

SUFFOLK COUNTY LEGISLATURE



Gail Vizzini
Director

BUDGET REVIEW OFFICE

April 22, 2011

Honorable William J. Lindsay, Presiding Officer
And
Members of the Suffolk County Legislature
William H. Rogers Legislature Building
725 Veterans Memorial Highway
Smithtown, New York 11787

Dear Legislators:

The enclosed report presents the Budget Review Office analysis of the financial and statistical data presented by Roncalli Freight Company, Inc. in support of its petition for a rate increase in 2011. Introductory Resolution No. 1223-2011 authorizes the public hearings for the rate approval, and if adopted, Introductory Resolution No. 1224-2011 would approve the requested rate increases.

The petition was submitted to the Suffolk County Legislature in conformance with the provisions contained in Section 131-g of the New York State Highway Law and Local Law No. 7-1982. Under Chapter 287 of County Law, an applicant is required to submit proof of peer review for the Certified Public Accountant that has audited the company's financial statements. This serves as a check that the CPA performing the audit is reputable.

Roncalli Freight Company, Inc. has been in operation since April 2010 after purchasing the freight portion from Sayville Ferry. Roncalli Freight used Sayville Ferry freight rates as its initial rates because there was insufficient credible financial information to establish independent rates. These freight rates are based on a business model that has a primary business of transportation of passengers, not exclusively freight. In addition, the current freight rates for Roncalli Freight Company, Inc. were adopted in April 2006. No reasonable alternative rate structure could have been used. Therefore, the Budget Review Office advised Roncalli to revisit its rate structure within two years of operation. They have done so, submitted their financial information and projections, and have requested a rate increase.

The Budget Review Office recommends that the applicant's request for a rate increase be approved. While the average rate increase of 25% is substantial as a percentage of the previous 2006 rates, almost half of the fees will remain the same. Given the company's financial projections, the rate increase is reasonable, especially given rising fuel costs, the company's substantial investment in the business, and the effort to bring the business to full compliance with federal, state, and municipal regulations regarding the operation of a freight transportation business.

Our summary of findings highlights those areas we believe to be most relevant and necessary for legislative deliberation.

Very truly yours,

Gail Vizzini

Gail Vizzini, Director
Budget Review Office

Analysis of Roncalli Freight Company, Inc.

Petition for Rate Alteration

Summary Of Findings

- Roncalli Freight Company, Inc. (Roncalli) filed a petition dated February 23, 2011 seeking an alteration in freight ferry rates. The requested rate relief increases the average rate 25%; however most rates remain unchanged from the previously approved rate schedule.
- Roncalli also requests a tariff of 25% on Saturday shipping.
- The company operates the “M/V Provider”, a 14 gross ton vessel, which can transport only freight. Roncalli has operated the freight ferry since April 1, 2010, when the sale between Roncalli and the previous owner closed. Their license was approved by Resolution No. 1172-2009 (IR 1869-2009) in October of 2009, contingent upon closure on the business, which occurred in 2010. Roncalli Freight Company, Inc. is validly licensed under Chapter 287 of the Laws of Suffolk County through March 31, 2012. No alteration to the licensure is requested in the petition.
- The applicant has three landing sites. Two of the sites are located on Fire Island at Cherry Grove and Fire Island Pines respectively; the third site is the ferry terminal at Sayville. The applicant has consents to land at all three sites.
- According to the audited financial statements and financial projections submitted by the petitioner, the current rate structure is insufficient for the company to meet the costs of its revenues and its operating expenses.
- Two variable interest entities were identified during the independent audit—Middle Earth Holdings LLC and One Ring Enterprises LLC. Under generally accepted accounting principles (GAAP), these entities should be consolidated with Roncalli Freight, Inc.; however, neither of these entities is included in the financial statements. The independent auditor considers the effect of this departure from GAAP to be indeterminate. We recommend conformance with the auditor’s recommendation as a condition of license renewal in 2012.
- The rate relief should be granted. Rising fuel costs, the general rate of inflation since the last rate adjustment in 2006, and the difference in business model between the current and previous operation of the business argue for the proposed rate increase. The extent of and the form in which this relief is granted will be based on the policy decisions made by the Legislature. Even with the requested rate increase, the ability of Roncalli to become profitable in 2011 is questionable.

Scope of Report

All ferry service operators who transport passengers and/or freight across bodies of water within the boundaries of Suffolk County are required to obtain a license and rate approval from the Suffolk County Legislature in accordance with Chapter 287 of the Laws of Suffolk County as authorized by Section 131-g of the Highway Law, Article 8 of the Navigation Law and Article 6 of the Transportation Corporations Law.

