

# ALASKA MARINE HIGHWAY FUND



## Annual Financial Report

2021

For the fiscal year ended June 30, 2021





Alaska Marine Highway System Fund

# ANNUAL FINANCIAL REPORT

---

For the fiscal year ended June 30, 2021

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

---

# TABLE OF CONTENTS

---

**Alaska Marine Highway System**  
**Annual Financial Report**  
For the Fiscal Year Ended June 30, 2021

	Page
<b><u>INTRODUCTORY SECTION</u></b>	1
Letter of Transmittal	2
Marine Transportation Advisory Board	3
Ports of Call	4
Profile of the Fleet	5
Vessel Information	6
FY 2021 Operating Plan	7
Operating Revenue Chart	8
Operating Expenditures Chart	9
<b><u>FINANCIAL SECTION</u></b>	11
Statement of Revenues, Expenditures, and Changes in Fund Balance	12
Statement of Actual and Estimated Revenues from Operations	13
Notes to the Financial Statement	14
<b><u>STATISTICAL SECTION</u></b>	15
Operating Revenues by Vessel FY 2010 - FY 2021	16
Operating Expenditures by Vessel FY 2010 - FY 2021	17

---



# I



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

## Department of Transportation and Public Facilities

OFFICE OF THE COMMISSIONER  
Ryan Anderson, Commissioner

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

December 14, 2021

Dear Alaska State Legislator:

Enclosed is the Alaska Marine Highway System (AMHS) Annual Financial Report for Fiscal Year 2021 (ended June 30, 2021) as required by AS 19.65.070.

FY2021 was a challenging year for AMHS. The COVID-19 global pandemic continued to cause lower than normal traffic volumes and forced AMHS to reduce operations, resulting in lower annual operating revenues, lower operating weeks, and fewer port calls than pre-pandemic operations.

During FY2021, AMHS recorded \$27.9 million in operating revenues, which was only a slight decrease from FY2020 operating revenues of \$28.3 million, but a decrease of \$22.9 million compared to FY2019. Operating expenditures totaled \$96.1 million, \$1.5 million more than FY2020, and \$44.8 less than FY2019.

AMHS operated with an on-time departure rate of 90 percent. Port calls increased from 3,244 in FY2020 to 3,387 in FY2021, but down from 5,717 during FY2019. Service weeks provided by AMHS also decreased slightly from 203.0 in FY2020 to 200.3 in FY2021, and still much lower than the 329.1 weeks in FY2019.

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 92 percent.

FY2021 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,

Handwritten signature of Ryan Anderson in black ink.

Ryan Anderson, P.E.  
Commissioner Designee

*"Keep Alaska Moving through service and infrastructure."*

# MARINE TRANSPORTATION ADVISORY BOARD

---

## Alaska Marine Highway System Marine Transportation Advisory Board

Originally created under Administrative Order 204, a temporary interim Marine Transportation Advisory Board (MTAB) was established by Governor Murkowski on January 15, 2003. Administrative Order 233, signed by Governor Palin and dated March 28, 2007, permanently established the MTAB which was subsequently established in Alaska Statute by House Bill 294 on June 4, 2008. This bill established the Alaska Marine Transportation Advisory Board and set out its powers and duties in Alaska Statute AS 19.65.011 and AS 19.65.110-195, made conforming amendments, and provided an effective date of June 5, 2008. The board was expanded by one seat (from 11 members to 12) with the addition of a representative from the Southwest System under Senate Bill 24, effective September 1, 2013. The following are the MTAB Members as of June 30th, 2021:

### CHAIRMAN

Robert Venables

Northern Southeast Alaska (Haines, Juneau, Skagway)

### DOT&PF STAFF SUPPORT

Captain John Falvey

General Manager

Tera Ollila

Administrative Assistant II

### MEMBERS

Patricia Branson

Southcentral Alaska

Shannon Adamson

Labor Unions of the employees of the AMHS

Garry White

Central Southeast Alaska (Petersburg, Sitka, Wrangell)

Kerin Kramer

Prince William Sound / Kenai Peninsula (Cordova, Valdez, Whittier, Yakutat, Chenega Bay, Tatitlek)

Ernie Weiss

Public / Not Directly Served by AMHS

Patty Mackey

Travel Agent / Tourism Specialist

Walter Marsh, Jr.

