KETCHIKAN GATEWAY BOROUGH
ALASKA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 1994

KETCHIKAN GATEWAY BOROUGH
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 1994

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INTRODUCTORY SECTION

KETCHIKAN GATEWAY BOROUGH

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Alvin E. Hall
Director

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December 30, 1994

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

The Comprehensive Annual Financial Report of the Ketchikan Gateway Borough, Alaska for the fiscal year ended June 30, 1994, is hereby submitted as mandated by local ordinances and state statutes. These ordinances and statutes require that the Ketchikan Gateway Borough issue an annual report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds, account groups and component units of the Ketchikan Gateway Borough. All disclosures necessary to enable the reader to gain an understanding of the Borough's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial, and statistical. It includes all funds and account groups of the Ketchikan Gateway Borough. The introductory section, which is unaudited, includes this transmittal letter, certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year 1993, an organizational chart, a list of elected and staff officials and a map showing the Borough Boundaries. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. This year we have provided additional information which supports the financial statements and notes of disclosure.

The Borough is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, and the U.S. Office of Management and Budget Circular A-128,"Audits of State and Local Governments." State of Alaska Regulation 2 AAC 45.010, the Single Audit Information related to single audit, including schedules of federal and state financial assistance, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in a separate issued single audit report.

The financial reporting entity (Ketchikan Gateway Borough) includes all the funds and account groups of the primary government (i.e., Ketchikan Gateway Borough as legally defined), as well as all of its component units. Component units are legally separate units for which the primary government is financially accountable. The Borough provides the following areawide services: assessment and collection of property taxes and sales tax collection for the Borough and cities within the Borough, planning and zoning, senior citizen funding and general administrative services. Non-areawide services represented by service areas provide for fire protection, water, sewer, roads and library services. The Ketchikan International Airport, and Transit System are enterprise funds operated by the Ketchikan Gateway Borough.

The School District is reported as a discretely presented component unit. The School District is reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations and cash flows from those of the primary government. Pension plans, including the State of Alaska Public Employees' Retirement System, the Masters, Mates and Pilots plan, the International Brotherhood of Electrical Workers plan have not met the established criteria for inclusion within the reporting entity and, accordingly, are excluded from this report.

GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK

The economy of the Ketchikan area is based primarily on forest products, fishing, and tourism. This results in the economy of Ketchikan being more stable than in other areas of Alaska that are much more dependent on oil production revenues. Although both fishing and forest products industries experience economic fluctuations, the long term outlook for both of these industries remains favorable. In addition, Ketchikan has experienced a large growth in tourism during the last few years as the number of visitors arriving on cruise ships, planes and boats has increased substantially. This trend of increased tourism is expected to continue for fiscal year 1995 and then growth is expected to level.

The government currently has a land area of 1,242 square miles and a population of 14,923. The government is empowered to levy a property tax on both real and business personal property located within its boundaries.

The Borough has operated under the Assembly-Manager form of government since 1963. Policy making and legislative authority are vested in the borough assembly, which consists of a mayor and a seven-member assembly. The assembly is responsible for, among other things, passing ordinances and resolutions, adopting the budget, appointing committees and hiring the borough's manager, attorney, and clerk. The borough's manager is the chief administrative officer of the borough. The borough manager has all of the powers and duties set forth in the Alaska Statute presently numbered AS 29.23.140, and other powers and duties elsewhere prescribed by law. He has supervision and control, directly and indirectly, over all administrative departments, agencies, officers, except the borough attorney and borough clerk.

The Borough is a second class borough with boundaries extending throughout Revillagigedo Island, Revilla Island, Pennock Island and other smaller islands identified within the Borough. The Ketchikan Gateway Borough is in Southeast Alaska, approximately 650 miles north of Seattle Washington. Access is limited to air and marine transportation. The Borough is also situated at the southern end of the Tongass National Forest (the Tongass) At 16.7 million acres, the Tongass is the largest national forest in the United States. Harvesting and promoting the natural resources of the Tongass and other natural resources in the area provides employment opportunities, directly or indirectly for the Borough.

Timber is the single largest source of employment. Approximately 15% of the local labor force is directly employed in the timber industry. Because of timber industry's role, the upturns and downswings of the local economy frequently parallel those of the industry. A significant portion of the timber activity in the borough revolves around the operations of Louisiana Pacific Corporation d/b/a Ketchikan Pulp Company which owns and operates a dissolving pulp mill and a sawmill located in Ward Cove.

The strong demand for wood and lumber products, driven in part by the improvement of the housing industry continues to improve through 1994. Weak economies in both Europe and Japan have decreased the demand for rayon, a product made from dissolving pulp, although the pulp prices have continued to decrease in price over a number of years, demand for pulp has shown evidence of increased demand during recent months.

A reliable supply of harvestable timber remains an important economic issue with the timber industry. Some relief was granted in 1993 when the U.S. Forest Service approved the Central Prince of Wales sale to Ketchikan Pulp Company. This sale is expected to provide a dependable supply of timber for the next three years and will be instrumental in maintaining timber harvest levels at the projected 140 million board feet for 1994.

Fishing processing facilities and a large fishing fleet have made fishing the second most important industry in the Borough. On an annual basis, the industry provides employment for approximately 6% of the local work force. During the season's summer peak, the industry's share can exceed 30%. In terms of quantity, 1993 was a good year because of an increase in the pink salmon run. 1994 was a banner year for chum's, although market prices were down. Approximately 39 million salmon were harvested in 1993, up from the 20 million salmon harvested in 1992. Prices for salmon were down significantly with little benefit to the fishing industry.

Tourism currently the most dynamic and positive sector of our local economy and is now the third largest industry in the borough. Tourists travel into the borough either by air or water transportation, with the majority arriving by cruise ship. In 1994, 30 cruise ships made 453 stops in the borough and brought 380,822 visitors. In 1993 cruise ships brought 321,780 visitors. This is an increase of 58,742 visitors or 18%. In addition, another 40,000 visitors arrive in the borough annually by airplane or on the Alaska Highway System.

Outlook. Timber is expected to continue to be a large part of our local economy. Valid concerns continue to exist regarding the availability of a reliable source of timber to supply the pulp mill and the sawmill. Because of changes to the Tongass National Forest timber management policies, the timber harvest for the next several years is expected to decrease by another 25%. The harvest of timber from private lands is also expected to decline. The final outcome is dependent on the industry's ability to adapt to the new management policies, development of new products to stimulate demand, and investment in the infrastructure and technology necessary to remain competitive. Strong housing starts, a favorable foreign currency exchange rate, and low inventories of wood products and rayon work favorably towards strengthening a strong demand for pulp and wood products from Southeast Alaska..

The prospects for fishing depend primarily on quantity and the quality of the salmon harvest. More seafood processors are exploring opportunities to expand their product lines and future growth in this area is promising, this process is still in the development stage, future years operations are where contributions may be recognized.

Tourism continues to be a growth industry because of additional visitors arriving in Ketchikan by cruise ship. Ketchikan completed the Ted Ferry Civic Center, marketing is underway to promote the facility as a convention center. This is expected to attract additional visitors to the community.

Construction employment is expected to remain strong throughout the year with major public improvement projects that started in 1992 through 1994 and nearing completion. The Borough has approved the construction of an Indoor Recreation Center that is in the architectural design phase. Several major private retail and industrial developments are in various stages and expected to impact housing in future periods.

FINANCIAL INFORMATION

Borough Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Borough are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgements by management.

Single Audit. As a recipient of federal and state financial assistance, the Borough also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

As a part of the single audit performed by the Borough's independent accountants, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs and state awards, as well as to determine that the Borough has complied with applicable laws and regulations. The results of the Borough's single audit for the fiscal year ended June 30, 1994, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgeting Controls. Formal budgetary integration is employed as a management control device during the year for the General Fund and certain special revenue funds. The debt service funds do not use formal budgetary integration because effective budgetary control is alternatively achieved through general obligation bond indenture provisions. The remaining special revenue funds and the capital projects funds are budgeted on a project length basis, and formal budgetary control is achieved as such..

The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Ketchikan Gateway Borough Assembly. Resources are allocated to and accounted for individual funds, based upon the purposes for which those funds were created. The Assembly may, by ordinance, transfer appropriations between funds and amend the original budget in total. The Borough Manager may transfer amounts between line items within a department. The legal level of control (that is, the level at which expenditures cannot legally exceed the appropriation) is at the fund level.

Capital projects and grant activities are budgeted on project length basis. Activities of the General Fund and certain special revenue funds are included in the annual appropriating budget, and appropriations lapse at year end. The Borough also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Open encumbered amounts lapse at year end; however, they are reappropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the Ketchikan Gateway Borough continues to meet its responsibility for sound financial management.

General Fund Balance. The following schedule presents a summary presents of general fund, special revenue funds and debt service fund revenues for the fiscal year ended June 30, 1994 and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues:	Amount	Percent of Total	Increase (Decrease) from 1993	Percent of Increase (Decrease)
Taxes	$10,960,905	31.17%	$1,148,675	11.71%
Payments in Lieu of Taxes	20,844	.06	(3,604)	(14.74)
Licenses and Permits	18,540	.05	4,192	41.92
Revenue from Other Governments	22,505,140	64.00	17,076,497	314.56
Charges for Services	378,292	1.09	121,360	47.23
Other Revenue	1,279,201	3.63	369,834	40.67
Total	$35,162,922	100.00%	$18,716,954	

The most significant increase in actual continued revenue sources was derived from taxes and revenues from other governments. Tax revenues are a combination of three distinct resources: property taxes, sales tax, and automobile and boat taxes. A large portion of the tax revenue increase was a result of a 1/2 cent Borough wide increase in sales taxes. Reimbursement from the State for progress payments on the High School Reconstruction Project increased Borough revenues significantly.

The decrease in Revenue from other governments was the result of a decrease in state support for low cost housing.

The following schedule presents a summary of general fund, special revenue funds, debt service and capital projects fund expenditures for the fiscal year ended June 30, 1994 and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) From 1993	Percent of Increase (Decrease)
Administration	$ 1,573,958	5.51%	$ (210,139)	(11.78)
Public Services	5,564,083	19.49	826,206	17.44
Non-Departmental	185,059	.65	4,539	2.51
Automation	74,460	.26	74,460	
Capital Projects	16,292,547	57.07	3,621,810	28.58
Debt Service	4,859,640	17.02	(63,538)	(1.29)
Total	$28,549,747	100.00%	$ 4,253,338	

The significant increase in capital projects is due to the construction of the Ketchikan High School, this is a multi-phase project scheduled for completion in the latter part of 1994. Other significant increases are in the public service sector, due to an increase in state and federal grants.

Enterprise Operations. The Ketchikan Gateway Borough enterprise operations are comprised of the Ketchikan International Airport and Bus Transit System. The intent of the Borough is that the cost of operations and providing services to the general public be financed primarily through user charges. The acquisition, and improvements of the facilities are financed from existing cash resources from operations, tax levies, the issuance of general obligation and revenue bonds.

Fiduciary Responsibility. The Ketchikan Gateway Borough has fiduciary responsibility in three areas. First, Alaska Statutes require the Borough to be responsible for collection and distribution of property and sales taxes for cities within the Borough. The second area of fiduciary responsibility involves participation by Borough employees in a deferred compensation plan. While the Borough does not administer the plan, contributions are assets of the Borough and are reported in an agency fund. .

Debt Administration. At June 30, 1994, the Ketchikan Gateway Borough had outstanding debt of $8,339,000. This is comprised of $7,810,000 in general obligation school debt, and enterprise funds which have outstanding debt of $870,000 comprised of $620,000 in general obligation bonds and $250,000 in revenue bonds. The voters have authorized the issuance of $7,500,000 for the construction of the Indoor Recreation Center. Debt service will be provided from the collection of 1/2 percent sales tax from sales in the Borough.

Cash Management. Cash temporarily idle during the year was invested in obligations of the U.S. Government, its agencies and instrumentalities, certificates of deposit, and repurchase agreements. Central treasury balances earned interest of $1,014,155 on all investments for the year ended June 30, 1994. Central treasury balances consisted of the General Fund, special revenue funds, capital projects funds, and portions of the enterprise and agency funds.

The Borough's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Normally all bank balances are covered by federal depository insurance, or by collateral held by the Borough's agent in the Borough's name. Borough investments are insured, registered, or are securities which are held by the Borough or its agent in the Borough's name, which places them in the lowest risk category as defined by Statement No. 3 of the Governmental Accounting Standards Board.

Risk Management. The Borough currently maintains coverage for comprehensive general liability, automobile liability, building and contents, education errors and omissions, and public officials liability.

SIGNIFICANT EVENTS AND ACCOMPLISHMENTS

A legislative appropriation was approved for the Ketchikan High School in the amount of $9,501,600 for completion. The legislature also appropriated $800,000 for Mountain Point Water and Sewer, $1,000,000 for the Ferry realignment, $177,000 for design of the Indoor Recreation Center, $100,000 for ADA upgrades, $195,000 for the Airport Walkway cover, $235,000 for new buses meeting ADA requirements, and in addition several smaller grants have been approved under the matching fund program.

Projects completed during the year included the Wise Ballfield development, reconstruction of the swimming pool near the high school, approval by the voters to issue bonds for the construction of the Indoor Recreation Center and substantial completion of the High School reconstruction.

OTHER INFORMATION

Independent Audit. Alaska State Statutes 29.35.120 requires an annual independent audit of the accounts and financial transactions of the Borough by a certified public accountant. The accounting firm of Hogan, Mecham, Richardson and Company, CPA's, was selected and ratified by the Borough Assembly. In addition to meeting the requirements set forth in the State Statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act of 1984 and related OMB Circular A-128 and the State of Alaska Single Audit Act 2 AAC 45.010. The Auditor's report on the general purpose financial statements is included in the financial section of this report. The combining, individual fund and account group financial statements and schedules are presented for purposes of additional analysis. The auditor's reports related specifically to the single audit are contained in a separate report.

Awards. The Government Finance Officers Association ("the GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Borough for its comprehensive annual financial report for the fiscal year ended June 30, 1994. In order to be awarded a Certificate of Achievement, the Borough published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements. The preparation of this report on a timely basis was made possible by the dedicated service of the entire staff of the Administrative Services Department. Each member of the department has our sincere appreciation for their contribution. We would like to thank Mr. C. L. Cheshire of the University of Alaska Southeast, Economic Development Center for sharing with us his thoughts about the local economy and his economic statistics data base.

The Administrative Services Department would like to express its continued appreciation to the Mayor and Members of the Borough Assembly, for your interest, support, cooperation and involvement throughout the year in issues pertaining to the finances of the Ketichikan Gateway Borough.

Respectfully submitted,

Alvin E Hall

Alvin E. Hall
Director of Administrative Services

Certificate of Achievement for Excellence in Financial Reporting

Presented to

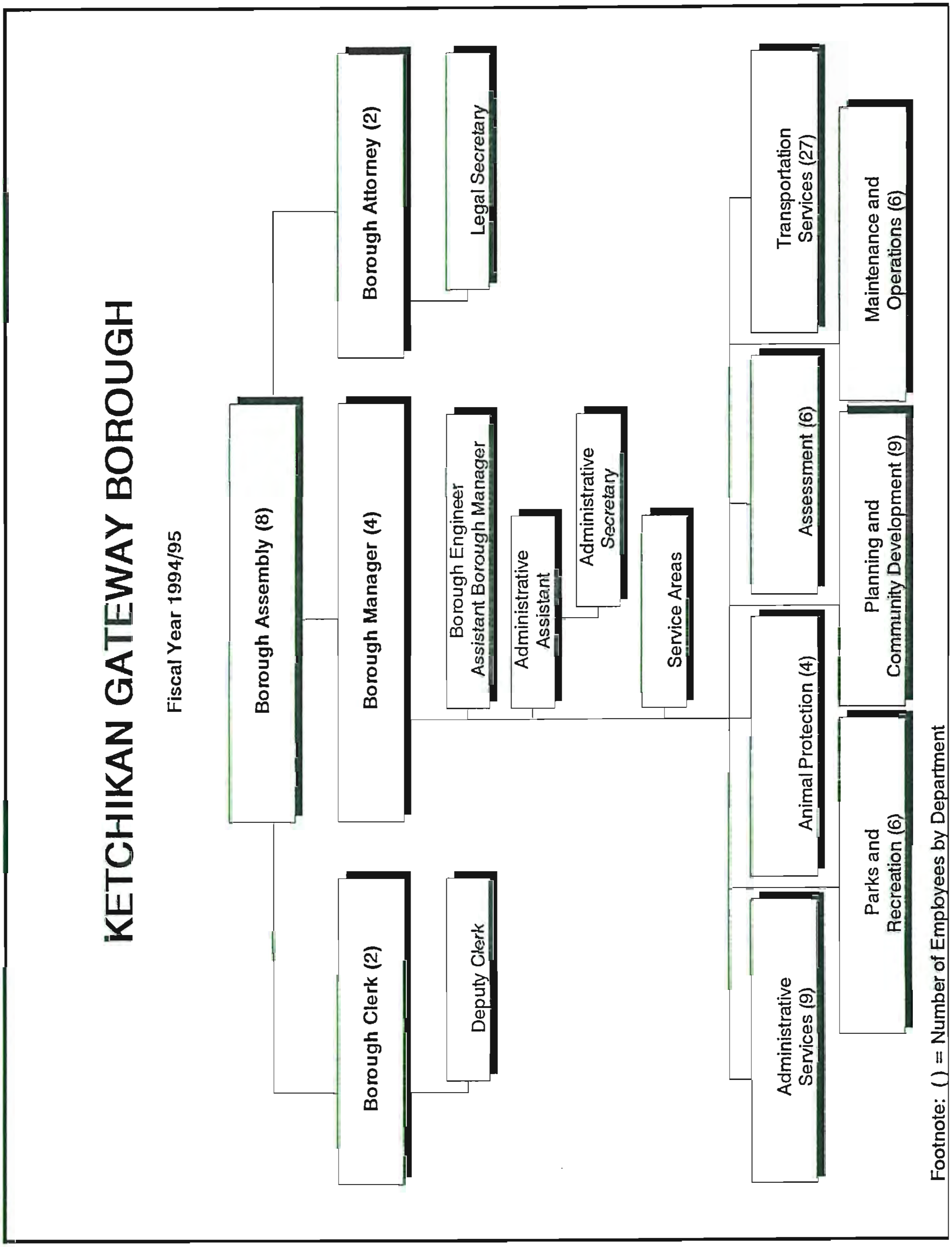
Ketchikan Gateway Borough, Alaska

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1993

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director


KETCHIKAN GATEWAY BOROUGH
Fiscal Year 1994/95
Borough Assembly (8)
Borough Clerk (2)
Deputy Clerk
Borough Attorney (2)
Legal Secretary
Borough Manager (4)
Borough Engineer
Assistant Borough Manager
Administrative Assistant
Administrative Secretary
Service Areas
Administrative Services (9)
Animal Protection (4)
Assessment (6)
Transportation Services (27)
Parks and Recreation (6)
Planning and Community Development (9)
Maintenance and Operations (6)
Footnote: ( ) = Number of Employees by Department

