

Mason County Garbage Service

New Single-Stream Recycling Program

Program Start Date 8-17-09

Acct No.	General Ledger Accounts:	Oct 09	Sept 09	Aug 09
31100	Recycling	76,336	79,403	40,299
	<b>Total Revenue</b>	<b>76,336</b>	<b>79,403</b>	<b>40,299</b>
41800	Truck Variable	3,329	4,498	1,544
42300	Supervisor	0	0	0
42310	Wages-Recycling Driver	15,308	14,751	7,318
42400	Fuel	7,752	8,020	3,833
42800	Uniforms	219	219	219
42810	Material Processing	10,104	11,721	3,684
44300	Tariffs & Schedules	305	318	161
45300	Public Liability	833	833	833
45400	Workmen's Comp	242	242	242
46130	Salaries - Office	1,166	1,166	1,166
46200	Office & Other Expense	150	150	150
46500	Employee Welfare	1,076	1,076	1,076
46510	Pension	203	196	104
46700	Bad Debts	305	318	161
46910	Corporate Overhead	2,672	2,779	1,410
50200	Depr-Collection Equipment	12,399	12,399	6,200
50300	Leasehold Improvement	156	156	78
50500	Depr-Office Equipment	34	34	34
51500	Amortization-Start Up Costs	897	897	449
52030	State Excise Tax	1,201	1,262	627
52200	Vehicle License	444	444	444
52300	Property Tax	500	500	500
52400	Employment Taxes	1,344	1,299	702
52410	Property Lease	3,000	3,000	3,000
	<b>Total Expenses</b>	<b>63,639</b>	<b>66,277</b>	<b>33,937</b>
	<b>Net Operating Income</b>	<b>12,697</b>	<b>13,126</b>	<b>6,362</b>
	Operating Ratio	83.37%	83.47%	84.21%

**Total**

196,038

**196,038**

9,372

0

37,377

19,605

657

25,509

784

2,500

727

3,498

450

3,227

503

784

6,861

30,999

389

103

2,243

3,090

1,333

1,499

3,345

9,000

**163,854**

**32,184**

83.58%

Mason County Recycling Program

	Oct 09	Sept 09	Aug 09	Sept 09	Oct 09
<b>Labor:</b>					
Regular rate per hour:	Various	Various	18.30		
OT rate per hour:	Various	Various	27.45		
Regular hours worked - routes	522.80	503.42	265.06		
Regular hours worked - transport	98.62	66.76	27.50		
Regular hours worked - delivery	143.17	75.73	0.00		
OT hours worked - routes	36.97	76.20	70.20		
OT hours worked - transport	0.00	0.00	0.00		
OT hours worked - delivery	0.00	14.37	0.00		
Total regular wage expense	14,314.91	11,931.03	5,353.85		
Total OT wage expense per week:	992.63	2,380.98	1,926.99		
Total Holiday (non-work hrs)	0.00	439.20			
Adj			37.10		
<b>Labor Expense:</b>	<b>15,307.54</b>	<b>14,751.21</b>	<b>7,317.94</b>		
<b>Fuel:</b>					
Price per gallon:	2.860	2.990	2.850		
Total number of gallons - route trucks	1,663.46	1,681.11	1,009.00		
Total number of gallons - transport	924.00	798.00	336.00		
Total number of gallons - delivery	123.01	203.14	0.00		
<b>Fuel expense per month:</b>	<b>7,751.94</b>	<b>8,019.93</b>	<b>3,833.25</b>		
<b>TV:</b>					
Estimated at \$.76 per mile, less fuel					
Miles route trucks	5,071.97	5,447.00	2,652.00		
Miles transport truck	2,310.00	1,995.00	735.00		
Miles delivery truck	941.00	1,554.00	0.00		
Total miles per month, all truck:	8,322.97	8,996.00	3,387.00		
Variable operating cost per mile:	0.40	0.50	0.46		
<b>Monthly variable operating cost</b>	<b>3,329.19</b>	<b>4,498.00</b>	<b>1,544.47</b>		
<b>Truck Licensing:</b>					
Automated Side Load trucks:	3.00	3.00	3.00		
Licensing per truck	825.00	825.00	825.00		
Tractor	1.00	1.00	1.00		
Licensing	1,832.00	1,832.00	1,832.00		
Federal Heavy Use Tax	550.00	550.00	550.00		
Delivery truck:	1.00	1.00	1.00		
Licensing per truck	475.00	475.00	475.00		
<b>Monthly licensing</b>	<b>444.33</b>	<b>444.33</b>	<b>444.33</b>		
<b>Insurance:</b>					
Per truck:	166.67	166.67	166.67		
<b>Monthly insurance expense</b>	<b>833.35</b>	<b>833.35</b>	<b>833.35</b>		
<b>Workmen's Comp:</b>					
Number of employees:	4.50	4.50	4.50		
Expense per employee:	53.83	53.83	53.83		
<b>Expense</b>	<b>242.25</b>	<b>242.25</b>	<b>242.25</b>		
0.055 per payroll \$					

Driver Uniforms:			
Uniforms per month per driver	54.73	54.73	54.73
4 Drivers	<b>218.92</b>	<b>218.92</b>	<b>218.92</b>
Real Estate Rental:			
Increase per month over existing lease	2,800.00	2,800.00	2,800.00
Property tax per month:	200.00	200.00	200.00
Monthly lease expense:	<b>3,000.00</b>	<b>3,000.00</b>	<b>3,000.00</b>
Supervisor:			
Hrs per day:			
Rate per hr:			
Working days:			
Office:			
Number of employees:	0.50	0.50	0.50
Regular wage rate per hour:	13.25	13.25	13.25
Hours	88.00	88.00	88.00
Payroll	<b>1,166.00</b>	<b>1,166.00</b>	<b>1,166.00</b>
Payroll Tax & Benefits:			
Total payroll:	16,473.54	15,917.21	8,483.94
FICA	1,260.23	1,217.67	649.02
SUI	62.60	60.49	32.24
FUTA	21.00	21.00	21.00
Payroll Tax	<b>1,343.83</b>	<b>1,299.15</b>	<b>702.26</b>
Benefits:			
Number of employees:	4.50	4.50	4.50
Medical per month per employee	239.00	239.00	239.00
Medical expense per month:	1,075.50	1,075.50	1,075.50
Pension rate per payroll dollar:	0.0123	0.0123	0.0123
Pension expense per month:	202.62	195.78	104.35
Employee benefit expense	<b>1,278.12</b>	<b>1,271.28</b>	<b>1,179.85</b>
Other Office:			
Office telephone:	50.00	50.00	50.00
Misc office supplies:	100.00	100.00	100.00
Total monthly:	<b>150.00</b>	<b>150.00</b>	<b>150.00</b>
Material Tons:			
Number of customers:	9,332.00	9,707.00	9,853.00
Estimated participants:	0.95	0.95	0.95
Adjusted number of customers:	8,865.40	9,221.65	9,360.35
Estimated setout, percent:	0.75	0.83	0.70
Setout per pickup:	6,649.05	7,673.33	6,552.25
Number of pickup:	2.17	2.17	1.00
Number of pickups per month:	14,428	16,651	6,552
Materials picked up, per setout, lbs:	22.27	22.39	17.88
Tons per month:	<b>160.67</b>	<b>186.37</b>	<b>58.58</b>

