

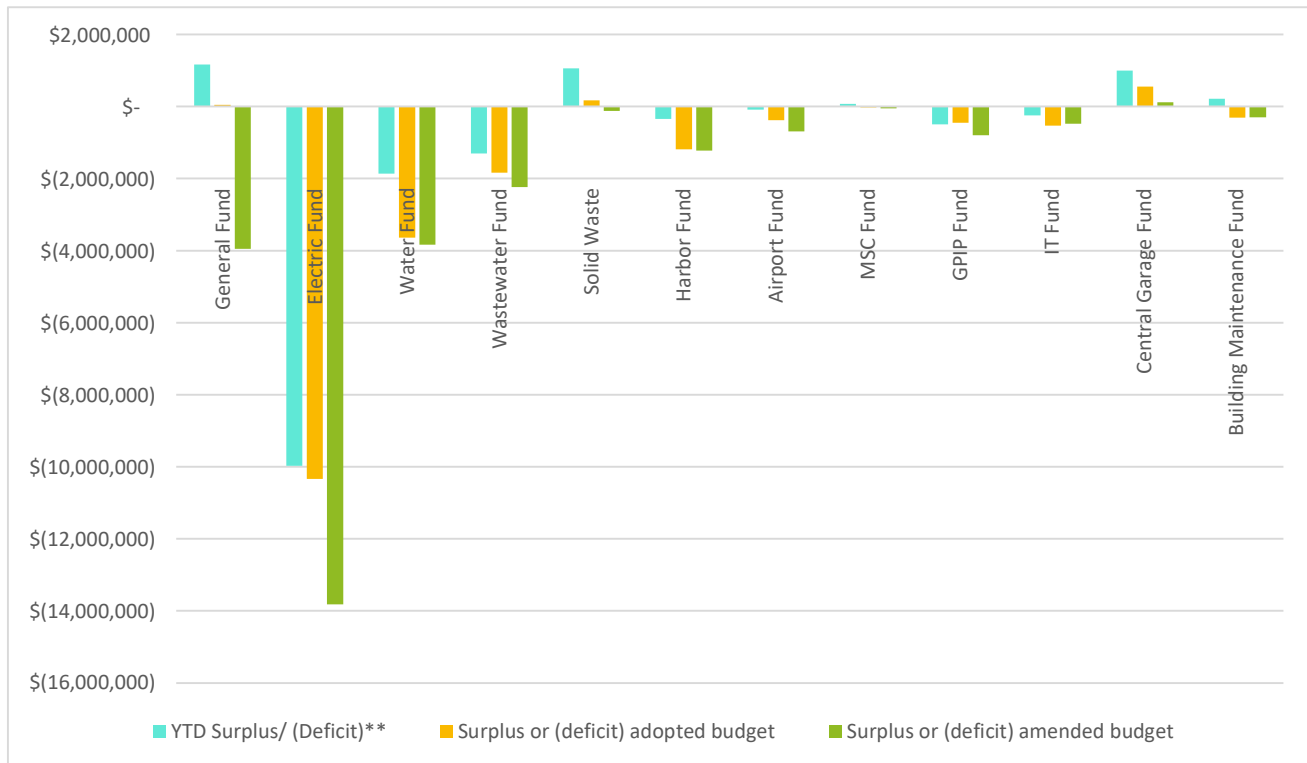
INTERIM FINANCIAL STATEMENTS THROUGH
June 30, 2025

City and Borough of Sitka
Organizational Summary
Through June 30 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	\$ 240,089	\$ (4,907,660)	\$ 1,168,005	\$ 43,620	\$ (3,944,927)
Electric Fund	2,032,713	(1,901,784)	(9,967,804)	(10,335,841)	(13,816,149)
Water Fund	399,903	(1,582,763)	(1,867,868)	(3,637,187)	(3,831,397)
Wastewater Fund	407,903	(560,163)	(1,305,032)	(1,835,458)	(2,234,701)
Solid Waste	632,055	(737,841)	1,056,642	168,743	(122,445)
Harbor Fund	209,940	(545,947)	(348,087)	(1,188,959)	(1,222,955)
Airport Fund	118,463	(481,800)	(86,315)	(374,962)	(692,773)
MSC Fund	79,539	(41,017)	77,726	(24,696)	(48,915)
GPIP Fund	253,254	(72,988)	(490,949)	(451,424)	(803,262)
IT Fund	6,992	(158,587)	(244,581)	(534,427)	(476,429)
Central Garage Fund	262,202	(490,384)	995,834	555,975	116,897
Building Maintenance Fund	24,210	(488,303)	213,969	(313,125)	(298,545)

* Excludes depreciation and transfers to CAPEX

**Factors in transfers to CAPEX and depreciation



City and Borough of Sitka
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Supplemental Appropriations made through end of period for the General Fund:

Incomplete purchase orders rolled from FY24 to FY25	\$ 372,518
ORD 2024-25 Finance Leadership Transition / Recruitment	\$ 87,000
ORD 2024-28 Crescent Harbor Tennis Courts	\$ 125,000
ORD 2024-26 Marine Vessel Haul Out and Shipyard	\$ 336,475
ORD 2024-29 Marine Vessel Haul Out and Shipyard	\$ 163,525
ORD 2025-01 Special Election	\$ 17,830
ORD 2025-03 Mid-Year Supplemental	\$ 404,500
ORD 2025-10 Homeland Security Grant (Travel)	\$ 12,096
ORD 2025-11 EV Transit Van	\$ 30,900
FY2025 Transfer to PISF	\$ 3,200,000
ORD 2025-23 FY2025 Reappropriations	\$ (132,096)
Incomplete purchase orders rolled from FY25 to FY26	\$ (629,201)
TOTAL	\$ 3,988,547

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 Financial Report while emphasizing year to date budget performance. Each fund is accompanied by an analysis from 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, 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 (especially 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. Recent proposals to redefine local contributions to schools could further restrict the financial resources available to school districts. These proposals limit local flexibility to address funding shortfalls, potentially leading to cuts in educational services and deferred maintenance. The harbor system is also significantly affected, as the cost of major harbor infrastructure is far beyond what local municipalities can support without state partnership.

Organization Capacity and Operational Changes

The volume of capital projects continues to rise, driven by aging infrastructure and regulatory requirements. However, staffing capacity in project management and support functions hasn't increased at the same pace, resulting in extended timelines and growing balances of unspent capital appropriations. Large, complex projects, such as the haul out and airport renovation, have required substantial staff time and attention, further limiting the ability to advance other projects, despite having appropriations in place. Delays in these projects means that existing appropriations will likely be insufficient and additional funding will be needed.

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In addition, CBS is in the process of assuming several significant new operational responsibilities both in the General Fund and enterprise funds. CBS has already taken over maintenance of the buildings occupied by the School District as of FY2025. While day to day haul out operations are handled by Highmark, CBS is still responsible for oversight and long term asset management. The renovated airport terminal will also increase 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

The municipality'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 isn't sufficient to keep pace with the rising cost of infrastructure. Many projects now require significantly higher local contributions than in prior years, even when grants are available.

-School Infrastructure Pressures: Condition of the buildings occupied by the School District remain a critical concern. Aging building and deferred maintenance needs continue to grow, while state support for major maintenance or improvements has weakened. If the State of Alaska's debt reimbursement program remains in place, it may be prudent to bond to address some of the most critical repairs.

Overall, the City and Borough of Sitka remains on a 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, staffing challenges, and project complexity.

-Strategically managing working capital to support essential capital reinvestment while preserving financial stability.

Continued diligence in these areas will be essential to navigate emerging challenges and ensure 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 June 30 2025

Indicator	Amount	Compared To Last Yr	Compared To Plan	Status	Big Picture
Revenue	37,859,855	Improved from prior year	Met/Exceeded Plan		Revenue exceeded plan, primarily due to federal ambulance payments, as well as an unexpected donation.
Appropriated Operating Outlays vs. Actual Operating Outlays (Budgeted for period minus actual expenditures. Indicates spending levels as compared to approved budget)	4,907,660	n/a	Under Budget		Costs are higher than the prior year, but almost all General Fund departments fell under budget.
Surplus/(Shortfall) of Revenues over Outlays	1,168,005	Increased	Exceeded Plan		This is a combination of slightly higher than projected revenue (\$240k) and significantly lower than projected operating costs (\$4.9M)
Capital Expenditure Outlays (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)	2,210,776	Increased slightly	n/a		Despite significant appropriations for general governmental capital projects, spending has been slow. This is partly due to other significant high-priority projects such as the airport terminal and haul out that are reported in other funds.
Assigned Portion of Fund balance (Includes balance restricted by SGC and other external restrictions such as E-911, liquidity restriction, emergency response, advances to other funds, etc....)	16,329,067	Increased	n/a		Higher operating costs mean that CBS is required by SGC to keep a higher level of funding to ensure liquidity
Unassigned and Available Fund Balance (Portion of fund balance not committed for above/other purposes)	8,332,905	Increased	n/a		PISF transfer of \$3.2M allowed for a higher unassigned balance to be available should funding be needed during FY26
Total General Fund Balance	24,661,973	Improved	n/a		Improved, though transfer to PISF was smaller than in prior year.

City and Borough of Sitka
General Fund Analysis
Through June 30 2025

Revenues:

Revenues for FY25 were \$240,000 ahead of the budget, primarily due to interest earned on investments. Overall, returning to the 6% seasonal sales tax, strong property tax collections, investment earnings, a donation from the Pacific States Marine Fisheries Commission (transferred to the haul-out project), and increased federal revenue for ambulance services all contributed to the favorable revenue performance.

Expenditures:

Excluding transfers, General Fund expenditures at year-end were 87% of the amended budget. While expenditures were \$1.6 million higher than in FY24, they were \$4.9 million below budgeted levels. Transfers out met budget expectations and, with the exception of a smaller transfer to the Public Infrastructure Sinking Fund than in the prior year, were close to FY24 levels.

Capital Project Fund:

As of mid-year, the Capital Project Fund had \$18.1 million in unspent working capital appropriations, including \$4.2 million in new appropriations. Many projects are still in the planning or design phase, or are accumulating sufficient working capital for future execution. Inflation continues to drive up project costs. While CBS engineering department is now fully staffed, they support the entire organization, not just General Fund projects. Key current priorities include the GPIP haul out, airport terminal, and seaplane base projects, along with major wastewater system upgrades. Some of these projects are grant-funded and subject to strict timelines, elevating their priority.

Note that in these preliminary year-end financial statements, some GAAP entries such as updating OPEB & PERS liabilities and recording lease and subscription assets, have not been made yet. While this allows for a clearer review of budget-to-actual expenditures, these financials will differ from the final audited statements.

City and Borough of Sitka
Interim Financial Statements
General Fund Income Statement
Through June 30 2025

	Jul- Sept	Oct- Dec	Jan- Mar	Apr- Jun	YTD	Prior YTD	Variance from prior YTD	FY25 amended budget YTD	Variance from budget
Revenues									
301 Property Tax	\$ 7,721,106	\$ 99,471	\$ 24,212	\$ 30,006	\$ 7,874,795	\$ 7,435,553	\$ 439,242	\$ 7,662,598	\$ 212,197
302 Sales Tax	8,051,239	2,809,122	2,677,213	6,300,783	19,838,357	18,688,712	1,149,644	20,528,000	(689,643)
310 State Revenue	64,305	536,658	83,466	160,634	845,063	701,515	143,547	975,811	(130,748)
315 Federal Revenue	707	707	1,250	980,974	983,637	2,946,452	(1,962,814)	1,500,000	(516,363)
320 Licenses & Permits	41,702	46,345	120,693	289,270	498,010	1,012,783	(514,773)	226,100	271,910
330 Services	316,444	775,060	367,751.37	445,796.41	1,905,051	1,725,866	179,185	1,849,552	55,499
340 Operating Revenue	104,161	132,434	101,089.71	135,572.57	473,257	434,504	38,754	450,000	23,257
360 Uses of Prop & Investmer	276,099	648,939	460,047.16	504,607.21	1,889,692	1,389,496	500,196	1,189,000	700,692
370 Interfund Billings	782,301	782,301	782,301.00	782,301.00	3,129,204	2,902,413	226,791	3,129,204	-
380 Miscellaneous	25,039	353,764	8,088.98	35,896.70	422,789	97,653	325,136	109,500	313,289
Total Revenue	17,383,102	6,184,800	4,626,112	9,665,841	37,859,855	37,334,947	524,908	37,619,765	240,089
Expenditures									
001 Administrator & Assembly	253,361	336,183	352,925	379,298	1,321,766	2,116,471	(794,705)	1,807,375	(485,609)
002 Attorney	123,704	126,174	169,827	138,255	557,961	455,135	102,825	618,507	(60,547)
003 Municipal Clerk	142,481	223,365	144,115	226,321	736,282	581,738	154,544	790,181	(53,899)
004 Finance	633,680	782,595	778,594	875,913	3,070,783	2,838,651	232,132	3,519,222	(448,439)
005 Assessing	109,426	127,702	101,510	133,780	472,419	469,898	2,521	539,030	(66,612)
006 Planning	202,442	310,117	278,950	518,005	1,309,513	897,615	411,898	1,662,359	(352,846)
007 General Office	489,811	176,204	176,265	163,642	1,005,921	876,736	129,185	1,016,223	(10,302)
008 Other (Non-Profit Support)	162,071	42,500	42,500	42,500	289,571	385,107	(95,536)	329,000	(39,429)
021 Police	1,106,129	996,694	897,671	1,068,387	4,068,880	4,262,166	(193,285)	6,125,072	(2,056,191)
022 Fire Protection	685,889	637,768	632,798	756,231	2,712,685	2,362,507	350,179	2,828,586	(115,901)
023 Ambulance	82,851	105,271	101,464	119,637	409,222	363,185	46,037	499,386	(90,164)
024 Search and Rescue	5,808	8,294	7,601	9,393	31,096	24,061	7,035	41,623	(10,527)
031 Administration	240,539	160,770	201,880	247,728	850,918	1,012,403	(161,485)	993,497	(142,579)
032 Engineering	176,089	256,124	226,107	265,560	923,880	622,807	301,073	1,061,648	(137,768)
033 Streets	260,550	941,443	434,745	742,739	2,379,476	1,685,458	694,018	2,504,266	(124,790)
034 Recreation	276,402	232,446	212,586	285,621	1,007,055	1,012,161	(5,106)	1,112,637	(105,582)
035 Building Officials	86,957	109,989	131,058	141,721	469,724	433,447	36,276	549,082	(79,358)
041 Library	346,799	329,540	327,320	400,952	1,404,610	1,235,576	169,034	1,522,208	(117,597)
043 Centennial Building	275,270	219,639	209,799	287,306	992,014	856,923	135,091	1,099,224	(107,210)
047 Senior Citizens	18,201	14,811	16,821	16,015	65,847	56,336	9,512	80,916	(15,069)
650 Debt Payments	10,577	-	14,286	-	24,863	40,841	(15,978)	24,864	(1)
660 Support Payments	1,975,048	2,281,980	2,138,148	2,254,704	8,649,880	8,527,498	122,382	8,935,162	(285,282)
670 Fixed Assets	29,254	1,219	5,569	-	36,042	90,585	(54,543)	38,000	(1,958)
Total Operating Expense	7,693,337	8,420,825	7,602,535	9,073,708	32,790,406	31,207,303	1,583,103	37,698,066	(4,907,660)
Other Financing Sources (Uses)									
Interfund Transfers In	4,523,233	1,697,038	12,487	609,025	6,841,783	6,640,910	200,873	7,033,527	(191,744)
Interfund Transfers Out	(4,270,920)	(625,000)	(210,000)	(2,437,307)	(7,543,227)	(7,633,939)	90,712	(7,700,153)	156,926
Transfer Out for PISF	-	-	-	(3,200,000)	(3,200,000)	(4,000,000)	800,000	(3,200,000)	-
Net Transfers	252,313	1,072,038	(197,513)	(5,028,282)	(3,901,444)	(4,993,029)	1,091,585	(3,866,626)	(34,818)
Net Change in Fund Balance	\$ 9,942,078	\$ (1,163,987)	\$ (3,173,936)	\$ (4,436,150)	\$ 1,168,005	\$ 1,134,615	\$ 33,390	\$ (3,944,927)	\$ 5,112,931
Net Change in Fund Balance									
Fund Balance, Beginning	23,493,964	33,436,042	32,272,055	29,098,118	23,493,964	21,016,905	2,477,059	23,493,964	-
Fund Balance, Ending	33,436,042	32,272,055	29,098,118	24,661,969	24,661,969	22,151,520	2,510,449	19,549,037	5,112,932

City and Borough of Sitka
Interim Financial Statements
General Fund Balance Sheet
Through June 30 2025

