

ALASKA MARINE HIGHWAY FUND



Annual Financial Report

For the fiscal year ended June 30, 2022

2022



Alaska Marine Highway System Fund

ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2022

Prepared by: Alaska Marine Highway System,
Department of Transportation and Public Facilities

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Annual Financial Report
For the Fiscal Year Ended June 30, 2022

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LETTER OF TRANSMITTAL



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Transportation and Public Facilities

OFFICE OF THE COMMISSIONER
Ryan Anderson, P.E., Commissioner

PO Box 112500
Juneau, Alaska 99811-2500
Main: 907.465.3900
dot.alaska.gov

January 10, 2023

Dear Alaska State Legislator:

Enclosed is the Alaska Marine Highway System (AMHS) Annual Financial Report for Fiscal Year 2022 (ended June 30, 2022) as required by AS 19.65.070.

During FY2022, AMHS recorded \$31.3 million in operating revenues, an increase of \$3.4 million from FY2021. Operating expenditures totaled \$106.4 million, \$10.3 million more than FY2021.

AMHS port calls increased from 3,387 in FY2021 to 3,801 in FY2022. Service weeks provided by AMHS also increased from 200.3 in FY2021 to 230.0 in FY2022.

The Alaska Marine Highway System is continually finding innovative ways to meet the challenge of providing safe, efficient, reliable, and cost-effective transportation for the traveling public. The system's customer satisfaction rating remains strong at 91 percent.

FY2022 was a year full of challenges and changes for the Alaska Marine Highway System. We look forward to discussing these with you during the upcoming legislative session.

Sincerely,

A handwritten signature in black ink, appearing to read "Ryan Anderson".

Ryan Anderson, P.E.
Commissioner

"Keep Alaska Moving through service and infrastructure."

ALASKA MARINE HIGHWAY OPERATIONS BOARD

Alaska Marine Highway System Alaska Marine Highway Operations Board

House Bill 63 renamed the Alaska Marine Transportation Advisory Board to the Alaska Marine Highway Operations Board (AMHOB), made amendments to AS 19.65.011 and AS 19.65.110-195 relating to the membership and duties of the AMHOB, and provided an effective date of January 1, 2022. The following are the AMHOB members as of June 30th, 2022:

CHAIR

Shirley Marquardt
Public/Speaker (Anchorage)

VICE CHAIR

Wanetta Ayers
Public/Speaker (Anchorage)

DOT&PF STAFF SUPPORT

Katherine Keith
Change Management Director

Tera Ollila
Administrative Assistant II

MEMBERS

Alan Austerman
Public/Governor (Kodiak)

Cynthia Berns
Alaska Native Organizations/Governor (Anchorage)

Rob Carpenter
Deputy Commissioner/DOT (Juneau)

Larry "Norm" Carson
Public/Governor (Pelican)

Keith Hillard
Union - Current AMHS Captain (Juneau)

Paul Johnsen
Public/Senate President (Petersburg)

Vacant
Senate President

PORTS OF CALL

Alaska Marine Highway System Ports of Call

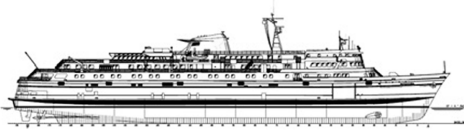
SOUTHEAST ALASKA

Angoon
Bellingham, WA
Gustavus
Haines
Hoonah
Juneau (Auke Bay)
Kake
Ketchikan
Metlakatla (Annette Bay)
Pelican
Petersburg
Prince Rupert, BC, Canada
Sitka
Skagway
Tenakee Springs
Wrangell
Yakutat

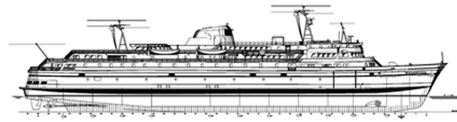
SOUTHWEST ALASKA

Akutan
Chenega Bay
Chignik
Cold Bay
Cordova
False Pass
Homer
King Cove
Kodiak
Old Harbor
Ouzinkie
Port Lions
Sand Point
Seldovia
Tatitlek
Unalaska / Dutch Harbor
Valdez
Whittier

