

CITY OF KETCHIKAN, ALASKA ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended December 31, 2023

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 28, 2024

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, 2023. 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, 2023, 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, 2023 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 7,803 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 13,475.

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 514 stops bringing 1,112,769 visitors in 2023. 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. Second but just as important the City needs to determine 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. Discussions to limit the number of passengers visiting our community have taken place but have not been acted upon.

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 \$26.19 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 13,475 in 2023. Approximately 58 percent of the community's population, or 7,803 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. In 2023, the Ketchikan Gateway Borough School District reported an enrollment of 2,051 pupils, a decrease of 49 pupils from 2022.

The shift in the local economy from timber to tourism has resulted in a labor force that has become more seasonal. In 2023, the monthly employment varied between 6,171 and 7,853. The average employed labor force in 2023 was 6,883 with employment peaking at 7,853 in July. The average labor force in 2022 was 6,314. The average annual unemployment rate for 2023 was 3.7 percent, a decrease from the 4.7 percent that was reported for 2022. Per capita income in the Ketchikan Gateway Borough for 2021, 2022 and 2023 was \$72,278, \$72,997 and \$71,616, respectively.

In 2023, assessed values increased by 2.98% to \$996.14 million from \$967.28 million in 2022. The projected change in assessed values for 2024 is about 8.0%. Gross retail sales increased from \$689.45 million in 2022 to \$701.47 million in 2023, or 1.7% percent and taxable retail sales increased by 3.4% to \$382.06 million. The City collected \$20.27 million in sales tax revenues in 2023, or \$5.03 million more than 2022. Sales tax collections for 2023 were projected to be \$16,365,000. The 2023 cruise ship season returned to pre-pandemic passenger counts. The number of passengers recorded in 2023 was 1,112,769 compared to 2019 passenger count of 1.17 million. The implementation of a seasonal sales tax and the continuing increases in the prices for fuel, freight and the general increase in the cost of goods contributed to the increase in sales tax revenue for 2023. 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. The City is continuing to evaluate future development needs to ensure Ketchikan is a desirable cruise location. In 2024 the City will focus on repair and maintenance of the port by preparing a condition assessment, developing a maintenance program and exploring expansion possibilities.

Telecommunications Utility - The telecommunications industry is fast paced industry that is constantly being subjected 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 growth in the demand for internet and wireless 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. There has been a shift from cable tv to streaming so the telecommunications utility will be focusing on developing products to maintain and attract new customers.

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 480,000 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 6.90% 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 maintains 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 2023, 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 navigate the increase in costs and lead time for supplies, equipment and inventory.
- Continue to navigate the challenges regarding homelessness.
- Continue to navigate the lack of housing and the effects this has on attracting candidates for vacant positions.
- The City hired a Tourism Manager to work with the cruise lines, the community and the port to improve visitor amenities in the downtown core and remain a viable premier port within Alaska.
- Initiated work for the Schoenbar Creek culvert repair.
- Established a seasonal sales tax
- Purchased one Fire Engine.
- Finished work to overhaul Berth III floating dock.
- Replaced the exit gate for the Ketchikan Police Department building.
- Continued the design of the Thomas Basin Promenade to assist with pedestrian traffic during the cruise ship season.
- Continued the installation of commercial water meters with a goal towards moving to a metered rate structure for business customers.
- 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, 2022. This was the forty-fourth 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
Donna Chambers
Ging Day
Cristina Doyle
Joe Graham
Kourteney Jones
Taylor Martinez
Camille Nelson
Tracey Sader
Danita Scott
Sarah Stormer
Meghan Traudt
Kevin Heaton

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 Jol

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

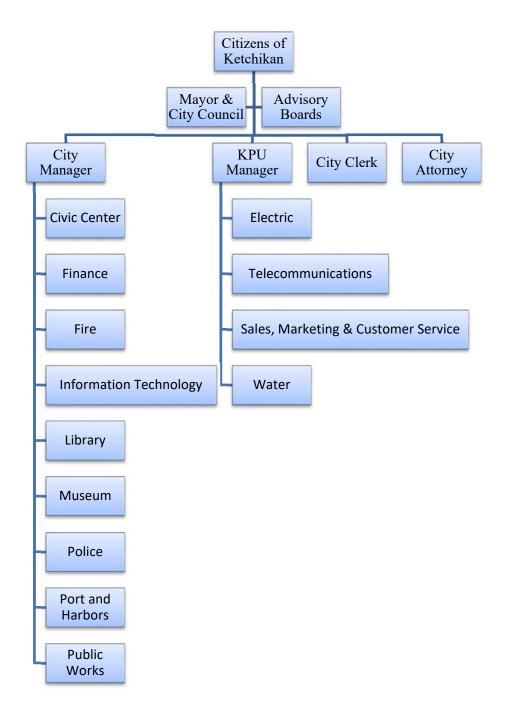
December 31, 2022

Christopher P. Morrill

Executive Director/CEO

CITY OF KETCHIKAN, ALASKA

ORGANIZATIONAL CHART DECEMBER 31, 2023



CITY OF KETCHIKAN, ALASKA

PRINCIPAL CITY OFFICIALS

December 31, 2023

MAYOR AND CITY COUNCIL

City Mayor	David Kiffer
City Councilmember	Janalee Gage
City Councilmember	Mark Flora
City Councilmember	Riley Gass
City Councilmember	Judy Zenge
City Councilmember	Lallette Kistler
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 MgrInterim	Amanda A. Robinson
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, 2023, 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, 2023, 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:

- 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 89–97 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 or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2024, 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 28, 2024

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, 2023. 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 \$398.98 million (net position), an increase of \$15.04 million or 3.9% from 2022.
- Total net position is comprised of the following:
 - 1) Net investment in capital assets of \$283.49 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 \$36.49 million restricted by constraints imposed from outside the City such as debt covenants, granting agencies, laws, or regulations.
 - 3) Unrestricted resources of \$79.00 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 \$50.64 million, an increase of \$10.53 million or 26.26% from 2022.
- Unassigned fund balance for the General Fund totaled \$6.77 million or 24.52% of total General Fund expenditures. This was an increase of \$952,918 from 2022. The General Fund reported a current year operating surplus of \$2.75 million. In 2022, an operating surplus of \$1.1 was reported.
- The City's proprietary funds reported total ending net position of \$196.91 million, an increase of \$8.24 million or 4.37% from 2022.
- 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.
- A Seasonal Sales Tax was approved in 2022, with an effective date start date of April 1, 2023, resulting in an increase in sales tax revenue. The sales tax revenue increased \$5 million from the previous year.

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 government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information 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, 2023 and 2022 totaled \$398.98 million and \$383.94 million, respectively. The net position of the City, as a whole, increased by \$15.04 million. The following table summarizes the net position of the City's governmental and business-type activities:

	Government	Governmental Activities		Business-type Activities		otal
				Restated		Restated
	2023	2022	2023	2022	2023	2022
Assets				·		
Current and other assets	\$ 69,970,368	\$ 58,752,042	\$ 96,161,483	\$ 72,081,482	\$ 166,131,851	\$ 130,833,524
Capital assets	204,080,049	208,734,417	193,667,741	215,296,379	397,747,790	424,030,796
Total assets	274,050,417	267,486,459	289,829,224	287,377,861	563,879,641	554,864,320
Deferred outflows of resource	1,714,447	1,848,511	474,619	533,041	2,189,066	2,381,552
	_					
Liabilities						
Current and other liabilities	7,315,568	6,989,918	9,115,117	9,665,869	16,430,685	16,655,787
Long-term liabilities	63,445,484	63,956,221	81,747,154	86,754,522	145,192,638	150,710,743
Total liablities	70,761,052	70,946,139	90,862,271	96,420,391	161,623,323	167,366,530
Deferred inflows of resources	2,926,705	3,110,193	2,536,047	2,825,512	5,462,752	5,935,705
	_					
Net Position						
Net investment in capital assets	158,163,509	160,598,478	125,328,544	128,175,169	283,492,053	288,773,647
Restricted	21,412,483	19,777,408	15,077,436	14,704,994	36,489,919	34,482,402
Unrestricted	22,501,115	14,902,752	56,499,545	45,784,836	79,000,660	60,687,588
Total net position	\$ 202,077,107	\$ 195,278,638	\$ 196,905,525	\$ 188,664,999	\$ 398,982,632	\$ 383,943,637

Total assets and deferred outflows of resources for governmental activities increased by \$6.43 million and total liabilities and deferred inflows of resources decreased by \$368,575, resulting in an increase in net position of \$6.80 million for governmental activities. Total assets and deferred outflows of resources for business-type activities increased by \$2.39 million and total liabilities and deferred inflows of resources decreased by \$5.85 million, resulting in an increase of \$8.24 million in net position for business-type activities. For the City as a whole, net position increased by \$15.04 million from 2022. 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 \$398.98 million. Over the past 19 years, the City's financial position has improved by \$191.82 million, or 92.60%.

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 71.05% 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 \$5.28 million. The net investment in capital assets for the City's governmental activities decreased by \$2.43 million and the net investment in capital assets for business-type activities decreased by \$2.85 million.

Approximately 9.1% 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 \$79.00 million, or 19.80%, of total net position. This is an increase of \$18.31 million from 2022. Unrestricted net position reported for the City's governmental activities increased by \$7.60 million and the unrestricted net position of the City's business-type activities increased by \$10.71 million.

(*This page continued on the subsequent page*)

Changes in Net Position

The City's net position increased \$15.04 million in 2023. The net position for governmental activities increased \$6.80 million and business-type activities increased \$8.24 million. The following table provides a summary of the changes in the City's net position:

Changes in Net Position

	Governmental Activities		Business-typ	oe Activities	Total			
			Restated			Restated		
	2023	2022	2023	2022	2023	2022		
Revenues:								
Program:								
Charges for services	\$10,278,337	\$ 8,654,293	\$ 63,558,763	\$ 59,254,876	\$73,837,100	\$67,909,169		
Operating grants								
and contributions	2,100,851	1,926,180	189,874	2,758,074	2,290,725	4,684,254		
Capital grants								
and contributions	772,002	4,955,960	344,703	306,400	1,116,705	5,262,360		
General:								
Taxes	27,159,087	22,511,014	-	-	27,159,087	22,511,014		
Other	2,200,244	3,098,987	3,682,058	837,065	5,882,302	3,936,052		
Total revenues	42,510,521	41,146,434	67,775,398	63,156,415	110,285,919	104,302,849		
	-	_						
Expenses:								
General government	2,342,138	1,651,035	-	-	2,342,138	1,651,035		
Public safety	11,597,559	8,378,446	-	-	11,597,559	8,378,446		
Culture and tourism	4,271,755	3,210,440	-	-	4,271,755	3,210,440		
Health and welfare	1,512,720	1,509,704	-	-	1,512,720	1,509,704		
Public works	10,068,025	11,608,984	-	-	10,068,025	11,608,984		
Harbor	2,491,268	2,693,536	-	-	2,491,268	2,693,536		
Interest	1,722,499	1,770,690	-	-	1,722,499	1,770,690		
KPU	-	-	44,938,330	43,920,487	44,938,330	43,920,487		
Port	-	-	10,241,844	6,442,673	10,241,844	6,442,673		
Wastewater			3,167,973	2,723,145	3,167,973	2,723,145		
Total expenses	34,005,964	30,822,835	58,348,147	53,086,305	92,354,111	83,909,140		
Increase in net position								
before transfers	8,504,557	10,323,599	9,427,251	10,070,110	17,931,808	20,393,709		
Loss on disposal of asset	(2,892,813)	-	-	-	(2,892,813)	-		
Transfers in (out)	1,186,725	1,177,500	(1,186,725)	(1,177,500)				
Increase (decrease) in								
net position	6,798,469	11,501,099	8,240,526	8,892,610	15,038,995	20,393,709		
Net position, beginning								
Restated	195,278,638	183,777,539	188,664,999	179,772,389	383,943,637	363,549,928		
Net position, December 31	202,077,107	195,278,638	196,905,525	188,664,999	398,982,632	383,943,637		

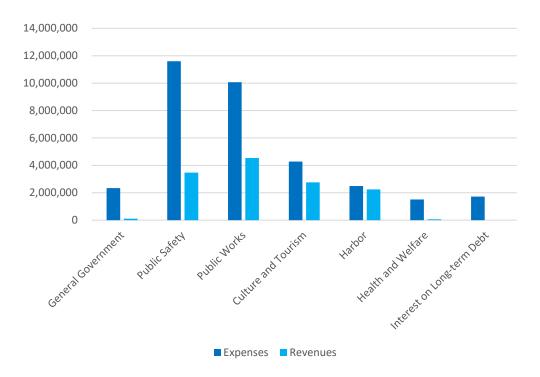
Governmental Activities. The City's net position from governmental activities increased \$6.80 million. In 2022, net position increased by \$11.50 million. The key elements in the change in net position from the prior year are as follows:

- Charges for services increased by \$1.62 million. The Fire Department and Solid Waste Division services are the two main reasons for this increase. The Fire Department's charges for services increased as a result of the Supplemental Emergency Medical Transport (SEMT) program. The SEMT program reimburses the City for the cost of ambulance services that are not reimbursed by service charges. This program generated revenue of \$1.85 million in 2023, a \$1.1 million increase from 2022. The Solid Waste Division's increase is due to an increase in solid waste collection and disposal rates resulting in additional revenue of \$357,398.
- Taxes increased by \$4.65 million in 2023. 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, increase
 in the cost of merchandise to the consumer and the implementation of a seasonal sales tax increased sales revenues
 accounting for the increase.
- Operating grants decreased by \$1.40 million. The decrease was mostly due to a reduction of financial assistance from the federal government as a result of the American Rescue Plan Act.
- General government expenses increased by \$691,103. This increase is due to the City Manager's Office being fully staffed, the implementation of a grant writer program, the increase in equipment replacements for the Information Technology Department and the Information Technology Department being close to full staffing in 2023.
- Public safety expenses increased by \$3.22 million. This increase is due to filling vacant positions, training and
 equipment for new hires and an increase in capital purchases. The Police Department purchased two vehicles, replaced
 the toughbooks in all patrol vehicles and replaced the entry/exit gate on the building that houses department personnel
 and vehicles.
- Culture and tourism increased by \$1.06 million. This increase is due to hiring a tourism manager, filling vacancies, the maintenance of the museum, the civic center and library and enhancing the downtown visitor programs and amenities to maintain a pleasurable visitor experience.
- Public works expenses decreased by \$1.54 million. The decrease in costs compared to 2022 is the result of last year's loss on disposal of an asset.

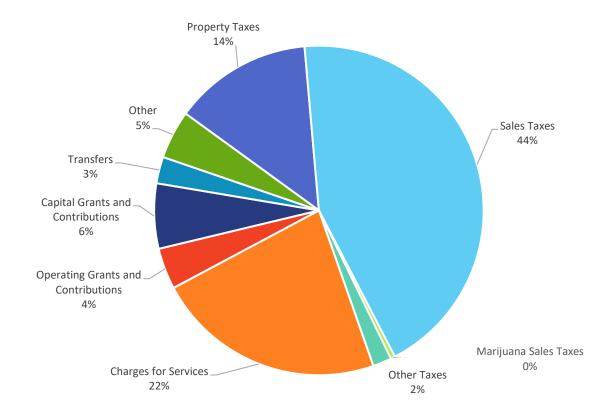
The following graphs compare program revenues with expenses and illustrate the revenues by source for governmental activities.

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EXPENSES AND PROGRAM REVENUES -GOVERNMENTAL ACTIVITIES



REVENUE BY SOURCE – GOVERNMENTAL ACTIVITIES



Business-type Activities. The City's net position from business-type activities increased by \$8.24 million. This is a similar increase from the previous year's increase of \$8.89 million. The City's business-type activities include electric, telecommunications, water and wastewater utilities; and port operations. As will be discussed below, \$3.34 million is attributable to KPU activities, \$4.3 million is attributable to port activities, and \$541,077 is attributable to wastewater activities. The key elements in the change in net position from the prior year are as follows:

Charges for services increased \$4.40 million. The table below summarizes charges of services by business-type activity.

	Restated			Restated	
		2023 2022			2022
Electric	\$	20,151,307	-	5	19,802,565
Telecommunications		20,747,159			20,497,990
Water		4,920,604			4,664,989
Port		14,231,451			10,699,430
Wastewater		3,508,242			3,491,902
	\$	63,558,763	9	5	59,156,876

Electric utility revenues increased by \$347,459 as a result of a 1.5% rate increase in 2023. The rate increase of 1.5% was the second of a two-year increase to make up for the increase in the cost of purchasing power from Southeast Alaska Power Agency (SEAPA) from \$0.068 to \$0.0730 per kWh.

Overall, telecommunications revenues increased by \$245,740. A combination of factors were responsible for the increase. Local network revenues experienced a slight increase of \$10,404 while network access services decreased by about \$210,624 as customers counts continue to move to wireless services and subscribing to broadband only. Non-regulated telecommunication revenues arising from internet, television and wireless services increased by \$449,386. Consumer demand for internet and wireless services continues to be strong and the City's telecommunications utility has a dominant presence in the local market. The television consumers are moving to video streaming indicating it is time for telecom to discontinue broadcast TV services and focus on internet and wireless services. The transition to discontinue broadcast TV will take place in 2024.

Water revenues increased \$255,427 due to the second of a two-year increase of 4.0% each year, in anticipation of the increase in debt service payments for the Schoenbar Raw Water Main Replacement project.

Port revenues increased by \$3.53 million as a result of the resumption of a full cruise ship season. The number of passengers increased from 751,009 in 2022 to 1,112,769 in 2023 and the number of cruise ship port of calls increased from 442 in 2022 to 514 in 2023.

Interest proceeds increased \$2.48 million in 2023 due to the increase in rates for sweep accounts as well as market conditions that favored investing in government securities.

The overall expenses of the City's business-type activities for 2023 increased from \$52.99 million to \$58.34 million, or \$5.36 million. The table summarizes expenses by business-type activity.

	Restated
2023	2022
\$19,868,057	\$19,414,391
19,766,700	18,184,735
5,303,573	6,223,361
10,241,844	6,442,673
3,167,973	2,722,886
\$58,348,147	\$52,988,046
	\$19,868,057 19,766,700 5,303,573 10,241,844 3,167,973

The total expenses of the electric utility saw an increase of \$452,642 in 2023. Certain personnel costs decreased from in 2023 due to vacancies but overtime has increased more than \$200,000 offsetting any reductions in regular wages. The cost of professional and technical services continues to increase as well as the cost of insurance for property and liability. The division increased capital spending to replace vehicles and equipment but remain behind in repairs and maintenance due to staffing. Indirect operating costs for administration & general costs have increased almost \$300,000 and depreciation increased a little over \$100,000.

The cost of operating the telecommunications utility increased by \$1.58 million. The division's personnel costs have increased more than \$700,000 as a result of filling vacant positions, software and equipment maintenance services increased \$120,000, professional services increased \$120,000 and rents increased \$180,000 continue to increase direct operating costs and an increase in indirect administration & general costs also increased approximately \$410,000.

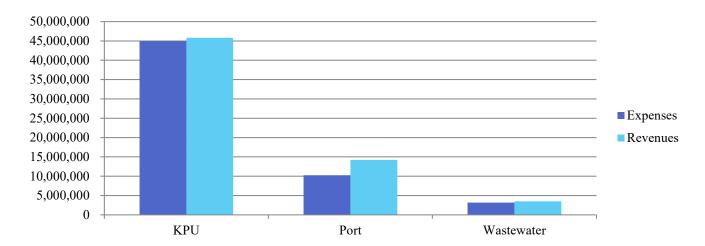
The Water Division operating costs decreased \$919,718. Most of this decrease was due to a loss on disposal from 2022 that increased operating costs \$1.5 million. In 2023, personnel costs increased \$170,000 due to the reclassification of water division staff, supplies increased \$50,000, contract services increased almost \$100,000, depreciation increase \$120,000 and indirect administration and general costs increased \$93,000.

Port operating costs increased by \$3.8 million. The port abandoned design work for Port Improvements in the amount of \$2.7 million since the plan was developed was pre-covid and is no longer valid given the increase in cost of materials and services for all capital improvements. The port will need to design a new capital improvement plan that considers the new docks installed at ward cove and the change in asset condition since the previous study was completed. The Berth IV lease payment was another big driver in the increase in port operating costs. The lease payments increased almost \$500,000 or 27% while all other operating costs, personnel, supplies and services, insurance, and depreciation together increased \$667,000 or 14%.

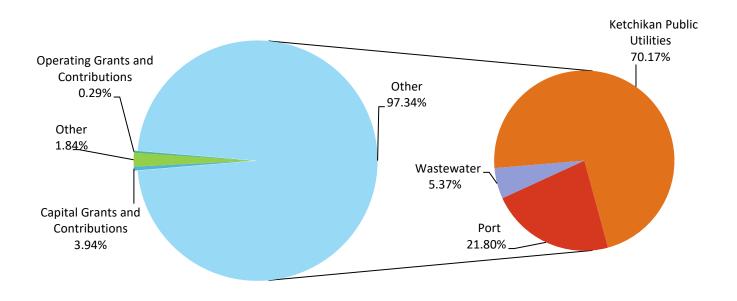
The wastewater services operating cost increased \$445,087. Personnel costs increased \$83,000 and the cost supplies services increased \$74,000. The division also performed major maintenance on infrastructure that increased operations an additional \$288,000.

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 \$50.64 million, an increase of \$10.53 or 26.26%, from last year. Nonspendable fund balances total \$287,350 and consists entirely of land held for resale. Restricted fund balances total \$12.82 million. Assigned fund balances total \$30.76 million and includes the following:

- \$9.41 million for the subsequent year's budget deficit
- \$3.07 million for streets and sidewalks maintenance and other public works projects
- \$4.02 million for culture and tourism
- \$2.73 million for public buildings improvements
- \$5.32 million for public health
- \$1.52 million for solid waste
- \$0.31 million for abatement of dangerous buildings and parking development
- \$1.54 million for public safety
- \$2.49 million for harbors
- \$0.34 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 2023 amounted to \$34.26 million, an increase of \$3.25 million from 2022. Nearly all of the increase was a result of an increase in sales tax revenues. Sales tax revenues increased by \$5.03 million or 73.25% from 2022. A seasonal sales tax was implemented April 1, 2023 increasing the in season, April 1 to September 30, sales tax rate to 5.5%. The first year of implementation yielded additional revenues due to the fact that the rate between Jan 1 and March 31 was 4.0%. The offseason rate will be 3.0% October 1, through March 31, starting in October of 2023. Intergovernmental revenues decreased \$1.5 million due to funding received in 2022 from American Rescue Plan Act grant. Charges for services increased by \$289,092, due to an increase in ambulance and museum services. Total general fund expenditures for 2023 amounted to \$27.62 million, an increase of \$3.01 million from 2022. The primary reason for the increase in expenditures of \$1.8 million is due to a 2.5% increase wages per collective bargaining agreements, percentage-based benefits and filling vacant positions. The capital outlays increase about \$709,000. The cost of travel, supplies, freight and fuel also increased \$332,000 over 2022.

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 2023 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 2023 Budget for the general fund projected annual revenues of \$22.73 million and was subsequently amended to \$22.96 million. The additional budgeted revenue was largely due grants accepted by the City Council. Actual revenues totaled \$23.03 million, which resulted in a favorable budget variance of \$1.0 million, or 4.3% over the amended budget. The favorable budget variance was attributable to the record increase in sales tax revenues in 2023. The City received \$20.27 million in total sales tax revenues. This is the highest sales tax revenue recorded by the City. Prior to 2023, the highest sales tax revenue reported was \$15.24 million in 2022. Due to fact that sales tax revenues are shared between three funds the increase to the general fund was \$1.46 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 2023 Budget for general fund included appropriations for expenditures totaling \$26.76 million. During the year, the City Council approved amendments to expenditures totaling \$632,843 and authorized transfers totaling \$113,560 from reserves to appropriations for expenditures. The amendments and the transfers increased appropriations for expenditures to \$27.39 million. All of the amendments provided appropriations for spending the proceeds from grants awards, contributions and transfers from other funds for public safety, public health and museum services. The transfers provided funding for information technology software purchase, public safety overtime, and training. Actual expenditures totaled \$24.26 million, which resulted in a favorable variance of \$3.13 million. The City is still in recovery mode and very cognizant of the need to minimize outlays.

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, 2023, amounts to \$411.75 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 \$12.28 million or 2.90%. The City's investment in governmental activities, net of accumulated depreciation decreased \$4.65 million and business-type activities capital assets decreased by \$7.63 million. See Note 4-D 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

	Governme	ntal Activities	Business Activities		Total	
			Restated			Restated
	2023	2022	2023	2022	2023	2022
Non-depreciable assets:						
Land	\$ 29,111,163	\$ 29,111,163	\$ 4,534,706	\$ 4,534,706	\$ 33,645,869	\$ 33,645,869
Easements	588,168	588,168	-	-	588,168	588,168
Construction in progress	4,287,050	2,132,212	4,554,260	13,179,183	8,841,310	15,311,395
Intangibles and other	120,750	120,750	6,416,412	6,416,412	6,537,162	6,537,162
Total non-depreciable	\$ 34,107,131	\$ 31,952,293	\$ 15,505,378	\$ 24,130,301	\$ 49,612,509	\$ 56,082,594
Depreciable assets:						
Utility plants	\$ -	\$ -	\$ 304,693,623	\$ 300,832,886	\$304,693,623	\$300,832,886
Port facilities	-	-	73,911,860	67,933,863	73,911,860	67,933,863
Land improvements	1,539,203	1,539,203	-	-	1,539,203	1,539,203
Buildings	142,785,358	146,087,556	-	-	142,785,358	146,087,556
Machinery and equipment	20,388,354	20,546,446	-	-	20,388,354	20,546,446
Infrastructure	96,922,123	96,107,688	-	-	96,922,123	96,107,688
Software	581,531	581,531	-	-	581,531	581,531
Right to use lease assets	65,987	65,987	29,624,031	29,624,031	29,690,018	29,690,018
Right to use subcritpion assets	96,538		57,917	57,917	154,455	57,917
Total depreciable assets	262,379,094	264,928,411	408,287,431	398,448,697	670,666,525	663,377,108
Less accum. depreciation	(92,406,176)	(88,146,287)	(216,125,068)	(207,282,619)	(308,531,244)	(295,428,906)
Net depreciable assets	\$169,972,918	\$ 176,782,124	\$ 192,162,363	\$ 191,166,078	\$362,135,281	\$367,948,202
Percentage depreciated	35%	33%	53%	52%	46%	45%
Book value - all assets	\$204,080,049	\$ 208,734,417	\$ 207,667,741	\$ 215,296,379	\$411,747,790	\$424,030,796

Major capital assets under construction during 2023 and included in construction in progress are as follows:

- Fire Department Emergency Engine -\$255,000
- Fire Department Engine Replacement (E2) \$1,146,512
- Police Department Ford Interceptor \$68,345
- Police Department Exit Gate Replacement \$384,008
- Thomas Basin Promenade \$172,051
- Water Street Treslte #1 \$79,637
- Salmon Ladder enhancement \$95,480
- Bar Harbor South Float 8 Electrical Replacement \$99,233
- Schoenbar Creek Culvert Repair \$10,319
- Sayles Gorge Bridge Replacement \$38,558
- Water Filtration Project \$102,659
- Water SCADA PLC Controller Replacement \$229,725
- Beaver Falls Relicensing \$53,213

Major capital assets placed in service during 2023 are as follows:

- Salmon Walk and Married Man's Trail Improvements \$380,967
- Station 2 Parking Lot Drainage Improvements \$272,323

- Jackson Heights Street Improvements \$121,932
- Building Maintenance Ford Transit Van \$79,617
- Police Department Patrol Vehicles (2) #139,459
- Information Technology Hardware Replacements \$222,494
- Telecom Vehicle and Equipment Replacements \$356,667
- Telecom Softswitch Replacement \$304,772
- Central Office Transmission Improvements \$854,488
- Network Intrusion Detection System \$269,852
- Aerial Fiber Cable Improvements \$1,031,739
- Internet Enhancements \$315,428
- Electric Equipment Replacements \$540,462
- Poles, Towers & Fixtures Replacements \$325,951
- Transformer Replacements \$206,109
- Water Distribution Grid Improvements \$117,469

At December 31, 2023, the depreciable capital assets for governmental activities were 35% depreciated. At December 31, 2022 and 2021, capital assets were 33% and 32% depreciated, respectively. The City's business-type activities capital assets were 53% depreciated at December 31, 2023 compared to 52% and 55% for 2022 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, 2023, the City had \$129.33 million in outstanding bonded debt and other long-term debt, a decrease of \$3.77 million from 2022. Total general obligation bonded debt decreased from \$47.31 million to \$45.37 million, or 4.1%. Total revenue bonded debt increased from \$54.34 million to \$51.62 million, or 5.0%. The following table provides a summary of outstanding long-term debt:

Outstanding Long-term Debt

		mental vities		ss-type vities	То	tals
	2023	2022	2023	Restated 2022	2023	Restated 2022
General obligation bonds	\$44,160,000	\$45,995,000	\$ 1,211,623	\$ 1,318,000	\$ 45,371,623	\$ 47,313,000
Revenue bonds	-	-	51,621,946	54,343,763	51,621,946	54,343,763
Leases payable	40,662	52,249	24,974,096	26,429,549	25,014,758	26,481,798
Subscription payable	52,504	-	19,297	37,917	71,801	37,917
Long term note	3,441,114	1,206,820	-	-	3,441,114	1,206,820
Landfill closure costs	981,660	978,360	-	-	981,660	978,360
Compensated absences	1,588,509	1,430,067	1,243,918	1,082,305	2,832,427	2,512,372
Total	\$ 50,264,449	\$49,662,496	\$79,070,880	\$83,211,534	\$129,335,329	\$ 132,874,030

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, 2023, the City had incurred construction costs of \$7,532,239 that were eligible for reimbursement under this loan program. The final loan amount will be determined once the closeout paperwork is complete and the State issues a debt service schedule.

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, 2023, the City had incurred construction costs of \$398,832 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, 2023, the City had incurred construction costs of \$398,832 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 subject an annual appropriation.

As of December 31, 2023, the City's total direct general obligation bond debt per capita was \$6,083.

See Note 4-H 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-G.

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 terminal began operations at the site of the former Ketchikan Pulp Company. The new terminal has increased the berthing capacity for 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 has returned 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 2023, the downtown berthing facilities received 42 ships that made 514 stops and carried 1,112,769 passengers. To compare, the community enjoyed the economic benefits of 46 cruise ships making 562 stops and a record breaking 1.17 million visitors arriving by cruise ship in 2019. The passenger counts are expected to be at the same level as 2023 with approximately 1.47 million in 2024 with 1.1 million expected at the Ketchikan berths and 374,000 expected at the Ward Cove berths.

The City realized a record \$20.27 million in sales tax revenues in 2023 compared to \$15.24 million in 2022 and \$10.30 million in 2021. 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 2023, the average employment was 6,883 that peaked at in July at 7,853

employees and the monthly unemployment rate averaged about 3.7%. The City is expecting a similar cruise season in 2024. Currently, 525 stops are planned for Ketchikan in 2024 with about the same number of passengers that were scheduled in 2023.

In 2024, the City Council approved a rate increase for the electric (6.2%), water (4.5%) and wastewater (5.0%) utility to fund wages increases and debt service requirements. The Solid Waste Division also increased disposal fees approximately 5.0% in 2024 to cover the increasing cost of shipping refuse to Washington for processing. The Port Department increased the passenger wharfage fees from \$9.00 per person to \$11.00 per person, all dockage charges will increase \$1.00 per foot in 2025 and additional dockage fees will increase \$200 in 2025.

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 https://www.ketchikan.gov/finance.



