

Expense Statement Yearly
Super X Printer Lease Analysis
Example

September 24, 2009
Investit Decisions
Lease

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
EXPENSES						
Leasing Cost	51,600	51,600	51,600	51,600	51,600	51,600
Service Contract	30,000	30,900	31,824	32,784	33,768	34,776
Total Expenses	81,600	82,500	83,424	84,384	85,368	86,376

Expense Statement Yearly
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EXPENSES

Leasing Cost
Service Contract

Total Expenses

Operating Cash Flow Yearly
Super X Printer Lease Analysis
Example

September 24, 2009
Investit Decisions
Lease

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
CASH OUTFLOW BEFORE TAX						
Expenses	81,600	82,500	83,424	84,384	85,368	86,376
Plus: Principle Payments	-	-	-	-	-	-
Interest payments	-	-	-	-	-	-
Working Capital Additions	-	-	-	-	-	-
CASH OUTFLOW BEFORE TAX	81,600	82,500	83,424	84,384	85,368	86,376
Less: Tax Savings at 33.00%	29,403	31,433	30,475	29,909	29,615	29,514
CASH OUTFLOW AFTER TAX	52,197	51,068	52,949	54,475	55,753	56,862
INCOME TAX SAVINGS						
Expenses	81,600	82,500	83,424	84,384	85,368	86,376
Plus: Interest Payments	-	-	-	-	-	-
Depreciation & Amortization	7,500	12,750	8,925	6,248	4,373	3,061
Tax Deductible Expenses	89,100	95,250	92,349	90,632	89,741	89,437
Tax Savings at 33.00%	29,403	31,433	30,475	29,909	29,615	29,514

Note: The cash flows are Cash Outflows or Negative Cash Flows.

Net Cash Flow (Before Tax)
 Super X Printer Lease Analysis
 Example

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 Lease

Year	Investment	Working Capital		Financing		Operating Cash Flow (Before Tax)	Sale Proceeds (Before Tax)	Net Cash Flow (Before Tax)
		Additions	Reductions	Borrow	Paid Back			
Year 1 Jan-Year 1 Dec	\$ (50,000)	-	-	-	-	\$ (81,600)	-	\$ (131,600)
Year 2 Jan-Year 2 Dec	-	-	-	-	-	(82,500)	-	(82,500)
Year 3 Jan-Year 3 Dec	-	-	-	-	-	(83,424)	-	(83,424)
Year 4 Jan-Year 4 Dec	-	-	-	-	-	(84,384)	-	(84,384)
Year 5 Jan-Year 5 Dec	-	-	-	-	-	(85,368)	-	(85,368)
Year 6 Jan-Year 6 Dec	-	-	-	-	-	(86,376)	-	(86,376)
							Total	\$ (553,652)

Financial Returns (Before Tax)	
Net Present Value (NPV) at 12.00%	(\$ 393,834)
Annual Equivalent Costs at 12.00%	(\$ 95,790)

Net Cash Flow (After Tax)
 Super X Printer Lease Analysis
 Example

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Year	Investment	Working Capital		Financing		Operating Cash Flow (After Tax)	Sale Proceeds (After Tax)	Net Cash Flow (After Tax)
		Additions	Reductions	Borrow	Paid Back			
Year 1 Jan-Year 1 Dec	\$ (50,000)	-	-	-	-	\$ (52,197)	-	\$ (102,197)
Year 2 Jan-Year 2 Dec	-	-	-	-	-	(51,068)	-	(51,068)
Year 3 Jan-Year 3 Dec	-	-	-	-	-	(52,949)	-	(52,949)
Year 4 Jan-Year 4 Dec	-	-	-	-	-	(54,475)	-	(54,475)
Year 5 Jan-Year 5 Dec	-	-	-	-	-	(55,753)	-	(55,753)
Year 6 Jan-Year 6 Dec	-	-	-	-	-	(56,862)	2,357	(54,505)
							Total	\$ (370,947)

Financial Returns (After Tax)

