# COMPREHENSIVE
# ANNUAL FINANCIAL REPORT

OF THE

# Ketchikan Gateway Borough, Alaska

For the year ended June 30, 1986

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

KETCHIKAN GATEWAY BOROUGH, ALASKA

For the Year Ended June 30, 1986

Prepared by

CITY OF KETCHIKAN FINANCE DEPARTMENT

KETCHIKAN GATEWAY BOROUGH

Annual Comprehensive Financial Report
Year Ended June 30, 1986

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# INTRODUCTORY SECTION

*KETCHIKAN GATEWAY BOROUGH*
344 Front Street
Ketchikan, Alaska 99901

August 22, 1986

Mr. David G. Crow
Borough Manager
Ketchikan Gateway Borough
344 Front Street
Ketchikan, Alaska 99901

Dear Mr. Crow:

Submitted herewith is the Comprehensive Annual Financial Report of the Ketchikan Gateway Borough, Alaska, for the year ended June 30,1986. 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.

This Comprehensive Annual Financial Report has been prepared by the City of Ketchikan Finance Department and presents the financial status of all Borough funds as of June 30, 1986 and the results of operations for the year then ended. The report is organized into three sections. The introductory section includes the Table of Contents, Letter of Transmittal and certain other material of an introductory nature. The Financial Section contains the auditor's opinion, the financial statements and notes to the financial statements. The first part of the financial statement section consists of the General Purpose Financial Statements. This is a section of financial statements that combines the pertinent financial information for all Borough funds and presents an overview of the Borough's financial position and activities. The remaining financial statements and schedules are organized primarily by generic fund type and contain more detailed financial information. The Statistical Section contains various tables showing historical and other financial information considered to be informative in understanding the finances of the Borough.

## REPORTING ENTITY AND SERVICES

The Ketchikan Gateway Borough is a second class borough organized under the powers granted by the constitution and laws of the State of Alaska and is located on Revillagigedo Island in Southeast Alaska. The population of the Borough is estimated to be 14,314. The community is relatively isolated from other cities and towns due to the fact that the only access to Ketchikan is by boat or plane. The closest communities of any size to Ketchikan are Prince Rupert, Canada which is 90 miles to the south and Wrangell, Alaska which is the same distance to the north.

The Ketchikan Gateway Borough operates under an assembly-manager form of government. The assembly consists of a mayor and seven assembly members who are elected at large. In addition, certain elected and appointed boards and advisory groups exist to assist the Assembly in it's effort to provide an optimum level of services to the community. The services that are presently being provided by the Borough include the following: 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 involve 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 report. The Ketchikan Gateway Borough School District has also been included in this report as a result of the financial interdependency that exist between this agency and the Ketchikan Gateway Borough. The Borough does not exercise any element of oversight responsibility over any other entity.

## BUDGETARY AND ACCOUNTING MATTERS

The Ketchikan Gateway Borough utilizes the modified accrual basis of accounting for all funds except the Airport and Pension Trust Funds, which are maintained on the full accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period, and expenditures are recognized when they are incurred. Under the full accrual basis of accounting, revenues are recorded when earned and expenditures are recorded when the liability is incurred.

The Borough code of ordinances specifies that a proposed budget for the next fiscal year must be submitted to the Borough Assembly at least 8 weeks before the beginning of each fiscal year. The 1985/86 fiscal year budget was adopted by the Borough Assembly on June 24, 1985 with the passage of Ordinance No. 535. The budget that the Assembly adopted provided funding to enable the Borough to be able to provide a continuation of quality services at a cost that was somewhat greater than that of the prior year. Actual operations for the 1985/86 fiscal year resulted in both total revenues being somewhat greater and total expenditures being somewhat less than budget estimates. Beginning of the year fund balances were also larger than budget projections. These factors resulted in the Borough's fund balances at the end of the fiscal year being larger than anticipated.

The Borough has established numerous accounting and budgetary control systems to better ensure that Borough funds are handled properly. We believe that the internal control systems that are presently in existence provide sufficient safeguards to adequately protect the Borough's assets.

## GENERAL AND SPECIAL REVENUE FUNDS

General and Federal Revenue Sharing Funds expenditures and other uses exceeded revenue and other financing sources by $94,283 during the 1986 fiscal year which resulted in a fund balance of $3,091,171 as of June 30, of which $157,105 was reserved to fund encumbrances. Total revenues and other financing sources for these two funds were $6,240,818 which represented a 34% decrease from the prior fiscal year. Following is a summary of realized revenues and other financing sources:

| | Revenue and Other Financing Sources | Percent of Total | Amount of Increase (Decrease) from 1985 | Percent of Increase (Decrease) |
|---|---|---|---|---|
| General Property Taxes | 1,769,339 | 28 | ( 317,134 ) | ( 15 ) |
| Sales Taxes | 1,965,961 | 32 | 57,606 | 3 |
| Payments in Lieu of Taxes | 10,002 | | ( 2,821 ) | ( 22 ) |
| Licenses & Permits | 3,145 | | ( 1,564 ) | ( 20 ) |
| Federal Revenue Sharing | 110,743 | 2 | ( 42,949 ) | ( 33 ) |
| State Municipal Assistance and Revenue Sharing | 1,293,777 | 21 | 105,513 | 9 |
| State Construction Reimb. | | | ( 2,850,189 ) | ( 100 ) |
| Other Intergovernmental Rev. | 180,081 | 3 | ( 75,586 ) | ( 30 ) |
| Charges for Services | 334,524 | 5 | 61,656 | 23 |
| Transfers from Other Funds | 57,366 | 1 | ( 13,185 ) | ( 19 ) |
| Interest Income | 515,880 | 8 | ( 138,040 ) | ( 21 ) |
| | $ 6,240,818 | 100 | $ 3,216,693 | ( 34 ) |

The major change in General Fund and Federal Revenue Sharing Fund revenue and other financing sources for the 1986 fiscal year was the elimination of revenue into this fund from the State school construction reimbursement program. The Borough Assembly adopted a policy that revenue received from this source after the 1984/85 fiscal year would be placed into the School Bond/Capital Improvements Fund. In addition, this policy also specified that debt service on school construction bonds, which had previously been expended from the General Fund, would be paid from the School Bond/Capital Improvements Fund. This change resulted in a $2,850,189 reduction in General Fund revenues and other financing sources compared with 1985. The other substantial revenue change from the 1985 fiscal year was a $317,134 reduction in general property tax revenue. This decrease resulted primarily from a .55 mill reduction in the property tax levy from 3.1 to 2.55 mills. Property tax revenues for 1986 totaled $1,769,339 which represented 28 percent of General Fund and Federal Revenue Sharing Fund revenue and other financing sources. During 1986, 60 percent of General and Federal Revenue Sharing Funds revenue and other financing sources was realized from property and sales taxes, 23 percent from state and federal programs and 27 percent was received from other local revenue sources.

General and Federal Revenue Sharing budgetary expenditures, encumbrances and other uses for 1986 decreased by $2,814,891 from 1985, primarily due to the transfer of debt service expenditures on school construction bonds to the School Bond/Capital Improvements Fund. The other major factor in this decrease was a reduction in the operating transfer to the School District Operating Fund for school operations.

Following is a summary of 1985 expenditures, encumbrances and other uses in the General and Federal Revenue Sharing Funds:

| | Expenditures Encumbrances and Other Uses | Percent of Total | Amount of Increase (Decrease) from 1983 | Percent of Increase (Decrease) |
|---|---|---|---|---|
| Administration | 1,384,361 | 22 | 64,313 | 5 |
| Public Safety | 159,617 | 3 | 10,766 | 7 |
| General Services | 356,550 | 5 | ( 101,634 ) | ( 22 ) |
| Non Departmental | 405,357 | 6 | 104,217 | 35 |
| Education | 3,979,326 | 63 | ( 584,265 ) | 13 |
| Capital Projects | 49,890 | 1 | ( 202,055 ) | ( 80 ) |
| Debt Service | | | ( 1,995,490 ) | ( 100 ) |
| | $ 6,335,101 | 100 | $( 2,704,148 ) | 30 |

The special revenue funds of the Ketchikan Gateway Borough consist of funds applicable to the Ketchikan School District and other funds for which the use of revenue realized is restricted to a particular purpose. The major School District funds are the Operating Fund, Food Service Fund, and the Special Activities Fund. Other special revenue funds include the Federal Revenue Sharing Fund, Land Trust Fund, various Service Area Funds and the School Bond /Capital Improvements Fund. The remaining special revenue funds are relatively small funds that have been set up to account for revenues that are dedicated for a particular purpose.

All of the school district educational operation and maintenance costs are accounted for in the School District Operating Fund. Approximately 73 percent of the expenditures in this fund are funded from state and federal revenues with the balance coming from local sources. Expenditures in this fund totaled $13,060,912 for 1986. Financial transactions relating to the school district's food service program are recorded in the Food Service Fund. Approximately one third of the revenue in this fund comes from federal sources and the balance is funded locally from food sales and operating transfers.

Funds received under the federal revenue sharing program are recorded in the Federal Revenue Sharing Fund. During 1986, revenue of $110,743 was credited to this fund and was expended entirely for planning department purposes. The Land Trust Fund has been set up to account for revenues and expenditures under the Borough's land selection and disposal program. Major revenues realized in this fund during 1986 were state and federal grants of $326,373, land sale income of $293,256 and $110,466 of interest income. Expenditures, encumbrances and operating transfers in the six service area funds totaled $96,829 and substantially all of the revenue realized in these funds was generated from revenue sources within the service areas. The School Bond/Capital Improvements Fund was established to account for interest earned on the unexpended proceeds of the 1983 school construction bond issue plus funds received under the State school construction and debt payments reimbursement program. During 1986 interest income of $838,894 was received in this fund and revenue under the State construction and debt reimbursement program totaled $3,132,125. Fund expenditures totaled $4,130,368 which consisted entirely of debt service on school construction bonds.

## CAPITAL PROJECTS FUNDS

Capital Project Funds have been established to account for capital projects which are funded through grants, sales of bonds or from a combination of funding sources. During 1986, $11,526,513 was expended in Capital Project Funds of which $10,883,364 represented expenditures on educational facilities. The balance of the capital project expenditures were for a variety of purposes, most of which were funded through state grants in connection with the Senate Bill 168 grant program. The major educational facilities expenditures were incurred in the School Bond Construction Fund which was established to account for the proceeds of the 1983 school bond issue. Expenditures during 1986 in this fund totaled $9,568,004 and were expended on the following projects:

| | |
|---|---|
| Ketchikan High School Construction Project | 1,176,334 |
| Schoenbar Jr. High Construction Project | 236,355 |
| Point Higgins Elementary School Project | 8,155,315 |
| | $ 9,568,004 |

The remaining educational facility expenditures were for other school construction projects that were funded through state grants or Borough appropriations.

## AIRPORT FUND

The operations of the Ketchikan International Airport resulted in a net loss of $63,827 during 1986 which was $215,209 less than the $151,382 in net income that was realized during 1985. During the year, operating revenues increased by $48,831 or 3.4 percent while operating expenses totaled $2,025,516, which was 11.4 percent greater than for 1985. The major cause of the substantial decrease in net income was a $224,106 increase in insurance premiums for 1986. This increase, which was a reflection of the deteriorating condition in the insurance industry in general, was not anticipated at the beginning of the fiscal year and, as a result, 1986 revenues could not be adjusted to reflect this change. The Airport retained earnings account reflected a balance of $365,743 as of June 30, 1986 and net working capital totaled $311,352.

## BONDED DEBT

The Borough did not sell any bonds during 1986. A summary of Ketchikan Gateway Borough bond sales during the past 10 years appears below:

| Year of Issue | Type of Bonds | Description | Amount Sold | Effective Interest Rate |
|---|---|---|---|---|
| 1983 | G.O. | Educational Facilities | 16,900,000 | 9.360 |
| 1980 | Revenue | Airport Improvements | 410,000 | 8.000 |

Total Ketchikan Gateway Borough bonds outstanding as of June 30, 1986 amounted to $20,489,000 which consisted of revenue bonds of $395,000 and general obligation bonds of $20,094,000.

The provisions of the revenue bond ordinance, which require that certain funds be set aside for bond redemption purposes, have been complied with. The amount of $57,767 has been set aside in the Airport Fund as of June 30, 1986 for this purpose.

## CASH MANAGEMENT

The Borough maintains the policy of investing all cash not required for operating purposes in time deposits, U. S. Government securities and repurchase agreements. All investments are for less than one year except for bond reserve funds which are invested up to a maximum of ten years. As of June 30, 1986, the Borough's cash funds were invested as follows: bank time deposits - 96.3 %, pension investments through Aetna Insurance Company - $466,988 - 3.5% and U.S. Government securities - .2%. Total interest of $1,933,092 was earned during the past fiscal year.

## FUTURE MATTERS

It is anticipated that during 1987 the Borough will continue to provide the same types of services that have been provided during the past at essentially the same service levels. Since the economy of the Ketchikan area is somewhat uncertain at the present time due to the slowdown in the wood products industry and an anticipated reduction in expenditures by the State of Alaska, it is anticipated that the Borough Assembly will be reviewing service levels during the coming year to determine if a change is in order for future years. This decision will also be impacted by the prospect of declining revenues from both federal and state sources. Current State revenue projections indicate that the recent drop in oil prices will substantially reduce State revenues and this will undoubtedly result in substantial reductions in State aid to municipalities. It is also anticipated that during 1987 the Assembly will be reviewing possible sources of additional revenue to somewhat offset the decline in intergovernmental revenue. During the coming year planning will be continuing regarding the providing of services that may be required in the event a decision is made by U.S. Borax Corp. to proceed with the construction of a major new mining facility in the Ketchikan area within the next few years. Projections show that this facility, if constructed, could result in a substantial population increase in the Ketchikan area with a corresponding demand for increased Borough services.

## CONCLUSION

In my opinion the information contained in this annual financial report presents fairly the financial position of each Borough fund as of June 30, 1986 and the result of operations for the year then ended in accordance with generally accepted municipal accounting principles.

