

A photograph of a long, arched tunnel with a person walking in the distance. The tunnel has a series of lights hanging from the ceiling and railings on both sides. The structure is made of metal and concrete, with a repeating arch pattern. The lighting is dramatic, with strong highlights and deep shadows.

# **Ketchikan Gateway Borough**

*Ketchikan, Alaska*

**Comprehensive Annual Financial Report**  
*For the Fiscal Year Ended June 30, 2020*

*Ketchikan International Airport Ferry Ramp  
Photo provided by Mike Gates.  
Photo may not be reproduced without the permission of the photographer.*

# KETCHIKAN GATEWAY BOROUGH

Ketchikan, Alaska

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

June 30, 2020

Prepared by:

Department of Finance

Cynna Gubatayao, Director  
Maureen Crosby-CPA, Controller  
1900 First Avenue, Suite 118  
Ketchikan, Alaska 99901



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**Ketchikan Gateway Borough, Alaska**  
**Comprehensive Annual Financial Report**  
**For The Year Ended June 30, 2020**

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# **INTRODUCTORY SECTION**



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# KETCHIKAN GATEWAY BOROUGH

1900 First Avenue, Suite 118, Ketchikan, Alaska 99901

Cynna Gubatayao, Finance Director

phone 907/228-6620 fax 907/247-6698

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Office of the Borough Finance Department

December 28, 2020

Honorable Mayor, Members of the Borough Assembly,  
and the Citizens of the Ketchikan Gateway Borough

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Ketchikan Gateway Borough for the year ended June 30, 2020. The CAFR is designed for the public to understand the operational accountability with the government-wide financial statements, fund financial statements, notes to the financial statements, and required supplementary information.

The CAFR was prepared by the Ketchikan Gateway Borough Finance Department and subsequently audited by Teuscher Walpole, LLC. 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 Borough's assets from loss, theft, or misuse and to maintain sufficient reliable information for the preparation of the Borough'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 attest that to the best of our knowledge and belief this financial report is complete and reliable in all material aspects. The Borough's financial statements were also audited by Teuscher Walpole, LLC. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Borough for the year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts 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 Borough's financial statements for the year ended June 30, 2020 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.

Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Borough's MD&A can be found immediately following the independent auditor's report.

## **Profile of the Ketchikan Gateway Borough**

Located on Revillagigedo Island in southern Southeast Alaska, and within the boundaries of the Tongass National Forest, Ketchikan is 650 miles north of Seattle, Washington, and 200 miles south of Juneau, Alaska's capital. Its boundaries extend around Revillagigedo Island, Gravina Island, Pennock Island and other smaller islands with the defined boundaries. The Borough is situated at the southern end of the 16.8-million-acre Tongass National Forest (the Tongass). The Tongass is the largest national forest in the United States. Harvesting and promoting the natural resources of the Tongass provide employment opportunities,

directly or indirectly for the Borough. The City of Ketchikan and the City of Saxman are incorporated cities within the Borough.

The Borough was incorporated as a second-class borough on September 13, 1963, and has operated under the Assembly-Manager form of government since 1974. The Mayor and seven Assembly Members are elected by the voters at-large for staggered three-year terms. Local elections are held annually in October. The Assembly is responsible for enacting ordinances, adopting the annual budget, establishing policy, and appointing the Borough Manager, Borough Clerk, and Borough Attorney.

The Ketchikan Gateway Borough School District is reported as a discretely presented component.

The Borough operates an enterprise fund for the Ketchikan International Airport including the airport ferry, and operates an enterprise fund for non-areawide services for wastewater. The Borough is responsible for property tax assessments, tax collection, and schools. Fire protection, emergency medical services, road maintenance, docks, and water utility service are provided through service areas. The transit system, Gateway Aquatic and Recreation Center, and parks are operated within the General Fund. Other areawide services include planning, platting, animal protection, and economic development. Other non-areawide services include library services and solid waste.

As part of the long term financial planning process, the Assembly holds an annual work session each January or February. During the session, the Assembly considers the fiscal impact on fund balances of potential legislation, local policy actions and economic conditions. A planning window of at least five years is used. During the work session, the Assembly sets the initial assumptions to be used in preparation of the next annual budget.

The annual budget serves as the foundation for the Borough's financial plan and control. The objective of the budgetary controls is to ensure compliance with legal provisions embodied in the annual budget adopted by the Ketchikan Gateway Borough Assembly. Departments are required to submit requests for appropriation to the Borough Manager. The Borough Manager uses these requests as a basis for developing a proposed annual budget that is submitted to the Borough Assembly by the first regular Assembly meeting in May. Upon adoption of the budget, the Manager may authorize the transfer of funds within a fund. The transfer of money between funds requires an action of the Assembly for ratification. 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 funds of the Borough, this comparison is presented as part of the basic financial statements. For nonmajor governmental funds with appropriated budgets, this comparison is presented in the governmental fund subsection of this report.

## **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 Ketchikan Gateway Borough for its CAFR for the fiscal year ended June 30, 2019. This is the thirteenth consecutive year that the Borough has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy 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 CAFR continues to meet the Certificate of Achievements Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the CAFR requires input from the professional staff of the Finance Department. Without their efforts, it would not have been possible to produce this report. We would like to thank the following staff members for their efforts and contributions:

Brenda Bjork  
Amy Briggs  
Claire Kelly  
Lhen Pabilona  
Brenda Secrest  
Pam Srna  
Charlanne Thomas

Respectfully submitted,



Cynna Gubatayao  
Finance Director



Maureen Crosby, CPA  
Controller



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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Ketchikan Gateway Borough  
Alaska**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

# Ketchikan Gateway Borough

FY 2020



# KETCHIKAN GATEWAY BOROUGH

## PRINCIPAL BOROUGH OFFICIALS

June 30, 2020

### MAYOR AND ASSEMBLY

		<u>Term Expires</u>
<i>Mayor</i>	Rodney Dial	2022
<i>Vice-Mayor</i>	Amanda (AJ) Pierce	2020
<i>Assembly Member</i>	Alan Bailey	2020
<i>Assembly Member</i>	David Landis	2022
<i>Assembly Member</i>	Austin Otos	2022
<i>Assembly Member</i>	Susan Pickrell	2020
<i>Assembly Member</i>	Sven Westergard	2021
<i>Assembly Member</i>	Felix Wong	2021

The legislative power of the Ketchikan Gateway Borough is vested in an assembly of seven members. This assembly meets in regular session every first and third Monday of the month in the Assembly Chambers located in the White Cliff Building at 1900 First Avenue, Ketchikan, Alaska.

### BOROUGH STAFF

<i>Borough Manager</i>	Ruben Duran
<i>Assistant Borough Manager</i>	Deanna Thomas
<i>Borough Attorney</i>	Glenn Brown
<i>Borough Clerk</i>	Kacie Paxton
<i>Director of Animal Protection</i>	Eddie Blackwood
<i>Director of Assessment</i>	Adam Thompson
<i>Director of Finance</i>	Cynna Gubatayao
<i>Director of Planning</i>	Richard Harney
<i>Airport Manager</i>	Mike Carney
<i>Director of Public Works</i>	Alex Peura
<i>Parks and Recreation Supervisor</i>	Wendy Miller



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# **FINANCIAL SECTION**



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# Teuscher Walpole, LLC

CERTIFIED PUBLIC ACCOUNTANTS • TRUSTED ADVISORS

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the Borough Assembly  
Ketchikan Gateway Borough  
Ketchikan, Alaska

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Ketchikan Gateway Borough as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Ketchikan Gateway Borough's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Ketchikan Gateway Borough, as of June 30, 2020, 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.

### ***Other Matters***

#### ***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 11–25 and the Public Employees Retirement System Schedule of Net Pension Liability, Net OPEB Liability and the Schedule of Pension Contributions, and the IBEW Pension Contributions on page 92–96 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have

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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.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ketchikan Gateway Borough's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2020, on our consideration of the Ketchikan Gateway Borough'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 Ketchikan Gateway Borough'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 the Ketchikan Gateway Borough's internal control over financial reporting and compliance.

Teuscher Walpole, LLC

December 28, 2020

**Ketchikan Gateway Borough, Alaska**  
Management's Discussion and Analysis  
Year Ended June 30, 2020

Within this section of the Ketchikan Gateway Borough, Alaska (the Borough) annual financial report, the Borough's management is pleased to provide this narrative discussion and analysis of the financial activities of the Borough for the fiscal year ended June 30, 2020. The Borough's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

**Financial Highlights**

- The Borough's net position exceeded its liabilities by \$185,048,748 for the fiscal year reported.
- Total net position is comprised of the following:
  - (1) Deferred outflows of resources includes \$1,934,735 related to pensions and OPEB, and \$71,589 for deferred loss on refunding. Deferred inflows of resources includes \$917,604 related to pensions and OPEB.
  - (2) Net investment in capital assets of \$155,164,779 includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  - (3) Net position of \$18,521,745 is restricted by constraints imposed from outside the Borough such as debt covenants, grantors, laws, or regulations.
  - (4) Unrestricted net position of \$11,362,224 indicates that the Borough has available assets to maintain the Borough's continuing obligations to citizens and creditors.
- The Borough's governmental funds reported total ending fund balances of \$34,818,377 this year. This compares to the prior year ending fund balance of \$36,618,407, showing a decrease of \$1,800,030 during the current year.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$12,572,758 or 112% of total General Fund expenditures, exclusive of transfers to other funds. This is compared to the fiscal year 2019 unassigned fund balance of \$12,140,093, which was 116% of total General Fund expenditures, exclusive of transfers to other funds. The decline in unassigned fund balances is due to an increase in General Fund expenditures.
- The Borough's mill rate is currently 5.0 and has been at this rate for 9 years. It was reduced from 5.8. Since fiscal year 2017, the entire 5.0 mills is allocated to the Local Education Fund.

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

**Overview of the Financial Statements**

This Management's Discussion and Analysis document introduces the Borough's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Borough also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available.

***Government-wide Financial Statements***

The Borough's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Borough'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.

**Ketchikan Gateway Borough, Alaska**  
Management's Discussion and Analysis  
Year Ended June 30, 2020

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 Borough's assets and liabilities, 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 Borough as a whole is improving or deteriorating. Evaluation of the overall health of the Borough would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of Borough 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 Borough's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Borough's distinct activities or functions on revenues provided by the Borough's taxpayers.

Both government-wide financial statements distinguish governmental activities of the Borough 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, library services, public services, fire and EMS, parks and recreation, public works, and education. Business-type activities include the airport and the wastewater systems.

### ***Fund Financial Statements***

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

The Borough has two kinds of 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 Borough's governmental funds. These statements report short-term fiscal 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. The budgetary comparison statements for the General Fund, the Land Trust Fund, the Commercial Passenger Vessel Fund, the School Bond/Capital Improvements Fund, and the Local Education Fund are presented as basic financial statements. There are no budgetary comparison statements for the State & Federal Grants Fund or for the Capital Projects Fund. State and Federal grants are not budgeted for, since funds are not normally appropriated by the agency until after the completion of the local budget process. Grants from other agencies are approved and accepted by the Assembly by resolution. Major Capital Projects are also not budgeted through the normal budget process because they are budgeted and approved by the Assembly when contracts are awarded.

**Ketchikan Gateway Borough, Alaska**  
Management's Discussion and Analysis  
Year Ended June 30, 2020

Individual fund information for non-major governmental funds is found in combining statements in a later section of this report.

*Proprietary funds* are reported in the fund financial statements and generally report services for which the Borough charges customers a fee. The Borough has four proprietary funds. Two 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 Borough organization for the airport operations and wastewater operations.

***Notes to the Basic Financial Statements***

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

***Other Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the Borough's budget presentations, other than those funds referenced above. These statements and schedules demonstrate compliance with the Borough's adopted and final revised budget. As discussed, the Borough reports major funds in the basic financial statements.

**Government-wide Financial Analysis**

***Statement of Net Position***

The Borough's net position at fiscal year-end is \$185,048,748. The following table provides a summary of the Borough's net position.

*(This page continued on the subsequent page).*

**Ketchikan Gateway Borough, Alaska**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2020**

**Summary of Net Position**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Assets:</b>						
Current assets	\$ 48,709,679	\$ 42,233,806	7,150,349	5,558,428	55,860,028	47,792,234
Receivable from Component Unit	1,561,190	676,661	-	-	1,561,190	676,661
Net other post- employment benefits asset	40,157	-	16,992	-	57,149	-
Capital assets	152,800,970	154,813,656	28,656,401	29,871,660	181,457,371	184,685,316
<b>Total Assets</b>	203,111,996	197,724,123	35,823,742	35,430,088	238,935,738	233,154,211
<b>Deferred Outflows of Resources:</b>						
Loss on refunding	71,589	124,863	-	-	71,589	124,863
Related to pensions	893,810	971,678	273,126	306,074	1,166,936	1,277,752
Related to OPEB	523,684	517,411	244,115	241,461	767,799	758,872
<b>Total Assets and Deferred Outflows of Resources</b>	\$ 204,601,079	\$ 199,338,075	\$ 36,340,983	\$ 35,977,623	\$ 240,942,062	\$ 235,315,698
<b>Liabilities:</b>						
Current liabilities	\$ 20,255,590	\$ 10,449,112	280,503	561,958	20,536,093	11,011,070
Long-term liabilities	30,553,443	35,471,367	3,886,174	4,330,951	34,439,617	39,802,318
<b>Total Liabilities</b>	50,809,033	45,920,479	4,166,677	4,892,909	54,975,710	50,813,388
<b>Deferred Inflows of Resources:</b>						
Related to pensions	321,111	139,134	190,892	113,892	512,003	253,026
Related to OPEB	247,392	522,270	158,209	274,517	405,601	796,787
<b>Total Liabilities and Deferred Inflows of Resources</b>	51,377,536	46,581,883	4,515,778	5,281,318	55,893,314	51,863,201
<b>Net Position:</b>						
Net investment in capital assets	126,508,378	125,006,914	28,656,401	29,871,660	155,164,779	154,878,574
Restricted	18,521,745	20,355,893	-	-	18,521,745	20,355,893
Unrestricted	8,193,420	7,393,385	3,168,804	824,645	11,362,224	8,218,030
<b>Total Net Position</b>	\$ 153,223,543	152,756,192	31,825,205	30,696,305	185,048,748	183,452,497

Approximately 11.5% or \$4,703,582, of Ketchikan Gateway Borough's cash and investments are subject to external restrictions on how they must be used. \$429,473 is restricted for debt in the Land Trust Fund, \$738,730 is restricted for capital projects, and \$3,535,379 is restricted for commercial passenger vessel related projects.

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The largest component of the Borough's governmental total assets is invested in capital assets. Capital assets account for 74.7% of total assets and deferred outflows of resources, and net investment in capital assets accounts for 82.6% of total net position. The Borough's capital assets include land, Borough buildings and improvements, School District land, buildings and improvements, vehicles, transit buses, and infrastructure. The Borough uses these capital assets to provide services to its citizens. With business type activities, the Borough has spent approximately 78.9% of total assets and deferred outflows of resources on capital. Capital assets in the business-type activities provide airport and utility services, and they also generate revenues for these funds. 90.0% of the Borough's business type activities total net position is composed of net investment in capital assets. Net investment in capital assets for governmental activities increased by \$1,501,464 and net investment in capital assets for business type activities decreased by \$1,215,259. The majority of the increases in capital assets for governmental activities were funded with sales tax revenues that were dedicated to the School Bond Capital Improvements Fund and the Recreation Sales Tax Fund. The decrease in the business type activities is due to the depreciation of newly capitalized assets towards the end fiscal year 2019.

***Changes in Net Position***

The Borough's total net position increased by \$1,596,251 in 2020. The net position for governmental activities increased by \$467,351, and the net position for business activities increased by \$1,128,900. The table below provides a summary of the changes in the Borough's net position:

*(This page continued on the subsequent page).*

**Ketchikan Gateway Borough, Alaska**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2020**

**Summary of Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program:						
Charges for services	\$ 8,625,873	\$ 8,776,677	6,151,021	6,194,657	14,776,894	14,971,334
Operating grants	3,270,621	2,815,203	804,837	-	4,075,458	2,815,203
Capital grants	2,920,884	4,784,285	26,798	4,795,362	2,947,682	9,579,647
General:						
Taxes	20,624,885	21,677,200	-	-	20,624,885	21,677,200
Other	4,657,527	4,081,985	228,596	135,496	4,886,123	4,217,481
Total revenues	40,099,790	42,135,350	7,211,252	11,125,515	47,311,042	53,260,865
Program Expenses:						
General government	4,170,530	3,431,525	-	-	4,170,530	3,431,525
Fire and EMS	1,490,185	1,764,481	-	-	1,490,185	1,764,481
Water treatment & distribution	316,121	237,038	-	-	316,121	237,038
Library services	464,839	436,161	-	-	464,839	436,161
Parks and recreation	3,589,035	3,538,132	-	-	3,589,035	3,538,132
Public works	1,024,598	1,048,172	-	-	1,024,598	1,048,172
Public services	3,612,137	3,341,774	-	-	3,612,137	3,341,774
Transit	2,628,542	2,641,532	-	-	2,628,542	2,641,532
Education	19,925,235	18,743,052	-	-	19,925,235	18,743,052
Interest	1,452,565	1,529,612	-	-	1,452,565	1,529,612
Airport	-	-	5,993,768	5,681,725	5,993,768	5,681,725
Wastewater	-	-	1,047,236	988,967	1,047,236	988,967
Total expenses	38,673,787	36,711,479	7,041,004	6,670,692	45,714,791	43,382,171
Excess (deficiency)	1,426,003	5,423,871	170,248	4,454,823	1,596,251	9,878,694
Transfers	(958,652)	(252,648)	958,652	252,648	-	-
Change in net position	467,351	5,171,223	1,128,900	4,707,471	1,596,251	9,878,694
Net Position Beginning of Year	152,756,192	147,584,969	30,696,305	25,988,834	183,452,497	173,573,803
Net Position End of Year	\$ 153,223,543	152,756,192	31,825,205	30,696,305	185,048,748	183,452,497

**Ketchikan Gateway Borough, Alaska**  
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**GOVERNMENTAL ACTIVITIES**

The Borough is heavily reliant on property and sales taxes to support governmental operations and capital. Property taxes of \$10.8 million accounted for approximately 42.8% of the total general revenues. Sales taxes provided 33.7% of the Borough's total governmental general revenues. The Borough recognized \$907,237 in investment income for fiscal year 2020. The total income was from interest earnings on savings accounts, time certificates of deposits and interest charged on internal loans to other funds. Program revenues covered 38.3% of governmental operating expenses; as compared to 44.6% coverage in fiscal year 2019.

**GOVERNMENTAL FUNCTIONAL REVENUES AND EXPENDITURES**

- Charges for services decreased \$150,804 from fiscal year 2019. Charges for services for public services increased \$119,739, but that increase was offset by decreases in Fire and EMS, Parks and Recreation, and Transit.
- Operating grants and contributions in total increased \$455,418 from fiscal year 2019, due mainly to COVID-19 related grants through CARES Act and FEMA. There was a \$100,000 increase in the operating grant for Transit.
- Capital grants and contributions decreased by \$1,863,401 from fiscal year 2019. There were no capital grants received for General Government, Parks and Recreation, or Transit during fiscal year 2020. The majority of the capital grants received in fiscal year 2019 were for the purchase of new Transit buses.
- General Government expenditures increased \$739,005 from fiscal year 2019, due to a decrease in admin fees charged to other funds. Admin fees charged to service areas, special revenue funds and enterprise funds offset the total general government expenditures. Admin fees are reported on the General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance as "recovery of expenditures from other funds."
- Parks and Recreation expenditures increased \$50,903 from fiscal year 2019, due to an operating loss in the health insurance internal service fund, and a prorata allocation of that loss to Parks and Recreation.
- Education expenditures increased \$1,182,183 from fiscal year 2019. This increase resulted from an increase in the Borough's budgeted appropriation for operation.
- Total program expenditures for government funds increased by \$1,962,308 or 5.4%. The majority of that increase is due to increased expenditures for General Government, Library Services, Parks and Recreation, Water Treatment & Distribution, and Education. These increases were offset by decreases in Fire and EMS, Public Works, Transit, and interest on debt service.

**BUSINESS-TYPE ACTIVITIES**

***Airport Enterprise Fund*** - The primary enterprise fund of Ketchikan Gateway Borough is the Airport Enterprise Fund. This fund is used to account for the operations of the Ketchikan International Airport. The Airport Enterprise Fund is responsible for the operation and maintenance of the airport facilities and ferry system. The Ketchikan Gateway Borough owns and operates the terminal buildings and the airport ferries and leases the Ketchikan International Airport land reserve from the State of Alaska. (The lease with the State of Alaska is discussed at Note 3-G).

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Operating revenues for the Airport Enterprise Fund decreased by \$91,121 or 1.7% and operating expenses increased by \$223,880 or 4.1%. This is mainly due to increases in supplies and services of \$307,690 and was offset by a decrease in personnel services of \$105,159. The reduction in personnel services was related to a net reduction for pensions and OPEB expenses. Operating grants increased by \$907,037 and is due to CARES Act grant revenues.

Personnel services decreased by \$105,159 or 3.8%. This decrease is due to the allocation of credits rather than expenses for pension and OPEB expense allocated through GASB 68 and GASB 75. Supplies and services increased by \$307,690 or 22.9%. This increase is mainly due to expenses incurred for the Terminal Area Plan. Insurance costs increased by \$14,079 and depreciation increased by \$7,270. These changes are nominal.

Net position increased by \$1,596,135 or 7.6% from fiscal year 2019. The net position increase is mainly due to CARES Act grant revenue and transfers in from the Passenger Facility Charges fund. The transfers in were to reimburse the Airport Enterprise Fund for the cost of the terminal area plan.

***Wastewater Enterprise Fund (WEF)*** – this fund is used to account for the operations of Ketchikan Gateway Borough's wastewater utility, sludge pumping, and other wastewater programs. The net position of the WEF decreased during fiscal year 2020. Operating revenues increased by \$47,485 or 6.2%. Operating expenses increased by \$48,595 or 4.92%, and is attributable to increases in personnel services and supplies and services. "Recovery of expenditures from other funds" was comparable to fiscal year 2019. Personnel services increased by \$8,943 or 5.4%. Supplies and services increased by \$37,162 or 8.0%. Insurance costs and depreciation increased slightly.

Net position decreased by \$207,960 or 2.1% from fiscal year 2019. The net position decrease is a result of net operating expenses exceeding net operating revenues.

## **Financial Analysis of the Borough's Funds**

### ***Governmental Funds***

Governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$34,818,377. Of this year-end total, \$12,572,670 is unassigned. Legally restricted fund balances totaling \$18,801,048 include \$688,966 for airport projects; \$738,730 for capital projects; \$3,536,998 for commercial passenger vessel impacts; \$54,195 for dock improvements; \$8,652,595 for education; \$301,569 for library operations; \$2,495,306 for public safety and water; \$2,024,061 for recreation; and \$308,628 for road maintenance. Fund balances are committed in total for \$3,435,011, consisting of \$80,854 for interfund loans and \$3,354,157 for Borough owned land management. The total ending fund balances of governmental funds decreased by \$1,800,030 or 4.9% from fiscal year 2019.

### ***Major Governmental Funds***

***General Fund*** – The General Fund is the Borough's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$422,784, a 4.0% increase. This increase is mainly due to an increase in investment earnings.

Total taxes collected were \$844,885 less than budgeted. The unfavorable variance is primarily due to the loss of sales taxes caused by the shut down of the cruise industry. No property taxes were budgeted in the General

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Fund in fiscal year 2020. Since fiscal year 2017 property taxes have been budgeted and credited in the Local Education Fund.. Taxes reported include automobile, sales, and penalties and interest.

Intergovernmental revenues were \$232,664 more than budgeted and were \$51,677 more than fiscal year 2019. The increase from fiscal year 2019 is because revenues from the Federal transit operating grant and Federal PILT increased in total by \$114,943. The total increase was offset by a decrease in the other intergovernmental revenues.

Community assistance program revenue of \$374,560 was received in fiscal year 2020. The State Legislature provided \$288,979 in PERS relief to Ketchikan Gateway Borough and \$254,582 of the total relief was recognized in the General Fund. Total General Fund expenditures and transfers out increased by \$784,208 or 7.4% over fiscal year 2019.

Charges for services were \$209,853 less than budgeted. Charges for services in fiscal year 2020 were \$215,204 less than fiscal year 2019 due to decreased revenues in Parks and Recreation and the Borough Transit system. Investment earnings were up \$365,922 over fiscal year 2019.

All general government departments with the exception of the Automation and Planning departments under spent their final budgets. A 4.2% unfavorable variance in revenue collections of \$(445,224) and a 8.0% favorable variance in expenditures and transfers out of \$993,898 increased the projected net change in fund balance by \$548,674. Sales tax collections were \$770,812 or 13.0% less than fiscal year 2019 and \$836,424 or 14.0% less than budgeted for fiscal year 2020.

***Land Trust Fund*** – During fiscal year 2020, charges for services, land sales, investment earnings, and miscellaneous revenue brought total revenues to \$558,306. The fund expended \$367,389 for public services. \$304,899 was transferred to the Debt Service Fund for principal and interest payments on the certificates of participation for the White Cliff School Building, which houses the Borough's administrative offices. The fund transferred \$242,686 back to the General Fund for the budgeted office space rent for governmental offices in the White Cliff building. The net change in fund balance was a \$356,668 decrease.

***Commercial Passenger Vessel (CPV) Fund*** – This fund is used to account for CPV revenues received from the State of Alaska. These funds will be used to improve port and harbor facilities and other services to properly provide for vessel or watercraft visits and to enhance the safety and efficiency of interstate and foreign commerce. During fiscal year 2020, this fund received \$2,723,867 in commercial passenger vessel tax from the State of Alaska and \$26,275 in investment earnings. Public services were charged to this fund in the amount of \$589,293. Transfers in to the Airport Enterprise Fund, the General Fund for Transit, and to North and South Tongass Service Areas were transferred out of the CPV Fund in the amount of \$1,287,967. A favorable budgeted variance for the CPV tax revenue and a reduction in public services offered due to the lack of visitors in the spring of 2020 resulted in a \$872,882 increase in fund balance.

***School Bond/Capital Improvements Fund*** – This fund is used to account for the receipt of revenues received from the State of Alaska for the School Bond Debt Reimbursement Program and the ½ -cent sales tax approved by the voters to fund school projects. These funds are used to pay for school bond debt, school capital projects that would qualify for bonding, and insurance on school buildings. This fund recognized \$1,676,185 in sales tax revenue, \$1,009,767 in debt reimbursement revenues, \$5,266 in penalties and interest, and \$74,903 in investment earnings. Debt reimbursement was budgeted at \$2,037,563 and \$1,009,767 was received. This fund transferred out \$2,913,127 for G.O. bond principal and interest payments into Debt Service Funds, \$162,751 to the Recreation CIP Fund and \$216,630 to the Local Education Fund for building insurance. This fund also expended \$781,432 for the Houghtaling School Reroof project, and \$27,799 for the Ketchikan High

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School Boiler Replacement project. The Houghtaling School Reroof project was completed in fiscal year 2020. The ending fund balance decreased by \$1,391,752 or 22.7%

**Local Education Special Revenue Fund** – This fund is used to account for the receipt of property taxes, National Forest Receipts, and to process payments for local education support. Property tax collections were \$23,386 less than budgeted. Total transfers in were budgeted at \$309,890 and \$406,520 was transferred into the Local Education Fund. In fiscal year 2020, the Tobacco Excise Taxes was credited directly to the Local Education Fund. The LEF recognized \$1,299,368 in tobacco excise taxes, \$199,368 more than budgeted. Transfers in to the Local Education Fund were \$216,630 from the School Bond CIP Fund for school building insurance, and \$189,890 from the General Fund. National Forest Receipts were budgeted at \$846,750 and \$847,305 was received.

The fund balance of the Local Education Fund decreased by \$842,416, for an ending fund balance of \$3,920,777.

**State & Federal Grants Fund** – During the current fiscal year, the Borough received \$519,772 in State and Federal grants. The Borough expended \$519,772 on public services. The Borough reports on the balance sheet of the State & Federal Grants Fund \$6,493,020 in prepaid items, and \$11,019,803 in unearned revenues. The unearned revenues are the result of an advance payment for a CARES Act grant and a Designated State Legislative grant.

**Capital Projects Fund** – Construction continued on several school facility projects. In fiscal year 2020, there were no capital project expenditures. Investment earnings of \$352 were received on the unspent bond proceeds.

**The 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 Ketchikan Gateway Borough's proprietary funds have already been addressed in the discussion of the Borough's business-type activities.

## **Capital Assets and Debt Administration**

### **Capital Assets**

The Borough's investment in capital assets, for governmental and business-type activities as of June 30, 2020, was \$152,800,970 and \$28,656,401 respectively. The total change in net book value of capital assets was a decrease of 1.3% for governmental and a 4.1% decrease for business-type activities. The overall change was a 1.8% decrease for the Borough as a whole. See Note 3-D for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

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**Capital Assets**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Non-depreciable assets:						
Art	\$ 7,500	\$ 7,500	-	-	7,500	7,500
Land	40,264,084	40,267,817	-	-	40,264,084	40,267,817
Construction in progress	<u>27,799</u>	<u>463,408</u>	<u>6,083,736</u>	<u>5,814,069</u>	<u>6,111,535</u>	<u>6,277,477</u>
Total non-depreciable	<u>40,299,383</u>	<u>40,738,725</u>	<u>6,083,736</u>	<u>5,814,069</u>	<u>46,383,119</u>	<u>46,552,794</u>
Depreciable assets:						
Buildings and improvements	162,457,510	158,573,612	17,652,171	17,612,089	180,109,681	176,185,701
Vehicles, ferry and equipment	10,942,001	10,857,951	16,250,245	16,250,245	27,192,246	27,108,196
Wastewater assets	-	-	14,163,908	14,173,474	14,163,908	14,173,474
Infrastructure	<u>14,668,777</u>	<u>14,668,777</u>	<u>-</u>	<u>-</u>	<u>14,668,777</u>	<u>14,668,777</u>
Total depreciable assets	188,068,288	184,100,340	48,066,324	48,035,808	236,134,612	232,136,148
Less accumulated depreciation	<u>75,566,701</u>	<u>70,025,409</u>	<u>25,493,659</u>	<u>23,978,217</u>	<u>101,060,360</u>	<u>94,003,626</u>
Book value - depreciable assets	<u>112,501,587</u>	<u>114,074,931</u>	<u>22,572,665</u>	<u>24,057,591</u>	<u>135,074,252</u>	<u>138,132,522</u>
Percentage depreciated	<u>40%</u>	<u>38%</u>	<u>53%</u>	<u>50%</u>	<u>43%</u>	<u>40%</u>
Book value - all assets	<u>\$ 152,800,970</u>	<u>154,813,656</u>	<u>28,656,401</u>	<u>29,871,660</u>	<u>181,457,371</u>	<u>184,685,316</u>

At June 30, 2020, the depreciable capital assets for governmental activities were 40% depreciated. This is a 2.0% increase from fiscal year 2019. This comparison indicates that the Borough is replacing its assets at the same rate as they are depreciating, which is a positive indicator.

The balance remaining in construction-in-progress for business-type activities is for Ketchikan International Airport and Wastewater projects.

With the Borough's business type activities, 53% of the asset values were depreciated at June 30, 2020 compared to 50% at June 30, 2019. The accumulated depreciation for FY 20 increased 7.9% for governmental activities and increased 6.3% for business-type activities.

The Borough owns the school district's land and buildings, which is approximately 45.1% of the Borough's governmental capital assets.

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*Major capital asset changes during 2020 included the following:*

General Governmental Assets:

- A Dell Power Vault was purchased for the Automation Department in the amount of \$17,200 and funded through the General Fund.
- A 2020 International Dump Truck was purchased in the amount of \$102,042.87 and funded through the General Fund in the amount of \$35,027.55, South Tongass Water Department in the amount of \$33,507.66, and the Wastewater Enterprise Fund in the amount of \$33,507.66.
- A Lucas CPR device was purchased in the amount of \$12,313 and funded through the North Tongass Service Area.
- New Pool Filters were purchased and installed for the Recreation Department in the amount of \$504,151 and funded through the Recreation CIP Fund.
- Construction was completed on the Walker Field Maintenance Facility in the amount of \$134,902 and was funded through the Recreation CIP Fund.
- Construction was begun and completed on the GRC Foundation Drain/Fuel Tank project in the amount of \$128,763 and was funded through the Recreation CIP Fund.
- Construction was begun and completed on the Houghtaling Elementary Reroof project in the amount of \$781,432 and funded through the School Bond CIP Fund. \$1,823,342 in contributed capital was recognized as the contribution from DEED.
- Construction was completed on the Ketchikan High School HVAC system in the amount of \$69,821 and was funded through the School Bond CIP Fund.
- Construction was begun on the Ketchikan High School Boiler in the amount of \$27,799 and was financed through the School Bond CIP Fund.

Enterprise Funds:

- A 1998 International Pellet Truck was purchased in the amount of \$12,500 and funded through the Airport Enterprise Fund.
- A 2020 Ford Ranger was purchased in the amount of \$27,581 and funded through the Airport Enterprise Fund.
- A Blower Block was purchased in the amount of \$5,033 and funded through the Wastewater Enterprise Fund.
- A 2020 International Dump Truck was purchased in the amount of \$102,042.87 and funded through the General Fund in the amount of \$35,027.55, South Tongass Water Department in the amount of \$33,507.66, and the Wastewater Enterprise Fund in the amount of \$33,507.66.
- Construction continued on wastewater improvements in the area of Shoup to Forest Park in the amount of \$107,825 and funded through an ACWF loan.

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***Long-term Debt***

The Borough currently reports four types of long-term debt: general obligation bonds, certificates of participation, compensated absences, and net pension liability.

During the year, the Borough retired \$3,280,000 of its existing G.O. bonds, and \$170,000 of certificates of participation.

See Note 3-H for additional information about the Borough's long-term debt.

**Outstanding Long Term Debt**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
General obligation bonds	\$ 22,885,000	\$26,165,000	-	-	22,885,000	26,165,000
Certificates of participation	3,365,000	3,535,000	-	-	3,365,000	3,535,000
Unamortized premiums	393,484	538,310	-	-	393,484	538,310
Unamortized loss on refunding	(71,589)	(124,863)	-	-	(71,589)	(124,863)
Compensated absences	672,939	623,695	289,592	248,706	962,531	872,401
LWCF note payable	-	-	717,032	630,772	717,032	630,772
Net pension liability	7,082,850	7,176,620	2,863,228	2,904,905	9,946,078	10,081,525
Net OPEB liability	<u>154,626</u>	<u>1,376,993</u>	<u>172,112</u>	<u>689,330</u>	<u>326,738</u>	<u>2,066,323</u>
<b>Total</b>	<b><u>\$ 34,482,310</u></b>	<b><u>39,290,755</u></b>	<b><u>4,041,964</u></b>	<b><u>4,473,713</u></b>	<b><u>38,524,274</u></b>	<b><u>43,764,468</u></b>

**Economic Conditions Affecting the Borough**

**Tourism Industry**

In prior years, Ketchikan's tourism industry, and cruise ships specifically, generated over a million visitors each summer. Visitor counts continued to climb year over year, resulting in increasing sales and commercial passenger vessel tax revenues, and very strong seasonal employment. The arrival of the Covid-19 Pandemic and the resultant world-wide shut down of the cruise industry eliminated virtually all tourism for calendar year 2020. Even if the US Centers for Disease Control lifts its 'no sail order', the continued closure of the Canadian Border may prevent the resumption of the industry in Ketchikan for some time. As of the drafting of this discussion, any dates for return of a cruise industry, and to what extent visitors will be allowed to freely mingle in the community, is unknown.

