

A bald eagle with a white head and yellow beak is perched on a tree branch, looking to the left. The background is a dense forest with green foliage and tree trunks.

City of Ketchikan ALASKA

*Annual Comprehensive Financial Report
For the Fiscal Year Ending December 31, 2024*

'Branch Manager – Feathered Edition'
Photograph by Anna Combrink

Reproduction strictly prohibited without permission.

**CITY OF KETCHIKAN, ALASKA
ANNUAL COMPREHENSIVE FINANCIAL REPORT**

For the Year Ended
December 31, 2024

Prepared by:

FINANCE DEPARTMENT

Michelle L. Johansen
Finance Director

Shawn E. Hart, CPA
Controller

City of Ketchikan, Alaska
Comprehensive Annual Financial Report
For The Year Ended December 31, 2024

TABLE OF CONTENTS

Introductory Section

Letter of Transmittal	1
Certificate of Achievement.....	9
Organizational Chart	10
Principal City Officials.....	11

Financial Section

Independent Auditors' Report	13
---	-----------

Management's Discussion and Analysis	17
---	-----------

Basic Financial Statements

Government-wide Financial Statements:

Statement of Net Position.....	34
Statement of Activities	36

Fund Financial Statements:

Governmental Funds:

Balance Sheet.....	40
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	41
Statement of Revenues, Expenditures and Changes in Fund Balances.....	42
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	43

Proprietary Funds:

Statement of Net Position	46
Statement of Revenues, Expenses, and Changes in Net Position	49
Statement of Cash Flows.....	50

Notes to the Basic Financial Statements	53
--	-----------

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – (Budgetary Basis) - General Fund.....	91
Notes to the Required Supplementary Information	94
Schedule of the City's Proportionate Share of the Net Pension Liability	96
Schedule of City Pension Contributions.....	97
Schedule of the City's Proportionate Share of the Net OPEB Liability	98
Schedule of City OPEB Contributions	99

City of Ketchikan, Alaska
Comprehensive Annual Financial Report
For The Year Ended December 31, 2024

Combining, Individual Fund Statements and Schedules:

Governmental Funds

Combining Statements Nonmajor Governmental Funds:

Combining Balance Sheet – by Fund Type	101
Combining Statement of Revenues, Expenditures and Changes in Fund Balances by Fund Type	102

Nonmajor Special Revenue Funds:

Combining Balance Sheet	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	106

Transient Tax Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	108
---	-----

Marijuana Sales Tax Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	109
---	-----

Solid Waste Services Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	110
---	-----

Ketchikan Boat Harbor Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	111
---	-----

Bayview Cemetery Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	112
---	-----

Commercial Passenger Vessel Excise Tax Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	113
---	-----

Fire Department SEMT Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	114
---	-----

Federal and State Grant Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	115
---	-----

Forfeitures and Property Seizures Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	116
---	-----

City of Ketchikan, Alaska
Comprehensive Annual Financial Report
For The Year Ended December 31, 2024

Emergency Relief Fund

Schedule of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual (Budgetary Basis)	117

Nonmajor Debt Service Fund:

Statement of Revenues, Expenditures and Changes in Fund Balances	120
--	-----

General Obligation Bond Fund

Schedule of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual (Budgetary Basis)	121

Nonmajor Capital Projects Funds:

Combining Balance Sheet	124
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	125

Major Capital Improvements Fund

Project Schedule of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual (Budgetary Basis)	126

Harbor Improvements Fund

Project Schedule of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual (Budgetary Basis)	127

Community Facilities Development Fund

Project Schedule of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual (Budgetary Basis)	128

Hospital Construction Fund

Project Schedule of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual (Budgetary Basis)	129

Commercial Passenger Vessel Excise Tax Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual (Budgetary Basis)	130

General Fund

Combining Balance Sheet	132
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	134

Sales Tax Hospital & Other Public Works Fund

Schedule of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual (Budgetary Basis)	137

Sales Tax Public Works Fund & Other Public Works Fund

Schedule of Revenues, Expenditures, and Changes in Fund	
Balance – Budget and Actual (Budgetary Basis).....	138

Economic Development and Parking Fund

Schedule of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual (Budgetary Basis)	139

City of Ketchikan, Alaska
Comprehensive Annual Financial Report
For The Year Ended December 31, 2024

Shoreline Fund

Schedule of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual (Budgetary Basis)	140

Community Grant Fund

Schedule of Revenues, Expenditures and Changes in Fund	
Balance - Budget and Actual (Budgetary Basis)	141

Proprietary Funds

Enterprise Funds

Major Enterprise Funds

Ketchikan Public Utilities Fund

Comparative Statement of Net Position.....	144
Comparative Statement of Revenues, Expenses and Changes in Net Position – by Service.....	146
Comparative Statement of Cash Flow	148
Comparative Schedule of Revenues	150
Comparative Schedule of Operation and Maintenance Expenses.....	152
Comparative Schedule of Administrative and General Expenses.....	155

Port Fund

Comparative Statement of Net Position.....	156
Comparative Statement of Revenues, Expenses and Changes in Net Position.....	159
Comparative Statement of Cash Flow	160

Wastewater Services Fund

Comparative Statement of Net Position.....	162
Comparative Statement of Revenues, Expenses and Changes in Net Position.....	163
Comparative Statement of Cash Flow	164

Internal Service Funds

Combining Statement of Net Position.....	168
Combining Statement of Revenues, Expenses, and Changes in Net Position.....	169
Combining Statement of Cash Flows.....	170

Additional Information

Combined Schedule of Cash Balances – All Funds	171
Combined Schedule of Investments - All Funds	173

Statistical Section
(Unaudited)

Government-wide Information

Net Position by Component.....	178
Changes in Net Position	180

City of Ketchikan, Alaska
Comprehensive Annual Financial Report
For The Year Ended December 31, 2024

Financial Trends	
Fund Balances, Governmental Funds	186
Changes in Fund Balances, Governmental Funds	188
Tax Revenues by Source, Governmental Funds.....	190
Revenue Capacity	
Direct and Overlapping Property Tax Rates.....	193
Assessed Value and Actual Value of Taxable Property	194
Principal Property Taxpayers	196
Property Tax Levies and Collections.....	197
Direct and Overlapping Sales Tax Rates	199
Major Governmental Activities Customer Base and Charges for Services Income	200
Major Business Type Activities Customer Base and Charges for Services Income	202
Gross Sales by Category.....	204
Debt Capacity	
Outstanding Debt by Type.....	208
Ratio of General Bonded Debt Outstanding.....	209
Pledged Revenue Coverage	210
Direct and Overlapping Governmental Activities Debt	212
Demographic and Economic Information	
Demographic and Economic Statistics	214
Principal Employment by NAICS Industry Category	216
Operating Information	
Property Value and Construction	219
Full-time Equivalent City Employees by Function/Program	220
Operating Indicators by Function/Program	222
Capital Assets Statistics by Function/Program.....	224
Insurance Coverages.....	226
Utility Statistical Information.....	227
Energy Demand, Peak Demand and Resources Gross Generation (kWh).....	228
Historical Electric Customers, Energy Sales and Operating Results.....	230
Historical Telephone Access Lines and Operating Results	232
Historical Water Customers and Operating Results	234
Utility Rates and Charges	237
Port Fund Operating Results	231

LETTER OF TRANSMITTAL



THIS PAGE INTENTIONALLY LEFT BLANK



June 30, 2025

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, 2024. 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, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. 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, 2024 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 7,661 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 13,420.

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. Since 2020 the passenger counts have returned to prepandemic levels with the Port receiving 41 ships making 504 stops bringing 1,143,007 visitors in 2024. 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 is in the planning stages for major maintenance and repair of the current infrastructure while also considering options to upgrade its port facilities to accommodate the neopanamax cruise ships that are starting 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 \$28.74 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 13,420 in 2024. Approximately 57 percent of the community's population, or 7,661 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 2024, the Ketchikan Gateway Borough School District reported an enrollment of 2,043 pupils, a decrease of 8 pupils from 2023.

The shift in the local economy from timber to tourism has resulted in a labor force that has become more seasonal. In 2024, the monthly employment varied between 6,216 and 8,761. The average employed labor force in 2024 was 7,350 with employment peaking at 8,761 in July. The average labor force in 2023 was 6,883. The average annual unemployment rate for 2024 was 4.5 percent, a decrease from the 4.7 percent that was reported for 2023. Per capita income in the Ketchikan Gateway Borough for 2021, 2022 and 2023 was \$69,518, \$73,240 and \$76,446, respectively. The information for 2024 is currently not available for Ketchikan but the January 2024 Alaska per capita income is \$75,247.

In 2024, assessed values increased by 6.9% to \$1,065 million from \$996.14 million in 2023. The projected change in assessed values for 2025 is about 4.6%. Gross retail sales decreased from \$701.47 million in 2023 to \$700.05 million in 2024, or 0.2% percent and taxable retail sales decreased by 2.1% to \$373.89 million. The City collected \$18.87 million in sales tax revenues in 2024, or \$1.46 million less than 2023. Sales tax collections for 2024 were projected to be \$19,000,000. The 2024 cruise ship season returned to pre-pandemic passenger counts. The number of passengers recorded in 2024 was 1,143,007 compared to 2019 passenger count of 1.17 million. The implementation of a seasonal sales tax after the first quarter allowed the City to maximize the sales tax receipts for 2023. In 2024, the City fully expected to see a decrease in receipts collected but is keeping an eye on the net

taxable sales to better predict the sales tax revenues. Due to changes in the market and federal laws there could be increases in goods used to manufacture products for sale causing further adjustments in sales in 2025. The cost of goods, fuel and freight 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 monitor possible the local effects of tariffs by continuing to keep operating costs at current levels 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 continues to evaluate future development needs to ensure Ketchikan is a desirable cruise location. In 2025 the City will continue to 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. Since then, the telecommunications utility has discontinued its cable tv services and is focusing on developing its products to maintain and attract new internet 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 437,000 barrels per day. A Spring Revenue Forecast from the State is showing lower than expected revenues. The Governor has reduced the FY2026 as a result of this forecast. Per the Governor's office the current fiscal year's budget continues to make responsible investments in public safety, public education and economic development. While investing in education and economic development creates a stronger foundation for each community the fiscal health of the State plays an important role in the City's finances as well as other local governments around the State. The finances of the State can have an immediate and direct impact on the

finances of the City and area wide borough government. State employment accounts for 7.30% 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 2024, 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 the ability to complete capital improvements.
- 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 Analysis for the need to provide an alternate water supply line from Ketchikan Lakes for the City's main water supply.
- Continue to provide efficient and cost effective services to customers while staying ahead of rate adjustments.
- Continue evaluating assets and making the necessary improvements to provide reliable services.
- 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, 2023. This was the forty-fifth 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	Kourteney Jones
Anita Beaudoin	Stephanie Kolean
Leeanna Combrink	Taylor Martinez
Ging Day	Camille Nelson
Cristina Doyle	Tracey Sader
Joe Graham	Danita Scott
Kevin Heaton	Meghan Traudt

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. 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**

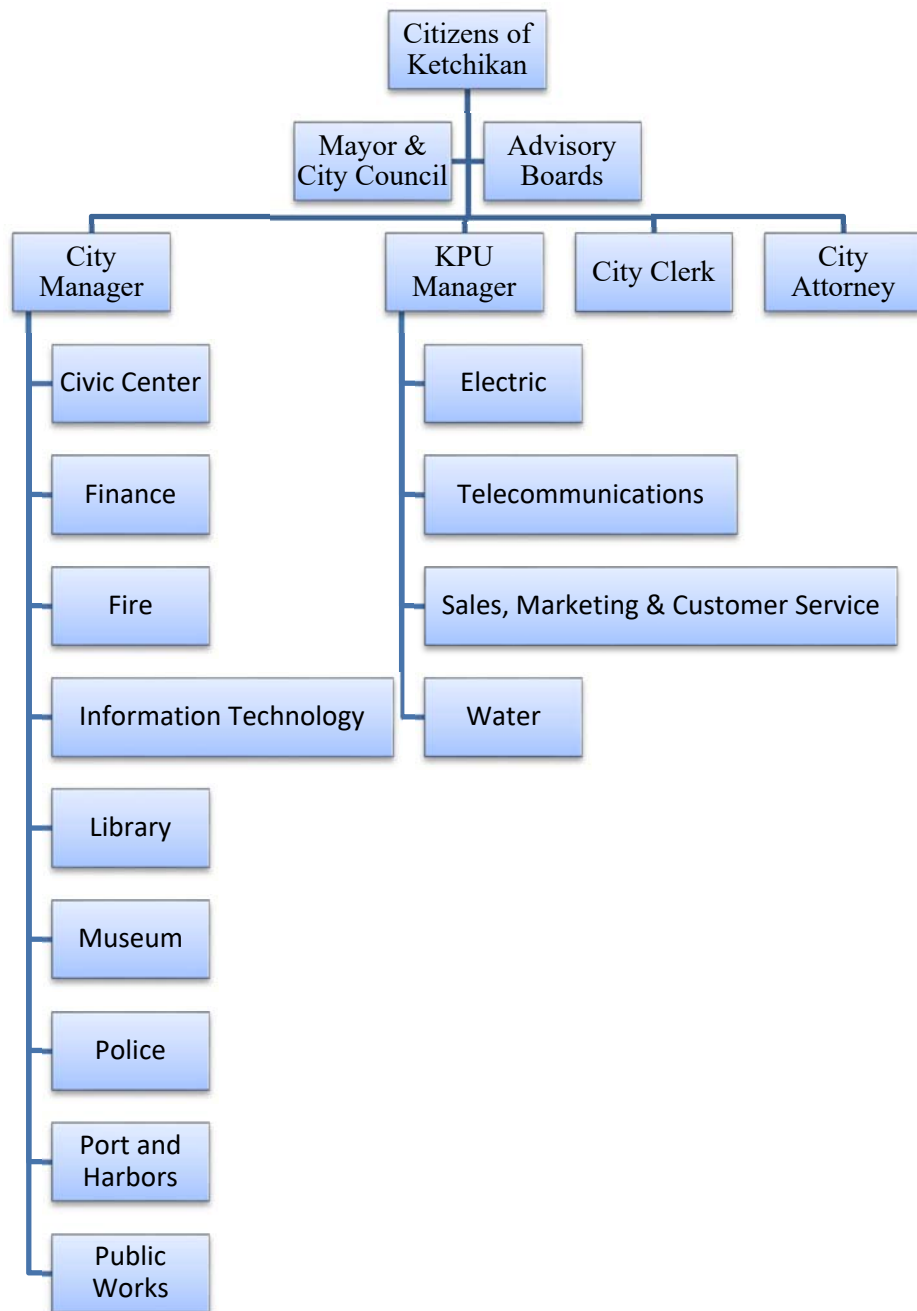
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO

CITY OF KETCHIKAN, ALASKA
ORGANIZATIONAL CHART
DECEMBER 31, 2022



CITY OF KETCHIKAN, ALASKA

PRINCIPAL CITY OFFICIALS

December 31, 2024

MAYOR AND CITY COUNCIL

City Mayor
City Councilmember
City Councilmember
City Councilmember
City Councilmember
City Councilmember
City Councilmember
City Councilmember

Bob Sivertsen
Dick Coose
Mark Flora
Riley Gass
Judy Zenge
Lallette Kistler
Jai Mahtani
Jack Finnegan

City Staff

City Manager/KPU General Manager
City Clerk
City Attorney
Finance Director
Information Technology Director
Police Chief
Fire Chief
Public Works Director/Engineering Mgr.-Interim
Library Director
Museum Director
Civic Center Manager
Port and Harbors Director
Telecommunications Utility manager
Water Utility Manager
Electric Utility Manager
Sales, Marketing & Customer Service Manager

Delilah A. Walsh
Kim L. Stanker
Mitchell A. Seaver
Michelle L. Johansen
Brock D. Hecla
Eric J. Mattson
Richard T. Hines
Seth A. Brakke
Patricia A. Tully
Samantha J Forsko
Alice M. Nelson
Wayne Phillips
Daniel B. Lindgren
John C. Kleinegger
Jeremy Bynum
Kim N. Simpson



THIS PAGE INTENTIONALLY LEFT BLANK

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, 2024, 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, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 30, 2025

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, 2024. 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 \$419.93 million (net position), an increase of \$21.55 million or 5.4% from 2023.
- Total net position is comprised of the following:
 - 1) Net investment in capital assets of \$294.51 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 \$36.81 million restricted by constraints imposed from outside the City such as debt covenants, granting agencies, laws, or regulations.
 - 3) Unrestricted resources of \$88.61 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 \$54.61 million, an increase of \$3.97 million or 7.8% from 2023.
- Unassigned fund balance for the General Fund totaled \$7.27 million or 15.0% of total General Fund expenditures. This was an increase of \$495,432 from 2023. The General Fund reported a current year operating surplus of \$1.54 million. In 2023, an operating surplus of \$2.75 was reported.
- The City's proprietary funds reported total ending net position of \$208.54 million, an increase of \$11.86 million or 6.03% from 2023.
- The City's property tax rate remained unchanged at 6.6 mill while assessed values increased 6.9%. The City has increased its mill rate only twice in the past 30 years. For all other years, the mill rate remained unchanged or was lowered.
- The City's seasonal sales tax rate is in its first full year. The sales tax revenues decreased from \$20.27 in 2023 to \$18.68 in 2024 due to lower sales and a decrease in the offseason rate from 4.0% to 3.0% that was not in effect in for the first quarter of 2023.
- The City's Port Fund increased its net position by \$9.51 million as a result of increased rates and slightly more passengers than 2023.

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

Overview of the Financial Statements

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

Government-wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

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

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

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

Fund Financial Statements

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

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

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

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

Internal service funds are an accounting mechanism used to accumulate and allocate costs internally among the City's various functions. The City uses internal funds to account for its risk management and insurance programs and compensated absences.

Internal service fund assets and liabilities are predominantly governmental and have been included in the governmental activities of the government-wide statements of net position.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the 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, 2024 and 2023 totaled \$419.93 million and \$398.98 million, respectively. The net position of the City, as a whole, increased by \$21.55 million. The following table summarizes the net position of the City's governmental and business-type activities:

	Governmental Activities		Business-type Activities		Total	
	Restated		Restated		Restated	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$ 73,974,403	\$ 69,970,368	\$ 89,194,031	\$ 82,161,483	\$ 163,168,434	\$ 152,131,851
Capital assets	207,709,491	204,080,049	206,666,930	207,667,741	414,376,421	411,747,790
Total assets	281,683,894	274,050,417	295,860,961	289,829,224	577,544,855	563,879,641
Deferred outflows of resources	1,471,971	1,714,447	410,692	474,619	1,882,663	2,189,066
Liabilities						
Current and other liabilities	7,385,624	7,352,857	9,138,486	9,160,920	16,524,110	16,513,777
Long-term liabilities	61,765,251	63,781,094	76,342,435	81,932,396	138,107,686	145,713,490
Total liabilities	69,150,875	71,133,951	85,480,921	91,093,316	154,631,796	162,227,267
Deferred inflows of resources	2,607,685	2,926,705	2,254,788	2,536,047	4,862,473	5,462,752
Net Position						
Net investment in capital assets	164,047,780	158,163,509	130,463,820	125,328,544	294,511,600	283,492,053
Restricted	23,749,935	21,412,483	13,063,364	15,077,436	36,813,299	36,489,919
Unrestricted	23,599,590	22,128,216	65,008,760	56,268,500	88,608,350	78,396,716
Total net position	\$ 211,397,305	\$ 201,704,208	\$ 208,535,944	\$ 196,674,480	\$ 419,933,249	\$ 398,378,688

Total assets and deferred outflows of resources for governmental activities increased by \$7.39 million and total liabilities and deferred inflows of resources decreased by \$2.30 million, resulting in an increase in net position of \$9.69 million for governmental activities. Total assets and deferred outflows of resources for business-type activities increased by \$5.97 million and total liabilities and deferred inflows of resources decreased by \$5.89 million, resulting in an increase of \$11.86 million in

net position for business-type activities. For the City as a whole, net position increased by \$21.55 million from 2023. 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 \$419.93 million. Over the past 21 years, the City's financial position has improved by \$212.77 million, or 102.70%. Over the past 10 years the City's financial position has improved \$83.33 million or 39.16% and \$53.71 million or 25.24% in the last 5 years.

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 70.13% 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 increased by \$11.02 million. The net investment in capital assets for the City's governmental activities increased by \$5.88 million and the net investment in capital assets for business-type activities decreased by \$5.14 million.

Approximately 8.7% 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 \$88.61 million, or 21.10%, of total net position. This is an increase of \$10.2 million from 2023. Unrestricted net position reported for the City's governmental activities increased by \$1.47 million and the unrestricted net position of the City's business-type activities increased by \$8.74 million.

(This page continued on the subsequent page)

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
December 31, 2024

City of Ketchikan, Alaska

Changes in Net Position

The City's net position increased \$21.55 million in 2024. The net position for governmental activities increased \$9.69 million and business-type activities increased \$11.86 million. The following table provides a summary of the changes in the City's net position:

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2024	Restated 2023	2024	Restated 2023	2024	Restated 2023
Revenues:						
Program:						
Charges for services	\$ 10,734,026	\$ 10,278,337	\$ 66,930,773	\$ 63,558,763	\$ 77,664,799	\$ 73,837,100
Operating grants and contributions	4,923,470	2,100,851	176,373	189,874	5,099,843	2,290,725
Capital grants and contributions	2,066,925	772,002	2,775,845	344,703	4,842,770	1,116,705
General:						
Taxes	26,550,328	27,159,087	-	-	26,550,328	27,159,087
Other	3,327,722	2,200,244	4,321,246	3,682,058	7,648,968	5,882,302
Total revenues	47,602,471	42,510,521	74,204,237	67,775,398	121,806,708	110,285,919
	-	-				
Expenses:						
General government	3,242,906	2,424,002	-	-	3,242,906	2,424,002
Public safety	13,369,192	11,730,581	-	-	13,369,192	11,730,581
Culture and tourism	4,453,025	4,324,098	-	-	4,453,025	4,324,098
Health and welfare	1,496,525	1,512,720	-	-	1,496,525	1,512,720
Public works	12,193,532	10,154,632	-	-	12,193,532	10,154,632
Harbor	2,594,794	2,510,331	-	-	2,594,794	2,510,331
Interest	1,744,400	1,722,499	-	-	1,744,400	1,722,499
KPU	-	-	49,079,710	44,895,975	49,079,710	44,895,975
Port	-	-	8,446,493	10,245,167	8,446,493	10,245,167
Wastewater	-	-	3,631,570	3,169,997	3,631,570	3,169,997
Total expenses	39,094,374	34,378,863	61,157,773	58,311,139	100,252,147	92,690,002
Increase in net position before transfers	8,508,097	8,131,658	13,046,464	9,464,259	21,554,561	17,595,917
Loss on disposal of asset		(2,892,813)	-	-	-	-
Transfers in (out)	1,185,000	1,186,725	(1,185,000)	(1,186,725)	-	-
Increase (decrease) in net position	9,693,097	6,425,570	11,861,464	8,277,534	21,554,561	14,703,104
Restatement				(268,053)		(268,053)
Net position, beginning Restated	201,704,208	195,278,638	196,674,480	188,664,999	398,378,688	383,943,637
Net position, December 31	211,397,305	201,704,208	208,535,944	196,674,480	419,933,249	398,646,741

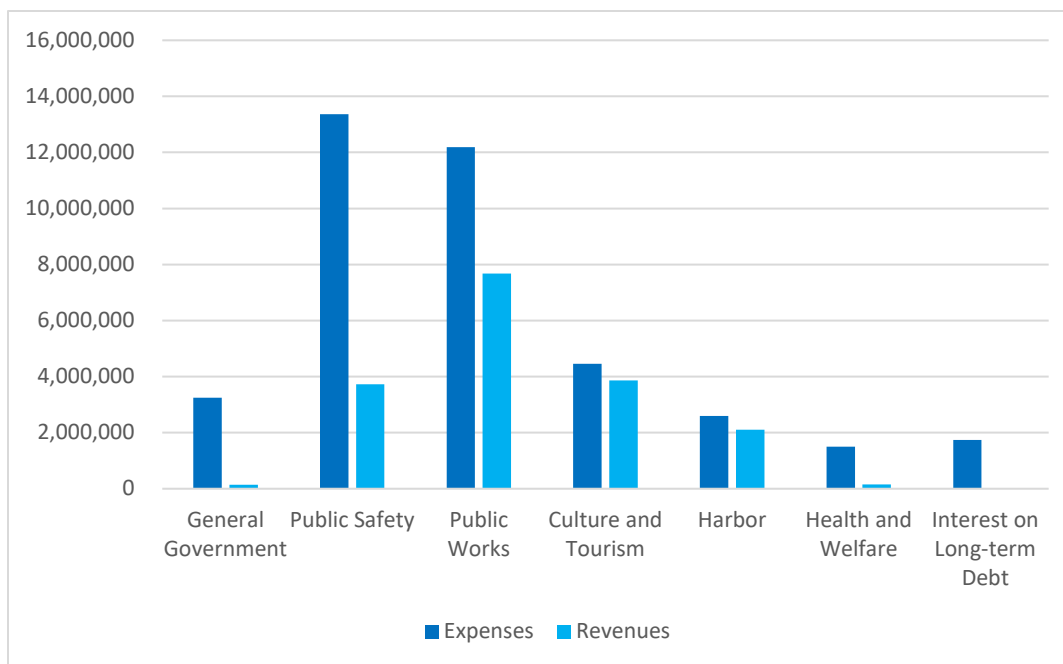
Governmental Activities. The City's net position from governmental activities increased \$9.69 million. In 2023, net position increased by \$6.80 million. The key elements in the change in net position from the prior year are as follows:

- Charges for services increased \$455,689. The Solid Waste Division services increased but this increase was offset by the reduction of the Fire Department's Supplemental Emergency Medical Transport (SEMT) program revenues. The SEMT program reimburses the City for the cost of ambulance services that are not reimbursed by service charges. This program generated revenue of \$1.42 million in 2024, a \$426,863 decrease from 2023. The Solid Waste Division's increase is due to an increase in solid waste collection and disposal rates resulting in additional revenue of \$507,793.
- Taxes decreased by \$608,759 in 2024. The City realizes approximately 33% of its sales tax revenues from the tourism industry and those businesses that support the tourism industry. The reduction is the result of a decrease in taxable sales from 2023 and a reduction of the off-season rate of 4.0% to 3.0% during January through March.
- Operating grants increased by \$2.82 million. The \$1.53 million of the increase was due to the FEMA funding expected after declaring a local emergency related to a landslide that destroyed and damaged several homes, caused loss of life and injury to City personnel, displaced trees and mud and blocked two roads leaving one road through Ketchikan. The remaining \$1.29 million is due to an increase in public safety grants and commercial passenger vessel tax funds
- Capital grants increased by \$1.29 million. The increase is due to a congressionally directed spending grant to rehabilitate the Schoenbar culvert.
- Other revenues increased \$1.1 million as a result of market conditions that favored investing in government securities and additional shared revenues from the State.
- General government expenses increased by \$818,904. This increase is due to the City Manager's Office receiving an operating grant, a 4.0% COLA for all employees, filling vacant positions in finance and reclassifying and filling information technology positions, an increase in software maintenance fees, the purchase of a city-wide timekeeping system and the increase in equipment replacements for the Information Technology Department.
- Public safety expenses increased by \$1.64 million. This increase is due to an increase of one FTE in fire operations division, a 4.0% COLA, operating supplies, software maintenance services, insurance and major capital purchases. The fire department also launched a mobile integrated health service which increased operations \$278,278. The Police Department purchased five vehicles, and initiated work to upgrade its E-911 dispatch system.
- Culture and tourism increased by \$128,927 million. This increase is due a 4.0% COLA, an increase in telecommunications and utility costs, 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 increased by \$2.04 million. The increase in costs compared to 2023 is the result of the increase in transportation costs related to island wide disposal of refuse, the addition of one FTE to the Engineering Department and a 4.0% COLA for all public works employees. The Schoenbar culvert rehabilitation project utilized funding from congressionally directed spending grant and a local government lost revenue grant from the state.

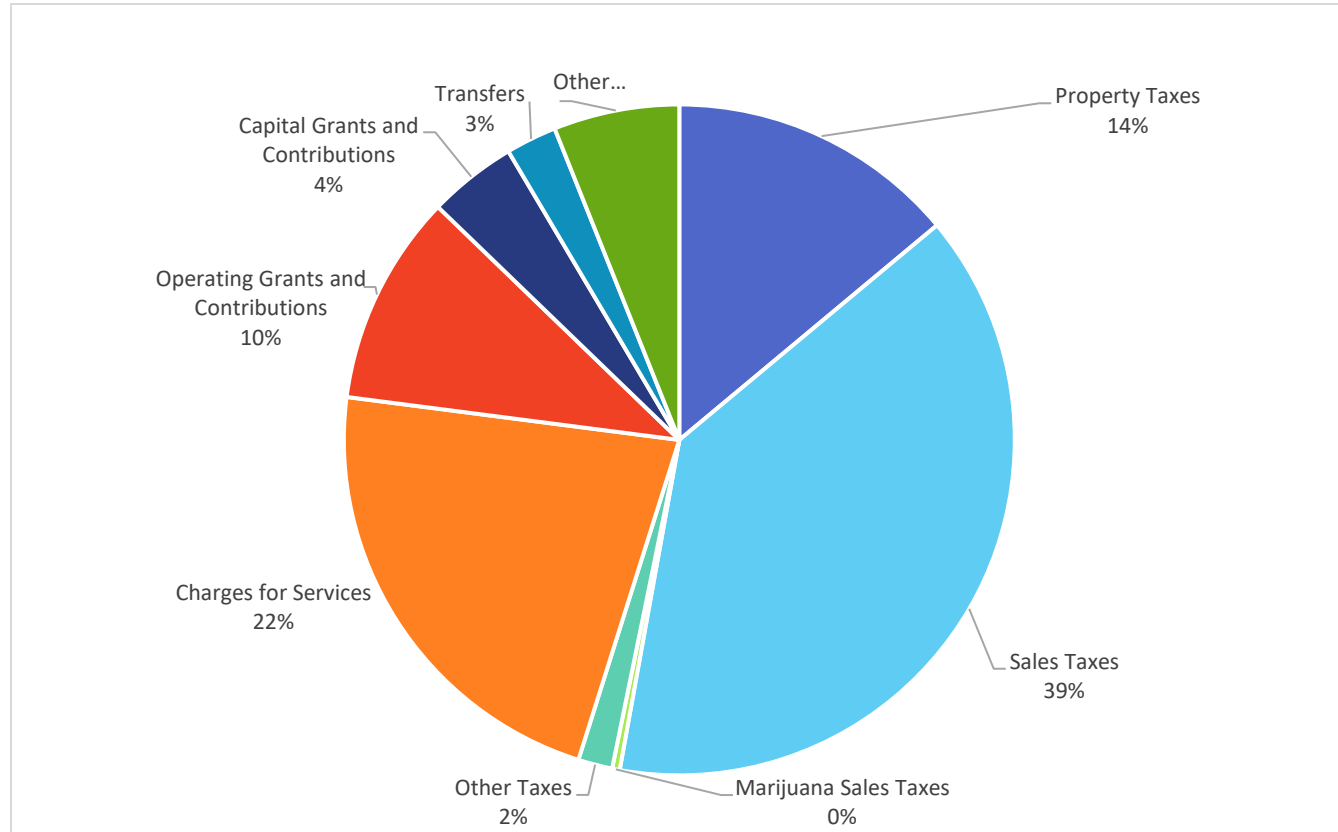
The following graphs compare program revenues with expenses and illustrate the revenues by source for governmental activities.

(This page continued on the subsequent page)

EXPENSES AND PROGRAM REVENUES –GOVERNMENTAL ACTIVITIES



REVENUE BY SOURCE – GOVERNMENTAL ACTIVITIES



Business-type Activities. The City's net position from business-type activities increased by \$11.86 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, \$893,745 is attributable to KPU activities, \$9.51 million is attributable to port activities, and \$1.45 million 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 \$3.37 million. The table below summarizes charges of services by business-type activity.

	2024	Restated 2023
Electric	\$ 21,303,220	\$ 20,151,307
Telecommunications	19,909,224	20,747,159
Water	5,125,112	4,920,604
Port	17,009,221	14,231,451
Wastewater	3,583,996	3,508,242
	<u>\$ 66,930,773</u>	<u>\$ 63,558,763</u>

Electric utility revenues increased by \$1.15 million as a result of a 6.2% rate increase in 2024. The rate increase was necessary to offset the increase in personnel services due to collective bargaining agreements. It is the first year of a three-year agreement.

Overall, telecommunications revenues decreased by \$837,935. A combination of factors were responsible for the decrease, local network revenues experienced a slight increase of \$14,882 while network access services decreased by about \$292,488 as customer counts continue to move to wireless services and subscribing to broadband only. Non-regulated telecommunication revenues arising from internet, television and wireless services decreased by \$577,701. 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. In 2024, the telecom utility made the decision to discontinue broadcast TV services and focus on internet and wireless services. This decision is a result of television consumer migration to video streaming.

Water revenues increased \$204,508 due to the increase of 4.5% rate increase in 2024. The rate increase was necessary to offset the increase in personnel services due to collective bargaining agreements. It is the first year of a three-year agreement.

Port revenues increased by \$2.78 million due to increases in the full rate schedule and a small increase in passengers. The number of passengers increased from 1,112,769 in 2023 to 1,143,007.

Interest proceeds increased \$916,737 in 2024 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 2024 increased from \$58.31 million to \$61.13 million, or \$2.81 million. The table summarizes expenses by business-type activity.

	2024	Restated 2023
Electric	\$22,167,877	\$19,873,279
Telecommunications	21,281,448	19,744,065
Water	5,630,385	5,278,631
Port	8,446,493	10,245,167
Wastewater	3,601,212	3,169,997
	<u>\$61,127,415</u>	<u>\$58,311,139</u>

The total expenses of the electric utility increased \$2.29 million in 2024. Certain personnel costs increased from 2023 due to a 4.0% COLA and an increase in overtime due to vacancies and emergencies. The utility experienced multiple pole fires due to aging infrastructure and damages due to a landslide that destroyed three homes and damaged a few more. The utility also experienced a major failure of one of its generators resulting the need to purchase more power to serve electric customers costing an additional \$1.2 million in purchase power. 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 failing equipment but remain behind in repairs and maintenance due to staffing and funding. Indirect operating costs for administration & general costs have increased almost \$170,000 and depreciation increased a little over \$358,000.

The cost of operating the telecommunications utility increased by \$1.54 million. The division’s personnel costs have increased more than \$700,000 as a result of a 4.0% COLA, overtime and filling vacant positions, professional services increased \$200,000 and rents increased \$220,000 causing an increase in direct operating costs. In addition the indirect administration & general costs increased approximately \$560,000 while the cost of broadcast content fees and software and equipment maintenance services decreased \$300,000.

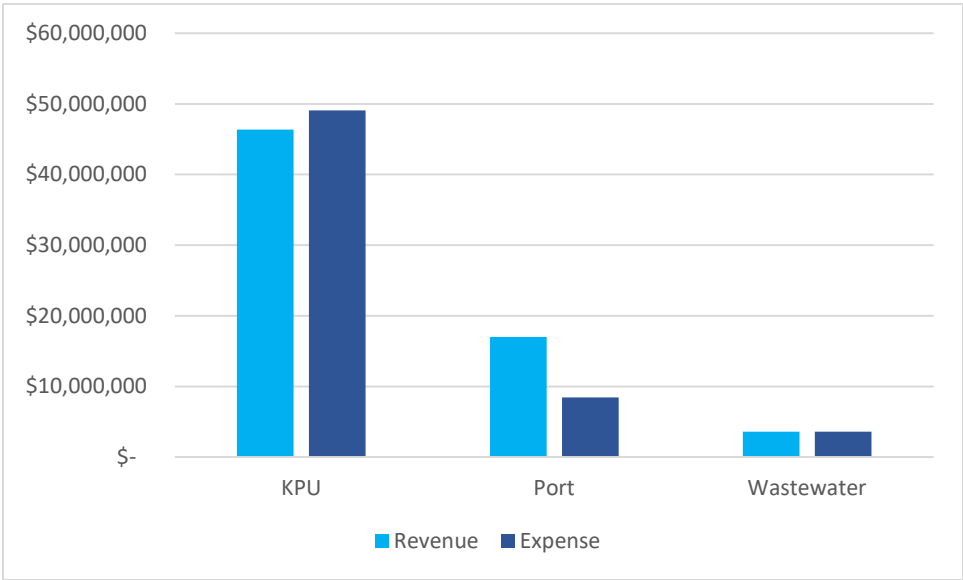
The Water Division operating costs increased \$294,283. Most of this increase was due to a 4.0% COLA increasing personnel costs \$200,000, indirect administration and general costs increased \$24,000 and depreciation \$40,000.

Port operating costs decreased by \$1.8 million. In 2023 the port abandoned design work for Port Improvements in the amount of \$2.7 million creating the swing in lower costs in 2024. The Berth IV lease payment was another big driver in the increase in port operating costs. The lease payments increased almost \$508,000 while all other operating costs, personnel, supplies and services, insurance, and depreciation together increased \$580,000 .