Respectfully submitted,

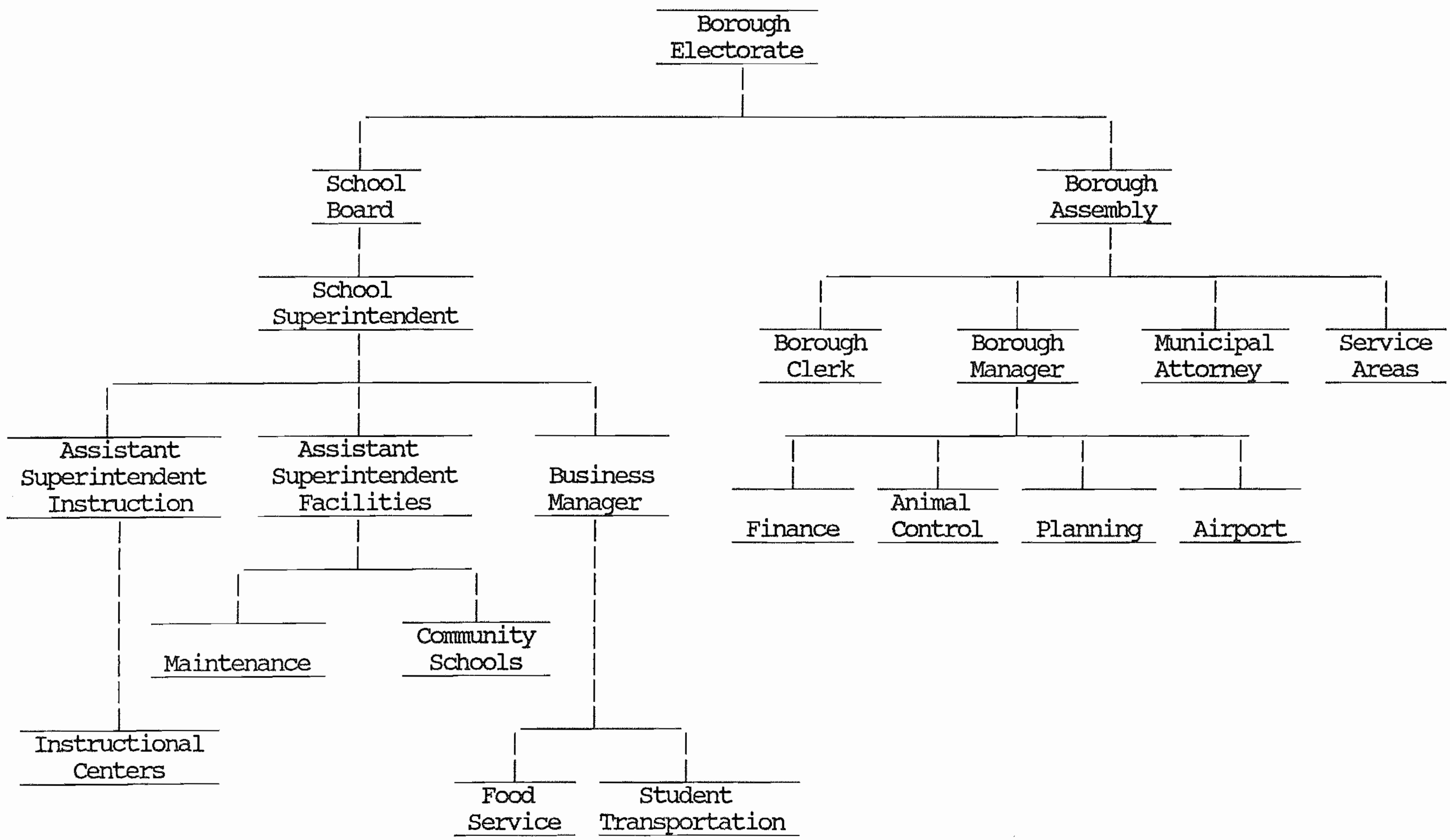
Allan B. Learned

Allan B. Learned
Finance Director

KETCHIKAN GATEWAY BOROUGH

ORGANIGATIONAL CHART

June 30, 1986



KETCHIKAN GATEWAY BOROUGH

PRINCIPAL BOROUGH OFFICIALS

June 30, 1986

MAYOR & ASSEMBLY

| Name | Title |
|---|---|
| Ralph C. Gregory, Jr. | Mayor |
| Ralph M. Bartholomew | Assembly Member |
| Michael R. Cruise | Assembly Member |
| Ernest F. Hansen | Assembly Member |
| Kaye D. King | Assembly Member |
| Dennis L. McCarty | Assembly Member |
| Karl E. Steward | Assembly Member |
| Kate A. Troll | Assembly Member |

BOROUGH STAFF

| Name | Title |
|---|---|
| David G. Crow | Borough Manager |
| Russell W. Walker | Municipal Attorney |
| Georgianna C. Booth | Borough Clerk |
| Sandra Isley | Acting Revenue Collector |
| Dennis L. Finegan | Acting Assessor |
| Bonnie D. Anderson | Animal Control Officer |
| William D. Jones | Planning Director |
| Henry L. Wise | Airport Administrator |

# FINANCIAL SECTION

HOGAN, MECHAM, RICHARDSON AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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

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

A Member of the
AICPA Private
Company Practice
Section

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

We have examined the general purpose financial statements of the Ketchikan Gateway Borough as of and for the year ended June 30, 1986, as listed in the table of contents. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the general purpose financial statements referred to above present fairly the financial position of the Ketchikan Gateway Borough, at June 30, 1986, and the results of its operations and changes in financial position of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our examination was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, and individual account group financial statements and supplementary 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 the Ketchikan Gateway Borough. The information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole

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

Hogan, Mecham, Richardson and Co.

August 22, 1986

# GENERAL PURPOSE FINANCIAL STATEMENTS

The financial statements in this section provide a summary overview of the financial position of all funds and account groups plus 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

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget & Actual - General, Special Revenue, and Capital Project Fund Types

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

KETCHIKAN GATEWAY BOROUGH

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1986

| | Governmental Type Funds | | | | Proprietary Fund Types | Fiduciary Fund Types | Account Groups | | |
|---|---|---|---|---|---|---|---|---|---|
| | General | Special Revenue | Debt Service | Capital Projects | Enterprise | Trust & Agency Funds | General Fixed Assets | General Long Term Debt | Total (Memorandum) ( Only ) |
| **ASSETS** | | | | | | | | | |
| Cash & Temporary Investments | 3,795,034 | 2,882,111 | | 6,214,008 | 234,543 | 1,224,006 | | | 14,349,702 |
| Property Taxes Receivable | 15,280 | 843 | | | | | | | 16,123 |
| Due From Other Governments | 142,408 | 72,364 | | 454,734 | | | | | 669,506 |
| Accounts Receivable | 31,426 | 178,868 | | | 154,329 | | | | 364,623 |
| Due From Other Funds | 2,362,707 | 3,083,408 | | 2,187,193 | | 127,302 | | | 7,760,610 |
| Accrued Interest Receivable | 45,486 | 75,239 | | | | 100 | | | 120,825 |
| Deferred Accounts Receivable | | 1,229,853 | | | | | | | 1,229,853 |
| Restricted Assets | | | | | | | | | |
| Bond Redemption Fund Cash & Investments | | | | | 57,767 | | | | 57,767 |
| Plant in Service | | | | | | | | | |
| Field | | | | | 2,729,169 | | | | 2,729,169 |
| Terminal | | | | | 2,589,680 | | | | 2,589,680 |
| Ferry | | | | | 706,941 | | | | 706,941 |
| Accumulated Depreciation | | | | | ( 2,112,406 ) | | | | ( 2,112,406 ) |
| Amount to be Provided for Payment of Long Term Debt | | | | | | | | 18,309,000 | 18,309,000 |
| Land | | | | | | | 148,081 | | 148,081 |
| Buildings | | | | | | | 16,215,802 | | 16,215,802 |
| Equipment | | | | | | | 3,320,071 | | 3,320,071 |
| Total Assets | $ 6,392,341 | $ 7,522,686 | $ | $ 8,855,935 | $ 4,360,023 | $ 1,351,408 | $ 19,683,954 | $ 18,309,000 | $ 66,475,347 |

See Accompanying Notes to Financial Statements

KETCHIKAN GATEWAY BOROUGH

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1986

| | Governmental Type Funds | | | | Proprietary Fund Type | Fiduciary Fund Type | Account Groups | | |
|---|---|---|---|---|---|---|---|---|---|
| | General | Special Revenue | Debt Service | Capital Projects | Enterprise | Trust & Agency Funds | General Fixed Assets | General Long Term Debt | Total (Memorandum) ( Only ) |
| LIABILITIES & FUND EQUITY | | | | | | | | | |
| Liabilities | | | | | | | | | |
| Accounts Payable | 5,004 | 311,802 | | 2,071,996 | 424 | 69,113 | | | 2,458,339 |
| Due to Other Governments | 608,383 | | | | | | | | 608,383 |
| Due to Other Funds | 2,591,031 | 2,425,071 | | 2,744,508 | | | | | 7,760,610 |
| Accrued Interest Payable | | | | | 24,480 | | | | 24,480 |
| Accrued Vacation & Sick Leave | 96,752 | 117,310 | | | 110,383 | | | | 324,445 |
| Deferred Revenues | | 1,324,764 | | 1,672,773 | | | | | 2,997,537 |
| Deferred Compensation | | | | | | 730,151 | | | 730,151 |
| G.O. Bonds Payable | | | | | 1,785,000 | | | 18,309,000 | 20,094,000 |
| Revenue Bonds Payable | | | | | 395,000 | | | | 395,000 |
| Total Liabilities | 3,301,170 | 4,178,947 | | 6,489,277 | 2,315,287 | 799,264 | | 18,309,000 | 35,392,945 |
| Fund Equity | | | | | | | | | |
| Contributed Capital | | | | | 1,678,993 | | | | 1,678,993 |
| Investment in General Fixed Assets | | | | | | | 19,683,954 | | 19,683,954 |
| Retained Earnings | | | | | | | | | |
| Reserved For Bond Retirement | | | | | 57,767 | | | | 57,767 |
| Unreserved | | | | | 307,976 | | | | 307,976 |
| Fund Balances | | | | | | | | | |
| Reserved for Encumbrances | 157,105 | 309,510 | | | | | | | 466,615 |
| Unreserved | 2,934,066 | 3,034,229 | | 2,366,658 | | 552,144 | | | 8,887,097 |
| Total Fund Equity | 3,091,171 | 3,343,739 | | 2,366,658 | 2,044,736 | 552,144 | 19,683,954 | | 31,082,402 |
| Total Liabilities & Fund Equity | $ 6,392,341 | $ 7,522,686 | $ | $ 8,855,935 | $ 4,360,023 | $ 1,351,408 | $ 19,683,954 | $ 18,309,000 | $ 66,475,347 |

See Accompanying Notes to 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, 1986

| | Governmental Type Funds | | | | Fiduciary Fund Type | |
|---|---|---|---|---|---|---|
| | General | Special Revenue | Debt Service | Capital Projects | Expendable Trust | Total (Memorandum) ( Only ) |
| Revenues | | | | | | |
| Taxes | 3,735,300 | 143,408 | | | | 3,878,708 |
| Payments in Lieu of Taxes | 10,002 | | | | | 10,002 |
| Licenses and Permits | 3,145 | | | | | 3,145 |
| Intergovernmental Revenues | 1,473,858 | 14,390,408 | | 1,014,060 | | 16,878,326 |
| Charges for Services | 334,524 | 248,199 | | | | 582,723 |
| Other Revenues | 515,880 | 1,262,931 | | 88,751 | 1,581 | 1,869,143 |
| Total Revenues | 6,072,709 | 16,044,946 | | 1,102,811 | 1,581 | 23,222,047 |
| Expenditures | | | | | | |
| Current | | | | | | |
| Administration | 1,404,541 | | | | | 1,404,541 |
| Public Safety | 164,182 | 62,915 | | | | 227,097 |
| Public Services | 247,260 | 696,771 | | | | 944,031 |
| Non-Departmental | 401,503 | | | | | 401,503 |
| Education | 266,337 | 14,206,880 | | | 500 | 14,473,717 |
| Capital Outlay | | | | | | |
| General | 53,723 | | | 643,149 | | 696,872 |
| Education | | | | 10,883,364 | | 10,883,364 |
| Debt Service | | | 3,064,517 | | | 3,064,517 |
| Total Expenditures | 2,537,546 | 14,966,566 | 3,064,517 | 11,526,513 | 500 | 32,095,642 |
| Excess (Deficit) of Revenues over Expenditures | 3,535,163 | 1,078,380 | ( 3,064,517 ) | ( 10,423,702 ) | 1,081 | ( 8,873,595 ) |
| Other Financing Sources (Uses) | | | | | | |
| Operating Transfers In | 57,366 | 4,203,644 | 3,064,517 | 1,070,000 | | 8,395,527 |
| Operating Transfers Out | ( 3,712,989 ) | ( 4,682,538 ) | | | | ( 8,395,527 ) |
| Total Other Financing | ( 3,655,623 ) | ( 478,894 ) | 3,064,517 | 1,070,000 | | |
| Excess (Deficit) of Revenues and Other Sources over Expenditures and Other Uses | ( 120,460) | 599,486 | | ( 9,353,702 ) | 1,081 | ( 8,873,595 ) |
| Fund Balances, July 1, 1985 | 3,211,631 | 2,744,253 | | 11,720,360 | 16,519 | 17,692,763 |
| Fund Balances, June 30, 1986 | $ 3,091,171 | $ 3,343,739 | $ | $ 2,366,658 | $ 17,600 | $ 8,819,168 |

See Accompanying Notes to Financial Statements

KETCHIKAN GATEWAY BOROUGH

COMBINED STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON GAPP BASIS)

GENERAL AND SPECIAL REVENUE FUND TYPES

Year Ended June 30, 1986

| | General Fund | | | | Special Revenue Funds | | | |
|---|---|---|---|---|---|---|---|---|
| | Budget | Actual | Encumbrance | Variance | Budget | Actual | Encumbrance | Variance |
| Revenues | | | | | | | | |
| Taxes | 3,760,720 | 3,735,300 | | ( 25,420 ) | 143,278 | 143,408 | | 130 |
| Payments in Lieu of Taxes | | 10,002 | | 10,002 | | | | |
| Licenses & Permits | 5,000 | 3,145 | | ( 1,855 ) | | | | |
| Revenue from Other Govts. | 1,340,100 | 1,473,858 | | 133,758 | 13,755,453 | 14,390,408 | | 634,955 |
| Charges for Services | 295,500 | 334,524 | | 39,024 | 247,311 | 248,199 | | 888 |
| Other Revenues | 400,000 | 515,880 | | 115,880 | 1,191,600 | 1,262,931 | | 71,331 |
| Transfers from Other Funds | 57,705 | 57,366 | | ( 339 ) | 4,811,369 | 4,203,644 | | ( 607,725 ) |
| Total Revenues | 5,859,025 | 6,130,075 | | 271,050 | 20,149,011 | 20,248,590 | | 99,579 |
| Expenditures | | | | | | | | |
| Administration | 1,458,799 | 1,404,541 | ( 20,180 ) | 74,438 | | | | |
| Public Safety | 145,802 | 164,182 | ( 4,565 ) | ( 13,815 ) | 146,950 | 62,915 | 15,991 | 68,044 |
| General Services | 340,408 | 247,260 | ( 1,453 ) | 94,601 | 972,723 | 696,771 | 26,164 | 249,788 |
| Non Departmental | 418,500 | 401,503 | 3,854 | 13,143 | 115,000 | | | 115,000 |
| Education | 201,500 | 266,337 | | ( 64,837 ) | 14,378,587 | 14,206,880 | 92,349 | 79,358 |
| Capital Projects | 50,000 | 53,723 | ( 3,833 ) | 110 | | | | |
| Transfers to Other Funds | 4,397,783 | 3,712,989 | | 684,794 | 4,685,487 | 4,682,538 | | 2,949 |
| Total Expenditures | 7,012,792 | 6,250,535 | ( 26,177 ) | 788,434 | 20,298,747 | 19,649,104 | 134,504 | 515,139 |
| Excess (Deficit) of Revenues over Expenditures | (1,153,767) | ( 120,460 ) | 26,177 | 1,059,484 | ( 149,736 ) | 599,486 | ( 134,504 ) | 614,718 |
| Fund Balance, July 1, 1985 | 2,571,273 | 3,211,631 | 183,282 | 457,076 | 2,366,929 | 2,744,253 | 175,006 | 202,318 |
| Fund Balance, June 30, 1986 | $ 1,417,506 | $ 3,091,171 | $ 157,105 | $ 1,516,560 | $ 2,217,193 | $ 3,343,739 | $ 309,510 | $ 817,036 |

See Accompanying Notes to Financial Statements

KETCHIKAN GATEWAY BOROUGH

COMBINED STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON GAPP BASIS) (CONT'D)