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Management's Discussion and Analysis  
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Thus far, the cruise ship industry continues to make large-scale investments in new berthing facilities. In 2019, Norwegian Cruise Lines announced that it had entered into a 30-year preferential berthing agreement with Ward Cove Dock Group, LLC. The agreement allows for the construction of a double ship pier in Ward Cove, formerly the site of a pulp mill. The pier will be built to simultaneously accommodate two ships of 4,000 passengers and is expected to be ready for the 2021 cruise season. In the short term, this new berth is expected to disperse current passengers over a wider area of the community. Swapping smaller ships for larger Panamax ships may increase visitors somewhat, but capacity is also constrained by infrastructure at departing ports. There are two major airlines flying into the Ketchikan International airport, and until the Covid-19 Pandemic, the airport terminal was stretched beyond capacity during the summer months. An Airport Terminal Plan was conducted this fiscal year, and management is now developing plans for implementing some of the recommendations. Passenger travel was down by 90% in the early days of the pandemic. It has picked up to 50% of prior years' travel. Although the future is unclear, air travel is expected to make a slow rebound over the next few years. A new Passenger Facility Charge (PFC) application was approved by the Federal Aviation Administration and collections started in March 2019. If passenger counts remain low for an extended period, it will impact the Borough's ability to fund desired terminal work. Prior PFC collections were used to pay debt service on a revenue bond, the proceeds of which funded the last major terminal remodel and airport ferry construction.

Airport related work currently underway includes expanding parking and rerouting traffic on the Revilla side, adding a waiting shelter, and a new ferry dock. A new ferry dock will be added to the Gravina Island side as well, providing redundancy options for the community's critical ferry link to the airport. The Revilla uplands work, funded by multiple federal funding sources, is currently under construction, and is being administered by the State.

### **Mining Industry**

#### **Bokan-Dotson Ridge**

The 2014 Alaska Legislature granted authority to the Alaska Industrial Development and Export Authority to issue \$145 million in bonds to finance the infrastructure and construction costs of the Ucore Bokan-Dotson Ridge rare earth element project approximately 40 miles west of Ketchikan. In July 2016, Senator Lisa Murkowski introduced S.3203, the Alaska Economic Development to Resources Act, and the Congressional Committee on Energy and Natural Resources held hearings on the bill. Section 401 of the bill provides for Department of Energy grants for the development of more environmentally acceptable and less expensive ways to separate and process rare earth elements, which would increase the likelihood of economic production of rare earth elements at the Bokan Mountain mining project near Ketchikan.

In September 2018, Ucore entered into an agreement to purchase a separation plant development site approximately 11 miles north of the City of Ketchikan and contracted with a local engineering firm to perform due diligence on the site. Ucore continues work to design a heavy rare earth element solvent extraction plant. The Ketchikan Gateway Borough has long supported efforts to encourage production of rare earth elements through development of the Bokan-Dotson Ridge Rare Earth Element Project.

### **Marine Projects**

#### **National Oceanic and Atmospheric Administration**

The National Oceanic and Atmospheric Administration (NOAA) research vessel the *M/V Fairweather* has been legally homeported in Ketchikan for a number of years, but unable to physically homeport due to aging infrastructure. The Ketchikan Gateway Borough has long been supportive of efforts to bring the Fairweather home, including securing funding for initial design phases of the project. An engineering contract for NEPA and permitting support was issued in August 2020. In November 2020, the Senate Appropriations Committee

**Ketchikan Gateway Borough, Alaska**  
Management's Discussion and Analysis  
Year Ended June 30, 2020

released a spending bill that provides \$45 million for facilities maintenance, and includes direction to the (NOAA) to prioritize funding for infrastructure projects related to marine operations and facilities to support research vessels.

### **Shipbuilding**

The Ketchikan shipyard is owned by the Alaska Industrial Development and Export Authority (AIDEA) and operated by Vigor Alaska. Vigor completed construction of the *MV Tazlina*, a 280-foot Alaska Class ferry, in May 2018. Work on a sister ship, the *Hubbard*, is began in 2019 with completion initially expected summer 2020. Both vessels are currently in the shipyard for design modifications to include a side vessel door. The Borough Assembly has consistently supported the shipyard, and is requesting an exemption for the shipyard to federal regulations requiring small business set asides for Coast Guard maintenance and repair work. If an exemption is granted, Vigor Alaska will be able to pursue maintenance and repair work on Coast Guard vessels homeported in Ketchikan, which is currently prohibited under the above-mentioned regulations.

### **Fiscal Challenges at the State Level**

Tourism is a major economic driver in the State of Alaska. The Covid-19 pandemic has stopped almost all tourism, throughout the State. Although the State does not derive any significant revenues from tourism directly, indirect impacts from the downturn of a major sector could be significant.

The largest portion of the State's revenue comes from oil. Oil prices are about half what they were two years ago and are currently under \$36 per barrel. North Slope oil production also continues a slow decline and is only about 432,000 barrels per day as of this writing. The State has considered alternative revenue sources such as a statewide income or sales tax to offset the loss in oil tax revenue, but no firm action has yet occurred. The decline in oil revenue at the State level exerts downward pressure on the various forms of state intergovernmental revenue. Certain programs, such as School Bond Debt Reimbursement and capitalization of the Community Assistance Program, have been vetoed or eliminated.

### **Contacting the Borough's Financial Management**

This financial report is designed to provide a general overview of the Borough's finances, comply with finance-related laws and regulations, and demonstrate the Borough's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Borough's Finance Director at 1900 First Avenue, Suite 118, Ketchikan, Alaska, 99901. This report and others are available on the Borough's web site at [www.kgbak.us](http://www.kgbak.us).

**Contacting the Ketchikan Gateway Borough School District** (the School District) – The School District provides elementary and secondary educational services to Borough students. The School District's Board of Education is an elected body. However, the Borough has responsibility for all significant fiscal matters. The Borough must approve the School District's annual budget and it appropriates resources for School District operations. The Borough issues all debt for School District construction and the Borough owns all of the land and buildings that the School District uses. Separately issued financial statements for the School District are available at their administrative office: Pouch Z, Ketchikan, Alaska 99901, or on the School District web site at [www.kgbsd.org](http://www.kgbsd.org).

**Ketchikan Gateway Borough, Alaska**  
**Statement of Net Position**  
**June 30, 2020**

	<b>Primary Government</b>			<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>Assets</b>				
<b>Current Assets</b>				
Cash and investments	\$ 29,210,341	7,143,747	36,354,088	328,966
Restricted cash and investments	4,703,582	-	4,703,582	-
Prepaid items	6,502,668	-	6,502,668	-
Receivables	7,942,722	356,968	8,299,690	2,823,181
Receivable from trust fund	-	-	-	72,985
Internal balances	350,366	(350,366)	-	-
Inventory	-	-	-	42,676
<b>Total Current Assets</b>	<u>48,709,679</u>	<u>7,150,349</u>	<u>55,860,028</u>	<u>3,267,808</u>
<b>Noncurrent Assets</b>				
Long-term receivables:				
Receivable from component unit	1,561,190	-	1,561,190	2,627,969
Net other postemployment benefits asset	40,157	16,992	57,149	1,358,575
Capital assets:				
Nondepreciable capital assets	40,299,383	6,083,736	46,383,119	354,483
Depreciable capital assets, net	112,501,587	22,572,665	135,074,252	281,043
<b>Total Noncurrent Assets</b>	<u>154,402,317</u>	<u>28,673,393</u>	<u>183,075,710</u>	<u>4,622,070</u>
<b>Total Assets</b>	<u>203,111,996</u>	<u>35,823,742</u>	<u>238,935,738</u>	<u>7,889,878</u>
<b>Deferred Outflows of Resources</b>				
Loss on refunding	71,589	-	71,589	-
Related to pensions	893,810	273,126	1,166,936	-
Related to OPEB	523,684	244,115	767,799	-
Pension and OPEB deferrals	-	-	-	4,209,070
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 204,601,079</u>	<u>36,340,983</u>	<u>240,942,062</u>	<u>12,098,948</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 1,514,020	122,713	1,636,733	200,687
Accrued salaries and benefits	71,876	-	71,876	263,055
Intergovernmental payable	2,149,813	-	2,149,813	-
Accrued interest payable	310,389	-	310,389	-
Payable to agency fund	-	-	-	2,462
Deposits	43,611	-	43,611	-
Claims payable	1,030,897	-	1,030,897	-
Unearned revenue	11,134,528	-	11,134,528	13,622
Compensated absences payable	550,456	157,790	708,246	-
General obligation bonds payable	3,280,000	-	3,280,000	-
Certificates of participation payable	170,000	-	170,000	-
<b>Total Current Liabilities</b>	<u>20,255,590</u>	<u>280,503</u>	<u>20,536,093</u>	<u>479,826</u>

See accompanying notes to the basic financial statements.

**Ketchikan Gateway Borough, Alaska**  
**Statement of Net Position, continued**  
**June 30, 2020**

	<b>Primary Government</b>			<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Business Type Activities</b>	<b>Total</b>	
<b>Long-Term Liabilities, net of current portion</b>				
Compensated absences	122,483	131,802	254,285	464,035
Self insurance payable	-	-	-	1,314,744
Net pension liability	7,082,850	2,865,228	9,948,078	-
Net OPEB liability	154,626	172,112	326,738	-
Net Pension and OPEB liabilities	-	-	-	26,956,914
LWCF note payable	-	717,032	717,032	-
General obligation bonds payable, including unamortized premium	19,961,933	-	19,961,933	-
Certificates of participation payable, including unamortized premium	3,231,551	-	3,231,551	-
<b>Total Long-Term Liabilities</b>	<b>30,553,443</b>	<b>3,886,174</b>	<b>34,439,617</b>	<b>28,735,693</b>
<b>Total Liabilities</b>	<b>50,809,033</b>	<b>4,166,677</b>	<b>54,975,710</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
Related to pensions	321,111	190,892	512,003	-
Related to OPEB	247,392	158,209	405,601	-
Pension and OPEB Deferrals	-	-	-	2,460,917
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>51,377,536</b>	<b>4,515,778</b>	<b>55,893,314</b>	<b>2,460,917</b>
<b>Net Position</b>				
Net investment in capital assets	126,508,378	28,656,401	155,164,779	635,526
Restricted:				
Airport projects	688,966	-	688,966	-
Capital projects	459,427	-	459,427	-
Commercial passenger vessel impact	3,536,998	-	3,536,998	-
Dock improvements	54,195	-	54,195	-
Education	8,652,595	-	8,652,595	2,648,069
Library operations	301,569	-	301,569	-
Public safety and water	2,495,306	-	2,495,306	-
Recreation	2,024,061	-	2,024,061	-
Road maintenance	308,628	-	308,628	-
Unrestricted	8,193,420	3,168,804	11,362,224	(22,861,083)
<b>Total Net Position</b>	<b>\$ 153,223,543</b>	<b>31,825,205</b>	<b>185,048,748</b>	<b>(19,577,488)</b>

See accompanying notes to the basic financial statements.

**Ketchikan Gateway Borough, Alaska**  
**Statement of Activities**  
**For the Year Ended June 30, 2020**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-Type Activities	Total	
<b>Primary Government</b>								
<b>Governmental Activities</b>								
General government	\$ 4,170,530	-	98,790	-	(4,071,740)	-	(4,071,740)	-
Fire and EMS	1,490,185	271,425	28,671	-	(1,190,089)	-	(1,190,089)	-
Water treatment & distribution	316,121	304,863	-	-	(11,258)	-	(11,258)	-
Library services	464,839	-	-	-	(464,839)	-	(464,839)	-
Parks and recreation	3,589,035	671,669	19,605	-	(2,897,761)	-	(2,897,761)	-
Public works	1,024,598	-	24,213	-	(1,000,385)	-	(1,000,385)	-
Public services	3,612,137	911,556	568,181	-	(2,132,400)	-	(2,132,400)	-
Transit	2,628,542	157,591	1,169,292	-	(1,301,659)	-	(1,301,659)	-
Education	19,925,235	6,308,769	847,305	2,920,884	(9,848,277)	-	(9,848,277)	-
Interest	1,452,565	-	514,564	-	(938,001)	-	(938,001)	-
<b>Total Governmental Activities</b>	<u>38,673,787</u>	<u>8,625,873</u>	<u>3,270,621</u>	<u>2,920,884</u>	<u>(23,856,409)</u>	<u>-</u>	<u>(23,856,409)</u>	<u>-</u>
<b>Business Type Activities</b>								
Airport	5,993,768	5,337,555	804,837	5,233	-	153,857	153,857	-
Wastewater	1,047,236	813,466	-	21,565	-	(212,205)	(212,205)	-
<b>Total Business-Type Activities</b>	<u>7,041,004</u>	<u>6,151,021</u>	<u>804,837</u>	<u>26,798</u>	<u>-</u>	<u>(58,348)</u>	<u>(58,348)</u>	<u>-</u>
<b>Total Primary Government</b>	<u>\$ 45,714,791</u>	<u>14,776,894</u>	<u>4,075,458</u>	<u>2,947,682</u>	<u>(23,856,409)</u>	<u>(58,348)</u>	<u>(23,914,757)</u>	<u>-</u>

**Ketchikan Gateway Borough, Alaska**  
*Statement of Activities*  
*For the Year Ended June 30, 2020*

Component Unit	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Ketchikan Gateway Borough School District	\$ 35,847,788	199,128	1,970,344	903,777				\$ (32,774,539)
<b>General Revenues</b>								
Property taxes					\$ 10,813,508	-	10,813,508	-
Sales taxes					8,514,282	-	8,514,282	-
Payment in lieu of taxes					1,297,095	-	1,297,095	-
Grants and entitlements not restricted to specific programs					3,431,171	159,469	3,590,640	25,958,489
E-Rate					-	-	-	202,274
Primary government appropriation					-	-	-	10,797,829
Investment earnings					907,237	69,127	976,364	186
Miscellaneous					319,119	-	319,119	141,264
<b>Total General Revenues</b>					25,282,412	228,596	25,511,008	37,100,042
<b>Transfers</b>					(958,652)	958,652	-	-
<b>Total General Revenues and Transfers</b>					24,323,760	1,187,248	25,511,008	37,100,042
<b>Change in Net Position</b>					467,351	1,128,900	1,596,251	4,325,503
<b>Net Position Beginning of Year</b>					152,756,192	30,696,305	183,452,497	(23,902,991)
<b>Net Position End of Year</b>					\$ 153,223,543	31,825,205	185,048,748	(19,577,488)

**Ketchikan Gateway Borough, Alaska**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2020**

	<u>General</u>	<u>Land Trust</u>	<u>Commercial Passenger Vessel</u>	<u>School Bond Capital Improvements</u>
<b>Assets</b>				
Cash and investments	\$ 10,445,916	2,869,441	-	4,952,074
Restricted cash and investments	-	429,473	3,535,379	-
Prepaid items	-	-	-	-
Receivables:				
Accounts	92,791	5,567	1,965	2,752
Due to/from component unit	-	-	-	-
Intergovernmental	176,303	-	-	350,551
Investment earnings	9,446	-	-	-
Property taxes	38,474	-	-	-
Sales taxes	3,066,026	-	-	304,511
Interfund	1,532,474	-	-	-
Advances	-	176,595	-	-
<b>Total Assets</b>	<u>\$ 15,361,430</u>	<u>3,481,076</u>	<u>3,537,344</u>	<u>5,609,888</u>
<b>Liabilities</b>				
Accounts payable	\$ 406,921	9,224	346	878,070
Accrued salaries and benefits	71,876	-	-	-
Intergovernmental payable	2,149,813	-	-	-
Interfund payable	-	-	-	-
Interfund advances payable	-	-	-	-
Deposits	6,770	36,841	-	-
Unearned revenues	114,725	-	-	-
<b>Total Liabilities</b>	<u>2,750,105</u>	<u>46,065</u>	<u>346</u>	<u>878,070</u>
<b>Deferred Inflows of Resources</b>				
Property tax revenues	38,567	-	-	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>2,788,672</u>	<u>46,065</u>	<u>346</u>	<u>878,070</u>
<b>Fund Balances</b>				
Nonspendable:				
Prepaid items	-	-	-	-
Restricted:				
Airport projects	-	-	-	-
Capital projects	-	-	-	-
Commercial passenger vessel impact	-	-	3,536,998	-
Dock improvements	-	-	-	-
Education	-	-	-	4,731,818
Library operations	-	-	-	-
Public safety and water	-	-	-	-
Recreation	-	-	-	-
Road maintenance	-	-	-	-
Committed:				
Advances receivable	-	80,854	-	-
Borough-owned land management	-	3,354,157	-	-
Unassigned (deficit)	12,572,758	-	-	-
<b>Total Fund Balances</b>	<u>12,572,758</u>	<u>3,435,011</u>	<u>3,536,998</u>	<u>4,731,818</u>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<u>\$ 15,361,430</u>	<u>3,481,076</u>	<u>3,537,344</u>	<u>5,609,888</u>

**Ketchikan Gateway Borough, Alaska**  
**Governmental Funds**  
**Balance Sheet, continued**

	<u>Local Education</u>	<u>State &amp; Federal Grants</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Cash and investments	\$ 1,038,295	4,277,030	-	5,627,585	29,210,341
Restricted cash and investments	-	-	738,730	-	4,703,582
Prepaid items	-	6,493,020	-	9,648	6,502,668
Receivables:					
Accounts	576	-	-	61,018	164,669
Due to/from component unit	2,526,399	-	-	-	2,526,399
Intergovernmental	-	358,706	-	205,379	1,090,939
Investment earnings	-	-	-	-	9,446
Property taxes	52,293	-	-	11,106	101,873
Sales taxes	355,064	-	-	304,511	4,030,112
Interfund	-	-	-	-	1,532,474
Advances	-	-	-	-	176,595
<b>Total Assets</b>	<u>\$ 3,972,627</u>	<u>11,128,756</u>	<u>738,730</u>	<u>6,219,247</u>	<u>50,049,098</u>
<b>Liabilities</b>					
Accounts payable	\$ -	108,953	-	110,506	1,514,020
Accrued salaries and benefits	-	-	-	-	71,876
Intergovernmental payable	-	-	-	-	2,149,813
Interfund payable	-	-	-	136,590	136,590
Interfund advances payable	-	-	-	78,760	78,760
Deposits	-	-	-	-	43,611
Unearned revenues	-	11,019,803	-	-	11,134,528
<b>Total Liabilities</b>	-	11,128,756	-	325,856	15,129,198
<b>Deferred Inflows of Resources</b>					
Property tax revenues	51,850	-	-	11,106	101,523
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>51,850</u>	<u>11,128,756</u>	<u>-</u>	<u>336,962</u>	<u>15,230,721</u>
<b>Fund Balances</b>					
Nonspendable:					
Prepaid items	-	-	-	9,648	9,648
Restricted:					
Airport projects	-	-	-	688,966	688,966
Capital projects	-	-	738,730	-	738,730
Commercial passenger vessel impact	-	-	-	-	3,536,998
Dock improvements	-	-	-	54,195	54,195
Education	3,920,777	-	-	-	8,652,595
Library operations	-	-	-	301,569	301,569
Public safety and water	-	-	-	2,495,306	2,495,306
Recreation	-	-	-	2,024,061	2,024,061
Road maintenance	-	-	-	308,628	308,628
Committed:					
Advances receivable	-	-	-	-	80,854
Borough-owned land management	-	-	-	-	3,354,157
Unassigned (deficit)	-	-	-	(88)	12,572,670
<b>Total Fund Balances</b>	<u>3,920,777</u>	<u>-</u>	<u>738,730</u>	<u>5,882,285</u>	<u>34,818,377</u>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<u>\$ 3,972,627</u>	<u>11,128,756</u>	<u>738,730</u>	<u>6,219,247</u>	<u>50,049,098</u>

**Ketchikan Gateway Borough, Alaska**  
*Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2020*

<b>Total Governmental Fund Balances</b>		\$ 34,818,377
<b>Amounts reported for governmental activities in the statement of net position are different because:</b>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost	\$ 228,367,671.00	
Less accumulated depreciation	<u>(75,566,701.00)</u>	152,800,970
Certain other postemployment benefits (OPEB) plans have been funded in excess of the required contributions. These assets are not financial resources and therefore are not reported at the fund level.		
		40,157
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. This consists of deferred property taxes receivable.		
		101,523
An internal service fund is used by management to charge the costs of insurance to individual funds and the component unit. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		
		(846,306)
The internal service fund chargeback to enterprise funds is not reported in the governmental funds but is reported on the government-wide financial statements.		
		252,530
Accrued interest payable is not reported at the fund financial reporting level.		
		(310,389)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General obligation bonds	\$ (22,885,000.00)	
Certificates of participation	(3,365,000.00)	
Premium for GO bonds	(356,933.00)	
Premium for certificates of participation	(36,551.00)	
Deferred loss on refunding	71,589.00	
Compensated absences	(672,939.00)	
Net pension liability	(7,082,850.00)	
Net OPEB liability	<u>(154,626.00)</u>	
Total long-term liabilities		<u>(34,482,310)</u>
Certain changes in net pension liabilities are deferred rather than recognized immediately. These items are amortized over time.		
Deferred outflows of resources related to pensions	\$ 893,810.00	
Deferred inflows of resources related to pensions	(321,111.00)	
Deferred outflows of resources related to OPEB	523,684.00	
Deferred inflows of resources related to OPEB	<u>(247,392.00)</u>	
Total deferred pension items		<u>848,991</u>
<b>Net Position Of Governmental Activities</b>		<b>\$ <u>153,223,543</u></b>



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**Ketchikan Gateway Borough, Alaska**  
**Governmental Funds**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*For the Year Ended June 30, 2020*

	<b>General</b>	<b>Land Trust</b>	<b>Commercial Passenger Vessel</b>	<b>School Bond Capital Improvements</b>	<b>Local Education</b>
<b>Revenues</b>					
Taxes	\$ 5,217,919	-	-	1,681,451	8,780,460
Intergovernmental	3,358,981	-	-	1,009,767	847,305
Licenses and permits	4,341	-	-	-	-
Charges for services	1,040,297	468,362	-	-	-
Water fees	-	-	-	-	-
Commercial passenger vessel tax	-	-	2,723,867	-	-
Interest subsidy	-	-	-	-	-
Investment earnings	557,509	55,262	26,275	74,903	106,732
Proceeds from sale of property	-	34,682	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total Revenues</b>	<u>10,179,047</u>	<u>558,306</u>	<u>2,750,142</u>	<u>2,766,121</u>	<u>9,734,497</u>
<b>Expenditures</b>					
<b>Current</b>					
General government	3,877,093	-	-	-	-
Library services	-	-	-	-	-
Fire and EMS	-	-	-	-	-
Water treatment and distribution	-	-	-	-	-
Public services	1,108,233	367,389	589,293	-	-
Parks and recreation	2,341,794	-	-	-	-
Public works	1,014,221	-	-	-	-
Transit	2,330,377	-	-	-	-
Education	-	-	-	-	10,797,829
Grants	334,509	-	-	-	-
Nondepartmental	188,689	-	-	-	-
<b>Capital Outlay</b>	52,228	-	-	879,053	-
<b>Debt Service</b>					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total Expenditures</b>	<u>11,247,144</u>	<u>367,389</u>	<u>589,293</u>	<u>879,053</u>	<u>10,797,829</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(1,068,097)	190,917	2,160,849	1,887,068	(1,063,332)
<b>Other Financing Sources (Uses)</b>					
Transfers in	1,696,264	-	-	13,688	406,520
Transfers out	<u>(205,383)</u>	<u>(547,585)</u>	<u>(1,287,967)</u>	<u>(3,292,508)</u>	<u>(185,604)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>1,490,881</u>	<u>(547,585)</u>	<u>(1,287,967)</u>	<u>(3,278,820)</u>	<u>220,916</u>
<b>Net Change in Fund Balances</b>	422,784	(356,668)	872,882	(1,391,752)	(842,416)
<b>Fund Balances Beginning of Year</b>	<u>12,149,974</u>	<u>3,791,679</u>	<u>2,664,116</u>	<u>6,123,570</u>	<u>4,763,193</u>
<b>Fund Balances End of Year</b>	<u>\$ 12,572,758</u>	<u>3,435,011</u>	<u>3,536,998</u>	<u>4,731,818</u>	<u>3,920,777</u>

**Ketchikan Gateway Borough, Alaska**  
**Governmental Funds**  
*Statement of Revenues, Expenditures and Changes in Fund Balances, continued*

	<b>State &amp; Federal Grants</b>	<b>Capital Projects</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>				
Taxes	\$ -	-	3,588,140	19,267,970
Intergovernmental	519,772	-	122,173	5,857,998
Licenses and permits	-	-	-	4,341
Charges for services	-	-	499,241	2,007,900
Water fees	-	-	304,863	304,863
Commercial passenger vessel tax	-	-	-	2,723,867
Interest subsidy	-	-	514,564	514,564
Investment earnings	-	352	86,204	907,237
Proceeds from sale of property	-	-	-	34,682
Miscellaneous	-	-	319,121	319,121
<b>Total Revenues</b>	<u>519,772</u>	<u>352</u>	<u>5,434,306</u>	<u>31,942,543</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	-	-	-	3,877,093
Library services	-	-	464,839	464,839
Fire and EMS	-	-	1,243,200	1,243,200
Water treatment and distribution	-	-	316,121	316,121
Public services	519,772	-	473,502	3,058,189
Parks and recreation	-	-	-	2,341,794
Public works	-	-	-	1,014,221
Transit	-	-	-	2,330,377
Education	-	-	-	10,797,829
Grants	-	-	-	334,509
Nondepartmental	-	-	-	188,689
<b>Capital Outlay</b>	-	-	792,437	1,723,718
<b>Debt Service</b>				
Principal retirement	-	-	3,450,000	3,450,000
Interest and fiscal charges	-	-	1,643,342	1,643,342
<b>Total Expenditures</b>	<u>519,772</u>	<u>-</u>	<u>8,383,441</u>	<u>32,783,921</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	-	352	(2,949,135)	(841,378)
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	5,123,681	7,240,153
Transfers out	-	(13,688)	(2,666,070)	(8,198,805)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(13,688)</u>	<u>2,457,611</u>	<u>(958,652)</u>
<b>Net Change in Fund Balances</b>	-	(13,336)	(491,524)	(1,800,030)
<b>Fund Balances Beginning of Year</b>	<u>-</u>	<u>752,066</u>	<u>6,373,809</u>	<u>36,618,407</u>
<b>Fund Balances End of Year</b>	<u>\$ -</u>	<u>738,730</u>	<u>5,882,285</u>	<u>34,818,377</u>

**Ketchikan Gateway Borough, 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 June 30, 2020*

<b>Net Changes In Fund Balances - Total Governmental Funds</b>		\$ (1,800,030)
<b>Amounts reported for governmental activities in the statement of activities are different because:</b>		
<p>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 depreciation expense exceeded capital outlay in the current period.</p>		
Depreciation expense	\$ (5,555,290)	
Capital outlay	<u>1,723,718</u>	(3,831,572)
<p>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.</p>		
		(4,456)
<p>Capital assets activity relating to:</p>		
Houghtalting reroof project	\$ <u>1,823,341</u>	1,823,341
<p>Internal service funds are used by management to charge the costs of self-insurance to individual funds. A portion of the net gain of the activity is reported in governmental activities.</p>		
		(748,885)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the decrease in deferred property taxes.</p>		
		59,820
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items:</p>		
Principal payments on long-term debt	\$ 3,450,000	
Net decrease in premium	144,826	
Decrease in accrued interest	99,225	
Net decrease in deferred loss on bonds	<u>(53,274)</u>	3,640,777
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Increase in accrued leave	\$ (49,244)	
Decrease in net pension obligation and related accounts	(166,074)	
Decrease in net OPEB obligation and related accounts	<u>1,543,674</u>	<u>1,328,356</u>
<b>Change In Net Position of Governmental Activities</b>		\$ <u>467,351</u>

**Ketchikan Gateway Borough, Alaska**  
*General Fund*  
*Statement of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual*  
*For the Year Ended June 30, 2020*

	<b>2020</b>			<b>Variance on Final Budget</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Taxes	\$ 6,062,804	6,062,804	5,217,919	(844,885)
Licenses and permits	-	-	4,341	4,341
Intergovernmental	3,126,317	3,126,317	3,358,981	232,664
Charges for services	1,250,150	1,250,150	1,040,297	(209,853)
Investment earnings	<u>185,000</u>	<u>185,000</u>	<u>557,509</u>	<u>372,509</u>
<b>Total Revenues</b>	<u>10,624,271</u>	<u>10,624,271</u>	<u>10,179,047</u>	<u>(445,224)</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	3,944,096	3,999,254	3,877,093	122,161
Public services	1,125,064	1,144,270	1,108,233	36,037
Parks and recreation	2,526,199	2,541,683	2,341,794	199,889
Public works	1,152,988	1,159,326	1,014,221	145,105
Transit - bus system	2,591,298	2,622,726	2,330,377	292,349
Nondepartmental	231,262	231,262	188,689	42,573
Education	363,915	363,915	334,509	29,406
<b>Capital Outlay</b>	<u>178,606</u>	<u>178,606</u>	<u>52,228</u>	<u>126,378</u>
<b>Total Expenditures</b>	<u>12,113,428</u>	<u>12,241,042</u>	<u>11,247,144</u>	<u>993,898</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(1,489,157)	(1,616,771)	(1,068,097)	548,674
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,696,264	1,696,264	1,696,264	-
Transfers out	<u>(205,383)</u>	<u>(205,383)</u>	<u>(205,383)</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>1,490,881</u>	<u>1,490,881</u>	<u>1,490,881</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	\$ <u>1,724</u>	<u>(125,890)</u>	422,784	<u>548,674</u>
<b>Fund Balance Beginning of Year</b>			<u>12,149,974</u>	
<b>Fund Balance End of Year</b>		\$	<u><u>12,572,758</u></u>	

**Ketchikan Gateway Borough, Alaska**  
*Land Trust Special Revenue Fund*  
*Statement of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual*  
*For the Year Ended June 30, 2020*

	<b>2020</b>			<b>Variance on Final Budget</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Charges for services	\$ 469,337	469,337	468,362	(975)
Intergovernmental	7,019	7,019	-	(7,019)
Investment earnings	15,000	15,000	55,262	40,262
Proceeds from sale of property	100,000	100,000	34,682	(65,318)
Miscellaneous	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
<b>Total Revenues</b>	<u>616,356</u>	<u>616,356</u>	<u>558,306</u>	<u>(58,050)</u>
<b>Expenditures</b>				
<b>Current</b>				
Public services	585,582	589,782	367,389	222,393
<b>Capital Outlay</b>	<u>130,000</u>	<u>130,000</u>	<u>-</u>	<u>130,000</u>
<b>Total Expenditures</b>	<u>715,582</u>	<u>719,782</u>	<u>367,389</u>	<u>352,393</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(99,226)	(103,426)	190,917	294,343
<b>Other Financing Uses</b>				
Transfers out	<u>(697,074)</u>	<u>(697,074)</u>	<u>(547,585)</u>	<u>149,489</u>
<b>Net Change in Fund Balance</b>	\$ <u>(796,300)</u>	<u>(800,500)</u>	(356,668)	<u>443,832</u>
<b>Fund Balance Beginning of Year</b>			<u>3,791,679</u>	
<b>Fund Balance End of Year</b>		\$	<u>3,435,011</u>	

**Ketchikan Gateway Borough, Alaska**  
*Commercial Passenger Vessel Special Revenue Fund*  
*Statement of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual*  
*For the Year Ended June 30, 2020*

		<b>2020</b>			
		<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance On Final Budget</b>
<b>Revenues</b>					
Commercial passenger vessel tax	\$	2,400,000	2,400,000	2,723,867	323,867
Investment earnings		<u>30,000</u>	<u>30,000</u>	<u>26,275</u>	<u>(3,725)</u>
<b>Total Revenues</b>		<u>2,430,000</u>	<u>2,430,000</u>	<u>2,750,142</u>	<u>320,142</u>
<b>Expenditures</b>					
<b>Current</b>					
Public services		<u>990,145</u>	<u>990,145</u>	<u>589,293</u>	<u>400,852</u>
<b>Total Expenditures</b>		<u>990,145</u>	<u>990,145</u>	<u>589,293</u>	<u>400,852</u>
<b>Excess of Revenues Over Expenditures</b>		1,439,855	1,439,855	2,160,849	720,994
<b>Other Financing Uses</b>					
Transfers out		<u>(1,287,967)</u>	<u>(1,287,967)</u>	<u>(1,287,967)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	\$	<u>151,888</u>	<u>151,888</u>	872,882	<u>720,994</u>
<b>Fund Balance Beginning of Year</b>				<u>2,664,116</u>	
<b>Fund Balance End of Year</b>			\$	<u>3,536,998</u>	

**Ketchikan Gateway Borough, Alaska**  
*School Bond Capital Improvements Special Revenue Fund*  
*Statement of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual*  
*For the Year Ended June 30, 2020*

	<b>2020</b>			<b>Variance on Final Budget</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Sales taxes	\$ 1,981,184	1,981,184	1,676,185	(304,999)
Intergovernmental	2,037,563	2,037,563	1,009,767	(1,027,796)
Penalties and interest	3,500	3,500	5,266	1,766
Investment earnings	<u>80,000</u>	<u>80,000</u>	<u>74,903</u>	<u>(5,097)</u>
<b>Total Revenues</b>	<u>4,102,247</u>	<u>4,102,247</u>	<u>2,766,121</u>	<u>(1,336,126)</u>
<b>Expenditures</b>				
<b>Current</b>				
Education	600	600	-	600
<b>Capital Outlay</b>	<u>1,548,508</u>	<u>1,908,307</u>	<u>879,053</u>	<u>1,029,254</u>
<b>Total Expenditures</b>	<u>1,549,108</u>	<u>1,908,907</u>	<u>879,053</u>	<u>1,029,854</u>
<b>Excess of Revenues Over Expenditures</b>	2,553,139	2,193,340	1,887,068	(306,272)
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	13,688	13,688
Transfers out	<u>(3,193,554)</u>	<u>(3,290,554)</u>	<u>(3,292,508)</u>	<u>(1,954)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(3,193,554)</u>	<u>(3,290,554)</u>	<u>(3,278,820)</u>	<u>11,734</u>
<b>Net Change in Fund Balance</b>	\$ <u>(640,415)</u>	<u>(1,097,214)</u>	(1,391,752)	<u>(294,538)</u>
<b>Fund Balance Beginning of Year</b>			<u>6,123,570</u>	
<b>Fund Balance End of Year</b>			\$ <u>4,731,818</u>	

**Ketchikan Gateway Borough, Alaska**  
*Local Education Special Revenue Fund*  
*Statement of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual*  
*For the Year Ended June 30, 2020*

	<b>2020</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance on Final Budget</b>
<b>Revenues</b>				
Property taxes	\$ 7,504,478	7,504,478	7,481,092	(23,386)
Excise taxes	1,100,000	1,100,000	1,299,368	199,368
Intergovernmental	846,750	846,750	847,305	555
Investment earnings	<u>150,000</u>	<u>150,000</u>	<u>106,732</u>	<u>(43,268)</u>
<b>Total Revenues</b>	<u>9,601,228</u>	<u>9,601,228</u>	<u>9,734,497</u>	<u>133,269</u>
<b>Expenditures</b>				
<b>Current</b>				
Education	<u>10,701,199</u>	<u>10,798,199</u>	<u>10,797,829</u>	<u>370</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(1,099,971)	(1,196,971)	(1,063,332)	133,639
<b>Other Financing Uses</b>				
Transfers in	309,890	309,890	406,520	96,630
Transfers out	<u>(189,890)</u>	<u>(189,890)</u>	<u>(185,604)</u>	<u>4,286</u>
<b>Total Other Financing Sources</b>	<u>120,000</u>	<u>120,000</u>	<u>220,916</u>	<u>100,916</u>
<b>Net Change in Fund Balance</b>	\$ <u>(979,971)</u>	<u>(1,076,971)</u>	(842,416)	<u>234,555</u>
<b>Fund Balance Beginning of Year</b>			<u>4,763,193</u>	
<b>Fund Balance End of Year</b>		\$	<u>3,920,777</u>	

**Ketchikan Gateway Borough, Alaska**  
*Proprietary Funds*  
*Statement of Net Position*  
*June 30, 2020*

	<b>Business-type Activities</b>			<b>Governmental Activities - Internal Service Funds</b>
	<b>Airport</b>	<b>Wastewater</b>	<b>Total</b>	
<b>Assets</b>				
<b>Current Assets</b>				
Cash and investments	\$ 6,411,208	732,539	7,143,747	-
Receivables:				
Accounts	210,536	46,462	256,998	19,282
Intergovernmental	13,710	86,260	99,970	-
<b>Total Current Assets</b>	<u>6,635,454</u>	<u>865,261</u>	<u>7,500,715</u>	<u>19,282</u>
<b>Noncurrent Assets</b>				
Longterm Receivables:				
Note receivable from component unit	-	-	-	1,561,190
Net other postemployment benefits asset	16,992	-	16,992	-
<b>Capital Assets</b>				
Nondepreciable	4,238,471	1,845,265	6,083,736	-
Depreciable, net	14,823,424	7,749,241	22,572,665	-
<b>Total Noncurrent Assets</b>	<u>19,078,887</u>	<u>9,594,506</u>	<u>28,673,393</u>	<u>1,561,190</u>
<b>Total Assets</b>	<u>25,714,341</u>	<u>10,459,767</u>	<u>36,174,108</u>	<u>1,580,472</u>
<b>Deferred Outflows of Resources</b>				
Related to pensions	273,126	-	273,126	-
Related to OPEB	244,115	-	244,115	-
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 26,231,582</u>	<u>10,459,767</u>	<u>36,691,349</u>	<u>1,580,472</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 76,888	45,825	122,713	-
Interfund advances payable	-	47,300	47,300	-
Compensated absences payable	157,790	-	157,790	-
Claims payable	-	-	-	1,030,897
<b>Total Current Liabilities</b>	<u>234,678</u>	<u>93,125</u>	<u>327,803</u>	<u>1,030,897</u>
<b>Long-Term Liabilities, net of current portion</b>				
Compensated absences payable	131,802	-	131,802	-
Net pension liability	2,865,228	-	2,865,228	-
Net OPEB liability	172,112	-	172,112	-
Interfund advances payable	-	50,536	50,536	-
LWCF note payable	-	717,032	717,032	-
Interfund payable	-	-	-	1,395,881
<b>Total Long-Term Liabilities</b>	<u>3,169,142</u>	<u>767,568</u>	<u>3,936,710</u>	<u>1,395,881</u>
<b>Total Liabilities</b>	<u>3,403,820</u>	<u>860,693</u>	<u>4,264,513</u>	<u>2,426,778</u>
<b>Deferred Inflows of Resources</b>				
Related to pensions	190,892	-	190,892	-
Related to OPEB	158,209	-	158,209	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>3,752,921</u>	<u>860,693</u>	<u>4,613,614</u>	<u>2,426,778</u>
<b>Net Position</b>				
Net investment in capital assets	19,061,895	9,594,506	28,656,401	-
Unrestricted	3,416,766	4,568	3,421,334	(846,306)
<b>Total Net Position - Fund Level</b>	<u>\$ 22,478,661</u>	<u>9,599,074</u>	<u>32,077,735</u>	<u>(846,306)</u>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.			(252,530)	
<b>Total Net Position - Government-wide Statement of Net Position</b>			<u>\$ 31,825,205</u>	

See accompanying notes to the basic financial statements.

