

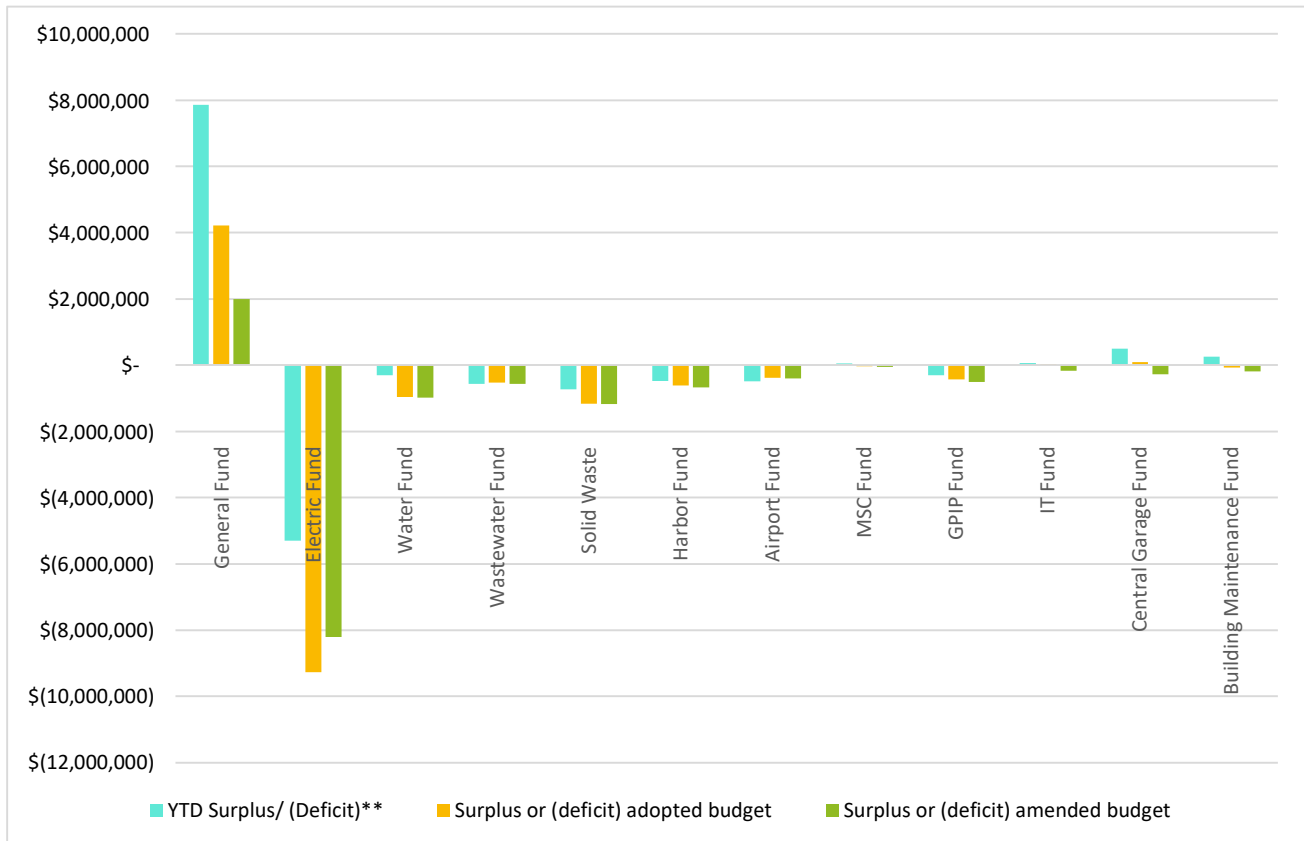
INTERIM FINANCIAL STATEMENTS THROUGH  
December 31, 2025

City and Borough of Sitka  
Organizational Summary  
Through December 31 2025

Key organizational Funds	Revenue performance (under budget)/over budget	Expense Performance (under budget)/over budget*	YTD Surplus/ (Deficit)**	Surplus or (deficit) adopted budget	Surplus or (deficit) amended budget
General Fund	\$ 1,268,291	\$ (1,984,558)	\$ 7,850,937	\$ 4,214,211	\$ 2,000,624
Electric Fund	671,062	(2,233,909)	(5,300,864)	(9,273,631)	(8,213,274)
Water Fund	141,348	(630,504)	(299,284)	(959,125)	(975,429)
Wastewater Fund	112,199	61,878	(559,528)	(529,572)	(560,768)
Solid Waste	248,373	(235,764)	(724,462)	(1,167,441)	(1,171,047)
Harbor Fund	196,873	(36,597)	(477,597)	(608,641)	(668,813)
Airport Fund	(168,678)	(78,179)	(490,413)	(384,671)	(399,305)
MSC Fund	17,236	(85,151)	52,834	(33,872)	(49,653)
GPIP Fund	115,539	(141,891)	(306,782)	(433,275)	(507,475)
IT Fund	12,303	(199,495)	60,468	38,778	(166,864)
Central Garage Fund	232,090	(572,123)	499,961	96,242	(277,809)
Building Maintenance Fund	15,625	(422,349)	252,316	(66,331)	(185,661)

\* Excludes depreciation and transfers to CAPEX

\*\*Factors in transfers to CAPEX and depreciation



City and Borough of Sitka  
Organizational Summary  
Through December 31 2025

**Supplemental Appropriations made through end of period for the General Fund:**

Incomplete purchase orders rolled from FY25 to FY26	\$ 629,201
ORD 2025-14 Administrative Staffing	\$ 148,950
ORD 2025-15 Marine Vessel Haul Out	\$ 495,250
ORD 2025-21 Custodial Services	\$ 25,537
ORD 2025-20 E911 Phone Consoles	\$ 30,580
ORD 2025-23 Re-appropriations	\$ 132,096
ORD 2025-24 Library Grant	\$ 8,000
ORD 2025-25 Police Vehicles	\$ 65,250
ORD 2025-28 E911 Phone Consoles	\$ 36,723
ORD 2025-29 Airport Terminal	\$ 650,000
TOTAL	\$ 2,221,587

**ORGANIZATION-WIDE ANALYSIS**

The following are interim financial statements for the significant funds of the City and Borough of Sitka. These statements are structured to mirror key elements from the Annual Comprehensive Report while emphasizing year-to-date budget performance. Each fund is accompanied by an analysis by the Finance Director highlighting key performance indicators and their implications for the fund's financial health.

**Organizational Financial Overview**

Current financial trends across the organization are largely positive, supported by steady economic activity and continued demand for services. However, several challenges persist that will require careful planning:

**Escalating Costs:** Rising expenses, particularly for capital projects and major maintenance, remain a significant concern. Construction cost inflation continues to outpace available funding, further widening the gap between infrastructure needs and the resources available to address them.

**Uncertainties in Federal Funding:** Shifts in federal policy have altered the grant landscape. While some areas remain supported, other areas (particularly environmental related projects) face reduced funding availability. This places increased responsibility on local governments to meet sustainability and infrastructure goals.

**Reductions in State Funding:** The State of Alaska continues to reduce direct financial support to municipalities as it manages its own budget constraints. This affects key areas such as school funding, community assistance, and infrastructure development. The harbor system is particularly affected, as the cost of major harbor infrastructure is far beyond what local municipalities can support without state partnership.

**Consumer Spending Trends:** Overall sales tax collections continue to perform well; however, recent collections indicate some shifts in spending behavior. Several discretionary spending categories have softened during the off-season, which may reflect changing consumer priorities as residents continue to adjust to higher costs of living. Additional data will be needed to determine whether these changes represent a temporary fluctuation, particularly influenced by factors such as the extended federal government shutdown, or a developing long-term trend.

**Affordability and Household Financial Pressures:** Rising costs of living, combined with uncertainty surrounding state and federal assistance programs, may place additional financial strain on households. While most of these programs are administered outside of local government, reductions in available support often increase expectations for local governments, nonprofits, and community organizations to respond to emerging needs.

### **Organization Capacity and Operational Changes**

The volume of capital projects continues to rise, driven by aging infrastructure, regulatory requirements, and deferred maintenance needs. While staffing capacity has improved in several areas, project delivery remains a significant challenge due to the number, complexity, and size of projects underway. In addition to the ongoing utility and airports projects, capital projects related to the facilities occupied by the School District have substantially increased the overall project workload and appropriations.

In addition, CBS continues to assume several significant long-term operational responsibilities in both the General Fund and enterprise funds. CBS has already summed responsibility for maintenance of the buildings occupied by the School District. While day-to-day haul out operations are handled by Highmark, CBS remains responsible for oversight and long-term asset management. The renovated airport terminal will also increase the operational and maintenance responsibilities once fully completed. These expansions increase long-term financial obligations and place additional demands on existing staff for execution, administration, and ongoing management.

### **Budget Performance and Fiscal Management**

CBS's conservative budgeting approach has ensured careful management of community resources, generating working capital to reinvest in essential infrastructure. However, several trends continue to limit long-term capacity:

**Capital Investment Gaps:** While working capital is being generated, it is not sufficient to keep pace with the rising cost of infrastructure. This is especially prevalent in road and utility projects. Many projects now require significantly higher local contributions than in prior year, even when grants are available.








**School Infrastructure Pressures:** The condition of the buildings occupied by the School District remains a significant concern. Aging buildings and deferred maintenance needs continue to grow, while state support for major maintenance or improvements has weakened.

Overall, the City and Borough of Sitka remains on stable financial footing with strong economic performance. However, careful management is required to address cost escalations and ensure sustainable investments in key infrastructure. Moving forward the focus will be on:

- Prioritizing infrastructure projects based on risk, community impact, and alignment with available funding sources.
- Maintaining operational efficiency despite increasing workload, project complexity, and evolving operational responsibilities.
- Strategically managing working capital to support essential capital reinvestment while preserving long-term financial stability.

Continued diligence in these areas will be essential to navigate emerging challenges and sure that Sitka's resources are effectively allocated to meet the community's needs now and in the future.

City and Borough of Sitka  
General Fund Analysis  
Through December 31 2025

Indicator	Amount	Compared To Last Yr	Compared To Plan	Status	Big Picture
<b>Revenue</b>	<b>24,580,288</b>	Improved from prior year	Met/Exceeded Plan		Revenue exceeded budget at midyear, primarily due to stronger sales tax collections for CY25 Q3 and investment earnings. Several major revenue sources are timing dependent.
<b>Appropriated Operating Outlays vs. Actual Operating Outlays</b> (Budgeted for period minus actual expenditures. Indicates spending levels as compared to approved budget )	<b>1,984,558</b>	n/a	Under Budget		Expenditures remain below budget due in part to staff vacancies and expenditure timing. Spending is expected to increase during the second half of the fiscal year.
<b>Surplus/(Shortfall) of Revenues over Outlays</b>	<b>7,850,937</b>	Decreased	Exceeded Plan		Positive operating results reflect favorable revenue collections and lower than budgeted expenditures through the second quarter.
<b>Capital Expenditure Outlays</b> (The General Fund's depreciable assets decreased in value by \$7M (including schools) last year, which could be a benchmark for setting aside funds for future asset replacement)	<b>280,299</b>	Increased slightly	n/a		Capital project spending is slow, partly due to timing and other significant high-priority projects, such as the airport terminal, and that are reported in other funds.
<b>Assigned Portion of Fund balance</b> (Includes balance restricted by SGC and other external restrictions such as E-911, liquidity restriction, emergency response, advances to other funds, etc....)	<b>16,395,065</b>	Increased	n/a		Assigned fund balance includes amounts committed for liquidity, emergency response, E911, and other designated purposes. Higher operating costs increase the level of funding required to ensure liquidity.
<b>Unassigned and Available Fund Balance</b> (Portion of fund balance not committed for above/other purposes)	<b>16,771,406</b>	Increased	n/a		Unassigned fund balance remains strong. This provides flexibility to address future operational and capital needs.
<b>Total General Fund Balance</b>	<b>33,166,471</b>	Improved	n/a		Improved at midyear, but revenue performance during the second half of the year will determine how much is available.

City and Borough of Sitka  
General Fund Analysis  
Through December 31 2025

**General Fund:**

Revenues through the second quarter exceeded budget expectations by approximately \$1.3 million. Property tax collections, sales tax revenue, and investment earnings are all above budget at midyear and contributed to the favorable variance. Investment earnings continue to outperform budget assumptions due to higher cash balances and interest rates than anticipated. Because several major revenue sources are heavily concentrated in the first half of the year, midyear results may not be indicative over year-end performance.

General Fund expenditure remains approximately \$2 million below budget at midyear. A significant portion of this variance is attributable to staff vacancies that improved during the second half of the year. Many expenditure categories are expected to increase during the second half of the year as projects progress, seasonal activities occur, and remaining budgeted expenditures are incurred. Personnel costs continue to be one of the primary drivers of expenditure growth compared to the prior year.

**Capital Project Fund:**

At midyear, the Capital Project Fund had approximately \$22.4 million in unspent capital appropriations, including \$6.1 million in new appropriations for FY2026. Of those new appropriations, approximately \$1.9 million was related to capital projects for facilities occupied by the Sitka School District, substantially increasing both the project load and total appropriations within the Capital Project Fund. Many projects remain in the planning, design, or procurement phases, while others are accumulating sufficient working capital prior to implementation. Although staffing levels have improved, project delivery capacity continues to be influenced by an increasing number and complexity of projects, as well as ongoing inflationary pressure affecting construction costs.

While the level of unspent appropriations may appear significant, it reflects the long-term nature of capital planning and project delivery. In many cases, funding is accumulated over several years to fund major projects that cannot immediately be afforded within a single budget cycle. Additionally, project development, design, permitting, procurement, and construction typically span multiple fiscal years. Project prioritization across the organization can also affect the timing of implementation, particularly when grant funded, regulatory, or otherwise time-sensitive projects require resources that would otherwise be available for other capital projects.

Staff are working on reviewing older capital projects to determine whether remaining appropriations are still needed. Where appropriate, projects are being closed out and unused working capital returned for future allocation. Staff expect to close out a number of small projects before the end of FY2026, with additional project closures anticipated during FY2027 as this effort continues.

Note: The negative cash position associated with certain capital projects reflects timing differences related to outstanding grant or loan receivables rather than a cash shortfall.

City and Borough of Sitka  
Interim Financial Statements  
General Fund Income Statement  
Through December 31 2025

	Jul- Sept	Oct- Dec	Jan- Mar	Apr- Jun	YTD	Prior YTD	Variance from prior YTD	FY26 amended budget YTD	Variance from budget
<b>Revenues</b>									
301 Property Tax	\$ 8,328,015	\$ 112,957	\$ -	\$ -	\$ 8,440,972	\$ 7,820,577	\$ 620,395	\$ 8,359,448	\$ 81,524
302 Sales Tax	8,236,608	2,797,118	-	-	11,033,725	10,860,361	173,365	10,601,329	432,396
310 State Revenue	156,561	541,114	-	-	697,675	600,963	96,712	565,114	132,561
315 Federal Revenue	1,375	2,715	-	-	4,090	1,413	2,677	20,805	(16,715)
320 Licenses & Permits	22,355	73,677	-	-	96,032	88,048	7,985	122,134	(26,102)
330 Services	467,647	497,941	-	-	965,587	1,091,503	(125,916)	929,655	35,932
340 Operating Revenue	100,924	121,776	-	-	222,700	236,595	(13,895)	277,140	(54,440)
360 Uses of Prop & Investmer	576,793	646,345	-	-	1,223,138	925,038	298,100	585,306	637,832
370 Interfund Billings	908,472	908,472	-	-	1,816,944	1,564,602	252,342	1,817,676	(732)
380 Miscellaneous	30,105	49,319	-	-	79,424	378,803	(299,379)	33,389	46,035
<b>Total Revenue</b>	<b>18,828,854</b>	<b>5,751,434</b>	<b>-</b>	<b>-</b>	<b>24,580,288</b>	<b>23,567,902</b>	<b>1,012,385</b>	<b>23,311,996</b>	<b>1,268,291</b>
<b>Expenditures</b>									
001 Administrator & Assembly	331,967	416,785	-	-	748,752	589,544	159,209	912,834	(164,082)
002 Attorney	108,547	127,170	-	-	235,717	249,879	(14,162)	307,205	(71,488)
003 Municipal Clerk	120,221	220,417	-	-	340,638	365,846	(25,207)	493,262	(152,624)
004 Finance	622,827	861,897	-	-	1,484,725	1,416,276	68,449	1,640,679	(155,955)
005 Assessing	118,512	138,601	-	-	257,113	237,128	19,984	270,355	(13,243)
006 Planning	346,574	342,373	-	-	688,947	512,558	176,389	899,933	(210,985)
007 General Office	505,399	205,583	-	-	710,982	666,014	44,967	750,056	(39,075)
008 Other (Non-Profit Support)	180,000	100,000	-	-	280,000	204,571	75,429	392,605	(112,605)
021 Police	1,156,566	1,177,919	-	-	2,334,485	2,102,823	231,663	3,091,183	(756,698)
022 Fire Protection	688,195	754,123	-	-	1,442,318	1,323,657	118,662	1,416,508	25,810
023 Ambulance	91,444	90,841	-	-	182,285	188,121	(5,837)	213,018	(30,733)
024 Search and Rescue	5,544	3,944	-	-	9,488	14,102	(4,614)	17,756	(8,267)
031 Administration	224,966	190,650	-	-	415,615	401,309	14,306	488,898	(73,282)
032 Engineering	196,090	225,868	-	-	421,958	432,213	(10,254)	537,886	(115,928)
033 Streets	339,479	788,945	-	-	1,128,423	1,201,993	(73,569)	1,205,712	(77,289)
034 Recreation	253,165	280,482	-	-	533,647	508,848	24,799	716,221	(182,573)
035 Building Officials	96,911	116,420	-	-	213,331	196,945	16,386	274,457	(61,127)
041 Library	381,681	348,657	-	-	730,338	676,338	53,999	758,461	(28,124)
043 Centennial Building	310,983	229,360	-	-	540,342	494,909	45,434	543,343	(3,001)
047 Senior Citizens	21,352	16,861	-	-	38,213	33,012	5,201	46,196	(7,983)
650 Debt Payments	10,441	-	-	-	10,441	10,577	(136)	9,926	515
660 Support Payments	2,231,438	2,242,172	-	-	4,473,610	4,257,028	216,582	4,194,943	278,667
670 Fixed Assets	6,500	21,887	-	-	28,387	30,473	(2,086)	52,877	(24,490)
<b>Total Operating Expense</b>	<b>8,348,801</b>	<b>8,900,954</b>	<b>-</b>	<b>-</b>	<b>17,249,756</b>	<b>16,114,163</b>	<b>1,135,593</b>	<b>19,234,314</b>	<b>(1,984,558)</b>
<b>Other Financing Sources (Uses)</b>									
Interfund Transfers In	6,476,282	1,769,559	-	-	8,245,841	6,220,271	2,025,570	7,694,287	551,554
Interfund Transfers Out	(6,973,463)	(751,973)	-	-	(7,725,436)	(4,895,920)	(2,829,516)	(9,771,345)	2,045,909
Transfer Out for PISF	-	-	-	-	-	-	-	-	-
<b>Net Transfers</b>	<b>(497,181)</b>	<b>1,017,586</b>	<b>-</b>	<b>-</b>	<b>520,405</b>	<b>1,324,351</b>	<b>(803,946)</b>	<b>(2,077,058)</b>	<b>2,597,463</b>
<b>Net Change in Fund Balance</b>	<b>\$ 9,982,872</b>	<b>\$ (2,131,935)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,850,937</b>	<b>\$ 8,778,091</b>	<b>\$ (927,154)</b>	<b>\$ 2,000,624</b>	<b>\$ 5,850,312</b>
<b>Net Change in Fund Balance</b>									
Fund Balance, Beginning	25,315,534	35,298,406	-	-	25,315,534	23,493,964	1,821,570	25,315,534	-
Fund Balance, Ending	35,298,406	33,166,471	-	-	33,166,471	32,272,055	894,416	27,316,157	5,850,313

City and Borough of Sitka  
Interim Financial Statements  
General Fund Balance Sheet  
Through December 31 2025

