

FYE 2016 BUDGET RECEIVED

\$760,000

FYE 2017 BUDGET REQUEST

\$1,118,367

FREMONT COUNTY, WYOMING

BUDGET REQUEST PACKET

FISCAL YEAR 2016 - 2017

DEPARTMENT NAME

CAPITAL REVOLVING FUND

CHART OF ACCOUNT NUMBERS

610-9-6100

BUDGET VERSION

Final

PREPARED BY

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BUDGET MESSAGE

DEPARTMENT CAPITAL REVOLVING FUND

ANTICIPATED REVENUE STREAMS

Revenue consists primarily of the lease payments received from departments using the equipment. The anticipated **charges for services revenue of \$1.03 million (2016) and \$1.05 million (2017)** are based on purchases authorized through the end of May 2016. Projected revenues include the interest portion of loan payments for the County Fair grounds and Green Mountain campground.

In the prior five fiscal years (2011 – 2015) the Capital Revolving Fund received grants and transfers totaling \$576 thousand for equipment and building improvements. Grant revenue totaling \$87 thousand is anticipated for fiscal years 2016. No grant revenue is anticipated for fiscal year 2017. Investment income is the earnings on cash balances. Investment income of \$5 thousand is anticipated for fiscal year 2017.

During fiscal year 2016 the Capital Revolving Fund had a negative cash balance due to payments for the Justice Center in Riverton. The General Fund repaid the Capital Revolving Fund for all Justice Center costs in May of 2016. As a result there is no investment income for fiscal year 2016.

EXPENSE TRENDS

Depreciation (\$800 thousand per year) is based on the equipment purchases authorized through May 2016 and annual purchases totaling \$600 to \$900 thousand for 2018 through 2021.

TRANSFERS

An annual transfer to the General Fund of \$200 thousand, \$1.0 and \$1.0 million for fiscal years 2017, 2018 and 2019 respectively. Additional cash is available if needed.

BUDGET CHANGES FROM LAST YEAR

The reliability of vehicles has improved over the past ten years allowing the service life of patrol vehicles to increase from four to five years.

The Fund will again earn investment income based on an anticipated average cash balance of \$2.8 million.

FIVE YEAR PLAN

DEPARTMENT CAPITAL REVOLVING FUND

1. SERVICE PRIORITIES

Service priorities remain unchanged from the prior year budget request.

- 1) Reduce equipment costs and finance charges by using the County's available funds to finance purchases. [Comparison of historical lease interest rates with bank prime lending rates is available on request.]
- 2) Provide a no hassle system for elected officials and department heads to obtain financing for vehicle and equipment purchases. [No survey has been completed.]
- 3) Provide a system to assure County Commissioners that only authorized purchases are made from this fund. [Commissioners have not been surveyed. Retired vehicles are often repurposed. In some instances these reassignments may not have been approved by the Board.]
- 4) Spread the cost of using vehicles and equipment over their useful life. [Two thirds of vehicles and equipment (by cost) are charged to departments as lease payments rather than capital outlay.]

2. EMPLOYEES and BENEFITS Not applicable

3. FUNDING and REVENUE CHANGES

Revenues have increased steadily as more of the County's equipment is financed through the Capital Revolving Fund. However, this trend is not expected to continue and revenues are more likely to level off at a little less than \$1.0 million per year.

Refer to the attached *Comparative Statements of Revenues, Expenses and Changes in Fund Net Assets*

4. MAINTENANCE or SECURITY ISSUES

The Board of County Commissioners has stated that its number 1 long term goal is "**Manage Fremont County's budget responsibly with accountability.**" [Budget Message - Department Name: Commissioners, March 10, 2015]

Vehicle and heavy equipment maintenance costs are \$900 thousand a year. The County continues to expand its fleet of vehicles and equipment. Currently there is no process for routinely monitoring the fleet size.

Furthermore, the departments using vehicles and equipment are not charged for their maintenance.

I recommend the County establish the (Vehicle and equipment) Maintenance Department as an internal service fund and begin charging departments for the maintenance of their vehicles and equipment. Doing so would significantly increase the accountability for vehicle and equipment maintenance costs.