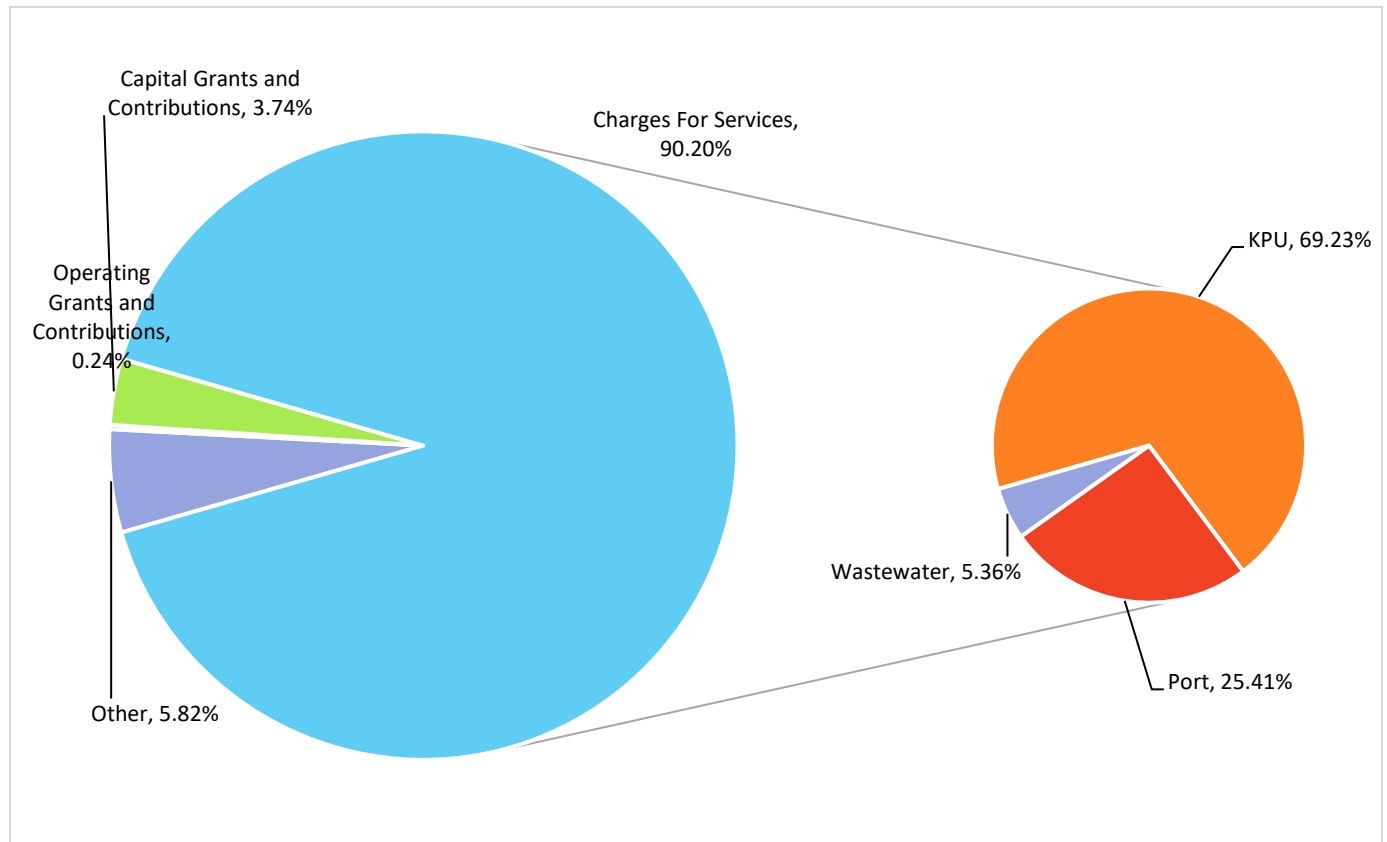
The wastewater services operating cost increased \$423,586. Personnel costs increased \$274,000 due to a 4.0% COLA and overtime related to equipment repairs needed to operate the utility and the cost supplies services increased \$71,000 while all other costs combined increased \$78,000.

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 \$54.61 million, an increase of \$3.97 or 7.84%, from last year. Nonspendable fund balances total \$286,092 and consists entirely of land held for resale. Restricted fund balances total \$7.86 million. Assigned fund balances total \$39.20 million and includes the following:

- \$10.46 million for the subsequent year's budget deficit
- \$6.57 million for streets and sidewalks maintenance and other public works projects
- \$3.74 million for culture and tourism
- \$2.88 million for public buildings improvements
- \$6.74 million for public health
- \$1.50 million for solid waste
- \$0.32 million for abatement of dangerous buildings and parking development
- \$3.56 million for public safety
- \$2.89 million for harbors
- \$0.54 million for general government

The general fund is the primary operating fund of the City through which all receipts of and payments for City operations are processed unless they are required to be accounted for in another fund. By definition, it is a major governmental fund under generally accepted accounting principles. Total general fund revenues for 2024 amounted to \$34.99 million, an increase of \$734,539 million from 2023. Investment earnings increased \$380,000 due to favorable market conditions and interdepartmental charges increased \$510,000 and intergovernmental revenues increased \$530,000 while sales tax revenues decreased from \$1.59 million from 2023, due to lower sales and a decrease in the offseason rate from 4.0% to 3.0% that was not in effect in for the first quarter of 2023. Total general fund expenditures for 2024 amounted to \$32.42 million, an increase of \$4.81 million from 2023. The primary reason for the increase in expenditures of \$1.5 million is due to a 4.0% increase in wages per collective bargaining agreements, percentage-based benefits and filling vacant positions. The capital outlays increased about \$3.31 million.

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 2024 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 2024 Budget for the general fund projected annual revenues of \$24.67 million and was subsequently amended to \$25.02 million. The additional budgeted revenue was largely due grants accepted by the City Council. Actual revenues totaled \$24.63 million, which resulted in a unfavorable budget variance of \$390,297, or 1.5% under the amended budget. The unfavorable budget variance was attributable to unrealized revenue related to interdepartmental charges, lower than expected sales tax revenues and delayed payments related to a private grant. 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 2024 Budget for general fund included appropriations for expenditures totaling \$31.22 million. During the year, the City Council approved amendments to expenditures totaling \$424,293 and authorized transfers totaling \$49,985 from reserves to appropriations for expenditures. The amendments and the transfers increased appropriations for expenditures to \$31.65 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, museum program purchases, and public safety overtime, and training. Actual expenditures totaled \$26.17 million, which resulted in a favorable variance of \$5.48 million. The City budgets highest need and expected cost but spends funds based on 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, 2024, amounts to \$414.38 million. This investment in capital assets includes land, buildings, improvements, utility plants, port facilities, machinery and equipment, and infrastructure. The total increase in the City's investment in capital assets, net of accumulated depreciation, was \$2.63 million or 0.64%. The City's investment in governmental activities, net of accumulated depreciation decreased \$3.63 million and business-type activities capital assets decreased by \$1.0 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2024

City of Ketchikan, Alaska

Capital Assets						
	Governmental Activities		Business Activities		Total	
	2024	2023	2024	2023	2024	2023
Non-depreciable assets:						
Land	\$ 29,019,563	\$ 29,111,163	\$ 4,534,706	\$ 4,534,706	\$ 33,554,269	\$ 33,645,869
Easements	588,168	588,168	-	-	588,168	588,168
Construction in progress	9,803,396	4,287,050	7,220,917	4,554,260	17,024,313	8,841,310
Intangibles and other	120,750	120,750	7,271,045	6,416,412	7,391,795	6,537,162
Total non-depreciable	<u>\$ 39,531,877</u>	<u>\$ 34,107,131</u>	<u>\$ 19,026,668</u>	<u>\$ 15,505,378</u>	<u>\$ 58,558,545</u>	<u>\$ 49,612,509</u>
Depreciable assets:						
Utility plants	\$ -	\$ -	\$ 303,322,530	\$ 304,693,623	\$ 303,322,530	\$ 304,693,623
Port facilities	-	-	73,908,243	73,911,860	73,908,243	73,911,860
Land improvements	1,810,850	1,539,203	-	-	1,810,850	1,539,203
Buildings	142,785,358	142,785,358	-	-	142,785,358	142,785,358
Machinery and equipment	23,313,444	20,388,354	-	-	23,313,444	20,388,354
Infrastructure	97,070,278	96,922,123	-	-	97,070,278	96,922,123
Software	581,531	581,531	-	-	581,531	581,531
Right to use lease assets	65,987	65,987	29,843,419	29,624,031	29,909,406	29,690,018
Right to use subscription assets	308,811	96,538	66,897	57,917	375,708	154,455
Total depreciable assets	265,936,259	262,379,094	407,141,089	408,287,431	673,077,348	670,666,525
Less accum. depreciation	<u>(97,758,645)</u>	<u>(92,406,176)</u>	<u>(219,500,827)</u>	<u>(216,125,068)</u>	<u>(317,259,472)</u>	<u>(308,531,244)</u>
Net depreciable assets	<u>\$168,177,614</u>	<u>\$ 169,972,918</u>	<u>\$ 187,640,262</u>	<u>\$ 192,162,363</u>	<u>\$355,817,876</u>	<u>\$362,135,281</u>
Percentage depreciated	<u>37%</u>	<u>35%</u>	<u>54%</u>	<u>53%</u>	<u>47%</u>	<u>46%</u>
Book value - all assets	<u>\$207,709,491</u>	<u>\$ 204,080,049</u>	<u>\$ 206,666,930</u>	<u>\$ 207,667,741</u>	<u>\$414,376,421</u>	<u>\$411,747,790</u>

Major capital assets under construction during 2024 and included in construction in progress are as follows:

- Fire Department Engine Replacement (E3)-\$1,093,886
- Refurbish Ambulance - \$275,000
- Solid Waste Scale Replacement - \$165,002
- Ted Ferry Civic Center Kitchen Upgrades - \$30,920
- Continued work on the Thomas Basin Promenade - \$39,742
- E-911 Emergency Dispatch Upgrade - \$428,518
- Valley Court Road Paving - \$62,791
- Schoenbar Creek Culvert Repair – \$3,463,082
- Sayles Gorge Bridge Replacement - \$713,068
- Berth I & II Assessment - \$62,654
- Berth IV Fender Replacements - \$190,981
- Berth I Guard Shack - \$39,961
- Promenade Stabilization Improvements - \$101,245
- Design of Berth III Mooring Dolphin and Bollards - \$73,542
- Wastewater Large Pump Station Upgrades - \$97,959
- Tongass Avenue Phase II Force Main Rehabilitation - \$1,698,398
- Ketchikan Lakes Alternative Raw Water Piping - \$115,598
- Water Filtration Project - \$161,472

- Ketchikan Penstock Valve Replacement - \$50,000
- Ketchikan Lakes Relicensing - \$84,415
- Ketchikan Lakes Utilities - \$74,507

Major capital assets placed in service during 2024 are as follows:

- Police Department Vehicle Replacement - \$395,522
- Police Department Truck Purchase - \$37,400
- Police Department Exit Gate Replacement - \$421,693
- Information Technology Network Switches and Related Equipment - \$328,040
- Ted Ferry Civic Center Dance Floor - \$170,947
- Streets Bobcat Replacement - \$85,245
- Streets Work Truck Replacement - \$151,012
- Street Sweeper Replacement - \$516,704
- Fire Department Rescue Equipment - \$151,883
- Fire Department Mobile Integrated Health Van - \$231,385
- Fire Department Work/Plow Truck - \$109,342
- Fire Department Emergency Engine Replacement - \$340,000
- Ambulance Replacement Cots and Loaders - \$117,403
- Fire Department SCBA Fill Station Compressor - \$108,572
- Fire Department – Dispatch and Station Alerting System - \$107,897
- Police Department E-911 Hardware Equipment Upgrade - \$123,025
- Tourism – Welcome Arch Repairs - \$61,583
- Casy Moran Pump Out Station - \$28,744
- Harbor – Replace 30 Electric Pedestal - \$211,415
- Sidewalk Replacement - \$59,497
- South Yorktown Streets Replacement - \$178,263
- Don Finney Road Paving - \$201,186
- Wastewater Treatment Plant Equipment Replacement - \$92,331
- Wastewater Belt Filter Press replacement - \$593,748
- Water Treatment Equipment Replacements - \$642,844
- Silvis Generator Rewind - \$985,500
- Electric Overhead Conductor Replacements - \$1,019,155
- Electric Poles & Towers, Transformers, Services and Meters - \$683,935
- Electric General Plant Replacements and Repairs - \$314,227
- Telecom Vehicle and Equipment Replacements - \$469,588
- Telecom Softswitch Replacement – \$330,539
- Central Office Transmission Improvements - \$741,334
- Network Intrusion Detection System - \$256,004
- Aerial Fiber Cable Improvements - \$673,161
- Internet Enhancements - \$443,655

At December 31, 2024, the depreciable capital assets for governmental activities were 37% depreciated. At December 31, 2023 and 2022, capital assets were 35% and 33% depreciated, respectively. The City's business-type activities capital assets were 54% depreciated at December 31, 2024 compared to 53% and 52% for 2023 and 2022, 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, 2024, the City had \$122.16 million in outstanding bonded debt and other long-term debt, a decrease of \$7.78 million from 2023. Total general obligation bonded debt decreased from \$45.37 million to \$43.35 million, or 4.46%. Total revenue bonded debt increased from \$51.62 million to \$47.36 million, or 8.26%. The following table provides a summary of outstanding long-term debt:

Outstanding Long-term Debt

	Governmental Activities		Business-type Activities		Totals	
	Restated		Restated		Restated	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 42,245,000	\$ 44,160,000	\$ 1,103,643	\$ 1,211,623	\$ 43,348,643	\$ 45,371,623
Revenue bonds	-	-	47,357,322	51,621,946	47,357,322	51,621,946
Leases payable	28,388	40,662	23,849,130	24,974,096	23,877,518	25,014,758
Subscription payable	173,380	52,504	6,031	19,297	179,411	71,801
Long term note	2,862,093	3,441,114	-	-	2,862,093	3,441,114
Landfill closure costs	984,780	981,660	-	-	984,780	981,660
Compensated absences	1,897,632	1,961,409	1,649,959	1,474,966	3,547,591	3,436,375
Total	<u>\$ 48,191,273</u>	<u>\$ 50,637,349</u>	<u>\$ 73,966,085</u>	<u>\$ 79,301,928</u>	<u>\$ 122,157,358</u>	<u>\$ 129,939,277</u>

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, 2024, the City had incurred construction costs of \$436,719 that were eligible for reimbursement under this loan program. The final loan amount will be determined at the time the project is completed.

In August 2024, the City issued a \$3.9 million revenue bond through the Alaska Department of Environmental Conservation **Clean Water Loan Program** for the Tongass Avenue/Water Street Sewer rehabilitation Project. The proceeds from this loan are distributed to the City as it incurs construction costs. As of December 31, 2024, the City had not incurred construction costs 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, 2024, the City had incurred construction costs of \$436,719 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, 2024, the City's total direct general obligation bond debt per capita was \$5,661.

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, all parties are committed to working towards a common goal that focuses on making sure visitors enjoy their time in Ketchikan, namely private enterprise. The City is focusing on enhancement and repair and maintenance of infrastructure while private enterprise continues to adapt to the passenger conditions and experiences.

In 2024, the downtown berthing facilities received 41 ships that made 504 stops and carried 1,143,007 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 2024 with approximately 1.47 million in 2025 with 1.1 million expected at the Ketchikan berths and 374,000 expected at the Ward Cove berths.

The City realized \$18.68 million in sales tax revenues in 2024 compared to \$20.27 million in 2023 and \$15.24 million in 2022. The tourism and seafood industry are the driving forces in the local labor market and provide for employment opportunities in other sectors of the local economy. In 2024, the average employment was 7,350 that peaked at in July at 8,761 employees and the monthly unemployment rate averaged about 4.5%. The City is expecting a similar cruise season in 2024. Currently, 499 stops are planned for Ketchikan in 2025 with approximately the same number of passengers that were scheduled in 2024.

In 2025, the City Council approved a rate increase for the electric (1.5 cents per kWh) and water (5.2% commercial and industrial) utility to fund wages increases and debt service requirements. The Solid Waste Division increased disposal fees approximately 10-16.0% in 2025 to cover the increasing cost of shipping refuse to Washington for processing. The Port Department increased the passenger wharfage fees from \$11.00 per person to \$13.00 per person, all dockage charges will increase \$1.00 per foot and additional dockage fees will increase \$200. Harbor rates increased 2.5-15.5% to keep up with increasing operating costs and capital needs.

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>.



THIS PAGE INTENTIONALLY LEFT BLANK



THIS PAGE INTENTIONALLY LEFT BLANK

City of Ketchikan, Alaska
Statement of Net Position
December 31, 2024

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets:			
Cash and temporary investments (Note 3A)	\$ 46,165,226	\$ 66,049,460	\$ 112,214,686
Restricted cash, cash equivalents and investments	12,065,458	1,019,482	13,084,940
Receivables:			
Accounts	1,138,057	3,101,262	4,239,319
Taxes	2,687,968	-	2,687,968
Intergovernmental	1,648,084	-	1,648,084
Miscellaneous	14,254	-	14,254
Interest	78,110	116,653	194,763
Unbilled	81,899	1,453,596	1,535,495
Inventory	-	3,347,076	3,347,076
Prepaid items	1,212,401	47,666	1,260,067
Total current assets	65,091,457	75,135,195	140,226,652
Noncurrent assets:			
Land for resale	286,092	-	286,092
Restricted investments	-	10,942,254	10,942,254
Restricted - other post-employment benefits	6,244,545	1,834,824	8,079,369
Accrued interest on restricted assets	-	16,006	16,006
Leases receivable	2,352,309	1,265,752	3,618,061
Capital Assets (Note 3E)			
Right to use asset - lease, net	28,389	25,235,433	25,263,822
Right to use asset - subscription, net	198,508	28,277	226,785
Nondepreciable capital assets	39,531,878	19,026,668	58,558,546
Depreciable capital assets, net	167,950,716	162,376,552	330,327,268
Total noncurrent assets	216,592,437	220,725,766	437,318,203
Total Assets	281,683,894	295,860,961	577,544,855
Deferred Outflow of Resources	1,471,971	410,692	1,882,663
Total Assets and Deferred Outflow of Resources	283,155,865	296,271,653	579,427,518

City of Ketchikan, Alaska
Statement of Net Position (Cont'd)
December 31, 2024

	Governmental Activities	Business-type Activities	Total
Liabilities			
Current liabilities			
Accounts payable	785,757	2,834,518	3,620,275
Payroll payable	2,727,935	-	2,727,935
Lease payable	12,998	1,565,335	1,578,333
Subscription payable	65,388	4,501	69,889
Accrued interest payable	200,896	368,378	569,274
Customers deposits payable	7,693	310,729	318,422
Unearned revenue	550,237	62,191	612,428
Claims payable	244,917	-	244,917
Compensated absences payable	189,763	164,987	354,750
Note payable	600,040	-	600,040
General obligation bonds payable	2,000,000	109,606	2,109,606
Revenue bonds payable	-	3,718,241	3,718,241
Total current liabilities	7,385,624	9,138,486	16,524,110
Noncurrent liabilities			
Accrued interest payable	-	42,185	42,185
Lease payable (net of current portion)	15,390	22,283,795	22,299,185
Subscription payable (net of current portion)	107,992	1,530	109,522
Compensated absences payable (net of current portion)	1,707,869	1,484,972	3,192,841
Note payable (net of current portion)	2,262,053	-	2,262,053
Net pension liability	14,511,630	4,263,930	18,775,560
Landfill closure costs	984,780	-	984,780
General obligation bonds payable (net of current portion)	42,175,537	994,037	43,169,574
Revenue bonds payable (net of current portion)	-	47,271,986	47,271,986
Total noncurrent liabilities	61,765,251	76,342,435	138,107,686
Total Liabilities	69,150,875	85,480,921	154,631,796
Deferred Inflow of Resources	2,607,685	2,254,788	4,862,473
Total Liabilities and Deferred Inflows of Resource	71,758,560	87,735,709	159,494,269
Net Position			
Net investment in capital assets (Note 3K)	164,047,780	130,463,820	294,511,600
Restricted for:			
Capital and maintenance outlay	3,392,460	-	3,392,460
Repair and replacement funds	-	6,902,428	6,902,428
Commercial passenger excise tax funds	10,516,179	-	10,516,179
Performance guaranty	-	25,368	25,368
Debt service	-	4,300,744	4,300,744
Solid waste operations and maintenance	2,110,136	-	2,110,136
Harbor operations and maintenance	1,243,816	-	1,243,816
Cemetery operations and maintenance	149,543	-	149,543
Investigation and property seizure funds	93,256	-	93,256
Other post-employment benefits	6,244,545	1,834,824	8,079,369
Unrestricted	23,599,590	65,008,760	88,608,350
Total Net Position	\$ 211,397,305	\$ 208,535,944	\$ 419,933,249

See accompanying notes to the basic financial statements

City of Ketchikan, Alaska
Statement of Activities
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 3,242,906	\$ 77,312	\$ 62,093	\$ -
Public safety	13,369,192	2,872,135	356,910	498,788
Culture and tourism	4,453,025	1,075,011	2,785,472	-
Health and welfare	1,496,525	72,445	149,500	-
Public works	12,193,532	4,867,883	1,554,675	1,250,000
Harbor	2,594,794	1,769,240	14,820	318,137
Interest	1,744,400	-	-	-
Total Governmental Activities	39,094,374	10,734,026	4,923,470	2,066,925
Business-Type Activities:				
Electric, telecommunications and water	49,079,710	46,337,556	165,609	1,525,845
Port	8,446,493	17,009,221	9,455	-
Wastewater	3,631,570	3,583,996	1,309	1,250,000
Total Business-Type Activities	61,157,773	66,930,773	176,373	2,775,845
Total	\$ 100,252,147	\$ 77,664,799	\$ 5,099,843	\$ 4,842,770

General Revenues:

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

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year - as previously reported

Change in accounting principal (GASB 101)

Net Position Beginning of Year as restated

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (3,103,501)	\$ -	\$ (3,103,501)
(9,641,359)	-	(9,641,359)
(592,542)	-	(592,542)
(1,274,580)	-	(1,274,580)
(4,520,974)	-	(4,520,974)
(492,597)	-	(492,597)
(1,744,400)	-	(1,744,400)
(21,369,953)	-	(21,369,953)
-	(1,050,700)	(1,050,700)
-	8,572,183	8,572,183
-	1,203,735	1,203,735
-	8,725,218	8,725,218
(21,369,953)	8,725,218	(12,644,735)
6,748,798	-	6,748,798
18,825,182	-	18,825,182
176,949	-	176,949
799,399	-	799,399
394,257	-	394,257
2,476,405	3,398,867	5,875,272
457,060	922,379	1,379,439
1,185,000	(1,185,000)	-
31,063,050	3,136,246	34,199,296
9,693,097	11,861,464	21,554,561
202,077,107	196,905,525	398,982,632
(372,899)	(231,045)	(603,944)
201,704,208	196,674,480	398,378,688
\$ 211,397,305	\$ 208,535,944	\$ 419,933,249



THIS PAGE INTENTIONALLY LEFT BLANK

GOVERNMENTAL FUNDS

City of Ketchikan, Alaska
Balance Sheet
Governmental Funds
December 31, 2024

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and temporary investments	\$ 27,950,954	\$ 15,293,327	\$ 43,244,281
Restricted cash:			
Bond construction funds	-	1,453,163	1,453,163
Property seizure funds	-	93,243	93,243
Commercial passenger excise tax funds	-	10,499,052	10,499,052
Public works services and projects	20,000	-	20,000
Receivables:			
Accounts	385,085	752,972	1,138,057
Taxes	2,558,668	129,300	2,687,968
Leases	2,352,309	-	2,352,309
Intergovernmental	69,890	1,578,194	1,648,084
Interest	39,768	38,344	78,112
Interfund	1,578,194	-	1,578,194
Unbilled receivables	-	81,899	81,899
Land for resale	286,092	-	286,092
Total Assets	\$ 35,240,960	\$ 29,919,494	\$ 65,160,454
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 403,797	\$ 382,186	\$ 785,983
Payroll payable	2,727,935	-	2,727,935
Customer deposits payable	-	7,693	7,693
Interfund payable	-	1,578,194	1,578,194
Unearned revenue	178,797	371,440	550,237
Total Liabilities	3,310,529	2,339,513	5,650,042
Deferred Inflows of Resources	4,772,157	129,299	4,901,456
Fund Balances			
Nonspendable - Land held for resale	286,092	-	286,092
Restricted for:			
Fire	-	259,602	259,602
Law enforcement	-	93,256	93,256
Commercial passenger excise tax	-	6,020,893	6,020,893
Public works services and projects	20,000	-	20,000
Bond construction funds	-	1,464,663	1,464,663
Assigned:			
Subsequent years budget	4,765,036	5,690,975	10,456,011
Parking development and abatement of dangerous buildings	324,986	-	324,986
Hospital development and expansion	6,737,315	-	6,737,315
General government	513,607	26,937	540,544
Public safety	900,517	2,657,604	3,558,121
Culture and tourism	43,845	3,700,852	3,744,697
Public works	142,502	-	142,502
Collection and disposal of solid waste	-	1,498,447	1,498,447
Cemetery operations	-	147,543	147,543
Harbor operations	-	982,842	982,842
Streets, sidewalks and other public projects	6,156,641	-	6,156,641
Development of community facilities	-	2,877,421	2,877,421
Harbor construction	-	1,907,795	1,907,795
Public works projects	-	121,852	121,852
Unassigned	7,267,733	-	7,267,733
Total Fund Balances	27,158,274	27,450,682	54,608,956
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 35,240,960	\$ 29,919,494	\$ 65,160,454

See accompanying notes to the basic financial statements

City of Ketchikan, Alaska
*Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2024*

Total Governmental Fund Balances		\$ 54,608,956
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. However, in the statement of net position the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.		
Cost of capital assets	\$ 305,093,336	
Less accumulated depreciation	<u>(97,610,742)</u>	207,482,594
Right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds		
Right to use asset - Leases	\$ 65,987	
Right to use asset - Subscription IT	308,811	
Accumulated depreciation - Lease	(110,304)	
Accumulated depreciation - Subscription IT	<u>(37,599)</u>	226,895
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Taxes		2,452,901
Services		178,209
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	\$ 1,578,194	
Interfund payables	<u>(1,578,194)</u>	-
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.		2,005,277
Accrued interest is not reported at the fund financial reporting level		(200,896)
Deferred inflows and outflows not reported at the fund financial reporting level		
Deferred Outflow	\$ 1,471,971	
Deferred Inflow	<u>(337,339)</u>	1,134,632
Liabilities that are not due in the current period and therefore are not reported in the funds:		
General obligation bonds	\$ (42,245,000)	
Premiums for GO bonds	(1,930,537)	
Note payable	(2,862,093)	
Lease payable	(28,388)	
Subscription IT Payable	(173,380)	
Net pension liability	(14,511,630)	
Net other post-employment benefits	6,244,545	
Landfill closure costs	<u>(984,780)</u>	(56,491,263)
Net Position Of Governmental Activities		<u><u>\$ 211,397,305</u></u>

See accompanying notes to the basic financial statements

City of Ketchikan, Alaska
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 25,413,697	\$ 965,257	\$ 26,378,954
Licenses and permits	286,491	-	286,491
Intergovernmental	898,192	6,297,427	7,195,619
Charges for services	2,524,803	7,670,852	10,195,655
Fines and forfeitures	56,686	93,515	150,201
Investment earnings	1,271,066	1,133,833	2,404,899
Contributions	-	150,443	150,443
Interdepartmental charges	4,186,442	-	4,186,442
Miscellaneous	361,156	10,083	371,239
Total Revenues	34,998,533	16,321,410	51,319,943
Expenditures			
Current:			
General government	6,566,827	200,900	6,767,727
Public safety	12,881,091	567,466	13,448,557
Culture and tourism	3,409,319	421,153	3,830,472
Health and welfare	22,225	-	22,225
Public works	9,551,496	5,539,897	15,091,393
Harbor	-	1,319,090	1,319,090
Debt Service:			
Principal retirement	-	2,494,021	2,494,021
Interest and fiscal charges	-	1,904,510	1,904,510
Capital Outlay	-	3,721,927	3,721,927
Total Expenditures	32,430,958	16,168,964	48,599,922
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,567,575	152,446	2,720,021
Other Financing Sources (Uses)			
Sale of capital assets	227,000	-	227,000
Transfers in	2,266,704	5,122,910	7,389,614
Transfers out	(4,098,881)	(2,105,733)	(6,204,614)
Other financing sources - subscription IT	212,273	-	212,273
Total Other Financing Sources (Uses)	(1,392,904)	3,017,177	1,624,273
Net Change in Fund Balances	1,174,671	3,169,623	4,344,294
Net Position Beginning of Year as previously reported	26,322,525	24,315,036	50,637,561
Change in accounting principal (GASB 101)	(338,922)	(33,977)	(372,899)
Net Positon Beginning of Year as restated	25,983,603	24,281,059	50,264,662
Fund Balances End Of Year	\$ 27,158,274	\$ 27,450,682	\$ 54,608,956

See accompanying notes to the basic financial statements

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, 2024

Net Changes In Fund Balances - Total Governmental Funds	\$	4,344,294
--	----	-----------

**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	\$ (5,808,499)	
Capital outlay	9,879,895	4,071,396

Right to use asset capital outlay expenditures-Lease	\$ -	
Right to use asset capital outlay expenditures-Subscription IT	\$ 212,273	
Depreciation expense - right to use - Lease	\$ (12,274)	
Depreciation expense - right to use - Subscription	(70,871)	129,128

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		(571,083)
---	--	-----------

Revenues of Internal Service Fund are included in the governmental statement of activities		71,506
--	--	--------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Taxes		171,374
Charges for Services		(910)

Elimination of transfers between governmental funds:

Transfers in	\$ (6,204,614)	
Transfers out	6,204,614	-

Interest expense reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(13,411)
--	--	----------

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	\$ 1,915,000	
Amortization of premiums and deferred charges	171,830	
Note payable	579,021	
Lease payable issued	-	
Subscription IT payable issued	(212,273)	
Principal payments on lease payable	12,274	
Principal payments on Subscription IT Payable	91,397	
Net pension obligation	(891,831)	
Net other post-employment benefits obligation	(171,495)	
Landfill closure costs	(3,120)	1,490,803

Change In Net Position of Governmental Activities	\$	9,693,097
--	-----------	------------------

See accompanying notes to the basic financial statements



THIS PAGE INTENTIONALLY LEFT BLANK

PROPRIETARY FUNDS

City of Ketchikan, Alaska
Statement of Net Position
Proprietary Funds
December 31, 2024

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Ketchikan Public Utilities	Ketchikan Port	Wastewater Service	Total	
Assets					
Current Assets:					
Cash and temporary investments	\$ 33,179,813	\$ 27,278,387	\$ 5,591,260	\$ 66,049,460	\$ 2,920,945
Cash and temporary investments accrued interest	-	45,405	-	45,405	-
Restricted cash, cash equivalents and investments	805,960	186,084	27,438	1,019,482	-
Receivables:					
Accounts	2,862,366	24,630	214,266	3,101,262	-
Interest	61,525	-	9,723	71,248	-
Miscellaneous	-	-	-	-	14,254
Inventory	3,347,076	-	-	3,347,076	-
Prepaid items	47,666	-	-	47,666	1,212,401
Unbilled revenue	1,277,776	-	175,820	1,453,596	-
Total Current Assets	41,582,182	27,534,506	6,018,507	75,135,195	4,147,600
Noncurrent Assets:					
Restricted Assets:					
Investments	1,799,826	9,142,428	-	10,942,254	-
Accrued interest on restricted assets	-	16,006	-	16,006	-
Other post-employment benefits	1,518,113	248,037	68,674	1,834,824	-
Lease receivable	1,265,752	-	-	1,265,752	-
Capital Assets:					
Nondepreciable capital assets	7,266,265	8,924,931	2,835,472	19,026,668	-
Depreciable capital assets, net	107,603,928	63,668,971	16,367,363	187,640,262	-
Total Noncurrent Assets	119,453,884	82,000,373	19,271,509	220,725,766	-
Total Assets	161,036,066	109,534,879	25,290,016	295,860,961	4,147,600
Deferred Outflow of Resources	352,580	48,834	9,278	410,692	-
Total Assets and Deferred Outflow of Resources	161,388,646	109,583,713	25,299,294	296,271,653	4,147,600

City of Ketchikan, Alaska
Statement of Net Position (Cont'd)
Proprietary Funds
December 31, 2024

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Ketchikan Public Utilities	Ketchikan Port	Wastewater Service	Total	
Liabilities					
Current Liabilities:					
Accounts payable	2,485,281	70,173	279,064	2,834,518	(226)
Lease payable	405,892	1,159,443	-	1,565,335	-
Subscription payable	4,501	-	-	4,501	-
Accrued interest	231,334	133,246	3,798	368,378	-
Customer deposits	310,729	-	-	310,729	-
Compensated absences payable	151,918	3,588	9,481	164,987	189,763
Unearned revenue	62,191	-	-	62,191	-
General obligation bonds payable	-	-	109,606	109,606	-
Revenue bonds payable	2,179,453	1,507,584	31,204	3,718,241	-
Claims payable	-	-	-	-	244,917
Total Current Liabilities	5,831,299	2,874,034	433,153	9,138,486	434,454
Long-Term Liabilities:					
Accrued interest	21,127	-	21,058	42,185	-
Lease payable	4,749,071	17,534,724	-	22,283,795	-
Subscription payable	1,530	-	-	1,530	-
Compensated absences payable (net of current portion)	1,367,264	32,379	85,329	1,484,972	1,707,869
Net pension liability	3,527,928	576,410	159,592	4,263,930	-
Revenue bonds payable (net of current portion)	27,203,362	19,263,960	804,664	47,271,986	-
General obligation bonds payable (net of current portion)	-	-	994,037	994,037	-
Total Long-Term Liabilities	36,870,282	37,407,473	2,064,680	76,342,435	1,707,869
Total Liabilities	42,701,581	40,281,507	2,497,833	85,480,921	2,142,323
Deferred Inflow of Resources	1,939,478	313,140	2,170	2,254,788	-
Total Liabilities and Deferred Inflow of Resources	44,641,059	40,594,647	2,500,003	87,735,709	2,142,323
Net Position					
Net investment in capital assets	80,164,483	33,036,013	17,263,324	130,463,820	-
Restricted for bond retirement	1,989,317	2,308,845	2,582	4,300,744	-
Restricted for repair and replacement	-	6,902,428	-	6,902,428	-
Restricted commercial passenger excise tax funds	-	-	-	-	-
Restricted performance guaranty	25,368	-	-	25,368	-
Restricted for other post-employment benefits	1,518,113	248,037	68,674	1,834,824	-
Unrestricted	33,050,306	26,493,743	5,464,711	65,008,760	2,005,277
Total Net Position	\$ 116,747,587	\$ 68,989,066	\$ 22,799,291	\$ 208,535,944	\$ 2,005,277

See accompanying notes to the basic financial statements



THIS PAGE INTENTIONALLY LEFT BLANK

City of Ketchikan, Alaska
Statement of Revenues, Expenses
and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Ketchikan Public Utilities	Ketchikan Port	Wastewater Service	Total	
Operating Revenues					
Charges for services	\$ 46,440,456	\$ 17,009,221	\$ 3,583,996	\$ 67,033,673	\$ 2,438,477
Miscellaneous	840,443	62,517	19,419	922,379	-
Total Operating Revenues	<u>47,280,899</u>	<u>17,071,738</u>	<u>3,603,415</u>	<u>67,956,052</u>	<u>2,438,477</u>
Operating Expenses					
Operation and maintenance	32,486,260	4,039,513	2,997,893	39,523,666	-
Administration and general	8,317,501	-	-	8,317,501	-
Depreciation	7,826,911	2,975,494	603,319	11,405,724	-
Compensated absences	-	-	-	-	63,776
Insurance	-	-	-	-	2,244,804
Claims	-	-	-	-	121,634
Total Operating Expenses	<u>48,630,672</u>	<u>7,015,007</u>	<u>3,601,212</u>	<u>59,246,891</u>	<u>2,430,214</u>
Operating Income	<u>(1,349,773)</u>	<u>10,056,731</u>	<u>2,203</u>	<u>8,709,161</u>	<u>8,263</u>
Non Operating Revenues (Expenses)					
Operating grants	165,609	9,455	1,309	176,373	-
Interest and fiscal charges	(551,938)	(1,431,486)	(30,358)	(2,013,782)	-
Gain or (loss) on disposal of capital assets	-	-	-	-	-
Investment earnings	1,890,002	1,197,193	311,672	3,398,867	63,243
Total Non Operating Revenues (Expenses)	<u>1,503,673</u>	<u>(224,838)</u>	<u>282,623</u>	<u>1,561,458</u>	<u>63,243</u>
Income Before Capital Contributions, Grants and Transfers	<u>153,900</u>	<u>9,831,893</u>	<u>284,826</u>	<u>10,270,619</u>	<u>71,506</u>
Capital Contributions, Grants and Transfers					
Capital contributions and grants	1,525,845	-	1,250,000	2,775,845	-
Transfers					
Payments in lieu of taxes to the general fund	(786,000)	(319,000)	(80,000)	(1,185,000)	-
Total Capital Contributions, Grants and Transfers	<u>739,845</u>	<u>(319,000)</u>	<u>1,170,000</u>	<u>1,590,845</u>	<u>-</u>
Change in Net Position	<u>893,745</u>	<u>9,512,893</u>	<u>1,454,826</u>	<u>11,861,464</u>	<u>71,506</u>
Net Position Beginning of Year as previously reported	<u>116,068,932</u>	<u>59,482,475</u>	<u>21,354,118</u>	<u>196,905,525</u>	<u>1,933,771</u>
Change in accounting principal (GASB 101)	(215,090)	(6,302)	(9,653)	(231,045)	-
Net Positon Beginning of Year as restated	<u>115,853,842</u>	<u>59,476,173</u>	<u>21,344,465</u>	<u>196,674,480</u>	<u>1,933,771</u>
Fund Balances End Of Year	<u>\$ 116,747,587</u>	<u>\$ 68,989,066</u>	<u>\$ 22,799,291</u>	<u>\$ 208,535,944</u>	<u>\$ 2,005,277</u>