	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	YTD	Prior YTD	Variance from prior YTD
<b>Assets/Deferred Outflows</b>							
Current Assets	26,445,995	24,279,696	-	-	24,279,696	28,920,691	(4,640,995)
Noncurrent Assets	11,944,701	11,955,826	-	-	11,955,826	7,484,498	4,471,328
<b>Total Assets and Deferred Outflows</b>	<b>38,390,696</b>	<b>36,235,522</b>	-	-	<b>36,235,522</b>	<b>36,405,189</b>	<b>(169,668)</b>
<b>Liabilities/Deferred Inflows/Net Position</b>							
Current Liabilities							
Accounts payable/accrued liabilities	93,051	76,745	-	-	76,745	916,505	(839,760)
Deferred Inflows of Resources							
Deferred revenue	2,999,239	2,992,305	-	-	2,992,305	3,216,625	(224,320)
<b>Total Liabilities and Deferred Inflows</b>	<b>3,092,290</b>	<b>3,069,051</b>	-	-	<b>3,069,051</b>	<b>4,133,131</b>	<b>(1,064,080)</b>
<b>Total Fund Balance</b>	<b>35,298,406</b>	<b>33,166,471</b>	-	-	<b>33,166,471</b>	<b>32,272,059</b>	<b>894,412</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>38,390,696</b>	<b>36,235,522</b>	-	-	<b>36,235,522</b>	<b>36,405,189</b>	<b>(169,668)</b>
<b>Fund Balance Analysis</b>							
<b>Total Fund Balance</b>	<b>35,298,406</b>	<b>33,166,471</b>	-	-	<b>33,166,471</b>	<b>32,272,059</b>	<b>894,412</b>
Non Spendable	3,305,359	3,203,765	-	-	3,203,765	3,207,551	(3,786)
Committed (Liquidity/Title III/E911)	11,191,290	11,191,300	-	-	11,191,300	10,504,622	686,678
Emergency Reserve	2,000,000	2,000,000	-	-	2,000,000	2,000,000	-
Unassigned	18,801,756	16,771,406	-	-	16,771,406	16,559,886	211,520
Days Operating/Unassigned Fund Balance					175	185	

<b>Summary of Capital Projects (Fund 700)</b>	Beginning cash	New appropriations of working capital	Grant/ other revenues	Expenses/ adjustments	Changes in payables/ receivables from prior year	Ending cash
90583 - City State Building Major Maintenance	42,332	-	-	-	-	42,332
90739 - Sitka Library Expansion	98,381	-	-	14,169	(16,992)	67,221
90812 - Emergency Unanticipated Repairs	500,000	-	-	-	-	500,000
90814 - Cross Trail Multi-Modal Pathway Phase 6	782	-	-	-	-	782
90838 - Lincoln St. Paving (Harbor Way to Harbor Drive)	5,052,505	-	-	7,214	-	5,045,292
90843 - Lake St. (DeGross to Arrowhead) Hirst Utility & Street Imp	3,499,094	-	-	27,658	(699)	3,470,737
90855 - Seawalk Part II	189,816	-	-	3,165	-	186,651
90861 - Asset Management / CMMS Implementation	87,200	-	-	-	-	87,200
90866 - City Hall HVAC & Controls Replacement	1,314,053	-	-	142,496	(946,336)	225,221
90878 - Katlian Ave Paving	1,175,570	530,894	-	-	-	1,706,464
90885 - Senior Center - ADA Ramp & Rear Porch Improvements	93,701	-	-	93,701	-	-
90886 - Community Playground Safety Improvements (Crescent H	8,438	-	-	-	-	8,438
90887 - Lower Moller East Playground Improvements	10,000	-	-	-	-	10,000
90888 - Pioneer Park Shelter Improvements	6,557	-	-	-	-	6,557
90907 - Police Department HVAC	376,749	581,000	-	66	-	957,683
90909 - No Name Mountain Master Plan	14,640	-	-	14,640	-	-
90912 - Crescent Harbor Restroom Replacement	388,468	-	-	3,731	(341,969)	42,768
90925 - Knutson Drive Critical Repairs	287,797	-	-	-	-	287,797
90939 - City Hall Building Carpet Replacement	250,000	-	-	-	-	250,000
90940 - HCH Cedar Trim and Lam Beam Refinishing	150,000	25,000	-	-	-	175,000
90961 - Wachusett Storm Drains (Peterson Phase II)	762,720	204,415	-	13,680	(244)	953,211
90964 - 2022 Tourism Projects	95,225	-	-	-	-	95,225
90966 - CBS Facilities Condition Assessment + Schools	390,108	-	-	-	(10,000)	380,108
90967 - Senior Center Interior Floor Replacement Upgrade Comm	38,179	-	-	38,179	-	-
90968 - Senior Center Roof Replacement	173,856	-	-	173,856	-	-
90969 - Water/Wastewater Replacement at Senior Center	134,494	-	-	134,494	-	-
90989 - ADA Second Bus Shelter	14,852	-	-	-	-	14,852
90990 - School Heat Pump Replacement	2,639	-	-	-	-	2,639
90992 - DataCenter Disaster Recovery System	6,066	-	-	-	-	6,066
90994 - Safe Streets for All	138,078	-	-	-	-	138,078
90996 - Housing Study	744,124	-	-	36,155	(35,379)	672,590
90997 - Streets Condition Assessment	20,000	-	-	-	-	20,000
90998 - Senior Center - Sprinkler Replacement	68,586	-	-	68,586	-	-
90999 - Lincoln Street (Jeff Davis to Lake) Road & Utility Project	392,668	-	-	800	-	391,868
91001 - City/State Building - Exterior Painting	50,000	-	-	-	-	50,000
91002 - Fire Hall-Carpet Replacement	51,739	-	-	-	-	51,739
91003 - City/State Building - Window Replacement	250,000	-	-	-	-	250,000
91004 - Fire Hall - Replace Fire Alarm Control Panel	23,675	-	-	-	-	23,675
91016 - Tyler New World Time & Attendance	18,306	-	-	-	-	18,306
91017 - Police Security Door and Radio Upgrade	(3,537)	51,335	-	-	(99,132)	(51,335)
91019 - UTV Storage at Cruise Terminal	11,214	-	-	10,099	-	1,115
91024 - Lifting HVAC Heat Pumps HCH, Library and UV	10,000	-	-	-	-	10,000
91025 - Governmental Asset Security Gates	100,000	-	-	-	-	100,000
91026 - Refurbishing the City-State Building Roof	175,000	-	-	-	-	175,000
91027 - Installing Fiber Optic Cable	460,000	-	-	-	-	460,000

City and Borough of Sitka  
Interim Financial Statements  
General Fund Balance Sheet  
Through December 31 2025

<b>Summary of Capital Projects (Fund 700)</b>	Beginning cash	New appropriations of working capital	Grant/ other revenues	Expenses/ adjustments	Changes in payables/ receivables from prior year	Ending cash
91028 - City Hall Water Heater Replacement	6,000	-	-	-	-	6,000
91029 - Moller Exterior Clubhouse Painting	20,000	-	-	-	-	20,000
91030 - City Hall Exterior Work	150,000	200,000	-	-	-	350,000
91031 - Centralized Permitting Software	100,000	-	-	4,075	(30,169)	65,756
91032 - Fire Hall Front Door Replacements	20,000	-	-	-	-	20,000
91038 - Fire Station Alerting System	523	-	-	-	-	523
91040 - Crescent Harbor Tennis Courts	125,000	-	-	361	-	124,639
91041 - Tom Young Cabin Deck Repair	30,000	-	-	-	-	30,000
91067 - Fire-EMS Mobile and Portable Radios	-	-	-	-	(64,636)	(64,636)
91068 - Cross Trail drainage and slope stability	-	60,000	-	-	-	60,000
91069 - Kimsham replacement of 4 scoreboards	-	80,000	-	-	-	80,000
91070 - Tom Young Cabin Envelope Façade	-	40,000	-	-	-	40,000
91071 - Commercial Electric Water Heaters (2) for Fire Hall	-	25,000	-	-	-	25,000
91072 - Upper Moller Field security cameras (4)	-	30,000	-	-	-	30,000
91073 - Moller Ballfield backstop and netting	-	30,000	-	-	-	30,000
91075 - EV electric supply infrastructure	-	50,000	-	-	-	50,000
91076 - Senior Center Rehabilitation	-	1,000,000	-	(506,823)	-	1,506,823
91078 - Repave Upper Moller Parking Lot	-	650,000	-	-	-	650,000
91079 - City Hall Restroom Refurbishment	-	180,000	-	-	-	180,000
91080 - City Hall Elevator Refurbishment	-	150,000	-	-	-	150,000
91081 - Blatchley pool repairs and improvements	-	210,000	-	-	-	210,000
91082 - Replace interpretative signs along Crescent Harbor	-	18,000	-	-	-	18,000
91083 - SSD SHS Exterior Window Repair	-	50,000	-	-	-	50,000
91084 - SSD KGH Covered Area Revitalization	-	75,000	-	-	-	75,000
91085 - SSD SSD DDC Upgrades (SHS, BMS, XES)	-	175,000	-	-	-	175,000
91086 - SSD XES Asphalt Repairs	-	125,000	-	-	-	125,000
91087 - SSD XES Back Ramp Replacement	-	15,000	-	-	-	15,000
91088 - SSD BMS Envelope Restoration	-	50,000	-	-	-	50,000
91089 - SSD SHS Envelope Restoration	-	50,000	-	-	-	50,000
91090 - SSD SHS Entry Doors & Grate Replacement	-	85,000	-	-	-	85,000
91091 - SSD SSD Boiler Overhaul	-	200,000	-	-	-	200,000
91092 - SSD KGH Compressor Replacement	-	15,000	-	-	-	15,000
91093 - SSD KGH School Sign Replacement	-	20,000	-	-	-	20,000
91094 - SSD KGH Gym Floor Resurfacing	-	125,000	-	-	-	125,000
91095 - SSD KGH HVAC Controls Upgrade	-	150,000	-	-	-	150,000
91096 - SSD XES Walk-In Freezer Repair	-	25,000	-	-	-	25,000
91097 - SSD XES Covered Area Repairs	-	20,000	-	-	-	20,000
91098 - SSD SHS Gym Wood Floor Refurbishment	-	120,000	-	-	-	120,000
91099 - SSD XES Gym Floor Resurfacing	-	150,000	-	-	-	150,000
91100 - SSD BMS Band Wood Floor Refurbishment	-	50,000	-	-	-	50,000
91101 - SSD PAC Exterior Improvements	-	100,000	-	-	-	100,000
91102 - SSD XES Exterior Repainting	-	200,000	-	-	-	200,000
91103 - SSD PAC Bollard Replacements	-	40,000	-	-	-	40,000
91104 - SSD BMS Gym Wood Floor Refurbishments	-	100,000	-	-	-	100,000
Adjustments	(3)	-	-	-	-	(3)
	18,125,593	6,055,644	-	280,299	(1,545,555.66)	22,355,382

City and Borough of Sitka  
Electric Fund Analysis  
Through December 31 2025

Indicator	Amount	Compared To Last Yr	Compared To Plan	Status	Big Picture
<b>Revenue</b>	<b>11,668,308</b>	Less than prior year	Met/Exceeded Plan		FY25 included a \$1 million Hydroelectric Incentive Program payment. FY26 operating revenue increased by 4.5% compared to the prior year.
<b>Appropriated Operating vs. Actual Operating Outlays</b> (Budgeted for period minus actual expenditures. Indicates spending levels as compared to approved budget )	<b>2,233,909</b>	n/a	Under Budget		Operating expenditures below budget due to staffing vacancies and timing of expenditures.
<b>Earnings Before Interest &amp; Depreciation</b> ("EBIDA" = Operating inflows minus operating outlays—indicates how much cash flow is being generated from operations to pay for things like interest expense, principal payments, and infrastructure investment)	<b>5,783,799</b>	Increased	Exceeded Plan		Operating cash flow exceeded budget expectations and improved compared to FY25.
<b>Net Income (Loss)</b> (Incorporates non-operating revenue/expense and depreciation—indicates how much the fund has generated after paying for interest expense and factoring in depreciation of assets)	<b>2,083,232</b>	Declined	Exceeded Plan		Current year results remain strong despite absence of incentive revenue received in FY25.
<b>Asset Replacement</b> (Net income minus debt principal repayment—gives an indication of whether or not we are setting aside enough money to cover asset replacement (as estimated by how much our assets are decreasing in value annually ))	<b>(1,839,248)</b>	Declined	Not generating cash towards asset replacement		Not generating cash towards asset replacement but performance is better than budget projections.
<b>Total Working Capital</b> (What total resources are available in the fund)	<b>28,940,455</b>	Improved	n/a		Working capital position remains strong and supports ongoing capital investment.
<b>Working Capital Appropriated For Projects</b> (Of the fund's total resources, how much has been already appropriated for CAPEX)	<b>15,533,276</b>	Improved	n/a		Significant resources committed to current and future capital projects.
<b>Undesignated Working Capital</b> (How much of the fund's resources are available)	<b>9,686,473</b>	Declined	n/a		Available working capital declined as additional resources were committed to capital projects.

City and Borough of Sitka  
Electric Fund Analysis  
Through December 31 2025

Electric Fund operating revenue through the second quarter is approximately 4% higher than the prior year and slightly above budget. The increase reflects a combination of approved FY2026 rate adjustments, including increases to the customer charge and a 2% energy rate increase, as well as higher energy sales. Total energy consumption increased by approximately 1.6% compared to the prior year, driven primarily by increased public authority and large commercial usage.

Operating expenses remain below budget through the second quarter. While certain expenditure categories may fluctuate throughout the year, overall operating performance has exceeded expectations at the midpoint of the fiscal year. A portion of the favorable variance reflects temporary staffing vacancies, which reduced personnel costs during the first half of the fiscal year.

Net income through the second quarter is below the prior year. However, this decline is largely the result of a \$1 million federal Hydroelectric Incentives Program payment received in FY2025. Excluding that payment, current year operating performance remains strong.

The Electric Fund maintains a strong working capital position and continues to fund significant capital improvements. Undesignated working capital declined compared to the prior year as additional resources have been committed to capital projects in FY2026. Although the Electric Fund maintains a strong working capital position, future infrastructure replacement and capital improvement needs remain significant. Because major utility projects often require substantial funding commitments, the fund's financial position can change quickly as projects advance. As a result, several indicators remain cautionary despite strong operating performance.

The fund is not currently generating sufficient cash flow to fully offset depreciation and long-term asset replacement needs. However, the asset replacement indicator remains substantially better than budget projections, despite the majority of the annual debt payments occurring during the first half of the fiscal year. The Electric Fund continues to meet debt obligations and remains above its required bond covenant ratio.

Note: The negative cash position associated with certain capital projects reflects timing differences related to outstanding grant or loan receivables rather than a cash shortfall.

City and Borough of Sitka  
Interim Financial Statements  
Electric Fund Income Statement  
Through December 31 2025

	Jul- Sept	Oct- Dec	Jan- Mar	Apr- Jun	YTD	Prior YTD	Variance from prior YTD	FY26 amended budget YTD	Variance from budget
<b>Operating Revenues</b>									
Miscellaneous	\$ 691	\$ 164	\$ -	\$ -	\$ 856	\$ 3,030	\$ (2,174)	\$ 1,594	\$ (738)
Pole Contracts/Other	64,176	36,222	-	-	100,398	104,126	(3,728)	76,927	23,471
Electricity-Commercial	2,267,083	1,652,774	-	-	3,919,857	3,741,499	178,358	3,813,721	106,136
Electricity-Harbor	128,194	164,573	-	-	292,766	297,069	(4,303)	301,529	(8,763)
Electricity-Public Auth	929,726	1,177,318	-	-	2,107,045	1,933,655	173,390	1,903,967	203,078
Electricity-Residential	1,935,542	2,017,510	-	-	3,953,052	3,912,334	40,718	4,018,991	(65,939)
Electric-Other	7,389	7,389	-	-	14,777	14,777	-	12,783	1,994
Interruptible Demand	94,748	172,082	-	-	266,830	243,879	22,951	271,727	(4,897)
Jobbing-Equipment	6,140	15,447	-	-	21,587	6,792	14,795	2,966	18,621
Jobbing-Labor	28,581	41,251	-	-	69,832	26,323	43,509	35,210	34,622
Jobbing-Materials/Parts	11,401	25,033	-	-	36,434	34,543	1,891	151,400	(114,966)
Yard/Street Lights	43,353	43,355	-	-	86,708	86,486	222	87,914	(1,206)
<b>Total Operating Revenue</b>	<b>5,517,023</b>	<b>5,353,119</b>	<b>-</b>	<b>-</b>	<b>10,870,142</b>	<b>10,404,513</b>	<b>465,629</b>	<b>10,678,729</b>	<b>191,413</b>
<b>Operating Expenses</b>									
Administration	790,741	882,414	-	-	1,673,155	1,301,550	371,604	1,971,026	(297,871)
Distribution	462,240	556,330	-	-	1,018,570	1,223,604	(205,034)	1,229,878	(211,308)
Jobbing Expenses	20,739	23,959	-	-	44,698	190,691	(145,993)	534,202	(489,504)
Metering	120,477	159,922	-	-	280,399	264,977	15,422	356,700	(76,301)
Blue Lake	507,948	582,162	-	-	1,090,110	1,128,938	(38,828)	1,296,959	(206,849)
Diesel Plant	100,921	199,950	-	-	300,871	199,387	101,484	438,866	(137,995)
Green Lake	274,710	270,792	-	-	545,501	651,699	(106,198)	860,962	(315,460)
Switchyard	1,733	2,710	-	-	4,443	45,543	(41,100)	151,045	(146,602)
Stores	25,134	45,385	-	-	70,520	53,580	16,940	63,129	7,391
Transmission-Line Maint.	19,685	35,036	-	-	54,721	119,821	(65,100)	92,008	(37,286)
Transmission-Substation Maintenance	-	3,357	-	-	3,357	37,793	(34,435)	128,759	(125,401)
Depreciation	1,452,880	1,452,880	-	-	2,905,761	2,850,102	55,659	2,920,303	(14,542)
<b>Total Operating Expense</b>	<b>3,777,207</b>	<b>4,214,897</b>	<b>-</b>	<b>-</b>	<b>7,992,104</b>	<b>8,067,684</b>	<b>(75,580)</b>	<b>10,043,834</b>	<b>(2,051,729)</b>
<b>Non-Operating Revenue (Expense)</b>									
State/Federal Revenue	43,770	46,528	-	-	90,298	1,035,830	(945,532)	27,183	63,115
Uses of Prop & Investment	353,473	354,395	-	-	707,867	708,467	(600)	277,320	430,547
Interest/Debt/Lease/SAAS Exp	(802,654)	(790,317)	-	-	(1,592,971)	(1,727,506)	134,535	(1,688,527)	(95,556)
<b>Total Non-Operating Revenue</b>	<b>(405,411)</b>	<b>(389,394)</b>	<b>-</b>	<b>-</b>	<b>(794,805)</b>	<b>16,792</b>	<b>(811,597)</b>	<b>(1,384,024)</b>	<b>398,106</b>
<b>Net Income (Before Transfers)</b>	<b>1,334,405</b>	<b>748,828</b>	<b>-</b>	<b>-</b>	<b>2,083,232</b>	<b>2,353,621</b>	<b>(270,388)</b>	<b>(749,129)</b>	<b>2,832,361</b>
<b>Transfers</b>									
Transfers In (Out) (Other Func	(488,967)	51,487	-	-	(437,480)	35,780	(473,260)	(423,466)	(14,014)
<b>Other Budgeted Items (Not Recorded in GAAP Statements)</b>									
Bond Principal Payments	-	3,485,000	-	-	3,485,000	3,370,000	115,000	3,485,000	-
Note Principal Payments	-	-	-	-	-	-	-	46,282	(46,282)
Purchase of Fixed Assets	-	144,130	-	-	144,130	-	144,130	185,000	(40,870)
Transfers In/(Out)-Capital Projects	(3,324,397)	6,911	-	-	(3,317,486)	(7,454,461)	4,136,975	(3,324,397)	6,911
<b>Key Indicators</b>									
<b>Cashflow from Operations (EBIDA)</b>	<b>3,192,696</b>	<b>2,591,102</b>	<b>-</b>	<b>-</b>	<b>5,783,799</b>	<b>5,186,931</b>	<b>596,868</b>	<b>3,555,198</b>	<b>2,228,600</b>
<b>Bond Covenant Calculation</b>									
Net Revenue of the System					6,144,484	6,967,008	(822,524)	3,436,235	2,708,249
Total Debt Service					5,077,971	5,097,506	(19,535)	5,173,527	(95,556)
Bond Covenant Ratio (Must be >1.25%)					121%	137%		66%	
<b>Debt Principal Coverage/Asset Replacement</b>									
Simple Cash Flow					4,551,513	5,239,502	(687,989)	1,747,708	2,803,805
Debt Principal					(3,485,000)	(3,370,000)	(115,000)	(3,531,282)	46,282
Debt Principal Coverage Surplus/(Deficit)					1,066,513	1,869,502	(802,989)	(1,783,574)	2,850,087
Less Depreciation=Available for Asset Replacement Over Depreciation					(1,839,248)	(980,599)	(858,648)	(4,703,877)	2,864,629

