

Freedom 2000, LLC
Dba Cando Recycling and Disposal
550 Calder Drive
PO Box 1314
Point Roberts, WA 98281-1314
(360)914-1410

July 26th, 2009

**Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive S.W.
PO Box 74250
Olympia, WA 98504**

Re: Docket TG-081576

Pursuant to our telephone conference (Ingram, Ekhardt, ?? and Gellatly) of July 24th, 2009 at 3:30 PM, we are providing for your consideration, the items requested by WUTC staff.

During that conference call, it was pointed out by WUTC staff, that any matters pertaining to the transfer station at Point Roberts were not regulated by the WUTC and that the information provided in our correspondence pertained to operations which were inclusive of the transfer station. We refer specifically to the financial section of the revised "Cando Startup Plan" and "Updated budget" submitted by email on July 23rd, 2009 and received by staff on July 24th, 2009 upon arrival at work.

We have, at WUTC staff's request, revised the document and renamed it "Cando Financial assumptions including transfer station" and created a second document named "Cando Financial assumptions less Transfer Station Revenue and Expense" additionally, we have created a spreadsheet in excel providing side by side monthly and annual comparisons of our business budget; one "- Transfer Stn" on the left; and one "+Transfer Stn" on the right.

It is important to note, that no company operating a solid waste collection service in Point Roberts since the inception of solid waste collection service in the Point Roberts area some 40 years ago has ever been deprived of a transfer station or land fill at Point Roberts. In this case, WUTC staff have carefully pointed out that the transfer station is still at Point Roberts and is available for use by Freedom/Cando. The difference however, is transporting the regulated solid waste to Ferndale and paying \$0.0375 per pound versus dropping the regulated solid waste at the Point Roberts transfer station and paying \$0.13 per pound a difference in cost of \$185.00 per ton or just a little over \$9,000.00 per month based on an average 50 tons per month. The savings to Freedom/Cando is substantial.

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Removing the transfer station from our budget reduces our annual profitability from 14.62% or \$56,820.00 to 3.14% or \$6,900.00.

Whatcom County's representative provided, at the July 16th regularly scheduled meeting of the Washington Utilities and Transportation Commission, on the bridge line, that the County would, exercise their option to cancel the existing transfer station lease with Points, and enter into a lease for the transfer station with Freedom/Cando, if the WUTC granted Freedom/Cando a "G" certificate.

For Freedom/Cando, a Catch-22 exists. WUTC staff indicates that the transfer station cannot be considered because it does not fall into their jurisdiction; they do not regulate the transfer station. Without the transfer station, Freedom/Cando's operations are marginal unless the tariff is revised and increased; an unnecessary and unfair step because under the projected budget with the transfer station included Freedom/Cando's operations are healthy.

The fact is that if Freedom/Cando is granted the "G" certificate; before it commences its operations, the transfer station lease between Whatcom County and Freedom 2000/Cando will have been ratified (as was clearly stated by Whatcom County's representative at the July 16th meeting of the Commission) and the original projected budget would be the guideline by which the company would proceed.

Should you have any further questions or require further clarification on any matter regarding this and previous submissions, please do not hesitate to contact the undersigned at (604) 328-1410, or by email to david@kordlyn.com which will be received on blackberry wireless.

Sincerely

David Gellatly

Freedom 2000, LLC dba Cando Recycling and Disposal – Financial Assumptions less Transfer Station

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*

Freedom 2000, LLC dba Cando Recycling and Disposal – Financial Assumptions less Transfer Station

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.

Freedom 2000, LLC dba Cando Recycling and Disposal – Financial Assumptions less Transfer Station

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

Freedom 2000, LLC dba Cando Recycling and Disposal – Financial Assumptions less
Transfer Station

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.