	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	YTD	Prior YTD	Variance from prior YTD
Assets/Deferred Outflows							
Current Assets	29,438,239	29,035,040	25,362,787	22,005,229	22,005,229	18,278,340	3,726,889
Noncurrent Assets	7,236,568	7,370,149	7,362,255	7,426,232	7,426,232	10,386,975	(2,960,743)
Total Assets and Deferred Outflows	36,674,806	36,405,189	32,725,042	29,431,461	29,431,461	28,665,315	766,146
Liabilities/Deferred Inflows/Net Position							
Current Liabilities							
Accounts payable/accrued liabilities	30,453	916,505	410,072	1,546,778	1,546,778	1,902,784	(356,005)
Deferred Inflows of Resources							
Deferred revenue	3,208,308	3,216,625	3,216,848	3,222,710	3,222,710	3,268,563	(45,853)
Total Liabilities and Deferred Inflows	3,238,761	4,133,131	3,626,920	4,769,488	4,769,488	5,171,347	(401,859)
Total Fund Balance	33,436,046	32,272,059	29,098,122	24,661,973	24,661,973	23,493,968	1,168,005
Total Liabilities, Deferred Inflows, and Fund Balances	36,674,806	36,405,189	32,725,042	29,431,461	29,431,461	28,665,315	766,146
Fund Balance Analysis							
Total Fund Balance	33,436,046	32,272,059	29,098,122	24,661,973	24,661,973	23,493,968	1,168,005
Non Spendable	3,265,266	3,239,901	3,207,551	3,137,782	3,137,782	3,132,832	4,950
Committed (Liquidity/Title III/E911)	10,504,626	10,504,631	10,504,636	11,191,286	11,191,286	10,504,622	686,664
Emergency Reserve	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	-
Unassigned	17,666,153	16,527,526	13,385,935	8,332,905	8,332,905	7,856,514	476,391
Days Operating/Unassigned Fund Balance				-	91	91	
Summary of Capital Projects (Fund 700)	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	101,153	-	-	19,764	16,992	98,381	
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)	4,805,521	250,000	-	3,016	-	5,052,505	
90843 - Lake St. (DeGroff to Arrowhead) Hirst Utility & Street Imp	2,330,556	1,272,748	-	81,831	(22,379)	3,499,094	
90855 - Seawalk Part II	195,606	-	-	5,790	-	189,816	
90861 - Asset Management / CMMS Implementation	96,795	-	-	7,505	(2,090)	87,200	
90866 - City Hall HVAC & Controls Replacement	640,200	675,000	-	1,001,883	1,000,736	1,314,053	
90878 - Katlian Ave Paving	926,294	250,000	-	724	-	1,175,570	
90885 - Senior Center - ADA Ramp & Rear Porch Improvements	94,266	-	-	566	-	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	205,920	200,000	-	29,171	-	376,749	
90909 - No Name Mountain Master Plan	14,640	-	-	-	-	14,640	
90912 - Crescent Harbor Restroom Replacement	158,542	250,000	-	380,173	360,099	388,468	
90925 - Knutson Drive Critical Repairs	287,797	-	-	-	-	287,797	
90939 - City Hall Building Carpet Replacement	150,000	100,000	-	-	-	250,000	
90940 - HCH Cedar Trim and Lam Beam Refinishing	150,000	-	-	-	-	150,000	
90961 - Wachusetts Storm Drains (Peterson Phase II)	816,960	-	-	53,411	(829)	762,720	
90962 - Police Mud Bay Repeater	-	10,000	33,725	43,725	-	-	
90964 - 2022 Tourism Projects	95,225	-	-	-	-	95,225	
90966 - CBS Facilities Condition Assessment + Schools	390,108	-	-	10,000	10,000	390,108	
90967 - Senior Center Interior Floor Replacement Upgrade Comm	38,369	-	-	191	-	38,179	
90968 - Senior Center Roof Replacement	174,266	-	-	411	-	173,856	
90969 - Water/Wastewater Replacement at Senior Center	134,816	-	-	322	-	134,494	
90989 - ADA Second Bus Shelter	14,852	-	-	-	-	14,852	
90990 - School Heat Pump Replacement	125,229	-	-	122,589	-	2,639	
90992 - DataCenter Disaster Recovery System	6,066	-	-	-	-	6,066	
90994 - Safe Streets for All	150,000	-	-	11,922	-	138,078	
90996 - Housing Study	748,951	-	-	39,282	34,454	744,124	
90997 - Streets Condition Assessment	20,000	-	-	-	-	20,000	
90998 - Senior Center - Sprinkler Replacement	74,361	-	-	5,775	-	68,586	
90999 - Lincoln Street (Jeff Davis to Lake) Road & Utility Project	392,668	-	-	-	-	392,668	
91001 - City/State Building - Exterior Painting	50,000	-	-	-	-	50,000	
91002 - Fire Hall-Carpet Replacement	124,739	-	-	73,000	-	51,739	
91003 - City/State Building - Window Replacement	250,000	-	-	-	-	250,000	
91004 - Fire Hall - Replace Fire Alarm Control Panel	30,000	-	-	6,325	-	23,675	
91016 - Tyler New World Time & Attendance	34,296	-	-	13,650	(2,340)	18,306	
91017 - Police Security Door and Radio Upgrade	(5,290)	-	128,895	179,989	52,847	(3,537)	
91019 - UTV Storage at Cruise Terminal	13,141	-	-	480	(1,447)	11,214	
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	

City and Borough of Sitka
Interim Financial Statements
General Fund Balance Sheet
Through June 30 2025

	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	YTD	Prior YTD	Variance from prior YTD
91027 - Installing Fiber Optic Cable	-	460,000	-	-	-	460,000	
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	-	-	-	150,000	
91031 - Centralized Permitting Software	-	100,000	-	30,169	30,169	100,000	
91032 - Fire Hall Front Door Replacements	-	20,000	-	-	-	20,000	
91038 - Fire Station Alerting System	-	25,000	-	24,477	-	523	
91040 - Crescent Harbor Tennis Courts	-	125,000	-	-	-	125,000	
91041 - Tom Young Cabin Deck Repair	-	30,000	-	-	-	30,000	
91067 - Fire-EMS Mobile and Portable Radios	-	-	64,636	64,636	-	-	
Adjustments	(3)	-	-	-	-	(3)	
	14,404,152	4,228,748	227,256	2,210,776	1,476,212.63	18,125,593	

City and Borough of Sitka
Electric Fund Analysis
Through June 30 2025

Indicator	Amount	Compared To Last Yr	Compared To Plan	Status	Big Picture
Revenue	24,330,896	Less than prior year	Met/Exceeded Plan		Investment earnings and federal funds helped offset a slight decrease in operating revenue.
Appropriated Operating vs. Actual Operating Outlays (Budgeted for period minus actual expenditures. Indicates spending levels as compared to approved budget)	1,901,784	n/a	Under Budget		Operating expenses increased slightly compared to the prior year but remained 8% under budget for FY25.
Earnings Before Interest & Depreciation ("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)	9,963,497	Decreased	Exceeded Plan		EBIDA decreased from prior year due to a slight decline in operating revenue and a 7.6% increase in operating expenses compared to FY24.
Net Income (Loss) (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)	3,914,250	Declined	Exceeded Plan		Net income declined from the prior year primarily due to a larger hydroelectric incentive payment in FY24 and higher operating expenses in FY25.
Asset Replacement (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>))	(2,492,221)	Declined	Not generating revenue towards asset replacement		Cash flow surplus is covering debt payments, but is insufficient to cover depreciation.
Total Working Capital (What total resources are available in the fund)	28,457,108	Improved	n/a		Working capital increased due to lower outlays.
Working Capital Appropriated For Projects (Of the fund's total resources, how much has been already appropriated for CAPEX)	12,907,713	Improved	n/a		Higher than average appropriations of working capital were designated for capital projects in FY25.
Undesignated Working Capital (How much of the fund's resources are available)	12,042,150	Declined	n/a		Insufficient for capital investment or significant emergency.

City and Borough of Sitka
Electric Fund Analysis
Through June 30 2025

The Electric Fund outperformed budgeted expectations for FY2025. A significant driver of this strong performance was non-operating revenue, including a \$1 million payment from the federal Hydroelectric Incentives Program. This, combined with higher than anticipated investments earnings, resulted in an overall surplus for the year. Operating expenses also remained well under budget, primarily due to position vacancies.

Operating revenue is less than 1% below budget, largely due to a 4.2% decrease in commercial electricity revenue compared to FY2024. This decline reflects reduced consumption from a few of the largest user groups in the fishing and retail industries, likely due to fluctuations in the fishing industry and energy efficiency measures.

While the fund is meeting its debt obligations and maintains a debt service coverage ratio well above the required 125%, it's not currently generating enough of a surplus to offset depreciation. This raises concerns about the fund's long-term ability to finance future capital reinvestment and asset replacement without additional rate adjustments or outside funding.

FY2025 included repayment of the USDA RUS loan originally issued for Phase I of the Green Lake Rehabilitation project. This reduced available cash in the near term but improved the fund's long-term financial position by reducing overall debt.

In addition, inventory values increased by just over \$1.6 million compared to FY2024, as the Electric Department continues efforts to rebuild inventory to appropriate operational levels. These purchases reduce available cash and working capital in the short term but are not recorded as expenses until the materials are used.

It's also important to note that during FY2025, the Electric Department was required to remit \$136,540 to the IRS for an arbitrage rebate, which was recorded as a reduction to investment income. An arbitrage rebate is a payment that the City has to make to the federal government when it earns more interest on invested bond funds than the interest it pays on those bonds.

Note that in these preliminary year-end financial statements, some GAAP entries such as updating OPEB & PERS liabilities and recording lease and subscription assets, have not been made yet. While this allows for a clearer review of budget-to-actual expenditures, these financials will differ from the final audited statements.

City and Borough of Sitka
Interim Financial Statements
Electric Fund Income Statement
Through June 30 2025

	Jul- Sept	Oct- Dec	Jan- Mar	Apr- Jun	YTD	Prior YTD	Variance from prior YTD	FY25 amended budget YTD	Variance from budget
Operating Revenues									
Miscellaneous	\$ 687	\$ 2,342	\$ 2,329	\$ 5,192	\$ 10,550	\$ (2,282)	\$ 12,832	\$ 3,000	\$ 7,550
Pole Contracts/Other	68,000	36,126	59,877	32,000	196,002	185,181	10,822	202,000	(5,998)
Electricity-Commercial	2,193,447	1,548,052	1,505,466	1,769,491	7,016,456	7,325,486	(309,031)	7,770,145	(753,689)
Electricity-Harbor	129,210	167,859	178,670	172,553	648,292	652,510	(4,218)	647,761	531
Electricity-Public Auth	896,546	1,037,109	1,077,983	994,059	4,005,698	3,967,054	38,644	3,612,501	393,197
Electricity-Residential	1,870,822	2,041,512	2,086,591	2,311,604	8,310,529	8,117,228	193,301	8,263,211	47,318
Electric-Other	7,389	7,389	7,425	7,989	30,191	29,591	600	30,000	191
Interruptible Demand	102,210	141,669	164,106	123,466	531,450	627,820	(96,369)	631,500	(100,050)
Jobbing-Equipment	1,935	4,857	4,490	13,903	25,185	31,516	(6,331)	15,000	10,185
Jobbing-Labor	5,340	20,983	22,812	68,472	117,608	209,905	(92,298)	180,000	(62,392)
Jobbing-Materials/Parts	19,057	15,486	69,536	229,574	333,653	200,345	133,308	65,000	268,653
Jobbing-Outside Contracts	-	-	-	-	-	8,427	(8,427)	-	-
Yard/Street Lights	43,250	43,236	43,227	43,235	172,949	172,961	(12)	175,000	(2,051)
Total Operating Revenue	5,337,893	5,066,620	5,222,512	5,771,538	21,398,563	21,525,742	(127,179)	21,595,118	(196,555)
Operating Expenses									
Administration	609,235	692,315	713,370	727,456	2,742,376	2,379,021	363,355	3,277,591	(535,214)
Distribution	620,831	602,772	881,059	865,194	2,969,856	2,525,026	444,830	2,569,110	400,747
Jobbing Expenses	102,679	88,012	43,962	147,590	382,244	286,362	95,881	150,000	232,244
Metering	125,958	139,019	132,202	166,597	563,775	540,365	23,411	600,869	(37,094)
Blue Lake	542,491	586,447	535,669	694,193	2,358,799	2,388,998	(30,199)	2,681,186	(322,387)
Diesel Plant	75,693	123,695	132,253	159,334	490,974	493,316	(2,343)	1,007,440	(516,466)
Green Lake	294,579	357,120	316,715	396,092	1,364,506	1,245,542	118,964	1,532,455	(167,949)
Switchyard	13,191	32,351	11,316	20,654	77,513	63,067	14,446	229,538	(152,026)
Stores	22,175	31,405	32,108	44,644	130,332	156,842	(26,510)	139,141	(8,809)
Transmission-Line Maint.	55,191	64,630	78,179	66,743	264,743	169,532	95,211	712,073	(447,329)
Transmission-Substation									
Maintenance	1,533	36,260	17,586	34,569	89,947	11,751	78,196	110,556	(20,609)
Depreciation	1,425,051	1,425,051	1,425,051	1,495,130	5,770,283	5,737,358	32,925	5,700,206	70,077
Total Operating Expense	3,888,607	4,179,077	4,319,469	4,818,195	17,205,348	15,997,181	1,208,168	18,710,165	(1,504,817)
Non-Operating Revenue (Expense)									
State/Federal Revenue	17,915	1,017,915	29,027	51,666	1,116,523	2,042,549	(926,026)	206,988	909,535
Uses of Prop & Investment	364,543	343,924	336,032	771,311	1,815,810	1,442,062	373,748	480,000	1,335,810
Interest/Debt/Lease/SAAS Exp	(868,443)	(859,063)	(994,228)	(489,564)	(3,211,298)	(3,167,899)	(43,398)	(3,493,234)	(281,936)
Total Non-Operating Revenue	(485,984)	502,776	(629,169)	333,413	(278,965)	316,712	(595,676)	(2,806,246)	1,963,409
Net Income (Before Transfers)	963,301	1,390,319	273,874	1,286,755	3,914,250	5,845,273	(1,931,023)	78,707	3,835,543
Transfers									
Transfers In (Out) (Other Func	(17,430)	53,210	51,967	55,036	142,784	184,095	(41,311)	158,860	(16,076)
Other Budgeted Items (Not Recorded in GAAP Statements)									
Bond Principal Payments	-	3,370,000	-	-	3,370,000	3,245,000	125,000	3,370,000	-
Note Principal Payments	-	-	3,179,255	-	3,179,255	110,651	3,068,604	3,179,255	-
Purchase of Fixed Assets	-	-	21,122	-	21,122	21,299	(177)	50,000	(28,878)
Transfers In/(Out)-Capital									
Projects	(7,454,461)	-	-	-	(7,454,461)	(3,775,000)	(3,679,461)	(7,454,461)	-
Key Indicators									
Cashflow from Operations (EBIDA)	2,874,337	2,312,594	2,328,094	2,448,472	9,963,497	11,265,919	(1,302,422)	8,585,159	1,378,338
Bond Covenant Calculation									
Net Revenue of the System					13,038,614	14,934,625	(1,896,012)	9,431,007	3,607,607
Total Debt Service					6,581,298	6,412,899	168,398	6,863,234	(281,936)
Bond Covenant Ratio (Must be >1.25%)					198%	233%		137%	
Debt Principal Coverage/Asset Replacement									
Simple Cash Flow					9,827,316	11,766,726	(1,939,410)	5,937,773	3,889,543
Debt Principal					(6,549,255)	(3,355,651)	(3,193,604)	(6,549,255)	-
Debt Principal Coverage Surplus/(Deficit)					3,278,061	8,411,075	(5,133,014)	(611,482)	3,889,543
Less Depreciation=Available for Asset Replacement Over Depreciation					(2,492,221)	2,673,717	(5,165,939)	(6,311,688)	3,819,467

City and Borough of Sitka
Interim Financial Statements
Electric Fund Balance Sheet
Through June 30 2025

