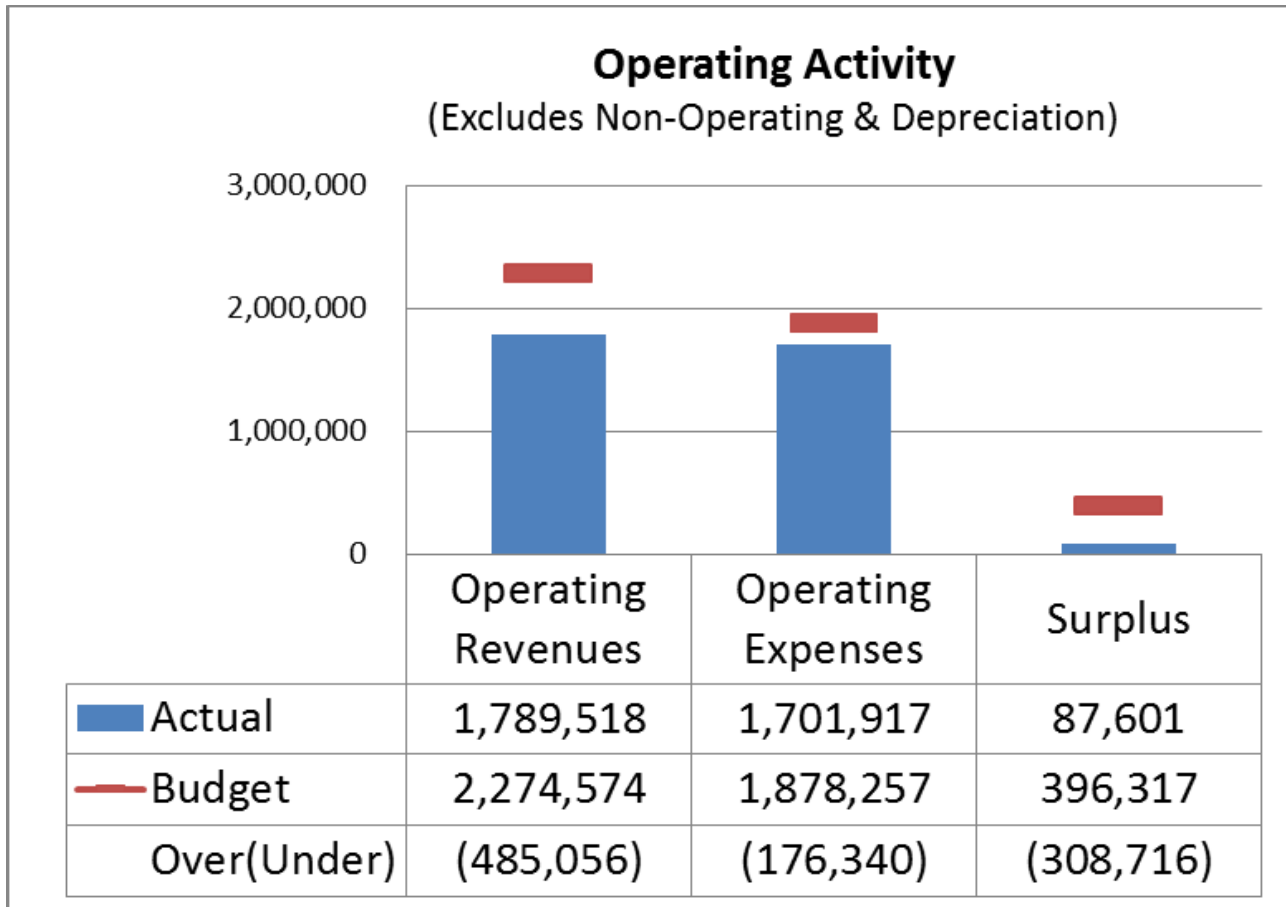

2015 Quarter 1 Financial Review

Presented May 12, 2015

By

Karen Goschen, Deputy Executive Director/Finance Director



Revenues: lower due to decrease in log exports, tanker dockage, rentals

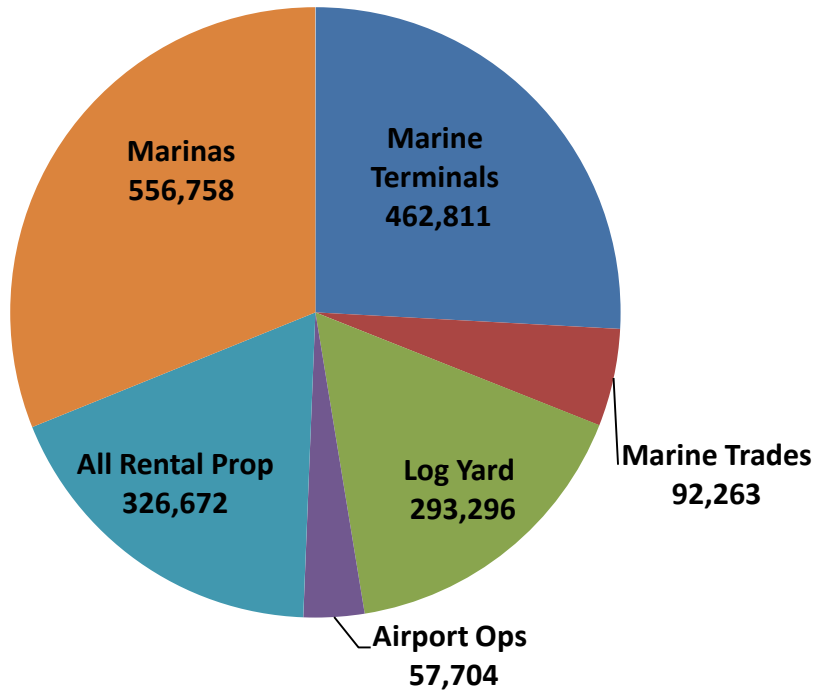
