

ALASKA MARINE HIGHWAY FUND



Annual Financial Report

2023

For the fiscal year ended June 30, 2023



Cover photo: M/V Tazlina Christening August 11, 2018
Provided by Vigor - Ketchikan, AK

Alaska Marine Highway System Fund

ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2023

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, 2023

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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, 2024

Dear Alaska State Legislator:

Enclosed is the Alaska Marine Highway System (AMHS) Annual Financial Report for Fiscal Year (FY) 2023 (ended June 30, 2023) as required by AS 19.65.070.

During FY2023, Alaska Marine Highway System recorded \$39.7 million in operating revenues, an increase of \$8.4 million from FY2022. Operating expenditures totaled \$127.5 million, \$21.1 million more than FY2022. Alaska Marine Highway System port calls increased from 3,801 in FY2022 to 4,317 in FY2023. Service weeks provided by Alaska Marine Highway System also increased from 230.0 in FY2022 to 247.6 in FY2023.

The Alaska Marine Highway System faced some significant challenges and changes during FY2023. 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. We look forward to discussing these with you during the upcoming legislative session.

Sincerely,

A handwritten signature in blue 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

The following are the AMHOB members as of June 30th, 2023:

CHAIR

Shirley Marquardt
Public/Speaker (Anchorage)

VICE CHAIR

Wanetta Ayers
Public/Speaker (Anchorage)

DOT&PF STAFF SUPPORT

Craig Tornga
General Manager

Andy Mills
AMHOB Liason

Tera Ollila
Administrative Assistant II

MEMBERS

Alan Austerman
Public/Governor (Kodiak)

Cynthia Berns
Alaska Native Organizations/Governor (Anchorage)

Katherine Keith
Deputy Commissioner/DOT (Juneau)

Larry "Norm" Carson
Public/Governor (Pelican)

Keith Hillard
Union - Current AMHS Captain (Juneau)

Paul Johnsen
Public/Senate President (Petersburg)

Edward Page
Public/Senate President/USCG - Retired (Juneau)

PORTS OF CALL

Alaska Marine Highway System Ports of Call

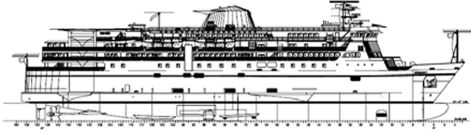
SOUTHEAST ALASKA

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

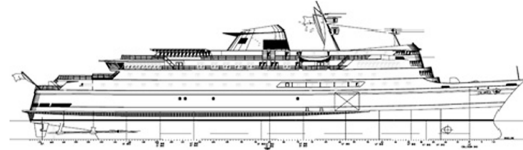
SOUTHWEST ALASKA

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

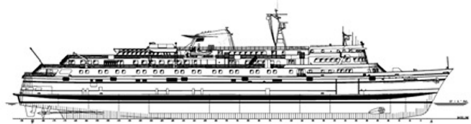
Alaska Marine Highway System Profile of the Fleet



