COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF THE
Ketchikan Gateway Borough, Alaska

For the year ended June 30, 1989

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

KETCHIKAN GATEWAY BOROUGH, ALASKA

For the Year Ended June 30, 1989

Prepared by

KETCHIKAN GATEWAY BOROUGH

ACCOUNTING DEPARTMENT

KETCHIKAN GATEWAY BOROUGH
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDED JUNE 30, 1989

TABLE OF CONTENTS

KETCHIKAN GATEWAY BOROUGH
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDED JUNE 30, 1989

TABLE OF CONTENTS

TABLE OF CONTENTS

KETCHIKAN GATEWAY BOROUGH
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDED JUNE 30, 1989

TABLE OF CONTENTS

KETCHIKAN GATEWAY BOROUGH
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDED JUNE 30, 1989

TABLE OF CONTENTS

Page Number

END OF REPORT

INTRODUCTORY SECTION

KETCHIKAN GATEWAY BOROUGH
Accounting Department
344 Front Street
Ketchikan, Alaska 99901
(907) 228-6630

September 13, 1990

MEMORANDUM

To: Mayor Gregory and Assembly Members

Through: Dave Crow, Borough Manager

Alvin E Hall

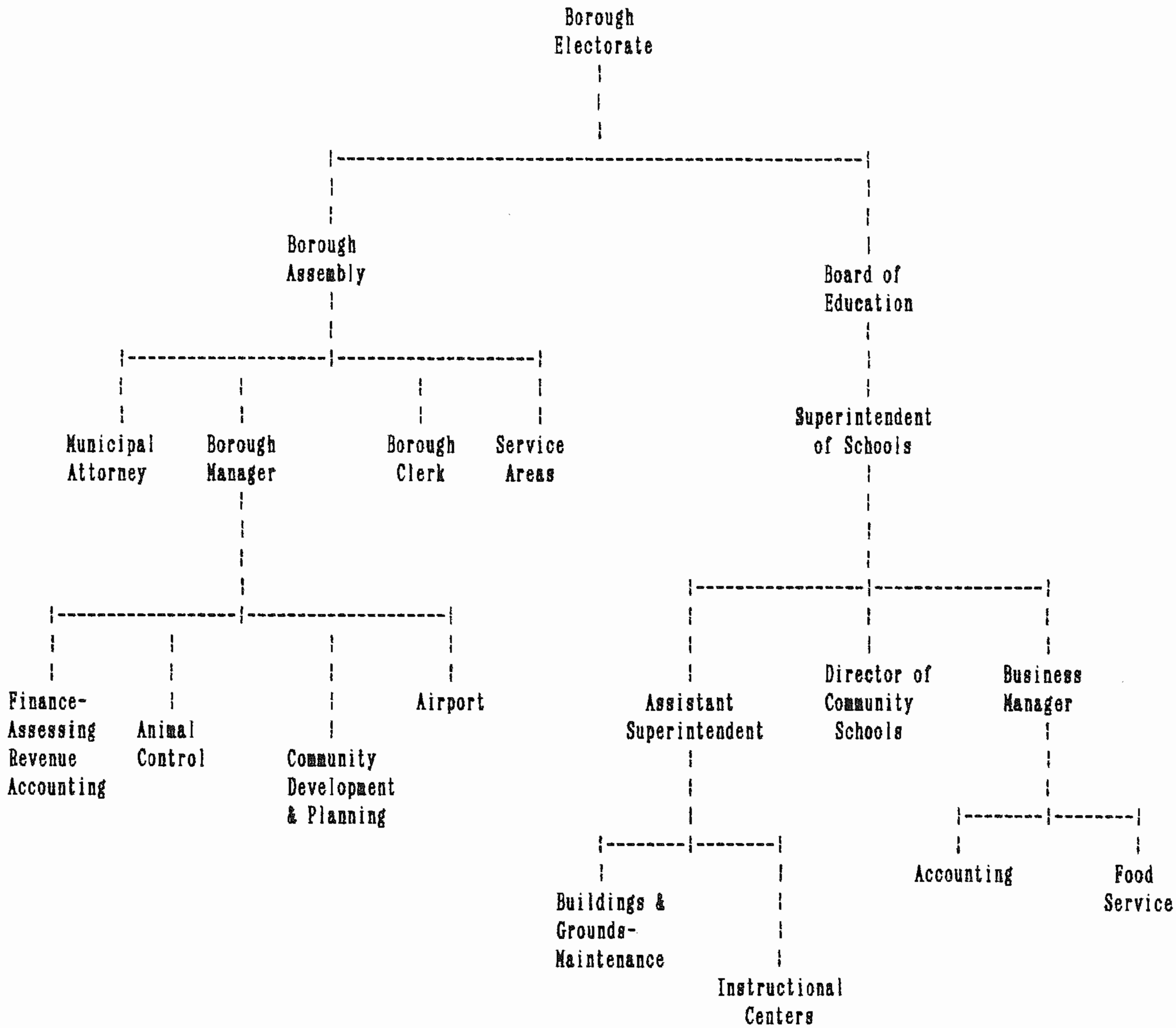
From: Alvin Hall, Director of Accounting & Risk Manager

Subject: Audited Financial Report for Fiscal Year 1989

Respectfully submitted herewith is the Comprehensive Annual Financial Report (CAFR) of the Ketchikan Gateway Borough for the year ended June 30, 1989. This report is submitted in accordance with the policy of the Borough Assembly that an audited financial report be submitted to the Assembly following the close of each fiscal year. There was a considerable delay in issuing this year's report.

I believe the following reports are accurate in all material aspects and present fairly the financial position and the results of operations of the Ketchikan Gateway Borough. All disclosures considered necessary have been made to enable the reader to understand the Borough's financial affairs. I also believe that the internal controls are adequate to safeguard the Borough assets and to ensure the reliability of the financial records used to prepare the financial statements.

KETCHIKAN GATEWAY BOROUGH
ORGANIZATIONAL CHART
JUNE 30, 1989



KETCHIKAN GATEWAY BOROUGH
PRINCIPAL BOROUGH OFFICIALS
JUNE 30,1989

MAYOR & ASSEMBLY

Name:	Title:
Ralph C. Gregory, Jr.	Mayor
Michael R. Cruise	Assemblymember/Vice Mayor
Ralph M. Bartholomew	Assemblymember
Don Chenhall	Assemblymember
John Cote	Assemblymember
Kaye D. King	Assemblymember
Marie Westfall	Assemblymember
Cheryle Wolf-Tallman	Assemblymember

BOROUGH STAFF

Name:	Title:
David G. Crow	Borough Manager
Russell W. Walker	Municipal Attorney
Georgianna C. Booth	Borough Clerk
Marly F. Gregorioff	Director of Accounting
Sandra L. Isley	Director of Revenue
Dennis Finnegan	Director of Assessing
Bonnie D. Anderson	Animal Control Officer
William D. Jones	Director of Planning
Ken Linder	Airport Manager

FINANCIAL SECTION

Coopers
&Lybrand

certified public accountants

Report of Independent Accountants

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

We have audited the accompanying general purpose financial statements of Ketchikan Gateway Borough as of June 30, 1989, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of Ketchikan Gateway Borough's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of Ketchikan Gateway Borough School District, which represent 15.8% and 65.4%, respectively, of the assets and revenues of the Special Revenue Fund, 5.3% and 5.1%, respectively of the assets and revenues of the capital project fund and 88.1% of the assets of the Trust and Agency Funds. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Ketchikan Gateway Borough School District, is based solely on the report of the other auditors.

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 and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based upon our audit and the report of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Ketchikan Gateway Borough as of June 30, 1989, and the results of its operations and changes in financial position of its proprietary and similar trust 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 1989 combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of 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. As discussed in the first paragraph, our opinion, insofar as it relates to the amounts included for the Ketchikan Gateway School District, is based solely on the report of the other auditors.

The other data included in this report, designated as the "Statistical Section" in the table of contents, has not been audited by us and, accordingly, we express no opinion on such data.

Coopers & Lybrand

Anchorage, Alaska
February 16, 1990

KETCHIKAN GATEWAY BOROUGH
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDED JUNE 30, 1989

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

Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types and Expendable Trust Funds

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

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

Combined Statement of Changes in Financial Position - All Proprietary Fund Types and Similar Trust Funds

Notes to the Financial Statements

KETCHIKAN GATEWAY BOROUGH
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1989

	Governmental Fund Types				Proprietary Fund Types
Assets	General	Special Revenue	Debt Service	Capital Projects	Enterprise
Cash and Temporary Investments	$2,004,762	$6,897,784		$1,734,389	$163,621
Funds with Fiscal Agents					
Property Taxes Receivable	144,200	9,109			
Due From Other Governments	227,886				
Accounts Receivable	72,281	533,714		20,401	197,954
Due From Other Funds		1,033,159	$15,182	98,214	65,489
Accrued Interest Receivable	162,045				
Prepaid Insurance	60,086				
Land Sale Contracts Receivable-Long-Term		731,814			
Inventory		17,422			
Restricted Assets-					
Bond Redemption Fund Cash and Investments					59,733
Plant in Service:					
Field					2,759,203
Terminal					2,598,177
Ferry					1,519,118
Buses					63,941
Construction in Progress					13,252
Accumulated Depreciation					(2,813,847)
Amount to be Provided for Payment of Long-Term Debt					
Land					
Buildings					
Equipment					
Total Assets	$2,671,260	$9,223,002	$15,182	$1,853,004	$4,626,641

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1989

	Fiduciary Fund Types	Account Groups		
Assets	Trust and Agency Funds	General Fixed Assets	General Long-Term Debt	Total (Memorandum Only)
Cash and Temporary Investments	$180,053			$10,980,609
Funds with Fiscal Agents	958,305			958,305
Property Taxes Receivable				153,309
Due From Other Governments				227,886
Accounts Receivable				824,350
Due From Other Funds	3,498			1,215,542
Accrued Interest Receivable	100			162,145
Prepaid Insurance				60,086
Land Sale Contracts Receivable-Long-Term				731,814
Inventory				17,422
Restricted Assets-				
Bond Redemption Fund Cash and Investments				59,733
Plant in Service:				
Field				2,759,203
Terminal				2,598,177
Ferry				1,519,118
Buses				63,941
Construction in Progress				13,252
Accumulated Depreciation				(2,813,847)
Amount to be Provided for Payment of Long-Term Debt			$13,543,189	13,543,189
Land		$148,081		148,081
Buildings		28,894,027		28,894,027
Equipment		4,209,743		4,209,743
Total Assets	$1,141,956	$33,251,851	$13,543,189	$66,326,085

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1989

	Governmental Fund Types				Proprietary Fund Types
Liabilities and Fund Equity	General	Special Revenue	Debt Service	Capital Projects	Enterprise
Accounts Payable	$228,614	$601,219		$1,167,906	$107,841
Due to Other Governments	216,895				
Due to Other Funds	723,922	467,158			
Accrued Interest Payable					18,764
Accrued Vacation and Sick Leave	141,818	134,820			135,946
Deferred Revenues		910,696		96,619	
Deferred Compensation					
General Obligation Bonds Payable					1,340,000
Retirement Incentive Program Liabilities					
Capital Leases Payable					
Revenue Bonds Payable					340,000
Total Liabilities	1,311,249	2,113,893	0	1,264,525	1,942,551
Fund Equity:					
Contributed Capital					2,205,457
Investment in General Fixed Assets					
Retained Earnings:					
Reserved for Bond Retirement					59,733
Unreserved					418,900
Fund Balances:					
Reserved for Endowments					
Reserved for Prepaid Insurance	60,086				
Reserved for Inventory		17,422			
Reserved for Encumbrances		268,060			
Unreserved	1,299,925	6,823,627	$15,182	588,479	
Total Fund Equity	1,360,011	7,109,109	15,182	588,479	2,684,090
Total Liabilities and Fund Equity	$2,671,260	$9,223,002	$15,182	$1,853,004	$4,626,641

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1989

	Fiduciary Fund Types	Account Groups		
Liabilities and Fund Equity	Trust and Agency Funds	General Fixed Assets	General Long-Term Debt	Total (Memorandum Only)
Accounts Payable	$142,741			$2,248,321
Due to Other Governments				216,895
Due to Other Funds	24,462			1,215,542
Accrued Interest Payable				18,764
Accrued Vacation and Sick Leave				412,584
Deferred Revenues				1,007,315
Deferred Compensation	958,305			958,305
General Obligation Bonds Payable			$13,209,000	14,549,000
Retirement Incentive Program Liabilities			177,000	177,000
Capital Leases Payable			157,189	157,189
Revenue Bonds Payable				340,000
Total Liabilities	1,125,508	0	13,543,189	21,300,915
Fund Equity:				
Contributed Capital				2,205,457
Investment in General Fixed Assets		$33,251,851		33,251,851
Retained Earnings:				
Reserved for Bond Retirement				59,733
Unreserved				418,900
Fund Balances:				
Reserved for Endowments	10,000			10,000
Reserved for Prepaid Insurance				60,086
Reserved for Inventory				17,422
Reserved for Encumbrances				268,060
Unreserved	6,448			8,733,661
Total Fund Equity	16,448	33,251,851	0	45,025,170
Total Liabilities and Fund Equity	$1,141,956	$33,251,851	$13,543,189	$66,326,085

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
YEAR ENDED JUNE 30, 1989

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
REVENUES:				
Taxes	$6,511,952	$331,130		
Payments in Lieu of Taxes	14,039			
Licenses and Permits	3,770			
Intergovernmental Revenues	856,579	14,941,672		$315,633
Charges for Services	274,378	501,906		
Other Revenues	424,521	664,113		6,750
Total Revenues	8,085,239	16,438,821	0	322,383
EXPENDITURES:				
Administration	1,431,274			
Animal Control	170,730			
Public Services	374,564	1,444,141		
Non-Departmental	143,481			
Education	433,012	16,255,637		
Capital Outlay				
General	12,670	45,969		214,517
Education				9,852
Debt Service				
Principal			$1,910,471	
Interest			1,230,208	
Total Expenditures	2,565,731	17,745,747	3,140,679	224,369
Excess (Deficiency) of Revenues over Expenditures	5,519,508	(1,306,926)	(3,140,679)	98,014
Other Financing Sources (Uses):				
Operating Transfers In	123,034	5,600,612	3,155,861	
Operating Transfers Out	(5,541,157)	(3,476,563)		
Contributions		311,137		
Net Other Financing Sources(Uses)	(5,418,123)	2,435,186	3,155,861	0
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	101,385	1,128,260	15,182	98,014
Fund Balances, July 1, 1988	1,258,626	5,980,849	0	490,465
Fund Balances, June 30, 1989	$1,360,011	$7,109,109	$15,182	$588,479

