

City and Borough of Sitka

Financial Review
December 31, 2015

Results as of December 31, 2015 (All Funds)

City and Borough of Sitka
Financial Review
FY2016 General Fund Budget Execution
December 31, 2015

Original Planned Deficit Per Budget Ordinance:	(723,000)
Budget Adjustments	<u>(1,250,837)</u>
Budget Deficit As Of 9/30:	(1,973,837)
Actual Revenues Thru 12/31 (58%)	16,418,657
Actual Expenditures Thru 12/31 (22%)	15,246,216

Note: Budget adjustments in FY16 use of \$1,000,000 of contingency for disaster response and \$1,045,000 transfer to Public Infrastructure Sinking Fund

City and Borough of Sitka
Financial Review
FY2016 General Fund
Budget Adjustments

Contingency (Disaster Response)	1,000,000
Transfer From Permanent Fund	(302,218)
Transfer to Public Infrastructure Sinking Fund	1,045,000
Other Net Adjustments	<u>231,055</u>
Total Net Budget Adjustments	<u>1,973,837</u>

City and Borough of Sitka
 Financial Review
 General Fund Balance
 December 31, 2015 Versus 2014

	12/31/2015	12/31/2014	Difference
Net Available Cash	3,523,813	5,596,508	(2,072,695)
Working Capital	8,112,683	9,388,565	(1,275,882)
Unrestricted Fund Balance	14,512,041	16,136,711	(1,624,670)

Notes:

\$6,748,100 of cash and fund balance is designated for liquidity

*Emergency response fund balance designation at 9/30/2016 \$0
 (\$1,000,000 advanced to SCH and \$1,000,000 disaster response)*

Net Available Cash equals cash plus investments less liabilities less all designated fund balances

Working Capital is current assets less current liabilities less liquidity and emergency response reserves

**City and Borough of Sitka
Financial Review
Fund Net Income and Working Capital
FY2016 Results Through December 31, 2015**

Electric Fund		(143,375)	3,804,429	10,080,824	13,885,253
Water Fund		371,170	990,695	893,245	1,883,940
Wastewater Fund		224,526	3,035,014	2,238,313	5,273,327
Solid Waste Fund		(306,236)	-	675,903	675,903
Harbor Fund		615,723	2,935,548	5,263,754	8,199,302
Airport Terminal Fund	*	(52,560)	520,523	295,768	816,291
Marine Service Center Fund	*	(38,302)	-	1,516,769	1,516,769
SMC Industrial Park Fund	*	(41,472)	262,377	914,112	1,176,489
MIS Fund	*	212,389	510,356	(61,459)	448,897
Central Garage Fund	*	307,111	763,576	2,404,930	3,168,506
Building Maintenance Fund	*	(61,986)	-	1,873,341	1,873,341
CPET Fund	*	(27,330)	308,413	-	308,413
Permanent Fund		967,033	-	23,842,734	23,842,734

Comments on Net Losses and Working Capital

- Net losses signify that depreciation expense (the decline in value of infrastructure) exceeds revenue and may signify that infrastructure replacement may eventually need to be funded by bonding and higher user fees.
- Negative undesignated working capital signifies that we have more approved spending for infrastructure than we have fund balance to pay for.
- Net Income/and loss includes grant revenue.
- Long-term infrastructure plans have been developed for all major funds; these plans seek to identify long-term infrastructure needs and determine the correct level of user fees necessary to finance the plan.

Summary

- Results for the 1st Quarter of Fiscal year 2016 are generally in accordance with plan. Challenges are surfacing, however, requiring the attention of management.
- Sales tax receipts in the General Fund are showing very small year-over-year growth and are less than projected. Comparing the same six month period in FY2016 to FY2015, sales tax receipts rose by \$119,722, or 1.9%. The FY2016 budget, however, forecasted sales tax receipts to increase by 5.5% over FY2015, based on the increase of the taxable transaction limit to \$3,000. Management predicts that total sales tax receipts for FY2016 will fall short of planned amounts.
- Electricity consumption has declined by 9,919,000 kWh since reaching peak consumption (on a trailing twelve-month basis) in April 2009; likewise, consumption has fallen by 7,361,550 kWh since the Assembly passed the Blue Lake bonding ordinance in October, 2012. The financial effect of the decline in electricity consumption is an ongoing loss of revenue of approximately \$1 million per year. Electric revenue bond ordinance rate covenants require cash flow equal to 125% of annual debt service. Thus, if electricity consumption does not increase, either electricity user fee increases or general governmental subsidization of the electric utility will be required on an ongoing basis.

Summary (Continued)

- User fee increases of at least the annual rate of inflation need to be implemented annually in order to generate cash flow from operations to fund infrastructure repairs. Annual increases in user fees should be considered and essential. Forgoing an annual increase in user fees, even in just one year, has a compounding negative effect of the sufficiency of working capital to pay for future infrastructure replacement. This, in turn, begets additional borrowing to pay for infrastructure which, in turn, results in higher user fees to pay for debt service. Several of our funds are highly leveraged (meaning that a significant amount of the current infrastructure has been financed through debt).
- The transfer rate from the Permanent Fund, at 6% as specified in the Charter, is too high to maintain the Fund's value. The Municipality's external investment advisor has opined that a distribution rate of 4% is recommended in order to maintain the purchasing power of the Permanent Fund. Decreasing the transfer rate will compound fiscal pressures on the General Fund, however.
- Anticipated harbor matching grants have not been obtained due to fiscal pressures at the State level. Moorage rate increases necessary to finance all projected harbor system repairs at the local level are unsustainable. Either harbor moorage rates must be subsidized through general tax revenue, or, the harbor system must be redesigned and possibly downsized to a sustainable level.

Summary (Continued)

- Core infrastructure (electricity transmission and distribution network, streets, sewers, water mains) continue to age and require systematic repair. Total annual core infrastructure spending needs to be maintained in order to avoid increasing the deferred maintenance backlog. In the General Fund, infrastructure spending for FY2017 is being funded primarily through unsustainable transfers from the Public Infrastructure Sinking Fund. The source of funding in the Public Infrastructure Sinking Fund available for infrastructure financing depends on budget surpluses being obtained in prior fiscal years; thus, as budgets become leaner and budget surpluses decline, the amount of funding available for general governmental infrastructure declines as well. To maintain a constant level of general governmental infrastructure repair will require either new revenue streams or expenditure reductions in other core areas of general government.

Financial Statements

- You will find attached financial statements for the various significant funds of the City and Borough of Sitka. Information is presented through December 31, 2015.
- Financial reporting is shown in the custom reporting format designed by the Finance Department, which combines significant elements of the income statement, cash flow and working capital into one single page report. Traditional financial statements are produced monthly and are distributed to the Administrator and appropriate Department Heads.

Definitions of Key Terms

Working Capital - This is essentially what a Fund has to spend. It is defined as current assets less current liabilities, including the current portion of long term debt. Working capital already earmarked for capital expenditures or otherwise restricted is called Designated Working Capital; the remainder is Undesignated Working Capital. The calculation of General Fund working capital also excludes designated amounts for liquidity and emergency response.

Depreciation Expense - This is an estimation of the decline in value of a long lived asset, which is an expense. When a long lived asset is purchased, cash is paid but expense is not recorded; instead, expense is recorded gradually, over the life of the asset, to match its use against revenues earned in the same period. Most importantly, Depreciation Expense **IS NOT** the accumulation of cash to replace an asset; that is called a sinking fund and is part of Working Capital.

Fund Balance – This is the net assets of a fund. It is equal to total assets less liabilities. It is important to note that a Fund Balance is usually only partially in cash; the remainder may be made up of long lived assets, receivables, and other assets.

Definitions of Key Terms

Net Available Cash – This is equal to cash and investments, less liabilities and restricted or designated fund balances. This is similar to “cash on the barrelhead”.

EBI/EBID – These are accounting terms which measure earnings before certain expenses. EBI is Earnings Before Interest and measures earnings before interest expense. EBID is Earnings Before Interest and Depreciation, and is a rough measure of cash flow from operations.

Enterprise Fund – A fund which is run, and accounted for, similar to a private business. In such a fund, profit is measured and operations are accounted for on a full accrual basis.

Internal Service Fund - A fund which provides services to other funds. Such funds usually have no external source of revenue. Similar to an enterprise fund, profit is measured and operations are accounted for on a full accrual basis.

General Fund

Financial Analysis

As Of, And For The Six-Month Period Ending December 31, 2015

The financial performance and position of the General Fund through the first three months of FY2015 are more or less in line with planned expectations. Revenues were (\$961.8K) or (5.5%) below FY2015; however, once timing differences in transfers from the Permanent Fund are factored in, revenue declined by (\$401.2K) or (2.3%). Revenue declines were offset by expenditure reductions. Total expenditures declined by \$828.6K, or 5.2%, in year over year comparison. As a result, the surplus of revenues over expenditures for the 6-month period was similar to FY2015, declining by (\$133.3K); factoring in the Permanent Fund timing difference, the surplus grew by \$427.4K. Compared to plan, the General Fund is tracking closely to projections. For the first 6 months, the surplus was (\$40.0K) behind plan; again, once the Permanent Fund timing difference is factored, the General Fund is \$520.7K ahead of plan.

Of concern, however, are sales tax collections. While exceeding FY2015 levels, collections are falling short of plan. Sales tax collections rose by just \$119.7K, or 1.92% over FY2015. Compared to Plan, collections are running approximately 3% behind. Comparisons are difficult, as the taxable transaction limit was increased for sales Taking place after October, 2015. If the tepid growth in sales tax collections seen so far in FY2015 continues, overall collections may be as much as \$550K lower than plan for the entire year.

The General Fund generated a surplus of revenues over expenditures of \$1,172.4K for the first six months of FY2016, compared to \$1,305.7K for the comparable period in FY2015. Revenue in the General Fund for the period was \$16,418.7K, compared to \$17,380.5K in FY2015. General Fund outlays for the six-month period were \$15,246.2K, compared to \$16,074.7K in FY2015.

The undesignated working capital for the General Fund stood at \$7,609.3K as of December 31, 2015; this was a decline of \$1,135.4K from the balance on December 31, 2014. Of note, however, is the transfer of \$1,000,000 to the Public Infrastructure Sinking Fund in September, 2015, accounting for most of the fund balance decline. In addition to undesignated working capital, the General Fund maintained a designated liquidity reserve of \$6,422,013, equal to 90 days operating outlays.

Staff anticipates that overall budget execution will be much closer to plan than in previous years, generating a smaller surplus. The surplus for FY2016 is estimated, at this juncture, to be no greater than \$500K. By the Sitka General Code, surplus fund balance in the General Fund is to annually be considered for transfer to the Public Infrastructure Sinking Fund.

City and Borough of Sitka
General Fund
Income Statement
For The Twelve-Month Period From July 1, 2014 to June 30, 2015
(Unaudited)

	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015	FY2015 YTD	FY2014 YTD	Variance To FY2014 YTD	FY2015 Plan (\$/L - 100.00%)	Variance To FY2015 Plan	
Revenue:																		
Property Taxes	6,187,104	13,865	16,060	16,845	8,853	(59,487)	(1,804)	11,845	7,387	6,514	10,989	26,975	6,245,146	6,187,719	57,427	6,785,736	(540,590)	
Sales Taxes	1,678,643	1,079,554	440,273	1,849,955	958,605	247,471	757,033	735,334	230,220	820,862	635,157	245,620	9,678,727	9,785,829	(107,102)	10,108,000	(429,273)	
Bed Taxes	113,463	19,977	15,157	159,505	7,351	1,783	9,108	24,253	1,979	24,716	5,492	29,132	411,916	377,547	34,369	339,000	72,916	
State Assistance	916,960	-	2,638	9,225	13,914	5,805	250	17,050	-	46,968	-	3,069,792	4,082,602	994,922	3,087,680	996,700	3,085,902	
Federal Assistance	-	-	30,135	-	5,079	(310)	56,668	-	-	30,112	22,010	1,354,469	1,498,163	1,527,845	(29,682)	1,647,500	(149,337)	
Transfer From Permanent Fund, Etc.	2,542	2,578	282,803	282,738	1,884	3,584	282,717	2,420	2,764	297,839	2,398	3,100	1,167,367	1,238,242	(70,875)	1,250,342	(82,975)	
Interfund Billings	-	-	-	-	1,174,822	249,823	228,964	228,964	246,199	198,965	228,964	251,048	2,807,749	2,782,722	25,027	2,844,572	(36,823)	
Other Operating Revenue	144,039	317,593	172,005	409,349	214,871	383,436	305,754	104,380	85,122	421,073	117,137	583,167	3,257,926	3,328,024	(70,098)	3,124,404	133,522	
Total Revenue:	9,042,751	1,433,567	959,071	2,727,617	2,385,379	832,105	1,638,690	1,124,246	573,671	1,847,049	1,022,147	5,563,303	29,149,596	26,222,850	2,926,746	27,096,254	2,053,342	
Outlays:																		
Administrator	72,691	56,338	58,629	97,046	68,694	72,352	94,287	95,509	72,154	66,149	97,979	254,858	1,106,686	880,905	(225,781)	924,402	(182,284)	
Attorney	16,245	20,767	23,486	21,969	25,667	22,482	22,943	17,444	16,825	23,510	33,847	113,460	358,645	312,862	(45,783)	313,224	(45,421)	
Clerk	21,648	23,447	31,401	40,191	29,189	31,414	30,897	25,354	28,088	28,466	41,142	114,052	445,289	365,046	(80,243)	393,444	(51,845)	
Finance	103,540	127,110	125,530	167,998	161,901	197,706	127,258	138,404	120,802	134,381	197,113	566,144	2,167,797	1,698,613	(469,184)	1,773,001	(394,796)	
Assessing	17,212	23,835	24,021	23,247	28,197	33,948	26,488	22,668	26,979	25,672	118,995	50,329	429,591	273,481	(156,110)	405,933	(23,658)	
Planning	14,018	18,621	19,704	32,180	40,227	19,797	16,101	20,497	19,822	18,249	28,683	79,695	327,594	256,579	(71,015)	267,236	(60,358)	
General/Shared Expenses	214,042	43,554	158,970	111,976	32,027	62,359	76,575	37,730	17,008	98,638	18,249	23,991	916,059	916,059	(13,711)	867,348	(62,422)	
Police	331,164	276,799	304,892	450,706	377,710	339,089	336,889	328,340	358,267	345,395	479,085	1,407,129	5,335,465	4,126,800	(1,208,665)	4,598,618	(736,847)	
Fire	141,751	133,102	135,284	189,308	158,413	138,504	138,504	130,456	149,516	142,878	189,242	563,964	2,211,269	1,914,716	(296,553)	2,022,032	(189,237)	
Public Works	241,786	287,712	246,119	351,536	278,669	270,632	267,155	256,142	263,484	269,397	397,497	1,056,653	4,186,782	3,458,860	(727,922)	4,491,389	(304,607)	
Library	52,403	61,067	44,460	83,919	86,333	59,380	71,573	59,814	60,003	63,579	76,142	245,388	964,061	888,887	(75,174)	912,264	(51,797)	
Centennial Building	32,336	27,358	27,920	45,388	32,198	38,033	32,315	31,021	30,996	33,261	43,401	148,922	523,149	467,237	(55,912)	445,168	(77,981)	
Visitors Bureau/SR Citizen Center	84,858	3,413	4,563	86,234	4,125	10,941	83,094	4,498	2,531	88,835	8,910	12,739	394,741	432,064	37,323	410,779	16,038	
Contingency	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	11,944	-	7,000	-	9,745	2,104	6,453	1,380	-	9,627	48,253	27,940	(20,313)	68,233	19,980	
School Support	476,460	476,460	476,460	476,460	522,467	476,460	476,460	476,460	476,460	510,123	952,920	446,372	6,243,562	6,077,776	(165,786)	6,367,521	123,959	
Hospital Support	-	-	-	15,399	-	1,091,604	-	-	-	-	-	-	(1,091,604)	15,399	224,801	209,402	154,546	139,147
Fixed Asset Acquisition	-	-	22,045	-	-	-	-	-	-	-	-	-	22,045	77,996	55,951	11,915	(10,130)	
Transfers To Other Funds	-	357,114	2,250,000	-	1,433,520	-	-	-	-	80,106	-	790,599	4,911,339	2,867,838	(2,043,501)	5,240,069	328,730	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cost of Sales:	1,820,064	1,936,697	3,965,428	2,201,557	3,286,337	2,864,701	1,810,631	1,646,441	1,649,388	1,930,019	2,649,190	4,860,984	30,621,437	25,208,460	(5,412,977)	29,667,122	(954,315)	
Surplus/(Shortfall) of Revenues Over Outlays	7,222,687	(503,130)	(3,006,357)	526,060	(900,958)	(2,032,596)	(171,941)	(522,195)	(1,075,717)	(82,970)	(1,627,043)	702,319	(1,471,840)	1,014,390	(2,486,230)	(2,570,868)	1,099,028	
	79.87%	-35.10%	-313.47%	19.29%	-37.77%	-244.27%	-10.49%	-46.45%	-187.51%	-4.49%	-159.18%	12.62%	-5.05%	3.87%	-8.92%	-9.49%	4.44%	
													25,639,800					
Unrestricted Fund Liquidity																		
Beginning Unrestricted Liquidity:	5,964,073	13,253,689	12,750,559	10,119,962	10,686,899	9,128,060	8,744,721	8,610,533	8,091,204	7,015,710	7,053,643	5,431,724	5,964,073	3,341,614	2,622,459			
Surplus/(Shortfall) of Revenues Over Outlays:	7,222,687	(503,130)	(3,006,357)	526,060	(900,958)	(2,032,596)	(171,941)	(522,195)	(1,075,717)	(82,970)	(1,627,043)	702,319	(1,471,840)	1,014,390	(2,486,230)			
Transfer To Sinking Fund / Permanent Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	0				
Other balance sheet changes:	66,929	-	375,760	40,877	(657,881)	1,649,256	37,753	2,866	223	120,903	5,124	(25,887)	1,615,923	1,608,069	7,854			
Ending Unrestricted liquidity:	13,253,689	12,750,559	10,119,962	10,686,899	9,128,060	8,744,721	8,610,533	8,091,204	7,015,710	7,053,643	5,431,724	6,108,156	6,108,156	5,964,073	144,083			
Total Assets:	24,490,549	24,157,956	21,273,883	22,463,554	20,500,074	18,378,283	18,332,158	17,715,907	16,630,807	16,315,705	15,008,365	16,155,007						
Less Advances to Other Funds:	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(300,000)						
Less Liabilities	(1,360,024)	(1,530,561)	(1,277,085)	(1,899,819)	(1,495,178)	(756,726)	(844,789)	(747,877)	(738,261)	(385,226)	(699,805)	(1,145,273)						
Less CPLTD (Unreimbursed)	(59,145)	(59,145)	(59,145)	(59,145)	(59,145)	(59,145)	(59,145)	(59,145)	(59,145)	(59,145)	(59,145)	(53,342)						
Subtotal:	22,721,380	22,218,250	19,587,653	20,154,590	18,595,751	17,212,412	17,078,224	16,558,885	15,483,401	15,521,334	13,899,415	14,656,392						
Less Reserved Amounts:																		
Advances other Funds:	(832,413)	(832,413)	(832,413)	(832,413)	(832,413)	(832,413)	(832,413)	(832,413)	(832,413)	(832,413)	(832,413)	(832,413)						
Title III Funds:	(520,742)	(520,742)	(520,742)	(520,742)	(520,742)	(520,742)	(520,742)	(520,742)	(520,742)	(520,742)	(520,742)	(520,742)						
E911 Surcharge:	(236,436)	(236,436)	(236,436)	(236,436)	(236,436)	(236,436)	(236,436)	(236,436)	(236,436)	(236,436)	(236,436)	(236,436)						
Liquidity Restriction	(5,748,100)	(5,748,100)	(5,748,100)	(5,748,100)	(5,748,100)	(5,748,100)	(5,748,100)	(5,748,100)	(5,748,100)	(5,748,100)	(5,748,100)	(5,748,100)						
Emergency Restriction	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)						
Encumbrances:	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)						
Unrestricted Working Capital:	13,253,689	12,750,559	10,119,962	10,686,899	9,128,060	8,744,721	8,610,533	8,091,194	7,015,710	7,053,643	5,431,724	6,108,156						