Marine Captain / Engineer

Frank Murkowski

Member At-Large / Not directly served by AMHS

Norm Carson

Southeast Alaska (Angoon, Hoonah, Kake, Pelican, Tenakee)

Jeremy Miller

Business Owner



# PORTS OF CALL

---

## Alaska Marine Highway System Ports of Call

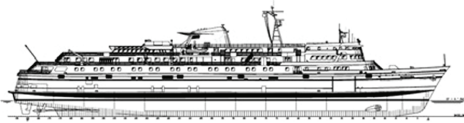
### SOUTHEAST ALASKA

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

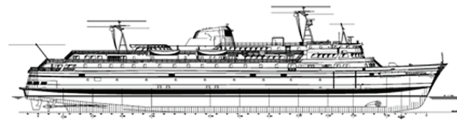
### SOUTHWEST ALASKA

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

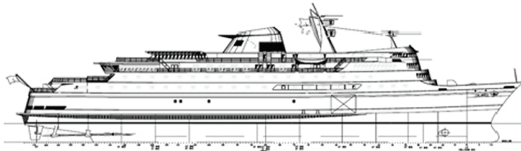
## Alaska Marine Highway System Profile of the Fleet



**M/V Matanuska**  
408 feet  
Built 1963



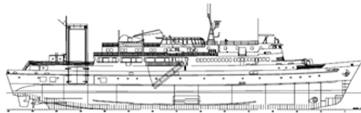
**M/V Malaspina**  
408 feet  
Built 1963



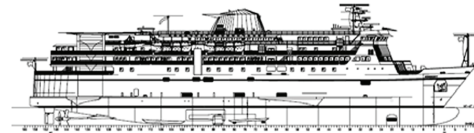
**M/V Columbia**  
418 feet  
Built 1974



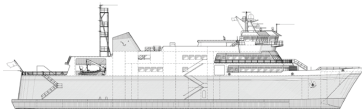
**M/V Lituya**  
181 feet  
Built 2004



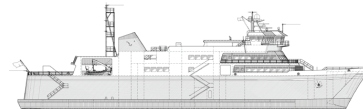
**M/V Tustumena**  
296 feet  
Built 1964