**Ketchikan Gateway Borough, Alaska**  
*Proprietary Funds*  
*Statement of Revenues, Expenses and Changes in Net Position*  
*For the Year Ended June 30, 2020*

	<b>Business-type Activities</b>			<b>Governmental Activities - Internal Service Funds</b>
	<b>Airport</b>	<b>Wastewater</b>	<b>Total</b>	
<b>Operating Revenues</b>				
Charges for services	\$ 5,337,555	813,466	6,151,021	8,925,663
<b>Operating Expenses</b>				
Personnel services	2,652,630	173,562	2,826,192	-
Supplies and services	1,651,104	503,370	2,154,474	-
Insurance	234,889	5,158	240,047	-
Administration	-	-	-	1,628,024
Claims and premiums	-	-	-	8,511,817
Wellness plan	-	-	-	19,775
Depreciation	1,195,244	353,924	1,549,168	-
<b>Total Operating Expenses</b>	5,733,867	1,036,014	6,769,881	10,159,616
Less recovery of expenses	-	(7,768)	(7,768)	(224,882)
<b>Net Operating Expenses</b>	5,733,867	1,028,246	6,762,113	9,934,734
<b>Operating Income (Loss)</b>	(396,312)	(214,780)	(611,092)	(1,009,071)
<b>Non-Operating Revenues (Expenses)</b>				
Interest and fiscal charges	(626)	(20,017)	(20,643)	-
Gain on disposal of capital assets	-	1,027	1,027	-
Investment earnings	64,882	4,245	69,127	909
Operating grants	964,306	-	964,306	-
<b>Total Non-Operating Revenues (Expenses)</b>	1,028,562	(14,745)	1,013,817	909
<b>Income (Loss) before Capital Contributions and Transfers</b>	632,250	(229,525)	402,725	(1,008,162)
Capital contributions	5,233	21,565	26,798	-
Transfers in	958,652	-	958,652	-
<b>Change in Net Position</b>	1,596,135	(207,960)	1,388,175	(1,008,162)
<b>Net Position Beginning of Year</b>	20,882,526	9,807,034		161,856
<b>Net Position End of Year</b>	\$ 22,478,661	9,599,074		(846,306)
<b>Reconciliation of the fund level operating statement to the government-wide statement of activities:</b>				
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.			(259,275)	
<b>Change in net position of business-type activities</b>			\$ 1,128,900	

**Ketchikan Gateway Borough, Alaska**  
*Proprietary Funds*  
*Statement of Cash Flows*  
*For the Year Ended June 30, 2020*

	<b>Business-type Activities</b>			<b>Governmental Activities - Internal Service Funds</b>
	<b>Airport</b>	<b>Wastewater</b>	<b>Total</b>	
<b>Increase (Decrease) in Cash and Cash Equivalents</b>				
<b>Cash Flows from Operating Activities</b>				
Cash received from customers	\$ 5,307,882	817,681	6,125,563	8,071,563
Cash payments to employees for services	(3,194,645)	(173,562)	(3,368,207)	-
Cash payments for goods and services	(1,982,758)	(212,856)	(2,195,614)	(2,032,491)
Cash payments for claims	-	-	-	(7,390,672)
<b>Net Cash Provided by Operating Activities</b>	<u>130,479</u>	<u>431,263</u>	<u>561,742</u>	<u>(1,351,600)</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Interfund payables	-	-	-	1,079,511
Operating grants	964,306	-	964,306	-
Transfers in	958,652	-	958,652	-
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>1,922,958</u>	<u>-</u>	<u>1,922,958</u>	<u>1,079,511</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Sale of capital assets	-	15,408	15,408	-
Loan proceeds	-	86,259	86,259	-
Capital grant	5,233	21,565	26,798	-
Interest paid on debt service	(626)	(20,017)	(20,643)	-
Interfund advance payable	(33,090)	(44,767)	(77,857)	-
Payments for capital acquisitions	(201,924)	(146,365)	(348,289)	-
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<u>(230,407)</u>	<u>(87,917)</u>	<u>(318,324)</u>	<u>-</u>
<b>Cash Flows from Investing Activities</b>				
Investment earnings	64,882	4,245	69,127	909
<b>Net Increase in Cash and Cash Equivalents</b>	1,887,912	347,591	2,235,503	(271,180)
<b>Cash and Cash Equivalents Beginning of Year</b>	<u>4,523,296</u>	<u>384,948</u>	<u>4,908,244</u>	<u>271,180</u>
<b>Cash and Cash Equivalents End of Year</b>	\$ <u><u>6,411,208</u></u>	<u><u>732,539</u></u>	<u><u>7,143,747</u></u>	<u><u>-</u></u>

(continued)

**Ketchikan Gateway Borough, Alaska**

*Proprietary Funds*

*Statement of Cash Flows, continued*

*For the Year Ended June 30, 2020*

	<b>Business-type Activities</b>			<b>Governmental</b>
	<b>Airport</b>	<b>Wastewater</b>	<b>Total</b>	<b>Activities - Internal Service Funds</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>				
<b>Operating Income (Loss)</b>	\$ (396,312)	(214,780)	(611,092)	(1,009,071)
<b>Adjustments:</b>				
Depreciation	1,195,244	353,924	1,549,168	-
<b>(Increase) Decrease in Assets and Deferred Outflows of Resources:</b>				
Accounts receivable	(29,673)	4,215	(25,458)	46,482
Note receivable	-	-	-	(884,529)
Intergovernmental	15,887	471,735	487,622	-
Deferred outflows of resources for pensions	32,948	-	32,948	-
Deferred outflows of resources for OPEB	(2,654)	-	(2,654)	-
<b>Increase (Decrease) in Liabilities and Deferred Inflows of Resources:</b>				
Accounts payable	(112,652)	(183,831)	(296,483)	-
Compensated absences payable	40,886	-	40,886	-
Net pension liability	(39,677)	-	(39,677)	-
Net OPEB liability	(517,218)	-	(517,218)	-
Deferred inflows of resources for pensions	77,000	-	77,000	-
Deferred inflows of resources for OPEB	(116,308)	-	(116,308)	-
Claims payable	-	-	-	495,518
<b>Net Cash Provided by Operating Activities</b>	\$ <u>147,471</u>	<u>431,263</u>	<u>578,734</u>	<u>(1,351,600)</u>



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**Ketchikan Gateway Borough, Alaska**  
**Notes to the Basic Financial Statements**  
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**For the Year Ended June 30, 2020**

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**Ketchikan Gateway Borough, Alaska**  
*Notes to the Basic Financial Statements*  
*For the Year Ended June 30, 2020*

The Ketchikan Gateway Borough, Alaska (the “Borough”) was incorporated September 13, 1963 as a Second Class Borough under the provisions of the State of Alaska Borough Act of 1961. The Borough operates under a seven-member elected Assembly and a Manager form of government.

***Note 1 - Summary of Significant Accounting Policies***

The financial statements of the Borough have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

The most significant of the Borough’s accounting policies are described below.

***1-A. Reporting Entity***

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 Borough consists of all funds, departments, boards and agencies that are not legally separate from the Borough.

Component units are legally separate organizations for which the Borough is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organizations; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, levies their taxes or issues their debt.

The component unit columns included on the government-wide financial statements identify the financial data of the Borough’s discretely presented component unit. It is reported separately to emphasize that it is legally separate from the Borough.

A brief description of the discretely presented component unit follows:

**Ketchikan Gateway Borough School District** (the School District) – The School District provides elementary and secondary educational services to Borough students. The School District’s Board of Education is an elected body, however, the Borough has responsibility for all significant fiscal matters. The Borough must approve the School District’s annual budget and it appropriates resources for School District operations. The Borough issues all debt for School District construction and the Borough owns all of the land and buildings that the School District uses. Separately issued financial statements for the School District are available on-line at [www.kgbsd.org](http://www.kgbsd.org) or from the District’s administrative office:

Pouch Z  
Ketchikan, AK 99901

**Ketchikan Gateway Borough, Alaska**  
*Notes to the Basic Financial Statements*  
*For the Year Ended June 30, 2020*

***1-B. Basis of Presentation***

The Borough's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

***Government-wide Financial Statements*** - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Borough as a whole. The primary government and the component unit are presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and Borough's general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of net position presents the financial position of the governmental and business-type activities of the Borough and its discretely presented component unit at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Borough's governmental activities and for each identifiable activity of the business-type activities of the Borough. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The Borough does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges to customers who purchase, use, or directly benefit from the services provided by the program; (2) operating grants and contributions, which finance annual operating activities including restricted investment income; and (3) capital grants and contributions, which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying the functional program to which revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

Other revenue sources not properly included with program revenues are reported as general revenues of the Borough. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the Borough.

***Fund Financial Statements*** - During the year, the Borough segregates transactions related to certain Borough functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Borough at this more detailed level. Fund financial statements are provided for governmental and proprietary funds.

Major individual governmental and enterprise funds are reported in separate columns. The internal service funds are aggregated into a single column.

***Fund Accounting*** - The Borough uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The Borough uses two categories of funds: governmental and proprietary.

**Ketchikan Gateway Borough, Alaska**  
*Notes to the Basic Financial Statements*  
*For the Year Ended June 30, 2020*

**Governmental Funds** - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated.

The Borough reports the difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources as fund balance. The following are the Borough's major governmental funds:

**The 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 Borough for any purpose provided it is expended or transferred according to the general laws of the State of Alaska.

**Land Trust Special Revenue Fund** - This fund is used to account for revenues from land sales, office space leases, and loans to other Borough funds and related expenditures.

**Commercial Passenger Vessel Fund** - This fund is used to account for CPV revenues received from the State of Alaska. These funds will be used to improve port and harbor facilities and other services to properly provide for vessel or watercraft visits and to enhance the safety and efficiency of interstate and foreign commerce.

**School Bond/Capital Improvements Special Revenue Fund** - This fund is used to account for the receipt of revenues from the State of Alaska for the School Debt Reimbursement Program, if it continues to be funded through the State, and the ½ -cent sales tax that was approved by the voters to fund school projects. These funds are used to pay for school bond debt, school building insurance, and school capital projects that would qualify for bonding.

**Local Education Special Revenue Fund** - This fund is used to account for the receipt of property taxes, Secure Rural Schools revenues, and tobacco tax proceeds, and to process payments for local education support.

**Capital Projects Fund** - This fund is used to account for the acquisition and construction of major school and other capital facilities other than those financed by proprietary funds. Management of the Borough has chosen to reflect this fund as a major fund for consistency purposes.

**State and Federal Grants Special Revenue Fund** - This fund is used to account for the expenditures and receipts of all State and Federal grant programs. State and Federal grant expenditures are governed by the requirements of the individual grant agreements. Management of the Borough has chosen to reflect this fund as a major fund for consistency purposes.

**Proprietary Funds** - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The proprietary funds are classified as enterprise funds and internal service funds. The major proprietary funds follow.

**Airport Fund** - This fund accounts for the operations of the Ketchikan International Airport.

**Wastewater Fund** - This fund is used to account for the Borough's wastewater program and sewer systems.

**Ketchikan Gateway Borough, Alaska**  
*Notes to the Basic Financial Statements*  
*For the Year Ended June 30, 2020*

***Internal Service Fund*** - The Borough's internal service funds account for the Borough's and its discretely presented component unit's self-insurance programs.

***1-C. Measurement Focus***

***Government-wide Financial Statements*** - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities, and all deferred inflows/outflows associated with the operation of the Borough are included on the statement of net position. The statement of activities reports revenues and expenses.

***Fund Financial Statements*** - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities, and all deferred inflows/outflows are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the Borough finances and meets the cash flow needs of its proprietary activities.

***1-D. Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

***Revenues – Exchange Transactions*** – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Borough, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

***Revenues – Non-exchange Transactions*** – Non-exchange transactions in which the Borough receives value without directly giving equal value in return include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (Note 3-C) Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Borough must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Borough on a reimbursement basis. On a modified accrual basis,

**Ketchikan Gateway Borough, Alaska**  
*Notes to the Basic Financial Statements*  
*For the Year Ended June 30, 2020*

revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be subject to accrual: property taxes, sales taxes, interest and federal and state grants.

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

***Expenses/Expenditures*** – On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

***1-E. Assets, Liabilities and Fund Equity***

***1-E-1 Cash, Cash Equivalents and Investments***

Cash and cash equivalents include cash on hand, amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Borough and all investments in the cash central treasury. For purposes of the statement of cash flows, the Borough has defined cash and cash equivalents as the demand deposits and all investments maintained in the cash central treasury regardless of maturity period, since the various funds use the central treasury essentially as a demand deposit account.

The Borough utilizes a central treasury to aggregate cash from all funds for cash management and investment purposes. Each fund has an account titled "cash in central treasury" which is the cash balance of that particular fund. Each fund whose monies are deposited in the central treasury has equity therein. Investment earnings are allocated monthly to participating funds based on their ending equity balance.

Investments are stated at fair value based on quoted market prices.

The Borough is authorized to invest in:

- Obligations of the U. S. Treasury, its agencies and instrumentalities;
- The highest rated commercial paper;
- Repurchase agreements;
- Fully collateralized certificates of deposits; and
- The highest rated bonds and notes issued by a state or political subdivision thereof.

Borough ordinance places limitations on maturity of investments, and Borough investment procedures limit the level of investment by type.

Certain long-term investments are made in the equity market, not to exceed 25 percent of the portfolio and stock investments restricted to companies with assets greater than \$5 billion. These investments are managed through an account with Time Value Investments. The equity investments are cash assets that will not be expended within the next one to five years.

***1-E-2 Receivables***

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. Unbilled water and sewer charges are accrued as receivables and revenue at June 30, 2020.

**Ketchikan Gateway Borough, Alaska**  
*Notes to the Basic Financial Statements*  
*For the Year Ended June 30, 2020*

***1-E-3 Interfund Balances***

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." Long-term loans between funds are classified as "advances receivable/advances payable." These 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-E-4 Consumable Inventories***

On the government-wide financial statements, Borough inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method). Component unit inventories are presented at cost using the first-in, first-out basis.

On the fund financial statements, inventories of governmental and proprietary funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as expenditure in the governmental fund types when consumed. Inventories of the proprietary funds are expensed when consumed.

***1-E-5 Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2020, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is shown as nonspendable; as this amount is not available for general appropriation.

***1-E-6 Restricted Assets***

The investment account within the capital projects fund segregates cash and investments that are restricted for school construction projects. Cash and investments restricted for debt service payments are segregated in the revenue bond current debt service account for debt service payments over the next 12 months, and in the revenue bond future debt service account for debt service payments beyond that period. The revenue bond renewal and replacement account segregates cash and investments reserved to cover unexpected contingencies or to fund asset renewals and replacements. The customer deposits account reflects cash from security deposits in the Borough's Planning Department that will eventually be returned to customers.

***1-E-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 Borough reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the governmental 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, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The Borough maintains a capitalization threshold of five thousand dollars for capital assets consisting of equipment, and fifty thousand dollars for buildings, building improvements, land improvements, and infrastructure. The Borough's infrastructure consists of roads, bridges, airport runways, and water and sewer lines. 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 funds is capitalized.

**Ketchikan Gateway Borough, Alaska**  
*Notes to the Basic Financial Statements*  
For the Year Ended June 30, 2020

All reported capital assets are depreciated except for land 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 Borough’s historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Asset Class	Estimated Lives	
	Governmental Activities	Business-type Activities
Buildings	50 Years	40 Years
Machinery and equipment	6-15 Years	6-10 Years
Vehicles and moving equipment	5-10 Years	5-10 Years
Fields	20 Years	---
Infrastructure	10-20 Years	---
Land improvements	20 Years	---
Pool	25 Years	---
Water system improvements	50 Years	---
Buses	12 Years	---
Airport field facilities	---	15-30 Years
Ferry slip	---	40 Years
Ferries	---	20 Years

Works of art are not depreciated if the artwork is removable from the building. Artwork that has become part of the building, ceramic walls for example, is depreciated over 50 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-E-8 Compensated Absences***

It is the Borough's policy to permit employees to accumulate paid time off (PTO) benefits up to a maximum of 720 hours at calendar year-end.

PTO 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. All PTO liabilities include salary-related payments, where applicable.

The total PTO liability is reported on the government-wide financial statements. Proprietary funds report the total PTO liability in each individual fund at the fund reporting level. Governmental funds report the PTO liability at the fund reporting level only “when due.”

***1-E-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 these funds.

**Ketchikan Gateway Borough, Alaska**  
*Notes to the Basic Financial Statements*  
*For the Year Ended June 30, 2020*

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 payable are recognized as a liability in the governmental fund financial statements when due.

***1-E-10 Bond Premiums, Discounts and Issuance Costs***

On the government-wide and the proprietary fund type statements of net position, bond premiums and discounts are netted against bonds payable. Any gain or loss on refunding is reported as a deferred charge. On the government-wide and proprietary fund type statement of activities, bond premiums, and discounts are deferred and amortized over the life of the bonds using the straight-line method. 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 an expenditure/expense in both the government wide statement of activities and at the fund level.

***1-E-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*** – In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources.

***Nonspendable fund balance*** – This classification includes amounts that cannot be spent because they are either (a) not in spendable form; prepaid items, inventories, long term advances and receivables; or (b) legally or contractually required to be maintained intact.

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

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

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

***Assigned fund balance*** – This classification reflects the amounts constrained by the Borough's "intent" to be used for specific purposes, but are neither restricted nor committed. The Borough Assembly has delegated the assignment ability to the Finance Director through Resolution 2553. Assigned fund balances include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

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

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

**Ketchikan Gateway Borough, Alaska**  
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**Net Position** – Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. 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. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Borough or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

***1-E-12 Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Borough, these revenues are charges for services for the wastewater and the airport enterprise funds and premiums for the self-insurance internal service funds. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of each fund. Nonoperating revenues include investment earnings and operating grants, and nonoperating expenses include interest expense and the loss on the disposition of capital assets.

***1-E-13 Contributions of Capital***

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

***1-E-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 and eliminated from the total column. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business type activities column are eliminated.

***1-E-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-E-16 Comparative Data***

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. In addition, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

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**1-E-17 Pensions**

*Pensions.* For purposes of measuring the net pension liability and the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, OPEB, and OPEB expense, information about the fiduciary net position of the Public Employees’ Retirement System (PERS) and additions to/from PERS’s fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability and the net OPEB liability have been allocated between the governmental activities, business-type activities, based on PERS covered payroll during the fiscal year.

**Note 2 – Changes in Accounting Principles, Stewardship, Compliance and Accountability**

**2-A. Budgetary Information** – The Borough adopts an annual operating budget for the following funds: General Fund, Land Trust, Local Education, Commercial Passenger Vessel, Recreation Sales Tax, School Bond/Capital Improvement, Economic Development Assistance Program, Airport PFC Fund, Nonareawide Library, Tobacco Tax, and the following Service Areas: Mud Bight, South Tongass, Loring, Waterfall, Nichols View, Forest Park, Gold Nugget, Homestead, North Tongass Fire and EMS. A project budget is adopted for each capital projects fund. The budget resolution reflects the total budget of each fund.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget is the individual fund. Borough department heads may make transfers of appropriations within a department and the Borough Manager may authorize transfers of appropriations between departments within an individual fund. Transfers of appropriations between funds require the approval of the Borough Assembly.

During the year, the Borough Assembly approved budget revisions.

All unexpended annual appropriations lapse at year-end, with the exception of encumbrances; appropriations made for a capital or grant project or a contract or grant award. Such an appropriation does not lapse until its purpose has been accomplished or abandoned, and are carried forward to subsequent fiscal years.

At June 30, 2020, the Borough had open encumbrances as follows:

Fund	Encumbrances
General Fund	\$ 5,341
Land Trust	16,437
State and Federal Grant	3,600
Nonmajor	616,167
Total	\$ 641,545

**2-B. Excess of Expenditures over Appropriations**

The following individual fund had an excess of expenditures over appropriations at June 30, 2020:

The Recreation Sales Tax Special Revenue Fund  
The Old Dairy Road Special Revenue Fund

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**2-C. Deficit Fund Equities**

The following individual fund had a deficit fund balance at the fund reporting level at June 30, 2020:

The Old Dairy Road Special Revenue Fund (88)

**Note 3 - Detailed Notes on All Funds**

**3-A. Cash and Investments**

Cash and investments for Ketchikan Gateway Borough consist of governmental and business-type activities. The balances at June 30, 2020 are as follows:

Cash on hand	\$	3,550
Deposits with financial institutions		9,225,227
Investments		<u>31,828,893</u>
Total	\$	<u>41,057,670</u>

		<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Unrestricted	\$	29,210,341	7,143,747	36,354,088
Restricted		<u>4,703,582</u>	<u>-</u>	<u>4,703,582</u>
Total	\$	<u>33,913,923</u>	<u>7,143,747</u>	<u>41,057,670</u>

The restricted cash and investments are comprised of investments in construction funds for school projects and commercial passenger vessel revenues for commercial passenger vessel related expenditures.

**Deposits – Custodial credit risk-deposits** – This is the risk that in the event of a bank failure, the Borough’s deposits may not be returned to it. The Borough’s deposit policy is in accordance with guidelines established by the Borough’s Code of Ordinances, the Borough Assembly and its bond ordinances. All deposits are covered by federal depository insurance up to \$250,000 and collateralized with eligible securities to secure at least 100 percent of the book value of deposits. As of June 30, 2020, the carrying value of all the Borough’s deposits was \$9,225,227 and the bank value was \$9,390,876 per bank confirmations. All collateral securities were held by third parties in the Borough’s name, and were not exposed to custodial credit risk.

**Investments** – All investment pool cash purchases and sales are part of the Borough’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 monthly cash balance of each fund. The Borough has recorded investments at the current portfolio value. The Borough’s investment policy is in accordance with guidelines established by the Borough’s Code of Ordinances.

The Borough has investments as follows: \$16,617,343 is deposited in the Alaska Municipal League Investment Pool, \$11,080,721 is deposited with Time Value Investments, \$3,701,356 is in a money market account at Wells Fargo, and \$429,473 is held at Bank of New York in a reserve fund for certificates of participation debt. The first two investments are not held at fair value, but are instead recorded at amortized

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cost as of June 30, 2020. The Borough is using the Income Approach to value the investments that are held with Time Value Investments.

The following investments are permitted under the Borough's Code of Ordinances Section 4.10.060:

- U.S. government obligations, U.S. government agency obligations and U.S. government instrumentality obligations which have a liquid market with a readily determinable market value;
- Certificates of deposit and other evidences of deposit at financial institutions and commercial paper rated in the highest tier (e.g., A-1, P-1, F-1, or D-1 or higher) by a nationally recognized rating agency;
- Investment-grade obligations of U.S. corporations, state and local governments and public authorities;
- Repurchase agreements whose underlying purchased securities consist of the foregoing;
- Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities;
- Local government investment pools, either state-administered or through joining powers statutes and other intergovernmental agreement legislation;
- Mutual funds whose investments are limited to U.S. government securities or treasury securities;
- A majority of the equity position will be invested in common stock issued by U.S. corporations with market capitalization in excess of five billion dollars (\$5,000,000,000) at time of purchase which trade on NASDAQ or New York Stock Exchange. A maximum of ten (10) percent of the equity allocation may be invested in mutual funds that invest in small capitalization companies or individual companies whose market capitalization is less than one billion dollars (\$1,000,000,000). Small capitalization is defined as one billion dollars (\$1,000,000,000) or less;
- A maximum of ten (10) percent of the equity allocation may be invested in international mutual funds or individual companies that are non-U.S.-based.

***Concentration of credit risk.*** \$16,617,343 is held in the Alaska Municipal League Investment Pool (AMLIP). The AMLIP is considered an external investment pool with a Standard and Poor's rating of AAAM. \$11,080,721 is deposited in thirty-six different banks in time certificates of deposits, and two bond issuances, and managed through Time Value Investments.

The Borough has no formal policy relating to credit risk or the concentration of credit risk.

***Interest rate risk.*** As of June 30, 2020, the weighted average maturity of the Borough's investment portfolio was less than one year. To minimize interest rate risk, the Borough's investment policy limits the portfolio to a maximum weighted average maturity of 24 months to meet the Borough's cash flow requirements.

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The Borough's investments are as follows:

<u>Investment Type</u>	<u>Investment Maturity (in years)</u>		
	<u>Current Market Value</u>	<u>Less than 1</u>	<u>1 - 5</u>
AML Investment Pool	\$ 16,617,343	16,617,343	-
Time Value Investments	11,080,721	11,080,721	-
Money Market	<u>5,122,370</u>	<u>5,122,370</u>	<u>-</u>
	\$ <u><u>32,820,434</u></u>	<u><u>32,820,434</u></u>	<u><u>-</u></u>

**3-B. Receivables**

Receivables at June 30, 2020, consisted of taxes, interest, accounts (billings for user charges, including unbilled utility receivables), and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the Borough'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 as of year-end for the Borough's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

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	<u>General</u>	<u>Land Trust</u>	<u>Commercial Passenger Vessel</u>	<u>School Bond Capital Improvements</u>	<u>Local Education</u>	
Receivables:						
Prepaid items	\$ -	-	-	-	-	
Accounts	94,481	8,321	1,965	2,752	576	
Due to/from						
component unit	-	-	-	-	2,526,399	
Intergovernmental	176,303	-	-	350,551	-	
Investments	9,446	-	-	-	-	
Property taxes	38,474	-	-	-	52,293	
Sales taxes	3,066,026	-	-	304,511	355,064	
Note	600,000	-	-	-	-	
Interfund Advances	<u>1,532,474</u>	<u>176,595</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total receivables	5,517,204	184,916	1,965	657,814	2,934,332	
Allowance for						
doubtful accounts	<u>(601,690)</u>	<u>(2,754)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Net receivables	\$ <u>4,915,514</u>	<u>182,162</u>	<u>1,965</u>	<u>657,814</u>	<u>2,934,332</u>	
	<u>State &amp; Federal Grants</u>	<u>Nonmajor Governmental</u>	<u>Airport Enterprise</u>	<u>Wastewater Enterprise</u>	<u>Internal Service Fund</u>	<u>Totals</u>
Receivables:						
Prepaid items	\$ 6,493,020	9,648	-	-	-	6,502,668
Accounts	-	71,608	251,337	72,647	19,282	522,969
Due to/from component						
unit	-	-	-	-	-	2,526,399
Intergovernmental	358,706	205,379	13,710	86,260	-	1,190,909
Investments	-	-	-	-	-	9,446
Property taxes	-	11,106	-	-	-	101,873
Sales taxes	-	304,511	-	-	-	4,030,112
Note	-	-	-	-	1,561,190	2,161,190
Interfund advances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,709,069</u>
Total receivables	6,851,726	602,252	265,047	158,907	1,580,472	18,754,635
Allowance for						
doubtful accounts	<u>-</u>	<u>(10,589)</u>	<u>(40,801)</u>	<u>(26,185)</u>	<u>-</u>	<u>(682,019)</u>
Net receivables	\$ <u>6,851,726</u>	<u>591,663</u>	<u>224,246</u>	<u>132,722</u>	<u>1,580,472</u>	<u>18,072,616</u>

**Defeased Bonds** – All refunded bonds have been fully defeased and paid to bondholders.

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Governmental funds report *deferred inflows* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. As of the end of the current fiscal year, the various components of deferred inflows and unearned revenue reported in the governmental funds were as follows:

	Deferred - Unavailable	Unearned
Delinquent property taxes receivable (General Fund)	\$ 38,567	-
Delinquent property taxes receivable (Local Education Fund)	51,850	-
Delinquent property taxes receivable (Nonmajor Funds)	11,106	-
Unearned revenue (General Fund)	-	114,725
Unearned revenue (Grants)	-	11,019,803
	-	11,019,803
Total deferred/unearned revenue for governmental funds	\$ 101,523	11,134,528

**3-C. Property and Sales Taxes**

The Borough levies its real property taxes on July 1 of each fiscal year based upon the assessed valuation as of the previous January 1. Property taxes are considered due the following July 1 and are considered delinquent on October 1, which is also the lien date. The Borough collects its own sales tax as well as that of the cities within the Borough. The Borough-wide sales tax rate is 2.5% while the rate for the City of Ketchikan and the City of Saxman is 4.0%.

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**3-D. Capital Assets**

Capital asset activity for the year ended June 30, 2020, was as follows:

	Balance 7/1/2019	Additions	Deductions	Balance 6/30/2020
<b>Governmental activities:</b>				
Nondepreciable capital assets:				
Works of Art	\$ 7,500	-	-	7,500
Land - Borough	32,469,255	-	3,733	32,465,522
Land - School	7,798,562	-	-	7,798,562
Construction in progress - Borough	421,227	-	421,227	-
Construction in progress - School	42,181	27,799	42,181	27,799
Total nondepreciable capital assets	<u>40,738,725</u>	<u>27,799</u>	<u>467,141</u>	<u>40,299,383</u>
Depreciable capital assets:				
Buildings - Borough	25,607,051	1,167,842	-	26,774,893
Buildings - School	106,108,243	2,716,056	-	108,824,299
Equipment	6,324,692	98,048	13,998	6,408,742
Fields	4,758,399	-	-	4,758,399
Infrastructure	1,509,418	-	-	1,509,418
Land improvements	3,887,107	-	-	3,887,107
Pool	22,971,211	-	-	22,971,211
Water improvements	8,400,960	-	-	8,400,960
Buses	4,533,259	-	-	4,533,259
Total depreciable capital assets	<u>184,100,340</u>	<u>3,981,946</u>	<u>13,998</u>	<u>188,068,288</u>
Total cost of capital assets	<u>224,839,065</u>	<u>4,009,745</u>	<u>481,139</u>	<u>228,367,671</u>
Accumulated depreciation:				
Buildings - Borough	7,640,338	667,766	-	8,308,104
Buildings - School	45,064,367	2,651,427	-	47,715,794
Equipment	4,305,643	357,015	13,998	4,648,660
Fields	2,489,411	180,540	-	2,669,951
Infrastructure	918,061	51,613	-	969,674
Land improvements	612,652	223,422	-	836,074
Pool	5,494,712	919,935	-	6,414,647
Water improvements	1,339,931	168,888	-	1,508,819
Buses	2,160,294	334,684	-	2,494,978
Total accumulated depreciation	<u>70,025,409</u>	<u>5,555,290</u>	<u>13,998</u>	<u>75,566,701</u>
Governmental activities capital assets, net	\$ <u>154,813,656</u>	<u>(1,545,545)</u>	<u>467,141</u>	<u>152,800,970</u>

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<b>Governmental activities depreciation:</b>	
General Government	\$ 29,436
Education	2,817,917
Fire and EMS	297,690
Parks and Recreation	1,189,363
Public Services	774,589
Public Works	25,185
Transit	<u>421,110</u>
 Total governmental activities depreciation expense	 \$ <u>5,555,290</u>

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	Balance 7/1/2019	Additions	Deductions	Balance 6/30/2020
<b>Business-type activities:</b>				
Nondepreciable capital assets				
Construction in progress-Airport	\$ 4,076,629	161,842	-	4,238,471
Construction in progress-Wastewater	<u>1,737,440</u>	<u>107,825</u>	<u>-</u>	<u>1,845,265</u>
Total depreciable capital assets	<u>5,814,069</u>	<u>269,667</u>	<u>-</u>	<u>6,083,736</u>
Depreciable capital assets:				
Ferry	16,187,177	-	-	16,187,177
Field	4,360,148	-	-	4,360,148
Terminal building	13,043,142	40,081	-	13,083,223
Murphy's landing	208,800	-	-	208,800
Revilla parking	63,068	-	-	63,068
Wastewater	318,326	-	32,698	285,628
Mountain Point wastewater	<u>13,855,146</u>	<u>38,541</u>	<u>15,407</u>	<u>13,878,280</u>
Total depreciable capital assets	<u>48,035,807</u>	<u>78,622</u>	<u>48,105</u>	<u>48,066,324</u>
Total capital assets	<u>53,849,876</u>	<u>348,289</u>	<u>48,105</u>	<u>54,150,060</u>
Accumulated depreciation:				
Ferry	7,774,512	785,000	-	8,559,512
Field	3,119,305	97,621	-	3,216,926
Terminal building	6,780,256	307,369	-	7,087,625
Murphy's landing	208,800	-	-	208,800
Revilla parking	876	5,256	-	6,132
Wastewater	315,507	2,815	32,698	285,624
Mountain Point wastewater	<u>5,778,960</u>	<u>351,107</u>	<u>1,027</u>	<u>6,129,040</u>
Total accumulated depreciation	<u>23,978,216</u>	<u>1,549,168</u>	<u>33,725</u>	<u>25,493,659</u>
Business-type activities capital assets, net \$	<u>29,871,660</u>	<u>(1,200,879)</u>	<u>14,380</u>	<u>28,656,401</u>
<b>Business-type activities depreciation:</b>				
Airport		1,195,244		
Wastewater		<u>353,924</u>		
		<u>1,549,168</u>		

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**3-E. Interfund Balances and Transfers**

Interfund balances at June 30, 2020, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The balances due to the Land Trust Fund are interfund loans and payment schedules have been established for the various funds and the balances are scheduled to be repaid in fiscal years 2021 through 2028.