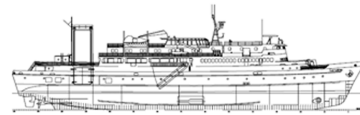
M/V Kennicott
382 feet
Built 1998



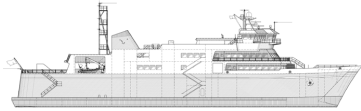
M/V Columbia
418 feet
Built 1974



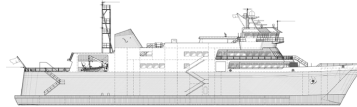
M/V Matanuska
408 feet
Built 1963



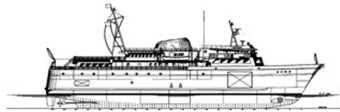
M/V Tustumena
296 feet
Built 1964



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



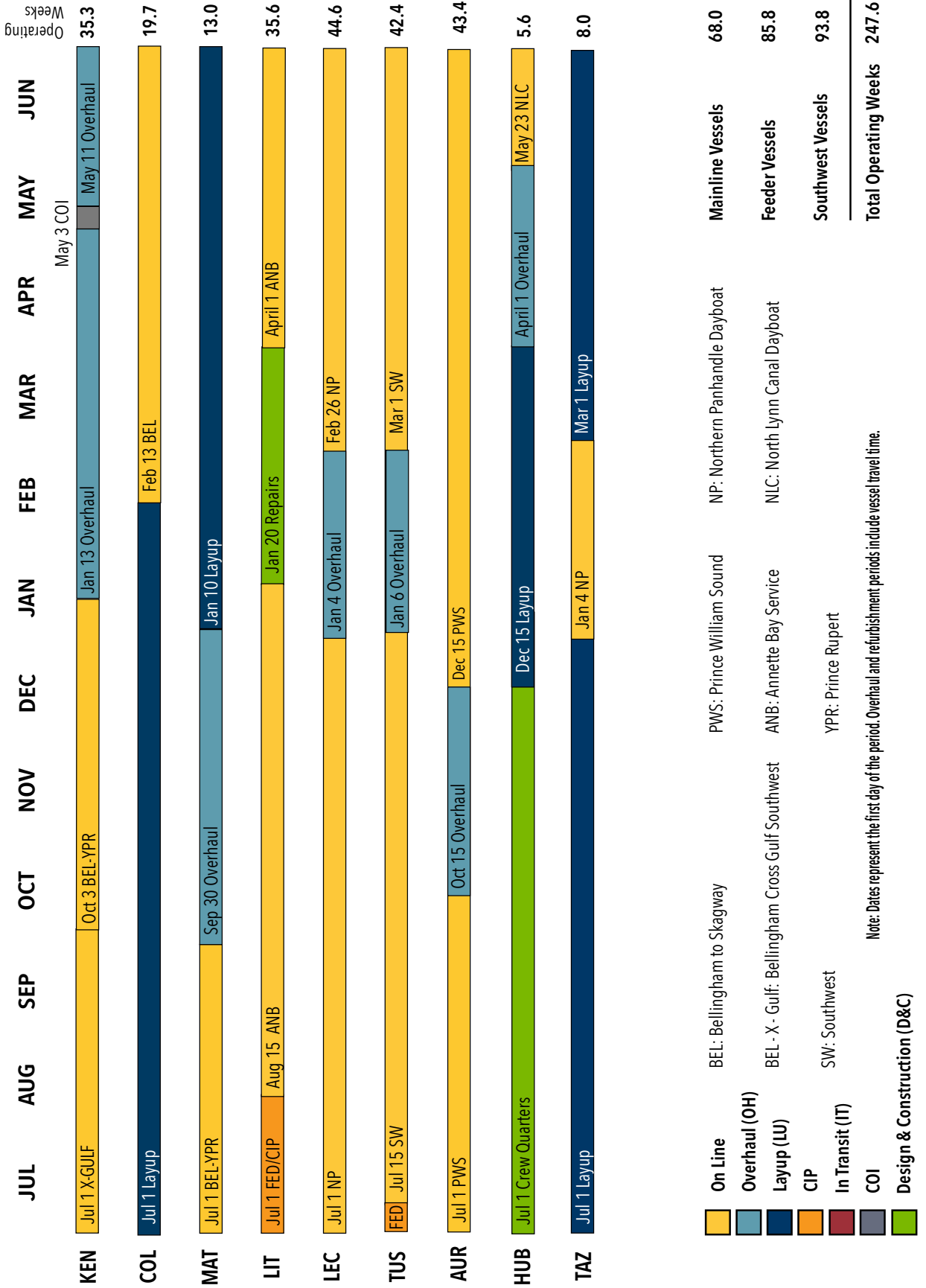
M/V Lituya
181 feet
Built 2004

VESSEL INFORMATION TABLE

Alaska Marine Highway System Vessel Information Table

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

Alaska Marine Highway System FY 2023 Operating Plan

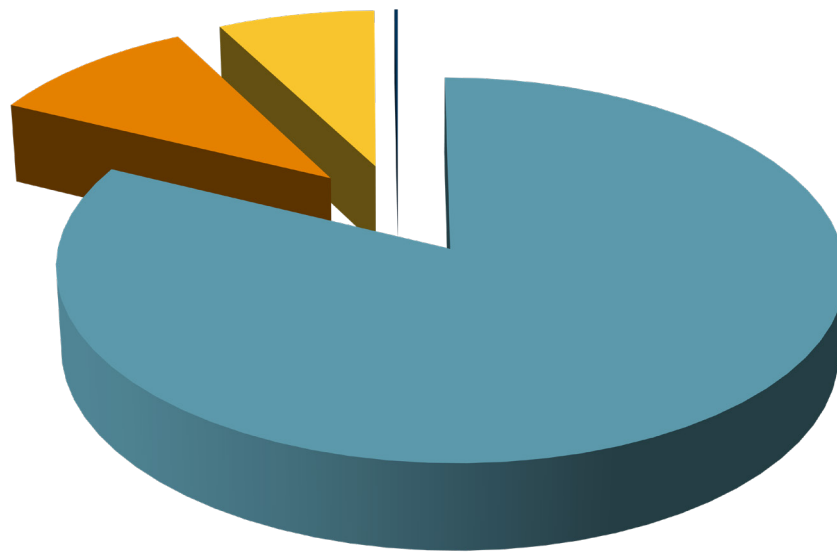






UNRESTRICTED OPERATING REVENUES

Alaska Marine Highway System Fund
UNRESTRICTED OPERATING REVENUES

For the fiscal year ended June 30, 2023

\$39.7 MILLION

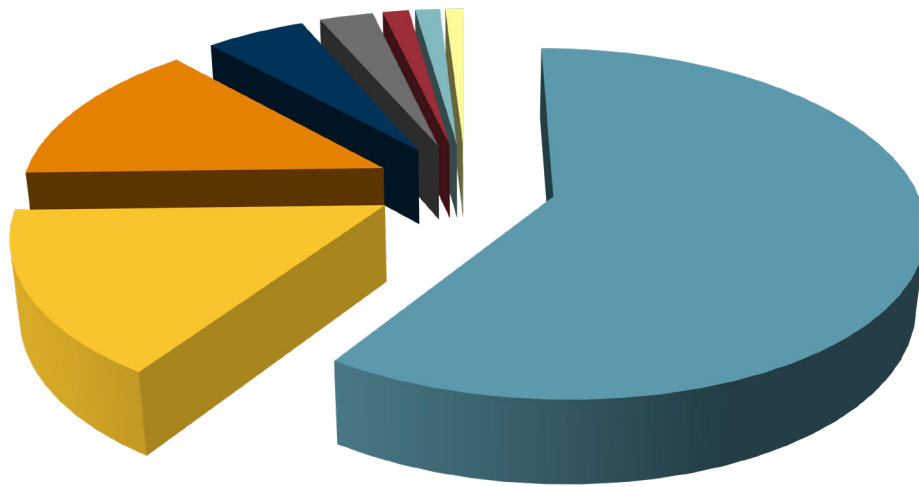










	Ticket Sales	82.2%
	Stateroom Sales	10.1%
	Passenger Services Sales	7.5%
	Other Unrestricted Revenue	0.2%

Alaska Marine Highway System Fund **OPERATING EXPENDITURES**

For the fiscal year ended June 30, 2023

\$127.5 MILLION



	Marine Vessel Operations	69.4%		Marine Engineering	1.6%
	Marine Fuel	16.0%		Support Services	1.5%
	Shore Operations	6.2%		Reservations and Marketing	1.1%
	Operations Management	3.3%		Overhaul	0.8%



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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, 2023 (In Thousands)

	<u>AMHS</u> <u>Operating</u>
Revenues:	
Current Operating:	
Ticket Sales	\$ 32,682
Stateroom Sales	4,027
Passenger Services Sales	2,980
Other Unrestricted Revenue	61
Federal Receipts	43,563
Other Revenue	8
Total Revenues	<u>83,321</u>
Expenditures:	
Current Operating:	
Support Services	1,946