**M/V Kennicott**  
382 feet  
Built 1998



**M/V Tazlina**  
280 feet  
Built 2019



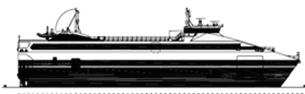
**M/V Hubbard**  
280 feet  
Built 2019



**M/V LeConte**  
235 feet  
Built 1974



**M/V Aurora**  
235 feet  
Built 1977



**FVF Fairweather**  
235 feet  
Built 2004



**FVF Chenega**  
235 feet  
Built 2005

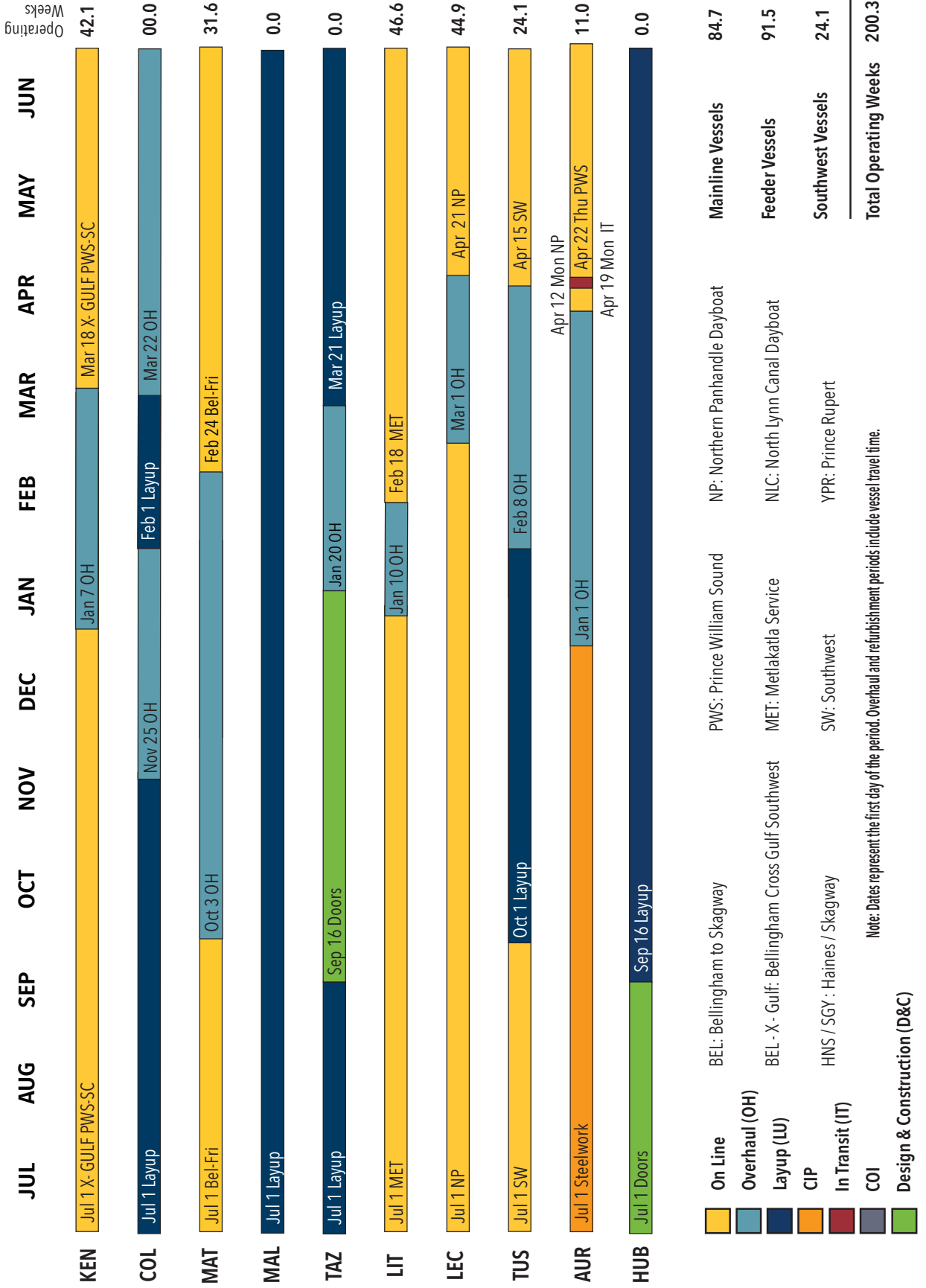
# VESSEL INFORMATION TABLE

## Alaska Marine Highway System Vessel Information Table

	Matanuska	Malaspina	Tustumena	Columbia	LeConte	Aurora	Kennicott	Lituya	Fairweather	Chenega	Tazlina	Hubbard
Year Built	1963	1963	1964	1974	1974	1977	1998	2004	2004	2005	2019	2019
Length (ft)	408	408	296	418	235	235	382	181	235	235	280	280
Beam (ft)	74	74	59	85	57	57	85	50	60	60	67	67
Displacement (LT)	5,569	5,994	3,081	7,684	2,132	2,132	7,504	647	787	787	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	8-6	8-6	13-11	13-11
<u>International Tonnage</u>												
Gross:	9,214	9,121	4,529	13,009	3,124	3,124	12,635	758	3,424	3,420	5,304	5,304