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City of Ketchikan, Alaska Statement of Net Position December 31, 2023

	overnmental Activities	В	usiness-type Activities	Total	
Assets			,		
Current assets:					
Cash and temporary investments (Note 3A)	\$ 41,654,358	\$	57,022,879	\$ 98,677,237	
Restricted cash, cash equivalents and investments Receivables:	11,875,036		3,436,358	15,311,394	
Accounts	3,450,388		3,166,595	6,616,983	
Taxes	2,441,804		-	2,441,804	
Intergovernmental	2,984		-	2,984	
Miscellaneous	4,405		-	4,405	
Interest	92,166		145,594	237,760	
Unbilled	78,141		1,316,154	1,394,295	
Inventory	-		3,241,874	3,241,874	
Prepaid items	1,164,063		17,801	1,181,864	
Total current assets	 60,763,345		68,347,255	129,110,600	
Noncurrent assets:					
Land for resale	287,350		-	287,350	
Restricted investments	-		10,492,917	10,492,917	
Restricted - other post-employment benefits	6,482,918		1,904,865	8,387,783	
Accrued interest on restricted assets	-		15,338	15,338	
Leases receivable	2,436,755		1,401,108	3,837,863	
Capital Assets (Note 3E)					
Right to use asset - lease, net	40,662		25,016,046	25,056,708	
Right to use asset - subscription, net	57,106		19,297	76,403	
Nondepreciable capital assets	34,107,131		15,505,378	49,612,509	
Depreciable capital assets, net	169,875,150		167,127,020	337,002,170	
Total noncurrent assets	213,287,072		221,481,969	434,769,041	
Total Assets	 274,050,417		289,829,224	 563,879,641	
Deferred Outflow of Resources	 1,714,447		474,619	 2,189,066	
Total Assets and Deferred Outflow of Resources	 275,764,864		290,303,843	566,068,707	

City of Ketchikan, Alaska Statement of Net Position (Cont'd) December 31, 2023

	Governmental Activities	Business-type Activities	Total
Liabilities			
Current liabilities			
Accounts payable	1,429,112	2,980,909	4,410,021
Payroll payable	2,015,784	· · ·	2,015,784
Lease payable	12,274	1,443,319	1,455,593
Subscription payable	32,725	19,297	52,022
Accrued interest payable	187,487	422,593	610,080
Customers deposits payable	4,340	342,190	346,530
Unearned revenue	676,000	35,537	711,537
Claims payable	304,974	-	304,974
Compensated absences payable	158,851	124,392	283,243
Note payable	579,021	-	579,021
General obligation bonds payable	1,915,000	107,980	2,022,980
Revenue bonds payable	-,,	3,638,900	3,638,900
Total current liabilities	7,315,568	9,115,117	16,430,685
Noncurrent liabilities	.,	-,,	
Accrued interest payable	_	29,082	29,082
Lease payable (net of current portion)	28,388	23,530,777	23,559,165
Subscription payable (net of current portion)	19,779	- / · /- · · · · -	19,779
Compensated absences payable (net of current portion)	1,429,658	1,119,526	2,549,184
Note payable (net of current portion)	2,862,093	-,,	2,862,093
Net pension liability	13,784,587	4,050,304	17,834,891
Landfill closure costs	981,660	-,000,00	981,660
General obligation bonds payable (net of current portion)	44,339,319	1,103,643	45,442,962
Revenue bonds payable (net of current portion)		51,913,822	51,913,822
Total noncurrent liabilities	63,445,484	81,747,154	145,192,638
Total Liabilities	70,761,052	90,862,271	161,623,323
Deferred Inflow of Resources	2,926,705	2,536,047	5,462,752
Total Liabilities and Deferred Inflows of Resource	73,687,757	93,398,318	167,086,075
Net Position			
Net investment in capital assets (Note 3K) Restricted for:	158,163,509	125,328,544	283,492,053
Capital and maintenance outlay	3,377,942	_	3,377,942
Repair and replacement funds		6,453,091	6,453,091
Commercial passenger excise tax funds	8,301,081	2,506,187	10,807,268
Performance guaranty	-	25,368	25,368
Debt service	-	4,187,925	4,187,925
Solid waste operations and maintenance	1,970,802	-	1,970,802
Harbor operations and maintenance	1,075,320	_	1,075,320
Cemetery operations and maintenance	140,030	_	140,030
Investigation and property seizure funds	64,390	_	64,390
Other post-employment benefits	6,482,918	1,904,865	8,387,783
Unrestricted	22,501,115	56,499,545	79,000,660
Total Net Position	\$ 202,077,107	\$ 196,905,525	\$ 398,982,632

City of Ketchikan, Alaska Statement of Activities For the Year Ended December 31, 2023

				Program Revenues							
Functions/Programs		Expenses		Charges for Services	_	rating Grants Contributions	Capital Grants and Contributions				
Governmental Activities:		_				_					
General government	\$	2,342,138	\$	57,204	\$	55,209	\$	-			
Public safety		11,597,559		3,249,939		187,238		-			
Culture and tourism		4,271,755		943,367		1,817,113		-			
Health and welfare		1,512,720		61,131		-		-			
Public works		10,068,025		4,220,787		20,330		297,160			
Harbor		2,491,268		1,745,909		20,961		474,842			
Interest		1,722,499									
Total Governmental Activities		34,005,964		10,278,337		2,100,851		772,002			
Business-Type Activities:											
Electric, telecommunications and water		44,938,330		45,819,070		179,850		344,703			
Port		10,241,844		14,231,451		10,024		-			
Wastewater		3,167,973		3,508,242							
Total Business-Type Activities		58,348,147		63,558,763		189,874		344,703			
Total	\$	92,354,111	\$	73,837,100	\$	2,290,725	\$	1,116,705			

General Revenues:

Property taxes

Sales taxes

Marijuana sales tax

Transient taxes

Intergovernmental - unrestricted

Investment earnings

Miscellaneous

Loss on donation of asset

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year - Restated (Note 2)

Net Position End of Year

Net (Expense) Revenue and Changes in Net Position Primary Government									
Governmental	Business-Type								
Activities	Activities	Total							
Activities	Activities	1 Otal							
\$ (2,229,725)	\$ -	\$ (2,229,725)							
(8,160,382)	-	(8,160,382)							
(1,511,275)	-	(1,511,275)							
(1,451,589)	-	(1,451,589)							
(5,529,748)	-	(5,529,748)							
(249,556)	-	(249,556)							
(1,722,499)	<u>-</u>	(1,722,499)							
(20,854,774)	<u> </u>	(20,854,774)							
-	1,405,293	1,405,293							
-	3,999,631	3,999,631							
	340,269	340,269							
-	5,745,193	5,745,193							
(20,854,774)	5,745,193	(15,109,581)							
6,197,778	-	6,197,778							
19,932,443	-	19,932,443							
192,830	-	192,830							
836,036	-	836,036							
38,600	-	38,600							
1,796,762	2,482,130	4,278,892							
364,882	1,199,928	1,564,810							
(2,892,813)	-	(2,892,813)							
1,186,725	(1,186,725)	<u> </u>							
27,653,243	2,495,333	30,148,576							
6,798,469	8,240,526	15,038,995							
195,278,638	188,664,999	383,943,637							
\$ 202,077,107	\$ 196,905,525	\$ 398,982,632							



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GOVERNMENTAL FUNDS

City of Ketchikan, Alaska Balance Sheet Governmental Funds December 31, 2023

	General	Other Governmental Funds	Total Governmental Funds
Assets	A 25 45 6 25	A 12.515.201	
Cash and temporary investments Restricted cash:	\$ 25,476,827	\$ 13,517,291	\$ 38,994,118
Bond construction funds	_	1,447,967	1,447,967
Property seizure funds	-	146,196	146,196
Commercial passenger excise tax funds	_	8,310,873	8,310,873
Public works services and projects	1,970,000	-	1,970,000
Receivables:	, ,		,,
Accounts	402,635	3,047,753	3,450,388
Taxes	2,323,596	118,208	2,441,804
Leases	2,436,755	-	2,436,755
Intergovernmental	2,984	-	2,984
Interest	47,601	44,565	92,166
Interfund	740,644	-	740,644
Unbilled receivables	-	78,141	78,141
Land for resale	287,350		287,350
Total Assets	\$ 33,688,392	\$ 26,710,994	\$ 60,399,386
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 546,962	\$ 880,696	\$ 1,427,658
Payroll payable	2,015,784	-	2,015,784
Customer deposits payable	· · · · ·	4,340	4,340
Interfund payable	-	740,644	740,644
Unearned revenue	105,893	570,107	676,000
Total Liabilities	2,668,639	2,195,787	4,864,426
Deferred Inflows of Resources	4,697,228	200,171	4,897,399
Fund Balances			
Nonspendable - Land held for resale	287,350	-	287,350
Restricted for:		1 252 400	1 252 400
Fire	-	1,353,488	1,353,488
Law enforcement	-	64,390	64,390
Commercial passenger excise tax Public works services and projects	1,970,000	8,301,081	8,301,081 1,970,000
Bond construction funds	1,970,000	1,133,111	1,133,111
Assigned:		1,133,111	1,133,111
Subsequent years budget	8,140,505	1,268,674	9,409,179
Parking development and abatement of dangerous buildings	308,184	-,200,071	308,184
Hospital development and expansion	5,321,561	-	5,321,561
General government	334,464	-	334,464
Public safety	469,408	1,067,516	1,536,924
Culture and tourism	57,976	3,963,894	4,021,870
Public works	34,277	-	34,277
Collection and disposal of solid waste	-	1,524,228	1,524,228
Cemetery operations	-	138,030	138,030
Harbor operations	-	780,314	780,314
Streets, sidewalks and other public projects	2,626,499	-	2,626,499
Development of community facilities	-	2,732,871	2,732,871
Harbor construction	-	1,713,082	1,713,082
Public works projects		274,357	274,357
Unassigned	6,772,301		6,772,301
Total Fund Balances	26,322,525	24,315,036	50,637,561
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 33,688,392	\$ 26,710,994	\$ 60,399,386

City of Ketchikan, Alaska Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position December 31, 2023

Right to use assets used in governmental activities are not finanical resources and therefore are not reported in the funds Right to use asset - Leases Right to use asset - Leases Right to use asset - Subscription IT Accumulated depreciation - Lease Accumulated depreciation - Lease Accumulated depreciation - Subscription IT Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds: Taxes Services Interfund receivables and payables between governmental funds are reported on the fund balance sheet but climinated on the government-wide statement of net assets: Interfund payables Interfund payables 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 governmental activities in the statement of net assets. Deferred inflows and outflows not reported at the fund financial reporting level Deferred outflow Deferred Outflow Deferred Outflow Deferred Outflow Period and therefore are not reported in the funds: General obligation bonds Services 1,714,447 Period and therefore are not reported in the funds: General obligation bonds Services	Total Governmental Fund Balances			\$ 50,637,561
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 \$\$296,323,701\$ Less accumulated depreciation (92,341,420) 203,982,2 Right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds Right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds Right to use asset - Subscription IT 96,538 Right to use asset - Subscription IT 96,538 Accumulated depreciation - Lease (39,432) Accumulated depreciation - Subscription IT (25,325) 97,7 Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds: Taxes (2,281,5) Services (2,281,5) Services (3,44,140) Interfund receivables and payables between governmental funds are reported on the fund balance sheet but eliminated on the government-wide statement of net assets: Interfund receivables and payables between governmental funds are reported on the fund balance sheet but eliminated on the government-wide statement of net assets: Interfund receivables in sursance and claims to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. Accrued interest is not reported at the fund financial reporting level Deferred Outflow (489,952) Deferred inflows and outflows not reported at the fund financial reporting level Deferred outflow in the current period and therefore are not reported in the funds: General obligation bonds (44,160,000) Premium for GO bonds (2,094,319) Note payable (3,341,114) Lease payable (40,662) Subscription IT Payable (52,504) Net penson inability (13,784,387)				
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Annual depreciation expense. Supplies				
Cost of capital assets				
Less accumulated depreciation		\$	296 323 701	
and therefore are not reported in the funds Right to use asset - Leases Right to use asset - Leases Right to use asset - Subscription IT Accumulated depreciation - Lease Accumulated depreciation - Subscription IT Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds: Taxes Services 2,281,5 Services 2,281,5 Services 2,281,5 Services 2,281,5 Services 2,281,5 Services 3,740,644 Interfund receivables and payables between governmental funds are reported on the fund balance sheet but eliminated on the government-wide statement of net assets: Interfund receivables Interfund payables Service interfund payables Service interfund payables Service interfund payables Service interfund receivables Interfund receivables Interfund receivables Interfund 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 governmental activities in the statement of net assets. Accrued interest is not reported at the fund financial reporting level Deferred Outflow Deferred Inflow and outflows not reported at the fund financial reporting level Deferred Outflow Deferred Inflow Service in the current period and therefore are not reported in the funds: General obligation bonds Service in the fund financial reporting level Liabilities that are not due in the current period and therefore are not reported in the funds: General obligation bonds Service in the fund financial reporting level Lease payable General obligation bonds Service in the fund financial funds in the fund financial funds in the fund financial funds in the fund funds for fund funds in the fund funds for fund funds for fund funds funds for fund funds fund		<u>Ψ</u>		203,982,281
Right to use asset - Leases \$ 65,987 Right to use asset - Subscription IT 96,538 Accumulated depreciation - Lease 3(39,432) 3(25,325) 97,7	Right to use assets used in governmental activities are not financial resources			
Right to use asset - Subscription IT 96,538 Accumulated depreciation - Lease (39,432) 97,7	and therefore are not reported in the funds			
Accumulated depreciation - Lease (39,432) (25,325) 97,7		\$	65,987	
Accumulated depreciation - Subscription IT Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds: Taxes Services Interfund receivables and payables between governmental funds are reported on the fund balance sheet but eliminated on the government-wide statement of net assets: Interfund receivables Interfund payables Interfund payables 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 governmental activities in the statement of net assets. Deferred inflows and outflows not reported at the fund financial reporting level Deferred Outflow Deferred Outflow Deferred Inflow Signature Deferred outflow (489,952) 1,224,4 Liabilities that are not due in the current Period and therefore are not reported in the funds: General obligation bonds Premiums for GO bonds Quoyal, 110, 111, 111, 111, 111, 111, 111, 11			96,538	
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds: Taxes Services Interfund receivables and payables between governmental funds are reported on the fund balance sheet but eliminated on the government-wide statement of net assets: Interfund receivables Interfund payables Interfund syables Interfund syables Interfund syables Interfund syables Interfund syables Interfund payables Interfund payables Interfund syables Interfund payables Interfund syables Interfund syables Interfund syables Interfund 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 governmental activities in the statement of net assets. Deferred inflows and outflows not reported at the fund financial reporting level Deferred outflow Deferred Inflow Interfund syable Deferred Inflow Interfund syable Interfund syable Interfund syable Interfund syable Interfund sevice fund sasets Interfund syable Interfund				
period expenditures and therefore are deferred in the funds: Taxes Services 179,1 Interfund receivables and payables between governmental funds are reported on the fund balance sheet but eliminated on the government-wide statement of net assets: Interfund receivables Interfund payables Interfund	Accumulated depreciation - Subscription IT		(25,325)	97,768
Taxes Services 2,281,5 Services 179,1 Interfund receivables and payables between governmental funds are reported on the fund balance sheet but eliminated on the government-wide statement of net assets: Interfund receivables \$ 740,644 1				
Services 179,1 Interfund receivables and payables between governmental funds are reported on the fund balance sheet but eliminated on the government-wide statement of net assets: Interfund receivables Interfund payables Interfund payables Interfund payables Interfund payables Interfund payables 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 governmental activities in the statement of net assets. Accrued interest is not reported at the fund financial reporting level Deferred Outflow sand outflows not reported at the fund financial reporting level Deferred Inflow S 1,714,447 Deferred Inflow (489,952) 1,224,4 Liabilities that are not due in the current period and therefore are not reported in the funds: General obligation bonds (44,160,000) Premiums for GO bonds (2,094,319) Note payable (3,441,114) Lease payable (40,662) Subscription IT Payable (52,504) Net pension liability (13,784,587) Net other post-employment benefits (6,482,918)	· ·			2 201 527
on the fund balance sheet but eliminated on the government-wide statement of net assets: Interfund receivables \$740,644 (740,644) - 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 governmental activities in the statement of net assets. Accrued interest is not reported at the fund financial reporting level (187,4) Deferred outflows and outflows not reported at the fund financial reporting level Deferred Outflow (489,952) 1,224,4 Liabilities that are not due in the current period and therefore are not reported in the funds: General obligation bonds (44,160,000) Premiums for GO bonds (2,094,319) Note payable (3,3441,114) Lease payable (40,662) Subscription IT Payable (52,504) Net pension liability (13,784,587) Net other post-employment benefits 6,482,918				179,119
on the fund balance sheet but eliminated on the government-wide statement of net assets: Interfund receivables \$ 740,644 (740,644) - 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 governmental activities in the statement of net assets. 1,933,7 Accrued interest is not reported at the fund financial reporting level (187,4 Deferred inflows and outflows not reported at the fund financial reporting level (189,952) 1,224,4 Liabilities that are not due in the current period and therefore are not reported in the funds: (44,160,000) Premiums for GO bonds (2,094,319) Note payable (3,441,114) Lease payable (40,662) Subscription IT Payable (52,504) Net other post-employment benefits (13,784,587) Net other post-employment benefits (4,42,918)	Interfund receivables and payables between governmental funds are reported			
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Interfund payables (740,644) 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 governmental activities in the statement of net assets. 1,933,7 Accrued interest is not reported at the fund financial reporting level (187,4) Deferred inflows and outflows not reported at the fund financial reporting level (187,4) Deferred Inflow (489,952) 1,224,4 Liabilities that are not due in the current period and therefore are not reported in the funds: General obligation bonds (44,160,000) Premiums for GO bonds (2,094,319) Note payable (3,441,114) Lease payable (40,662) Subscription IT Payable (52,504) Net pension liability (13,784,587) Net other post-employment benefits 6,482,918				
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 governmental activities in the statement of net assets. Accrued interest is not reported at the fund financial reporting level Deferred inflows and outflows not reported at the fund financial reporting level Deferred Outflow Deferred Inflow Deferred Inflow (187,4 Liabilities that are not due in the current period and therefore are not reported in the funds: General obligation bonds Seneral obligation bonds Premiums for GO bonds Note payable Lease payable Subscription IT Payable Subscription IT Payable Net pension liability Net other post-employment benefits (13,784,587) Net other post-employment benefits	Interfund receivables	\$	740,644	
the costs of compensated absences, insurance and claims to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. Accrued interest is not reported at the fund financial reporting level Deferred inflows and outflows not reported at the fund financial reporting level Deferred Outflow Deferred Inflow Solve 1,714,447 Deferred Inflow (489,952) 1,224,4 Liabilities that are not due in the current period and therefore are not reported in the funds: General obligation bonds Fremiums for GO bonds Note payable Lease payable Subscription IT Payable Net pension liability Net other post-employment benefits (13,784,587) Net other post-employment benefits	Interfund payables		(740,644)	-
funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. Accrued interest is not reported at the fund financial reporting level Deferred inflows and outflows not reported at the fund financial reporting level Deferred Outflow Deferred Inflow Deferred In				
included in governmental activities in the statement of net assets. 1,933,7 Accrued interest is not reported at the fund financial reporting level Deferred inflows and outflows not reported at the fund financial reporting level Deferred Outflow Deferred Inflow \$1,714,447 Deferred Inflow \$489,952 1,224,4 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 Subscription IT Payable Net pension liability Net other post-employment benefits 1,933,7 (187,4	*			
Accrued interest is not reported at the fund financial reporting level Deferred inflows and outflows not reported at the fund financial reporting level Deferred Outflow Deferred Inflow S 1,714,447 Deferred Inflow (489,952) 1,224,4 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 Lease payable Subscription IT Payable Net pension liability Net other post-employment benefits (187,4 (187				
Deferred inflows and outflows not reported at the fund financial reporting level Deferred Outflow Deferred Inflow S 1,714,447 Deferred Inflow (489,952) 1,224,4 Liabilities that are not due in the current period and therefore are not reported in the funds: General obligation bonds Fremiums for GO bonds Note payable Lease payable Lease payable Subscription IT Payable Net pension liability Net other post-employment benefits Deferred inflows and outflows in the fund financial reporting level \$ 1,714,447 (489,952) 1,224,4 (44,160,000) (2,094,319) (3,441,114) (40,662) (52,504) (40,662) (52,504) (52,504) (64,782,918)	included in governmental activities in the statement of net assets.			1,933,771
Deferred Outflow \$ 1,714,447	Accrued interest is not reported at the fund financial reporting level			(187,487)
Deferred Inflow				
Liabilities that are not due in the current period and therefore are not reported in the funds: General obligation bonds \$ (44,160,000) Premiums for GO bonds (2,094,319) Note payable (3,441,114) Lease payable (40,662) Subscription IT Payable (52,504) Net pension liability (13,784,587) Net other post-employment benefits 6,482,918		\$		
period and therefore are not reported in the funds: \$ (44,160,000) General obligation bonds \$ (2,094,319) Premiums for GO bonds (3,441,114) Lease payable (40,662) Subscription IT Payable (52,504) Net pension liability (13,784,587) Net other post-employment benefits 6,482,918	Deferred Inflow		(489,952)	1,224,495
General obligation bonds \$ (44,160,000) Premiums for GO bonds (2,094,319) Note payable (3,441,114) Lease payable (40,662) Subscription IT Payable (52,504) Net pension liability (13,784,587) Net other post-employment benefits 6,482,918				
Premiums for GO bonds (2,094,319) Note payable (3,441,114) Lease payable (40,662) Subscription IT Payable (52,504) Net pension liability (13,784,587) Net other post-employment benefits 6,482,918		•	(44.160.000)	
Note payable (3,441,114) Lease payable (40,662) Subscription IT Payable (52,504) Net pension liability (13,784,587) Net other post-employment benefits 6,482,918	· ·	\$		
Lease payable(40,662)Subscription IT Payable(52,504)Net pension liability(13,784,587)Net other post-employment benefits6,482,918				
Subscription IT Payable (52,504) Net pension liability (13,784,587) Net other post-employment benefits 6,482,918	1 7			
Net pension liability (13,784,587) Net other post-employment benefits 6,482,918	* *			
Net other post-employment benefits 6,482,918				
	1 1 2			 (58,071,928)
Net Position Of Governmental Activities \$ 202,077,1	Net Position Of Governmental Activities			\$ 202,077,107

City of Ketchikan, Alaska Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended December 31, 2023

	General			Other overnmental Funds	Go	Total overnmental Funds
Revenues			_		_	
Taxes	\$	26,429,389	\$	1,021,195	\$	27,450,584
Licenses and permits		115,811		-		115,811
Intergovernmental		324,622		2,586,831		2,911,453
Charges for services		2,415,279		7,585,585		10,000,864
Fines and forfeitures		75,176		17,191		92,367
Investment earnings		891,449		839,408		1,730,857
Interdepartmental charges		3,677,739		-		3,677,739
Miscellaneous		334,529		10		334,539
Total Revenues		34,263,994		12,050,220		46,314,214
Expenditures						
Current:						
General government		5,687,084		168,162		5,855,246
Public safety		12,708,461		81,153		12,789,614
Culture and tourism		3,202,092		253,066		3,455,158
Health and welfare		37,847		-		37,847
Public works		5,982,956		3,765,735		9,748,691
Harbor		-		1,321,244		1,321,244
Debt Service:						
Principal retirement		-		2,100,706		2,100,706
Interest and fiscal charges		-		1,871,371		1,871,371
Capital Outlay				2,423,293		2,423,293
Total Expenditures		27,618,440		11,984,730		39,603,170
Excess (Deficiency) of Revenues						
Over (Under) Expenditures		6,645,554		65,490		6,711,044
Other Financing Sources (Uses)						
Sale of capital assets		37,571		-		37,571
Transfers in		2,662,122		4,124,993		6,787,115
Issuance of debt		, , , <u>-</u>		2,500,000		2,500,000
Transfers out		(3,622,402)		(1,977,988)		(5,600,390)
Other financing sources - subscription IT		96,538		-		96,538
Total Other Financing Sources (Uses)		(826,171)		4,647,005		3,820,834
Net Change in Fund Balances		5,819,383		4,712,495		10,531,878
Fund Balances Beginning of Year		20,503,142		19,602,541		40,105,683
Fund Balances End of Year	\$	26,322,525	\$	24,315,036	\$	50,637,561

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, 2023

Net Changes In Fund Balances - Total Governmental Funds			\$ 10,531,878
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	\$	(5,756,730)	
Capital outlay		3,963,689	(1,793,041
Right to use asset capital outlay expenditures-Lease	\$	-	
Right to use asset capital outlay expenditures-Subscription IT	\$	96,538	
Depreciation expense - right to use - Lease	\$	(11,587)	
Depreciation expense - right to use - Subscription	n	(39,432)	45,519
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			(2,906,846
Revenues of Internal Service Fund are included in the governmental statement of activities			65,905
Revenues in the statement of activities that do not provide			
current financial resources are not reported as revenues in the funds.			
Taxes			(209,534
Charges for Services			(19,896
Elimination of transfers between governmental funds:		(7 500 7 00)	
Transfers in	\$	(5,600,390)	
Transfers out	_	5,600,390	-
nterest 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.			(23,683
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	\$	1,835,000	
Amortization of premiums and deferred charges	Ψ	171,830	
Note payable		(2,234,294)	
Lease payable issued		-	
Subscription IT payable issued		(96,538)	
Principal payments on lease payable		11,587	
Principal payments on Subscription IT Payable		44,034	
Net pension obligation		666,342	
Net other post-employment benefits obligation		713,506	
Landfill closure costs		(3,300)	 1,108,167
Change In Net Position of Governmental Activities			\$ 6,798,469



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PROPRIETARY FUNDS

City of Ketchikan, Alaska Statement of Net Position Proprietary Funds December 31, 2023

		Governmental				
	Ketchikan Public Utilities	Ketchikan Port	Wastewater Service	Total	Activities - Internal Service Fund	
Assets						
Current Assets:						
Cash and temporary investments	\$ 35,397,953	\$ 15,662,691	\$ 5,962,235	\$ 57,022,879	\$ 2,660,240	
Cash and temporary investments accrued interest	-	42,517	-	42,517	-	
Restricted cash, cash equivalents and investments	716,611	2,692,460	27,287	3,436,358	-	
Receivables:						
Accounts	2,849,401	111,126	206,068	3,166,595	-	
Interest	88,833	55	14,189	103,077	-	
Miscellaneous	-	-	-	-	4,405	
Inventory	3,241,874	-	-	3,241,874	-	
Prepaid items	17,801	-	-	17,801	1,164,063	
Unbilled revenue	1,149,103		167,051	1,316,154		
Total Current Assets	43,461,576	18,508,849	6,376,830	68,347,255	3,828,708	
Noncurrent Assets:						
Restricted Assets:						
Investments	1,799,826	8,693,091	-	10,492,917	-	
Accrued interest on restricted assets	145	15,193	_	15,338	-	
Other post-employment benefits	1,576,065	257,505	71,295	1,904,865	-	
Lease receivable	1,376,501	24,607	· <u>-</u>	1,401,108	-	
Capital Assets:						
Nondepreciable capital assets	6,047,045	8,472,355	985,978	15,505,378	-	
Depreciable capital assets, net	109,285,064	66,644,464	16,232,835	192,162,363		
Total Noncurrent Assets	120,084,646	84,107,215	17,290,108	221,481,969		
Total Assets	163,546,222	102,616,064	23,666,938	289,829,224	3,828,708	
Deferred Outflow of Resources	403,728	62,607	8,284	474,619		
Total Assets and Deferred Outflow of Resources	163,949,950	102,678,671	23,675,222	290,303,843	3,828,708	

City of Ketchikan, Alaska Statement of Net Position (Cont'd) Proprietary Funds December 31, 2023

		Governmental			
	Ketchikan Public Utilities	Ketchikan Port	wastewater Service	Total	Activities - Internal Service Fund
Liabilities					
Current Liabilities:					
Accounts payable	2,859,254	87,187	34,468	2,980,909	1,454
Lease payable	323,195	1,120,124	-	1,443,319	-
Subscription payable	14,473		4,824	19,297	_
Accrued interest	276,999	141.336	4,258	422,593	_
Customer deposits	342,190		-,200	342,190	_
Compensated absences payable	116,070	1,575	6,747	124,392	158,851
Unearned revenue	35,537	1,575	0,747	35,537	130,031
General obligation bonds payable	33,337	_	107,980	107,980	_
2 1 3	2,160,575	1.447.584	30,741	3,638,900	-
Revenue bonds payable Claims payable	2,100,373				304,974
Total Current Liabilities	6,128,293	2,797,806	189,018	9,115,117	465,279
Long-Term Liabilities:					
Accrued interest	14,562	_	14,520	29,082	-
Lease payable	4,836,610	18,694,167	· -	23,530,777	_
Compensated absences payable (net of current portion)	1,044,631	14,176	60,719	1,119,526	1,429,658
Net pension liability	3,351,176	547,531	151,597	4,050,304	-,,
Revenue bonds payable (net of current portion)	30,344,295	20,771,545	797,982	51,913,822	_
General obligation bonds payable (net of current portion)	-	-	1,103,643	1,103,643	
Total Long-Term Liabilities	39,591,274	40,027,419	2,128,461	81,747,154	1,429,658
Total Liabilities	45,719,567	42,825,225	2,317,479	90,862,271	1,894,937
Deferred Inflow of Resources	2,161,451	370,971	3,625	2,536,047	
Total Liabilities and Deferred Inflow of Resources	47,881,018	43,196,196	2,321,104	93,398,318	1,894,937
Net Position					
Net investment in capital assets	77,388,258	32,766,642	15,173,644	125,328,544	-
Restricted for bond retirement	1,879,285	2,300,131	8,509	4,187,925	-
Restricted for repair and replacement	-	6,453,091	-	6,453,091	-
Restricted commercial passenger excise tax funds	-	2,506,187	-	2,506,187	-
Restricted performance guaranty	25,368	-	-	25,368	-
Restricted for other post-employment benefits	1,576,065	257,505	71,295	1,904,865	_
Unrestricted	35,199,956	15,198,919	6,100,670	56,499,545	1,933,771
Total Net Position	\$ 116,068,932	\$ 59,482,475	\$ 21,354,118	\$ 196,905,525	\$ 1,933,771



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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, 2023

	Business-type Activities - Enterprise Funds								Go	vernmental
	Ketchikan Public Utilities		F	Ketchikan Port	Wastewater Service		Total		Activities - Internal Service Fund	
Operating Revenues										
Charges for services Miscellaneous	\$ 45,917,0 1,139,4		\$	14,231,451 38,673	\$	3,508,242 21,847	\$	63,656,763 1,199,928	\$	3,435,800 10,651
Total Operating Revenues	47,056,4	78		14,270,124		3,530,089		64,856,691		3,446,451
Operating Expenses										
Operation and maintenance	29,972,5	42		3,281,704		2,556,170		35,810,416		-
Administration and general	7,207,2	66		-		=		7,207,266		-
Depreciation	7,337,3			2,639,576		579,627		10,556,578		-
Compensated absences	-			-		-		-		1,273,541
Insurance	-			-		-		-		1,998,197
Claims						-				164,061
Total Operating Expenses	44,517,1	83		5,921,280		3,135,797		53,574,260		3,435,799
Operating Income	2,539,2	95		8,348,844		394,292		11,282,431		10,652
Non Operating Revenues (Expenses)										
Operating grants	179,8	50		10,024		-		189,874		-
Interest and fiscal charges	(519,1	47)		(1,528,166)		(32,176)		(2,079,489)		-
Gain or (loss) on disposal of capital assets	-	. ,		(2,792,398)		-		(2,792,398)		-
Investment earnings	1,584,8	95		638,274		258,961		2,482,130		55,253
Total Non Operating Revenues (Expenses)	1,245,5	98		(3,672,266)		226,785		(2,199,883)		55,253
Income Before Capital Contributions,										
Grants and Transfers	3,784,8	93		4,676,578		621,077		9,082,548		65,905
Capital Contributions, Grants and Transfers										
Capital contributions and grants	344,7	03		-		-		344,703		-
Transfers										
Payments in lieu of taxes to the general fund	(786,0	00)		(319,000)		(80,000)		(1,185,000)		-
Transfer to commercial passenger vessel tax fund		_		(1,725)		<u> </u>		(1,725)		-
Total Capital Contributions, Grants and Transfers	(441,2	97)		(320,725)		(80,000)		(842,022)		<u>-</u> _
Change in Net Position	3,343,5	96		4,355,853		541,077		8,240,526		65,905
Net Position Beginning of Year - Restated (Note 2)	112,725,3	36		55,126,622		20,813,041		188,664,999		1,867,866
Net Position End of Year	\$ 116,068,9	32	\$	59,482,475	\$	21,354,118	\$	196,905,525	\$	1,933,771

City of Ketchikan, Alaska Statement of Cash Flows Proprietary Funds For the Year Ended December 31, 2023

	Business-type Activities - Enterprise Funds							Go	Governmental	
_	Ketchikan Public Utilities		Ketchikan Port	Wastewater Service		Total		Activities - Internal Service Fund		
Cash Flows from Operating Activities										
Cash received from customers and users \$	46,859,436	\$	14,210,680	\$	3,521,010	\$	64,591,126	\$	3,500,990	
Cash payments to employees for services	(16,837,378)		(1,384,182)		(952,140)		(19,173,700)		-	
Cash payments to suppliers for goods and services	(21,477,706)		(1,871,216)		(1,586,263)		(24,935,185)		-	
Cash payments for insurance and claims	-		-		-		-		(2,483,073)	
Cash payments for compensated absences	-						-		(1,115,099)	
Net Cash Provided by Operating Activities	8,544,352		10,955,282		982,607		20,482,241		(97,182)	
Cash Flows from Noncapital Financing Activities										
Operating grant from other governments	179,850		10,024		-		189,874		-	
Transfers out	-		(1,725)		-		(1,725)		-	
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	(606,150)		(310,701)		(80,000)		(996,851)		-	
Cash Flows from Capital and										
Related Financing Activities										
Advances	(390,101)		_		_		(390,101)		390,101	
Capital grant received from other governments	344,703		_		_		344,703		570,101	
Capital debt proceeds	4,430,801				4,969		4,435,770			
Gain (loss) on disposition of capital assets	-,430,001		(2,792,398)		-,,,,,,		(2,792,398)		_	
Principal paid on leases	(373,316)		(1,082,138)				(1,455,454)			
Principal paid on subscription	(13,965)		(1,002,130)		(4,655)		(18,620)		_	
Principal paid on general obligation bonds	(13,703)		_		(64,425)		(64,425)		_	
Interest paid on general obligation bonds	-		-		,		(19,268)		-	
Principal paid on revenue bonds	(1,747,758)		(1,185,000)		(19,268)		(2,963,271)		-	
Interest paid on revenue bonds					(30,513)				-	
Payments for capital acquisitions and construction	(598,821) (5,862,571)		(1,767,362) 2,798,848		(7,239) (68,894)		(2,373,422) (3,132,617)		-	
<u> </u>	(0,002,071)		2,770,010		(00,03.)		(5,152,017)			
Net Cash Provided (Used) by Capital and Related	(4.211.020)		(4.020.050)		(100.025)		(0.420.102)		200 101	
Financing Activities	(4,211,028)		(4,028,050)		(190,025)		(8,429,103)		390,101	
Cash Flows from Investing Activities										
Investment earnings	1,605,207		622,057		262,424		2,489,688		58,359	
Purchase of bond reserve fund investments			(526,320)				(526,320)		-	
Net Cash Provided (Used) by Investing Activitie_	1,605,207		95,737		262,424		1,963,368		58,359	
Net Increase (Decrease) in Cash and Cash Equivalents	5,332,381		6,712,268		975,006		13,019,655		351,278	
Cash and Cash Equivalents Beginning of Year (including \$1,012,340 for Ketchikan Public Utilities \$2,694,368 for Port and \$27,437 for Wastewater Services reported in restricted accounts)	30,782,183		11,642,883		5,014,516		47,439,582		2,308,962	
Cash and Cash Equivalents End of Year (including \$716,611 for Ketchikan Public Utilities, \$2,692,460 for Port and \$27,287 for Wastewater Services reported in restricted accounts)	36,114,564	\$	18,355,151	\$	5,989,522	\$	60,459,237	\$	2,660,240	

(continued)

City of Ketchikan, Alaska Statement of Cash Flows Proprietary Funds For the Year Ended December 31, 2023

(continued)

	Business-type Activities - Enterprise Funds								Gov	ernmental	
		Ketchikan Public Utilities		Ketchikan Port		Wastewater Service		Total		Activities - Internal Service Fund	
Reconciliation of Operating Income to Net Cash Provided by Operating Activities											
Operating Income	\$	2,539,295	\$	8,348,844	\$	394,292	\$	11,282,431	\$	10,652	
Adjustments:											
Depreciation		7,337,375		2,639,576		579,627		10,556,578		-	
Other		130,303		-		-		130,303		-	
(Increase) Decrease in Assets and Deferred Outf	lows:										
Accounts receivable		(280,034)		(59,445)		(8,548)		(348,027)		54,539	
Leases receivable		106,636		-		-		106,636		-	
Accrued interest - leases		225		-		-		225		-	
Unbilled revenue		89,107		-		(532)		88,575		-	
Prepaid expenses		12,237		-		-		12,237		(221,444)	
Inventory		(438,431)		-		-		(438,431)		-	
Customer deposits		(46,025)		-		-		(46,025)		-	
Other postemployment benefits		(159,252)		(26,019)		10,511		(174,760)		-	
Deferred outflows		40,884		-		(7,204)		33,680		-	
Increase (Decrease) in Liabilities and Deferred In	ıflows	s:									
Accounts payable		(511,563)		73,196		(7,919)		(446,286)		(99,371)	
Accrued expenses		(2,748)		-		-		(2,748)		-	
Compensated absences payable		124,191		5,732		31,691		161,614		158,442	
Unearned revenue		(6,338)		-		-		(6,338)		-	
Pension liability		(162,913)		(26,618)		(7,369)		(196,900)		-	
Deferred inflow of resources for leases		(106,636)		-		-		(106,636)		-	
Deferred inflows		(121,961)		16		(1,942)		(123,887)		-	
Net Cash Provided by Operating Activities	\$	8,544,352	\$	10,955,282	\$	982,607	\$	20,482,241	\$	(97,182)	
Noncash investing, capital and financing activitie	s	100.50	•	122.250		20.24:					
Fair value of non-cash investments		198,594	\$	122,358		30,341					



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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 uncollectible, 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, 2023 the balance on hand in the KPU Revenue Bond Redemption Fund amounted to \$251,143 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 \$440,100 in bond construction funds and \$25,368 for a performance guaranty per State requirements at December 31, 2023. The Port Revenue Bond Redemption Fund amounted to \$186,273. The Port Revenue Bond Reserve Fund contained \$2,240,000, as required by applicable bond ordinances. The Wastewater Service Fund contained \$27,287 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, 2023 was \$37,565 in the Harbor Construction Fund and \$1,410,402 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, 2023 the amount required to satisfy the bond covenants and lease agreement was \$4,348,625 and \$2,104,466 respectively, for a total of \$6,453,091.