CAPITAL ASSETS - FYE 2017

DEPT: CAPITAL REVOLVING FUND

DEPARTMENT CAPITAL OUTLAY						
PRIORITY	DESCRIPTION	PURCHASE TIME FRAME	ASSET TYPE	PURCHASE AMOUNT	ESTIMATED LIFE (YRS)	ESTIMATED DEPRECIATION
1.	2016 Micosoft Office licenses	JUL-SEP	COMPUTER SOFTWARE	\$50,000	5	\$10,000
2.	Dell KACE (Patch Management)	JUL-SEP	MACHINERY & EQUIPMENT	\$16,000	5	\$3,200
3.	2016 Felling FT 45-3T tilt deck trailer	OCT-DEC	MACHINERY & EQUIPMENT	\$30,000	10	\$1,500
4.	2016 Bibliotheca Check Out Machine	OCT-DEC	MACHINERY & EQUIPMENT	\$30,000	5	\$3,000
5.	Any emergency use	JAN-MAR	MACHINERY & EQUIPMENT	\$100,000	5	\$6,667
6.						
7.						
8.						
9.						
10.						
NEW DEPARTMENT CAPITAL OUTLAY (FYE 2017)				\$226,000		\$24,367
PLUS ESTIMATED EXISTING DEPRECIATION (FYE 2017)						\$701,000
TOTAL ESTIMATED DEPRECIATION (FYE 2017)						\$725,367

LAND	\$0
BUILDINGS & IMPROVEMENTS	\$0
MACHINERY & EQUIPMENT	\$176,000
VEHICLES	\$0
OFFICE FURNITURE	\$0
COMPUTER SOFTWARE	\$50,000
INFRASTRUCTURE	\$0
LIBRARY BOOKS	\$0

CHART OF ACCOUNTS WORKSHEET - FYE 2017

DEPT: CAPITAL REVOLVING FUND

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								FYE 2016 BUDGET COMPARISON	-\$60,000	OVER BUDGET WARNING - CHECK YOUR ESTIMATES OR CONTACT THE CLERK'S OFFICE			
Account Number	Account Title	FYE 2013 Actual	FYE 2014 Actual	FYE 2015 Actual	FYE 2016 Budget	FYE 2016 Actual (thru Dec)	FYE 2016 Add'l Expected (Jan - Jun)	FYE 2016 Projected Actual	FYE 2017 Budget Request	Difference from FYE 2016	FYE 2017 Approved Budget	Notes	
610-9-6100-43270	FEDERAL INDIRECT CAPITAL GRANT	\$0	\$0	\$78,000	\$150,000	\$103,704	-\$31,704	\$72,000	\$0	-\$150,000	\$0	no grants anticipated	
610-9-6100-43590	STATE CAPITAL GRANT	\$0	\$0	\$29,349	\$0	\$0	\$15,000	\$15,000	\$0	\$0	\$0		
610-9-6100-43910	LOCAL GOVT CAPITAL CONTRIBUTN	\$0	\$40,460	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
610-9-6100-44280	INTEREST EARNED ON LOANS	\$0	\$0	\$28,021	\$0	\$0	\$45,000	\$45,000	\$5,000	\$5,000	\$5,000		
610-9-6100-44350	MISCELLANEOUS FEES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
610-9-6100-44660	RENT/LEASE INCOME	\$10,675	\$11,443	\$11,443	\$0	\$35,195	-\$14,195	\$21,000	\$20,000	\$20,000	\$20,000		
610-9-6100-44690	RENT - INTRAGOVERNMENTAL	\$1,014,885	\$956,391	\$999,890	\$1,500,000	\$481,374	\$527,626	\$1,009,000	\$1,010,000	-\$490,000	\$1,010,000	2016 budget anticipated payments for the Justice Center. It was paid off in FY2016. Interest was low due to negative cash balances	
610-9-6100-47100	INTEREST REVENUE	\$17,262	\$23,748	\$13,365	\$43,000	-\$16,986	\$986	-\$16,000	\$5,000	-\$38,000	\$5,000		
610-9-6100-47122	INTEREST REVENUE - INTRA	\$0	\$0	\$0	\$0	\$19,808	-\$19,808	\$0	\$0	\$0	\$0		
610-9-6100-47200	CHANGE IN FV OF INVEST.	-\$22,307	\$6,106	\$6,796	\$0	-\$1,527	-\$473	-\$2,000	\$0	\$0	\$0		
610-9-6100-48456	INSURANCE REIMBURSEMENTS	\$0	\$0	\$0	\$0	\$1,427	\$573	\$2,000	\$0	\$0	\$0		
610-9-6100-49100	TRANSFER FR GENL FUND	\$9,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
610-9-6100-49245	TRANSFER FR EECBG GRANT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
610-9-6100-49407	TRANSFER FR C.P. BLDG ENRGY RE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
610-9-6100-49653	TRANSFER FR INVESTMENT POOL	\$0	-\$6,156	\$0	\$0	\$2,132	\$868	\$3,000	\$0	\$0	\$0		
610-9-6100-49925	GAIN/LOSS FIXED ASSET DISPOSAL	\$101,667	\$58,854	\$44,611	\$5,000	\$0	\$0	\$0	\$0	-\$5,000	\$0		
	REVENUE TOTALS:	\$1,131,183	\$1,090,845	\$1,211,474	\$1,698,000	\$625,127	\$523,873	\$1,149,000	\$1,040,000	-\$658,000	\$1,040,000		
610-9-6100-81499	OTHER-MISCELLANEOUS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
610-9-6100-84750	DEPRECIATION	\$845,663	\$799,598	\$801,862	\$760,000	\$380,000	\$440,000	\$820,000	\$725,367	-\$34,633	\$725,367		
610-9-6100-88200	INTEREST EXPENSE	\$0	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
610-9-6100-88220	INTEREST - INTRA	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
610-9-6100-96100	TRANSFER TO GENERAL FUND	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$393,000	\$393,000	\$393,000		
610-9-6100-96653	TRANSFER TO INVEST POOL	\$0	\$0	\$14,351	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
	EXPENDITURE TOTALS:	\$845,663	\$799,599	\$816,213	\$760,000	\$380,000	\$440,000	\$820,000	\$1,118,367	\$358,367	\$1,118,367		