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
YEAR ENDED JUNE 30, 1989

	Fiduciary Fund Type	
	Expendable Trust	Total (Memorandum Only)
REVENUES:		
Taxes		$6,843,082
Payments in Lieu of Taxes		14,039
Licenses and Permits		3,770
Intergovernmental Revenues		16,113,884
Charges for Services		776,284
Other Revenues	$1,875	1,097,259
Total Revenues	1,875	24,848,318
EXPENDITURES:		
Administration		1,431,274
Animal Control		170,730
Public Services		1,818,705
Non-Departmental		143,481
Education		16,688,649
Capital Outlay		
General		273,156
Education	1,250	11,102
Debt Service		
Principal		1,910,471
Interest		1,230,208
Total Expenditures	1,250	23,677,776
Excess of Revenues over Expenditures	625	1,170,542
Other Financing Sources (Uses):		
Operating Transfers In		8,879,507
Operating Transfers Out		(9,017,720)
Contributions		311,137
Net Other Financing Sources(Uses)	0	172,924
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	625	1,343,466
Fund Balances, July 1, 1988	4,369	7,734,309
Fund Balances, June 30, 1989	$4,994	$9,077,775

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL AND SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 1989

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes	$6,264,766	$6,511,952	$247,186
Payments in Lieu of Taxes	14,000	14,039	39
Licenses and Permits	6,000	3,770	(2,230)
Revenue from Other Governments	772,132	856,579	84,447
Charges for Services	277,893	274,378	(3,515)
Other Revenues	325,000	424,521	99,521
Total Revenues	7,659,791	8,085,239	425,448
EXPENDITURES:			
Administration	1,535,647	1,431,274	104,373
Animal Control	155,429	170,730	(15,301)
General Services	448,894	374,564	74,330
Non-Departmental	131,500	143,481	(11,981)
Education	463,529	433,012	30,517
Capital Outlay	50,000	12,670	37,330
Total Expenditures	2,784,999	2,565,731	219,268
Excess of Revenues Over Expenditures	4,874,792	5,519,508	644,716
Other Financing Sources (Uses):			
Operating Transfers In	122,515	123,034	519
Operating Transfers Out	(5,541,157)	(5,541,157)	0
Contributions			
Net Other Financing Sources (Uses)	(5,418,642)	(5,418,123)	519
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(543,850)	101,385	645,235
Fund Balances, July 1, 1988	692,743	1,258,626	565,883
Fund Balances, June 30, 1989	$148,893	$1,360,011	$1,211,118

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL AND SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 1989

	Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes	$324,525	$331,130	$6,605
Payments in Lieu of Taxes			0
Licenses and Permits			0
Revenue from Other Governments	14,018,189	14,941,672	923,483
Charges for Services	299,463	501,906	202,443
Other Revenues	566,025	664,113	98,088
Total Revenues	15,208,202	16,438,821	1,230,619
EXPENDITURES:			
Administration			0
Animal Control			0
General Services	556,706	1,444,141	(887,435)
Non-Departmental			0
Education	16,322,905	16,255,637	67,268
Capital Outlay	42,144	45,969	(3,825)
Total Expenditures	16,921,755	17,745,747	(823,992)
Excess (Deficiency) of Revenues over Expenditures	(1,713,553)	(1,306,926)	406,627
Other Financing Sources (Uses):			
Operating Transfers In	5,596,139	5,600,612	4,473
Operating Transfers Out	(3,424,005)	(3,476,563)	(52,558)
Contributions		311,137	311,137
Net Other Financing Sources (Uses)	2,172,134	2,435,186	263,052
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	458,581	1,128,260	669,679
Fund Balances, July 1, 1988	4,087,417	5,980,849	1,893,432
Fund Balances, June 30, 1989	$4,545,998	$7,109,109	$2,563,111

The Accompanying Notes are an Integral Part of the Finanical Statements.

KETCHIKAN GATEWAY BOROUGH
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL AND SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 1989

	Total (Memorandum Only)		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes	$6,589,291	$6,843,082	$253,791
Payments in Lieu of Taxes	14,000	14,039	39
Licenses and Permits	6,000	3,770	(2,230)
Revenue from Other Governments	14,650,162	15,658,092	1,007,930
Charges for Services	577,356	776,284	198,928
Other Revenues	861,025	1,058,634	197,609
Total Revenues	22,697,834	24,353,901	1,656,067
EXPENDITURES:			
Administration	1,535,647	1,431,274	104,373
Animal Control	155,429	170,730	(15,301)
General Services	1,005,600	1,818,705	(813,105)
Non-Departmental	131,500	143,481	(11,981)
Education	16,786,434	16,688,649	97,785
Capital Outlay	92,144	58,639	33,505
Total Expenditures	19,706,754	20,311,478	(604,724)
Excess of Revenues over Expenditures	2,991,080	4,042,423	1,051,343
Other Financing Sources (Uses):			
Operating Transfers In	5,888,813	5,893,805	4,992
Operating Transfers Out	(8,965,162)	(9,017,720)	(52,558)
Contributions	0	311,137	311,137
Net Other Financing Sources (Uses)	(3,076,349)	(2,812,778)	263,571
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(85,269)	1,229,645	1,314,914
Fund Balances, July 1, 1988	4,780,160	7,239,475	2,459,315
Fund Balances, June 30, 1989	$4,694,891	$8,469,120	$3,774,229

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCE
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
YEAR ENDED JUNE 30, 1989

		Proprietary Fund Types	Fiduciary Fund Types	
		Enterprise Funds	Nonexpendable Trusts	Total (Memorandum Only)
OPERATING REVENUES:				
Ferry Fares		$658,398		$658,398
Landing Fees		721,464		721,464
Rentals		286,691		286,691
Fuel Revenues		35,742		35,742
Security Services		31,507		31,507
Other Revenues		173,998		173,998
Total Revenues		1,907,800	0	1,907,800
OPERATING EXPENSES:				
Benefits Payments			$526,717	526,717
Transit:				
Current Operations	61,291			
Depreciation	8,844	70,135		70,135
Field:				
Current Operations	591,986			
Depreciation	101,989	693,975		693,975
Terminal:				
Current Operations	338,480			
Depreciation	73,959	412,439		412,439
Ferry:				
Current Operations	674,020			
Depreciation	68,213	742,233		742,233
Total Expenses		1,918,782	526,717	2,445,499
Operating Income (Loss)		(10,982)	(526,717)	(537,699)
Non Operating Revenues (Expenses):				
UMTA Grant-Ferry		35,209		35,209
State Revenue Sharing		80,081		80,081
Interest Earnings		14,899	850	15,749
Interest Expense		(114,579)		(114,579)
Total Non Operating Revenue (Expenses)		15,610	850	16,460
Income (Loss) Before Operating Transfers		4,628	(525,867)	(521,239)
Operating Transfers In		138,174		138,174
Net Income (Loss)		142,802	(525,867)	(383,065)
Depreciation of Fixed Assets Acquired by Grant		119,448		119,448
Net Increase (Decrease) in Retained Earnings		262,250	(525,867)	(263,617)
Retained Earnings/Fund Balances, July 1, 1988		216,383	537,321	753,704
Retained Earnings/Fund Balances, June 30, 1989		$478,633	$11,454	$490,087

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
YEAR ENDED JUNE 30, 1989

	Proprietary Fund Types	Fiduciary Fund Types	
	Enterprise Funds	Nonexpendable Trusts	Total (Memorandum Only)
SOURCES OF WORKING CAPITAL:			
Operations:			
Net Income (Loss)	$142,802	($525,867)	($383,065)
Item Not Requiring Working Capital:			
Depreciation	253,005		253,005
Working Capital Provided (Used) by Operations	395,807	(525,867)	(130,060)
Contribution of Fixed Assets	36,844		36,844
Federal Construction Grant	13,253		13,253
Total Sources of Working Capital	445,904	(525,867)	(79,963)
USES OF WORKING CAPITAL:			
Acquisition of Fixed Assets	120,462		120,462
Retirement of General Obligation Bonds	180,000		180,000
Additions to Construction in Progress	13,252		13,252
Total Uses of Working Capital	313,714		313,714
Net Increase (Decrease) in Working Capital	$132,190	($525,867)	($393,677)
Elements of Net Increase (Decrease) in Working Capital:			
Cash and Temporary Investments	$192,021	($457,811)	($265,790)
Due To/From Other Funds	78,741	(68,056)	10,685
Accounts Receivable	(54,811)		(54,811)
Interfund Receivable			
Bond Redemption Fund Cash and Investments	1,600		1,600
Accounts Payable and Accrued Liabilities	(85,361)		(85,361)
Net Increase (Decrease) in Working Capital	$132,190	($525,867)	($393,677)

The Accompanying Notes are an Integral Part of the Financial Statements.

NOTE 1 - THE REPORTING ENTITY

The Ketchikan Gateway Borough is a second class borough operating under the powers granted by the constitution and laws of the State of Alaska. The Borough operates under an Assembly-Manager form of government and provides the following areawide services: assessment and collection of taxes, planning and zoning, education, airport operation, animal control, drug paraphernalia control, fireworks regulation and library services. This Ketchikan Gateway Borough Comprehensive Annual Financial Report includes all functions, organizations and activities for which the Borough exercises oversight responsibility. The criteria used to determine if an oversight responsibility exists involves such factors as financial interdependency, reporting authority, designation of management and accountability for fiscal matters. Based on this criteria all departments of the Ketchikan Gateway Borough have been included in this Comprehensive Annual Financial Report. The Ketchikan Gateway Borough School District has also been included in this report as a result of the financial interdependency that exists between this agency and the Ketchikan Gateway Borough. The Borough does not exercise any element of oversight responsibility over any other entity.

NOTE 2 - SUMMARY OF SIGNIFICANT POLICIES

The accounting policies of the Ketchikan Gateway Borough conform to generally accepted accounting principles. The following is a summary of the more significant policies.

A. FUND ACCOUNTING

The accounts of the Borough are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into seven generic fund types and three broad fund categories as follows:

GOVERNMENTAL FUNDS;

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

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

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.

Capital Project Funds - Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by a proprietary fund).

PROPRIETARY FUNDS;

Enterprise Funds - Enterprise 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 services on a continual basis be financed or recovered primarily through user charges. Costs include direct expenses and allocable expenses such as insurance and depreciation.

FIDUCIARY FUNDS;

Trust Funds - Trust Funds are used to account for assets held by a governmental unit in a trustee capacity for individuals, private organizations, other governmental units and/or other funds. They include both expendable and non-expendable trust funds.

Agency Funds - Agency Funds are used to account for assets held by a government as an agent for individuals, private organizations, other governments and/or other funds.

FIXED ASSETS AND LONG-TERM LIABILITIES - ACCOUNT GROUPS

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by the funds measurement focus. All governmental type funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance is considered a measure of "available spendable resources." Governmental fund operating statements present increases and decreases in net current assets. Increases include revenues and other financing resources and decreases include expenditures and other financing uses. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group rather than in governmental funds. Public domain, infrastructure, general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized. No depreciation has been provided on general fixed assets.

All purchased fixed assets are valued at cost where historical records are available, and at estimated cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

Long-term liabilities of proprietary funds and trust funds are accounted for through those funds. All other unmatured general long-term liabilities for which the Borough is obligated in some manner are accounted for in the General Long-term Debt Account Group.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Proprietary funds are accounted for on a cost of services measurement focus. This means that all assets and all liabilities whether current or noncurrent, associated with their activity, are included on their balance sheets. Their reported fund equity or total net assets is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases or decreases in net total assets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are 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

B. BASIS OF ACCOUNTING

Basis of accounting refers to the method through which revenues, expenditures or expenses, transfers and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to timing of measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Under this basis, revenues are recognized during the accounting period in which they become both measurable and available and, therefore, susceptible to accrual and include general property taxes, charges for services and grants for specific purposes. Major revenue sources that are considered not to be susceptible to accrual include sales taxes and intergovernmental revenue, except for grants for specific purposes. Expenditures are generally recognized when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when it is either due or when funds are transferred to the paying agent.

All proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Unbilled service revenues are recorded as revenue for the period during which they were earned and are shown as receivables on appropriate balance sheets.

Fiduciary fund revenues and expenses or expenditures, as appropriate, are recognized on the basis of accounting that is consistent with the fund's accounting measurement objective. Nonexpendable trusts and pension trust funds are accounted for on the accrual basis; expendable trust funds are accounted for on the modified accrual basis. Agency fund assets and liabilities are accounted for on the modified accrual basis.

C. BUDGETS AND BUDGETARY ACCOUNTING

The Borough Code of Ordinances specifies that a proposed budget for the next fiscal year must be submitted to the Borough Assembly at least eight weeks before the beginning of the fiscal year. Formal budgets for the beginning of the fiscal year were adopted by the Borough Assembly for the following funds: General Fund, Special Revenue Fund and Proprietary Fund. Budgetary information for the governmental fund types is presented in the financial statements.

The 1988-89 budget was formally adopted by the Borough Assembly with the passage of Ordinance No. 661 on June 27, 1988, which also appropriated the necessary funds.

In addition, the following budget amendments were passed during the year:

(1) Ordinance No. 686 adopted March 6, 1989, appropriated $80,000 from the General Fund for transfer to the Airport Fund.

(2) Ordinance No. 688 adopted March 20, 1989, appropriated $5,000 from the Airport Fund for Community Promotion.

Current budgetary procedures authorize the Borough Manager to approve transfers of appropriations within departments. All transfers between departments must be authorized by the Borough Assembly and increases in total appropriations must be authorized by ordinance.

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

D. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded, is employed in the General Fund and Special Revenue Funds. Encumbrances outstanding at year end are reported as reservation of fund balances since they do not constitute expenditures or liabilities.

E. INVESTMENTS

Investments are stated at cost or amortized cost, which approximates market.

F. INVENTORIES

Inventories consisting primarily of food supplies, maintained by the Ketchikan Gateway Borough School District, are recorded at cost on a first-in, first-out (FIFO) basis. Food supplies received from the U.S. Department of Agriculture are valued at a cost determined by the donor.

