

City and Borough of Sitka

Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2024

*Prepared by the City and Borough of Sitka Finance Department*

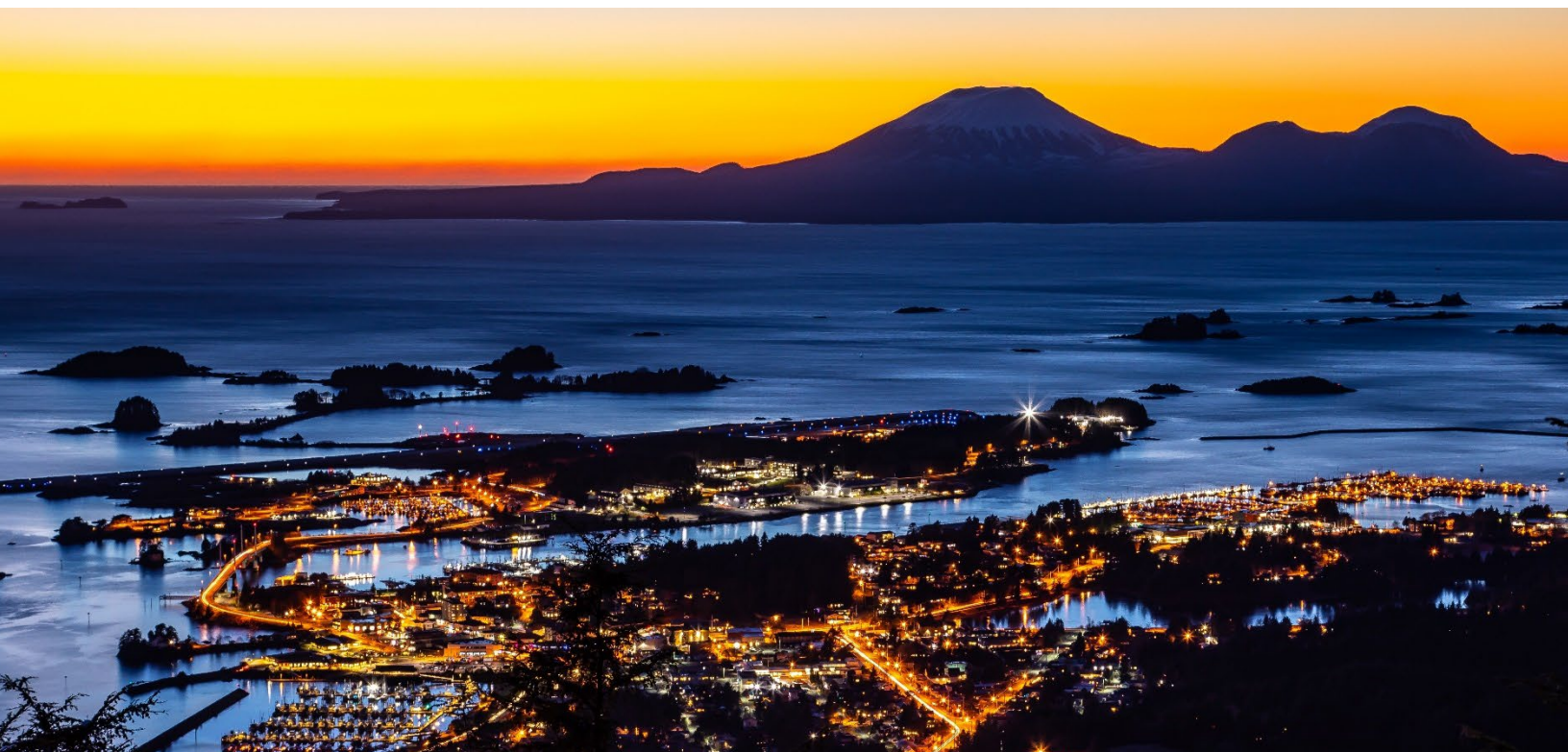


Photo credit: Don Kluting

# City and Borough of Sitka, Alaska

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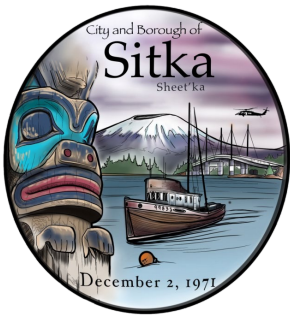
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# CITY AND BOROUGH OF SITKA

*A COAST GUARD CITY*

February 6, 2025

To the Honorable Mayor,  
Assembly Members and  
Citizens of the City and Borough of Sitka, Alaska:

The Assembly of the City and Borough of Sitka has elected to issue each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that request, we hereby issue the annual comprehensive financial report of the City and Borough of Sitka, Alaska for the fiscal year ended June 30, 2024.

This report consists of management's representations concerning the financial position and performance of the City and Borough of Sitka. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City and Borough of Sitka has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City and Borough of Sitka's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City and Borough of Sitka's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City and Borough of Sitka's financial statements have been audited by BDO USA, P.C., a global accounting network of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City and Borough of Sitka for the fiscal year ended June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit that they will render an unmodified opinion on the City and Borough of Sitka's financial statements for the fiscal year ended June 30, 2024. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City and Borough of Sitka was part of a broader, state and federally mandated "Single Audit" designed to meet the special needs of state and federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of state and federal awards. These Single Audit Reports are published separately from the Annual Comprehensive Financial Report (ACFR).

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City and Borough of Sitka's MD&A can be found immediately following the report of the independent auditors.

## **Profile of Government**

The City and Borough of Sitka, incorporated in 1971, is located on Baranof and Chicagof Islands which are located along the Inside Passage in Southeast Alaska. Sitka is situated on the west coast of Baranof Island, contained within the largest temperate rainforest in the world. Most of this rainforest is part of the Tongass National Forest. The City and Borough of Sitka currently occupies a land area of 2,894 square miles, a water area of 1,816 square miles and serves a population of approximately 8,382. The City and Borough of Sitka is empowered to levy a property tax on both real and personal properties located within its boundaries. The City and Borough of Sitka also levies a sales tax on sales within the City and Borough, a transient room tax, a marijuana tax, and an excise tax on tobacco product sales within the City and Borough.

The City and Borough of Sitka has operated under the Assembly-Administrator form of government since 1971. Policy-making and legislative authority are vested in a governing assembly consisting of the Mayor and six other members. The Assembly is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the government's Administrator and Attorney. The administrator is responsible for carrying out the policies and ordinances of the Assembly, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The Assembly is elected on a non-partisan basis. Assembly members serve three-year staggered terms, with two Assembly members elected each year. The Mayor is elected to serve a two-year term. The Mayor and Assembly members are elected at large.

The City and Borough of Sitka provides a full range of services, including police and fire protection; ambulance service; the construction and maintenance of streets and other infrastructure; recreational facilities and cultural events. Other services include the provision of electricity, water, wastewater treatment, solid waste disposal and recycling, harbor system moorage, cold storage facility, and leases within the industrial park. These services represent different departments in the City and Borough of Sitka and therefore have been included as an integral part of the City and Borough of Sitka's financial statements. The City and Borough of Sitka also is financially accountable for a legally separate school district which is reported separately within the City and Borough of Sitka's financial statements. Additional information on the school district can be found in Note 1 in the notes to the financial statements.

The annual budget serves as the foundation for the City and Borough of Sitka's financial planning and control. All departments of the City and Borough of Sitka are required to submit requests for appropriation on or before the end of each calendar year. Preliminary budget meetings begin early in the calendar year to seek Assembly input prior to releasing a draft budget. Once the draft budget has been released, any changes must be directed by the Assembly. As set forth in the Home Rule Charter of the City and Borough of Sitka for budget performance, the following dates outline the Charter's requirements: (1) not later than 60 days before the end of the current fiscal year, the Administrator shall submit to the Assembly a budget for the following fiscal year, a capital improvements program and an accompanying explanatory message of both; (2) not later than 15 days before the end of the current fiscal year, a public hearing shall be held on the budget and capital improvements program; (3) the Assembly by ordinance shall adopt a budget (for the next fiscal year) not later than 10 days before the end of the current fiscal year. The appropriated

budget is prepared by fund and department (e.g., police). As long as expenditures do not exceed appropriations at the fund level, appropriations are considered to be in compliance. In practice, for budget management purposes the Administrator may move appropriations within a department. To move appropriations between funds or departments, assembly approval is required, however, even if a department within a fund is overbudget, as long as the fund as whole has not exceeded appropriations, it is considered to be in compliance. The only exception to this rule is that total amounts appropriated at the for salaries and benefits, travel and the acquisition of capital assets by a fund cannot be exceeded at the fund level. Note that while depreciation is budgeted, it is for management purposes only as appropriations apply only to outlays. Budget-to-actual comparisons are provided in this report for governmental funds including the General Fund, Permanent Fund, and well as all special revenue funds, debt service fund, and capital project fund. All of these funds have an annually adopted appropriation, (though capital appropriations do not lapse-the amount shown for the capital project fund is the FY2024 appropriation). Please note that no special revenue funds incurred personnel or travel and training costs in FY2024 and thus the budgetary comparison schedules show only expenditures, with the exception of the Visitor Enhancement Fund, which show expenditures travel and training .

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City and Borough of Sitka operates.

**Local economy.** The City and Borough of Sitka’s principal economic base is commercial fishing, fish processing, health care, government, tourism, and related businesses. The estimated population for the City and Borough has been decreasing over the past nine years, though that rate of decrease is slowing.

A significant post-pandemic increase in cruise ship tourism, combined with a strong independent traveler sector have led to significant increases in sales tax, the General Fund’s most significant source of revenue.

**Long-term financial planning.** The City and Borough engages in comprehensive long-range fiscal planning for general governmental activities as well as business-type enterprises. The City and Borough annually updates a fiscal plan for each business-type enterprise which models cash flows from operations, working capital, long-term debt, and capital expenditures for a minimum 10-year period. These fiscal plans are the basis for recommendations to the Assembly for user fee increases in the various business-type enterprises.

**Cash management policies and practices.** The City and Borough of Sitka utilizes a central treasury to aggregate cash from all funds except the component units listed herein, for cash management and investment purposes. Interest income on central treasury investments is allocated monthly to participating funds based on their average monthly balance. Interest on investments held by the Permanent Fund is recognized only in the Permanent Fund and, due to differing asset allocations, returns may vary significantly.

The City and Borough of Sitka utilizes professional investment management services in the management of its investment portfolios. The external investment manager adheres to a codified investment policy which sets forth authorized investment types, restrictions on investment credit quality, and other standard safeguards in order to achieve a reasonable rate of return with minimal risk of loss. The City and Borough also has an independent Investment Advisory Committee which reviews the investment portfolios and investment return on a quarterly basis.

Risk management. During FY2024, the Municipality continued a limited risk management program for workers' compensation. Various controls techniques, including employee accident prevention training, have been implemented during the year to minimize accident-related losses. Third-party coverage is currently maintained for individual workers' compensation claims and other potential losses.

Pension and other postemployment benefits. The City and Borough of Sitka and the Sitka Community Hospital provide pension benefits for all eligible employees through the State of Alaska Public Employees Retirement System (PERS). The Municipality and Hospital have no obligations in connection with the employee benefits offered through this plan beyond its annual required payment to the pension plan.

The Sitka School District provides pension benefits for all eligible employees through PERS and the Teachers Retirement System (TRS). The School District has no obligations in connection with employee benefits offered through their plans beyond its annual required payments to the pension plans.

Additional information on pension arrangements and postemployment benefits can be found in the Required Supplementary Information and in the Notes to the Basic Financial Statements.

#### **Awards and Acknowledgments**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City and Borough of Sitka for its annual comprehensive financial report for the fiscal year ended June 30, 2023. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of the Annual Comprehensive Financial Report was made possible by the dedicated service of the staff of the Finance Department. My appreciation is extended to all members of the Finance Department who assisted and contributed to the preparation of this report. We also want to thank you, the members of the City and Borough of Sitka's Assembly, for your interest and support in conducting the financial operations of the City and Borough of Sitka in a responsible and progressive manner.

Sincerely,



Melissa Haley  
Finance Director





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City and Borough of Sitka  
Alaska**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

# City and Borough of Sitka, Alaska

## Elected Officials

*June 30, 2024*

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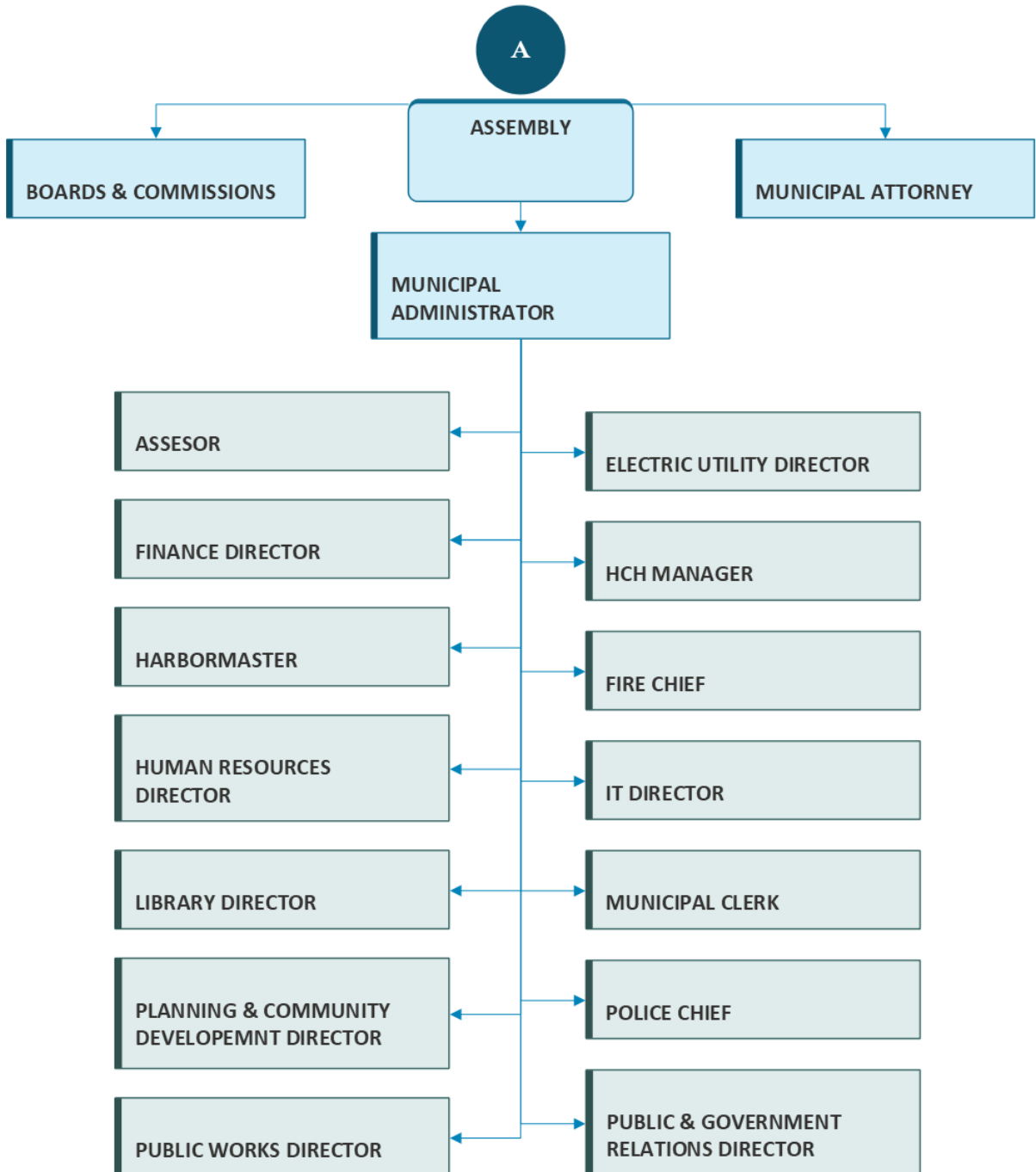
Name	Position
Steven Eisenbeisz	Mayor
Kevin Mosher	Deputy Mayor
Timothy Pike	Vice-Deputy Mayor
Thor Christianson	Assembly Member
JJ Carlson	Assembly Member
Scott Saline	Assembly Member
Chris Ystad	Assembly Member
John Leach	Municipal Administrator

# City and Borough of Sitka, Alaska

## Organization Chart

June 30, 2024

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3601 C Street, Suite 600  
Anchorage, AK 99503

## **Independent Auditor's Report**

Honorable Mayor and Borough Assembly  
City and Borough of Sitka, Alaska  
Sitka, Alaska

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City and Borough of Sitka (the City and Borough), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City and Borough's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City and Borough, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Sitka School District (the School District), a discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the School District, is based solely on the report of the other auditors.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and Borough and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.



### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City and Borough's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City and Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City and Borough's ability to continue as a going concern for a reasonable period of time.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that *management's discussion and analysis and budgetary comparison information, and the schedules of the City and Borough's proportionate share of the net pension and net OPEB liability or asset and the City and Borough's contributions* be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City and Borough's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.



In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2025 on our consideration of the City and Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City and Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City and Borough's internal control over financial reporting and compliance.

BDO USA, P.C.

Anchorage, Alaska  
February 6, 2025

## **Management's Discussion and Analysis**

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# City and Borough of Sitka, Alaska

## Management's Discussion and Analysis

June 30, 2024

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As management of the City and Borough of Sitka (City and Borough), we offer the readers of the City and Borough's financial statements this overview and analysis of the City and Borough's financial activities for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page III of this report.

### Financial Highlights

- The assets and deferred outflows of resources of the City and Borough exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$441.3 million. Of this amount, \$120.8 million (unrestricted net position) is legally unreserved and may therefore be used to meet the City and Borough's ongoing obligations to citizens and creditors.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$7.9 million. Committed funds of \$12.5 million are also available to meet expenditures for the next fiscal year with varying levels of commitments. The unassigned fund balance for the General Fund represented 25.2% of General Fund expenditures. This increases to 65.2% when committed funds are included.

### Overview of the Financial Statements

The management's discussion and analysis provides an introduction to the City and Borough's basic financial statements, which are the government-wide financial statements, fund financial statements, and notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

### Government-wide Financial Statements

The government-wide financial statements report information about the overall finances of the City and Borough in a manner similar to a private-sector enterprise. These statements combine and consolidate short-term, spendable resources with capital assets and long-term obligations.

The Statement of Net Position presents information on all of the City and Borough's assets and deferred outflows less liabilities and deferred inflows, which results in net position. The statement is designed to display the financial position of the City and Borough. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City and Borough is improving or deteriorating.

The Statement of Activities provides information which shows how the City and Borough's net position changed as a result of the year's activities. The statement uses the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. All of the revenues and expenses are reported regardless of the timing of when cash is received or paid.

The Statement of Net Position and the Statement of Activities distinguish functions of the City and Borough that are financed primarily by taxes, intergovernmental revenues, and charges for services (governmental activities) from functions where user fees and charges to customers help to cover all or most of the cost of services (business-type activities). The City and Borough's governmental activities include administration, public safety, public works, public services and education. The business-type activities of the City and Borough include the eight enterprise funds: electric, water, wastewater treatment, solid waste disposal, harbor, airport terminal building, marine service center and Gary Paxton Industrial Park.

# City and Borough of Sitka, Alaska

## Management's Discussion and Analysis

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The government-wide financial statements present not only the City and Borough itself, which is the primary government, but also its component unit, the Sitka School District, for which the City and Borough is financially accountable. Financial information for the Sitka School District is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 18 through 21 of this report.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City and Borough, like other state and local governments, uses fund accounting to ensure and demonstrate fiscal accountability. All of the funds of the City and Borough can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on the short-term view of the City and Borough operations. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The City and Borough maintains 19 individual governmental funds. Information is presented separately for major governmental funds on the Governmental Funds Balance Sheet and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Permanent Fund, and the Sitka Community Hospital Dedicated Fund. The remaining governmental funds are combined and shown as Nonmajor Governmental Funds on the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances. Individual fund information for the 16 nonmajor funds is presented in the Combining Balance Sheet, Nonmajor Governmental Funds, and Combining Statement of Revenues, Expenditures, and Changes in Fund Balance, Nonmajor Governmental Funds.

### **Proprietary Funds**

The City and Borough maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City and Borough uses enterprise funds to account for the electric, water, wastewater treatment, harbor system, and solid waste disposal services as provided to the local citizens. The City and Borough also uses enterprise funds to account for commercial activity within its airport terminal, cold storage facility, and industrial park. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City and Borough's various functions. The City and Borough uses internal service funds to account for the activities of its information technology systems, central garage, and building maintenance services. Income or loss from these services has been allocated between governmental and business-type functions while assets and liabilities have been included within the governmental activities in the government-wide financial statements. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

# City and Borough of Sitka, Alaska

## Management's Discussion and Analysis

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Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for the Electric, Water, Solid Waste, Wastewater, and Harbor Funds, which are the major funds of the City and Borough. The remaining three enterprise funds are combined and shown as Nonmajor Enterprise Funds on the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows for Proprietary Funds. The basic proprietary fund financial statements can be found on pages 26 through 30.

### **Fiduciary Funds**

Fiduciary funds are used to account for assets held by the City and Borough in a trustee capacity or as an agent for others. Activities from fiduciary funds are not included in the government-wide financial statements because the City and Borough cannot use these assets for its operations. The accounting for fiduciary funds is much like that used in proprietary funds. The basic fiduciary aggregated fund financial statements can be found on pages 31 through 32 of this report.

### **Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 33 through 79 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information to provide information on the City and Borough's Nonmajor funds. Supplementary information can be found following the Notes to Financial Statements beginning on page 94. Required supplementary information, which includes budget and actual schedules for major funds as well as schedules detailing the City and Borough's proportionate share of pension and OPEB liabilities and assets, directly follows the notes to the financial statements and begins on page 82.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City and Borough, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$441.3 million on June 30, 2024, compared to \$414.3 million on June 30, 2023. By far the largest portion of the City and Borough's net position (\$276.5 million) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, etc.) less any related debt used to acquire those assets that is still outstanding. The City and Borough uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City and Borough's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

**City and Borough of Sitka, Alaska**  
**Management's Discussion and Analysis**

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**City and Borough of Sitka's Net Position**  
**June 30, 2024 and 2023**  
(in millions)

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$115.8	\$104.9	\$102.9	\$84.1	\$218.7	\$189.0
Capital assets	105.1	111.5	326.5	322.5	431.6	434.0
Total assets	220.9	216.4	429.4	406.6	650.3	623.0
Deferred outflows of resources	2.9	3.0	4.3	4.7	7.2	7.7
Long-term liabilities	16.5	17.5	165.1	168.2	181.6	185.7
Other liabilities	4.1	4.5	13.9	11.1	18.0	15.6
Total liabilities	20.6	22.0	179.0	179.3	199.6	201.3
Deferred inflows of resources	12.3	13.1	4.3	2.0	16.6	15.1
Total liabilities and deferred inflows	32.9	35.1	183.3	181.3	216.2	216.4
Net position:						
Net investment in capital assets	103.4	103.9	173.1	169.2	276.5	273.3
Restricted	41.1	38.1	3.0	2.6	44.1	40.7
Unrestricted	46.4	42.3	74.4	58.0	120.8	100.3
Total net position	\$190.9	\$184.3	\$250.4	\$230.0	\$441.4	\$414.3

**Governmental Activities**

Governmental activities increased the City and Borough's net position by \$6.5 million. Key elements of this increase are listed below:

- Increases in sales tax, in part due to increased tourism, increased revenues for the City and Borough, but less than in prior years.
- A positive investment environment means that interest income and unrealized gains on investments had a significant impact on revenue levels as of the end of FY2024.

The net position for the City and Borough's governmental activities is \$190.9 million, an increase of \$6.6 million. A substantial portion (54%) of the net position is invested in capital assets - a decrease of \$.5 million from the prior fiscal year. The City and Borough uses these assets to provide services to the citizens.

The unrestricted net position of governmental activities was \$46.4 million as of June 30, 2024. The largest portion of the restricted net position is for the Permanent Fund (\$26 million).

# City and Borough of Sitka, Alaska

## Management's Discussion and Analysis

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### Business-type Activities

Business-type activities increased the City and Borough's net position by \$20.4 million. This compares to an increase of \$17.7 million for the year ended June 30, 2023. Key elements are listed below:

- Federal revenue for Sitka's airport terminal improvement capital project increased revenue by \$7.3 million and payment of hydroelectric incentives under section 242 increased operating revenue for the electric utility by \$2 million.
- As with governmental activities, a positive investment environment increased interest income and unrealized gains on investments for business type activities as well.

The net position for the City and Borough's business-type activities is \$250.4 million. As with government-wide activities, a substantial portion (69.1%) of the net position is invested in capital assets. The City and Borough uses these assets to provide services to the citizens. The unrestricted net position of the business-type activities is \$74.4 million as of June 30, 2024.

### City and Borough of Sitka's Changes in Net Position Years Ended June 30, 2024 and 2023

	(in millions)					
	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$4.7	\$4.0	\$40.8	\$38.8	\$45.5	\$42.8
Operating grants and contributions	4.7	5.3	2.1	(0.1)	6.7	5.2
Capital grants and contributions	-	0.3	8.5	1.2	8.5	1.5
General revenues:						
Property tax	7.4	7.2	-	-	7.4	7.2
Sales and other taxes	23.3	22.9	-	-	23.3	22.9
Grants and contributions not restricted to specific programs	0.5	0.6	0.9	1.5	1.4	2.1
Unrestricted investment earnings	4.5	2.4	4.2	0.7	8.7	3.1
<b>Total revenues</b>	<u>45.1</u>	<u>42.7</u>	<u>56.5</u>	<u>42.1</u>	<u>101.5</u>	<u>84.8</u>

**City and Borough of Sitka, Alaska**  
**Management's Discussion and Analysis**

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**City and Borough of Sitka's Changes in Net Position, continued**  
**Years Ended June 30, 2024 and 2023**

	(in millions)					
	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Expenses:</b>						
Administration	\$5.5	\$2.9	\$ -	\$ -	\$5.5	\$2.9
Public safety	7.1	5.7	-	-	7.1	5.7
Public works	7.2	6.2	-	-	7.2	6.2
Public services	4.8	4.3	-	-	4.8	4.3
Support	11.5	11.9	-	-	11.5	11.9
Interest on long-term debt	0.2	0.2	-	-	0.2	0.2
Electric	-	-	18.9	16.8	18.9	16.8
Solid waste disposal	-	-	5.0	4.6	5.1	4.6
Water	-	-	4.0	3.2	4.0	3.2
Wastewater treatment	-	-	3.8	3.6	3.8	3.6
Harbors	-	-	4.9	4.7	4.9	4.7
Nonmajor business-type	-	-	1.7	1.6	1.7	1.6
<b>Total expenses</b>	<b>36.3</b>	<b>31.2</b>	<b>38.3</b>	<b>34.5</b>	<b>74.7</b>	<b>65.7</b>
Increase (decrease) in net position before transfers	8.8	11.5	18.2	7.6	26.8	19.1
Transfers in (out)	(2.2)	(10.1)	2.2	10.1	-	-
Increase (decrease) in net position	6.6	1.4	20.4	17.7	26.8	19.1
Net position, beginning of year	184.3	182.9	230.0	212.3	414.3	395.2
Net position, end of year	\$190.9	\$184.3	\$250.4	\$230.0	\$441.1	\$414.3

Significant year-to-year variances in revenue are a result of:

- Rate increases were implemented for all utilities and for the harbor system.
- Federal revenue for capital projects and for operating as previously discussed.
- Investment earnings increased by \$5.6 million.

Significant year-to-year variances in expenses are a result of:

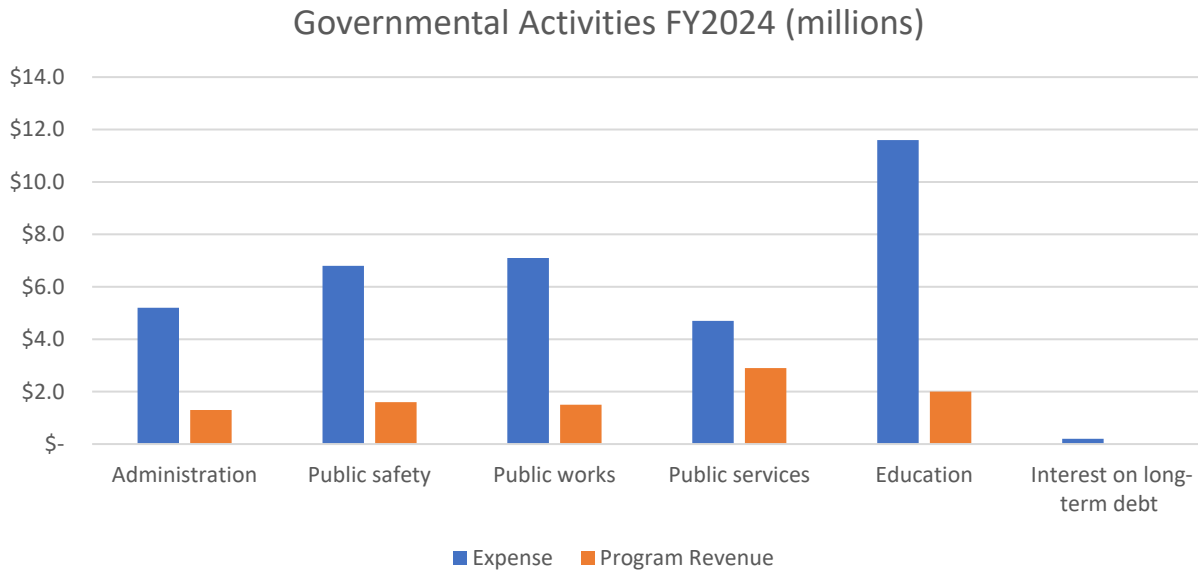
- While staffing levels improved in FY2024, meaning that personnel costs increased, there was still a high vacancy rate, meaning that in some cases, contract labor needed to be used to complete critical work.

**City and Borough of Sitka, Alaska**  
**Management’s Discussion and Analysis**

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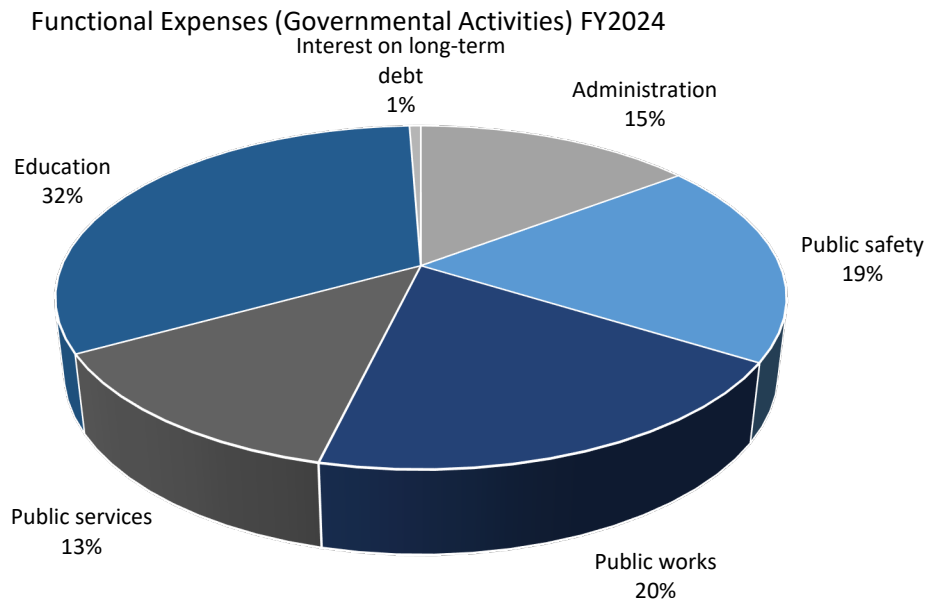
**Expenses and Program Revenues - Governmental Activities**

The graph shown below compares program expenses with associated revenues. It should be noted that revenue generated through sales, bed, and property taxes are considered general revenues and are therefore not included on this graph.



**Revenues and Expenses by Source - Governmental Activities**

The following graphs depict all sources of revenues shown as a percentage of total governmental revenues and functional expenses, also shown as percentage of total expense.