GENERAL AND SPECIAL REVENUE FUND TYPES

Year Ended June 30, 1986

| | Total (Memorandum Only) | | | |
|---|---|---|---|---|
| | Budget | Actual | Encumbrance | Variance |
| Revenues | | | | |
| Taxes | 3,903,998 | 3,878,708 | | ( 25,290 ) |
| Payments in Lieu of Taxes | | 10,002 | | 10,002 |
| Licenses & Permits | 5,000 | 3,145 | | ( 1,855 ) |
| Revenue from Other Govts. | 15,133,553 | 15,864,266 | | 730,713 |
| Charges for Services | 542,811 | 582,723 | | 39,912 |
| Other Revenues | 1,591,600 | 1,778,811 | | 187,211 |
| Transfers from Other Funds | 4,869,074 | 4,261,010 | | ( 608,064 ) |
| Total Revenues | 26,046,036 | 26,378,665 | | 332,629 |
| Expenditures | | | | |
| Administration | 1,458,799 | 1,404,541 | ( 20,180 ) | 74,438 |
| Public Safety | 292,752 | 227,097 | 11,426 | 54,229 |
| General Services | 1,351,131 | 944,031 | 24,711 | 382,389 |
| Non Departmental | 533,500 | 401,503 | 3,854 | 128,143 |
| Education | 14,580,087 | 14,473,217 | 92,349 | 14,521 |
| Capital Projects | 50,000 | 53,723 | ( 3,833 ) | 110 |
| Transfers to Other Funds | 9,083,270 | 8,395,527 | | 687,743 |
| Total Expenditures | 27,349,539 | 25,899,639 | 108,327 | 1,341,573 |
| Excess (Deficit) of Revenues over Expenditures | (1,303,503) | 479,026 | ( 108,327 ) | 1,674,202 |
| Fund Balance, July 1, 1985 | 4,938,202 | 5,955,884 | 358,288 | 659,394 |
| Fund Balance, June 30, 1986 | $ 3,634,699 | $ 6,434,910 | $ 466,615 | $ 2,333,596 |

See Accompanying Notes to Financial Statements

KETCHIKAN GATEWAY BOROUGH

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/ FUND BALANCES - ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS

Year Ended June 30, 1986

| | | Proprietary Fund Types Airport Enterprise | Fiduciary Fund Type Pension Trust | Total (Memorandum Only) |
|---|---|---|---|---|
| Operating Revenues | | | | |
| Charges for Services | | | | |
| Ferry Fares | | 576,065 | | 576,065 |
| Landing Fees | | 552,180 | | 552,180 |
| Rentals | | 251,249 | | 251,249 |
| Fuel Revenue | | 27,978 | | 27,978 |
| Security Services | | 29,615 | | 29,615 |
| Contributions | | | 67,556 | 67,556 |
| Other Revenue | | 28,127 | | 28,127 |
| Total | | 1,465,214 | 67,556 | 1,532,770 |
| Operating Expenses | | | | |
| Benefit Payments | | | | |
| Contractual Services | | | 12,000 | 12,000 |
| Field | | | 3,825 | 3,825 |
| Current Operations | 838,183 | | | |
| Depreciation | 106,777 | 944,960 | | 911,960 |
| Terminal | | | | |
| Current Operations | 367,316 | | | |
| Depreciation | 74,189 | 441,505 | | 441,505 |
| Ferry | | | | |
| Current Operations | 607,670 | | | |
| Depreciation | 31,381 | 639,051 | | 639,051 |
| Total Operating Expenses | | 2,025,516 | 15,825 | 2,041,341 |
| Net Operating Revenues (Loss) | | ( 560,302 ) | 51,731 | ( 508,571 ) |
| Non Operating Revenues | | | | |
| UMTA Grant - Ferry | 18,954 | | | |
| State Revenue Sharing | 170,070 | | | |
| General Fund Contribution | 341,000 | | | |
| Interest Earnings | 28,464 | 558,488 | 35,485 | 593,973 |
| Non Operating Expense | | | | |
| Interest Expense | | 143,091 | | 143,091 |
| Net Income (Loss) | | ( 144,905 ) | 87,216 | ( 57,689 ) |
| Depreciation of Fixed Assets Acquired by Grants | | 81,078 | | 81,078 |
| Income (Loss) after Amortization | | ( 63,827 ) | 87,216 | 23,389 |
| Retained Earnings/Fund Balance July 1, 1985 | | 429,570 | 447,328 | 876,898 |
| Retained Earnings/Fund Balance June 30, 1986 | | $ 365,743 | $ 534,544 | $ 900,287 |

See Accompanying Notes to Financial Statements

KETCHIKAN GATEWAY BOROUGH

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION

ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS

Year Ended June 30, 1986

| | Proprietary Fund Types Airport Enterprise | Fiduciary Fund Type Pension Trust |
|---|---|---|
| Sources of Working Capital | | |
| Operations | | |
| Net Income (Loss) | ( 144,905 ) | 87,216 |
| Items not requiring (providing) Working Capital | | |
| Depreciation | 212,347 | |
| Total Sources of working Capital | 67,442 | 87,216 |
| Uses of Working Capital | | |
| Acquisition of Property, Plant & Equipment | 21,744 | |
| Retirement of General Obligation Bonds | 145,000 | |
| Total Uses of Working Capital | 166,744 | |
| Net Increase (Decrease) in Working Capital | $( 99,302 ) | $ 87,216 |
| Elements of Net Increase (Decrease) in Working Capital | | |
| Cash & Temporary Investments | ( 98,355 ) | |
| Bond Redemption Fund Cash & Investments | ( 200 ) | 88,414 |
| Due from Other Funds | | ( 1,198 ) |
| Accounts Receivable | ( 30,146 ) | |
| Accounts Payable & Accrued Liabilities | 29,399 | |
| Net Increase (Decrease) in Working Capital | $( 99,302 ) | $ 87,216 |

See Accompanying Notes to Financial Statements

KETCHIKAN GATEWAY BOROUGH

NOTES TO FINANCIAL STATEMENTS

June 30, 1986

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 services in the following areas: 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 involve 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 Accounting Policies

The accounting policies of the Ketchikan Gateway Borough conform to generally accepted municipal accounting principles. 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 six generic fund types and two 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 (other than special assessments, debt service resources, or major capital projects) that are restricted to expenditures for specified purposes.

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 Projects Funds - Capital Projects 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 proprietary fund and Special Assessment Funds).

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 - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

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. These 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.

B. 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 its 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 (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. 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 (general fixed assets) 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 along with other general fixed assets. No depreciation has been provided on general fixed assets.

All general fixed assets of the Borough are recorded based on historical or estimated historical cost. These fixed asset records are presented in the General Fixed Asset Account Group Section of this report.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-term Debt Account Group, not in the governmental funds. The single exception to this general rule is for special assessment bonds, which are accounted for in Special Assessment Funds.

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 non-current) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) 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 |

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the 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 to finance expenditures of the current period. Major revenue sources that are considered to be both measurable and available and therefore susceptible to accrual 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. Their revenues are recognized when they are earned, and their 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 the 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 trust and pension trust funds are accounted for on the accrual basis and expendable trust funds are accounted for on the modified accrual basis. Agency fund assets and liabilities are accounted for on the modified accrual basis.

D. 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 1985-86 fiscal year were adopted by the Borough Assembly for the following funds: General Fund, Land Trust Fund, Mud Bight Service Area Fund, Shoreline Service Area Fund, Mountain Point Service Area Fund, South End Fire District Fund, Waterfall Service Area Fund, South Tongass Service Area Fund, School Bond/ Capital Improvements Fund and Airport Fund. In addition, administrative budgets were prepared for all special revenue funds for which no formal budgets were adopted by the Borough Assembly. Budgetary information for all of these funds are presented in the financial statements.

The 1985-86 budget was formally adopted by the Borough Assembly with the passage of Ordinance No. 535 on June 24, 1985, which also appropriated the necessary funds.

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

(1) Ordinance No. 544 adopted October 20, 1985 appropriated $9,100 from the General Fund for capital improvements.

(2) Ordinance No. 570 adopted June 15, 1986 appropriated $159,790 in the Airport Fund for insurance costs.

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 that is presented in this report has been prepared on the modified accrual basis of accounting for governmental 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 unencumbered balance of appropriations for each fund lapses at the end of each fiscal year.

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration 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. Payments made against prior year purchase orders result in current year expenditures being increased and current year encumbrance balances being reduced so that these payments do not reduce current year appropriations. Under this system prior year encumbrances, on which payments have been made, are netted with current year encumbrances. This sometimes results in negative encumbrance balances appearing on budgetary statements.

F. Investments

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

G. Inventories

Inventories of materials and supplies are considered immaterial and are therefore not presented in the financial statements.

H. Accumulated Unpaid Vacation and Sick Leave

Accumulated unpaid vacation and sick leave is accrued when incurred. At June 30, 1986 accumulated leave amounted to $324,445, which has been included as a liability on the financial statements.

I. Total Columns on Combined Statements - Overview

Total columns on the Combined Statements - Overview 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. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

J. Debt Service Payments

Expenditures for payments of interest and principal on the Borough's General Obligation Bonds are recorded when the money is transferred to the paying agent.

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 their 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 for which they are budgeted. This is also the year in which they are substantially collected and are available since it is assumed that all material tax amounts will be collected soon after the end of that fiscal year.

Note 4 - Cash and Investments

Cash and temporary investments, which are co-mingled but held for the account of the various funds, aggregated $14,407,469 as of June 30, 1986.

Note 5 - Restricted Assets

Certain cash and investments in the Airport Enterprise Fund are restricted for the payment of cost of construction and revenue bond debt service. A description of these restricted funds follows:

The Bond Redemption Fund, shown as restricted assets of the Airport Enterprise Fund, has been established in accordance with the provisions of the revenue bonds indentures. These funds can only be used to meet the requirement of the applicable revenue bond ordinances.

Revenue Bond Redemption and Reserve Funds

The Borough obligates and binds itself to set aside and pay into the Bond Redemption Fund out of the money in the Airport Enterprise Fund contain fixed amounts necessary to pay the principal of and interest on the Revenue Bonds as the same respectively become due and payable.

Said amounts so pledged to be paid out of the Airport Operating Fund into the Bond Redemption Fund and the Revenue Bond Reserve Fund are held to be prior lien and charge upon the money in the operating fund superior to all other charges of any kind or nature except the charges required to pay the necessary cost of maintenance and operation of the Ketchikan Airport Facility.

A Revenue Bond Reserve Fund has been created per the bond indenture terms. The Borough covenants and agrees that it will set aside and pay into said Reserve Fund out of the money in the Airport Operating Fund, and out of any other monies which it may now or later have on hand and available for such purposes, approximately sixty equal monthly payments, so that within 60 months after each revenue bond issue there will have been paid into the Reserve Fund a sum equal to $50,000. The Borough has provided in this fund as of June 30,1986, $50,000 which is equal to the minimum required amount.

The Borough further agrees that it will at all times maintain such amount in the Reserve Fund until there is a sufficient amount in the Bond Redemption Fund and Reserve Fund to pay the principal of and interest on all of the bonds outstanding, at which time the money in the Reserve Fund may be used to pay such principal and interest.

Other Terms

The Ketchikan Gateway Borough Airport Revenue Bond ordinances require that net revenue available for debt service be 1.35 times greater than the debt service for bonds outstanding for each calendar year.

All Revenue Bonds are redeemable at various dates and call prices.

## Note 6 - Long-Term Debt

Following is a summary of bond transactions for the Borough for the year ended June 30, 1986:

| | General Obligation | Revenue |
|---|---|---|
| Bonds Payable, July 1, 1985 | 21,619,000 | 410,000 |
| Bonds Retired | ( 1,525,000) | 15,000 |
| Bonds Payable, June 30, 1986 | $20,094,000 | $395,000 |
| | | |
| Bonds Payable categorized by Applicable Funds and Account Groups | | |
| General Long-term Debt Account Group | 18,309,000 | |
| Airport Enterprise Fund | 1,785,000 | 395,000 |
| Total | $20,094,000 | $395,000 |

Bonds payable at June 30, 1986 consist of the following individual issues:

| | |
|---|---|
| General Obligation Bonds | |
| 1958 Alaska Public Works Bonds due through 1978 @ 2% interest | $ 529,000 |
| 1972 Airport due through 1997 @ 5.50-6.50% interest | 1,395,000 |
| 1973 Airport due through 1993 @ 5.50-6.50% interest | 390,000 |
| 1974 School Refunding due through 1995 @ 5.00-8.00% interest | 3,155,000 |
| 1983 School Bonds due through 1994 @ 5.00-8.00% interest | 14,625,000 |
| | |
| Revenue Bonds | |
| 1980 Airport due through 2000 @ 8.00% interest | $ 395,000 |

The annual requirements to amortize all bonds outstanding as of June 30, 1986 including interest of $8,170,080 and $270,800 for general obligation and revenue bonds respectively is as follows:

| Year Ended June 30 | General Obligation Bonds | Revenue Bonds |
|---|---|---|
| 1987 | 3,324,338 | 46,600 |
| 1988 | 3,320,590 | 50,400 |
| 1989 | 3,316,083 | 48,800 |
| 1990 | 3,309,292 | 47,200 |
| 1991 | 3,318,163 | 45,600 |
| 1992 | 3,339,177 | 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 |
| | $27,735,080 | $673,000 |

The amount of $57,767 is available in the Airport Enterprise Revenue Bond Redemption and Reserve Fund to service revenue bonds.

There are a number of limitations and restrictions contained in the various bond indentures. The Borough is in compliance with all significant limitations and restrictions.

Note 8 - Segment Information for Enterprise Funds

The Airport Fund is the only Enterprise Fund that is maintained by the Ketchikan Gateway Borough. As a result, segment information for Enterprise Funds is not presented.

Note 9 - Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

| | Balance July 1, 1985 | Additions | Deletions | Balance June 30, 1986 |
|---|---|---|---|---|
| Land | 148,081 | | | 148,081 |
| Buildings | 11,296,031 | 4,919,771 | | 16,215,802 |
| Equipment | 2,802,088 | 545,042 | 27,059 | 3,320,071 |
| Total | 14,246,200 | 5,464,813 | 27,059 | 19,683,954 |

Note 10 - Individual Fund Interfund Receivable and Payable Items

F. Individual fund interfund receivable and payable balances as of June 30, 1986 were as follows:

| | Interfund Receivables | Interfund Payables |
|---|---|---|
| General Fund | 2,362,707 | 2,591,031 |
| Ketchikan School District Operating Fund | 2,844,470 | 2,317,840 |
| Ketchikan School District Food Service Fund | 124,465 | |
| Ketchikan School District Special Activities Fund | 114,473 | 105,634 |
| Day Care Center Fund | | 1,597 |
| School Bond Construction Fund - 1983 | 1,640,756 | 2,497,272 |
| Houghtaling School Reroof Fd. | | 61,278 |
| School Capital Improv. Fd. | 168,586 | 39,685 |
| North Point Higgins Fund | 223,438 | |
| Revilla High Replacement Fund | | 146,273 |
| So Tongass Elementary Sch. Fd. | 154,413 | |
| Ketchikan School District Expendable Trust Fund | 1,404 | |
| Ketchikan School District Pension Trust Fund | 67,556 | |
| Ketchikan School District School Revolving Fund | 58,342 | |
| | $7,760,610 | $7,760,610 |

Note 11 - Retirement Commitments

The Borough participates in four pension plans, a Marine Union plan for ferry workers, two State of Alaska plans for most other permanent employees and a private plan for certain school district classified employees who are not covered by one of the other plans.

The contributions to the Marine plan are based on the number of hours worked and are fully paid by the Borough. The Borough's contribution to the plan during the 1985/86 fiscal year was $15,047. This amount was paid and charged as an expenditure during the current year. The Borough has no liability for unfunded costs under this plan. Under the Marine plan, employees are eligible to participate immediately upon employment and are fully vested after 10 years of service.

The employee contributions to the State plans are based on gross wages. Firemen contribute 5% of their gross wages to the P.E.R.S. plan and all other plan participants contribute 4 1/4%. Teachers contribute 7% of their gross wages to the T.R.S. plan. The Borough's contribution, which in the 1985/86 fiscal year amounted to $303,416 and $683,274 to the P.E.R.S. and T.R.S. plan respectively, is determined annually based on actuarial valuations of the plans. The Borough contributions were paid and charged as an expense during the 1985/86 fiscal year. The current actuarial formulas for employer contributions are estimated to be sufficient to fund current service costs and to fund past service costs over twenty five years. As of the latest data available, the net assets available for benefits of all participants of both plans totaled $2,161,869,000 as of June 30, 1985 and the estimated current value of projected benefits amounted to $1,929,882,000 as of June 30, 1984. The Borough contributed about 1% of employer contributions during the past year. Employees are eligible for participation immediately upon hiring and are fully vested after 5 years of service.