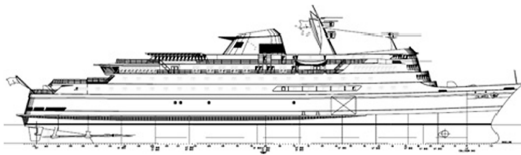
Alaska Marine Highway System Profile of the Fleet



M/V Matanuska
408 feet
Built 1963



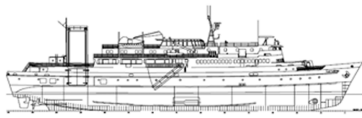
M/V Malaspina
408 feet
Built 1963



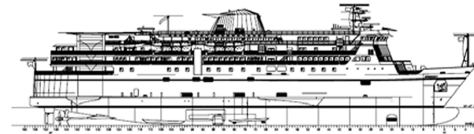
M/V Columbia
418 feet
Built 1974



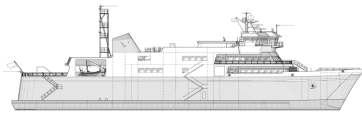
M/V Lituya
181 feet
Built 2004



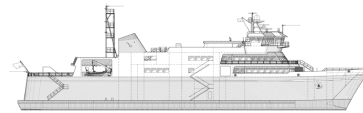
M/V Tustumena
296 feet
Built 1964



M/V Kennicott
382 feet
Built 1998



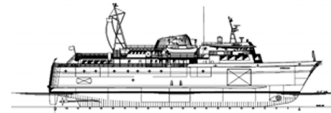
M/V Tazlina
280 feet
Built 2019



M/V Hubbard
280 feet
Built 2019



M/V LeConte
235 feet
Built 1974



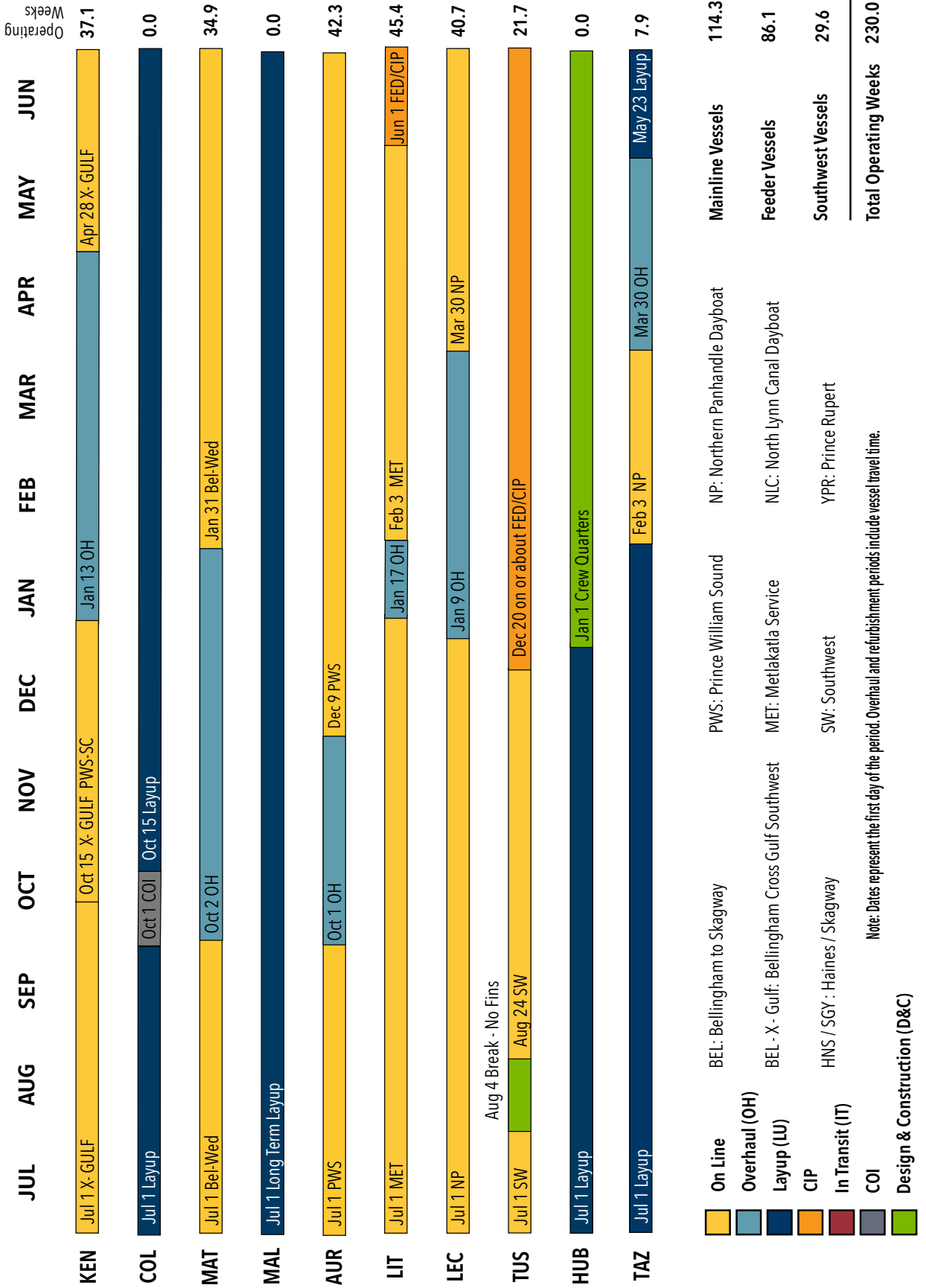
M/V Aurora
235 feet
Built 1977

VESSEL INFORMATION TABLE

Alaska Marine Highway System Vessel Information Table

	Matanuska	Malaspina	Tustumena	Columbia	LeConte	Aurora	Kennicott	Lituya	Tazlina	Hubbard
Year Built	1963	1963	1964	1974	1974	1977	1998	2004	2019	2019
Length (ft)	408	408	296	418	235	235	382	181	280	280
Beam (ft)	74	74	59	85	57	57	85	50	67	67
Displacement (L/T)	5,569	5,994	3,081	7,684	2,132	2,132	7,504	647	3016	3016
Loaded Draft (ft-in)	16-11 5/8	16-10	14-4 1/2	17-6 1/8	13-8	13-8	17-6	12	13-11	13-11
<u>International Tonnage</u>										