Roncalli Freight Company, Inc. with its principal office at 68 River Road, Sayville, New York was formed on July 22, 2009 under the Transportation Corporation Law of the State of New York. A license to operate a freight ferry service was granted in 2010. The petitioner has submitted a petition dated February 23, 2011 to the Suffolk County Legislature requesting rate increases as shown in Introductory Resolution No. 1224-2011. Under Chapter 287-3 of the Laws of Suffolk County, the Budget Review Office reviews applications for any alteration in ferry rates.

The intent of the Suffolk County Ferry Law is to assure “continuous and adequate ferry service in Suffolk County”. The license granted by the County is not exclusive; non-exclusive licenses may be granted to as many service providers as it deems necessary.

Pursuant to Chapter 287 of the Laws of Suffolk County, applicants must submit audited financial statements for the previous two years of operation. Roncalli Freight Company, Inc. has operated its ferry business since April 1, 2010; they have submitted audited financial statements and supplementary information for operations occurring from April 1, 2010 (the date of inception) to December 31, 2010. No other financial statements are available. The accounting firm that prepared the financial statements has been peer reviewed within the last five years, in accordance with Chapter 287-3 (D) of the Suffolk County Code.

Audited financial statements are intended to provide an independent, competent, and objective presentation of operations. The financial forecasts presented in this report are based upon assumptions of future events and should not be construed as facts.

During our review we analyzed information we considered necessary and appropriate in evaluating the assumptions used in the applicant’s forecast of revenue and expenses. This included the submitted financial statements and revenue projections, records of items shipped in 2010, comparisons with the current rates, and with freight rates charged by other ferry companies, both within and outside Suffolk County. We also toured the petitioner’s fixed place of business at 68 River Road in Sayville.

Analysis of Roncalli Freight Company, Incorporated.

The findings presented here are intended to aid the Legislature in its deliberations on the rate alterations requested by Roncalli Freight Company, Inc.

The Petition Seeking Rate Relief.

The petition submitted by Roncalli Freight Company, Inc. dated February 23, 2011, indicates that the company has been organized under the Transportation Corporation Law of the State of New York since July 2009, with its principal offices at 68 River Road, Sayville, New York. The petitioner is applying for alteration of rates as compared the rates granted in 2010 in its original licensing petition. The original rates were identical to those of the seller of the business, Sayville Ferry, and

had been approved by the Suffolk County Legislature in April of 2006. A tariff of 25% of the usual rate is requested for Saturday service.

According to the February 2011 petition, necessary upgrades to the physical plant of the company, lack of adequate insurance on the business by the previous owners, and increases in fuel and maintenance costs have all led the petitioner to the request for rate relief. Without such relief to mitigate expected continuing increases in certain expenses and costs, the company will find it impossible to operate, eliminating the only year-round package freight service to Fire Island.

The petitioner’s financial projections at current rates posit continued losses through the end of the licensing period in 2012 if rates are maintained at current levels. However, their projections based on granted rate relief show small profits in 2011 and 2012, sufficient to continue to operate and to maintain shareholder interest in the business.

Comparison of Current and Proposed Rates

Package freight rate schedules are comprehensive; there are 276 different rates chargeable on the Roncalli Freight Company, Inc. rate schedule. The fares proposed by the petitioner are in general an average of 25.5% higher than the current rates. 133 of the 276 possible rates remain unchanged; rates that increase do so by a weighted average (which accounts for the number of items shipped at each rate) of 15%. The weighted average is heavily affected by the proportion of board foot lumber shipped by Roncalli; 87.8% of items shipped, and 13% of the total revenue. This price increases by 10%, from 10 cents to 11 cents per board foot.

Many of the larger price increases (either by percentage or dollar value) represent items that appear to have been previously underpriced compared to the cost of their transport, such as trees, hazardous material, fragile items, and heavy boxes (45 pounds and over) because the previous owner was apparently underinsured with respect to general and commercial liability, hazardous material handling, and for workmen’s compensation. The requested prices more accurately reflect the cost of ferry transportation of these items. Other items with significant price increases are bulky or large surface area items that may naturally exclude other items from transport.

Roncalli also submitted financial projections for both the current and proposed rates for 2011 and 2012. The table below shows rate and shipping information for 2010, and projections for 2011 and 2012, based on the proposed rates.

	2010 Actuals	2011 Projection	2012 Projection
Total Items Shipped	723,394	759,564	797,542
Revenues	\$486,385	\$769,950	\$808,448
Cost of Revenues	\$350,021	\$408,749	\$421,012
Operating Expenses	\$271,181	\$344,789	\$352,342
Net Gain (Loss)	(\$134,816)	\$16,412	\$35,093

Roncalli has not previously been granted rate relief. The previous owner of the business was last granted rate relief for its freight rates in April of 2006. When Roncalli’s rates were established for

the inception of the business, the Budget Review Office recommended using the rates granted to the previous owner at its last petition for rate relief as the best available index for establishment of rates. The only other “freight only” company licensed by the Suffolk County uses a different model than Roncalli; its rates are based on the use of a vessel on a per hour basis. Roncalli’s model is more similar to that of the passenger ferries, which may also carry freight, and have freight rates established in addition to their passenger rates. Unlike Roncalli, passenger business on those ferry lines that carry freight subsidizes the cost of carrying that freight. A detailed listing of the 2006 base rates and the requested new rates for the 234 plus freight items is include in Appendix I.