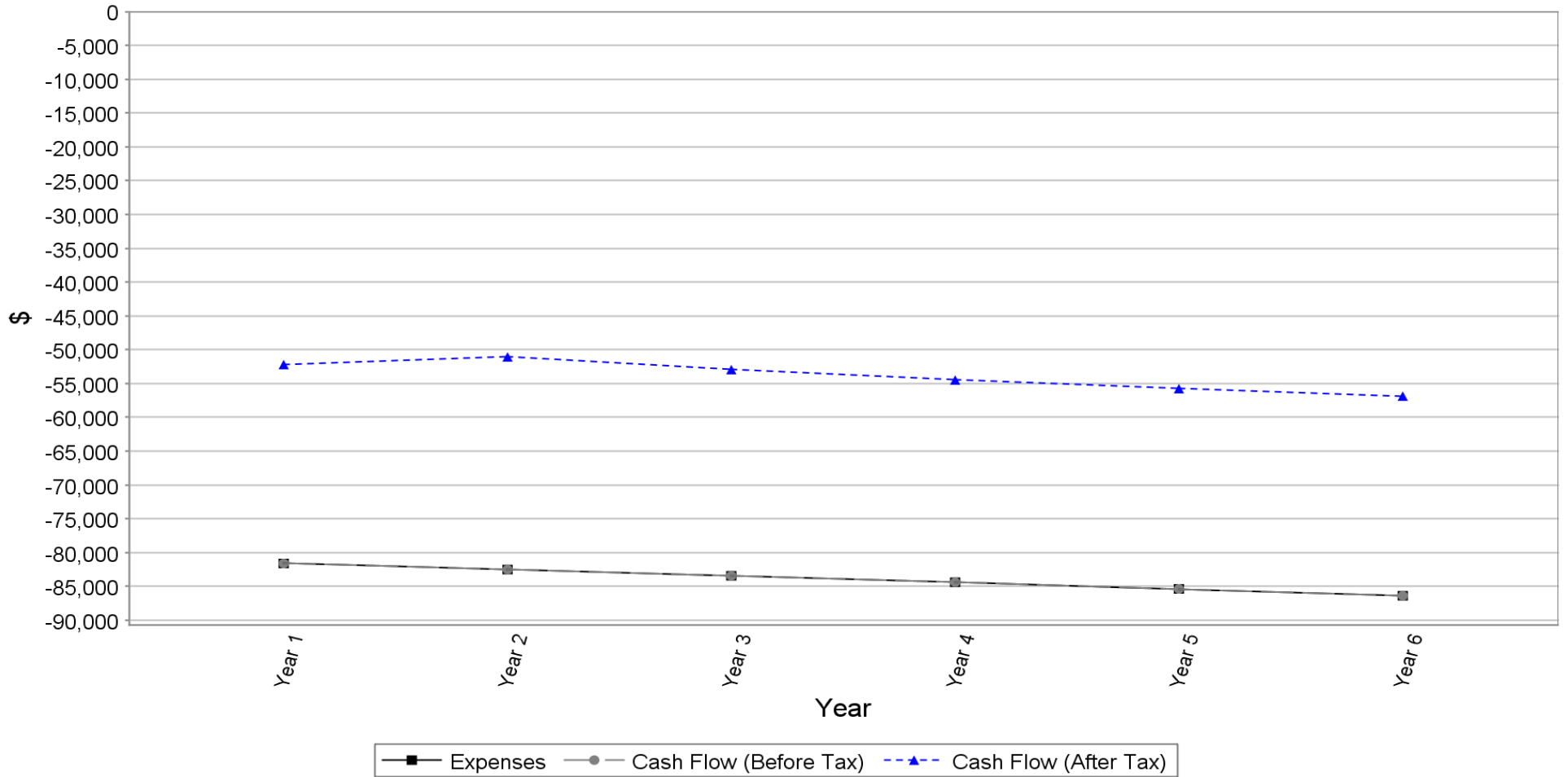
Net Present Value (NPV) at 7.80%	(\$ 298,000)
Annual Equivalent Costs at 7.80%	(\$ 64,071)

