

**2006 Estimated Financial Plan
ITS Printing and Graphic Arts / Fund 5600**

Attachment A

	2004 Actual ¹	2005 Adopted	2005 Actual ²	2006 Adopted	1st Quarter 2006 Actual ³	2006 Estimate - Base Case revised with 1st Quarter Actuals
Beginning Fund Balance	289,289	209,029	(343,747)	(343,747)	(531,521)	(531,521)
Revenues						
* Charges for Services to County Agencies	2,769,784	3,644,312	3,266,465	3,193,459	584,682	3,118,666
* Revenue from SMT copy center			175,119	288,702	35,009	232,019
Total Revenues	2,769,784	3,644,312	3,441,584	3,482,161	619,692	3,350,685
Expenditures						
* Operating Expenditures	(3,402,820)	(3,644,711)	(3,594,358)	(3,384,871)	(826,372)	(3,664,330)
* Equipment Replacement			(35,000)			
* Encumbrance Carryover						
Total Expenditures	(3,402,820)	(3,644,711)	(3,629,358)	(3,384,871)	(826,372)	(3,664,330)
Estimated Underexpenditures⁵				67,697		
Other Fund Transactions						
* Total Other Fund Transactions	0	0	0	0	0	
Ending Fund Balance	(343,747)	208,630	(531,521)	(178,760)	(738,201)	(845,166)
Reserves & Designations						
* Encumbrance Carryover	(13,441)	(10,025)				
* Reserve for Equipment Replacement						
Total Reserves & Designations	(13,441)	(10,025)	0	0	0	0
Ending Undesignated Fund Balance	(357,188)	198,605	(531,521)	(178,760)	(738,201)	(845,166)
Target Fund Balance⁴	170,141	182,236	181,468	169,244	41,319	183,217
Net Operating result	(633,036)	(399)	(187,774)	97,290	(206,680)	(313,645)

Financial Plan Notes:

- 2004 Actuals are from the 2004 CAFR.
- 2005 Actual is based on the Final 13th month ARMS/IBIS financial reports.
- Revenues and expenditure reflected 1st Quarter actual.
- Target fund balance is based on 5% of operating expenditure.
- Expected underexpenditure is based on 2% of the revised operating expenditure.

	DEC-05	JAN-06	FEB-06	MAR-06	Total
Revenues		111,808	67,503	440,381	619,692
Expenditures		(177,998)	(170,189)	(478,184)	(826,372)
Net Income		(66,190)	(102,686)	(37,804)	(206,680)
Actual Ending Cash Balance	(280,133)	(513,002)	(619,325)	(612,667)	

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**ITS Printing and Graphics Arts
Projected Financial Performance
2006 Base Case Scenario with 1st Quarter 2006 Actual**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	OH Allocation	Total plus OH Allocation
I. Fund Financial Measures															
Revenue	111,808	67,503	440,381	251,878	226,979	285,332	235,797	263,353	311,036	256,092	404,634	495,892	3,350,685		3,350,685
Expense	(177,998)	(170,189)	(478,184)	(266,438)	(236,943)	(236,943)	(236,943)	(236,943)	(236,943)	(236,943)	(236,943)	(236,943)	(912,922)		(912,922)
Net Income	(66,190)	(102,686)	(37,804)	(14,560)	(19,964)	48,389	(1,145)	26,410	74,093	19,149	167,691	(417,030)	(313,645)		(313,645)
Estimated Account Receivable	88,071	33,751	220,190	125,939	113,490	142,666	117,899	131,676	155,518	128,046	202,317	247,946	(747,388)		(747,388)
End-of-period cash balance	(513,002)	(619,325)	(612,667)	(532,976)	(530,490)	(511,277)	(487,895)	(475,023)	(424,771)	(378,150)	(284,729)	(247,388)	(845,166)		(845,166)
Fund balance	(597,711)	(700,397)	(738,201)	(752,760)	(762,724)	(715,490)	(689,070)	(614,977)	(595,827)	(428,136)	(845,166)				
II. Line-of-Business Measures															
For County Agencies															
Print Shop/Copy Center	37,100	3,398	319,902	130,413	107,833	156,825	119,489	139,724	179,281	134,670	249,798	322,985	1,901,707	(2,461)	1,899,246
Revenue from agencies	(69,233)	(109,805)	(280,123)	(117,748)	(117,748)	(117,748)	(117,748)	(117,748)	(117,748)	(117,748)	(117,748)	(117,748)	(1,731,499)	(310,512)	(2,042,011)
Expense	(32,063)	(106,407)	39,779	12,665	(9,815)	39,177	3,741	21,976	61,533	16,922	132,050	(7,280)	170,278		(44,296)
Net Income	26,343	36,172	3,000	30,121	11,281	38,034	38,777	40,720	56,457	38,575	61,509	84,378	465,366	(780)	464,586
Revenue from agencies	(77,994)	(28,960)	(51,145)	(34,994)	(34,994)	(34,994)	(34,994)	(34,994)	(34,994)	(34,994)	(34,994)	(34,994)	(546,722)	(98,407)	(645,129)
Expense	(51,651)	7,211	(48,145)	(4,873)	(23,713)	3,040	3,783	5,726	21,463	3,581	26,515	(26,297)	(83,356)		(182,583)
Net Income	2,309	17,520	14,975	5,856	13,827	6,032	2,804	9,499	2,142	5,109	13,501	9,690	103,265		103,265
Revenue from agencies	(6,936)	(6,936)	(7,342)	(7,571)	(7,571)	(7,571)	(7,571)	(7,571)	(7,571)	(7,571)	(7,571)	(7,571)	(89,390)		(96,961)
Expense	(4,647)	10,564	7,633	(1,715)	6,257	(1,538)	(4,767)	1,929	(5,429)	(2,462)	5,930	2,120	13,875		13,875
Net Income	8,275	4,314	5,545	15,104	23,554	13,957	4,343	3,025	2,772	7,355	9,442	8,454	108,138		108,138
Revenue from agencies	(8,013)	(8,013)	(8,013)	(8,013)	(8,013)	(8,013)	(8,013)	(8,013)	(8,013)	(8,013)	(8,013)	(8,013)	(96,133)		(104,146)
Expense	262	(3,699)	(2,468)	7,091	15,541	5,944	(3,669)	(4,988)	(5,241)	(658)	1,429	441	9,985		9,985
Net Income	36,650	7,743	64,883	48,494	48,494	48,494	48,494	48,494	48,494	48,494	48,494	48,494	545,725		545,725
Revenue from agencies	36,650	7,743	(43,416)	6,325	6,325	6,325	6,325	6,325	6,325	6,325	6,325	6,325	(487,820)	(57,905)	(545,725)
Expense	(11,292)	(1,643)	(1,892)										57,905		57,905
Net Income	(11,292)	(1,643)	(1,892)										(3,635)		(3,635)
Expense	(11,292)	(1,643)	(1,892)										(503,927)		(503,927)
Net Income	1,041	0	33,968	21,890	21,890	21,890	21,890	21,890	21,890	21,890	21,890	21,890	(507,463)		(507,463)
Revenue	(4,490)	(4,490)	(4,490)	(4,490)	(4,490)	(4,490)	(4,490)	(4,490)	(4,490)	(4,490)	(4,490)	(4,490)	232,019		232,019
Expense	(3,449)	(4,490)	29,479	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	17,400	(205,883)		(205,883)
Net Income													25,130		25,130
Revenue															
Expense															
Net Income															

