CITY OF Ketchikan ALASKA

ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Fiscal Year Ended December 31, 2021

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CITY OF KETCHIKAN, ALASKA ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended December 31, 2021

Prepared by:

FINANCE DEPARTMENT

Michelle L. Johansen Director of Finance

Shawn E. Hart, CPA Controller

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LETTER OF TRANSMITTAL



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July 28, 2022

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, 2021. 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, 2021, 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, 2021 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 8,149 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 13,895.

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 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. With the help of the federal delegation the cruise industry was able to resume sailing to Alaska in 2021 for a limited cruise ship season. The City is expecting approximately 8% of the 2019 cruise ship season in 2021 and a full the return of cruise ships in 2022 but the passenger volume is lower than usual. The City invested over \$40 million dollars in 2006 to construct Berth III, add a waterfront promenade and develop ground transportation areas and other shore side amenities. Private companies have invested millions of dollars to develop a retail complex at the former Spruce Mill site and Berth IV and its adjacent ground transportation area. The City also completed phase four of a \$26 million four-phase project to upgrade Berths I and II. Going forward the City will consider options for the financing and construction of improvements costing up to \$100 million to upgrade its port facilities to accommodate the neopanamax cruise ships that are beginning to serve the Southeast Alaska cruise market but first the City must concentrate on recovering from the effects of the COVID-19 pandemic and determining how the privately owned cruise ship berthing facilities located in Ward Cove, Alaska will impact the need for publicly owned facilities in the downtown core.

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 \$23.63 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 13,895 in 2021. Approximately 58 percent of the community's population, or 8,149 residents, make their home within the city limits. The City's population peaked in 1997 at 8,552, the last year of operations for the Ketchikan Pulp Company. School enrollment also peaked in 1997 at 2,782 pupils and has since followed a similar downward trend, until bottoming out at 2,110 students in 2009. In 2021, the Ketchikan Gateway Borough School District reported an enrollment of 2,163 pupils, an increase of 5 pupils from 2020.

The shift in the local economy from timber to tourism has resulted in a labor force that has become more seasonal. In 2021, the monthly employment varied between 5,691 and 6,669. The average employed labor force in 2021 was 6,118 with employment peaking at 6,669 in July. The average labor force in 2020 was 5,823. The average annual unemployment rate for 2021 was 7.4 percent, a decrease from the 9.5 percent that was reported for 2020. Per capita income in the Ketchikan Gateway Borough for 2018, 2019 and 2020 was \$68,941, \$70,985 and \$70,574, respectively. The 2021 data was not available.

In 2021, assessed values increased by 1.0% to \$948.33 million from \$947.23 million in 2020. The projected change in assessed values for 2022 is about 2.0%. Gross retail sales increased from \$444.6 million in 2020 to \$510.5 million in 2021, or 12.0 percent and taxable retail sales increased by 20.87 % to \$259.73 million. The City collected \$10.39 million in sales tax revenues in 2021, or \$1.80 million more than 2020. Sales tax collections for 2021 were projected to be \$11,157,000. Cruise ships were expected to return May of 2021 but were delayed due to COVID-19. The cruise ships were ultimately allowed to return to Alaska in July of 2021 for a minimal cruise season. The 2022 cruise ship season did return in May of 2022 but with lower than expected passenger counts. The number of passengers is expected to be lower than the record setting visitors realized in 2019 but significantly more than 2021, which is good news for an economy relying on sales tax revenues from cruise ship passengers. The City continues to mitigate the loss of revenues by deferring capital projects financed from local funds, reducing

operating costs where it is reasonable and practical to do so without compromising the needs of the community and public safety, and evaluating and filling employee vacancies on a case by case basis.

Long-Term Financial Planning and Relevant Financial Policies

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

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

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

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

State Fiscal Challenges – The State of Alaska is an oil producing state that relies heavily on taxes assessed against oil companies operating the oil fields located in the state to fund its operating and capital budgets. The overall decline in oil prices has had a significant impact on the State's finances and its ability to balance its annual budgets. The State's 2022 legislative session looks to make progress towards a balanced budget and the oil revenues originally projected for the fiscal year ending June 30, 2022 of \$1.29 billion could double. While this is good news the fiscal health of the State plays an important role in the City's finances as well as other local governments around the State. As discussed in more detail in the MD&A, 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 7.45% 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 grants and low interest loans, to improve, replace or acquire water and sewer mains, hydroelectric plant, harbor and port facilities, a fire station, a library, and a hospital wing. The City Council is cognizant of the fact that it must carefully assess the finances of the State as it develops and approves the City's

annual budgets and continues to make this assessment in its budget deliberations in order to arrive at a spending plan that maintain the quality of life for the citizens of the City without placing upon them an undue tax burden.

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

The City Charter requires that the voters ratify all general obligation and revenue bonds issued by the City at either a special or regular municipal election. The primary resources for debt service on the City's general obligation bonds are property and sales taxes. The City currently limits the issuance of revenue bonds to finance improvements for its electric, telecommunications, water and wastewater utilities and its port operations. In addition, revenue bonds can only be issued provided that the net revenue available from the pledged activities is equal to or greater than 1.25 times annual debt service after the issuance of the revenue bonds. The City continues to meet these requirements with the exception of its 2016 Port Revenue Refunding Bond. The minimal 2021 cruise ship season precluded the City from satisfying the debt service coverage for the port bond.

Major Initiatives

The City is a part of a progressive community that seeks to improve the quality of life for its citizens. During 2021, 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 effects of an unprecedented COVID-19 pandemic by developing and adapting to recommendations and mandates in order to provide services and keep the community safe.
- Continue the improvements to the Domestic Violence Shelter owned by the City and operated by a local non-profit organization, Women In Safe Homes. Project completion is expected in early 2022.
- Issued a contract for improvements of a building to be used for the purpose of sheltering some of the homeless population and minimizing the risk of spreading COVID-19.
- The newly purchased aerial ladder truck and a mini-pumper truck were placed in service.
- Completed fire station 2 door renovations.
- Approved lease financing of an ambulance assigned to the fire department. Delivery is expected in early 2022.
- Completed the police station siding project.
- Completed audio visual system upgrades to the Ted Ferry Civic Center.
- Continued the installation of commercial water meters with a goal towards moving to a metered rate structure for business customers.
- Issued a contract for the raw water main replacement on Schoenbar Road and amended the Schoenbar water main replacement loan with the Alaska Department of Environmental Conservation.
- 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, 2020. This was the forty-second year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

- Stan Aegerter Anita Beaudoin Vickie Boyd Ging Day Cristina Doyle Joe Graham Patty Keeley
- Taylor Martinez Meadow Muench Camille Nelson Korry Olsen Tracey Sader Terry Sivertsen Meghan Traudt

We would also like to express our appreciation to City Manager Karl Amylon and 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,

Misieler & yo

Michelle L. Johansen Finance Director

Shawn E. Hart, CPA Controller

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

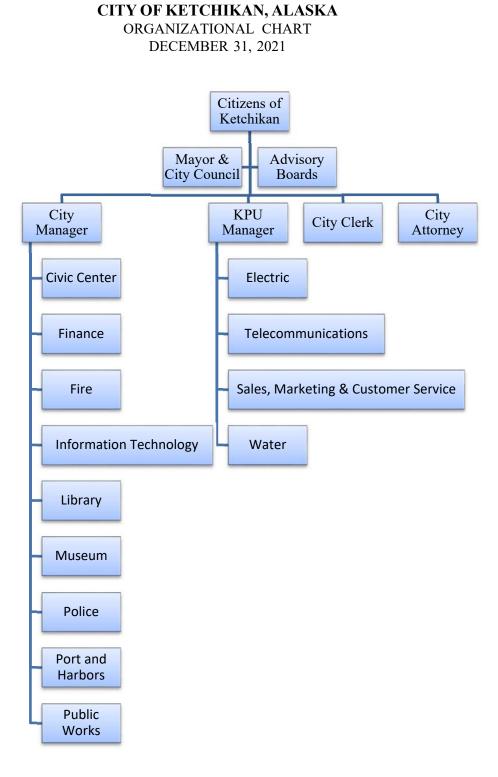
City of Ketchikan Alaska

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

December 31, 2020

Christophen P. Morrill

Executive Director/CEO



CITY OF KETCHIKAN, ALASKA

PRINCIPAL CITY OFFICIALS

December 31, 2021

MAYOR AND CITY COUNCIL

City Mayor
City Councilmember

David Kiffer Lallette Kistler Abby Bradberry Riley Gass Mark Flora Janalee Gage Jai Mahtani Judy Zenge

CITY STAFF

City Manager/KPU General Manager	Lacey Simpson
City Clerk	Kim Stanker
City Attorney	Mitchell A. Seaver
Finance Director	Michelle L. Johansen
Information Technology Director	Curtis Thomas
Police Chief	Eric Mattson
Fire Chief	Scott Brainard
Public Works Director/Engineering Mgr.	Mark W. Hilson
Library Director	Patricia A. Tully
Museum Director	Anita A. Maxwell
Civic Center Manager	Alice M. Nelson
Port and Harbors Director	Mark W. Hilson
Telecommunications Utility Manager	Edward L. Cushing
Water Utility Manager	John C. Kleinegger
Electric Utility Manager	Andrew R. Donato
Sales, Marketing & Customer Service Manager	Kim N. Simpson



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INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ketchikan, Alaska, for the year ended December 31, 2021, 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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Ketchikan, Alaska's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Ketchikan, Alaska's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 17–31 and 85–87 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ketchikan, Alaska's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2022, 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

July 28, 2022

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, 2021. 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 \$364.4 million (net position), an increase of \$2.32 million or 0.6% from 2020.
- Total net position is comprised of the following:
 - 1) Net investment in capital assets of \$292.58 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 \$24.11 million restricted by constraints imposed from outside the City such as debt covenants, granting agencies, laws, or regulations.
 - 3) Unrestricted resources of \$47.70 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 \$31.89 million, a decrease of \$1.76 million or 5.2% from 2020.
- The City was awarded funds from the American Rescue Plan Act
- Unassigned fund balance for the General Fund totaled \$4.07 million or 17.75% of total General Fund expenditures. This was an increase of \$752,697 from 2020. The General Fund reported a current year operating deficit of \$582,279. In 2020, an operating deficit of \$390,840 was reported.
- The City's proprietary funds reported total ending net position of \$180.63 million, an increase of \$4.56 million or 2.60% from 2020.
- The City's property tax rate remained unchanged at 6.6 mill. The City has increased its mill rate only twice in the past 30 years. For all other years, the mill rate remained unchanged or was lowered.

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

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

Supplementary Information

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

Government-wide Financial Analysis

Statement of Net Position

The City's net position at December 31, 2021 and 2020 totaled \$364.40 million and \$362.08 million, respectively. The net position of the City, as a whole, increased by \$2.31 million. The following table summarizes the net position of the City's governmental and business-type activities:

	 Governmen	tal A	ctivities	Business-type Activities		To	Total			
	2021		2020		2021	 2020		2021		2020
Assets										
Current and other assets	\$ 51,149,915	\$	43,697,354	\$	60,189,429	\$ 52,651,324	\$	111,339,344	\$	96,348,678
Capital assets	 211,530,857		214,333,966		189,260,538	 191,278,539		400,791,395		405,612,505
Total assets	262,680,772		258,031,320		249,449,967	243,929,863		512,130,739		501,961,183
Deferred outflows of resources	 1,767,179		2,091,031		528,596	 609,082		2,295,775		2,700,113
Liabilities										
Current and other liabilities	7,184,883		6,541,398		8,100,402	6,888,401		15,285,285		13,429,799
Long-term liabilities	 63,749,463		66,618,118		57,197,759	 60,887,927		120,947,222		127,506,045
Total liablities	 70,934,346		73,159,516		65,298,161	67,776,328		136,232,507		140,935,844
Deferred inflows of resources	 9,736,056		951,015		4,053,838	 696,609		13,789,894		1,647,624
Net Position										
Net investment in capital assets	161,755,446		162,968,635		130,832,845	132,468,924		292,588,291		295,437,559
Restricted	13,948,485		14,684,160		10,162,964	9,608,549		24,111,449		24,292,709
Unrestricted	8,073,608		8,359,025		39,630,755	33,988,535		47,704,363		42,347,560
Total net position	\$ 183,777,539	\$	186,011,820	\$	180,626,564	\$ 176,066,008	\$	364,404,103	\$	362,077,828

Total assets and deferred outflows of resources for governmental activities increased by \$4.31 million and total liabilities and deferred inflows of resources increased by \$6.56 million, resulting in a decrease in net position of \$2.23 million for governmental activities. Total assets and deferred outflows of resources for business-type activities increased by \$5.44 million and total liabilities and deferred inflows of resources increased by \$879,062, resulting in an increase of \$4.56 million in net position for business-type activities. For the City as a whole, net position decreased by \$2.31 million from 2020. 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 \$364.40 million. Over the past 18 years, the City's financial position has improved by \$157.24 million, or 75.90%.

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 80.3% of its net position. These capital assets include land, buildings, equipment, vehicles, and infrastructure used to provide services to the citizens of the City less any related debt that is still outstanding. These assets are not available for future spending. Although investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this outstanding debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. For the City as a whole, its net investment in capital assets decreased by \$2.85 million. The net investment in capital assets for the City's governmental activities decreased by \$1.22 million and the net investment in capital assets for business-type activities decreased by \$1.64 million.

Approximately 6.6% 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, 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 \$47.70 million, or 13.09%, of total net position. This is an increase of \$5.26 million from 2020. Unrestricted net position reported for the City's governmental activities decreased by \$285,417 and the unrestricted net position of the City's business-type activities increased by \$5.64 million.

(This page continued on the subsequent page)

Changes in Net Position

The City's net position increased \$2.33 million in 2021. The net position for governmental activities decreased \$2.23 and business-type activities increased \$4.56 million. The following table provides a summary of the changes in the City's net position:

Changes in Net Position

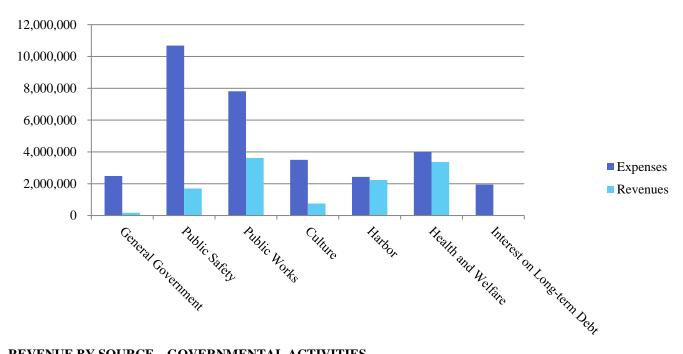
			8					
		ntal Activities	Business-typ		Total			
	2021	2020	2021	2020	2021	2020		
Revenues: Program:								
Charges for services	\$ 6,982,791	\$ 6,334,148	\$ 48,039,353	\$ 45,474,420	\$ 55,022,144	\$ 51,808,568		
Operating grants	\$ 0,902,791	φ 0,001,110	\$ 10,009,000	φ 13,17 I,120	¢ 55,622,111	\$ 51,000,500		
and contributions	4,136,717	16,198,520	4,097,777	321,475	8,234,494	16,519,995		
Capital grants								
and contributions	736,594	670,984	2,170,301	3,641,165	2,906,895	4,312,149		
General:								
Taxes	17,090,241	15,150,854	-	-	17,090,241	15,150,854		
Other	595,538	827,718	818,664	978,693	1,414,202	1,806,411		
Total revenues	29,541,881	39,182,224	55,126,095	50,415,753	84,667,976	89,597,977		
	-	-						
Expenses:								
General government	2,488,224	2,675,395	-	-	2,488,224	2,675,395		
Public safety	10,682,784	6,726,434	-	-	10,682,784	6,726,434		
Culture and tourism	3,503,606	4,450,058	-	-	3,503,606	4,450,058		
Health and welfare	4,000,233	13,640,897	-	-	4,000,233	13,640,897		
Public works	7,811,076	8,660,929	-	-	7,811,076	8,660,929		
Harbor	2,429,503	2,596,906	-	-	2,429,503	2,596,906		
Interest	1,945,589	1,950,480	-	-	1,945,589	1,950,480		
KPU	-	-	41,043,980	42,592,923	41,043,980	42,592,923		
Port	-	-	5,658,328	7,772,537	5,658,328	7,772,537		
Wastewater	-		2,778,378	2,676,021	2,778,378	2,676,021		
Total expenses	32,861,015	40,701,099	49,480,686	53,041,481	82,341,701	93,742,580		
Increase in net position								
before transfers	(3,319,134)	(1,518,875)	5,645,409	(2,625,728)	2,326,275	(4,144,603)		
Transfers in (out)	1,084,853	1,823,443	(1,084,853)	(1,823,443)	-	-		
Increase (decrease) in	<u> </u>							
net position	(2,234,281)	304,568	4,560,556	(4,449,171)	2,326,275	(4,144,603)		
Net position, beginning	186,011,820	185,707,252	176,066,008	180,515,179	362,077,828	366,222,431		
Net position, December 31	183,777,539	186,011,820	180,626,564	176,066,008	364,404,103	362,077,828		
= .								

Governmental Activities. The City's net position from governmental activities decreased \$2.23 million. In 2020, net position decreased by \$304,568. The key elements in the change in net position from the prior year are as follows:

- Charges for services increased by \$648,643. The Solid Waste Division increased its disposal fees generating an additional \$422,000 in 2021 and accounting for 65% of the increase in charges for services. The remaining 35% is due to the revival of summer travelers and cruise ship passengers coming to Ketchikan, resulting in increases in ambulance, parking, library, museum, and transient harbor revenues.
- Taxes increased by \$1.94 million in 2021. The City realizes approximately 33% of its sales tax revenues from the tourism industry and those businesses that support the tourism industry. The resumption of summer travel increased sales and transient tax revenues accounting for nearly all of the increase. A full year of collecting remote seller sales tax generated an additional \$514,000 in 2021.
- Operating grants decreased by \$12.06 million. The decrease was due to a reduction of financial assistance from the federal government. In 2020 the City received financial assistance to address the immediate needs of the COVID-19 pandemic. The relief funds came from the CARES Act that was approved by the U.S. Congress in March 2020 and the Federal Emergency Management Agency. In 2021 the City received American Rescue Plan Act Funds (ARPA) via Non-Entitlement Unit Funds, State of Alaska Commercial Passenger Vessel Tax –ARPA Funds, and Raw Fish Tax-ARPA Funds. The total ARPA Funding received in 2021 totaled \$3.90 million.
- General government expenses decreased by \$7.84 million. This decrease is a direct result of reduced operating grants. The City distributed \$8.6 million to the community in 2020 resulting in a decrease in expenses for 2021.
- Public safety increased by \$3.96 million. Nearly all of this increase is due a transfer of \$3.14 million of public safety employee wages and benefits to the CARES Act Grant Special Revenue Fund in 2020. These wages and benefits were paid to public safety employees who played a critical key role as first responders during the COVID-19 public health emergency. The cost of these wages and benefits were reclassified as a public health function. The additional public safety costs are a result the 2019 compensation plan update to the compensation plan and adjustments to the City's PERS net pension liability.
- Culture and tourism expenses decreased by \$946,452 primarily due to the deferral of projects to improve tourism amenities in the downtown core. Library, museum and Civic Center Services continued to be impacted by the effects of COVID-19 pandemic. As a result the services were cut back to minimize risk of community spread.
- Public health expenses decreased by \$9.64 million. Nearly all of the decrease was for costs incurred by the City in its efforts to address the COVID-19 pandemic and the impacts that the virus had on the community.

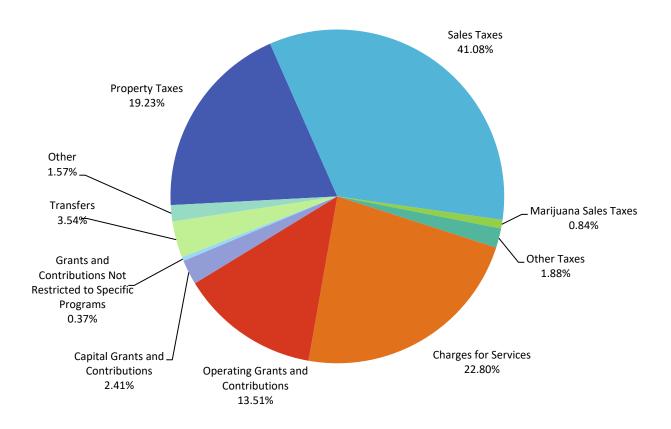
The following graphs compare program revenues with expenses and illustrate the revenues by source for governmental activities.

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EXPENSES AND PROGRAM REVENUES –GOVERNMENTAL ACTIVITIES

REVENUE BY SOURCE – GOVERNMENTAL ACTIVITIES



Business-type Activities. The City's net position from business-type activities increased by \$4.56 million. This is a significant change from last year's decrease of \$4.45 million. As will be discussed below, nearly all of the increase is due to the increase in rates and return of a significantly reduced cruise ship season. The City's business-type activities include electric, telecommunications, water and wastewater utilities; and port operations. The key elements in the change in net position from the prior year are as follows:

Charges for services increased \$2.56 million. The table below summarizes charges of services by business-type activity.

	 2021	 2020
Electric	\$ 19,162,832	\$ 18,459,247
Telecommunications	19,786,970	19,413,257
Water	4,342,104	4,128,320
Port	1,301,805	60,215
Wastewater	 3,445,698	 3,413,381
	\$ 48,039,409	\$ 45,474,420

Electric utility revenues increased by \$703,585 because the utility increased its rates 1.5% in anticipation of an increase in the cost to purchase power from Southeast Alaska Power Agency (SEAPA). A 1.5% rate increase and a 1.6% increase in consumption generated the additional revenue in 2021.

Overall, telecommunications revenues increased by \$373,713. A combination of factors were responsible for most of the increase. Local network revenues decreased by about \$41,580 as customers drop their landline services or moved to another provider. Non-regulated telecommunication revenues arising from internet, television and wireless services increased by \$371,782. Consumer demand for internet, television and wireless services continues to be strong and the City's telecommunications utility has a dominant presence in the local market.

Port revenues increased by \$1.24 million because cruise ship sailings to Alaska resumed in a limited capacity in 2021. The U.S. Centers for Disease Control issued a no sail order for all cruise ship operators in the United States and the Canadian government prohibited cruise ships from berthing at Canadian ports in 2020. Since the U.S. Jones Act requires foreign built vessels to berth at a foreign port when traveling between two American ports, the U.S. Federal delegation passed a temporary waiver to the Jones Act allowing for a minimal cruise ship season in 2021. This was an important step for the community, allowing the City and local businesses to operate even in a limited capacity gave employers and employees confidence in the cruise ship seasons to come.

Capital grants and contributions decreased to \$2.01 million. Most of the capital grants awarded to the City are used to fund long-term improvements for assets that are generally funded in accordance with their life cycles. Funding for these types of projects tend to fluctuate over time and are dependent on the finances of the State of Alaska, which is the primary source of funding for capital grants received by the City.

The overall expenses of the City's business-type activities for 2021 decreased from \$53.04 million to \$49.48 million, or \$3.56 million. The table summarizes expenses by business-type activity.

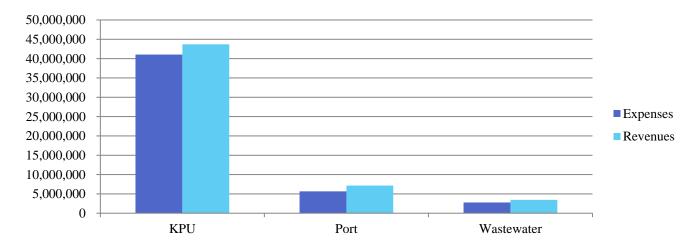
	2021	2020
Electric	\$19,350,090	\$18,541,278
Telecommunications	17,387,975	19,786,090
Water	4,305,915	4,265,555
Port	5,658,328	7,772,537
Wastewater	2,778,378	2,676,021
	\$49,480,686	\$53,041,481

The total expenses of the electric utility increased in 2021 by \$809,000. Overhead and underground line maintenance and distribution station equipment maintenance costs were higher in 2021, \$660,000 more than 2020 while generation costs decreased slightly.

The cost of operating the telecommunications utility decreased by \$1.93 million. Most of the increase was due to the filling of vacant engineering positions that were vacant in 2019, the implementation of the upgrade to the City's compensation plan, pension adjustments that occurred in 2019 that were not repeated in 2020, and depreciation costs associated with the telecommunications utility's new subsea fiber cable.

Although the Port of Ketchikan was closed in 2020 due to the COVID-19 pandemic, its operating costs increased by \$438,544. The Port took advantage of the cancellation of the 2020 tourism season to perform some long overdue maintenance on its berthing facilities. One of the maintenance project involved the Berth III fender system. The cost to repair the fender system was \$1.14 million and was charged to operations. With the exception of expenses incurred for its debt and lease obligations and financial services, most of the other operating expenses of the Port for 2020 were much lower than 2019.

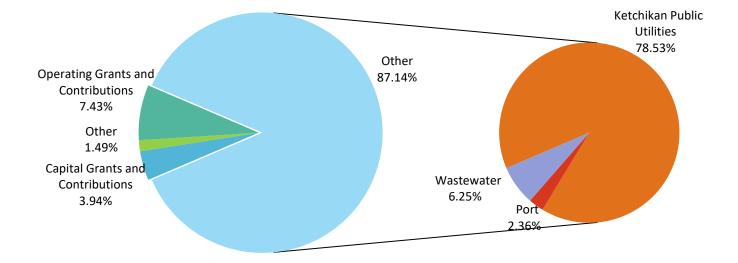
The following graphs compare program revenues with program expenses and illustrate the revenues by source for business-type activities.



EXPENSES AND PROGRAM REVENUES –BUSINESS-TYPE ACTIVITIES

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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 \$31.88 million, a decrease of \$1.76 or 5.2%, from last year. Nonspendable fund balances total \$395,006 and consists entirely of land held for resale. Restricted fund balances total \$9.01 million. Assigned fund balances total \$18.41 million and includes the following:

- \$3.24 million for the subsequent year's budget deficit
- \$4.79 million for streets and sidewalks maintenance and other public works projects
- \$0.73 million for culture and tourism
- \$2.90 million for public buildings improvements
- \$2.72 million for public health
- \$1.56 million for solid waste
- \$0.32 million for abatement of dangerous buildings and parking development
- \$0.13 million for public safety
- \$1.69 million for harbors
- \$0.31 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 2021 amounted to \$23.57 million, an increase of \$2.06 million from 2020. Nearly all of the increase was a result of the recovery of revenues resulting from revenues not realized because of the COVID-19 pandemic in 2020. Sales tax revenues increased by \$1.81 million or 12.6% from 2020. Charges for services increased by \$272,093, or 17.3%. Total general fund expenditures for 2021 amounted to \$22.95 million, an increase of \$1.30 million from 2020. The primary reason for the increase in expenditures was the return of public safety wages that were classified as public health wages and transferred to the CARES Act Grant Fund in 2020. This increase was partially offset by freezing vacant positions to minimize costs and deferring maintenance.

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 2021 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 2021 Budget for the general fund projected annual revenues of \$17.91 million and subsequently amended to \$19.03 million. All of the amendments were for grant awards for public safety and general fund services. Actual revenues totaled \$17.43 million, which resulted in unfavorable budget variance of \$1.60 million, or 8.4%. Approximately \$3.56 million, or 85.6%, of budget variance for revenues was the result of the:

- (1) Loss of sales tax revenues.
- (2) Loss of revenues from museum, ambulance, civic center, parking fees and other miscellaneous fees
- (3) Decrease in parking fines and other fines because they were suspended during lockdowns and other periods when social distancing protocols were in place.

The City continues to experience revenue shortfalls that originated because of the COVID-19 pandemic. In 2021, the return of cruise ships and summer travelers was a good sign but it will take some time to recover to full pre-pandemic levels.

The adopted 2021 Budget for general fund included appropriations for expenditures totaling \$23.50 million. During the year, the City Council approved amendments expenditures totaling \$361,078 and authorized transfers totaling \$250,892 from reserves to appropriations for expenditures. The amendments and the transfers increased appropriations for expenditures to \$23.86 million. All of the amendments provided appropriations for spending the proceeds from grants awards and contributions for public safety and public health services. The transfers provided funding for public safety overtime and professional lobbying services. Actual expenditures totaled \$20.64 million, which resulted in a favorable variance of \$3.22 million. In 2020, Public safety employee wages and benefits totaling \$3.14 million and \$72,873 for COVID administrative leave were transferred the CARES Act Special Revenue Fund and paid for from funds received by the federal government under the CARES Act. In 2021, Public Safety employee wages remained in the General Fund creating an increase of \$2.95 million in public safety costs from the previous year. This swing was mitigated due to a combination of retirements and a moratorium on filling vacant positions that was continued in order to preserve the General Fund's reserves in the event of a prolonged pandemic.

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, 2021, amounts to \$400.79 million. This investment in capital assets includes land, buildings, improvements, utility plants, port facilities, machinery and equipment, and infrastructure. The total decrease in the City's investment in capital assets, net of accumulated depreciation, was \$4.82 million or 1.2%. The City's investment in governmental activities, net of accumulated depreciation decreased \$2.80 million and business-type activities capital assets decreased by \$2.02 million. See

Note 3-E for additional information about changes in capital assets during the calendar year and the amount outstanding at the end of the year. The following table provides a summary of capital asset activity.

	Governmental Activities		Business Activities		Total	
	2021	2020	2021	2020	2021	2020
Non-depreciable assets:						
Land	\$ 29,131,180	\$ 29,131,180	\$ 4,534,706	\$ 4,534,706	\$ 33,665,886	\$ 33,665,886
Easements	588,168	588,168	-	-	588,168	588,168
Construction in progress	5,474,959	4,547,360	14,718,995	12,806,719	20,193,954	17,354,079
Intangibles and other	120,750	120,750	6,416,412	6,416,412	6,537,162	6,537,162
Total non-depreciable	\$ 35,315,057	\$ 34,387,458	\$ 25,670,113	\$ 23,757,837	\$ 60,985,170	\$ 58,145,295
Depreciable assets:						
Utility plants	\$ -	\$ -	\$294,866,860	\$293,067,594	\$ 294,866,860	\$ 293,067,594
Port facilities	-	-	67,933,863	67,886,957	67,933,863	67,886,957
Land improvements	1,539,203	1,539,203	-	-	1,539,203	1,539,203
Buildings	142,057,021	142,057,021	-	-	142,057,021	142,057,021
Machinery and equipment	19,499,701	17,827,047	-	-	19,499,701	17,827,047
Infrastructure	95,388,671	95,388,671	-	-	95,388,671	95,388,671
Software	581,531	581,531			581,531	581,531
Total depreciable assets	259,066,127	257,393,473	362,800,723	360,954,551	621,866,850	618,348,024
Less accum. depreciation	(82,850,327)	(77,446,965)	(199,210,298)	(193,433,849)	(282,060,625)	(270,880,814)
Net depreciable assets	\$176,215,800	\$179,946,508	\$163,590,425	\$167,520,702	\$ 339,806,225	\$ 347,467,210
Percentage depreciated	32%	30%	55%	54%	45%	44%
Book value - all assets	\$211,530,857	\$214,333,966	\$189,260,538	\$191,278,539	\$ 400,791,395	\$ 405,612,505

Capital Assets

Major capital assets under construction during 2021 and included in construction in progress are as follows:

- Bar Harbor North Ramp 3, Float 10 and 11 Electrical Upgrade \$523,000
- Overnight Warming Shelter \$426,000
- Domestic Violence Shelter \$1,664,000
- Bar Harbor North Piling Replacement \$268,000
- Schoenbar Road Water Improvements \$1,263,000
- Water Filtration Project \$311,000
- Commercial Metering Project \$260,000

Major capital assets placed in service during 2021 are as follows:

- Aerial Ladder Truck \$1,352,000
- Mini-Pumper Truck \$291,000
- Audio Visual Upgrades for the Ted Ferry Civic Center \$155,000

At December 31, 2021, the depreciable capital assets for governmental activities were 32% depreciated. At December 31, 2020 and 2019, capital assets were 30% and 29% depreciated, respectively. The City's business-type activities capital assets were 55% depreciated at December 31, 2021 compared to 54% and 53% for 2020 and 2019, 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, 2021, the City had \$102.86 million in outstanding bonded debt and other long-term debt, an decrease of \$3.59 million from 2020. Total general obligation bonded debt decreased from \$50.79 million to \$49.18 million, or 3.3%. Total revenue bonded debt decreased from \$51.62 million to \$49.96 million, or 3.3%. The following table provides a summary of outstanding long-term debt:

		nmental vities		ess-type vities	Tot	als
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 47,755,000	\$ 49,265,000	\$ 1,422,801	\$ 1,526,047	\$ 49,177,801	\$ 50,791,047
Revenue bonds	-	-	49,963,133	51,617,107	49,963,133	51,617,107
Landfill closure costs	977,940	977,700	-	-	977,940	977,700
Compensated absences	1,596,912	1,766,355	1,145,072	1,297,420	2,741,984	3,063,775
Total	\$ 50,329,852	\$ 52,009,055	\$ 52,531,006	\$ 54,440,574	\$ 102,860,858	\$106,449,629

Outstanding Long-term Debt

In June 2021, the City refunded its 2012-2 Library General Obligation Bond by issuing its 2021 Library General Obligation Refunding Bond. The refunding bond was issued through the Alaska Municipal Bond Bank Authority with a par value of \$3.05 million at a true interest cost of 1.67%. The net present savings amounted to \$202,988 or 6.75% of the refunded bond. The City's policy for refunding candidates is generally net present value savings of at least 3%.

In June 2021, the City refunded through the Alaska Municipal Bond Bank Authority its KPU Revenue Bond 2013-A, Series X in the amount of \$9.24 million at a true interest cost of 1.82%. The net present savings amounted to \$1,035,645 or 12.41% of the refunded bond. The City's policy for refunding candidates is generally net present value savings of at least 3%.

In September 2018, the City issued a \$1,591,967 revenue bond through the Alaska Department of Environmental Conservation Drinking Water Loan Program for the Schoenbar Road Water Main Replacement Project. In 2021, the City submitted a request to amend the loan agreement increasing the loan \$5,973,779 for a total loan amount of \$7,565,746. The proceeds from this loan are distributed to the City as it incurs construction costs. As of December 31, 2021, the City had incurred construction costs of \$1,625,063 that were eligible for reimbursement under this loan program. The final loan amount will be determined at the time the project is completed.

