

BASIC FINANCIAL STATEMENTS

CITY AND BOROUGH OF SITKA, ALASKA

Statement of Net Assets

June 30, 2009

	Primary Government			Component Units		
	Governmental Activities	Business- type Activities	Total	Sitka School District	Convention and Visitors Bureau	Sitka Community Hospital
Assets:						
Equity in central treasury	\$ 14,657,740	18,881,135	33,538,875	-	-	-
Cash and investments	-	-	-	1,517,670	304,918	188,620
Receivables (net of allowance)	5,697,066	2,888,216	8,585,282	637,665	-	2,089,836
Internal balances	2,383,284	(2,383,284)	-	-	-	-
Due from component units	129,994	-	129,994	-	-	-
Inventories	-	1,906,479	1,906,479	1,101	-	281,457
Prepaid items	3,426	10,162	13,588	-	800	99,161
Notes receivable	294,998	-	294,998	-	-	-
Special assessments receivable	-	356,413	356,413	-	-	-
Water rights	-	46,966	46,966	-	-	-
Deferred charges	-	1,151,160	1,151,160	-	-	-
Unamortized bond issuance costs	177,097	-	177,097	-	-	-
Restricted assets:						
Equity in central treasury	17,976,312	3,342,522	21,318,834	-	-	-
Cash and investments	14,956,614	4,561,721	19,518,335	-	-	-
Interest receivable	82,301	-	82,301	-	-	-
Capital assets not being depreciated	34,920,140	18,438,854	53,358,994	-	-	256,113
Other capital assets, net of depreciation	67,453,473	123,783,270	191,236,743	138,565	1,623	6,332,727
Total assets	\$ 158,732,445	172,983,614	331,716,059	2,295,001	307,341	9,247,914
Liabilities:						
Accounts payable and accrued liabilities	\$ 1,267,971	1,166,567	2,434,538	257,523	6,304	1,798,705
Unearned revenue	635,846	252,277	888,123	6,820	-	-
Matured bonds and interest payable	184,603	-	184,603	-	-	40,230
Liabilities payable from restricted assets	75,737	123,527	199,264	4,577	-	-
Noncurrent liabilities:						
Due within one year:						
Capital leases	51,436	2,552	53,988	-	-	91,255
Bonds and notes	1,869,750	2,922,972	4,792,722	-	-	-
Compensated absences	36,785	-	36,785	147,236	10,906	485,117
Due in more than one year:						
Capital leases	-	-	-	-	-	63,837
Bonds and notes	32,725,500	47,594,091	80,319,591	-	-	-
Deferred loss on bonds	(428,247)	(954,781)	(1,383,028)	-	-	-
Unamortized bond premium	717,278	-	717,278	-	-	-
Compensated absences	654,205	268,124	922,329	121,728	-	-
Landfill post-closure liability	-	499,995	499,995	-	-	-
Total liabilities	37,790,864	51,875,324	89,666,188	537,884	17,210	2,479,144
Net assets:						
Invested in capital assets, net of related debt	74,535,296	92,657,290	167,192,586	138,565	1,623	6,433,748
Restricted for:						
Permanent Fund	16,302,168	-	16,302,168	-	-	-
Capital projects	9,505,600	-	9,505,600	-	-	-
Debt service	-	7,280,721	7,280,721	-	-	-
Unrestricted	20,598,517	21,170,279	41,768,796	1,618,552	288,508	335,022
Total net assets	120,941,581	121,108,290	242,049,871	1,757,117	290,131	6,768,770
Total liabilities and net assets	\$ 158,732,445	172,983,614	331,716,059	2,295,001	307,341	9,247,914

See accompanying notes to financial statements.

CITY AND BOROUGH OF SITKA, ALASKA
Statement of Activities
Year Ended June 30, 2009

Activities	Program Revenues				Net (Expense) Revenue and Changes in Net Assets					
	Expenses	Fees, Fines, & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		Component Units			
					Governmental Activities	Business-Type Activities	Total	Sitka School District	Convention and Visitors Bureau	Sitka Community Hospital
Primary government:										
Governmental activities:										
Administration	\$ 1,758,063	836,056	350,042	15,458	(556,507)		(556,507)			
Public safety	6,591,077	717,543	1,315,582	5,163	(4,552,789)		(4,552,789)			
Public works	4,523,661	838,119	960,545	2,482,555	(242,442)		(242,442)			
Public services	2,194,283	112,414	75,776	2,606	(2,003,487)		(2,003,487)			
Support	9,149,431	-	809,778	812,000	(7,527,653)		(7,527,653)			
Interest on long-term debt	1,540,287	-	1,051,928	-	(488,359)		(488,359)			
Total governmental activities	25,756,802	2,504,132	4,563,651	3,317,782	(15,371,237)		(15,371,237)			
Business-type activities:										
Electric and water	12,368,552	12,823,113	380,305	607,034		1,441,900	1,441,900			
Waste water treatment	3,252,387	1,789,429	71,490	155,308		(1,236,160)	(1,236,160)			
Solid waste disposal	2,938,042	2,926,079	11,675	60,153		59,865	59,865			
Harbor	2,378,228	1,698,769	1,197,150	12,111		529,802	529,802			
Airport terminal building	671,351	656,497	-	511,964		497,110	497,110			
Marine service center	305,613	234,114	-	-		(71,499)	(71,499)			
Sawmill Cove Industrial Park	2,321,583	287,480	117	(49,573)		(2,083,559)	(2,083,559)			
Total business-type activities	24,235,756	20,415,481	1,660,737	1,296,997		(862,541)	(862,541)			
Total primary government	\$ 49,992,558	22,919,613	6,224,388	4,614,779	(15,371,237)	(862,541)	(16,233,778)			
Component units:										
Sitka School District	22,851,149	330,613	6,337,362	156,168			(16,027,006)	-	-	
Convention and Visitors Bureau	360,598	83,043	-	-			-	(277,555)	-	
Sitka Community Hospital	18,319,638	14,938,725	566,132	-			-	-	(2,814,781)	
Total component units	\$ 41,531,385	15,352,381	6,903,494	156,168			(16,027,006)	(277,555)	(2,814,781)	
General revenues:										
Taxes:										
Property taxes				\$ 5,882,368	-	5,882,368	-	-	-	
Sales taxes				9,850,321	-	9,850,321	-	-	-	
Commercial passenger excise tax				1,359,030	-	1,359,030	-	-	-	
Contributions from primary government				-	-	-	5,498,913	326,500	470,884	
Grants and entitlements not restricted to a specific purpose				1,891,506	-	1,891,506	10,660,246	-	815,743	
Investment income (loss)				(1,969,320)	1,297,612	(671,708)	-	2,428	32,031	
Debt reimbursement principal				1,193,500	-	1,193,500	-	-	-	
Other				-	-	-	142,518	-	-	
Transfers				(160,766)	160,766	-	-	-	-	
Special item - net pension obligation relief				971,585	457,566	1,429,151	35,965	-	496,723	
Total general revenues, transfers, and special item				19,018,224	1,915,944	20,934,168	16,337,642	328,928	1,815,381	
Change in net assets				3,646,987	1,053,403	4,700,390	310,636	51,373	(999,400)	
Net assets at beginning of year				117,294,594	120,054,887	237,349,481	1,446,481	238,758	7,768,170	
Net assets at end of year				\$ 120,941,581	121,108,290	242,049,871	1,757,117	290,131	6,768,770	