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 \$192,287 in the Commercial Passenger Vessel Excise Tax Capital Projects Fund, \$8,138,616 in the Commercial Passenger Vessel Excise Tax Special Revenue 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 \$146.196.

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 an acquisition of net assets 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.

1-D-18 Subscription-Based Information Technology Arrangements (SBITAs)

The City entered into various SBITAa involving cloud-based software. The City recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide financial statements.

The subscription liability is recognized at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription is initially measured at the present value of the subscription payments expected to be made during the subscription term. The subscription asset should be initially measured at the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses the Treasury Risk Free Rate as of the month of the start of the lease.

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

Note 2 – Changes in Accounting Principles and Estimates

2-A Implementation of GASB 96 SBITAs

In 2023 the City implemented GASB Statement No. 96 - Subscription-Based Information Technology Arrangements. In May, 2020, the GASB issued Statement No. 96 - Subscription-Based Information Technology Arrangements. The objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

As a result of the implementation, the City recognized the subscription asset and payable and recorded prior period adjustments of \$(777) and \$(259) to establish beginning balances as of December 31, 2022 in the Utility fund and Wastewater fund respectively.

Note 2 – Implementation of GASB 96 (Continued)

The adjustment to Utility net position is as follows

Net position as December 31, 2022, as previously stated		\$ 112,726,113
Adjustments to net position		
Effects of adjustment to record right to use asset	\$ 43,437	
Effects of adjustment to record subscription payable	(28,437)	
Effects of adjustment to record subscription deprciation	(15,000)	
Effects of adjustment to record accrued subscription interest payable	(777)	
Total adjustments to net position	,	(777)
Net position as December 31, 2022, as restated	;	\$ 112,725,336
The adjustment to Wastewater net position is as follows		
Net position as December 31, 2022, as previously stated		\$ 20,813,300
Adjustments to net position		
Effects of adjustment to record right to use asset	\$ 14,479	
Effects of adjustment to record subscription payable	(9,479)	
Effects of adjustment to record subscription deprciation	(5,000)	
Effects of adjustment to record accrued subscription interest payable	(259)	
Total adjustments to net position	,	(259)
Net position as December 31, 2022, as restated		\$ 20,813,041

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 15, 2022, the 2023 General Government Operating and Capital Budget and the 2023 Ketchikan Public Utilities Operating and Capital Budget were adopted by the City Council with the passage of Resolution 22-2867 and Resolution 22-2868, respectively. During the year, the 2023 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 additional SHSP funds for the fire department in the amount of \$6,975
- Acceptance of a grant for the Police Department in the amount of \$5,500
- Approval of increase for Risk Management in the amount of \$96,000
- Acceptance of additional funding from the SEMT Program for the Fire Department in the amount of \$379,227
- Acceptance of a grant for the Museum Department in the amount of \$12,000
- Acceptance of a grant for the Public Health Department in the amount of \$10,000
- Financing for the Fire Department in the amount of \$86,512
- Acceptance of grant for the Fire Department in the amount of \$150,519 and transfer from SEMT in the amount of \$41,082
- Acceptance of a grant for the Fire Department in the amount of \$12,000
- Acceptance of a grant for the Museum Department in the amount of \$8,512
- Approval of funds from the sale of asset for the Fire Department in the amount of \$200,000
- Acceptance of contribution for the Museum Department in the amount of \$22,195

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, 2023 were:

Cash on hand	\$ 91,583
Deposits with financial institutions	124,389,965
Total	\$ 124,481,548

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

	Governmental Activities		E	Business-type Activities	 Total		
Unrestricted	\$	41,654,358	\$	57,022,879	\$ 98,677,237		
Restricted		11,875,036		13,929,275	 25,804,311		
Total	\$	53,529,394	\$	70,952,154	\$ 124,481,548		

The restricted cash and investments are comprised entirely of \$2,050,971, \$27,286 and \$2,426,273 for bond reserve accounts established for the City's municipal utility, wastewater services and port revenue bonds, respectively, \$1,888,067 for bond construction accounts, \$6,453,090 for the Port repair and replacement accounts, \$12,767,060 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 \$146,196 for funds received from the seizure of forfeited assets that must be used for law enforcement purposes.

Note 4 - Detailed Notes on All Funds (Continued)

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, 2023, the book value of all the City deposits was \$124,389,965 and the bank value was \$124,845,469. The bank balance was under collateralized by \$3,525,888 or 2.835% of total bank deposits as of December 31, 2023 due to timing differences in the purchase of bonds.

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, 2023, the weighted average maturity of the City's investment portfolio was 0.9137 years. To minimize interest rate risk, the City's investment policy limits the portfolio to a maximum weighted average of maturity of 46 months.

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, 2023, the City had an investment totaling \$41,649,875

Concentration of credit risk. The City's total investment as of December 31, 2023 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, 2023, the City's investment was held by either a counterparty or a counterparty's trust department or agent.

				Invest		-		
								Average
		Non Matu	rity					Maturity
Investment Type	Fair Value	Rated		Less Than 1	1 - 5	6 - 1	0	(Years)
US Agency Note	\$ 33,657,652	\$	-	\$ 9,914,189	\$ 23,743,463	\$	-	1.39
Certificate of Deposit	\$ 7,992,223	\$	-	\$ 7,992,223	\$ -	\$	-	0.48
	\$ 41,649,875	\$	_	\$ 17,906,412	\$ 23,743,463	\$	-	_
								•

Portfolio weighted average maturity

0.91

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 2023, consisted of the following:

	Governmental		type		
	Activities		Activities		Total
Accounts receivable	\$	8,906,671	\$	6,136,789	\$ 15,043,460
Allowance for doubtful accounts		(400,028)		(92,000)	 (492,028)
Net accounts receivable	\$	8,506,643	\$	6,044,789	\$ 14,551,432

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.

(This page continued on the subsequent page)

4-D. Capital Assets

Capital asset activity for the year ended December 31, 2023, was as follows:

]	Beginning Balance	Increases	1	Decreases	Ending Balance
Governmental activities:		Building	 mercases		Beereases	 Bulunce
Nondepreciable capital assets						
Land	\$	29,111,163	\$ -	\$	_	\$ 29,111,163
Easements		588,168	-		_	588,168
Construction in progress		2,132,212	2,419,034		264,196	4,287,050
Other capital assets		120,750	-			120,750
Total nondepreciable capital assets		31,952,293	 2,419,034		264,196	 34,107,131
Depreciable capital assets:						
Land improvements		1,539,203	_		-	1,539,203
Buildings		146,087,556	_		3,302,198	142,785,358
Machinery and equipment		20,546,446	934,342		1,092,434	20,388,354
Infrastructure		96,107,688	874,508		60,073	96,922,123
Software		581,531				581,531
Total depreciable capital assets		264,862,424	 1,808,850		4,454,705	262,216,569
Total capital assets		296,814,717	 4,227,884		4,718,901	 296,323,700
Accumulated depreciation:						
Land improvements		1,400,114	8,312		_	1,408,426
Buildings		32,789,700	2,236,126		526,681	34,499,145
Machinery and equipment		12,642,623	892,314		974,622	12,560,315
Infrastructure		40,908,724	2,594,625		46,556	43,456,793
Software		391,388	25,352		-	416,740
Total accumulated depreciation		88,132,549	5,756,729		1,547,859	92,341,419
Captial assets, net		208,682,168	(1,528,845)		3,171,042	203,982,281
Right-to-use lease assets						
Buildings		24,415	_		_	24,415
Equipment		41,572	-		-	41,572
Total lease assets		65,987	 -		_	 65,987
Accumulated amortization						
Buildings		6,374	5,839		_	12,213
Equipment		7,364	5,748			13,112
Total accumulated amortization		13,738	 11,587		-	 25,325
Right-to-use lease assets, net		52,249	 (11,587)		-	 40,662
Right-to-use Subscription assets						
Subscription assets		_	96,538		-	96,538
Less accumulated amortization		-	 (39,432)			 (39,432)
Righ-to-use subscription asset, net			 57,106			 57,106
Governmental capital assets, net	\$	208,734,417	\$ (1,483,326)	\$	3,171,042	\$ 204,080,049

Note 4 - Detailed Notes on All Funds (Continued)

Governmental activities depreciation expense

General government	\$ 107,466
Public safety	793,319
Public works	1 918 895

 Health and welfare
 1,474,873

 Harbor
 1,157,315

 Culture
 355,881

Total governmental activities depreciation expense \$ 5,807,749

	Restated Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Nondepreciable capital assets:				
Land	\$ 4,534,706	\$ -	\$ -	\$ 4,534,706
Other capital assets	6,416,412	-	-	6,416,412
Construction in progress	13,179,183	633,266	9,258,189	4,554,260
Total non-depreciable capital assets	24,130,301	633,266	9,258,189	15,505,378
Depreciable capital assets:				
Electric utility plant	129,642,131	1,462,757	420,391	130,684,497
Telecommunications utility plant	81,842,894	3,220,390	1,251,423	83,811,861
Water utility plant	61,891,274	633,219	80,673	62,443,820
Wastewater utility plant	27,456,587	296,858	-	27,753,445
Port facilities	67,933,863	5,990,212	12,215	73,911,860
Total depreciable capital assets	368,766,749	11,603,436	1,764,702	378,605,483
Total capital assets	392,897,050	12,236,702	11,022,891	394,110,861
Accumulated depreciation:				
Electric utility plant	82,677,030	2,961,867	420,389	85,218,508
Telecommunications utility plant	59,848,989	2,405,449	1,251,423	61,003,015
Water utility plant	25,087,273	1,592,648	30,102	26,649,819
Wastewater utility plant	10,950,462	574,972	-	11,525,434
Port facilities	25,536,464	1,557,437	12,215	27,081,686
Total accumulated depreciation	204,100,218	9,092,373	1,714,129	211,478,462
Capital assets, net	188,796,832	3,144,329	9,308,762	182,632,399

	Restated			
	Beginning			Ending
	Balance	Increases	Decreases	Balance
Business-type activities: (continued)				
Right-to-use lease asset				
Telecommunications	6,272,814	-	-	6,272,814
Port	23,351,217	<u>-</u> .	<u>-</u> _	23,351,217
Total right-to-use lease assets	29,624,031	<u> </u>		29,624,031
Accumulated depreciation:				
Telecommunications	707,612	363,447	-	1,071,059
Port	2,454,789	1,082,138		3,536,927
Total accumulated depreciation	3,162,401	1,445,585	<u> </u>	4,607,986
Right-to-use lease asset, net	26,461,630	(1,445,585)	<u>-</u>	25,016,045
Right-to-use subscription asset				
Electric	14,479	-	-	14,479
Telecommunications	14,479	-	-	14,479
Water	14,480	-	-	14,480
Wastewater	14,479			14,479
Total right-to-use subscription assets	57,917	<u> </u>	<u> </u>	57,917
Accumulated amortization:				
Electric	5,000	4,655	-	9,655
Telecommunications	5,000	4,655	-	9,655
Water	5,000	4,655	-	9,655
Wastewater	5,000	4,655		9,655
Total accumulated amortization	20,000	18,620	<u> </u>	38,620
Right-to-use subscription asset, net	37,917	(18,620)		19,297
Business-type activities capital assets, net	215,296,379	1,680,124	9,308,762	207,667,741

4-E. Commitments

The City has the following commitments as of December 31, 2023:

	Operational			Capital	 Total
Governmental Funds			·		
General	\$	271,972	\$	1,119,199	\$ 1,391,171
Non-major special revenue funds		30,927		191,563	222,490
Non-major capital projects funds				733,948	 733,948
Total Governmental Funds	\$	302,899	\$	2,044,710	\$ 2,347,609
Enterprise Funds					
KPU	\$	1,729,125	\$	3,160,335	\$ 4,889,460
Port		-		210,996	210,996
Wastewater		43,226		1,953,096	1,996,322
Total Enterprise Funds	\$	1,772,351	\$	5,324,427	\$ 7,096,778

4-F. Interfund Balances and Transfers

Interfund balances at December 31, 2023 consisted of \$740,644 from governmental funds and represents reimbursable expenses. 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.

Interfund transfers for the year ended December 31, 2023, consisted of the following:

Transfers out	 General fund	Debt Service fund	Nonmajor vernmental funds	Total
General fund	\$ -	\$ 3,622,404	\$ -	\$ 3,622,404
KPU fund	786,000	-	-	786,000
Port fund	319,000	-	1,725	320,725
Wastewater fund	80,000	-	-	80,000
Nonmajor governmental				
funds	1,477,122	-	500,866	1,977,988
Total	\$ 2,662,122	\$ 3,622,404	\$ 502,591	\$ 6,787,117

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-G. 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 2023, 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 2023, the future closure and post-closure costs were reevaluated and adjusted to reflect current conditions. As of December 31, 2023, the estimated liability for landfill closure and post-closure care costs totaled \$981,660, an increase of \$3,300 from the estimated liability as of December 31, 2022.

The estimated liability is based on an engineer's estimate taking into account various factors including used capacity. As of December 31, 2023 used capacity was approximately 62.95%. It is estimated that an additional \$218,340 will be recognized as closure and post-closure care expenses between the date of the balance sheet, and the year 2050, in 27 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, 2023. 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, 2023.

4-H. 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.

Annual debt service requirements to amortize general obligation bonds outstanding, as of December 31, 2023 follow:

	Governmental Activities			Business-type Activities			
Year	Principal	Interest	Total	Principal	Interest	Total	
2024	1,915,000	1,766,260	3,681,260	107,980	17,771	125,751	
2025	2,000,000	1,681,916	3,681,916	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	112,931	12,820	125,751	
2028	2,280,000	1,404,892	3,684,892	114,631	11,119	125,750	
2029-2033	10,685,000	5,662,528	16,347,528	546,927	29,380	576,307	
2034-2038	9,505,000	3,656,750	13,161,750	108,293	2,176	110,469	
2039-2043	11,020,000	1,633,400	12,653,400	-	-	-	
2044	2,480,000	49,600	2,529,600	-	-	-	
Total	\$ 44,160,000	\$ 18,945,402	\$ 63,105,402	\$ 1,211,623	\$ 103,906	\$ 1,315,529	

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, 2023 KPU incurred \$7,532,239 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, 2023 KPU incurred \$398,832 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, 2023 Wastewater incurred \$398,832 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 \$47.1 million, \$14.3 million and \$3.5 million respectively. The debt service payments for KPU, Port and Wastewater Funds were \$2.4 million or 5.09% of revenues, \$2.2 million or 15.66% of revenues, and \$37,075 or 1.05% of revenues, respectively.

Annual debt service requirements to amortize revenue bonds outstanding, as of December 31, 2023 follow:

Year	Principal		Interest		Total
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		3,490,174		1,183,792	4,673,966
2029-2033		18,278,196		3,932,593	22,210,789
2034-2038		7,943,494		867,996	8,811,490
2039-2041		720,000		28,800	748,800
Total	\$	43,292,043	\$	11,836,650	\$ 55,128,693

This amortization schedule does not include \$7,931,071 for two Drinking Water Loan Fund projects and \$398,832 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%. In 2023 the City continued the lease purchase agreement to purchase two (2) fire engine/pumpers and a work truck with a plow for \$2,500,000 bearing an interest rate of 4.88%

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

Year		Principal	Interest Tota			Total
2024	\$	579,021	\$	138,250	\$	717 271
	Ф		Ф	,	Ф	717,271
2025		600,040		117,231		717,271
2026		621,938		95,333		717,271
2027		390,820		73,786		464,606
2028		409,468		55,138		464,606
2029-2030		839,827		50,685		890,512
Total	\$	3,441,114	\$	530,423	\$	3,971,537

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 \$12,202 at December 31, 2023.

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 \$28,460 at December 31, 2023.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2023, were as follows:

Year	P	rincipal	I	nterest	Total		
2024	\$	12,274	\$	1,224	\$	13,498	
2025		12,998		856		13,854	
2026		7,388		466		7,854	
2027		8,002		243		8,245	
Total	\$	40,662	\$	2,789	\$	43,451	

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 \$27,553 at December 31, 2023.

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 \$824,785 at December 31, 2023.

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 \$2,129,036 at December 31, 2023.

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 \$485,783 at December 31, 2023.

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 \$25,216 at December 31, 2023.

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 \$103,599 at December 31, 2023.

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, 2023.

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 \$31,736 at December 31, 2023.

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 \$493,675 at December 31, 2023.

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 \$465,592 at December 31, 2023.

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 \$181,042 at December 31, 2023.

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 \$54,914 at December 31, 2023.

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 820,000 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 \$19,814,290 at December 31, 2023. The City paid an additional \$514,633 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, 2023, were as follows:

Year Ending	Principal	Interest	 Total
2024	1,443,319	872,933	\$ 2,316,252
2025	1,419,888	823,053	\$ 2,242,941
2026	1,481,403	772,054	\$ 2,253,457
2027	1,545,500	718,808	\$ 2,264,308
2028-2032	8,741,882	2,711,827	\$ 11,453,709
2033-2037	9,866,724	1,032,693	\$ 10,899,417
2038-2042	358,675	47,208	\$ 405,883
2043-2047	116,705	8,538	\$ 125,243
Total	\$ 24,974,096	\$ 6,987,114	\$ 31,961,210

Subscription-Based Technology Arrangements (SBITAs)

In 2023 Governmental activity and Business-type activity utilized the following SBITA's

- Information technology security system
- Employee scheduling
- Database for incidents
- Database for evidence
- Mapping software

The term of the City and Utility SBITA's range from 12 months to 4 years.

The cost of the City's material SBITA assets are recorded at \$96,538 less accumulated amortization of \$39,432. The cost of Ketchikan Public Utility and Wastewater funds are \$43,438 and \$14,479 less accumulated amortization of \$28,965 and \$9,655 respectively.

Future minimum SBITA agreements are as follows:

	Governmental Activities							Business-type Activities						
Year	P	rincipal	In	terest		Total	Pı	rincipal	Int	terest		Total		
2024		32,725		2,106		34,831		19,297		703		20,000		
2025		9,713		1,467		11,180		-		-		-		
2026		10,066		760		10,826		-		-				
Total	\$	52,504	\$	4,333	\$	56,837	\$	19,297	\$	703	\$	20,000		

(This page continued on the subsequent page)

Note 4 - Detailed Notes on All Funds (Continued)

Changes in Long-term Debt - Changes in the City's long-term obligations consisted of the following for the year ended December 31, 2023:

		Restated								
		Beginning						Ending		ue Within
Governmental Activities		Balance		Additions	F	Reductions		Balance		One Year
Bonds payable:										
General obligation bonds	\$	45,995,000	\$	_	\$	1,835,000	\$	44,160,000	\$	1,915,000
Plus deferred amounts:	*	,,	•		-	-,,	*	, ,	•	-,,
For issuance premiums		2,258,100		-		163,781		2,094,319		163,782
Total bonds payable		48,253,100	-			1,998,781		46,254,319		2,078,782
Leases payable		52,249		-		11,587		40,662		12,274
Subscription payable		-		96,538		44,034		52,504		32,725
Long term note payable		1,206,820		2,500,000		265,706		3,441,114		579,021
Landfill closure costs		978,360		3,300		-		981,660		-
Compensated absences		1,430,067		1,590,426		1,431,984		1,588,509		158,851
Total Governmental Activities	\$	51,920,596	\$	4,190,264	\$	3,752,092	\$	52,358,768	\$	2,861,653
		31,720,370	=	1,170,201	Ψ	3,732,072		32,330,700	=	2,001,000
Business-Type Activities										
Bonds payable:										
General obligation bonds	\$	1,318,000	\$	-	\$	106,377	\$	1,211,623	\$	107,980
Revenue bonds		54,343,763		241,227		2,963,044		51,621,946		3,341,010
Plus deferred amounts:										
For issuance premiums		4,266,385				335,609		3,930,776		297,871
Total bonds payable		59,928,148		241,227		3,405,030		56,764,345		3,746,861
Lease payable		26,429,549		-		1,455,453		24,974,096		1,443,319
Subscription payable		37,917		-		18,620		19,297		19,297
Compensated absences		1,082,305		1,579,443		1,417,830		1,243,918		124,392
Total Business-Type Activities	\$	87,477,919	\$	1,820,670	\$	6,296,933	\$	83,001,656	\$	5,333,869

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 and subscription 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 subscription payable are being retired from the resources derived from the Ketchikan Public Utilities Fund and the Wastewater Fund. 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, 2023, \$36,655,000 of the bonds outstanding was considered defeased.

4-I. 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 2023 pension expense for all plans was \$4,913,030

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 periods 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, 2023 were based on the June 30, 2023 and the June 30, 2022 roll forward PERS actuarial valuation report and were as follows:

	Employ	er Rate	ARME	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%	24.79%	25.10%	2.79%	3.10%	
Postemployment healthcare	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Total Contribution Rate	22.00%	22.00%	24.79%	25.10%	2.79%	3.10%	

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)23	20	22	20)21		2020		2019
Employer contributions (including DBUL)	\$ 1,924,644		\$ 1,885,703		\$ 1,882,249		\$ 1,622,538		\$	1,175,314
Nonemployer contributions	346,593		610,998		917,794		912,988			646,303
Total Contributions	\$ 2,2	\$ 2,271,237		\$ 2,496,701 \$ 2,800,04		00,044	\$ 2,535,526		\$ 1,821,617	
		•			•				-	:
Postemployment Healthcare	2023		2022		2021		2020		2019	
Employer contributions (including DBUL)	\$		\$		\$		\$	266,702	\$	446,090
	Ψ		Ψ		Ψ	_	Ψ	200,702	Ψ	
Nonemployer contributions	Ψ	_	Ψ		Ψ		Ψ		Ψ	
Nonemployer contributions Total Contributions	\$	<u>-</u>	\$		\$	<u>-</u>	\$	266,702	\$	446,090

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 employers 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.

Note 4 - Detailed Notes on All Funds (Continued)

	1/1/23 - 6/30/23	7/1/23 - 12/31/23
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	1.10%	1.01%
Other Employees	1.10%	1.01%
Occupational Disability & Death:		
Police Officers and Firefighters	0.68%	0.68%
Other Employees	0.30%	0.30%
Health Reimbursement Account:		
Police Officers and Firefighters	\$186.42/month*	\$191.88/month*
Other Employees	\$186.42/month*	\$191.88/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, 2023, were based on the June 30, 2023 and the June 30, 2022 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.

	2023	2022	2021	2020	2019
Covered employee payroll	\$8,146,745	\$7,634,253	\$7,031,167	\$6,520,582	\$5,497,020
Pension contributions	407,618	381,591	351,560	325,989	274,866
Other postemployment benefit contributions Total Contributions	\$ 726,062	\$ 686,932	293,177 \$ 644,737	\$ 603,418	\$ 507,950

(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, 2023, 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:

City's proportionate share 3 7 9 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 8 1 7 8 1 1 7 8 9 3 4 2 1 7 8 8 3 4 2 3 7 8 3 4 3 3 7 8 3 7 8 3 7 8 3 7 8 3 7 8 3 7 8 3 7 8 3 7 8 4 9 </th <th></th> <th></th> <th>Net Pension bility (Asset)</th> <th colspan="3">Net OPEB Liability (Asset)</th>			Net Pension bility (Asset)	Net OPEB Liability (Asset)		
Defined contribution retiree medical	City's proportionate share		offity (Asset)	Lia	ionity (Asset)	
Defined benefit retiree medical - (7,898,342) Pension 17,834,891 - Total City's proportionate share \$ 17,834,891 \$ (8,387,783) State's proportionate share attributable to employer 5,944,597 (2,654,696) Total Pension and Other Postemployment Benefits Liabilities/ (Asset) \$ 23,779,488 \$ (11,042,479) Net Pension Liability (Asset) Net OPEB Liability (Asset) City's proportionate share reported in Governmental activities \$ 13,784,587 \$ (6,482,917) Business-type activities 4,050,304 (1,904,866)	• 1 1	\$	_	\$	(272,786)	
Pension 17,834,891 - Total City's proportionate share \$ 17,834,891 \$ (8,387,783) State's proportionate share attributable to employer 5,944,597 (2,654,696) Total Pension and Other Postemployment Benefits Liabilities/ (Asset) \$ 23,779,488 \$ (11,042,479) Net Pension Liability (Asset) Net OPEB Liability (Asset) City's proportionate share reported in Governmental activities \$ 13,784,587 \$ (6,482,917) Business-type activities 4,050,304 (1,904,866)	Defined contribution retiree medical		-		(216,655)	
Total City's proportionate share State's proportionate share attributable to employer Total Pension and Other Postemployment Benefits Liabilities/ (Asset) Net Pension Liability (Asset) Net OPEB Liability (Asset) City's proportionate share reported in Governmental activities Susiness-type activities \$ 13,784,587 \$ (6,482,917) \$ (1,904,866)	Defined benefit retiree medical		-		(7,898,342)	
State's proportionate share attributable to employer Total Pension and Other Postemployment Benefits Liabilities/ (Asset) Net Pension Liability (Asset) City's proportionate share reported in Governmental activities State's proportionate share reported in Governmental activities \$ 13,784,587 \$ (6,482,917) Business-type activities	Pension		17,834,891		-	
Total Pension and Other Postemployment Benefits Liabilities/ (Asset) Net Pension Liability (Asset) Net OPEB Liability (Asset) City's proportionate share reported in Governmental activities \$ 13,784,587 \$ (6,482,917) Business-type activities 4,050,304 (1,904,866)	Total City's proportionate share	\$	17,834,891	\$	(8,387,783)	
(Asset) \$ 23,779,488 \$ (11,042,479) Net Pension Liability (Asset) Net OPEB Liability (Asset) City's proportionate share reported in Governmental activities \$ 13,784,587 \$ (6,482,917) Business-type activities 4,050,304 (1,904,866)	State's proportionate share attributable to employer		5,944,597		(2,654,696)	
Net Pension Net OPEB Liability (Asset) City's proportionate share reported in Governmental activities \$13,784,587 \$ (6,482,917) Business-type activities \$4,050,304 (1,904,866)	Total Pension and Other Postemployment Benefits Liabilities/					
Liability (Asset)Liability (Asset)City's proportionate share reported in\$ 13,784,587\$ (6,482,917)Governmental activities\$ 13,004,004\$ (1,904,866)	(Asset)	\$	23,779,488	\$	(11,042,479)	
Liability (Asset)Liability (Asset)City's proportionate share reported in Governmental activities\$ 13,784,587\$ (6,482,917)Business-type activities4,050,304(1,904,866)		N	Net Pension		Net OPEB	
Governmental activities \$ 13,784,587 \$ (6,482,917) Business-type activities 4,050,304 (1,904,866)		Lia	bility (Asset)			
Governmental activities \$ 13,784,587 \$ (6,482,917) Business-type activities 4,050,304 (1,904,866)	City's proportionate share reported in					
	• • •	\$	13,784,587	\$	(6,482,917)	
	Business-type activities					
10mi City 5 proportionate share \$\\ \psi \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	Total City's proportionate share	\$	17,834,891	\$	(8,387,783)	

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, 2023 and the total pension liability and other postemployment benefits asset used for the calculation was determined by an actuarial valuation as of June 30, 2022. 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, 2023, the City's proportion of the pension liability was .34396%, which was a decrease of .02297% from its proportion measured as of June 30, 2022. At June 30, 2023 the City's portion of the other postemployment benefits was .53170% for occupational death and disability, .45627% defined contribution retiree medical plan and .34327% for defined benefit retiree healthcare trust, which was an increase of .032829%, .01248% and decrease of .02113% respectively, from June 30, 2022

.

For the year ended December 31, 2023, the City recognized pension expense credit of \$842,672 other postemployment benefit expense credit of \$920,000 and revenue of \$346,593 for support provided by the State. At December 31, 2023, the City reported deferred outflows of resources and deferred inflow of resources related to pension and other postemployment benefits from the following sources:

Note 4 - Detailed Notes on All Funds (Continued)

	Pension				
		red Outflows Resources	Deferred Inflows of Resources		
Difference between projected and actual investment earnings Difference between expected and actual experience	\$	465,520	\$	-	
Changes in proportion and differences between Employer contributions		-		-	
Contributions subsequent to the measurement date		970,732		=	
Totals	\$	1,436,252	\$	-	

					Othe	r Postemp	oloyme	ent Benefits	S				
		D	eferre	d Outflow	S			Deferred Inflows					
			of R	esources				of Resources					
	(ODD*	DC-	-Medical	DB-	Medical		ODD*	DC	C-Medical	DE	B-Medical	
Changes in Assumptions	\$	-	\$	23,298	\$	-	\$	1,135	\$	176,180	\$	145,347	
Changes in proportion and differences between employer													
share of contributions		4,770		4,952		69,176		18,531		1,708		-	
Difference Between Expected and Actual Experience		_		6,604		16,399		76,647		6,993		_	
Differences between projected and actual investment earnings Contributions subsequent to the		6,298		18,155	3	359,494		-		-		-	
measurement date				159,299		-		-				-	
Totals	\$	11,068	\$	212,308	\$ 4	145,069	\$	96,313	\$	184,881	\$	145,347	
Т	otal De	eferred Out	tflow	of OPEB	\$ (668,445	Total	Deferred I	nflow	of OPEB	\$	426,541	

^{*}ODD = Occupational Death and Disability

The deferred outflows of resources related to pensions of \$465,520 other post employment benefits in the amount of \$159,299 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, 2024. 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	DO	C-Medical	DB-Medical		
2024	\$	(176,555)	\$	(19,804)	\$	(26,962)	\$	(216,163)	
2025		(390,477)		(21,058)		(30,452)		(324,737)	
2026		1,056,372		(10,510)		25		8,862,631	
2027		(23,821)		(14,098)		(31,621)		(22,010)	
2028		-		(10,128)		(23,095)		-	
Thereafter		-		(9,648)		(19,995)		-	

Actuarial Assumptions

The total pension liability and other postemployment benefits asset as of June 30, 2023 were determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2023:

Inflation 2.50%

Salary increases Graded by service from 8.50% to 3.85% for peace officers and firefighters

Graded by age and service from 6.75% to 2.85% for all others

Investment rate of return 7.25%, net of pension plan investment expenses. This is based on an average

inflation rate of 2.50% and a real rate of return of 4.75%

Trend rates Pre-65 medical: 6.7% grading down to 4.5%

Post-65 medical: 5.5% grading down to 4.5%

Prescription drugs/Employer group waiver plans: 7.2% grading down to 4.5%

Pension and OPEB ODD – Pre-commencement mortality rates were based upon the Pub-2010 Safety Employee table (peasce officers and firefighters) and the Pub-2010 General Employee table, amount weighted, and projected with MP-2021 generational improvement. Post-commencement peace officer and firefighter mortality rates were based on the Pub-2010 Safety Retiree table. Post-commencement mortality rates for other than peace officers or firefighters were based on 98 percent male and 106 percent of female rates of the Pub-2010 General Retiree table and projected with MP-2021 generational improvement. Deaths are assumed to be occupational 70 percent of the time for peace officer/firefighters, 35 percent of the time for all others.

OPEB ARHCT and RM – Pre-commencement mortality rates were based upon the Pub-2010 Safety Employee table (peace officers and firefighters) and the Pub-2010 General Employee table, amount weighted, and projected with MP-2021 generational improvement. Post-commencement peace officer and firefighter mortality rates were based on the Pub-2010 Safety Retiree table. Post-commencement mortality rates for other than peace officers or firefighters were based on 101 percent of male and 110 percent of female rates of the Pub-2010 General Retiree table and projected with MP-2021 generational improvement. Deaths are assumed to be occupational 70 percent of the time for peace officer/firefighters and 35 percent of the time for all others.

The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021, resulting in changes in 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 best—estimate 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	6.17%
Global ex-U.S. equity	6.55%
Aggregate bonds	1.63%
Real assets	4.87%
Private equity	11.57%
Cash equivalents	0.49%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that 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:

		Current	
	1%	Discount	1%
	Decrease	Rate	Increase
	(6.25%)	(7.25%)	(8.25%)
City's proportionate share of the net pension liability	\$ 23,943,288	\$ 17,834,891	\$ 12,675,094
City's proportionate share of the other			
postemployment benefits asset -			
Occupational death and disability	\$ (256,308)	\$ (272,786)	\$ (285,611)
Defined contribution retiree medical	(7,528)	(216,655)	(376,409)
Defined benefit retiree medical	(5,249,977)	(7,898,342)	(10,123,115)
Total City's proportionate share of OPEB	\$ (5,513,813)	\$ (8,387,783)	\$ (10,785,135)

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.

		Current	
	1%	Healthcare Cost	1%
	Decrease	Trend Rate	Increase
Defined contribution retiree medical Defined benefit retiree medical	(397,849) (10,377,597)	(216,655) (7,898,342)	26,728 (4,946,227)

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 18% up to \$11.00 per hour worked. The City's total payroll for the year ended December 31, 2023 was \$26,444,769 and payroll for covered employees totaled \$12,333,245. The total amount contributed to the IBEW plan in 2023 was \$1,986,664, which represents 16.11% of the City's current covered payroll.