In May 2019, the City issued a \$1.25 million revenue bond through the Alaska Department of Environmental Conservation Clean Water Loan Program for the Commercial Wastewater Metering Project. The proceeds from this loan are distributed to the City as it incurs construction costs. As of December 31, 2021, the City had incurred construction costs of \$382,328 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, 2021, the City had incurred construction costs of \$382,328 that were eligible for reimbursement under this loan program. The final amount will be determined at the time the project is completed.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) December 31, 2021

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 nearly all general obligation and revenue bond covenants, however, due to the COVID-19 pandemic and the significantly reduced 2021 cruise ship season, the City did not satisfy the debt service coverage for its 2016 Port Revenue Refunding Bond. Fortunately, the City received a grant in the amount of \$1.1 to pay a portion of 2020 and 2021 debt service and a private contribution in the amount \$2 million to help the Port Fund make the \$2.23 million debt service payment that was required for 2021. The Port bonds were issued through the Alaska Municipal Bond Bank Authority and they were notified of the City's inability to satisfy this covenant.

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

As of December 31, 2021, the City's total direct general obligation bond debt per capita was \$6,332.

See Note 3-I for additional information about the City's long-term debt and capital leases. The landfill closure and post-closure care liability are discussed in Note 3-H.

Economic Factors and Next Year's Budgets and Rates

Tourism continues to be a growth industry for the community of Ketchikan and has had 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 pointing toward the market's desire to visit Ketchikan. This was an important step for our community; giving businesses the confidence that cruising will return 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 not 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.

In 2021, the downtown berthing facilities received 17 ships that made 87 stops and carried 75,872 passengers. To compare, the community enjoyed the economic benefits of a record breaking 1.17 million visitors arriving by cruise ship in 2019. Approximately 46 cruise ships made 570 stops, bringing jobs, and increased revenues for local businesses and governments. The City realized a record \$12.83 million in sales tax revenues in 2019 compared to \$8.59 million in 2020 and \$10.38 million in 2021. Tourism and the seafood industry are the driving forces in the local labor market and provide for employment opportunities in other sectors of the local economy. In 2021, employment peaked at 6,669 employees and the monthly unemployment rate averaged about 7.4%. During the pandemic, the monthly employment during the peak months averaged 6,200 employees and the monthly unemployment rate averaged about 9.95%. The City is expecting a much more active cruise season in 2022 but continues to budget cautiously. Currently, 459 stops are planned for Ketchikan in 2022 signaling steps toward a recovering economy, even though the passenger counts are only expected to be, on average, two-thirds of the ship capacity. If the planned sailings are successful and the course of the pandemic does not change for the worst, the community is cautiously optimistic that the cruise lines will add more passengers returning to pre-pandemic levels in the next few years.

The City recognizes the importance the tourism industry has on Ketchikan's economy and the need to continue to improve the visitor experience in order to remain a desirable destination for visitors. Prior to the COVID-19 pandemic, the City had been exploring alternatives for managing the operations of the Port of Ketchikan and improving its berthing facilities and visitor amenities. In 2020, the City Council determined that at this moment in time it would not be in the City's best interest to bring in an outside port operator. Instead, the City Council decided to put the emphasis on considering ways to strengthen the existing management structure to make it more efficient and responsive the needs of the community and the tourism industry. With regards to the efforts to improve the existing berthing facilities, the City decided not to take any further action for the time being. In addition to the impacts of the pandemic on cruise ship traffic and the limited availability of resources to finance the

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) December 31, 2021

construction of improved berthing facilities, the City determined that the new berthing facilities located at Ward Cove could also influence the type of facilities and improvements that would be needed for Port of Ketchikan and the downtown core. The City's continues to focus on stabilizing and building the reserves of the port fund to pre-pandemic levels in order to fund the capital improvement needs of the port.

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

During budget deliberations in December 2021, the City Council adopted the 2022 General Government Operating and Capital Budget predicated on raising the property tax mill rate from 6.6 to 7.1. When it came time to establish the mill levy in June 2022, the City Council decided to leave the mill rate at 6.6 due to concerns regarding the impact that the COVID-19 pandemic was having on the City's tourism based economy. The increase in the mill levy had been proposed as a first step towards funding an update to the City's compensation plan. Staff had initially recommended increasing the mill rate to 7.1 in 2020.

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 expanding, it is becoming more seasonal and continues to rely on natural resources. For these reasons, the City Council practices a balanced approach to taxes, utility rates, spending and the management of the City's reserves. The City Council is prepared to make necessary modifications to current and future fiscal plans to ensure that City's financial position remains strong and the cost of services provided to the citizens of Ketchikan are affordable. **Contacting the City's Financial Management**

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



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GOVERNMENT-WIDE FINANCIAL STATEMENTS



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City of Ketchikan, Alaska Statement of Net Position December 31, 2021

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets:			
Cash and temporary investments (Note 3A)	\$ 27,350,300	\$ 39,192,766	\$ 66,543,066
Restricted cash, cash equivalents and investments	9,354,879	1,290,015	10,644,894
Receivables:			
Accounts	585,563	2,951,381	3,536,944
Taxes	2,519,180	-	2,519,180
Intergovernmental	637,344	156,660	794,004
Miscellaneous	118,309	-	118,309
Interest	13	-	13
Unbilled	71,426	1,360,811	1,432,237
Advances	469,002	(469,002)	-
Inventory	-	2,806,925	2,806,925
Prepaid items	873,047	792,392	1,665,439
Total current assets	41,979,063	48,081,948	90,061,011
Noncurrent assets:			
Land for resale	395,006	-	395,006
Restricted investments	-	9,527,949	9,527,949
Accrued interest on restricted assets	-	939	939
Net other post employment benefits asset	8,775,846	2,578,593	11,354,439
Capital Assets (Note 3E)			
Nondepreciable capital assets	35,315,057	25,670,115	60,985,172
Depreciable capital assets, net	176,215,800	163,590,423	339,806,223
Total noncurrent assets	220,701,709	201,368,019	422,069,728
Total Assets	262,680,772	249,449,967	512,130,739
Deferred Outflow of Resources	1,767,179	528,596	2,295,775
Total Assets and Deferred Outflow of Resources	264,447,951	249,978,563	514,426,514

City of Ketchikan, Alaska Statement of Net Position (Cont'd) December 31, 2021

	Governmental Activities	Business-type Activities	Total
Liabilities			
Current liabilities			
Accounts payable	1,766,663	3,862,231	5,628,894
Payroll payable	1,856,923	-	1,856,923
Accrued interest payable	164,378	261,864	426,242
Customers deposits payable	4,074	369,965	374,039
Unearned revenue	621,750	58,606	680,356
Claims payable	457,850	-	457,850
Compensated absences payable	159,692	114,507	274,199
Capital lease payable	229,770	_	229,770
General obligation bonds payable	1,923,783	104,800	2,028,583
Revenue bonds payable	_	3,328,429	3,328,429
Total current liabilities	7,184,883	8,100,402	15,285,285
Noncurrent liabilities	., .,	-)) -	
Compensated absences payable (net of current portion)	1,437,221	1,030,565	2,467,786
Capital lease payable (net of current portion)	966,443	-	966,443
Net pension liability	12,114,759	3,559,665	15,674,424
Landfill closure costs	977,940	-	977,940
General obligation bonds payable (net of current portion)	48,253,100	1,318,000	49,571,100
Revenue bonds payable (net of current portion)	-	51,289,529	51,289,529
Total noncurrent liabilities	63,749,463	57,197,759	120,947,222
Deferred Inflow of Resources	9,736,066	4,053,838	13,789,904
Total Liabilities and Deferred Inflows of Resources	80,670,412	69,351,999	150,022,411
Net Position			
Net investment in capital assets (Note 3K) Restricted for:	161,755,446	130,832,845	292,588,291
Capital and maintenance outlay	3,714,318	_	3,714,318
Repair and replacement funds	-	5,417,733	5,417,733
Commercial passenger excise tax funds	7,524,896	_	7,524,896
Performance guaranty	-	25,368	25,368
Debt service	-	4,719,863	4,719,863
Solid waste operations and maintenance	1,707,387	-	1,707,387
Harbor operations and maintenance	753,838	-	753,838
Cemetery operations and maintenance	105,773	-	105,773
Investigation and property seizure funds	142,273	-	142,273
Unrestricted	8,073,608	39,630,755	47,704,363
Total Net Position	\$ 183,777,539	\$ 180,626,564	\$ 364,404,103

City of Ketchikan, Alaska Statement of Activities For the Year Ended December 31, 2021

					Progr	am Revenues		
Functions/Programs		Expenses		Charges for Services		Operating Grants and Contributions		ital Grants ontributions
Governmental Activities:								
General government	\$	2,488,225	\$	31,320	\$	147,775	\$	-
Public safety		10,682,784		1,173,991		446,799		80,758
Culture and tourism		3,503,606		655,826		100,638		-
Health and welfare		4,000,233		-		3,366,688		-
Public works		7,811,076		3,568,963		48,063		-
Harbor		2,429,503		1,552,691		26,754		655,836
Interest		1,945,589		-		-		-
Total Governmental Activities		32,861,016		6,982,791		4,136,717		736,594
Business-Type Activities:								
Electric, telecommunications and water		41,043,980		43,291,906		240,944		170,301
Port		5,658,328		1,301,805		5,849,405		-
Wastewater		2,778,378		3,445,642		7,428		-
Total Business-Type Activities		49,480,686		48,039,353		6,097,777		170,301
Total	\$	82,341,702	\$	55,022,144	\$	10,234,494	\$	906,895

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

Net Position End of Year

			ue and Changes	in Ne	et Position
			ary Government		
G	overnmental Activities	B	usiness-Type Activities		Total
\$	(2,309,130) (8,981,236) (2,747,142) (633,545)	\$	- - -	\$	(2,309,130) (8,981,236) (2,747,142) (633,545)
	(4,194,050) (194,222) (1,945,589)		- - -		(4,194,050) (194,222) (1,945,589)
	(21,004,914)				(21,004,914)
	- - -		2,659,171 1,492,882 674,692		2,659,171 1,492,882 674,692
			4,826,745		4,826,745
	(21,004,914)		4,826,745		(16,178,169)
	5,888,523 10,370,235 256,330 575,153 114,511 51,778 429,249 1,084,853		42,521 776,143 (1,084,853)		5,888,523 10,370,235 256,330 575,153 114,511 94,299 1,205,392
	18,770,632		(266,189)		18,504,443
	(2,234,282)		4,560,556		2,326,274
	186,011,820		176,066,008		362,077,828
\$	183,777,538	\$	180,626,564	\$	364,404,102



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FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

City of Ketchikan, Alaska Balance Sheet Governmental Funds December 31, 2021

	General	Other Governmental Funds	Total Governmental Funds
Assets Cash and temporary investments	\$ 16,636,886	\$ 8,268,255	\$ 24,905,141
Restricted cash:	\$ 10,050,880	\$ 8,208,233	\$ 24,905,141
Bond construction funds	-	1,689,689	1,689,689
Property seizure funds	-	142,823	142,823
Commercial passenger excise tax funds	-	7,522,367	7,522,367
Receivables:			
Accounts	228,858	356,705	585,563
Taxes	2,410,680	108,500	2,519,180
Intergovernmental Interest	2,444	634,900 13	637,344 13
Interfund	345,348	-	345,348
Unbilled receivables	-	71,426	71,426
Land for resale	395,006	-	395,006
Total Assets	\$ 20,019,222	\$ 18,794,678	\$ 38,813,900
Liabilities, Deferred Inflows of Resources and Fund Balances			
Endinacis, Deletted fillions of resources and I and Damnees			
Liabilities			
Accounts payable	\$ 326,209	\$ 1,430,777	\$ 1,756,986
Payroll payable	1,856,923	-	1,856,923
Customer deposits payable	-	4,074	4,074
Interfund payable Unearned revenue	-	345,348	345,348
Unearned revenue	275,164	346,586	621,750
Total Liabilities	2,458,296	2,126,785	4,585,081
Deferred Inflows of Resources	2,234,766	108,500	2,343,266
Fund Balances			
Nonspendable - Land held for resale	395,006	-	395,006
Restricted for:			
Law enforcement	-	142,273	142,273
Commercial passenger excise tax	-	7,524,896	7,524,896
Bond construction funds	-	1,342,967	1,342,967
Assigned:	2,892,566	251 120	2 242 606
Subsequent years budget Parking development and abatement of dangerous buildings	2,892,300	351,130	3,243,696 316,126
Hospital development and expansion	2,719,848	-	2,719,848
General government	146,178	161,288	307,466
Public safety	126,931		126,931
Culture and tourism	48,267	679,031	727,298
Public works	114,391	-	114,391
Collection and disposal of solid waste	-	1,585,728	1,585,728
Cemetery operations	-	105,773	105,773
Harbor operations	-	605,267	605,267
Streets, sidewalks and other public projects	4,492,861	-	4,492,861
Development of community facilities Harbor construction	-	2,903,349 1,082,134	2,903,349
Public works projects	-	75,557	1,082,134 75,557
Unassigned	4,073,986	-	4,073,986
Total Fund Balances	15,326,160	16,559,393	31,885,553
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 20,019,222	\$ 18,794,678	\$ 38,813,900

City of Ketchikan, Alaska Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position December 31, 2021

Total Governmental Fund Balances	\$	31,885,553
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.	104	
Cost of capital assets\$ 294,38Less accumulated depreciation(82,850)	·	211,530,857
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds: Taxes Services		2,283,928 59,338
	5,348 5,348 <u>)</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.		1,841,077
Accrued interest is not reported at the fund financial reporting level		(164,378)
	7,179 6,066 <u>)</u>	(7,968,887)
Capital lease payable(1,190Net pension liability(12,114Net other post-employment benefits8,775	1,883) 6,213)	(55,689,949)
Net Position Of Governmental Activities	\$	183,777,539

City of Ketchikan, Alaska Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended December 31, 2021

Deserve		General	Debt Service	G	Other overnmental Funds	G	Total overnmental Funds
Revenues	¢	16 000 010	¢	¢	0.40,000	¢	17.050.144
Taxes	\$	16,209,312	\$ -	\$	842,832	\$	17,052,144
Licenses and permits		69,569	-		-		69,569
Intergovernmental		1,850,055	-		2,320,443		4,170,498
Charges for services		1,846,363	-		5,043,917		6,890,280
Fines and forfeitures		61,526	-		2,349		63,875
Investment earnings		16,001	-		16,598		32,599
Contributions		-			817,324		817,324
Interdepartmental charges		3,164,565	-		-		3,164,565
Miscellaneous		350,537	47,060		730		398,327
Total Revenues		23,567,928	47,060		9,044,193		32,659,181
Expenditures							
Current:							
General government		4,911,019	-		131,000		5,042,019
Public safety		9,860,775	-		112,951		9,973,726
Culture and tourism		2,954,104	-		-		2,954,104
Health and welfare		266,437	-		2,366,841		2,633,278
Public works		4,954,721	-		3,370,201		8,324,922
Harbor		-	-		1,252,607		1,252,607
Debt Service:							
Principal retirement		-	1,695,220		180,000		1,875,220
Interest and fiscal charges		-	2,003,300		168,550		2,171,850
Debt issuance cost		-	27,849		-		27,849
Capital Outlay		-			1,414,999		1,414,999
Total Expenditures		22,947,056	3,726,369		8,997,149		35,670,574
Excess (Deficiency) of Revenues							
Over (Under) Expenditures		620,872	(3,679,309)		47,044		(3,011,393)
Other Financing Sources (Uses)							
Sale of capital assets		30,922			-		30,922
Proceeds from refunding bonds		-	3,145,000		-		3,145,000
Payment to refunded bond escrow agent		-	(3,005,000)		-		(3,005,000)
Transfers in		2,121,123	3,539,309		-		5,660,432
Transfers out		(3,537,490)			(1,038,089)		(4,575,579)
Total Other Financing Sources (Uses)		(1,385,445)	3,679,309		(1,038,089)		1,255,775
Net Change in Fund Balances		(764,573)	-		(991,045)		(1,755,618)
Fund Balances Beginning of Year		16,090,733			17,550,438		33,641,171
Fund Balances End of Year	\$	15,326,160	<u>\$ -</u>	\$	16,559,393	\$	31,885,553

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, 2021

Net Changes In Fund Balances - Total Governmental Funds			\$ (1,755,618)
Amounts reported for governmental activities in the statement of activities are different because			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period. Depreciation expense Capital outlay	\$	(5,716,112) 2,964,035	(2,752,077)
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			(51,032)
Elimination of other financing sources to record bond refunding			(140,000)
Revenues of Internal Service Fund are included in the governmental statement of activities			19,179
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Taxes Charges for Services			38,096 (40,933)
			(40,755)
Elimination of transfers between governmental funds:	¢	(1.555.550)	
Transfers in Transfers out	\$	(4,575,579) 4,575,579	-
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.			42,739
Repayment of general obligation debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.			
General obligation bonds Amortization of premiums and deferred charges Capital leases Net pension obligation Net other post-employment benefits obligation Landfill closure costs	\$	1,650,000 183,524 225,220 (3,022,179) 3,369,039 (240)	2,405,364
Change In Net Position of Governmental Activities			\$ (2,234,282)



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PROPRIETARY FUNDS

City of Ketchikan, Alaska Statement of Net Position Proprietary Funds December 31, 2021

		Business-type Activities - Enterprise Funds						Go	vernmental		
		Ketchikan Public Utilities		Ketchikan Port		Wastewater Service		Total		Activities - Internal Service Fund	
Assets											
Current Assets:											
Cash and temporary investments	\$	29,586,813	\$	5,512,570	\$	4,093,383	\$	39,192,766	\$	2,445,159	
Restricted cash, cash equivalents and investments		1,076,209		186,369		27,437		1,290,015		-	
Receivables:											
Accounts		2,757,211		6,740		187,430		2,951,381		-	
Intergovernmental		79,080		-		77,580		156,660		-	
Miscellaneous		-		-		-		-		118,309	
Inventory		2,806,925		-		-		2,806,925		-	
Prepaid items		42,392		750,000		-		792,392		873,047	
Unbilled revenue		1,195,817		-		164,994		1,360,811		-	
Total Current Assets		37,544,447		6,455,679		4,550,824		48,550,950		3,436,515	
Noncurrent Assets:											
Restricted Assets:											
Investments		1,870,216		7,657,733		-		9,527,949		-	
Accrued interest on restricted assets		450		489		-		939		-	
Advances from other funds		-		315,911		-		315,911		469,002	
Other postemployment benefits		2,133,499		348,582		96,512		2,578,593			
Capital Assets:											
Nondepreciable capital assets		7,423,363		17,260,393		986,359		25,670,115		-	
Depreciable capital assets, net		102,877,838		43,661,000		17,051,585		163,590,423		-	
Total Noncurrent Assets		114,305,366		69,244,108		18,134,456		201,683,930		469,002	
Total Assets		151,849,813		75,699,787		22,685,280		250,234,880		3,905,517	
Deferred Outflow of Resources		446,590		63,837		18,169		528,596		-	
Total Assets and Deferred Outflow of Resources		152,296,403		75,763,624		22,703,449		250,763,476		3,905,517	

City of Ketchikan, Alaska Statement of Net Position (Cont'd) Proprietary Funds December 31, 2021

		Governmental			
	Ketchikan Public Utilities	Ketchikan Port	Wastewater Service	Total	Activities - Internal Service Fund
Liabilities					
Current Liabilities:					
Accounts payable	3,788,718	51,735	21,778	3,862,231	9,677
Accrued interest	162,837	94,192	4,835	261,864	-
Customer deposits	369,965	-	-	369,965	-
Advances to other funds	394,812	-	-	394,812	-
Compensated absences payable	109,442	1,473	3,592	114,507	159,692
Unearned revenue	58,606	-	-	58,606	-
General obligation bonds payable	-	-	104,800	104,800	-
Revenue bonds payable	1,966,009	1,332,584	29,836	3,328,429	-
Claims payable					457,850
Total Current Liabilities	6,850,389	1,479,984	164,841	8,495,214	627,219
Long-Term Liabilities:					
Compensated absences payable (net of current portion)	984,976	13,258	32,331	1,030,565	1,437,221
Net pension liability	2,945,226	481,206	133,233	3,559,665	-
Advances from other funds	390,101	-	-	390,101	-
Revenue bonds payable (net of current portion)	26,838,410	23,606,713	844,406	51,289,529	-
General obligation bonds payable (net of current portion)			1,318,000	1,318,000	-
Total Long-Term Liabilities	31,158,713	24,101,177	2,327,970	57,587,860	1,437,221
Deferred Inflow of Resources	3,181,018	767,952	104,868	4,053,838	
Total Liabilities and Deferred Inflow of Resources	41,190,120	26,349,113	2,597,679	70,136,912	2,064,440
Net Position					
Net investment in capital assets	79,499,052	35,592,891	15,740,902	130,832,845	-
Restricted for bond retirement	2,364,595	2,332,666	22,602	4,719,863	-
Restricted for repair and replacement	-	5,417,733	-	5,417,733	-
Restricted performance guaranty	25,368	-	-	25,368	-
Unrestricted	29,217,268	6,071,221	4,342,266	39,630,755	1,841,077
Total Net Position	\$ 111,106,283	\$ 49,414,511	\$ 20,105,770	\$ 180,626,564	\$ 1,841,077



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City of Ketchikan, Alaska Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds For the Year Ended December 31, 2021

		Governmental			
	Ketchikan Public Utilities	Ketchikan Port	se Funds Wastewater Service	Total	Activities - Internal Service Fund
Operating Revenues Charges for services	\$ 43,389,906	\$ 1,301,805	\$ 3,445,642	\$ 48,137,353	\$ 3,277,566
Miscellaneous	713,421	51,637	11,085	776,143	-
Total Operating Revenues	44,103,327	1,353,442	3,456,727	48,913,496	3,277,566
Operating Expenses					
Operation and maintenance	27,035,030	3,549,248	2,184,288	32,768,566	-
Administration and general	6,500,283	-	-	6,500,283	-
Depreciation	6,035,498	1,184,459	564,238	7,784,195	-
Compensated absences	-	-	-	-	1,323,351
Insurance Claims	-	-		-	1,636,147 318,068
Total Operating Expenses	39,570,811	4,733,707	2,748,526	47,053,044	3,277,566
Operating Income	4,532,516	(3,380,265)	708,201	1,860,452	
Non Operating Revenues (Expenses)					
Operating grants	240,944	5,849,405	7,428	6,097,777	-
Interest and fiscal charges	(1,497,287)	(924,621)	(29,852)	(2,451,760)	-
Debt issuance costs	(73,882)	-	-	(73,882)	-
Investment earnings	15,052	24,014	3,455	42,521	19,179
Total Non Operating Revenues (Expenses)	(1,315,173)	4,948,798	(18,969)	3,614,656	19,179
Income Before Capital Contributions, Grants and Transfers	3,217,343	1,568,533	689,232	5,475,108	19,179
Capital Contributions, Grants and Transfers Capital contributions and grants	170,301	-	-	170,301	-
Transfers					
Transfer from commercial passenger vessel tax fund	-	100,147	-	100,147	-
Payments in lieu of taxes to the general fund Total Transfers	(786,000) (786,000)	(319,000) (218,853)	(80,000) (80,000)	(1,185,000) (1,084,853)	
	(780,000)	(218,833)	(80,000)	(1,084,833)	
Total Capital Contributions and Grants and Transfers	(615,699)	(218,853)	(80,000)	(914,552)	
Change in Net Position	2,601,644	1,349,680	609,232	4,560,556	19,179
Net Position Beginning of Year	108,504,639	48,064,831	19,496,538	176,066,008	1,821,898
Net Position End of Year	\$ 111,106,283	\$ 49,414,511	\$ 20,105,770	\$ 180,626,564	\$ 1,841,077

City of Ketchikan, Alaska Statement of Cash Flows Proprietary Funds For the Year Ended December 31, 2021

	Business-type Activities - Enterprise Funds			Governmental	
	Ketchikan Public Utilities	Ketchikan Port	Wastewater Service	Total	Activities - Internal Service Fund
Cash Flows from Operating Activities					
Cash received from customers and users \$	44,134,675	\$ 1,356,988	\$ 3,511,000	\$ 49,002,663	\$ 3,163,662
Cash payments to employees for services	(12,777,903)	(666,068)	(881,333)	(14,325,304)	-
Cash payments to suppliers for goods and services	(19,885,400)	(2,851,595)	(1,323,237)	(24,060,232)	-
Cash payments for insurance and claims	-	-	-	-	(1,739,333
Cash payments for compensated absences	-	-			(1,492,793
Net Cash Provided by Operating Activities	11,471,372	(2,160,675)	1,306,430	10,617,127	(68,464
Cash Flows from Noncapital Financing Activities					
Operating grant from other governments	240,944	5,849,405	7,428	6,097,777	-
Transfers in	-	100,147	-	100,147	-
Payment in lieu of taxes to the general fund	(786,000)	(319,000)	(80,000)	(1,185,000)	-
Net Cash Provided (Used) by Noncapital	(545.05())	5 (20 552	(72,572)	5 012 024	
Financing Activities	(545,056)	5,630,552	(72,572)	5,012,924	-
Cash Flows from Capital and					
Related Financing Activities					
Advances	(379,627)	379,627	-	-	-
Capital grant received from other governments	170,301	-	-	170,301	-
Capital debt proceeds	825,849	-	69,967	895,816	-
Principal paid on general obligation bonds	-	-	(103,246)	(103,246)	-
Interest paid on general obligation bonds	-	-	(22,506)	(22,506)	-
Principal paid on revenue bonds	(1,472,662)	(1,075,000)	(29,394)	(2,577,056)	-
Interest paid on revenue bonds Payments for capital acquisitions and construction	(2,687,115) (4,715,025)	(1,159,750) (67,916)	(7,681) (390,478)	(3,854,546) (5,173,419)	-
	(4,713,023)	(07,910)	(390,478)	(3,1/3,419)	-
Net Cash Provided (Used) by Capital and Related					
Financing Activities	(8,258,279)	(1,923,039)	(483,338)	(10,664,656)	
Cash Flows from Investing Activities					
Investment earnings	16,433	23,676	3,455	43,564	19,179
Purchase of bond reserve fund investments	15,284	(521,459)		(506,175)	
Net Cash Provided (Used) by Investing Activities	31,717	(497,783)	3,455	(462,611)	19,179
Net Increase (Decrease) in Cash					
and Cash Equivalents	2,699,754	1,049,055	753,975	4,502,784	(49,285
Cash and Cash Equivalents Beginning of Year (including \$1,272,185 for Ketchikan Public Utilities \$186,264 for Port and \$27,438 for Wastewater Services reported in restricted accounts)	27,963,268	4,649,884	3,366,845	35,979,997	2,494,444
Cash and Cash Equivalents End of Year (including \$1,076,209 for Ketchikan Public Utilities, \$186,369 for Port and \$27,437 for Wastewater Services reported in restricted accounts)	30,663,022	\$ 5,698,939	\$ 4,120,820	\$ 40,482,781	\$ 2,445,159

(continued)

City of Ketchikan, Alaska Statement of Cash Flows Proprietary Funds For the Year Ended December 31, 2021

(continued)

Business-type Activities -Enterprise Funds Governmental Activities -Ketchikan Public Ketchikan Wastewater Internal Utilities Port Service Total Service Fund **Reconciliation of Operating Income to Net Cash Provided by Operating Activities** \$ 4,532,516 \$ (3,380,265) \$ 708,201 \$ \$ **Operating Income** 1,860,452 Adjustments: Depreciation 6,035,498 1,184,459 564,238 7,784,195 Other (Increase) Decrease in Assets and Deferred Outflows: Accounts receivable 216,336 3,546 54,454 274,336 (113,904) Accrued interest -(177,066) Unbilled revenue (176,885) (181)-Prepaid expenses (27, 109)(27,109) (35,186) Inventory 7,337 7,337 Customer deposits 14,175 14,175 Other postemployment benefits (1,857,270)(303, 450)(84,017)(2,244,737)_ Deferred outflows 67,298 10,226 2,962 80,486 _ Increase (Decrease) in Liabilities and Deferred Inflows: 291,370 254,283 46,254 250,068 Accounts payable (9, 167)Compensated absences payable 1,261 (169, 442)(146,773)(6,835)(152, 347)Unearned revenue (8,103) (8,103) (63,679) Pension liability (389,747)(17, 631)(471,057) 340,973 Deferred inflows 2,949,816 94,406 3,385,195 Net Cash Provided by Operating Activities 11,471,372 \$ (2, 160, 675)\$ 1,306,430 \$ 10,617,127 \$ (68,464) S Noncash investing, capital and financing activities Fair value of non-cash investments \$ (9,485)_ Revenue bond arbitrage \$ 1,831



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NOTES TO THE BASIC FINANCIAL STATEMENTS

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Note 1 – Summary of Significant Accounting Policies

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

1-A. Reporting Entity

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

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

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

1-B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

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

The City reports the following major funds:

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

Debt Service Fund – The debt service fund accounts for all financial resources related to issuing, refunding and paying debt service costs.

The City reports the following proprietary funds:

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

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

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

Additionally, the City reports the following fund types:

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

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

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

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

1-D. Assets, Liabilities and Net Position and Fund Balances

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

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

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

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

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

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

1-D-2 Receivables

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

1-D-3 Interfund Balances

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

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

1-D-4 Consumable Inventories

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

1-D-5 Prepaid Items

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

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

1-D-6 Restricted Assets

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

The Revenue Bond Redemption Fund and Revenue Bond Reserve Fund have been established in accordance with the provisions of the revenue bond indentures. These funds can only be used for the payment of principal and interest on revenue bonds outstanding and must be maintained in accordance with the provisions of the applicable revenue bond ordinances. As of December 31, 2021 the balance on hand in the KPU Revenue Bond Redemption Fund amounted to \$562,119 which was the required amount per applicable bond ordinances. The KPU Revenue Bond Reserve Fund contained \$1,870,216, which was the required amount per applicable bond ordinances. KPU also held \$488,722 in bond construction funds and \$25,368 for a performance guaranty per State requirements at December 31, 2021. The Port Revenue Bond Redemption Fund amounted to \$186,369. The Port Revenue Bond Reserve Fund contained \$2,240,000, as required by applicable bond ordinances. The Wastewater Service Fund contained \$27,437 in the Bond Redemption Fund.

The Harbor Construction Fund and the Hospital Construction Fund have been established to account for harbor and hospital capital improvements. Proceeds from the sale of bonds and grant awards are accounted for in these funds and are restricted by the provisions of bond indentures or the terms of grant agreements that limit the use for the payment of costs incurred in the construction of harbor and hospital capital improvements. The total amount restricted as of December 31, 2021 was \$70,310 in the Harbor Construction Fund and \$1,619,379 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, 2021 the amount required to satisfy the bond covenants and lease agreement was \$3,566,977 and \$1,850,756 respectively, for a total of \$5,417,733.

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 \$32,160 in the Commercial Passenger Vessel Excise Tax Capital Projects Fund and \$7,492,136 in the Commercial Passenger Vessel Excise Tax Special Revenue 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 \$142,823.

1-D-7 Capital Assets

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

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

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

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

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments.

1-D-8 Compensated Absences

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

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

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

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

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

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

1-D-11 Fund Equity

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

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

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

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

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

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

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

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

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

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

1-D-12 Operating Revenues and Expenses

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

1-D-13 Contributions of Capital

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Note 2 – Stewardship, Compliance and Accountability

2-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 17, 2020, the 2021 General Government Operating and Capital Budget and the 2021 Ketchikan Public Utilities Operating and Capital Budget were adopted by the City Council with the passage of Resolution 20-2796 and Resolution 20-2797, respectively. During the year, the 2021 General Government Operating and Capital Budget was amended to provide for supplemental appropriations as follows:

- Acceptance of a private grant for port facilities in the amount of \$1,100,300.
- Acceptance of a grant for the museum department in the amount of \$48,000.
- Acceptance of a private grant for the museum department in the amount of \$ 18,786.
- Acceptance of a contribution in kind for the museum department in the amount of \$2,500.
- Acceptance of a grant for the museum department in the amount of \$17,000
- Acceptance of a private grant for the hospital construction in the amount of \$407,000

Note 2 – Stewardship, Compliance and Accountability (Continued)

- Acceptance of a private grant for the hospital construction in the amount of \$2,461,000.
- Acceptance of a grant for the fire department in the amount of \$15,000.
- Acceptance of a private grant for the port facilities in the amount of \$2,000,000.
- Acceptance of a grant for the port facilities in the amount of \$2,723,868
- Acceptance of a private grant for the Mayor and Council in the amount of \$2,000.
- Acceptance of a private grant for the police department in the amount of \$3,000.
- Acceptance of a grant for the public health department in the amount of \$19,982

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 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

Cash and investments for the City are comprised of governmental and business-type activities. The balances at December 31, 2021 were:

Cash on hand	\$ 11,370
Deposits with financial institutions	 86,704,539
Total	\$ 86,715,909

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

Governmental Activities		В	asiness-type Activities	Total		
Unrestricted Restricted	\$	27,350,300 9,354,879	\$	39,192,766 10,817,964	\$	66,543,066 20,172,843
Total	\$	36,705,179	\$	50,010,730	\$	86,715,909

The restricted cash and investments are comprised entirely of \$2,432,335, \$27,437 and \$2,426,369 for bond reserve accounts established for the City's municipal utility, wastewater services and port revenue bonds, respectively, \$2,178,411 for bond construction accounts, \$5,417,733 for the Port repair and replacement accounts, \$7,522,367 for commercial passenger excise tax fund accounts, \$25,368 for a performance guaranty per State requirements, and \$142,823 for funds received from the seizure of forfeited assets that must be used for law enforcement purposes.

Deposits

Custodial credit risk-deposits. This is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy is in accordance with guidelines established by the City Charter, the City Council and its bond

ordinances. All deposits were covered by federal depository insurance up to \$250,000 and collateralized with eligible securities in amounts equal at least 100 percent of the bank value of deposits. As of December 31, 2021, the book value of all the City deposits was \$86,704,539 and the bank value was \$87,937,775. The bank balance was under collateralized by \$208,211 or .24% of total bank deposits as of December 31, 2021.

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, 2021, the weighted average maturity of the City's investment portfolio was 3 years. To minimize interest rate risk, the City's investment policy limits the portfolio to a maximum weighted average of maturity of 46 months. With the exception of bond reserve accounts, all other funds must be invested in less than two-year maturities and must meet the City's cash flow requirements.

Credit risk. The City's investments are a Certificate of Deposit secured by U.S. Treasury and Agency Debt Obligations and are not considered to have credit risk. At December 31, 2021, the City had an investment totaling \$17,151,929

Concentration of credit risk. The City's total investment as of December 31, 2021 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, 2021, the City's investment was held by either a counterparty or a counterparty's trust department or agent.

	Investment Maturity (in							
Investment Type	Fair Value	Non Maturity Rated	Less Than 1	1 - 5	6 - 10	Average Maturity (Years)		
US Agency Note	\$ 9,999,948	\$ -	\$ -	\$ 9,999,948	\$ -	2.7		
Certificate of Deposit	\$ 7,151,981	\$ -	\$ 7,151,981	\$ -	\$ -	0.3		
	\$ 17,151,929	\$ -	\$ 7,151,981	\$ 9,999,948	\$ -	-		
folio weighted average m	aturity				1.50			

Portfolio weighted average maturity

3-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, 2021, consisted of the following:

	Governmental Activities		type	T-4-1
Accounts receivable Allowance for doubtful accounts	\$	4,138,322 (206,500)	\$ Activities 4,560,852 (92,000)	\$ Total 8,699,174 (298,500)
Net accounts receivable	\$	3,931,822	\$ 4,468,852	\$ 8,400,674

3-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.