KETCHIKAN GATEWAY BOROUGH

PRINCIPAL BOROUGH OFFICIALS

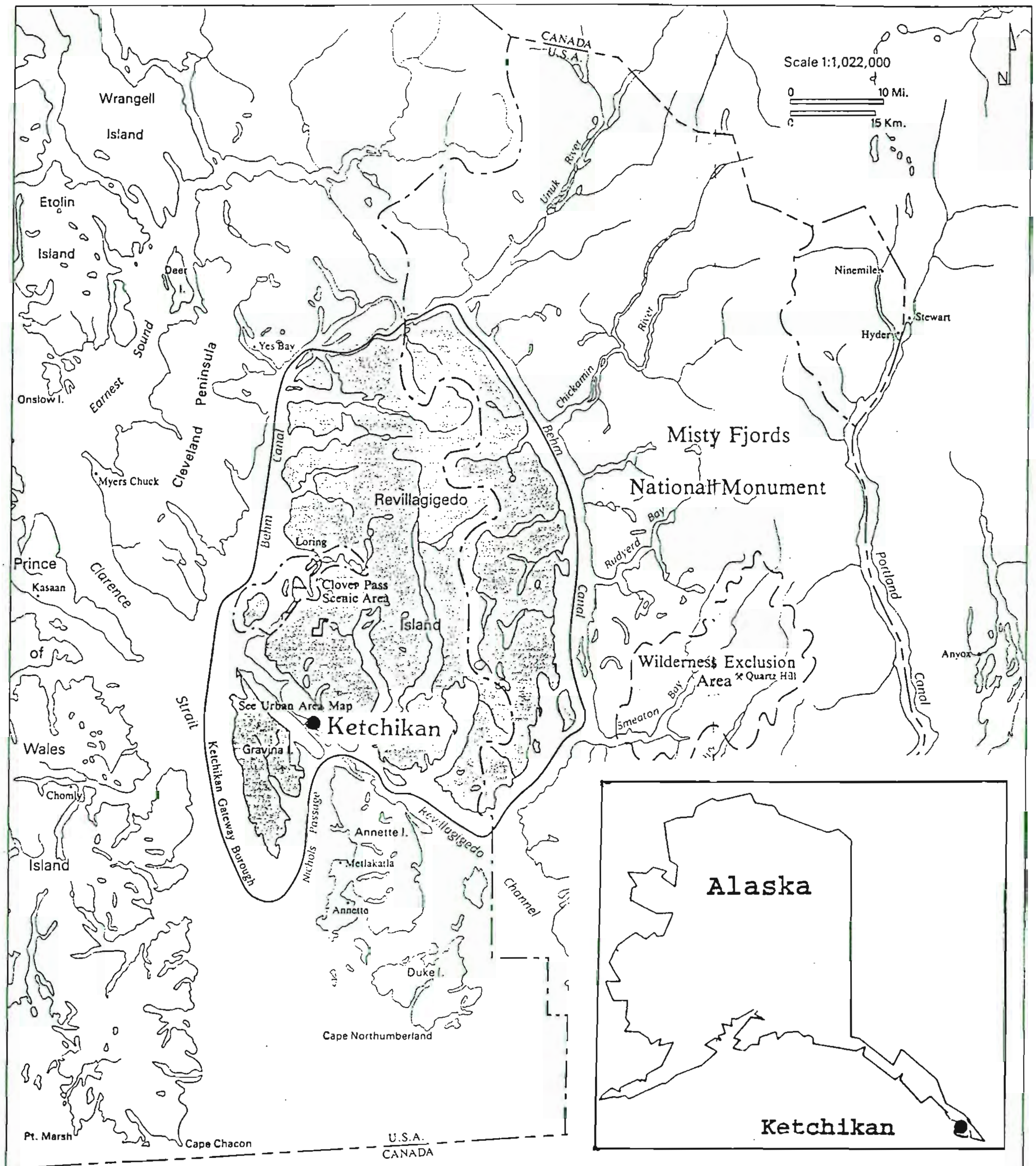
June 30, 1994

MAYOR AND ASSEMBLY

James Carlton	Mayor
Don Chenall	Assemblymember
John Conley	Assemblymember
Tom Coyne	Assemblymember
~~Michael R. Cruise~~ E. Davis	Assemblymember
~~Ernest Hansen~~ Tipton	Assemblymember
Donald Mitchell	Assemblymember
Phyllis Yetka	Assemblymember

BOROUGH STAFF

Michael D. Rody	Manager
James E. Voetberg	Assistant Manager
~~Teresa Williams~~	Municipal Attorney
Georgianna Zimmerle	Borough Clerk
Alvin E. Hall	Director Administrative Services
Dennis Finnegan	Director of Assessment
~~Lester E. Williams~~	Acting ~~Chief of~~ Animal Protection Supervisor
~~Gary Munsterman~~	Director of Planning
Penny Luce	Director Transportation Services
Greg Kolean	Director Parks and Recreation



Ketchikan Gateway Borough

FINANCIAL SECTION

HOGAN, MECHAM, RICHARDSON AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

1734 TONGASS AVENUE
KETCHIKAN, ALASKA 99901
(907) 225-9688
FAX (907) 225-9687

Partners:
L. Pete Hogan, CPA
Edward B. Mecham, CPA
S. Dirk Richardson, CPA

A Member of the
AICPA Private
Company Practice
Section

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general-purpose financial statements of the Ketchikan Gateway Borough ("the Borough") as of and for the year ended June 30, 1994. These general-purpose financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Ketchikan Gateway Borough as of June 30, 1994, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining and individual

HOGAN, MECHAM, RICHARDSON AND COMPANY
Certified Public Accountants

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

fund and account group financial statements and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the Ketchikan Gateway Borough. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

The other data included in this report, designated as the "Statistical Section - Unaudited" in the table of contents, has not been audited by us and, accordingly, we do not express an opinion on such data.

Hogan, Micham, Richardson & Company

November 18, 1994

GENERAL PURPOSE FINANCIAL STATEMENTS

The financial statements in this section provide a summary overview of the financial position of all funds and account groups including summary operating results of all funds.

The following statements are included in this section:

Combined Balance Sheet - All Fund Types and Account Groups and Discretely Presented Component Units

Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types and Discretely Presented Component Units

Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget & Actual - General, Special Revenue and Debt Service Funds

Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances - All Proprietary Fund Types

Combined Statement of Cash Flows - All Proprietary Fund Types

Exhibit 1

KETCHIKAN GATEWAY BOROUGH

COMBINED BALANCE SHEET – ALL FUND TYPES AND ACCOUNT GROUPS
AND DISCRETELY PRESENTED COMPONENT UNITS

June 30, 1994

	Governmental Fund Types				Proprietary Fund Types	Fiduciary Fund Types
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency Funds
ASSETS						
Cash and Temporary Investments	$ 975	$ 7,460,717		$ 8,287,854	$ 236,554	
Funds with Fiscal Agents						$ 928,454
Property Taxes Receivable	32,551					
Due From Other Governments		49,519			162	
Due From Primary Government						
Accounts Receivable	101,523	421,430		147,353	193,758	
Due From Other Funds	1,169,243	200,000				
Prepaid Insurance	6,327					
Deferred Accounts Receivable		225,127				
Inventory						
Restricted Assets						
Bond Redemption Fund Cash and Investments					59,733	
Plant in Service					8,855,461	
Accumulated Depreciation					(4,124,484)	
Land						
Buildings						
Equipment						
Swimming Pools						
Amount to be Provided for Payment of Long Term Debt						
Total Assets	$1,310,619	$ 8,356,793	$	$ 8,435,207	$ 5,221,184	$ 928,454
LIABILITIES AND FUND EQUITY						
Liabilities						
Accounts Payable	$ 241,918	$ 133,445		$ 1,510,989	$ 31,934	
Retainage Payable		72,302		541,448		
Due to Other Governments	77,090	17,047				
Due to Other Funds	200,000	1,169,243				
Due to Component Unit	80,813					
Accrued Interest Payable					14,308	
Accrued Liabilities	357,587				166,991	
Deferred Revenue	58,071	910,658		3,274,338	76,633	
Deferred Compensation						$ 928,454
Bonds Payable					705,000	
Total Liabilities	1,015,479	2,302,695		5,326,775	994,866	928,454
Equity and Other Credits:						
Contributed Capital					1,767,978	
Investment in General Fixed Assets						
Retained Earnings:						
Reserved for Bond Retirement					59,733	
Unreserved					2,398,607	
Fund Balances:						
Reserved for Encumbrances	32,741	714,002		6,498,459		
Reserved for Prepaid						
Reserved for Inventory						
Reserved for Endowments						
Unreserved Fund Balance	262,399	5,340,096		(3,390,027)		
Total Equity and Other Credits	295,140	6,054,098		3,108,432	4,226,318	
Total Liabilities, Equity and Other Credits	$1,310,619	$ 8,356,793	$	$ 8,435,207	$ 5,221,184	$ 928,454

The notes to the financial statements are an integral part of this statement.

Exhibit 1, cont.

KETCHIKAN GATEWAY BOROUGH

COMBINED BALANCE SHEET – ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS

June 30, 1994

	Account Groups: General Fixed Assets	Account Groups: General Long Term Debt	Totals (Memorandum only) Primary Government	Component Unit* School District	Totals (memorandum only) Reporting Entity
ASSETS					
Cash and Temporary Investments			$ 15,986,100	$ 239,308	$ 16,225,408
Funds with Fiscal Agents			928,454		928,454
Property Taxes Receivable			32,551		32,551
Due From Other Governments			49,681		49,681
Due From Primary Government				80,813	80,813
Accounts Receivable			864,064	503,286	1,367,350
Due From Other Funds			1,369,243		1,369,243
Prepaid Insurance			6,327	208,627	214,954
Deferred Accounts Receivable			225,127		225,127
Inventory				25,117	25,117
Restricted Assets					
Bond Redemption Fund Cash and Investments			59,733	152,607	212,340
Plant in Service			8,855,461		8,855,461
Accumulated Depreciation			(4,124,484)		(4,124,484)
Land	$ 30,865		30,865	117,216	148,081
Buildings	932,877		932,877	43,005,797	43,938,674
Equipment	1,672,212		1,672,212	5,596,847	7,269,059
Swimming Pools	2,531,177		2,531,177	17,867	2,549,044
Amount to be Provided for Payment of Long Term Debt		$ 8,339,000	8,339,000		8,339,000
Total Assets	$ 5,167,131	$ 8,339,000	$ 37,758,388	$ 49,947,485	$ 87,705,873
LIABILITIES AND FUND EQUITY					
Liabilities					
Accounts Payable			$ 1,918,286	$ 720,967	$ 2,639,253
Retainage Payable			613,750		613,750
Due to Other Governments			94,137		94,137
Due to Other Funds			1,369,243		1,369,243
Due to Component Unit			80,813		80,813
Accrued Interest Payable			14,308		14,308
Accrued Liabilities			524,578	203,252	727,830
Deferred Revenue			4,319,700	413	4,320,113
Deferred Compensation			928,454	147,604	1,076,058
Bonds Payable		$ 8,339,000	9,044,000		9,044,000
Total Liabilities		8,339,000	18,907,269	1,072,236	19,979,505
Equity and Other Credits:					
Contributed Capital			1,767,978		1,767,978
Investment in General Fixed Assets	$ 5,167,131		5,167,131	48,737,727	53,904,858
Retained Earnings:					
Reserved for Bond Retirement			59,733		59,733
Unreserved			2,398,607		2,398,607
Fund Balances:					
Reserved for Encumbrances			7,245,202	56,786	7,301,988
Reserved for Prepaid				208,627	208,627
Reserved for Inventory				25,117	25,117
Reserved for Endowments				25,000	25,000
Unreserved Fund Balance			2,212,468	(178,008)	2,034,460
Total Equity and Other Credits	5,167,131		18,851,119	48,875,249	67,726,368
Total Liabilities, Equity and Other Credits	$ 5,167,131	$ 8,339,000	$ 37,758,388	$ 49,947,485	$ 87,705,873

The notes to the financial statements are an integral part of this statement.

Exhibit 2

KETCHIKAN GATEWAY BOROUGH

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS

For the Fiscal Year Ended June 30, 1994

	General	Special Revenue	Debt Service	Capital Projects	Totals (memorandum only) Primary Government	Component Unit School District	Totals (memorandum only) Reporting Entity
REVENUES							
Taxes	$ 9,633,281	$ 1,327,624			$ 10,960,905		$ 10,960,905
Payments in Lieu of Taxes	20,844				20,844		20,844
Licenses and Permits	18,540				18,540		18,540
Revenues from Other Govts	1,180,730	6,620,192		$ 14,704,218	22,505,140	$ 16,670,234	39,175,374
Charges for Services	250,568	88,111		39,613	378,292		378,292
Other Revenues	102,211	621,598		555,392	1,279,201		1,279,201
Total Revenues	11,206,174	8,657,525		15,299,223	35,162,922	16,670,234	51,833,156
EXPENDITURES							
Current							
General Government	1,573,958				1,573,958		1,573,958
Public Services	2,635,678	2,928,405			5,564,083	23,577,840	29,141,923
Non-Departmental	185,059				185,059		185,059
Automation	74,460				74,460		74,460
Capital Outlay	105,243	482,703		15,704,601	16,292,547		16,292,547
Debt Service			$ 4,859,640		4,859,640		4,859,640
Total Expenditures	4,574,398	3,411,108	4,859,640	15,704,601	28,549,747	23,577,840	52,127,587
Excess (Deficit) of Revenues over Expenditures	6,631,776	5,246,417	(4,859,640)	(405,378)	6,613,175	(6,907,606)	(294,431)
Other Financing Sources (Uses)							
Operating Transfers In	410,881	712,469	4,859,640	691,020	6,674,010		6,674,010
Operating Transfers In from General Government						6,347,993	6,347,993
Operating Transfers Out	(804,507)	(6,056,541)			(6,861,048)		(6,861,048)
Operating Transfers Out to Component Unit	(6,347,993)				(6,347,993)		(6,347,993)
Total Other Financing Sources (Uses)	(6,741,619)	(5,344,072)	4,859,640	691,020	(6,535,031)	6,347,993	(187,038)
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(109,843)	(97,655)		285,642	78,144	(559,613)	(481,469)
Fund Balances, Beginning of Year	404,983	6,151,752		2,822,790	9,379,525	697,135	10,076,660
Fund Balances, End of Year	$ 295,140	$ 6,054,097	$	$ 3,108,432	$ 9,457,669	$ 137,522	$ 9,595,191

The notes to the financial statements are an integral part of this statement.

KETCHIKAN GATEWAY BOROUGH

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL – GENERAL, BUDGETED SPECIAL REVENUE AND DEBT SERVICE FUNDS

For the Fiscal Year Ended June 30, 1994

	General			Annually Budgeted Special Revenue Funds			Debt Service Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES									
Taxes	$ 10,346,247	$ 9,633,281	$ (712,966)	$ 425,727	$ 433,934	$ 8,207			
Payments in Lieu of Taxes	20,000	20,844	844						
Licenses and Permits	13,000	18,540	5,540						
Revenue from Other Govts	1,347,403	1,180,730	(166,673)	4,325,190	4,266,043	(59,147)			
Charges for Services	266,832	250,568	(16,264)	56,225	88,111	31,886			
Other Revenues	135,000	102,211	(32,789)	397,607	600,635	203,028			
Total Revenues	12,128,482	11,206,174	(922,308)	5,204,749	5,388,723	183,974			
EXPENDITURES									
Administration	1,576,145	1,573,958	2,187						
Public Services	2,768,561	2,635,678	132,883	661,278	550,475	110,803			
Non-Departmental	164,520	185,059	(20,539)						
Automation	81,750	74,460	7,290						
Capital Projects	123,300	105,243	18,057	433,214	482,703	(49,489)			
Capital Projects							$ 4,859,534	$ 4,859,640	$ (106)
Total Expenditures	4,714,276	4,574,398	139,878	1,094,492	1,033,178	61,314	4,859,534	4,859,640	(106)
Excess (Deficit) of Revenues over Expenditures	7,414,206	6,631,776	(782,430)	4,110,257	4,355,545	245,288	(4,859,534)	(4,859,640)	(106)
Other Financing Sources (Uses)									
Transfers from Other Funds	406,950	410,881	3,931	1,017,508	712,469	(305,039)	4,859,534	4,859,640	106
Transfers to Other Funds	(7,947,697)	(7,152,500)	795,197	(5,270,698)	(5,270,521)	177			
Unusual Sales Tax Refund									
Total Other Financing Sources (Uses)	(7,540,747)	(6,741,619)	799,128	(4,253,190)	(4,558,052)	(304,862)	4,859,534	4,859,640	106
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(126,541)	(109,843)	16,698	(142,933)	(202,507)	(59,574)			
Fund Balance, Beginning of Year	404,983	404,983		5,962,067	5,962,067				
Fund Balances, End of Year	$ 278,442	$ 295,140	$ 16,698	$ 5,819,134	$ 5,759,560	$ (59,574)	$	$	$

The notes to the financial statements are an integral part of this statement.

Exhibit 4

KETCHIKAN GATEWAY BOROUGH

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCES

ALL PROPRIETARY FUND TYPES

For the Fiscal Year Ended June 30, 1994

	Proprietary Fund Types Enterprise Funds
OPERATING REVENUES	
Charges for Services	$ 2,309,443
Total Operating Revenues	2,309,443
OPERATING EXPENSES	
Operating Expenses	2,563,791
Total Expenses	2,563,791
Operating Loss	(254,348)
Non operating Revenues (Expenses)	
Interest Earnings	15,318
State Operating Grants	171,712
Interest Expense	(55,956)
Other Revenue	80
Total Nonoperating Revenues (Expenses)	131,154
Income (Loss) Before Operating Transfers	(123,194)
Operating Transfers In	187,038
Total Transfers	187,038
Net Income	63,844
Depreciation of Fixed Assets Acquired by Grant	110,826
Net Increase	174,670
Retained Earnings/Fund Balances, Beginning of Year	2,283,670
Retained Earnings/ Fund Balances, End of Year	$ 2,458,340

The notes to the financial statements are an integral part of this statement.

Exhibit 5

KETCHIKAN GATEWAY BOROUGH

COMBINED STATEMENT OF CASH FLOWS

ALL PROPRIETARY FUND TYPES

For the Fiscal Year Ended June 30, 1994

		Proprietary Fund Types Enterprise Funds
Cash Flows for Operating Activities:		
Operating Income (Loss)	$	(254,348)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities:		
Depreciation		333,512
Change in Assets and Liabilities:		
(Increase) in Accounts Receivables		(14,125)
Decrease in Due to Other Funds		(43,758)
(Decrease) in Accounts Payable		(35,271)
(Decrease) in Accrued Liabilities		(11,086)
Net Cash Provided by (Used in) Operating Activities		(25,076)
Cash Flows from Noncapital Financing Activities:		
Operating Grants Received		171,712
Other Revenues		5,613
Transfers in from General Fund		150,000
Transfers out to General Fund		(200)
Net Cash Provided by Noncapital Financing Activities		327,125
Cash Flows from Capital and Related Financing Activities:		
Acquisition of Equipment		(142,844)
State Grant for Equipment		76,633
Principal Paid on Bonds Payable		(165,000)
Interest Paid on Bonds Payable		(55,956)
Net Cash Used for Capital and Related Financing Activities		(287,167)
Cash Flows from Investing Activities		
Interest on Investments		9,785
Net Increase in Cash and Cash Equivalents		24,667
Cash and Cash Equivalents, Beginning of Year		271,620
Cash and Cash Equivalents, End of Year	$	296,287

Noncash investing, capital, and financing activities: None

The notes to the financial statements are an integral part of this statement.

KETCHIKAN GATEWAY BOROUGH
Notes to the Financial Statements
June 30, 1994

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Ketchikan Gateway Borough (the "Borough") was incorporated September 13, 1963, under the provisions of the State of Alaska Borough Act of 1961, as a second class borough. The Borough operates under a seven member elected assembly and manager form of government. As required by generally accepted accounting principles, these financial statements present the government and component units, entities for which the Borough is considered to be financially accountable. Each discretely presented component unit, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the Borough.