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

G. ACCUMULATED UNPAID VACATION AND SICK LEAVE

Accumulated unpaid vacation and sick leave in the governmental fund types is accrued when incurred as such amounts are expected to be liquidated with expendable available financial resources. Accumulated unpaid vacation and sick pay in the proprietary funds is accrued when incurred. At June 30, 1989 accumulated leave amounted to $412,584.

H. TOTAL COLUMNS - MEMORANDUM ONLY

Total columns on the Combined Statements - Overviews are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Such data are not comparable to a consolidation since the basis of accounting differs among the various funds and interfund eliminations have not been made in the aggregation of this data.

I. DEBT SERVICE PAYMENTS

Expenditures for payments of interest and principal on the Borough's General Obligation Bonds are recorded when due.

J. FUND EQUITY

Contributed capital is recorded in proprietary funds that have received capital grants. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

NOTE 3 - PROPERTY TAXES

Property taxes must be levied no later than June 15 of each year and are based on the assessed valuation of real and personal property as of January 1. These taxes are due and payable immediately upon levy and become delinquent if not paid on or before September 30 of the year in which they are levied. Foreclosure liens are filed the following January on property taxes that have not been paid by December 31. One year after the foreclosure lien has been filed, proceedings may be started to enable the Borough to obtain title to the property in question. Three months later title to the properties will revert to the Borough, if the applicable taxes plus penalty, interest and foreclosure costs have not been paid in full. Property taxes are recognized as revenues during the period in which they represent available, spendable resources. Taxes collected within 60 days after the end of the fiscal year are recorded as revenues at June 30.

NOTE 4 - CASH AND INVESTMENTS

Cash and temporary investments, which are co-mingled but held for the account of the various funds, aggregated $11,040,342 as of June 30, 1989. At year end the carrying amount of the Borough's deposits was $3,187,443 and the bank balance was $3,198,233. All of the bank balance was covered by federal depository insurance or by collateral held by the Borough's agent in the Borough's name. Borough bond ordinances require funds in revenue bond reserve and redemption accounts be either deposited in demand deposits or invested in direct U. S. Government obligations. During the past fiscal year the provisions of these ordinances were complied with. The Borough has no ordinances restricting the types of investments for other funds or specifying collateral levels. It is the Borough's policy to invest Borough funds only in time certificates of deposit or repurchase agreements with local banks or in U. S. government securities. The Borough also has a policy requiring all non-deferred compensation investments be collateralized to a level of 100 percent by either federal, state or municipal obligations. The provisions of that policy were also complied with during the past fiscal year. Deferred compensation accounts may be invested by the Borough's deferred compensation agencies in accordance with the desire of participants consistent with plan documents. The following is a schedule of information relating to investments as of June 30, 1989 for the purpose of giving an indication of the level of risk assumed by the Borough as of year end.

	Carrying Amount	Market Value of Investments
Repurchase Agreements with National Bank of Alaska: Collateralized with securities held by the Borough's agent in the Borough's name	3,500,000	3,532,498
Direct U. S. Government Obligations Held by Borough and Borough's agent in the Borough's name	30,000	30,000
U.S. Government Agency Obligations Held by Borough's agent in the Borough's name	4,030,859	4,123,794
Investments in Mutual Funds: Uncollaterialized	292,040	292,040
Investment in Deferred Compensation Mutual Fund	958,305	958,305
Total Investments	$8,811,204	$8,936,637

NOTE 5 - 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, 1989, the amount restricted for payment of bond principal and interest was $59,733.

NOTE 6 - CAPITAL LEASES

The Ketchikan Gateway Borough has entered into various lease agreements for financing of computer and fire fighting equipment. These lease agreements qualify as capital leases for accounting purposes (title to the equipment transfer at the end of the lease terms) and, therefore, have been recorded at the present value of future minimum lease payments as of their date of inception.

The following is a schedule of future minimum lease payments under these capital leases and present value of net minimum lease payments at June 30, 1989:

	Capital Lease Payable
Fiscal Year Ending June 30:	
1990	$ 61,788
1991	54,594
1992	54,594
1993	15,444
Total Minimum Lease Payments	186,420
Less Amount Representing Interest	(29,234)
Present Value of Net Minimum Lease Payments	$ 157,189

NOTE 7 - LONG-TERM DEBT

Following is a summary of changes in long-term debt for the year ended June 30, 1989:

	Balance June 30, 1988	Retirements	Balance June 30, 1989
General Obligation Bonds	$16,559,000	$2,010,000	$14,549,000
Revenue Bonds	360,000	20,000	340,000
Capital Leases	192,061	34,872	157,189
Retirement Incentive Program	237,471	60,471	177,000
	$17,348,532	$2,125,343	$15,223,189

Bonds Payable categorized by applicable Funds and Account Groups:

	General Obligation Bonds	Revenue Bonds
General Long Term Debt Account Group	$13,209,000	
Airport Enterprise Fund	1,340,000	$340,000
Total	$14,549,000	$340,000

Bonds payable at June 30, 1989 consist of the following individual issues:

General Obligation Bonds:	
1958 Alaska Public Works Bonds due through 1978 at 2% interest	$ 529,000
1972 Airport due through 1997 at 5.5-6.5% interest	1,100,000
1973 Airport due through 1993 at 5.5-6.5% interest	240,000
1974 School Refunding due through 1995 at 5-8% interest	2,345,000
1983 School Bonds due through 1994 at 5-8% interest	10,335,000
	$ 14,549,000
Revenue Bonds:	
1980 Airport due through 2000 at 8% interest	$340,000

The annual requirements to amortize all bonds outstanding as of June 30, 1989, including interest of $3,754,034 for general obligations and $187,200 for revenue bonds, are as follows:

Year Ending June 30	General Obligation Bonds	Revenue Bonds
1990	$ 3,838,292	$ 47,200
1991	3,318,164	45,600
1992	3,339,141	49,000
1993	3,345,275	47,000
1994	3,290,574	45,000
1995	609,088	48,000
1996	383,150	45,600
1997	179,350	48,200
1998		50,400
1999		47,200
2000		54,000
Total	$18,303,034	$527,200

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

NOTE 8 - GENERAL FIXED ASSET CHANGES

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

	Balance July 1, 1988	Additions	Deletions	Balance June 30, 1989
Land	$ 148,081			$ 148,081
Buildings	28,894,027			28,894,027
Equipment	4,332,382	$222,005	$344,644	4,209,743
Total	$33,374,490	$222,005	$344,644	$33,251,851
	======	=====	=====	======

NOTE 9 - INTERFUND RECEIVABLES AND PAYABLES

Individual fund interfund receivable and payable balances as of June 30, 1989 are as follows:

	Interfund Receivables	Interfund Payables
General Fund		$ 723,922
School District Operating Fund	$ 1,004,474	130,398
School District Special Activities Fund	28,685	309,803
Day Care Services Fund		1,991
State and Federal Grant Fund		9,784
South Tongass Elementary School Fund	98,214	
Airport Fund	65,489	
School District Expendable Scholarship		2,144
School District Trust Fund	1,354	22,318
School District Revolving Fund	2,144	
Total	$ 1,200,360	$ 1,200,360
	======	======

NOTE 10 - RETIREMENT SYSTEMS

Substantially all permanent full-time and part-time employees of the Borough are members of the Alaska Public Employees Retirement System (PERS), Alaska Teachers Retirement System (TRS), Masters, Mates & Pilots (MMP), or are covered by a private plan for classified employees. The PERS plan is a defined benefit, agent multiple-employer public employee retirement system. The PERS was established by State of Alaska Statutes January 1, 1961. The TRS plan is a defined benefit multiple-employer cost-sharing plan which is compulsory for all employees in positions requiring teaching certificates as a condition of employment. It was created by State of Alaska Statutes on July 1, 1955. The MMP is a defined contribution, multiple-employer pension plan for all Borough employees who are represented by the MMP bargaining unit. PERS and TRS cover 384 Borough employees. The Borough's total payroll for the year ended June 30, 1989 was $14,748,500 and the payroll for covered employees totaled $11,961,948.

Plan Description

PERS - The PERS acts as a common investment and administrative agent for the State of Alaska and any political subdivision and/or public organization who so elects to join the system. Benefits provided to members include normal retirement benefits, disability, pension benefits, cost-of-living allowance, major medical insurance benefits, death benefits, and other benefits.

Benefits vest after five years of credited service. 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 age 55 or early retirement age 50. For employees hired after June 30, 1986, the normal and early retirement ages are 60 and 55, respectively. The normal annual pension benefit 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 service earned prior to July 1, 1986 is calculated using the 2% multiplier. Employees with 30 or more years of credited service may retire at any age and receive a normal benefit. The plan also provides for both occupational and non-occupational disability and death benefits.

Police and fire members are required to contribute 7.5% of their eligible compensation and all other members are required to contribute 6.75%. The Borough is required to contribute the remaining amounts necessary to fund the PERS using the actuarial basis specified by the State Pension Plan Board. Employer rates are adjusted annually on July 1 and are based on actuarial valuations made two years prior to that date. The employer rate for amortizing all future service liabilities is uniform for all participating employees and a separate rate is determined for amortizing each employer's unfunded past service liability.

TRS - Certificated employees of the Ketchikan Gateway Borough School District are required to participate in TRS. Employees who retire at or after age 55 with 8 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final, average salary for each year of credited service. Benefits fully vest on reaching 8 years of service. Vested employees may retire at or after age 50 and receive reduced retirement benefits. TRS also provides death and disability benefits, major medical benefits, cost-of-living allowance and early retirement benefits. Benefits are established by State statute.

MMP - The MMP plan is funded entirely by employer contributions which are a fixed amount per employee paid bimonthly. The Borough exercises no fiduciary responsibility over the MMP. Members of this plan are eligible to participate immediately upon employment and are fully vested after ten years of service.

Contributions for members who are employed in positions covered at the Ketchikan International Airport as ferryboat workers of the Borough were $685.00 per employee per bimonthly payment. The payroll for covered employees totaled $119,673.

Investments

Neither PERS nor TRS own any bonds or other debt instruments of any kind of the Borough.

Funding Status and Progress

The amount reported below as "pension benefit obligation" 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. The measure is the actuarial present value of credited projected benefits and is intended to assist users to assess the plan funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS, TRS and employers.

The pension benefit obligation was computed as part of actuarial valuations performed as of June 30, 1988 (latest available). Significant actuarial assumptions used to calculate the pension benefit obligations of PERS and TRS are identical to those used for funding purposes. The assumptions are: (a) a rate of return of 9% per year, compounded annually, net of expenses, (b) projected salary increases of 6.5% for the first five years and 5.5% per year thereafter, (c) the 1984 Unisex Pension Mortality Table set back 1 1/2 years, and (d) health cost inflation of 9% per year.

The pension benefit obligation of PERS as calculated at June 30, 1988, which is the most recent actuarial valuation is a follows (in thousands):

	Borough	School District
Pension benefit obligation:		
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$ 1,124	$ 815
Current Employees:		
Accumulated employee contributions including allocated interest earnings	525	311
Employer financed, vested	1,418	1,133
Employer financed, nonvested	441	728
Total pension benefit obligation	3,508	2,987
Net assets available for benefits*	3,489	1,572
Unfunded pension benefit obligation	$ 19	$ 1,415

Net assets available for benefits as a percentage of pension benefit obligation	99.5%	52.6%
	====	====

* Valuation based upon the market value, except that fixed income investments are carried at book value.

As of June 30, 1988 (latest available), the total TRS' pension benefit obligation was $1,347,859,000, and the total net assets available for benefits were $1,356,575,000.

MMP - The Borough's obligation for retirement is limited to the amount paid to the Master, Mates and Pilots Trust Fund.

Actuarially Determined Contribution Requirements and Contributions Made

The funding policies for PERS and TRS provide for actuarially determined periodic contributions that change over time to assure sufficient assets are accumulated to meet the obligations of the plans. The actuarial funding method used by PERS and TRS 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 or TRS actuarial method or in the assumptions from previous valuation.

For the PERS, the amount that employers contribute is made up of two components: (1) the normal cost rate which is 10.2% of covered payroll for all employers, which covers all future service liabilities; and (2) a past service rate determined separately for each employer sufficient to amortize such employer's unfunded past service liability with level payments over 25 years. Funding surpluses are amortized over 5 years. The past service amortization rates were 3.85% and 4.19% of covered payroll for the Borough and School District, respectively. The total employer contribution to PERS for the Borough was $104,463, (6.35% of covered payroll), and the employee contribution was $113,007 (6.75% to 7.5% of covered payroll). The School District employer contribution was $267,702 (14.39% of covered payroll) and the employee contribution was $125,575 (6.75% of covered payroll).

For the TRS, the School District's actuarially determined contribution requirement was 1.7% of the total current-year actuarially determined contribution requirements for all employers.

MMP - The Borough contributed $12,330 for covered employees.

Trend Information

The following table presents trend information for the PERS. Trend data is only available for fiscal years 1989 and 1988.

	Borough		School District	
	1989	1988	1989	1988
Net assets available percentage of pensions benefit obligation	99.5	99.9	52.6	57.3
Unfunded pension benefit obligation as a percentage of covered payroll	1.2	.3	13.7	9.2
Employer contribution as a percentage of covered payroll	6.35	6.35	14.39	14.39

Historical Trend Information

Additional trend information is available for the PERS and TRS systems taken as a whole in the State of Alaska Public Employees' and Teachers' Retirement Systems' actuarial valuation reports as of June 30, 1988 (latest available), and the State of Alaska Public Employees' and Teachers' Retirement Fund Annual Financial Report for fiscal year ended June 30, 1989. The information contained therein provides information about the progress made in accumulating sufficient assets to pay benefits when due.

NOTE 11 - DEFERRED COMPENSATION PLAN

The Borough and the School District offer its employees deferred compensation plans created in accordance with Internal Revenue Code, Section 457. The plans, available to all permanent employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees 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 and rights 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 and School District have no liability for losses under the plans but do have the duty of due care that would be required of an ordinary prudent investor. The Borough and School District believe that it is unlikely that they will use the assets to satisfy the claims of general creditors in the future.

NOTE 12 - SEGMENT INFORMATION - ENTERPRISE FUNDS

The 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, 1989 is presented below.