See accompanying notes to financial statements.

CITY AND BOROUGH OF SITKA, ALASKA

Governmental Funds

Balance Sheet

June 30, 2009

	Major Governmental Funds				
	General Fund	Permanent Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Equity in central treasury	\$ 6,801,176	-	-	3,950,229	10,751,405
Receivables:					
Accounts	689,979	-	2,823	4,045	696,847
Taxes	2,221,258	-	-	52,175	2,273,433
Allowance for uncollectible accounts	(511,764)	-	-	-	(511,764)
Interest	525,599	-	-	-	525,599
Special assessments	-	-	-	182,352	182,352
Federal and State of Alaska	53,278	-	2,272,353	104,887	2,430,518
Due from other funds	242,877	-	-	909,920	1,152,797
Advances to other funds	550,000	-	-	1,059,564	1,609,564
Advances to component units	129,994	-	-	-	129,994
Prepaid items	2,326	-	-	-	2,326
Notes receivable	-	-	-	394,998	394,998
Restricted assets:					
Equity in central treasury	-	1,319,782	7,535,815	9,120,715	17,976,312
Cash and investments	-	14,900,085	-	56,529	14,956,614
Interest receivable	-	82,301	-	-	82,301
Total assets	\$ 10,704,723	16,302,168	9,810,991	15,835,414	52,653,296
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ 122,776	-	300,922	16,308	440,006
Accrued payroll	748,621	-	-	-	748,621
Accrued and other liabilities	38,386	-	-	-	38,386
Due to other funds	426,667	-	-	70,294	496,961
Deferred revenue	631,377	-	4,469	182,352	818,198
Liabilities payable from restricted assets:					
Accounts payable	-	-	-	75,737	75,737
Due to other funds	-	-	-	22,583	22,583
Total liabilities	1,967,827	-	305,391	367,274	2,640,492
Fund balances:					
Reserved for:					
Under provisions of the Home Rule Charter	-	16,302,168	-	-	16,302,168
Advances to other funds	550,000	-	-	1,059,564	1,609,564
Advances to component units	129,994	-	-	-	129,994
Notes receivable	-	-	-	394,998	394,998
Prepaid items	2,326	-	-	-	2,326
Encumbrances	226,501	-	-	-	226,501
Public safety	-	-	-	110,931	110,931
Debt service	-	-	-	3,148,838	3,148,838
Community improvement projects	-	-	-	2,731,199	2,731,199
Library acquisitions	-	-	-	219,089	219,089
Title III Forestry expenditures	634,821	-	-	-	634,821
Unreserved:					
Designated, reported in:					
Special revenue funds	-	-	-	7,769,932	7,769,932
Capital projects fund	-	-	9,505,600	-	9,505,600
Undesignated, reported in:					
General Fund	7,193,254	-	-	-	7,193,254
Special revenue funds	-	-	-	33,589	33,589
Total fund balances	8,736,896	16,302,168	9,505,600	15,468,140	50,012,804
Total liabilities and fund balances	\$ 10,704,723	16,302,168	9,810,991	15,835,414	52,653,296

See accompanying notes to financial statements.