Expenses: lower in MT & LY due to lower activity; under in salaries due to reducing new positions,
lower in other areas due to timing

Annual Surplus History: 2014 = \$2.6M; 2013 = \$2.4M; 2012 = \$1.6M; 2011 = \$1.5M; 2010 = \$.9M

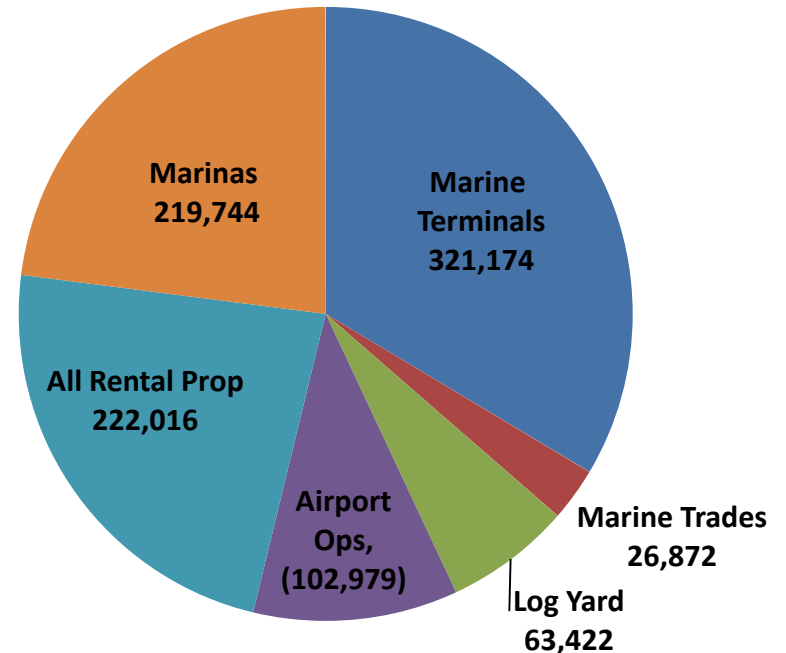
2015 Projected Net Surplus: \$.4 to \$.6 million (Budget = \$1.65M)