City and Borough of Sitka
General Fund
Income Statement
For The Twelve-Month Trailing Period Ending December 31, 2015
(Unaudited)

	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015	TTM
Revenue:													
Property Taxes	(1,804)	11,845	7,387	6,514	10,989	26,975	6,196,276	(88,461)	5,381	12,000	10,105	12,380	6,209,587
Sales Taxes	757,033	735,334	230,220	820,862	635,157	245,620	1,689,020	1,017,345	563,963	1,353,729	1,506,754	243,412	9,798,449
Bed Taxes	9,108	24,253	1,979	24,716	5,492	29,132	139,271	6	35,677	(17,723)	12	234	252,157
State Assistance	250	17,050	-	46,968	-	3,069,792	869,454	-	3,000	1,510	-	301	4,008,325
Federal Assistance	56,668	-	-	30,112	22,010	1,354,469	9,000	-	-	76,945	37,953	55,023	1,642,180
Transfer From Permanent Fund, Etc.	282,717	2,420	2,764	297,839	2,398	3,100	2,205	2,626	2,619	2,678	2,719	2,699	606,778
Interfund Billings	228,964	228,964	246,199	198,965	228,964	251,048	219,812	219,812	219,812	219,812	219,812	228,128	2,710,292
Other Operating Revenue	305,754	104,380	85,122	421,073	117,137	583,167	209,112	53,122	407,361	395,784	140,626	137,358	2,959,996
Total Revenue:	1,638,690	1,124,246	573,671	1,847,049	1,022,147	5,563,303	9,334,150	1,204,450	1,237,813	2,044,735	1,917,981	679,529	28,187,764
Outlays:													
Administrator	94,287	95,509	72,154	66,149	97,979	254,858	46,642	45,205	50,087	85,379	46,002	60,305	1,014,556
Attorney	22,943	17,444	16,825	23,510	33,847	113,460	20,402	21,455	31,403	49,958	43,819	36,361	431,427
Clerk	30,897	25,354	28,088	28,466	41,142	114,052	16,796	26,272	30,320	38,396	31,199	45,556	456,538
Finance	127,258	138,404	120,802	134,381	197,113	566,144	106,501	136,191	121,232	186,809	122,307	166,959	2,124,101
Assessing	26,488	22,668	26,979	25,672	50,329	118,995	18,996	25,954	25,060	34,281	24,910	27,275	427,607
Planning	16,101	20,497	18,822	18,249	28,683	79,695	17,476	22,184	23,270	35,281	30,996	27,071	339,325
General/Shared Expenses	76,575	37,730	17,008	98,638	52,900	23,991	141,832	35,946	73,581	161,927	26,609	158,775	905,512
Police	336,889	328,340	358,267	345,395	479,085	1,407,129	306,412	338,835	364,772	468,237	346,936	400,274	5,480,571
Fire	138,851	130,456	149,516	142,878	189,242	563,964	120,418	144,465	170,338	188,485	139,050	207,813	2,285,476
Public Works	267,155	256,142	263,484	269,397	397,497	1,056,653	210,168	272,654	316,689	362,249	306,838	280,448	4,259,374
Library	71,573	59,814	60,003	63,579	76,142	245,388	48,736	65,954	66,704	86,205	57,872	69,829	971,799
Centennial Building	32,315	31,021	30,996	33,261	43,401	148,922	35,548	35,821	39,204	41,294	30,667	41,043	543,493
Visitors Bureau/SR Citizen Center	83,094	4,498	2,531	88,835	8,910	12,739	3,233	4,575	6,348	3,886	3,840	16,221	238,710
Contingency	-	-	-	-	-	-	-	103,222	213,633	59,628	9,939	77,032	463,454
Debt Service	9,745	2,104	6,453	1,380	-	9,627	-	12,961	-	-	-	-	42,270
School Support	476,460	476,460	476,460	510,123	952,920	446,372	559,793	559,793	559,794	559,794	559,793	559,793	6,697,555
Hospital Support	-	-	-	-	-	(1,091,604)	-	-	-	-	-	-	(1,091,604)
Fixed Asset Acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers To Other Funds	-	-	-	80,106	-	790,599	-	-	1,000,000	-	2,332,000	-	4,202,705
	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cost of Sales:	1,810,631	1,646,441	1,649,388	1,930,019	2,649,190	4,860,984	1,652,953	1,851,487	3,092,435	2,361,809	4,112,777	2,174,755	29,792,869
Surplus/(Shortfall) of Revenues Over Outlays	(171,941)	(522,195)	(1,075,717)	(82,970)	(1,627,043)	702,319	7,681,197	(647,037)	(1,854,622)	(317,074)	(2,194,796)	(1,495,226)	(1,605,105)
	-10.49%	-46.45%	-187.51%	-4.49%	-159.18%	12.62%	82.29%	-53.72%	-149.83%	-15.51%	-114.43%	-220.04%	-5.69%
Unrestricted Fund Liquidity													
Beginning Unrestricted Liquidity:	8,744,721	8,610,533	8,091,204	7,015,710	7,053,643	5,431,724	6,108,156	12,866,210	13,219,173	11,364,552	11,296,705	9,101,910	8,744,721
Surplus/(Shortfall) of Revenues Over Outlays:	(171,941)	(522,195)	(1,075,717)	(82,970)	(1,627,043)	702,319	7,681,197	(647,037)	(1,854,622)	(317,074)	(2,194,796)	(1,495,226)	(1,605,105)
	-	-	-	-	-	-	-	-	-	-	-	-	-
Other balance sheet changes:	37,753	2,866	223	120,903	5,124	(25,887)	(923,143)	1,000,000	1	249,227	1	2,656	469,724
Ending Unrestricted liquidity:	8,610,533	8,091,204	7,015,710	7,053,643	5,431,724	6,108,156	12,866,210	13,219,173	11,364,552	11,296,705	9,101,910	7,609,340	7,609,340

Electric Utility Financial Analysis As Of, And For the Six-Month Period Ending December, 2015

The Electric Fund's financial performance for the six-month period ending December 31, 2015 is in line with FY2016 plan; however, all metrics have deteriorated slightly in comparison to FY2015. Total revenue, earnings before interest (EBI), earnings before interest and depreciation (EBID), and net income have all declined from FY2015.

Declining electricity consumption is the root cause of deteriorating financial performance. Despite an electricity rate increase in excess of 10% in July of 2015, electricity sales increased by just \$349.3K, or 5.3% in year-over-year comparison. Electricity consumption declined by 576,250 kWh, or (1.9%) year-over-year, offsetting the effects of the rates increase. At the same time, the full effects of increased debt service in conjunction with the Blue Lake Hydroelectric project are now being felt. This has again caused the debt coverage ratio to fall below the minimum target threshold (the coverage ratio is measured for reporting purposes as of June 30).

Revenue fell below that for the comparable period in FY15 by \$16.4K, a (0.2%) decrease. EBI was \$2,435K for the three-month comparable period, compared to \$2,528.5K a year earlier, a decrease of (\$92.6K), or (3.7%). Cost of sales increased by \$86.7K, or 2.4%. EBIDA decreased on a year-over-basis by (\$42.0K), or (1.2%).

The rate coverage ratio for the 6-month period ending December 31, 2015 was 0.95; the minimum rate coverage ratio for the fiscal year ending June 30, 2016 is 1.25.

The financial metrics for the Electric Fund indicate that, strategically, a source of external subsidization, from general broad-based taxes or other sources, needs to be implemented on a long-term basis. User fee increases, coupled with warm weather and low heating oil prices, have caused electricity consumption to steadily decline. When measured on a rolling 12-month trailing basis, electricity consumption has declined, for example, by 6.68 MWh or 6.0%, from the date the Blue Lake Hydroelectric construction contract was awarded, from 111.64 MWh to 104.96 MWh. The current rate coverage ratio of 0.95 indicates that, given current the current rate and operating cost structure of the Electric Fund, not enough cash flow from operations is being generated to meet debt service, much less provide a 25% cushion.

For the remainder of FY16, management will consider a combination of three correctional steps. First, management will look to make withdrawals, as planned for and anticipated, from the Rate Stabilization Fund to mitigate the ratio deficit. As of June 30, 2015, the rate Stabilization Fund stood at \$3,001.3K; \$2,350.0K of this fund will likely need to be used to meet the rate covenant for FY2016. . Secondly, management will propose an electric rate increase in the range of 5.0% to 10.0%, and, look to implement the rate increase earlier than July 1, 2016. Finally, management will consider options for a long-term subsidization of the electric fund

from general governmental revenues until electricity consumption increases. A subsidy of at least \$1.0 million will be actively considered and planned for FY2017.

City and Borough of Sitka
Electric Utility
Income Statement
For The Trailing Twelve-Month Trailing Period Ending December 31, 2015

(Unaudited)

	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015	12-Month Trailing
Revenue:													
Electricity Sales	1,221,907	826,272	1,639,676	1,253,926	1,019,444	1,005,116	1,052,246	1,236,631	1,159,140	1,049,699	1,174,690	1,328,814	13,967,561
Jobbing	31,088	13,550	186	141,055	140	186,939	480	200	51,318	27,424	4,549	22,348	479,277
Other Operating Revenue	10,368	6,628	911	5,170	4,624	1,134,721	5,501	4,825	4,133	22,039	7,488	3,057	1,209,465
Total Revenue:	1,263,363	846,450	1,640,773	1,400,151	1,024,208	2,326,776	1,058,227	1,241,656	1,214,591	1,099,162	1,186,727	1,354,219	15,656,303
Cost of Sales:													
Green Lake	30,241	46,992	112,130	42,186	41,508	134,425	53,038	30,860	32,632	49,289	41,771	90,370	705,442
Blue Lake	139,237	123,650	152,941	128,869	185,688	534,470	110,372	163,986	152,199	175,023	137,767	137,077	2,141,279
Diesels	17,362	22,629	20,268	20,634	44,821	209,299	12,217	63,657	56,279	45,820	77,560	77,560	637,865
Switchyard	1,148	60	-	910	771	236	2,204	4,429	832	1,857	917	7,169	20,533
Line Maintenance	67	8,084	(249)	16,629	3,864	759	2,598	2,755	2,062	7,938	9,313	8,643	62,463
Substation Maintenance	180	1,663	(249)	-	-	13,999	3,522	-	2,172	-	10,980	345	32,612
Distribution	132,144	101,275	128,797	104,684	126,747	495,121	89,842	162,657	137,882	177,396	132,364	117,764	1,906,673
Metering	29,506	27,851	32,456	29,421	40,382	136,125	20,492	29,020	42,271	40,551	29,566	28,831	486,472
Jobbing	44,543	35,443	23,883	39,150	60,278	138,056	14,078	22,576	18,417	50,757	5,329	2,045	454,555
Stores	12,418	13,620	13,353	13,829	24,758	50,139	8,744	13,799	12,662	17,692	12,974	14,431	208,419
Depreciation	151,824	151,824	151,824	151,824	151,822	144,645	149,683	149,683	149,683	208,172	152,987	151,335	1,865,306
Total Cost of Sales:	558,670	533,091	635,154	548,136	680,639	1,857,274	466,790	627,084	614,469	784,954	579,788	635,570	8,521,619
Gross Margin:	704,693	313,359	1,005,619	852,015	343,569	469,502	591,437	614,572	600,122	314,208	606,939	718,649	7,134,684
	55.78%	37.02%	61.29%	60.85%	33.54%	20.18%	55.89%	49.41%	49.41%	28.59%	51.14%	53.07%	45.57%
Selling and Administrative Expenses	235,005	179,767	190,359	183,054	232,585	365,407	161,764	175,712	179,658	171,170	174,315	147,490	2,396,286
Earnings Before Interest (EBI):	469,688	133,592	815,260	668,961	110,984	104,095	429,673	438,860	420,464	143,038	432,624	571,159	4,738,398
	37.18%	15.78%	49.69%	47.78%	10.84%	4.47%	40.60%	35.34%	34.62%	13.01%	36.46%	42.18%	30.27%
Non-operating Revenue and Expense:													
Non-Operating Revenue:	49,176	51,996	58,408	54,983	82,356	2,353,362	56,575	54,446	54,392	50,930	74,065	61,062	3,001,751
Bond Fund Interest	22,727	19,881	22,743	20,643	17,435	26,620	17,701	20,589	20,537	21,021	21,375	20,967	501,739
Grant Revenue	1,202,037	42,954	2,480,333	198,768	(519)	1,815,422	(1,673)	1,601	-	18,003	60,352	-	5,817,278
Bonded Interest Expense:	(484,616)	(484,616)	(484,616)	(484,616)	(484,616)	(484,616)	(496,527)	(496,527)	(496,527)	(496,527)	(496,527)	(496,527)	(5,886,858)
Subordinated Interest Expense	(26,333)	(26,333)	(26,333)	(26,333)	(26,333)	(26,333)	(25,329)	(25,329)	(25,329)	(25,329)	(25,329)	(25,329)	(310,179)
Total Non-operating Revenue & Expense:	762,991	(396,118)	2,050,535	(236,555)	(411,677)	3,933,748	(449,253)	(445,220)	(446,927)	(431,902)	(366,064)	(439,827)	3,123,731
Net Income:	1,332,679	(262,526)	2,865,795	432,406	(300,693)	4,037,843	(19,580)	(6,360)	(26,463)	(288,864)	66,560	131,332	7,862,129
	97.57%	-31.01%	174.66%	30.88%	-29.36%	173.54%	-1.85%	-0.51%	-2.18%	-26.28%	5.61%	9.70%	50.22%
EBIDA	621,512	285,416	967,084	820,785	262,806	248,740	579,356	588,543	570,147	351,210	585,611	722,494	6,603,704
	49.20%	33.72%	58.94%	58.62%	25.66%	20.69%	54.75%	47.40%	46.94%	31.95%	49.35%	53.35%	42.18%
Bond Covenant Ratio (> 1.25 for fiscal year)	1.00	0.48	1.55	1.32	0.49	4.40	0.92	0.94	0.91	0.57	0.96	1.15	1.29
Total kWh Sold	9,823,950	9,044,000	10,474,700	8,859,700	7,248,500	6,834,300	8,151,950	8,478,750	7,868,850	8,163,750	9,509,500	10,259,050	104,717,000
Electricity Sales Revenue per Kwh Sold	0.1244	0.0914	0.1565	0.1415	0.1406	0.1471	0.1291	0.1459	0.1473	0.1286	0.1235	0.1295	0.1334
Cost of Sales per Kwh Sold	0.0569	0.0589	0.0606	0.0619	0.0939	0.2718	0.0573	0.0740	0.0781	0.0962	0.0610	0.0620	0.0814
Debt Principal Coverage													
Simple Cash Flow (Net Income Plus Depreciation)	1,384,503	(110,702)	3,017,619	584,230	(148,871)	4,182,488	130,103	143,323	123,220	(60,692)	219,547	282,667	9,727,435
Bonded Debt Principal	159,583	159,583	159,583	159,583	159,583	159,583	162,917	162,917	162,917	162,917	162,917	162,917	1,935,000
Subordinated Debt Principal	24,840	24,840	24,840	24,840	24,840	24,840	25,844	25,844	25,844	25,844	25,844	25,844	304,104
Debt Principal Coverage Surplus/Deficit	1,200,080	(295,125)	2,833,196	399,807	(333,294)	3,998,065	(58,658)	(45,438)	(65,541)	(269,453)	30,786	93,906	7,488,331
Debt Principal Coverage Percentage	751%	-60%	1636%	317%	-81%	2268%	69%	76%	65%	-43%	116%	150%	434%
Simple Asset Replacement Coverage													
Debt Principal Coverage Surplus/Deficit (From Above)	1,200,080	(295,125)	2,833,196	399,807	(333,294)	3,998,065	(58,658)	(45,438)	(65,541)	(269,453)	30,786	93,906	7,488,331
Depreciation	151,824	151,824	151,824	151,824	151,822	144,645	149,683	149,683	149,683	208,172	152,987	151,335	1,865,306
Cash Accumulated For/(Taken From) Asset Replacement	1,048,256	(446,949)	2,681,372	247,983	(485,116)	3,853,420	(208,341)	(195,121)	(215,224)	(477,625)	(122,201)	(57,429)	5,623,025
Undesignated Working Capital													
Beginning Undesignated Working Capital	7,915,167	5,829,775	5,800,674	9,409,227	5,394,434	5,544,589	9,748,094	10,608,914	10,756,194	10,886,998	10,795,856	10,948,315	7,915,167
Net Income Plus Depreciation Less Principal CapEx, Accruals, and other Balance Sheet Changes	1,200,080	(295,125)	2,833,196	399,807	(333,294)	3,998,065	(58,658)	(45,438)	(65,541)	(269,453)	30,786	93,906	7,488,331
	(3,285,472)	266,024	775,357	(4,414,600)	483,449	919,478	192,718	178,311	196,345	178,311	121,673	(961,397)	(5,322,674)
Ending Undesignated Working Capital	5,829,775	5,800,674	9,409,227	5,394,434	5,544,589	9,748,094	10,608,914	10,756,194	10,886,998	10,795,856	10,948,315	10,080,824	10,080,824
Working Capital Designated for CapEx	6,416,633	6,416,633	6,409,154	8,574,304	8,221,020	6,573,276	4,552,140	4,439,287	4,010,382	3,276,210	3,094,389	3,804,429	3,804,429
Total Working Capital	12,246,408	12,217,307	15,818,381	13,968,738	13,765,609	16,321,370	15,161,055	15,195,482	14,897,381	14,072,067	14,042,705	13,885,254	13,885,254

Water Utility

Financial Analysis

As Of, And For the Six-Month Period Ending December 31, 2015

Financial operations for the Water Fund continued to show marked improvement over FY15 for the comparative 6-month period. Water sales revenue increased \$131.2K, or 13.2% compared to FY2015. Compared to plan for FY16, water sales revenue exceeded plan by \$64.1K, or 6.0% for the 6-month period ending December 31, 2015.