Tons picked up - actual	<b>160.67</b>	<b>186.37</b>	<b>58.58</b>
Lbs per paying customer per pickup	<b>34.43</b>	<b>38.40</b>	<b>11.89</b>
Processing Costs:			
Number of tons:	160.67	186.37	58.58
Processing cost per ton:	62.89	62.89	62.89
Processing expense	<b>10,104.40</b>	<b>11,720.81</b>	<b>3,684.10</b>
Hauling Materials to Recycling Center:			
Number of tons:	160.67	186.37	58.58
Number of tons per haul:	7.30	9.81	8.37
Number of trips:	22.00	19.00	7.00
Time per trip, hours:	4.48	3.51	3.93
Number of hours:	98.62	66.76	27.50
Transport cost per hour:	0.00	0.00	0.00
Recycling Material Revenue:			
Number of ton:	161	186	59
Average rate per ton:	102.18	112.01	116.02
Revenue	16,416.79	20,875.30	6,796.45
Revenue	16,417	20,875	6,796
Commodity credit:	0.70	0.70	0.70
Company retention:	0.30	0.30	0.30
Credit per customer per month:	<b>\$1.23</b>	<b>\$1.51</b>	<b>\$0.48</b>
Estimated Credit per cust per month was	1.15	\$1.15	\$1.15
Prorated month			<b>0.58</b>
Actual Credit	1.23	1.51	0.48
(Over)/Under Refunded	0.08	0.36	-0.09

**Nov 09**

**Dec 09**

**Mason****Payroll**

Aug 17 - Aug 31, 2009

	Hrly Rate	OT Rate	Regular Hrs	OT Hrs	Wages
Peterson, Eric	16.90	25.35	89.51	19.50	2,007.04
Reed, Doug	19.00	28.50	88.12	22.17	2,306.13
White, Chad	19.00	28.50	87.43	28.53	2,474.28
<b>Total Driver Wages</b>			265.06	70.20	<b>6,787.44</b>
Transfer-Ken Henderson	21.40	32.10	7.50		160.50
Transfer-Eric Perez	18.50	27.75	20.00		370.00
Delivery	16.90	25.35	0.00		0.00
Total			27.50	0	<b>531</b>
<b>Total Aug Payroll</b>			292.56	70.20	<b>7,317.94</b>

**Payroll**

Sept 1 - Sept 30, 2009

	Hrly Rate	OT Rate	Regular Hrs	OT Hrs	Holiday	Wages
Peterson, Eric	16.90	25.35	166.56	32.38	8.00	3,770.90
Reed, Doug	19.00	28.50	168.34	24.46	8.00	4,047.57
White, Chad	19.00	28.50	168.52	19.36	8.00	3,905.64
<b>Total Driver Wages</b>			<b>503.42</b>	<b>76.20</b>	<b>24.00</b>	<b>11,724.11</b>
Transfer-Ken Henderson	21.40	32.10	50.26			1,075.56
Transfer-Eric Perez	18.50	27.75	12.50			231.25
Transfer-Gene Hildebrandt	18.60	27.90	4.00			74.40
			<b>66.76</b>	<b>0.00</b>	<b>0.00</b>	<b>1,381.21</b>
Delivery-Feffrey Chappell	16.10	24.15	40.25			648.03
Delivery-Gary Cress	19.00	28.50	31.18			592.42
Delivery-Erik Jacobs	16.10	24.15		5.20		125.58
Delivery-Issac Powers	13.50	20.25		9.17		185.69
Delivery-Larry Lund	21.90	32.85	4.30			94.17
			<b>75.73</b>	<b>14.37</b>	<b>0.00</b>	<b>1,645.89</b>
<b>Total Sept Payroll</b>						<b>14,751.21</b>

Oct 1 - Oct 31, 2009

	Hrly Rate	OT Rate	Regular Hrs	OT Hrs	Holiday	Wages
Peterson, Eric	16.90	25.35	174.13	19.37	0.00	3,433.83
Reed, Doug	19.00	28.50	173.11	11.03	0.00	3,603.45
White, Chad	19.00	28.50	175.36	6.57	0.00	3,519.09
<b>Total Driver Wages</b>			<b>522.60</b>	<b>36.97</b>	<b>0.00</b>	<b>10,556.36</b>
Transfer-Ken Henderson	21.40	32.10	34.82			745.15
Transfer-Anthony Perez	18.50	27.75	17.40			321.90
Transfer-Gene Hildebrandt	18.60	27.90	46.40			863.04
			<b>98.62</b>	<b>0.00</b>	<b>0.00</b>	<b>1,930.09</b>
Delivery-Feffrey Chappell	16.10	24.15	30.47			490.57
Delivery-Gary Cress	19.00	28.50	9.15			173.85
Delivery-Erik Jacobs	16.10	24.15				0.00
Delivery-Issac Powers	13.50	20.25				0.00
Delivery-Dale Henson	19.00	28.50	38.30			727.70
Delivery-Larry Lund	21.90	32.85	65.25			1,428.98
			<b>143.17</b>	<b>0.00</b>	<b>0.00</b>	<b>2,821.09</b>
<b>Total Oct Payroll</b>						<b>15,307.54</b>





