

Est. 3-26-79

ESTIMATE #

ESTIMATED SAVINGS & RETURN ON INVESTMENT

ENGINEER: E.L. Morris Jr

DATE: Jan 13 1982

Hean Long Stock Machining (Turning, Shaping, and Secondary Machining)

Forecast Year & Reference Dollar

Quantity Forecast

Current Prices

1984

198960

Hean Prices

(Initial Proposal)

OPERATING COSTS

	\$	\$	\$	\$
Purchased Parts				
Standard Labor Scrap Labor	9500	4750		
Standard Labor	174,820	38860		
Labor Variance @ Calc	75,300	21660		
Industrial Relations @ 4.7%	95,130	22990		
Supplies	4080	750		
Tool Replacement	14110	9830		
Cutter Grind	23210	2220		
Tool Maintenance	4270	3500		
Maintenance	15380	45000		
Energy				
Equipment Depreciation @ 7.5%		56350		
Expansion	21730	4160		
Space Charges	17160	4250		
Sub Totals	\$410,650	A \$227,880	\$	A \$
Gross Savings Before Admin. Exp.		\$189,770		\$
Admin. Exp. @ 4.3% Gross Savings		B \$ 8160		B \$
Sub Totals	\$410,650	A+B \$229,040	\$	A+B \$

SAVINGS IN OPERATING COST

Less: Income Tax @48.5 %	\$181,610	\$
Plus: Amortization of Investment Tax Credit	(\$ 88080)	(\$
	\$ 7500	\$
	\$101,030	\$

NET SAVINGS

INVESTMENT

Project Expenditures	\$750,000	\$
Manufacturing & Working Facilities	\$	\$
Net Change in Working Capital	(\$ 60,790)	\$
Total Capital Required for this Project	\$689,210	\$

RETURN ON INVESTMENT - THIS PROJECT

Net Savings - After Amortization of Operation Charges	15.0 %	\$
Project Operation Charges	\$100,290	\$
Less: Administration Expense @4.3 % & Income Taxes @48.5 % (Factor .5072)	\$20,000	\$
	(\$10,144)	(\$
Total Capital Required Including Research & Development & Other Charges	\$699,066	\$

RETURN ON TOTAL CAPITAL REQUIRED

Equipment to be Released	14.0 %	\$
Increased Space Requirements (Decrease)		
Production Capacity		
Forecast Production	77.0 %	\$

CPV. 4/16

CASH FLOW YEAR	INVESTMENT CASH FLOW			CASH FLOW FROM OPERATIONS			TOTAL CASH FLOW FROM OPERATIONS	NET CASH FLOW
	CAPITALIZABLE PROJECT EXPENDITURES	NET CHANGE IN WORKING CAPITAL	TOTAL INVESTMENT CASH FLOW	OPERATIVE EARNINGS	FED. INCOME TAXES & ALL OTHER TAXES	NET EARNINGS		
0 83	① (750)	② (99)	③ (849)	④ 1158	⑤ 721	⑥ (137)	⑦ 1021	⑧ (750)
1 84	① 0	② 0	③ 0	④ 1158	⑤ 721	⑥ (137)	⑦ 1021	⑧ 1021
2 85			③ (44)	④ 1158	⑤ 721	⑥ (137)	⑦ 1021	⑧ 1021
3 86			③ 17	④ 1158	⑤ 721	⑥ (137)	⑦ 1021	⑧ 1021
4 87			③ 18	④ 1158	⑤ 721	⑥ (137)	⑦ 1021	⑧ 1021
5 88			③ 18	④ 1158	⑤ 721	⑥ (137)	⑦ 1021	⑧ 1021
6			③ 18	④ 1158	⑤ 721	⑥ (137)	⑦ 1021	⑧ 1021
7			③ 18	④ 1158	⑤ 721	⑥ (137)	⑦ 1021	⑧ 1021
8			③ 18	④ 1158	⑤ 721	⑥ (137)	⑦ 1021	⑧ 1021
9			③ 18	④ 1158	⑤ 721	⑥ (137)	⑦ 1021	⑧ 1021
10			③ 18	④ 1158	⑤ 721	⑥ (137)	⑦ 1021	⑧ 1021