City and Borough of Sitka  
Interim Financial Statements  
Electric Fund Balance Sheet  
Through December 31 2025

	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	YTD	Prior YTD	Variance from prior YTD
<b>Assets/Deferred Outflows</b>							
Current Assets	35,266,356	33,276,318	-	-	33,276,318	32,306,531	969,787
Noncurrent Assets							
Debt service reserve/leases receivable	8,207,359	7,770,328	-	-	7,770,328	7,943,145	(172,817)
Leases receivable*	1,138,077	1,138,077	-	-	1,138,077	1,506,154	(368,077)
Net OPEB asset*	1,633,282	1,633,282	-	-	1,633,282	1,765,043	(131,761)
Capital assets	185,570,587	184,117,707	-	-	184,117,707	187,653,736	(3,536,029)
Deferred Outflows*							
OPEB/Pension	839,824	839,824	-	-	839,824	856,508	(16,684)
Deferred charge on refunding	2,615,550	2,615,550	-	-	2,615,550	2,884,393	(268,843)
<b>Total Assets and Deferred Outflows</b>	<b>235,271,035</b>	<b>231,391,086</b>	<b>-</b>	<b>-</b>	<b>231,391,086</b>	<b>234,915,511</b>	<b>(3,524,425)</b>
<b>Liabilities/Deferred Inflows/Net Position</b>							
Current Liabilities							
Accounts payable/accrued liabilities	346,369	348,786	-	-	348,786	118,863	229,923
Interest payable	1,077,819	266,372	-	-	266,372	277,692	(11,320)
Current portion LTD	3,720,705	3,720,705	-	-	3,720,705	3,598,995	121,710
Noncurrent Liabilities							
Bonds and notes (less current portion)*	101,837,224	101,837,224	-	-	101,837,224	108,508,189	(6,670,965)
Unamortized bond premiums*	1,698,313	1,698,313	-	-	1,698,313	2,277,759	(579,446)
Other noncurrent liabilities	407,600	407,600	-	-	407,600	359,515	48,084
Pension/OPEB liabilities*	3,785,234	3,785,234	-	-	3,785,234	3,767,686	17,548
Deferred Inflows							
OPEB/Lease*	1,199,096	1,199,096	-	-	1,199,096	1,606,854	(407,759)
<b>Total Liabilities and Deferred Inflows</b>	<b>114,072,359</b>	<b>113,263,329</b>	<b>-</b>	<b>-</b>	<b>113,263,329</b>	<b>120,515,553</b>	<b>(7,252,224)</b>
Net Investment in Capital Assets	79,505,708	78,861,858	-	-	78,861,858	75,756,632	3,105,225
Debt Service Reserves	8,207,359	7,770,328	-	-	7,770,328	7,943,145	(437,031)
OPEB Asset	1,633,282	1,633,282	-	-	1,633,282	1,765,043	-
Unrestricted	31,852,328	29,862,290	-	-	29,862,290	28,935,137	927,153
<b>Total Net Position</b>	<b>121,198,676</b>	<b>118,127,757</b>	<b>-</b>	<b>-</b>	<b>118,127,757</b>	<b>114,399,958</b>	<b>3,727,799</b>
<b>Total Liabilities, Deferred Inflows, and Net Position</b>	<b>235,271,035</b>	<b>231,391,086</b>	<b>-</b>	<b>-</b>	<b>231,391,086</b>	<b>234,915,511</b>	<b>(3,524,425)</b>
<i>*adjusted at fiscal year-end only</i>							
<b>Working Capital Analysis</b>							
<b>Total Working Capital (Current Assets-Current Liabilities)</b>	<b>30,121,462</b>	<b>28,940,455</b>	<b>-</b>	<b>-</b>	<b>28,940,455</b>	<b>28,310,981</b>	<b>629,474</b>
Current Assets Designated for Capital Projects					15,533,276	13,422,427	2,110,849
Next Debt Principal Payment					3,720,705	3,598,995	121,710
Undesignated Working Capital					9,686,473	11,289,559	(1,603,086)
Days Undesignated Working Capital					133	154	

City and Borough of Sitka  
Interim Financial Statements  
Electric Fund Balance Sheet  
Through December 31 2025

<b>Summary of Capital Projects</b>	Beginning cash	New appropriations	Grant/ other revenues	Expenses/ adjustments	Balance sheet changes from PY	Ending cash
90261 - Island Improvements	32,784	-	-	-	(23,841)	8,944
90410 - SCADA	32,844	-	-	-	(26,604)	6,241
90777 - Meter Replacement	822,112	200,000	-	90,360	(2,000)	929,752
90838 - Lincoln Street Paving	-	500,000	-	-	-	500,000
90841 - Jarvis Fuel System Repairs & Storage Tank	35,000	-	-	-	-	35,000
90868 - Thimbleberry Bypass	505,000	-	-	-	-	505,000
90944 - Howell -- Bunger Valve/Gate	150,000	-	-	-	-	150,000
90947 - Green Lake Excitation Upgrade	650,000	-	-	-	-	650,000
90948 - Green Lake Dam Power Cable Replacement	100,000	-	-	-	-	100,000
90949 - Wind Metering Towers	6,911	-	-	6,911	-	-
90972 - Green Lake Phase 2/3	3,930,916	464,397	-	-	-	4,395,313
90973 - Regulatory/FERC	668,052	-	-	138,443	(91,366)	438,242
90975 - Diesel Generation Upgrades	2,765,000	-	-	-	-	2,765,000
90976 - Transmission and Distribution (Feeder Improvements)	538,345	-	-	6,615	(146,867)	384,864
91020 - C2C	50,196	-	-	45,386	(14,900)	(10,091)
91021 - Hydro-Power Generation	431,338	-	-	425,000	(6,338)	-
91042 - Blue Lake Development - Install Fall Protection	40,000	-	-	-	-	40,000
91043 - Green Lake Development - Install Fall Protection	40,000	-	-	-	-	40,000
91044 - City Wide - Fire Systems Analysis	30,000	-	-	-	-	30,000
91045 - Blue Lake Powerplant Switchyard - Replace Breaker 33	350,000	-	-	-	-	350,000
91046 - Green Lake Powerplant Switchyard - Design and Build S	150,000	-	-	30,314	-	119,686
91047 - Green Lake Switchyard - Refurbish Transformer 1 of 4	120,000	-	-	-	-	120,000
91048 - Blue Lake Powerplant - Install Entry Gate	75,000	-	-	-	-	75,000
91049 - Green Lake Dam - Install New Dam Monitoring Camera	200,000	-	-	1,966	-	198,034
91050 - Blue Lake Intake Structure - Foundation Repairs & Boat	110,500	-	-	-	-	110,500
91051 - Marine Street Substation - Side A - PLC Replacement	30,000	-	-	-	-	30,000
91052 - Marine Street Substation - Side A - Replace transformer	25,000	-	-	-	(16,885)	8,115
91053 - Marine Street Substation - Side A Relay Upgrade	22,475	-	-	-	-	22,475
91054 - Jarvis Street Substation - PLC Replacement	30,000	-	-	-	-	30,000
91055 - Jarvis Street Substation - Relay Upgrade	30,000	-	-	-	-	30,000
91056 - Jarvis Street Substation - Replace Transformer Devices	45,000	-	-	-	-	45,000
91057 - Blue Lake Switchyard - Replace Switch BL 22 A,B	105,000	-	-	3,173	-	101,828
91058 - Blue Lake Switchyard - Replace Switch BL 33 A,B	105,000	-	-	-	-	105,000
91059 - Blue Lake Switchyard - Replace Switch BL 53 Bypass	55,000	-	-	-	-	55,000
91060 - Blue Lake Switchyard - Replace Switch BL 55 A,B	105,000	-	-	-	-	105,000
91061 - Green Lake Switchyard - Replace Switch GL 11 Breaker /	155,000	-	-	-	-	155,000
91062 - Islands - Replace Transformer D203	15,000	-	-	-	-	15,000
91063 - Islands - Replace Transformer I-7	15,000	-	-	-	-	15,000
91064 - GPIP Switchyard - Install Alternate 12kV Feeder	188,659	-	-	22,872	(9,068)	156,718
91065 - Blue Lake Penstock - Install New Water Takeoff and Isol	148,151	-	-	-	-	148,151
91105 - Blue Lake FVU _ Install Four New Interior Unit Monitori	-	-	-	(10,000)	-	10,000
91106 - Blue Lake Powerplant - Install Access to Air Filters	-	-	-	(45,000)	-	45,000
91107 - Diesel Plants - Install Two New Interior Unit Monitoring	-	-	-	(10,000)	-	10,000
91108 - Green Lake Powerplant - Install Four New Interior Unity	-	-	-	(10,000)	-	10,000
91110 - Green Lake Powerplant Switchyard - Purchase New 3-PI	-	1,340,000	-	-	-	1,340,000
91111 - Green Lake Road - Replace Culverts & Install New Culve	-	-	-	(15,000)	-	15,000
91112 - Islands - Replace Submarine Cable - CRO	-	-	-	(311,358)	-	311,358
91113 - Jarvis Street Substation - Replace Security Fencing	-	70,000	-	(10,000)	-	80,000
91114 - Transmission Line GL to BL - Replace 20 Poles	-	400,000	-	1,283	-	398,718
91115 - Transmission Line Thimbleberry to Marine Street - Repl	-	350,000	-	-	-	350,000
Adjustments	(570)	-	-	-	-	(570)
	12,907,712	3,324,397	-	360,965	(337,868)	15,533,276

City and Borough of Sitka  
Water Fund Analysis  
Through December 31 2025

Indicator	Amount	Compared To Last Yr	Compared To Plan	Status	Big Picture
<b>Revenue</b>	<b>2,263,544</b>	Improved from prior year	Met/Exceeded Plan		Revenue growth primarily reflects FY26 rate adjustments.
<b>Appropriated Operating vs. Actual Operating Outlays</b> <small>(Budgeted for period minus actual expenditures. Indicates spending levels as compared to approved budget.)</small>	<b>630,504</b>	n/a	Under Budget		Budget included assumptions for CSW repayment; several budgeted expenditures are expected to occur later in the fiscal year.
<b>Earnings Before Interest &amp; Depreciation</b> <small>("EBIDA" = Operating inflows minus operating outlays—indicates how much cash flow is being generated from operations to pay for things like interest expense, principal payments, and infrastructure investment)</small>	<b>1,225,835</b>	Increased	Exceeded Plan		Current operating cash flow is strong, but significantly less will remain available for infrastructure reinvestment once CSW repayment begins.
<b>Net Income (Loss)</b> <small>(Incorporates non-operating revenue/expense and depreciation—indicates how much the fund has generated after paying for interest expense and factoring in depreciation of assets)</small>	<b>393,062</b>	Improved	Exceeded Plan		Current net income levels are not expected to continue once CSW debt service begins in FY27.
<b>Asset Replacement</b> <small>(Net income minus debt principal repayment—gives an indication of whether or not we are setting aside enough money to cover asset replacement (as estimated by how much our assets are decreasing in value annually))</small>	<b>138,975</b>	Improved	Not generating sufficient cash towards asset replacement		Infrastructure replacement needs continue to outpace internally generated funding.
<b>Total Working Capital</b> <small>(What total resources are available in the fund)</small>	<b>10,443,872</b>	Improved	n/a		
<b>Working Capital Appropriated For Projects (and Unspent Bond Proceeds)</b> <small>(Of the fund's total resources, how much has been already appropriated for CAPEX)</small>	<b>3,335,819</b>	Improved	n/a		Large portion of working capital already committed to capital purposes.
<b>Undesignated Working Capital</b> <small>(How much of the fund's resources are available?)</small>	<b>6,632,004</b>	Improved	n/a		Improving, but a significant portion is expected to be used in FY27.

City and Borough of Sitka  
Water Fund Analysis  
Through December 31 2025

Water Fund operating revenue through the second quarter is slightly below budget but remains approximately 6% higher than the prior year. Residential and commercial water increases were generally consistent with the approved FY26 rate adjustment.

Operating expenses are approximately 5% lower than the prior year and 8% below budget through the second quarter. Some expenditure categories are timing dependent and may fluctuate later in the fiscal year, while portions of the operating budget also include appropriations intended for emergency response or unplanned repairs that may not ultimately be needed. Revenue growth has continued to outpace operating spending, supported in part by strong investment earnings. As a result, the fund continues to maintain stable operations and remains well above its required debt service coverage levels at the midpoint of the year.

The Water Fund's undesignated working capital position remains stable, however, current cash generation is not fully offsetting the long-term depreciation and replacement needs of the system's infrastructure. The fund continues to rely heavily on low interest DEC loans to finance major infrastructure projects, while rising construction costs continue to increase the overall cost of reinvestment.

It's important to note that the current financial performance reflects a period before repayment begins on the Critical Secondary Water loan. Once the loan enters repayment status (currently anticipated during the first quarter of FY2027), annual debt service requirements are expected to significantly reduce the amount of cash flow available for capital replacement and future reinvestment.

Note: The negative cash position associated with certain capital projects reflects timing differences related to outstanding grant or loan receivables rather than a cash shortfall.

City and Borough of Sitka  
Interim Financial Statements  
Water Fund Income Statement  
Through December 31 2025

	Jul- Sept	Oct- Dec	Jan- Mar	Apr- Jun	YTD	Prior YTD	Variance from prior YTD	FY26 amended budget YTD	Variance from budget
<b>Operating Revenues</b>									
Miscellaneous	\$ 368	\$ 1,050	\$ -	\$ -	\$ 1,418	\$ 474	\$ 945	\$ 1,087	\$ 331
Connection Fees	1,610	4,830	-	-	6,440	10,465	(4,025)	9,473	(3,033)
Other Revenue	50	-	-	-	50	-	50	-	50
Jobbing-Labor	2,030	1,337	-	-	3,367	4,476	(1,110)	3,434	(67)
Jobbing-Materials/Parts	-	(543)	-	-	(543)	(664)	121	-	(543)
Water-Commercial	374,828	320,599	-	-	695,427	655,176	40,250	706,750	(11,323)
Water-Harbor	3,019	2,643	-	-	5,662	5,463	199	5,974	(312)
Water-Residential	649,509	647,793	-	-	1,297,302	1,216,931	80,371	1,287,582	9,720
<b>Total Operating Revenue</b>	<b>1,031,414</b>	<b>977,708</b>	<b>-</b>	<b>-</b>	<b>2,009,122</b>	<b>1,892,321</b>	<b>116,801</b>	<b>2,014,300</b>	<b>(5,178)</b>
<b>Operating Expenses</b>									
Administration	136,085	149,077	-	-	285,162	306,208	(21,046)	405,015	(119,853)
Distribution	190,429	194,360	-	-	384,789	303,995	80,794	450,011	(65,222)
Treatment	37,016	76,321	-	-	113,336	258,351	(145,014)	205,905	(92,569)
Depreciation	527,625	527,625	-	-	1,055,250	1,061,113	(5,863)	943,041	112,209
<b>Total Operating Expense</b>	<b>891,155</b>	<b>947,382</b>	<b>-</b>	<b>-</b>	<b>1,838,537</b>	<b>1,929,666</b>	<b>(91,129)</b>	<b>2,003,972</b>	<b>(165,435)</b>
<b>Non-Operating Revenue (Expense)</b>									
State/Federal Revenue	6,804	54,858	-	-	61,662	4,488	57,174	2,896	58,766
Uses of Prop & Investment	94,930	97,829	-	-	192,760	153,640	39,120	42,900	149,860
Interest Expense	(19,945)	(12,000)	-	-	(31,945)	(34,631)	2,686	(78,794)	(46,849)
<b>Total Non-Operating Revenue</b>	<b>81,790</b>	<b>140,687</b>	<b>-</b>	<b>-</b>	<b>222,477</b>	<b>123,496</b>	<b>98,980</b>	<b>(32,998)</b>	<b>161,776</b>
<b>Net Income (Before Transfers)</b>	<b>222,049</b>	<b>171,013</b>	<b>-</b>	<b>-</b>	<b>393,062</b>	<b>86,151</b>	<b>306,911</b>	<b>(22,670)</b>	<b>415,732</b>
<b>Transfers</b>									
Transfers In (Other Funds)	(75,000)	-	-	-	(75,000)	-	(75,000)	(12,900)	(62,100)
<b>Other Budgeted Items (Not Recorded in GAAP Statements)</b>									
Principal Payments	99,087	80,000	-	-	179,087	179,087	-	462,551	(283,464)
Purchase of Fixed Assets	3,760	-	-	-	3,760	7,766	(4,006)	26,308	(22,548)
Transfers In/(Out)-Capital Projects	(451,000)	16,501	-	-	(434,499)	(1,337,844)	903,345	(451,000)	16,501
<b>Key Indicators</b>									
<b>Cashflow from Operations (EBIDA)</b>	<b>667,885</b>	<b>557,950</b>	<b>-</b>	<b>-</b>	<b>1,225,835</b>	<b>1,023,768</b>	<b>202,067</b>	<b>953,369</b>	<b>272,466</b>
<b>Debt Covenant Calculation</b>									
Net Fevenue of the System					1,405,256	1,181,895	223,361	986,265	418,992
Total Debt Service					211,032	213,719	(2,686)	541,345	(330,313)
Debt Service Ratio					666%	553%		182%	
<b>Debt Principal Coverage/Asset Replacement</b>									
Simple Cash Flow					1,373,312	1,147,264	226,048	907,471	465,841
Debt Principal					(179,087)	(179,087)	-	(462,551)	283,464
Debt Principal Coverage Surplus/(Deficit)					1,194,224	968,177	226,048	444,920	749,304
Less Depreciation=Cash Available for Asset Replacement					138,975	(92,936)	231,911	(498,121)	637,096

City and Borough of Sitka  
Interim Financial Statements  
Water Fund Balance Sheet  
Through December 31 2025

	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	YTD	Prior YTD	Variance from prior YTD
<b>Assets/Deferred Outflows</b>							
Current Assets	\$ 11,253,838	\$ 11,855,650	\$ -	\$ -	11,855,650	\$ 10,292,143	\$ 1,563,507
Noncurrent Assets							
Net OPEB asset*	205,859	205,859	-	-	205,859	200,574	5,285
Capital assets	38,097,494	37,569,869	-	-	37,569,869	38,737,011	(1,167,142)
Deferred Outflows*							
OPEB/Pension	105,851	105,851	-	-	105,851	97,331	8,520
<b>Total Assets and Deferred Outflows</b>	<b>49,663,042</b>	<b>49,737,229</b>	<b>-</b>	<b>-</b>	<b>49,737,229</b>	<b>49,327,059</b>	<b>410,170</b>
<b>Liabilities/Deferred Inflows/Net Position</b>							
Current Liabilities							
Accounts payable/accrued liabilities	143,060	134,854	-	-	134,854	159,270	(24,416)
Interest payable	800,875	800,875	-	-	800,875	548,255	252,620
Current portion LTD	476,049	476,049	-	-	476,049	484,699	(8,651)
Noncurrent Liabilities							
Bonds and notes (less current portion)*	21,272,185	21,272,185	-	-	21,272,185	20,675,573	596,612
Other noncurrent liabilities	-	-	-	-	-	-	-
Pension/OPEB*	477,090	477,090	-	-	477,090	428,149	48,941
Deferred Inflows							
OPEB/Pension*	7,334	7,334	-	-	7,334	9,904	(2,570)
<b>Total Liabilities and Deferred Inflows</b>	<b>23,176,594</b>	<b>23,168,387</b>	<b>-</b>	<b>-</b>	<b>23,168,387</b>	<b>22,305,851</b>	<b>862,537</b>
Net Investment in Capital Assets	16,206,200	15,686,781	-	-	15,686,781	17,417,468	(1,730,687)
Net OPEB Asset	205,859	205,859	-	-	205,859	200,574	5,285
Unrestricted	10,074,390	10,676,201	-	-	10,676,201	9,403,166	1,273,035
<b>Total Net Position</b>	<b>26,486,448</b>	<b>26,568,842</b>	<b>-</b>	<b>-</b>	<b>26,568,842</b>	<b>27,021,208</b>	<b>(452,367)</b>
<b>Total Liabilities, Deferred Inflows, and Net Position</b>	<b>49,663,042</b>	<b>49,737,229</b>	<b>-</b>	<b>-</b>	<b>49,737,229</b>	<b>49,327,059</b>	<b>410,170</b>