Gross:	9,214	9,121	4,529	13,009	3,124	3,124	12,635	758	5,304	5,304
Net:	3,824	3,667	1,451	4,932	987	987	3,790	227	1,591	1,591
<u>Domestic Tonnage</u>										
Gross:	3,029	2,928	2,174	3,946	1,328	1,280	9,978	97	3,217	3,217
Net:	1,235	1,253	898	2,683	566	453	7,354	66	2,188	2,188
hp @ Service Speed	7,200	8,000	5,100	14,000	4,300	4,300	13,200	2,000	6,000	6,000
Service Speed (kts)	16.50	16.50	13.30	17.30	14.50	14.50	16.75	11.50	16.50	16.50
Fuel Use (gph)	234	270	151	397	188	190	354	55	250	250
Crew Capacity: COI	48	47	38	63	24	24	55	5	14	14
Passenger Capacity: COI	499	499	174	600	247	300	499	149	297	297
Passenger Capacity: Booking	450	450	160	499	225	250	450	125	290	290
<u>Staterooms</u>										
4 berth	5	45	6	45	-	-	48	-	-	-
3 berth	21	-	-	-	-	-	-	-	-	-
2 berth	79	26	17	56	-	-	58	-	-	-
4 berth ADA	-	-	-	-	-	-	2	-	-	-
2 berth ADA	1	1	1	3	-	-	-	-	-	-
Total Staterooms	106	72	24	104	-	-	109	-	-	-
Total Berths	243	234	60	298	-	-	320	-	-	-
Vehicle Capacity (lane-ft.)	1,960	1,960	852	3,200	720	720	1,700	360	1,060	1,060
Quantity (20 foot vehicles)	83	83	34	133	33	33	78	15	53	53
Vehicle Capacity: Booking	1,675	1,675	680	2,660	660	660	1,560	300	850	850
Van Capacity: Booking	10	10	6	16	8	7	17	2	4	4