Financial Statements and Cash Control.

Roncalli Freight Company, Inc. submitted audited financial statements for the year ending December 31, 2010. Business inception was April 1, 2010. No other financial statements are available. The financial statements were prepared by Cullen and Danowski, LLP; their last peer review was in 2008.

The financial forecasts presented in this report are based on assumptions of future events and should not be construed as facts. During our review, we analyzed information we considered necessary and appropriate in evaluating the assumptions used in these forecasts. The assumptions may be affected favorably or unfavorably by future events. Therefore, the actual results achieved during the forecasted fiscal year may vary from the forecasted results.

Financial Statements

The company’s balance sheet shows assets and liabilities of \$710,189. The assets are contained in the Goodwill, net value of the equipment, and receivables due from affiliates of Roncalli. Liabilities and stockholder equity include \$61,630 in long term debt, \$37,312 in current liabilities, and \$611,247 in net stockholder equity. The owners of company have booked the loss for 2010 as retained earnings.

The business suffered a net loss of \$134,816 in 2010, on gross revenues of \$486,386. Cost of Revenues was \$350,021, and there were an additional \$271,181 in operating expenses. Because of common stock issued by the company, and the substantial paid-in capital contributions (\$736,063) made by the owners in 2010, the company finished the year with a small cash balance (\$3,289), despite the loss.

The financial statements contain a note regarding related party transactions. Two variable interest entities were identified during the independent audit—Middle Earth Holdings LLC and One Ring Enterprises LLC. Under generally accepted accounting principles (GAAP), these entities should be consolidated with Roncalli Freight, Inc.; however, neither of these entities is included in the financial statements. The independent auditor considers the effect of this departure from GAAP to be indeterminate.

Cash Controls

Roncalli Freight Company, Inc. intends that the business handle as little cash as possible. The company takes cash only on an exception basis. Although the original intent of the company was to take no cash whatsoever, this proved impractical when carrying freight for some of the small contractors who work on Fire Island. This is the same method that is used by the petitioner in operating their hotel at Fire Island Pines. While BRO was unable to test the cash procedures during the site visit, Roncalli provided the procedures used for handling the extremely limited

amount of cash to BRO, and we believe that the controls are sufficient to account for the amount of cash handled by the staff of the company. Roncalli differs from the passenger ferries in that cash is never handled on the vessel itself; all transactions are handled by the office.

Introductory Resolutions 1223-2011 and 1224-2011

As part of the rate setting process, Roncalli Freight Company, Inc. has submitted two resolutions, one for the rate increase and another for the public hearing regarding the rate increase. Introductory Resolution No. 1223-2011 sets the public hearing for the granting of the rate alterations, and Introductory Resolution No. 1224-2011 approves the new rates. The petition for rate relief contained the new and old rates; however IR 1224-2011 provides only the proposed rates.

Conclusion and Recommendation

Our analysis of Roncalli Freight Company, Inc.'s petition for rate relief encompasses several perspectives. Package freight rates should reasonably reflect transportation costs without being excessive and should provide sufficient revenue for the business to be a going concern. The previous owner of the business, Sayville Ferry, was able to subsidize freight operations with its passenger concern, and also by allowing at least the freight part of the business to be underinsured with respect to commercial and general liability, hazardous materials, and workmen's compensation. Current rates, identical to those of the previous owner, do not accurately reflect the transportation costs; these rates also put the viability of the business at risk. While ferry licenses are non-exclusive, the loss of one of the two freight only businesses currently operating would reduce competition in an already shrinking market.

The requested rate increase, which we support, does not eliminate the risk of loss, but it does mitigate risk of failure of the business. The financial projections submitted by the petitioner posit a profit margin of 2.3 percent in 2011 and five percent in 2012; the margin depends on cost control within current rates of inflation and on the approval of the rates contained in IR 1224-2011.

The independent auditor's report recommends consolidation and inclusion of the accounts of the two variable interest entities with the Company. We recommend inclusion of these entities with the Company upon renewal of the license in 2012.

While Roncalli provided its 2010 aggregate shipping data for the Budget Review Office, it could not provide time series analysis of its data. The data provided by Roncalli Freight Company, Inc. reveals that the 2011 and 2012 projected profit margins depend on shipping no less than the same amount of items as in 2010. Between two and three percent of the potential revenue is based on repeat performance for numbers of items that are statistically unstable; the number of items shipped were so small that they cannot be relied upon to be reproduced on a regular basis.