4-J. Net Investment in Capital Assets

Net Investment in capital assets on the government-wide statement of net position as of December 31, 2023 are as follows:

	 Sovernmental Activities	 Business-type Activities
Cost of capital assets	\$ 296,486,226	\$ 423,792,809
Less accumulated depreciation	(92,406,177)	(216,125,068)
Book value	204,080,049	207,667,741
Less capital related debt	(45,840,632)	(81,301,127)
Plus (less) bond discount and refunding amounts	 (75,908)	 (1,038,073)
Net investment in capital assets	\$ 158,163,509	\$ 125,328,541

4-K. Deferred Inflows and Outflows of Resources

Deferred outflows of resources consist of deferred charges from the City's pension plan activity and debt refunding's 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 refunding's 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, 2023 are as follows:

		Fun	d Lev	el	Government Wide Level							
	Go	overnmental Funds	I	Proprietary Funds		overnmental Activities	Business-type Activities					
Deferred Outflows												
Outflow due to refunding	\$	-	\$	-	\$	84,369	\$	-				
Outflow due to pension accounting		-		323,285		1,112,967		323,285				
Outflow due to OPEB accounting		-		151,334		517,111		151,334				
Total Deferred Outflows	\$	-	\$	474,619	\$	1,714,447	\$	474,619				
Deferred Inflows												
Revenue from taxes	\$	2,199,564	\$	-	\$	_	\$	-				
Revenue from services		179,119		-		-		-				
Revenue from Miscellaneous		81,963		-		-		-				
Inflow from leases		2,436,753		1,401,108		2,436,755		1,401,108				
Inflow from refunding		-		1,038,073		160,278		1,038,073				
Inflow from pension accounting		-		-		-		-				
Inflow from OPEB accounting				96,866		329,672		96,866				
Total Deferred Inflows	\$ 4,897,399			2,536,047	\$	2,926,705	\$ 2,536,047					

Additional information regarding the deferred outflows and deferred inflows of resources related to pension plan activity are included in note 4-I.

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, 2023 the City had a net position of \$1,933,771 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 \$304,974 which are included as a liability and no incurred but unpaid claims exist at December 31, 2023.

Changes in the balances of claims liabilities for the years ended December 31, 2023, 2022 and 2021, are as follows:

	Beginning of	Current Year		End of
	Fiscal Year	Claims and Changes	Claim	Fiscal Year
Date	Liability	in Estimates	Payments	Liability
2021	212,856	318,068	73,074	457,850
2022	457,850	183,005	235,056	405,799
2023	405,799	64,062	164,887	304,974

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

Note 5- Other Notes (Continued)

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 2023, the City paid SEAPA \$7,029,362 for power purchased from the Swan Lake hydroelectric facility. During 2023, approximately 52% of the City's total electric generation, or 96,292,625 kWh, was produced by the Swan Lake hydroelectric facility. During 2023 the City also paid SEAPA \$235,831 in additional fees. The amount due to SEAPA was \$1,466,295 at December 31, 2023.

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 2023 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 2023 tax abatement for this program is \$162,071. 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, 2023

	Original Budget	Final Budget	Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues	Dauger	Dauger				(regutive)
Taxes						
Real & personal property taxes	\$ 6,495,400	\$ 6,495,400	\$ 6,536,176	\$ -	\$ 6,536,176	\$ 40,776
Automobile & boat taxes	36,000	36,000	44,704	-	44,704	8,704
Penalty & interest	50,000	50,000	79,063	=	79,063	29,063
Senior citizen local contribution	(543,500)	(543,500)	(545,936)	-	(545,936)	(2,436)
Sales tax	8,440,000	8,440,000	9,901,732	=	9,901,732	1,461,732
Payments in lieu of taxes	25,000	25,000	16,981	=	16,981	(8,019)
•	14,502,900	14,502,900	16,032,720		16,032,720	1,529,820
Payments in lieu of taxes						
Ketchikan public utilities fund	786,000	786,000	-	786,000	786,000	-
Port fund	319,000	319,000	_	319,000	319,000	_
Wastewater services fund	80,000	80,000	-	80,000	80,000	-
	1,185,000	1,185,000		1,185,000	1,185,000	
Licenses and permits						
Building permits	125,000	125,000	113,486	-	113,486	(11,514)
Other	1,700	1,700	2,325	_	2,325	625
	126,700	126,700	115,811		115,811	(10,889)
Intergovernmental						(10,000)
Federal fire grants	21,875	191,869	21,559	-	21,559	(170,310)
Liquor licenses tax	25,000	25,000	38,600	_	38,600	13,600
Other state revenues	118,500	120,500	263,272	(256,994)	6,278	(114,222)
Federal revenues	-	-	1,191	-	1,191	1,191
	165,375	337,369	324,622	(256,994)	67,628	(269,741)
Charges for services						
Ambulance	700,000	700,000	832,028	-	832,028	132,028
Rentals	20,000	20,000	22,161	-	22,161	2,161
Parking fees	98,000	98,000	95,380	-	95,380	(2,620)
Cemetery	1,200	1,200	2,375	-	2,375	1,175
Library services	548,120	548,120	527,669	-	527,669	(20,451)
Museum services	212,100	212,100	317,194	_	317,194	105,094
E-911 emergency dispatch services	390,000	390,000	404,369	-	404,369	14,369
Civic center services	85,000	85,000	98,504	_	98,504	13,504
Other charges	105,000	105,000	115,599	-	115,599	10,599
5	2,159,420	2,159,420	2,415,279		2,415,279	255,859
Fines and forfeitures						
Parking fines	67,000	67,000	70,518	_	70,518	3,518
Other fines	5,000	5,000	(159)	_	(159)	(5,159)
Court deposits	7,500	7,500	4,817	_	4,817	(2,683)
1	79,500	79,500	75,176		75,176	(4,324)
Investment earnings	28,000	28,000	304,079	(12,379)	291,700	263,700
Other revenue						
Leases	55,000	55,000	28,060	12,379	40,439	(14,561)
Miscellaneous	26,500	82,707	58,615	-	58,615	(24,092)
	81,500	137,707	86,675	12,379	99,054	(38,653)
Interdepartmental charges	4,400,143	4,400,143	3,677,739		3,677,739	(722,404)
				928,006	23,960,107	1,003,368

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, 2023

	Original Budget	Final Budget	Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Expenditures						
Current:						
General government						
Mayor and council	211,630	236,630	196,507	-	196,507	40,123
City Clerk	421,690	421,880	381,971	(5,242)	376,729	45,151
Law	379,139	379,139	345,737	(2,037)	343,700	35,439
City Manager	1,035,056	1,035,666	868,007	(15,679)	852,328	183,338
Finance	2,430,649	2,430,649	2,108,663	4,163	2,112,826	317,823
Information Technology	1,552,486	1,617,486	1,450,895	(11,490)	1,439,405	178,081
	6,030,650	6,121,450	5,351,780	(30,285)	5,321,495	799,955
Public safety						
Fire	4,725,607	5,174,183	4,911,322	(112,063)	4,799,259	374,924
Police	6,587,332	6,614,392	6,475,004	(155,255)	6,319,749	294,643
	11,312,939	11,788,575	11,386,326	(267,318)	11,119,008	669,567
Culture						
Library	1,531,803	1,536,068	1,417,973	(8,419)	1,409,554	126,514
Museum	1,236,868	1,282,875	1,175,259	(3,000)	1,172,259	110,616
Civic Center	611,684	612,124	568,061	5,149	573,210	38,914
	3,380,355	3,431,067	3,161,293	(6,270)	3,155,023	276,044
Health and welfare						
Public Health	14,325	24,325	10,800		10,800	13,525
Public works						
Engineering	2,365,642	2,367,512	1,705,354	(26,034)	1,679,320	688,192
Streets	2,060,985	2,060,985	1,803,974	(35,398)	1,768,576	292,409
Cemetery	107,120	107,325	101,986	-	101,986	5,339
Garage	872,801	872,801	567,969	11,365	579,334	293,467
Building Maintenance	613,656	617,276	550,697	(23,902)	526,795	90,481
-	6,020,204	6,025,899	4,729,980	(73,969)	4,656,011	1,369,888
Total Expenditures	26,758,473	27,391,316	24,640,179	(377,842)	24,262,337	3,128,979
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(4,029,935)	(4,434,577)	(1,608,078)	1,305,848	(302,230)	4,132,347

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, 2023

	Original Budget	Final Budget	Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Other Financing Sources (Uses)						
Transfers in	420,000	420,000	420,000		420,000	
Sales tax hospital and other public works fund		420,000	420,000	-	420,000	-
Sales tax public works fund	2,000,000	2,000,000	2,000,000	-	2,000,000	- (67,794)
Transient occupancy tax fund Marijuana sales tax fund	526,684 200,000	526,684 200,000	458,890 140,303	-	458,890 140,303	(59,697)
Shoreline area fund	6,374	6,374	6,374	-	6,374	(39,097)
Bayview cemetery fund	5,000	5,000	5,000	-	5,000	-
Commercial passenger vessel tax	410,227	410,227	410,227	-	410,227	-
Fire department SEMT fund	174,482	465,564	462,702	-	462,702	(2,862)
Ketchikan public utilities fund	1/4,462	405,504	786,000	(786,000)	402,702	(2,802)
Port fund	-	-	319,000	(319,000)	-	-
Wastewater services fund	-	-	80,000	(80,000)	-	-
Transfers out	-	-	80,000	(80,000)	-	-
GO bond debt service fund	(798,964)	(798,964)	(798,964)		(798,964)	
Community grant fund	(67,500)	(67,500)	(62,870)	-	(62,870)	4,630
Other financing sources - Subscription IT	(07,500)	(07,300)	96,538	(96,538)	(02,870)	4,030
Sale of capital assets	10,000	10.000	37,571	(90,538)	37,571	27,571
Sale of capital assets	10,000	10,000	37,371		37,371	27,371
Total Other Financing Sources (Uses)	2,886,303	3,177,385	4,360,771	(1,281,538)	3,079,233	(98,152)
Net Change in Fund Balances	(1,143,632)	(1,257,192)	2,752,693	24,310	2,777,003	4,034,195
Prior Year Encumbrances Returned				10,725	10,725	10,725
Fund Balances Beginning of Year	6,435,204	6,435,204	7,584,642	(307,008)	7,277,634	842,430
Fund Balances End of Year	\$ 5,291,572	\$ 5,178,012	\$ 10,337,335	\$ (271,973)	\$ 10,065,362	\$ 4,887,350

City of Ketchikan, Alaska Notes to Required Supplementary Information For the Year Ended December 31, 2023

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

	GASB 8/											
		Encum	branc	es						_		
	P	rior Year	Cu	rrent Year	C	n Behalf						
		Activity	1	Activity	F	ayments	G	ASB 96		Total		
General Government												
Mayor and Council	\$	(36,000)	\$	36,000	\$	-	\$	-	\$	-		
Law		-		-		(2,037)		-		(2,037)		
City Clerk		-		-		(5,242)		-		(5,242)		
City Manager		(1,665)		-		(14,014)		-		(15,679)		
Finance		(83,250)		110,861		(23,448)		=		4,163		
Information Technology		(1,904)		10,085		(10,468)		(9,203)		(11,490)		
Total General Government		(122,819)		156,946		(55,209)		(9,203)		(30,285)		
Public Safety												
Fire		(40,786)		35,893		(67,586)		(39,584)		(112,063)		
Police		(27,761)		7,335		(96,902)		(37,927)		(155,255)		
Total Public Safety		(68,547)		43,228		(164,488)		(77,511)		(267,318)		
Culture												
Library		(15,838)		14,247		(6,828)		-		(8,419)		
Museum		(2,598)		7,025		(7,427)		-		(3,000)		
Civic Center		(575)		11,164		(5,440)		-		5,149		
Total Culture		(19,011)		32,436		(19,695)		-		(6,270)		
Public Works												
Engineering		(2,634)		1,473		(15,049)		(9,824)		(26,034)		
Streets		(39,119)		6,274		(2,553)		-		(35,398)		
Cemetery		-		-		-		_		-		
Garage		(3,998)		15,363		_		_		11,365		
Building Maintenance		(33,463)		9,561		_		_		(23,902)		
Total Public Works		(79,214)		32,671		(17,602)		(9,824)		(73,969)		
Total GAAP to Budget Adjustments	\$	(289,591)	\$	265,281	\$	(256,994)	\$	(96,538)	\$	(377,842)		
- ,								· /				

Note 1 – Budgetary Basis (Continued)

	Budget to GAAP Adjustments - Inclusion of GASB Statement 54 Funds											
		Revenues	E	xpenditures		Other	N	let Change				
General Fund	\$	23,032,101	\$	(24,640,179)	\$	4,360,771	\$	2,752,693				
GASB Statement 54 Funds Required to be												
Reported as Part of the General Fund	-	4 401 070		(27.047)		(2.002.000)		1 470 044				
Hospital Sales Tax Fund		4,491,079		(27,047)		(2,993,988)		1,470,044				
Public Works Sales Tax Fund		6,555,196		(2,615,910)		(2,354,232)		1,585,054				
Economic Development & Parking Fund		14,121		-		- (6.27.1)		14,121				
Shoreline Fund		3,845		(225.204)		(6,374)		(2,529)				
Community Grant Fund		167,652		(335,304)		167,652						
Total of Excluded Funds for		11 221 002		(2.070.2(1)		(5.106.042)		2.066.600				
Budgetary Purposes		11,231,893		(2,978,261)		(5,186,942)		3,066,690				
Total GAAP Perspective General Fund	\$	34,263,994	\$	(27,618,440)	\$	(826,171)	\$	5,819,383				
	1	Net Change		Beginning und Balance	F	Ending und Balance						
General Fund	\$	2,752,693	\$	7,584,642	\$	10,337,335						
GASB Statement 54 Funds Required to be												
Reported as Part of the General Fund												
Hospital Sales Tax Fund	•	1,470,044		3,830,886		5,300,930						
Public Works Sales Tax Fund		1,585,054		8,689,782		10,274,836						
Economic Development & Parking Fund		14,121		294,063		308,184						
Shoreline Fund		(2,529)		83,138		80,609						
Community Grant Fund				20,631		20,631						
Total of Excluded Funds for												
Budgetary Purposes		3,066,690		12,918,500		15,985,190						
Total GAAP Perspective General Fund	\$	5,819,383	\$	20,503,142	\$	26,322,525						

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*

	 2023	2022	2021	 2020	2019	2018	 2017	2016	2015
City's proportion of the net pension liability	0.3440%	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	\$ 17,834,891	\$ 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	5,944,597	1,221,710	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	\$ 23,779,488	\$ 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	\$ 3,896,090	\$ 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	457.764%	454.818%	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	68.23%	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 *

		2023	2022	2021	2020	2019	2018	_	2017		2016	2015
Contractually required contribution	\$	1,924,644	\$ 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)	_	(1,924,644)	(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	\$	3,896,090	\$ 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		49.40%	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*

City's proportion of OPEB Liability/(Asset) by Benefit Category 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)
2023	2023	0.53170%	0.45627%	0.34327%	\$ (272,786)	\$ (216,655)	\$ (7,898,342)	\$ (8,387,783)	\$ (2,654,696)	\$ (11,042,479)	\$ 3,896,090	-215.287%	134.32%
2022	2022	0.49341%	0.44379%	0.36440%	(216,302)	(154,130)	(7,169,816)	(7,540,248)	(2,051,383)	(9,591,631)	4,111,951	-183.374%	128.85%
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 *

		Contractually Required Contributions by Benefit Category					_					_	City's Covered Payroll by PERS Plan					Contributions as Percentage of Covered Payroll by Benefit Category					
Year Ended December 31	Measurement Period Ended June 30	d	cupational eath and isability	contr	fined ibution dical		l benefit lical	I	entractually Required ntributions Total	Contributions Relative to the Contractually Required Contribution	Γ	ontrbution Deficiency (Excess)			S Defined fit - Tier I, II, III		ERS Defined tribution-Tier IV	ty's Covered ayroll Total	a Percentag	e of a	Contributions as Ca Percentage of Covered Payroll C	a Percentage of	
2023	2023	\$	34,457	\$	85,958	\$	_	\$	120,415	(120,415)	\$	_		\$	3,896,090	\$	8,146,745	\$ 12,042,835	0.286	12%	0.71377%	0.00000%	0.99989%
2022	2022		31,419		82,787		-		114,206	(114,206)		-			4,055,031		7,634,253	11,689,284	0.268	78%	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	0.408	00%	1.17200%	0.00000%	1.58000%
2020	2020		25,807		84,394	2	266,701		376,902	(376,902)		-			4,799,799		6,520,582	11,320,381	0.396	00%	1.29400%	5.55700%	7.24700%
2019	2019		20,395		62,706	4	146,090		529,191	(529,191)		-			4,487,019		5,497,020	9,984,039	0.371	00%	1.14100%	9.94200%	11.45400%
2018	2018		13,845		46,672	3	397,004		457,521	(457,521)		-			4,663,974		4,735,319	9,399,293	0.292	00%	0.98600%	8.51200%	9.79000%
2017	2017		10,027		50,108	4	177,194		537,329	(537,329)		-			5,316,031		4,531,943	9,847,974	0.221	00%	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, 2023

		Nonmajor Special Revenue Funds	1	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds		
Assets		_		_			
Cash and temporary investments	\$	8,875,531	\$	4,641,760	\$	13,517,291	
Restricted cash:							
Bond construction funds		-		1,447,967		1,447,967	
Property seizure funds		146,196		-		146,196	
Commercial passenger excise tax funds		8,138,616		172,257		8,310,873	
Receivables:							
Accounts		547,753		2,500,000		3,047,753	
Taxes		118,208		-		118,208	
Interest		32,395		12,170		44,565	
Unbilled revenue		78,141		-		78,141	
Total Assets	\$	17,936,840	\$	8,774,154	\$	26,710,994	
Liabilities, Deferred Inflows of Resources and Fund	Balances						
Liabilities							
Accounts payable	\$	347,881	\$	532,815	\$	880,696	
Customer deposits payable		4,340		, <u>-</u>		4,340	
Interfund payable		´-		740,644		740,644	
Unearned revenue		570,107				570,107	
Total Liabilities		922,328		1,273,459		2,195,787	
Deferred Inflows of Resources		200,171		_		200,171	
Fund Balances							
Restricted:							
Fire		_		1,353,488		1,353,488	
Law enforcement		64,390		-		64,390	
Commercial passenger excise tax		8,126,295		174,786		8,301,081	
Bond construction funds		-		1,133,111		1,133,111	
Assigned:				, ,		, ,	
Subsequent years budget		1,268,674		-		1,268,674	
Public safety		1,067,516		-		1,067,516	
Culture and tourism		3,844,894		119,000		3,963,894	
Collection and disposal of solid waste		1,524,228		-		1,524,228	
Cemetery operations		138,030		-		138,030	
Harbor operations		780,314		-		780,314	
Development of community facilities		-		2,732,871		2,732,871	
Harbor construction		-		1,713,082		1,713,082	
Public works projects		-		274,357		274,357	
Total Fund Balances		16,814,341		7,500,695		24,315,036	
Total Liabilities, Deferred Inflows of Resou	rces						
and Fund Balances	\$	17,936,840	\$	8,774,154	\$	26,710,994	

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, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 1,021,195	\$ -	\$ -	\$ 1,021,195
Intergovernmental	1,814,829	-	772,002	2,586,831
Charges for services	7,585,585	-	-	7,585,585
Fines and forfeitures	17,191	-	-	17,191
Investment earnings	627,413	-	211,995	839,408
Miscellaneous	10			10
Total Revenues	11,066,223		983,997	12,050,220
Expenditures				
Current:				
General government	168,162	-	-	168,162
Public safety	81,153	-	-	81,153
Culture and tourism	253,066	-	-	253,066
Public works	3,765,735	-	-	3,765,735
Port and harbor	1,321,244	-	-	1,321,244
Debt Service:				
Principal retirement	200,000	1,900,706	-	2,100,706
Interest and fiscal charges	149,675	1,721,696	-	1,871,371
Capital Outlay	79,801		2,343,492	2,423,293
Total Expenditures	6,018,836	3,622,402	2,343,492	11,984,730
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	5,047,387	(3,622,402)	(1,359,495)	65,490
Other Financing Sources (Uses)				
Proceeds from lease financing	-	-	2,500,000	2,500,000
Transfers in	24,527	3,622,402	478,064	4,124,993
Transfers out	(1,955,186)		(22,802)	(1,977,988)
Total Other Financing Sources (Uses)	(1,930,659)	3,622,402	2,955,262	4,647,005
Net Change in Fund Balances	3,116,728	-	1,595,767	4,712,495
Fund Balances Beginning of Year	13,697,613		5,904,928	19,602,541
Fund Balances End of Year	\$ 16,814,341	\$ -	\$ 7,500,695	\$ 24,315,036

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 3.04.030 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, 2023

		Transient Tax		arijuana ales Tax		Solid Waste Services		Ketchikan Boat Harbor
Assets	_		_				_	
Cash and temporary investments	\$	1,303,878	\$	-	\$	1,725,561	\$	1,352,033
Restricted cash		-		-		-		-
Receivables:						445.252		102 401
Accounts Taxes		76,075		42 122		445,352		102,401
Accrued interest		2,381		42,133		3,908		2,954
Unbilled revenue		2,381		-		78,141		2,934
Onlinea revenue						-		
Total Assets	\$	1,382,334	\$	42,133	\$	2,252,962	\$	1,457,388
Liabilities, Deferred Inflows of Resources and Fund Balances		,,				, - , -		,,
Liabilities								
Accounts payable	\$	-	\$	-	\$	282,160	\$	32,621
Customer deposits payable		-		-		-		4,340
Unearned revenue				-		-		345,107
Total Liabilities		-		-	_	282,160		382,068
Deferred Inflows of Resources		76,075		42,133				
Fund Balances								
Restricted:								
Law enforcement		-		-		-		-
Commercial passenger excise tax		-		-		-		-
Assigned:								
Subsequent years budget		-		-		446,574		295,006
Public Safety Culture and tourism		1 206 250		-		-		-
		1,306,259		-		1 524 229		-
Collection and disposal of solid waste Cemetery operations		-		-		1,524,228		-
Harbor operations		<u> </u>		-		- -		780,314
Total Fund Balances		1,306,259				1,970,802		1,075,320
Total Liabilities, Deferred Inflows of Resources								
and Fund Balances	\$	1,382,334	\$	42,133	\$	2,252,962	\$	1,457,388

Bayview emetery	Pa	mmercial assenger Vessel ccise Tax	D	Fire epartment SEMT	Fe	deral and State Grant	And	orfeitures d Property Seizures		Total Nonmajor cial Revenue Funds
\$ 139,696	\$	2,538,635 8,138,616	\$	1,590,728	\$	225,000	\$	- 146,196	\$	8,875,531 8,284,812
-		-		-		-		-		547,753 118,208
 334		20,779		1,882		<u>-</u>		157		32,395 78,141
\$ 140,030	\$ 1	10,698,030	\$	1,592,610	\$	225,000	\$	146,353	\$	17,936,840
\$ -	\$	33,100	\$	-	\$	- - 225,000	\$	-	\$	347,881 4,340 570,107
		33,100				225,000				922,328
 								81,963	_	200,171
_		_		_		_		64,390		64,390
-		8,126,295		-		-		-		8,126,295
2,000		-		525,094		-		-		1,268,674
-		2,538,635		1,067,516		-		-		1,067,516 3,844,894
-		-		-		-		-		1,524,228
138,030		-		-		-		-		138,030
 -		-		-		-				780,314
 140,030	1	10,664,930		1,592,610				64,390		16,814,341
\$ 140,030	\$ 1	10,698,030	\$	1,592,610	\$	225,000	\$	146,353	\$	17,936,840

City of Ketchikan, Alaska Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds For the Year Ended December 31, 2023

	,	Fransient Tax		Iarijuana Jales Tax	 Solid Waste Services		Ketchikan Boat Harbor
Revenues			_			_	
Taxes	\$	826,646	\$	194,549	\$ -	\$	-
Intergovernmental		-		-	2,728		20,961
Charges for services		-		-	3,964,891		1,745,208
Fines and forfeitures		-		-	-		701
Investment earnings		44,809		1,376	74,296		57,889
Miscellaneous		-			 10		
Total Revenues		871,455		195,925	 4,041,925		1,824,759
Expenditures							
Current:							
General government		-		168,162	-		-
Public safety		-		-	-		-
Culture and tourism		-			-		-
Public works		-		-	3,765,257		-
Port and harbors		-		-	-		1,321,244
Debt Service:							
Principal retirement		-		-	-		200,000
Interest and fiscal charges		-		-	-		149,675
Capital Outlay				-	79,801		
Total Expenditures				168,162	 3,845,058		1,670,919
Excess (Deficiency) of Revenues Over (Under) Expenditures		871,455		27,763	196,867		153,840
Other Financing Sources (Uses)				_	 _		
Transfers in		_		_	_		_
Transfers out		(656,954)		(140,303)	 		
Total Other Financing Sources (Uses)		(656,954)		(140,303)			
Net Change in Fund Balances		214,501		(112,540)	196,867		153,840
Fund Balances Beginning Of Year		1,091,758		112,540	1,773,935		921,480
Fund Balances End Of Year	\$	1,306,259	\$	_	\$ 1,970,802	\$	1,075,320

nyview metery	Commercial Passenger Vessel Excise Tax	Fire Department SEMT	Federal and State Grant	Forfeitures And Property Seizures	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,021,195
-	1,791,140	-	-	-	1,814,829
26,590	-	1,848,896	-	-	7,585,585
-	-	-	-	16,490	17,191
6,029	403,481	36,545	-	2,988	627,413
 					10
 32,619	2,194,621	1,885,441		19,478	11,066,223
					168,162
-	-	-	-	81,153	81,153
-	253,066	-	-	61,133	253,066
478	-	_	_	_	3,765,735
-	-	-	-	-	1,321,244
_	_	_	_	_	200,000
_	_	_	-	-	149,675
-					79,801
 478	253,066			81,153	6,018,836
 32,141	1,941,555	1,885,441		(61,675)	5,047,387
-	24,527	-	-	-	24,527
 (5,000)	(410,227)	(742,702)			(1,955,186)
 (5,000)	(385,700)	(742,702)			(1,930,659)
27,141	1,555,855	1,142,739	-	(61,675)	3,116,728
 112,889	9,109,075	449,871		126,065	13,697,613
\$ 140,030	\$ 10,664,930	\$ 1,592,610	\$ -	\$ 64,390	\$ 16,814,341

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, 2023

		Original Budget	Final Budget	(G.	AAP Basis) Actual	 assifications and ambrances	(1	Budgetary Basis) Actual]	Variance Positive Negative)
Revenues										
Taxes	\$	620,000	\$ 620,000	\$	826,646	\$ -	\$	826,646	\$	206,646
Investment earnings		3,000	 3,000		44,809	 	_	44,809		41,809
Total Revenues		623,000	 623,000		871,455			871,455		248,455
Excess (Deficiency) of Revenues										
Over (Under) Expenditures		623,000	623,000		871,455	-		871,455		248,455
Other Financing Sources (Uses) Transfers out										
General fund		(526,684)	(526,684)		(458,890)	-		(458,890)		67,794
Major capital improvements fund		(300,000)	 (300,000)		(198,064)	 		(198,064)		101,936
Total Other Financing Sources (Uses)		(826,684)	 (826,684)		(656,954)			(656,954)		169,730
Net Change in Fund Balances		(203,684)	(203,684)		214,501	-		214,501		418,185
Fund Balances Beginning of Year	_	889,914	 889,914		1,091,758	 		1,091,758		201,844
Fund Balances End of Year	\$	686,230	\$ 686,230	\$	1,306,259	\$ 	\$	1,306,259	\$	620,029

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, 2023

	Original Budget	Final Budget	(G	AAP Basis) Actual	assifications and cumbrances	(E	Budgetary Basis) Actual	/ariance Positive Negative)
Revenues								
Taxes	\$ 400,000	\$ 400,000	\$	194,549	\$ -	\$	194,549	\$ (205,451)
Investment earnings	250	250		1,376	-		1,376	1,126
Total Revenues	 400,250	 400,250		195,925			195,925	 (204,325)
Expenditures								
Current:								
General government	185,000	185,000		168,162	-		168,162	16,838
Total Expenditures	 185,000	185,000		168,162			168,162	16,838
Excess (Deficiency) of Revenues Over (Under) Expenditures	215,250	215,250		27,763	-		27,763	(187,487)
Other Financing Sources (Uses) Transfers out								
General fund	 (200,000)	 (200,000)		(140,303)	-		(140,303)	 59,697
Total Other Financing Sources (Uses)	(200,000)	(200,000)		(140,303)	 		(140,303)	59,697
Net Change in Fund Balances	15,250	15,250		(112,540)	-		(112,540)	(127,790)
Fund Balances Beginning of Year	 88,188	88,188		112,540			112,540	 24,352
Fund Balances End of Year	\$ 103,438	\$ 103,438	\$	-	\$ 	\$	-	\$ (103,438)

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, 2023

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Intergovernmental	\$ -	\$ -	\$ 2,728	\$ (2,728)	\$ -	\$ -
Charges for services	3,879,845	3,879,845	3,964,891	=	3,964,891	85,046
Investment earnings	7,000	7,000	74,296	-	74,296	67,296
Miscellaneous	1,000	1,000	10	-	10	(990)
Total Revenues	3,887,845	3,887,845	4,041,925	(2,728)	4,039,197	151,352
Expenditures Current:						
Public works	4,090,466	4,103,166	3,765,257	(51,693)	3,713,564	389,602
Capital Outlay	375,000	362,300	79,801	153,872	233,673	128,627
Total Expenditures	4,465,466	4,465,466	3,845,058	102,179	3,947,237	518,229
Net Change in Fund Balances	(577,621)	(577,621)	196,867	(104,907)	91,960	669,581
Prior Year Encumbrances Returned				4,031	4,031	4,031
Fund Balances Beginning of Year	1,754,234	1,754,234	1,773,935	(86,985)	1,686,950	(67,284)
Fund Balances End of Year	\$ 1,176,613	\$ 1,176,613	\$ 1,970,802	\$ (187,861)	\$ 1,782,941	\$ 606,328

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, 2023

	 Original Budget		Final Budget	(G	AAP Basis) Actual	lassifications and cumbrances	(1	Budgetary Basis) Actual]	Variance Positive Negative)
Revenues	 									
Intergovernmental	\$ 5,000	\$	5,000	\$	20,961	\$ (8,579)	\$	12,382	\$	7,382
Charges for services	1,609,000		1,609,000		1,745,208	-		1,745,208		136,208
Fines and forfeitures	3,500		3,500		701	-		701		(2,799)
Investment earnings	 5,000		5,000		57,889	-		57,889		52,889
Total Revenues	 1,622,500	_	1,622,500		1,824,759	 (8,579)		1,816,180		193,680
Expenditures										
Current:										
Port and harbor	1,480,699		1,492,039		1,321,244	(2,906)		1,318,338		173,701
Debt Service:										
Principal retirement	200,000		200,000		200,000	-		200,000		-
Interest and fiscal charges	 149,675		149,675		149,675	 -		149,675		-
Total Expenditures	 1,830,374		1,841,714		1,670,919	(2,906)		1,668,013		173,701
Net Change in Fund Balances	(207,874)		(219,214)		153,840	(5,673)		148,167		367,381
Prior Year Encumbrances Returned	 -		-		-	 2,507		2,507		2,507
Fund Balances Beginning of Year	 724,066		724,066		921,480	 (17,450)		904,030		179,964
Fund Balances End of Year	\$ 516,192	\$	504,852	\$	1,075,320	\$ (20,616)	\$	1,054,704	\$	549,852

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, 2023

	Original Budget	Final Budget	(G	AAP Basis) Actual	ssifications and mbrances	,	udgetary Basis) Actual	I	ariance Positive Jegative)
Revenues									
Charges for services	\$ 13,700	\$ 13,700	\$	26,590	\$ -	\$	26,590	\$	12,890
Investment earnings	 300	 300		6,029	 		6,029		5,729
Total Revenues	 14,000	 14,000	_	32,619	 		32,619		18,619
Expenditures									
Current:									
Public works	 12,000	 12,000		478	 (478)				12,000
Total Expenditures	 12,000	 12,000		478	 (478)				12,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,000	2,000		32,141	478		32,619		30,619
Other Financing Sources (Uses) Transfers out									
General fund	 (5,000)	 (5,000)		(5,000)	 		(5,000)		-
Total Other Financing Sources (Uses)	 (5,000)	 (5,000)		(5,000)	 		(5,000)		-
Net Change in Fund Balances	(3,000)	(3,000)		27,141	478		27,619		30,619
Prior Year Encumbrances Returned	 	 			 1,109		1,109		1,109
Fund Balances Beginning of Year	 107,497	107,497		112,889	 (1,587)		111,302		3,805
Fund Balances End of Year	\$ 104,497	\$ 104,497	\$	140,030	\$ 	\$	140,030	\$	35,533

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, 2023

		Original Budget		Final Budget	(GAAP Basis) Actual	a	ifications and abrances	`	udgetary Basis) Actual	Variance Positive Negative)
Revenues	\$	1 975 000	ø	1 975 000	e 1.701.140	\$	((10)	e	1 700 520	\$ (94.470)
Intergovernmental Investment earnings	3	1,875,000 40,000	\$	1,875,000 40,000	\$ 1,791,140 403,481	5	(610)	\$	1,790,530 403,481	 (84,470) 363,481
Total Revenues		1,915,000		1,915,000	2,194,621		(610)		2,194,011	 279,011
Expenditures										
Current: Tourism		478,960		478,960	253,066		(610)		252,456	226,504
Total Expenditures		478,960		478,960	253,066		(610)		252,456	226,504
Excess (Deficiency) of Revenues Over (Under) Expenditures		1,436,040		1,436,040	1,941,555				1,941,555	 505,515
Other Financing Sources (Uses) Transfer in										
Port fund		-		_	1,725		-		1,725	1,725
CPV capital projects fund Transfers out		-		-	22,802		-		22,802	22,802
General fund CPV capital projects fund		(410,227) (100,000)		(410,227) (100,000)	(410,227)		-		(410,227)	100,000
Total Other Financing Sources (Uses)		(510,227)		(510,227)	(385,700)		_		(385,700)	 124,527
Net Change in Fund Balances		925,813		925,813	1,555,855		-		1,555,855	 630,042
Fund Balances Beginning of Year		6,590,167		6,590,167	9,109,075		<u>-</u>		9,109,075	2,518,908
Fund Balances End of Year	\$	7,515,980	\$	7,515,980	\$ 10,664,930	\$	-	\$ 1	0,664,930	\$ 3,148,950

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, 2023

	Original Budget	Final Budget	(G	AAP Basis) Actual		lassifications and cumbrances	(1	Budgetary Basis) Actual	Variance Positive Negative)
Revenues									
Charges for services	\$ 500,000	\$ 879,227	\$	1,848,896	\$	-	\$	1,848,896	\$ 969,669
Investment earnings	 -	 -		36,545		-		36,545	 36,545
Total Revenues	 500,000	 879,227		1,885,441	-		_	1,885,441	 1,006,214
Excess (Deficiency) of Revenues									
Over (Under) Expenditures	 500,000	 879,227		1,885,441				1,885,441	 1,006,214
Other Financing Sources (Uses) Transfers out									
General fund	(174,482)	(465,564)		(462,702)		-		(462,702)	2,862
Major capital improvements fund	 (280,000)	 (280,000)		(280,000)				(280,000)	
Total Other Financing Sources (Uses)	 (454,482)	 (745,564)		(742,702)				(742,702)	 2,862
Net Change in Fund Balances	45,518	133,663		1,142,739		-		1,142,739	1,009,076
Fund Balances Beginning of Year	 454,482	454,482		449,871		<u>-</u>		449,871	(4,611)
Fund Balances End of Year	\$ 500,000	\$ 588,145	\$	1,592,610	\$		\$	1,592,610	\$ 1,004,465