Alaska Marine Highway System FY 2022 Operating Plan

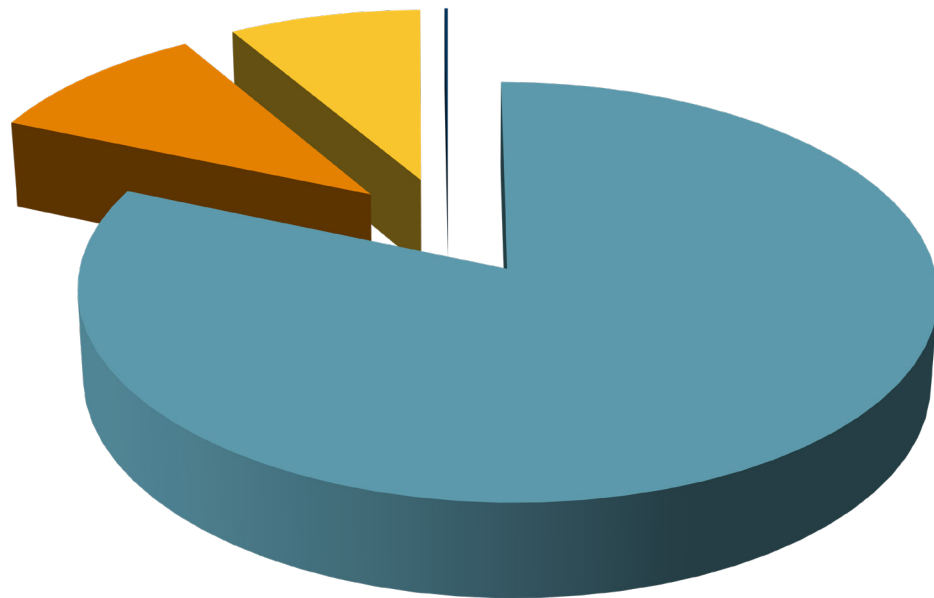






OPERATING REVENUES

Alaska Marine Highway System Fund
UNRESTRICTED OPERATING REVENUES

For the fiscal year ended June 30, 2022

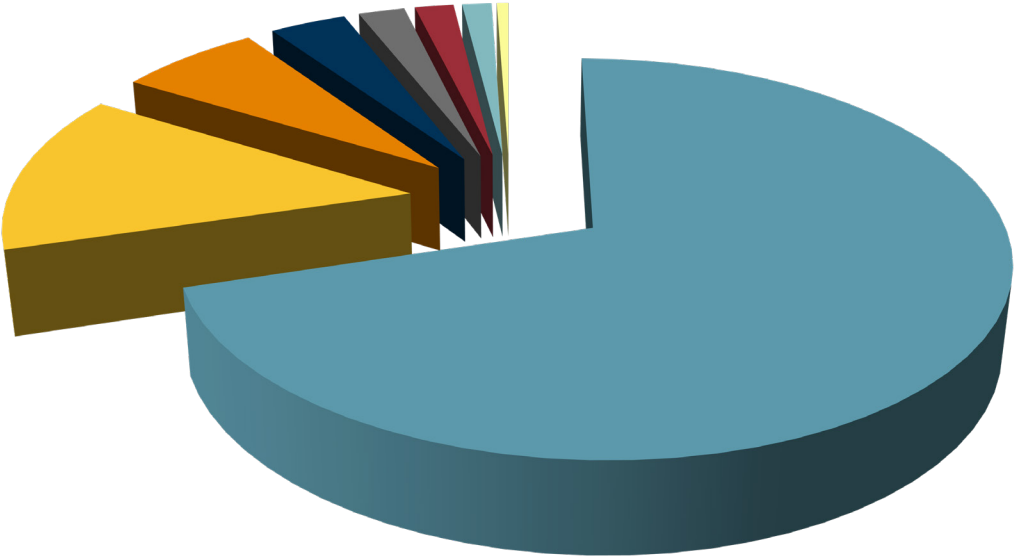
\$31.3 MILLION











	Ticket Sales	81.4%
	Stateroom Sales	10.1%
	Passenger Services Sales	8.4%
	Other Unrestricted Revenue	0.1%

Alaska Marine Highway System Fund
OPERATING EXPENDITURES

For the fiscal year ended June 30, 2022
\$106.4 MILLION



	Marine Vessel Operations	70.3%		Marine Engineering	2.2%
	Marine Fuel	13.4%		Support Services	1.8%
	Shore Operations	6.7%		Reservations and Marketing	1.4%
	Operations Management	3.6%		Overhaul	0.6%



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STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

Alaska Marine Highway System Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2022 (In Thousands)

Revenues:	<u>Capitalization</u>	<u>AMHS</u>	<u>Total</u>
Unrestricted Revenues:			
Ticket Sales	\$ -	\$ 25,482	\$ 25,482
Stateroom Sales	-	3,153	3,153
Passenger Services Sales	-	2,629	2,629
Facility Rental	-	22	22