In addition to increasing top line revenue, the Water Fund was successful in controlling operating costs. Costs of sales decreased by \$46.7K, or 6.0% from the comparative six-month period in FY15. Compared to plan, cost of sales remain well under projections, posting a positive variance (costs below plan) of \$79.9K, or 9.9%. There are some differences in the timing of expense reporting, however, and it is anticipated that the large positive variances in costs will decrease as the year progresses.

Undesignated working capital grew to a healthy \$893.2K as of December 31, 2015; overall working capital was \$1,883.9K as of the same date.

In the summer of 2014, we had reported that the Water Fund had bottomed out financially, and, that user fee increases were causing the Water Fund's financial position to slowly improve. That trend has continued with all metrics show positive variances and improvement. The financial condition of the Water Fund has now improved to the point of being stable. Continuing increases in user fees are required in the Water Fund, but these fees are now driven by future capital expenditure requirements and inflation.

City and Borough of Sitka
Water Utility
Income Statement
For The Trailing Twelve-Month Period Ending December 31, 2015
(Unaudited)

	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015	12-Month Trailing
Revenue:													
Water Sales	158,489	141,268	181,435	131,268	195,276	164,627	183,279	196,144	202,838	191,997	179,698	172,479	2,098,798
Jobbing	(3,176)	787	-	2,898	10,294	3,351	-	-	-	-	-	2,042	16,196
Other Operating Revenue	15,910	435	690	1,939	3,490	101,568	725	1,415	2,175	1,450	1,660	841	132,298
Total Revenue:	171,223	142,490	182,125	136,105	209,060	269,546	184,004	197,559	205,013	193,447	181,358	175,362	2,247,292
Cost of Sales:													
Distribution	22,186	22,562	26,816	25,571	39,362	149,834	22,670	28,261	25,622	38,642	30,698	31,029	463,253
Treatment	19,871	24,085	18,525	43,746	23,782	35,502	13,292	20,034	24,528	28,466	24,607	15,934	292,372
Jobbing	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	70,948	70,948	70,948	70,948	70,948	75,452	70,573	70,573	70,573	70,573	70,573	70,573	853,630
Total Cost of Sales:	113,005	117,595	116,289	140,265	134,092	260,788	106,535	118,868	120,723	137,681	125,878	117,536	1,609,255
Gross Margin:	58,218 34.00%	24,895 17.47%	65,836 36.15%	(4,160) -3.06%	74,968 35.86%	8,758 3.25%	77,469 42.10%	78,691 39.83%	84,290 41.11%	55,766 28.83%	55,480 30.59%	57,826 32.98%	638,037 28.39%
Selling and Administrative Expenses	51,113	33,318	32,319	60,107	38,004	89,473	31,968	32,141	67,258	35,765	33,199	80,227	584,892
Earnings Before Interest (EBI):	7,105 4.15%	(8,423) -5.91%	33,517 18.40%	(64,267) -47.22%	36,964 17.68%	(80,715) -29.94%	45,501 24.73%	46,550 23.56%	17,032 8.31%	20,001 10.34%	22,281 12.29%	(22,401) -12.77%	53,145 2.36%
Non-operating Revenue and Expense:													
Non-operating revenue:	(1,955)	(3,104)	(4,559)	(5,066)	(2,970)	(4,993)	(1,568)	(1,869)	159	2,193	2,112	2,300	(19,320)
Grant Revenue	494,694	-	16,599	2,136	1,552,200	2,099,925	-	-	341,078	203,831	203,831	(272,316)	4,438,147
Interest Expense:	(6,957)	(6,957)	(6,957)	(6,957)	(6,957)	9,104	(5,619)	(5,619)	(5,619)	(5,619)	(5,619)	(5,619)	(59,395)
Total Non-operating Revenue & Expense:	485,782	(10,061)	5,083	(9,887)	1,542,273	2,104,036	(7,187)	(7,488)	(5,460)	337,652	200,324	(275,635)	4,359,432
Net Income:	492,887 287.86%	(18,484) -12.97%	38,600 21.19%	(74,154) -54.48%	1,579,237 755.40%	2,023,321 750.64%	38,314 20.82%	39,062 19.77%	11,572 5.64%	357,653 184.88%	222,605 122.74%	(298,036) -169.95%	4,412,577 196.35%
Earnings Before Interest and Depreciation (EBIDA):	78,053 45.59%	62,525 43.88%	104,465 57.36%	6,681 4.91%	107,912 51.62%	(5,263) -1.95%	116,074 63.08%	117,123 59.29%	87,605 42.73%	90,574 46.82%	92,854 51.20%	48,172 27.47%	906,775 40.35%
Debt Principal Coverage			245043										
Simple Cash Flow (Net Income Plus Depreciation)	563,835	52,464	109,548	(3,206)	1,650,185	2,098,773	108,887	109,635	82,145	428,226	293,178	(227,463)	5,266,207
Debt Principal	24,800	24,800	24,800	24,800	24,800	25,799	28,372	28,372	28,372	28,372	28,372	28,372	320,031
Debt Principal Coverage Surplus/Deficit	539,035	27,664	84,748	(28,006)	1,625,385	2,072,974	80,515	81,263	53,773	399,854	264,806	(255,835)	4,946,176
Debt Principal Coverage Percentage	2274%	212%	442%	-13%	6654%	8135%	384%	386%	290%	1509%	1033%	-802%	1646%
Simple Asset Replacement Coverage													
Debt Principal Coverage Surplus/Deficit (From Above)	539,035	27,664	84,748	(28,006)	1,625,385	2,072,974	80,515	81,263	53,773	399,854	264,806	(255,835)	4,946,176
Depreciation	70,948	70,948	70,948	70,948	70,948	75,452	70,573	70,573	70,573	70,573	70,573	70,573	853,630
Cash Accumulated For/(Taken From) Asset Replacement	468,087	(43,284)	13,800	(98,954)	1,554,437	1,997,522	9,942	10,690	(16,800)	329,281	194,233	(326,408)	4,092,546
Working Capital													
Beginning Undesignated Working Capital	216,809	319,401	394,700	854,226	(959,990)	(3,951)	280	(60,704)	37,145	98,819	719,437	825,815	216,809
Net Income Plus Depreciation Less Principal	539,035	27,664	84,748	(28,006)	1,625,385	2,072,974	80,515	81,263	53,773	399,854	264,806	(255,835)	4,946,176
CapEx, Accruals, and other Balance Sheet Changes	(436,443)	47,635	374,778	(1,786,210)	(669,346)	(2,068,743)	(141,499)	16,586	7,901	220,764	(158,428)	323,265	(4,269,740)
Ending Undesignated Working Capital	319,401	394,700	854,226	(959,990)	(3,951)	280	(60,704)	37,145	98,819	719,437	825,815	893,245	893,245
Working Capital Designated for CapEx	346,746	117,096	117,096	(2,148,492)	(167,629)	902,096	1,063,082	1,054,816	1,000,023	1,000,023	1,000,023	990,695	990,695

Wastewater Treatment Utility Financial Analysis As Of, And For the Six-Month Period Ending December, 2015

Financial operations for the Wastewater Treatment Fund showed improvement over FY15 for the comparative six-month period. For the comparable six-month period, revenue increased by \$44.3K, or 3.0%. Compared to plan for FY16, revenue exceeded plan by \$42.7K or 2.9% for the six-month period ending December 31, 2015.

In addition to increasing top line revenue, the Wastewater Treatment Fund also continued its trend of controlling operating costs. Costs of operations decreased by \$7.6K, or 0.4%, for the comparative six-month period in FY2015. Compared to plan, operating costs were well under projections, posting a positive variance (costs below plan) of \$233.0K, or 11.8%.

Total working capital grew \$5,273.3K, due to transfers from the Water Fund and the General Fund for multi-fund capital projects. Undesignated working capital rose to \$2,238.3K as of December 31, 2015. Overall undesignated capital rose by \$121.6K for the five month period August 1 2015 thru December 31, 2015, roughly a \$24.3K increase per month. If this trend continues, undesignated capital will rise by an additional \$145.8K during the remainder of FY2016, to a total of \$2,384.7. While working capital is rising, its increase is small compared to the growing future requirement for infrastructure; the growth is estimated to be only about 25% of the amount required.

The financial performance of the Wastewater treatment Fund, operating in conjunction with plan, clearly demonstrates the underlying financial dynamics of this Fund. Large amounts of cash flow from operations are necessary to finance internal expenditures for capital repairs and improvements. The designation of new working capital for capital expenditures at the start of each fiscal year causes a decline in available, undesignated working capital. Annual requirements for designations of working capital for CAPEX are substantial, given the size and age of the infrastructure base; such new designations were \$709K in FY2016, requiring \$709K in cash flow from operations in order to keep total working capital from declining.

City and Borough of Sitka
Wastewater Treatment Utility
Income Statement
For The Trailing Twelve-Month Period Ending December 31, 2015
(Unaudited)

	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015	12-Month Trailing
Revenue:													
Wastewater Treatment Services	221,521	219,057	222,405	180,495	262,488	223,246	233,417	234,816	235,795	230,392	235,107	225,151	2,723,890
Jobbing	540	823	(25)	43,313	3,769	61,270	165	-	51,578	-	-	67,358	228,791
Other Operating Revenue	20	530	1,008	2,107	2,760	309,341	725	1,415	2,175	1,450	2,383	1,604	325,518
Total Revenue:	222,081	220,410	223,388	225,915	269,017	593,857	234,307	236,231	289,548	231,842	237,490	294,113	3,278,199
Cost of Sales:													
Collection	46,169	58,198	66,958	57,182	81,072	321,360	35,553	65,521	65,869	107,368	60,660	72,831	1,038,741
Treatment	40,372	43,751	38,174	56,690	48,827	112,092	31,954	46,449	56,309	58,392	44,209	59,183	636,402
Jobbing	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	123,348	123,348	123,348	123,346	123,346	314,918	107,383	107,383	107,383	107,383	107,383	107,383	1,575,952
Total Cost of Sales:	209,889	225,297	228,480	237,218	253,245	748,370	174,890	219,353	229,561	273,143	212,252	239,397	3,251,095
Gross Margin:	12,192 5.49%	(4,887) -2.22%	(5,092) -2.28%	(11,303) -5.00%	15,772 5.86%	(154,513) -26.02%	59,417 25.36%	16,878 7.14%	59,987 20.72%	(41,301) -17.81%	25,238 10.63%	54,716 18.60%	27,104 0.83%
Selling and Administrative Expenses	81,846	55,667	59,122	61,816	65,836	151,126	52,265	58,202	72,316	71,520	56,791	79,881	866,388
Earnings Before Interest (EBI):	(69,654) -31.36%	(60,554) -27.47%	(64,214) -28.75%	(73,119) -32.37%	(50,064) -18.61%	(305,639) -51.47%	7,152 3.05%	(41,324) -17.49%	(12,329) -4.26%	(112,821) -48.66%	(31,553) -13.29%	(25,165) -8.56%	(839,284) -25.60%
Non-operating Revenue and Expense:													
Non-operating revenue:	7,671	7,562	8,899	7,892	7,769	(45,560)	7,240	9,322	9,432	7,895	7,989	7,924	44,035
Grant Revenue	936	-	6,385	-	-	263,530	-	-	(34)	308,874	-	41,382	621,073
Interest Expense:	(9,937)	(9,937)	(9,937)	(9,937)	(9,937)	(4,020)	(6,757)	(6,757)	(6,757)	(6,757)	(6,757)	(6,757)	(98,247)
Total Non-operating Revenue & Expense:	(1,330)	(2,375)	5,347	(2,045)	(2,168)	213,950	483	2,565	2,641	310,012	1,232	42,549	759,355
Net Income:	(70,984) -31.96%	(62,929) -28.55%	(58,867) -26.35%	(75,164) -33.27%	(52,232) -19.42%	(91,689) -15.44%	7,635 3.26%	(38,759) -16.41%	(9,688) -3.35%	197,191 85.05%	(30,321) -12.77%	17,384 5.91%	(79,929) -2.44%
Earnings Before Interest and Depreciation (EBIDA):	53,694 24.18%	62,794 28.49%	59,134 26.47%	50,227 22.23%	73,282 27.24%	9,279 1.56%	114,535 48.88%	66,059 27.96%	95,054 32.83%	(5,438) -2.35%	75,830 31.93%	82,218 27.95%	736,668 22.47%
Debt Principal Coverage													
Simple Cash Flow (Net Income Plus Depreciation)	52,364	60,419	64,481	48,182	71,114	223,229	115,018	68,624	97,695	304,574	77,062	124,767	1,307,529
Debt Principal	20,691	20,691	20,691	20,691	20,691	18,681	27,184	27,184	27,184	27,184	27,184	27,184	258,056
Debt Principal Coverage Surplus/Deficit	31,673	39,728	43,790	27,491	50,423	204,548	87,834	41,440	70,511	277,390	49,878	124,767	1,049,473
Debt Principal Coverage Percentage	253%	292%	312%	233%	344%	1195%	423%	252%	359%	1120%	283%	#DIV/0!	507%
Simple Asset Replacement Coverage													
Debt Principal Coverage Surplus/Deficit (From Above)	31,673	39,728	43,790	27,491	50,423	204,548	87,834	41,440	70,511	277,390	49,878	124,767	1,049,473
Depreciation	123,348	123,348	123,348	123,346	123,346	314,918	107,383	107,383	107,383	107,383	107,383	107,383	1,575,952
Cash Accumulated For/(Taken From) Asset Replacement	(91,675)	(83,620)	(79,558)	(95,855)	(72,923)	(110,370)	(19,549)	(65,943)	(36,872)	170,007	(57,505)	17,384	(526,479)
Working Capital													
Beginning Undesignated Working Capital	3,383,930	3,442,295	3,455,906	3,534,215	3,526,485	4,137,680	3,398,748	2,116,724	2,170,037	2,255,121	2,260,033	2,343,854	3,383,930
Net Income Plus Depreciation Less Principal	31,673	39,728	43,790	27,491	50,423	204,548	87,834	41,440	70,511	277,390	49,878	124,767	1,049,473
CapEx, Accruals, and other Balance Sheet Changes	26,692	(26,117)	34,519	(35,221)	560,772	(943,480)	(1,369,858)	11,873	14,573	(272,478)	33,943	(230,308)	(2,195,090)
Ending Undesignated Working Capital	3,442,295	3,455,906	3,534,215	3,526,485	4,137,680	3,398,748	2,116,724	2,170,037	2,255,121	2,260,033	2,343,854	2,238,313	2,238,313
Working Capital Designated for CapEx	1,732,537	1,707,995	1,690,475	1,690,475	1,685,914	1,322,467	2,648,346	2,648,346	2,665,255	2,665,255	3,181,542	3,035,014	3,035,014
Total Working Capital	5,174,832	5,163,901	5,224,690	5,216,960	5,823,594	4,721,215	4,765,070	4,818,383	4,920,376	4,925,288	5,525,396	5,273,327	5,273,327

Solid Waste Utility

Financial Analysis

As Of, And For the Three-Month Period Ending December 31, 2015

The financial performance of the Solid Waste Fund has deteriorated in comparison to FY2015 but is ahead of plan for FY2016. It is also important to remember that the financial results through December, 2015 do not include any of the effects of the large user fee increase approved by the Assembly in January, 2016. It is anticipated that the user fee increase will stabilize the Solid Waste Fund, and, reverse the operating losses and resultant decline in working capital.

Compared to plan, the Solid Waste Fund is showing negative variances year-to-date. Top line solid waste disposal revenue is \$43.5K, or 3.2% above the planned level. All other metrics, however, are lagging behind plan due to lower than anticipated recycled commodity revenue and higher than planned operating costs. EBI, EBID, and Net Income are all behind plan, at (\$302.6K), (\$193.8K), and (\$306.2K), respectively.

The six month perspective shows the extent to which the user fee increases passed in January were critically required. Working capital declined by over \$180K, to \$675.9K as of December 31st. Straight costs of sales (excluding depreciation) exceeded revenue by (\$12.3K), resulting in a negative gross margin before administrative costs.

As a final note, the fiscal impact of increased utility fees is expected to fully correct the declining financial performance shown in the attached statements.