	Payable From:	
Payable to:	Wastewater Enterprise Fund	Non-Major Governmental Funds
General Fund	\$ -	89,633
Land Trust Fund - Advances Receivable	97,836	78,760
Total	\$ 97,836	168,393

	Payable From:		
Payable to:	Non-Major Debt Service Fund	Internal Service Fund	Total
General Fund	\$ 46,960	1,395,881	1,532,474
Land Trust Fund - Advances Receivable	-	-	176,596
Total	\$ 46,960	1,395,881	1,709,070

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Interfund transfers for the year ended June 30, 2020, consisted of the following:

				Transfers From:		
Transfers to:	General Fund	Land Trust Fund	Local Education			
General Fund	\$ -	242,686	113,445			
Land Trust Fund	-	-	-			
School Bond CIP Fund	-	-	-			
Local Education Fund	189,890	-	-			
Non-Major Special Revenue	9,993	-	72,159			
Non-Major Debt Service	-	304,899	-			
Capital Projects	-	-	-			
Airport Enterprise	5,500	-	-			
<b>Total</b>	<b>\$ 205,383</b>	<b>547,585</b>	<b>185,604</b>			

					Transfers From:			
Transfers to:	School Bond Capital Improvements Fund		Non-Major Special Revenue Funds		Capital Projects	Total		
General Fund	\$ -		1,527,508		-	1,883,639		
Land Trust Fund	-		-		-	-		
School Bond CIP Fund	-		-		13,689	13,689		
Local Education Fund	216,630		-		-	406,520		
Non-Major Special Revenue	162,751		300,000		-	544,903		
Non-Major Debt Service	2,913,127		1,360,752		-	4,578,778		
Capital Projects	-		-		-	-		
Airport Enterprise	-		953,152		-	958,652		
<b>Total</b>	<b>\$ 3,292,508</b>		<b>4,141,412</b>		<b>13,689</b>	<b>8,386,181</b>		

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

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All Borough transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

**3-F. Compensated Absences**

Employees may receive cash payments for unused compensated absences only upon termination or for hours in excess of 720 at the end of any calendar year. Employees may also request “leave buy outs” from their personal leave bank and approval of those requests are at the discretion of the Borough Manager.

**3-G. Operating Leases**

The Borough leases the Ketchikan International Airport from the State of Alaska at the rate of one dollar per year under a 42-year lease agreement that expires May 31, 2027. Under the terms of this lease, the Borough is required to operate the airport for the use and benefit of the public and to perform all routine maintenance and repairs to the building and landing field. The lease further provides that the first \$10,000 of the cost of repairs to State of Alaska owned facilities are to be paid by the Borough and the balance of the cost of major repairs are to be paid by the State of Alaska. In addition, the lease requires the Borough to maintain an airport enterprise fund and to account for all of the revenues, costs and expenses of operating the airport in this fund. Any excess of specified revenues over specified expenses, both of which are defined in the lease, must be credited to a separate reserve account and can only be used for certain purposes. No excess of specified revenues over specified expense exists in the airport enterprise fund as of June 30, 2020. The leases that are in place as of June 30, 2020 have expiration dates through 2024. One long-term land lease extends through 2049.

The Borough also collects rents from land, a seaplane dock, a floatplane pullout, aircraft tie-downs, an ARFF/maintenance building, aircraft parking, and Murphy’s Pullout. The Borough collects these rents on a month-to-month basis. Current airport terminal leases generate annual revenues of \$549,776 on 170,867 square feet. Land leases generate annual revenues of \$163,810 on 209,350 square feet.

**3-H. Long-Term Debt**

The Borough has numerous bond issues outstanding. A summary of the governmental activities follows:

***Borough General Obligation Bonds, 2009B&C Taxable Series*** – General obligation bonds, Series 2009B&C, denominations of \$5,000 or integral multiples thereof, dated December 18, 2009, \$16,681,000 taxable Build America Bond (2009B) and \$3,744,000 taxable Recovery Zone Development Bond (2009C), total issue \$20,425,000. The bond proceeds were used to construct a community aquatic center of which 17.848% is considered a school facility. Interest rates range from 1.53% to 6.118%. The bonds mature February 1, 2039. Annual debt service requirements as of June 30, 2020 are as follows:

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<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Subsidy</u>	<u>Net Interest</u>	<u>Total</u>
2021	\$	665,000	1,066,390	(396,142)	670,248	1,335,248
2022		690,000	1,032,642	(384,330)	648,312	1,338,312
2023		710,000	997,107	(371,893)	625,214	1,335,214
2024		735,000	959,654	(358,785)	600,869	1,335,869
2025		765,000	919,964	(344,893)	575,071	1,340,071
2025-2029		4,280,000	3,883,095	(1,473,612)	2,409,483	6,689,483
2030-2034		5,190,000	2,482,378	(983,361)	1,499,017	6,689,017
2035-2039		4,920,000	765,668	(337,288)	428,380	5,348,380
Total	\$	<u>17,955,000</u>	<u>12,106,898</u>	<u>(4,650,304)</u>	<u>7,456,594</u>	<u>25,411,594</u>

***Borough General Obligation Bonds, 2010B Four Taxable Series*** – General obligation bonds, Series 2010B, denominations of \$5,000, dated December 9, 2010, total issue \$3,270,000. The bond proceeds were used for repairs and improvements to the Ketchikan High School roof. Interest rates range from 1.422% to 5.759%. The bonds mature August 1, 2025. Annual debt service requirements as of June 30, 2020 follow:

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Subsidy</u>	<u>Net Interest</u>	<u>Total</u>
2021	\$	240,000	74,574	(33,558)	41,016	281,016
2022		245,000	63,091	(28,391)	34,700	279,700
2023		250,000	50,753	(22,839)	27,914	277,914
2024		255,000	37,534	(16,890)	20,644	275,644
2025		265,000	23,269	(10,471)	12,798	277,798
2026		275,000	7,919	(3,563)	4,356	279,356
Total	\$	<u>1,530,000</u>	<u>257,140</u>	<u>(115,712)</u>	<u>141,428</u>	<u>1,671,428</u>

***Certificate of Participation 2010A-2- White Cliff Taxable*** – Bonds issued December 21, 2010, in the amount of \$3,700,000 as a direct borrowing with the Alaska Municipal Bond Bank, with no line of credit. The proceeds were used to purchase the White Cliff Building through a lease and lease-back transaction with the Bank of New York Mellon Trust Company (the “Trustee”). A leasehold interest is vested in the Trustee and will revert to the Borough upon termination of the lease. The White Cliff Building is the home of Ketchikan Gateway Borough’s administrative offices. The bonds contain a provision that they are redeemable at 100% of the principal amount, or the sum of the present value of the remaining scheduled payments, in the event of a material adverse change in Section 54AA or 6431 of the Internal Revenue Code pertaining to Build America Bonds and Recovery Zone Economic Development Bonds. Face coupon interest rates range from 5.781% through FY 2026 to 6.863% beginning in FY 2027 through the balance of the term, with an interest subsidy of 45% from the Federal Government for Recovery Zone Economic Development Bonds. The subsidy is subject to sequestration and in 2020, the subsidy was reduced by 6.2%. The debt will be paid off July 1, 2035. Annual debt service requirements as of June 30, 2020 follow:

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<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Interest Subsidy</u>	<u>Net Interest</u>	<u>Total</u>
2021	\$	175,000	220,877	(99,395)	121,482	296,482
2022		180,000	210,761	(94,842)	115,919	295,919
2023		185,000	200,355	(90,160)	110,195	295,195
2024		190,000	189,660	(85,347)	104,313	294,313
2025		200,000	178,676	(80,404)	98,272	298,272
2026-2030		1,110,000	689,046	(285,904)	403,142	1,513,142
2031-2035		<u>1,325,000</u>	<u>279,667</u>	<u>(150,017)</u>	<u>129,650</u>	<u>1,454,650</u>
Total	\$	<u>3,365,000</u>	<u>1,969,042</u>	<u>(886,069)</u>	<u>1,082,973</u>	<u>4,447,973</u>

***Borough General Obligation Bonds, 2011 III Series*** - General obligation bonds, Series 2011, denominations of \$5,000, dated November 30, 2011, total issue \$4,900,000. The bond proceeds were used to advance refund \$5,900,000 of the 2003 general obligation bonds. Interest rates range from 2.00% to 5.00%. Net present value savings on the refunding are \$375,553 over the term. The bonds mature September 1, 2022. Annual debt service requirements as of June 30, 2020 follow:

<u>Fiscal Year</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$	545,000	71,875	616,875
2022		570,000	44,000	614,000
2023		<u>595,000</u>	<u>14,875</u>	<u>609,875</u>
Total	\$	<u>1,710,000</u>	<u>130,750</u>	<u>1,840,750</u>

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***Borough General Obligation Bonds, 2013 One Series*** – General obligation bonds, Series 2013, denominations of \$5,000, dated March 12, 2013, total issue \$4,875,000. The bond proceeds were used for school district facility upgrades. Interest rates range from 2% - 5%. The bonds mature February 1, 2023. Annual debt service requirements as of June 30, 2020 follow:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 540,000	67,600	607,600
2022	565,000	46,000	611,000
2023	<u>585,000</u>	<u>23,400</u>	<u>608,400</u>
Total	\$ <u>1,690,000</u>	<u>137,000</u>	<u>1,827,000</u>

***Defeased Bonds*** – All refunded bonds have been fully defeased and paid to bondholders.

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**Changes in Long-term Debt** - Changes in the Borough's long-term obligations consisted of the following for the year ended June 30, 2020:

<b>Governmental Activities</b>	Outstanding 7/1/2019	Additions	Reductions	Outstanding 6/30/2020	Amounts Due in One Year
GO Bonds - 2009B & C	\$ 18,600,000	-	645,000	17,955,000	665,000
GO Bonds - 2010A One	700,000	-	700,000	-	-
GO Bonds - 2010B Four	1,760,000	-	230,000	1,530,000	240,000
GO Bonds - 2011 III	2,230,000	-	520,000	1,710,000	545,000
GO Bonds - 2012 II	665,000	-	665,000	-	-
GO Bonds - 2013 One	2,210,000	-	520,000	1,690,000	540,000
Certificates of Participation					
C of P 2010A-2	3,535,000	-	170,000	3,365,000	175,000
Compensated absences	<u>623,695</u>	<u>628,604</u>	<u>579,360</u>	<u>672,939</u>	<u>-</u>
<b>Total Governmental Activities</b>	<b>\$ <u>30,323,695</u></b>	<b><u>628,604</u></b>	<b><u>4,029,360</u></b>	<b><u>26,922,939</u></b>	<b><u>2,165,000</u></b>
 <b>Business-Type Activities</b>					
LWCF note payable	\$ 630,772	86,260	-	717,032	-
Compensated absences	<u>248,706</u>	<u>194,780</u>	<u>153,894</u>	<u>289,592</u>	<u>157,790</u>
<b>Total Business-Type Activities</b>	<b>\$ <u>879,478</u></b>	<b><u>281,040</u></b>	<b><u>153,894</u></b>	<b><u>1,006,624</u></b>	<b><u>157,790</u></b>

The general obligation bonds and certificates of participation for governmental activities are being retired by the general obligation bond debt service and certificate of participation funds.

The compensated absences liability is being liquidated from the fund from which the employees' salaries are paid. These funds include the General Fund, South Tongass Service Area, North Tongass Fire & EMS Service Area, and the Airport Enterprise Fund.

**3-I. Retirement Plans**

**(a) Defined Benefit (DB) Pension Plan**

**General Information About the Plan**

The Borough participates in the Alaska Public Employees' Retirement System (PERS). PERS is a cost-sharing multiple employer plan which covers eligible State and local government employees, other than teachers. The Plan was established and is administered by the State of Alaska Department of Administration. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

The Plan is included in a comprehensive annual financial report that includes financial statements and other required supplemental information. That report is available via the internet at <http://doa.alaska.gov/dr/pers>. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on this website.

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The Plan provides for retirement, death and disability, and postemployment healthcare benefits. There are three tiers of employees, based on entry date. For all tiers within the Defined Benefit (DB) plan, full retirement benefits are generally calculated using a formula comprised of a multiplier times the average monthly salary (AMS) times the number of years of service. The multiplier is increased at longevity milestone markers for most employees. Police/Fire employees accrue benefits at an accelerated rate. The tiers within the Plan establish differing criteria regarding normal retirement age, early retirement age, and the criteria for calculation of AMS, COLA adjustments, and other postemployment benefits (OPEB). A complete benefit comparison chart is available at the website noted above.

***(a) Defined Benefit (DB) Pension Plan***

The PERS DB Plan was closed to new entrants effective July 1, 2006. New employees hired after that date participate in the PERS Defined Contribution (DC) Plan described later in these notes.

***Historical Context and Special Funding Situation***

In April 2008, the Alaska Legislature passed legislation converting the previously existing PERS plan from a DB agent-multiple employer plan to a DB cost-sharing plan with an effective date of July 1, 2008. In connection with this conversion, the State of Alaska passed additional legislation which statutorily capped the employer contribution rate, established a state funded “on-behalf” contribution (subject to funding availability), and required that employer contributions be calculated against all PERS eligible wages, including wages paid to participants of the PERS Tier IV defined contribution plan described later in these notes. The Alaska Legislature has the power and authority to change the aforementioned statute through the legislative process.

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

***Employee Contribution Rates***

Regular employees are required to contribute 6.75% of their annual covered salary. Police officers and firefighters are required to contribute 7.50% of their annual covered salary.

***Employer and Other Contribution Rates***

There are several contribution rates associated with the pension contributions and related liabilities. These amounts are calculated on an annual basis.

*Employer Effective Rate:* This is the contractual employer pay-in rate. Under current legislation, the amount calculated for the statutory employer effective contribution rate is 22% on eligible wages. This 22% rate is calculated on all PERS participating wages, including those wages attributable to employees in the DC plan. Contributions derived from the DC employee payroll is referred to as the Defined Benefit Unfunded Liability or DBUL contribution.

*ARM Board Adopted Rate:* This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25 year term which ends in 2039.

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*State Contribution Rate:* This is the rate paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. In the governmental fund financial statements, on-behalf contribution amounts have been recognized as additional revenues and expenditures. In the proprietary funds and government-wide financial statements, the on-behalf amounts reflect revenue and expense only during the measurement period in which the Plan recognizes the payments, resulting in a significant timing difference between the cash transfers and revenue and expense recognition.

Contribution rates for the year ended June 30, 2020 were determined in the June 30, 2017 actuarial valuations. The Borough's contribution rates for the 2020 fiscal year were as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
Pension	15.72%	23.73%	6.62%
Postemployment healthcare (ARHCT)	6.28%	4.89%	0.00%
<b>Total Contribution Rates</b>	<b>22.00%</b>	<b>28.62%</b>	<b>6.62%</b>

In 2020, the Borough was credited with the following contributions to the pension plan.

	Measurement Period July 1, 2018 to June 30, 2019	Borough Fiscal Year July 1, 2019 to June 30, 2020
Employer contributions (including DBUL)	\$ 726,601	\$ 719,736
Nonemployer contributions (on-behalf)	335,739	411,255
<b>Total Contributions</b>	<b>\$ 1,062,340</b>	<b>\$ 1,130,991</b>

In addition, employee contributions to the Plan totaled \$186,941 during the Borough's fiscal year.

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

At June 30, 2020, the Borough reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the Borough. The amount recognized by the Borough for its proportional share, the related State proportion, and the total portion of the net pension liability that was associated with the Borough were as follows:

Borough proportionate share of NPL	\$ 9,948,078
State's proportionate share of NPL associated with the Borough	3,948,260
<b>Total Net Pension Liability</b>	<b>\$ 13,896,338</b>

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 to calculate the net pension liability as of that date. The

**Ketchikan Gateway Borough, Alaska**  
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Borough's proportion of the net pension liability is based on the ratio of the present value of projected future contributions for each employer to the present value of project future contributions to the Plan for the fiscal years 2020 to 2039. At the June 30, 2019 measurement date, the Borough's proportion was 0.18173 percent, which was a decrease of 0.021160 from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Borough recognized pension expense of \$2,206,512 and on-behalf revenue of \$536,351 for support provided by the State. At June 30, 2020, the Borough reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (147,270)
Changes in assumptions	304,566	-
Net difference between projected and actual earnings on pension plan investments	142,634	-
Changes in proportion and differences between Borough contributions and proportionate share of contributions	-	(364,733)
Borough contributions subsequent to the measurement date	719,736	-
<b>Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</b>	<b>\$ 1,166,936</b>	<b>\$ (512,003)</b>

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The \$719,736 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

*Year Ending June 30,*

2021	\$ (49,176)
2022	(105,309)
2023	40,469
2024	49,213
2025	-
Thereafter	-
<hr/>	
<b>Total Amortization</b>	<b>\$ (64,803)</b>

***Actuarial Assumptions***

The total pension liability was determined by an actuarial valuation as of June 30, 2018, using the actuarial assumptions listed below, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019:

Actuarial cost method	Entry age normal; level percentage of payroll
Amortization method	Level percentage of pay, closed
Inflation	2.50%
Salary increases	For peace officer/firefighter, increases range from 7.75% to 2.75% based on service. For all others, increases range from 6.75% to 2.75% based on service.
Investment rate of return	7.38%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.88%.
Mortality	Pre-termination and post-termination mortality rates were based upon the 2013-2017 actual mortality experience. Pre-termination mortality rates were based on 100% of the RP-2014 table with MP-2017 generational improvement. Post-termination mortality rates were based on 91% of male and 96% of female rates of the RP-2014 table with MP-2017 generational improvement. Deaths are assumed to be occupational 75% of the time for peace officer/firefighters, 40% of the time for all others.

The actuarial assumptions used in the June 30, 2018 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017. As a result of this experience study, the ARM Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience.

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***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return, excluding the inflation component of 2.50%, for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad domestic equity	24%	8.16%
Global equity (non-U.S.)	22%	7.51%
Intermediate treasuries	10%	1.58%
Opportunistic	10%	3.96%
Real assets	17%	4.76%
Absolute return	7%	4.76%
Private equity	9%	11.39%
Cash equivalents	1%	0.83%

***Discount Rate***

The discount rate used to measure the total pension liability was 7.38%. This is a reduction in the discount rate used since the prior measurement date, which was 8.00%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	Proportional Share	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
Borough's proportionate share of the net pension liability	0.18173%	\$ 13,129,717	\$ 9,948,078	\$ 7,283,559

***Pension Plan Fiduciary Net Position***

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

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***(b) Defined Contribution (DC) Pension Plan***

Employees hired after July 1, 2006 participate in PERS Tier IV, a DC plan. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the DB plan noted above. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The Alaska Retirement Management Board may also amend contribution requirements. Included in the Plan are individual pension participation accounts. Each participation account is self-directed with respect to investment options. This Plan is included in the comprehensive annual financial report for PERS, and at the following website, as noted above. <http://doa.alaska.gov/dr/pers>.

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

***Benefit Terms***

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service. Nonvested employer contributions are forfeited upon termination of employment from the Plan.

***Employee Contribution Rate***

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

***Employer Contribution Rate***

For the year ended June 30, 2020, the Borough was required to contribute 5% of covered salary into the Plan.

The Borough and employee contributions to PERS for pensions for the year ended June 30, 2020 were \$160,992 and \$257,587, respectively. The Borough contribution amount was recognized as pension expense/expenditures.

***(c) Defined Benefit OPEB Plans***

As part of its participation in PERS, the Borough participates in the following cost sharing multiple employer defined benefit OPEB plans: Alaska Retiree Healthcare Trust (ARHCT), Retiree Medical Plan (RMP) and Occupational Death and Disability Plan (ODD).

The ARHCT, a healthcare trust fund, provides major medical coverage to retirees of the DB plan. The ARHCT is self-funded and self-insured. The ARHCT was closed to all new members effective July 1, 2006. Benefits vary by Tier level. The RMP is self-insured and provides major medical coverage to retirees of the PERS DC Plan (Tier IV). Members are not eligible to use the Plan until they have at least 10 years of service and are Medicare age eligible. The ODD provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within PERS. The Plans are administered by the State of Alaska, Department of Administration. The OPEB plans are included in the comprehensive annual financial report for PERS, at the following website, as noted above. <http://doa.alaska.gov/dr/pers>.

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***Employer Contribution Rate***

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

Employer contribution rates for the year ended June 30, 2020 were as follows:

	Other	Police/Fire
Alaska Retiree Healthcare Trust	6.28%	6.28%
Retiree Medical Plan	1.32%	1.32%
Occupational Death and Disability Benefits	0.26%	0.72%
<b>Total Contribution Rates</b>	<b>7.86%</b>	<b>8.32%</b>

In 2020, the Borough was credited with the following contributions to the OPEB plans:

	Measurement Period July 1, 2018 to June 30, 2019	Borough Fiscal Year July 1, 2019 to June 30, 2020
Employer contributions – ARHCT	\$ 256,933	\$ 282,382
Employer contributions - RMP	28,045	42,502
Employer contributions - ODD	9,624	10,228
<b>Total Contributions</b>	<b>\$ 294,602</b>	<b>\$ 335,112</b>

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

At June 30, 2020, the Borough reported a liability for its proportionate share of the net OPEB liabilities (NOL) that reflected a reduction for State OPEB support provided to the Borough. The amount recognized by the Borough for its proportional share, the related State proportion, and the total were as follows:

Borough's proportionate share of NOL – ARHCT	\$ 269,564
Borough's proportionate share of NOL – RMP	57,174
<b>Total Borough's Proportionate Share of Net OPEB Liabilities</b>	<b>\$ 326,738</b>
State's proportionate share of the ARHCT NOL associated with the Borough	107,069
<b>Total Net OPEB Liabilities</b>	<b>\$ 433,807</b>

At June 30, 2020, the Borough reported an asset for its proportionate share of the net OPEB asset (NOA) associated with the Borough's participation in the ODD Plan. The amount recognized by the Borough for its proportionate share was \$57,149.

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The total OPEB liabilities (asset) for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 to calculate the net OPEB liabilities (asset) as of that date. The Borough's proportion of the net OPEB liabilities (asset) is based on the ratio of the present value of projected future contributions for each employer to the present value of project future contributions to the Plans for the fiscal years 2020 to 2039.

	June 30, 2018 Measurement Date Employer Proportion	June 30, 2019 Measurement Date Employer Proportion	Change
Borough's proportionate share of the net OPEB liabilities (asset):			
ARHCT	0.20283%	0.18167%	(0.02116)%
RMP	0.22583%	0.23898%	0.01045 %
ODD	0.22853%	0.23571%	0.00718 %

For the year ended June 30, 2020, the Borough recognized OPEB expense of \$(2,167,132). Of this amount, \$(691,990) was recorded for on-behalf revenue and expense for support provided by the ARHCT plan. OPEB expense and on-behalf revenue is listed by plan in the table below:

<i>Plan</i>	OPEB expense		On-behalf revenue	
ARHCT	\$	(2,263,272)	\$	(691,990)
RMP		82,383		-
ODD		13,757		-
<b>Total</b>	<b>\$</b>	<b>(2,167,132)</b>	<b>\$</b>	<b>691,990</b>

At June 30, 2020, the Borough reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

<i>Deferred Outflows of Resources</i>	ARHCT	RMP	ODD	Total
Changes in assumptions	\$ 357,707	\$ 27,673	\$ -	\$ 385,380
Changes in proportion and differences between Borough contributions and proportionate share of contributions	44,083	858	2,366	47,307
Borough contributions subsequent to the measurement date	282,382	42,502	10,228	335,112
<b>Total Deferred Outflows of Resources Related to OPEB Plans</b>	<b>\$ 684,172</b>	<b>\$ 71,033</b>	<b>\$ 12,594</b>	<b>\$ 767,799</b>

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<i>Deferred Inflows of Resources</i>	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ (181,142)	\$ (4,235)	\$ (17,818)	\$ (203,195)
Changes in assumptions	-	-	(1,093)	(1,093)
Difference between projected and actual investment earnings	(118,040)	(631)	(378)	(119,049)
Changes in proportion and differences between Borough contributions and proportionate share of contributions	(79,607)	(1,814)	(843)	(82,264)
<b>Total Deferred Inflows of Resources Related to OPEB Plans</b>	<b>\$ (378,789)</b>	<b>\$ (6,680)</b>	<b>\$ (20,132)</b>	<b>\$ (405,601)</b>

Amounts reported as deferred outflows of resources related to OPEB plans resulting from Borough contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liabilities (asset) in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<i>Year Ending June 30,</i>	ARHCT	RMP	ODD	Total
2021	\$ 49,291	\$ 2,196	\$ (2,763)	\$ 48,724
2022	(91,750)	2,196	(2,763)	(92,317)
2023	28,399	3,710	(2,240)	29,869
2024	37,061	3,683	(2,230)	38,514
2025	-	3,104	(2,404)	700
Thereafter	-	6,962	(5,366)	1,596
<b>Total Amortization</b>	<b>\$ 23,001</b>	<b>\$ 21,851</b>	<b>\$ (17,766)</b>	<b>\$ 27,086</b>

**Ketchikan Gateway Borough, Alaska**  
*Notes to the Basic Financial Statements*  
*For the Year Ended June 30, 2020*

***Actuarial Assumptions***

The total OPEB liability for each plan for the measurement period ended June 30, 2019 was determined by actuarial valuations as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2019:

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Actuarial cost method	Entry age normal; level percentage of payroll
Amortization method	Level percentage of payroll, closed
Inflation	2.50%
Salary increases	Graded by service, from 7.75% to 2.75% for Peace Officer/ Firefighter. Graded by service from 6.75% to 2.75% for all others
Investment return of return	7.38%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.88%.
Healthcare cost trend rates (ARHCT Plan and RMP)	Pre-65 medical: 7.5% grading down to 4.5% Post-65 medical: 5.5% grading down to 4.5% Prescription drug: 8.5% grading down to 4.5% EGWP: 8.5% grading down to 4.5%
Mortality	Pre-termination and post-termination mortality rates were based upon the 2013-2017 actual mortality experience. Post-termination mortality rates were based on 91% of the male rates and 96% of the female rates of the RP-2014 healthy annuitant table project with MP-2017 generational improvement. The rates for pre-termination mortality were 100% of the RP-2014 employee table with MP-2017 generational improvement.
Participation (ARHCT)	100% system paid of members and their spouses are assumed to elect the healthcare benefits paid as soon as they are eligible. 10% of non-system paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.

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The actuarial assumptions used in the June 30, 2018 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017. As a result of this experience study, the ARM Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience.

In addition to the changes in assumptions resulting from the experience study, the following assumption changes have been made since the prior valuation:

1. An Employer Group Waiver Plan (EGWP) was implemented effective January 1, 2019. This arrangement replaced the Retiree Drug Subsidy (RDS) under Medicare Part D and resulted in larger projected subsidies to offset the cost of prescription drug coverage.
2. Based on recent experience, the healthcare cost trend assumptions were updated
3. Per capita claims costs were updated to reflect recent experience.
4. Healthcare cost trends were updated to reflect a Cadillac Tax load.

**Ketchikan Gateway Borough, Alaska**  
*Notes to the Basic Financial Statements*  
For the Year Ended June 30, 2020

***Long-Term Expected Rate of Return***

The long-term expected rate of return on OPEB plan investments for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of postretirement healthcare plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic rates of return, excluding the inflation component of 2.50% for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2019 are summarized in the following table:

<i>Asset Class</i>	Target Allocation	Long-Term Expected Real Rate of Return
Broad domestic equity	24%	8.16%
Global equity (non-U.S.)	22%	7.51%
Intermediate treasuries	10%	1.58%
Opportunistic	10%	3.96%
Real assets	17%	4.76%
Absolute return	7%	4.76%
Private equity	9%	11.39%
Cash equivalents	1%	0.83%

***Discount Rate***

The discount rate used to measure the total OPEB liability for each plan as of June 30, 2019 was 7.38%. This is a reduction in the discount rate used since the prior measurement date, which was 8.00%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the fiduciary net position of each plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability for each plan.

***Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate***

The following presents the Borough's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 7.38%, as well as what the Borough's proportionate share of the respective plan's net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Proportional Share	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
Borough's proportionate share of the net OPEB liability (asset):				
ARHCT	0.18167%	\$ 2,168,306	\$ 269,564	\$ (1,292,359)
RMP	0.23898%	\$ 143,601	\$ 57,174	\$ (7,894)
ODD	0.23571%	\$ (54,210)	\$ (57,149)	\$ (59,525)

**Ketchikan Gateway Borough, Alaska**  
*Notes to the Basic Financial Statements*  
For the Year Ended June 30, 2020

***Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates***

The following presents the Borough’s proportionate share of the net OPEB liability (asset) calculated using the healthcare cost trend rates as summarized in the 2019 actuarial valuation reports as well as what the Borough’s proportionate share of the respective plan’s net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	Proportional Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Borough’s proportionate share of the net OPEB liability (asset):				
ARHCT	0.18167%	\$ (1,475,037)	\$ 269,564	\$ 2,393,635
RMP	0.23898%	\$ (17,584)	\$ 57,174	\$ 159,510
ODD	0.23571%	\$ n/a	\$ n/a	\$ n/a

***OPEB Plan Fiduciary Net Position***

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

***(d) Defined Contribution OPEB Plans***

PERS DC Pension Plan participants (PERS Tier IV) also participate in the Health Reimbursement Arrangement Plan (HRA Plan). The HRA Plan is established under AS 39.30.300. The HRA Plan allows for medical care expense to be reimbursed from individual savings accounts established for eligible persons. The HRA Plan became effective July 1, 2006 at which time contributions by employers began.

***Contribution Rate***

AS 39.30.370 establishes this contribution amount as “three percent of the average annual employee compensation of *all employees of all employers* in the plan”. As of July 1, 2019, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,121 per year for each full-time employee, and \$1.36 per hour for part-time employees.

***Annual Postemployment Healthcare Cost***

In fiscal year 2020, the Borough contributed \$111,959 in DC OPEB costs. These amounts have been recognized as expense/expenditures.

**Ketchikan Gateway Borough, Alaska**  
*Notes to the Basic Financial Statements*  
For the Year Ended June 30, 2020

**3-J. Net Investment in Capital Assets**

The “Net Investment in Capital Assets” on the government-wide statement of net position as of June 30, 2020 is as follows:

<u>Net investment in capital assets</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Cost of capital assets	\$ 228,367,671	\$ 54,150,058
Less accumulated depreciation	<u>(75,566,701)</u>	<u>(25,493,657)</u>
Book value	152,800,970	28,656,401
Less capital related debt	(26,643,484)	-
Plus deferred loss on refunding	71,589	-
Plus unspent bond proceeds	<u>279,303</u>	<u>-</u>
 Net investment in capital assets	 \$ <u>126,508,378</u>	 \$ <u>28,656,401</u>

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**Ketchikan Gateway Borough, Alaska**  
*Notes to the Basic Financial Statements*  
For the Year Ended June 30, 2020

Restricted net position for governmental activities consists of the following at June 30, 2020:

<u>Net Position</u>	<u>Governmental Activities</u>
Restricted:	
Airport projects	688,966
Capital projects	459,427
Commercial passenger vessel impact	3,536,998
Dock improvements	54,195
Education	8,652,595
Library operations	301,569
Public safety and water	2,495,306
Recreation	2,024,061
Road maintenance	<u>308,628</u>
 Total Restricted Net Position	 18,521,745
 Unspent bond funds related to capital projects	 <u>279,303</u>
 Total Restricted Fund Balance	 \$ <u>18,801,048</u>

***Note 4 - Other Notes***

***4-A. Risk Management***

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; and natural disasters. The Borough has purchased insurance through commercial carriers to cover these risks. Insurance coverage includes general liability, property and casualty coverage, Worker's Compensation at statutory amounts, and marine coverage for the Borough's vessels.

The Ketchikan Gateway Borough and Ketchikan Gateway Borough School District (component unit) established a partially self-funded health plan to cover its employees' health care coverage (including dental and vision) effective September 1, 1996. It purchases stop loss insurance at \$150,000 per covered individual and in an aggregate amount based on employee coverage. It also purchases life and accidental death and dismemberment insurance for eligible employees.

Both the School District and Borough participate in the internal service fund established to record transactions involving the partially self-funded health plan. The Borough and the School District contribute to the Borough's internal service fund and the payments from the fund are used to pay administration and employee health care claims.

The Ketchikan Gateway Borough provides an accounting of the internal service fund balances for the Borough and the School District on a quarterly basis. The insurance plan is based on actuarially determined

**Ketchikan Gateway Borough, Alaska**  
*Notes to the Basic Financial Statements*  
For the Year Ended June 30, 2020

monthly fixed costs and actual claims up to the stop loss of \$150,000 per person. The difference between the liability recorded and actual incurred but unrecorded claims may be material.

Ketchikan Gateway Borough booked a liability for claims for services provided to Borough and School District employees prior to June 30, 2020, but not billed until after fiscal year end. The amounts booked for the Borough were \$206,632 and \$614,605 for the School District.

The liability booked for claims was based on actual claims for services provided prior to fiscal year-end, and was provided by Meritain, the third party administrator.

Effective FY 2004, the International Brotherhood of Electrical Workers (IBEW) elected to have its membership enroll in the Alaska Electrical Health & Welfare Fund (AEH&WF). The Borough contributes to the IBEW plan based on the membership of the union. The Borough contributes \$1,963 per month per member, and the member pays \$50 per month. The portion paid on behalf of IBEW employees is reported at the Fund level as “premiums.”

There were no significant reductions in insurance coverage from the prior year, and there have been no settlements that exceed the Borough’s insurance coverage during the past three years.

A schedule of the changes in the claims liability for the years ended June 30, 2019 and June 30, 2020 follows:

	<u>Gateway Borough</u>	<u>School District</u>	<u>Total</u>
Claims payable at June 30, 2018	\$ 81,380	312,672	394,052
Premiums expense	380,636	-	380,636
Claims expense	2,927,739	5,723,698	8,651,437
Wellness plan	28,175	-	28,175
Claims and premiums paid	<u>(3,281,599)</u>	<u>(5,637,322)</u>	<u>(8,918,921)</u>
Claims payable at June 30, 2019	136,331	399,048	535,379
Premiums expense	400,745	-	400,745
Claims expense	2,911,143	5,199,929	8,111,072
Wellness plan	19,775	-	19,775
Claims and premiums paid	<u>(3,178,371)</u>	<u>(4,857,703)</u>	<u>(8,036,074)</u>
Claims payable at June 30, 2020	\$ <u>289,623</u>	<u>741,274</u>	<u>1,030,897</u>

**4-B. Contingent Liabilities**

**Unasserted Claims** – The Borough may from time to time be involved in various claims, lawsuits, disputes with third parties, possible loss contingencies arising from federal, state or local environmental, health, and safety regulations, actions involving allegations of misconduct, discrimination, or breach of contract incidental to the operations of the Borough.

**Ketchikan Gateway Borough, Alaska**  
*Notes to the Basic Financial Statements*  
*For the Year Ended June 30, 2020*

As of June 30, 2020, there were no asserted or unasserted claims.

**Grants** – The Borough 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. Based on prior experience, the Borough believes such disallowances, if any, will be immaterial.

**4-C. Tax Abatements**

In September 2006, the Borough, the City of Ketchikan, and Ketchikan Public Utilities entered into an agreement with the Alaska Industrial Development and Export Authority (AIDEA) to provide relief from real property taxes on the shipyard for a period of 30 years. AIDEA is the owner of the shipyard property. Vigor Industrial, LLC has operated the shipyard since 2012. For the year ended June 30, 2020, the value of the abatement was \$294,415.

The Borough and the City of Ketchikan have entered into agreements with Ketchikan Indian Community and Tlingit Haida Regional Housing Authority to provide partial tax relief for development of low-income housing. For 2020, the value of the abatement was \$80,631.

**Note 5 – New Accounting Pronouncements**

**GASB 83 – Certain Asset Retirement Obligations** – Effective for year-end June 30, 2020. This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

**GASB 84 – Fiduciary Activities** – Effective for year-end June 30, 2021. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

**GASB 87– Leases** – Effective for year-end June 30, 2022. This statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities.

**GASB 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements** – Effective for year-end June 30, 2020. This Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

**GASB 89 – Accounting for Interest Cost Incurred before the End of a Construction Period.** – Effective for year-end June 30, 2021. This Statement will improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting

**Ketchikan Gateway Borough, Alaska**  
*Notes to the Basic Financial Statements*  
*For the Year Ended June 30, 2020*

period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.

**GASB 90 – Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61.** – Effective for year-end June 30, 2021. This Statement will improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.

**GASB 91 – Conduit Debt Obligations** – Effective for year-end June 30, 2023. This Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.



