

Financial Information

Financial information previously provided has been substantially enhanced.

First and foremost, the amount of Cash in the bank has been increased to \$64,326.90. This has been done by removing some equity from another company which I own and placing the additional equity into this venture.

Further to this I have completed the purchase of assets belonging to Canadian company which was formerly involved in waste disposal services in the Vancouver area. This purchase was made by my family's money in Canada and those assets will be moved into this operation in my name and be considered part of my capital. These assets include a roll off container truck, and 6 containers, all in very good condition and with significant life expectancy.

As previously indicated, private back up financing has been made available in the amount of USD\$50,000.00 and a letter of commitment is attached to this submission.

Total capital outlay for items that require purchasing for startup will be approximately \$66,900.00 which means that we will have to use some of our financing to fund operating costs for the first month or so.

I will not be taking a salary from this company until such time as it is firmly on its feet and functioning properly. I believe that the assumptions which follow are conservative and that after the first year of operations we will be well on our way to being a strong member of the Point Roberts business community.

Budget Assumptions

Revenue:

Commercial Customers: \$10,500 per month; based on 31 commercial customers requiring twice weekly collection of 1 ½ yard containers - \$346.55 per month each. *(NB. not all customers will require twice weekly collection however, there are several commercial customers who have more than 1 container and require multiple pickups)*. This revenue amount is consistent with the previous collector's revenue stream for this category. ***(Note: the previous collector's revenue for this category for 2007 averaged \$12,840.00 per month based on their annual report to the WUTC)***

Residential Customers: \$6,000.00 per month; based on 335 residential customers requiring weekly collection of 32 gallon cans - \$20.90 per month each. *(NB. This calculation would provide for revenue of \$7,000.00 per month, and it is recognized that not all residential*

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customers receive weekly collection services therefore the amount has been tempered in order to allow for those customers who receive service every other week) This revenue amount is also consistent with the previous collector's revenue stream for this category. (Note: the previous collector's revenue for this category for 2007 averaged \$5,810.00 per month based on their annual report to the WUTC)

Residential Recycling: \$1760.00 per month; based on 335 residential customers receiving every other week recycling – \$5.33 per month. **(Note: the previous collector's revenue for this category for 2007 averaged \$1,820.00 per month based on their annual report to the WUTC)**

Pass through Disposal: N/A

Other Income: N/A

Expenses

Administration

Ads: Advertising in the local paper or other applicable venue.

Computer: \$250.00 per month; Depreciation expense for Computer, printer and industry software programs (Wastebooks). \$3600.00 depreciated over 24 months plus additional for printer cartridges and possible purchase of a mobile data entry device for the driver to streamline data input requirements.

Contract Financial Services: \$1000.00 per month; Kinsey Reports (outline attached) to provide all bookkeeping services at \$25.00 per hour. Roughly 6 hours per week, so around \$650.00 per month. Data entry clerk at \$12.00 per hour roughly 7 hours per week on average.

Insurance: 75.00 per month for Commercial General Liability Policy. Actual policy billing has been received and budgeted amount revised

Licenses and Regulatory Fees: \$300.00 per month; WUTC annual assessment etc.

Postage: \$150.00 per month; billing and other mail – reduced by half in consideration of bi-monthly billing

Printing and Reproduction: \$200.00 per month, billing and other correspondence cost for paper stock and notices.

Supplies, Business: \$250 per month; miscellaneous office supplies.

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Telephone: \$150.00 per month; telephone service and internet connection as well as website hosting.

Direct Labor

Full Time: \$3900 per month; 1 fulltime employee (driver) CDL qualified. \$22.50 per hour based on a 40 hour work week. 2080 hours per year divided by 12.

Part Time: \$1,600.00 per month; 1 part time employee (swamper). \$18.50 per hour based on a 20 hour work week.

Indirect Labor

CDL Expense: \$30.00 per month; any associated expense relating to CDL and Safety.

CDL Medical Expense: \$30.00 per month; annual medical testing for qualified personnel to insure compliance with CDL requirements.

Controlled Substance and Alcohol Testing: \$100.00 per month; membership in program and related expenses for employees requiring random testing.

Labor and Industries: \$570.00 per month based on 1 ½ FTE employees at a rate of \$2.1885.

Payroll Taxes: \$275.00 per month; based on 5% of gross payroll.

Vehicle

Depreciation Expense: \$750.00 per month; Garbage compactor truck priced at \$29,500.00 and depreciated over 5 years or 60 months, 492.00 per month; Recycling trailer priced at \$15,000.00 and depreciated over 5 years or 60 months, \$250.00 per month.

Fuel: \$1,730.00 per month; fuel for all vehicles. This has increased due to the requirement of driving the packer truck to Ferndale 2 top 3 times per week.

Insurance: \$350.00 per month; commercial vehicle policy for all vehicles with Form E filings to the WUTC and USDOT. This amount has reduced due to actual billing received.

Registration and Licensing: \$300.00 per month; annual tabs and prorate (if required)

Repairs and Maintenance: \$250.00 per month; routine maintenance and quarterly CVSA inspection. Any repairs required per pre-trip inspections

Tires and Repairs: \$100.00 per month; Trucks requiring flat repairs from being around the transfer station plus replacement of tires as needed due to normal wear.

Disposal and Processing

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Contract Services: N/A

Depreciation Expense – Bins: \$315.00 per month; 40 – 1 ½ yard containers for commercial customers @ USD\$470.00 per container. \$18,800 divided by 60 months.

Maintenance Expense – Bins: \$100.00 per month; signage, cleaning, greasing all moving parts, painting and general maintenance all bins on a revolving basis. Amount reduced by half with removal of 4 - 40 yard Containers from the budget.

Other Disposal and Processing: \$3,750.00 per month; cost of disposing of solid waste at RDS in Ferndale. This is based on tonnage amounts included in Points quarterly excise tax returns to Whatcom County. The tipping rate is now \$75.00 per ton or \$0.0375 per pound. The average tonnage brought in by packer truck under the previous collector was 50 per month or roughly 600 ton per year.

Facility

Depreciation Expense – Equipment: N/A

Insurance: N/A

Power and Light: N/A

Rent: N/A

Repairs and Maintenance: nN/A

Water: N/A

Tax, Business

County Excise Tax: \$330.00 per month; 2.91 percent on all charges excluding recycling and drop box pass through disposal. \$8.50 per ton on drop box pass through.

State Excise and B & O Tax: \$660.00 per month; 3.6% on all charges for solid waste collection.