

## FUND 320: EQUIPMENT REPLACEMENT FUND

This fund was established to provide a means to replace capital and computer equipment, excluding enterprise fund equipment, when the end of its useful life has been reached.

Equipment is replaced when it is determined that due to its age, condition, operation and maintenance costs, obsolescence, and depreciation, it is no longer economical to maintain. Depreciation is funded annually with a transfer from the various departments to the Equipment Replacement Fund based on the economic life and replacement cost of the equipment utilized by each department. The calculation for funding was modified in FY2006 to use replacement cost rather than original cost to insure sufficient funds are available when the asset is replaced.

Depreciation for fixed assets is calculated using the straight line method which takes replacement cost less anticipated salvage value divided by the expected useful life of the asset.

The established asset value threshold for inclusion in the Equipment Replacement Fund is: \$5,000 for fixed assets, and \$3,000 for computer assets.

### Revenue and Expense Summary

	FY2021 Actual	FY2022 Actual	FY2023 Budget	FY2023 Projected	FY2024 Budget	% Change
<b>Revenues</b>						
Interest on Investments	(2,609)	(764,751)	100,000	260,000	100,000	-%
Surplus Equipment Proceeds	109,744	(11,082)	75,000	75,000	75,000	-%
Transfer from Gen and Other Funds	2,609,004	2,467,736	2,145,297	2,145,297	2,113,014	(1.50%)
Donations	-	100,000	-	-	-	-%
Miscellaneous	-	-	-	-	-	-%
<b>TOTALS</b>	<b>2,716,139</b>	<b>1,791,904</b>	<b>2,320,297</b>	<b>2,480,297</b>	<b>2,288,014</b>	<b>(6.37%)</b>
<b>Expenses</b>						
Transfer to Enterprise Funds	26,940	71,517	-	-	-	-%
Contractual	9,688	130,885	-	142,952	-	-%
Capital Lease - Kiosks	2,192	594	-	28,182	-	-%
Capital Outlay - Equipment	1,649,327	1,661,158	1,422,819	1,804,138	1,334,870	(6.18%)
Capital Outlay - IT Equipment	96,967	256,748	992,260	707,729	912,587	(8.03%)
<b>TOTALS</b>	<b>1,785,115</b>	<b>2,120,902</b>	<b>2,415,079</b>	<b>2,683,001</b>	<b>2,247,457</b>	<b>(6.94%)</b>
Total Revenues Over/(Under) Expenses	931,024	(328,999)	(94,782)	(202,704)	40,557	
Contingency	-	-	(500,000)	-	(500,000)	
Beg Investment in Capital Assets	9,400,495	9,441,722	9,262,576	9,262,576	11,510,033	
Beg Unrestricted Net Assets	19,926,673	20,816,470	20,666,618	20,666,618	18,216,456	
<b>ENDING NET ASSETS</b>	<b>30,258,192</b>	<b>29,929,194</b>	<b>29,334,412</b>	<b>29,726,490</b>	<b>29,267,046</b>	

## REVENUE

The interest revenue is based upon the financial market conditions and funds available for investment

### Surplus Equipment Proceeds

This revenue source represents the sale of surplus equipment

### Transfer from General and Other Funds

This transfer represents the depreciation expense charged to General and Coastal Fund program budgets and transferred to the Equipment Replacement Fund on an annual basis

## EXPENSES

### Transfer to General Fund

Transfer of previously accumulated depreciation funds on assets that will not be replaced

### Capital Lease – Kiosks

Annual lease payments on town-wide parking kiosks

### Capital Outlay – Equipment

This represents the budget for the replacement of vehicles, machinery and office equipment

### Capital Outlay – It Equipment

This represents the budget for the replacement of computer equipment

### Contingency

Contingency reserve

## Depreciation Charges by Department FY 2024

Department	Depreciation
Town Manager's Office	\$ -
Information Technology	128,717
Town Clerk	-
Finance	1,820
Planning and Zoning	2,303
Recreation	48,744
Fire Rescue	673,272
Police	588,792
Public Works	669,366
Coastal Fund	-
<b>Total Depreciation</b>	<b>\$ 2,113,014</b>

## Replacement Equipment FY 2024

Department	Cost
<b>Police</b>	
Camera Surveillance Project	389,300
Hybrid Admin Explorer	33,000
Fingerprint Developer Workstation	5,000
Electronic Diagnostic Kit	6,000
Safe/Cabinets in Patrol Room	5,000
A/C Freon Machine	6,000
<b>Public Works</b>	
Ford Escape	33,895
Two Ford Pickups	61,352
Ford Service Truck	40,084
Trash Crane	253,000
Bulldozer	447,000
Riding Lawnmower	18,200
Ford F-150 Crew Cab	33,895
<b>Finace</b>	
<b>Folding Machine</b>	2,830
<b>Information Technology</b>	
Computer Equipment	912,587
<b>Total Equipment Replacement Expenditures</b>	<b>\$ 2,247,143</b>