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, 2023

		Original Budget	Final Budget	((GAAP Basis) Actual	assifications and umbrances	Ì	udgetary Basis) Actual	/ariance Positive Negative)
Revenues									
Intergovernmental Contributions	\$	248,702	\$ 248,702		\$ -	\$ -	\$	-	\$ (248,702)
Contributions		82,900	 82,900	_		 			 (82,900)
Total Revenues		331,602	 331,602	_		 		-	(331,602)
Expenditures Current:									
Public safety		331,602	 331,602	_		 -		-	 331,602
Total Expenditures		331,602	 331,602	_		 		-	 331,602
Net Change in Fund Balances		-	-		-	-		-	-
Fund Balances Beginning of Year	_		 -	_		(14,013)		(14,013)	 (14,013)
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, 2023

	Original Budget]	Final Budget	`	AAP Basis) Actual	ssifications and imbrances	Ì	idgetary Basis) Actual	I	ariance Positive Jegative)
Revenues										
Fines & Forfeitures	\$ -	\$	-	\$	16,490	\$ -	\$	16,490	\$	16,490
Investment earnings	 500		500		2,988	 		2,988		2,488
Total Revenues	 500		500		19,478	 		19,478		18,978
Expenditures										
Current:										
Public safety	 		-		81,153	 (81,153)				-
Total Expenditures	 -		-		81,153	 (81,153)		-		-
Net Change in Fund Balances	500		500		(61,675)	81,153		19,478		18,978
Prior Year Funds Returned	 		-			 2,000		2,000		2,000
Fund Balances Beginning of Year	 131,692		131,692		126,065	(83,153)		42,912		(88,780)
Fund Balances End of Year	\$ 132,192	\$	132,192	\$	64,390	\$ -	\$	64,390	\$	(67,802)

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, 2023

	General Obligation Bond Debt Service
Expenditures	
Debt Service:	
Principal retirement	1,900,706
Interest and fiscal charges	1,721,696
Total Expenditures	3,622,402
Excess (Deficiency) of Revenues	
Over (Under) Expenditures	(3,622,402)
Other Financing Sources (Uses)	
Transfers in	
General fund	798,964
Sales tax hospital & other public works fund	2,532,075
Public works sales tax fund	291,363
Total Other Financing Sources (Uses)	3,622,402
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, 2023

	Original Budget		Final Budget	Actual	Po	riance sitive gative)
Expenditures						
Debt Service:						
Principal retirement	\$ 1,900,707	\$	1,900,707	\$ 1,900,706	\$	1
Interest and fiscal charges	 1,721,697	_	1,721,697	 1,721,696		1
Total Expenditures	 3,622,404		3,622,404	 3,622,402		2
Other Financing Sources (Uses)						
Transfers in						
General fund	798,964		798,964	798,964		-
Sales tax hospital & other public works fund	2,532,075		2,532,075	2,532,075		-
Sales tax public works fund	 291,365		291,365	 291,363		(2)
Total Other Financing Sources (Uses)	 3,622,404		3,622,404	3,622,402		(2)
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, 2023

	Im	Major Capital provements	Im	Harbor provements		Community Facilities evelopment		Hospital onstruction	Passe Ta	ommercial enger Excise ax Capital orovements		Total Nonmajor pital Projects Funds
Assets Cash and investments	\$		\$	1,709,834	\$	2,726,198	\$	185,698	\$	20,030	\$	4,641,760
Cash and investments Restricted cash:	3	-	\$	1,/09,834	2	2,726,198	2	185,698	\$	20,030	3	4,641,760
Bond construction funds				37,565				1,410,402				1,447,967
Commercial passenger excise tax funds		-		37,303		-		1,410,402		172,257		172,257
Receivables:		-		-		-		-		1/2,23/		1/2,23/
Accounts		2,500,000		_		_		_		_		2,500,000
Accrued Interest		2,300,000		3,248		6,673		2,249				12,170
Accided interest				3,240	_	0,073		2,27)				12,170
Total Assets	\$	2,500,000	\$	1,750,647	\$	2,732,871	\$	1,598,349	\$	192,287	\$	8,774,154
Liabilities, Deferred Inflows of Resources and Fund Balances	5											
Liabilities												
Accounts payable		12,511		-		-		502,803		17,501		532,815
Interfund payable		740,644		-								740,644
Total Liabilities	\$	753,155	\$		\$		\$	502,803	\$	17,501	\$	1,273,459
Fund Balances												
Restricted:												
Public safety projects		1,353,488		-		-		-		-		1,353,488
Commercial passenger excise tax funds		-		-		-		-		174,786		174,786
Bond construction funds		-		37,565		-		1,095,546		-		1,133,111
Assigned:												
Culture and tourism projects		119,000		-		-		-		-		119,000
Development of community facilities		-		-		2,732,871		-		-		2,732,871
Harbor projects		-		1,713,082		-		-		-		1,713,082
Public works projects		274,357										274,357
Total Fund Balances		1,746,845		1,750,647		2,732,871		1,095,546		174,786		7,500,695
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$	2,500,000	\$	1,750,647	\$	2,732,871	\$	1,598,349	\$	192,287	\$	8,774,154

City of Ketchikan, Alaska Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Capital Projects Funds For the Year Ended December 31, 2023

	Major Capital Improvements	Capital Harbor		Hospital Construction	Commercial Passenger Excise Tax Capital Improvements	Total Nonmajor Capital Projects Funds
Revenues	0.7160	454040	A	•		
Intergovernmental	\$ 297,160	\$ 474,842	\$ -	\$ -	\$ -	\$ 772,002
Investment earnings	6,179	60,222	126,259	19,335		211,995
Total Revenues	303,339	535,064	126,259	19,335		983,997
Expenditures						
Capital Outlay:						
Public safety	1,424,134	-	-	-	-	1,424,134
Culture and tourism	293,544	-	43,560	-	457,519	794,623
Health and welfare	-	-	-	24,239	-	24,239
Port and harbors	-	100,496	-			100,496
Total Expenditures	1,717,678	100,496	43,560	24,239	457,519	2,343,492
Excess (Deficiency) of Revenues	(1.414.220)	424.560	92.600	(4.004)	(457.510)	(1.250.405)
Over (Under) Expenditures	(1,414,339)	434,568	82,699	(4,904)	(457,519)	(1,359,495)
Other Financing Sources (Uses) Capital Contributions						
Proceeds from financing	2,500,000	_	_	_	_	2,500,000
Transfers out	,,					,,
Commercial passenger vessel tax special revenue fu Transfers in	-	-	-	-	(22,802)	(22,802)
Transient tax fund	198,064	-	-	-	-	198,064
Fire department SEMT fund	280,000	<u> </u>		. <u> </u>		280,000
Total Other Financing Sources (Uses)	2,978,064				(22,802)	2,955,262
Net Change in Fund Balances	1,563,725	434,568	82,699	(4,904)	(480,321)	1,595,767
Fund Balances At Beginning of Year	183,120	1,316,079	2,650,172	1,100,450	655,107	5,904,928
Fund Balances At End of Year	\$ 1,746,845	\$ 1,750,647	\$ 2,732,871	\$ 1,095,546	\$ 174,786	\$ 7,500,695

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, 2023

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues	Ф. 1.250.000	# 1.250.000		e.		
Intergovernmental	\$ 1,250,000	\$ 1,250,000	\$ 297,160	\$ -	\$ 297,160	\$ (952,840)
Investment earnings Contributions	75.000	75.000	6,179	-	6,179	6,179
Contributions	75,000	75,000				(75,000)
Total Revenues	1,325,000	1,325,000	303,339		303,339	(1,021,661)
Expenditures						
Public safety	1,470,000	1,556,512	1,424,134	119,000	1,543,134	13,378
Culture and tourism	375,000	375,000	293,544	(51,235)	242,309	132,691
Public works	1,250,000	1,250,000				1,250,000
Total Expenditures	3,095,000	3,181,512	1,717,678	67,765	1,785,443	1,396,069
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,770,000)	(1,856,512)	(1,414,339)	(67,765)	(1,482,104)	374,408
Other Financing Sources (Uses)						
Proceeds from financing Transfers in	1,190,000	1,276,512	2,500,000	-	2,500,000	1,223,488
Transient tax fund	300,000	300,000	198,064	-	198,064	(101,936)
Fire department SEMT fund	280,000	280,000	280,000		280,000	
Total Other Financing Sources (Uses)	1,770,000	1,856,512	2,978,064		2,978,064	1,121,552
Net Change in Fund Balances			1,563,725	(67,765)	1,495,960	1,495,960
Fund Balances Beginning of Year	73,138	73,138	183,120	(51,235)	131,885	58,747
Fund Balances End of Year	\$ 73,138	\$ 73,138	\$ 1,746,845	\$ (119,000)	\$ 1,627,845	\$ 1,554,707

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, 2023

	Original Budget			Final Budget	(GA	AAP Basis) Actual	assifications and umbrances	(Budgetary Basis) Actual]	/ariance Positive Negative)
Revenues			_	10=150		.=		_			
Intergovernmental Investment earnings	\$	437,168 6,000	\$	437,168 6,000	\$	474,842 60,222	\$ -	\$	474,842 60,222	\$	37,674 54,222
mvestment carnings		0,000		0,000		00,222	 		00,222		37,222
Total Revenues		443,168		443,168		535,064	 		535,064		91,896
Expenditures											
Port and harbors		130,000		130,000		100,496	 (99,233)		1,263		128,737
Total Expenditures		130,000		130,000		100,496	 (99,233)		1,263		128,737
Net Change in Fund Balances		313,168		313,168		434,568	99,233		533,801		220,633
Fund Balances Beginning of Year		1,098,535		1,098,535		1,316,079	(214,171)		1,101,908		3,373
Fund Balances End of Year	\$	1,411,703	\$	1,411,703	\$	1,750,647	\$ (114,938)	\$	1,635,709	\$	224,006

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, 2023

	Original Budget		Final Budget	(G	AAP Basis) Actual	Reclassifications and Encumbrances		(Budgetary Basis) Actual		1	Variance Positive Negative)
Revenues											
Investment earnings	\$		\$ 	\$	126,259	\$		\$	126,259	\$	126,259
Total Revenues			 		126,259				126,259		126,259
Expenditures											
Culture and tourism		65,990	 65,990		43,560				43,560		22,430
Total Expenditures		65,990	 65,990		43,560				43,560		22,430
Net Change in Fund Balances		(65,990)	(65,990)		82,699		-		82,699		148,689
Fund Balances Beginning of Year	2	2,652,726	 2,652,726		2,650,172		-		2,650,172		(2,554)
Fund Balances End of Year	\$ 2	2,586,736	\$ 2,586,736	\$	2,732,871	\$		\$	2,732,871	\$	146,135

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, 2023

		Original Budget		Final Budget	(G	AAP Basis) Actual	Reclassifications and Encumbrances		(Budgetary Basis) Actual]	variance Positive Negative)
Revenues												
Investment earnings	\$		\$	-	\$	19,335	\$	-	\$	19,335	\$	19,335
Total Revenues						19,335				19,335		19,335
Expenditures Current:												
Health and welfare	1	,009,899		1,009,889		24,239		(24,239)		-		1,009,889
Total Expenditures	1	,009,899		1,009,889		24,239	-	(24,239)				1,009,889
Net Change in Fund Balances	(1	,009,899)		(1,009,889)		(4,904)		24,239		19,335		1,029,224
Prior Year Encumbrances Returned								76,969		76,969		76,969
Fund Balances Beginning of Year	1	,011,422		1,011,422		1,100,450		(256,136)		844,314		(167,108)
Fund Balances End of Year	\$	1,523	\$	1,533	\$	1,095,546	\$	(154,928)	\$	940,618	\$	939,085

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, 2023

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Expenditures						
Current: Culture and tourism	100.000	100.000	457.510	(450, (00))	(820	02 171
Culture and tourism	100,000	100,000	457,519	(450,690)	6,829	93,171
Total Expenditures	100,000	100,000	457,519	(450,690)	6,829	93,171
Excess (Deficiency) of Revenues Over (Under) Expenditures	(100,000)	(100,000)	(457,519)	450,690	(6,829)	93,171
Other Financing Sources (Uses) Transfers in						
Commercial passenger vessel tax fund Transfers out	100,000	100,000	-	-	-	(100,000)
Commercial passenger vessel tax fund			(22,802)		(22,802)	(22,802)
Total Other Financing Sources (Uses)	100,000	100,000	(22,802)		(22,802)	(122,802)
Net Change in Fund Balances	-	-	(480,321)	450,690	(29,631)	(29,631)
Prior Year Encumbrances Returned				29,631	29,631	29,631
Fund Balances Beginning of Year	2,529	2,529	655,107	(652,578)	2,529	
Fund Balances End of Year	\$ 2,529	\$ 2,529	\$ 174,786	\$ (172,257)	\$ 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, 2023

		General		Hospital Sales Tax		ublic Works Sales Tax
Assets	Φ	11.076.006	Ф	5 267 245	0	0.507.070
Cash and temporary investments	\$	11,076,806	\$	5,367,245	\$	8,597,879
Restricted cash		-		-		1,970,000
Receivables:		402 625				
Accounts		402,635		-		-
Taxes		733,659		635,937		954,000
Leases		690,025		1,746,730		-
Intergovernmental		2,984		-		-
Accrued interest		17,063		10,873		18,717
Interfund		740,644		-		-
Land for resale		272,034				15,316
Total Assets	\$	13,935,850	\$	7,760,785	\$	11,555,912
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$	191,277	\$	2,188	\$	327,076
Payroll payable		2,015,784		-		-
Unearned revenue		30,893		75,000		-
Total Liabilities		2,237,954		77,188		327,076
Deferred Inflows of Resources		1,360,561		2,382,667		954,000
Fund Balances						
Nonspendable		272,034		_		15,316
Restricted		. ,				- /-
Public works services and projects		-		-		1,970,000
Assigned:						
Subsequent years budget		3,020,265		-		5,113,866
Parking development and abatement of dangerous buildings		-		-		-
Hospital development and expansion		-		5,300,930		-
General government		156,946		-		103,283
Public safety		49,076		-		420,332
Culture and tourism		32,436		-		25,540
Public works		34,277		-		-
Streets, sidewalks and other public projects		-		-		2,626,499
Unassigned	_	6,772,301				<u>-</u>
Total Fund Balances		10,337,335		5,300,930		10,274,836
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$	13,935,850	\$	7,760,785	\$	11,555,912

Dev	conomic velopment Parking		horeline Services		mmunity Grant Fund	Totals
ď.	207.425	e.	00.410	e.	47.052	¢ 25 476 927
\$	307,435	\$	80,410	\$	47,052	\$ 25,476,827
	-		-		-	1,970,000
	-		-		-	402,635
	-		-		-	2,323,596
	-		-		-	2,436,755
	-		-		-	2,984
	749		199		-	47,601
	-		-		-	740,644
						287,350
\$	308,184	\$	80,609	\$	47,052	\$ 33,688,392
\$	-	\$	-	\$	26,421	\$ 546,962
	-		-		-	2,015,784
	-				-	105,893
					26,421	2,668,639
						4,697,228
	-		-		-	287,350
	-		-		-	1,970,000
	_		6,374		-	8,140,505
	308,184		-		-	308,184
	-		-		20,631	5,321,561
	-		74,235		-	334,464
	-		-		-	469,408
	-		-		-	57,976
	-		-		-	34,277
	-		-		-	2,626,499
						6,772,301
	308,184		80,609		20,631	26,322,525
\$	308,184	\$	80,609	\$	47,052	\$ 33,688,392

City of Ketchikan, Alaska General Fund

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances For the Year Ended December 31, 2023

	General	Hospital	Hospital Public Works I Sales Tax Sales Tax		Shoreline Services	Community Grant	Totals	
Revenues	General	Suics 1 ux	Sales Tax	& Parking	Scriecs	Grant	Totals	
Taxes								
Real & personal property taxes	\$ 6,536,176	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,536,176	
Automobile & boat taxes	44,704	-	-	-	-	-	44,704	
Penalty & interest	79,063	10,673	16,009	-	-	-	105,745	
Senior citizen local contribution	(545,936)	-	-	-	-	-	(545,936)	
Sales tax	9,901,732	4,147,995	6,221,992	-	-	-	20,271,719	
Payments in lieu of taxes	16,981	-	-	-	-	-	16,981	
	16,032,720	4,158,668	6,238,001	-	-	-	26,429,389	
Licenses and permits								
Building permits	113,486	-	-	-	-	-	113,486	
Other	2,325	-	-	-	-	-	2,325	
	115,811	-	-	-	-	-	115,811	
Intergovernmental								
Federal fire grants	21,559	-	-	-	-	-	21,559	
Liquor licenses tax	38,600	-	-	-	-	-	38,600	
Other state revenues	263,272	-	-	-	-	-	263,272	
Federal revenues	1,191					-	1,191	
	324,622					-	324,622	
Charges for services								
Ambulance	832,028	-	-	-	-	-	832,028	
Rentals	22,161	-	-	-	-	-	22,161	
Parking fees	95,380	-	-	-	-	-	95,380	
Cemetery	2,375	-	-	-	-	-	2,375	
Library services	527,669	-	-	-	-	-	527,669	
Museum services	317,194	-	-	-	-	-	317,194	
E-911 emergency dispatch services	404,369	-	-	-	-	-	404,369	
Civic center services	98,504	-	-	-	-	-	98,504	
Other charges	115,599					· 	115,599	
	2,415,279					-	2,415,279	
Fines and forfeitures								
Parking fines	70,518	-	-	-	-	-	70,518	
Other fines	(159)	-	-	-	-	-	(159)	
Court deposits	4,817					. <u> </u>	4,817	
	75,176						75,176	
Investment earnings	304,079	265,422	303,982	14,121	3,845	-	891,449	
Other revenue								
Leases	28,060	61,131	-	-	-	-	89,191	
Miscellaneous	58,615	5,858	13,213			167,652	245,338	
	86,675	66,989	13,213			167,652	334,529	
Interdepartmental charges	3,677,739						3,677,739	
Total Revenues	23,032,101	4,491,079	6,555,196	14,121	3,845	167,652	34,263,994	

City of Ketchikan, Alaska

General Fund

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Cont'd) For the Year Ended December 31, 2023

	General	Hospital Sales Tax	Public Works Sales Tax	Economic Development & Parking	Shoreline Services	Community Grant	Totals
Expenditures							
Current:							
General government							
Mayor and council	196,507	-	-	-	-	335,304	531,811
City clerk	381,971	-	-	-	-	-	381,971
Law	345,737	-	-	-	-	-	345,737
City manager	868,007	-	-	-	-	-	868,007
Finance	2,108,663	-	-	-	-	-	2,108,663
Information technology	1,450,895	-			-		1,450,895
	5,351,780	-	-	-	-	335,304	5,687,084
Public safety	·			·			<u> </u>
Fire	4,911,322	-	609,499	-	-	-	5,520,821
Police	6,475,004	-	712,636				7,187,640
	11,386,326	-	1,322,135	-	-	-	12,708,461
Culture							
Library	1,417,973	-	-	-	-	-	1,417,973
Museum	1,175,259	-	40,799	-	-	-	1,216,058
Civic center	568,061	-					568,061
	3,161,293	-	40,799				3,202,092
Health and welfare							
Public health	10,800	27,047					37,847
Public works							
Engineering	1,705,354	-	22,381	-	-	-	1,727,735
Streets	1,803,974	-	1,116,303	-	-	-	2,920,277
Cemetery	101,986	-	478	-	-	-	102,464
Garage	567,969	-	14,736	-	-	-	582,705
Building maintenance	550,697	-	99,078	-	-	-	649,775
	4,729,980		1,252,976	-	-		5,982,956
Total Expenditures	24,640,179	27,047	2,615,910			335,304	27,618,440
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,608,078)	4,464,032	3,939,286	14,121	3,845	(167,652)	6,645,554
Over (Unuer) Expenditures	(1,000,078)	4,404,032	3,737,480	14,121	3,043	(107,032)	0,045,554

City of Ketchikan, Alaska General Fund

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Cont'd) For the Year Ended December 31, 2023

-	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	458,890	-	-	-	-	-	458,890
Marijuana Sales Tax	140,303	-	-	-	-	-	140,303
Shoreline area fund	6,374	-	-	-	(6,374)	-	-
Bayview cemetery fund	5,000	-	-	-	-	-	5,000
Commercial passenger vessel tax fund	410,227	-	-	-	-	-	410,227
Fire department SEMT fund	462,702	-	-	-	-	-	462,702
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	(798,964)	(2,532,075)	(291,363)	-	-	-	(3,622,402)
Community grant fund	(62,870)	(41,913)	(62,869)	-	-	167,652	-
Other financing sources - Subscription IT	96,538		-	-	-	-	96,538
Sale of capital assets	37,571					<u> </u>	37,571
Total Other Financing Sources (Uses)_	4,360,771	(2,993,988)	(2,354,232)	<u> </u>	(6,374)	167,652	(826,171)
Net Change in Fund Balances	2,752,693	1,470,044	1,585,054	14,121	(2,529)	-	5,819,383
Fund Balances Beginning of Year	7,584,642	3,830,886	8,689,782	294,063	83,138	20,631	20,503,142
Fund Balances End of Year	10,337,335	5,300,930	10,274,836	308,184	80,609	20,631	26,322,525

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, 2023

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Taxes	\$ 3,170,000	\$ 3,170,000	\$ 4,147,995	\$ -	\$ 4,147,995	\$ 977,995
Penalties and interest	8,000	8,000	10,673	-	10,673	2,673
Leases	100,000	100,000	61,131	38,869	100,000	-
Investment earnings	10,000	10,000	265,422	(38,869)	226,553	216,553
Miscellaneous			5,858		5,858	5,858
Total Revenues	3,288,000	3,288,000	4,491,079		4,491,079	1,203,079
Expenditures						
Current:						
Health and welfare	205,140	205,140	27,047		27,047	178,093
Total Expenditures	205,140	205,140	27,047		27,047	178,093
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	3,082,860	3,082,860	4,464,032		4,464,032	1,381,172
Other Financing Sources (Uses)						
Transfers out						
General fund	(420,000)	(420,000	(420,000)	-	(420,000)	-
Community grant fund	(45,000)	(45,000	(41,913)	-	(41,913)	3,087
General obligation debt service fund	(2,532,075)	(2,532,075	(2,532,075)		(2,532,075)	
Total Other Financing Sources (Uses)	(2,997,075)	(2,997,075	(2,993,988)		(2,993,988)	3,087
Net Change in Fund Balances	85,785	85,785	1,470,044	-	1,470,044	1,384,259
Prior Year Encumbrances Returned				35,320	35,320	35,320
Fund Balances Beginning of Year	3,599,130	3,599,130	3,830,886	(35,320)	3,795,566	196,436
Fund Balances End of Year	\$ 3,684,915	\$ 3,684,915	\$ 5,300,930	\$ -	\$ 5,300,930	\$ 1,616,015

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, 2023

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)	
Revenues	e 4.755.000	e 4.755.000	e (221.002	\$ -	e (221.002	6 1 466 002	
Taxes Penalties and interest	\$ 4,755,000 8,000	\$ 4,755,000 8,000	\$ 6,221,992 16,009	\$ -	\$ 6,221,992 16,009	\$ 1,466,992 8,009	
Investment earnings	25,000	25,000	303,982	-	303,982	278,982	
Miscellaneous	23,000	23,000	13,213	-	13,213	13,213	
Miscenaneous			13,213		13,213	13,213	
Total Revenues	4,788,000	4,788,000	6,555,196		6,555,196	1,767,196	
Expenditures							
Capital:							
General government							
Finance	20,000	20,000	-	15,780	15,780	4,220	
Public safety							
Fire	378,200	728,200	609,499	78,601	688,100	40,100	
Police	610,830	724,295	712,636	(358)	712,278	12,017	
Culture	40.000	40.000	40.700	0.001	40.000		
Museum	49,800	49,800	40,799	9,001	49,800	-	
Public works	60,000	(0.000	22 201		22 201	27.610	
Engineering	60,000	60,000	22,381	054.212	22,381	37,619	
Streets	4,580,955	4,649,865	1,116,303 478	854,313	1,970,616	2,679,249	
Cemetery	15,000	15,000	14,736	(478)	14,736	264	
Garage	57,757	66,105	99,078	(70,770)	28,308	37,797	
Building maintenance	31,131	00,103	99,078	(70,770)	28,308	31,191	
Total Expenditures	5,772,542	6,313,265	2,615,910	886,089	3,501,999	2,811,266	
Excess (Deficiency) of Revenues	(20.4.242)			(00.5.000)			
Over (Under) Expenditures	(984,542)	(1,525,265)	3,939,286	(886,089)	3,053,197	4,578,462	
Other Financing Sources (Uses) Transfer out							
General fund	(2,000,000)	(2,000,000)	(2,000,000)	-	(2,000,000)	-	
Community grant fund	(67,500)	(67,500)	(62,869)	-	(62,869)	4,631	
Debt service fund	(291,365)	(291,365)	(291,363)	-	(291,363)	2	
Sale of capital assets		200,000				(200,000)	
Total Other Financing Sources (Uses)	(2,358,865)	(2,158,865)	(2,354,232)		(2,354,232)	(195,367)	
Net Change in Fund Balances	(3,343,407)	(3,684,130)	1,585,054	(886,089)	698,965	4,383,095	
Prior Year Encumbrances Returned				9,962	9,962	9,962	
Fund Balances Beginning of Year	8,331,782	8,331,782	8,689,782	(243,070)	8,446,712	114,930	
Fund Balances End of Year	\$ 4,988,375	\$ 4,647,652	\$ 10,274,836	\$ (1,119,197)	\$ 9,155,639	\$ 4,507,987	

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, 2023

		Original Budget		Final (GAAP Basis) and		udgetary Basis) Actual	Variance Positive (Negative)					
Revenues Investment earnings	\$	1,500	\$	1,500	\$	14,121	\$	_	\$	14,121	s	12,621
in vector curings	Ψ	1,500	Ψ	1,000	Ψ	1.,121	-			1 1,121	`	12,021
Total Revenues		1,500		1,500		14,121				14,121		12,621
Excess (Deficiency) of Revenues Over (Under) Expenditures		1,500		1,500		14,121		-		14,121		12,621
Net Change in Fund Balances		1,500		1,500		14,121		-		14,121		12,621
Fund Balances Beginning of Year		287,526		287,526		294,063	1	-		294,063		6,537
Fund Balances End of Year	\$	289,026	\$	289,026	\$	308,184	\$	-	\$	308,184	\$	19,158

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, 2023

	riginal Budget	1	Final Budget	(GA	AAP Basis) Actual	assifications and ambrances	. 1	idgetary Basis) Actual	P	ariance ositive egative)
Revenues:										
Investment earnings	\$ 400	\$	400	\$	3,845	\$ 	\$	3,845	\$	3,445
Total Revenues	 400		400		3,845	 		3,845		3,445
Excess (Deficiency) of Revenues Over (Under) Expenditures	400		400		3,845	-		3,845		3,445
Other Financing Sources (Uses) Transfers out										
General fund	 (6,374)		(6,374)		(6,374)	 		(6,374)		
Total Other Financing Sources (Uses)	 (6,374)		(6,374)		(6,374)			(6,374)		
Net Change in Fund Balances	(5,974)		(5,974)		(2,529)	-		(2,529)		3,445
Fund Balances Beginning of Year	 83,550		83,550		83,138	 -		83,138		(412)
Fund Balances End of Year	\$ 77,576	\$	77,576	\$	80,609	\$ -	\$	80,609	\$	3,033

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, 2023

		Original Budget		Final Budget	(G	AAP Basis) Actual		lassifications and cumbrances	`	Sudgetary Basis) Actual	1	'ariance Positive Vegative)
Revenues	Φ.	100.000	ф	100.000	Φ.	1.05.050	Φ.		ф	1.65.650	ф	(10.040)
Contributions	\$	180,000	\$	180,000	\$	167,652	\$	-	\$	167,652	\$	(12,348)
Total Revenues		180,000		180,000		167,652				167,652		(12,348)
Expenditures Current:												
Mayor and council		360,000		360,000		335,304		-		335,304		24,696
Total Expenditures		360,000		360,000	_	335,304				335,304		24,696
Excess (Deficiency) of Revenues Over (Under) Expenditures		(180,000)		(180,000)		(167,652)		-		(167,652)		12,348
Other Financing Sources (Uses) Transfers in												
General fund		67,500		67,500		62,869		-		62,869		(4,631)
Hospital sales tax fund		45,000		45,000		41,913		-		41,913		(3,087)
Public works sales tax fund		67,500		67,500		62,870				62,870		(4,630)
Total Other Financing Sources (Uses)		180,000		180,000		167,652				167,652		(12,348)
Net Change in Fund Balances		-		-		-		-		-		-
Fund Balances Beginning of Year		20,629		20,629		20,631		<u>-</u>		20,631		2
Fund Balances End of Year	\$	20,629	\$	20,629	\$	20,631	\$		\$	20,631	\$	2



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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, 2023 and 2022

		2023	2022
			 Restated
Assets			
Current assets			
Cash and temporary investments		\$ 35,397,953	\$ 29,769,843
Accrued interest - general cash and investments		84,728	104,683
Restricted cash, cash equivalents and investments:			
Cash and temporary invest bond construction funds		440,100	419,488
Bond redemption		251,143	567,484
Other restricted cash		25,368	25,368
Accounts receivable	\$ 2,931,401		
Less uncollectible accounts	(82,000)	2,849,401	2,569,365
Accrued interest - lease		4,105	4,330
Due from other governments		_	4,200,758
Prepaid expenses		17,801	30,038
Inventory of materials		3,241,874	2,803,443
Unbilled revenue		1,149,103	1,238,210
Total current assets		43,461,576	41,733,010
Noncurrent assets			
Restricted investments:			
Revenue bond reserve fund investments		1,799,826	1,799,826
Accrued interest receivable - bond reserve fund		145	503
Total Restricted investment assets		1,799,971	1,800,329
Restricted - other post-employment benefits		1,576,065	1,416,813
Lease receivable		1,376,501	1,483,137
Utility plant in service:			
Land		2,758,966	2,758,966
Other non-depreciable assets		52,405	52,405
Construction work in progress		3,235,674	2,788,720
Plant in service		276,940,178	273,376,299
Right-to-use-asset leases		6,272,814	6,272,814
Right-to-use-asset subscriptions		43,438	43,438
Less accumulated depreciation		(173,971,366)	(168,335,904)
Total capital assets (net of accumulated depreciation)		115,332,109	116,956,738
Total noncurrent assets		 120,084,646	 121,657,017
Total assets		163,546,222	163,390,027
Deferred outflow of resources		 403,728	 444,612
Total Assets and Deferred Outflow of Resources		\$ 163,949,950	\$ 163,834,639

City of Ketchikan, Alaska Ketchikan Public Utilities Fund Comparative Statements of Net Position December 31, 2023 and 2022

	 2023		2022
Liabilities		89,254 \$ 16,999 6,070 12,190 15,537 13,195 4,473 15,287 15,288 18,293 4,562 11,360 14,631 16,610 17,176 12,935 11,274 14 19,567 14 19,567 14 11,451 15 11,018 15 18,258 17 18,258 17 18,258 17 18,258 17 18,258 17 18,258 18 18,258 19,285	Restated
Current liabilities			
Accounts payable	\$ 2,859,254	\$	3,390,337
Accrued interest payable	276,999		232,588
Compensated absences payable	116,070		103,651
Customer deposits	342,190		388,215
Unearned revenue	35,537		41,875
Lease payable	323,195		373,316
Subscription payable	14,473		13,965
Unamortized premiums	95,287		133,024
Revenue bonds payable	2,065,288		1,747,758
Advances to other funds	-		390,101
Total current liabilities	6,128,293		6,814,830
Noncurrent liabilities			
Accrued interest payable	14,562		8,373
Unamortized bond premium	1,421,360		1,516,647
Compensated absences payable	1,044,631		932,859
Lease payable	4,836,610		5,159,805
Subscription payable	-		14,473
Net pension liability	3,351,176		3,514,089
Revenue bonds payable	28,922,935		30,758,180
Total noncurrent liabilities	39,591,274		41,904,426
Total liabilities	 45,719,567		48,719,256
Deferred inflow of resources	2,161,451		2,390,047
Total Liabilities and Deferred Inflows of Resources	47,881,018		51,109,303
Net position			
Net investment in capital assets	77,388,258		76,875,212
Restricted performance guaranty	25,368		25,368
Restricted for bond retirement	1,879,285		2,240,396
Restricted for Other post-employment benefit	1,576,065		1,416,813
Unrestricted	 35,199,956		32,167,547
Total net position as restated	 116,068,932		112,725,336
Total liabilities and net position	\$ 163,949,950	\$	163,834,639

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, 2023 and 2022

	Tota	al	Elec	etric
	2023	2022	2023	2022
		Restated		Restated
Operating Revenues	¢ 45.017.070	e 45.062.544	e 20.177.794	¢ 10.020.041
Services Other	\$ 45,917,070	\$ 45,063,544	\$ 20,176,784	\$ 19,828,041
	1,139,408 47,056,478	782,723 45,846,267	1,073,851 21,250,635	727,015 20,555,056
Total Operating Revenues	47,030,478	43,840,207	21,230,033	20,333,030
Operating Expenses				
Operation and maintenance	29,972,542	30,019,216	14,569,085	14,525,198
Administration and general	7,207,266	6,309,957	2,306,327	2,012,261
Depreciation	7,337,375	7,098,640	2,966,521	2,869,634
Total Operating Expenses	44,517,183	43,427,813	19,841,933	19,407,093
Operating Income (Loss)	2,539,295	2,418,454	1,408,702	1,147,963
Non-Operating Revenues (Expenses)				
Operating grants	179,850	214,850	19,166	36,555
Interest earnings	1,584,895	(5,043)	702,863	(6,931)
Revenue bond interest expense	(500,683)	(468,682)	(34,488)	(8,446)
Other interest expense	(18,464)	(18,949)	(17,113)	(17,397)
Total Non-Operating Revenue (Expenses)	1,245,598	(277,824)	670,428	3,781
Net Income (Loss) Before Contributions and Transfers	3,784,893	2,140,630	2,079,130	1,151,744
Capital contributions	344,703	305,666	324,821	281,489
Net Income (Loss) before Transfers	4,129,596	2,446,296	2,403,951	1,433,233
Transfers Out Transfers out - payment in lieu of taxes	(786,000)	(786,000)	(382,000)	(381,993)
Change in Net Position	3,343,596	1,660,296	\$2,021,951	\$1,051,240
Net Position Beginning of Year - Restated (Note 2)	112,725,336	111,065,040		
Net Position End of Year	\$116,068,932	\$112,725,336		