3-D. Leases

3-D-1 Operating Leases

The City is a lessor in a number of operating leases as follows:

In 1988, the City entered into an agreement with the United States of America, Forest Service to lease City owned land for 40 years for a Southeast Alaska visitor's information center. The terms of the lease agreement require annual lease payments of \$1 per year.

In 1981, the City entered into an agreement with Peace Health to lease the City owned hospital for 10 years. The terms of the lease require annual payments of \$1 per year. In 1992, 2003 and 2013, the agreement was amended to provide for 10-year extensions.

In 2004, the State of Alaska transferred, at no cost, to the City of Ketchikan thirteen tidelands leases. The following is a schedule of investment in property held for lease and the minimum future rentals as of December 31, 2021:

	Schedule of Investment in Property Held For Lease
Tidelands	\$ 941,500
Total Less: Accumulated Depreciation	941,500
Net Investment	\$ 941,500

Note 3 - Detailed Notes on All Funds	(Continued)
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Years Ending December 31		A	mount
2022		\$	48,739
2023			48,739
2024			33,482
2025			33,482
2026			32,757
2027-2031			163,786
2032-2036			142,970
2037-2041			74,525
2042-2046			68,705
2047-2051			59,800
2052-2056			30,000
2057-2061			30,000
2062-2063			12,000
	Total minimum future lease rentals	\$	778,985

Nine of the leases have a scheduled rate change after 25 years and then every 10 years thereafter, four of the leases have a scheduled rate change in the sixth year and every five years thereafter and one lease has no future rate changes at the date of transfer from the State. The expiration of the lease with the shortest remaining term expires in 2023 while the lease with the longest remaining term expires in 2063.

The City is a lessee in the following operating lease:

The City is under contract to lease a panamax class cruise ship berth and adjacent ground transportation areas, which will be used in its port operations, under a 30-year non-cancelable operating lease. The lease agreement includes two ten-year options to renew.

The future minimum lease payments for this lease are as follows:

Year Ending December 31	Amount
2022	\$ 1,800,000
2023	1,800,000
2024	1,800,000
2025	1,800,000
2026	1,800,000
2027-2031	9,000,000
2032-2036	9,000,000
2037	 1,800,000
Total future minimum lease payments	\$ 28,800,000

The future minimum lease payments do not include contingent lease payments that will be 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. In 2021, the City paid the minimum lease of \$1,800,000.

3-E. Capital Assets

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

	 Beginning Balance	Increases		Decreases		 Ending Balance
Governmental activities:						
Nondepreciable capital assets						
Land	\$ 29,131,180	\$	-	\$	-	\$ 29,131,180
Easements	588,168		-		-	588,168
Construction in progress	4,547,360		3,247,323		2,319,724	5,474,959
Other capital assets	 120,750		-		-	 120,750
Total nondepreciable capital assets	 34,387,458		3,247,323		2,319,724	 35,315,057
Depreciable capital assets:						
Land improvements	1,539,203		-		-	1,539,203
Buildings	142,057,021		-		-	142,057,021
Machinery and equipment	17,827,047		2,036,436		363,782	19,499,701
Infrastructure	95,388,671		-		-	95,388,671
Software	 581,531		-		-	 581,531
Total depreciable capital assets	 257,393,473		2,036,436		363,782	 259,066,127
Total capital assets	 291,780,931		5,283,759		2,683,506	 294,381,184
Accumulated depreciation:						
Land improvements	1,383,490		8,312		-	1,391,802
Buildings	28,358,316		2,178,726		-	30,537,042
Machinery and equipment	11,572,894		800,230		312,750	12,060,374
Infrastructure	35,791,581		2,703,492		-	38,495,073
Software	 340,684		25,352		-	 366,036
Total accumulated depreciation	 77,446,965		5,716,112		312,750	 82,850,327
Governmental activities capital assets, net	\$ 214,333,966	\$	(432,353)	\$	2,370,756	\$ 211,530,857

Governmental activities depreciation expense	
General government	\$ 87,201
Public safety	598,647
Public works	2,173,227
Health and welfare	1,334,036
Harbor	1,177,268
Culture	345,733
Total governmental activities depreciation expense	\$ 5,716,112

	 Beginning Balance	Increases		Increases Decreases		Ending Balance
Business-type activities:						
Nondepreciable capital assets:						
Land	\$ 4,534,706	\$	-	\$	-	\$ 4,534,706
Other capital assets	6,416,412		-		-	6,416,412
Construction in progress	 12,806,719		2,479,446		567,170	 14,718,995
Total non-depreciable capital assets	 23,757,837		2,479,446		567,170	 25,670,113
Depreciable capital assets:						
Electric utility plant	127,579,124		1,900,593		733,041	128,746,676
Telecommunications utility plant	80,573,346		1,686,973		1,070,403	81,189,916
Water utility plant	57,368,503		12,415		8,947	57,371,971
Wastewater utility plant	27,546,621		207,029		195,353	27,558,297
Port facilities	 67,886,957		46,906		-	 67,933,863
Total depreciable capital assets	 360,954,551		3,853,916		2,007,744	 362,800,723
Total capital assets	 384,712,388		6,333,362		2,574,914	 388,470,836
Accumulated depreciation:						
Electric utility plant	78,716,505		2,560,045		733,041	80,543,509
Telecommunications utility plant	57,686,955		2,077,945		1,070,403	58,694,497
Water utility plant	23,804,158		1,397,507		8,947	25,192,718
Wastewater utility plant	10,137,826		564,238		195,353	10,506,711
Port facilities	 23,088,405		1,184,458		-	 24,272,863
Total accumulated depreciation	 193,433,849		7,784,193		2,007,744	 199,210,298
Business-type activities capital assets, net	\$ 191,278,539	\$	(1,450,831)	\$	567,170	\$ 189,260,538

3-F. Commitments

The City has the following commitments as of December 31, 2021:

	Operational			Capital	Total		
Governmental Funds							
General	\$	335,435	\$	338,193	\$	673,628	
Non-major special revenue funds		5,349		92,951		98,300	
Non-major capital projects funds		-		4,428,878		4,428,878	
Total Governmental Funds	\$	340,784	\$	4,860,022	\$	5,200,806	
Enterprise Funds							
KPU	\$	1,169,432	\$	7,564,987	\$	8,734,419	
Port		34,244		6,513		40,757	
Wastewater		18,572		351,816		370,388	
Total Enterprise Funds	\$	1,222,248	\$	7,923,316	\$	9,145,564	

3-G. Interfund Balances and Transfers

Interfund balances at December 31, 2021, consisted of \$345,348 from governmental funds and represents reimbursable expenses. These remaining balances resulted 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, 2021, consisted of the following:

	Transfers in										
				Debt		Ionmajor					
		General		Service	gov	vernmental					
Transfers out	fund			fund		funds	Total				
General fund	\$	-	\$	3,537,490	\$	-	\$	3,537,490			
KPU fund		786,000		-		-		786,000			
Port fund		319,000		-		100,147		419,147			
Wastewater fund		80,000		-		-		80,000			
Nonmajor governmental											
funds		936,123		1,819		-		937,942			
Total	\$	2,121,123	\$	3,539,309	\$	100,147	\$	5,760,579			

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.

3-H. Landfill Closure and Postclosure 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 2021, 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 postclosure care costs are reported on the government-wide statement of net position.

During 2021, the future closure and postclosure costs were reevaluated and adjusted to reflect current conditions. As of December 31, 2021, the estimated liability for landfill closure and postclosure care costs totaled \$977,940, an increase of \$240 from the estimated liability as of December 31, 2020.

The estimated liability is based on an engineer's estimate taking into account various factors including used capacity. As of December 31, 2021 used capacity was approximately 62.99%. It is estimated that an additional \$222,060 will be recognized as closure and postclosure care expenses between the date of the balance sheet, and the year 2051, in 30 years, the date the landfill is expected to reach full capacity. The estimated total current cost of the landfill closure and postclosure 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, 2021. The actual cost of closure and postclosure 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 postclosure care costs. The City was in compliance with the requirements for inert landfills at December 31, 2021.

3-I. Long-Term Debt

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

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

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

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

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

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

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

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

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

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

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

	Go	overnmental Activi	ties	Busi	siness-type Activities			
Year	Principal	Interest	Total	Principal	Interest	Total		
2022	1,760,000	1,921,243	3,681,243	104,800	20,950	125,750		
2023	1,835,000	1,845,714	3,680,714	106,378	19,373	125,751		
2024	1,915,000	1,766,260	3,681,260	107,980	17,771	125,751		
2025	2,000,000	1,681,915	3,681,915	109,605	16,145	125,750		
2026	2,090,000	1,592,268	3,682,268	111,256	14,495	125,751		
2027-2031	11,395,000	6,559,008	17,954,008	581,915	46,838	628,753		
2032-2036	9,430,000	4,428,150	13,858,150	300,866	8,657	309,523		
2037-2041	10,175,000	2,480,900	12,655,900	-	-	-		
2042-2044	7,155,000	436,900	7,591,900					
Total	\$ 47,755,000	\$ 22,712,358	\$ 70,467,358	\$ 1,422,800	\$ 144,229	\$ 1,567,029		

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

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

KPU Revenue Bonds, 2008, Series W, Clean Renewable Energy Tax Credit – issued to finance a hydroelectric modernization project, dated July 10, 2008, due in annual installments through December 15, 2022 bearing an interest rate of .750%.

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

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

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

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

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

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

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

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

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

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

KPU Revenue Bonds, ADEC Drinking Water Fund 481081– issued a taxable junior lien municipal utility revenue bond bearing an interest rate of 1.5563% to finance the construction of the Schoenbar water main replacement. The amount authorized is \$1,591,967. As of December 31, 2021 KPU incurred \$1,625,063 in design costs eligible for funding from this loan program. The amount to be borrowed and the loan amortization schedule will be finalized upon completion of the project.

KPU Revenue Bonds, ADEC Drinking Water Fund 481191– issued a taxable junior lien municipal utility revenue bond bearing an interest rate of 1.5625% to finance the construction of the implementation of a water-metering program for business customers. The amount authorized is \$1,250,000. As of December 31, 2021 KPU incurred \$382,328 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 481151– issued a taxable junior lien municipal utility revenue bond bearing an interest rate of 1.5563% to finance the construction of the Schoenbar water main replacement. The amount authorized is \$1,795,197. As of December 31, 2021 Wastewater incurred \$1,901 in design costs eligible for funding from this loan program. The amount to be borrowed and the loan amortization schedule will be finalized upon completion of the project.

Wastewater Revenue Bonds, ADEC Clean Water Fund 481201– issued a taxable junior lien municipal utility revenue bond bearing an interest rate of 1.5563% to finance the construction of the implementation of a water-metering program for business customers. The amount authorized is \$1,250,000. As of December 31, 2021 Wastewater incurred \$382,328 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 \$44.1 million, \$1,350,000 and \$3.5 million respectively. The debt service payments for KPU and Wastewater Funds were \$2.5 million or 5.62% of revenues and \$162,826 or 4.62% of revenues, respectively. The Port did not generate enough revenue in 2021 to cover the debt service payments of \$2.2 million due to a limited tour season because of the pandemic. Reserves of the Port Fund were sufficient to pay debt service in 2021.

Year		Principal		Interest	Total			
	â		÷		â			
2022	\$	2,939,988	\$	1,811,043	\$	4,751,031		
2023		2,963,043		1,703,797		4,666,840		
2024		3,066,221		1,605,369		4,671,590		
2025		3,164,520		1,510,253		4,674,773		
2026		3,257,943		1,407,886		4,665,829		
2027-2031		18,085,592		5,267,981		23,353,573		
2032-2036		13,528,082		1,874,497		15,402,579		
2037-2041		2,189,686		170,664		2,360,350		
Total	\$	49,195,075	\$	15,351,490	\$	64,546,565		

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

This amortization schedule does not include \$2,007,392 for two Drinking Water Loan Fund projects and \$384,229 for two Clean Water Loan Fund projects because the projects related to the loans are in progress. A debt service schedule will be determined upon completion of the projects.

Capital Lease –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.

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

Year		Principal	Interest Total			Total
2022	¢	220 770	¢	22.005	¢	252 ((5
2022	\$	229,770	\$	22,895	\$	252,665
2023		234,412		18,253		252,665
2024		239,147		13,518		252,665
2025		243,978		8,687		252,665
2026		248,906		3,759		252,665
Total	\$	1,196,213	\$	67,112	\$	1,263,325

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Changes in Long-term Debt - Changes in the City's long-term obligations consisted of the following for the year ended December 31, 2021:

Governmental Activities	 Beginning Balance	 Additions	I	Reductions	 Ending Balance	_	Due Within One Year
Bonds payable:							
General obligation bonds Plus deferred amounts:	\$ 49,265,000	\$ 3,145,000	\$	4,655,000	\$ 47,755,000	\$	1,760,000
For issuance premiums	2,818,373	-		396,490	2,421,883		396,490
Total bonds payable	 52,083,373	 3,145,000		5,051,490	 50,176,883		2,156,490
Capital lease	1,421,433	-		225,220	1,196,213		229,770
Landfill closure costs	977,700	240		-	977,940		-
Compensated absences	 1,766,355	 1,153,322		1,322,765	 1,596,912		159,691
Total Governmental Activities	\$ 56,248,861	\$ 4,298,562	\$	6,599,475	\$ 53,947,948	\$	2,545,951
Business-Type Activities							
Bonds payable:							
General obligation bonds	\$ 1,526,047	\$ -	\$	103,246	\$ 1,422,801	\$	104,138
Revenue bonds	51,617,107	9,403,079		11,057,053	49,963,133		2,939,989
Plus deferred amounts:							
For issuance premiums	 5,948,971	 		1,294,145	 4,654,826		388,441
Total bonds payable	59,092,125	9,403,079		12,454,444	56,040,760		3,432,568
Compensated absences	 1,297,420	 1,296,234		1,448,582	 1,145,072		114,507
Total Business-Type Activities	\$ 60,389,545	\$ 10,699,313	\$	13,903,026	\$ 57,185,832	\$	3,547,075

The general obligation bonds and capital lease obligations for governmental activities are being retired by the general obligation bond debt service fund.

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 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, 2021, \$40,515,000 of the bonds outstanding was considered defeased.

Bond Refunding - In June 2021, the City issued \$3,145,000 of 2021 Series One general obligation bonds to refund series 2012-2 bonds. The carrying amount of the old bonds exceeded the carrying amount of the new bonds by \$210,891. This amount will be amortized over the remaining life of the refunded debt. The refunding reduced the City's aggregate debt service payments to maturity by \$206,069, which resulted in the net present value savings of \$202,988

In June 2021 Ketchikan Public Utility issued \$9,235,000 of 2021 Series X revenue bonds to refund series 2013-2A bonds. The carrying amount of the old bonds exceeded the carrying amount of the new bonds by \$905,704. This amount will be amortized over the remaining life of the refunded debt. The refunding reduced the Utilities aggregate debt service payments to maturity by \$1,238,514, which resulted in the net present value savings of \$1,035,645.

3-J. Pension and Other Postemployment Benefit Plans

Substantially all regular employees of the City are members of the Alaska Public Employees' Retirement System (PERS) except for employees who are members of the International Brotherhood of Electrical Workers Local No. 1547 (IBEW). IBEW members participate in a union sponsored defined benefit plan. The total 2021 pension expense for all plans was \$5,923,421.

A. State of Alaska Public Employees' Retirement System

Plan Description

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

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

Defined Benefit Plan

Plan Benefits

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

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

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

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

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

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

Contributions

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

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

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

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

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

Contributions rates for the year ended December 31, 2021 were based on the June 30, 2021 and the June 30, 2020 roll forward PERS actuarial valuation report and were as follows:

	Employ	er Rate	ARME	3 Rate	State Contribution Rate		
	Jan 1 -	July 1 -	Jan 1 -	July 1 -	Jan 1 -	July 1 -	
	June 30	Dec 31	June 30	Dec 31	June 30	Dec 31	
Pension	22.00%	22.00%	30.85%	30.11%	8.85%	8.11%	
Postemployment healthcare	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Total Contribution Rate	22.00%	22.00%	30.85%	30.11%	8.85%	8.11%	

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	2021	2020	2019	2018	2017
Employer contributions (including DBUL)	\$ 1,882,249	\$ 1,622,538	\$ 1,175,314	\$ 1,236,552	\$ 1,271,851
Nonemployer contributions	917,794	912,988	646,303	428,166	373,586
Total Contributions	\$ 2,800,044	\$ 2,535,526	\$ 1,821,617	\$ 1,664,718	\$ 1,645,437
Postemp loy ment Healthcare	2021	2020	2019	2018	2017
Employer contributions (including DBUL)	\$ -	\$ 266,702	\$ 446,090	\$ 397,004	\$ 477,194
Nonemployer contributions	-	-	-	-	-
Total Contributions	\$ -	\$ 266,702	\$ 446,090	\$ 397,004	\$ 477,194

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

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

Defined Contribution Plan

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

Plan Benefits

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

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

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

Funding Policy and Contribution Rates

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

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

	1/1/21 - 6/30/21	7/1/21 - 12/31/21
Employee:		
Pension		
Police Officers and Firefighters	8.00%	8.00%
Other Employees	8.00%	8.00%
Employer:		
Pension		
Police Officers and Firefighters	5.00%	5.00%
Other Employees	5.00%	5.00%
Retiree Major Medical		
Police Officers and Firefighters	1.27%	1.07%
Other Employees	1.27%	1.07%
Occupational Disability & Death:		
Police Officers and Firefighters	0.70%	0.68%
Other Employees	0.26%	0.31%
Health Reimbursement Account:		
Police Officers and Firefighters	\$179.92/month*	\$180.70/month*
Other Employees	\$179.92/month*	\$180.70/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, 2021, were based on the June 30, 2021 and the June 30, 2020 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.

	2021	2020	2019	2018	2017
Covered employee payroll	\$ 7,031,167	\$ 6,520,582	\$ 5,497,020	\$ 4,735,319	\$ 4,531,943
Pension contributions	351,560	325,989	274,866	236,549	226,846
Other postemployment benefit contributions	293,177	277,429	233,084	197,462	190,520
Total Contributions	\$ 644,737	\$ 603,418	\$ 507,950	\$ 434,011	\$ 417,366

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

At December 31, 2021, 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:

	Ν	et Pension		Net OPEB
	Liat	oility (Asset)	Lia	bility (Asset)
City's proportionate share				
Occupational death and disability	\$	-	\$	(226,697)
Defined contribution retiree medical		-		(121,964)
Defined benefit retiree medical		-		(11,005,778)
Pension		15,674,424		-
Total City's proportionate share	\$	15,674,424	\$	(11,354,439)
State's proportionate share attributable to employer		2,122,767		(1,446,650)
Total Pension and Other Postemployment Benefits Liabilities/ (Asset)	\$	17,797,191	\$	(12,801,089)
		let Pension pility (Asset)		Net OPEB bility (Asset)
City's proportionate share reported in			-	<i>/</i>
Governmental activities	\$	12,114,759	\$	(8,775,846)
Business-type activities		3,559,665		(2,578,593)
Total City's proportionate share	\$	15,674,424	\$	(11,354,439)

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, 2021 and the total pension liability and other postemployment benefits asset used for the calculation was determined by an actuarial valuation as of June 30, 2020. 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, 2021, the City's proportion of the pension liability was .42727%, which was an increase of .12651% from its proportion measured as of June 30, 2020. At June 30, 2021 the City's portion of the other postemployment benefits was .51437% for occupational death and disability, .45438% defined contribution retiree medical plan and .42902% for defined benefit retiree healthcare trust, which was a decrease of .0034% and an increase of .00378% and .12851% respectively, from June 30, 2020.

For the year ended December 31, 2021, the City recognized pension expense of \$3,900,757, other postemployment benefit expense credit of \$4,360,623 and revenue of \$917,794 for support provided by the State. At December 31, 2021, the City reported deferred outflows of resources and deferred inflow of resources related to pension and other postemployment benefits from the following sources:

	 Pen	sion		
	 red Outflows Resources	Deferred Inflows of Resources		
Difference between projected and actual investment earnings Difference between expected and actual experience	\$ -	\$	6,181,168 69,441	
Changes in proportion and differences between Employer contributions	1,098,904		-	
Contributions subsequent to the measurement date Totals	\$ 893,253 1,992,157	\$	- 6,250,609	

		De	eferr	ed Outflov	VS				Defer	red Inflow	s	
			ofR	Resources		of Resources						
				DC-								
	0	DD*		Medical	DB	-Medical		ODD*	DC	-Medical	DE	B-Medical
Changes in Assumptions	\$	-	\$	37,908	\$	-	\$	1,722	\$	72,483	\$	415,911
Changes in proportion and												
differences between												
employer share of												
contributions		1,584		7,368		-		12,620		1,436		103,387
Difference Between Expected												
and Actual Experience		-		9,068		-		61,918		5,799		115,578
Differences between												
projected and actual												
investment earnings		-		-		-		36,351		109,113		5,150,115
Contributions subsequent to												
the measurement date		-		138,924		-		-		-		-
Totals	\$	1,584	\$	193,268	\$	-	\$	112,611	\$	188,831	\$	5,784,991
Tot	al Def	erred Out	flow	ofOPEB	\$	194,852	Fotal	Deferred I	nflow	of OPEB	\$	6,086,433

*ODD = Occupational Death and Disability

The deferred outflows of resources related to pensions of \$893,253 and to other postemployment benefits in the amount of \$138,924 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions and other postemployment benefits will be recognized as an expense as follows:

		Other Post-employment Benefits					
Year Ending December 31:	 Pension	ODD		DC-Medical		DB-Medical	
2022	\$ (406,960)	\$	(21,207)	\$	(29,114)	\$	(1,841,388)
2023	(1,415,863)		(21,184)		(29,165)		(1,186,054)
2024	(1,531,572)		(21,565)		(30,267)		(1,273,575)
2025	(1,797,311)		(22,778)		(33,743)		(1,483,975)
2026	-		(12,582)		(3,165)		-
Thereafter	-		(11,710)		(9,031)		-

Actuarial Assumptions

The total pension liability and other postemployment benefits asset as of June 30, 2021 were determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2021:

Inflation	2.50%					
Salary increases	Graded by service from 7.75% to 2.75% for peace officers and firefighters					
Graded by age and service from 6.75% to 2.75% for all others						
Investment rate of return	7.38%, net of pension plan investment expenses. This is based on an average					
	inflation rate of 2.50% and a real rate of return of 4.88%					
Trend rates	Pre-65 medical: 7.0% grading down to 4.5%					
	Post-65 medical: 5.4% grading down to 4.5%					
	Prescription drugs/Employer group waiver plans: 8.0% grading down to 4.5%					

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

The actuarial assumptions used in the June 30, 2020 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017, resulting in changes in the actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience.

Long-Term Expected Rate of Return

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

Long-Term Expected Real Rate of Return

6.63%
5.41%
0.76%
4.39%
3.16%
9.29%
0.13%

Discount Rate

The discount rate used to measure the total pension liability was 7.38%. 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 7.38%, 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 (6.38%) or one percentage point higher (8.38%) than the current rate:

		Current	
	1%	Discount	1%
	Decrease	Rate	Increase
	(6.38%)	(7.38%)	(8.38%)
City's proportionate share of the net pension liability	\$ 23,216,001	\$ 15,674,424	\$ 9,338,527
City's proportionate share of the other			
postemployment benefits asset -			
Occupational death and disability	\$ (217,073)	\$ (226,697)	\$ (234,361)
Defined contribution retiree medical	79,602	(121,964)	(274,207)
Defined benefit retiree medical	(7,197,613)	(11,005,777)	(14,168,174)
Total City's proportionate share of OPEB	\$ (7,335,084)	\$ (11,354,438)	\$ (14,676,742)

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

	Current				
	1% Healthcare Cost		1%		
	Decrease	Trend Rate	Increase		
Defined contribution retiree medical	(295,998)	(121,964)	115,171		
Defined benefit retiree medical	(14,538,372)	(11,005,777)	(6,742,856)		

Pension Plan Fiduciary Net Position

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

B. International Brotherhood of Electrical Workers

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

Contributions for employees covered under the public works and clerical workers collective bargaining agreement range from 17% up to \$4.07 per hour worked; contributions for employees covered under the Ketchikan Public Utilities collective bargaining agreement range from \$3.09 to \$6.29 per hour for craft employees and \$2.82 to \$5.15 for non-craft employees. The City's total payroll for the year ended December 31, 2021 was \$23,488,609 and payroll for covered employees totaled \$11,236,450. The total amount contributed to the IBEW plan in 2021 was \$1,584,926, which represents 14.11% of the City's current covered payroll.

3-K. Net Investment in Capital Assets

Net Investment in capital assets on the government-wide statement of net position as of December 31, 2021 are as follows:

	Governmental Activities			Business-type Activities		
Cost of capital assets	\$	294,381,184	\$	388,470,836		
Less accumulated depreciation		(82,850,327)		(199,210,298)		
Book value		211,530,857		189,260,538		
Less capital related debt		(49,683,407)		(57,175,600)		
Plus (less) bond discount and refunding amounts		(92,004)		(1,252,093)		
Net investment in capital assets	\$	161,755,446	\$	130,832,845		

3-L. Deferred Inflows and Outflows of Resources

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

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

The City's deferred inflows and outflows of resources at December 31, 2021 are as follows:

	Fund Level				Government Wide Level			
	G	overnmental	I	Proprietary	Governmental		Business-type	
		Funds		Funds		Activities		Activities
Deferred Outflows								
Outflow due to refunding	\$	-	\$	-	\$	108,765	\$	-
Outflow due to pension accounting		-		480,046		1,512,111		480,046
Outflow due to OPEB accounting		-		48,550		146,303		48,550
Total Deferred Outflows	\$	-	\$	528,596	\$	1,767,179	\$	528,596
Deferred Inflows								
Revenue from taxes	\$	2,283,928	\$	-	\$	-	\$	-
Revenue from services		59,338		-		-		-
Inflow from refunding		-		1,252,093		200,768		1,252,093
Inflow from pension accounting		-		1,419,514		4,831,095		1,419,514
Inflow from OPEB accounting		-		1,382,231		4,704,203		1,382,231
Total Deferred Inflows	\$	2,343,266	\$	4,053,838	\$	9,736,066	\$	4,053,838

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

Note 4- Other Notes

4-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, 2021, the City had a net position of \$1,841,077 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 \$457,850 which are included as a liability and no incurred but unpaid claims exist at December 31, 2021.

Date	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2019	146,127	4,124	7,251	143,000
2020	143,000	181,742	111,886	212,856
2021	212,856	318,068	73,074	457,850

Changes in the balances of claims liabilities for the years ended December 31, 2021, 2020 and 2019, are as follows:

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

4-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.

4-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 2021, the City paid SEAPA \$5,668,902 for power purchased from the Swan Lake hydroelectric facility. During 2021, approximately 46% of the City's total electric generation, or 83,366,208 kWh, was produced by the Swan Lake hydroelectric facility. During 2021 the City also paid SEAPA \$708,381 in additional fees. The amount due to SEAPA was \$2,048,832 at December 31, 2021.

Note 4 - Other Notes (Continued)

4-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 2021 is \$380,930.

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 2021 tax abatement for this program is \$62,745. The current participants of this program are Ketchikan Indian Community and Tlingit Haida Regional Housing Authority.

4-E. Subsequent Events

The City successfully amended ADEC Drinking Water Fund 481081 to increase the funding by \$5,973,779 to bring the total amount authorized to \$7,565,746 for the Schoenbar Road Water Main Replacement on February 28, 2022. Of this amount \$1,148,200 is offered as additional funding subsidy (principal forgiveness). A repayment schedule will be available once the first disbursement is made with an interest rate of 1.5563% and will be paid back within 20 years following initiation of operation of the facility.



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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, 2021

	Original Budget	Final Budget	Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues						(rieguerie)
Taxes						
Real & personal property taxes	\$ 6,353,334	\$ 6,353,334	\$ 6,278,122	\$ -	\$ 6,278,122	\$ (75,212)
Automobile & boat taxes	40,000	40,000	35,920	-	35,920	(4,080)
Penalty & interest	50,000	50,000	63,023	-	63,023	13,023
Senior citizen local contribution	(512,354)	(512,354)	(512,354)	-	(512,354)	-
Sales tax	4,184,000	4,184,000	3,860,811	-	3,860,811	(323,189)
Payments in lieu of taxes	24,000	24,000	28,857	-	28,857	4,857
	10,138,980	10,138,980	9,754,379	-	9,754,379	(384,601)
Payments in lieu of taxes					· · · · · ·	
Ketchikan public utilities fund	786,000	786,000	-	786,000	786,000	-
Port fund	319,000	319,000	-	319,000	319,000	-
Wastewater services fund	80,000	80,000	-	80,000	80,000	-
	1,185,000	1,185,000		1,185,000	1,185,000	
Licenses and permits				· · · ·		
Building permits	125,000	125,000	68,064	-	68,064	(56,936)
Other	1,700	1,700	1,505	-	1,505	(195)
	126,700	126,700	69,569	-	69,569	(57,131)
Intergovernmental	, ,	······	· · · · · ·		· · · · · · · · · · · · · · · · · · ·	
Federal fire grants	-	-	30,000	-	30,000	30,000
Liquor licenses tax	35,000	35,000	-	-	-	(35,000)
Other state revenues	151,700	166,700	789,351	(649,209)	140,142	(26,558)
Federal revenues	197,005	1,261,851	1,030,704	-	1,030,704	(231,147)
	383,705	1,463,551	1,850,055	(649,209)	1,200,846	(262,705)
Charges for services	, , ,					
Ambulance	800,000	800,000	653,004	-	653,004	(146,996)
Rentals	23,000	23,000	20,278	-	20,278	(2,722)
Parking fees	75,000	75,000	74,860	-	74,860	(140)
Cemetery	1,100	1,100	1,050	-	1,050	(50)
Library services	601,223	601,223	591,496	-	591,496	(9,727)
Museum services	152,500	152,500	46,855	-	46,855	(105,645)
E-911 emergency dispatch services	406,000	406,000	394,141	-	394,141	(11,859)
Civic center services	50,000	50,000	17,293	-	17,293	(32,707)
Other charges	51,980	51,980	47,386	-	47,386	(4,594)
6	2,160,803	2,160,803	1,846,363	-	1,846,363	(314,440)
Fines and forfeitures	, ,					
Parking fines	60,000	60,000	51,989	-	51,989	(8,011)
Other fines	7,500	7,500	4,435	-	4,435	(3,065)
Court deposits	15,000	15,000	5,102	-	5,102	(9,898)
1	82,500	82,500	61,526	-	61,526	(20,974)
	,	·····	· · · · · ·		· · · · · · · · · · · · · · · · · · ·	
Investment earnings	8,000	8,000	7,456		7,456	(544)
Other revenue						
Miscellaneous	110,336	150,522	143,254		143,254	(7,268)
Interdepartmental charges	3,713,721	3,713,721	3,164,565	_	3,164,565	(549,156)
interdepartmentar enarges	5,115,121	5,115,121	5,104,505		3,104,303	(3+9,130)
Total Revenues	17,909,745	19,029,777	16,897,167	535,791	17,432,958	(1,596,819)

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, 2021

	Original Budget	Final Budget	Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Expenditures						
Current:						
General government						
Mayor and council	198,140	248,640	230,255	(501)	229,754	18,886
City Clerk	329,275	329,275	276,347	(11,458)	264,889	64,386
Law	371,946	371,946	338,978	(5,436)	333,542	38,404
City Manager	790,912	790,912	752,680	(39,005)	713,675	77,237
Finance	2,200,261	2,207,261	2,012,204	(45,820)	1,966,384	240,877
Information Technology	1,076,863	1,076,863	1,028,740	(30,840)	997,900	78,963
	4,967,397	5,024,897	4,639,204	(133,060)	4,506,144	518,753
Public safety						
Fire	4,009,485	4,207,877	3,921,403	(183,469)	3,737,934	469,943
Police	6,163,234	6,163,234	5,558,987	(223,825)	5,335,162	828,072
	10,172,719	10,371,111	9,480,390	(407,294)	9,073,096	1,298,015
Culture						
Library	1,430,210	1,430,210	1,339,076	(24,357)	1,314,719	115,491
Museum	1,093,389	1,198,575	990,578	3,886	994,464	204,111
Civic Center	520,955	520,955	470,388	(8,859)	461,529	59,426
	3,044,554	3,149,740	2,800,042	(29,330)	2,770,712	379,028
Health and welfare						
Public Health	14,325	14,325	10,978		10,978	3,347
Public works						
Engineering	2,139,361	2,139,361	1,404,426	(33,761)	1,370,665	768,696
Streets	1,785,577	1,785,577	1,631,227	(1,359)	1,629,868	155,709
Cemetery	98,370	98,370	89,057	1,623	90,680	7,690
Garage	673,104	673,104	697,084	(16,415)	680,669	(7,565)
Building Maintenance	605,495	605,495	497,998	7,355	505,353	100,142
Building Municenaice	5,301,907	5,301,907	4,319,792	(42,557)	4,277,235	1,024,672
Total Expenditures	23,500,902	23,861,980	21,250,406	(612,241)	20,638,165	3,223,815
Deficiency of Revenues						
Under Expenditures	(5,591,157)	(4,832,203)	(4,353,239)	1,148,032	(3,205,207)	1,626,996

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, 2021

	Original Budget	Final Budget	Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Other Financing Sources (Uses)						
Transfers in						
Sales tax hospital and other public works fund	420,000	420,000	420,000	-	420,000	-
Sales tax public works fund	2,000,000	2,000,000	2,000,000	-	2,000,000	-
Transient occupancy tax fund	470,955	470,955	439,163	-	439,163	(31,792)
Marijuana sales tax fund	200,000	200,000	200,000	-	200,000	-
Shoreline area fund	6,374	6,374	6,374	-	6,374	-
Bayview cemetery fund	5,000	5,000	5,000	-	5,000	-
Commercial passenger vessel tax	291,960	291,960	291,960	-	291,960	-
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	(817,394)	(817,394)	(757,069)	-	(757,069)	60,325
Community grant fund	(50,390)	(50,390)	(50,390)	-	(50,390)	-
Community facilities development fund	-	-	-	-	-	-
Port fund	-	-	-	-	-	-
Sale of capital assets	20,000	20,000	30,922		30,922	10,922
Total Other Financing Sources (Uses)	2,546,505	2,546,505	3,770,960	(1,185,000)	2,585,960	39,455
Net Change in Fund Balances	(3,044,652)	(2,285,698)	(582,279)	(36,968)	(619,247)	1,666,451
Prior Year Encumbrances Returned				21,156	21,156	21,156
Fund Balances Beginning of Year	7,431,724	7,431,724	7,063,025	(319,624)	6,743,401	(688,323)
Fund Balances End of Year	\$ 4,387,072	\$ 5,146,026	\$ 6,480,746	\$ (335,436)	\$ 6,145,310	\$ 999,284