CITY AND BOROUGH OF SITKA, ALASKA
 Reconciliation of Governmental Funds Balance Sheet
 to Statement of Net Assets
 June 30, 2009

Total fund balances for governmental funds	\$	50,012,804
Total net assets reported for governmental activities in the Statement of Net Assets is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. In addition, capital assets associated with internal service funds are recorded in the Statement of Net Assets. These assets are comprised of:		
Land	\$ 8,304,621	
Construction in progress	<u>26,615,519</u>	
Total capital assets not being depreciated		34,920,140
Buildings	80,802,741	
Land improvements	597,385	
Infrastructure	27,192,937	
Equipment	8,594,186	
Accumulated depreciation	<u>(49,733,776)</u>	
Total depreciable capital assets, net of depreciation		67,453,473
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds. These assets consist of special assessments receivable.		
		182,352
Internal service funds are used by the Borough to charge the cost of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets as follows:		
Net assets of internal service funds	7,408,891	
Adjusted for:		
Capital assets included above	(8,117,370)	
Accumulated depreciation included above	4,641,272	
Compensated absences included below	<u>37,447</u>	
Total net assets from internal service funds		3,970,240
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported as fund liabilities. These liabilities consist of:		
Capital leases	(51,436)	
Bonds and State of Alaska note	(34,595,250)	
Unamortized bond premium	(717,278)	
Unamortized bond issuance costs	177,097	
Deferred loss on bonds	428,247	
Accrued interest payable	(184,603)	
Compensated absences	<u>(654,205)</u>	
Total long term liabilities		<u>(35,597,428)</u>
Total net assets of governmental activities	\$	<u>120,941,581</u>

See accompanying notes to financial statements.

CITY AND BOROUGH OF SITKA, ALASKA
 Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Year Ended June 30, 2009

	Major Governmental Funds			Nonmajor Govern- mental Funds	Total Govern- mental Funds
	General Fund	Permanent Fund	Capital Projects Fund		
Revenues:					
Taxes:					
Real and personal	\$ 5,882,368	-	-	-	5,882,368
Sales and bed	9,850,321	-	-	-	9,850,321
State sources	2,689,390	-	2,340,322	2,729,685	7,759,397
Federal sources	2,237,104	-	523,930	550,183	3,311,217
Charges for services	1,546,658	-	-	-	1,546,658
Interfund services	2,393,157	-	-	-	2,393,157
Fines, forfeitures and penalties	139,373	-	-	-	139,373
Investment income (loss)	526,624	(3,250,406)	403,749	718,650	(1,601,383)
Uses of property	417,627	-	518,905	-	936,532
Licenses and permits	140,879	-	-	-	140,879
Other	101,805	-	410,757	530,026	1,042,588
Total revenues	25,925,306	(3,250,406)	4,197,663	4,528,544	31,401,107
Expenditures:					
Current:					
Administration	3,890,049	-	-	-	3,890,049
Public safety	5,846,838	-	-	482,473	6,329,311
Public works	3,464,722	-	-	310,242	3,774,964
Public services	1,351,576	-	-	586,526	1,938,102
Support	7,564,011	-	-	-	7,564,011
Debt service:					
Principal	915,626	-	-	1,005,000	1,920,626
Interest	519,617	-	-	1,048,901	1,568,518
Other debt service costs	107,370	-	-	-	107,370
Capital outlay	157,649	-	6,086,800	-	6,244,449
Total expenditures	23,817,458	-	6,086,800	3,433,142	33,337,400
Excess of revenues over (under) expenditures	2,107,848	(3,250,406)	(1,889,137)	1,095,402	(1,936,293)
Other financing sources (uses):					
Transfers in	840,432	47,661	8,523,960	1,098,526	10,510,579
Transfers out	(9,586,910)	(693,334)	(10,419)	(263,477)	(10,554,140)
General obligation bonds issued	7,150,000	-	-	-	7,150,000
Premium on bonds issued	121,482	-	-	-	121,482
Net other financing sources (uses)	(1,474,996)	(645,673)	8,513,541	835,049	7,227,921
Net change in fund balances	632,852	(3,896,079)	6,624,404	1,930,451	5,291,628
Fund balances, beginning of year	8,104,044	20,198,247	2,881,196	13,537,689	44,721,176
Fund balances, end of year	\$ 8,736,896	16,302,168	9,505,600	15,468,140	50,012,804

See accompanying notes to financial statements.

CITY AND BOROUGH OF SITKA, ALASKA
 Reconciliation of Change in Fund Balances of Governmental Funds
 to Statement of Activities
 Year Ended June 30, 2009

Net change in fund balances - total governmental funds	\$	5,291,628
The change in net assets reported for governmental activities in the Statement of Activities is different because:		
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. This is the amount by which capital outlays (\$6,249,612) exceeds disposal of assets (\$512,800) and depreciation (\$2,763,829)		
		2,972,983
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the decrease in deferred special assessments receivable.		
		(47,042)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Payments on capital leases	\$	135,876
Decrease in deferred loss on bonds		(40,491)
Increase in unamortized bond premium		(66,507)
Increase in bond issuance costs		97,828
Payments on bonds and note		1,784,750
Proceeds from issuance of bonds		<u>(7,150,000)</u>
		(5,238,544)
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.		
Increase in accrued interest payable		(17,202)
Decrease in net pension obligation		971,585
Increase in accrued leave		<u>(100,719)</u>
		853,664
Internal service funds are used by management to charge the costs of health insurance to individual funds. Net income of these activities is reported with governmental activities as follows:		
Net income of governmental activities		(108,233)
Adjusted for increase in net pension obligation included above		<u>(77,469)</u>
Total increase in net assets from internal service funds		<u>(185,702)</u>
Change in net assets of governmental activities	\$	<u><u>3,646,987</u></u>

See accompanying notes to financial statements.