City and Borough of Sitka
Solid Waste Disposal Utility
Income Statement
For The Twelve-Month Period From July 1, 2015 to June 30, 2016
(Unaudited)

	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015	January 2016	February 2016	March 2016	April 2016	May 2016	June 2016	FY2016 YTD	FY2015 YTD	Variance To FY2015 YTD	FY2016 Plan (\$/L 50.00%)	Variance To FY2016 Plan
Revenue:																	
Solid Waste Disposal Services	230,827	222,697	292,159	220,433	226,055	199,837	-	-	-	-	-	-	1,392,008	1,495,755	(103,747)	1,348,470	43,538
Jobbing	-	-	-	-	-	-	-	-	-	-	-	-	-	25	(25)	-	(25)
Other Operating Revenue	9,812	22,791	7,272	7,514	20,520	20,697	-	-	-	-	-	-	88,656	108,899	(20,243)	157,185	(68,529)
Total Revenue:	240,639	245,488	299,431	227,947	246,625	220,534	-	-	-	-	-	-	1,480,664	1,604,654	(123,990)	1,505,680	(25,016)
Cost of Sales:																	
Contract Waste Hauling	62,523	62,757	63,596	61,480	64,451	59,728	-	-	-	-	-	-	374,535	389,907	15,372	314,112	(60,423)
Transfer Station	102,790	136,371	133,983	118,220	116,386	138,253	-	-	-	-	-	-	746,003	617,865	(128,138)	626,765	(119,238)
Landfill	5,733	7,968	29,156	7,517	7,517	48,006	-	-	-	-	-	-	122,097	45,550	(76,547)	161,561	39,564
Recycling	8,133	28,394	25,818	35,419	37,904	90,045	-	-	-	-	-	-	225,713	214,311	(11,402)	192,357	(33,357)
Jobbing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	18,129	18,129	18,129	18,129	18,129	18,129	-	-	-	-	-	-	108,774	108,042	(732)	108,774	-
Total Cost of Sales:	197,308	253,619	270,682	240,587	260,587	354,161	-	-	-	-	-	-	1,577,122	1,325,675	(201,447)	1,403,668	(173,454)
Gross Margin:	43,331	(8,131)	28,749	(12,818)	(13,962)	(133,627)	-	-	-	-	-	-	(96,458)	228,979	(325,437)	102,012	(198,470)
	18.01%	-3.31%	9.60%	-5.62%	-5.66%	-60.59%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-6.51%	14.27%	-20.78%	6.78%	-13.29%
Selling and Administrative Expenses	33,517	33,728	33,145	37,269	33,880	34,616	-	-	-	-	-	-	206,155	237,008	30,853	586,691	380,536
Earnings Before Interest (EBI):	9,814	(41,859)	(4,396)	(50,087)	(47,842)	(168,243)	-	-	-	-	-	-	(302,613)	(8,029)	(294,584)	(484,679)	182,066
	4.08%	-17.05%	-1.47%	-21.97%	-19.40%	-76.29%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-20.44%	-0.50%	-19.94%	-32.19%	11.75%
Non-operating Revenue and Expense:																	
Non-operating revenue:	1,256	1,509	1,497	1,504	1,452	1,315	-	-	-	-	-	-	8,533	12,444	(3,911)	15,000	(6,467)
Interest Expense:	(2,026)	(2,026)	(2,026)	(2,026)	(2,026)	(2,026)	-	-	-	-	-	-	(12,156)	(13,026)	870	(13,026)	872
Total Non-operating Revenue & Expense:	(770)	(517)	(529)	(522)	(574)	(711)	-	-	-	-	-	-	(3,623)	(582)	(3,041)	1,973	(5,596)
Net Income:	9,044	(42,376)	(4,925)	(50,609)	(48,416)	(168,958)	-	-	-	-	-	-	(306,236)	(8,611)	(297,625)	(482,706)	127,470
	3.76%	-17.26%	-1.64%	-22.20%	-19.63%	-76.61%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-30.68%	-0.54%	-20.15%	-32.06%	11.38%
Earnings Before Interest and Depreciation (EBID):	27,943	(23,730)	13,733	(31,958)	(29,713)	(150,114)	-	-	-	-	-	-	(193,839)	100,013	(293,852)	(375,905)	182,066
	11.61%	-9.67%	4.59%	-14.02%	-12.05%	-68.07%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-13.09%	6.23%	-19.32%	-24.97%	11.87%
Debt Principal Coverage																	
Simple Cash Flow (Net Income Plus Depreciation)	27,173	(24,247)	13,204	(32,480)	(30,287)	(150,825)	-	-	-	-	-	-	(197,462)	99,431	(296,893)	63,554	(261,016)
Debt Principal	9,650	9,650	9,650	9,650	9,650	9,650	-	-	-	-	-	-	57,900	57,900	-	57,900	-
Debt Principal Coverage Surplus/Deficit	17,523	(33,897)	3,554	(42,130)	(39,937)	(160,475)	-	-	-	-	-	-	(255,362)	41,531	(296,893)	5,654	(261,016)
Debt Principal Coverage Percentage	282%	-251%	137%	-337%	-314%	-1563%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-341%	172%	-512.77%	109.77%	-450.80%
Simple Asset Replacement Coverage																	
Debt Principal Coverage Surplus/Deficit (From Above)	17,523	(33,897)	3,554	(42,130)	(39,937)	(160,475)	-	-	-	-	-	-	(255,362)	41,531	(296,893)	5,654	(261,016)
Depreciation	18,129	18,129	18,129	18,129	18,129	18,129	-	-	-	-	-	-	108,774	108,042	732	108,774	-
Cash Accumulated For/(Taken From) Asset Replacement	(606)	(52,026)	(14,575)	(60,259)	(58,066)	(178,604)	-	-	-	-	-	-	(364,136)	(66,511)	(297,625)	(103,120)	(261,016)
Working Capital																	
Beginning Undesignated Working Capital	(132,800)	(191,075)	39,499	881,603	834,860	807,735	675,903	675,903	675,903	675,903	675,903	675,903	(132,800)	197,276	(330,076)	(132,800)	-
Net Income Plus Depreciation Less Principal Accruals, and other Balance Sheet Changes	17,523	(33,897)	3,554	(42,130)	(39,937)	(160,475)	-	-	-	-	-	-	(255,362)	41,531	(296,893)	5,654	(261,016)
Ending Undesignated Working Capital	(191,075)	39,499	881,603	834,860	807,735	675,903	675,903	675,903	675,903	675,903	675,903	675,903	675,903	362,223	313,680	936,919	(261,016)
Working Capital Designated for CapEx	816,490	816,490	0	0	0	0	0	0	0	0	0	0	0	847,347	(847,347)	0	-
Current Assets	747,193	981,421	1,007,035	958,999	931,111	799,241	799,241	799,241	799,241	799,241	799,241	799,241	799,241	799,241	799,241	799,241	799,241
Current Liabilities	(5,980)	(9,634)	(9,634)	(8,341)	(7,540)	(7,540)	(7,540)	(7,540)	(7,540)	(7,540)	(7,540)	(7,540)	(7,540)	(7,540)	(7,540)	(7,540)	(7,540)
CPLTD	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)
WCDFCapex	(816,490)	(816,490)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Undesignated Working Capital	(191,075)	39,499	881,603	834,860	807,735	675,903	675,903	675,903	675,903	675,903	675,903	675,903	675,903	362,223	313,680	936,919	(261,016)
Total Working Capital	625,415	855,989	881,603	834,860	807,735	675,903	675,903	675,903	675,903	675,903	675,903	675,903	675,903	1,209,570	(533,667)	936,919	(261,016)
	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)

Working Capital Designated for Capex, July 1, 2015

90413	Sitka Landfill/Granite Creek	56,252.40
90566	Transfer Station	49,724.05
90657	Expand Biosolids Area	500,000.00
90677	Recycle Center Fence	50,000.00
90678	Scrap yard Upgrade	15,513.59
90756	Ramp For Baler	50,000.00
90756	Replace Rood on Recycle Building	-

721,490.04

Working Capital designated for Capex, June 30, 2015

721,490.04

New CapEx designations of Working Capital in FY16 Budget

Replace Roof on Recycle Building 95,000.00

Less FY16 working capital outlays for CapEx/Unappropriations (816,490.04)

Working Capital designated for Capex, June 30, 2016

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City and Borough of Sitka
Solid Waste Disposal Utility
Income Statement
For The Trailing Twelve-Month Period Ending November 30, 2015
(Unaudited)

	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015	12-Month Trailing
Revenue:													
Solid Waste Disposal Services	220,763	243,777	198,894	167,676	288,682	229,558	230,827	222,697	292,159	220,433	226,055	199,837	2,741,358
Jobbing	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Operating Revenue	8,149	3,721	28,358	36,354	14,743	41,310	9,812	22,791	7,272	7,514	20,570	20,697	221,291
Total Revenue:	228,912	247,498	227,252	204,030	303,425	270,868	240,639	245,488	299,431	227,947	246,625	220,534	2,962,649
Cost of Sales:													
Contract Waste Hauling	62,486	62,933	63,758	72,710	61,288	61,936	62,523	62,757	63,596	61,480	64,451	59,728	759,646
Transfer Station	92,660	77,963	86,798	92,791	145,879	100,957	102,790	136,371	133,983	118,220	116,386	138,253	1,343,051
Landfill	19,352	5,659	11,784	11,477	8,306	59,239	5,733	7,968	29,156	7,517	23,717	48,006	237,914
Recycling	41,241	32,802	29,105	89,551	50,603	95,902	8,133	28,394	25,818	35,419	37,904	90,045	564,917
Jobbing	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	18,007	18,007	18,007	18,007	18,007	16,539	18,129	18,129	18,129	18,129	18,129	18,129	215,348
Total Cost of Sales:	233,746	197,364	209,452	284,536	284,083	334,573	197,308	253,619	270,682	240,765	260,587	354,161	3,120,876
Gross Margin:	(4,834)	50,134	17,800	(80,506)	19,342	(63,705)	43,331	(8,131)	28,749	(12,818)	(13,962)	(133,627)	(158,227)
	-2.11%	20.26%	7.83%	-39.46%	6.37%	-23.52%	18.01%	-3.31%	9.60%	-5.62%	-5.66%	-60.59%	-5.34%
Selling and Administrative Expenses	46,335	33,886	33,806	24,337	35,802	36,250	33,517	33,728	33,145	37,269	33,880	34,616	416,571
Earnings Before Interest (EBI):	(51,169)	16,248	(16,006)	(104,843)	(16,460)	(99,955)	9,814	(41,859)	(4,396)	(50,087)	(47,842)	(168,243)	(574,798)
	-22.35%	6.56%	-7.04%	-51.39%	-5.42%	-36.90%	4.08%	-17.05%	-1.47%	-21.97%	-19.40%	-76.29%	-19.40%
Non-operating Revenue and Expense:													
Non-operating revenue:	1,906	1,870	2,119	1,924	1,771	(14,461)	1,256	1,509	1,497	1,504	1,452	1,315	3,662
Interest Expense:	(2,171)	(2,171)	(2,171)	(2,171)	(2,171)	(2,175)	(2,026)	(2,026)	(2,026)	(2,026)	(2,026)	(2,026)	(25,186)
Total Non-operating Revenue & Expense:	(265)	(301)	(52)	(247)	(400)	(16,636)	(770)	(517)	(529)	(522)	(574)	(711)	(21,524)
Net Income:	(51,434)	15,947	(16,058)	(105,090)	(16,860)	(116,591)	9,044	(42,376)	(4,925)	(50,609)	(48,416)	(168,954)	(596,322)
	-22.47%	6.44%	-7.07%	-51.51%	-5.56%	-43.04%	3.76%	-17.26%	-1.64%	-22.20%	-19.63%	-76.61%	-20.13%
Earnings Before Interest and Depreciation (EBID):	(33,162)	34,255	2,001	(86,836)	1,547	(83,416)	27,943	(23,730)	13,733	(31,958)	(29,713)	(150,114)	(359,450)
	-14.49%	13.84%	0.88%	-42.56%	0.51%	-30.80%	11.61%	-9.67%	4.59%	-14.02%	-12.05%	-68.07%	-12.13%
Debt Principal Coverage													
Simple Cash Flow (Net Income Plus Depreciation)	(33,427)	33,954	1,949	(87,083)	1,147	(100,052)	27,173	(24,247)	13,204	(32,480)	(30,287)	(150,825)	(380,974)
Debt Principal	9,650	9,650	9,650	9,650	9,650	9,650	9,650	9,650	9,650	9,650	9,650	9,650	115,800
Debt Principal Coverage Surplus/Deficit	(43,077)	24,304	(7,701)	(96,733)	(8,503)	(109,702)	17,523	(33,897)	3,554	(42,130)	(39,937)	(160,475)	(496,774)
Debt Principal Coverage Percentage	-346%	352%	20%	-902%	12%	-1037%	282%	-251%	137%	-337%	-314%	-1563%	-329%
Simple Asset Replacement Coverage													
Debt Principal Coverage Surplus/Deficit (From Above)	(43,077)	24,304	(7,701)	(96,733)	(8,503)	(109,702)	17,523	(33,897)	3,554	(42,130)	(39,937)	(160,475)	(496,774)
Depreciation	18,007	18,007	18,007	18,007	18,007	16,539	18,129	18,129	18,129	18,129	18,129	18,129	215,348
Cash Accumulated For/(Taken From) Asset Replacement	(61,084)	6,297	(25,708)	(114,740)	(26,510)	(126,241)	(606)	(52,026)	(14,575)	(60,259)	(58,066)	(178,604)	(712,122)
Working Capital													
Beginning Undesignated Working Capital	362,223	320,102	349,797	353,717	275,697	319,782	(132,800)	(191,075)	39,499	881,603	834,860	807,735	362,223
Net Income Plus Depreciation Less Principal Accruals, and other Balance Sheet Changes	(43,077)	24,304	(7,701)	(96,733)	(8,503)	(109,702)	17,523	(33,897)	3,554	(42,130)	(39,937)	(160,475)	(496,774)
956	5,391	11,621	18,713	52,588	(342,880)	(75,798)	264,471	838,550	(4,613)	12,812	28,643	810,454	
Ending Undesignated Working Capital	320,102	349,797	353,717	275,697	319,782	(132,800)	(191,075)	39,499	881,603	834,860	807,735	675,903	675,903
Working Capital Designated for CapEx	835,312	826,442	823,348	807,840	790,611	782,686	816,490	816,490	0	0	0	0	0

**Harbor System
Financial Analysis
As Of, And For the Six-Month Period Ending December, 2015**

Financial operations for the Harbor Fund in September, and for the 3-month period ending September 30, are exceeding both FY2015 historical results and FY2016 plan. All comparative financial ratios have improved over the comparable period in FY2015. Revenue increased \$135.7K, or 11.2%, over the comparable six-month period for FY2015, and, earnings before interest and depreciation (EBIDA) increased by \$141.3K, from \$321.6K to \$462.9K for the comparable six-month period.

Permanent moorage has increased by \$82.7K, or 10.3% over FY2015. Costs of operations have slightly decreased from the comparable period in FY2015, decreasing by \$7.5K. Together, these positive trends caused earnings before interest (EBI) to increase by \$143.2K over the same period in FY2015.

Undesignated working capital increased by \$1,329.5K in year-over-year comparison with September, 2015, from \$3,934.3K to \$5,263.6K. A major factor in the increase is the lapsing of unspent appropriations for completed projects, notably the ANB Harbor project.

The Harbor Fund Long Range Cash Flow, Working Capital, and Debt Model forecasted ending undesignated working capital at June 30, 2016 of \$5,309.3K. As of December 31, 2015, actual undesignated working capital of \$5,263.6K was just \$45.7K short of this target, indicating good alignment with long range plan goals.

The Harbor Fund appears to be executing according to annual plan, with results ahead plan for all metrics. As specified in the Harbor Fund Long Range Cash Flow, Working Capital, and Debt Model, annual moorage rate increases are appropriate and necessary to generate the working capital and cash flow necessary to continue to repair and renovate harbor facilities. Noting that accumulation of working capital is right in line with forecasted levels, deviation from planned moorage rate increases is not recommended at this time.