City of Ketchikan, Alaska Notes to Required Supplementary Information For the Year Ended December 31, 2021

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 and On-Behalf Payments							
	Encum	brances					
	Prior Year	Current Year	On Behalf				
	Activity	Activity	Payments	Total			
General Government							
Mayor and Council	\$ (38,000)	\$ 38,000	\$ (501)	\$ (501)			
City Clerk	-	-	(5,436)	(5,436)			
Law	-	-	(11,458)	(11,458)			
City Manager	(3,753)	709	(35,961)	(39,005)			
Finance	(71,500)	88,610	(62,930)	(45,820)			
Information Technology	(1,029)	1,678	(31,489)	(30,840)			
Total General Government	(114,282)	128,997	(147,775)	(133,060)			
Public Safety							
Fire	(42,253)	29,589	(170,805)	(183,469)			
Police	-	14,192	(238,017)	(223,825)			
Total Public Safety	(42,253)	43,781	(408,822)	(407,294)			
Culture							
Library	(20,385)	14,287	(18,259)	(24,357)			
Museum	(2,051)	25,873	(19,936)	3,886			
Civic Center	(850)	5,923	(13,932)	(8,859)			
Total Culture	(23,286)	46,083	(52,127)	(29,330)			
Public Works							
Engineering	(15,522)	8,949	(27,188)	(33,761)			
Streets	(32,425)	34,048	-	1,623			
Cemetery	(20,418)	25,498	(6,439)	(1,359)			
Garage	(11,474)	1,917	(6,858)	(16,415)			
Building Maintenance	(26,442)	33,797	-	7,355			
Total Public Works	(106,281)	104,209	(40,485)	(42,557)			
Total GAAP to Budget Adjustments	\$ (286,102)	\$ 323,070	\$ (649,209)	\$ (612,241)			

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City of Ketchikan, Alaska Notes to Required Supplementary Information For the Year Ended December 31, 2021

Note 1 – Budgetary Basis (Continued)

	Budget to GAAP Adjustments - Inclusion of GASB Statement 54 Funds													
		Revenues	H	Expenditures		Other	N	et Change						
General Fund		16,897,167	\$	(21,250,406)	\$	3,770,960	\$	(582,279)						
GASB Statement 54 Funds Required to be														
Reported as Part of the General Fund														
Hospital Sales Tax Fund		2,658,044		(255,459)		(2,983,170)		(580,585)						
Public Works Sales Tax Fund		3,877,834		(1,030,298)		(2,301,236)		546,300						
Economic Development & Parking Fund		416		(142,143)		-		(141,727)						
Shoreline Fund		92		-		(6,374)		(6,282)						
Community Grant Fund		134,375		(268,750)		134,375		-						
Total of Excluded Funds for														
Budgetary Purposes		6,670,761		(1,696,650)		(5,156,405)		(182,294)						
Total GAAP Perspective General Fund	\$	23,567,928	\$	(22,947,056)	\$	(1,385,445)	\$	(764,573)						

	Ne	t Change	eginning nd Balance	Fu	Ending and Balance
General Fund	\$	(582,279)	\$ 7,063,025	\$	6,480,746
GASB Statement 54 Funds Required to be Reported as Part of the General Fund					
Hospital Sales Tax Fund		(580,585)	3,494,233		2,913,648
Public Works Sales Tax Fund		546,300	4,962,635		5,508,935
Economic Development & Parking Fund		(141,727)	457,853		316,126
Shoreline Fund		(6,282)	95,806		89,524
Community Grant Fund		-	17,181		17,181
Total of Excluded Funds for					
Budgetary Purposes		(182,294)	 9,027,708		8,845,414
Total GAAP Perspective General Fund	\$	(764,573)	\$ 16,090,733	\$	15,326,160

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*

	2021		2020		 2019	 2018	 2017	 2016
City's proportion of the net pension liability		0.4273%		0.3008%	0.3045%	0.3217%	0.3027%	0.3618%
City's proportionate share of the net pension liability State's proportional share of the net pension liability	\$	15,674,421	\$	17,748,663	\$ 16,669,784	\$ 15,987,481	\$ 15,648,449	\$ 20,224,243
associated with the City		2,122,767		7,342,727	6,618,080	4,629,389	5,831,483	2,550,121
Total Net Pension Liability	\$	17,797,188	\$	25,091,390	\$ 23,287,864	\$ 20,616,870	\$ 21,479,932	\$ 22,774,364
City's covered payroll	\$	4,826,554	\$	4,668,770	\$ 4,495,243	\$ 4,889,220	\$ 5,451,027	\$ 5,469,103
City's portionate share of the net pension liability as a percentage of covered payroll		324.754%		380.157%	370.832%	326.995%	287.073%	369.791%
Plan fiduciary net postion as a percentage of total pension liability		76.46%		61.61%	63.42%	65.19%	63.37%	59.55%

*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 *

	 2021		2020		2019		2018	2017			2016	 2015
Contractually required contribution	\$ 1,822,249	\$	1,622,538	\$	1,175,314	\$	1,236,552	\$	1,271,851	\$	1,066,834	\$ 960,680
Contributions in relation to the contractually required contributions Contribution deficiency (excess)	 (1,822,249)		(1,622,538)		(1,175,314)		(1,236,552)		(1,271,851)		(1,066,834)	 (960,680)
City's covered payroll	\$ 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	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*

	2021		202	0	201	9	201	8	2	017
		Proportionate		Proportionate		Proportionate		Proportionate		Proportionate
	Amount	Share	Amount	Share	Amount	Share	Amount	Share	Amount	Share
City's proportionate share of the net other postemployment benefits liability										
Occupational death and disability	\$ (226,697)	0.51437%	\$ (141,144)	0.51777%	\$ (108,296)	0.44667%	\$ (79,782)	0.41078%	\$ (55,411)	0.39052%
Defined contribution medical	(121,964)	0.45438%	31,961	0.45060%	94,484	0.39439%	52,272	0.41078%	20,365	0.39052%
Defined benefit medical	(11,005,777)	0.48500%	(1,360,904)	0.30050%	451,885	0.30455%	3,300,666	0.32161%	2,557,507	0.30280%
Total City's proportionate share of other postemployment benefits liability State's proportionate share of the net other postemployment benefits	(11,354,438)		(1,470,087)		438,073		3,273,156		2,522,461	
liability	(1,446,650)		(564,585)		179,619		958,042		953,991	
Total net other postemployment benefits liability	\$ (12,801,088)		\$ (2,034,672)		\$ 617,692		\$ 4,231,198	=	\$ 3,476,452	
City's covered payroll	\$ 4,826,554		\$ 4,668,770		\$ 4,495,243		\$ 4,889,220		\$ 5,451,027	
City's portionate share of the net other postemployment benefits liability										
as a percentage of covered payroll	-235.249%		-31.488%		9.745%		66.946%		46.275%	
Plan fiduciary net postion as a percentage of total other postemployment benefits liability	135.54%		106.15%		83.17%		88.12%		89.68%	

*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 other

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

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

	Contributions as a Percentage of Covered Payroll	202		Contributions as a Percentage of Covered Payroll	 2020	Contributions as a Percentage of Covered Payroll		1	2019	Contributions as a Percentage of Covered Payroll		2018	Contributions as a Percentage of Covered Payroll	 2017
Contractually required contributions														
Occupational death and disability	0.408%	\$ 2	28,657	0.396%	\$ 25,807	0.3719	6 5	5	20,395	0.292%	\$	13,845	0.221%	\$ 10,027
Defined contribution medical	1.172%	8	2,420	1.294%	84,394	1.1419	6		62,706	0.986%)	46,672	1.106%	50,108
Defined benefit medical	0.000%		-	5.557%	 266,701	9.9429	6		446,090	8.512%		397,004	8.977%	 477,194
		11	1,077		 376,902		_		529,191			457,521		 537,329
Contributions in relation to the contractually required contributions Contribution deficiency (excess)		(11	1,077) -		 (376,902)		_		(529,191)		_	(457,521)		 (537,329)
City's covered payroll														
PERS Defined Benefit - Tier I, II, III		4,45	4,950		4,799,799				4,487,019			4,663,974		5,316,031
PERS Defined Contribution - Tier IV		7,03	1,167		 6,520,582				5,497,020			4,735,319		 4,531,943
Total City's covered payroll		\$ 11,48	6,117		\$ 11,320,381		5	5	9,984,039		\$	9,399,293		\$ 9,847,974

*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.



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GOVERNMENTAL FUNDS

City of Ketchikan, Alaska Combining Balance Sheet Nonmajor Governmental Funds - by Fund Type December 31, 2021

	1	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor overnmental Funds
Assets				
Cash and temporary investments	\$	3,646,030	\$ 4,622,225	\$ 8,268,255
Restricted cash:				
Bond construction funds		-	1,689,689	1,689,689
Property seizure funds		142,823	-	142,823
Commercial passenger excise tax funds		7,492,736	29,631	7,522,367
Receivables:				
Accounts		356,705	-	356,705
Taxes		108,500	-	108,500
Intergovernmental		549,653	85,247	634,900
Interest		-	13	13
Unbilled revenue		71,426	 -	 71,426
Total Assets	\$	12,367,873	\$ 6,426,805	\$ 18,794,678
Linking D. Com d.L. Gome of D				
Liabilities, Deferred Inflows of Resources and Fu	na Ba	liances		
Liabilities				
Accounts payable	\$	440,139	\$ 990,638	\$ 1,430,777
Customer deposits payable		4,074	-	4,074
Interfund payable		345,348	-	345,348
Unearned revenue		346,586	 -	 346,586
Total Liabilities		1,136,147	 990,638	 2,126,785
Deferred Inflows of Resources		108,500	 -	 108,500
Fund Balances				
Restricted:				
Law enforcement		142,273	-	142,273
Commercial passenger excise tax		7,492,736	32,160	7,524,896
Bond construction funds		-	1,342,967	1,342,967
Assigned:		251 120		251 120
Subsequent years budget		351,130	-	351,130
General government		161,288	-	161,288
Culture and tourism		679,031	-	679,031
Collection and disposal of solid waste		1,585,728	-	1,585,728
Cemetery operations		105,773	-	105,773
Harbor operations		605,267	-	605,267
Development of community facilities		-	2,903,349	2,903,349
Harbor construction		-	1,082,134	1,082,134
Public works projects		-	 75,557	 75,557
Total Fund Balances		11,123,226	 5,436,167	 16,559,393
Total Liabilities, Deferred Inflows of Resources				
and Fund Balances	\$	12,367,873	\$ 6,426,805	\$ 18,794,678

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, 2021

	Sj Re	nmajor pecial evenue unds		Vonmajor Capital Projects Funds	Total Nonmajor Governmenta Funds		
Revenues	¢	0.40.000	¢		ф	0.42,022	
Taxes	\$	842,832	\$	-	\$	842,832	
Intergovernmental		1,664,607		655,836		2,320,443	
Charges for services		5,043,917		-		5,043,917	
Fines and forfeitures		2,349		-		2,349	
Investment earnings		11,936		4,662		16,598	
Contributions Miscellaneous		817,324 730		-		817,324 730	
Miscellancous		150				750	
Total Revenues		8,383,695		660,498		9,044,193	
Expenditures							
Current:		121 000				121 000	
General government		131,000		-		131,000	
Public safety		112,951		-		112,951	
Health and welfare		2,366,841		-		2,366,841	
Public works		3,370,201		-		3,370,201	
Port and harbor		1,252,607		-		1,252,607	
Debt Service:		100.000				100.000	
Principal retirement		180,000		-		180,000	
Interest and fiscal charges		168,550		-		168,550	
Capital Outlay				1,414,999		1,414,999	
Total Expenditures		7,582,150		1,414,999		8,997,149	
Excess (Deficiency) of Revenues							
Over (Under) Expenditures		801,545		(754,501)		47,044	
Other Financing Sources (Uses)							
Transfers out	(1,036,270)		(1,819)		(1,038,089)	
Total Other Financing Sources (Uses)	(1,036,270)		(1,819)		(1,038,089)	
Net Change in Fund Balances		(234,725)		(756,320)		(991,045)	
Fund Balances Beginning of Year	1	1,357,951		6,192,487		17,550,438	
Fund Balances End of Year	<u>\$ 1</u>	1,123,226	\$	5,436,167	\$	16,559,393	

NONMAJOR SPECIAL REVENUE FUNDS

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

Marijuana Sales Tax Fund – This fund is used to account for the proceeds of the five percent marijuana sales tax under Section 3.04.030 of the Ketchikan Municipal Code. These funds must be used primarily for the purpose of assisting and addressing the needs of the homeless population or other humanitarian purposes as determined by the City Council.

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

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

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

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

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

Emergency Relief Fund – This fund is used to account for emergency relief grant funds and 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.

CARES Act Grant Fund – This fund is used to account for the coronavirus aid, relief, and economic security act funds and related expenditures.

City of Ketchikan, Alaska Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2021

	г	Tansient Tax		arijuana ales Tax		Solid Waste Services	ŀ	Ketchikan Boat Harbor		Bayview emetery
Assets	\$	679,031	\$	242,188	\$	1,501,816	\$	1,117,222	\$	105 772
Cash and temporary investments Restricted cash	Э	679,031	Э	242,188	Ф	1,301,810	Э	1,117,222	Э	105,773
Receivables:		-		-		-		-		-
Accounts		_		_		346,592		10,113		_
Taxes		62,910		45,590		-		-		_
Intergovernmental		-		-		_		-		-
Unbilled revenue		-		-		71,426		-		-
Total Assets	\$	741,941	\$	287,778	\$	1,919,834	\$	1,127,335	\$	105,773
Liabilities										
Accounts payable	\$	-	\$	-	\$	212,447	\$	22,837	\$	-
Customer deposits payable		-		-		-		4,074		-
Interfund payable		-		-		-		-		-
Unearned revenue		-		-		-		346,586		-
Total Liabilities		-		-		212,447		373,497		-
Deferred Inflows of Resources		62,910		45,590				-		-
Fund Balances										
Restricted:										
Law enforcement		-		-		-		-		-
Commercial passenger excise tax		-		-		-		-		-
Assigned:										
Subsequent years budget		-		80,900		121,659		148,571		-
General government		-		161,288		-		-		-
Culture and tourism		679,031		-		-		-		-
Collection and disposal of solid waste		-		-		1,585,728		-		-
Cemetery operations Harbor operations		-		-		-		- 605,267		105,773
		_						003,207		
Total Fund Balances		679,031		242,188		1,707,387		753,838		105,773
Total Liabilities, Deferred Inflows of Resources										
and Fund Balances	\$	741,941	\$	287,778	\$	1,919,834	\$	1,127,335	\$	105,773

Commercial Passenger Vessel Excise Tax	enger Federal and ssel State			RES Act Grant	E	mergency Relief	An	orfeitures d Property Seizures	Total Nonmajor Special Reven Funds		
\$ - 7,492,736	\$	- -	\$	-	\$	- -	\$	- 142,823	\$	3,646,030 7,635,559	
- - -		330,050		- - -		219,603		- - -		356,705 108,500 549,653 71,426	
\$ 7,492,736	\$	330,050	\$	-	\$	219,603	\$	142,823	\$	12,367,873	
\$ - - -	\$	204,305 - 125,745 -	\$	- - -	\$	- 219,603	\$	550 - - -	\$	440,139 4,074 345,348 346,586	
		330,050		-		219,603		550		1,136,147	
				_						108,500	
- 7,492,736		- -		-		- -		142,273		142,273 7,492,736	
- - -				- - -				- - -		351,130 161,288 679,031 1,585,728 105,773 605,267	
7,492,736		-		-	. <u> </u>	-		142,273		11,123,226	
\$ 7,492,736	\$	330,050	\$	-	\$	219,603	\$	142,823	\$	12,367,873	

City of Ketchikan, Alaska Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds For the Year Ended December 31, 2021

	Т	`ransient Tax		arijuana ales Tax	Solid Waste Services		Ketchikan Boat Harbor			ayview emetery
Revenues	¢	595 207	¢	257 525	¢		¢		¢	
Taxes Intergovernmental	\$	585,307	\$	257,525	\$	- 7,578	\$	- 26,754	\$	-
Charges for services		-		-		3,479,819		1,550,342		- 13,756
Fines and forfeitures		-		-		5,479,819		2,349		-
Investment earnings		486		300		1,342		1,058		- 97
Miscellaneous				-		281		449		-
Contributions		-		-		-		-		-
Total Revenues		585,793		257,825		3,489,020		1,580,952		13,853
Expenditures										
Current:				121 000						
General government		-		131,000		-		-		-
Public safety		-		-		-		-		-
Health and welfare Public works		-		-		- 3,369,513		-		- 688
Public works Port and harbors		-		-		5,509,515		- 1,252,607		000
Debt Service:		-		-		-		1,232,007		-
Principal retirement		_		_		_		180,000		-
Interest and fiscal charges		-		-		-		168,550		-
Total Expenditures		-		131,000		3,369,513		1,601,157		688
Excess (Deficiency) of Revenues Over (Under) Expenditures		585,793		126,825		119,507		(20,205)		13,165
Other Financing Sources (Uses) Transfers out		(439,163)		(200,000)		-				(5,000)
Total Other Financing Sources (Uses)		(439,163)		(200,000)		-		-		(5,000)
Net Change in Fund Balances		146,630		(73,175)		119,507		(20,205)		8,165
Fund Balances Beginning Of Year		532,401		315,363		1,587,880		774,043		97,608
Fund Balances End Of Year	\$	679,031	\$	242,188	\$	1,707,387	\$	753,838	\$	105,773

Comm Passe Ves Excise	nger ssel	Federal and State Grant		RES Act Grant	iergency Relief	And	rfeitures 1 Property eizures	Total Nonmajor ccial Revenue Funds
\$	-	\$	-	\$ -	\$ -	\$	-	\$ 842,832
	-		927,292	682,619	20,364		-	1,664,607
	-		-	-	-		-	5,043,917
	-		-	-	-		- 164	2,349
	8,489 -		-	-	-		-	11,936 730
	-		817,324	-	-		-	 817,324
	8,489		1,744,616	 682,619	 20,364		164	 8,383,695
	-		-	-	-		-	131,000
	-		80,758	-	-		32,193	112,951
	-		1,663,858	682,619	20,364		-	2,366,841
	-		-	-	-		-	3,370,201 1,252,607
	-		-	-	-		-	1,232,007
	-		-	-	-		-	180,000
	-		-	 -	 -		-	 168,550
			1,744,616	 682,619	 20,364		32,193	 7,582,150
	8,489			 	 		(32,029)	 801,545
(3	92,107)		-	 	 -			 (1,036,270)
(3	92,107)		-	 -	 -		-	 (1,036,270)
(3	83,618)		-	-	-		(32,029)	(234,725)
7,8	76,354		-	 	 -		174,302	 11,357,951
\$ 7,4	92,736	\$	-	\$ -	\$ -	\$	142,273	\$ 11,123,226

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, 2021

		Original Budget		Final Budget		(GAAP Basis) Actual		Reclassifications and Encumbrances		(Budgetary Basis) Actual		ariance Positive legative)
Revenues Taxes	\$	345,000	\$	345,000	\$	585,307	\$		\$	585,307	\$	240,307
Investment earnings	φ	343,000 800	φ	343,000 800	φ	486	φ	-	φ	486	φ	(314)
Total Revenues		345,800		345,800		585,793		-		585,793		239,993
Other Financing Uses Transfers out												
General fund		(470,955)		(470,955)		(439,163)				(439,163)		31,792
Total Other Financing Uses		(470,955)		(470,955)		(439,163)		-		(439,163)		31,792
Net Change in Fund Balances		(125,155)		(125,155)		146,630		-		146,630		271,785
Fund Balances Beginning of Year		526,928		526,928		532,401		-		532,401		5,473
Fund Balances End of Year	\$	401,773	\$	401,773	\$	679,031	\$		\$	679,031	\$	277,258

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, 2021

	Priginal Budget		Final Budget		(GAAP Basis) Actual		Reclassifications and Encumbrances		(Budgetary Basis) Actual		Variance Positive Negative)
Revenues											
Taxes	\$ 291,000	\$	291,000	\$	257,525	\$	-	\$	257,525	\$	(33,475)
Investment earnings	 100		100		300		-	·	300	·	200
Total Revenues	 291,100		291,100		257,825				257,825		(33,275)
Expenditures Current:											
General government	 146,000		146,000		131,000				131,000		15,000
Excess of Revenues Over Expenditures	145,100		145,100		126,825		-		126,825		(48,275)
Other Financing Uses Transfers out											
General fund	 (200,000)		(200,000)		(200,000)		-		(200,000)		-
Total Other Financing Uses	 (200,000)		(200,000)		(200,000)		-		(200,000)		-
Net Change in Fund Balances	(54,900)		(54,900)		(73,175)		-		(73,175)		(18,275)
Fund Balances Beginning of Year	 57,574		57,574		315,363				315,363		257,789
Fund Balances End of Year	\$ 2,674	\$	2,674	\$	242,188	\$	-	\$	242,188	\$	209,514

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, 2021

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)	
Revenues							
Intergovernmental	\$ -	\$ -	\$ 7,578	\$ (7,578)	\$ -	\$ -	
Charges for services	3,485,610	3,485,610	3,479,819	-	3,479,819	(5,791)	
Investment earnings	1,560	1,560	1,342	-	1,342	(218)	
Miscellaneous	1,000	1,000	281		281	(719)	
Total Revenues	3,488,170	3,488,170	3,489,020	(7,578)	3,481,442	(6,728)	
Expenditures							
Current:							
Public works	3,560,399	3,633,099	3,369,513	(62,095)	3,307,418	325,681	
Capital Outlay	40,000	4,300				4,300	
Total Expenditures	3,600,399	3,637,399	3,369,513	(62,095)	3,307,418	329,981	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(112,229)	(149,229)	119,507	54,517	174,024	323,253	
Prior Year Encumbrances Returned				6,618	6,618	6,618	
Fund Balances Beginning of Year	1,421,857	1,421,857	1,587,880	(63,988)	1,523,892	102,035	
Fund Balances End of Year	\$ 1,309,628	\$ 1,272,628	\$ 1,707,387	\$ (2,853)	\$ 1,704,534	\$ 431,906	

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, 2021

	Original Budget		Final Budget		(GAAP Basis) Actual		Reclassifications and Encumbrances		(Budgetary Basis) Actual		Variance Positive (Negative)	
Revenues												
Intergovernmental	\$ 5,0		\$	5,000	\$	26,754	\$	(24,192)	\$	2,562	\$	(2,438)
Charges for services	1,599,5			1,599,500		1,550,342		-		1,550,342		(49,158)
Fines and forfeitures	3,5			3,500		2,349		-		2,349		(1,151)
Investment earnings	1,2	00		1,200		1,058		-		1,058		(142)
Miscellaneous				-		449		-		449		449
Total Revenues	1,609,2	00		1,609,200		1,580,952		(24,192)		1,556,760		(52,440)
Expenditures Current:												
Port and harbor	1,357,6	56		1,370,989		1,252,607		(22,436)		1,230,171		140,818
Debt Service:	-,,			-,- , -,, -,		-,,		(,)		-,		,
Principal retirement	180,0	00		180,000		180,000		-		180,000		-
Interest and fiscal charges	168,5	50		168,550		168,550		-		168,550		-
Total Expenditures	1,706,2	06		1,719,539		1,601,157		(22,436)		1,578,721		140,818
Net Change in Fund Balances	(97,0	06)		(110,339)		(20,205)		(1,756)		(21,961)		88,378
Prior Year Encumbrances Returned								5,000		5,000		5,000
Fund Balances Beginning of Year	776,0	89		776,089		774,043		(5,741)		768,302		(7,787)
Fund Balances End of Year	\$ 679,0	83	\$	665,750	\$	753,838	\$	(2,497)	\$	751,341	\$	85,591

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, 2021

	Original Budget		 Final Budget		(GAAP Basis) Actual		Reclassifications and Encumbrances		(Budgetary Basis) Actual		ariance ositive egative)
Revenues											
Charges for services	\$	13,700	\$ 13,700	\$	13,756	\$	-	\$	13,756	\$	56
Investment earnings		200	 200		97				97		(103)
Total Revenues		13,900	 13,900		13,853		-		13,853		(47)
Expenditures											
Current:							((0.0))				
Public works		2,500	 2,500		688		(688)		-		2,500
Excess (Deficiency) of Revenues Over (Under) Expenditures		11,400	11,400		13,165		688		13,853		2,453
Other Financing Uses Transfers out											
General fund		(5,000)	 (5,000)		(5,000)		-		(5,000)		-
Total Other Financing Sources		(5,000)	 (5,000)		(5,000)		-		(5,000)		
Net Change in Fund Balances		6,400	6,400		8,165		688		8,853		2,453
Fund Balances Beginning of Year		95,317	 95,317		97,608		(2,913)		94,695		(622)
Fund Balances End of Year	\$	101,717	\$ 101,717	\$	105,773	\$	(2,225)	\$	103,548	\$	1,831

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, 2021

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)	
Revenues	¢ 4.000	¢ 4.000	¢ 0.490	¢	¢ 0.400	¢ 2,590	
Investment earnings	\$ 4,900	\$ 4,900	\$ 8,489	\$ -	\$ 8,489	\$ 3,589	
Total Revenues	4,900	4,900	8,489		8,489	3,589	
Expenditures							
Current:	30,000	50.000				50,000	
Tourism	30,000	50,000				50,000	
Excess of Revenues							
Over Expenditures	(25,100)	(45,100)	8,489		8,489	53,589	
Other Financing Uses							
Transfers out General fund	(201.0(0))	(201.0(0))	(201.0(0))		(201.0(0))		
CPV capital projects fund	(291,960) (1,365,000)	(291,960) (1,365,000)	(291,960)	-	(291,960)	- 1,365,000	
Port fund	(1,303,000)	(1,505,000)	(100,147)	-	(100,147)	399,853	
Advance to Port Fund	-	(3,143,685)	-		-	3,143,685	
Total Other Financing Uses	(2,156,960)	(5,300,645)	(392,107)	_	(392,107)	4,908,538	
	(_,,,	(0,000,010)	(**=,***)			.,,,	
Net Change in Fund Balances	(2,182,060)	(5,345,745)	(383,618)	-	(383,618)	4,962,127	
Fund Balances Beginning of Year	7,011,170	7,011,170	7,876,354		7,876,354	865,184	
Fund Balances End of Year	\$ 4,829,110	\$ 1,665,425	\$ 7,492,736	\$ -	\$ 7,492,736	\$ 5,827,311	

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, 2021

	Original Budget		Final Budget	(GAAP Basis) Actual		Reclassifications and Encumbrances		(Budgetary Basis) Actual		P	ariance Positive Pegative)
Revenues											
Intergovernmental	\$ 248,702	\$	248,702	\$	927,292	\$	-	\$	927,292	\$	678,590
Contributions	 82,900		82,900		817,324		-		817,324		734,424
Total Revenues	 331,602		331,602		1,744,616		-		1,744,616		1,413,014
Expenditures											
Current:											
Public safety	331,602		331,602		80,758		(80,758)		-		331,602
Health and welfare	 -		-		1,663,858	·	(1,663,858)		-		-
Total Expenditures	 331,602		331,602		1,744,616		(1,744,616)				331,602
Net Change in Fund Balance	-		-		-		1,744,616		1,744,616		1,744,616
Fund Balances Beginning of Year	 		-		-		(1,759,093)		(1,759,093)	(1,759,093)
Fund Balances End of Year	\$ -	\$	-	\$	-	\$	(14,477)	\$	(14,477)	\$	(14,477)

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, 2021

		Original Budget		Final Budget		(GAAP Basis) Actual		ssifications and imbrances	(Budgetary Basis) Actual		P	ariance Positive legative)
Revenues Intergovernmental	¢		¢	19,982	\$	20,364	\$		¢	20,364	\$	382
Intergovernmental	\$	-	¢	19,962	\$	20,304	\$		¢	20,304	\$	362
Total Revenues		-		19,982		20,364		-		20,364		382
Expenditures Current:												
Health and welfare		-		19,982		20,364		(382)		19,982		-
Net Change in Fund Balances		-		-		-		382		382		382
Prior Year Encumbrances Returned		-		-		-		121,826		121,826		121,826
Fund Balances Beginning of Year		-		-		-		(122,208)		(122,208)	. <u> </u>	(122,208)
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, 2021

	Original Budget		Final Budget		(GAAP Basis) Actual		Reclassifications and Encumbrances		(Budgetary Basis) Actual		uriance ositive egative)
Revenues											
Investment earnings	\$ 160	\$	160	\$	164	\$	-	\$	164	\$	4
Total Revenues	 160		160		164				164		4
Expenditures											
Current:											
Public safety	 -		55,000		32,193		-		32,193		22,807
Net Change in Fund Balances	160		(54,840)		(32,029)		-		(32,029)		22,811
Fund Balances Beginning of Year	 174,294		174,294		174,302		-		174,302		8
Fund Balances End of Year	\$ 174,454	\$	119,454	\$	142,273	\$	_	\$	142,273	\$	22,819

City of Ketchikan, Alaska CARES Act Grant Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual For the Year Ended December 31, 2021

	riginal Judget	Final Budget		(GAAP Basis) Actual		Reclassifications and Encumbrances		(Budgetary Basis) Actual		P	ariance Positive (egative)
Revenues			-								<u> </u>
Intergovernmental	\$ -	\$	651,516	\$	682,619	\$	-	\$	682,619	\$	31,103
Total Revenues	 -		651,516		682,619				682,619		31,103
Expenditures Current:											
Health and welfare	 -		651,516		682,619		(28,425)		654,194		(2,678)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-		-		-		28,425		28,425		28,425
Net Change in Fund Balances	-		-		-		28,425		28,425		28,425
Prior Year Encumbrances Returned	 -		-				2,678		2,678		2,678
Fund Balances Beginning of Year	 -		-		-		(31,103)		(31,103)		(31,103)
Fund Balances End of Year	\$ -	\$	-	\$	-	\$	-	\$	-	\$	-



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MAJOR DEBT SERVICE FUNDS¹

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.

