

**Distribution**

**Q. If based on “historical costs” as indicated, please explain why the project costs for Tools and Equipment (B-60) have varied from a high of \$827,000 to a low of \$427,000 during the five (5) year period from 1999 to 2003.**

A. The Tools & Equipment budget is based primarily on historical data for smaller tools and equipment purchases. However, in any given year purchases of larger tools and equipment are budgeted on an individual basis and will thus cause variations in the total budget depending on the number and cost of the larger tools included. For example, in 2003 the purchase of a Tension Stringer at \$158,000 was a major reason for the increase in expenditures in that year.