2015 Q1 by Line of Business

Operating Revenues \$1,789,518

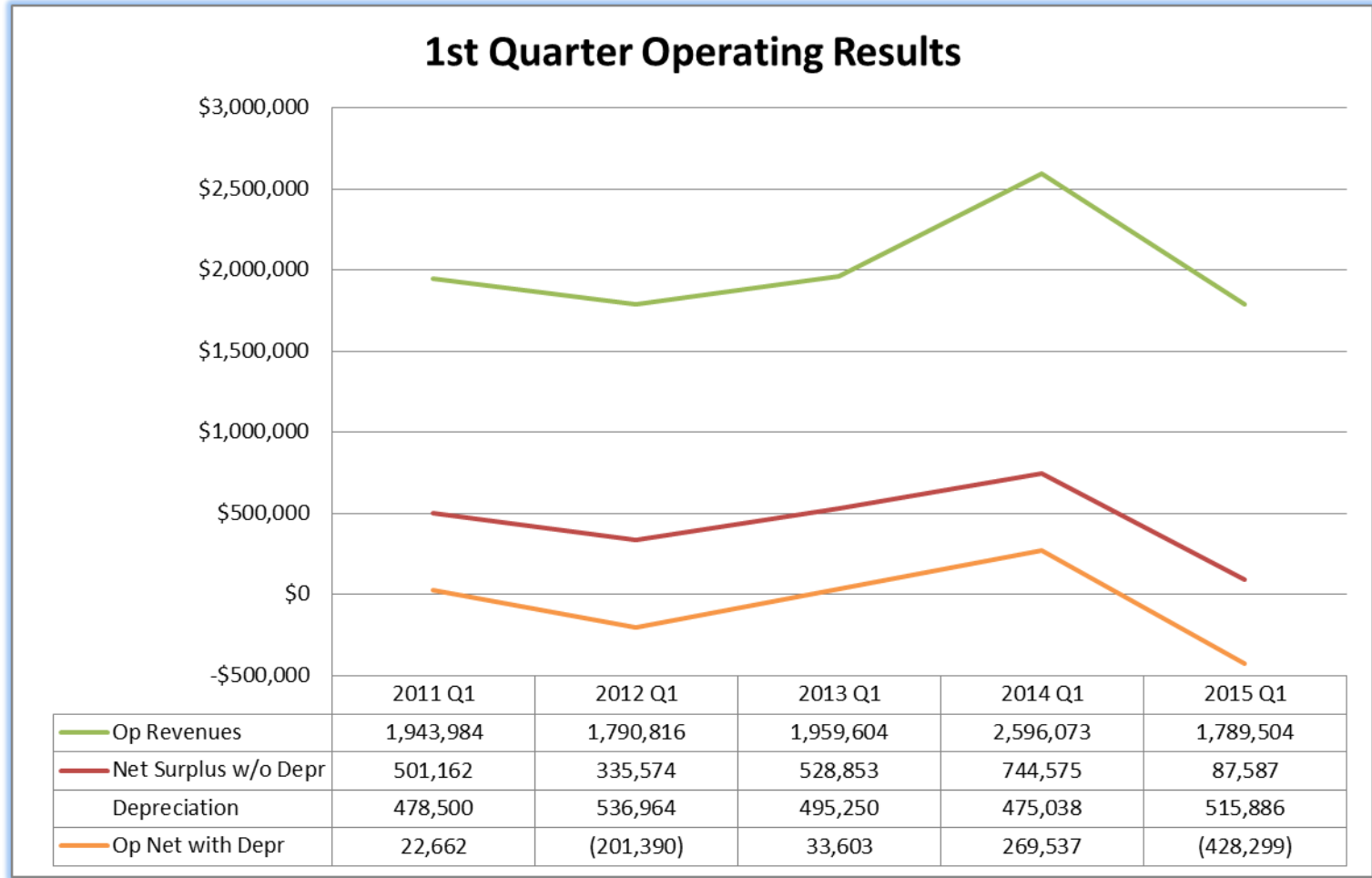


Operating Margin \$750,248
Before Allocated Costs \$662,647
& Depreciation \$515,886

