495
General government		112,540		-		112,540
Public safety		449,871		-		449,871
Culture and tourism		3,630,393		160,000		3,790,393
Collection and disposal of solid waste		1,196,314		-		1,196,314
Cemetery operations		109,889		-		109,889
Harbor operations		713,606		-		713,606
Development of community facilities		-		2,650,172		2,650,172
Harbor construction		_		1,278,863		1,278,863
Public works projects		-		23,120		23,120
Unassigned		-		-		-
Total Fund Balances		13,697,613		5,904,928		19,602,541
		·		· · · · ·		·
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$	14,487,072	\$	6,673,870	\$	21,160,942

City of Ketchikan, Alaska Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds - by Fund Type For the Year Ended December 31, 2022

-		Nonmajor Special Revenue Funds		Nonmajor Debt Service Funds		Ionmajor Capital Projects Funds		Total Nonmajor overnmental Funds
Revenues	¢	1 072 544	¢		¢		¢	1 072 544
Taxes	\$	1,073,544 215,593	\$	-	\$	- 328,278	\$	1,073,544 543,871
Intergovernmental Charges for services		6,066,160		-		526,276		6,066,160
Fines and forfeitures		2,215		-		-		2,215
		(13,005)		-		-		
Investment earnings Contributions		(13,003)		-		(500) 2,837,682		(13,505) 2,837,688
Miscellaneous	_	2,538,892	_	-				2,837,088
Total Revenues		9,883,405		_		3,165,460		13,048,865
Expenditures								
Current:								
General government		185,000		-		-		185,000
Public safety		17,855		-		-		17,855
Culture and tourism		133,984		-		-		133,984
Public works		3,455,774		-		-		3,455,774
Port and harbor		1,212,212		-		-		1,212,212
Debt Service:								
Principal retirement		190,000		1,799,770		-		1,989,770
Interest and fiscal charges		159,425		1,784,713		-		1,944,138
Capital Outlay		89,960		-		3,740,515		3,830,475
Total Expenditures		5,444,210		3,584,483		3,740,515		12,769,208
Excess (Deficiency) of Revenues Over (Under) Expenditures		4,439,195		(3,584,483)		(575,055)		279,657
Other Financing Sources (Uses)								
Proceeds from lease financing		-		-		240,378		240,378
Transfers in		-		3,584,483		803,438		4,387,921
Transfers out		(1,864,808)		-		-		(1,864,808)
Total Other Financing Sources (Uses)		(1,864,808)		3,584,483		1,043,816		2,763,491
Net Change in Fund Balances		2,574,387		-		468,761		3,043,148
Fund Balances Beginning of Year		11,123,226		-		5,436,167		16,559,393
Fund Balances End of Year	\$	13,697,613	\$		\$	5,904,928	\$	19,602,541

NONMAJOR SPECIAL REVENUE FUNDS

Transient Tax Fund – This fund is used to account for the proceeds of the seven (7) percent transient occupancy tax levied on hotel rent under Section 3.28 of the Ketchikan Municipal Code. These funds must be used primarily for the purpose of promoting the City but may be used for other purposes as determined by the City Council.

Marijuana Sales Tax Fund – This fund is used to account for the proceeds of the five percent marijuana sales tax under Section 3.04.020 of the Ketchikan Municipal Code. These funds must be used primarily for the purpose of assisting and addressing the needs of the homeless population or other humanitarian purposes as determined by the City Council.

Solid Waste Services Fund – This fund is used to account for the revenues received from the collection and disposal of solid waste and the related expenditure of the funds.

Ketchikan Boat Harbor Fund – This fund is used to account for the revenues received from the operation of the boat harbor facilities. These revenues must be used to pay the cost of maintenance, operation and supervision of the City's boat harbor facilities as specified in Section 14.04.020 of the Ketchikan Municipal Code.

Bayview Cemetery Fund – This fund is used to account for revenues received that are dedicated to support the operation of the Bayview Cemetery and the related expenditure in these funds.

Commercial Passenger Vessel Excise Tax Fund – This fund is used to account for revenues received from the State of Alaska and are dedicated for the following use per AS 43.52.200 (1) improve port and harbor infrastructure, (2) provide services to commercial passenger vessels and the passengers on board those vessels, or (3) improve the safety and efficiency of the interstate and foreign commerce activities in which the vessels and the passengers on board those vessels are engaged.

Fire Department SEMT – This fund is used to account for 100% of the annual revenues received from the State of Alaska's Title 7 of the Alaska Administration Code, Chapter 145.750, Supplemental Emergency Medical Transport program. These revenues will be used to pay for Fire Department emergency medical services programs, capital projects, community programs and training of fire department personnel in order to update and maintain Fire Department medical equipment and staff.

Federal and State Grant Fund – This fund is used to account for the receipt of grant revenues and the related expenditures.

Forfeitures and Property Seizures Fund – This fund is used to account for revenues received from the seizure of assets during drug enforcement operations that are dedicated to law enforcement activities.

City of Ketchikan, Alaska Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2022

	,	Fransient Tax		arijuana ales Tax		Solid Waste Services	I	Ketchikan Boat Harbor		Bayview emetery
Assets Cash and temporary investments	\$	1,087,993	\$	112,145	\$	1,601,880	\$	1,278,717	\$	112,493
Restricted cash	Ф	1,087,995	Ф	-	Ф	-	Ф	1,2/0,/1/	Φ	-
Receivables:										
Accounts		-		-		393,073		15,735		-
Taxes		66,685		43,852		-		-		-
Accrued interest		3,765		395		5,638		4,502		396
Unbilled revenue		-		-		71,544		-		-
Total Assets	\$	1,158,443	\$	156,392	\$	2,072,135	\$	1,298,954	\$	112,889
Liabilities										
Accounts payable	\$	-	\$	-	\$	298,200	\$	23,059	\$	-
Customer deposits payable		-		-		-		5,542		-
Unearned revenue		-		-		-		348,873		-
Total Liabilities		-				298,200		377,474		-
Deferred Inflows of Resources		66,685		43,852						-
Fund Balances										
Restricted:										
Law enforcement		-		-		-		-		-
Commercial passenger excise tax		-		-		-		-		-
Assigned:										
Subsequent years budget		-		-		577,621		207,874		3,000
General government Public Safety		-		112,540		-		-		-
Culture and tourism		- 1,091,758		-		-		-		-
Collection and disposal of solid waste		1,091,738		-		1,196,314		-		-
Cemetery operations		-		-		-		-		109,889
Harbor operations		-		-		-		713,606		
Total Fund Balances		1,091,758		112,540		1,773,935		921,480		112,889
Total Liabilities, Deferred Inflows of Resources	¢	1 159 442	¢	156 202	¢	2 072 125	¢	1 208 054	¢	112 990
and Fund Balances	\$	1,158,443	\$	156,392	\$	2,072,135	\$	1,298,954	\$	112,889

Commercial Passenger Vessel Excise Tax	PassengerFireVesselDepartment			eral and state srant	An	orfeitures d Property Seizures	Total Nonmajor Special Revenue Funds			
\$ 2,538,635 6,536,435	\$	447,275 -	\$	455	\$	128,365	\$	7,179,593 6,664,800		
34,005	<u> </u>	2,596		- - - -		- 493 -		408,808 110,537 51,790 71,544		
\$ 9,109,075	\$	449,871	\$	455	\$	128,858	\$	14,487,072		
\$ - - -	\$	- - -	\$	455 - -	\$	2,793	\$	324,507 5,542 348,873		
-				455		2,793		678,922		
-	. <u> </u>							110,537		
- 6,570,440		-		-		126,065		126,065 6,570,440		
- - -		449,871		- - -		- -		788,495 112,540 449,871		
2,538,635		-		- - -		-	_	3,630,393 1,196,314 109,889 713,606		
9,109,075		449,871		-		126,065		13,697,613		
\$ 9,109,075	\$	449,871	\$	455	\$	128,858	\$	14,487,072		

City of Ketchikan, Alaska Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds For the Year Ended December 31, 2022

	Transient Tax			Solid Waste Services	Ketchikan Boat Harbor	Bayview Cemetery
Revenues	¢ 010.50	- •	254.040	¢	¢	¢
Taxes	\$ 818,59	5 \$	254,949	\$ -	\$-	\$ -
Intergovernmental Charges for services	-		-	5,039 3,607,193	25,322 1,701,685	- 12,800
Fines and forfeitures	-		-		2,215	12,800
Investment earnings	(1,12	1)	403	- (638)	(150)	- (46)
Miscellaneous	(1,12	+)	405	50	207	(40)
Contributions	-		-	- 50	207	-
Contributions						
Total Revenues	817,47	<u> </u>	255,352	3,611,644	1,729,279	12,754
Expenditures						
Current:						
General government	-		185,000	-	-	-
Public safety	-		-	-	-	-
Culture and tourism	-			-	-	-
Public works	-		-	3,455,136	-	638
Port and harbors	-		-	-	1,212,212	-
Debt Service:					100.000	
Principal retirement	-		-	-	190,000	-
Interest and fiscal charges	-		-	- 89,960	159,425	-
Capital Outlay	-		-	89,960		
Total Expenditures			185,000	3,545,096	1,561,637	638
Excess (Deficiency) of Revenues Over (Under) Expenditures	817,47	<u>1 </u>	70,352	66,548	167,642	12,116
Other Financing Sources (Uses)			(-			(-
Transfers out	(404,74	1)	(200,000)			(5,000)
Total Other Financing Sources (Uses)	(404,74	4)	(200,000)			(5,000)
Net Change in Fund Balances	412,72	7	(129,648)	66,548	167,642	7,116
Fund Balances Beginning Of Year	679,03	1	242,188	1,707,387	753,838	105,773
Fund Balances End Of Year	\$ 1,091,75	<u> </u>	112,540	\$ 1,773,935	\$ 921,480	\$ 112,889

Commercial Passenger Vessel Excise Tax		De	Fire epartment SEMT	S	ral and tate rant	And	rfeitures 1 Property 5eizures	Total Nonmajor ccial Revenue Funds
\$	-	\$	-	\$	-	\$	-	\$ 1,073,544
	185,232		- 744,482		-		-	215,593 6,066,160
	-		-		-		-	2,215
	(8,480)		(4,611)		-		1,641	(13,005)
	2,538,635		-		- 6		-	2,538,892
	-				0			 6
	2,715,387		739,871		6		1,641	 9,883,405
	_		_		_		_	185,000
	-		-		6		17,849	17,855
	133,984		-		-		-	133,984
	-		-		-		-	3,455,774 1,212,212
	-		-		-		-	190,000 159,425
	-		-		-		-	89,960
	133,984		-		6		17,849	 5,444,210
	2,581,403		739,871		-		(16,208)	 4,439,195
	(965,064)		(290,000)		-		-	(1,864,808)
	(965,064)		(290,000)		-		-	 (1,864,808)
	1,616,339		449,871		-		(16,208)	2,574,387
	7,492,736				-		142,273	 11,123,226
\$	9,109,075	\$	449,871	\$	-	\$	126,065	\$ 13,697,613

City of Ketchikan, Alaska Transient Tax Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual For the Year Ended December 31, 2022

	Original Budget		Final Budget		(GAAP Basis) Actual		Reclassifications and Encumbrances		(Budgetary Basis) Actual		1	Variance Positive Negative)
Revenues												
Taxes	\$	450,000	\$	450,000	\$	818,595	\$	-	\$	818,595	\$	368,595
Investment earnings		250		250		(1,124)		-		(1,124)		(1,374)
Total Revenues		450,250		450,250		817,471				817,471		367,221
Other Financing Uses												
Transfers out												
General fund		(424,117)		(449,867)		(404,744)		-		(404,744)		45,123
Total Other Financing Uses		(424,117)		(449,867)		(404,744)				(404,744)		45,123
Net Change in Fund Balances		26,133		383		412,727		-		412,727		412,344
Fund Balances Beginning of Year		481,696		481,696		679,031				679,031		197,335
Fund Balances End of Year	\$	507,829	\$	482,079	\$	1,091,758	\$	-	\$	1,091,758	\$	609,679

City of Ketchikan, Alaska Marijuana Sales Tax Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual For the Year Ended December 31, 2022

	Original Budget		Final Budget		(GAAP Basis) Actual		Reclassifications and Encumbrances		(Budgetary Basis) Actual		P	ariance ositive egative)
Revenues	¢	250.000	¢	250.000	¢	254.040	¢		¢	254.040	¢	4.040
Taxes Investment earnings	\$	250,000 100	\$	250,000 100	\$	254,949 403	\$	-	\$	254,949 403	\$	4,949 303
Total Revenues		250,100		250,100		255,352		-		255,352		5,252
Expenditures Current:												
General government		131,000		185,000		185,000		-		185,000		-
Excess of Revenues Over Expenditures		119,100		65,100		70,352		-		70,352		5,252
Other Financing Uses Transfers out General fund		(200.000)		(200,000)		(200,000)		_		(200,000)		_
Total Other Financing Uses		(200,000)		(200,000)		(200,000)		-		(200,000)		-
Net Change in Fund Balances		(80,900)		(134,900)		(129,648)		-		(129,648)		5,252
Fund Balances Beginning of Year		232,363		232,363		242,188		-		242,188		9,825
Fund Balances End of Year	\$	151,463	\$	97,463	\$	112,540	\$	_	\$	112,540	\$	15,077

City of Ketchikan, Alaska Solid Waste Services Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual For the Year Ended December 31, 2022

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Intergovernmental	\$ -	\$ -	\$ 5,039	\$ (5,039)	\$ -	\$ -
Charges for services	3,755,440	3,755,440	3,607,193	-	3,607,193	(148,247)
Investment earnings	750	750	(638)	-	(638)	(1,388)
Miscellaneous	1,000	1,000	50		50	(950)
Total Revenues	3,757,190	3,757,190	3,611,644	(5,039)	3,606,605	(150,585)
Expenditures Current:						
Public works	3,703,849	3,769,188	3,455,136	61,593	3,516,729	252,459
Capital Outlay	175,000	167,700	89,960	17,500	107,460	60,240
	170,000	107,700		1,,000	107,100	
Total Expenditures	3,878,849	3,936,888	3,545,096	79,093	3,624,189	312,699
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(121,659)	(179,698)	66,548	(84,132)	(17,584)	162,114
Fund Balances Beginning of Year	1,588,805	1,588,805	1,707,387	(2,853)	1,704,534	115,729
Fund Balances End of Year	\$ 1,467,146	\$ 1,409,107	\$ 1,773,935	\$ (86,985)	\$ 1,686,950	\$ 277,843

City of Ketchikan, Alaska Ketchikan Boat Harbor Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual For the Year Ended December 31, 2022

	Original Budget		Final Budget		(GAAP Basis) Actual		Reclassifications and Encumbrances		(Budgetary Basis) Actual		/ariance Positive Negative)
Revenues											
Intergovernmental	\$	2,500	\$ 2,500	\$	25,322	\$	(16,672)	\$	8,650	\$	6,150
Charges for services		1,579,000	1,579,000		1,701,685		-		1,701,685		122,685
Fines and forfeitures		3,500	3,500		2,215		-		2,215		(1,285)
Investment earnings		500	500		(150)		-		(150)		(650)
Miscellaneous		-	 -		207		-		207		207
Total Revenues		1,585,500	 1,585,500		1,729,279		(16,672)		1,712,607		127,107
Expenditures											
Current:											
Port and harbor		1,384,646	1,385,132		1,212,212		(1,719)		1,210,493		174,639
Debt Service:											
Principal retirement		190,000	190,000		190,000		-		190,000		-
Interest and fiscal charges		159,425	 159,425		159,425		-		159,425		-
Total Expenditures		1,734,071	 1,734,557		1,561,637		(1,719)		1,559,918		174,639
Net Change in Fund Balances		(148,571)	(149,057)		167,642		(14,953)		152,689		301,746
Fund Balances Beginning of Year		746,166	 746,166		753,838		(2,497)		751,341		5,175
Fund Balances End of Year	\$	597,595	\$ 597,109	\$	921,480	\$	(17,450)	\$	904,030	\$	306,921

City of Ketchikan, Alaska Bayview Cemetery Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual For the Year Ended December 31, 2022

	Original Budget		Final Budget		(GAAP Basis) Actual		Reclassifications and Encumbrances		(Budgetary Basis) Actual		Variance Positive (Negative)	
Revenues												
Charges for services	\$	13,700 150	\$	13,700 150	\$	12,800	\$	-	\$	12,800	\$	(900)
Investment earnings		130		130		(46)				(46)		(196)
Total Revenues		13,850		13,850		12,754				12,754		(1,096)
Expenditures												
Current:		2 500		2 500		(20)		((20))				2 500
Public works		2,500		2,500		638		(638)		-		2,500
Excess (Deficiency) of Revenues Over (Under) Expenditures		11,350		11,350		12,116		638		12,754		1,404
Other Financing Uses Transfers out												
General fund		(5,000)		(5,000)		(5,000)		-		(5,000)		-
Total Other Financing Sources		(5,000)		(5,000)		(5,000)		-		(5,000)		-
Net Change in Fund Balances		6,350		6,350		7,116		638		7,754		1,404
Fund Balances Beginning of Year		101,312		101,312		105,773		(2,225)		103,548		2,236
Fund Balances End of Year	\$	107,662	\$	107,662	\$	112,889	\$	(1,587)	\$	111,302	\$	3,640

City of Ketchikan, Alaska Commercial Passenger Vessel Excise Tax Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual For the Year Ended December 31, 2022

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)	
Revenues							
Intergovernmental	\$ 188,750	\$ 188,750	\$ 185,232	\$ -	\$ 185,232	\$ (3,518)	
Investment earnings	2,000	2,000	(8,480)	-	(8,480)	(10,480)	
Miscellaneous		-	2,538,635		2,538,635	2,538,635	
Total Revenues	190,750	190,750	2,715,387		2,715,387	2,524,637	
Expenditures							
Current:							
Tourism	168,625	168,625	133,984		133,984	34,641	
Excess of Revenues							
Over Expenditures	22,125	22,125	2,581,403		2,581,403	2,559,278	
Other Financing Uses							
Transfers out							
General fund	(291,960)	(291,960)	(-,-,-,	-	(154,126)	137,834	
CPV capital projects fund	(865,000)	(842,471)	())	-	(803,438)	39,033	
Port fund	(105,000)	(105,000)	(7,500)		(7,500)	97,500	
Total Other Financing Uses	(1,261,960)	(1,239,431)	(965,064)		(965,064)	274,367	
Net Change in Fund Balances	(1,239,835)	(1,217,306)	1,616,339	-	1,616,339	2,833,645	
Fund Balances Beginning of Year	7,468,394	7,468,394	7,492,736		7,492,736	24,342	
Fund Balances End of Year	\$ 6,228,559	\$ 6,251,088	\$ 9,109,075	\$ -	\$ 9,109,075	\$ 2,857,987	

City of Ketchikan, Alaska Fire Department SEMT Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual For the Year Ended December 31, 2022

		Original Budget		Original Final Budget Budget			(GAAP Basis) Actual		Reclassifications and Encumbrances		(Budgetary Basis) Actual		Р	ariance ositive egative)
Revenues Charges for services	\$		\$	744,482	\$	744,482	\$	_	\$	744,482	\$	-		
Investment earnings		-		-	-	(4,611)	-	-		(4,611)	-	(4,611)		
Total Revenues				744,482		739,871		-		739,871		(4,611)		
Other Financing Uses Transfers out														
General fund		-		(290,000)		(290,000)		-		(290,000)		-		
Net Change in Fund Balances		-		454,482		449,871		-		449,871		(4,611)		
Fund Balances Beginning of Year		-		-		-		_		-				
Fund Balances End of Year	\$	-	\$	454,482	\$	449,871	\$	-	\$	449,871	\$	(4,611)		

City of Ketchikan, Alaska Federal and State Grant Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual For the Year Ended December 31, 2022

	Original Budget		Final Budget		(GAAP Basis) Actual		Reclassifications and Encumbrances		(Budgetary Basis) Actual		I	ariance Positive legative)
Revenues												
Intergovernmental	\$	487,452	\$	487,452	\$	-	\$	-	\$	-	\$	(487,452)
Contributions		82,900		82,900		6		-		6		(82,894)
Total Revenues		570,352		570,352		6				6		(570,346)
Expenditures Current:												
Public safety		570,352		570,352		6		(76,711)		(76,705)		647,057
Total Expenditures		570,352		570,352		6		(76,711)		(76,705)		647,057
Net Change in Fund Balance		-		-		-		76,711		76,711		76,711
Prior Year Funds Returned				-				3		3		3
Fund Balances Beginning of Year						-		(90,727)		(90,727)		(90,727)
Fund Balances End of Year	\$	-	\$	-	\$	-	\$	(14,013)	\$	(14,013)	\$	(14,013)

City of Ketchikan, Alaska Forfeitures And Property Seizures Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual For the Year Ended December 31, 2022

		Original Budget		0		Final Budget		(GAAP Basis) Actual		Reclassifications and Encumbrances		(Budgetary Basis) Actual		ariance ositive egative)
Revenues														
Investment earnings	\$	160	\$	160	\$	1,641	\$	-	\$	1,641	\$	1,481		
Expenditures Current: Public safety				101,002		17,849		83,153		101,002				
Net Change in Fund Balances		160		(100,842)		(16,208)		(83,153)		(99,361)		1,481		
Fund Balances Beginning of Year		119,302		119,302		142,273				142,273		22,971		
Fund Balances End of Year	\$	119,462	\$	18,460	\$	126,065	\$	(83,153)	\$	42,912	\$	24,452		

NONMAJOR DEBT SERVICE FUNDS

General Obligation Bond Debt Service Fund – This fund is used to accumulate funds for the payment of principal and interest on general obligation bonds not accounted for in enterprise funds.