Net:	3,824	3,667	1,451	4,932	987	987	3,790	227	1,027	1,026	1,591	1,591
<u>Domestic Tonnage</u>												
Gross:	3,029	2,928	2,174	3,946	1,328	1,280	9,978	97	1,280	1,333	3,217	3,217
Net:	1,235	1,253	898	2,683	566	453	7,354	66	870	827	2,188	2,188
hp @ Service Speed	7,200	8,000	5,100	14,000	4,300	4,300	13,200	2,000	19,310	19,310	6,000	6,000
Service Speed (kts)	16.50	16.50	13.30	17.30	14.50	14.50	16.75	11.50	32.00	32.00	16.50	16.50
Fuel Use (gph)	234	270	151	397	188	190	354	55	600	600	250	250
Crew Capacity: COI	48	47	38	63	24	24	55	5	10	10	14	14
Passenger Capacity: COI	499	499	174	600	247	300	499	149	250	250	297	297
Passenger Capacity: Booking	450	450	160	499	225	250	450	125	210	210	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	720	720	1,060	1,060
Quantity (20 foot vehicles)	83	83	34	133	33	33	78	15	31	31	53	53
Vehicle Capacity: Booking	1,675	1,675	680	2,660	660	660	1,560	300	620	620	850	850
Van Capacity: Booking	10	10	6	16	8	7	17	2	3	3	4	4