Freedom 2000, LLC - Transfer Stn

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Year
INCOME													
Commercial Customers	10,500.00	10,500.00	10,500.00	10,500.00	10,500.00	10,500.00	10,500.00	10,500.00	10,500.00	10,500.00	10,500.00	10,500.00	126,000.00
Residential Customers	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	72,000.00
Residential Recycling	1,790.00	1,790.00	1,790.00	1,790.00	1,790.00	1,790.00	1,790.00	1,790.00	1,790.00	1,790.00	1,790.00	1,790.00	21,480.00
Pass through Disposal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Income Totals	18,290.00	18,290.00	18,290.00	18,290.00	18,290.00	18,290.00	18,290.00	18,290.00	18,290.00	18,290.00	18,290.00	18,290.00	219,480.00
EXPENSES													
Administration													
Adids	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
Bad debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bank Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Computer	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00
Contract Financial Services	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	12,000.00
Dues and Subscriptions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Insurance	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	900.00
Legal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Licenses and Regulatory Fees	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	3,600.00
Miscellaneous, Business	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Office	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Officer's benefits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Postage	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	1,800.00
Printing and Reproduction	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
Salaries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Supplies, Business	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00
Telephone	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	1,800.00
Other Administration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Administration Totals	2,575.00	2,575.00	2,575.00	2,575.00	2,575.00	2,575.00	2,575.00	2,575.00	2,575.00	2,575.00	2,575.00	2,575.00	30,900.00
Direct Labor													
Full Time	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	46,800.00
Part Time	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	19,200.00
Overtime	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other, Direct Labor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Direct Labor Totals	5,500.00	5,500.00	5,500.00	5,500.00	5,500.00	5,500.00	5,500.00	5,500.00	5,500.00	5,500.00	5,500.00	5,500.00	66,000.00
Indirect Labor													
CDL Expense	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	360.00
CDL Medical Expense	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	360.00
Controlled Substance Testing	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
Employee Benefits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Labor and Industries	570.00	570.00	570.00	570.00	570.00	570.00	570.00	570.00	570.00	570.00	570.00	570.00	6,840.00
Payroll Taxes	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	3,300.00
Other Indirect Labor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Indirect Labor Expenses	1,005.00	1,005.00	1,005.00	1,005.00	1,005.00	1,005.00	1,005.00	1,005.00	1,005.00	1,005.00	1,005.00	1,005.00	12,060.00
Vehicle													
Depreciation Expense	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	9,000.00

Freedom 2000, LLC - Transfer Stn

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Year
Fuel	1,730.00	1,730.00	1,730.00	1,730.00	1,730.00	1,730.00	1,730.00	1,730.00	1,730.00	1,730.00	1,730.00	1,730.00	20,760.00
Insurance	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	4,200.00
Registration and Licensing	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	3,600.00
Repairs and maintenance	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00
Tires and Repairs	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
Other, Vehicle	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vehicle Totals	3,480.00	3,480.00	3,480.00	3,480.00	3,480.00	3,480.00	3,480.00	3,480.00	3,480.00	3,480.00	3,480.00	3,480.00	41,760.00

Disposal and Processing

Contract Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation Expense - Bins	315.00	315.00	315.00	315.00	315.00	315.00	315.00	315.00	315.00	315.00	315.00	315.00	3,780.00
Maintenance - Bins	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
Other Disposal and Processing	3,750.00	3,750.00	3,750.00	3,750.00	3,750.00	3,750.00	3,750.00	3,750.00	3,750.00	3,750.00	3,750.00	3,750.00	45,000.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposal Totals	4,165.00	4,165.00	4,165.00	4,165.00	4,165.00	4,165.00	4,165.00	4,165.00	4,165.00	4,165.00	4,165.00	4,165.00	49,980.00

Facility

Depreciation - Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Power and Light	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Water	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rent	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Repairs and Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other, Facility	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Facility Totals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Tax, Business

County Excise Tax	330.00	330.00	330.00	330.00	330.00	330.00	330.00	330.00	330.00	330.00	330.00	330.00	3,960.00
Federal Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
State Excise and B&O Tax	660.00	660.00	660.00	660.00	660.00	660.00	660.00	660.00	660.00	660.00	660.00	660.00	7,920.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Facility Totals	990.00	990.00	990.00	990.00	990.00	990.00	990.00	990.00	990.00	990.00	990.00	990.00	11,880.00

Total Revenue	18,290.00	18,290.00	18,290.00	18,290.00	18,290.00	18,290.00	18,290.00	18,290.00	18,290.00	18,290.00	18,290.00	18,290.00	219,480.00
Total Expense	17,715.00	17,715.00	17,715.00	17,715.00	17,715.00	17,715.00	17,715.00	17,715.00	17,715.00	17,715.00	17,715.00	17,715.00	212,580.00
Total Margin	575.00	575.00	575.00	575.00	575.00	575.00	575.00	575.00	575.00	575.00	575.00	575.00	6,900.00
Percentage Margin	3.14%	3.14%	3.14%	3.14%	3.14%	3.14%	3.14%	3.14%	3.14%	3.14%	3.14%	3.14%	3.14%

Freedom 2000 LLC dba Cando Recycling and Disposal – financial assumptions including Transfer Station

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 \$85,100.00 which means that we will have to use some of our financing. A review of the budget indicates a 13% margin which allows for servicing of the debt which will be incurred to accommodate the initial capital expenditures.