City of Ketchikan, Alaska Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Debt Service Fund For the Year Ended December 31, 2022

	General Obligation Bond Debt Service
Revenues	
Expenditures	
Debt Service:	
Principal retirement	1,799,770
Interest and fiscal charges	1,784,713
Total Expenditures	3,584,483
Deficiency of Revenues	
Under Expenditures	(3,584,483)
Other Financing Sources	
Transfers in	
General fund	799,743
Sales tax hospital & other public works fund	2,532,075
Public works sales tax fund	252,665
Total Other Financing Sources	3,584,483
Net Change in Fund Balances	-
Fund Balances Beginning of Year	
Fund Balances End of Year	\$ -

City of Ketchikan, Alaska General Obligation Bond Debt Service Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Expenditures				
Debt Service:				
Principal retirement	1,833,400	1,833,400	1,799,770	33,630
Interest and fiscal charges	1,789,714	1,789,714	1,784,713	5,001
Total Expenditures	3,623,114	3,623,114	3,584,483	38,631
Other Financing Sources				
Transfers in				
General fund	799,743	799,743	799,743	-
Sales tax hospital & other public works fund	2,532,075	2,532,075	2,532,075	-
Sales tax public works fund	291,296	291,296	252,665	(38,631)
Total Other Financing Sources	3,623,114	3,623,114	3,584,483	(38,631)
Net Change in Fund Balances	-	-	-	-
Fund Balances Beginning of Year				
Fund Balances End of Year	\$ -	\$ -	\$-	\$ -



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NONMAJOR CAPITAL IMPROVEMENT FUND

Major Capital Improvements Fund – This fund is used to account for the improvement, acquisition and construction of major capital assets as determined by the City Council.

Harbor Improvements Fund – This fund is used to account for the improvement, acquisition and construction of harbor facilities.

Community Facilities Development Fund – This fund is used to account for the acquisition and construction of major public facilities.

Hospital Construction Fund – This fund is used to account for the construction of improvements to the Ketchikan Medical Center.

Commercial Passenger Vessel Excise Tax Capital Improvements Fund – This fund is used to account for capital projects funded by the Commercial Passenger Vessel Excise Tax Fund. These funds are dedicated for the following use per AS 43.52.200 (1) improve port and harbor infrastructure, (2) provide services to commercial passenger vessels and the passengers on board those vessels, or (3) improve the safety and efficiency of the interstate and foreign commerce activities in which the vessels and the passengers on board those vessels are engaged.

City of Ketchikan, Alaska Combining Balance Sheet Nonmajor Capital Projects Funds December 31, 2022

		Major Capital provements	Im	Harbor provements		'ommunity Facilities evelopment	<u> </u>	Hospital	Pass Ta	ommercial enger Excise ax Capital provements		Total Ionmajor ital Projects Funds
Assets Cash and investments	\$	219,536	\$	1,274,372	\$	2,640,875	\$	311,002	\$	81,979	\$	4,527,764
Restricted cash:	¢	219,550	Ф	1,2/4,3/2	Ф	2,040,875	Ф	511,002	Ф	01,979	Ф	4,527,704
Bond construction funds		-		37,216		-		1,422,971		-		1,460,187
Commercial passenger excise tax funds		-		-		-		-		652,578		652,578
Receivables:												
Accounts		-		-		-		17,682		-		17,682
Interest		773		4,491		9,297		1,098		-		15,659
Total Assets	\$	220,309	\$	1,316,079	\$	2,650,172	\$	1,752,753	\$	734,557	\$	6,673,870
Liabilities and Fund Balances												
Liabilities												
Accounts payable		37,189		-		-		652,303		79,450		768,942
Total Liabilities	\$	37,189	\$		\$	-	\$	652,303	\$	79,450	\$	768,942
Fund Balances												
Restricted												
Commercial passenger excise tax funds		-		-		-		-		655,107		655,107
Bond construction funds Assigned:		-		37,216		-		1,100,450		-		1,137,666
Culture and tourism projects		160,000				_						160.000
Development of community facilities		-		_		2,650,172		-		-		2,650,172
Harbor projects		-		1,278,863		_,		-		-		1,278,863
Public works projects		23,120		-		-		-		-		23,120
Total Fund Balances		183,120		1,316,079		2,650,172		1,100,450		655,107		5,904,928
Total Liabilities and Fund Balances	\$	220,309	\$	1,316,079	\$	2,650,172	\$	1,752,753	\$	734,557	\$	6,673,870

City of Ketchikan, Alaska Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Capital Projects Funds For the Year Ended December 31, 2022

	Major Capital Improvements	Harbor Improvements	Community Facilities Development	Hospital Construction	Commercial Passenger Excise Tax Capital Improvements	Total Nonmajor Capital Projects Funds
Revenues						
Intergovernmental	\$ -	\$ 328,278	\$ -	\$ -	\$ -	\$ 328,278
Investment earnings	(387)	(108)	(191)	186	-	(500)
Contributions	160,000			2,677,682		2,837,682
Total Revenues	159,613	328,170	(191)	2,677,868		3,165,460
Expenditures						
Capital Outlay:						
Public safety	240,378	-	-	-	-	240,378
Culture and tourism	52,050	-	-	-	180,491	232,541
Health and welfare	-	-	252,986	2,848,963	-	3,101,949
Port and harbors	-	165,647			-	165,647
Total Expenditures	292,428	165,647	252,986	2,848,963	180,491	3,740,515
Excess (Deficiency) of Revenues Over (Under) Expenditures	(132,815)	162,523	(253,177)	(171,095)	(180,491)	(575,055)
Other Financing Sources (Uses) Proceeds from lease financing Transfers in	240,378	-	-	-	-	240,378
Commercial passenger vessel tax fund					803,438	803,438
Total Other Financing Sources (Uses)	240,378				803,438	1,043,816
Net Change in Fund Balances	107,563	162,523	(253,177)	(171,095)	622,947	468,761
Fund Balances At Beginning of Year	75,557	1,153,556	2,903,349	1,271,545	32,160	5,436,167
Fund Balances At End of Year	\$ 183,120	\$ 1,316,079	\$ 2,650,172	\$ 1,100,450	\$ 655,107	\$ 5,904,928

City of Ketchikan, Alaska Major Capital Improvements Fund Project Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual For the Year Ended December 31, 2022

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Investment earnings	\$ -	\$ -	\$ (387)	\$ -	\$ (387)	\$ (387)
Contributions		160,000	160,000		160,000	
Total Revenues		160,000	159,613		159,613	(387)
Expenditures						
Public safety	-	-	240,378	(240,378)	-	-
Culture and tourism	-	160,000	52,050	51,235	103,285	56,715
Public works	2,500,000	2,500,000	-	(3,176)	(3,176)	2,503,176
				. <u></u>		
Total Expenditures	2,500,000	2,660,000	292,428	(192,319)	100,109	2,559,891
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,500,000)	(2,500,000)	(132,815)	192,319	59,504	2,559,504
Other Financing Sources Proceeds from bond issuance Proceeds from financing	2,500,000	2,500,000	240,378	-	240,378	(2,500,000) 240,378
Total Other Financing Sources	2,500,000	2,500,000	240,378		240,378	(2,259,622)
Net Change in Fund Balances	-	-	107,563	192,319	299,882	299,882
Prior Year Encumbrances Returned				1,873	1,873	1,873
Fund Balances Beginning of Year	73,954	73,954	75,557	(245,427)	(169,870)	(243,824)
Fund Balances End of Year	\$ 73,954	\$ 73,954	\$ 183,120	\$ (51,235)	\$ 131,885	\$ 57,931

City of Ketchikan, Alaska Harbor Improvements Fund Project Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual For the Year Ended December 31, 2022

	Original Budget]	Final Budget	(GA	AP Basis) Actual		assifications and umbrances	(B	udgetary Basis) Actual]	Variance Positive Negative)
Revenues	 			_		â		<u>^</u>			
Intergovernmental Investment earnings	\$ 174,246 1,000	\$	174,246 1,000	\$	328,278 (108)	\$	-	\$	328,278 (108)	\$	154,032 (1,108)
Total Revenues	 175,246		175,246		328,170				328,170		152,924
Expenditures Port and harbors	 275,633		275,633		165,647		171,352		336,999		(61,366)
Total Expenditures	 275,633		275,633		165,647		171,352		336,999		(61,366)
Net Change in Fund Balances	(100,387)		(100,387)		162,523		(171,352)		(8,829)		91,558
Prior Year Encumbrances Returned	 -		-		-		195,724		195,724		195,724
Fund Balances Beginning of Year	 770,075		770,075		1,153,556		(238,543)		915,013		144,938
Fund Balances End of Year	\$ 669,688	\$	669,688	\$	1,316,079	\$	(214,171)	\$	1,101,908	\$	432,220

City of Ketchikan, Alaska Community Facilities Development Fund Project Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual For the Year Ended December 31, 2022

		iginal ıdget	Final Budget	(G 4	AAP Basis) Actual	assifications and umbrances	(1	Budgetary Basis) Actual	P	ariance ositive egative)
Revenues										
Investment earnings	\$	1,000	\$ 1,000	\$	(191)	\$ -	\$	(191)	\$	(1,191)
Total Revenues		1,000	 1,000		(191)	 		(191)		(1,191)
Expenditures Health and welfare		6,000	 6,000		252,986	 (252,636)		350		5,650
Total Expenditures		6,000	 6,000		252,986	 (252,636)		350		5,650
Net Change in Fund Balances		(5,000)	(5,000)		(253,177)	252,636		(541)		4,459
Prior Year Encumbrances Returned			 -			 4,987		4,987		4,987
Fund Balances Beginning of Year	2,	638,010	 2,638,010		2,903,349	 (257,623)		2,645,726		7,716
Fund Balances End of Year	\$ 2,	,633,010	\$ 2,633,010	\$	2,650,172	\$ -	\$	2,650,172	\$	17,162

City of Ketchikan, Alaska Hospital Construction Fund Project Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual For the Year Ended December 31, 2022

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues		.				
Contributions	\$ -	\$ -	\$ 2,677,682		\$ 2,677,682	\$ 2,677,682
Investment earnings		-	186		186	186
Total Revenues			2,677,868		2,677,868	2,677,868
Expenditures Health and welfare	998,498	998,498	2,848,963	(3,024,169)	(175,206)	1,173,704
Net Change in Fund Balances	(998,498)	(998,498)	(171,095)	3,024,169	2,853,074	3,851,572
Prior Year Encumbrances Returned				29,318	29,318	29,318
Fund Balances Beginning of Year	998,498	998,498	1,271,545	(3,309,623)	(2,038,078)	(3,036,576)
Fund Balances End of Year	\$ -	\$ -	\$ 1,100,450	\$ (256,136)	\$ 844,314	\$ 844,314

City of Ketchikan, Alaska Commercial Passenger Vessel Excise Tax Capital Projects Fund Project Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual For the Year Ended December 31, 2022

)riginal Budget		Final Budget		AP Basis) Actual		assifications and umbrances		udgetary Basis) Actual	P	ariance Positive Tegative)
Expenditures Culture and tourism	¢	865.000	¢	942 471	¢	190.401	¢	(22.047	¢	802 428	¢	20.022
Culture and tourism	\$	865,000	\$	842,471	3	180,491	\$	622,947	\$	803,438	\$	39,033
Total Expenditures		865,000		842,471		180,491		622,947		803,438		39,033
Other Financing Sources Transfers in												
Commercial passenger vessel tax fund		865,000		842,471		803,438		-		803,438		(39,033)
Total Other Financing Sources		865,000		842,471		803,438				803,438		(39,033)
Net Change in Fund Balances		-		-		622,947		(622,947)		-		-
Fund Balances Beginning of Year		2,529		2,529		32,160		(29,631)		2,529		-
Fund Balances End of Year	\$	2,529	\$	2,529	\$	655,107	\$	(652,578)	\$	2,529	\$	-

GENERAL FUND

Due to the implementation of GASB Statement No. 54 the City has re-classified five of its special revenue funds to bring the City into compliance with the new standard. The Hospital Sales Tax, Public Works Sales Tax, Economic Development and Parking, Shoreline and Community Grant Funds are all considered to be general fund activity. The City has added this section to present the combining statements of the general fund and the individual budgetary fund statements. The general fund's individual budgetary statement is still presented as required supplementary information.

General Fund – This fund is used to account for all resources and activities of the City except those required to be accounted for in another fund.

Hospital Sales Tax and Other Public Works Fund – This fund is used to account for the proceeds of the sales tax levy that is restricted to the payment of costs of construction and maintenance of capital improvements under Section 3.04.130(b) of the Ketchikan Municipal Code.

Public Works Sales Tax and Other Public Works Fund – This fund is used to account for the proceeds of the sales tax levy that is restricted to the payment of costs of construction and maintenance of capital improvements under Section 3.04.130(a) of the Ketchikan Municipal Code.

Economic Development and Parking Fund – This fund is used to account for the proceeds from the sale of the Spruce Mill property. These proceeds must be used for economic development and the development of parking facilities as determined by the City Council.

Shoreline Fund – This fund is used to account for the assets and liabilities of the former Shoreline Service Area that were transferred to the City at the time the service area was annexed.

Community Grant Fund – This fund is used to account for grants given to community based non-profit humanitarian agencies as determined by the City Council.

City of Ketchikan, Alaska Combining Balance Sheet General Fund December 31, 2022

A		General		Hospital Sales Tax		blic Works Sales Tax
Assets Cash and temporary investments	\$	9,034,984	\$	3,893,646	\$	6,720,819
Restricted cash	ψ	- ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Ψ	-	ψ	1,970,000
Receivables:						1,970,000
Accounts		450,143		-		-
Taxes		1,317,185		561,819		842,729
Leases		615,600		1,807,861		-
Intergovernmental		56,814		-		-
Accrued interest		31,338		13,709		30,521
Land for resale		270,098		-		15,316
Total Assets	\$	11,776,162	\$	6,277,035	\$	9,579,385
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$	196,159	\$	1,468	\$	46,874
Payroll payable		2,022,116		-		-
Unearned revenue		182,656		75,000		-
Total Liabilities		2,400,931		76,468		46,874
Deferred Inflows of Resources		1,790,589		2,369,681		842,729
Fund Balances						
Nonspendable		270,098		-		15,316
Restricted						
Public works services and projects		-		-		1,970,000
Assigned:		1 1 4 2 (2 2				2 2 4 2 4 0 7
Subsequent years budget		1,143,632		-		3,343,407
Parking development and abatement of dangerous buildings Hospital development and expansion		-		- 3,830,886		-
General government		125,325		5,850,880		285,124
Public safety		76,709		-		283,124 988,779
-				-		988,779
Culture and tourism		16,697 80,078		-		-
Public works		80,078		-		-
Streets, sidewalks and other public projects Unassigned		- 5,872,103		-		2,087,156
		-,,				
Total Fund Balances		7,584,642		3,830,886		8,689,782
Total Liabilities, Deferred Inflows of Resources						
and Fund Balances	\$	11,776,162	\$	6,277,035	\$	9,579,385

Dev	conomic velopment Parking	noreline ervices	mmunity Grant Fund	Totals
\$	293,031	\$ 82,846	\$ 49,727	\$20,075,053 1,970,000
	- - 1,032	- - - 292 -	- - - - -	450,143 2,721,733 2,423,461 56,814 76,892 285,414
\$	294,063	\$ 83,138	\$ 49,727	\$28,059,510
\$	-	\$ -	\$ 29,096	\$ 273,597 2,022,116 257,656
		 _	 29,096	2,553,369
	-	 	 	5,002,999
	-	-	-	285,414
	-	-	-	1,970,000
	294,063 - - - - - - - 294,063	 5,974 - - 77,164 - - - - 83,138	 - 20,631 - - - - 20,631	4,493,013 294,063 3,830,886 431,080 1,142,652 16,697 80,078 2,087,156 5,872,103 20,503,142
\$	294,063	\$ 83,138	\$ 49,727	\$28,059,510

City of Ketchikan, Alaska General Fund Combining Schedule of Revenues, Expenditures and Changes in Fund Balances For the Year Ended December 31, 2022

	General	Hospital Sales Tax	Public Works Sales Tax	Economic Development & Parking	Shoreline Services	Community Grant	Totals
Revenues							
Taxes							
Real & personal property taxes	\$ 6,358,187	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,358,187
Automobile & boat taxes	49,117	-	-	-	-	-	49,117
Penalty & interest	49,688	11,220	16,831	-	-	-	77,739
Senior citizen local contribution	(529,282)	-	-	-	-	-	(529,282)
Sales tax	5,717,305	3,811,537	5,717,305	-	-	-	15,246,147
Payments in lieu of taxes	28,429	-	-	-	-	-	28,429
•	11,673,444	3,822,757	5,734,136	-	-	-	21,230,337
Licenses and permits							
Building permits	131,493	-	-	-	-	-	131,493
Other	1,800	-	-	-	-	-	1,800
	133,293	-	-	-	-	-	133,293
Intergovernmental							
Federal fire grants	31,662	-	-	-	-	-	31,662
Other state revenues	732,237	-	1,950,000	-	-	-	2,682,237
Federal revenues	1,055,097	-	-	-	-	-	1,055,097
	1,818,996	-	1,950,000	-	-	-	3,768,996
Charges for services							
Ambulance	659,502	-	-	-	-	-	659,502
Rentals	21,766	-	-	-	-	-	21,766
Parking fees	90,945	-	-	-	-	-	90,945
Cemetery	1,325	-	-	-	-	-	1,325
Library services	546,161	-	-	-	-	-	546,161
Museum services	209,172	-	-	-	-	-	209,172
E-911 emergency dispatch services	400,513	-	-	-	-	-	400,513
Civic center services	94,206	-	-	-	-	-	94,206
Other charges	102,597	-	-	-	-	-	102,597
	2,126,187	-	-	-	-	-	2,126,187
Fines and forfeitures							
Parking fines	72,585	-	-	-	-	-	72,585
Other fines	1,254	-	-	-	-	-	1,254
Court deposits	5,758	-	-	-	-	-	5,758
	79,597	-	-	-	-	-	79,597
Investment earnings	(5,341)	35,983	(10,416)	67	(12)	-	20,281
Other revenue							
Leases	47,320	59,844	-	-	-	-	107,164
Miscellaneous	65,403	2,533	20,000	-	-	152,306	240,242
	112,723	62,377	20,000			152,306	347,406
Interdepartmental charges	3,308,810						3,308,810
Total Revenues	19,247,709	3,921,117	7,693,720	67	(12)	152,306	31,014,907

City of Ketchikan, Alaska General Fund Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Cont'd) For the Year Ended December 31, 2022

	General	Hospital Sales Tax	Public Works Sales Tax	Economic Development & Parking	Shoreline Services	Community Grant	Totals
Expenditures							
Current:							
General government							
Mayor and council	234,138	-	-	-	-	297,711	531,849
City clerk	379,860	-	-	-	-	-	379,860
Law	338,592	-	-	-	-	-	338,592
City manager	729,718	-	-	-	-	-	729,718
Finance	2,121,513	-	-	-	-	-	2,121,513
Information technology	1,016,349	-	-	-	-	-	1,016,349
	4,820,170	-		-	-	297,711	5,117,881
Public safety							
Fire	4,037,969	-	859,234	-	-	-	4,897,203
Police	5,670,443	-	3,517	-	-	-	5,673,960
	9,708,412	-	862,751	-	-	-	10,571,163
Culture							
Library	1,262,077	-	-	-	-	-	1,262,077
Museum	1,142,161	-	142,866	-	-	-	1,285,027
Civic center	518,990	-		-	-		518,990
	2,923,228	-	142,866	-	-	-	3,066,094
Health and welfare							
Public health	9,548	14,593			-	<u> </u>	24,141
Public works							
Engineering	1,548,469	-	60,782	-	-	-	1,609,251
Streets	1,666,061	-	1,114,531	22,130	-	-	2,802,722
Cemetery	89,141	-	638	-	-	-	89,779
Garage	733,609	-	-	-	-	-	733,609
Building maintenance	538,714	-	22,818	-	-	-	561,532
	4,575,994	-	1,198,769	22,130	-		5,796,893
Total Expenditures	22,037,352	14,593	2,204,386	22,130		297,711	24,576,172
Excess (Deficiency) of Revenues							
Over (Under) Expenditures	(2,789,643)	3,906,524	5,489,334	(22,063)	(12)	(145,405)	6,438,735

City of Ketchikan, Alaska General Fund Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Cont'd) For the Year Ended December 31, 2022

	General	Hospital Sales Tax	Public Works Sales Tax	Economic Development & Parking	Shoreline Services	Community Grant	Totals
Other Financing Sources (Uses)							
Transfers in							
Sales tax hospital and other							
public works fund	420,000	(420,000)	-	-	-	-	-
Sales tax public works fund	2,000,000	-	(2,000,000)	-	-	-	-
Transient occupancy tax fund	404,744	-	-	-	-	-	404,744
Marijuana Sales Tax	200,000	-	-	-	-	-	200,000
Shoreline area fund	6,374	-	-	-	(6,374)	-	-
Bayview cemetery fund	5,000	-	-	-	-	-	5,000
Commercial passenger vessel tax fund	154,126	-	-	-	-	-	154,126
Fire department SEMT fund	290,000	-	-	-	-	-	290,000
Ketchikan public utilities fund	786,000	-	-	-	-	-	786,000
Port fund	319,000	-	-	-	-	-	319,000
Wastewater services fund	80,000	-	-	-	-	-	80,000
Transfers out							
General obligation bond debt service fund	(799,743)	(2,532,075)	(252,665)	-	-	-	(3,584,483)
Community grant fund	(55,822)	(37,211)	(55,822)	-	-	148,855	-
Other financing sources - leases	65,987	-	-	-	-	-	65,987
Sale of capital assets	17,873	-			-		17,873
Total Other Financing Sources (Uses)	3,893,539	(2,989,286)	(2,308,487)		(6,374)	148,855	(1,261,753)
Net Change in Fund Balances	1,103,896	917,238	3,180,847	(22,063)	(6,386)	3,450	5,176,982
Fund Balances Beginning of Year	6,480,746	2,913,648	5,508,935	316,126	89,524	17,181	15,326,160
Fund Balances End of Year	7,584,642	3,830,886	8,689,782	294,063	83,138	20,631	20,503,142

City of Ketchikan, Alaska Sales Tax Hospital and Other Public Works Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual For the Year Ended December 31, 2022