See accompanying notes to the basic financial statements

City of Ketchikan, Alaska
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Ketchikan Public Utilities	Ketchikan Port	Wastewater Service	Total	
Cash Flows from Operating Activities					
Cash received from customers and users	\$ 47,166,158	\$ 17,158,234	\$ 3,586,448	\$ 67,910,840	\$ 2,429,004
Cash payments to employees for services	(18,440,685)	(1,421,074)	(1,228,242)	(21,090,001)	-
Cash payments to suppliers for goods and services	(22,576,542)	(2,625,239)	(1,639,467)	(26,841,248)	-
Cash payments for insurance and claims	-	-	-	-	(2,476,513)
Cash payments for compensated absences	-	-	-	-	403,789
Net Cash Provided by Operating Activities	6,148,931	13,111,921	718,739	19,979,591	356,280
Cash Flows from Noncapital Financing Activities					
Operating grant from other governments	165,609	9,455	1,309	176,373	-
Transfers out	-	-	-	-	-
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	(620,391)	(309,545)	(78,691)	(1,008,627)	-
Cash Flows from Capital and Related Financing Activities					
Advances	-	-	-	-	-
Capital grant received from other governments	377,645	-	1,250,000	1,627,645	-
Capital debt proceeds	37,887	-	-	37,887	-
Gain (loss) on disposition of capital assets	-	-	-	-	-
Principal paid on leases	(4,842)	(1,120,124)	-	(1,124,966)	-
Principal paid on subscription	(8,442)	-	(4,824)	(13,266)	-
Principal paid on general obligation bonds	-	-	(54,245)	(54,245)	-
Interest paid on general obligation bonds	-	-	(17,280)	(17,280)	-
Principal paid on revenue bonds	(1,916,455)	(1,245,000)	(30,973)	(3,192,428)	-
Interest paid on revenue bonds	(672,971)	(1,670,126)	(7,000)	(2,350,097)	-
Payments for capital acquisitions and construction	(7,387,364)	(402,015)	(2,462,690)	(10,252,069)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(9,574,542)	(4,437,265)	(1,327,012)	(15,338,819)	-
Cash Flows from Investing Activities					
Investment earnings	1,917,211	1,193,546	316,140	3,426,897	62,867
Purchase of bond reserve fund investments	-	(449,337)	-	(449,337)	-
Net Cash Provided (Used) by Investing Activities	1,917,211	744,209	316,140	2,977,560	62,867
Net Increase (Decrease) in Cash and Cash Equivalents	(2,128,791)	9,109,320	(370,824)	6,609,705	419,147
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)	36,114,564	18,355,151	5,989,522	60,459,237	2,501,798
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)	\$ 33,985,773	\$ 27,464,471	\$ 5,618,698	\$ 67,068,942	\$ 2,920,945

(continued)

City of Ketchikan, Alaska
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

(continued)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Ketchikan Public Utilities	Ketchikan Port	Wastewater Service	Total	
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating Income	\$ (1,349,773)	\$ 10,056,731	\$ 2,203	\$ 8,709,161	\$ 8,263
Adjustments:					
Depreciation	7,826,911	2,975,494	603,319	11,405,724	-
Other	26,411	-	-	26,411	-
(Increase) Decrease in Assets and Deferred Outflows:					
Accounts receivable	(12,965)	86,495	(8,197)	65,333	(9,473)
Leases receivable	110,748	-	-	110,748	-
Accrued interest - leases	241	-	-	241	-
Unbilled revenue	(128,673)	-	(8,769)	(137,442)	-
Prepaid expenses	(29,865)	-	-	(29,865)	(48,338)
Inventory	(105,201)	-	-	(105,201)	-
Customer deposits	(31,461)	-	-	(31,461)	-
Other postemployment benefits	57,952	9,468	(994)	66,426	-
Deferred outflows	51,148	13,773	2,621	67,542	-
Increase (Decrease) in Liabilities and Deferred Inflows:					
Accounts payable	(378,011)	(67,576)	104,325	(341,262)	(61,737)
Accrued expenses	(13,355)	-	-	(13,355)	-
Compensated absences payable	143,390	13,914	17,691	174,995	467,565
Unearned revenue	26,654	-	-	26,654	-
Pension liability	176,752	28,879	7,995	213,626	-
Deferred inflow of resources for leases	(110,748)	-	-	(110,748)	-
Deferred inflows	(111,224)	(5,257)	(1,455)	(117,936)	-
Net Cash Provided by Operating Activities	<u>\$ 6,148,931</u>	<u>\$ 13,111,921</u>	<u>\$ 718,739</u>	<u>\$ 19,979,591</u>	<u>\$ 356,280</u>
Noncash investing, capital and financing activities					
Fair value of non-cash investments	143,019	\$ 105,972	22,693		
Revenue bond arbitrage	\$ 5,421	-	-		

See accompanying notes to the basic financial statements



THIS PAGE INTENTIONALLY LEFT BLANK

Index

Summary of Significant Accounting Policies	1
Reporting Entity	1-A
Government-Wide and Fund Financial Statements	1-B
Measurement Focus, Basis of Accounting and Statement Presentation	1-C
Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Fund Balances	1-D
Cash, Cash Equivalents and Investments.....	1-D-1
Receivables.....	1-D-2
Interfund Balances	1-D-3
Consumable Inventories.....	1-D-4
Prepaid Items.....	1-D-5
Restricted Assets	1-D-6
Capital Assets.....	1-D-7
Compensated Absences.....	1-D-8
Accrued Liabilities and Long-term Obligations.....	1-D-9
Bond Premiums and Discounts and Refunding Gains and Losses	1-D-10
Fund Equity.....	1-D-11
Operating Revenues and Expenses.....	1-D-12
Contributions of Capital.....	1-D-13
Interfund Activity.....	1-D-14
Estimates	1-D-15
Deferred Outflows/Inflows of Resources.....	1-D-16
Lease	1-D-17
Subscription-Based Information Technology Arrangements (SBITAs)	1-D-18
Changes in Accounting Principles and Estimates	2
Implementation of GASB 101-Compensated Absences	2-A
Stewardship, Compliance and Accountability	3
Budgetary Information	3-A
Detailed Notes on All Funds.....	4
Deposits and Investments.....	4-A
Receivables	4-B
Property Taxes	4-C
Capital Assets.....	4-D
Commitments	4-E
Interfund Balances and Transfers.....	4-F
Landfill Closure and Post-closure Care.....	4-G
Long-Term Debt.....	4-H
Pension and Other Postemployment Benefit Plans	4-I
Net Investment in Capital Assets.....	4-J
Deferred Outflows and Inflows of Resources.....	4-K
Other Notes	5
Risk Management.....	5-A
Contingent Liabilities	5-B
Swan Lake Hydroelectric Facility and Related Party Transactions	5-C
Tax Abatements	5-D
Landslide Disaster and FEMA Reimbursement Activities.....	5-E
Subsequent Events	5-F

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2024 the balance on hand in the KPU Revenue Bond Redemption Fund amounted to \$316,734 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 \$463,858 in bond construction funds and \$25,368 for a performance guaranty per State requirements at December 31, 2024. The Port Revenue Bond Redemption Fund amounted to \$186,084. The Port Revenue Bond Reserve Fund contained \$2,240,000, as required by applicable bond ordinances. The Wastewater Service Fund contained \$27,438 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, 2024 was \$38,285 in the Harbor Construction Fund and \$1,414,878 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, 2024 the amount required to satisfy the bond covenants and lease agreement was \$4,820,746 and \$2,081,682 respectively, for a total of \$6,902,428.

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 \$182,763 in the Commercial Passenger Vessel Excise Tax Capital Projects Fund, \$10,329,127 in the Commercial Passenger Vessel Excise Tax Special Revenue Fund.

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 \$93,243.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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. Right to use lease assets and subscription based information technology arrangements are amortized over the shorter of the lease term or the useful life of the underlying asset:

Asset Class	Estimated Lives	
	Governmental Activities	Business-Type 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 and Sick 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. The liability for compensated absences is calculated under the provision of GASB Statement No. 101, *Compensated Absences*.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 Balance

Fund balance at the governmental fund financial reporting level is classified as “fund balance.” Fund net position 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 its estimated incremental borrowing 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 its incremental borrowing 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 its incremental borrowing 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

2-A Implementation of GASB 101 Compensated Absences

In 2024 the City implemented GASB Statement No. 101 – Compensated Absences. In June 2022, the GASB issued Statement No. 101 – Compensated Absences. The objective of this statement is to improve the accounting and financial reporting of compensated absences, such as vacation and sick leave, by state and local governments. It replaces outdated guidance with a single, consistent model that recognizes leave when it is earned, regardless of when it is taken or paid. This approach simplifies reporting, reduces inconsistencies, and provides clearer, more useful information about governments' obligations to financial statement users.

As a result of the implementation, the City recognized additional Compensated Absence liability and recorded prior period adjustments. The implementation of this standard resulted in a restatement of beginning net position as follows:

Note 2 – Implementation of GASB 101 Compensated Absences (Continued)

Reporting Units Affected by Adjustments and Restatement of Beginning Balances

	Government-Wide	
	Governmental Activities	Business-Type Activities
12/31/2023, as previously reported	\$ 202,077,107	\$ 196,905,525
Change in accounting principle (GASB 101)	(372,899)	(231,045)
12/31/2023, as restated	\$ 201,704,208	\$ 196,674,480

	Funds		
	General	Solid Waste	Ketchikan Boat Harbor
12/31/2023, as previously reported	\$ 10,337,335	\$ 1,970,802	\$ 1,075,320
Change in accounting principle (GASB 101)	(338,922)	(14,914)	(19,063)
12/31/2023, as restated	\$ 9,998,413	\$ 1,955,888	\$ 1,056,257

	Funds (Cont.)		
	KPU	Port	Wastewater
12/31/2023, as previously reported	\$ 116,068,932	\$ 59,482,475	\$ 21,354,118
Change in accounting principle (GASB 101)	(215,090)	(6,302)	(9,653)
12/31/2023, as restated	\$ 115,853,842	\$ 59,476,173	\$ 21,344,465

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 21, 2023, the 2024 General Government Operating and Capital Budget and the 2024 Ketchikan Public Utilities Operating and Capital Budget were adopted by the City Council with the passage of Resolution 23-2901 and Resolution 23-2902, respectively. During the year, the 2024 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 grant for the Museum Department in the amount of \$19,995
- Acceptance of a grant for the Museum Department in the amount of \$2,800
- Approval of increase for Fire Department temporary wages in the amount of \$48,000
- Acceptance of a grant for the Museum Department in the amount of \$2,345
- Acceptance of a grant for the Information technology Department in the amount of \$35,000
- Acceptance of a grant for the Museum Department in the amount of \$9,250
- Acceptance of a contribution for the Solid Waste Department in the amount of \$945.00
- Acceptance of grant for the Museum Department in the amount of \$92,200
- Approval of increase expense for the Finance Department and increase in interdepartmental revenue in the amount of \$69,000
- Acceptance of private donation for the Museum Department in the amount of \$8,758
- Acceptance of a private contribution for the Rural Housing Coordinator in the amount of \$136,000
- Acceptance of additional funding from the Salmon Disaster Relief program in the amount of \$155,288

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, 2024 were:

Cash on hand	\$ 9,620
Deposits with financial institutions	136,232,260
Total	<u>\$ 136,241,880</u>

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

	Governmental Activities	Business-type Activities	Total
Unrestricted	\$ 46,165,226	\$ 66,049,460	\$ 112,214,686
Restricted	12,065,458	11,961,736	24,027,194
Total	<u>\$ 58,230,684</u>	<u>\$ 78,011,196</u>	<u>\$ 136,241,880</u>

The restricted cash and investments are comprised entirely of \$2,116,561, \$27,437 and \$2,426,084 for bond reserve accounts established for the City's municipal utility, wastewater services and port revenue bonds, respectively, \$1,917,021 for bond construction accounts, \$6,902,428 for the Port repair and replacement accounts, 10,499,052 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 \$93,243 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, 2024, the book value of all the City deposits was \$136,232,260 and the bank value was \$136,688,080. The bank balance was under collateralized by \$3,885,222 or 2.842% of total bank deposits as of December 31, 2024 due to timing differences in the transition to money market funds.

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, 2024, the weighted average maturity of the City's investment portfolio was 1.73 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, 2024, the City had an investment totaling \$37,522,356

Concentration of credit risk. The City's total investment as of December 31, 2024 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, 2024, the City's investment was held by either a counterparty or a counterparty's trust department or agent.

Investment Type	Fair Value	Investment Maturity (in years)				Average Maturity (Years)
		Non Maturity Rated	Less Than 1	1 - 5	6 - 10	
US Agency Note	\$ 28,908,191	\$ -	\$ 4,981,453	\$ 23,926,738	\$ -	1.28
Certificate of Deposit	\$ 8,614,166	\$ -	\$ 8,614,166	\$ -	\$ -	0.44
	<u>\$ 37,522,357</u>	<u>\$ -</u>	<u>\$ 13,595,619</u>	<u>\$ 23,926,738</u>	<u>\$ -</u>	

Portfolio weighted average maturity

1.07

Note 4 - Detailed Notes on All Funds (Continued)

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, 2024 consisted of the following:

	Governmental Activities	Business- type Activities	Total
Accounts receivable	\$ 8,389,881	\$ 6,046,271	\$ 14,436,152
Allowance for doubtful accounts	(389,200)	(93,000)	(482,200)
Net accounts receivable	<u>\$ 8,000,681</u>	<u>\$ 5,953,271</u>	<u>\$ 13,953,952</u>

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)

Note 4 - Detailed Notes on All Funds (Continued)

4-D. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Nondepreciable capital assets				
Land	\$ 29,111,163	\$ -	\$ 91,600	\$ 29,019,563
Easements	588,168	-	-	588,168
Construction in progress	4,287,050	6,552,035	1,035,689	9,803,396
Other capital assets	120,750	-	-	120,750
Total nondepreciable capital assets	34,107,131	6,552,035	1,127,289	39,531,877
Depreciable capital assets:				
Land improvements	1,539,203	421,693	150,046	1,810,850
Buildings	142,785,358	-	-	142,785,358
Machinery and equipment	20,388,354	3,502,910	577,820	23,313,444
Infrastructure	96,922,123	438,946	290,791	97,070,278
Software	581,531	-	-	581,531
Total depreciable capital assets	262,216,569	4,363,549	1,018,657	265,561,461
Total capital assets	296,323,700	10,915,584	2,145,946	305,093,338
Accumulated depreciation:				
Land improvements	1,408,426	8,312	-	1,416,738
Buildings	34,499,145	2,154,027	-	36,653,172
Machinery and equipment	12,560,315	1,017,941	262,750	13,315,506
Infrastructure	43,456,793	2,602,867	276,426	45,783,234
Software	416,740	25,352	-	442,092
Total accumulated depreciation	92,341,419	5,808,499	539,176	97,610,742
Capital assets, net	203,982,281	5,107,085	1,606,770	207,482,596
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	12,213	6,012	-	18,225
Equipment	13,112	6,262	-	19,374
Total accumulated amortization	25,325	12,274	-	37,599
Right-to-use lease assets, net	40,662	(12,274)	-	28,388
Right-to-use Subscription assets				
Subscription assets	96,538	212,273	-	308,811
Less accumulated amortization	(39,432)	(70,872)	-	(110,304)
Right-to-use subscription asset, net	57,106	141,401	-	198,507
Governmental capital assets, net	\$ 204,080,049	\$ 5,236,212	\$ 1,606,770	\$ 207,709,491

Note 4 - Detailed Notes on All Funds (Continued)

Governmental activities depreciation expense

General government	\$ 152,046
Public safety	879,957
Public works	1,839,889
Health and welfare	1,472,832
Harbor	1,183,827
Culture	363,093
	<u>363,093</u>
Total governmental activities depreciation expense	<u>\$ 5,891,644</u>

	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	854,633	-	7,271,045
Construction in progress	4,554,260	2,975,119	308,462	7,220,917
	<u>15,505,378</u>	<u>3,829,752</u>	<u>308,462</u>	<u>19,026,668</u>
Total non-depreciable capital assets				
Depreciable capital assets:				
Electric utility plant	130,684,497	3,045,267	1,209,689	132,520,075
Telecommunications utility plant	83,811,861	3,110,045	7,330,397	79,591,509
Water utility plant	62,443,820	642,845	367,011	62,719,654
Wastewater utility plant	27,753,445	737,847	-	28,491,292
Port facilities	73,911,860	-	3,617	73,908,243
	<u>378,605,483</u>	<u>7,536,004</u>	<u>8,910,714</u>	<u>377,230,773</u>
Total depreciable capital assets				
Total capital assets	<u>394,110,861</u>	<u>11,365,756</u>	<u>9,219,176</u>	<u>396,257,441</u>
Accumulated depreciation:				
Electric utility plant	85,218,508	3,319,829	1,209,688	87,328,649
Telecommunications utility plant	61,003,015	2,463,426	6,475,765	56,990,676
Water utility plant	26,649,819	1,641,325	340,881	27,950,263
Wastewater utility plant	11,525,434	598,495	-	12,123,929
Port facilities	27,081,686	1,855,371	3,617	28,933,440
	<u>211,478,462</u>	<u>9,878,446</u>	<u>8,029,951</u>	<u>213,326,957</u>
Total accumulated depreciation				
Capital assets, net	<u>182,632,399</u>	<u>1,487,310</u>	<u>1,189,225</u>	<u>182,930,484</u>

Note 4 - Detailed Notes on All Funds (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities: (continued)				
Right-to-use lease asset				
Telecommunications	6,272,814	598,212	378,824	6,492,202
Port	23,351,217	-	-	23,351,217
Total right-to-use lease assets	29,624,031	598,212	378,824	29,843,419
Accumulated depreciation:				
Telecommunications	1,071,059	384,909	14	1,455,954
Port	3,536,927	1,120,124	-	4,657,051
Total accumulated depreciation	4,607,986	1,505,033	14	6,113,005
Right-to-use lease asset, net	25,016,045	(906,821)	378,810	23,730,414
Right-to-use subscription asset				
Electric	14,479	-	-	14,479
Telecommunications	14,479	8,980	-	23,459
Water	14,480	-	-	14,480
Wastewater	14,479	-	-	14,479
Total right-to-use subscription assets	57,917	8,980	-	66,897
Accumulated amortization:				
Electric	9,655	4,824	-	14,479
Telecommunications	9,655	7,773	-	17,428
Water	9,655	4,824	-	14,479
Wastewater	9,655	4,824	-	14,479
Total accumulated amortization	38,620	22,245	-	60,865
Right-to-use subscription asset, net	19,297	(13,265)	-	6,032
Business-type activities capital assets, net	207,667,741	567,224	1,568,035	206,666,930

Note 4 - Detailed Notes on All Funds (Continued)

4-E. Commitments

The City has the following commitments as of December 31, 2024:

	Operational	Capital	Total
Governmental Funds			
General	\$ 569,498	\$ 1,767,104	\$ 2,336,602
Non-major special revenue funds	14,791	181,448	196,239
Non-major capital projects funds	-	1,608,273	1,608,273
Total Governmental Funds	<u>\$ 584,289</u>	<u>\$ 3,556,825</u>	<u>\$ 4,141,114</u>
Enterprise Funds			
KPU	\$ 1,119,215	\$ 3,185,449	\$ 4,304,664
Port	23,034	508,677	531,711
Wastewater	37,337	170,279	207,616
Total Enterprise Funds	<u>\$ 1,179,586</u>	<u>\$ 3,864,405</u>	<u>\$ 5,043,991</u>

4-F. Interfund Balances and Transfers

Interfund balances at December 31, 2024 consisted of \$1,578,194 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, 2024, consisted of the following:

Transfers out	Transfers in			Total
	General fund	Debt Service fund	Nonmajor governmental funds	
General fund	\$ -	\$ 4,048,981	\$ 49,900	\$ 4,098,881
KPU fund	786,000	-	-	786,000
Port fund	319,000	-	-	319,000
Wastewater fund	80,000	-	-	80,000
Nonmajor governmental funds	1,081,704	-	1,024,029	2,105,733
Total	<u>\$ 2,266,704</u>	<u>\$ 4,048,981</u>	<u>\$ 1,073,929</u>	<u>\$ 7,389,614</u>

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 2024, 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.

Note 4 - Detailed Notes on All Funds (Continued)

During 2024, the future closure and post-closure costs were reevaluated and adjusted to reflect current conditions. As of December 31, 2024, the estimated liability for landfill closure and post-closure care costs totaled \$984,780, an increase of \$3,120 from the estimated liability as of December 31, 2023.

The estimated liability is based on an engineer's estimate taking into account various factors including used capacity. As of December 31, 2024 used capacity was approximately 64.13%. It is estimated that an additional \$215,220 will be recognized as closure and post-closure care expenses between the date of the balance sheet, and the year 2050, in 26 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, 2024. 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, 2024.

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.

Note 4 - Detailed Notes on All Funds (Continued)

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, 2024 follow:

Year	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	2,000,000	1,681,916	3,681,916	109,606	16,145	125,751
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	2,370,000	1,314,789	3,684,789	116,358	9,394	125,752
2030-2034	10,315,000	5,233,389	15,548,389	484,319	21,342	505,661
2035-2039	9,535,000	3,270,500	12,805,500	54,542	820	55,362
2040-2044	11,470,000	1,183,600	12,653,600	-	-	-
Total	<u>\$ 42,245,000</u>	<u>\$ 17,179,142</u>	<u>\$ 59,424,142</u>	<u>\$ 1,103,643</u>	<u>\$ 86,135</u>	<u>\$ 1,189,778</u>

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, 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.

Note 4 - Detailed Notes on All Funds (Continued)

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, due in semiannual installments through November 11, 2044

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, 2024 KPU incurred \$436,719 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, 2024 Wastewater incurred \$436,719 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 \$47.3 million, \$17.1 million and \$3.6 million respectively. The debt service payments for KPU, Port and Wastewater Funds were \$2.6 million or 5.66% of revenues, \$2.2 million or 13.09% of revenues, and \$37,075 or 1.03% of revenues, respectively.

Note 4 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to amortize revenue bonds outstanding, as of December 31, 2024 follow:

Year	Principal	Interest	Total
2025	\$ 3,420,370	\$ 1,637,629	\$ 5,057,999
2026	3,519,082	1,529,974	5,049,056
2027	3,638,032	1,416,651	5,054,683
2028	3,762,220	1,294,973	5,057,193
2029	3,881,653	1,166,182	5,047,835
2030-2034	19,080,614	3,682,787	22,763,401
2035-2039	7,369,823	805,514	8,175,337
2040-2044	1,812,090	104,043	1,916,133
Total	<u>\$ 46,483,884</u>	<u>\$ 11,637,753</u>	<u>\$ 58,121,637</u>

This amortization schedule does not include \$436,719 for one Drinking Water Loan Fund project and \$436,719 for one Clean Water Loan Fund project 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	Total
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	429,016	35,589	464,605
2030	410,811	15,096	425,907
Total	<u>\$ 2,862,093</u>	<u>\$ 392,173</u>	<u>\$ 3,254,266</u>

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 \$6,190 at December 31, 2024.

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 \$22,192 at December 31, 2024.

Note 4 - Detailed Notes on All Funds (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2024, were as follows:

Year	Principal	Interest	Total
2025	\$ 12,998	\$ 856	\$ 13,854
2026	7,388	466	7,854
2027	8,002	243	8,245
Total	<u>\$ 28,388</u>	<u>\$ 1,565</u>	<u>\$ 29,953</u>

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. On August 1, 2024 the lease was extended with added space for 36 monthly payments of \$4,612.25. There are no variable payment components of the lease. The lease liability is measured at the estimated incremental borrowing rate of 3%. As a result of the lease, the City has recorded a right to use asset with a net book value of \$137,415 at December 31, 2024.

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 \$767,735 at December 31, 2024.

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 \$2,016,536 at December 31, 2024.

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 \$471,578 at December 31, 2024.

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 \$20,525 at December 31, 2024.

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 \$96,936 at December 31, 2024.

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 27,572 at December 31, 2024.

Note 4 - Detailed Notes on All Funds (Continued)

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 \$477,734 at December 31, 2024.

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 \$452,570 at December 31, 2024.

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 \$178,968 at December 31, 2024.

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. On July 1, 2024 a five year extension was executed with monthly payments ranging from \$9,253 - \$10,016. There are no variable payment components of the lease. The lease liability is measured at the estimated incremental borrowing rate of 3%. As a result of the lease, the City has recorded a right to use asset with a net book value of \$388,679 at December 31, 2024.

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 \$18,694,167 at December 31, 2024. The City paid an additional \$1,022,233 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, 2024, were as follows:

Year Ending	Principal	Interest	Total
2025	1,684,050	824,761	\$ 2,508,811
2026	1,633,556	769,372	\$ 2,402,928
2027	1,681,440	711,650	\$ 2,393,090
2028	1,660,114	653,002	\$ 2,313,116
2029-2033	9,039,853	2,349,851	\$ 11,389,704
2034-2038	7,994,866	667,500	\$ 8,662,366
2039-2043	115,586	15,978	\$ 131,564
2044-2048	39,665	2,037	\$ 41,702
Total	\$ 23,849,130	\$ 5,994,151	\$ 29,843,281

Note 4 - Detailed Notes on All Funds (Continued)

Subscription-Based Technology Arrangements (SBITAs)

In 2024 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 \$308,812 less accumulated amortization of \$110,304. The cost of Ketchikan Public Utility and Wastewater funds are \$52,418 and \$14,479 less accumulated amortization of \$46,387 and \$14,479 respectively.

Future minimum SBITA agreements are as follows:

Year	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	65,388	5,234	70,622	4,501	119	4,620
2026	68,172	3,115	71,287	1,530	10	1,540
2027	39,820	1,195	41,015	-	-	-
Total	<u>\$ 173,380</u>	<u>\$ 9,544</u>	<u>\$ 182,924</u>	<u>\$ 6,031</u>	<u>\$ 129</u>	<u>\$ 6,160</u>

(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, 2024:

Governmental Activities	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 44,160,000	\$ -	\$ 1,915,000	\$ 42,245,000	\$ 2,000,000
Plus deferred amounts:					
For issuance premiums	2,094,319	-	163,782	1,930,537	163,782
Total bonds payable	46,254,319	-	2,078,782	44,175,537	2,163,782
Leases payable	40,662	-	12,274	28,388	12,998
Subscription payable	52,504	180,865	59,989	173,380	65,388
Long term note payable	3,441,114	-	579,021	2,862,093	600,040
Landfill closure costs	981,660	3,120	-	984,780	-
Compensated absences*	1,961,409	-	63,777	1,897,632	189,763
Total Governmental Activities	\$ 52,731,668	\$ 183,985	\$ 2,793,843	\$ 50,121,810	\$ 3,031,971
Business-Type Activities					
Bonds payable:					
General obligation bonds	\$ 1,211,623	\$ -	\$ 107,980	\$ 1,103,643	\$ 109,606
Revenue bonds	51,621,946	75,774	4,340,398	47,357,322	2,605,000
Plus deferred amounts:					
For issuance premiums	3,930,776	-	297,871	3,632,905	297,871
Total bonds payable	56,764,345	75,774	4,746,249	52,093,870	3,012,477
Lease payable	24,974,096	678,995	1,803,961	23,849,130	1,565,335
Subscription payable	19,297	8,980	22,246	6,031	4,501
Compensated absences*	1,474,966	174,993	-	1,649,959	164,996
Total Business-Type Activities	\$ 83,232,704	\$ 938,742	\$ 6,572,456	\$ 77,598,990	\$ 4,747,309

*The increase or decrease in compensated absences represents the net change for the year

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, 2024, \$33,915,000 of the bonds outstanding was considered defeased.

Note 4 - Detailed Notes on All Funds (Continued)

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 2024 pension expense for all plans was \$5,979,811

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.

Note 4 - Detailed Notes on All Funds (Continued)

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 Rate mandated by Alaska Statutes 39.35.255.

Contributions rates for the year ended December 31, 2024 were based on the June 30, 2024 and the June 30, 2023 roll forward PERS actuarial valuation report and were as follows:

	Employer Rate		ARMB Rate		State Contribution Rate	
	Jan 1 - June 30	July 1 - Dec 31	Jan 1 - June 30	July 1 - Dec 31	Jan 1 - June 30	July 1 - Dec 31
Pension	22.00%	22.00%	25.10%	26.76%	3.10%	4.76%
Postemployment healthcare	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Contribution Rate	22.00%	22.00%	25.10%	26.76%	3.10%	4.76%

Note 4 - Detailed Notes on All Funds (Continued)

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	2024	2023	2022	2021	2020
Employer contributions (including DBUL)	\$ 2,047,894	\$ 1,924,644	\$ 1,885,703	\$ 1,882,249	\$ 1,622,538
Nonemployer contributions	375,858	346,593	610,998	917,794	912,988
Total Contributions	<u>\$ 2,423,752</u>	<u>\$ 2,271,237</u>	<u>\$ 2,496,701</u>	<u>\$ 2,800,044</u>	<u>\$ 2,535,526</u>

Postemployment Healthcare	2024	2023	2022	2021	2020
Employer contributions (including DBUL)	\$ -	\$ -	\$ -	\$ -	\$ 266,702
Nonemployer contributions	-	-	-	-	-
Total Contributions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 266,702</u>

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)

	<u>1/1/24 - 6/30/24</u>	<u>7/1/2024 - 12/31/2024</u>
<i>Employee:</i>		
Pension		
Police Officers and Firefighters	7.50%	7.50%
Other Employees	8.00%	8.00%
<i>Employer:</i>		
Pension		
Police Officers and Firefighters	5.00%	5.00%
Other Employees	5.00%	5.00%
Retiree Major Medical		
Police Officers and Firefighters	1.01%	0.83%
Other Employees	1.01%	0.83%
Occupational Disability & Death:		
Police Officers and Firefighters	0.68%	0.69%
Other Employees	0.30%	0.24%
Health Reimbursement Account:		
Police Officers and Firefighters	\$191.88/month*	\$198.90/month*
Other Employees	\$191.88/month*	\$198.90/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, 2024, were based on the June 30, 2024 and the June 30, 2023 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.

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Covered employee payroll	<u>\$ 9,179,666</u>	<u>\$ 8,146,745</u>	<u>\$ 7,634,253</u>	<u>\$ 7,031,167</u>	<u>\$ 6,520,582</u>
Pension contributions	459,137	407,618	381,591	351,560	325,989
Other postemployment benefit contributions	<u>343,725</u>	<u>318,444</u>	<u>305,341</u>	<u>293,177</u>	<u>277,429</u>
Total Contributions	<u>\$ 802,862</u>	<u>\$ 726,062</u>	<u>\$ 686,932</u>	<u>\$ 644,737</u>	<u>\$ 603,418</u>

(This page continued on the subsequent page)

Note 4 - Detailed Notes on All Funds (Continued)

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

At December 31, 2024, 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:

	Net Pension Liability (Asset)	Net OPEB Liability (Asset)
City's proportionate share		
Occupational death and disability	\$ -	\$ (315,110)
Defined contribution retiree medical	-	(210,053)
Defined benefit retiree medical	-	(7,554,206)
Pension	18,775,560	-
Total City's proportionate share	<u>\$ 18,775,560</u>	<u>\$ (8,079,369)</u>
State's proportionate share attributable to employer	7,023,877	(2,806,141)
Total Pension and Other Postemployment Benefits Liabilities/ (Asset)	<u>\$ 25,799,437</u>	<u>\$ (10,885,510)</u>
	Net Pension Liability (Asset)	Net OPEB Liability (Asset)
City's proportionate share reported in		
Governmental activities	\$ 14,511,630	\$ (6,244,545)
Business-type activities	4,263,930	(1,834,824)
Total City's proportionate share	<u>\$ 18,775,560</u>	<u>\$ (8,079,369)</u>

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, 2024 and the total pension liability and other postemployment benefits asset used for the calculation was determined by an actuarial valuation as of June 30, 2023. 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, 2024, the City's proportion of the pension liability was .34234%, which was a decrease of .00162% from its proportion measured as of June 30, 2023. At June 30, 2024 the City's portion of the other postemployment benefits was .52782% for occupational death and disability, .45061% defined contribution retiree medical plan and .34304% for defined benefit retiree healthcare trust, which was a decrease of .00388%, .00566% and .00023% respectively, from June 30, 2023.

For the year ended December 31, 2024, the City recognized pension expense credit of \$1,150,666 other postemployment benefit expense credit of \$221,361 and revenue of \$375,858 for support provided by the State. At December 31, 2024, 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					
	Deferred Outflows of Resources			Deferred Inflows of Resources		
Difference between projected and actual investment earnings	\$	-		\$	-	
Difference between expected and actual experience		180,475			-	
Changes in proportion and differences between Employer contributions		-			-	
Contributions subsequent to the measurement date		1,045,780			-	
Totals	\$	1,226,255		\$	-	

	Other Postemployment Benefits					
	Deferred Outflows of Resources			Deferred Inflows of Resources		
	ODD*	DC-Medical	DB-Medical	ODD*	DC-Medical	DB-Medical
Changes in Assumptions	\$ -	\$ 71,079	\$ 202,819	\$ (780)	\$ (141,207)	\$ -
Changes in proportion and differences between employer share of contributions	5,034	4,448	461	(14,864)	(1,269)	-
Difference Between Expected and Actual Experience	-	5,287	4,092	(73,817)	(23,344)	-
Differences between projected and actual investment earnings	1,006	2,964	115,037	-	-	-
Contributions subsequent to the measurement date	-	172,010	-	-	-	-
Totals	\$ 6,040	\$ 255,788	\$ 322,409	\$ (89,461)	\$ (165,820)	\$ -
Total Deferred Outflow of OPEB			\$ 584,237	Total Deferred Inflow of OPEB		\$ (255,281)

*ODD = Occupational Death and Disability

The deferred outflows of resources related to pensions of \$1,045,780 other post employment benefits in the amount of \$172,010 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, 2025. 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:

Year Ending December 31:	Other Post-employment Benefits			
	Pension	ODD	DC-Medical	DB-Medical
2025	\$ (503,488)	\$ (24,213)	\$ (28,507)	\$ (217,274)
2026	936,828	(13,744)	1,819	761,930
2027	(138,287)	(17,301)	(29,659)	(122,121)
2028	(114,578)	(13,351)	(21,248)	(100,126)
2029	-	(8,574)	(12,064)	-
Thereafter	-	(6,238)	7,617	-

Note 4 - Detailed Notes on All Funds (Continued)**Actuarial Assumptions**

The total pension liability and other postemployment benefits asset as of June 30, 2024 were determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2024:

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: 6.4% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Prescription drugs/Employer group waiver plans: 6.9% grading down to 4.5%

Pension and OPEB ODD – 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 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 108 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, 2023 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	5.48%
Global ex-U.S. equity	7.14%
Global equity	5.79%
Aggregate bonds	2.10%
Real assets	4.63%
Private equity	8.84%
Cash equivalents	0.77%

Note 4 - Detailed Notes on All Funds (Continued)**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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City's proportionate share of the net pension liability	<u>\$ 25,010,812</u>	<u>\$ 18,775,559</u>	<u>\$ 13,499,040</u>
City's proportionate share of the other postemployment benefits asset -			
Occupational death and disability	\$ (295,976)	\$ (315,110)	\$ (330,105)
Defined contribution retiree medical	36,387	(210,053)	(398,413)
Defined benefit retiree medical	<u>(4,783,207)</u>	<u>(7,554,206)</u>	<u>(9,886,060)</u>
Total City's proportionate share of OPEB	<u>\$ (5,042,796)</u>	<u>\$ (8,079,369)</u>	<u>\$ (10,614,578)</u>

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Defined contribution retiree medical	(423,273)	(210,053)	76,045
Defined benefit retiree medical	(10,152,279)	(7,554,206)	(4,467,872)

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.