	Ketchikan Airport	Transit	Total
Operating Revenues	$1,837,872	$ 69,928	$1,907,800
Operating Grants, Entitlements and Shared Revenues	115,290		115,290
Depreciation Expense	244,161	8,844	253,005
Operating Income (Loss)	(10,775)	(207)	(10,982)
Operating Transfers (Out)	156,627	(5,200)	151,427
Net Income	160,116	(4,061)	156,055
Current Capital Contributions	13,253	36,844	50,097
Property, Plant and Equipment Additions	83,618	36,844	120,462
Net Working Capital	207,689	16,557	224,246
Total Assets	4,593,960	45,934	4,639,894
Bonds and Other Long-term Liabilities	1,680,000		1,680,000
Total Equity	2,652,786	44,557	2,697,343

NOTE 13 - AIRPORT LEASE

The Borough leases the Ketchikan International Airport from the State of Alaska at the rate of $1.00 per year under a 42 year lease agreement that expires on May 31, 2027. Under the terms of this lease the Borough is required to operate the Airport for the use and benefit of the public and to perform all maintenance and repairs to the landing field. The lease further provides that the cost of repairs to the State owned facilities will be paid by the Borough, if the cost does not exceed $10,000, and that the State will pay for repair costs in excess of this amount. In addition, the lease requires the Borough to maintain an Airport Enterprise Fund and to account for all of the revenues, costs and expenses of operating the airport in this fund. Any excess of specified revenues over specified expenses, both of which are defined in the lease, must be credited to a separate reserve account and can only be used for certain purposes. No excess of specified revenues over specified expense exists in the Airport Enterprise Fund as of June 30, 1989.

The Borough has subleased portions of the airport terminal building to various air carriers. Future minimum rentals on non-cancelable operating leases are:

1990	$133,813
1991	133,813
	$267,626
	=====

NOTE 14 - NEW SERVICE AREAS

During 1989, the Ketchikan Gateway Borough created two new service areas, the Gold Nugget Service Area and the Forest Park Service Area (formerly the Forest Park Homeowners' Association). The Forest Park Homeowners' Association held various cash and investment accounts which were contributed to the Borough at the time the Service Area was formed. These cash investment accounts, with a market value of $311,137 at the date of contribution, have been recorded as contributions in the Forest Park Service Area Special Revenue Funds.

NOTE 15 - CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the state and federal governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Borough expects such amounts, if any, to be immaterial.

The Borough is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Borough's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Borough.

An investigation has revealed the presence of asbestos in Ketchikan High School. The Ketchikan Gateway Borough School District is continuing to test and monitor the building. The School District has submitted an asbestos abatement plan to the state government in accordance with federal law. An independent feasibility study suggested five alternative approaches to solving the asbestos problem at Ketchikan High School. One alternative would replace portions of the building at the existing site at an estimated cost of $33 million, including removal of asbestos and demolition of the old building. The School Board has decided to replace portions of the building in phases at the existing site. In November, 1989, the Ketchikan Gateway Borough issued $12,000,000 Series A and B General Obligation School Bonds to finance the initial phases of the project.

COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES

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:

- Balance Sheet
- Statement of Revenues, Expenditures and Changes in Fund Balance/ Budget and Actual

KETCHIKAN GATEWAY BOROUGH
BALANCE SHEET
GENERAL FUND
JUNE 30, 1989

ASSETS	
Cash and Temporary Investments	$2,004,762
Accounts Receivable	72,281
Prepaid Insurance	60,086
Property Taxes Receivable	144,200
Due from Other Governments	227,886
Accrued Interest Receivable	162,045
Total Assets	$2,671,260
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts Payable	$228,614
Due to Other Governments	216,895
Due to Other Funds	723,922
Accrued Vacation and Sick Leave	141,818
Total Liabilities	1,311,249
Fund Balance:	
Reserved for Prepaid Insurance	60,086
Unreserved	1,299,925
Total Fund Balance	1,360,011
Total Liabilities and Fund Balance	$2,671,260

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE/BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes:			
Real and Personal Property Taxes	$3,908,766	$4,025,742	$116,976
Automobile and Boat Taxes	123,000	163,391	40,391
Sales Taxes	2,143,000	2,303,443	160,443
Penalty and Interest	90,000	19,376	(70,624)
Total Taxes	6,264,766	6,511,952	247,186
Payments in Lieu of Taxes:			
Alaska State Housing Agency	14,000	14,039	39
Licenses and Permits:			
Zoning Fees	6,000	3,770	(2,230)
Revenues from Other Governments:			
State Municipal Assistance	450,007	449,117	(890)
State Revenue Sharing	222,053	222,053	0
State License Refunds	90,072	171,644	81,572
Timber Stumpage	10,000	13,765	3,765
Total Revenues from Other Governments	772,132	856,579	84,447
Charges for Services:			
Animal Control	32,000	23,259	(8,741)
City of Ketchikan	234,743	238,258	3,515
Other Charges	11,150	12,861	1,711
Total Charges for Services	277,893	274,378	(3,515)
Other Revenues:			
Interest Income	325,000	424,521	99,521
Total Revenues	$7,659,791	$8,085,239	$425,448

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE/BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 1989

	Budget	Actual	Favorable (Unfavorable)
EXPENDITURES:			
Administration			
Mayor and Assembly	$134,990	$133,208	$1,782
Law	328,912	301,301	27,611
Clerk	145,957	148,234	(2,277)
Manager	294,998	233,128	61,870
Finance-Accounting	157,138	164,803	(7,665)
Finance-Revenue	201,497	204,845	(3,348)
Finance-Assessing	272,155	245,755	26,400
Total Administration	1,535,647	1,431,274	104,373
Animal Control	155,429	170,730	(15,301)
Department of Planning and Community Development	448,894	374,564	74,330
Non Departmental	131,500	143,481	(11,981)
Capital Outlay	50,000	12,670	37,330
Education:			
Contractual Services	171,229	171,192	37
Insurance	292,300	261,820	30,480
	463,529	433,012	30,517
Total Expenditures	2,784,999	2,565,731	219,268
Excess (Deficiency) of Revenues over Expenditures	4,874,792	5,519,508	644,716
Other Financing Sources (Uses):			
Operating Transfers In:			
Day Care Fund	31,160	31,718	558
Land Trust Fund	75,900	75,900	0
Transit Fund	5,200	5,200	0
Service Area Funds	10,255	10,216	(39)
Operating Transfers Out:			
School District	(5,397,783)	(5,397,783)	0
Airport Fund	(143,374)	(143,374)	0
Net Other Financing Sources (Uses)	(5,418,642)	(5,418,123)	519
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(543,850)	101,385	645,235
Fund Balances, July 1, 1988	692,743	1,258,626	565,883
Fund Balances, June 30, 1989	$148,893	$1,360,011	$1,211,118

The Accompanying Notes are an Integral Part of the Financial Statements.

SPECIAL REVENUE FUND STATEMENTS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally 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 Sheet
- Statement of Revenues, Expenditures and Changes in Fund Balances

Individual Statements of Revenues, Expenditures and Changes in Fund Balances/
Budget and Actual for each Special Revenue Fund

The following individual funds are included in this section:

- School District Operating Fund
- School District Special Revenue Fund
- Day Care Services Fund
- Land Trust Fund
- Mud Bight Service Area Fund
- Shoreline Fire District 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

KETCHIKAN GATEWAY BOROUGH
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1989

	Ketchikan School District			
	Operating Fund	Special Revenue Funds	Day Care Services Fund	Land Trust Fund
Cash and Temporary Investments	$19,675			$3,712,088
Property Taxes Receivable				
Accounts Receivable	28,724	$362,832	$21,906	110,468
Inventory		17,422		
Due From Other Funds	1,004,474	28,685		
Land Sale Contracts Receivable: Long-Term				731,814
Total Assets	$1,052,873	$408,939	$21,906	$4,554,370
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$500,046	$26,839	$19,915	$255
Due to Other Funds	145,580	309,803	1,991	
Accrued Vacation and Sick Leave	134,820			
Deferred Revenues	7,321	2,248		731,814
Total Liabilities	787,767	338,890	21,906	732,069
Fund Balances:				
Reserved for Encumbrances	230,164			
Reserved for Inventory		17,422		
Unreserved	34,942	52,627	0	3,822,301
Total Fund Balances	265,106	70,049	0	3,822,301
Total Liabilities and Fund Balances	$1,052,873	$408,939	$21,906	$4,554,370

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1989

	Mud Bight Service Area Fund	Shoreline Fire District Fund	Mountain Point Service Area Fund	South End Fire District Fund
ASSETS				
Cash and Temporary Investments	$72,738	$51,114	$64,236	$162,773
Property Taxes Receivable	5,389	54		40
Accounts Receivable				
Inventory				
Due From Other Funds				
Land Sale Contracts Receivable: Long-Term				
Total Assets	$78,127	$51,168	$64,236	$162,813
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$240	$2,065	$310	$2,932
Due to Other Funds				
Accrued Vacation and Sick Leave				
Deferred Revenues	50,520			
Total Liabilities	50,760	2,065	310	2,932
Fund Balances:				
Reserved for Encumbrances				
Reserved for Inventory				
Unreserved	27,367	49,103	63,926	159,881
Total Fund Balances	27,367	49,103	63,926	159,881
Total Liabilities and Fund Balances	$78,127	$51,168	$64,236	$162,813

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1989

	Waterfall Service Area Fund	South Tongass Service Area Fund	Forest Park Service Area Fund	Gold Nugget Service Area Fund
ASSETS				
Cash and Temporary Investments	$18,206	$5,738	$329,107	$196
Property Taxes Receivable				
Accounts Receivable				
Inventory				
Due From Other Funds				
Land Sale Contracts Receivable:				
Long-Term				
Total Assets	$18,206	$5,738	$329,107	$196
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$80		$2,018	
Due to Other Funds				
Accrued Vacation and Sick Leave				
Deferred Revenues				0
Total Liabilities	80	0	2,018	0
Fund Balances:				
Reserved for Encumbrances				
Reserved for Inventory				
Unreserved	18,126	$5,738	327,089	196
Total Fund Balances	18,126	5,738	327,089	196
Total Liabilities and Fund Balances	$18,206	$5,738	$329,107	$196

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1989

	Non Areawide Fund	State and Federal Grants Fund	School Bond/ Capital Improvements Fund	Total
Cash and Temporary Investments	$67,152	$118,793	$2,275,968	$6,897,784
Property Taxes Receivable	3,626			9,109
Accounts Receivable		9,784		533,714
Inventory				17,422
Due From Other Funds				1,033,159
Land Sale Contracts Receivable:				
Long-Term				731,814
Total Assets	$70,778	$128,577	$2,275,968	$9,223,002

LIABILITIES AND FUND BALANCES

	Non Areawide Fund	State and Federal Grants Fund	School Bond/ Capital Improvements Fund	Total
Liabilities:				
Accounts Payable	$11,820		$34,699	$601,219
Due to Other Funds		$9,784		467,158
Accrued Vacation and Sick Leave				134,820
Deferred Revenues		118,793		910,696
Total Liabilities	11,820	128,577	34,699	2,113,893
Fund Balances:				
Reserved for Encumbrances	30,451		7,445	268,060
Reserved for Inventory				17,422
Unreserved	28,507		2,233,824	6,823,627
Total Fund Balances	58,958	0	2,241,269	7,109,109
Total Liabilities and Fund Balances	$70,778	$128,577	$2,275,968	$9,223,002

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1989

	Ketchikan School District			
	Operating Fund	Special Revenue Funds	Day Care Services Fund	Land Trust Fund
State Revenues	$9,189,865	$681,452	$349,562	
Federal Revenues	13,191	607,492		$374,059
Charges for Services	35,945	202,883		219,984
Other Revenues	37,872	39,355		298,782
Total Revenues	9,276,873	1,531,182	349,562	892,825
EXPENDITURES:				
Public Services			317,844	20,808
Education	14,526,077	1,729,560		
Capital Outlay				
Total Expenditures	14,526,077	1,729,560	317,844	20,808
Excess (Deficiency) of Revenues over Expenditures	(5,249,204)	(198,378)	31,718	872,017
Other Financing Sources (Uses):				
Operating Transfers In	5,288,152	202,829		
Operating Transfers Out	(290,222)		(31,718)	(75,900)
Contributions				
Net Other Financing Sources (Uses)	4,997,930	202,829	(31,718)	(75,900)
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(251,274)	4,451	0	796,117
Fund Balances, July 1, 1988	516,380	65,598	0	3,026,184
Fund Balances, June 30, 1989	$265,106	$70,049	$0	$3,822,301

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1989

	Mud Bight Service Area Fund	Shoreline Service Area Fund	Mountain Point Service Area Fund	South End Fire District Fund
REVENUES:				
Taxes	$5,536	$16,508		$58,412
State Revenues	86	605		8,407
Federal Revenues				
Charges for Services	150		$14,430	3,000
Other Revenues	7,735	4,533	5,001	12,097
Total Revenues	13,507	21,646	19,431	81,916
EXPENDITURES:				
Public Services	240	25,040	4,967	45,810
Education				
Capital Outlay				
Total Expenditures	240	25,040	4,967	45,810
Excess (Deficiency) of Revenues over Expenditures	13,267	(3,394)	14,464	36,106
Other Financing Sources (Uses):				
Operating Transfers In				
Operating Transfers Out	(3,000)	(1,175)	(1,046)	(2,501)
Contributions				
Net Other Financing Sources (Uses)	(3,000)	(1,175)	(1,046)	(2,501)
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	10,267	(4,569)	13,418	33,605
Fund Balances, July 1, 1988	17,100	53,672	50,508	126,276
Fund Balances, June 30, 1989	$27,367	$49,103	$63,926	$159,881

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1989

	Waterfall Service Area Fund	South Tongass Service Area Fund	Forest Park Service Area Fund	Gold Nugget Service Area Fund
REVENUES:				
Taxes				
State Revenues				
Federal Revenues				
Charges for Services	$554		$24,960	
Other Revenues	1,679	$553	30,966	$300
Total Revenues	2,233	553	55,926	300
EXPENDITURES:				
Public Services	3,640		37,591	104
Education				
Capital Outlay				
Total Expenditures	3,640	0	37,591	104
Excess (Deficiency) of Revenues over Expenditures	(1,407)	553	18,335	196
Other Financing Sources (Uses):				
Operating Transfers In				
Operating Transfers Out	(150)		(2,383)	
Contributions			311,137	
Net Other Financing Sources (Uses)	(150)	0	308,754	0
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(1,557)	553	327,089	196
Fund Balances, July 1, 1988	19,683	5,185	0	0
Fund Balances, June 30, 1989	$18,126	$5,738	$327,089	$196