## Alaska Marine Highway System FY 2021 Operating Plan



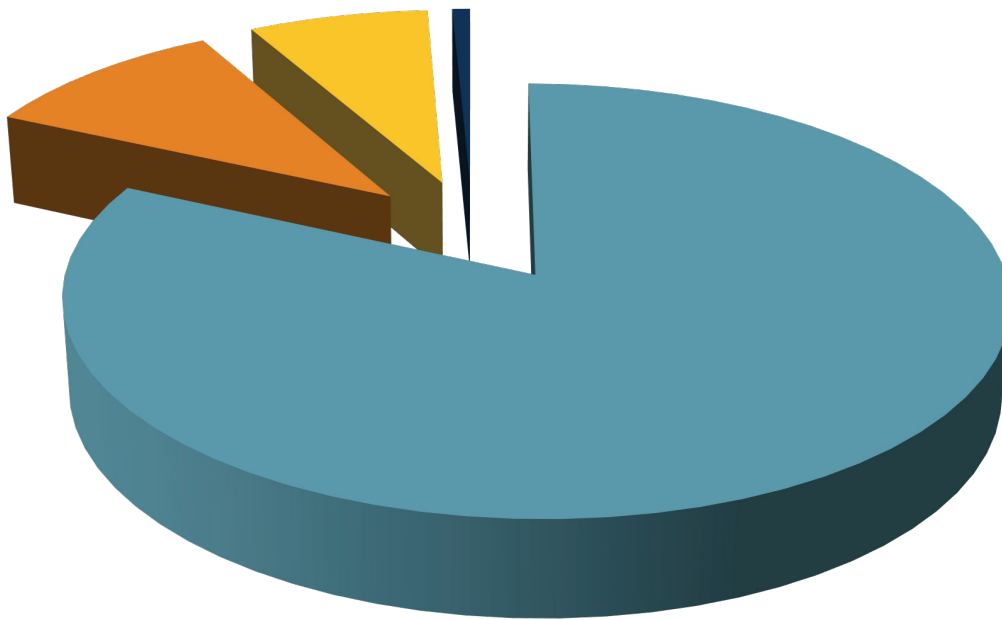
# OPERATING REVENUES





---

Alaska Marine Highway System Fund  
**UNRESTRICTED OPERATING REVENUES**

For the fiscal year ended June 30, 2021

**\$27.9 MILLION**

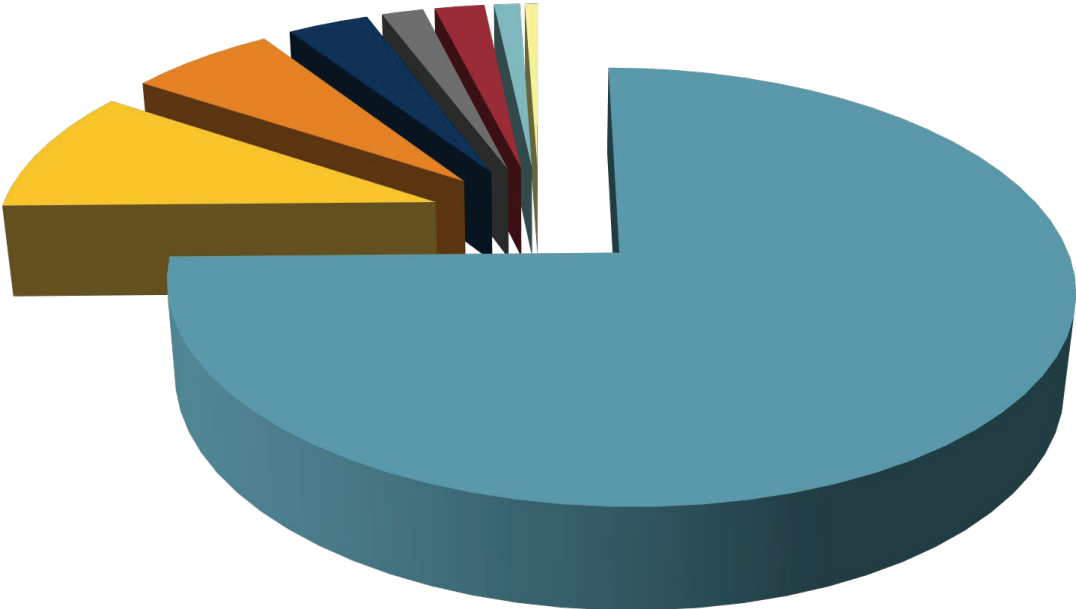










	Ticket Sales	82.0%
	Stateroom Sales	10.0%
	Passenger Services Sales	7.2%
	Other Unrestricted Revenue	0.7%

**Alaska Marine Highway System Fund**  
**OPERATING EXPENDITURES**

For the fiscal year ended June 30, 2021

**\$96.1 MILLION**



	Marine Vessel Operations	<b>74.7%</b>		Operations Management	<b>3.6%</b>
	Marine Fuel	<b>9.6%</b>		Overhaul	<b>0.6%</b>
	Shore Operations	<b>6.4%</b>		Marine Engineering	<b>1.8%</b>
	Reservations and Marketing	<b>1.1%</b>		Support Services	<b>2.2%</b>