¹*This major fund schedule is provided for consistency and budgetary purposes only.*

City of Ketchikan, Alaska Statement of Revenues, Expenditures and Changes in Fund Balances Major Debt Service Fund For the Year Ended December 31, 2021

	General Obligation Bond Debt Service
Revenues	¢ 47.0/0
Miscellaneous income	\$ 47,060
Expenditures	
Debt Service:	
Principal retirement	1,695,220
Interest and fiscal charges	2,003,300
Bond issuance costs	27,849
Total Expenditures	3,726,369
Deficiency of Revenues Under Expenditures	(2,670,200)
Onder Expenditures	(3,679,309)
Other Financing Sources	
Issuance of refunding bonds	3,145,000
Payment to refunded bond escrow agent	(3,005,000)
Transfers in	
General fund	757,069
Sales tax hospital & other public works fund	2,529,575
Public works sales tax fund	250,846
Major Capital Improvement	1,819
Total Other Financing Sources	3,679,309
Net Change in Fund Balances	-
Fund Balances Beginning of Year	
Fund Balances End of Year	<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, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Miscellaneous income	\$ -	\$ -	\$ 47,060	\$ 47,060
Expenditures				
Debt Service:				
Principal retirement	1,670,221	1,670,221	1,695,220	(24,999)
Interest and fiscal charges	1,929,414	1,929,414	2,003,300	(73,886)
Bond issuance costs			27,849	(27,849)
Total Expenditures	3,599,635	3,599,635	3,726,369	(126,734)
Other Financing Sources				
Issuance of refunding bonds	-	-	3,145,000	3,145,000
Payment to refunded bond escrow agent	-	-	(3,005,000)	(3,005,000)
Transfers in				
General fund	817,394	817,394	757,069	(60,325)
Sales tax hospital & other public works fund	2,529,575	2,529,575	2,529,575	-
Sales tax public works fund	252,666	252,666	250,846	(1,820)
Major Capital Improvements Fund			1,819	1,819
Total Other Financing Sources	3,599,635	3,599,635	3,679,309	79,674
Net Change in Fund Balances	-	-	-	-
Fund Balances Beginning of Year				
Fund Balances End of Year	\$ -	\$ -	\$ -	\$ -



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NONMAJOR CAPITAL IMPROVEMENT FUND

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

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

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

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

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

City of Ketchikan, Alaska Combining Balance Sheet Nonmajor Capital Projects Funds December 31, 2021

	0	Major Capital covements	Harbor Improvements		ommunity Facilities evelopment	C	Hospital	Passe Ta	mmercial enger Excise ax Capital provements		Total Jonmajor ital Projects Funds
Assets Cash and investments	\$	75,557	\$	1,002,902	\$ 3,211,074	\$	330,163	\$	2,529	\$	4,622,225
Restricted cash:	Ť	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	*		-,,	*	2	*	_,,	*	.,,
Bond construction funds		-		70,310	-		1,619,379		-		1,689,689
Commercial passenger excise tax funds Receivables:		-		-	-		-		29,631		29,631
Intergovernmental		-		85,247	-		-		-		85,247
Interest		-		-	-		13		-		13
Total Assets	\$	75,557	\$	1,158,459	\$ 3,211,074	\$	1,949,555	\$	32,160	\$	6,426,805
Liabilities and Fund Balances											
Liabilities											
Accounts payable		-		4,903	 307,725		678,010		-		990,638
Total Liabilities	\$	-	\$	4,903	\$ 307,725	\$	678,010	\$		\$	990,638
Fund Balances											
Restricted											
Commercial passenger excise tax funds Bond construction funds		-		-	-		-		32,160		32,160
Assigned:		-		71,422	-		1,271,545		-		1,342,967
Development of community facilities		-		-	2,903,349		-		-		2,903,349
Harbor projects		-		1,082,134	-		-		-		1,082,134
Public works projects		75,557		-	 -		-		-		75,557
Total Fund Balances		75,557		1,153,556	 2,903,349		1,271,545		32,160		5,436,167
Total Liabilities and Fund Balances	\$	75,557	\$	1,158,459	\$ 3,211,074	\$	1,949,555	\$	32,160	\$	6,426,805

City of Ketchikan, Alaska Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Capital Projects Funds For the Year Ended December 31, 2021

	Capi	Major Capital Improvements		Harbor Improvements		mmunity `acilities velopment		Hospital	Passen Tax	imercial ger Excise Capital ovements		Total Ionmajor ital Projects Funds
Revenues	<u>^</u>		.		¢		¢		¢		<i>•</i>	
Intergovernmental	\$	-	\$ 6	55,836	\$	-	\$	-	\$	-	\$	655,836
Investment earnings		97		920		3,310		335		-		4,662
Total Revenues		97	6	56,756		3,310		335		-		660,498
Expenditures												
Capital Outlay:		0.155										0.155
Public safety Culture and tourism		2,155 23,423		-		-		-		-		2,155
Health and welfare	4	23,423		-		- 500,787		63,051		-		23,423 563,838
Port and harbors		-	8	25,583		-		-		-		825,583
				20,000		·						020,000
Total Expenditures		25,578	8	25,583		500,787		63,051		-		1,414,999
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2	25,481)	(1	68,827)		(497,477)		(62,716)		-		(754,501)
Other Financing Sources (Uses) Transfers out												
Debt service fund		(1,819)		-		-		-		-		(1,819)
Total Other Financing Sources (Uses)		(1,819)		-		_		-		-		(1,819)
Net Change in Fund Balances	(2	27,300)	(1	68,827)		(497,477)		(62,716)		-		(756,320)
Fund Balances At Beginning of Year	10	02,857	1,3	22,383		3,400,826		1,334,261		32,160		6,192,487
Fund Balances At End of Year	\$	75,557	\$ 1,1	53,556	\$	2,903,349	\$	1,271,545	\$	32,160	\$	5,436,167

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, 2021

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues Investment earnings	\$ 150	\$ 150	\$ 97	\$ -	\$ 97	\$ (53)
nivestillent earnings	\$ 150	\$ 150	\$ 91	<u></u> , э	\$ 91	\$ (33)
Total Revenues	150	150	97		97	(53)
Expenditures Public safety Culture and tourism Public works	250,000	250,000	2,155 23,423	240,853 (23,423)	243,008	6,992 - 2,100,000
Total Expenditures	2,350,000	2,350,000	25,578	217,430	243,008	2,106,992
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,349,850)	(2,349,850)	(25,481)	(217,430)	(242,911)	2,106,939
Other Financing Sources Proceeds from bond issuance Transfers out Debt Service Fund	3,120,000	3,120,000	- (1,819)	-	- (1,819)	(3,120,000) (1,819)
Total Other Financing Sources	3,120,000	3,120,000	(1,819)		(1,819)	(3,121,819)
Net Change in Fund Balances	770,150	770,150	(27,300)	(217,430)	(244,730)	(1,014,880)
Prior Year Encumbrances Returned				956	956	956
Fund Balances Beginning of Year	73,748	73,748	102,857	(28,953)	73,904	156
Fund Balances End of Year	\$ 843,898	\$ 843,898	\$ 75,557	\$ (245,427)	\$ (169,870)	\$ (1,013,768)

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, 2021

	Original Budget		Final Budget		(GAAP Basis) Actual		Reclassifications and Encumbrances		(Budgetary Basis) Actual		Variance Positive Negative)
Revenues Intergovernmental Investment earnings	\$	379,599 1,000	\$	379,599 1,000	\$	655,836 920	\$	-	\$	655,836 920	\$ 276,237 (80)
Total Revenues		380,599		380,599		656,756		-		656,756	 276,157
Expenditures Port and harbors		281,542		335,365		825,583		(586,554)		239,029	 96,336
Total Expenditures		281,542		335,365		825,583		(586,554)		239,029	 96,336
Net Change in Fund Balances		99,057		45,234		(168,827)		586,554		417,727	372,493
Prior Year Encumbrances Returned		-		-		-		13,462		13,462	 13,462
Fund Balances Beginning of Year		665,840		665,840		1,322,383		(838,559)		483,824	 (182,016)
Fund Balances End of Year	\$	764,897	\$	711,074	\$	1,153,556	\$	(238,543)	\$	915,013	\$ 203,939

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, 2021

		Original Budget		Final Budget	(GAAP Basis) Actual		Reclassifications and Encumbrances		(Budgetary Basis) Actual		Variance Positive Negative)
Revenues	<u>_</u>						<u>^</u>		¢ 2.210		
Investment earnings	\$	2,400	\$	2,400	\$	3,310	\$	-	\$	3,310	\$ 910
Total Revenues		2,400		2,400		3,310		-		3,310	 910
Expenditures											
Health and welfare		-		683,499		500,787		182,623		683,410	89
Culture and tourism		231,600		231,600		-		-		-	 231,600
Total Expenditures		231,600		915,099		500,787		182,623		683,410	 231,689
Net Change in Fund Balances		(229,200)		(912,699)		(497,477)		(182,623)		(680,100)	232,599
Prior Year Encumbrances Returned								5,317		5,317	 5,317
Fund Balances Beginning of Year		2,215,207		2,215,207		3,400,826		(80,317)		3,320,509	 1,105,302
Fund Balances End of Year	\$	1,986,007	\$	1,302,508	\$	2,903,349	\$	(257,623)	\$	2,645,726	\$ 1,343,218

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, 2021

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues			·			
Contributions	\$ -	\$ 3,048,000	\$-		\$ -	\$ (3,048,000)
Investment earnings	1,100	1,100	335	-	335	(765)
Total Revenues	1,100	3,049,100	335		335	(3,048,765)
Expenditures						
Health and welfare	1,099,821	4,147,821	63,051	3,074,799	3,137,850	1,009,971
Net Change in Fund Balances	(1,098,721)	(1,098,721)	(62,716)	(3,074,799)	(3,137,515)	(2,038,794)
Fund Balances Beginning of Year	1,098,721	1,098,721	1,334,261	(234,824)	1,099,437	716
Fund Balances End of Year	\$ -	\$ -	\$ 1,271,545	\$ (3,309,623)	\$ (2,038,078)	\$ (2,038,078)

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, 2021

	Original Budget		Final Budget		(GAAP Basis) Actual		Reclassifications and Encumbrances		(Budgetary Basis) Actual		Variance Positive (Negative)	
Expenditures												
Culture and tourism	\$	865,000	\$	865,000	\$		\$	-	\$	-	\$	865,000
Total Expenditures		865,000		865,000				-		-		865,000
Other Financing Sources Transfers in												
Commercial passenger vessel tax fund		865,000		865,000		-		-		-		(865,000)
Total Other Financing Sources		865,000		865,000				-		-		(865,000)
Net Change in Fund Balances		-		-		-		-		-		-
Prior Year Encumbrances Returned				-		-				-		-
Fund Balances Beginning of Year		2,529		2,529		32,160		(29,631)		2,529		
Fund Balances End of Year	\$	2,529	\$	2,529	\$	32,160	\$	(29,631)	\$	2,529	\$	_

GENERAL FUND

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

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

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

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

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

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

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

City of Ketchikan, Alaska Combining Balance Sheet General Fund December 31, 2021

	General		Hospital Sales Tax	Public Works Sales Tax		
Assets Cash and temporary investments	\$ 7,551,543	\$	2,991,686	\$	5,591,578	
Receivables:	\$ 7,551,545	φ	2,991,080	φ	5,591,578	
Accounts	228,858		_		_	
Taxes	1,115,965		517,886		776,829	
Intergovernmental	2,444		-		-	
Interfund	345,348		-		-	
Land for resale	379,690		-		15,316	
Total Assets	\$ 9,623,848	\$	3,509,572	\$	6,383,723	
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 145,964	\$	3,038	\$	97,959	
Payroll payable	1,856,923		-		-	
Unearned revenue	200,164		75,000		-	
Total Liabilities	2,203,051		78,038		97,959	
Deferred Inflows of Resources	940,051		517,886		776,829	
Fund Balances						
Nonspendable	379,690		-		15,316	
Assigned: Subsequent years budget	1,691,634		193,800		1,000,758	
Parking development and abatement of dangerous buildings	-		-		-	
Hospital development and expansion	-		2,719,848		-	
General government	128,997		-		-	
Public safety	43,781		-		-	
Culture and tourism	48,267		-		-	
Public works	114,391		-		-	
Streets, sidewalks and other public projects	-		-		4,492,861	
Unassigned	4,073,986		-		-	
Total Fund Balances	6,480,746		2,913,648		5,508,935	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 0,623,849	¢	3 500 572	¢	6 383 773	
anu runu datances	\$ 9,623,848	\$	3,509,572	\$	6,383,723	

Dev	conomic velopment Parking	Shoreline Services				Totals	
	351,662	\$	89,524	\$	60,893	\$ 16,636,886	
	-		-		-	228,858	
	-		-		-	2,410,680	
	-		-		-	2,444	
	-		-		-	345,348	
	-		-		-	395,006	
	351,662	\$	89,524	\$	60,893	\$ 20,019,222	
	35,536	\$	-	\$	43,712	\$ 326,209	
	-		-		-	1,856,923	
	-		-		-	275,164	
	35,536				43,712	2,458,296	
			-			2,234,766	
	-		-		-	395,006	
	-		6,374		-	2,892,566	
	316,126		-		-	316,126	
	-		-		-	2,719,848	
	-		-		17,181	146,178	
	-		83,150		-	126,931	
	-		-		-	48,267	
	-		-		-	114,391	
	-		-		-	4,492,861 4,073,986	
	-				-	4,075,980	
	316,126		89,524		17,181	15,326,160	
	351,662	\$	89,524	\$	60,893	\$ 20,019,222	

City of Ketchikan, Alaska General Fund Combining Schedule of Revenues, Expenditures and Changes in Fund Balances For the Year Ended December 31, 2021

	General	Hospital Sales Tax	Public Works Sales Tax	Economic Development & Parking	Shoreline Services	Community Grant	Totals	
Revenues						·	·	
Taxes								
Real & personal property taxes	\$ 6,278,122	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,278,122	
Automobile & boat taxes	35,920	-	-	-	-	-	35,920	
Penalty & interest	63,023	8,099	12,149	-	-	-	83,271	
Senior citizen local contribution	(512,354)	-	-	-	-	-	(512,354)	
Sales tax	3,860,811	2,573,874	3,860,811	-	-	-	10,295,496	
Payments in lieu of taxes	28,857	-		-	-	-	28,857	
	9,754,379	2,581,973	3,872,960	-	-	-	16,209,312	
Licenses and permits							· · · · · ·	
Building permits	68,064	-	-	-	-	-	68,064	
Other	1,505	-	-	-	-	-	1,505	
	69,569	-	-	-	-		69,569	
Intergovernmental				-				
Federal fire grants	30,000	-	-	-	-	-	30,000	
Other state revenues	789,351	-	-	-	-		789,351	
Federal revenues	1,030,704	-	_	-	-	-	1,030,704	
	1,850,055						1,850,055	
Charges for services	1,000,000					·	1,000,000	
Ambulance	653,004	_	-	_			653,004	
Rentals	20,278	_	_	_	_		20,278	
Parking fees	74,860	-	_	-	-	-	74,860	
Cemetery	1,050	-	_	-	-	-	1,050	
Library services	591,496	-	-	-	-	-	591,496	
Museum services	46,855	-	-	-	-	-	46,855	
E-911 emergency dispatch services	394,141	-	-	-	-	-	394,141	
Civic center services	17,293	-	-	-	-	-	17,293	
Other charges	47,386	-	-	-	-	-	47,386	
Other charges	1,846,363			-	-		1,846,363	
Fines and forfeitures	1,840,303			-	-		1,840,505	
Parking fines	51,989						51,989	
8	,	-	-	-	-	-	· · · · · ·	
Other fines	4,435	-	-	-	-	-	4,435	
Court deposits	5,102	-		-	-		5,102	
	61,526						61,526	
Investment earnings	7,456	3,163	4,874	416	92		16,001	
Other revenue								
Miscellaneous	143,254	72,908				134,375	350,537	
Interdepartmental charges	3,164,565				-		3,164,565	
Total Revenues	16,897,167	2,658,044	3,877,834	416	92	134,375	23,567,928	

City of Ketchikan, Alaska General Fund Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Cont'd) For the Year Ended December 31, 2021

	General	Hospital Sales Tax	Public Works Sales Tax	Economic Development & Parking	Shoreline Services	Community Grant	Totals
Expenditures							
Current:							
General government							
Mayor and council	230,255	-	-	-	-	268,750	499,005
City clerk	276,347	-	-	-	-	-	276,347
Law	338,978	-	-	-	-	-	338,978
City manager	752,680	-	-	-	-	-	752,680
Finance	2,012,204	-	3,065	-	-	-	2,015,269
Information technology	1,028,740	-	-	-	-	-	1,028,740
	4,639,204		3,065			268,750	4,911,019
Public safety							
Fire	3,921,403	-	128,308	-	-	-	4,049,711
Police	5,558,987	-	252,077	-	-	-	5,811,064
	9,480,390	-	380,385	-	-	-	9,860,775
Culture				·			· · · · · ·
Library	1,339,076	-	-	-	-	-	1,339,076
Museum	990,578	-	9,779	-	-	-	1,000,357
Civic center	470,388	-	2,140	-	-	-	472,528
Tourism and development	-	-	-	142,143	-	-	142,143
•	2,800,042	-	11,919	142,143	-		2,954,104
Health and welfare							<u> </u>
Public health	10,978	255,459			-		266,437
Public works							
Engineering	1,404,426	-	-	-	-	-	1,404,426
Streets	1,631,227	-	617,176	-	-	-	2,248,403
Cemetery	89,057	-	688	-	-	-	89,745
Garage	697,084	-	17,065	-	-	-	714,149
Building maintenance	497,998	-	-	-	-	-	497,998
6	4,319,792	-	634,929	-	-	-	4,954,721
Total Expenditures	21,250,406	255,459	1,030,298	142,143	-	268,750	22,947,056
Excess (Deficiency) of Revenues							
Over (Under) Expenditures	(4,353,239)	2,402,585	2,847,536	(141,727)	92	(134,375)	620,872

City of Ketchikan, Alaska General Fund Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Cont'd) For the Year Ended December 31, 2021

	General	Hospital Sales Tax	Public Works Sales Tax	Economic Development & Parking	Shoreline Services	Community Grant	Totals
Other Financing Sources (Uses)							
Transfers in							
Sales tax hospital and other							
public works fund	420,000	(420,000)	-	-	-	-	-
Sales tax public works fund	2,000,000	-	(2,000,000)	-	-	-	-
Transient occupancy tax fund	439,163	-	-	-	-	-	439,163
Marijuana Sales Tax	200,000	-	-	-	-	-	200,000
Shoreline area fund	6,374	-	-	-	(6,374)	-	-
Bayview cemetery fund	5,000	-	-	-	-	-	5,000
Commercial passenger vessel tax fund	291,960	-	-	-	-	-	291,960
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	(757,069)	(2,529,575)	(250,846)	-	-	-	(3,537,490)
Community grant fund	(50,390)	(33,595)	(50,390)	-	-	134,375	-
Sale of capital assets	30,922	-					30,922
Total Other Financing Sources (Uses)	3,770,960	(2,983,170)	(2,301,236)		(6,374)	134,375	(1,385,445)
Net Change in Fund Balances	(582,279)	(580,585)	546,300	(141,727)	(6,282)	-	(764,573)
Fund Balances Beginning of Year	7,063,025	3,494,233	4,962,635	457,853	95,806	17,181	16,090,733
Fund Balances End of Year	6,480,746	2,913,648	5,508,935	316,126	89,524	17,181	15,326,160

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, 2021

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)	
Revenues							
Taxes	\$ 2,789,000	\$ 2,789,000	\$ 2,573,874	\$ -	\$ 2,573,874	\$ (215,126)	
Penalties and interest	7,500	7,500	8,099	-	8,099	599	
Investment earnings	4,200	4,200	3,163	-	3,163	(1,037)	
Miscellaneous			72,908		72,908	72,908	
Total Revenues	2,800,700	2,800,700	2,658,044		2,658,044	(142,656)	
Expenditures							
Current:							
Health and welfare	465,140	465,140	255,459	(82,058)	173,401	291,739	
Total Expenditures	465,140	465,140	255,459	(82,058)	173,401	291,739	
Excess of Revenues							
Over Expenditures	2,335,560	2,335,560	2,402,585	82,058	2,484,643	149,083	
Other Financing Uses							
Transfers out							
General fund	(420,000)	(420,000)	· · · /	-	(420,000)	-	
Community grant fund	(33,595)	(33,595)		-	(33,595)	-	
General obligation debt service fund	(2,529,575)	(2,529,575)	(2,529,575)		(2,529,575)		
Total Other Financing Uses	(2,983,170)	(2,983,170)	(2,983,170)		(2,983,170)		
Net Change in Fund Balances	(647,610)	(647,610)	(580,585)	82,058	(498,527)	149,083	
Prior Year Encumbrances Returned				84,669	84,669	84,669	
Fund Balances Beginning of Year	3,228,957	3,228,957	3,494,233	(215,035)	3,279,198	50,241	
Fund Balances End of Year	\$ 2,581,347	\$ 2,581,347	\$ 2,913,648	\$ (48,308)	\$ 2,865,340	\$ 283,993	

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, 2021

	Original Budget	Final Budget	(GAAP Basis) Actual	Reclassifications and Encumbrances	(Budgetary Basis) Actual	Variance Positive (Negative)
Revenues				•		
Taxes	\$ 4,184,000	\$ 4,184,000	\$ 3,860,811	\$ -	\$ 3,860,811	\$ (323,189)
Penalties and interest	11,500	11,500	12,149	-	12,149	649
Investment earnings	5,700	5,700	4,874		4,874	(826)
Total Revenues	4,201,200	4,201,200	3,877,834		3,877,834	(323,366)
Expenditures						
Capital:						
General government						
Finance	20,000	20,000	3,065	(3,065)	-	20,000
Public safety						
Fire	-	-	128,308	(128,308)	-	-
Police	374,512	374,512	252,077	(194,640)	57,437	317,075
Culture						
Museum	205,000	205,000	9,779	(9,779)	-	205,000
Civic center	-	-	2,140	(2,140)	-	-
Public works						
Engineering	70,000	70,000	-	-	-	70,000
Streets	1,048,745	1,048,745	617,176	(296,855)	320,321	728,424
Cemetery	-	-	688	(688)	-	-
Garage	68,000	68,000	17,065	-	17,065	50,935
Building maintenance	30,000	30,000				30,000
Total Expenditures	1,816,257	1,816,257	1,030,298	(635,475)	394,823	1,421,434
Excess (Decficiency) of Revenues Over (Under) Expenditures	2,384,943	2,384,943	2,847,536	635,475	3,483,011	1,098,068
Other Financing Uses Transfer out						
General fund	(2,000,000)	(2,000,000)	(2,000,000)	-	(2,000,000)	-
Community grant fund	(50,390)	(50,390)	(50,390)	-	(50,390)	-
Debt service fund	(252,666)	(252,666)	(250,846)		(250,846)	1,820
Total Other Financing Uses	(2,303,056)	(2,303,056)	(2,301,236)		(2,301,236)	1,820
Net Change in Fund Balances	81,887	81,887	546,300	635,475	1,181,775	1,099,888
Prior Year Encumbrances Returned				125,629	125,629	125,629
Fund Balances Beginning of Year	3,535,347	3,535,347	4,962,635	(1,050,988)	3,911,647	376,300
Fund Balances End of Year	\$ 3,617,234	\$ 3,617,234	\$ 5,508,935	\$ (289,884)	\$ 5,219,051	\$ 1,601,817

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, 2021

		Driginal Budget		Final Budget	(GA	AP Basis) Actual		assifications and umbrances	(B	Budgetary Basis) Actual	Р	ariance ositive egative)
Revenues Investment earnings	¢	650	\$	650	\$	416	\$		\$	416	\$	(234)
investment earnings	φ	030	φ	030	æ	410	φ		.p	410	φ	(234)
Total Revenues		650		650		416		-		416		(234)
Expenditures Current: Economic tourism and development		152,143		152,143		142,143		_		142,143		10,000
Leonomie tourism and development		152,145		152,145		142,145				142,143		10,000
Total Expenditures		152,143		152,143		142,143		-		142,143		10,000
Net Change in Fund Balances		(151,493)		(151,493)		(141,727)		-		(141,727)		9,766
Fund Balances Beginning of Year		447,504		447,504		457,853				457,853		10,349
Fund Balances End of Year	\$	296,011	\$	296,011	\$	316,126	\$	_	\$	316,126	\$	20,115

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, 2021

		Original Budget		Final Budget	`	AAP Basis) Actual		assifications and umbrances		udgetary Basis) Actual	Р	ariance ositive egative)
Revenues Investment earnings	¢	100	\$	100	\$	92	\$		\$	92	\$	(8)
investment earnings	5	100	¢	100	¢	92	ð	-	¢	92	\$	(8)
Other Financing Uses Transfers out												
General fund		(6,374)		(6,374)		(6,374)		-		(6,374)		-
Net Change in Fund Balances		(6,274)		(6,274)		(6,282)		-		(6,282)		(8)
Fund Balances Beginning of Year		101,410		101,410		95,806				95,806		(5,604)
Fund Balances End of Year	\$	95,136	\$	95,136	\$	89,524	\$	-	\$	89,524	\$	(5,612)

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, 2021

)riginal 3udget	 Final Budget	(GA	AAP Basis) Actual	assifications and umbrances	(B	Sudgetary Basis) Actual	Pos	iance sitive sative)
Revenues									
Contributions	\$ 134,375	\$ 134,375	\$	134,375	\$ -	\$	134,375	\$	-
Total Revenues	 134,375	 134,375		134,375	 	. <u> </u>	134,375		-
Expenditures Current:									
Mayor and council	 268,750	 268,750		268,750	 -		268,750		-
Deficiency of Revenues Under Expenditures	(134,375)	(134,375)		(134,375)	-		(134,375)		-
Other Financing Sources Transfers in									
General fund	50,390	50,390		50,390	-		50,390		-
Hospital sales tax fund	33,595	33,595		33,595	-		33,595		-
Public works sales tax fund	 50,390	 50,390		50,390	 -		50,390		-
Total Other Financing Sources	 134,375	 134,375		134,375	 		134,375		-
Net Change in Fund Balances	-	-		-	-		-		-
Fund Balances Beginning of Year	 17,141	 17,141		17,181	 		17,181		40
Fund Balances End of Year	\$ 17,141	\$ 17,141	\$	17,181	\$ 	\$	17,181	\$	40



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PROPRIETARY FUNDS

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, 2021 and 2020

	2021	2020
Assets		
Current assets		
Cash and temporary investments	\$ 29,586,813	\$ 26,691,073
Restricted cash, cash equivalents and investments:		
Cash and temporary invest bond construction funds	488,722	699,679
Bond redemption	562,119	547,148
Other resricted cash	25,368	25,368
Accounts receivable \$ 2,8	839,211	
Less uncollectible accounts ((82,000) 2,757,211	2,973,547
Due from other governments	79,080	65,890
Prepaid expenses	42,392	15,283
Inventory of materials	2,806,925	2,814,262
Unbilled revenue	1,195,817	1,018,932
Total current assets	37,544,447	34,851,182
Noncurrent assets		
Restricted investments:		
Revenue bond reserve fund investments	1,870,216	1,885,500
Accrued interest receivable - bond reserve fund	450	-
Total Restricted assets	1,870,666	1,885,500
Other postemployment benefits	2,133,499	276,229
Utility plant in service:		
Land	2,758,966	2,758,966
Other non-depreciable assets	52,405	52,405
Construction work in progress	4,611,992	2,888,318
Plant in service	267,308,562	265,520,972
Less accumulated depreciation	(164,430,724)	(160,207,617)
Total capital assets (net of accumulated depreciation)	110,301,201	111,013,044
Total noncurrent assets	114,305,366	113,174,773
Total assets	151,849,813	148,025,955
Deferred outflow of resources	446,590	513,888
Total Assets and Deferred Outflow of Resources	\$ 152,296,403	\$ 148,539,843

City of Ketchikan, Alaska Ketchikan Public Utilities Fund Comparative Statements of Net Position December 31, 2021 and 2020

	2021	2020
Liabilities		
Current liabilities		
Accounts payable	\$ 3,788,718	\$ 2,923,976
Accrued interest payable	162,837	187,222
Compensated absences payable	109,442	124,119
Customer deposits	369,965	355,790
Unearned revenue	58,606	66,709
Unamortized premiums	185,857	185,857
Revenue bonds payable	1,780,152	1,472,660
Advances to other funds	394,812	379,627
Total current liabilities	6,850,389	5,695,960
Noncurrent liabilities		
Unamortized bond premium	1,649,671	2,741,232
Compensated absences payable	984,976	1,117,072
Net pension liability	2,945,226	3,334,973
Revenue bonds payable	25,188,739	26,129,852
Advances to other funds	390,101	784,913
Total noncurrent liabilities	31,158,713	34,108,042
Deferred inflow of resources	3,181,018	231,202
Total Liabilities and Deferred Inflows of Resources	41,190,120	40,035,204
Net position		
Net investment in capital assets	79,499,052	81,183,123
Restricted performance guaranty	25,368	25,368
Restricted for bond retirement	2,364,595	2,336,993
Unrestricted	29,217,268	24,959,155
Total net position	111,106,283	108,504,639
Total liabilities and net position	\$ 152,296,403	\$ 148,539,843

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, 2021 and 2020

	Tota	ıl	Elect	ric
	2021	2020	2021	2020
Operating Revenues				
Services	\$43,389,906	\$42,098,824	\$19,188,307	\$18,484,722
Other	713,421	554,915	661,458	520,239
Total Operating Revenues	44,103,327	42,653,739	19,849,765	19,004,961
Operating Expenses				
Operation and maintenance	27,035,030	27,322,810	13,710,793	13,143,929
Administration and general	6,500,283	6,785,552	2,024,446	2,079,059
Depreciation	6,035,498	7,787,634	2,560,046	2,917,661
Total Operating Expenses	39,570,811	41,895,996	18,295,285	18,140,649
Operating Income (Loss)	4,532,516	757,743	1,554,480	864,312
Non-Operating Revenues (Expenses)				
Operating grants	240,944	290,605	64,962	57,422
Interest earnings	15,052	188,894	6,648	96,264
Revenue bond interest expense	(1,480,091)	(689,570)	(990,234)	(410,388)
Other interest expense	(17,196)	(17,729)	(16,164)	(15,716)
Debt issuance costs	(73,882)	(87,628)	(73,882)	-
Total Non-Operating Revenue (Expenses)	(1,315,173)	(315,428)	(1,008,670)	(272,418)
Net Income (Loss) Before Contributions				
and Transfers	3,217,343	442,315	545,810	591,894
Capital contributions	170,301	197,645	148,375	168,864
Net Income (Loss) before Transfers	3,387,644	639,960	694,185	760,758
Net Income (Loss) before 1 ransfers	5,587,044	039,900	094,183	/00,/38
Transfers Out				
Transfers out - payment in lieu of taxes	(786,000)	(786,000)	(381,993)	(381,993)
Change in Net Position	2,601,644	(146,040)	\$312,192	\$378,765
Net Position Beginning of Year	108,504,639	108,650,679		
Net Position End of Year	\$111,106,283	\$108,504,639		

Telecommu	nications	Water						
2021	2020	2021	2020					
\$19,855,571	\$19,481,858	\$4,346,028	\$4,132,244					
-		51,963	34,676					
19,855,571	19,481,858	4,397,991	4,166,920					
10,991,871	11,870,540	2,332,366	2,308,341					
4,004,695	4,199,371	471,142	507,122					
2,077,945	3,473,258	1,397,507	1,396,715					
17,074,511	19,543,169	4,201,015	4,212,178					
2,781,060	(61,311)	196,976	(45,258)					
115,075	138,519	60,907	94,664					
5,862	77,628	2,542	15,002					
(381,033)	(221,881)	(108,824)	(57,301)					
(1,032)	(2,013)	-	-					
-	(87,628)	-	-					
(261,128)	(95,375)	(45,375)	52,365					
2,519,932	(156,686)	151,601	7,107					
21,926	28,781							
2,541,858	(127,905)	151,601	7,107					
(206,358)	(206,358)	(197,649)	(197,649)					
\$2,335,500	(\$334,263)	(\$46,048)	(\$190,542)					

City of Ketchikan, Alaska Ketchikan Public Utilities Fund Comparative Statements of Cash Flows For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities Cash received from customers and users Cash payments to employees for services Cash payments to suppliers for goods and services	\$ 44,134,675 (12,777,903) (19,885,400)	\$ 44,201,595 (14,998,338) (17,926,644)
Net Cash Provided by Operating Activities	11,471,372	11,276,613
Cash Flows from Noncapital Financing Activity Operating grant from other governments Payment in lieu of taxes to the general fund	240,944 (786,000)	290,605 (786,000)
Net Cash Used by Noncapital Financing Activities	(545,056)	(495,395)
Cash Flows from Capital and Related Financing Activities Advances from other funds Capital grant received from other governments Capital debt proceeds Principal paid on revenue bonds Interest paid on revenue bonds Payments for capital acquisitions and construction	$(379,627) \\170,301 \\825,849 \\(1,472,662) \\(2,687,115) \\(4,715,025)$	(365,026) 197,645 11,764,322 (1,133,955) (805,432) (15,544,678)
Net Cash Used by Capital and Related Financing Activities	(8,258,279)	(5,887,124)
Cash Flows from Investing Activities Investment earnings Purchase of bond reserve fund investments Net Cash Flows Provided by Investing Activities	16,433 15,284 31,717	275,047 (742,650) (467,603)
Net Increase in Cash	2 (00 75 4	4 426 401
and Cash Equivalents	2,699,754	4,426,491
Cash and Cash Equivalents Beginning of Year	27,963,268	23,536,777
Cash and Cash Equivalents End of Year	\$ 30,663,022	\$ 27,963,268
Reconciliation of Cash and Cash Equivalents to the Balance Sheet: Cash and temporary investments - current assets Bond construction fund cash - restricted Revenue bond redemption funds - restricted Restricted cash - performance guaranty	29,586,813 25,368 488,722 562,119 \$ 30,663,022	26,691,073 699,679 547,148 25,368 \$ 27,963,268

(continued)

City of Ketchikan, Alaska Ketchikan Public Utilities Fund Comparative Statements of Cash Flows For the Years Ended December 31, 2021 and 2020

	 2021	 2020
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	\$ 4,532,516	\$ 757,743
Adjustments:		
Depreciation	6,035,498	7,787,634
Other	-	149,185
(Increase) Decrease in Assets and Deferred Outflows of Resources:		
Accounts receivable	216,336	278,021
Unbilled revenue	(176,885)	1,213,806
Prepaid expenses	(27,109)	12,619
Inventory	7,337	(75,441)
Customer deposits	14,175	(7,245)
Other postemployment benefits	(1,857,270)	(358,543)
Deferred outflows	67,298	(54,861)
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:		
Accounts payable	254,283	1,061,692
Compensated absences payable	(146,773)	230,351
Unearned revenue	(8,103)	56,029
Net pension liability	(389,747)	202,721
Deferred inflow of resources for pension	 2,949,816	 22,902
Net Cash Provided by Operating Activities	\$ 11,471,372	\$ 11,276,613
Noncash investing, capital and financing activities Revenue bond arbitrage	\$ 1,831	\$ (60)

(continued)

Ketchikan Public Utilities Fund

Comparative Schedules of Revenues

For the Years Ended December 31, 2021 and 2020

	2021		2020	
	Amount	Total	Amount	Total
Electric Department				
Revenue from Services:				
Residential	\$8,479,877		\$8,233,105	
Boats	350,409		335,972	
Commercial	7,597,744		7,390,872	
Industrial	2,036,845		1,815,107	
Demand	529,297		520,603	
Area Lighting	62,224		61,287	
Street Lighting	131,911		131,770	
Diesel Surcharge	-	\$19,188,307	(3,994)	\$18,484,722
Other Revenue:				
Service Charges	108,146		89,949	
Late Payment Charges	60,342		27,000	
Rentals - Interdepartmental	153,575		153,575	
Other	339,395	661,458	249,715	520,239
Total Electric		19,849,765		19,004,961
Telecommunications Department				
Local Network Services:				
Basic Local Service	775,629		813,927	
Local Private Line	984,633		990,855	
Other Local Exchange	103,578	1,863,840	100,638	1,905,420
Network Access Services:				
Interstate End User	625,048		598,336	
Switched Access	4,709,530		4,759,328	
Special Access	2,232,142		1,989,709	
State Access	881,972	8,448,692	938,527	8,285,900
Other Revenues:				
Directory Revenue	9,728		116,835	
Other	81,602	91,330	93,776	210,611
Nonregulated Revenues	9,451,709	9,451,709	9,079,927	9,079,927
Total Telecommunications		\$ 19,855,571		\$ 19,481,858

Ketchikan Public Utilities Fund Comparative Schedules of Revenues (Cont'd) For the Years Ended December 31, 2021 and 2020

		2021	2021 2020		
		Amount	Total	Amount	Total
Water Department					
	Revenue from Services:				
	Residential	\$1,950,255		\$1,863,940	
	Apartments	408,466		395,635	
	Commercial	1,519,350		1,427,747	
	Industrial	461,342		444,922	
	Port	6,615	\$4,346,028		\$4,132,244
	Other Revenue:				
	Service Charges	1,438		460	
	Late Payment Charges	15,155		4,688	
	Other	35,370	51,963	29,528	34,676
	Total Water		4,397,991		4,166,920
Total Revenue			\$44,103,327		\$42,653,739

Ketchikan Public Utilities Fund

Comparative Schedules of Operation and Maintenance Expenses

For the Years Ended December 31, 2021 and 2020

	24	021	202	20
	Amount	Total	Amount	Total
Electric Department				
Hydroelectric Generation				
Operation				
Supervision & Engineering	\$ 1,207,618		\$ 1,325,193	
Hydraulic Expenses	59,641		92,685	
Electric Expenses	62,667	\$ 1,329,926	19,297	\$ 1,437,175
Maintenance				
Supervision & Engineering	296		90	
Structures	53,489		94,248	
Reservoirs & Dams	205,604		246,310	
Electric Plant	322,170		392,140	
Other	107,758	689,317	115,914	848,702
Total Hydroelectric Generation		2,019,243		2,285,877
Diesel Generation				
Operation				
Fuel	259,605		251,113	
Generation	18,273		18,358	
Other	606,874	884,752	655,908	925,379
Maintenance				
Supervision and Engineering	161,161		172,860	
Structures	41,015		48,796	
Electric Plant	125,239		170,650	
Other	275,029	602,444	293,979	686,285
Total Diesel Generation		1,487,196		1,611,664
Purchased Power		6 277 702		6,161,899
		6,377,283		
Automation Control System Total Generation		376,809 10,260,531		315,230
1 otal Generation		10,200,331		10,374,070
Transmission				
Operation	•		.	.
Overhead and Underground Lines	\$ -	-	\$ 540	\$ 540
Total Transmission		\$ -		\$ 540

Ketchikan Public Utilities Fund Comparative Schedules of Operation and Maintenance Expenses (Cont'd) For the Years Ended December 31, 2021 and 2020

	2021		202	0
	Amount	Total	Amount	Total
Distribution				
Operation				
Supervision & Engineering	\$ 902,698		\$ 810,690	
Station Equipment	19,886		5,092	
Overhead & Underground Lines	2,394		1,842	
Street Lighting	82,110		74,550	
Meter Expenses	714,151		777,757	
Customer Installations	22,477.00		55,372.00	
Other	18,966	\$ 1,762,682	18,893	\$ 1,744,196
Maintenance				
Station Equipment	260,418		24,835	
Overhead & Underground Lines	1,282,820		886,669	
Line Transformers	7,604		5,170	
Other	136,738	1,687,580	107,849	1,024,523
Total Distribution		3,450,262		2,768,719
Total Electric		13,710,793		13,143,929
Telecommunications Department				
Plant Specific Operations:				
Network Support	108,851		114,408	
General Support	144,813		176,577	
Central Office Switching	821,058		735,796	
Central Office Transmission	988,538		1,029,440	
Cable and Wire Facilities Expense	815,047	2,878,307	1,222,704	3,278,925
Plant Nonspecific Operations				
Network Operations Expense	2,811,452	2,811,452	2,524,393	2,524,393
Customer Operations				
Customer Operations-Services	115,569	115,569	121,020	121,020
Nonregulated Operations Expenses	\$ 5,186,543	5,186,543	\$ 5,946,202	5,946,202
Total Telecommunications		\$ 10,991,871		\$ 11,870,540