The company originally requested a five-year license to operate this business but based on the fact that the company did not at time of inception have the consent of Brookhaven Town to use the public docks at the Cherry Grove Dock District; and that the Company had no experience to judge the reasonableness of the proposed rates, the company's current license was granted for two years, until 2012. The owners of Roncalli Freight Company, Inc. have made, and continue to make, a substantial investment in the operations of the business. Their hotel at Fire Island Pines is one of the ferry company's largest customers; they have a substantial financial incentive to succeed.

	<u>Average Percentage Increase In Price</u>	24.83%		
	<u>Average Increase in Price</u>	\$ 2.44		
	<u>***Asterisks denote a minimum price</u>			
	<u>Weighted Average % Increase in Price</u>	15.06%		
<u>ITEM</u>	<u>CURRENT</u>	<u>PROPOSED</u>	<u>Price Change</u>	<u>Percentage Change</u>
Bowling game	\$30.00	\$30.00	\$0.00	0.0%
Cigarette machine	\$40.00	\$40.00	\$0.00	0.0%
Football game	\$30.00	\$30.00	\$0.00	0.0%
Juke box	\$40.00	\$40.00	\$0.00	0.0%
Pinball machine	\$30.00	\$30.00	\$0.00	0.0%
Video game	\$30.00	\$30.00	\$0.00	0.0%
Pool table	\$50.00	\$50.00	\$0.00	0.0%
Piano	\$50.00	\$50.00	\$0.00	0.0%
Dishwasher	\$22.00	\$22.00	\$0.00	0.0%
Appliance accessory	\$6.00	\$7.50	\$1.50	25.0%
Dryer	\$22.00	\$22.00	\$0.00	0.0%
Freezer-residential	\$44.00	\$50.00	\$6.00	13.6%
Freezer-commercial	\$55.00	\$55.00	\$0.00	0.0%
Hot tub	\$55.00	\$150.00	\$95.00	172.7%
Microwave oven	\$9.00	\$15.00	\$6.00	66.7%
Range	\$22.00	\$35.00	\$13.00	59.1%
Range top	\$12.00	\$25.00	\$13.00	108.3%
Refrigerator	\$33.00	\$40.00	\$7.00	21.2%
Refrigerator-commercial	\$55.00	\$55.00	\$0.00	0.0%
Soda machine	\$55.00	\$55.00	\$0.00	0.0%
Stove: coal, Franklin, etc.	\$33.00	\$60.00	\$27.00	81.8%
Trash compactor	\$15.00	\$15.00	\$0.00	0.0%
Walk-in box	\$83.00	\$83.00	\$0.00	0.0%

Washer	\$22.00	\$35.00	\$13.00	59.1%
Water heater	\$22.00	\$30.00	\$8.00	36.4%
55-gal drum of oil	\$22.00	\$36.00	\$14.00	63.6%
Acid drum (5 gal)	\$4.00	\$6.00	\$2.00	50.0%
Chlorine-5 gal	\$4.00	\$4.00	\$0.00	0.0%
15 gal	\$8.00	\$8.00	\$0.00	0.0%
CO2 large	\$8.00	\$8.00	\$0.00	0.0%
Stubbies	\$5.00	\$6.00	\$1.00	20.0%
Gasoline tank, 5 gal	\$4.00	\$5.00	\$1.00	25.0%
Propane 100# Full	\$7.00	\$10.00	\$3.00	42.9%
BarBQ Full	\$5.00	\$7.00	\$2.00	40.0%
Propane 100# Empty	\$0.00	\$5.00	\$5.00	
BarBQ Empty	\$0.00	\$2.00	\$2.00	
Beds & Bedding Bed end-head board	\$6.00	\$7.00	\$1.00	16.7%
Beds & Bedding Bed frame	\$3.00	\$6.00	\$3.00	100.0%
Beds & Bedding Bed, folding	\$11.00	\$11.00	\$0.00	0.0%
Mattress or box spring Single	\$6.00	\$15.00	\$9.00	150.0%
Mattress or box spring Double	\$12.00	\$20.00	\$8.00	66.7%
Mattress or box spring Queen	\$17.00	\$25.00	\$8.00	47.1%
Mattress or box spring King	\$22.00	\$30.00	\$8.00	36.4%
Chair, folding-each way	\$2.00	\$2.00	\$0.00	0.0%
Chair, stacking	\$3.00	\$5.00	\$2.00	66.7%
Chair-recliner	\$17.00	\$20.00	\$3.00	17.6%
Chaise, (aluminum, wood)	\$8.00	\$10.00	\$2.00	25.0%