1. Jan - Mar revenues were based on monthly actual. The remaining forecast was based on the historical average (2002-2005), except for Photography and Videography.

2. Revenue forecast for Photography and Videography assume 100% direct cost (labor, supplies) recovery.

3. Pass-through revenue forecast was derived by the monthly 06 allotment * 115%.

4. Admin OH costs were allocated only to Graphics, PrintShop, and SMT based on OH expenditure amount after subtracting 15% fee from Pass-through (Pass-through admin charges are used to reduce the admin known).

Other Notes:

- Expenditure was based on Jan - March monthly actual. The remaining forecast was based on average 1/12 expenditure after deferring some expenditure items and following payable schedule in certain month (if known).
- The following expenses are deferred until December:
 - Finance Cancel Rates 38,004
 - ITS administrative charges 156,766
 - Graphic Lease through FHO 286,199
 - SMT space and equipment lease 153,010
 - Total Deferred 675,979**
- The deferred expenditure was adjusted based on the YTD 2006 actual.
- There were recording delays in January and February due to the accounting system conversion. The problems were resolved in March.

I. Fund Financial Measures

	Jan	Feb	Mar	1st Quarter Actual Total	Adjusted 1st Quarter Total ¹	OH Allocation ³	YTD Adjusted plus OH Allocation
Revenue	111,808	67,503	440,381	619,692	619,692	0	619,692
Expense	(177,998)	(170,189)	(478,184)	(826,372)	(962,419)	0	(962,419)
Net Income	(66,190)	(102,686)	(37,804)	(206,680)	(342,727)	0	(342,727)
End-of-period cash balance	(513,002)	(619,325)	(612,667)	(1,745,000)	(1,745,000)	0	(1,745,000)
Fund balance	(597,710)	(700,397)	(738,200)	(2,036,407)	(2,036,407)	0	(2,036,407)
Total borrowing	519,002	619,325	612,667	1,745,000	1,745,000	0	1,745,000
Interest expense	-	1,643	1,892	3,535	3,535	-	3,535

II. Line-of-Business Measures For County Agencies

	Jan	Feb	Mar	1st Quarter Actual Total	Adjusted 1st Quarter Total ¹	OH Allocation ³	YTD Adjusted plus OH Allocation
Revenue from agencies	37,190	3,398	319,902	360,490	345,222	(2,427)	342,795
Expense	(69,253)	(109,805)	(280,123)	(459,181)	(459,181)	(84,822)	(544,003)
Net Income	(32,063)	(106,407)	39,779	(98,691)	(113,959)	(87,248)	(201,208)