Telecomm	ınications	Wa	ter
2023	2022	2023	2022
	Restated		Restated
\$ 20,815,754	\$ 20,566,588	\$ 4,924,532	\$ 4,668,915
· -	-	65,557	55,708
20,815,754	20,566,588	4,990,089	4,724,623
12,374,448	11,332,733	3,029,009	4,161,285
4,368,524	3,824,876	532,415	472,820
2,773,551	2,745,917	1,597,303	1,483,089
19,516,523	17,903,526	5,158,727	6,117,194
1,299,231	2,663,062	(168,638)	(1,392,571)
39,743	71,177	120,941	107,118
723,675	2,038	158,357	(150)
(317,421)	(350,293)	(148,774)	(109,943)
(1,351)	(1,552)	-	(10),5 (3)
444,646	(278,630)	130,524	(2,975)
			())
1,743,877	2,384,432	(38,114)	(1,395,546)
19,882	24,177		
1,763,759	2,408,609	(38,114)	(1,395,546)
(206,400)	(206,358)	(197,600)	(197,649)
\$1,557,359	\$2,202,251	(\$235,714)	(\$1,593,195)

City of Ketchikan, Alaska Ketchikan Public Utilities Fund Comparative Statements of Cash Flows For the Years Ended December 31, 2023 and 2022

	2023	2022
		Restated
Cash Flows from Operating Activities		
Cash received from customers and users	\$ 46,859,436	\$ 45,974,555
Cash payments to employees for services	(16,837,378)	(17,008,387)
Cash payments to suppliers for goods and services	(21,477,706)	(18,716,807)
Net Cash Provided by Operating Activities	8,544,352	10,249,361
Cash Flows from Noncapital Financing Activity		
Operating grant from other governments	179,850	214,850
Payment in lieu of taxes to the general fund	(786,000)	(786,000)
Net Cash Used by Noncapital		
Financing Activities	(606,150)	(571,150)
Cash Flows from Capital and		
Related Financing Activities		
Advances from other funds	(390,101)	(394,812)
Capital grant received from other governments	344,703	305,666
Capital debt proceeds	4,430,801	3,195,521
Principal paid on leases	(373,316)	(347,544)
Principal paid on subscription	(13,965)	(15,000)
Principal paid on revenue bonds	(1,747,758)	(1,780,152)
Interest paid on bonds and contracts	(598,821)	(661,899)
Payments for capital acquisitions and construction	(5,862,571)	(9,819,556)
Net Cash Used by Capital and Related		
Financing Activities	(4,211,028)	(9,517,776)
Cash Flows from Investing Activities		
Investment earnings	1,605,207	(111,664)
Purchase of bond reserve fund investments		70,390
Net Cash Flows Provided by Investing Activities	1,605,207	(41,274)
Net Increase in Cash		
and Cash Equivalents	5,332,381	119,161
Cash and Cash Equivalents Beginning of Year	30,782,183	30,663,022
Cash and Cash Equivalents End of Year	\$ 36,114,564	\$ 30,782,183
Reconciliation of Cash and Cash Equivalents		
to the Balance Sheet:		
Cash and temporary investments - current assets	35,397,953	29,769,843
Bond construction fund cash - restricted	25,368	25,368
Revenue bond redemption funds - restricted	440,100	419,488
Restricted cash - performance guaranty	251,143	567,484
	\$ 36,114,564	\$ 30,782,183

(continued)

City of Ketchikan, Alaska Ketchikan Public Utilities Fund Comparative Statements of Cash Flows For the Years Ended December 31, 2023 and 2022

(continued)

	2023	2022
		Restated
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities		
Operating Income	\$ 2,539,295	\$ 2,418,454
Adjustments:		
Depreciation	7,337,375	7,098,640
Other	130,303	1,706,013
(Increase) Decrease in Assets and Deferred Outflows of Resources:		
Accounts receivable	(280,034)	187,847
Leases receivable	106,636	(206,289)
Accrued interest - leases	225	(436)
Unbilled revenue	89,107	(42,393)
Prepaid expenses	12,237	12,354
Inventory	(438,431)	3,482
Customer deposits	(46,025)	18,250
Other postemployment benefits	(159,252)	716,686
Deferred outflows	40,884	1,978
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:		
Accounts payable	(511,563)	(90,466)
Accrued expenses	(2,748)	(1,165)
Compensated absences payable	124,191	(57,908)
Unearned revenue	(6,338)	(16,731)
Net pension liability	(162,913)	568,863
Deferred inflow of resources for leases	(106,636)	206,289
Deferred inflow of resources for pension	(121,961)	(2,274,107)
		-
Net Cash Provided by Operating Activities	\$ 8,544,352	\$ 10,249,361
Noncash investing, capital and financing activities		
Fair value of non-cash investments	\$ 198,594	\$ (365,990)
Revenue bond arbitrage	\$ -	\$ (1,885)
Refunding		,

Ketchikan Public Utilities Fund Comparative Schedules of Revenues For the Years Ended December 31, 2023 and 2022

		202	23		 2022	2	
		Amount		Total	 Amount		Total
Electric Department							
Revenue from Services:							
Residential	\$	8,790,479			\$ 8,720,005		
Boats		378,983			379,931		
Commercial		8,158,401			7,918,380		
Industrial		2,090,864			2,041,674		
Demand		559,014			570,375		
Area Lighting		65,859			64,889		
Street Lighting		133,184			132,787		
Diesel Surcharge		-	\$	20,176,784	-	\$	19,828,041
Other Revenue:							
Service Charges		95,551			110,358		
Late Payment Charge	es	88,877			77,334		
Rentals - Interdepartr	mental	159,789			159,789		
Other		729,634		1,073,851	 379,534		727,015
Total Electric				21,250,635			20,555,056
Telecommunications Department							
Local Network Services:							
Basic Local Service		689,034			732,586		
Local Private Line		1,126,982			1,070,779		
Other Local Exchang		105,928		1,921,944	 108,175		1,911,540
Network Access Services:							
Interstate End User		581,370			584,010		
Switched Access		4,716,690			4,698,150		
Special Access		2,196,440			2,368,878		
State Access		816,107		8,310,607	 870,193		8,521,231
Other Revenues:							
Directory Revenue		98,017			43,306		
Other		133,652		231,669	 174,961		218,267
Nonregulated Revenues		10,351,534		10,351,534	 9,915,550		9,915,550
Total Telecommunica	ations		\$	20,815,754	 	\$	20,566,588

Ketchikan Public Utilities Fund Comparative Schedules of Revenues (Cont'd) For the Years Ended December 31, 2023 and 2022

			202	23		 2022	!	
			Amount		Total	 Amount		Total
Water Department								
	Revenue from Services:							
	Residential	\$	2,123,327			\$ 2,038,955		
	Apartments		443,849			428,604		
	Commercial		1,716,367			1,633,581		
	Industrial		499,869			480,655		
	Port		141,120	\$	4,924,532	 87,120	\$	4,668,915
	Other Revenue:							
	Service Charges		1,472			2,006		
	Late Payment Charges		22,682			17,997		
	Other		41,403		65,557	35,705		55,708
	Total Water	. <u></u>			4,990,089			4,724,623
Total Revenue				\$	47,056,478		\$	45,846,267

Ketchikan Public Utilities Fund

Comparative Schedules of Operation and Maintenance Expenses For the Years Ended December 31, 2023 and 2022

	202	23	202	22
			Rest	ated
	Amount	Total	Amount	Total
Electric Department				
Hydroelectric Generation				
Operation				
Supervision & Engineering	\$ 1,490,974		\$ 1,410,570	
Hydraulic Expenses	85,624		91,535	
Electric Expenses	13,819	1,590,417	11,885	1,513,990
Maintenance				
Supervision & Engineering	176		400	
Structures	73,362		49,693	
Reservoirs & Dams	197,652		221,012	
Electric Plant	273,391		393,422	
Other	156,327	700,908	132,188	796,715
Total Hydroelectric Generation		2,291,325		2,310,705
Diesel Generation				
Operation				
Fuel	132,707		171,720	
Generation	32,002		26,907	
Other	681,707	846,416	587,425	786,052
Maintenance				
Supervision and Engineering	209,041		348,088	
Structures	29,439		34,337	
Electric Plant	78,052		79,328	
Other	197,912	514,444	242,008	703,761
Total Diesel Generation		1,360,860	·	1,489,813
Purchased Power		7,265,193		7,562,019
Automation Control System		405,105		388,293
Total Generation		11,322,483		11,750,830
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, 2023 and 2022

				22
			Rest	ated
	Amount	Total	Amount	Total
Distribution				
Operation				
Supervision & Engineering	\$ 728,312		\$ 629,319	
Station Equipment	27,343		18,486	
Overhead & Underground Lines	2,739		2,344	
Street Lighting	92,977		109,609	
Meter Expenses	775,793		589,737	
Customer Installations	-		390	
Other	32,016	\$ 1,659,180	19,979	\$ 1,369,864
Maintenance				
Station Equipment	118,064		159,360	
Overhead & Underground Lines	1,410,202		1,135,574	
Line Transformers	3,503		15,735	
Other	55,653	1,587,422	92,286	1,402,955
Total Distribution		3,246,602		2,772,819
Total Electric		14,569,085		14,525,198
Telecommunications Department				
Plant Specific Operations:				
Network Support	127,090		112,097	
General Support	165,520		133,704	
Central Office Switching	886,265		811,227	
Central Office Transmission	1,094,466		985,925	
Cable and Wire Facilities Expense	1,174,694	3,448,035	1,176,190	3,219,143
Plant Nonspecific Operations				
Network Operations Expense	3,086,500	3,086,500	2,631,880	2,631,880
Customer Operations				
Customer Operations-Services	173,872	173,872	138,772	138,772
Nonregulated Operations Expenses	5,666,041	5,666,041	5,342,938	5,342,938
Total Telecommunications		\$ 12,374,448		\$ 11,332,733

Ketchikan Public Utilities Fund

Comparative Schedule of Operation and Maintenance Expenses (Cont'd) For the Years Ended December 31, 2023 and 2022

		2	023			otated Total	
		Amount		Total	Amount		
Water Department	-			-	 	1	
Source of Supply							
Operation and Maintenance	\$	472,876	\$	472,876	\$ 410,140	\$	410,140
Chlorination							
Labor and Supplies		147,747			143,621		
Maintenance		219,547		367,294	 165,268		308,889
Distribution							
Supervision & Operation of Mains		266			990		
Maps & Records		636,287			420,982		
Customer Service		994		637,547	 3,109		425,081
Maintenance							
Mains & Equipment		816,545			2,461,479		
Hydrants		20,623			11,563		
Valves & Structures		13,328			26,619		
Pump Stations		135,344			135,463		
PH Adjustment Facility		523,850			367,384		
Reservoirs		41,602		1,551,292	14,667		3,017,175
Total Water				3,029,009			4,161,285
Total Operation and Maintenance			\$	29,972,542		\$	30,019,216

Ketchikan Public Utilities Fund

$Comparative \ Schedules \ of \ Administrative \ and \ General \ Expenses$

For the Years Ended December 31, 2023 and 2022

	2023	2022
Uncollectible Accounts		2022
Customer Service	\$2,561,178	\$2,227,104
General Accounting	971,274	974,928
Administrative Expenses	2,268,359	2,002,755
Engineering Services	81,321	78,180
Information Technology	714,861	498,479
Insurance & Claims	610,273	528,511
	<u></u>	
Total	\$7,207,266	\$6,309,957

City of Ketchikan, Alaska Port Fund Comparative Statements of Net Position December 31, 2023 and 2022

A	2023	2022
Assets Current assets		
	\$ 15.662.691	¢ 0.040.515
Cash and temporary investments	* - / /	\$ 8,948,515
Cash and temporary investments accrued interest	42,517	40,083
Restricted cash, cash equivalents and investments:	196 272	106.262
Bond redemption	186,273	186,263
Commercial passenger vessel excise tax Accounts receivable	2,506,187	2,508,105
	111,126	51,681
Interest receivable	10.500.040	109
Total Current assets	18,508,849	11,734,756
Noncurrent assets		
Restricted investments:		
Repair and replacement investments	6,453,091	5,926,771
Bond reserve investments	2,240,000	2,240,000
Accrued interest on bond reserve investments	15,193	1,356
Total restricted investment assets	8,708,284	8,168,127
Restricted - other post-employment benefits	257,505	231,486
Lease receivable	24,607	48,555
Capital assets		
Land	7,970,386	7,970,386
Other non-depreciable assets	169,361	169,361
Construction work in progress	332,608	9,116,969
Port facilities	73,911,860	67,933,863
Right-to-use asset lease	23,351,217	23,351,217
Less accumulated depreciation	(30,618,613)	(27,991,253)
Total capital assets (net of accumulated depreciation)	75,116,819	80,550,543
Total noncurrent assets	84,107,215	88,998,711
Total assets	102,616,064	100,733,467
Deferred outlows of resources	62,607	69,634
Total Assets and Deferred Outflows of Resources	\$ 102,678,671	\$ 100,803,101

City of Ketchikan, Alaska Port Fund Comparative Statements of Net Position December 31, 2023 and 2022

	2023	2022
Liabilities	<u> </u>	
Current liabilities		
Accounts payable	\$ 87,187	\$ 9,291
Lease payable	1,120,124	1,082,138
Accrued interest payable	141,336	149,981
Compensated absences payable	1,575	1,002
Unamortized premiums	202,584	202,584
Revenue bonds payable	1,245,000	1,185,000
Total current liabilities	2,797,806	2,629,996
Noncurrent liabilities		
Lease payble	18,694,167	19,814,290
Compensated absences payable	14,176	9,017
Net pension liability	547,531	574,149
Unamortized bond premium	2,211,545	2,414,129
Revenue bonds payable	18,560,000	19,805,000
Total noncurrent liabilities	40,027,419	42,616,585
Total liabilities	42,825,225	45,246,581
Deferred inflows of resources	370,971	429,898
Total Liabilities and Deferred Inflows of Resources	43,196,196	45,676,479
Net position		
Net investment in capital assets	32,766,642	35,686,164
Restricted repair and replacement funds	6,453,091	5,926,771
Restricted commercial passenger excise tax funds	2,506,187	2,508,105
Restricted for bond retirement	2,300,131	2,277,639
Restricted for other post-employment benefits	257,505	231,486
Unrestricted	15,198,919	8,496,457
Total net position	59,482,475	55,126,622
Total Liabilities and Net Postion	\$ 102,678,671	\$ 100,803,101



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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, 2023 and 2022

	2023	2022
Operating Revenues		
Charges for services Docking	£ 2.702.062	\$ 3,403,352
Passenger wharfage fee	\$ 3,702,062 9,989,769	\$ 3,403,352 6,732,543
Rental income	351,460	447,375
Water	188,160	116,160
Other	38,673	41,399
Total Operating Revenues	14,270,124	10,740,829
Operating Expenses		
Operation and maintenance		
Personnel services	1,337,292	1,206,310
Supplies and services	406,506	377,951
Financial service	275,867	245,804
Insurance	271,138	218,838
Utilities	306,297	212,676
Property Taxes	169,971	169,999
Lease payments	514,633	20,833
Depreciation	2,639,576	2,309,041
Total Operating Expenses	5,921,280	4,761,452
Operating Income	8,348,844	5,979,377
Non-Operating Revenues (Expenses)		
Operating grants	10,024	2,538,387
Interest earnings	638,274	-
Interest expense	(1,528,166)	(1,681,221)
Gain (Loss) on disposal of capital assets	(2,792,398)	
Total Non-Operating Revenue (Expenses)	(3,672,266)	857,166
Income Before Capital Grants and Transfers	4,676,578	6,836,543
Transfers		
Transfer from commercial passenger vessel tax fund	_	7,500
Payment in lieu of taxes to general fund	(319,000)	(319,000)
Transfer to commercial passenger vessel tax fund	(1,725)	(317,000)
Total Transfers In and (Out)	$\frac{(1,725)}{(320,725)}$	(311,500)
Total Transitis in and (Out)	(320,723)	(311,300)
Total Capital Grants and Transfers	(320,725)	(311,500)
Change in Net Position	4,355,853	6,525,043
Net Position Beginning of Year	55,126,622	48,601,579
Net Position End of Year	\$59,482,475	\$55,126,622

Port Fund

Comparative Statements of Cash Flows For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Cash received from customers and users	\$ 14,210,680	\$ 10,695,888
Cash payments to employees for services	(1,384,182)	(1,365,422)
Cash payments to suppliers for goods and services	(1,871,216)	(1,288,544)
Net Cash Provided by Operating Activities	10,955,282	8,041,922
Cash Flows from Noncapital Financing Activities		
Operating grant from other governments	10,024	2,538,387
Transfer in	-	7,500
Transfers out	(1,725)	-
Payment in lieu of taxes to the general fund	(319,000)	(319,000)
Net Cash Used by Noncapital		
Financing Activities	(310,701)	2,226,887
Cash Flows from Capital and		
Related Financing Activities		
Gain (Loss) on disposal of capital asset	(2,792,398)	-
Advances to other funds	-	315,911
Principal paid on general obligation bonds, advances		
and equipment contracts		
Principal paid on leases	(1,082,138)	(1,045,440)
Principal paid on revenue bonds	(1,185,000)	(1,130,000)
Interest paid on bonds and contracts	(1,767,362)	(1,860,561)
Payments for capital acquisitions and contracts	2,798,848	3,677
Net Cash Used by Capital and Related		
Financing Activities	(4,028,050)	(3,716,413)
Cash Flows from Investing Activities		
Investment earnings	622,057	(99,414)
Purchase of investments	(526,320)	(509,038)
Net Cash Provided (Used) by Investing Activities	95,737	(608,452)
Net Increase in Cash		
and Cash Equivalents	6,712,268	5,943,944
Cash and Cash Equivalents Beginning of Year	11,642,883	5,698,939
Cash and Cash Equivalents End of Year	\$ 18,355,151	\$ 11,642,883
Reconciliation of Cash and Cash Equivalents		
to the Balance Sheet:		
Cash and temporary investments - current assets	15,662,691	8,948,515
Commercial passenger excise tax funds - restricted	2,506,187	2,508,105
Revenue bond redemption funds - restricted	186,273	186,263
	\$ 18,355,151	\$ 11,642,883
	10,500,701	,0.2,000
		(continued)

Port Fund

Comparative Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

(continued)

)23		2022
,348,844	\$	5,979,377
,639,576		2,309,041
(59,445)		(44,941)
(26,019)		117,096
-		(5,797)
73,196		(42,443)
5,732		(4,712)
(26,618)		92,943
16		(358,642)
,955,282	\$	8,041,922
122 258	¢	(183,040)
	(26,019) - 73,196 5,732 (26,618)	(59,445) (26,019) - 73,196 5,732 (26,618) 16

City of Ketchikan, Alaska Wastewater Service Fund Comparative Statements of Net Position December 31, 2023 and 2022

	2023	2022
Assets		Restated
Current assets		
Cash and temporary investments	\$ 5,962,235	\$ 4,987,079
Cash and temporary investments accrued interest	14,189	17,653
Restricted cash, cash equivalents and investments:		
Bond redemption	27,287	27,437
Accounts receivable		
Accounts	206,068	197,521
Intergovernmental	-	4,969
Unbilled revenue	167,051	166,519
Total current assets	6,376,830	5,401,178
Noncurrent assets		
Restricted - other post-employment benefits	71,295	64,091
Capital assets		
Construction work in progress	985,978	1,273,494
Wastewater facilities	27,753,445	27,456,587
Right-to-use asset subscription	14,479	14,479
Less accumulated depreciation	(11,535,089)	(10,955,462)
Total capital assets (net of accumulated depreciation)	17,218,813	17,789,098
Total capital assets (not of accumulated acpreciation)		
Total noncurrent assets	17,290,108	17,853,189
Total assets	23,666,938	23,254,367
Deferred outflow of resources	8,284	18,795
Total Assets and Deferred Outflows of Resources	\$ 23,675,222	\$ 23,273,162
Liabilities Current liabilities Accounts payable	\$ 34,468	\$ 71 395
Accounts payable		\$ 71,395
Accrued interest payable	4,258	4,753
Compensated absences payable	6,747	3,578
Subscription payable	4,824	4,655
General obligation bonds payable	107,980	106,377
Revenue bonds payable	30,741	30,285
Total current liabilities	189,018	221,043
Noncurrent liabilities		
Accrued interest payable	14,520	8,359
Compensated absences payable	60,719	32,198
Subscription payable	-	4,824
Net pension liability	151,597	158,966
General obligation bonds payable	1,103,643	1,211,623
Revenue bonds payable	797,982	817,541
Total noncurrent liabilities	2,128,461	2,233,511
Total liabilities	2,317,479	2,454,554
Deferred inflow of resources	3,625	5,567
Total Liabilities and Deferred Inflow of Resources	2,321,104	2,460,121
Net position		
Net investment in capital assets	15,173,644	15,613,793
Restricted for bond retirement	8,509	14,325
Restricted for other post-employment benefits	71,295	64,091
Unrestricted	6,100,670	5,120,832
	21,354,118	20,813,041
Total net position, restated	21,554,116	20,013,011

Wastewater Service Fund

Comparative Statements of Revenues, Expenses and Changes in Net Position

For the Years Ended December 31, 2023 and 2022

		2023		2022
		_		Restated
Operating Revenues	Ф	2.500.242	Ф	2 401 002
Charges for services	\$	3,508,242	\$	3,491,902
Other Total Operating Revenues		21,847 3,530,089		12,943 3,504,845
Total Operating Revenues		3,330,089		3,304,843
Operating Expenses				
Operation and maintenance				
Personnel services		977,826		894,291
Supplies and services		791,656		481,669
Engineering services		258,591		240,640
Financial service		244,180		210,808
Insurance		60,090		50,295
Utilities		223,827		232,621
Depreciation		579,627		573,145
Total Operating Expenses		3,135,797		2,683,469
Operating Income		394,292		821,376
Non-Operating Revenues (Expenses)				
Operating grants		-		4,837
Interest earnings		258,961		-
Interest expense		(32,176)		(39,676)
Total Non-Operating Revenues (Expenses)		226,785		(34,839)
Net Income Before Grants and Transfers		621,077		786,537
Capital grants				734
Transfers out - payment in lieu of taxes		(80,000)		(80,000)
Total Grants and Transfers		(80,000)		(79,266)
Change in Net Postion		541,077		707,271
Net Position Beginning of Year - Restated (Note 2)		20,813,041		20,105,770
Net Position End of Year		\$21,354,118	\$	20,813,041

City of Ketchikan, Alaska Wastewater Service Fund Comparative Statements of Cash Flows For the Years Ended December 31, 2023 and 2022

	2023	2022
		Restated
Cash Flows from Operating Activities		
Cash received from customers and users	\$ 3,521,010	\$ 3,493,226
Cash payments to employees for services	(952,140)	(936,211)
Cash payments to suppliers for goods and services	(1,586,263)	(1,196,837)
Net Cash Provided by Operating Activities	982,607	1,360,178
Cash Flows from Noncapital Financing Activities		
Operating grant from other governments	-	4,837
Payment in lieu of taxes to the general fund	(80,000)	(80,000)
Net Cash Used by Noncapital		
Financing Activities	(80,000)	(75,163)
Cash Flows from Capital and		
Related Financing Activities		
Capital debt proceeds	4,969	73,344
Principal paid on general obligation bonds and		
equipment contracts	(64,425)	(85,997)
Interest paid on general obligation bonds		
and equipment contracts	(19,268)	(20,960)
Principal paid on subscription	(4,655)	9,479
Principal paid on revenue bonds	(30,513)	(30,061)
Interest paid on revenue bonds	(7,239)	(7,239)
Payments for capital acquisitions and construction	(68,894)	(309,033)
Net Cash Used by Capital and Related		
Financing Activities	(190,025)	(370,467)
Cash Flows from Investing Activities		
Investment earnings	262,424	(20,852)
Net Cash Provided by Investing Activities	262,424	(20,852)
Net Increase in Cash		
and Cash Equivalents	975,006	893,696
Cash and Cash Equivalents Beginning of Year	5,014,516	4,120,820
Cash and Cash Equivalents End of Year	\$ 5,989,522	\$ 5,014,516
Reconciliation of Cash and Cash Equivalents		
to the Balance Sheet:		
Cash and temporary investments - current assets	5,962,235	4,987,079
Revenue bond redemption funds - restricted	27,287	27,437
	\$ 5,989,522	\$ 5,014,516

(continued)

Wastewater Service Fund

Comparative Statements of Cash Flows For the Years Ended December 31, 2023 and 2022

(continued)

		2023		2022 Restated	
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating Income	\$	394,292	\$	821,376	
Adjustments:					
Depreciation		579,627		573,145	
(Increase) Decrease in Assets and Deferred Outflows of Resources:					
Accounts receivable		(8,548)		(10,090)	
Unbilled revenue		(532)		(1,525)	
Other postemployment benefits		10,511		(626)	
Deferred outflow		(7,204)		32,421	
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:					
Accounts payable		(7,919)		19,193	
Compensated absences payable		31,691		(148)	
Net pension liability		(7,369)		25,733	
Deferred inflow		(1,942)		(99,301)	
Net Cash Provided by Operating Activities	\$	982,607	\$	1,360,178	
Noncash investing, capital and financing activities					
Fair value of non-cash investments	\$	30,341	\$	(60,261)	



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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, 2023

	Seli	f-Insurance	ompensated Absences	Total Internal Service Funds
Assets				
Current Assets:				
Cash and cash equivalents	\$	1,071,731	\$ 1,588,509	\$ 2,660,240
Miscellaneous receivable		4,405	-	4,405
Prepaid insurance		1,164,063	 _	1,164,063
Total Current Assets		2,240,199	1,588,509	3,828,708
Total Assets	\$	2,240,199	\$ 1,588,509	\$ 3,828,708
Liabilities				
Current Liabilities:				
Accounts payable		1,454	-	1,454
Compensated absences payable		-	158,851	158,851
Claims payable		304,974		 304,974
Total Current Liabilities		306,428	158,851	 465,279
Noncurrent Liabilities:				
Compensated absences payable (net of current portion)			 1,429,658	 1,429,658
Total Liabilities		306,428	1,588,509	 1,894,937
Net Position				
Unrestricted	\$	1,933,771	\$ 	\$ 1,933,771

City of Ketchikan, Alaska Combining Statement of Revenues, Expenses and Changes in Net Position Internal Service Funds For the Year Ended December 31, 2023

	Sel	f-Insurance		ompensated Absences	Total Internal Service Funds
Operating Revenues					
Charges for services	\$	2,162,259	\$	1,273,541	\$ 3,435,800
Miscellaneous income		10,651	-		 10,651
Total Revenues		2,172,910		1,273,541	 3,446,451
Operating Expenses					
Compensated absences		-		1,273,541	1,273,541
Insurance		1,998,197		-	1,998,197
Claims		164,061			 164,061
Total Operating Expenses		2,162,258		1,273,541	3,435,799
Operating Income		10,652			 10,652
Non-Operating Revenues					
Investment earnings		55,253			 55,253
Income Before Transfers		65,905		-	65,905
Change in Net Position		65,905		-	65,905
Net Position Beginning of Year		1,867,866			 1,867,866
Net Position End of Year	\$	1,933,771	\$		\$ 1,933,771

City of Ketchikan, Alaska Combining Statement of Cash Flows Internal Service Funds For the Year Ended December 31, 2023

	Sel	lf-Insurance	С	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	\$	2,227,449 (2,483,073)	\$	1,273,541 - (1,115,099)	\$ 3,500,990 (2,483,073) (1,115,099)
Net Cash Provided (Used) by Operating Activities		(255,624)		158,442	(97,182)
Cash Flows from Capital and Related Financing Activities Advances		390,101			390,101
Net Cash Provided by Capital and Related Financing Activities		390,101			390,101
Cash Flows from Investing Activities Interest on investments		58,359			58,359
Net Cash Provided by Investing Activities		58,359			 58,359
Net Increase in Cash and Cash Equivalents		192,836		158,442	351,278
Cash and Cash Equivalents Beginning of Year		878,895		1,430,067	2,308,962
Cash and Cash Equivalents End of Year	\$	1,071,731	\$	1,588,509	\$ 2,660,240
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities					
Operating Income	\$	10,652	\$	-	\$ 10,652
(Increase) Decrease in Assets: Accounts receivable Prepaid expenses		54,539 (221,444)		- -	54,539 (221,444)
Increase in Liabilities: Accounts payable Compensated absences payable		(99,371)		- 158,442	(99,371) 158,442
Net Cash Provided by Operating Activities	\$	(255,624)	\$	158,442	\$ (97,182)

CITY OF KETCHIKAN, ALASKA

(Page 1 of 2)

COMBINED SCHEDULE OF CASH AND INVESTMENTS BALANCES - ALL FUNDS

Year Ended December 31, 2023

Cash and Investment Balances		
Cash in Revenue Bond Redemption Accounts	464,703.00	
Cash in Petty Cash Funds	91,583	
Cash in Other Accounts	61,237,953	
Total Cash	\$ 61,794,239	
Investments		
Investments with Financial Institutions	\$62,687,309	
Total Investments	\$62,687,309	
Total Cash and Investments		\$124,481,548
General Fund		
Unrestricted Funds	11,076,807.00	\$11,076,807
Special Revenue Funds		
Sales Tax Hospital Fund	5,367,245	
Sales Tax Public Works Fund	10,567,879	
Economic Development Parking Fund	307,435	
Transient Tax Fund	1,303,878	
Marijuana Tax Fund	-	
Solid Waste Services Fund	1,725,561	
Ketchikan Boat Harbor Fund	1,352,032	
Bayview Cemetery Fund	139,696	
Commercial Passenger Vessel Tax Fund	10,666,174	
Forfeiture and Property Seizures Fund	146,196	
Fire Department SEMT	1,590,728	
Federal and State Grant Fund	225,000	
Community Grant Fund	47,052	
Shoreline Fund	80,410	33,519,286
Capital Project Funds		
Major Capital Improvement Fund		
Unrestricted Funds	-	
Community Facilities Development Fund		
Unrestricted Funds	2,726,198	
Harbor Improvements Fund		
Unrestricted Funds	1,709,834	
Bond Construction Funds	37,565	
Hospital Construction Fund		
Unrestricted Funds	185,698	
Bond Construction Funds	1,410,402	
Commercial Passenger Vessel Tax Funds		
Unrestricted Funds	31,107	
Restricted Funds	172,257	6,273,061

CITY OF KETCHIKAN, ALASKA

(Page 2 of 2)

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

Year Ended December 31, 2023

Enterprise Funds		
Wastewater Service Fund		
Unrestricted Funds	5,962,235	
Revenue Bond Redemption Funds	27,287	
Ketchikan Port Fund:		
Unrestricted Funds	15,662,691	
Revenue Bond Redemption Funds	186,273	
Repair & Replacement Funds	6,453,091	
Revenue Bond Reserve Funds	2,240,000	
Commercial Passenger Vessel Tax Funds	2,506,187	
Ketchikan Public Utilities Fund:		
Unrestricted Funds	35,397,953	
Revenue Bond Redemption Funds	251,143	
Bond Construction Funds	440,100	
Other Restricted Funds	25,368	
Revenue Bond Reserve Funds	1,799,826	\$70,952,154
Internal Service Funds		
Self-Insurance Fund	1,071,731	
Compensated Leave Fund	1,588,509	2,660,240
Total Cash and Investments		\$124,481,548

CITY OF KETCHIKAN, ALASKA

COMBINED SCHEDULE OF INVESTMENTS - ALL FUNDS Year Ended December 31, 2023

		Interest Rate	Maturity Date	Amount
			_	
	BINED CASH & INVESTMENTS	4.000/	6 /24 /2024	4 000 220
Wells Fargo Securities	Federal Home Loan Bank	1.00%	6/21/2024	4,899,338
	Federal Farm Credit Bank	1.01%	12/2/2024	4,823,292
	Federal Home Loan Bank	2.00%	2/27/2025	4,869,731
	Federal Home Loan Bank	4.67%	9/30/2025	5,002,160
	Freddie Mac	5.00%	5/27/2026	4,991,771
	Federal Home Loan Bank	5.00%	1/19/2027	4,963,550
	Freddie Mac	4.10%	8/25/2027	3,916,251
Wells Fargo Securities Age	ency Notes			33,466,093
HOSPITAL BOND CONSTRU	JCTION FUND			
Wells Fargo	Time Certificate of Deposit	1.92%	5/27/2024	545,338
	Time Certificate of Deposit	1.92%	5/25/2024	889,303
				1,434,641
HARBOR BOND CONSTRUC	CTION FUND			
Wells Fargo	Time Certificate of Deposit	1.92%	5/25/2024	37,565
PORT OF KETCHIKAN REP	AIR & REPLACEMENT FUND			
Wells Fargo	Time Certificate of Deposit	1.92%	10/26/2024	4,348,625
KETCHIKAN PORT - RERTH	IV REPLACEMENT ACCOUNT			
Wells Fargo	Time Certificate of Deposit	1.92%	11/26/2024	2,120,978
Wells I algo	Time Certificate of Deposit	1.92 /0	11/20/2024	2,120,970
STATE OF ALASKA DNR - T	ELECOM UNDERSEA CABLE GUARANTY			
Wells Fargo	Time Certificate of Deposit	0.01%	1/16/2024	25,368
TIDELAND SURETY BOND				
First Bank	Time Certificate of Deposit	0.170%	04/01/24	5,000
CAMBRIA PROPERTIES				
First Bank	Time Certificate of Deposit	0.170%	08/09/24	20,046
Je Barin	Sorandate of Bopoon	0.11070	33,00,24	20,040
KPU BOND RESERVE FUNI	D			
BNY Mellon	Bankwell BK New Canaan	0.550%	11/12/24	191,559
TOTAL ALL FUNDS			41,649,875	



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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.

<u>Contents</u>	<u>Page</u>
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.	173
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.	181
Revenue Capacity These schedules present information to help the reader assess the city's most significant local revenue source, property taxes.	187
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.	203
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.	209
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.	213
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehen-	sive annual

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 include 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 government-wide financial performance and well-being have changed over time.