Reservations & Marketing	1,421
Marine Engineering	2,063
Operations Management	4,238
Shore Operations	7,843
Marine Fuel	20,425
Overhaul	1,053
Marine Vessel Operations	88,529
Capital Overhaul	21,752
Total Expenditures	<u>149,270</u>
Excess (Deficiency) of Revenues and Other Financing Sources	
Financing Uses from Operating	(65,949)
Fund Balance, Beginning of Year	31,308
Reserves and Year End Adjustments	(5,499)
General Fund	78,392
Motor Fuel Tax	3,617
Fund Balance, End of Year; Undesignated	<u>\$ 41,869</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, 2023			Fiscal Year Ending June 30, 2024		Fiscal Year Ending June 30, 2025
	Estimated Revenues	Actual Revenues	Actual Over (Under) Estimated	Total Estimated Revenues	Estimated Revenues 12/31/2023	Estimated Revenues
Restricted						
Restricted Revenues	\$ 44,824	\$ 43,563	\$ (1,261)	\$ 38,511	\$ 841	\$ 41,667
Indirect Cost Recovery (ICAP)	628	0	(628)	557	557	886
Total Restricted	45,452	43,563	(1,889)	39,068	1,398	42,553
Unrestricted AMHS Fund						
Ticket Sales	40,773	32,682	(8,091)	38,302	17,823	39,537
Stateroom Sales	5,045	4,027	(1,018)	5,238	2,704	5,141
Passenger Service Sales	4,206	2,980	(1,226)	4,727	1,851	4,466
Other Unrestricted Revenue	30	61	31	84	65	57
Other Revenue	0	8	8	0	0	0
Total Unrestricted	50,054	39,758	(10,296)	48,351	22,443	49,201
Total Revenues	\$ 95,506	\$ 83,321	(12,185)	\$ 87,419	\$ 23,841	\$ 91,754

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, 2023

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.

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 - 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 FY2023, \$20.0 million was appropriated for the annual Vessel Overhaul and Deferred Maintenance Capital Budget.

