Rev.
SMC 3-26-79

ESTIMATE # ___________

ESTIMATED SAVINGS & RETURN ON INVESTMENT

ENGINEER: E.L. Morris
DATE: Jan 13 1982

Heian Long Stock Machining (Shaping and Secondary Machining Only)

	Current Process	Heian Machining		
Forecast Year & Dollars	1984			
Quantity Forecast	18700			
OPERATING COSTS				
Purchased Parts	$	$	$	$
Raw Material				
Standard Labor	132,420	38440		
Labor Variance @ Calc	27,010	14290		
Industrial Relations @ 47%	76,270	25260		
Supplies	2,200	720		
Tool Replacement	4,920	5220		
Cutter Grind	1,730	2130		
Tool Maintenance	2,360	3400		
Maintenance	3,390	13080		
Energy	Stand Off			
Equipment Depreciation @ 7.5%		16,350		
Supervision	17,410	3,980		
Floor Space @ 4.25/ft²	10,510	3,190		
Sub Totals	$279,000	A $126,720	$	A $
Gross Savings Before Admin. Exp.		$152,280		$
Admin. Exp. @4.3% Gross Savings		B $ 6550		B $
Sub Totals	$279,000	A+B $133,270	$	A+B $
SAVINGS IN OPERATING COST		$145730		$
Less: Income Tax @48.5 %		($ 70680)		($
Plus: Amortization of Investment Tax Credit		$ 2180		$
NET SAVINGS		$ 77230		$
INVESTMENT				
Project Expenditures		$218000		$
Manufacturing & Working Facilities		$		$
Net Change in Working Capital		($ 48,300)		$
Total Capital Required for this Project		$169,700		$
RETURN ON INVESTMENT - THIS PROJECT		46.0 %		
Net Savings - After Amortization of Operation Charges		$ 76680		$
Project Operation Charges		$ 15000		$
Less: Administration Expense @4.3 % & Income Taxes @48.5 % (Factor .5072)		($ 7610)		($
Total Capital Required Including Research & Development & Other Charges		$177090		$
RETURN ON TOTAL CAPITAL REQUIRED		43.0 %		
Equipment to be Released				
Increased Space Requirements (Decrease)				
Production Capacity				
Forecast Endurance		20 %		

R2508373

CPV 4/16

CASH FLOW SUMMARY WORKSHEET

2 Turret 65 pmll

CASH FLOW YEAR	INVESTMENT CASH FLOW: CAPITALIZABLE PROJECT EXPENDITURES ①	PROJECT EXPENDITURES CHARGEABLE TO OPERATIONS (NET) ②	NET CHANGE IN WORKING CAPITAL ③	TOTAL INVESTMENT CASH FLOW (①+②+③) ④	CASH FLOW FROM OPERATIONS: OPERATIVE EARNINGS ⑤	FED. INCOME TAXES & ALL OTHER TAXES ⑥	NET EARNINGS ⑦ (⑤-⑥)		DEPRECIATION ON PROJECT EXPENDITURES (TAX BASIS) ⑧	TOTAL CASH FLOW FROM OPERATIONS ⑨ (⑦+⑧)	NET CASH FLOW ⑩ (④+⑨)
0	$ (218)	$ (74)		(225.4)							(225.4)
1	-0-	-0-	45.9	45.9	139.1	67.5	71.6	28	22.9 ~~44.0~~	1163	1622
2			3.8	3.8	148.6	72.1	76.5	0	44.0	1175	1213
3			14.0	14.0	193.5	93.9	99.6	0	34.2	1338	1478
4			9.6	9.6	222.3	107.8	114.6	0	29.9	1444	1540
5			10.2	10.2	262.9	127.5	135.4	0	25.7	1611	171.3
6			11.2	11.2	286.5	139.0	147.5	0	21.4	1689	1801
7			11.6	11.6	322.6	156.5	166.1	0	17.2	1833	1949
8			13.0	13.0	361.9	175.5	186.4	0	12.9	1993	2123
9			14.9	14.9	407.7	197.7	210.0	0	6.5	2185	2334
10			16.2	16.2	456.4	221.4	235.0	0	4.4	2394	2556

I.M.R. - 67.3%

67.3

BARBER - PRESALE R 0107386

Rev.
DATE: 3-26-79

ESTIMATE # ____________

ESTIMATED SAVINGS & RETURN ON INVESTMENT

ENGINEER: ____________

DATE: ____________

Compare
Savings Increments
on each proposal

Forecast Year				
Quantity Forecast				
OPERATING COSTS				
Purchased Parts	$	$	$	$
Raw Material	4.7			
Standard Labor	136.0	94.0		
Labor Variance @ Calc	13.5	12.7		
Industrial Relations @ 47.9 %	66.1	51.1		
Supplies	3.3	2.1		
Tool Replacement	4.3	(1.0)		
Cutter Grind	19.3	(1.3)		
Tool Maintenance	1.6	—		
Maintenance	(29.6)	(9.7)		
Energy				
Equipment Depreciation @ 7.5 %	(56.3)	(16.4)		
Supervision	17.6	13.5		
	8.9	7.3		
Sub Totals	$ 189.6	A $ 152.3	$	A $
Gross Savings Before Admin. Exp.		$ 37.3		$
Admin. Exp. @4.3% Gross Savings		B $ 1.6		B $
Sub Totals	$ 189.6	A+B $ 153.9	$	A+B $
SAVINGS IN OPERATING COST		$ 35.7		$
Less: Income Tax @48.5 %		($ 17.3)		($
Plus: Amortization of Investment Tax Credit		$ 5.3		$
NET SAVINGS		$ 23.7		$
INVESTMENT				
Project Expenditures		$ 532.0		$
Manufacturing & Working Facilities		$		$
Net Change in Working Capital		$ (12.4)		$
Total Capital Required for this Project		$ 519.6		$
RETURN ON INVESTMENT - THIS PROJECT		5.0 %		
Net Savings - After Amortization of Operation Charges		$		$
Project Operation Charges		$		$
Less: Administration Expense @4.3 % & Income Taxes @48.5 % (Factor .5072)		($)		($
Total Capital Required Including Research & Development & Other Charges		$		$
RETURN ON TOTAL CAPITAL REQUIRED		%		
Equipment to be Released				
Increased Space Requirements (Decrease)				
Production Capacity				
Forecast Burdening		$		

BARBER - PRESALE R 0107387