Concession Fees	-	3	3
Other Unrestricted Revenue	-	19	19
Total Unrestricted Revenues	<u>-</u>	<u>31,308</u>	<u>31,308</u>
Restricted Revenues	-	-	-
Indirect Cost Recovery	-	615	615
Total Revenues	<u>-</u>	<u>31,923</u>	<u>31,923</u>
Expenditures:			
Current Operating:			
Support Services	-	1,954	1,954
Marine Engineering	-	2,330	2,330
Overhaul	-	590	590
Operations Management	-	3,847	3,847
Reservations & Marketing	-	1,484	1,484
Shore Operations	-	7,104	7,104
Marine Fuel	-	14,297	14,297
Marine Vessel Operations	-	74,810	74,810
Total Expenditures	<u>-</u>	<u>106,415</u>	<u>106,415</u>
Excess (Deficiency) of Revenues and Other Financing Sources			
Financing Uses from Operating	-	(74,492)	(74,492)
Fund Balance, Beginning of Year	2,630	-	2,630
Reserves and Year End Adjustments	(2,630)	-	(2,630)
General Fund	-	7,519	7,519
CRRSAA - Federal Highway Administration	-	59,002	59,002
CRRSAA - Federal Transit Administration	-	37,471	37,471
Motor Fuel Tax	-	1,809	1,809
Fund Balance, End of Year; Undesignated	<u>\$ -</u>	<u>\$ 31,308</u>	<u>\$ 31,308</u>

The notes to the financial statement are an integral part of this statement.