Discretely Presented Component Units. The Ketchikan Gateway School District (District) is responsible for elementary and secondary education within the Borough's jurisdiction. The members of the District's governing board are elected by the voters. However, the District is fiscally dependent upon the Borough because the Borough Assembly approves the District's budget, levies taxes and must approve any debt issuances. The District is presented as a governmental fund type.

Complete financial statements for the component unit may be obtained at the entity's administrative office.

Ketchikan Gateway School District
Pouch C
Ketchikan, Alaska 99901

B. Measurement Focus and Basis of Accounting and Basis of Presentation

The accounts of the Borough are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded in those funds.

The Borough has the following fund types and account groups:

Governmental funds are used to account for the Borough's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Borough considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, licenses, interest and special assessment are susceptible to accrual. Sales taxes collected and held by the Borough at year end are also recognized as revenue or liablilities to other governments. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Entitlement and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Governmental funds include the following fund types:

The *General Fund* is the Borough's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

The *Special Revenue Funds* account for revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects).

The *Debt Service Fund* accounts for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds.

The *Capital Projects Funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary funds.

Proprietary Funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Borough applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations. Proprietary funds include the following fund types:

Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Assembly has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Fiduciary Funds account for assets held by the Borough in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the Borough under the terms of a formal trust agreement.

The *agency fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the Borough holds for others in an agency capacity.

Account Groups are used to account for fixed assets not accounted for in proprietary or trust funds, and the general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

C. Cash and Investments and Equity

1. Deposits and Investments

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 treasury" which is the cash balance of that particular fund. Each fund whose monies are deposited in the central treasury has equity therein. Interest income on investments is allocated monthly to participating funds based on their ending equity balance.

Borough ordinance authorizes the Borough to invest in obligations of the U. S. Treasury, its agencies and instrumentalities, bankers' acceptances of the fifty largest banks, highest rated commercial paper, repurchase agreements, fully collateralized certificates of deposits, and 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.

Investments are stated at cost except for investments in the Deferred Compensation Fund, which are reported at market value.

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.

2. Receivables and Payables

Certain accounts within funds have made disbursements from the central treasury in excess of their individual equities. Consequently the General Fund has made a short-term loan to these funds. Short-term interfund loans are classified as "due from other funds" on the balance sheet.

3. Inventories and Prepaid Items

Inventories in the Component Unit are carried at cost on the first-in, first-out method. These inventories consist of expendable supplies, equipment, and foodstuffs held at the central warehouse for issuance to schools or other district locations. The cost of inventory items is included in expenditures when issued for consumption. A portion of fund balance is reserved for inventory to indicate that inventory does not represent available, spendable resources even though it is a component of assets.

Other inventories of materials and supplies are considered immaterial and are recorded as expenditures when purchased.

Prepaid Items are for services that will benefit periods beyond June 30, 1994.

4. Restricted Assets

Certain proceeds of the Borough Airport Enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The current portion of long term debt account is used to segregate resources accumulated for debt service payments over the next twelve months.

5. Fixed Assets

General fixed assets are not capitalized in the funds used to construct or acquire them. Instead, capital acquisition and construction are reflected as expenditures in the governmental funds, and the related assets are reported in the General Fixed Assets Account Group. All purchased fixed assets are valued at historical cost. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or extend the asset life are not included in the general fixed asset account group or capitalized in the proprietary funds. Improvements to proprietary fund assets are capitalized and depreciated over the remaining useful life of the related fixed asset, as applicable, using straight line method.

Public domain or infrastructure consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, and lighting systems, are not capitalized since they are immovable and of value only to the Borough. Assets in the General Fixed Assets Account Group are not depreciated. Depreciation of buildings, equipment, and vehicles in the proprietary funds types is computed using the straight-line method.

Interest is capitalized on proprietary fund assets acquired with tax exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. No interest was capitalized in 1994.

6. Compensated Absences

It is the Borough's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay is accrued when incurred in proprietary funds and reported as a fund liability. Vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Unused sick pay is vested at 25% for the first five years of employment, an additional 25% is vested through year nine, and after 10 years of employment an employee is vested at 100%. Vested sick leave may only be received in cash by the employee upon termination of employment. For this reason, accumulated vacation and vested sick pay are fully funded within the fund type. The obligation of accumulated unpaid vacation and vested sick pay total $394,602 at June 30, 1994.

The Borough does not accrue a liability for nonvested sick pay, payable only in the event of employee absence due to illness.

7. Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the General Long-term Debt Account Group. Long-term debt expected to be financed from proprietary fund operations is accounted for in those funds. Capital lease obligations are recognized in the general long-term debt account group at the net present value of the future minimum lease payments or the market value of the equipment as appropriate. A capital expenditure and other financing source are recognized in the appropriate governmental fund in the year the lease is executed.

8. Fund Equity

Contributed capital is recorded in proprietary funds for those monies received from capital grants or inter-governmental revenues. Reserves for encumbrances, endowments, prepaids and inventories represent those portions of fund equity legally segregated for future use. Designated portions of fund balances for subsequent years' expenditures and working capital represent tentative plans for future use of financial resources.

9. Memorandum Only-Total Columns

Total columns in the combined statements are captioned "Memorandum Only" to indicate that they are to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with GAAP. Such data are not comparable to a consolidation since the basis of accounting differs among the various funds and because interfund eliminations have not been made in the aggregation of this data.

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations.

10. Comparative Data/Reclassification

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Borough's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

II. BUDGETARY AND LEGAL COMPLIANCE

A. Budgetary Data

Budgets are adopted annually for the General, Special Revenue and Enterprise funds; all encumbered appropriations lapse at fiscal year end. Capital Projects fund budgets are adopted on a project length basis.

Budgets were legally adopted by the Borough Assembly for the following funds:

- General Fund
- Special Revenue Funds:
  - Shoup Street Service Area Fund
  - Land Trust Fund
  - Mud Bight Service Area Fund
  - Shoreline Service Area Fund
  - Mountain Point Service Area Fund
  - South End Fire District Fund
  - Waterfall Service Area Fund
  - South Tongass Service Area Fund
  - Forest Park Service Area Fund
  - Gold Nugget Service Area Fund
  - Non Areawide Fund
  - School Bond/Capital Improvement Fund
  - Permanent Fund

Enterprise Funds:
Airport Enterprise Fund
Transit Enterprise Fund

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Open encumbrances at year end are treated as reservations of fund balances since the commitments will be honored in the next year. Borough code allows an additional appropriation to subsequent years' appropriation to the extent of the open encumbrance.

The budgetary data presented in the financial statements is reflective of the following procedure:

The Ketchikan Gateway Borough Board of Education is required by Alaska law to adopt and submit their annual budget to the Ketchikan Gateway Borough Assembly by April 1 of each year for approval by the Assembly of the total amount. Within 30 days after receipt of the School District budget, the Borough Assembly must determine the total amount of funds to be made available from local sources for school purposes and must furnish the Board of Education with a statement of this amount. By May 31 the Assembly must appropriate the local share of funding. Any subsequent increases in the School District budget must be authorized by the Borough Assembly.

The Borough Manager shall prepare and submit to the Assembly, no later than the first regular assembly meeting in May of each year, a proposed annual budget and capital program for the next fiscal year, which shall contain detailed estimates of anticipated revenues and proposed expenditures for the year. The total of such proposed expenditures shall not exceed the total of such anticipated revenues. The Assembly then conducts public hearings to obtain taxpayer comment. The Assembly may add to, subtract from, or change appropriations but may not change the form of the budget. These budgets are legally enacted by passage of an ordinance and mill levies established. Alaska law mandates that tax levies be adopted no later than midnight of June 15 each year. The Borough prepares its budget on a GAAP basis.

Subsequent to the formal budget adoption, the Assembly may, by ordinance, transfer unencumbered balances between funds. The Borough Manager may transfer unencumbered balances within a fund, which is then reported to the Assembly at their next meeting. The legal level of control is at the fund level.

Emergency appropriations to meet public emergencies affecting life, health, welfare, or property may be made by the Assembly by ordinance without notice of public hearing. An Emergency appropriation is effective for 60 days. Other supplemental appropriations may be made only after a 30-day notice of public hearing.

During fiscal year 1994, the Borough Assembly made the following supplemental appropriations in the General and Special Revenue Funds:

(1) Ordinance No. 917 adopted September 20, 1993, appropriated $24,380 from the Mud Bight Service Area Fund.

(2) Ordinance No. 932 adopted April 21, 1994, appropriated $23,250 from the Mountain Point Service Area Fund.

(3) Ordinance No. 934 adopted May 16, 1994, appropriated $1,800 from the Gold Nugget Service Area Fund.

(4) Ordinance No. 944 adopted June 20, 1994, appropriated $52,754 from the General Fund.

Open encumbrances at fiscal year end are honored in the next year. Borough Code allows an additional appropriation in the subsequent year to the extent of the open encumbrance.

All budgetary data presented in this report has been prepared on the modified accrual basis of accounting for government type funds. Under current budgetary procedures, expenditures and encumbrances for a specific fund must not exceed the appropriation for that fund. In addition, the unexpended and encumbered balance of appropriation for each fund lapses at the end of each fiscal year.

B. Excess of Expenditures Over Appropriations

The following individual funds had expenditures in excess of appropriations:

Fund	Appropriation	Actual Expenditures
Special Revenue Funds:		
School Bonds/Capital Improvements Fund	$5,294,248	$5,343,828
Gold Nugget Service Area Fund	8,120	20,175
Land Trust Fund	423,000	439,264

The expenditures in excess of appropriation resulted from expenditures in excess of expected amounts.

In the special revenue funds, certain funds are not budgeted. As such, they are not included in the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual. A reconciliation of the entity differences in the excess of revenues and other financing sources over expenditures and other financing uses at June 30, 1994 is as follows:

Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses for all budgeted special revenue funds	$(202,507)
Adjustments:	
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses for unbudgeted special revenue funds	
Federal Grants	(2,875)
Special Recreation Fund	47
Recreation Sales Tax Fund	107,681
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses for all special revenue funds	$(97,654)

C. Deficit Fund Equity

Negative undesignated fund equity is the result of inflows from external sources not materializing at the end of the current fiscal year.

Special Revenue Fund

School Bond/Capital Improvement Fund	$296,644
Total Negative Undesignated Fund Balance	$296,644

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

The Borough maintains a cash and investment pool that is available for use by all funds except the deferred compensation plan, which is handled by an independent trustee institution. Each fund type's cash and short-term investments are shown in the combined balance sheet as cash and temporary investments for governmental fund types and cash and cash equivalents for proprietary fund types. To provide an indication of the level of credit risk assumed by the Ketchikan Gateway Borough at June 30, 1994, the Borough's deposits and investments are categorized as follows:

Restricted Assets

In accordance with the terms of the Airport Revenue Bond, 1980 bond indenture, certain cash and investments in the Airport Enterprise Fund have been restricted for payment of bond principal and interest. These restricted funds must be maintained at a minimum level of $50,000 until such time as there is an amount sufficient to pay the principal and interest on all of the bonds outstanding. At June 30, 1994, the amount restricted for payment of bond principal and interest was $59,733.

Deposits

Category 1- Insured or collateralized with securities held by Borough or its custodian in the District's name.

Category 2- Collateralized with securities held by the pledging financial institution's trust department or custodian in the Borough's name.

Category 3- Uncollaterlized.

	#1	#3
General Government:		
Cash	$1,073,278	$1,357,363
Component Unit:		
Cash	$ 686,000	

At year-end, the carrying amount of the Borough's deposits was $1,592,824 and the bank balance was $2,430,641. Of the bank balance, $1,073,278 was covered by federal depository insurance or by collateral held by the Borough's agent in the Borough's name and $1,357,363 was uninsured and uncollateralized. The uninsured and uncollateralized deposits are held in accounts controlled by agents of the Alaska Department of Environmental Conservation for construction of sewer and water projects.

The Component Unit deposits was $686,000 at June 30, 1994, the carrying value was $239,000. Short term investments in the amount of $153,000 are classified as category #2.

Investments

Category 1 Insured or registered, or securities held by the Ketchikan Gateway Borough or its agent in the Ketchikan Gateway Borough name.

Category 2 Uninsured and unregistered securities held by the financial institution's trust department or agent in the Ketchikan Gateway Borough name.

Category 3 Uninsured and unregistered securities held by the pledging financial institution, or by its trust department or agent but not in the Ketchikan Gateway Borough name.

	Category 1	Carrying Amount	Market Value
Repurchase Agreements	$ 1,500,000	$1,500,000	$1,500,000
U.S. Government Securities	12,950,660	12,950,660	12,087,450
Total	$14,450,660	$14,450,660	$13,587,450
Investments Not Subject to Categorization:			
Investment in Deferred Compensation Plans		928,454	928,454
Total		$15,379,114	$14,515,904

There is a net unrealized loss of $863,210 in U.S. Government Securities at June 30, 1994. Management is optimistic that the market decline is short term. Improvement in market conditions in recent months supports managements decision.

B. Receivables

Receivables at June 30, 1994, consist of the following:

	General	Special Revenue	Capital Projects	Enterprise	Total
Taxes	$ 32,551				$ 32,551
Accounts Receivables	101,523	$421,430	$147,353	$193,758	864,064
Due From Other Funds	1,169,243	200,000			1,369,243
Due From Other Governments		49,519		162	49,681
Total Receivables	$1,303,317	$670,949	$147,353	$193,920	$2,315,539

Property taxes attach as an enforceable lien on property as of July 1. Taxes are levied on July 1 and payable on September 30. The Borough bills and collects its own property taxes as well as those of the special Revenue Funds and cities within the Borough. The taxes collected on behalf of Borough cities are recorded as liabilities of the General Fund. The Borough property tax revenues are recognized when levied to the extent that they result in current receivables. The Borough is permitted by State law to levy up to $3 per $100 of assessed valuation for general government services other than the payment of principal and interest on long-term debt. State law prohibits taxation that will result in revenues from all sources exceeding $1,500 per year for each person residing within the municipal boundaries or upon value that, when combined with the value of property otherwise taxable by the Borough, exceeds the product of 225 percent of the average per capita assessed full and true value of property in the state multiplied by the number of residents. The Borough is within these limits.

The Borough also collects its own sales tax as well as that of the cities within the Borough. The Borough-wide sales tax rate is 2% while the city rates are 3.5%. The sales tax collections for Borough cities are recorded as liabilities of the General Fund.

C. Fixed Assets

A summary of changes in general fixed assets is as follows:

	Balance July 1, 1993	Additions	Deletions	Balance June 30, 1994
Land	$ 30,865			$ 30,865
Buildings	786,615	$146,262		932,877
Equipment	1,414,871	257,341		1,672,212
Pools and Ballfields	825,701	1,705,476		2,531,177
Construction in Progress	140,582		(140,582)	
Total	$3,198,634	$2,109,079	(140,582)	$5,167,131

The presence of asbestos in the Ketchikan High School has now been removed. Unasserted claims may exist for former employees and construction workers with respect to asbestos concerns. An alternative plan that was adopted by the School District replaced portions of the building at the existing site at a cost of $40,889,000. The School Board refurbished the gymnasium, built additional new classrooms, and an auditorium.

The voters of the Ketchikan Gateway Borough approved $12 million in general obligation bonds for the first phase of this project. The district engaged a project manager and an architectural firm. The Alaska State Legislature appropriated a $10.8 million grant in FY 1991 for the second phase of this project, $5.6 million in FY 1992 for the third phase, and $9.5 million in FY 1993 for the fourth and final phase.

On May 18, 1992, the Borough Assembly repealed their Resolution delegating the construction power to the Ketchikan Gateway Borough School District. Subsequently, the Ketchikan Gateway Borough Assembly has assumed all responsibility and authority for the Ketchikan High School construction project. On July 8, 1992, (in FY 1993), the Ketchikan Gateway Borough School District Board of Education authorized that the construction and design agreements be transferred to the Ketchikan Gateway Borough. On July 8, 1992, the assets and liabilities of the Ketchikan High School remodel project were transferred to the Ketchikan Gateway Borough.

On April 21, 1993, the Ketchikan Gateway Borough awarded a bid to a contractor to construct a portion of Phase II of the Ketchikan High School remodel project in the amount of $1,821,677. Subsequent to year end on July 14, 1993 the Ketchikan Gateway Borough awarded a bid to a contractor to construct Phase III of the Ketchikan High School remodel project in the amount of $11,604,900. During the fiscal year 1994 Phase IV of the project was awarded in the amount of

$4,826,000. Completion of the Ketchikan High School Reconstruction is scheduled for December 15, 1994.

Construction in progress on Ketchikan High School was $11,704,473 as of June 30, 1994. The custodial responsibility for school buildings owned by the Borough is the responsibility of the component unit (KGSD). Therefore, those general fixed assets are recorded on the Component unit's financial reports.

It is the policy of the Borough not to include Infrastructure or public domain general fixed assets that are generally of value only to the Borough. Included in this category of fixed assets are highways, bridges, sidewalks, drainage systems, water and sewer lines, breakwater improvements.

The following is a summary of the changes in property, plant, and equipment for the Enterprise Funds during fiscal year 1994:

	Balance July 1, 1993	Net Change Current Year	Balance June 30, 1994
Field	$3,183,501	$ 4,253	$3,187,754
Terminal	3,825,696	123,433	3,949,129
Ferry	1,555,091	2,899	1,557,990
Administration	850		850
Murphy's Landing		10,800	10,800
Buses	147,479	1,459	148,938
Recreation	5,374	(5,374)	
	8,717,991	137,470	8,855,461
Accumulated Depreciation	(3,791,174)	(333,310)	(4,124,484)
Net Property, Plant, and Equipment	$4,926,817	$(195,840)	$4,730,977

Depreciation is recorded for fixed assets in the Enterprise funds. Estimated useful lives by major class of depreciable fixed assets is as follows:

Airport Field Facilities	15-30 years
Vehicle and Moving Equipment	6-10 years
Airport Terminal Building	40 years
Equipment	6-10 years
Ferry Slip	40 years
Ferries	20 years

D. Leases

The Ketchikan Gateway Borough has entered into an agreement with the State of Alaska, Department of Transportation, for the operation of the Ketchikan International Airport. This is a long term arrangement. Major repairs and improvements are provided through legislative funding. During the normal course of business the Borough has entered into subleases for portions of the terminal building and facilities. Leases are established for five years with options for renewal being negotiated during the final year of the lease for the terminal building. Other facilities are negotiated for periods from three to fifty years.

Listed below are the expected annual revenues from current executed leases:

Year	Terminal Space	Other
1995	443,238	28,824
1996	443,238	8,850
1997	409,717	7,950
1998	133,878	7,950
1999	60,066	7,950

E. Long-Term Debt

The Ketchikan Gateway Borough has issued general obligation bonds for acquisition and construction of schools and airports. School bonds are reported in the General Long-Term Debt Account Group while the Airport Enterprise Fund debt is included in the proprietary fund statements since it must be repaid from proprietary revenues. The general obligation school and airport bonds pledge the full faith and credit of the Borough.

A summary of changes in General Long-term debt is as follows:

	July 1, 1993	Retirements	June 30, 1994
Areawide General Obligation Bonds	$12,384,000	$4,045,000	$8,339,000
Enterprise Fund:			
General Obligation Bonds	620,000	140,000	480,000
Revenue Bonds	250,000	25,000	225,000
	$13,254,000	$4,210,000	$9,044,000

Bonds payable at June 30, 1994 consist of the following individual issues:

General Obligation Bonds:

1958 Alaska Public Works Bonds due through 1978 at 2% interest	$ 529,000
1972 Airport Bonds	480,000
1974 School Refunding due through 1995 at 5-8% interest	610,000
1989 School Bonds due through 2000 at 6-6.7% interest	7,200,000
	8,819,000
Revenue Bonds:	
1980 Airport due through 2000 at 8% interest	225,000
	$9,044,000

The annual requirements to amortize all bonds outstanding as of June 30, 1994, including interest of $1,742,988 for general obligations and $68,400 for revenue bonds, are as follows:

Year Ending June 30	General Obligation Bonds	Revenue
1995	2,278,888	48,000
1996	1,977,350	45,600
1997	1,696,750	48,200
1998	1,439,400	50,400
1999	1,360,200	47,200
2000	1,280,400	54,000
Total	$ 10,032,988	$ 293,400

The amount of $59,733 is available in the Airport Enterprise Revenue Redemption and Reserve Fund to service revenue bonds.

