



2017 Annual Report to the City of Seattle

Approved March 13, 2018 by the PHPDA Governing Council

2017 Annual Report to the City of Seattle
Pacific Hospital Preservation & Development Authority

Overview

Purpose & Mission

The Pacific Hospital Preservation & Development Authority (PHPDA) is a public development authority established under Seattle Municipal Code 3.110 and a 501(c)(3) organization. In 1981, the City of Seattle chartered the PHPDA, placing in its trust the U.S. Public Health Service Hospital and its campus. The PHPDA purpose (per the revised Charter, as approved by the Mayor of Seattle on July 25, 2011) is to support and provide funding for the provision of the best possible health care to medically underserved communities in the greater Puget Sound area, including those referred through community clinics, those with limited access to medical care, and all others who are in need of charity health care. The PHPDA lease revenues fund these goals and our health mission, through grantmaking.

Report on 2017 Priorities

- *Through a competitive process, award grants to improve access to health resources and improve health outcomes among underserved populations.*
 - The PHPDA awarded major grants to the following agencies for program funding from July 1, 2017 through June 30, 2018 (first half payment made 2017, second half payment made 2018):

AGENCY	AWARD	PROGRAM
Asian Counseling & Referral Service	\$120,000	Provide integrated behavioral and primary health care to Asians/Pacific Islanders
Chief Seattle Club	\$145,000	Weekend Hours at Chief Seattle Club to improve health outcomes for homeless/low-income American Indians/Alaskan Natives
Children’s Alliance	\$75,000	Documenting Health Disparities and Building Capacity for Advocacy among COFA Migrants
Country Doctor	\$170,000	HIV Medical Case Management Program
Downtown Emergency Service Center	\$169,558	Addition of an ARNP and medical assistance to the DESC Emergency Shelter Primary Care Clinic
Economic Opportunity Institute	\$100,000	Convene discussions among policy experts in King County and Washington to develop policies for the preservation and expansion of health coverage
Global to Local	\$170,000	Culturally specific Community Health Worker services and clinical connections for Latino and East African residents of SeaTac/Tukwila
HealthPoint	\$100,000	Enhanced primary care services for non-English and non-Spanish speakers
Hepatitis Education Project	\$115,000	Reduce the burden of Hepatitis C among people who inject drugs, with a focus on people experiencing homelessness and/or housing instability in South Seattle

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International Community Health Svcs.	\$229,423	Access to health care, insurance, and resources for Bellevue-area immigrants
Lutheran Community Services NW	\$140,000	Improve the health and well-being of those seeking, or recently granted, asylum by connecting them to medical care, insurance, mental health counseling
Navos	\$210,000	Health care access and outcomes for low-income adults with serious mental illness
Open Arms Perinatal Services	\$95,000	Trained and hired new doulas from the African-American and Native communities
Project Access NW Medical	\$157,500	Access for low-income residents needing medical specialty care services
Planned Parenthood	\$136,000	Increase access to Long Acting Reversible Contraceptives to uninsured, underinsured and vulnerable women
Renton Area Youth & Family Services	\$80,000	Increase access to health services by placing a Medical Provider and Behavioral Health Therapist in the Cynthia A. Green Health Center twice weekly in Skyway
Ryther	\$150,000	Partnership with YouthCare to create a new Behavioral Health Team which will greatly reduce barriers faced by homeless youth
Sea Mar Community Health Centers	\$184,710	Integrated Behavioral Health Services for Des Moines Health & Housing campus
Seattle Children's Hospital Foundation	\$180,000	One-day-per-week clinic with a multidisciplinary approach to improve access to care for transgender youth
YWCA Seattle King Snohomish – Healthy Birth Outcomes	\$104,565	Reduce poor birth outcomes among low income women
YWCA Seattle King Snohomish – Passage Point	\$73,246	Increase effective access to health care services and health needs to individuals exiting the corrections system
TOTAL	\$2,905,002	