	Original Budget		Final Budget		(G	AAP Basis) Actual	Reclassifications and Encumbrances		(Budgetary Basis) Actual		Variance Positive Negative)
Revenues	<u>_</u>	a aaa aaa	^	• • • • • • • •	¢	2 011 525	¢		<i>•</i>	0.011.505	¢	011 525
Taxes	\$	2,900,000	\$	2,900,000	\$	3,811,537	\$	-	\$	3,811,537	\$	911,537
Penalties and interest		7,000		7,000		11,220		-		11,220		4,220
Leases		100,000		100,000		59,844		-		59,844		(40,156)
Investment earnings		2,000		2,000		35,983		-		35,983		33,983
Miscellaneous		-				2,533		-		2,533		2,533
Total Revenues		3,009,000		3,009,000		3,921,117				3,921,117		912,117
Expenditures												
Current:												
Health and welfare		217,130		217,130		14,593		(12,988)		1,605		215,525
Total Expenditures		217,130		217,130		14,593		(12,988)		1,605		215,525
Excess of Revenues												
Over Expenditures		2,791,870		2,791,870		3,906,524		12,988		3,919,512		1,127,642
Other Financing Uses Transfers out												
General fund		(420,000)		(420,000)		(420,000)		-		(420,000)		-
Community grant fund		(33,595)		(39,470)		(37,211)		-		(37,211)		2,259
General obligation debt service fund		(2,532,075)		(2,532,075)		(2,532,075)		-		(2,532,075)		-
Total Other Financing Uses		(2,985,670)		(2,991,545)		(2,989,286)				(2,989,286)		2,259
Net Change in Fund Balances		(193,800)		(199,675)		917,238		12,988		930,226		1,129,901
Fund Balances Beginning of Year		2,587,735		2,587,735		2,913,648		(48,308)		2,865,340		277,605
Fund Balances End of Year	\$	2,393,935	\$	2,388,060	\$	3,830,886	\$	(35,320)	\$	3,795,566	\$	1,407,506

City of Ketchikan, Alaska Sales Tax Public Works Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual For the Year Ended December 31, 2022

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Taxes	\$ 4,325,000	\$ 4,325,000	\$ 5,717,305	\$ -	\$ 5,717,305	\$ 1,392,305
Penalties and interest	5,000	5,000	16,831	-	16,831	11,831
Intergovernmental	-	1,950,000	1,950,000	-	1,950,000	-
Investment earnings	2,500	2,500	(10,416)	-	(10,416)	(12,916)
Contributions		-	20,000		20,000	20,000
Total Revenues	4,332,500	6,282,500	7,693,720		7,693,720	1,411,220
Expenditures						
Capital:						
General government						
Finance	20,000	20,000	-	-	-	20,000
Public safety						
Fire	750,000	922,856	859,234	7,924	867,158	55,698
Police	88,144	88,144	3,517	61,041	64,558	23,586
Culture						
Museum	200,000	200,000	142,866	(2,959)	139,907	60,093
Public works						
Engineering	70,000	70,000	60,782	-	60,782	9,218
Streets	1,733,428	1,968,150	1,114,531	(135,522)	979,009	989,141
Cemetery	-	-	638	(638)	-	-
Building maintenance	130,000	150,770	22,818	70,770	93,588	57,182
Total Expenditures	2,991,572	3,419,920	2,204,386	616	2,205,002	1,214,918
Excess (Decficiency) of Revenues Over (Under) Expenditures	1,340,928	2,862,580	5,489,334	(616)	5,488,718	2,626,138
Other Financing Uses						
Transfer out	(2,000,000)	(2,000,000)	(2,000,000)		(2,000,000)	
General fund	(2,000,000)	(2,000,000)	(2,000,000)	-	(2,000,000)	-
Community grant fund	(50,390)	(59,210)	(55,822)	-	(55,822)	3,388
Debt service fund	(291,296)	(291,296)	(252,665)		(252,665)	38,631
Total Other Financing Uses	(2,341,686)	(2,350,506)	(2,308,487)		(2,308,487)	42,019
Net Change in Fund Balances	(1,000,758)	512,074	3,180,847	(616)	3,180,231	2,668,157
Prior Year Encumbrances Returned				47,430	47,430	47,430
Fund Balances Beginning of Year	5,144,986	5,144,986	5,508,935	(289,884)	5,219,051	74,065
Fund Balances End of Year	\$ 4,144,228	\$ 5,657,060	\$ 8,689,782	\$ (243,070)	\$ 8,446,712	\$ 2,789,652

City of Ketchikan, Alaska Economic Development & Parking Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual For the Year Ended December 31, 2022

	Original Budget		Final Budget		(GAAP Basis) Actual		Reclassifications and Encumbrances		(Budgetary Basis) Actual		Variance Positive (Negative)	
Revenues					<i>.</i>		-		.			(100)
Investment earnings	\$	175	\$	175	\$	67	\$		\$	67	\$	(108)
Expenditures												
Current:												
Public works				20.000		22 120				22 120		7.070
Streets		-		30,000		22,130				22,130		7,870
Net Change in Fund Balances		175		(29,825)		(22,063)		-		(22,063)		7,762
Fund Balances Beginning of Year		315,885		315,885		316,126				316,126		241
Fund Balances End of Year	\$	316,060	\$	286,060	\$	294,063	\$	-	\$	294,063	\$	8,003

City of Ketchikan, Alaska Shoreline Services Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual For the Year Ended December 31, 2022

		Original Budget		Final Budget		(GAAP Basis) Actual		Reclassifications and Encumbrances		(Budgetary Basis) Actual		ariance ositive egative)
Revenues												
Investment earnings	\$	-	\$	-	\$	(12)	\$		\$	(12)	\$	(12)
Other Financing Uses Transfers out General fund	_	(6,374)		(6,374)		(6,374)				(6,374)		-
Net Change in Fund Balances		(6,374)		(6,374)		(6,386)		-		(6,386)		(12)
Fund Balances Beginning of Year		94,044		94,044		89,524		-		89,524		(4,520)
Fund Balances End of Year	\$	87,670	\$	87,670	\$	83,138	\$	-	\$	83,138	\$	(4,532)

City of Ketchikan, Alaska Community Grant Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual For the Year Ended December 31, 2022

		Original Budget		Final Budget		AAP Basis) Actual	Reclassifications and Encumbrances		(Budgetary Basis) Actual		F	ariance Positive legative)
Revenues												
Contributions	\$	134,375	\$	157,890	\$	148,856	\$	-	\$	148,856	\$	(9,034)
Miscellaneous		-		-		3,450		-		3,450		3,450
Total Revenues		134,375		157,890		152,306		-		152,306		(5,584)
Expenditures												
Current: Mayor and council		268,750		315,780		297,711		-		297,711		18,069
Deficiency of Revenues Under Expenditures		(134,375)		(157,890)		(145,405)		-		(145,405)		12,485
Other Financing Sources Transfers in												
General fund		50,390		59,210		55,822		-		55,822		(3,388)
Hospital sales tax fund		33,595		39,470		37,211		-		37,211		(2,259)
Public works sales tax fund		50,390		59,210		55,822		-		55,822		(3,388)
Total Other Financing Sources		134,375		157,890		148,855		-		148,855		(9,035)
Net Change in Fund Balances		-		-		3,450		-		3,450		3,450
Fund Balances Beginning of Year		17,181	1	17,181		17,181				17,181		-
Fund Balances End of Year	\$	17,181	\$	17,181	\$	20,631	\$	-	\$	20,631	\$	3,450



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MAJOR ENTERPRISE FUNDS

Ketchikan Public Utilities Fund – This fund is used to account for the operations, maintenance, and capital improvements of Ketchikan Public Utilities, a combined utility that provides electric, telecommunications and water services.

Port Fund – This fund is used to account for the operations, maintenance, and capital improvements of the city-owned port facilities.

Wastewater Services Fund – This fund is used to account for the operations, maintenance, and capital improvements of the municipal wastewater collection and treatment utility system.

City of Ketchikan, Alaska Ketchikan Public Utilities Fund Comparative Statements of Net Position December 31, 2022 and 2021

			2022		2021
					Restated
Assets					
Current assets		¢	20 7 (0 0 12	¢	20 50 6 012
Cash and temporary investments		\$	29,769,843	\$	29,586,813
Accrued interest - general cash and investments			104,683		-
Restricted cash, cash equivalents and investments:			410,400		400 700
Cash and temporary invest bond construction funds			419,488		488,722
Bond redemption			567,484		562,119
Other resricted cash			25,368		25,368
Accounts receivable	\$ 2,651,365				
Less uncollectible accounts	 (82,000)		2,569,365		2,757,211
Accrued interest - lease			4,330		3,894
Due from other governments			4,200,758		79,080
Prepaid expenses			30,038		42,392
Inventory of materials			2,803,443		2,806,925
Unbilled revenue			1,238,210		1,195,817
Total current assets			41,733,010		37,548,341
Noncurrent assets					
Restricted investments:					
Revenue bond reserve fund investments			1,799,826		1,870,216
Accrued interest receivable - bond reserve fund			503		450
Total Restricted investment assets			1,800,329		1,870,666
Restricted - other post-employment benefits			1,416,813		2,133,499
Lease receivable			1,483,137		1,276,848
Right to use asset			6,272,814		6,272,814
Less accumulated depreciation			(707,612)		(369,589)
Total right to use assets (net of accumulated depreciation)			5,565,202		5,903,225
Utility plant in service:			-,,		-,
Land			2,758,966		2,758,966
Other non-depreciable assets			52,405		52,405
Construction work in progress			2,788,720		4,611,992
Plant in service			273,376,299		267,308,562
Less accumulated depreciation			(167,613,292)		(164,430,724)
Total capital assets (net of accumulated depreciation)			111,363,098		110,301,201
Total noncurrent assets			121,628,579		121,485,439
Total assets			163,361,589		159,033,780
			100,001,007		<u> </u>
Deferred outflow of resources			444,612		446,590
Total Assets and Deferred Outflow of Resources		\$	163,806,201	\$	159,480,370

City of Ketchikan, Alaska Ketchikan Public Utilities Fund Comparative Statements of Net Position December 31, 2022 and 2021

	2022	2021
	 2022	 Restated
Liabilities		Restated
Current liabilities		
Accounts payable	\$ 3,390,337	\$ 3,788,718
Accrued interest payable	231,811	230,534
Compensated absences payable	103,651	109,442
Customer deposits	388,215	369,965
Unearned revenue	41,875	58,606
Lease payable	373,316	347,544
Unamortized premiums	133,024	185,857
Revenue bonds payable	1,747,758	1,780,152
Advances to other funds	 390,101	 394,812
Total current liabilities	 6,800,088	 7,265,630
Noncurrent liabilities		
Accrued interest payable	8,373	-
Unamortized bond premium	1,516,647	1,649,671
Compensated absences payable	932,859	984,976
Lease payable	5,159,805	5,533,121
Net pension liability	3,514,089	2,945,226
Revenue bonds payable	30,758,180	25,188,739
Advances to other funds	-	390,101
Total noncurrent liabilities	 41,889,953	 36,691,834
Total liabilities	 48,690,041	 43,957,464
Deferred inflow of resources	 2,390,047	 4,457,866
Total Liabilities and Deferred Inflows of Resources	 51,080,088	 48,415,330
Net position		
Net investment in capital assets	76,806,702	79,453,915
Restricted performance guaranty	25,368	25,368
Restricted for bond retirement	2,304,391	2,364,595
Restricted for Other post-employment benefit	1,416,813	2,133,499
Unrestricted	 32,172,839	 27,087,663
Total net position as restated	 112,726,113	 111,065,040
Total liabilities and net position	\$ 163,806,201	\$ 159,480,370

City of Ketchikan, Alaska Ketchikan Public Utilities Fund Comparative Statements of Revenues, Expenses and Changes in Net Position - by Service For the Years Ended December 31, 2022 and 2021

	Tota	al	Ele	etric
	2022	2021	2022	2021
		Restated		
Operating Revenues				
Services	\$ 45,063,544	\$ 43,393,800	\$ 19,828,041	\$ 19,188,307
Other	782,723	713,421	727,015	661,458
Total Operating Revenues	45,846,267	44,107,221	20,555,056	19,849,765
Operating Expenses				
Operation and maintenance	30,034,216	26,710,578	14,530,198	13,710,793
Administration and general	6,309,957	6,500,283	2,012,261	2,024,446
Depreciation	7,083,640	6,405,087	2,864,634	2,560,046
Total Operating Expenses	43,427,813	39,615,948	19,407,093	18,295,285
Operating Income (Loss)	2,418,454	4,491,273	1,147,963	1,554,480
Non-Operating Revenues (Expenses)				
Operating grants	214,850	240,944	36,555	64,962
Interest earnings	(5,043)	15,052	(6,931)	6,648
Revenue bond interest expense	(467,904)	(1,480,091)	(8,187)	(990,234)
Other interest expense	(18,950)	(17,196)	(17,397)	(16,164)
Debt issuance costs	-	(73,882)	-	(73,882)
Total Non-Operating Revenue (Expenses)	(277,047)	(1,315,173)	4,040	(1,008,670)
Net Income (Loss) Before Contributions				
and Transfers	2,141,407	3,176,100	1,152,003	545,810
Capital contributions	305,666	170,301	281,489	148,375
Net Income (Loss) before Transfers	2,447,073	3,346,401	1,433,492	694,185
Transfers Out				
Transfers out - payment in lieu of taxes	(786,000)	(786,000)	(381,993)	(381,993)
Change in Net Position	1,661,073	2,560,401	\$1,051,499	\$312,192
Net Position Beginning of Year - Restated (Note 2)	111,065,040	108,504,639		
Net Position End of Year	\$112,726,113	\$111,065,040		

Telecommu	inications	Wa	ter
2022	2021	2022	2021
	Restated		
\$ 20,566,588	\$ 19,859,465	\$ 4,668,915	\$ 4,346,028
-	-	55,708	51,963
20,566,588	19,859,465	4,724,623	4,397,991
11,337,733	10,667,419	4,166,285	2,332,366
3,824,876	4,004,695	472,820	471,142
2,740,917	2,447,534	1,478,089	1,397,507
17,903,526	17,119,648	6,117,194	4,201,015
2,663,062	2,739,817	(1,392,571)	196,976
71,177	115,075	107,118	60,907
2,038	5,862	(150)	2,542
(350,034)	(381,033)	(109,685)	(108,824)
(1,552)	(1,032)	-	-
-	-	-	-
(278,371)	(261,128)	(2,717)	(45,375)
2 204 601	2 4 5 0 600	(1.005.000)	151 (01
2,384,691	2,478,689	(1,395,288)	151,601
24,177	21,926		
2,408,868	2,500,615	(1,395,288)	151,601
,,-**	, ,- 	()) ()	-)
(206,358)	(206,358)	(197,649)	(197,649)
\$2,202,510	\$2,294,257	(\$1,592,937)	(\$46,048)

City of Ketchikan, Alaska Ketchikan Public Utilities Fund Comparative Statements of Cash Flows For the Years Ended December 31, 2022 and 2021

	2022	2021
		Restated
Cash Flows from Operating Activities Cash received from customers and users	\$ 45.974.555	¢ 44.124.674
Cash payments to employees for services	\$ 45,974,555 (17,008,387)	\$ 44,134,674 (12,777,903)
Cash payments to suppliers for goods and services	(17,008,387) (18,731,807)	(19,493,250)
Net Cash Provided by Operating Activities	10,234,361	11,863,521
Cash Flows from Noncapital Financing Activity		
Operating grant from other governments	214,850	240,944
Payment in lieu of taxes to the general fund	(786,000)	(786,000)
Net Cash Used by Noncapital		
Financing Activities	(571,150)	(545,056)
Cash Flows from Capital and		
Related Financing Activities		
Advances from other funds	(394,812)	(379,627)
Capital grant received from other governments	305,666	170,301
Capital debt proceeds	3,195,521	825,849
Principal paid on leases	(347,544)	(392,149)
Principal paid on revenue bonds	(1,780,152)	(1,472,662)
Interest paid on bonds and contracts	(661,899)	(2,687,115)
Payments for capital acquisitions and construction	(9,819,556)	(4,715,025)
Net Cash Used by Capital and Related		
Financing Activities	(9,502,776)	(8,650,428)
Cash Flows from Investing Activities		
Investment earnings	(111,664)	16,433
Purchase of bond reserve fund investments	70,390	15,284
Net Cash Flows Provided by Investing Activities	(41,274)	31,717
Net Increase in Cash		
and Cash Equivalents	119,161	2,699,754
Cash and Cash Equivalents Beginning of Year	30,663,022	27,963,268
Cash and Cash Equivalents End of Year	\$ 30,782,183	\$ 30,663,022
Reconciliation of Cash and Cash Equivalents		
to the Balance Sheet:		
Cash and temporary investments - current assets	29,769,843	29,586,813
Bond construction fund cash - restricted	25,368	25,368
Revenue bond redemption funds - restricted	419,488	488,722
Restricted cash - performance guaranty	567,484	562,119
	\$ 30,782,183	\$ 30,663,022

(continued)

City of Ketchikan, Alaska Ketchikan Public Utilities Fund Comparative Statements of Cash Flows For the Years Ended December 31, 2022 and 2021

(continued)

	2022	2021
		Restated
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	\$ 2,418,454	\$ 4,491,273
Adjustments:		
Depreciation	7,083,640	6,405,087
Other	1,706,013	-
(Increase) Decrease in Assets and Deferred Outflows of Resources:		
Accounts receivable	187,847	216,336
Leases receivable	(206,289)	(1,276,848)
Accrued interest - leases	(436)	(3,894)
Unbilled revenue	(42,393)	(176,885)
Prepaid expenses	12,354	(27,109)
Inventory	3,482	7,337
Customer deposits	18,250	14,175
Other postemployment benefits	716,686	(1,857,270)
Deferred outflows	1,978	67,298
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:		
Accounts payable	(90,466)	254,283
Accrued expenses	(1,165)	67,697
Compensated absences payable	(57,908)	(146,773)
Unearned revenue	(16,731)	(8,103)
Net pension liability	568,863	(389,747)
Deferred inflow of resources for leases	206,289	1,276,848
Deferred inflow of resources for pension	(2,274,107)	
Net Cash Provided by Operating Activities	\$ 10,234,361	\$ 11,863,521
Noncash investing, capital and financing activities Fair value of non-cash investments Revenue bond arbitrage	\$ (365,990) \$ (1,885)	
	\$ (1,000)	÷ 1,001

Ketchikan Public Utilities Fund

Comparative Schedules of Revenues

For the Years Ended December 31, 2022 and 2021

	202	2	2021	
			Restate	d
	Amount	Total	Amount	Total
Electric Department				
Revenue from Services:				
Residential	\$8,720,005		\$8,479,877	
Boats	379,931		350,409	
Commercial	7,918,380		7,597,744	
Industrial	2,041,674		2,036,845	
Demand	570,375		529,297	
Area Lighting	64,889		62,224	
Street Lighting	132,787		131,911	
Diesel Surcharge	-	\$19,828,041	-	\$19,188,307
Other Revenue:				
Service Charges	110,358		108,146	
Late Payment Charges	77,334		60,342	
Rentals - Interdepartmental	159,789		153,575	
Other	379,534	727,015	339,395	661,458
Total Electric		20,555,056		19,849,765
Telecommunications Department				
Local Network Services:				
Basic Local Service	732,586		775,629	
Local Private Line	1,070,779		984,633	
Other Local Exchange	108,175	1,911,540	103,578	1,863,840
Network Access Services:				
Interstate End User	584,010		625,048	
Switched Access	4,698,150		4,709,530	
Special Access	2,368,878		2,232,142	
State Access	870,193	8,521,231	881,972	8,448,692
Other Revenues:				
Directory Revenue	43,306		9,728	
Other	174,961	218,267	81,602	91,330
Nonregulated Revenues	9,915,550	9,915,550	9,455,603	9,455,603
Total Telecommunications	j, - j- 2 €	\$ 20,566,588		\$ 19,859,465
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Ketchikan Public Utilities Fund Comparative Schedules of Revenues (Cont'd) For the Years Ended December 31, 2022 and 2021

		2022		2021	
				Restated	
		Amount	Total	Amount	Total
Water Department					
	Revenue from Services:				
	Residential	\$2,038,955		\$1,950,255	
	Apartments	428,604		408,466	
	Commercial	1,633,581		1,519,350	
	Industrial	480,655		461,342	
	Port	87,120	\$4,668,915	6,615	\$4,346,028
	Other Revenue:				
	Service Charges	2,006		1,438	
	Late Payment Charges	17,997		15,155	
	Other	35,705	55,708	35,370	51,963
	Total Water		4,724,623		4,397,991
Total Revenue			\$45,846,267		\$44,107,221

Ketchikan Public Utilities Fund

Comparative Schedules of Operation and Maintenance Expenses

For the Years Ended December 31, 2022 and 2021

		2	022		20	21	
					 Res	tated	
	Aı	nount		Total	 Amount		Total
Electric Department							
Hydroelectric Generation							
Operation							
Supervision & Engineering	\$	1,415,570			\$ 1,207,618		
Hydraulic Expenses		91,535			59,641		
Electric Expenses		11,885	\$	1,518,990	 62,667	\$	1,329,926
Maintenance							
Supervision & Engineering		400			296		
Structures		49,693			53,489		
Reservoirs & Dams		221,012			205,604		
Electric Plant		393,422			322,170		
Other		132,188		796,715	107,758		689,317
Total Hydroelectric Generation				2,315,705			2,019,243
Diesel Generation							
Operation							
Fuel		171,720			259,605		
Generation		26,907			18,273		
Other		587,425		786,052	 606,874		884,752
Maintenance							
Supervision and Engineering		348,088			161,161		
Structures		34,337			41,015		
Electric Plant		79,328			125,239		
Other		242,008		703,761	275,029		602,444
Total Diesel Generation				1,489,813			1,487,196
Purchased Power				7,562,019			6,377,283
Automation Control System				388,293			376,809
Total Generation				11,755,830			10,260,531
Transmission							
Operation							
Overhead and Underground Lines	\$	1,549		1,549	\$ -	\$	-
Total Transmission			\$	1,549		\$	-

Ketchikan Public Utilities Fund Comparative Schedules of Operation and Maintenance Expenses (Cont'd) For the Years Ended December 31, 2022 and 2021