City and Borough of Sitka
Harbor Fund
Income Statement
For The Twelve-Month Period From July 1, 2015 to June 30, 2016
(Unaudited)

	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015	January 2016	February 2016	March 2016	April 2016	May 2016	June 2016	FY2016 YTD	FY2015 YTD	Variance To FY2015 YTD	FY2016 Plan (\$/L - 50.00%)	Variance To FY2016 Plan	
Revenue:																		
Permanent Moorage	149,638	188,202	149,062	131,063	132,113	133,624	-	-	-	-	-	-	883,770	801,042	82,728	772,550	111,220	
Transient Moorage	77,036	77,724	38,631	3,835	7,271	9,688	-	-	-	-	-	-	214,635	198,201	16,434	189,500	25,135	
Lighting Fees	5,729	6,875	52,711	-	1,145	-	-	-	-	-	-	-	66,460	44,576	21,884	26,500	39,960	
Other Operating Revenue	14,897	118,377	6,626	22,312	10,052	5,897	-	-	-	-	-	-	180,151	165,548	14,603	72,474	107,688	
Total Revenue:	247,290	391,256	249,030	157,210	149,886	150,354	-	-	-	-	-	-	1,345,026	1,209,367	135,659	1,061,024	284,003	
Cost of Sales:																		
Operations	61,031	87,791	96,162	93,572	72,415	76,895	-	-	-	-	-	-	487,866	510,405	22,539	603,728	115,862	
Jobbing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	55,116	55,116	55,116	55,116	55,116	55,116	-	-	-	-	-	-	330,696	332,622	1,926	330,697	1	
Total Cost of Sales:	116,147	142,907	151,278	148,688	127,531	132,011	-	-	-	-	-	-	818,562	843,027	24,465	934,425	115,863	
Gross Margin:	131,143	248,349	97,752	8,522	22,355	18,343	-	-	-	-	-	-	526,464	366,340	160,124	126,599	399,866	
	53.03%	63.47%	39.25%	5.42%	14.91%	12.20%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	39.14%	30.29%	8.85%	11.93%	27.21%	
Selling and Administrative Expenses	61,878	64,089	68,952	66,853	66,243	66,228	-	-	-	-	-	-	394,243	377,295	(16,948)	425,717	31,474	
Earnings Before Interest (EBI):	69,265	184,260	28,800	(58,311)	(43,888)	(47,885)	-	-	-	-	-	-	132,221	(10,955)	143,176	(299,118)	431,339	
	28.01%	47.09%	11.56%	-37.10%	-29.28%	-31.85%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	9.83%	-0.91%	10.74%	-28.19%	38.02%	
Non-operating Revenue and Expense:																		
Raw Fish Tax	79,750	79,750	79,750	79,750	79,750	79,750	-	-	-	-	-	-	478,500	450,000	28,500	478,500	-	
Other Non-Operating Revenue:	14,192	16,316	16,130	15,367	16,079	16,834	-	-	-	-	-	-	94,918	80,033	14,885	37,500	57,418	
Grant Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	224	(224)	1,500,000	(1,500,000)	
Bond Fund Interest Revenue:	(14,192)	(14,192)	(14,192)	(14,192)	(14,192)	(14,192)	-	-	-	-	-	-	(85,152)	(87,852)	2,700	(85,150)	(2)	
Interest Expense Bonds:	(794)	(794)	(794)	(794)	(794)	(794)	-	-	-	-	-	-	(4,764)	(5,100)	336	(4,762)	(3)	
Total Non-operating Revenue & Expense:	78,956	81,080	80,894	80,131	80,843	81,598	-	-	-	-	-	-	483,502	535,133	(51,631)	1,926,089	(1,442,587)	
Net Income:	148,221	265,340	109,894	21,800	36,955	33,713	-	-	-	-	-	-	615,723	524,178	91,545	1,626,971	(1,011,248)	
	59.94%	67.82%	44.05%	13.87%	24.66%	22.42%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	45.78%	43.34%	67.48%	153.34%	-107.56%	
Earnings Before Interest and Depreciation (EBIDA):	124,381	239,376	81,816	(8,215)	11,228	7,231	-	-	-	-	-	-	462,937	321,667	141,250	31,579	431,338	
	50.30%	61.18%	33.70%	-2.05%	7.49%	4.81%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	34.42%	26.60%	7.82%	2.98%	31.44%	
Bond Covenant Ratio	8.44	12.97	6.95	3.55	4.14	4.01	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	6.68	5.52	1.16	3.53	3.15	
Debt Principal Coverage																		
Simple Cash Flow (Net Income Plus Depreciation)	148,221	265,340	109,894	21,800	36,955	33,713	-	-	-	-	-	-	615,723	397,657	218,066	1,957,668	(1,341,945)	
Bond Debt Principal	11,667	11,667	11,667	11,667	11,667	11,667	-	-	-	-	-	-	70,002	67,500	(2,502)	70,000	2	
Loan Debt Principal	3,779	3,779	3,779	3,779	3,779	3,779	-	-	-	-	-	-	22,674	22,674	-	22,674	-	
Debt Principal Coverage Surplus/Deficit	132,775	249,894	94,248	6,354	21,509	18,267	-	-	-	-	-	-	523,047	307,483	215,564	1,864,994	(1,341,947)	
Debt Principal Coverage Percentage	112%	106%	116%	343%	172%	185%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	118%	1754%	-1636%	2112.42%	-2112.42%	
Simple Asset Replacement Coverage																		
Debt Principal Coverage Surplus/Deficit (From Above)	132,775	249,894	94,248	6,354	21,509	18,267	-	-	-	-	-	-	523,047	342,032	181,015	1,864,994	(1,341,947)	
Depreciation	55,116	55,116	55,116	55,116	55,116	55,116	-	-	-	-	-	-	330,696	332,622	1,926	330,697	(1)	
Cash Accumulated For/(Taken From) Asset Replacement	77,659	194,778	39,132	(48,762)	(33,607)	(36,849)	-	-	-	-	-	-	192,351	9,410	182,941	1,534,297	(1,341,946)	
Working Capital																		
Beginning Undesignated Working Capital	4,839,635	5,983,074	6,074,518	6,113,347	5,643,121	5,532,873	5,263,754	5,263,754	5,263,754	5,263,754	5,263,754	5,263,754	4,839,635	6,607,377	(1,767,742)	4,839,635	-	
Net Income Plus Depreciation Less Principal	132,775	249,894	94,248	6,354	21,509	18,267	-	-	-	-	-	-	523,047	342,032	181,015	1,864,994	(1,341,947)	
Accruals and other Balance Sheet Changes	1,010,664	(158,450)	(55,419)	(476,580)	(131,757)	(287,386)	-	-	-	-	-	-	(98,928)	(1,015,152)	2,916,224	317,234	(416,162)	
Ending Undesignated Working Capital	5,983,074	6,074,518	6,113,347	5,643,121	5,532,873	5,263,754	5,263,754	5,263,754	5,263,754	5,263,754	5,263,754	5,263,754	5,263,754	3,934,257	1,329,497	7,021,863	(1,758,109)	
Working Capital Designated for CapEx	3,117,417	3,114,565	3,075,796	3,045,310	3,023,344	2,935,548	2,935,548	2,935,548	2,935,548	2,935,548	2,935,548	2,935,548	2,935,548	3,993,606	(1,058,058)	1,559,880	1,375,669	
Current Assets	9,435,186	9,537,970	9,537,970	9,065,701	8,933,487	8,513,812	8,513,812	8,513,812	8,513,812	8,513,812	8,513,812	8,513,812	8,513,812	8,225,201	288,611	8,225,201	-	
Current Liabilities	(149,347)	(163,539)	(163,539)	(191,922)	(191,922)	(129,162)	(129,162)	(129,162)	(129,162)	(129,162)	(129,162)	(129,162)	(129,162)	(116,990)	(12,172)	(116,990)	-	
CPID	(185,348)	(185,348)	(185,348)	(185,348)	(185,348)	(185,348)	(185,348)	(185,348)	(185,348)	(185,348)	(185,348)	(185,348)	(185,348)	(185,348)	(5,000)	(185,348)	-	
WCDF CapEx	(3,117,417)	(3,114,565)	(3,075,796)	(3,045,310)	(3,023,344)	(2,935,548)	(2,935,548)	(2,935,548)	(2,935,548)	(2,935,548)	(2,935,548)	(2,935,548)	(2,935,548)	(3,993,606)	1,058,058	-	-	
Undesignated Working Capital	5,983,074	6,074,518	6,113,347	5,643,121	5,532,873	5,263,754	5,263,754	5,263,754	5,263,754	5,263,754	5,263,754	5,263,754	5,263,754	3,934,257	1,329,497	7,021,863	(1,758,109)	
Total Working Capital	9,100,491	9,189,083	9,189,083	8,648,431	8,556,217	8,199,302	8,199,302	8,199,302	8,199,302	8,199,302	8,199,302	8,199,302	8,199,302	7,927,863	271,439	8,581,742	(82,440)	
Working Capital designated for Capex, June 30, 2015																		
Deficit Project Offset	75,753																	
90722 Elison Harbor Flotation Upgrades	(63,034)																	
90757 Transient Dock Replacement	3,023,828																	
90769 Crescent Harbor Shelter Roof	(12,719)																	
Total designated working capital	2,958,075																	
Working Capital designated for Capex, June 30, 2015																		
New CapEx designations of Working Capital in FY16 Budget																		
90799 Elison Flotation Upgrade West Transient																		
90798 Elison Harbor Electrical Upgrades																		
90810 Sealing Cove Harbor Maintenance Repairs																		
80242 Seaplane Base Environmental Analysis																		
Bond Fund Interest																		
Less FY16 working capital outlays for CapEx																		
Working Capital designated for Capex, June 30, 2016																		

City and Borough of Sitka
Harbor Fund
Income Statement
For The Trailing Twelve-Month Period Ending December 31, 2015
(Unaudited)

	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015	12-Month Trailing
Revenue:													
Permanent Moorage	123,063	123,428	128,364	131,907	137,559	158,635	149,628	188,280	149,062	131,063	132,113	133,624	1,686,726
Transient Moorage	4,066	8,804	29,855	16,557	29,029	66,176	77,036	77,724	38,631	3,835	7,721	9,688	369,122
Lightering Fees	1,943	-	-	-	3,438	5,730	5,729	6,875	52,711	-	-	1,145	77,571
Other Operating Revenue	7,144	21,312	5,451	12,402	14,721	188,017	14,897	118,377	8,626	22,312	10,052	5,897	429,208
Total Revenue:	136,216	153,544	163,670	160,866	184,747	418,558	247,290	391,256	249,030	157,210	149,886	150,354	2,562,627
Cost of Sales:													
Operations	79,384	73,191	87,954	116,411	138,326	376,391	61,031	87,791	96,162	93,572	72,415	76,895	1,359,523
Jobbing	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	55,437	55,437	55,437	55,440	55,438	59,291	55,116	55,116	55,116	55,116	55,116	55,116	667,176
Total Cost of Sales:	134,821	128,628	143,391	171,851	193,764	435,682	116,147	142,907	151,278	148,688	127,531	132,011	2,026,699
Gross Margin:	1,395 1.02%	24,916 16.23%	20,279 12.39%	(10,985) -6.83%	(9,017) -4.88%	(17,124) -4.09%	131,143 53.03%	248,349 63.47%	97,752 39.25%	8,522 5.42%	22,355 14.91%	18,343 12.20%	535,928 20.91%
Selling and Administrative Expenses	51,206	53,563	57,293	63,877	63,362	121,503	61,878	64,089	68,952	66,853	66,243	66,228	805,047
Earnings Before Interest (EBI):	(49,811) -36.57%	(28,647) -18.66%	(37,014) -22.62%	(74,862) -46.54%	(72,379) -39.18%	(138,627) -33.12%	69,265 28.01%	184,260 47.09%	28,800 11.56%	(58,331) -37.10%	(43,888) -29.28%	(47,885) -31.85%	(269,119) -10.50%
Non-operating Revenue and Expense:													
Raw Fish Tax	75,000	75,000	75,000	75,000	75,000	302,000	79,750	79,750	79,750	79,750	79,750	79,750	1,155,500
Other Non-Operating Revenue:	14,866	12,792	16,563	56,336	15,116	228,974	14,192	16,316	16,130	15,367	16,079	16,834	439,565
Grant Revenue	158	-	389,672	1,371	(267,564)	605	-	-	-	-	-	-	124,242
Bond Fund Interest	340	347	397	437	321	-	-	-	-	-	-	-	1,842
Interest Expense Bonds:	(14,642)	(14,642)	(14,642)	(14,642)	(14,642)	(14,638)	(14,192)	(14,192)	(14,192)	(14,192)	(14,192)	(14,192)	-173,000
Interest Expense Loans:	(850)	(850)	(850)	(850)	(850)	(850)	(794)	(794)	(794)	(794)	(794)	(794)	(9,864)
Total Non-operating Revenue & Expense:	74,872	72,647	466,140	117,652	(192,619)	516,091	78,956	81,080	80,894	80,131	80,843	81,598	1,538,285
Net Income:	25,061 18.40%	44,000 28.66%	429,126 262.19%	42,790 26.60%	(264,998) -143.44%	377,464 90.18%	148,221 59.94%	265,340 67.82%	109,694 44.05%	21,800 13.87%	36,955 24.66%	33,713 22.42%	1,269,166 49.53%
Earnings Before Interest and Depreciation (EBIDA):	5,626 4.13%	26,790 17.45%	18,423 11.26%	(19,422) -12.07%	(16,941) -9.17%	(79,336) -18.95%	124,381 50.30%	239,376 61.18%	83,916 33.70%	(3,215) -2.05%	11,228 7.49%	7,231 4.81%	398,057 15.53%
Bond Covenant Ratio	3.70	4.44	4.26	4.34	2.84	17.45	8.44	12.97	6.95	3.55	4.14	4.01	6.42
Debt Principal Coverage													
Simple Cash Flow (Net Income Plus Depreciation)	25,061	44,000	429,126	42,790	(264,998)	377,464	148,221	265,340	109,694	21,800	36,955	33,713	1,269,166
Bond Debt Principal	11,250	11,250	11,250	11,250	11,250	11,250	11,667	11,667	11,667	11,667	11,667	11,667	137,502
Loan Debt Principal	3,779	3,779	3,779	3,779	3,779	3,779	3,779	3,779	3,779	3,779	3,779	3,779	45,348
Debt Principal Coverage Surplus/Deficit	10,032	28,971	414,097	27,761	(280,027)	362,435	132,775	249,894	94,248	6,354	21,509	18,267	1,086,316
Debt Principal Coverage Percentage	250%	152%	104%	154%	95%	104%	112%	106%	116%	343%	172%	185%	2799%
Simple Asset Replacement Coverage													
Debt Principal Coverage Surplus/Deficit (From Above)	10,032	28,971	414,097	27,761	(280,027)	362,435	132,775	249,894	94,248	6,354	21,509	18,267	1,086,316
Depreciation	55,437	55,437	55,437	55,440	55,438	59,291	55,116	55,116	55,116	55,116	55,116	55,116	667,176
Cash Accumulated For/(Taken From) Asset Replacement	(45,405)	(26,466)	358,660	(27,679)	(335,465)	303,144	77,659	194,778	39,132	(48,762)	(33,607)	(36,849)	419,140
Working Capital													
Beginning Undesignated Working Capital	3,934,257	3,860,239	3,767,498	3,687,409	4,073,812	3,944,768	4,839,635	5,983,074	6,074,518	6,113,347	5,643,121	5,532,873	3,934,257
Net Income Plus Depreciation Less Principal	10,032	28,971	414,097	27,761	(280,027)	362,435	132,775	249,894	94,248	6,354	21,509	18,267	1,086,316
Accruals and other Balance Sheet Changes	(84,050)	(121,712)	(494,186)	358,642	150,983	532,432	1,010,664	(158,450)	(55,419)	(476,580)	(131,757)	(287,386)	243,181
Ending Undesignated Working Capital	3,860,239	3,767,498	3,687,409	4,073,812	3,944,768	4,839,635	5,983,074	6,074,518	6,113,347	5,643,121	5,532,873	5,263,754	5,263,754
Working Capital Designated for CapEx	3,879,707	4,095,113	3,993,606	3,879,707	3,880,054	4,246,754	3,117,417	3,114,565	3,075,736	3,045,310	3,023,344	2,935,548	2,935,548

Airport Terminal Financial Analysis As Of, And For the Six-Month Period Ending December 31, 2015

The Airport Terminal Fund returned to positive Earnings Before Interest and Depreciation (EBIDA) in the second fiscal quarter of FY2016, but remains behind plan for FY2016. As previously reported, a lease termination settlement resulted in a one-time charge of \$10.0K and unusual building repair and maintenance costs totaled \$13.6K, causing expenditures to exceed planned levels. In addition, planned receipts of Passenger Facility Charges are not yet occurring, having been delayed pending Federal government approval.

Top-line revenue was \$232.8K for the 6-month period, an increase of \$18.1K from FY2015. This increase was attributable to increased lease revenue from Delta Air Lines. Top line revenue fell (\$104.2K) short of plan, however, due to planned collections of Passenger facility Charges not commencing. Passenger facility fees are added to airline tickets and must be approved by the Federal Aviation Administration in conjunction with a specific project. The Municipality has been in the process of attempting to obtain approval to resume charging the fee in conjunction with expansion of the TSA area.

Costs of sales increased by \$13.4K over FY2015. Significant contributing factors are the lease termination settlement and building repairs, as previously mentioned.

For the six-month, Earnings (Loss) Before Interest (EBI) were (\$61.3K) and Earnings Before Interest and Depreciation (EBIDA) were 22.2K, indicating small but positive operating cash flow. Total working capital, which includes collected but unspent passenger facility fees, was \$816.3K as of December 31, 2015. Undesignated working capital as of December 31, 2015 was \$295.8K.

A continuing financial challenge is the inability of the Fund to accumulate working capital greater than the estimate depreciation of the Terminal facility itself. This trend, unless changed by future events, would mean that insufficient cash will be on hand on the eventual day that the facility needs to be replaced or substantially renovated. The fact that the terminal is already decades old and only \$296K is available in undesignated working capital is evidence of this fact. As a result, it is highly likely that the eventual major renovation or replacement of the Terminal will either need to be funded through a grant, or, through bonded debt of some sort.