Ketchikan Public Utilities Fund Comparative Schedule of Operation and Maintenance Expenses (Cont'd) For the Years Ended December 31, 2021 and 2020

	2021		2020	0
	Amount	Total	Amount	Total
Water Department				
Source of Supply				
Operation and Maintenance	\$ 507,260	\$ 507,260	\$ 439,519	\$ 439,519
Chlorination				
Labor and Supplies	112,170		139,557	
Maintenance	133,817	245,987	196,483	336,040
Distribution				
Maps & Records	484,861		498,039	
Customer Service	2,778	487,639	4,262	502,301
Maintenance				
Mains & Equipment	506,001		527,043	
Hydrants	10,080		16,762	
Valves & Structures	32,473		16,394	
Pump Stations	126,236		84,640	
PH Adjustment Facility	407,609		355,672	
Reservoirs	\$9,081	1,091,480	\$29,970	1,030,481
Total Water		2,332,366		2,308,341
Total Operation and Maintenance		\$ 27,035,030		\$ 27,322,810

Ketchikan Public Utilities Fund Comparative Schedules of Administrative and General Expenses For the Years Ended December 31, 2021 and 2020

	2021	2020
Customer Service	\$2,374,417	\$2,445,242
General Accounting	916,159	1,019,376
Administrative Expenses	2,095,593	2,246,846
Engineering Services	73,809	95,487
Information Technology	498,627	561,090
Insurance & Claims	541,678	417,511
Total	\$6,500,283	\$6,785,552

City of Ketchikan, Alaska Port Fund Comparative Statements of Net Position December 31, 2021 and 2020

	2021	2020
Assets		
Current assets		
Cash and temporary investments	\$ 5,512,570	\$ 4,463,620
Restricted cash, cash equivalents and investments:		
Bond redemption	186,369	186,264
Accounts receivable	6,740	10,286
Prepaid expense	750,000	750,000
Total Current assets	6,455,679	5,410,170
Noncurrent assets		
Restricted investments:		
Repair and replacement investments	5,417,733	4,896,274
Bond reserve investments	2,240,000	2,240,000
Accrued interest on bond reserve investments	489	151
Total restricted assets	7,658,222	7,136,425
Internal Receivable	315,911	695,538
Other postemployment benefits	348,582	45,132
Capital assets		
Land	7,970,386	7,970,386
Other non-depreciable assets	169,361	169,361
Construction work in progress	9,120,646	9,103,215
Port facilities	67,933,863	67,886,957
Accumulated depreciation	(24,272,863)	(23,088,405)
Total capital assets (net of accumulated depreciation)	60,921,393	62,041,514
Total noncurrent assets	69,244,108	69,918,609
Deferred ouflows of resources	63,837	74,063
Total Assets and Deferred Outflows of Resources	\$ 75,763,624	\$ 75,402,842

City of Ketchikan, Alaska Port Fund Comparative Statements of Net Position December 31, 2021 and 2020

	2021	2020
Liabilities		
Current liabilities		
Accounts payable	\$ 51,735	\$ 9,060
Accrued interest payable	94,192	98,770
Compensated absences payable	1,473	1,347
Unamortized premiums	202,584	202,584
Revenue bonds payable	1,130,000	1,075,000
Total current liabilities	1,479,984	1,386,761
Noncurrent liabilities		
Compensated absences payable	13,258	12,123
Net pension liability	481,206	544,885
Unamortized bond premium	2,616,713	2,819,297
Revenue bonds payable	20,990,000	22,120,000
Total noncurrent liabilities	24,101,177	25,496,305
Deferred inflows of resources	767,952	454,945
Total Liabilities and Deferred Inflows of Resources	26,349,113	27,338,011
Net position		
Net investment in capital assets	35,592,891	35,407,462
Restricted repair and replacement funds	5,417,733	4,896,274
Restricted for bond retirement	2,332,666	2,327,646
Unrestricted	6,071,221	5,433,449
Total net position, restated	49,414,511	48,064,831
Total Liabilities and Net Postion	\$ 75,763,624	\$ 75,402,842



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City of Ketchikan, Alaska Port Fund Comparative Statements of Revenues, Expenses and Changes in Net Position For the Years Ended December 31, 2021 and 2020

	2021	2020
Operating Revenues		
Charges for services		
Docking	\$553,303	\$60,095
Passenger wharfage fee	682,848	-
Rental income	56,354	-
Water	9,300	120
Other	51,637	21,929
Total Operating Revenues	1,353,442	82,144
Operating Expenses		
Operation and maintenance		
Personnel services	651,399	583,712
Supplies and services	341,243	1,454,971
Financial service	232,068	245,632
Insurance	209,798	193,194
Utilities	126,721	70,550
Property Taxes	167,186	164,375
Lease payments	1,820,833	2,726,133
Depreciation	1,184,459	1,356,259
Total Operating Expenses	4,733,707	6,794,826
Operating Income	(3,380,265)	(6,712,682)
Non-Operating Revenues (Expenses)		
Operating grants	5,849,405	23,768
Interest earnings	24,014	196,210
Interest expense	(924,621)	(976,648)
Loss on disposal of capital assets	-	(1,063)
Total Non-Operating Revenue (Expenses)	4,948,798	(757,733)
Income Before Capital Grants and Transfers	1,568,533	(7,470,415)
Capital Grants	-	3,443,520
Transfers		
Transfer from commercial passenger vessel tax fund	100,147	-
Payment in lieu of taxes to general fund	(319,000)	(319,000)
Transfer to commercial passenger vessel tax fund	-	(638,443)
Total Capital Grants and Transfers	(218,853)	2,486,077
Change in Net Position	1,349,680	(4,984,338)
Net Position Beginning of Year	48,064,831	53,049,169
Net Position End of Year	\$49,414,511	\$48,064,831

City of Ketchikan, Alaska Port Fund Comparative Statements of Cash Flows For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities	1.25 C 000	¢ 02.52.6
Cash received from customers and users	\$ 1,356,988	\$ 83,736 (622,286)
Cash payments to employees for services Cash payments to suppliers for goods and services	(666,068) (2,851,595)	(632,286) (4,510,188)
Cash payments to suppliers for goods and services	(2,051,595)	(4,510,188)
Net Cash Provided by Operating Activities	(2,160,675)	(5,058,738)
Cash Flows from Noncapital Financing Activities		
Operating grant from other governments	5,849,405	23,768
Transfer in	100,147	-
Transfers out	-	(638,443)
Payment in lieu of taxes to the general fund	(319,000)	(319,000)
Net Cash Provided by Noncapital		
Financing Activities	5,630,552	(933,675)
Cash Flows from Capital and		
Related Financing Activities		
Advances to other funds	379,627	365,026
Capital grant received from other governments	-	4,998,921
Principal paid on revenue bonds	(1,075,000)	(1,025,000)
Interest paid on revenue bonds	(1,159,750)	(1,211,000)
Payments for capital acquisitions and construction	(67,916)	(4,357,222)
Net Cash Used by Capital and Related		
Financing Activities	(1,923,039)	(1,229,275)
Cash Flows from Investing Activities		
Investment earnings	23,676	242,238
Purchase of investments	(521,459)	(571,873)
Net Cash Provided (Used) by Investing Activities	(497,783)	(329,635)
Net Increase (Decrease) in Cash		
and Cash Equivalents	1,049,055	(7,551,323)
Cash and Cash Equivalents Beginning of Year	4,649,884	12,201,207
Cash and Cash Equivalents End of Year	\$ 5,698,939	\$ 4,649,884
Reconciliation of Cash and Cash Equivalents		
to the Balance Sheet:		
Cash and temporary investments - current assets	5,512,570	4,463,620
Revenue bond redemption funds - restricted	186,369	186,264
		.
	\$ 5,698,939	\$ 4,649,884

(continued)

City of Ketchikan, Alaska Port Fund Comparative Statements of Cash Flows For the Years Ended December 31, 2021 and 2020

(continued)

	 2021	 2020
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	\$ (3,380,265)	\$ (6,712,682)
Adjustments:		
Depreciation	1,184,459	1,356,259
(Increase) Decrease in Assets and Deferred Outflows of Resources:		
Accounts receivable	3,546	1,592
Prepaid expenses	-	411,500
Other postemployment benefits	(303,450)	(58,581)
Deferred outflow	10,226	642
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:		
Accounts payable	46,254	(66,833)
Compensated absences payable	1,261	(27,498)
Net pension liability	(63,679)	33,122
Deferred inflow	 340,973	 3,741
Net Cash Provided by Operating Activities	\$ (2,160,675)	\$ (5,058,738)
Noncash investing, capital and financing activities Fair value of non-cash investments	\$ (9,485)	\$ (1,450)

City of Ketchikan, Alaska Wastewater Service Fund Comparative Statements of Net Position December 31, 2021 and 2020

	2021	
Assets		
Current assets		
Cash and temporary investments	\$ 4,093,383	\$ 3,339,407
Restricted cash, cash equivalents and investments:		az (a)
Bond redemption	27,437	27,438
Accounts receivable	107 420	241.004
Accounts	187,430	241,884
Intergovernmental	77,580	63,507
Unbilled revenue	164,994	164,813
Total current assets	4,550,824	3,837,049
Noncurrent assets		
Other postemployment benefits	96,512	12,495
Capital assets		,
Construction work in progress	986,359	815,186
Wastewater facilities	27,558,296	27,546,621
Accumulated depreciation	(10,506,711)	(10,137,826)
Total capital assets (net of accumulated depreciation)	18,037,944	18,223,981
Total noncurrent assets	18,134,456	18,236,476
i otar noncui rent assets	10,134,430	18,230,470
Deferred outflow of resources	18,169	21,131
Total Assets and Deferred Outflows of Resources	\$ 22,703,449	\$ 22,094,656
Liabilities Current liabilities	¢ 21.779	¢ 42.222
Accounts payable	\$ 21,778	\$ 43,222
Accrued interest	4,835	5,170
Compensated absences payable	3,592	4,276
General obligation bonds payable	104,800	103,246
Revenue bonds payable	29,836	29,393
Total current liabilities	164,841	185,307
Noncurrent liabilities		
Compensated absences payable	32,331	38,482
Net pension liability	133,233	150,864
General obligation bonds payable	1,318,000	1,422,801
Revenue bonds payable	844,406	790,202
Total noncurrent liabilities	2,327,970	2,402,349
Deferred inflow of resources	104,868	10,462
Total Liabilities and Deferred Inflow of Resources	2,597,679	2,598,118
Not position		
Net position Net investment in capital assets	15,740,902	15 070 220
Restricted for bond retirement		15,878,339
Unrestricted	22,602 4,342,266	22,268 3,595,931
Total net position	20,105,770	19,496,538
rotar net position	20,103,770	19,490,338
Total Liabilities and Net Position	\$ 22,703,449	\$ 22,094,656

City of Ketchikan, Alaska Wastewater Service Fund Comparative Statements of Revenues, Expenses and Changes in Net Position For the Years Ended December 31, 2021 and 2020

	2021	2020
Operating Revenues		
Charges for services	\$ 3,445,642	\$ 3,413,381
Other	11,085	(862)
Total Operating Revenues	3,456,727	3,412,519
Operating Expenses		
Operation and maintenance		
Personnel services	870,218	841,862
Supplies and services	600,168	571,685
Engineering services	226,619	248,547
Financial service	206,665	174,757
Insurance	53,724	41,754
Utilities	226,894	219,056
Depreciation	564,238	572,964
Total Operating Expenses	2,748,526	2,670,625
Operating Income	708,201	741,894
Non-Operating Revenues (Expenses)		
Operating grants	7,428	7,102
Interest earnings	3,455	17,607
Interest expense	(29,852)	(15,696)
Gain on disposal of capital asset		10,300
Total Non-Operating Revenues (Expenses)	(18,969)	19,313
Net Income Before Grants and Transfers	689,232	761,207
Transfers out - payment in lieu of taxes	(80,000)	(80,000)
Change in Net Postion	609,232	681,207
Net Position Beginning of Year	19,496,538	18,815,331
Net Position End of Year	\$20,105,770	\$19,496,538

City of Ketchikan, Alaska Wastewater Service Fund Comparative Statements of Cash Flows For the Years Ended December 31, 2021 and 2020

2021		2020
Cash Flows from Operating Activities		
Cash received from customers and users	\$ 3,511,000	\$ 3,391,191
Cash payments to employees for services	(881,333)	(837,699)
Cash payments to suppliers for goods and services	(1,323,237)	(1,289,841)
Net Cash Provided by Operating Activities	1,306,430	1,263,651
Cash Flows from Noncapital Financing Activities		
Operating grant from other governments	7,428	7,102
Payment in lieu of taxes to the general fund	(80,000)	(80,000)
Net Cash Used by Noncapital		
Financing Activities	(72,572)	(72,898)
Cash Flows from Capital and		
Related Financing Activities		
Capital debt proceeds	69,967	144,620
Principal paid on general obligation bonds and		
equipment contracts	(103,246)	(51,047)
Interest paid on general obligation bonds		
and equipment contracts	(22,506)	(11,828)
Principal paid on revenue bonds	(29,394)	(14,533)
Interest paid on revenue bonds	(7,681)	(4,004)
Gain on the disposition of capital assets	-	10,300
Payments for capital acquisitions and construction	(390,478)	(200,542)
Net Cash Provided (Used) by Capital and Related		
Financing Activities	(483,338)	(127,034)
Cash Flows from Investing Activities		
Investment earnings	3,455	24,979
Net Cash Provided by Investing Activities	3,455	24,979
Net Increase in Cash		
and Cash Equivalents	753,975	1,088,698
Cash and Cash Equivalents Beginning of Year	3,366,845	2,278,147
Cash and Cash Equivalents End of Year	\$ 4,120,820	\$ 3,366,845
Reconciliation of Cash and Cash Equivalents to the Balance Sheet: Cash and temporary investments - current assets Revenue bond redemption funds - restricted	4,093,383 27,437 \$ 4,120,820	3,339,407 27,438 \$3,366,845
	φ +,120,820	φ 5,500,645

(continued)

City of Ketchikan, Alaska Wastewater Service Fund Comparative Statements of Cash Flows For the Years Ended December 31, 2021 and 2020

(continued)

	2021		2020	
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating Income	\$	708,201	\$	741,894
Adjustments:				
Depreciation		564,238		572,964
(Increase) Decrease in Assets and Deferred Outflows of Resources:				
Accounts receivable		54,454		(20,710)
Unbilled revenue		(181)		(618)
Other postemployment benefits		(84,017)		(16,219)
Deferred outflow		2,962		(1,079)
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:				
Accounts payable		(9,167)		(34,042)
Compensated absences payable		(6,835)		11,255
Net pension liability		(17,631)		9,170
Deferred inflow		94,406		1,036
Net Cash Provided by Operating Activities	\$	1,306,430	\$	1,263,651



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INTERNAL SERVICE FUNDS

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

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

City of Ketchikan, Alaska Combining Statement of Net Position Internal Service Funds December 31, 2021

	Seli	Compensated Self-Insurance Absences		Total Internal Service Funds	
Assets					
Current Assets:					
Cash and cash equivalents	\$	848,246	\$	1,596,913	\$ 2,445,159
Miscellaneous receivable		118,309		-	118,309
Prepaid insurance		873,047		-	 873,047
Total Current Assets		1,839,602		1,596,913	 3,436,515
Noncurrent Assets:					
Internal Receivable		469,002		-	 469,002
Total Noncurrent Assets		469,002		-	469,002
Total Assets					
	\$	2,308,604	\$	1,596,913	\$ 3,905,517
Liabilities					
Current Liabilities:		0 (77			0 (77
Accounts payable Compensated absences payable		9,677		- 159,692	9,677 159,692
Claims payable		457,850		-	457,850
		,			 ,
Total Current Liabilities		467,527		159,692	 627,219
Noncurrent Liabilities:					
Compensated absences payable (net of current portion)		-		1,437,221	 1,437,221
Total Liabilities		467,527		1,596,913	 2,064,440
Net Position					
Unrestricted	\$	1,841,077	\$	-	\$ 1,841,077

City of Ketchikan, Alaska Combining Statement of Revenues, Expenses and Changes in Net Position Internal Service Funds For the Year Ended December 31, 2021

	Self	-Insurance	mpensated Absences	Total Internal Service Funds
Operating Revenues				
Charges for services	\$	1,954,215	\$ 1,323,351	\$ 3,277,566
Total Revenues		1,954,215	 1,323,351	 3,277,566
Operating Expenses				
Compensated absences		-	1,323,351	1,323,351
Insurance		1,636,147	-	1,636,147
Claims		318,068	 -	 318,068
Total Operating Expenses		1,954,215	 1,323,351	 3,277,566
Operating Income		-	 	 -
Non-Operating Revenues				
Investment earnings		19,179	 	 19,179
Change in Net Position		19,179	-	19,179
Net Position Beginning of Year		1,821,898	 	 1,821,898
Net Position End of Year	\$	1,841,077	\$ -	\$ 1,841,077

City of Ketchikan, Alaska Combining Statement of Cash Flows Internal Service Funds For the Year Ended December 31, 2021

	Sel	f-Insurance	ompensated Absences	 Total Internal Service Funds
Cash Flows from Operating Activities Cash received from customers and users Cash payments for insurance and claims Cash payments for compensated absences	\$	1,840,311 (1,739,333) -	\$ 1,323,351 - (1,492,793)	\$ 3,163,662 (1,739,333) (1,492,793)
Net Cash Provided (Used) by Operating Activities		100,978	 (169,442)	 (68,464)
Cash Flows from Investing Activities Interest on investments		19,179	 	 19,179
Net Cash Provided by Investing Activities		19,179	 -	 19,179
Net Increase in Cash and Cash Equivalents		120,157	(169,442)	(49,285)
Cash and Cash Equivalents Beginning of Year		728,089	 1,766,355	 2,494,444
Cash and Cash Equivalents End of Year	\$	848,246	\$ 1,596,913	\$ 2,445,159
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income	\$	-	\$ -	\$ -
(Increase) Decrease in Assets: Accounts receivable Accrued interest		(113,904)	-	(113,904)
Prepaid expenses		(35,186)	-	(35,186)
Increase in Liabilities: Accounts payable Compensated absences payable		250,068	 (169,442)	 250,068 (169,442)
Net Cash Provided by Operating Activities	\$	100,978	\$ (169,442)	\$ (68,464)

CITY OF KETCHIKAN, ALASKA

(Page 1 of 2)

COMBINED SCHEDULE OF CASH AND INVESTMENTS BALANCES - ALL FUNDS

Year Ended December 31, 2021

Cook and Investment Delenses		
Cash and Investment Balances Cash in Revenue Bond Redemption Accounts	\$775,926	
Cash in Petty Cash Funds	11,370	
Cash in Other Accounts	34,869,733	
Cash in Other Accounts	34,009,735	
Total Cash	\$ 35,657,029	
Investments		
Investments with Financial Institutions	\$51,058,882	
	\$31,000,002	
Total Investments	\$51,058,882	
Total Cash and Investments		\$86,715,911
General Fund		
Unrestricted Funds	\$7,583,335	\$7,583,335
Special Revenue Funds		
Sales Tax Hospital Fund	2,991,686	
Sales Tax Public Works Fund	5,591,579	
Economic Development Parking Fund	351,662	
Transient Tax Fund	647,239	
Marijuana Tax Fund	242,188	
Solid Waste Services Fund	1,501,816	
Ketchikan Boat Harbor Fund	1,117,222	
Bayview Cemetery Fund	105,773	
Commercial Passenger Vessel Tax Fund	7,092,883	
Forfeiture and Property Seizures Fund	142,824	
Community Grant Fund	60,893	
Shoreline Fund	89,524	19,935,289
	00,024	10,000,200
Capital Project Funds		
Major Capital Improvement Fund		
Unrestricted Funds	75,557	
Community Facilities Development Fund		
Unrestricted Funds	3,211,074	
Harbor Improvements Fund		
Unrestricted Funds	1,002,902	
Bond Construction Funds	70,310	
Hospital Construction Fund		
Unrestricted Funds	330,163	
Bond Construction Funds	1,619,378	
Commercial Passenger Vessel Tax Funds		
Unrestricted Funds	2,529	
Restricted Funds	\$29,631	6,341,544

CITY OF KETCHIKAN, ALASKA

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

(Page 2 of 2)

Year Ended December 31, 2021

Enterprise Funds		
Wastewater Service Fund		
Unrestricted Funds	\$4,093,383	
Revenue Bond Redemption Funds	27,438	
Ketchikan Port Fund:		
Unrestricted Funds	5,912,423	
Revenue Bond Redemption Funds	186,369	
Repair & Replacement Funds	5,417,733	
Revenue Bond Reserve Funds	2,240,000	
Ketchikan Public Utilities Fund:		
Unrestricted Funds	29,586,813	
Revenue Bond Redemption Funds	562,119	
Bond Construction Funds	488,722	
Other Restricted Funds	25,368	
Revenue Bond Reserve Funds	1,870,216	\$50,410,584
Internal Service Funds		
Self-Insurance Fund	848,246	
Compensated Leave Fund	\$1,596,913	2,445,159
Total Cash and Investments		\$86,715,911

STATISTICAL SECTION

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

Contents	Page 1
Government-wide Information These schedules contain information that help the reader understand how the City's government-wide financial performance and well-being have changed over time.	169
Financial Trends These schedules contain trend information that help the reader understand how the City's financial performance and well-being have changed over time.	177
Revenue Capacity These schedules present information to help the reader assess the city's most significant local revenue source, property taxes.	183
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	199
Demographic and Economic Information	
These tables offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	205
Operating Information	
These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the city provides and the activities it performs.	209

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



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GOVERNMENT-WIDE INFORMATION

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

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

City of Ketchikan, Alaska

Net Position by Component

Last Ten Fiscal Years

	Restated 2012	2013	2014	2015
Governmental activities				
Net investment in capital assets	\$ 124,187,486	\$ 123,952,440	\$ 143,909,094	\$ 154,659,112
Restricted	7,668,494	8,148,212	8,922,032	12,933,820
Unrestricted	20,015,992	19,781,991	19,246,474	7,410,053
Total governmental activities net position	\$ 151,871,972	\$ 151,882,643	\$ 172,077,600	\$ 175,002,985
Business-type activities				
Net investment in capital assets	\$ 101,715,542	\$ 118,874,119	\$ 124,479,056	\$ 124,231,729
Restricted	8,624,752	9,098,473	11,494,674	10,116,562
Unrestricted	27,346,998	30,740,061	28,552,851	26,735,278
Total business-type activities net position	\$ 137,687,292	\$ 158,712,653	\$ 164,526,581	\$ 161,083,569
Primary Government				
Net investment in capital assets	\$ 225,903,028	\$ 242,826,559	\$ 268,388,150	\$ 278,890,841
Restricted	16,293,246	17,246,685	20,416,706	23,050,382
Unrestricted	47,362,990	50,522,052	47,799,325	34,145,331
Total primary government net position	\$ 289,559,264	\$ 310,595,296	\$ 336,604,181	\$ 336,086,554

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

2016	2017	2018	2019	2020	2021
\$ 162,340,844	\$ 166,238,050	\$ 164,522,169	\$ 163,787,525	\$ 163,299,318	\$ 161,755,446
10,730,407	10,010,245	11,193,773	11,588,224	14,353,477	13,948,485
8,276,866	9,425,807	7,622,490	10,331,503	8,359,025	8,073,608
\$ 181,348,117	\$ 185,674,102	\$ 183,338,432	\$ 185,707,252	\$ 186,011,820	\$ 183,777,539
\$ 125,126,654	\$ 127,204,039	\$ 131,911,948	\$ 131,278,702	\$ 132,468,924	\$ 130,832,845
8,939,769	10,094,057	7,796,537	9,367,092	9,608,549	10,162,964
27,122,581	29,475,246	32,761,928	39,869,385	33,988,535	39,630,755
\$ 161,189,004	\$ 166,773,342	\$ 172,470,413	\$ 180,515,179	\$ 176,066,008	\$ 180,626,564
\$ 287,467,498	\$ 293,442,089	\$ 296,434,117	\$ 295,066,227	\$ 295,768,242	292,588,291
19,670,176	20,104,302	18,990,310	20,955,316	23,962,026	24,111,449
35,399,447	38,901,053	40,384,418	50,200,888	42,347,560	47,704,363
\$ 342,537,121	\$ 352,447,444	\$ 355,808,845	\$ 366,222,431	\$ 362,077,828	\$ 364,404,103

City of Ketchikan, Alaska

Changes in Net Position Last Ten Fiscal Years

	 Restated 2012	 2013	 2014	 2015	 2016
Expenses					
Governmental activities:					
General government	\$ 2,290,233	\$ 2,472,898	\$ 2,683,962	\$ 3,212,276	\$ 2,893,754
Public safety	8,964,646	8,807,683	9,723,428	10,784,857	10,143,345
Culture and tourism	3,097,918	3,445,959	3,300,295	3,351,076	3,925,120
Health and welfare	2,541,686	747,893	1,099,588	1,165,884	116,178
Public works	9,423,324	10,840,175	10,373,365	9,341,130	9,152,222
Harbor	2,154,270	1,851,082	2,192,468	2,297,660	2,047,341
Interest	 757,879	 655,947	 1,519,245	 2,303,764	 2,238,887
Total governmental activities expenses	 29,229,956	 28,821,637	 30,892,351	 32,456,647	 30,516,847
Business-type activities					
Ketchikan Public Utilities					
Electric	\$ 16,790,404	\$ 19,705,332	\$ 17,352,078	\$ 17,074,535	\$ 17,993,703
Telecommunications	14,500,244	14,405,757	15,649,634	17,577,826	18,102,186
Water	3,595,668	4,029,711	3,905,078	4,128,011	3,983,398
Ketchikan Port	7,194,938	9,133,140	11,012,311	7,911,281	8,858,593
Wastewater Service	 2,735,348	 2,642,018	 2,477,247	 2,683,116	 2,481,609
Total business-type activities expenses	 44,816,602	 49,915,958	 50,396,348	 49,374,769	 51,419,489
Total primary government expenses	\$ 74,046,558	\$ 78,737,595	\$ 81,288,699	\$ 81,831,416	\$ 81,936,336
Program Revenues					
Governmental activities:					
Charges for services:					
Ambulance	\$ 470,682	\$ 515,158	\$ 606,369	\$ 571,134	\$ 589,985
Library services	471,662	666,621	641,607	580,749	588,293
Solid Waste	2,948,507	2,851,958	2,907,531	2,809,864	3,142,540
Harbor	1,250,292	1,191,053	1,247,810	1,329,984	1,475,000
Other activities	1,431,758	1,204,043	1,236,754	1,454,647	1,297,770
Operating grants and contributions	1,153,337	1,562,913	2,444,297	4,124,392	2,704,413
Capital grants and contributions	 6,878,384	 2,736,373	 18,050,935	 11,913,259	 7,692,835
Total governmental activities program revenues	 14,604,622	 10,728,119	 27,135,303	 22,784,029	 17,490,836
Business-type activities					
Charges for services					
Electric	\$ 16,746,615	\$ 18,898,966	\$ 16,300,445	\$ 16,063,847	\$ 16,741,926
Telecommunications	14,530,914	15,185,977	16,097,808	17,439,673	18,400,623
Water	2,932,254	3,078,704	3,171,300	3,449,639	3,643,991
Port	8,592,255	9,145,920	8,578,059	9,032,271	8,961,241
Wastewater	2,215,314	2,451,800	2,575,541	2,757,661	2,971,896
Operating grants and contributions	2,225,280	2,280,470	2,973,832	630,204	155,750
Capital grants and contributions	 12,327,627	 20,670,211	 12,261,064	 1,397,000	 803,254
Total business-type activities program revenues	 59,570,259	 71,712,048	 61,958,049	 50,770,295	 51,678,681

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

 2017	 2018	 2019	 2020	 2021
\$ 2,336,678	\$ 2,203,941	\$ 2,135,031	\$ 2,675,395	\$ 2,488,224
9,199,458	8,983,817	8,371,009	6,726,434	10,682,784
3,418,450	3,370,637	3,706,011	4,450,058	3,503,606
2,615,860	1,813,628	1,496,068	13,640,897	4,000,233
9,484,400	9,482,847	8,745,956	8,660,929	7,811,076
2,363,897	2,489,448	2,428,064	2,596,906	2,429,503
 2,274,407	 2,241,218	 2,169,420	 1,950,480	 1,945,589
 31,693,150	 30,585,536	 29,051,559	 40,701,099	 32,861,015
\$ 18,313,066	\$ 21,524,931	\$ 25,512,651	\$ 18,541,278	\$ 19,350,090
17,652,356	18,103,760	17,853,139	19,786,090	17,387,975
4,017,174	4,430,845	4,507,091	4,265,555	4,305,915
7,837,738	7,415,022	7,333,993	7,772,537	5,658,328
 2,762,087	 2,806,720	 2,723,008	 2,676,021	 2,778,378
 50,582,421	 54,281,278	 57,929,882	 53,041,481	 49,480,686
\$ 82,275,571	\$ 84,866,814	\$ 86,981,441	\$ 93,742,580	\$ 82,341,701
\$ 687,928	\$ 730,650	\$ 606,756	\$ 496,359	\$ 653,004
544,023	545,964	520,406	569,477	591,496
3,145,652	3,170,322	3,249,983	3,057,513	3,479,819
1,513,634	1,575,010	1,568,935	1,433,953	1,550,342
1,294,912	1,195,651	1,340,147	776,846	708,130
2,789,967	2,720,910	3,093,708	13,479,171	4,136,717
 6,863,099	 434,540	 538,673	 3,390,333	 736,594
 16,839,215	 10,373,047	 10,918,608	 23,203,652	 11,856,102
\$ 18,261,797	\$ 19,974,411	\$ 24,283,178	\$ 18,459,247	\$ 19,162,832
19,750,713	20,941,196	19,873,607	19,413,257	19,786,970
3,734,692	4,026,625	4,111,810	4,128,320	4,342,104
9,391,272	9,951,339	10,682,735	60,215	1,301,805
3,028,609	3,206,933	3,406,502	3,413,381	3,445,642
178,725	192,642	230,803	321,475	4,097,777
 1,214,154	 1,982,367	 1,629,315	 3,641,165	 2,170,301
 55,559,962	 60,275,513	 64,217,950	 49,437,060	 54,307,431
\$ 72,399,177	\$ 70,648,560	\$ 75,136,558	\$ 72,640,712	\$ 66,163,533

Total primary government

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

Last Ten Fiscal Years

		Restated 2012		2013		2014		2015		2016
Net (Expense)/Revenue										
Governmental activities	\$	(14,625,334)	\$	(18,093,518)	\$	(3,757,048)	\$	(9,672,618)	\$	(13,026,011)
Business-type activities		14,753,657		21,796,090		11,561,701		1,395,526		259,192
Total primary government net (expense) revenue	\$	128,323	\$	3,702,572	\$	7,804,653	\$	(8,277,092)	\$	(12,766,819)
Governmental Revenues and Other Changes in I	Net F	osition								
Governmental activities:										
Taxes	¢	4 802 508	¢	5 406 957	¢	5 512 202	¢	5 579 404	¢	5 712 216
Property taxes Sales taxes	\$	4,802,508 10,140,108	\$	5,496,857 10,207,189	\$	5,513,202 10,995,570	\$	5,578,404 11,425,197	\$	5,713,316 11,334,355
Marijuana sales taxes		10,140,108		10,207,189		10,995,570		11,423,197		11,554,555
Transient taxes		358,343		395,867		388,723		515,956		465,956
Intergovernmental - unrestricted		744,301		522,456		539,771		498,885		354,195
Investment earnings		9,488		(2,470)		89,179		94,750		55,273
N.C. 11		200 7(1		210.001		221 75(220.025		202.20(
Miscellaneous		290,761		219,091		221,756		338,825		282,306
Special Item Transfers		- 1,105,178		1,265,199		6,203,804		2,804,258		- 1,165,742
Transfers		1,105,178		1,203,133		0,203,804		2,804,238		1,105,742
Total governmental activities	\$	17,450,687	\$	18,104,189	\$	23,952,005	\$	21,256,275	\$	19,371,143
Business-type activities:										
Investment earnings	\$	116,989	\$	5,911	\$	129,167	\$	93,966	\$	194,752
Miscellaneous		522,859		488,559		326,864		415,801		457,987
Special Item		-		-		-		-		-
Extraordinary Item		-		-		-		-		359,246
Transfers		(1,105,178)		(1,265,199)		(6,203,804)		(2,804,258)		(1,165,742)
Total business-type activities		(465,330)		(770,729)		(5,747,773)		(2,294,491)		(153,757)
Total primary government	\$	16,985,357	\$	17,333,460	\$	18,204,232	\$	18,961,784	\$	19,217,386
Change in Net Position										
Governmental activities	\$	2,825,353	\$	10,671	\$	20,194,957	\$	11,583,657	\$	6,345,132
Business-type activities		14,288,327		21,025,361		5,813,928		(898,965)		105,435

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

\$ 17,113,680 **\$** 21,036,032 **\$** 26,008,885 **\$** 10,684,692

\$ 6,450,567

 2017	 2018	 2019 2020			2021	
\$ (14,853,935) 4,977,541	\$ (20,212,489) 5,994,235	\$ (18,132,951) 6,288,068	\$	(17,497,447) (3,604,421)	\$	(21,004,913) 4,826,745
\$ (9,876,394)	\$ (14,218,254)	\$ (11,844,883)	\$	(21,101,868)	\$	(16,178,168)
\$ 5,683,028 11,895,509 97,152 568,341 310,581	\$ 5,743,008 12,459,791 190,549 527,089 232,948	\$ 5,822,500 12,831,546 215,857 546,690 191,914	\$	5,904,460 8,604,064 306,828 335,502 76,500	\$	5,888,523 10,370,235 256,330 575,153 114,511
75,658 414,981 - 134,670	353,430 446,904 - 641,677	543,980 585,330 (236,046)		279,996 471,222 1,823,443		51,778 429,249 1,084,853
\$ 19,179,920	\$ 20,595,396	\$ 20,501,771	\$	17,802,015	\$	18,770,632
\$ 172,784 568,683	\$ 495,164 648,068 -	\$ 783,189 737,463	\$	402,711 575,982	\$	42,521 776,143
 (134,670)	 - (641,677)	 236,046		(1,823,443)		- (1,084,853)
 606,797	 501,555	 1,756,698		(844,750)		(266,189)
\$ 19,786,717	\$ 21,096,951	\$ 22,258,469	\$	16,957,265	\$	18,504,443
\$ 4,325,985 5,584,338	\$ 382,907 6,495,790	\$ 2,368,820 8,044,766	\$	304,568 (4,449,171)	\$ \$	(2,234,281) 4,560,556
\$ 9,910,323	\$ 6,878,697	\$ 10,413,586	\$	(4,144,603)	\$	2,326,275