Trips to TRCI

Tons: 59

Trips:

WF 5 5  
 RO box 3 2

Tons per trip 8.37

Miles: 735

Miles per trip 105

Fuel gallons 336

Fuel price p/gal 3

Fuel expense **957.60**

**Route Trucks:**

	#27	#28	#29	
Miles	977	901	774	<b>\$2,652.00</b>
Fuel gallons	310.01	365.04	334.00	<b>\$1,009.05</b>
Miles p/gallon	3.15	2.47	2.32	
Average p/gallon	\$2.85	\$2.85	\$2.85	
Fuel expense	\$883.53	\$1,040.36	\$951.90	<b>\$2,875.79</b>

**Total Fuel Exp August 3,833**

**Sept 09**

Tons: 186

Trips:

WF 18 18  
 RO box 2 1

Tons per trip 9.81

Miles: 1995

Miles per trip 105

Fuel gallons 798

Fuel price p/gal 2.99

Fuel expense **\$2,386.02**

Delivery:

Miles: 1554

Fuel gallons 203.14

Fuel price p/gal 2.99

Fuel expense **607.39**

**Route Trucks:**

	#27	#28	#29	
Miles	1929	1801	1717	<b>\$5,447.00</b>
Fuel gallons	519.02	571.04	591.05	<b>\$1,681.11</b>
Miles p/gallon	3.72	3.15	2.90	
Average p/gallon	\$2.99	\$2.99	\$2.99	
Fuel expense	\$1,551.87	\$1,707.41	\$1,767.24	<b>\$5,026.52</b>

**Sept Fuel Exp: \$8,019.93**

**Oct 1 - Oct 31, 2009**

Tons: 160.67

Trips:

WF	22.00	22.00
RO box	0.00	0.00

Tons per trip 7.30

Miles:

Miles per trip	2,310.00
Fuel gallons	105.00
Fuel price p/gal	924.00
	\$2.86

Fuel expense **\$2,642.64**

Miles:

Fuel gallons	941.00
Fuel price p/gal	123.01
	\$2.86

Fuel expense **\$351.80**

**Route Trucks:**

	#27	#28	#29	
Miles	1,717.82	1,894.60	1,459.55	<b>5,071.97</b>
Fuel gallons	603.04	524.41	536.01	<b>1,663.46</b>
Miles p/gallon	2.85	3.61	2.72	
Average p/gallon	\$2.86	\$2.86	\$2.86	
Fuel expense	\$1,724.69	\$1,499.81	\$1,532.99	<b>\$4,757.50</b>

**Oct Fuel Exp**

**7,751.93**

NEW IMPROVED LURITO - GALLAGHER FORMULA - Recycling

!!!	Revenue Requirement	\$200,563	!!!<--	
!!!	Revenue Deficiency	\$4,525	!!!<--	
*	Revenue	- \$196,038	* p/f before rates	
*	Expenses	- \$163,854	* p/f before rates	
*	Avg. Investment -	\$225,766	* p/f before rates	
	curve turnover	90.72	(calculated)	
	final turnover	88.78	(calculated)	
	curve No. used	2	(calculated)	
	Company actual			
	capital structure:	!!! OPERATING RATIO ->		81.75 !!!<--
*	Actual Debt Ratio	40.00%	Conversion factor data:	
*	Actual Equity Ratio	60.00%	B & O Tax	1.500% *
*	Actual Cost of Debt	5.30%	WUTC Fee	0.400% *
*	Basis Pts	25%	Corp OH	0.00% *
*	Tax Rate	34%	Bad Debts	0.40% *
		Revenue Sensitive		2.30%
		Conversion Factor		0.7945



#### FORMULAS

- |                        |               |
|------------------------|---------------|
| 1. less than 50        | @EXP(5.72260· |
| 2. Between 50 and 125  | @EXP(5.70827· |
| 3. Between 125 and 140 | @EXP(5.69850· |
| 4. greater than 400    | @EXP(5.69220· |



	1st Revenue	1st Turnover	M	ROR	ROE
-(.68367*@LN(T))	204,817	90.72	14.0239	12.7226	15.75
-(.68367*@LN(T))	204,817	90.72	13.8243	12.5416	15.41
-(.68367*@LN(T))	204,817	90.72	13.6899	12.4196	15.17
-(.68367*@LN(T))	204,817	90.72	13.6040	12.3416	15.02
		2nd Turnover	M	ROR	ROE
		88.91	14.218	12.6418	15.60
		88.54	14.057	12.4452	15.22
		88.28	13.947	12.3131	14.97
		88.12	13.877	12.2287	14.81
		3rd Turnover	M	ROR	ROE
		89.15	14.193	12.6524	15.62
		88.81	14.027	12.4575	15.24
		88.59	13.915	12.3264	14.99
		88.44	13.843	12.2427	14.83
		4th Turnover	M	ROR	ROE
		89.12	14.196	12.6510	15.62
		88.78	14.031	12.4559	15.24
		88.55	13.919	12.3247	14.99
		88.40	13.847	12.2409	14.83
		5th Turnover	M	ROR	ROE
		89.12	14.196	12.6512	15.62
		88.78	14.030	12.4561	15.24
		88.55	13.918	12.3249	14.99
		88.41	13.847	12.2411	14.83
		6th Turnover	M	ROR	ROE
		89.12	14.196	12.6511	15.62
		88.78	14.030	12.4561	15.24
		88.55	13.918	12.3249	14.99
		88.41	13.847	12.2411	14.83
		7th turnover	M	ROR	ROE
		89.12	14.196	12.6511	15.62
		88.78	14.030	12.4561	15.24
		88.55	13.918	12.3249	14.99
		88.41	13.847	12.2411	14.83
		8th turnover	M	ROR	ROE
		89.12	14.196	12.6511	15.62
		88.78	14.030	12.4561	15.24
		88.55	13.918	12.3249	14.99
		88.41	13.847	12.2411	14.83

9th turnover	M	ROR	ROE
89.12	14.196	12.6511	15.62
88.78	14.030	12.4561	15.24
88.55	13.918	12.3249	14.99
88.41	13.847	12.2411	14.83