	Jan-Mar 2015	Apr-Jun 2015	Jul-Sep 2015	Oct-Dec 2015	TTM
Revenue:					
Leases	89,073	100,271	101,826	98,973	390,143
Other Operating Revenue	6,131	19,514	14,757	17,275	57,677
Total Revenue:	95,204	119,785	116,583	116,248	447,820
Cost of Sales:					
Operations	73,211	134,515	131,452	79,190	418,368
Depreciation	44,989	57,987	41,738	41,739	186,453
Total Cost of Sales:	118,200	192,502	173,190	120,929	604,821
Gross Margin:	(22,996) -24.15%	(72,717) -60.71%	(56,607) -48.56%	(4,681) -4.03%	(157,001) -35.06%
Selling and Administrative Expenses	-	-	-	-	-
Earnings Before Interest (EBI):	(22,996) -24.15%	(72,717) -60.71%	(56,607) -48.56%	(4,681) -4.03%	(157,001) -35.06%
Non-operating Revenue and Expense:					
Interest and Non-Operating Revenue:	4,199	434	4,201	4,527	13,361
Interest Expense:	-	-	-	-	-
Total Non-operating Revenue & Expense:	4,199	434	4,201	4,527	13,361
Net Income:	(18,797) -19.74%	(72,283) -60.34%	(52,406) -44.95%	(154) -0.13%	(143,640) -32.08%
Earnings Before Interest and Depreciation (EBIDA):	21,993 23.10%	(14,730) -12.30%	(14,869) -12.75%	37,058 31.88%	29,452 6.58%
<u>Debt Principal Coverage</u>					
Simple Cash Flow (Net Income Plus Depreciation)	26,192	(14,296)	(10,668)	41,585	42,813
Debt Principal	-	-	-	-	-
Debt Principal Coverage Surplus/Deficit	26,192	(14,296)	(10,668)	41,585	42,813
Debt Principal Coverage Percentage	100.00%	100.00%	100.00%	100.00%	100.00%
<u>Simple Asset Replacement Coverage</u>					
Debt Principal Coverage Surplus/Deficit (From Above)	26,192	(14,296)	(10,668)	41,585	42,813
Depreciation	44,989	57,987	41,738	41,739	186,453
Cash Accumulated For/(Taken From) Asset Replacement	(18,797)	(72,283)	(52,406)	(154)	(143,640)
<u>Working Capital</u>					
Beginning Undesignated Working Capital	356,912	386,286	407,311	254,183	356,912
Net Income Plus Depreciation Less Principal	26,192	(14,296)	(10,668)	41,585	42,813
CapEx, Accruals, and other Balance Sheet Changes	3,182	35,321	(142,460)	-	(103,957)
Ending Undesignated Working Capital	386,286	407,311	254,183	295,768	295,768
Working Capital Designated for CapEx	427,615	427,125	520,523	520,523	520,523

City and Borough of Sitka
 Airport Terminal Fund
 Income Statement
 For The Twelve-Month Period From July 1, 2015 to June 30, 2016
 (Unaudited)

	Jul-Sep 2015	Oct-Dec 2015	Jan-Mar 2016	Apr-Jun 2016	FY2016 YTD	FY2015 YTD	Variance To FY2015 YTD	FY2016 Plan (S/L - 50%)	Variance To FY2016 Plan
Revenue:									
Leases	101,826	98,973	-	-	200,799	182,376	18,423	211,026	(10,227)
Other Operating Revenue	14,757	17,275	-	-	32,032	32,321	(289)	126,000	(93,968)
Total Revenue:	116,583	116,248	-	-	232,831	214,697	18,134	337,026	(104,195)
Cost of Sales:									
Operations	131,452	79,190	-	-	210,642	174,535	(36,107)	224,061	13,419
Depreciation	41,738	41,739	-	-	83,477	89,976	6,499	83,477	-
Total Cost of Sales:	173,190	120,929	-	-	294,119	264,511	(29,608)	307,538	13,419
Gross Margin:	(56,607)	(4,681)	-	-	(61,288)	(49,814)	47,742	29,488	(90,776)
	-48.56%	-4.03%	#DIV/0!	#DIV/0!	-26.32%	-23.20%	263.27%	8.75%	-35.07%
Selling and Administrative Expenses	-	-	-	-	-	-	-	-	-
Earnings Before Interest (EBI):	(56,607)	(4,681)	-	-	(61,288)	(49,814)	(11,474)	29,488	(90,776)
	-48.56%	-4.03%	#DIV/0!	#DIV/0!	-26.32%	-23.20%	-63.27%	8.75%	-35.07%
Non-operating Revenue and Expense:									
Interest and Non-Operating Revenue:	4,201	4,527	-	-	8,728	8,570	158	8,550	178
Interest Expense:	-	-	-	-	-	-	-	-	-
Total Non-operating Revenue & Expense:	4,201	4,527	-	-	8,728	8,570	158	8,550	178
Net Income:	(52,406)	(154)	-	-	(52,560)	(41,244)	(11,316)	38,038	(90,598)
	-44.95%	-0.13%	#DIV/0!	#DIV/0!	-22.57%	-19.21%	-62.40%	11.29%	-33.86%
Earnings Before Interest and Depreciation (EBIDA):	(14,869)	37,058	-	-	22,189	40,162	(4,975)	112,965	(90,776)
	-12.75%	31.88%	#DIV/0!	#DIV/0!	9.53%	18.71%	-27.43%	33.52%	-23.99%
Debt Principal Coverage									
Simple Cash Flow (Net Income Plus Depreciation)	(10,668)	41,585	-	-	30,917	48,732	(17,815)	121,515	(90,598)
Debt Principal	-	-	-	-	-	-	-	-	-
Debt Principal Coverage Surplus/Deficit	(10,668)	41,585	-	-	30,917	48,732	(17,815)	121,515	(90,598)
Debt Principal Coverage Percentage	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%
Simple Asset Replacement Coverage									
Debt Principal Coverage Surplus/Deficit (From Above)	(10,668)	41,585	-	-	30,917	48,732	(17,815)	121,515	(90,598)
Depreciation	41,738	41,739	-	-	83,477	89,976	(6,499)	83,477	-
Cash Accumulated For/(Taken From) Asset Replacement	(52,406)	(154)	-	-	(52,560)	(41,244)	(11,316)	38,038	(90,598)
Working Capital									
Beginning Undesignated Working Capital	407,311	254,183	295,768	295,768	407,311	321,953	85,358	407,311	-
Net Income Plus Depreciation Less Principal	(10,668)	41,585	-	-	30,917	48,732	(17,815)	121,515	(90,598)
CapEx, Accruals, and other Balance Sheet Changes	(142,460)	-	-	-	(142,460)	(13,773)	(128,687)	-	(142,460)
Ending Undesignated Working Capital	254,183	295,768	295,768	295,768	295,768	356,912	(61,144)	528,826	(233,058)
Working Capital Designated for CapEx	520,523	520,523	520,523	520,523	520,523	427,769	92,754	427,125	93,398
Current Assets	774,706	816,291	816,291	816,291	816,291				
Current Liabilities	-	-	-	-	-				
CPLTD	-	-	-	-	-				
WCDFCapex	(520,523)	(520,523)	(520,523)	(520,523)	(520,523)				
Undesignated Working Capital	254,183	295,768	295,768	295,768	295,768	356,912	(61,144)		
Total Working Capital	774,706	816,291	816,291	816,291	816,291	784,681	31,610		

July 1, 2015
\$ 56,949 - 90656 - Airport Lighting
\$363,962 - PFC Projects
\$420,911

Working Capital designated for Capex, June 30, 2015	420,911
New CapEx designations of Working Capital in FY16 Budget	
Airport Boiler	130,000
Less FY15 working capital outlays for CapEx	(30,388)
Working Capital designated for Capex, June 30, 2016	520,523

**Marine Service Center
Financial Analysis
As Of, And For the Six-Month Period Ending December 31, 2015**

Financial operations for the Marine Service Center returned to planned levels in the second quarter of FY2016, with all metrics very close to plan. The fund is, furthermore, expected to perform in accordance with its plan for the fiscal year as a whole.

Top-line revenue for the three-month period was \$116.3K, exactly equal to FY2015. Costs of sales increased by (\$66.4K) over FY2015. This increase had to do with the timing of certain expenditures, however. In particular, \$73.7K of repairs were performed in the first quarter of FY2016; in the comparable first quarter of FY2015, no repairs were performed, causing a large negative variance.

Working capital increased by \$16.4K during the second fiscal quarter, and undesignated working capital as of December 31, 2015 was \$1,516.8K. This represents a year-to-year decline in working capital from December 31, 2014 to December 31, 2015 of (\$43.8K). Again, the large amount of repairs performed in the first fiscal quarter of FY2016 is the reason for the year-over-year decline.

City and Borough of Sitka
Marine Service Center
Income Statement
For The Twelve-Month Period From July 1, 2015 to June 30, 2016
(Unaudited)

	Jul-Sep 2015	Oct-Dec 2015	Jan-Mar 2016	Apr-Jun 2016	FY2016 YTD	FY2015 YTD	Variance To FY2015 YTD	FY2016 Plan (\$/L - 50.00%)	Variance To FY2016 Plan
Revenue:									
Leases	77,528	38,764	-	-	116,292	116,292	-	117,192	(900)
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Total Revenue:	77,528	38,764	-	-	116,292	116,292	-	117,192	(900)
Cost of Sales:									
Operations	70,154	30,836	-	-	100,990	34,628	66,362	95,747	(5,244)
Depreciation	35,016	35,017	-	-	70,033	71,991	(1,958)	70,033	-
Total Cost of Sales:	105,170	65,853	-	-	171,023	106,619	64,404	165,780	(5,244)
Gross Margin:	(27,642)	(27,089)	-	-	(54,731)	9,673	(64,404)	(48,588)	(6,144)
	-35.65%	-69.88%	#DIV/0!	#DIV/0!	-47.06%	8.32%	-55.38%	-41.46%	-5.60%
Selling and Administrative Expenses	-	-	-	-	-	-	-	-	-
Earnings Before Interest and Taxes (EBIT):	(27,642)	(27,089)	-	-	(54,731)	9,673	(64,404)	(48,588)	(6,144)
	-35.65%	-69.88%	#DIV/0!	#DIV/0!	-47.06%	8.32%	-55.38%	-41.46%	-5.60%
Non-operating Revenue and Expense:									
Interest and Non-Operating Revenue:	7,959	8,470	-	-	16,429	16,377	52	16,400	29
Interest Expense:	-	-	-	-	-	-	-	-	-
Total Non-operating Revenue & Expense:	7,959	8,470	-	-	16,429	16,377	52	16,400	29
Net Income:	(19,683)	(18,619)	-	-	(38,302)	26,050	(64,352)	(32,183)	(6,115)
	-25.39%	-48.03%	#DIV/0!	#DIV/0!	-32.94%	22.40%	-55.34%	-27.47%	-5.47%
Earnings Before Interest and Taxes and Depreciation (EBITDA):	7,374	7,928	-	-	15,302	81,664	(66,362)	21,446	(6,144)
	9.51%	20.45%	#DIV/0!	#DIV/0!	13.16%	70.22%	-57.06%	18.30%	-5.14%
Debt Principal Coverage									
Simple Cash Flow (Net Income Plus Depreciation)	15,333	16,398	-	-	31,731	98,041	(66,310)	37,846	(6,115)
Debt Principal	-	-	-	-	-	-	-	-	-
Debt Principal Coverage Surplus/Deficit	15,333	16,398	-	-	31,731	98,041	(66,310)	37,846	(6,115)
Debt Principal Coverage Percentage	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%
Simple Asset Replacement Coverage									
Debt Principal Coverage Surplus/Deficit (From Above)	15,333	16,398	-	-	31,731	98,041	(66,310)	37,846	(6,115)
Depreciation	35,016	35,017	-	-	70,033	71,991	(1,958)	70,033	-
Cash Accumulated For/(Taken From) Asset Replacement	(19,683)	(18,619)	-	-	(38,302)	26,050	(64,352)	(32,183)	(6,115)
Working Capital									
Beginning Undesignated Working Capital	1,485,038	1,500,371	1,516,769	1,516,769	1,485,038	1,462,488	22,550	1,485,038	-
Net Income Plus Depreciation Less Principal CapEx, Accruals, and other Balance Sheet Changes	15,333	16,398	-	-	31,731	98,041	(66,310)	37,846	(6,115)
CapEx, Accruals, and other Balance Sheet Changes	-	-	-	-	-	(1)	1	-	-
Ending Undesignated Working Capital	1,500,371	1,516,769	1,516,769	1,516,769	1,516,769	1,560,528	(43,759)	1,522,884	(6,115)
Working Capital Designated for CapEx	-	-	-	-	-	-	-	-	-
Current Assets	1,500,371	1,516,769	1,516,769	1,516,769	1,516,769				
Current Liabilities	-	-	-	-	-				
CPLTD	-	-	-	-	-				
WCDFCapex	-	-	-	-	-				
Undesignated Working Capital	1,500,371	1,516,769	1,516,769	1,516,769	1,516,769				
Total Working Capital	1,500,371	1,516,769	1,516,769	1,516,769	1,516,769				

July 1, 2015

Working Capital designated for Capex, June 30, 2015 0.00

New CapEx designations of Working Capital in FY16 Budget -

Less FY16 working capital outlays for CapEx -

Working Capital designated for Capex, June 30, 2016 0.00

City and Borough of Sitka
Marine Service Center
Income Statement
For The Twelve-Month Trailing Period Ending December 31, 2015
(Unaudited)

	Jan-Mar 2015	Apr-Jun 2015	Jul-Sep 2015	Oct-Dec 2015	TTM
Revenue:					
Leases	57,094	45,742	77,528	38,764	219,128
Other Operating Revenue	-	(108)	-	-	(108)
Total Revenue:	57,094	45,634	77,528	38,764	219,020
Cost of Sales:					
Operations	17,363	168,185	70,154	30,836	286,538
Depreciation	35,830	39,637	35,016	35,017	145,500
Total Cost of Sales:	53,193	207,822	105,170	65,853	432,038
Gross Margin:	3,901 6.83%	(162,188) -355.41%	(27,642) -35.65%	(27,089) -69.88%	(213,018) -97.26%
Selling and Administrative Expenses	-	-	-	-	-
Earnings Before Interest and Taxes (EBIT):	3,901 6.83%	(162,188) -355.41%	(27,642) -35.65%	(27,089) -69.88%	(213,018) -97.26%
Non-operating Revenue and Expense:					
Interest and Non-Operating Revenue:	8,425	(1,096)	7,959	8,470	23,758
Interest Expense:	-	-	-	-	-
Total Non-operating Revenue & Expense:	8,425	(1,096)	7,959	8,470	23,758
Net Income:	12,326 21.59%	(163,284) -357.81%	(19,683) -25.39%	(18,619) -48.03%	(189,260) -86.41%
Earnings Before Interest and Taxes and Depreciation (EBITDA):	39,731 69.59%	(122,551) -268.55%	7,374 9.51%	7,928 20.45%	(67,518) -30.83%
Debt Principal Coverage					
Simple Cash Flow (Net Income Plus Depreciation)	48,156	(123,647)	15,333	16,398	(43,760)
Debt Principal	-	-	-	-	-
Debt Principal Coverage Surplus/Deficit	48,156.00	(123,647)	15,333	16,398	(43,760)
Debt Principal Coverage Percentage	100%	100.00%	100.00%	100.00%	100%
Simple Asset Replacement Coverage					
Debt Principal Coverage Surplus/Deficit (From Above)	48,156	(123,647)	15,333	16,398	(43,760)
Depreciation	35,830	39,637	35,016	35,017	145,500
Cash Accumulated For/(Taken From) Asset Replacement	12,326	(163,284)	(19,683)	(18,619)	(189,260)
Working Capital					
Beginning Undesignated Working Capital	1,560,528	1,608,685	1,560,528	1,575,861	1,560,528
Net Income Plus Depreciation Less Principal	48,156	(123,647)	15,333	16,398	(43,760)
CapEx, Accruals, and other Balance Sheet Changes	1	-	-	-	1
Ending Undesignated Working Capital	1,608,685	1,485,038	1,575,861	1,592,259	1,516,769
Working Capital Designated for CapEx	-	-	-	-	-

**Gary Paxton Industrial Park Fund
Financial Analysis
As Of, And For the Period Ending December 31, 2015**

Financial operations for the Gary Paxton Industrial Park were in line with plan for the first six months of Fiscal Year 2016. While revenue did not reach planned levels, cost of operations were also significantly below planned levels, resulting in earnings before interest (EBI) \$12.3K better than plan for the half year, showing good alignment of operations with plan..

Top-line revenue was \$74.2K for the six-month period, falling short of plan by (\$34.1K). This revenue shortfall was offset by operating efficiencies, however.

Costs of operations were both lower than planned levels and lower than prior year. Total costs of operations for the six-month period were \$269.4K versus FY2016 plan of \$360.8K and prior year of \$351.2K.

Working capital increased by \$252.3K, to \$1,176,489 as of December 31, 2015. This increase was due to prefunding of the State of Alaska GPIP Dock Grant in the amount of \$236,393. The GPIP dock grant is unusual in that it provides for billing at designated progress points, as opposed to the normal method of reimbursement for allowable costs. Thus, although overall working capital rose to \$1,176,489, undesignated working capital grew only modestly to \$914.1K.

City and Borough of Sitka
Gary Paxton Industrial Park
Income Statement
For The Twelve-Month Period From July 1, 2013 to June 30, 2015
(Unaudited)

	Jul-Sep 2015	Oct-Dec 2015	Jan-Mar 2016	Apr-Jun 2016	FY2016 YTD	FY2015 YTD	Variance To FY2015 YTD	FY2016 Plan (\$/L - 50%)	Variance To FY2016 Plan
Revenue:									
Leases	25,290	48,959	-	-	74,249	163,057	(88,808)	108,404	(34,155)
Other Operating Revenue	-	-	-	-	-	18,190	(18,190)	45,000	(45,000)
Total Revenue:	25,290	48,959	-	-	74,249	181,247	(106,998)	153,404	(79,155)
Cost of Sales:									
Operations	52,770	62,951	-	-	115,721	197,395	81,674	207,131	91,410
Depreciation	76,816	76,816	-	-	153,632	153,759	127	153,632	-
Total Cost of Sales:	129,586	139,767	-	-	269,353	351,154	81,801	360,763	91,410
Gross Margin:	(104,296)	(90,808)	-	-	(195,104)	(169,907)	(25,197)	(207,360)	12,256
	-412.40%	-185.48%	#DIV/0!	#DIV/0!	-262.77%	-93.74%	-169.03%	-135.17%	-127.60%
Selling and Administrative Expenses	-	-	-	-	-	-	-	-	-
Earnings Before Interest (EBI):	(104,296)	(90,808)	-	-	(195,104)	(169,907)	(25,197)	(207,360)	12,256
	-412.40%	-185.48%	#DIV/0!	#DIV/0!	-262.77%	-93.74%	-169.03%	-135.17%	-127.60%
Non-operating Revenue and Expense:									
Interest and Non-Operating Revenue:	5,100	5,230	-	-	10,330	10,531	(201)	10,750	(420)
Grant Revenue:	-	268,496	-	-	268,496	307,644	(39,148)	268,496	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-	-
Interest Transfer From SMC Contingency	4,566	4,942	-	-	9,508	9,573	(65)	7,000	2,508
Interest Expense:	(2,427)	(2,427)	-	-	(4,854)	(5,228)	374	(4,854)	-
Total Non-operating Revenue & Expense:	7,239	276,241	-	-	283,480	322,520	(39,040)	281,392	2,088
Net Income:	(97,057)	185,433	-	-	88,376	152,613	(64,237)	74,033	14,344
	-383.78%	378.75%	#DIV/0!	#DIV/0!	119.03%	84.20%	34.82%	48.26%	-13.44%
Earnings Before Interest and Depreciation (EBID):	(27,480)	(13,992)	-	-	(41,472)	(16,148)	(25,070)	(53,728)	12,256
	-108.66%	-28.58%	#DIV/0!	#DIV/0!	-55.86%	-8.91%	-46.95%	-35.02%	-20.83%
Debt Principal Coverage									
Simple Cash Flow (Net Income Plus Depreciation)	(20,241)	262,249	-	-	242,008	306,372	(64,364)	227,665	14,344
Debt Principal	12,446	12,446	-	-	24,892	24,892	-	24,892	-
Debt Principal Coverage Surplus/Deficit	(32,687)	249,803	-	-	217,116	281,480	(64,364)	202,773	14,344
Debt Principal Coverage Percentage	-162.63%	2107.09%	#DIV/0!	#DIV/0!	972.23%	309.27%	662.97%	914.61%	-251.64%
Simple Asset Replacement Coverage									
Debt Principal Coverage Surplus/Deficit (From Above)	(32,687)	249,803	-	-	217,116	281,480	(64,364)	202,773	14,344
Depreciation	76,816	76,816	-	-	153,632	153,759	(127)	153,632	-
Cash Accumulated For/(Taken From) Asset Replacement	(109,503)	172,987	-	-	63,484	127,721	(64,237)	49,141	14,344
Working Capital									
Beginning Undesignated Working Capital	898,228	880,416	914,112	914,112	898,228	873,804	24,424	898,228	-
Net Income Plus Depreciation Less Principal	(32,687)	249,803	-	-	217,116	293,926	(76,810)	227,665	(10,549)
CapEx, Accruals, and other Balance Sheet Changes	14,875	(216,107)	-	-	(201,232)	(298,792)	97,560	-	(201,232)
Ending Undesignated Working Capital	880,416	914,112	914,112	914,112	914,112	868,938	45,174	1,125,893	(211,781)
Working Capital Designated for CapEx	25,319	262,377	262,377	262,377	262,377	25,984	236,393		
Current Assets	955,519	1,226,273	1,226,273	1,226,273	1,226,273				
Current Liabilities	-	-	-	-	-				
CPLTD	(49,784)	(49,784)	(49,784)	(49,784)	(49,784)				
WCDFCapex	(25,319)	(262,377)	(262,377)	(262,377)	(262,377)				
Undesignated Working Capital	880,416	914,112	914,112	914,112	914,112	868,938	45,174		
Total Working Capital	905,735	1,176,489	1,176,489	1,176,489	1,176,489	894,922	281,567		