	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	YTD	Prior YTD	Variance from prior YTD
Assets/Deferred Outflows							
Current Assets	34,200,220	32,319,290	31,416,154	33,095,010	33,095,010	32,443,527	651,482
Noncurrent Assets							
Debt service reserve/leases receivable	7,851,296	7,943,145	8,028,221	8,125,779	8,125,779	7,788,711	337,068
Leases receivable*	1,493,395	1,493,395	1,493,395	1,493,395	1,493,395	1,493,395	-
Net OPEB asset*	1,765,043	1,765,043	1,765,043	1,765,043	1,765,043	1,765,043	-
Capital assets	189,078,787	187,653,736	186,228,686	186,812,014	186,812,014	190,503,838	(3,691,825)
Deferred Outflows*							
OPEB/Pension	856,508	856,508	856,508	856,508	856,508	856,508	-
Deferred charge on refunding	2,884,393	2,884,393	2,884,393	2,615,550	2,615,550	2,884,393	(268,843)
Total Assets and Deferred Outflows	238,129,643	234,915,511	232,672,401	234,763,299	234,763,299	237,735,416	(2,972,118)
Liabilities/Deferred Inflows/Net Position							
Current Liabilities							
Accounts payable/accrued liabilities	121,943	118,863	120,879	853,698	853,698	898,901	(45,202)
Interest payable	1,117,727	277,692	1,078,553	276,958	276,958	287,486	(10,528)
Current portion LTD	3,507,245	3,507,245	3,507,245	3,507,245	3,507,245	3,507,245	-
Noncurrent Liabilities							
Bonds and notes (less current portion)*	108,599,939	108,599,939	105,532,994	102,050,684	102,050,684	108,599,939	(6,549,255)
Unamortized bond premiums*	2,277,759	2,277,759	2,277,759	1,698,313	1,698,313	2,277,759	(579,446)
Other noncurrent liabilities	359,515	359,515	359,515	359,515	359,515	359,515	-
Pension/OPEB liabilities*	3,767,686	3,767,686	3,767,686	3,767,686	3,767,686	3,767,686	-
Deferred Inflows							
OPEB/Lease*	1,606,854	1,606,854	1,606,854	1,606,854	1,606,854	1,606,854	-
Total Liabilities and Deferred Inflows	121,358,669	120,515,553	118,251,485	114,120,954	114,120,954	121,305,385	(7,184,431)
Net Investment in Capital Assets	76,338,568	75,756,632	76,595,649	81,040,666	81,040,666	77,816,903	3,223,763
Debt Service Reserves	7,851,296	7,943,145	8,028,221	8,125,779	8,125,779	7,788,711	274,483
OPEB Asset	1,765,043	1,765,043	1,765,043	1,765,043	1,765,043	1,765,043	-
Unrestricted	30,816,067	28,935,137	28,032,002	29,710,857	29,710,857	29,059,375	651,482
Total Net Position	116,770,974	114,399,958	114,420,915	120,642,345	120,642,345	116,430,032	4,212,313
Total Liabilities, Deferred Inflows, and Net Position	238,129,643	234,915,511	232,672,401	234,763,299	234,763,299	237,735,416	(2,972,118)
<i>*adjusted at fiscal year-end only (PERS/OPEB/GASB96/87 entries not yet complete for FY25)</i>							
Working Capital Analysis							
Total Working Capital (Current Assets-Current Liabilities)	29,453,304	28,415,490	26,709,477	28,457,108	28,457,108	27,749,896	707,212
Current Assets Designated for Capital Projects					12,907,713	7,395,860	5,511,853
Next Debt Principal Payment					3,507,245	3,507,245	-
Undesignated Working Capital					12,042,150	16,846,791	(4,804,641)
Days Undesignated Working Capital					182	271	

City and Borough of Sitka
Interim Financial Statements
Electric Fund Balance Sheet
Through June 30 2025

	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	YTD	Prior YTD	Variance from prior YTD
	Beginning cash	New appropriations	Grant/ other revenues	Expenses/ adjustments	Balance sheet changes from PY	Ending cash	
Summary of Capital Projects							
90261 - Island Improvements	294,172	(136,283)	-	148,945	23,841	32,784	
90410 - SCADA	190,326	(134,151)	-	40,244	16,913	32,844	
90610 - Blue Lake FERC Compliance	50,000	(50,000)	-	-	-	-	
90777 - Meter Replacement	581,069	280,019	-	39,540	564	822,112	
90823 - Marine Street N-1 Design	145,528	(145,528)	-	-	-	-	
90829 - Harbor Meters	148,573	(148,573)	-	-	-	-	
90839 - Green Lake PP 35-Year Overhaul	79,899	(79,899)	-	-	-	-	
90840 - Green Lake PP 35-Year Overhaul Inspection	95,972	(95,972)	-	-	-	-	
90841 - Jarvis Fuel System Repairs & Storage Tank	-	35,000	-	-	-	35,000	
90868 - Thimbleberry Bypass	5,000	500,000	-	-	-	505,000	
90884 - Blue Lake Completion	37,515	(37,515)	-	-	-	-	
90942 - Master Plan/Rate Study	349,176	(349,176)	-	-	-	-	
90944 - Howell -- Bungler Valve/Gate	150,000	-	-	-	-	150,000	
90945 - Facility Security Cameras	38,929	(6,667)	-	15,764	(16,497)	1	
90946 - Mobile Diesel Generator	40,000	(40,000)	-	-	-	-	
90947 - Green Lake Excitation Upgrade	125,000	525,000	-	-	-	650,000	
90948 - Green Lake Dam Power Cable Replacement	100,000	-	-	-	-	100,000	
90949 - Wind Metering Towers	6,911	-	-	-	-	6,911	
90970 - Blue Lake Upgrades	611,027	(609,922)	-	-	(1,105)	(0)	
90971 - Green Lake Upgrades	293,513	(292,057)	-	-	(1,456)	-	
90972 - Green Lake Phase 2/3	(44,274)	4,499,973	-	523,708	(1,075)	3,930,916	
90973 - Regulatory/FERC	374,860	690,000	-	413,258	16,450	668,052	
90974 - Future Initiatives	65,000	(65,000)	-	-	-	-	
90975 - Diesel Generation Upgrades	2,265,000	500,000	-	-	-	2,765,000	
90976 - Transmission and Distribution (Feeder Improveme	767,772	533,534	-	701,857	(61,104)	538,345	
90977 - Substation Upgrades	421,183	(359,540)	-	5,586	(56,057)	(0)	
90978 - Grid Expansion	205,236	(192,433)	-	4,811	(7,991)	1	
91020 - C2C	(957)	155,280	-	118,803	14,676	50,196	
91021 - Hydro-Power Generation	-	500,000	-	-	6,338	506,338	
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 Breake	-	350,000	-	-	-	350,000	
91046 - Green Lake Powerplant Switchyard - Design and Bu	-	150,000	-	-	-	150,000	
91047 - Green Lake Switchyard - Refurbish Transformer 1 c	-	120,000	-	-	-	120,000	
91048 - Blue Lake Powerplant - Install Entry Gate	-	75,000	-	-	-	75,000	
91049 - Green Lake Dam - Install New Dam Monitoring Can	-	200,000	-	-	-	200,000	
91050 - Blue Lake Intake Structure - Foundation Repairs &	-	110,500	-	-	-	110,500	
91051 - Marine Street Substation - Side A - PLC Replaceme	-	30,000	-	-	-	30,000	
91052 - Marine Street Substation - Side A - Replace transfo	-	25,000	-	-	-	25,000	
91053 - Marine Street Substation - Side A Relay Upgrade	-	30,000	-	24,410	16,885	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 Dev	-	45,000	-	-	-	45,000	
91057 - Blue Lake Switchyard - Replace Switch BL 22 A,B	-	100,000	-	-	-	100,000	
91058 - Blue Lake Switchyard - Replace Switch BL 33 A,B	-	100,000	-	-	-	100,000	
91059 - Blue Lake Switchyard - Replace Switch BL 53 Bypas	-	50,000	-	-	-	50,000	
91060 - Blue Lake Switchyard - Replace Switch BL 55 A,B	-	100,000	-	-	-	100,000	
91061 - Green Lake Switchyard - Replace Switch GL 11 Brea	-	100,000	-	-	-	100,000	
91062 - Islands - Replace Transformer D203	-	15,000	-	-	-	15,000	
91063 - Islands - Replace Transformer I-7	-	15,000	-	-	-	15,000	
91064 - GPII Switchyard - Install Alternate 12kV Feeder	-	200,000	-	20,409	9,068	188,659	
91065 - Blue Lake Penstock - Install New Water Takeoff and	-	148,151	-	-	-	148,151	
Adjustments	(570)	-	-	-	-	(570)	
	7,395,860	7,609,741	-	2,057,336	(40,552)	12,907,713	

City and Borough of Sitka
Water Fund Analysis
Through June 30 2025

Indicator	Amount	Compared To Last Yr	Compared To Plan	Status	Big Picture
Revenue	4,255,200	Improved from prior year	Met/Exceeded Plan		Operating revenue increased by 2.7% compared to FY24.
Appropriated Operating vs. Actual Operating Outlays (Budgeted for period minus actual expenditures. Indicates spending levels as compared to approved budget.)	1,582,763	n/a	Under Budget		Appropriations for loan principal payments assumed more loans went into repayment in FY25, but generally under budget in other areas of operating.
Earnings Before Interest & Depreciation (“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)	2,028,403	Decreased	Exceeded Plan		Stable overall; slight decrease from prior year is due to higher operating expenses.
Net Income (Loss) (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)	111,783	Improved	Exceeded Plan		Increase from FY24 is primarily due to higher investment earnings.
Asset Replacement (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))	(410,102)	Improved	Not generating revenue towards asset replacement		Cash flow surplus is covering debt payments, but funds for long-term asset replacement remain limited.
Total Working Capital (What total resources are available in the fund)	9,223,214	Improved	n/a		Increase from FY24 driven by investment earnings and spending below budgeted levels.
Working Capital Appropriated For Projects (and Unspent Bond Proceeds) (Of the fund’s total resources, how much has been already appropriated for CAPEX)	2,134,185	Improved	n/a		Unspent working capital appropriated for projects increased slightly from prior year.
Undesignated Working Capital (How much of the fund’s resources are available?)	6,605,638	Improved	n/a		Improving but insufficient for capital investment.

City and Borough of Sitka
Water Fund Analysis
Through June 30 2025

Water Fund operating revenue for FY2025 was right on budget and up 2.7% compared to the prior year. Residential water revenue increased by just over 4%, aligning with the approved rate increases, while commercial revenue remained flat.

Operating expenses were 3% higher than in FY2024 but 14% below budget, partially due to position vacancies early in the fiscal year. Strong investment income helped produce a modest surplus; however, a portion of these earnings reflects unrealized gains rather than cash income. The fund continues to meet its debt service requirements and maintain stable operations.

Despite the positive performance, cash reserves are not yet keeping pace with the depreciation of assets, and the Water Fund remains reliant on low-interest DEC loans for infrastructure reinvestment. Rising construction costs also continue to increase the overall cost of infrastructure projects. Several unfunded projects with water components collectively exceed the level of undesignated working capital, and additional debt or rate increases may be needed if outside funding can't be secured.

It's important to note that the amount of cash being generated will significantly decline once the loan for the secondary filtration plant enters repayment status – likely in late FY2026 or early FY2027.

Note that in these preliminary year-end financial statements, some GAAP entries such as updating OPEB & PERS liabilities and recording lease and subscription assets, have not been made yet. While this allows for a clearer review of budget-to-actual expenditures, these financials will differ from the final audited statements.

City and Borough of Sitka
Interim Financial Statements
Water Fund Income Statement
Through June 30 2025

	Jul- Sept	Oct- Dec	Jan- Mar	Apr- Jun	YTD	Prior YTD	Variance from prior YTD	FY25 amended budget YTD	Variance from budget
Operating Revenues									
Miscellaneous	\$ 66	\$ 407	\$ 527	\$ 1,586	\$ 2,586	\$ 819	\$ 1,768	\$ 1,000	\$ 1,586
Connection Fees	3,220	7,245	5,635	7,245	23,345	26,520	(3,175)	15,000	8,345
Other Revenue	-	-	-	50	50	300	(250)	-	50
Jobbing-Labor	186	4,290	2,337	8,465	15,279	28,620	(13,341)	13,000	2,279
Jobbing-Materials/Parts	(664)	-	(30)	-	(694)	(57)	(636)	2,000	(2,694)
Water-Commercial	354,031	301,146	298,157	300,907	1,254,241	1,236,826	17,415	1,254,000	241
Water-Harbor	2,874	2,588	2,723	2,821	11,007	11,579	(572)	12,300	(1,293)
Water-Residential	609,485	607,446	612,307	612,488	2,441,726	2,344,499	97,227	2,437,000	4,726
Total Operating Revenue	969,199	923,123	921,657	933,561	3,747,539	3,649,105	98,434	3,734,300	13,239
Operating Expenses									
Administration	152,034	154,174	151,070	153,581	610,858	680,709	(69,851)	815,789	(204,930)
Distribution	131,752	172,243	162,126	226,607	692,728	517,365	175,363	1,010,823	(318,096)
Treatment	110,449	147,901	48,998	108,201	415,550	422,303	(6,753)	497,396	(81,847)
Depreciation	530,556	530,556	530,556	511,420	2,103,089	2,090,339	12,750	2,122,227	(19,138)
Total Operating Expense	924,792	1,004,874	892,751	999,808	3,822,225	3,710,716	111,509	4,446,235	(624,010)
Non-Operating Revenue (Expense)									
State Revenue	2,244	2,244	3,618	6,580	14,686	4,836	9,850	20,997	(6,311)
Uses of Prop & Investment	77,717	75,923	77,667	87,389	492,975	375,952	117,023	100,000	392,975
Interest Expense	(21,431)	(13,200)	(16,478)	(270,083)	(321,192)	(322,358)	1,166	(358,574)	(37,382)
Total Non-Operating Revenue	58,529	64,967	64,807	(176,114)	186,469	58,430	128,039	(237,577)	349,283
Net Income (Before Transfers)	102,936	(16,785)	93,713	(242,360)	111,783	(3,181)	114,964	(949,512)	1,061,295
Transfers									
Transfers In (Other Funds)	(37,844)	-	-	-	(37,844)	-	(37,844)	(37,844)	-
Other Budgeted Items (Not Recorded in GAAP Statements)									
Principal Payments	99,087	80,000	89,146	215,807	484,041	483,391	650	1,334,041	(850,000)
Purchase of Fixed Assets	-	7,766	-	-	7,766	-	7,766	60,000	(52,234)
Transfers In/(Out)-Capital Projects	(1,300,000)	-	(150,000)	-	(1,450,000)	(1,220,000)	(230,000)	(1,450,000)	-
Key Indicators									
Cashflow from Operations (EBIDA)	574,963	448,805	559,463	445,173	2,028,403	2,028,728	(325)	1,410,292	618,112
Debt Covenant Calculation									
Net Fve nue of the System					2,498,221	2,409,516	88,704	1,493,445	1,004,776
Total Debt Service					805,233	805,749	(516)	1,692,615	(887,382)
Debt Service Ratio					310%	299%		88%	
Debt Principal Coverage/Asset Replacement									
Simple Cash Flow					2,177,028	2,087,158	89,870	1,134,871	1,042,157
Debt Principal					(484,041)	(483,391)	(650)	(1,334,041)	850,000
Debt Principal Coverage Surplus/(Deficit)					1,692,987	1,603,767	89,220	(199,170)	1,892,158
Less Depreciation=Cash Available for Asset Replacement					(410,102)	(486,572)	76,470	(2,321,397)	1,911,295

City and Borough of Sitka
Interim Financial Statements
Water Fund Balance Sheet
Through June 30 2025

	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	YTD	Prior YTD	Variance from prior YTD
Assets/Deferred Outflows							
Current Assets	\$ 9,587,850	\$ 10,292,143	\$ 10,751,662	\$ 11,220,819	11,220,819	\$ 9,473,819	\$ 1,747,000
Noncurrent Assets							
Net OPEB asset*	200,574	200,574	200,574	200,574	200,574	200,574	-
Capital assets	39,193,561	38,737,011	38,206,455	38,625,119	38,625,119	39,798,124	(1,173,005)
Deferred Outflows*							
OPEB/Pension	97,331	97,331	-	97,331	97,331	97,331	-
Total Assets and Deferred Outflows	49,079,316	49,327,059	49,158,691	50,143,843	50,143,843	49,569,848	573,995
Liabilities/Deferred Inflows/Net Position							
Current Liabilities							
Accounts payable/accrued liabilities	717,498	159,370	159,370	713,339	713,339	1,051,265	(337,927)
Interest payable	548,255	548,255	548,255	800,875	800,875	548,255	252,620
Current portion LTD	483,391	483,391	483,391	483,391	483,391	484,041	(650)
Noncurrent Liabilities							
Bonds and notes (less current portion)*	20,676,881	20,676,881	20,676,881	21,264,843	21,264,843	20,676,231	588,612
Other noncurrent liabilities	-	-	-	6,152	6,152	8,751	(2,599)
Pension/OPEB*	428,149	428,149	428,149	428,149	428,149	428,149	-
Deferred Inflows							
OPEB/Pension*	9,904	9,904	9,904	9,904	9,904	9,904	-
Total Liabilities and Deferred Inflows	22,864,079	22,305,951	22,305,951	23,706,654	23,706,654	23,206,597	500,056
Net Investment in Capital Assets	17,315,790	17,417,368	16,886,812	16,163,546	16,163,546	17,586,586	(1,423,040)
Net OPEB Asset	200,574	200,574	200,574	200,574	200,574	200,574	-
Unrestricted	8,698,873	9,403,166	9,765,354	10,073,069	10,073,069	8,576,090	1,496,979
Total Net Position	26,215,237	27,021,108	26,852,740	26,437,189	26,437,189	26,363,251	73,939
Total Liabilities, Deferred Inflows, and Net Position	49,079,316	49,327,059	49,158,691	50,143,843	50,143,843	49,569,848	573,995
<i>*adjusted at fiscal year-end only (PERS/OPEB entries not yet complete for FY25)</i>							
Working Capital Analysis							
Total Working Capital (Current Assets-Current Liabilities)	7,838,706	9,101,127	9,560,646	9,223,214	9,223,214	7,390,257	1,832,957
Current Assets Designated for Capital Projects					2,134,185	1,821,340	312,845
Next Debt Principal Payment					483,391	484,041	(650)
Undesignated Working Capital					6,605,638	5,084,876	1,520,761
Days Undesignated Working Capital					514	405	
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	(16,598)	-	17,741	-	1,604	2,748	
90796 - Brady Street Water/Wastewater (HPR to Gavan)	10,000	-	-	-	-	10,000	
90833 - Critical Secondary Water Supply	181,376	-	1,054,261	538,233	(1,364,407)	(667,002)	
90838 - Lincoln Street Paving (Harbor Way to Harbor Drive)	80,000	-	-	48	-	79,952	
90843 - Lake Street (DeGrof to Arrowhead & Hirst)	(98,144)	340,000	-	39,773	(11,459)	190,624	
90870 - Water Master Plan	80	-	-	-	-	80	
90883 - SMC Water Transmission Main Repair	82,723	(82,723)	-	-	-	-	
90889 - Blue Lake Watershed Plan	35,000	-	-	4,872	4,872	35,000	
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	40,000	200,000	-	36,739	-	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	36,236	-	-	19,735	-	16,501	
90981 - SCADA Communications Upgrades Water Fund	20,400	-	-	16,510	16,510	20,400	
91005 - Kirkman Drive Water Main Replacement	220,000	-	-	27,923	8,520	200,597	
91006 - Booster Station Communications and VFDs	441,100	-	-	-	-	441,100	
91007 - W Emergency Unanticipated Capital Repairs	150,000	-	-	2,280	-	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	-	260,000	-	23,050	8,520	245,470	
91066 - Old McDonald's Water Line Repair	-	232,723	-	213,154	49,000	68,569	
	1,821,340	1,450,000	1,072,002	922,318	(1,286,839)	2,134,185	