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.

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 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.

Freedom 2000 LLC dba Cando Recycling and Disposal – financial assumptions including Transfer Station

Residential Recycling: \$1760.00 per month; based on 335 residential customers receiving every other week recycling – \$5.33 per month.

Pass through Disposal: \$5,800 per month; this number is based on previous collectors averages for these services.

Other Income: \$8,300.00 per month. This is considered unregulated income and comes from transfer station self haul by customers who have exemptions from the County and those seasonal vacation homes who are not required to have curbside pickup.

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. Has decreased due to actual billing for Insurance Company

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

Postage: \$300.00 per month; billing and other mail

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.

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.

Freedom 2000 LLC dba Cando Recycling and Disposal – financial assumptions including Transfer Station

Part Time: 3200 per month; 2 part time employees (swamper and station attendant).
\$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: \$760.00 per month based on 2 FTE employees at a rate of \$2.1885.

Payroll Taxes: \$355.00 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: \$750.00 per month; fuel for all vehicles

Insurance: \$350.00 per month; commercial vehicle policy for all vehicles with Form E filings to the WUTC and USDOT. Has dropped due to actual billing by Insurance Company.

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

Contract Services: \$9200.00 per month; contracted delivery of containers of solid waste from Point Roberts to RDS in Ferndale.

Depreciation Expense – Bins: \$700.00 per month; 40 – 1 ½ yard containers for commercial customers @ USD\$470.00 per container; 4 – 40 yard roll off containers for transfer station and rental use @ USD\$4,550.00 per container. \$37,000.00 depreciated over 60 months = \$700.00 per month.

Freedom 2000 LLC dba Cando Recycling and Disposal – financial assumptions including Transfer Station

Maintenance Expense – Bins: \$200.00 per month; signage, cleaning, greasing all moving parts, painting and general maintenance all bins on a revolving basis.

Facility

Depreciation Expense – Equipment: \$750.00 per month; In the event that Whatcom County is unable or unwilling to purchase improvements previously made to the transfer station, a new scale may need to be purchased. Pricing and installation has come in at approximately \$10,000.00 for this. Additionally there is a requirement for a backhoe or mini excavator for moving containers and compressing garbage in the bins. One is available for lease on an hourly basis (\$30.00 per hour) with the possibility of purchasing it, if it is needed more frequently, for \$12,000.00. Depreciation terms for this type of equipment would be 60 months.

Insurance: \$200.00 per month; Whatcom County requires a \$1,000,000.00 personal injury liability policy and a \$500,000.00 property damage liability policy and that they be named as an additional insured under the current terms of their lease for the transfer station.

Power and Light: \$150.00 per month

Rent: Current rent for the county transfer station is \$1000.00. This is apparently at the request of the current lessee. Previously the rent was \$50.00 per month. It is anticipated that if Whatcom County purchases the improvements to the transfer station that the rent will be \$50.00 plus whatever the costs of those improvements amortized over the term of the lease up to \$1000.00 per month.

Repairs and Maintenance: \$250.00 per month; maintenance of the grounds and equipment that is on site as well as the fence that surrounds the transfer station. Repairs for any damage caused by equipment working within the facility.

Water: \$50.00 per month; metered water usage for cleaning bins and general sanitary applications.

Tax, Business

County Excise Tax: \$585.00 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: \$1,120.00 per month; 3.6% on all charges for solid waste collection.