Chaise, folding	\$9.00	\$9.00	\$0.00	0.0%
Cabinets, kitchen, per foot: Lower units	\$5.00	\$7.00	\$2.00	40.0%
Cabinets, kitchen, per foot: Upper units	\$4.00	\$5.00	\$1.00	25.0%
Carpet or padding – roll Small	\$11.00	\$12.00	\$1.00	9.1%
Carpet or padding – roll Large	\$17.00	\$25.00	\$8.00	47.1%
Dresser-small	\$11.00	\$20.00	\$9.00	81.8%
Dresser-large \$16 - 22	\$22.00	\$30.00	\$8.00	36.4%
Hutch \$14 -22	\$22.00	\$30.00	\$8.00	36.4%
Lamp, floor style	\$5.00	\$5.00	\$0.00	0.0%
Lamp, table style	\$3.00	\$3.00	\$0.00	0.0%
Love seat	\$17.00	\$30.00	\$13.00	76.5%
Recliner	\$11.00	\$25.00	\$14.00	127.3%
Rocker	\$6.00	\$6.00	\$0.00	0.0%
Sofa	\$22.00	\$45.00	\$23.00	104.5%
Sofa, convertible	\$33.00	\$55.00	\$22.00	66.7%
Stereo component, per piece	\$6.00	\$6.00	\$0.00	0.0%
Table, dining	\$22.00	\$35.00	\$13.00	59.1%
Table, end	\$5.00	\$10.00	\$5.00	100.0%
Table, picnic	\$20.00	\$20.00	\$0.00	0.0%
TV Antennae	\$4.00	\$4.00	\$0.00	0.0%
TV set, cabinet	\$27.00	\$35.00	\$8.00	29.6%
TV set, portable	\$14.00	\$20.00	\$6.00	42.9%
Bagged plants-large	\$2.25	\$5.00	\$2.75	122.2%
Bush-3 ft (all shrubs)	\$3.25	\$10.00	\$6.75	207.7%
Chain saw	\$3.25	\$3.25	\$0.00	0.0%
Cut flowers-box	\$2.25	\$2.25	\$0.00	0.0%
Cut flowers-bndl	\$3.25	\$3.25	\$0.00	0.0%

Fertilizer/Top Soil 25# bag	\$1.25	\$1.75	\$0.50	40.0%
Fertilizer/Top Soil 40-50# bag	\$1.75	\$2.25	\$0.50	28.6%
Fertilizer/Top Soil 75-80# bag	\$2.25	\$3.50	\$1.25	55.6%
Fertilizer/Top Soil 100# bag	\$2.75	\$5.00	\$2.25	81.8%
Flats-plants or flowers	\$1.75	\$2.25	\$0.50	28.6%
Hanging plant	\$2.25	\$5.00	\$2.75	122.2%
Hay, bale	\$2.25	\$2.25	\$0.00	0.0%
Mower	\$5.50	\$5.50	\$0.00	0.0%
Peat moss 2 c.f. bale	\$1.25	\$1.25	\$0.00	0.0%
Peat moss 4 c.f. bale	\$2.75	\$2.75	\$0.00	0.0%
Peat moss 6 c.f. bale	\$4.50	\$4.50	\$0.00	0.0%
Pine bark (chips)-bag	\$1.75	\$1.75	\$0.00	0.0%
Plant, single sm container	\$2.25	\$3.00	\$0.75	33.3%
Pots, empty (clay/plastic) Small-each	\$1.25	\$2.00	\$0.75	60.0%
Pots, empty (clay/plastic) 10" or larger-each	\$3.25	\$5.00	\$1.75	53.8%
Roto-tiller	\$5.50	\$5.50	\$0.00	0.0%
Stone Material-Pallet	\$44.00	\$65.00	\$21.00	47.7%
Table saw (power tools)	\$11.00	\$15.00	\$4.00	36.4%
Tree-first 1' (each additional ft. \$3.25)	\$3.25	\$25.00	\$21.75	669.2%
Whiskey barrel	\$6.00	\$6.00	\$0.00	0.0%
Woodchipper	\$28.00	\$28.00	\$0.00	0.0%
Bag empty cans/bottles	\$1.75	\$1.75	\$0.00	0.0%
Beer, case of cans, soda & water	\$1.25	\$2.00	\$0.75	60.0%