City and Borough of Sitka
Wastewater Fund Analysis
Through June 30 2025

Indicator	Amount	Compared To Last Yr	Compared To Plan	Status	Big Picture
Revenue	5,381,589	Improved from prior year	Met/Exceeded Plan		Operating revenue increased more than rate increase.
Appropriated Operating vs. Actual Operating Outlays (Budgeted for period minus actual expenditures. Indicates spending levels as compared to approved budget)	560,163	n/a	Under Budget		Operating expenses are slightly higher than prior year, but 16% below budget.
Earnings Before Interest & Depreciation ("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)	2,427,474	Increased	Exceeded Plan		Increase is primarily due to lower than projected operating expenses.
Net Income (Loss) (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)	1,438,951	Improved	Exceeded Plan		Improvement driven by higher investment earnings, steady revenues, and lower than projected operating expenses.
Asset Replacement (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>)	467,733	Improved	Generating revenue towards asset replacement		Improved, but available funds for asset replacement remain limited compared to annual depreciation.
Total Working Capital (What total resources are available in the fund)	11,085,028	Improved	n/a		Working capital increase is due to higher revenues and underspending relative to budget.
Working Capital Appropriated For Projects (and Unspent Bond Proceeds) (Of the fund's total resources, how much has been already appropriated for CAPEX)	4,303,540	Improved	n/a		
Undesignated Working Capital (How much of the fund's resources are available?)	6,019,066	Improved	n/a		Improving but insufficient for capital investment or significant emergency.

City and Borough of Sitka
Wastewater Fund Analysis
Through June 30 2025

Operating revenue for the Wastewater Fund was right on budget and up 7% compared to FY2024, driven primarily by a 9.6% increase in wastewater fees (slightly exceeding the FY2025 rate increase). Strong investment income together with lower than projected expenses contributed to an improved net income. It's important to note that a portion of investment earnings reflects unrealized gains, rather than cash income.

The Wastewater Fund continues to rely heavily on low-interest DEC loans to support capital investment. During FY2024, repayment began on a significant portion of debt related to the Wastewater Plant rehabilitation project, resulting in substantially higher principal payments in FY2025. These increased debt obligations reduce funds available for asset replacement, putting continued pressure on the fund's ability to adequately maintain and upgrade infrastructure. Rising construction costs are compounding these pressures, as planned wastewater projects now carry higher cost estimates than previously anticipated.

Unfunded projects with wastewater components collectively exceed undesignated working capital and one project tied to regulatory requirements for effluent disinfection will require a significant local match even if grant funding is secured.

Note that in these preliminary year-end financial statements, some GAAP entries such as updating OPEB & PERS liabilities and recording lease and subscription assets, have not been made yet. While this allows for a clearer review of budget-to-actual expenditures, these financials will differ from the final audited statements.

City and Borough of Sitka
Interim Financial Statements
Wastewater Income Statement
Through June 30 2025

	Jul- Sept	Oct- Dec	Jan- Mar	Apr- Jun	YTD	Prior YTD	Variance from prior YTD	FY25 amended budget YTD	Variance from budget
Operating Revenues									
Miscellaneous	\$ 157	\$ 1,060	\$ 740	\$ 1,695	\$ 3,652	\$ 1,248	\$ 2,404	\$ 1,500	\$ 2,152
Connection Fees	3,220	6,440	4,025	8,050	21,735	23,300	(1,565)	15,000	6,735
Jobbing-Equipment	-	-	-	2,400	2,400	-	2,400	-	2,400
Jobbing-Labor	15,972	8,193	-	10,705	34,870	139,145	(104,274)	100,000	(65,130)
Jobbing-Materials/Parts	-	-	-	-	-	259	(259)	1,000	(1,000)
Wastewater Fees	1,187,305	1,188,032	1,196,567	1,199,084	4,770,988	4,354,460	416,527	4,700,215	70,773
Total Operating Revenue	1,206,655	1,203,725	1,201,331	1,221,935	4,833,645	4,518,411	315,234	4,817,715	15,930
Operating Expenses									
Administration	154,138	217,386	261,285	287,328	920,137	655,737	264,400	1,127,939	(207,802)
Collections	191,697	301,939	257,645	335,184	1,086,465	1,024,473	61,992	1,688,807	(602,342)
Treatment	108,144	107,810	77,176	106,439	399,569	597,460	(197,891)	355,642	43,927
Distribution	-	-	-	-	-	19,695	(19,695)	-	-
Depreciation	322,222	322,222	322,222	360,620	1,327,287	1,324,520	2,767	1,288,891	38,396
Total Operating Expense	776,201	949,358	918,329	1,089,571	3,733,459	3,621,885	111,573	4,461,279	(727,820)
Non-Operating Revenue (Expense)									
State Revenue	3,777	3,777	6,119	10,757	24,430	9,785	14,645	55,971	(31,541)
Uses of Prop & Investment	81,544	82,503	83,347	276,120	523,514	487,119	36,395	100,000	423,514
Interest Expense	(56,975)	(133,295)	(16,557)	(2,352)	(209,179)	(192,917)	(16,262)	(158,035)	51,144
Total Non-Operating Revenue	28,346	(47,015)	72,908	284,525	338,764	303,987	34,777	(2,064)	443,117
Net Income (Before Transfers)	458,799	207,352	355,911	416,889	1,438,951	1,200,513	238,438	354,372	1,084,579
Transfers									
Transfers In (Other Funds)	-	-	-	-	-	-	-	-	-
Other Budgeted Items (Not Recorded in GAAP Statements)									
Principal Payments	206,423	508,733	122,015	134,046	971,217	836,834	134,383	763,703	207,514
Purchase of Fixed Assets	-	7,766	-	14,999	22,765	5,474	17,291	75,370	(52,605)
Transfers In/(Out)-Capital Projects	(1,340,000)	-	(410,000)	-	(1,750,000)	(2,775,000)	1,025,000	(1,750,000)	-
Key Indicators									
Cashflow from Operations (EBIDA)	752,676	576,589	605,225	492,984	2,427,474	2,221,047	206,427	1,645,327	782,147
Debt Covenant Calculation									
Net Revenue of the System					2,975,417	2,717,951	257,467	1,801,298	1,174,119
Total Debt Service					1,180,397	1,029,751	150,646	921,738	258,659
Debt Service Ratio					252%	264%		195%	
Debt Principal Coverage/Asset Replacement									
Simple Cash Flow					2,766,238	2,525,034	241,205	1,643,263	1,122,975
Debt Principal					(971,217)	(836,834)	(134,383)	(763,703)	(207,514)
Debt Principal Coverage Surplus/(Deficit)					1,795,021	1,688,200	106,821	879,560	915,461
Less Depreciation=Cash Available for Asset Replacement					467,733	363,679	104,054	(409,331)	877,064

City and Borough of Sitka
Interim Financial Statements
Wastewater Balance Sheet
Through June 30 2025

	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	YTD	Prior YTD	Variance from prior YTD
Assets/Deferred Outflows							
Current Assets	\$ 9,633,502	\$ 9,610,738	\$ 9,981,926	\$ 13,183,128	13,183,128	9,519,199	3,663,929
Noncurrent Assets							
Net OPEB asset*	405,930	405,930	405,930	405,930	405,930	405,930	-
Capital assets	25,974,659	25,652,437	25,330,214	26,387,081	26,387,081	26,296,882	90,199
Deferred Outflows*							
OPEB/Pension	196,982	196,982	196,982	196,982	196,982	196,982	-
Total Assets and Deferred Outflows	36,211,074	35,866,087	35,915,052	40,173,120	40,173,120	36,418,992	3,754,128
Liabilities/Deferred Inflows/Net Position							
Current Liabilities							
Accounts payable/accrued liabilities	67,853	67,853	67,853	1,213,775	1,213,775	487,633	726,142
Interest payable	129,898	129,898	129,898	121,902	121,902	129,898	(7,996)
Current portion LTD	762,422	762,422	762,422	762,422	762,422	971,217	(208,795)
Noncurrent Liabilities							
Bonds and notes (less current portion)*	13,715,914	13,715,914	13,715,914	15,315,423	15,315,423	13,507,119	1,808,304
Other noncurrent liabilities	-	-	-	8,233	8,233	10,711	(2,478)
Pension/OPEB*	866,503	866,503	866,503	866,503	866,503	866,503	-
Deferred Inflows							
OPEB/Pension*	20,043	20,043	20,043	20,043	20,043	20,043	-
Total Liabilities and Deferred Inflows	15,562,633	15,562,633	15,562,633	18,308,301	18,308,301	15,993,124	2,315,177
Net Investment in Capital Assets	11,496,323	11,174,101	10,851,878	10,309,236	10,309,236	11,818,545	(1,509,309)
Restricted for Net OPEB Asset	405,930	405,930	405,930	405,930	405,930	405,930	-
Unrestricted	9,152,118	9,129,353	9,500,541	11,555,583	11,555,583	8,201,393	3,354,190
Total Net Position	20,648,441	20,303,454	20,352,419	21,864,819	21,864,819	20,425,868	1,438,951
Total Liabilities, Deferred Inflows, and Net Position	36,211,074	35,866,087	35,915,052	40,173,120	40,173,120	36,418,992	3,754,128
<i>*adjusted at fiscal year-end only (PERS/OPEB entries not yet complete for FY25)</i>							
Working Capital Analysis							
Total Working Capital (Current Assets-Current Liabilities)	8,673,330	8,650,565	9,021,753	11,085,028	11,085,028	7,930,451	3,154,577
Current Assets Designated for Capital Projects					4,303,540	3,218,982	1,084,558
Next Debt Principal Payment					762,422	971,217	(208,795)
Undesignated Working Capital					6,019,066	3,740,252	2,278,814
Days Undesignated Working Capital					-	441	289
Summary of Capital Projects							
	Beginning cash	New appropriations / closeouts	Grant/ Loan revenues	Expenses/ adjustments	Balance sheet changes from PY	Ending cash	
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	166,257	-	162,147	92,404	(162,147)	73,853	
90809 - Replace WWTP Influent Grinder	100,000	-	-	-	-	100,000	
90816 - Channel Lift Station	625	-	-	-	-	625	
90838 - Lincoln Street Paving (Harbor Way to Harbor Drive)	20,000	-	-	48	-	19,952	
90843 - Lake St. (DeGroff to Arrowhead) Hirst Utility & Street Improve	(133,130)	670,000	-	40,082	(11,382)	485,406	
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	
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	-	-	-	-	1,973	
90917 - Lincoln Street Lift Station Valve Replacement	62,000	-	-	-	-	62,000	
90918 - WWTP Clarifier Drive Replacement	1,035	-	-	-	-	1,035	
90919 - Thomsen Harbor Lift Station Rehabilitation	544,657	-	2,408,579	1,122,696	(1,695,246)	135,294	
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	17,000	75,000	-	-	-	92,000	
91005 - Kirkman Street Utilities	-	410,000	-	4,528	2,000	407,472	
91008 - WW Emergency Unanticipated Capital Repairs	150,000	-	-	-	-	150,000	
91009 - Lake & Lincoln Lift Station Rehabilitation	25,000	400,000	-	-	-	425,000	
91010 - WWTP Effluent Disinfection System	691,758	-	-	134,963	25,328	582,123	
91011 - Sewer Force Main Replacement	700,000	-	-	-	-	700,000	
91012 - WWTP Lime Feed System	250,000	-	-	-	-	250,000	
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	
	3,218,982	1,750,000	2,570,726	1,394,721	(1,841,447)	4,303,540	

City and Borough of Sitka
Solid Waste Fund Analysis
Through June 30 2025

Indicator	Amount	Compared To Last Yr	Compared To Plan	Status	Big Picture
Revenue	6,967,969	Improved from prior year	Met/Exceeded Plan		Operating revenue increased more than projected/more than rate increase.
Appropriated Operating vs. Actual Operating Outlays (Budgeted for period minus actual expenditures. Indicates spending levels as compared to approved budget.)	737,841	n/a	Under Budget		Operating expenses are higher than prior year, but under budget by 4%.
Earnings Before Interest & Depreciation ("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)	1,540,931	Increased	Exceeded Plan		Increased due to higher revenues and lower than projected expenses.
Net Income (Loss) (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)	1,421,061	Improved	Exceeded Plan		
Asset Replacement (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>)	1,308,061	Improved	Generating revenue towards asset replacement		
Total Working Capital (What total resources are available in the fund)	3,368,097	Improved	n/a		Working capital increase is due to higher revenues and underspending relative to budget.
Working Capital Appropriated For Projects (and Unspent Bond Proceeds) (Of the fund's total resources, how much has been already appropriated for CAPEX)	2,007,781	Declined	n/a		No new capital appropriations in FY25.
Undesignated Working Capital (How much of the fund's resources are available?)	1,244,517	Improved	n/a		Improved from FY24 but entire balance is committed in FY26 for the Granite Creek Bridge project, leaving minimal capital available for new initiatives/replacements.

City and Borough of Sitka
Solid Waste Fund Analysis
Through June 30 2025

Operating revenue for the Solid Waste Fund increased by 10% compared to FY2024 and came in 9.5% higher than budgeted, exceeding the FY2025 rate increase. The increase was primarily driven by transfer station revenue, which continues to benefit from elevated activity tied to local construction projects. With both the SEARHC and airport projects active over the last couple of years, this level of activity is likely temporary and not reflective of long-term trends. Improved financial tracking has led to being able to better target rate increases to the users driving costs.

Operating expenses increased 8.6% from FY2024 but remained 5.3% below budget. Higher than projected operating revenue, lower than projected expenses, and strong investment income all contributed to a significant surplus. It's important to note that a portion of the investment income reflects unrealized gains rather than cash income.

The fund has made significant improvements to its financial position over the last couple of years, primarily due to rate increases and increased transfer station revenue. In FY2026, \$1.4 million has been appropriated for the Granite Creek Bridge Replacement project, which will fully utilize the remaining undesignated working capital balance.

Note that in these preliminary year-end financial statements, some GAAP entries such as updating OPEB & PERS liabilities and recording lease and subscription assets, have not been made yet. While this allows for a clearer review of budget-to-actual expenditures, these financials will differ from the final audited statements.