The pension plan for school district classified employees who are not covered under the State of Alaska pension program is a non contributory plan with a private insurance company. The employer must pay normal costs each year which amounted to $67,556 for calendar year 1986. This amount was expensed during the 1985-86 fiscal year and will be paid to the insurance company before December 31, 1986. The unfunded liability under this plan based on a 1985 actuarial study, which is the latest study available, amounts to $561,440.

Note 12 - Alaska Public Works Abatement

The Ketchikan Gateway Borough has requested the Department of Interior, bond holder, for forgiveness of indebtedness of the 2% 1958 bonds under the Alaska Public Works Act. This request has been disapproved. As of June 30, 1986, no request from the bond holder for payment of back principal or interest has been made. The total amount of these bonds outstanding, which amounted to $529,000 as of June 30, 1986, appears in the Long Term Debt Account Group.

Note 13 - Beginning of Period Fund Balance in Expendable Trust Funds

The June 30, 1985 Comprehensive Annual Financial Report included the operating results of the Pension Trust Fund of the Ketchikan School District in the Expendable Trust category in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds. In accordance with generally accepted accounting principles, the operating results of this fund now appear in the Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances - All Proprietary Fund Types and Similar Trust Funds. As a result, the July 1, 1985 Pension Trust Fund balance that appears in the Expendable Trust column of the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds was computed as follows:

| | |
|---|---|
| Expendable Trust Fund Balance as of June 30, 1985 per June 30, 1985 Report | 463,847 |
| Less Pension Trust Fund Balance as of June 30, 1985 | 447,328 |
| Expendable Trust Fund Balance as of July 1, 1985 per June 30, 1986 Report | $ 16,519 |

Note 14 - 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 facility except for certain specified major 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 expenditures exists in the Airport Enterprise Fund as of June 30, 1986.

Note 15 - Contingencies

The Borough is involved as defendant in several claims and lawsuits. In the opinion of counsel for the Borough, in the event and subject to the basis of recovery, any judgments should be covered by insurance subject to applicable deductibles.

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

# 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 another fund.

# KETCHIKAN GATEWAY BOROUGH

## GENERAL FUND

## BALANCE SHEET

June 30, 1986

### ASSETS

| | |
|---|---|
| Cash & Temporary Investments | 3,795,034 |
| Property Taxes Receivable | 15,280 |
| Due from Other Governments | 142,408 |
| Accounts Receivable | 31,426 |
| Due from Other Funds | 2,362,707 |
| Accrued Interest Receivable | 45,486 |
| Total Assets | $ 6,392,341 |

### LIABILITIES, RESERVES AND FUND EQUITY

| | | |
|---|---|---|
| Liabilities | | |
| Accounts Payable | 5,004 | |
| Due to Other Governments | 608,383 | |
| Due to Other Funds | 2,591,031 | |
| Accrued Vacation & Sick Leave | 96,752 | 3,301,170 |
| Fund Equity | | |
| Reserved for Encumbrances | 157,105 | |
| Unreserved | 2,934,066 | 3,091,171 |
| Total Liabilities & Fund Equity | | $ 6,392,341 |

See Accompanying Notes to Financial Statements

KETCHIKAN GATEWAY BOROUGH

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

GENERAL FUND

Year Ended June 30, 1986

| | Budget | Actual | Encumbrances | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| Revenues: | | | | |
| Taxes | | | | |
| Real & Personal Property Taxes | 1,685,520 | 1,669,379 | | ( 16,141 ) |
| Automobile & Boat Taxes | 55,100 | 55,466 | | 366 |
| Sales Taxes | 2,000,100 | 1,965,961 | | ( 34,139 ) |
| Penalty & Interest | 20,000 | 44,494 | | 24,494 |
| | 3,760,720 | 3,735,300 | | ( 25,420 ) |
| Payments in Lieu of Taxes | | | | |
| Alaska State Housing Agency | | 10,002 | | 10,002 |
| Licenses and Permits | | | | |
| Zoning Fees | 5,000 | 3,145 | | ( 1,855 ) |
| Revenue from Other Governments | | | | |
| State Municipal Assistance | 750,000 | 751,273 | | 1,273 |
| State Revenue Sharing | 370,000 | 542,504 | | 172,504 |
| State License Refunds | 180,100 | 177,751 | | ( 2,349 ) |
| Timber Stumpage | 40,000 | 2,330 | | ( 37,670 ) |
| | 1,340,100 | 1,473,858 | | 133,758 |
| Charges for Services | | | | |
| Animal Control | 28,500 | 25,245 | | ( 3,255 ) |
| City of Ketchikan | 200,000 | 228,227 | | 28,227 |
| Transit System | 45,000 | 55,266 | | 10,266 |
| Contributions | 15,000 | 15,000 | | |
| Other Charges | 7,000 | 10,786 | | 3,786 |
| | 295,500 | 334,524 | | 39,024 |
| Other Revenues | | | | |
| Interest Income | 400,000 | 515,880 | | 115,880 |
| Transfers from Other Funds | | | | |
| Day Care Fund | 22,700 | 22,377 | | ( 323 ) |
| Land Trust Fund | 25,000 | 25,000 | | |
| Service Area Funds | 10,005 | 9,989 | | ( 16 ) |
| | 57,705 | 57,366 | | ( 339 ) |
| Total Revenues | $ 5,859,025 | $ 6,130,075 | | $ 271,050 |

See Accompanying Notes to Financial Statements

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (CONT'D)

GENERAL FUND

Year Ended June 30, 1986

| | Budget | Actual | Encumbrances | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| Expenditures: | | | | |
| Administration | | | | |
| Mayor & Assembly | 146,922 | 126,558 | 5,287 | 15,077 |
| Law | 325,184 | 304,810 | 4,000 | 16,374 |
| Clerk | 148,783 | 139,440 | ( 138 ) | 9,481 |
| Manager | 349,133 | 372,491 | ( 23,526 ) | 168 |
| Finance - Accounting | 53,500 | 53,500 | | |
| Finance - Revenue | 188,603 | 183,748 | ( 2,531 ) | 7,386 |
| Finance - Assessing | 246,674 | 223,994 | ( 3,272 ) | 25,952 |
| | 1,458,799 | 1,404,541 | ( 20,180 ) | 74,438 |
| Public Safety | | | | |
| Animal Control | 145,802 | 164,182 | ( 4,565 ) | ( 13,815 ) |
| General Services | | | | |
| Planning | 340,408 | 247,260 | ( 1,453 ) | 94,601 |
| Non Departmental | | | | |
| General Expenses | 418,500 | 401,503 | 3,854 | 13,143 |
| Education | | | | |
| Contractual Services | 151,500 | 126,434 | | 25,066 |
| Insurance | 200,000 | 263,903 | | ( 63,903 ) |
| | 351,500 | 390,337 | | ( 38,837 ) |
| Capital Projects | | | | |
| Capital Improvements | 50,000 | 53,723 | ( 3,833 ) | 110 |
| Transfers to Other Funds | | | | |
| School Operating Fund | 4,247,783 | 3,588,989 | | 658,794 |
| Total Expenditures | 7,012,792 | 6,250,535 | ( 26,177 ) | 788,434 |
| Excess (Deficit) of Revenues over Expenditures | (1,153,767 ) | ( 120,460 ) | 26,177 | 1,059,484 |
| Fund Balance, July 1, 1985 | 2,571,273 | 3,211,631 | 183,282 | 457,076 |
| Fund Balance, June 30, 1986 | $ 1,417,506 | $ 3,091,171 | $ 157,105 | $ 1,516,560 |

See Accompanying Notes to Financial Statements

# SPECIAL REVENUE FUND STATEMENTS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, debt service resources, or major capital projects) that are restricted to expenditures for specified purposes.

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 Schedules 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:

- Ketchikan School District Funds
  - Operating Fund
  - Food Services Fund
  - Special Activities Fund
- Federal Revenue Fund
- Day Care Center Fund
- Land Trust Fund
- Mud Bight Service Area Fund
- Shoreline Service Area Fund
- Mt. Point Service Area Fund
- South End Fire District Fund
- Waterfall Service Area Fund
- South Tongass Service Area Fund
- State Planning Grants Fund
- School Bond/Capital Improvements Fund

# KETCHIKAN GATEWAY BOROUGH

## COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS

June 30, 1986

| | Ketchikan School District | | | | |
|---|---|---|---|---|---|
| | Operating Fund | Food Services Fund | Special Activities Fund | Federal Revenue Sharing Fund | Day Care Center Fund |
| ASSETS | | | | | |
| Cash & Temporary Investments | 24,349 | | 196,302 | | |
| Property Taxes Receivable | | | | | |
| Due From Other Governments | | | 53,527 | | 17,576 |
| Accounts Receivable | 65,916 | | | | |
| Due From Other Funds | 2,844,470 | 124,465 | 114,473 | | |
| Accrued Interest Receivable | | | | | |
| Deferred Accounts Receivable | | | | | |
| Total Assets | $ 2,934,735 | $ 124,465 | $ 364,302 | $ | $ 17,576 |
| LIABILITIES, RESERVES & FUND EQUITY | | | | | |
| Liabilities | | | | | |
| Accounts Payable | 292,354 | | 3,439 | | 15,979 |
| Due to Other Funds | 2,317,840 | | 105,634 | | 1,597 |
| Accrued Leave | 117,310 | | | | |
| Deferred Revenue | 5,251 | | 14,140 | | |
| Total Liabilities | 2,732,755 | | 123,213 | | 17,576 |
| Fund Equity | | | | | |
| Reserved for Encumbrances | 92,349 | | | | |
| Unreserved Fund Balance | 109,631 | 124,465 | 241,089 | | |
| Total Fund Equity | 201,980 | 124,465 | 241,089 | | |
| Total Liabilities and Fund Equity | $ 2,934,735 | $ 124,465 | $ 364,302 | $ | $ 17,576 |

See Accompanying Notes to Financial Statements

KETCHIKAN GATEWAY BOROUGH

COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS (CONT'D)

June 30, 1986

| | Land Trust Fund | Mud Bight Service Area Fund | Shoreline Service Area Fund | Mt. Point Service Area Fund | South End Fire District Fund |
|---|---|---|---|---|---|
| ASSETS | | | | | |
| Cash & Temporary Investments | 1,588,288 | 31,859 | 77,278 | 24,634 | 119,648 |
| Property Taxes Receivable | | 654 | 94 | | 95 |
| Due From Other Governments | | | | 1,261 | |
| Accounts Receivable | 112,952 | | | | |
| Due From Other Funds | | | | | |
| Accrued Interest Receivable | | | | | |
| Deferred Accounts Receivable | 1,229,853 | | | | |
| Total Assets | $ 2,931,093 | $ 32,513 | $ 77,372 | $ 25,895 | $ 119,743 |
| LIABILITIES, RESERVES & FUND EQUITY | | | | | |
| Liabilities | | | | | |
| Accounts Payable | 30 | | | | |
| Due to Other Funds | | | | | |
| Accrued Leave | | | | | |
| Deferred Revenue | 1,229,853 | 27,308 | | | |
| Total Liabilities | 1,229,883 | 27,308 | | | |
| Fund Equity | | | | | |
| Reserved for Encumbrances | 165,469 | | 40,000 | | 11,692 |
| Unreserved Fund Balance | 1,535,741 | 5,205 | 37,372 | 25,895 | 108,051 |
| Total Fund Equity | 1,701,210 | 5,205 | 77,372 | 25,895 | 119,743 |
| Total Liabilities and Fund Equity | $ 2,931,093 | $ 32,513 | $ 77,372 | $ 25,895 | $ 119,743 |

See Accompanying Notes to Financial Statements

KETCHIKAN GATEWAY BOROUGH

COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS (CONT'D)

June 30, 1986

| | Waterfall Service Area Fund | South Tongass Service Area Fund | State Planning Grants Fund | School Bond/ Capital Improvements Fund | Total All Funds |
|---|---|---|---|---|---|
| ASSETS | | | | | |
| Cash & Temporary Investments | 23,443 | 24,947 | 25,000 | 746,363 | 2,882,111 |
| Property Taxes Receivable | | | | | 843 |
| Due From Other Governments | | | | | 72,364 |
| Accounts Receivable | | | | | 178,868 |
| Due From Other Funds | | | | | 3,083,408 |
| Accrued Interest Receivable | | | | 75,239 | 75,239 |
| Deferred Accounts Receivable | | | | | 1,229,853 |
| Total Assets | $ 23,443 | $ 24,947 | $ 25,000 | $ 821,602 | $ 7,522,686 |
| LIABILITIES, RESERVES & FUND EQUITY | | | | | |
| Liabilities | | | | | |
| Accounts Payable | | | | | 311,802 |
| Due to Other Funds | | | | | 2,425,071 |
| Accrued Leave | | | | | 117,310 |
| Deferred Revenue | | 23,212 | 25,000 | | 1,324,764 |
| Total Liabilities | | 23,212 | 25,000 | | 4,178,947 |
| Fund Equity | | | | | |
| Reserved for Encumbrances | | | | | 309,510 |
| Unreserved Fund Balance | 23,443 | 1,735 | | 821,602 | 3,034,229 |
| Total Fund Equity | 23,443 | 1,735 | | 821,602 | 3,343,739 |
| Total Liabilities and Fund Equity | $ 23,443 | $ 24,947 | $ 25,000 | $ 821,602 | $ 7,522,686 |

See Accompanying Notes to Financial Statements

KETCHIKAN GATEWAY BOROUGH

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS

Year Ended June 30, 1986

| | Ketchikan School District | | | | |
|---|---|---|---|---|---|
| | Operating Fund | Food Services Fund | Special Activities Fund | Federal Revenue Sharing Fund | Day Care Center Fund |
| Revenues | | | | | |
| Taxes | | | | | |
| Intergovernmental Revenues | 10,025,534 | 89,151 | 384,075 | 110,743 | 243,682 |
| Charges for Services | 29,393 | 102,020 | 94,625 | | |
| Other Revenues | | | | | |
| Total Revenues | 10,054,927 | 191,171 | 478,700 | 110,743 | 243,682 |
| Expenditures | | | | | |
| Current | | | | | |
| Public Safety | | | | | |
| Public Services | | | | 110,743 | 221,306 |
| Education | 13,060,912 | 240,124 | 905,844 | | |
| Total Expenditures | 13,060,912 | 240,124 | 905,844 | 110,743 | 221,306 |
| Excess (Deficit) of Revenues over Expenditures | ( 3,005,985 ) | ( 48,953 ) | ( 427,144 ) | | 22,376 |
| Other Financing Sources (Uses) | | | | | |
| Operating Transfers In | 3,588,989 | 60,838 | 553,817 | | |
| Operating Transfers Out | ( 490,655 ) | | | | ( 22,376 ) |
| Total Other Financing | 3,098,334 | 60,838 | 553,817 | | ( 22,376 ) |
| Excess (deficit) of Revenues & other Sources over Expenditures and Other Uses | 92,349 | 11,885 | 126,673 | | |
| Fund Balance, July 1, 1985 | 109,631 | 112,580 | 114,416 | | |
| Fund Balance, June 30, 1986 | $ 201,980 | $ 124,465 | $ 241,089 | $ | $ |

See Accompanying Notes to Financial Statements

KETCHIKAN GATEWAY BOROUGH

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONT'D)
ALL SPECIAL REVENUE FUNDS