July 1, 2015
\$16,984 - Boat Building
\$ 9,000 - Fixed Assets

Working Capital designated for Capex, June 30, 2015 25,984.00
New CapEx designations of Working Capital In FY16 Budget
Dock Pre-Funding (Progress Billing In Advance Of Expense) 236,393
Purchase of Fixed Assets: -
Less FY16 working capital outlays for CapEx (Thru 9/30) -
Working Capital designated for Capex, September 30, 2015 262,377.00

City and Borough of Sitka
Gary Paxton Industrial Park
Income Statement
For The Twelve-Month Trailing Period Ending December 31, 2015
(Unaudited)

	Jan-Mar 2015	Apr-Jun 2015	Jul-Sep 2015	Oct-Dec 2015	TTM
Revenue:					
Leases	48,210	135,825	25,290	48,959	258,284
Other Operating Revenue	-	6,014	-	-	6,014
Total Revenue:	48,210	141,839	25,290	48,959	264,298
Cost of Sales:					
Operations	72,032	65,523	52,770	62,951	253,276
Depreciation	76,880	77,134	76,816	76,816	307,646
Total Cost of Sales:	148,912	142,657	129,586	139,767	560,922
Gross Margin:	(100,702)	(818)	(104,296)	(90,808)	(296,624)
	-208.88%	-0.58%	-412.40%	-185.48%	-112.23%
Selling and Administrative Expenses	-	-	-	-	-
Earnings Before Interest (EBI):	(100,702)	(818)	(104,296)	(90,808)	(296,624)
	-208.88%	-0.58%	-412.40%	-185.48%	-112.23%
Non-operating Revenue and Expense:					
Interest and Non-Operating Revenue:	1,990	(3,201)	5,100	5,230	9,119
Grant Revenue:	4,164	5,721	-	268,496	278,381
Sale of Fixed Assets	-	32,400	-	-	32,400
Interest Transfer From SMC Contingency	4,660	4,846	4,566	4,942	19,014
Interest Expense:	(2,614)	(3,483)	(2,427)	(2,427)	(10,951)
Total Non-operating Revenue & Expense:	8,200	36,283	7,239	276,241	327,963
Net Income:	(92,502)	35,465	(97,057)	185,433	31,339
	-191.87%	25.00%	-383.78%	378.75%	11.86%
Earnings Before Interest and Depreciation (EBIDA):	(23,822)	76,316	(27,480)	(13,992)	11,022
	-49.41%	53.80%	-108.66%	-28.58%	4.17%
Debt Principal Coverage					
Simple Cash Flow (Net Income Plus Depreciation)	(15,622)	112,599	(20,241)	262,249	338,985
Debt Principal	12,446	12,444	12,446	12,446	49,782
Debt Principal Coverage Surplus/Deficit	(28,068)	100,155	(32,687)	249,803	289,203
Debt Principal Coverage Percentage	-125.52%	904.85%	-162.63%	2107.09%	680.94%
Simple Asset Replacement Coverage					
Debt Principal Coverage Surplus/Deficit (From Above)	(28,068)	100,155	(32,687)	249,803	289,203
Depreciation	76,880	77,134	76,816	76,816	307,646
Cash Accumulated For/(Taken From) Asset Replacement	(104,948)	23,021	(109,503)	172,987	(18,443)
Working Capital					
Beginning Undesignated Working Capital	868,938	848,203	898,228	880,416	868,938
Net Income Plus Depreciation Less Principal	(15,622)	112,599	(32,687)	249,803	314,093
CapEx, Accruals, and other Balance Sheet Changes	(5,113)	(62,574)	14,875	(216,107)	(268,919)
Ending Undesignated Working Capital	848,203	898,228	880,416	914,112	914,112
Working Capital Designated for CapEx	25,984	25,984	25,319	262,377	262,377

**Management Information Systems (MIS) Fund
Financial Analysis
As Of, And For the Six-Month Ending December 31, 2015**

The MIS Fund was operated in accordance with plan during the period and financial results were as anticipated.

Interdepartmental billings increased by \$75.0K in comparison to FY2015. This increase was in line with plan and is attributable to increased billing necessary to pay for the costs of the network redesign and other capital projects.

Costs of operations decreased by \$84.9K to \$407.5K, a decrease of 17.3% from FY2015 and \$85.3K, or 17.3%, under plan, a positive variance.

Undesignated Working capital in the MIS Fund increased to (\$61.5K) as of December 31, 2015. This is attributable to the designation of \$572.0K of working capital for capital projects right at the start of the fiscal year. The funds will be recouped throughout the fiscal year when quarterly billings occur; thus undesignated working capital should return to its planned level by the end of FY2016. Total working capital increased by \$113.2K, to \$448.9K as of December 31, 2015.

City and Borough of Sitka
MIS Fund
Income Statement
For The Twelve-Month Period From July 1, 2014 to June 30, 2015
(Unaudited)

	Jul-Sep 2014	Oct-Dec 2014	Jan-Mar 2015	Apr-Jun 2015	FY2015 YTD	FY2014 YTD	Variance To FY2014 YTD	FY2015 Plan (\$/L - 100%)	Variance To FY2015 Plan
Revenue:									
Data Processing Charges	192,896	248,897	196,647	196,647	835,087	778,016	57,071	771,586	63,501
Other Operating Revenue	-	-	-	90,931	90,931	107,138	(16,207)	49,658	41,273
Total Revenue:	192,896	248,897	196,647	287,578	926,018	885,154	40,864	821,244	104,774
Cost of Sales:									
Operations	211,311	232,088	188,952	262,522	894,873	718,445	(176,428)	812,525	(82,348)
Depreciation	24,510	24,510	24,509	31,301	104,830	98,039	(6,791)	104,830	-
Total Cost of Sales:	235,821	256,598	213,461	293,823	999,703	816,484	(183,219)	917,355	(82,348)
Gross Margin:	(42,925)	(7,701)	(16,814)	(6,245)	(73,685)	68,670	(142,355)	(96,111)	22,426
	-22.25%	-3.09%	-8.55%	-2.17%	-7.96%	7.76%	-15.72%	-11.70%	3.75%
Selling and Administrative Expenses	-	-	-	-	-	-	-	-	-
Earnings Before Interest (EBI):	(42,925)	(7,701)	(16,814)	(6,245)	(73,685)	68,670	(142,355)	(96,111)	22,426
	-22.25%	-3.09%	-8.55%	-2.17%	-7.96%	7.76%	-15.72%	-11.70%	3.75%
Non-operating Revenue and Expense:									
Interest and Non-Operating Revenue:	464	3,233	2,352	(4,615)	1,434	7,700	(6,266)	6,439	(5,005)
Interest Expense:	(1,512)	(1,512)	(1,512)	(2,298)	(6,834)	(10,413)	3,579	(6,834)	-
Total Non-operating Revenue & Expense:	(1,048)	1,721	840	(6,913)	(5,400)	(2,713)	(2,687)	(395)	(5,005)
Net Income:	(43,973)	(5,980)	(15,974)	(13,158)	(79,085)	65,957	(145,042)	(96,506)	17,421
	-22.80%	-2.40%	-8.12%	-4.58%	-8.54%	7.45%	-354.94%	-11.75%	3.21%
Earnings Before Interest and Depreciation (EBIDA):	(18,415)	16,809	7,695	25,056	31,145	166,709	(135,564)	8,719	22,426
	-9.55%	6.75%	3.91%	8.71%	3.36%	18.83%	-15.47%	1.06%	2.30%
Debt Principal Coverage									
Simple Cash Flow (Net Income Plus Depreciation)	(19,463)	18,530	8,535	18,143	25,745	163,996	(138,251)	8,324	17,421
Debt Principal	11,478	11,478	11,478	11,892	46,326	44,336	1,990	46,326	-
Debt Principal Coverage Surplus/Deficit	(30,941)	7,052	(2,943)	6,251	(20,581)	119,660	(140,241)	(38,002)	17,421
Debt Principal Coverage Percentage	0.00%	0.00%	0.00%	0.00%	100%	100%	100%	100%	0%
Simple Asset Replacement Coverage									
Debt Principal Coverage Surplus/Deficit (From Above)	(30,941)	7,052	(2,943)	6,251	(20,581)	119,660	(140,241)	(38,002)	17,421
Depreciation	24,510	24,510	24,509	31,301	104,830	98,039	6,791	98,039	6,791
Cash Accumulated For/(Taken From) Asset Replacement	(55,451)	(17,458)	(27,452)	(25,050)	(125,411)	21,621	(147,032)	(136,041)	10,630
Working Capital									
Beginning Undesignated Working Capital	295,306	318,537	344,131	354,174	295,306	327,096	(31,790)	295,306	-
Net Income Plus Depreciation Less Principal	(19,463)	18,530	8,535	18,143	25,745	163,996	(138,251)	8,324	17,421
CapEx, Accruals, and other Balance Sheet Changes	42,694	7,064	1,508	(122,321)	(71,055)	(195,786)	124,731	-	(71,055)
Ending Undesignated Working Capital	318,537	344,131	354,174	249,996	249,996	295,306	(45,310)	303,630	(53,634)
Working Capital Designated for CapEx	55,132	50,441	24,234	-	-	100,176	(100,176)	87,561	(87,561)
Current Assets	447,897	468,800	452,636	312,529					
Current Liabilities	(28,315)	(28,315)	(28,315)	(16,297)					
CPLTD	(45,913)	(45,913)	(45,913)	(46,236)					
WCDFCapex	(55,132)	(50,441)	(24,234)	-					
Undesignated Working Capital	318,537	344,131	354,174	249,996	249,996	295,306	(45,310)		
Total Working Capital	373,669	394,572	378,408	249,996	249,996	395,482	(145,486)		

City and Borough of Sitka
MIS Fund
Income Statement
For The Twelve-Month Period From July 1, 2015 to June 30, 2016
(Unaudited)

City and Borough of Sitka
MIS Fund
Income Statement
For The Twelve-Month Trailing Period Ending December 31, 2015
(Unaudited)

	Jul-Sep 2015	Oct-Dec 2015	Jan-Mar 2016	Apr-Jun 2016	FY2016 YTD	FY2015 YTD	Variance To FY2015 YTD	FY2016 Plan (5/L - 50.00%)	Variance To FY2016 Plan
Revenue:									
Data Processing Charges	308,403	308,403	-	-	616,806	441,793	175,013	614,934	1,872
Other Operating Revenue	779	-	-	-	779	-	779	-	779
Total Revenue:	309,182	308,403	-	-	617,585	441,793	175,792	614,934	2,651
Cost of Sales:									
Operations	225,646	136,206	-	-	361,852	443,399	81,547	447,195	85,343
Depreciation	22,812	22,812	-	-	45,624	49,020	3,396	45,624	-
Total Cost of Sales:	248,458	159,018	-	-	407,476	492,419	84,943	492,819	85,343
Gross Margin:	60,724	149,385	#DIV/0!	#DIV/0!	210,109	(50,626)	260,735	122,116	87,994
	19.64%	48.44%			34.02%	-11.46%	45.48%	19.86%	14.16%
Selling and Administrative Expenses	-	-	-	-	-	-	-	-	-
Earnings Before Interest (EBI):	60,724	149,385	-	-	210,109	(50,626)	260,735	122,116	87,994
	19.64%	48.44%	#DIV/0!	#DIV/0!	34.02%	-11.46%	45.48%	19.86%	14.16%
Non-operating Revenue and Expense:									
Interest and Non-Operating Revenue:	1,847	2,641	-	-	4,488	3,697	791	3,350	1,138
Interest Expense:	(1,104)	(1,104)	-	-	(2,208)	(3,074)	816	(2,208)	-
Total Non-operating Revenue & Expense:	743	1,537	-	-	2,280	673	1,607	1,142	1,138
Net Income:	61,467	150,922	-	-	212,389	(49,953)	262,342	123,258	89,132
	19.88%	48.94%	#DIV/0!	#DIV/0!	34.39%	-11.31%	49.23%	20.04%	14.35%
Earnings Before Interest and Depreciation (EBIDA):	83,536	172,197	-	-	255,733	(1,606)	257,339	167,740	87,994
	27.02%	55.84%	#DIV/0!	#DIV/0!	41.41%	-0.36%	41.77%	27.28%	14.13%
Debt Principal Coverage									
Simple Cash Flow (Net Income Plus Depreciation)	84,279	173,734	-	-	258,013	(933)	258,946	168,882	89,132
Debt Principal	11,887	-	-	-	11,887	27,956	(11,069)	11,887	-
Debt Principal Coverage Surplus/Deficit	72,392	173,734	-	-	246,126	(28,889)	270,015	156,995	89,132
Debt Principal Coverage Percentage	0.00%	0.00%	0.00%	0.00%	100%	100%	100%	100%	0%
Simple Asset Replacement Coverage									
Debt Principal Coverage Surplus/Deficit (From Above)	72,392	173,734	-	-	246,126	(28,889)	270,015	156,995	89,132
Depreciation	22,812	22,812	-	-	45,624	49,020	(3,396)	49,020	(3,396)
Cash Accumulated For/(Taken From) Asset Replacement	49,580	150,922	-	-	200,502	(72,909)	273,411	107,975	92,528
Working Capital									
Beginning Undesignated Working Capital	249,996	(236,297)	(61,459)	(61,459)	249,996	295,306	(45,310)	295,306	(45,310)
Net Income Plus Depreciation Less Principal	84,279	173,734	-	-	258,013	(933)	258,946	168,882	89,132
CapEx, Accruals, and other Balance Sheet Changes	(570,522)	1,104	-	-	(569,418)	49,758	(619,216)	-	(569,458)
Ending Undesignated Working Capital	(236,297)	(61,459)	(61,459)	(61,459)	(61,459)	344,131	(405,590)	464,188	(525,647)
Working Capital Designated for CapEx	572,000	510,356	510,356	510,356	510,356	-	510,356	510,356	-
Current Assets	397,330	510,514	510,514	510,514	510,514				
Current Liabilities	(15,704)	(15,704)	(15,704)	(15,704)	(15,704)				
CLTD	(45,913)	(45,913)	(45,913)	(45,913)	(45,913)				
WCDF/Capex	(572,000)	(510,356)	(510,356)	(510,356)	(510,356)				
Undesignated Working Capital	(236,297)	(61,459)	(61,459)	(61,459)	(61,459)	344,131	(405,590)		
Total Working Capital	335,703	448,897	448,897	448,897	448,897	394,572	54,325		

	Jan-Mar 2015	Apr-Jun 2015	Jul-Sep 2015	Oct-Dec 2015	TTM
Revenue:					
Data Processing Charges	196,647	196,647	308,403	308,403	1,010,100
Other Operating Revenue	-	90,931	779	-	91,710
Total Revenue:	196,647	287,578	309,182	308,403	1,101,810
Cost of Sales:					
Operations	188,952	262,522	225,646	136,206	813,326
Depreciation	24,509	31,301	22,812	22,812	101,434
Total Cost of Sales:	213,461	293,823	248,458	159,018	914,760
Gross Margin:	(16,814)	(6,245)	60,724	149,385	187,050
	-8.55%	-2.17%	19.64%	48.44%	16.98%
Selling and Administrative Expenses	-	-	-	-	-
Earnings Before Interest (EBI):	(16,814)	(6,245)	60,724	149,385	187,050
	-8.55%	-2.17%	19.64%	48.44%	16.98%
Non-operating Revenue and Expense:					
Interest and Non-Operating Revenue:	2,352	(4,615)	1,847	2,641	2,225
Interest Expense:	(1,512)	(2,298)	(1,104)	(1,104)	(6,038)
Total Non-operating Revenue & Expense:	840	(6,913)	743	1,537	(3,793)
Net Income:	(15,974)	(13,158)	61,467	150,922	183,257
	-8.12%	-4.58%	19.88%	48.94%	16.63%
Earnings Before Interest and Depreciation (EBIDA):	7,695	25,056	83,536	172,197	288,484
	3.91%	8.71%	27.02%	55.84%	26.18%
Debt Principal Coverage					
Simple Cash Flow (Net Income Plus Depreciation)	8,535	18,143	84,279	173,734	284,691
Debt Principal	-	11,892	11,887	-	23,779
Debt Principal Coverage Surplus/Deficit	8,535	6,251	72,392	173,734	260,912
Debt Principal Coverage Percentage	0.00%	0.00%	0.00%	0.00%	100.00%
Simple Asset Replacement Coverage					
Debt Principal Coverage Surplus/Deficit (From Above)	8,535	6,251	72,392	173,734	260,912
Depreciation	24,509	31,301	22,812	22,812	101,434
Cash Accumulated For/(Taken From) Asset Replacement	(15,974)	(25,050)	49,580	150,922	159,478
Working Capital					
Beginning Undesignated Working Capital	344,131	354,174	344,131	(142,162)	344,131
Net Income Plus Depreciation Less Principal	8,535	18,143	84,279	173,734	284,691
CapEx, Accruals, and other Balance Sheet Changes	1,508	(122,221)	(570,522)	1,104	(690,281)
Ending Undesignated Working Capital	354,174	249,996	(142,162)	32,676	(61,459)
Working Capital Designated for CapEx	24,234	-	572,000	510,356	510,356

**Central Garage Fund
Financial Analysis
As Of, And For Six-Month Period Ending December 31, 2015**

The Central Garage Fund continues to build back its vehicle sinking fund. At September 30, 2012, the Central Garage Fund's vehicle replacement sinking fund was calculated to be underfunded by approximately \$3,401.4 (\$3.4 million). Since 2012, the underfunding has been improved by \$1,512.0K and now stands at approximately \$1,928.7K. The Central Garage increased the vehicle replacement sinking fund by approximately \$442.3K over the last six months. It is important to note that contributions to the vehicle replacement sinking fund are a flow-through after expenses and are dependent on expenses running in line with plan.