- o The Nimble Fund awarded grants to the following agencies for a contract year of January 1, 2017 to December 31, 2017:

AGENCY	AWARD	PROGRAM
Lifelong	\$25,000	Medically specific meals and telephone wellness checks to low income isolated individuals discharging from hospitals in South King County
The Hope Heart Institute	\$25,000	Training underserved Latina Promotoras in basic and instructor CPR/AED, and ongoing Promotora-led CPR/AED trainings in Spanish
Seattle University School of Nursing	\$25,000	Partner with nearby St. Francis House to open a foot care clinic to serve their

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		homeless population
TOTAL	\$82,733	

- The Nimble Fund awarded grants to the following agencies for a contract year of April 1, 2017 to March 31, 2018:

AGENCY	AWARD	PROGRAM
Food Lifeline	\$30,000	Pilot in partnership with Sea Mar Community Health Centers to improve and measure the food security and diabetes management of an underserved population
Horn Of Africa Services	\$29,241	Provide 10 East African home childcare providers with information and practical training about healthy eating best practices
Northwest Health Law Advocates	\$30,000	Monitor the impact of federal and state changes on health care programs for low-income individuals, analyze the impacts on immigrants, develop and distribute information
SHAG Community Life Foundation	\$18,175	Identify, assess, and report findings on top barriers to medication access and effective use for SHAG senior residents from disadvantaged communities
TOTAL	\$78,175	

- The Nimble Fund awarded grants to the following agencies for a contract year of October 1, 2017 to September 31, 2018:

AGENCY	AWARD	PROGRAM
Compass Housing Alliance	\$30,000	Collect data about the unique characteristics and health/service gaps and needs of homeless and formerly homeless elderly individuals
Entre Hermanos	\$30,000	PrEP Analytical Study on LGBTQ Latinos
King County Sexual Assault Resource Center	\$23,176	Developing a Spanish-language Adult Survivors of Childhood Sexual Abuse Group Therapy curriculum
TOTAL	\$71,676	

- Explore additional funding avenues and mechanisms to further PHPDA's mission and strategic goals.
 - The PHPDA is currently engaged in developing housing and social services on the North Lot of the Pacific Tower campus. We have explored the potential for revenue generation from this project that would be channeled back into PHPDA healthcare grants to the community.
- Provide financial stewardship by managing the Pacific Tower property and the revenues from long-term tenants in a responsible manner.

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- The PHPDA has two long-term leases: with the Washington State Department of Commerce (DOC) and Pacific Medical Centers, for clinic space in Pacific Tower and health-related administrative space in the Quarters buildings.
- Both leases remain active with regular lease and operating cost payments made on time per lease schedules.
- Income from leases and operating cost reimbursements, as well as all PHPDA expenses, are regularly monitored by the Finance Committee and Governing Council.
- Participate in key local and regional health policy and planning workgroups and collaborations.
 - PHPDA staff regularly attend meetings and events hosted by Seattle-King County Public Health, Philanthropy Northwest, and other groups working on health policy and philanthropy in the area. The Executive Director participates in the Health Philanthropy Partnership, a new group focusing specifically on health funding in Washington State.
- Work with pre-development consultant to further entitlement of the North Lot
 - The PHPDA contracted with Barrientos LLC to conduct RFP processes leading to assembling a team of architects, landscape designers, arborists, engineers, and other professionals to move forward the design process on the North Lot. A Master Use Permit was submitted to the City in November 2017. We are currently awaiting the City's response.
- Contract with ICHS and Kin On to determine the parameters of their senior program on the North Lot
 - ICHS and KinOn have participated in planning activities and are moving forward in identifying funding for the AiPACE program they will be siting on the North Lot.
- Begin the process of identifying potential funding entities, development partners, and tenant programs in the North Lot's housing structures.
 - The PHPDA is working with the Seattle Chinatown-International District PDA (SCIDpda) as a potential sub-lessee on the entire project. We are also working with SCIDpda to identify other potential sources of public and private funding to support the project.