Note 4 - Detailed Notes on All Funds (Continued)

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 19% up to \$7.00 per hour worked; contributions for employees covered under the Ketchikan Public Utilities collective bargaining agreement range from 18% up to \$12.00 per hour worked. The City's total payroll for the year ended December 31, 2024 was \$28,740,488 and payroll for covered employees totaled \$13,365,849. The total amount contributed to the IBEW plan in 2024 was \$2,406,947, which represents 18.01% 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, 2024 are as follows:

	Governmental Activities	Business-type Activities
Cost of capital assets	\$ 305,468,136	\$ 426,167,756
Less accumulated depreciation	(97,758,645)	(219,500,827)
Book value	207,709,491	206,666,929
Less capital related debt	(43,593,851)	(75,272,048)
Plus (less) bond discount and refunding amounts	(67,860)	(931,062)
Net investment in capital assets	\$ 164,047,780	\$ 130,463,819

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.

Note 4 - Detailed Notes on All Funds (Continued)

The City's deferred inflows and outflows of resources at December 31, 2024 are as follows:

	Fund Level		Government Wide Level	
	Governmental Funds	Proprietary Funds	Governmental Activities	Business-type Activities
Deferred Outflows				
Outflow due to refunding	\$ -	\$ -	\$ 72,171	\$ -
Outflow due to pension accounting	-	278,076	948,179	278,076
Outflow due to OPEB accounting	-	132,616	451,621	132,616
Total Deferred Outflows	<u>\$ -</u>	<u>\$ 410,692</u>	<u>\$ 1,471,971</u>	<u>\$ 410,692</u>
Deferred Inflows				
Revenue from taxes	\$ 2,370,938	\$ -	\$ -	\$ -
Revenue from services	178,209	-	(81,963)	-
Revenue from Miscellaneous	-	-	-	-
Inflow from leases	2,352,309	1,265,752	2,352,309	1,265,752
Inflow from refunding	-	931,062	140,032	931,062
Inflow from pension accounting	-	-	-	-
Inflow from OPEB accounting	-	57,974	197,307	57,974
Total Deferred Inflows	<u>\$ 4,901,456</u>	<u>\$ 2,254,788</u>	<u>\$ 2,607,685</u>	<u>\$ 2,254,788</u>

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, 2024 the City had a net position of \$2,005,277 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 \$244,917 which are included as a liability and no incurred but unpaid claims exist at December 31, 2024.

Changes in the balances of claims liabilities for the years ended December 31, 2024, 2023 and 2022, are as follows:

Date	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2022	457,850	183,005	235,056	405,799
2023	405,799	64,062	164,887	304,974
2024	304,974	31,107	91,164	244,917

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 2024, the City paid SEAPA \$8,260,406 for power purchased from the Swan Lake hydroelectric facility. During 2024, approximately 61% of the City's total electric generation, or 113,156,244 kWh, was produced by the Swan Lake hydroelectric facility. During 2024 the City did not pay SEAPA any additional fees. The amount due to SEAPA was \$1,404,685 at December 31, 2024.

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 2024 is \$507,435.

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 2024 tax abatement for this program is \$212,148. The current participants of this program are Ketchikan Indian Community and Tlingit Haida Regional Housing Authority.

5-E. Landslide Disaster and FEMA Reimbursement Activities

On August 25, 2024, the City experienced a significant landslide that caused damage to public infrastructure, utility systems, and required substantial emergency response services. The City responded by establishing the Emergency Relief Fund to account for disaster-related financial activity.

While formal approval and obligation of funds occurred after December 31, 2024, the City recognized \$1,529,114 of intergovernmental revenue during the year ended December 31, 2024. This recognition was based on the City having:

- Incurred allowable and documented costs prior to year end
- Met FEMA eligibility requirements
- Determined the amount was both measurable and available, based on ongoing communication with FEMA and a high degree of certainty of reimbursement.

In accordance with GASB Statement No. 33, the City recorded a FEMA receivable of \$1,529,114 and corresponding revenue in 2024. Additional recovery and mitigation costs are anticipated in future periods. The City plans to submit eligible costs to FEMA and will recognize revenue when eligibility and availability criteria are met.

Note 5- Other Notes (Continued)

5-F. Subsequent Events

There are no subsequent events to report.



THIS PAGE INTENTIONALLY LEFT BLANK

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, 2024

	Original Budget	Final Budget	Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Taxes						
Real & personal property taxes	\$ 7,045,924	\$ 7,045,924	\$ 7,091,818	\$ -	\$ 7,091,818	\$ 45,894
Automobile & boat taxes	36,000	36,000	43,354	-	43,354	7,354
Penalty & interest	50,000	50,000	80,557	-	80,557	30,557
Senior citizen local contribution	(561,222)	(561,222)	(553,267)	-	(553,267)	7,955
Sales tax	8,840,000	8,840,000	8,499,584	-	8,499,584	(340,416)
Payments in lieu of taxes	25,000	25,000	37,402	-	37,402	12,402
	<u>15,435,702</u>	<u>15,435,702</u>	<u>15,199,448</u>	<u>-</u>	<u>15,199,448</u>	<u>(236,254)</u>
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	-
	<u>1,185,000</u>	<u>1,185,000</u>	<u>-</u>	<u>1,185,000</u>	<u>1,185,000</u>	<u>-</u>
Licenses and permits						
Itinerant merchant	-	-	20	-	20	20
Building permits	125,000	125,000	268,381	-	268,381	143,381
Other	1,700	1,700	18,090	-	18,090	16,390
	<u>126,700</u>	<u>126,700</u>	<u>286,491</u>	<u>-</u>	<u>286,491</u>	<u>159,791</u>
Intergovernmental						
State fire grants	25,000	25,000	160,519	-	160,519	135,519
Federal fire grants	-	-	22,016	-	22,016	22,016
Liquor licenses tax	30,000	30,000	46,725	-	46,725	16,725
Other state revenues	157,500	267,595	631,144	(277,423)	353,721	86,126
Federal revenues	10,000	41,500	37,788	-	37,788	(3,712)
	<u>222,500</u>	<u>364,095</u>	<u>898,192</u>	<u>(277,423)</u>	<u>620,769</u>	<u>256,674</u>
Charges for services						
Ambulance	700,000	700,000	801,993	-	801,993	101,993
Rentals	20,000	20,000	22,881	-	22,881	2,881
Parking fees	98,000	98,000	113,760	-	113,760	15,760
Cemetery	1,200	1,200	1,700	-	1,700	500
Library services	622,105	622,105	604,822	-	604,822	(17,283)
Museum services	284,500	284,500	363,248	-	363,248	78,748
E-911 emergency dispatch services	390,000	390,000	403,014	-	403,014	13,014
Civic center services	85,000	85,000	106,941	-	106,941	21,941
Other charges	91,900	91,900	106,444	-	106,444	14,544
	<u>2,292,705</u>	<u>2,292,705</u>	<u>2,524,803</u>	<u>-</u>	<u>2,524,803</u>	<u>232,098</u>
Fines and forfeitures						
Parking fines	70,000	70,000	49,566	-	49,566	(20,434)
Other fines	500	500	(265)	-	(265)	(765)
Court deposits	5,000	5,000	7,385	-	7,385	2,385
	<u>75,500</u>	<u>75,500</u>	<u>56,686</u>	<u>-</u>	<u>56,686</u>	<u>(18,814)</u>
Investment earnings	110,000	110,000	456,773	(15,363)	441,410	331,410
Other revenue						
Leases	55,000	55,000	29,201	15,363	44,564	(10,436)
Miscellaneous	36,500	202,198	79,821	-	79,821	(122,377)
	<u>91,500</u>	<u>257,198</u>	<u>109,022</u>	<u>15,363</u>	<u>124,385</u>	<u>(132,813)</u>
Interdepartmental charges	5,127,891	5,168,831	4,186,442	-	4,186,442	(982,389)
Total Revenues	<u>24,667,498</u>	<u>25,015,731</u>	<u>23,717,857</u>	<u>907,577</u>	<u>24,625,434</u>	<u>(390,297)</u>

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, 2024

	Original Budget	Final Budget	Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Expenditures						
Current:						
General government						
Mayor and council	211,540	211,540	173,463	-	173,463	38,077
City Clerk	429,370	429,370	405,443	(33,275)	372,168	57,202
Law	381,582	381,582	355,013	(2,159)	352,854	28,728
City Manager	1,093,893	1,229,893	906,900	95,263	1,002,163	227,730
Finance	2,458,149	2,527,149	2,307,610	(87,009)	2,220,601	306,548
Information Technology	2,427,511	2,462,510	2,022,007	(36,681)	1,985,326	477,184
	<u>7,002,045</u>	<u>7,242,044</u>	<u>6,170,436</u>	<u>(63,861)</u>	<u>6,106,575</u>	<u>1,135,469</u>
Public safety						
Fire	6,167,486	6,215,486	5,131,964	(109,184)	5,022,780	1,192,706
Police	7,697,809	7,697,809	6,346,545	(80,003)	6,266,542	1,431,267
	<u>13,865,295</u>	<u>13,913,295</u>	<u>11,478,509</u>	<u>(189,187)</u>	<u>11,289,322</u>	<u>2,623,973</u>
Culture						
Library	1,629,038	1,629,038	1,471,397	(5,662)	1,465,735	163,303
Museum	1,315,626	1,450,974	1,303,185	14,733	1,317,918	133,056
Civic Center	648,458	648,458	624,367	(15,215)	609,152	39,306
	<u>3,593,122</u>	<u>3,728,470</u>	<u>3,398,949</u>	<u>(6,144)</u>	<u>3,392,805</u>	<u>335,665</u>
Health and welfare						
Public Health	24,325	24,325	22,185	-	22,185	2,140
Public works						
Engineering	2,695,293	2,696,238	2,037,300	(2,220)	2,035,080	661,158
Streets	2,308,454	2,308,454	1,838,631	88,362	1,926,993	381,461
Cemetery	119,200	119,200	107,430	-	107,430	11,770
Garage	958,640	958,640	694,825	11,718	706,543	252,097
Building Maintenance	655,123	655,123	583,217	(4,122)	579,095	76,028
	<u>6,736,710</u>	<u>6,737,655</u>	<u>5,261,403</u>	<u>93,738</u>	<u>5,355,141</u>	<u>1,382,514</u>
Total Expenditures	<u>31,221,497</u>	<u>31,645,789</u>	<u>26,331,482</u>	<u>(165,454)</u>	<u>26,166,028</u>	<u>5,479,761</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,553,999)</u>	<u>(6,630,058)</u>	<u>(2,613,625)</u>	<u>1,073,031</u>	<u>(1,540,594)</u>	<u>5,089,464</u>

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, 2024

	Original Budget	Final Budget	Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Other Financing Sources (Uses)						
Transfers in						
Sales tax hospital and other public works fund	691,000	691,000	449,457	-	449,457	(241,543)
Sales tax public works fund	2,100,000	2,100,000	2,100,000	-	2,100,000	-
Transient occupancy tax fund	563,500	563,500	515,060	-	515,060	(48,440)
Shoreline area fund	6,374	6,374	6,374	-	6,374	-
Bayview cemetery fund	5,000	5,000	5,000	-	5,000	-
Commercial passenger vessel tax	544,730	544,730	544,730	-	544,730	-
Fire department SEMT fund	498,145	546,145	16,914	-	16,914	(529,231)
Ketchikan public utilities fund	-	-	786,000	(786,000)	-	-
Port fund	-	-	319,000	(319,000)	-	-
Wastewater services fund	-	-	80,000	(80,000)	-	-
Transfers out						
GO bond debt service fund	(802,135)	(802,135)	(802,135)	-	(802,135)	-
Community grant fund	(82,880)	(82,880)	(82,880)	-	(82,880)	-
Marijuana sales tax fund	-	(21,925)	(21,881)	-	(21,881)	44
Other financing sources - Subscription IT	-	-	212,273	(212,273)	-	-
Sale of capital assets	10,000	10,000	27,000	-	27,000	17,000
Total Other Financing Sources (Uses)	3,533,734	3,559,809	4,154,912	(1,397,273)	2,757,639	(802,170)
Net Change in Fund Balances	(3,020,265)	(3,070,249)	1,541,287	(324,242)	1,217,045	4,287,294
Prior Year Encumbrances Returned	-	-	-	26,717	26,717	26,717
Net Position Beginning of Year as previously reported	9,415,860	9,415,860	10,337,335	(271,973)	10,065,362	649,502
Change in accounting principal (GASB 101)	-	-	(338,922)	-	(338,922)	(338,922)
Net Positon Beginning of Year as restated	9,415,860	9,415,860	9,998,413	(271,973)	9,726,440	310,580
Fund Balances End of Year	\$ 6,395,595	\$ 6,345,611	\$ 11,539,700	\$ (569,498)	\$ 10,970,202	\$ 4,624,591

City of Ketchikan, Alaska
Notes to Required Supplementary Information
For the Year Ended December 31, 2024

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, GASB 87 and GASB 96					
	Encumbrances		On Behalf	GASB 96	Total
	Prior Year Activity	Current Year Activity	Payments		
General Government					
Mayor and Council	\$ (36,000)	\$ 36,000	\$ -	\$ -	\$ -
Law	-	-	(2,159)	-	(2,159)
City Clerk	-	-	(5,520)	(27,755)	(33,275)
City Manager	-	109,900	(14,637)	-	95,263
Finance	(97,989)	162,341	(26,985)	(124,376)	(87,009)
Information Technology	(9,640)	11,383	(12,792)	(25,632)	(36,681)
Total General Government	<u>(143,629)</u>	<u>319,624</u>	<u>(62,093)</u>	<u>(177,763)</u>	<u>(63,861)</u>
Public Safety					
Fire	(36,749)	36,022	(73,946)	(34,511)	(109,184)
Police	(4,269)	23,796	(99,530)	-	(80,003)
Total Public Safety	<u>(41,018)</u>	<u>59,818</u>	<u>(173,476)</u>	<u>(34,511)</u>	<u>(189,187)</u>
Culture					
Library	(13,462)	15,049	(7,249)	-	(5,662)
Museum	(7,025)	28,796	(7,038)	-	14,733
Civic Center	(9,530)	-	(5,685)	-	(15,215)
Total Culture	<u>(30,017)</u>	<u>43,845</u>	<u>(19,972)</u>	<u>-</u>	<u>(6,144)</u>
Public Works					
Engineering	(1,473)	15,909	(16,656)	-	(2,220)
Streets	(2,580)	93,953	(3,011)	-	88,362
Cemetery	-	-	-	-	-
Garage	(13,268)	27,201	(2,215)	-	11,718
Building Maintenance	(9,561)	5,439	-	-	(4,122)
Total Public Works	<u>(26,882)</u>	<u>142,502</u>	<u>(21,882)</u>	<u>-</u>	<u>93,738</u>
Total GAAP to Budget Adjustments	<u>\$ (241,546)</u>	<u>\$ 565,789</u>	<u>\$ (277,423)</u>	<u>\$ (212,274)</u>	<u>\$ (165,454)</u>

City of Ketchikan, Alaska
Notes to Required Supplementary Information
For the Year Ended December 31, 2024

Note 1 – Budgetary Basis (Continued)

Budget to GAAP Adjustments - Inclusion of GASB Statement 54 Funds				
	Revenues	Expenditures	Other	Net Change
General Fund	\$ 23,717,857	\$ (26,331,482)	\$ 4,154,912	\$ 1,541,287
GASB Statement 54 Funds Required to be Reported as Part of the General Fund				
Hospital Sales Tax Fund	4,469,115	(40)	(3,032,690)	1,436,385
Public Works Sales Tax Fund	6,601,825	(5,721,436)	(2,697,752)	(1,817,363)
Economic Development & Parking Fund	16,802	-	-	16,802
Shoreline Fund	3,934	-	(6,374)	(2,440)
Community Grant Fund	189,000	(378,000)	189,000	-
Total of Excluded Funds for Budgetary Purposes	11,280,676	(6,099,476)	(5,547,816)	(366,616)
Total GAAP Perspective General Fund	\$ 34,998,533	\$ (32,430,958)	\$ (1,392,904)	\$ 1,174,671
	Net Change	Beginning Fund Balance	Ending Fund Balance	
General Fund	\$ 1,541,287	\$ 9,998,413	\$ 11,539,700	
GASB Statement 54 Funds Required to be Reported as Part of the General Fund				
Hospital Sales Tax Fund	1,436,385	5,300,930	6,737,315	
Public Works Sales Tax Fund	(1,817,363)	10,274,836	8,457,473	
Economic Development & Parking Fund	16,802	308,184	324,986	
Shoreline Fund	(2,440)	80,609	78,169	
Community Grant Fund	-	20,631	20,631	
Total of Excluded Funds for Budgetary Purposes	(366,616)	15,985,190	15,618,574	
Total GAAP Perspective General Fund	\$ 1,174,671	\$ 25,983,603	\$ 27,158,274	

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**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.3423%	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	\$ 18,775,559	\$ 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
State's proportional share of the net pension liability associated with the City	7,023,877	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	<u>\$ 25,799,436</u>	<u>\$ 23,779,488</u>	<u>\$ 19,923,621</u>	<u>\$ 17,797,188</u>	<u>\$ 25,091,390</u>	<u>\$ 23,287,864</u>	<u>\$ 20,616,870</u>	<u>\$ 21,479,932</u>	<u>\$ 22,774,364</u>	<u>\$ 18,581,742</u>
City's covered payroll	\$ 3,774,866	\$ 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	497.383%	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	67.81%	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 *

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 2,047,894	\$ 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	(2,047,894)	(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)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
City's covered payroll	\$ 3,774,866	\$ 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	54.25%	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*

Year Ended December 31	Measurement Period Ended June 30	City's proportion of OPEB Liability/(Asset) by Benefit Category			City's proportionate share of OPEB Liability/(Asset) by Benefit Category			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 Liability/(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)
		Occupational death and disability	Defined contribution medical	Defined benefit medical	Occupational death and disability	Defined contribution medical	Defined benefit medical						
2024	2024	0.52782%	0.45061%	0.34304%	\$ (315,110)	\$ (210,053)	\$ (7,554,206)	(8,079,369)	\$ (2,806,141)	(10,885,510)	\$ 3,774,866	-214.031%	130.59%
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 *

Year Ended December 31	Measurement Period Ended June 30	Contractually Required Contributions by Benefit Category					Contributions Relative to the Contractually Required Contribution	City's Covered Payroll by PERS Plan				Contributions as Percentage of Covered Payroll by Benefit Category			
		Occupational death and disability	Defined contribution medical	Defined benefit medical	Contractually Required Contributions Total	Contribution Deficiency (Excess)		PERS Defined Benefit - Tier I, II, III	PERS Defined Contribution-Tier IV	City's Covered Payroll Total	Contributions as a Percentage of Covered Payroll	Contributions as a Percentage of Covered Payroll	Contributions as a Percentage of Covered Payroll	Contributions Total as a Percentage of Covered Payroll	
2024	2024	\$ 36,699	\$ 84,233	\$ -	120,932	(120,932)	-	\$ 3,774,866	\$ 9,179,666	12,954,532	0.28329%	0.65022%	0.00000%	0.93351%	
2023	2023	34,457	85,958	-	120,415	(120,415)	-	3,896,090	8,146,745	12,042,835	0.28612%	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	0.26878%	0.70823%	0.00000%	0.97701%	
2021	2021	28,657	82,420	-	111,077	(111,077)	-	4,454,950	7,031,167	11,486,117	0.40800%	1.17200%	0.00000%	1.58000%	
2020	2020	25,807	84,394	266,701	376,902	(376,902)	-	4,799,799	6,520,582	11,320,381	0.39600%	1.29400%	5.55700%	7.24700%	
2019	2019	20,395	62,706	446,090	529,191	(529,191)	-	4,487,019	5,497,020	9,984,039	0.37100%	1.14100%	9.94200%	11.45400%	
2018	2018	13,845	46,672	397,004	457,521	(457,521)	-	4,663,974	4,735,319	9,399,293	0.29200%	0.98600%	8.51200%	9.79000%	
2017	2017	10,027	50,108	477,194	537,329	(537,329)	-	5,316,031	4,531,943	9,847,974	0.22100%	1.10600%	8.99700%	10.32400%	

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



THIS PAGE INTENTIONALLY LEFT BLANK

City of Ketchikan, Alaska
Combining Balance Sheet
Nonmajor Governmental Funds - by Fund Type
December 31, 2024

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Cash and temporary investments	\$ 9,944,882	\$ 5,348,445	\$ 15,293,327
Restricted cash:			
Bond construction funds	-	1,453,163	1,453,163
Property seizure funds	93,243	-	93,243
Commercial passenger excise tax funds	10,329,127	169,925	10,499,052
Receivables:			
Accounts	493,370	259,602	752,972
Taxes	129,300	-	129,300
Intergovernmental	1,578,194	-	1,578,194
Interest	28,570	9,774	38,344
Unbilled revenue	81,899	-	81,899
Total Assets	\$ 22,678,585	\$ 7,240,909	\$ 29,919,494
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 351,739	\$ 30,447	\$ 382,186
Customer deposits payable	7,693	-	7,693
Interfund payable	1,578,194	-	1,578,194
Unearned revenue	371,440	-	371,440
Total Liabilities	2,309,066	30,447	2,339,513
Deferred Inflows of Resources	129,299	-	129,299
Fund Balances			
Restricted:			
Fire	-	259,602	259,602
Law enforcement	93,256	-	93,256
Commercial passenger excise tax	5,848,439	172,454	6,020,893
Bond construction funds	-	1,464,663	1,464,663
Assigned:			
Subsequent years budget	5,690,975	-	5,690,975
General government	26,937	-	26,937
Public safety	2,250,929	406,675	2,657,604
Culture and tourism	3,700,852	-	3,700,852
Collection and disposal of solid waste	1,498,447	-	1,498,447
Cemetery operations	147,543	-	147,543
Harbor operations	982,842	-	982,842
Development of community facilities	-	2,877,421	2,877,421
Harbor construction	-	1,907,795	1,907,795
Public works projects	-	121,852	121,852
Total Fund Balances	20,240,220	7,210,462	27,450,682
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 22,678,585	\$ 7,240,909	\$ 29,919,494

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, 2024

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 965,257	\$ -	\$ -	\$ 965,257
Intergovernmental	4,729,290	-	1,568,137	6,297,427
Charges for services	7,670,852	-	-	7,670,852
Fines and forfeitures	93,515	-	-	93,515
Investment earnings	859,702	-	274,131	1,133,833
Contributions	943	-	149,500	150,443
Miscellaneous	10,083	-	-	10,083
Total Revenues	14,329,642	-	1,991,768	16,321,410
Expenditures				
Current:				
General government	200,900	-	-	200,900
Public safety	567,466	-	-	567,466
Culture and tourism	421,153	-	-	421,153
Health and welfare	-	-	-	-
Public works	5,539,897	-	-	5,539,897
Port and harbor	1,319,090	-	-	1,319,090
Debt Service:				
Principal retirement	210,000	2,284,021	-	2,494,021
Interest and fiscal charges	139,550	1,764,960	-	1,904,510
Capital Outlay	415,897	-	3,306,030	3,721,927
Total Expenditures	8,813,953	4,048,981	3,306,030	16,168,964
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,515,689	(4,048,981)	(1,314,262)	152,446
Other Financing Sources (Uses)				
Proceeds from lease financing	-	-	-	-
Transfers in	49,900	4,048,981	1,024,029	5,122,910
Transfers out	(2,105,733)	-	-	(2,105,733)
Total Other Financing Sources (Uses)	(2,055,833)	4,048,981	1,024,029	3,017,177
Net Change in Fund Balances	3,459,856	-	(290,233)	3,169,623
Net Position Beginning of Year as previously reported	16,814,341	-	7,500,695	24,315,036
Change in accounting principal (GASB 101)	(33,977)	-	-	(33,977)
Net Position Beginning of Year as restated	16,780,364	-	7,500,695	24,281,059
Fund Balances End Of Year	\$ 20,240,220	\$ -	\$ 7,210,462	\$ 27,450,682

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

Emergency Relief Fund – This fund is used to account for revenues from FEMA for the August 24th, 2024 3rd Ave Bypass Landslide and related expenses

City of Ketchikan, Alaska
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2024

	Transient Tax	Marijuana Sales Tax	Solid Waste Services	Ketchikan Boat Harbor
Assets				
Cash and temporary investments	\$ 1,481,309	\$ 26,936	\$ 1,882,118	\$ 1,617,818
Restricted cash	-	-	-	-
Receivables:				
Accounts	-	-	447,413	45,957
Taxes	87,762	41,538	-	-
Intergovernmental	-	-	-	-
Accrued interest	1,934	-	3,198	2,361
Unbilled revenue	-	-	81,899	-
Total Assets	<u>\$ 1,571,005</u>	<u>\$ 68,474</u>	<u>\$ 2,414,628</u>	<u>\$ 1,666,136</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 304,492	\$ 43,187
Customer deposits payable	-	-	-	7,693
Interfund payable	-	-	-	-
Unearned revenue	-	-	-	371,440
Total Liabilities	<u>-</u>	<u>-</u>	<u>304,492</u>	<u>422,320</u>
Deferred Inflows of Resources	<u>87,762</u>	<u>41,537</u>	<u>-</u>	<u>-</u>
Fund Balances				
Restricted:				
Law enforcement	-	-	-	-
Commercial passenger excise tax	-	-	-	-
Assigned:				
Subsequent years budget	321,026	-	611,689	260,974
General government	-	26,937	-	-
Public Safety	-	-	-	-
Culture and tourism	1,162,217	-	-	-
Public works	-	-	-	-
Collection and disposal of solid waste	-	-	1,498,447	-
Cemetery operations	-	-	-	-
Harbor operations	-	-	-	982,842
Total Fund Balances	<u>1,483,243</u>	<u>26,937</u>	<u>2,110,136</u>	<u>1,243,816</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,571,005</u>	<u>\$ 68,474</u>	<u>\$ 2,414,628</u>	<u>\$ 1,666,136</u>

Bayview Cemetery	Commercial Passenger Vessel Excise Tax	Fire Department SEMT	Federal and State Grant	Emergency Relief	Forfeitures And Property Seizures	Total Nonmajor Special Revenue Funds
\$ 149,383	\$ 2,538,635	\$ 2,248,683	\$ -	\$ -	\$ -	\$ 9,944,882
-	10,329,127	-	-	-	93,243	10,422,370
-	-	-	-	-	-	493,370
-	-	-	-	-	-	129,300
-	-	-	49,080	1,529,114	-	1,578,194
260	18,558	2,246	-	-	13	28,570
-	-	-	-	-	-	81,899
<u>\$ 149,643</u>	<u>\$ 12,886,320</u>	<u>\$ 2,250,929</u>	<u>\$ 49,080</u>	<u>\$ 1,529,114</u>	<u>\$ 93,256</u>	<u>\$ 22,678,585</u>
\$ 100	\$ 3,960	\$ -	\$ -	\$ -	\$ -	\$ 351,739
-	-	-	-	-	-	7,693
-	-	-	49,080	1,529,114	-	1,578,194
-	-	-	-	-	-	371,440
<u>100</u>	<u>3,960</u>	<u>-</u>	<u>49,080</u>	<u>1,529,114</u>	<u>-</u>	<u>2,309,066</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>129,299</u>
-	-	-	-	-	93,256	93,256
-	5,848,439	-	-	-	-	5,848,439
2,000	4,495,286	-	-	-	-	5,690,975
-	-	-	-	-	-	26,937
-	-	2,250,929	-	-	-	2,250,929
-	2,538,635	-	-	-	-	3,700,852
-	-	-	-	-	-	-
-	-	-	-	-	-	1,498,447
147,543	-	-	-	-	-	147,543
-	-	-	-	-	-	982,842
<u>149,543</u>	<u>12,882,360</u>	<u>2,250,929</u>	<u>-</u>	<u>-</u>	<u>93,256</u>	<u>20,240,220</u>
<u>\$ 149,643</u>	<u>\$ 12,886,320</u>	<u>\$ 2,250,929</u>	<u>\$ 49,080</u>	<u>\$ 1,529,114</u>	<u>\$ 93,256</u>	<u>\$ 22,678,585</u>

City of Ketchikan, Alaska
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024

	Transient Tax	Marijuana Sales Tax	Solid Waste Services	Ketchikan Boat Harbor
Revenues				
Taxes	\$ 787,712	\$ 177,545	\$ -	\$ -
Intergovernmental	-	-	2,735	14,820
Charges for services	-	-	4,472,684	1,767,380
Fines and forfeitures	-	-	-	1,860
Investment earnings	62,347	392	95,121	69,551
Miscellaneous	-	-	1	10,082
Contributions	-	-	943	-
Total Revenues	850,059	177,937	4,571,484	1,863,693
Expenditures				
Current:				
General government	-	200,900	-	-
Public safety	-	-	-	-
Culture and tourism	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	4,008,833	-
Port and harbors	-	-	-	1,319,090
Debt Service:				
Principal retirement	-	-	-	210,000
Interest and fiscal charges	-	-	-	139,550
Capital Outlay	-	-	408,403	7,494
Total Expenditures	-	200,900	4,417,236	1,676,134
Excess (Deficiency) of Revenues Over (Under) Expenditures	850,059	(22,963)	154,248	187,559
Other Financing Sources (Uses)				
Transfers in	-	49,900	-	-
Transfers out	(673,075)	-	-	-
Total Other Financing Sources (Uses)	(673,075)	49,900	-	-
Net Change in Fund Balances	176,984	26,937	154,248	187,559
Net Position Beginning of Year as previously reported	1,306,259	-	1,970,802	1,075,320
Change in accounting principal (GASB 101)	-	-	(14,914)	(19,063)
Net Positon Beginning of Year as restated	1,306,259	-	1,955,888	1,056,257
Fund Balances End Of Year	\$ 1,483,243	\$ 26,937	\$ 2,110,136	\$ 1,243,816

Bayview Cemetery	Commercial Passenger Vessel Excise Tax	Fire Department SEMT	Federal and State Grant	Emergency Relief	Forfeitures And Property Seizures	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 965,257
-	2,683,833	-	498,788	1,529,114	-	4,729,290
8,755	-	1,422,033	-	-	-	7,670,852
-	-	-	-	-	91,655	93,515
7,708	542,560	76,134	-	-	5,889	859,702
-	-	-	-	-	-	10,083
-	-	-	-	-	-	943
<u>16,463</u>	<u>3,226,393</u>	<u>1,498,167</u>	<u>498,788</u>	<u>1,529,114</u>	<u>97,544</u>	<u>14,329,642</u>
-	-	-	-	-	-	200,900
-	-	-	498,788	-	68,678	567,466
-	421,153	-	-	-	-	421,153
-	-	-	-	-	-	-
1,950	-	-	-	1,529,114	-	5,539,897
-	-	-	-	-	-	1,319,090
-	-	-	-	-	-	210,000
-	-	-	-	-	-	139,550
-	-	-	-	-	-	415,897
<u>1,950</u>	<u>421,153</u>	<u>-</u>	<u>498,788</u>	<u>1,529,114</u>	<u>68,678</u>	<u>8,813,953</u>
<u>14,513</u>	<u>2,805,240</u>	<u>1,498,167</u>	<u>-</u>	<u>-</u>	<u>28,866</u>	<u>5,515,689</u>
-	-	-	-	-	-	49,900
(5,000)	(587,810)	(839,848)	-	-	-	(2,105,733)
<u>(5,000)</u>	<u>(587,810)</u>	<u>(839,848)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,055,833)</u>
9,513	2,217,430	658,319	-	-	28,866	3,459,856
<u>140,030</u>	<u>10,664,930</u>	<u>1,592,610</u>	<u>-</u>	<u>-</u>	<u>64,390</u>	<u>16,814,341</u>
-	-	-	-	-	-	(33,977)
<u>140,030</u>	<u>10,664,930</u>	<u>1,592,610</u>	<u>-</u>	<u>-</u>	<u>64,390</u>	<u>16,780,364</u>
<u>\$ 149,543</u>	<u>\$ 12,882,360</u>	<u>\$ 2,250,929</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,256</u>	<u>\$ 20,240,220</u>

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, 2024

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Taxes	\$ 850,000	\$ 850,000	\$ 787,712	\$ -	\$ 787,712	\$ (62,288)
Investment earnings	14,000	14,000	62,347	-	62,347	48,347
Total Revenues	<u>864,000</u>	<u>864,000</u>	<u>850,059</u>	<u>-</u>	<u>850,059</u>	<u>(13,941)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	864,000	864,000	850,059	-	850,059	(13,941)
Other Financing Sources (Uses)						
Transfers out						
General fund	(563,500)	(563,500)	(515,060)	-	(515,060)	48,440
Major capital improvements fund	<u>(294,833)</u>	<u>(294,833)</u>	<u>(158,015)</u>	<u>-</u>	<u>(158,015)</u>	<u>136,818</u>
Total Other Financing Sources (Uses)	<u>(858,333)</u>	<u>(858,333)</u>	<u>(673,075)</u>	<u>-</u>	<u>(673,075)</u>	<u>185,258</u>
Net Change in Fund Balances	5,667	5,667	176,984	-	176,984	171,317
Fund Balances Beginning of Year	<u>1,274,169</u>	<u>1,274,169</u>	<u>1,306,259</u>	<u>-</u>	<u>1,306,259</u>	<u>32,090</u>
Fund Balances End of Year	<u>\$ 1,279,836</u>	<u>\$ 1,279,836</u>	<u>\$ 1,483,243</u>	<u>\$ -</u>	<u>\$ 1,483,243</u>	<u>\$ 203,407</u>

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, 2024

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Taxes	\$ 215,000	\$ 215,000	\$ 177,545	\$ -	\$ 177,545	\$ (37,455)
Investment earnings	-	-	392	-	392	392
Total Revenues	<u>215,000</u>	<u>215,000</u>	<u>177,937</u>	<u>-</u>	<u>177,937</u>	<u>(37,063)</u>
Expenditures						
Current:						
General government	194,250	244,250	200,900	-	200,900	43,350
Total Expenditures	<u>194,250</u>	<u>244,250</u>	<u>200,900</u>	<u>-</u>	<u>200,900</u>	<u>43,350</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,750	(29,250)	(22,963)	-	(22,963)	6,287
Other Financing Sources (Uses)						
Transfer in						
General fund	-	21,925	21,881	-	21,881	(44)
Hospital sales tax fund	-	11,230	11,208	-	11,208	(22)
Public sales tax fund	-	16,845	16,811	-	16,811	(34)
Total Other Financing Sources (Uses)	<u>-</u>	<u>50,000</u>	<u>49,900</u>	<u>-</u>	<u>49,900</u>	<u>(100)</u>
Net Change in Fund Balances	20,750	20,750	26,937	-	26,937	6,187
Fund Balances Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 20,750</u>	<u>\$ 20,750</u>	<u>\$ 26,937</u>	<u>\$ -</u>	<u>\$ 26,937</u>	<u>\$ 6,187</u>

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, 2024

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Intergovernmental	\$ -	\$ -	\$ 2,735	\$ (2,735)	\$ -	\$ -
Charges for services	4,112,000	4,112,000	4,472,684	-	4,472,684	360,684
Investment earnings	10,000	10,000	95,121	-	95,121	85,121
Miscellaneous	200	200	1	-	1	(199)
Contributions	-	945	943	-	943	(2)
Total Revenues	<u>4,122,200</u>	<u>4,123,145</u>	<u>4,571,484</u>	<u>(2,735)</u>	<u>4,568,749</u>	<u>445,604</u>
Expenditures						
Current:						
Public works	4,186,274	4,293,641	4,008,833	(4,602)	4,004,231	289,410
Capital Outlay	382,500	523,950	408,403	10,501	418,904	105,046
Total Expenditures	<u>4,568,774</u>	<u>4,817,591</u>	<u>4,417,236</u>	<u>5,899</u>	<u>4,423,135</u>	<u>394,456</u>
Net Change in Fund Balances	<u>(446,574)</u>	<u>(694,446)</u>	<u>154,248</u>	<u>(8,634)</u>	<u>145,614</u>	<u>840,060</u>
Prior Year Encumbrances Returned	<u>-</u>	<u>-</u>	<u>-</u>	<u>257</u>	<u>257</u>	<u>257</u>
Net Position Beginning of Year as previously reported	<u>1,644,743</u>	<u>1,644,743</u>	<u>1,970,802</u>	<u>(187,861)</u>	<u>1,782,941</u>	<u>138,198</u>
Change in accounting principal (GASB 101)	-	-	(14,914)	-	(14,914)	(14,914)
Net Positon Beginning of Year as restated	<u>1,644,743</u>	<u>1,644,743</u>	<u>1,955,888</u>	<u>(187,861)</u>	<u>1,768,027</u>	<u>123,284</u>
Fund Balances End of Year	<u>\$ 1,198,169</u>	<u>\$ 950,297</u>	<u>\$ 2,110,136</u>	<u>\$ (196,238)</u>	<u>\$ 1,913,898</u>	<u>\$ 963,601</u>