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## REQUIRED SUPPLEMENTARY INFORMATION

**Ketchikan Gateway Borough, Alaska**  
**Public Employees' Retirement System - Pension Plan**

**Schedule of the Borough's Proportionate Share of the Net Pension Liability**

**Table 1**

<i>Years Ended June 30,</i>	2020	2019	2018	2017	2016	2015
Borough's Proportion of the Net Pension Liability	0.18173%	0.20289%	0.18789%	0.22949%	0.18618%	0.14081%
Borough's Proportionate Share of the Net Pension Liability	\$ 9,948,078	\$ 10,081,525	\$ 9,712,764	\$ 12,827,704	\$ 9,029,795	\$ 6,567,341
State of Alaska Proportionate Share of the Net Pension Liability	3,948,260	2,919,964	3,618,387	1,616,658	2,417,411	5,516,963
Total Net Pension Liability	\$ 13,896,338	\$ 13,001,489	\$ 13,331,151	\$ 14,444,362	\$ 11,447,206	\$ 12,084,304
Borough's Covered Payroll	5,641,615	5,600,642	5,619,063	5,647,489	5,529,019	5,023,087
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	176.33%	180.01%	172.85%	227.14%	163.32%	130.74%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.42%	65.19%	63.37%	59.55%	63.96%	63.37%

**Schedule of Borough Contributions**

**Table 2**

<i>Years Ended June 30,</i>	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 719,736	\$ 726,601	\$ 779,119	\$ 695,794	\$ 594,216	\$ 576,131
Contributions Relative to the Contractually Required Contribution	719,736	726,601	779,119	695,794	594,216	576,131
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough Covered Payroll	5,875,554	5,641,615	5,600,642	5,619,063	5,647,489	5,529,019
Contributions as a Percentage of Covered Payroll	12.25%	12.88%	13.91%	12.38%	10.52%	10.42%

\*The schedules are intended to show information for ten years, and additional years' information will be displayed as it becomes available.

*See accompanying notes to Required Supplementary Information.*

**Ketchikan Gateway Borough, Alaska**  
**Public Employees' Retirement System - OPEB Plans**  
**Schedule of the Borough's Proportionate Share of the Net OPEB Liability (Asset)**

Table 3

<i>Years Ended June 30,</i>	ARHCT			RMP			ODD		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Borough's Proportion of the Net OPEB Liability (Asset)	0.18167%	0.20283%	0.18790%	0.23898%	0.22853%	0.23339%	0.23571%	0.22853%	0.23339%
Borough's Proportionate Share of the Net OPEB Liability (Asset)	\$ 269,564	\$ 2,081,628	\$ 1,587,059	\$ 57,174	\$ 29,081	\$ 12,198	\$ (57,149)	\$ (44,386)	\$ (33,189)
State of Alaska Proportionate Share of the Net OPEB Liability	107,069	604,412	591,650	-	-	-	-	-	-
Total Net OPEB Liability (Asset)	\$ 376,633	\$ 2,686,040	\$ 2,178,709	\$ 57,174	\$ 29,081	\$ 12,198	\$ (57,149)	\$ (44,386)	\$ (33,189)
Borough's Covered Payroll	5,641,615	5,600,642	5,619,063	5,641,615	5,600,642	5,619,063	5,641,615	5,600,642	5,619,063
Borough's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	4.78%	37.17%	28.24%	1.01%	0.52%	0.22%	-1.01%	-0.79%	-0.59%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	98.13%	88.12%	89.68%	83.17%	88.71%	93.98%	297.43%	270.62%	212.97%

**Schedule of Borough Contributions**

Table 4

<i>Years Ended June 30,</i>	ARHCT			RMP			ODD		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Contractually Required Contributions	\$ 282,382	\$ 256,933	\$ 218,449	\$ 42,502	\$ 28,045	\$ 26,641	\$ 10,228	\$ 9,624	\$ 4,911
Contributions Relative to the Contractually Required Contribution	282,382	256,933	218,449	42,502	28,045	26,641	10,228	9,624	4,911
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	5,875,554	5,641,615	5,600,642	5,875,554	5,641,615	5,600,642	5,875,554	5,641,615	5,600,642
Contributions as a Percentage of Covered Payroll	4.81%	4.55%	3.90%	0.72%	0.50%	0.48%	0.17%	0.17%	0.09%

\*The schedules are intended to show information for ten years, and additional years' information will be displayed as it becomes available.

*See accompanying notes to Required Supplementary Information.*

**Ketchikan Gateway Borough, Alaska**  
**International Brotherhood of Electrical Workers (IBEW)**  
**Schedule of Borough Contributions**

**Table 5**

Year Ended June 30,	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Borough's covered payroll	Contributions as a percentage of covered payroll
2020	\$ 115,850	\$ 115,850	-	\$ 725,779	15.96%
2019	\$ 111,830	\$ 111,830	-	\$ 719,829	15.54%
2018	\$ 111,465	\$ 111,465	-	\$ 695,112	16.04%
2017	\$ 110,939	\$ 110,939	-	\$ 717,220	15.47%
2016	\$ 99,825	\$ 99,825	-	\$ 672,428	14.85%
2015	\$ 109,054	\$ 109,054	-	\$ 709,780	15.36%
2014	\$ 108,190	\$ 108,190	-	\$ 742,885	14.56%
2013	\$ 113,469	\$ 113,469	-	\$ 837,252	13.55%
2012	\$ 113,830	\$ 113,830	-	\$ 696,453	16.34%
2011	\$ 104,883	\$ 104,883	-	\$ 646,618	16.22%
2010	\$ 121,065	\$ 121,065	-	\$ 706,466	17.14%

*See accompanying notes to Required Supplementary Information.*

## **Tables 1 and 2. Public Employees' Retirement System Pension Plan**

### ***Schedule of the Borough's Proportionate Share of the Net Pension Liability***

This table is presented based on the Plan measurement date. For June 30, 2020, the Plan measurement date is June 30, 2019.

#### *Changes in Assumptions:*

In 2020, the discount rate was lowered from 8% to 7.38%.

The actuarial assumptions used in the June 30, 2018 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017. As a result of this experience study, the ARM Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience.

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

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

### ***Schedule of Borough Contributions***

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

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

## **Tables 3 and 4. Public Employees' Retirement System OPEB Plans**

### ***Schedule of the Borough's Proportionate Share of the Net OPEB Asset and Liability***

This table is presented based on the Plan measurement date. For June 30, 2020, the Plan measurement date is June 30, 2019.

#### *Changes in Assumptions:*

1. An Employer Group Waiver Plan (EGWP) was implemented effective January 1, 2019. This arrangement replaced the Retiree Drug Subsidy (RDS) under Medicare Part D and resulted in larger projected subsidies to offset the cost of prescription drug coverage.
2. Based on recent experience, the healthcare cost trend assumptions were updated
3. Per capita claims costs were updated to reflect recent experience
4. Healthcare cost trends were updated to reflect a Cadillac Tax load.
5. The discount rate was lowered from 8% to 7.38%.

The actuarial assumptions used in the June 30, 2018 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017. As a result of this experience study, the ARM Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience.

#### *Changes in Methods:*

As part of the experience study, the actuarial cost method for the retiree healthcare plan was changed from the Entry Age Level Dollar method to the Entry Age Level Percent of Pay method.

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

***Schedule of Borough Contributions***

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

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

**Table 5. International Brotherhood of Electrical Workers (IBEW) – Schedule of Borough's Contributions**

This table is based on the Borough's contributions based on the Borough's fiscal year. All contributions are recognized in expense/expenditures when paid. There is no net pension liability associated with this plan at this time.



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**Ketchikan Gateway Borough, Alaska**  
*Nonmajor Governmental Funds*  
*Combining Balance Sheet*  
*June 30, 2020*

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>			
Cash and investments	\$ 5,627,585	-	5,627,585
Prepaid items	9,648	-	9,648
Receivables:			
Accounts	61,018	-	61,018
Intergovernmental	158,419	46,960	205,379
Property taxes	11,106	-	11,106
Sales taxes	<u>304,511</u>	<u>-</u>	<u>304,511</u>
<b>Total Assets</b>	<b>\$ <u>6,172,287</u></b>	<b><u>46,960</u></b>	<b><u>6,219,247</u></b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 110,506	-	110,506
Due to component unit	-	-	-
Interfund payable	89,630	46,960	136,590
Interfund advances payable	<u>78,760</u>	<u>-</u>	<u>78,760</u>
<b>Total Liabilities</b>	<b>278,896</b>	<b>46,960</b>	<b>325,856</b>
<b>Deferred Inflows of Resources</b>			
Property tax revenues	<u>11,106</u>	<u>-</u>	<u>11,106</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b><u>290,002</u></b>	<b><u>46,960</u></b>	<b><u>336,962</u></b>
<b>Fund Balances</b>			
Nonspendable - prepaid items	9,648	-	9,648
Restricted	5,872,725	-	5,872,725
Unassigned (deficit)	<u>(88)</u>	<u>-</u>	<u>(88)</u>
<b>Total Fund Balances</b>	<b><u>5,882,285</u></b>	<b><u>-</u></b>	<b><u>5,882,285</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ <u>6,172,287</u></b>	<b><u>46,960</u></b>	<b><u>6,219,247</u></b>

**Ketchikan Gateway Borough, Alaska**  
*Nonmajor Governmental Funds*  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*For the Year Ended June 30, 2020*

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>			
Taxes	\$ 3,588,140	-	3,588,140
Intergovernmental	122,173	-	122,173
Charges for services	499,241	-	499,241
Water fees	304,863	-	304,863
Interest subsidy	-	514,564	514,564
Investment earnings	86,204	-	86,204
Miscellaneous	319,121	-	319,121
<b>Total Revenues</b>	<u>4,919,742</u>	<u>514,564</u>	<u>5,434,306</u>
<b>Expenditures</b>			
<b>Current</b>			
Library services	464,839	-	464,839
Fire and EMS	1,243,200	-	1,243,200
Water treatment and distribution	319,451	-	319,451
Public services	473,502	-	473,502
<b>Capital Outlay</b>	792,437	-	792,437
<b>Debt Service</b>			
Principal retirement	-	3,450,000	3,450,000
Interest and fiscal charges	-	1,643,342	1,643,342
<b>Total Expenditures</b>	<u>3,293,429</u>	<u>5,093,342</u>	<u>8,386,771</u>
Less recovery of expenditures from other funds	<u>(3,330)</u>	<u>-</u>	<u>(3,330)</u>
<b>Net Expenditures</b>	<u>3,290,099</u>	<u>5,093,342</u>	<u>8,383,441</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>			
	1,629,643	(4,578,778)	(2,949,135)
<b>Other Financing Sources (Uses)</b>			
Transfers in	544,903	4,578,778	5,123,681
Transfers out	<u>(2,666,070)</u>	<u>-</u>	<u>(2,666,070)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(2,121,167)</u>	<u>4,578,778</u>	<u>2,457,611</u>
<b>Net Change in Fund Balances</b>	(491,524)	-	(491,524)
<b>Fund Balances Beginning of Year</b>	<u>6,373,809</u>	<u>-</u>	<u>6,373,809</u>
<b>Fund Balances End of Year</b>	<u>\$ 5,882,285</u>	<u>-</u>	<u>5,882,285</u>

**Ketchikan Gateway Borough, Alaska**  
*Nonmajor Special Revenue Funds*  
*Combining Balance Sheet*  
*June 30, 2020*

	<b>Airport PFC</b>	<b>DHSS Traveler Testing</b>	<b>Forest Park Service Area</b>	<b>Gold Nugget Service Area</b>	<b>Homestead Service Area</b>
<b>Assets</b>					
Cash and investments	\$ 657,592	-	38,640	70,056	123,860
Restricted cash and investments	-	-	-	-	-
Prepaid items	-	-	-	-	-
Receivables:					
Accounts	31,374	-	21	682	396
Intergovernmental	-	154,128	206	-	-
Property taxes	-	-	795	-	-
Sales and excise taxes	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 688,966</b>	<b>154,128</b>	<b>39,662</b>	<b>70,738</b>	<b>124,256</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	64,503	550	-	68
Interfund advances payable	-	-	-	-	-
Due to component unit	-	-	-	-	-
Interfund payable	-	89,625	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>154,128</b>	<b>550</b>	<b>-</b>	<b>68</b>
<b>Deferred Inflows of Resources</b>					
Property tax revenues	-	-	795	-	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>-</b>	<b>154,128</b>	<b>1,345</b>	<b>-</b>	<b>68</b>
<b>Fund Balances</b>					
Nonspendable	-	-	-	-	-
Restricted	688,966	-	38,317	70,738	124,188
Unassigned (deficit)	-	-	-	-	-
<b>Total Fund Balances</b>	<b>688,966</b>	<b>-</b>	<b>38,317</b>	<b>70,738</b>	<b>124,188</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 688,966</b>	<b>154,128</b>	<b>39,662</b>	<b>70,738</b>	<b>124,256</b>



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**Ketchikan Gateway Borough, Alaska**

*Nonmajor Special Revenue Funds*

*Combining Balance Sheet, continued*

	<b>Loring Service Area</b>	<b>Mud Bight Service Area</b>	<b>Nichols View Service Area</b>	<b>Non- areawide Library</b>	<b>North Tongass Fire and EMS</b>
<b>Assets</b>					
Cash and investments	\$ 54,163	23,016	4,034	300,369	1,291,733
Restricted cash and investments	-	-	-	-	-
Prepaid items	-	-	-	-	4,824
Receivables:					
Accounts	32	1,425	-	167	6,517
Intergovernmental	-	-	-	1,033	1,400
Property taxes	-	-	-	2,174	1,142
Sales and excise taxes	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 54,195</b>	<b>24,441</b>	<b>4,034</b>	<b>303,743</b>	<b>1,305,616</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	-	-	-	11,076
Interfund advances payable	-	-	-	-	-
Due to component unit	-	-	-	-	-
Interfund payable	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,076</b>
<b>Deferred Inflows of Resources</b>					
Property tax revenues	-	-	-	2,174	1,142
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,174</b>	<b>12,218</b>
<b>Fund Balances</b>					
Nonspendable	-	-	-	-	4,824
Restricted	54,195	24,441	4,034	301,569	1,288,574
Unassigned (deficit)	-	-	-	-	-
<b>Total Fund Balances</b>	<b>54,195</b>	<b>24,441</b>	<b>4,034</b>	<b>301,569</b>	<b>1,293,398</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 54,195</b>	<b>24,441</b>	<b>4,034</b>	<b>303,743</b>	<b>1,305,616</b>

**Ketchikan Gateway Borough, Alaska**  
*Nonmajor Special Revenue Funds*  
*Combining Balance Sheet, continued*

	<b>Old Dairy Road</b>	<b>Recreation Sales Tax</b>	<b>South Tongass Service Area</b>	<b>Waterfall Service Area</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Assets</b>					
Cash and investments	\$ -	1,732,587	1,287,332	44,203	5,627,585
Restricted cash and investments	-	-	-	-	-
Prepaid items	-	-	4,824	-	9,648
Receivables:					
Accounts	-	963	16,734	2,707	61,018
Intergovernmental	-	-	1,652	-	158,419
Property taxes	-	-	6,995	-	11,106
Sales and excise taxes	-	304,511	-	-	304,511
<b>Total Assets</b>	<b>\$ -</b>	<b>2,038,061</b>	<b>1,317,537</b>	<b>46,910</b>	<b>6,172,287</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 83	14,000	20,226	-	110,506
Interfund advances payable	-	-	78,760	-	78,760
Due to component unit	-	-	-	-	-
Interfund payable	5	-	-	-	89,630
<b>Total Liabilities</b>	<b>88</b>	<b>14,000</b>	<b>98,986</b>	<b>-</b>	<b>278,896</b>
<b>Deferred Inflows of Resources</b>					
Property tax revenues	-	-	6,995	-	11,106
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>88</b>	<b>14,000</b>	<b>105,981</b>	<b>-</b>	<b>290,002</b>
<b>Fund Balances</b>					
Nonspendable	-	-	4,824	-	9,648
Restricted	-	2,024,061	1,206,732	46,910	5,872,725
Unassigned (deficit)	(88)	-	-	-	(88)
<b>Total Fund Balances</b>	<b>(88)</b>	<b>2,024,061</b>	<b>1,211,556</b>	<b>46,910</b>	<b>5,882,285</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ -</b>	<b>2,038,061</b>	<b>1,317,537</b>	<b>46,910</b>	<b>6,172,287</b>

**Ketchikan Gateway Borough, Alaska**  
*Nonmajor Special Revenue Funds*  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*For the Year Ended June 30, 2020*

	<b>Airport PFC</b>	<b>DHSS Traveler Testing</b>	<b>Forest Park Service Area</b>	<b>Gold Nugget Service Area</b>	<b>Homestead Service Area</b>
<b>Revenues</b>					
Taxes	\$ -	-	75,250	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	154,128	-	12,072	8,920
Water fees	-	-	-	-	-
Investment earnings	12,894	-	977	914	1,555
Miscellaneous	<u>304,632</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Revenues</b>	<u>317,526</u>	<u>154,128</u>	<u>76,227</u>	<u>12,986</u>	<u>10,475</u>
<b>Expenditures</b>					
<b>Current</b>					
Library services	-	-	-	-	-
Fire and EMS	-	-	-	-	-
Water treatment and distribution	-	-	-	-	-
Public services	-	154,128	120,603	13,917	53,789
<b>Capital Outlay</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>-</u>	<u>154,128</u>	<u>120,603</u>	<u>13,917</u>	<u>53,789</u>
Less recovery of expenditures from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Expenditures</b>	<u>-</u>	<u>154,128</u>	<u>120,603</u>	<u>13,917</u>	<u>53,789</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	317,526	-	(44,376)	(931)	(43,314)
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	23,352
Transfers out	<u>(810,022)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(810,022)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,352</u>
<b>Net Change in Fund Balances</b>	(492,496)	-	(44,376)	(931)	(19,962)
<b>Fund Balances Beginning of Year</b>	<u>1,181,462</u>	<u>-</u>	<u>82,693</u>	<u>71,669</u>	<u>144,150</u>
<b>Fund Balances End of Year</b>	<u>\$ 688,966</u>	<u>-</u>	<u>38,317</u>	<u>70,738</u>	<u>124,188</u>

**Ketchikan Gateway Borough, Alaska**  
*Nonmajor Special Revenue Funds*  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances, continued*

	<b>Loring Service Area</b>	<b>Mud Bight Service Area</b>	<b>Nichols View Service Area</b>	<b>Nonareawide Library</b>	<b>North Tongass Fire and EMS</b>
<b>Revenues</b>	\$				
Taxes	-	-	-	470,333	693,418
Intergovernmental	-	-	-	-	14,801
Charges for services	3,056	13,528	-	-	187,299
Water fees	-	-	-	-	-
Investment earnings	657	467	-	5,602	16,036
Miscellaneous	378	-	-	-	10,868
<b>Total Revenues</b>	<u>4,091</u>	<u>13,995</u>	<u>-</u>	<u>475,935</u>	<u>922,422</u>
<b>Expenditures</b>					
<b>Current</b>					
Library services	-	-	-	464,839	-
Fire and EMS	-	-	-	-	600,503
Water treatment and distribution	-	-	-	-	-
Public services	1,062	31,432	500	-	-
<b>Capital Outlay</b>	-	-	-	-	12,313
<b>Total Expenditures</b>	<u>1,062</u>	<u>31,432</u>	<u>500</u>	<u>464,839</u>	<u>612,816</u>
Less recovery of expenditures from other funds	-	-	-	-	-
<b>Net Expenditures</b>	<u>1,062</u>	<u>31,432</u>	<u>500</u>	<u>464,839</u>	<u>612,816</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	3,029	(17,437)	(500)	11,096	309,606
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	170,400
Transfers out	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>170,400</u>
<b>Net Change in Fund Balances</b>	3,029	(17,437)	(500)	11,096	480,006
<b>Fund Balances Beginning of Year</b>	<u>51,166</u>	<u>41,878</u>	<u>4,534</u>	<u>290,473</u>	<u>813,392</u>
<b>Fund Balances End of Year</b>	<u>\$ 54,195</u>	<u>24,441</u>	<u>4,034</u>	<u>301,569</u>	<u>1,293,398</u>

**Ketchikan Gateway Borough, Alaska**  
*Nonmajor Special Revenue Funds*  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, continued

	<u>Old Dairy Road</u>	<u>Recreation Sales Tax</u>	<u>South Tongass Service Area</u>	<u>Waterfall Service Area</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>Revenues</b>					
Taxes	\$ -	1,681,451	667,688	-	3,588,140
Intergovernmental	-	87,776	19,596	-	122,173
Charges for services	-	-	84,126	36,112	499,241
Water fees	-	-	304,863	-	304,863
Investment earnings	-	29,444	17,071	587	86,204
Miscellaneous	-	-	3,243	-	319,121
<b>Total Revenues</b>	<u>-</u>	<u>1,798,671</u>	<u>1,096,587</u>	<u>36,699</u>	<u>4,919,742</u>
<b>Expenditures</b>					
<b>Current</b>					
Library services	-	-	-	-	464,839
Fire and EMS	-	-	642,697	-	1,243,200
Water treatment and distribution	-	-	319,451	-	319,451
Public services	88	65,908	-	32,075	473,502
<b>Capital Outlay</b>	<u>-</u>	<u>746,616</u>	<u>33,508</u>	<u>-</u>	<u>792,437</u>
<b>Total Expenditures</b>	<u>88</u>	<u>812,524</u>	<u>995,656</u>	<u>32,075</u>	<u>3,293,429</u>
Less recovery of expenditures from other funds	<u>-</u>	<u>-</u>	<u>(3,330)</u>	<u>-</u>	<u>(3,330)</u>
<b>Net Expenditures</b>	<u>88</u>	<u>812,524</u>	<u>992,326</u>	<u>32,075</u>	<u>3,290,099</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>					
	(88)	986,147	104,261	4,624	1,629,643
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	162,751	188,400	-	544,903
Transfers out	-	(1,856,048)	-	-	(2,666,070)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(1,693,297)</u>	<u>188,400</u>	<u>-</u>	<u>(2,121,167)</u>
<b>Net Change in Fund Balances</b>	(88)	(707,150)	292,661	4,624	(491,524)
<b>Fund Balances Beginning of Year</b>	<u>-</u>	<u>2,731,211</u>	<u>918,895</u>	<u>42,286</u>	<u>6,373,809</u>
<b>Fund Balances End of Year</b>	<u>\$ (88)</u>	<u>2,024,061</u>	<u>1,211,556</u>	<u>46,910</u>	<u>5,882,285</u>

## **DEBT SERVICE FUNDS**

**Debt Service Funds** – These funds are used to account for transfers in from other funds and for principal and interest payments made on the Borough’s General Obligation Debt and Certificates of Participation Debt.

**Ketchikan Gateway Borough, Alaska**  
*Nonmajor Debt Service Funds*  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*For the Year Ended June 30, 2020*

	<b>2009-4 G.O. Bond Redemption Fund</b>	<b>2010A-One G.O. Bond Redemption Fund</b>	<b>2010B One Certificate of Participation Fund</b>	<b>2010B 4 Two G.O. Bond Redemption Fund</b>
<b>Revenues</b>				
Intergovernmental - interest subsidy	\$ <u>382,727</u>	<u>-</u>	<u>95,806</u>	<u>36,031</u>
<b>Expenditures</b>				
<b>Debt Service</b>				
Principal retirement	645,000	700,000	170,000	230,000
Interest and fiscal charges	<u>1,098,479</u>	<u>28,000</u>	<u>230,705</u>	<u>85,233</u>
<b>Total Expenditures</b>	<u>1,743,479</u>	<u>728,000</u>	<u>400,705</u>	<u>315,233</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(1,360,752)	(728,000)	(304,899)	(279,202)
<b>Other Financing Sources</b>				
Transfers in	<u>1,360,752</u>	<u>728,000</u>	<u>304,899</u>	<u>279,202</u>
<b>Net Change in Fund Balances</b>	-	-	-	-
<b>Fund Balances Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances End of Year</b>	\$ <u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

**Ketchikan Gateway Borough, Alaska**

*Nonmajor Debt Service Funds*

*Combining Statement of Revenues, Expenditures and Changes in Fund Balances, continued*

	<b>2011 III G.O. Bond Redemption Fund</b>	<b>2012 Two G.O. Bond Redemption Fund</b>	<b>2013 One G.O. Bond Redemption Fund</b>	<b>Total Nonmajor Debt Service Funds</b>
<b>Revenues</b>				
Intergovernmental - interest subsidy	\$ -	-	-	514,564
<b>Expenditures</b>				
<b>Debt Service</b>				
Principal retirement	520,000	665,000	520,000	3,450,000
Interest and fiscal charges	95,900	16,625	88,400	1,643,342
<b>Total Expenditures</b>	615,900	681,625	608,400	5,093,342
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(615,900)	(681,625)	(608,400)	(4,578,778)
<b>Other Financing Sources</b>				
Transfers in	615,900	681,625	608,400	4,578,778
<b>Net Change in Fund Balances</b>	-	-	-	-
<b>Fund Balances Beginning of Year</b>	-	-	-	-
<b>Fund Balances End of Year</b>	\$ -	-	-	-



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# **GENERAL FUND and MAJOR SPECIAL REVENUE FUNDS**

**General Fund** - This 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 Borough for any purpose provided it is expended or transferred according to the general laws of the State of Alaska.

**Land Trust Fund** - This fund is used to account for revenues from land sales, loans to other Borough funds, and related expenditures.

**Commercial Passenger Vessel Fund (CPV)** – This fund is used to account for CPV revenues received from the State of Alaska. These funds will be used to improve port and harbor facilities and other services to properly provide for vessel or watercraft visits and to enhance the safety and efficiency of interstate and foreign commerce.

**School Bond/Capital Improvements Fund** - This fund is used to account for the receipt of revenues received from the State of Alaska for the School Debt Reimbursement Program and the ½ - cent sales tax that was approved to fund school projects. These funds are used to pay for school bond debt, school building insurance, and school capital projects that would qualify for bonding.

**Local Education Fund** - This fund is used to account for the receipt of property taxes, Secure Rural Schools revenues, tobacco tax proceeds, and to process payments for local education support.

**State & Federal Grants Fund** - This fund is used to account for the expenditures and receipts of all State and Federal grant programs. State and Federal grant expenditures are governed by the requirements of the individual grant agreements.

**Ketchikan Gateway Borough, Alaska**

*General Fund*

*Comparative Balance Sheet*

*June 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash and investments	\$ 10,445,916	7,471,322
Prepaid items	-	9,881
Receivables:		
Accounts	92,791	58,145
Intergovernmental	176,303	76,900
Investment earnings	9,446	-
Property taxes	38,474	22,506
Sales taxes	3,066,026	5,867,611
Interfund	<u>1,532,474</u>	<u>3,448,339</u>
<b>Total Assets</b>	\$ <u>15,361,430</u>	<u>16,954,704</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 406,921	493,842
Accrued salaries and benefits	71,876	52,755
Unearned revenues	114,725	125,659
Intergovernmental payable	2,149,813	4,096,083
Deposits payable	<u>6,770</u>	<u>23,999</u>
<b>Total Liabilities</b>	2,750,105	4,792,338
<b>Deferred Inflows of Resources</b>		
Property tax revenues	<u>38,567</u>	<u>12,392</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>2,788,672</u>	<u>4,804,730</u>
<b>Fund Balance</b>		
Nonspendable	-	9,881
Unassigned	<u>12,572,758</u>	<u>12,140,093</u>
<b>Total Fund Balance</b>	<u>12,572,758</u>	<u>12,149,974</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	\$ <u>15,361,430</u>	<u>16,954,704</u>



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**Ketchikan Gateway Borough, Alaska**  
*General Fund*  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual*  
*For the Year Ended June 30, 2020*

*With Comparative Actual Amounts for the Year Ended June 30, 2019*

	<b>2020</b>			<b>2019</b>	
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance On Final Budget</b>	<b>Actual</b>
<b>Revenues</b>					
Taxes:					
Real and personal property	\$ -	-	-	-	21
Automobile	60,000	60,000	50,664	(9,336)	59,662
Sales	5,987,804	5,987,804	5,151,380	(836,424)	5,922,192
Penalties and interest	15,000	15,000	15,875	875	20,519
Total taxes	<u>6,062,804</u>	<u>6,062,804</u>	<u>5,217,919</u>	<u>(844,885)</u>	<u>6,002,394</u>
Licenses and permits					
Zoning fees	-	-	4,341	4,341	900
Intergovernmental:					
State fisheries tax	357,500	357,500	332,744	(24,756)	421,998
Community assistance	397,217	397,217	374,560	(22,657)	399,711
PERS relief	250,000	250,000	254,582	4,582	206,917
State and local PILT	21,600	21,600	48,050	26,450	44,576
Federal payment in lieu of taxes	1,100,000	1,100,000	1,249,045	149,045	1,188,897
Federal operating grant - transit system	1,000,000	1,000,000	1,100,000	100,000	1,045,205
Total intergovernmental	<u>3,126,317</u>	<u>3,126,317</u>	<u>3,358,981</u>	<u>232,664</u>	<u>3,307,304</u>
Charges for services:					
Animal control	45,000	45,000	33,520	(11,480)	40,253
Bus system revenue	255,000	255,000	157,591	(97,409)	233,861
Parks and recreation	775,000	775,000	671,669	(103,331)	774,531
Other revenues	175,150	175,150	177,517	2,367	206,856
Total charges for services	<u>1,250,150</u>	<u>1,250,150</u>	<u>1,040,297</u>	<u>(209,853)</u>	<u>1,255,501</u>
Investment earnings	185,000	185,000	557,509	372,509	191,587
<b>Total Revenues</b>	<u>10,624,271</u>	<u>10,624,271</u>	<u>10,179,047</u>	<u>(445,224)</u>	<u>10,757,686</u>
<b>Other Financing Sources</b>					
Transfers In:					
Commercial Passenger Vessel Fund	844,837	844,837	844,837	-	559,177
Land Trust Fund	242,686	242,686	242,686	-	242,920
Local Education Fund	113,445	113,445	113,445	-	113,445
Recreation Sales Tax Fund	495,296	495,296	495,296	-	449,249
Total Other Financing Sources	<u>1,696,264</u>	<u>1,696,264</u>	<u>1,696,264</u>	<u>-</u>	<u>1,364,791</u>
<b>Total Revenues and Other Financing Sources</b>	\$ <u>12,320,535</u>	<u>12,320,535</u>	<u>11,875,311</u>	<u>(445,224)</u>	<u>12,122,477</u>

**Ketchikan Gateway Borough, Alaska**  
*General Fund*  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual, continued*

	<b>2020</b>			<b>2019</b>	
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance On Final Budget</b>	<b>Actual</b>
<b>Expenditures</b>					
<b>Current:</b>					
General government:					
Mayor and assembly	\$ 157,025	157,025	151,986	5,039	146,589
Manager	850,885	874,615	889,965	(15,350)	801,067
Clerk	460,108	465,346	472,825	(7,479)	417,905
Law	365,508	369,000	357,382	11,618	334,549
Finance	1,506,809	1,522,523	1,490,471	32,052	1,401,554
Assessment	679,363	684,601	623,111	61,490	594,641
Automation	604,308	606,054	567,826	38,228	587,989
Total general government	<u>4,624,006</u>	<u>4,679,164</u>	<u>4,553,566</u>	<u>125,598</u>	<u>4,284,294</u>
Less recovery of expenditures from other funds	<u>(679,910)</u>	<u>(679,910)</u>	<u>(676,473)</u>	<u>(3,437)</u>	<u>(1,006,900)</u>
Net general government	<u>3,944,096</u>	<u>3,999,254</u>	<u>3,877,093</u>	<u>122,161</u>	<u>3,277,394</u>
Public services:					
Animal protection	485,617	494,347	456,500	37,847	408,462
Planning	639,447	649,923	651,733	(1,810)	569,865
Total public services	<u>1,125,064</u>	<u>1,144,270</u>	<u>1,108,233</u>	<u>36,037</u>	<u>978,327</u>
Parks and recreation	<u>2,526,199</u>	<u>2,541,683</u>	<u>2,341,794</u>	<u>199,889</u>	<u>2,302,908</u>
Public works	<u>1,152,988</u>	<u>1,159,326</u>	<u>1,014,221</u>	<u>145,105</u>	<u>1,041,438</u>
Transit - bus system	<u>2,591,298</u>	<u>2,622,726</u>	<u>2,330,377</u>	<u>292,349</u>	<u>2,236,632</u>
Nondepartmental	<u>231,262</u>	<u>231,262</u>	<u>188,689</u>	<u>42,573</u>	<u>141,891</u>
Grants	<u>363,915</u>	<u>363,915</u>	<u>334,509</u>	<u>29,406</u>	<u>299,923</u>
<b>Capital Outlay</b>	<u>178,606</u>	<u>178,606</u>	<u>52,228</u>	<u>126,378</u>	<u>183,287</u>
<b>Total Expenditures</b>	<u>12,113,428</u>	<u>12,241,042</u>	<u>11,247,144</u>	<u>993,898</u>	<u>10,461,800</u>
<b>Other Financing Uses</b>					
Transfers Out:					
Airport Enterprise Fund	5,500	5,500	5,500	-	5,500
Homestead Service Area Fund	9,993	9,993	9,993	-	11,129
Local Education Fund	189,890	189,890	189,890	-	189,890
Total Other Financing Uses	<u>205,383</u>	<u>205,383</u>	<u>205,383</u>	<u>-</u>	<u>206,519</u>
<b>Total Expenditures and Other Financing Uses</b>	<u>12,318,811</u>	<u>12,446,425</u>	<u>11,452,527</u>	<u>993,898</u>	<u>10,668,319</u>
<b>Net Change in Fund Balance</b>	\$ <u>1,724</u>	<u>(125,890)</u>	422,784	<u>548,674</u>	1,454,158
<b>Fund Balance Beginning of Year</b>			<u>12,149,974</u>		<u>10,695,816</u>
<b>Fund Balance End of Year</b>			\$ <u>12,572,758</u>		<u>12,149,974</u>

**Ketchikan Gateway Borough, Alaska**  
*Land Trust Special Revenue Fund*  
*Comparative Balance Sheet*  
*June 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash and investments:		
Unrestricted	\$ 2,869,441	3,096,537
Restricted	429,473	423,388
Receivables:		
Accounts	5,567	5,493
Interfund advances	<u>176,595</u>	<u>304,967</u>
<b>Total Assets</b>	<b>\$ <u>3,481,076</u></b>	<b><u>3,830,385</u></b>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 9,224	25,365
Deposits	<u>36,841</u>	<u>13,341</u>
<b>Total Liabilities</b>	<u>46,065</u>	<u>38,706</u>
<b>Fund Balance</b>		
<b>Committed:</b>		
Noncurrent portion of advances	80,854	195,493
Borough-owned land management	<u>3,354,157</u>	<u>3,596,186</u>
<b>Total Fund Balance</b>	<u>3,435,011</u>	<u>3,791,679</u>
<b>Total Liabilities and Fund Balance</b>	<b>\$ <u>3,481,076</u></b>	<b><u>3,830,385</u></b>

**Ketchikan Gateway Borough, Alaska**  
*Land Trust Special Revenue Fund*  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual*  
*For the Year Ended June 30, 2020*  
*With Comparative Actual Amounts for the Year Ended June 30, 2019*

	<b>2020</b>			<b>2019</b>	
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance On Final Budget</b>	<b>Actual</b>
<b>Revenues</b>					
Charges for services	\$ 469,337	469,337	468,362	(975)	468,134
Intergovernmental	7,019	7,019	-	(7,019)	3,625
Investment earnings	15,000	15,000	55,262	40,262	86,489
Proceeds from sale of property	100,000	100,000	34,682	(65,318)	18,796
Miscellaneous	25,000	25,000	-	(25,000)	20,646
<b>Total Revenues</b>	<u>616,356</u>	<u>616,356</u>	<u>558,306</u>	<u>(58,050)</u>	<u>597,690</u>
<b>Expenditures</b>					
<b>Current</b>					
Public services	585,582	589,782	367,389	222,393	422,653
<b>Capital Outlay</b>	<u>130,000</u>	<u>130,000</u>	<u>-</u>	<u>130,000</u>	<u>500,000</u>
<b>Total Expenditures</b>	<u>715,582</u>	<u>719,782</u>	<u>367,389</u>	<u>352,393</u>	<u>922,653</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(99,226)	(103,426)	190,917	294,343	(324,963)
<b>Other Financing Uses</b>					
Transfers out	<u>(697,074)</u>	<u>(697,074)</u>	<u>(547,585)</u>	<u>149,489</u>	<u>(646,567)</u>
<b>Net Change in Fund Balance</b>	\$ <u>(796,300)</u>	<u>(800,500)</u>	(356,668)	<u>443,832</u>	(971,530)
<b>Fund Balance Beginning of Year</b>			<u>3,791,679</u>		<u>4,763,209</u>
<b>Fund Balance End of Year</b>		\$	<u>3,435,011</u>		<u>3,791,679</u>