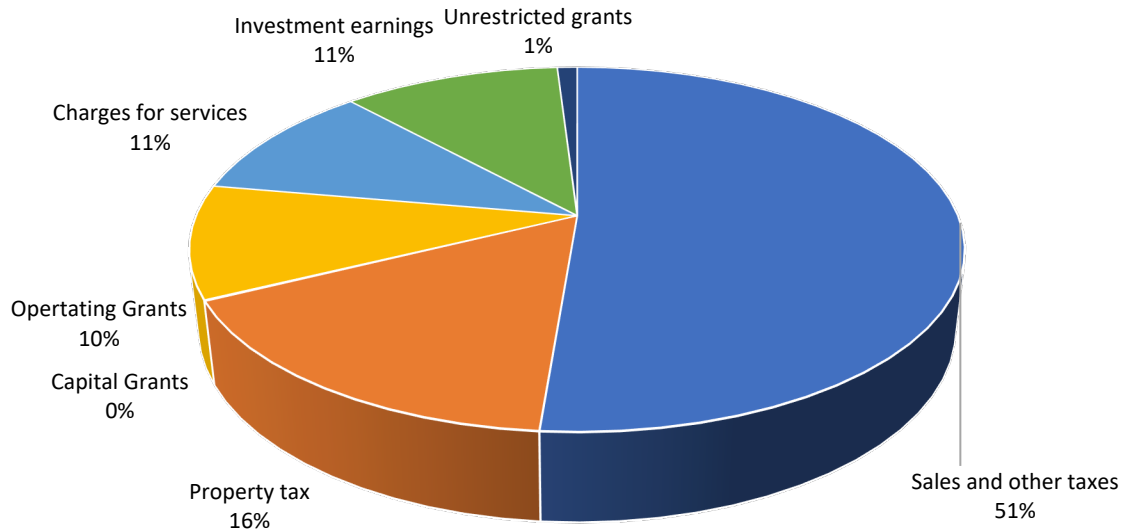


# City and Borough of Sitka, Alaska

## Management's Discussion and Analysis

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Governmental Activity Revenue by Source FY2024



### Financial Analysis of the Government's Funds

As noted earlier, the City and Borough uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### Governmental Funds

The focus of the City and Borough's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City and Borough's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available to spend at the end of the fiscal year. Did the City and Borough generate enough revenue to pay for current obligations? What is available to spend at the end of the year?

At the end of the current fiscal year, the City and Borough's governmental funds reported combined ending fund balances of \$89.1 million, an increase of \$9.8 million compared to the prior year. A portion of this amount is reserved to indicate it is not available to new spending because it is nonspendable (\$31.1 million), or has been restricted (\$10.6 million), committed (\$40.8 million) or assigned (\$2.9 million). The remainder of fund balance is unassigned (\$3.7 million) and is available for spending at the government's discretion.

#### Analysis of individual funds

The General Fund is the chief operating fund of the City and Borough. At the end of the current fiscal year, total fund balance was \$23.5 million and unassigned fund balance was \$7.9 million. Total fund balance increased by \$2.5 million from the prior year. Key factors include:

- Investment income was higher in FY2024
- Total revenue for sales tax decreased, however this was due to a decrease in the tax rate for fiscal quarter 1, which was offset by a reduced transfer out. A ballot measure was passed permanently reinstating the 6% seasonal tax rate with proceeds to be used for school building infrastructure.



# City and Borough of Sitka, Alaska

## Management's Discussion and Analysis

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- Licenses and permits significantly increased, due largely to construction permits for large projects that were issued.

Among the governmental funds, the Capital Project Fund experienced the most significant change in fund balance, increasing by \$5.6 million. This growth resulted from substantial appropriations and transfers into the fund, while expenditures remained relatively low during the fiscal year.

Another major fund, the Sitka Community Hospital Dedicated Fund, saw its fund balance rise by \$0.4 million. The fund's primary revenue sources continue to be tobacco tax proceeds and revenue from the hospital's sale. However, ongoing payments toward PERS liabilities and expenditures related to the hospital's closure have slowed the rate of growth in the fund's balance.

### Proprietary Funds

The City and Borough's proprietary fund statements provide detailed financial information by fund, mirroring the data presented in the government-wide financial statements. At the end of the fiscal year, the unrestricted net position of the eight enterprise funds totaled \$74.4 million. Additional financial details of the proprietary funds have been discussed earlier under the City and Borough's business-type activities.

Overall, the net position of most proprietary funds showed minimal change from the prior year. However, the Airport Fund experienced a significant increase due to a large, grant-funded terminal project and the transfer of a grant-funded seaplane base construction project from the Harbor Fund. This transfer included matching funds that were appropriated from the General Fund in prior years. As a result, the Harbor Fund reported a \$4.4 million decrease in net position, reflecting the transferred assets.

The Electric Fund, on the other hand, recorded a \$6.0 million increase in net position, primarily driven by ongoing rate increases and a federally funded hydroelectric incentive payment.

### General Fund Budgetary Highlights

Differences between the original budget and the final amended budget in the General Fund are as follows:

- Per the Sitka Home Rule Charter, encumbered operating appropriations do not lapse at the end of the fiscal year and are rolled over into the following fiscal year's budget. The total amount of these encumbered operating appropriations for the General fund was \$.2 million.
- Per the Sitka Home Rule Charter, the Assembly of the City and Borough may make supplemental appropriations by budget ordinance to authorize expenditures of public funds for purposes not anticipated in the original budget and may reduce any appropriation except for debt service. During the fiscal year, General Fund appropriations increased by \$4.7 million (including transfers out).
- Variations from budgeted revenue to actual in the in the General Fund show that revenues exceeded the budget by \$1.8 million. This was largely due to federal funding, including American Rescue Plan Act funding (LATCF portion) that was not budgeted.
- Variations from budgeted expenditures to actual in the General Fund show that expenditures were under budget by \$5.3 million. A significant reason for continuing to come well under budgeted expenditures is continued difficulties filling vacant positions.

**City and Borough of Sitka, Alaska**  
**Management's Discussion and Analysis**

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**Capital Assets and Debt Administration**

**Capital Assets**

The City and Borough's investment in capital assets for its governmental and business-type activities as of June 30, 2024, amounts to \$431.5 million (net of accumulated depreciation), a decrease of \$2.6 million from the prior year. This investment in capital assets includes land, buildings, machinery and equipment, roads and infrastructure, construction in progress, and right-to-use assets.

**City and Borough of Sitka's Capital Assets**  
**June 30, 2024 and 2023**  
(in millions, net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land and improvements	\$17.8	\$18.3	\$25.1	\$21.7	\$42.9	\$40.0
Buildings	57.8	61.7	9.0	9.5	66.8	71.2
Equipment	3.6	4.0	1.6	1.8	5.2	5.8
Infrastructure	23.8	25.9	-	-	23.8	25.9
Electric plant	-	-	186.1	190.5	186.1	190.5
Water plant	-	-	33.2	17.0	33.2	17.0
Wastewater treatment plant	-	-	24.2	25.2	24.2	25.2
Harbors	-	-	27.6	29.1	27.6	29.1
Lease assets	-	0.1	-	-	-	0.1
Subscription IT assets	-	-	-	0.1	-	0.1
Construction in progress	2.0	1.5	19.7	27.7	21.7	29.2
<b>Total capital assets</b>	<b>\$105.0</b>	<b>\$111.5</b>	<b>\$326.5</b>	<b>\$322.6</b>	<b>\$431.5</b>	<b>\$434.1</b>

Major additions to capital assets during the current fiscal year included the following:

- Completion of street reconstruction projects including water, wastewater, paving and storm water improvements.
- A significant, federally mandated project to provide secondary filtration of the City and Borough's water supply was completed

Additional information on the City and Borough's capital assets can be found in Note 5 beginning on page 46 of this report.

**Long-term Liabilities**

At the end of the current fiscal year, the City and Borough had total outstanding long-term liabilities of \$192.7 million. Of this amount \$5.1 million was bonded and backed by the full faith and credit of the City and Borough. The remaining debt consists of debt secured by equipment, revenue bonds and notes, compensated absences, net pension obligation, and landfill closure costs.

**City and Borough of Sitka, Alaska**  
**Management’s Discussion and Analysis**

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**City and Borough of Sitka's Long-term Liabilities**  
**June 30, 2024 and 2023**

	(in millions)		Business-type		Total	
	Governmental		Activities			
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$5.1	\$7.3	\$ -	\$ -	\$5.1	\$7.3
Revenue bonds	-	-	122.5	127.1	122.5	127.1
Federal notes	-	-	3.1	-	3.1	-
State of Alaska revenue notes	0.2	0.2	38.2	39.2	38.4	39.4
Net pension liability	11.9	11.9	6.3	6.5	18.2	18.4
Other debt	1.2	1.4	1.2	1.4	2.4	2.8
Total outstanding debt	<u>\$18.4</u>	<u>\$20.8</u>	<u>\$171.3</u>	<u>\$174.2</u>	<u>\$189.7</u>	<u>\$194.0</u>

Additional information on the City and Borough’s long-term liabilities can be found in Note 7 beginning on page 50 of this report.

**Economic Factors and the Next Year’s Budget and Rates**

In setting the budgets for FY2025, the City and Borough considered a number of issues with City and Borough-wide impact, among them:

- Implementation of a new strategic plan outlining community-led priorities for the next 5 years.
- Potential for the implementation of limits to the number of cruise passengers allowed.
- The level of funding necessary to meet the needs of City and Borough residents, visitors and communities.
- Maintenance of the City and Borough’s financial condition.
- The highest level of local education funding City and Borough residents can reasonably afford and sustain, particularly given state-level funding challenges for school districts.
- A high-quality capital and operational maintenance program that ensures the continued use and economic value of City and Borough assets, including school buildings owned by the City and Borough.
- Prioritization of investment in maintaining the City and Borough’s infrastructure by incorporating asset management and focusing on risk mitigation in prioritizing asset repair and maintenance.

All of these factors were considered in preparing the City and Borough’s budget for FY2025.

**Request for Information**

This financial report is designed to provide a general overview of the City and Borough’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska 99835.

## **Basic Financial Statements**

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City and Borough of Sitka, Alaska

Statement of Net Position

June 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Sitka School District
#				
<b>Assets and Deferred Outflows of Resources</b>				
<b>Assets</b>				
Equity in central treasury	\$ 60,772,728	\$ 72,378,742	\$ 133,151,470	\$ -
Cash and equivalents	-	-	-	3,810,655
Receivables (net of allowance)	7,216,556	11,646,012	18,862,568	1,166,577
Internal balances	3,675,605	(3,675,605)	-	-
Inventories	-	2,401,908	2,401,908	-
Prepaid items	31,198	8,486	39,684	-
Leases receivable	3,250,076	4,169,440	7,419,516	-
Notes receivable (net of allowance)	9,194,810	20,943	9,215,753	-
Special assessments receivable	1,924	13,448	15,372	-
Water rights	-	46,966	46,966	-
Restricted assets:				
Equity in central treasury:				
Deposits	-	160,979	160,979	-
Bond covenant accounts	-	8,974,976	8,974,976	-
Capital asset acquisition	-	3,784,896	3,784,896	-
Cash and investments	25,990,986	-	25,990,986	-
Interest receivable	83,280	-	83,280	-
Net OPEB asset	5,620,177	2,962,995	8,583,172	7,370,083
Capital assets not being depreciated	13,250,763	25,349,786	38,600,549	-
Capital assets being depreciated, net	91,864,887	301,228,822	393,093,709	151,653
<b>Total Assets</b>	<b>220,952,990</b>	<b>429,472,794</b>	<b>650,425,784</b>	<b>12,498,968</b>
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	99,079	2,884,393	2,983,472	-
OPEB related	457,138	212,211	669,349	497,868
Pension related	2,324,737	1,225,616	3,550,353	1,547,298
<b>Total Deferred Outflows of Resources</b>	<b>2,880,954</b>	<b>4,322,220</b>	<b>7,203,174</b>	<b>2,045,166</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 223,833,944</b>	<b>\$ 433,795,014</b>	<b>\$ 657,628,958</b>	<b>\$ 14,544,134</b>

City and Borough of Sitka, Alaska  
 Statement of Net Position, continued  
 June 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Sitka School District
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>				
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 2,017,044	\$ 6,227,214	\$ 8,244,258	\$ 1,057,369
Unearned revenue	3,204	139,524	142,728	13,365
Accrued interest payable	34,840	1,177,351	1,212,191	-
Liabilities payable from restricted assets - deposits	-	160,979	160,979	-
Noncurrent liabilities				
Due within one year:				
Bonds and notes	1,332,310	5,793,649	7,125,959	-
Leases payable	18,562	-	18,562	-
Subscription IT liabilities payable	23,803	7,819	31,622	-
Compensated absences	629,935	378,519	1,008,454	-
Due in more than one year:				
Bonds, notes, and unamortized bond premium	3,981,207	157,946,022	161,927,229	-
Leases payable	33,908	-	33,908	-
Compensated absences	526,206	207,136	733,342	195,557
Net pension liability	11,996,906	6,324,851	18,321,757	12,895,171
Landfill post-closure liability	-	649,296	649,296	-
<b>Total Liabilities</b>	<b>20,597,925</b>	<b>179,012,360</b>	<b>199,610,285</b>	<b>14,161,462</b>
<b>Deferred Inflows of Resources</b>				
Deferred charge on refunding	-	61,631	61,631	-
Deferred note receivable	8,751,860	-	8,751,860	-
Lease related	3,164,637	4,100,701	7,265,338	-
Prepaid property taxes	100,721	-	100,721	-
OPEB related	324,557	146,301	470,858	312,846
<b>Total Deferred Inflows of Resources</b>	<b>12,341,775</b>	<b>4,308,633</b>	<b>16,650,408</b>	<b>312,846</b>
<b>Net Position</b>				
Net investment in capital assets	103,413,520	173,092,013	276,505,533	151,653
Restricted for:				
Permanent Fund - nonspendable	24,949,753	-	24,949,753	-
Permanent Fund - spendable	1,041,233	-	1,041,233	-
Seasonal sales tax	5,901,148	-	5,901,148	-
Commercial passenger excise tax and other	3,592,453	-	3,592,453	-
Restricted for OPEB	5,620,177	2,962,995	8,583,172	-
Restricted	-	-	-	20,127
Unrestricted	46,375,960	74,419,013	120,794,973	(101,954)
<b>Total Net Position</b>	<b>190,894,244</b>	<b>250,474,021</b>	<b>441,368,265</b>	<b>69,826</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 223,833,944</b>	<b>\$ 433,795,014</b>	<b>\$ 657,628,958</b>	<b>\$ 14,544,134</b>

See accompanying notes to basic financial statements.

**City and Borough of Sitka, Alaska**  
**Statement of Activities**

	Net Revenue (Expense) and Changes in Net Position							
	Program Revenues				Primary Government			Component Unit
	Expenses	Fees, Fines, & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total	Sitka School District
<i>For the fiscal year ended June 30, 2024</i>								
<b>Primary Government</b>								
<b>Governmental Activities</b>								
Administration	\$ 5,470,004	\$ 486,531	\$ 847,478	\$ -	\$ (4,135,995)	\$ -	\$ (4,135,995)	\$ -
Public safety	7,053,667	1,645,594	(24,054)	-	(5,432,127)	-	(5,432,127)	-
Public works	7,210,737	1,412,539	56,242	24,684	(5,717,272)	-	(5,717,272)	-
Public services	4,758,534	1,203,977	1,713,141	-	(1,841,416)	-	(1,841,416)	-
Education	11,566,627	-	2,026,331	-	(9,540,296)	-	(9,540,296)	-
Interest on long-term debt	211,846	-	-	-	(211,846)	-	(211,846)	-
<b>Total Governmental Activities</b>	<b>36,271,415</b>	<b>4,748,641</b>	<b>4,619,138</b>	<b>24,684</b>	<b>(26,878,952)</b>	<b>-</b>	<b>(26,878,952)</b>	<b>-</b>
<b>Business-type Activities</b>								
Electric	18,917,098	21,525,741	2,042,549	-	-	4,651,192	4,651,192	-
Water	3,966,923	3,649,108	4,836	-	-	(312,979)	(312,979)	-
Wastewater treatment	3,765,443	4,518,415	9,785	-	-	762,757	762,757	-
Solid waste disposal	5,060,192	6,175,368	2,562	-	-	1,117,738	1,117,738	-
Harbor	4,860,748	3,518,016	10,892	133,774	-	(1,198,066)	(1,198,066)	-
Airport	888,210	819,608	802	8,349,059	-	8,281,259	8,281,259	-
Marine Service Center	148,584	282,568	-	-	-	133,984	133,984	-
Gary Paxton Industrial Park	643,833	248,082	-	-	-	(395,751)	(395,751)	-
<b>Total Business-type Activities</b>	<b>38,251,031</b>	<b>40,736,906</b>	<b>2,071,426</b>	<b>8,482,833</b>	<b>-</b>	<b>13,040,134</b>	<b>13,040,134</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 74,522,446</b>	<b>\$ 45,485,547</b>	<b>\$ 6,690,564</b>	<b>\$ 8,507,517</b>	<b>\$ (26,878,952)</b>	<b>\$ 13,040,134</b>	<b>\$ (13,838,818)</b>	<b>\$ -</b>

**City and Borough of Sitka, Alaska**  
**Statement of Activities, continued**

For the fiscal year ended June 30, 2024	Net Revenue (Expense) and Changes in Net Position							
	Program Revenues				Primary Government			Component Unit
	Expenses	Fees, Fines, & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total	Sitka School District
<b>Total Primary Government</b>	\$ 74,522,446	\$ 45,485,547	\$ 6,690,564	\$ 8,507,517	\$ (26,878,952)	\$ 13,040,134	\$ (13,838,818)	-
<b>Component Unit</b>								
Sitka School District							\$ (21,165,407)	
<b>General Revenues</b>								
Taxes:								
Real and personal property					7,435,553	-	7,435,553	-
Sales and bed					19,469,508	-	19,469,508	-
Commercial passenger excise tax					2,698,671	-	2,698,671	-
Tobacco and marijuana tax					1,105,564	-	1,105,564	-
Contributions from primary government					-	-	-	7,763,278
Grants and entitlements not restricted to specific purpose					482,893	887,842	1,370,735	12,906,762
Investment income					4,478,386	4,243,229	8,721,615	-
<b>Transfers</b>					(2,279,071)	2,279,071	-	-
<b>Total General Revenues and Transfers</b>					33,391,504	7,410,142	40,801,646	20,670,040
<b>Change in Net Position</b>					6,512,552	20,450,276	26,962,828	(495,367)
<b>Net Position, beginning</b>					184,381,692	230,023,745	414,405,437	565,193
<b>Net Position, ending</b>					\$ 190,894,244	\$ 250,474,021	\$ 441,368,265	\$ 69,826

*See accompanying notes to the basic financial statements.*



**City and Borough of Sitka, Alaska**  
**Governmental Funds**  
**Balance Sheet**

	Major Funds					Total Governmental Funds
	General Fund	Permanent Fund	Sitka Community Hospital Dedicated Special Revenue Fund	Nonmajor Governmental Funds		
<i>June 30, 2024</i>						
<b>Assets</b>						
Equity in central treasury	\$ 12,561,010	\$ -	\$ 3,091,293	\$ 36,154,601	\$ 51,806,904	
Receivables:						
Accounts	851,183	-	3,429	500	855,112	
Taxes	5,265,861	-	-	372,574	5,638,435	
Allowance for uncollectibles	(399,714)	-	-	-	(399,714)	
Interest	1,001,448	-	3,148,140	-	4,149,588	
Special assessments	-	-	-	1,924	1,924	
Federal and State of Alaska	-	-	-	20,554	20,554	
Leases	3,250,076	-	-	-	3,250,076	
Due from other funds	3,002,618	-	-	-	3,002,618	
Advances to other funds	3,125,552	-	-	2,604,000	5,729,552	
Prepaid items	7,280	-	-	-	7,280	
Notes receivable	-	-	8,751,860	442,950	9,194,810	
Restricted assets:						
Cash and investments	-	25,990,986	-	-	25,990,986	
Interest receivable	-	83,280	-	-	83,280	
<b>Total Assets</b>	<b>\$ 28,665,314</b>	<b>\$ 26,074,266</b>	<b>\$ 14,994,722</b>	<b>\$ 39,597,103</b>	<b>\$ 109,331,405</b>	
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 432,727	\$ 5,204	\$ -	\$ 32,598	\$ 470,529	
Other current liabilities	481,105	-	-	-	481,105	
Accrued payroll	955,883	-	-	-	955,883	
Deposits payable	33,073	-	-	-	33,073	
Advances from other funds	-	-	3,125,552	-	3,125,552	
Unearned revenue	3,204	-	-	-	3,204	
<b>Total Liabilities</b>	<b>1,905,992</b>	<b>5,204</b>	<b>3,125,552</b>	<b>32,598</b>	<b>5,069,346</b>	
<b>Deferred Inflows of Resources</b>						
Deferred assessments	-	-	-	1,924	1,924	
Prepaid property taxes	100,721	-	-	-	100,721	
Lease related	3,164,637	-	-	-	3,164,637	
Deferred notes and interest receivable	-	-	11,900,000	-	11,900,000	
<b>Total Deferred Inflows of Resources</b>	<b>3,265,358</b>	<b>-</b>	<b>11,900,000</b>	<b>1,924</b>	<b>15,167,282</b>	
<b>Fund Balances</b>						
Nonspendable	3,132,832	25,027,829	-	3,046,950	31,207,611	
Restricted	-	1,041,233	-	9,493,601	10,534,834	
Committed	12,504,622	-	4,147,944	24,140,000	40,792,566	
Assigned	-	-	-	2,882,030	2,882,030	
Unassigned (deficit)	7,856,510	-	(4,178,774)	-	3,677,736	
<b>Total Fund Balances (Deficit)</b>	<b>23,493,964</b>	<b>26,069,062</b>	<b>(30,830)</b>	<b>39,562,581</b>	<b>89,094,777</b>	
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 28,665,314</b>	<b>\$ 26,074,266</b>	<b>\$ 14,994,722</b>	<b>\$ 39,597,103</b>	<b>\$ 109,331,405</b>	

*See accompanying notes to the basic financial statements.*

**City and Borough of Sitka, Alaska**  
**Reconciliation of Governmental Funds Balance Sheet**  
**to Statement of Net Position**

*June 30, 2024*

Total fund balances for governmental funds		\$ 89,094,777
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets, net of accumulated depreciation, consist of:		
Land	\$ 11,230,911	
Construction in progress	1,946,792	
	13,177,703	
Total capital assets not being depreciated		13,177,703
Buildings	140,282,054	
Land improvements	11,037,203	
Infrastructure	55,914,162	
Equipment	6,434,401	
Right-to-use leased equipment	23,766	
Right-to-use leased space	33,336	
Accumulated depreciation	(125,407,532)	
	88,317,390	
Total depreciable capital assets, net of depreciation		88,317,390
		101,495,093
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds. These assets consist of net OPEB assets of \$6,052,813 prepaid property taxes of \$100,721, and special assessments receivable of \$1,924		
		5,115,913
Bond refundings may result in deferred charges. These items are treated as expenditures in the funds but deferred in the Statement of Net Position and amortized in the Statement of Activities.		
		99,079
Long-term liabilities are not due and payable in the current period and therefore are not reported as fund liabilities. These liabilities consist of:		
Bonds and State of Alaska note	(4,800,197)	
Unamortized bond premium	(513,320)	
Net pension liability	(10,701,390)	
Leases and SBITAs payable	(44,018)	
Accrued interest payable	(34,840)	
Compensated absences	(1,051,552)	
	(17,145,317)	
Total long-term liabilities		(17,145,317)
Deferred outflows and deferred inflows of resources related to pension and other OPEB benefits are applicable to future periods and therefore are not reported in the funds.		
Deferred inflows related to pensions	-	
Deferred inflows related to other postemployment benefits	(294,589)	
Deferred outflows related to pensions	2,073,694	
Deferred outflows related to other postemployment benefits	413,672	
	2,192,777	
Total deferred pension and other postemployment items		2,192,777
Internal service funds are used by the Borough to charge the cost of certain activities, such as information systems, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position. This is the residual equity not reported above.		
		10,041,922
<b>Total Net Position of Governmental Activities</b>		<b>\$ 190,894,244</b>

*See accompanying notes to the basic financial statements.*

## City and Borough of Sitka, Alaska

## Governmental Funds

## Statement of Revenues, Expenditures and Changes in Fund Balances

	Major Funds					Total Governmental Funds
	General Fund	Permanent Fund	Sitka Community Hospital Dedicated Special Revenue Fund	Nonmajor Governmental Funds		
<i>For the fiscal year ended June 30, 2024</i>						
<b>Revenues</b>						
Taxes:						
Commercial passenger excise tax	\$ -	\$ -	\$ -	\$ 2,698,671	\$ 2,698,671	\$ 2,698,671
Real and personal property	7,435,553	-	-	-	-	7,435,553
Sales and bed	18,688,712	-	-	780,796	-	19,469,508
Tobacco and marijuana	-	-	778,060	327,504	-	1,105,564
State sources	701,515	-	-	1,526,331	-	2,227,846
Federal sources	2,946,453	-	-	24,684	-	2,971,137
Charges for services	2,160,370	-	-	-	-	2,160,370
Interfund services	2,902,413	-	-	-	-	2,902,413
Fines, forfeitures and penalties	35,633	-	-	-	-	35,633
Investment income	720,289	2,646,706	97,794	793,264	-	4,258,053
Uses of property	669,208	-	-	-	-	669,208
Licenses and permits	1,012,784	-	800	-	-	1,013,584
Hospital sale	-	-	700,000	-	-	700,000
Other	62,020	-	64,085	50,526	-	176,631
<b>Total Revenues</b>	<b>37,334,950</b>	<b>2,646,706</b>	<b>1,640,739</b>	<b>6,201,776</b>	<b>-</b>	<b>47,824,171</b>
<b>Expenditures</b>						
Current:						
Administration	8,621,351	30,524	-	-	-	8,651,875
Public safety	7,011,918	-	-	18,250	-	7,030,168
Public works	4,766,276	-	-	19	-	4,766,295
Public services	2,148,834	-	1,282,721	880,063	-	4,311,618
Education	8,527,498	-	-	-	-	8,527,498
Debt service:						
Principal	22,310	-	-	2,075,000	-	2,097,310
Interest	2,888	-	-	221,011	-	223,899
Lease assets	15,643	-	-	-	-	15,643
Capital outlay	90,585	-	-	486,671	-	577,256
<b>Total Expenditures</b>	<b>31,207,303</b>	<b>30,524</b>	<b>1,282,721</b>	<b>3,681,014</b>	<b>-</b>	<b>36,201,562</b>
<b>Excess of Revenues Over Expenditures</b>	<b>6,127,647</b>	<b>2,616,182</b>	<b>358,018</b>	<b>2,520,762</b>	<b>-</b>	<b>11,622,609</b>
<b>Other Financing Sources (Uses)</b>						
Transfers of capital assets	-	-	-	(46,702)	-	(46,702)
Transfers in	7,959,585	-	-	11,595,207	-	19,554,792
Transfers out	(11,633,939)	(1,110,886)	-	(8,634,821)	-	(21,379,646)
Lease assets	23,766	-	-	-	-	23,766
<b>Net Other Financing Sources (Uses)</b>	<b>(3,650,588)</b>	<b>(1,110,886)</b>	<b>-</b>	<b>2,913,684</b>	<b>-</b>	<b>(1,847,790)</b>
<b>Net Change in Fund Balances</b>	<b>2,477,059</b>	<b>1,505,296</b>	<b>358,018</b>	<b>5,434,446</b>	<b>-</b>	<b>9,774,819</b>
<b>Fund Balances (Deficit), beginning</b>	<b>21,016,905</b>	<b>24,563,766</b>	<b>(388,848)</b>	<b>34,128,135</b>	<b>-</b>	<b>79,319,958</b>
<b>Fund Balances (Deficit), ending</b>	<b>\$ 23,493,964</b>	<b>\$ 26,069,062</b>	<b>\$ (30,830)</b>	<b>\$ 39,562,581</b>	<b>\$ -</b>	<b>\$ 89,094,777</b>

See accompanying notes to the basic financial statements.

**City and Borough of Sitka, Alaska**  
**Reconciliation of Change in Fund Balances of Governmental Funds**  
**to Statement of Activities**  
*For the fiscal year ended June 30, 2024*

Net change in fund balances - total governmental funds		\$ 9,774,819
<p>The change in net position reported for governmental activities in the Statement of Activities is different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However on the Statement of Activities, depreciation expense is recognized to allocate the cost of these items over their estimated useful lives.</p>		
Capital outlay	\$ 592,899	
Miscellaneous capital asset activities (disposals, etc.)	(39,797)	
Depreciation	<u>(6,784,214)</u>	(6,231,112)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Decrease in deferred special assessments receivable	<u>(1,873)</u>	(1,873)
<p>Debt refundings are reported in revenue and expenditures at the time of the transaction in the fund financial statements. Economic gains or losses are deferred and amortized on the Statement of Net Position and the Statement of Activities. This is the decrease in deferred charge on bonds.</p>		
		(68,674)
<p>The issuance of long-term debt (bonds, notes payable, lease assets) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of bond premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Repayment of principal on bonds and notes	2,097,310	
Decrease in unamortized bond premium	<u>102,130</u>	2,199,440
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Decrease in accrued interest payable	6,495	
Increase in compensated absences	<u>(367,985)</u>	(361,490)
<p>Changes related to net pension liability, net OPEB asset, and related deferred outflows and deferred inflows can increase or decrease net position.</p>		
Pension related increase	(12,408)	
OPEB related increase	<u>770,775</u>	758,367
<p>Internal service funds are used by the Borough to charge the cost of certain activities, such as information systems, to individual funds. A portion of the net income of these activities is reported with governmental activities.</p>		
		<u>443,075</u>
<b>Change in Net Position of Governmental Activities</b>		<b>\$ 6,512,552</b>

*See accompanying notes to the basic financial statements.*

## City and Borough of Sitka, Alaska

Proprietary Funds  
Statement of Net Position

	Major Enterprise Funds					Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Electric Utility	Water	Solid Waste Disposal	Wastewater	Harbors			
<i>June 30, 2024</i>								
<b>Assets and Deferred Outflows of Resources</b>								
<b>Current Assets</b>								
Equity in central treasury	\$ 29,036,744	\$ 8,686,327	\$ 2,758,671	\$ 9,204,393	\$ 12,699,584	\$ 9,993,023	\$ 72,378,742	\$ 8,965,824
Receivables:								
Accounts	1,246,958	176,337	333,291	211,726	851,294	55,665	2,875,271	-
Allowance for uncollectibles	(164,675)	(45,995)	(96,550)	(57,119)	(566,977)	-	(931,316)	-
Federal and State of Alaska	242,882	384,684	-	-	901,798	8,172,693	9,702,057	-
Current portion:								
Leases receivable	69,398	-	-	-	-	275,780	345,178	-
Notes receivable	-	-	-	3,480	-	-	3,480	-
Inventories	2,007,087	269,012	-	125,809	-	-	2,401,908	-
Prepaid expenses	5,133	3,353	-	-	-	-	8,486	23,918
<b>Total Current Assets</b>	<b>32,443,527</b>	<b>9,473,718</b>	<b>2,995,412</b>	<b>9,488,289</b>	<b>13,885,699</b>	<b>18,497,161</b>	<b>86,783,806</b>	<b>8,989,742</b>
<b>Noncurrent Assets</b>								
Restricted assets:								
Equity in central treasury:								
Capital asset acquisition	-	-	-	-	-	3,784,896	3,784,896	-
Deposits	151,220	100	9,659	-	-	-	160,979	-
Bond covenant accounts	7,637,491	-	-	-	961,780	375,705	8,974,976	-
Net OPEB asset	1,765,043	200,574	106,277	405,930	451,925	33,246	2,962,995	606,909
Leases receivable	1,493,395	-	-	-	-	2,330,867	3,824,262	-
Notes receivable	-	-	-	17,463	-	-	17,463	-
Special assessments receivable	-	-	-	13,448	-	-	13,448	-
Water rights	23,483	23,483	-	-	-	-	46,966	-
Capital assets:								
Property, plant and equipment	312,450,369	64,927,974	10,697,042	70,385,579	53,650,709	29,780,895	541,892,568	14,593,075
Construction in progress	920,262	263,800	1,036,481	1,806,866	524,504	15,123,909	19,675,822	73,060
Less accumulated depreciation and amortization	(122,890,278)	(25,417,132)	(3,719,908)	(45,895,563)	(24,922,267)	(12,144,634)	(234,989,782)	(11,045,578)
<b>Total Capital Assets, Net</b>	<b>190,480,353</b>	<b>39,774,642</b>	<b>8,013,615</b>	<b>26,296,882</b>	<b>29,252,946</b>	<b>32,760,170</b>	<b>326,578,608</b>	<b>3,620,557</b>
<b>Total Noncurrent Assets</b>	<b>201,550,985</b>	<b>39,998,799</b>	<b>8,129,551</b>	<b>26,733,723</b>	<b>30,666,651</b>	<b>39,284,884</b>	<b>346,364,593</b>	<b>4,227,466</b>
<b>Total Assets</b>	<b>233,994,512</b>	<b>49,472,517</b>	<b>11,124,963</b>	<b>36,222,012</b>	<b>44,552,350</b>	<b>57,782,045</b>	<b>433,148,399</b>	<b>13,217,208</b>
<b>Deferred Outflows of Resources</b>								
Deferred charge on refunding	2,884,393	-	-	-	-	-	2,884,393	-
OPEB related	126,414	14,365	7,612	29,073	32,366	2,381	212,211	43,466
Pension related	730,094	82,966	43,960	167,909	186,935	13,752	1,225,616	251,043
<b>Total Deferred Outflows of Resources</b>	<b>3,740,901</b>	<b>97,331</b>	<b>51,572</b>	<b>196,982</b>	<b>219,301</b>	<b>16,133</b>	<b>4,322,220</b>	<b>294,509</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 237,735,413</b>	<b>\$ 49,569,848</b>	<b>\$ 11,176,535</b>	<b>\$ 36,418,994</b>	<b>\$ 44,771,651</b>	<b>\$ 57,798,178</b>	<b>\$ 437,470,619</b>	<b>\$ 13,511,717</b>