City and Borough of Sitka
Interim Financial Statements
Solid Waste Income Statement
Through June 30 2025

	Jul- Sept	Oct- Dec	Jan- Mar	Apr- Jun	YTD	Prior YTD	Variance from prior YTD	FY25 amended budget YTD	Variance from budget
Operating Revenues									
Miscellaneous	\$ 78	\$ 362	\$ 207	\$ 37,801	\$ 38,449	\$ 2,003	\$ 36,446	\$ 2,500	\$ 35,949
Asbestos Removal	75	-	-	-	75	-	75	-	75
Dropoff Recycle Center	13,970	6,598	5,279	7,636	33,483	21,574	11,909	20,000	13,483
Jobbing-Labor	-	-	-	-	-	6,359	(6,359)	-	-
Scrapyard Dropoff Revenue	40,299	67,338	49,187	66,960	223,784	232,415	(8,631)	220,000	3,784
Scrapyard Recycle	60,197	116,243	42,783	57,198	276,420	315,941	(39,520)	200,000	76,420
Sludge Disposal	8,125	8,125	8,125	8,125	32,500	31,500	1,000	32,500	-
Solid Waste Disposal-Curbside	1,366,254	1,241,025	1,213,808	1,320,408	5,141,495	4,801,262	340,233	5,000,000	141,495
Transfer Station Revenue	290,455	222,573	212,672	315,923	1,041,624	764,315	277,308	725,000	316,624
Waste Oil Disposal	-	-	-	-	-	-	-	-	-
Total Operating Revenue	1,779,454	1,662,263	1,532,061	1,814,052	6,787,829	6,175,369	612,461	6,200,000	587,829
Operating Expenses									
Administration	144,591	157,211	154,439	198,581	654,822	526,748	128,074	741,023	(86,201)
Recycle Center	25,672	11,642	17,126	16,967	71,407	60,777	10,629	153,939	(82,532)
Landfill	24,327	29,816	33,385	50,309	137,836	271,902	(134,066)	200,722	(62,886)
Scrapyard	226,792	264,086	137,426	252,115	880,421	822,276	58,145	975,076	(94,656)
Solid Waste Collection	732,954	581,081	448,582	781,452	2,544,069	2,488,795	55,274	2,721,600	(177,531)
Transfer Station	225,004	201,647	200,172	331,522	958,344	723,165	235,179	938,866	19,478
Depreciation	29,993	29,993	29,993	201,326	291,306	208,274	83,033	119,976	171,330
Total Operating Expense	1,409,333	1,275,477	1,021,123	1,832,272	5,538,205	5,101,937	436,268	5,851,202	(312,997)
Non-Operating Revenue (Expense)									
State/Federal Revenue	1,323	1,323	1,716	2,473	6,834	2,562	4,272	75,914	(69,080)
Uses of Prop & Investment	26,405	24,409	29,380	93,112	173,305	143,166	30,139	60,000	113,305
Interest Expense	(4)	(4)	(4)	(8,690)	(8,702)	(10,441)	1,739	(8,685)	17
Total Non-Operating Revenue	27,723	25,727	31,092	86,895	171,437	135,287	36,151	127,229	44,242
Net Income (Before Transfers)	397,844	412,514	542,030	68,674	1,421,061	1,208,718	212,343	476,027	945,034
Transfers									
Transfers In (Out)/Advances (C	-	(20,000)	-	-	(20,000)	706,660	(726,660)	(20,000)	-
Other Budgeted Items (Not Recorded in GAAP Statements)									
Principal Payments	93,000	-	-	-	93,000	208,798	(115,798)	208,798	(115,798)
Purchase of Fixed Assets	246,729	4,690	-	-	251,419	587,640	(336,221)	369,674	(118,255)
Transfers In/(Out)-Capital Projects	-	-	-	-	-	(1,315,000)	1,315,000	-	-
Key Indicators									
Cashflow from Operations (EBIDA)	400,114	416,780	540,932	183,105	1,540,931	1,281,705	259,225	468,774	1,072,157
Debt Covenant Calculation									
Net Revenue of the System					1,701,070		881,977		1,116,382
Total Debt Service					101,702	219,239	(117,537)	217,483	(115,781)
Bond Covenant Ratio (Must be >1.25%)					n/a	n/a	n/a	n/a	n/a
Debt Principal Coverage/Asset Replacement									
Simple Cash Flow					1,692,368	808,652	883,716	576,003	1,116,365
Debt Principal					(93,000)	(208,798)	115,798	(208,798)	115,798
Debt Principal Coverage Surplus/(Deficit)					1,599,368	599,854	999,514	367,205	1,232,163
Less Depreciation=Cash Available for Asset Replacement					1,308,061	391,580	916,481	247,229	1,060,832

City and Borough of Sitka
Interim Financial Statements
Solid Waste Fund Balance Sheet
Through June 30 2025

	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	YTD	Prior YTD	Variance from prior YTD
Assets/Deferred Outflows							
Current Assets	2,984,104	3,482,612	3,709,927	4,074,151	4,074,151	3,005,070	1,069,081
Noncurrent Assets							
Net OPEB asset*	106,277	106,277	106,277	106,277	106,277	106,277	-
Capital assets	7,983,621	7,953,628	7,923,634	8,070,804	8,070,804	8,013,615	57,189
Deferred Outflows*							
OPEB/Pension	51,572	51,572	51,572	51,572	51,572	51,572	-
Total Assets and Deferred Outflows	11,125,574	11,594,088	11,791,410	12,302,804	12,302,804	11,176,534	1,126,271
Liabilities/Deferred Inflows/Net Position							
Current Liabilities							
Accounts payable/accrued liabilities	525,698	606,859	262,261	590,256	590,256	627,172	(36,915)
Interest payable	-	-	-	-	-	-	-
Current portion LTD	115,799	115,799	115,799	115,799	115,799	115,799	(0)
Noncurrent Liabilities							
Bonds and notes (less current portion)*	3,067,189	3,067,189	3,067,189	2,858,392	2,858,392	3,067,189	(208,798)
Landfill postclosure liability*	649,296	649,296	649,296	620,218	620,218	649,296	(29,078)
Pension/OPEB*	226,860	226,860	226,860	226,860	226,860	226,860	-
Deferred Inflows							
OPEB/Pension*	5,248	5,248	5,248	5,248	5,248	5,248	-
Total Liabilities and Deferred Inflows	4,590,090	4,671,252	4,326,653	4,416,773	4,416,773	4,691,564	(274,791)
Net Investment in Capital Assets	4,800,633	4,770,640	4,740,646	5,096,614	5,096,614	4,203,455	893,159
Restricted for OPEB Asset	106,277	106,277	106,277	106,277	106,277	106,277	-
Unrestricted	1,628,574	2,045,920	2,617,834	2,683,141	2,683,141	1,548,066	1,135,075
Total Net Position	6,535,484	6,922,837	7,464,757	7,886,031	7,886,031	6,484,969	1,401,062
Total Liabilities, Deferred Inflows, and Net Position	11,125,574	11,594,088	11,791,410	12,302,804	12,302,804	11,176,534	1,126,271
<i>*adjusted at fiscal year-end only (PERS/OPEB entries not yet complete for FY25)</i>							
Working Capital Analysis							
Total Working Capital (Current Assets-Current Liabilities)	2,342,608	2,759,954	3,331,867	3,368,097	3,368,097	2,262,100	1,105,997
Current Assets Designated for Capital Projects					2,007,781	2,034,057	(26,276)
Next debt principal payment					115,799	115,799	(0)
Undesignated Working Capital					1,244,517	112,243	1,132,274
Days Undesignated Working Capital					79	8	
Summary of Capital Projects							
	Beginning cash	New appropriations/ closeouts	Grant/ Loan revenues	Expenses/ adjustments	Balance sheet changes from PY	Ending cash	
90847 - Expansion of Biosolids	1,454,444	-	-	4,182	759	1,451,021	
90864 - Transfer Station Scale	9,155	-	-	-	-	9,155	
90865 - Transfer Station Building	5,540	-	-	-	(9,155)	(3,615)	
90871 - Kimsham Landfill Drainage Compliance	100,000	-	-	-	-	100,000	
90899 - Scrap Yard Electrical	3,370	-	-	-	-	3,370	
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	11,417	-	-	7	-	11,410	
90963 - Solid Waste Compactor	194,476	-	-	84,078	84,358	194,756	
91014 - Granite Ck Biosolids-Bridge Study	207,382	-	-	8,810	(5,162)	193,410	
	2,034,057	-	-	97,077	70,800	2,007,781	

City and Borough of Sitka
Harbor Fund Analysis
Through June 30 2025

Indicator	Amount	Compared To Last Yr	Compared To Plan	Status	Big Picture
Revenue	5,195,280	Improved from prior year	Met/Exceeded Plan		Operating revenue was slightly lower than projected, but overall revenue increased due to investment income
Appropriated Operating vs. Actual Operating Outlays (Budgeted for period minus actual expenditures. Indicates spending levels as compared to approved budget)	545,947	n/a	Under Budget		Operating expenses are up 2.7% compared to the prior year, but under budget by 11.3%.
Earnings Before Interest & Depreciation (“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)	570,613	Decreased	Exceeded Plan		While still under budget, increased costs consumed more of the available operating inflows.
Net Income (Loss) (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)	159,442	Declined	Exceeded Plan		A slight decrease in operating revenue and increased costs compared to the prior year were offset by higher than expected nonoperating revenue
Asset Replacement (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>))	(215,549)	Declined	Not generating revenue towards asset replacement		
Total Working Capital (What total resources are available in the fund)	14,029,132	Improved	n/a		
Working Capital Appropriated For Projects (and unspent bond proceeds) (Of the fund’s total resources, how much has been already appropriated for CAPEX)	9,091,440	Declined	n/a		Minimal appropriations for capital projects in FY25 and Seaplane base project moved to the Airport Fund in FY24.
Undesignated Working Capital (How much of the fund’s resources are available?)	4,392,344	Improved	n/a		Improved, but still insufficient for the level of infrastructure investment needed.

City and Borough of Sitka
Harbor Fund Analysis
Through June 30 2025

Operating revenue for the Harbor Fund increased by about 3% compared to FY2024, though it came in roughly 3% below budget. This shortfall reflects several statewide trends: reduced ferry service has lowered demand for RV storage and there has been a decline in the number of fishing and recreational vessels from other communities traveling through Southeast Alaska. While still early, permanent moorage revenue has been trending slightly below the approved rate increase, which may suggest we are seeing demand decrease at higher costs.

Operating expenses increased modestly from FY2024 but remained well below budget, primarily due to staff vacancies and the resulting delays in planned maintenance work.

Working capital increased by just over \$1 million and the Harbor Fund continues to meet its debt service obligations. However, much of the Harbor Fund's available cash is designated for ongoing and planned capital projects. Harbor infrastructure is extremely costly to replace, and the fund can't sustain major reinvestments without outside funding. CBS continues to apply for the State of Alaska's Municipal Harbor Facility Grants, but recent awards have covered only a fraction of the requested amounts, making it increasingly difficult to keep pace with aging infrastructure needs. Low levels of undesignated working capital further limit the fund's ability to provide required local matches for future grant opportunities.

Staff continue to work on the long term capital plan for the harbor system. Because infrastructure costs have escalated so rapidly, the Harbor Department is focused on extending the life of existing assets wherever possible. Even with these strategies, future replacements are still expected to require sustained rate increases at levels likely exceeding inflation.

Both the Harbor and Marine Service Center Funds previously committed \$1.05 million each toward the match for a RAISE grant to repair the bulkhead wall. In July of 2024, CBS requested to withdraw from the RAISE grant due to inflationary cost increases and a lack of viable responses to construction RFPs. The withdrawal was approved, and the remaining funds will be returned to both funds in FY2026. Although the grant was relinquished, the underlying need for the bulkhead wall repair remains.

Note that in these preliminary year-end financial statements, some GAAP entries such as updating OPEB & PERS liabilities and recording lease and subscription assets, have not been made yet. While this allows for a clearer review of budget-to-actual expenditures, these financials will differ from the final audited statements.

City and Borough of Sitka
Interim Financial Statements
Harbor Fund Income Statement
Through June 30 2025

	Jul- Sept	Oct- Dec	Jan- Mar	Apr- Jun	YTD	Prior YTD	Variance from prior YTD	FY25 amended budget YTD	Variance from budget
Operating Revenues									
Miscellaneous	\$ 3,891	\$ 9,429	\$ 2,167	\$ 15,742	\$ 31,230	\$ 22,032	\$ 9,198	\$ 15,000	\$ 16,230
Daily Electric Billing	35,413	28,492	29,458	44,657	138,020	116,541	21,478	145,000	(6,980)
Hoist Revenue	920	170	477	935	2,502	5,450	(2,948)	3,000	(498)
Launch Ramp Fees	1,404	1,285	6,284	4,895	13,868	14,692	(824)	13,000	868
Other Revenue	118,675	6,557	11,967	117,246	254,445	250,528	3,917	275,000	(20,555)
Airplane Float Fees	317	317	317	317	1,269	1,226	43	500	769
Baranof Warm Springs	9,640	30	-	3,618	13,288	11,246	2,042	11,500	1,788
Jobbing-Labor	168	882	660	2,104	3,814	7,671	(3,856)	10,000	(6,186)
Lightering Fees	131,307	9,470	-	57,294	198,071	166,847	31,223	173,000	25,071
Moorage-Permanent	679,405	640,817	629,896	656,799	2,606,917	2,561,902	45,015	2,685,000	(78,083)
Moorage-Port Facility	72,302	-	4,411	18,933	95,646	34,505	61,141	70,000	25,646
Moorage-Transient	145,352	13,689	13,441	96,682	269,164	303,575	(34,411)	341,000	(71,836)
Recreation Vehicle Fees	4,786	3,401	1,231	2,592	12,010	22,806	(10,796)	25,000	(12,990)
Total Operating Revenue	1,203,581	714,540	700,310	1,021,814	3,640,245	3,519,023	121,222	3,767,000	(126,755)
Operating Expenses									
Administration	270,710	250,478	259,218	285,757	1,066,163	907,500	158,664	1,325,823	(259,660)
Operations	509,291	458,574	404,726	630,877	2,003,468	1,955,379	48,089	2,222,713	(219,245)
Depreciation	441,848	441,848	441,848	322,868	1,648,413	1,730,742	(82,329)	1,767,394	(118,981)
Total Operating Expense	1,221,849	1,150,900	1,105,793	1,239,503	4,718,044	4,593,621	124,423	5,315,930	(597,886)
Non-Operating Revenue (Expense)									
State Revenue	4,667	4,667	7,448	725,965	742,746	898,734	(155,988)	946,349	(203,603)
Uses of Prop & Investment	143,004	138,504	136,317	394,464	812,289	768,202	44,087	250,000	562,289
Interest Expense	(93,264)	(93,121)	(90,711)	(40,698)	(317,793)	(330,841)	13,048	(339,401)	(21,608)
Total Non-Operating Revenue	54,407	50,050	53,054	1,079,731	1,237,242	1,336,095	(98,853)	856,948	337,078
Net Income (Before Transfers)	36,139	(386,310)	(352,429)	862,042	159,442	261,497	(102,054)	(691,982)	589,928
Transfers									
Transfers In (Other Funds)	7,454	28,877	1,448	87,231	125,009	170,655	(45,646)	147,000	(21,991)
Other Budgeted Items (Not Recorded in GAAP Statements)									
Principal Payments	-	245,000	255,000	-	500,000	530,348	(30,348)	545,348	(45,348)
Purchase of Fixed Assets	34,304	5,735	-	-	40,039	-	40,039	40,125	(86)
Transfers In/(Out)-Capital Projects	(92,500)	-	-	-	(92,500)	(1,094,431)	1,001,931	(92,500)	-
Key Indicators									
Cashflow from Operations (EBIDA)	423,580	5,488	36,365	105,180	570,613	656,144	(85,530)	218,464	352,149
Debt Covenant Calculation									
Net Revenue of the System					2,250,657	2,493,734	(243,077)	1,561,813	688,844
Total Debt Service					817,793	861,189	(43,396)	884,749	(66,956)
Bond Covenant Ratio (Must be >1.25%)					275%	290%		177%	
Debt Principal Coverage/Asset Replacement									
Simple Cash Flow					1,932,864	2,162,894	(230,030)	1,222,412	710,452
Debt Principal					(500,000)	(530,348)	30,348	(545,348)	45,348
Debt Principal Coverage Surplus/(Deficit)					1,432,864	1,632,546	(199,682)	677,064	755,800
Less Depreciation=Cash Available for Asset Replacement					(215,549)	(98,196)	(117,352)	(1,090,330)	874,781

City and Borough of Sitka
Interim Financial Statements
Harbor Fund Balance Sheet
Through June 30 2025