Summary of Key 2017 Activities

Continuing the development of our grantmaking program, we awarded almost \$3 million total for Major Grant contracts beginning July 1, 2017 (and continuing into 2018) and approximately \$225,000 in Nimble Fund grant awards.

The funding priorities for our Major grants were:

- Projects that address cultural, linguistic, economic, and other access barriers to successful utilization of medical and other services, including projects that improve health literacy among the populations to be served.
- Projects that focus on ensuring access for underserved eligible populations and communities to health resources and services provided by the Affordable Care Act.
- Projects that provide services and/or increase access to services among populations and communities who are not eligible to receive services under the Affordable Care Act.
- Projects that provide services that are not covered, in part or fully, under the Affordable Care Act.

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The funding priorities for our Nimble Fund grants were:

- Short term, time-limited projects
- Infrastructure and capacity development
- Planning
- Technology improvement
- Training, including internal staff training and external community trainings/educational events
- Policy and advocacy work

As noted above, the PHPDA has devoted a great deal of time and energy to the North Lot development project in 2017. In addition to working with our pre-development consultant and design team, we also conducted community meetings with the Beacon Hill community, Pacific Tower tenants, and key elected and community stakeholders to gather input on the project’s design and function. Architectural and landscaping plans have been developed and approved in Early Design Review, followed by submission of a Master Use Permit to the City in November 2017.

Financial Stewardship

Clark Nuber completed the 2016 external audit and reported compliance with policies and procedures. The 2017 external audit is scheduled for April-May 2018. The State Auditor conducted the 2014-2015 audit in Fall 2016. The PHPDA received a clean audit report. The 2016-2017 PHPDA State audit is expected in Fall 2018.

The PHPDA’s Finance Committee reviewed financial statements on a monthly basis, with the full Governing Council reviewing them quarterly. On a quarterly basis, the Treasurer reviewed credit card expenditures, the check register, employment tax payments, and retirement contributions. Financial policies are continually reviewed and updated, and new policies developed.

Additionally, the Finance Committee tracked investments on a monthly basis, making investment decisions accordingly.

2017 PHPDA Council Members & Officers

The PHPDA is governed by a board of nine appointed members.

Council Member	Position(s)	Employment	Term Ends	Appointing Authority
Mike Heinisch	Council Chair, Program Committee Member	Kent Youth & Family Services	December 2017	Governing Council
Nancy Sugg	Council Vice-Chair, Program Committee Chair	Dept. of Medicine, Harborview & the Pioneer Square Clinic	December 2019	Governing Council
Judy Tobin	Council Secretary, Program Committee Member	Community Volunteer	December 2018	Governing Council
Teresa Mosqueda	Program Committee Member	WA State Labor Council, AFL-CIO	December 2018	County Exec
Tony	Council Treasurer,	South King County	December	Governing

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McLean	Finance Committee Chair	CHI Franciscan Health	2019	Council
Sue Taoka	Finance Committee Member	Craft3	December 2019	Mayor
Ellie Menzies	Program Committee Member	Community Volunteer	December 2018	Mayor
Doris Koo	Finance Committee Member	Yesler Community Collaborative	December 2017	Mayor
Susan Crane	Finance Committee Member	SkillUp Washington	December 2017	Mayor
Jeff Natter	Executive Director			

Financial Information

Operating Budget

The PHPDA 2017 Operating Budget was approved on December 13, 2016. The PHPDA has no capital budget.

Revenues:	\$6,554,062*
Operating Expenses:	\$3,325,537*
Grants/Projects/Services:	\$3,227,452
Depreciation (non-cash):	\$762,585

*A portion of the PHPDA's revenues and operating expenses are pass-through costs paid by the PHPDA and reimbursed by tenants.

PHPDA revenue sources in 2017 were: 1) rental income from long-term tenants, Department of Commerce and Pacific Medical Centers; 2) lessee tax reimbursements, 3) interest income, 4) parking lot income from daily and contract parking on the North Lot, and 5) lessee reimbursement of property operating, management, and other expenses. As of December 31, 2017, the PHPDA holds \$5,038,960 in the Pacific Tower and Property Reserve Fund.