**City and Borough of Sitka, Alaska**  
**Proprietary Funds**  
**Statement of Net Position, continued**

<i>June 30, 2024</i>	Major Enterprise Funds					Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Electric Utility	Water	Solid Waste Disposal	Wastewater	Harbors			
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>								
<b>Current Liabilities</b>								
Accounts payable and accrued liabilities	\$ 689,039	\$ 957,425	\$ 602,806	\$ 464,103	\$ 205,546	\$ 3,308,295	\$ 6,227,214	\$ 76,454
Unearned revenue	50,823	8,751	13,126	10,711	56,113	-	139,524	-
Interest payable	287,486	548,255	-	129,897	142,754	68,959	1,177,351	-
Due to other funds	-	-	-	-	-	3,002,618	3,002,618	-
Current portion:								
Revenue bonds	3,370,000	-	-	-	500,000	170,000	4,040,000	-
Notes payable	137,245	484,041	115,798	971,217	45,348	-	1,753,649	-
Leases payable	-	-	-	-	-	-	-	8,452
Subscription IT liabilities	7,819	-	-	-	-	-	7,819	23,803
Compensated absences	230,702	59,806	1,580	23,529	61,402	1,500	378,519	59,634
<b>Total Current Liabilities</b>	<b>4,773,114</b>	<b>2,058,278</b>	<b>733,310</b>	<b>1,599,457</b>	<b>1,011,163</b>	<b>6,551,372</b>	<b>16,726,694</b>	<b>168,343</b>
<b>Noncurrent Liabilities</b>								
Advances from other funds	-	-	2,604,000	-	-	-	2,604,000	-
Bonds, notes, and unamortized bond premiums	110,877,698	20,676,232	463,189	13,507,119	9,092,358	3,329,426	157,946,022	-
Payable from restricted assets - deposits	151,220	100	9,659	-	-	-	160,979	-
Compensated absences	128,814	33,934	-	-	43,338	1,050	207,136	44,955
Net pension liability	3,767,686	428,149	226,860	866,503	964,686	70,967	6,324,851	1,295,516
Landfill post-closure liability	-	-	649,296	-	-	-	649,296	-
<b>Total Noncurrent Liabilities</b>	<b>114,925,418</b>	<b>21,138,415</b>	<b>3,953,004</b>	<b>14,373,622</b>	<b>10,100,382</b>	<b>3,401,443</b>	<b>167,892,284</b>	<b>1,340,471</b>
<b>Total Liabilities</b>	<b>119,698,532</b>	<b>23,196,693</b>	<b>4,686,314</b>	<b>15,973,079</b>	<b>11,111,545</b>	<b>9,952,815</b>	<b>184,618,978</b>	<b>1,508,814</b>
<b>Deferred Inflows of Resources</b>								
Deferred charge on refunding	-	-	-	-	61,631	-	61,631	-
Lease related	1,519,704	-	-	-	-	2,580,997	4,100,701	-
OPEB related	87,150	9,904	5,248	20,043	22,314	1,642	146,301	29,968
<b>Total Deferred Inflows of Resources</b>	<b>1,606,854</b>	<b>9,904</b>	<b>5,248</b>	<b>20,043</b>	<b>83,945</b>	<b>2,582,639</b>	<b>4,308,633</b>	<b>29,968</b>
<b>Net Position</b>								
Net investment in capital assets	86,231,055	17,677,218	7,329,994	11,386,931	20,342,975	30,123,840	173,092,013	3,588,302
Restricted for OPEB asset	1,765,043	200,574	106,277	405,930	451,925	33,246	2,962,995	606,909
Unrestricted	28,433,929	8,485,459	(951,298)	8,633,011	12,781,261	15,105,638	72,488,000	7,777,724
<b>Total Net Position</b>	<b>116,430,027</b>	<b>26,363,251</b>	<b>6,484,973</b>	<b>20,425,872</b>	<b>33,576,161</b>	<b>45,262,724</b>	<b>248,543,008</b>	<b>11,972,935</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 237,735,413</b>	<b>\$ 49,569,848</b>	<b>\$ 11,176,535</b>	<b>\$ 36,418,994</b>	<b>\$ 44,771,651</b>	<b>\$ 57,798,178</b>	<b>\$ 250,474,021</b>	<b>\$ 13,511,717</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							1,931,013	
<b>Net Position of Business-Type Activities</b>							<b>\$ 250,474,021</b>	

*See accompanying notes to the basic financial statements.*

**City and Borough of Sitka, Alaska**  
**Proprietary Funds**  
**Statement of Revenues, Expenses and Changes in Net Position**

	Major Enterprise Funds					Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Electric Utility	Water	Solid Waste Disposal	Wastewater	Harbors			
<i>For the fiscal year ended June 30, 2024</i>								
<b>Operating Revenues</b>								
Charges for service	\$ 20,892,649	\$ 3,592,906	\$ 5,829,491	\$ 4,354,463	\$ 3,488,315	\$ 1,336,437	\$ 39,494,261	\$ 5,598,836
Other operating revenues	633,092	56,202	345,877	163,952	29,701	13,821	1,242,645	31,732
<b>Total Operating Revenues</b>	<b>21,525,741</b>	<b>3,649,108</b>	<b>6,175,368</b>	<b>4,518,415</b>	<b>3,518,016</b>	<b>1,350,258</b>	<b>40,736,906</b>	<b>5,630,568</b>
<b>Operating Expenses</b>								
Wages and benefits	4,430,601	520,570	219,933	821,438	1,169,403	95,676	7,257,621	1,349,407
Travel and training	10,964	7,294	1,598	2,879	11,211	-	33,946	4,770
Utilities and supplies	591,102	281,889	63,791	375,454	709,058	184,360	2,205,654	735,392
Repair and maintenance	243,378	88,320	362	132,701	92,532	136,404	693,697	486,908
Contracted/purchased services	1,134,669	35,452	3,668,009	74,114	108,342	205,023	5,225,609	582,618
Interdepartmental services	1,381,849	474,317	466,780	492,681	490,191	241,071	3,546,889	343,565
Insurance	1,347,001	116,676	8,647	84,655	135,856	73,306	1,766,141	158,889
Other	1,120,259	95,859	464,542	313,444	146,293	6,025	2,146,422	39,305
Depreciation and amortization	5,767,183	2,090,339	208,274	1,324,521	1,730,742	613,818	11,734,877	810,934
<b>Total Operating Expenses</b>	<b>16,027,006</b>	<b>3,710,716</b>	<b>5,101,936</b>	<b>3,621,887</b>	<b>4,593,628</b>	<b>1,555,683</b>	<b>34,610,856</b>	<b>4,511,788</b>
<b>Income (Loss) from Operations</b>	<b>5,498,735</b>	<b>(61,608)</b>	<b>1,073,432</b>	<b>896,528</b>	<b>(1,075,612)</b>	<b>(205,425)</b>	<b>6,126,050</b>	<b>1,118,780</b>
<b>Nonoperating Revenues (Expenses)</b>								
Investment income	1,442,063	375,952	143,166	487,119	768,202	851,432	4,067,934	395,630
Interest expense	(3,138,076)	(322,358)	(10,441)	(192,917)	(330,841)	(146,976)	(4,141,609)	(1,721)
Raw fish tax	-	-	-	-	887,842	-	887,842	-
State pension relief	42,549	4,836	2,562	9,785	10,892	802	71,426	14,630
Other federal sources	2,000,000	-	-	-	-	-	2,000,000	-
<b>Net Nonoperating Revenues (Expenses)</b>	<b>346,536</b>	<b>58,430</b>	<b>135,287</b>	<b>303,987</b>	<b>1,336,095</b>	<b>705,258</b>	<b>2,885,593</b>	<b>408,539</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>5,845,271</b>	<b>(3,178)</b>	<b>1,208,719</b>	<b>1,200,515</b>	<b>260,483</b>	<b>499,833</b>	<b>9,011,643</b>	<b>1,527,319</b>
Capital contributions	-	-	-	-	133,774	8,349,059	8,482,833	-
Transfers of capital assets	-	-	-	-	(4,869,072)	4,915,774	46,702	-
Transfers in	201,595	-	862,500	-	189,332	1,298,571	2,551,998	542,985
Transfers out	(17,500)	-	(155,840)	-	(113,104)	(33,185)	(319,629)	(950,500)
<b>Change in Net Position</b>	<b>6,029,366</b>	<b>(3,178)</b>	<b>1,915,379</b>	<b>1,200,515</b>	<b>(4,398,587)</b>	<b>15,030,052</b>	<b>19,726,845</b>	<b>1,119,804</b>
<b>Net Position, beginning</b>	<b>110,400,661</b>	<b>26,366,429</b>	<b>4,569,594</b>	<b>19,225,357</b>	<b>37,974,748</b>	<b>30,232,672</b>		<b>10,853,131</b>
<b>Net Position, ending</b>	<b>\$ 116,430,027</b>	<b>\$ 26,363,251</b>	<b>\$ 6,484,973</b>	<b>\$ 20,425,872</b>	<b>\$ 33,576,161</b>	<b>\$ 45,262,724</b>		<b>\$ 11,972,935</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							676,729	
<b>Change in Net Position of Business-type Activities</b>							<b>\$ 20,403,574</b>	

*See accompanying notes to the basic financial statements.*

**City and Borough of Sitka, Alaska**

**Proprietary Funds  
Statement of Cash Flows**

	Major Enterprise Funds					Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Electric Utility	Water	Solid Waste Disposal	Wastewater	Harbors			
<i>For the fiscal year ended June 30, 2024</i>								
<b>Cash Flows from Operating Activities</b>								
Receipts from customers and users	\$ 21,298,052	\$ 3,646,491	\$ 6,137,905	\$ 4,507,187	\$ 3,995,625	\$ 1,336,687	\$ 40,921,947	\$ 5,630,568
Payments to suppliers	(4,456,921)	(650,251)	(4,213,892)	(996,197)	(1,195,520)	(597,475)	(12,110,256)	(2,113,534)
Payments for interfund services used	(1,381,849)	(474,317)	(466,780)	(492,681)	(490,191)	(241,071)	(3,546,889)	(343,565)
Payments to employees	(4,613,191)	(481,051)	(235,223)	(972,618)	(1,248,949)	(70,698)	(7,621,730)	(1,361,338)
Net cash flows from operating activities	10,846,091	2,040,872	1,222,010	2,045,691	1,060,965	427,443	17,643,072	1,812,131
<b>Cash Flows from (for) Noncapital Financing Activities</b>								
Other federal sources	2,000,000	-	-	-	-	-	2,000,000	-
Raw fish tax received	-	-	-	-	887,842	-	887,842	-
Increase in due to other funds	-	-	-	-	-	3,002,618	3,002,618	-
Transfers in	201,595	-	862,500	-	189,332	5,273	1,258,700	542,985
Transfers out	(17,500)	-	(155,840)	-	(113,104)	(33,185)	(319,629)	(950,500)
Notes and assessments receivable payments	-	-	-	8,505	-	131	8,636	-
Net cash flows from (for) noncapital financing activities	2,184,095	-	706,660	8,505	964,070	2,974,837	6,838,167	(407,515)
<b>Cash Flows from (for) Capital and Related Financing Activities</b>								
Capital outlay	(1,662,595)	(629,398)	(1,764,065)	(1,215,036)	(977,890)	(7,668,299)	(13,917,283)	(627,161)
Interest paid	(2,864,198)	(143,326)	(10,441)	(528,792)	(370,651)	(174,268)	(4,091,676)	(1,721)
Payments on bonds, notes, leases, and software assets	(3,926,312)	(483,399)	(115,798)	(969,936)	(530,348)	(142,146)	(6,167,939)	(55,344)
Government grants and loans	3,066,945	536,846	-	68	(314,871)	1,605,194	4,894,182	-
Receipts (repayment) of advances	-	-	(93,000)	-	-	-	(93,000)	-
Transfers in	-	-	-	-	-	1,293,298	1,293,298	-
Net cash flows (for) capital and related financing activities	(5,386,160)	(719,277)	(1,983,304)	(2,713,696)	(2,193,760)	(5,086,221)	(18,082,418)	(684,226)
<b>Cash Flows From Investing Activities</b>								
Interest received	1,442,063	375,952	143,166	487,119	674,946	800,569	3,923,815	395,630
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>9,086,089</b>	<b>1,697,547</b>	<b>88,532</b>	<b>(172,381)</b>	<b>506,221</b>	<b>(883,372)</b>	<b>10,322,636</b>	<b>1,116,020</b>
<b>Cash and Cash Equivalents, beginning</b>	<b>20,101,875</b>	<b>6,988,880</b>	<b>2,679,798</b>	<b>9,376,774</b>	<b>12,193,363</b>	<b>14,661,291</b>	<b>66,001,981</b>	<b>7,849,804</b>
<b>Cash and Cash Equivalents, ending</b>	<b>\$ 29,187,964</b>	<b>\$ 8,686,427</b>	<b>\$ 2,768,330</b>	<b>\$ 9,204,393</b>	<b>\$ 12,699,584</b>	<b>\$ 13,777,919</b>	<b>\$ 76,324,617</b>	<b>\$ 8,965,824</b>



**City and Borough of Sitka, Alaska**  
**Proprietary Funds**  
**Statement of Cash Flows, continued**

	Major Enterprise Funds					Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Electric Utility	Water	Solid Waste Disposal	Wastewater	Harbors			
<i>For the fiscal year ended June 30, 2024</i>								
<b>Reconciliation of Income (Loss) from Operations to Net Cash Flows from Operating Activities</b>								
Income (loss) from operations	\$ 5,498,735	\$ (61,608)	\$ 1,073,432	\$ 896,528	\$ (1,075,612)	\$ (205,425)	\$ 6,126,050	\$ 1,118,780
Adjustments to reconcile income (loss) from operations to net cash flows from operating activities:								
Depreciation and amortization	5,767,183	2,090,339	208,274	1,324,521	1,730,742	613,818	11,734,877	810,934
State pension relief	42,549	4,836	2,562	9,785	10,892	802	71,426	14,630
(Increase) decrease in assets and deferred outflows of resources:								
Accounts receivable (net)	(191,067)	(1,835)	(33,909)	(10,683)	470,781	10,691	243,978	-
Inventory	(246,784)	(9,046)	-	2,123	-	-	(253,707)	-
Prepaid expenses	(5,133)	(3,353)	-	-	-	-	(8,486)	63,389
Leases receivable	68,025	-	-	-	-	(2,528,620)	(2,460,595)	-
Net OPEB asset	(139,640)	(35,692)	(20,576)	(5,696)	(87,968)	(33,246)	(322,818)	(109,818)
Deferred outflows of resources related to OPEB	33,764	1,884	834	10,369	3,501	(2,381)	47,971	5,520
Deferred outflows of resources related to pensions	42,339	(4,610)	(3,232)	22,292	(13,973)	(13,752)	29,064	(14,811)
Increase (decrease) in liabilities and deferred inflows of resources:								
Accounts payable and accrued liabilities	242,369	(12,362)	8,471	(15,073)	7,772	7,643	238,820	(169,041)
Compensated absences	144,702	57,157	(7,585)	(49,853)	(47,245)	2,550	99,726	39,648
Unearned revenue	(10,199)	(782)	(2,503)	(545)	6,828	-	(7,201)	-
Net pension liability	(244,193)	21,181	15,329	(121,367)	66,355	70,967	(191,728)	68,579
Deferred inflows of resources related to OPEB	(62,111)	(5,237)	(2,622)	(16,710)	(11,108)	1,642	(96,146)	(15,679)
Deferred inflows of resources related to pensions	-	-	-	-	-	-	-	-
Deferred inflows of resources related to leases	(81,051)	-	-	-	-	2,504,358	2,423,307	-
Deposits	(13,397)	-	(1,051)	-	-	-	(14,448)	-
Landfill post-closure liability	-	-	(15,414)	-	-	-	(15,414)	-
<b>Net Cash Flows from Operating Activities</b>	<b>\$ 10,846,091</b>	<b>\$ 2,040,872</b>	<b>\$ 1,222,010</b>	<b>\$ 2,045,691</b>	<b>\$ 1,060,965</b>	<b>\$ 429,047</b>	<b>\$ 17,644,676</b>	<b>\$ 1,812,131</b>
<b>Cash on Statement of Net Position</b>								
Equity in central treasury	\$ 29,036,744	\$ 8,686,327	\$ 2,758,671	\$ 9,204,393	\$ 12,699,584	\$ 9,993,023	\$ 72,378,742	\$ 8,965,824
Restricted for capital asset acquisition	-	-	-	-	-	3,784,896	3,784,896	-
Deposits	151,220	100	9,659	-	-	-	160,979	-
<b>Cash and Cash Equivalents, ending</b>	<b>\$ 29,187,964</b>	<b>\$ 8,686,427</b>	<b>\$ 2,768,330</b>	<b>\$ 9,204,393</b>	<b>\$ 12,699,584</b>	<b>\$ 13,777,919</b>	<b>\$ 76,324,617</b>	<b>\$ 8,965,824</b>
Capital expenditures included in accounts payable	\$ 378,420	\$ 937,151	\$ 104,634	\$ 431,615	\$ 172,414	\$ 3,297,505	\$ 5,321,739	\$ -

*See accompanying notes to the basic financial statements.*

# City and Borough of Sitka, Alaska

## Fiduciary Funds

### Statement of Fiduciary Net Position

	Private-purpose Rowe Trust Fund	Custodial Fund Cemetery Fund
<i>June 30, 2024</i>		
<b>Assets</b>		
Restricted equity in central treasury	\$ 231,629	\$ 103,516
<b>Net Position</b>		
Restricted for organizations	\$ 231,629	\$ 103,516
<b>Total Net Position</b>	\$ 231,629	\$ 103,516

*See accompanying notes to the basic financial statements.*

# City and Borough of Sitka, Alaska

## Fiduciary Funds

### Statement of Changes in Fiduciary Net Position

	Private-purpose	Custodial Fund
<i>For the fiscal year ended June 30, 2024</i>	Rowe Trust Fund	Cemetery Fund
<b>Additions - investment income</b>	\$ 11,531	\$ 5,153
<b>Net Increase in Fiduciary Net Position</b>	11,531	5,153
<b>Net Position, beginning</b>	220,097	98,363
<b>Net Position, ending</b>	\$ 231,628	\$ 103,516

*See accompanying notes to the basic financial statements.*

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements June 30, 2024

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### 1. Summary of Significant Accounting Policies

#### *Reporting Entity*

The City and Borough of Sitka, Alaska (City and Borough) is governed by an elected assembly under a home rule charter. The accompanying financial statements present the government and its component unit, an entity for which the government is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government. The City and Borough has no blended component units.

*Discretely presented component unit.* The Sitka School District (School District) is responsible for elementary and secondary education within the government's jurisdiction. The members of the School District's governing board are elected by the voters. However, the School District is fiscally dependent upon the City and Borough because the City and Borough's Assembly approves appropriations of operating support from real and personal property tax assessments and other sources. The funds are used for the operation of the school system. The City and Borough is also responsible for repayment of all bonds, the proceeds of which were used for school construction.

Complete financial statements of the individual component unit may be obtained at the entity's administrative offices.

Sitka School District  
P.O. Box 179  
Sitka, Alaska 99835

#### *Government-Wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from its legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

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### *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, judgments, and pension and other postemployment benefits are recorded only when payment is due.

Property taxes, sales taxes, charges for services, interest and grant revenue associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when received by the government.

The City and Borough reports the following major governmental funds:

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

The *Permanent Fund* was established by a vote of the people of Sitka. The principal of the fund cannot be used other than by the consent of the voters. The purpose of the fund is to provide operating income to the General Fund through the transfer of investment earnings.

The *Sitka Community Hospital Dedicated Special Revenue Fund* accounts for tobacco excise tax and any residual activity related to the closure of the Sitka Community Hospital.

The City and Borough reports the following major proprietary funds:

The *Electric Utility Enterprise Fund* records the activities of the City and Borough's electric generation and distribution activities.

The *Water Enterprise Fund* records the activities of the City and Borough's water distribution and treatment activities.

The *Solid Waste Disposal Enterprise Fund* records the activities of the City and Borough's solid waste collection and disposal activities.

The *Wastewater Enterprise Fund* records the activities of the City and Borough's wastewater collection and treatment activities.

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

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*The Harbors Enterprise Fund* records the activities of the City and Borough's harbor system.

Additionally, the government reports the following fund types:

*Internal service funds* account for information technology systems, central garage and building maintenance services provided to other departments of the government on a cost reimbursement basis.

The *Rowe Trust Fund* is used to account for resources legally held in trust for use by the Library Board to purchase children's books and computer equipment to increase children's enjoyment of reading.

The *Cemetery Custodial Fund* is used to account for resources held for the Sitka Cemetery Association.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the various proprietary funds and the General Fund for administrative and other services. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City and Borough's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### ***Assets, Deferred Outflows, Liabilities, Deferred Inflows, Fund Balance, and Net Position***

***Deposits and Investments*** - Equity in central treasury represents a fund's equity in cash and investments of the central treasury of the City and Borough. For funds with a negative equity in central treasury, the amount is shown as an interfund payable to the General Fund. Interest income on central treasury investments is allocated monthly to participating funds based on their average monthly balance. Interest on investments held by the Permanent Fund is recognized only in the Permanent Fund and, due to differing asset allocations, returns may vary significantly.

For purposes of the statement of cash flows for the proprietary funds, the City and Borough has defined cash and cash equivalents as the equity maintained in the central treasury since the various funds use the central treasury essentially as a demand deposit account.

Sitka General Code 4.28.060 authorizes the City and Borough to invest in the following securities:

1. United States government obligations, United States government agency obligations, and United States government instrumentality obligations, which have a liquid market with a readily determinable market value;
2. Certificates of deposit and other evidences of deposits at financial institutions, bankers' acceptances, and commercial paper, rated in the highest tier by a nationally recognized rating agency;
3. Investment-grade obligations of state and local governments and public authorities;
4. Repurchase agreements whose underlying purchased securities consist of United States Treasury securities;

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

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5. Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities;
6. Local government investment pools, either state-administered or through joint powers statutes and other intergovernmental agreement legislation.

In addition, Sitka General Code 4.28.110 allows the Permanent Fund to invest in mutual funds which are invested in corporate equity securities.

Investments are stated at fair value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. All of the City and Borough's investments have established market values. As a result, fair value and market value are the same.

**Receivables and Payables** - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

All trade and property tax receivables are shown net of an allowance for uncollectible accounts in the government-wide statement of net position. Trade accounts receivable of the primary government in excess of 120 days comprise the trade accounts receivable allowance for uncollectible accounts.

**Property Tax** - is considered an enforceable lien at the January 1 assessment date. Mill levies are set prior to June 30 to finance the period July 1 through June 30 of the following year. Receivables are recognized and revenues are recorded when the taxpayer liability is calculated and billed on July 1. Property tax bills are due 60 days after billing date, which normally makes them due August 30. A limit on property tax of six tenths of one percent (.006) of the assessed valuation of property is currently in effect. Levying of property tax in excess of the limit is allowed only if ratified by a majority of the voters.

**Inventory and Prepaid Items** - Inventories are valued at cost using the average cost method. Enterprise Fund inventories consist of items used in maintaining and upgrading the electric, water and wastewater systems. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures or expenses when consumed rather than when purchased.

**Restricted Assets** - Certain resources set aside for the repayment of the Electric, Harbor, and Airport Terminal Funds revenue bonds are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. Additionally, unspent bond proceeds are restricted based on the purpose of the bonds. Restricted assets that were funded with bond proceeds are not presented in restricted net position, but netted against the corresponding liability in the calculation of net investment in capital assets.

Deposits are taken in the Electric and Solid Waste Funds. The amount is restricted in use as it is a deposit against an open account and is returned to a customer after a year when an account is in good standing.

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

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Permanent Fund assets are classified as restricted due to the statutory limitations placed on the fund by the Sitka General Code.

**Capital Assets** - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 or in the case of infrastructure, \$10,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<i>Assets</i>	<i>Years</i>
Right-to-use leased equipment, lease space, and subscription assets	3-20
Utility plant in service	25-65
Buildings	20-50
Equipment	3-20
Land improvements	15-50
Infrastructure	5-40
Harbor	7-40

**Compensated Absences** - It is the City and Borough's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. It is the government's policy to pay any amounts for unused sick leave when employees separate from service with the City and Borough at \$1 per hour of unused sick leave. All vacation pay and sick leave is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured.

**Long-Term Obligations** - In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective method. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.



# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

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***Deferred Outflows/Inflows of Resources*** - Deferred outflow of resources represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflow of resources represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenues) until that time. Deferred outflows of resources consist of deferred charges on debt refunding as well as certain pension and OPEB related accounts. Deferred inflows of resources consist of long-term payments not yet due, payments on assets leased out by the City and Borough but not yet due, prepaid property taxes, and certain pension and OPEB related accounts.

***Estimates*** - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

***Pensions and Other Postemployment Benefits (OPEB)*** - For purposes of measuring the net pension and net OPEB liabilities and assets, deferred outflows of resources and deferred inflows of resources related to pension and OPEB, and pension and OPEB expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Fund Balance and Fund Balance Flow Assumption*** - In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balance based on constraints imposed on the use of these resources.

***Nonspendable fund balance*** includes amounts that cannot be spent due to either being (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

***Restricted fund balance*** includes resources with constraints imposed by either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

***Committed fund balance*** amounts can only be used for specific purposes pursuant to constraints imposed by formal ordinances of the Assembly on or before the end of the fiscal year. Assembly action taken after the end of the fiscal year results in an assigned (see below) amount. Those committed resources cannot be used for any other purpose unless the Assembly removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

***Assigned fund balance*** reflects the resources constrained by an "intent" to be used for specific purposes but are neither restricted nor committed. The Assembly or Finance Director has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts - except negative balances - reported in governmental funds, other than the General Fund, that are not classified as nonspendable, restricted or committed. The General Fund assigned resources are constrained by either an Assembly resolution or ordinance adopted after the fiscal year end or by the Finance Director.

***Unassigned fund balance*** resources are the residual classification for resources not classified as nonspendable, restricted, committed or assigned in the General Fund. It is also used to report a

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

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negative balance in other governmental funds when the totals of nonspendable, restricted, committed and assigned are greater than the fund balance of the governmental fund.

When both constrained and unconstrained resources are available for use, it is the City and Borough's policy to use funds from the strongest constraint first with the least constrained funds used last. The order of priority in the use of assets is nonspendable, restricted, committed, assigned and then unassigned.

***Net Position and Net Position Flow Assumption*** - Net position (deficit) represents the difference between assets and deferred outflows less liabilities and deferred inflows.

*Net investment in capital assets* consists of capital assets, net of accumulated depreciation, reduced by the expended and outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets.

*Restricted net position* is net position reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

*Unrestricted net position (deficit)* is all net position (deficit) that does not meet the definition of "net investment in capital assets" or "restricted net position".

## 2. Stewardship, Compliance, and Accountability

### ***Budgetary Information***

The annual budget is adopted on the modified accrual basis plus encumbrances and capital additions for all funds. The Capital Projects Fund adopts individual project-length budgets and many special revenue funds are controlled by grant agreements which may include more than one fiscal year. Appropriations lapse at year-end to the extent they have not been expended or encumbered except for capital items and the Capital Project Funds, which lapse at project completion, or when the capital item is acquired, or if the project is abandoned. Special revenue fund appropriations lapse when the terms of the grant have been met and all authorized expenditures have been made; otherwise, special revenue fund appropriations lapse at the end of the fiscal year. There are fifteen special revenue funds that adopt annual budgets.

No later than sixty days before the end of the current fiscal year, the City and Borough Administrator presents to the City and Borough Assembly a proposed operating budget for the next fiscal year. The operating budget includes proposed expenditures and the projected means to finance them. Public hearings are conducted not less than one week before the final adoption of the budget to obtain taxpayer comments. No later than June 20<sup>th</sup> of the current fiscal year, the budget is legally adopted by ordinance of the City and Borough Assembly.

Annual budgeted operating expenditures are adopted at the fund level for all funds. The level at which operating expenditures cannot legally exceed appropriations is the fund level for the General Fund, Enterprise, and Internal Service Funds. Amounts appropriated for salaries and benefits, travel and the acquisition of capital assets may not be exceeded at the fund level. The City and Borough Assembly must approve increases and decreases to these budget line items even if the legal level of budget authority is the fund level. Capital appropriations are made at the project level and capital expenditures cannot exceed project-level appropriations. Capital appropriations do not lapse until a project is complete, in addition to the new appropriations for FY2024, over \$47,500,000 in open appropriations from prior years remain. Appropriations for depreciation/amortization are

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

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not required, however estimates for depreciation/amortization are included in the budget. In addition, while budgeted, transfers between funds are not considered legal appropriations, as they are not an obligation external to the municipality. Special revenue funds do not incur personnel costs. Finally, leased assets are budgeted as an expenditure, but are recorded under equipment acquisition to comply with GASB 87. Thus, while a fund may appear to have exceeded legal appropriations, when leased asset, depreciation and transfers are considered, no major fund exceeded its legal appropriations in FY2024.

Fund-level expenditures for the General Fund:

<i>For the fiscal year ended June 30, 2024</i>	Original Budget	Final Budget	Actual	Variance
Personnel	\$ 16,360,338	\$ 16,235,338	\$ 13,236,155	\$ 2,999,183
Travel and Training	388,375	391,738	209,921	181,817
Other	17,130,186	18,590,295	17,737,461	852,834
			\$	
Total Expenditures	33,878,899	35,217,371	31,183,537	4,033,834
Transfers between funds	8,721,249	12,871,249	11,633,939	1,237,310
Total expenditures and transfers	\$ 42,600,148	\$ 48,088,620	\$ 42,817,476	\$ 5,271,144

The City and Borough Administrator is authorized to transfer budgeted amounts within a department or fund depending on the legal level of control. The City and Borough Assembly is authorized to transfer unencumbered balances between departments and between funds. The annual budget is amended as required by the City and Borough Assembly through the passage of supplemental appropriation ordinances.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as constraints of fund balance only to the extent they meet the criteria as outlined above.

The operating budget for the School District is approved by its board. The School District budget is not approved by the Assembly. However, the Assembly determines the amount of funding to be made available from local sources for school purposes during its budget approval process.

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# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

### 3. Deposits and Investments

As of June 30, 2024, the City and Borough had the following investments:

Investment Type	Credit Rating	Fair Value
Investments subject to custodial credit risk:		
Corporate securities	AAA to A-	\$ 1,819,415
Certificates of deposit	Unrated or P1	6,391,689
U.S. Treasury securities	AA+	80,983,346
External investment pool	Unrated	15,312,130
Exchange traded funds	Unrated	16,919,080
U.S. agency securities	AA+	19,053,819
Money market Funds	Unrated	10,236,288
Total Fair Value of Investments subject to Custodial Credit Risk		\$ 150,715,767

#### *Interest Rate Risk*

The City and Borough does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The pooled investments cannot have a weighted average maturity in excess of five (5) years, while the bonds in the Permanent Fund cannot have a weighted average maturity in excess of ten (10) years. The City and Borough's investment policy mandates that the investment portfolio be structured to minimize the need to sell securities prior to maturity and that operating funds be invested primarily in shorter-term securities, money market mutual funds and similar investment pools.