Beer, case of bottles	\$1.50	\$1.50	\$0.00	0.0%
Beer, ¼ keg	\$3.25	\$3.25	\$0.00	0.0%
Beer, ½ keg	\$6.00	\$6.00	\$0.00	0.0%
Bread, box or bag	\$1.25	\$1.25	\$0.00	0.0%
Bread tray	\$1.75	\$1.75	\$0.00	0.0%
Cake	\$2.25	\$2.25	\$0.00	0.0%
Cigarettes-box	\$2.25	\$2.25	\$0.00	0.0%
Cookies, carton	\$2.25	\$2.25	\$0.00	0.0%
Dairy Box	\$1.75	\$1.75	\$0.00	0.0%
Eggs, case	\$2.75	\$2.75	\$0.00	0.0%
Fish, crate or box	\$3.75	\$3.75	\$0.00	0.0%
Frozen, per piece	\$1.10	\$1.10	\$0.00	0.0%
Groceries Box	\$0.90	\$0.90	\$0.00	0.0%
Groceries, per carton, bulk	\$1.25	\$1.25	\$0.00	0.0%
Groceries Per bag	\$1.00	\$1.00	\$0.00	0.0%
Ice-master bag	\$2.75	\$2.75	\$0.00	0.0%
Ice cream, large carton	\$5.50	\$5.50	\$0.00	0.0%
Ice cream, small	\$3.25	\$3.25	\$0.00	0.0%
Juice/water-case	\$1.75	\$1.75	\$0.00	0.0%
Liquor, case	\$3.25	\$5.00	\$1.75	53.8%
Meat, large box	\$4.50	\$4.50	\$0.00	0.0%
Meat, small carton	\$2.00	\$2.00	\$0.00	0.0%
Milk, case	\$1.75	\$1.75	\$0.00	0.0%
Newspapers, magazines, per bundle	\$1.25	\$1.25	\$0.00	0.0%
Pickle barrel	\$5.50	\$5.50	\$0.00	0.0%
Produce	\$1.25	\$1.25	\$0.00	0.0%
Shell fish, bag	\$2.75	\$2.75	\$0.00	0.0%
Soda, case of cans	\$1.25	\$1.25	\$0.00	0.0%
Soda, case of bottles	\$1.50	\$1.50	\$0.00	0.0%
Soda syrup, 4-gal carton	\$2.75	\$2.75	\$0.00	0.0%

Soda, syrup, cyl w/return	\$4.50	\$4.50	\$0.00	0.0%
Supplies, general	\$2.25	\$2.25	\$0.00	0.0%
Vegetables/produce-carton/crate	\$1.25	\$1.25	\$0.00	0.0%
Water – 5 gal bottle	\$3.50	\$3.50	\$0.00	0.0%
Bricks, 1-100 per piece	\$0.35	\$0.35	\$0.00	0.0%
Bricks, 100-999 per piece	\$0.15	\$0.15	\$0.00	0.0%
Bricks, 1000 +	\$0.10	\$0.10	\$0.00	0.0%
Cement, bag	\$3.25	\$3.25	\$0.00	0.0%
Cement block, 8" std/4"solid	\$1.25	\$1.25	\$0.00	0.0%
Cement block, 12' std	\$1.25	\$1.25	\$0.00	0.0%
Cement covers, 5' x 12'	\$13.75	\$13.75	\$0.00	0.0%
Cement mixer	\$33.00	\$33.00	\$0.00	0.0%
Cement tub	\$6.00	\$6.00	\$0.00	0.0%
DOORS: Std - Hollow/solid (all door slabs)	\$6.00	\$10.00	\$4.00	66.7%
DOORS:Std - Solid	\$7.00		-\$7.00	-100.0%
Jalousie, w/glass	\$11.00	\$11.00	\$0.00	0.0%
Pre-hung, solid (all pre hung)	\$11.00	\$16.00	\$5.00	45.5%
Shower doors	\$17.00	\$20.00	\$3.00	17.6%
Sliding glass set	\$44.00	\$44.00	\$0.00	0.0%
Flue pipe, 8" x 8", piece	\$1.25	\$1.25	\$0.00	0.0%
Flue pipe, 12' piece	\$3.25	\$3.25	\$0.00	0.0%
Formica , 4' x 8' or roll	\$3.25	\$3.25	\$0.00	0.0%
Glass, min per piece (all glass)	\$5.00	\$5.00	\$0.00	0.0%
Homosote, 4' x 8' sheet	\$1.50	\$2.00	\$0.50	33.3%
Insulation, bundle	\$2.75	\$5.00	\$2.25	81.8%