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, 2024

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive Negative
Revenues						
Intergovernmental	\$ 12,000	\$ 12,000	\$ 14,820	\$ (8,068)	\$ 6,752	\$ (5,248)
Charges for services	1,683,500	1,683,500	1,767,380	-	1,767,380	83,880
Fines and forfeitures	1,500	1,500	1,860	-	1,860	360
Investment earnings	-	-	69,551	-	69,551	69,551
Miscellaneous	-	-	10,082	-	10,082	10,082
Total Revenues	1,697,000	1,697,000	1,863,693	(8,068)	1,855,625	158,625
Expenditures						
Current:						
Port and harbor	1,622,756	1,630,259	1,319,090	(28,684)	1,290,406	339,853
Debt Service:						
Principal retirement	210,000	210,000	210,000	-	210,000	-
Interest and fiscal charges	139,550	139,550	139,550	-	139,550	-
Capital Outlay	19,700	13,442	7,494	-	7,494	5,948
Total Expenditures	1,992,006	1,993,251	1,676,134	(28,684)	1,647,450	345,801
Net Change in Fund Balances	(295,006)	(296,251)	187,559	20,616	208,175	504,426
Net Position Beginning of Year as previously reported	913,911	913,911	1,075,320	(20,616)	1,054,704	140,793
Change in accounting principal (GASB 101)	-	-	(19,063)	-	(19,063)	(19,063)
Net Positon Beginning of Year as restated	913,911	913,911	1,056,257	(20,616)	1,035,641	121,730
Fund Balances End of Year	\$ 618,905	\$ 617,660	\$ 1,243,816	\$ -	\$ 1,243,816	\$ 626,156

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, 2024

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive Negative
Revenues						
Charges for services	\$ 14,000	\$ 14,000	\$ 8,755	\$ -	\$ 8,755	\$ (5,245)
Investment earnings	1,000	1,000	7,708	-	7,708	6,708
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>16,463</u>	<u>-</u>	<u>16,463</u>	<u>1,463</u>
Expenditures						
Current:						
Public works	<u>12,000</u>	<u>12,000</u>	<u>1,950</u>	<u>-</u>	<u>1,950</u>	<u>10,050</u>
Total Expenditures	<u>12,000</u>	<u>12,000</u>	<u>1,950</u>	<u>-</u>	<u>1,950</u>	<u>10,050</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,000</u>	<u>3,000</u>	<u>14,513</u>	<u>-</u>	<u>14,513</u>	<u>11,513</u>
Other Financing Sources (Uses)						
Transfers out						
General fund	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>(5,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>(5,000)</u>	<u>-</u>
Net Change in Fund Balances	<u>(2,000)</u>	<u>(2,000)</u>	<u>9,513</u>	<u>-</u>	<u>9,513</u>	<u>11,513</u>
Fund Balances Beginning of Year	<u>118,777</u>	<u>118,777</u>	<u>140,030</u>	<u>-</u>	<u>140,030</u>	<u>21,253</u>
Fund Balances End of Year	<u>\$ 116,777</u>	<u>\$ 116,777</u>	<u>\$ 149,543</u>	<u>\$ -</u>	<u>\$ 149,543</u>	<u>\$ 32,766</u>

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, 2024

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Intergovernmental	\$ 2,622,800	\$ 2,622,800	\$ 2,683,833	\$ (2,421)	\$ 2,681,412	\$ 58,612
Investment earnings	100,000	100,000	542,560	-	542,560	442,560
Total Revenues	<u>2,722,800</u>	<u>2,722,800</u>	<u>3,226,393</u>	<u>(2,421)</u>	<u>3,223,972</u>	<u>501,172</u>
Expenditures						
Current:						
Tourism	509,049	544,909	421,153	(2,421)	418,732	126,177
Total Expenditures	<u>509,049</u>	<u>544,909</u>	<u>421,153</u>	<u>(2,421)</u>	<u>418,732</u>	<u>126,177</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,213,751</u>	<u>2,177,891</u>	<u>2,805,240</u>	<u>-</u>	<u>2,805,240</u>	<u>627,349</u>
Other Financing Sources (Uses)						
Transfers out						
General fund	(544,730)	(544,730)	(544,730)	-	(544,730)	-
Community facilities dev fund	(90,000)	-	-	-	-	-
CPV capital projects fund	(500,000)	(590,000)	(43,080)	-	(43,080)	546,920
Total Other Financing Sources (Uses)	<u>(1,134,730)</u>	<u>(1,134,730)</u>	<u>(587,810)</u>	<u>-</u>	<u>(587,810)</u>	<u>546,920</u>
Net Change in Fund Balances	<u>1,079,021</u>	<u>1,043,161</u>	<u>2,217,430</u>	<u>-</u>	<u>2,217,430</u>	<u>1,174,269</u>
Fund Balances Beginning of Year	<u>10,347,074</u>	<u>10,347,074</u>	<u>10,664,930</u>	<u>-</u>	<u>10,664,930</u>	<u>317,856</u>
Fund Balances End of Year	<u>\$ 11,426,095</u>	<u>\$ 11,390,235</u>	<u>\$ 12,882,360</u>	<u>\$ -</u>	<u>\$ 12,882,360</u>	<u>\$ 1,492,125</u>

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, 2024

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Charges for services	\$ 897,801	\$ 897,801	\$ 1,422,033	\$ -	\$ 1,422,033	\$ 524,232
Investment earnings	3,000	3,000	76,134	-	76,134	73,134
Total Revenues	<u>900,801</u>	<u>900,801</u>	<u>1,498,167</u>	<u>-</u>	<u>1,498,167</u>	<u>597,366</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>900,801</u>	<u>900,801</u>	<u>1,498,167</u>	<u>-</u>	<u>1,498,167</u>	<u>597,366</u>
Other Financing Sources (Uses)						
Transfers out						
General fund	(498,145)	(546,145)	(16,914)	-	(16,914)	529,231
Major capital improvements fund	(927,750)	(927,750)	(822,934)	-	(822,934)	104,816
Total Other Financing Sources (Uses)	<u>(1,425,895)</u>	<u>(1,473,895)</u>	<u>(839,848)</u>	<u>-</u>	<u>(839,848)</u>	<u>634,047</u>
Net Change in Fund Balances	<u>(525,094)</u>	<u>(573,094)</u>	<u>658,319</u>	<u>-</u>	<u>658,319</u>	<u>1,231,413</u>
Fund Balances Beginning of Year	<u>609,555</u>	<u>609,555</u>	<u>1,592,610</u>	<u>-</u>	<u>1,592,610</u>	<u>983,055</u>
Fund Balances End of Year	<u>\$ 84,461</u>	<u>\$ 36,461</u>	<u>\$ 2,250,929</u>	<u>\$ -</u>	<u>\$ 2,250,929</u>	<u>\$ 2,214,468</u>

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, 2024

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Intergovernmental	\$ 878,702	\$ 878,702	\$ 498,788	\$ -	\$ 498,788	\$ (379,914)
Contributions	82,900	82,900	-	-	-	(82,900)
Total Revenues	961,602	961,602	498,788	-	498,788	(462,814)
Expenditures						
Current:						
Public safety	961,602	961,602	498,788	-	498,788	462,814
Total Expenditures	961,602	961,602	498,788	-	498,788	462,814
Net Change in Fund Balances	-	-	-	-	-	-
Prior Year Funds Returned	-	-	-	14,013	14,013	14,013
Fund Balances Beginning of Year	-	-	-	(14,013)	(14,013)	(14,013)
Fund Balances End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2024

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Fines & Forfeitures	\$ -	\$ 81,963	\$ 91,655	\$ -	\$ 91,655	\$ 9,692
Investment earnings	500	500	5,889	-	5,889	5,389
Total Revenues	500	82,463	97,544	-	97,544	15,081
Expenditures						
Current:						
Public safety	-	73,000	68,678	-	68,678	4,322
Total Expenditures	-	73,000	68,678	-	68,678	4,322
Net Change in Fund Balances	500	9,463	28,866	-	28,866	19,403
Fund Balances Beginning of Year	60,630	60,630	64,390	-	64,390	3,760
Fund Balances End of Year	\$ 61,130	\$ 70,093	\$ 93,256	\$ -	\$ 93,256	\$ 23,163

City of Ketchikan, Alaska
Emergency Relief Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2024

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Intergovernmental	\$ -	\$ 2,700,000	\$ 1,529,114	\$ -	\$ 1,529,114	\$ (1,170,886)
Total Revenues	-	2,700,000	1,529,114	-	1,529,114	(1,170,886)
Expenditures						
Current:						
Public Works	-	2,700,000	1,529,114	-	1,529,114	1,170,886
Total Expenditures	-	2,700,000	1,529,114	-	1,529,114	1,170,886
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-
Net Change in Fund Balances	-	-	-	-	-	-
Fund Balances Beginning of Year	-	-	-	-	-	-
Fund Balances End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



THIS PAGE INTENTIONALLY LEFT BLANK

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, 2024

	General Obligation Bond Debt Service
Expenditures	
Debt Service:	
Principal retirement	2,284,021
Interest and fiscal charges	<u>1,764,960</u>
Total Expenditures	<u>4,048,981</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,048,981)</u>
Other Financing Sources (Uses)	
Transfers in	
General fund	802,135
Sales tax hospital & other public works fund	2,529,575
Public works sales tax fund	<u>717,271</u>
Total Other Financing Sources (Uses)	<u>4,048,981</u>
Net Change in Fund Balances	-
Fund Balances Beginning of Year	<u>-</u>
Fund Balances End of Year	<u><u>\$ -</u></u>

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, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Expenditures				
Debt Service:				
Principal retirement	\$ 2,284,106	\$ 2,284,106	\$ 2,284,021	\$ 85
Interest and fiscal charges	1,764,969	1,764,969	1,764,960	9
Total Expenditures	<u>4,049,075</u>	<u>4,049,075</u>	<u>4,048,981</u>	<u>94</u>
Other Financing Sources (Uses)				
Transfers in				
General fund	802,135	802,135	802,135	-
Sales tax hospital & other public works fund	2,529,575	2,529,575	2,529,575	-
Sales tax public works fund	717,365	717,365	717,271	(94)
Total Other Financing Sources (Uses)	<u>4,049,075</u>	<u>4,049,075</u>	<u>4,048,981</u>	<u>(94)</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



THIS PAGE INTENTIONALLY LEFT BLANK

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, 2024

	Major Capital Improvements	Harbor Improvements	Community Facilities Development	Hospital Construction	Commercial Passenger Excise Tax Capital Improvements	Total Nonmajor Capital Projects Funds
Assets						
Cash and investments	\$ 547,360	\$ 1,904,962	\$ 2,873,618	\$ 9,667	\$ 12,838	\$ 5,348,445
Restricted cash:						
Bond construction funds	-	38,285	-	1,414,878	-	1,453,163
Commercial passenger excise tax funds	-	-	-	-	169,925	169,925
Receivables:						
Accounts	259,602	-	-	-	-	259,602
Accrued Interest	-	2,833	5,108	1,833	-	9,774
Total Assets	<u>\$ 806,962</u>	<u>\$ 1,946,080</u>	<u>\$ 2,878,726</u>	<u>\$ 1,426,378</u>	<u>\$ 182,763</u>	<u>\$ 7,240,909</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	18,833	-	1,305	-	10,309	30,447
Total Liabilities	<u>\$ 18,833</u>	<u>\$ -</u>	<u>\$ 1,305</u>	<u>\$ -</u>	<u>\$ 10,309</u>	<u>\$ 30,447</u>
Fund Balances						
Restricted:						
Public safety projects	259,602	-	-	-	-	259,602
Commercial passenger excise tax funds	-	-	-	-	172,454	172,454
Bond construction funds	-	38,285	-	1,426,378	-	1,464,663
Assigned:						
Public safety projects	406,675	-	-	-	-	406,675
Development of community facilities	-	-	2,877,421	-	-	2,877,421
Harbor projects	-	1,907,795	-	-	-	1,907,795
Public works projects	121,852	-	-	-	-	121,852
Total Fund Balances	<u>788,129</u>	<u>1,946,080</u>	<u>2,877,421</u>	<u>1,426,378</u>	<u>172,454</u>	<u>7,210,462</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 806,962</u>	<u>\$ 1,946,080</u>	<u>\$ 2,878,726</u>	<u>\$ 1,426,378</u>	<u>\$ 182,763</u>	<u>\$ 7,240,909</u>

City of Ketchikan, Alaska
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2024

	Major Capital Improvements	Harbor Improvements	Community Facilities Development	Hospital Construction	Commercial Passenger Excise Tax Capital Improvements	Total Nonmajor Capital Projects Funds
Revenues						
Intergovernmental	\$ 1,250,000	\$ 318,137	\$ -	\$ -	\$ -	\$ 1,568,137
Investment earnings	2,439	89,563	150,843	31,286	-	274,131
Contributions	-	-	-	149,500	-	149,500
Total Revenues	<u>1,252,439</u>	<u>407,700</u>	<u>150,843</u>	<u>180,786</u>	<u>-</u>	<u>1,991,768</u>
Expenditures						
Capital Outlay:						
Public safety	1,627,900	-	-	-	-	1,627,900
Culture and tourism	165,624	-	6,293	-	45,412	217,329
Health and welfare	-	-	-	(150,046)	-	(150,046)
Public works	1,398,580	-	-	-	-	1,398,580
Port and harbors	-	212,267	-	-	-	212,267
Total Expenditures	<u>3,192,104</u>	<u>212,267</u>	<u>6,293</u>	<u>(150,046)</u>	<u>45,412</u>	<u>3,306,030</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,939,665)	195,433	144,550	330,832	(45,412)	(1,314,262)
Other Financing Sources (Uses)						
Transfers in						
Transient tax fund	158,015	-	-	-	-	158,015
Commercial passenger vessel tax fund	-	-	-	-	43,080	43,080
Fire department SEMT fund	822,934	-	-	-	-	822,934
Total Other Financing Sources (Uses)	<u>980,949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,080</u>	<u>1,024,029</u>
Net Change in Fund Balances	(958,716)	195,433	144,550	330,832	(2,332)	(290,233)
Fund Balances At Beginning of Year	<u>1,746,845</u>	<u>1,750,647</u>	<u>2,732,871</u>	<u>1,095,546</u>	<u>174,786</u>	<u>7,500,695</u>
Fund Balances At End of Year	<u>\$ 788,129</u>	<u>\$ 1,946,080</u>	<u>\$ 2,877,421</u>	<u>\$ 1,426,378</u>	<u>\$ 172,454</u>	<u>\$ 7,210,462</u>

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, 2024

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Intergovernmental	\$ 1,398,580	\$ 1,398,580	\$ 1,250,000	\$ -	\$ 1,250,000	\$ (148,580)
Investment earnings	-	-	2,439	-	2,439	2,439
Total Revenues	<u>1,398,580</u>	<u>1,398,580</u>	<u>1,252,439</u>	<u>-</u>	<u>1,252,439</u>	<u>(146,141)</u>
Expenditures						
Public safety	2,997,750	2,997,750	1,627,900	297,333	1,925,233	1,072,517
Culture and tourism	313,211	313,211	165,624	-	165,624	147,587
Public works	<u>1,398,580</u>	<u>1,398,580</u>	<u>1,398,580</u>	<u>-</u>	<u>1,398,580</u>	<u>-</u>
Total Expenditures	<u>4,709,541</u>	<u>4,709,541</u>	<u>3,192,104</u>	<u>297,333</u>	<u>3,489,437</u>	<u>1,220,104</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,310,961)</u>	<u>(3,310,961)</u>	<u>(1,939,665)</u>	<u>(297,333)</u>	<u>(2,236,998)</u>	<u>1,073,963</u>
Other Financing Sources (Uses)						
Proceeds from financing	2,070,000	2,070,000	-	-	-	(2,070,000)
Transfers in						
Transient tax fund	294,833	294,833	158,015	-	158,015	(136,818)
Fire department SEMT fund	<u>927,750</u>	<u>927,750</u>	<u>822,934</u>	<u>-</u>	<u>822,934</u>	<u>(104,816)</u>
Total Other Financing Sources (Uses)	<u>3,292,583</u>	<u>3,292,583</u>	<u>980,949</u>	<u>-</u>	<u>980,949</u>	<u>(2,311,634)</u>
Net Change in Fund Balances	<u>(18,378)</u>	<u>(18,378)</u>	<u>(958,716)</u>	<u>(297,333)</u>	<u>(1,256,049)</u>	<u>(1,237,671)</u>
Prior Year Encumbrances Returned	<u>-</u>	<u>-</u>	<u>-</u>	<u>658</u>	<u>658</u>	<u>658</u>
Fund Balances Beginning of Year	<u>88,068</u>	<u>88,068</u>	<u>1,746,845</u>	<u>(119,000)</u>	<u>1,627,845</u>	<u>1,539,777</u>
Fund Balances End of Year	<u>\$ 69,690</u>	<u>\$ 69,690</u>	<u>\$ 788,129</u>	<u>\$ (415,675)</u>	<u>\$ 372,454</u>	<u>\$ 302,764</u>

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, 2024

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Intergovernmental	\$ 250,250	\$ 405,538	\$ 318,137	\$ -	\$ 318,137	\$ (87,401)
Investment earnings	10,000	10,000	89,563	-	89,563	79,563
Total Revenues	<u>260,250</u>	<u>415,538</u>	<u>407,700</u>	<u>-</u>	<u>407,700</u>	<u>(7,838)</u>
Expenditures						
Port and harbors	<u>330,667</u>	<u>524,700</u>	<u>212,267</u>	<u>137,881</u>	<u>350,148</u>	<u>174,552</u>
Total Expenditures	<u>330,667</u>	<u>524,700</u>	<u>212,267</u>	<u>137,881</u>	<u>350,148</u>	<u>174,552</u>
Net Change in Fund Balances	<u>(70,417)</u>	<u>(109,162)</u>	<u>195,433</u>	<u>(137,881)</u>	<u>57,552</u>	<u>166,714</u>
Prior Year Encumbrances Returned	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,171</u>	<u>34,171</u>	<u>34,171</u>
Fund Balances Beginning of Year	<u>1,186,853</u>	<u>1,186,853</u>	<u>1,750,647</u>	<u>(114,938)</u>	<u>1,635,709</u>	<u>448,856</u>
Fund Balances End of Year	<u>\$ 1,116,436</u>	<u>\$ 1,077,691</u>	<u>\$ 1,946,080</u>	<u>\$ (218,648)</u>	<u>\$ 1,727,432</u>	<u>\$ 649,741</u>

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, 2024

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive Negative
Revenues						
Investment earnings	\$ 3,000	\$ 3,000	\$ 150,843	\$ -	\$ 150,843	\$ 147,843
Total Revenues	3,000	3,000	150,843	-	150,843	147,843
Expenditures						
Culture and tourism	1,301,603	1,211,603	6,293	778,375	784,668	426,935
Total Expenditures	1,301,603	1,211,603	6,293	778,375	784,668	426,935
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,298,603)	(1,208,603)	144,550	(778,375)	(633,825)	574,778
Other Financing Sources (Uses)						
Transfers in						
CPV capital projects fund	90,000	-	-	-	-	-
Total Other Financing Sources (Uses)	90,000	-	-	-	-	-
Net Change in Fund Balances	(1,208,603)	(1,208,603)	144,550	(778,375)	(633,825)	574,778
Fund Balances Beginning of Year	2,587,182	2,587,182	2,732,871	-	2,732,871	145,689
Fund Balances End of Year	\$ 1,378,579	\$ 1,378,579	\$ 2,877,421	\$ (778,375)	\$ 2,099,046	\$ 720,467

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, 2024

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Contributions	\$ -	\$ -	\$ 149,500	\$ -	\$ 149,500	\$ 149,500
Investment earnings	-	-	31,286	-	31,286	31,286
Total Revenues	-	-	180,786	-	180,786	180,786
Expenditures						
Current:						
Health and welfare	1,100,636	1,100,636	(150,046)	(22,779)	(172,825)	1,273,461
Total Expenditures	1,100,636	1,100,636	(150,046)	(22,779)	(172,825)	1,273,461
Net Change in Fund Balances	(1,100,636)	(1,100,636)	330,832	22,779	353,611	1,454,247
Prior Year Encumbrances Returned	-	-	-	279,324	279,324	279,324
Fund Balances Beginning of Year	1,100,636	1,100,636	1,095,546	(154,928)	940,618	(160,018)
Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,426,378</u>	<u>\$ 147,175</u>	<u>\$ 1,573,553</u>	<u>\$ 1,573,553</u>

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, 2024

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Expenditures						
Current:						
Culture and tourism	500,000	590,000	45,412	(2,332)	43,080	546,920
Total Expenditures	500,000	590,000	45,412	(2,332)	43,080	546,920
Excess (Deficiency) of Revenues Over (Under) Expenditures	(500,000)	(590,000)	(45,412)	2,332	(43,080)	546,920
Other Financing Sources (Uses)						
Transfers in						
Commercial passenger vessel tax fund	500,000	590,000	43,080	-	43,080	(546,920)
Total Other Financing Sources (Uses)	500,000	590,000	43,080	-	43,080	(546,920)
Net Change in Fund Balances	-	-	(2,332)	2,332	-	-
Fund Balances Beginning of Year	2,529	2,529	174,786	(172,257)	2,529	-
Fund Balances End of Year	<u>\$ 2,529</u>	<u>\$ 2,529</u>	<u>\$ 172,454</u>	<u>\$ (169,925)</u>	<u>\$ 2,529</u>	<u>\$ -</u>

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, 2024

	<u>General</u>	<u>Hospital Sales Tax</u>	<u>Public Works Sales Tax</u>
Assets			
Cash and temporary investments	\$ 12,265,014	\$ 6,802,834	\$ 8,422,068
Restricted cash	-	-	20,000
Receivables:			
Accounts	385,085	-	-
Taxes	873,382	674,087	1,011,199
Leases	668,024	1,684,285	-
Intergovernmental	69,890	-	-
Accrued interest	12,609	9,481	16,975
Interfund	1,578,194	-	-
Land for resale	270,776	-	15,316
Total Assets	<u>\$ 16,122,974</u>	<u>\$ 9,170,687</u>	<u>\$ 9,485,558</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 348,956	\$ -	\$ 16,886
Payroll payable	2,727,935	-	-
Unearned revenue	103,797	75,000	-
Total Liabilities	<u>3,180,688</u>	<u>75,000</u>	<u>16,886</u>
Deferred Inflows of Resources	<u>1,402,586</u>	<u>2,358,372</u>	<u>1,011,199</u>
Fund Balances			
Nonspendable	270,776	-	15,316
Restricted			
Public works services and projects	-	-	20,000
Assigned:			
Subsequent years budget	3,431,691	-	1,326,971
Parking development and abatement of dangerous buildings	-	-	-
Hospital development and expansion	-	6,737,315	-
General government	323,332	-	97,849
Public safety	59,821	-	840,696
Culture and tourism	43,845	-	-
Public works	142,502	-	-
Streets, sidewalks and other public projects	-	-	6,156,641
Unassigned	7,267,733	-	-
Total Fund Balances	<u>11,539,700</u>	<u>6,737,315</u>	<u>8,457,473</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 16,122,974</u>	<u>\$ 9,170,687</u>	<u>\$ 9,485,558</u>

Economic Development & Parking	Shoreline Services	Community Grant Fund	Totals
\$ 324,422	\$ 78,030	\$ 58,586	27,950,954
-	-	-	20,000
-	-	-	385,085
-	-	-	2,558,668
-	-	-	2,352,309
-	-	-	69,890
564	139	-	39,768
-	-	-	1,578,194
-	-	-	286,092
<u>\$ 324,986</u>	<u>\$ 78,169</u>	<u>\$ 58,586</u>	<u>35,240,960</u>
\$ -	\$ -	\$ 37,955	\$ 403,797
-	-	-	2,727,935
-	-	-	178,797
-	-	37,955	3,310,529
-	-	-	4,772,157
-	-	-	286,092
-	-	-	20,000
-	6,374	-	4,765,036
324,986	-	-	324,986
-	-	-	6,737,315
-	71,795	20,631	513,607
-	-	-	900,517
-	-	-	43,845
-	-	-	142,502
-	-	-	6,156,641
-	-	-	7,267,733
<u>324,986</u>	<u>78,169</u>	<u>20,631</u>	<u>27,158,274</u>
<u>\$ 324,986</u>	<u>\$ 78,169</u>	<u>\$ 58,586</u>	<u>\$ 35,240,960</u>

City of Ketchikan, Alaska
General Fund
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended December 31, 2024

	General	Hospital Sales Tax	Public Works Sales Tax	Economic Development & Parking	Shoreline Services	Community Grant	Totals
Revenues							
Taxes							
Real & personal property taxes	\$ 7,091,818	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,091,818
Automobile & boat taxes	43,354	-	-	-	-	-	43,354
Penalty & interest	80,557	13,340	20,009	-	-	-	113,906
Senior citizen local contribution	(553,267)	-	-	-	-	-	(553,267)
Sales tax	8,499,584	4,072,360	6,108,540	-	-	-	18,680,484
Payments in lieu of taxes	37,402	-	-	-	-	-	37,402
	<u>15,199,448</u>	<u>4,085,700</u>	<u>6,128,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,413,697</u>
Licenses and permits							
Itinerant merchant	20	-	-	-	-	-	20
Building permits	268,381	-	-	-	-	-	268,381
Other	18,090	-	-	-	-	-	18,090
	<u>286,491</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>286,491</u>
Intergovernmental							
State fire grants	160,519	-	-	-	-	-	160,519
Federal fire grants	22,016	-	-	-	-	-	22,016
Liquor licenses tax	46,725	-	-	-	-	-	46,725
Other state revenues	631,144	-	-	-	-	-	631,144
Federal revenues	37,788	-	-	-	-	-	37,788
	<u>898,192</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>898,192</u>
Charges for services							
Ambulance	801,993	-	-	-	-	-	801,993
Rentals	22,881	-	-	-	-	-	22,881
Parking fees	113,760	-	-	-	-	-	113,760
Cemetery	1,700	-	-	-	-	-	1,700
Library services	604,822	-	-	-	-	-	604,822
Museum services	363,248	-	-	-	-	-	363,248
E-911 emergency dispatch services	403,014	-	-	-	-	-	403,014
Civic center services	106,941	-	-	-	-	-	106,941
Other charges	106,444	-	-	-	-	-	106,444
	<u>2,524,803</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,524,803</u>
Fines and forfeitures							
Parking fines	49,566	-	-	-	-	-	49,566
Other fines	(265)	-	-	-	-	-	(265)
Court deposits	7,385	-	-	-	-	-	7,385
	<u>56,686</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,686</u>
Investment earnings	456,773	320,281	473,276	16,802	3,934	-	1,271,066
Other revenue							
Leases	29,201	62,445	-	-	-	-	91,646
Miscellaneous	79,821	689	-	-	-	189,000	269,510
	<u>109,022</u>	<u>63,134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>189,000</u>	<u>361,156</u>
Interdepartmental charges	4,186,442	-	-	-	-	-	4,186,442
Total Revenues	<u>23,717,857</u>	<u>4,469,115</u>	<u>6,601,825</u>	<u>16,802</u>	<u>3,934</u>	<u>189,000</u>	<u>34,998,533</u>

City of Ketchikan, Alaska
General Fund
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances (Cont'd)
For the Year Ended December 31, 2024

	General	Hospital Sales Tax	Public Works Sales Tax	Economic Development & Parking	Shoreline Services	Community Grant	Totals
Expenditures							
Current:							
General government							
Mayor and council	173,463	-	-	-	-	378,000	551,463
City clerk	405,443	-	-	-	-	-	405,443
Law	355,013	-	-	-	-	-	355,013
City manager	906,900	-	-	-	-	-	906,900
Finance	2,307,610	-	18,391	-	-	-	2,326,001
Information technology	2,022,007	-	-	-	-	-	2,022,007
	<u>6,170,436</u>	<u>-</u>	<u>18,391</u>	<u>-</u>	<u>-</u>	<u>378,000</u>	<u>6,566,827</u>
Public safety							
Fire	5,131,964	-	536,198	-	-	-	5,668,162
Police	6,346,545	-	866,384	-	-	-	7,212,929
	<u>11,478,509</u>	<u>-</u>	<u>1,402,582</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,881,091</u>
Culture							
Library	1,471,397	-	-	-	-	-	1,471,397
Museum	1,303,185	-	10,370	-	-	-	1,313,555
Civic center	624,367	-	-	-	-	-	624,367
	<u>3,398,949</u>	<u>-</u>	<u>10,370</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,409,319</u>
Health and welfare							
Public health	22,185	40	-	-	-	-	22,225
Public works							
Engineering	2,037,300	-	-	-	-	-	2,037,300
Streets	1,838,631	-	4,289,583	-	-	-	6,128,214
Cemetery	107,430	-	-	-	-	-	107,430
Garage	694,825	-	510	-	-	-	695,335
Building maintenance	583,217	-	-	-	-	-	583,217
	<u>5,261,403</u>	<u>-</u>	<u>4,290,093</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,551,496</u>
Total Expenditures	<u>26,331,482</u>	<u>40</u>	<u>5,721,436</u>	<u>-</u>	<u>-</u>	<u>378,000</u>	<u>32,430,958</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,613,625)</u>	<u>4,469,075</u>	<u>880,389</u>	<u>16,802</u>	<u>3,934</u>	<u>(189,000)</u>	<u>2,567,575</u>

City of Ketchikan, Alaska
General Fund
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances (Cont'd)
For the Year Ended December 31, 2024

	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	449,457	(449,457)	-	-	-	-	-
Sales tax public works fund	2,100,000	-	(2,100,000)	-	-	-	-
Transient occupancy tax fund	515,060	-	-	-	-	-	515,060
Shoreline area fund	6,374	-	-	-	(6,374)	-	-
Bayview cemetery fund	5,000	-	-	-	-	-	5,000
Commercial passenger vessel tax fund	544,730	-	-	-	-	-	544,730
Fire department SEMT fund	16,914	-	-	-	-	-	16,914
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	(802,135)	(2,529,575)	(717,271)	-	-	-	(4,048,981)
Community grant fund	(82,880)	(42,450)	(63,670)	-	-	189,000	-
Marijuana sales tax fund	(21,881)	(11,208)	(16,811)	-	-	-	(49,900)
Other financing sources - Subscription IT	212,273	-	-	-	-	-	212,273
Sale of capital assets	27,000	-	200,000	-	-	-	227,000
Total Other Financing Sources (Uses)	4,154,912	(3,032,690)	(2,697,752)	-	(6,374)	189,000	(1,392,904)
Net Change in Fund Balances	1,541,287	1,436,385	(1,817,363)	16,802	(2,440)	-	1,174,671
Net Position Beginning of Year as previously reported	10,337,335	5,300,930	10,274,836	308,184	80,609	20,631	26,322,525
Change in accounting principal (GASB 101)	(338,922)	-	-	-	-	-	(338,922)
Net Position Beginning of Year as restated	9,998,413	5,300,930	10,274,836	308,184	80,609	20,631	25,983,603
Fund Balances End Of Year	\$ 11,539,700	\$ 6,737,315	\$ 8,457,473	\$ 324,986	\$ 78,169	\$ 20,631	\$ 27,158,274

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, 2024

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Taxes	\$ 4,060,000	\$ 4,060,000	\$ 4,072,360	\$ -	\$ 4,072,360	\$ 12,360
Penalties and interest	8,000	8,000	13,340	-	13,340	5,340
Leases	100,000	100,000	62,445	37,555	100,000	-
Investment earnings	58,000	58,000	320,281	(37,555)	282,726	224,726
Miscellaneous	-	-	689	-	689	689
Total Revenues	4,226,000	4,226,000	4,469,115	-	4,469,115	243,115
Expenditures						
Current:						
Health and welfare	166,146	166,146	40	-	40	166,106
Total Expenditures	166,146	166,146	40	-	40	166,106
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,059,854	4,059,854	4,469,075	-	4,469,075	409,221
Other Financing Sources (Uses)						
Transfers out						
General fund	(691,000)	(691,000)	(449,457)	-	(449,457)	241,543
Community grant fund	(42,450)	(42,450)	(42,450)	-	(42,450)	-
Marijuana sales tax fund	-	(11,230)	(11,208)	-	(11,208)	22
General obligation debt service fund	(2,529,575)	(2,529,575)	(2,529,575)	-	(2,529,575)	-
Total Other Financing Sources (Uses)	(3,263,025)	(3,274,255)	(3,032,690)	-	(3,032,690)	241,565
Net Change in Fund Balances	796,829	785,599	1,436,385	-	1,436,385	650,786
Fund Balances Beginning of Year	4,894,543	4,894,543	5,300,930	-	5,300,930	406,387
Fund Balances End of Year	\$ 5,691,372	\$ 5,680,142	\$ 6,737,315	\$ -	\$ 6,737,315	\$ 1,057,173

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, 2024

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Taxes	\$ 6,100,000	\$ 6,100,000	\$ 6,108,540	\$ -	\$ 6,108,540	\$ 8,540
Penalties and interest	8,000	8,000	20,009	-	20,009	12,009
Investment earnings	95,000	95,000	473,276	-	473,276	378,276
Total Revenues	6,203,000	6,203,000	6,601,825	-	6,601,825	398,825
Expenditures						
Capital:						
General government						
Finance	20,000	20,000	18,391	(12,029)	6,362	13,638
Public safety						
Fire	602,450	602,450	536,198	(19,900)	516,298	86,152
Police	1,957,450	1,957,450	866,384	62,927	929,311	1,028,139
Culture						
Museum	72,516	72,516	10,370	(9,001)	1,369	71,147
Public works						
Engineering	55,000	55,000	-	-	-	55,000
Streets	4,818,340	5,203,960	4,289,583	608,431	4,898,014	305,946
Cemetery	454,500	454,500	-	-	-	454,500
Garage	235,575	235,575	510	-	510	235,065
Building maintenance	220,000	220,000	-	-	-	220,000
Total Expenditures	8,435,831	8,821,451	5,721,436	630,428	6,351,864	2,469,587
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,232,831)	(2,618,451)	880,389	(630,428)	249,961	2,868,412
Other Financing Sources (Uses)						
Transfer out						
General fund	(2,100,000)	(2,100,000)	(2,100,000)	-	(2,100,000)	-
Community grant fund	(63,670)	(63,670)	(63,670)	-	(63,670)	-
Marijuana sales tax fund	-	(16,845)	(16,811)	-	(16,811)	34
Debt service fund	(717,365)	(717,365)	(717,271)	-	(717,271)	94
Sale of capital assets	-	-	200,000	-	200,000	200,000
Total Other Financing Sources (Uses)	(2,881,035)	(2,897,880)	(2,697,752)	-	(2,697,752)	200,128
Net Change in Fund Balances	(5,113,866)	(5,516,331)	(1,817,363)	(630,428)	(2,447,791)	3,068,540
Prior Year Encumbrances Returned	-	-	-	31,010	31,010	31,010
Fund Balances Beginning of Year	9,136,110	9,136,110	10,274,836	(1,119,197)	9,155,639	19,529
Fund Balances End of Year	\$ 4,022,244	\$ 3,619,779	\$ 8,457,473	\$ (1,718,615)	\$ 6,738,858	\$ 3,119,079

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, 2024

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Investment earnings	\$ 4,000	\$ 4,000	\$ 16,802	\$ -	\$ 16,802	\$ 12,802
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>16,802</u>	<u>-</u>	<u>16,802</u>	<u>12,802</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,000	4,000	16,802	-	16,802	12,802
Net Change in Fund Balances	4,000	4,000	16,802	-	16,802	12,802
Fund Balances Beginning of Year	<u>298,213</u>	<u>298,213</u>	<u>308,184</u>	<u>-</u>	<u>308,184</u>	<u>9,971</u>
Fund Balances End of Year	<u>\$ 302,213</u>	<u>\$ 302,213</u>	<u>\$ 324,986</u>	<u>\$ -</u>	<u>\$ 324,986</u>	<u>\$ 22,773</u>

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, 2024

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues:						
Investment earnings	\$ -	\$ -	\$ 3,934	\$ -	\$ 3,934	\$ 3,934
Total Revenues	-	-	3,934	-	3,934	3,934
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	3,934	-	3,934	3,934
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	(6,374)	(6,374)	(2,440)	-	(2,440)	3,934
Fund Balances Beginning of Year	76,776	76,776	80,609	-	80,609	3,833
Fund Balances End of Year	\$ 70,402	\$ 70,402	\$ 78,169	\$ -	\$ 78,169	\$ 7,767

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, 2024

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						
Contributions	\$ 189,000	\$ 189,000	\$ 189,000	\$ -	\$ 189,000	\$ -
Total Revenues	<u>189,000</u>	<u>189,000</u>	<u>189,000</u>	<u>-</u>	<u>189,000</u>	<u>-</u>
Expenditures						
Current:						
Mayor and council	<u>378,000</u>	<u>378,000</u>	<u>378,000</u>	<u>-</u>	<u>378,000</u>	<u>-</u>
Total Expenditures	<u>378,000</u>	<u>378,000</u>	<u>378,000</u>	<u>-</u>	<u>378,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(189,000)	(189,000)	(189,000)	-	(189,000)	-
Other Financing Sources (Uses)						
Transfers in						
General fund	82,880	82,880	82,880	-	82,880	-
Hospital sales tax fund	42,450	42,450	42,450	-	42,450	-
Public works sales tax fund	<u>63,670</u>	<u>63,670</u>	<u>63,670</u>	<u>-</u>	<u>63,670</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>189,000</u>	<u>189,000</u>	<u>189,000</u>	<u>-</u>	<u>189,000</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-	-	-
Fund Balances Beginning of Year	<u>20,631</u>	<u>20,631</u>	<u>20,631</u>	<u>-</u>	<u>20,631</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 20,631</u>	<u>\$ 20,631</u>	<u>\$ 20,631</u>	<u>\$ -</u>	<u>\$ 20,631</u>	<u>\$ -</u>