IV. OTHER INFORMATION

A. Risk Management

The Borough is subject to the risk of loss on property and equipment owned. The Borough has purchased insurance through commercial carriers to cover their risk of loss.

B. Segment Information - Enterprise Funds

Ketchikan Gateway Borough maintains two enterprise funds which are intended to be self-supporting through user fees charged for services and use of the facilities. Financial segment information as of and for the year ended June 30, 1994 is presented below.

	Ketchikan Airport	Transit	Recreation	Total
Operating Revenues	$2,189,070	$120,373		$2,309,443
Operating Grants, Entitlement and Shared Revenues	125,000	46,712		171,712
Depreciation Expense	319,030	14,482		333,512
Operating Income (Loss)	(119,279)	(135,069)		(254,348)
Operating Transfers In		150,000		150,000
Net Income (Loss)	(40,450)	67,256	$37,038	63,844
Property, Plant and Equipment Additions	141,385	1,459		142,844
Net Working Capital	(52,011)	12,619		(39,392)
Total Assets	5,073,255	147,929		5,221,184
Bonds and Other Long-term Liabilities	705,000			705,000
Total Equity	4,172,553	53,765		4,226,318
Contributed Capital	3,071,043	36,845		3,107,888
(Accumulated Amortization)	(1,305,065)	(34,845)		(1,339,910)

The Airport Fund is responsible for the operation and maintenance of the airport facilities and ferry system. The Transit fund is responsible for the operation and maintenance of the Borough's bus system.

C. Contingent Liabilities

The Ketchikan Gateway Borough, in the normal course of its activities, is involved in various claims and pending litigations. One such case has been filed against the Borough alleging racial discrimination with a conservative estimated potential liability of $300,000, there is little likelihood of an unfavorable outcome. It is the opinion of management and the Borough's legal staff, the disposition of these matters is not expected to have a material adverse effect on the Borough's financial position.

At June 30, 1994, the Ketchikan Gateway Borough is committed for the completion of various projects in the amount of $7,054,048 accounted for in the Capital Projects Funds.

Ketchikan High School Reconstruction	$6,498,459
Mountain Point Sewer and Water	555,589

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, would become a liability of the appropriate fund.

D. Deferred Compensation Plan

The Borough and the School District offer their employees deferred compensation plans created in accordance with Internal Revenue Code, Section 457. The plans, available to all full-time employees at their option, permit participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property of the Borough and School District (without being restricted to the provisions of benefits under the plan), subject only to the claims of the Borough's and District's general creditors. Participants' rights under the plans are equal to those of general creditors in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of legal counsel that the Borough has no liability for losses under the plans but does have the duty of due care that would be required of an ordinary prudent investor. It is unlikely that the Borough will use the assets to satisfy the claims of general creditors in the future.

The Borough's and School District's deferred compensation plans are accounted for as an agency fund. The assets in this fund are shown at market value.

E. Employee Retirement Systems & Plans

Substantially all of the employees of the Ketchikan Gateway Borough (Borough) participate in the State of Alaska Public Employees' Retirement System (PERS), Masters, Mates & Pilots (MMP) Plan or International Brotherhood of Electrical Workers (IBEW) Plan.

Public Employee Retirement System (PERS)

The PERS is a defined benefit, agent multiple-employer public employee retirement system. The PERS was established by State of Alaska Statutes January 1, 1961 and includes employees of the State and its political subdivisions. Benefit provisions are modified from time to time through legislative action at the State level. Borough and School District employees contribute 6.75% of their annual pre-tax income, except emergency personnel, who contribute 7.5%. The Borough pays an amount that is actuarially determined on an annual basis.

Employees hired prior to July 1, 1986, with five or more years of credited service, are entitled to annual pension benefits beginning at normal retirement at 55 or early retirement at 50. For employees hired after June 30, 1986, the normal and early retirement ages are 60 and 55, respectively. The normal annual pension benefit for each year of service is equal to 2% of the member's highest three-year average monthly compensation for the first ten years of service, 2-1/4% for the second ten years of service, and 2-1/2% after that. All services earned prior to July 1, 1986, will be calculated using the 2% multiplier. Employees with 30 or more years of credited service (20 years for emergency personnel) may retire at any age and receive a normal benefit.

Major medical benefits are provided without cost to all retirees first hired before July 1, 1986. Members first hired after June 30, 1986, may elect major medical benefits.

If an employee dies from occupational causes, the employee's spouse or dependent children receive a monthly pension from the PERS. Nonoccupational death benefits are paid based on years of service and would consist of either a lump sum benefit or a joint and survivor option. Active employees who become permanently disabled due to an occupational injury receive disability payments until normal retirement age, at which time they begin receiving normal retirement benefits. Credited service is adjusted to include the time that the employee was disabled.

FUNDING STATUS AND PROGRESS

The amount shown below as "pension benefit obligation," which is the actuarial present value of credited projected benefits, is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. This measure is intended to help users assess the Plan's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among plans. The measure is independent of the actuarial funding method used to determine contributions to the Plan. PERS does not own any bonds or other debt instruments of any kind of the Borough.

The pension benefits obligation is determined by William M. Mercer, Incorporated and is that amount that results from applying actuarial assumptions to adjust the accumulated benefits to reflect the time value of money (through discounts for interest and the probability of payment by means of decrements such as of death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of June 30, 1992 are as follows:

1. Actuarial cost method - projected unit credit, unfunded accrued benefit liability amortized over twenty-five years, funding surplus amortized over five years.

2. Mortality basis - 1984 Unisex Pension Mortality Table set forward one year for male and police/fire members, and set backward four years for females.

3 Retirement age - retirement rates based on actual experience.

4. Discount rate - 8.75% per annum, compounded annually, net of investment expenses.

5. Salary increases are 6.5% per year for the first five years and 5.5% per year thereafter.

6. Health cost inflation is 11.5% per year for 1993.

7. Cost of living allowance (domicile in Alaska) - 71% of those receiving benefits will be eligible to receive the cost of living allowance.

8. Contribution refunds - 100% of those employees terminating after age thirty -five with five or more years of service will leave their contributions in the fund and thereby retain their deferred vested benefit. All others who terminate are assumed to have their contributions refunded.

9. Asset valuation - five year average ratio of actuarial and book values of the Plan assets. The actuarial value of the assets equals the market value of the Plans assets, except that fixed income investments are carried at book values.

Turnover and disability assumptions are based upon actual historical occurrence rates of the Plan. The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated benefits.

The unfunded pension benefit obligation of PERS as calculated at June 30, 1993, which is the most recent actuarial valuation, is as follows (in thousands):

	PERS
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$3,221
Current employees:	
Accumulated employee contributions including allocated investment earnings	877
Employer-financed vested	2,803
Employer-financed nonvested	393
Total pension benefit obligation	7,294
Net assets available for benefits, valuation based upon the market, except that fixed income investments are valued at book value	7,218
Unfunded pension benefit obligation	$ 76

Actuarially Determined Contribution Requirements and Contribution

The funding policies for PERS provide for actuarially determined periodic contribution rates that change over time to assure sufficient assets are accumulated to meet the obligations of the plans. The actuarial funding method used by PERS is the projected unit credit method. Significant actuarial assumptions used to calculate the pension benefit obligations are identical to those used for funding purposes. There were no changes in the PERS actuarial method or in the assumptions for the previous valuation.

Covered employees are required by State statute to contribute 6.75% or 7.5% of their salary to the plan. The employer is required to contribute whatever additional amount is needed to pay future PERS benefits in accordance with the actuarial valuation. The contribution requirement for 1994 was $411,817, which consisted of $259,644, (11.75% of current covered payroll of $2,209,739), for the employer and $152,173 for the employee Of the employers portion $206,000 (9.32%) covered the normal cost and the Borough had a credit of $53,644 (2.43%) to cover the amount of past service cost.

Trend Information

The following table presents trend information for the PERS (thousands omitted). Data concerning the pension benefit obligation was taken from the most recent PERS actuarial report. In each case the actuarial report was dated June 30 of the year preceding the fiscal year of the column heading.

	1993	1992	1991
Net assets available as a percentage of PBO	99.0	96.0	93.6
Unfunded PBO as a percentage of covered payroll	3.4	9.5	14.9
Employer contribution as a % of covered payroll made in accordance with actuarial determined requirement	11.75	7.8	12.8

The required ten-year trend information for the plan is located in the supplementary information section of the Borough's statistical section (Table 11) of the Borough's comprehensive annual financial report. However, prior to 1987, trend information for the PERS was available for the total plan only, not by individual employer.

THE MMP PLAN

The Masters, Mates and Pilots plan is a defined contribution plan and is funded entirely by employer contributions which are a fixed amount per employee, paid bimonthly. The Borough exercises no fiduciary responsibility over the MMP plan. Members of this plan include the ferryboat workers employed in positions covered by the Ketchikan Airport enterprise fund. Participants are eligible to participate immediately upon employment and are fully vested after ten years of service.

Contributions made to the plan during the year totaled $12,330 or $685 per employee per bimonthly payroll. This represents 9.3% of total covered payroll of $132,378 and .4% of total payroll of $2,956,784 respectively.

IBEW

All employees represented by IBEW who are employees of the Borough are covered by a defined benefit pension plan which is a cost-sharing multi-employer PERS. The International Brotherhood of Electrical Workers plan is funded entirely by employer contributions based upon hourly rates. The Borough exercises no fiduciary responsibility over the IBEW. Members of this defined benefit pension plan are eligible to participate immediately upon employment and are fully vested after ten years of service.

Contributions for members who were employed in Borough positions were $2.25 per non-premium hour worked. The payroll for covered employees totalled $231,272. The Borough contributed $38,182 for covered employees. This represents 16.5% of covered payroll and 1.29% of total payroll of $2,956,784, respectively.

F. Interfund Transfers

Interfund operating transfers have been made in accordance with appropriating ordinances.

Funds are transferred from one fund to support expenditures of other funds in accordance with the authority established for the individual fund.

Transfers between funds for the year ended June 30, 1994, were as follows:

	Transfers Out	Transfers In
General Fund	$ 804,507	$ 410,881
Special Revenue	6,056,541	712,469
Enterprise Funds		187,038
Debt Service		4,859,640
Capital Projects		691,020
Subtotals	$6,861,048	$6,861,048
Component Unit		
School District		$6,347,993
General Fund	$6,347,993	
Totals	$13,209,041	$13,209,041

G. Interfund Receivables/Payables

The balances due to and from the various funds are as follows at June 30, 1994:

	Due From	Due To
General Fund	$1,169,243	$200,000
Land Trust	200,000	
School Bond Capital Improvements		505,047
State and Federal Grants:		
Child Care Assistance		21,709
Indoor Recreation Center		18,477
Mountain Point Sewer and Water		596,045
Coastal Zone Management		27,965
Subtotals	1,369,243	1,369,243
Component Unit:	80,813	
General Fund		80,813
Totals	$1,450,056	$1,450,056

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GENERAL FUND STATEMENTS

The General Fund is the operating fund of the Borough. It is used to account for all financial resources except those required to be accounted for in separate funds.

The following statements are included in this section:

Comparative Balance Sheets
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance - (Budget and Actual)

Exhibit A-1

KETCHIKAN GATEWAY BOROUGH

GENERAL FUND

COMPARATIVE BALANCE SHEETS

June 30, 1994 and 1993

	1994	1993
Cash & Temporary Investments	$ 975	$ 734,302
Accounts Receivable	101,523	112,304
Due From Other Funds	1,169,243	284,569
Prepaid Expenses	6,327	6,413
Property Taxes Receivable	32,551	33,442
Accrued Interest Receivable		352,708
Total Assets	$ 1,310,619	$ 1,523,738

LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	$ 241,918	$ 84,310
Due to Other Governments	77,090	103,976
Due to Other Funds	200,000	
Due to Component Unit	80,813	549,415
Accrued Liabilities	357,587	365,253
Deferred Revenue	58,071	15,801
TOTAL LIABILITIES	1,015,479	1,118,755
Fund Balance		
Reserved for Prepaid Insurance		6,413
Reserved for Encumbrances	32,741	
Unreserved	262,399	398,570
TOTAL FUND BALANCE	295,140	404,983
Total Liabilities & Fund Balance	$ 1,310,619	$ 1,523,738

KETCHIKAN GATEWAY BOROUGH

GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

For the Fiscal Years Ended June 30, 1994 and 1993

	Budget	Actual	Variance Favorable (Unfavorable)	Year Ended 6-30-93 Actual
REVENUES				
Taxes				
Real & Personal Property Taxes	$ 6,455,126	$ 6,442,842	$ (12,284)	$ 6,272,926
Automobile & Boat Taxes	149,000	168,576	19,576	149,721
Sales Taxes	3,638,521	2,850,463	(788,058)	2,865,742
Penalty & Interest	103,600	171,400	67,800	115,881
Total Taxes	10,346,247	9,633,281	(712,966)	9,404,270
Alaska State Housing Authority	20,000	20,844	844	24,448
Licenses and Permits				
Zoning Fees	13,000	18,540	5,540	14,348
Revenues from Other Governments				
State Municipal Assistance	280,885	306,152	25,267	336,030
State Revenue Sharing	229,444	247,649	18,205	258,050
State License Refunds	251,488	319,266	67,778	243,465
State Child Care Assistance	76,250	67,121	(9,129)	70,249
Federal Revenue – PILT	209,336	74,664	(134,672)	74,664
Timber Stumpage	300,000	165,878	(134,122)	146,123
Total Revenues from Other Governments	1,347,403	1,180,730	(166,673)	1,128,581
Charges for Services				
Animal Control	35,000	27,379	(7,621)	27,150
Parks and Recreation	199,380	177,650	(21,730)	17,158
Other Charges	32,452	45,539	13,087	163,295
Total Charges	266,832	250,568	(16,264)	207,603
Other Revenues				
Interest Income	135,000	102,211	(32,789)	416,027
Transfers from Other Funds				
Day Care Fund				
Land Trust Fund	380,000	380,000		410,000
Transit Fund				15,000
Service Area Funds	16,950	20,881	3,931	16,950
Permanent Fund	10,000	10,000		11,954
Total Transfers	406,950	410,881	3,931	453,904
Total Revenues	$ 12,535,432	$ 11,617,055	$ (918,377)	$ 11,649,181

Exhibit A-2

KETCHIKAN GATEWAY BOROUGH

GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

For the Fiscal Years Ended June 30, 1994 and 1993

	Budget	Actual	Variance Favorable (Unfavorable)	Year Ended 6-30-93 Actual
EXPENDITURES				
Administration				
Mayor & Assembly	$ 85,890	$ 79,972	$ 5,918	$ 153,332
Law	174,345	199,868	(25,523)	180,464
Clerk	171,712	165,693	6,019	165,591
Manager	329,633	334,696	(5,063)	369,526
Finance-Accounting	462,287	449,088	13,199	562,662
Finance-Assessment	352,278	344,641	7,637	352,522
Total Administration	1,576,145	1,573,958	2,187	1,784,097
Public Services				
Animal Protection	220,535	218,336	2,199	258,562
Planning	568,054	449,317	118,737	505,301
OEDP	219,354	171,346	48,008	186,099
Community Education	557,488	582,239	(24,751)	595,735
Maintenance and Operations	502,490	448,788	53,702	464,725
Child Care Operations	76,250	84,056	(7,806)	70,583
Parks and Recreation	667,290	681,596	(14,306)	
Total Public Services	2,811,461	2,635,678	175,783	2,081,005
Automation	81,750	74,460	7,290	
Non Departmental	164,520	185,059	(20,539)	180,520
Capital Projects	123,300	105,243	18,057	72,238
Total Expenditures	4,757,176	4,574,398	182,778	4,117,860
Excess (Deficit) of Revenues over Expenditures	7,778,256	7,042,657	(735,599)	7,531,321
Other Financing Sources (Uses)				
Transfers to Component Unit	(6,347,993)	(6,347,993)		(6,347,993)
Transfers to Recreation Capital Fund	(763,485)		763,485	
Transfers to Recreation Fund		(37,038)	(37,038)	(485,000)
Transfers to Transit Fund	(150,000)	(150,000)		(95,000)
Transfers to Airport Fund	(68,750)		68,750	(143,304)
Transfers to Bond Debt Fund	(617,469)	(617,469)		
Unusual Sales Tax Refund				(173,241)
Total Other Financing	(7,947,697)	(7,152,500)	795,197	(7,244,538)
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	$ (169,441)	(109,843)	$ 59,598	286,783
Fund Balance Beginning of Year		404,983		118,200
Fund Balance End of Year		$ 295,140		$ 404,983

SPECIAL REVENUE FUND STATEMENTS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditure for specific purposes. This does not include debt service resources, expendable trusts or major capital projects.

The following statements are included in this section:

Combining Statements - All Special Revenue Funds:
Balance Sheets
Statement of Revenues, Expenditures & Changes in Fund Balances

Individual Statements of Revenues, Expenditures & Changes in Fund Balances
Budget and Actual for each Special Revenue Fund for which a Budget is developed

The following individual funds are included in this section:

Shoup Street Service Area Fund
Land Trust Fund
Mud Bight Service Area Fund
Shoreline Service Area Fund
Mountain Point Service Area Fund
South End Fire District Fund
Waterfall Service Area Fund
South Tongass Service Area Fund
Forest Park Service Area Fund
Gold Nugget Service Area Fund
Non Areawide Fund
State and Federal Grants Fund
School Bond/Capital Improvements Fund
Permanent Fund
Special Recreation Fund
Recreation Sales Tax Fund

Exhibit B-1

KETCHIKAN GATEWAY BOROUGH

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

June 30, 1994

	Land Trust Fund	Mud Bight Service Area Fund	Shoreline Service Area Fund	Mountain Point Service Area Fund
ASSETS				
Cash & Temporary Investments	$ 4,829,157	$ 36,894	$ 63,549	$ 85,365
Due from Other Funds	200,000			
Due from Other Governments				
Accounts Receivable – General	2,085			
Deferred Accounts Receivable	225,127			
Total Assets	$ 5,256,369	$ 36,894	$ 63,549	$ 85,365
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	$		$ 3,150	$ 4,695
Retainage Payable				
Deferred Revenue	225,127			
Due to Other Governments				
Due to Other Funds				
Total Liabilities	225,127		3,150	4,695
Fund Balances				
Encumbrances	11,168			
Unreserved Fund Balance	5,020,074	$ 36,894	60,399	80,670
Total Fund Balance	5,031,242	36,894	60,399	80,670
Total Liabilities and Fund Balances	$ 5,256,369	$ 36,894	$ 63,549	$ 85,365

Exhibit B–1, cont.