As of June 30, 2024, investments subject to interest rate risk had the following maturities:

#### *Pooled investments and debt service reserves*

Investment type	Less Than 1 Year	1-2 years	2-5 years	>5 years
Corporate securities	\$ -	\$ 1,819,415	\$ -	\$ -
Certificates of deposit	1,363,141	2,592,947	2,435,601	-
U.S. Treasury securities	391,547	13,738,029	59,040,027	-
U.S. Agency securities	3,985,320	5,322,610	8,211,610	1,145,002
<b>Total Investments Subject to Interest Rate Risk</b>	<b>\$ 5,740,008</b>	<b>\$ 23,473,001</b>	<b>\$ 69,687,238</b>	<b>\$ 1,145,002</b>

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

*Permanent Fund*

Investment type	Less Than 1 Year	1-2 years	2-5 years	>5 years
U.S. Treasury securities	\$ 236,084	\$ 1,754,769	\$ 3,783,584	\$ 2,039,306
U.S. Agency securities	-	71,294	92,207	225,776
<b>Total Investments Subject to Interest Rate Risk</b>	<b>\$236,084</b>	<b>\$1,826,063</b>	<b>\$3,875,791</b>	<b>\$2,265,082</b>

The City and Borough’s investment policy allows the Permanent Fund to invest in mutual funds which are invested in corporate equity securities in addition to all of the investments described above. The investment policy requires that the equity securities within the mutual funds be broadly diversified across all sectors. The investment mix within the Permanent Fund’s portfolio has a benchmark percentage of 35% to be invested in fixed income securities and cash and must fall within a range of 25% to 45% of the market value of the portfolio. The investment mix also has a benchmark percentage of 65% to be invested in equity securities and must fall within a range of 55% to 75% of the market value of the portfolio. At June 30, 2024, the Permanent Fund’s portfolio contained 55% equity securities and 45% cash and fixed income securities.

A portion of the City and Borough of Sitka’s pooled investments are held in the Alaska Municipal League Investment Pool, Inc. (AMLIP), an external investment pool rated AAAM for credit risk purposes. Regulatory oversight of the pool is established under Alaska Statute 37.23, which outlines requirements for authorized investments and reporting.

AMLIP is incorporated as a nonprofit corporation in the State of Alaska and operates under the oversight of a board of directors. Alaska Statute 37.23.050 mandates the retention of an investment manager, who is responsible for producing monthly disclosure statements on the pool’s holdings and activities. Additionally, the pool has engaged an investment adviser to monitor the performance of the investment manager and ensure compliance with investment policies. Participation in AMLIP is voluntary. To manage risk and maintain liquidity, the pool is required to maintain a dollar-weighted average maturity of 90 days or less and may only purchase investments with remaining maturities of 397 days or less. An independent pricing service conducts monthly fair value assessments of the pool’s investments.

As of June 30, 2023, the fair value of investments in the pool approximates amortized cost and is equal to the value of pool shares. The Borough has no unfunded commitments related to its investment in AMLIP. Additionally, the Borough can redeem its investment on a daily basis without prior notification.

*Credit Risk*

The City and Borough’s investment policy limits investment in corporate debt securities to those rated AA or better by a nationally recognized statistical rating organization. Debt securities of state and local governmental entities must have a similar rating. Short-term commercial promissory notes must have a rating of A1/P1 or better. The long-term credit rating of the issuing organization must be A- or better. Real Estate Mortgage Investment Conduit securities are limited to the Government National Mortgage Association and the Federal Home Loan Mortgage Association. The investment policy does not require these securities to have any minimum rating. The City and Borough’s investments complied with its policy at June 30, 2024.

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

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### *Concentration of Credit Risk*

The City and Borough's investment policy states that one of the general objectives of investing will be to diversify the portfolio so that potential losses on individual securities will be minimized. The policy does not limit the investment in any one security to a percentage of the total portfolio.

As of June 30, 2024, the City and Borough had no concentrations exceeding five percent from any issuer, with the exception of the Alaska Municipal League Investment Pool (AMLIP) which is considered to have no credit risk and securities issued by the U.S. Government.

### *Custodial Credit Risk - Deposits*

In the case of deposits, this is the risk that in the event of a bank failure, the City and Borough's deposits may not be returned to it. It is the City and Borough's policy to mitigate this risk by requiring that all demand deposits be fully collateralized by securities held in the City and Borough's name by an agent of the financial institution holding the demand deposits. Of the bank balance at June 30, 2024, \$1,000,000 was covered by the Federal Deposit Insurance Corporation (FDIC), and \$15,682,450 was subject to a collateral agreement.

### *Custodial Credit Risk - Investments*

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of outside parties. All of the City and Borough's investments subject to custodial credit risk are held by the City and Borough's agent in its name.

### *Fair Value Measurement*

The City and Borough categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City and Borough has the following recurring fair value measurements, which are valued using information for market sources, integrated relative credit information, observed market movements, and sector news into the evaluated pricing applications and models (Level 2 inputs) as of June 30, 2024:

- U.S. government agency securities of \$19,053,819
- U.S. Treasury securities of \$80,983,346
- Corporate securities of \$1,819,415
- Certificates of deposits of \$6,391,689

The City and Borough has investments in exchange traded funds of international and U.S. equities which are quoted in active markets (Level 1) totaling \$16,919,080. The City and Borough has investments in money market funds totaling \$10,236,288 that are not held at fair value, but instead recorded at amortized cost, as of June 30, 2024. The City and Borough's investment in AMLIP of \$15,312,130 is measured at net asset value, as of June 30, 2024. AMLIP's objective is to provide a safe, short-term investment option entities to maximize revenue to government. The pool's focus on both safety and liquidity mean that there are no restrictions on redemptions. Management believes that these values approximate fair value.

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

A reconciliation of cash and investments as shown in the basic financial statements for the primary government follows:

Cash on hand	\$ 2,100
Carrying amount of deposits	21,680,585
Carrying amount of investments	150,715,767
<b>Total Cash and Investments</b>	<b>\$ 172,398,452</b>

**Reported in the Statement of Net Position**

Equity in central treasury	\$ 133,151,470
Equity in central treasury - restricted	160,979
Bond covenant accounts	8,974,976
Cash and investments - restricted	25,990,986
Capital asset acquisition	3,784,896
Reported in the Fiduciary Funds	335,145

<b>Total Cash and Investments</b>	<b>\$ 172,398,452</b>
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At June 30, 2024, the Sitka School District’s cash and investments included operating bank accounts and sweep accounts. The carrying amount of deposits was \$3,810,655. Amounts are insured at each financial institution by the Federal Deposit Insurance Corporation up to legal maximum. The School District policy requires any amount in excess of the U.S. Federal Deposit Insurance Corporation (FDIC) limit be collateralized.

### 4. Receivables

Receivables as of year-end for the City and Borough’s individual major funds, and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General	Sitka Community Hospital Dedicated Special Revenue	Nonmajor Governmental	Total Governmental Funds
Accounts	\$ 851,183	\$ 3,429	\$ 500	\$ 855,112
Taxes	5,265,861	-	372,574	5,638,435
Interest	1,001,448	3,148,140	-	4,149,588
Special assessments	-	-	1,924	1,924
Federal and State of Alaska	-	-	20,554	20,554
Leases	3,250,076	-	-	3,250,076
Notes	-	8,751,860	442,950	9,194,810
<b>Total receivables</b>	<b>10,368,568</b>	<b>11,903,429</b>	<b>838,502</b>	<b>23,110,499</b>
Less allowance for doubtful accounts and notes	(399,714)	-	-	(399,714)
<b>Net Total Receivables</b>	<b>\$ 9,968,854</b>	<b>\$ 11,903,429</b>	<b>\$ 838,502</b>	<b>\$ 22,710,785</b>

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

	Electric Utility	Water	Solid Waste Disposal	Waste- water	Harbors	Nonmajor Enterprise	Total Enterprise Funds
Special assessments	\$ -	\$ -	\$ -	\$13,448	\$ -	\$ -	\$ 13,448
Federal and State	242,882	384,684	-	-	901,798	8,172,693	9,702,057
Accounts	1,246,958	176,337	333,291	211,726	851,294	55,665	2,875,271
Leases	1,562,793	-	-	-	-	2,606,647	4,169,440
Notes	-	-	-	20,943	-	-	20,943
<b>Total receivables</b>	<b>3,052,633</b>	<b>561,021</b>	<b>333,291</b>	<b>246,117</b>	<b>1,753,092</b>	<b>10,835,005</b>	<b>16,781,159</b>
Less allowance for doubtful accounts	(164,675)	(45,995)	(96,550)	(57,119)	(566,977)	-	(931,316)
<b>Net Total Receivables</b>	<b>\$2,887,958</b>	<b>\$515,026</b>	<b>\$236,741</b>	<b>\$188,998</b>	<b>\$1,186,115</b>	<b>\$10,835,005</b>	<b>\$15,849,843</b>

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds report unearned revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows reported in the governmental funds were as follows:

<i>Description</i>	<i>Deferred Inflows</i>
Special assessments not yet due	\$ 1,924
Property taxes paid in advance	100,721
Leases	3,164,637
Notes receivable and interest not yet due	11,900,000
<b>Totals for Governmental Funds</b>	<b>\$ 15,167,282</b>

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# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

### 5. Capital Assets

<b>Governmental Activities</b>	Beginning Balance	Additions	Deletions and Adjustments	Ending Balance
<i>Capital assets not being depreciated:</i>				
Land	\$ 11,230,911	\$ -	\$ -	\$11,230,911
Construction in progress	1,479,347	606,432	(65,927)	2,019,852
<b>Total capital assets not being depreciated</b>	<b>12,710,258</b>	<b>606,432</b>	<b>(65,927)</b>	<b>13,250,763</b>
<i>Capital assets being depreciated or amortized:</i>				
Buildings	141,678,706	-	-	141,678,706
Land improvements	11,042,254	19,224	-	11,061,478
Infrastructure	55,938,535	-	-	55,938,535
Equipment	18,774,048	620,920	-	19,394,968
Right-to-use subscription IT asset	116,229	16,384	-	132,613
Right-to-use lease equipment	92,184	23,766	(37,589)	78,361
Right-to-use lease space	33,336	-	-	33,336
<b>Total capital assets being depreciated or amortized</b>	<b>227,675,292</b>	<b>680,294</b>	<b>(37,589)</b>	<b>228,317,997</b>
<i>Less accumulated depreciation and amortization for:</i>				
Buildings	(79,975,926)	(3,940,711)	-	(83,916,637)
Land improvements	(4,004,281)	(535,803)	-	(4,540,084)
Infrastructure	(30,084,746)	(2,037,542)	-	(32,122,288)
Equipment	(14,711,171)	(1,010,655)	-	(15,721,826)
Right-to-use subscription IT asset	(35,034)	(40,154)	-	(75,188)
Right-to-use lease asset	(50,532)	(19,171)	21,322	(48,381)
Right-to-use leased space	(17,594)	(11,112)	-	(28,706)
<b>Total accumulated depreciation and amortization</b>	<b>(128,879,284)</b>	<b>(7,595,148)</b>	<b>21,322</b>	<b>(136,453,110)</b>
<b>Total capital assets being depreciated or amortized, net</b>	<b>98,796,008</b>	<b>(6,914,854)</b>	<b>(16,267)</b>	<b>91,864,887</b>
<b>Governmental Activities Capital Assets, net</b>	<b>\$111,506,266</b>	<b>\$(6,308,422)</b>	<b>\$ (82,194)</b>	<b>\$105,115,650</b>

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

Business-Type Activities	Beginning Balance	Additions	Deletions and Adjustments	Ending Balance
<i>Capital assets not being depreciated:</i>				
Land	\$ 4,400,239	\$ 1,273,725	\$ -	\$ 5,673,964
Construction in progress	27,678,336	19,278,898	(27,281,412)	19,675,822
<b>Total capital assets not being depreciated</b>	<b>32,078,575</b>	<b>20,552,623</b>	<b>(27,281,412)</b>	<b>25,349,786</b>
<i>Capital assets being depreciated or amortized:</i>				
Buildings	21,537,386	74,460	-	21,611,846
Land improvements	23,668,663	2,804,802	-	26,473,465
Equipment	7,163,687	83,272	-	7,246,959
Harbors	50,873,750	161,878	-	51,035,628
Electric Plant	304,940,398	1,160,750	-	306,101,148
Water Plant	37,773,268	18,022,609	-	55,795,877
Wastewater treatment plant	67,656,662	229,914	-	67,886,576
Right-to-use subscription IT assets	67,105	-	-	67,105
Right-to-use leased land	34,784	-	(34,784)	-
<b>Total capital assets being depreciated or amortized</b>	<b>513,715,703</b>	<b>22,537,685</b>	<b>(34,784)</b>	<b>536,218,604</b>
<i>Less accumulated depreciation and amortization for:</i>				
Buildings	(12,063,383)	(547,969)	-	(12,611,352)
Land improvements	(6,389,821)	(638,169)	-	(7,027,990)
Equipment	(5,406,954)	(253,677)	-	(5,660,631)
Harbors	(21,742,189)	(1,672,591)	-	(23,414,780)
Electric Plant	(114,365,555)	(5,565,572)	-	(119,931,127)
Water Plant	(20,779,664)	(1,778,157)	-	(22,557,821)
Wastewater treatment plant	(42,489,109)	(1,237,324)	-	(43,726,433)
Right-to-use subscription IT asset	(29,824)	(29,824)	-	(59,648)
Right-to-use leased land	(23,190)	(11,594)	34,784	-
<b>Total accumulated depreciation and amortization</b>	<b>(223,289,689)</b>	<b>(11,734,877)</b>	<b>34,784</b>	<b>(234,989,782)</b>
<b>Total capital assets being depreciated or amortized, net</b>	<b>290,426,014</b>	<b>10,802,808</b>	<b>-</b>	<b>301,228,822</b>
<b>Business-type Activities Capital Assets, net</b>	<b>\$ 322,504,589</b>	<b>\$ 31,355,431</b>	<b>\$(27,281,412)</b>	<b>\$ 326,578,608</b>

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

**Governmental Activities**

Administration	\$	119,937
Public safety		314,513
Public works		2,624,174
Public services		686,461
Education		3,039,129
Capital assets held by internal service funds		810,934

**Total Depreciation Expense - Governmental Activities** \$ 7,595,148

**Business-type Activities**

Electric	\$	5,767,182
Water		2,090,339
Wastewater treatment		1,324,521
Solid waste disposal		208,274
Harbors		1,730,743
Airport terminal building		178,430
Marine service center		28,129
Gary Paxton Industrial Park		407,259

**Total Depreciation Expense - Business-type Activities** \$ 11,734,877

### 6. Interfund Receivables, Payables and Transfers

<i>Receivable Fund</i>	Payable Fund	Amount
Due to/from other funds:		
General Fund	Nonmajor enterprise fund	\$ 3,002,618
<b>Total Due To/From Other Funds</b>		<b>\$ 3,002,618</b>

Advances from/to other funds:

General Fund	Sitka Community Hospital Fund	\$ 3,125,552
Nonmajor governmental fund	Solid Waste Fund	2,604,000
<b>Total Advances From/To Other Funds</b>		<b>\$ 5,729,552</b>

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

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The Southeast Economic Development Fund, a nonmajor governmental fund, was established with federal monies, to promote economic development and is also used to fund internal projects. This fund advanced amounts to other funds for expansion projects. At the end of the fiscal year, internal loans totaling \$2,604,000 were outstanding. Generally, internal loans are made at an annual interest rate of 3%, though the loan made to the Solid Waste Fund was made at 0%. The term is usually set at 3 years but may vary.

The advance from the General Fund to the Sitka Community Hospital Dedicated Special Revenue Fund was to cover a known liability at the time of the closure of the Sitka Community Hospital. A small portion of the liability remains outstanding and therefore payments to the City and Borough of Sitka from the Southeast Alaska Regional Health Consortium are held in escrow. For this reason, at the end of the fiscal year, a portion of the advance remains outstanding, with the expectation that it will be repaid upon release of funds in escrow.

### Interfund Transfers

Within the City and Borough of Sitka, transfers are used to move general and other fund revenues for the purchase and construction of capital assets to the nonmajor governmental and internal service funds and enterprise funds. Funds are also transferred from the General Fund to the School Debt Service Fund to cover debt payments. The Utility Subsidization Fund receives transfers from the General Fund and then the Utility Subsidization Fund transfers funds into the Electric Fund. Funding for tourism-related expenses is transferred to various funds from the Commercial Passenger Excise Tax fund. In addition, funds are transferred to the General Fund each year from the Permanent Fund for general support.

In FY2024 capital assets related to the Sitka Seaplane Base were transferred from the Capital Project Fund (a nonmajor governmental fund) and the Harbor Fund into the Airport Fund

### Transfers From:

<b>Transfers To:</b>	General	Permanent	Electric	Solid Waste
General	\$ -	\$ 1,110,886	\$ -	\$ -
Electric	-	-	-	-
Solid Waste	-	-	-	-
Harbor	47,999	-	17,500	-
Nonmajor Governmental	11,324,421	-	-	-
Nonmajor Enterprise	-	-	-	-
Internal Service	261,519	-	-	155,840
<b>Total Transfers Out</b>	<b>\$11,633,939</b>	<b>\$ 1,110,886</b>	<b>\$ 17,500</b>	<b>\$ 155,840</b>

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

### Transfers From:

<u>Transfers To:</u>	Harbor	Nonmajor Governmental	Nonmajor Enterprise	Internal Service	Total
General	\$ -	\$ 6,848,699	\$ -	\$ -	\$ 7,959,585
Electric	-	201,595	-	-	201,595
Solid Waste	-	-	-	862,500	862,500
Harbor	-	90,648	33,185	-	189,332
Nonmajor Governmental	-	182,786	-	88,000	11,595,207
Nonmajor Enterprise	-	1,298,571	-	-	1,298,571
Internal Service	113,104	12,522	-	-	542,985
<b>Total Transfers Out</b>	<b>\$ 113,104</b>	<b>\$ 8,634,821</b>	<b>\$ 33,185</b>	<b>\$ 950,500</b>	<b>\$ 22,649,775</b>

### Transfer of capital assets

#### Transfers From:

<u>Transfers To:</u>	Nonmajor Governmental	Harbor Fund	Total
Nonmajor Enterprise	\$ 46,702	\$ 4,869,072	\$ 4,915,774
<b>Total Transfers Out</b>	<b>\$ 46,702</b>	<b>\$ 4,869,072</b>	<b>\$ 4,915,774</b>

## 7. Long-term Debt

### General Obligation Bonds

The City and Borough issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued only for governmental activities.

General obligation bonds are direct obligations and pledge the full faith and credit of the City and Borough. All of the bonds outstanding are held by the Alaska Municipal Bond Bank Authority. The State of Alaska agency purchases bonds from municipalities within the State, while simultaneously selling its own bonds to third parties in order to fund the bond purchases. Principal payments are due annually and interest payments are made semi-annually.

General obligation bonds currently outstanding are as follows:

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

Governmental Activities	Interest Rates	Outstanding Amount
School renovation and additions:		
\$6,095,000 2015 Series One refinancing portion of 2005 Series A and 2008 Series Two School bonds, final payment due October 1, 2027	2.000% to 5.000%	\$1,945,000
\$2,775,000 2021 Series One refinancing portion of 2011 Series Two School Bonds, final payment due December 1, 2030	5.000%	2,080,000
\$3,515,000 2021 Series Two refinancing the balance of 2012 Series Two that refunded 2004 Series A School Bonds, final payment due December 1, 2024	.243% to .698%	605,000
<b>Total General Obligation Bonds</b>		<b>\$4,630,000</b>

Annual debt service requirements to maturity for general obligation bonds are as follows:

<i>Year Ending June 30,</i>	Principal	Interest
2025	\$ 1,310,000	\$ 185,736
2026	740,000	147,500
2027	780,000	109,500
2028	820,000	69,500
2029	310,000	41,250
2030-2031	670,000	34,000
	<b>\$ 4,630,000</b>	<b>\$ 587,486</b>

In addition, governmental activities reports three State of Alaska, Department of Environmental Conservation Loans for stormwater improvements and sewer replacement projects. Principal and interest payments are made annually.

	Interest Rates	Outstanding Amount
\$195,000, note payable for stormwater improvements, #783011	1.50%	\$ 39,000
\$69,622, note payable for stormwater improvements, #783401	1.50%	31,330
\$740,000, note payable for Baranof Street Sewer Replacement, governmental portion of \$183,097, #783091	1.50%	99,867
<b>Total State of Alaska, Department of Environmental Conservation Loans</b>		<b>\$ 170,197</b>

Annual debt service requirements to maturity are as follows:

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

<i>Year Ending June 30,</i>	Principal	Outstanding Interest
2025	\$ 22,310	\$ 2,553
2026	22,310	2,218
2027	22,310	1,747
2028	22,310	1,413
2029	12,560	1,078
2030-2034	59,319	2,565
2035	9,079	-
	<b>\$ 170,198</b>	<b>\$ 11,574</b>

### Revenue Bonds

The City and Borough issues bonds where it pledges income from the acquired or constructed assets to pay debt service. Revenue bonds for the Airport Terminal, Electric, and Harbor funds all require cash flow from operating revenue at or above 125% of annual bonded debt service. If cashflow falls below 125% of the debt service, the City and Borough can avoid default by employing a consultant to recommend rate changes that would satisfy the rate covenant within 180 days. All such requirements were met for the year ended June 30, 2024. Principal payments on the revenue bonds are due annually and interest payments are made semi-annually.

Revenue bonds outstanding at year end are as follows:

<b>Business-type Activities</b>	Interest Rates	Outstanding Amount
\$8,025,000, 2018 Series One Harbor bonds, final payment due February 1, 2038	5.00%	\$ 6,700,000
\$4,045,000, 2018 Series One Airport Terminal bonds, final payment due February 1, 2038	5.00%	3,310,000
\$25,550,000 2020 Series One refunding 2010 Series Electric bonds, final payment due December 1, 2030	5.00%	17,705,000
\$39,240,000 2021 Series Two refunding 2013 One Series Electric bonds, final payment due December 1, 2046	.243% to 3.128%	38,370,000
\$28,895,000 2021 Series Two refunding 2013 Three Series Electric bonds, final payment due December 1, 2048	.243% to 3.128%	28,160,000
\$19,110,000 2021 Series Two refunding 2014 Three Series Electric bonds, final payment due December 1, 2044	.243% to 3.128%	18,520,000
\$5,975,000 2021 Series Two refinancing of Alaska Energy Authority Electric loan, final payment due December 1, 2032	.243% to 2.222%	4,550,000
\$2,675,000 2021 Series Two refinancing of 2013 One Harbor bonds, final payment due December 1, 2032	.243% to 2.222%	2,330,000
<b>Total Revenue Bonds</b>		<b>\$119,645,000</b>

Annual debt service requirements to maturity for revenue bonds are as follows:

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

<i>Year Ending June 30,</i>	Principal	Interest
2025	\$ 4,040,000	\$ 3,934,415
2026	4,180,000	3,799,904
2027	4,325,000	3,654,259
2028	4,480,000	3,498,380
2029	4,650,000	3,332,115
2030-2034	26,030,000	13,946,646
2035-2039	27,105,000	10,028,194
2040-2044	26,345,000	5,773,407
2045-2049	18,490,000	1,756,607
	<b>\$ 119,645,000</b>	<b>\$ 49,723,927</b>

As of June 30, 2024, the City and Borough had no authorized but unissued bonds.

### Federal Loan (United States Department of Agriculture, Rural Utilities Service)

The City and Borough issued a loan from the United States Department of Agriculture Rural Utilities Service where it pledges that rates will be maintained such that coverage ratios are achieved for TIER (1.05), DCS (1.00), OTIER (1.00), ODSC (1.00). This requirement has been met for the year ended June 30, 2024. Interest and principal payments are made quarterly with the first principal payment being due June 30, 2025.

Federal loan outstanding at year-end is as follows:	Interest rates	Outstanding Amount
\$3,066,945, USDA RUS Green Lake phase 1, final payment due January 3, 2056	4.879%	\$ 3,066,945

Annual debt service requirements to maturity for the federal loan are as follows:

<i>Year Ending June 30,</i>	Principal	Interest
2025	\$ 24,935	\$ 149,021
2026	99,738	146,603
2027	99,738	141,737
2028	99,738	137,069
2029	99,738	132,554
2030-2034	498,690	586,358
2035-2039	498,690	465,419
2040-2044	498,690	343,838
2045-2049	498,690	222,038
2050-2054	498,690	100,452
2055-2056	149,608	6,413
	<b>\$ 3,066,945</b>	<b>\$ 2,431,502</b>

State of Alaska, Department of Environmental Conservation Loan Program



# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

The City and Borough borrowed funds from the State of Alaska to upgrade water and wastewater distribution systems. Interest and Principal payments on loans are made annually.<sup>8</sup>

	Interest Rate	Outstanding Amount
Completed projects:		
\$987,157, for I and I #783011	1.50%	\$ 196,545
\$1,310,000, for wastewater treatment plant upgrades #783051	1.50%	147,013
\$565,000, for water system upgrades on Sawmill Creek Road #783061	1.50%	93,897
\$1,000,000, for harbor water distribution system upgrades #783071	1.50%	226,741
\$2,400,000, for Kimsham landfill closure #783081	1.50%	578,988
\$740,000, for Baranof Street sewer replacement #783091	1.50%	170,044
\$1,400,000, for sewer system upgrades #783101	1.50%	383,568
\$1,352,100, for Degroff Street water replacement #783111	1.50%	1,284,495
\$1,447,717, for Degroff Street sewer replacement #783121	1.50%	1,375,331
\$1,000,000, for Japonski Island water distribution main #783151	1.50%	228,740
\$482,588 for Crescent Harbor lift station #783161	1.50%	352,577
\$3,170,000, for Whitcomb Heights subdivision water tank #783211	1.50%	792,432
\$2,690,875, for wastewater treatment plant HVAC #783221	1.50%	2,549,250
\$217,400, for Brady lift station #783231	1.50%	206,530
\$308,000, for HPR/SMC Road intersection sewer replacement #783241	1.50%	108,870
\$1,455,081, for SMC Road sewer upgrade, Phase III #783281	1.50%	68,625
\$297,791 for Monastery & Baranof Street water mains #783301	1.50%	193,564
\$483,000, for SMC Road/HPR water line replacement #783311	1.50%	124,780
\$617,000, for water tank protection #783341	1.50%	27,765
\$2,154,170, for Crescent and landfill lift stations #783161	1.50%	2,046,461
\$737,690 for Jeff Davis water main replacement #783371	1.50%	538,956
\$2,375,092 for Indian River temporary filtration #783381	1.50%	1,735,239
\$1,740,000, for Japonski Island sewer lift stations #783391	1.50%	751,783
\$859,103, for Monastery Street sewer main replacement #783401	1.50%	209,668
\$316,211 for Monastery & Baranof Street sewer mains #783411	1.50%	205,537
\$1,520,000, for UV disinfection facility #783431	1.50%	880,000
\$782,000, for Monastery Street water main replacement #783441	1.50%	300,336
\$1,733,750, for wastewater treatment plant project #783451	1.50%	1,642,500
\$4,150,286, for wastewater treatment plant project #783451	1.50%	3,942,772
\$685,000, for Baranof Street water system replacement #783501	1.50%	50,352
\$214,600 for Hollywood Way sewer main #783511	1.50%	139,490
\$58,362, for Hollywood Way water main #783521	1.50%	37,936
<b>Total notes payable for completed projects</b>		<b>21,590,785</b>

Interest Rate    Outstanding Amount

Uncompleted projects in drawdown phase:

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

\$2,154,170, for UV disinfection #783481	1.50%	\$ 434,921
\$17,620,000 for critical secondary water supply #783531	1.56%	16,153,870
<hr/>		
Total draw on notes yet to be finalized		\$ 16,588,791

Annual debt service requirements to maturity for notes payable on completed projects are as follows:

<i>Year Ending June 30,</i>	Principal	Interest
2025	\$ 1,728,714	\$ 323,862
2026	1,732,358	297,931
2027	1,660,894	268,442
2028	1,648,911	244,029
2029	1,589,924	219,796
2030-2034	6,063,642	811,148
2035-2039	4,612,469	427,609
2040-2043	2,553,873	90,871
<hr/>		
	\$ 21,590,785	\$ 2,683,688

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# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

### Changes in Long-term Liabilities

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
	\$				
General obligation bonds	6,705,000	\$ -	\$ 2,075,000	\$ 4,630,000	\$ 1,310,000
Issuance premiums	615,450	-	102,130	513,320	-
<b>Total bonds payable</b>	<b>7,320,450</b>	<b>-</b>	<b>2,177,130</b>	<b>5,143,320</b>	<b>1,310,000</b>
State of Alaska notes	192,506	-	22,309	170,197	22,310
Leases payable	59,502	23,766	30,798	52,470	18,562
Subscription IT liabilities	46,764	-	22,961	23,803	23,803
Compensated absences	748,507	559,491	151,857	1,156,141	629,935
Net pension liability	11,896,511	83,250	46,487	11,933,274	-
<b>Governmental Activity Long-term Liabilities</b>	<b>\$ 20,264,240</b>	<b>\$ 666,507</b>	<b>\$ 2,451,542</b>	<b>\$18,479,205</b>	<b>\$ 2,004,610</b>
Business-type Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
Revenue bonds	\$123,535,000	\$ -	\$ 3,890,000	\$119,645,000	\$ 4,040,000
Issuance premiums	3,568,420	-	720,270	2,848,150	-
<b>Total bonds payable</b>	<b>127,103,420</b>	<b>-</b>	<b>4,610,270</b>	<b>122,493,150</b>	<b>4,040,000</b>
Notes payable:					
Federal notes	-	3,066,945	-	3,066,945	24,935
State of Alaska notes	39,150,355	757,574	1,728,354	38,179,575	1,728,714
<b>Total notes payable</b>	<b>39,150,355</b>	<b>3,824,519</b>	<b>1,728,354</b>	<b>41,246,520</b>	<b>1,753,649</b>
Leases	12,146	-	12,146	-	-
Compensated absences	368,280	370,519	153,144	585,655	378,519
Subscription IT liabilities	37,882	-	30,063	7,819	7,819
Landfill post-closure liability	664,711	-	15,414	649,297	-
Net pension liability	6,516,579	173,832	365,560	6,324,851	-
<b>Business-type Activity Long-term Liabilities</b>	<b>\$173,853,373</b>	<b>\$ 4,368,870</b>	<b>\$ 6,914,951</b>	<b>\$171,307,292</b>	<b>\$ 6,179,987</b>

For governmental activities, compensated absences, and pension liability, are generally liquidated by the General Fund or internal service fund in which they were incurred.

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

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### 8. Leases

#### Lessee

The City and Borough of Sitka is a lessee for noncancellable leases of equipment as well as space in a building. The City and Borough recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City and Borough recognizes lease liabilities with an initial, individual value of \$10,000 or more.

At the commencement of a lease, the City and Borough initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City and Borough determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City and Borough uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City and Borough generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City and Borough is reasonably certain to exercise.

The City and Borough monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

#### Lessor

The City and Borough is a lessor for noncancellable leases of land, space on electric poles, and space in the airport terminal and Marine Service Center buildings. The City and Borough recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund-level financial statements.

At the commencement of a lease, the City and Borough initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

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Key estimates and judgments include how the City and Borough determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City and Borough uses U.S. Treasury Yield Curve Semiannual Rate listed for July 1<sup>st</sup> of the fiscal year as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City and Borough monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

### Leases Receivable

The City and Borough leases General Fund land and tidelands, space on electric poles, airport building space, Marine Service Center (MSC) building space, and Gary Paxton Industrial Park (GPIP) land. The leases range for two to ninety-nine years and the City and Borough will receive annual payments listed in the table below. The City and Borough recognized lease revenue and interest revenue during the current fiscal year related to all leases as stated in the table below. As of June 30, 2024, the City and Borough receivable for lease payments is stated below. Also, the City and Borough has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of June 30, 2024, the balance of the deferred inflow of resources is listed below.

	Payment Amount	Lease Revenue	Lease Interest	Leases Receivable	Deferred Inflows
General Fund	\$ 297,311	\$ 230,569	\$ 66,742	\$ 3,250,076	\$ 3,164,637
Electric	100,020	68,025	31,995	1,562,793	1,519,704
Airport	32,314	32,016	298	-	-
MSC	312,000	257,842	54,158	2,567,832	2,543,107
GPIP	8,051	7,196	855	38,815	37,890

The City and Borough has entered into leases with airlines leasing space in Sitka's airport terminal as well as space leased by the Transportation Security Administration for security screening purposes which are classified as regulated leases and are therefore not within the scope of GASB Statement No. 87 - Leases. Total inflows of resources from regulated leases was \$460,823 for fiscal year 2024. Future minimum payments from regulated leases are expected for the next 3 fiscal years, and are expected to exceed \$10,000 annually.

### Leases Payable

The City and Borough has multiple lease agreements ranging from five to twenty-seven years as lessee for the acquisition and use of folding machines, copiers, building space and land. The lease liability at the beginning of the fiscal year was \$71,648. As of June 30, 2024, the value of the lease liability was \$52,470. The City and Borough is required to make principal and interest payments of \$44,743. One new leases were entered into as of June 30, 2024. The leases have an implicit interest rate of 4% and any new leases will use the U.S. Treasury Yield Curve Semiannual Rate listed for July 1<sup>st</sup> of the fiscal year as the discount rate. The value of the right-to-use asset as of the end of the current fiscal year was \$111,697 and had accumulated amortization of \$77,087.