\*adjusted at fiscal year-end only





**Working Capital Analysis**

<b>Total Working Capital (Current Assets-Current Liabilities)</b>	<b>9,833,854</b>	<b>10,443,872</b>	<b>-</b>	<b>-</b>	<b>10,443,872</b>	<b>9,099,918</b>	<b>1,343,953</b>
Current Assets Designated for Capital Projects					3,335,819	2,139,071	1,196,748
Next Debt Principal Payment					476,049	484,699	(8,651)
Undesignated Working Capital					6,632,004	6,476,148	155,856
<b>Days Undesignated Working Capital</b>					<b>-</b>	<b>582</b>	<b>544</b>

**Summary of Capital Projects**

	Beginning cash	New appropriations/ closeouts	Grant/ Loan revenues	Expenses/ adjustments	Balance sheet changes from PY	Ending cash
90652 - UV Disinfection Facility	1,748	-	37,007	37,007	(34,574)	(32,826)
90796 - Brady Street Water/Wastewater (HPR to Gavan)	10,000	-	-	-	-	10,000
90833 - Critical Secondary Water Supply	(666,002)	-	3,093	(33,582)	905,624	276,296
90838 - Lincoln Street Paving (Harbor Way to Harbor Drive)	79,952	200,000	-	150	-	279,802
90843 - Lake-Hirst Monastery-Kinkead Utility & Street	190,624	-	-	13,692	(699)	176,233
90870 - Water Master Plan	80	-	-	-	-	80
90878 - Katlian Ave Paving	-	100,000	-	-	-	100,000
90889 - Blue Lake Watershed Plan	35,000	-	-	13,913	(4,872)	16,215
90893 - SCADA Reporting Software	10,000	-	-	-	-	10,000
90894 - Resource Management/GIS Implementation (Water	54,166	-	-	-	-	54,166
90913 - Water Tanks - Interior Condition Assessment/Exteric	203,261	-	-	-	-	203,261
90914 - Transmission Main Condition Assessment	150,000	-	-	-	-	150,000
90979 - Distribution System Water Meter Installation	425,000	-	-	-	-	425,000
90980 - Gibson St Water Project	16,501	-	-	16,501	-	-
90981 - SCADA Communications Upgrades Water Fund	20,400	-	-	-	-	20,400
91005 - Kirkman Drive Water Main Replacement	200,597	-	-	13,960	(16,510)	170,127
91006 - Booster Station Communications and VFDs	441,100	-	-	-	(8,520)	432,580
91007 - W Emergency Unanticipated Capital Repairs	147,720	-	-	-	-	147,720
91024 - Lifting HVAC Heat Pumps HCH, Library and UV	5,000	-	-	-	-	5,000
91033 - Repaint Tanks	495,000	-	-	-	-	495,000
91034 - Maksoutoff Galvanized Water Line Replacement	245,470	151,000	-	12,123	(8,520)	375,827
91066 - Old McDonald's Water Line Repair	68,569	-	-	-	(47,631)	20,939
	2,134,185	451,000	40,099	73,763	784,298	3,335,819

City and Borough of Sitka  
Wastewater Fund Analysis  
Through December 31 2025

Indicator	Amount	Compared To Last Yr	Compared To Plan	Status	Big Picture
<b>Revenue</b>	<b>2,743,854</b>	Improved from prior year	Met/Exceeded Plan		Revenue growth primarily reflects FY26 rate adjustments
<b>Appropriated Operating vs. Actual Operating Outlays</b> <small>(Budgeted for period minus actual expenditures. Indicates spending levels as compared to approved budget.)</small>	<b>(61,878)</b>	n/a	Over Budget		Variance primarily reflects timing of debt principal payments, while other expenditure categories remain under budget at midyear.
<b>Earnings Before Interest &amp; Depreciation</b> <small>("EBIDA" = Operating inflows minus operating outlays—indicates how much cash flow is being generated from operations to pay for things like interest expense, principal payments, and infrastructure investment)</small>	<b>1,210,625</b>	Decreased	Exceeded Plan		Current operating cash flow remains strong, though future capital and financing needs are expected to increase.
<b>Net Income (Loss)</b> <small>(Incorporates non-operating revenue/expense and depreciation—indicates how much the fund has generated after paying for interest expense and factoring in depreciation of assets)</small>	<b>561,911</b>	Declined	Exceeded Plan		Investment earnings continue to partially offset higher operating costs.
<b>Asset Replacement</b> <small>(Net income minus debt principal repayment—gives an indication of whether or not we are setting aside enough money to cover asset replacement (as estimated by how much our assets are decreasing in value annually.))</small>	<b>(153,245)</b>	Declined	Not generating sufficient cash towards asset replacement		Infrastructure replacement needs exceed internally generated funding.
<b>Total Working Capital</b> <small>(What total resources are available in the fund)</small>	<b>11,020,375</b>	Improved	n/a		Working capital position remains stable ahead of future capital needs.
<b>Working Capital Appropriated For Projects (and Unspent Bond Proceeds)</b> <small>(Of the fund's total resources, how much has been already appropriated for CAPEX)</small>	<b>2,914,014</b>	Declined	n/a		Portion of working capital committed to capital purposes increased from FY25.
<b>Undesignated Working Capital</b> <small>(How much of the fund's resources are available?)</small>	<b>7,198,367</b>	Improved	n/a		Improving, but significant portion expected to be used for FY2027 capital needs.

City and Borough of Sitka  
Wastewater Fund Analysis  
Through December 31 2025

Wastewater Fund operating revenue through the second quarter is slightly below budget but remains approximately 6% higher than the prior year. Wastewater service revenue growth was generally consistent with the approved FY2026 rate adjustment.

Operating expenses are approximately 16% higher than the prior year, but remain below budget through the second quarter. A portion of the year-over-year increase reflects personnel costs returning to more typical levels following temporary staffing shortages during the first half of FY2025.

Net income through the second quarter is below the prior year primarily due to increased operating expenses. Strong investment income continues to support overall financial performance.

The Wastewater Fund's working capital position improved significantly compared to the prior year, partially reflecting lower capital spending activity during the first half of FY2026. Like the Water Fund, Wastewater continues to rely heavily on low-interest DEC loans to finance major infrastructure reinvestment. Working capital has also been intentionally built up in preparation for the required Effluent Disinfection project. The project has received preliminary approval for a \$10 million federal CDS appropriation; however, significant local funding requirements are still anticipated.

Note: The negative cash position associated with certain capital projects reflects timing differences related to outstanding grant or loan receivables rather than a cash shortfall.

City and Borough of Sitka  
Interim Financial Statements  
Wastewater Income Statement  
Through December 31 2025

	Jul- Sept	Oct- Dec	Jan- Mar	Apr- Jun	YTD	Prior YTD	Variance from prior YTD	FY26 amended budget YTD	Variance from budget
<b>Operating Revenues</b>									
Miscellaneous	\$ 356	\$ 2,171	\$ -	\$ -	\$ 2,527	\$ 1,217	\$ 1,310	\$ 900	\$ 1,627
Connection Fees	1,610	4,025	-	-	5,635	9,660	(4,025)	10,753	(5,118)
Jobbing-Equipment	-	-	-	-	-	-	-	-	-
Jobbing-Labor	-	-	-	-	-	24,165	(24,165)	49,030	(49,030)
Jobbing-Materials/Parts	-	-	-	-	-	-	-	-	-
Wastewater Fees	1,275,038	1,262,937	-	-	2,537,975	2,375,337	162,638	2,517,460	20,515
<b>Total Operating Revenue</b>	<b>1,277,005</b>	<b>1,269,132</b>	<b>-</b>	<b>-</b>	<b>2,546,137</b>	<b>2,410,379</b>	<b>135,758</b>	<b>2,578,143</b>	<b>(32,006)</b>
<b>Operating Expenses</b>									
Administration	252,026	286,624	-	-	538,649	371,524	167,125	641,978	(103,329)
Collections	297,646	379,378	-	-	677,024	493,636	183,388	709,564	(32,540)
Treatment	36,633	83,206	-	-	119,839	215,954	(96,115)	175,121	(55,282)
Distribution	-	-	-	-	-	-	-	-	-
Depreciation	333,444	333,444	-	-	666,888	644,445	22,443	608,026	58,862
<b>Total Operating Expense</b>	<b>919,749</b>	<b>1,082,651</b>	<b>-</b>	<b>-</b>	<b>2,002,400</b>	<b>1,725,559</b>	<b>276,841</b>	<b>2,134,688</b>	<b>(132,288)</b>
<b>Non-Operating Revenue (Expense)</b>									
State Revenue	12,352	11,904	-	-	24,256	7,554	16,702	6,022	18,234
Uses of Prop & Investment	90,241	83,220	-	-	173,461	164,047	9,414	47,490	125,971
Interest Expense	(53,879)	(125,664)	-	-	(179,543)	(190,270)	10,727	(113,948)	65,595
<b>Total Non-Operating Revenue</b>	<b>48,714</b>	<b>(30,540)</b>	<b>-</b>	<b>-</b>	<b>18,174</b>	<b>(18,669)</b>	<b>36,843</b>	<b>(60,436)</b>	<b>209,800</b>
<b>Net Income (Before Transfers)</b>	<b>405,970</b>	<b>155,942</b>	<b>-</b>	<b>-</b>	<b>561,911</b>	<b>666,151</b>	<b>(104,240)</b>	<b>383,019</b>	<b>178,893</b>
<b>Transfers</b>									
Transfers In (Other Funds)	-	-	-	-	-	-	-	-	-
<b>Other Budgeted Items (Not Recorded in GAAP Statements)</b>									
Principal Payments	206,423	508,733	-	-	715,157	715,157	-	504,157	211,000
Purchase of Fixed Assets	16,064	-	-	-	16,064	7,766	8,298	39,630	(23,566)
Transfers In/(Out)-Capital Projects	(400,000)	9,781	-	-	(390,219)	(1,340,000)	949,781	(400,000)	9,781
<b>Key Indicators</b>									
<b>Cashflow from Operations (EBIDA)</b>	<b>690,700</b>	<b>519,925</b>	<b>-</b>	<b>-</b>	<b>1,210,625</b>	<b>1,329,265</b>	<b>(118,640)</b>	<b>1,051,481</b>	<b>159,144</b>
<b>Debt Covenant Calculation</b>									
Net Revenue of the System					1,408,342	1,500,866	(92,524)	1,104,993	303,349
Total Debt Service					894,699	905,427	(10,727)	618,105	276,594
Debt Service Ratio					157%	166%		179%	
<b>Debt Principal Coverage/Asset Replacement</b>									
Simple Cash Flow					1,228,799	1,310,596	(81,796)	991,045	237,755
Debt Principal					(715,157)	(715,157)	-	(504,157)	(211,000)
Debt Principal Coverage Surplus/(Deficit)					513,643	595,439	(81,796)	486,888	26,755
Less Depreciation=Cash Available for Asset Replacement					(153,245)	(49,005)	(104,240)	(121,138)	(32,107)









City and Borough of Sitka  
Interim Financial Statements  
Wastewater Balance Sheet  
Through December 31 2025

	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	YTD	Prior YTD	Variance from prior YTD
<b>Assets/Deferred Outflows</b>							
Current Assets	\$ 12,363,908	\$ 12,292,698	\$ -	\$ -	12,292,698	9,610,738	2,681,960
Noncurrent Assets							
Net OPEB asset*	342,442	342,442	-	-	342,442	405,930	(63,488)
Capital assets	26,053,637	25,720,193	-	-	25,720,193	25,652,437	67,756
Deferred Outflows*							
OPEB/Pension	176,082	176,082	-	-	176,082	196,982	(20,900)
<b>Total Assets and Deferred Outflows</b>	<b>38,936,069</b>	<b>38,531,415</b>	<b>-</b>	<b>-</b>	<b>38,531,415</b>	<b>35,866,087</b>	<b>2,665,328</b>
<b>Liabilities/Deferred Inflows/Net Position</b>							
Current Liabilities							
Accounts payable/accrued liabilities	242,426	242,426	-	-	242,426	67,853	174,573
Interest payable	121,902	121,902	-	-	121,902	129,898	(7,996)
Current portion LTD	907,994	907,994	-	-	907,994	972,518	(64,524)
Noncurrent Liabilities							
Bonds and notes (less current portion)*	15,169,851	15,169,851	-	-	15,169,851	13,505,818	1,664,033
Other noncurrent liabilities	-	-	-	-	-	-	-
Pension/OPEB*	793,631	793,631	-	-	793,631	866,503	(72,872)
Deferred Inflows							
OPEB/Pension*	12,200	12,200	-	-	12,200	20,043	(7,843)
<b>Total Liabilities and Deferred Inflows</b>	<b>17,248,004</b>	<b>17,248,004</b>	<b>-</b>	<b>-</b>	<b>17,248,004</b>	<b>15,562,633</b>	<b>1,685,371</b>
Net Investment in Capital Assets	9,975,792	9,642,348	-	-	9,642,348	11,174,101	(1,531,753)
Restricted for Net OPEB Asset	342,442	342,442	-	-	342,442	405,930	(63,488)
Unrestricted	11,712,273	11,641,063	-	-	11,641,063	8,723,423	2,917,639
<b>Total Net Position</b>	<b>21,688,065</b>	<b>21,283,411</b>	<b>-</b>	<b>-</b>	<b>21,283,411</b>	<b>20,303,454</b>	<b>979,957</b>
<b>Total Liabilities, Deferred Inflows, and Net Position</b>	<b>38,936,069</b>	<b>38,531,415</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,866,087</b>	<b>(35,866,087)</b>
<i>*adjusted at fiscal year-end only</i>							
<b>Working Capital Analysis</b>							
<b>Total Working Capital (Current Assets-Current Liabilities)</b>	<b>11,091,586</b>	<b>11,020,375</b>	<b>-</b>	<b>-</b>	<b>11,020,375</b>	<b>8,440,469</b>	<b>2,579,906</b>
Current Assets Designated for Capital Projects					2,914,014	4,106,049	(1,192,035)
Next Debt Principal Payment					907,994	972,518	(64,524)
Undesignated Working Capital					7,198,367	3,361,902	3,836,465
Days Undesignated Working Capital					-	447	230

City and Borough of Sitka  
Interim Financial Statements  
Wastewater Balance Sheet  
Through December 31 2025

	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	YTD	Prior YTD	Variance from
	Beginning cash	New appropriations/ closeouts	Grant/ Loan revenues	Expenses/ adjustments	Balance sheet changes from PY	Ending cash	prior YTD
<b>Summary of Capital Projects</b>							
90447 - WWTP Control System	5,000	-	-	-	-	5,000	
90565 - Jamestown Bay Lift Station Rebuild	58,232	-	-	-	-	58,232	
90655 - WWTP Rehabilitation	21,723	-	-	-	-	21,723	
90676 - Brady St Lift Station	13	-	-	-	-	13	
90783 - Replace Generators - Lift Stations	73,853	-	-	6,250	162,147	229,750	
90809 - Replace WWTP Influent Grinder	100,000	-	-	-	-	100,000	
90816 - Channel Lift Station	625	-	-	625	-	-	
90838 - Lincoln Street Paving (Harbor Way to Harbor Drive)	19,952	200,000	-	150	-	219,802	
90843 - Lake St. (DeGroff to Arrowhead) Hirst Utility & Street Improve	485,406	-	-	13,692	(599)	471,115	
90846 - WWTP Generator Replacement	100,000	-	-	-	-	100,000	
90858 - Eagle Way Lift Station	385	-	-	385	-	-	
90862 - Japonski Sewer Force Main Condition Assessment	248,440	-	-	-	-	248,440	
90878 - Katlian Ave Paving	-	100,000	-	-	-	100,000	
90894 - Resource Management/GIS Implementation (Water/WW)	59,166	-	-	-	-	59,166	
90895 - Wastewater Master Plan	78	-	-	-	-	78	
90916 - WWTP Blower Manifold Assessment/Design	1,973	-	-	(7,000)	-	8,973	
90917 - Lincoln Street Lift Station Valve Replacement	62,000	-	-	7,000	-	55,000	
90918 - WWTP Clarifier Drive Replacement	1,035	-	-	-	-	1,035	
90919 - Thomsen Harbor Lift Station Rehabilitation	135,294	-	591,421	872,050	(1,574,563)	(1,719,898)	
90952 - Sludge Thickener Catwalk Replacement Total	20,000	-	-	-	-	20,000	
90982 - Old Sitka Rocks Lift Station Control Panel	8,771	-	-	8,771	-	-	
90983 - SCADA Communication Upgrades Wastewater Fund	92,000	-	-	-	-	92,000	
91005 - Kirkman Street Utilities	407,472	-	-	10,631	(2,000)	394,840	
91008 - WW Emergency Unanticipated Capital Repairs	150,000	-	-	-	-	150,000	
91009 - Lake & Lincoln Lift Station Rehabilitation	425,000	-	-	-	-	425,000	
91010 - WWTP Effluent Disinfection System	582,123	-	-	16,136	(37,141)	528,845	
91011 - Sewer Force Main Replacement	700,000	-	-	-	-	700,000	
91012 - WWTP Lime Feed System	250,000	-	-	101	-	249,900	
91013 - WW Equipment Condition Assessment	100,000	-	-	-	-	100,000	
91035 - Sludge Dewatering Assessment and Design	175,000	-	-	-	-	175,000	
91036 - WWTP Pipe Replacement	20,000	-	-	-	-	20,000	
91116 - Granite Creek Lift Station Control Panel	-	100,000	-	-	-	100,000	
	4,303,540	400,000	591,421	928,791	(1,452,156)	2,914,014	

City and Borough of Sitka  
Solid Waste Fund Analysis  
Through December 31 2025

Indicator	Amount	Compared To Last Yr	Compared To Plan	Status	Big Picture
<b>Revenue</b>	<b>3,726,386</b>	Improved from prior year	Met/Exceeded Plan		Revenue growth continues to be supported by increased disposal activity.
<b>Appropriated Operating vs. Actual Operating Outlays</b> <small>(Budgeted for period minus actual expenditures. Indicates spending levels as compared to approved budget.)</small>	<b>235,764</b>	n/a	<b>Under Budget</b>		Operating expenses are higher than prior year, but under budget at midyear.
<b>Earnings Before Interest &amp; Depreciation</b> <small>("EBIDA" = Operating inflows minus operating outlays—indicates how much cash flow is being generated from operations to pay for things like interest expense, principal payments, and infrastructure investment)</small>	<b>816,205</b>	<b>Decreased</b>	<b>Exceeded Plan</b>		Operating cash flow remains stable.
<b>Net Income (Loss)</b> <small>(Incorporates non-operating revenue/expense and depreciation—indicates how much the fund has generated after paying for interest expense and factoring in depreciation of assets)</small>	<b>768,538</b>	<b>Declined</b>	<b>Exceeded Plan</b>		Financial performance exceeds budget expectations.
<b>Asset Replacement</b> <small>(Net income minus debt principal repayment—gives an indication of whether or not we are setting aside enough money to cover asset replacement (as estimated by how much our assets are decreasing in value annually.))</small>	<b>(724,462)</b>	<b>Declined</b>	<b>Not generating cash towards asset replacement</b>		Large capital appropriation in FY26 reduced funding available for asset replacement.
<b>Total Working Capital</b> <small>(What total resources are available in the fund)</small>	<b>3,130,479</b>	<b>Improved</b>	n/a		Working capital increase is due to higher revenues and underspending relative to budget.
<b>Working Capital Appropriated For Projects (and Unspent Bond Proceeds)</b> <small>(Of the fund's total resources, how much has been already appropriated for CAPEX)</small>	<b>2,255,535</b>	<b>Improved</b>	n/a		Large appropriation made for capital projects in FY26.
<b>Undesignated Working Capital</b> <small>(How much of the fund's resources are available?)</small>	<b>759,146</b>	<b>Improved</b>	n/a		Undesignated working capital continues to improve toward desired level.

City and Borough of Sitka  
Solid Waste Fund Analysis  
Through December 31 2025

Solid Waste Fund operating revenue through the second quarter is approximately 6% higher than the prior year and exceeds budget expectations. Revenue growth reflects a combination of the 2% rate adjustment for FY2026 and increased disposal activity, including higher transfer station volumes associated with several large local construction projects.