KETCHIKAN GATEWAY BOROUGH

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

June 30, 1994

	South End Fire District Fund	Waterfall Service Area Fund	So Tongass Service Area Fund	Forest Park Service Area Fund
ASSETS				
Cash & Temporary Investments	$ 160,537	$ 71,489	$ 7,711	$ 285,922
Due from Other Funds				
Due from Other Governments				
Accounts Receivable – General				
Deferred Accounts Receivable				
Total Assets	$ 160,537	$ 71,489	$ 7,711	$ 285,922
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	$ 329			$ 3,294
Retainage Payable				
Deferred Revenue				
Due to Other Governments				
Due to Other Funds				
Total Liabilities	329			3,294
Fund Balances				
Encumbrances	9,517			
Unreserved Fund Balance	150,691	$ 71,489	$ 7,711	282,628
Total Fund Balance	160,208	71,489	7,711	282,628
Total Liabilities and Fund Balances	$ 160,537	$ 71,489	$ 7,711	$ 285,922

Exhibit B-1, cont.

KETCHIKAN GATEWAY BOROUGH

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

June 30, 1994

	Gold Nugget Service Area Fund	Non Areawide Fund	State & Federal Grants Fund	School Bond/ Capital Improvements Fund
ASSETS				
Cash & Temporary Investments	$ 14,974	$ 47,366	$ 1,400,088	
Due from Other Funds				
Due from Other Governments			49,519	
Accounts Receivable – General			210,442	$ 208,903
Deferred Accounts Receivable				
Total Assets	$ 14,974	$ 47,366	$ 1,660,049	$ 208,903
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	775	$	$ 120,702	$ 500
Retainage Payable			72,302	
Deferred Revenue			685,531	
Due to Other Governments			17,047	
Due to Other Funds			664,196	505,047
Total Liabilities	775		1,559,778	505,547
Fund Balances				
Encumbrances			693,317	
Unreserved Fund Balance	$ 14,199	$ 47,366	(593,046)	(296,644)
Total Fund Balance	14,199	47,366	100,271	(296,644)
Total Liabilities and Fund Balances	$ 14,974	$ 47,366	$ 1,660,049	$ 208,903

Exhibit B-1, cont.

KETCHIKAN GATEWAY BOROUGH

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

June 30, 1994

	Permanent Fund	Special Recreation Fund	Recreation Sales Tax Fund	Total
ASSETS				
Cash & Temporary Investments	$ 263,398	$ 48,202	$ 146,065	$ 7,460,717
Due from Other Funds				200,000
Due from Other Governments				49,519
Accounts Receivable – General				421,430
Deferred Accounts Receivable				225,127
Total Assets	$ 263,398	$ 48,202	146,065	$ 8,356,793
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable				$ 133,445
Retainage Payable				72,302
Deferred Revenue				910,658
Due to Other Governments				17,047
Due to Other Funds				1,169,243
Total Liabilities				2,302,695
Fund Balances				
Encumbrances				714,002
Unreserved Fund Balance	$ 263,398	$ 48,202	$ 146,065	5,340,096
Total Fund Balance	263,398	48,202	146,065	6,054,098
Total Liabilities and Fund Balances	$ 263,398	$ 48,202	$ 146,065	$ 8,356,793

KETCHIKAN GATEWAY BOROUGH

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended June 30, 1994

	Land Trust Fund	Mud Bight Service Area Fund	Shoreline Service Area Fund	Mountain Point Service Area Fund
REVENUES				
Taxes		$ 543	$ 45,179	
State Revenues		98	69	
Charges for Services		8,425		$ 50,214
Interest and Miscellaneous	$ 535,280	1,914	3,300	4,430
Total Revenues	535,280	10,980	48,548	54,644
EXPENDITURES				
Public Services	59,264	129	27,994	64,461
Capital Outlay				
Total Expenditures	59,264	129	27,994	64,461
Excess (Deficit) of Revenues over Expenditures	476,016	10,851	20,554	(9,817)
Other Financing Sources (Uses)				
Interfund Transfers (In)				
Operating Transfers Out	(380,000)	(1,380)	(4,500)	(2,169)
Total Other Financing	(380,000)	(1,380)	(4,500)	(2,169)
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	96,016	9,471	16,054	(11,986)
Fund Balance, Beginning of Year	4,935,226	27,423	44,345	92,656
Fund Balance, End of Year	$ 5,031,242	$ 36,894	$ 60,399	$ 80,670

KETCHIKAN GATEWAY BOROUGH

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year June 30, 1994

	South End Fire District Fund	Waterfall Service Area Fund	So Tongass Service Area Fund	Forest Park Service Area Fund
REVENUES				
Taxes	$ 71,751			$ 68,295
State Revenues	746	$ 1,084		4,482
Charges for Services		9,148		
Interest and Miscellaneous	10,292	3,710	$ 400	14,794
Total Revenues	82,789	13,942	400	87,571
EXPENDITURES				
Public Services	18,178	600		81,689
Capital Outlay				
Total Expenditures	18,178	600		81,689
Excess (Deficit) of Revenues over Expenditures	64,611	13,342	400	5,882
Other Financing Sources (Uses)				
Interfund Transfers (In)				
Operating Transfers Out	(5,205)	(865)		(6,285)
Total Other Financing	(5,205)	(865)		(6,285)
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	59,406	12,477	400	(403)
Fund Balance, Beginning of Year	100,802	59,012	7,311	283,031
Fund Balance, End of Year	$ 160,208	$ 71,489	$ 7,711	$ 282,628

KETCHIKAN GATEWAY BOROUGH

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year June 30, 1994

	Gold Nugget Service Area Fund	Non Areawide Fund	State & Federal Grants Fund	School Bond/ Capital Improvements Fund
REVENUES				
Taxes		$ 248,166		
State Revenues	$ 599	9,592	$ 2,354,149	$ 4,249,373
Charges for Services	20,324			
Interest and Miscellaneous	777	2,386	20,906	9,000
Total Revenues	21,700	260,144	2,375,055	4,258,373
EXPENDITURES				
Public Services	19,698	276,977	2,377,930	1,485
Capital Outlay				482,703
Total Expenditures	19,698	276,977	2,377,930	484,188
Excess (Deficit) of Revenues over Expenditures	2,002	(16,833)	(2,875)	3,774,185
Other Financing Sources (Uses)				
Interfund Transfers (In)				712,469
Operating Transfers Out	(477)			(4,859,640)
Total Other Financing	(477)			(4,147,171)
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	1,525	(16,833)	(2,875)	(372,986)
Fund Balance, Beginning of Year	12,674	64,199	103,146	76,342
Fund Balance, End of Year	$ 14,199	$ 47,366	$ 100,271	$ (296,644)

KETCHIKAN GATEWAY BOROUGH

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year June 30, 1994

	Permanent Fund	Special Recreation Fund	Recreation Sales Tax Fund	Total
REVENUES				
Taxes			$ 893,690	$ 1,327,624
State Revenues				6,620,192
Charges for Services				88,111
Interest and Miscellaneous	$ 14,352	47	11	621,599
Total Revenues	14,352	47	893,701	8,657,526
EXPENDITURES				
Public Services				2,928,405
Capital Outlay				482,703
Total Expenditures				3,411,108
Excess (Deficit) of Revenues over Expenditures	14,352	47	893,701	5,246,418
Other Financing Sources (Uses)				
Interfund Transfers (In)				712,469
Operating Transfers Out	(10,000)		(786,020)	(6,056,541)
Total Other Financing	(10,000)		(786,020)	(5,344,072)
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	4,352	47	107,681	(97,654)
Fund Balance, Beginning of Year	259,046	48,155	38,384	6,151,752
Fund Balance, End of Year	$ 263,398	$ 48,202	$ 146,065	$ 6,054,098

Exhibit B–3

KETCHIKAN GATEWAY BOROUGH

SHOUP STREET SERVICE AREA FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended June 30, 1994
With Comparative Totals for the Year Ended June 30, 1993)

	Budget	Actual	Variance Favorable (Unfavorable)	Year Ended June 30, 1993 Actual
REVENUES:				
Public Services	$ 15,140	$	$ (15,140)	$
Total Revenues	15,140		(15,140)	
EXPENDITURES:				
Public Services	10,050		10,050	
Total Expenditures	10,050		10,050	
Excess (Deficit) of Revenues over Expenditures	5,090		(5,090)	
Other Financing Sources (Uses))				
Operating Transfers Out	(645)		645	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ 4,445		$ (4,445)	
Fund Balance, Beginning of Year				
Fund Balance, End of Year		$		$

Exhibit B–4

KETCHIKAN GATEWAY BOROUGH

LAND TRUST FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended June 30, 1994
(With Comparative Totals for the Year Ended June 30, 1993)

	Budget	Actual	Variance Favorable (Unfavorable)	Year Ended June 30, 1993 Actual
REVENUES:				
Interest Income	$ 246,125	$ 266,787	$ 20,662	264,646
Other Revenue		268,493	268,493	28,548
Sale of Land	100,000		(100,000)	93,382
Total Revenues	346,125	535,280	189,155	386,576
EXPENDITURES:				
Public Services	43,000	59,264	(16,264)	90,842
Total Expenditures	43,000	59,264	(16,264)	90,842
Excess (Deficit) of Revenues over Expenditures	303,125	476,016	172,891	295,734
Other Financing Sources (Uses) Operating Transfers Out	(380,000)	(380,000)		(410,000)
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	$ (76,875)	96,016	$ 172,891	(114,266)
Fund Balance, Beginning of Year		4,935,226		5,049,492
Fund Balance, End of Year		$ 5,031,242		$ 4,935,226

Exhibit B-5

KETCHIKAN GATEWAY BOROUGH

MUD BIGHT SERVICE AREA FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended June 30, 1994
(With Comparative Totals for the Year Ended June 30, 1993)

	Budget	Actual	Variance Favorable (Unfavorable)	Year Ended June 30, 1993 Actual
REVENUES:				
Real and Personal Taxes	$	$ 543	$ 543	$ 5,178
State Revenues	189	98	(91)	222
Public Services	4,725	8,425	3,700	
Interest Income	229	1,914	1,685	1,276
Total Revenues	5,143	10,980	5,837	6,676
EXPENDITURES:				
Public Services	23,000	129	22,871	
Total Expenditures	23,000	129	22,871	
Excess (Deficit) of Revenues over Expenditures	(17,857)	10,851	28,708	6,676
Other Financing Sources (Uses) Operating Transfers Out	(1,380)	(1,380)		(785)
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	$ (19,237)	9,471	$ 28,708	5,891
Fund Balance, Beginning of Year		27,423		21,532
Fund Balance, End of Year		$ 36,894		$ 27,423

Exhibit B–6

KETCHIKAN GATEWAY BOROUGH

SHORELINE SERVICE AREA FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended June 30, 1994
(With Comparative Totals for the Year Ended June 30, 1993)

	Budget	Actual	Variance Favorable (Unfavorable)	Year Ended June 30, 1993 Actual
REVENUES:				
Real and Personal Taxes	$ 43,560	$ 44,232	$ 672	43,371
Automobile and Boat Taxes	730	947	217	511
State Revenues	550	69	(481)	424
Interest Income	2,500	3,300	800	2,557
Total Revenues	47,340	48,548	1,208	46,863
EXPENDITURES:				
Public Services	34,650	27,994	6,656	41,089
Total Expenditures	34,650	27,994	6,656	41,089
Excess (Deficit) of Revenues over Expenditures	12,690	20,554	7,864	5,774
Other Financing Sources (Uses) Operating Transfers Out	(4,500)	(4,500)		(3,000)
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	$ 8,190	16,054	$ 7,864	2,774
Fund Balance, Beginning of Year		44,345		41,571
Fund Balance, End of Year		$ 60,399		$ 44,345

KETCHIKAN GATEWAY BOROUGH

MOUNTAIN POINT SERVICE AREA FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended June 30, 1994
(With Comparative Totals for the Year Ended June 30, 1993)

	Budget	Actual	Variance Favorable (Unfavorable)	Year Ended June 30, 1993 Actual
REVENUES:				
Public Services	$ 31,000	$ 50,214	$ 19,214	$ 30,960
Interest Income	3,500	4,430	930	4,471
Total Revenues	34,500	54,644	20,144	35,431
EXPENDITURES:				
Public Services	65,650	64,461	1,189	40,013
Total Expenditures	65,650	64,461	1,189	40,013
Excess (Deficit) of Revenues over Expenditures	(31,150)	(9,817)	21,333	(4,582)
Other Financing Sources (Uses) Operating Transfers Out	(2,394)	(2,169)	225	(4,600)
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	$ (33,544)	(11,986)	$ 21,558	(9,182)
Fund Balance, Beginning of Year		92,656		101,838
Fund Balance, End of Year		$ 80,670		$ 92,656

Exhibit B-8

KETCHIKAN GATEWAY BOROUGH

SOUTH END FIRE DISTRICT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended June 30, 1994
With Comparative Totals for the Year Ended June 30, 1993)

	Budget	Actual	Variance Favorable (Unfavorable)	Year Ended June 30, 1993 Actual
REVENUES:				
Real and Personal Taxes	$ 63,514	$ 69,985	$ 6,471	$ 76,463
Automobile and Boat Taxes	2,360	1,766	(594)	1,504
State Revenues	1,847	746	(1,101)	727
Interest Income	3,500	8,309	4,809	4,948
Other Revenue	3,000	1,983	(1,017)	3,000
Total Revenues	74,221	82,789	8,568	86,642
EXPENDITURES:				
Public Services	87,091	18,178	68,913	71,864
Total Expenditures	87,091	18,178	68,913	71,864
Excess (Deficit) of Revenues over Expenditures	(12,870)	64,611	77,481	14,778
Other Financing Sources (Uses) Operating Transfers Out	(5,220)	(5,205)	15	(3,000)
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	$ (18,090)	59,406	$ 77,496	11,778
Fund Balance, Beginning of Year		100,802		89,024
Fund Balance, End of Year		$ 160,208		$ 100,802

Exhibit B–9

KETCHIKAN GATEWAY BOROUGH

WATERFALL SERVICE AREA FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended June 30, 1994
(With Comparative Totals for the Year Ended June 30, 1993)

	Budget	Actual	Variance Favorable (Unfavorable)	Year Ended June 30, 1993 Actual
REVENUES:				
State Revenues		$ 1,084	$ 1,084	920
Public Services	$ 12,000	9,148	(2,852)	$ 9,588
Interest Income	1,680	3,710	2,030	2,769
Total Revenues	13,680	13,942	262	13,277
EXPENDITURES:				
Public Services	12,050	600	11,450	1,354
Total Expenditures	12,050	600	11,450	1,354
Excess (Deficit) of Revenues over Expenditures	1,630	13,342	11,712	11,923
Other Financing Sources (Uses)				
Operating Transfers Out	(865)	(865)		(965)
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	$ 765	12,477	$ 11,712	10,958
Fund Balance, Beginning of Year		59,012		48,054
Fund Balance, End of Year		$ 71,489		$ 59,012

Exhibit B–10

KETCHIKAN GATEWAY BOROUGH

SOUTH TONGASS SERVICE AREA FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended June 30, 1994
With Comparative Totals for the Year Ended June 30, 1993)

	Budget	Actual	Variance Favorable (Unfavorable)	Year Ended June 30, 1993 Actual
REVENUES:				
Interest Income	303	400	(97)	343
Total Revenues	303	400	(97)	343
EXPENDITURES:				
Public Services				
Total Expenditures				
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	$ 303	400	$ 97	343
Fund Balance, Beginning of Year		7,311		6,968
Fund Balance, End of Year		$ 7,711		$ 7,311

Exhibit B-11

KETCHIKAN GATEWAY BOROUGH

FOREST PARK SERVICE AREA FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended June 30, 1994
(With Comparative Totals for the Year Ended June 30, 1993)

	Budget	Actual	Variance Favorable (Unfavorable)	Year Ended June 30, 1993 Actual
REVENUES:				
Real and Personal Taxes	$ 65,815	$ 66,779	$ 964	$ 59,385
Automobile and Boat Taxes	1,615	1,516	(99)	1,679
State Revenues	1,775	4,482	2,707	2,084
Public Services				225
Interest Income	10,500	14,794	4,294	14,026
Total Revenues	79,705	87,571	7,866	77,399
EXPENDITURES:				
Public Services	109,760	81,689	28,071	125,173
Total Expenditures	109,760	81,689	28,071	125,173
Excess (Deficit) of Revenues over Expenditures	(30,055)	5,882	35,937	(47,774)
Other Financing Sources (Uses) Operating Transfers Out	(6,285)	(6,285)		(3,600)
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	$ (36,340)	(403)	$ 35,937	(51,374)
Fund Balance, Beginning of Year		283,031		334,405
Fund Balance, End of Year		$ 282,628		$ 283,031

Exhibit B-12

KETCHIKAN GATEWAY BOROUGH

GOLD NUGGET SERVICE AREA FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended June 30, 1994
With Comparative Totals for the Year Ended June 30, 1993)

	Budget	Actual	Variance Favorable (Unfavorable)	Year Ended June 30, 1993 Actual
REVENUES:				
Public Services	$ 8,500	$ 20,324	$ 11,824	$ 8,556
State Revenues	476	599	123	476
Interest Income	440	777	337	589
Total Revenues	9,416	21,700	12,284	9,621
EXPENDITURES:				
Public Services	7,600	19,698	(12,098)	4,570
Total Expenditures	7,600	19,698	(12,098)	4,570
Excess (Deficit) of Revenues over Expenditures	1,816	2,002	186	5,051
Other Financing Sources (Uses)) Operating Transfers Out	(520)	(477)	(43)	(1,000)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ 1,296	1,525	$ 229	4,051
Fund Balance, Beginning of Year		12,674		8,623
Fund Balance, End of Year		$ 14,199		$ 12,674

Exhibit B-13

KETCHIKAN GATEWAY BOROUGH

NON AREAWIDE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended June 30, 1994
(With Comparative Totals for the Year Ended June 30, 1993)

	Budget	Actual	Variance Favorable (Unfavorable)	Year Ended June 30, 1993 Actual
REVENUES:				
Real and Personal Taxes	$ 248,133	$ 248,166	$ 33	$ 219,869
State Revenues	6,038	9,592	3,554	6,709
Interest Income	2,350	2,386	36	14,488
Total Revenues	256,521	260,144	3,623	241,066
EXPENDITURES:				
Library Services	276,977	276,977		246,839
Total Expenditures	276,977	276,977		246,839
Excess (Deficit) of Revenues over Expenditures	$ (20,456)	(16,833)	$ 3,623	(5,773)
Fund Balance, Beginning of Year		64,199		69,972
Fund Balance, End of Year		$ 47,366		$ 64,199

KETCHIKAN GATEWAY BOROUGH

STATE AND FEDERAL GRANTS FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Year Ended June 30, 1994
(With Comparative Totals for the Year Ended June 30, 1993)

	1994	1993
REVENUES:		
State Sources	$ 2,354,149	$ 2,432,659
Other Revenues	20,906	25,253
Total Revenues	2,375,055	2,457,912
EXPENDITURES:		
Public Services	2,377,930	2,428,107
Total Expenditures	2,377,930	2,428,107
Excess (Deficit) of Revenues over Expenditures	(2,875)	29,805
Fund Balance, Beginning of Year	103,146	73,097
Fund Balance, End of Year	$ 100,271	$ 102,902

Exhibit B-15

KETCHIKAN GATEWAY BOROUGH

SCHOOL BONDS/CAPITAL IMPROVEMENTS FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended June 30, 1994
(With Comparative Totals for the Year Ended June 30, 1993)

	Budget	Actual	Variance Favorable (Unfavorable)	Year Ended June 30, 1993 Actual
REVENUES:				
State Grant	$ 4,314,315	$ 4,249,373	$ (64,942)	$ 4,288,500
Interest Income				33,247
Other Revenue	13,480	9,000	(4,480)	12,810
Total Revenues	4,327,795	4,258,373	(69,422)	4,334,557
EXPENDITURES:				
Public Services	1,500	1,485	15	2,838
Capital Outlay	433,214	482,703	(49,489)	
Total Expenditures	434,714	484,188	(49,474)	2,838
Excess (Deficit) of Revenues over Expenditures	3,893,081	3,774,185	(118,896)	4,331,719
Other Financing Sources (Uses)				
Interfund Transfers (In)	1,017,508	712,469	(305,039)	
Operating Transfers Out	(4,859,534)	(4,859,640)	(106)	(4,923,178)
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	$ 51,055	(372,986)	$ (424,041)	(591,459)
Fund Balance, Beginning of Year		76,342		667,801
Fund Balance, End of Year		$ (296,644)		$ 76,342

KETCHIKAN GATEWAY BOROUGH

PERMANENT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Year Ended June 30, 1994
(With Comparative Totals for the Year Ended June 30, 1993)

	Budget	Actual	Variance Favorable (Unfavorable)	Year Ended June 30, 1993 Actual
REVENUES:				
Interest Income	$ 10,000	$ 14,352	$ 4,352	$ 12,164
Total Revenues	10,000	14,352	4,352	12,164
Excess (Deficit) of Revenues over Expenditures	10,000	14,352	4,352	12,164
Other Financing Sources (Uses) Operating Transfers Out	(10,000)	(10,000)		(11,954)
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	$	4,352	$ 4,352	210
Fund Balance, Beginning of Year		259,046		258,836
Fund Balance, End of Year		$ 263,398		$ 259,046

Exhibit B-17

KETCHIKAN GATEWAY BOROUGH

SPECIAL RECREATION FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Year Ended June 30, 1994
(With Comparative Totals for the Year Ended June 30, 1993)

	1994	1993
REVENUES:		
Other Revenues	$ 47	
Total Revenues	47	
EXPENDITURES:		
Capital Outlay		$ 18,251
Total Expenditures		18,251
Excess (Deficit) of Revenues over Expenditures	47	(18,251)
Fund Balance, Beginning of Year	48,155	66,406
Fund Balance, End of Year	$ 48,202	$ 48,155

Exhibit B-18

KETCHIKAN GATEWAY BOROUGH

RECREATION SALES TAX FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Year Ended June 30, 1994
(With Comparative Totals for the Year Ended June 30, 1993)

	1994	1993
REVENUES:		
Taxes	$ 893,690	$ 178,707
Other Revenue	11	9,677
Total Revenues	893,701	188,384
Excess (Deficit) of Revenues over Expenditures	893,701	188,384
Other Financing Sources (Uses) Operating Transfers Out	(786,020)	(150,000)
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	107,681	38,384
Fund Balance, Beginning of Year	38,384	
Fund Balance, End of Year	$ 146,065	$ 38,384

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DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

The following funds are included in this section:

1974 GENERAL OBLIGATION BOND REDEMPTION FUND - To accumulate funds for the payment of principal and interest on the 1974 High School Expansion General Obligation Refunding Bonds due through 1995 at 5% to 8% interest. Financing is provided through transfers from the School Bond/Capital Improvements Fund which are partially funded through the State in the form of debt reimbursement payments.