CITY AND BOROUGH OF SITKA, ALASKA

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Adjustments For Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
Revenues:						
Taxes:						
Property taxes	\$ 5,844,258	5,844,258	5,882,368	-	5,882,368	38,110
Sales taxes	9,733,800	9,816,495	9,514,013	-	9,514,013	(302,482)
Bed taxes	421,400	421,400	336,308	-	336,308	(85,092)
Total taxes	15,999,458	16,082,153	15,732,689	-	15,732,689	(349,464)
State sources:						
School debt reimbursement	894,750	894,750	894,749	-	894,749	(1)
Municipal assistance	854,620	854,620	825,469	-	825,469	(29,151)
State PERS relief	-	-	795,816	(795,816)	-	-
State grants	61,000	118,500	39,581	-	39,581	(78,919)
Other	103,990	103,990	133,775	-	133,775	29,785
Total State sources	1,914,360	1,971,860	2,689,390	(795,816)	1,893,574	(78,286)
Federal sources:						
National Forest receipts	244,000	1,619,556	1,619,556	-	1,619,556	-
Payment in lieu of taxes	357,200	574,338	574,975	-	574,975	637
Federal grants	7,500	7,500	42,573	-	42,573	35,073
Total Federal sources	608,700	2,201,394	2,237,104	-	2,237,104	35,710
Licenses and permits	160,230	160,230	140,879	-	140,879	(19,351)
Charges for services:						
State jail contract	419,450	419,450	419,450	-	419,450	-
Ambulance fees	182,300	182,300	313,150	-	313,150	130,850
E911 surcharges	184,300	184,300	170,131	-	170,131	(14,169)
Jobbing	604,000	604,000	502,801	-	502,801	(101,199)
Other	126,335	130,666	141,126	-	141,126	10,460
Total charges for services	1,516,385	1,520,716	1,546,658	-	1,546,658	25,942
Property and investments:						
Leases and rent	324,400	324,400	388,817	-	388,817	64,417
Investment income	452,000	452,000	526,624	-	526,624	74,624
Other	60,800	60,800	28,810	-	28,810	(31,990)
Total property and investments	837,200	837,200	944,251	-	944,251	107,051
Interfund services	2,160,873	2,165,873	2,393,157	-	2,393,157	227,284
Fines, forfeitures and penalties	138,400	138,400	139,373	-	139,373	973
Other	56,910	81,910	101,805	-	101,805	19,895
Total revenues	23,392,516	25,159,736	25,925,306	(795,816)	25,129,490	(30,246)

See accompanying notes to financial statements.

CITY AND BOROUGH OF SITKA, ALASKA

General Fund

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

	Original Budget	Final Budget	Actual	Adjustments For Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
Expenditures:						
Administration:						
Administration/assembly:						
Wages and benefits	\$ 557,208	557,208	567,545	(46,510)	521,035	36,173
Travel and training	40,250	40,250	29,540	-	29,540	10,710
Contracted/purchased services	79,500	59,778	65,098	-	65,098	(5,320)
Other	115,527	142,027	112,812	-	112,812	29,215
Total administration/assembly	792,485	799,263	774,995	(46,510)	728,485	70,778
Legal:						
Wages and benefits	223,312	223,312	237,399	(18,861)	218,538	4,774
Travel and training	5,000	5,000	4,504	-	4,504	496
Contracted/purchased services	1,200	1,200	111,590	-	111,590	(110,390)
Other	54,183	129,894	19,502	-	19,502	110,392
Total legal	283,695	359,406	372,995	(18,861)	354,134	5,272
Municipal clerk:						
Wages and benefits	184,792	185,517	201,850	(16,334)	185,516	1
Travel and training	5,550	7,313	7,312	-	7,312	1
Contracted/purchased services	38,000	36,750	25,824	-	25,824	10,926
Other	89,702	89,702	81,033	-	81,033	8,669
Total municipal clerk	318,044	319,282	316,019	(16,334)	299,685	19,597
Finance:						
Wages and benefits	1,360,431	1,360,431	1,328,255	(103,850)	1,224,405	136,026
Travel and training	12,600	12,600	5,985	-	5,985	6,615
Contracted/purchased services	76,500	88,280	86,661	-	86,661	1,619
Other	124,703	124,703	126,319	-	126,319	(1,616)
Total finance	1,574,234	1,586,014	1,547,220	(103,850)	1,443,370	142,644
Assessing:						
Wages and benefits	220,129	220,129	230,356	(18,322)	212,034	8,095
Travel and training	3,500	3,500	2,641	-	2,641	859
Contracted/purchased services	8,300	8,300	-	-	-	8,300
Other	29,693	29,423	28,600	-	28,600	823
Total assessing	261,622	261,352	261,597	(18,322)	243,275	18,077
Planning:						
Wages and benefits	206,583	211,597	229,155	(17,558)	211,597	-
Travel and training	3,800	3,800	3,798	-	3,798	2
Contracted/purchased services	10,000	7,585	6,335	-	6,335	1,250
Other	21,758	22,923	22,775	-	22,775	148
Total planning	242,141	245,905	262,063	(17,558)	244,505	1,400

See accompanying notes to financial statements.