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

City of Ketchikan, Alaska Net Position by Component Last Ten Fiscal Years

	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	\$ 143,909,094	\$ 154,659,112	\$ 162,340,844	\$ 166,238,050
Restricted	8,922,032	12,933,820	10,730,407	10,010,245
Unrestricted	19,246,474	7,410,053	8,276,866	9,425,807
Total governmental activities net position	\$ 172,077,600	\$ 175,002,985	\$ 181,348,117	\$ 185,674,102
Business-type activities				
Net investment in capital assets	\$ 124,479,056	\$ 124,231,729	\$ 125,126,654	\$ 127,204,039
Restricted	11,494,674	10,116,562	8,939,769	10,094,057
Unrestricted	28,552,851	26,735,278	27,122,581	29,475,246
Total business-type activities net position	\$ 164,526,581	\$ 161,083,569	\$ 161,189,004	\$ 166,773,342
Primary Government				
Net investment in capital assets	\$ 268,388,150	\$ 278,890,841	\$ 287,467,498	\$ 293,442,089
Restricted	20,416,706	23,050,382	19,670,176	20,104,302
Unrestricted	47,799,325	34,145,331	35,399,447	38,901,053
Total primary government net position	\$ 336,604,181	\$ 336,086,554	\$ 342,537,121	\$ 352,447,444

Table 1

2018	2019	2020	2021	Restated 2022	2023
ф 164 532 160	Ф 172 дод 525	ф 172 200 210	Ф 161 755 446	ф 160 500 A70	Ф 150 162 500
\$ 164,522,169	\$ 163,787,525	\$ 163,299,318	\$ 161,755,446	\$ 160,598,478	\$ 158,163,509
11,193,773	11,588,224	14,353,477	13,948,485	19,777,408	21,412,483
7,622,490	10,331,503	8,359,025	8,073,608	14,902,752	22,501,115
\$ 183,338,432	\$ 185,707,252	\$ 186,011,820	\$ 183,777,539	\$ 195,278,638	\$ 202,077,107
\$ 131,911,948	\$ 131,278,702	\$ 132,468,924	\$ 130,832,845	\$ 128,175,169	\$ 125,328,544
7,796,537	9,367,092	9,608,549	10,162,964	14,704,994	15,077,436
32,761,928	39,869,385	33,988,535	39,630,755	45,784,836	56,499,545
\$ 172,470,413	\$ 180,515,179	\$ 176,066,008	\$ 180,626,564	\$ 188,664,999	\$ 196,905,525
\$ 296,434,117	\$ 295,066,227	\$ 295,768,242	\$ 292,588,291	\$ 288,773,647	283,492,053
18,990,310	20,955,316	23,962,026	24,111,449	34,482,402	36,489,919
40,384,418	50,200,888	42,347,560	47,704,363	60,687,588	79,000,660
\$ 355,808,845	\$ 366,222,431	\$ 362,077,828	\$ 364,404,103	\$ 383,943,637	\$ 398,982,632

City of Ketchikan, Alaska Changes in Net Position Last Ten Fiscal Years

	 2014		2015	 2016		2017		2018
Expenses								
Governmental activities:								
General government	\$ 2,683,962	\$	3,212,276	\$ 2,893,754	\$	2,336,678	\$	2,203,941
Public safety	9,723,428		10,784,857	10,143,345		9,199,458		8,983,817
Culture and tourism	3,300,295		3,351,076	3,925,120		3,418,450		3,370,637
Health and welfare	1,099,588		1,165,884	116,178		2,615,860		1,813,628
Public works	10,373,365		9,341,130	9,152,222		9,484,400		9,482,847
Harbor	2,192,468		2,297,660	2,047,341		2,363,897		2,489,448
Interest	 1,519,245		2,303,764	 2,238,887	_	2,274,407		2,241,218
Total governmental activities expenses	 30,892,351		32,456,647	 30,516,847		31,693,150		30,585,536
Business-type activities								
Ketchikan Public Utilities								
Electric	\$ 17,352,078	\$	17,074,535	\$ 17,993,703	\$	18,313,066	\$	21,524,931
Telecommunications	15,649,634		17,577,826	18,102,186		17,652,356		18,103,760
Water	3,905,078		4,128,011	3,983,398		4,017,174		4,430,845
Ketchikan Port	11,012,311		7,911,281	8,858,593		7,837,738		7,415,022
Wastewater Service	 2,477,247		2,683,116	 2,481,609		2,762,087	_	2,806,720
Total business-type activities expenses	 50,396,348		49,374,769	 51,419,489		50,582,421		54,281,278
Total primary government expenses	\$ 81,288,699	\$	81,831,416	\$ 81,936,336	\$	82,275,571	\$	84,866,814
Program Revenues Governmental activities: Charges for services:								
Ambulance	\$ 606,369	\$	571,134	\$ 589,985	\$	687,928	\$	730,650
Library services	641,607		580,749	588,293		544,023		545,964
Solid Waste	2,907,531		2,809,864	3,142,540		3,145,652		3,170,322
Harbor	1,247,810		1,329,984	1,475,000		1,513,634		1,575,010
Other activities	1,236,754		1,454,647	1,297,770		1,294,912		1,195,651
Operating grants and contributions	2,444,297		4,124,392	2,704,413		2,789,967		2,720,910
Capital grants and contributions	 18,050,935	_	11,913,259	 7,692,835	_	6,863,099		434,540
Total governmental activities program revenues	 27,135,303		22,784,029	 17,490,836		16,839,215		10,373,047
Business-type activities Charges for services								
Electric	\$ 16,300,445	\$	16,063,847	\$ 16,741,926	\$	18,261,797	\$	19,974,411
Telecommunications	16,097,808		17,439,673	18,400,623		19,750,713		20,941,196
Water	3,171,300		3,449,639	3,643,991		3,734,692		4,026,625
Port	8,578,059		9,032,271	8,961,241		9,391,272		9,951,339
Wastewater	2,575,541		2,757,661	2,971,896		3,028,609		3,206,933
Operating grants and contributions	2,973,832		630,204	155,750		178,725		192,642
Capital grants and contributions	 12,261,064		1,397,000	 803,254		1,214,154		1,982,367
Total business-type activities program revenues	 61,958,049		50,770,295	 51,678,681		55,559,962		60,275,513
Total primary government program revenues	\$ 89,093,352	\$	73,554,324	\$ 69,169,517	\$	72,399,177	\$	70,648,560

	2019		2020		2021		Restated 2022		2023
\$	2,135,031	\$	2,675,395	\$	2,488,224	\$	1,651,035	\$	2,342,138
	8,371,009		6,726,434		10,682,784		8,378,446		11,597,559
	3,706,011		4,450,058		3,503,606		3,210,440		4,271,755
	1,496,068		13,640,897		4,000,233		1,509,704		1,512,720
	8,745,956		8,660,929		7,811,076		11,608,984		10,068,025
	2,428,064		2,596,906		2,429,503		2,693,536		2,491,268
_	2,169,420		1,950,480	_	1,945,589	_	1,770,690		1,722,499
	29,051,559		40,701,099		32,861,015		30,822,835		34,005,964
\$	25,512,651	\$	18,541,278	\$	19,350,090	\$	19,407,460	\$	19,868,057
	17,853,139		19,786,090		17,387,975		18,186,773		19,766,700
	4,507,091		4,265,555		4,305,915		6,223,211		5,303,573
	7,333,993		7,772,537		5,658,328		6,442,673		10,241,844
	2,723,008		2,676,021		2,778,378		2,723,145		3,167,973
	57,929,882		53,041,481		49,480,686		52,983,262		58,348,147
\$	86,981,441	\$	93,742,580	\$	82,341,701	\$	83,806,097	\$	92,354,111
÷		÷		_		<u> </u>		<u> </u>	
•	<0< 55	Φ.	106.250	•	6 53 004		650 50 0	•	000.000
\$	606,756	\$	496,359	\$	653,004	\$	659,502	\$	832,028
	520,406		569,477		591,496		546,161		527,669
	3,249,983		3,057,513		3,479,819		3,607,193		3,964,891
	1,568,935		1,433,953		1,550,342		1,701,685		1,745,208
	1,340,147		776,846		708,130		2,139,752		3,208,541
	3,093,708		13,479,171		4,136,717		1,926,180		2,100,851
	538,673	_	3,390,333		736,594		4,955,960		772,002
	10,918,608		23,203,652		11,856,102		15,536,433		13,151,190
\$	24,283,178	\$	18,459,247	\$	19,162,832	\$	19,802,565	\$	20,151,307
Ψ	19,873,607	Ψ	19,413,257	Ψ	19,790,864	Ψ	20,625,186	Ψ	20,747,159
	4,111,810		4,128,320		4,342,104		4,672,841		4,920,604
	10,682,735		60,215		1,301,805		10,699,430		14,231,451
	3,406,502		3,413,381		3,445,642		3,491,902		3,508,242
	230,803		321,475		4,097,777		2,758,074		189,874
	1,629,315		3,641,165		2,170,301		306,400		344,703
	64,217,950		49,437,060		54,311,325		62,356,398		64,093,340
\$	75,136,558	\$	72,640,712	\$	66,167,427	\$	77,892,831	\$	77,244,530

City of Ketchikan, Alaska Changes in Net Position (continued) Last Ten Fiscal Years

		2014	 2015		2016		2017		2018
Net (Expense)/Revenue									
Governmental activities	\$	(3,757,048)	\$ (9,672,618)	\$	(13,026,011)	\$	(14,853,935)	\$	(20,212,489)
Business-type activities		11,561,701	1,395,526		259,192		4,977,541		5,994,235
Total primary government net (expense) revenue	\$	7,804,653	\$ (8,277,092)	\$	(12,766,819)	\$	(9,876,394)	\$	(14,218,254)
Governmental Revenues and Other Changes in	Net P	osition							
Governmental activities:									
Taxes									
Property taxes	\$	5,513,202	\$ 5,578,404	\$	5,713,316	\$	5,683,028	\$	5,743,008
Sales taxes		10,995,570	11,425,197		11,334,355		11,895,509		12,459,791
Marijuana sales taxes		200.722	- 		465.056		97,152		190,549
Transient taxes		388,723	515,956		465,956		568,341		527,089
Intergovernmental - unrestricted Investment earnings		539,771 89,179	498,885 94,750		354,195 55,273		310,581 75,658		232,948 353,430
mivestment earnings		09,179	94,730				75,056		
Miscellaneous		221,756	338,825		282,306		414,981		446,904
Loss on donation of asset									
Special Item		-	-		-		-		-
Transfers	_	6,203,804	 2,804,258	_	1,165,742	_	134,670	_	641,677
Total governmental activities	\$	23,952,005	\$ 21,256,275	\$	19,371,143	\$	19,179,920	\$	20,595,396
Business-type activities:									
Investment earnings	\$	129,167	\$ 93,966	\$	194,752	\$	172,784	\$	495,164
Miscellaneous		326,864	415,801		457,987		568,683		648,068
Special Item		-	-		-		-		-
Extraordinary Item		-	-		359,246				-
Transfers		(6,203,804)	 (2,804,258)		(1,165,742)		(134,670)		(641,677)
Total business-type activities		(5,747,773)	 (2,294,491)		(153,757)		606,797		501,555
Total primary government	\$	18,204,232	\$ 18,961,784	\$	19,217,386	\$	19,786,717	\$	21,096,951
Change in Net Position									
Governmental activities	\$	20,194,957	\$ 11,583,657	\$	6,345,132	\$	4,325,985	\$	382,907
Business-type activities		5,813,928	 (898,965)		105,435		5,584,338		6,495,790
Total primary government	\$	26,008,885	\$ 10,684,692	\$	6,450,567	\$	9,910,323	\$	6,878,697

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

	2019		2020		2021		2022		2023
\$	(18,132,951) 6,288,068	\$	(17,497,447) (3,604,421)	\$	(21,004,913) 4,830,639	\$	(15,286,402) 9,373,136	\$	(20,854,774) 5,745,193
\$	(11,844,883)	\$	(21,101,868)	\$	(16,174,274)	\$	(5,913,266)	\$	(15,109,581)
\$	5,822,500	\$	5,904,460	\$	5,888,523	\$	6,013,552	\$	6,197,778
	12,831,546		8,604,064		10,370,235		15,421,881		19,932,443
	215,857		306,828		256,330		253,211		192,830
	546,690		335,502		575,153		822,370		836,036
	191,914		76,500		114,511		268,415		38,600
	543,980		279,996		51,778		33,565		1,796,762
	585,330		471,222		429,249		2,797,007		364,882
									(2,892,813)
	-		-		-				
	(236,046)		1,823,443		1,084,853		1,177,500		1,186,725
\$	20,501,771	\$	17,802,015	\$	18,770,632	\$	26,787,501	\$	27,653,243
		_	,,	_		_		_	
\$	783,189	\$	402,711	\$	42,521			\$	2,482,130
	737,463		575,982		776,143		837,065		1,199,928
	-		-		-		=		
	-		(1.022.442)		(1.004.052)		- (1 177 500)		(1.106.705)
	236,046		(1,823,443)		(1,084,853)		(1,177,500)		(1,186,725)
_	1,756,698		(844,750)		(266,189)		(340,435)		2,495,333
\$	22,258,469	\$	16,957,265	\$	18,504,443	\$	26,447,066	\$	30,148,576
\$	2,368,820	\$	304,568	\$	(2,234,281)	\$	11,501,099	\$	6,798,469
Ψ	8,044,766	Ψ	(4,449,171)	Ψ	4,564,450	Ψ	9,032,701	\$	8,240,526
	-,,, ~~		. , -,-,-)		<i>),</i>		- , ,		-, -,
\$	10,413,586	\$	(4,144,603)	\$	2,330,169	\$	20,533,800	\$	15,038,995



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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

(Un-Audited)

City of Ketchikan, Alaska Fund Balances, Governmental Funds Last Ten Fiscal Years

	 2014	 2015	2016	 2017
General Fund				
Nonspendable	\$ 418,618	\$ 364,591	\$ 384,704	\$ 403,230
Restricted	-	137,151	137,151	-
Assigned	12,696,062	12,706,723	13,406,493	13,345,745
Unassigned	 3,723,002	 4,187,530	 4,129,424	 4,681,079
Total general fund	\$ 16,837,682	\$ 17,395,995	\$ 18,057,772	\$ 18,430,054
All Other Governmental Funds				
Restricted	\$ 46,297,419	\$ 20,843,307	\$ 8,904,447	\$ 5,250,457
Assigned	8,407,154	8,109,967	8,347,861	8,209,394
Unassigned	 	 (101,672)	 	 <u> </u>
Total all other governmental funds	\$ 54,704,573	\$ 28,851,602	\$ 17,252,308	\$ 13,459,851

Table 3

	2018	-	2019		2020		2021		2022		2023
\$	404,181	\$	390,669	\$	394,513	\$	395,006	\$	285,414	\$	287,350
	-								1,970,000		1,970,000
	11,873,101		13,810,569		12,374,931		10,857,168		12,375,625		17,292,874
	5,976,080		4,634,071		3,321,289		4,073,986		5,872,103		6,772,301
\$	18,253,362	\$	18,835,309	\$	16,090,733	\$	15,326,160	\$	20,503,142	\$	26,322,525
-											
\$	6,559,722	\$	7,440,358	\$	9,749,381	\$	9,010,136	\$	8,489,278	\$	10,852,070
Ψ	7,422,169	Ψ	7,602,458	Ψ	7,801,057	Ψ	7,549,257	4	11,113,263	Ψ	13,462,966
	-		-		-		-		,,		,,
			_				_				
\$	13,981,891	\$	15,042,816	\$	17,550,438	\$	16,559,393	\$	19,602,541	\$	24,315,036

City of Ketchikan, Alaska Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years

	2014	 2015		2016	 2017
Revenues					
Taxes	\$ 16,704,419	\$ 17,496,802	\$	17,543,636	\$ 18,264,579
Licenses and permits	97,998	117,705		193,514	110,522
Intergovernmental	20,400,912	14,971,874		6,887,976	9,625,881
Charges for services	6,290,591	6,196,528		6,733,218	6,837,859
Fines and forfeitures	266,098	190,911		141,578	145,608
Investments earnings	65,179	70,682		31,167	47,210
Contributions	453,522	1,509,991		509,247	249,436
Interdepartmental charges	3,150,268	3,180,765		3,141,701	3,143,081
Miscellaneous	464,539	 518,971		292,479	 602,208
Total revenues	47,893,526	44,254,229		35,474,516	 39,026,384
Expenditures					
General government	\$ 5,159,975	\$ 5,070,762	\$	4,641,273	\$ 4,816,471
Public safety	9,977,972	9,205,059		8,425,641	8,874,583
Culture and tourism	3,401,183	3,095,457		3,171,091	3,939,295
Health and welfare	11,745,136	794,591		48,188	20,405
Public works	15,462,846	8,185,155		7,951,366	14,373,385
Harbor	7,075,954	1,129,429		1,129,112	1,096,367
Capital outlay	-	41,213,121		20,494,691	5,595,730
Debt service					
Interest and fiscal charges	1,444,671	2,482,562		2,424,300	2,442,793
Principal retirement	1,180,000	3,625,000		1,355,000	1,455,000
Debt issuance cost		 	_		
Total expenditures	55,447,737	 74,801,136		49,640,662	 42,614,029
Excess of revenues over (under) expenditures	(7,554,211)	(30,546,907)		(14,166,146)	(3,587,645)
Other Financing Sources (Uses)					
Sale of capital assets	\$ 17,772	66,691	\$	45,000	\$ 32,800
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	9,009,820	\$ 10,266,639	\$	5,170,750	\$ 5,217,020
Transfers out	(2,806,016)	(7,462,381)		(4,005,008)	(5,082,350)
Other financing sources - leases	-	 		-	 -
Total other financing sources (uses)	52,229,297	 5,252,249		3,228,629	 167,470
Net change in fund balances	\$ 44,675,086	\$ (25,294,658)	\$	(10,937,517)	\$ (3,420,175)
Debt service as a percentage of noncapital expenditures	6.32%	8.56%		18.55%	15.20%

Table 4

2018	 2019		2020		2021	 2022		2023
18,989,536	19,370,869		14,994,198		17,052,144	22,303,881		27,450,584
96,487	178,309		189,949		69,569	133,293		115,811
3,384,455	3,824,295		16,946,004		4,170,498	4,312,867		2,911,453
7,010,549	6,933,551		6,078,796		6,890,280	8,192,347		10,000,864
108,900	140,112		48,527		63,874	81,812		92,367
328,892	516,341		279,571		32,600	6,776		1,730,857
-	-		-		817,324	2,837,688		-
3,241,608	3,149,501		3,436,009		3,164,565	3,308,810		3,677,739
450,270	 525,501	-	365,310		398,327	 2,886,298	_	334,539
33,610,697	 34,638,479		42,338,364		32,659,181	 44,063,772		46,314,214
4,949,636	5,143,408		5,527,661		5,042,019	5,302,881		5,855,246
9,068,743	9,375,741		7,307,518		9,973,726	10,589,018		12,789,614
3,140,900	3,187,410		3,075,100		2,954,104	3,200,078		3,455,158
466,373	258,001		12,306,862		2,633,278	24,141		37,847
9,266,056	8,743,497		8,900,246		8,324,922	9,252,667		9,748,691
1,111,579	1,200,009		1,208,551		1,252,607	1,212,212		1,321,244
2,050,471	2,704,432		2,448,998		1,414,999	3,830,475		2,423,293
2,365,068	2,291,724		2,353,705		2,171,850	1,944,138		1,871,371
1,490,000	1,560,000		6,248,397		1,875,220	1,989,770		2,100,706
	 			_	27,849	 		
33,908,826	34,464,222		49,377,038		35,670,574	37,345,380		39,603,170
(298,129)	174,257		(7,038,674)		(3,011,393)	6,718,392		6,711,044
\$ 1,800	\$ 59,831	\$	360,375	\$	30,922	\$ 17,873	\$	37,571
-	-		3,835,000		3,145,000	,		,
-	-		-		-			
-	-		782,902		-			
-	-		-		-			
-	-		-		-	240,378		2,500,000
	1 (44 020				(3,005,000)			
	1,644,830		-		-	6.606.701		6 7 0 7 11 7
5,342,291	5,351,104		7,523,481		5,660,432	6,626,791		6,787,115
(4,700,614)	(5,587,150)		(5,700,038)		(4,575,579)	(5,449,291) 65,987		(5,600,390 96,538
	 					 · · · · · · · · · · · · · · · · · · ·		
643,477	 1,468,615		6,801,720	_	1,255,775	 1,501,738		3,820,834
\$ 345,348	\$ 1,642,872	\$	(236,954)	\$	(1,755,618)	\$ 8,220,130	\$	10,531,878
13.16%	12.56%		18.82%		19.83%	11.51%		16.97%

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
2014	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
2023	6,536,176	44,704	105,745	(545,936)	20,271,719	194,549	826,646	16,981	27,450,584
Change									
2023-2014	12.65%	-8.29%	26.35%	27.57%	87.76%	100.00%	112.32%	42.75%	64.33%

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
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
2023	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
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
2023	485,494,300	32,161,100	240,604,100	102,303,200	70,419,300	3,196,900

⁽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.

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

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

Table 7

Personal Property	Total Assessed Value	Tax-Exempt Property ⁽²⁾	Total Taxable Assessed Value	Tax Rate
56,345,700	869,827,300	63,874,100	805,953,200	11.
56,376,718	873,497,448	65,124,800	808,372,648	11.
59,603,200	898,729,700	68,375,500	830,354,200	11.
57,251,300	903,616,400	70,068,900	833,547,500	11.
57,541,900	923,969,800	72,028,600	851,941,200	11.
61,092,000	937,007,100	74,723,300	862,283,800	11.
60,724,600	947,226,700	75,368,400	871,858,300	11.
58,295,700	948,331,900	79,450,100	868,881,800	11.
56,376,878	967,283,178	79,567,500	887,715,678	11
61,960,900	996,139,800	82,717,600	913,422,200	11

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

			2023			2014	
<u>Taxpayer</u>		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	 Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Trident Seafoods Corporation	\$	14,754,000	1	1.48%	\$ 15,974,200	2	1.84%
Ketchikan Dock Company, LLC		13,576,700	2	1.36%	14,137,800	3	1.63%
Cape Fox Heritage Foundation Inc		13,520,800	3	1.36%	16,049,400	1	1.85%
Harbor Enterprises/Petro Marine Services		11,250,200	4	1.13%	11,113,300	5	1.28%
Tongass Trading Company		10,853,400	5	1.09%	11,705,500	4	1.35%
Boyer Towing Inc.		9,137,100	6	0.92%	9,169,200	6	1.05%
Dock Street Building Corporation		8,928,700	7	0.90%	8,714,700	7	1.00%
Alaska General Seafood Processors		8,500,300	8	0.85%	7,715,700	10	0.89%
E C Phillips & Son Inc.		8,360,500	9	0.84%	8,069,100	9	0.93%
Landing LLC		8,338,700	10	0.84%	8,342,300	8	0.96%
m 1	ф.	107.220.400		10.550/	 110 001 200		12.700
Total	\$	107,220,400		10.77%	\$ 110,991,200	: :	12.78%

Source: Ketchikan Gateway Borough Department of Assessment

City of Ketchikan, Alaska Property Tax Levies and Collections Last Ten Fiscal Years

	Taxes Levied for Municipal Purposes	Collected w Fiscal Year (Collections in	Total Collections to Date			
Fiscal Year	for the Fiscal Year	Amount	Percentage of Levy	Subsequent Years	Amount	Percentage of Levy		
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%	36,728	5,843,747	99.74%		
2023	6,028,587	5,953,511	98.75%	-	5,953,511	98.75%		

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					
Fiscal Year	City of Ketchikan ¹	City of Ketchikan ²	Ketchikan Gateway Borough	Retail Sales Tax Total ³	Retail Sales Tax Total ⁴	Marijuana Sales Tax ⁵	Total Sales Tax Rate ⁶	Total Sales Tax Rate ⁷
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%	
2023	5.5%	3.0%	2.5%	8.0%	5.5%	5.0%	13.0%	10.5%

 $^{^{\}rm 1}$ The City of Ketchikan seasonal sales tax April 1 - September 30, effective April 1, 2023

Source: Ketchikan Gateway Borough & City of Ketchikan

 $^{^{2}\,}$ The City of Ketchikan seasonal sales tax October 1 - March 31, effective April 1, 2023

³ Total sales tax April 1 - September 30

⁴ Total sales tax October 1 - March 31

 $^{^{5}}$ The City of Ketchikan 5.0% marijuana sales tax rate became effective July 16, 2016, first collections realized in June 2017.

 $^{^{6}}$ The total sales tax rate for April 1 - September 30

 $^{^{7}}$ The total sales tax rate for October 1 - March 31

(Un-Audited)

City of Ketchikan, Alaska Major Governmental Activities Customer Base and Charges for Services Income Last Ten Fiscal Years

	 2014		2015		2016		2017
Collected Charges for Services Revenue Solid Waste Harbor	\$ 2,907,531 1,247,810	\$	2,809,864 1,329,984	\$	3,142,540 1,475,000	\$	3,145,652 1,513,634
Number of Customers/Services Provided							
Solid Waste Collection							
Residential	2,599		2,628		2,673		2,694
Business	248		249		252		248
Solid Waste Disposal Harbor	5,528		5,500		5,548		5,575
Reserved Moorage Stalls Rented	735		821		857		832

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

Table 11

2018	2018 2019		2020		2021		2022	2023	
\$ 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	\$ 3,964,891 1,745,208	
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	2,581 257 6,032	
806		813	886		806		890	859	

City of Ketchikan, Alaska
Major Business Type Activities Customers and Charges for Services Income
Last Ten Fiscal Years

	 2014	2015	 2016	 2017
Collected Charges for Services Revenue				
Electric				
Residential	\$ 6,796,723	\$ 6,752,943	\$ 7,127,462	\$ 7,626,289
Boats	298,227	279,072	318,082	343,140
Commercial	6,690,774	6,584,210	6,846,651	7,214,570
Industrial	1,750,002	1,784,436	1,795,059	1,959,446
Demand	514,972	507,363	495,104	517,862
Area Lighting	49,172	50,076	53,056	54,133
Street Lighting	127,692	129,143	129,912	130,875
Diesel Surcharge	96,283	4	-	438,882
Other	293,569	350,271	370,497	506,415
Telecommunications				
Local Network Services	2,005,521	2,030,655	2,082,930	2,010,146
Inter/Intrastate Network Access Services	9,259,709	9,413,321	8,927,300	8,525,849
Non-Regulated	4,396,232	5,596,871	7,078,617	8,910,105
Other	499,346	461,826	374,776	367,613
Water				
Residential	1,377,255	1,521,500	1,632,301	1,655,801
Apartments	294,082	327,663	351,241	357,127
Commercial	1,102,474	1,208,718	1,275,949	1,302,261
Industrial	79,182	83,648	89,868	91,194
Seafood Processors	149,219	152,636	143,507	174,184
Fire Hydrant	23,539	25,887	27,951	28,080
Port	172,688	159,075	154,725	157,725
Other	10,256	23,051	45,931	21,761
Wastewater				
Residential Sewer Service	1,623,781	1,771,393	1,917,142	1,946,829
Business Sewer Service	951,760	986,268	1,054,754	1,081,780
Port				
Passenger Wharfage	6,110,005	6,504,788	6,482,367	6,892,093
Docking	1,770,044	1,782,260	1,771,371	1,876,880
Customer Base				
Electric				
Residential	5,817	5,854	5,879	5,921
Commercial	1,201	1,221	1,228	1,242
Industrial	13	15	16	17
Other	518	543	555	556
Telecommunications				
Residential Access Lines	3,313	3,352	3,345	3,242
Commercial Access Lines	2,550	2,371	2,266	2,109
Water				
Residential	2,650	2,647	2,649	2,659
Apartments	25	27	28	28
Commercial	436	443	454	458
Industrial	3	3	3	3
Cannery	6	5	5	5
Fire Hydrant	8	8	8	8
Marine Vessels	34	30	56	59
Wastewater				
Residential ¹	2,656	2,698	2,712	2,724
Business	439	436	446	451
Port	137	130	110	131
Cruiseships	37	38	38	43
Stops	468	496	489	507
Passengers ²				
rassengers	877,589	934,772	935,928	996,920

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

Source: City of Ketchikan financial records & Ketchikan Visitors Bureau

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

Table 12

2018	2019	2020	2020 2021 2		2022	2023
\$ 7,650,908	\$ 7,472,223	\$ 8,233,105	\$ 8,479,877	\$	8,720,005	\$ 8,790,479
332,985	323,513	335,972	350,409		379,931	378,983
7,188,265	7,172,769	7,390,872	7,597,744		7,918,380	8,158,401
1,901,001	1,861,397	1,815,107	2,036,845		2,041,674	2,090,864
527,719	540,011	520,603	529,297		570,375	559,014
59,148	59,037	61,287	62,224		64,889	65,859
131,478	131,968	131,770	131,911		132,787	133,184
2,206,307	6,747,735	(3,994)	-		-	
556,296	662,163	520,239	661,458		727,014	1,073,851
2,000,821	1,995,490	1,905,420	1,863,840		1,911,540	1,921,944
8,871,847	8,857,631	8,285,900	8,448,692		8,521,231	8,310,607
9,735,645	8,710,036	9,079,927	9,455,603		9,915,567	10,351,534
395,883	379,051	210,611	91,330		218,267	231,669
1,736,472	1,838,947	1,863,940	1,950,255		2,038,955	2,123,327
373,428	394,046	395,635	408,466		428,604	443,849
1,382,874	1,448,482	1,427,747	1,519,350		1,633,581	1,716,367
94,196	100,406	101,502	105,525		109,968	114,355
251,061	331,963	343,420	355,817		370,687	385,514
29,470	31,092	31,401	32,574		34,047	35,401
192,195	1,890	-	6,615		87,120	141,120
24,953	28,921	3,275	19,389		21,661	30,156
2,050,792	2,180,405	2,208,342	2,218,067		2,227,886	2,228,808
1,156,141	1,226,097	1,205,039	1,227,575		1,264,016	1,279,434
7,300,575	8,097,798	-	682,848		6,732,543	9,989,769
1,913,469	2,093,970	60,095	553,303		3,403,352	3,702,062
5,946	5,964	5,963	5,972		5,992	6,013
1,263	1,275	1,273	1,284		1,294	1,300
16	16	15	14		14	14
612	612	605	597		622	623
3,247	3,070	2,725	2,594		2,452	2,278
2,027	1,973	1,820	1,738		1,687	1,656
2,667	2,674	2,679	2,696		2,698	2,701
28	28	28	28		29	29
470	475	469	479		494	501
3	3	3	3		3	3
5	5	5	4		4	4
8	8	8	8		8	8
57	1	-	2		13	21
2,730	2,737	2,763	2,800		2,807	2,808
461	464	461	468		477	485
40	46	-	17		42	42
504	562	-	87		442	514
1,045,079	1,171,620	-	75,872		751,009	1,112,769

(Un-Audited)

City of Ketchikan, Alaska Gross Sales by Category Last Ten Fiscal Years

	2014	2015	2016
Construction	\$ 79,661,822	\$ 85,757,073	\$ 74,812,252
Financial institutions	3,264,143	3,128,295	3,072,413
Hospitality/Lodging establishments	15,306,647	15,632,441	16,195,255
Manufacturing	32,324,967	47,143,944	49,999,866
Real estate	36,844,557	38,807,635	37,405,083
Remote retail	-	19,758	25,863
Retail trade	47,026,386	45,786,237	44,870,277
Food stores	75,202,176	85,044,654	84,017,588
Eating and drinking establishments	21,297,129	22,887,732	23,255,671
Auto dealers and supplies	22,480,389	21,452,076	20,702,655
Specialty retail	19,140,014	19,899,374	21,389,104
Curio and jewelry retail stores	93,482,783	102,467,892	102,019,064
Entertainment services	3,999,764	4,205,791	4,616,071
General services	11,069,657	11,652,408	12,394,815
Professional services	9,521,613	12,712,487	9,805,747
Transportation-Fuel/Freight Service	43,318,744	32,565,936	28,190,910
Transportation-Tour/Adventures	16,219,978	17,014,970	17,120,300
Transportation-All Other and communications	17,516,306	15,925,822	12,656,770
Telecommunications	8,686,823	8,801,839	8,133,656
Wholesale Trade	5,216,327	6,441,569	7,870,666
Total	\$ 561,580,225	\$ 597,347,933	\$ 578,554,026
City direct sales tax rate*			
April 1 - September 2 October 1 - March 2		3.50%	4.00%

^{*}Seasonal sales tax implemented April 1, 2023

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.

Table 13

2017	2018	2019	2020	2021	2022	2023
\$ 79,319,530	\$ 59,031,232	\$ 58,197,559	\$ 55,983,075	\$ 71,170,197	\$ 63,127,332	\$ 71,984,200
2,161,852	2,518,639	2,648,792	3,231,987	3,206,052	2,846,408	2,663,137
16,786,068	17,741,388	17,900,702	10,541,674	17,792,469	23,767,033	24,082,492
47,197,111	32,463,837	25,935,867	29,376,777	24,174,245	60,784,527	41,972,672
39,609,702	41,146,596	40,048,582	35,664,875	38,989,772	43,881,918	44,985,014
31,657	192,328	4,931,941	3,947,803	4,119,722	4,884,458	4,347,251
48,209,225	51,111,732	51,443,911	46,185,766	50,970,929	57,593,589	57,334,153
86,400,679	89,529,922	93,460,217	82,212,670	86,259,118	99,704,199	93,745,639
23,662,945	25,054,382	25,681,506	16,366,369	23,129,421	32,540,678	37,225,952
22,546,654	22,255,512	20,884,156	21,265,771	24,029,409	26,187,416	26,186,423
21,016,882	21,942,725	22,759,442	19,423,198	19,714,582	21,445,530	22,881,759
110,906,941	122,898,036	116,565,236	48,660,708	65,159,027	124,197,868	135,647,960
5,100,780	5,472,944	7,206,033	1,012,955	1,414,611	6,429,052	9,480,105
13,595,974	13,623,397	14,700,690	11,847,746	13,905,910	14,722,310	15,278,214
9,978,183	8,999,890	11,113,720	7,445,184	9,109,722	9,066,691	10,059,910
30,708,708	34,801,100	44,786,327	28,129,061	31,901,959	44,405,809	39,386,711
19,424,923	20,306,506	21,001,184	184,158	2,460,258	18,134,405	27,107,284
13,678,849	13,804,425	17,793,337	9,341,502	12,534,880	21,124,459	22,383,855
8,034,941	8,830,168	8,155,955	7,289,253	6,889,167	7,731,025	6,685,317
7,758,924	7,144,518	7,071,569	6,643,948	7,220,439	7,131,188	8,030,789
\$ 606,130,528	\$ 598,869,277	\$ 612,286,726	\$ 444,754,480	\$ 514,151,889	\$ 689,705,895	\$ 701,468,837
4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	5.50% 3.00%



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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 1	15
Pledged Revenue Coverage	Table 1	16
Direct and Overlapping Governmental Activities Debt	Table 1	17

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

	Gov	vernmental Activit	ies		
Fiscal Year	General Obligation Bonds	Notes Payable	Leases Payable	Subscription Based Info Technology Arrangements Payable	Total Governmental Activities
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
2023	46,254,319	3,441,114	40,662	52,504	49,788,599

	Business-Type Activities									
	Wastewater General Obligation Bonds	Wastewater Revenue Bonds	Wastewater Subscription Based Info Technology Arrangements Payable	Port Leases Payable	Port Revenue Bonds	KPU Junior Lien Revenue Bonds	KPU Revenue Bonds	KPU Leases Payable	KPU Subscription Based Info Technology Arrangements Payable	Total Business- Type Activities
2014	2,711,970	295,463		-	33,257,400	10,154,554	17,595,000			64,014,387
2015	1,972,026	281,916		-	31,775,000	9,798,191	16,428,839			60,255,972
2016	1,875,495	268,163		-	30,857,218	8,474,239	15,434,295			56,909,410
2017	1,777,510	254,204		-	29,759,634	8,028,676	13,581,293			53,401,317
2018	1,678,051	562,681		-	28,627,050	8,195,406	12,885,722			51,948,910
2019	1,577,094	533,939		-	27,889,603	7,708,777	12,175,152			49,884,565
2020	1,526,047	819,596		-	26,216,882	7,762,510	22,767,089			59,092,124
2021	1,422,801	874,242		21,941,868	24,939,297	8,614,733	20,189,688	5,880,665		83,863,294
2022	1,318,001	847,829	9,479	20,896,428	23,606,713	7,976,556	19,994,671	5,533,121	28,438	80,211,236
2023	1,211,623	828,723	4,824	19,814,291	22,219,129	13,878,223	18,626,647	5,159,805	14,473	81,757,738

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

Source: City of Ketchikan financial records

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
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
2023	7,803	913,422,200	47,465,942	5.20%	6,083

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

(Un-Audited)

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	
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	36,348,122	9,707,952	1,275,000	595,216	5.19	
2023	48,821,223	37,198,272	11,622,951	1,235,000	552,524	6.50	

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.