1983 GENERAL OBLIGATION BOND REDEMPTION FUND - To accumulate funds for the payment of principal and interest. Financing is provided through transfers from the School Bond/Capital Improvements Fund.

1989 GENERAL OBLIGATION BOND REDEMPTION FUND - To accumulate funds for the payment of principal and interest. Financing is provided through transfers from the School Bond/Capital Improvements Fund.

The following statements are included in this section:

Combining Balance Sheet

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Exhibit C-1

KETCHIKAN GATEWAY BOROUGH

DEBT SERVICE FUNDS

COMBINING BALANCE SHEET

June 30, 1994
(With Comparative Totals for the Year Ended June 30, 1993)

	1974 G.O. Bond Redemption Fund	1983 G.O. Bond Redemption Fund	1989 G.O. Bond Redemption Fund	Totals 1994	Totals 1993
ASSETS					
Due from Other Funds	$	$	$	$	$
Total Assets	$	$	$	$	$
FUND BALANCE					
Fund Balance	$	$	$	$	$
Total Fund Balance	$	$	$	$	$

Exhibit C-2

KETCHIKAN GATEWAY BOROUGH

DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 1994
(With Comparative Totals for the Year Ended June 30, 1993)

	1974 G.O. Bond Redemption Fund	1983 G.O. Bond Redemption Fund	1989 G.O. Bond Redemption Fund	Totals 1994	Totals 1993
EXPENDITURES					
Debt Service					
Principal	$ 385,000	$ 2,460,000	$ 1,200,000	$ 4,045,000	$ 3,810,000
Interest	44,644	225,196	544,800	814,640	1,113,178
Total	429,644	2,685,196	1,744,800	4,859,640	4,923,178
Excess (Deficit) of Revenues over Expenditures	(429,644)	(2,685,196)	(1,744,800)	(4,859,640)	(4,923,178)
Other Financing Sources (Uses)					
Transfer from General Fund	429,644	2,685,196	1,744,800	4,859,640	4,923,178
Transfer from School Operating					
Total Other Financing Sources (Uses)	429,644	2,685,196	1,744,800	4,859,640	4,923,178
Excess (Deficit) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses					
Fund Balances, Beginning of Year					
Fund Balances, End of Year	$	$	$	$	$

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CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. This does not include capital projects financed by proprietary funds and special assessment funds.

The following funds are included in this section:

K-High Swimming Pool Remodel
School Bond Construction Fund - 1989

The following statements are included in this section:

Combining Balance Sheet

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Exhibit D-1

KETCHIKAN GATEWAY BOROUGH

CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

June 30, 1994
(With Comparative Totals for June 30, 1993)

	K-High Swimming Pool Remodel	School Bond Construction Fund 1989	Total 1994	Total 1993
ASSETS				
Cash in Central Treasury	$	$ 8,287,854	$ 8,287,854	$ 10,156,056
Due From Other Funds				
Accounts Receivable		147,353	147,353	
Total Assets	$	$ 8,435,207	$ 8,435,207	$ 10,156,056
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	$	$ 1,510,989	$ 1,510,989	$ 1,494,801
Accrued Liabilities				
Retainage Payable		541,448	541,448	613,855
Due to Other Funds				
Bond Interest Rebate				250,000
Deferred Grant Receipts		3,274,338	3,274,338	4,974,610
Total Liabilities		5,326,775	5,326,775	7,333,266
FUND EQUITY				
Encumbrances		6,498,459	6,498,459	
Fund Balance		(3,390,027)	(3,390,027)	2,822,790
Total Fund Balances		3,108,432	3,108,432	2,822,790
Total Liabilities and Fund Equity	$	$ 8,435,207	$ 8,435,207	$ 10,156,056

Exhibit D-2

KETCHIKAN GATEWAY BOROUGH

CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 1994
(With Comparative Totals for the Year Ended June 30, 1993)

	K-High Swimming Pool Remodel	School Bond Construction Fund 1989	Total 1994	Total 1993
REVENUES				
Local Sources				
State Sources		$ 14,704,218	$ 14,704,218	$ 5,360,345
Other Revenues		39,613	39,613	98,882
Interest		555,392	555,392	692,199
Total Revenues		15,299,223	15,299,223	6,151,426
EXPENDITURES				
Contractual Services	700,073		700,073	140,947
Educational Facilities	$	15,004,528	15,004,528	12,439,238
Other Expense				
Total Expenditures	700,073	15,004,528	15,704,601	12,580,185
Excess (Deficit) of Revenues over Expenditures	(700,073)	294,695	(405,378)	(6,428,759)
Other Financing Sources (Uses)				
Transfers from Other Funds	691,020		691,020	150,000
Total Other Financing Sources (Uses)	691,020		691,020	150,000
Excess (Deficit) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(9,053)	294,695	285,642	(6,278,759)
Fund Balances, Beginning of Year	9,053	2,813,737	2,822,790	9,101,549
Fund Balances, End of Year	$	$ 3,108,432	$ 3,108,432	$ 2,822,790

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ENTERPRISE FUNDS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing these services on a continuing basis be financed or recovered primarily through user charges. Costs include an allocation of depreciation expense.

AIRPORT ENTERPRISE FUND - An enterprise fund to account for the operations of the Ketchikan International Airport. All of the financial transactions relating to the Ketchikan International Airport are accounted for in this fund.

TRANSIT ENTERPRISE FUND - An enterprise fund to account for the operation of the Borough Bus System. All of the financial transactions relating to the Borough Buses are accounted for in this fund.

RECREATION ENTERPRISE FUND - An enterprise fund to account for the operation of Recreation Programs, Latchkey, and swimming pools for the Ketchikan Gateway Borough. All of the financial transactions relating to the Recreation Programs are accounted for in this fund.

The following statements are included in this section:

Combining Balance Sheet
Combining Statements of Revenues, Expenses and Changes in Retained Earnings
Combining Statement of Cash Flows
<u>Airport Enterprise Fund:</u>
Comparative Balance Sheets
Comparative Statements of Revenues, Expenses and Changes in Retained Earnings
Comparative Statements of Cash Flows
Statement of Revenues, Expenses and Changes in Retained Earnings - Budget and Actual
<u>Transit Enterprise Fund:</u>
Comparative Balance Sheets
Comparative Statements of Revenues, Expenses and Changes in Retained Earnings
Comparative Statements of Cash Flows
Statement of Revenues, Expenses and Changes in Retained Earnings - Budget and Actual
<u>Recreation Enterprise Fund</u>
Comparative Balance Sheets
Comparative Statements of Revenues, Expenses and Changes in Retained Earnings
Comparative Statements of Cash Flows
Statement of Revenues, Expenses and Changes in Retained Earnings - Budget and Actual

KETCHIKAN GATEWAY BOROUGH

ENTERPRISE FUNDS

COMBINING BALANCE SHEET

June 30, 1994
(With Comparative Totals for June 30, 1993)

	Airport	Transit	Recreation	Totals June 30, 1994	Totals June 30, 1993
ASSETS					
Cash and Investments	$ 129,933	$ 106,621		$ 236,554	$ 211,887
Due From Other Governments		162		162	500
Accounts Receivable	193,758			193,758	179,663
Total Current Assets	323,691	106,783		430,474	392,050
Restricted Assets					
Bond Redemption Fund Cash & Investments	59,733			59,733	59,733
Plant in Service					
Buildings and Equipment	8,706,523	148,938		8,855,461	8,717,991
Construction in Progress					
Less Accumulated Depreciation	(4,016,692)	(107,792)		(4,124,484)	(3,791,174)
Total Plant in Service	4,689,831	41,146		4,730,977	4,926,817
Total Assets	$ 5,073,255	$ 147,929	$	$ 5,221,184	$ 5,378,600
LIABILITIES AND FUND EQUITY					
Current Liabilities					
Accounts Payable	$ 21,778	$ 10,156	$	$ 31,934	$ 76,993
Due to Other Funds					52205
Deferred Revenue		76,633		76,633	
Accrued Vacation & Sick Leave	159,616	7,375		166,991	202,590
Accrued Interest Payable	14,308			14,308	14,308
Current Portion of Long Term Debt	180,000			180,000	165,000
Total Current Liabilities	375,702	94,164		469,866	511,096
Long-term Debt	525,000			525,000	705,000
Total Liabilities	900,702	94,164		994,866	1,216,096
Fund Equity:					
Contributed Capital	1,765,978	2,000		1,767,978	1,878,804
Retained Earnings					
Unreserved	2,346,842	51,765		2,398,607	2,223,937
Reserved	59,733			59,733	59,733
Total Retained Earnings	2,406,575	51,765		2,458,340	2,283,670
Total Fund Equity	4,172,553	53,765		4,226,318	4,162,474
Total Liabilities and Fund Equity	$ 5,073,255	$ 147,929	$	$ 5,221,184	$ 5,378,570

KETCHIKAN GATEWAY BOROUGH

ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

For the Fiscal Year Ended June 30, 1994
(With Comparative Totals for the Year Ended June 30, 1993)

	Airport	Transit	Recreation	Totals June 30, 1994	Totals June 30, 1993
OPERATING REVENUES					
Charges for Services	$ 2,189,070	$ 120,373	$	$ 2,309,443	$ 2,481,834
Total Operating Revenues	2,189,070	120,373		2,309,443	2,481,834
OPERATING EXPENSES					
Total Operating Expenses	2,308,349	255,442		2,563,791	3,175,507
Net Operating (Loss)	(119,279)	(135,069)		(254,348)	(693,673)
NON OPERATING REVENUES (EXPENSES)					
State Operating Grants	125,000	46,712		171,712	158,967
Interest Earnings	9,785	5,533		15,318	14,781
Interest Expense	(55,956)			(55,956)	(69,014)
Other Revenue		80		80	
Total Nonoperating Revenues (Expenses)	78,829	52,325		131,154	104,734
Income (Loss) Before Operating Transfers	(40,450)	(82,744)		(123,194)	(588,939)
Other Financing Sources (Uses)					
Operating Transfers In		150,000	37,038	187,038	723,304
Operating Transfers Out					(15,000)
Total Other Financing Sources (Uses)		150,000	37,038	187,038	708,304
Net Income (Loss)	(40,450)	67,256	37,038	63,844	119,365
Depreciation of Fixed Assets Acquired by Grants	108,115	2,711		110,826	119,936
Increase (Decrease) in Retained Earnings	67,665	69,967	37,038	174,670	239,301
Retained Earnings, Beginning of Year	2,338,910	(18,202)	(37,038)	2,283,670	2,044,369
Retained Earnings at End of Year	$ 2,406,575	$ 51,765	$	$ 2,458,340	$ 2,283,670

Exhibit E-3

KETCHIKAN GATEWAY BOROUGH

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Fiscal Year Ended June 30, 1994

	Airport	Transit	Recreation	Total
Cash Flows for Operating Activities:				
Operating Income (Loss)	$ (119,279)	$ (135,069)	$	$ (254,348)
Adjustments to Reconcile Operating Loss to Net Cash Provided to (Used in) Operating Activities:				
Depreciation	319,030	14,482		333,512
Change in Assets and Liabilities:				
(Increase) in Accounts Receivables	(14,125)			(14,125)
Decrease in Due to Other Funds		(43,758)		(43,758)
Increase in Accounts Payable	(27,413)	(7,858)		(35,271)
Increase in Accrued Liabilities	(12,411)	1,325		(11,086)
Net Cash Provided by (Used in) Operating Activities	145,802	(170,878)		(25,076)
Cash Flows from Noncapital Financing Activities:				
Operating Grants Received	125,000	46,712		171,712
Other Revenues		5,613		5,613
Transfers in from General Fund		150,000		150,000
Transfers out to General Fund			(200)	(200)
Net Cash Provided by Noncapital Financing Activities	125,000	202,325	(200)	327,125
Cash Flows from Capital and Related Financing Activities:				
Acquisition of Equipment	(141,385)	(1,459)		(142,844)
Capital Grant Received from State		76,633		76,633
Principal Paid on Bonds Payable	(165,000)			(165,000)
Interest Paid on Bonds Payable	(55,956)			(55,956)
Net Cash Used for Capital and Related Financing Activities	(362,341)	75,174		(287,167)
Cash Flows from Investing Activities				
Interest on Investments	9,785			9,785
Net Increase in Cash and Cash Equivalents	(81,754)	106,621	(200)	24,667
Cash and Cash Equivalents, Beginning of Year	271,420		200	271,620
Cash and Cash Equivalents, End of Year	$ 189,666	$ 106,621	$	$ 296,287

Noncash investing, capital, and financing activities:

Capital from General Fund			37,038	
Reduction of Current Liabilities			(33,963)	
Reduction of Due to Other Funds			(8,447)	
Transfer of Equipment to General Fund			5,172	

Exhibit E-4

KETCHIKAN GATEWAY BOROUGH

AIRPORT ENTERPRISE FUND

COMPARATIVE BALANCE SHEETS

June 30, 1994 and 1993

	1994	1993
ASSETS		
Cash and Cash Equivalents	$ 129,933	$ 211,687
Accounts Receivable	193,758	179,633
Total Currrent Assets	323,691	391,320
Restricted Assets		
Bond Redemption Fund Cash & Cash Equivalents	59,733	59,733
Plant in Service		
Field	3,187,754	3,183,501
Terminal	3,949,129	3,825,696
Ferry	1,557,990	1,555,091
Administration	850	850
Murphy's Landing	10,800	
Less Accumulated Depreciation	(4,016,692)	(3,697,662)
Total Plant in Service	4,689,831	4,867,476
Total Assets	$ 5,073,255	$ 5,318,529
LIABILITIES AND FUND EQUITY		
Current Liabilities		
Accounts Payable	$ 21,778	$ 49,191
Accrued Vacation & Sick Leave	159,616	172,027
Accrued Interest Payable	14,308	14,308
Current Portion of Long Term Debt	180,000	165,000
Total Current Liabilities	375,702	400,526
Long-term Debt	525,000	705,000
Total Liabilities	900,702	1,105,526
Fund Equity:		
Contributed Capital	1,765,978	1,874,093
Retained Earnings		
Unreserved	2,346,842	2,279,177
Reserved	59,733	59,733
Total Retained Earnings	2,406,575	2,338,910
Total Fund Equity	4,172,553	4,213,003
Total Liabilities and Fund Equity	$ 5,073,255	$ 5,318,529

Exhibit E-5

KETCHIKAN GATEWAY BOROUGH

AIRPORT ENTERPRISE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

For the Fiscal Years Ended June 30, 1994 and June 30, 1993

	June 30, 1994	June 30, 1993
OPERATING REVENUES		
Charges for Services	$ 2,189,070	$ 2,088,491
Total Operating Revenues	2,189,070	2,088,491
OPERATING EXPENSES		
Total Operating Expenses	2,308,349	2,189,417
Net Operating (Loss)	(119,279)	(100,926)
NON OPERATING REVENUES (EXPENSES)		
UMTA Grant for Ferry		
State Operating Grants	125,000	156,861
Interest Earnings	9,785	14,781
Interest Expense	(55,956)	(69,014)
Total Nonoperating Revenues (Expenses)	78,829	102,628
Income (Loss) Before Operating Transfers	(40,450)	1,702
Other Financing Sources (Uses)		
Operating Transfers In		143,304
Total Other Financing Sources (Uses)		143,304
Net Income (Loss)	(40,450)	145,006
Depreciation of Fixed Assets Acquired by Grants	108,115	114,546
Increase (Decrease) in Retained Earnings	67,665	259,552
Retained Earnings, Beginning of Year	2,338,910	2,079,358
Retained Earnings at End of Year	$ 2,406,575	$ 2,338,910

Exhibit E-6

KETCHIKAN GATEWAY BOROUGH

AIRPORT ENTERPRISE FUND

COMPARATIVE STATEMENTS OF CASH FLOWS

For the Fiscal Years Ended June 30, 1994 and 1993

	1994	1993
Cash Flows from Operating Activities:		
Operating (Loss)	$ (119,279)	$ (100,926)
Adjustments to Reconcile Operating Income to Net Cash Used in Operating Activities:		
Depreciation	319,030	327,093
Change in Assets and Liabilities:		
Decrease (Increase) in Accounts Receivables	(14,125)	84,621
Increase (Decrease) in Accounts Payable	(27,413)	(164,151)
Increase (Decrease) in Accrued Liabilities	(12,411)	(7,999)
Net Cash from Operating Activities	145,802	138,638
Cash Flows from Noncapital Financing Activities:		
Operating Grants Received	125,000	156,861
Due from Others		12,659
Transfers from General Fund		143,304
Net Cash Provided by Noncapital Financing Activities	125,000	312,824
Cash Flows from Capital and Related Financing Activities:		
Acquisition of Equipment	(141,385)	(151,149)
Principal Paid on Bonds Payable	(165,000)	(220,000)
Interest Paid on Bonds Payable	(55,956)	(69,014)
Net Cash Used for Capital and Related Financing Activities	(362,341)	(440,163)
Cash Flows from Investing Activities:		
Interest on Investments	9,785	14,781
Net Cash Provided from Investing Activities	9,785	14,781
Net Increase (Decrease) in Cash and Investments	(81,754)	26,080
Cash and Cash Equivalents, Beginning of Year	271,420	245,340
Cash and Cash Equivalents, End of Year	$ 189,666	$ 271,420