F

# 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, 2021 (In Thousands)

<b>Revenues:</b>	<u>Capitalization</u>	<u>AMHS</u>	<u>Total</u>
Unrestricted Revenues:			
Ticket Sales	\$ -	\$ 22,849	\$ 22,849
Stateroom Sales	-	2,799	2,799
Passenger Services Sales	-	2,015	2,015
Facility Rental	-	-	-
Concession Fees	-	3	3
Other Unrestricted Revenue	-	197	197
Total Unrestricted Revenues	<u>-</u>	<u>27,862</u>	<u>27,862</u>
Restricted Revenues	-	-	-
Indirect Cost Recovery	-	276	276
<b>Total Revenues</b>	<u>-</u>	<u>28,138</u>	<u>28,138</u>
<b>Expenditures:</b>			
Current Operating:			
Support Services	-	2,102	2,102
Marine Engineering	-	1,765	1,765
Overhaul	-	539	539
Operations Management	-	3,438	3,438
Reservations & Marketing	-	1,087	1,087
Shore Operations	-	6,147	6,147
Marine Fuel	-	9,217	9,217
Marine Vessel Operations	-	71,815	71,815
<b>Total Expenditures</b>	<u>-</u>	<u>96,110</u>	<u>96,110</u>
Excess (Deficiency) of Revenues and Other Financing Sources			
Financing Uses from Operating	-	(67,972)	(67,972)
Fund Balance, Beginning of Year	2,630	4,330	6,960
Reserves and Year End Adjustments	-	5,500	5,500
General Fund	-	53,062	53,062
Fund Transfer - Investment Loss Trust Fund	-	1,614	1,614
Fund Transfer - Alaska Industrial & Export Authority Fund	-	14,475	14,475
Motor Fuel Tax	-	3,617	3,617
Vessel Overhauls (Capital)	-	(15,000)	(15,000)
<b>Fund Balance, End of Year; Undesignated</b>	<u>\$ 2,630</u>	<u>\$ (374)</u>	<u>\$ 2,256</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, 2021			Fiscal Year Ending June 30, 2022		Fiscal Year Ending June 30, 2023
	Estimated Revenues	Actual Revenues	Actual Over (Under) Estimated	Total Estimated Revenues	Estimated Revenues 12/31/2021	Estimated Revenues
<b>Restricted</b>						
Restricted Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Indirect Cost Recovery (ICAP)	627	276	(352)	563	0	628
<b>Total Restricted</b>	<b>627</b>	<b>276</b>	<b>(352)</b>	<b>563</b>	<b>0</b>	<b>628</b>
<b>Unrestricted AMHS Fund</b>						
Ticket Sales	22,748	22,849	101	44,078	18,965	48,166
Stateroom Sales	2,976	2,799	(177)	5,400	2,323	5,900
Passenger Service Sales	2,227	2,015	(212)	3,887	1,673	4,248
Facility Rental	8	0	(8)	8	17	8
Concession Fees	10	3	(7)	10	1	10
Other Unrestricted Revenue	12	197	185	12	0	12
<b>Total Unrestricted</b>	<b>27,980</b>	<b>27,862</b>	<b>(118)</b>	<b>53,395</b>	<b>22,979</b>	<b>58,345</b>
<b>Total Revenues</b>	<b>\$ 28,607</b>	<b>\$ 28,138</b>	<b>(470)</b>	<b>\$ 53,958</b>	<b>\$ 22,979</b>	<b>\$ 58,973</b>

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, 2021

### **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 will be restricted and will only occur 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 System Fund. The cost of time charged to administration or overhead is recorded in the Alaska Marine Highway System Fund.

### **NOTE 3 - Fund Transfers**

The following funds were appropriated to the Alaska Marine Highway System Fund and the authority to use the funds is part of the Alaska Marine Highway System's FY2021 Operating Budget: \$3.62 million from the Motor Fuel Tax Fund; \$1.61 million from the Investment Loss Trust Fund; and \$14.5 million from the Alaska Industrial & Export Authority Fund.

### **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 FY2021, \$15.0 million was appropriated from the Alaska Marine Highway System Fund for the annual Vessel Overhaul and Deferred Maintenance Capital Budget.

### **NOTE 5 - Reserves and Year-End Adjustments**

As part of the FY2021 Supplemental Budget, the Legislature reappropriated the unobligated balance of \$5.5 million from the Department of Transportation and Public Facilities, federal program match, federal-aid aviation state match to the Alaska Marine Highway System Fund for unanticipated operating expenditures (HB 69, Chapter 1, SSSLA 21, Section 27).

### **NOTE 6 - COVID-19 Relief Funding**

In FY2020, the Alaska Marine Highway System was awarded \$10 million in 5311 Coronavirus Aid, Relief, and Economic Security (CARES) Act funding through the Federal Transit Administration of which \$1,063,144 was spent in FY2021. Additionally, the Alaska Marine Highway System was awarded \$1.3 million in 5001 CARES Act funding from the Alaska Department of Health & Social Services to assist with COVID-19 related expenditures.