!?! OP/RATIO

	Adj ROE	Pre Tax ROE	Adj M	Revenues	Decision	
0	16.00	16.67	0.1837	200,735	not yet	81.63
0	15.66	16.35	0.1803	199,883	not yet	81.97
0	15.42	16.14	0.1779	199,313	not yet	82.21
0	15.27	16.00	0.1764	198,950	not yet	82.36
0	15.85	16.53	0.1859	201,266	not yet	81.41
0	15.47	16.18	0.1828	200,507	not yet	81.72
0	15.22	15.95	0.1807	199,996	not yet	81.93
0	15.06	15.81	0.1794	199,669	not yet	82.06
0	15.87	16.55	0.1856	201,196	not yet	81.44
0	15.49	16.21	0.1825	200,427	not yet	81.75
0	15.24	15.98	0.1804	199,909	not yet	81.96
0	15.08	15.83	0.1790	199,579	not yet	82.10
0	15.87	16.54	0.1856	201,205	not yet	81.44
0	15.49	16.20	0.1825	200,437	not yet	81.75
0	15.24	15.97	0.1804	199,920	not yet	81.96
0	15.08	15.83	0.1790	199,590	not yet	82.10
0	15.87	16.54	0.1856	201,204	not yet	81.44
0	15.49	16.20	0.1825	200,436	not yet	81.75
0	15.24	15.97	0.1804	199,919	not yet	81.96
0	15.08	15.83	0.1790	199,589	not yet	82.10
0	15.87	16.54	0.1856	201,204	yes	81.44
0	15.49	16.20	0.1825	200,436	yes	81.75
0	15.24	15.97	0.1804	199,919	yes	81.96
0	15.08	15.83	0.1790	199,589	yes	82.10
0	15.87	16.54	0.1856	201,204	yes	81.44
0	15.49	16.20	0.1825	200,436	yes	81.75
0	15.24	15.97	0.1804	199,919	yes	81.96
0	15.08	15.83	0.1790	199,589	yes	82.10

0	15.87	16.54	0.1856	201,204 yes	81.44
0	15.49	16.20	0.1825	200,436 yes	81.75
0	15.24	15.97	0.1804	199,919 yes	81.96
0	15.08	15.83	0.1790	199,589 yes	82.10

curve

lookup table

0	1
50	2
125	3
401	4

lookup tables

	1	2	3	4	5	6
not yet	not yet	not yet	not yet	not yet	not yet	not yet
not yet	not yet	not yet	not yet	not yet	not yet	not yet
not yet	not yet	not yet	not yet	not yet	not yet	not yet
not yet	not yet	not yet	not yet	not yet	not yet	not yet
not yet	not yet	not yet	not yet	not yet	not yet	not yet
1	81.63	81.41	81.44	81.44	81.44	81.44
2	81.97	81.72	81.75	81.75	81.75	81.75
3	82.21	81.93	81.96	81.96	81.96	81.96
4	82.36	82.06	82.10	82.10	82.10	82.10

yes

81.75

	not yet	not yet	not yet	not yet	not yet	not yet
1	90.72	88.91	89.15	89.12	89.12	89.12
2	90.72	88.54	88.81	88.78	88.78	88.78
3	90.72	88.28	88.59	88.55	88.55	88.55
4	90.72	88.12	88.44	88.40	88.41	88.41

yes

88.78

	not yet	not yet	not yet	not yet	not yet	not yet
1	200,735	201,266	201,196	201,205	201,204	201,204
2	199,883	200,507	200,427	200,437	200,436	200,436
3	199,313	199,996	199,909	199,920	199,919	199,919
4	198,950	199,669	199,579	199,590	199,589	199,589

yes

200,436



	7	8	9
yes	yes	yes	
yes	yes	yes	
yes	yes	yes	
yes	yes	yes	

yes	yes	yes	
	81.44	81.44	81.44
	81.75	81.75	81.75
	81.96	81.96	81.96
	82.10	82.10	82.10

yes	yes	yes	
	89.12	89.12	89.12
	88.78	88.78	88.78
	88.55	88.55	88.55
	88.41	88.41	88.41

yes	yes	yes	
	201,204	201,204	201,204
	200,436	200,436	200,436
	199,919	199,919	199,919
	199,589	199,589	199,589

Mason County Garbage Company  
 Depreciation Schedule  
 July 31, 2010

	<b>GARBAGE</b>	<b>Date in</b>		<b>Salvage</b>		<b>Year</b>		
<b>Truck</b>		<b>Service</b>		<b>Value</b>	<b>Method</b>	<b>Life</b>	<b>Fully</b>	<b>Asset</b>
<b>No</b>	<b>Asset Classification</b>	<b>Year</b>	<b>Mo</b>	<b>%</b>	<b>M</b>	<b>Years</b>	<b>Depr</b>	<b>Cost</b>
28	2009 ASL Tnd Axle (N)V-719770	2009	7	20%	S/L	7	2016	250,755
29	2009 ASL Tnd Axle (N)V-719772	2009	7	20%	S/L	7	2016	249,777
27	2009 ASL Single Axle (N)V-718353	2009	7	20%	S/L	7	2016	235,798
	Delivery Trk (N)	2009	7	20%	S/L	7	2016	21,561
	Cart Delivery Trl (N)	2009	7	20%	S/L	7	2016	6,959
17	2000 Frlnr, Lft Ax Trctr (U)	2009	7	33%	S/L	5	2014	22,500
T17	WF Trl (N)	2009	7	20%	S/L	7	2016	72,932
	<b>Total Trks</b>							<b>860,283</b>
10500	96 Gallon Carts	2009	7		S/L	10	2019	477,578
500	65 Gallon Carts	2009	7		S/L	10	2019	22,742
	<b>Total Carts</b>							<b>500,320</b>
	Tipping Wall	2009	7		S/L	10	2019	9,000
	Office Improvement	2009	7		S/L	10	2019	9,687
	Office Furniture	2009	7		S/L	7	2016	1,200
	Computer	2009	7		S/L	5	2014	1,200
	<b>Total Office</b>							<b>2,400</b>
	Start Up Cost	2009	7		S/L	5	2014	<b>53,829</b>