EXECUTIVE SUMMARY - FYE 2017

DEPT: CAPITAL REVOLVING FUND

ACCOUNT NUMBERS: 610-9-6100

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REVENUES:	FYE 2013 Actual	FYE 2014 Actual	FYE 2015 Actual	FYE 2016 Budget	FYE 2016 Projected Actual	FYE 2017 Budget Request	Difference from FYE 2016	FYE 2017 Approved Budget
Tax Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Licenses & Permits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Intergovernmental/Grants	\$0	\$40,460	\$107,349	\$150,000	\$87,000	\$0	-\$150,000	\$0
Charges for Goods & Services	\$1,025,560	\$967,834	\$1,039,354	\$1,500,000	\$1,075,000	\$1,035,000	-\$465,000	\$1,035,000
Investment Income	-\$5,044	\$29,854	\$20,161	\$43,000	-\$18,000	\$5,000	-\$38,000	\$5,000
Other Revenue	\$0	\$0	\$0	\$0	\$2,000	\$0	\$0	\$0
Gain (Loss) on Equip Disposal	\$101,667	\$58,854	\$44,611	\$5,000	\$0	\$0	-\$5,000	\$0
Transfer from Other Funds	\$9,000	-\$6,156	\$0	\$0	\$3,000	\$0	\$0	\$0
TOTAL REVENUES:	\$1,131,183	\$1,090,845	\$1,211,474	\$1,698,000	\$1,149,000	\$1,040,000	-\$658,000	\$1,040,000

EXPENDITURES:								
Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employee Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subrecipient Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supplies & Materials	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Misc	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation	\$845,663	\$799,598	\$801,862	\$760,000	\$820,000	\$725,367	-\$34,633	\$725,367
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal/Interest	\$0	\$1	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Other Funds	\$0	\$0	\$14,351	\$0	\$0	\$393,000	\$393,000	\$393,000
TOTAL EXPENDITURES:	\$845,663	\$799,599	\$816,213	\$760,000	\$820,000	\$1,118,367	\$358,367	\$1,118,367

CASH RESERVE AND FUND BALANCE CALCULATION - FYE 2017

DEPT: CAPITAL REVOLVING FUND

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A	BEGINNING FUND BALANCE, 7/1/2015 (from FYE 2015 Audit - 6/30/2015 Ending Balance)	\$7,314,359
B	ESTIMATED REVENUES THROUGH 6/30/2016 (Actual + Estimated, see Chart of Accounts sheet)	\$1,149,000
C	TOTAL FUND BALANCE + ESTIMATED REVENUES C = A + B	\$8,463,359
D	ESTIMATED EXPENDITURES THROUGH 6/30/2016 (Actual + Estimated, see Chart of Accounts sheet)	\$820,000
E	PROJECTED FUND BALANCE 6/30/2016 E = C - D	\$7,643,359
F	ESTIMATED REVENUES, FYE 2017 (Other than Property Tax, see Chart of Accounts sheet)	\$1,040,000
G	TOTAL REVENUE + FUND BALANCE, FYE 2017 G = E + F	\$8,683,359
H	ESTIMATED EXPENDITURES, FYE 2017 (see Chart of Accounts sheet)	\$1,118,367
I	ESTIMATED ENDING FUND BALANCE, FYE 2017 I = G - H	\$7,564,992