	71%	110%	8%	60%	60%		
Utilization	71%	110%	8%	60%	60%		
Revenue from agencies	26,343	36,172	3,000	65,514	65,514	(835)	64,679
Expense	(77,994)	(28,950)	(51,145)	(158,099)	(158,099)	(29,205)	(187,303)
Net Income	(51,651)	7,221	(48,145)	(92,584)	(92,584)	(30,040)	(122,625)

	22%	185%	130%	110%	110%		
Utilization	22%	185%	130%	110%	110%		
Revenue from agencies	2,309	17,520	14,975	34,805	34,805	-	34,805
Expense	(6,956)	(6,956)	(7,342)	(21,255)	(21,255)	-	(21,255)
Net Income	(4,647)	10,564	7,633	13,550	13,550	-	13,550

	80%	43%	46%	56%	56%		
Utilization	80%	43%	46%	56%	56%		
Revenue from agencies	8,275	4,314	5,545	18,134	18,134	-	18,134
Expense	(8,013)	(8,013)	(8,013)	(24,038)	(24,038)	-	(24,038)
Net Income	262	(3,699)	(2,468)	(5,904)	(5,904)	-	(5,904)

	36,650	7,743	64,883	109,276	124,544		
Revenue from agencies	36,650	7,743	64,883	109,276	124,544	(16,245)	108,299
Expense	-	-	(108,299)	(108,299)	(108,299)	(16,245)	(124,544)
Net Income (15% markup)	-	-	16,245	16,245	16,245	-	16,245

	(11,292)	(1,643)	(1,892)	(3,535)	(3,535)		
Interest Income	(11,292)	(1,643)	(1,892)	(3,535)	(3,535)	3,535	-
Expense	(11,292)	(1,643)	(1,892)	(3,535)	(3,535)	-	-
Net Income	-	-	-	-	-	-	-

For City of Seattle Agencies (Org 3219)

	1,041	(4,490)	(4,490)	33,969	35,009		
Revenue	1,041	-	-	33,969	35,009	(273)	34,736
Expense	(4,490)	(4,490)	(4,490)	(13,470)	(51,722)	(9,554)	(61,277)
Net Income	(3,449)	(4,490)	(4,490)	29,479	(16,713)	(9,828)	(26,541)

Data is based on the IBIS reports. The adjusted column includes allocation of deferred expenditures (see calculation below). There were recording delays in January and February due to the accounting system conversion. The problems were resolved in March.

The adjusted pass-through revenue is calculated by the incurred costs * 115%. The offset was from Printshop / Copy revenue. The adjustment is to recognize revenue from jobs that required combination of internal and outside vendor work

Overhead cost was subtracted by the 15% admin cost charged to pass-thru customers. The net overhead cost was allocated to Printshop, Graphics, and SMT based on expenditure amount.

Photography and Videography were assumed at 100% recovery of its direct cost only.

1st Quarter Expenditure Adjustments	Total 06 Changes	Quarterly Allotment	Paid in 1st Quarter	Adjustment to 1st Quarter (deferred until December)	Remaining Deferred Expenses to be paid in December
Finance Central Rates	50,672	12,668	12,668	-	38,004
ITS administrative charges	228,028	57,007	31,262	25,745	196,766
Graybar Lease through FMD	288,199	72,050	72,050	-	288,199
SMT space and equipment lease	153,010	38,253	38,253	-	153,010
Total	719,909	179,977	43,930	136,047	675,979

**ITS Printing and Graphics Arts
1st Quarter Utilization Ratio**

Exhibit C

Utilization Calculation:	Jan	Feb	Mar	1st Quarter Total
Photo - Edwin Ahrens				
Revenue from Photo	2,309	17,520	14,975	34,805
hourly rate	75	75	75	75
Hours Billed	31	234	200	464
Regular work hours	183	160	184	527
Vacation/leave/holiday	21	16	8	45
Net work hours	162	144	176	482
Breaks/Clean-up (1 hr per work day)	20	18	22	60
Potential Billable Hours	142	126	154	422
Utilization	22%	185%	130%	110%
Video -Robert Hamilton				
Revenue from Video	8,275	4,314	5,545	18,134
hourly rate	75	75	75	75
Hours Billed	110	58	74	242
Regular work hours	176	160	184	520
Vacation/leave/holiday	18	8	-	26
Net work hours	158	152	184	494
Breaks/Clean-up (1 hr per work day)	20	19	23	62
Potential Billable Hours	138	133	161	432
Utilization	80%	43%	46%	56%
Graphics				
Revenue from Graphics	26,343	36,172	3,000	65,514
hourly rate	75	75	75	75
Hours Billed	351	482	40	874
Regular work hours	704	640	736	2,080
Vacation/leave/holiday	136	140	145	421
Net work hours	568	500	591	1,659
Breaks/Clean-up (1 hr per work day)	71	63	74	207
Potential Billable Hours	497	438	517	1,452
Utilization	71%	110%	8%	60%
Target Utilization				
Paid Hours	2,080			
Holidays	(96)			
Vacations	(160)			
Sick Leave	(96)			
Breaks	(112)	30 min. per day for days worked		
Clean Up	(112)	30 min. per day for days worked		
Potential Billable Hours	<u>1,504</u>			
Billability Ratio	85%			
Billable Hours	<u>1278.4</u>			