	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	YTD	Prior YTD	Variance from prior YTD
Assets/Deferred Outflows							
Current Assets	14,046,557	13,912,964	13,612,502	14,852,015	14,852,015	13,885,700	966,315
Noncurrent Assets							
Debt service reserve	933,345	944,768	955,263	965,348	965,348	961,779	3,569
Net OPEB asset*	451,925	451,925	451,925	451,925	451,925	451,925	-
Capital assets	28,811,100	28,369,252	27,927,404	27,801,536	27,801,536	29,252,948	(1,451,412)
Deferred Outflows*							
OPEB/Pension	219,301	219,301	219,301	219,301	219,301	219,301	-
Total Assets and Deferred Outflows	44,462,228	43,898,210	43,166,395	44,290,126	44,290,126	44,771,654	(481,528)
Liabilities/Deferred Inflows/Net Position							
Current Liabilities							
Accounts payable/accrued liabilities	104,740	104,740	104,740	140,236	140,236	310,285	(170,049)
Interest payable	68,518	142,612	65,823	137,299	137,299	142,754	(5,455)
Current portion LTD	545,348	545,348	545,348	545,348	545,348	545,348	-
Noncurrent Liabilities							
Bonds and notes (less current portion)*	9,092,358	9,092,358	9,092,358	8,505,828	8,505,828	9,092,358	(586,530)
Deferred revenue	56,113	56,113	56,113	63,337	63,337	56,113	7,225
Pension/OPEB*	964,686	964,686	964,686	964,686	964,686	964,686	-
Deferred Inflows							
Deferred charge on refunding	61,631	61,631	61,631	50,461	50,461	61,631	(11,170)
OPEB/Pension*	22,314	22,314	22,314	22,314	22,314	22,314	-
Total Liabilities and Deferred Inflows	10,915,708	10,989,802	10,913,013	10,429,510	10,429,510	11,195,489	(765,979)
Net Investment in Capital Assets	19,940,368	19,509,942	19,078,590	19,525,011	19,525,011	20,205,105	(680,094)
Debt Service Reserves/Deposits	933,345	944,768	955,263	965,348	965,348	961,779	3,569
Restricted for OPEB Asset	451,925	451,925	451,925	451,925	451,925	451,925	-
Unrestricted	12,220,882	12,001,774	11,767,605	12,918,332	13,370,257	12,409,280	960,977
Total Net Position	33,546,521	32,908,408	32,253,383	33,860,616	33,860,616	33,576,164	284,451
Total Liabilities, Deferred Inflows, and Net Position	44,462,228	43,898,210	43,166,395	44,290,126	44,290,126	44,771,654	(481,528)
<i>*adjusted at fiscal year-end only (PERS/OPEB entries not yet complete for FY25)</i>							
Working Capital Analysis							
Total Working Capital (Current Assets-Current Liabilities)	13,327,951	13,120,265	12,896,592	14,029,132	14,029,132	12,887,312	1,141,819
Current Assets Designated for Capital Projects					9,091,440	9,297,489	(206,050)
Next Debt Principal Payment					545,348	545,348	-
Undesignated Working Capital					4,392,344	3,044,475	1,347,869
Days Undesignated Working Capital				-	286	201	
Summary of Capital Projects							
	Beginning cash	New appropriations / closeouts	Grant/ Loan revenues	Expenses/ adjustments	Balance sheet changes from PY	Ending cash	
90798 - Eliason Electrical Upgrades	5,135,727			14,091	(22,885)	5,098,751	
90810 - Sealing Cove Maintenance	10,620				-	10,620	
90901 - MSC Bulkhead Pile Repair	998				-	998	
90922 - Crescent Harbor Highload Dock	1,287,949			30,286	29,689	1,287,352	
90955 - Master Plan For Harbors	156,099			15,300	(111,911)	28,888	
90956 - Harbor Parking Lot Repairs	3,705			612	-	3,093	
90957 - Sealing Cove Lift Station	20,000				-	20,000	
90984 - ANB Security Camera Replacement	101	7,500			-	7,601	
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	50,000	50,000			-	100,000	
90988 - Sealing Cove Harbor Cameras	7,336				-	7,336	
90993 - MSC Bulkhead Wall and Crane Reconstruction	2,056,720			27,540	-	2,029,180	
91015 - Eliason Harbor Restroom and Shower Repair	50,000				-	50,000	
91018 - Fishermen's Work Float Fortification	500,000			34,513	(36,481)	429,006	
91022 - Sealing Cove Fish Cleaning Station Rehabilitaiton	-	35,000		34,621	-	379	
	9,297,489	92,500	-	156,962	(141,588)	9,091,440	

City and Borough of Sitka
Airport Terminal Analysis
Through June 30 2025

Indicator	Amount	Compared To Last Yr	Compared To Plan	Status	Big Picture
Revenue	1,045,923	Improved from prior year	Met/Exceeded Plan		Operating revenue is lower than prior year, but overall revenue has increased due to investment income
Appropriated Operating vs. Actual Operating Outlays (Budgeted for period minus actual expenditures. Indicates spending levels as compared to approved budget)	481,800	n/a	Under Budget		Spending is under budget, but likely to increase as new terminal is put into service.
Earnings Before Interest & Depreciation (“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)	161,244	Decreased	Exceeded Plan		EBIDA is lower than prior year, but better than anticipated.
Net Income (Loss) (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)	43,685	Declined	Exceeded Plan		Improvement primarily due to interest earned on working capital for the terminal project.
Asset Replacement (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>)	43,685	Declined	Insufficient		Fund not covering cost to replace significant infrastructure in the future, though significant portion of terminal update to be funded through grants.
Total Working Capital (What total resources are available in the fund)	4,258,379	Declined	n/a		Indicates spending of capital appropriations.
Working Capital Appropriated For Projects (and Unspent Bond Proceeds) (Of the fund’s total resources, how much has been already appropriated for CAPEX)	7,129,872	Improved	n/a		Indicative of funding transferred to cover costs not eligible for grant funding.
Undesignated Working Capital (How much of the fund’s resources are available?)	(3,041,493)	Declined	n/a		General working capital low. Expenses are being recorded in period incurred, so grant revenue is often recorded later.

City and Borough of Sitka
Airport Terminal Analysis
Through June 30 2025

The overall financial picture for the Airport Fund has changed significantly since the end of last fiscal year. Earlier this year, CBS received notice that Delta Airlines was cutting flights to many communities in Southeast Alaska, Sitka included. With a new, much larger and more expensive terminal to operate, it is not clear how CBS will cover those costs with only one carrier leasing aeronautical space. Administration is looking into a variety of options to fund the terminal operations.

In addition, is important to note that AK DOT/FAA has confirmed that the revenue from Passenger Facility Charges (PFCs) will not be able to cover the full debt service for the bonds issued through the Alaska Municipal Bond Bank for the project. Instead, the PFCs will be collected for a shorter time period and thereafter, the debt service will need to be paid with revenue generated from other sources. We have been in open communication about this with both DOT and FAA. Our PFC collection agreement will be amended once the project has been completed, at which point the final amount and timeframe for when the CBS will no longer have PFC revenue to cover the debt service of the bonds funding the project will be detailed.

Despite upheaval on the federal level, grant funding for the project seems to be a high priority and not in danger of being cut. Being that the funding is both federal and funneled through the FAA there is a significant amount of effort required of both staff and contractors to meet the requirements tied to the funding.

Note that in these preliminary year-end financial statements, some GAAP entries such as updating OPEB & PERS liabilities and recording lease and subscription assets, have not been made yet. While this allows for a clearer review of budget-to-actual expenditures, these financials will differ from the final audited statements.

City and Borough of Sitka
Interim Financial Statements
Airport Term. Income Statement
Through June 30 2025

	Jul- Sept	Oct- Dec	Jan- Mar	Apr- Jun	YTD	Prior YTD	Variance from prior YTD	FY25 amended budget YTD	Variance from budget
Operating Revenues									
Driver Facility Charges	\$ 20,934	\$ 28,303	\$ 19,003	\$ 23,378	\$ 91,618	\$ 66,265	\$ 25,354	\$ 130,000	\$ (38,382)
Passenger Facility Charges	79,899	72,614	70,225	92,097	314,834	310,714	4,121	305,000	9,834
Concessions	-	-	-	-	-	-	-	30,000	(30,000)
Jobbing-Labor	11,509	7,204	6,122	11,305	36,140	13,821	22,319	-	36,140
Terminal Leases	109,693	104,388	103,818	94,460	412,359	428,808	(16,449)	461,460	(49,101)
Miscellaneous	-	-	-	112	112	-	112	-	112
Total Operating Revenue	222,034	212,509	199,167	221,353	855,063	819,607	35,457	926,460	(71,397)
Operating Expenses									
Operating Expenses	161,740	182,399	170,891	178,790	693,820	\$ 574,446	119,374	815,765	(121,946)
Depreciation	41,992	41,992	41,992	35,798	161,772	155,242	6,530	167,968	(6,196)
Total Operating Expense	203,731	224,391	212,882	214,588	855,592	729,688	125,904	983,733	(128,141)
Non-Operating Revenue (Expense)									
State Revenue	562	562	864	1,519	3,507	802	2,705	-	3,507
Uses of Prop & Investment	58,934	48,874	41,732	37,812	187,353	231,529	(44,176)	1,000	186,353
Interest Expense	(42,708)	(43,375)	(42,042)	(18,521)	(146,646)	(146,975)	329	(166,500)	(19,854)
Total Non-Operating Revenue	16,788	6,062	555	20,810	44,214	85,356	(41,142)	(165,500)	170,006
Net Income (Before Transfers)	35,091	(5,820)	(13,161)	27,575	43,685	175,274	(131,590)	(222,773)	91,184
Transfers									
Transfers In (Other Funds)	-	-	-	-	-	-	-	-	-
Other Budgeted Items (Not Recorded in GAAP Statements)									
Principal Payments	-	-	(170,000)	-	(170,000)	(160,000)	(10,000)	170,000	(340,000)
Purchase of Fixed Assets	-	-	-	-	-	-	-	-	-
Transfers In/(Out)-Capital Projects	-	(300,000)	-	-	(300,000)	-	(300,000)	(300,000)	-
Key Indicators									
Cashflow from Operations (EBIDA)	60,295	30,110	28,276	42,563	161,244	245,161	(83,917)	110,695	50,549
Debt Covenant Calculation									
Net Revenue of the System					164,751	-	164,751	110,695	54,056
Total Debt Service					(23,354)	(13,025)	(10,329)	336,500	(359,854)
Bond Covenant Ratio (Must be >1.25%)					-705%	0%		33%	
Debt Principal Coverage/Asset Replacement									
Simple Cash Flow					205,457	330,517	(125,060)	(54,805)	260,262
Debt Principal					-	160,000	(160,000)	(170,000)	170,000
Debt Principal Coverage Surplus/(Deficit)					205,457	490,517	(285,060)	(224,805)	430,262
Less Depreciation=Cash Available for Asset Replacement					43,685	335,274	(291,590)	(392,773)	436,458

City and Borough of Sitka
Interim Financial Statements
Airport Term. Balance Sheet
Through June 30 2025

	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	YTD	Prior YTD	Variance from prior YTD
Assets/Deferred Outflows							
Current Assets	747,806	1,944,966	575,693	8,643,703	8,643,703	7,813,948	829,756
Noncurrent Assets							
Debt service reserve	350,367	354,367	358,247	361,849	361,849	375,705	(13,856)
Other non-current assets/Restricted bond proceeds	4,238,849	3,887,280	3,264,343	3,298,807	3,298,807	4,184,245	(885,438)
Capital assets	14,627,305	14,585,313	14,543,322	32,108,429	32,108,429	14,669,296	17,439,133
Net OPEB asset	33,246	33,246	33,246	33,246	33,246	33,246	-
Deferred Outflows*							
OPEB/Pension	16,133	16,133	16,133	16,133	16,133	16,133	-
Total Assets and Deferred Outflows	20,013,706	20,821,305	18,790,985	44,462,168	44,462,168	27,092,573	17,369,595
Liabilities/Deferred Inflows/Net Position							
Current Liabilities							
Accounts payable/accrued liabilities	2,550	4,169,500	2,550	2,642,512	2,642,512	3,037,764	(395,252)
Interest payable	28,917	72,292	31,583	72,958	72,958	68,958	4,000
Due to other funds	-	-	-	4,798,661	4,798,661	3,002,618	1,796,043
Current portion LTD	170,000	170,000	170,000	170,000	170,000	170,000	-
Noncurrent Liabilities							
Bonds and notes (less current portion)*	3,329,426	3,329,426	3,329,426	3,136,572	3,136,572	3,329,426	(192,854)
Pension/OPEB*	70,967	70,967	70,967	70,967	70,967	-	70,967
Deferred Inflows							
OPEB*	1,642	1,642	1,642	1,642	1,642	1,642	-
Total Liabilities and Deferred Inflows	3,603,502	7,813,827	3,606,169	10,893,313	10,893,313	9,641,796	1,251,517
Net investment in Capital Assets	11,844,218	8,789,061	11,585,455	29,931,429	29,931,429	12,874,477	17,056,952
Debt Service Reserves/Restricted for CAPEX	350,367	354,367	358,247	361,849	361,849	375,705	(13,856)
Restricted for OPEB Asset	33,246	33,246	33,246	33,246	33,246	33,246	-
Unrestricted	4,182,373	3,830,804	3,241,113	3,275,577	3,275,577	4,200,596	(925,019)
Total Net Position	16,410,204	13,007,477	15,184,816	33,568,855.54	33,568,856	17,450,778	16,118,078
Total Liabilities, Deferred Inflows, and Net Position	20,013,706	20,821,305	18,790,985	44,462,168	44,462,168	27,092,573	17,369,595
<i>*adjusted at fiscal year-end only</i>							
Working Capital Analysis							
Total Working Capital (Current Assets-Current Liabilities)	4,785,188	1,420,454	3,635,903	9,057,040	4,258,379	5,718,852	1,221,008
Current Assets Designated for Capital Projects					7,129,872	11,958,151	(4,828,279)
Next Debt Principal Payment					170,000	170,000	-
Undesignated Working Capital			3,635,903	9,057,040	(3,041,493)	(6,409,299)	6,049,287
Days Undesignated Working Capital					(1,316)	(2,226)	
Summary of Capital Projects	Beginning cash	New appropriations/ closeouts	Grant/ Loan revenues/ Bond proceeds	Expenses/ adjustments	Balance sheet changes from PY	Ending cash	
90835 - SIT Airport Terminal Improvements	(5,092,121)	300,000	16,473,784	17,279,538	(904,820)	(6,502,695)	
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	1,327,392	-	325,836	323,748	93,890	1,370,502	
	(3,643,428)	300,000	16,799,620	17,603,286	(810,930)	(5,010,892)	

City and Borough of Sitka
Marine Service Ctr Analysis
Through June 30 2025

Indicator	Amount	Compared To Last Yr	Compared To Plan	Status	Big Picture
Revenue	422,779	Improved from prior year	Met/Exceeded Plan		Revenue was higher than the prior year and right on budget.
Appropriated Operating vs. Actual Operating Outlays (Budgeted for period minus actual expenditures. Indicates spending levels as compared to approved budget)	41,017	n/a	Under Budget		Operating expenses up from prior year by 22% but under budget by 19.7%.
Earnings Before Interest & Depreciation (“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)	159,575	Decreased	Exceeded Plan		Decrease due to increase in operating expenses compared to prior year.
Net Income (Loss) (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)	239,726	Declined	Exceeded Plan		
Asset Replacement (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>))	239,726	Declined	~		Does not address the long-term need for bulkhead wall repairs
Total Working Capital (What total resources are available in the fund)	1,982,530	Improved	n/a		Working capital increasing due to higher cash inflows and lower outlays
Working Capital Appropriated For Projects (and Unspent Bond Proceeds) (Of the fund’s total resources, how much has been already appropriated for CAPEX)	326,108	Improved	n/a		Very little capital spending in FY2025
Undesignated Working Capital (How much of the fund’s resources are available?)	1,656,423	Improved	n/a		

City and Borough of Sitka
Marine Service Ctr Analysis
Through June 30 2025

Operating revenue for the Marine Service Center Fund was right on budget and up 12.4% from FY2024. Operating expenses increased slightly from the prior year but remained 19.7% below budget.

The MSC fund is one of the healthier funds, as it regularly generates working capital that can be set aside for future repairs. The most significant challenge for the fund remains the repair of the bulkhead wall, which, while technically a Harbor Fund asset, is essential to the operations and structural integrity of the Marine Service Center building.

Previously, both the Harbor and MSC funds had committed \$1.05 million each toward the match for a RAISE grant for the bulkhead wall. In July of 2024, CBS requested to withdraw from the RAISE grant due to inflationary cost increases and a lack of viable responses to construction RFPs. The withdrawal was approved, and the remaining funds will be returned to MSC and Harbor Funds in FY2026. This doesn't eliminate the need for the repairs and CBS will have to continue to pursue alternative funding sources to complete this critical work.

Note that in these preliminary year-end financial statements, some GAAP entries such as updating OPEB & PERS liabilities and recording lease and subscription assets, have not been made yet. While this allows for a clearer review of budget-to-actual expenditures, these financials will differ from the final audited statements.