<b>Start up cost:</b>	
Labor	28,425
Fuel	3,180
Trailer rental	600
<b>Cart delivery-sub-total (1)</b>	<b>32,205</b>
Notification	6,216
Brochures-printing	1,588
Calendar-printing	822
Misc labor to assemble packet	600
<b>Sub-total (2)</b>	<b>9,226</b>
<b>Attorney fee</b>	<b>12,397</b>
<b>Total Start Up Cost</b>	<b>53,829</b>

5 Months in first year  
 7 Months in second year  
**2,009** First year  
**2,010** Second year

A. Purchase date  
 B. End of Test Period  
 C. Date fully Depr  
 D. Beg of Test Period  
 E. Disposition Date

Depr	Monthly	Test Year	Allocated	Allocated	Average Investment	A.	B.	C.
			Accum. Depr.	Accum. Depr.				
<u>Cost</u>	<u>Depr</u>	<u>Depr</u>	8/1/09	7/31/10	-			
200,604	2,388	28,658	0	28,658	236,426	2,009.50	2,010.58	2,016.50
199,822	2,379	28,546	0	28,546	235,504	2,009.50	2,010.58	2,016.50
188,639	2,246	26,948	0	26,948	222,325	2,009.50	2,010.58	2,016.50
17,249	205	2,464	0	2,464	20,329	2,009.50	2,010.58	2,016.50
5,567	66	795	0	796	6,561	2,009.50	2,010.58	2,016.50
15,075	251	3,015	0	3,015	20,992	2,009.50	2,010.58	2,014.50
58,346	695	8,335	0	8,335	68,765	2,009.50	2,010.58	2,016.50
<b>685,301</b>	<b>8,230</b>	<b>98,762</b>	<b>0</b>	<b>98,762</b>	<b>810,902</b>			
477,578	3,980	47,758	0	47,758	453,699	2,009.50	2,010.58	2,019.50
22,742	190	2,274	0	2,274	21,605	2,009.50	2,010.58	2,019.50
<b>500,320</b>	<b>4,169</b>	<b>50,032</b>	<b>0</b>	<b>50,031</b>	<b>475,304</b>			
9,000	75	900	0	900	8,550	2,009.50	2,010.58	2,019.50
9,687	81	969	0	968	9,203	2,009.50	2,010.58	2,019.50
1,200	14	171	0	172	1,114	2,009.50	2,010.58	2,016.50
1,200	20	240	0	240	1,080	2,009.50	2,010.58	2,014.50
<b>2,400</b>	<b>34</b>	<b>411</b>	<b>0</b>	<b>412</b>	<b>2,194</b>			
53,829	897	10,766	0	10,766	48,446	2,009.50	2,010.58	2,014.50
		<b>161,839</b>			<b>1,354,598</b>			

od

od

D.

E.

2,009.58	-0.08
2,009.58	-0.08
2,009.58	-0.08
2,009.58	-0.08
2,009.58	-0.08
2,009.58	-0.08
2,009.58	-0.08
2,009.58	-0.08
2,009.58	-0.08
2,009.58	-0.08
2,009.58	-0.08
2,009.58	-0.08



**Mason County Garbage Service**

**New Single-Stream Recycling Program**

Date Proposed June 12, 2009  
 Date to be Effective August 1, 2009

<b>Acct No.</b>	<b>General Ledger Accounts:</b>	<b>Mason County Garbage August 1, 2009</b>	
31100	Recycling	1,010,176	8.180
	<b>Total Revenue</b>	<b>1,010,176</b>	
41800	Truck Variable	99,072	
42300	Supervisor	0	
42310	Wages-Recycling Driver	165,947	
42400	Fuel	78,396	
42800	Uniforms	2,627	
42810	Material Processing	134,279	
44300	Tariffs & Schedules	4,041	
45300	Public Liability	10,000	
45400	Workmen's Comp	2,907	
46130	Salaries - Office	13,769	
46200	Office & Other Expense	1,800	
46500	Employee Welfare	12,906	
46510	Pension	2,211	
46700	Bad Debts	4,041	
46910	Corporate Overhead	35,356	
50200	Depr-Collection Equipmen	152,444	
50300	Leasehold Improvemen	1,750	
50500	Depr-Office Equipment	411	
51500	Amortization-Start Up Costs	7,157	
52030	State Excise Tax	15,838	
52200	Vehicle License	5,332	
52300	Property Tax	5,781	
52400	Employment Taxes	14,623	
52410	Property Lease	36,000	
	<b>Total Expenses</b>	<b>806,689</b>	
	<b>Net Operating Income</b>	<b>203,487</b>	
	Lurito Gallagher	79.74	

NEW IMPROVED LURITO - GALLAGHER FORMULA - Recycling

!!!	Revenue Requirement	\$1,011,750	!!!<--	
!!!	Revenue Deficiency	\$1,574	!!!<--	
*	Revenue	- \$1,010,176	* p/f before rates	
*	Expenses	- \$806,689	* p/f before rates	
*	Avg. Investment -	\$1,368,513	* p/f before rates	
	curve turnover	73.68	(calculated)	
	final turnover	73.93	(calculated)	
	curve No. used	2	(calculated)	
	Company actual			
	capital structure:	!!! OPERATING RATIO ->		79.74 !!!<--
*	Actual Debt Ratio	40.00%	Conversion factor data:	
*	Actual Equity Ratio	60.00%	B & O Tax	1.500% *
*	Actual Cost of Debt	5.30%	WUTC Fee	0.400% *
*	Basis Pts	25%	Corp OH	0.00% *
*	Tax Rate	34%	Bad Debts	0.40% *
		Revenue Sensitive		2.30%
		Conversion Factor		0.7744



#### FORMULAS

- |                        |               |
|------------------------|---------------|
| 1. less than 50        | @EXP(5.72260- |
| 2. Between 50 and 125  | @EXP(5.70827- |
| 3. Between 125 and 140 | @EXP(5.69850- |
| 4. greater than 400    | @EXP(5.69220- |