The PHPDA's Crime Coverage insurance policy protects the PHPDA from theft and loss of/damage to money, securities and other property sustained by PHPDA officers and staff.

List of Depositories

As of December 31, 2017, PHPDA monies are deposited in a Columbia Bank checking account. Additional monies are invested in the State & Local Government Investment Pool and a CD with Sound Community Bank.

Certified Statement of Assets, Liabilities, Income, and Expenses for 2015 and 2016

The December 31, 2016 PHPDA Financial Statements and Schedules (with Independent Auditors' Report thereon) were transmitted to the City of Seattle in June 2017. The 2017 Audit will be transmitted upon completion.

Priorities for 2018

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- Through a competitive process, award grants to improve access to health resources and improve health outcomes among underserved populations.
- Provide financial stewardship by managing the Pacific Tower property and the revenues from long-term tenants in a responsible manner.
- Participate in key local and regional health policy and planning workgroups and collaborations, as well as groups working in the philanthropic sector.
- Finalize leasing strategies for the North Lot housing (affordable, workforce, and/or market rate)
- Complete architectural and landscape design of the North Lot project
- Finalize Memoranda of Agreements and leases with North Lot project partners (SCIDpda, AiPACE, El Centro)
- Complete all necessary permitting processes for the project
- Identify initial potential array of public and private funding necessary to sustain the project
- Potential break ground on the project in late 2018.

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Attachments

- 1. Certificates of Insurance**
- 2. PHPDA 2017 Operating Budget**
- 3. Resolution 21-2016, approving the 2017 Operating Budget**



EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)
06/02/2017

THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

AGENCY Kibble & Prentice, a USI Co 601 Union Street, Suite 1000 Seattle, WA 98101		PHONE (A/C, No, Ext):	COMPANY See Below	
FAX (A/C, No): 877-678-5844	E-MAIL ADDRESS:			
CODE:	SUB CODE:			
AGENCY CUSTOMER ID #: 581221			LOAN NUMBER N/A	POLICY NUMBER See Below
INSURED Pacific Hospital Preservation & Development Authority 1200 12th Ave S., Qtrs 2 Seattle, WA 98144			EFFECTIVE DATE 06/01/17	EXPIRATION DATE 06/01/18
			<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED	
THIS REPLACES PRIOR EVIDENCE DATED:				

PROPERTY INFORMATION

LOCATION/DESCRIPTION
1200 12th Ave S., Seattle, WA 98144

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION

COVERAGE/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Company: Affiliated FM Insurance Company Policy Number: TK732 Coverage: Special Form, including Theft. Replacement Cost. Agreed Value (No Co-insurance). Equipment Breakdown. Blanket Limit on Buildings, Business Personal Property, and Business Income/Rental Value	\$86,900,000	\$10,000
Earthquake Coverage: Company: Beazley (Lloyds London) Policy Number: W15ADC170401 - continued on page 2		

REMARKS (Including Special Conditions)

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

NAME AND ADDRESS Pacific Hospital Preservation and Development Authority 1200 12th Ave S, Qtrs 2 Seattle, WA 98144	<input type="checkbox"/> MORTGAGEE	<input type="checkbox"/> ADDITIONAL INSURED
	<input type="checkbox"/> LOSS PAYEE	
	LOAN #	
AUTHORIZED REPRESENTATIVE 		

COVERAGE INFORMATION (Continued from page 1.)