Operating expenses increased compared to the prior year, larger due to higher costs associated with increased disposal activity. Despite these increases, overall expenditures remain below budget through the second quarter.

Net income through the second quarter is slightly below the prior year, but significantly exceeds budget projections. Strong investment earnings and revenue growth have helped offset higher operating costs.

The Solid Waste Fund's working capital position improved compared to the prior year, though the majority is designated for capital projects. While current financial performance remains stable, a portion of recent revenue growth continues to be associated with temporary construction activity.

City and Borough of Sitka  
Interim Financial Statements  
Solid Waste Income Statement  
Through December 31 2025

	Jul- Sept	Oct- Dec	Jan- Mar	Apr- Jun	YTD	Prior YTD	Variance from prior YTD	FY26 amended budget YTD	Variance from budget
<b>Operating Revenues</b>									
Miscellaneous	\$ 677	\$ -	\$ -	\$ -	\$ 677	\$ 441	\$ 236	\$ 1,160	\$ (483)
Asbestos Removal	-	-	-	-	-	75	(75)	-	-
Dropoff Recycle Center	8,234	3,554	-	-	11,788	20,568	(8,780)	10,183	1,605
Jobbing-Labor	-	3,066	-	-	3,066	-	3,066	-	3,066
Landfill Revenue	-	600	-	-	600	-	600	-	600
Scrapyard Dropoff Revenue	62,736	70,314	-	-	133,050	107,637	25,413	129,822	3,228
Scrapyard Recycle	60,199	65,092	-	-	125,291	176,440	(51,149)	131,220	(5,929)
Sludge Disposal	-	-	-	-	-	16,250	(16,250)	16,044	(16,044)
Solid Waste Disposal-Curbside	1,467,831	1,308,832	-	-	2,776,663	2,607,279	169,384	2,654,080	122,583
Transfer Station Revenue	326,082	280,232	-	-	606,314	513,028	93,286	513,215	93,099
Waste Oil Disposal	-	-	-	-	-	-	-	-	-
<b>Total Operating Revenue</b>	<b>1,925,759</b>	<b>1,731,689</b>	<b>-</b>	<b>-</b>	<b>3,657,448</b>	<b>3,441,717</b>	<b>215,731</b>	<b>3,455,724</b>	<b>201,724</b>
<b>Operating Expenses</b>									
Administration	131,492	148,987	-	-	280,479	301,802	(21,323)	353,225	(72,746)
Recycle Center	20,592	16,530	-	-	37,123	37,313	(191)	64,706	(27,583)
Landfill	84,046	102,800	-	-	186,846	54,143	132,703	195,736	(8,890)
Scrapyard	199,145	315,128	-	-	514,273	490,879	23,394	430,780	83,493
Solid Waste Collection	728,595	603,672	-	-	1,332,266	1,314,035	18,231	1,428,840	(96,574)
Transfer Station	272,242	218,014	-	-	490,256	426,651	63,606	482,063	8,193
Depreciation	58,297	58,297	-	-	116,594	59,987	56,607	79,042	37,552
<b>Total Operating Expense</b>	<b>1,494,409</b>	<b>1,463,428</b>	<b>-</b>	<b>-</b>	<b>2,957,837</b>	<b>2,684,810</b>	<b>273,027</b>	<b>3,034,392</b>	<b>(76,554)</b>
<b>Non-Operating Revenue (Expense)</b>									
State/Federal Revenue	3,302	2,947	-	-	6,249	2,645	3,604	1,309	4,940
Uses of Prop & Investment	33,757	28,931	-	-	62,689	50,814	11,875	20,980	41,709
Interest Expense	(5)	(5)	-	-	(11)	(8)	(3)	(8)	3
<b>Total Non-Operating Revenue</b>	<b>37,054</b>	<b>31,873</b>	<b>-</b>	<b>-</b>	<b>68,927</b>	<b>53,451</b>	<b>15,476</b>	<b>22,281</b>	<b>46,651</b>
<b>Net Income (Before Transfers)</b>	<b>468,403</b>	<b>300,134</b>	<b>-</b>	<b>-</b>	<b>768,538</b>	<b>810,357</b>	<b>(41,820)</b>	<b>443,613</b>	<b>324,925</b>
<b>Transfers</b>									
Transfers In (Out)/Advances (C	-	-	-	-	-	(20,000)	20,000	-	-
<b>Other Budgeted Items (Not Recorded in GAAP Statements)</b>									
Principal Payments	93,000	-	-	-	93,000	93,000	-	208,798	(115,798)
Purchase of Fixed Assets	-	-	-	-	-	251,419	(251,419)	5,862	(5,862)
Transfers In/(Out)-Capital Projects	(1,400,000)	-	-	-	(1,400,000)	-	(1,400,000)	(1,400,000)	-
<b>Key Indicators</b>									
<b>Cashflow from Operations (EBIDA)</b>	<b>489,647</b>	<b>326,558</b>	<b>-</b>	<b>-</b>	<b>816,205</b>	<b>816,894</b>	<b>(689)</b>	<b>500,374</b>	<b>315,831</b>
<b>Debt Covenant Calculation</b>									
Net Revenue of the System					(514,858)		(1,365,210)		362,479
Total Debt Service					93,011	93,008	3	208,806	(115,795)
Bond Covenant Ratio (Must be >1.25%)					n/a	n/a	n/a	n/a	n/a
<b>Debt Principal Coverage/Asset Replacement</b>									
Simple Cash Flow					(514,868)	850,344	(1,365,212)	(877,345)	362,477
Debt Principal					(93,000)	(93,000)	-	(208,798)	115,798
Debt Principal Coverage Surplus/(Deficit)					(607,868)	757,344	(1,365,212)	(1,086,143)	478,275
Less Depreciation=Cash Available for Asset Replacement					(724,462)	697,357	(1,421,820)	(1,165,185)	440,723

City and Borough of Sitka  
Interim Financial Statements  
Solid Waste Fund Balance Sheet  
Through December 31 2025

	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	YTD	Prior YTD	Variance from prior YTD
<b>Assets/Deferred Outflows</b>							
Current Assets	3,348,672	3,589,272	-	-	3,589,272	3,482,612	106,660
Noncurrent Assets							
Net OPEB asset*	95,787	95,787	-	-	95,787	106,277	(10,490)
Capital assets	8,012,507	7,954,210	-	-	7,954,210	7,953,628	582
Deferred Outflows*							
OPEB/Pension	49,253	49,253	-	-	49,253	51,572	(2,319)
<b>Total Assets and Deferred Outflows</b>	<b>11,506,219</b>	<b>11,688,522</b>	<b>-</b>	<b>-</b>	<b>11,688,522</b>	<b>11,594,088</b>	<b>94,433</b>
<b>Liabilities/Deferred Inflows/Net Position</b>							
Current Liabilities							
Accounts payable/accrued liabilities	382,341	342,995	-	-	342,995	606,859	(263,864)
Interest payable	-	-	-	-	-	-	-
Current portion LTD	115,798	115,798	-	-	115,798	115,800	(2)
Noncurrent Liabilities							
Bonds and notes (less current portion)*	2,858,393	2,858,393	-	-	2,858,393	3,067,188	(208,796)
Landfill postclosure liability*	620,218	620,218	-	-	620,218	649,296	(29,078)
Pension/OPEB*	221,992	221,992	-	-	221,992	226,860	(4,868)
Deferred Inflows							
OPEB/Pension*	3,413	3,413	-	-	3,413	5,248	(1,835)
<b>Total Liabilities and Deferred Inflows</b>	<b>4,202,155</b>	<b>4,162,809</b>	<b>-</b>	<b>-</b>	<b>4,162,809</b>	<b>4,671,252</b>	<b>(508,443)</b>
Net Investment in Capital Assets	5,038,317	4,980,020	-	-	4,980,020	4,163,780	816,239
Restricted for OPEB Asset	95,787	95,787	-	-	95,787	106,277	(10,490)
Unrestricted	2,169,960	2,449,906	-	-	2,449,906	2,652,779	(202,873)
<b>Total Net Position</b>	<b>7,304,064</b>	<b>7,525,713</b>	<b>-</b>	<b>-</b>	<b>7,525,713</b>	<b>6,922,837</b>	<b>602,876</b>
<b>Total Liabilities, Deferred Inflows, and Net Position</b>	<b>11,506,219</b>	<b>11,688,522</b>	<b>-</b>	<b>-</b>	<b>11,688,522</b>	<b>11,594,088</b>	<b>94,433</b>
<i>*adjusted at fiscal year-end only</i>							
<b>Working Capital Analysis</b>							
<b>Total Working Capital (Current Assets-Current Liabilities)</b>	<b>2,850,533</b>	<b>3,130,479</b>	<b>-</b>	<b>-</b>	<b>3,130,479</b>	<b>2,759,953</b>	<b>370,526</b>
Current Assets Designated for Capital Projects					2,255,535	2,011,669	243,866
Next debt principal payment					115,798	115,800	(2)
Undesignated Working Capital					759,146	632,484	126,662
Days Undesignated Working Capital					45	41	
<b>Summary of Capital Projects</b>							
	Beginning cash	New appropriations/ closeouts	Grant/ Loan revenues	Expenses/ adjustments	Balance sheet changes from PY	Ending cash	
90847 - Expansion of Biosolids	1,451,021	-	-	1,003,587	48,395	495,829	
90865 - Transfer Station Building	5,540	-	-	343	-	5,197	
90871 - Kimsham Landfill Drainage Compliance	100,000	-	-	-	-	100,000	
90899 - Scrap Yard Electrical	3,370	-	-	(490)	-	3,860	
90900 - Scrap Yard / Impound Fence Total	39,773	-	-	-	-	39,773	
90920 - Scrapyard Tank Circular Concrete Structure	8,500	-	-	-	-	8,500	
90953 - Recycling Loading Dock Repair	11,410	-	-	-	-	11,410	
90963 - Solid Waste Compactor	194,756	-	-	7,135	(174,675)	12,946	
91014 - Granite Ck Biosolids-Bridge Study	193,410	-	-	8,495	-	184,914	
91117 - Granite Creek Quarry Bridge Replacement	-	1,400,000	-	6,895	-	1,393,105	
	2,007,781	1,400,000	-	1,025,965	(126,281)	2,255,535	

City and Borough of Sitka  
Harbor Fund Analysis  
Through December 31 2025

Indicator	Amount	Compared To Last Yr	Compared To Plan	Status	Big Picture
<b>Revenue</b>	<b>2,350,753</b>	Improved from prior year	Met/Exceeded Plan		Revenue exceeded budget expectations despite mixed performance among revenue categories.
<b>Appropriated Operating vs. Actual Operating Outlays</b> <small>(Budgeted for period minus actual expenditures. Indicates spending levels as compared to approved budget )</small>	<b>36,597</b>	n/a	Under Budget		Operating expenditures are only slightly below budget at midyear.
<b>Earnings Before Interest &amp; Depreciation</b> <small>("EBIDA" = Operating inflows minus operating outlays—indicates how much cash flow is being generated from operations to pay for things like interest expense, principal payments, and infrastructure investment)</small>	<b>435,492</b>	Increased	Exceeded Plan		Operating cash flow exceeded budget expectations.
<b>Net Income (Loss)</b> <small>(Incorporates non-operating revenue/expense and depreciation—indicates how much the fund has generated after paying for interest expense and factoring in depreciation of assets)</small>	<b>(228,729)</b>	Improved	Exceeded Plan		Financial performance improved compared to FY25 and continues to benefit from higher investment earnings.
<b>Asset Replacement</b> <small>(Net income minus debt principal repayment—gives an indication of whether or not we are setting aside enough money to cover asset replacement (as estimated by how much our assets are decreasing in value annually))</small>	<b>(429,313)</b>	Improved	Not generating cash towards asset replacement		Infrastructure replacement needs exceed internally generated funding.
<b>Total Working Capital</b> <small>(What total resources are available in the fund)</small>	<b>14,221,450</b>	Improved	n/a		Working capital improved, but much of the balance is committed to capital projects.
<b>Working Capital Appropriated For Projects (and unspent bond proceeds)</b> <small>(Of the fund's total resources, how much has been already appropriated for CAPEX)</small>	<b>8,977,381</b>	Declined	n/a		No new capital appropriations in FY26. Significant resources remain designated for future capital projects.
<b>Undesignated Working Capital</b> <small>(How much of the fund's resources are available?)</small>	<b>4,663,720</b>	Improved	n/a		Improved, but still insufficient for the level of infrastructure investment needed.

City and Borough of Sitka  
Harbor Fund Analysis  
Through December 31 2025

Harbor Fund operating revenue through the second quarter is approximately 7% higher than the prior year and slightly above budget. Growth in transient moorage, permanent moorage, and other harbor related revenues contributed to the improvement in operating revenue. Permanent moorage revenue increased compared to the prior year but remains below budget and below the level anticipated by the approved FY2026 rate adjustments, partly due to several stalls being unavailable because of structural failures. Harbor activity remains strong overall despite mixed performance across individual revenue categories.

Operating expenses increased modestly compared to the prior year but remain below budget through the second quarter. As a result, operating cash flow exceeded budget expectations and improved compared to the prior year.

The Harbor Fund's working capital position improved significantly compared to the prior year. It's important to note that working capital includes just over \$1 million from the Marine Service Center Fund for the bulkhead wall project. While staff continue to pursue alternative funding opportunities, the long-term funding strategy for this project remains unresolved.

Despite improved financial performance, long-term infrastructure replacement needs continue to represent a significant challenge. Harbor infrastructure is extremely costly to replace, and undesignated working capital represents only a fraction of the funding that will ultimately be required to rehabilitate or replace aging facilities. Recent reductions in available State harbor grant funding have further increased the difficulty of financing major capital projects. Staff continue to work on the long-term capital plan and alternatives for the harbor system and pursue outside funding opportunities where available. Even with these efforts, future infrastructure investments are expected to require a combination of grant funding, debt financing, and sustained rate adjustments.


City and Borough of Sitka  
Interim Financial Statements  
Harbor Fund Income Statement  
Through December 31 2025\_AD

	Jul- Sept	Oct- Dec	Jan- Mar	Apr- Jun	YTD	Prior YTD	Variance from prior YTD	FY26 amended budget YTD	Variance from budget
<b>Operating Revenues</b>									
Miscellaneous	\$ 30,954	\$ 4,960	\$ -	\$ -	\$ 35,914	\$ -	\$ 35,914	\$ 8,543	\$ 27,371
Daily Electric Billing	33,965	28,371	-	-	62,337	63,905	(1,568)	66,599	(4,262)
Hoist Revenue	840	265	-	-	1,105	1,090	15	1,731	(626)
Launch Ramp Fees	1,640	1,514	-	-	3,154	2,689	465	3,178	(24)
Other Revenue	172,169	4,558	-	-	176,727	125,232	51,495	112,328	64,399
Airplane Float Fees	874	634	-	-	1,508	634	874	236	1,272
Baranof Warm Springs	7,374	990	-	-	8,364	9,670	(1,306)	8,218	146
Jobbing-Equipment		150			150	-	150	-	150
Jobbing-Labor	1,328	461	-	-	1,789	1,050	739	2,335	(546)
Lightering Fees	80,732	7,813	-	-	88,545	140,777	(52,232)	114,495	(25,950)
Moorage-Permanent	690,629	667,019	-	-	1,357,649	1,320,223	37,426	1,385,734	(28,085)
Moorage-Port Facility	49,735	3,182	-	-	52,917	72,302	(19,385)	30,831	22,086
Moorage-Transient	182,463	52,439	-	-	234,902	159,041	75,861	194,308	40,594
Recreation Vehicle Fees	3,042	3,566	-	-	6,609	8,188	(1,579)	9,740	(3,131)
<b>Total Operating Revenue</b>	<b>1,255,747</b>	<b>775,923</b>	<b>-</b>	<b>-</b>	<b>2,031,670</b>	<b>1,904,801</b>	<b>126,869</b>	<b>1,938,276</b>	<b>93,394</b>
<b>Operating Expenses</b>									
Administration	181,232	304,495	-	-	485,727	521,188	(35,461)	647,959	(162,232)
Operations	439,287	671,165	-	-	1,110,452	967,865	142,587	1,031,310	79,141
Depreciation	401,858	401,858	-	-	803,717	883,696	(79,979)	761,463	42,254
<b>Total Operating Expense</b>	<b>1,022,377</b>	<b>1,377,518</b>	<b>-</b>	<b>-</b>	<b>2,399,895</b>	<b>2,372,749</b>	<b>27,146</b>	<b>2,440,732</b>	<b>(40,837)</b>
<b>Non-Operating Revenue (Expense)</b>									
State Revenue	10,641	12,316	-	-	22,957	9,333	13,624	57,412	(34,455)
Uses of Prop & Investment	146,857	149,268	-	-	296,125	281,508	14,617	113,750	182,375
Interest Expense	(89,649)	(89,938)	-	-	(179,586)	(186,385)	6,798	(206,959)	(27,373)
<b>Total Non-Operating Revenue</b>	<b>67,849</b>	<b>71,647</b>	<b>-</b>	<b>-</b>	<b>139,496</b>	<b>104,457</b>	<b>35,040</b>	<b>(35,797)</b>	<b>120,548</b>
<b>Net Income (Before Transfers)</b>	<b>301,219</b>	<b>(529,948)</b>	<b>-</b>	<b>-</b>	<b>(228,729)</b>	<b>(363,491)</b>	<b>134,762</b>	<b>(538,253)</b>	<b>309,524</b>
<b>Transfers</b>									
<b>Transfers In (Other Funds)</b>	27,914	16,502	-	-	44,416	36,330	8,086	88,858	(44,442)
<b>Other Budgeted Items (Not Recorded in GAAP Statements)</b>									
Principal Payments	-	245,000	-	-	245,000	245,000	-	128,418	116,582
Purchase of Fixed Assets	-	48,284	-	-	48,284	40,039	8,246	91,000	(42,716)
Transfers In/(Out)-Capital Projects	-	-	-	-	-	(92,500)	92,500	-	-
<b>Key Indicators</b>									
<b>Cashflow from Operations (EBIDA)</b>	635,228	(199,736)	-	-	435,492	415,748	19,744	259,007	176,485
<b>Debt Covenant Calculation</b>									
Net Revenue of the System					798,991	742,920	56,071	519,027	279,963
Total Debt Service					424,586	431,385	(6,798)	335,377	89,209
Bond Covenant Ratio (Must be >1.25%)					188%	172%		155%	
<b>Debt Principal Coverage/Asset Replacement</b>									
Simple Cash Flow					619,404	556,535	62,869	312,068	307,336
Debt Principal					(245,000)	(245,000)	-	(128,418)	(116,582)
Debt Principal Coverage Surplus/(Deficit)					374,404	311,535	62,869	183,650	190,754
Less Depreciation=Cash Available for Asset Replacement					(429,313)	(572,161)	142,848	(577,813)	148,500

City and Borough of Sitka  
Interim Financial Statements  
Harbor Fund Balance Sheet  
Through December 31 2025

