

Financial Overview

Borough Revenue

Local, State and Federal Sources

	Type of Revenue	FY24 Projected Budget
Local	Interest Revenue	\$500,000.00
	AEB Raw Fish Tax	\$4,000,000.00
	Other Revenue	\$79,000.00
State	State Shared Fish Tax	\$1,900,000.00
	FMA ₂	\$100,000.00
	FMA ₃	\$1,500.00
	Community Assistance	\$315,000.00
Federal	Payment in Lieu of Taxes	\$615,000.00
	USFWS Revenue Sharing	\$15,000.00
	TOTAL	\$7,525,000.00

Outline of Obligations

Obligation	Type of Requirement	Annual or One Time Payment
Educational Financial Support	Alaska Statute	Annual
School Maintenance	Alaska Statute	Annual
Capital Improvement Maintenance Reserve and Improvement Account	Borough Code	Annual
Bond Debt Payments	Alaska Statute/Agreement	Annual, until 2031
Akutan Transportation Link	Agreement	Annual, until September 2032
King Cove Access Road Maintenance	Agreement	Annual, until 2035
Eastern Aleutian Tribes	Agreement	Annual
Akutan Harbor – Army Corps Payment	Agreement	One-Time Payment
General Operations	Fiscal Obligation	Annual

REQUIRED EXPENSES

	Anticipated Amount
Education (historic amount)	\$855,000.00
Maintenance Reserve	\$100,000 or more
Bond Debt for FY 25	\$2,551,149.00
Helicopter	\$1,111,607.25
KCAP Road Maintenance (based off a 4-year average)	\$113,500.00
Eastern Aleutian Tribes	\$150,000.00
General Operations	\$2,550,000.00
Total	\$7,431,256.25

Looking into Fiscal Year 2025

In FY2025, Administration foresees the following:

- Large reduction in Borough Fish Tax Revenue and State Shared Raw Fish Tax
- Increase in General Operation Items (i.e. insurance, utility costs, and administration needs)
- Still required to pay for maintenance, bonds, transportation commitments and other fiscal, statutory and bond obligations
- Request for more educational funds from the School District

- The possibility that school and harbor bond debt reimbursement and other State funding may not be fully funded by the State of Alaska in FY25
- Continued uncertainty in the fisheries (seafood processor changes, high supply/inventory, high costs/inflation, reduced consumer demand, etc...).
- Anticipate the Borough to have a rather large budget deficit in FY2025
- Per APCM, the 4% of the 5-year average market value for the Borough's Permanent Fund, calculated using calendar year end market values from 2019 through 2023, is \$1,816,916.
- The Permanent Fund Earnings, may be enough to cover the budget deficit; however, there will not be extra funds for Borough projects and Community Budget Requests.

What have we done to prepare...

- Conducted a Liquidity Analysis
- Established a Cash Management Plan
- Held a financial work session, so, the Assembly and others can understand the financial position the Borough is in
- Continue to invest resources in the fisheries through advocacy and fishery related projects
- Began discussions regarding Borough projects and available funding

What do we need to do?

- Continuously, revisit the Liquidity Analysis and adjust the Cash Management Plan when needed to ensure that funds are available to cover Borough obligations now and into the future
- Determine the Borough's direction on major capital projects. What can the Borough afford with the limited fiscal resources available?
- Try to be more efficient and effective with maintenance projects and other aspects within the Borough.