Year Ended June 30, 1986

| | Land Trust Fund | Mud Bight Service Area Fund | Shoreline Service Area Fund | Mt. Point Service Area Fund | South End Fire District Fund |
|---|---|---|---|---|---|
| Revenues | | | | | |
| Taxes | | 5,249 | 78,061 | | 60,098 |
| Intergovernmental Revenues | 326,373 | | 3,588 | | 1,435 |
| Charges for Services | | | 1,500 | 20,361 | 300 |
| Other Revenues | 403,722 | 2,075 | 5,457 | 1,030 | 8,362 |
| Total Revenues | 730,095 | 7,324 | 88,606 | 21,391 | 70,195 |
| Expenditures | | | | | |
| Current | | | | | |
| Public Safety | | | 40,755 | | 22,160 |
| Public Services | 287,236 | 626 | | 3,146 | |
| Education | | | | | |
| Total Expenditures | 287,236 | 626 | 40,755 | 3,146 | 22,160 |
| Excess (Deficit) of Revenues over Expenditures | 442,859 | 6,698 | 47,851 | 18,245 | 48,035 |
| Other Financing Sources (Uses) | | | | | |
| Operating Transfers In | | | | | |
| Operating Transfers Out | ( 25,000 ) | ( 1,493 ) | ( 8,318 ) | ( 921 ) | ( 3,407 ) |
| Total Other Financing | ( 25,000 ) | ( 1,493 ) | ( 8,318 ) | ( 921 ) | ( 3,407 ) |
| Excess (deficit) of Revenues & other Sources over Expenditures and Other Uses | 417,859 | 5,205 | 39,533 | 17,324 | 44,628 |
| Fund Balance, July 1, 1985 | 1,283,351 | | 37,839 | 8,571 | 75,115 |
| Fund Balance, June 30, 1986 | $ 1,701,210 | $ 5,205 | $ 77,372 | $ 25,895 | $ 119,743 |

See Accompanying Notes to Financial Statements

KETCHIKAN GATEWAY BOROUGH

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONT'D)
ALL SPECIAL REVENUE FUNDS

Year Ended June 30, 1986

| | Waterfall Service Area Fund | South Tongass Service Area Fund | State Planning Grants Fund | School/Bond Capital Improvements Fund | Total All Funds |
|---|---|---|---|---|---|
| Revenues | | | | | |
| Taxes | | | | | 143,408 |
| Intergovernmental Revenues | | | 73,702 | 3,132,125 | 14,390,408 |
| Charges for Services | | | | | 248,199 |
| Other Revenues | 1,656 | 1,735 | | 838,894 | 1,262,931 |
| Total Revenues | 1,656 | 1,735 | 73,702 | 3,971,019 | 16,044,946 |
| Expenditures | | | | | |
| Current | | | | | |
| Public Safety | | | | | 62,915 |
| Public Services | 12 | | 73,702 | | 696,771 |
| Education | | | | | 14,206,880 |
| Total Expenditures | 12 | | 73,702 | | 14,966,566 |
| Excess (Deficit) of Revenues over Expenditures | 1,644 | 1,735 | | 3,971,019 | 1,078,380 |
| Other Financing Sources (Uses) | | | | | |
| Operating Transfers In | | | | | 4,203,644 |
| Operating Transfers Out | | | | ( 4,130,368 ) | ( 4,682,538 ) |
| Total Other Financing | | | | ( 4,130,368 ) | ( 478,894 ) |
| Excess (deficit) of Revenues & other Sources over Expenditures and Other Uses | 1,644 | 1,735 | | ( 159,349 ) | 599,486 |
| Fund Balance, July 1, 1985 | 21,799 | | | 980,951 | 2,744,253 |
| Fund Balance, June 30, 1986 | $ 23,443 | $ 1,735 | | $ 821,602 | $ 3,343,739 |

See Accompanying Notes to Financial Statements

# KETCHIKAN GATEWAY BOROUGH

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL

## KETCHIKAN SCHOOL DISTRICT OPERATING FUND

Year Ended June 30, 1986

| | Budget | Actual | Encumbrances | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| Revenues: | | | | |
| Intergovernmental | | | | |
| State Sources | 9,347,244 | 10,016,184 | | 668,940 |
| Federal Sources | 27,500 | 9,350 | | ( 18,150 ) |
| | 9,374,744 | 10,025,534 | | 650,790 |
| Charges for Services | | | | |
| Other Charges | 30,000 | 29,393 | | ( 607 ) |
| Transfers from Other Funds | | | | |
| General Fund | 4,247,783 | 3,588,989 | | ( 658,794 ) |
| Total Revenues | 13,652,527 | 13,643,916 | | ( 8,611 ) |
| Expenditures | | | | |
| Education | | | | |
| Instruction | 7,890,743 | 7,855,021 | 43,108 | ( 7,386 ) |
| Supporting Services | 2,761,598 | 2,734,529 | 13,128 | 13,941 |
| Plant Operation & Maintenance | 2,046,644 | 2,021,743 | 34,303 | ( 9,402 ) |
| Pupil Transportation | 411,159 | 404,402 | | 6,757 |
| Facilities Acquisition | 38,538 | 33,384 | 1,810 | 3,344 |
| Non-Programmed Charges | 11,833 | 11,833 | | |
| Total | 13,160,515 | 13,060,912 | 92,349 | 7,254 |
| Transfers to Other Funds | | | | |
| Food Service Fund | 60,838 | 60,838 | | |
| Special Activities Fund | 431,174 | 429,817 | | 1,357 |
| Total | 492,012 | 490,655 | | 1,357 |
| Total Expenditures | 13,652,527 | 13,551,567 | 92,349 | 8,611 |
| Excess (Deficit) of Revenues Over Expenditures | | 92,349 | ( 92,349 ) | |
| Fund Balance, July 1, 1985 | | 109,631 | | 109,631 |
| Fund Balance, June 30, 1986 | $ | $ 201,980 | $ 92,349 | $ 109,631 |

See Accompanying Notes to Financial Statements

KETCHIKAN GATEWAY BOROUGH

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

SCHOOL DISTRICT FOOD SERVICE FUND

Year Ended June 30, 1986

| | Budget | Actual | Encumbrances | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| Revenues: | | | | |
| Intergovernmental | | | | |
| Federal Sources | 80,000 | 89,151 | | 9,151 |
| Charges for Services | | | | |
| Sale of Lunches | 99,079 | 102,020 | | 2,941 |
| Transfers From Other Funds | | | | |
| School Operating Fund | 60,838 | 60,838 | | |
| Total Revenues | 239,917 | 252,009 | | 12,092 |
| Expenditures: | | | | |
| Education | | | | |
| Food Services | 259,917 | 240,124 | | 19,793 |
| Excess (Deficit) of Revenues over Expenditures | ( 20,000 ) | 11,885 | | 31,885 |
| Fund Balance, July 1, 1985 | 20,000 | 112,580 | | 92,580 |
| Fund Balance, June 30, 1986 | $ | $ 124,465 | $ | $ 124,465 |

See Accompanying Notes to Financial Statements

# KETCHIKAN GATEWAY BOROUGH

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL

## SCHOOL DISTRICT SPECIAL ACTIVITIES FUND

Year Ended June 30, 1986

| | Budget | Actual | Encumbrances | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| Revenues: | | | | |
| Intergovernmental | | | | |
| State Sources | 77,281 | 73,933 | | ( 3,348 ) |
| Federal Sources | 361,972 | 310,142 | | ( 51,830 ) |
| | 439,253 | 384,075 | | ( 55,178 ) |
| Charges for Services | | | | |
| Swimmimg Pool Revenue | 70,000 | 63,524 | | ( 6,476 ) |
| Other | 27,432 | 31,101 | | 3,669 |
| | 97,432 | 94,625 | | ( 2,807 ) |
| Transfers From Other Funds | | | | |
| General Fund | 150,000 | 124,000 | | ( 26,000 ) |
| School Operating Fund | 352,748 | 429,817 | | 77,069 |
| | 502,748 | 553,817 | | 51,069 |
| Total Revenues | 1,039,433 | 1,032,517 | | ( 6,916 ) |
| Expenditures: | | | | |
| Education | | | | |
| Instruction | 473,115 | 441,867 | | 31,248 |
| Supporting Services | 18,000 | 18,000 | | |
| Community Services | 249,576 | 231,964 | | 17,612 |
| Pupil Activity | 217,464 | 214,013 | | 3,451 |
| Total | 958,155 | 905,844 | | 52,311 |
| Excess (Deficit) of Revenues over Expenditures | 81,278 | 126,673 | | 45,395 |
| Fund Balance, July 1, 1985 | 94,980 | 114,416 | | 19,436 |
| Fund Balance, June 30, 1986 | $ 176,258 | $ 241,089 | $ | $ 64,831 |

See Accompanying Notes to Financial Statements

KETCHIKAN GATEWAY BOROUGH

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

FEDERAL REVENUE SHARING FUND

Year Ended June 30, 1986

| | Budget | Actual | Encumbrances | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| Revenues: | | | | |
| Intergovernmental | | | | |
| Federal Revenue Sharing | 111,208 | 110,743 | | ( 465 ) |
| Expenditures: | | | | |
| General Services | | | | |
| Planning | 111,208 | 110,743 | | 465 |
| Excess (Deficit) of Revenues over Expenditures | | | | |
| Fund Balance, July 1, 1985 | | | | |
| Fund Balance, June 30, 1986 | $ | $ | $ | $ |

See Accompanying Notes to Financial Statements

# KETCHIKAN GATEWAY BOROUGH

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
## BUDGET AND ACTUAL

## DAY CARE CENTER FUND

Year Ended June 30, 1986

| | Budget | Actual | Encumbrances | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| Revenues: | | | | |
| Intergovernmental | | | | |
| State Grant | 250,231 | 243,682 | | ( 6,549 ) |
| Expenditures: | | | | |
| General Services | | | | |
| Planning | 227,129 | 221,305 | | 5,824 |
| Transfers | | | | |
| Transfer to General Fund | 23,102 | 22,377 | | 725 |
| Total Expenditures | 250,231 | 243,682 | | 6,549 |
| Excess (Deficit) of Revenues over Expenditures | | | | |
| Fund Balance, July 1, 1985 | | | | |
| Fund Balance, June 30, 1986 | $ | $ | $ | $ |

See Accompanying Notes to Financial Statements

# KETCHIKAN GATEWAY BOROUGH

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL

## LAND TRUST FUND

Year Ended June 30, 1986

| | Budget | Actual | Encumbrances | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| Revenues: | | | | |
| Intergovernmental | | | | |
| State & Federal Grants | 300,000 | 326,373 | | 26,373 |
| Other Revenue | | | | |
| Interest Income | 95,000 | 110,466 | | 15,466 |
| Sale of Land | 250,000 | 293,256 | | 43,256 |
| | 345,000 | 403,722 | | 58,722 |
| Total Revenues | 645,000 | 730,095 | | 85,095 |
| Expenditures: | | | | |
| General Services | | | | |
| Planning | 479,000 | 287,236 | 26,164 | 165,600 |
| Transfers | | | | |
| Transfer to General Fund | 25,000 | 25,000 | | |
| Total Expenditures | 504,000 | 312,236 | 26,164 | 165,600 |
| Excess (Deficit) of Revenues over Expenditures | 141,000 | 417,859 | ( 26,164 ) | 250,695 |
| Fund Balance, July 1, 1985 | 1,258,347 | 1,283,351 | 139,305 | ( 114,301 ) |
| Fund Balance, June 30, 1986 | $ 1,399,347 | $ 1,701,210 | $ 165,469 | $ 136,394 |

See Accompanying Notes to Financial Statements

# KETCHIKAN GATEWAY BOROUGH

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
## BUDGET AND ACTUAL

## MUD BIGHT SERVICE AREA FUND

Year Ended June 30, 1986

| | Budget | Actual | Encumbrances | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| Revenues: | | | | |
| Taxes | | | | |
| Real & Personal | 5,377 | 5,098 | | ( 279 ) |
| Penalty & Interest | | 151 | | 151 |
| | 5,377 | 5,249 | | ( 128 ) |
| Intergovernmental | | | | |
| State Grant | 26,000 | | | ( 26,000 ) |
| Other Revenue | | | | |
| Interest Income | 5,000 | 2,075 | | ( 2,925 ) |
| Total Revenues | 36,377 | 7,324 | | ( 29,053 ) |
| Expenditures: | | | | |
| General Services | | | | |
| Service Area | 29,866 | 626 | | 29,240 |
| Transfers | | | | |
| Transfer to General Fund | 1,493 | 1,493 | | |
| Total Expenditures | 31,359 | 2,119 | | 29,240 |
| Excess (Deficit) of Revenues over Expenditures | 5,018 | 5,205 | | 187 |
| Fund Balance, July 1, 1985 | | | | |
| Fund Balance, June 30, 1986 | $ 5,018 | $ 5,205 | $ | $ 187 |

See Accompanying Notes to Financial Statements

# KETCHIKAN GATEWAY BOROUGH

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL

## SHORELINE SERVICE AREA FUND

Year Ended June 30, 1986

| | Budget | Actual | Encumbrances | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| Revenues: | | | | |
| Taxes | | | | |
| Real and Personal Property Taxes | 76,134 | 75,258 | | ( 876 ) |
| Automobile and Boat Taxes | 1,000 | 1,466 | | 466 |
| Penalty and Interest | 700 | 1,337 | | 637 |
| | 77,834 | 78,061 | | 227 |
| Intergovernmental | | | | |
| State Revenue Sharing | 2,500 | 3,588 | | 1,088 |
| Charges for Services | | | | |
| Other Charges | | 1,500 | | 1,500 |
| Other Revenue | | | | |
| Interest Income | 1,500 | 5,457 | | 3,957 |
| Total Revenues | 81,834 | 88,606 | | 6,772 |
| Expenditures: | | | | |
| Public Safety | | | | |
| Fire | 78,500 | 40,755 | 19,609 | 18,136 |
| Transfers | | | | |
| Transfer to General Fund | 4,168 | 4,168 | | |
| Transfer to Debt Service Fund | 5,000 | 4,150 | | 850 |
| | 9,168 | 8,318 | | 850 |
| Total Expenditures | 87,668 | 49,073 | 19,609 | 18,986 |
| Excess (Deficit) of Revenues over Expenditures | ( 5,834 ) | 39,533 | ( 19,609 ) | 25,758 |
| Fund Balance, July 1, 1985 | 20,875 | 37,839 | 20,391 | ( 3,427 ) |
| Fund Balance, June 30, 1986 | $ 15,041 | $ 77,372 | $ 40,000 | $ 22,331 |

See Accompanying Notes to Financial Statements

# KETCHIKAN GATEWAY BOROUGH

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
## BUDGET AND ACTUAL

## MT. POINT SERVICE AREA FUND

Year Ended June 30, 1986

| | Budget | Actual | Encumbrances | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| Revenues: | | | | |
| Charges for Services | | | | |
| Water Service | 16,600 | 20,361 | | 3,761 |
| Other Revenue | | | | |
| Interest Income | | 1,030 | | 1,030 |
| Total Revenues | 16,600 | 21,391 | | 4,791 |
| Expenditures: | | | | |
| General Services | | | | |
| Water Department | 18,720 | 3,146 | | 15,574 |
| Transfers | | | | |
| Transfer to General Fund | 936 | 921 | | 15 |
| Total Expenditures | 19,656 | 4,067 | | 15,589 |
| Excess (Deficit) of Revenues over Expenditures | ( 3,056 ) | 17,324 | | 20,380 |
| Fund Balance, July 1, 1985 | 6,319 | 8,571 | | 2,252 |
| Fund Balance, June 30, 1986 | $ 3,263 | $ 25,895 | $ | $ 22,632 |