	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	YTD	Prior YTD	Variance from prior YTD
<b>Assets/Deferred Outflows</b>							
Current Assets	15,452,988	15,072,513	-	-	15,072,513	13,912,964	1,159,549
Noncurrent Assets							
Debt service reserve	975,580	922,342	-	-	922,342	944,768	(22,425)
Net OPEB asset*	416,303	416,303	-	-	416,303	451,925	(35,622)
Capital assets	27,399,678	26,997,820	-	-	26,997,820	28,624,669	(1,626,850)
Deferred Outflows*							
OPEB/Pension	214,061	214,061	-	-	214,061	219,301	(5,240)
<b>Total Assets and Deferred Outflows</b>	<b>44,458,610</b>	<b>43,623,039</b>	<b>-</b>	<b>-</b>	<b>43,623,039</b>	<b>44,153,627</b>	<b>(530,589)</b>
<b>Liabilities/Deferred Inflows/Net Position</b>							
Current Liabilities							
Accounts payable/accrued liabilities	129,949	133,627	-	-	133,627	104,740	28,887
Interest payable	65,823	137,089	-	-	137,089	142,612	(5,523)
Current portion LTD	580,348	580,348	-	-	580,348	545,348	35,000
Noncurrent Liabilities							
Bonds and notes (less current portion)*	8,470,828	8,470,828	-	-	8,470,828	9,092,358	(621,530)
Deferred revenue	63,337	63,337	-	-	63,337	56,113	7,225
Pension/OPEB*	964,809	964,809	-	-	964,809	964,686	123
Deferred Inflows							
Deferred charge on refunding	50,461	50,461	-	-	50,461	61,631	(11,170)
OPEB/Pension*	14,831	14,831	-	-	14,831	22,314	(7,483)
<b>Total Liabilities and Deferred Inflows</b>	<b>10,340,386</b>	<b>10,415,330</b>	<b>-</b>	<b>-</b>	<b>10,415,330</b>	<b>10,989,802</b>	<b>(574,472)</b>
Net Investment in Capital Assets	19,143,672	18,684,898	-	-	18,684,898	19,765,360	(1,080,462)
Debt Service Reserves/Deposits	975,580	922,342	-	-	922,342	944,768	(22,425)
Restricted for OPEB Asset	416,303	416,303	-	-	416,303	451,925	(35,622)
Unrestricted	13,582,669	13,184,166	-	-	13,600,469	12,453,699	1,146,770
<b>Total Net Position</b>	<b>34,118,224</b>	<b>33,207,709</b>	<b>-</b>	<b>-</b>	<b>33,207,709</b>	<b>33,163,826</b>	<b>43,883</b>
<b>Total Liabilities, Deferred Inflows, and Net Position</b>	<b>44,458,610</b>	<b>43,623,039</b>	<b>-</b>	<b>-</b>	<b>43,623,039</b>	<b>44,153,627</b>	<b>(530,589)</b>
<i>*adjusted at fiscal year-end only</i>							
<b>Working Capital Analysis</b>							
<b>Total Working Capital (Current Assets-Current Liabilities)</b>	<b>14,676,868</b>	<b>14,221,450</b>	<b>-</b>	<b>-</b>	<b>14,221,450</b>	<b>13,120,265</b>	<b>1,101,185</b>
Current Assets Designated for Capital Projects					8,977,381	9,091,440	(114,058)
Next Debt Principal Payment					580,348	545,348	35,000
Undesignated Working Capital					4,663,720	3,483,477	1,180,243
Days Undesignated Working Capital					-	297	224
<b>Summary of Capital Projects</b>							
	Beginning cash	New appropriations / closeouts	Grant/ Loan revenues	Expenses/ adjustments	Balance sheet changes from PY	Ending cash	
90798 - Eliason Electrical Upgrades	5,098,751	-	-	3,624	-	5,095,127	
90810 - Sealing Cove Maintenance	10,620	-	-	4,860	-	5,760	
90901 - MSC Bulkhead Pile Repair	998	-	-	-	-	998	
90922 - Crescent Harbor Highload Dock	1,287,352	-	-	95,586	3,677	1,195,443	
90955 - Master Plan For Harbors	28,888	-	-	-	-	28,888	
90956 - Harbor Parking Lot Repairs	3,093	-	-	-	-	3,093	
90957 - Sealing Cove Lift Station	20,000	-	-	-	-	20,000	
90984 - ANB Security Camera Replacement	7,601	-	-	2,042	-	5,559	
90985 - Crescent Harbor Finger Float Repairs	15,000	-	-	-	-	15,000	
90986 - Crescent Harbor Tender Float Repairs	3,235	-	-	-	-	3,235	
90987 - MSC Anode Replacement Phase 1	100,000	-	-	-	-	100,000	
90988 - Sealing Cove Harbor Cameras	7,336	-	-	-	-	7,336	
90993 - MSC Bulkhead Wall and Crane Reconstruction	2,029,180	-	-	628	-	2,028,553	
91015 - Eliason Harbor Restroom and Shower Repair	50,000	-	-	-	-	50,000	
91018 - Fishermen's Work Float Fortification	429,006	-	-	9,858	(1,137)	418,011	
91022 - Sealing Cove Fish Cleaning Station Rehabilitaiton	379	-	-	-	-	379	
	9,091,440	-	-	116,599	2,540	8,977,381	

City and Borough of Sitka  
Airport Terminal Analysis  
Through December 31 2025

Indicator	Amount	Compared To Last Yr	Compared To Plan	Status	Big Picture
<b>Revenue</b>	<b>545,756</b>	Improved from prior year	Did not meet plan		Terminal lease revenue below budget due to construction impacts and lease renewals.
<b>Appropriated Operating vs. Actual Operating Outlays</b> (Budgeted for period minus actual expenditures. Indicates spending levels as compared to approved budget )	<b>78,179</b>	n/a	<b>Under Budget</b>		Spending is under budget, but likely to increase in the second half of the fiscal year.
<b>Earnings Before Interest &amp; Depreciation</b> ("EBIDA" = Operating inflows minus operating outlays—indicates how much cash flow is being generated from operations to pay for things like interest expense, principal payments, and infrastructure investment)	<b>(52,591)</b>	Decreased	<b>Did Not Meet Plan</b>		Operating performance continues to be impacted by terminal construction and increased operating costs.
<b>Net Income (Loss)</b> (Incorporates non-operating revenue/expense and depreciation—indicates how much the fund has generated after paying for interest expense and factoring in depreciation of assets)	<b>(490,413)</b>	Declined	<b>Did Not Meet Plan</b>		Higher depreciation and operating costs continue to impact results.
<b>Asset Replacement</b> (Net income minus debt principal repayment—gives an indication of whether or not we are setting aside enough money to cover asset replacement (as estimated by how much our assets are decreasing in value annually.))	<b>159,587</b>	Improved	<b>Insufficient</b>		Asset replacement funding remains below long-term needs.
<b>Total Working Capital</b> (What total resources are available in the fund)	<b>3,548,633</b>	Declined	n/a		Working capital calculations are significantly affected by project financing and reimbursement timing.
<b>Working Capital Appropriated For Projects (and Unspent Bond Proceeds)</b> (Of the fund's total resources, how much has been already appropriated for CAPEX)	<b>(5,283,478)</b>	Improved	n/a		Significant resources remain committed to the Terminal Improvement Project.
<b>Undesignated Working Capital</b> (How much of the fund's resources are available?)	<b>8,652,112</b>	Improved	n/a		Working capital calculations are significantly affected by project financing and reimbursement timing.

City and Borough of Sitka  
Airport Terminal Analysis  
Through December 31 2025

Airport Fund operating revenue through the second quarter is slightly higher than the prior year, but below budget expectations. Terminal lease revenue remains below budget as portions of the terminal continue to be impacted by the ongoing Terminal Improvement capital project and as terminal leases are renewed. Operating expenses increased significantly compared to FY2025, primarily due to higher depreciation expense and increased operating costs associated with the new section of the terminal.

The Airport Fund's financial position continues to be significantly affected by the Terminal Improvement project, which is being funded through a combination of bond proceeds, federal grants, passenger facility charges, and other funding sources. As a result, several financial indicators and working capital measures are heavily influenced by project-related activity and reimbursement timing and may not be representative of normal airport operations. The long-term financial sustainability of the expanded terminal remains an area of focus, particularly given the loss of Delta and the increased operating costs associated with a larger facility. Staff continue to work with state and federal partners to complete the project and secure available funding sources.

City and Borough of Sitka  
Interim Financial Statements  
Airport Term. Income Statement  
Through December 31 2025\_AD

	Jul- Sept	Oct- Dec	Jan- Mar	Apr- Jun	YTD	Prior YTD	Variance from prior YTD	FY26 amended budget YTD	Variance from budget
<b>Operating Revenues</b>									
Driver Facility Charges	\$ 50,629	\$ 53,420	\$ -	\$ -	\$ 104,049	\$ 49,237	\$ 54,811	\$ 53,331	\$ 50,718
Passenger Facility Charges	75,943	68,300	-	-	144,243	152,512	(8,270)	125,645	18,598
Concessions	-	-	-	-	-	-	-	25,004	(25,004)
Jobbing-Labor	14,288	12,078	-	-	26,366	18,713	7,653	-	26,366
Terminal Leases	92,690	93,575	-	-	186,265	214,081	(27,815)	508,694	(322,429)
Miscellaneous	79	190	-	-	269	-	269	-	269
<b>Total Operating Revenue</b>	<b>233,630</b>	<b>227,562</b>	<b>-</b>	<b>-</b>	<b>461,192</b>	<b>434,543</b>	<b>26,649</b>	<b>712,674</b>	<b>(251,482)</b>
<b>Operating Expenses</b>									
Operating Expenses	219,286	294,496	-	-	513,783	\$ 344,139	169,644	579,416	(65,633)
Depreciation	221,693	221,693	-	-	443,386	83,983	359,403	442,777	609
<b>Total Operating Expense</b>	<b>440,980</b>	<b>516,190</b>	<b>-</b>	<b>-</b>	<b>957,169</b>	<b>428,122</b>	<b>529,047</b>	<b>1,022,193</b>	<b>(65,024)</b>
<b>Non-Operating Revenue (Expense)</b>									
State Revenue	1,539	1,264	-	-	2,803	1,124	1,679	242	2,561
Uses of Prop & Investment	41,670	40,092	-	-	81,761	8,661	73,100	1,518	80,243
Interest Expense	(39,250)	(39,750)	-	-	(79,000)	(86,083)	7,083	(91,546.00)	(12,546)
<b>Total Non-Operating Revenue</b>	<b>3,959</b>	<b>1,606</b>	<b>-</b>	<b>-</b>	<b>5,564</b>	<b>(76,298)</b>	<b>81,862</b>	<b>(89,786)</b>	<b>70,258</b>
<b>Net Income (Before Transfers)</b>	<b>(203,391)</b>	<b>(287,022)</b>	<b>-</b>	<b>-</b>	<b>(490,413)</b>	<b>(69,876)</b>	<b>(420,536)</b>	<b>(399,305)</b>	<b>(91,107)</b>
<b>Transfers</b>									
Transfers In (Other Funds)	-	650,000	-	-	650,000	-	650,000	650,000	-
<b>Other Budgeted Items (Not Recorded in GAAP Statements)</b>									
Principal Payments	-	-	-	-	-	-	-	-	-
Purchase of Fixed Assets	-	-	-	-	-	-	-	-	-
Transfers In/(Out)-Capital Projects	-	(650,000)	-	-	(650,000)	(30,000)	(620,000)	(650,000)	-
<b>Key Indicators</b>									
<b>Cashflow from Operations (EBIDA)</b>	<b>14,344</b>	<b>(66,934)</b>	<b>-</b>	<b>-</b>	<b>(52,591)</b>	<b>90,405</b>	<b>(142,995)</b>	<b>133,258</b>	<b>(185,848)</b>
<b>Debt Covenant Calculation</b>									
Net Revenue of the System					600,212	-	600,212	783,500	(183,287)
Total Debt Service					79,000	86,083	(7,083)	91,546	(12,546)
Bond Covenant Ratio (Must be >1.25%)					760%	0%		856%	
<b>Debt Principal Coverage/Asset Replacement</b>									
Simple Cash Flow					602,974	14,107	588,867	693,472	(90,498)
Debt Principal					-	-	-	-	-
Debt Principal Coverage Surplus/(Deficit)					602,974	14,107	588,867	693,472	(90,498)
Less Depreciation=Cash Available for Asset Replacement					159,587	(69,876)	229,464	250,695	(91,107)

City and Borough of Sitka  
Interim Financial Statements  
Airport Term. Balance Sheet  
Through December 31 2025

	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	YTD	Prior YTD	Variance from prior YTD
<b>Assets/Deferred Outflows</b>							
Current Assets	8,803,044	5,225,881	-	-	5,225,881	1,959,854	3,266,027
Noncurrent Assets							
Debt service reserve	365,532	369,523	-	-	369,523	354,367	15,156
Other non-current assets/Restricted bond proceeds	3,333,749	3,366,830	-	-	3,366,830	3,887,280	(520,450)
Capital assets	32,668,035	32,446,342	-	-	32,446,342	14,582,932	17,863,410
Net OPEB asset	49,156	49,156	-	-	49,156	33,246	15,910
Deferred Outflows*							
OPEB/Pension	25,276	25,276	-	-	25,276	16,133	9,143
<b>Total Assets and Deferred Outflows</b>	<b>45,244,793</b>	<b>41,483,008</b>	<b>-</b>	<b>-</b>	<b>41,483,008</b>	<b>20,833,812</b>	<b>20,649,196</b>
<b>Liabilities/Deferred Inflows/Net Position</b>							
Current Liabilities							
Accounts payable/accrued liabilities	-	-	-	-	-	4,166,950	(4,166,950)
Interest payable	26,167	65,417	-	-	65,417	72,292	(6,875)
Due to other funds	4,798,661	4,798,661	-	-	4,798,661	-	4,798,661
Current portion LTD	180,000	180,000	-	-	180,000	170,000	10,000
Noncurrent Liabilities							
Bonds and notes (less current portion)*	3,126,572	3,126,572	-	-	3,126,572	3,329,426	(202,854)
Lease liability*	782,828	782,828	-	-	782,828	-	782,828
Other noncurrent liabilities	5,512	5,512	-	-	5,512	2,550	2,962
Pension/OPEB*	113,923	113,923	-	-	113,923	70,967	42,956
Deferred Inflows							
OPEB*	1,751	1,751	-	-	1,751	1,642	109
<b>Total Liabilities and Deferred Inflows</b>	<b>9,035,413</b>	<b>9,074,663</b>	<b>-</b>	<b>-</b>	<b>9,074,663</b>	<b>7,813,827</b>	<b>1,260,836</b>
Net investment in Capital Assets	33,339,679	29,501,573	-	-	29,501,573	11,088,291	18,413,282
Debt Service Reserves/Restricted for CAPEX	365,532	369,523	-	-	369,523	354,367	15,156
Restricted for OPEB Asset	49,156	49,156	-	-	49,156	33,246	15,910
Unrestricted	2,455,012	2,488,093	-	-	2,488,093	1,577,327	910,766
<b>Total Net Position</b>	<b>36,209,380</b>	<b>32,408,345</b>	<b>-</b>	<b>-</b>	<b>32,408,345</b>	<b>13,019,984</b>	<b>19,388,360</b>
<b>Total Liabilities, Deferred Inflows, and Net Position</b>	<b>45,244,793</b>	<b>41,483,008</b>	<b>-</b>	<b>-</b>	<b>41,483,008</b>	<b>20,833,812</b>	<b>20,649,196</b>
<i>*adjusted at fiscal year-end only</i>							
<b>Working Capital Analysis</b>							
<b>Total Working Capital (Current Assets-Current Liabilities)</b>	<b>11,930,626</b>	<b>8,347,294</b>	<b>-</b>	<b>-</b>	<b>3,548,633</b>	<b>1,437,892</b>	<b>7,429,852</b>
Current Assets Designated for Capital Projects					(5,283,478)	5,439,655	(10,723,133)
Next Debt Principal Payment					180,000	170,000	10,000
Undesignated Working Capital					8,652,112	(4,171,763)	18,142,986
<b>Days Undesignated Working Capital</b>					<b>-</b>	<b>1,871</b>	<b>(724)</b>
<b>Summary of Capital Projects</b>							
	Beginning cash	New appropriations/ closeouts	Grant/ Loan revenues/ Bond proceeds	Expenses/ adjustments	Balance sheet changes from PY	Ending cash	
90835 - SIT Airport Terminal Improvements	(6,502,695)	650,000	5,515,262	6,811,916	394,459	(6,754,890)	
90873 - Airport Heat Pumps for Hold Room	10,000	-	-	-	-	10,000	
90904 - SIT Airport Terminal Sidewalk Replacement	90,000	-	-	-	-	90,000	
90924 - Airport Exterior Painting-Front and South Sides	21,301	-	-	-	-	21,301	
90879 - Seaplane Base Project	1,370,502	-	95,452	100,163	93,890	1,350,110	
	(5,010,892)	650,000	5,610,715	6,912,079	488,349	(5,283,478)	

City and Borough of Sitka  
Marine Service Ctr Analysis  
Through December 31 2025

Indicator	Amount	Compared To Last Yr	Compared To Plan	Status	Big Picture
<b>Revenue</b>	<b>200,396</b>	Improved from prior year	Met/Exceeded Plan		Revenue met budget expectations and improved compared to FY25.
<b>Appropriated Operating vs. Actual Operating Outlays</b> (Budgeted for period minus actual expenditures. Indicates spending levels as compared to approved budget )	<b>85,151</b>	n/a	Under Budget		Operating expenditures below budget partly due to timing of expenditures.
<b>Earnings Before Interest &amp; Depreciation</b> (“EBIDA” = Operating inflows minus operating outlays—indicates how much cash flow is being generated from operations to pay for things like interest expense, principal payments, and infrastructure investment)	<b>103,483</b>	Increased	Exceeded Plan		
<b>Net Income (Loss)</b> (Incorporates non-operating revenue/expense and depreciation—indicates how much the fund has generated after paying for interest expense and factoring in depreciation of assets)	<b>132,834</b>	Improved	Exceeded Plan		Financial performance benefitted from lower than anticipated spending and strong investment earnings.
<b>Asset Replacement</b> (Net income minus debt principal repayment—gives an indication of whether or not we are setting aside enough money to cover asset replacement (as estimated by how much our assets are decreasing in value annually))	<b>132,834</b>	Improved	~		This does not factor in the long-term need for bulkhead wall repairs.
<b>Total Working Capital</b> (What total resources are available in the fund)	<b>2,116,901</b>	Improved	n/a		Working capital increasing due to higher cash inflows and lower outlays.
<b>Working Capital Appropriated For Projects (and Unspent Bond Proceeds)</b> (Of the fund’s total resources, how much has been already appropriated for CAPEX)	<b>405,531</b>	Improved	n/a		
<b>Undesignated Working Capital</b> (How much of the fund’s resources are available?)	<b>1,711,370</b>	Improved	n/a		Undesignated working capital improved, but may be insufficient for major bulkhead wall repairs.

City and Borough of Sitka  
Marine Service Ctr Analysis  
Through December 31 2025

Marine Service Center operating revenue through the second quarter is generally consistent with the prior year and slightly below budget. Lease revenue continues to provide a stable and predictable source of operating income.

Operating expenses are below both the prior year and budget through the second quarter. Combined with strong investment earnings, this has resulted in improved cash flow and net income compared to FY2025. The Marine Service Center continues to maintain a strong financial position and regularly generates working capital that can be set aside for future repairs and capital needs.

The most significant long-term challenge facing the fund continues to be the repair of the bulkhead wall. While technically a Harbor Fund asset, the bulkhead wall is critical to the operation and structural integrity of the Marine Service Center facility. The Harbor and Marine Service Center Funds continue to reserve resources for this project while alternative funding opportunities are identified.