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1989

	Non Areawide Fund	State and Federal Grants Fund	School Bond/ Capital Improvements Fund	Total
REVENUES:				
Taxes	$250,674			$331,130
State Revenues	12,912	$662,547	$2,982,011	13,887,447
Federal Revenues		59,483		1,054,225
Charges for Services				501,906
Other Revenues	11,122	5,640	208,478	664,113
Total Revenues	274,708	727,670	3,190,489	16,438,821
EXPENDITURES:				
Public Services	260,427	727,670		1,444,141
Education				16,255,637
Capital Outlay			45,969	45,969
Total Expenditures	260,427	727,670	45,969	17,745,747
Excess (Deficiency) of Revenues over Expenditures	14,281	0	3,144,520	(1,306,926)
Other Financing Sources (Uses):				
Operating Transfers In			109,631	5,600,612
Operating Transfers Out			(3,068,468)	(3,476,563)
Contributions				311,137
Net Other Financing Sources (Uses)	0	0	(2,958,837)	2,435,186
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	14,281	0	185,683	1,128,260
Fund Balances, July 1, 1988	44,677	0	2,055,586	5,980,849
Fund Balances, June 30, 1989	$58,958	$0	$2,241,269	$7,109,109

The Accompanying Notes are an Integral Part of the Financial Statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

KETCHIKAN GATEWAY BOROUGH
SCHOOL DISTRICT OPERATING FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE/BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
State Sources	$9,204,281	$9,189,865	($14,416)
Federal Sources	14,373	13,191	(1,182)
Charges for Services	36,000	35,945	(55)
Other Revenues	23,000	37,872	14,872
Total Revenues	9,277,654	9,276,873	(781)
EXPENDITURES:			
Education			
Instruction	9,516,321	9,497,903	18,418
Supporting Services	2,677,192	2,638,699	38,493
Plant Operations and Maintenance	2,276,090	2,350,402	(74,312)
Non-Programmed Changes	39,500	39,073	427
Total Expenditures	14,509,103	14,526,077	(16,974)
Excess (Deficiency) of Revenues over Expenditures	(5,231,449)	(5,249,204)	(17,755)
Other Financing Sources (Uses):			
Operating Transfers From (To):			
General Fund	5,288,152	5,288,152	0
Food Service Fund	(67,356)	(71,829)	(4,473)
Special Activities Fund	(203,211)	(218,393)	(15,182)
Net Other Financing Sources (Uses)	5,017,585	4,997,930	(19,655)
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(213,864)	(251,274)	(37,410)
Fund Balance, July 1, 1988	213,864	516,380	302,516
Fund Balance, June 30, 1989	$0	$265,106	$265,106

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
SCHOOL DISTRICT SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE/BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
State Sources	$729,545	$681,452	($48,093)
Federal Sources	651,215	607,492	(43,723)
Lunch Sales	131,000	133,524	2,524
Swimming Pool Revenue	63,595	69,359	5,764
Other	31,500	39,355	7,855
Total Revenues	1,606,855	1,531,182	(75,673)
EXPENDITURES:			
Education			
Pupil Transportation	470,000	474,346	(4,346)
Tuition	84,120	41,994	42,126
Instruction	733,635	681,428	52,207
Community Services	217,100	224,024	(6,924)
Food Services	308,947	307,768	1,179
Total Expenditures	1,813,802	1,729,560	84,242
Excess (Deficiency) of Revenues over Expenditures	(206,947)	(198,378)	8,569
Other Financing Sources:			
Operating Transfers From:			
School Operating Fund	67,356	71,829	4,473
Community Schools	131,000	131,000	0
Total Other Financing Sources	198,356	202,829	4,473
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures	(8,591)	4,451	13,042
Fund Balance, July 1, 1988	8,591	65,598	57,007
Fund Balance, June 30, 1989	$0	$70,049	$70,049

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
DAY CARE SERVICES FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE/BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental			
State Grant	$0	$349,562	$349,562
EXPENDITURES			
Public Services	0	317,844	(317,844)
Excess of Revenues over Expenditures	0	31,718	31,718
Other Financing Uses:			
Operating Transfer to General Fund	0	31,718	31,718
Excess of Revenues over Expenditures and Other Financing Uses	0	0	0
Fund Balance, July 1, 1988	0	0	0
Fund Balance, June 30, 1989	$0	$0	$0

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
MUD BIGHT SERVICE AREA FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE/BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes			
Real and Personal	$2,108	$5,536	$3,428
Intergovernmental:			
State Revenue Sharing	86	86	0
State Grant	50,578		(50,578)
	50,664	86	(50,578)
Charges for Services:			
Other Charges	0	150	150
Other Revenue:			
Interest Income	2,000	7,735	5,735
Total Revenues	54,772	13,507	(41,265)
EXPENDITURES:			
Contract Services	60,000	240	59,760
Excess (Deficiency) of Revenues over Expenditures	(5,228)	13,267	18,495
Other Financing Uses:			
Operating Transfer to General Fund	3,000	3,000	0
Excess (Deficiency) of Revenues over Expenditures and Other Financing Uses	(8,228)	10,267	18,495
Fund Balance, July 1, 1988	1,622	17,100	15,478
Fund Balance, June 30, 1989	($6,606)	$27,367	$33,973

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
LAND TRUST FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE/BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Federal Grant	$370,000	$374,059	$4,059
Interest Income	130,000	219,984	89,984
Sale of Land	250,000	298,782	48,782
Total Revenues	750,000	892,825	142,825
EXPENDITURES:			
Public Services	105,000	20,808	84,192
Excess of Revenues over Expenditures	645,000	872,017	227,017
Other Financing Uses:			
Operating Transfer to General Fund	75,900	75,900	0
Excess of Revenues over Expenditures and Other Financing Uses	569,100	796,117	227,017
Fund Balance, July 1, 1988	2,548,674	3,026,184	477,510
Fund Balance, June 30, 1989	$3,117,774	$3,822,301	$704,527

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
SHORELINE SERVICE AREA FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE/BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes:			
Real and Personal Property	$17,467	$16,148	($1,319)
Automobile and Boat Taxes		360	360
	17,467	16,508	(959)
Intergovernmental:			
State Revenue Sharing	605	605	0
Other Revenue:			
Interest Income	4,000	4,533	533
Total Revenues	22,072	21,646	(426)
EXPENDITURES:			
Community Development and Planning	23,551	25,040	(1,489)
Excess (Deficiency) of Revenues over Expenditures	(1,479)	(3,394)	(1,915)
Other Financing Uses:			
Operating Transfer to General Fund	1,175	1,175	0
Excess (Deficiency) of Revenues over Expenditures and Other Financing Uses	(2,654)	(4,569)	(1,915)
Fund Balance, July 1, 1988	25,260	53,672	28,412
Fund Balance, June 30, 1989	$22,606	$49,103	$26,497

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
MOUNTAIN POINT SERVICE AREA FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE/BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Charges for Services:			
Water Service	$16,000	$14,430	($1,570)
Other Revenue:			
Interest Income	2,500	5,001	2,501
Total Revenues	18,500	19,431	931
EXPENDITURES:			
Public Services	20,910	4,967	15,943
Excess (Deficiency) of Revenues over Expenditures	(2,410)	14,464	16,874
Other Financing Uses:			
Operating Transfer to General Fund	1,046	1,046	0
Excess (Deficiency) of Revenues over Expenditures and Other Financing Uses	(3,456)	13,418	16,874
Fund Balance, July 1, 1988	2,142	50,508	48,366
Fund Balance, June 30, 1989	($1,314)	$63,926	$65,240

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
SOUTH END FIRE DISTRICT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE/BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes:			
Real and Personal	$54,485	$56,431	$1,946
Automobile and Boat		1,981	1,981
	54,485	58,412	3,927
Intergovernmental:			
State Revenue Sharing	3,463	3,463	0
State Revenue	0	4,944	4,944
	3,463	8,407	4,944
Charges for Services:			
Rental Income	3,260	3,000	(260)
Other Revenue:			
Interest Income	10,000	12,097	2,097
Total Revenues	71,208	81,916	10,708
EXPENDITURES:			
Public Services	$50,060	$45,810	$4,250
Excess of Revenues over Expenditures	21,148	36,106	14,958
Other Financing Uses:			
Operating Transfer to General Fund	2,501	2,501	0
Excess of Revenues over Expenditures and Other Financing Uses	18,647	33,605	14,958
Fund Balance, July 1, 1988	23,994	126,276	102,282
Fund Balance, June 30, 1989	$42,641	$159,881	$117,240

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
WATERFALL SERVICE AREA FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE/BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Charges for Services:			
Other Charges	$1,008	$554	($454)
Other Revenue:			
Interest Income	750	1,679	929
Total Revenues	1,758	2,233	475
EXPENDITURES:			
Contract Services	3,000	3,640	(640)
Excess (Deficiency) of Revenues over Expenditures	(1,242)	(1,407)	(165)
Other Financing Uses:			
Operating Transfer to General Fund	150	150	0
Excess (Deficiency) of Revenues over Expenditures and Other Financing Uses	(1,392)	(1,557)	(165)
Fund Balance, July 1, 1988	(5,026)	19,683	24,709
Fund Balance, June 30, 1989	($6,418)	$18,126	$24,544

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
SOUTH TONGASS SERVICE AREA FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE/BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Other Revenue:			
Interest Income	$275	$553	$278
EXPENDITURES:			
Community Development and Planning	0	0	0
Excess (Deficiency) of Revenues over Expenditures	275	553	278
Fund Balance, July 1, 1988	3,686	5,185	1,499
Fund Balance, June 30, 1989	$3,961	$5,738	$1,777

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
FOREST PARK SERVICE AREA FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE/BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Charges for Services:			
Other Charges	$48,600	$24,960	($23,640)
Other Revenue:			
Interest Income	1,000	30,966	29,966
Total Revenues	49,600	55,926	6,326
EXPENDITURES:			
Contract Services	46,217	37,591	8,626
Excess of Revenues over Expenditures	3,383	18,335	14,952
Other Financing Sources (Uses):			
Operating Transfer to General Fund	(2,383)	(2,383)	0
Contributions		311,137	311,137
Net Other Financing	(2,383)	308,754	311,137
Excess of Revenues over Expenditures and Other Financing Sources	1,000	327,089	326,089
Fund Balance, July 1, 1988	0	0	0
Fund Balance, June 30, 1989	$1,000	$327,089	$326,089

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
NON AREAWIDE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE/BUDGET AND ACTUAL
YEAR ENDED JUNE 3Ø, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes:			
Real and Personal	$248,965	$25Ø,674	$1,7Ø9
Penalty and Interest	1,5ØØ		(1,5ØØ)
	25Ø,465	25Ø,674	2Ø9
Intragovernmental:			
State Revenue Sharing	12,912	12,912	Ø
Other Revenue:			
Interest Income	6,ØØØ	11,122	5,122
Total Revenues	269,377	274,7Ø8	5,331
EXPENDITURES:			
Library Services	16Ø,ØØØ	16Ø,ØØØ	Ø
Economic Development	13Ø,ØØØ	1ØØ,427	29,573
Total Expenditures	29Ø,ØØØ	26Ø,427	29,573
Excess (Deficiency) of Revenues over Expenditures	(2Ø,623)	14,281	34,9Ø4
Fund Balance, July 1, 1988	(5,474)	44,677	5Ø,151
Fund Balance, June 3Ø, 1989	($26,Ø97)	$58,958	$85,Ø55

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
GOLD NUGGET SERVICE AREA FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE/BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Other Revenue	0	300	300
EXPENDITURES:			
Community Development and Planning	0	104	(104)
Excess (Deficiency) of Revenues over Expenditures	0	196	196
Fund Balance, July 1, 1988	0	0	0
Fund Balance, June 30, 1989	$0	$196	$196

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
STATE AND FEDERAL GRANTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE/BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental:			
State Grants		$662,547	$662,547
Federal Grant		59,483	59,483
	0	722,030	722,030
Other Revenue:			
Interest Income		5,640	5,640
Total Revenues	$0	$727,670	$727,670
EXPENDITURES:			
Public Services		727,670	(727,670)
Excess (Deficiency) of Revenues over Expenditures	0	0	0
Fund Balance, July 1, 1988	0	0	0
Fund Balance, June 30, 1989	$0	$0	$0

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
SCHOOL BOND/CAPITAL IMPROVEMENTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE/BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 1989

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental:			
State Grant	$2,981,131	$2,982,011	$880
Other Revenue:			
Interest Income	105,000	208,478	103,478
Total Revenues	3,086,131	3,190,489	104,358
EXPENDITURES:			
Capital Improvements	42,144	45,969	(3,825)
Excess of Revenues over Expenditures	3,043,987	3,144,520	100,533
Other Financing Sources (Uses):			
Operating Transfers From (To):			
School Operating Fund	109,631	109,631	0
Debt Service Funds	(3,068,468)	(3,068,468)	0
Net Other Financing Sources (Uses)	(2,958,837)	(2,958,837)	0
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	85,150	185,683	100,533
Fund Balance, July 1, 1988	1,275,110	2,055,586	780,476
Fund Balance, June 30, 1989	$1,360,260	$2,241,269	$881,009

The Accompanying Notes are an Integral Part of the Financial Statements.

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 General 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 Interest Fund.

STATE OF ALASKA RETIREMENT INCENTIVE PROGRAM - To accumulate funds for the payment of the employer's share for implementing a retirement incentive program in accordance with State statutes. Financing is provided through transfers from the School Operating Fund.

KETCHIKAN GATEWAY BOROUGH
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1989

	STATE OF ALASKA RETIREMENT INCENTIVE PROGRAM	1974 GENERAL OBLIGATION REFUNDING BOND REDEMPTION FUND	1983 GENERAL OBLIGATION BOND REDEMPTION FUND	TOTAL
ASSETS				
Cash and Temporary Investments	$0	$0	$0	$0
Due From Other Funds	15,182			15,182
Total Assets	$15,182	$0	$0	$15,182
LIABILITIES AND FUND BALANCE				
Liabilities	$0	$0	$0	$0
Fund Balance	15,182	0	0	15,182
Total Liabilities and Fund Balance	$15,182	$0	$0	$15,182

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1989

	STATE OF ALASKA RETIREMENT INCENTIVE PROGRAM	1974 GENERAL OBLIGATION REFUNDING BOND REDEMPTION FUND	1983 GENERAL OBLIGATION BOND REDEMPTION FUND	TOTAL
EXPENDITURES:				
Debt Service:				
Principal	$60,471	$290,000	$1,560,000	$1,910,471
Interest	11,740	139,558	1,078,910	1,230,208
Total	72,211	429,558	2,638,910	3,140,679
Excess (Deficiency) of Revenues over Expenditures	(72,211)	(429,558)	(2,638,910)	(3,140,679)
Other Financing Sources:				
Operating Transfers From:				
School Bond Interest Fund	87,393	429,558	2,638,910	3,155,861
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures	15,182	0	0	15,182
Fund Balances, July 1, 1988	0	0	0	0
Fund Balances, June 30, 1989	$15,182	$0	$0	$15,182

The Accompanying Notes are an Integral Part of the Financial Statements.