CITY AND BOROUGH OF SITKA, ALASKA

General Fund

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

	Original Budget	Final Budget	Actual	Adjustments For Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
Expenditures, continued:						
General office:						
Repairs and maintenance	\$ 2,635	2,635	61,148	-	61,148	(58,513)
Contracted/purchased services	72,200	72,200	65,213	-	65,213	6,987
Other	325,918	313,918	228,799	-	228,799	85,119
Total general office	400,753	388,753	355,160	-	355,160	33,593
Total administration	3,872,974	3,959,975	3,890,049	(221,435)	3,668,614	291,361
Public safety:						
Police:						
Wages and benefits	3,520,835	3,529,794	3,287,818	(265,184)	3,022,634	507,160
Travel and training	51,850	51,850	36,307	-	36,307	15,543
Contracted/purchased services	19,325	19,705	16,257	-	16,257	3,448
Other	760,841	714,310	711,743	-	711,743	2,567
Total police	4,352,851	4,315,659	4,052,125	(265,184)	3,786,941	528,718
Fire:						
Wages and benefits	1,151,059	1,111,733	1,112,078	(87,453)	1,024,625	87,108
Travel and training	29,700	35,894	35,876	-	35,876	18
Contracted/purchased services	6,200	6,200	13,893	-	13,893	(7,693)
Other	370,814	357,433	340,852	-	340,852	16,581
Total fire	1,557,773	1,511,260	1,502,699	(87,453)	1,415,246	96,014
Ambulance:						
Wages and benefits	174,849	174,849	137,268	(8,902)	128,366	46,483
Travel and training	28,500	26,552	16,936	-	16,936	9,616
Contracted/purchased services	13,300	13,300	12,000	-	12,000	1,300
Other	127,749	120,171	95,866	-	95,866	24,305
Total ambulance	344,398	334,872	262,070	(8,902)	253,168	81,704
Search and rescue:						
Wages and benefits	6,904	6,904	4,754	-	4,754	2,150
Travel and training	12,000	12,000	2,905	-	2,905	9,095
Contracted/purchased services	3,000	3,000	3,000	-	3,000	-
Other	35,295	25,726	19,285	-	19,285	6,441
Total search and rescue	57,199	47,630	29,944	-	29,944	17,686
Total public safety	6,312,221	6,209,421	5,846,838	(361,539)	5,485,299	724,122
Public works:						
Administration:						
Wages and benefits	323,687	273,687	366,378	(145,416)	220,962	52,725
Travel and training	2,000	2,000	1,955	-	1,955	45
Other	25,579	25,579	34,385	-	34,385	(8,806)
Total administration	351,266	301,266	402,718	(145,416)	257,302	43,964

See accompanying notes to financial statements.

CITY AND BOROUGH OF SITKA, ALASKA

General Fund

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

	Original Budget	Final Budget	Actual	Adjustments For Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
Expenditures, continued:						
Engineering:						
Wages and benefits	\$ 468,851	468,851	447,636	-	447,636	21,215
Travel and training	6,120	6,120	183	-	183	5,937
Contracted/purchased services	7,000	6,938	7,991	-	7,991	(1,053)
Other	31,455	31,455	33,422	-	33,422	(1,967)
Total engineering	513,426	513,364	489,232	-	489,232	24,132
Streets:						
Wages and benefits	612,384	612,384	663,784	-	663,784	(51,400)
Travel and training	7,500	7,500	2,396	-	2,396	5,104
Contracted/purchased services	150,000	131,237	155,227	-	155,227	(23,990)
Other	678,825	695,379	609,686	-	609,686	85,693
Total streets	1,448,709	1,446,500	1,431,093	-	1,431,093	15,407
Recreation:						
Wages and benefits	279,264	279,264	263,115	-	263,115	16,149
Travel and training	2,350	2,350	1,343	-	1,343	1,007
Contracted/purchased services	99,482	184,409	166,091	-	166,091	18,318
Other	313,920	414,733	476,667	-	476,667	(61,934)
Total recreation	695,016	880,756	907,216	-	907,216	(26,460)
Building officials:						
Wages and benefits	201,927	201,927	197,196	-	197,196	4,731
Travel and training	8,775	8,775	7,934	-	7,934	841
Contracted/purchased services	2,170	846	573	-	573	273
Other	28,247	27,824	28,760	-	28,760	(936)
Total building officials	241,119	239,372	234,463	-	234,463	4,909
Total public works	3,249,536	3,381,258	3,464,722	(145,416)	3,319,306	61,952
Public services:						
Library:						
Wages and benefits	560,505	560,505	558,157	(42,638)	515,519	44,986
Travel and training	6,050	6,050	263	-	263	5,787
Contracted/purchased services	33,224	33,224	36,140	-	36,140	(2,916)
Other	222,535	215,546	209,214	-	209,214	6,332
Total library	822,314	815,325	803,774	(42,638)	761,136	54,189
Harrigan Centennial Building:						
Wages and benefits	287,829	290,450	315,238	(24,788)	290,450	-
Contracted/purchased services	54,881	54,881	52,496	-	52,496	2,385
Other	129,003	128,969	104,722	-	104,722	24,247
Total Harrigan Centennial Building	471,713	474,300	472,456	(24,788)	447,668	26,632

See accompanying notes to financial statements.

CITY AND BOROUGH OF SITKA, ALASKA

General Fund

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

	Original Budget	Final Budget	Actual	Adjustments For Budgetary Basis	Actual on Budgetary Basis	Variance with Final Budget - Positive (Negative)
Expenditures, continued:						
Senior Citizen Center:						
Repairs and maintenance	\$ 2,695	2,695	30,726	-	30,726	(28,031)
Other	74,276	74,276	44,620	-	44,620	29,656
Total Senior Citizen Center	76,971	76,971	75,346	-	75,346	1,625
Total public services	1,370,998	1,366,596	1,351,576	(67,426)	1,284,150	82,446
Support:						
Municipal grants to local organizations	225,600	292,600	284,700	-	284,700	7,900
Sitka Convention and Visitors Bureau	327,500	327,500	327,500	-	327,500	-
Sitka Community Hospital	427,300	39,600	39,600	-	39,600	-
Sitka School District	6,082,668	6,912,248	6,912,211	-	6,912,211	37
Total support	7,063,068	7,571,948	7,564,011	-	7,564,011	7,937
Debt service:						
Principal	905,875	915,625	915,626	-	915,626	(1)
Interest	517,517	521,619	519,617	-	519,617	2,002
Other debt service costs	-	-	107,370	-	107,370	(107,370)
Total debt service	1,423,392	1,437,244	1,542,613	-	1,542,613	(105,369)
Capital outlay	32,000	174,647	157,649	-	157,649	16,998
Total expenditures	23,324,189	24,101,089	23,817,458	(795,816)	23,021,642	1,079,447
Excess of revenues over (under) expenditures	68,327	1,058,647	2,107,848	-	2,107,848	1,049,201
Other financing sources (uses):						
Transfers in	1,541,168	1,543,789	840,432	-	840,432	(703,357)
Transfers out	(1,609,637)	(2,444,819)	(9,586,910)	-	(9,586,910)	(7,142,091)
General obligation bonds issued	-	-	7,150,000	-	7,150,000	7,150,000
Premium on bonds issued	-	-	121,482	-	121,482	121,482
Net other financing sources (uses)	(68,469)	(901,030)	(1,474,996)	-	(1,474,996)	(573,966)
Net change in fund balance	\$ (142)	157,617	632,852	-	632,852	475,235
Fund balance, beginning of year			8,104,044			
Fund balance, end of year		\$	8,736,896			