	20	022	2021	2021		
			Resta	ted		
	Amount	Total	Amount	Total		
Distribution						
Operation						
Supervision & Engineering	\$ 629,319		\$ 902,698			
Station Equipment	18,486		19,886			
Overhead & Underground Lines	2,344		2,394			
Street Lighting	109,609		82,110			
Meter Expenses	589,737		714,151			
Customer Installations	390		22,477			
Other	19,979	\$ 1,369,864	18,966	\$ 1,762,682		
Maintenance						
Station Equipment	159,360		260,418			
Overhead & Underground Lines	1,135,574		1,282,820			
Line Transformers	15,735		7,604			
Other	92,286	1,402,955	136,738	1,687,580		
Total Distribution		2,772,819		3,450,262		
Total Electric		14,530,198		13,710,793		
Telecommunications Department						
Plant Specific Operations:						
Network Support	112,097		108,851			
General Support	133,704		144,813			
Central Office Switching	811,227		821,058			
Central Office Transmission	985,925		988,538			
Cable and Wire Facilities Expense	1,176,190	3,219,143	815,047	2,878,307		
Plant Nonspecific Operations						
Network Operations Expense	2,631,880	2,631,880	2,811,452	2,811,452		
Customer Operations						
Customer Operations-Services	138,772	138,772	115,569	115,569		
Nonregulated Operations Expenses	\$ 5,347,938	5,347,938	\$ 4,862,091	4,862,091		
Total Telecommunications		\$ 11,337,733		\$ 10,667,419		

Ketchikan Public Utilities Fund Comparative Schedule of Operation and Maintenance Expenses (Cont'd) For the Years Ended December 31, 2022 and 2021

		2022		2021			
			Rest				
	Amount	Total	Amount	Total			
Water Department							
Source of Supply							
Operation and Maintenance	\$ 410,140	\$ 410,140	\$ 507,260	\$ 507,260			
Chlorination							
Labor and Supplies	143,621		112,170				
Maintenance	165,268	308,889	133,817	245,987			
Distribution							
Supervision & Operation of Mains	990		-				
Maps & Records	425,982		484,861				
Customer Service	3,109	430,081	2,778	487,639			
Maintenance							
Mains & Equipment	2,461,479		506,001				
Hydrants	11,563		10,080				
Valves & Structures	26,619		32,473				
Pump Stations	135,463		126,236				
PH Adjustment Facility	367,384		407,609				
Reservoirs	14,667	3,017,175	9,081	1,091,480			
Total Water		4,166,285		2,332,366			
Total Operation and Maintenance		\$ 30,034,216		\$ 26,710,578			

Ketchikan Public Utilities Fund Comparative Schedules of Administrative and General Expenses For the Years Ended December 31, 2022 and 2021

	2022	2021
Customer Service	\$2,227,104	\$2,374,417
General Accounting	974,928	916,159
Administrative Expenses	2,002,756	2,095,593
Engineering Services	78,180	73,809
Information Technology	498,479	498,627
Insurance & Claims	528,511	541,678
Total	\$6,309,958	\$6,500,283

City of Ketchikan, Alaska Port Fund Comparative Statements of Net Position December 31, 2022 and 2021

	2022	2021
Assets		Restated
Current assets		
Cash and temporary investments	\$ 8,948,515	\$ 5,512,570
Cash and temporary investments accrued interest	40,083	-
Restricted cash, cash equivalents and investments:		
Bond redemption	186,263	186,369
Commercial passenger vessel excise tax	2,508,105	-
Accounts receivable	51,681	6,740
Intergovernmental receivable		
Interest receivable	109	-
Total Current assets	11,734,756	5,705,679
Noncurrent assets		
Restricted investments:		
Repair and replacement investments	5,926,771	5,417,733
Bond reserve investments	2,240,000	2,240,000
Accrued interest on bond reserve investments	1,356	489
Total restricted assets	8,168,127	7,658,222
Restricted - other post-employment benefits	231,486	348,582
Internal receivable	-	315,911
Lease receivable	48,555	-
Right to use asset	23,351,217	23,351,217
Accumulated depreciation - lease	(2,454,789)	(1,409,349)
Capital assets		
Land	7,970,386	7,970,386
Other non-depreciable assets	169,361	169,361
Construction work in progress	9,116,969	9,120,646
Port facilities	67,933,863	67,933,863
Accumulated depreciation	(25,536,464)	(24,272,863)
Total capital assets (net of accumulated depreciation)	59,654,115	60,921,393
Total noncurrent assets	88,998,711	91,185,976
Total assets	100,733,467	96,891,655
Deferred ouflows of resources	69,634	63,837
Total Assets and Deferred Outflows of Resources	\$ 100,803,101	\$ 96,955,492

City of Ketchikan, Alaska Port Fund Comparative Statements of Net Position December 31, 2022 and 2021

	2022	2021
Liabilities		
Current liabilities		
Accounts payable	\$ 9,291	\$ 51,735
Lease payable	1,082,138	1,045,440
Accrued interest payable	149,981	157,124
Compensated absences payable	1,002	1,473
Unamortized premiums	202,584	202,584
Revenue bonds payable	1,185,000	1,130,000
Total current liabilities	2,629,996	2,588,356
Noncurrent liabilities		
Lease payble	19,814,290	20,896,428
Compensated absences payable	9,017	13,258
Net pension liability	574,149	481,206
Unamortized bond premium	2,414,129	2,616,713
Revenue bonds payable	19,805,000	20,990,000
Total noncurrent liabilities	42,616,585	44,997,605
Total liabilities	45,246,581	47,585,961
Deferred inflows of resources	429,898	767,952
Total Liabilities and Deferred Inflows of Resources	45,676,479	48,353,913
Net position		
Net investment in capital assets	35,686,164	35,592,891
Restricted repair and replacement funds	5,926,771	5,417,733
Restricted commercial passenger excise tax funds	2,508,105	-
Restricted for bond retirement	2,277,639	2,332,666
Restricted for other post-employment benefits	231,486	348,582
Unrestricted	8,496,457	4,909,707
Total net position, restated	55,126,622	48,601,579
Total Liabilities and Net Postion	\$ 100,803,101	\$ 96,955,492



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City of Ketchikan, Alaska Port Fund Comparative Statements of Revenues, Expenses and Changes in Net Position For the Years Ended December 31, 2022 and 2021

	2022	2021
Operating Revenues		Restated
Charges for services		
Docking	\$3,403,352	\$553,303
Passenger wharfage fee	6,732,543	682,848
Rental income	447,375	56,354
Water	116,160	9,300
Other	41,399	51,637
Total Operating Revenues	10,740,829	1,353,442
Operating Expenses		
Operation and maintenance		
Personnel services	1,206,310	651,399
Supplies and services	377,951	341,243
Financial service	245,804	232,068
Insurance	218,838	209,798
Utilities	212,676	126,721
Property Taxes	169,999	167,186
Lease payments	20,833	770,833
Depreciation	1,263,601	1,184,459
Depreciation - Lease	1,045,440	1,409,349
Total Operating Expenses	4,761,452	5,093,056
Operating Income	5,979,377	(3,739,614)
Non-Operating Revenues (Expenses)		
Operating grants	2,538,387	5,849,405
Interest earnings	-	24,014
Interest expense	(1,681,221)	(1,378,204)
Total Non-Operating Revenue (Expenses)	857,166	4,495,215
Income Before Capital Grants and Transfers	6,836,543	755,601
Transfers		
Transfer from commercial passenger vessel tax fund	7,500	100,147
Payment in lieu of taxes to general fund	(319,000)	(319,000)
Total Capital Grants and Transfers	(311,500)	(218,853)
Change in Net Position	6,525,043	536,748
Net Position Beginning of Year - Restated (Note 2)	48,601,579	48,064,831
Net Position End of Year	\$55,126,622	\$48,601,579

City of Ketchikan, Alaska Port Fund Comparative Statements of Cash Flows For the Years Ended December 31, 2022 and 2021

	2022	2021
		Restated
Cash Flows from Operating Activities		
Cash received from customers and users	\$ 10,695,888	\$ 1,356,988
Cash payments to employees for services	(1,365,422)	(666,068)
Cash payments to suppliers for goods and services	(1,288,544)	(1,051,595)
Net Cash Provided by Operating Activities	8,041,922	(360,675)
Cash Flows from Noncapital Financing Activities		
Operating grant from other governments	2,538,387	5,849,405
Transfer in	7,500	100,147
Payment in lieu of taxes to the general fund	(319,000)	(319,000)
Net Cash Provided by Noncapital		
Financing Activities	2,226,887	5,630,552
Cash Flows from Capital and		
Related Financing Activities	215.011	250 (25
Advances to other funds	315,911	379,627
Principal paid on general obligation bonds, advances and equipment contracts		
Principal paid on leases	(1,045,440)	(1,409,349)
Principal paid on revenue bonds	(1,130,000)	(1,075,000)
Interest paid on bonds and contracts	(1,860,561)	(1,550,401)
Payments for capital acquisitions and contracts	3,677	(67,916)
Net Cash Used by Capital and Related		
Financing Activities	(3,716,413)	(3,723,039)
Cash Flows from Investing Activities		
Investment earnings	(99,414)	23,676
Purchase of investments	(509,038)	(521,459)
Net Cash Provided (Used) by Investing Activities	(608,452)	(497,783)
Net Increase (Decrease) in Cash		
and Cash Equivalents	5,943,944	1,049,055
Cash and Cash Equivalents Beginning of Year	5,698,939	4,649,884
Cash and Cash Equivalents End of Year	\$ 11,642,883	\$ 5,698,939
Reconciliation of Cash and Cash Equivalents		
to the Balance Sheet:		
Cash and temporary investments - current assets	8,948,515	5,512,570
Commercial passenger excise tax funds - restricted	2,508,105	-
Revenue bond redemption funds - restricted	186,263	186,369
	\$ 11,642,883	\$ 5,698,939

(continued)

City of Ketchikan, Alaska Port Fund **Comparative Statements of Cash Flows** For the Years Ended December 31, 2022 and 2021

	 2022	 2021 Restated
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	\$ 5,979,377	\$ (3,739,614)
Adjustments:		
Depreciation	2,309,041	2,593,808
(Increase) Decrease in Assets and Deferred Outflows of Resources:		
Accounts receivable	(44,941)	3,546
Prepaid expenses	-	750,000
Other postemployment benefits	117,096	(303,450)
Deferred outflow	(5,797)	10,226
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:		
Accounts payable	(42,443)	46,254
Compensated absences payable	(4,712)	1,261
Net pension liability	92,943	(63,679)
Deferred inflow of resources for pension	 (358,642)	 340,973
Net Cash Provided by Operating Activities	\$ 8,041,922	\$ (360,675)
Noncash investing, capital and financing activities		
Fair value of non-cash investments	\$ (183,040)	\$ (9,485)

(continued)

City of Ketchikan, Alaska Wastewater Service Fund Comparative Statements of Net Position December 31, 2022 and 2021

	2022	2021
Assets		
Current assets Cash and temporary investments	\$ 4,987,079	\$ 4,093,383
Cash and temporary investments accrued interest	17,653	\$ - ,075,585
Restricted cash, cash equivalents and investments:	17,000	
Bond redemption	27,437	27,437
Accounts receivable		
Accounts	197,521	187,430
Intergovernmental	4,969	77,580
Unbilled revenue	166,519	164,994
Total current assets	5,401,178	4,550,824
Noncurrent assets		
Restricted - other post-employment benefits	64,091	96,512
Capital assets	1 272 404	006 050
Construction work in progress	1,273,494	986,359
Wastewater facilities	27,456,587	27,558,296
Accumulated depreciation Total capital assets (net of accumulated depreciation)	<u>(10,950,462)</u> 17,779,619	(10,506,711)
Total capital assets (net of accumulated depreciation)	17,779,019	18,037,944
Total noncurrent assets	17,843,710	18,134,456
Total assets	23,244,888	22,685,280
Deferred outflow of resources	18,795	18,169
Total Assets and Deferred Outflows of Resources	\$ 23,263,683	\$ 22,703,449
Liabilities		
Current liabilities		
Accounts payable	\$ 71,395	\$ 21,778
Interfund payable		
Accrued interest payable	4,494	4,835
Compensated absences payable	3,578	3,592
General obligation bonds payable	106,377	104,800
Revenue bonds payable	30,285	29,836
Total current liabilities	216,129	164,841
Noncurrent liabilities		
Accrued interest payable	8,359	-
Compensated absences payable	32,198	32,331
Net pension liability	158,966	133,233
General obligation bonds payable	1,211,623	1,318,000
Revenue bonds payable	817,541	844,406
Total noncurrent liabilities	2,228,687	2,327,970
Total liabilities	2,444,816	2,492,811
Deferred inflow of resources	5,567	104,868
Total Liabilities and Deferred Inflow of Resources	2,450,383	2,597,679
Net position		
Net investment in capital assets	15,613,793	15,740,902
Restricted for bond retirement	14,584	22,602
Restricted for other post-employment benefits	64,091	96,512
Unrestricted	5,120,832	4,245,754
Total net position	20,813,300	20,105,770
Total Liabilities and Net Position	\$ 23,263,683	\$ 22,703,449

City of Ketchikan, Alaska Wastewater Service Fund Comparative Statements of Revenues, Expenses and Changes in Net Position For the Years Ended December 31, 2022 and 2021

	2022	2021
Operating Revenues	¢ 2 401 002	* • • • • • • • • •
Charges for services	\$ 3,491,902	\$ 3,445,642
Other Total Operating Revenues	<u>12,943</u> 3,504,845	<u>11,085</u> 3,456,727
Total Operating Revenues	5,504,845	3,430,727
Operating Expenses		
Operation and maintenance		
Personnel services	894,291	870,218
Supplies and services	486,669	600,168
Engineering services	240,640	226,619
Financial service	210,808	206,665
Insurance	50,295	53,724
Utilities	232,621	226,894
Depreciation	568,145	564,238
Total Operating Expenses	2,683,469	2,748,526
Operating Income	821,376	708,201
Non-Operating Revenues (Expenses)		
Operating grants	4,837	7,428
Interest earnings	-	3,455
Interest expense	(39,417)	(29,852)
Total Non-Operating Revenues (Expenses)	(34,580)	(18,969)
Net Income Before Grants and Transfers	786,796	689,232
Capital grants	734	
Total Cotributions and Capital Grants	734	
Transfers out - payment in lieu of taxes	(80,000)	(80,000)
Total Grants and Transfers	(79,266)	(80,000)
Change in Net Postion	707,530	609,232
Net Position Beginning of Year	20,105,770	19,496,538
Net Position End of Year	\$20,813,300	\$20,105,770

City of Ketchikan, Alaska Wastewater Service Fund Comparative Statements of Cash Flows For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities Cash received from customers and users Cash payments to employees for services Cash payments to suppliers for goods and services	\$ 3,493,226 (936,211) (1,201,837)	\$ 3,511,000 (881,333) (1,323,237)
Net Cash Provided by Operating Activities	1,355,178	1,306,430
Cash Flows from Noncapital Financing Activities Operating grant from other governments Payment in lieu of taxes to the general fund Net Cash Used by Noncapital Financing Activities	4,837 (80,000) (75,163)	7,428 (80,000) (72,572)
	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(
Cash Flows from Capital and Related Financing Activities Capital debt proceeds Principal paid on general obligation bonds and	73,344	69,967
equipment contracts Interest paid on general obligation bonds	(85,997)	(103,246)
and equipment contracts Principal paid on revenue bonds Interest paid on revenue bonds Payments for capital acquisitions and construction	(20,960) (30,061) (7,239) (294,554)	(22,506) (29,394) (7,681) (390,478)
Net Cash Provided (Used) by Capital and Related Financing Activities	(365,467)	(483,338)
Cash Flows from Investing Activities Investment earnings	(20,852)	3,455
Net Cash Provided by Investing Activities	(20,852)	3,455
Net Increase in Cash and Cash Equivalents	893,696	753,975
Cash and Cash Equivalents Beginning of Year	4,120,820	3,366,845
Cash and Cash Equivalents End of Year	\$ 5,014,516	\$ 4,120,820
Reconciliation of Cash and Cash Equivalents to the Balance Sheet: Cash and temporary investments - current assets	4,987,079	4,093,383
Revenue bond redemption funds - restricted	27,437	27,437
	\$ 5,014,516	\$ 4,120,820

(continued)

City of Ketchikan, Alaska Wastewater Service Fund Comparative Statements of Cash Flows For the Years Ended December 31, 2022 and 2021

(continued)

	2022		 2021	
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating Income	\$	821,376	\$ 708,201	
Adjustments:		569 145	564 228	
Depreciation		568,145	564,238	
(Increase) Decrease in Assets and Deferred Outflows of Resources:				
Accounts receivable		(10,090)	54,454	
Unbilled revenue		(1,525)	(181)	
Other postemployment benefits		(626)	(84,017)	
Deferred outflow		32,421	2,962	
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:				
Accounts payable		19,193	(9,167)	
Compensated absences payable		(148)	(6,835)	
Net pension liability		25,733	(17,631)	
Deferred inflow		(99,301)	 94,406	
Net Cash Provided by Operating Activities	\$	1,355,178	\$ 1,306,430	



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INTERNAL SERVICE FUNDS

Self-Insurance Fund - This fund accounts for claims not covered by the City's insurance policies.

Compensated Absences Fund – The fund accounts for the accumulation of resources used to pay for compensated absences of employees accounted for in governmental funds.

City of Ketchikan, Alaska Combining Statement of Net Position Internal Service Funds December 31, 2022

	Self	f-Insurance		mpensated Absences		Total Internal Service Funds
Assets						
Current Assets:						
Cash and cash equivalents	\$	878,895	\$	1,430,067	\$	2,308,962
Miscellaneous receivable		58,944		-		58,944
Interest receivable		3,106		-		3,106
Prepaid insurance		942,619		-		942,619
Total Current Assets		1,883,564		1,430,067		3,313,631
Noncurrent Assets:						
Internal Receivable		390,101		-		390,101
Total Noncurrent Assets		390,101				390,101
Total Assets	\$	2,273,665	\$	1,430,067	\$	3,703,732
Liabilities	Ψ	2,275,005	Ψ	1,150,007		3,703,732
Current Liabilities:						
Compensated absences payable		-		143,007		143,007
Claims payable		405,799		-		405,799
Total Current Liabilities		405,799		143,007		548,806
Noncurrent Liabilities:						
Compensated absences payable (net of current portion)		-		1,287,060		1,287,060
Total Liabilities		405,799		1,430,067		1,835,866
Net Position						
Unrestricted	\$	1,867,866	\$	-	\$	1,867,866

City of Ketchikan, Alaska Combining Statement of Revenues, Expenses and Changes in Net Position Internal Service Funds For the Year Ended December 31, 2022

	Self	Compensated Self-Insurance Absences			Total Internal Service Funds		
Operating Revenues	<i>•</i>	1 0 40 000	<i>•</i>	1 000 01 4	<i>•</i>	2 1 5 2 5 4 2	
Charges for services	\$	1,949,229	\$	1,203,314	\$	3,152,543	
Total Revenues		1,949,229		1,203,314		3,152,543	
Operating Expenses							
Compensated absences		-		1,203,314		1,203,314	
Insurance		1,766,224		-		1,766,224	
Claims		183,005		-		183,005	
Total Operating Expenses		1,949,229		1,203,314		3,152,543	
Operating Income							
Non-Operating Revenues							
Investment earnings		26,789				26,789	
Change in Net Position		26,789		-		26,789	
Net Position Beginning of Year		1,841,077		-		1,841,077	
Net Position End of Year	\$	1,867,866	\$	-	\$	1,867,866	

City of Ketchikan, Alaska Combining Statement of Cash Flows Internal Service Funds For the Year Ended December 31, 2022

	Sel	f-Insurance	ompensated Absences	 Total Internal Service Funds
Cash Flows from Operating Activities Cash received from customers and users Cash payments for insurance and claims Cash payments for compensated absences	\$	2,008,594 (2,080,529) -	\$ 1,203,314 - (1,370,160)	\$ 3,211,908 (2,080,529) (1,370,160)
Net Cash Provided (Used) by Operating Activities		(71,935)	 (166,846)	 (238,781)
Cash Flows from Capital and Related Financing Advances	Activi	i ties 78,901	 	 78,901
Net Cash Provided by Capital and Related Financing Activities		78,901	 -	 78,901
Cash Flows from Investing Activities Interest on investments		23,683	 	 23,683
Net Cash Provided by Investing Activities		23,683	 -	 23,683
Net Increase in Cash and Cash Equivalents		30,649	(166,846)	(136,197)
Cash and Cash Equivalents Beginning of Year		848,246	 1,596,913	 2,445,159
Cash and Cash Equivalents End of Year	\$	878,895	\$ 1,430,067	\$ 2,308,962
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income	\$	-	\$ -	\$ -
(Increase) Decrease in Assets: Accounts receivable Prepaid expenses		59,365 (69,572)	- -	59,365 (69,572)
Increase in Liabilities: Accounts payable Compensated absences payable		(61,728)	 - (166,846)	 (61,728) (166,846)
Net Cash Provided by Operating Activities	\$	(71,935)	\$ (166,846)	\$ (238,781)

CITY OF KETCHIKAN, ALASKA

(Page 1 of 2)

COMBINED SCHEDULE OF CASH AND INVESTMENTS BALANCES - ALL FUNDS

Year Ended December 31, 2022

Cash and Investment Balances		
Cash in Revenue Bond Redemption Accounts	\$781,185	
Cash in Petty Cash Funds	9,820	
Cash in Other Accounts	30,643,229	
Total Cash	\$ 31,434,234	
Investments		
Investments with Financial Institutions	\$70,810,883	
Total Investments	\$70,810,883	
Total Cash and Investments		\$102,245,117
General Fund		
Unrestricted Funds	\$9,034,984	\$9,034,984

Unrestricted Funds	\$9,034,984	\$9,034,984
Special Revenue Funds		
Sales Tax Hospital Fund	3,893,646	
Sales Tax Public Works Fund	8,690,819	
Economic Development Parking Fund	293,031	
Transient Tax Fund	1,087,993	
Marijuana Tax Fund	112,145	
Solid Waste Services Fund	1,601,880	
Ketchikan Boat Harbor Fund	1,278,717	
Bayview Cemetery Fund	112,493	
Commercial Passenger Vessel Tax Fund	9,075,070	
Forfeiture and Property Seizures Fund	128,365	
Fire Department SEMT	447,275	
Federal and State Grant Fund	455	
Community Grant Fund	49,727	
Shoreline Fund	82,846	26,854,462
Capital Project Funds		
Major Capital Improvement Fund		
Unrestricted Funds	219,536	
Community Facilities Development Fund		
Unrestricted Funds	2,640,875	
Harbor Improvements Fund	,,	
Unrestricted Funds	1,274,372	
Bond Construction Funds	37,216	
Hospital Construction Fund		
Unrestricted Funds	311,003	
Bond Construction Funds	1,422,971	
Commercial Passenger Vessel Tax Funds	, ,	
Unrestricted Funds	81,979	
Restricted Funds	\$652,578	6,640,530
	· · · · · · ·	-,,

CITY OF KETCHIKAN, ALASKA

(Page 2 of 2)

COMBINED SCHEDULE OF CASH AND INVESTMENTS BALANCES - ALL FUNDS (Cont'd)

Year Ended December 31, 2022

Enterprise Funds		
Wastewater Service Fund		
Unrestricted Funds	\$4,987,079	
Revenue Bond Redemption Funds	27,437	
Ketchikan Port Fund:		
Unrestricted Funds	8,948,515	
Revenue Bond Redemption Funds	186,263	
Repair & Replacement Funds	5,926,771	
Revenue Bond Reserve Funds	2,240,000	
Commercial Passenger Vessel Tax Funds	2,508,105	
Ketchikan Public Utilities Fund:		
Unrestricted Funds	29,769,843	
Revenue Bond Redemption Funds	567,484	
Bond Construction Funds	419,488	
Other Restricted Funds	25,368	
Revenue Bond Reserve Funds	1,799,826	\$57,406,179
Internal Service Funds		
Self-Insurance Fund	878,895	
Compensated Leave Fund	\$1,430,067	2,308,962
Total Cash and Investments		\$102,245,117

STATISTICAL SECTION

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

Contents	Page [Variable]
Government-wide Information These schedules contain information that help the reader understand how the City's government-wide financial performance and well-being have changed over time.	169
Financial Trends These schedules contain trend information that help the reader understand how the City's financial performance and well-being have changed over time.	177
Revenue Capacity These schedules present information to help the reader assess the city's most significant local revenue source, property taxes.	183
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	199
Demographic and Economic Information	
These tables offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	205
Operating Information	
These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the city provides and the activities it performs.	209

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in 2003; tables presenting government-wide information in that year. The City implemented GASB Statement 44 in 2006; schedules presenting government-wide information include information beginning in that year.