COVERAGE/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Coverage: Earthquake and Flood for the Towers Building and Garage Limit on Buildings and Business Income	\$10,000,000	5%
 Company: Evanston Insurance Company Policy Number: MKLV14XP006655 Coverage: \$10,000,000 Excess Earthquake and Flood above the underlying policy with Beazley	 \$10,000,000	

12/13/2016

Pacific Hospital Preservation and Development Authority (PHPDA)

RESOLUTION NO. 21-2016

WHEREAS Article VII, Section 2 of the Charter of the Pacific Hospital Preservation and Development Authority (the "PHPDA") requires that the PHPDA Council adopt an annual operating budget;

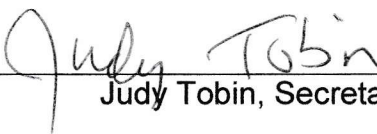
WHEREAS the PHPDA Finance and Planning Committees have reviewed the proposed 2017 operating budget and assumptions and have recommended adoption of the 2017 operating budget in the form attached hereto as Exhibit A;

WHEREAS the PHPDA Governing Council has reviewed the recommended budget in an open public meeting;

THEREFORE, BE IT RESOLVED that the 2017 Operating Budget is hereby adopted and approved by the PHPDA Governing Council.

COUNCIL, PACIFIC HOSPITAL PRESERVATION & DEVELOPMENT AUTHORITY

BY: 
Mike Heinisch, Chair

BY: 
Judy Tobin, Secretary

Adopted by the vote of a majority of the members of the Pacific Hospital Preservation & Development Authority Governing Council, present at a meeting held on December 13, 2016 at which a quorum was present.

Exhibit A

PHPDA 2017 Operating Budget

<u>Income/revenues</u>	<u>2016 Budget</u>	<u>2016 Projected</u>	<u>2017 Budget</u>
RENTAL REVENUES			
Dept. of Commerce Lease	\$2,614,499	\$2,614,499	\$2,692,934
WRC North Lot Lease	\$223,416	\$223,416	\$0
PacMed Lease	\$945,624	\$945,624	\$945,624
North Lot parking income			\$80,000
Total Rental Revenues	\$3,783,539	\$3,783,539	\$3,718,558
<u>Income/revenues</u>	<u>2016 Budget</u>	<u>2016 Projected</u>	<u>2017 Budget</u>
OTHER REVENUE			
Tower Operating reimbursement from PMC	\$703,810	\$750,000	\$729,610
N Lot Operating reimbursement	\$2,400	\$1,500	\$0
Quarters building insurance reimbursement from PMC	\$18,000	\$17,000	\$18,000
Operating reimbursement from DOC	\$1,796,398	\$2,100,000	\$2,027,894
Project Management fee	\$13,600	\$5,000	\$0
Interest earnings	\$15,000	\$40,000	\$30,000
Other income	\$10,000	\$0	\$0
Total Other Revenue	\$2,559,208	\$2,913,500	\$2,805,504
Tax re-imburement			
Property Tax	\$27,500	\$29,000	\$30,000
Total Tax Reimbursement	\$27,500	\$29,000	\$30,000
Total Rev/Income	\$6,370,247	\$6,726,039	\$6,554,062
<u>Expense</u>	<u>2016 Budget</u>	<u>2016 Projected</u>	<u>2017 Budget</u>
Professional services			
External audit	\$22,000	\$21,500	\$22,500
State audit	\$9,500	\$9,500	\$2,000
Legal	\$85,000	\$90,000	\$40,000
Accounting	\$18,500	\$18,600	\$19,500
Payroll services (ADP)	\$1,950	\$1,924	\$2,000
Board retreat facilitator	\$0	\$5,000	\$0
Cultural competency consultant			\$10,000
Real Estate Professional Advisors	\$40,000	\$28,000	\$5,000
Government Relations Consultant	\$3,000	\$0	\$1,500
Total professional services	\$179,950	\$174,524	\$102,500