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

	Initial Lease Liability	Value Lease Liability	Principal & Interest Payment	Value of Right-to-use Asset	Accumulated Amortization
Governmental Activities	\$ 59,502	\$ 52,470	\$ 32,330	\$ 111,697	\$ 77,087
Airport	12,146	-	12,413	-	-
<b>Totals</b>	<b>\$ 71,648</b>	<b>\$ 52,470</b>	<b>\$ 44,743</b>	<b>\$ 111,697</b>	<b>\$ 77,087</b>

The future principal and interest lease payments for the Governmental Activities as of June 30, 2024 are as follows:

<i>Year Ending June 30,</i>	Principal	Interest	Total
2025	\$ 18,562	\$ 1,004	\$ 19,566
2026	20,570	664	21,234
2027	4,791	468	5,259
2028	4,996	263	5,259
2029	3,551	57	3,608
<b>Totals</b>	<b>\$ 52,470</b>	<b>\$ 2,456</b>	<b>\$ 54,926</b>

### 9. Subscription IT Assets

The City and Borough of Sitka is party to 5 subscription-based information technology arrangements (SBITAs). The City and Borough recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the financial statements. The City and Borough recognizes subscription liabilities with an initial term greater than twelve months and an individual value of \$10,000 or more. For SBITAs with a maximum possible term of 12 months or less at commencement, the City and Borough recognizes expenses/expenditures based on the provisions of the arrangement.

At the commencement of a SBITA, the City and Borough initially measures the subscription liability at the present value of expected subscription payments to be made over the SBITA term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial measurement of the subscription liability, adjusted for payments associated with the SBITA contract made to the vendor at the commencement of the subscription term, plus any capitalizable initial implementation costs, less any vendor incentives received at the commencement of the subscription term. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the useful life of the IT asset or subscription term.

Key estimates and judgments related to SBITAs include how the City and Borough determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) the subscription term, and (3) subscription payments.

The City and Borough uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City and Borough has opted to use the U.S. Treasury Yield Curve Semi-annual Rate listed for July 1<sup>st</sup> of the fiscal year for the term of the SBITA. At July 1, 2022 this was determined to be 2.84% for a 2-year term and 2.85% for a 3-year term. As

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

of July 3, 2023 this was determined to be 4.94% for a 2-year term and 4.56% for a 3-year term. The subscription term includes the noncancellable period during which the City and Borough has a noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend if reasonably certain the City and Borough or vendor will exercise that option or to terminate if it is reasonably certain that the City and Borough or vendor will not exercise that option. Subscription payments included in the measurement of the subscription liability are composed of fixed payments.

The City and Borough monitors changes in circumstances that would require a remeasurement of a SBITA and will remeasure the subscription asset and subscription liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term obligations on the statement of net position.

The City and Borough capitalized qualifying initial implementation costs of \$199,718 or more as part of the recording the initial subscription asset. Preliminary project stage outlays are expensed as included. Operation and additional implementation stage activities are expensed as incurred unless they meet specific capitalization criteria.

	Initial SBITA Liability	Value SBITA Liability	Principal & Interest Payment	Value of Right-to- use SBITA	Accumulated Amortization
Governmental Activities	\$ 46,764	\$ 23,803	\$ 23,995	\$ 132,613	\$ 75,188
Electric Fund	37,882	7,819	30,750	67,105	59,648
<b>Total</b>	<b>\$ 84,646</b>	<b>\$ 31,622</b>	<b>\$ 54,745</b>	<b>\$ 199,718</b>	<b>\$ 134,836</b>

The future principal and interest SBITA payments for Governmental Activities as of June 30, 2024 are as follows:

<i>Year ending June 30,</i>	Principal	Interest	Total
2025	\$ 23,803	\$ 371	\$ 24,174
<b>Total</b>	<b>\$ 23,803</b>	<b>\$ 371</b>	<b>\$ 24,174</b>

The future principal and interest SBITA payments for the Electric Fund as of June 30, 2024 are as follows:

<i>Year ending June 30,</i>	Principal	Interest	Total
2025	\$ 7,819	\$ 38	\$ 7,857
<b>Total</b>	<b>\$ 7,819</b>	<b>\$ 38</b>	<b>\$ 7,857</b>

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

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### 10. Restricted Assets

The balance of the restricted assets accounts in the enterprise funds at June 30, 2024 is as follows:

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Customer deposits:	
Electric utility	\$ 151,220
Water fund	100
Solid waste disposal	9,659
Assets restricted for airport terminal capital asset acquisition	3,784,896
Investment with bond trustee pursuant to revenue bond covenants	8,974,976
<b>Total Restricted Assets</b>	<b>\$ 12,920,851</b>

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# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

### 11. Fund Balances

Fund balances, reported in the City and Borough's individual major funds and nonmajor funds in the aggregate on the governmental funds balance sheet are subject to the following constraints:

	General Fund	Permanent Fund	Sitka Community Hospital Dedicated Fund	Nonmajor Funds	Totals
<b>Nonspendable:</b>					
Advances receivable	\$ 3,125,552	\$ -	\$ -	\$ 2,604,000	\$ 5,729,552
Prepaid items	7,280	-	-	-	7,280
Notes receivable	-	-	-	442,950	442,950
Home rule charter	-	25,027,829	-	-	25,027,829
<b>Total nonspendable</b>	<b>3,132,832</b>	<b>25,027,829</b>	<b>-</b>	<b>3,046,950</b>	<b>31,207,611</b>
<b>Restricted:</b>					
Sitka Public Library	-	-	-	293,397	293,397
Commercial passenger tax	-	-	-	3,299,056	3,299,056
Home rule charter	-	1,041,233	-	-	1,041,233
Debt service	-	-	-	5,901,148	5,901,148
<b>Total restricted</b>	<b>-</b>	<b>1,110,886</b>	<b>-</b>	<b>9,493,601</b>	<b>10,534,834</b>
<b>Committed:</b>					
Working capital reserve	8,790,618	-	-	-	8,790,618
Emergency reserve	2,000,000	-	-	-	2,000,000
E911 surcharge	822,314	-	-	-	822,314
SRS Title III	512,663	-	-	-	512,663
Hospital sale	379,027	-	4,147,944	-	4,526,971
SE economic development	-	-	-	59,020	59,020
Capital projects	-	-	-	24,080,980	24,080,980
<b>Total committed</b>	<b>12,504,622</b>	<b>-</b>	<b>4,147,944</b>	<b>24,140,000</b>	<b>40,792,566</b>
<b>Assigned:</b>					
Gary Paxton Industrial Park	-	-	-	109,629	109,629
Utility Cost subsidization	-	-	-	203,769	203,769
LID revolving	-	-	-	1,131,616	1,131,616
LID guaranty	-	-	-	272,623	272,623
Raw water sales	-	-	-	139,123	139,123
Visitor enhancement	-	-	-	695,110	695,110
Other small funds	-	-	-	330,160	330,160
<b>Total Assigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,882,030</b>	<b>2,882,030</b>
<b>Unassigned (deficit)</b>	<b>7,856,510</b>	<b>-</b>	<b>(4,178,774)</b>	<b>-</b>	<b>3,677,736</b>
<b>Total Fund Balances (Deficit)</b>	<b>\$ 23,493,964</b>	<b>\$ 26,069,062</b>	<b>\$ (30,830)</b>	<b>\$ 39,562,581</b>	<b>\$ 89,094,777</b>

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

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### 12. Risk Management

The City and Borough is exposed to various risks of loss related to torts; theft of; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City and Borough carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The City and Borough has not accrued a liability for claims and judgments at June 30, 2024 because the amount of potential claims at year end was determined to be immaterial. The City and Borough made no claim payments during fiscal year 2024.

Effective January 1, 1989, the City and Borough was self-insured with respect to unemployment claims made by former employees. The City and Borough of Sitka accounts for claims on a pay-as-you-go basis as it is immaterial.

### 13. Pension and Other Postemployment Benefits Plans

#### *(a) Defined Benefit (DB) Pension Plan*

##### ***General Information About the Plan***

The City and Borough participates in the Alaska Public Employees' Retirement System (PERS). PERS is a cost-sharing multiple-employer plan which covers eligible State and local government employees, other than teachers. The Plan was established and is administered by the State of Alaska Department of Administration. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

The Plan is included in an annual comprehensive financial report that includes financial statements and other required supplemental information. That report is available via the internet at <https://drb.alaska.gov/docs/reports/#pers>. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on this website.

The Plan provides for retirement, death and disability, and postemployment healthcare benefits. There are three tiers of employees, based on entry date. For all tiers within the Defined Benefit (DB) plan, full retirement benefits are generally calculated using a formula comprised of a multiplier times the average monthly salary (AMS) times the number of years of service. The multiplier is increased at longevity milestone markers for most employees. Peace/Fire employees accrue benefits at an accelerated rate. The tiers within the Plan establish differing criteria regarding normal retirement age, early retirement age, and the criteria for calculation of AMS, COLA adjustments, and other postemployment benefits (OPEB). A complete benefit comparison chart is available at the website noted above.

The PERS DB Plan was closed to new entrants effective July 1, 2006. New employees hired after that date participate in the PERS Defined Contribution (DC) Plan described later in these notes.

##### ***Historical Context and Special Funding Situation***

In April 2008, the Alaska Legislature passed legislation converting the previously existing PERS plan from a DB agent-multiple-employer plan to a DB cost-sharing plan with an effective date of July 1, 2008. In connection with this conversion, the State of Alaska passed additional legislation which statutorily capped the employer contribution rate, established a state funded "on-behalf" contribution (subject to funding availability), and required that employer contributions be

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

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calculated against all PERS eligible wages, including wages paid to participants of the PERS Tier IV defined contribution plan described later in these notes. The Alaska Legislature has the power and authority to change the aforementioned statute through the legislative process.

Alaska Statute 39.35.280 requires the State of Alaska to contribute to the Plan an amount such that, when combined with the employer contribution, is sufficient to pay the Plan's past service liability contribution rate as adopted by the Alaska Retirement Management Board (ARM Board). As such, the Plan is considered to be in a special funding situation as defined by GASB, and management has recorded all pension related liabilities, deferred inflows/outflows of resources, and disclosures on this basis.

The City and Borough recorded the related on-behalf contributions as revenue and expense or expenditures as prescribed by GAAP, pursuant to the relevant basis of accounting based on fund type.

### ***Employee Contribution Rates***

Regular employees are required to contribute 6.75% of their annual covered salary. Peace officers and firefighters are required to contribute 7.50% of their annual covered salary.

### ***Employer and Other Contribution Rates***

There are several contribution rates associated with the pension contributions and related liabilities. These amounts are calculated on an annual basis.

**Employer Effective Rate:** This is the contractual employer pay-in rate. Under current legislation, the amount calculated for the statutory employer effective contribution rate is 22% on eligible wages. This 22% rate is calculated on all PERS participating wages, including those wages attributable to employees in the DC plan. Contributions derived from the DC employee payroll is referred to as the Defined Benefit Unfunded Liability or DBUL contribution.

**ARM Board Adopted Rate:** This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25-year term which ends in 2039. This change results in a lower ARM Board Rates than previously adopted.

**State Contribution Rate:** This is the rate paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. In the governmental fund financial statements, on-behalf contribution amounts have been recognized as additional revenues and expenditures. In the proprietary funds and government-wide financial statements, the on-behalf amounts reflect revenue and expense only during the measurement period in which the Plan recognizes the payments, resulting in a significant timing difference between the cash transfers and revenue and expense recognition.

Contribution rates for the year ended June 30, 2024 were determined in the June 30, 2022 actuarial valuations. The City and Borough's contribution rates for the 2024 fiscal year were as follows:

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

	ARM Board Adopted Rate	State Contribution Rate
Defined benefit plans:		
Pension	18.47%	3.10%
Postemployment healthcare (ARHCT)	-%	-%
Defined contribution - Pension	6.63%	-%
<b>Total Contribution Rates</b>	<b>25.10%</b>	<b>3.10%</b>

Alaska Statue 39.35.255(a) capped the employer rate at 22% with the State of Alaska making a nonemployer contribution for the difference between actuarially required contribution and the cap. For the fiscal year the employer rate is 22.00% for pension and 0.00% for ARHCT. The contribution requirements for the City and Borough are established and may be amended by the ARMB. Additionally, there is a Defined Benefit Unfunded Liability (DBUL) amount levied against the DCR Plan payroll. The DBUL amount is computed as the difference between (a) amount calculated for the statutory employer contribution rate of 22.00% on eligible salary less (b) total of the employer contribution for (1) defined contribution employer matching amount, (2) major medical, (3) occupational death and disability, and (4) health reimbursement arrangement. The difference is deposited based on an actuarial allocation into the defined benefit plan’s pension and healthcare funds.

In 2024, the City and Borough was credited with the following contributions to the pension plan:

	Measurement Period	City and Borough Fiscal Year
	July 1, 2022 to June 30, 2023	July 1, 2023 to June 30, 2024
Employer contributions (including DBUL)	\$ 3,018,761	\$ 3,072,127
Nonemployer contributions (on-behalf)	300,120	330,638
<b>Total Contributions</b>	<b>\$ 3,318,881</b>	<b>\$ 3,402,765</b>

In addition, employee contributions to the Plan totaled \$190,075 during the City and Borough’s fiscal year.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2024, the City and Borough reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the City and Borough. The amount recognized by the City and Borough for its proportional share, the related State proportion, and the total portion of the net pension liability that was associated with the City and Borough were as follows:

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

City and Borough proportionate share of NPL	\$ 18,321,757
State's proportionate share of NPL associated with the City and Borough	6,109,450
<b>Total Net Pension Liability</b>	<b>\$ 24,431,207</b>

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 and adjusted to reflect updated assumptions to calculate the net pension liability as of that date. The City and Borough's proportion of the net pension liability was based on a projection of the City and Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, including the State, actuarially determined. At the June 30, 2023 measurement date, the City and Borough's proportion was 0.35335 percent, which was a decrease of 0.00791 from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the City and Borough recognized pension expense of \$6,662,976 and on-behalf revenue of \$672,415 for support provided by the State. At June 30, 2024, the City and Borough reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 478,226	\$ -
City and Borough contributions subsequent to the measurement date	3,072,127	-
<b>Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</b>	<b>\$ 3,550,353</b>	<b>\$ -</b>

The \$3,550,353 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

*Year Ending June 30,*

2025	\$ (181,375)
2026	(401,136)
2027	1,085,209
2028	(24,472)
<b>Total Amortization</b>	<b>\$ 478,226</b>

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

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### *Actuarial Assumptions*

The total pension liability was determined by an actuarial valuation as of June 30, 2022, using the actuarial assumptions listed below, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023:

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Actuarial cost method	Entry Age Normal
Amortization method	Unfunded Accrued Actuarial Liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	For peace officer/firefighter, increases range from 8.50% to 3.85% based on service. For all others, increases range from 6.75% to 2.85% based on service.
Allocation methodology	Amounts for the June 30, 2023 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions for the Plan for the fiscal years 2024 to 2039. The liability is expected to go to zero at 2039.
Investment rate of return	7.25%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%.
Mortality Peace officer/firefighter	Pre-commencement mortality rates were based on the Pub-2010 Safety Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 70% of the time. Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.
All others	Pre-commencement mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 98% of male and 106% of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

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102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

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The total pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to the measurement date of June 30, 2023. The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021, resulting in changes in actuarial assumptions effective for the June 30, 2022 actuarial valuation, which were adopted by the Board to better reflect expected future experience.

### ***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return, excluding the inflation component of 2.82%, for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Range	Long-Term Expected Real Rate of Return
Domestic equity	27%	+/- 6%	6.17%
Global equity (non-U.S.)	18%	+/- 4%	6.55%
Aggregate bonds	19%	+/- 10%	1.63%
Multi-asset	8%	+/- 4%	-%
Real assets	14%	+/- 7%	4.87%
Private equity	14%	+/- 7%	11.57%
Cash equivalents	-%	-%	0.49%

### ***Discount Rate***

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### ***Sensitivity of the Net Pension Liability to Changes in the Discount Rate***

The following presents the City and Borough's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the City and Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City and Borough's proportionate share of the net pension liability	0.35335%	\$ 24,596,904	\$ 18,321,757	\$ 13,021,105

### ***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

### ***(b) Defined Contribution (DC) Pension Plan***

Employees hired after July 1, 2006 participate in PERS Tier IV, a DC plan. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the DB plan noted above. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The Alaska Retirement Management Board may also amend contribution requirements. Included in the Plan are individual pension accounts, a retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan. This Plan is included in the annual comprehensive financial report for PERS, and at the following website, as noted above. <https://drb.alaska.gov/docs/reports/#pers>.

Contributions to the DC plan consist solely of employer and employee contributions with no special funding or other nonemployer contributions. In addition, actual remittances to the PERS system require that the City and Borough contribute at 22%. After deducting the DC plan contributions (and related OPEB contributions), the remaining remittance (the DBUL) is deposited into the DB plan as noted earlier.

### ***Benefit Terms***

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service. Nonvested employer contributions are forfeited upon termination of employment from the Plan. Such forfeitures were applied in the year ended June 30, 2024 to cover a portion of the City and Borough's employer match contributions. For the year ended June 30, 2024, forfeitures reduced pension expense by \$34,754.

### ***Employee Contribution Rate***

Employees are required to contribute 8% of their annual covered salary. This amount goes directly to the individual's account.

### ***Employer Contribution Rate***

For the year ended June 30, 2024, the City and Borough was required to contribute 5% of covered salary into the Plan.



# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

The City and Borough and employee contributions to PERS for pensions for the year ended June 30, 2024 were \$471,272 and \$754,034, respectively. The City and Borough contribution amount was recognized as pension expense/expenditures.

**(c) Defined Benefit OPEB Plans**

As part of its participation in PERS, the City and Borough participates in the following cost-sharing multiple-employer defined benefit OPEB plans: Alaska Retiree Healthcare Trust (ARHCT), Retiree Medical Plan (RMP) and Occupational Death and Disability Plan (ODD).

The ARHCT, a healthcare trust fund, provides major medical coverage to retirees of the DB plan. The ARHCT is self-funded and self-insured. The ARHCT was closed to all new members effective July 1, 2006. Benefits vary by Tier level. The RMP provides major medical coverage to retirees of the PERS DC Plan (Tier IV). The RMP is self-insured. Members are not eligible to use the Plan until they have at least 10 years of service and are Medicare age eligible. The ODD provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within PERS. The Plans are administered by the State of Alaska, Department of Administration. The OPEB plans are included in the annual comprehensive financial report for PERS, at the following website, <https://drb.alaska.gov/docs/reports/#pers>.

**Employer Contribution Rates**

Employer contribution rates are actuarially determined and adopted by and may be amended by the Board. Employees do not contribute.

Employer contribution rates for the year ended June 30, 2024 were as follows:

	Other	Peace/Fire
Alaska Retiree Healthcare Trust	-%	-%
Retiree Medical Plan	1.01%	1.01%
Occupational Death and Disability	0.30%	0.68%
<b>Total Contribution Rates</b>	<b>1.31%</b>	<b>1.69%</b>

In 2024, the City and Borough was credited with the following contributions to the OPEB plans:

	Measurement Period	City and Borough Fiscal Year
	July 1, 2022 to June 30, 2023	July 1, 2023 to June 30, 2024
Employer contributions - ARHCT	\$ -	\$ -
Employer contributions - RMP	95,973	95,196
Employer contributions - ODD	31,709	33,884
Nonemployer contributions (on-behalf)	-	-
<b>Total Contributions</b>	<b>\$ 127,682</b>	<b>\$ 129,080</b>

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

***OPEB Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plans***

At June 30, 2024, the City and Borough reported an asset for its proportionate share of the net OPEB asset (NOA) that reflected a reduction for State OPEB support provided to the City and Borough. The amount recognized by the City and Borough for its proportional share, the related State proportion, and the total were as follows:

City and Borough’s proportionate share of NOA - ARHCT	\$ 8,114,191
City and Borough’s proportionate share of NOA - RMP	224,186
City and Borough’s proportionate share of NOA - ODD	244,795
<b>Total City and Borough’s Proportionate Share of Net OPEB Asset</b>	<b>\$ 8,583,172</b>
<hr/>	
State’s proportionate share of the ARHCT NOA associated with the City and Borough	2,731,608
<b>Total Net OPEB Asset</b>	<b>\$ 11,314,780</b>

The total OPEB liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 and adjusted to reflect updated assumptions to calculate the net OPEB assets as of that date. The City and Borough’s proportion of the net OPEB assets was based on a projection of the City and Borough’s long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

	June 30, 2022 Measurement Date Employer Proportion	June 30, 2023 Measurement Date Employer Proportion	Change
City and Borough’s proportionate share of the net OPEB assets:			
ARHCT	0.35874%	0.35265%	(0.00609)%
RMP	0.50437%	0.47213%	(0.03224)%
ODD	0.51630%	0.47715%	(0.03915)%

For the year ended June 30, 2024, the City and Borough recognized OPEB expense (benefit) of \$(1,479,010). Of this amount, \$(465,507) was recorded for on-behalf revenue and expense for support provided by the ARHCT plan. OPEB expense (benefit) and on-behalf revenue is listed by plan in the table below:

<i>Plan</i>	OPEB Expense (Benefit)	On-behalf Revenue
ARHCT	\$ (1,634,943)	\$ (465,507)
RMP	111,326	-
ODD	44,607	-
<b>Total</b>	<b>\$ (1,479,010)</b>	<b>\$ (465,507)</b>

## City and Borough of Sitka, Alaska

### Notes to the Basic Financial Statements

At June 30, 2024, the City and Borough reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

<i>Deferred Outflows of Resources</i>	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ 16,847	\$ 6,834	\$ -	\$ 23,681
Changes in assumptions	-	24,108	-	24,108
Difference between projected and actual investment earnings	369,319	18,786	5,651	393,756
Changes in proportion and differences between City and Borough contributions and proportionate share of contributions	19,472	4,446	74,806	98,724
City and Borough contributions subsequent to the measurement date	-	95,196	33,884	129,080
<b>Total Deferred Outflows of Resources Related to OPEB Plans</b>	<b>\$ 405,638</b>	<b>\$ 149,370</b>	<b>\$ 114,341</b>	<b>\$ 669,349</b>

<i>Deferred Inflows of Resources</i>	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ -	\$ (7,236)	\$ (68,782)	\$ (76,018)
Changes in assumptions	(149,319)	(182,304)	(1,019)	(332,642)
Changes in proportion and differences between City and Borough contributions and proportionate share of contributions	-	(52,456)	(9,742)	(62,198)
<b>Total Deferred Inflows of Resources Related to OPEB Plans</b>	<b>\$ (149,319)</b>	<b>\$ (241,996)</b>	<b>\$ (79,543)</b>	<b>\$ (470,858)</b>

Amounts reported as deferred outflows of resources related to OPEB plans resulting from City and Borough contributions subsequent to the measurement date will be recognized as an increase in the net OPEB assets in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<i>Year Ending June 30,</i>	ARHCT	RMP	ODD	Total
2025	\$ (273,664)	\$ (40,915)	\$ 469	\$ (314,110)
2026	(333,612)	(44,526)	(656)	(378,794)
2027	886,206	(12,892)	9,221	882,535
2028	(22,611)	(44,107)	2,101	(64,617)
2029	-	(25,466)	(5,552)	(31,018)
Thereafter	-	(19,916)	(4,669)	(24,585)
<b>Total Amortization</b>	<b>\$ 256,319</b>	<b>\$ (187,822)</b>	<b>\$ 914</b>	<b>\$ (69,411)</b>

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

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### *Actuarial Assumptions*

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2023:

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Actuarial cost method	Entry Age Normal
Amortization method	Unfunded Accrued Actuarial Liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	For peace officer/firefighter, increases range from 8.50% to 3.85% based on service. For all others, increases range from 6.75% to 2.85% based on service.
Allocation methodology	Amounts for the June 30, 2023 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions to the Plan for fiscal years 2024 to 2039.
Investment rate of return	7.25%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%.
Healthcare cost trend rates (ARHCT and RMP Plans)	Pre-65 medical: 6.7% grading down to 4.5% Post-65 medical: 5.5% grading down to 4.5% Prescription drug: 7.2% grading down to 4.5% Rx/EGWP: 7.2% grading down to 4.5% Initial trend rates are from FY 2024 Ultimate trend rates reached in FY 2050
Mortality Peace officer/firefighter (ARHCT and RMP Plans)	Pre-commencement mortality rates were based on the Pub-2010 Safety Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupation causes 70% of the time. Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.
(ODD Plan)	Pre-commencement mortality rates were based on the Pub-2010 Safety Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

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occupational causes 70% of the time. Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

All others  
(ARHCT and RMP Plans)

Pre-commencement mortality rates were based on the Pub-2010 General Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 101% of male and 110% of female rates of the Pub-2010 General Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 101% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

(ODD Plan)

Pre-commencement mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 98% of male and 106% of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

Participation (ARHCT)

100% system paid of members and their spouses are assumed to elect the healthcare benefits paid as soon as they are eligible.

Peace officer/firefighter

20% of nonsystem paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.

All others

25% of nonsystem paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.

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# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

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The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2022, rolled forward to the measurement date of June 30, 2023. The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021, resulting in changes in actuarial assumptions effective for the June 30, 2022 actuarial valuation, which were adopted by the Board to better reflect the expected future experience. For the ARHCT and RMP plans, the per capita claims costs were updated to reflect recent experience for the June 30, 2022 actuarial valuation.

### ***Long-Term Expected Rate of Return***

The long-term expected rate of return on OPEB plan investments for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic rates of return, excluding the inflation component of 2.82%, for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Range	Long-Term Expected Real Rate of Return
Domestic equity	27%	+/- 6%	6.17%
Global equity (non-U.S.)	18%	+/- 4%	6.55%
Aggregate bonds	19%	+/- 10%	1.63%
Multi-asset	8%	+/- 4%	-%
Real assets	14%	+/- 7%	4.87%
Private equity	14%	+/- 7%	11.57%
Cash equivalents	-%	-%	0.49%

### ***Discount Rate***

The discount rate used to measure the total OPEB liability for each plan as of June 30, 2023 was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the fiduciary net position of each plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability for each plan.

### ***Sensitivity of the Net OPEB Asset to Changes in the Discount Rate***

The following presents the City and Borough's proportionate share of the net OPEB asset calculated using the discount rate of 7.25%, as well as what the City and Borough's proportionate share of the respective plan's net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City and Borough's proportionate share of the net OPEB asset:				
ARHCT	0.35265%	\$ 5,393,451	\$ 8,114,191	\$ 10,399,764
RMP	0.47213%	\$ 7,790	\$ 224,186	\$ 389,493
ODD	0.47715%	\$ 230,008	\$ 244,795	\$ 256,303

### *Sensitivity of the Net OPEB Asset to Changes in the Healthcare Cost Trend Rates*

The following presents the City and Borough's proportionate share of the net OPEB asset calculated using the healthcare cost trend rates as summarized in the 2022 actuarial valuation reports as well as what the City and Borough's proportionate share of the respective plan's net OPEB asset (liability) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	Proportional Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
City and Borough's proportionate share of the net OPEB asset (liability):				
ARHCT	0.35265%	\$ 10,661,200	\$ 8,114,191	\$ 5,081,399
RMP	0.47213%	\$ 411,679	\$ 224,186	\$ (27,657)
ODD	0.47715%	\$ n/a	\$ n/a	\$ n/a

### *OPEB Plan Fiduciary Net Position*

Detailed information about each OPEB plan's fiduciary net position is available in the separately issued PERS financial report.

### *(d) Defined Contribution OPEB Plans*

PERS DC Pension Plan participants (PERS Tier IV) also participate in the Health Reimbursement Arrangement Plan (HRA Plan). The HRA Plan allows for medical care expense to be reimbursed from individual savings accounts established for eligible persons. The HRA Plan became effective July 1, 2006 at which time contributions by employers began.

### *Contribution Rate*

AS 39.30.370 establishes this contribution amount as "three percent of the average annual employee compensation of all employees of all employers in the plan". As of July 1, 2023, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,303 per year for each full-time employee, and \$1.48 per hour for part-time employees.

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

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### *Annual Postemployment Healthcare Cost*

In fiscal year 2024, the City and Borough contributed \$247,857 in DC OPEB costs. This amount has been recognized as expense/expenditures.

### **14. Contingencies**

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

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Municipal Attorney the resolution of these matters will not have an adverse material effect on the financial condition of the government.

The City and Borough's sewage treatment plant provides for primary treatment of waste. The City and Borough was operating under a five-year exemption, which expired in August 1994, from Environmental Protection Agency (EPA) regulations that required secondary treatment for sewage discharged into marine waters. The City and Borough is currently under a temporary EPA permit and anticipates finalizing a permanent permit in the near future which will require secondary filtration. The cost of upgrading the plant to secondary treatment at the expiration of the exemption would be approximately \$10 million. The cost of treating storm water is not presently estimable.

Other Federal and State regulations, compliance with which will require significant expenditures by the City and Borough, including the Americans with Disabilities Act, have a cost of compliance that is not currently known.

### **15. Subsequent Events**

The City and Borough has entered into raw water export sales contracts with private entities. Revenue under these contracts is not guaranteed and is dependent on the amount of raw water exported. Revenue earned under the contracts will be accounted for in the Raw Water Sales Special Revenue Fund. Use of proceeds is restricted by code to be used to reimburse expenditures by other funds relating to the sale of bulk water, maintenance of the infrastructure and retention of water rights.

### **16. New Accounting Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued several new accounting standards with upcoming implementation dates (effective dates are adjusted for the issuance of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance). The following new accounting standards were considered, and if applicable, implemented by the City and for 2024 reporting:

*GASB Statement No. 100 - Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62* - Effective for year-end June 30, 2024. Earlier application is encouraged. The primary objective of this Statement is to enhance accounting and financial reporting requirements



# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

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for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This pronouncement has been implemented, but did not result in any changes for the current year.

*GASB Statement No. 101 - Compensated Absences* - Effective for year-end June 30, 2025. Earlier application is encouraged. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The City and Borough of Sitka implemented this statement as of June 30, 2024 as detailed in Note 17.

The Governmental Accounting Standards Board has issued several new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these statements, and actual impacts have not yet been determined. The statements are as follows:

*GASB Statement No. 102 - Certain Risk Disclosures* - Effective for year-end June 30, 2025. Earlier application is encouraged. The objective of this Statement is to provide users of the government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The disclosures will provide users timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact.

*GASB Statement No. 103 - Financial Reporting Model Improvements* - Effective for year-end June 30, 2026. Earlier application is encouraged. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

*GASB Statement No. 104 - Disclosure of Certain Capital Assets* - Effective for year-end June 30, 2026. Earlier application is encouraged. The objective of this Statement is to provide users of governmental financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. The disclosure requirements will improve consistency and comparability between governments.

### Note 17. Implementation of New Accounting Pronouncements

Effective for the fiscal year ending June 30, 2024, the City and Borough has retrospectively implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* (GASB 101). This new accounting standard supersedes GASB Statement No. 16 and provides enhanced guidance on the recognition, measurement, and disclosure of liabilities related to compensated absences. In particular, the City and Borough now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees in future years as part of the liability for compensated absences.

Under GASB 101, compensated absences liabilities are recognized when the following criteria are met:

- The leave is attributable to services already rendered by employees.
- The leave accumulates and can be carried forward to future periods.
- It is more likely than not that the leave will either be used by employees or paid out upon termination or retirement.

# City and Borough of Sitka, Alaska

## Notes to the Basic Financial Statements

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The measurement of these liabilities reflects the pay rates in effect as of the financial statement date, ensuring a consistent and transparent valuation. Additionally, GASB 101 streamlines disclosure requirements, emphasizing the presentation of relevant and useful information to financial statement users.

The effects of reporting GASB 101 in the City and Borough's financial statements for the year ended June 30, 2024. Due to the immateriality of the cumulative effect of this change on prior periods, the City and Borough has elected to apply the standard prospectively as of July 1, 2023. As a result:

- The beginning net position of governmental activities and business-type activities has not been restated.
- The impact of GASB 101 is reflected in the current fiscal year financial statements.
- Prior period financial information remains presented as previously reported.

The implementation of GASB 101 did not have a material impact on the financial position or results of operations of individual funds.