STATEMENT OF ACTUAL AND ESTIMATED REVENUES

Alaska Marine Highway System Fund Statement of Actual and Estimated Revenues Budgetary Basis (In Thousands)

	Fiscal Year Ended June 30, 2022			Fiscal Year Ending June 30, 2023		Fiscal Year Ending June 30, 2024
	Estimated Revenues	Actual Revenues	Actual Over (Under) Estimated	Total Estimated Revenues	Estimated Revenues 12/31/2022	Estimated Revenues
Restricted						
Restricted Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Indirect Cost Recovery (ICAP)	563	615	52	628	314	625
Total Restricted	563	615	52	628	314	625
Unrestricted AMHS Fund						
Ticket Sales	44,078	25,482	(18,596)	40,773	20,631	40,957
Stateroom Sales	5,400	3,153	(2,247)	5,045	2,553	5,068
Passenger Service Sales	3,887	2,629	(1,259)	4,206	2,128	4,225
Facility Rental	8	22	14	8	0	16
Concession Fees	10	3	(7)	10	0	10
Other Unrestricted Revenue	12	19	7	12	2	12
Total Unrestricted	53,395	31,308	(22,087)	50,054	25,313	50,288
Total Revenues	\$ 53,958	\$ 31,923	(22,035)	\$ 50,682	\$ 25,628	\$ 50,912

The notes to the financial statement are an integral part of this statement.
Budgetary Presentation shows all budgeted and actual revenues including budgeted intergovernmental activity.

NOTES TO THE FINANCIAL STATEMENT

Alaska Marine Highway System Fund
Notes to the Financial Statement
For the Fiscal Year Ended June 30, 2022

NOTE 1 - Alaska Marine Highway System Fund

The Alaska Marine Highway System Fund was established July 1, 1990. All gross revenues generated from the operation of the Alaska Marine Highway System are accounted for and remitted in accordance with AS 19.65.070 which mandates that the money shall be deposited in the Alaska Marine Highway System Fund.

Marine Highway Capitalization Account

The Marine Highway Capitalization account was established within the Alaska Marine Highway System Fund June 30, 2009. Access to this funding was restricted and only occurred with approval by the Legislative Budget and Audit Committee. The \$2.63 million in this account was swept to the State's General Fund at the end of FY2022.

NOTE 2 - CIP Program Component

The Alaska Marine Highway System budget includes a component which authorizes positions directly related to capital projects. Beginning in FY2001, the salary cost of time charged directly to capital projects is not recorded in the Alaska Marine Highway Fund. The cost of time charged to administration or overhead is recorded in the Alaska Marine Highway Fund.

NOTE 3 - Fund Transfers

In FY2022, \$3.62 million was appropriated from the Motor Fuel Tax Fund to the Marine Highway Fund and the authority to use the funds is part of the Alaska Marine Highway System's FY2022 Operating Budget.

NOTE 4 - Operating Overhaul

Overhaul expenditures that are included in the Operating Budget are limited to small maintenance items that arise while the vessels are operating and do not include capital overhaul expenditures. Large vessel overhaul and deferred maintenance items are included in the Capital Budget. In FY2022, \$15.0 million was appropriated for the annual Vessel Overhaul and Deferred Maintenance Capital Budget.

NOTE 5 - COVID-19 Relief Funding

In FY2020, the Alaska Marine Highway System (AMHS) was awarded \$10.0 million in 5311 Coronavirus Aid, Relief, and Economic Security (CARES) Act funding through the Federal Transit Administration of which \$1.45 million was spent in FY2022.

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OPERATING REVENUES BY VESSEL

Alaska Marine Highway System Unrestricted Revenue by Vessel*

Fiscal Years 2011 - 2022 (In Thousands)