THIS PAGE INTENTIONALLY LEFT BLANK

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, 2024 and 2023

	2024	2023 Restated
Assets		
Current assets		
Cash and temporary investments	\$ 33,179,813	\$ 35,397,953
Accrued interest - general cash and investments	57,661	84,728
Restricted cash, cash equivalents and investments:		
Cash and temporary invest. - bond construction funds	463,858	440,100
Bond redemption	316,734	251,143
Other restricted cash	25,368	25,368
Accounts receivable	\$ 2,944,366	
Less uncollectible accounts	<u>(82,000)</u>	2,849,401
Accrued interest - lease	3,864	4,105
Prepaid expenses	47,666	17,801
Inventory of materials	3,347,076	3,241,874
Unbilled revenue	1,277,776	1,149,103
Total current assets	<u>41,582,182</u>	<u>43,461,576</u>
Noncurrent assets		
Restricted investments:		
Revenue bond reserve fund investments	1,799,826	1,799,826
Accrued interest receivable - bond reserve fund	-	145
Total Restricted investment assets	<u>1,799,826</u>	<u>1,799,971</u>
Restricted - other post-employment benefits	1,518,113	1,576,065
Lease receivable	1,265,752	1,376,501
Utility plant in service:		
Land	2,758,966	2,758,966
Other non-depreciable assets	907,038	52,405
Construction work in progress	3,600,261	3,235,674
Plant in service	274,831,237	276,940,178
Right-to-use-asset leases	6,492,201	6,272,814
Right-to-use-asset subscriptions	52,418	43,438
Less accumulated depreciation	<u>(173,771,928)</u>	<u>(173,971,366)</u>
Total capital assets (net of accumulated depreciation)	<u>114,870,193</u>	<u>115,332,109</u>
Total noncurrent assets	<u>119,453,884</u>	<u>120,084,646</u>
Total assets	<u>161,036,066</u>	<u>163,546,222</u>
Deferred outflow of resources	<u>352,580</u>	<u>403,728</u>
Total Assets and Deferred Outflow of Resources	<u>\$ 161,388,646</u>	<u>\$ 163,949,950</u>

City of Ketchikan, Alaska
Ketchikan Public Utilities Fund
Comparative Statements of Net Position
December 31, 2024 and 2023

	2024	2023 Restated
Liabilities		
Current liabilities		
Accounts payable	\$ 2,485,281	\$ 2,859,254
Accrued interest payable	231,334	276,999
Compensated absences payable	151,918	158,683
Customer deposits	310,729	342,190
Unearned revenue	62,191	35,537
Lease payable	405,892	323,195
Subscription payable	4,501	14,473
Unamortized premiums	95,287	95,287
Revenue bonds payable	2,084,166	2,065,288
Total current liabilities	5,831,299	6,170,906
Noncurrent liabilities		
Accrued interest payable	21,127	14,562
Unamortized bond premium	1,326,074	1,421,360
Compensated absences payable	1,367,264	1,217,108
Lease payable	4,749,071	4,836,610
Subscription payable	1,530	-
Net pension liability	3,527,928	3,351,176
Revenue bonds payable	25,877,288	28,922,935
Total noncurrent liabilities	36,870,282	39,763,751
Total liabilities	42,701,581	45,934,657
Deferred inflow of resources	1,939,478	2,161,451
Total Liabilities and Deferred Inflows of Resources	44,641,059	48,096,108
Net position		
Net investment in capital assets	80,164,483	77,388,258
Restricted performance guaranty	25,368	25,368
Restricted for bond retirement	1,989,317	1,879,285
Restricted for Other post-employment benefit	1,518,113	1,576,065
Unrestricted	33,050,306	34,984,866
Total net position as restated	116,747,587	115,853,842
Total liabilities and net position	\$ 161,388,646	\$ 163,949,950

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, 2024 and 2023

	Total		Electric	
	2024	2023	2024	2023
		Restated		Restated
Operating Revenues				
Services	\$ 46,440,456	\$ 45,917,070	\$ 21,329,980	\$ 20,176,784
Other	840,443	1,139,408	772,901	1,073,851
Total Operating Revenues	<u>47,280,899</u>	<u>47,056,478</u>	<u>22,102,881</u>	<u>21,250,635</u>
Operating Expenses				
Operation and maintenance	32,486,260	29,972,542	16,312,303	14,569,085
Administration and general	8,317,501	7,164,911	2,481,946	2,311,549
Depreciation	7,826,911	7,337,375	3,324,652	2,966,521
Total Operating Expenses	<u>48,630,672</u>	<u>44,474,828</u>	<u>22,118,901</u>	<u>19,847,155</u>
Operating Income (Loss)	<u>(1,349,773)</u>	<u>2,581,650</u>	<u>(16,020)</u>	<u>1,403,480</u>
Non-Operating Revenues (Expenses)				
Operating grants	165,609	179,850	20,834	19,166
Interest earnings	1,890,002	1,584,895	844,829	702,863
Revenue bond interest expense	(535,603)	(500,683)	(60,403)	(34,488)
Other interest expense	(16,335)	(18,464)	(15,333)	(17,113)
Total Non-Operating Revenue (Expenses)	<u>1,503,673</u>	<u>1,245,598</u>	<u>789,927</u>	<u>670,428</u>
Net Income (Loss) Before Contributions and Transfers	<u>153,900</u>	<u>3,827,248</u>	<u>773,907</u>	<u>2,073,908</u>
Capital contributions	377,645	344,703	280,520	324,821
Capital grants	<u>1,148,200</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Contributions and Capital Grants	<u>1,525,845</u>	<u>344,703</u>	<u>280,520</u>	<u>324,821</u>
Net Income (Loss) before Transfers	<u>1,679,745</u>	<u>4,171,951</u>	<u>1,054,427</u>	<u>2,398,729</u>
Transfers Out				
Transfers out - payment in lieu of taxes	<u>(786,000)</u>	<u>(786,000)</u>	<u>(382,000)</u>	<u>(382,000)</u>
Change in Net Position	<u>893,745</u>	<u>3,385,951</u>	<u>\$672,427</u>	<u>\$2,016,729</u>
Net Position Beginning of Year as previously report	<u>116,068,932</u>	<u>112,725,336</u>		
Change in accounting principal (GASB 101)	(215,090)	(257,445)		
Net Positon Beginning of Year as restated	<u>115,853,842</u>	<u>112,467,891</u>		
Net Position End of Year	<u><u>116,747,587</u></u>	<u><u>115,853,842</u></u>		

Telecommunications		Water	
2024	2023 Restated	2024	2023 Restated
\$ 19,981,248	\$ 20,815,754	\$ 5,129,228	\$ 4,924,532
-	-	67,542	65,557
19,981,248	20,815,754	5,196,770	4,990,089
12,944,855	12,374,448	3,229,102	3,029,009
5,266,763	4,345,889	568,792	507,473
2,856,110	2,773,551	1,646,149	1,597,303
21,067,728	19,493,888	5,444,043	5,133,785
(1,086,480)	1,321,866	(247,273)	(143,696)
46,871	39,743	97,904	120,941
852,144	723,675	193,029	158,357
(284,742)	(317,421)	(190,458)	(148,774)
(1,002)	(1,351)	-	-
613,271	444,646	100,475	130,524
(473,209)	1,766,512	(146,798)	(13,172)
97,125	19,882	-	-
-	-	1,148,200	-
97,125	19,882	1,148,200	-
(376,084)	1,786,394	1,001,402	(13,172)
(206,400)	(206,400)	(197,600)	(197,600)
(\$582,484)	\$1,579,994	\$803,802	(\$210,772)

City of Ketchikan, Alaska
Ketchikan Public Utilities Fund
Comparative Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	2024	2023 Restated
Cash Flows from Operating Activities		
Cash received from customers and users	\$ 47,166,158	\$ 46,859,436
Cash payments to employees for services	(18,440,685)	(16,837,378)
Cash payments to suppliers for goods and services	(22,576,542)	(21,477,706)
Net Cash Provided by Operating Activities	6,148,931	8,544,352
Cash Flows from Noncapital Financing Activity		
Operating grant from other governments	165,609	179,850
Payment in lieu of taxes to the general fund	(786,000)	(786,000)
Net Cash Used by Noncapital Financing Activities	(620,391)	(606,150)
Cash Flows from Capital and Related Financing Activities		
Advances from other funds	-	(390,101)
Capital grant received from other governments	377,645	344,703
Capital debt proceeds	37,887	4,430,801
Principal paid on leases	(4,842)	(373,316)
Principal paid on subscription	(8,442)	(13,965)
Principal paid on revenue bonds	(1,916,455)	(1,747,758)
Interest paid on bonds and contracts	(672,971)	(598,821)
Payments for capital acquisitions and construction	(7,387,364)	(5,862,571)
Net Cash Used by Capital and Related Financing Activities	(9,574,542)	(4,211,028)
Cash Flows from Investing Activities		
Investment earnings	1,917,211	1,605,207
Net Cash Flows Provided by Investing Activities	1,917,211	1,605,207
Net Increase in Cash and Cash Equivalents	(2,128,791)	5,332,381
Cash and Cash Equivalents Beginning of Year	36,114,564	30,782,183
Cash and Cash Equivalents End of Year	<u>\$ 33,985,773</u>	<u>\$ 36,114,564</u>
Reconciliation of Cash and Cash Equivalents to the Balance Sheet:		
Cash and temporary investments - current assets	33,179,813	35,397,953
Bond construction fund cash - restricted	25,368	25,368
Revenue bond redemption funds - restricted	463,858	440,100
Restricted cash - performance guaranty	316,734	251,143
	<u>\$ 33,985,773</u>	<u>\$ 36,114,564</u>

(continued)

City of Ketchikan, Alaska
Ketchikan Public Utilities Fund
Comparative Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

(continued)

	<u>2024</u>	<u>2023</u> Restated
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	\$ (1,349,773)	\$ 2,581,650
Adjustments:		
Depreciation	7,826,911	7,337,375
Other	26,411	130,303
(Increase) Decrease in Assets and Deferred Outflows of Resources:		
Accounts receivable	(12,965)	(280,034)
Leases receivable	110,748	106,636
Accrued interest - leases	241	225
Unbilled revenue	(128,673)	89,107
Prepaid expenses	(29,865)	12,237
Inventory	(105,201)	(438,431)
Customer deposits	(31,461)	(46,025)
Other postemployment benefits	57,952	(159,252)
Deferred outflows	51,148	40,884
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:		
Accounts payable	(378,011)	(511,563)
Accrued expenses	(13,355)	(2,748)
Compensated absences payable	143,390	81,836
Unearned revenue	26,654	(6,338)
Net pension liability	176,752	(162,913)
Deferred inflow of resources for leases	(110,748)	(106,636)
Deferred inflow of resources for pension	(111,224)	(121,961)
	<u>-</u>	<u>-</u>
Net Cash Provided by Operating Activities	<u>\$ 6,148,931</u>	<u>\$ 8,544,352</u>
 Noncash investing, capital and financing activities		
Fair value of non-cash investments	\$ 143,019	\$ 198,594
Revenue bond arbitrage	\$ 5,421	\$ -

City of Ketchikan, Alaska
Ketchikan Public Utilities Fund
Comparative Schedules of Revenues
For the Years Ended December 31, 2024 and 2023

		2024		2023	
		Amount	Total	Amount	Total
Electric Department					
Revenue from Services:					
Residential	\$	9,351,806		\$	8,790,479
Boats		389,919			378,983
Commercial		8,647,555			8,158,401
Industrial		2,164,109			2,090,864
Demand		576,009			559,014
Area Lighting		67,120			65,859
Street Lighting		133,462			133,184
Diesel Surcharge		-	\$ 21,329,980	-	\$ 20,176,784
Other Revenue:					
Service Charges		102,694			95,551
Late Payment Charges		94,178			88,877
Rentals - Interdepartmental		159,789			159,789
Other		416,240	772,901	729,634	1,073,851
Total Electric			22,102,881		21,250,635
Telecommunications Department					
Local Network Services:					
Basic Local Service		641,591			689,034
Local Private Line		1,210,348			1,126,982
Other Local Exchange		84,887	1,936,826	105,928	1,921,944
Network Access Services:					
Interstate End User		563,720			581,370
Switched Access		4,684,872			4,716,690
Special Access		1,989,028			2,196,440
State Access		780,499	8,018,119	816,107	8,310,607
Other Revenues:					
Directory Revenue		88,589			98,017
Other		163,881	252,470	133,652	231,669
Nonregulated Revenues		9,773,833	9,773,833	10,351,534	10,351,534
Total Telecommunications			\$ 19,981,248		\$ 20,815,754

City of Ketchikan, Alaska
Ketchikan Public Utilities Fund
Comparative Schedules of Revenues (Cont'd)
For the Years Ended December 31, 2024 and 2023

		2024		2023	
		Amount	Total	Amount	Total
Water Department					
	Revenue from Services:				
	Residential	\$ 2,215,151		\$ 2,123,327	
	Apartments	463,345		443,849	
	Commercial	1,804,803		1,716,367	
	Industrial	522,089		499,869	
	Port	123,840	\$ 5,129,228	141,120	\$ 4,924,532
	Other Revenue:				
	Service Charges	912		1,472	
	Late Payment Charges	25,308		22,682	
	Other	41,322	67,542	41,403	65,557
	Total Water		5,196,770		4,990,089
Total Revenue			\$ 47,280,899		\$ 47,056,478

City of Ketchikan, Alaska
Ketchikan Public Utilities Fund
Comparative Schedules of Operation and Maintenance Expenses
For the Years Ended December 31, 2024 and 2023

	2024		2023	
	Amount	Total	Amount	Total
Electric Department				
Hydroelectric Generation				
Operation				
Supervision & Engineering	\$ 1,736,083		\$ 1,490,974	
Hydraulic Expenses	90,166		85,624	
Electric Expenses	14,871	1,841,120	13,819	1,590,417
Maintenance				
Supervision & Engineering	658		176	
Structures	33,465		73,362	
Reservoirs & Dams	194,617		197,652	
Electric Plant	442,777		273,391	
Other	124,929	796,446	156,327	700,908
Total Hydroelectric Generation		2,637,566		2,291,325
Diesel Generation				
Operation				
Fuel	147,029		132,707	
Generation	25,222		32,002	
Other	695,156	867,407	681,707	846,416
Maintenance				
Supervision and Engineering	167,192		209,041	
Structures	33,096		29,439	
Electric Plant	71,642		78,052	
Other	200,907	472,837	197,912	514,444
Total Diesel Generation		1,340,244		1,360,860
Purchased Power		8,260,406		7,265,193
Automation Control System		493,066		405,105
Total Generation		12,731,282		11,322,483
Transmission				
Operation				
Overhead and Underground Lines	\$ 689	689	\$ -	-
Total Transmission		\$ 689		\$ -

City of Ketchikan, Alaska
Ketchikan Public Utilities Fund
Comparative Schedules of Operation and Maintenance Expenses (Cont'd)
For the Years Ended December 31, 2024 and 2023

	2024		2023	
	Amount	Total	Amount	Total
Distribution				
Operation				
Supervision & Engineering	\$ 797,184		\$ 728,312	
Station Equipment	9,267		27,343	
Overhead & Underground Lines	4,347		2,739	
Street Lighting	69,473		92,977	
Meter Expenses	875,445		775,793	
Other	28,192	\$ 1,783,908	32,016	\$ 1,659,180
Maintenance				
Station Equipment	60,597		118,064	
Overhead & Underground Lines	1,654,591		1,410,202	
Line Transformers	257		3,503	
Other	80,979	1,796,424	55,653	1,587,422
Total Distribution		3,580,332		3,246,602
Total Electric		16,312,303		14,569,085
Telecommunications Department				
Plant Specific Operations:				
Network Support	113,878		127,090	
General Support	137,173		165,520	
Central Office Switching	1,092,864		886,265	
Central Office Transmission	1,138,594		1,094,466	
Cable and Wire Facilities Expense	1,401,554	3,884,063	1,174,694	3,448,035
Plant Nonspecific Operations				
Network Operations Expense	3,391,416	3,391,416	3,086,500	3,086,500
Customer Operations				
Customer Operations-Services	224,473	224,473	173,872	173,872
Nonregulated Operations Expenses	5,444,903	5,444,903	5,666,041	5,666,041
Total Telecommunications		\$ 12,944,855		\$ 12,374,448

City of Ketchikan, Alaska
Ketchikan Public Utilities Fund
Comparative Schedule of Operation and Maintenance Expenses (Cont'd)
For the Years Ended December 31, 2024 and 2023

	2024		2023	
	Amount	Total	Amount	Total
Water Department				
Source of Supply				
Operation and Maintenance	\$ 569,487	\$ 569,487	\$ 472,876	\$ 472,876
Chlorination				
Labor and Supplies	183,106		147,747	
Maintenance	159,064	342,170	219,547	367,294
Distribution				
Supervision & Operation of Mains	11,568		266	
Maps & Records	731,451		636,287	
Customer Service	1,248	744,267	994	637,547
Maintenance				
Mains & Equipment	811,708		816,545	
Hydrants	5,113		20,623	
Valves & Structures	30,387		13,328	
Pump Stations	169,990		135,344	
PH Adjustment Facility	534,504		523,850	
Reservoirs	21,476	1,573,178	41,602	1,551,292
Total Water		3,229,102		3,029,009
Total Operation and Maintenance		\$ 32,486,260		\$ 29,972,542

City of Ketchikan, Alaska
Ketchikan Public Utilities Fund
Comparative Schedules of Administrative and General Expenses
For the Years Ended December 31, 2024 and 2023

		RESTATED
	2024	2023
Uncollectible Accounts		
Customer Service	\$3,073,806	\$2,561,178
General Accounting	1,014,539	971,274
Administrative Expenses	2,435,043	2,226,004
Engineering Services	97,988	81,321
Information Technology	997,065	714,861
Insurance & Claims	699,060	610,273
	<hr/>	<hr/>
Total	\$8,317,501	\$7,164,911
	<hr/> <hr/>	<hr/> <hr/>

City of Ketchikan, Alaska
Port Fund
Comparative Statements of Net Position
December 31, 2024 and 2023

	2024	2023
		Restated
Assets		
Current assets		
Cash and temporary investments	\$ 27,278,387	\$ 15,662,691
Cash and temporary investments accrued interest	45,405	42,517
Restricted cash, cash equivalents and investments:		
Bond redemption	186,084	186,273
LGLR grant funds	-	2,506,187
Accounts receivable	24,630	111,126
Interest receivable	-	55
Total Current assets	27,534,506	18,508,849
Noncurrent assets		
Restricted investments:		
Repair and replacement investments	6,902,428	6,453,091
Bond reserve investments	2,240,000	2,240,000
Accrued interest on bond reserve investments	16,006	15,193
Total restricted investment assets	9,158,434	8,708,284
Restricted - other post-employment benefits	248,037	257,505
Lease receivable	-	24,607
Capital assets		
Land	7,970,386	7,970,386
Other non-depreciable assets	169,361	169,361
Construction work in progress	785,184	332,608
Port facilities	73,908,244	73,911,860
Right-to-use asset lease	23,351,217	23,351,217
Less accumulated depreciation	(33,590,490)	(30,618,613)
Total capital assets (net of accumulated depreciation)	72,593,902	75,116,819
Total noncurrent assets	82,000,373	84,107,215
Total assets	109,534,879	102,616,064
Deferred outflows of resources	48,834	62,607
Total Assets and Deferred Outflows of Resources	\$ 109,583,713	\$ 102,678,671

City of Ketchikan, Alaska
Port Fund
Comparative Statements of Net Position
December 31, 2024 and 2023

	2024	2023 Restated
Liabilities		
Current liabilities		
Accounts payable	\$ 70,173	\$ 87,187
Lease payable	1,159,443	1,120,124
Accrued interest payable	133,246	141,336
Compensated absences payable	3,588	2,835
Unamortized premiums	202,584	202,584
Revenue bonds payable	1,305,000	1,245,000
Total current liabilities	2,874,034	2,799,066
Noncurrent liabilities		
Lease payable	17,534,724	18,694,167
Compensated absences payable	32,379	19,218
Net pension liability	576,410	547,531
Unamortized bond premium	2,008,960	2,211,545
Revenue bonds payable	17,255,000	18,560,000
Total noncurrent liabilities	37,407,473	40,032,461
Total liabilities	40,281,507	42,831,527
Deferred inflows of resources	313,140	370,971
Total Liabilities and Deferred Inflows of Resources	40,594,647	43,202,498
Net position		
Net investment in capital assets	33,036,013	32,766,642
Restricted repair and replacement funds	6,902,428	6,453,091
Restricted commercial passenger excise tax funds	-	2,506,187
Restricted for bond retirement	2,308,845	2,300,131
Restricted for other post-employment benefits	248,037	257,505
Unrestricted	26,493,743	15,192,617
Total net position, restated	68,989,066	59,476,173
Total Liabilities and Net Position	\$ 109,583,713	\$ 102,678,671



THIS PAGE INTENTIONALLY LEFT BLANK

City of Ketchikan, Alaska
Port Fund
Comparative Statements of Revenues, Expenses and
Changes in Net Position
For the Years Ended December 31, 2024 and 2023

	2024	2023
		Restated
Operating Revenues		
Charges for services		
Docking	\$ 3,757,960	\$ 3,702,062
Passenger wharfage fee	12,540,500	9,989,769
Rental income	545,641	351,460
Water	165,120	188,160
Other	62,517	38,673
Total Operating Revenues	17,071,738	14,270,124
Operating Expenses		
Operation and maintenance		
Personnel services	1,481,850	1,340,615
Supplies and services	429,930	406,506
Financial service	315,245	275,867
Insurance	315,018	271,138
Utilities	308,356	306,297
Property Taxes	166,881	169,971
Lease payments	1,022,233	514,633
Depreciation	2,975,494	2,639,576
Total Operating Expenses	7,015,007	5,924,603
Operating Income	10,056,731	8,345,521
Non-Operating Revenues (Expenses)		
Operating grants	9,455	10,024
Interest earnings	1,197,193	638,274
Interest expense	(1,431,486)	(1,528,166)
Gain (Loss) on disposal of capital assets	-	(2,792,398)
Total Non-Operating Revenue (Expenses)	(224,838)	(3,672,266)
Income Before Capital Grants and Transfers	9,831,893	4,673,255
Transfers		
Payment in lieu of taxes to general fund	(319,000)	(319,000)
Transfer to commercial passenger vessel tax fund	-	(1,725)
Total Transfers In and (Out)	(319,000)	(320,725)
Total Capital Grants and Transfers	(319,000)	(320,725)
Change in Net Position	9,512,893	4,352,530
Net Position Beginning of Year as previously reported	59,482,475	55,126,622
Change in accounting principal (GASB 101)	(6,302)	(2,979)
Net Positon Beginning of Year as restated	59,476,173	55,123,643
Net Position End of Year	\$68,989,066	\$59,476,173

City of Ketchikan, Alaska
Port Fund
Comparative Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Cash received from customers and users	\$ 17,158,234	\$ 14,210,680
Cash payments to employees for services	(1,421,074)	(1,384,182)
Cash payments to suppliers for goods and services	(2,625,239)	(1,871,216)
Net Cash Provided by Operating Activities	13,111,921	10,955,282
Cash Flows from Noncapital Financing Activities		
Operating grant from other governments	9,455	10,024
Transfers out	-	(1,725)
Payment in lieu of taxes to the general fund	(319,000)	(319,000)
Net Cash Used by Noncapital Financing Activities	(309,545)	(310,701)
Cash Flows from Capital and Related Financing Activities		
Gain (Loss) on disposal of capital asset	-	(2,792,398)
Principal paid on general obligation bonds, advances and equipment contracts		
Principal paid on leases	(1,120,124)	(1,082,138)
Principal paid on revenue bonds	(1,245,000)	(1,185,000)
Interest paid on bonds and contracts	(1,670,126)	(1,767,362)
Payments for capital acquisitions and contracts	(402,015)	2,798,848
Net Cash Used by Capital and Related Financing Activities	(4,437,265)	(4,028,050)
Cash Flows from Investing Activities		
Investment earnings	1,193,546	622,057
Purchase of investments	(449,337)	(526,320)
Net Cash Provided (Used) by Investing Activities	744,209	95,737
Net Increase in Cash and Cash Equivalents	9,109,320	6,712,268
Cash and Cash Equivalents Beginning of Year	18,355,151	11,642,883
Cash and Cash Equivalents End of Year	\$ 27,464,471	\$ 18,355,151
Reconciliation of Cash and Cash Equivalents to the Balance Sheet:		
Cash and temporary investments - current assets	27,278,387	15,662,691
Commercial passenger excise tax funds - restricted	-	2,506,187
Revenue bond redemption funds - restricted	186,084	186,273
	\$ 27,464,471	\$ 18,355,151

(continued)

City of Ketchikan, Alaska
Port Fund
Comparative Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

(continued)

	<u>2024</u>	<u>2023</u> Restated
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	\$ 10,056,731	\$ 8,345,521
Adjustments:		
Depreciation	2,975,494	2,639,576
(Increase) Decrease in Assets and Deferred Outflows of Resources:		
Accounts receivable	86,495	(59,445)
Other postemployment benefits	9,468	(26,019)
Deferred outflow	13,773	-
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:		
Accounts payable	(67,576)	73,196
Compensated absences payable	13,914	9,053
Net pension liability	28,879	(26,618)
Deferred inflow of resources for pension	<u>(5,257)</u>	<u>16</u>
Net Cash Provided by Operating Activities	<u>\$ 13,111,921</u>	<u>\$ 10,955,280</u>
 Noncash investing, capital and financing activities		
Fair value of non-cash investments	\$ 105,972	\$ 122,358

City of Ketchikan, Alaska
Wastewater Service Fund
Comparative Statements of Net Position
December 31, 2024 and 2023

	2024	2023
		Restated
Assets		
Current assets		
Cash and temporary investments	\$ 5,591,260	\$ 5,962,235
Cash and temporary investments accrued interest	9,723	14,189
Restricted cash, cash equivalents and investments:		
Bond redemption	27,438	27,287
Accounts receivable		
Accounts	214,266	206,068
Intergovernmental	-	-
Unbilled revenue	175,820	167,051
Total current assets	<u>6,018,507</u>	<u>6,376,830</u>
Noncurrent assets		
Restricted - other post-employment benefits	68,674	71,295
Capital assets		
Construction work in progress	2,835,472	985,978
Wastewater facilities	28,491,292	27,753,445
Right-to-use asset subscription	14,479	14,479
Less accumulated depreciation	(12,138,408)	(11,535,089)
Total capital assets (net of accumulated depreciation)	<u>19,202,835</u>	<u>17,218,813</u>
Total noncurrent assets	<u>19,271,509</u>	<u>17,290,108</u>
Total assets	<u>25,290,016</u>	<u>23,666,938</u>
Deferred outflow of resources	<u>9,278</u>	<u>8,284</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 25,299,294</u></u>	<u><u>\$ 23,675,222</u></u>
Liabilities		
Current liabilities		
Accounts payable	\$ 279,064	\$ 34,468
Accrued interest payable	3,798	4,258
Compensated absences payable	9,481	8,677
Subscription payable	-	4,824
General obligation bonds payable	109,606	107,980
Revenue bonds payable	31,204	30,741
Total current liabilities	<u>433,153</u>	<u>190,948</u>
Noncurrent liabilities		
Accrued interest payable	21,058	14,520
Compensated absences payable	85,329	68,442
Net pension liability	159,592	151,597
General obligation bonds payable	994,037	1,103,643
Revenue bonds payable	804,664	797,982
Total noncurrent liabilities	<u>2,064,680</u>	<u>2,136,184</u>
Total liabilities	<u>2,497,833</u>	<u>2,327,132</u>
Deferred inflow of resources	<u>2,170</u>	<u>3,625</u>
Total Liabilities and Deferred Inflow of Resources	<u>2,500,003</u>	<u>2,330,757</u>
Net position		
Net investment in capital assets	17,263,324	15,173,644
Restricted for bond retirement	2,582	8,509
Restricted for other post-employment benefits	68,674	71,295
Unrestricted	5,464,711	6,091,017
Total net position, restated	<u>22,799,291</u>	<u>21,344,465</u>
Total Liabilities and Net Position	<u><u>\$ 25,299,294</u></u>	<u><u>\$ 23,675,222</u></u>

City of Ketchikan, Alaska
Wastewater Service Fund
Comparative Statements of Revenues, Expenses and
Changes in Net Position
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u> <u>Restated</u>
Operating Revenues		
Charges for services	\$ 3,583,996	\$ 3,508,242
Other	19,419	21,847
Total Operating Revenues	<u>3,603,415</u>	<u>3,530,089</u>
Operating Expenses		
Operation and maintenance		
Personnel services	1,254,100	979,850
Supplies and services	862,966	791,656
Engineering services	304,440	258,591
Financial service	264,897	244,180
Insurance	70,558	60,090
Utilities	240,932	223,827
Depreciation	603,319	579,627
Total Operating Expenses	<u>3,601,212</u>	<u>3,137,821</u>
Operating Income	<u>2,203</u>	<u>392,268</u>
Non-Operating Revenues (Expenses)		
Operating grants	1,309	-
Interest earnings	311,672	258,961
Interest expense	(30,358)	(32,176)
Total Non-Operating Revenues (Expenses)	<u>282,623</u>	<u>226,785</u>
Net Income Before Grants and Transfers	284,826	619,053
Capital grants	<u>1,250,000</u>	<u>-</u>
Transfers out - payment in lieu of taxes	<u>(80,000)</u>	<u>(80,000)</u>
Total Grants and Transfers	<u>1,170,000</u>	<u>(80,000)</u>
Change in Net Postion	1,454,826	539,053
Net Position Beginning of Year as previously reported	<u>21,354,118</u>	<u>20,813,041</u>
Change in accounting principal (GASB 101)	(9,653)	(7,629)
Net Positon Beginning of Year as restated	<u>21,344,465</u>	<u>20,805,412</u>
Net Position End of Year	<u><u>\$22,799,291</u></u>	<u><u>\$21,344,465</u></u>

City of Ketchikan, Alaska
Wastewater Service Fund
Comparative Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Cash received from customers and users	\$ 3,586,448	\$ 3,521,010
Cash payments to employees for services	(1,228,242)	(952,140)
Cash payments to suppliers for goods and services	(1,639,467)	(1,586,263)
Net Cash Provided by Operating Activities	<u>718,739</u>	<u>982,607</u>
Cash Flows from Noncapital Financing Activities		
Operating grant from other governments	1,309	-
Payment in lieu of taxes to the general fund	(80,000)	(80,000)
Net Cash Used by Noncapital Financing Activities	<u>(78,691)</u>	<u>(80,000)</u>
Cash Flows from Capital and Related Financing Activities		
Capital grant received from other governments	1,250,000	-
Capital debt proceeds	-	4,969
Principal paid on general obligation bonds and equipment contracts	(54,245)	(64,425)
Interest paid on general obligation bonds and equipment contracts	(17,280)	(19,268)
Principal paid on subscription	(4,824)	(4,655)
Principal paid on revenue bonds	(30,973)	(30,513)
Interest paid on revenue bonds	(7,000)	(7,239)
Payments for capital acquisitions and construction	(2,462,690)	(68,894)
Net Cash Used by Capital and Related Financing Activities	<u>(1,327,012)</u>	<u>(190,025)</u>
Cash Flows from Investing Activities		
Investment earnings	316,140	262,424
Net Cash Provided by Investing Activities	<u>316,140</u>	<u>262,424</u>
Net Increase in Cash and Cash Equivalents	(370,824)	975,006
Cash and Cash Equivalents Beginning of Year	<u>5,989,522</u>	<u>5,014,516</u>
Cash and Cash Equivalents End of Year	<u><u>\$ 5,618,698</u></u>	<u><u>\$ 5,989,522</u></u>
Reconciliation of Cash and Cash Equivalents to the Balance Sheet:		
Cash and temporary investments - current assets	5,591,260	5,962,235
Revenue bond redemption funds - restricted	27,438	27,287
	<u><u>\$ 5,618,698</u></u>	<u><u>\$ 5,989,522</u></u>

(continued)

City of Ketchikan, Alaska
Wastewater Service Fund
Comparative Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

(continued)

	<u>2024</u>	<u>2023</u> Restated
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	\$ 2,203	\$ 392,268
Adjustments:		
Depreciation	603,319	579,627
(Increase) Decrease in Assets and Deferred Outflows of Resources:		
Accounts receivable	(8,197)	(8,548)
Unbilled revenue	(8,769)	(532)
Other postemployment benefits	(994)	10,511
Deferred outflow	2,621	(7,204)
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:		
Accounts payable	104,325	(7,919)
Compensated absences payable	17,691	33,715
Net pension liability	7,995	(7,369)
Deferred inflow	(1,455)	(1,942)
Net Cash Provided by Operating Activities	<u>\$ 718,739</u>	<u>\$ 982,607</u>
Noncash investing, capital and financing activities		
Fair value of non-cash investments	\$ 22,693	\$ 30,341



THIS PAGE INTENTIONALLY LEFT BLANK

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, 2024

	<u>Self-Insurance</u>	<u>Compensated Absences</u>	<u>Total Internal Service Funds</u>
Assets			
Current Assets:			
Cash and cash equivalents	\$ 1,023,313	\$ 1,897,632	\$ 2,920,945
Miscellaneous receivable	14,254	-	14,254
Prepaid insurance	1,212,401	-	1,212,401
Total Current Assets	<u>2,249,968</u>	<u>1,897,632</u>	<u>4,147,600</u>
Total Assets	<u><u>\$ 2,249,968</u></u>	<u><u>\$ 1,897,632</u></u>	<u><u>\$ 4,147,600</u></u>
Liabilities			
Current Liabilities:			
Accounts payable	(226)	-	(226)
Compensated absences payable	-	189,763	189,763
Claims payable	244,917	-	244,917
Total Current Liabilities	<u>244,691</u>	<u>189,763</u>	<u>434,454</u>
Noncurrent Liabilities:			
Compensated absences payable (net of current portion)	<u>-</u>	<u>1,707,869</u>	<u>1,707,869</u>
Total Liabilities	<u>244,691</u>	<u>1,897,632</u>	<u>2,142,323</u>
Net Position			
Unrestricted	<u><u>\$ 2,005,277</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,005,277</u></u>

City of Ketchikan, Alaska
Combining Statement of Revenues,
Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2024

	Self-Insurance	Compensated Absences	Total Internal Service Funds
Operating Revenues			
Charges for services	\$ 2,374,701	\$ 63,776	\$ 2,438,477
Miscellaneous income	-	-	-
Total Revenues	2,374,701	63,776	2,438,477
Operating Expenses			
Compensated absences	-	63,776	63,776
Insurance	2,244,804	-	2,244,804
Claims	121,634	-	121,634
Total Operating Expenses	2,366,438	63,776	2,430,214
Operating Income	8,263	-	8,263
Non-Operating Revenues			
Investment earnings	63,243	-	63,243
Income Before Transfers	71,506	-	71,506
Change in Net Position	71,506	-	71,506
Net Position Beginning of Year	1,933,771	-	1,933,771
Net Position End of Year	\$ 2,005,277	\$ -	\$ 2,005,277

City of Ketchikan, Alaska
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2024

	Self-Insurance	Compensated Absences	Total Internal Service Funds
Cash Flows from Operating Activities			
Cash received from customers and users	\$ 2,365,228	\$ 63,776	\$ 2,429,004
Cash payments for insurance and claims	(2,476,513)	-	(2,476,513)
Cash payments for compensated absences	-	403,789	403,789
Net Cash Provided (Used) by Operating Activities	(111,285)	467,565	356,280
Cash Flows from Capital and Related Financing Activities			
Advances	-	-	-
Net Cash Provided by Capital and Related Financing Activities	-	-	-
Cash Flows from Investing Activities			
Interest on investments	62,867	-	62,867
Net Cash Provided by Investing Activities	62,867	-	62,867
Net Increase in Cash and Cash Equivalents	(48,418)	467,565	419,147
Cash and Cash Equivalents Beginning of Year	1,071,731	1,430,067	2,501,798
Cash and Cash Equivalents End of Year	\$ 1,023,313	\$ 1,897,632	\$ 2,920,945
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income	\$ 8,263	\$ -	\$ 8,263
(Increase) Decrease in Assets:			
Accounts receivable	(9,473)	-	(9,473)
Prepaid expenses	(48,338)	-	(48,338)
Increase in Liabilities:			
Accounts payable	(61,737)	-	(61,737)
Compensated absences payable	-	467,565	467,565
Net Cash Provided by Operating Activities	\$ (111,285)	\$ 467,565	\$ 356,280

CITY OF KETCHIKAN, ALASKA

(Page 1 of 2)

COMBINED SCHEDULE OF CASH AND INVESTMENTS BALANCES - ALL FUNDS

Year Ended December 31, 2024

Cash and Investment Balances

Cash in Revenue Bond Redemption Accounts	530,255.00
Cash in Petty Cash Funds	9,620
Cash in Other Accounts	<u>91,683,161</u>

Total Cash	<u>\$ 92,223,036</u>
-------------------	-----------------------------

Investments

Investments with Financial Institutions	<u>\$44,018,844</u>
---	---------------------

Total Investments	<u>\$44,018,844</u>
--------------------------	----------------------------

Total Cash and Investments	<u>\$136,241,880</u>
-----------------------------------	-----------------------------

General Fund

Unrestricted Funds	12,265,014	\$12,265,014
--------------------	------------	--------------

Special Revenue Funds

Sales Tax Hospital Fund	6,802,834	
Sales Tax Public Works Fund	8,442,068	
Economic Development Parking Fund	324,422	
Transient Tax Fund	1,481,309	
Marijuana Tax Fund	26,936	
Solid Waste Services Fund	1,882,118	
Ketchikan Boat Harbor Fund	1,617,818	
Bayview Cemetery Fund	149,383	
Commercial Passenger Vessel Tax Fund	12,867,762	
Forfeiture and Property Seizures Fund	93,243	
Fire Department SEMT	2,248,683	
Community Grant Fund	58,586	
Shoreline Fund	<u>78,030</u>	36,073,192

Capital Project Funds

Major Capital Improvement Fund		
Unrestricted Funds	547,360	
Community Facilities Development Fund		
Unrestricted Funds	2,873,618	
Harbor Improvements Fund		
Unrestricted Funds	1,904,962	
Bond Construction Funds	38,285	
Hospital Construction Fund		
Unrestricted Funds	9,667	
Bond Construction Funds	1,414,878	
Commercial Passenger Vessel Tax Funds		
Unrestricted Funds	12,838	
Restricted Funds	<u>169,925</u>	6,971,533

CITY OF KETCHIKAN, ALASKA

(Page 2 of 2)

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

Year Ended December 31, 2024

Enterprise Funds

Wastewater Service Fund		
Unrestricted Funds	5,591,260	
Revenue Bond Redemption Funds	27,438	
Ketchikan Port Fund:		
Unrestricted Funds	27,278,387	
Revenue Bond Redemption Funds	186,084	
Repair & Replacement Funds	6,902,428	
Revenue Bond Reserve Funds	2,240,000	
Ketchikan Public Utilities Fund:		
Unrestricted Funds	33,179,813	
Revenue Bond Redemption Funds	316,734	
Bond Construction Funds	463,858	
Other Restricted Funds	25,368	
Revenue Bond Reserve Funds	<u>1,799,826</u>	\$78,011,196

Internal Service Funds

Self-Insurance Fund	1,023,313	
Compensated Leave Fund	<u>1,897,632</u>	<u>2,920,945</u>

Total Cash and Investments		<u><u>\$136,241,880</u></u>
-----------------------------------	--	-----------------------------

CITY OF KETCHIKAN, ALASKA

COMBINED SCHEDULE OF INVESTMENTS - ALL FUNDS

Year Ended December 31, 2024

		<i>Interest Rate</i>	<i>Maturity Date</i>	<i>Amount</i>
CITY OF KETCHIKAN COMBINED CASH & INVESTMENTS				
Wells Fargo Securities	Federal Home Loan Bank	2.00%	2/27/2025	4,981,453
	Federal Home Loan Bank	4.50%	11/20/2026	4,991,256
	Freddie Mac	4.10%	8/25/2027	3,961,572
	Federal Home Loan Bank	5.00%	11/15/2028	4,995,199
	Federal Home Loan Bank	4.80%	11/24/2028	4,988,975
	Fannie Mae	4.80%	12/30/2027	4,989,736
Wells Fargo Securities Agency Notes				28,908,191
HOSPITAL BOND CONSTRUCTION FUND				
Wells Fargo	Time Certificate of Deposit	1.92%	5/27/2025	532,984
	Time Certificate of Deposit	1.92%	5/27/2025	881,894
				1,414,878
HARBOR BOND CONSTRUCTION FUND				
Wells Fargo	Time Certificate of Deposit	1.92%	5/25/2025	38,285
PORT OF KETCHIKAN REPAIR & REPLACEMENT FUND				
Wells Fargo	Time Certificate of Deposit	1.92%	10/26/2025	4,820,746
KETCHIKAN PORT - BERTH IV REPLACEMENT ACCOUNT				
Wells Fargo	Time Certificate of Deposit	1.92%	5/26/2025	2,294,808
STATE OF ALASKA DNR - TELECOM UNDERSEA CABLE GUARANTY				
Wells Fargo	Time Certificate of Deposit	0.01%	1/16/2025	25,368
CAMBRIA PROPERTIES				
First Bank	Time Certificate of Deposit	0.170%	08/09/24	20,081
TOTAL ALL FUNDS				37,522,357



THIS PAGE INTENTIONALLY LEFT BLANK

STATISTICAL SECTION

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

Contents

Page

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.

