

AMENDMENT #4

OFFERED IN THE HOUSE  
TO: CSHB 284(FIN)

BY REPRESENTATIVE DOOGAN

- 1 Page 27, line 12:
- 2 Delete "10,490,300"
- 3 Insert "2,448,000"
- 4 Delete "8,042,300"
- 5
- 6 Page 27, line 16:
- 7 Delete "2,865,400"
- 8 Insert "1,296,400"
- 9
- 10 Page 27, line 18:
- 11 Delete "7,624,900"
- 12 Insert "1,151,600"

Gardner

Gates

Kanabon

cannot provide launch services for two customers, at the same time, due to launch pad limitations.

In the contract between MDA and AADC, various types of services are reimbursed using different funding formulas. One component of the funding formula for various services is a percentage paid for what is termed "fees or profit." The amount paid for fees and profit depends on the type of service involved. Smaller contracts with other customers may also provide for fees and profit for the corporation.

Fiscal Year	Operating Revenues	Operating Expenses <sup>1</sup>	Gross Operating Income (Loss) <sup>1</sup>	Net Operating Income (Loss) <sup>2</sup>
1993	0	216,000	(216,000)	(221,000)
1994	0	678,000	(678,000)	(690,000)
1995	0	702,249	(702,249)	(717,551)
1996	0	1,076,860	(1,076,860)	(1,104,270)
1997	0	856,478	(856,478)	(880,917)
1998	65,000	852,968	(787,968)	(810,506)
1999	1,266,238	1,725,085	(458,847)	(485,128)
2000	877,797	1,260,897	(383,100)	(409,925)
2001	4,225,231	3,100,614	1,124,617	1,097,633
2002	7,483,866	6,900,950	582,916	(1,160,415)
2003	3,627,954	3,663,516	(35,562)	(1,917,521)
2004	13,902,160	12,282,012	1,620,148	(677,961)
2005	18,321,495	16,464,593	1,856,902	(1,566,424)
2006	17,188,193	16,547,990	640,203	(3,073,566)

For comparability purposes, cooperative agreement revenues and expenses included as operating. <sup>1</sup>Does not include depreciation. <sup>2</sup>Does include depreciation.  
Source: AADC financial statements and State CAFRs

These fees and profit revenues offer the most promising source of possible dividends to the State. However, these funds are used to pay for AADC operational expenses that are not, or cannot be billed to customers. Such expenses are termed "non-billable" by AADC.

The funding of scholarships, business development expenses, and bonuses<sup>15</sup> are examples of non-billable expenditures that were paid from the fees and profits of the corporation. Exhibit 6 summarizes AADC's non-billable expenditures that were paid from AADC's fees and profit by account category for FY 06.

A relatively small dividend can possibly be paid from the fees and profits of the corporation. However, the current operations of the corporation will limit the amount of any periodic dividend payment. This assessment is based on the following:

Account Category Name	Amount
Personal Services	\$ 44,510
Travel	33,267
Services	
scholarship program:	\$100,000
open house functions:	\$ 22,578
space explorers program:	\$ 50,080
employee recruitment:	\$ 25,940
business develop video:	\$126,445
economic impact study:	\$ 47,000
business development:	\$159,309
Total Services	531,352
Supplies	1,540
Furniture and Equipment	20,669
<b>Total</b>	<b>\$ 631,338</b>

Source: AADC financial documents

<sup>15</sup>In FY 06 no bonuses were paid. However, in FY 05 and FY 07, bonuses were captured as a non-billable expenditure under personal services.

# FINANCIALS

## Statement of Revenues, Expenses, and Changes in Net Assets Year Ended June 30, 2011(With Comparative Amounts for 2010)

	<b>2011</b>	<b>2010</b>
Operating revenues	\$ 14,172,047	11,336,598
Operating expenses:		
Personnel services	6,216,905	5,518,223
Travel	377,584	281,822
Contractual services	4,693,657	4,594,975
Supplies	714,715	723,056
Equipment	149,640	198,926
Depreciation and amortization	6,757,410	6,003,661
Total operating expenses	<u>18,909,911</u>	<u>17,320,663</u>
Net operating loss	(4,737,864)	(5,984,065)
Nonoperating revenues:		
Interest income unrestricted	4,533	8,349
PERS relief from State of Alaska	213,174	138,140
Cooperative agreement	23,234	3,112
Total nonoperating revenues	<u>240,941</u>	<u>149,601</u>
Loss before capital contributions	(4,496,923)	(5,834,464)
State of Alaska capital appropriation	-	3,500,000
Capital contributions	2,054,683	3,951,608
Change in net assets	(2,442,240)	1,617,144
Net assets - beginning of the year	<u>93,117,095</u>	<u>91,499,951</u>
Net assets - end of the year	<u>\$ 90,674,855</u>	<u>93,117,095</u>

## FINANCIALS

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Year Ended June 30, 2010

(With Comparative Amounts for 2009)

	2010	2009
Operating revenues	\$ 11,336,598	18,620,231
Operating expenses:		
Personnel services	5,518,223	5,318,685
Travel	281,822	404,154
Contractual services	4,594,975	10,163,075
Supplies	723,056	1,728,930
Equipment	198,926	96,125
Depreciation and amortization	6,003,661	5,876,154
Total operating expenses	<u>17,320,663</u>	<u>23,587,123</u>
Net operating loss	(5,984,065)	(4,966,892)
Nonoperating revenues:		
Interest income unrestricted	8,349	44,114
Gain on disposal of capital assets	-	500
PERS relief from State of Alaska	138,140	355,300
Net pension obligation (NPO) write-off (special item)	-	582,579
Cooperative agreement	3,112	72,372
Total nonoperating revenues	<u>149,601</u>	<u>1,054,865</u>
Loss before capital contributions	(5,834,464)	(3,912,027)
State of Alaska capital appropriation	3,500,000	3,500,000
Capital contributions	<u>3,951,608</u>	<u>1,946,107</u>
Change in net assets	1,617,144	1,534,080
Net assets - beginning of the year	<u>91,499,951</u>	<u>89,965,871</u>
Net assets - end of the year	<u>\$ 93,117,095</u>	<u>91,499,951</u>



# Kodiak Launch Complex – Mission Support History



YEAR	MONTH	SPONSOR	MISSION
1998	NOV	USAF	AIT-1
1999	SEP	USAF	AIT-2
2001	MAR	USAF	QRLV-1
	SEP	NASA/USAF	Kodiak Star
	NOV	USASMDC	STARS WCRRF
2002	APR	USAF	QRLV-2
2004	DEC	MDA	IFT-13C
2005	FEB	MDA	IFT-14
2006	FEB	MDA	FT04-1
	SEP	MDA	FTG-02
2007	MAY	MDA	FTG-03
	SEP	MDA	FTG-03a
2008	JUL	MDA	FTX-03
	DEC	MDA	FTG-05
2010	NOV	USAF	STP S26
2011	SEP	ORS/USAF	TacSat-4

## Additional Details

- AAC has demonstrated that KLC can support vehicle processing and launch operations year round.
- KLC was originally run as a basic launch facility requiring the customer to bring most of their own equipment.

Over time, AAC has taken ownership of most aspects of range operations to include :

- Ground safety
- Communications (Including Classified)
- Meteorology
- Instrumentation
- Launch Operations
- Governmental Coordination

Denotes Winter Launches (~44% of total)

### Note

KLC served as a satellite ground station in support of the NFIRE-2B mission executed at Vandenberg Air Force Base.