**Ketchikan Gateway Borough, Alaska**  
*Commercial Passenger Vessel Special Revenue Fund*  
*Comparative Balance Sheet*  
*June 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash and investments	\$ -	545,372
Restricted cash and investments	3,535,379	2,181,025
Accounts receivable	<u>1,965</u>	<u>1,801</u>
<b>Total Assets</b>	<b>\$ <u>3,537,344</u></b>	<b><u>2,728,198</u></b>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ <u>346</u>	<u>64,082</u>
<b>Fund Balance</b>		
Restricted for commercial passenger vessel impact	<u>3,536,998</u>	<u>2,664,116</u>
<b>Total Liabilities and Fund Balance</b>	<b>\$ <u>3,537,344</u></b>	<b><u>2,728,198</u></b>

**Ketchikan Gateway Borough, Alaska**  
*Commercial Passenger Vessel Special Revenue Fund*  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual*  
*For the Year Ended June 30, 2020*  
*With Comparative Actual Amounts for the Year Ended June 30, 2019*

	2020			2019	
	Original Budget	Final Budget	Actual	Variance On Final Budget	Actual
<b>Revenues</b>					
Commercial passenger vessel tax	\$ 2,400,000	2,400,000	2,723,867	323,867	2,440,983
Investment earnings	30,000	30,000	26,275	(3,725)	27,732
<b>Total Revenues</b>	<u>2,430,000</u>	<u>2,430,000</u>	<u>2,750,142</u>	<u>320,142</u>	<u>2,468,715</u>
<b>Expenditures</b>					
<b>Current</b>					
Public services	990,145	990,145	589,293	400,852	914,140
<b>Capital Outlay</b>	-	-	-	-	190,077
<b>Total Expenditures</b>	<u>990,145</u>	<u>990,145</u>	<u>589,293</u>	<u>400,852</u>	<u>1,104,217</u>
<b>Excess of Revenues Over Expenditures</b>	1,439,855	1,439,855	2,160,849	720,994	1,364,498
<b>Other Financing Uses</b>					
Transfers out	(1,287,967)	(1,287,967)	(1,287,967)	-	(1,114,203)
<b>Net Change in Fund Balance</b>	<u>\$ 151,888</u>	<u>151,888</u>	872,882	<u>720,994</u>	250,295
<b>Fund Balance Beginning of Year</b>			<u>2,664,116</u>		<u>2,413,821</u>
<b>Fund Balance End of Year</b>			\$ <u>3,536,998</u>		<u>2,664,116</u>

**Ketchikan Gateway Borough, Alaska**  
*School Bond Capital Improvements Special Revenue Fund*  
*Comparative Balance Sheet*  
*June 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash and investments	\$ 4,952,074	5,561,018
Receivables:		
Accounts	2,752	2,455
Intergovernmental	350,551	26,754
Sales taxes	<u>304,511</u>	<u>574,803</u>
<b>Total Assets</b>	<b>\$ <u>5,609,888</u></b>	<b><u>6,165,030</u></b>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ <u>878,070</u>	<u>41,460</u>
<b>Fund Balance</b>		
Restricted for education	<u>4,731,818</u>	<u>6,123,570</u>
<b>Total Liabilities and Fund Balance</b>	<b>\$ <u>5,609,888</u></b>	<b><u>6,165,030</u></b>

**Ketchikan Gateway Borough, Alaska**  
*School Bond Capital Improvements Special Revenue Fund*  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual*  
*For the Year Ended June 30, 2020*  
*With Comparative Actual Amounts for the Year Ended June 30, 2019*

	<b>2020</b>			<b>2019</b>	
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance On Final Budget</b>	<b>Actual</b>
<b>Revenues</b>					
Sales taxes	\$ 1,981,184	1,981,184	1,676,185	(304,999)	1,934,894
Intergovernmental	2,037,563	2,037,563	1,009,767	(1,027,796)	2,429,344
Penalties and interest	3,500	3,500	5,266	1,766	6,755
Investment earnings	<u>80,000</u>	<u>80,000</u>	<u>74,903</u>	<u>(5,097)</u>	<u>91,257</u>
<b>Total Revenues</b>	<u>4,102,247</u>	<u>4,102,247</u>	<u>2,766,121</u>	<u>(1,336,126)</u>	<u>4,462,250</u>
<b>Expenditures</b>					
<b>Current</b>					
Education	600	600	-	600	250
<b>Capital Outlay</b>	<u>1,548,508</u>	<u>1,908,307</u>	<u>879,053</u>	<u>1,029,254</u>	<u>41,461</u>
<b>Total Expenditures</b>	<u>1,549,108</u>	<u>1,908,907</u>	<u>879,053</u>	<u>1,029,854</u>	<u>41,711</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	2,553,139	2,193,340	1,887,068	(306,272)	4,420,539
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	13,688	13,688	298
Transfers out	<u>(3,193,554)</u>	<u>(3,290,554)</u>	<u>(3,292,508)</u>	<u>(1,954)</u>	<u>(3,792,287)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(3,193,554)</u>	<u>(3,290,554)</u>	<u>(3,278,820)</u>	<u>11,734</u>	<u>(3,791,989)</u>
<b>Net Change in Fund Balance</b>	\$ <u>(640,415)</u>	<u>(1,097,214)</u>	(1,391,752)	<u>(294,538)</u>	628,550
<b>Fund Balance Beginning of Year</b>			<u>6,123,570</u>		<u>5,495,020</u>
<b>Fund Balance End of Year</b>			\$ <u>4,731,818</u>		<u>6,123,570</u>

**Ketchikan Gateway Borough, Alaska**  
*Local Education Special Revenue Fund*  
*Comparative Balance Sheet*  
*June 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash and investments	\$ 1,038,295	4,711,777
Receivables:		
Accounts	576	-
Due to/from component unit	2,526,399	-
Property	52,293	364,129
Taxes	<u>355,064</u>	<u>2,507</u>
<b>Total Assets</b>	\$ <u><u>3,972,627</u></u>	<u><u>5,078,413</u></u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ -	45,087
Due to Component Unit	<u>-</u>	<u>248,063</u>
<b>Total Liabilities</b>	-	293,150
<b>Deferred Inflows of Resources</b>		
Property tax revenue	<u>51,850</u>	<u>22,070</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>51,850</u>	<u>315,220</u>
<b>Fund Balance</b>		
Restricted for education	<u>3,920,777</u>	<u>4,763,193</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	\$ <u><u>3,972,627</u></u>	<u><u>5,078,413</u></u>

**Ketchikan Gateway Borough, Alaska**  
*Local Education Special Revenue Fund*  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual*  
*For the Year Ended June 30, 2020*

*With Comparative Actual Amounts for the Year Ended June 30, 2019*

	<b>2020</b>			<b>2019</b>	
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance On Final Budget</b>	<b>Actual</b>
<b>Revenues</b>					
Property taxes	\$ 7,504,478	7,504,478	7,481,092	(23,386)	7,353,593
Excise taxes	1,100,000	1,100,000	1,299,368	199,368	627,029
Intergovernmental	846,750	846,750	847,305	555	882,032
Investment earnings	150,000	150,000	106,732	(43,268)	156,179
<b>Total Revenues</b>	<u>9,601,228</u>	<u>9,601,228</u>	<u>9,734,497</u>	<u>133,269</u>	<u>9,018,833</u>
<b>Expenditures</b>					
<b>Current</b>					
Education	10,701,199	10,798,199	10,797,829	370	9,564,133
Less recovery of school district excess fund balance	-	-	-	-	(208,712)
<b>Total Expenditures</b>	<u>10,701,199</u>	<u>10,798,199</u>	<u>10,797,829</u>	<u>370</u>	<u>9,355,421</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(1,099,971)	(1,196,971)	(1,063,332)	133,639	(336,588)
<b>Other Financing Sources (Uses)</b>					
Transfers in	309,890	309,890	406,520	96,630	1,310,695
Transfers out	(189,890)	(189,890)	(185,604)	4,286	(189,890)
<b>Total Other Financing Sources (Uses)</b>	<u>120,000</u>	<u>120,000</u>	<u>220,916</u>	<u>100,916</u>	<u>1,120,805</u>
<b>Net Change in Fund Balance</b>	\$ <u>(979,971)</u>	<u>(1,076,971)</u>	(842,416)	<u>234,555</u>	784,217
<b>Fund Balance Beginning of Year</b>			<u>4,763,193</u>		<u>3,978,976</u>
<b>Fund Balance End of Year</b>			\$ <u>3,920,777</u>		<u>4,763,193</u>

**Ketchikan Gateway Borough, Alaska**  
*State & Federal Grants Special Revenue Fund*  
*Comparative Balance Sheet*  
*June 30, 2020 and 2019*

	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
Cash and investments	\$ 4,277,030	-
Prepaid items	6,493,020	-
Intergovernmental receivable	358,706	3,357,977
<b>Total Assets</b>	\$ 11,128,756	3,357,977
 <b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 108,953	276,905
Interfund payable	-	3,081,072
Unearned revenue	11,019,803	-
<b>Total Liabilities</b>	11,128,756	3,357,977
<b>Fund Balance</b>	-	-
<b>Total Liabilities and Fund Balance</b>	\$ 11,128,756	3,357,977

**Ketchikan Gateway Borough, Alaska**  
*State and Federal Grants Special Revenue Fund*  
*Statement of Revenues, Expenditures and*  
*Changes in Fund Balance*  
*For the Years Ended June 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b>Revenues</b>		
Intergovernmental	\$ 519,772	1,968,111
<b>Expenditures</b>		
<b>Current</b>		
Public services	519,772	119,529
<b>Capital Outlay</b>	<u>-</u>	<u>1,848,582</u>
<b>Total Expenditures</b>	<u>519,772</u>	<u>1,968,111</u>
<b>Fund Balance Beginning of Year</b>	<u>-</u>	<u>-</u>
<b>Fund Balance End of Year</b>	\$ <u><u>-</u></u>	<u><u>-</u></u>

## NONMAJOR SPECIAL REVENUE FUNDS

**Airport Passenger Facilities Charges (PFC)** – This fund is used to account for PFC revenues received from various airlines. These funds are used to pay for the principal and interest payments of the Airport revenue bonds.

**Department of Health and Social Services (DHSS) Traveler Testing Special Revenue Fund** – This fund is used to account for and process payments for services provided for COVID-19 traveler testing and to receive reimbursements from the State of Alaska per a Memorandum of Agreement between Ketchikan Gateway Borough and the State of Alaska.

**Forest Park Service Area Fund** – This fund is used to account for billings, collections of taxes, fees or other charges and to process payments for services provided within this service area.

**Gold Nugget Service Area Fund** – This fund is used to account for billings, collections of taxes, fees or other charges and to process payments for services provided within this service area.

**Homestead Service Area Fund** – This fund is used to account for revenues assessed on property owners to pay for road maintenance within the Homestead Service Area.

**Loring Service Area Fund** – This fund is used to account for billings, collections of taxes, fees or other charges and to process payments for services provided within this service area.

**Mud Bight Service Area Fund** – This fund is used to account for billings, collections of taxes, fees or other charges and to process payments for services provided within this service area.

**Nichols View Service Area Fund** – This fund is used to account for billings, collections of taxes, fees or other charges and to process payments for services provided within this service area.

**Nonareawide Library Fund** – This fund is used to account for the collection of property and motor vehicle taxes, which are used to pay the allocated cost for the City of Ketchikan Library operations.

**North Tongass Fire & EMS Service Area Fund** – This fund is used to account for billings, collections of taxes, fees or other charges and to process payments for services provided within this service area.

**Old Dairy Road Service Area Fund** – This fund is used to account for billings, collections of taxes, fees or other charges and to process payments for services provided within this service area.

**Recreation Sales Tax Fund** – This fund is used to account for the receipt of twenty percent (20%) of all Borough sales tax revenues. These revenues may only be expended for bonafide recreation costs in the following proportion: eighty percent (80%) for recreation capital improvement projects, and twenty percent (20%) for maintenance and operation costs of Borough recreation facilities.

**South Tongass Service Area Fund** – This fund is used to account for billings, collections of taxes, fees or other charges and to process payments for services provided within this service area.

**Tobacco Tax Fund** – This fund was used to account for the collections of excise taxes on tobacco products. Eighty-five percent of the net proceeds were transferred to the Local Education Fund. The remaining fifteen percent is to be spent on cessation programs. This balance of this fund was transferred to the Local Education Fund in fiscal year 2019 and closed out.

**Waterfall Service Area Fund** – This fund is used to account for billings, collections of taxes, fees or other charges and to process payments for services provided within this service area.

**Ketchikan Gateway Borough, Alaska**  
*Airport PFC Special Revenue Fund*  
*Comparative Balance Sheet*  
*June 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash and investments	\$ 657,592	1,096,929
Accounts receivable	<u>31,374</u>	<u>84,533</u>
<b>Total Assets</b>	\$ <u>688,966</u>	<u>1,181,462</u>
<b>Fund Balance</b>		
Restricted for airport projects	\$ <u>688,966</u>	\$ <u>1,181,462</u>

**Ketchikan Gateway Borough, Alaska**  
*Airport PFC Special Revenue Fund*  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual*  
*For the Year Ended June 30, 2020*  
*With Comparative Actual Amounts for the Year Ended June 30, 2019*

	<b>2020</b>			<b>2019</b>	
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance On Final Budget</b>	<b>Actual</b>
<b>Revenues</b>					
PFC revenues	\$ 395,000	395,000	304,632	(90,368)	127,662
Investment earnings	<u>17,000</u>	<u>17,000</u>	<u>12,894</u>	<u>(4,106)</u>	<u>18,348</u>
<b>Total Revenues</b>	<u>412,000</u>	<u>412,000</u>	<u>317,526</u>	<u>(94,474)</u>	<u>146,010</u>
<b>Other Financing Uses</b>					
Transfers out	<u>(500,000)</u>	<u>(1,306,651)</u>	<u>(810,022)</u>	<u>496,629</u>	<u>(56,308)</u>
<b>Net Change in Fund Balance</b>	\$ <u>(88,000)</u>	<u>(894,651)</u>	(492,496)	<u>402,155</u>	89,702
<b>Fund Balance Beginning of Year</b>			<u>1,181,462</u>		<u>1,091,760</u>
<b>Fund Balance End of Year</b>			\$ <u>688,966</u>		<u>1,181,462</u>

**Ketchikan Gateway Borough, Alaska**  
*DHSS Traveler Testing*  
*Balance Sheet*  
*June 30, 2020*

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	<u>2020</u>
<b>Assets</b>	
Accounts receivable	\$ <u>154,128</u>
<b>Liabilities</b>	
Accounts payable	\$ 64,503
Interfund payable	<u>89,625</u>
<b>Total Liabilities</b>	\$ <u>154,128</u>

**Ketchikan Gateway Borough, Alaska**  
*DHSS Traveler Testing*  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual*  
*For the Year Ended June 30, 2020*

	<b>2020</b>			<b>Variance On Final Budget</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Charges for services	\$ -	-	154,128	154,128
<b>Expenditures</b>				
<b>Current</b>				
Public services	-	935,360	154,128	781,232
<b>Net Change in Fund Balance</b>	\$ -	(935,360)	-	(627,104)
<b>Fund Balance Beginning of Year</b>			-	
<b>Fund Balance End of Year</b>			\$ -	

**Ketchikan Gateway Borough, Alaska**  
*Forest Park Service Area Special Revenue Fund*  
**Comparative Balance Sheet**  
*June 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash and investments	\$ 38,640	82,915
Receivables:		
Accounts	21	32
Intergovernmental	206	264
Property taxes	<u>795</u>	<u>292</u>
<b>Total Assets</b>	<u>\$ 39,662</u>	<u>83,503</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 550	518
<b>Deferred Inflows of Resources</b>		
Property tax revenue	<u>795</u>	<u>292</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>1,345</u>	<u>810</u>
<b>Fund Balance</b>		
Restricted for road maintenance	<u>38,317</u>	<u>82,693</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 39,662</u>	<u>83,503</u>

**Ketchikan Gateway Borough, Alaska**  
*Forest Park Service Area Special Revenue Fund*  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual*  
*For the Year Ended June 30, 2020*  
*With Comparative Actual Amounts for the Year Ended June 30, 2019*

	<b>2020</b>			<b>2019</b>	
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance On Final Budget</b>	<b>Actual</b>
<b>Revenues</b>					
Taxes	\$ 75,689	75,689	75,250	(439)	73,491
Investment earnings	<u>1,500</u>	<u>1,500</u>	<u>977</u>	<u>(523)</u>	<u>1,976</u>
<b>Total Revenues</b>	<u>77,189</u>	<u>77,189</u>	<u>76,227</u>	<u>(962)</u>	<u>75,467</u>
<b>Expenditures</b>					
<b>Current</b>					
Public services	101,230	126,230	120,603	5,627	41,307
<b>Capital Outlay</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,297</u>
<b>Total Expenditures</b>	<u>101,230</u>	<u>126,230</u>	<u>120,603</u>	<u>5,627</u>	<u>127,604</u>
<b>Net Change in Fund Balance</b>	\$ <u>(24,041)</u>	<u>(49,041)</u>	(44,376)	<u>4,665</u>	(52,137)
<b>Fund Balance Beginning of Year</b>			<u>82,693</u>		<u>134,830</u>
<b>Fund Balance End of Year</b>		\$ <u>38,317</u>			<u>82,693</u>

**Ketchikan Gateway Borough, Alaska**  
*Gold Nugget Service Area Special Revenue Fund*  
*Comparative Balance Sheet*  
*June 30, 2020 and 2019*

	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
Cash and investments	\$ 70,056	71,506
Accounts receivable	682	163
<b>Total Assets</b>	\$ 70,738	71,669
<b>Fund Balance</b>		
Restricted for road maintenance	\$ 70,738	71,669

**Ketchikan Gateway Borough, Alaska**  
*Gold Nugget Service Area Special Revenue Fund*  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual*  
*For the Year Ended June 30, 2020*  
*With Comparative Actual Amounts for the Year Ended June 30, 2019*

	2020			2019	
	Original Budget	Final Budget	Actual	Variance On Final Budget	Actual
<b>Revenues</b>					
Charges for services	\$ 12,000	12,000	12,072	72	12,102
Investment earnings	<u>1,000</u>	<u>1,000</u>	<u>914</u>	<u>(86)</u>	<u>1,180</u>
<b>Total Revenues</b>	<u>13,000</u>	<u>13,000</u>	<u>12,986</u>	<u>(14)</u>	<u>13,282</u>
<b>Expenditures</b>					
<b>Current</b>					
Public services	<u>33,920</u>	<u>33,920</u>	<u>13,917</u>	<u>20,003</u>	<u>14,113</u>
<b>Net Change in Fund Balance</b>	\$ <u>(20,920)</u>	<u>(20,920)</u>	(931)	<u>19,989</u>	(831)
<b>Fund Balance Beginning of Year</b>			<u>71,669</u>		<u>72,500</u>
<b>Fund Balance End of Year</b>		\$ <u>70,738</u>			<u>71,669</u>

**Ketchikan Gateway Borough, Alaska**  
*Homestead Service Area Special Revenue Fund*  
**Comparative Balance Sheet**  
*June 30, 2020 and 2019*

	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
Cash and investments	\$ 123,860	143,920
Accounts receivable	396	295
<b>Total Assets</b>	<b>\$ 124,256</b>	<b>144,215</b>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ <u>68</u>	<u>65</u>
<b>Fund Balance</b>		
Restricted for road maintenance	124,188	144,150
<b>Total Liabilities and Fund Balance</b>	<b>\$ 124,256</b>	<b>144,215</b>

**Ketchikan Gateway Borough, Alaska**  
*Homestead Service Area Special Revenue Fund*  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual*  
*For the Year Ended June 30, 2020*  
*With Comparative Actual Amounts for the Year Ended June 30, 2019*

	<b>2020</b>			<b>2019</b>	
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance On Final Budget</b>	<b>Actual</b>
<b>Revenues</b>					
Charges for services	\$ 6,636	6,636	8,920	2,284	7,555
Investment earnings	<u>1,500</u>	<u>1,500</u>	<u>1,555</u>	<u>55</u>	<u>2,153</u>
<b>Total Revenues</b>	<u>8,136</u>	<u>8,136</u>	<u>10,475</u>	<u>2,339</u>	<u>9,708</u>
<b>Expenditures</b>					
<b>Current</b>					
Public services	<u>70,002</u>	<u>70,002</u>	<u>53,789</u>	<u>16,213</u>	<u>6,377</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(61,866)	(61,866)	(43,314)	18,552	3,331
<b>Other Financing Sources</b>					
Transfers in	<u>27,638</u>	<u>27,638</u>	<u>23,352</u>	<u>(4,286)</u>	<u>28,774</u>
<b>Net Change in Fund Balance</b>	\$ <u>(34,228)</u>	<u>(34,228)</u>	(19,962)	<u>14,266</u>	32,105
<b>Fund Balance Beginning of Year</b>			<u>144,150</u>		<u>112,045</u>
<b>Fund Balance End of Year</b>			\$ <u>124,188</u>		<u>144,150</u>

**Ketchikan Gateway Borough, Alaska**  
*Loring Service Area Special Revenue Fund*  
*Comparative Balance Sheet*  
*June 30, 2020 and 2019*

	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
Cash and investments	\$ 54,163	51,145
Accounts receivable	32	21
<b>Total Assets</b>	\$ 54,195	51,166
<b>Fund Balance</b>		
Restricted for dock improvements	\$ 54,195	51,166

**Ketchikan Gateway Borough, Alaska**  
*Loring Service Area Special Revenue Fund*  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual*  
*For the Year Ended June 30, 2020*

*With Comparative Actual Amounts for the Year Ended June 30, 2019*

	2020			2019	
	Original Budget	Final Budget	Actual	Variance On Final Budget	Actual
<b>Revenues</b>					
Charges for services	\$ 3,000	3,000	3,056	56	3,112
Intergovernmental	35,971	35,971	-	(35,971)	44,133
Investment earnings	500	500	657	157	847
Miscellaneous	-	-	378	378	-
<b>Total Revenues</b>	39,471	39,471	4,091	(35,380)	48,092
<b>Expenditures</b>					
<b>Current</b>					
Public services	38,959	38,959	1,062	37,897	4,597
<b>Net Change in Fund Balance</b>	\$ <u>512</u>	<u>512</u>	3,029	<u>2,517</u>	43,495
<b>Fund Balance Beginning of Year</b>			51,166		7,671
<b>Fund Balance End of Year</b>		\$	54,195		51,166

**Ketchikan Gateway Borough, Alaska**  
*Mud Bight Service Area Special Revenue Fund*  
**Comparative Balance Sheet**  
*June 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash and investments	\$ 23,016	40,890
Accounts receivable	<u>1,425</u>	<u>988</u>
<b>Total Assets</b>	\$ <u>24,441</u>	<u>41,878</u>
<b>Fund Balance</b>		
Restricted for road maintenance	\$ <u>24,441</u>	<u>41,878</u>

**Ketchikan Gateway Borough, Alaska**  
*Mud Bight Service Area Special Revenue Fund*  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual*  
*For the Year Ended June 30, 2020*  
*With Comparative Actual Amounts for the Year Ended June 30, 2019*

	2020			2019	
	Original Budget	Final Budget	Actual	Variance On Final Budget	Actual
<b>Revenues</b>					
Charges for services	\$ 12,960	12,960	13,528	568	12,133
Investment earnings	500	500	467	(33)	786
<b>Total Revenues</b>	<u>13,460</u>	<u>13,460</u>	<u>13,995</u>	<u>535</u>	<u>12,919</u>
<b>Expenditures</b>					
<b>Current</b>					
Public services	37,100	37,100	31,432	5,668	33,376
<b>Net Change in Fund Balance</b>	\$ <u>(23,640)</u>	<u>(23,640)</u>	(17,437)	<u>6,203</u>	(20,457)
<b>Fund Balance Beginning of Year</b>			41,878		62,335
<b>Fund Balance End of Year</b>			\$ <u>24,441</u>		<u>41,878</u>

**Ketchikan Gateway Borough, Alaska**  
*Nichols View Service Area Special Revenue Fund*  
*Comparative Balance Sheet*  
*June 30, 2020 and 2019*

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	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash and investments	\$ <u>4,034</u>	<u>4,534</u>
<b>Fund Balance</b>		
Restricted for road maintenance	\$ <u>4,034</u>	<u>4,534</u>

**Ketchikan Gateway Borough, Alaska**  
*Nichols View Service Area Special Revenue Fund*  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual*  
*For the Year Ended June 30, 2020*  
*With Comparative Actual Amounts for the Year Ended June 30, 2019*

	<b>2020</b>			<b>2019</b>	
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance On Final Budget</b>	<b>Actual</b>
<b>Expenditures</b>					
<b>Current</b>					
Public services	\$ <u>500</u>	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
<b>Net Change in Fund Balance</b>	\$ <u>(500)</u>	<u>(500)</u>	(500)	<u>-</u>	(500)
<b>Fund Balance Beginning of Year</b>			<u>4,534</u>		<u>5,034</u>
<b>Fund Balance End of Year</b>		\$ <u>4,034</u>			<u>4,534</u>

**Ketchikan Gateway Borough, Alaska**  
*Nonareawide Library Special Revenue Fund*  
**Comparative Balance Sheet**  
*June 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash and investments	\$ 300,369	289,093
Receivables:		
Accounts	167	113
Intergovernmental	1,033	1,320
Property taxes	<u>2,174</u>	<u>1,446</u>
<b>Total Assets</b>	\$ <u>303,743</u>	<u>291,972</u>
 <b>Deferred Inflows of Resources and Fund Balance</b>		
 <b>Deferred Inflows of Resources</b>		
Property tax revenue	\$ <u>2,174</u>	<u>1,499</u>
 <b>Fund Balance</b>		
Restricted for library operations	<u>301,569</u>	<u>290,473</u>
 <b>Total Deferred Inflows of Resources and Fund Balance</b>	\$ <u>303,743</u>	<u>291,972</u>

**Ketchikan Gateway Borough, Alaska**  
*Nonareawide Library Special Revenue Fund*  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual*  
*For the Year Ended June 30, 2020*  
*With Comparative Actual Amounts for the Year Ended June 30, 2019*

	2020			2019	
	Original Budget	Final Budget	Actual	Variance On Final Budget	Actual
<b>Revenues</b>					
Taxes	\$ 472,095	472,095	470,333	(1,762)	452,920
Investment earnings	<u>5,000</u>	<u>5,000</u>	<u>5,602</u>	<u>602</u>	<u>5,909</u>
<b>Total Revenues</b>	<u>477,095</u>	<u>477,095</u>	<u>475,935</u>	<u>(1,160)</u>	<u>458,829</u>
<b>Expenditures</b>					
<b>Current</b>					
Library services	<u>464,839</u>	<u>464,839</u>	<u>464,839</u>	<u>-</u>	<u>436,161</u>
<b>Excess of Revenues Over Expenditures</b>	12,256	12,256	11,096	(1,160)	22,668
<b>Other Financing Sources</b>					
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,458</u>
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,458</u>
<b>Net Change in Fund Balance</b>	\$ <u>12,256</u>	<u>12,256</u>	11,096	<u>(1,160)</u>	72,126
<b>Fund Balance Beginning of Year</b>			<u>290,473</u>		<u>218,347</u>
<b>Fund Balance End of Year</b>		\$ <u>301,569</u>			<u>290,473</u>

**Ketchikan Gateway Borough, Alaska**  
*North Tongass Fire and EMS Service Area Special Revenue Fund*  
**Comparative Balance Sheet**  
*June 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash and investments	\$ 1,291,733	846,838
Prepaid items	4,824	8,761
Receivables:		
Accounts	6,517	13,584
Intergovernmental	1,400	3,476
Property taxes	<u>1,142</u>	<u>1,185</u>
<b>Total Assets</b>	<b>\$ <u>1,305,616</u></b>	<b><u>873,844</u></b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 11,076	27,480
Interfund advances payable	<u>-</u>	<u>31,617</u>
<b>Total Liabilities</b>	11,076	59,097
<b>Deferred Inflows of Resources</b>		
Property tax revenue	<u>1,142</u>	<u>1,355</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>12,218</u>	<u>60,452</u>
<b>Fund Balance</b>		
Nonspendable - prepaid item	4,824	8,761
Restricted for public safety	<u>1,288,574</u>	<u>804,631</u>
<b>Total Fund Balance</b>	<u>1,293,398</u>	<u>813,392</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ <u>1,305,616</u></b>	<b><u>873,844</u></b>

**Ketchikan Gateway Borough, Alaska**  
*North Tongass Fire and EMS Service Area Special Revenue Fund*  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual*  
*For the Year Ended June 30, 2020*  
*With Comparative Actual Amounts for the Year Ended June 30, 2019*

	2020			2019	
	Original Budget	Final Budget	Actual	Variance On Final Budget	Actual
<b>Revenues</b>					
Taxes	\$ 693,682	693,682	693,418	(264)	662,696
Intergovernmental	1,194	1,194	14,801	13,607	12,241
Service area fees	134,400	134,400	120,304	(14,096)	117,864
Investment earnings	18,000	18,000	16,036	(1,964)	18,416
EMS revenues	75,000	75,000	66,995	(8,005)	77,175
Miscellaneous	-	-	10,868	10,868	1,687
<b>Total Revenues</b>	922,276	922,276	922,422	146	890,079
<b>Expenditures</b>					
<b>Current</b>					
Fire and EMS	793,336	801,574	600,503	201,071	849,994
<b>Capital Outlay</b>	38,000	38,000	12,313	25,687	89,006
<b>Total Expenditures</b>	831,336	839,574	612,816	226,758	939,000
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	90,940	82,702	309,606	226,904	(48,921)
<b>Other Financing Sources</b>					
Transfers in	170,400	170,400	170,400	-	170,400
<b>Net Change in Fund Balance</b>	\$ 261,340	253,102	480,006	226,904	121,479
<b>Fund Balance Beginning of Year</b>			813,392		691,913
<b>Fund Balance End of Year</b>		\$	1,293,398		813,392

**Ketchikan Gateway Borough, Alaska**  
*Old Dairy Road*  
*Balance Sheet*  
*June 30, 2020*

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	<u>2020</u>
<b>Liabilities</b>	
Accounts payable	\$ 83
Interfund payable	<u>5</u>
<b>Total Liabilities</b>	\$ <u>88</u>
<b>Fund Balance</b>	
Unassigned (deficit)	<u>(88)</u>
<b>Total Liabilities and Fund Balance</b>	\$ <u><u>-</u></u>

**Ketchikan Gateway Borough, Alaska**  
*Old Dairy Road*  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual*  
*For the Year Ended June 30, 2020*

	<b>2020</b>			<b>Variance On Final Budget</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Expenditures</b>				
<b>Current</b>				
Public services	-	-	88	(88)
<b>Net Change in Fund Balance</b>	\$ -	-	(88)	(88)
<b>Fund Balance Beginning of Year</b>			-	
<b>Fund Balance End of Year</b>			\$ (88)	

**Ketchikan Gateway Borough, Alaska**  
*Recreation Sales Tax Special Revenue Fund*  
*Comparative Balance Sheet*  
*June 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash and investments	\$ 1,732,587	2,170,602
Receivables:		
Accounts	963	837
Sales tax receivable	<u>304,511</u>	<u>574,803</u>
<b>Total Assets</b>	\$ <u>2,038,061</u>	<u>2,746,242</u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ <u>14,000</u>	<u>15,031</u>
<b>Fund Balance</b>		
Restricted for recreation	<u>2,024,061</u>	<u>2,731,211</u>
<b>Total Liabilities and Fund Balance</b>	\$ <u>2,038,061</u>	<u>2,746,242</u>

**Ketchikan Gateway Borough, Alaska**  
*Recreation Sales Tax Special Revenue Fund*  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual*  
*For the Year Ended June 30, 2020*

*With Comparative Actual Amounts for the Year Ended June 30, 2019*

	2020			2019	
	Original Budget	Final Budget	Actual	Variance On Final Budget	Actual
<b>Revenues</b>					
Sales taxes	\$ 1,981,184	1,981,184	1,676,185	(304,999)	1,934,894
Intergovernmental	238,468	238,468	87,776	(150,692)	245,926
Penalties and interest	3,500	3,500	5,266	1,766	6,755
Investment earnings	40,000	40,000	29,444	(10,556)	41,217
<b>Total Revenues</b>	<u>2,263,152</u>	<u>2,263,152</u>	<u>1,798,671</u>	<u>(464,481)</u>	<u>2,228,792</u>
<b>Expenditures</b>					
<b>Current</b>					
Public services	700	50,700	65,908	(15,208)	18,435
<b>Capital Outlay</b>	<u>625,000</u>	<u>625,000</u>	<u>746,616</u>	<u>(121,616)</u>	<u>666,224</u>
<b>Total Expenditures</b>	<u>625,700</u>	<u>675,700</u>	<u>812,524</u>	<u>(136,824)</u>	<u>684,659</u>
<b>Excess of Revenues Over Expenditures</b>	1,637,452	1,587,452	986,147	(601,305)	1,544,133
<b>Other Financing Sources (Uses)</b>					
Transfers in	162,751	162,751	162,751	-	177,468
Transfers out	<u>(1,831,401)</u>	<u>(1,831,401)</u>	<u>(1,856,048)</u>	<u>(24,647)</u>	<u>(1,812,019)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(1,668,650)</u>	<u>(1,668,650)</u>	<u>(1,693,297)</u>	<u>(24,647)</u>	<u>(1,634,551)</u>
<b>Net Change in Fund Balance</b>	\$ <u>(31,198)</u>	<u>(81,198)</u>	(707,150)	<u>(625,952)</u>	(90,418)
<b>Fund Balance Beginning of Year</b>			<u>2,731,211</u>		<u>2,821,629</u>
<b>Fund Balance End of Year</b>			\$ <u>2,024,061</u>		<u>2,731,211</u>

**Ketchikan Gateway Borough, Alaska**  
*South Tongass Service Area Special Revenue Fund*  
**Comparative Balance Sheet**  
*June 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash and investments	\$ 1,287,332	993,876
Prepaid items	4,824	5,395
Receivables:		
Accounts	16,734	25,249
Intergovernmental	1,652	2,111
Property taxes	<u>6,995</u>	<u>4,095</u>
<b>Total Assets</b>	<u>\$ 1,317,537</u>	<u>1,030,726</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 20,226	10,078
Advances payable	<u>78,760</u>	<u>97,658</u>
<b>Total Liabilities</b>	98,986	107,736
<b>Deferred Inflows of Resources</b>		
Property tax revenues	<u>6,995</u>	<u>4,095</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>105,981</u>	<u>111,831</u>
<b>Fund Balance</b>		
Nonspendable - Prepaid items	4,824	5,395
Restricted for public safety and water	<u>1,206,732</u>	<u>913,500</u>
<b>Total Fund Balance</b>	<u>1,211,556</u>	<u>918,895</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 1,317,537</u>	<u>1,030,726</u>

**Ketchikan Gateway Borough, Alaska**  
*South Tongass Service Area Special Revenue Fund*  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual*  
*For the Year Ended June 30, 2020*  
*With Comparative Actual Amounts for the Year Ended June 30, 2019*

	<b>2020</b>			<b>2019</b>	
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance On Final Budget</b>	<b>Actual</b>
<b>Revenues</b>					
Charges for services	\$ 24,000	24,000	26,496	2,496	27,900
Taxes	670,054	670,054	667,688	(2,366)	650,686
Intergovernmental	17,804	17,804	19,596	1,792	10,225
Water fees	295,700	295,700	304,863	9,163	301,228
Investment earnings	13,000	13,000	17,071	4,071	17,027
EMS revenue	70,000	70,000	57,630	(12,370)	80,088
Miscellaneous	2,400	2,400	3,243	843	2,570
<b>Total Revenues</b>	<u>1,092,958</u>	<u>1,092,958</u>	<u>1,096,587</u>	<u>3,629</u>	<u>1,089,724</u>
<b>Expenditures</b>					
<b>Current</b>					
Fire and EMS	832,460	840,998	642,697	198,301	636,387
Water treatment and distribution	498,160	498,160	319,451	178,709	240,368
<b>Capital Outlay</b>	<u>373,500</u>	<u>373,500</u>	<u>33,508</u>	<u>339,992</u>	<u>443,388</u>
<b>Total Expenditures</b>	1,704,120	1,712,658	995,656	717,002	1,320,143
Less recovery of expenditures from other funds	<u>(3,330)</u>	<u>(3,330)</u>	<u>(3,330)</u>	<u>-</u>	<u>(3,330)</u>
<b>Net Expenditures</b>	<u>1,700,790</u>	<u>1,709,328</u>	<u>992,326</u>	<u>717,002</u>	<u>1,316,813</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(607,832)	(616,370)	104,261	720,631	(227,089)
<b>Other Financing Sources</b>					
Transfers in	<u>350,900</u>	<u>350,900</u>	<u>188,400</u>	<u>(162,500)</u>	<u>288,400</u>
<b>Net Change in Fund Balance</b>	\$ <u>(256,932)</u>	<u>(265,470)</u>	292,661	<u>558,131</u>	61,311
<b>Fund Balance Beginning of Year</b>			<u>918,895</u>		<u>857,584</u>
<b>Fund Balance End of Year</b>			\$ <u>1,211,556</u>		<u>918,895</u>



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**Ketchikan Gateway Borough, Alaska**  
*Tobacco Tax Special Revenue Fund*  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual*  
*For the Year Ended June 30, 2020*  
*With Comparative Actual Amounts for the Year Ended June 30, 2019*

	2020			2019	
	Original Budget	Final Budget	Actual	Variance On Final Budget	Actual
<b>Revenues</b>					
Tobacco tax	\$ -	-	-	-	743,473
Charges for services	-	-	-	-	-
Investment earnings	-	-	-	-	4,625
<b>Total Revenues</b>	-	-	-	-	748,098
<b>Expenditures</b>					
<b>Current</b>					
Public services	-	-	-	-	310
<b>Other Financing Uses</b>					
Transfers out	-	-	-	-	(1,004,069)
<b>Net Change in Fund Balance</b>	\$ -	-	-	-	(256,281)
<b>Fund Balance Beginning of Year</b>			-		256,281
<b>Fund Balance End of Year</b>			\$ -		-

**Ketchikan Gateway Borough, Alaska**  
*Waterfall Service Area Special Revenue Fund*  
*Comparative Balance Sheet*  
*June 30, 2020 and 2019*

	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
Cash and investments	\$ 44,203	39,233
Accounts receivable	2,707	3,108
<b>Total Assets</b>	\$ 46,910	42,341
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ -	55
Interfund advances payable	-	-
<b>Total Liabilities</b>	-	55
<b>Fund Balance</b>		
Restricted for road maintenance	46,910	42,286
<b>Total Liabilities and Fund Balance</b>	\$ 46,910	42,341

**Ketchikan Gateway Borough, Alaska**  
*Waterfall Service Area Special Revenue Fund*  
*Schedule of Revenues, Expenditures and*  
*Changes in Fund Balance - Budget and Actual*  
*For the Year Ended June 30, 2020*  
*With Comparative Actual Amounts for the Year Ended June 30, 2019*

	2020			2019	
	Original Budget	Final Budget	Actual	Variance On Final Budget	Actual
<b>Revenues</b>					
Charges for services	\$ 37,125	37,125	36,112	(1,013)	40,772
Investment earnings	500	500	587	87	576
<b>Total Revenues</b>	<u>37,625</u>	<u>37,625</u>	<u>36,699</u>	<u>(926)</u>	<u>41,348</u>
<b>Expenditures</b>					
<b>Current</b>					
Public services	33,005	43,005	32,075	10,930	18,098
<b>Net Change in Fund Balance</b>	\$ <u>4,620</u>	<u>(5,380)</u>	4,624	<u>10,004</u>	23,250
<b>Fund Balance Beginning of Year</b>			42,286		19,036
<b>Fund Balance End of Year</b>			\$ <u>46,910</u>		<u>42,286</u>



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## **CAPITAL PROJECTS FUND**

**Capital Projects Fund** – This fund is used to account for the acquisition and construction of major school and other capital facilities other than those financed by proprietary funds.