S

# OPERATING REVENUES BY VESSEL

## Alaska Marine Highway System Unrestricted Revenue by Vessel\*

Fiscal Years 2010 - 2021 (In Thousands)

VESSEL	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Aurora	3,115	2,522	1,898	2,679	2,421	4,059	2,721	3,228	3,458	3,359	2,325	783
Chenega	1,392	3,428	2,889	2,221	2,358	1,914	675	-	-	-	-	-
Columbia	7,924	8,939	13,014	16,635	6,682	11,778	7,471	5,500	10,929	15,060	6,118	-
Fairweather	1,945	1,805	1,659	1,537	1,415	1,684	2,049	2,418	2,516	2,024	-	-
Hubbard	-	-	-	-	-	-	-	-	-	-	-	-
Kennicott	3,125	7,154	8,151	9,195	8,425	8,265	7,705	11,198	9,873	11,296	4,193	11,775
Leconte	1,757	794	2,537	2,006	2,499	854	3,634	4,015	4,356	4,587	981	3,239
Lituya	620	724	822	774	769	848	812	1,117	1,069	1,159	1,067	935
Malaspina	11,446	10,520	5,765	3,133	12,051	11,036	11,316	7,481	7,785	8,355	5,580	-
Matanuska	6,211	6,100	9,003	9,217	7,154	3,989	7,192	7,863	4,329	-	2,586	8,556
Taku	4,755	2,265	4,001	3,839	4,789	5,474	-	-	-	-	-	-
Tazlina	-	-	-	-	-	-	-	-	-	782	2,504	-
Tustumena	3,525	3,318	3,755	1,875	2,106	3,828	3,566	2,865	2,981	4,133	2,863	2,374
Contract Vessels	54	39	12	2	-	-	-	-	-	-	3	-
Non Vessel Revenue	46	89	180	121	207	167	16	74	21	47	39	200
<b>TOTAL</b>	<b>45,914</b>	<b>47,697</b>	<b>53,684</b>	<b>53,234</b>	<b>50,877</b>	<b>53,896</b>	<b>47,157</b>	<b>45,759</b>	<b>47,316</b>	<b>50,804</b>	<b>28,257</b>	<b>27,862</b>

\*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 2010 - 2021 (In Thousands)

VESSEL	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Aurora	7,720	8,065	5,380	8,104	7,013	6,446	6,264	7,051	8,569	8,031	3,807	3,837
Chenega	4,643	10,146	8,513	8,098	7,971	6,595	3,899	878	345	208	241	158
Columbia	9,587	11,861	17,292	20,380	9,706	15,757	14,312	13,298	19,131	20,341	8,605	4,648
Fairweather	7,356	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
Kennicott	10,557	18,022	17,341	21,170	16,468	15,031	17,074	18,121	20,549	18,270	9,121	18,186
LeConte	7,070	4,858	9,807	9,533	9,915	6,677	9,087	9,511	10,374	9,678	4,120	8,816
Lituya	1,114	1,415	1,381	1,367	1,195	1,224	963	1,065	1,197	1,155	1,068	1,069
Malaspina	14,558	16,147	11,843	8,573	16,929	15,313	14,794	8,215	12,185	17,006	8,377	483
Matanuska	12,611	16,246	17,390	17,669	14,644	10,683	17,078	15,909	7,729	2,380	8,455	13,233
Taku	13,458	8,853	15,880	16,020	17,810	16,768	3,414	1,261	203	-	-	-
Tazlina	-	-	-	-	-	-	-	-	-	2,713	5,964	1,903
Tustumena	9,114	10,068	10,978	6,527	9,966	10,569	10,884	10,644	11,316	10,986	8,372	8,837
Vessel Leave	14,375	15,949	16,605	16,695	17,234	9,006	13,339	13,350	13,478	13,845	11,375	9,496
All Vessels	10,240	10,379	9,591	10,178	9,725	18,298	7,145	8,347	11,252	12,603	9,216	9,471
<b>TOTAL</b>	<b>122,404</b>	<b>139,833</b>	<b>151,540</b>	<b>152,088</b>	<b>145,162</b>	<b>140,106</b>	<b>125,147</b>	<b>115,897</b>	<b>122,759</b>	<b>122,389</b>	<b>80,145</b>	<b>81,571</b>

\* 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 2021 ANNUAL FINANCIAL REPORT**

---

State of Alaska, Department of Transportation and Public Facilities

Compiled December 6th, 2021