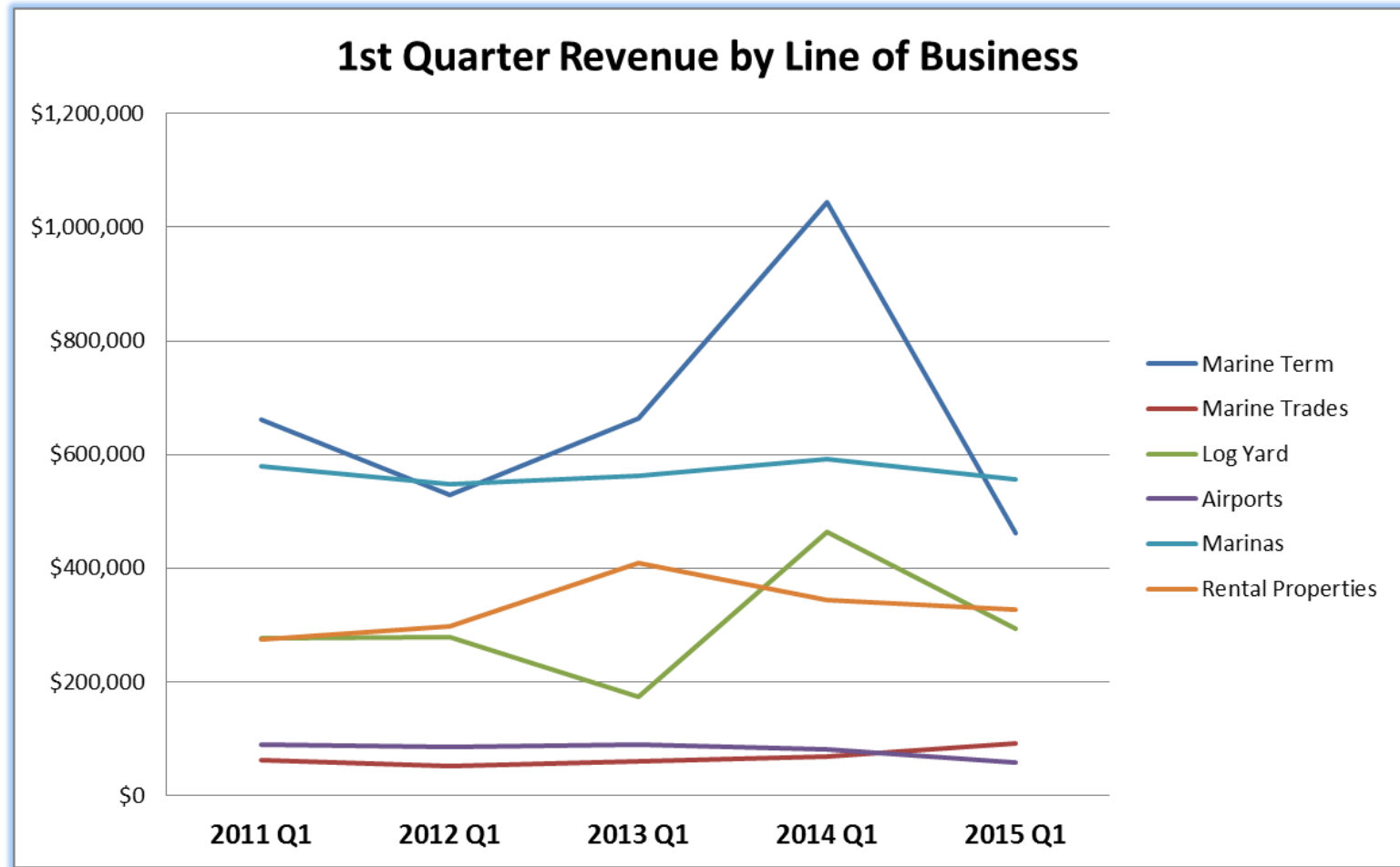


Op Margin %					
MT	69%	LY	22%	RP + ARP	68%
MTA	29%	Airport	(178%)	Marinas	39%

Q1 Trend: Revenues & Net Surplus



Q1 Trend: Revenues by LOBs



MT & LY Activity

- Log export decrease
 - Cyclical and difficult to predict
 - MT revenues decrease more than expenses since dockage and wharfage do not have variable costs
 - LY labor utilization managed by supplementation
 - Lower overtime, lower use of Facilities Maint labor
- LY rafting activity has been good
- MT tanker repair competing with Asia
 - Lower oil prices and labor makes Asia attractive
- MT & LY combined net impact of \$1mil decrease

Marine Trades & Marinas

- Seasonality factors
- Marine Trades expected to meet budget
- Marinas rate rollback
 - Some increase in occupancy
 - Loss of revenues greater than gain from occupancy
 - First quarter is off season
 - Too early to tell if expected to meet budget

Airport Operations

- Hangar rentals slightly lower
- Budget did not include commercial air service
- Unbudgeted Expenses to attract air service
 - \$48k market demand study
 - \$55k marketing new air service
 - (2016: landing fee waivers, other incentives)
 - Unknown costs for TSA or capital improvements
- Expenses will exceed budget

Rental Properties & Airport RP

- Revenues lower but opportunity to meet budget with potential new leases
 - Will know more after second quarter
 - Ongoing negotiations existing and potential tenants
- \$1mil Reclassification for FAA grant compliance
 - Still sorting out some expenses

FAA Compliance

Reclassified 2015 Budgeted Lease Revenues

Lease Revenues	MT	MTA	LY	Airport	Airport RP	PABH	JWM	RP	Total
Budget Book									
Land	28,651	91,810	108,115	192,620	-	8,634		386,600	816,43
Structure	121,708	15,079	21,863	92,907		4,380	52,950	936,474	1,245,36