**Ketchikan Gateway Borough, Alaska**  
*Capital Projects Fund*  
*Comparative Balance Sheet*  
*June 30, 2020 and 2019*

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	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Restricted cash and investments	\$ <u>738,730</u>	<u>752,066</u>
<b>Fund Balance</b>		
Restricted for capital projects	\$ <u>738,730</u>	<u>752,066</u>

**Ketchikan Gateway Borough, Alaska**  
*Capital Projects Fund*  
*Comparative Statement of Revenues, Expenditures and*  
*Changes in Fund Balance*  
*For the Years Ended June 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b>Revenues</b>		
Investment earnings	\$ 352	427
<b>Expenditures</b>		
<b>Capital Outlay</b>		
Educational facilities	-	471,857
<b>Total Expenditures</b>	-	471,857
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	352	(471,430)
<b>Other Financing Sources (Uses)</b>		
Transfers out	(13,688)	(298)
<b>Total Other Financing Sources (Uses)</b>	(13,688)	(298)
<b>Net Change in Fund Balance</b>	(13,336)	(471,728)
<b>Fund Balance Beginning of Year</b>	752,066	1,223,794
<b>Fund Balance End of Year</b>	\$ <u>738,730</u>	<u>752,066</u>



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## **MAJOR ENTERPRISE FUNDS**

**Airport Fund** – This fund is used to account for the operations of the Ketchikan International Airport.

**Wastewater Fund** – This fund is used to account for the operations of the Borough's sewer systems.

**Ketchikan Gateway Borough, Alaska**  
*Airport Enterprise Fund*  
*Comparative Statement of Net Position*  
*June 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and investments	\$ 6,411,208	4,523,296
Receivables:		
Accounts, net	210,536	180,863
Intergovernmental	<u>13,710</u>	<u>29,597</u>
<b>Total Current Assets</b>	<u>6,635,454</u>	<u>4,733,756</u>
<b>Noncurrent Assets</b>		
Net other postemployment benefits asset	16,992	-
<b>Capital Assets</b>		
Non-depreciable	4,238,471	4,076,629
Depreciable, net	<u>14,823,424</u>	<u>15,978,586</u>
<b>Total Noncurrent Assets</b>	<u>19,078,887</u>	<u>20,055,215</u>
<b>Total Assets</b>	<u>25,714,341</u>	<u>24,788,971</u>
<b>Deferred Outflows of Resources</b>		
Related to pensions	273,126	306,074
Related to OPEB	<u>244,115</u>	<u>241,461</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 26,231,582</u>	<u>25,336,506</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 76,888	189,540
Interfund advances payable	-	33,090
Compensated absences payable	<u>157,790</u>	<u>142,762</u>
<b>Total Current Liabilities</b>	<u>234,678</u>	<u>365,392</u>
<b>Long-Term Liabilities, Net of Current Portion</b>		
Compensated absences payable	131,802	105,944
Net pension liability	2,865,228	2,904,905
Net OPEB liability	<u>172,112</u>	<u>689,330</u>
<b>Total Long-Term Liabilities</b>	<u>3,169,142</u>	<u>3,700,179</u>
<b>Total Liabilities</b>	<u>3,403,820</u>	<u>4,065,571</u>
<b>Deferred Inflows of Resources</b>		
Related to pensions	190,892	113,892
Related to OPEB	<u>158,209</u>	<u>274,517</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>3,752,921</u>	<u>4,453,980</u>
<b>Net Position</b>		
Net investment in capital assets	19,061,895	20,055,215
Unrestricted	<u>3,416,766</u>	<u>827,311</u>
<b>Total Net Position</b>	<u>\$ 22,478,661</u>	<u>20,882,526</u>

**Ketchikan Gateway Borough, Alaska**  
*Airport Enterprise Fund*  
*Comparative Statement of Revenues,*  
*Expenses and Changes in Net Position*  
*For the Years Ended June 30, 2020 and 2019*

	<b>2020</b>	<b>2019</b>
<b>Operating Revenues</b>		
Charges for services	\$ <u>5,337,555</u>	<u>5,428,676</u>
<b>Operating Expenses</b>		
Personnel services	2,652,630	2,757,789
Supplies and services	1,651,104	1,343,414
Insurance	234,889	220,810
Depreciation	<u>1,195,244</u>	<u>1,187,974</u>
<b>Total Operating Expenses</b>	<u>5,733,867</u>	<u>5,509,987</u>
<b>Operating (Gain) Loss</b>	(396,312)	(81,311)
<b>Non-Operating Revenues (Expenses)</b>		
Interest and fiscal charges	(626)	(1,598)
Gain on disposal of capital assets	-	1,300
Investment income	64,882	67,349
Operating grants	<u>964,306</u>	<u>57,269</u>
<b>Total Non-Operating Revenues (Expenses)</b>	<u>1,028,562</u>	<u>124,320</u>
<b>Income (Loss) Before Capital Contributions and Transfers</b>	632,250	43,009
Capital contributions	5,233	3,787,452
Transfers in	<u>958,652</u>	<u>252,648</u>
<b>Change in Net Position</b>	1,596,135	4,083,109
<b>Net Position Beginning of Year</b>	<u>20,882,526</u>	<u>16,799,417</u>
<b>Net Position End of Year</b>	\$ <u><u>22,478,661</u></u>	<u><u>20,882,526</u></u>

**Ketchikan Gateway Borough, Alaska**  
*Airport Enterprise Fund*  
**Comparative Statement of Cash Flows**  
*For the Years Ended June 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>		
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 5,307,882	5,379,420
Cash payments to employees for services	(3,194,645)	(2,729,725)
Cash payments for goods and services	<u>(1,982,758)</u>	<u>(1,431,793)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>130,479</u>	<u>1,217,902</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
Operating grants	964,306	57,269
Transfers in	<u>958,652</u>	<u>252,648</u>
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>1,922,958</u>	<u>309,917</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Sale of capital assets	-	1,300
Capital grant	5,233	3,787,452
Interest paid on debt service	(626)	(1,598)
Interfund advance payable	(33,090)	(32,064)
Payments for capital acquisitions and construction	<u>(201,924)</u>	<u>(3,982,194)</u>
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<u>(230,407)</u>	<u>(227,104)</u>
<b>Cash Flows from Investing Activities</b>		
Investment earnings	<u>64,882</u>	<u>67,349</u>
<b>Net Increase in Cash and Cash Equivalents</b>	1,887,912	1,368,064
<b>Cash and Cash Equivalents Beginning of Year</b>	<u>4,523,296</u>	<u>3,155,232</u>
<b>Cash and Cash Equivalents End of Year</b>	<u>\$ 6,411,208</u>	<u>4,523,296</u>

**Ketchikan Gateway Borough, Alaska**  
*Airport Enterprise Fund*  
*Comparative Statement of Cash Flows, continued*

	<u>2020</u>	<u>2019</u>
<b>Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities</b>		
<b>Operating Loss</b>	\$ (396,312)	(81,311)
<b>Adjustments:</b>		
Depreciation	1,195,244	1,187,974
<b>(Increase) Decrease in Assets and Deferred Outflows of Resources:</b>		
Accounts receivable	(29,673)	179,685
Intergovernmental receivable	15,887	(10,876)
Prepaid items	-	20,924
Net other postemployment benefits asset	(16,992)	-
Deferred outflows of resources for pensions	32,948	(45,480)
Deferred outflows of resources for OPEB	(2,654)	(154,919)
<b>Increase (Decrease) in Liabilities and Deferred Inflows of Resources:</b>		
Accounts payable	(112,652)	122,383
Compensated absences payable	40,886	28,064
Net pension liability	(39,677)	112,876
Net OPEB liability	(517,218)	153,126
Deferred inflows of resources for pensions	77,000	(280,154)
Deferred inflows of resources for OPEB	<u>(116,308)</u>	<u>(14,390)</u>
<b>Net Cash Provided by Operating Activities</b>	\$ <u>130,479</u>	<u>1,217,902</u>

**Ketchikan Gateway Borough, Alaska**  
*Wastewater Enterprise Fund*  
*Comparative Statement of Net Position*  
*June 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and investments	\$ 732,539	384,948
Accounts receivable, net	46,462	50,677
Intergovernmental	<u>86,260</u>	<u>557,995</u>
<b>Total Current Assets</b>	<u>865,261</u>	<u>993,620</u>
<b>Noncurrent Assets</b>		
<b>Capital Assets</b>		
Non-depreciable	1,845,265	1,737,440
Depreciable, net	<u>7,749,241</u>	<u>8,079,005</u>
<b>Total Noncurrent Assets</b>	<u>9,594,506</u>	<u>9,816,445</u>
<b>Total Assets</b>	\$ <u>10,459,767</u>	<u>10,810,065</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 45,825	229,656
Interfund advances payable	<u>47,300</u>	<u>44,768</u>
<b>Total Current Liabilities</b>	93,125	274,424
<b>Long-Term Liabilities</b>		
Interfund advances payable (net of current portion)	50,536	97,835
ACWF loan payable	<u>717,032</u>	<u>630,772</u>
<b>Total Long-Term Liabilities</b>	<u>767,568</u>	<u>728,607</u>
<b>Total Liabilities</b>	<u>860,693</u>	<u>1,003,031</u>
<b>Net Position</b>		
Net investment in capital assets	9,594,506	9,816,445
Unrestricted	<u>4,568</u>	<u>(9,411)</u>
<b>Total Net Position</b>	\$ <u>9,599,074</u>	<u>9,807,034</u>

**Ketchikan Gateway Borough, Alaska**  
*Wastewater Enterprise Fund*  
*Comparative Statement of Revenues,*  
*Expenses and Changes in Net Position*  
*For the Years Ended June 30, 2020 and 2019*

	<b>2020</b>	<b>2019</b>
<b>Operating Revenues</b>		
Charges for services	\$ 813,466	765,981
<b>Operating Expenses</b>		
Personnel services	173,562	164,619
Supplies and services	503,370	466,208
Insurance	5,158	3,754
Depreciation	353,924	352,838
<b>Total Operating Expenses</b>	1,036,014	987,419
Less recovery of expenses from other funds	(7,768)	(7,768)
<b>Net Operating Expenses</b>	1,028,246	979,651
<b>Operating Loss</b>	(214,780)	(213,670)
<b>Non-Operating Expenses</b>		
Interest and fiscal charges	(20,017)	(9,316)
Gain on disposal of capital assets	1,027	-
Investment earnings	4,245	10,878
<b>Total Non-Operating Revenues (Expenses)</b>	(14,745)	1,562
<b>Income (Loss) Before Capital Contributions and Transfers</b>	(229,525)	(212,108)
Capital contributions	21,565	1,007,910
<b>Change in Net Position</b>	(207,960)	795,802
<b>Net Position Beginning of Year</b>	9,807,034	9,011,232
<b>Net Position End of Year</b>	\$ 9,599,074	9,807,034

**Ketchikan Gateway Borough, Alaska**  
*Wastewater Enterprise Fund*  
*Comparative Statement of Cash Flows*  
*For the Years Ended June 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>		
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 817,681	792,652
Cash payments to employees for services	(173,562)	(164,619)
Cash payments for goods and services	<u>(212,856)</u>	<u>(832,549)</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>431,263</u>	<u>(204,516)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Sale of capital assets	15,408	-
Loan proceeds	86,259	599,988
Capital grant	21,565	1,007,910
Interest paid on debt service	(20,017)	(9,316)
Interfund advance payable	(44,767)	(42,406)
Payments for capital acquisitions	<u>(146,365)</u>	<u>(1,630,805)</u>
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<u>(87,917)</u>	<u>(74,629)</u>
<b>Cash Flows from Investing Activities</b>		
Investment earnings	<u>4,245</u>	<u>10,878</u>
<b>Net Increase in Cash and Cash Equivalents</b>	347,591	(268,267)
<b>Cash and Cash Equivalents Beginning of Year</b>	<u>384,948</u>	<u>653,215</u>
<b>Cash and Cash Equivalents End of Year</b>	<u>\$ 732,539</u>	<u>384,948</u>

**Ketchikan Gateway Borough, Alaska**  
*Wastewater Enterprise Fund*  
*Comparative Statement of Cash Flows, continued*

	<u>2020</u>	<u>2019</u>
<b>Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities</b>		
<b>Operating Loss</b>	\$ (214,780)	(213,670)
<b>Adjustments:</b>		
Depreciation	353,924	352,838
<b>(Increase) Decrease in Assets:</b>		
Accounts receivable	4,215	26,671
Intergovernmental	471,735	(557,995)
<b>Increase (Decrease) in Liabilities:</b>		
Accounts payable	<u>(183,831)</u>	<u>187,640</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	\$ <u>431,263</u>	<u>(204,516)</u>



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## **INTERNAL SERVICE FUNDS**

**School District Self-Insured Insurance** – This fund is used to account for health insurance premiums paid on behalf of and by School District employees and for health insurance claims paid for School District employees.

**Borough Self-Insured Insurance** – This fund is used to account for health insurance premiums paid on behalf of Borough employees and for health insurance claims paid for Borough employees.

**Ketchikan Gateway Borough, Alaska**  
*Self-Insured Health Insurance Internal Service Funds*  
*Combining Statement of Net Position*  
*June 30, 2020*

	<u>School District</u>	<u>Borough</u>	<u>Total Internal Service Funds</u>
<b>Assets</b>			
Accounts receivable	\$ 8,328	10,954	19,282
Note receivable	<u>1,561,190</u>	<u>-</u>	<u>1,561,190</u>
<b>Total Assets</b>	<u>\$ 1,569,518</u>	<u>10,954</u>	<u>1,580,472</u>
<b>Current Liabilities</b>			
Claims payable	\$ 741,274	289,623	1,030,897
<b>Noncurrent Liabilities</b>			
Interfund payable	<u>828,244</u>	<u>567,637</u>	<u>1,395,881</u>
<b>Total Liabilities</b>	<u>1,569,518</u>	<u>857,260</u>	<u>2,426,778</u>
<b>Net Position</b>			
Unrestricted	<u>\$ -</u>	<u>(846,306)</u>	<u>(846,306)</u>

**Ketchikan Gateway Borough, Alaska**  
*Self-Insured Health Insurance Internal Service Funds*  
*Combining Statement of Revenues,*  
*Expenses and Changes in Net Position*  
*For the Year Ended June 30, 2020*

	<u>School District</u>	<u>Borough</u>	<u>Total Internal Service Funds</u>
<b>Operating Revenues</b>			
Insurance premiums	\$ 6,308,769	2,616,894	8,925,663
<b>Operating Expenses</b>			
Administration	1,179,317	448,707	1,628,024
Premiums	-	400,745	400,745
Claims	5,199,929	2,911,143	8,111,072
Wellness plan	-	19,775	19,775
<b>Total Operating Expenses</b>	<u>6,379,246</u>	<u>3,780,370</u>	<u>10,159,616</u>
Less return of excess stop-loss premiums	<u>(70,477)</u>	<u>(154,405)</u>	<u>(224,882)</u>
<b>Net Operating Expenses</b>	<u>6,308,769</u>	<u>3,625,965</u>	<u>9,934,734</u>
<b>Operating Income (loss)</b>	-	(1,009,071)	(1,009,071)
<b>Non-Operating Revenues</b>			
Investment earnings	<u>-</u>	<u>909</u>	<u>909</u>
<b>Change in Net Position</b>	-	(1,008,162)	(1,008,162)
<b>Net Position Beginning of Year</b>	<u>-</u>	<u>161,856</u>	<u>161,856</u>
<b>Net Position End of Year</b>	\$ <u><u>-</u></u>	<u><u>(846,306)</u></u>	<u><u>(846,306)</u></u>

**Ketchikan Gateway Borough, Alaska**  
*Self-Insured Health Insurance Internal Service Funds*  
*Combining Statement of Cash Flows*  
*For the Year Ended June 30, 2020*

	<u>School District</u>	<u>Borough</u>	<u>Total Internal Service Funds</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>			
<b>Cash Flows from Operating Activities</b>			
Cash received from customers	\$ 5,454,669	2,616,894	8,071,563
Cash payments for goods and services	(1,179,317)	(853,174)	(2,032,491)
Cash payments for claims	<u>(4,787,226)</u>	<u>(2,603,446)</u>	<u>(7,390,672)</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>(511,874)</u>	<u>(839,726)</u>	<u>(1,351,600)</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Interfund payable	<u>511,874</u>	<u>567,637</u>	<u>1,079,511</u>
<b>Cash Flows from Investing Activities</b>			
Investment earnings	<u>-</u>	<u>909</u>	<u>909</u>
<b>Net Increase in Cash and Cash Equivalents</b>	-	(271,180)	(271,180)
<b>Cash and Cash Equivalents Beginning of Year</b>	<u>-</u>	<u>271,180</u>	<u>271,180</u>
<b>Cash and Cash Equivalents End of Year</b>	\$ <u>-</u>	<u>-</u>	<u>-</u>
<b>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities</b>			
<b>Operating Income</b>	\$ <u>-</u>	<u>(1,009,071)</u>	<u>(1,009,071)</u>
<b>Decrease (Increase) in Assets:</b>			
Accounts receivable	30,429	16,053	46,482
Note receivable	(884,529)	-	(884,529)
<b>Increase (Decrease) in Liabilities:</b>			
Claims payable	<u>342,226</u>	<u>153,292</u>	<u>495,518</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	\$ <u>(511,874)</u>	<u>(839,726)</u>	<u>(1,351,600)</u>



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**Ketchikan Gateway Borough, Alaska**  
*School District Self-Insured Insurance Internal Service Fund*  
*Comparative Statement of Net Position*  
*June 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Accounts receivable	\$ 8,328	38,757
Note receivable	<u>1,561,190</u>	<u>676,661</u>
<b>Total Assets</b>	<u>\$ 1,569,518</u>	<u>715,418</u>
<b>Current Liabilities</b>		
Claims payable	\$ 741,274	399,048
<b>Noncurrent Liabilities</b>		
Interfund payable	<u>828,244</u>	<u>316,370</u>
<b>Total Liabilities</b>	<u>1,569,518</u>	<u>715,418</u>
<b>Net Position</b>		
Unrestricted	<u>\$ -</u>	<u>-</u>

**Ketchikan Gateway Borough, Alaska**  
*School District Self-Insured Insurance Internal Service Fund*  
*Comparative Statement of Revenues,*  
*Expenses and Changes in Net Position*  
*For the Years Ended June 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b>Operating Revenues</b>		
Insurance premiums	\$ 6,308,769	6,372,213
<b>Operating Expenses</b>		
Administration	1,179,317	891,479
Claims	5,199,929	5,723,698
<b>Total Operating Expenses</b>	6,379,246	6,615,177
Less return of excess stop-loss premiums	(70,477)	(242,964)
<b>Net Operating Expenses</b>	6,308,769	6,372,213
<b>Operating Income (Loss)</b>	-	-
<b>Change in Net Position</b>	-	-
<b>Net Position Beginning of Year</b>	-	-
<b>Net Position End of Year</b>	\$ -	-

**Ketchikan Gateway Borough, Alaska**  
*Borough Self-Insured Insurance Internal Service Fund*  
*Comparative Statement of Net Position*  
*June 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash and investments	\$ -	271,180
Accounts receivable	<u>10,954</u>	<u>27,007</u>
<b>Total Assets</b>	<u>\$ 10,954</u>	<u>298,187</u>
 <b>Current Liabilities</b>		
Claims payable	\$ 289,623	136,331
 <b>Noncurrent Liabilities</b>		
Interfund payable	<u>567,637</u>	<u>-</u>
<b>Total Liabilities</b>	<u>857,260</u>	<u>136,331</u>
 <b>Net Position</b>		
Unrestricted	<u>\$ (846,306)</u>	<u>161,856</u>

**Ketchikan Gateway Borough, Alaska**  
*Borough Self-Insured Insurance Internal Service Fund*  
*Comparative Statement of Revenues,*  
*Expenses and Changes in Net Position*  
*For the Years Ended June 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b>Operating Revenues</b>		
Insurance premiums	\$ 2,616,894	2,418,174
<b>Operating Expenses</b>		
Administration	448,707	345,640
Premiums	400,745	380,636
Claims	2,911,143	2,927,739
Wellness plan	19,775	28,175
<b>Total Operating Expenses</b>	<u>3,780,370</u>	<u>3,682,190</u>
Less return of excess stop-loss premiums	<u>(154,405)</u>	<u>(610,622)</u>
<b>Net Operating Expenses</b>	<u>3,625,965</u>	<u>3,071,568</u>
<b>Operating Income (loss)</b>	(1,009,071)	(653,394)
<b>Non-Operating Revenues</b>		
Investment earnings	<u>909</u>	<u>9,734</u>
<b>Change in Net Position</b>	(1,008,162)	(643,660)
<b>Net Position Beginning of Year</b>	<u>161,856</u>	<u>805,516</u>
<b>Net Position End of Year</b>	\$ <u><u>(846,306)</u></u>	<u><u>161,856</u></u>



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# **STATISTICAL SECTION**

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# STATISTICAL SECTION

This section contains various tables showing historical and other financial information considered to be informative in understanding the finances of the Borough.

The following tables are included in this section:

## Revenues and Expenditures/Expenses

Government-wide Statement of Net Position.....	Table 1
Changes in Net Position.....	Table 2
Fund Balances, Governmental Funds .....	Table 3
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## KETCHIKAN GATEWAY BOROUGH

## Government-wide Statement of Net Position

June 30, 2020

	Fiscal Year				
	2020	2019	2018	2017	2016
<b>Governmental Activities</b>					
Net investment in capital assets	\$ 126,508,378	125,006,914	122,089,151	122,598,700	123,108,660
Restricted	18,521,745	20,355,893	18,684,440	14,602,379	6,865,378
Unrestricted	<u>8,193,420</u>	<u>7,393,385</u>	<u>6,811,378</u>	<u>6,842,646</u>	<u>15,737,037</u>
Total governmental activities net position	<u>153,223,543</u>	<u>152,756,192</u>	<u>147,584,969</u>	<u>144,043,725</u>	<u>145,711,075</u>
<b>Business-type Activities</b>					
Net investment in capital assets	28,656,401	29,871,660	25,799,473	26,992,069	28,320,766
Restricted	-	-	-	-	-
Unrestricted (deficit)	<u>3,168,804</u>	<u>824,645</u>	<u>189,361</u>	<u>(231,649)</u>	<u>(913,623)</u>
Total business-type activities net position	<u>31,825,205</u>	<u>30,696,305</u>	<u>25,988,834</u>	<u>26,760,420</u>	<u>27,407,143</u>
<b>Primary Government</b>					
Net investment in capital assets	155,164,779	154,878,574	147,888,624	149,590,769	151,429,426
Restricted	18,521,745	20,355,893	18,684,440	14,602,379	6,865,378
Unrestricted	<u>11,362,224</u>	<u>8,218,030</u>	<u>7,000,739</u>	<u>6,610,997</u>	<u>14,823,414</u>
Total primary government net position	<u>\$ 185,048,748</u>	<u>183,452,497</u>	<u>173,573,803</u>	<u>170,804,145</u>	<u>173,118,218</u>
	Fiscal Year				
	2015	2014	2013	2012	2011
<b>Governmental Activities</b>					
Net investment in capital assets	\$ 121,277,988	121,446,896	119,848,381	121,020,663	117,038,168
Restricted	6,819,220	7,148,989	13,928,936	9,800,504	9,326,387
Unrestricted	<u>15,584,427</u>	<u>19,954,904</u>	<u>11,945,485</u>	<u>14,338,149</u>	<u>18,194,923</u>
Total governmental activities net position	<u>143,681,635</u>	<u>148,550,789</u>	<u>145,722,802</u>	<u>145,159,316</u>	<u>144,559,478</u>
<b>Business-type Activities</b>					
Net investment in capital assets	28,156,141	29,131,474	28,458,282	26,857,847	17,458,210
Restricted	-	-	-	385,000	385,000
Unrestricted (deficit)	<u>(1,771,657)</u>	<u>(287,748)</u>	<u>(413,071)</u>	<u>(2,838,539)</u>	<u>(3,141,624)</u>
Total business-type activities net position	<u>26,384,484</u>	<u>28,843,726</u>	<u>28,045,211</u>	<u>24,404,308</u>	<u>14,701,586</u>
<b>Primary Government</b>					
Net investment in capital assets	149,434,129	150,578,370	148,306,663	147,878,510	134,496,378
Restricted	6,819,220	7,148,989	13,928,936	10,185,504	9,711,387
Unrestricted	<u>13,812,770</u>	<u>19,667,156</u>	<u>11,532,414</u>	<u>11,499,610</u>	<u>15,053,299</u>
Total primary government net position	<u>\$ 170,066,119</u>	<u>177,394,515</u>	<u>173,768,013</u>	<u>169,563,624</u>	<u>159,261,064</u>

notes: The Borough implemented the provisions of GASB statements 63 and 65 in FY13. Prior years have not been restated to reflect this change; however all terminology has been updated to reflect this revision.

The Borough implemented the provisions of GASB 68 in FY15. Only FY14 has been restated to reflect this change.



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KETCHIKAN GATEWAY BOROUGH

Table 2 Changes in NP

Changes in Net Position  
June 30, 2020

	2020	2019	2018	2017	2016
<b>Expenses</b>					
Governmental activities:					
General government	\$ 4,170,530	3,431,525	3,259,926	4,017,111	3,517,224
Fire and EMS	1,490,185	1,764,481	1,558,838	1,577,017	1,438,761
Water treatment and distribution	316,121	237,038	283,366	235,529	224,652
Library services	464,839	436,161	415,612	402,279	390,575
Parks and recreation	3,589,035	3,538,132	3,457,704	3,617,576	3,432,887
Public works	1,024,598	1,048,172	1,042,506	1,059,778	1,168,318
Public services	3,612,137	3,341,774	3,566,217	4,842,281	5,306,734
Transit	2,628,542	2,641,532	2,394,033	2,498,261	2,384,212
Education	19,925,235	18,743,052	15,841,676	15,879,303	16,182,438
Interest	1,452,565	1,529,612	1,701,147	1,885,487	1,957,353
Total governmental activities expenses	<u>38,673,787</u>	<u>36,711,479</u>	<u>33,521,025</u>	<u>36,014,622</u>	<u>36,003,154</u>
Business-type activities:					
Airport	5,993,768	5,681,725	5,680,358	6,471,321	5,874,984
Wastewater	1,047,236	988,967	1,042,474	995,507	986,801
Total business-type activities expenses	<u>7,041,004</u>	<u>6,670,692</u>	<u>6,722,832</u>	<u>7,466,828</u>	<u>6,861,785</u>
Total primary government expenses	<u>45,714,791</u>	<u>43,382,171</u>	<u>40,243,857</u>	<u>43,481,450</u>	<u>42,864,939</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
Fire and EMS	271,425	303,027	285,590	285,930	276,812
Water treatment and distribution	304,863	301,228	296,613	294,097	286,472
Parks and recreation	671,669	774,531	806,584	802,398	725,988
Public services	911,556	791,817	808,363	786,417	1,615,691
Transit	157,591	233,861	235,970	206,273	189,230
Education	6,308,769	6,372,213	5,772,579	5,162,893	4,912,773
Capital grants	2,920,884	4,784,285	3,089,461	2,161,683	5,189,749
Operating grants	3,270,621	2,815,203	2,678,938	2,110,949	3,330,138
Total governmental activities program revenues	<u>14,817,378</u>	<u>16,376,165</u>	<u>13,974,098</u>	<u>11,810,640</u>	<u>16,526,853</u>
Business-type activities:					
Charges for services:					
Airport	5,337,555	5,428,676	5,382,065	5,533,220	4,947,152
Wastewater	813,466	765,981	765,874	728,983	780,854
Operating grants	804,837	-	18,236	172,675	3,332
Capital grants	26,798	4,795,362	257,707	123,136	1,731,076
Total business-type activities program revenues	<u>6,982,656</u>	<u>10,990,019</u>	<u>6,423,882</u>	<u>6,558,014</u>	<u>7,462,414</u>
Total primary government program revenues	<u>21,800,034</u>	<u>27,366,184</u>	<u>20,397,980</u>	<u>18,368,654</u>	<u>23,989,267</u>
<b>Net (Expense) Revenue</b>					
Governmental activities	(23,856,409)	(20,335,314)	(19,546,927)	(24,203,982)	(19,476,301)
Business-type activities	(58,348)	4,319,327	(298,950)	(908,814)	600,629
Total primary government net expense	<u>(23,914,757)</u>	<u>(16,015,987)</u>	<u>(19,845,877)</u>	<u>(25,112,796)</u>	<u>(18,875,672)</u>
<b>General Revenues and Other Changes In Net Position</b>					
Governmental activities:					
Property taxes	10,813,508	10,638,237	10,155,598	9,175,916	8,545,890
Sales taxes	8,514,282	9,805,490	9,271,481	8,882,165	8,567,889
Payment in lieu of taxes	1,297,095	1,233,473	1,512,320	1,154,550	1,232,522
Grants and entitlements not restricted	3,431,171	3,262,691	3,094,716	2,770,696	2,989,349
Transfers	(958,652)	(252,648)	(174,104)	(172,303)	(299,765)
Investment earnings	907,237	666,731	283,080	36,343	36,483
Property sales (loss on requisitions)	-	-	-	-	-
Miscellaneous	319,119	152,563	435,245	689,265	433,373
Write off delinquent note	-	-	-	-	-
Total governmental activities general revenues and other changes in net position	<u>24,323,760</u>	<u>25,506,537</u>	<u>24,578,336</u>	<u>22,536,632</u>	<u>21,505,741</u>
Business-type activities:					
Unrestricted grant/investment earnings	228,596	135,496	129,122	89,788	122,265
Transfers	958,652	252,648	174,104	172,303	299,765
Total business-type activities general revenues and other changes in net position	<u>1,187,248</u>	<u>388,144</u>	<u>303,226</u>	<u>262,091</u>	<u>422,030</u>
Total primary government general revenues and other changes in net position	<u>25,511,008</u>	<u>25,894,681</u>	<u>24,881,562</u>	<u>22,798,723</u>	<u>21,927,771</u>
<b>Changes in Net Position</b>					
Governmental activities	467,351	5,171,223	5,031,409	(1,667,350)	2,029,440
Business-type activities	1,128,900	4,707,471	4,276	(646,723)	1,022,659
Total primary government, change in net position	<u>\$ 1,596,251</u>	<u>9,878,694</u>	<u>5,035,685</u>	<u>(2,314,073)</u>	<u>3,052,099</u>

Notes:

The Borough implemented the provisions of GASB statements 63 and 65 in FY13. Prior years have not been restated to reflect this change.; however all terminology has been updated to reflect this revision.

The Borough implemented the provisions of GASB 68 in FY15. Only FY14 has been restated to reflect this change.