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GOVERNMENT-WIDE INFORMATION

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

Net Position by Component	Table	1
Changes in Net Position	Table	2

Net Position by Component

Last Ten Fiscal Years

	2013	2014	2015	2016
Governmental activities				
Net investment in capital assets	\$ 123,952,440	\$ 143,909,094	\$ 154,659,112	\$ 162,340,844
Restricted	8,148,212	8,922,032	12,933,820	10,730,407
Unrestricted	19,781,991	19,246,474	7,410,053	8,276,866
Total governmental activities net position	\$ 151,882,643	\$ 172,077,600	\$ 175,002,985	\$ 181,348,117
Business-type activities				
Net investment in capital assets	\$ 118,874,119	\$ 124,479,056	\$ 124,231,729	\$ 125,126,654
Restricted	9,098,473	11,494,674	10,116,562	8,939,769
Unrestricted	30,740,061	28,552,851	26,735,278	27,122,581
Total business-type activities net position	\$ 158,712,653	\$ 164,526,581	\$ 161,083,569	\$ 161,189,004
Primary Government				
Net investment in capital assets	\$ 242,826,559	\$ 268,388,150	\$ 278,890,841	\$ 287,467,498
Restricted	17,246,685	20,416,706	23,050,382	19,670,176
Unrestricted	50,522,052	47,799,325	34,145,331	35,399,447
Total primary government net position	\$ 310,595,296	\$ 336,604,181	\$ 336,086,554	\$ 342,537,121

2017	2018	2019	2020	2021	2022
\$ 166,238,050	\$ 164,522,169	\$ 163,787,525	\$ 163,299,318	\$ 161,755,446	\$ 160,598,478
10,010,245	11,193,773	11,588,224	14,353,477	13,948,485	19,777,408
9,425,807	7,622,490	10,331,503	8,359,025	8,073,608	14,902,752
\$ 185,674,102	\$ 183,338,432	\$ 185,707,252	\$ 186,011,820	\$ 183,777,539	\$ 195,278,638
\$ 127,204,039	\$ 131,911,948	\$ 131,278,702	\$ 132,468,924	\$ 130,832,845	\$ 128,106,659
10,094,057	7,796,537	9,367,092	9,608,549	10,162,964	14,769,248
29,475,246	32,761,928	39,869,385	33,988,535	39,630,755	45,790,128
\$ 166,773,342	\$ 172,470,413	\$ 180,515,179	\$ 176,066,008	\$ 180,626,564	\$ 188,666,035
\$ 293,442,089	\$ 296,434,117	\$ 295,066,227	\$ 295,768,242	\$ 292,588,291	288,705,137
20,104,302	18,990,310	20,955,316	23,962,026	24,111,449	34,546,656
38,901,053	40,384,418	50,200,888	42,347,560	47,704,363	60,692,880
\$ 352,447,444	\$ 355,808,845	\$ 366,222,431	\$ 362,077,828	\$ 364,404,103	\$ 383,944,673

Changes in Net Position

Last Ten Fiscal Years

	 2013	 2014	 2015	 2016	 2017
Expenses					
Governmental activities:					
General government	\$ 2,472,898	\$ 2,683,962	\$ 3,212,276	\$ 2,893,754	\$ 2,336,678
Public safety	8,807,683	9,723,428	10,784,857	10,143,345	9,199,458
Culture and tourism	3,445,959	3,300,295	3,351,076	3,925,120	3,418,450
Health and welfare	747,893	1,099,588	1,165,884	116,178	2,615,860
Public works	10,840,175	10,373,365	9,341,130	9,152,222	9,484,400
Harbor	1,851,082	2,192,468	2,297,660	2,047,341	2,363,897
Interest	 655,947	 1,519,245	 2,303,764	 2,238,887	 2,274,407
Total governmental activities expenses	 28,821,637	 30,892,351	 32,456,647	 30,516,847	 31,693,150
Business-type activities					
Ketchikan Public Utilities					
Electric	\$ 19,705,332	\$ 17,352,078	\$ 17,074,535	\$ 17,993,703	\$ 18,313,066
Telecommunications	14,405,757	15,649,634	17,577,826	18,102,186	17,652,356
Water	4,029,711	3,905,078	4,128,011	3,983,398	4,017,174
Ketchikan Port	9,133,140	11,012,311	7,911,281	8,858,593	7,837,738
Wastewater Service	 2,642,018	 2,477,247	 2,683,116	 2,481,609	 2,762,087
Total business-type activities expenses	 49,915,958	 50,396,348	 49,374,769	 51,419,489	 50,582,421
Total primary government expenses	\$ 78,737,595	\$ 81,288,699	\$ 81,831,416	\$ 81,936,336	\$ 82,275,571
Program Revenues					
Governmental activities:					
Charges for services:					
Ambulance	\$ 515,158	\$ 606,369	\$ 571,134	\$ 589,985	\$ 687,928
Library services	666,621	641,607	580,749	588,293	544,023
Solid Waste	2,851,958	2,907,531	2,809,864	3,142,540	3,145,652
Harbor	1,191,053	1,247,810	1,329,984	1,475,000	1,513,634
Other activities	1,204,043	1,236,754	1,454,647	1,297,770	1,294,912
Operating grants and contributions	1,562,913	2,444,297	4,124,392	2,704,413	2,789,967
Capital grants and contributions	 2,736,373	 18,050,935	 11,913,259	 7,692,835	 6,863,099
Total governmental activities program revenues	 10,728,119	 27,135,303	 22,784,029	 17,490,836	 16,839,215
Business-type activities					
Charges for services					
Electric	\$ 18,898,966	\$ 16,300,445	\$ 16,063,847	\$ 16,741,926	\$ 18,261,797
Telecommunications	15,185,977	16,097,808	17,439,673	18,400,623	19,750,713
Water	3,078,704	3,171,300	3,449,639	3,643,991	3,734,692
Port	9,145,920	8,578,059	9,032,271	8,961,241	9,391,272
Wastewater	2,451,800	2,575,541	2,757,661	2,971,896	3,028,609
Operating grants and contributions	2,280,470	2,973,832	630,204	155,750	178,725
Capital grants and contributions	 20,670,211	 12,261,064	 1,397,000	 803,254	 1,214,154
Total business-type activities program revenues	 71,712,048	 61,958,049	 50,770,295	 51,678,681	 55,559,962
Total primary government program revenues	\$ 82,440,167	\$ 89,093,352	\$ 73,554,324	\$ 69,169,517	\$ 72,399,177

	2018	2019			Restated 2020 2021				2022
\$	2,203,941	\$	2,135,031	\$	2,675,395	\$	2,488,224	\$	1,651,035
	8,983,817		8,371,009		6,726,434		10,682,784		8,378,446
	3,370,637		3,706,011		4,450,058		3,503,606		3,210,440
	1,813,628		1,496,068		13,640,897		4,000,233		1,509,704
	9,482,847		8,745,956		8,660,929		7,811,076		11,608,984
	2,489,448		2,428,064		2,596,906		2,429,503		2,693,536
	2,241,218		2,169,420		1,950,480		1,945,589		1,770,690
	30,585,536		29,051,559		40,701,099		32,861,015		30,822,835
\$	21,524,931	\$	25,512,651	\$	18,541,278	\$	19,350,090	\$	19,414,133
	18,103,760		17,853,139		19,786,090		17,387,975		18,184,472
	4,430,845		4,507,091		4,265,555		4,305,915		6,223,105
	7,415,022		7,333,993		7,772,537		5,658,328		6,442,673
	2,806,720		2,723,008		2,676,021		2,778,378		2,722,886
	54,281,278		57,929,882		53,041,481		49,480,686		52,987,269
\$	84,866,814	\$	86,981,441	\$	93,742,580	\$	82,341,701	\$	83,810,104
\$	730,650	\$	606,756	\$	496,359	\$	653,004	\$	659,502
φ	545,964	ψ	520,406	φ	569,477	φ	591,496	φ	546,161
	3,170,322		3,249,983		3,057,513		3,479,819		3,607,193
	1,575,010		1,568,935		1,433,953		1,550,342		1,701,685
	1,195,651		1,340,147		776,846		708,130		2,139,752
	2,720,910		3,093,708		13,479,171		4,136,717		1,926,180
	434,540		538,673		3,390,333		736,594		4,955,960
	10,373,047		10,918,608		23,203,652		11,856,102		15,536,433
\$	19,974,411	\$	24,283,178	\$	18,459,247	\$	19,162,832	\$	19,802,566
Ŧ	20,941,196		19,873,607	~	19,413,257	*	19,790,864		20,497,987
	4,026,625		4,111,810		4,128,320		4,342,104		4,664,991
	9,951,339		10,682,735		60,215		1,301,805		10,699,430
	3,206,933		3,406,502		3,413,381		3,445,642		3,491,902
	192,642		230,803		321,475		4,097,777		2,758,074
	1,982,367		1,629,315		3,641,165		2,170,301		306,400
	60,275,513		64,217,950		49,437,060		54,311,325		62,221,350
\$	70,648,560	\$	75,136,558	\$	72,640,712	\$	66,167,427	\$	77,757,783

City of Ketchikan, Alaska Changes in Net Position (continued)

Last Ten Fiscal Years

		2013		2014		2015		2016		2017	
Net (Expense)/Revenue											
Governmental activities	\$	(18,093,518)	\$	(3,757,048)	\$	(9,672,618)	\$	(13,026,011)	\$	(14,853,935)	
Business-type activities		21,796,090		11,561,701		1,395,526		259,192		4,977,541	
Total primary government net (expense) revenue	\$	3,702,572	\$	7,804,653	\$	(8,277,092)	\$	(12,766,819)	\$	(9,876,394)	
Governmental Revenues and Other Changes in Net Position											
Governmental activities: Taxes											
Property taxes	\$	5,496,857	\$	5,513,202	\$	5,578,404	\$	5,713,316	\$	5,683,028	
Sales taxes		10,207,189		10,995,570		11,425,197		11,334,355		11,895,509	
Marijuana sales taxes		-		-		-		-		97,152	
Transient taxes		395,867		388,723		515,956		465,956		568,341	
Intergovernmental - unrestricted		522,456		539,771		498,885		354,195		310,581	
Investment earnings		(2,470)		89,179		94,750		55,273		75,658	
Miscellaneous		219,091		221,756		338,825		282,306		414,981	
Transfers		1,265,199		6,203,804		2,804,258		1,165,742		134,670	
Total governmental activities	\$	18,104,189	\$	23,952,005	\$	21,256,275	\$	19,371,143	\$	19,179,920	
Business-type activities:											
Investment earnings	\$	5,911	\$	129,167	\$	93,966	\$	194,752	\$	172,784	
Miscellaneous		488,559		326,864		415,801		457,987		568,683	
Special Item		-		-		-		-		-	
Extraordinary Item		-		-		-		359,246		-	
Transfers		(1,265,199)		(6,203,804)		(2,804,258)		(1,165,742)		(134,670)	
Total business-type activities		(770,729)		(5,747,773)		(2,294,491)		(153,757)		606,797	
Total primary government	\$	17,333,460	\$	18,204,232	\$	18,961,784	\$	19,217,386	\$	19,786,717	
Change in Net Position											
Governmental activities	\$	10,671	\$	20,194,957	\$	11,583,657	\$	6,345,132	\$	4,325,985	
Business-type activities		21,025,361		5,813,928		(898,965)		105,435		5,584,338	
Total primary government	\$	21,036,032	\$	26,008,885	\$	10,684,692	\$	6,450,567	\$	9,910,323	

This schedule presents the reported fund balances with the implementation of GASB Statement 65 for calender year 2012, as restated.

	2018		2019		2020		2021		2022
\$	(20,212,489) 5,994,235	\$	(18,132,951) 6,288,068	\$	(17,497,447) (3,604,421)	\$	(21,004,913) 4,830,639	\$	(15,286,402) 9,234,081
\$	(14,218,254)	\$	(11,844,883)	\$	(21,101,868)	\$	(16,174,274)	\$	(6,052,321)
\$	5,743,008	\$	5,822,500	\$	5,904,460	\$	5,888,523	\$	6,013,552
	12,459,791		12,831,546		8,604,064		10,370,235		15,421,881
	190,549		215,857		306,828		256,330		253,211
	527,089 232,948		546,690 191,914		335,502 76,500		575,153 114,511		822,370 268,415
	353,430		543,980		279,996		51,778		33,565
	555,155		0.0,000		_,,,,,		01,770		22,000
	446,904		585,330		471,222		429,249		2,797,007
	641,677		(236,046)		1,823,443		1,084,853		1,177,500
\$	20,595,396	\$	20,501,771	\$	17,802,015	\$	18,770,632	\$	26,787,501
\$	495,164 648,068	\$	783,189 737,463	\$	402,711 575,982	\$	42,521 776,143	\$	837,065
	-		-		-		-		
	(641,677)		236,046		(1,823,443)		(1,084,853)		(1,177,500)
	501,555		1,756,698		(844,750)		(266,189)		(340,435)
\$	21,096,951	\$	22,258,469	\$	16,957,265	\$	18,504,443	\$	26,447,066
¢	202.007	¢	2 2 (9 9 2 2	¢	204.500	¢	(2.224.201)	¢	11 501 000
\$	382,907 6 495 790	\$	2,368,820	\$	304,568	\$	(2,234,281)	\$ \$	11,501,099
	6,495,790		8,044,766		(4,449,171)		4,564,450	\$	8,893,646
\$	6,878,697	\$	10,413,586	\$	(4,144,603)	\$	2,330,169	\$	20,394,745



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FINANCIAL TRENDS

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

Fund Balances, Governmental Funds	Table 3
Changes in Fund Balances, Governmental Funds	Table 4
Tax Revenues by Source, Governmental Funds	Table 5

City of Ketchikan, Alaska Fund Balances, Governmental Funds

Last Ten Fiscal Years

	 2013	 2014	 2015	 2016
General Fund				
Nonspendable	\$ 391,977	\$ 418,618	\$ 364,591	\$ 384,704
Restricted	-	-	137,151	137,151
Assigned	13,347,874	12,696,062	12,706,723	13,406,493
Unassigned	 3,350,096	 3,723,002	 4,187,530	 4,129,424
Total general fund	\$ 17,089,947	\$ 16,837,682	\$ 17,395,995	\$ 18,057,772
All Other Governmental Funds				
Restricted	\$ 10,857	\$ 46,297,419	\$ 20,843,307	\$ 8,904,447
Assigned	9,766,365	8,407,154	8,109,967	8,347,861
Unassigned	 -	 	 (101,672)	
Total all other governmental funds	\$ 9,777,222	\$ 54,704,573	\$ 28,851,602	\$ 17,252,308

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	2017		2018	2019		2020		2021		2022	
\$	403,230	\$	404,181	\$	390,669	\$	394,513	\$	395,006	\$	285,414
	-		-		12 810 560		12 274 021		10 957 169		1,970,000
	13,345,745 4,681,079		11,873,101 5,976,080		13,810,569 4,634,071		12,374,931 3,321,289		10,857,168 4,073,986		12,375,625 5,872,103
	1,001,075		5,576,000		1,05 1,07 1	-	3,521,209		1,075,900		5,072,105
\$	18,430,054	\$	18,253,362	\$	18,835,309	\$	16,090,733	\$	15,326,160	\$	20,503,142
\$	5,250,457	\$	6,559,722	\$	7,440,358	\$	9,749,381	\$	9,010,136	\$	8,489,278
	8,209,394		7,422,169		7,602,458		7,801,057		7,549,257		11,113,263
	-		-		-		-		-		-
<u>_</u>		<u>_</u>		<u>_</u>		<u>_</u>		<u>_</u>		.	
\$	13,459,851	\$	13,981,891	\$	15,042,816	\$	17,550,438	\$	16,559,393	\$	19,602,541

City of Ketchikan, Alaska Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

		2013		2014		2015		2016
Revenues								
Taxes	\$	16,085,582	\$	16,704,419	\$	17,496,802	\$	17,543,636
Licenses and permits		91,516		97,998		117,705		193,514
Intergovernmental		4,550,899		20,400,912		14,971,874		6,887,976
Charges for services		6,191,082		6,290,591		6,196,528		6,733,218
Fines and forfeitures		182,562		266,098		190,911		141,578
Investments earnings		(2,356)		65,179		70,682		31,167
Contributions		105,505		453,522		1,509,991		509,247
Interdepartmental charges		3,149,075		3,150,268		3,180,765		3,141,701
Miscellaneous		407,870		464,539		518,971		292,479
Total revenues		30,761,735		47,893,526		44,254,229		35,474,516
Expenditures								
General government	\$	4,914,708	\$	5,159,975	\$	5,070,762	\$	4,641,273
Public safety	Ψ	8,460,223	Ψ	9,977,972	Ψ	9,205,059	Ψ	8,425,641
Culture and tourism		3,067,307		3,401,183		3,095,457		3,171,091
Health and welfare		457,254		11,745,136		794,591		48,188
Public works		11,040,657		15,462,846		8,185,155		7,951,366
Harbor		3,423,048		7,075,954		1,129,429		1,129,112
Capital outlay		5,425,048		7,075,954		41,213,121		20,494,691
Debt service		-		-		41,213,121		20,494,091
Interest and fiscal charges		1,140,000		1,444,671		2,482,562		2,424,300
Principal retirement		697,856		1,180,000		3,625,000		1,355,000
Debt issuance cost				- 1,180,000				
Total expenditures		33,201,053		55,447,737		74,801,136		49,640,662
Excess of revenues over (under) expenditures		(2,439,318)		(7,554,211)		(30,546,907)		(14,166,146)
Other Financing Sources (Uses)								
Sale of capital assets	\$	-	\$	17,772		66,691	\$	45,000
Proceeds of refunded bonds		-		-		2,280,000		-
Proceeds from sale of bonds		-		44,040,000		-		1,765,000
Premiums from sale of bonds		-		2,134,131		101,300		252,887
Bond issuance costs		-		(166,410)				,,
Issuance of debt		-		-		-		-
Payments to refunded bond agent		-		-		-		-
Capital lease		-		-		_		-
Transfers in		3,334,665		9,009,820	\$	10,266,639	\$	5,170,750
Transfers out		(2,069,466)		(2,806,016)	\$	(7,462,381)	\$	(4,005,008)
Other financing sources - leases				-	÷	-	-	-
Total other financing sources (uses)		1,265,199		52,229,297		5,252,249		3,228,629
Net change in fund balances	\$	(1,174,119)	\$	44,675,086	\$	(25,294,658)	\$	(10,937,517)
Debt service as a percentage of noncapital expenditures	٤	5.20%		6.32%		8.56%		18.55%

	2017	 2018	 2019	 2020	 2021	 2022
\$	18,264,579	18,989,536	19,370,869	14,994,198	17,052,144	22,303,881
ψ	110,522	96,487	178,309	189,949	69,569	133,293
	9,625,881	3,384,455	3,824,295	16,946,004	4,170,498	4,312,867
	6,837,859	7,010,549	6,933,551	6,078,796	6,890,280	4,312,807 8,192,347
	145,608	108,900	140,112	48,527	63,874	81,812
	47,210	328,892	516,341	279,571	32,600	6,776
	249,436	328,892	510,541	279,371	817,324	2,837,688
	3,143,081	3,241,608	3,149,501	3,436,009	3,164,565	3,308,810
	602,208	450,270	525,501	365,310	398,327	2,886,298
	002,208	 430,270	 525,501	 303,310	 398,327	 2,000,290
	39,026,384	 33,610,697	 34,638,479	 42,338,364	 32,659,181	 44,063,772
\$	4,816,471	4,949,636	5,143,408	5,527,661	5,042,019	5,302,881
	8,874,583	9,068,743	9,375,741	7,307,518	9,973,726	10,589,018
	3,939,295	3,140,900	3,187,410	3,075,100	2,954,104	3,200,078
	20,405	466,373	258,001	12,306,862	2,633,278	24,141
	14,373,385	9,266,056	8,743,497	8,900,246	8,324,922	9,252,667
	1,096,367	1,111,579	1,200,009	1,208,551	1,252,607	1,212,212
	5,595,730	2,050,471	2,704,432	2,448,998	1,414,999	3,830,475
	2,442,793	2,365,068	2,291,724	2,353,705	2,171,850	1,944,138
	1,455,000	1,490,000	1,560,000	6,248,397	1,875,220	1,989,770
	-	 -	 -	 -	 27,849	 -
	42,614,029	 33,908,826	 34,464,222	 49,377,038	 35,670,574	 37,345,380
	(3,587,645)	(298,129)	174,257	(7,038,674)	(3,011,393)	6,718,392
\$	32,800	\$ 1,800	\$ 59,831	\$ 360,375	\$ 30,922	\$ 17,873
	-	-	-	3,835,000	3,145,000	-
	-	-	-	-	-	-
	-	-	-	782,902	-	-
	-	-	-	-	-	-
	-	-	-	-	-	240,378
	-				(3,005,000)	-
	-	-	1,644,830	-	-	-
\$	5,217,020	5,342,291	5,351,104	7,523,481	5,660,432	6,626,791
\$	(5,082,350)	(4,700,614)	(5,587,150)	 (5,700,038)	 (4,575,579)	 (5,449,291 65,987
	167,470	 643,477	 1,468,615	 6,801,720	 1,255,775	 1,501,738
\$	(3,420,175)	\$ 345,348	\$ 1,642,872	\$ (236,954)	\$ (1,755,618)	\$ 8,220,130
	15.20%	13.16%	12.56%	18.82%	19.83%	11.51%

City of Ketchikan, Alaska Tax Revenues by Source, Governmental Funds Last Ten Fiscal Years

Fiscal Year	Real & Personal Property Taxes	Automobile and Boat Taxes	Penalty & Interest	Senior Citizen Local Contribution	Retail Sales Taxes	Marijuana Sales Taxes	Transient Taxes	Payment In Lieu of Taxes	Total
2013	5,750,117	48,589	88,207	(400,242)	10,201,586	_	386,230	11,095	16,085,582
2013	5,801,986	48,747	83,689	(427,956)	10,796,715	-	389,342	11,896	16,704,419
2015	5,851,759	47,887	85,659	(436,336)	11,427,918	-	486,838	12,164	17,475,889
2016	6.002.812	47,749	68,420	(458,116)	11.349.608	-	497,374	35,789	17,543,636
2017	6,029,469	50,850	53,166	(469,462)	11,921,608	97,152	552,867	28,929	18,264,579
2018	6,130,995	44,015	66,549	(475,389)	12,464,226	190,549	544,305	24,286	18,989,536
2019	6,162,506	43,364	68,740	(493,174)	12,814,775	215,857	534,075	24,726	19,370,869
2020	6,148,462	44,416	81,905	(500,178)	8,578,022	260,043	336,624	25,786	14,975,080
2021	6,278,122	35,920	83,271	(512,354)	10,295,496	257,525	585,307	28,857	17,052,144
2022	6,358,187	49,117	77,739	(529,282)	15,246,147	254,949	818,595	28,429	22,303,881
Change									
2022-2013	10.57%	1.09%	-11.87%	32.24%	49.45%	100.00%	111.94%	156.23%	38.66%

REVENUE CAPACITY

These schedules contain information to help the reader assess the City's most significant local revenue sources, property taxes, sales taxes and charges for services.