City and Borough of Sitka  
Interim Financial Statements  
MSC Fund Income Statement  
Through December 31 2025\_AD

	Jul- Sept	Oct- Dec	Jan- Mar	Apr- Jun	YTD	Prior YTD	Variance from prior YTD	FY26 amended budget YTD	Variance from budget
<b>Operating Revenues</b>									
Lease Revenue	\$ 81,151	\$ 81,151	\$ -	\$ -	\$ 162,302	\$ 158,600	\$ 3,702	\$ 165,937	\$ (3,635)
<b>Total Operating Revenue</b>	<b>81,151</b>	<b>81,151</b>	<b>-</b>	<b>-</b>	<b>162,302</b>	<b>158,600</b>	<b>3,702</b>	<b>165,937</b>	<b>(3,635)</b>
<b>Operating Expenses</b>									
Operating Expenses	37,155	21,665	-	-	58,819	80,122	(21,303)	128,189	(69,370)
Depreciation	4,371	4,371	-	-	8,743	15,496	(6,753)	8,843	(100)
<b>Total Operating Expense</b>	<b>41,526</b>	<b>26,036</b>	<b>-</b>	<b>-</b>	<b>67,562</b>	<b>95,618</b>	<b>(28,056)</b>	<b>137,032</b>	<b>(69,470)</b>
<b>Non-Operating Revenue (Expense)</b>									
Uses of Prop & Investment	18,731	19,363	-	-	38,094	33,133	4,961	17,223	20,871
<b>Total Non-Operating Revenue</b>	<b>18,731</b>	<b>19,363</b>	<b>-</b>	<b>-</b>	<b>38,094</b>	<b>33,133</b>	<b>4,961</b>	<b>17,223</b>	<b>20,871</b>
<b>Net Income (Before Transfers)</b>	<b>58,356</b>	<b>74,478</b>	<b>-</b>	<b>-</b>	<b>132,834</b>	<b>96,114</b>	<b>36,720</b>	<b>46,128</b>	<b>86,706</b>
<b>Transfers</b>									
Transfers In (Other Funds)	-	-	-	-	-	-	-	-	-
<b>Other Budgeted Items (Not Recorded in GAAP Statements)</b>									
Purchase of Fixed Assets	-	-	-	-	-	-	-	15,781	(15,781)
Transfers In/(Out)-Capital Projects	(80,000)	-	-	-	(80,000)	(122,000)	42,000	(80,000)	-
<b>Key Indicators</b>									
<b>Cashflow from Operations (EBIDA)</b>	<b>43,997</b>	<b>59,487</b>	<b>-</b>	<b>-</b>	<b>103,483</b>	<b>78,478</b>	<b>25,006</b>	<b>37,748</b>	<b>65,735</b>
<b>Debt Covenant Calculation</b>									
Net Revenue of the System					141,577	111,610	29,967	54,971	86,606
Total Debt Service					-	-	-	-	-
Bond Covenant Ratio (Must be >1.25%)					n/a	n/a	n/a	n/a	n/a
<b>Debt Principal Coverage/Asset Replacement</b>									
Simple Cash Flow					141,577	111,610	29,967	54,971	86,606
Debt Principal					-	-	-	-	-
Debt Principal Coverage Surplus/(Deficit)					141,577	111,610	29,967	54,971	86,606
Less Depreciation=Cash Available for Asset Replacement					132,834	96,114	36,720	46,128	86,706

City and Borough of Sitka  
Interim Financial Statements  
MSC Fund Balance Sheet  
Through December 31 2025

	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	YTD	Prior YTD	Variance from prior YTD
<b>Assets/Deferred Outflows</b>							
Current Assets	2,035,314	2,116,901	-	-	2,116,901	1,909,221	207,680
Noncurrent Assets							
Leases receivable*	2,304,786	2,304,786	-	-	2,304,786	2,567,832	(263,046)
Capital assets	393,646	385,960	-	-	385,960	273,083	112,877
<b>Total Assets and Deferred Outflows</b>	<b>4,733,746</b>	<b>4,807,647</b>	-	-	<b>4,807,647</b>	<b>4,750,136</b>	<b>57,511</b>
<b>Liabilities/Deferred Inflows/Net Position</b>							
Current Liabilities							
Accounts payable/accrued liabilities	-	-	-	-	-	-	-
Deferred Inflows							
Lease related*	2,260,539	2,260,539	-	-	2,260,539	2,543,106	(282,567)
<b>Total Liabilities and Deferred Inflows</b>	<b>2,260,539</b>	<b>2,260,539</b>	-	-	<b>2,260,539</b>	<b>2,543,106</b>	<b>(282,567)</b>
Net Investment in Capital Assets	393,646	385,960	-	-	385,960	273,083	112,877
Unrestricted	2,079,561	2,161,149	-	-	2,161,149	1,933,947	227,202
<b>Total Net Position</b>	<b>2,473,207</b>	<b>2,547,108</b>	-	-	<b>2,547,108</b>	<b>2,207,030</b>	<b>340,079</b>
<b>Total Liabilities, Deferred Inflows, and Net Position</b>	<b>4,733,746</b>	<b>4,807,647</b>	-	-	<b>4,807,647</b>	<b>4,750,136</b>	<b>57,511</b>
<i>*adjusted at fiscal year-end only</i>							
<b>Working Capital Analysis</b>							
<b>Total Working Capital (Current Assets-Current Liabilities)</b>	<b>2,035,314</b>	<b>2,116,901</b>	-	-	<b>2,116,901</b>	<b>1,909,221</b>	<b>207,680</b>
Current Assets Designated for Capital Projects					405,531	373,333	32,198
Undesignated Working Capital					1,711,370	1,535,888	175,482
Days Undesignated Working Capital					-	4,559	2,891
<b>Summary of Capital Projects</b>							
	Beginning cash	New appropriations/ closeouts	Grant/ Loan revenues	Expenses/ adjustments	Balance sheet changes from PY	Ending cash	
90905 - MSC Bulkhead Condition Assessment	6,161	-	-	-	-	6,161	
90926 - MSC Arctic Door Replacement Egress	10,000	-	-	-	-	10,000	
90928 - MSC Freezer Vestibule Entry Curtains	4,981	-	-	-	-	4,981	
90930 - MSC Replace Loading Dock Bumper	15,000	-	-	-	-	15,000	
90959 - MSC Overhead Door "A"	32,966	-	-	-	-	32,966	
90995 - MSC Building Condition Assessment	225,000	-	-	576	-	224,424	
91023 - MCS Lighting Replacement Total	32,000	-	-	-	-	32,000	
91118 - MSC Alarm Panel	-	70,000	-	-	-	70,000	
91119 - MSC Egress Doors	-	10,000	-	-	-	10,000	
	326,108	80,000	-	576	-	405,531	

City and Borough of Sitka  
GPIP Fund Analysis  
Through December 31 2025

Indicator	Amount	Compared To Last Yr	Compared To Plan	Status	Big Picture
<b>Revenue</b>	<b>959,622</b>	Improved from prior year	Met/Exceeded Plan		Revenue exceeded budget expectations, though results may be influenced by seasonal timing.
<b>Appropriated Operating vs. Actual Operating Outlays</b> (Budgeted for period minus actual expenditures. Indicates spending levels as compared to approved budget )	<b>141,891</b>	n/a	<b>Under Budget</b>		Operating expenses below budget partially due to expenditure timing and personnel savings.
<b>Earnings Before Interest &amp; Depreciation</b> ("EBIDA" = Operating inflows minus operating outlays—indicates how much cash flow is being generated from operations to pay for things like interest expense, principal payments, and infrastructure investment)	<b>83,849</b>	Increased	<b>Exceeded Plan</b>		Operating cash flow exceeded budget expectations at midyear.
<b>Net Income (Loss)</b> (Incorporates non-operating revenue/expense and depreciation—indicates how much the fund has generated after paying for interest expense and factoring in depreciation of assets)	<b>(204,386)</b>	Declined	<b>Exceeded Plan</b>		Improved operating performance offset by lower investment earnings and increased depreciation.
<b>Asset Replacement</b> (Net income minus debt principal repayment—gives an indication of whether or not we are setting aside enough money to cover asset replacement (as estimated by how much our assets are decreasing in value annually ))	<b>488,468</b>	Improved	~		Without capital transfers from other funds in FY2026, this metric would be negative.
<b>Total Working Capital</b> (What total resources are available in the fund)	<b>1,738,739</b>	Declined	n/a		Working capital is significantly impacted by capital contributions from other funds.
<b>Working Capital Appropriated For Projects (and Unspent Bond Proceeds)</b> (Of the fund's total resources, how much has been already appropriated for CAPEX)	<b>979,923</b>	Declined	n/a		
<b>Undesignated Working Capital</b> (How much of the fund's resources are available?)	<b>758,816</b>	Improved	n/a		Reported balance includes significant capital contributions from other funds.

City and Borough of Sitka  
GPIP Fund Analysis  
Through December 31 2025

GPIP operating revenue through the second quarter is significantly higher than both the prior year and budget expectations. Much of the increase reflects higher dock tariff and transient moorage revenues. Because these revenue sources are heavily influenced by seasonal activity and timing, results may not be indicative of full year performance.

Operating expenses remain below budget through the second quarter and are modestly lower than the prior year. A portion of the favorable variance reflects the timing of planned expenditures, while additional savings resulted from the Port Director position remaining vacant during FY2026. As a result, operating cash flow exceeded both budget and prior year performance.

Net income remains negative despite improved operating performance. Investment earnings also declined significantly compared to the prior year following the expenditure of funds accumulated for the haul out project. Depreciation expense is expected to increase as the full impact of the haul out is recognized.

Total working capital declined significantly compared to the prior year as previously accumulated resources were utilized for the haul out project. While undesignated working capital improved compared to FY2025, the fund's overall liquidity position remains substantially lower than historical levels.

Although early operating results appear positive, financial performance is being significantly affected by expenditure timing, personnel savings, and capital support from other funds. The GPIP fund received \$495,250 from the General Fund and \$150,000 from the Southeast Economic Development Fund in FY2026 for the haul out project, highlighting the fund's continued reliance on external funding for major capital investments. The GPIP Fund is not currently expected to generate sufficient cash flow to fully offset depreciation and long-term asset replacement needs.

City and Borough of Sitka  
Interim Financial Statements  
GPIP Fund Income Statement  
Through December 31 2025\_AD

	Jul- Sept	Oct- Dec	Jan- Mar	Apr- Jun	YTD	Prior YTD	Variance from prior YTD	FY26 amended budget YTD	Variance from budget
<b>Operating Revenues</b>									
Miscellaneous	\$ -	\$ 300	\$ -	\$ -	\$ 300	\$ -	\$ 300	\$ -	\$ 300
Fuel Flowage	19,308	2,597	-	-	21,905	18,550	3,355	13,353	8,552
GPIP Dock Tariff Charges	34,017	5,548	-	-	39,565	19,503	20,062	13,402	26,163
Moorage - Transient	55,829	3,053	-	-	58,882	21,476	37,405	29,982	28,900
Rent - Building	5,298	15,510	-	-	20,808	(1,246)	22,053	-	20,808
Rent - Land	27,143	29,998	-	-	57,141	52,416	4,725	49,248	7,893
<b>Total Operating Revenue</b>	<b>141,595</b>	<b>57,005</b>	<b>-</b>	<b>-</b>	<b>198,600</b>	<b>110,700</b>	<b>87,900</b>	<b>105,985</b>	<b>92,615</b>
<b>Operating Expenses</b>									
Operating Expenses	58,346	56,405	-	-	114,751	124,105	(9,354)	228,984	(114,233)
Depreciation	163,481	163,481	-	-	326,963	203,078	123,885	325,541	1,422
<b>Total Operating Expense</b>	<b>221,827</b>	<b>219,886</b>	<b>-</b>	<b>-</b>	<b>441,714</b>	<b>327,183</b>	<b>114,531</b>	<b>554,525</b>	<b>(112,811)</b>
<b>Non-Operating Revenue (Expense)</b>									
Uses of Prop & Investment	22,225	16,503	-	-	38,728	125,322	(86,594)	4,875	33,853
<b>Total Non-Operating Revenue</b>	<b>22,225</b>	<b>16,503</b>	<b>-</b>	<b>-</b>	<b>38,728</b>	<b>125,322</b>	<b>(86,594)</b>	<b>4,875</b>	<b>33,853</b>
<b>Net Income (Before Transfers)</b>	<b>(58,008)</b>	<b>(146,378)</b>	<b>-</b>	<b>-</b>	<b>(204,386)</b>	<b>(91,161)</b>	<b>(113,225)</b>	<b>(443,665)</b>	<b>239,279</b>
<b>Transfers</b>									
Transfers In (Other Funds)	721,273	1,021	-	-	722,294	501,941	220,353	733,223	(10,929)
Transfers Out (Other Funds)	(27,914)	(1,526)	-	-	(29,441)	(10,738)	(18,703)	(1,783)	(27,658)
<b>Other Budgeted Items (Not Recorded in GAAP Statements)</b>									
Principal Payments	-	-	-	-	-	-	-	-	-
Transfers In/(Out)-Capital Projects	(795,250)	-	-	-	(795,250)	(850,000)	54,750	(795,250)	-
<b>Key Indicators</b>									
<b>Cashflow from Operations (EBIDA)</b>	<b>83,249</b>	<b>601</b>	<b>-</b>	<b>-</b>	<b>83,849</b>	<b>(13,405)</b>	<b>97,254</b>	<b>(122,999)</b>	<b>206,848</b>
<b>Debt Covenant Calculation</b>									
Net Revenue of the System					815,431	603,120	212,311	613,316	202,114
Total Debt Service					-	-	-	-	-
Bond Covenant Ratio (Must be >1.25%)					n/a	n/a	n/a	n/a	n/a
<b>Debt Principal Coverage/Asset Replacement</b>									
Simple Cash Flow					815,431	603,120	212,311	613,316	202,114
Debt Principal					-	-	-	-	-
Debt Principal Coverage Surplus/(Deficit)					815,431	603,120	212,311	613,316	202,114
Less Depreciation=Cash Available for Asset Replacement					488,468	400,042	88,426	287,775	200,693

City and Borough of Sitka  
Interim Financial Statements  
GPIP Fund Balance Sheet  
Through December 31 2025

	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	YTD	Prior YTD	Variance from prior YTD
<b>Assets/Deferred Outflows</b>							
Current Assets	1,966,303	1,759,387	-	-	1,759,387	5,027,126	(3,267,739)
Noncurrent Assets							
Leases receivable*	31,473	31,473	-	-	31,473	38,814	(7,342)
Capital assets	25,481,421	25,317,940	-	-	25,317,940	17,507,561	7,810,378
<b>Total Assets and Deferred Outflows</b>	<b>27,479,197</b>	<b>27,108,799</b>	-	-	<b>27,108,799</b>	<b>22,573,502</b>	<b>4,535,298</b>
<b>Liabilities/Deferred Inflows/Net Position</b>							
Current Liabilities							
Accounts payable/accrued liabilities	98,794	20,648	-	-	20,648	133,289	(112,641)
Lease related*	30,526	30,526	-	-	30,526	37,889	(7,363)
<b>Total Liabilities and Deferred Inflows</b>	<b>129,320</b>	<b>51,174</b>	-	-	<b>51,174</b>	<b>171,179</b>	<b>(120,004)</b>
Net Investment in Capital Assets	25,481,421	25,317,940	-	-	25,317,940	17,507,561	7,810,378
Unrestricted	1,868,455	1,739,685	-	-	1,739,685	4,894,762	(3,155,077)
<b>Total Net Position</b>	<b>27,349,877</b>	<b>27,057,625</b>	-	-	<b>27,057,625</b>	<b>22,402,323</b>	<b>4,655,302</b>
<b>Total Liabilities, Deferred Inflows, and Net Position</b>	<b>27,479,197</b>	<b>27,108,799</b>	-	-	<b>27,108,799</b>	<b>22,573,502</b>	<b>4,535,298</b>
<i>*adjusted at fiscal year-end only</i>							
<b>Working Capital Analysis</b>							
<b>Total Working Capital (Current Assets-Current Liabilities)</b>	<b>1,867,509</b>	<b>1,738,739</b>	-	-	<b>1,738,739</b>	<b>4,893,837</b>	<b>(3,155,098)</b>
Current Assets Designated for Capital Projects					979,923	4,431,036	(3,451,113)
Undesignated Working Capital					758,816	462,801	296,015
Days Undesignated Working Capital					-	309	255
<b>Summary of Capital Projects</b>							
	Beginning cash	New appropriations/ closeouts	Grant/ Loan revenues	Expenses/ adjustments	Balance sheet changes from PY	Ending cash	
90931 - Marine Vessel Haul Out and Shipyard	1,278,875	645,250	-	532,463	(772,770)	618,891	
90935 - Bulk Water Line Repair	2,974	-	-	-	-	2,974	
90938 - GPIP Potable Water	14,970	-	-	-	-	14,970	
90960 - Geotech Assessment of APC Landfill Sites	193,088	-	-	-	-	193,088	
91120 - GPIP Fire Protection	-	150,000	-	-	-	150,000	
	1,489,907	795,250	-	532,463	(772,770)	979,923	

City and Borough of Sitka  
IT Fund Analysis  
Through December 31 2025

Indicator	Amount	Compared To Last Yr	Compared To Plan	Status	Big Picture
<b>Revenue</b>	<b>1,468,130</b>	Improved from prior year	Met/Exceeded Plan		Revenue consistent with budget expectations
<b>Appropriated Operating vs. Actual Operating Outlays</b> (Budgeted for period minus actual expenditures. Indicates spending levels as compared to approved budget )	<b>199,495</b>	n/a	Under Budget		Operating expenses below budget through the second quarter due to timing.
<b>Earnings Before Interest &amp; Depreciation</b> ("EBIDA" = Operating inflows minus operating outlays—indicates how much cash flow is being generated from operations to pay for things like interest expense, principal payments, and infrastructure investment)	<b>10,829</b>	Decreased	Exceeded Plan		
<b>Net Income (Loss)</b> (Incorporates non-operating revenue/expense and depreciation—indicates how much the fund has generated after paying for interest expense and factoring in depreciation of assets)	<b>(6,836)</b>	Declined	Exceeded Plan		Higher operating costs reduced net income compared to FY25.
<b>Asset Replacement</b> (Net income minus debt principal repayment—gives an indication of whether or not we are setting aside enough money to cover asset replacement (as estimated by how much our assets are decreasing in value annually ))	<b>(6,836)</b>	Improved	~		Fund is dependent on other funds for capital for fixed assets.
<b>Total Working Capital</b> (What total resources are available in the fund)	<b>409,385</b>	Improved	n/a		Working capital improvement is due to timing of expenditures.
<b>Working Capital Appropriated For Projects (and Unspent Bond Proceeds)</b> (Of the fund's total resources, how much has been already appropriated for CAPEX)	-	n/a	n/a		
<b>Undesignated Working Capital</b> (How much of the fund's resources are available?)	<b>409,385</b>	Improved	n/a		

City and Borough of Sitka  
IT Fund Analysis  
Through December 31 2025

Information Technology Fund revenue through the second quarter is consistent with budget expectations and approximately 9% higher than the prior year due to increased departmental billings. Operating expenses increased significantly compared to FY2025 and they are expected to come in right on budget by the end of the year. While the current financial performance remains stable, the need for continued investment in technology infrastructure, cybersecurity, and system modernization is expected to place ongoing demands on the fund's resources.









City and Borough of Sitka  
Interim Financial Statements  
IT Fund Income Statement  
Through December 31 2025

	Jul- Sept	Oct- Dec	Jan- Mar	Apr- Jun	YTD	Prior YTD	Variance from prior YTD	FY26 amended budget YTD	Variance from budget
<b>Operating Revenues</b>									
Departmental Billing	\$ 690,324	\$ 690,324	\$ -	\$ -	\$ 1,380,648	\$ 1,272,621	\$ 108,027	\$ 1,381,200	\$ (552)
Miscellaneous	-	915	-	-	915	-	915	-	915
<b>Total Operating Revenue</b>	<b>690,324</b>	<b>691,239</b>	<b>-</b>	<b>-</b>	<b>1,381,563</b>	<b>1,272,621</b>	<b>108,941</b>	<b>1,381,200</b>	<b>363</b>
<b>Operating Expenses</b>									
Operating Expenses	805,636	565,098	-	-	1,370,734	1,036,670.18	334,064	1,495,278	(124,544)
Depreciation	18,464	18,464	-	-	36,928	36,928	0	36,145	783
<b>Total Operating Expense</b>	<b>824,100</b>	<b>583,562</b>	<b>-</b>	<b>-</b>	<b>1,407,662</b>	<b>1,073,598</b>	<b>334,064</b>	<b>1,531,423</b>	<b>(123,762)</b>
<b>Non-Operating Revenue (Expense)</b>									
Uses of Prop & Investment	673	3,446	-	-	4,119	8,697	(4,579)	3,580	539
State/Federal Revenue	8,212	6,933	-	-	15,145	6,237	8,908	3,743	11,402
<b>Total Non-Operating Revenue</b>	<b>8,885</b>	<b>10,379</b>	<b>-</b>	<b>-</b>	<b>19,264</b>	<b>14,934</b>	<b>4,329</b>	<b>7,323</b>	<b>11,941</b>
<b>Net Income (Before Transfers)</b>	<b>(124,891)</b>	<b>118,056</b>	<b>-</b>	<b>-</b>	<b>(6,836)</b>	<b>213,958</b>	<b>(220,794)</b>	<b>(142,900)</b>	<b>136,065</b>
<b>Transfers</b>									
Transfers In (Other Funds)	30,580	36,723	-	-	67,303	-	67,303	67,303	-
Transfers Out (Other Funds)	-	-	-	-	-	(460,000)	460,000	(16,317)	16,317
<b>Other Budgeted Items (Not Recorded in GAAP Statements)</b>									
Purchase of Fixed Assets	-	-	-	-	-	175,542	(175,542)	74,950	(74,950)
<b>Key Indicators</b>									
<b>Cashflow from Operations (EBIDA)</b>	<b>(115,312)</b>	<b>126,141</b>	<b>-</b>	<b>-</b>	<b>10,829</b>	<b>235,951</b>	<b>(225,123)</b>	<b>(114,078)</b>	<b>124,907</b>
<b>Debt Covenant Calculation</b>									
Net Revenue of the System					30,092	(209,114)	239,206	(123,072)	153,165
Total Debt Service							-	-	-
Debt Service Ratio					n/a	n/a	n/a	n/a	n/a
<b>Debt Principal Coverage/Asset Replacement</b>									
Simple Cash Flow					30,092	(209,114)	239,206	(123,072)	153,165
Debt Principal					-	-	-	-	-
Debt Principal Coverage Surplus/(Deficit)					30,092	(209,114)	239,206	(123,072)	153,165
Less Depreciation=Cash Available for Asset Replacement					(6,836)	(246,042)	239,206	(159,217)	152,382