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## Required Supplementary Information

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# City and Borough of Sitka, Alaska

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

<i>For the fiscal year ended June 30, 2024</i>	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
Taxes:				
Property taxes	\$ 7,354,000	\$ 7,354,000	\$ 7,435,553	\$ 81,553
Sales taxes	19,594,150	19,594,150	18,688,712	(905,438)
<b>Total taxes</b>	<b>26,948,150</b>	<b>26,948,150</b>	<b>26,124,265</b>	<b>(823,885)</b>
State sources:				
Community Assistance	500,000	500,000	482,893	(17,107)
State PERS relief	500,000	500,000	193,122	(306,878)
State grants	7,000	7,000	7,000	-
Other	30,000	30,000	18,500	(11,500)
<b>Total state sources</b>	<b>1,037,000</b>	<b>1,037,000</b>	<b>701,515</b>	<b>(335,485)</b>
Federal sources:				
National Forest receipts	533,000	533,000	571,480	38,480
Payment in lieu of taxes	799,000	799,000	872,558	73,558
Pandemic relief and other federal grants	100,000	100,000	1,502,415	1,402,415
<b>Total federal sources</b>	<b>1,432,000</b>	<b>1,432,000</b>	<b>2,946,453</b>	<b>1,514,453</b>
Charges for services:				
State jail contract	391,200	391,200	587,052	195,852
Ambulance fees	700,000	700,000	764,428	64,428
E911 surcharges	180,000	180,000	172,046	(7,954)
Jobbing	700,000	700,000	434,504	(265,496)
Parks and recreation programs	50,000	50,000	110,109	60,109
Other	29,000	29,000	92,231	63,231
<b>Total charges for services</b>	<b>2,050,200</b>	<b>2,050,200</b>	<b>2,160,370</b>	<b>110,170</b>
Interfund services	2,902,413	2,902,413	2,902,413	-
Fines, forfeitures and penalties	25,000	25,000	35,633	10,633
Investment income	300,000	300,000	720,289	420,289
Uses of property	568,500	568,500	669,208	100,708
Licenses and permits	212,700	212,700	1,012,784	800,084
Other	80,000	80,000	62,020	(17,980)
<b>Total Revenues</b>	<b>\$ 35,555,963</b>	<b>\$ 35,555,963</b>	<b>\$ 37,334,950</b>	<b>\$ 1,778,987</b>

## City and Borough of Sitka, Alaska

## General Fund

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual, continued

<i>For the fiscal year ended June 30, 2024</i>	Original Budget	Final Budget	Actual	Variance
<b>Expenditures</b>				
<b>Administration:</b>				
Administration/Assembly	\$ 1,595,213	\$ 2,836,203	\$ 2,116,471	\$ 719,732
Legal	476,661	513,554	455,135	58,419
Municipal clerk	667,768	603,445	581,738	21,707
Finance	2,990,538	3,023,535	2,838,651	184,884
Assessing	499,600	499,600	469,898	29,702
Planning	1,017,098	1,039,598	897,615	141,983
General office and local grants	1,215,121	1,231,201	1,261,843	(30,642)
<b>Total administration</b>	<b>8,461,999</b>	<b>9,747,136</b>	<b>8,621,351</b>	<b>1,125,785</b>
<b>Public safety:</b>				
Police	5,815,358	5,811,271	4,262,165	1,549,106
Fire	2,434,715	2,452,131	2,362,507	89,624
Ambulance	442,550	452,605	363,185	89,420
Search and rescue	37,027	37,027	24,061	12,966
<b>Total public safety</b>	<b>8,729,650</b>	<b>8,753,034</b>	<b>7,011,918</b>	<b>1,741,116</b>
<b>Public works:</b>				
Administration	843,931	843,336	1,012,403	(169,067)
Engineering	1,165,841	1,173,066	622,807	550,259
Streets	2,063,294	2,004,688	1,685,458	319,230
Recreation	1,035,303	1,080,302	1,012,161	68,141
Building officials	515,732	537,065	433,447	103,618
<b>Total public works</b>	<b>5,624,101</b>	<b>5,638,457</b>	<b>4,766,276</b>	<b>872,181</b>
<b>Public services:</b>				
Library	1,372,237	1,370,039	1,235,575	134,464
Harrigan Centennial Hall	1,016,251	1,003,072	856,923	146,149
Senior Citizen Center	69,965	69,965	56,336	13,629
<b>Total public services</b>	<b>2,458,453</b>	<b>2,443,076</b>	<b>2,148,834</b>	<b>294,242</b>
Sitka School District	8,527,498	8,527,498	8,527,498	-

## City and Borough of Sitka, Alaska

## General Fund

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual, continued

<i>For the fiscal year ended June 30, 2024</i>	Original Budget	Final Budget	Actual	Variance
Debt service:				
Lease assets	\$ -	\$ -	\$ 15,643	\$ (15,643)
Principal	22,311	22,311	22,310	1
Interest	2,888	2,888	2,888	-
<b>Total Debt Service</b>	<b>25,199</b>	<b>25,199</b>	<b>40,841</b>	<b>(15,642)</b>
Equipment acquisition	52,000	82,971	90,585	(7,613)
<b>Total Expenditures</b>	<b>33,878,900</b>	<b>35,217,371</b>	<b>31,207,303</b>	<b>4,010,069</b>
<b>Excess of Revenues Over Expenditures</b>	<b>1,677,063</b>	<b>338,592</b>	<b>6,127,647</b>	<b>5,789,056</b>
<b>Other Financing Sources (Uses)</b>				
Leases	-	-	23,766	23,766
Transfers in	7,086,826	7,086,826	7,959,585	872,759
Transfers out	(8,721,249)	(12,871,249)	(11,633,939)	1,237,310
<b>Net Other Financing Sources (Uses)</b>	<b>(1,634,423)</b>	<b>(5,784,423)</b>	<b>(3,650,588)</b>	<b>2,133,835</b>
<b>Net Change in Fund Balance</b>	<b>\$ 42,640</b>	<b>\$ (5,445,831)</b>	<b>2,477,059</b>	<b>\$ 7,922,891</b>
Fund Balance, beginning			21,016,905	
Fund Balance, ending			<u>\$ 23,493,964</u>	

See accompanying notes to Required Supplementary Information.

**City and Borough of Sitka, Alaska**  
**Public Employees' Retirement System - Pension Plan**  
**Schedule of the City and Borough's Proportionate Share of the Net Pension Liability**

Years Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Borough's Proportion of the Net Pension Liability	0.35335%	0.36126%	0.39876%	0.35950%	0.67845%	0.37989%	0.35743%	0.44663%	0.36213%	0.26956%
Borough's Proportionate Share of the Net Pension Liability	\$ 18,321,757	\$ 18,413,091	\$ 14,628,434	\$ 21,214,553	\$ 37,139,956	\$ 18,877,051	\$ 18,337,623	\$ 24,965,090	\$ 17,563,590	\$ 12,572,647
State of Alaska Proportionate Share of the Net Pension Liability	\$ 6,109,450	\$ 5,096,814	\$ 1,982,396	\$ 8,777,499	\$ 14,745,138	\$ 5,466,809	\$ 6,834,306	\$ 3,149,104	\$ 4,706,852	\$ 10,755,597
<b>Total Net Pension Liability</b>	<b>\$ 24,431,207</b>	<b>\$ 23,509,905</b>	<b>\$ 16,610,830</b>	<b>\$ 29,992,052</b>	<b>\$ 51,885,094</b>	<b>\$ 24,343,860</b>	<b>\$ 25,171,929</b>	<b>\$ 28,114,194</b>	<b>\$ 22,270,442</b>	<b>\$ 23,328,244</b>
Borough's Covered Payroll	\$ 12,300,227	\$ 11,690,114	\$ 10,875,152	\$ 11,138,275	\$ 11,504,799	\$ 11,056,175	\$ 11,292,193	\$ 10,552,272	\$ 12,031,717	\$ 10,738,358
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	148.95%	157.51%	134.51%	190.47%	322.82%	170.74%	162.39%	236.58%	145.98%	117.08%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.23%	67.97%	76.46%	61.61%	63.42%	65.19%	63.37%	59.55%	63.96%	62.37%

**Schedule of City and Borough Contributions**

Years Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 3,072,126	\$ 3,018,761	\$ 2,921,160	\$ 2,720,378	\$ 2,342,989	\$ 1,433,032	\$ 1,450,093	\$ 1,274,776	\$ 1,142,815	\$ 1,123,981
Contributions Relative to the Contractually Required Contribution	\$ 3,072,126	\$ 3,018,761	\$ 2,921,160	\$ 2,720,378	\$ 2,342,989	\$ 1,433,032	\$ 1,450,093	\$ 1,274,776	\$ 1,142,815	\$ 1,123,981
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	\$ 12,140,362	\$ 12,300,227	\$ 11,690,114	\$ 10,875,152	\$ 11,138,275	\$ 11,504,799	\$ 11,056,175	\$ 11,292,193	\$ 10,552,272	\$ 12,031,717
Contributions as a Percentage of Covered Payroll	25.31%	24.54%	24.99%	25.01%	21.04%	12.46%	13.12%	11.29%	10.83%	9.34%

*See accompanying notes to Required Supplementary Information.*



**City and Borough of Sitka, Alaska**

**Public Employees' Retirement System - ARHCT OPEB Plan**

**Schedule of the City and Borough's Proportionate Share of the Net OPEB Liability (Asset)**

Years Ended June 30,	ARHCT						
	2024	2023	2022	2021	2020	2019	2018
Borough's Proportion of the Net OPEB Liability (Asset)	0.35265%	0.35874%	0.40038%	0.35940%	0.36786%	0.37992%	0.35470%
Borough's Proportionate Share of the Net OPEB Liability (Asset)	\$ (8,114,191)	\$ (7,058,522)	\$ (10,271,216)	\$ (1,627,572)	\$ 1,006,841	\$ 3,899,090	\$ 2,996,375
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	\$ (2,731,608)	\$ (2,016,291)	\$ (1,346,930)	\$ (675,536)	\$ 399,917	\$ 1,132,039	\$ 1,117,195
<b>Total Net OPEB Liability (Asset)</b>	<b>\$ (10,845,799)</b>	<b>\$ (9,074,813)</b>	<b>\$ (11,618,146)</b>	<b>\$ (2,303,108)</b>	<b>\$ 1,406,758</b>	<b>\$ 5,031,129</b>	<b>\$ 4,113,570</b>
Borough's Covered Payroll	\$ 3,303,170	\$ 3,413,371	\$ 3,670,783	\$ 4,681,486	\$ 4,838,102	\$ 4,862,791	\$ 5,282,931
Borough's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-245.65%	-206.79%	-279.81%	-34.77%	20.81%	80.18%	56.72%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	133.96%	128.51%	135.54%	106.15%	98.13%	88.12%	89.68%

**Schedule of City and Borough Contributions**

Years Ended June 30,	ARHCT						
	2024	2023	2022	2021	2020	2019	2018
Contractually Required Contributions	\$ -	\$ -	\$ 219,124	\$ 289,028	\$ 681,775	\$ 516,348	\$ 413,336
Contributions Relative to the Contractually Required Contribution	\$ -	\$ -	\$ 219,124	\$ 289,028	\$ 681,775	\$ 516,348	\$ 413,336
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	\$ 2,722,880	\$ 3,303,170	\$ 3,413,371	\$ 3,670,783	\$ 4,681,486	\$ 4,838,102	\$ 4,862,791
Contributions as a Percentage of Covered Payroll	0.000%	0.000%	6.420%	7.874%	14.563%	10.673%	8.500%

See accompanying notes to Required Supplementary Information.

**City and Borough of Sitka, Alaska**

**Public Employees' Retirement System - RMP OPEB Plan**

**Schedule of the City and Borough's Proportionate Share of the Net OPEB Liability (Asset)**

<i>Years Ended June 30,</i>	2024	2023	2022	RMP 2021	2020	2019	2018
Borough's Proportion of the Net OPEB Liability (Asset)	0.47213%	0.50437%	0.47145%	0.45200%	1.12450%	0.54709%	0.54581%
Borough's Proportionate Share of the Net OPEB Liability (Asset)	\$ (224,186)	\$ (175,168)	\$ (126,546)	\$ 32,035	\$ 126,242	\$ 69,617	\$ 28,464
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Net OPEB Liability (Asset)</b>	<b>\$ (224,186)</b>	<b>\$ (175,168)</b>	<b>\$ (126,546)</b>	<b>\$ 32,035</b>	<b>\$ 126,242</b>	<b>\$ 69,617</b>	<b>\$ 28,464</b>
Borough's Covered Payroll	\$ 9,066,706	\$ 7,922,961	\$ 6,865,641	\$ 6,080,462	\$ 6,356,125	\$ 6,193,384	\$ 5,719,619
Borough's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-2.47%	-2.21%	-1.84%	0.53%	1.99%	1.12%	0.50%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	124.29%	120.08%	115.10%	95.23%	83.17%	88.71%	93.98%

**Schedule of City and Borough Contributions**

<i>Years Ended June 30,</i>	2023	2022	RMP 2021	2020	2019	2018
Contractually Required Contributions	\$ 95,196	\$ 95,973	\$ 85,339	\$ 87,498	\$ 80,564	\$ 63,777
Contributions Relative to the Contractually Required Contribution	\$ 95,196	\$ 95,973	\$ 85,339	\$ 87,498	\$ 80,564	\$ 63,777
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	\$ 9,417,482	\$ 9,066,706	\$ 7,922,961	\$ 6,865,641	\$ 6,080,462	\$ 6,193,384
Contributions as a Percentage of Covered Payroll	1.011%	1.059%	1.077%	1.274%	1.325%	1.030%

*See accompanying notes to Required Supplementary Information.*

**City and Borough of Sitka, Alaska**

**Public Employees' Retirement System - ODD OPEB Plan**

**Schedule of the City and Borough's Proportionate Share of the Net OPEB Liability (Asset)**

<i>Years Ended June 30,</i>	2024	2023	2022	ODD 2021	2020	2019	2018
Borough's Proportion of the Net OPEB Liability (Asset)	0.47715%	0.51630%	0.49503%	0.46900%	1.05215%	0.54709%	0.54581%
Borough's Proportionate Share of the Net OPEB Liability (Asset)	\$ (244,795)	\$ (226,334)	\$ (218,177)	\$ (127,737)	\$ (140,060)	\$ (106,255)	\$ (77,445)
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Net OPEB Liability (Asset)</b>	<b>\$ (244,795)</b>	<b>\$ (226,334)</b>	<b>\$ (218,177)</b>	<b>\$ (127,737)</b>	<b>\$ (140,060)</b>	<b>\$ (106,255)</b>	<b>\$ (77,445)</b>
Borough's Covered Payroll	\$ 9,066,706	\$ 7,922,961	\$ 6,865,641	\$ 6,080,432	\$ 6,356,125	\$ 6,193,384	\$ 5,719,619
Borough's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-2.70%	-2.86%	-3.18%	-2.10%	-2.20%	-1.72%	-1.35%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	349.24%	348.80%	374.22%	238.80%	297.43%	270.62%	212.97%

**Schedule of City and Borough Contributions**

<i>Years Ended June 30,</i>	2024	2023	2022	ODD 2021	2020	2019	2018
Contractually Required Contributions	\$ 33,884	\$ 31,709	\$ 29,787	\$ 26,406	\$ 20,549	\$ 23,586	\$ 7,852
Contributions Relative to the Contractually Required Contribution	\$ 33,884	\$ 31,709	\$ 29,787	\$ 26,406	\$ 20,549	\$ 23,586	\$ 7,852
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	\$ 9,417,482	\$ 9,066,706	\$ 7,922,961	\$ 6,865,641	\$ 6,080,462	\$ 6,356,125	\$ 6,193,384
Contributions as a Percentage of Covered Payroll	0.360%	0.350%	0.376%	0.385%	0.338%	0.371%	0.127%

*See accompanying notes to Required Supplementary Information.*

# City and Borough of Sitka, Alaska

## Notes to Required Supplementary Information June 30, 2024

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### 1. Budgetary Comparison Schedules

The budgetary comparison schedules for major governmental funds are presented on the modified accrual basis of accounting. Annual budget operating expenditures are adopted at the fund level.

### 2. Public Employees' Retirement System Pension Plan

#### *Schedule of the Borough's Proportionate Share of the Net Pension Liability*

This table is presented based on the Plan measurement date. For June 30, 2024, the Plan measurement date is June 30, 2023.

#### *Changes in Assumptions:*

The total pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to the measurement date of June 30, 2023. The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021, resulting in changes in actuarial assumptions effective for the June 30, 2022 actuarial valuation, which were adopted by the Board to better reflect expected future experience.

In 2022, the discount rate was lowered from 7.38% to 7.25%.

Amounts reported reflect a change in assumptions between 2016 and 2017 in the method of allocating the net pension liability from actual contributions to present value of projected future contributions.

GASB requires ten years of information be presented. However, until a full ten years of information is available, the Borough will present only those years for which information is available.

#### *Schedule of the Borough's Contributions*

This table is based on the Borough's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

GASB requires ten years of information be presented. However, until a full ten years of information is available, the Borough will present only those years for which information is available.

### 3. Public Employees' Retirement System OPEB Plans

#### *Schedule of the Borough's Proportionate Share of the Net OPEB Asset and Liability*

This table is presented based on the Plan measurement date. For June 30, 2024, the Plan measurement date is June 30, 2023.

# City and Borough of Sitka, Alaska

## Notes to Required Supplementary Information, continued

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### *Changes in Assumptions:*

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2022, rolled forward to the measurement date of June 30, 2023. The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021, resulting in changes in actuarial assumptions effective for the June 30, 2022 actuarial valuation, which were adopted by the Board to better reflect the expected future experience. For the ARHCT and RMP plans, the per capita claims costs were updated to reflect recent experience for the June 30, 2022 actuarial valuation.

In 2022, the discount rate was lowered from 7.38% to 7.25%.

In 2019, an Employer Group Waiver Plan (EGWP) was implemented effective January 1, 2019. This arrangement replaced the Retiree Drug Subsidy (RDS) under Medicare Part D and resulted in largest projected subsidies to offset the cost of prescription drug coverage.

GASB requires ten years of information be presented. However, until a full 10 years of information is available, the Borough will present only those years for which information is available.

### ***Schedule of the Borough's Contributions***

This table is based on the Borough's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

GASB requires ten years of information be presented. However, until a full ten years of information is available, the Borough will present only those years for which information is available.

## Supplementary Information

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## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to be used for particular purposes.

**Police Dept and Forfeitures**-Accounts for the proceeds related to the property seized by the local Police Department, or Federal and State agencies.

**Library Building**-Accounts for donations given specifically for use on the Sitka Public Library building.

**Library Donation**-Accounts for donations given for purposes of supporting the Sitka Public Library.

**Southeast Economic Development**-Accounts for funding dedicated to local economic development.

**Gary Paxton Park Contingency**-Accounts for funding dedicated to environmental mitigation of former pulp mill site.

**Commercial Passenger Vessel Excise Tax**-Accounts for commercial passenger excise taxes that are remitted by the State of Alaska

**LID Guaranty**-Accounts for funds dedicated to providing a guarantee for debt service for bond issuances relating to LIDs.

**LID Revolving**-Accounts for funding of and for local improvement district projects.

**Raw Water Sales**-Accounts for funding related to the development of and revenue from the sale of bulk water from Blue Lake.

**Fisheries Enhancement**-Accounts for funding dedicated to enhancing local fisheries.

**Pet Adoption**-Accounts for donations to support adoption of pets.

**Visitor Enhancement**-Accounts for revenues from bed tax to be used to encourage tourism.

**Student Activities**-Accounts for proceeds from marijuana licenses and marijuana taxes, to be used for student travel and activities.

**Utility Subsidization**-Accounts for funds appropriated to be used in support of the Utility Subsidization Program.

### Capital Project Fund

**Capital Project**-Accounts for general governmental capital projects.

### Debt Service Fund

**School Debt Service**-Accounts for general obligation bonds and dedicated revenue streams relating to building and renovating schools.



**City and Borough of Sitka, Alaska**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**

<i>June 30, 2024</i>	Special Revenue Funds							
	Police Dept and Forfeitures	Library Building	Library Donation	Southeast Economic Development	Gary Paxton Park Contingency	Commercial Passenger Vessel Excise Tax	LID Guaranty	LID Revolving
<b>Assets</b>								
Equity in central treasury	\$ 120,584	\$ 18,982	\$ 274,415	\$ 59,020	\$ 109,629	\$ 3,299,056	\$ 272,623	\$ 1,131,616
Receivables:								
Taxes	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	1,924
Federal and State of Alaska	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-
Advances to other funds	-	-	-	2,604,000	-	-	-	-
Notes receivable	-	-	-	442,950	-	-	-	-
<b>Total Assets</b>	<b>\$ 120,584</b>	<b>\$ 18,982</b>	<b>\$ 274,415</b>	<b>\$ 3,105,970</b>	<b>\$ 109,629</b>	<b>\$ 3,299,056</b>	<b>\$ 272,623</b>	<b>\$ 1,133,540</b>
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Deferred Inflows of Resources</b>								
Deferred assessments	-	-	-	-	-	-	-	1,924
<b>Fund Balances</b>								
Nonspendable	-	-	-	3,046,950	-	-	-	-
Restricted	-	18,982	274,415	-	-	3,299,056	-	-
Committed	-	-	-	59,020	-	-	-	-
Assigned	120,584	-	-	-	109,629	-	272,623	1,131,616
<b>Total Fund Balances</b>	<b>120,584</b>	<b>18,982</b>	<b>274,415</b>	<b>3,105,970</b>	<b>109,629</b>	<b>3,299,056</b>	<b>272,623</b>	<b>1,131,616</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 120,584</b>	<b>\$ 18,982</b>	<b>\$ 274,415</b>	<b>\$ 3,105,970</b>	<b>\$ 109,629</b>	<b>\$ 3,299,056</b>	<b>\$ 272,623</b>	<b>\$ 1,133,540</b>

**City and Borough of Sitka, Alaska**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet, continued**

<i>June 30, 2024</i>	Special Revenue Funds							Total Nonmajor Governmental Funds	
	Raw Water Sales	Fisheries Enhance- ment	Pet Adoption	Visitor Enhance- ment	Student Activities	Utility Subsidization	Capital Project Fund		School Debt Service Fund
<b>Assets</b>									
Equity in central treasury	\$ 138,623	\$ 3,258	\$ 32,088	\$ 404,709	\$ 92,679	\$ 203,769	\$ 24,107,666	\$ 5,885,884	\$ 36,154,601
Receivables:									
Taxes	-	-	-	290,401	82,173	-	-	-	372,574
Special assessments	-	-	-	-	-	-	-	-	1,924
Federal and State of Alaska	-	-	-	-	-	-	5,290	15,264	20,554
Accounts	500	-	-	-	-	-	-	-	500
Advances to other funds	-	-	-	-	-	-	-	-	2,604,000
Notes receivable	-	-	-	-	-	-	-	-	442,950
<b>Total Assets</b>	<b>\$ 139,123</b>	<b>\$ 3,258</b>	<b>\$ 32,088</b>	<b>\$ 695,110</b>	<b>\$ 174,852</b>	<b>\$ 203,769</b>	<b>\$ 24,112,956</b>	<b>\$ 5,901,148</b>	<b>\$ 39,597,103</b>
<b>Liabilities</b>									
Accounts payable	\$ -	\$ -	\$ 622	\$ -	\$ -	\$ -	\$ 31,976	\$ -	\$ 32,598
<b>Deferred Inflows of Resources</b>									
Deferred assessments	-	-	-	-	-	-	-	-	1,924
<b>Fund Balances</b>									
Nonspendable	-	-	-	-	-	-	-	-	3,046,950
Restricted	-	-	-	-	-	-	-	5,901,148	9,493,601
Committed	-	-	-	-	-	-	24,080,980	-	24,140,000
Assigned	139,123	3,258	31,466	695,110	174,852	203,769	-	-	2,882,030
<b>Total Fund Balances</b>	<b>139,123</b>	<b>3,258</b>	<b>31,466</b>	<b>695,110</b>	<b>174,852</b>	<b>203,769</b>	<b>24,080,980</b>	<b>5,901,148</b>	<b>39,562,581</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 139,123</b>	<b>\$ 3,258</b>	<b>\$ 32,088</b>	<b>\$ 695,110</b>	<b>\$ 174,852</b>	<b>\$ 203,769</b>	<b>\$ 24,112,956</b>	<b>\$ 5,901,148</b>	<b>\$ 39,597,103</b>

**City and Borough of Sitka, Alaska**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

<i>For the fiscal year ended June 30, 2024</i>	Special Revenue Funds							
	Police Dept and Forfeitures	Library Building	Library Donation	Southeast Economic Development	Gary Paxton Park Contingency	Commercial Passenger Vessel Tax	LID Guaranty	LID Revolving
<b>Revenues</b>								
Bed taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Marijuana taxes	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Commercial passenger excise tax	-	-	-	-	-	2,698,671	-	-
Investment income	137	945	13,390	15,789	16,093	106,884	14,007	58,399
Other	37,759	-	5,242	-	-	-	-	1,962
<b>Total Revenues</b>	<b>37,896</b>	<b>945</b>	<b>18,632</b>	<b>15,789</b>	<b>16,093</b>	<b>2,805,555</b>	<b>14,007</b>	<b>60,361</b>
<b>Expenditures</b>								
Current:								
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	19
Public services	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>37,896</b>	<b>945</b>	<b>18,632</b>	<b>15,789</b>	<b>16,093</b>	<b>2,805,555</b>	<b>14,007</b>	<b>60,342</b>
<b>Other Financing Sources (Uses)</b>								
Transfer of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(354,173)	(245,274)	(1,597,730)	(8,400)	(34,845)
<b>Net Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(354,173)</b>	<b>(245,274)</b>	<b>(1,597,730)</b>	<b>(8,400)</b>	<b>(34,845)</b>
<b>Net Change in Fund Balances</b>	<b>37,896</b>	<b>945</b>	<b>18,632</b>	<b>(338,384)</b>	<b>(229,181)</b>	<b>1,207,825</b>	<b>5,607</b>	<b>25,497</b>
<b>Fund Balances, beginning</b>	<b>82,688</b>	<b>18,037</b>	<b>255,783</b>	<b>3,444,354</b>	<b>338,810</b>	<b>2,091,231</b>	<b>267,016</b>	<b>1,106,119</b>
<b>Fund Balances, ending</b>	<b>\$ 120,584</b>	<b>\$ 18,982</b>	<b>\$ 274,415</b>	<b>\$ 3,105,970</b>	<b>\$ 109,629</b>	<b>\$ 3,299,056</b>	<b>\$ 272,623</b>	<b>\$ 1,131,616</b>

**City and Borough of Sitka, Alaska**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances, continued**

<i>For the fiscal year ended June 30, 2024</i>	Special Revenue Funds								Total Nonmajor Governmental Funds	
	Raw Water Sales	Fisheries Enhancement	Pet Adoption	Visitor Enhancement	Student Activities	Utility Subsidi- zation	Capital Project Fund	School Debt Service		
<b>Revenues</b>										
Bed taxes	\$ -	\$ -	\$ -	\$ 780,796	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 780,796
Marijuana taxes	-	-	-	-	327,504	-	-	-	-	327,504
State sources	-	-	-	-	-	-	-	1,526,331	-	1,526,331
Federal sources	-	-	-	-	-	-	24,684	-	-	24,684
Commercial passenger excise tax	-	-	-	-	-	-	-	-	-	2,698,671
Investment income (loss)	37,173	458	1,105	16,518	2,934	11,925	255,575	241,932	-	793,264
Other	1,250	-	1,913	-	2,400	-	-	-	-	50,526
<b>Total Revenues</b>	<b>38,423</b>	<b>458</b>	<b>3,018</b>	<b>797,314</b>	<b>332,838</b>	<b>11,925</b>	<b>280,259</b>	<b>1,768,263</b>	<b>-</b>	<b>6,201,776</b>
<b>Expenditures</b>										
Current:										
Public safety	-	-	18,250	-	-	-	-	-	-	18,250
Public works	-	-	-	-	-	-	-	-	-	19
Public services	-	48,555	-	531,508	300,000	-	-	-	-	880,063
Debt service:										
Principal	-	-	-	-	-	-	-	2,075,000	-	2,075,000
Interest	-	-	-	-	-	-	-	221,011	-	221,011
Capital outlay	-	-	-	-	-	-	486,671	-	-	486,671
<b>Total Expenditures</b>	<b>-</b>	<b>48,555</b>	<b>18,250</b>	<b>531,508</b>	<b>300,000</b>	<b>-</b>	<b>486,671</b>	<b>2,296,011</b>	<b>-</b>	<b>3,681,014</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>38,423</b>	<b>(48,097)</b>	<b>(15,232)</b>	<b>265,806</b>	<b>32,838</b>	<b>11,925</b>	<b>(206,412)</b>	<b>(527,748)</b>	<b>-</b>	<b>2,520,762</b>
<b>Other Financing Sources (Uses)</b>										
	-	-	-	-	-	-	(46,702)	-	-	(46,702)
Transfers in	-	47,996	-	-	-	198,000	11,349,211	-	-	11,595,207
Transfers out	(700,000)	-	-	-	-	(201,595)	(5,492,804)	-	-	(8,634,821)
<b>Net Other Financing Sources (Uses)</b>	<b>(700,000)</b>	<b>47,996</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,595)</b>	<b>5,809,705</b>	<b>-</b>	<b>-</b>	<b>2,960,386</b>
<b>Net Change in Fund Balances</b>	<b>(661,577)</b>	<b>(101)</b>	<b>(15,232)</b>	<b>265,806</b>	<b>32,838</b>	<b>8,330</b>	<b>5,603,293</b>	<b>(527,748)</b>	<b>-</b>	<b>5,481,148</b>
<b>Fund Balances, beginning</b>	<b>800,700</b>	<b>3,359</b>	<b>46,698</b>	<b>429,304</b>	<b>142,014</b>	<b>195,439</b>	<b>18,477,687</b>	<b>6,428,896</b>	<b>-</b>	<b>34,128,135</b>
<b>Fund Balances, ending</b>	<b>\$ 139,123</b>	<b>\$ 3,258</b>	<b>\$ 31,466</b>	<b>\$ 695,110</b>	<b>\$ 174,852</b>	<b>\$ 203,769</b>	<b>\$ 24,080,980</b>	<b>\$ 5,901,148</b>	<b>\$ -</b>	<b>\$ 39,609,283</b>

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## NONMAJOR ENTERPRISE FUNDS

**Gary Paxton Industrial Park**-Accounts for industrial park owned by the municipality.

**Airport**-Accounts for municipally owned airport terminal.

**Marine Service Center**-Accounts for cold storage building owned and operated by the municipality.

**City and Borough of Sitka, Alaska**  
**Nonmajor Enterprise Funds**  
**Combining Statement of Net Position**

<i>June 30, 2024</i>	Gary Paxton Industrial Park	Airport	Marine Service Center	Total Nonmajor Enterprise Funds Funds
<b>Assets</b>				
<b>Current Assets</b>				
Equity in central treasury	\$ 8,186,900	\$ 561	\$ 1,805,562	\$ 9,993,023
Receivables:				
Trade accounts receivable and other	15,625	40,040	-	55,665
Federal and State of Alaska	-	8,172,693	-	8,172,693
Current portion:				
Leases receivable	10,079	-	265,701	275,780
<b>Total Current Assets</b>	<b>8,212,604</b>	<b>8,213,294</b>	<b>2,071,263</b>	<b>18,497,161</b>
<b>Noncurrent Assets</b>				
Restricted assets:				
Equity in central treasury:				
Bond covenant accounts	-	375,705	-	375,705
Capital asset acquisition	-	3,784,896	-	3,784,896
Net OPEB asset	-	33,246	-	33,246
Leases receivable	28,736	-	2,302,131	2,330,867
Capital assets:				
Property, plant and equipment	20,183,048	6,091,455	3,506,392	29,780,895
Construction in progress	2,291,544	12,636,060	196,305	15,123,909
Less accumulated depreciation and amortization	(4,662,412)	(4,060,595)	(3,421,627)	(12,144,634)
Total capital assets, net	17,812,180	14,666,920	281,070	32,760,170
<b>Total Noncurrent Assets</b>	<b>17,840,916</b>	<b>18,860,767</b>	<b>2,583,201</b>	<b>39,284,884</b>
<b>Total Assets</b>	<b>26,053,520</b>	<b>27,074,061</b>	<b>4,654,464</b>	<b>57,782,045</b>
<b>Deferred Outflows of Resources</b>				
OPEB related	-	2,381	-	2,381
Pension related	-	13,752	-	13,752
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>16,133</b>	<b>-</b>	<b>16,133</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 26,053,520</b>	<b>\$ 27,090,194</b>	<b>\$ 4,654,464</b>	<b>\$ 57,798,178</b>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued liabilities	\$ 273,080	\$ 3,035,215	\$ -	\$ 3,308,295
Interest payable	-	68,959	-	68,959
Due to other funds	-	3,002,618	-	3,002,618
Current portion:				
Revenue bonds	-	170,000	-	170,000
Compensated absences	-	1,500	-	1,500
<b>Total Current Liabilities</b>	<b>273,080</b>	<b>6,278,292</b>	<b>-</b>	<b>6,551,372</b>
<b>Noncurrent Liabilities</b>				
Bonds, notes, and unamortized bond premiums	-	3,329,426	-	3,329,426
Compensated absences	-	1,050	-	1,050
Net pension liability	-	70,967	-	70,967
<b>Total Noncurrent Liabilities</b>	<b>-</b>	<b>3,401,443</b>	<b>-</b>	<b>3,401,443</b>
<b>Total Liabilities</b>	<b>273,080</b>	<b>9,679,735</b>	<b>-</b>	<b>9,952,815</b>
<b>Deferred Inflows of Resources</b>				
Lease related	37,890	-	2,543,107	2,580,997
OPEB related	-	1,642	-	1,642
<b>Total Deferred Inflows of Resources</b>	<b>37,890</b>	<b>1,642</b>	<b>2,543,107</b>	<b>2,582,639</b>
<b>Net Position</b>				
Net investment in capital assets	17,540,413	12,302,357	281,070	30,123,840
Restricted for OPEB asset	-	33,246	-	33,246
Unrestricted	8,202,137	5,073,214	1,830,287	15,105,638
<b>Total Net Position</b>	<b>25,742,550</b>	<b>17,408,817</b>	<b>2,111,357</b>	<b>45,262,724</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 26,053,520</b>	<b>\$ 27,090,194</b>	<b>\$ 4,654,464</b>	<b>\$ 57,798,178</b>