City and Borough of Sitka
Interim Financial Statements
MSC Fund Income Statement
Through June 30 2025

	Jul- Sept	Oct- Dec	Jan- Mar	Apr- Jun	YTD	Prior YTD	Variance from prior YTD	FY25 amended budget YTD	Variance from budget
Operating Revenues									
Lease Revenue	\$ 79,040	\$ 79,560	\$ 79,560	\$ 79,560	\$ 317,720	\$ 282,567	\$ 35,153	\$ 318,240	\$ (520)
Total Operating Revenue	79,040	79,560	79,560	79,560	317,720	282,567	35,153	318,240	(520)
Operating Expenses									
Operating Expenses	42,483	37,640	38,662	39,361	158,145	122,401	35,745	196,943	(38,798)
Depreciation	7,748	7,748	7,748	1,663	24,907	28,129	(3,222)	30,993	(6,086)
Total Operating Expense	50,231	45,388	46,410	41,024	183,053	150,530	32,523	227,936	(44,883)
Non-Operating Revenue (Expense)									
Uses of Prop & Investment	16,366	16,767	17,362	54,564	105,059	133,166	(28,108)	25,000	80,059
Total Non-Operating Revenue	16,366	16,767	17,362	54,564	105,059	133,166	(28,108)	25,000	80,059
Net Income (Before Transfers)	45,175	50,939	50,512	93,100	239,726	265,204	(25,477)	115,304	(140,781)
Transfers									
Transfers In (Other Funds)	-	-	-	-	-	-	-	-	-
Other Budgeted Items (Not Recorded in GAAP Statements)									
Purchase of Fixed Assets	-	-	-	-	-	-	-	2,219	(2,219)
Transfers In/(Out)-Capital Projects	(122,000)	-	(40,000)	-	(162,000)	(165,000)	3,000	(162,000)	-
Key Indicators									
Cashflow from Operations (EBIDA)	36,557	41,920	40,898	40,199	159,575	160,167	(592)	121,297	38,278
Debt Covenant Calculation									
Net Revenue of the System					264,634	293,333	(28,700)	146,297	118,337
Total Debt Service					-	-	-	-	-
Bond Covenant Ratio (Must be >1.25%)					n/a	n/a	n/a	n/a	n/a
Debt Principal Coverage/Asset Replacement									
Simple Cash Flow					264,634	293,333	(28,700)	146,297	118,337
Debt Principal					-	-	-	-	-
Debt Principal Coverage Surplus/(Deficit)					264,634	293,333	(28,700)	146,297	118,337
Less Depreciation=Cash Available for Asset Replacement					239,726	265,204	(25,477)	115,304	124,422

City and Borough of Sitka
Interim Financial Statements
MSC Fund Balance Sheet
Through June 30 2025

	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	YTD	Prior YTD	Variance from prior YTD
Assets/Deferred Outflows							
Current Assets	1,847,073	1,909,221	1,958,612	1,982,834	1,982,834	1,805,562	177,271
Noncurrent Assets							
Leases receivable*	2,567,832	2,567,832	2,567,832	2,567,832	2,567,832	2,567,832	-
Capital assets	309,313	297,809	286,305	343,826	343,826	300,939	42,886
Total Assets and Deferred Outflows	4,724,218	4,774,862	4,812,749	4,894,492	4,894,492	4,674,334	220,158
Liabilities/Deferred Inflows/Net Position							
Current Liabilities							
Accounts payable/accrued liabilities	-	-	-	304	304	-	304
Deferred Inflows							
Lease related*	2,543,106	2,543,106	2,543,106	2,543,106	2,543,106	2,543,106	-
Total Liabilities and Deferred Inflows	2,543,106	2,543,106	2,543,106	2,543,410	2,543,410	2,543,106	304
Net Investment in Capital Assets	309,313	297,809	286,305	343,826	343,826	300,939	42,886
Unrestricted	1,871,799	1,933,947	1,983,338	2,007,256	2,007,256	1,830,288	176,968
Total Net Position	2,181,111	2,231,756	2,269,643	2,351,082	2,351,082	2,131,228	219,854
Total Liabilities, Deferred Inflows, and Net Position	4,724,218	4,774,862	4,812,749	4,894,492	4,894,492	4,674,334	220,158
<i>*adjusted at fiscal year-end only</i>							
Working Capital Analysis							
Total Working Capital (Current Assets-Current Liabilities)	1,847,073	1,909,221	1,958,612	1,982,530	1,982,530	1,805,562	176,968
Current Assets Designated for Capital Projects					326,108	251,774	74,334
Undesignated Working Capital					1,656,423	1,553,789	102,634
Days Undesignated Working Capital				-	3,258	3,716	
Summary of Capital Projects							
	Beginning cash	New appropriations / closeouts	Grant/ Loan revenues	Expenses/ adjustments	Balance sheet changes from PY	Ending cash	
90905 - MSC Bulkhead Condition Assessment	15,207	-	-	9,047	-	6,161	
90926 - MSC Arctic Door Replacement Egress	10,000	-	-	-	-	10,000	
90928 - MSC Freezer Vestibule Entry Curtains	10,000	-	-	5,019	-	4,981	
90930 - MSC Replace Loading Dock Bumper	15,000	-	-	-	-	15,000	
90959 - MSC Overhead Door "A"	16,566	90,000	-	73,600	-	32,966	
90995 - MSC Fire & Life Safety	185,000	40,000	-	-	-	225,000	
91023 - MCS Lighting Replacement Total	-	32,000	-	-	-	32,000	
	251,774	162,000	-	87,666	-	326,108	

City and Borough of Sitka
GPIP Fund Analysis
Through June 30 2025

Indicator	Amount	Compared To Last Yr	Compared To Plan	Status	Big Picture
Revenue	1,042,772	Improved from prior year	Met/Exceeded Plan		Operating revenue is lower than prior year, but overall revenue has increased due to investment income.
Appropriated Operating vs. Actual Operating Outlays (Budgeted for period minus actual expenditures. Indicates spending levels as compared to approved budget)	72,988	n/a	Under Budget		Operating expenses were below budget and only slightly higher than the prior year.
Earnings Before Interest & Depreciation (“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)	(18,572)	Decreased	Exceeded Plan		Cash flow from operations continues to be negative.
Net Income (Loss) (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)	(116,461)	Declined	Exceeded Plan		
Asset Replacement (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>))	359,051	Improved	~		Fund is not generating sufficient capital to put into infrastructure.
Total Working Capital (What total resources are available in the fund)	1,455,771	Declined	n/a		
Working Capital Appropriated For Projects (and Unspent Bond Proceeds) (Of the fund’s total resources, how much has been already appropriated for CAPEX)	1,489,907	Declined	n/a		Capital spending for haul out project increased significantly in FY25.
Undesignated Working Capital (How much of the fund’s resources are available?)	(34,135)	Declined	n/a		

City and Borough of Sitka
GPIP Fund Analysis
Through June 30 2025

Operating revenue for the GPIP fund was 7.5% lower than FY2024, but 22.6% higher than budgeted. The budget variance was primarily driven by stronger than expected dock tariff and fuel flowage revenue. Transient moorage, which had grown steadily over the last several years, appears to have levelled off.

Operating expenses were essentially flat compared to FY2024 and 9% below budget. FY2025 represents the fund's final year before commencement of haul out operations, marking a major transition in the fund's overall operations.

The fund has become significantly cash constrained as undesignated working capital has been used for construction of the haul out. With these funds depleted, investment income will decline and future liquidity will depend on operating performance and external support. The outlook for FY2026 is less favorable, as the haul out has now been placed in service and depreciation expense will increase substantially.

Unless new, sustainable revenue sources are developed, the GPIP fund is unlikely to generate sufficient funds to meet long-term asset replacement needs. The current fee collected from Highmark is known to be insufficient to cover full depreciation, underscoring the need for annual reassessment of the fund and fee structure.

Note that in these preliminary year-end financial statements, some GAAP entries such as updating OPEB & PERS liabilities and recording lease and subscription assets, have not been made yet. While this allows for a clearer review of budget-to-actual expenditures, these financials will differ from the final audited statements.

City and Borough of Sitka
Interim Financial Statements
GPIP Fund Income Statement
Through June 30 2025

	Jul- Sept	Oct- Dec	Jan- Mar	Apr- Jun	YTD	Prior YTD	Variance from prior YTD	FY25 amended budget YTD	Variance from budget
Operating Revenues									
Miscellaneous	\$ -	\$ -		\$ 969	\$ 969	\$ -	\$ 969	\$ -	\$ 969
Fuel Flowage	14,786	3,765	1,292	7,758	27,600	27,496	104	17,000	10,600
GPIP Dock Tariff Charges	15,600	3,903	2,536	24,156	46,194	24,732	21,462	24,000	22,194
Moorage - Transient	14,907	6,569	2,896	32,456	56,828	66,369	(9,541)	35,000	21,828
Rent - Building	5,115	(6,361)	924	(1,873)	(2,194)	19,530	(21,724)	2,520	(4,714)
Rent - Land	28,420	23,996	21,796	25,867	100,079	109,955	(9,877)	108,596	(8,517)
Total Operating Revenue	78,828	31,872	29,443	89,333	229,476	248,082	(18,606)	187,116	42,360
Operating Expenses									
Operating Expenses	63,707	60,400	60,992	62,948	248,048	245,016	3,032	314,622	(66,574)
Depreciation	101,539	101,539	101,539	102,642	407,259	407,259	0	406,158	1,101
Total Operating Expense	165,246	161,939	162,531	165,590	655,307	652,275	3,032	720,780	(65,473)
Non-Operating Revenue (Expense)									
Uses of Prop & Investment	70,193	55,129	29,816	154,232	309,370	476,985	(167,615)	100,000	209,370
Gain on Sale of Fixed Assets	-	-	-	-	-	-	-	-	-
Total Non-Operating Revenue	70,193	55,129	29,816	154,232	309,370	476,985	(167,615)	100,000	209,370
Net Income (Before Transfers)	(16,225)	(74,939)	(103,271)	77,975	(116,461)	72,793	(189,253)	(433,664)	244,411
Transfers									
Transfers In (Other Funds)	973	500,968	973	1,012	503,926	5,273	498,653	502,402	1,524
Transfers Out (Other Funds)	(7,454)	(3,284)	(1,448)	(16,228)	(28,414)	(33,185)	4,771	(22,000)	(6,414)
Other Budgeted Items (Not Recorded in GAAP Statements)									
Principal Payments	-	-	-	-	-	-	-	-	-
Transfers In/(Out)-Capital Projects	-	(850,000)	-	-	(850,000)	-	(850,000)	(850,000)	-
Key Indicators									
Cashflow from Operations (EBIDA)	15,121	(28,528)	(31,549)	26,385	(18,572)	3,066	(21,638)	(127,506)	108,934
Debt Covenant Calculation									
Net Revenue of the System					766,310	452,139	314,171	452,896	313,414
Total Debt Service					-	-	-	-	-
Bond Covenant Ratio (Must be >1.25%)					n/a	n/a	n/a	n/a	n/a
Debt Principal Coverage/Asset Replacement									
Simple Cash Flow					766,310	452,139	314,171	452,896	313,414
Debt Principal					-	-	-	-	-
Debt Principal Coverage Surplus/(Deficit)					766,310	452,139	314,171	452,896	313,414
Less Depreciation=Cash Available for Asset Replacement					359,051	44,881	314,171	46,738	312,313

City and Borough of Sitka
Interim Financial Statements
GPIP Fund Balance Sheet
Through June 30 2025

	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	YTD	Prior YTD	Variance from prior YTD
Assets/Deferred Outflows							
Current Assets	7,473,337	5,027,126	2,488,586	2,249,405	2,249,405	8,202,524	(5,953,119)
Noncurrent Assets							
Leases receivable*	38,814	38,814	38,814	38,814	38,814	38,814	-
Capital assets	17,710,639	17,609,100	17,507,561	25,644,903	25,644,903	17,812,179	7,832,724
Total Assets and Deferred Outflows	25,222,791	22,675,041	20,034,962	27,933,122	27,933,122	26,053,517	1,879,605
Liabilities/Deferred Inflows/Net Position							
Current Liabilities							
Accounts payable/accrued liabilities	-	133,289	292,424	793,634	793,634	273,080	520,554
Lease related*	37,889	37,889	37,889	37,889	37,889	37,889	-
Total Liabilities and Deferred Inflows	37,889	171,179	330,313	831,523	831,523	310,969	520,554
Net Investment in Capital Assets	17,710,639	17,609,100	17,507,561	25,644,903	25,644,903	17,812,179	7,832,724
Unrestricted	7,474,262	4,894,762	2,197,087	1,456,696	1,456,696	7,930,369	(6,473,673)
Total Net Position	25,184,902	22,503,862	19,704,649	27,101,599	27,101,599	25,742,548	1,359,051
Total Liabilities, Deferred Inflows, and Net Position	25,222,791	22,675,041	20,034,962	27,933,122	27,933,122	26,053,517	1,879,605
<i>*adjusted at fiscal year-end only (PERS/OPEB/GASB96/87 entries not yet complete for FY25)</i>							
Working Capital Analysis							
Total Working Capital (Current Assets-Current Liabilities)	7,473,337	4,893,837	2,196,162	1,455,771	1,455,771	7,929,444	(6,473,673)
Current Assets Designated for Capital Projects					1,489,907	7,358,239	(5,868,332)
Undesignated Working Capital					(34,135)	571,205	(605,341)
Days Undesignated Working Capital				-	(19)	315	
Summary of Capital Projects	Beginning cash	New appropriations / closeouts	Grant/ Loan revenues	Expenses/ adjustments	Balance sheet changes from PY	Ending cash	
90875 - GPIP Wash Down Pad	20,000	(20,000)	-	-	-	-	
90931 - Marine Vessel Haul Out and Shipyard	7,127,207	870,000	1,000,000	8,239,983	521,651	1,278,875	
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	
					-	-	
	7,358,239	850,000	1,000,000	8,239,983	521,651	1,489,907	

City and Borough of Sitka
IT Fund Analysis
Through June 30 2025

Indicator	Amount	Compared To Last Yr	Compared To Plan	Status	Big Picture
Revenue	2,587,943	Improved from prior year	Met/Exceeded Plan		Overall revenue right on budget.
Appropriated Operating vs. Actual Operating Outlays (Budgeted for period minus actual expenditures. Indicates spending levels as compared to approved budget)	158,587	n/a	Under Budget		Operating expenses are up from prior year and slightly under budget.
Earnings Before Interest & Depreciation ("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)	441,598	Increased	Exceeded Plan		
Net Income (Loss) (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)	407,557	Improved	Exceeded Plan		
Asset Replacement (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>))	(52,443)	Improved	~		Fund is dependent on other funds for capital for fixed assets.
Total Working Capital (What total resources are available in the fund)	322,254	Declined	n/a		Working capital is intentionally decreasing.
Working Capital Appropriated For Projects (and Unspent Bond Proceeds) (Of the fund's total resources, how much has been already appropriated for CAPEX)	-	n/a	n/a		
Undesignated Working Capital (How much of the fund's resources are available?)	322,254	Declined	n/a		

City and Borough of Sitka
IT Fund Analysis
Through June 30 2025

Overall the financial position of the IT Fund is strong though the need for more robust IT systems in many areas is ongoing and likely to be of significant cost.

Note that in these preliminary year-end financial statements, some GAAP entries such as updating OPEB & PERS liabilities and recording lease and subscription assets, have not been made yet. While this allows for a clearer review of budget-to-actual expenditures, these financials will differ from the final audited statements.

