

**Wastewater Equipment Rental Revolving Fund
2007 Financial Plan**

	2005 Actual ¹	2006 Adopted	2006 Estimated ²	2007 Adopted	2008 Projected ³	2009 Projected ³
Beginning Fund Balance	4,769,091	3,842,236	4,142,061	3,502,959	3,419,715	3,512,662
Revenues						
* Investment Interest	130,252	118,719	118,719	118,719	140,661	120,128
* Sale of Equipment	61,268	142,208	142,208	125,205	117,663	260,208
* Other Miscellaneous Revenues	29,230	15,000	15,000	15,000	15,450	15,914
* Vehicle Rental Revenues	1,689,299	1,814,169	1,814,169	1,903,780	2,018,007	2,139,087
Total Revenues	1,910,050	2,090,096	2,090,096	2,162,704	2,291,781	2,535,336
Expenditures						
* Operating and Maintenance	(895,373)	(830,125)	(830,125)	(993,896)	(1,022,202)	(1,052,868)
* Capital Equipment Replacement	(1,641,956)	(1,422,079)	(1,422,079)	(1,252,052)	(1,176,631)	(2,602,075)
* 2005 - 2006 Carryover Encumbrances			(204,610)			
Total Expenditures	(2,537,329)	(2,252,204)	(2,456,814)	(2,245,948)	(2,198,833)	(3,654,943)
Estimated Underexpenditures						
Other Fund Transactions						
* Transfer of capital funds ⁵		(272,384)	(272,384)			
* Other Fund Transactions (per Loren Burt)	249					
Total Other Fund Transactions	249	(272,384)	(272,384)	0	0	0
Ending Fund Balance	4,142,061	3,407,743	3,502,959	3,419,715	3,512,662	2,393,055
Reserves & Designations						
* Allowance for Inventory	(2,834)	(1,658)	(1,658)	(1,708)	(1,759)	(1,812)
* Contingency for Capital Improvement	(61,266)	(62,703)	(62,703)	(64,881)	(68,753)	(76,060)
* 2005-2006 Carryover Encumbrances	(204,610)					
Total Reserves & Designations	(268,710)	(64,362)	(64,361)	(66,589)	(70,512)	(77,872)
Ending Undesignated Fund Balance	3,873,351	3,343,382	3,438,598	3,353,126	3,442,150	2,315,183
Projected Fleet Replacement Cost (PFRC)	14,635,080	15,963,787	15,963,787	18,041,225	18,582,462	19,139,936
Percent of Proj. Fleet Repl. Cost	26%	21%	22%	19%	19%	12%
Target Fund Balance - 10% of PFRC ⁴	1,463,508	1,596,379	1,596,379	1,804,123	1,858,246	1,913,994
Target Fund Balance - 20% of PFRC	2,927,016	3,192,757	3,192,757	3,608,245	3,716,492	3,827,987

Financial Plan Notes:

¹ 2005 Actuals are from the 2005 CAFR.

² 2006 Estimated is based on annualized revenue and expenditure report.

³ 2008 and 2009 Projected are based on the following assumptions:

- a) Assumes 4% annual percentage rate on investment earnings.
- b) Assumes sale of equipment is 10% of annual capital expenditures.
- c) Assumes 3% annual increase in miscellaneous revenues as well as in operating and maintenance costs.
- d) Capital expenditures are based on replacement schedule based on established replacement standards for each type of vehicle.
- e) Contingency for capital improvement is estimated at 3% of annual revenues.

⁴ Target Fund Balance, as recommended by the County Auditor, is equal to a range of 10% to 20% of the Projected Replacement Cost of the Fleet (PFRC).

⁵ Share of Orcas St. O&M and tenant improvement Costs