	1st Revenue	1st Turnover	M	ROR	ROE
(.68367*@LN(T))	1,008,361	73.68	16.1671	11.9124	14.20
(.68367*@LN(T))	1,008,361	73.68	15.9370	11.7429	13.87
(.68367*@LN(T))	1,008,361	73.68	15.7821	11.6287	13.65
(.68367*@LN(T))	1,008,361	73.68	15.6830	11.5557	13.51
		2nd Turnover	M	ROR	ROE
		74.34	16.070	11.9457	14.26
		73.96	15.896	11.7570	13.90
		73.71	15.778	11.6302	13.66
		73.55	15.702	11.5493	13.50
		3rd Turnover	M	ROR	ROE
		74.24	16.084	11.9408	14.25
		73.92	15.902	11.7549	13.90
		73.71	15.778	11.6300	13.66
		73.57	15.699	11.5502	13.50
		4th Turnover	M	ROR	ROE
		74.25	16.082	11.9415	14.25
		73.93	15.901	11.7552	13.90
		73.71	15.778	11.6300	13.66
		73.57	15.700	11.5500	13.50
		5th Turnover	M	ROR	ROE
		74.25	16.082	11.9414	14.25
		73.93	15.901	11.7552	13.90
		73.71	15.778	11.6300	13.66
		73.57	15.699	11.5500	13.50
		6th Turnover	M	ROR	ROE
		74.25	16.082	11.9414	14.25
		73.93	15.901	11.7552	13.90
		73.71	15.778	11.6300	13.66
		73.57	15.699	11.5500	13.50
		7th turnover	M	ROR	ROE
		74.25	16.082	11.9414	14.25
		73.93	15.901	11.7552	13.90
		73.71	15.778	11.6300	13.66
		73.57	15.700	11.5500	13.50
		8th turnover	M	ROR	ROE
		74.25	16.082	11.9414	14.25
		73.93	15.901	11.7552	13.90
		73.71	15.778	11.6300	13.66
		73.57	15.700	11.5500	13.50

9th turnover	M	ROR	ROE
74.25	16.082	11.9414	14.25
73.93	15.901	11.7552	13.90
73.71	15.778	11.6300	13.66
73.57	15.700	11.5500	13.50

!??!

OP/RATIO

	Adj ROE	Pre Tax ROE	Adj M	Revenues	Decision	
0	14.45	15.26	0.2070	1,017,309	not yet	79.30
0	14.12	14.96	0.2030	1,012,188	not yet	79.70
0	13.90	14.76	0.2003	1,008,767	not yet	79.97
0	13.76	14.63	0.1986	1,006,591	not yet	80.14
0	14.51	15.31	0.2060	1,015,978	not yet	79.40
0	14.15	14.98	0.2026	1,011,635	not yet	79.74
0	13.91	14.76	0.2003	1,008,710	not yet	79.97
0	13.75	14.62	0.1988	1,006,839	not yet	80.12
0	14.50	15.30	0.2062	1,016,175	not yet	79.38
0	14.15	14.98	0.2027	1,011,715	not yet	79.73
0	13.91	14.76	0.2003	1,008,718	not yet	79.97
0	13.75	14.62	0.1988	1,006,804	not yet	80.12
0	14.50	15.31	0.2061	1,016,146	not yet	79.39
0	14.15	14.98	0.2026	1,011,703	not yet	79.74
0	13.91	14.76	0.2003	1,008,717	not yet	79.97
0	13.75	14.62	0.1988	1,006,809	not yet	80.12
0	14.50	15.31	0.2061	1,016,150	not yet	79.39
0	14.15	14.98	0.2026	1,011,705	not yet	79.74
0	13.91	14.76	0.2003	1,008,717	not yet	79.97
0	13.75	14.62	0.1988	1,006,808	not yet	80.12
0	14.50	15.31	0.2061	1,016,149	not yet	79.39
0	14.15	14.98	0.2026	1,011,705	not yet	79.74
0	13.91	14.76	0.2003	1,008,717	not yet	79.97
0	13.75	14.62	0.1988	1,006,808	not yet	80.12
0	14.50	15.31	0.2061	1,016,150	yes	79.39
0	14.15	14.98	0.2026	1,011,705	yes	79.74
0	13.91	14.76	0.2003	1,008,717	yes	79.97
0	13.75	14.62	0.1988	1,006,808	yes	80.12
0	14.50	15.31	0.2061	1,016,149	not yet	79.39
0	14.15	14.98	0.2026	1,011,705	yes	79.74
0	13.91	14.76	0.2003	1,008,717	yes	79.97
0	13.75	14.62	0.1988	1,006,808	yes	80.12



0	14.50	15.31	0.2061	1,016,150 yes	79.39
0	14.15	14.98	0.2026	1,011,705 yes	79.74
0	13.91	14.76	0.2003	1,008,717 yes	79.97
0	13.75	14.62	0.1988	1,006,808 yes	80.12

curve

lookup table

0	1
50	2
125	3
401	4

lookup tables

	1	2	3	4	5	6
not yet	not yet	not yet	not yet	not yet	not yet	not yet
not yet	not yet	not yet	not yet	not yet	not yet	not yet
not yet	not yet	not yet	not yet	not yet	not yet	not yet
not yet	not yet	not yet	not yet	not yet	not yet	not yet
not yet	not yet	not yet	not yet	not yet	not yet	not yet
1	79.30	79.40	79.38	79.39	79.39	79.39
2	79.70	79.74	79.73	79.74	79.74	79.74
3	79.97	79.97	79.97	79.97	79.97	79.97
4	80.14	80.12	80.12	80.12	80.12	80.12

yes

79.74

	not yet	not yet	not yet	not yet	not yet	not yet
1	73.68	74.34	74.24	74.25	74.25	74.25
2	73.68	73.96	73.92	73.93	73.93	73.93
3	73.68	73.71	73.71	73.71	73.71	73.71
4	73.68	73.55	73.57	73.57	73.57	73.57

yes

73.93

	not yet	not yet	not yet	not yet	not yet	not yet
1	1,017,309	1,015,978	1,016,175	1,016,146	1,016,150	1,016,149
2	1,012,188	1,011,635	1,011,715	1,011,703	1,011,705	1,011,705
3	1,008,767	1,008,710	1,008,718	1,008,717	1,008,717	1,008,717
4	1,006,591	1,006,839	1,006,804	1,006,809	1,006,808	1,006,808

yes

1,011,705



	7	8	9
yes	not yet	yes	
yes	yes	yes	
yes	yes	yes	
yes	yes	yes	

yes	yes	yes	
	79.39	79.39	79.39
	79.74	79.74	79.74
	79.97	79.97	79.97
	80.12	80.12	80.12

yes	yes	yes	
	74.25	74.25	74.25
	73.93	73.93	73.93
	73.71	73.71	73.71
	73.57	73.57	73.57

yes	yes	yes	
	1,016,150	1,016,149	1,016,150
	1,011,705	1,011,705	1,011,705
	1,008,717	1,008,717	1,008,717
	1,006,808	1,006,808	1,006,808