City and Borough of Sitka
Interim Financial Statements
IT Fund Income Statement
Through June 30 2025

	Jul- Sept	Oct- Dec	Jan- Mar	Apr- Jun	YTD	Prior YTD	Variance from prior YTD	FY25 amended budget YTD	Variance from budget
Operating Revenues									
Departmental Billing	\$ 636,311	\$ 636,311	\$ 636,311	\$ 636,311	\$ 2,545,243	\$ 2,083,301	\$ 461,942	\$ 2,545,243	\$ (0)
Miscellaneous	-	-	-	169	169	575	(406)	-	169
Total Operating Revenue	636,311	636,311	636,311	636,480	2,545,412	2,083,876	461,536	2,545,243	169
Operating Expenses									
Operating Expenses	495,417	541,253	594,982	472,163	2,103,815	1,911,535	192,280	2,247,540	(143,725)
Depreciation	18,464	18,464	35,710	3,934	76,572	117,914	(41,342)	142,840	(66,268)
Total Operating Expense	513,881	559,717	630,692	476,097	2,180,387	2,029,449	150,937	2,390,380	(209,993)
Non-Operating Revenue (Expense)									
Uses of Prop & Investment	4,192	4,505	1,359	12,840	22,897	29,003	(6,106)	5,000	17,897
State/Federal Revenue	3,119	3,119	4,837	8,560	19,634	7,568	12,066	30,708	(11,074)
Interest/Amortization Expense	-	-	-	-	-	(57,474)	57,474	-	-
Total Non-Operating Revenue	7,311	7,624	6,196	21,400	42,531	(20,903)	63,434	35,708	6,823
Net Income (Before Transfers)	129,740	84,218	11,815	181,784	407,557	33,524	374,033	190,571	183,462
Transfers									
Transfers In (Other Funds)	-	-	-	-	-	-	-	-	-
Transfers Out (Other Funds)	(460,000)	-	-	-	(460,000)	(88,000)	(372,000)	(460,000)	-
Other Budgeted Items (Not Recorded in GAAP Statements)									
Principal Payments	-	-	-	-	-	-	-	-	-
Purchase of Fixed Assets	175,542	-	16,596	-	192,138	-	192,138	207,000	(14,862)
Key Indicators									
Cashflow from Operations (EBIDA)	140,893	95,058	41,329	164,318	441,598	172,341	269,256	297,703	143,894
Debt Covenant Calculation									
Net Revenue of the System					24,129	120,912	(96,783)	(126,589)	150,718
Total Debt Service							-	-	-
Debt Service Ratio					n/a	n/a	n/a	n/a	n/a
Debt Principal Coverage/Asset Replacement									
Simple Cash Flow					24,129	63,438	(39,309)	(126,589)	150,718
Debt Principal					-	-	-	-	-
Debt Principal Coverage Surplus/(Deficit)					24,129	63,438	(39,309)	(126,589)	150,718
Less Depreciation=Cash Available for Asset Replacement					(52,443)	(54,476)	2,033	(269,429)	216,986

City and Borough of Sitka
Interim Financial Statements
IT Fund Balance Sheet
Through June 30 2025

	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	YTD	Prior YTD	Variance from prior YTD
Assets/Deferred Outflows							
Current Assets	72,718	175,400	206,328	496,322	496,322	584,550	(88,228)
Noncurrent Assets							
Net OPEB asset*	313,952	313,952	313,952	313,952	313,952	313,952	-
Capital assets	63,514	83,551	47,841	236,045	236,045	120,479	115,566
Deferred Outflows*							
OPEB/Pension	152,349	152,349	152,349	152,349	152,349	152,349	-
Total Assets and Deferred Outflows	602,533	725,251	720,470	1,198,668	1,198,668	1,171,330	27,338
Liabilities/Deferred Inflows/Net Position							
Current Liabilities							
Accounts payable/accrued liabilities	69,792	69,792	69,792	174,068	174,068	94,286	79,782
Current portion LTD	-	-	-	-	-	-	-
Noncurrent Liabilities							
Leases/SAAS payable	32,253	32,253	32,253	32,253	32,253	32,253	-
Pension/OPEB*	670,167	670,167	670,167	670,167	670,167	670,167	-
Deferred Inflows							
OPEB/Pension*	15,502	15,502	15,502	15,502	15,502	15,502	-
Total Liabilities and Deferred Inflows	787,714	787,714	787,714	891,990	891,990	812,209	79,782
Net Investment in Capital Assets	63,514	83,551	47,841	236,045	236,045	120,479	115,566
Restricted for OPEB Asset	313,952	313,952	313,952	313,952	313,952	313,952	-
Unrestricted	(562,647)	(459,966)	(429,037)	(243,319)	(243,319)	(75,310)	(168,010)
Total Net Position	(185,181)	(62,463)	(67,244)	306,678	306,678	359,121	(52,443)
Total Liabilities, Deferred Inflows, and Net Position	602,533	725,251	720,470	1,198,668	1,198,668	1,171,330	27,338
<i>*adjusted at fiscal year-end only (PERS/OPEB/GASB96 entries not yet complete for FY25)</i>							
Working Capital Analysis							
Total Working Capital (Current Assets-Current Liabilities)	2,926	105,608	136,536	322,254	322,254	490,264	(168,010)
Current Assets Designated for Capital Projects					-		-
Undesignated Working Capital					322,254	490,264	(168,010)
Days Undesignated Working Capital				-	53	85	

City and Borough of Sitka
Central Garage Fund Analysis
Through June 30 2025

Indicator	Amount	Compared To Last Yr	Compared To Plan	Status	Big Picture
Revenue	3,610,689	Improved from prior year	Met/Exceeded Plan		Operating revenue is lower than prior year, but overall revenue has increased due to investment income.
Appropriated Operating vs. Actual Operating Outlays (Budgeted for period minus actual expenditures. Indicates spending levels as compared to approved budget)	490,384	n/a	Under Budget		Operating expenses were 6% lower than prior year and 18% under budget.
Earnings Before Interest & Depreciation (“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)	1,453,907	Decreased	Exceeded Plan		
Net Income (Loss) (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)	1,372,133	Declined	Exceeded Plan		Lower than prior year but ahead of budget due to investment earnings.
Asset Replacement (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>))	2,104,589	Improved	~		Fund is dependent on other funds for capital for fixed assets.
Total Working Capital (What total resources are available in the fund)	8,933,200	Improved	n/a		Increase is due to unspent appropriations.
Working Capital Appropriated For Projects (and Unspent Bond Proceeds) (Of the fund’s total resources, how much has been already appropriated for CAPEX)	9,354,425	Improved	n/a		
Undesignated Working Capital (How much of the fund’s resources are available?)	(421,225)	Improved	n/a		

City and Borough of Sitka
Central Garage Fund Analysis
Through June 30 2025

The biggest challenge the Central Garage is facing is the continued inflation of the cost of vehicles. Given the overall increase in costs, the amount being paid into the sinking fund will have to increase in future years.

Note that in these preliminary year-end financial statements, some GAAP entries such as updating OPEB & PERS liabilities and recording lease and subscription assets, have not been made yet. While this allows for a clearer review of budget-to-actual expenditures, these financials will differ from the final audited statements.

City and Borough of Sitka
Interim Financial Statements
Central Garage Income Statement
Through June 30 2025

	Jul- Sept	Oct- Dec	Jan- Mar	Apr- Jun	YTD	Prior YTD	Variance from prior YTD	FY25 amended budget YTD	Variance from budget
Operating Revenues									
Departmental Billing	\$ 570,135	\$ 576,275	\$ 598,069	\$ 594,796	\$ 2,339,275	\$ 2,698,635	\$ (359,360)	\$ 2,506,459	\$ (167,184)
Rent-Building	5,922	5,922	5,922	5,922	23,688	23,688	-	23,688	-
Miscellaneous	-	-	16,730	45,864	62,594	-	62,594	-	62,594
Total Operating Revenue	576,057	582,197	620,721	646,582	2,425,557	2,722,323	(296,766)	2,530,147	(104,590)
Operating Expenses									
Operating Expenses	129,084	119,771	184,349	208,588	641,792	706,299	(64,508)	790,382	(148,590)
Administrative Expense	72,469	80,699	90,234	86,457	329,859	274,116	55,742	397,645	(67,787)
Depreciation	165,200	165,200	165,200	48,986	544,585	636,387	(91,802)	660,801	(116,216)
Total Operating Expense	366,752	365,670	439,783	344,030	1,516,235	1,616,803	(100,568)	1,848,828	(332,593)
Non-Operating Revenue (Expense)									
Uses of Prop & Investment	66,492	67,933	74,124	236,342	444,892	325,221	119,671	75,000	369,892
	-	-	-	10,135	10,135	-	10,135	-	10,135
Gain on Disposal-Fixed Assets									
State Revenue	1,215	1,215	1,917	3,438	7,784	2,835	4,949	10,884	(3,100)
Total Non-Operating Revenue	67,707	69,148	76,041	249,915	462,811	328,056	134,755	85,884	376,927
Net Income (Before Transfers)	277,011	285,675	256,979	552,468	1,372,133	1,433,576	(61,444)	767,203	(828,647)
Transfers									
Transfers In (Other Funds)	681,556	20,000	-	30,900	732,456	530,463	201,993	732,456	-
Transfers Out (Other Funds)	-	-	-	-	-	(862,500)	862,500	-	-
Other Budgeted Items (Not Recorded in GAAP Statements)									
Fixed Assets	69,007	277,968	405,764	356,016	1,108,755	544,838	563,917	1,382,762	(274,007)
Debt Principal Payments	-	-	-	-	-	-	-	-	-
Key Indicators									
Cashflow from Operations (EBIDA)	374,504	381,727	346,138	351,538	1,453,907	1,741,907	(288,001)	1,342,120	111,787
Debt Covenant Calculation									
Net Revenue of the System					1,906,583	1,207,464	699,119	1,428,004	478,579
Total Debt Service					-	-	-	-	-
Debt Service Ratio					n/a	n/a	n/a	n/a	n/a
Debt Principal Coverage/Asset Replacement									
Simple Cash Flow					2,649,174	1,207,464	1,441,710	1,428,004	1,221,170
Debt Principal					-	-	-	-	-
Debt Principal Coverage Surplus/(Deficit)					2,649,174	1,207,464	1,441,710	1,428,004	1,221,170
Less Depreciation=Cash Available for Asset Replacement					2,104,589	571,076	1,533,512	767,203	1,337,386

City and Borough of Sitka
Interim Financial Statements
Central Garage Balance Sheet
Through June 30 2025

	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	YTD	Prior YTD	Variance from prior YTD
Assets/Deferred Outflows							
Current Assets	8,606,792	8,799,698	8,816,113	9,054,905	9,054,905	7,589,665	1,465,240
Noncurrent Assets							
Net OPEB asset*	117,599	117,599	117,599	117,599	117,599	117,599	-
Capital assets	3,333,559	3,168,359	3,003,159	4,214,613	4,214,613	3,498,759	715,854
Deferred Outflows*							
OPEB/Pension	57,066	57,066	57,066	57,066	57,066	57,066	-
Total Assets and Deferred Outflows	12,115,016	12,142,722	11,993,938	13,444,183	13,444,183	11,263,089	2,181,094
Liabilities/Deferred Inflows/Net Position							
Current Liabilities							
Accounts payable/accrued liabilities	1,382	7,567	7,567	121,705	121,705	45,200	76,505
Noncurrent Liabilities							
Pension/OPEB*	251,028	251,028	251,028	251,028	251,028	251,028	-
Deferred Inflows							
OPEB/Pension*	5,807	5,807	5,807	5,807	5,807	5,807	-
Total Liabilities and Deferred Inflows	258,217	264,402	264,402	378,540	378,540	302,035	76,505
Net Investment in Capital Assets	3,333,559	3,168,359	3,003,159	4,214,613	4,214,613	3,498,759	715,854
Restricted for OPEB Asset	117,599	117,599	117,599	117,599	117,599	117,599	-
Unrestricted	8,405,641	8,592,362	8,608,777	8,733,431	8,733,431	7,344,696	1,388,734
Total Net Position	11,856,798	11,878,320	11,729,536	13,065,643	13,065,643	10,961,054	2,104,589
Total Liabilities, Deferred Inflows, and Net Position	12,115,016	12,142,722	11,993,938	13,444,183	13,444,183	11,263,089	2,181,094
<i>*adjusted at fiscal year-end only (PERS/OPEB/GASB96 entries not yet complete for FY25)</i>							
Working Capital Analysis							
Total Working Capital (Current Assets-Current Liabilities)	8,605,410	8,792,131	8,808,546	8,933,200	8,933,200	7,544,465	1,388,734
Current Assets Designated for Vehicle Purchases					9,354,425	8,025,047	1,329,378
Undesignated Working Capital					(421,225)	(480,582)	59,356
Days Undesignated Working Capital				-	(58)	(80)	

City and Borough of Sitka
Building Maintenance Analysis
Through June 30 2025

Indicator	Amount	Compared To Last Yr	Compared To Plan	Status	Big Picture
Revenue	1,927,362	Improved from prior year	Met/Exceeded Plan		Revenue is up from prior year and right on budget.
Appropriated Operating vs. Actual Operating Outlays (Budgeted for period minus actual expenditures. Indicates spending levels as compared to approved budget)	488,303	n/a	Under Budget		Operating expenses are up from prior year but significantly under budget.
Earnings Before Interest & Depreciation (“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)	132,927	Increased	Exceeded Plan		Operating expenses lower than expected for FY25.
Net Income (Loss) (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)	207,121	Improved	Exceeded Plan		
Asset Replacement (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>))	207,121	Improved	~		Fund is dependent on other funds for capital for fixed assets
Total Working Capital (What total resources are available in the fund)	988,819	Improved	n/a		
Working Capital Appropriated For Projects (and Unspent Bond Proceeds) (Of the fund’s total resources, how much has been already appropriated for CAPEX)	-	n/a	n/a		
Undesignated Working Capital (How much of the fund’s resources are available?)	988,819	Improved	n/a		

City and Borough of Sitka
Building Maintenance Analysis
Through June 30 2025

The Building Maintenance Fund is operating as expected. The significant increase in operating revenue and expenses from the prior year was due to CBS taking on maintenance of the buildings occupied by the School District in FY2025.

Note that in these preliminary year-end financial statements, some GAAP entries such as updating OPEB & PERS liabilities and recording lease and subscription assets, have not been made yet. While this allows for a clearer review of budget-to-actual expenditures, these financials will differ from the final audited statements.

City and Borough of Sitka
Interim Financial Statements
Building Maint. Income Stmt
Through June 30 2025

	Jul- Sept	Oct- Dec	Jan- Mar	Apr- Jun	YTD	Prior YTD	Variance from prior YTD	FY25 amended budget YTD	Variance from budget
Operating Revenues									
Miscellaneous	461,360	461,360	461,360	461,360	1,845,440	821,609	1,023,831	1,845,440	0
Other Revenue	-	-	-	-	-	2,759	(2,759)	-	-
Total Operating Revenue	461,360	461,360	461,360	461,360	1,845,440	824,368	1,021,072	1,845,440	0
Operating Expenses									
Administrative Expenses	89,901	72,134	59,005	56,293	277,333	253,524	23,809	435,638	(158,304)
Operating Expense	198,683	327,910	347,846	560,741	1,435,180	555,378	879,802	1,765,178	(329,998)
Depreciation	220	220	220	220	880	880	-	881	(1)
Total Operating Expense	288,804	400,264	407,071	617,254	1,713,393	809,782	903,611	2,201,697	(488,304)
Non-Operating Revenue (Expense)									
Uses of Prop & Investment	7,692	9,058	9,776	28,167	54,693	41,406	13,287	12,000	42,693
State/Federal Revenue	3,292	3,292	5,021	8,777	20,382	4,227	16,155	21,712	(1,330)
Total Non-Operating Revenue	10,984	12,350	14,797	36,944	75,075	45,633	29,442	33,712	41,363
Net Income (Before Transfers)	183,540	73,446	69,086	(118,950)	207,121	60,218	146,903	(322,545)	469,448
Transfers									
Transfers In (Other Funds)	1,224	1,612	1,450	2,562	6,848	7,677	(829)	24,000	(17,152)
Other Budgeted Items (Not Recorded in GAAP Statements)									
Fixed Assets	-	-	-	-	-	-	-	-	-
Key Indicators									
Cashflow from Operations (EBIDA)	172,776	61,316	54,509	(155,674)	132,927	15,466	117,461	(355,376)	488,303
Debt Covenant Calculation									
Net Revenue of the System					208,002	61,098	146,903	(321,664)	529,666
Total Debt Service					-	-	-	-	-
Debt Service Ratio					n/a	n/a	n/a	n/a	n/a
Debt Principal Coverage/Asset Replacement									
Simple Cash Flow					208,002	61,098	146,903	(321,664)	529,666
Debt Principal					-	-	-	-	-
Debt Principal Coverage Surplus/(Deficit)					208,002	61,098	146,903	(321,664)	529,666
Less Depreciation=Cash Available for Asset Replacement					207,121	60,218	146,903	(322,545)	529,666

City and Borough of Sitka
Interim Financial Statements
Building Maint. Balance Sheet
Through June 30 2025

	Jul-Sept	Oct-Dec	Jan-Mar	Apr-Jun	YTD	Prior YTD	Variance from prior YTD
Assets/Deferred Outflows							
Current Assets	986,181	1,061,459	1,132,215	1,180,316	1,180,316	815,527	364,789
Noncurrent Assets							
Net OPEB asset*	175,358	175,358	175,358	175,358	175,358	175,358	-
Capital assets	1,100	880	660	440	440	1,320	(880)
Deferred Outflows*							
OPEB/Pension	85,094	85,094	85,094	85,094	85,094	85,094	-
Total Assets and Deferred Outflows	1,247,733	1,322,791	1,393,327	1,441,208	1,441,208	1,077,299	363,909
Liabilities/Deferred Inflows/Net Position							
Current Liabilities							
Accounts payable/accrued liabilities	27,229	27,229	27,229	191,498	191,498	41,558	149,940
Noncurrent Liabilities							
Pension/OPEB*	374,321	374,321	374,321	374,321	374,321	374,321	-
Deferred Inflows							
OPEB/Pension*	8,659	8,659	8,659	8,659	8,659	8,659	-
Total Liabilities and Deferred Inflows	410,209	410,209	410,209	574,478	574,478	424,538	149,940
Net Investment in Capital Assets	1,100	880	660	440	440	1,320	(880)
Unrestricted	836,424	911,702	982,459	866,291	866,291	651,441	214,849
Total Net Position	837,525	912,582	983,119	866,731	866,731	652,761	213,969
Total Liabilities, Deferred Inflows, and Net Position	1,247,733	1,322,791	1,393,327	1,441,208	1,441,208	1,077,299	363,909
<i>*adjusted at fiscal year-end only (PERS/OPEB/GASB96 entries not yet complete for FY25)</i>							
Working Capital Analysis							
Total Working Capital (Current Assets-Current Liabilities)	958,952	1,034,230	1,104,987	988,819	988,819	773,969	214,849
				-	-	1,320	(1,320)
Undesignated Working Capital	958,952	1,034,230	1,104,987	988,819	988,819	772,649	216,169
Days Undesignated Working Capital				-	208	129	