177

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.

185

Revenue Capacity

These schedules present information to help the reader assess the city's most significant local revenue source, property taxes.

191

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.

207

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.

213

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.

217

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive 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.



THIS PAGE INTENTIONALLY LEFT BLANK

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

(Un-Audited)

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities				
Net investment in capital assets	\$ 154,659,112	\$ 162,340,844	\$ 166,238,050	\$ 164,522,169
Restricted	12,933,820	10,730,407	10,010,245	11,193,773
Unrestricted	<u>7,410,053</u>	<u>8,276,866</u>	<u>9,425,807</u>	<u>7,622,490</u>
Total governmental activities net position	<u>\$ 175,002,985</u>	<u>\$ 181,348,117</u>	<u>\$ 185,674,102</u>	<u>\$ 183,338,432</u>
Business-type activities				
Net investment in capital assets	\$ 124,231,729	\$ 125,126,654	\$ 127,204,039	\$ 131,911,948
Restricted	10,116,562	8,939,769	10,094,057	7,796,537
Unrestricted	<u>26,735,278</u>	<u>27,122,581</u>	<u>29,475,246</u>	<u>32,761,928</u>
Total business-type activities net position	<u>\$ 161,083,569</u>	<u>\$ 161,189,004</u>	<u>\$ 166,773,342</u>	<u>\$ 172,470,413</u>
Primary Government				
Net investment in capital assets	\$ 278,890,841	\$ 287,467,498	\$ 293,442,089	\$ 296,434,117
Restricted	23,050,382	19,670,176	20,104,302	18,990,310
Unrestricted	<u>34,145,331</u>	<u>35,399,447</u>	<u>38,901,053</u>	<u>40,384,418</u>
Total primary government net position	<u>\$ 336,086,554</u>	<u>\$ 342,537,121</u>	<u>\$ 352,447,444</u>	<u>\$ 355,808,845</u>

Table 1

2019	2020	2021	Restated 2022	2023	2024
\$ 163,787,525	\$ 163,299,318	\$ 161,755,446	\$ 160,598,478	\$ 158,163,509	\$ 164,047,780
11,588,224	14,353,477	13,948,485	19,777,408	21,412,483	23,749,935
10,331,503	8,359,025	8,073,608	14,902,752	22,501,115	23,599,590
<u>\$ 185,707,252</u>	<u>\$ 186,011,820</u>	<u>\$ 183,777,539</u>	<u>\$ 195,278,638</u>	<u>\$ 202,077,107</u>	<u>\$ 211,397,305</u>
\$ 131,278,702	\$ 132,468,924	\$ 130,832,845	\$ 128,175,169	\$ 125,328,544	\$ 130,463,820
9,367,092	9,608,549	10,162,964	14,704,994	15,077,436	13,063,364
39,869,385	33,988,535	39,630,755	45,784,836	56,499,545	65,008,760
<u>\$ 180,515,179</u>	<u>\$ 176,066,008</u>	<u>\$ 180,626,564</u>	<u>\$ 188,664,999</u>	<u>\$ 196,905,525</u>	<u>\$ 208,535,944</u>
\$ 295,066,227	\$ 295,768,242	\$ 292,588,291	\$ 288,773,647	\$ 283,492,053	294,511,600
20,955,316	23,962,026	24,111,449	34,482,402	36,489,919	36,813,299
50,200,888	42,347,560	47,704,363	60,687,588	79,000,660	88,608,350
<u>\$ 366,222,431</u>	<u>\$ 362,077,828</u>	<u>\$ 364,404,103</u>	<u>\$ 383,943,637</u>	<u>\$ 398,982,632</u>	<u>\$ 419,933,249</u>

(Un-Audited)

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

	2015	2016	2017	2018	2019
Expenses					
Governmental activities:					
General government	\$ 3,212,276	\$ 2,893,754	\$ 2,336,678	\$ 2,203,941	\$ 2,135,031
Public safety	10,784,857	10,143,345	9,199,458	8,983,817	8,371,009
Culture and tourism	3,351,076	3,925,120	3,418,450	3,370,637	3,706,011
Health and welfare	1,165,884	116,178	2,615,860	1,813,628	1,496,068
Public works	9,341,130	9,152,222	9,484,400	9,482,847	8,745,956
Harbor	2,297,660	2,047,341	2,363,897	2,489,448	2,428,064
Interest	2,303,764	2,238,887	2,274,407	2,241,218	2,169,420
Total governmental activities expenses	32,456,647	30,516,847	31,693,150	30,585,536	29,051,559
Business-type activities					
Ketchikan Public Utilities					
Electric	\$ 17,074,535	\$ 17,993,703	\$ 18,313,066	\$ 21,524,931	\$ 25,512,651
Telecommunications	17,577,826	18,102,186	17,652,356	18,103,760	17,853,139
Water	4,128,011	3,983,398	4,017,174	4,430,845	4,507,091
Ketchikan Port	7,911,281	8,858,593	7,837,738	7,415,022	7,333,993
Wastewater Service	2,683,116	2,481,609	2,762,087	2,806,720	2,723,008
Total business-type activities expenses	49,374,769	51,419,489	50,582,421	54,281,278	57,929,882
Total primary government expenses	<u>\$ 81,831,416</u>	<u>\$ 81,936,336</u>	<u>\$ 82,275,571</u>	<u>\$ 84,866,814</u>	<u>\$ 86,981,441</u>
Program Revenues					
Governmental activities:					
Charges for services:					
Ambulance	\$ 571,134	\$ 589,985	\$ 687,928	\$ 730,650	\$ 606,756
Library services	580,749	588,293	544,023	545,964	520,406
Solid Waste	2,809,864	3,142,540	3,145,652	3,170,322	3,249,983
Harbor	1,329,984	1,475,000	1,513,634	1,575,010	1,568,935
Other activities	1,454,647	1,297,770	1,294,912	1,195,651	1,340,147
Operating grants and contributions	4,124,392	2,704,413	2,789,967	2,720,910	3,093,708
Capital grants and contributions	11,913,259	7,692,835	6,863,099	434,540	538,673
Total governmental activities program revenues	22,784,029	17,490,836	16,839,215	10,373,047	10,918,608
Business-type activities					
Charges for services					
Electric	\$ 16,063,847	\$ 16,741,926	\$ 18,261,797	\$ 19,974,411	\$ 24,283,178
Telecommunications	17,439,673	18,400,623	19,750,713	20,941,196	19,873,607
Water	3,449,639	3,643,991	3,734,692	4,026,625	4,111,810
Port	9,032,271	8,961,241	9,391,272	9,951,339	10,682,735
Wastewater	2,757,661	2,971,896	3,028,609	3,206,933	3,406,502
Operating grants and contributions	630,204	155,750	178,725	192,642	230,803
Capital grants and contributions	1,397,000	803,254	1,214,154	1,982,367	1,629,315
Total business-type activities program revenues	50,770,295	51,678,681	55,559,962	60,275,513	64,217,950
Total primary government program revenues	<u>\$ 73,554,324</u>	<u>\$ 69,169,517</u>	<u>\$ 72,399,177</u>	<u>\$ 70,648,560</u>	<u>\$ 75,136,558</u>

Table 2

2020	2021	Restated 2022	Restated 2023	2024
\$ 2,675,395	\$ 2,488,224	\$ 1,651,035	\$ 2,342,138	\$ 3,242,906
6,726,434	10,682,784	8,378,446	11,597,559	13,369,192
4,450,058	3,503,606	3,210,440	4,271,755	4,453,025
13,640,897	4,000,233	1,509,704	1,512,720	1,496,525
8,660,929	7,811,076	11,608,984	10,068,025	12,193,532
2,596,906	2,429,503	2,693,536	2,491,268	2,594,794
1,950,480	1,945,589	1,770,690	1,722,499	1,744,400
40,701,099	32,861,015	30,822,835	34,005,964	39,094,374
\$ 18,541,278	\$ 19,350,090	\$ 19,407,460	\$ 19,868,057	\$ 22,167,877
19,786,090	17,387,975	18,186,773	19,766,700	21,281,448
4,265,555	4,305,915	6,223,211	5,303,573	5,630,385
7,772,537	5,658,328	6,442,673	10,241,844	8,446,493
2,676,021	2,778,378	2,723,145	3,167,973	3,631,570
53,041,481	49,480,686	52,983,262	58,348,147	61,157,773
\$ 93,742,580	\$ 82,341,701	\$ 83,806,097	\$ 92,354,111	\$ 100,252,147
\$ 496,359	\$ 653,004	\$ 659,502	\$ 832,028	\$ 801,993
569,477	591,496	546,161	527,669	604,822
3,057,513	3,479,819	3,607,193	3,964,891	4,472,684
1,433,953	1,550,342	1,701,685	1,745,208	1,767,380
776,846	708,130	2,139,752	3,208,541	3,087,147
13,479,171	4,136,717	1,926,180	2,100,851	4,923,470
3,390,333	736,594	4,955,960	772,002	2,066,925
23,203,652	11,856,102	15,536,433	13,151,190	17,724,421
\$ 18,459,247	\$ 19,162,832	\$ 19,802,565	\$ 20,151,307	\$ 21,303,220
19,413,257	19,790,864	20,625,186	20,747,159	19,909,224
4,128,320	4,342,104	4,672,841	4,920,604	5,125,112
60,215	1,301,805	10,699,430	14,231,451	17,009,221
3,413,381	3,445,642	3,491,902	3,508,242	3,583,996
321,475	4,097,777	2,758,074	189,874	176,373
3,641,165	2,170,301	306,400	344,703	2,775,845
49,437,060	54,311,325	62,356,398	64,093,340	69,882,991
\$ 72,640,712	\$ 66,167,427	\$ 77,892,831	\$ 77,244,530	\$ 87,607,412

(Un-Audited)

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

	2015	2016	2017	2018	2019
Net (Expense)/Revenue					
Governmental activities	\$ (9,672,618)	\$ (13,026,011)	\$ (14,853,935)	\$ (20,212,489)	\$ (18,132,951)
Business-type activities	1,395,526	259,192	4,977,541	5,994,235	6,288,068
Total primary government net (expense) revenue	\$ (8,277,092)	\$ (12,766,819)	\$ (9,876,394)	\$ (14,218,254)	\$ (11,844,883)
Governmental Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 5,578,404	\$ 5,713,316	\$ 5,683,028	\$ 5,743,008	\$ 5,822,500
Sales taxes	11,425,197	11,334,355	11,895,509	12,459,791	12,831,546
Marijuana sales taxes	-	-	97,152	190,549	215,857
Transient taxes	515,956	465,956	568,341	527,089	546,690
Intergovernmental - unrestricted	498,885	354,195	310,581	232,948	191,914
Investment earnings	94,750	55,273	75,658	353,430	543,980
Miscellaneous	338,825	282,306	414,981	446,904	585,330
Loss on donation of asset					
Special Item	-	-	-	-	-
Transfers	2,804,258	1,165,742	134,670	641,677	(236,046)
Total governmental activities	\$ 21,256,275	\$ 19,371,143	\$ 19,179,920	\$ 20,595,396	\$ 20,501,771
Business-type activities:					
Investment earnings	\$ 93,966	\$ 194,752	\$ 172,784	\$ 495,164	\$ 783,189
Miscellaneous	415,801	457,987	568,683	648,068	737,463
Special Item	-	-	-	-	-
Extraordinary Item	-	359,246	-	-	-
Transfers	(2,804,258)	(1,165,742)	(134,670)	(641,677)	236,046
Total business-type activities	(2,294,491)	(153,757)	606,797	501,555	1,756,698
Total primary government	\$ 18,961,784	\$ 19,217,386	\$ 19,786,717	\$ 21,096,951	\$ 22,258,469
Change in Net Position					
Governmental activities	\$ 11,583,657	\$ 6,345,132	\$ 4,325,985	\$ 382,907	\$ 2,368,820
Business-type activities	(898,965)	105,435	5,584,338	6,495,790	8,044,766
Total primary government	\$ 10,684,692	\$ 6,450,567	\$ 9,910,323	\$ 6,878,697	\$ 10,413,586

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

Table 2 - (Continued)

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ (17,497,447)	\$ (21,004,913)	\$ (15,286,402)	\$ (20,854,774)	\$ (21,369,953)
(3,604,421)	4,830,639	9,373,136	5,745,193	8,725,218
\$ (21,101,868)	\$ (16,174,274)	\$ (5,913,266)	\$ (15,109,581)	\$ (12,644,735)
\$ 5,904,460	\$ 5,888,523	\$ 6,013,552	\$ 6,197,778	\$ 6,748,798
8,604,064	10,370,235	15,421,881	19,932,443	18,825,182
306,828	256,330	253,211	192,830	176,949
335,502	575,153	822,370	836,036	799,399
76,500	114,511	268,415	38,600	394,257
279,996	51,778	33,565	1,796,762	2,476,405
471,222	429,249	2,797,007	364,882	457,060
			(2,892,813)	-
-	-			
1,823,443	1,084,853	1,177,500	1,186,725	1,185,000
\$ 17,802,015	\$ 18,770,632	\$ 26,787,501	\$ 27,653,243	\$ 31,063,050
\$ 402,711	\$ 42,521		\$ 2,482,130	\$ 3,398,867
575,982	776,143	837,065	1,199,928	922,379
-	-	-		
-	-	-		
(1,823,443)	(1,084,853)	(1,177,500)	(1,186,725)	(1,185,000)
(844,750)	(266,189)	(340,435)	2,495,333	3,136,246
\$ 16,957,265	\$ 18,504,443	\$ 26,447,066	\$ 30,148,576	\$ 34,199,296
\$ 304,568	\$ (2,234,281)	\$ 11,501,099	\$ 6,798,469	\$ 9,693,097
(4,449,171)	4,564,450	9,032,701	8,240,526	11,861,464
\$ (4,144,603)	\$ 2,330,169	\$ 20,533,800	\$ 15,038,995	\$ 21,554,561



THIS PAGE INTENTIONALLY LEFT BLANK

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund				
Nondisposable	\$ 364,591	\$ 384,704	\$ 403,230	\$ 404,181
Restricted	137,151	137,151	-	-
Assigned	12,706,723	13,406,493	13,345,745	11,873,101
Unassigned	<u>4,187,530</u>	<u>4,129,424</u>	<u>4,681,079</u>	<u>5,976,080</u>
Total general fund	<u>\$ 17,395,995</u>	<u>\$ 18,057,772</u>	<u>\$ 18,430,054</u>	<u>\$ 18,253,362</u>
All Other Governmental Funds				
Restricted	\$ 20,843,307	\$ 8,904,447	\$ 5,250,457	\$ 6,559,722
Assigned	8,109,967	8,347,861	8,209,394	7,422,169
Unassigned	<u>(101,672)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 28,851,602</u>	<u>\$ 17,252,308</u>	<u>\$ 13,459,851</u>	<u>\$ 13,981,891</u>

Table 3

2019	2020	2021	2022	2023	2024
\$ 390,669	\$ 394,513	\$ 395,006	\$ 285,414	\$ 287,350	\$ 286,092
			1,970,000	1,970,000	20,000
13,810,569	12,374,931	10,857,168	12,375,625	17,292,874	19,584,449
4,634,071	3,321,289	4,073,986	5,872,103	6,772,301	7,267,733
<u>\$ 18,835,309</u>	<u>\$ 16,090,733</u>	<u>\$ 15,326,160</u>	<u>\$ 20,503,142</u>	<u>\$ 26,322,525</u>	<u>\$ 27,158,274</u>
\$ 7,440,358	\$ 9,749,381	\$ 9,010,136	\$ 8,489,278	\$ 10,852,070	\$ 7,838,414
7,602,458	7,801,057	7,549,257	11,113,263	13,462,966	19,612,268
-	-	-	-	-	-
<u>\$ 15,042,816</u>	<u>\$ 17,550,438</u>	<u>\$ 16,559,393</u>	<u>\$ 19,602,541</u>	<u>\$ 24,315,036</u>	<u>\$ 27,450,682</u>

(Un-Audited)

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

	2015	2016	2017	2018
Revenues				
Taxes	\$ 17,496,802	\$ 17,543,636	\$ 18,264,579	18,989,536
Licenses and permits	117,705	193,514	110,522	96,487
Intergovernmental	14,971,874	6,887,976	9,625,881	3,384,455
Charges for services	6,196,528	6,733,218	6,837,859	7,010,549
Fines and forfeitures	190,911	141,578	145,608	108,900
Investments earnings	70,682	31,167	47,210	328,892
Contributions	1,509,991	509,247	249,436	-
Interdepartmental charges	3,180,765	3,141,701	3,143,081	3,241,608
Miscellaneous	518,971	292,479	602,208	450,270
Total revenues	44,254,229	35,474,516	39,026,384	33,610,697
Expenditures				
General government	\$ 5,070,762	\$ 4,641,273	\$ 4,816,471	4,949,636
Public safety	9,205,059	8,425,641	8,874,583	9,068,743
Culture and tourism	3,095,457	3,171,091	3,939,295	3,140,900
Health and welfare	794,591	48,188	20,405	466,373
Public works	8,185,155	7,951,366	14,373,385	9,266,056
Harbor	1,129,429	1,129,112	1,096,367	1,111,579
Capital outlay	41,213,121	20,494,691	5,595,730	2,050,471
Debt service				
Interest and fiscal charges	2,482,562	2,424,300	2,442,793	2,365,068
Principal retirement	3,625,000	1,355,000	1,455,000	1,490,000
Debt issuance cost	-	-	-	-
Total expenditures	74,801,136	49,640,662	42,614,029	33,908,826
Excess of revenues over (under) expenditures	(30,546,907)	(14,166,146)	(3,587,645)	(298,129)
Other Financing Sources (Uses)				
Sale of capital assets	66,691	\$ 45,000	\$ 32,800	\$ 1,800
Proceeds of refunded bonds	2,280,000	-	-	-
Proceeds from sale of bonds	-	1,765,000	-	-
Premiums from sale of bonds	101,300	252,887	-	-
Bond issuance costs	-	-	-	-
Issuance of debt	-	-	-	-
Payments to refunded bond agent	-	-	-	-
Capital lease	-	-	-	-
Transfers in	\$ 10,266,639	\$ 5,170,750	\$ 5,217,020	5,342,291
Transfers out	(7,462,381)	(4,005,008)	(5,082,350)	(4,700,614)
Other financing sources - leases	-	-	-	-
Total other financing sources (uses)	5,252,249	3,228,629	167,470	643,477
Net change in fund balances	\$ (25,294,658)	\$ (10,937,517)	\$ (3,420,175)	\$ 345,348
Debt service as a percentage of noncapital expenditure:	8.56%	18.55%	15.20%	13.16%

Table 4

2019	2020	2021	2022	2023	2024
19,370,869	14,994,198	17,052,144	22,303,881	27,450,584	26,378,954
178,309	189,949	69,569	133,293	115,811	286,491
3,824,295	16,946,004	4,170,498	4,312,867	2,911,453	7,195,619
6,933,551	6,078,796	6,890,280	8,192,347	10,000,864	10,195,655
140,112	48,527	63,874	81,812	92,367	150,201
516,341	279,571	32,600	6,776	1,730,857	2,404,899
-	-	817,324	2,837,688	-	150,443
3,149,501	3,436,009	3,164,565	3,308,810	3,677,739	4,186,442
525,501	365,310	398,327	2,886,298	334,539	371,239
34,638,479	42,338,364	32,659,181	44,063,772	46,314,214	51,319,943
5,143,408	5,527,661	5,042,019	5,302,881	5,855,246	6,767,727
9,375,741	7,307,518	9,973,726	10,589,018	12,789,614	13,448,557
3,187,410	3,075,100	2,954,104	3,200,078	3,455,158	3,830,472
258,001	12,306,862	2,633,278	24,141	37,847	22,225
8,743,497	8,900,246	8,324,922	9,252,667	9,748,691	15,091,393
1,200,009	1,208,551	1,252,607	1,212,212	1,321,244	1,319,090
2,704,432	2,448,998	1,414,999	3,830,475	2,423,293	3,721,927
2,291,724	2,353,705	2,171,850	1,944,138	1,871,371	1,904,510
1,560,000	6,248,397	1,875,220	1,989,770	2,100,706	2,494,021
-	-	27,849	-	-	-
34,464,222	49,377,038	35,642,725	37,345,380	39,603,170	48,599,922
174,257	(7,038,674)	(2,983,544)	6,718,392	6,711,044	2,720,021
\$ 59,831	\$ 360,375	\$ 30,922	\$ 17,873	\$ 37,571	\$ 227,000
-	3,835,000	3,145,000	-	-	-
-	-	-	-	-	-
-	782,902	-	-	-	-
-	-	-	-	-	-
-	-	-	240,378	2,500,000	-
-	-	(3,005,000)	-	-	-
1,644,830	-	-	-	-	-
5,351,104	7,523,481	5,660,432	6,626,791	6,787,115	7,389,614
(5,587,150)	(5,700,038)	(4,575,579)	(5,449,291)	(5,600,390)	(6,204,614)
-	-	-	65,987	96,538	212,273
1,468,615	6,801,720	1,255,775	1,501,738	3,820,834	1,624,273
\$ 1,642,872	\$ (236,954)	\$ (1,727,769)	\$ 8,220,130	\$ 10,531,878	\$ 4,344,294
12.56%	18.82%	19.83%	11.51%	16.97%	9.85%

(Un-Audited)

Table 5

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
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
2024	7,091,818	43,354	113,906	(553,267)	18,680,484	177,545	787,712	37,402	26,378,954
Change									
2024-2015	21.19%	-9.47%	32.98%	26.80%	63.46%	100.00%	61.80%	207.48%	50.94%

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



THIS PAGE INTENTIONALLY LEFT BLANK

(Un-Audited)

Table 6

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

Fiscal Year	City of Ketchikan	Ketchikan Gateway Borough	Total Rate
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
2024	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

(Un-Audited)

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
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
2024	525,616,200	34,266,300	252,865,800	108,492,800	79,034,600	3,347,100

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

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

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

Source: Ketchikan Gateway Borough, Assessment Department

Table 7

Personal Property	Total Assessed Value	Tax-Exempt Property ⁽²⁾	Total Taxable Assessed Value	Tax Rate
56,376,718	873,497,448	65,124,800	808,372,648	11.7
59,603,200	898,729,700	68,375,500	830,354,200	11.7
57,251,300	903,616,400	70,068,900	833,547,500	11.7
57,541,900	923,969,800	72,028,600	851,941,200	11.6
61,092,000	937,007,100	74,723,300	862,283,800	11.6
60,724,600	947,226,700	75,368,400	871,858,300	11.6
58,295,700	948,331,900	79,450,100	868,881,800	11.8
56,376,878	967,283,178	79,567,500	887,715,678	11.8
61,960,900	996,139,800	82,717,600	913,422,200	11.8
61,708,000	1,065,330,800	83,828,400	981,502,400	11.8

(Un-Audited)

Table 8

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

	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
<u>Taxpayer</u>						
Trident Seafoods Corporation	\$ 15,395,000	1	1.45%	\$ 14,427,600	2	1.65%
Cape Fox Hotel Corporation	15,126,200	2	1.42%	16,436,500	1	1.88%
Ketchikan Dock Company LLC	13,833,800	3	1.30%	14,148,200	3	1.62%
Harbor Enterprises/Petro Marine Services	11,878,000	4	1.11%	11,113,300	4	1.27%
Tongass Trading Company	11,422,200	5	1.07%	10,579,500	5	1.21%
Boyer Towing Inc.	9,669,000	6	0.91%	9,169,000	6	1.05%
Dock Street Building Corporation	9,398,900	7	0.88%	8,714,700	7	1.00%
Alaska General Seafood Processors	8,870,500	8	0.83%	7,722,100	10	0.88%
The Landing LLC	8,712,900	9	0.82%	8,342,300	8	0.96%
E C Phillips & Son Inc.	8,678,200	10	0.81%	8,199,900	9	0.94%
Total	\$ 112,984,700		10.60%	\$ 108,853,100		12.46%

Source: Ketchikan Gateway Borough Department of Assessment

(Un-Audited)

Table 9

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

Fiscal Year	Taxes Levied for Municipal Purposes for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	58,223	6,011,734	99.72%
2024	6,477,916	6,476,707	99.98%	-	6,476,707	99.98%

Source: Ketchikan Gateway Borough, Assessment Department



THIS PAGE INTENTIONALLY LEFT BLANK

(Un-Audited)

Table 10

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

Fiscal Year	Retail Sales Tax					Marijuana Sales Tax ⁵	Total Sales Tax Rate ⁶	Total Sales Tax Rate ⁷
	City of Ketchikan ¹	City of Ketchikan ²	Ketchikan Gateway Borough	Retail Sales Tax Total ³	Retail Sales Tax Total ⁴			
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%	11.0%	5.5%	5.0%	16.0%	10.5%
2024	5.5%	3.0%	2.5%	8.0%	5.5%	5.0%	13.0%	10.5%

¹ The City of Ketchikan seasonal sales tax April 1 - September 30, effective April 1, 2023

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

Source: Ketchikan Gateway Borough & City of Ketchikan

(Un-Audited)

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>Collected Charges for Services Revenue</u>				
Solid Waste	\$ 2,809,864	\$ 3,142,540	\$ 3,145,652	\$ 3,170,322
Harbor	1,329,984	1,475,000	1,513,634	1,575,010
<u>Number of Customers/Services Provided</u>				
Solid Waste Collection				
Residential	2,628	2,673	2,694	2,710
Business	249	252	248	246
Solid Waste Disposal	5,500	5,548	5,575	5,604
Harbor				
Reserved Moorage Stalls Rented	821	857	832	806

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

Table 11

	2019		2020		2021		2022		2023		2024
\$	3,249,983	\$	3,057,513	\$	3,479,819	\$	3,607,193	\$	3,964,891	\$	4,472,684
	1,568,935		1,433,953		1,550,342		1,701,685		1,745,208		1,767,380
	2,594		2,592		2,606		2,617		2,581		2,577
	246		228		230		248		257		259
	5,967		5,972		5,986		6,022		6,032		6,048
	813		886		806		890		859		806

(Un-Audited)

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

	2015	2016	2017	2018
<u>Collected Charges for Services Revenue</u>				
Electric				
Residential	\$ 6,752,943	\$ 7,127,462	\$ 7,626,289	\$ 7,650,908
Boats	279,072	318,082	343,140	332,985
Commercial	6,584,210	6,846,651	7,214,570	7,188,265
Industrial	1,784,436	1,795,059	1,959,446	1,901,001
Demand	507,363	495,104	517,862	527,719
Area Lighting	50,076	53,056	54,133	59,148
Street Lighting	129,143	129,912	130,875	131,478
Diesel Surcharge	4	-	438,882	2,206,307
Other	350,271	370,497	506,415	556,296
Telecommunications				
Local Network Services	2,030,655	2,082,930	2,010,146	2,000,821
Inter/Intrastate Network Access Services	9,413,321	8,927,300	8,525,849	8,871,847
Non-Regulated	5,596,871	7,078,617	8,910,105	9,735,645
Other	461,826	374,776	367,613	395,883
Water				
Residential	1,521,500	1,632,301	1,655,801	1,736,472
Apartments	327,663	351,241	357,127	373,428
Commercial	1,208,718	1,275,949	1,302,261	1,382,874
Industrial	83,648	89,868	91,194	94,196
Seafood Processors	152,636	143,507	174,184	251,061
Fire Hydrant	25,887	27,951	28,080	29,470
Port	159,075	154,725	157,725	192,195
Other	23,051	45,931	21,761	24,953
Wastewater				
Residential Sewer Service	1,771,393	1,917,142	1,946,829	2,050,792
Business Sewer Service	986,268	1,054,754	1,081,780	1,156,141
Port				
Passenger Wharfage	6,504,788	6,482,367	6,892,093	7,300,575
Docking	1,782,260	1,771,371	1,876,880	1,913,469
<u>Customer Base</u>				
Electric				
Residential	5,854	5,879	5,921	5,946
Commercial	1,221	1,228	1,242	1,263
Industrial	15	16	17	16
Other	543	555	556	612
Telecommunications				
Residential Access Lines	3,352	3,345	3,242	3,247
Commercial Access Lines	2,371	2,266	2,109	2,027
Water				
Residential	2,647	2,649	2,659	2,667
Apartments	27	28	28	28
Commercial	443	454	458	470
Industrial	3	3	3	3
Cannery	5	5	5	5
Fire Hydrant	8	8	8	8
Marine Vessels	30	56	59	57
Wastewater				
Residential ¹	2,698	2,712	2,724	2,730
Business	436	446	451	461
Port				
Cruiseships	38	38	43	40
Stops	496	489	507	504
Passengers ²	934,772	935,928	996,920	1,045,079

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

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

Source: City of Ketchikan financial records & Ketchikan Visitors Bureau

Table 12

	2019	2020	2021	2022	2023	2024
\$	7,472,223	\$ 8,233,105	\$ 8,479,877	\$ 8,720,005	\$ 8,790,479	\$ 9,351,806
	323,513	335,972	350,409	379,931	378,983	389,919
	7,172,769	7,390,872	7,597,744	7,918,380	8,158,401	8,647,555
	1,861,397	1,815,107	2,036,845	2,041,674	2,090,864	2,164,109
	540,011	520,603	529,297	570,375	559,014	576,009
	59,037	61,287	62,224	64,889	65,859	67,120
	131,968	131,770	131,911	132,787	133,184	133,462
	6,747,735	(3,994)	-	-		
	662,163	520,239	661,458	727,014	1,073,851	772,901
	1,995,490	1,905,420	1,863,840	1,911,540	1,921,944	1,936,826
	8,857,631	8,285,900	8,448,692	8,521,231	8,310,607	8,018,119
	8,710,036	9,079,927	9,455,603	9,915,567	10,351,534	9,773,833
	379,051	210,611	91,330	218,267	231,669	252,470
	1,838,947	1,863,940	1,950,255	2,038,955	2,123,327	2,215,151
	394,046	395,635	408,466	428,604	443,849	463,345
	1,448,482	1,427,747	1,519,350	1,633,581	1,716,367	1,804,803
	100,406	101,502	105,525	109,968	114,355	119,387
	331,963	343,420	355,817	370,687	385,514	402,702
	31,092	31,401	32,574	34,047	35,401	35,106
	1,890	-	6,615	87,120	141,120	123,840
	28,921	3,275	19,389	21,661	30,156	32,436
	2,180,405	2,208,342	2,218,067	2,227,886	2,228,808	2,276,683
	1,226,097	1,205,039	1,227,575	1,264,016	1,279,434	1,306,603
	8,097,798	-	682,848	6,732,543	9,989,769	12,540,500
	2,093,970	60,095	553,303	3,403,352	3,702,062	3,757,960
	5,964	5,963	5,972	5,992	6,013	6,033
	1,275	1,273	1,284	1,294	1,300	1,313
	16	15	14	14	14	14
	612	605	597	622	623	604
	3,070	2,725	2,594	2,452	2,278	2,099
	1,973	1,820	1,738	1,687	1,656	1,575
	2,674	2,679	2,696	2,698	2,701	2,697
	28	28	28	29	29	29
	475	469	479	494	501	507
	3	3	3	3	3	3
	5	5	4	4	4	4
	8	8	8	8	8	8
	1	-	2	13	21	17
	2,737	2,763	2,800	2,807	2,808	2,804
	464	461	468	477	485	491
	46	-	17	42	42	41
	562	-	87	442	514	504
	1,171,620	-	75,872	751,009	1,112,769	1,143,007

(Un-Audited)

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

	2015	2016	2017
Construction	\$ 85,757,073	\$ 74,812,252	\$ 79,319,530
Financial institutions	3,128,295	3,072,413	2,161,852
Hospitality/Lodging establishments	15,632,441	16,195,255	16,786,068
Manufacturing	47,143,944	49,999,866	47,197,111
Real estate	38,807,635	37,405,083	39,609,702
Remote retail	19,758	25,863	31,657
Retail trade	45,786,237	44,870,277	48,209,225
Food stores	85,044,654	84,017,588	86,400,679
Eating and drinking establishments	22,887,732	23,255,671	23,662,945
Auto dealers and supplies	21,452,076	20,702,655	22,546,654
Specialty retail	19,899,374	21,389,104	21,016,882
Curio and jewelry retail stores	102,467,892	102,019,064	110,906,941
Entertainment services	4,205,791	4,616,071	5,100,780
General services	11,652,408	12,394,815	13,595,974
Professional services	12,712,487	9,805,747	9,978,183
Transportation-Fuel/Freight Service	32,565,936	28,190,910	30,708,708
Transportation-Tour/Adventures	17,014,970	17,120,300	19,424,923
Transportation-All Other and communications	15,925,822	12,656,770	13,678,849
Telecommunications	8,801,839	8,133,656	8,034,941
Wholesale Trade	6,441,569	7,870,666	7,758,924
Total	<u>\$ 597,347,933</u>	<u>\$ 578,554,026</u>	<u>\$ 606,130,528</u>
City direct sales tax rate*			
April 1 - September 30	3.50%	4.00%	4.00%
October 1 - March 31			

*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

2018	2019	2020	2021	2022	2023	2024
\$ 59,031,232	\$ 58,197,559	\$ 55,983,075	\$ 71,170,197	\$ 63,127,332	\$ 71,984,200	\$ 76,154,114
2,518,639	2,648,792	3,231,987	3,206,052	2,846,408	2,663,137	2,283,785
17,741,388	17,900,702	10,541,674	17,792,469	23,767,033	24,082,492	21,962,347
32,463,837	25,935,867	29,376,777	24,174,245	60,784,527	41,972,672	42,886,979
41,146,596	40,048,582	35,664,875	38,989,772	43,881,918	44,985,014	44,624,529
192,328	4,931,941	3,947,803	4,119,722	4,884,458	4,347,251	4,766,310
51,111,732	51,443,911	46,185,766	50,970,929	57,593,589	57,334,153	54,427,151
89,529,922	93,460,217	82,212,670	86,259,118	99,704,199	93,745,639	93,361,159
25,054,382	25,681,506	16,366,369	23,129,421	32,540,678	37,225,952	36,653,406
22,255,512	20,884,156	21,265,771	24,029,409	26,187,416	26,186,423	24,249,929
21,942,725	22,759,442	19,423,198	19,714,582	21,445,530	22,881,759	24,946,077
122,898,036	116,565,236	48,660,708	65,159,027	124,197,868	135,647,960	137,371,177
5,472,944	7,206,033	1,012,955	1,414,611	6,429,052	9,480,105	10,299,800
13,623,397	14,700,690	11,847,746	13,905,910	14,722,310	15,278,214	14,395,252
8,999,890	11,113,720	7,445,184	9,109,722	9,066,691	10,059,910	11,226,522
34,801,100	44,786,327	28,129,061	31,901,959	44,405,809	39,386,711	36,311,950
20,306,506	21,001,184	184,158	2,460,258	18,134,405	27,107,284	26,781,872
13,804,425	17,793,337	9,341,502	12,534,880	21,124,459	22,383,855	22,648,585
8,830,168	8,155,955	7,289,253	6,889,167	7,731,025	6,685,317	7,508,602
7,144,518	7,071,569	6,643,948	7,220,439	7,131,188	8,030,789	7,189,081
<u>\$ 598,869,277</u>	<u>\$ 612,286,726</u>	<u>\$ 444,754,480</u>	<u>\$ 514,151,889</u>	<u>\$ 689,705,895</u>	<u>\$ 701,468,837</u>	<u>\$ 700,048,627</u>
4.00%	4.00%	4.00%	4.00%	4.00%	5.50% 3.00%	5.50% 3.00%



THIS PAGE INTENTIONALLY LEFT BLANK

DEBT CAPACITY

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

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

(Un-Audited)

Table 14

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

Governmental Activities					
Fiscal Year	General Obligation Bonds	Notes Payable	Leases Payable	Subscription Based Info Technology Arrangements Payable	Total Governmental Activities
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
2024	44,175,537	2,862,093	28,388	173,380	47,239,398

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
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	20,189,688	5,880,665		77,982,629
2022	1,318,001	847,829	9,479	20,896,428	23,606,713	7,976,556	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	5,159,805	14,473	81,757,738
2024	1,103,643	835,869	-	18,694,167	20,771,544	12,121,454	5,154,963	6,031	75,949,031

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

Source: City of Ketchikan financial records

(Un-Audited)

Table 15

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
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
2024	7,998	981,502,400	45,279,180	4.61%	5,661

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 Year	Gross Revenues ¹	Expenses Excluding Depreciation Taxes & Debt	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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	36,605,567	9,450,507	1,275,000	595,216	5.05
2023	48,821,223	37,155,917	11,665,306	1,235,000	552,524	6.53
2024	49,336,510	40,820,096	8,516,414	1,270,000	521,523	4.75

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

Operating expenses do not include interest, depreciation, or amortization expenses.