Direct and Overlapping Property Tax Rates	Table 6
Assessed Value and Actual Value of Taxable Property	Table 7
Principal Property Taxpayers	Table 8
Property Tax Levies and Collections	Table 9
Direct and Overlapping Sales Tax Rates	Table 10
Major Governmental Activities Customer Base and	
Charges for Services Income	Table 11
Major Business Type Activities Customer Base and	
Charges for Services Income	Table 12
Gross Sales by Category	Table 13



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City of Ketchikan, Alaska

Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

Fiscal Year	City of Ketchikan	Ketchikan Gateway Borough	Total Rate	
2013	6.7	5.0	11.7	
2014	6.7	5.0	11.7	
2015	6.7	5.0	11.7	
2016	6.7	5.0	11.7	
2017	6.7	5.0	11.7	
2018	6.6	5.0	11.6	
2019	6.6	5.0	11.6	
2020	6.6	5.0	11.6	
2021	6.6	5.2	11.8	
2022	6.6	5.2	11.8	

Tax Rate Limit: The laws of the State of Alaska limit property taxes to 3 percent of the value of property, but this limitation is not applicable to taxes levied or pledged to pay or secure the payment of the principal and interest on any bonds of any incorporated town or municipality, which taxes may be levied without limitation as to rate and amount.

Source: Ketchikan Gateway Borough

City of Ketchikan, Alaska Assessed Value and Actual Value of Taxable Property Last Ten Fiscal Years

Fiscal Year	Residential Property	Vacant Property ⁽¹⁾	Commercial Property	Industrial Property	Apartment & Condominium Property	Other Property
2013	261,110,500	40,812,100	325,506,900	-	166,449,600	3,281,100
2014	396,406,500	37,402,300	313,022,400	-	62,960,400	3,690,000
2015	384,722,200	36,480,100	229,589,100	99,821,000	62,824,230	3,684,100
2016	401,478,700	37,821,900	232,867,800	99,399,200	63,789,600	3,769,300
2017	408,840,300	34,741,500	234,020,900	99,511,600	65,485,600	3,765,200
2018	424,941,600	34,119,100	237,728,800	102,289,000	64,158,800	3,190,600
2019	433,078,300	34,024,500	237,874,200	102,466,300	65,231,600	3,240,200
2020	442,928,000	34,537,200	236,746,900	103,001,000	66,053,900	3,235,100
2021	449,490,800	32,027,500	236,715,900	102,912,900	65,694,900	3,194,200
2022	466,907,500	32,086,900	238,491,800	102,237,000	67,986,400	3,196,700

⁽¹⁾ The vacant property classification includes property parcels that do not have improvements on the land. These vacant parcels may be located in residential, commercial and industrial zones.

⁽²⁾ The Senior Citizen/Disabled Veteran Tax Emempt program provides up to \$150,000 of tax relief for qualified individuals.

Note: The property in the city is reassessed at least every four years in accordance with the Ketchikan Gateway Borough's assessment procedures to reappraise certain geographical areas located within the Borough. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$1,000 of assessed value.

Source: Ketchikan Gateway Borough, Assessment Department

Personal	Total Assessed	Tax-Exempt	Total Taxable Assessed	Tax
Property	Value	Property ⁽²⁾	Value	Rate
60,238,000	857,398,200	59,737,600	797,660,600	11.7
56,345,700	869,827,300	63,874,100	805,953,200	11.7
56,376,718	873,497,448	65,124,800	808,372,648	11.7
59,603,200	898,729,700	68,375,500	830,354,200	11.7
57,251,300	903,616,400	70,068,900	833,547,500	11.7
57,541,900	923,969,800	72,028,600	851,941,200	11.6
61,092,000	937,007,100	74,723,300	862,283,800	11.6
60,724,600	947,226,700	75,368,400	871,858,300	11.6
58,295,700	948,331,900	79,450,100	868,881,800	11.8
56,376,878	967,283,178	79,567,500	887,715,678	11.8

Table 8

City of Ketchikan, Alaska Principal Property Taxpayers Current Year and Nine Years Ago

		2022			2013	
<u>Taxpayer</u>	 Taxable Assessed <u>Value</u>	<u>Rank</u>	Percentage of Total City Taxable Assessed Value	Taxable Assessed <u>Value</u>	<u>Rank</u>	Percentage of Total City Taxable Assessed Value
Trident Seafoods Corporation	\$ 14,754,000	1	1.53%	\$ 15,974,200	1	1.86%
Ketchikan Dock Company, LLC	13,576,700	2	1.40%	14,137,800	2	1.65%
Cape Fox Heritage Foundation Inc	12,711,100	3	1.31%	9,054,400	5	1.06%
Harbor Enterprises/Petro Marine Services	11,250,200	4	1.16%	11,113,300	4	1.30%
Tongass Trading Company	10,842,700	5	1.12%	11,752,500	3	1.37%
Boyer Towing Inc.	9,216,500	6	0.95%			
Dock Street Building Corporation	8,928,700	7	0.92%	8,366,800	6	0.98%
Alaska General Seafood Processors	8,483,400	8	0.88%	7,715,700	9	0.90%
E C Phillips & Son Inc.	8,349,800	9	0.86%	8,069,100	8	0.94%
Landing LLC	8,338,700	10	0.86%	8,342,300	7	0.97%
Carr-Gottstein Foods Company				7,655,000	10	0.89%
Tota	\$ 106,451,800		10.99%	\$ 102,181,100		11.92%

Source: Ketchikan Gateway Borough Department of Assessment

Table 9

City of Ketchikan, Alaska

Property Tax Levies and Collections

Last Ten Fiscal Years

Taxes Levied for Municipal Purposes		Collected w Fiscal Year o		Collections in	Total Collections to Date		
Fiscal Year	for the Fiscal Year	Amount	Percentage of Levy	Subsequent Years	Amount	Percentage of Levy	
2013	5,344,326	5,276,616	98.73%	52,593	5,329,209	99.72%	
2014	5,399,886	5,295,537	98.07%	90,984	5,386,521	99.75%	
2015	5,416,097	5,372,688	99.20%	21,725	5,394,413	99.60%	
2016	5,563,373	5,518,798	99.20%	30,409	5,549,207	99.75%	
2017	5,584,768	5,521,603	98.87%	58,370	5,579,973	99.91%	
2018	5,622,812	5,594,117	99.49%	26,396	5,620,513	99.96%	
2019	5,691,073	5,639,871	99.10%	29,174	5,669,045	99.61%	
2020	5,754,265	5,605,449	97.41%	75,342	5,680,791	98.72%	
2021	5,734,620	5,701,628	99.42%	32,991	5,734,619	100.00%	
2022	5,858,923	5,807,019	99.11%	-	5,807,019	99.11%	

Source: Ketchikan Gateway Borough, Assessment Department



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City of Ketchikan, Alaska Direct and Overlapping Sales Tax Rates Last Ten Fiscal Years

		Retail Sales Tax			
	City of	Ketchikan Gateway	Retail Sales Tax	Marijuana	Total Sales Tax
Fiscal Year	Ketchikan ¹	Borough	Total	Sales Tax ²	Rate
2013	3.5%	2.5%	6.0%	0.0%	6.0%
2014	4.0%	2.5%	6.5%	0.0%	6.5%
2015	4.0%	2.5%	6.5%	0.0%	6.5%
2016	4.0%	2.5%	6.5%	5.0%	11.5%
2017	4.0%	2.5%	6.5%	5.0%	11.5%
2018	4.0%	2.5%	6.5%	5.0%	11.5%
2019	4.0%	2.5%	6.5%	5.0%	11.5%
2020	4.0%	2.5%	6.5%	5.0%	11.5%
2021	4.0%	2.5%	6.5%	5.0%	11.5%
2022	4.0%	2.5%	6.5%	5.0%	11.5%

¹ The City of Ketchikan 4.0% sales tax rate became effective April 1, 2014.

² The City of Ketchikan 5.0% marijuana sales tax rate became effective July 16, 2016, first collections realized in June 2017.

Source: Ketchikan Gateway Borough & City of Ketchikan

City of Ketchikan, Alaska

Major Governmental Activities Customer Base and Charges for Services Income

Last Ten Fiscal Years

	 2013	 2014	 2015	 2016
Collected Charges for Services Revenue				
Solid Waste	\$ 2,851,958	\$ 2,907,531	\$ 2,809,864	\$ 3,142,540
Harbor	1,191,053	1,247,810	1,329,984	1,475,000
Number of Customers/Services Provided Solid Waste Collection				
Desidential	2 5 5 0	2 500	2628	2 672
Residential	2,559	2,599	2,628	2,673
Business	245	248	249	252
	,	,	,	
Business	245	248	249	252

Sources: City of Ketchikan Solid Waste and Small Boat Harbors financial and department records

 2017	 2018	 2019	 2020	 2021	 2022
\$ 3,145,652 1,513,634	\$ 3,170,322 1,575,010	\$ 3,249,983 1,568,935	\$ 3,057,513 1,433,953	\$ 3,479,819 1,550,342	\$ 3,607,193 1,701,685
2,694 248 5,575	2,710 246 5,604	2,594 246 5,967	2,592 228 5,972	2,606 230 5,986	2,617 248 6,022
832	806	813	886	806	890

City of Ketchikan, Alaska

Major Business Type Activities Customers and Charges for Services Income

Last Ten Fiscal Years

	 2013	 2014	 2015	 2016
Collected Charges for Services Revenue				
Electric				
Residential	\$ 6,929,393	\$ 6,796,723	\$ 6,752,943	\$ 7,127,462
Boats	299,465	298,227	279,072	318,082
Commercial	6,701,322	6,690,774	6,584,210	6,846,651
Industrial	1,915,505	1,750,002	1,784,436	1,795,059
Demand	510,887	514,972	507,363	495,104
Area Lighting	48,995	49,172	50,076	53,056
Street Lighting	126,178	127,692	129,143	129,912
Diesel Surcharge	2,388,021	96,283	4	-
Other	426,644	293,569	350,271	370,497
Telecommunications				
Local Network Services	2,100,995	2,005,521	2,030,655	2,082,930
Inter/Intrastate Network Access Services	8,660,056	9,259,709	9,413,321	8,927,300
Non-Regulated	4,036,708	4,396,232	5,596,871	7,078,617
Other	444,218	499,346	461,826	374,776
Water	,		- ,	,
Residential	1,343,648	1,377,255	1,521,500	1,632,301
Apartments	269,394	294,082	327,663	351,241
Commercial	1,042,848	1,102,474	1,208,718	1,275,949
Industrial	91,425	79,182	83,648	89,868
Seafood Processors	144,614	149,219	152,636	143,507
Fire Hydrant	22,864	23,539	25,887	27,951
Port	189,975	172,688	159,075	154,725
Other	24,160	10,256	23,051	45,931
Wastewater	24,100	10,250	25,051	45,951
Residential Sewer Service	1,490,983	1,623,781	1,771,393	1,917,142
Business Sewer Service	960,818	951,760	986,268	1,054,754
Port	900,010	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	900,200	1,054,754
Passenger Wharfage	6,556,500	6,110,005	6,504,788	6,482,367
Docking	1,877,195	1,770,044	1,782,260	1,771,371
Customer Base				
Electric				
Residential	5,819	5,817	5,854	5,879
Commercial	1,171	1,201	1,221	1,228
Industrial	13	13	1,221	1,220
Other	511	518	543	555
Telecommunications	511	510	515	555
Residential Access Lines	3,138	3,313	3,352	3,345
Commercial Access Lines	2,909	2,550	2,371	2,266
Water	2,707	2,550	2,571	2,200
Residential	2,724	2,650	2,647	2,649
Apartments	2,724	2,050	2,047	2,049
Commercial	444	436	443	454
Industrial	444	3	3	3
Cannery	5	6	5	5
Fire Hydrant	8	8	8	8
Marine Vessels	38	34	30	56
Wastewater	58	54	30	50
Residential ¹	2,729	2,656	2,698	2,712
Business	448	439	436	446
Port	077	7.57		0++
Cruiseships	31	37	38	38
Stops	456	468	496	489
•				
Passengers ²	938,124	877,589	934,772	935,928

¹ The number of residential customers reflected on this schedule includes the number of apartment buildings serviced for wastewater services.

 2 $\,$ The number of passengers only include those that generate revenue.

Source: City of Ketchikan financial records & Ketchikan Visitors Bureau

2017	 2018	 2019	 2020	 2021	·	2022
\$ 7,626,289	\$ 7,650,908	\$ 7,472,223	\$ 8,233,105	\$ 8,479,877	\$	8,720,00
343,140	332,985	323,513	335,972	350,409		379,93
7,214,570	7,188,265	7,172,769	7,390,872	7,597,744		7,918,38
1,959,446	1,901,001	1,861,397	1,815,107	2,036,845		2,041,67
517,862	527,719	540,011	520,603	529,297		570,37
54,133	59,148	59,037	61,287	62,224		64,88
130,875	131,478	131,968	131,770	131,911		132,78
438,882	2,206,307	6,747,735	(3,994)	-		-
506,415	556,296	662,163	520,239	661,458		727,01
2,010,146	2,000,821	1,995,490	1,905,420	1,863,840		1,911,54
8,525,849	8,871,847	8,857,631	8,285,900	8,448,692		8,521,23
8,910,105	9,735,645	8,710,036	9,079,927	9,455,603		9,915,55
367,613	395,883	379,051	210,611	91,330		218,26
1,655,801	1,736,472	1,838,947	1,863,940	1,950,255		2,038,95
357,127	373,428	394,046	395,635	408,466		428,60
1,302,261	1,382,874	1,448,482	1,427,747	1,519,350		1,633,58
91,194	94,196	100,406	101,502	105,525		109,96
174,184	251,061	331,963	343,420	355,817		370,68
28,080	29,470	31,092	31,401	32,574		34,04
157,725	192,195	1,890	-	6,615		87,12
21,761	24,953	28,921	3,275	19,389		21,66
1,946,829	2,050,792	2,180,405	2,208,342	2,218,067		2,227,88
1,081,780	1,156,141	1,226,097	1,205,039	1,227,575		1,264,01
6,892,093	7,300,575	8,097,798	-	682,848		6,732,54
1,876,880	1,913,469	2,093,970	60,095	553,303		3,403,35
5,921	5,946	5,964	5,963	5,972		5,99
1,242	1,263	1,275	1,273	1,284		1,29
1,2.12	16	16	1,275	14		1,22
556	612	612	605	597		62
3,242	3,247	3,070	2,725	2,594		2,45
2,109	2,027	1,973	1,820	1,738		1,68
2,659	2,667	2,674	2,679	2,696		2,69
28	28	28	28	28		2
458	470	475	469	479		49
3	3	3	3	3		
5	5	5	5	4		
8 59	8 57	8 1	8	8 2		1
39	57	1	-	2		1
2,724	2,730	2,737	2,763	2,800		2,80
451	461	464	461	468		47
43	40	46	-	17		2
507	504	562	-	87		44
996,920	1,045,079	1,171,620				

City of Ketchikan, Alaska

Gross Sales by Category

Last Ten Fiscal Years

	2013	2014	2015
Construction	\$ 79,624,263	\$ 79,661,822	\$ 85,757,073
Financial institutions	3,823,214	3,264,143	3,128,295
Hospitality/Lodging establishments	14,592,618	15,306,647	15,632,441
Manufacturing	35,271,769	32,324,967	47,143,944
Real estate	36,392,471	36,844,557	38,807,635
Remote retail	-	-	19,758
Retail trade	45,801,511	47,026,386	45,786,237
Food stores	73,199,378	75,202,176	85,044,654
Eating and drinking establishments	21,289,797	21,297,129	22,887,732
Auto dealers and supplies	21,362,910	22,480,389	21,452,076
Specialty retail	17,480,809	19,140,014	19,899,374
Curio and jewelry retail stores	99,671,948	93,482,783	102,467,892
Entertainment services	3,762,714	3,999,764	4,205,791
General services	10,477,118	11,069,657	11,652,408
Professional services	8,573,984	9,521,613	12,712,487
Transportation-Fuel/Freight Service	49,846,052	43,318,744	32,565,936
Transportation-Tour/Adventures	17,055,248	16,219,978	17,014,970
Transportation-All Other and communications	18,715,254	17,516,306	15,925,822
Telecommunications	8,401,342	8,686,823	8,801,839
Wholesale Trade	5,342,198	5,216,327	6,441,569
Total	\$ 570,684,598	\$ 561,580,225	\$ 597,347,933
City direct sales tax rate	3.50%	3.50%	3.50%

Source: Ketchikan Gateway Borough

Note: The amounts reflected on this schedule are updated annually with current reported gross sales information provided by the Ketchikan Gateway Borough.