Operating costs were tightly controlled in the first quarter. Costs of operations for the Central Garage fell by \$8.2K in comparison with the same six-month period in FY2015. Compared to plan, operating costs were \$120.9K, or 18.4% less than plan.

Undesignated working capital was \$2,404.9K, despite the designation of \$870.5K in the FY2016 budget for vehicle replacements. Total working capital was \$3,168.5K as of December 31, 2015, a year-over-year increase of \$691.4K.

City and Borough of Sitka
Central Garage Fund
Income Statement
For The Twelve-Month Trailing Period Ending December 31, 2015
(Unaudited)

	Jan-Mar 2015	Apr-Jun 2015	Jul-Sep 2015	Oct-Dec 2015	TTM
Revenue:					
Vehicle Billings	411,540	415,029	332,892	332,892	1,492,353
Other Operating Revenue	-	48,064	68,658	84,845	201,567
Total Revenue:	411,540	463,093	401,550	417,737	1,693,920
Cost of Sales:					
Operations	99,271	171,156	81,229	113,552	465,208
Depreciation	55,980	137,085	98,697	98,698	390,460
Total Cost of Sales:	155,251	308,241	179,926	212,250	855,668
Gross Margin:	256,289 62.28%	154,852 33.44%	221,624 55.19%	205,487 49.19%	838,252 49.49%
Selling and Administrative Expenses	75,682	89,730	77,474	67,575	310,461
Earnings Before Interest (EBI):	180,607 43.89%	65,122 14.06%	144,150 35.90%	137,912 33.01%	527,791 31.16%
Non-operating Revenue and Expense:					
Interest and Non-Operating Revenue:	13,928	12,517	15,277	18,522	60,244
Interest Expense:	(5,000)	(2,500)	(4,375)	(4,375)	(16,250)
Total Non-operating Revenue & Expense:	8,928	10,017	10,902	14,147	43,994
Net Income:	189,535 46.06%	75,139 16.23%	155,052 38.61%	152,059 36.40%	571,785 33.76%
Earnings Before Interest and Depreciation (EBIDA):	236,587 57.49%	202,207 43.66%	242,847 60.48%	236,610 56.64%	918,251 54.21%
Debt Principal Coverage					
Simple Cash Flow (Net Income Plus Depreciation)	245,515	212,224	253,749	250,757	962,245
Debt Principal	12,500	12,500	12,500	12,500	50,000
Debt Principal Coverage Surplus/Deficit	233,015	199,724	241,249	238,257	912,245
Debt Principal Coverage Percentage	0.00%	0.00%	0.00%	0.00%	1924.49%
Simple Asset Replacement Coverage					
Debt Principal Coverage Surplus/Deficit (From Above)	233,015	199,724	241,249	238,257	912,245
Depreciation	55,980	137,085	98,697	98,698	390,460
Cash Accumulated For/(Taken From) Asset Replacement	177,035	62,639	142,552	139,559	521,785
Working Capital					
Beginning Undesignated Working Capital	2,295,838	2,546,354	2,726,158	2,113,769	2,295,838
Net Income Plus Depreciation Less Principal	245,515	212,224	253,749	250,757	962,245
CapEx, Accruals, and other Balance Sheet Changes	5,001	(32,420)	(866,138)	40,404	(853,153)
Ending Undesignated Working Capital	2,546,354	2,726,158	2,113,769	2,404,930	2,404,930
Working Capital Designated for CapEx	180,737	180,737	870,405	763,576	763,576
Total Working Capital	2,727,091	2,906,895	2,984,174	3,168,506	3,168,506

City and Borough of Sitka
Central Garage Fund
Income Statement
For The Twelve-Month Period From July 1, 2014 to June 30, 2016
(Unaudited)

	Jul-Sep 2015	Oct-Dec 2015	Jan-Mar 2016	Apr-Jun 2016	FY2016 YTD	FY2015 YTD	Variance To FY2015 YTD	FY2016 Plan (S/L - 50.00%)	Variance To FY2016 Plan
Revenue:									
Vehicle Billings	332,892	332,892	-	-	665,784	799,104	(133,320)	675,502	(9,718)
Other Operating Revenue	68,658	84,845	-	-	153,503	34,155	119,348	11,844	141,659
Total Revenue:	401,550	417,737	-	-	819,287	833,259	(13,972)	687,346	131,941
Cost of Sales:									
Operations	81,229	113,552	-	-	194,781	173,792	(20,989)	242,944	48,163
Depreciation	98,697	98,698	-	-	197,395	195,952	(1,443)	197,395	-
Total Cost of Sales:	179,926	212,250	-	-	392,176	369,744	(22,432)	440,339	48,163
Gross Margin:	221,624 55.19%	205,487 49.19%	- #DIV/0!	- #DIV/0!	427,111 52.13%	463,515 55.63%	(36,404) -3.49%	247,008 35.94%	180,104 16.20%
Selling and Administrative Expenses	77,474	67,575	-	-	145,049	175,721	30,672	217,740	72,691
Earnings Before Interest (EBI):	144,150 35.90%	137,912 33.01%	- #DIV/0!	- #DIV/0!	282,062 34.43%	287,794 34.54%	(5,732) -0.11%	29,268 4.26%	252,795 30.17%
Non-operating Revenue and Expense:									
Interest and Non-Operating Revenue:	15,277	18,522	-	-	33,799	26,076	7,723	30,000	3,799
Interest Expense:	(4,375)	(4,375)	-	-	(8,750)	(10,000)	1,250	(8,750)	-
Total Non-operating Revenue & Expense:	10,902	14,147	-	-	25,049	16,076	8,973	21,250	3,799
Net Income:	155,052 38.61%	152,059 36.40%	- #DIV/0!	- #DIV/0!	307,111 37.49%	303,870 36.47%	3,241 -23.20%	50,518 7.35%	256,594 30.14%
Earnings Before Interest and Depreciation (EBIDA):	242,847 60.48%	236,610 56.64%	- #DIV/0!	- #DIV/0!	479,457 58.52%	483,746 58.05%	(4,289) 0.47%	226,663 32.98%	252,795 25.54%
Debt Principal Coverage									
Simple Cash Flow (Net Income Plus Depreciation)	253,749	250,757	-	-	504,506	499,822	4,684	247,913	256,594
Debt Principal	12,500	12,500	-	-	25,000	25,000	-	25,000	-
Debt Principal Coverage Surplus/Deficit	241,249	238,257	-	-	479,506	474,822	4,684	222,913	256,594
Debt Principal Coverage Percentage	0.00%	0.00%	0.00%	0.00%	100%	100%	100%	100%	0%
Simple Asset Replacement Coverage									
Debt Principal Coverage Surplus/Deficit (From Above)	241,249	238,257	-	-	479,506	474,822	4,684	222,913	256,594
Depreciation	98,697	98,698	-	-	197,395	195,952	1,443	195,952	1,443
Cash Accumulated For/(Taken From) Asset Replacement	142,552	139,559	-	-	282,111	278,870	3,241	26,961	255,151
Working Capital									
Beginning Undesignated Working Capital	2,726,158	2,113,769	2,404,930	2,404,930	2,726,158	1,991,553	734,605	1,991,553	734,605
Net Income Plus Depreciation Less Principal	253,749	250,757	-	-	504,506	499,822	4,684	247,913	256,594
CapEx, Accruals, and other Balance Sheet Changes	(866,138)	40,404	-	-	(825,734)	(195,537)	(630,197)	(496,200)	(329,534)
Ending Undesignated Working Capital	2,113,769	2,404,930	2,404,930	2,404,930	2,404,930	2,295,838	109,092	1,743,266	661,665
Working Capital Designated for CapEx	870,405	763,576	763,576	763,576	763,576	-	763,576	763,576	-
Current Assets									
Current Liabilities	3,041,612	3,225,473	3,225,473	3,225,473					
CPLTD	(7,438)	(6,967)	(6,967)	(6,967)					
WCDFCapex	(50,000)	(50,000)	(50,000)	(50,000)					
Undesignated Working Capital	(870,405)	(763,576)	(763,576)	(763,576)					
Undesignated Working Capital	2,113,769	2,404,930	2,404,930	2,404,930	2,404,930	2,295,838	109,092		
Total Working Capital	2,984,174	3,168,506	3,168,506	3,168,506	3,168,506	2,477,127	691,379		

**Building Maintenance Fund
Financial Analysis
As Of, And For the Quarter Ending December 31, 2015**

The Building Maintenance Fund continues to operate close to break even on a cash basis. During the 2nd fiscal quarter, total cash flow was approximately (\$8,000) per month, an improvement of \$4,200 per month over FY2015. The goal of the Fund is to first stabilize cash flow to breakeven, then, begin to build a small reserve.

Working capital declined by \$24.3K, to \$1,897.6K. While internal billings had a negative variance to plan of (\$67.6K), costs of operations were substantially under plan for FY2016, a positive variance of \$188.5K.

While substantial improvements have been obtained in its financial performance it is critical that continued focus be placed on controlling expenditures in this Fund in order to keep working capital at or near the target level of \$2.0M.

City and Borough of Sitka
Building Maintenance Fund
Income Statement
For The Twelve-Month Period From July 1, 2014 to June 30, 2016
(Unaudited)

	Jul-Sep 2015	Oct-Dec 2015	Jan-Mar 2016	Apr-Jun 2016	FY2016 YTD	FY2015 YTD	Variance To FY2015 YTD	FY2016 Plan (5/L - 50.00%)	Variance To FY2016 Plan
Revenue:									
Building Maintenance Charges	137,997	152,850	-	-	290,847	189,796	101,051	358,461	(67,614)
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Total Revenue:	137,997	152,850	-	-	290,847	189,796	101,051	358,461	(67,614)
Cost of Sales:									
Operations	165,121	165,689	-	-	330,810	273,397	(57,413)	519,325	188,515
Depreciation	422	422	-	-	844	1,249	(405)	844	-
Total Cost of Sales:	165,543	166,111	-	-	331,654	274,646	(57,008)	520,169	188,515
Gross Margin:	(27,546) -19.96%	(13,261) -8.68%	- #DIV/0!	- #DIV/0!	(40,807) -14.03%	(84,850) -44.71%	44,043 30.68%	(161,708) -45.11%	120,901 31.08%
Selling and Administrative Expenses	27,727	31,037	-	-	58,764	67,213	8,449	76,297	(17,533)
Earnings Before Interest (EBI):	(55,273) -40.05%	(44,298) -28.98%	- #DIV/0!	- #DIV/0!	(99,571) -34.23%	(152,063) -80.12%	52,492 45.88%	(238,005) -66.40%	138,434 32.16%
Non-operating Revenue and Expense:									
Interest and Non-Operating Revenue:	17,967	19,618	-	-	37,585	63,871	(26,286)	35,648	1,937
Interest Expense:	-	-	-	-	-	-	-	-	-
Total Non-operating Revenue & Expense:	17,967	19,618	-	-	37,585	63,871	(26,286)	35,648	1,937
Net Income:	(37,306) -27.03%	(24,680) -16.15%	- #DIV/0!	- #DIV/0!	(61,986) -21.31%	(88,192) -46.47%	26,206 25.93%	(202,357) -56.45%	140,371 35.14%
Earnings Before Interest and Depreciation (EBID):	(54,851) -39.75%	(43,876) -28.71%	- #DIV/0!	- #DIV/0!	(98,727) -33.94%	(150,814) -79.46%	52,087 45.52%	(237,161) -66.16%	138,434 32.22%
Debt Principal Coverage									
Simple Cash Flow (Net Income Plus Depreciation)	(36,884)	(24,258)	-	-	(61,142)	(86,943)	25,801	(201,513)	140,371
Debt Principal	-	-	-	-	-	-	-	-	-
Debt Principal Coverage Surplus/Deficit	(36,884)	(24,258)	-	-	(61,142)	(86,943)	25,801	(201,513)	140,371
Debt Principal Coverage Percentage	0.00%	0.00%	0.00%	0.00%	100%	100%	100%	100%	0%
Simple Asset Replacement Coverage									
Debt Principal Coverage Surplus/Deficit (From Above)	(36,884)	(24,258)	-	-	(61,142)	(86,943)	25,801	(201,513)	140,371
Depreciation	422	422	-	-	844	1,249	(405)	844	-
Cash Accumulated For/(Taken From) Asset Replacement	(37,306)	(24,680)	-	-	(61,986)	(88,192)	26,206	(202,357)	140,371
Working Capital									
Beginning Undesignated Working Capital	1,934,483	1,897,599	1,873,341	1,873,341	1,934,483	2,126,331	(191,848)	2,126,331	(191,848)
Net Income Plus Depreciation Less Principal CapEx, Accruals, and other Balance Sheet Changes	(36,884)	(24,258)	-	-	(61,142)	(86,943)	25,801	(201,513)	140,371
Ending Undesignated Working Capital	1,897,599	1,873,341	1,873,341	1,873,341	1,873,341	2,038,828	(165,487)	1,924,819	(51,478)
Working Capital Designated for CapEx	-	-	-	-	-	-	-	-	-
Current Assets									
Current Assets	1,917,936	1,893,678	1,893,678	1,893,678	1,917,936	2,038,828	(165,487)	1,917,936	(165,487)
Current Liabilities									
Current Liabilities	(20,337)	(20,337)	(20,337)	(20,337)	(20,337)	(20,337)	-	(20,337)	-
CPLTD	-	-	-	-	-	-	-	-	-
WCDFCapex	-	-	-	-	-	-	-	-	-
Total Working Capital	1,897,599	1,873,341	1,873,341	1,873,341	1,873,341	2,038,828	(165,487)	1,924,819	(51,478)

City and Borough of Sitka
Building Maintenance Fund
Income Statement
For The Twelve-Month Trailing Period Ending December 31, 2015
(Unaudited)

	Jan-Mar 2015	Apr-Jun 2015	Jul-Sep 2015	Oct-Dec 2015	TTM
Revenue:					
Building Maintenance Charges	89,903	138,767	137,997	152,850	519,517
Other Operating Revenue	-	91,416	-	-	91,416
Total Revenue:	89,903	230,183	137,997	152,850	610,933
Cost of Sales:					
Operations	112,529	284,926	165,121	165,689	728,265
Depreciation	624	1,433	422	422	2,901
Total Cost of Sales:	113,153	286,359	165,543	166,111	731,166
Gross Margin:	(23,250) -25.86%	(56,176) -24.40%	(27,546) -19.96%	(13,261) -8.68%	(120,233) -19.68%
Selling and Administrative Expenses	28,630	8,930	27,727	31,037	96,324
Earnings Before Interest (EBI):	(51,880) -57.71%	(65,106) -28.28%	(55,273) -40.05%	(44,298) -28.98%	(216,557) -35.45%
Non-operating Revenue and Expense:					
Interest and Non-Operating Revenue:	31,366	9,216	17,967	19,618	78,167
Interest Expense:	-	-	-	-	-
Total Non-operating Revenue & Expense:	31,366	9,216	17,967	19,618	78,167
Net Income:	(20,514) -22.82%	(55,890) -24.28%	(37,306) -27.03%	(24,680) -16.15%	(138,390) -22.65%
Earnings Before Interest and Depreciation (EBID):	(51,256) -57.01%	(63,673) -27.66%	(54,851) -39.75%	(43,876) -28.71%	(213,656) -34.97%
<u>Debt Principal Coverage</u>					
Simple Cash Flow (Net Income Plus Depreciation)	(19,890)	(54,457)	(36,884)	(24,258)	(135,489)
Debt Principal	-	-	-	-	-
Debt Principal Coverage Surplus/Deficit	(19,890)	(54,457)	(36,884)	(24,258)	(135,489)
Debt Principal Coverage Percentage	0.00%	0.00%	0.00%	0.00%	100%
<u>Simple Asset Replacement Coverage</u>					
Debt Principal Coverage Surplus/Deficit (From Above)	(19,890)	(54,457)	(36,884)	(24,258)	(135,489)
Depreciation	624	1,433	422	422	2,901
Cash Accumulated For/(Taken From) Asset Replacement	(20,514)	(55,890)	(37,306)	(24,680)	(138,390)
<u>Working Capital</u>					
Beginning Undesignated Working Capital	2,038,828	2,018,932	1,934,483	1,897,599	2,038,828
Net Income Plus Depreciation Less Principal	(19,890)	(54,457)	(36,884)	(24,258)	(135,489)
CapEx, Accruals, and other Balance Sheet Changes	(6)	(29,992)	-	-	(29,998)
Ending Undesignated Working Capital	2,018,932	1,934,483	1,897,599	1,873,341	1,873,341
Working Capital Designated for CapEx	-	-	-	-	-