CAPITAL PROJECT FUNDS

Capital Project 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:

Senate Bill 168 Capital Investments Fund
Ketchikan Secondary Route Construction Fund
School Bond Contruction Fund - 1983
North Point Higgins Access Road Fund
South Tongass Elementary School Fund

KETCHIKAN GATEWAY BOROUGH
CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1989

	Senate Bill 168 Capital Improvements Fund	Ketchikan Secondary Route Construction Fund	School Bond Construction Fund-1983	North Point Higgins Access Road Fund
ASSETS				
Cash and Temporary Investments	$429,331	$1,103,252	$108,045	$93,761
Accounts Receivable	20,401			
Due From Other Funds				
Total Assets	$449,732	$1,103,252	$108,045	$93,761
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	$6,518	$1,103,252		$58,136
Deferred Revenues				35,625
Total Liabilities	6,518	1,103,252		93,761
Fund Balances:				
Unreserved	443,214		$108,045	
Total Liabilities and Fund Balances	$449,732	$1,103,252	$108,045	$93,761

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1989

	South Tongass Elementary School Fund	Total
ASSETS		
Cash and Temporary Investments		$1,734,389
Accounts Receivable		20,401
Due From Other Funds	$98,214	98,214
Total Assets	$98,214	$1,853,004
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable		$1,167,906
Deferred Revenues	$60,994	96,619
Total Liabilities	60,994	1,264,525
Fund Balances:		
Unreserved	37,220	588,479
Total Liabilities and Fund Balances	$98,214	$1,853,004

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1989

	Senate Bill 168 Capital Improvements Fund	Ketchikan Secondary Route Construction Fund	School Bond Construction Fund-1983	North Point Higgins Access Road Fund
REVENUES:				
State Grants	$116,008			$189,773
Interest Income				
Total Revenues	116,008	0	0	189,773
EXPENDITURES:				
Capital Outlays:				
Airport Improvements	5,052			
Road Improvements				189,773
Educational Facilities				
Other Improvements	19,692			
Total Expenditures	24,744	0	0	189,773
Excess (Deficiency) of Revenues over Expenditures	91,264	0	0	0
Fund Balances, July 1, 1988	351,950		108,045	
Fund Balances, June 30, 1989	$443,214	$0	$108,045	$0

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANC
YEAR ENDED JUNE 30, 1989

	South Tongass Elementary School Fund	Total
REVENUES:		
State Grants	$9,852	$315,633
Interest Income	6,750	6,750
Total Revenues	16,602	322,383
EXPENDITURES:		
Capital Outlays:		
Airport Improvements		5,052
Road Improvements		189,773
Educational Facilities	9,852	9,852
Other Improvements		19,692
Total Expenditures	9,852	224,369
Excess (Deficiency) of Revenues over Expenditures	6,750	98,014
Fund Balances, July 1, 1988	30,470	490,465
Fund Balances, June 30, 1989	$37,220	$588,479

The Accompanying Notes are an Integral Part of the Financial Statements.

PROPRIETARY 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.

KETCHIKAN GATEWAY BOROUGH
PROPRIETARY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1989

		Airport Enterprise Fund	Transit Enterprise Fund	Total
ASSETS				
Cash and Investments		$145,687	$17,934	$163,621
Due From Other Funds		65,489		65,489
Accounts Receivable		197,954		197,954
Restricted Assets:				
Bond Redemption Fund Cash and Investments		59,733		59,733
Plant in Service:				
Field	$2,759,203			
Terminal	2,598,177			
Ferry	1,519,118	6,876,498		6,876,498
Accumulated Depreciation		(2,777,906)		(2,777,906)
Buses			63,941	63,941
Accumulated Depreciation			(35,941)	(35,941)
Construction in Progress		13,252		13,252
Total Assets		$4,580,707	$45,934	$4,626,641
LIABILITIES AND FUND EQUITY				
Liabilities:				
Current Liabilities:				
Accounts Payable		$107,255	$586	$107,841
Accrued Interest Payable		18,764		18,764
Accrued Vacation and Sick Leave		135,155	$791	135,946
General Obligation Bonds Payable ($165,000 due within one year)		1,340,000		1,340,000
Revenue Bonds Payable ($20,000 due within one year)		340,000		340,000
Total Liabilities		1,941,174	1,377	1,942,551
Fund Equity:				
Contributed Capital		2,177,457	28,000	2,205,457
Retained Earnings:				
Reserved for Debt Retirement		59,733		59,733
Unreserved		402,343	16,557	418,900
Total Fund Equity		2,639,533	44,557	2,684,090
Total Liabilities and Fund Equity		$4,580,707	$45,934	$4,626,641

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
YEAR ENDED JUNE 30, 1989

		Airport Enterprise Fund	Transit Enterprise Fund	Total
OPERATING REVENUES:				
Ferry Fares		$658,398		658,398
Landing Fees		721,464		721,464
Rentals		286,691		286,691
Fuel Revenues		35,742		35,742
Security Services		31,507		31,507
Other Revenues		104,070	69,928	173,998
Total Revenues		1,837,872	69,928	1,907,800
OPERATING EXPENSES:				
Transit:				
Current Operations			61,291	61,291
Depreciation			8,844	8,844
Field:				
Current Operations	$591,986			
Depreciation	101,989	693,975		693,975
Terminal:				
Current Opertions	338,480			
Depreciation	73,959	412,439		412,439
Ferry:				
Current Operations	674,020			
Depreciation	68,213	742,233		742,233
Total Expenses		1,848,647	70,135	1,918,782
Operating Income (Loss)		(10,775)	(207)	(10,982)
Non Operating Revenues (Expenses):				
UMTA Grant - Ferry		35,209		35,209
State Revenue Sharing		80,081		80,081
Interest Earnings		13,553	1,346	14,899
Interest Expense		(114,579)		(114,579)
Total Non Operating Revenues (Expenses)		14,264	1,346	15,610
Income (Loss) before Operating Transfers		3,489	1,139	4,628
Operating Transfers In		143,374	(5,200)	138,174
Net Income (Loss)		146,863	(4,061)	142,802
Depreciation of Fixed Assets Acquired by Grants		110,604	8,844	119,448
Net Increase in Retained Earnings		257,467	4,783	262,250
RETAINED EARNINGS, July 1, 1988		204,609	11,774	216,383
RETAINED EARNINGS, June 30, 1989		$462,076	$16,557	$478,633

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
PROPRIETARY TYPE FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED JUNE 30, 1989

	Airport Enterprise Fund	Transit Enterprise Fund	Total
SOURCES OF WORKING CAPITAL:			
Operations:			
Net Income (Loss)	$146,863	($4,061)	$142,802
Item Not Requiring Working Capital:			
Depreciation	244,161	8,844	253,005
Working Capital Provided by Operations	391,024	4,783	395,807
Contribution of Fixed Assets		36,844	36,844
Federal Construction Grant	13,253		13,253
Total Sources of Working Capital	404,277	41,627	445,904
USES OF WORKING CAPITAL:			
Acquisition of Fixed Assets	83,618	36,844	120,462
Retirement of General Obligation Bonds	180,000		180,000
Additions to Construction in Progress	13,252		13,252
Total Uses of Working Capital	276,870	36,844	313,714
Net Increase in Working Capital	$127,407	$4,783	$132,190

	Airport Enterprise Fund	Transit Enterprise Fund	Total
Elements of Net Increase in Working Capital:			
Cash and Temporary Investments	$185,862	$6,159	$192,021
Due to/from Other Funds	78,741		78,741
Accounts Receivable	(54,811)		(54,811)
Bond Redemption Fund Cash and Investments	1,600		1,600
Accounts Payable and Accrued Liabilities	(83,985)	(1,376)	(85,361)
Net Increase in Working Capital	$127,407	$4,783	$132,190

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
AIRPORT ENTERPRISE FUND
BALANCE SHEETS
JUNE 30, 1989 AND 1988

	1989		1988	
ASSETS				
Cash and Investments		$145,687		($40,174)
Due from Other Funds		65,489		0
Accounts Receivable		197,954		239,514
Restricted Assets:				
Bond Redemption Fund Cash and Investments		59,733		58,133
Plant in Service:				
Field	$2,759,203		$2,740,943	
Terminal	2,598,177		2,590,085	
Ferry	1,519,118	6,876,498	1,461,851	6,792,879
Accumulated Depreciation		(2,777,906)		(2,533,744)
Construction in Progress		13,252		0
Total Assets		$4,580,707		$4,516,608
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable		$107,255		$36,648
Accrued Interest Payable		18,764		20,771
Accrued Vacation and Sick Leave		135,155		119,771
General Obligation Bonds Payable ($160,000 due within one year)		1,340,000		1,500,000
Revenue Bonds Payable ($20,000 due within one year)		340,000		360,000
Total Liabilities		1,941,174		2,037,190
Fund Equity:				
Contributed Capital		2,177,457		2,274,809
Retained Earnings				
Reserved for Debt Retirement	$59,733		$58,133	
Unreserved	402,343	462,076	146,476	204,609
Total Fund Equity		2,639,533		2,479,418
Total Liabilities and Fund Equity		$4,580,707		$4,516,608

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
AIRPORT ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
YEARS ENDED JUNE 30, 1989 AND 1988

	1989		1988	
OPERATING REVENUES:				
Charges for Services:				
Ferry Fares		$658,398		$621,846
Landing Fees		721,464		703,176
Rentals		286,691		317,112
Enplanement Fees		42,583		0
Fuel Revenue		35,742		49,408
Security Services		31,507		24,755
Seaplane Dock Fees		18,179		0
Vehicle Parking		16,629		0
Murphy's Pullout		5,420		0
Other Revenues		21,259		10,508
Total Operating Revenues		1,837,872		1,726,805
OPERATING EXPENSES:				
Field:				
Current Operations	$591,986		$669,120	
Depreciation	101,989	693,975	100,828	769,948
Terminal:				
Current Operations	338,480		386,204	
Depreciation	73,959	412,439	73,283	459,487
Ferry:				
Current Operations	674,020		625,878	
Depreciation	68,213	742,233	30,937	656,815
Total Operating Expenses		1,848,647		1,886,250
Income (Loss) from Operations		(10,775)		(159,445)
NON OPERATING REVENUES (EXPENSES):				
UMTA Grant - Ferry	35,209		21,747	
State Revenue Sharing	80,081		90,728	
Interest Earnings	13,553	128,843	7,961	120,436
Interest Expense		(114,579)		(125,131)
Total Non Operating Revenue (Expenses)		14,264		(4,695)
Income (Loss) Before Operating Transfers		3,489		(164,140)
Operating Transfers In		143,374		93,764
Net Income (Loss)		146,863		(70,376)
Depreciation of Fixed Assets Acquired by Grants		110,604		73,107
Increase in Retained Earnings		257,467		2,731
RETAINED EARNINGS, Beginning of Year		204,609		201,878
RETAINED EARNINGS, End of Year		$462,075		$204,609

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
AIRPORT ENTERPRISE FUND
STATEMENTS OF CHANGES IN FINANCIAL POSITION
YEARS ENDED JUNE 30, 1989 AND 1988

	1989	1988
SOURCES OF WORKING CAPITAL:		
Operations:		
Net Income (Loss)	$146,863	($70,376)
Item Not Requiring Working Capital:		
Depreciation	244,161	205,048
Working Capital Provided by Operations	391,024	134,672
Federal Construction Fund	13,253	
Total Sources of Working Capital	404,277	134,672
USES OF WORKING CAPITAL:		
Acquisition of Fixed Assets	83,618	17,089
Retirement of General Obligation Bonds	180,000	170,000
Additions to Construction in Progress	13,252	0
Total Uses of Working Capital	276,870	187,089
Net Increase in Working Capital	$127,407	($52,417)

Elements of Net Increase (Decrease) in Working Capital:		
Cash and Temporary Investments	$185,862	($157,288)
Due from Other Funds	78,741	0
Accounts Receivable	(54,811)	132,592
Bond Redemption Fund Cash and Investments	1,600	(267)
Accounts Payable and Accrued Liabilities	(83,985)	(27,454)
Net Increase (Decrease) in Working Capital	$127,407	($52,417)

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
TRANSIT ENTERPRISE FUND
BALANCE SHEETS
JUNE 30, 1989 AND 1988

	1989	1988
ASSETS		
Cash and Investments	$17,934	$11,774
Plant in Service-Buses	63,941	0
Accumulated Depreciation	(35,941)	
Total Assets	$45,934	$11,774
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts Payable	$586	$0
Accrued Vacation and Sick Leave	791	0
Total Liabilities	1,377	0
Fund Equity:		
Contributed Capital	28,000	0
Retained Earnings	16,557	11,774
Total Fund Equity	44,557	11,774
Total Liabilities and Fund Equity	$45,934	$11,774

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
TRANSIT ENTERPRISE FUND
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
YEARS ENDED JUNE 30, 1989 AND 1988

	1989	1988
OPERATING REVENUES:		
Charges for Services	$69,928	$70,635
OPERATING EXPENSES:		
Salaries and Wages	42,805	38,265
Supplies and Publishing	761	907
Fuel and Oil	4,249	5,014
Equipment Maintenance	7,537	6,551
Insurance	5,940	9,196
Depreciation	8,844	
Total Operating Expenses	70,135	59,933
Income (Loss) from Operations	(207)	10,702
NON OPERATING REVENUES (EXPENSES):		
Interest Earnings	1,346	1,072
Administration Fee-General Fund	(5,200)	(7,500)
Total Non Operating Revenue (Expenses)	(3,854)	(6,428)
Income (Loss) Before Operating Transfers	(4,061)	4,274
Operating Transfers In	0	7,500
Net Income (Loss)	(4,061)	11,774
Depreciation of Fixed Assets Acquired by Grants	8,844	
Increase (Decrease) in Retained Earnings	4,783	11,774
RETAINED EARNINGS, Beginning of year	11,774	0
RETAINED EARNINGS, End of year	$16,557	$11,774

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
TRANSIT ENTERPRISE FUND
STATEMENTS OF CHANGES IN FINANCIAL POSITION
YEARS ENDED JUNE 30, 1989 AND 1988

	1989	1988
SOURCES OF WORKING CAPITAL:		
Operations:		
Net Income (loss)	($4,061)	$11,774
Item Not Requiring Working Capital:		
Depreciation	8,844	0
Working Capital Provided by Operations	4,783	11,774
Contribution of Fixed Assets	36,844	0
Total Sources of Working Capital	41,627	11,774
USES OF WORKING CAPITAL		
Acquisition of Fixed Assets	36,844	0
Net Increase in Working Capital	$4,783	$11,774

Elements of Net Increase in Working Capital:

	1989	1988
Cash and Temporary Investments	$6,159	$11,774
Accounts Payable	(586)	0
Accrued Vacation and Sick Leave	(790)	0
Net Increase in Working Capital	$4,783	$11,774

The Accompanying Notes are an Integral Part of the Financial Statements.