See Accompanying Notes to Financial Statements

KETCHIKAN GATEWAY BOROUGH

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

SOUTH END FIRE DISTRICT FUND

Year Ended June 30, 1986

| | Budget | Actual | Encumbrances | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| Revenues: | | | | |
| Taxes | | | | |
| Real and Personal Property Taxes | 58,217 | 57,679 | | ( 538 ) |
| Automobile and Boat Taxes | 1,500 | 2,018 | | 518 |
| Penalty and Interest | 350 | 401 | | 51 |
| | 60,067 | 60,098 | | 31 |
| Intergovernmental | | | | |
| State Revenue Sharing | 1,000 | 1,435 | | 435 |
| Charges for Services | | | | |
| Other Charges | 4,200 | 300 | | ( 3,900 ) |
| Other Revenue | | | | |
| Interest Income | 4,500 | 8,362 | | 3,862 |
| Total Revenues | 69,767 | 70,195 | | 428 |
| Expenditures: | | | | |
| Public Safety | | | | |
| Fire | 68,450 | 22,160 | ( 3,618 ) | 49,908 |
| Transfers | | | | |
| Transfer to General Fund | 3,408 | 3,407 | | 1 |
| Total Expenditures | 71,858 | 25,567 | ( 3,618 ) | 49,909 |
| Excess (Deficit) of Revenues over Expenditures | ( 2,091 ) | 44,628 | 3,618 | 50,337 |
| Fund Balance, July 1, 1985 | 58,254 | 75,115 | 15,310 | 1,551 |
| Fund Balance, June 30, 1986 | $ 56,163 | $ 119,743 | $ 11,692 | $ 51,888 |

See Accompanying Notes to Financial Statements

# KETCHIKAN GATEWAY BOROUGH

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
## BUDGET AND ACTUAL

## WATERFALL SERVICE AREA FUND

Year Ended June 30, 1986

| | Budget | Actual | Encumbrances | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| Revenues: | | | | |
| Other Revenue | | | | |
| Interest Income | 1,600 | 1,656 | | 56 |
| Expenditures: | | | | |
| General Services | | | | |
| Service Area | 3,000 | 12 | | 2,988 |
| Excess (Deficit) of Revenues over Expenditures | ( 1,400 ) | 1,644 | | 3,044 |
| Fund Balance, July 1, 1985 | 22,050 | 21,799 | | ( 251 ) |
| Fund Balance, June 30, 1986 | $ 20,650 | $ 23,443 | $ | $ 2,793 |

See Accompanying Notes to Financial Statements

KETCHIKAN GATEWAY BOROUGH

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

SOUTH TONGASS SERVICE AREA FUND

Year Ended June 30, 1986

| | Budget | Actual | Encumbrances | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| Revenues: | | | | |
| Intergovernmental | | | | |
| State Grant | 22,100 | | | ( 22,100 ) |
| Other Revenue | | | | |
| Interest Income | 4,000 | 1,735 | | ( 2,265 ) |
| Total Revenues | 26,100 | 1,735 | | ( 24,365 ) |
| Expenditures: | | | | |
| General Services | | | | |
| Planning | 22,500 | | | 22,500 |
| Excess (Deficit) of Revenues over Expenditures | 3,600 | 1,735 | | ( 1,865 ) |
| Fund Balance, July 1, 1985 | | | | |
| Fund Balance, June 30, 1986 | $ 3,600 | $ 1,735 | $ | $( 1,865 ) |

See Accompanying Notes to Financial Statements

# KETCHIKAN GATEWAY BOROUGH

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
## BUDGET AND ACTUAL

## STATE PLANNING GRANTS FUND

Year Ended June 30, 1986

| | Budget | Actual | Encumbrances | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| Revenues: | | | | |
| Intergovernmental | | | | |
| State Grants | 81,300 | 73,702 | | ( 7,598 ) |
| Expenditures: | | | | |
| General Services | | | | |
| Planning | 81,300 | 73,702 | | 7,598 |
| Excess (Deficit) of Revenues over Expenditures | | | | |
| Fund Balance, July 1, 1985 | | | | |
| Fund Balance, June 30, 1986 | $ | $ | $ | $ |

See Accompanying Notes to Financial Statements

KETCHIKAN GATEWAY BOROUGH

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

SCHOOL BOND/CAPITAL IMPROVEMENTS FUND

Year Ended June 30, 1986

| | Budget | Actual | Encumbrances | Variance Favorable (Unfavorable) |
|---|---|---|---|---|
| Revenues: | | | | |
| Intergovernmental | | | | |
| State Sources | 3,067,117 | 3,132,125 | | 65,008 |
| Other Revenue | | | | |
| Interest Income | 830,000 | 838,894 | | 8,894 |
| Total Revenues | 3,897,117 | 3,971,019 | | 73,902 |
| Expenditures: | | | | |
| Non Departmental | | | | |
| Debt Reserve Transfer | 115,000 | | | 115,000 |
| Transfers to Other Funds | | | | |
| Transfer to Debt Service Funds | 3,060,368 | 3,060,368 | | |
| Transfer to School Capital Improvements Fund | 1,070,000 | 1,070,000 | | |
| | 4,130,368 | 4,130,368 | | |
| Total Expenditures | 4,245,368 | 4,130,368 | | 115,000 |
| Excess (Deficit) of Revenues over Expenditures | ( 348,251 ) | ( 159,349 ) | | 188,902 |
| Fund Balance, July 1, 1985 | 886,104 | 980,951 | | 94,847 |
| Fund Balance, June 30, 1986 | $ 537,853 | $ 821,602 | $ | $ 283,749 |

See Accompanying Notes to 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 G.O. 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 @ 5.00 - 8.00 % 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 G.O. BOND REDEMPTION FUND -transfers from the School Bond Interest Fund.

# KETCHIKAN GATEWAY BOROUGH

## COMBINING BALANCE SHEET - ALL DEBT SERVICE FUNDS

June 30, 1986

| | Shoreline Long Term Note Redemption Fund | 1974 G.O. Refunding Bond Redemption Fund | 1983 G.O. Bond Redemption Fund | Total |
|---|---|---|---|---|
| ASSETS | | | | |
| Cash & Temporary Investments | | | | |
| Total Assets | $ | $ | $ | $ |
| LIABILITIES, RESERVES AND FUND EQUITY | | | | |
| Liabilities | | | | |
| Accrued Interest Payable | | | | |
| Total Liabilities and Fund Equity | $ | $ | $ | $ |

See Accompanying Notes to Financial Statements

# KETCHIKAN GATEWAY BOROUGH

## COMBINING STATEMNT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES

## ALL DEBT SERVICE FUNDS

Year Ended June 30, 1986

| | Shoreline Long Term Note Redemption Fund | 1974 G.O. Refunding Bond Redemption Fund | 1983 G.O. Bond Redemption Fund | Total |
|---|---|---|---|---|
| Expenditures | | | | |
| Debt Service | | | | |
| Principal | 4,000 | 205,000 | 1,190,000 | 1,399,000 |
| Interest | 150 | 196,232 | 1,469,135 | 1,665,517 |
| Total Expenditures | 4,150 | 401,232 | 2,659,135 | 3,064,517 |
| Excess (Deficit) of Revenues over Expenditures | ( 4,150 ) | ( 401,232 ) | ( 2,659,135 ) | ( 3,064,517 ) |
| Other Financing Sources (Uses) | | | | |
| Operating Transfers In | | | | |
| Shoreline Service Area Fund | 4,150 | | | 4,150 |
| School Bond Interest Fund | | 401,232 | 2,659,135 | 3,060,367 |
| Total Other Financing | 4,150 | 401,232 | 2,659,135 | 3,064,517 |
| Excess (Deficit) of Revenues and Other Sources over Expenditures and Other Uses | | | | |
| Fund Balance, July 1, 1985 | | | | |
| Fund Balance, June 30, 1986 | $ | $ | $ | $ |

See Accompanying Notes to 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 (other than those financed by proprietary funds and special assessment funds).

The following funds are included in this section:

- Saxman Road and Trail Improvements Fund
- Peninsula Point Paving Fund
- Senate Bill 168 Capital Improvements Fund
- Ketchikan Secondary Route Construction Fund
- School Bond Construction Fund - 1983
- Houghtaling School Reroof Fund
- School Capital Improvements Fund
- North Point Higgins Fund
- Revilla High School Replacement Fund
- South Tongass Elementary School Fund

KETCHIKAN GATEWAY BOROUGH

COMBINING BALANCE SHEET - ALL CAPITAL PROJECT FUNDS

June 30, 1986

| | Saxman Road and Trail Improvements Fund | Peninsula Pt. Paving Fund | Senate Bill 168 Capital Improvements Fund | Ketchikan Secondary Route Const Fund | School Bond Construction Fund - 1983 | Houghtaling School Reroof Fund |
|---|---|---|---|---|---|---|
| ASSETS | | | | | | |
| Cash & Temporary Investments | | | 856,582 | 1,060,943 | 3,800,000 | |
| Due From Other Governments | | | | | | 306,984 |
| Due From Other Funds | | | | | 1,640,756 | |
| Total Assets | $ | $ | $ 856,582 | $ 1,060,943 | $ 5,440,756 | $ 306,984 |
| LIABILITIES, RESERVES & FUND EQUITY | | | | | | |
| Liabilities | | | | | | |
| Accounts Payable | | | 16,978 | | 1,640,756 | 244,089 |
| Due to Other Funds | | | | | 2,497,272 | 61,278 |
| Deferred Revenue | | | 471,194 | 1,060,943 | | |
| Total Liabilities | | | 488,172 | 1,060,943 | 4,138,028 | 305,367 |
| Fund Equity | | | | | | |
| Unreserved Fund Balance | | | 368,410 | | 1,302,728 | 1,617 |
| Total Liabilities and Fund Equity | $ | $ | $ 856,582 | $ 1,060,943 | $ 5,440,756 | $ 306,984 |

See Accompanying Notes to Financial Statements

KETCHIKAN GATEWAY BOROUGH

COMBINING BALANCE SHEET - ALL CAPITAL PROJECT FUNDS (Cont'd)

June 30, 1986

| | School Capital Improvements Fund | North Pt. Higgins Fund | Revilla High School Replacement Fund | South Tongass Elementary School Fund | Total |
|---|---|---|---|---|---|
| ASSETS | | | | | |
| Cash & Temporary Investments | 496,483 | | | | 6,214,008 |
| Due From Other Governments | | | 147,750 | | 454,734 |
| Due From Other Funds | 168,586 | 223,438 | | 154,413 | 2,187,193 |
| Total Assets | $ 665,069 | $ 223,438 | $ 147,750 | $ 154,413 | $ 8,855,935 |
| LIABILITIES, RESERVES & FUND EQUITY | | | | | |
| Liabilities | | | | | |
| Accounts Payable | 168,586 | | 1,477 | 110 | 2,071,996 |
| Due to Other Funds | 39,685 | | 146,273 | | 2,744,508 |
| Deferred Revenue | | | | 140,636 | 1,672,773 |
| Total Liabilities | 208,271 | | 147,750 | 140,746 | 6,489,277 |
| Fund Equity | | | | | |
| Unreserved Fund Balance | 456,798 | 223,438 | | 13,667 | 2,366,658 |
| Total Liabilities and Fund Equity | $ 665,069 | $ 223,438 | $ 147,750 | $ 154,413 | $ 8,855,935 |

See Accompanying Notes to Financial Statements

KETCHIKAN GATEWAY BOROUGH

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

ALL CAPTIAL PROJECT FUNDS

Year Ended June 30, 1986

| | Saxman Road & Trail Improvements Fund | Peninsula Pt. Paving Fund | Senate Bill 168 Capital Improvements Fund | Ketchikan Secondary Route Const Fund | School Bond Const Fund - 1983 | Houghtaling School Reroof Fund |
|---|---|---|---|---|---|---|
| Revenues | | | | | | |
| Intergovernmental | | | | | | |
| State Grant | 2,547 | 3,326 | 408,735 | 228,604 | | 361,484 |
| Other Revenues | | | | | | |
| Interest Income | | | 75,881 | | | 1,617 |
| Total Revenues | 2,547 | 3,326 | 484,616 | 228,604 | | 363,101 |
| Expenditures | | | | | | |
| Capital Outlay | | | | | | |
| Airport Improvements | | | 403,612 | | | |
| Mt. Point Water Project | | | 5,060 | | | |
| Educational Facilities | | | | | 9,568,004 | 361,484 |
| Other Improvements | 2,547 | 3,326 | | 228,604 | | |
| Total Expenditures | 2,547 | 3,326 | 408,672 | 228,604 | 9,568,004 | 361,484 |
| Excess (Deficit) of Revenues over Expenditures | | | 75,944 | | ( 9,568,004 ) | 1,617 |
| Other Financing Sources (Uses) | | | | | | |
| Operating Transfers In | | | | | | |
| Operating Transfers Out | | | | | | |
| Total Other Financing | | | | | | |
| Excess (Deficit) of Revenues and Other Sources over Expenditures and Other Uses | | | 75,944 | | ( 9,568,004 ) | 1,617 |
| Fund Balance, July 1, 1985 | | | 292,466 | | 10,870,732 | |
| Fund Balance, June 30, 1986 | $ | $ | $ 368,410 | $ | $ 1,302,728 | $ 1,617 |

See Accompanying Notes to Financial Statements

KETCHIKAN GATEWAY BOROUGH

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Cont'd)

ALL CAPTIAL PROJECT FUNDS

Year Ended June 30, 1986

| | School Capital Improvements Fund | North Pt. Higgins Fund | Revilla High School Replacement Fund | South Tongass Elementary School Fund | Total |
|---|---|---|---|---|---|
| Revenues | | | | | |
| Intergovernmental | | | | | |
| State Grants | | | | 9,364 | 1,014,060 |
| Other Revenues | | | | | |
| Interest Income | | | ( 360 ) | 11,613 | 88,751 |
| Total Revenues | | | ( 360 ) | 20,977 | 1,102,811 |
| Expenditures | | | | | |
| Capital Outlay | | | | | |
| Airport Improvements | | | | | 403,612 |
| Mt. Point Water Project | | | | | 5,060 |
| Educational Facilities | 944,872 | | ( 360 ) | 9,364 | 10,883,364 |
| Other Improvements | | | | | 234,477 |
| Total Expenditures | 944,872 | | ( 360 ) | 9,364 | 11,526,513 |
| Excess (Deficit) of Revenues over Expenditures | ( 944,872 ) | | | 11,613 | ( 10,423,702 ) |
| Other Financing Sources (Uses) | | | | | |
| Operating Transfers In | 1,070,000 | | | | 1,070,000 |
| Operating Transfers Out | | | | | |
| Total Other Financing | 1,070,000 | | | | 1,070,000 |
| Excess (Deficit) of Revenues and Other Sources over Expenditures and Other Uses | 125,128 | | | 11,613 | ( 9,353,702 ) |
| Fund Balance, July 1, 1985 | 331,670 | 223,438 | | 2,054 | 11,720,360 |
| Fund Balance, June 30, 1986 | $ 456,798 | $ 223,438 | $ | $ 13,667 | $ 2,366,658 |

See Accompanying Notes to Financial Statements

## PROPRIETARY FUND TYPES

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

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.