Freedom 2000, LLC + Transfer Stn

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Year
INCOME													
Commercial Customers	10,500.00	10,500.00	10,500.00	10,500.00	10,500.00	10,500.00	10,500.00	10,500.00	10,500.00	10,500.00	10,500.00	10,500.00	126,000.00
Residential Customers	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	72,000.00
Residential Recycling	1,790.00	1,790.00	1,790.00	1,790.00	1,790.00	1,790.00	1,790.00	1,790.00	1,790.00	1,790.00	1,790.00	1,790.00	21,480.00
Pass through Disposal	5,800.00	5,800.00	5,800.00	5,800.00	5,800.00	5,800.00	5,800.00	5,800.00	5,800.00	5,800.00	5,800.00	5,800.00	69,600.00
Other Income	8,300.00	8,300.00	8,300.00	8,300.00	8,300.00	8,300.00	8,300.00	8,300.00	8,300.00	8,300.00	8,300.00	8,300.00	99,600.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Income totals	32,390.00	32,390.00	32,390.00	32,390.00	32,390.00	32,390.00	32,390.00	32,390.00	32,390.00	32,390.00	32,390.00	32,390.00	388,680.00
EXPENSES													
Administration													
Adds	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
Bad debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bank Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Computer	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00
Contract Financial Services	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	12,000.00
Dues and Subscriptions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Insurance	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	900.00
Legal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Licenses and Regulatory Fees	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	3,600.00
Miscellaneous, Business	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Office	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Officer's benefits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Postage	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	1,800.00
Printing and Reproduction	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
Salaries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Supplies, Business	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00
Telephone	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	1,800.00
Other Administration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Administration Totals	2,575.00	2,575.00	2,575.00	2,575.00	2,575.00	2,575.00	2,575.00	2,575.00	2,575.00	2,575.00	2,575.00	2,575.00	30,900.00
Direct Labor													
Full Time	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	46,800.00
Part Time	3,200.00	3,200.00	3,200.00	3,200.00	3,200.00	3,200.00	3,200.00	3,200.00	3,200.00	3,200.00	3,200.00	3,200.00	38,400.00
Overtime	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other, Direct Labor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Direct Labor Totals	7,100.00	7,100.00	7,100.00	7,100.00	7,100.00	7,100.00	7,100.00	7,100.00	7,100.00	7,100.00	7,100.00	7,100.00	85,200.00
Indirect Labor													
CDL Expense	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	360.00
CDL Medical Expense	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	360.00
Controlled Substance Testing	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
Employee Benefits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Labor and Industries	760.00	760.00	760.00	760.00	760.00	760.00	760.00	760.00	760.00	760.00	760.00	760.00	9,120.00
Payroll Taxes	355.00	355.00	355.00	355.00	355.00	355.00	355.00	355.00	355.00	355.00	355.00	355.00	4,260.00
Other Indirect Labor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Indirect Labor Expenses	1,275.00	1,275.00	1,275.00	1,275.00	1,275.00	1,275.00	1,275.00	1,275.00	1,275.00	1,275.00	1,275.00	1,275.00	15,300.00

Freedom 2000, LLC + Transfer Stn

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Year
INCOME													
Vehicle													
Depreciation Expense	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	9,000.00
Fuel	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	9,000.00
Insurance	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	4,200.00
Registration and Licensing	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	3,600.00
Repairs and maintenance	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00
Tires and Repairs	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
Other, Vehicle	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vehicle Totals	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	30,000.00
Disposal and Processing													
Contract Services	9,200.00	9,200.00	9,200.00	9,200.00	9,200.00	9,200.00	9,200.00	9,200.00	9,200.00	9,200.00	9,200.00	9,200.00	110,400.00
Depreciation Expense - Bins	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	8,400.00
Maintenance - Bins	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
Other Disposal and Processing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposal Totals	10,100.00	10,100.00	10,100.00	10,100.00	10,100.00	10,100.00	10,100.00	10,100.00	10,100.00	10,100.00	10,100.00	10,100.00	121,200.00
Facility													
Depreciation - Equipment	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	9,000.00
Insurance	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
Power and Light	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	1,800.00
Water	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	600.00
Rent	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	12,000.00
Repairs and Maintenance	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00
Other, Facility	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Facility Totals	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	28,800.00
Tax, Business													
County Excise Tax	585.00	585.00	585.00	585.00	585.00	585.00	585.00	585.00	585.00	585.00	585.00	585.00	7,020.00
Federal Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
State Excise and B&O Tax	1,120.00	1,120.00	1,120.00	1,120.00	1,120.00	1,120.00	1,120.00	1,120.00	1,120.00	1,120.00	1,120.00	1,120.00	13,440.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Facility Totals	1,705.00	1,705.00	1,705.00	1,705.00	1,705.00	1,705.00	1,705.00	1,705.00	1,705.00	1,705.00	1,705.00	1,705.00	20,460.00
Totals													
Total Revenue	##	##	##	##	##	##	##	##	##	##	##	##	##
Total Expense	32,390.00	32,390.00	32,390.00	32,390.00	32,390.00	32,390.00	32,390.00	32,390.00	32,390.00	32,390.00	32,390.00	32,390.00	388,680.00
Total Margin	27,655.00	27,655.00	27,655.00	27,655.00	27,655.00	27,655.00	27,655.00	27,655.00	27,655.00	27,655.00	27,655.00	27,655.00	331,860.00
Percentage Margin	47.35%	47.35%	47.35%	47.35%	47.35%	47.35%	47.35%	47.35%	47.35%	47.35%	47.35%	47.35%	56.82%