See accompanying notes to financial statements.

CITY AND BOROUGH OF SITKA, ALASKA

 Proprietary Funds
 Statement of Net Assets
 June 30, 2009

	Major Enterprise Funds				Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Electric and Water Utilities	Waste Water Treatment	Solid Waste Disposal	Harbor			
Assets							
Current assets:							
Equity in central treasury	\$ 9,692,963	3,997,819	1,407,522	1,947,951	1,834,880	18,881,135	3,906,335
Receivables:							
Accounts	996,440	136,127	232,033	165,684	527,699	2,057,983	81
Allowance for uncollectible accounts	(340,249)	(39,430)	(59,536)	(88,252)	(337,481)	(864,948)	-
Federal and State of Alaska	350,190	23,551	-	1,139,956	186,060	1,699,757	-
Current portion:							
Notes receivable	1,742	6,205	-	-	-	7,947	-
Assessments receivable	-	10,492	-	-	-	10,492	-
Inventories	1,906,479	-	-	-	-	1,906,479	-
Prepaid expenses	2,701	-	-	-	7,461	10,162	1,100
Total current assets	<u>12,610,266</u>	<u>4,134,764</u>	<u>1,580,019</u>	<u>3,165,339</u>	<u>2,218,619</u>	<u>23,709,007</u>	<u>3,907,516</u>
Noncurrent assets:							
Restricted assets:							
Equity in central treasury:							
Landfill postclosure	-	-	499,995	-	-	499,995	-
Bond covenant accounts	2,719,000	-	-	-	-	2,719,000	-
Deposits	96,364	-	8,522	18,641	-	123,527	-
Bond covenant accounts	4,561,721	-	-	-	-	4,561,721	-
Notes receivable	29,589	140,240	-	-	-	169,829	-
Special assessments receivable	-	163,569	-	-	-	163,569	-
Water rights	46,966	-	-	-	-	46,966	-
Water master plan	107,447	-	-	-	-	107,447	-
FERC license	951,961	-	-	-	-	951,961	-
Deferred charges	-	-	-	-	91,752	91,752	-
Capital assets:							
Property, plant and equipment	138,363,780	44,561,472	3,444,330	23,691,004	21,100,685	231,161,271	8,117,370
Construction in progress	8,544,687	726,698	3,700,376	94	612,707	13,584,562	-
Less accumulated depreciation	(60,895,649)	(27,832,707)	(931,565)	(7,492,432)	(5,371,356)	(102,523,709)	(4,641,272)
Total capital assets, net of accumulated depreciation	<u>86,012,818</u>	<u>17,455,463</u>	<u>6,213,141</u>	<u>16,198,666</u>	<u>16,342,036</u>	<u>142,222,124</u>	<u>3,476,098</u>
Total noncurrent assets	<u>94,525,866</u>	<u>17,759,272</u>	<u>6,721,658</u>	<u>16,217,307</u>	<u>16,433,788</u>	<u>151,657,891</u>	<u>3,476,098</u>
Total assets	\$ <u>107,136,132</u>	<u>21,894,036</u>	<u>8,301,677</u>	<u>19,382,646</u>	<u>18,652,407</u>	<u>175,366,898</u>	<u>7,383,614</u>
Liabilities							
Current liabilities:							
Accounts payable and accrued liabilities	\$ 304,156	241,983	104,441	30,183	738,081	1,418,844	77,743
Due to other funds	-	-	123,579	250,000	209,674	583,253	50,000
Current portion of:							
Revenue bonds	2,305,000	-	-	-	-	2,305,000	-
Revenue notes	244,532	-	-	-	-	244,532	-
Notes payable	94,331	124,905	108,855	45,349	-	373,440	-
Capital leases	-	1,012	-	-	1,540	2,552	-
Payable from restricted assets - deposits payable	96,364	-	8,522	18,641	-	123,527	-
Total current liabilities	<u>3,044,383</u>	<u>367,900</u>	<u>345,397</u>	<u>344,173</u>	<u>949,295</u>	<u>5,051,148</u>	<u>127,743</u>
Noncurrent liabilities:							
Compensated absences	183,094	44,774	4,113	36,143	-	268,124	37,447
Advances from other funds	-	-	249,303	460,000	350,261	1,059,564	550,000
Revenue bonds	28,090,000	-	-	-	-	28,090,000	-
Deferred loss on bonds	(954,781)	-	-	-	-	(954,781)	-
Revenue notes	9,054,598	-	-	-	-	9,054,598	-
Notes payable	4,587,361	2,932,273	2,068,245	861,614	-	10,449,493	-
Landfill post-closure liability	-	-	499,995	-	-	499,995	-
Total noncurrent liabilities	<u>40,960,272</u>	<u>2,977,047</u>	<u>2,821,656</u>	<u>1,357,757</u>	<u>350,261</u>	<u>48,466,993</u>	<u>587,447</u>
Total liabilities	<u>44,004,655</u>	<u>3,344,947</u>	<u>3,167,053</u>	<u>1,701,930</u>	<u>1,299,556</u>	<u>53,518,141</u>	<u>715,190</u>
Net assets							
Invested in capital assets, net of related debt	42,591,777	14,397,273	4,036,041	15,291,703	16,340,496	92,657,290	3,476,098
Restricted for debt service	7,280,721	-	-	-	-	7,280,721	-
Unrestricted	13,258,979	4,151,816	1,098,583	2,389,013	1,012,355	21,910,746	3,192,326
Total net assets	<u>63,131,477</u>	<u>18,549,089</u>	<u>5,134,624</u>	<u>17,680,716</u>	<u>17,352,851</u>	<u>121,848,757</u>	<u>6,668,424</u>
Total liabilities and net assets	\$ <u>107,136,132</u>	<u>21,894,036</u>	<u>8,301,677</u>	<u>19,382,646</u>	<u>18,652,407</u>	<u>175,366,898</u>	<u>7,383,614</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						(740,467)	
Net assets of business-type activities					\$	<u>121,108,290</u>	