TRUST AND AGENCY FUNDS

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

The following funds are included in this section:

Trust Funds:

- Expendable Scholarship Fund
- Non Expendable Trust Fund

Agency Funds:

- School Revolving Funds
- Deferred Compensation Fund

KETCHIKAN GATEWAY BOROUGH
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1989

	Trust Funds		Agency Funds		
	Expendable Scholarship Fund	Nonexpendable Trust Fund	School Revolving Fund	Deferred Compensation Fund	Total
ASSETS					
Cash and Investments	$7,138	$10,000	$162,915		$180,053
Funds with Fiscal Agents				$958,305	958,305
Due From Other Funds		1,354	2,144		3,498
Accrued Interest Receivable		100			100
Total Assets	$7,138	$11,454	$165,059	$958,305	$1,141,956
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable			$142,741		$142,741
Due to Other Funds	$2,144		22,318		24,462
Deferred Compensation				$958,305	958,305
Total Liabilities	2,144	0	165,059	958,305	1,125,508
Fund Balances:					
Reserved for Endowments		$10,000			10,000
Unreserved	4,994	1,454			6,448
Total Fund Balances	4,994	11,454	0	0	16,448
Total Liabilities and Fund Balances	$7,138	$11,454	$165,059	$958,305	$1,141,956

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
EXPENDABLE SCHOLARSHIP TRUST FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 1989

	Clarke Cochrane Memorial Scholarship Fund
REVENUES:	
Other Revenues:	
Contributions	$1,506
Interest Income	369
Total Revenues	1,875
EXPENDITURES:	
Education	1,250
Excess of Revenues over Expenditures	625
FUND BALANCE, July 1, 1988	4,369
FUND BALANCE, June 30, 1989	$4,994

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
NONEXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1989

	Pension Trust Fund	John Koel Trust Fund	Total
REVENUES:			
Other Revenues:			
Interest Income	$0	$850	$850
EXPENSES:			
Education:			
Employee Benefits	525,367	1,350	526,717
Net Income	(525,367)	(500)	(525,867)
FUND BALANCE, July 1, 1988	525,367	11,954	537,321
FUND BALANCE, June 30, 1989	$0	$11,454	$11,454

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
NONEXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED JUNE 30, 1989

	Pension Trust	John Koel Trust	Total
Sources of Working Capital:			
Net Income (Loss)	($525,367)	($500)	($525,867)
Total Sources of Working Capital	(525,367)	(500)	(525,867)
Total Uses of Working Capital	0	0	0
Net Decrease in Working Capital	($525,367)	($500)	($525,867)

Elements of Net Decrease in Working Capital			
Cash and Temporary Investments	$0	$10,000	$10,000
Funds With Fiscal Agents	(457,811)	(10,000)	(467,811)
Interfund Receivable	(67,556)	(500)	(68,056)
Net Decrease in Working Capital	($525,367)	($500)	($525,867)

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 1989

	Balance July 1, 1988	Additions	Deductions	Balance June 30, 1989
SCHOOL REVOLVING FUND				
Assets:				
Cash and Temporary Investment	$229,735	$446,817	$513,637	$162,915
Due from Other Funds	2,400		256	2,144
Total Assets	$232,135	$446,817	$513,893	$165,059
Liabilities:				
Accounts Payable	$135,623	$446,817	$439,699	$142,741
Due to Other Funds	96,512		74,194	22,318
	$232,135	$446,817	$513,893	$165,059
DEFERRED COMPENSATION FUND				
Assets:				
Funds with Fiscal Agents	$892,931	$136,063	$70,689	$958,305
Liabilities:				
Deferred Compensation	$892,931	$136,063	$70,689	$958,305
TOTAL - ALL AGENCY FUNDS				
Assets:				
Cash and Temporary Investment	$229,735	$446,817	$513,637	$162,915
Funds with Fiscal Agents	892,931	136,063	70,689	958,305
Due from Other Funds	2,400	0	256	2,144
Total Assets	$1,125,066	$582,880	$584,582	$1,123,364
Liabilities:				
Accounts Payable	$135,623	$446,817	$439,699	$142,741
Due to Other Funds	$96,512	$0	$74,194	22,318
Deferred Compensation	892,931	136,063	70,689	958,305
Total Liabilities	$1,125,066	$582,880	$584,582	$1,123,364

The Accompanying Notes are an Integral Part of the Financial Statements.

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.

KETCHIKAN GATEWAY BOROUGH
GENERAL FIXED ASSET ACCOUNT GROUP
STATEMENT OF GENERAL FIXED ASSETS
JUNE 30, 1989

GENERAL FIXED ASSETS:	
Land	$148,081
Buildings	28,894,027
Equipment	4,209,743
Total	$33,251,851

INVESTMENT IN GENERAL FIXED ASSETS FROM:	
Federal and State Grants	$594,923
General Revenues	1,042,928
School District Sources	31,614,000
Total	$33,251,851

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
GENERAL FIXED ASSET ACCOUNT GROUP
STATEMENT OF GENERAL FIXED ASSETS BY FUNCTION
JUNE 30, 1989

	Land	Buildings	Equipment	Total
Administration		$185,030	$337,831	$522,861
Fire Districts		157,871	322,189	480,060
Animal Control	$30,865	443,714	78,604	553,183
Planning			81,747	81,747
Education	117,216	28,107,412	3,389,372	31,614,000
Total	$148,081	$28,894,027	$4,209,743	$33,251,851

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
GENERAL FIXED ASSET ACCOUNT GROUP
STATEMENT OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION
YEAR ENDED JUNE 30, 1989

	Balance July 1, 1988	Additions	Transfers and Deductions	Balance June 30, 1989
Administration	$524,071	$35,634	$36,844	$522,861
Fire Districts	480,060			480,060
Animal Control	553,183			553,183
Planning	81,747			81,747
Education	31,735,429	159,273	280,702	31,614,000
Total	$33,374,490	$194,907	$317,546	$33,251,851

The Accompanying Notes are an Integral Part of the Financial Statements.

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.

KETCHIKAN GATEWAY BOROUGH
GENERAL LONG-TERM DEBT ACCOUNT GROUP
STATEMENT OF GENERAL LONG-TERM DEBT
JUNE 30, 1989

Amounts to be provided for payment of Long-Term Debt		$13,543,189
General Long-Term Debt Payable:		
General Obligation Bonds:		
1958 General Obligation Bonds	$529,000	
1974 General Obligation Bonds	2,345,000	
1983 General Obligation Bonds	10,335,000	$13,209,000
Retirement Incentive Program Liabilities		177,000
Equipment Lease Purchase		157,189
Total		$13,543,189

The Accompanying Notes are an Integral Part of the Financial Statements.

SUPPLEMENTARY SCHEDULES

These schedules provide supplemental financial information that is considered valuable in understanding the financial operations of the Borough.

The following schedules are included in this section:

- Combined Schedules:
  - Cash and Investment Balances - All Funds
  - Investments - All Funds
  - Bonds Payable
- Schedule of Estimated Useful Lives of Assets Subject to Depreciation
- Debt Service Requirements until Maturity

KETCHIKAN GATEWAY BOROUGH
ALL FUNDS
COMBINED SCHEDULE OF CASH AND INVESTMENT BALANCES
JUNE 30, 1989

CASH AND INVESTMENTS CLASSIFIED BY FUND:		
General Fund		$2,004,762
Special Revenue Funds:		
School District Operating Fund	19,675	
Land Trust Fund	3,712,088	
Mud Bight Service Area Fund	72,738	
Shoreline Service Area Fund	51,114	
Mountain Point Service Area Fund	64,236	
South End Fire District Fund	162,773	
Waterfall Service Area Fund	18,206	
South Tongass Service Area Fund	5,738	
Forest Park Service Area Fund	329,107	
Gold Nugget Service Area Fund	196	
Non Areawide Fund	67,152	
State and Federal Grants Fund	118,793	
School Bond/Capital Improvement Fund	2,275,968	
		6,897,784
Capital Project Funds:		
Senate Bill 168 Capital Improvements Fund	429,331	
Ketchikan Secondary Route Construction Fund	1,103,252	
School Bond Construction Fund - 1983	108,045	
North Point Higgins Access Road	93,761	
		1,734,389
Enterprise Funds:		
Transit Fund	17,934	
Airport Fund - Unrestricted	145,687	
Airport Fund - Restricted	59,733	
		223,354
Trust and Agency Funds:		
Clarke Cochrane Scholarship Fund	7,138	
John Koel Scholarship Fund	10,000	
School District Revolving Fund	162,915	
		180,053
Total Cash and Investments		$11,040,342
CASH CLASSIFIED BY DEPOSITORY		
Change Funds and Days Receipts		$10,521
Security Pacific Bank		108,048
First Bank of Ketchikan		970,348
National Bank of Alaska		79,683
Alaska Federal Savings & Loan		18,843
Total Cash		$1,187,443
Investments		9,852,899
Total Cash and Investments		$11,040,342

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
ALL FUNDS
COMBINED SCHEDULE OF INVESTMENTS
JUNE 30, 1989

	I.D. Numbers	Interest Rates	Maturity Dates	Amount
COMBINED INVESTMENTS:				
Certificates of Deposit				
First Bank of Ketchikan	23452	9.67	08/30/89	$1,000,000
First Bank of Ketchikan	23488	9.55	09/29/89	1,000,000
Repurchase Agreements:				
National Bank of Alaska	33300	9.40	08/15/89	1,000,000
National Bank of Alaska	33871	9.02	08/31/89	500,000
National Bank of Alaska	33872	9.02	10/16/89	1,000,000
National Bank of Alaska	33873	9.02	10/31/89	1,000,000
Government Securities:				
Farmers Home Loan Bank		9.79	07/14/89	1,000,000
Farmers Home Loan Bank		9.83	07/28/89	1,000,000
Farmers Home Loan Bank		10.25	09/15/89	1,000,000
Federal National Mortgage Association		9.04	11/17/89	1,030,859
Other Investments:				
Strategic Allocation Fund				122,566
Federal Securities Trust				169,474
AIRPORT FUND:				
Government Securities:				
U. S. Treasury Notes	308-309	14.875	08/15/91	20,000
EXPENDABLE SCHOLARSHIP FUND:				
Government Securities:				
U. S. Treasury Notes - Series G		8.500	11/01/69	10,000
Total Investments				$9,852,899

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
SCHEDULE OF ESTIMATED USEFUL LIVES OF ASSETS
SUBJECT TO DEPRECIATION
FOR THE YEAR ENDED JUNE 30, 1989

Assets	Estimated Years Of Useful Life
Airport Field Facilities	15 - 30
Vehicles and Moving Equipment	6 - 10
Airport Terminal Building	40
Equipment	3 - 10
Ferry Slip	40
Ferries	20
Buses	5

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
COMBINED SCHEDULE OF BONDS PAYABLE
JUNE 30, 1989

	Interest Rates(%)	Payment Dates	Issue Date	Final Maturity Date
GENERAL OBLIGATION BONDS				
1958 APW Bonds	2.00			
1972 Airport Bonds	5.50- 6.50	5/1 & 11/1	05/01/72	05/01/97
1973 Airport Bonds	5.50- 6.50	4/1 & 10/1	04/01/73	04/01/93
1974 School Refunding	5.00- 8.00	3/1 & 9/1	03/01/74	09/01/95
1983 School Construction	9.15-20.00	6/1 & 12/1	06/01/83	06/01/93
REVENUE BONDS				
1980 Airport Improvement Bond	8.00	5/1 & 11/1	05/01/80	05/01/00

	Authorized	Issued	Retired	Outstanding
GENERAL OBLIGATION BONDS				
1958 APW Bonds	$1,336,000	$1,336,000	$807,000	$529,000
1972 Airport Bonds	2,200,000	2,200,000	1,100,000	1,100,000
1973 Airport Bonds	790,000	790,000	550,000	240,000
1974 School Refunding	4,835,000	4,835,000	2,490,000	2,345,000
1983 School Construction	16,900,000	16,900,000	6,565,000	10,335,000
	$26,061,000	$26,061,000	$11,512,000	$14,549,000
REVENUE BONDS				
1980 Airport Improvement Bond	$410,000	$410,000	$70,000	$340,000

The Accompanying Notes are an Integral Part of the Financial Statements.

KETCHIKAN GATEWAY BOROUGH
DEBT SERVICE REQUIREMENTS TO MATURITY
JUNE 30, 1989

Fiscal Year	General Obligation Bonds - Education		
	Principal	Interest	Total
1990	$2,020,000	$1,046,112	$3,066,112
1991	2,195,000	879,719	3,074,719
1992	2,400,000	696,082	3,096,082
1993	2,610,000	493,255	3,103,255
1994	2,845,000	269,734	3,114,734
1995	410,000	21,788	431,788
1996	200,000	5,000	205,000
	$12,680,000	$3,411,690	$16,091,690

Fiscal Year	General Obligation Bonds - Airport			Revenue Bonds - Airport		
	Principal	Interest	Total	Principal	Interest	Total
1990	$165,000	$78,180	$243,180	$20,000	$27,200	$47,200
1991	175,000	68,445	243,445	20,000	25,600	45,600
1992	185,000	58,059	243,059	25,000	24,000	49,000
1993	195,000	47,020	242,020	25,000	22,000	47,000
1994	140,000	35,840	175,840	25,000	20,000	45,000
1995	150,000	27,300	177,300	30,000	18,000	48,000
1996	160,000	18,150	178,150	30,000	15,600	45,600
1997	170,000	9,350	179,350	35,000	13,200	48,200
1998	0	0	0	40,000	10,400	50,400
1999	0	0	0	40,000	7,200	47,200
2000	0	0	0	50,000	4,000	54,000
	$1,340,000	$342,344	$1,682,344	$340,000	$187,200	$527,200

The Accompanying Notes are an Integral Part of the Financial Statements.