NOTE 4 - Calendar Year Budget

In the 2022 Session Law, Chapter 11 Alaska Marine Highways System budget was appropriated from the general fund or other funds as set out in the fiscal year 2023 budget summary for the operating budget by funding source for the purposes expressed for the calendar year beginning January 1, 2023 and ending December 31, 2023. Future year budgets will likely continue being appropriated on the calendar year basis for the Alaska Marine Highways System.

NOTE 5 - Fund Transfers

In CY2023, \$3.617 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 CY2023 Operating Budget.

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OPERATING REVENUE BY VESSEL

Alaska Marine Highway System Operating Revenue by Vessel*

Fiscal Years 2012 - 2023 (In Thousands)

VESSEL	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Aurora	1,898	2,679	2,421	4,059	2,721	3,228	3,458	3,359	2,325	783	2,447	3,258
Chenega	2,889	2,221	2,358	1,914	675	-	-	-	-	-	-	-
Columbia	13,014	16,635	6,682	11,778	7,471	5,500	10,929	15,060	6,118	-	-	8,096
Fairweather	1,659	1,537	1,415	1,684	2,049	2,418	2,516	2,024	-	-	-	-
Hubbard	-	-	-	-	-	-	-	-	-	-	-	962
Kennicott	8,151	9,195	8,425	8,265	7,705	11,198	9,873	11,296	4,193	11,775	9,964	9,458
Leconte	2,537	2,006	2,499	854	3,634	4,015	4,356	4,587	981	3,239	4,332	5,812
Lituya	822	774	769	848	812	1,117	1,069	1,159	1,067	935	991	955
Malaspina	5,765	3,133	12,051	11,036	11,316	7,481	7,785	8,355	5,580	-	-	-
Matanuska	9,003	9,217	7,154	3,989	7,192	7,863	4,329	-	2,586	8,556	11,614	6,738
Taku	4,001	3,839	4,789	5,474	-	-	-	-	-	-	-	-
Tazlina	-	-	-	-	-	-	-	782	2,504	-	324	382
Tustumena	3,755	1,875	2,106	3,828	3,566	2,865	2,981	4,133	2,863	2,374	1,407	3,852
Contract Vessels	12	2	-	-	-	-	-	-	3	-	186	176
Non Vessel Revenue	180	121	207	167	16	74	21	47	39	200	44	61
TOTAL	53,686	53,234	50,877	53,896	47,157	45,759	47,316	50,804	28,257	27,862	31,308	39,750

*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.

FLEET OPERATING EXPENDITURES BY VESSEL

Alaska Marine Highway System Fleet Operating Expenditures by Vessel* Fiscal Years 2012 - 2023 (In Thousands)

VESSEL	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Aurora	5,380	8,104	7,013	6,446	6,264	7,051	8,569	8,031	3,807	3,837	8,238	9,380
Chenega	8,513	8,098	7,971	6,595	3,899	878	345	208	241	158	-	-
Columbia	17,292	20,380	9,706	15,757	14,312	13,298	19,131	20,341	8,605	4,648	4,946	15,106
Fairweather	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	4,213
Kennicott	17,341	21,170	16,468	15,031	17,074	18,121	20,549	18,270	9,121	18,186	19,175	18,144
LeConte	9,807	9,533	9,915	6,677	9,087	9,511	10,374	9,678	4,120	8,816	9,285	11,529
Lituya	1,381	1,367	1,195	1,224	963	1,065	1,197	1,155	1,068	1,069	1,292	1,418
Malaspina	11,843	8,573	16,929	15,313	14,794	8,215	12,185	17,006	8,377	483	425	-
Matanuska	17,390	17,669	14,644	10,683	17,078	15,909	7,729	2,380	8,455	13,233	16,130	10,779
Taku	15,880	16,020	17,810	16,768	3,414	1,261	203	-	-	-	-	-
Tazlina	-	-	-	-	-	-	-	2,713	5,964	1,903	2,687	3,767
Tustumena	10,978	6,527	9,966	10,569	10,884	10,644	11,316	10,986	8,372	8,837	7,177	12,812
Vessel Leave	16,605	16,695	17,234	9,006	13,339	13,350	13,478	13,845	11,375	9,496	9,690	9,756
All Vessels	9,591	10,178	9,725	18,298	7,145	8,347	11,252	12,603	9,216	9,471	9,815	13,103
TOTAL	151,540	152,088	145,162	140,106	125,147	115,897	122,759	122,389	80,145	81,571	89,697	110,007

* 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 2023 ANNUAL FINANCIAL REPORT

State of Alaska, Department of Transportation and Public Facilities

Compiled December 28th, 2023