KETCHIKAN GATEWAY BOROUGH

AIRPORT ENTERPRISE FUND

BALANCE SHEET

June 30, 1986 & 1985

| ASSETS | 1986 | | 1985 | |
|---|---|---|---|---|
| Cash & Temporary Investments | 234,543 | | 332,898 | |
| Accounts Receivable | 154,329 | 388,872 | 184,475 | 517,373 |
| Restricted Assets | | | | |
| Bond Redemption Fund Cash & Investments | | 57,767 | | 57,967 |
| Plant in Service | | | | |
| Field | 2,729,169 | | 2,709,430 | |
| Terminal | 2,589,680 | | 2,579,675 | |
| Ferry | 706,941 | | 714,941 | |
| | 6,025,790 | | 6,004,046 | |
| Less Allowance For Depreciation | 2,112,406 | 3,913,384 | 1,900,060 | 4,103,986 |
| Total Assets | | $ 4,360,023 | | $ 4,679,326 |
| **LIABILITIES, RESERVES & FUND EQUITY** | | | | |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Accounts Payable | 424 | | 15,960 | |
| Accrued Interest Payable | 24,480 | | 26,149 | |
| Accrued Vacation & Sick Leave | 110,383 | 135,287 | 122,576 | 164,685 |
| General Obligation Bonds Payable ($135,000 due within one year) | 1,785,000 | | 1,915,000 | |
| Revenue Bonds Payable ($15,000 due within one year) | 395,000 | 2,180,000 | 410,000 | 2,325,000 |
| Total Liabilities | | 2,315,287 | | 2,489,685 |
| Fund Equity | | | | |
| Contributed Capital | | 1,678,993 | | 1,760,071 |
| Reserved for Debt Retirement | 57,767 | | 57,967 | |
| Retained Earnings | 307,976 | 365,743 | 371,603 | 429,570 |
| Total Fund Equity | | 2,044,736 | | 2,189,641 |
| Total Liabilities & Fund Equity | | $ 4,360,023 | | $ 4,679,326 |

See Accompanying Notes to Financial Statements

KETCHIKAN GATEWAY BOROUGH

AIRPORT ENTERPRISE FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

Years Ended June 30, 1986 & 1985

| | 1986 | | 1985 | |
|---|---|---|---|---|
| Operating Revenues | | | | |
| Charges for Services | | | | |
| Ferry Fares | | 576,065 | | 551,069 |
| Landing Fees | | 552,180 | | 535,802 |
| Rentals | | 251,249 | | 248,148 |
| Fuel Revenue | | 27,978 | | 48,002 |
| Security Services | | 29,615 | | 29,336 |
| Other Revenue | | 28,127 | | 4,026 |
| Total | | 1,465,214 | | 1,416,383 |
| Operating Expenses | | | | |
| Field | | | | |
| Current Operations | 838,183 | | 563,521 | |
| Depreciation | 106,777 | 944,960 | 105,235 | 668,756 |
| Terminal | | | | |
| Current Operations | 367,316 | | 464,003 | |
| Depreciation | 74,189 | 441,505 | 74,166 | 538,169 |
| Ferry | | | | |
| Current Operations | 607,670 | | 579,530 | |
| Depreciation | 31,381 | 639,051 | 31,156 | 610,686 |
| Total Operating Expenses | | 2,025,516 | | 1,817,611 |
| Net Operating Revenues (Loss) | | ( 560,302 ) | | ( 401,228 ) |
| Non Operating Revenues | | | | |
| UMTA Grant - Ferry | 18,954 | | 42,914 | |
| State Revenue Sharing | 170,070 | | 126,108 | |
| State Operating Grant | | | 150,000 | |
| General Fund Contribution | 341,000 | | 280,000 | |
| Interest Earnings | 28,464 | 558,488 | 23,412 | 622,434 |
| Non Operating Expense | | | | |
| Interest Expense | | 143,091 | | 150,582 |
| Net Income (Loss) | | ( 144,905 ) | | 70,624 |
| Depreciation of Fixed Assets Acquired by Grants | | 81,078 | | 80,758 |
| Income (Loss) after Amortization | | ( 63,827 ) | | 151,382 |
| Retained Earnings, July 1, 1985 | | 429,570 | | 278,188 |
| Retained Earnings, June 30, 1986 | | $ 365,743 | | $ 429,570 |

See Accompanying Notes to Financial Statements

# KETCHIKAN GATEWAY BOROUGH

## AIRPORT ENTERPRISE FUND

## STATEMENT OF CHANGES IN FINANCIAL POSITION

### Years Ended June 30, 1986 & 1985

| | 1986 | 1985 |
|---|---|---|
| Sources of Working Capital | | |
| Operations | | |
| Net Income (Loss) | ( 144,905 ) | 70,624 |
| Items not requiring (providing) Working Capital | | |
| Depreciation | 212,347 | 210,557 |
| Contributions in Aid of Construction | | 8,000 |
| Total Sources of Working Capital | 67,442 | 289,181 |
| Uses of Working Capital | | |
| Acquisition of Property, Plant & Equipment | 21,744 | 42,732 |
| Retirement of General Obligation Bonds | 145,000 | 125,000 |
| Total Uses of Working Capital | 166,744 | 167,732 |
| Net Increase (Decrease) in Working Capital | $( 99,302 ) | $ 121,449 |
| Elements of Net Increase (Decrease) in Working Capital | | |
| Cash & Temporary Investments | ( 98,355 ) | 107,053 |
| Bond Redemption Fund Cash & Investments | ( 200 ) | 12,500 |
| Accounts Receivable | ( 30,146 ) | 36,092 |
| Accounts Payable & Accrued Liabilities | 29,399 | ( 34,196 ) |
| Net Increase (Decrease) in Working Capital | $( 99,302 ) | $ 121,449 |

See Accompanying Notes to Financial Statements

KETCHIKAN GATEWAY BOROUGH

E-4

KETCHIKAN AIRPORT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON GAAP BASIS)

Year Ended June 30, 1986

| | Budget | Actual | Encumbrances | Favorable (Unfavorable) |
|---|---|---|---|---|
| Revenues: | | | | |
| Field | | | | |
| Landing Fees | 555,852 | 552,180 | | ( 3,672 ) |
| Fuel Flowage | 30,000 | 27,978 | | ( 2,022 ) |
| Other | 22,818 | 22,401 | | ( 417 ) |
| | 608,670 | 602,559 | | ( 6,111 ) |
| Terminal | | | | |
| Rentals | 237,420 | 220,276 | | ( 17,144 ) |
| Security Services | 31,600 | 29,615 | | ( 1,985 ) |
| Other | 15,500 | 12,695 | | ( 2,805 ) |
| | 284,520 | 262,586 | | ( 21,934 ) |
| Ferry | | | | |
| Fares | 538,000 | 576,065 | | 38,065 |
| Other | | 1,380 | | 1,380 |
| | 538,000 | 577,445 | | 39,445 |
| Other | | | | |
| Interest Income | 60,000 | 28,464 | | ( 31,536 ) |
| General Fund Contribution | 341,000 | 341,000 | | |
| State Revenue Sharing | 116,000 | 170,070 | | 54,070 |
| State UMTA Grant | 35,000 | 18,954 | | ( 16,046 ) |
| State Fuel Tax Refund | 22,000 | 22,624 | | 624 |
| | 574,000 | 581,112 | | 7,112 |
| Total Revenues | 2,005,190 | 2,023,702 | | 18,512 |
| Expenditures: | | | | |
| Field | | | | |
| Operating Expenditures | 840,495 | 838,183 | ( 2,796 ) | 5,108 |
| Capital Expenditures | | 19,739 | ( 26,506 ) | 6,767 |
| Debt Service | 94,364 | 93,792 | | 572 |
| | 934,859 | 951,714 | ( 29,302 ) | 12,447 |
| Terminal | | | | |
| Operating Expenditures | 358,674 | 367,316 | 2,555 | ( 11,197 ) |
| Capital Expenditures | 4,400 | 2,005 | | 2,395 |
| Debt Service | 183,297 | 182,275 | | 1,022 |
| | 546,371 | 551,596 | 2,555 | ( 7,780 ) |
| Ferry | | | | |
| Operating Expenditures | 686,671 | 607,670 | 23,226 | 55,775 |
| Debt Service | 12,099 | 12,025 | | 74 |
| | 698,770 | 619,695 | 23,226 | 55,849 |
| Total Expenditures | 2,180,000 | 2,123,005 | ( 3,521 ) | 60,516 |
| Excess (Deficit) of Revenues over Expenditures | ( 174,810 ) | ( 99,303 ) | 3,521 | 79,028 |
| Fund Balance, July 1, 1985 | 344 837 | 410,655 | 34,386 | 31,432 |
| Fund Balance, June 30, 1986 | $ 170,027 | $ 311,352 | $ 30,865 | $ 110,460 |

See Accompanying Notes to 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:

- School District Trust and Agency Funds
  - Trust Funds
    - Expendable Scholarship Fund
    - Pension Trust Fund
  - Agency Funds
    - School Revolving Fund
    - Deferred Compensation Fund

KETCHIKAN GATEWAY BOROUGH

COMBINING BALANCE SHEET - ALL FIDUCIARY FUND TYPES

June 30, 1986

| | Ketchikan School District | | | | |
|---|---|---|---|---|---|
| | Trust Funds | | Agency Funds | | |
| | Expendable Scholarship Funds | Pension Fund | School Revolving Fund | Deferred Compensation Fund | Total |
| ASSETS | | | | | |
| Cash & Temporary Investments | 16,096 | 466,988 | 10,771 | 730,151 | 1,224,006 |
| Due from other Funds | 1,404 | 67,556 | 58,342 | | 127,302 |
| Accrued Interest Receivable | 100 | | | | 100 |
| Total Assets | $ 17,600 | $ 534,544 | $ 69,113 | $ 730,151 | $ 1,351,408 |
| LIABILITIES & FUND EQUITY | | | | | |
| Liabilities | | | | | |
| Accounts Payable | | | 69,113 | | 69,113 |
| Deferred Compensation | | | | 730,151 | 730,151 |
| Total Liabilities | | | 69,113 | 730,151 | $ 799,264 |
| Fund Equity | | | | | |
| Unreserved | 17,600 | 534,544 | | | 552,144 |
| Total Liabilities & Fund Equity | $ 17,600 | $ 534,544 | $ 69,113 | $ 730,151 | $ 1,351,408 |

See Accompanying Notes to Financial Statements

KETCHIKAN GATEWAY BOROUGH

STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES

EXPENDABLE SCHOLARSHIP TRUST FUNDS

Year Ended June 30, 1986

| | |
|---|---|
| Revenues | |
| Other Revenues | |
| Interest Income | 1,581 |
| Expenditures | |
| Education | |
| Scholarships | 500 |
| Excess of Revenues over Expenditures | 1,081 |
| Fund Balance, July 1, 1985 | 16,519 |
| Fund Balance, June 30, 1986 | $ 17,600 |

See Accompanying Notes to Financial Statements

# KETCHIKAN GATEWAY BOROUGH

## STATEMENT OF REVENUES, EXPENSES & CHANGES IN FUND BALANCE

## PENSION TRUST FUND

### Year Ended June 30, 1986

| | | |
|---|---|---|
| Revenues | | |
| Operating Revenues | | |
| Contributions from School District | | 67,556 |
| Expenses | | |
| Education | | |
| Employee Benefits | 12,000 | |
| Professional Services | 3,825 | 15,825 |
| Net Operating Revenues | | 51,731 |
| Non Operating Revenues | | |
| Interest Income | | 35,485 |
| Net Income | | 87,216 |
| Fund Balance, July 1, 1985 | | 447,328 |
| Fund Balance, June 30, 1986 | | $ 534,544 |

See Accompanying Notes to Financial Statements

# KETCHIKAN GATEWAY BOROUGH

## STATEMENT OF CHANGES IN ASSETS & LIABILITIES

## ALL AGENCY FUNDS

### Year Ended June 30, 1986

| | Ketchikan School District | | | |
|---|---|---|---|---|
| | Balance July 1, 1985 | Additions | Deductions | Balance June 30, 1986 |
| **School Revolving Fund** | | | | |
| Assets | | | | |
| Cash & Temporary Investments | 103,288 | 246,450 | 338,967 | 10,771 |
| Due from Other Funds | 318 | 58,024 | | 58,342 |
| Total Assets | $ 103,606 | $ 304,474 | $ 338,967 | $ 69,113 |
| Liabilities | | | | |
| Accounts Payable | $ 103,606 | $ 304,474 | $ 338,967 | $ 69,113 |
| **Deferred Compensation Fund** | | | | |
| Assets | | | | |
| Cash & Temporary Investments | $ 676,628 | $ 135,810 | $ 82,287 | $ 730,151 |
| Liabilities | | | | |
| Deferred Compensation | $ 676,628 | $ 135,810 | $ 82,287 | $ 730,151 |
| **Total - All Agency Funds** | | | | |
| Assets | | | | |
| Cash & Temporary Investments | 779,916 | 382,260 | 421,254 | 740,922 |
| Due from Other Funds | 318 | 58,024 | | 58,342 |
| Total Assets | $ 780,234 | $ 440,284 | $ 421,254 | $ 799,264 |
| Liabilities | | | | |
| Accounts Payable | 103,606 | 304,474 | 338,967 | 69,113 |
| Deferred Compensation | 676,628 | 135,810 | 82,287 | 730,151 |
| Total Liabilities | $ 780,234 | $ 440,284 | $ 421,254 | $ 799,264 |

See Accompanying Notes to Financial Statements

## GENERAL FIXED ASSET ACCOUNT GROUP

This account group accounts for fixed assets of the Borough that are not used in proprietary fund operations.

# KETCHIKAN GATEWAY BOROUGH

## GENERAL FIXED ASSET ACCOUNT GROUP

## STATEMENT OF GENERAL FIXED ASSETS

June 30, 1986

| | |
|---|---|
| General Fixed Assets | |
| Land | 148,081 |
| Buildings | 16,215,802 |
| Equipment | 3,320,071 |
| | $ 19,683,954 |

| | |
|---|---|
| Investment in General Fixed Assets From: | |
| General Revenues | 639,799 |
| School District Sources | 18,541,240 |
| Federal and State Grants | 502,915 |
| | $ 19,683,954 |

See Accompanying Notes to Financial Statements

KETCHIKAN GATEWAY BOROUGH

GENERAL FIXED ASSET ACCOUNT GROUP

STATEMENT OF GENERAL FIXED ASSETS BY FUNCTION

June 30, 1986

| | Total | Land | Buildings | Equipment |
|---|---|---|---|---|
| Administration | 309,744 | | 150,000 | 159,744 |
| Public Safety | | | | |
| Fire Districts | 223,754 | | 150,702 | 73,052 |
| Animal Control | 533,183 | 30,865 | 443,714 | 58,604 |
| Total Revenues | 756,937 | 30,865 | 594,416 | 131,656 |
| Public Services | | | | |
| Planning | 76,033 | | | 76,033 |
| Education | 18,541,240 | 117,216 | 15,471,386 | 2,952,638 |
| Total | $ 19,683,954 | $ 148,081 | $ 16,215,802 | $ 3,320,071 |

See Accompanying Notes to Financial Statements

# KETCHIKAN GATEWAY BOROUGH

## GENERAL FIXED ASSET ACCOUNT GROUP

## STATEMENT OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION

Year Ended June 30, 1986

| | Balance 7/01/85 | Additions | Transfers and Deductions | Balance 6/30/86 |
|---|---|---|---|---|
| Administration | 292,306 | 17,438 | | 309,744 |
| Public Safety | | | | |
| Fire Districts | 201,476 | 22,278 | | 223,754 |
| Animal Control | 527,168 | 6,015 | | 533,183 |
| Total Revenues | 728,644 | 28,293 | | 756,937 |
| Public Services | | | | |
| Planning | 69,437 | 6,596 | | 76,033 |
| Education | 13,155,813 | 5,412,486 | 27,059 | 18,541,240 |
| Total | $ 14,246,200 | $ 5,464,813 | $ 27,059 | $ 19,683,954 |

See Accompanying Notes to Financial Statements

# GENERAL LONG TERM DEBT ACCOUNT GROUP

This account group accounts for the general long-term debt of the Borough that is payable from revenue sources other than from proprietary and special assessment funds.