STATISTICAL SECTION

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

The following schedules are included in this section:

UNAUDITED SECTION.

KETCHIKAN GATEWAY BOROUGH
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
TEN YEAR PERIOD ENDING JUNE 30, 1989

Fiscal Year	General Government	Public Services	Education Operating	Education Capital	Debt Service Education
1980	$1,303	$146	$8,713	$356	$610
1981	2,100	185	9,604	218	521
1982	3,468	244	11,555	628	525
1983	4,349	298	12,761	377	524
1984	3,206	431	13,370	2,532	2,217
1985	2,804	460	14,406	7,413	3,178
1986	2,730	944	14,474	10,884	3,064
1987	3,021	978	14,684	2,029	3,085
1988	2,238	1,438	15,896	32	3,074
1989	2,079	1,819	16,689	10	3,068

All amounts have been rounded to the nearest thousand.

General Government Expenditures and Revenue figures include data for all funds except Proprietary and Fiduciary Fund Types.

U N A U D I T E D.

KETCHIKAN GATEWAY BOROUGH
GENERAL REVENUES BY SOURCE
TEN YEAR PERIOD ENDING JUNE 30, 1989

Fiscal Year	Taxes	Inter-governmental Revenues	Charges for Services	Other Revenues	Total
1980	$2,771	$8,048	$256	$619	$11,694
1981	2,602	11,005	240	684	14,531
1982	2,236	12,641	299	1,058	16,234
1983	2,543	14,251	443	1,270	18,507
1984	2,618	15,476	680	2,821	21,595
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

All amounts have been rounded to the nearest thousand.

General Government Expenditures and Revenue figures include data for all funds except Proprietary and Fiduciary Fund Types.

U N A U D I T E D.

KETCHIKAN GATEWAY BOROUGH
TAX REVENUES BY SOURCE
TEN YEAR PERIOD ENDING JUNE 30, 1989

Fiscal Year	General Property	General Sales	Other	Total
1980	$1,372	$1,326	$73	$2,771
1981	1,021	1,581	0	2,602
1982	528	1,708	0	2,236
1983	661	1,882	0	2,543
1984	695	1,923	0	2,618
1985	2,186	1,908	0	4,094
1986	1,923	1,966	0	3,889
1987	2,305	1,955	0	4,260
1988	3,979	2,073	0	6,052
1989	4,520	2,323	0	6,843

All amounts have been rounded to the nearest thousand.

General Government Expenditures and Revenue figures include data for all funds except Proprietary and Fiduciary Fund Types.

U N A U D I T E D.

KETCHIKAN GATEWAY BOROUGH
PER CAPITA COST OF GENERAL GOVERNMENT EXPENDITURES
TEN YEAR PERIOD ENDING JUNE 30, 1989

		TOTAL		
Fiscal Year	Population	Operations and Capital Outlay	Debt Service	Capital Improvements
1980	13,463	$10,143,817	$609,702	$18,839
1981	14,406	12,091,337	526,401	15,193
1982	12,336	14,815,559	530,409	1,074,053
1983	12,829	14,876,972	528,971	2,902,911
1984	14,314	16,339,926	2,217,244	3,199,272
1985	14,314	17,172,169	3,177,612	7,911,147
1986	14,314	17,504,612	3,064,517	11,526,513
1987	14,314	17,364,199	3,084,952	3,347,973
1988	12,829	19,031,170	3,074,125	1,211,427
1989	12,829	20,251,589	3,128,939	284,258

		PER CAPITA		
Fiscal Year	Population	Operations and Capital Outlay	Debt Service	Capital Improvements
1980	13,463	$753.46	$45.29	$1.40
1981	14,406	839.33	36.54	1.05
1982	12,336	1,201.00	43.00	87.07
1983	12,829	1,159.64	41.23	226.28
1984	14,314	1,141.53	154.90	223.51
1985	14,314	1,199.68	221.99	552.69
1986	14,314	1,222.90	214.09	805.26
1987	14,314	1,213.09	215.52	233.89
1988	12,829	1,483.45	239.62	94.43
1989	12,829	1,578.58	243.90	22.16

General Government Expenditures and Revenue figures include data for all funds except Proprietary and Fiduciary Fund Types.

U N A U D I T E D.

KETCHIKAN GATEWAY BOROUGH
PROPERTY TAX LEVIES AND COLLECTIONS
TEN YEAR PERIOD ENDING JUNE 30, 1989

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections
1980	$1,393,166	$1,368,491	98.2%	$3,271	$1,371,762
1981	806,266	793,451	98.4%	11,203	804,654
1982	460,850	453,759	98.5%	5,202	458,961
1983	568,074	561,283	98.8%	4,870	566,153
1984	594,507	587,386	98.8%	5,620	593,006
1985	1,984,597	1,969,314	99.2%	19,250	1,988,564
1986	1,690,886	1,681,476	99.4%	6,786	1,688,262
1987	1,958,321	1,947,614	99.5%	7,236	1,954,850
1988	3,866,473	3,717,544	96.1%	89,302	3,806,846
1989	4,491,458	4,420,026	98.4%	6,212	4,426,238

Fiscal Year	Total Collections As a Percent Of Total Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes As a Percent Of Total Levy
1980	98.5%	$6,889	0.5%
1981	99.8%	18,918	2.3%
1982	99.6%	20,807	4.5%
1983	99.7%	22,728	4.0%
1984	99.7%	24,553	4.1%
1985	100.2%	15,283	0.8%
1986	99.8%	15,280	0.9%
1987	99.8%	7,236	0.4%
1988	98.5%	195,702	5.1%
1989	98.5%	153,309	3.4%

U N A U D I T E D.

KETCHIKAN GATEWAY BOROUGH
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
TEN YEAR PERIOD ENDING JUNE 30, 1989

Fiscal Year	Estimated Actual Value	Assessed Value	Percent of Estimated Value To Assessed Value
1980	$306,854,630	$306,854,630	100.0%
1981	366,613,765	366,613,765	100.0%
1982	445,168,300	445,168,300	100.0%
1983	532,766,200	532,766,200	100.0%
1984	573,656,746	573,656,746	100.0%
1985	638,157,830	638,157,830	100.0%
1986	660,988,333	660,988,333	100.0%
1987	652,773,750	652,773,750	100.0%
1988	644,691,600	644,691,600	100.0%
1989	672,170,100	672,170,100	100.0%

U N A U D I T E D.

ETCHIKAN GATEWAY BOROUGH
ASSESSED VALUE, TAXABLE PROPERTY AND TAX RATES - ALL OVERLAPPING GOVERNMENTS
EN YEAR PERIOD ENDING JUNE 30, 1989

	Assessed	Property Tax Millage Rates						
iscal Year	Value of Real and Personal Property	City of Ketchikan	Shoreline Svc Area	South End Fire Svc Area	Mud Bight Service Area	Non Areawide	Ketchikan Gateway Borough	Tax Levy Municipal Purposes
1980	$306,854,630	11.50	1.30				4.50	$1,393,166
1981	366,613,765	12.60	1.10				2.50	806,266
1982	445,168,300	4.90	0.80				1.00	460,850
1983	532,766,200	4.80	1.50				1.00	568,074
1984	573,656,746	8.40	0.75	1.00			1.00	594,507
1985	638,157,830	8.90	1.00	1.00			3.10	1,984,597
1986	660,988,333	8.90	2.00	1.00	10.00		2.55	1,690,886
1987	652,773,750	9.50	0.50	1.00	15.00	0.58	3.00	1,958,321
1988	644,691,600	9.10	0.50	1.00	7.50	0.60	5.70	3,866,473
1989	672,170,100	8.20	0.50	1.00	5.00	0.85	6.00	4,491,458

U N A U D I T E D.

KETCHIKAN GATEWAY BOROUGH
RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUE AND BONDED DEBT PER CAPITA
FOR THE TEN YEAR PERIOD ENDING JUNE 3Ø, 1989

Fiscal Year	Population	Assessed Value	General Bonded Debt	Ratio to Assessed Value	General Bonded Debt per Capita
198Ø	13,463	$3Ø6,854,63Ø	$8,Ø24,ØØØ	2.61%	$596
1981	14,4Ø6	366,613,765	7,689,ØØØ	2.1Ø%	534
1982	12,336	445,168,3ØØ	6,914,ØØØ	1.55%	56Ø
1983	12,829	532,766,2ØØ	23,429,ØØØ	4.4Ø%	1,826
1984	14,314	573,656,746	23,Ø19,ØØØ	4.Ø1%	1,6Ø8
1985	14,314	638,157,83Ø	21,619,ØØØ	3.39%	1,51Ø
1986	14,314	66Ø,988,333	2Ø,Ø94,ØØØ	3.Ø4%	1,4Ø4
1987	14,314	652,773,75Ø	18,4Ø4,ØØØ	2.82%	1,286
1988	12,829	644,691,6ØØ	16,559,ØØØ	2.57%	1,291
1989	12,829	672,17Ø,1ØØ	14,549,ØØØ	2.16%	1,134

U N A U D I T E D.

KETCHIKAN GATEWAY BOROUGH
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE YEAR ENDING JUNE 30, 1989

No debt limit is mandated by law.

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
FOR THE YEAR ENDING JUNE 30, 1989

Outstanding General Obligation Bonds - Ketchikan Gateway Boro		$14,549,000
Less: Self Supporting Debt Bonds paid from Airport Revenues		
1972 Airport Improvement Bonds	$1,100,000	
1973 Airport Improvement Bonds	240,000	
		1,340,000
Net Direct Debt		$13,209,000
Overlapping Debt of the City of Ketchikan (100%)		$8,635,000
Total Direct and Overlapping Debt		$21,844,000

U N A U D I T E D.

KETCHIKAN GATEWAY BOROUGH
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
TEN YEAR PERIOD ENDING JUNE 30, 1989

Fiscal Year	Debt Service Payments Principal	Debt Service Payments Interest	Total	Total General Expenditures	Ratio of Debt Service to General Expenditures
1980	$311,000	$298,702	$609,702	$10,772,358	5.7%
1981	244,000	282,401	526,401	12,632,931	4.2%
1982	269,000	265,370	534,370	16,420,021	3.3%
1983	275,000	248,845	523,845	18,308,854	2.9%
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%

U N A U D I T E D.

KETCHIKAN GATEWAY BOROUGH
INSURANCE COVERAGES
FOR THE YEAR ENDING JUNE 30, 1989

Condensed Description of Coverages	
Fire Insurance:	
Broad form perils, fire and extended coverage, vandalism and malicious mischief - all property and equipment and certain scheduled property	$54,147,200
Comprehensive General Liability:	
Bodily injury and property damage	2,000,000
Auto Liability:	
Bodily injury and property damage	1,000,000
Public Officials Liability	1,000,000
Marine Insurance - Airport Ferries:	
Hull Insurance	1,000,000
Liability	5,000,000
Worker's Compensation and Employer's Liability:	
All Borough employees	Legal Limits
Position and Fidelity Bonds:	
Revenue Collector	75,000
Employee honesty blanket position bond-each employee, except Mayor, Assembly members and Commissioners	75,000
Airport Owners & Operators Liability:	
Bodily injury and property damage	100,000,000
Boiler and Machinery Policy:	
Limit per accident	500,000
Notary Errors & Omissions	25,000

U N A U D I T E D.

KETCHIKAN GATEWAY BOROUGH
DEMOGRAPHIC STATISTICS
TEN YEAR PERIOD ENDING JUNE 30, 1989

Fiscal Year	Borough Population	Alaska Per Capita Income(1)	Borough School Enrollment(2)	Alaska Unemployment Rate(1)
1980	13,493	$12,435	2,454	8.6%
1981	14,406	13,797	2,428	8.9%
1982	12,336	15,460	2,354	12.7%
1983	12,829	17,281	2,372	11.5%
1984	14,314	17,995	2,512	12.6%
1985	14,314	17,970	2,492	11.3%
1986	14,314	18,140	2,535	10.0%
1987	14,314	17,744	2,605	10.9%
1988	12,829	17,886	2,594	9.7%
1989	12,829	15,724	2,480	10.8%

Sources:
(1) Alaska State Department of Labor
(2) Ketchikan Gateway Borough School District

U N A U D I T E D.

KETCHIKAN GATEWAY BOROUGH
PRINCIPAL TAXPAYERS
FOR THE YEAR ENDING JUNE 30, 1989

TAXPAYER	BUSINESS TYPE	VALUATION	PERCENTAGE OF TOTAL ASSESSED VALUATION
Ketchikan Pulp	Forest Products	$75,251,700	10.59%
Ketchikan Shipyard	Shipyard	11,627,400	1.64%
Port West, Inc.	Retail Stores	8,482,650	1.19%
The Hames Group	Retail Stores	8,431,450	1.19%
E. C. Phillips & Son	Fish Processing	7,911,400	1.11%
Seley Incorporated	Commercial Property	7,122,600	1.00%
Union Oil Company	Petroleum Products	5,554,900	0.78%
Wayne Construction	Construction	5,431,450	0.76%
Vanderwheele, James & Ken	Commercial Property	4,543,300	0.64%
Haines Terminal & Hwy Co. (Chevron, U.S.A.)	Petroleum Products	4,115,700	0.58%
TOTAL PRINCIPAL TAXPAYERS		$138,472,550	19.48%
TOTAL ASSESSED VALUATION		$710,801,700	100.00%

UNAUDITED.

KETCHIKAN GATEWAY BOROUGH
MISCELLANEOUS STATISTICS
YEAR ENDING JUNE 30, 1989

Date of Incorporation	September 13, 1963
Form of Government	Second Class Borough Elected Mayor
Area - Square Miles	1,242
Education (through Grade 12 only):	
Number of Attendance Centers	7
Number of Classrooms	126
Number of Teachers	189
Number of Students	2,635
Elections:	
Number of Registered Voters	7,365
Number of Votes in last regular election	2,781
Airport Operations:	
Landings & Takeoffs per year - all Aircraft	36,527
Air Carrier Passengers per year	155,964
Ferry Passengers	339,077
Ferry Vehicles	70,720
Planning:	
Number of zoning permits issued	258
Permanent Employees as of June 30, 1989	387

U N A U D I T E D.