See accompanying notes to financial statements.

CITY AND BOROUGH OF SITKA, ALASKA
 Proprietary Funds
 Statement of Revenues, Expenses and Changes in Net Assets
 Year Ended June 30, 2009

	Major Enterprise Funds					Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Electric and Water Utilities	Waste Water Treatment	Solid Waste Disposal	Harbor				
Operating revenues:								
Charges for services	\$ 11,842,537	1,565,025	2,739,922	1,347,807	547,574	18,042,865	2,250,402	
Other	980,576	224,404	186,157	350,962	630,517	2,372,616	-	
Total operating revenues	<u>12,823,113</u>	<u>1,789,429</u>	<u>2,926,079</u>	<u>1,698,769</u>	<u>1,178,091</u>	<u>20,415,481</u>	<u>2,250,402</u>	
Operating expenses:								
Wages and benefits	3,805,564	933,949	159,855	789,615	26,495	5,715,478	871,421	
Travel and training	19,080	9,661	11,435	10,565	-	50,741	38,057	
Utilities	117,481	215,387	24,691	145,183	180,871	683,613	40,831	
Repairs and maintenance	177,697	74,876	6,173	95,777	93,729	448,252	254,997	
Contracted/purchased services	396,337	48,498	1,957,411	26,502	296,475	2,725,223	181,033	
Interdepartment services	1,110,463	318,816	420,909	228,176	218,353	2,296,717	289,935	
Other	1,773,723	191,085	204,903	220,273	510,146	2,900,130	592,201	
Depreciation	2,472,135	1,400,659	137,922	758,856	600,520	5,370,092	356,745	
Total operating expenses	<u>9,872,480</u>	<u>3,192,931</u>	<u>2,923,299</u>	<u>2,274,947</u>	<u>1,926,589</u>	<u>20,190,246</u>	<u>2,625,220</u>	
Operating income (loss)	2,950,633	(1,403,502)	2,780	(576,178)	(748,498)	225,235	(374,818)	
Nonoperating revenues (expenses):								
Investment income	696,947	211,605	100,704	139,508	81,614	1,230,378	212,096	
Interest expense	(2,480,310)	(40,075)	(18,566)	(97,219)	(32,177)	(2,668,347)	(32,500)	
Raw fish tax	-	-	-	1,139,956	-	1,139,956	-	
State PERS relief	280,305	71,490	11,675	57,194	117	420,781	66,430	
State municipal assistance	100,000	-	-	-	-	100,000	-	
Disposal of assets	-	-	-	-	(1,278,138)	(1,278,138)	-	
Other	-	-	-	-	-	-	28,504	
Net nonoperating revenues (expenses)	<u>(1,403,058)</u>	<u>243,020</u>	<u>93,813</u>	<u>1,239,439</u>	<u>(1,228,584)</u>	<u>(1,055,370)</u>	<u>274,530</u>	
Income (loss) before contributions, transfers, and special item	1,547,575	(1,160,482)	96,593	663,261	(1,977,082)	(830,135)	(100,288)	
Capital contributions	607,034	155,308	60,153	12,111	462,391	1,296,997	-	
Special item - net pension obligation relief	312,356	71,279	7,408	57,295	9,228	457,566	77,469	
Transfers in	-	-	-	31,774	228,992	260,766	115,643	
Transfers out	-	-	-	(100,000)	-	(100,000)	(232,848)	
Change in net assets	2,466,965	(933,895)	164,154	664,441	(1,276,471)	1,085,194	(140,024)	
Net assets, beginning of year	<u>60,664,512</u>	<u>19,482,984</u>	<u>4,970,470</u>	<u>17,016,275</u>	<u>18,629,322</u>	<u>6,808,448</u>	<u>6,808,448</u>	
Net assets, end of year	\$ <u>63,131,477</u>	<u>18,549,089</u>	<u>5,134,624</u>	<u>17,680,716</u>	<u>17,352,851</u>	<u>6,668,424</u>	<u>6,668,424</u>	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						(31,791)		
Change in net assets of business-type activities						\$ <u>1,053,403</u>		

See accompanying notes to financial statements.