Insulation, single roll	\$2.00	\$3.00	\$1.00	50.0%
Ladder, step, per ft	\$0.35	\$0.35	\$0.00	0.0%
Ladder, 20' extension	\$6.00	\$12.00	\$6.00	100.0%
Ladder, 40' extension (all ladders)	\$11.00	\$15.00	\$4.00	36.4%
Leader or gutter-per ft	\$0.55	\$0.75	\$0.20	36.4%
Lumber, per bd ft	\$0.10	\$0.11	\$0.01	10.0%
Lumber – minimum order	\$2.00	\$5.00	\$3.00	150.0%
Masonite, 4' x 8' panel	\$2.00	\$3.00	\$1.00	50.0%
Molding-per ft	\$0.20	\$0.30	\$0.10	50.0%
Nails, 50# box	\$2.25	\$5.00	\$2.75	122.2%
Paint, case	\$3.00	\$5.00	\$2.00	66.7%
Paint, gallon can (all 1 gallon)	\$1.50	\$2.00	\$0.50	33.3%
Paint, 5 gal pail (all)	\$3.00	\$5.00	\$2.00	66.7%
Plywood, 4'x 8' x 1/2"	\$2.00	\$3.00	\$1.00	50.0%
Plywood, 4'x 10'x 1/2"	\$2.00	\$3.50	\$1.50	75.0%
Poles, CCA: 6" x 8'	\$4.50	\$6.00	\$1.50	33.3%
Poles, CCA: 6" x 20'	\$11.00	\$11.00	\$0.00	0.0%
Poles, CCA: 6" x 25'	\$13.25	\$13.25	\$0.00	0.0%
Poles, CCA: 8" x 20'	\$11.00	\$11.00	\$0.00	0.0%
Poles, CCA: 8" x 25'	\$13.25	\$13.25	\$0.00	0.0%
Poles, CCA: 10" x 20'	\$15.50	\$15.50	\$0.00	0.0%
Poles, CCA: Over 20' add per foot	\$1.50	\$1.50	\$0.00	0.0%
Roofing, roll or split sheet/felt	\$3.00	\$3.50	\$0.50	16.7%
Scaffold w/return persect	\$11.00	\$11.00	\$0.00	0.0%
Screens-sq ft (window and door)	\$0.60	\$0.60	\$0.00	0.0%

Sheetrock, 4'x8'x 1/2" sheet	\$2.00	\$3.00	\$1.00	50.0%
Sheetrock, 4'x10'x 1/2" sheet	\$3.00	\$4.00	\$1.00	33.3%
Shingles, all types, bundle	\$2.00	\$3.00	\$1.00	50.0%
Skylight	\$6.00	\$16.00	\$10.00	166.7%
Snow fence, 50' roll	\$6.00	\$8.00	\$2.00	33.3%
Snow fence posts	\$4.00	\$4.00	\$0.00	0.0%
Stockade fence, 6'x8' sect.	\$6.00	\$10.00	\$4.00	66.7%
Stockade fence post-each	\$1.00	\$1.00	\$0.00	0.0%
Styrofoam, 2'x 8' sheet	\$1.25	\$1.25	\$0.00	0.0%
Tile, ceiling, box	\$3.00	\$3.00	\$0.00	0.0%
Tile, floor, box	\$4.00	\$4.00	\$0.00	0.0%
Tile, ceramic, box	\$4.00	\$4.00	\$0.00	0.0%
WINDOWS: (all windows per sq ft	\$1.75	\$1.75	\$0.00	0.0%
Single unit	\$6.00	\$6.00	\$0.00	0.0%
Mullion-per unit	\$7.00	\$7.00	\$0.00	0.0%
Triple or picture	\$33.00	\$33.00	\$0.00	0.0%
Bay or bow	\$44.00	\$44.00	\$0.00	0.0%
Wonderboard, 2'x4' pc.	\$4.00	\$5.00	\$1.00	25.0%
Basin	\$5.50	\$5.50	\$0.00	0.0%
Boiler	\$33.00	\$33.00	\$0.00	0.0%
Cast iron fittings	\$1.50	\$1.50	\$0.00	0.0%
Fire hydrant	\$22.00	\$22.00	\$0.00	0.0%
PIPE: (all pipe) C.I. 6' length	\$3.25	\$4.00	\$0.75	23.1%
PIPE: (all pipe) C.I. 8' length	\$3.25	\$4.00	\$0.75	23.1%

PIPE: (all pipe) C.I. 10' length	\$3.25	\$4.00	\$0.75	23.1%
PIPE: (all pipe) Copper, 10' length	\$2.25	\$3.00	\$0.75	33.3%
PIPE: (all pipe) PVC or vinyl, 10'	\$2.25	\$3.00	\$0.75	33.3%
PIPE: (all pipe) PVC or vinyl, 20'	\$2.25	\$3.00	\$0.75	33.3%
PIPE: (all pipe) PVC, 4"-6", 20'	\$2.25	\$3.00	\$0.75	33.3%
PIPE: (all pipe) Steel'B.I./galv perft	\$0.15	\$0.20	\$0.05	33.3%
Vinyl, coil	\$2.75	\$3.50	\$0.75	27.3%
Shower unit, fiberglass	\$28.00	\$30.00	\$2.00	7.1%
Spa w/accessories	\$55.00	\$165.00	\$110.00	200.0%
Toilet bowl	\$6.00	\$10.00	\$4.00	66.7%
Toilet tank	\$5.00	\$8.00	\$3.00	60.0%
Tub, fiberglass	\$28.00	\$28.00	\$0.00	0.0%
Tub, steel	\$28.00	\$28.00	\$0.00	0.0%
Tub, complete unit	\$28.00	\$28.00	\$0.00	0.0%
Water heater, 5-10 gal	\$22.00	\$30.00	\$8.00	36.4%
UPS/FedEx Minimum	\$2.25	\$2.25	\$0.00	0.0%
Envelope	\$2.25	\$5.00	\$2.75	122.2%
Up to 45 lbs (sm box)	\$3.00	\$6.00	\$3.00	100.0%
31-45 lbs	\$4.00	\$6.00	\$2.00	50.0%
46-80 lbs (med box)	\$6.00	\$10.00	\$4.00	66.7%
Over 80 lbs (lg box)	\$8.00	\$15.00	\$7.00	87.5%
Delivery cart-each way	\$33.00	\$40.00	\$7.00	21.2%
Cushman-type scooter	\$33.00	\$40.00	\$7.00	21.2%
Golf cart	\$33.00	\$33.00	\$0.00	0.0%
Payload, sm bobcat	\$33.00	\$33.00	\$0.00	0.0%