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FINANCIAL TRENDS

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

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

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

	 2012	 2013	 2014	 2015
General Fund				
Nonspendable	\$ 376,517	\$ 391,977	\$ 418,618	\$ 364,591
Restricted	-	-	-	137,151
Assigned	14,323,611	13,347,874	12,696,062	12,706,723
Unassigned	 2,606,320	 3,350,096	 3,723,002	 4,187,530
Total general fund	\$ 17,306,448	\$ 17,089,947	\$ 16,837,682	\$ 17,395,995
All Other Governmental Funds				
Restricted	\$ 2,992,632	\$ 10,857	\$ 46,297,419	\$ 20,843,307
Assigned	7,742,208	9,766,365	8,407,154	8,109,967
Unassigned	 	 	 	 (101,672)
Total all other governmental funds	\$ 10,734,840	\$ 9,777,222	\$ 54,704,573	\$ 28,851,602

	2016		2017		2018		2019		2020		2021
\$	384,704	\$	403,230	\$	404,181	\$	390,669	\$	394,513	\$	395,006
φ	137,151	φ		φ		φ	590,009	φ	577,515	φ	375,000
	13,406,493		13,345,745		11,873,101		13,810,569		12,374,931		10,857,168
	4,129,424		4,681,079		5,976,080		4,634,071		3,321,289		4,073,986
\$	18,057,772	\$	18,430,054	\$	18,253,362	\$	18,835,309	\$	16,090,733	\$	15,326,160
\$	8,904,447	\$	5,250,457	\$	6,559,722	\$	7,440,358	\$	9,749,381	\$	9,010,136
	8,347,861		8,209,394		7,422,169		7,602,458		7,801,057		7,549,257
	-		-		-		-		-		-
<u>_</u>		.								÷	
\$	17,252,308	\$	13,459,851	\$	13,981,891	\$	15,042,816	\$	17,550,438	\$	16,559,393

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

		2012		2013		2014		2015
Revenues								
Taxes	\$	15,311,798	\$	16,085,582	\$	16,704,419	\$	17,496,802
Licenses and permits		114,480		91,516		97,998		117,705
Intergovernmental		8,694,716		4,550,899		20,400,912		14,971,874
Charges for services		6,208,863		6,191,082		6,290,591		6,196,528
Fines and forfeitures		167,553		182,562		266,098		190,911
Investments earnings		9,488		(2,356)		65,179		70,682
Contributions		74,656		105,505		453,522		1,509,991
Interdepartmental charges		3,395,081		3,149,075		3,150,268		3,180,765
Miscellaneous		291,613		407,870		464,539		518,971
Total revenues		34,268,248		30,761,735		47,893,526		44,254,229
Expenditures								
General government	\$	5,029,536	\$	4,914,708	\$	5,159,975	\$	5,070,762
Public safety	+	11,613,580	*	8,460,223	*	9,977,972	+	9,205,059
Culture and tourism		11,487,388		3,067,307		3,401,183		3,095,457
Health and welfare		2,334,980		457,254		11,745,136		794,591
Public works		10,456,004		11,040,657		15,462,846		8,185,155
Harbor		2,148,053		3,423,048		7,075,954		1,129,429
Capital outlay		2,110,000		5,125,010		-		41,213,121
Debt service								11,213,121
Interest and fiscal charges		598,624		1,140,000		1,444,671		2,482,562
Principal retirement		930,000		697,856		1,180,000		3,625,000
Total expenditures		44,598,165		33,201,053		55,447,737		74,801,136
Excess of revenues over (under) expenditures		(10,329,917)		(2,439,318)		(7,554,211)		(30,546,907)
Other Financing Sources (Uses)								
Sale of capital assets	\$	10,795	\$	-		17,772	\$	66,691
Proceeds of refunded bonds		-		-		-		2,280,000
Proceeds from sale of bonds		4,820,003		-		44,040,000		-
Premiums from sale of bonds		414,510		-		2,134,131		101,300
Bond issuance costs		-		-		(166,410)		-
Capital lease		-		-		-		-
Transfers in		3,975,430		3,334,665	\$	9,009,820	\$	10,266,639
Transfers out		(2,870,252)		(2,069,466)		(2,806,016)		(7,462,381)
Total other financing sources (uses)		6,350,486		1,265,199		52,229,297		5,252,249
Net change in fund balances	\$	(3,979,431)	\$	(1,174,119)	\$	44,675,086	\$	(25,294,658)
Debt service as a percentage of noncapital expendit	ures	4.96%		5.20%		6.32%		8.56%

	2016	 2017	 2018	 2019	 2020	 2021
			40.000 -			
\$	17,543,636	18,264,579	18,989,536	19,370,869	14,994,198	17,052,144
	193,514	110,522	96,487	178,309	189,949	69,569
	6,887,976	9,625,881	3,384,455	3,824,295	16,946,004	4,170,498
	6,733,218	6,837,859	7,010,549	6,933,551	6,078,796	6,890,280
	141,578	145,608	108,900	140,112	48,527	63,875
	31,167	47,210	328,892	516,341	279,571	32,600
	509,247	249,436	-	-	-	817,324
	3,141,701	3,143,081	3,241,608	3,149,501	3,436,009	3,164,565
	292,479	 602,208	 450,270	 525,501	 365,310	 398,327
	35,474,516	 39,026,384	 33,610,697	 34,638,479	 42,338,364	 32,659,182
\$	4,641,273	4,816,471	4,949,636	5,143,408	5,527,661	5,042,019
	8,425,641	8,874,583	9,068,743	9,375,741	7,307,518	9,973,726
	3,171,091	3,939,295	3,140,900	3,187,410	3,075,100	2,954,104
	48,188	20,405	466,373	258,001	12,306,862	2,633,278
	7,951,366	14,373,385	9,266,056	8,743,497	8,900,246	8,324,922
	1,129,112	1,096,367	1,111,579	1,200,009	1,208,551	1,252,607
	20,494,691	5,595,730	2,050,471	2,704,432	2,448,998	1,414,999
	2,424,300	2,442,793	2,365,068	2,291,724	2,353,705	2,199,699
	1,355,000	 1,455,000	 1,490,000	 1,560,000	 6,248,397	 4,880,220
	49,640,662	 42,614,029	 33,908,826	 34,464,222	 49,377,038	 38,675,574
	(14,166,146)	(3,587,645)	(298,129)	174,257	(7,038,674)	(6,016,392)
\$	45,000	\$ 32,800	\$ 1,800	\$ 59,831 -	\$ 360,375 3,835,000	\$ 30,922 3,145,000
	1,765,000	-	-	-	-	-
	252,887	-	-	-	782,902	-
	-	-	-	-	-	-
¢	-	-	-	1,644,830	-	- 0 001 101
\$	5,170,750 (4,005,008)	 5,217,020 (5,082,350)	 5,342,291 (4,700,614)	 5,351,104 (5,587,150)	 7,523,481 (5,700,038)	 8,221,181 (7,136,328)
	3,228,629	 167,470	 643,477	 1,468,615	 6,801,720	 4,260,775
\$	(10,937,517)	\$ (3,420,175)	\$ 345,348	\$ 1,642,872	\$ (236,954)	\$ (1,755,617)
	18.55%	15.20%	13.16%	12.56%	18.82%	19.83%

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
	Tures	14105	Interest	contribution	- takes	- I dates			Total
2012	5,005,267	77,964	79,216	(354,923)	10,131,203	-	362,739	10,332	15,311,798
2013	5,750,117	48,589	88,207	(400,242)	10,201,586	-	386,230	11,095	16,085,582
2014	5,801,986	48,747	83,689	(427,956)	10,796,715	-	389,342	11,896	16,704,419
2015	5,851,759	47,887	85,659	(436,336)	11,427,918	-	486,838	12,164	17,475,889
2016	6,002,812	47,749	68,420	(458,116)	11,349,608	-	497,374	35,789	17,543,636
2017	6,029,469	50,850	53,166	(469,462)	11,921,608	97,152	552,867	28,929	18,264,579
2018	6,130,995	44,015	66,549	(475,389)	12,464,226	190,549	544,305	24,286	18,989,536
2019	6,162,506	43,364	68,740	(493,174)	12,814,775	215,857	534,075	24,726	19,370,869
2020	6,148,462	44,416	81,905	(500, 178)	8,578,022	260,043	336,624	25,786	14,975,080
2021	6,278,122	35,920	83,271	(512,354)	10,295,496	257,525	585,307	28,857	17,052,144
Change									
2021-2012	25.43%	-53.93%	5.12%	44.36%	1.62%	100.00%	61.36%	179.30%	11.37%

REVENUE CAPACITY

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

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



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City of Ketchikan, Alaska

Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

Fiscal Year	City of Ketchikan	Ketchikan Gateway Borough	Total Rate
2012	6.2	5.0	11.2
2013	6.7	5.0	11.7
2014	6.7	5.0	11.7
2015	6.7	5.0	11.7
2016	6.7	5.0	11.7
2017	6.7	5.0	11.7
2018	6.6	5.0	11.6
2019	6.6	5.0	11.6
2020	6.6	5.0	11.6
2021	6.6	5.2	11.8

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

Source: Ketchikan Gateway Borough

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

Fiscal Year	Residential Property	Vacant Property ⁽¹⁾	Commercial Property	Industrial Property	Apartment & Condominium Property	Other Property
2012	370,947,500	31,244,700	297,047,800	-	61,355,800	3,743,400
2013	261,110,500	40,812,100	325,506,900	-	166,449,600	3,281,100
2014	396,406,500	37,402,300	313,022,400	-	62,960,400	3,690,000
2015	384,722,200	36,480,100	229,589,100	99,821,000	62,824,230	3,684,100
2016	401,478,700	37,821,900	232,867,800	99,399,200	63,789,600	3,769,300
2017	408,840,300	34,741,500	234,020,900	99,511,600	65,485,600	3,765,200
2018	424,941,600	34,119,100	237,728,800	102,289,000	64,158,800	3,190,600
2019	433,078,300	34,024,500	237,874,200	102,466,300	65,231,600	3,240,200
2020	442,928,000	34,537,200	236,746,900	103,001,000	66,053,900	3,235,100
2021	449,490,800	32,027,500	236,715,900	102,912,900	65,694,900	3,194,200

⁽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

	Total		Total Taxable	
Personal	Assessed	Tax-Exempt	Assessed	Tax
Property	Value	Property ⁽²⁾	Value	Rate
44,177,700	808,516,900	58,818,800	749,698,100	11.2
60,238,000	857,398,200	59,737,600	797,660,600	11.7
56,345,700	869,827,300	63,874,100	805,953,200	11.7
56,376,718	873,497,448	65,124,800	808,372,648	11.7
59,603,200	898,729,700	68,375,500	830,354,200	11.7
57,251,300	903,616,400	70,068,900	833,547,500	11.7
57,541,900	923,969,800	72,028,600	851,941,200	11.6
61,092,000	937,007,100	74,723,300	862,283,800	11.6
60,724,600	947,226,700	75,368,400	871,858,300	11.6
58,295,700	948,331,900	79,450,100	868,881,800	11.8

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

		2021			2012	
<u>Taxpaver</u>	Taxable Assessed <u>Value</u>	<u>Rank</u>	Percentage of Total City Taxable Assessed Value	Taxable Assessed <u>Value</u>	<u>Rank</u>	Percentage of Total City Taxable Assessed Value
Trident Seafoods Corporation	\$ 14,754,000	1	1.56%	\$ 10,238,700	3	1.27%
Ketchikan Dock Company, LLC	13,336,200	2	1.41%	12,427,200	1	1.54%
Cape Fox Heritage Foundation Inc	11,369,900	3	1.20%	6,885,700	7	0.85%
Harbor Enterprises/Petro Marine Services	11,213,000	4	1.18%	7,502,900	6	0.93%
Tongass Trading Company	10,814,800	5	1.14%	11,116,800	2	1.37%
Boyer Towing Inc.	9,120,000	6	0.96%			
Dock Street Building Corporation	8,962,400	7	0.95%	6,672,100	10	0.83%
Alaska General Seafood Processors	8,443,100	8	0.89%			
Landing LLC	8,338,700	9	0.88%	8,086,600	4	1.00%
E C Phillips & Son Inc.	8,335,800	10	0.88%	6,680,200	9	0.83%
Trident-Norquest						
Carr-Gottstein Foods Company				7,857,900	5	0.97%
Wal-Mart				6,731,800	8	0.83%
1308 Properties, LLC					-	
Total	\$ 104,687,900		11.05%	\$ 84,199,900		10.42%

Source: Ketchikan Gateway Borough Department of Assessment

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

	Taxes Levied for Municipal Purposes	Collected w Fiscal Year o		Collections in	Total Collections to Date		
Fiscal Year	for the Fiscal Year	Amount	Percentage of Levy	Subsequent Years	Amount	Percentage of Levy	
2012	4,648,128	4,590,563	98.76%	57,565	4,648,128	100.00%	
2013	5,344,326	5,276,616	98.73%	52,593	5,329,209	99.72%	
2014	5,399,886	5,295,537	98.07%	90,984	5,386,521	99.75%	
2015	5,416,097	5,372,688	99.20%	21,725	5,394,413	99.60%	
2016	5,563,373	5,518,798	99.20%	30,409	5,549,207	99.75%	
2017	5,584,768	5,521,603	98.87%	58,370	5,579,973	99.91%	
2018	5,622,812	5,594,117	99.49%	26,396	5,620,513	99.96%	
2019	5,691,073	5,639,871	99.10%	29,174	5,669,045	99.61%	
2020	5,754,265	5,605,449	97.41%	74,629	5,680,078	98.71%	
2021	5,734,620	5,701,628	99.42%	-	5,701,628	99.42%	

Source: Ketchikan Gateway Borough, Assessment Department



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

]	Retail Sales Tax			
	City of	Ketchikan Gateway	Retail Sales Tax	Marijuana	Total Sales Tax
Fiscal Year	Ketchikan ¹	Borough	Total	Sales Tax ²	Rate
2012	3.5%	2.5%	6.0%	0.0%	6.0%
2013	3.5%	2.5%	6.0%	0.0%	6.0%
2014	4.0%	2.5%	6.5%	0.0%	6.5%
2015	4.0%	2.5%	6.5%	0.0%	6.5%
2016	4.0%	2.5%	6.5%	5.0%	11.5%
2017	4.0%	2.5%	6.5%	5.0%	11.5%
2018	4.0%	2.5%	6.5%	5.0%	11.5%
2019	4.0%	2.5%	6.5%	5.0%	11.5%
2020	4.0%	2.5%	6.5%	5.0%	11.5%
2021	4.0%	2.5%	6.5%	5.0%	11.5%

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

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

Source: Ketchikan Gateway Borough & City of Ketchikan

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

	 2012	 2013	 2014	 2015
Collected Charges for Services Revenue				
Solid Waste	\$ 2,948,507	\$ 2,851,958	\$ 2,907,531	\$ 2,809,864
Harbor	1,250,292	1,191,053	1,247,810	1,329,984
Number of Customers/Services Provided				
Number of Customers/Services Provided Solid Waste Collection				
	2.558	2.559	2.599	2.628
Solid Waste Collection	2,558 251	2,559 245	2,599 248	2,628 249
Solid Waste Collection Residential	,	,	,	,
Solid Waste Collection Residential Business	251	245	248	249

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

Table	11

2016	2017		2018		2019		2020		2021	
\$ 3,142,540	\$	3,145,652	\$	3,170,322	\$	3,249,983	\$	3,057,513	\$	3,479,819
1,475,000		1,513,634		1,575,010		1,568,935		1,433,953		1,550,342
2,673		2,694		2,710		2,594		2,592		2,606
252		248		246		246		228		230
5,548		5,575		5,604		5,967		5,972		5,986
857		832		806		813		886		806

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

	 2012		2013	2014		2015	
Collected Charges for Services Revenue							
Electric							
Residential	\$ 7,240,637	\$	6,929,393	\$	6,796,723	\$	6,752,943
Boats	318,564		299,465		298,227		279,072
Commercial	6,673,188		6,701,322		6,690,774		6,584,210
Industrial	1,862,015		1,915,505		1,750,002		1,784,436
Demand	481,321		510,887		514,972		507,363
Area Lighting	48,974		48,995		49,172		50,076
Street Lighting	126,239		126,178		127,692		129,143
Diesel Surcharge	16,477		2,388,021		96,283		4
Other	464,797		426,644		293,569		350,271
Telecommunications	404,777		420,044		275,507		550,271
Local Network Services	2,131,351		2,100,995		2,005,521		2,030,655
Inter/Intrastate Network Access Services							
	8,399,849		8,660,056		9,259,709		9,413,321
Non-Regulated	3,565,887		4,036,708		4,396,232		5,596,871
Other	489,827		444,218		499,346		461,826
Water	1 200 1 45		1 242 646		1 277 255		1 531 565
Residential	1,300,147		1,343,648		1,377,255		1,521,500
Apartments	258,792		269,394		294,082		327,663
Commercial	998,294		1,042,848		1,102,474		1,208,718
Industrial	87,840		91,425		79,182		83,648
Seafood Processors	143,560		144,614		149,219		152,636
Fire Hydrant	27,199		22,864		23,539		25,887
Port	146,820		189,975		172,688		159,075
Other	20,970		24,160		10,256		23,051
Wastewater							
Residential Sewer Service	1,349,227		1,490,983		1,623,781		1,771,393
Business Sewer Service	866,087		960,818		951,760		986,268
Port							
Passenger Wharfage	6,183,922		6,556,500		6,110,005		6,504,788
Docking	1,741,242		1,877,195		1,770,044		1,782,260
Customer Base							
Electric							
Residential	5,808		5,819		5,817		5,854
Commercial	1,173		1,171		1,201		1,221
Industrial	13		13		13		15
Other	524		511		518		543
Telecommunications							
Residential Access Lines	3,235		3,138		3,313		3,352
Commercial Access Lines	3,078		2,909		2,550		2,371
Water							
Residential	2,727		2,724		2,650		2,647
Apartments	20		21		25		27
Commercial	451		444		436		443
Industrial	4		4		3		3
Cannery	4		5		6		5
Fire Hydrant	8		8		8		8
Marine Vessels	29		38		34		30
Wastewater	2)		50		54		50
Residential ¹	2,731		2,729		2,656		2,698
Business	455		448		439		436
Port	-55		077		757		-50
Cruiseships	34		31		37		38
-							
Stops	467		456		468		496
Passengers ²	885,799		938,124		877,589		934,772

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

$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		2016		2017		2018		2019		2020	2021	
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	¢	7 127 462	¢	7 626 289	¢	7 650 908	¢	7 472 223	¢	8 233 105	¢	8 179 877
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$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		370,497		,						1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		661,458
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		2,082,930		2.010.146		2.000.821		1,995,490		1.905.420		1.863.840
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$												
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$												
$\begin{array}{cccccccccccccccccccccccccccccccccccc$												91,330
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		1,632,301		1,655,801		1,736,472		1,838,947		1,863,940		1,950,255
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		351,241		357,127		373,428		394,046		395,635		408,466
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		1,275,949		1,302,261		1,382,874		1,448,482		1,427,747		1,519,350
$\begin{array}{cccccccccccccccccccccccccccccccccccc$				91,194		94,196		100,406		101,502		105,525
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		143,507		174,184		251,061		331,963		343,420		355,817
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		27,951		28,080		29,470		31,092		31,401		32,574
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		154,725		157,725		192,195		1,890		-		6,615
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		45,931		21,761		24,953		28,921		3,275		19,389
$\begin{array}{cccccccccccccccccccccccccccccccccccc$		1,917,142		1,946,829		2,050,792		2,180,405		2,208,342		2,218,067
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		1,054,754		1,081,780		1,156,141		1,226,097		1,205,039		1,227,575
$\begin{array}{cccccccccccccccccccccccccccccccccccc$		6,482,367		6,892,093		7,300,575		8,097,798		-		682,848
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		1,771,371		1,876,880		1,913,469		2,093,970		60,095		553,303
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		5 870		5 021		5.046		5.064		5.0(2		5 072
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$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		3 345		3 242		3 247		3 070		2 725		2 594
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$												1,738
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		2,649		2,659		2,667		2,674		2,679		2,696
$\begin{array}{cccccccccccccccccccccccccccccccccccc$		28								28		28
$\begin{array}{cccccccccccccccccccccccccccccccccccc$												479
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446 451 461 464 461 468 38 43 40 46 - 17 489 507 504 562 - 87		56		59		57		1		-		2
446 451 461 464 461 468 38 43 40 46 - 17 489 507 504 562 - 87		2,712		2,724		2,730		2,737		2,763		2,800
489 507 504 562 - 87												468
		38		43		40				-		17
935,928 996,920 1,045,079 1,171,620 - 75,872		489		507		504		562		-		87
		935,928		996,920		1,045,079		1,171,620		-		75,872

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

	2012	2013	2014
Construction	\$ 114,214,541	\$ 79,624,263	\$ 79,661,822
Financial institutions	4,304,936	3,823,214	3,264,143
Hospitality/Lodging establishments	14,454,796	14,592,618	15,306,647
Manufacturing	37,626,506	35,271,769	32,324,967
Real estate	36,282,557	36,392,471	36,844,557
Remote retail	-	-	-
Retail trade	46,221,994	45,801,511	47,026,386
Food stores	72,864,479	73,199,378	75,202,176
Eating and drinking establishments	21,871,782	21,289,797	21,297,129
Auto dealers and supplies	21,777,925	21,362,910	22,480,389
Specialty retail	17,734,427	17,480,809	19,140,014
Curio and jewelry retail stores	93,612,328	99,671,948	93,482,783
Entertainment services	3,664,583	3,762,714	3,999,764
General services	10,825,042	10,477,118	11,069,657
Professional services	9,921,550	8,573,984	9,521,613
Transportation-Fuel/Freight Service	53,064,068	49,846,052	43,318,744
Transportation-Tour/Adventures	16,441,945	17,055,248	16,219,978
Transportation-All Other and communications	13,363,351	18,715,254	17,516,306
Telecommunications	8,050,936	8,401,342	8,686,823
Wholesale Trade	5,251,730	5,342,198	5,216,327
Total	\$ 601,549,476	\$ 570,684,598	\$ 561,580,225
City direct sales tax rate	3.50%	3.50%	3.50%

Source: Ketchikan Gateway Borough

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

2015	2016	2017	2018	2019	2020	2021
\$ 85,757,073	\$ 74,812,252	\$ 79,319,530	\$ 59,407,843	\$ 58,155,571	\$ 56,023,525	\$ 70,038,816
3,128,295	3,072,413	2,161,852	2,518,634	2,648,780	3,231,988	3,190,919
15,632,441	16,195,255	16,786,068	17,746,470	17,894,276	10,537,560	17,764,109
47,143,944	49,999,866	47,197,111	32,456,890	25,935,866	29,376,775	24,168,133
38,807,635	37,405,083	39,609,702	40,431,683	39,692,686	35,486,125	38,113,979
19,758	25,863	31,657	192,325	4,931,936	3,947,799	4,119,718
45,786,237	44,870,277	48,209,225	51,111,729	51,443,903	46,207,896	50,942,391
85,044,654	84,017,588	86,400,679	89,529,924	93,460,217	82,212,672	86,259,115
22,887,732	23,255,671	23,662,945	25,054,377	25,681,504	16,366,363	23,033,078
21,452,076	20,702,655	22,546,654	22,255,511	20,884,149	21,265,768	24,029,403
19,899,374	21,389,104	21,016,882	21,942,713	22,759,426	19,423,185	19,643,583
102,467,892	102,019,064	110,906,941	122,898,034	116,565,228	48,660,703	64,224,884
4,205,791	4,616,071	5,100,780	5,472,944	7,206,033	1,012,957	1,402,857
11,652,408	12,394,815	13,595,974	13,620,582	14,696,068	11,847,727	13,924,938
12,712,487	9,805,747	9,978,183	8,999,885	11,113,713	7,433,839	9,008,420
32,565,936	28,190,910	30,708,708	34,801,099	44,786,326	28,129,061	31,901,960
17,014,970	17,120,300	19,424,923	20,306,508	21,001,186	184,159	2,456,958
15,925,822	12,656,770	13,678,849	14,002,420	18,004,502	9,362,603	12,333,091
8,801,839	8,133,656	8,034,941	8,830,166	8,155,959	7,289,248	6,889,164
6,441,569	7,870,666	7,758,924	7,144,517	7,071,570	6,643,947	7,106,313
\$ 597,347,933	\$ 578,554,026	\$ 606,130,528	\$ 598,724,254	\$ 612,088,899	\$ 444,643,900	\$ 510,551,829
4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%



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DEBT CAPACITY

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

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

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

Governmental Activities

Fiscal Year	General Obligation Bonds	Capital Lease	Total Governmental Activities
2012	15,726,032	-	15,726,032
2013	14,535,682	-	14,535,682
2014	59,441,445	-	59,441,445
2015	57,984,080	-	57,984,080
2016	58,506,411	-	58,506,411
2017	56,910,491	-	56,910,491
2018	55,309,962	-	55,309,962
2019	53,639,434	1,644,830	55,284,264
2020	52,083,374	1,421,433	53,504,807
2021	50,176,883	1,196,213	51,373,096

	Business-Type Activities										
	Wastewater General Obligation Bonds		⁷ astewater Revenue Bonds	Port General Obligation Bonds	Port Revenue Bonds	KPU Junior Lien Revenue Bonds	KPU Revenue Bonds	Total Business- Type Activities	Total Primary Government	Percentage of Personal Income	Total Debt to Population (Table 18)
2012	4,736,445	\$	363,210	270,000	34,969,522	8,673,259	8,022,070	57,034,506	72,760,538	14.97%	8,800
2013	2,763,776		308,811	-	34,130,961	8,804,413	20,938,869	66,946,830	81,482,512	16.43%	9,822
2014	2,711,970		295,463	-	33,257,400	10,154,554	17,595,000	64,014,387	123,455,832	23.74%	14,783
2015	1,972,026		281,916	-	31,775,000	9,798,191	16,428,839	60,255,972	118,240,052	22.04%	14,246
2016	1,875,495		268,163	-	30,857,218	8,474,239	15,434,295	56,909,410	115,415,821	21.97%	14,094
2017	1,777,510		254,204	-	29,759,634	8,028,676	13,581,293	53,401,317	110,311,808	20.58%	13,545
2018	1,678,051		562,681	-	28,627,050	8,195,406	12,885,722	51,948,910	107,258,872	19.38%	13,191
2019	1,577,094		533,939	-	27,889,603	7,708,777	12,175,152	49,884,565	105,168,829	18.23%	12,979
2020	1,526,047		819,596	-	26,216,882	7,762,510	22,767,089	59,092,124	112,596,931	19.74%	14,005
2021	1,422,801		874,242	-	24,939,297	8,614,733	20,189,688	56,040,761	107,413,857	18.88%	13,181

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

Source: City of Ketchikan financial records

Table 14

City of Ketchikan, Alaska

Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year	Population (Table 18)	Taxable Assessed Value (Table 7)	General Obligation Bonds	Ratio of GO Debt to Assessed Value of Property	Net GO Debt Per Capita
2012	8,268	749,698,100	20,732,477	2.77%	2,508
2013	8,296	797,660,600	17,299,458	2.17%	2,085
2014	8,351	805,953,200	62,153,415	7.71%	7,443
2015	8,300	808,372,648	59,956,106	7.42%	7,224
2016	8,189	830,354,200	60,381,906	7.27%	7,374
2017	8,144	833,547,500	58,688,001	7.04%	7,206
2018	8,131	851,941,200	56,988,013	6.69%	7,009
2019	8,103	862,283,800	55,216,528	6.40%	6,814
2020	8,040	871,858,300	53,609,421	6.15%	6,668
2021	8,149	868,881,800	51,599,684	5.94%	6,332

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

Source: City of Ketchikan financial records

(Un-Audited)

City of Ketchikan, Alaska Pledged-Revenue Coverage Last Ten Fiscal Years

	Utility Revenue Bonds							
Fiscal	Gross	Expenses Excluding Depreciation	Net Available	Debt Se	ervice			
Year	Revenues ¹	Taxes & Debt	Revenue	Principal	Interest	Coverage		
2012	35,106,045	27,420,125	7,685,920	2,570,000	376,730	2.61		
2013	37,991,740	31,130,999	6,860,741	1,750,000	300,818	3.35		
2014	36,458,482	29,080,289	7,378,193	1,810,000	784,780	2.84		
2015	37,987,135	29,920,251	8,066,884	1,735,000	709,980	3.30		
2016	39,463,946	31,296,075	8,167,871	1,730,000	638,775	3.45		
2017	42,589,761	31,017,566	11,572,195	1,730,000	583,950	5.00		
2018	46,061,143	35,484,190	10,576,953	605,000	539,325	9.24		
2019	49,664,594	39,491,848	10,172,746	620,000	522,750	8.90		
2020	43,133,238	34,126,091	9,007,147	640,000	675,270	6.85		
2021	44,359,323	33,552,509	10,806,814	1,110,000	742,416	5.83		

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

Port Revenue Bonds								
Gross	Expenses Excluding Depreciation	Net Available	Debt S	ervice		Cover	age Debt Service/	
Revenue	and Lease	Revenue	Principal	Interest	Other ²	Service	Lease	
10,620,142	1,949,449	8,670,693	775,000	1,802,550	2,628,181	3.36	1.67	
11,147,463	2,167,752	8,979,711	810,000	1,767,675	2,922,942	3.48	1.63	
11,186,885	2,203,014	8,983,871	845,000	1,731,225	2,892,155	3.49	1.64	
9,189,712	2,198,706	6,991,006	885,000	1,691,088	2,889,138	2.71	1.28	
9,163,784	2,268,007	6,895,777	930,000	2,341,617	3,005,514	2.11	1.10	
9,542,263	2,464,774	7,077,489	895,000	1,333,350	3,058,565	3.18	1.34	
10,229,728	1,963,168	8,266,560	930,000	1,306,500	3,162,565	3.70	1.53	
11,082,302	2,003,019	9,079,283	980,000	1,260,000	3,329,484	4.05	1.63	
302,122	2,548,059	(2,245,937)	1,025,000	1,211,000	2,341,884	(1.00)	(0.49	
5,226,861	1,561,229	3,665,632	1,075,000	1,159,750	2,341,884	1.64	0.80	

City of Ketchikan, Alaska Direct and Overlapping Governmental Activities Debt As of December 31, 2021

Name of Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Ketchikan Gateway Borough-Overlapping Debt City of Ketchikan-Direct Debt	23,520,000 51,373,096	53.34% 100.00%	12,545,697 51,373,096
Total Direct and Overlapping Debt			\$ 63,918,793

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 FY2021 Annual Comprehensive Financial Report for the year ended June 30, 2021.

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

Demographic and Economic Statistics	Table 18
Principal Employers	Table 19

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

	Popul	ation		Alaska		
		Ketchikan		Per		
		Gateway	Personal	Capita	School ⁽³⁾	Registered
Year	City	Borough	Income ⁽¹⁾	Income ⁽²⁾	Enrollment	Voters
2012	8,268	13,894	816,734,000	53,729	2,299	5,773
2013	8,296	13,836	826,965,000	52,843	2,376	5,601
2014	8,351	13,889	864,752,000	55,910	2,474	5,673
2015	8,300	13,822	893,464,000	57,629	2,365	5,731
2016	8,189	13,754	882,416,000	56,341	2,392	5,851
2017	8,144	13,785	907,398,000	57,352	2,378	5,882
2018	8,131	13,798	939,276,000	59,871	2,346	6,442
2019	8,103	13,739	978,386,000	61,742	2,311	6,530
2020	8,040	13,677	970,186,000	63,502	2,158	6,721
2021	8,149	13,895	970,186,000	63,502	2,163	6,727

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 2021 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 2021 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 2021 information can be accessed at https://education.alaska.gove/data-center. Information reflected in this schedule reflects the amounts stated for each of the respective years and may differ from the amounts that have been reported in prior years.

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

⁵ Registered motor vehicle information reflected in this schedule is representative of amounts reported by the State of Alaska, Department of Administration, Division of Motor Vehicles for the Ketchikan Gateway Borough because information specific to the City of Ketchikan is unavailable at this time. The amount reflected for 2021 is an estimate based on 2020 figures because 2021 data is currently unavailable.

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

Table 18

Civ	Motor		
		Unemployment	Vehicles
Employed	Unemployed	Rate	Registered ⁽⁵⁾
6,561	590	8.3%	16,504
6,572	560	7.9%	16,517
6,535	548	7.7%	16,520
6,482	462	6.7%	16,578
6,581	438	6.2%	16,660
6,698	408	5.7%	16,549
6,657	385	5.5%	16,278
6,637	385	5.5%	16,197
5,893	627	9.6%	15,643
5,619	464	7.0%	15,643

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

	2021 ¹			2012			
Employment Sectors	<u>Average</u> Employment	<u>Rank</u>	<u>% of Total</u> Employment	<u>Average</u> Employment	<u>Rank</u>	<u>% of Total</u> Employment	
Private and public:							
Private sector	4,481		71.03%	5,301		71.81%	
Public sector	1,828		28.97%	2,081		28.19%	
Total private and public	6,309		100.00%	7,382		100.00%	
Detail of private sector:							
Natural Resource and Mining	90	12	1.43%	150	12	2.03%	
Construction	263	8	4.17%	322	8	4.36%	
Manufacturing	335	6	5.31%	546	6	7.40%	
Trade, Transportation & Utilities	1,317	1	20.87%	1,685	1	22.83%	
Information	67	13	1.06%	88	13	1.19%	
Financial Activities	342	7	5.42%	390	7	5.28%	
Professional & Business Services	338	9	5.36%	218	10	2.95%	
Educational & Health Services	976	3	15.47%	922	3	12.49%	
Leisure & Hospitality	616	4	9.76%	783	4	10.61%	
Other Services	137	11	2.17%	197	11	2.67%	
Total Detail of private sector	4,481		71.03%	5,301		71.81%	
Detail of public sector:							
Federal Government	222	10	3.52%	257	9	3.48%	
State Government	470	5	7.45%	711	5	9.63%	
Local Government	1,136	2	18.01%	1,113	2	15.08%	
Total Detail of public sector	1,828		28.97%	2,081		28.19%	

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

¹ The average 2021 employment figures reflect results for calendar year 2020 by the State of Alaska, Department of Labor as the results for 2021 are not yet available.