## City and Borough of Sitka, Alaska

## Nonmajor Enterprise Funds

## Combining Statement of Revenues, Expenses and Changes in Net Position

<i>For the fiscal year ended June 30, 2024</i>	Gary Paxton Industrial Park	Airport	Marine Service Center	Total Nonmajor Enterprise Funds
<b>Operating Revenues</b>				
Charges for service	\$ 248,082	\$ 805,787	\$ 282,568	\$ 1,336,437
Other operating revenues	-	13,821	-	13,821
<b>Total Operating Revenues</b>	<b>248,082</b>	<b>819,608</b>	<b>282,568</b>	<b>1,350,258</b>
<b>Operating Expenses</b>				
Wages and benefits	-	95,676	-	95,676
Utilities and supplies	27,178	137,926	19,256	184,360
Repair and maintenance	-	87,031	49,373	136,404
Contracted/purchased services	100,118	92,436	12,469	205,023
Interdepartmental services	86,361	127,661	27,049	241,071
Insurance	30,916	28,134	14,256	73,306
Other	441	5,584	-	6,025
Depreciation and amortization	407,259	178,430	28,129	613,818
<b>Total Operating Expenses</b>	<b>652,273</b>	<b>752,878</b>	<b>150,532</b>	<b>1,555,683</b>
<b>Income (Loss) from Operations</b>	<b>(404,191)</b>	<b>66,730</b>	<b>132,036</b>	<b>(205,425)</b>
<b>Nonoperating Revenues (Expenses)</b>				
Investment income	476,986	241,280	133,166	851,432
Interest expense	-	(146,976)	-	(146,976)
State pension relief	-	802	-	802
<b>Net Nonoperating Revenues</b>	<b>476,986</b>	<b>95,106</b>	<b>133,166</b>	<b>705,258</b>
<b>Income Before Contributions and Transfers</b>				
<b>Contributions and Transfers</b>	<b>72,795</b>	<b>161,836</b>	<b>265,202</b>	<b>499,833</b>
Capital contributions	-	8,349,059	-	8,349,059
Transfer of capital assets	-	4,915,774	-	4,915,774
Transfers in	1,295,273	3,298	-	1,298,571
Transfers out	(33,185)	-	-	(33,185)
<b>Change in Net Position</b>	<b>1,334,883</b>	<b>13,429,967</b>	<b>265,202</b>	<b>15,030,052</b>
<b>Net Position, beginning</b>	<b>24,407,667</b>	<b>3,978,850</b>	<b>1,846,155</b>	<b>30,232,672</b>
<b>Net Position, ending</b>	<b>\$ 25,742,550</b>	<b>\$ 17,408,817</b>	<b>\$ 2,111,357</b>	<b>\$ 45,262,724</b>



## City and Borough of Sitka, Alaska

Nonmajor Enterprise Funds  
Combining Statement of Cash Flows

	Gary Paxton Industrial Park		Marine Service Center		Total Nonmajor Enterprise Funds
<i>For the fiscal year ended June 30, 2024</i>					
<b>Cash Flows from (for) Operating Activities</b>					
Receipts from customers and users	\$ 237,103	\$ 824,578	\$ 275,006	\$	1,336,687
Payments to suppliers	(158,153)	(343,481)	(95,841)		(597,475)
Payments for interfund services used	(86,361)	(127,661)	(27,049)		(241,071)
Payments to employees	-	(70,698)	-		(70,698)
Net cash flows from operating activities	(7,411)	282,738	152,116		427,443
<b>Cash Flows from (for) Noncapital Financing Activities</b>					
Increase in due to other funds	-	3,002,618	-		3,002,618
Transfers in	5,273	-	-		5,273
Transfers out	(33,185)	-	-		(33,185)
Note receivable payments	131	-	-		131
Net cash flows from (for) noncapital financing activities	(27,781)	3,002,618	-		2,974,837
<b>Cash Flows for Capital and Related Financing Activities</b>					
Capital outlay	(2,418,757)	(5,249,261)	(281)		(7,668,299)
Interest paid	-	(174,268)	-		(174,268)
Payments on bonds and lease assets	-	(142,146)	-		(142,146)
Government grants and loans	-	1,605,194	-		1,605,194
Transfers in	1,290,000	3,298	-		1,293,298
Net cash flows for capital and related financing activities	(1,128,757)	(3,957,183)	(281)		(5,086,221)
<b>Cash Flows From Investing Activities - Interest received</b>	476,986	190,417	133,166		800,569
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(686,963)	(481,410)	285,001		(883,372)
<b>Cash and Cash Equivalents, beginning</b>	8,873,863	4,266,867	1,520,561		14,661,291
<b>Cash and Cash Equivalents, ending</b>	\$ 8,186,900	3,785,457	\$ 1,805,562	\$	13,777,919
<b>Reconciliation of Income (Loss) from Operations to Net Cash Flows from (for) Operating Activities</b>					
Income (loss) from operations	\$ (404,191)	66,730	\$ 132,036	\$	(205,425)
Adjustments to reconcile income (loss) from operations to net cash flows from operating activities:					
Depreciation and amortization	407,259	178,430	28,129		613,818
State PERS relief	-	(802)	-		(802)
(Increase) decrease in assets and deferred outflows of resources:					
Accounts receivable (net)	(10,812)	4,340	17,163		10,691
Leases receivable	7,196	32,016	(2,567,832)		(2,528,620)
Net OPEB asset	-	(33,246)	-		(33,246)
Deferred outflow of resources related to OPEB	-	(2,381)	-		(2,381)
Deferred outflow of resources related to pensions	-	(13,752)	-		(13,752)
Increase (decrease) in liabilities and deferred inflows of resources:					
Accounts payable and accrued liabilities	500	7,630	(487)		7,643
Compensated absences	-	2,550	-		2,550
Net pension liability	-	70,967	-		70,967
Deferred inflows of resources related to OPEB	-	1,642	-		1,642
Deferred inflows of resources related to leases	(7,363)	(31,386)	2,543,107		2,504,358
<b>Net Cash Flows from (for) Operating Activities</b>	\$ (7,411)	282,738	\$ 152,116	\$	427,443
<b>Cash on Statement of Net Position</b>					
Equity in central treasury	\$ 8,186,900	561	\$ 1,805,562	\$	9,993,023
Restricted for capital asset acquisition	-	3,784,896	-		3,784,896
<b>Cash and Cash Equivalents, ending</b>	\$ 8,186,900	3,785,457	\$ 1,805,562	\$	13,777,919
Capital expenditures included in accounts payable	\$ 271,767	3,025,738	\$ -	\$	3,297,505

## INTERNAL SERVICE FUNDS

The City and Borough of Sitka's internal service funds account for the provision of services by one department to other municipal departments. These include:

**Information Technology**-Accounts for centralized IT services provided to municipal departments.

**Central Garage**-Accounts for centralized vehicle repair and maintenance.

**Building Maintenance**-Accounts for maintenance of all municipal buildings.

## City and Borough of Sitka, Alaska

## Internal Service Funds

## Combining Statement of Net Position

<i>June 30, 2024</i>	Information Technology	Central Garage	Building Maintenance	Total Internal Service Funds
<b>Assets and Deferred Outflows of Resources</b>				
<b>Current Assets</b>				
Equity in central treasury	\$ 560,633	\$ 7,589,664	\$ 815,527	\$ 8,965,824
Prepaid expenses	23,918	-	-	23,918
<b>Total Current Assets</b>	<b>584,551</b>	<b>7,589,664</b>	<b>815,527</b>	<b>8,989,742</b>
<b>Noncurrent Assets</b>				
Net OPEB asset	313,952	117,599	175,358	606,909
Capital assets:				
Property, plant and equipment	3,164,333	11,404,369	24,373	14,593,075
Construction in progress	-	73,060	-	73,060
Less accumulated depreciation and amortization	(3,043,854)	(7,978,671)	(23,053)	(11,045,578)
Total capital assets, net	120,479	3,498,758	1,320	3,620,557
<b>Total Noncurrent Assets</b>	<b>434,431</b>	<b>3,616,357</b>	<b>176,678</b>	<b>4,227,466</b>
<b>Total Assets</b>	<b>1,018,982</b>	<b>11,206,021</b>	<b>992,205</b>	<b>13,217,208</b>
<b>Deferred Outflows of Resources</b>				
OPEB related	22,485	8,422	12,559	43,466
Pension related	129,864	48,644	72,535	251,043
<b>Total Deferred Outflows of Resources</b>	<b>152,349</b>	<b>57,066</b>	<b>85,094</b>	<b>294,509</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 1,171,331</b>	<b>\$ 11,263,087</b>	<b>\$ 1,077,299</b>	<b>\$ 13,511,717</b>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued liabilities	\$ 24,494	\$ 37,632	\$ 14,328	\$ 76,454
Leases payable	8,452	-	-	8,452
Subscription IT liabilities	23,803	-	-	23,803
Compensated absences	34,496	1,382	23,756	59,634
<b>Total Current Liabilities</b>	<b>91,245</b>	<b>39,014</b>	<b>38,084</b>	<b>168,343</b>
<b>Noncurrent Liabilities</b>				
Compensated absences	35,297	6,185	3,473	44,955
Net pension liability	670,167	251,028	374,321	1,295,516
<b>Total Noncurrent Liabilities</b>	<b>705,464</b>	<b>257,213</b>	<b>377,794</b>	<b>1,340,471</b>
<b>Total Liabilities</b>	<b>796,709</b>	<b>296,227</b>	<b>415,878</b>	<b>1,508,814</b>
<b>Deferred Inflows of Resources</b>				
OPEB related	15,502	5,807	8,659	29,968
<b>Net Position</b>				
Net investment in capital assets	88,224	3,498,758	1,320	3,588,302
Restricted for OPEB Asset	313,952	117,599	175,358	606,909
Unrestricted	(43,056)	7,344,696	476,084	7,777,724
<b>Total Net Position</b>	<b>359,120</b>	<b>10,961,053</b>	<b>652,762</b>	<b>11,972,935</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 1,171,331</b>	<b>\$ 11,263,087</b>	<b>\$ 1,077,299</b>	<b>\$ 13,511,717</b>

## City and Borough of Sitka, Alaska

## Internal Service Funds

## Combining Statement of Revenues, Expenses and Changes in Net Position

<i>For the fiscal year ended June 30, 2024</i>	Information Technology	Central Garage	Building Maintenance	Total Internal Funds
<b>Operating Revenues</b>				
Charges for service	\$ 2,083,301	\$ 2,693,926	\$ 821,609	\$ 5,598,836
Other operating revenues	575	28,398	2,759	31,732
<b>Total Operating Revenues</b>	<b>2,083,876</b>	<b>2,722,324</b>	<b>824,368</b>	<b>5,630,568</b>
<b>Operating Expenses</b>				
Wages and benefits	683,228	245,210	420,969	1,349,407
Travel and training	4,770	-	-	4,770
Utilities and supplies	423,434	263,839	48,119	735,392
Repair and maintenance	245,210	208,129	33,569	486,908
Contracted/purchased services	392,870	22,544	167,204	582,618
Interdepartmental services	147,449	91,786	104,330	343,565
Insurance	31,004	127,885	-	158,889
Other	(16,431)	21,024	34,712	39,305
Depreciation and amortization	173,667	636,387	880	810,934
<b>Total Operating Expenses</b>	<b>2,085,201</b>	<b>1,616,804</b>	<b>809,783</b>	<b>4,511,788</b>
<b>Income (Loss) from Operations</b>	<b>(1,325)</b>	<b>1,105,520</b>	<b>14,585</b>	<b>1,118,780</b>
<b>Nonoperating Revenues (Expenses)</b>				
Investment income	29,003	325,221	41,406	395,630
Interest expense	(1,721)	-	-	(1,721)
State pension relief	7,568	2,835	4,227	14,630
<b>Net Nonoperating Revenues</b>	<b>34,850</b>	<b>328,056</b>	<b>45,633</b>	<b>408,539</b>
<b>Income Before Transfers</b>	<b>33,525</b>	<b>1,433,576</b>	<b>60,218</b>	<b>1,527,319</b>
Transfers in	-	530,463	12,522	542,985
Transfers out	(88,000)	(862,500)	-	(950,500)
<b>Change in Net Position</b>	<b>(54,475)</b>	<b>1,101,539</b>	<b>72,740</b>	<b>1,119,804</b>
<b>Net Position, beginning</b>	<b>413,595</b>	<b>9,859,514</b>	<b>580,022</b>	<b>10,853,131</b>
<b>Net Position, ending</b>	<b>\$ 359,120</b>	<b>\$ 10,961,053</b>	<b>\$ 652,762</b>	<b>\$ 11,972,935</b>

## City and Borough of Sitka, Alaska

## Internal Service Funds

## Combining Statement of Cash Flows

<i>For the fiscal year ended June 30, 2024</i>	Information Technology	Central Garage	Building Maintenance	Total Internal Service Funds
<b>Cash Flows from (for) Operating Activities</b>				
Receipts from customers and users	\$ 2,083,876	\$ 2,722,324	\$ 824,368	\$ 5,630,568
Payments to suppliers	(1,152,874)	(649,460)	(311,200)	(2,113,534)
Payments for interfund services used	(147,449)	(91,786)	(104,330)	(343,565)
Payments to employees	(667,558)	(236,930)	(456,850)	(1,361,338)
<b>Net cash flows from (for) operating activities</b>	<b>115,995</b>	<b>1,744,148</b>	<b>(48,012)</b>	<b>1,812,131</b>
<b>Cash Flows from (for) Noncapital Financing Activities</b>				
Transfers from other funds	-	530,463	12,522	542,985
Transfers to other funds	(88,000)	(862,500)	-	(950,500)
<b>Net cash flows from (for) noncapital financing activities</b>	<b>(88,000)</b>	<b>(332,037)</b>	<b>12,522</b>	<b>(407,515)</b>
<b>Cash Flows for Capital and Related Financing Activities</b>				
Capital outlay	-	(627,161)	-	(627,161)
Payments on IT and lease assets	(55,344)	-	-	(55,344)
Interest paid	(1,721)	-	-	(1,721)
<b>Net cash flows for capital and related financing activities</b>	<b>(57,065)</b>	<b>(627,161)</b>	<b>-</b>	<b>(684,226)</b>
<b>Cash Flows from Investing Activities</b>				
Interest received	29,003	325,221	41,406	395,630
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(67)</b>	<b>1,110,171</b>	<b>5,916</b>	<b>1,116,020</b>
<b>Cash and Cash Equivalents, beginning</b>	<b>560,700</b>	<b>6,479,493</b>	<b>809,611</b>	<b>7,849,804</b>
<b>Cash and Cash Equivalents, ending</b>	<b>\$ 560,633</b>	<b>\$ 7,589,664</b>	<b>\$ 815,527</b>	<b>\$ 8,965,824</b>
<b>Reconciliation of Income (Loss) from Operations to Net</b>				
<b>Cash Flows from (for) Operating Activities</b>				
Income (loss) from operations	\$ (1,325)	\$ 1,105,520	\$ 14,585	\$ 1,118,780
Adjustments to reconcile income (loss) from operations to net cash flows from (for) operating activities:				
Depreciation and amortization	173,667	636,387	880	810,934
State pension relief	7,568	2,835	4,227	14,630
(Increase) decrease in assets and deferred outflows of resources:				
Prepaid expenses	63,389	-	-	63,389
Net OPEB asset	(72,814)	(32,135)	(4,869)	(109,818)
Deferred outflows of resources related to OPEB	1,278	-	4,242	5,520
Deferred outflows of resources related to pensions	(15,269)	(8,029)	8,487	(14,811)
Increase (decrease) in liabilities and deferred inflows of resources:				
Accounts payable and accrued liabilities	(135,406)	(6,039)	(27,596)	(169,041)
Compensated absences	26,565	7,567	5,516	39,648
Net pension liability	74,983	40,083	(46,487)	68,579
Deferred inflows of resources related to OPEB	(6,641)	(2,041)	(6,997)	(15,679)
<b>Net Cash Flows from (for) Operating Activities</b>	<b>\$ 115,995</b>	<b>\$ 1,744,148</b>	<b>\$ (48,012)</b>	<b>\$ 1,812,131</b>

## Statistical Section

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### **Financial Trend Data**

These schedules contain trend information that describe how the City and Borough's financial performance has changed over time. Tables 1-4

### **Revenue Capacity Data**

These schedules contain information about the City and Borough's most significant sources of local revenue—property and sales tax. Tables 5-10

### **Debt Capacity**

These schedules provide information on the of the current levels of outstanding debt, its affordability, and the City and Borough's ability to issue additional debt in the future. Tables 11-14

### **Economic and Demographic Information**

These schedules provide economic and demographic indicators to help the reader understand the environment within which the City and Borough's financial activities take place. Tables 15-16

### **Operating Information**

These schedules contain service and infrastructure indicators that describe how the information in the City and Borough's financial report relates to the services the City and Borough provides and the activities it performs. Tables 17-20

#### Source:

Unless otherwise noted, information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

## City and Borough of Sitka, Alaska

## Net Position by Component

## Last Ten Fiscal Years

*(accrual basis of accounting)*

	Fiscal Year				
	2020	2021	2022	2023	2024
<b>Governmental activities:</b>					
Net investment in capital assets	\$ 113,633,981	\$ 111,104,543	\$ 105,788,584	\$ 107,702,385	\$ 103,413,520
Restricted	26,651,153	30,481,029	37,915,955	38,122,724	41,104,764
Unrestricted	6,409,150	27,378,266	39,201,632	38,556,583	46,375,960
<b>Total governmental activities net position</b>	<b>146,694,284</b>	<b>168,963,838</b>	<b>182,906,171</b>	<b>184,381,692</b>	<b>190,894,244</b>
<b>Business-type activities:</b>					
Net investment in capital assets	163,674,646	163,706,810	167,898,962	169,416,806	173,092,013
Restricted	16,387,458	12,450,444	-	2,640,177	11,937,971
Unrestricted	28,218,057	32,759,270	44,367,135	57,966,762	65,444,037
<b>Total business-type activities net position</b>	<b>208,280,161</b>	<b>208,916,524</b>	<b>212,266,097</b>	<b>230,023,745</b>	<b>250,474,021</b>
<b>Primary government:</b>					
Net investment in capital assets	274,811,353	277,308,627	276,930,891	276,930,891	276,505,533
Restricted	42,931,473	37,915,955	49,798,661	49,798,661	53,042,735
Unrestricted	60,137,536	34,627,207	87,675,885	87,675,885	111,819,997
<b>Total Primary Government Net Position</b>	<b>\$ 354,974,445</b>	<b>\$ 377,880,362</b>	<b>\$ 395,172,268</b>	<b>\$ 414,405,437</b>	<b>\$ 441,368,265</b>
	Fiscal Year				
	2015	2016	2017	2018	2019
<b>Governmental activities:</b>					
Net investment in capital assets	\$ 94,765,479	\$ 111,067,134	\$ 115,405,541	\$ 115,862,733	\$ 114,600,888
Restricted	32,149,739	27,567,141	27,067,460	27,776,873	23,357,825
Unrestricted	22,669,294	21,354,757	16,597,067	15,861,001	23,985,152
<b>Total governmental activities net position</b>	<b>149,584,512</b>	<b>159,989,032</b>	<b>159,070,068</b>	<b>159,500,607</b>	<b>161,943,865</b>
<b>Business-type activities:</b>					
Net investment in capital assets	164,836,448	171,259,337	170,051,853	167,321,108	149,892,960
Restricted	10,445,096	10,470,409	10,583,555	10,748,446	11,901,160
Unrestricted	33,109,400	28,987,128	27,954,746	27,082,561	42,848,761
<b>Total business-type activities net position</b>	<b>208,390,944</b>	<b>210,716,874</b>	<b>208,590,154</b>	<b>205,152,115</b>	<b>204,642,881</b>
<b>Primary government:</b>					
Net investment in capital assets	282,326,471	285,457,394	283,183,841	283,183,841	264,493,848
Restricted	38,037,550	37,651,015	38,525,319	38,525,319	35,258,985
Unrestricted	50,341,885	44,551,813	42,943,562	42,943,562	66,833,913
<b>Total Primary Government Net Position</b>	<b>\$ 357,975,456</b>	<b>\$ 370,705,906</b>	<b>\$ 367,660,222</b>	<b>\$ 364,652,722</b>	<b>\$ 366,586,746</b>

**City and Borough of Sitka, Alaska**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	Fiscal Year				
	2020	2021	2022	2023	2024
<b>General Fund:</b>					
Nonspendable	\$ 4,175,552	\$ 3,125,552	\$ 3,126,672	\$ 3,131,639	\$ 3,132,832
Restricted	-	-	-	-	-
Committed	9,494,699	10,408,352	10,611,079	11,383,908	12,504,622
Assigned	-	-	-	-	-
Unassigned	3,827,823	7,894,539	6,502,122	6,501,358	7,856,510
<b>Total General Fund</b>	<b>\$ 17,498,074</b>	<b>\$ 21,428,443</b>	<b>\$ 20,239,873</b>	<b>\$ 21,016,905</b>	<b>\$ 23,493,964</b>
<b>All Other Governmental Funds:</b>					
Nonspendable	\$ 22,487,510	\$ 26,506,715	\$ 32,962,853	\$ 23,452,880	\$ 28,074,779
Restricted	4,739,787	3,974,314	7,743,102	9,904,833	10,534,834
Committed	11,530,484	14,810,545	17,858,977	25,369,783	28,287,944
Assigned	3,206,425	3,132,738	2,864,811	3,412,147	2,882,030
Unassigned (deficit)	(6,536,801)	(3,058,975)	(3,654,015)	(3,836,590)	(4,178,774)
<b>Total all other governmental funds</b>	<b>\$ 35,427,405</b>	<b>\$ 45,365,337</b>	<b>\$ 57,775,728</b>	<b>\$ 58,303,053</b>	<b>\$ 65,600,813</b>
	Fiscal Year				
	2015	2016	2017	2018	2019
<b>General Fund:</b>					
Nonspendable	\$ 1,825,359	\$ 1,657,883	\$ 988,403	\$ 625,913	\$ 117,381
Restricted	-	-	-	-	-
Committed	8,295,203	8,460,152	9,206,808	10,262,266	9,924,505
Assigned	-	-	-	-	-
Unassigned	4,889,171	4,420,827	3,977,938	4,171,993	5,716,004
<b>Total General Fund</b>	<b>\$ 15,009,733</b>	<b>\$ 14,538,862</b>	<b>\$ 14,173,149</b>	<b>\$ 15,060,172</b>	<b>\$ 15,757,890</b>
<b>All other governmental funds:</b>					
Nonspendable	\$ 56,681	\$ 69,015	\$ 5	\$ 5	\$ 5
Restricted	26,207,854	24,863,608	25,141,562	25,681,513	27,229,862
Committed	15,111,535	11,404,858	9,249,985	9,816,366	9,780,650
Assigned	2,387,729	3,580,527	3,344,825	3,705,160	3,679,829
Unassigned (deficit)	(4,785)	(5,167)	(5,187)	(5,187)	(5,187)
<b>Total all other governmental funds</b>	<b>\$ 43,759,014</b>	<b>\$ 39,912,841</b>	<b>\$ 37,731,190</b>	<b>\$ 39,197,857</b>	<b>\$ 40,685,159</b>



## City and Borough of Sitka, Alaska

Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
<b>Governmental Activities</b>										
Administration	\$ 2,078,240	\$ 2,388,505	\$ 2,715,896	\$ 2,461,842	\$ 3,386,382	\$ 2,119,817	\$ 3,274,729	\$ 2,432,815	\$ 2,897,151	\$ 5,470,004
Public safety	6,958,306	7,788,950	8,094,841	6,463,189	5,753,966	4,864,415	6,936,421	5,889,736	5,709,874	7,053,667
Public works	4,661,945	6,341,667	6,722,139	5,872,594	5,501,557	5,184,674	5,576,464	5,862,713	6,167,119	7,210,737
Public services	3,727,612	3,222,086	3,996,515	3,453,341	3,521,266	5,453,614	2,931,251	521,039	4,254,290	4,758,534
School and Hospital Support*	9,384,188	10,783,487	10,392,966	10,680,672	10,890,195	10,761,829	10,680,074	11,411,175	11,855,519	11,566,627
Interest on long-term debt	1,082,227	1,054,818	809,906	882,935	624,648	521,250	316,986	279,251	213,352	211,846
<b>Total Governmental Activities</b>	<b>27,892,518</b>	<b>31,579,513</b>	<b>32,732,263</b>	<b>29,814,573</b>	<b>29,678,014</b>	<b>28,905,599</b>	<b>29,715,925</b>	<b>26,396,729</b>	<b>31,097,305</b>	<b>36,271,415</b>
<b>Business-type Activities</b>										
Electric Utility	11,144,214	19,484,534	24,097,768	22,087,589	21,888,517	20,888,636	18,546,879	19,301,018	\$ 16,788,392	\$ 18,917,098
Water Utility	2,370,055	2,274,676	2,577,678	2,760,171	2,654,802	2,616,497	2,844,519	2,775,685	3,149,492	3,966,923
Waste water treatment	3,629,915	3,809,005	3,754,464	3,216,644	2,986,412	2,857,417	3,530,621	3,528,034	3,603,382	3,765,443
Solid waste disposal	3,344,737	3,882,003	4,519,678	4,881,503	4,564,504	4,467,101	4,809,527	4,995,697	4,608,670	5,060,192
Harbor	2,682,945	3,318,718	3,829,041	3,682,860	3,566,782	4,018,314	4,777,889	4,113,084	4,706,012	4,860,748
Other nonmajor business-type activities	1,693,904	1,467,365	1,221,382	2,650,641	1,465,345	1,599,200	1,495,646	1,550,144	1,564,140	1,680,627
<b>Total Business-type Activities</b>	<b>24,865,770</b>	<b>34,236,301</b>	<b>40,000,011</b>	<b>39,279,408</b>	<b>37,126,362</b>	<b>36,447,165</b>	<b>36,005,081</b>	<b>36,263,662</b>	<b>34,420,088</b>	<b>38,251,031</b>
<b>Total Primary Government Expenses</b>	<b>\$ 52,758,288</b>	<b>\$ 65,815,814</b>	<b>\$ 72,732,274</b>	<b>\$ 69,093,981</b>	<b>\$ 66,804,376</b>	<b>\$ 65,352,764</b>	<b>\$ 65,721,006</b>	<b>\$ 62,660,391</b>	<b>\$ 65,517,393</b>	<b>\$ 74,522,446</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Charges for services										
Administration	\$ 377,681	\$ 330,066	\$ 595,703	\$ 318,388	\$ 295,686	\$ 323,746	\$ 1,450,700	\$ 480,458	\$ 513,189	\$ 486,531
Public safety	1,409,655	1,112,805	1,052,231	1,138,956	1,264,663	1,280,152	1,139,857	1,277,351	1,825,096	1,645,594
Public works	1,052,273	1,928,131	908,526	927,505	843,019	766,288	668,985	570,153	525,901	1,412,539
Public services	252,980	161,542	107,807	137,626	123,579	113,798	52,335	124,725	1,174,179	1,203,977
Operating grants and contributions	5,673,970	5,583,311	3,853,366	5,475,108	4,598,755	4,738,892	17,605,492	9,273,717	5,332,537	4,619,138
Capital grants and contributions	9,807,793	14,352,444	6,216,233	1,706,983	653,575	978,321	1,481,958	827,787	292,972	24,684
<b>Total Governmental Activities Program Revenues</b>	<b>18,574,352</b>	<b>23,468,299</b>	<b>12,733,866</b>	<b>9,704,566</b>	<b>7,779,277</b>	<b>8,201,197</b>	<b>22,399,327</b>	<b>12,554,191</b>	<b>9,663,874</b>	<b>9,392,463</b>

## City and Borough of Sitka, Alaska

Changes in Net Position, continued  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Business-type Activities</b>										
Charges for services:										
Electric Utility	\$ 14,623,321	\$ 14,251,478	\$ 15,846,375	\$ 17,538,304	\$ 17,413,785	\$ 16,869,844	\$ 18,700,597	\$ 20,138,151	\$ 20,899,556	\$ 21,525,741
Water	2,093,200	2,237,501	2,279,025	2,379,826	2,870,002	2,859,554	2,908,401	3,148,766	3,356,827	3,649,108
Wastewater treatment	2,906,839	3,069,962	3,093,130	3,201,110	3,335,631	3,534,237	3,595,175	3,789,616	4,169,621	4,518,415
Solid waste disposal	3,067,855	3,252,472	4,013,653	4,060,430	4,534,163	4,699,159	4,928,391	5,772,618	5,697,491	6,175,368
Harbor	2,256,944	2,376,000	2,474,704	2,419,711	2,546,141	2,440,448	2,516,123	3,053,377	3,426,068	3,518,016
Other nonmajor business-type	973,890	879,756	830,846	756,068	1,109,092	1,163,980	1,036,270	1,332,328	1,252,373	1,350,258
Operating grants and contributions	881,120	901,570	727,495	773,249	1,047,231	951,675	416,554	26,441	(124,565)	2,071,426
Capital grants and contributions	15,250,445	6,844,390	5,184,520	4,777,742	141,148	4,417,109	1,932,044	1,594,814	1,219,112	8,482,833
<b>Total Business-type Activities</b>										
Program Revenues	42,053,614	33,813,129	34,449,748	35,906,440	32,997,193	36,936,006	36,033,555	38,856,111	39,896,483	51,291,165
<b>Total Primary Government</b>										
Program Revenues	60,627,966	57,281,428	47,183,614	45,611,006	40,776,470	45,137,203	58,432,882	51,410,302	49,560,357	60,683,628
<b>Net Revenue (Expense)</b>										
Governmental activities	(9,318,166)	(8,111,214)	(19,998,397)	(20,110,007)	(21,898,737)	(20,704,402)	(7,316,598)	(13,842,538)	(21,433,431)	(26,878,952)
Business-type activities	17,187,844	(423,172)	(5,550,263)	(3,372,968)	(4,129,169)	488,841	28,474	2,592,449	5,476,395	13,040,134
<b>Total Primary Government Net Expense</b>	\$ 7,869,678	\$ (8,534,386)	\$ (25,548,660)	\$ (23,482,975)	\$ (26,027,906)	\$ (20,215,561)	\$ (7,288,124)	\$ (11,250,089)	\$ (15,957,036)	\$ (13,838,818)
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities</b>										
Taxes										
Property taxes	\$ 6,245,146	\$ 6,202,972	\$ 6,454,150	\$ 6,647,375	\$ 6,777,625	\$ 6,852,247	\$ 7,242,611	\$ 7,204,373	\$ 7,191,735	\$ 7,435,553
Sales and other taxes	10,983,577	11,712,840	12,779,601	13,887,701	15,096,448	13,960,613	14,989,797	18,538,164	22,807,942	23,273,743
Unrestricted grants and contributions	-	-	-	1,016,787	-	10,000	-	-	573,550	482,893
Investment earnings (loss)	1,368,824	1,098,031	2,186,968	1,838,439	2,667,299	2,080,495	6,217,663	(4,363,572)	2,431,962	4,478,386
Other	1,557,740	113,329	14	-	17,897	1,671,262	1,177,377	110,109	-	-
Transfers	(2,727,192)	(611,438)	(2,260,336)	(34,841)	(101,389)	(220,170)	(41,296)	(649,720)	(10,096,237)	(2,279,071)
<b>Total Governmental Activities</b>	17,428,095	18,515,734	19,160,397	23,355,461	24,457,880	24,354,447	29,586,152	20,839,354	22,908,952	33,391,504
<b>Business-type Activities</b>										
Unrestricted grants and contributions	1,009,033	879,793	953,324	1,279,885	1,188,722	621,756	855,702	1,752,179	1,451,832	887,842
Investment earnings	559,400	1,115,858	(120,678)	110,307	2,440,187	2,306,513	(289,106)	(1,644,777)	733,184	4,243,229
Other	43,664.00	142,013	330,561	62,659	(110,363)	-	-	-	-	-
Transfers	2,727,192	611,438	2,260,336	94,844	101,389	220,170	41,296	649,720	10,096,237	2,279,071
<b>Total Business-type Activities</b>	4,339,289	2,749,102	3,423,543	1,547,695	3,619,935	3,148,439	607,892	757,122	12,281,253	7,410,142
<b>Total Primary Government</b>	21,767,384	21,264,836	22,583,940	24,903,156	28,077,815	27,502,886	30,194,044	21,596,476	35,190,205	40,801,646
<b>Special item, sale of hospital</b>	-	-	-	-	-	(18,899,626)	-	6,945,516	-	-
<b>Change in Net Position</b>										
Governmental activities	8,109,929	10,404,520	(838,000)	3,245,454	2,559,143	(15,249,581)	22,269,554	13,942,332	1,475,521	6,512,552
Business-type activities	21,527,133	2,325,930	(2,126,720)	(1,825,273)	(509,234)	3,637,280	636,366	3,349,571	17,757,648	20,450,276
<b>Total Primary Government</b>	\$ 29,637,062	\$ 12,730,450	\$ (2,964,720)	\$ 1,420,181	\$ 2,049,909	\$ (11,612,301)	\$ 22,905,920	\$ 17,291,903	\$ 19,233,169	\$ 26,962,828