VESSEL	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Aurora	2,522	1,898	2,679	2,421	4,059	2,721	3,228	3,458	3,359	2,325	783	2,447
Chenega	3,428	2,889	2,221	2,358	1,914	675	-	-	-	-	-	-
Columbia	8,939	13,014	16,635	6,682	11,778	7,471	5,500	10,929	15,060	6,118	-	-
Fairweather	1,805	1,659	1,537	1,415	1,684	2,049	2,418	2,516	2,024	-	-	-
Hubbard	-	-	-	-	-	-	-	-	-	-	-	-
Kennicott	7,154	8,151	9,195	8,425	8,265	7,705	11,198	9,873	11,296	4,193	11,775	9,964
Leconte	794	2,537	2,006	2,499	854	3,634	4,015	4,356	4,587	981	3,239	4,332
Lituya	724	822	774	769	848	812	1,117	1,069	1,159	1,067	935	991
Malaspina	10,520	5,765	3,133	12,051	11,036	11,316	7,481	7,785	8,355	5,580	-	-
Matanuska	6,100	9,003	9,217	7,154	3,989	7,192	7,863	4,329	-	2,586	8,556	11,614
Taku	2,265	4,001	3,839	4,789	5,474	-	-	-	-	-	-	-
Tazlina	-	-	-	-	-	-	-	-	782	2,504	-	324
Tustumena	3,318	3,755	1,875	2,106	3,828	3,566	2,865	2,981	4,133	2,863	2,374	1,407
Contract Vessels	39	12	2	-	-	-	-	-	-	3	-	186
Non Vessel Revenue	89	180	121	207	167	16	74	21	47	39	200	44
TOTAL	47,697	53,684	53,234	50,877	45,759	47,157	47,316	50,804	28,257	31,308		

*These figures are close approximations based on reservations and ticketing information. They may be used to show relative magnitude of different vessel operations. They are not accounting figures. Therefore, attempts to reconcile the figures with accounting documents may yield small discrepancies.

OPERATING EXPENDITURES BY VESSEL

Alaska Marine Highway System Operating Expenditures by Vessel*

Fiscal Years 2011 - 2022 (In Thousands)

VESSEL	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Aurora	8,065	5,380	8,104	7,013	6,446	6,264	7,051	8,569	8,031	3,807	3,837	8,238
Chenega	10,146	8,513	8,098	7,971	6,595	3,899	878	345	208	241	158	-
Columbia	11,861	17,292	20,380	9,706	15,757	14,312	13,298	19,131	20,341	8,605	4,648	4,946
Fairweather	7,824	9,539	7,774	6,586	7,739	6,894	8,248	6,433	4,944	242	185	-
Hubbard	-	-	-	-	-	-	-	-	229	1,181	1,249	837
Kennicott	18,022	17,341	21,170	16,468	15,031	17,074	18,121	20,549	18,270	9,121	18,186	19,175
LeConte	4,858	9,807	9,533	9,915	6,677	9,087	9,511	10,374	9,678	4,120	8,816	9,285
Lituya	1,415	1,381	1,367	1,195	1,224	963	1,065	1,197	1,155	1,068	1,069	1,292
Malaspina	16,147	11,843	8,573	16,929	15,313	14,794	8,215	12,185	17,006	8,377	483	425
Matanuska	16,246	17,390	17,669	14,644	10,683	17,078	15,909	7,729	2,380	8,455	13,233	16,130
Taku	8,853	15,880	16,020	17,810	16,768	3,414	1,261	203	-	-	-	-
Tazlina	-	-	-	-	-	-	-	-	2,713	5,964	1,903	2,687
Tustumena	10,068	10,978	6,527	9,966	10,569	10,884	10,644	11,316	10,986	8,372	8,837	7,177
Vessel Leave	15,949	16,605	16,695	17,234	9,006	13,339	13,350	13,478	13,845	11,375	9,496	9,690
All Vessels	10,379	9,591	10,178	9,725	18,298	7,145	8,347	11,252	12,603	9,216	9,471	9,815
TOTAL	139,833	151,540	152,088	145,162	140,106	125,147	115,897	122,759	122,389	80,145	81,571	89,697

* Expenditures by vessel include the following operating components: Marine Vessel Operations, Overhaul, Fuel and unbudgeted AMHS Reimbursable Service Agreements (RSA). Not included are the budget components for Marine Engineering, Operations Management, Reservations and Marketing, and Shore Operations.



Alaska Marine Highway System Fund

FY 2022 ANNUAL FINANCIAL REPORT

State of Alaska, Department of Transportation and Public Facilities

Compiled December 15th, 2022