Noncash investing, capital, and financing activities: None

Exhibit E-7

KETCHIKAN GATEWAY BOROUGH

AIRPORT ENTERPRISE FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET AND ACTUAL

For the Year Ended June 30, 1994

	Budget	Actual	Adjustment to Budgetary Basis	Actual (Budgetary Basis)	Variance Favorable (Unfavorable)
OPERATING REVENUES					
Charges for Services	$ 2,210,261	$ 2,189,070		2,189,070	$ (21,191)
Total Operating Income	2,210,261	2,189,070		2,189,070	(21,191)
OPERATING EXPENSES					
Field	613,774	525,812	52,800	578,612	35,162
Terminal	649,633	387,181	105,600	492,781	156,852
Ferry	1,065,247	920,243	6,600	926,843	138,404
Administration	183,560	154,917		154,917	28,643
Murphy's Landing	41,134	1,166		1,166	39,968
Depreciation	315,000	319,030		319,030	(4,030)
Total Operating Expenses	2,868,348	2,308,349	165,000	2,473,349	394,999
Net Operating Revenues(Loss)	(658,087)	(119,279)	(165,000)	(284,279)	373,808
NON OPERATING REVENUES (EXPENSES)					
UMTA Grant for Ferry					
State Operating Grants	283,500	125,000		125,000	(158,500)
Interest Earnings		9,785	9,785		
Interest Expense	(70,700)	(55,956)		(55,956)	14,744
Total Nonoperating Revenues (Expenses)	212,800	78,829	9,785	88,614	(124,186)
Income (Loss) Before Operating Transfers	(445,287)	(40,450)	(155,215)	(195,665)	249,622
Other Financing Sources (Uses)					
Operating Transfers In	68,750				(68,750)
Net Income (Loss)	(376,537)	(40,450)	(155,215)	(195,665)	180,872
Depreciation of Fixed Assets Acquired by Grants	114,551	108,115		108,115	(6,436)
Increase (Decrease) in Retained Earnings	$ (261,986)	67,665	$ (155,215)	$ (87,550)	$ 174,436
Retained Earnings, Beginning of Year		2,338,910			
Retained Earnings at End of Year		$ 2,406,575			

Nature and Amount of Adjustments from GAAP Basis to Budgetary Basis	
Principal Payment of Long Term Debt	$ (165,000)
Interest Earnings	9,785
Total Adjustments	$ (155,215)

Exhibit E-8

KETCHIKAN GATEWAY BOROUGH

TRANSIT ENTERPRISE FUND

COMPARATIVE BALANCE SHEETS

June 30, 1994 and 1993

	1994	1993
ASSETS		
Cash and Cash Equivalents	$ 106,621	
Due from Other Governments	162	$ 162
Total Currrent Assets	106,783	162
Plant in Service		
Buses	148,938	147,479
Less Accumulated Depreciation	(107,792)	(93,310)
Net Plant in Service	41,146	54,169
Total Assets	$ 147,929	$ 54,331
LIABILITIES AND FUND EQUITY		
Liabilities		
Accounts Payable	$ 10,156	$ 18,014
Due to Other Funds		43,758
Deferred Revenue	76,633	
Accrued Vacation and Sick Leave	7,375	6,050
Total Current Liabilities	94,164	67,822
Fund Equity:		
Contributed Capital	2,000	4,711
Retained Earnings	51,765	(18,202)
Total Fund Equity	53,765	(13,491)
Total Liabilities and Fund Equity	$ 147,929	$ 54,331

KETCHIKAN GATEWAY BOROUGH

TRANSIT ENTERPRISE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

For the Fiscal Year Ended June 30, 1994 and June 30, 1993

	June 30, 1994	June 30, 1993
OPERATING REVENUES		
Charges for Services	$ 120,373	$ 119,191
Total Operating Revenues	120,373	119,191
OPERATING EXPENSES		
Total Operating Expenses	255,442	237,175
Net Operating (Loss)	(135,069)	(117,984)
NON OPERATING REVENUES (EXPENSES)		
State Operating Grants	46,712	2,106
Interest Earnings	5,533	
Other Revenues	80	
Total Nonoperating Revenues (Expenses)	52,325	2,106
Income (Loss) Before Operating Transfers	(82,744)	(115,878)
Other Financing Sources (Uses)		
Operating Transfers In	150,000	95,000
Operating Transfers Out		(15,000)
Total Other Financing Sources (Uses)	150,000	80,000
Net Income (Loss)	67,256	(35,878)
Depreciation of Fixed Assets Acquired by Grants	2,711	5,390
Increase (Decrease) in Retained Earnings	69,967	(30,488)
Retained Earnings, Beginning of Year	(18,202)	12,286
Retained Earnings at End of Year	$ 51,765	$ (18,202)

Exhibit E-10

KETCHIKAN GATEWAY BOROUGH

TRANSIT ENTERPRISE FUND

COMPARATIVE STATEMENTS OF CASH FLOWS

For the Fiscal Years Ended June 30, 1994 and 1993

	1994	1993
Cash Flows from Operating Activities:		
Operating Loss	$ (135,069)	$ (117,984)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:		
Depreciation	14,482	17,041
Change in assets and Liabilities:		
Decrease (Increase) in Due to Other Funds	(43,758)	
Increase (Decrease) in Accounts Payables	(7,858)	15,508
Increase (Decrease) in Accrued Liabilities	1,325	2,627
Net Cash from Operating Activities	(170,878)	(82,808)
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(1,459)	
Capital Grant received from State	76,633	
Net Cash Used for Capital and Related Financing Activities	75,174	
Cash Flows from Noncapital Financing Activities:		
Other Revenues	5,613	
Operating Grants Received	46,712	2,106
Due to Other Funds		702
Transfers in from General Fund	150,000	95,000
Transfers out to General Fund		(15,000)
Net Cash Provided by Noncapital Financing Activities	202,325	82,808
Net Increase (Decrease) in Cash and Investments	106,621	
Cash and Cash Equivalents, Beginning of Year		
Cash and Cash Equivalents, End of Year	$ 106,621	$

Noncash investing, capital, and financing activities: None

Exhibit E-11

KETCHIKAN GATEWAY BOROUGH

TRANSIT ENTERPRISE FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET AND ACTUAL

For the Year Ended June 30, 1994

	Budget	Actual	Adjustment to Budgetary Basis	Actual (Budgetary Basis)	Variance Favorable (Unfavorable)
OPERATING REVENUES					
Charges for Services	$ 140,000	$ 120,373	$	$ 120,373	$ (19,627)
Total Operating Income	140,000	120,373		120,373	(19,627)
OPERATING EXPENSES					
Public Service	531,451	240,960		240,960	290,491
Depreciation		14,482	(14,482)		
Total Operating Expenses	531,451	255,442	(14,482)	240,960	290,491
Net Operating Revenues(Loss)	(391,451)	(135,069)	14,482	(120,587)	270,864
NON OPERATING REVENUES (EXPENSES)					
Interest Income		5,533	(5,533)		
State Operating Grants	289,355	46,712		46,712	(242,643)
Other Revenue		80	(80)		
Total Nonoperating Revenues (Expenses)	289,355	52,325	(5,613)	46,712	(242,643)
Income (Loss) Before Operating Transfers	(102,096)	(82,744)	8,869	(73,875)	28,221
Other Financing Sources (Uses)					
Operating Transfers In	150,000	150,000		150,000	
Total Other Financing Sources (Uses)	150,000	150,000		150,000	
Net Income (Loss)	47,904	67,256	8,869	76,125	28,221
Depreciation of Fixed Assets Acquired by Grants		2,711	(2,711)		
Increase (Decrease) in Retained Earnings	47,904	69,967	6,158	76,125	28,221
Retained Earnings, Beginning of Year	(18,202)	(18,202)		(18,202)	
Retained Earnings at End of Year	$ 29,702	$ 51,765	$ 6,158	$ 57,923	$ 28,221

Nature and Amount of Adjustments from GAAP Basis to Budgetary Basis

Depreciation	14,482
Interest Income	(5,533)
Other Income	(80)
Amortization of Contributed Capital	(2,711)
Total Adjustments	6,158

Exhibit E-12

KETCHIKAN GATEWAY BOROUGH

RECREATION ENTERPRISE FUND

COMPARATIVE BALANCE SHEETS

For the Fiscal Years Ended June 30, 1994 and 1993

	1994	1993
ASSETS		
Cash	$	200
Due from Other Governments		338
Total Current Assets		538
Plant in Service		
Equipment		5,374
Less Accumulated Depreciation		(202)
Net Plant in Service		5,172
Total Assets	$	$ 5,710
LIABILITIES AND FUND EQUITY		
Liabilities		
Accounts Payable	$	$ 9,788
Due to Other Funds		8,447
Accrued Vacation and Sick Leave		24,513
Total Current Liabilities		42,748
Fund Equity:		
Contributed Capital		
Retained Earnings		(37,038)
Total Fund Equity		(37,038)
Total Liabilities and Fund Equity	$	$ 5,710

Exhibit E–13

KETCHIKAN GATEWAY BOROUGH

RECREATION ENTERPRISE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

For the Fiscal Years Ended June 30, 1994 and June 30, 1993

	June 30, 1994	June 30, 1993
OPERATING REVENUES		
Charges for Services		$ 274,152
Total Operating Income		274,152
OPERATING EXPENSES		
Public Service		748,713
Depreciation		202
Total Operating Expenses		748,915
Net Operating Revenues(Loss)		(474,763)
NON OPERATING REVENUES (EXPENSES)		
Total Nonoperating Revenues (Expenses)		
Income (Loss) Before Operating Transfers		(474,763)
Other Financing Sources (Uses)		
Operating Transfers In	$ 37,038	485,000
Total Other Financing Sources (Uses)	37,038	485,000
Net Income (Loss)	37,038	10,237
Retained Earnings, Beginning of Year	(37,038)	(47,275)
Retained Earnings at End of Year	$	$ (37,038)

Exhibit E-14

KETCHIKAN GATEWAY BOROUGH

RECREATION ENTERPRISE FUND

COMPARATIVE STATEMENTS OF CASH FLOWS

For the Fiscal Years Ended June 30, 1994 and 1993

	1994	1993
Cash Flows from Operating Activities:		
Operating Loss	$	$ (474,763)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:		
Depreciation		202
Change in assets and Liabilities:		
Decrease (Increase) in Due from Other Governments		(338)
Increase (Decrease) in Accounts Payables		5,394
Increase (Decrease) in Accrued Liabilities		3,419
Net Cash from Operating Activities		(466,086)
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets		(5,374)
Capital Grant received from State		
Net Cash Used for Capital and Related Financing Activities		(5,374)
Cash Flows from Noncapital Financing Activities:		
Other Revenues		
Operating Grants Received		
Due to Other Funds		(13,340)
Transfers in from General Fund		485,000
Transfers out to General Fund	(200)	
Net Cash Provided by Noncapital Financing Activities	(200)	471,660
Net Increase (Decrease) in Cash and Investments	(200)	200
Cash and Cash Equivalents, Beginning of Year	200	
Cash and Cash Equivalents, End of Year	$	$ 200
Noncash investing, capital, and financing activities:		
Transfer of Capital from General Fund	37,038	
Reduction of Current Liabilities	(33,963)	
Reduction of Due Other Funds	(8,447)	
Transfer of Equipment to General Fund	5,172	

Exhibit E–15

KETCHIKAN GATEWAY BOROUGH

RECREATION ENTERPRISE FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 1994

	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Charges for Services	$	$	$
Total Operating Income			
OPERATING EXPENSES			
Public Service			
Depreciation			
Total Operating Expenses			
Net Operating Revenues (Loss)			
NON OPERATING REVENUES (EXPENSES)			
Interest Income			
State Operating Grants			
Total Nonoperating Revenues (Expenses)			
Income (Loss) Before Operating Transfers			
Other Financing Sources (Uses)			
Operating Transfers In		37,038	37,038
Total Other Financing Sources (Uses)		37,038	37,038
Net Income (Loss)		37,038	37,038
Retained Earnings, Beginning of Year		(37,038)	37,038
Retained Earnings at End of Year	$	$	$

AGENCY FUNDS

Agency Funds are used to account for assets held by a governmental unit in an agency capacity for individuals, other governmental units and/or other funds.

The following funds and statements are included in this section:

<u>Agency Funds</u>

Agency Funds - Statement of Changes in Assets and Liabilities

Exhibit F-1

KETCHIKAN GATEWAY BOROUGH

AGENCY FUNDS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year Ended June 30, 1994

	Balance June 30, 1993	Additions	Deductions	Balance June 30, 1994
DEFERRED COMPENSATION FUND				
Assets				
Funds with Fiscal Agents	$ 547,404	$ 446,558	$ 65,508	$ 928,454
Liabilities	$ 547,404	$ 446,558	$ 65,508	$ 928,454
Deferred Compensation				

GENERAL FIXED ASSETS ACCOUNT GROUP

This account group accounts for all fixed assets of the Borough that are not used in the proprietary fund operations. They do not represent financial resources available for expenditures. They are items for which financial resources have been used and for which accountability should be maintained.

The following statements are included in this section:

Comparative Schedules of General Fixed Assets

Schedule of General Fixed Assets-by Function and Activity

Exhibit G-1

KETCHIKAN GATEWAY BOROUGH

GENERAL FIXED ASSETS ACCOUNT GROUP

COMPARATIVE SCHEDULES OF GENERAL FIXED ASSETS

June 30, 1994 and 1993

	1994	1993
GENERAL FIXED ASSETS		
Land	$ 30,865	$ 30,865
Buildings	932,877	786,615
Equipment	1,672,212	1,414,871
Swimming Pools/Ballfields	2,531,177	825,701
Construction in Progress		140,582
Total	$ 5,167,131	$ 3,198,634

INVESTMENT IN GENERAL FIXED ASSETS FROM:		
Federal and State Grants	$ 1,080,811	$ 604,166
General Revenues	4,086,320	2,594,468
Total	$ 5,167,131	$ 3,198,634

Exhibit G–2

KETCHIKAN GATEWAY BOROUGH

SCHEDULE OF GENERAL FIXED ASSETS–BY FUNCTION AND ACTIVITY

June 30, 1994

Function and Activity	Land	Buildings	Machinery and Equipment	Ballfields / Pools	Total
General Government:					
Manager			$ 25,343		$ 25,343
Attorney			11,108		11,108
Clerk			27,158		27,158
Administrative Services			112,683		112,683
Assessment			33,757		33,757
Total General Government			210,049		210,049
Services:					
Animal Protection		$ 6,772	58,515		65,287
Parks and Recreation		139,490	141,711	$ 2,531,177	2,812,378
Planning			44,613		44,613
Child Care Assistance			11,060		11,060
Non–Departmental			55,153		55,153
Automation			28,268		28,268
Local Emergency Planning Commission			12,077		12,077
Total Services		146,262	351,397	2,531,177	3,028,836
Service Areas:					
Southend Fire District			194,564		194,564
Shoreline Service Area			157,273		157,273
Mt. Point Service Area			1,290		1,290
Total Service Areas			353,127		353,127
General Fixed Assets (Unidentified)					
Acquired in previous fiscal periods	$ 30,865	$ 786,615	757,639		1,575,119
Total General Fixed Assets	$ 30,865	$ 932,877	$ 1,672,212	$ 2,531,177	$ 5,167,131

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GENERAL LONG-TERM DEBT ACCOUNT GROUP

This account group accounts for all the unmatured general long-term liabilities of the Borough that are payable from revenue sources other than from proprietary and trust funds and for which the Borough is obligated in some manner. The liabilities are secured by the general credit and revenue raising power of the Borough rather than specific assets acquired or specific fund resources.

The following schedules are included in this section:

Comparative Statements of General Long-Term Debt

Statement of Changes in Long-Term Debt

Exhibit H-1

KETCHIKAN GATEWAY BOROUGH

GENERAL LONG-TERM DEBT ACCOUNT GROUP

COMPARATIVE STATEMENTS OF GENERAL LONG-TERM DEBT

June 30, 1994 and 1993

	June 30, 1994	June 30, 1993
Other Debits		
Amount to Provided-Bonds	$ 8,339,000	$ 12,384,000
Total Other Debits	$ 8,339,000	$ 12,384,000
Liabilities		
58 APW Debt	$ 529,000	$ 529,000
74 School Refunding G.O. Bonds	610,000	995,000
83 School Construction G.O. Bonds		2,460,000
89 School Construction G.O. Bonds	7,200,000	8,400,000
Total General Long-term Debt	$ 8,339,000	$ 12,384,000

Exhibit H-2

KETCHIKAN GATEWAY BOROUGH

GENERAL LONG-TERM DEBT ACCOUNT GROUP

STATEMENT OF CHANGES IN LONG-TERM DEBT

For the Fiscal Year Ended June 30, 1994

	Balance June 30, 1993	Additions	Deletions	Balance June 30, 1994
Other Debits				
Amount to be Provided-Bonds	$ 12,384,000		$ 4,045,000	$ 8,339,000
Liabilities				
58 APW Debt	$ 529,000			$ 529,000
74 School Refunding G.O. Bonds	995,000		$ 385,000	610,000
83 School Construction G.O. Bonds	2,460,000		2,460,000	
89 School Construction G.O. Bonds	8,400,000		1,200,000	7,200,000
Total General Long-term Debt	$ 12,384,000		$ 4,045,000	$ 8,339,000

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COMPONENT UNIT

The following pages present condensed financial statements of the Ketchikan Gateway Borough School District. Complete financial statements of the component unit can be obtained directly from their administrative offices.

Administrative Offices:

Ketchikan Gateway Borough School District
Pouch Z
Ketchikan, Alaska 99901

The following schedules are included in this section:

Balance Sheet-Component Unit

Combined Statement of Revenues, Expenditures and Changes in Fund Balances

KETCHIKAN GATEWAY BOROUGH

BALANCE SHEET–COMPONENT UNIT

June 30, 1994

	Ketchikan Gateway School District
Cash & Temporary Investments	$ 239,308
Due from other Governments	503,286
Inventory	25,117
Due From Primary Government	80,813
Prepaid Expenses	208,627
Investment	152,607
Land	117,216
Buildings	43,005,797
Equipment and Machinery	5,596,847
Leasehold Improvements	17,867
Total Assets	$ 49,947,485
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts Payable	$ 720,967
Deferred Compensation	147,604
Accrued Liabilities	203,252
Deferred Revenue	413
TOTAL LIABILITIES	1,072,236
Equity and Other Credits:	
Investment in General Fixed Assets	48,737,727
Fund Balance	
Reserved for Prepaid Insurance	208,627
Reserved for Inventory	25,117
Reserved for Endowments	25,000
Reserved for Encumbrances	56,786
Unreserved	(178,008)
TOTAL FUND BALANCE	137,522
Total Liabilities & Fund Balance	$ 49,947,485

Exhibit I–2

KETCHIKAN GATEWAY BOROUGH

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Component Unit

For the Fiscal Year Ended June 30, 1994

	Ketchikan Gateway School District
REVENUES	
Revenues from Other Govts	$ 16,670,234
EXPENDITURES	
Current	
Education	23,577,840
Excess (Deficit) of Revenues over Expenditures	(6,907,606)
Other Financing Sources (Uses)	
Operating Transfers In From Primary Government	6,347,993
Total Other Financing Sources (Uses)	6,347,993
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(559,613)
Fund Balances, Beginning of Year	697,135
Fund Balances, End of Year	$ 137,522

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ADDITIONAL INFORMATION

Additional information provides fiscal data considered useful in meeting informational needs and providing a better understanding of Municipal finances.