CITY AND BOROUGH OF SITKA, ALASKA

Proprietary Funds
Statement of Cash Flows
Year Ended June 30, 2009

	Major Enterprise Funds				Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental
	Electric and Water Utilities	Waste Water Treatment	Solid Waste Disposal	Harbor			Internal Service Funds
Cash flows from operating activities:							
Receipts from customers	\$ 12,597,237	1,775,916	2,891,499	1,645,902	1,159,026	20,069,580	2,255,297
Payments to suppliers	(2,384,843)	(445,792)	(2,193,626)	(496,473)	(643,556)	(6,164,290)	(289,935)
Payments for interfund services used	(1,110,463)	(318,816)	(420,909)	(228,176)	(218,353)	(2,296,717)	(1,206,870)
Payments to employees	(3,788,326)	(928,281)	(158,905)	(801,618)	(35,920)	(5,713,050)	(877,253)
Net cash flows from operating activities	5,313,605	83,027	118,059	119,635	261,197	5,895,523	(118,761)
Cash flows from noncapital financing activities:							
State PERS relief	280,305	71,490	11,675	57,194	117	420,781	66,430
State municipal assistance	100,000	-	-	-	-	100,000	-
Raw fish tax received	-	-	-	911,793	-	911,793	-
Repayments to other funds	-	-	(122,893)	(150,000)	(306,465)	(579,358)	-
Transfers from (to) other funds (net)	-	-	-	(68,226)	228,992	160,766	(117,205)
Net cash flows from noncapital financing activities	380,305	71,490	(111,218)	750,761	(77,356)	1,013,982	(50,775)
Cash flows from capital and related financing activities:							
Capital expenditures	(5,596,870)	(882,154)	(1,114,115)	(16,258)	(1,501,728)	(9,111,125)	(544,861)
Interest paid	(2,359,760)	(39,469)	(14,987)	(83,614)	(32,177)	(2,530,007)	(32,500)
Payments on capital lease	-	(3,925)	-	-	(5,980)	(9,905)	-
Payments on bonds and notes payable	(2,451,078)	(123,789)	-	(1,365,273)	-	(3,940,140)	-
Repayments to other funds	-	-	-	-	-	-	(50,000)
Rental of capital assets	-	-	-	-	-	-	33,504
Proceeds from sale of capital assets	-	-	-	-	974,140	974,140	-
Grants and loans for construction	3,563,395	220,302	1,097,408	12,111	565,424	5,458,640	-
Transfer to bond trustee for debt service	(89,935)	-	-	-	-	(89,935)	-
Net cash flows from capital and related financing activities	(6,934,248)	(829,035)	(31,694)	(1,453,034)	(321)	(9,248,332)	(593,857)
Cash flows from investing activities - interest received	696,947	211,605	100,704	139,508	81,614	1,230,378	212,096
Net increase (decrease) in cash and cash equivalents	(543,391)	(462,913)	75,851	(443,130)	265,134	(1,108,449)	(551,297)
Cash and cash equivalents, beginning	13,051,718	4,460,732	1,840,188	2,409,722	1,569,746	23,332,106	4,457,632
Cash and cash equivalents, ending	\$ 12,508,327	3,997,819	1,916,039	1,966,592	1,834,880	22,223,657	3,906,335
Reconciliation of cash and cash equivalents, end of year:							
Unrestricted equity in central treasury	\$ 9,692,963	3,997,819	1,407,522	1,947,951	1,834,880	18,881,135	3,906,335
Restricted equity in central treasury	2,815,364	-	508,517	18,641	-	3,342,522	-
Totals	\$ 12,508,327	3,997,819	1,916,039	1,966,592	1,834,880	22,223,657	3,906,335
Reconciliation of operating income (loss) to net cash flows from operating activities:							
Operating income (loss)	\$ 2,950,633	(1,403,502)	2,780	(576,178)	(748,498)	225,235	(374,818)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	2,472,135	1,400,659	137,922	758,856	600,520	5,370,092	356,745
Amortization	31,771	-	-	-	45,876	77,647	-
(Increase) decrease in assets:							
Accounts receivable (net)	(22,535)	937	(15,465)	(21,368)	215,317	156,886	4,895
Inventories	(110,429)	-	-	-	-	(110,429)	-
Prepaid expenses	(2,073)	-	-	-	(7,461)	(9,534)	-
Increase (decrease) in liabilities:							
Accounts payable and accrued liabilities	(27,541)	79,265	(10,054)	(8,958)	164,868	197,580	(99,751)
Compensated absences	17,238	5,668	950	(12,003)	(9,425)	2,428	(5,832)
Deposits	4,406	-	1,926	(20,714)	-	(14,382)	-
Net cash flows from operating activities	\$ 5,313,605	83,027	118,059	119,635	261,197	5,895,523	(118,761)

See accompanying notes to financial statements.

CITY AND BOROUGH OF SITKA, ALASKA

Fiduciary Funds

Statement of Fiduciary Net Assets

June 30, 2009

	Rowe Trust Fund	Sitka Cemetery Agency Fund	<u>Totals</u>
Current assets - equity in central treasury	\$ <u>185,778</u>	<u>105,080</u>	<u>290,858</u>
Liabilities - due to Sitka Cemetery Association	<u>-</u>	<u>105,080</u>	<u>105,080</u>
Net assets - held in trust for library acquisitions	<u>185,778</u>	<u>-</u>	<u>185,778</u>
Total liabilities and net assets	\$ <u>185,778</u>	<u>105,080</u>	<u>290,858</u>

See accompanying notes to financial statements.

CITY AND BOROUGH OF SITKA, ALASKA
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Assets
 Year Ended June 30, 2009

	<u>Rowe Trust Fund</u>
Additions:	
Investment income:	
Interest	\$ 5,755
Net change in the fair value of investments	<u>3,679</u>
Total investment income	<u>9,434</u>
 Deductions - library books and supplies	 <u>2,951</u>
 Change in net assets	 6,483
 Net assets, beginning of year	 <u>179,295</u>
 Net assets, end of year	 \$ <u><u>185,778</u></u>

See accompanying notes to financial statements.

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