2016	2017	2018	2019	2020	2021	2022
\$ 74,812,252	\$ 79,319,530	\$ 59,031,232	\$ 58,197,559	\$ 55,983,075	\$ 71,170,197	\$ 63,127,332
3,072,413	2,161,852	2,518,639	2,648,792	3,231,987	3,206,052	2,846,408
16,195,255	16,786,068	17,741,388	17,900,702	10,541,674	17,792,469	23,767,033
49,999,866	47,197,111	32,463,837	25,935,867	29,376,777	24,174,245	60,784,527
37,405,083	39,609,702	41,146,596	40,048,582	35,664,875	38,989,772	43,881,918
25,863	31,657	192,328	4,931,941	3,947,803	4,119,722	4,884,458
44,870,277	48,209,225	51,111,732	51,443,911	46,185,766	50,970,929	57,593,589
84,017,588	86,400,679	89,529,922	93,460,217	82,212,670	86,259,118	99,704,199
23,255,671	23,662,945	25,054,382	25,681,506	16,366,369	23,129,421	32,540,678
20,702,655	22,546,654	22,255,512	20,884,156	21,265,771	24,029,409	26,187,416
21,389,104	21,016,882	21,942,725	22,759,442	19,423,198	19,714,582	21,445,530
102,019,064	110,906,941	122,898,036	116,565,236	48,660,708	65,159,027	124,197,868
4,616,071	5,100,780	5,472,944	7,206,033	1,012,955	1,414,611	6,429,052
12,394,815	13,595,974	13,623,397	14,700,690	11,847,746	13,905,910	14,722,310
9,805,747	9,978,183	8,999,890	11,113,720	7,445,184	9,109,722	9,066,691
28,190,910	30,708,708	34,801,100	44,786,327	28,129,061	31,901,959	44,405,809
17,120,300	19,424,923	20,306,506	21,001,184	184,158	2,460,258	18,134,405
12,656,770	13,678,849	13,804,425	17,793,337	9,341,502	12,534,880	21,124,459
8,133,656	8,034,941	8,830,168	8,155,955	7,289,253	6,889,167	7,731,025
7,870,666	7,758,924	7,144,518	7,071,569	6,643,948	7,220,439	7,131,188
\$ 578,554,026	\$ 606,130,528	\$ 598,869,277	\$ 612,286,726	\$ 444,754,480	\$ 514,151,889	\$ 689,705,895
4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%



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DEBT CAPACITY

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

Outstanding Debt by Type	Table 14
Ratio of General Bonded Debt Outstanding	Table 15
Pledged Revenue Coverage	Table 16
Direct and Overlapping Governmental Activities Debt	Table 17

City of Ketchikan, Alaska Outstanding Debt by Type Last Ten Fiscal Years

Governmental Activities

Fiscal Year	General Obligation Bonds	Notes Payable	Leases Payable	Total Governmental Activities
2013	14,535,682	-	-	14,535,682
2014	59,441,445	-	-	59,441,445
2015	57,984,080	-	-	57,984,080
2016	58,506,411	-	-	58,506,411
2017	56,910,491	-	-	56,910,491
2018	55,309,962	-	-	55,309,962
2019	53,639,434	1,644,830	-	55,284,264
2020	52,083,374	1,421,433	-	53,504,807
2021	50,176,883	1,196,213	-	51,373,096
2022	48,253,100	1,206,820	52,249	49,512,169

Business-Type Activities

	Wastewater General Obligation Bonds	Wastewater Revenue Bonds	Port Leases Payable	Port Revenue Bonds	KPU Junior Lien Revenue Bonds	KPU Revenue Bonds	KPU Leases Payable	Total Business- Type Activities	Total Primary Government	Percentage of Personal Income	Total Debt to Population (Table 18)
2013	2,763,776	308,811	-	34,130,961	8,804,413	20,938,869	-	66,946,830	81,482,512	16.43%	9,822
2014	2,711,970	295,463	-	33,257,400	10,154,554	17,595,000	-	64,014,387	123,455,832	23.74%	14,783
2015	1,972,026	281,916	-	31,775,000	9,798,191	16,428,839	-	60,255,972	118,240,052	22.79%	14,246
2016	1,875,495	268,163	-	30,857,218	8,474,239	15,434,295	-	56,909,410	115,415,821	21.95%	14,094
2017	1,777,510	254,204	-	29,759,634	8,028,676	13,581,293	-	53,401,317	110,311,808	20.59%	13,545
2018	1,678,051	562,681	-	28,627,050	8,195,406	12,885,722	-	51,948,910	107,258,872	19.42%	13,191
2019	1,577,094	533,939	-	27,889,603	7,708,777	12,175,152	-	49,884,565	105,168,829	18.39%	12,979
2020	1,526,047	819,596	-	26,216,882	7,762,510	22,767,089	-	59,092,124	112,596,931	20.42%	14,005
2021	1,422,801	874,242	21,941,868	24,939,297	8,614,733	20,189,688	5,880,665	83,863,294	135,236,390	23.20%	16,595
2022	1,318,001	847,827	20,896,428	23,606,713	14,160,936	19,994,671	5,533,121	86,357,697	135,869,866	23.52%	16,988

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

Source: City of Ketchikan financial records

Table 14

City of Ketchikan, Alaska

Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year	Population (Table 18)	Taxable Assessed Value (Table 7)	General Obligation Bonds	Ratio of GO Debt to Assessed Value of Property	Net GO Debt Per Capita
2013	8,296	797,660,600	17,299,458	2.17%	2,085
2014	8,351	805,953,200	62,153,415	7.71%	7,443
2015	8,300	808,372,648	59,956,106	7.42%	7,224
2016	8,189	830,354,200	60,381,906	7.27%	7,374
2017	8,144	833,547,500	58,688,001	7.04%	7,206
2018	8,131	851,941,200	56,988,013	6.69%	7,009
2019	8,103	862,283,800	55,216,528	6.40%	6,814
2020	8,040	871,858,300	53,609,421	6.15%	6,668
2021	8,149	868,881,800	51,599,684	5.94%	6,332
2022	7,998	887,715,678	49,571,101	5.58%	6,198

Note: This schedule includes all general obligation bonds of the City of Ketchikan including both governmental activities and business-type activities.

Source: City of Ketchikan financial records

City of Ketchikan, Alaska

Pledged-Revenue Coverage

Last Ten Fiscal Years

	Utility Revenue Bonds								
Fiscal	Gross	Expenses Excluding Depreciation	Net Available	Debt Se	ervice				
Year	Revenues ¹	Taxes & Debt	Revenue	Principal	Interest	Coverage			
2013	37,991,740	31,130,999	6,860,741	1,750,000	300,818	3.35			
2014	36,458,482	29,080,289	7,378,193	1,810,000	784,780	2.84			
2015	37,987,135	29,920,251	8,066,884	1,735,000	709,980	3.30			
2016	39,463,946	31,296,075	8,167,871	1,730,000	638,775	3.45			
2017	42,589,761	31,017,566	11,572,195	1,730,000	583,950	5.00			
2018	46,061,143	35,484,190	10,576,953	605,000	539,325	9.24			
2019	49,664,594	39,491,848	10,172,746	620,000	522,750	8.90			
2020	43,133,238	34,126,091	9,007,147	640,000	675,270	6.85			
2021	44,359,323	33,552,509	10,806,814	1,110,000	742,416	5.83			
2022	46,056,074	36,363,123	9,692,951	1,275,000	595,216	5.18			

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses. ¹ Revenues do not include financial assistance recognized as revenues pursuant to GASB Statement 33. ² Other represents lease payment and payment to repair and replacement fund.

Port Revenue Bonds										
	Expenses					Cover	rage			
	Excluding	Net					Debt			
Gross	Depreciation	Available	Debt S	ervice		Debt	Service/			
Revenue	and Taxes	Revenue	Principal	Interest	Other ²	Service	Lease			
11,147,463	2,167,752	8,979,711	810,000	1,767,675	2,922,942	3.48	1.63			
11,186,885	2,203,014	8,983,871	845,000	1,731,225	2,892,155	3.49	1.64			
9,189,712	2,198,706	6,991,006	885,000	1,691,088	2,889,138	2.71	1.28			
9,163,784	2,268,007	6,895,777	930,000	2,341,617	3,005,514	2.11	1.10			
9,542,263	2,464,774	7,077,489	895,000	1,333,350	3,058,565	3.18	1.34			
10,229,728	1,963,168	8,266,560	930,000	1,306,500	3,162,565	3.70	1.53			
11,082,302	2,003,019	9,079,283	980,000	1,260,000	3,329,484	4.05	1.63			
302,122	2,548,059	(2,245,937)	1,025,000	1,211,000	2,341,884	(1.00)	(0.49)			
5,226,861	1,561,229	3,665,632	1,075,000	1,159,750	2,341,884	1.64	0.80			
13,279,216	3,307,019	9,972,197	1,130,000	1,106,000	2,341,884	4.46	2.18			

City of Ketchikan, Alaska Direct and Overlapping Governmental Activities Debt As of December 31, 2022

Name of Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	 imated Share Overlapping Debt
Ketchikan Gateway Borough-Overlapping Debt City of Ketchikan-Direct Debt	29,749,658 49,512,169	54.41% 100.00%	 16,185,746 49,512,169
Total Direct and Overlapping Debt			\$ 65,697,915

Note: Overlapping governments are those that coincide with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Ketchikan. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying each debt of each overlapping government.

¹ For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using assessed property values. Applicable percentages were estimated by determining the portion of the Ketchikan Gateway Borough's assessed value and dividing it by each unit's total assessed value.

² The figures reported for the Ketchikan Gateway Borough reflect the amounts shown in their FY2022 Annual Comprehensive Financial Report for the year ended June 30, 2022.

Sources: Assessed value data used to estimate applicable percentages provided by the Ketchikan Gateway Borough Assessment Department. Debt outstanding data provided by the Ketchikan Gateway Borough & City of Ketchikan Finance Departments.

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

Demographic and Economic Statistics	Table 18
Principal Employers	Table 19

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

	Popul	ation		Alaska		
		Ketchikan		Per		
		Gateway	Personal	Capita	School ⁽³⁾	Registered
Year	City	Borough	Income ⁽¹⁾	Income ⁽²⁾	Enrollment	Voters
2013	8,296	13,836	826,965,000	59,942	2,376	5,601
2014	8,351	13,889	864,952,000	62,276	2,474	5,673
2015	8,300	13,822	864,142,000	64,723	2,365	5,731
2016	8,189	13,754	883,220,000	63,757	2,392	5,851
2017	8,144	13,785	907,005,000	64,860	2,378	5,882
2018	8,131	13,798	937,287,000	66,920	2,346	6,442
2019	8,103	13,739	969,910,000	69,052	2,311	6,530
2020	8,040	13,677	937,900,000	67,465	2,158	6,721
2021	8,149	13,895	994,117,000	72,278	2,163	6,727
2022	7,998	13,762	994,117,000	72,278	2,100	6,720

Note: Except as specifically noted the demographic and economic statistical information reflected in this schedule represents data for the Ketchikan Gateway Borough (KGB) as the data for the specific areas within the KGB such as the City of Ketchikan are not available.

¹ The amount of personal income reflects the amount reflects State of Alaska Department of Labor and St. Louis Fred (https://fred.stlouisfed.org/series/AKPCPI) because information specific to the City of Ketchikan is not currently available. The information reflected in this schedule represents the most current data available and may differ from the amounts that have been reported in prior years. Information has not been released that shows this type of information for 2022 so an estimate based on the previous year's amount has been provided.

² The amount of per capita personal income reflects State of Alaska Department of Labor and St. Louis Fred (https://fred.stlouisfed.org/series/AKPCPI) because information specific to the City of Ketchikan is not currently available. The information reflected in this schedule represents the most current data available and may differ from the amounts that have been reported in prior years. Information has not been released that shows this type of information for 2022 so an estimate based on the previous year's amount has been provided.

³ The School Enrollment figures reflects Pre-kindergarten through grade 12 enrollment from the State of Alaska website for the Ketchikan Gateway Borough as of October 1. The data for 2022 information can be accessed at https://education.alaska.gove/data-center. Information reflected in this schedule reflects the amounts stated for each of the respective years and may differ from the amounts that have been reported in prior years.

⁴ The Civilian Labor Force figures are the amounts reflected on State of Alaska website for the Ketchikan Gateway Borough because information specific to the City of Ketchikan is not currently available. The information reflected in this schedule represents the most current data available and may differ from the amounts that have been reported in prior years.

⁵ Registered motor vehicle information reflected in this schedule is representative of amounts reported by the State of Alaska, Department of Administration, Division of Motor Vehicles for the Ketchikan Gateway Borough because information specific to the City of Ketchikan is unavailable at this time.

Sources: Personal income and unemployment rate information provided by the State of Alaska's website interface to the U.S. Department of Commerce, Bureau of Economic Analysis. The reported population counts reflect the levels stated by the State of Alaska, Department of Commerce, Division of Community and Regional Affairs. Motor vehicle information is provided by the State of Alaska, Department of Administration, Division of Motor Vehicles.

Table 18

Civ	Motor		
		Unemployment	Vehicles
Employed	Unemployed	Rate	Registered (5)
6,572	560	7.9%	16,517
6,535	548	7.7%	16,520
6,482	462	6.7%	16,578
6,581	438	6.2%	16,660
6,698	408	5.7%	16,549
6,657	385	5.5%	16,278
6,637	385	5.5%	16,197
5,893	627	9.6%	15,643
5,619	464	7.0%	15,202
6,314	309	4.7%	15,28

City of Ketchikan, Alaska Principal Employment by NAICS Industry Category This Year and Nine Years Ago

		2022 ¹		2013		
Employment Sectors	<u>Average</u> Employment	<u>Rank</u>	<u>% of Total</u> Employment	<u>Average</u> Employment	<u>Rank</u>	<u>% of Total</u> Employment
Private and public:						
Private sector	4,671		71.95%	5,378		72.23%
Public sector	1,821		28.05%	2,068		27.77%
Total private and public	6,492		100.00%	7,446		100.00%
Detail of private sector:						
Natural Resource and Mining	97	12	1.49%	111	12	1.49%
Construction	285	8	4.39%	342	8	4.59%
Manufacturing	365	6	5.62%	596	6	8.00%
Trade, Transportation & Utilities	1,421	1	21.89%	1,701	1	22.84%
Information	61	13	0.94%	93	13	1.25%
Financial Activities	335	7	5.16%	383	7	5.14%
Professional & Business Services	277	9	4.27%	199	10	2.67%
Educational & Health Services	961	3	14.80%	972	3	13.05%
Leisure & Hospitality	745	4	11.48%	800	4	10.74%
Other Services	124	11	1.91%	181	11	2.43%
Total Detail of private sector	4,671		71.95%	5,378		72.23%
Detail of public sector:						
Federal Government	204	10	3.14%	246	9	3.30%
State Government	471	5	7.26%	692	5	9.29%
Local Government	1,146	2	17.65%	1,130	2	15.18%
Total Detail of public sector	1,821		28.05%	2,068		27.77%

Employment by NAICS Industry Category is reflected for the Ketchikan Gateway Borough because information specific to the City of Ketchikan is not currently available.

¹ The average 2022 employment figures reflect results for calendar year 2021 by the State of Alaska, Department of Labor as the results for 2022 are not yet available.

Source: State of Alaska, Department of Labor

OPERATING INFORMATION

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

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CITY OF KETCHIKAN, ALASKA Property Value and Construction

Last Ten Fiscal Years

	Constr	ruction	
	Number of		Real & Personal
Year	Permits (1)	Value (1)	Property Value (2)
2013	148	12,109,557	857,398,200
2014	146	52,184,617	869,827,300
2015	148	13,895,087	873,497,448
2016	171	16,138,800	898,729,700
2017	124	12,761,869	903,616,400
2018	130	8,440,376	923,969,800
2019	177	16,962,976	937,007,100
2020	127	10,967,545	947,226,700
2021	110	9,865,108	948,331,900
2022	100	14,226,266	967,283,178

Sources:

(1) - City of Ketchikan Building Inspection Division

(2) - Ketchikan Gateway Borough Department of Assessment

CITY OF KETCHIKAN, ALASKA Full-time Equivalent City Employees by Function/Program Last Ten Years

	2013	2014	2015	2016
Function/Program				
General government				
Mayor and Council	8.000	8.000	8.000	8.000
Law	1.000	1.000	1.250	1.000
Clerk	2.000	2.000	2.000	2.000
City Manager	4.500	4.500	4.500	4.500
Finance	16.000	15.000	16.000	16.000
Information Technology	7.000	7.000	7.000	6.420
Public Safety				
Fire	19.000	19.000	19.000	19.000
Police	36.300	35.300	35.300	35.300
Culture				
Library	12.310	12.410	12.785	12.785
Museum	7.200	7.200	7.200	7.700
Civic Center	3.000	3.000	3.000	3.000
Health and Welfare				
Gateway Center for Human Services ¹	-	-	-	-
Public Works				
Engineering	12.000	12.000	12.000	12.000
Streets	13.000	13.000	13.000	13.000
Solid Waste	11.000	11.000	11.000	11.000
Garage & Warehouse	4.000	4.000	4.000	4.000
Wastewater	8.000	8.000	8.000	8.000
Building Maintenance	2.000	2.000	2.000	2.000
Port and Harbors				
Small Boat Harbors	5.400	5.400	5.200	5.200
Port Development	4.600	4.600	4.800	4.800
Ketchikan Public Utilities				
Administration	2.500	2.500	2.500	2.500
Sales, Marketing & Customer Service	16.830	17.000	17.000	17.000
Electric	43.400	43.400	43.400	43.400
Telephone	43.920	43.000	42.000	42.000
Water	10.600	10.600	10.600	10.600
Total	293,560	290.910	291.535	291.205

Source: City of Ketchikan Budget Records

2017	2018	2019	2020	2021	2022
8.000	8.000	8.000	8.000	8.000	8.000
1.000	1.000	1.000	1.000	1.000	1.000
2.000	2.000	2.000	2.000	2.000	2.000
4.500	4.500	4.500	4.500	4.500	4.50
16.000	16.000	16.000	16.000	16.000	16.00
6.000	6.000	6.000	6.000	6.000	6.00
19.000	19.000	19.000	22.000	22.000	22.00
35.300	35.300	35.300	38.550	38.550	38.55
12.735	11.815	11.815	11.815	11.815	11.12
8.200	8.200	8.200	8.200	8.200	8.20
3.000	3.000	3.000	3.000	3.000	3.00
-	-	-	-	-	-
12.000	12.000	12.000	13.000	13.000	13.00
13.000	13.000	13.000	13.000	13.000	13.00
11.000	11.000	11.000	11.000	11.000	11.00
4.000	4.000	4.000	4.000	4.000	4.00
8.000	8.000	8.000	8.000	8.000	8.00
2.000	2.750	3.000	3.000	3.000	3.00
5.200	5.200	5.200	5.200	5.200	5.20
4.800	4.800	4.800	4.800	4.800	4.80
2.500	2.500	2.500	1.500	1.500	1.50
19.000	19.000	19.000	19.000	19.000	19.00
43.400	43.400	43.400	41.400	41.400	43.40
41.000	41.000	41.000	41.000	41.000	41.00
10.600	10.600	11.600	11.600	12.600	13.60
292.235	292.065	293.315	297.565	298.565	300.87

CITY OF KETCHIKAN, ALASKA Operating Indicators by Function/Program Last Ten Years

	2013	2014	2015	2016
Function/Program				
General Government				
City Manager				
Personnel Job Postings	130	129	129	117
Information Technology				
Workstations	339	351	347	338
Portables	52	66	70	72
Printers	83	89	100	100
Public Safety				
Fire				
EMS/Rescue Responses	1,287	1,429	1,439	1.551
Fire Responses	232	225	244	250
Volunteer Fire Persons	21	17	17	25
Police				
DUI Offenses	40	55	68	81
Domestic Violence	79	75	55	63
Larceny Offenses	272	263	265	266
Culture				
Library				
Volumes in collection	77,181	95,427	99,311	70,323
Annual Circulation	178,856	181,105	187,916	169,185
Offered Programs	324	572	561	341
Program Attendance	8,397	13,151	13,790	12,801
Museum	-,-,	,		,
Tongass Historical Museum Attendance	25,656	25,593	24,552	23,914
Tongass Historical Museum Exhibit Openings	4	3	2	1
Totem Heritage Center Attendance	30,949	31,266	33,218	36,799
THC Native Arts Studies Course Offerings	11	12	10	10
Virtual Users	-	-	-	-
Civic Center				
Days Occupied	179	143	149	159
Events	139	90	84	105
Public Works	10)	20	0.	100
Engineering				
Issued Building Permits	148	146	148	171
Solid Waste	110	110	110	1,1
Muncipal Solid Waste - tons per day	23.22	23.54	24.10	24.57
Trash - tons per day	12.94	14.64	12.51	12.90
Incineration - tons per day	0.02	0.03	0.02	0.04
Recycle - tons per day	18.40	16.53	6.08	6.75
Port and Harbors				
Reserved Moorage Stalls Rented	753	735	821	857
Transient Moorage Feet Sold	343,312	314,517	271,454	312,543
Cruise Ship Stops	453	468	496	489
Cruise Ship Passengers	938,124	846,636	935,928	935,928
Ketchikan Public Utilities	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		,.=0	
Customer Service				
Utility Service Orders	4,937	4,120	3,151	2,903
Telecommunications Service Orders	7,603	,	8,032	9,072
relecommunications Service Orders	7,003	8,133	8,032	9,072

Sources: Various City Departments

2017	2018	2019	2020	2021	2022
120	124	111	83	66	12
225	230	205	221	235	22
77	80	56	74	80	8
108	108	114	126	129	12
2.082	2 124	2 022	1 207	1 766	2.10
2,082 58	2,134 42	2,033 43	1,397 21	1,766 24	2,19 3
26	42 25	43	21 10	11	1
40	62	67	41	49	4
59	79	90	94	70	7
307	345	74	31	101	3
99,401	101 221	104 129	104 101	105 007	104.25
178,600	101,331 180,240	104,128 173,829	104,101 111,248	105,997 111,612	104,27 113,78
575	587	585	472	363	30
12,618	12,218	11,821	20,601	15,258	5,28
23,754	24,700	28,322	2,427	8,905	40,72
1	1	1	1	-	
36,716	36,589	40,372	2,080	5,592	25,58
11	9	9	6	6	21.01
-	-	-	20,543	29,053	21,01
152	140	138	73	77	14
91	92	83	60	70	10
124	130	177	127	110	10
24.86	27.28	27.11	22.67	20.62	21.2
10.61	10.15	10.31	13.75	14.59	15.8
0.04	0.03	0.03	0.03	0.03	0.0
10.37	13.74	10.52	12.94	7.66	6.8
832	806	813	886	806	459.54
252,411 507	421,288 504	451,669 562	418,002	472,116 87	458,56 44
507 996,920	504 1,045,079	562 1,171,620	-	87 75,872	42 751,00
2,798	3,211	3,027	2,361	3,425	2,63
7,252	7,096	6,244	5,601	6,179	6,31

CITY OF KETCHIKAN, ALASKA Capital Asset Statistics by Function/Program Last Ten Years

	2013	2014	2015	2016
Function/Program				
Public Safety				
Fire				
Stations	3	3	3	3
Police				
Stations	1	1	1	1
Culture				
Number of Libraries	1	1	1	1
Number of Museums	2	2	2	2
Number of Civic Centers	1	1	1	1
Public Works				
Engineering				
Municipal Area in Square Miles	5	5	5	5
Streets				
Miles of Streets	27.89	27.89	29.37	37.09
Miles of Stairways	1	1	2	2
Municipal Parking Lots	37	37	38	38
Cemetery				
Acreage Size	9	9	9	9
Port and Harbors				
Harbors				
Harbor with Boat Launch Ramp	2	2	2	2
Harbor without Boat Launch Ramp	3	3	3	3
Boat Launch Ramp Facility	1	1	1	1
Port Berths	4	4	4	4

Sources: Various City Departments

2017	2018	2019	2020	2021	2022
3	3	3	3	3	3
1	1	1	1	1	1
1	1	1	1	1	1
2 1	2 1	2 1	2 1	2 1	2 1
5	5	5	5	5	5
37.09	37.09	37.15	37.15	37.15	37.15
2 38	2 38	2 38	2 38	2 38	2 38
9	9	9	9	9	9
2	2	2	2	2	2
3 1	3 1	3 1	3 1	3 1	3 1
4	4	4	4	4	4

CITY OF KETCHIKAN, ALASKA INSURANCE COVERAGES

as of December 31, 2022

Condensed Description of Coverage	Coverage per Occurrence and Deductible Amounts	Condensed Description of Coverage	Coverage per Occurrence and Deductible Amounts
		·	
Property Insurance (includes Boiler & Mac	hinery,	Police Professional Liability	
Flood & Earthquake)		Coverage Limits	\$15,500,000
Coverage Amounts	Per Schedule	Deductible	75,000
Deductible	\$25,000/\$10,000		
		Public Officials/Employment Practices Liability	
Commercial Comprehensive General Liabi	-	Coverage Limits	15,500,000
Coverage Limits	15,500,000	Deductible	75,000
Deductible	75,000		
		Fidelity/Crime Insurance	
Employee Benefits Liability		Notary Errors and Omissions	
Coverage Limits	15,500,000	Coverage Limits	25,000
Deductible	75,000	Public Employees Blanket Bond	
		Coverage Limits	2,500,000
Commercial Auto Liability		Deductible	10,000
Coverage Limits	15,500,000	Public Officials Bond	
Deductible	75,000	City Manager/Delilah - Coverage Limits	10,000
		Finance Director/Michelle - Coverage Limit	100,000
Marine Insurance		Deductible	none
Hull Coverage Limits	Per Schedule		
Hull War Risk		Marina and Wharfingers	
Coverage Limits	Per Schedule	Wharfingers/Terminal Operator's/	
Primary Protection & Indemnity		Marina Operators/Charterers Liability	
Coverage Limits	1,000,000	Coverage Limits	1,000,000
Deductible	1,000	Deductible	10,000
Primary War Risk		Sudden and Accidental Pollution Liability	
Coverage Limits	600,000	Coverage Limits	1,000,000
Deductible	none	Deductible	25,000
Excess Protection & Indemnity and		Excess Wharfingers/Terminal Operators/	
Excess P&I War Risk		Marina Operators/Charterers/Sudden	
Coverage Limits	29,000,000	and Accidental Pollution Liability	
Deductible	none	Coverage Limits	29,000,000
		Deductible	none
Ambulance Malpractice		XS Marine Liability - Port	29,000,000
Coverage Limits	15,500,000		
Deductible	75,000	Worker's Compensation Insurance	
		Coverage Limits	Legal Limits
Broadcast Errors and Omissions			
Coverage Limits	2,000,000	Pollution Liability	
Deductible	10,000	Coverage Limits	1,000,000
		Deductible	50,000
Cyber Liability			
Coverage Limits	2,000,000		
Deductible	75,000		

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Utility Statiscal Operating Information Last Ten Fiscal Years

					Per K.W.	H. Sold	Average
	Nun	nber of Custom	ers				Residential
					Operating		K.W.H. Used
Year	Electric	Water	Telephone *	K.W.H. Sold	Revenue	Cost	December
2013	7,514	3,206	6,083	170,281,664	0.1136	0.1119	1,220
2014	7,606	3,128	5,863	167,939,155	0.0989	0.0992	1,212
2015	7,694	3,133	5,723	163,896,254	0.1003	0.1005	1,178
2016	7,741	3,147	5,611	165,107,129	0.1038	0.1056	1,127
2017	7,799	3,161	5,351	175,447,582	0.1071	0.1018	1,193
2018	7,838	3,182	5,274	167,833,595	0.1225	0.1256	1,056
2019	7,867	3,193	5,043	164,000,416	0.1523	0.1530	1,012
2020	7,856	3,192	4,545	166,832,038	0.1139	0.1087	1,267
2021	7,867	3,219	4,332	169,432,045	0.1172	0.1080	1,243
2022	7,922	3,249	4,139	174,186,815	0.1140	0.1050	1,355

* Average number of revenue access lines.