The following schedules are included in this section:

Combined Schedule of Cash and Investment Balances - All Funds

Public Employees Retirement System - Required Supplementary Ten Year Trend Information

Combined Schedule of Bonds Payable

Debt Service Requirement to Maturity

Exhibit J–1

KETCHIKAN GATEWAY BOROUGH

COMBINED SCHEDULE OF CASH AND INVESTMENT BALANCES – ALL FUNDS

June 30, 1994

CASH & INVESTMENTS CLASSIFIED BY FUND		
General Fund		$ 976
Special Revenue Funds:		
Land Trust Fund	4,829,157	
Non Areawide Fund	47,366	
Permanent Fund	263,398	
South End Fire District Fund	160,537	
Shoreline Service Area Fund	63,549	
Special Recreation Fund	48,202	
Recreation Sales Tax Fund	146,065	
Mt. Point Service Area Fund	85,365	
Waterfall Service Area Fund	71,489	
Mud Bight Service Area	36,894	
South Tongass Service Area Fund	7,711	
Forest Park Service Area Fund	285,922	
Gold Nugget Service Area Fund	14,974	
State & Federal Grants Fund	1,400,088	7,460,717
Capital Projects Fund:		
School Bond Construction Fund		8,287,854
Enterprise Funds:		
Airport Fund – Unrestricted	129,933	
Airport Fund – Restricted	59,733	
Transit Fund	106,621	296,287
Agency:		
Cash with Deferred Comp Agent		928,454
Total Cash by Fund		$ 16,974,288
CASH CLASSIFIED BY DEPOSITORY		
Change Funds & Petty Cash	$ 2,350	
Coopers & Lybrand Trust Account	1,357,363	
First Bank of Ketchikan	3,905	
National Bank of Alaska	231,556	
Funds with Fiscal Agents	928,454	
Total Cash		2,523,628
Investments		
First Bank of Ketchikan	1,500,000	
U.S. Trust	12,950,660	
Total Investments		$ 14,450,660
Total Cash and Investments		16,974,288

Exhibit J–2

KETCHIKAN GATEWAY BOROUGH
Public Employees Retirement System
Required Supplementary Ten Year Trend Information

The required supplementary information for PERS gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. The pension benefit obligation has not been determined by the actuary for years prior to June 30, 1987; therefore, historical trend information beyond the five year period shown below is not available (in thousands).

Fiscal Year	Net Assets (at market) Available for Benefits	Pension Benefit Obligation	Percentage Funded	Unfunded (Overfunded) Pension Benefit Obligation	Annual Covered Payroll	Unfunded (Overfunded) Pension Benefit Obligation as a Percentage Covered Payroll
1987	2,921	2,925	99.9%	4	est. 1,200	0.3%
1988	3,489	3,508	99.5%	19	1,536	1.2%
1989	3,877	4,016	96.5%	139	1,645	8.4%
1990	4,666	4,090	114.1%	576	1,841	31.3%
1991	4,940	5,280	93.6%	340	2,101	16.2%
1992	5,974	6,200	96.4%	226	2,366	9.6%
1993	7,218	7,294	99.0%	76	2,210	3.4%

UNAUDITED

Exhibit J-3

KETCHIKAN GATEWAY BOROUGH

COMBINED SCHEDULE OF BONDS PAYABLE

Year Ended June 30, 1994

	Interest Rate	Payment Dates	Issue Date	Final Maturity Date	Authorized	Issued	Retired	Outstanding
GENERAL OBLIGATION BONDS								
1958 APW Bonds	2.00				$ 1,336,000	$ 1,336,000	$ 807,000	$ 529,000
1972 Airport Bonds	5.50 – 6.50	5/1 & 11/1	05/01/72	05/01/1997	2,200,000	2,200,000	1,720,000	480,000
1974 School Refunding	5.00 – 8.00	3/1 & 9/1	03/01/74	09/01/1995	4,835,000	4,835,000	4,225,000	610,000
1989 Series "A" School Bonds	6.20 – 6.70	4/1 & 10/1	11/14/89	10/01/2000	9,600,000	9,600,000	2,400,000	7,200,000
					$ 17,971,000	$ 17,971,000	$ 9,152,000	$ 8,819,000
REVENUE BONDS								
1980 Airport Improvement Bonds	8.00	5/1 & 11/1	05/01/80	05/01/2000	$ 410,000	$ 410,000	$ 185,000	$ 225,000

Exhibit J–4

KETCHIKAN GATEWAY BOROUGH

DEBT SERVICE REQUIREMENTS TO MATURITY

June 30, 1994

Fiscal	G.O. Bonds–Education			G. O. Bonds–Airport			Revenue Bonds–Airport		
Year	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
1995	1,610,000	491,588	2,101,588	150,000	27,300	177,300	30,000	18,000	48,000
1996	1,400,000	399,200	1,799,200	160,000	18,150 ✓	178,150	30,000	15,600 ✓	45,600
1997	1,200,000	317,400	1,517,400	170,000	9,350	179,350	35,000	13,200	48,200
1998	1,200,000	239,400	1,439,400	0	0	0	40,000	10,400	50,400
1999	1,200,000	160,200	1,360,200	0	0	0	40,000	7,200	47,200
2000	1,200,000	80,400	1,280,400	0	0	0	50,000	4,000	54,000
	$ 7,810,000	$ 1,688,188	$ 9,498,188	$ 480,000	$ 54,800	$ 534,800	$ 225,000	$ 68,400	$ 293,400

Field - 32%
Term - 64%
Ferry - 4%

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STATISTICAL SECTION - (UNAUDITED)

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

The following schedules are included in this section:

General Governmental Expenditures by Function
General Governmental Revenues by Source
Property Tax Levies and Collections
Assessed and Estimated Actual Value of Taxable Property
Property Tax Rates - Direct and Overlapping Governments
Principal Taxpayers
Computation of Legal Debt Margin and Computation of Direct
    and Overlapping Debt
Ratio of Net General Obligation Bond Debt to Assessed Value
    and Net General Obligation Debt Per Capita
Ratio of Annual Debt Service Expenditures for General
    Bonded Debt to Total General Expenditures
Demographic Statistics
Miscellaneous Statistics

UNAUDITED SECTION

Table 1

KETCHIKAN GATEWAY BOROUGH
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	General Government	Public Services	Education Operating	Education Capital	Debt Service Education	Total
1985	2,804	460	14,406	7,413	3,178	28,261
1986	2,730	944	14,474	10,884	3,064	32,096
1987	3,021	978	14,684	2,029	3,085	23,797
1988	2,238	1,438	15,896	32	3,074	22,678
1989	2,079	1,819	16,689	10	3,068	23,665
1990	2,230	2,046	16,752	779	3,244	21,807
1991	1,962	3,145	17,535	1,123	5,671	29,436
1992	1,974	4,132	17,761	4,060	5,490	33,417
1993	1,964	4,998	595	13,191	4,923	25,671
1994	1,833	5,564	588	15,705	4,859	28,549

(1) General government expenditures and revenue figures include data for all funds except proprietary and fiduciary fund types.

UNAUDITED

Table 2

KETCHIKAN GATEWAY BOROUGH
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	Taxes	Inter – governmental Revenues	Charges for Services	Other Revenues	Total
1985	4,094	15,883	543	2,935	23,455
1986	3,889	16,878	583	1,872	23,222
1987	4,260	15,436	580	1,051	21,327
1988	6,052	22,729	771	850	30,402
1989	6,843	15,974	776	1,083	24,676
1990	7,312	16,365	954	1,026	25,657
1991	7,572	18,988	539	2,354	29,453
1992	8,235	19,461	348	2,150	30,194
1993	9,991	13,680	296	2,255	26,222
1994	10,961	22,505	378	1,319	35,163

(1) General government expenditures and revenue figures include data for all funds except proprietary and fiduciary fund types.

UNAUDITED

Table 2A

KETCHIKAN GATEWAY BOROUGH
GENERAL GOVERNMENTAL REVENUES BY SOURCE
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	Property Tax	Sales Tax	Automobile Tax	Boat Tax	Total
1985	2,186	1,908	(2)	(2)	4,094
1986	1,923	1,966	(2)	(2)	3,889
1987	2,305	1,955	(2)	(2)	4,260
1988	3,979	2,073	(2)	(2)	6,052
1989	4,520	2,323	(2)	(2)	6,843
1990	4,037	2,614	102	41	6,794
1991	4,278	2,795	104	29	7,206
1992	4,846	2,808	143	33	7,830
1993	6,273	2,965	114	35	9,387
1994	6,443	3,021	135	34	9,633

(1) General government expenditures and revenue figures include data for all funds except proprietary and fiduciary fund types.
(2) Information not available

UNAUDITED

Table 3

KETCHIKAN GATEWAY BOROUGH
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(amounts expressed in dollars)

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
1985	1,984,597	1,969,314	99.2%	19,250	1,988,564	100.2%	15,283	0.8%
1986	1,690,886	1,681,476	99.4%	6,786	1,688,262	99.8%	15,280	0.9%
1987	1,958,321	1,947,614	99.5%	7,236	1,954,850	99.8%	7,236	0.4%
1988	3,866,473	3,717,544	96.1%	89,302	3,806,846	98.5%	195,702	5.1%
1989	4,491,458	4,420,026	98.4%	6,212	4,426,238	98.5%	212,692	4.7%
1990	4,540,936	4,426,772	97.5%	47,459	4,474,231	98.5%	315,991	7.0%
1991	4,413,036	4,304,335	97.5%	127,388	4,431,723	100.4%	297,304	6.7%
1992	5,105,663	4,696,759	92.0%	148,936	4,845,695	94.9%	557,272	10.9%
1993	6,573,889	6,447,090	98.1%	113,928	6,561,018	99.8%	557,272	8.5%
1994	6,832,029	6,406,661	93.8%	39,452	6,442,842	94.3%	21,715	0.3%

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Table 4

KETCHIKAN GATEWAY BOROUGH
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)
Last Ten Fiscal Years
(amounts expressed in thousands)

	Real Property		Personal Property		Exemptions	Total		
Fiscal Year	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Real Property	Assessed Value	Estimated Actual Value	Ratio of Total Assessed Value To Total Estimated Actual Value
1985	$607,331,680	$607,331,680	$30,826,150	$30,826,150	N/A	638,157,830	638,157,830	100%
1986	623,963,483	623,963,483	37,024,850	37,024,850	N/A	660,988,333	660,988,333	100%
1987	619,258,100	619,258,100	33,515,650	33,515,650	N/A	652,773,750	652,773,750	100%
1988	612,622,700	612,622,700	32,068,900	32,068,900	N/A	644,691,600	644,691,600	100%
1989	634,195,750	634,195,750	37,974,350	37,974,350	N/A	672,170,100	672,170,100	100%
1990	666,993,200	666,993,200	43,808,500	43,808,500	14,881,000	725,682,700	725,682,700	100%
1991	681,735,000	681,735,000	53,771,000	53,771,000	38,838,400	774,344,400	774,344,400	100%
1992	718,163,850	718,163,850	55,421,400	55,421,400	35,800,450	809,385,700	809,385,700	100%
1993	738,564,850	738,564,850	53,470,000	53,470,000	44,979,100	837,013,950	837,013,950	100%
1994	725,831,925	725,831,925	50,919,750	50,919,750	43,142,975	819,894,650	819,894,650	100%

(1) Total assessed value based on 100% of estimated actual value.

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Table 5

KETCHIKAN GATEWAY BOROUGH
PROPERTY TAX RATES
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	Property Tax Millage Rates: City of Ketchikan	Shoreline Service Area	South End Fire Service Area	Mud Bight Service Area	Forest Park Service Area	Non Areawide	Ketchikan Gateway Borough	Total
1985	8.90	1.00	1.00				3.10	14.00
1986	8.90	2.00	1.00	10.00			2.55	24.45
1987	9.50	0.50	1.00	15.00		0.58	3.00	29.58
1988	9.10	0.50	1.00	7.50		0.60	5.70	24.40
1989	8.20	0.50	1.00	5.00		0.85	6.00	21.55
1990	8.80	0.50	1.00	5.00		0.85	6.00	22.15
1991	8.70	0.50	1.00	10.00		1.00	6.00	27.20
1992	8.10	1.00	1.00	10.00	5.00	0.60	6.60	32.30
1993	7.50	1.00	1.00	10.00	5.00	0.65	8.30	33.45
1994	7.50	1.00	1.00	0.00	5.00	0.65	8.30	23.45

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Table 6

KETCHIKAN GATEWAY BOROUGH
PRINCIPAL TAXPAYERS
June 30, 1994
(amounts expressed in thousands)

Taxpayer	Business Type	Valuation	Percentage of Total Assessed Valuation
Ketchikan Pulp	Forest Products	$ 80,388,700	9.80%
Cape Fox Corporation (Includes Cape Fox Hotel Corp.)	Forest Products	9,624,050	1.17%
The Hames Group	Retail Stores	8,943,500	1.09%
Port West, Inc.	Retail Stores	8,568,200	1.05%
E. C. Phillips & Son, Inc.	Fish Processing	7,372,600	0.90%
Union Oil Company	Petroleum Products	5,535,900	0.68%
Vanderweele, James & Ken	Commercial Property	4,629,650	0.56%
Ward's Cove Packing Co., Inc.	Seafood Processing	4,357,500	0.53%
Main Street Associates, Ltd.	Retail/Commercial	4,311,150	0.53%
TF Acquisition, Inc.	Seafood Processing	4,280,050	0.52%
Haines Terminal & Highway (Chevron, U.S.A.)	Petroleum Products	4,255,050	0.52%
Total Principal Taxpayers		$ 142,266,350	17.35%
Total Assessed Valuation		$ 819,894,650	100.00%

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Table 7

KETCHIKAN GATEWAY BOROUGH

Computation of Legal Debt Margin
June 30, 1994

No Debt Limit is Mandated by Law

Computation of Direct and Overlapping Debt

Total Direct Debt		
Outstanding G.O. Bonds – Ketchikan Gateway Borough		$ 8,339,000
Less Self Supporting Debt:		
1972 Airport Improvement Bonds		480,000
Total Direct Debt		8,819,000
City of Ketchikan Direct Debt		
Outstanding G.O. Bonds	$ 6,049,000	
Less Self Supporting Debt:		
Bonds Paid from Ketchikan Port Fund Revenues	(115,000)	
Bonds Paid from Sales Tax Hospital Fund Revenues	(1,250,000)	
Bonds Paid from Wastewater Fund Revenues	(400,000)	
Bonds Paid from Refunding Bonds	(2,221,495)	(3,986,495)
Total City of Ketchikan Direct Debt		2,062,505
Total Direct and Overlapping Debt		$ 10,881,505

Source: Ketchikan Gateway Borough and City of Ketchikan Financial Records

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Table 8

KETCHIKAN GATEWAY BOROUGH
RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE AND NET GENERAL OBLIGATION DEBT PER CAPITA
Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Less Debt Service Fund (4)	Debt Payable from Enterprise Revenues (5)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1985	14,314	638,157,830	19,708,000	0	1,915,000	17,793,000	2.79%	1,243
1986	14,314	660,988,333	20,094,000	0	1,785,000	18,309,000	2.77%	1,279
1987	14,314	652,773,750	18,404,000	0	1,650,000	16,754,000	2.57%	1,170
1988	12,829	644,691,600	16,559,000	0	1,500,000	15,059,000	2.34%	1,174
1989	12,829	672,170,100	14,549,000	0	1,340,000	13,209,000	1.97%	1,030
1990	12,829	710,801,700	24,364,000	0	1,175,000	23,189,000	3.26%	1,808
1991	13,818	735,506,000	20,794,000	0	1,000,000	19,794,000	2.69%	1,432
1992	13,828	773,585,250	16,194,000	0	815,000	15,379,000	1.99%	1,112
1993	13,828	792,034,850	12,384,000	0	620,000	11,764,000	1.49%	851
1994	13,828	819,894,650	8,819,000	0	480,000	8,339,000	1.02%	603

(1) U.S. Government Census
(2) From Table 4.
(3) Amounts do not include revenue bonds.
(4) Amount available for repayment of general obligation bonds.
(5) These amounts include the general obligation bonds that are being repaid from the Airport Enterprise Fund.

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Table 9

KETCHIKAN GATEWAY BOROUGH
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
Ten Year Period Ending June 30, 1994

Fiscal Year	Debt Service Payments			Total General Expenditures	Ratio of Debt Service to General Expenditures
	Principal	Interest	Total		
1984	$ 299,000	$1,918,244	$2,217,244	$21,756,442	10.2%
1985	1,400,000	2,017,358	3,417,358	28,260,928	12.1%
1986	1,399,000	1,665,517	3,064,517	29,031,125	10.6%
1987	1,555,000	1,529,952	3,084,952	20,712,172	14.9%
1988	1,695,000	1,379,125	3,074,125	20,242,597	15.2%
1989	1,910,471	1,218,468	3,128,939	23,664,786	13.2%
1990	2,020,000	1,046,112	3,066,112	24,635,784	12.4%
1991	3,395,000	1,933,012	5,328,012	33,514,929	15.9%
1992	3,600,000	1,388,482	4,988,482	32,637,470	15.3%
1993	3,810,000	1,112,455	4,922,455	25,670,551	19.2%
1994	4,045,000	814,534	4,859,534	28,549,747	17.0%

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Table 10

KETCHIKAN GATEWAY BOROUGH
DEMOGRAPHIC STATISTICS
Ten Year Period Ending June 30, 1994

Fiscal Year	(1) Borough Population	(1) Alaska Per Capita Income	(3) Median Age	(2) Borough School Enrollment	(1) Alaska Unemployment Rate	(1) Ketchikan Unemployment Rate
1984	14,314	17,995	(4)	2,512	12.6%	(4)
1985	14,314	17,970	(4)	2,492	11.3%	(4)
1986	14,314	18,140	(4)	2,535	10.0%	(4)
1987	14,314	17,744	(4)	2,605	10.9%	(4)
1988	12,829	17,886	(4)	2,594	9.7%	(4)
1989	12,829	21,173	32	2,480	10.8%	(4)
1990	12,829	21,668	32	2,757	6.7%	7.5%
1991	13,818	21,688	32	2,823	7.0%	7.9%
1992	13,828	21,067	32	2,664	8.5%	9.9%
1993	13,828	22,419	32	2,690	6.1%	5.9%
1994	14,923	(4)	32	2,735	7.5%	7.5%

Sources:
(1) Alaska State Department of Labor
(2) Ketchikan Gateway Borough School District (Average Daily Attendance)
(3) 1994 Overall Economic Development Program
(4) Information not available

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Table 11

KETCHIKAN GATEWAY BOROUGH
MISCELLANEOUS STATISTICS
FOR THE YEAR ENDED JUNE 30, 1994

Date of Incorporation	9/13/1963
Type of Government	Second Class Borough
Form of Government	Assembly/Manager
Area – Square Miles	1,242
Education (through Grade 12 only)	
Number of Attendance Centers	7
Number of Classrooms	136
Number of Teachers	180FTE
Number of Students (Average Daily Attendance)	2,735
Elections	
Number of Registered Voters	8,297
Number of Votes in last regular election	3,672
Airport Operations	
Landings & Takeoffs per year – all Aircraft	36,352
Air Carrier Passengers per year	176,792
Ferry Passengers	370,798
Ferry Vehicles	82,959
Planning	
Number of zoning permits issued	174
Permanent Employees as of June 30, 1994	82

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