**City and Borough of Sitka, Alaska**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Taxes	\$ 17,071,383	\$ 17,697,462	\$ 18,924,241	\$ 20,129,961	\$ 21,874,073	\$ 20,812,860	\$ 22,232,408	\$ 25,742,537	\$ 29,999,677	\$ 30,709,296
State sources	15,088,635	17,218,068	8,810,809	4,952,257	4,056,169	2,222,438	1,085,248	5,602,137	2,312,156	2,227,846
Federal sources	3,057,734	2,813,097	1,525,182	2,330,840	1,446,483	2,340,356	17,510,579	4,175,587	4,264,760	2,971,137
Charges for services	2,150,939	2,748,192	1,643,371	1,751,934	1,758,868	1,668,135	1,326,334	1,403,587	2,123,116	2,160,370
Interfund services	2,807,749	2,870,628	2,750,429	2,855,203	2,695,448	2,663,479	2,705,560	2,784,694	2,861,120	2,902,413
Fines and forfeitures	118,679	85,245	71,293	46,773	60,572	55,730	45,401	63,199	46,202	35,633
Investment income (loss)	1,291,529	953,584	2,208,869	1,832,552	2,425,707	1,796,748	6,250,377	(4,250,060)	2,254,391	4,258,053
Uses of property	329,537	226,643	265,557	335,686	335,463	364,243	474,498	457,837	692,727	669,208
Licenses and permits	195,824	203,736	268,025	159,153	126,809	123,353	170,554	205,286	268,711	1,013,584
Other	827,062	387,895	419,254	441,192	268,265	1,959,575	2,286,627	1,295,740	931,909	876,631
<b>Total Revenues</b>	<b>42,939,071</b>	<b>45,204,550</b>	<b>36,887,030</b>	<b>34,835,551</b>	<b>35,047,857</b>	<b>34,006,917</b>	<b>54,087,586</b>	<b>37,480,544</b>	<b>45,754,769</b>	<b>47,824,171</b>
<b>Expenditures</b>										
Administration	5,439,736	4,750,036	4,863,965	4,906,870	5,993,080	5,159,126	5,547,373	6,032,660	6,636,488	8,651,875
Public safety	7,773,703	6,969,696	6,515,650	6,271,068	6,383,441	6,132,699	6,654,404	6,610,186	6,414,473	7,030,168
Public works	4,259,577	4,605,859	4,322,411	3,734,414	3,913,877	3,888,614	3,369,305	3,976,229	4,217,174	4,766,295
Public services	2,391,723	2,219,095	3,291,844	2,770,419	2,914,320	4,317,218	16,316,679	4,113,982	3,808,209	4,311,618
Support	6,896,830	7,650,465	7,177,703	7,294,014	7,524,879	7,511,994	7,581,311	8,364,200	8,818,868	8,527,498
Capital outlay	11,168,536	19,139,373	7,287,549	3,571,051	2,199,479	1,860,209	2,075,082	2,020,108	1,973,536	577,256
Debt service:										
Principal	2,483,231	2,578,831	2,717,310	2,802,310	2,902,310	2,177,310	1,872,309	2,017,310	2,072,310	2,097,310
Interest and fiscal charges	1,209,446	1,126,007	979,104	882,671	759,815	648,952	602,019	313,939	256,423	223,899
Lease assets	-	-	-	-	-	-	-	16,224	21,449	15,643
<b>Total Expenditures</b>	<b>41,622,782</b>	<b>49,039,362</b>	<b>37,155,536</b>	<b>32,232,817</b>	<b>32,591,201</b>	<b>31,696,122</b>	<b>44,018,482</b>	<b>33,464,838</b>	<b>34,218,930</b>	<b>36,201,562</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,316,289</b>	<b>(3,834,812)</b>	<b>(268,506)</b>	<b>2,602,734</b>	<b>2,456,656</b>	<b>2,310,795</b>	<b>10,069,104</b>	<b>4,015,706</b>	<b>11,535,839</b>	<b>11,622,609</b>
<b>Other Financing Sources (Uses)</b>										
Proceeds from sale of assets	1,052,256	22,334	-	-	-	-	-	-	-	-
Issuance of bonds - par	6,095,000	-	1,630,000	-	-	-	6,290,000	-	-	-
Issuance of bonds - premium	836,234	-	52,463	-	-	-	585,277	-	-	-
Payment to refund bonds	(6,876,762)	-	(1,662,944)	-	-	-	(6,818,469)	-	-	-
Lease assets	-	-	-	-	-	-	-	70,926	-	(21,379,646)
Transfers in	8,509,199	7,685,336	7,690,538	5,955,584	7,910,063	5,684,276	5,923,589	10,575,206	17,333,386	(46,702)
Transfers out	(11,336,499)	(8,189,902)	(9,988,915)	(6,204,628)	(8,181,699)	(6,029,240)	(6,111,570)	(11,621,056)	(27,564,868)	19,554,792
<b>Net Other Financing Sources (Uses)</b>	<b>(1,720,572)</b>	<b>(482,232)</b>	<b>(2,278,858)</b>	<b>(249,044)</b>	<b>(271,636)</b>	<b>(344,964)</b>	<b>(131,173)</b>	<b>(974,924)</b>	<b>(10,231,482)</b>	<b>(1,871,556)</b>
<b>Special Item-sale of hospital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,553,032)</b>	<b>-</b>	<b>8,181,040</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (404,283)</b>	<b>\$ (4,317,044)</b>	<b>\$ (2,547,364)</b>	<b>\$ 2,353,690</b>	<b>\$ 2,185,020</b>	<b>\$ 412,799</b>	<b>\$ 9,937,931</b>	<b>\$ 11,221,822</b>	<b>\$ 1,304,357</b>	<b>\$ 9,751,053</b>
<b>Debt service as a percentage of noncapital expenditure</b>	<b>12.1%</b>	<b>12.4%</b>	<b>12.4%</b>	<b>12.9%</b>	<b>12.0%</b>	<b>9.5%</b>	<b>5.9%</b>	<b>7.4%</b>	<b>7.2%</b>	<b>6.5%</b>

**City and Borough of Sitka, Alaska**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year	Residential Property	Commercial Property	Personal Property	Less Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2015	\$ 761,395,448	\$ 189,935,700	\$ 148,629,600	\$ 14,587,081	\$ 1,085,373,667	0.006	\$ 1,195,498,800	90.79%
2016	682,904,400	292,673,300	60,709,500	77,348,300	958,938,900	0.006	1,245,005,400	77.02%
2017	751,808,201	322,203,499	57,307,441	81,338,900	1,049,980,241	0.006	1,318,435,400	79.64%
2018	869,636,600	262,276,100	56,307,441	103,355,100	1,084,865,041	0.006	1,284,593,700	84.45%
2019	896,558,900	251,270,800	57,532,700	97,144,300	1,108,218,100	0.006	1,222,215,256	90.67%
2020	830,119,100	430,511,300	54,170,370	201,563,000	1,113,237,770	0.006	1,335,015,956	83.39%
2021	901,626,400	234,464,000	68,053,670	25,678,080	1,178,465,990	0.006	1,398,738,889	84.25%
2022	919,894,900	575,856,600	50,232,540	370,017,140	1,175,966,900	0.006	1,258,472,608	93.44%
2023	928,992,200	582,740,900	56,380,040	379,547,200	1,188,565,940	0.006	1,331,802,778	89.24%
2024	903,343,100	650,436,100	43,854,620	384,347,716	1,213,286,104	0.006	1,348,095,671	90.00%

Property values are assessed at full and true value as of January 1st of the assessment year. On average (excluding tax exemptions), the City and Borough of Sitka assesses property at about 90% of its estimated full and true value, as demonstrated by the use of standardized ratio study results.

Source: Assessing department

**City and Borough of Sitka, Alaska**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

Fiscal Year	Property Tax Mill Levies (per \$1,000 Assessed Valuation)
2015	6.00
2016	6.00
2017	6.00
2018	6.00
2019	6.00
2020	6.00
2021	6.00
2022	6.00
2023	6.00
2024	6.00

Property tax rates are set in the charter and may not be changed except by affirmative vote of a majority of voters-data is derived from charter.

There are no overlapping property tax rates.

**City and Borough of Sitka, Alaska**  
**Governmental Activities Tax Revenues by Source**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

Fiscal Year	Property Tax	Sales Tax	Bed Tax	Tobacco Tax	Marijuana Tax	Total
2015	\$ 6,245,146	\$ 10,531,237	\$ 411,916	\$ 735,594	\$ -	\$ 16,351,095
2016	6,202,972	11,087,495	472,900	490,353	-	16,335,789
2017	6,454,150	12,631,709	503,439	879,157	-	17,207,109
2018	6,647,375	13,309,207	543,697	850,876	-	20,500,279
2019	6,777,625	13,309,207	553,911	835,730	-	20,640,743
2020	6,852,247	12,139,374	398,187	806,706	-	19,389,808
2021	7,242,611	13,115,999	407,024	850,329	-	20,765,634
2022	7,204,373	16,365,714	669,958	886,947	-	24,240,045
2023	7,191,735	19,317,031	792,950	846,827	125,754	27,301,716
2024	7,435,553	18,688,712	780,796	778,060	327,504	26,905,061

## City and Borough of Sitka, Alaska

### Principal Property Taxpayers Current Year and Nine Years Ago

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Southeast Alaska Regional Health Consortium	\$ 15,748,200	1	1.34%			
Silver Bay Seafoods LLC	12,293,490	2	1.04%	13,428,543	1	1.36%
Scojo LLC	9,687,500	3	0.82%	5,454,712	7	0.55%
Harbor Enterprises Inc	8,519,600	4	0.72%	8,042,720	4	0.81%
Seafood Producers Cooperative	8,370,626	5	0.71%	6,454,000	6	0.65%
The North West Co (Intl) Inc	7,913,100	6	0.67%	7,115,400	5	0.72%
Hames Corporation	7,230,500	7	0.61%	8,894,083	3	0.90%
North Pacific Seafoods Inc	6,489,700	8	0.55%	9,932,773	2	1.00%
Sitka Residences LLC	5,654,600	9	0.48%			
AK Preservation Sawmill Ltd. Partnership	5,435,700	10	0.46%			
ACS				5,374,070	8	0.54%
Halibut Point Marine Services, LLC				5,140,100	9	0.52%
Shee Atika Incorporated				5,130,300	10	0.52%
Totals	<u>\$ 87,343,016</u>		<u>6.08%</u>	<u>\$ 74,966,701</u>		<u>7.57%</u>

Source: Assessing department

## City and Borough of Sitka, Alaska

### Property Tax Levies and Collection

#### Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Amount	Percentage of Levy
		Amount Collected	Percentage of Levy			
2015	\$ 6,283,300	\$ 6,146,746	98%	\$ 38,488	\$ 6,185,234	98.44%
2016	6,194,742	6,145,132	99%	29,616	6,174,748	99.68%
2017	6,337,187	6,300,105	99%	32,806	6,332,911	99.93%
2018	6,440,090	6,300,105	98%	110,484	6,410,589	99.54%
2019	6,639,822	6,431,978	98%	17,017	6,448,995	97.13%
2020	6,852,247	6,653,972	97%	61,613	6,715,585	98.01%
2021	7,242,611	7,075,478	98%	30,471	7,105,949	98.11%
2022	7,204,372	7,137,877	99%	55,327	7,193,204	99.84%
2023	7,191,735	7,119,818	99%	66,488	7,186,306	99.92%
2024	7,243,024	7,151,867	99%	45,905	7,197,772	99.38%



## City and Borough of Sitka, Alaska

Sales Tax Receipts by Industry  
Last Ten Fiscal Years

Industry	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Agriculture, Forestry and Fishing	\$ 18,137	\$ 19,297	\$ 17,100	\$ 27,629	\$ 18,032	\$ 49,882	\$ 61,700	\$ 25,768	\$ 27,274	\$ 20,417
Construction	201,145	205,887	234,360	301,566	324,984	277,465	384,018	422,258	394,732	392,103
Manufacturing	233,094	249,378	267,635	290,841	357,453	315,633	242,455	293,156	362,505	318,895
Transportation & Public Utilities	680,790	657,369	625,344	646,408	705,416	633,470	543,636	703,741	1,085,159	1,095,762
Wholesale Trade	54,145	70,273	80,346	90,818	101,752	105,103	103,411	115,791	119,285	110,304
Retail Trade	5,510,674	5,539,053	5,656,974	6,033,590	6,693,040	6,270,305	6,981,919	8,511,244	9,703,924	9,923,190
Finance, Insurance & Real Estate	325,567	378,274	420,778	519,460	550,615	496,964	604,223	686,930	768,141	653,678
Services	1,865,545	2,173,224	2,623,270	2,954,957	3,338,532	2,685,683	3,050,104	4,508,827	5,548,740	5,005,646
Government - Local	789,630	930,599	892,001	1,222,743	1,067,592	1,304,869	1,144,533	1,097,999	1,307,271	1,168,717
<b>Total Sales Tax Receipts</b>	<b>\$ 9,678,727</b>	<b>\$ 10,223,354</b>	<b>\$ 10,817,807</b>	<b>\$ 12,088,012</b>	<b>\$ 13,157,418</b>	<b>\$ 12,139,374</b>	<b>\$ 13,115,999</b>	<b>\$ 16,365,714</b>	<b>\$ 19,317,031</b>	<b>\$ 18,688,712</b>

Sales tax rate during months of April through September at 6%, remainder of the year at 5%

Gross Sales by Industry  
Last Ten Fiscal Years

Industry	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Agriculture, Forestry and Fishing	\$ 3,601,207	\$ 3,535,452	\$ 2,324,843	\$ 6,609,809	\$ 4,949,809	\$ 5,207,417	\$ 4,082,892	\$ 2,694,549	\$ 4,606,591	\$ 4,186,186
Construction	141,721,383	100,767,547	75,389,002	63,216,057	53,360,114	65,750,238	75,866,736	89,006,186	126,535,665	251,287,411
Manufacturing	12,173,509	11,546,457	14,185,850	12,954,934	11,942,032	13,677,415	17,097,426	14,353,681	15,977,994	11,317,727
Transportation & Public Utilities	18,932,722	17,792,868	17,803,360	20,127,273	24,630,228	18,738,603	17,730,630	25,670,856	37,044,154	39,397,115
Wholesale Trade	21,112,181	20,867,486	21,127,561	20,800,885	20,116,767	19,068,825	18,728,238	22,413,151	23,629,747	24,950,657
Retail Trade	147,117,219	137,741,065	147,468,118	161,438,725	160,689,354	150,832,467	166,332,439	216,752,705	253,662,667	286,248,603
Finance, Insurance & Real Estate	22,925,923	17,877,973	17,511,353	4,419,534	17,746,257	16,948,680	19,640,817	22,179,232	23,165,623	25,621,169
Services	76,340,561	78,410,397	75,071,067	67,371,555	79,005,868	68,181,873	79,523,993	107,540,676	135,785,783	144,705,393
Government - Local	33,554,572	39,544,915	31,186,998	53,764,615	34,335,761	33,422,953	36,996,834	37,234,856	24,430,272	22,261,280
<b>Total Gross Sales</b>	<b>\$ 477,479,277</b>	<b>\$ 428,084,160</b>	<b>\$ 402,068,152</b>	<b>\$ 410,703,387</b>	<b>\$ 406,776,189</b>	<b>\$ 391,828,471</b>	<b>\$ 436,000,005</b>	<b>\$ 537,845,893</b>	<b>\$ 644,838,496</b>	<b>\$ 809,975,540</b>

Source: Finance department

**City and Borough of Sitka, Alaska**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	GO Bonds and Unamortized Bond Premiums	Notes Payable	Subscription IT Assets	Leases	Revenue Bonds and Unamortized Bond Premiums	Notes Payable	Subscription IT Assets	Leases			
2015	\$ 25,990,000	\$ 189,410	\$ -	\$ -	\$ 123,215,000	\$ 25,812,083	\$ -	\$ -	\$ 158,403,029	54.24%	\$ 17,411
2016	23,435,000	347,676	-	-	121,120,000	23,846,352	-	-	175,206,493	30.08%	19,811
2017	20,745,000	326,365	-	-	118,940,000	24,451,388	-	-	168,749,028	30.56%	19,111
2018	19,239,611	304,055	-	-	124,958,042	24,463,067	-	-	168,964,775	30.60%	19,446
2019	16,159,576	281,745	-	-	135,001,553	25,163,176	-	-	176,606,050	30.92%	20,424
2020	13,830,800	259,435	-	548,852	131,844,815	28,077,978	-	-	174,013,028	27.96%	20,489
2021	11,438,815	237,126	-	235,991	136,341,834	30,254,623	-	-	178,508,389	28.24%	21,325
2022	9,485,123	214,816	-	74,226	131,679,149	38,748,455	-	23,691	180,225,460	28.93%	21,438
2023	7,320,450	192,506	46,764	59,502	127,103,420	39,150,355	37,882	12,146	173,923,025	27.25%	20,750
2023	5,143,320	170,197	23,803	52,470	122,493,150	41,246,520	7,819	-	169,137,279	26.50%	20,179

**City and Borough of Sitka, Alaska**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Less: Amount Available in Debt Service Fund	Total	Percentage of Estimated Actual Value of Property	Per Capita
2014	\$ 28,635,000	\$ 1,958,072	\$ 26,676,928	2.49%	\$ 3,191
2015	25,990,000	2,527,635	23,462,365	2.23%	2,932
2016	23,435,000	2,448,740	20,986,260	1.96%	2,373
2017	17,965,000	1,921,775	16,043,225	1.88%	2,353
2018	17,965,000	2,061,333	15,903,668	1.30%	1,830
2019	16,159,576	2,424,542	13,735,034	1.12%	1,588
2020	13,830,800	1,876,192	11,954,608	0.90%	1,408
2021	11,438,815	837,712	10,601,103	0.76%	1,266
2022	9,485,123	4,925,186	4,559,937	0.36%	542
2023	7,320,450	1,110,886	6,209,564	0.46%	741
2024	5,143,320	1,041,233	4,102,087	0.30%	489

**City and Borough of Sitka, Alaska**  
**Direct and Overlapping Governmental Activities Debt**  
**Legal Debt Margin Information**  
**As of June 30, 2024**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping debt	\$ -	0%	\$ -
City and Borough of Sitka, Alaska	5,389,790	100%	5,389,790
<b>Total direct and overlapping debt</b>	<b>\$ 5,389,790</b>		<b>\$ 5,389,790</b>

**Legal Debt Margin**

The City and Borough of Sitka, Alaska has had no legal debt margin requirements for any of the last ten fiscal years.

## City and Borough of Sitka, Alaska

## Pledged Revenue Coverage

## Last Ten Fiscal Years

Electric Revenue Bonds									
Transfers									
Fiscal Year	Electric Revenue	Stabilization Fund	From Rate	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Interest Paid	Interest Subsidies	Total Coverage
2015	\$ 16,078,019	\$ 2,006,696		\$ 9,028,272	\$ 9,056,443	\$ 1,915,000	\$ 5,815,392	\$ (571,533)	\$ 7,158,859 1.10
2016	14,868,306	2,881,000		8,287,025	9,462,281	1,955,000	5,958,317	(574,328)	7,338,989 1.29
2017	16,336,780	1,582,681		8,747,944	9,171,517	2,035,000	5,878,517	(574,020)	7,339,497 1.25
2018	17,790,420	-		8,659,112	9,131,308	2,115,000	5,762,377	(575,663)	7,301,714 1.25
2019	18,945,919	-		8,349,335	10,596,584	2,175,000	5,729,072	(578,078)	7,325,994 1.45
2020	17,780,674	-		7,305,078	10,475,596	2,260,000	5,589,072	(578,078)	7,270,994 1.44
2021	18,863,385	-		7,375,780	11,487,605	2,212,966	2,574,725	(7,768)	4,779,923 2.40
2022	19,547,528	-		8,077,005	11,470,523	3,155,000	3,478,868	-	6,633,868 1.73
2023	20,899,556	-		7,982,478	21,619,721	3,145,000	3,516,743	-	6,661,743 3.25
2023	25,010,353	-		10,259,823	14,750,530	3,245,000	2,864,198	-	6,109,198 2.41

Harbor Revenue Bonds									
Transfers									
Fiscal Year	Harbor Revenue	Stabilization Fund	From Rate	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Interest Paid	Interest Subsidies	Total Coverage
2015	\$ 3,819,584	\$ -		\$ 2,170,161	\$ 1,649,423	\$ 135,000	\$ 175,700	\$ -	\$ 310,700 5.31
2016	3,538,828	-		1,994,660	1,544,168	140,000	170,300	-	310,300 4.98
2017	3,780,767	-		2,257,502	1,523,265	145,000	164,700	-	309,700 4.92
2018	3,560,392	-		2,265,140	1,295,252	150,000	115,571	-	265,571 4.88
2019	3,236,489	-		2,013,743	1,222,746	390,836	219,623	-	610,459 2.00
2020	3,594,462	-		2,087,608	1,506,854	365,000	527,983	-	892,983 1.69
2021	3,366,853	-		2,342,276	1,024,577	380,000	438,726	-	818,726 1.25
2022	4,533,926	-		2,322,622	2,211,304	445,000	421,579	-	866,579 2.55
2023	4,986,065	-		2,614,091	2,371,974	465,000	411,633	-	876,633 2.71
2024	5,184,952	-		2,862,886	2,322,066	485,000	370,651	-	855,651 2.71

Airport Terminal Revenue Bonds									
Transfers									
Fiscal Year	Airport Revenue	Stabilization Fund	From Rate	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Interest Paid	Interest Subsidies	Total Coverage
2019	\$ 899,200	\$ -		\$ 374,840	\$ 524,360	\$ -	\$ 43,839	\$ -	\$ 43,839 11.96
2020	840,700	-		397,286	443,414	135,000	199,438	-	334,438 1.33
2021	612,485	168,000		391,636	388,849	140,000	165,126	-	305,126 1.27
2022	808,744	14,000		397,676	425,068	145,000	188,500	-	333,500 1.27
2023	966,052	-		431,179	534,873	155,000	182,987	-	337,987 1.58
2024	1,061,690	-		574,448	487,242	160,000	174,268	-	334,268 1.46

Coverage ratios are computed according to formulas in revenue bond ordinances.

Revenue includes all operating and nonoperating revenues.

Expenses includes all operating expenses, excluding depreciation.

Interest paid is actual interest paid, not interest expense.

**City and Borough of Sitka, Alaska**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Fiscal Year	Population	Personal Income (1,000s)	Per Capita Personal Income	School Enrollment	Unemployment Rate
2015	8,883	\$ 569,807	\$ 64,146	1,342	6.2%
2016	8,844	582,407	65,853	1,276	5.5%
2017	8,830	552,206	62,537	1,315	3.9%
2018	8,689	571,261	65,745	1,256	4.6%
2019	8,647	622,344	71,972	1,244	4.1%
2020	8,493	632,219	74,440	1,187	6.2%
2021	8,371	622,987	74,422	1,144	4.8%
2022	8,407	638,234	75,917	1,131	3.5%
2023	8,382	672,672	80,252	1,112	2.6%
2024	8,282	706,065	85,253	1,102	2.8%

Sources: Alaska Department of Labor and Workforce Development, BEA.gov; U.S. Census Bureau; State of Alaska, DEED (ADM) 2021 and forward, population and income data provided is for prior calendar year .

## City and Borough of Sitka, Alaska

### Principal Employers Current Year\* and Ten Years Ago

Industry*	2022 (most current data available)			2015		
	Employees	Rank	Percentage of total City Employment	Employees	Rank	Percentage of total City Employment
Educational services, health care, & social assistance	1,289	1	29%	1,470	1	30.9%
Retail trade	518	2	11.8%	418	4	8.8%
Public administration	450	3	10.3%	358	5	7.5%
Arts, entertainment, recreation, accommodation, food services	328	4	7.5%	489	2	10.3%
Manufacturing	328	4	7.5%	263	9	5.5%
Agriculture, forestry, fishing, hunting, & mining	285	6	6.5%	432	3	9.1%
Transportation, warehousing, & utilities	272	7	6.2%	280	7	5.9%
Construction	238	8	5.4%	300	6	6.3%
Other services, except public administration	234	9	5.3%	264	8	5.6%
Professional, scientific, management, administrative, waste management services	210	10	4.8%	238	10	5.0%
Finance, insurance, real estate, & rental/leasing	159	11	3.6%	117	11	2.5%
Wholesale trade	39	12	0.9%	42	13	0.9%
Information	37	13	0.8%	85	12	1.8%

Source: U.S. Census Bureau

## City and Borough of Sitka, Alaska

### Full-Time Equivalent City and Borough Government Employees By Function Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government	37	36	37	37	32	32	33	34	38	41
Public Safety:										
Police	33	32	31	31	30	30	29	33	33	32
Fire and Ambulance	10	10	9	9	9	9	9	10	11	11
Public Works	20	20	20	20	23	23	22	22	27	24
Public Services:										
Library	7	7	7	7	7	7	7	7	7	7
Centennial Building	4	4	4	4	5	5	5	5	5	5
Electric	26	26	25	25	25	25	25	26	26	26
Water	3	3	3	3	3	3	3	3	3	3
Wastewater Treatment	10	10	10	10	8	8	8	8	8	8
Solid Waste Disposal	2	-	-	-	3	3	3	3	3	3
Harbor	9	9	8	8	8	8	9	8	8	9
Airport	-	-	-	-	-	-	-	1	1	1
Gary Paxton Industrial Park	-	-	-	-	-	-	-	-	-	-
<b>Totals</b>	<b>161</b>	<b>157</b>	<b>154</b>	<b>154</b>	<b>152</b>	<b>152</b>	<b>152</b>	<b>160</b>	<b>169</b>	<b>170</b>

Source: Personnel list as approved in the adopted annual budget



## City and Borough of Sitka, Alaska

### Active Electrical Customers Last Ten Fiscal Years

Fiscal Year	Residential	Commercial	Harbor	Public Authority	Other	Total
2015	2,479	560	441	212	14	3,706
2016	2,795	609	546	216	14	4,180
2017	3,242	702	693	219	15	4,871
2018	3,393	729	697	224	12	5,055
2019	3,383	716	611	221	12	4,943
2020	3,375	713	545	220	-	4,853
2021	3,426	766	671	227	9	5,099
2022	3,454	794	713	225	9	5,195
2023	3,537	800	678	227	9	5,251
2024	3,522	804	712	226	8	5,272

### KwH Sold by Class Last Ten Fiscal Years

Fiscal Year	Residential	Commercial	Harbor	Public Authority	Other	Total
2014	45,078,244	35,544,622	2,543,603	24,265,723	307,163	107,739,355
2015	44,212,841	34,167,788	2,763,428	24,607,071	316,260	106,067,388
2016	42,197,620	33,626,191	2,539,114	25,004,771	305,889	103,673,585
2017	43,416,551	33,732,672	3,051,624	25,059,205	299,759	105,260,052
2018	43,233,448	35,709,803	2,883,829	25,241,700	-	107,068,781
2019	40,426,853	33,377,855	2,496,564	27,116,718	-	103,417,990
2020	42,771,637	34,243,336	2,780,405	27,553,740	-	107,349,118
2021	44,670,507	34,330,524	3,341,823	27,818,528	180,670	110,342,052
2022	44,444,087	38,627,447	3,385,759	29,703,341	184,224	116,344,858
2023	44,969,267	39,023,930	3,242,206	29,293,531	172,757	116,701,691
2024	44,497,460	38,185,021	3,142,821	30,714,539	152,922	116,692,763

Sources: City and Borough of Sitka's Finance Department and Electric Utility Fund

**City and Borough of Sitka, Alaska**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Government-</b>										
Building department transactions	240	196	208	197	157	133	186	227	197	202
<b>Public Safety:</b>										
Number of police officers	32	31	30	30	29	29	29	30	30	31
Number of paid firefighters	10	10	9	9	8	8	8	9	9	9
Arrests made (calendar year)	310	269	274	411	293	291	247	133	218	*
Ambulance emergency responses	987	1,260	1,260	1,227	1,336	1,310	1,074	1,433	1,345	1,505
Fire emergency responses	171	193	146	159	158	137	184	179	142	163
<b>Public Works-</b>										
Recreation permits issued	41	39	25	30	29	26	37	53	53	42
<b>Public Services:</b>										
Volumes in library collection	*	68,039	69,941	70,831	104,061	71,876	58,000	56,567	54,399	53,007
Number of events scheduled at Centenni	-	2	122	231	236	178	71	1,200	1,636	1,588
<b>Water-</b>										
New connections	23	17	22	12	14	14	23	34	28	33
<b>Wastewater-</b>										
New connections	21	18	20	13	14	17	20	35	27	29
<b>Electric utility (see table 18)</b>										
<b>Marine Service Center-</b>										
Cold storage tenants	2	2	2	1	2	2	2	2	2	2
<b>Harbors-</b>										
Active permanent moorage accounts	*	*	*	*	*	1,026	1,269	1,019	1,140	1,227
<b>Airport terminal-</b>										
Enplanements (for calendar year)	83,598	83,404	83,598	87,119	90,839	38,343	80,366	94,648	96,214	*

Sources: Various municipal departments, Federal Aviation Administration

\* Information not available

**City and Borough of Sitka, Alaska**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Number of general government buildings	1	1	1	1	1	1	1	1	1	1
Public Safety:										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of fire stations	1	1	1	1	1	1	1	1	1	1
Public Works:										
Number of public works buildings	1	1	1	1	1	1	1	1	1	1
Number of park and recreation facilities	25	25	23	23	24	24	24	24	24	24
Miles of paved streets	25	25	25	25	25	25	25	25	25	25
Miles of unpaved streets	5	5	5	5	5	5	5	5	5	5
Acres of park lands	*	*	*	*	*	109	109	109	109	109
Miles of trails	*	*	*	*	*	8	8	8	11	11
Public Services:										
Number of library facilities	1	1	1	1	1	1	1	1	1	1
Number of meeting halls and community centers	2	2	2	2	2	2	2	2	2	2
Water:										
UV disinfection plant	-	-	1	1	1	1	1	1	1	1
Water filtration plants	-	-	-	-	-	-	-	-	-	1
Number hydrants	*	*	*	*	*	450	450	450	450	450
Miles of water mains	*	*	*	*	*	48	48	48	48	48
Wastewater:										
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of lift stations	*	*	*	*	*	78	78	78	78	78
Miles of sewer lines	*	*	*	*	*	40	40	40	40	40
Electric (see table 18):										
Dams and hydroelectric generation plants	2	2	2	2	2	2	2	2	2	2
Diesel plants	*	*	*	*	*	1	1	1	1	1
Miles of electricity distribution lines	*	*	*	*	*	155	155	155	155	155
Harbors-										
Number of harbor facilities	7	7	7	7	7	7	7	7	7	7
Marine Service Center-										
Cold storage facility	1	1	1	1	1	1	1	1	1	1
Industrial Park-										
Acreage under active management	*	*	*	*	*	27	27	27	27	27
Airport-										
Airport terminal buildings	1	1	1	1	1	1	1	1	1	1

Sources: Various municipal departments

\* information not available