NOT IN OPERATING CONDITION ADD TO PRICE	\$16.50	\$16.50	\$0.00	0.0%
Air conditioner	\$17.00	\$20.00	\$3.00	17.6%
Barbecue	\$17.00	\$20.00	\$3.00	17.6%
Battery, std size	\$4.00	\$5.00	\$1.00	25.0%
Bicycle	\$6.00	\$6.00	\$0.00	0.0%
Boats, per ft	\$3.00	\$3.00	\$0.00	0.0%
Cash register	\$6.00	\$6.00	\$0.00	0.0%
Coal, per 100 lbs	\$3.00	\$3.00	\$0.00	0.0%
Computer-per piece	\$5.50	\$5.50	\$0.00	0.0%
Copy machine	\$11.00	\$11.00	\$0.00	0.0%
Dry cleaning	\$2.75	\$2.75	\$0.00	0.0%
Fire extinguisher-sm/lg.	\$2.25	\$3.00	\$0.75	33.3%
Garbage can, empty-1 can	\$2.25	\$3.00	\$0.75	33.3%
Additional	\$1.25	\$3.00	\$1.75	140.0%
Laundry, bag (lg plastic bags)	\$3.50	\$5.00	\$1.50	42.9%
Motor, outboard	\$17.00	\$17.00	\$0.00	0.0%
Surfboard	\$6.00	\$6.00	\$0.00	0.0%
Tar kettle	\$33.00	\$50.00	\$17.00	51.5%
Wagon	\$3.00	\$3.00	\$0.00	0.0%
Windsurfer	\$17.00	\$17.00	\$0.00	0.0%
Firewood, cord	\$110.00	\$65.00	-\$45.00	-40.9%
Pallets (sm)	\$30.75	\$50.00	\$19.25	62.6%
Pallets (med)	\$48.00	\$75.00	\$27.00	56.3%
Pallets (over size)	\$84.00	\$100.00	\$16.00	19.0%
A-Frame	\$120.00	\$150.00	\$30.00	25.0%
Artwork/paintings	\$14.75	\$15.00	\$0.25	1.7%
Bundles	\$4.50	\$5.00	\$0.50	11.1%
Counter tops	\$26.25	\$30.00	\$3.75	14.3%

Crates	\$35.25	\$40.00	\$4.75	13.5%
Drafts of Lumber	\$65.00	\$75.00	\$10.00	15.4%
Gasoline tank 28 gallon	\$10.00	\$20.00	\$10.00	100.0%
HVAC Components	\$30.75	\$30.75	\$0.00	0.0%
Hot tub covers	\$15.00	\$15.00	\$0.00	0.0%
Oak or hardwood flooring	\$0.10	\$0.15	\$0.05	50.0%
Packages (soft)	\$3.40	\$5.00	\$1.60	47.1%
Plant box	\$2.55	\$3.00	\$0.45	17.6%
Platform Bed	\$10.00	\$20.00	\$10.00	100.0%
Pool or spa heater	\$26.50	\$30.00	\$3.50	13.2%
Portalav	\$80.00	\$100.00	\$20.00	25.0%
Plant rack	\$44.25	\$60.00	\$15.75	35.6%
Potted grasses	\$3.00	\$4.00	\$1.00	33.3%
Potted deck plant	\$15.60	\$20.00	\$4.40	28.2%
Plastic tote	\$4.50	\$5.00	\$0.50	11.1%
Plastic tote	\$4.75	\$5.00	\$0.25	5.3%
Dining chairs	\$8.90	\$12.00	\$3.10	34.8%
Bucket of hardware	\$3.00	\$3.00	\$0.00	0.0%
Flashing (roll or bundle)	\$3.80	\$5.00	\$1.20	31.6%
Toilet lpc	\$20.00	\$25.00	\$5.00	25.0%
Desk	\$25.00	\$30.00	\$5.00	20.0%
Ottoman	\$12.00	\$15.00	\$3.00	25.0%
Oversized box	\$20.00	\$30.00	\$10.00	50.0%
Tree (lg balled)	\$20.50	\$35.00	\$14.50	70.7%
Totals	\$2,733.05	\$3,411.66		