Energy Demand, Peak Demand and Resources Gross Generation (kWh)

Last Ten Fiscal Years

		2013		2014		2015		2016		2017
Energy Demand										
Total Sales	17	0,281,664	16	7,939,155	16	3,896,254	16	5,107,129	17	5,447,582
System losses		8,474,536		8,504,552	1	1,298,142	1	1,068,552		5,958,030
Total	17	8,756,200	17	6,443,707	17	5,194,396	17	6,175,681	18	1,405,612
Peak Demand		25,900		30,500		25,700		25,400		32,300
Energy Resources										
KPU Hydroelectric	7	4,703,000	8	6,755,268	9	1,893,718	8	4,863,454	8	0,080,904
Southeast Alaska Power Agency ¹	9	1,856,000	8	7,923,000	8	2,277,072	9	0,444,864	9	8,312,948
Diesel Generation	1	2,197,200		1,765,439		1,023,606		867,363		5,357,715
Total	17	8,756,200	17	6,443,707	17	5,194,396	17	6,175,681	18	3,751,567
Energy Costs (kWH) ²										
Hydroelectric Generation	\$	0.0262	\$	0.0275	\$	0.0302	\$	0.0345	\$	0.0347
Diesel Generation		0.3857		0.8715		1.3645		1.6067		0.4692
Purchased Power ³		0.0630		0.0645		0.0654		0.0691		0.0537
Total Cost of Production (kWH)		0.0696		0.0544		0.0545		0.0600		0.0575

¹ Prior to December 2008, the Southeast Alaska Power Agency was known as the Four Dam Pool Power Agency, Inc. The Four Dam Pool was divested and the two hydroelectric projects that service Southeast Alaska were transferred to the Southeast Alaska Power Agency.

 $^2\;$ Cost per kWH include operations and maintenance and depreciation.

³ Purchased power cost per kWH represents includes rebates, but not line losses.

	2018		2019		2020	 2021		2022
16	7,833,595	16	4,000,416	16	56,832,038	169,432,045		174,186,815
	8,924,224		9,227,089		9,017,560	 12,528,625	_	9,605,570
17	6,757,819	17	3,227,505	17	75,849,598	 181,960,670		183,792,385
	31,300		33,000		35,700	35,100		38,700
6	5,643,343	7	3,803,919	9	93,097,364	97,097,727		85,160,384
9	0,348,900	5	5,043,725	8	31,299,877	83,366,208		97,633,370
2	0,765,576	4	4,379,861		1,452,357	1,496,735		998,631
17	6,757,819	17	3,227,505	17	75,849,598	 181,960,670		183,792,385
\$	0.0444	\$	0.0404	\$	0.0362	\$ 0.0319	\$	0.0397
	0.2626		0.2387		1.0199	0.7364		1.0010
	0.0633		0.0680		0.0758	0.0765		0.0775
	0.0797		0.1000		0.0626	0.0581		0.0650

Historical Electric Customers, Energy Sales and Operating Results

	2013	2014	2015	2016	2017
Customers (Average)					
Residential	5,819	5,817	5,854	5,879	5,921
Commercial	1,171	1,201	1,221	1,228	1,242
Industrial	13	13	15	16	17
Other	511	575	604	618	619
Total	7,514	7,606	7,694	7,741	7,799
Energy Sales (KWH)					
Residential	68,668,600	67,665,456	66,410,470	67,731,286	72,362,242
Commercial	72,269,920	72,777,304	70,736,227	71,007,166	74,558,231
Industrial	25,306,208	23,408,642	22,935,650	22,306,193	24,065,722
Other	4,036,936	4,087,753	3,813,907	4,062,484	4,461,387
Total	170,281,664	167,939,155	163,896,254	165,107,129	175,447,582
Operating Results					
Operating Revenues					
Revenues from Energy Sales	\$18,919,766	\$16,323,845	\$16,087,247	\$16,765,326	\$18,285,197
Other Operating Revenues	426,644	293,569	350,271	370,497	506,415
Total Operating Revenues	19,346,410	16,617,414	16,437,518	17,135,823	18,791,612
Operating Expenses					
Hydroelectric Generation	1,489,541	1,599,911	1,659,158	1,807,339	1,660,261
Diesel Generation	4,317,797	1,302,115	1,189,814	1,198,599	2,301,768
Purchased Power	5,784,566	5,674,201	5,381,319	6,247,593	5,279,985
Transmission and Distribution	3,312,784	3,627,608	3,432,156	3,529,503	3,517,936
Administration and General	1,644,964	1,693,482	1,644,771	1,626,940	1,788,906
Total Operating Expenses	16,549,652	13,897,317	13,307,218	14,409,974	14,548,856
Payment In Lieu of Taxes	381,993	381,993	381,993	381,993	381,993
Total Expenses	16,931,645	14,279,310	13,689,211	14,791,967	14,930,849
Net Revenue	\$2,414,765	\$2,338,104	\$2,748,307	\$2,343,856	\$3,860,763

2018	2019	2020	2021	2022
5,946	5,964	5,963	5,972	5,992
1,263	1,275	1,276	1,284	1,294
16	16	15	14	14
613	612	612	597	622
7,838	7,867	7,866	7,867	7,922
69,468,706	66,721,122	71,662,953	72,305,649	74,518,997
71,871,577	71,711,843	70,526,226	70,627,205	73,074,661
22,388,719	21,823,945	21,096,348	22,958,288	22,800,700
4,104,593	3,743,506	3,546,511	3,540,903	2,671,457
167,833,595	164,000,416	166,832,038	169,432,045	173,065,815
¢10.007.011	P24 209 (52	©10 404 7 2 2	¢10,100,207	£10.929.041
\$19,997,811	\$24,308,653	\$18,484,722	\$19,188,307	\$19,828,041
556,296	662,163	520,239	661,458	727,015
20,554,107	24,970,816	19,004,961	19,849,765	20,555,056
1,778,068	1,825,999	2,285,877	2,019,243	2,315,705
5,236,590	11,055,977	1,611,664	1,487,196	1,489,813
5,718,650	3,742,973	6,161,899	6,377,283	7,562,019
3,446,199	3,118,865	3,084,489	3,827,071	3,162,661
1,832,274	1,881,789	2,079,059	2,024,446	2,864,634
18,011,781	21,625,603	15,222,988	15,735,239	17,394,832
381,993	381,993	381,993	381,993	381,993
18,393,774	22,007,596	15,604,981	16,117,232	17,776,825
\$2,160,333	\$2,963,220	\$3,399,980	\$3,732,533	\$2,778,231

Historical Telephone Access Lines and Operating Results

	2013	2014	2015	2016
Access Lines				
Residential	3,326	3,313	3,352	3,345
Commercial	2,757	2,550	2,371	2,266
Total	6,083	5,863	5,723	5,611
Operating Results				
Operating Revenues				
Local	\$2,100,995	\$2,005,521	\$2,030,655	\$2,082,930
Long Distance	8,660,056	9,259,709	9,413,321	8,927,300
Other	4,480,926	4,895,578	6,058,697	7,453,393
Total Operating Revenues	15,241,977	16,160,808	17,502,673	18,463,623
Operating Expenses				
Operation and Maintenance	8,556,970	9,043,964	10,101,434	10,642,306
Administration and General	3,369,942	3,630,057	3,806,866	3,740,714
Total Operating Expenses	11,926,912	12,674,021	13,908,300	14,383,020
Payment In Lieu of Taxes	206,358	206,358	206,358	206,358
Total Expenses	12,133,270	12,880,379	14,114,658	14,589,378
Net Revenue	\$3,108,707	\$3,280,429	\$3,388,015	\$3,874,245

2017	2018	2019	2020	Restated 2021	2022
3,242	3,247	3,070	2,725	2,594	2,452
2,109	2,027	1,973	1,820	1,738	1,687
5,351	5,274	5,043	4,545	4,332	4,139
\$2,010,146	\$2,000,821	\$1,995,490	\$1,905,420	\$1,863,840	\$1,911,540
8,525,849	8,871,847	8,857,631	8,285,900	8,448,692	8,521,231
9,277,718	10,131,528	9,089,087	9,290,538	9,546,933	10,133,834
19,813,713	21,004,196	19,942,208	19,481,858	19,859,465	20,566,605
10,195,360	10,769,201	11,067,350	11,870,540	10,667,419	11,337,733
3,790,280	3,865,082	3,827,134	4,199,371	4,004,695	3,824,876
13,985,640	14,634,283	14,894,484	16,069,911	14,672,114	15,162,609
206,358	206,358	206,358	206,358	206,358	206,358
14,191,998	14,840,641	15,100,842	16,276,269	14,878,472	15,368,967
\$5,621,715	\$6,163,555	\$4,841,366	\$3,205,589	\$4,980,993	\$5,197,638

Historical Water Customers and Operating Results

	2013	2014	2015	2016	2017
Customers (Average)					
Residential	2,724	2,650	2,647	2,649	2,659
Apartments	21	25	27	28	28
Commercial	444	436	443	454	458
Industrial	4	3	3	3	3
Cannery	5	6	5	5	5
Fire Hydrant	8	8	8	8	8
Marine Vessels	38	34	30	56	59
Total	3,244	3,162	3,163	3,203	3,220
Operating Results					
Operating Revenues					
Revenues from Water Sales	\$3,081,904	\$3,174,900	\$3,453,239	\$3,647,591	\$3,738,292
Other Operating Revenues	47,024	33,795	48,939	73,882	49,840
Total Operating Revenues	3,128,928	3,208,695	3,502,178	3,721,473	3,788,132
Operating Expenses					
Source of Supply	450,456	393,529	423,407	393,959	319,986
Chlorination/Disinfection	301,718	311,254	255,398	265,506	268,756
Distribution	362,562	397,994	409,876	428,975	434,900
Maintenance	1,110,737	957,414	1,174,271	969,767	974,696
Administration and General	411,626	431,446	423,847	426,066	465,947
Total Operating Expenses	2,637,099	2,491,637	2,686,799	2,484,273	2,464,285
Payment In Lieu of Taxes	197,649	197,649	197,649	197,649	197,649
Total Expenses	2,834,748	2,689,286	2,884,448	2,681,922	2,661,934
Net Revenue	\$294,180	\$519,409	\$617,730	\$1,039,551	\$1,126,198

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2018	2019	2020	2021	2022
2,667	2,674	2,679	2,696	2,698
2,007	2,074	2,079	2,090	2,098
470	475	469	479	494
3	3	3	3	3
5	5	5	4	4
8	8	8	8	8
57	1	0	2	13
3,238	3,194	3,192	3,220	3,249
\$4,030,225	\$4,115,734	\$4,132,244	\$4,346,028	\$4,668,915
54,425	60,013	34,676	51,963	55,708
4,084,650	4,175,747	4,166,920	4,397,991	4,724,623
373,336	426,636	439,519	507,260	410,140
277,078	298,174	336,040	245,987	308,889
638,455	554,414	502,301	487,639	430,081
1,058,946	1,216,098	1,030,481	1,091,480	3,017,175
471,284	458,052	507,122	471,142	472,820
2,819,099	2,953,374	2,815,463	2,803,508	4,639,105
197,649	197,649	197,649	197,649	197,649
3,016,748	3,151,023	3,013,112	3,001,157	4,836,754
\$1,067,902	\$1,024,724	\$1,153,808	1,396,834	(112,131)



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CITY OF KETCHIKAN, ALASKA

Utility Rates and Charges

For the Year Ending December 31, 2022

Electric				
Residential	\$7.40	plus \$0.1109 per kWh		
Harbor service	13.60	plus \$0.1109 per kWh		
Commercial	42.00	plus \$0.1039 per kWh plus a demand charge of	of \$3.37 per kW in exc	ess of 25 kW
		this flat fee in effect April through September		
Industrial	61.75	plus \$0.0963 per kWh plus a demand charge of	of \$3.37 per kW in exc	ess of 25 kW
Telecommunications				
Residential	16.45	line charge plus \$10.40 for FCC subscriber lin	e charge	
	59.95	Broadband DSL Regular (Download Speed an		,
	74.95	Broadband DSL Regular (Download Speed an		· · · · · · · · · · · · · · · · · · ·
	89.95	Broadband DSL Regular (Download Speed an		l, 500GB data)
D .	24.95	IPTV Basic (Does not include \$9.95 for High	,	1
Business	18.95 59.95	per single or multi-business line plus \$9.20 for Broadband DSL Regular (Download Speed an		-
	74.95	Broadband DSL Regular (Download Speed an Broadband DSL Regular (Download Speed an		
	89.95	Broadband DSL Regular (Download Speed an Broadband DSL Regular (Download Speed an		
	24.95	IPTV Basic (Does not include \$9.95 for High		., coo ob unu)
Customer Premise Visit	35.00	On site visit to customer's premises	,	
Water				
Residential				
Homes & Trailers	6.26	per unit		
1-4 apartments	63.26	per unit		
5-24 apartments	57.65	per unit		
25+ apartments	49.45	per unit		
Business	65.95	plus size of line charges as follows		
1 inch	43.95			
1-1/4 inch	131.88			
1-1/2 inch	252.78			
2 inch	459.27			
2-1/2 inch	711.62			
3 inch	1,076.97			
4 inch	1,829.78			
Industrial	Line Charges	Canneries, per season 3" Min	imum:	\$62,227.16
5/8 and 3/4 inch	87.92	Additional Charges for Servio		
1 inch	131.88	5/8 and 1 inch	\$2,163.45	
1-1/4 inch	219.80	1 1/4 inch	3,884.87	
1-1/2 inch	343.39	1-1/2 inch	5,187.57	
2 inch	524.76	2 inch	15,516.10	
2-1/2 inch	797.07		,	
3 inch	1,204.68			
4 inch	1,969.83			
6 inch	3,283.13			
8 inch	3,640.28			
Over 8 inch	by special contra	∼t		
	by special contra			

(Un-Audited)

City of Ketchikan, Alaska Port Fund Operating Results

	2013	Restated ¹ 2014	2015	2016	2017
Assets					
Cash	\$ 2,900,167	\$ 5,504,277	\$ 6,420,791	\$ 7,957,557	\$ 9,614,774
Port Facilities (net)	53,659,903	54,481,904	52,934,352	52,244,740	51,107,786
Construction Work in Progress	5,449,151	200,947	439,032	374,566	2,658,931
Restricted Assets	6,595,730	8,724,101	7,582,492	7,075,705	8,028,787
Prepaid Expense	1,124,342	1,021,346	1,113,090	1,026,946	1,070,289
Other Assets	5,546,430	2,903,333	3,150,839	3,316,606	2,943,363
Total assets	75,275,723	72,835,908	71,640,596	71,996,120	75,423,930
Liabilities and Net Position					
Revenue Bonds Payable	33,505,000	32,660,000	31,775,000	27,025,000	26,130,000
Other Liabilities	1,699,380	860,042	1,275,821	5,362,008	6,190,956
Total liabilities	35,204,380	33,520,042	33,050,821	32,387,008	32,320,956
Net Position	\$ 40,071,343	\$ 39,315,866	\$ 38,589,775	\$ 39,609,112	\$ 43,102,974
Operating Revenues	\$ 9,145,920	\$ 8,578,059	\$ 9,032,271	\$ 8,961,241	\$ 9,391,272
Operating Expenses					
Operation and Maintenance	\$ 4,582,100	\$ 4,726,515	\$ 4,636,079	\$ 4,916,988	\$ 5,124,365
Depreciation	1,636,863	1,587,253	1,589,941	1,605,242	1,612,861
Depreciation-Lease	-	-	-	-	-
Payment in Lieu of Taxes/Taxes	319,000	319,000	319,000	319,000	319,000
Total operating expenses	6,537,963	6,632,768	6,545,020	6,841,230	7,056,226
Operating Income	2,607,957	1,945,291	2,487,251	2,120,011	2,335,046
Non-Operating Revenue (Expense)	(1,740,642)	(1,581,717)	(1,571,163)	(1,713,125)	(960,933)
Income Before Contributions, Extraordinary					
Item & Transfers	867,315	363,574	916,088	406,886	1,374,113
Contributions	1,993,212	2,491,297	70,425	16,004	11,412
Capital Grants	8,676,543	4,407,753	277,647	654,642	1,058,007
Extraordinary Item	-	-	-	359,246	-
Transfers	(80,199)	(5,018,804)	(1,619,258)	19,258	1,050,330
Loss on sale of capital assets	(1,165,204)	(2,999,297)	(27,082)	(436,699)	-
Change in Net Position	\$ 10,291,667	\$ (755,477)	\$ (382,180)	\$ 1,019,337	\$ 3,493,862
Revenue Bond Debt Coverage:					
1.25 x Annual Debt Service	3.48	3.49	2.71	2.11	3.18
1.0 x Annual Debt Service/Reserves					
Account/Repair and Replacement					
Fund/SPH Lease Payments	1.63	1.64	1.28	1.10	1.34
# of Ships	31	37	38	38	43
# of Calls/Stops	456	468	496	489	507
# of Water Passengers	938,124	877,589	934,772	935,928	996,920

	2018	2019		2020		2021		2022
\$	9,494,268	\$ 10,958,259	\$	4,463,620	\$	5,512,570	\$	8,988,59
Ψ	49,525,407	48,076,054	Ψ	52,938,299	Ψ	51,800,747	Ψ	50,537,14
	8,809,064	11,100,273		9,103,215		9,120,646		9,116,96
	6,291,121	7,853,528		8,018,227		8,160,502		11,093,98
	1,108,809	1,161,500		750,000		750,000		11,095,98
	1,536,256	2,702,547		84,349		419,159		21,066,40
	76,764,925	81,852,161		75,357,710		75,763,624		100,803,10
	25,200,000	24,220,000		23,195,000		22,120,000		20,990,00
	4,922,591	4,582,992		4,097,879		4,229,113		24,686,47
	30,122,591	28,802,992	_	27,292,879		26,349,113	_	45,676,47
\$	46,642,334	\$ 53,049,169	\$	48,064,831	\$	49,414,511	\$	55,126,62
\$	9,970,302	\$ 10,682,037	\$	82,144	\$	1,353,442	\$	10,740,82
¢	1 720 576	¢ 4.050.000	¢	5 400 575	¢	2 540 240	¢	0.450.41
\$	4,730,576	\$ 4,859,929	\$	5,438,567	\$	3,549,248	\$	2,452,41
	1,612,457	1,449,352		1,356,259		1,184,459		1,263,60
	-	-		-		-		1,045,44
	319,000	319,000		319,000		319,000		319,00
	6,662,033	6,628,281		7,113,826		5,052,707		5,080,45
	3,308,269	4,053,756		(7,031,682)		(3,699,265)		5,660,37
	(825,923)	(645,227)		(781,501)		(900,607)		(1,681,22
	2,482,346	3,408,529		(7,813,183)		(4,599,872)		3,979,15
	13,360	20,780		23,768		3,849,405		2,538,38
	608,172	1,556,480		3,443,520		2,000,000		-
	543,323	1,421,046		(638,443)		100,147		7,50
\$	3,647,201	\$ 6,406,835	\$	(4,984,338)	\$	1,349,680	\$	6,525,04
ψ	3,047,201	\$ 0,400,035	φ	(4,704,550)	ψ	1,547,000	Φ	0,525,0
	3.70	4.05		-1.00		1.64		4.
	1.53	1.63		(0.49)		0.80		2.1
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