**Mason County Garbage**

Traditional  
COS1

**TIME:**  
**(Hrs)**

Res & Com  
D Box  
mileage  
del'y  
tarping

**Commingled Recycling**

Yard Waste **1.0003**

Service Category	Cust/PickUps	Adjusted Cust/PickUps	OH Adjust Factor	OH Dist. Customers	Container Size Adj.	Rate
Resl	(A)	(C)	(D)	(E)	(F)	(G)
8.20 Recycling	10275	10,279	1	4737	10,278.6	8.19
Chargeable Deliveries	0	0	2	0	0.0	16.00
Total	<b>10275</b>	<b>10,279</b>		<b>4,737</b>	<b>10,279</b>	
				was	8.56	8.19 (1.15) 7.04
				Garbage	96-gallon EOW less dump fee	19.22 -6.30 12.92

Stop	Run	Total
1,421	4,039	5,459.8
		0.0
	0	0.0
	0	0.0
0.0		0.0
1,421	4039.0	5,459.8

Actual Revenue Extension	Adjusted Revenue Extension	Unit Wt	Ext. Wt (tons)	Stop Time (secs)	Ext Stop Time (hours) <b>actual</b>	Run Time	Total Time
(H)	(I)	(J)	(K)	(L)	(M)	<b>wt</b> (N)	<b>stop + run</b> (O)
1,009,827	1,010,176	16	2,137.9	20	1484.7	4,039.0	5523.7
0	0	0	0.0	0	0.0	0.0	0.0
<b>1,009,827</b>	<b>1,010,176</b>	<b>16.0</b>	<b>2,138</b>	<b>20</b>	<b>1,485</b>	<b>4,039</b>	<b>5,524</b>

8.40  
(1.65)  
6.75

Pass Thru Rev	Office Exp	Reg Rt Trk & Reg Rte Dr	DBx Trk & DBxDvr	R&M	Containers	D Box	SubTotal B/4
wt (P)	OH Cust (Q)	Reg Time (R)	DBxTime (S)	Total Time (T)	Wtd Avg (V)	Wtd Avg (W)	(X)
0	57,128	397,362	0	269,351	62,970		786,810
	57128	397,362		269351	62970		786809.5
	0	0		0	0		0.0
	57,128	397,362		269,351	62,970		786,810

WUTC & Rev Taxes	Grand Ttl	RevReqmt	Calculated Rate	% Diff
19,879	806,689	<b>79.74%</b>		
<b>Tot Rev</b>	<b>Total</b>			
(AA)	(BB)	(CC)	(DD)	
19,879.1	806,689	1,011,705	\$ 8.20	0.15%
0.0	0	0		
<b>19,879</b>	<b>806,689</b>			



Mason County Recycling Program

Labor:

Regular rate per hour:	18.25	18.25
OT rate per hour:	27.38	4.50
Number of drivers to cover the routes:	3.00	
Number of transport/delivery driver	1.00	
Regular hours per driver, per week:	40.00	
OT hours per driver, per week:	2.50	
Total regular wage expense per week:	2,920.00	
Total OT wage expense per week:	273.75	
Total monthly regular wages	12,643.60	
Total monthly OT wage expense:	1,185.34	

Total Annual Labor Expense: **165,947**

Fuel:

Price per gallon:	2.529	On 6/4/09
Hours per week, per driver:	40.00	
Hours per month, per driver:	173.20	
Gallons per hour, per truck:	4.00	
Gallons per month, per driver	692.80	2771.20
Total number of trucks:	3.00	
Total number of gallons per month;	2,078.40	
Fuel expense per month:	5,256.27	
Annual fuel expense:	63,075.28	
Delivery truck:	1.00	
Miles per day:	95.00	260
Working days:	184.95	-60
Annual miles:	17,570.18	-15
Miles per gallon;	7.20	185
Average price per gallon:	2.529	
Annual fuel expense:	6,171.53	
Tractor:	1.00	
Number of trips;	106.76	60.05
Gallons per round trip: 122 miles at 3.6 mpg	33.89	
Annual fuel expense:	9,149.59	

Annual Fuel Expense: **78,396**

TV:

Estimated at \$.76 per mile, less fuel		
Number of route trucks:	3.00	636,231
Gallons per month, per truck:	692.80	-336,532
Miles per month, per truck: 4 miles per gallon	2,771.20	299,699
Total miles per month, route trucks:	8,313.60	395,178
Miles per month delivery truck:	1,464.18	0.76
Miles per month tractor:	1,085.36	
Total miles per month, all truck:	10,863.14	
Variable operating cost per mile:	0.76	4.00
Monthly variable operating cost	8,255.99	

Annual TV **99,072**

Truck Licensing:			
Automated Side Load trucks:	3.00		
Licensing per truck	825.00		
Tractor	1.00		
Licensing	1,832.00		
Federal Heavy Use Tax	550.00		
Delivery truck:	1.00		
Licensing per truck	475.00		
Annual Licensing:		<b>5,332</b>	
Insurance:			
Per truck:	2,000.00		
Annual insurance expense:		<b>10,000</b>	166.67
Workmen's Comp:			
Number of employees:	4.50		
Expense per employee:	646.00		0.055
Annual expense:		<b>2,907</b>	
Driver Uniforms:			
Uniforms per month per driver	54.73		
4 Drivers	218.92		
Annual uniform expense		<b>2,627</b>	
Real Estate Rental:			
Increase per month over existing lease	2,800.00		3 acres & 2 bay sh
Property tax per month:	200.00		
Monthly lease expense:	3,000.00		
Annual Lease Expense:		<b>36,000</b>	
Supervisor:			
Hrs per day:	2.00		
Rate per hr:	29.57		0.25
Working days:	260.00		
Annual Supervisor Salary;		<b>0</b>	
Office:			
Number of employees:	1.00		
Regular wage rate per hour:	13.25		
Hours per week:	20.00		
Hours per month:	86.60		
Total wages per month:	1,147.45		
Total office labor:		<b>13,769</b>	27539.00
Payroll Tax & Benefits:			
Total payroll:	179,716.65		
FICA	13,748.32		
SUI	594.96		