PHPDA 2017 Operating Budget

<u>Expense</u>	<u>2016 Budget</u>	<u>2016 Projected</u>	<u>2017 Budget</u>
Consultants			
Communications Consultant	\$5,000	\$8,000	\$15,000
IT support	\$8,000	\$9,000	\$9,000
Graphic Design	\$1,300	\$1,500	\$1,000
Website Developer	\$500	\$250	\$500
Total consultants	\$14,800	\$18,750	\$25,500
<u>Expense</u>	<u>2016 Budget</u>	<u>2016 Projected</u>	<u>2017 Budget</u>
Operations			
Salaries & Benefits			
Executive Director	\$116,699	\$116,699	\$120,200
Other staff salaries	\$160,580	\$152,283	\$160,136
Total Salaries	\$277,279	\$268,982	\$280,336
Health insurance	\$21,600	\$20,400	\$23,350
Dental insurance	\$3,120	\$3,000	\$3,000
403(b) contributions (3% of salary)	\$8,318	\$8,069	\$8,410
L&I insurance	\$1,280	\$1,280	\$1,340
Social security/Medicare	\$21,212	\$20,577	\$21,446
Life and disability insurance	\$6,900	\$6,660	\$6,900
Other benefits	\$3,600	\$3,564	\$3,650
Total Salaries & Ben	\$343,309	\$332,532	\$348,432
<u>Expense</u>	<u>2016 Budget</u>	<u>2016 Projected</u>	<u>2017 Budget</u>
Operating			
Tower Insurance	\$225,000	\$195,000	\$210,000
Quarters Insurance	\$18,000	\$17,000	\$18,000
Tower Operating	\$2,241,228	\$2,800,000	\$2,517,705
Small Equipment	\$4,000	\$10,000	\$8,000
Grant Software and Licensing	\$4,800	\$4,800	\$5,100
Supplies	\$7,500	\$4,000	\$5,000
Quarters 2 Repairs & maintenance	\$8,000	\$6,000	\$8,500
Printing & Publicity	\$3,500	\$2,000	\$2,000
Postage	\$1,500	\$500	\$500
Telephone	\$4,200	\$4,200	\$4,500
Internet service	\$1,500	\$1,800	\$1,800
Meals/Catering	\$5,200	\$6,500	\$7,000
Travel + parking	\$2,500	\$2,500	\$3,000
Dues & Subscriptions	\$6,500	\$7,000	\$7,500
Insurance (Commercial, D&O)	\$14,500	\$11,500	\$12,500
Professional development	\$4,500	\$2,500	\$4,000
Bank fees	\$1,000	\$800	\$1,000
Misc.	\$3,200	\$130,000	\$3,000
Total Oper Exp	\$ 2,556,628	\$ 3,206,100	\$ 2,819,105

PHPDA 2017 Operating Budget

TOTAL professional services, consultants, S + B, operations	<u>\$ 3,094,687</u>	<u>\$ 3,731,906</u>	<u>\$ 3,295,537</u>
<u>Expense</u>	<u>2016 Budget</u>	<u>2016 Projected</u>	<u>2017 Budget</u>
Major grants	\$2,785,542	\$2,693,000	\$2,999,952
Nimble Fund	\$225,000	\$225,000	\$225,000
Pooled funding	\$0	\$0	\$0
Contracted Evaluation Services	\$6,000	\$1,250	\$2,500
Total Program	<u>\$3,016,542</u>	<u>\$2,919,250</u>	<u>\$3,227,452</u>
Pass-Through Tax Expenses			
Property Tax	\$27,500	\$29,000	\$30,000
Total Pass-Through Expenses	<u>\$27,500</u>	<u>\$29,000</u>	<u>\$30,000</u>
Total Expenses	<u>\$ 6,138,729</u>	<u>\$ 6,680,156</u>	<u>\$ 6,552,989</u>
Depreciation	\$775,757	\$775,757	\$762,585
Net before depreciation	\$231,518	\$45,883	\$1,073
Deposited into Pacific Tower and Property Reserve Fund	<u>\$225,000</u>	<u>\$275,000</u>	<u>\$0</u>
ADJUSTED NET BEFORE DEPRECIATION	\$6,518	-\$229,117	\$1,073
Use of previous years' income			
TOTAL	\$6,518	-\$229,117	\$1,073