¹ Revenues do not include financial assistance recognized as revenues pursuant to GASB Statement 33.

² Other represents lease payment and payment to repair and replacement fund.

Table 16

Port Revenue Bonds							
Gross Revenue	Expenses Excluding Depreciation and Taxes	Net Available Revenue	Debt Service		Other ²	Coverage	
			Principal	Interest		Debt Service	Debt Service/ Lease
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
13,279,226	2,264,558	11,014,668	1,130,000	1,106,000	2,341,884	4.93	2.41
14,918,422	2,600,423	12,317,999	1,185,000	1,049,500	3,121,884	5.51	2.30
18,278,386	2,850,399	15,427,987	1,245,000	990,250	3,343,284	6.90	2.77

City of Ketchikan, Alaska
Direct and Overlapping Governmental Activities Debt
As of December 31, 2024

Name of Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Ketchikan Gateway Borough-Overlapping Debt	26,074,643	51.83%	13,513,439
City of Ketchikan-Direct Debt	47,239,398	100.00%	47,239,398
Total Direct and Overlapping Debt			<u>\$ 60,752,837</u>

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

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

² The figures reported for the Ketchikan Gateway Borough reflect the amounts shown in their FY2024 Annual Comprehensive Financial Report for the year ended June 30, 2024.

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

Demographic and Economic Statistics	Table 18
Principal Employers.....	Table 19

(Un-Audited)

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

Year	Population		Personal Income ⁽¹⁾	Alaska Per Capita Income ⁽²⁾	School ⁽³⁾ Enrollment	Registered Voters
	City	Ketchikan Gateway Borough				
2015	8,300	13,822	869,262,000	62,908	2,365	5,731
2016	8,189	13,754	865,846,000	62,480	2,392	5,851
2017	8,144	13,785	892,295,000	63,795	2,378	5,882
2018	8,131	13,798	924,574,000	65,994	2,346	6,442
2019	8,103	13,739	956,687,000	68,096	2,311	6,530
2020	8,040	13,677	920,008,000	66,116	2,158	6,721
2021	8,149	13,895	963,941,000	69,518	2,163	6,727
2022	7,998	13,762	1,008,668,000	73,240	2,100	6,720
2023	7,803	13,475	1,050,216,000	76,446	2,051	6,651
2024	7,998	13,420	1,050,216,000	76,446	2,043	6,669

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

¹ The amount of personal income reflects the amount reflects State of Alaska Department of Labor and St. Louis Fred (<https://fred.stlouisfed.org/series/AKPCPI>) because information specific to the City of Ketchikan is not currently available. The information reflected in this schedule represents the most current data available and may differ from the amounts that have been reported in prior years. Information has not been released that shows this type of information for 2024 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 2024 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 2024 information can be accessed at <https://education.alaska.gov/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. 2024 data unavailable so an estimate based on previous year's figures has been provided.

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

Table 18

Civilian Labor Force ⁽⁴⁾			Motor
Employed	Unemployed	Unemployment Rate	Vehicles Registered ⁽⁵⁾
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%	15,281
6,630	253	3.7%	15,281
6,448	304	4.5%	15,960

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

<u>Employment Sectors</u>	<u>2024</u>			<u>2015</u>		
	<u>Average</u> <u>Employment</u>	<u>Rank</u>	<u>% of Total</u> <u>Employment</u>	<u>Average</u> <u>Employment</u>	<u>Rank</u>	<u>% of Total</u> <u>Employment</u>
Private and public:						
Private sector	5,424		73.82%	5,408		72.48%
Public sector	1,924		26.18%	2,053		27.52%
Total private and public	<u>7,348</u>		<u>100.00%</u>	<u>7,461</u>		<u>100.00%</u>
Detail of private sector:						
Natural Resource and Mining	97	12	1.32%	130	12	1.74%
Construction	291	8	3.96%	364	8	4.88%
Manufacturing	406	6	5.53%	531	6	7.12%
Trade, Transportation & Utilities	1,874	1	25.51%	1,650	1	22.11%
Information	59	13	0.80%	86	13	1.15%
Financial Activities	346	7	4.71%	366	7	4.91%
Professional & Business Services	266	9	3.62%	283	9	3.79%
Educational & Health Services	953	4	12.97%	938	3	12.57%
Leisure & Hospitality	1,004	3	13.66%	884	4	11.85%
Other Services	128	11	1.74%	176	11	2.36%
Total Detail of private sector	<u>5,424</u>		<u>73.82%</u>	<u>5,408</u>		<u>72.48%</u>
Detail of public sector:						
Federal Government	206	10	2.80%	236	10	3.16%
State Government	541	5	7.36%	659	5	8.83%
Local Government	1,177	2	16.02%	1,158	2	15.53%
Total Detail of public sector	<u>1,924</u>		<u>26.18%</u>	<u>2,053</u>		<u>27.52%</u>

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.

Property Value and Construction.....	Table 20
Full-time Equivalent Employees by Function/Program	Table 21
Operating Indicators by Function/Program	Table 22
Capital Assets Statistics by Function/Program	Table 23
Insurance Coverages	Table 24
Utility Statistical Information	Table 25
Energy Demand, Peak Demand and Resources	
Gross Generation (kWh)	Table 26
Historical Electric Customers, Energy Sales and Operating Results.....	Table 27
Historical Telephone Access Lines and Operating Results	Table 28
Historical Water Customers and Operating Results	Table 29
Utility Rates and Charges	Table 30
Port Fund Operating Results	Table 31



THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF KETCHIKAN, ALASKA
Property Value and Construction
Last Ten Fiscal Years

Year	Construction		Real & Personal Property Value (2)
	Number of Permits (1)	Value (1)	
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
2024	131	23,588,786	1,065,330,800

Sources:

(1) - City of Ketchikan Building Inspection Division

(2) - Ketchikan Gateway Borough Department of Assessment

(Un-Audited)

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

	2015	2016	2017	2018
<u>Function/Program</u>				
General government				
Mayor and Council	8.000	8.000	8.000	8.000
Law	1.250	1.000	1.000	1.000
Clerk	2.000	2.000	2.000	2.000
City Manager	4.500	4.500	4.500	4.500
Finance	16.000	16.000	16.000	16.000
Information Technology	7.000	6.420	6.000	6.000
Public Safety				
Fire	19.000	19.000	19.000	19.000
Police	35.300	35.300	35.300	35.300
Culture				
Library	12.785	12.785	12.735	11.815
Museum	7.200	7.700	8.200	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	2.750
Port and Harbors				
Small Boat Harbors	5.200	5.200	5.200	5.200
Port Development	4.800	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	19.000	19.000
Electric	43.400	43.400	43.400	43.400
Telephone	42.000	42.000	41.000	41.000
Water	10.600	10.600	10.600	10.600
Total	291.535	291.205	292.235	292.065

Source: City of Ketchikan Budget Records

Table 21

2019	2020	2021	2022	2023	2024
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	15.000
6.000	6.000	6.000	6.000	6.000	8.000
19.000	22.000	22.000	22.000	22.590	24.500
35.300	38.550	38.550	38.550	38.550	40.550
11.815	11.815	11.815	11.125	11.125	11.125
8.200	8.200	8.200	8.200	8.250	8.250
3.000	3.000	3.000	3.000	3.000	3.000
-	-	-	-	1.000	1.000
-	-	-	-	0.000	
12.000	13.000	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
3.000	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	5.800
2.500	1.500	1.500	1.500	1.500	1.500
19.000	19.000	19.000	19.000	20.000	20.000
43.400	41.400	41.400	43.400	43.400	43.400
41.000	41.000	41.000	41.000	43.000	43.000
11.600	11.600	12.600	13.600	13.600	14.600
293.315	297.565	298.565	300.875	305.515	312.425

(Un-Audited)

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

	2015	2016	2017	2018
<u>Function/Program</u>				
General Government				
City Manager				
Personnel Job Postings	129	117	120	124
Information Technology				
Workstations	347	338	225	230
Portables	70	72	77	80
Printers	100	100	108	108
Public Safety				
Fire				
EMS/Rescue Responses	1,439	1,551	2,082	2,134
Fire Responses	244	250	58	42
Volunteer Fire Persons	17	25	26	25
Police				
DUI Offenses	68	81	40	62
Domestic Violence	55	63	59	79
Larceny Offenses	265	266	307	345
Culture				
Library				
Volumes in collection	99,311	70,323	99,401	101,331
Annual Circulation	187,916	169,185	178,600	180,240
Offered Programs	561	341	575	587
Program Attendance	13,790	12,801	12,618	12,218
Museum				
Tongass Historical Museum Attendance	24,552	23,914	23,754	24,700
Tongass Historical Museum Exhibit Openings	2	1	1	1
Totem Heritage Center Attendance	33,218	36,799	36,716	36,589
THC Native Arts Studies Course Offerings	10	10	11	9
Virtual Users	-	-	-	-
Civic Center				
Days Occupied	149	159	152	140
Events	84	105	91	92
Public Works				
Engineering				
Issued Building Permits	148	171	124	130
Solid Waste				
Municipal Solid Waste - tons per day	24.10	24.57	24.86	27.28
Trash - tons per day	12.51	12.90	10.61	10.15
Incineration - tons per day	0.02	0.04	0.04	0.03
Recycle - tons per day	6.08	6.75	10.37	13.74
Port and Harbors				
Reserved Moorage Stalls Rented	821	857	832	806
Transient Moorage Feet Sold	271,454	312,543	252,411	421,288
Cruise Ship Stops	496	489	507	504
Cruise Ship Passengers	935,928	935,928	996,920	1,045,079
Ketchikan Public Utilities				
Customer Service				
Utility Service Orders	3,151	2,903	2,798	3,211
Telecommunications Service Orders	8,032	9,072	7,252	7,096

Sources: Various City Departments

Table 22

2019	2020	2021	2022	2023	2024
111	83	66	126	112	92
205	221	235	227	218	224
56	74	80	82	110	113
114	126	129	129	83	114
2,033	1,397	1,766	2,190	2,195	1,959
43	21	24	30	25	53
11	10	11	10	16	22
67	41	49	42	23	26
90	94	70	74	81	31
74	31	101	37	184	141
104,128	104,101	105,997	104,273	104,994	105,563
173,829	111,248	111,612	113,789	119,970	120,752
585	472	363	304	414	379
11,821	20,601	15,258	5,282	8,241	7,305
28,322	2,427	8,905	40,727	64,310	73,695
1	1	-	4	2	3
40,372	2,080	5,592	25,586	41,452	44,202
9	6	6	10	12	13
-	20,543	29,053	21,015	10,494	12,917
138	73	77	148	172	192
83	60	70	104	115	133
177	127	110	100	98	131
27.11	22.67	20.62	21.25	23.38	27.32
10.31	13.75	14.59	15.85	12.87	12.13
0.03	0.03	0.03	0.02	0.04	0.02
10.52	12.94	7.66	6.81	7.55	8.00
813	886	806	890	859	806
451,669	418,002	472,116	458,565	579,075	346,370
562	-	87	442	514	504
1,171,620	-	75,872	751,009	1,112,769	1,143,007
3,027	2,361	3,425	2,630	2,942	2,602
6,244	5,601	6,179	6,310	6,923	9,329

(Un-Audited)

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

	2015	2016	2017	2018
<u>Function/Program</u>				
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	29.37	37.09	37.09	37.09
Miles of Stairways	2	2	2	2
Municipal Parking Lots	38	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

2019	2020	2021	2022	2023	2024
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
37.15	37.15	37.15	37.15	37.16	37.21
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, 2024

Condensed Description of Coverage	Coverage per Occurrence and Deductible Amounts	Condensed Description of Coverage	Coverage per Occurrence and Deductible Amounts
Property Insurance (includes Boiler & Machinery, Flood & Earthquake)		Law Enforcement Liability	
Coverage Amounts	Per Schedule	Coverage Limits	\$15,500,000
Deductible	\$25,000/\$10,000	Deductible	75,000
Commercial Comprehensive General Liability		Public Officials E&O/Employment Practices Liability	
Coverage Limits	15,500,000	Coverage Limits	15,500,000
Deductible	75,000	Deductible	75,000
Employee Benefits Liability		Fidelity/Crime Insurance	
Coverage Limits	15,500,000	Notary Errors and Omissions	
Deductible	75,000	Coverage Limits	25,000
Commercial Auto Liability		Public Employees Blanket Bond	
Coverage Limits	15,500,000	Coverage Limits	2,500,000
Deductible	75,000	Deductible	10,000
Marine Insurance		Public Officials Bond	
Hull Coverage Limits	Per Schedule	City Manager/Delilah - Coverage Limits	10,000
Hull War Risk		Finance Director/Michelle - Coverage Limits	100,000
Coverage Limits	Per Schedule	Deductible	none
Primary Protection & Indemnity		Marina and Wharfingers	
Coverage Limits	1,000,000	Wharfingers/Terminal Operator's/ Marina Operators/Charterers Liability	
Deductible	1,000	Coverage Limits	1,000,000
Primary War Risk		Deductible	10,000
Coverage Limits	600,000	Sudden and Accidental Pollution Liability	
Deductible	none	Coverage Limits	1,000,000
Excess Protection & Indemnity and Excess P&I War Risk		Deductible	25,000
Coverage Limits	29,000,000	Excess Wharfingers/Terminal Operators/ Marina Operators/Charterers/Sudden and Accidental Pollution Liability	
Deductible	none	Coverage Limits	29,000,000
Ambulance Malpractice		Deductible	none
Coverage Limits	15,500,000	XS Marine Liability - Port	29,000,000
Deductible	75,000	Worker's Compensation Insurance	
Broadcast Errors and Omissions		Coverage Limits	Legal Limits
Coverage Limits	2,000,000	Pollution Liability	
Deductible	10,000	Coverage Limits, Per Location/Limit	1,000,000
Cyber Liability		Coverage Limits, Policy Aggregate	6,000,000
Coverage Limits	2,000,000	Deductible	50,000
Deductible	75,000		

***Various sub-limits apply per policy

(Un-Audited)

Table 25

CITY OF KETCHIKAN, ALASKA
Utility Statistical Operating Information
Last Ten Fiscal Years

Year	Number of Customers			K.W.H. Sold	Per K.W.H. Sold		Average Residential K.W.H. Used December
	Electric	Water	Telephone *		Operating Revenue	Cost	
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
2024	7,964	3,265	3,674	177,488,046	0.1245	0.1246	1,217

* Average number of revenue access lines.

(Un-Audited)

CITY OF KETCHIKAN, ALASKA
Energy Demand, Peak Demand and Resources
Gross Generation (kWh)
Last Ten Fiscal Years

	2015	2016	2017	2018	2019
Energy Demand					
Total Sales	163,896,254	165,107,129	175,447,582	167,833,595	164,000,416
System losses	11,298,142	11,068,552	5,958,030	8,924,224	9,227,089
Total	<u>175,194,396</u>	<u>176,175,681</u>	<u>181,405,612</u>	<u>176,757,819</u>	<u>173,227,505</u>
Peak Demand	25,700	25,400	32,300	31,300	33,000
Energy Resources					
KPU Hydroelectric	91,893,718	84,863,454	80,080,904	65,643,343	73,803,919
Southeast Alaska Power Agency ¹	82,277,072	90,444,864	98,312,948	90,348,900	55,043,725
Diesel Generation	<u>1,023,606</u>	<u>867,363</u>	<u>5,357,715</u>	<u>20,765,576</u>	<u>44,379,861</u>
Total	<u>175,194,396</u>	<u>176,175,681</u>	<u>183,751,567</u>	<u>176,757,819</u>	<u>173,227,505</u>
Energy Costs (kWh) ²					
Hydroelectric Generation	\$ 0.0260	\$ 0.0327	\$ 0.0366	\$ 0.0424	\$ 0.0395
Diesel Generation	1.5031	1.6103	0.2601	0.1211	0.1229
Purchased Power ³	0.0690	0.0595	0.0635	0.0584	0.1039
Total Cost of Production (kWh)	0.0548	0.0542	0.0575	0.0598	0.0813

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

2020	2021	2022	2023	2024
166,832,038	169,432,045	174,186,815	178,129,795	176,366,046
9,017,560	12,528,625	9,605,570	6,286,697	10,157,147
175,849,598	181,960,670	183,792,385	184,416,492	186,523,193
35,700	35,100	38,700	34,300	37,600
93,097,364	97,097,727	85,160,384	87,321,123	72,145,633
81,299,877	83,366,208	97,633,370	96,292,625	113,156,244
1,452,357	1,496,735	998,631	802,744	1,221,316
175,849,598	181,960,670	183,792,385	184,416,492	186,523,193
\$ 0.0320	\$ 0.0347	\$ 0.0364	\$ 0.0387	\$ 0.0465
7.2931	0.9896	1.1037	1.2453	0.8063
0.0460	0.0739	0.0653	0.0785	0.0642
0.0985	0.0605	0.0575	0.0648	0.0622

(Un-Audited)

CITY OF KETCHIKAN, ALASKA
Historical Electric Customers, Energy Sales and Operating Results
Last Ten Fiscal Years

	2015	2016	2017	2018	2019
Customers (Average)					
Residential	5,854	5,879	5,921	5,946	5,964
Commercial	1,221	1,228	1,242	1,263	1,275
Industrial	15	16	17	16	16
Other	604	618	619	613	612
Total	7,694	7,741	7,799	7,838	7,867
Energy Sales (KWH)					
Residential	66,410,470	67,731,286	72,362,242	69,468,706	66,721,122
Commercial	70,736,227	71,007,166	74,558,231	71,871,577	71,711,843
Industrial	22,935,650	22,306,193	24,065,722	22,388,719	21,823,945
Other	3,813,907	4,062,484	4,461,387	4,104,593	3,743,506
Total	163,896,254	165,107,129	175,447,582	167,833,595	164,000,416
Operating Results					
Operating Revenues					
Revenues from Energy Sales	\$16,087,247	\$16,765,326	\$18,285,197	\$19,997,811	\$24,308,653
Other Operating Revenues	350,271	370,497	506,415	556,296	662,163
Total Operating Revenues	16,437,518	17,135,823	18,791,612	20,554,107	24,970,816
Operating Expenses					
Hydroelectric Generation	1,659,158	1,807,339	1,660,261	1,778,068	1,825,999
Diesel Generation	1,189,814	1,198,599	2,301,768	5,236,590	11,055,977
Purchased Power	5,381,319	6,247,593	5,279,985	5,718,650	3,742,973
Transmission and Distribution	3,432,156	3,529,503	3,517,936	3,446,199	3,118,865
Administration and General	1,644,771	1,626,940	1,788,906	1,832,274	1,881,789
Total Operating Expenses	13,307,218	14,409,974	14,548,856	18,011,781	21,625,603
Payment In Lieu of Taxes	381,993	381,993	381,993	381,993	381,993
Total Expenses	13,689,211	14,791,967	14,930,849	18,393,774	22,007,596
Net Revenue	\$2,748,307	\$2,343,856	\$3,860,763	\$2,160,333	\$2,963,220

Table 27

2020	2021	Restated 2022	Restated 2023	2024
5,963	5,972	5,992	6,013	6,033
1,276	1,284	1,294	1,300	1,313
15	14	14	14	14
612	597	622	623	604
7,866	7,867	7,922	7,950	7,964
71,662,953	72,305,649	74,518,997	75,127,358	75,401,848
70,526,226	70,627,205	73,074,661	75,838,486	75,550,190
21,096,348	22,958,288	22,800,700	23,334,752	22,752,008
3,546,511	3,540,903	3,964,608	3,996,811	3,947,357
166,832,038	169,432,045	174,358,966	178,297,407	177,651,403
\$18,484,722	\$19,188,307	\$19,828,041	\$20,176,784	\$21,329,980
520,239	661,458	727,015	1,073,851	772,901
19,004,961	19,849,765	20,555,056	21,250,635	22,102,881
2,285,877	2,019,243	2,310,705	2,291,325	2,637,566
1,611,664	1,487,196	1,489,813	1,360,860	1,340,244
6,161,899	6,377,283	7,562,019	7,265,193	8,260,406
3,084,489	3,827,071	3,162,661	3,651,707	4,073,398
2,079,059	2,024,446	2,012,261	2,306,327	2,481,946
15,222,988	15,735,239	16,537,459	16,875,412	18,793,560
381,993	381,993	381,993	382,000	382,000
15,604,981	16,117,232	16,919,452	17,257,412	19,175,560
\$3,399,980	\$3,732,533	3,635,604	3,993,223	2,927,321

(Un-Audited)

CITY OF KETCHIKAN, ALASKA
Historical Telephone Access Lines and Operating Results
Last Ten Fiscal Years

	2015	2016	2017	2018
Access Lines				
Residential	3,352	3,345	3,242	3,247
Commercial	2,371	2,266	2,109	2,027
Total	5,723	5,611	5,351	5,274
Operating Results				
Operating Revenues				
Local	\$2,030,655	\$2,082,930	\$2,010,146	\$2,000,821
Long Distance	9,413,321	8,927,300	8,525,849	8,871,847
Other	6,058,697	7,453,393	9,277,718	10,131,528
Total Operating Revenues	17,502,673	18,463,623	19,813,713	21,004,196
Operating Expenses				
Operation and Maintenance	10,101,434	10,642,306	10,195,360	10,769,201
Administration and General	3,806,866	3,740,714	3,790,280	3,865,082
Total Operating Expenses	13,908,300	14,383,020	13,985,640	14,634,283
Payment In Lieu of Taxes	206,358	206,358	206,358	206,358
Total Expenses	14,114,658	14,589,378	14,191,998	14,840,641
Net Revenue	\$3,388,015	\$3,874,245	\$5,621,715	\$6,163,555

Table 28

2019	2020	2021	Restated 2022	Restated 2023	2024
3,070	2,725	2,594	2,452	2,278	2,099
1,973	1,820	1,738	1,687	1,656	1,575
5,043	4,545	4,332	4,139	3,934	3,674
\$1,995,490	\$1,905,420	\$1,863,840	\$1,911,540	1,921,944	1,936,826
8,857,631	8,285,900	8,448,692	8,521,231	8,310,607	8,018,119
9,089,087	9,290,538	9,546,933	10,133,834	10,583,203	10,026,303
19,942,208	19,481,858	19,859,465	20,566,605	20,815,754	19,981,248
11,067,350	11,870,540	10,667,419	11,332,733	12,374,448	12,944,855
3,827,134	4,199,371	4,004,695	3,824,876	4,345,889	5,266,763
14,894,484	16,069,911	14,672,114	15,157,609	16,720,337	18,211,618
206,358	206,358	206,358	206,358	206,400	206,400
15,100,842	16,276,269	14,878,472	15,363,967	16,926,737	18,418,018
\$4,841,366	\$3,205,589	\$4,980,993	\$5,202,638	\$3,889,017	\$1,563,230

(Un-Audited)

CITY OF KETCHIKAN, ALASKA
Historical Water Customers and Operating Results
Last Ten Fiscal Years

	2015	2016	2017	2018	2019
Customers (Average)					
Residential	2,647	2,649	2,659	2,667	2,674
Apartments	27	28	28	28	28
Commercial	443	454	458	470	475
Industrial	3	3	3	3	3
Cannery	5	5	5	5	5
Fire Hydrant	8	8	8	8	8
Marine Vessels	30	56	59	57	1
Total	3,163	3,203	3,220	3,238	3,194
Operating Results					
Operating Revenues					
Revenues from Water Sales	\$3,453,239	\$3,647,591	\$3,738,292	\$4,030,225	\$4,115,734
Other Operating Revenues	48,939	73,882	49,840	54,425	60,013
Total Operating Revenues	3,502,178	3,721,473	3,788,132	4,084,650	4,175,747
Operating Expenses					
Source of Supply	423,407	393,959	319,986	373,336	426,636
Chlorination/Disinfection	255,398	265,506	268,756	277,078	298,174
Distribution	409,876	428,975	434,900	638,455	554,414
Maintenance	1,174,271	969,767	974,696	1,058,946	1,216,098
Administration and General	423,847	426,066	465,947	471,284	458,052
Total Operating Expenses	2,686,799	2,484,273	2,464,285	2,819,099	2,953,374
Payment In Lieu of Taxes	197,649	197,649	197,649	197,649	197,649
Total Expenses	2,884,448	2,681,922	2,661,934	3,016,748	3,151,023
Net Revenue	\$617,730	\$1,039,551	\$1,126,198	\$1,067,902	\$1,024,724

Table 29

2020	2021	2022	Restated 2023	2024
2,679	2,696	2,698	2,701	2,697
28	28	29	29	29
469	479	494	501	507
3	3	3	3	3
5	4	4	4	4
8	8	8	8	8
0	2	13	21	17
3,192	3,220	3,249	3,267	3,265
\$4,132,244	\$4,346,028	\$4,668,915	4,924,532	5,129,228
34,676	51,963	55,708	65,557	67,542
4,166,920	4,397,991	4,724,623	4,990,089	5,196,770
439,519	507,260	410,140	472,876	569,487
336,040	245,987	308,889	367,294	342,170
502,301	487,639	425,081	637,547	744,267
1,030,481	1,091,480	3,017,175	1,551,292	1,573,187
507,122	471,142	472,820	532,415	568,792
2,815,463	2,803,508	4,634,105	3,561,424	3,797,903
197,649	197,649	197,649	197,600	197,600
3,013,112	3,001,157	4,831,754	3,759,024	3,995,503
\$1,153,808	1,396,834	(107,131)	1,231,065	1,201,267



THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF KETCHIKAN, ALASKA
Utility Rates and Charges
For the Year Ending December 31, 2024

Electric			
Residential	\$7.95	plus \$0.1196 per kWh	
Harbor service	14.70	plus \$0.1196 per kWh	
Commercial	45.20	plus \$0.1120 per kWh plus a demand charge of \$3.63 per kW in excess of 25 kW this flat fee in effect April through September	
Industrial	66.60	plus \$0.1038 per kWh plus a demand charge of \$3.63 per kW in excess of 25 kW	
Telecommunications			
Residential	16.45	line charge plus \$10.40 for FCC subscriber line charge	
	59.95	Broadband DSL Regular (Download Speed and Upload Speed 30M, 100GB data)	
	74.95	Broadband DSL Regular (Download Speed and Upload Speed 150M, 200GB data)	
	89.95	Broadband DSL Regular (Download Speed and Upload Speed 350M, 500GB data)	
Business	18.95	per single or multi-business line plus \$9.20 for FCC subscriber line charge	
	59.95	Broadband DSL Regular (Download Speed and Upload Speed 30M, 100GB data)	
	74.95	Broadband DSL Regular (Download Speed and Upload Speed 150M, 200GB data)	
	89.95	Broadband DSL Regular (Download Speed and Upload Speed 350M, 500GB data)	
Customer Premise Visit	35.00	On site visit to customer's premises	
Water			
Residential			
Homes & Trailers	68.75	per unit	
1-4 apartments	68.75	per unit	
5-24 apartments	62.66	per unit	
25+ apartments	53.74	per unit	
Business	71.68	plus size of line charges as follows	
1 inch	47.77		
1-1/4 inch	143.33		
1-1/2 inch	274.72		
2 inch	499.13		
2-1/2 inch	773.38		
3 inch	1,170.45		
4 inch	1,988.60		
Industrial	<u>Line Charges</u>	Canneries, per season 3" Minimum:	\$67,628.48
5/8 and 3/4 inch	95.55	Additional Charges for Services:	
1 inch	143.33	5/8 and 1 inch	\$2,351.24
1-1/4 inch	238.88	1 1/4 inch	4,222.07
1-1/2 inch	373.20	1-1/2 inch	5,637.85
2 inch	570.31	2 inch	16,862.89
2-1/2 inch	866.25		
3 inch	1,309.25		
4 inch	2,140.81		
6 inch	3,568.11		
8 inch	3,956.26		
Over 8 inch	by special contract		

(Un-Audited)

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

	2015	2016	2017	2018	2019
Assets					
Cash	\$ 6,420,791	\$ 7,957,557	\$ 9,614,774	\$ 9,494,268	\$ 10,958,259
Port Facilities (net)	52,934,352	52,244,740	51,107,786	49,525,407	48,076,054
Construction Work in Progress	439,032	374,566	2,658,931	8,809,064	11,100,273
Restricted Assets	7,582,492	7,075,705	8,028,787	6,291,121	7,853,528
Prepaid Expense	1,113,090	1,026,946	1,070,289	1,108,809	1,161,500
Other Assets	3,150,839	3,316,606	2,943,363	1,536,256	2,702,547
Total assets	71,640,596	71,996,120	75,423,930	76,764,925	81,852,161
Liabilities and Net Position					
Revenue Bonds Payable	31,775,000	27,025,000	26,130,000	25,200,000	24,220,000
Other Liabilities	1,275,821	5,362,008	6,190,956	4,922,591	4,582,992
Total liabilities	33,050,821	32,387,008	32,320,956	30,122,591	28,802,992
Net Position	<u>\$ 38,589,775</u>	<u>\$ 39,609,112</u>	<u>\$ 43,102,974</u>	<u>\$ 46,642,334</u>	<u>\$ 53,049,169</u>
Operating Revenues	<u>\$ 9,032,271</u>	<u>\$ 8,961,241</u>	<u>\$ 9,391,272</u>	<u>\$ 9,970,302</u>	<u>\$ 10,682,037</u>
Operating Expenses					
Operation and Maintenance	\$ 4,636,079	\$ 4,916,988	\$ 5,124,365	\$ 4,730,576	\$ 4,859,929
Depreciation	1,589,941	1,605,242	1,612,861	1,612,457	1,449,352
Depreciation-Lease	-	-	-	-	-
Payment in Lieu of Taxes/Taxes	319,000	319,000	319,000	319,000	319,000
Total operating expenses	6,545,020	6,841,230	7,056,226	6,662,033	6,628,281
Operating Income	<u>2,487,251</u>	<u>2,120,011</u>	<u>2,335,046</u>	<u>3,308,269</u>	<u>4,053,756</u>
Interest Earnings					
Interest Expense					
Non-Operating Revenue (Expense)	<u>(1,571,163)</u>	<u>(1,713,125)</u>	<u>(960,933)</u>	<u>(825,923)</u>	<u>(645,227)</u>
Income Before Contributions, Extraordinary Item & Transfers	916,088	406,886	1,374,113	2,482,346	3,408,529
Contributions	70,425	16,004	11,412	13,360	20,780
Capital Grants	277,647	654,642	1,058,007	608,172	1,556,480
Extraordinary Item	-	359,246	-	-	-
Transfers	(1,619,258)	19,258	1,050,330	543,323	1,421,046
Loss on sale of capital assets	(27,082)	(436,699)	-	-	-
Change in Net Position	<u>\$ (382,180)</u>	<u>\$ 1,019,337</u>	<u>\$ 3,493,862</u>	<u>\$ 3,647,201</u>	<u>\$ 6,406,835</u>
Revenue Bond Debt Coverage:					
1.25 x Annual Debt Service	2.71	2.11	3.18	3.70	4.05
1.0 x Annual Debt Service/Reserves					
Account/Repair and Replacement					
Fund/SPH Lease Payments	1.28	1.10	1.34	1.53	1.63
# of Ships	38	38	43	40	46
# of Calls/Stops	496	489	507	504	562
# of Water Passengers	934,772	935,928	996,920	1,045,079	1,171,620

Table 31

2020	2021	Restated 2022	Restated 2023	2024
\$ 4,463,620	\$ 5,512,570	\$ 8,988,598	\$ 15,705,208	\$ 27,323,792
52,938,299	51,800,747	50,537,146	52,515,132	49,577,625
9,103,215	9,120,646	9,116,969	332,608	785,184
8,018,227	8,160,502	8,354,390	8,894,557	9,344,518
750,000	750,000	-	-	-
84,349	419,159	23,805,998	25,231,166	22,552,594
75,357,710	75,763,624	100,803,101	102,678,671	109,583,713
23,195,000	22,120,000	20,990,000	19,805,000	18,560,000
4,097,879	4,229,113	24,689,458	23,397,498	22,034,647
27,292,879	26,349,113	45,679,458	43,202,498	40,594,647
\$ 48,064,831	\$ 49,414,511	\$ 55,123,643	\$ 59,476,173	\$ 68,989,066
\$ 82,144	\$ 1,353,442	\$ 10,740,829	\$ 14,270,124	\$ 17,071,738
\$ 5,438,567	\$ 3,549,248	\$ 2,455,390	3,285,027	4,039,513
1,356,259	1,184,459	1,263,601	1,557,438	1,855,370
-	-	1,045,440	1,082,138	1,120,124
319,000	319,000	319,000	319,000	319,000
7,113,826	5,052,707	5,083,431	6,243,603	7,334,007
(7,031,682)	(3,699,265)	5,657,398	8,026,521	9,737,731
			638,274	1,197,193
			(1,528,166)	(1,431,486)
(781,501)	(900,607)	(1,681,221)	(889,892)	(234,293)
(7,813,183)	(4,599,872)	3,976,177	7,136,629	9,503,438
23,768	3,849,405	2,538,387	10,024	9,455
3,443,520	2,000,000	-	-	-
-	-	-	-	-
(638,443)	100,147	7,500	(1,725)	-
-	-	-	(2,792,398)	-
\$ (4,984,338)	\$ 1,349,680	\$ 6,522,064	\$ 4,352,530	\$ 9,512,893
-1.00	1.64	4.93	5.51	6.90
(0.49)	0.80	2.41	2.43	2.77
-	17	42	42	41
-	87	442	514	504
-	75,872	751,009	1,112,769	1,143,007