FUTA	280.00	
Total payroll taxes:		<b>14,623</b>
Benefits:		
Number of employees:	4.50	
Medical per month per employee	239.00	
Medical expense per month:	1,075.50	
Pension rate per payroll dollar:	0.0123	
Pension expense per month:	184.21	
Total benefit expense per month:	1,259.71	
Annual benefit expense:		<b>15,117</b>

Other Office:		
Office telephone:	50.00	
Misc office supplies:	100.00	
Total monthly:	150.00	

Annual other office expenses: **1,800**

Start-Up Costs:		
Labor, delivery, and placement per cart:	1.50	
Number of deliveries:	10,275.00	
Projected costs:	15,412.50	
Pamphlets, brochures, notifications, per cust:	1.50	
Postage per customer:	0.44	
Projected notifications	10,500.00	
Total notification cost:	20,370.00	

One time start-up cost: **35,783**

Material Tons:		
Number of customers:	10,275.00	
Estimated participants:	0.95	
Adjusted number of customers:	9,761.25	325.38
Estimated setout, percent:	0.70	
Setout per pickup:	6,832.88	227.76
Number of pickup:	2.17	
Number of pickups per month:	14,827	
Materials picked up, per setout, lbs:	24.00	
Tons per month:	177.93	

Annual Tons: **2,135**

Processing Costs:	
Number of tons:	2,135
Processing cost per ton:	62.89

Annual processing cost: **134,279**

Hauling Materials to Recycling Center:	
Number of tons:	2,135
Number of tons per haul:	20.00
Number of trips:	106.76
Time per trip, hours:	4.50
Number of hours:	480.41
Transport cost per hour:	0.00

Annual transport expenses: **0**

Recycling Material Revenue:			
Number of ton:	2,135		
Estimated average rate per ton:	95.00		
Annual revenue:		<b>202,838</b>	141986.60
			685.80
Annual Revenue:	202,838		
Commodity credit:	0.70		
Company retention:	0.30		
Credit per customer per month:	<b>1.15</b>		
	<b>1.65</b>	1.00	
Current Portion of LT Debt	4,698		
Long Term Debt	830,758		
	835,456	0.3997	
Stockholder Equity	1,254,727	0.6003	
Total	2,090,183	100.00%	
Interest Expense;	38,824		
Debt 2007	732,833	5.30%	
LG-Annual Revenue Requirement	1,011,750		
Monthly Customers	10275.00		
Monthly hauling	8.21		
Monthly Commodity Credit	1.15		
Adj Rate per customer per month	7.05		

miles per month

days  
Transport to Tacoma  
Relief-Vacation  
Adj delivery days

days for transport

TV 2008  
Fuel 2008  
Expense  
miles  
per mile

miles per gallon

per month per trk

per payroll \$

op & cont storage









Mason County Garbage Company  
 Depreciation Schedule  
 July 31, 2010

5 Months in first year  
 7 Months in second year  
 2,009 First year  
 2,010 Second year

													Allocated	Allocated	
	Truck	GARBAGE	Date in		Salvage			Year			Test	Accum.	Accum.	Average	
Codes	No	Asset Classification	Service	Mo	Value	Method	Life	Fully	Asset	Depr	Monthly	Year	Depr.	Depr.	Investment
			Year		%	M	Years	Depr	Cost	Cost	Depr	Depr	8/1/09	7/31/10	-
	28	2009 ASL Tnd Axle (N)V-479770	2009	7	20%	S/L	7	2016	252,588	202,070	2,406	28,867	0	28,867	238,155
		2009 ASL Tnd Axle (N)V-479772	2009	7	20%	S/L	7	2016	249,025	199,220	2,372	28,460	0	28,460	234,796
	27	2009 ASL Single Axle (N)	2009	7	20%	S/L	7	2016	236,975	189,580	2,257	27,083	0	27,083	223,434
		Delivery Trk (N)	2009	7	20%	S/L	7	2016	45,000	36,000	429	5,143	0	5,142	42,429
		Cart Delivery Trl (N)	2009	7	20%	S/L	7	2016	7,014	5,611	67	802	-362	439	6,975
	17	2000 Frlnr, Lft Ax Trctr (U)	2009	7	33%	S/L	5	2014	20,045	13,430	224	2,686	0	2,686	18,702
		WF Trl (N)	2009	7	20%	S/L	7	2016	82,000	65,600	781	9,371	0	9,371	77,314
		<b>Total Trks</b>							<b>892,647</b>	<b>711,512</b>	<b>8,534</b>	<b>102,412</b>	<b>-363</b>	<b>102,048</b>	<b>841,805</b>
	10500	96 Gallon Carts	2009	7		S/L	10	2019	477,578	477,578	3,980	47,758	0	47,758	453,699
	500	65 Gallon Carts	2009	7		S/L	10	2019	22,742	22,742	190	2,274	0	2,274	21,605
		<b>Total Carts</b>							<b>500,320</b>	<b>500,320</b>	<b>4,169</b>	<b>50,032</b>	<b>0</b>	<b>50,031</b>	<b>475,304</b>
		Tipping Wall	2009	7		S/L	10	2019	9,000	9,000	75	900	0	900	8,550
		Office Improvement	2009	7		S/L	10	2019	8,500	8,500	71	850	0	850	8,075
		Office Furniture	2009	7		S/L	7	2016	1,200	1,200	14	171	0	172	1,114
		Computer	2009	7		S/L	5	2014	1,200	1,200	20	240	0	240	1,080
		<b>Total Office</b>							<b>2,400</b>	<b>2,400</b>	<b>34</b>	<b>411</b>	<b>0</b>	<b>412</b>	<b>2,194</b>
		Start Up Cost	2009	7		S/L	5	2014	35,783	35,783	596	7,157	-381	6,776	32,585
												<b>161,762</b>			<b>1,368,513</b>