AD-6565
Rev.
SMF: 3-26-79

ESTIMATE # 4368

ESTIMATED SAVINGS & RETURN ON INVESTMENT

ENGINEER: T.R. Andrews
DATE: 12/7/81

	Present (Brass)	Proposed (Iron)		
Forecast Year	1982			
Quantity Forecast	248,000			
OPERATING COSTS				
Purchased Parts	$ 67,010	$ 51,580	$	$
Raw Material	–	–		
Standard Labor	22,040	27,440		
Labor Variance @	5,000	6,510		
Industrial Relations @	11,710	15,040		
Supplies	670	820		
Tool Replacement	790	1,140		
Cutter Grind	580	850		
Tool Maintenance	190	570		
Maintenance	2,070	2,360		
Energy	580	700		
Equipment Depreciation @	–	170		
Sub Totals	$110,640	A $ 107,180	$	A $
Gross Savings Before Admin. Exp.		$ 3,460		$
Admin. Exp. @4.3% Gross Savings		B $ 150		B $
Sub Totals	$ 110,640	A+B $ 107,330	$	A+B $
SAVINGS IN OPERATING COST		$ 3,310		$
Less: Income Tax @48.5 %		($ 1,610)		($
Plus: Amortization of Investment Tax Credit		$ 20		$
NET SAVINGS		$ 1,720		$
INVESTMENT				
Project Expenditures		$ 2,200		$
Manufacturing & Working Facilities		$		$
Net Change in Working Capital		($ 4,570)		$
Total Capital Required for this Project		($ 2,370)		$
RETURN ON INVESTMENT - THIS PROJECT		Infinite %		
Net Savings - After Amortization of Operation Charges		$ 1,660		$
Project Operation Charges		$ 1,800		$
Less: Administration Expense @4.3 % & Income Taxes @48.5 % (Factor .5072)		($ 910)		($
Total Capital Required Including Research & Development & Other Charges		($ 1,480)		$
RETURN ON TOTAL CAPITAL REQUIRED		Infinite %		

Equipment to be Released
Increased Space Requirements (Decrease)
Production Capacity
Forecast Burdening %

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