Total Lease Revenues	150,359	106,889	129,978	285,527	-	13,014	52,950	1,323,074	2,061,79
FAA Grant Compliance									
Land					190,317			(190,317)	-
Structure					839,421			(839,421)	-
Total FAA Changes	-	-	-	-	1,029,738	-	-	(1,029,738)	-
Change between Lines of Business									
Land	600			(161,640)	161,640			(600)	-
Land		(10,260)						10,260	-
Structure	54,000			(3,000)	3,000			(54,000)	-
Total LOB Changes	54,600	(10,260)	-	(164,640)	164,640	-	-	(44,340)	-
Change between Land & Structure									
Land				10,608				(10,260)	34
Land								8,541	8,54
Structure				(10,608)				10,260	(34
Structure								(8,541)	(8,54
Total Account Changes	-	-	-	-	-	-	-	-	-
Reclassified Budget									
Land	29,251	81,550	108,115	41,588	351,957	8,634	-	204,224	825,31
Structure	175,708	15,079	21,863	79,299	842,421	4,380	52,950	44,772	1,236,47
Total Reclassified Budget	204,959	96,629	129,978	120,887	1,194,378	13,014	52,950	248,996	2,061,79

General & Admin

- Maint & BD Expenses expected to be on budget
 - Timing of expenses difficult to predict
 - Mech Maint – sick leave offset by vacant position
 - Facilities Maint – less time in LY, more in maint
 - Bus Dev - under budget items offset by CRTC
- Admin Expenses expected to be less than budget
 - Admin new staff positions reduced
 - Temp process analyst 1 to .5 FTE
 - Purchasing .75 to 0 FTE

NonOperating

- General NonOp
 - Interest and tax receipts expected to be on budget
 - Timing of environmental grants and insurance are difficult to predict, expect recovery to meet budget
 - Insurance litigation costs difficult to predict
- Capital NonOp
 - Grant revenue difficult to predict
 - Property tax receipts expected to be on budget
 - Bond expenses expected to be on budget



Any questions ?