City and Borough of Sitka  
Interim Financial Statements  
IT Fund Balance Sheet  
Through December 31 2025

	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	YTD	Prior YTD	Variance from prior YTD
<b>Assets/Deferred Outflows</b>							
Current Assets	316,199	489,442	-	-	489,442	175,400	314,042
Noncurrent Assets							
Net OPEB asset*	275,203	275,203	-	-	275,203	313,952	(38,749)
Capital assets	180,167	161,703	-	-	161,703	205,535	(43,832)
Deferred Outflows*							
OPEB/Pension	141,507	141,507	-	-	141,507	152,349	(10,842)
<b>Total Assets and Deferred Outflows</b>	<b>913,076</b>	<b>1,067,855</b>	<b>-</b>	<b>-</b>	<b>1,067,855</b>	<b>847,236</b>	<b>220,619</b>
<b>Liabilities/Deferred Inflows/Net Position</b>							
Current Liabilities							
Accounts payable/accrued liabilities	80,056	80,056	-	-	80,056	69,792	10,264
Current portion LTD	-	-	-	-	-	-	-
Noncurrent Liabilities							
Leases/SAAS payable	16,877	16,877	-	-	16,877	32,253	(15,376)
Pension/OPEB*	637,800	637,800	-	-	637,800	670,167	(32,367)
Deferred Inflows							
OPEB/Pension*	9,804	9,804	-	-	9,804	15,502	(5,698)
<b>Total Liabilities and Deferred Inflows</b>	<b>744,537</b>	<b>744,537</b>	<b>-</b>	<b>-</b>	<b>744,537</b>	<b>787,714</b>	<b>(43,177)</b>
Net Investment in Capital Assets	180,167	161,703	-	-	161,703	205,535	(43,832)
Restricted for OPEB Asset	275,203	275,203	-	-	275,203	313,952	(38,749)
Unrestricted	(286,831)	(113,589)	-	-	(113,589)	(459,966)	346,377
<b>Total Net Position</b>	<b>168,539</b>	<b>323,318</b>	<b>-</b>	<b>-</b>	<b>323,318</b>	<b>59,522</b>	<b>263,796</b>
<b>Total Liabilities, Deferred Inflows, and Net Position</b>	<b>913,076</b>	<b>1,067,855</b>	<b>-</b>	<b>-</b>	<b>1,067,855</b>	<b>847,236</b>	<b>220,619</b>
<i>*adjusted at fiscal year-end only</i>							
<b>Working Capital Analysis</b>							
<b>Total Working Capital (Current Assets-Current Liabilities)</b>	<b>236,143</b>	<b>409,385</b>	<b>-</b>	<b>-</b>	<b>409,385</b>	<b>105,608</b>	<b>303,778</b>
Current Assets Designated for Capital Projects					-		-
Undesignated Working Capital					409,385	105,608	303,778
Days Undesignated Working Capital					-	52	18

City and Borough of Sitka  
Central Garage Fund Analysis  
Through December 31 2025

Indicator	Amount	Compared To Last Yr	Compared To Plan	Status	Big Picture
<b>Revenue</b>	<b>2,062,355</b>	Improved from prior year	Met/Exceeded Plan		Operating revenue slightly below budget due to the timing of departmental billings.
<b>Appropriated Operating vs. Actual Operating Outlays</b> (Budgeted for period minus actual expenditures. Indicates spending levels as compared to approved budget )	<b>572,123</b>	n/a	<b>Under Budget</b>		Midyear expenditures are below budget, with additional vehicle/equipment purchases anticipated later in the fiscal year.
<b>Earnings Before Interest &amp; Depreciation</b> ("EBIDA" = Operating inflows minus operating outlays—indicates how much cash flow is being generated from operations to pay for things like interest expense, principal payments, and infrastructure investment)	<b>604,904</b>	Decreased	<b>Did Not Meet Plan</b>		
<b>Net Income (Loss)</b> (Incorporates non-operating revenue/expense and depreciation—indicates how much the fund has generated after paying for interest expense and factoring in depreciation of assets)	<b>479,488</b>	Declined	<b>Exceeded Plan</b>		Lower than prior year but ahead of budget due to investment earnings.
<b>Asset Replacement</b> (Net income minus debt principal repayment—gives an indication of whether or not we are setting aside enough money to cover asset replacement ( <i>as estimated by how much our assets are decreasing in value annually</i> ))	<b>1,220,966</b>	Improved	~		Fund is dependent on other funds for capital for fixed assets.
<b>Total Working Capital</b> (What total resources are available in the fund)	<b>9,723,979</b>	Improved	n/a		Most working capital is reserved for future vehicle replacement.
<b>Working Capital Reserved for Vehicle Sinking Funds</b>	<b>9,354,425</b>	Improved	n/a		Sinking fund balance won't be updated for FY26 activity until year end.
<b>Undesignated Working Capital</b> (How much of the fund's resources are available?)	<b>369,554</b>	Declined	n/a		

City and Borough of Sitka  
Central Garage Fund Analysis  
Through December 31 2025

Central Garage Fund operating revenue through the second quarter is slightly below the prior year and budget expectations, primarily due to the timing of departmental billings. This variance was offset by higher than anticipated investment earnings at midyear. Operating expenses increased compared to FY2025, although total expenditures remain generally consistent with budget assumptions. Vehicle and equipment purchases remain below budget through the second quarter but are expected to increase during the remainder of the fiscal year.

The most significant long-term challenge facing the fund continues to be the rising cost of vehicles and equipment. As replacement costs increase, contributions to the vehicle sinking fund will need to be periodically reevaluated to ensure sufficient resources are available for future replacements.

Note: The sinking fund balance is not updated until the end of the fiscal year. As a result, the amount reported in these interim statements as of December 31, 2025, does not reflect the impact of the FY2026 budget and activity.









City and Borough of Sitka  
Interim Financial Statements  
Central Garage Income Statement  
Through December 31 2025

	Jul- Sept	Oct- Dec	Jan- Mar	Apr- Jun	YTD	Prior YTD	Variance from prior YTD	FY26 amended budget YTD	Variance from budget
<b>Operating Revenues</b>									
Departmental Billing	\$ 519,955	\$ 574,936	\$ -	\$ -	\$ 1,094,891	\$ 1,146,410	\$ (51,519)	\$ 1,181,691	\$ (86,800)
Rent-Building	5,922	5,922	-	-	11,844	11,844	-	13,823	(1,979)
<b>Total Operating Revenue</b>	<b>525,877</b>	<b>580,858</b>	-	-	<b>1,106,735</b>	<b>1,158,254</b>	<b>(51,519)</b>	<b>1,195,514</b>	<b>(88,779)</b>
<b>Operating Expenses</b>									
Operating Expenses	81,471	89,499	-	-	170,970	153,168	17,802	340,545	(169,575)
Administrative Expense	131,292	199,569	-	-	330,861	248,855	82,006	215,118	115,743
Depreciation	144,779	144,779	-	-	289,558	330,400	(40,841)	263,114	26,444
<b>Total Operating Expense</b>	<b>357,542</b>	<b>433,847</b>	-	-	<b>791,389</b>	<b>732,423</b>	<b>58,967</b>	<b>818,778</b>	<b>(27,389)</b>
<b>Non-Operating Revenue (Expense)</b>									
Uses of Prop & Investment	80,470	77,694	-	-	158,164	134,425	23,739	57,373	100,791
State Revenue	3,182	2,796	-	-	5,978	2,429	3,549	1,558	4,420
<b>Total Non-Operating Revenue</b>	<b>83,652</b>	<b>80,490</b>	-	-	<b>164,142</b>	<b>136,854</b>	<b>27,288</b>	<b>58,931</b>	<b>105,211</b>
<b>Net Income (Before Transfers)</b>	<b>251,988</b>	<b>227,501</b>	-	-	<b>479,488</b>	<b>562,686</b>	<b>(83,197)</b>	<b>435,667</b>	<b>43,821</b>
<b>Transfers</b>									
Transfers In (Other Funds)	726,228	65,250	-	-	791,478	701,556	89,922	575,820	215,658
Transfers Out (Other Funds)	(50,000)	-	-	-	(50,000)	-	(50,000)	(50,000)	-
<b>Other Budgeted Items (Not Recorded in GAAP Statements)</b>									
Fixed Assets	272,169	448,837	-	-	721,006	346,975	374,030	1,239,296	(518,290)
Debt Principal Payments	-	-	-	-	-	-	-	-	-
<b>Key Indicators</b>									
<b>Cashflow from Operations (EBIDA)</b>	<b>313,114</b>	<b>291,790</b>	-	-	<b>604,904</b>	<b>756,231</b>	<b>(151,327)</b>	<b>639,850</b>	<b>(34,946)</b>
<b>Debt Covenant Calculation</b>									
Net Revenue of the System					719,046	893,085	(174,039)	648,781	70,265
Total Debt Service					-	-	-	-	-
Debt Service Ratio					n/a	n/a	n/a	n/a	n/a
<b>Debt Principal Coverage/Asset Replacement</b>									
Simple Cash Flow					1,510,524	893,085	617,439	648,781	861,743
Debt Principal					-	-	-	-	-
Debt Principal Coverage Surplus/(Deficit)					1,510,524	893,085	617,439	648,781	861,743
Less Depreciation=Cash Available for Asset Replacement					1,220,966	562,686	658,281	385,667	835,299

City and Borough of Sitka  
Interim Financial Statements  
Central Garage Balance Sheet  
Through December 31 2025

	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	YTD	Prior YTD	Variance from prior YTD
<b>Assets/Deferred Outflows</b>							
Current Assets	9,745,593	9,734,285	-	-	9,734,285	8,799,698	934,587
Noncurrent Assets							
Net OPEB asset*	109,103	109,103	-	-	109,103	117,599	(8,496)
Capital assets	4,065,834	3,921,055	-	-	3,921,055	3,168,359	752,696
Deferred Outflows*							
OPEB/Pension	56,101	56,101	-	-	56,101	57,066	(965)
<b>Total Assets and Deferred Outflows</b>	<b>13,976,631</b>	<b>13,820,544</b>	-	-	<b>13,820,544</b>	<b>12,142,722</b>	<b>1,677,822</b>
<b>Liabilities/Deferred Inflows/Net Position</b>							
Current Liabilities							
Accounts payable/accrued liabilities	10,307	10,307	-	-	10,307	1,382	8,925
Noncurrent Liabilities							
Pension/OPEB*	252,854	252,854	-	-	252,854	251,028	1,826
Deferred Inflows							
OPEB/Pension*	3,887	3,887	-	-	3,887	5,807	(1,920)
<b>Total Liabilities and Deferred Inflows</b>	<b>267,048</b>	<b>267,048</b>	-	-	<b>267,048</b>	<b>258,217</b>	<b>8,831</b>
Net Investment in Capital Assets	4,065,834	3,921,055	-	-	-	3,168,359	(3,168,359)
Restricted for OPEB Asset	109,103	109,103	-	-	-	117,599	(117,599)
Unrestricted	9,534,646	9,523,339	-	-	-	8,598,547	(8,598,547)
<b>Total Net Position</b>	<b>13,709,583</b>	<b>13,553,496</b>	-	-	<b>13,553,496</b>	<b>11,884,505</b>	<b>1,668,991</b>
<b>Total Liabilities, Deferred Inflows, and Net Position</b>	<b>13,976,631</b>	<b>13,820,544</b>	-	-	<b>13,820,544</b>	<b>12,142,722</b>	<b>1,677,822</b>
<i>*adjusted at fiscal year-end only</i>							
<b>Working Capital Analysis</b>							
<b>Total Working Capital (Current Assets-Current Liabilities)</b>	<b>9,735,286</b>	<b>9,723,979</b>	-	-	<b>9,723,979</b>	<b>8,798,316</b>	<b>925,662</b>
Current Assets Designated for Vehicle Purchases					9,354,425	8,025,047	1,329,378
Undesignated Working Capital					369,554	773,269	(403,716)
Days Undesignated Working Capital					-	44	129

City and Borough of Sitka  
Building Maintenance Analysis  
Through December 31 2025

Indicator	Amount	Compared To Last Yr	Compared To Plan	Status	Big Picture
<b>Revenue</b>	<b>1,110,570</b>	Improved from prior year	Met/Exceeded Plan		
<b>Appropriated Operating vs. Actual Operating Outlays</b> (Budgeted for period minus actual expenditures. Indicates spending levels as compared to approved budget )	<b>422,349</b>	n/a	<b>Under Budget</b>		Expenditures are below budget at midyear, but expected to increase during the second half of the fiscal year.
<b>Earnings Before Interest &amp; Depreciation</b> ("EBIDA" = Operating inflows minus operating outlays—indicates how much cash flow is being generated from operations to pay for things like interest expense, principal payments, and infrastructure investment)	<b>219,864</b>	<b>Decreased</b>	<b>Exceeded Plan</b>		
<b>Net Income (Loss)</b> (Incorporates non-operating revenue/expense and depreciation—indicates how much the fund has generated after paying for interest expense and factoring in depreciation of assets)	<b>249,969</b>	<b>Declined</b>	<b>Exceeded Plan</b>		
<b>Asset Replacement</b> (Net income minus debt principal repayment—gives an indication of whether or not we are setting aside enough money to cover asset replacement (as estimated by how much our assets are decreasing in value annually))	<b>249,969</b>	<b>Declined</b>	~		Fund is dependent on other funds for capital for fixed assets.
<b>Total Working Capital</b> (What total resources are available in the fund)	<b>1,222,649</b>	<b>Improved</b>	n/a		Fund balance fluctuates based on the timing of maintenance activities and credits back to departments for unspent funds.
<b>Working Capital Appropriated For Projects (and Unspent Bond Proceeds)</b> (Of the fund's total resources, how much has been already appropriated for CAPEX)	-	n/a	n/a		
<b>Undesignated Working Capital</b> (How much of the fund's resources are available?)	<b>1,222,649</b>	<b>Improved</b>	n/a		

City and Borough of Sitka  
Building Maintenance Analysis  
Through December 31 2025

The Building Maintenance Fund is performing as expected. Revenue through the second quarter is consistent with budget expectations, while operating expenses are below budget at midyear. Building maintenance expenditures can vary significantly based on the timing and nature of repair needs, and spending is expected to increase during the second half of the fiscal year. Unspent allocations are credited back to departments in future years, which can also contribute to fluctuations in annual revenue and fund balance.

City and Borough of Sitka  
Interim Financial Statements  
Building Maint. Income Stmt  
Through December 31 2025

	Jul- Sept	Oct- Dec	Jan- Mar	Apr- Jun	YTD	Prior YTD	Variance from prior YTD	FY26 amended budget YTD	Variance from budget
<b>Operating Revenues</b>									
Department Billings	538,913	538,913	-	-	1,077,825	922,720	155,105	1,078,254	(429)
Other Revenue	(147)	-	-	-	(147)	-	(147)	-	(147)
<b>Total Operating Revenue</b>	<b>538,766</b>	<b>538,913</b>	-	-	<b>1,077,678</b>	<b>922,720</b>	<b>154,958</b>	<b>1,078,254</b>	<b>(576)</b>
<b>Operating Expenses</b>									
Administrative Expenses	84,070	85,725	-	-	169,794	162,035	7,760	202,699	(32,905)
Operating Expense	322,277	365,742	-	-	688,019	526,594	161,426	1,047,464	(359,444)
Depreciation	220	220	-	-	440	440	(0)	443	(3)
<b>Total Operating Expense</b>	<b>406,567</b>	<b>451,687</b>	-	-	<b>858,254</b>	<b>689,068</b>	<b>169,185</b>	<b>1,250,606</b>	<b>(392,352)</b>
<b>Non-Operating Revenue (Expense)</b>									
Uses of Prop & Investment	8,771	5,856	-	-	14,626	16,750	(2,123)	10,022	4,604
State/Federal Revenue	9,183	6,735	-	-	15,918	6,584	9,334	2,522	13,396
<b>Total Non-Operating Revenue</b>	<b>17,954</b>	<b>12,591</b>	-	-	<b>30,544</b>	<b>23,334</b>	<b>7,211</b>	<b>12,544</b>	<b>18,000</b>
<b>Net Income (Before Transfers)</b>	<b>150,152</b>	<b>99,817</b>	-	-	<b>249,969</b>	<b>256,985</b>	<b>(7,016)</b>	<b>(159,808)</b>	<b>409,777</b>
<b>Transfers</b>									
Transfers In (Other Funds)	1,194	1,153	-	-	2,347	2,836	(488)	4,147	(1,800)
<b>Other Budgeted Items (Not Recorded in GAAP Statements)</b>									
Fixed Assets	-	-	-	-	-	-	-	30,000	(30,000)
<b>Key Indicators</b>									
<b>Cashflow from Operations (EBIDA)</b>	<b>132,419</b>	<b>87,446</b>	-	-	<b>219,864</b>	<b>234,092</b>	<b>(14,227)</b>	<b>(171,909)</b>	<b>391,773</b>
<b>Debt Covenant Calculation</b>									
Net Revenue of the System					250,409	257,425	(7,016)	(159,365)	409,774
Total Debt Service					-	-	-	-	-
Debt Service Ratio					n/a	n/a	n/a	n/a	n/a
<b>Debt Principal Coverage/Asset Replacement</b>									
Simple Cash Flow					250,409	257,425	(7,016)	(159,365)	409,774
Debt Principal					-	-	-	-	-
Debt Principal Coverage Surplus/(Deficit)					250,409	257,425	(7,016)	(159,365)	409,774
Less Depreciation=Cash Available for Asset Replacement					249,969	256,985	(7,016)	(159,808)	409,777

City and Borough of Sitka  
Interim Financial Statements  
Building Maint. Balance Sheet  
Through December 31 2025

	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	YTD	Prior YTD	Variance from prior YTD
<b>Assets/Deferred Outflows</b>							
Current Assets	1,167,614	1,268,804	-	-	1,268,804	1,061,459	207,344
Noncurrent Assets							
Net OPEB asset*	285,692	285,692	-	-	285,692	175,358	110,334
Capital assets	220	-	-	-	-	880	(880)
Deferred Outflows*							
OPEB/Pension	146,901	146,901	-	-	146,901	85,094	61,807
<b>Total Assets and Deferred Outflows</b>	<b>1,600,427</b>	<b>1,701,397</b>	<b>-</b>	<b>-</b>	<b>1,701,397</b>	<b>1,322,791</b>	<b>378,605</b>
<b>Liabilities/Deferred Inflows/Net Position</b>							
Current Liabilities							
Accounts payable/accrued liabilities	46,155	46,155	-	-	46,155	27,229	18,926
Noncurrent Liabilities							
Pension/OPEB*	662,110	662,110	-	-	662,110	374,321	287,789
Deferred Inflows							
OPEB/Pension*	10,178	10,178	-	-	10,178	8,659	1,519
<b>Total Liabilities and Deferred Inflows</b>	<b>718,443</b>	<b>718,443</b>	<b>-</b>	<b>-</b>	<b>718,443</b>	<b>410,209</b>	<b>308,234</b>
Net Investment in Capital Assets	220	-	-	-	-	880	(880)
Unrestricted	881,765	982,954	-	-	982,954	911,702	71,252
<b>Total Net Position</b>	<b>881,984</b>	<b>982,954</b>	<b>-</b>	<b>-</b>	<b>982,954</b>	<b>912,582</b>	<b>70,372</b>
<b>Total Liabilities, Deferred Inflows, and Net Position</b>	<b>1,600,427</b>	<b>1,701,397</b>	<b>-</b>	<b>-</b>	<b>1,701,397</b>	<b>1,322,791</b>	<b>378,605</b>
<i>*adjusted at fiscal year-end only</i>							
<b>Working Capital Analysis</b>							
<b>Total Working Capital (Current Assets-Current Liabilities)</b>	<b>1,121,460</b>	<b>1,222,649</b>	<b>-</b>	<b>-</b>	<b>1,222,649</b>	<b>1,034,230</b>	<b>188,419</b>
Undesignated Working Capital	1,121,460	1,222,649	-	-	1,222,649	1,033,350	189,299
Days Undesignated Working Capital					256	172	