Source: State of Alaska, Department of Labor

OPERATING INFORMATION

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

Property Value and Construction	Table 20
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Historical Water Customers and Operating Results	Table 29
Utility Rates and Charges	Table 30
Port Fund Operating Results	Table 31



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Last Ten Fiscal Years

	Const	ruction	
	Number of		Real & Personal
Year	Permits (1)	Value (1)	Property Value (2)
2012	139	22,381,845	808,516,900
2013	148	12,109,557	857,398,200
2014	146	52,184,617	869,827,300
2015	148	13,895,087	873,497,448
2016	171	16,138,800	898,729,700
2017	124	12,761,869	903,616,400
2018	130	8,440,376	923,969,800
2019	177	16,962,976	937,007,100
2020	127	10,967,545	947,226,700
2021	110	9,865,108	948,331,900

Sources:

(1) - City of Ketchikan Building Inspection Division

(2) - Ketchikan Gateway Borough Department of Assessment

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

	2012	2013	2014	2015
Function/Program				
General government				
Mayor and Council	8.000	8.000	8.000	8.000
Law	1.000	1.000	1.000	1.250
Clerk	2.000	2.000	2.000	2.000
City Manager	4.500	4.500	4.500	4.500
Finance	16.000	16.000	15.000	16.000
Information Technology	7.000	7.000	7.000	7.000
Public Safety				
Fire	19.000	19.000	19.000	19.000
Police	36.300	36.300	35.300	35.300
Culture				
Library	12.310	12.310	12.410	12.785
Museum	7.200	7.200	7.200	7.200
Civic Center	3.000	3.000	3.000	3.000
Health and Welfare				
Gateway Center for Human Services ¹	-	-	-	-
Public Works				
Engineering	13.000	12.000	12.000	12.000
Streets	13.000	13.000	13.000	13.000
Solid Waste	11.000	11.000	11.000	11.000
Garage & Warehouse	4.000	4.000	4.000	4.000
Wastewater	8.000	8.000	8.000	8.000
Building Maintenance	2.000	2.000	2.000	2.000
Port and Harbors				
Small Boat Harbors	5.400	5.400	5.400	5.200
Port Development	4.600	4.600	4.600	4.800
Ketchikan Public Utilities				
Administration	2.500	2.500	2.500	2.500
Sales, Marketing & Customer Service	16.000	16.830	17.000	17.000
Electric	43.400	43.400	43.400	43.400
Telephone	43.000	43.920	43.000	42.000
Water	10.600	10.600	10.600	10.600
Total	314.680	289.580	289.830	292.810

Source: City of Ketchikan Budget Records

$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	2016	2017	2018	2019	2020	2021
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$						
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	8.000	8.000	8.000	8.000	8.000	8.0
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	1.000	1.000	1.000	1.000	1.000	1.0
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	2.000	2.000	2.000	2.000	2.000	2.0
6.420 6.000 6.000 6.000 6.000 6.000 6 19.000 19.000 19.000 22.000 22 35.300 35.300 35.300 35.300 38.550 38 12.785 12.735 11.815 11.815 11.815 11.815 7.700 8.200 8.200 8.200 8.200 8 3.000 3.000 3.000 3.000 3.000 3.000 3.000 3.000 12.000 12.000 13.000 13.000 13.000 13.000 13.000 13.000 13.000 13.000 13.000 13.000 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 8.000 8.000 8.000 8.000 8.000 8.000 8.000 8.000 4.800 4.800 4.800 4.800 4.800 4.800 4.800 4.800 4.800 4.800 4.800 4.3400 43.400 43.400 41.400 43.400 43.400 43.400 43.400 41.000 41.000 41.000 41.000 41.000 41.000 41.000 41.000 41.000	4.500	4.500	4.500	4.500	4.500	4.5
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	16.000	16.000	16.000	16.000	16.000	16.0
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	6.420	6.000	6.000	6.000	6.000	6.0
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	19.000	19.000	19.000	19.000	22.000	22.0
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	35.300	35.300	35.300	35.300	38.550	38.5
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	12.785	12.735	11.815	11.815	11.815	11.1
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	7.700	8.200	8.200	8.200	8.200	8.2
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	3.000	3.000	3.000	3.000	3.000	3.0
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	-	-	-	-	-	
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	12.000	12.000	12.000	13.000	13.000	13.0
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	13.000	13.000	13.000	13.000	13.000	13.0
8.000 8.000 8.000 8.000 8.000 8.000 8.000 8.000 8.000 8.000 8.000 8.000 8.000 8.000 8.000 3.000 4.800 <th< td=""><td>11.000</td><td>11.000</td><td>11.000</td><td>11.000</td><td>11.000</td><td>11.0</td></th<>	11.000	11.000	11.000	11.000	11.000	11.0
2.000 2.000 2.750 3.000 3.000 3.000 3.000 5.200 5.200 5.200 5.200 5.200 5.200 5.200 4.800 4.800 4.800 4.800 4.800 4.800 4.800 2.500 2.500 2.500 2.500 1.500 1. 17.000 19.000 19.000 19.000 19.000 19.000 43.400 43.400 43.400 41.400 43.400 42.000 41.000 41.000 41.000 41.000 41.000 10.600 10.600 10.930 11.600 12.600 13.400	4.000	4.000	4.000	4.000	4.000	4.0
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	8.000	8.000	8.000	8.000	8.000	8.0
4.8004.8004.8004.8004.8004.8004.8002.5002.5002.5002.5001.5001.17.00019.00019.00019.00019.00019.43.40043.40043.40043.40041.40043.42.00041.00041.00041.00041.00041.10.60010.60010.93011.60012.60013.	2.000	2.000	2.750	3.000	3.000	3.0
2.5002.5002.5002.5001.5001.17.00019.00019.00019.00019.00019.00043.40043.40043.40043.40041.40043.42.00041.00041.00041.00041.00041.00010.60010.60010.93011.60012.60013.	5.200	5.200	5.200	5.200	5.200	5.2
17.00019.00019.00019.00019.00019.00043.40043.40043.40043.40041.40043.40042.00041.00041.00041.00041.00041.00010.60010.60010.93011.60012.60013.400	4.800	4.800	4.800	4.800	4.800	4.8
43.40043.40043.40043.40041.40043.40042.00041.00041.00041.00041.00041.00010.60010.60010.93011.60012.60013.400	2.500	2.500	2.500	2.500	1.500	1.5
42.00041.00041.00041.00041.00041.00010.60010.93011.60012.60013.000	17.000	19.000	19.000	19.000	19.000	19.0
10.600 10.600 10.930 11.600 12.600 13.	43.400	43.400	43.400	43.400	41.400	43.4
	42.000	41.000	41.000	41.000	41.000	41.0
293,560 290,910 291,535 291,205 298,565 300	10.600	10.600	10.930	11.600	12.600	13.6
	293.560	290.910	291.535	291.205	298.565	300.8

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

	2012	2013	2014	2015
Function/Program				
General Government				
City Manager				
Personnel Job Postings	130	130	129	129
Information Technology				
Workstations	327	339	351	347
Portables	48	52	66	70
Printers	87	83	89	100
Public Safety				
Fire				
EMS/Rescue Responses	1,404	1,287	1,429	1,439
Fire Responses	198	232	225	244
Volunteer Fire Persons	25	21	17	17
Police				
DUI Offenses	62	40	55	68
Domestic Violence	72	79	75	55
Larceny Offenses	316	272	263	265
Culture				
Library				
Volumes in collection	84,049	77,181	95,427	99,311
Annual Circulation	158,364	178,856	181,105	187,916
Offered Programs	245	324	572	561
Program Attendance	6,076	8,397	13,151	13,790
Museum				
Tongass Historical Museum Attendance	20,534	25,656	25,593	24,552
Tongass Historical Museum Exhibit Openings	4	4	3	2
Totem Heritage Center Attendance	25,905	30,949	31,266	33,218
THC Native Arts Studies Course Offerings	11	11	12	10
Virtual Users	-	-	-	-
Civic Center				
Days Occupied	203	179	143	149
Events	147	139	90	84
Public Works				
Engineering				
Issued Building Permits	139	148	146	148
Solid Waste				
Muncipal Solid Waste - tons per day	23.02	23.22	23.54	24.10
Trash - tons per day	14.96	12.94	14.64	12.51
Incineration - tons per day	0.02	0.02	0.03	0.02
Recycle - tons per day	5.49	18.40	16.53	6.08
Port and Harbors				
Reserved Moorage Stalls Rented	715	753	735	821
Transient Moorage Feet Sold	501,467	343,312	314,517	271,454
Cruise Ship Stops	462	453	468	496
Cruise Ship Passengers	885,799	938,124	846,636	934,772
Ketchikan Public Utilities				
Customer Service				
Utility Service Orders	4,720	4,937	4,120	3,151
	10,238			

Sources: Various City Departments

2021	2020	2019	2018	2017	2016
6	83	111	124	120	117
23	221	205	230	225	338
8	74	56	80	77	72
12	126	114	108	108	100
1,76	1,397	2,033	2,134	2,082	1,551
2	21	43	42	58	250
1	10	11	25	26	25
4	41	67	62	40	81
7	94	90	79	59	63
10	31	74	345	307	266
105,99	104,101	104,128	101,331	99,401	70,323
111,61	111,248	173,829	180,240	178,600	169,185
36	472	585	587	575	341
15,25	20,601	11,821	12,218	12,618	12,801
8,90	2,427	28,322	24,700	23,754	23,914
-	1	1	1	1	1
5,59	2,080	40,372	36,589	36,716	36,799
	6	9	9	11	10
29,05	20,543	-	-	-	-
7	73	138	140	152	159
7	60	83	92	91	105
	107	177	120	124	171
11	127	177	130	124	171
20.6	22.67	27.11	27.28	24.86	24.57
14.5	13.75	10.31	10.15	10.61	12.90
0.0	0.03	0.03	0.03	0.04	0.04
7.6	12.94	10.52	13.74	10.37	6.75
80	886	813	806	832	857
472,11	418,002	451,669	421,288	252,411	312,543
8	-	562	504	507	489
75,87	-	1,171,620	1,045,079	996,920	935,928
3,42	2,361	3,027	3,211	2,798	2,903
5,42	5,601	6,244	7,096	7,252	9,072

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

	2012	2013	2014	2015
Function/Program				
Public Safety				
Fire				
Stations	3	3	3	3
Police				
Stations	1	1	1	1
Culture				
Number of Libraries	1	1	1	1
Number of Museums	2	2	2	2
Number of Civic Centers	1	1	1	1
Public Works				
Engineering				
Municipal Area in Square Miles	5	5	5	5
Streets				
Miles of Streets	27.89	27.89	27.89	29.37
Miles of Stairways	1	1	1	2
Municipal Parking Lots	37	37	37	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

2016	2017	2018	2019	2020	2021
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
37.09	37.09	37.09	37.15	37.15	37.15
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, 2021

Condensed Description of Coverage	Coverage per Occurrence and Deductible Amounts	Condensed Description of Coverage	Coverage per Occurrence and Deductible Amounts
Property Insurance (includes Boiler & Mac	hinery	Police Professional Liability	
Flood & Earthquake)	sinnery,	Coverage Limits	\$15,500,000
Coverage Amounts	Per Schedule	Deductible	75,000
Deductible	\$25,000/\$10,000	Deddenoie	75,000
Deddetible	\$25,000/\$10,000	Public Officials/Employment Practices Liability	
Commercial Comprehensive General Liabi	lity	Coverage Limits	15,500,000
Coverage Limits	15,500,000	Deductible	75,000
Deductible	75,000	Deddellole	75,000
Deductible	75,000	Fidelity/Crime Insurance	
Employee Benefits Liability		Notary Errors and Omissions	
Coverage Limits	15,500,000	Coverage Limits	25,000
Deductible	75,000	Public Employees Blanket Bond	23,000
Deduction	75,000	Coverage Limits	2,500,000
Commercial Auto Liability		Deductible	10,000
Coverage Limits	15,500,000	Public Officials Bond	10,000
Deductible	75,000	City Manager - Coverage Limits	10,000
		Finance Director - Coverage Limits	100,000
Marine Insurance		Deductible	none
Hull Coverage Limits	Per Schedule		
Hull War Risk		Marina and Wharfingers	
Coverage Limits	Per Schedule	Wharfingers/Terminal Operator's/	
Primary Protection & Indemnity		Marina Operators/Charterers Liability	
Coverage Limits	1,000,000	Coverage Limits	1,000,000
Deductible	10,000	Deductible	10,000
Primary War Risk		Sudden and Accidental Pollution Liability	
Coverage Limits	1,000,000	Coverage Limits	1,000,000
Deductible	none	Deductible	25,000
Excess Protection & Indemnity and		Excess Wharfingers/Terminal Operators/	
Excess P&I War Risk		Marina Operators/Charterers/Sudden	
Coverage Limits	29,000,000	and Accidental Pollution Liability	
Deductible	none	Coverage Limits	29,000,000
		Deductible	none
Ambulance Malpractice		XS Marine Liability - Port	29,000,000
Coverage Limits	15,500,000		
Deductible	75,000	Worker's Compensation Insurance	
		Coverage Limits	Legal Limits
Broadcast Errors and Omissions			
Coverage Limits	2,000,000	Pollution Liability	
Deductible	5,000	Coverage Limits	1,000,000
		Deductible	50,000
Cyber Liability			
Coverage Limits	2,000,000		
Deductible	5,000		

CITY OF KETCHIKAN, ALASKA

Utility Statiscal Operating Information Last Ten Fiscal Years

					Per K.W.	H. Sold	Average
	Nur	nber of Custome	ers				Residential
Year	Electric	Water	Telephone *	K.W.H. Sold	Operating Revenue	Cost	K.W.H. Used December
I cal	Electric	Water	Telephone	K. W.11. 3010	Kevenue	Cost	December
2012	7,518	3,214	6,434	172,190,266	0.1001	0.0955	1,222
2013	7,514	3,206	6,083	170,281,664	0.1136	0.1119	1,220
2014	7,606	3,128	5,863	167,939,155	0.0989	0.0992	1,212
2015	7,694	3,133	5,723	163,896,254	0.1003	0.1005	1,178
2016	7,741	3,147	5,611	165,107,129	0.1038	0.1056	1,127
2017	7,799	3,161	5,351	175,447,582	0.1071	0.1018	1,193
2018	7,838	3,182	5,274	167,833,595	0.1225	0.1256	1,056
2019	7,867	3,193	5,043	164,000,416	0.1523	0.1530	1,012
2020	7,856	3,192	4,545	166,832,038	0.1139	0.1087	1,267
2021	7,867	3,219	4,332	169,432,045	0.1172	0.1080	1,243

* 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

		2012		2013		2014		2015		2016
Energy Demand										
Total Sales	17	2,190,266	17	0,281,664	16	7,939,155	16	3,896,254	16	5,107,129
System losses	1	3,701,858		8,474,536		8,504,552	1	1,298,142	1	1,068,552
Total	18	5,892,124	17	8,756,200	17	6,443,707	17	5,194,396	17	6,175,681
Peak Demand		27,150		25,900		30,500		25,700		25,400
Energy Resources										
KPU Hydroelectric	8	5,816,264	7	4,703,000	8	6,755,268	9	1,893,718	8	4,863,454
Southeast Alaska Power Agency ¹	9	7,804,800	9	1,856,000	8	7,923,000	8	2,277,072	9	0,444,864
Diesel Generation		2,271,060	1	2,197,200		1,765,439		1,023,606		867,363
Total	18	5,892,124	17	8,756,200	17	6,443,707	17	5,194,396	17	6,175,681
Energy Costs (kWH) ²										
Hydroelectric Generation	\$	0.0228	\$	0.0262	\$	0.0275	\$	0.0302	\$	0.0345
Diesel Generation		0.8622		0.3857		0.8715		1.3645		1.6067
Purchased Power ³		0.0611		0.0630		0.0645		0.0654		0.0691
Total Cost of Production (kWH)		0.0532		0.0696		0.0544		0.0545		0.0600

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

	2017		2018		2019	 2020		2021
	5,447,582 5,958,030		7,833,595 8,924,224	10	64,000,416 9,227,089	166,832,038 9,017,560		169,432,045 12,528,625
18	1,405,612	17	6,757,819	1	73,227,505	 175,849,598		181,960,670
	32,300		31,300		33,000	35,700		35,100
8	0,080,904	6	5,643,343	,	73,803,919	93,097,364		97,097,727
	8,312,948		0,348,900		55,043,725	81,299,877		83,366,208
	5,357,715	2	0,765,576		44,379,861	 1,452,357		1,496,735
18	3,751,567	17	6,757,819	1'	73,227,505	 175,849,598	_	181,960,670
\$	0.0347	\$	0.0444	\$	0.0404	\$ 0.0362	\$	0.0319
	0.4692 0.0537		0.2626 0.0633		0.2387 0.0680	1.0199 0.0758		0.7364 0.0765
	0.0575		0.0797		0.1000	0.0626		0.0581

CITY OF KETCHIKAN, ALASKA

Historical Electric Customers, Energy Sales and Operating Results

Last Ten Fiscal Years

	2012	2013	2014	2015	2016
Customers (Average)					
Residential	5,808	5,819	5,817	5,854	5,879
Commercial	1,173	1,171	1,201	1,221	1,228
Industrial	13	13	13	15	16
Other	524	511	575	604	618
Total	7,518	7,514	7,606	7,694	7,741
Energy Sales (KWH)					
Residential	71,794,062	68,668,600	67,665,456	66,410,470	67,731,286
Commercial	71,815,802	72,269,920	72,777,304	70,736,227	71,007,166
Industrial	24,452,654	25,306,208	23,408,642	22,935,650	22,306,193
Other	4,127,748	4,036,936	4,087,753	3,813,907	4,062,484
Total	172,190,266	170,281,664	167,939,155	163,896,254	165,107,129
Operating Results Operating Revenues					
Revenues from Energy Sales	\$16,767,415	\$18,919,766	\$16,323,845	\$16,087,247	\$16,765,326
Other Operating Revenues	464,797	426,644	293,569	350,271	370,497
Total Operating Revenues	17,232,212	19,346,410	16,617,414	16,437,518	17,135,823
Operating Expenses					
Hydroelectric Generation	1,494,523	1,489,541	1,599,911	1,659,158	1,807,339
Diesel Generation	1,500,999	4,317,797	1,302,115	1,189,814	1,198,599
Purchased Power	5,976,876	5,784,566	5,674,201	5,381,319	6,247,593
Transmission and Distribution	3,043,918	3,312,784	3,627,608	3,432,156	3,529,503
Administration and General	1,549,445	1,644,964	1,693,482	1,644,771	1,626,940
Total Operating Expenses	13,565,761	16,549,652	13,897,317	13,307,218	14,409,974
Payment In Lieu of Taxes	343,266	381,993	381,993	381,993	381,993
Total Expenses	13,909,027	16,931,645	14,279,310	13,689,211	14,791,967
Net Revenue	\$3,323,185	\$2,414,765	\$2,338,104	\$2,748,307	\$2,343,856

Table 27

2017	17 2018 2019 2020		2020	2021
5,921	5,946	5,964	5,963	5,972
1,242	1,263	1,275	1,276	1,284
17	16	16	15	14
619	613	612	612	597
7,799	7,838	7,867	7,866	7,867
72,362,242	69,468,706	66,721,122	71,662,953	72,305,649
74,558,231	71,871,577	71,711,843	70,526,226	70,627,205
24,065,722	22,388,719	21,823,945	21,096,348	22,958,288
4,461,387	4,104,593	3,743,506	3,546,511	3,540,903
175,447,582	167,833,595	164,000,416	166,832,038	169,432,045
\$18,285,197	\$19,997,811	\$24,308,653	\$18,484,722	\$19,188,307
506,415	556,296	662,163	520,239	661,458
18,791,612	20,554,107	24,970,816	19,004,961	19,849,765
1,660,261	1,778,068	1,825,999	2,285,877	2,019,243
2,301,768	5,236,590	11,055,977	1,611,664	1,487,196
5,279,985	5,718,650	3,742,973	6,161,899	6,377,283
	3,446,199	3,118,865	3,084,489	3,827,071
3,517,936		- , - ,		
3,517,936 1,788,906	1,832,274	1,881,789	2,079,059	2,024,446
	1,832,274			2,024,446 15,735,239
1,788,906		1,881,789	2,079,059	
1,788,906	18,011,781	1,881,789	2,079,059	15,735,239

CITY OF KETCHIKAN, ALASKA

Historical Telephone Access Lines and Operating Results

Last Ten Fiscal Years

	2012	2013	2014	2015
Access Lines				
Residential	3,497	3,326	3,313	3,352
Commercial	2,937	2,757	2,550	2,371
Total	6,434	6,083	5,863	5,723
Operating Results				
Operating Revenues				
Local	\$2,131,351	\$2,100,995	\$2,005,521	\$2,030,655
Long Distance	8,399,849	8,660,056	9,259,709	9,413,321
Other	4,055,714	4,480,926	4,895,578	6,058,697
Total Operating Revenues	14,586,914	15,241,977	16,160,808	17,502,673
Operating Expenses				
Operation and Maintenance	8,070,658	8,556,970	9,043,964	10,101,434
Administration and General	3,483,492	3,369,942	3,630,057	3,806,866
Total Operating Expenses	11,554,150	11,926,912	12,674,021	13,908,300
Payment In Lieu of Taxes	192,065	206,358	206,358	206,358
Total Expenses	11,746,215	12,133,270	12,880,379	14,114,658
Net Revenue	\$2,840,699	\$3,108,707	\$3,280,429	\$3,388,015

2016	2017	2018	2019	2020	2021
3,345	3,242	3,247	3,070	2,725	2,594
2,266	2,109	2,027	1,973	1,820	1,738
5,611	5,351	5,274	5,043	4,545	4,332
\$2,082,930	\$2,010,146	\$2,000,821	\$1,995,490	\$1,905,420	\$1,863,840
8,927,300	8,525,849	8,871,847	8,857,631	8,285,900	8,448,692
7,453,393	9,277,718	10,131,528	9,089,087	9,290,538	9,543,039
18,463,623	19,813,713	21,004,196	19,942,208	19,481,858	19,855,571
10,642,306	10,195,360	10,769,201	11,067,350	11,870,540	10,991,871
3,740,714	3,790,280	3,865,082	3,827,134	4,199,371	4,004,695
14,383,020	13,985,640	14,634,283	14,894,484	16,069,911	14,996,566
206,358	206,358	206,358	206,358	206,358	206,358
14,589,378	14,191,998	14,840,641	15,100,842	16,276,269	15,202,924
\$3,874,245	\$5,621,715	\$6,163,555	\$4,841,366	\$3,205,589	\$4,652,647

CITY OF KETCHIKAN, ALASKA

Historical Water Customers and Operating Results

Last Ten Fiscal Years

	2012	2013	2014	2015	2016
Customers (Average)					
Residential	2,727	2,724	2,650	2,647	2,649
Apartments	20	21	25	27	28
Commercial	451	444	436	443	454
Industrial	4	4	3	3	3
Cannery	4	5	6	5	5
Fire Hydrant	8	8	8	8	8
Marine Vessels	29	38	34	30	56
Total	3,243	3,244	3,162	3,163	3,203
Operating Results					
Operating Revenues					
Revenues from Water Sales	\$2,935,454	\$3,081,904	\$3,174,900	\$3,453,239	\$3,647,591
Other Operating Revenues	48,168	47,024	33,795	48,939	73,882
Total Operating Revenues	2,983,622	3,128,928	3,208,695	3,502,178	3,721,473
Operating Expenses					
Source of Supply	259,083	450,456	393,529	423,407	393,959
Chlorination/Disinfection	233,871	301,718	311,254	255,398	265,506
Distribution	413,547	362,562	397,994	409,876	428,975
Maintenance	999,167	1,110,737	957,414	1,174,271	969,767
Administration and General	378,671	411,626	431,446	423,847	426,066
Total Operating Expenses	2,284,339	2,637,099	2,491,637	2,686,799	2,484,273
Payment In Lieu of Taxes	192,669	197,649	197,649	197,649	197,649
Total Expenses	2,477,008	2,834,748	2,689,286	2,884,448	2,681,922
Net Revenue	\$506,614	\$294,180	\$519,409	\$617,730	\$1,039,551

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2017	2018	2019	2020	2021
2,659	2,667	2,674	2,679	2,696
28	28	28	28	28
458	470	475	469	479
3	3	3	3	3
5	5	5	5	4
8	8	8	8	8
59	57	1	0	2
3,220	3,238	3,194	3,192	3,220
\$3,738,292	\$4,030,225	\$4,115,734	\$4,132,244	\$4,346,028
49,840	54,425	60,013	34,676	51,963
3,788,132	4,084,650	4,175,747	4,166,920	4,397,991
319,986	373,336	426,636	439,519	507,260
268,756	277,078	298,174	336,040	245,987
434,900	638,455	554,414	502,301	487,639
974,696	1,058,946	1,216,098	1,030,481	1,091,480
465,947	471,284	458,052	507,122	471,142
2,464,285	2,819,099	2,953,374	2,815,463	2,803,508
197,649	197,649	197,649	197,649	197,649
2,661,934	3,016,748	3,151,023	3,013,112	3,001,157
\$1,126,198	\$1,067,902	\$1,024,724	1,153,808	1,396,834



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Table 30

CITY OF KETCHIKAN, ALASKA

Utility Rates and Charges

For the Year Ending December 31, 2021

Electric	A7 40			
Residential	\$7.40	plus \$0.1109 per kWh		
Harbor service	13.60	plus \$0.1109 per kWh	27	
Commercial	42.00	plus \$0.1039 per kWh plus a demand charge of \$3	3.3 / per kw in exce	ess of 25 kW
Industrial	61.75	this flat fee in effect April through September	27 man IsW in away	an of 25 hW
maustriai	01.75	plus \$0.0963 per kWh plus a demand charge of \$3	5.57 per kw in exce	SS 01 23 KW
Telecommunications				
Residential	16.45	line charge plus \$10.40 for FCC subscriber line ch	harge	
	34.95	Broadband DSL Basic (Download Speed 3M and	Upload Speed 3M,	25GB data)
	49.95	Broadband DSL Regular (Download Speed 5M an	nd Upload Speed 51	M, 50GB data)
	39.99	IPTV Basic (Does not include \$9.95 for High Def	finition Service)	
Business	18.95	per single or multi-business line plus \$9.20 for FC	CC subscriber line c	harge
	34.95	Broadband DSL Basic (Download Speed 3M and	Upload Speed 3M,	25GB data)
	49.95	Broadband DSL Regular (Download Speed 5M and	nd Upload Speed 51	M, 50GB data)
	59.95	Broadband DSL Regular (Download and Upload	Speeds 30M, 100G	B data)
	39.99	IPTV Basic (Does not include \$9.95 for High Def	finition Service)	
Customer Premise Visit	35.00	On site visit to customer's premises		
Water				
Residential				
Homes & Trailers	60.83	per unit		
1-4 apartments	60.83	per unit		
5-24 apartments	55.43	per unit		
25+ apartments	47.55	per unit		
- ·				
Business	63.41	plus size of line charges as follows		
1 inch 1-1/4 inch	42.26			
	126.81			
1-1/2 inch	243.06			
2 inch	441.61			
2-1/2 inch	684.25			
3 inch	1,035.55			
4 inch	1,759.40			
In ductrical	Line Charact		1444.4	¢50 022 01
Industrial	Line Charges	Canneries, per season 3" Minimu		\$59,833.81
5/8 and 3/4 inch	84.54	Additional Charges for Services:		
1 inch	126.81	5/8 and 1 inch	\$2,080.24	
1-1/4 inch	211.35	1 1/4 inch	3,735.45	
1-1/2 inch	330.18	1-1/2 inch	4,988.05	
2 inch	504.58	2 inch	14,919.33	
2-1/2 inch	766.41			
3 inch	1,158.35			
4 inch	1,894.07			
6 inch	3,156.86			
8 inch	3,500.27			
Over 8 inch	by special contract	of		
	sy special contra			

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

	2012	2013	Restated ¹ 2014	2015	2016
Assets					
Cash	\$ 2,285,517	\$ 2,900,167	\$ 5,504,277	\$ 6,420,791	\$ 7,957,557
Port Facilities (net)	47,867,526	53,659,903	54,481,904	52,934,352	52,244,740
Construction Work in Progress	5,066,048	5,449,151	200,947	439,032	374,566
Restricted Assets	6,082,097	6,595,730	8,724,101	7,582,492	7,075,705
Prepaid Expense	1,055,740	1,124,342	1,021,346	1,113,090	1,026,946
Other Assets	3,080,061	5,546,430	2,903,333	3,150,839	3,316,606
Total assets	65,436,989	75,275,723	72,835,908	71,640,596	71,996,120
Liabilities and Net Position					
General Obligation Bonds Payable	270,000	-	-	-	-
Revenue Bonds Payable	34,315,000	33,505,000	32,660,000	31,775,000	27,025,000
Other Liabilities	1,072,313	1,699,380	860,042	1,275,821	5,362,008
Total liabilities	35,657,313	35,204,380	33,520,042	33,050,821	32,387,008
Net Position	\$ 29,779,676	\$ 40,071,343	\$ 39,315,866	\$ 38,589,775	\$ 39,609,112
Operating Revenues	\$ 8,592,255	\$ 9,145,920	\$ 8,578,059	\$ 9,032,271	\$ 8,961,241
Operating Expenses					
Operation and Maintenance	\$ 4,031,100	\$ 4,582,100	\$ 4,726,515	\$ 4,636,079	\$ 4,916,988
Depreciation	1,359,513	1,636,863	1,587,253	1,589,941	1,605,242
Payment in Lieu of Taxes/Taxes	295,000	319,000	319,000	319,000	319,000
Total operating expenses	5,685,613	6,537,963	6,632,768	6,545,020	6,841,230
Operating Income	2,906,642	2,607,957	1,945,291	2,487,251	2,120,011
Non-Operating Revenue (Expense)	(1,794,603)	(1,740,642)	(1,581,717)	(1,571,163)	(1,713,125)
Income Before Contributions, Extraordinary					
Item & Transfers	1,112,039	867,315	363,574	916,088	406,886
Contributions	2,018,165	1,993,212	2,491,297	70,425	16,004
Capital Grants	6,214,416	8,676,543	4,407,753	277,647	654,642
Extraordinary Item	-	-	-	-	359,246
Special Item	-	-	-	-	-
Transfers	(8,178)	(80,199)	(5,018,804)	(1,619,258)	19,258
Loss on sale of capital assets	-	(1,165,204)	(2,999,297)	(27,082)	(436,699)
Change in Net Position	\$ 9,336,442	\$ 10,291,667	\$ (755,477)	\$ (382,180)	\$ 1,019,337
Revenue Bond Debt Coverage:					
1.25 x Annual Debt Service	3.36	3.48	3.49	2.71	2.11
1.0 x Annual Debt Service/Reserves					
Account/Repair and Replacement Fund/SPH Lease Payments	1.67	1.63	1.64	1.28	1.10
# of Ships	34	31	37	38	38
# of Calls/Stops	467	456	468	496	489
# of Water Passengers	885,799	938,124	877,589	934,772	935,928

Table 31

		2018		2019		2020		2021
9,614,774	\$	9,494,268	\$	10,958,259	\$	4,463,620	\$	5,512,570
1,107,786		49,525,407		48,076,054		52,938,299		51,800,747
2,658,931		8,809,064		11,100,273				9,120,646
8,028,787		6,291,121		7,853,528		8,018,227		8,160,502
1,070,289		1,108,809		1,161,500		750,000		750,000
2,943,363		1,536,256		2,702,547		84,349		419,159
5,423,930		76,764,925		81,852,161		75,357,710		75,763,624
-		-		-		-		-
								22,120,000
6,190,956		4,922,591		4,582,992		4,097,879		4,229,113
2,320,956		30,122,591		28,802,992		27,292,879		26,349,113
3,102,974	\$	46,642,334	\$	53,049,169	\$	48,064,831	\$	49,414,511
9.391.272	\$	9.970.302	\$	10.682.037	\$	82.144	\$	1,353,442
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Ψ	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		10,002,007	Ψ	02,111	Ψ	1,555,112
5.124.365	\$	4,730,576	\$	4,859,929	\$	5.438.567	\$	3,549,248
		, ,						1,184,459
								319,000
7,056,226		6,662,033		6,628,281		7,113,826		5,052,707
2,335,046		3,308,269		4,053,756		(7,031,682)		(3,699,265)
(960,933)		(825.923)		(645.227)		(781,501)		(900,607)
()00,)55)		(020,720)		(013,227)		(/01,501)		()00,007)
1,374,113		2,482,346		3,408,529		(7,813,183)		(4,599,872)
11,412		13,360		20,780		23,768		3,849,405
1,058,007		608,172		1,556,480		3,443,520		2,000,000
-		-		-		-		-
-		-		-		-		-
1,050,330		543,323		1,421,046		(638,443)		100,147
-		-		-		-		-
3,493,862	\$	3,647,201	\$	6,406,835	\$	(4,984,338)	\$	1,349,680
3.18		3.70		4.05		-1.00		1.64
1.24		1.50		1.70		(0.40)		0.00
1.34		1.53		1.63		(0.49)		0.80
43		40		46		-		17
43 507 996,920		40 504 1,045,079		46 562 1,171,620		-		17 87 75,872
	1,107,786 2,658,931 8,028,787 1,070,289 2,943,363 5,423,930 6,130,000 6,190,956 2,320,956 3,102,974 9,391,272 5,124,365 1,612,861 319,000 7,056,226 2,335,046 (960,933) 1,374,113 11,412 1,058,007 - 1,050,330 - 3,493,862	1,107,786 2,658,931 8,028,787 1,070,289 2,943,363 5,423,930 6,130,000 6,130,000 6,190,956 2,320,956 3,102,974 \$ 9,391,272 \$ 5,124,365 1,612,861 319,000 7,056,226 2,335,046 (960,933) 1,374,113 11,412 1,058,007 - 3,493,862	1,107,786 49,525,407 2,658,931 8,809,064 8,028,787 6,291,121 1,070,289 1,108,809 2,943,363 1,536,256 5,423,930 76,764,925 6,130,000 25,200,000 6,190,956 30,122,591 2,320,956 30,122,591 3,102,974 \$ 46,642,334 9,391,272 \$ 9,970,302 5,124,365 \$ 4,730,576 1,612,861 1,612,457 319,000 319,000 7,056,226 6,662,033 (960,933) (825,923) 1,374,113 2,482,346 11,412 13,360 1,058,007 608,172 1,050,330 543,323 1,053,030 543,323	1,107,786 49,525,407 2,658,931 8,809,064 8,028,787 6,291,121 1,070,289 1,108,809 2,943,363 1,536,256 5,423,930 76,764,925 6,130,000 25,200,000 6,190,956 4,922,591 2,320,956 30,122,591 3,102,974 \$ 46,642,334 \$ 9,391,272 \$ 9,970,302 \$ 5,124,365 \$ 4,730,576 \$ 1,612,861 1,612,457 \$ 319,000 319,000 319,000 7,056,226 6,662,033 \$ (960,933) (825,923) \$ 1,374,113 2,482,346 \$ 11,412 13,360 \$ 1,058,007 608,172 \$ 1,050,330 543,323 \$ 3,493,862 \$ 3,647,201 \$	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$



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