KETCHIKAN GATEWAY BOROUGH

Changes in Net Position, Continued  
June 30, 2020

Table 2 Changes in NP

Fiscal Year	2015	2014	2013	2012	2011
<b>Expenses</b>					
Governmental activities:					
General government	\$ 4,037,970	3,514,098	4,623,576	4,239,516	3,502,989
Fire and EMS	1,545,356	1,376,751	1,252,822	1,305,555	1,289,444
Water treatment and distribution	324,110	318,826	249,401	226,424	207,102
Library services	405,199	422,570	410,326	380,266	372,794
Parks and recreation	3,340,866	3,338,139	2,601,546	2,374,277	2,066,242
Public works	1,027,166	1,001,996	1,209,701	1,043,521	1,093,054
Public services	8,890,872	5,342,481	3,875,327	5,086,592	3,595,580
Transit	2,221,390	2,164,006	2,071,438	1,960,671	1,640,624
Education	15,015,738	15,357,268	14,465,416	14,300,313	15,091,534
Interest	2,254,374	2,310,634	2,394,406	2,504,748	2,453,966
Total governmental activities expenses	<u>39,063,041</u>	<u>35,146,769</u>	<u>33,153,959</u>	<u>33,421,883</u>	<u>31,313,329</u>
Business-type activities:					
Airport	5,665,297	5,679,424	5,810,984	5,262,004	4,835,323
Wastewater	1,098,072	881,576	897,029	1,176,513	1,010,836
Total business-type activities expenses	<u>6,763,369</u>	<u>6,561,000</u>	<u>6,708,013</u>	<u>6,438,517</u>	<u>5,846,159</u>
Total primary government expenses	<u>45,826,410</u>	<u>41,707,769</u>	<u>39,861,972</u>	<u>39,860,400</u>	<u>37,159,488</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
Fire and EMS	253,670	238,838	254,234	317,569	242,335
Water treatment and distribution	251,863	217,149	193,081	176,394	177,610
Parks and recreation	775,960	753,563	732,284	565,998	538,013
Public services	1,559,619	1,256,400	1,239,091	911,068	862,291
Transit	200,588	222,236	242,111	217,131	184,624
Education	4,677,856	4,937,191	4,295,465	3,769,524	3,535,740
Capital grants	5,828,520	4,503,237	3,529,066	5,154,055	6,426,775
Operating grants	3,181,765	4,072,710	3,738,574	2,431,499	904,866
Total governmental activities program revenues	<u>16,729,841</u>	<u>16,201,324</u>	<u>14,223,906</u>	<u>13,543,238</u>	<u>12,872,254</u>
Business-type activities:					
Charges for services:					
Airport	4,694,448	4,401,938	3,878,788	3,973,769	3,633,607
Wastewater	656,048	596,426	555,396	760,358	702,530
Operating grants	7,386	73,994	2,710,000	42,959	79,122
Capital grants	487,172	1,865,802	1,310,860	10,016,959	556,653
Total business-type activities program revenues	<u>5,845,054</u>	<u>6,938,160</u>	<u>8,455,044</u>	<u>14,794,045</u>	<u>4,971,912</u>
Total primary government program revenues	<u>22,574,895</u>	<u>23,139,484</u>	<u>22,678,950</u>	<u>28,337,283</u>	<u>17,844,166</u>
<b>Net (Expense) Revenue</b>					
Governmental activities	(22,333,200)	(18,945,445)	(18,930,053)	(19,878,645)	(18,441,075)
Business-type activities	(918,315)	377,160	1,747,031	8,355,528	(874,247)
Total primary government net expense	<u>(23,251,515)</u>	<u>(18,568,285)</u>	<u>(17,183,022)</u>	<u>(11,523,117)</u>	<u>(19,315,322)</u>
<b>General Revenues and Other Changes In Net Position</b>					
Governmental activities:					
Property taxes	8,359,993	8,169,731	7,890,521	8,746,139	9,015,302
Sales taxes	8,553,791	8,625,653	8,682,819	8,316,512	8,105,296
Payment in lieu of taxes	1,052,512	1,131,659	1,035,188	1,054,735	1,020,959
Grants and entitlements not restricted	3,466,541	3,598,414	3,559,577	3,353,441	3,451,680
Transfers	(272,424)	(184,881)	(1,652,342)	(439,935)	(632,983)
Investment earnings	49,504	54,254	59,449	(114,092)	650,810
Property sales (loss on reacquisitions)	-	-	-	-	(7,313,222)
Miscellaneous	400,057	378,601	354,128	351,236	867,387
Write off delinquent note	-	-	-	(789,553)	-
Total governmental activities general revenues and other changes in net position	<u>21,609,974</u>	<u>21,773,431</u>	<u>19,929,340</u>	<u>20,478,483</u>	<u>15,165,229</u>
Business-type activities:					
Unrestricted grant/investment earnings	167,786	236,474	241,530	907,259	165,963
Transfers	272,424	184,881	1,652,342	439,935	632,983
Total business-type activities general revenues and other changes in net position	<u>440,210</u>	<u>421,355</u>	<u>1,893,872</u>	<u>1,347,194</u>	<u>798,946</u>
Total primary government general revenues and other changes in net position	<u>22,050,184</u>	<u>22,194,786</u>	<u>21,823,212</u>	<u>21,825,677</u>	<u>15,964,175</u>
<b>Changes in Net Position</b>					
Governmental activities	(723,226)	2,827,986	999,287	599,838	(3,275,846)
Business-type activities	(478,105)	798,515	3,640,903	9,702,722	(75,301)
Total primary government, change in net position	<u>\$ (1,201,331)</u>	<u>3,626,501</u>	<u>4,640,190</u>	<u>10,302,560</u>	<u>(3,351,147)</u>

## KETCHIKAN GATEWAY BOROUGH

Fund Balances, Governmental Funds  
June 30, 2020

	Fiscal Year				
	2020	2019	2018	2017	2016
<b>General Fund</b>					
Committed	\$ -	-	-	-	-
Unassigned	12,572,758	12,140,093	10,695,816	8,781,038	8,395,444
Total general fund	12,572,758	12,140,093	10,695,816	8,781,038	8,395,444
<b>All other governmental funds</b>					
Reserved					
Capital projects funds	-	-	-	-	-
Unreserved, report in:					
Special revenue funds	-	-	-	-	-
Nonspendable	9,648	24,037	-	-	-
Restricted	18,801,048	20,662,598	19,462,576	16,372,064	8,888,164
Committed	3,435,011	3,791,679	4,763,209	4,747,303	12,146,408
Assigned	-	-	-	782,507	1,585,572
Unassigned	(88)	-	-	-	-
Total all other governmental funds	22,245,619	24,478,314	24,225,785	21,901,874	22,620,144
Total Governmental Funds	\$ 34,818,377	36,618,407	34,921,601	30,682,912	31,015,588

	Fiscal Year				
	2015	2014	2013	2012	2011
<b>General Fund</b>					
Reserved	\$ -	-	-	-	123,675
Unreserved	10,301,525	7,790,668	6,276,521	6,860,808	6,550,394
Total general fund	10,301,525	7,790,668	6,276,521	6,860,808	6,674,069
<b>All other governmental funds</b>					
Reserved					
Capital projects funds	-	-	-	-	-
Unreserved, report in:					
Special revenue funds	-	-	-	-	-
Nonspendable	138,424	2,055,751	2,557,461	4,288,124	4,538,151
Restricted	9,053,941	12,912,463	13,928,936	9,800,504	29,263,760
Committed	9,167,824	6,650,448	6,310,341	4,285,593	1,683,538
Assigned	2,061,142	5,361,936	5,918,222	5,034,099	6,554,142
Unassigned	(306,001)	(789,399)	(1,187,887)	(548,946)	(603,953)
Total all other governmental funds	20,115,330	26,191,199	27,527,073	22,859,374	41,435,638
Total Governmental Funds	\$ 30,416,855	33,981,867	33,803,594	29,720,182	48,109,707



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## KETCHIKAN GATEWAY BOROUGH

## Changes in Governmental Fund Balances

June 30, 2020

	Fiscal Year				
	2020	2019	2018	2017	2016
<b>Revenues</b>					
Taxes	\$ 19,267,970	20,449,580	19,489,094	18,076,414	17,111,344
Intergovernmental	5,857,998	8,902,941	7,509,882	5,478,780	7,762,751
Licenses and permits	4,341	900	75	350	366
Charges for services	2,007,900	2,102,336	296,613	2,080,668	2,807,355
Water fees	304,863	301,228	2,136,432	294,097	286,472
Commercial vessel passenger tax	2,723,867	2,440,983	2,252,488	2,163,570	2,141,633
Interest Subsidy	514,564	533,028	544,110	555,527	607,601
Investment earnings	907,237	666,731	283,080	36,343	36,483
Proceeds from sale of property	34,682	18,796	251,794	537,896	571,512
Miscellaneous	319,121	152,565	435,247	689,265	433,373
<b>Total Revenues</b>	<u>31,942,543</u>	<u>35,569,088</u>	<u>33,198,815</u>	<u>29,912,910</u>	<u>31,758,890</u>
<b>Expenditures</b>					
General government	3,877,093	3,277,394	3,281,029	3,375,133	3,226,042
Library services	464,839	436,161	415,612	402,279	390,575
Fire and EMS	1,243,200	1,486,381	1,290,684	1,291,583	1,171,095
Water treatment and distribution	316,121	237,038	283,366	235,529	224,652
Public services	3,058,189	2,571,762	2,824,072	3,937,171	4,465,968
Parks and recreation	2,341,794	2,302,908	2,344,439	2,337,665	2,242,488
Public works	1,014,221	1,041,438	1,043,389	1,014,255	1,076,951
Transit	2,330,377	2,236,632	2,173,557	2,033,548	2,012,331
Education	10,797,829	9,655,594	7,433,031	8,104,556	8,690,445
Nondepartmental and grants	523,198	141,891	224,197	237,186	266,125
<b>Capital Outlay</b>	1,723,718	4,520,179	1,740,609	1,371,867	1,205,693
<b>Debt Service:</b>					
Principal retirement	3,450,000	3,900,000	3,755,000	3,605,000	3,625,000
Interest and fiscal charges	1,643,342	1,812,256	1,977,037	2,127,511	2,263,027
Bond issuance costs	-	-	-	-	-
<b>Total Expenditures</b>	<u>32,783,921</u>	<u>33,619,634</u>	<u>28,786,022</u>	<u>30,073,283</u>	<u>30,860,392</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(841,378)	1,949,454	4,412,793	(160,373)	898,498
<b>Other Financing Sources (Uses)</b>					
General obligation bonds issued	-	-	-	-	-
Premium on bonds	-	-	-	-	-
Settlement	-	-	-	-	-
Transfers in	7,240,153	8,569,512	8,689,359	7,399,634	10,026,481
Other financing proceeds (uses)	-	-	-	-	-
Capital leases	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Transfers out	(8,198,805)	(8,822,160)	(8,863,463)	(7,571,937)	(10,326,246)
Payment to refunding bond escrow agent	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	(958,652)	(252,648)	(174,104)	(172,303)	(299,765)
<b>Special item - write off delinquent note</b>	-	-	-	-	-
<b>Net Change in Fund Balances</b>	<u>\$ (1,800,030)</u>	<u>1,696,806</u>	<u>4,238,689</u>	<u>(332,676)</u>	<u>598,733</u>
Debt Service as a					
Percentage of noncapital expenditures	16.40%	19.63%	21.19%	19.97%	19.86%

## KETCHIKAN GATEWAY BOROUGH

Changes in Governmental Fund Balances, continued

June 30, 2020

	2015	2014	2013	2012	2011
<b>Revenues</b>					
Taxes	\$ 16,939,761	16,805,205	16,492,010	17,052,595	17,182,814
Intergovernmental	11,454,346	9,787,808	8,236,478	9,372,872	8,420,951
Licenses and permits	275	90	835	11,543	14,168
Charges for services	2,787,628	2,460,333	2,460,017	1,984,455	1,736,329
Water fees	251,863	217,149	193,081	176,394	177,610
Commercial vessel passenger tax	2,032,375	2,240,210	1,977,770	1,947,248	2,095,324
Interest Subsidy	458,053	606,982	600,911	615,002	547,193
Investment earnings	49,504	54,234	59,449	(114,090)	710,139
Proceeds from sale of property	87,322	473,320	-	1,632,855	69,000
Miscellaneous	401,991	389,216	360,996	367,004	330,620
<b>Total Revenues</b>	<b>34,463,118</b>	<b>33,034,547</b>	<b>30,381,547</b>	<b>33,045,878</b>	<b>31,284,148</b>
<b>Expenditures</b>					
General government	4,023,951	3,584,249	3,613,270	3,523,762	3,222,852
Library services	405,199	422,570	410,326	380,266	372,794
Fire and EMS	1,388,627	1,163,729	1,055,508	1,070,550	1,058,292
Water treatment and distribution	324,110	318,826	249,401	226,424	209,885
Public services	8,298,452	4,730,443	3,324,609	4,615,631	3,218,115
Parks and recreation	2,325,059	2,306,465	2,303,059	2,135,115	1,786,992
Public works	1,093,458	1,030,382	1,182,394	1,018,329	1,066,171
Transit	2,173,103	1,994,798	1,862,205	1,805,799	1,542,359
Education	7,899,000	8,050,000	8,239,518	8,650,000	9,411,000
Nondepartmental and grants	272,048	260,433	227,909	215,849	378,305
<b>Capital Outlay</b>	<b>3,689,268</b>	<b>2,888,235</b>	<b>2,257,159</b>	<b>21,037,970</b>	<b>19,492,677</b>
<b>Debt Service:</b>					
Principal retirement	3,465,000	3,358,741	2,936,443	2,994,753	2,567,666
Interest and fiscal charges	2,403,755	2,562,522	2,474,835	2,536,190	2,612,426
Bond issuance costs	17,318	-	37,962	75,066	149,870
<b>Total Expenditures</b>	<b>37,778,348</b>	<b>32,671,393</b>	<b>30,174,598</b>	<b>50,285,704</b>	<b>47,089,404</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(3,315,230)</b>	<b>363,154</b>	<b>206,949</b>	<b>(17,239,826)</b>	<b>(15,805,256)</b>
<b>Other Financing Sources (Uses)</b>					
General obligation bonds issued	2,185,000	-	4,875,000	8,070,000	8,165,000
Premium on bonds	129,986	-	653,805	1,287,659	58,283
Settlement	-	-	-	-	-
Transfers in	8,775,867	6,957,976	7,223,798	7,156,872	6,969,046
Other financing proceeds (uses)	(2,292,344)	-	-	-	-
Capital leases	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Transfers out	(9,048,291)	(7,142,857)	(8,876,140)	(7,596,807)	(7,602,029)
Payment to refunding bond escrow agent	-	-	-	(9,277,870)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(249,782)</b>	<b>(184,881)</b>	<b>3,876,463</b>	<b>(360,146)</b>	<b>7,590,300</b>
<b>Special item - write off delinquent note</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(789,553)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (3,565,012)</b>	<b>178,273</b>	<b>4,083,412</b>	<b>(18,389,525)</b>	<b>(8,214,956)</b>
Debt Service as a					
Percentage of noncapital expenditures	17.22%	19.88%	19.38%	18.91%	18.77%

## KETCHIKAN GATEWAY BOROUGH

## Assessed Value and Actual Value of Taxable Property

## Changes in Assessment

June 30, 2020

Jan 1 Assessment Date	Fiscal Year	Assessed Residential	Assessed Commercial	Assessed Industrial	Assessed Vacant	Personal Property	Tax-Exempt	Sr. & Vet Tax-Exempt *	Optional Tax-Exempt*	Total Assessed Value	Estimated Actual Value	Total Direct Tax Rate
2011	2012	826,264,800	239,790,800	141,830,500	46,344,400	-	125,874,600	100,704,800	25,169,800	1,254,230,500	1,380,105,100	5.80
2012	2013	818,902,900	355,707,600	-	94,913,000	-	138,995,900	100,844,300	38,151,600	1,269,523,500	1,408,519,400	5.00
2013	2014	814,871,700	390,971,100	-	108,833,000	-	146,723,400	103,019,000	43,704,400	1,314,675,800	1,461,399,200	5.00
2014	2015	866,712,200	372,893,500	-	108,782,600	-	183,274,080	110,012,900	73,261,180	1,348,388,300	1,531,662,380	5.00
2015	2016	850,485,430	264,444,500	127,388,200	105,826,500	-	217,821,424	119,209,600	98,611,824	1,348,144,630	1,565,966,054	5.00
2016	2017	902,461,300	275,878,300	128,061,200	104,389,500	-	171,080,400	137,714,400	33,366,000	1,410,790,300	1,581,870,700	5.00
2017	2018	939,763,800	283,612,900	132,524,500	103,922,000	-	152,217,600	145,101,300	7,116,300	1,459,823,200	1,612,040,800	5.00
2018	2019	970,409,400	284,272,500	134,405,000	102,636,200	-	157,592,300	151,268,100	6,324,200	1,491,723,100	1,649,315,400	5.00
2019	2020	993,267,600	284,004,300	135,136,100	100,997,200	-	161,177,100	154,728,400	6,448,700	1,517,390,500	1,678,567,600	5.00

Source: Ketchikan Gateway Borough Assessment and Finance Department.

Notes: Business Personal Property Tax within the Borough was repealed in FY 2011.

The Ketchikan Shipyard, operated by Vigor Industrial, went from an optional exemption to a mandatory exemption in FY 2018.

\* Exemptions for 2011 forward are reported as follows:

Tax-Exempt - Total value of all exemptions granted.

Sr. &amp; Vet Tax-Exempt - Total value of Senior Citizens and Disabled Veterans Exemptions.

Optional Tax-Exempt - Total value of all exemptions granted under AS 29.45.050. This includes the optional portion of NRHA housing, Community Purpose and the Ketchikan Shipyard.

## KETCHIKAN GATEWAY BOROUGH

Principal Property Tax Payers Current Year and Ten Years Ago  
June 30, 2020

Taxpayer	2019			2011		
	Assessed (Taxable) Value	Rank	Percentage of Total Assessed Value	Assessed (Taxable) Value	Rank	Percentage of Total Assessed Value
Trident Seafoods Corporation	\$ 14,754,000	1	0.99%	\$ 8,704,600	4	0.70%
Ketchikan Dock Company LLC	13,336,200	2	0.89%	12,730,200	2	1.02%
Cape Fox Heritage Foundation Inc	11,363,800	3	0.76%	14,632,100	1	1.17%
Harbor Enterprises	11,213,000	4	0.75%	7,502,900	7	0.60%
Tongass Trading Company	10,813,500	5	0.72%	10,936,800	3	0.88%
Boyer Towing Inc	9,120,700	6	0.61%	7,073,000	8	0.57%
Dock Street Building Corporation	8,692,400	7	0.58%	-	-	-
Alaska General Seafood	8,441,700	8	0.57%	-	-	-
The Landing LLC	8,338,700	9	0.56%	8,086,600	5	0.65%
ECPS Inc.	8,333,700	10	0.56%	6,422,100	10	0.51%
Carr-Gottstein Foods	-	-	-	7,857,900	6	0.63%
Wal-Mart	-	-	-	6,731,800	9	0.54%
Total Principal Property Tax Payers	\$ 104,407,700		6.99%	\$ 90,678,000		7.26%
Total Assessment	\$ 1,493,101,900		100.00%	\$ 1,248,598,100		100.00%

Source: Ketchikan Gateway Borough Assessment Department.

**KETCHIKAN GATEWAY BOROUGH***Property Tax Levies and Collections, Last Ten Fiscal Years*

June 30, 2020

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	8,642,875	7,911,034	91.5%	731,722	8,642,756	100.0%
2011	7,848,169	7,120,983	90.7%	727,008	7,847,991	100.0%
2012	7,241,869	7,201,114	99.4%	40,755	7,241,869	100.0%
2013	6,982,379	6,872,731	98.4%	109,648	6,982,379	100.0%
2014	6,573,379	6,511,100	99.1%	62,279	6,573,379	100.0%
2015	6,741,942	6,674,436	99.0%	67,506	6,741,942	100.0%
2016	6,740,723	6,707,598	99.5%	33,125	6,740,723	100.0%
2017	6,738,896	6,712,505	99.6%	26,391	6,738,896	100.0%
2018	7,051,550	7,035,939	99.8%	15,005	7,050,944	100.0%
2019	7,306,694	7,292,806	99.8%	6,304	7,299,110	99.9%
2020	7,465,510	7,435,610	99.6%	-	7,435,610	99.6%

**KETCHIKAN GATEWAY BOROUGH**

*Taxable Sales by Category, Fiscal Years*  
June 30, 2020

Borough & City	Fiscal Year				
	2020	2019	2018	2017	2016
Contractors	\$ 7,974,464	7,705,007	8,282,409	8,708,180	7,927,307
Finance, insurance, banks	1,919,795	1,762,755	1,961,434	2,121,486	2,034,010
Hotels, motels, lodges	16,412,630	18,507,570	17,628,906	17,040,832	16,638,336
Manufacturing	5,283,361	5,978,521	6,102,888	5,416,665	5,107,522
Real estate	25,066,845	25,354,528	25,364,573	25,346,535	24,690,427
Remote retail	5,688,424	2,560,754	-	-	-
Retail trade	30,201,283	31,884,797	31,195,601	30,826,527	30,501,262
Retail trade - food	52,676,328	54,074,110	51,783,667	51,048,392	51,431,344
Retail trade, bars & catering	20,293,928	24,335,969	23,082,423	22,423,776	22,606,016
Retail, automotive	16,106,969	16,083,534	16,022,811	15,917,566	15,657,382
Retail, specialty	12,740,969	13,291,980	12,529,288	8,316,256	8,285,862
Retail, var, jewelry, curios	63,616,223	80,215,226	75,591,776	71,596,802	70,454,293
Services, entertainment	3,984,057	5,918,334	5,121,047	4,879,129	4,142,301
Service, general	7,614,250	7,796,043	7,526,325	7,539,686	7,113,165
Services, professional	4,570,385	4,421,728	3,802,169	3,973,747	3,674,948
Trans, comm, utilities	<u>63,399,856</u>	<u>81,530,881</u>	<u>77,040,477</u>	<u>70,616,846</u>	<u>67,882,034</u>
	\$ <u>337,549,767</u>	<u>381,421,737</u>	<u>363,035,794</u>	<u>345,772,425</u>	<u>338,146,209</u>

	Fiscal Year				
	2015	2014	2013	2012	2011
Contractors	\$ 7,867,431	7,631,093	8,341,403	7,415,207	6,141,701
Finance, insurance, banks	1,969,763	2,177,388	2,382,608	1,995,024	2,192,021
Hotels, motels, lodges	15,657,714	14,892,935	14,172,548	13,689,815	12,603,094
Manufacturing	4,905,355	5,158,746	5,134,717	4,790,346	6,140,406
Real estate	24,087,383	23,596,203	23,620,663	23,056,248	24,485,430
Remote retail	-	-	-	-	-
Retail trade	30,170,161	30,423,980	31,082,386	29,591,532	61,376,056
Retail trade - food	50,291,242	49,829,177	49,191,379	48,912,887	46,657,847
Retail trade, bars & catering	21,053,279	20,652,476	21,067,069	20,478,553	18,350,884
Retail, automotive	15,675,897	15,718,601	15,506,019	15,515,934	14,139,519
Retail, specialty	8,305,021	8,131,033	9,028,790	9,218,351	14,635,547
Retail, var, jewelry, curios	69,317,752	68,920,331	68,972,807	68,721,446	28,413,986
Services, entertainment	4,023,139	3,868,802	3,645,970	3,458,109	3,922,744
Service, general	6,680,135	6,317,339	5,822,680	5,746,990	8,943,572
Services, professional	3,631,121	3,783,013	3,733,164	3,580,581	3,477,776
Trans, comm, utilities	<u>72,447,447</u>	<u>77,611,687</u>	<u>77,125,153</u>	<u>75,656,992</u>	<u>66,144,540</u>
	\$ <u>336,082,840</u>	<u>338,712,804</u>	<u>338,827,356</u>	<u>331,828,015</u>	<u>317,625,123</u>

Source: Ketchikan Gateway Borough Finance Department

KETCHIKAN GATEWAY BOROUGH

Current Year Debt Service by Type, Last Ten Fiscal Years  
June 30, 2020

Fiscal Year	School G.O. Bond Debt			Revenues - School Bond -			Capital Improvement Fund	Per Capita Cost	Recreation Special Revenue Fund G.O. Bonds			Rec CIP Fund			
	Principal	Interest	Total	State School Debt Reimbursement	Misc.	1/2 cent Sales Tax	Total Revenues	Population	Per Capita Cost	Principal	Interest	Total	Total Revenues - 1/2 cent Sales Tax, Penalties, Interest, Misc.	Other Expenses	Available for Other Projects
2011	2,008,500	1,444,053	3,452,553	2,025,976	19,593	1,614,719	3,660,288	13,686	(15)	276,500	1,002,567	1,279,067	1,614,719	290,599	45,053
2012	2,311,500	1,394,586	3,706,086	2,176,095	(12,406)	1,659,745	3,823,434	13,750	(9)	353,500	483,774	837,274	1,659,745	-	822,472
2013	2,394,500	1,366,698	3,761,198	3,353,421	81,487	1,650,132	5,085,040	13,938	(95)	360,500	576,507	937,007	1,650,132	330,516	382,609
2014	2,795,500	1,099,800	3,895,300	2,513,044	6,979	1,711,478	4,231,501	13,856	(24)	374,500	562,087	936,587	1,711,478	195,177	579,714
2015	2,940,000	960,914	3,900,914	2,517,988	5,948	1,698,074	4,222,010	13,825	(23)	385,000	550,852	935,852	1,698,074	277,017	485,205
2016	2,662,000	822,213	3,484,213	2,530,287	248,126	1,706,054	4,484,467	13,754	(73)	413,000	523,377	936,377	1,706,054	260,059	509,618
2017	2,512,000	991,653	3,503,653	1,926,565	40,640	1,764,578	3,731,783	13,785	(17)	413,000	829,863	1,242,863	1,764,568	27,834	493,871
2018	2,608,000	640,152	3,248,152	2,429,779	38,288	1,834,991	4,303,058	13,798	(76)	427,000	497,708	924,708	1,834,991	53,274	857,009
2019	3,297,500	614,114	3,911,614	2,429,344	98,012	1,934,894	4,462,250	13,739	(40)	437,500	497,708	935,208	1,941,649	684,659	321,782
2020	2,828,500	521,490	3,349,990	1,009,767	88,592	1,681,451	2,779,810	13,739	42	451,500	438,774	890,274	1,961,422	1,778,297	(707,149)

Note: G.O. Bonds only

## KETCHIKAN GATEWAY BOROUGH

Ratios of General Bonded Debt Outstanding  
June 30, 2020

Fiscal Year	General Obligation Bonds			Total Debt	Personal Income (1)	Total Debt/Personal Income	Percentage of Actual Taxable Value of Property (2)	Per Capita
	Governmental Type	Loans and Leases	Certificates of Participation					
2011	47,925,000	294,937	4,700,000	52,919,937	489,630,336	10.8%	4.6%	3,867
2012	44,855,000	95,184	4,570,000	49,520,184	489,156,250	10.1%	4.8%	3,601
2013	46,975,000	48,741	4,435,000	51,458,741	497,558,724	10.3%	4.6%	3,692
2014	43,805,000	-	4,295,000	48,100,000	495,199,584	9.7%	3.7%	3,471
2015	40,430,000	-	4,155,000	44,585,000	511,621,775	8.7%	3.2%	3,225
2016	36,950,000	-	4,010,000	40,960,000	500,948,188	8.2%	3.0%	2,978
2017	33,495,000	-	3,860,000	37,355,000	492,000,435	7.6%	2.6%	2,710
2018	29,900,000	-	3,700,000	33,600,000	502,012,634	6.7%	2.3%	2,435
2019	26,165,000	-	3,535,000	29,700,000	508,040,742	5.8%	2.0%	2,162
2020	22,885,000	-	3,365,000	26,250,000	508,040,742	5.2%	1.7%	1,911

1 Personal income data for current year not available until after publication of this document. Prior year used until current year is available.

2 Assessment data in table 5

**KETCHIKAN GATEWAY BOROUGH**  
*Direct and Overlapping Governmental Activities Debt*  
 June 30, 2020

Governmental Unit

Ketchikan Gateway Borough	
Total Direct Debt	
Outstanding G.O. Bonds	\$ 22,885,000
Certificates of Participation	<u>3,365,000</u>
Total Direct Debt	26,250,000
City of Ketchikan Direct Debt	<u>53,369,433</u>
Total Direct and Overlapping Debt	<u><u>\$ 79,619,433</u></u>

The figures reported for the City of Ketchikan reflect the amounts shown in the FY2018 Comprehensive Annual Financial Report for the year ended December 31, 2018.

## KETCHIKAN GATEWAY BOROUGH

*Revenue Bond Coverage*  
*Ketchikan International Airport*  
 Last Ten Years  
 June 30, 2020

Fiscal Year	Gross Revenues - (1)	Operating Expenses - (2)	Net Revenue Available for Debt Service	Debt Service Requirements - (3)			Coverage
				Principal	Interest	Total	
2011	4,212,118	4,240,937	(28,819)	260,000	115,627	375,627	(0.08)
2012	4,570,795	4,617,663	(46,868)	165,000	69,393	234,393	(0.20)
2013	7,160,408	4,791,025	2,369,383	955,000	84,840	1,039,840	Redeemed
2014	5,074,329	4,811,900	262,429	-	-	-	-
2015	5,255,866	4,518,757	737,109	-	-	-	-
2016	5,470,152	4,782,916	687,236	-	-	-	-
2017	6,192,850	5,452,250	740,600	-	-	-	-
2018	5,768,240	4,484,683	1,283,557	-	-	-	-
2019	5,613,607	4,322,013	1,291,594	-	-	-	-
2020	6,465,151	4,539,249	1,925,902	-	-	-	-

- (1) Total revenues (including interest), plus State Operating Grants, plus revenues from Passenger Facility Charges (PFC fund).
- (2) Total operating expenses exclusive of depreciation.
- (3) Includes principal and interest of revenue bonds only. It does not include the general obligation bonds reported in the Airport enterprise fund or debt defeasance transactions.

## KETCHIKAN GATEWAY BOROUGH

## Demographic Statistics

Last Ten Years

June 30, 2020

Fiscal Year	Borough Population	Personal Income	Alaska Per Capita Income - (1)	Annual Average Unemployment Rate	Education - (2)			
					Borough School Enrollment	Number of Attendance Centers	Number of Classrooms	Number of Teachers FTE
2010	13,477	484,579,012	35,956	7.78%	2,110	7	147	159
2011	13,686	489,630,336	35,776	8.60%	2,100	7	147	159
2012	13,750	489,156,250	35,575	8.10%	2,167	7	147	152
2013	13,938	497,558,724	35,698	7.80%	2,201	7	147	152
2014	13,856	495,199,584	35,739	7.90%	2,266	7	147	154
2015	13,825	511,621,775	37,007	6.90%	2,360	7	147	154
2016	13,754	500,948,188	36,422	6.50%	2,365	7	147	154
2017	13,785	492,000,435	35,691	6.10%	2,392	7	147	151
2018	13,798	502,012,634	36,383	6.00%	2,378	7	147	151
2019	13,739	508,040,742	36,978	6.20%	2,346	7	147	155

- (1) Census and Per Capita Income per State of Alaska Department of Labor. Most current data available is Fiscal Year 2019 as of the publication date for this report..
- (2) <http://education.alaska.gov/stats/SchoolLevelCount.pdf>

*Principal Employer Industries Calendar Year 2019 and Ten Years Ago*  
June 30, 2020

Calendar Year Employer	2019			2010		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Trade, Transportation and Utilities	1,815	1	24.51%	1,715	1	23.83%
Local Government	1,146	2	15.48%	1,086	2	15.09%
Educational & Health Services	1,024	3	13.83%	787	4	10.93%
Leisure & Hospitality	968	4	13.07%	788	3	10.95%
State of Alaska	560	5	7.56%	711	5	9.88%
Manufacturing	412	6	5.56%	534	6	7.42%
Financial Activities	357	7	4.82%	375	7	5.21%
Construction	280	8	3.78%	246	9	3.42%
Professional & Business Services	264	9	3.57%	224	10	3.11%
Federal Government	217	10	2.93%	273	8	3.79%
Other	154	11	2.08%	192	11	2.67%
Natural Resource and Mining Information	120	12	1.62%	180	12	2.50%
	87	13	1.18%	87	13	1.21%
	<u>7,404</u>		<u>100.00%</u>	<u>7,198</u>		<u>100.00%</u>

Due to federal confidentiality laws employer identifying information such as employment ranges, numbers or ranking are not available. Employment by NAICS Industry Category is reflected for the Ketchikan Gateway Borough.

Source: State of Alaska, Department of Labor  
<http://live.laborstats.alaska.gov/qcew/>

KETCHIKAN GATEWAY BOROUGH

Table 15

Miscellaneous Statistics

June 30, 2020

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Date of Incorporation & Code of Ordinances Adopted- 1963 Form of Government - Elected Assembly - Manager Second-Class Borough										
<i>Ketchikan Gateway Borough</i>										
Borough, square miles	6,900	6,900	6,900	6,900	6,900	6,900	6,900	6,900	6,900	6,900
Revillagigedo Island, square miles	1,129	1,129	1,129	1,129	1,129	1,129	1,129	1,129	1,129	1,129
Gravina Island, square miles	96	96	96	96	96	96	96	96	96	96
<i>Animal Protection</i>										
Licenses Issued *	382	439	510	449	725	824	808	833	820	828
Animals Impounded	190	254	289	217	259	296	251	441	411	392
Animals Surrendered	138	96	136	121	166	148	161	192	303	310
Animals Adopted	153	142	142	139	210	170	162	224	209	182
Animals Claimed	102	137	160	91	122	126	117	112	124	136
<i>* Effective July 2016, licenses are valid for one, two or three years to match with rabies expiration dates. Prior licenses have been valid for one year only.</i>										
<i>Employees by function</i>										
General Government	23	23	22	23	24	24	24	22	23	24
Fire and EMS	6	6	6	5	5	5	5	5	5	4
Public services	10	10	10	12	12	12	12	11	11	13
Parks and Recreation	15	15	15	15	15	15	15	15	15	15
Public works	11	12	12	12	12	12	12	15	14	19
Transit	16	17	13	13	13	14	12	12	12	11
Automation	1	1	1	1	1	1	1	1	1	1
Airport	29	29	28	28	28	27	27	27	27	27
	111	113	107	109	110	110	108	108	108	114
<i>South Tongass Volunteer Fire Department</i>										
Stations	2	2	2	2	2	2	1	1	1	1
Volunteers	35	32	30	24	35	35	36	36	35	39
Fire Calls	38	33	51	55	53	41	32	31	33	67
Emergency Calls/EMS Incidents	147	149	157	129	124	135	121	141	113	101
Fire Investigations	10	5	7	7	6	7	6	5	7	6
<i>North Tongass Volunteer Fire Department</i>										
Stations	2	2	2	2	2	2	2	2	2	2
Volunteers	24	28	19	24	18	21	26	24	20	24
Fire Calls	46	26	13	21	16	10	21	40	26	24
Emergency Calls/EMS Incidents	176	215	234	232	186	154	207	156	113	126
Fire Investigations	4	4	2	1	0	1	1	1	0	0
<i>Elections</i>										
Registered Voters	11,840	11,583	11,319	10,401	10,286	10,071	9,963	9,836	10,065	10,105
Votes Cast Last Borough Election	3,158	2,972	2,739	2,158	2,762	2,204	2,233	2,407	1,554	1,849
% Voting Last Borough Election	27%	26%	24%	21%	27%	22%	22%	24%	15%	18%

KETCHIKAN GATEWAY BOROUGH

Table 15

Miscellaneous Statistics

June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Date of Incorporation & Code of Ordinances Adopted- 1963 Form of Government - Elected Assembly - Manager Second-Class Borough										
<i>Ketchikan Gateway Borough</i>										
<i>Sewer &amp; Water Plants</i>										
<i>Wastewater Enterprise Fund:</i>										
Miles of Sanitary Sewers	8	8	8	8	8	8	8	8	6	6
Average Daily Treatment (gals)	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	100,000	100,000
Treatment Capacity (gals)	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000
Sewer Connections (Billable EDU's)		835	664	649	628	613	598	580	522	522
Sludge Pumping Customers		1,373	1,370	1,263	1,281	1,254	1,241	1,235	1,231	1,231
<i>South Tongass Service Area:</i>										
Water, Hydrant, Connections	485	485	485	485	485	427	405	404	402	402
Average Daily Treatment (gals)	140,000	140,000	175,000	175,000	175,000	175,000	175,000	175,000	149,533	149,533
Treatment Capacity (gals)	288,000	288,000	288,000	288,000	288,000	288,000	288,000	288,000	288,000	288,000
<i>Municipal Parks</i>										
Developed Parks	15	15	15	15	15	15	15	15	15	15
Developed Acres	6,564	6,564	6,564	6,564	6,564	6,564	6,564	6,564	6,564	6,564
Swimming Pools	2	2	1	1	1	1	1	1	1	1
Lighted Ball Fields	7	7	7	7	7	7	7	7	7	7
<i>Ketchikan International Airport (Calendar Year)</i>										
Inbound Passengers	<i>not available</i>	125,791	123,952	118,984	107,646	94,251	89,013	102,390	100,568	99,072
Outbound Passengers	<i>not available</i>	125,632	123,529	119,802	105,433	90,233	86,718	101,947	100,054	98,262
<i>Airport Ferry</i>										
Passengers	<i>not available</i>	388,264	378,108	380,061	388,631	365,306	354,728	347,939	337,255	337,996
Vehicles	<i>not available</i>	102,399	94,872	97,168	96,061	85,725	85,783	79,648	79,847	76,243
<i>Transit</i>										
Passengers	309,260	406,251	385,554	425,103	448,585	415,317	407,010	459,855	404,649	329,122
<i>Visitor Industry (Calendar Year)</i>										
Cruise Ship Passengers	-	980,000	976,393	899,975	865,428	856,653	812,950	791,108	778,899	835,325
<i>Data supplied by Ketchikan Gateway Borough Department Directors</i>										