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.

Table 16

		Poi	t Revenue Bon	ds			
	Expenses					Cover	age
Gross	Excluding Depreciation	Net Available	Debt S	ervice		Debt	Debt Service/
Revenue	and Taxes	Revenue	Principal	Interest	Other ²	Service	Lease
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	2,261,579	11,017,637	1,130,000	1,106,000	2,341,884	4.93	2.41
14,918,422	2,597,100	12,321,322	1,185,000	1,049,500	3,121,884	5.51	2.30

City of Ketchikan, Alaska Direct and Overlapping Governmental Activities Debt As of December 31, 2023

Name of Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Ketchikan Gateway Borough-Overlapping Debt City of Ketchikan-Direct Debt	27,291,842 49,788,599	52.46% 100.00%	14,317,534 49,788,599
Total Direct and Overlapping Debt			\$ 64,106,133

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.

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.

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 FY2023 Annual Comprehensive Financial Report for the year ended June 30, 2023.

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

(Un-Audited)

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
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	953,478,000	69,043	2,163	6,727
2022	7,998	13,762	1,003,045,000	72,997	2,100	6,720
2023	7,803	13,475	1,003,045,000	72,997	2,051	6,651

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.

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.

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 2023 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 2023 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 2023 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. 2023 data unavailable so an estimate based on previous year's figures has been provided.

Table 18

Civ	Motor		
Employed	Unemployed	Unemployment Rate	Vehicles Registered (5)
6,535	548	7.7%	16,520
6,482	462	6.7%	16,578
6,581	438	6.2%	16,666
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
6,630	253	3.7%	15,28

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

		2023		2014			
Employment Sectors	Average Employment	<u>Rank</u>	% of Total Employment	Average Employment	Rank	% of Total Employment	
Private and public:							
Private sector	5,409		74.38%	5,323		72.08%	
Public sector	1,863		25.62%	2,062		27.92%	
Total private and public	7,272		100.00%	7,385		100.00%	
Detail of private sector:							
Natural Resource and Mining	91	12	1.25%	113	12	1.53%	
Construction	297	8	4.08%	372	7	5.04%	
Manufacturing	377	6	5.18%	570	6	7.72%	
Trade, Transportation & Utilities	1,773	1	24.38%	1,659	1	22.46%	
Information	64	13	0.88%	92	13	1.25%	
Financial Activities	347	7	4.77%	366	8	4.96%	
Professional & Business Services	289	9	3.97%	243	9	3.29%	
Educational & Health Services	1,008	4	13.86%	931	3	12.61%	
Leisure & Hospitality	1,030	3	14.16%	796	4	10.78%	
Other Services	133	11	1.83%	181	11	2.45%	
Total Detail of private sector	5,409		74.38%	5,323		72.08%	
Detail of public sector:							
Federal Government	200	10	2.75%	234	10	3.17%	
State Government	502	5	6.90%	690	5	9.34%	
Local Government	1,161	2	15.97%	1,138	2	15.41%	
Total Detail of public sector	1,863		25.62%	2,062		27.92%	

Employment by NAICS Industry Category is reflected for the Ketchikan Gateway Borough because information specific to the City of Ketchikan is not currently 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)
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
2023	98	10,206,400	996,139,800

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

	2014	2015	2016	2017
Function/Program				
General government				
Mayor and Council	8.000	8.000	8.000	8.000
Law	1.000	1.250	1.000	1.000
Clerk	2.000	2.000	2.000	2.000
City Manager	4.500	4.500	4.500	4.500
Finance	15.000	16.000	16.000	16.000
Information Technology	7.000	7.000	6.420	6.000
Public Safety				
Fire	19.000	19.000	19.000	19.000
Police	35.300	35.300	35.300	35.300
Culture				
Library	12.410	12.785	12.785	12.735
Museum	7.200	7.200	7.700	8.200
Civic Center	3.000	3.000	3.000	3.000
Tourism Management	-	-	-	-
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	5.200	5.200	5.200
Port Development	4.600	4.800	4.800	4.800
Ketchikan Public Utilities				
Administration	2.500	2.500	2.500	2.500
Sales, Marketing & Customer Service	17.000	17.000	17.000	19.000
Electric	43.400	43.400	43.400	43.400
Telephone	43.000	42.000	42.000	41.000
Water	10.600	10.600	10.600	10.600
Total	290.910	291.535	291.205	292.235

Source: City of Ketchikan Budget Records

Table 21

2018	2019	2020	2021	2022	2023
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	4.500
16.000	16.000	16.000	16.000	16.000	16.000
6.000	6.000	6.000	6.000	6.000	6.000
19.000	19.000	22.000	22.000	22.000	22.590
35.300	35.300	38.550	38.550	38.550	38.550
33.300	33.300	38.330	36.330	38.330	36.330
11.815	11.815	11.815	11.815	11.125	11.125
8.200	8.200	8.200	8.200	8.200	8.250
3.000	3.000	3.000	3.000	3.000	3.000
-	-	-	-	-	1.000
-	-	-	-	-	0.000
4.000	42.000	42.000	42.000	42.000	40.000
12.000	12.000	13.000	13.000	13.000	13.000
13.000	13.000	13.000	13.000	13.000	13.000
11.000	11.000	11.000	11.000	11.000	11.000
4.000	4.000	4.000	4.000	4.000	4.000
8.000	8.000	8.000	8.000	8.000	8.000
2.750	3.000	3.000	3.000	3.000	3.000
5.200	5.200	5.200	5.200	5.200	5.200
4.800	4.800	4.800	4.800	4.800	4.800
1.000	1.000	1.000	1.000	1.000	1.000
2.500	2.500	1.500	1.500	1.500	1.500
19.000	19.000	19.000	19.000	19.000	20.000
43.400	43.400	41.400	41.400	43.400	43.400
41.000	41.000	41.000	41.000	41.000	43.000
10.600	11.600	11.600	12.600	13.600	13.600
292.065	293.315	297.565	298.565	300.875	305.515

Operating Indicators by Function/Program Last Ten Years

	2014	2015	2016	2017
Function/Program				
General Government				
City Manager				
Personnel Job Postings	129	129	117	120
	129	129	11/	120
Information Technology	351	347	338	225
Workstations Portables	66	347 70	338 72	223 77
	89		100	108
Printers D. H. G. G. G.	89	100	100	108
Public Safety				
Fire	1 420	1 420	1.551	2.002
EMS/Rescue Responses	1,429	1,439	1,551	2,082
Fire Responses	225	244	250	58
Volunteer Fire Persons	17	17	25	26
Police				
DUI Offenses	55	68	81	40
Domestic Violence	75	55	63	59
Larceny Offenses	263	265	266	307
Culture				
Library				
Volumes in collection	95,427	99,311	70,323	99,401
Annual Circulation	181,105	187,916	169,185	178,600
Offered Programs	572	561	341	575
Program Attendance	13,151	13,790	12,801	12,618
Museum				
Tongass Historical Museum Attendance	25,593	24,552	23,914	23,754
Tongass Historical Museum Exhibit Openings	3	2	1	1
Totem Heritage Center Attendance	31,266	33,218	36,799	36,716
THC Native Arts Studies Course Offerings	12	10	10	11
Virtual Users	-	-	-	-
Civic Center				
Days Occupied	143	149	159	152
Events	90	84	105	91
Public Works				
Engineering				
Issued Building Permits	146	148	171	124
Solid Waste				
Muncipal Solid Waste - tons per day	23.54	24.10	24.57	24.86
Trash - tons per day	14.64	12.51	12.90	10.61
Incineration - tons per day	0.03	0.02	0.04	0.04
Recycle - tons per day	16.53	6.08	6.75	10.37
Port and Harbors				
Reserved Moorage Stalls Rented	735	821	857	832
Transient Moorage Feet Sold	314,517	271,454	312,543	252,411
Cruise Ship Stops	468	496	489	507
Cruise Ship Passengers	846,636	935,928	935,928	996,920
Ketchikan Public Utilities	*	*	•	*
Customer Service				
Utility Service Orders	4,120	3,151	2,903	2,798
Telecommunications Service Orders	8,133	8,032	9,072	7,252
101000mmumoutons betwee Offices	0,133	0,032	7,072	1,434

Sources: Various City Departments

Table 22

2018	2019	2020	2021	2022	2023
124	111	83	66	126	11
230	205	221	235	227	21
80	56	74	80	82	11
108	114	126	129	129	8
2,134	2,033	1,397	1,766	2,190	2,19
42	43	21	24	30	2
25	11	10	11	10	1
62	67	41	49	42	2
79	90	94	70	74	8
345	74	31	101	37	18
101,331	104,128	104,101	105,997	104,273	104,99
180,240	173,829	111,248	111,612	113,789	119,97
587	585	472	363	304	4]
12,218	11,821	20,601	15,258	5,282	8,24
24,700	28,322	2,427	8,905	40,727	64,31
1	1	1	-	4	
36,589	40,372	2,080	5,592	25,586	41,45
9	9	6 20,543	6 29,053	10 21,015	10,49
140	138	73	77	148	1′
92	83	60	70	104	1
130	177	127	110	100	Ģ
27.28	27.11	22.67	20.62	21.25	23.3
10.15	10.31	13.75	14.59	15.85	12.8
0.03	0.03	0.03	0.03	0.02	0.0
13.74	10.52	12.94	7.66	6.81	7.5
806	813	886	806	890	85 570 03
421,288 504	451,669 562	418,002	472,116 87	458,565 442	579,0°
1,045,079	1,171,620	-	75,872	751,009	1,112,76
3,211	3,027	2,361	3,425	2,630	2,94
7,096	6,244	5,601	6,179	6,310	6,92

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

	2014	2015	2016	2017
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	29.37	37.09	37.09
Miles of Stairways	1	2	2	2
Municipal Parking Lots	37	38	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

Table 23

2018	2019	2020	2021	2022	2023
3	3	3	3	3	3
3	3	3	3	3	3
1	1	1	1	1	1
1	1	1	1	1	1
2	2	2	2	2	2
1	1	1	1	1	1
5	5	5	5	5	5
, and the second				· ·	
37.09	37.15	37.15	37.15	37.15	37.16
2	2	2	2	2	2
38	38	38	38	38	38
9	9	9	9	9	9
2	2	2	2	2	2
3	3	3	3	3	3
1	1	1	1	1	1
4	4	4	4	4	4

CITY OF KETCHIKAN, ALASKA

INSURANCE COVERAGES

as of December 31, 2023

Condensed Description of Coverage	Coverage per Occurrence and Deductible Amounts	Condensed Description of Coverage	Coverage per Occurrence and Deductible Amounts
Property Insurance (includes Boiler & Ma	ahin am	Dalias Drafassianal Liability	
	enmery,	Police Professional Liability	¢15 500 000
Flood & Earthquake)	Per Schedule	Coverage Limits Deductible	\$15,500,000
Coverage Amounts Deductible	\$25,000/\$10,000	Deductible	75,000
Deductible	\$23,000/\$10,000	Dublic Officials/Emmlerment Ducations Linkility	
Commercial Comprehensive Concrel Lieb	ility.	Public Officials/Employment Practices Liability	15 500 000
Commercial Comprehensive General Liab Coverage Limits	15,500,000	Coverage Limits Deductible	15,500,000 75,000
Deductible		Deductible	73,000
Deductible	75,000	Fidality/Cuima Ingymanaa	
E1 D		Fidelity/Crime Insurance	
Employee Benefits Liability	15 500 000	Notary Errors and Omissions	25,000
Coverage Limits Deductible	15,500,000	Coverage Limits	25,000
Deductible	75,000	Public Employees Blanket Bond	2,500,000
Communicat Andre Linkiller		Coverage Limits	, ,
Commercial Auto Liability	15 500 000	Deductible	10,000
Coverage Limits Deductible	15,500,000	Public Officials Bond	10.000
Deductible	75,000	City Manager/Delilah - Coverage Limits	10,000
м : т		Finance Director/Michelle - Coverage Limits	100,000
Marine Insurance	D C 1 1 1	Deductible	none
Hull Coverage Limits Hull War Risk	Per Schedule	Marina and Wharfinana	
	Per Schedule	Marina and Wharfingers	
Coverage Limits	Per Schedule	Wharfingers/Terminal Operator's/	
Primary Protection & Indemnity	1 000 000	Marina Operators/Charterers Liability	1 000 000
Coverage Limits Deductible	1,000,000	Coverage Limits Deductible	1,000,000
	1,000		10,000
Primary War Risk	(00,000	Sudden and Accidental Pollution Liability	1 000 000
Coverage Limits Deductible	600,000	Coverage Limits Deductible	1,000,000
	none		25,000
Excess Protection & Indemnity and		Excess Wharfingers/Terminal Operators/	
Excess P&I War Risk	29,000,000	Marina Operators/Charterers/Sudden	
Coverage Limits		and Accidental Pollution Liability	20,000,000
Deductible	none	Coverage Limits	29,000,000
A 1.1 M1 3		Deductible	none
Ambulance Malpractice	15 500 000	XS Marine Liability - Port	29,000,000
Coverage Limits	15,500,000 75,000	William	
Deductible	/5,000	Worker's Compensation Insurance	T 171 1
P. 1 (F. 10);		Coverage Limits	Legal Limits
Broadcast Errors and Omissions	2,000,000	Dallysian Linkility	
Coverage Limits	, ,	Pollution Liability	1 000 000
Deductible	10,000	Coverage Limits, Per Location/Limit	1,000,000 6,000,000
Cyle an Liability		Coverage Limits, Policy Aggregate	
Cyber Liability	2 000 000	Deductible	50,000
Coverage Limits	2,000,000		
Deductible	75,000		

^{***}Various sub-limits apply per policy

CITY OF KETCHIKAN, ALASKA

Utility Statiscal Operating Information Last Ten Fiscal Years

					Per K.W.	H. Sold	Average
	Nun	nber of Custome	ers				Residential
					Operating		K.W.H. Used
Year	Electric	Water	Telephone *	K.W.H. Sold	Revenue	Cost	December
2014	7,606	3,128	5,863	167,939,155	0.0989	0.0992	1,212
	, in the second	,	,	* *			,
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
2023	7,949	3,267	3,934	178,129,795	0.1114	0.1027	1,192

^{*} Average number of revenue access lines.

Energy Demand, Peak Demand and Resources Gross Generation (kWh) Last Ten Fiscal Years

		2014		2015		2016		2017		2018
Energy Demand										
Total Sales	16	7,939,155	163	3,896,254	16	5,107,129	17	5,447,582	16	7,833,595
System losses		8,504,552	1	1,298,142	1	1,068,552		5,958,030	:	8,924,224
Total	17	6,443,707	17:	5,194,396	17	6,175,681	18	1,405,612	170	6,757,819
Peak Demand		30,500		25,700		25,400		32,300		31,300
Tour Benand		30,300		23,700		23,100		32,300		31,300
Energy Resources										
KPU Hydroelectric	8	6,755,268	9	1,893,718	8	4,863,454	8	0,080,904	6:	5,643,343
Southeast Alaska Power Agency 1	8	7,923,000	82	2,277,072	9	0,444,864	9	8,312,948	90	0,348,900
Diesel Generation		1,765,439		1,023,606		867,363		5,357,715	2	0,765,576
Total	17	6,443,707	17	5,194,396	17	6,175,681	18	3,751,567	176	6,757,819
Total		0,113,707	17.	3,171,370		0,173,001		3,731,307	= 17	0,737,017
Energy Costs (kWH) ²										
Hydroelectric Generation	\$	0.0275	\$	0.0302	\$	0.0345	\$	0.0347	\$	0.0444
Diesel Generation		0.8715		1.3645		1.6067		0.4692		0.2626
Purchased Power ³		0.0645		0.0654		0.0691		0.0537		0.0633
Total Cost of Production (kWH)		0.0544		0.0545		0.0600		0.0575		0.0797

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.

Table 26

	2019		2020		2021		2022	2023
16	4,000,416	16	6,832,038	16	59,432,045	1	74,186,815	178,129,795
	9,227,089		9,017,560	1	2,528,625		9,605,570	 6,286,697
1.7	2 227 505	1.7	5 0 40 500	1.0	1 060 670		02 502 205	104 416 402
17	3,227,505	17	5,849,598	18	31,960,670	1	83,792,385	184,416,492
	22.000		2.7.700		25.100		20.700	24.200
	33,000		35,700		35,100		38,700	34,300
7	3,803,919	9	3,097,364	9	7,097,727		85,160,384	87,321,123
5	5,043,725	8	1,299,877	8	33,366,208		97,633,370	96,292,625
4	4,379,861		1,452,357		1,496,735		998,631	 802,744
17	3,227,505	17	5,849,598	18	31,960,670	1	83,792,385	184,416,492
						•		
	0.0404		0.02.62		0.0210		0.0207	0.0204
\$	0.0404	\$	0.0362	\$	0.0319	\$	0.0397	\$ 0.0384
	0.2387		1.0199		0.7364		1.0010	1.2268
	0.0680		0.0758		0.0765		0.0775	0.0754
	0.1000		0.0626		0.0581		0.0650	0.0629

Historical Electric Customers, Energy Sales and Operating Results Last Ten Fiscal Years

	2014	2015	2016	2017	2018
Customers (Average)					
Residential	5,817	5,854	5,879	5,921	5,946
Commercial	1,201	1,221	1,228	1,242	1,263
Industrial	13	15	16	17	16
Other	575	604	618	619	613
Total	7,606	7,694	7,741	7,799	7,838
Energy Sales (KWH)					
Residential	67,665,456	66,410,470	67,731,286	72,362,242	69,468,706
Commercial	72,777,304	70,736,227	71,007,166	74,558,231	71,871,577
Industrial	23,408,642	22,935,650	22,306,193	24,065,722	22,388,719
Other	4,087,753	3,813,907	4,062,484	4,461,387	4,104,593
Total	167,939,155	163,896,254	165,107,129	175,447,582	167,833,595
Operating Results Operating Revenues					
Revenues from Energy Sales	\$16,323,845	\$16,087,247	\$16,765,326	\$18,285,197	\$19,997,811
Other Operating Revenues	293,569	350,271	370,497	506,415	556,296
Total Operating Revenues	16,617,414	16,437,518	17,135,823	18,791,612	20,554,107
Operating Expenses					
Hydroelectric Generation	1,599,911	1,659,158	1,807,339	1,660,261	1,778,068
Diesel Generation	1,302,115	1,189,814	1,198,599	2,301,768	5,236,590
Purchased Power	5,674,201	5,381,319	6,247,593	5,279,985	5,718,650
Transmission and Distribution	3,627,608	3,432,156	3,529,503	3,517,936	3,446,199
Administration and General	1,693,482	1,644,771	1,626,940	1,788,906	1,832,274
Total Operating Expenses	13,897,317	13,307,218	14,409,974	14,548,856	18,011,781
Payment In Lieu of Taxes	381,993	381,993	381,993	381,993	381,993
Total Expenses	14,279,310	13,689,211	14,791,967	14,930,849	18,393,774
Net Revenue	\$2,338,104	\$2,748,307	\$2,343,856	\$3,860,763	\$2,160,333

Table 27

			Restated	
2019	2020	2021	2022	2023
5,964	5,963	5,972	5,992	6,013
1,275	1,276	1,284	1,294	1,300
16	15	14	14	14
612	612	597	622	623
7,867	7,866	7,867	7,922	7,950
66,721,122	71,662,953	72,305,649	74,518,997	75,127,358
71,711,843	70,526,226	70,627,205	73,074,661	75,838,486
21,823,945	21,096,348	22,958,288	22,800,700	23,334,752
3,743,506	3,546,511	3,540,903	3,964,608	3,996,811
164,000,416	166,832,038	169,432,045	174,358,966	178,297,407
\$24,308,653 662,163	\$18,484,722 520,239	\$19,188,307 661,458	\$19,828,041 727,015	\$20,176,784 1,073,851
002,103		001,100	727,010	1,075,051
24,970,816	19,004,961	19,849,765	20,555,056	21,250,635
1,825,999	2,285,877	2,019,243	2,310,705	2,291,325
11,055,977	1,611,664	1,487,196	1,489,813	1,360,860
3,742,973	6,161,899	6,377,283	7,562,019	7,265,193
3,118,865	3,084,489	3,827,071	3,162,661	3,651,707
1,881,789	2,079,059	2,024,446	2,012,261	2,306,327
21,625,603	15,222,988	15,735,239	16,537,459	16,875,412
381,993	381,993	381,993	381,993	382,000
22,007,596	15,604,981	16,117,232	16,919,452	17,257,412
\$2,963,220	\$3,399,980	\$3,732,533	3,635,604	3,993,223

Historical Telephone Access Lines and Operating Results Last Ten Fiscal Years

	2014	2015	2016	2017
Access Lines				
Residential	3,313	3,352	3,345	3,242
Commercial	2,550	2,371	2,266	2,109
Total	5,863	5,723	5,611	5,351
Operating Results				
Operating Revenues Local	\$2,005,521	\$2,030,655	\$2,082,930	\$2,010,146
	9,259,709			
Long Distance Other	4,895,578	9,413,321 6,058,697	8,927,300 7,453,393	8,525,849 9,277,718
Total Operating Revenues	16,160,808	17,502,673	18,463,623	19,813,713
Operating Expenses				
Operation and Maintenance	9,043,964	10,101,434	10,642,306	10,195,360
Administration and General	3,630,057	3,806,866	3,740,714	3,790,280
Total Operating Expenses	12,674,021	13,908,300	14,383,020	13,985,640
Payment In Lieu of Taxes	206,358	206,358	206,358	206,358
Total Expenses	12,880,379	14,114,658	14,589,378	14,191,998
Net Revenue	\$3,280,429	\$3,388,015	\$3,874,245	\$5,621,715

Table 28

				Restated	
2018	2019	2020	2021	2022	2023
3,247	3,070	2,725	2,594	2,452	2,278
2,027	1,973	1,820	1,738	1,687	1,656
5,274	5,043	4,545	4,332	4,139	3,934
	=			,	
\$2,000,821	\$1,995,490	\$1,905,420	\$1,863,840	\$1,911,540	1,921,944
8,871,847	8,857,631	8,285,900	8,448,692	8,521,231	8,310,607
10,131,528	9,089,087	9,290,538	9,546,933	10,133,834	10,583,203
21,004,196	19,942,208	19,481,858	19,859,465	20,566,605	20,815,754
10,769,201	11,067,350	11,870,540	10,667,419	11,332,733	12,374,448
3,865,082	3,827,134	4,199,371	4,004,695	3,824,876	4,368,524
14,634,283	14,894,484	16,069,911	14,672,114	15,157,609	16,742,972
206,358	206,358	206,358	206,358	206,358	206,400
14,840,641	15,100,842	16,276,269	14,878,472	15,363,967	16,949,372
\$6,163,555	\$4,841,366	\$3,205,589	\$4,980,993	\$5,202,638	\$3,866,382

Historical Water Customers and Operating Results Last Ten Fiscal Years

	2014	2015	2016	2017	2018
Customers (Average)					
Residential	2,650	2,647	2,649	2,659	2,667
Apartments	25	27	28	28	28
Commercial	436	443	454	458	470
Industrial	3	3	3	3	3
Cannery	6	5	5	5	5
Fire Hydrant	8	8	8	8	8
Marine Vessels	34	30	56	59	57
Total	3,162	3,163	3,203	3,220	3,238
Operating Results					
Operating Revenues					
Revenues from Water Sales	\$3,174,900	\$3,453,239	\$3,647,591	\$3,738,292	\$4,030,225
Other Operating Revenues	33,795	48,939	73,882	49,840	54,425
Total Operating Revenues	3,208,695	3,502,178	3,721,473	3,788,132	4,084,650
Operating Expenses					
Source of Supply	393,529	423,407	393,959	319,986	373,336
Chlorination/Disinfection	311,254	255,398	265,506	268,756	277,078
Distribution	397,994	409,876	428,975	434,900	638,455
Maintenance	957,414	1,174,271	969,767	974,696	1,058,946
Administration and General	431,446	423,847	426,066	465,947	471,284
Total Operating Expenses	2,491,637	2,686,799	2,484,273	2,464,285	2,819,099
Payment In Lieu of Taxes	197,649	197,649	197,649	197,649	197,649
Total Expenses	2,689,286	2,884,448	2,681,922	2,661,934	3,016,748
Net Revenue	\$519,409	\$617,730	\$1,039,551	\$1,126,198	\$1,067,902

Table 29

			Restated	
2019	2020	2021	2022	2023
2,674	2,679	2,696	2,698	2,701
28	28	28	29	29
475	469	479	494	501
3	3	3	3	3
5	5	4	4	4
8	8	8	8	8
1	0	2	13	21
3,194	3,192	3,220	3,249	3,267
\$4,115,734	\$4,132,244	\$4,346,028	\$4,668,915	4,924,532
60,013	34,676	51,963	55,708	65,557
4,175,747	4,166,920	4,397,991	4,724,623	4,990,089
426,636	439,519	507,260	410,140	472,876
298,174	336,040	245,987	308,889	367,294
554,414	502,301	487,639	425,081	637,547
1,216,098	1,030,481	1,091,480	3,017,175	1,551,292
458,052	507,122	471,142	472,820	532,415
2,953,374	2,815,463	2,803,508	4,634,105	3,561,424
197,649	197,649	197,649	197,649	197,600
3,151,023	3,013,112	3,001,157	4,831,754	3,759,024
\$1,024,724	\$1,153,808	1,396,834	(107,131)	1,231,065



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CITY OF KETCHIKAN, ALASKA

Utility Rates and Charges For the Year Ending December 31, 2023

Electric				
Residential	\$7.50	plus \$0.1126 per kWh		
Harbor service	13.80	plus \$0.1126 per kWh		
Commercial	42.60	plus \$0.1055 per kWh plus a demand charge of this flat fee in effect April through September	-	cess of 25 kW
Industrial	62.70	plus $$0.0977$ per kWh plus a demand charge of	of \$3.42 per kW in ex	cess of 25 kW
Telecommunications				
Residential	16.45	line charge plus \$10.40 for FCC subscriber lir	ne charge	
Residential	59.95	Broadband DSL Regular (Download Speed an	-	100GB data)
	74.95	Broadband DSL Regular (Download Speed and		
	89.95	Broadband DSL Regular (Download Speed an		
	26.20	IPTV Basic (Does not include \$10.45 for High		
Business	18.95	per single or multi-business line plus \$9.20 fo	r FCC subscriber line	charge
	59.95	Broadband DSL Regular (Download Speed an	nd Upload Speed 30M	, 100GB data)
	74.95	Broadband DSL Regular (Download Speed an		
	89.95	Broadband DSL Regular (Download Speed an		M, 500GB data)
D 1 1771	26.20	IPTV Basic (Does not include \$10.45 for High	h Definition Service)	
Customer Premise Visit	35.00	On site visit to customer's premises		
Water				
Residential				
Homes & Trailers	65.79	per unit		
1-4 apartments	65.79	per unit		
5-24 apartments	59.96	per unit		
25+ apartments	51.43	per unit		
Business	68.59	plus size of line charges as follows		
1 inch	45.71			
1-1/4 inch	137.16			
1-1/2 inch	262.89			
2 inch	477.64			
2-1/2 inch	740.08			
3 inch	1,120.05			
4 inch	1,902.97			
Industrial	Line Charges	Canneries, per season 3" Mir		\$64,716.25
5/8 and 3/4 inch	91.44	Additional Charges for Servi	ces:	
1 inch	137.16	5/8 and 1 inch	\$2,249.99	
1-1/4 inch	228.59	1 1/4 inch	4,040.26	
1-1/2 inch	357.13	1-1/2 inch	5,395.07	
2 inch	545.75	2 inch	16,136.74	
2-1/2 inch	828.95			
3 inch	1,252.87			
4 inch	2,048.62			
6 inch	3,414.46			
8 inch	3,785.89			
	· ·	_		
Over 8 inch	by special contract	UI.		

City of Ketchikan, Alaska Port Fund Operating Results Last Ten Fiscal Years

	Restated 2014	2015	2016	2017	2018
Assets					
Cash	\$ 5,504,277	\$ 6,420,791	\$ 7,957,557	\$ 9,614,774	\$ 9,494,268
Port Facilities (net)	54,481,904	52,934,352	52,244,740	51,107,786	49,525,407
Construction Work in Progress	200,947	439,032	374,566	2,658,931	8,809,064
Restricted Assets	8,724,101	7,582,492	7,075,705	8,028,787	6,291,121
Prepaid Expense	1,021,346	1,113,090	1,026,946	1,070,289	1,108,809
Other Assets	2,903,333	3,150,839	3,316,606	2,943,363	1,536,256
Total assets	72,835,908	71,640,596	71,996,120	75,423,930	76,764,925
Liabilities and Net Position					
Revenue Bonds Payable	32,660,000	31,775,000	27,025,000	26,130,000	25,200,000
Other Liabilities	860,042	1,275,821	5,362,008	6,190,956	4,922,591
Total liabilities	33,520,042	33,050,821	32,387,008	32,320,956	30,122,591
Net Position	\$ 39,315,866	\$ 38,589,775	\$ 39,609,112	\$ 43,102,974	\$ 46,642,334
Operating Revenues	\$ 8,578,059	\$ 9,032,271	\$ 8,961,241	\$ 9,391,272	\$ 9,970,302
Operating Expenses					
Operation and Maintenance	\$ 4,726,515	\$ 4,636,079	\$ 4,916,988	\$ 5,124,365	\$ 4,730,576
Depreciation	1,587,253	1,589,941	1,605,242	1,612,861	1,612,457
Depreciation-Lease	-	-	-	-	-
Payment in Lieu of Taxes/Taxes	319,000	319,000	319,000	319,000	319,000
Total operating expenses	6,632,768	6,545,020	6,841,230	7,056,226	6,662,033
Operating Income	1,945,291	2,487,251	2,120,011	2,335,046	3,308,269
Interest Earnings Interest Expense					
Non-Operating Revenue (Expense)	(1,581,717)	(1,571,163)	(1,713,125)	(960,933)	(825,923)
Income Before Contributions, Extraordinary					
Item & Transfers	363,574	916,088	406,886	1,374,113	2,482,346
Contributions	2,491,297	70,425	16,004	11,412	13,360
Capital Grants	4,407,753	277,647	654,642	1,058,007	608,172
Extraordinary Item	(5.010.004)	(1.(10.250)	359,246	1.050.220	- 542,222
Transfers Loss on sale of capital assets	(5,018,804) (2,999,297)	(1,619,258) (27,082)	19,258 (436,699)	1,050,330	543,323
Change in Net Position	\$ (755,477)	\$ (382,180)	\$ 1,019,337	\$ 3,493,862	\$ 3,647,201
Revenue Bond Debt Coverage:					
1.25 x Annual Debt Service	3.49	2.71	2.11	3.18	3.70
1.0 x Annual Debt Service/Reserves					
Account/Repair and Replacement					
Fund/SPH Lease Payments	1.64	1.28	1.10	1.34	1.53
# of Ships	37	38	38	43	40
# of Calls/Stops	468	496	489	507	504
# of Water Passengers	877,589	934,772	935,928	996,920	1,045,079

Table 31

2019	2020	2021	2022	2023
\$ 10,958,259	\$ 4,463,620	\$ 5,512,570	\$ 8,988,598	\$ 15,705,208
48,076,054	52,938,299	51,800,747	50,537,146	52,515,132
11,100,273	9,103,215	9,120,646	9,116,969	332,608
7,853,528	8,018,227	8,160,502	8,354,390	8,894,557
1,161,500	750,000	750,000	-	-
2,702,547	84,349	419,159	23,805,998	25,231,166
81,852,161	75,357,710	75,763,624	100,803,101	102,678,671
24 220 000	22 105 000	22 120 000	20,000,000	10 005 000
24,220,000	23,195,000	22,120,000	20,990,000	19,805,000
4,582,992	4,097,879	4,229,113	24,686,479	23,391,196
28,802,992	27,292,879	26,349,113	45,676,479	43,196,196
20,002,992	21,292,019	20,349,113	45,070,479	43,190,190
\$ 53,049,169	\$ 48,064,831	\$ 49,414,511	\$ 55,126,622	\$ 59,482,475
Ψ 33,013,103	Ψ 10,001,031	ψ 19,111,211	Ψ 33,120,022	ψ 33,102,173
\$ 10,682,037	\$ 82,144	\$ 1,353,442	\$ 10,740,829	\$ 14,270,124
\$ 4,859,929	\$ 5,438,567	\$ 3,549,248	\$ 2,452,411	3,281,704
1,449,352	1,356,259	1,184,459	1,263,601	1,557,438
· · · · · -	-	-	1,045,440	1,082,138
319,000	319,000	319,000	319,000	319,000
6,628,281	7,113,826	5,052,707	5,080,452	6,240,280
4,053,756	(7,031,682)	(3,699,265)	5,660,377	8,029,844
· <u> </u>				
				638,274
				(1,528,166)
(645,227)	(781,501)	(900,607)	(1,681,221)	(889,892)
3,408,529	(7,813,183)	(4,599,872)	3,979,156	7,139,952
20,780	23,768	3,849,405	2,538,387	10,024
1,556,480	3,443,520	2,000,000	-	-
-	-	-	-	-
1,421,046	(638,443)	100,147	7,500	(1,725)
-	-	-	-	(2,792,398)
\$ 6,406,835	\$ (4,984,338)	\$ 1,349,680	\$ 6,525,043	\$ 4,355,853
4.05	1.00	1.64	4.46	5.51
4.05	-1.00	1.64	4.46	5.51
1.63	(0.49)	0.80	2.18	2.43
1.03	(0.49)	0.00	2.10	2.43
46	_	17	42	42
562	_	87	442	514
1,171,620	_	75,872	751,009	1,112,769
1,1/1,020	-	13,012	/31,009	1,112,709



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