KETCHIKAN GATEWAY BOROUGH

GENERAL LONG TERM DEBT ACCOUNT GROUP

STATEMENT OF GENERAL LONG TERM DEBT

June 30, 1986

| | |
|---|---|
| Amount to be Provided for Payment of Long Term Debt | $ 18,309,000 |
| | |
| General Long Term Debt Payable | |
| General Obligation Bonds | |
| 1958 G. O. Bonds | 529,000 |
| 1974 G. O. Bonds | 3,155,000 |
| 1983 G. O. Bonds | 14,625,000 |
| Total | $ 18,309,000 |

See Accompanying Notes to 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

COMBINED SCHEDULE OF CASH AND INVESTMENT BALANCES - ALL FUNDS

Year Ended June 30, 1986

| | | |
|---|---|---|
| Cash & Investments Classified by Fund | | |
| General Fund | | 3,795,034 |
| Special Revenue Funds | | |
| School District Operating Fund | 24,349 | |
| School District Special Activities Fund | 196,302 | |
| Land Trust Fund | 1,588,288 | |
| Mud Bight Service Area Fund | 31,859 | |
| Shoreline Service Area Fund | 77,278 | |
| Mt. Point Service Area Fund | 24,634 | |
| South End Fire District Fund | 119,648 | |
| Waterfall Service Area Fund | 23,443 | |
| South Tongass Service Area Fund | 24,947 | |
| State Planning Grants Fund | 25,000 | |
| School Bond Interest Fund | 746,363 | 2,882,111 |
| Capital Project Funds | | |
| Senate Bill 168 Capital Improvements Fund | 856,582 | |
| Ketchikan Secondary Route Construction Fund | 1,060,943 | |
| School Bond Construction Fund - 1983 | 3,800,000 | |
| School Capital Improvements Fund | 496,483 | 6,214,008 |
| Enterprise Funds | | |
| Airport Fund | | |
| Unrestricted | 234,543 | |
| Restricted | 57,767 | 292,310 |
| Trust Funds | | |
| Expendable Scholarship Funds | 16,096 | |
| School District Pension Fund | 466,988 | |
| School District Revolving Fund | 10,771 | |
| School District Deferred Compensation Fund | 730,151 | 1,224,006 |
| Total Cash & Investments | | $ 14,407,469 |

| | |
|---|---|
| Cash Classified by Depository | |
| Change Funds | 1,200 |
| First Bank of Ketchikan | 177,192 |
| National Bank of Alaska | 10,050 |
| United Bank of Alaska, Southeast | 64,619 |
| Alaska Federal Savings & Loan | 709,207 |
| Tongass Federal Credit Union | 148,213 |
| Total Cash | 1,110,481 |
| Investments | 13,296,988 |
| Total Cash & Investments | $ 14,407,469 |

See Accompanying Notes to Financial Statements

# KETCHIKAN GATEWAY BOROUGH
## COMBINED SCHEDULE OF INVESTMENTS _ ALL FUNDS
June 30, 1986

| | Certificate Numbers | Interest Rates | Maturity Dates | Amount |
|---|---|---|---|---|
| Combined Investments | | | | |
| Certificates of Deposit | | | | |
| First Bank | 20658 | 6.710 | 7/17/86 | 2,500,000 |
| First Bank | 20662 | 6.570 | 7/17/86 | 300,000 |
| First Bank | 20628 | 6.870 | 7/24/86 | 1,500,000 |
| First Bank | 20316 | 7.760 | 8/14/86 | 1,000,000 |
| First Bank | 20636 | 6.910 | 8/28/86 | 950,000 |
| First Bank | 20633 | 6.870 | 8/29/86 | 1,000,000 |
| First Bank | 20644 | 6.910 | 9/25/86 | 1,750,000 |
| | | | | 9,000,000 |
| School Bond Construction Fund | | | | |
| Certificates of Deposit | | | | |
| National Bank of Alaska | 10265 | 7.800 | 7/10/86 | 800,000 |
| First Bank | 20318 | 7.760 | 8/14/86 | 1,500,000 |
| First Bank | 20652 | 6.770 | 8/29/86 | 1,500,000 |
| | | | | 3,800,000 |
| Airport Fund | | | | |
| Other Investments | | | | |
| U. S. Treasury Notes | | 14.875 | 8/15/91 | 20,000 |
| Expendable Scholarship Fund | | | | |
| Other Investments | | | | |
| U. S. Treasury Notes - Series G | | 8.500 | | 10,000 |
| School District Pension Funds | | | | |
| Other Investments | | | | |
| Funds Invested Through Aetna Ins. Co. | | | | 466,988 |
| Total Investments | | | | $ 13,296,988 |

See Accompanying Notes to Financial Statements

# KETCHIKAN GATEWAY BOROUGH

## COMBINED SCHEDULE OF BONDS PAYABLE

June 30, 1986

| | Interest Rate (%) | 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 | 5/01/72 | 5/01/97 |
| 1973 Airport Bonds | 5.50- 6.50 | 4/1 & 10/1 | 4/01/73 | 4/01/93 |
| 1974 School Refunding | 5.00- 8.00 | 3/1 & 9/1 | 3/01/74 | 9/01/95 |
| 1983 School Construction | 9.15-20.00 | 6/1 & 12/1 | 6/01/83 | 6/01/93 |
| Revenue Bonds | | | | |
| 1980 Airport Improvement Bonds | 8.00 | 5/1 & 11/1 | 5/01/80 | 5/01/00 |

| | Authorized | Issued | Retired | Outstanding |
|---|---|---|---|---|
| General Obligation Bonds | | | | |
| 1958 APW Bonds | 529,000 | 529,000 | | 529,000 |
| 1972 Airport Bonds | 2,200,000 | 2,200,000 | 805,000 | 1,395,000 |
| 1973 Airport Bonds | 790,000 | 790,000 | 400,000 | 390,000 |
| 1974 School Refunding | 4,835,000 | 4,835,000 | 1,680,000 | 3,155,000 |
| 1983 School Construction | 16,900,000 | 16,900,000 | 2,275,000 | 14,625,000 |
| | $ 25,254,000 | $ 25,254,000 | $ 5,160,000 | $ 20,094,000 |
| Revenue Bonds | | | | |
| 1980 Airport Improvement Bonds | $ 410,000 | $ 410,000 | 15,000 | $ 395,000 |

See Accompanying Notes to Financial Statements

# KETCHIKAN GATEWAY BOROUGH

## SCHEDULE OF ESTIMATED USEFUL LIVES OF ASSETS SUBJECT TO DEPRECIATION

June 30, 1986

| ASSET | Estimated Years of Life |
|---|---|
| Airport Field Facilities | 15 - 30 |
| Vehicles and Moving Equipment | 6 - 10 |
| Airport Terminal Building | 40 |
| Equipment | 6 - 10 |
| Ferry Slip | 40 |
| Ferries | 20 |

See Accompanying Notes to Financial Statements

KETCHIKAN GATEWAY BOROUGH
DEBT SERVICE REQUIREMENTS TO MATURITY
June 30, 1986

| Fiscal Year | G.O. Bonds - Airport Principal | G.O. Bonds - Airport Interest | G.O. Bonds - Airport Total | Revenue Bonds - Airport Principal | Revenue Bonds - Airport Interest | Revenue Bonds - Airport Total |
|---|---|---|---|---|---|---|
| 1987 | 135,000 | 104,385 | 239,385 | 15,000 | 31,600 | 46,600 |
| 1988 | 150,000 | 96,465 | 246,465 | 20,000 | 30,400 | 50,400 |
| 1989 | 160,000 | 87,615 | 247,615 | 20,000 | 28,800 | 48,800 |
| 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 | 58,095 | 243,095 | 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 | | | | 40,000 | 10,400 | 50,400 |
| 1999 | | | | 40,000 | 7,200 | 47,200 |
| 2000 | | | | 50,000 | 4,000 | 54,000 |
| | 1,785,000 | 630,845 | 2,415,845 | 395,000 | 278,000 | 673,000 |

| Fiscal Year | G.O. Bonds - Education Principal | G.O. Bonds - Education Interest | G.O. Bonds - Education Total |
|---|---|---|---|
| 1987 | 1,555,000 | 1,529,953 | 3,084,953 |
| 1988 | 1,695,000 | 1,379,125 | 3,074,125 |
| 1989 | 1,850,000 | 1,218,468 | 3,068,468 |
| 1990 | 2,020,000 | 1,046,112 | 3,066,112 |
| 1991 | 2,195,000 | 879,718 | 3,074,718 |
| 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 |
| | 17,780,000 | 7,539,235 | 25,319,235 |

See Accompanying Notes to 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.

# KETCHIKAN GATEWAY BOROUGH

## GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

Ten Year Period Ending June 30, 1986
(All amounts rounded to nearest thousand)

| Fiscal Year | General Government | Planning | Education Operating | Education Capital | Debt Service Education |
|---|---|---|---|---|---|
| 1977 | 680 | 175 | 6,849 | 48 | 603 |
| 1978 | 870 | 192 | 6,840 | 54 | 610 |
| 1979 | 972 | 297 | 8,149 | 300 | 609 |
| 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 |

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

Table 2

KETCHIKAN GATEWAY BOROUGH

GENERAL REVENUES BY SOURCE

Ten Year Period Ending June 30, 1986
(All amounts rounded to nearest thousand)

| Fiscal Year | Taxes | Intergovernmental Revenue | Charges for Services | Other Revenue |
|---|---|---|---|---|
| 1977 | 3,027 | 6,004 | 10 | 197 |
| 1978 | 2,797 | 6,261 | 21 | 232 |
| 1979 | 2,707 | 7,268 | 188 | 360 |
| 1980 | 2,771 | 8,048 | 256 | 619 |
| 1981 | 2,602 | 11,005 | 240 | 684 |
| 1982 | 2,236 | 12,641 | 299 | 1,058 |
| 1983 | 2,543 | 14,251 | 443 | 1,270 |
| 1984 | 2,618 | 15,476 | 680 | 2,821 |
| 1985 | 4,094 | 15,883 | 543 | 2,935 |
| 1986 | 3,889 | 16,878 | 583 | 1,872 |

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

Table 3

KETCHIKAN GATEWAY BOROUGH

TAX REVENUES BY SOURCE

Ten Year Period Ending June 30, 1986
(All amounts rounded to nearest thousand)

| Fiscal Year | Total Taxes | General Property Tax | Other Taxes | General Sales Tax |
|---|---|---|---|---|
| 1976 | 2,506 | 1,661 | | 845 |
| 1977 | 3,027 | 2,078 | | 949 |
| 1978 | 2,797 | 1,722 | | 1,075 |
| 1979 | 2,707 | 1,470 | 83 | 1,154 |
| 1980 | 2,771 | 1,372 | 73 | 1,326 |
| 1981 | 2,602 | 1,021 | | 1,581 |
| 1982 | 2,236 | 528 | | 1,708 |
| 1983 | 2,543 | 661 | | 1,882 |
| 1984 | 2,618 | 695 | | 1,923 |
| 1985 | 4,094 | 2,186 | | 1,908 |
| 1986 | 3,889 | 1,923 | | 1,966 |

Tax Revenues by Source figures include data for all funds except Proprietary and Fiduciary Fund Types.

Table 6

# KETCHIKAN GATEWAY BOROUGH

## ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Ten Year Period Ending June 30, 1986

| Fiscal Year | Estimated Actual Value | Assessed Value | Percent of Estimated Value To Assessed Value |
|---|---|---|---|
| 1977 | 218,982,195 | 218,982,195 | 100% |
| 1978 | 247,655,450 | 247,655,450 | 100% |
| 1979 | 293,378,830 | 293,378,830 | 100% |
| 1980 | 306,854,630 | 306,854,630 | 100% |
| 1981 | 366,613,765 | 366,613,765 | 100% |
| 1982 | 445,168,300 | 445,168,300 | 100% |
| 1983 | 532,766,200 | 532,766,200 | 100% |
| 1984 | 573,656,746 | 573,656,746 | 100% |
| 1985 | 638,157,830 | 638,157,830 | 100% |
| 1986 | 660,988,333 | 660,988,333 | 100% |

Table 7

KETCHIKAN GATEWAY BOROUGH

ASSESSED VALUE AND TAXABLE PROPERTY AND TAX RATES
ALL OVERLAPPING GOVERNMENTS

Ten Year Period Ending June 30, 1986

| Fiscal Year | Assessed Value of Real and Personal Property | Property Tax Millage Rates | | | | | Tax Levy Municipal Purposes |
|---|---|---|---|---|---|---|---|
| | | City of Ketchikan | Shoreline Service Area | South End Fire Service Area | Mud Bight Service Area | Ketchikan Gateway Borough | |
| 1977 | 218,982,195 | 11.80 | 1.20 | | | 9.60 | 2,097,282 |
| 1978 | 274,655,450 | 10.30 | 1.20 | | | 7.00 | 1,733,588 |
| 1979 | 293,378,830 | 10.10 | 1.20 | | | 5.00 | 1,466,894 |
| 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 | .80 | | | 1.00 | 460,850 |
| 1983 | 532,766,200 | 4.80 | 1.50 | | | 1.00 | 568,074 |
| 1984 | 573,656,746 | 8.40 | .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 |

Table 12

# KETCHIKAN GATEWAY BOROUGH

## DEMOGRAPHIC STATISTICS

### Ten Year Period Ending June 30, 1986

| Fiscal Year | Population | Per Capita Income (1) | School Enrollment (2) | Unemployment Rate (1) |
|---|---|---|---|---|
| 1977 | 10,041 | 10,181 | 2,601 | 8.6 |
| 1978 | 11,554 | 11,466 | 2,569 | 11.5 |
| 1979 | 13,071 | 12,277 | 2,478 | 10.9 |
| 1980 | 13,493 | 13,259 | 2,454 | 8.6 |
| 1981 | 14,406 | 14,320 | 2,428 | 8.9 |
| 1982 | 12,336 | 15,465 | 2,354 | 12.7 |
| 1983 | 12,829 | 15,896 | 2,372 | 11.5 |
| 1984 | 14,314 | 16,405 | 2,512 | 14.6 |
| 1985 | 14,314 | 15,931 | 2,492 | 15.4 |
| 1986 | 14,314 | 15,630 | 2,535 | 12.2 |

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

Table 13

KETCHIKAN GATEWAY BOROUGH

PRINCIPAL TAXPAYERS

June 30, 1986

| Taxpayer | Type of Business | Valuation | Percentage of Total Assessed Valuation |
|---|---|---|---|
| Louisiana Pacific Corp. | Lumber Processing | 41,871,650 | 6.3 |
| Wayne Construction | Construction | 9,162,700 | 1.4 |
| Port West, Inc. | Retail Stores | 8,538,800 | 1.3 |
| Union Oil Company | Petroleum Products | 6,482,150 | 1.0 |
| Stėve D. Seley, Jr. | Commercial Property | 6,467,350 | 1.0 |
| Cape Fox Corporation | Alaska Native Corp. | 6,165,600 | 0.9 |
| E. C. Phillips & Son | Fish Processing | 6,048,350 | .9 |
| Temsco Helecopters | Aviation | 5,795,050 | 0.9 |
| Chevron USA | Petroleum Products | 5,169,200 | .8 |
| James Vanderweele | Commercial Property | 4,709,450 | 0.7 |

Table 14

KETCHIKAN GATEWAY BOROUGH

MISCELLANEOUS STATISTICS

June 30, 1986

| | |
|---|---|
| Date of Incorporation | September 13,1963 |
| Form of Government | Borough |
| Area - Square Miles | 1,242 |
| Education (through Grade 12 only) | |
| Number of Attendance Centers | 6 |
| Number of Classrooms | 130 |
| Number of Teachers | 168 |
| Number of Students | 2,535 |
| Elections | |
| Number of Registered Voters | 7,410 |
| Number of votes in last regular election | 2,507 |
| Airport Operations | |
| Landings & Takeoffs per year - all Aircraft | 31,692 |
| Air Carrier Passengers per year | 148,616 |
| Planning | |
| Number of zoning permits issued | 276 |
| Employees as of June 30, 1986 | 432 |