Expense Calculations Yearly
Super X Printer Lease Analysis
Example

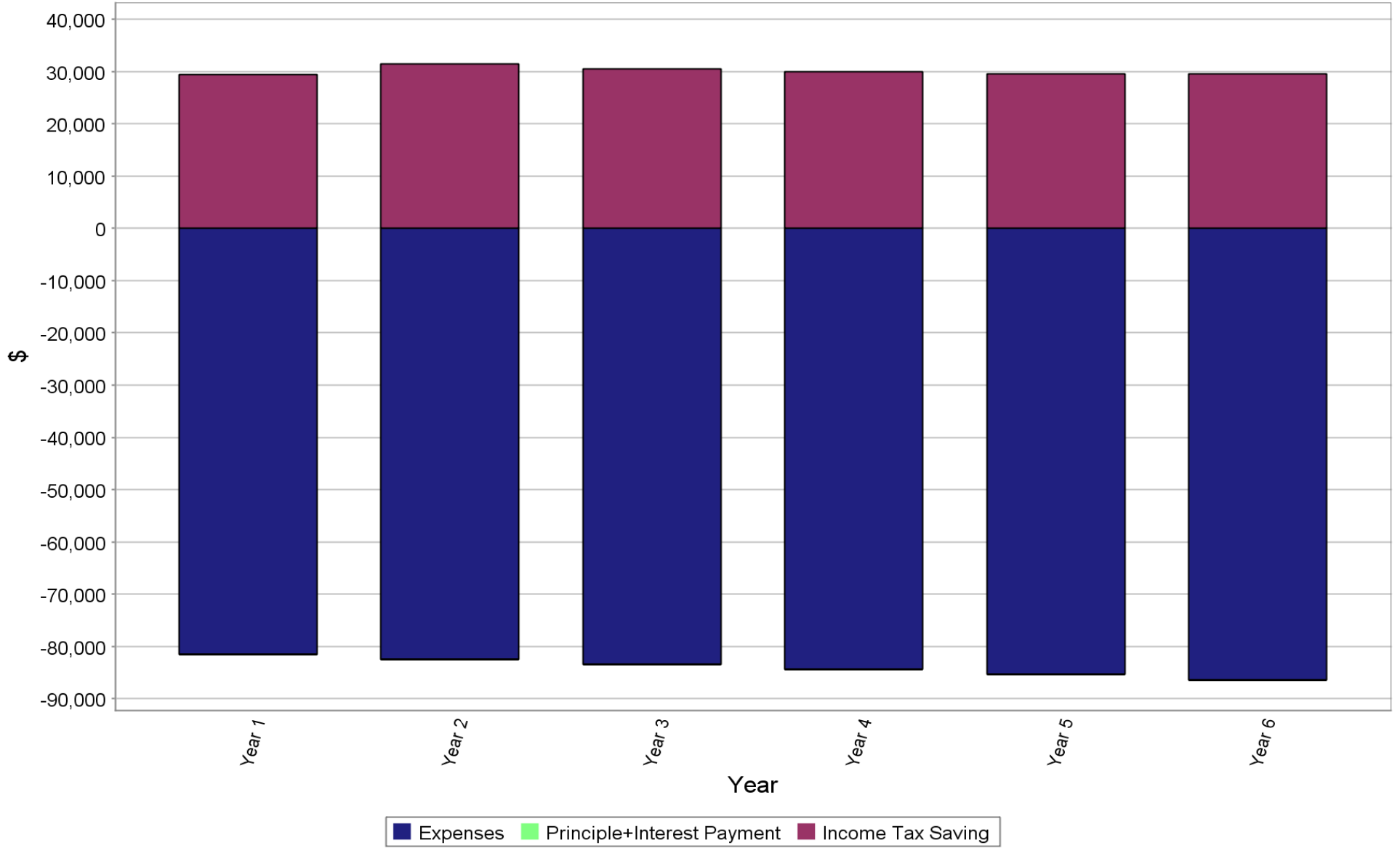
September 24, 2009
Investit Decisions
Lease

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Leasing Cost	51,600	51,600	51,600	51,600	51,600	51,600
Service Contract	30,000	30,900	31,824	32,784	33,768	34,776
Total	81,600	82,500	83,424	84,384	85,368	86,376

Operating Cash Outflow Incl. Working Capital

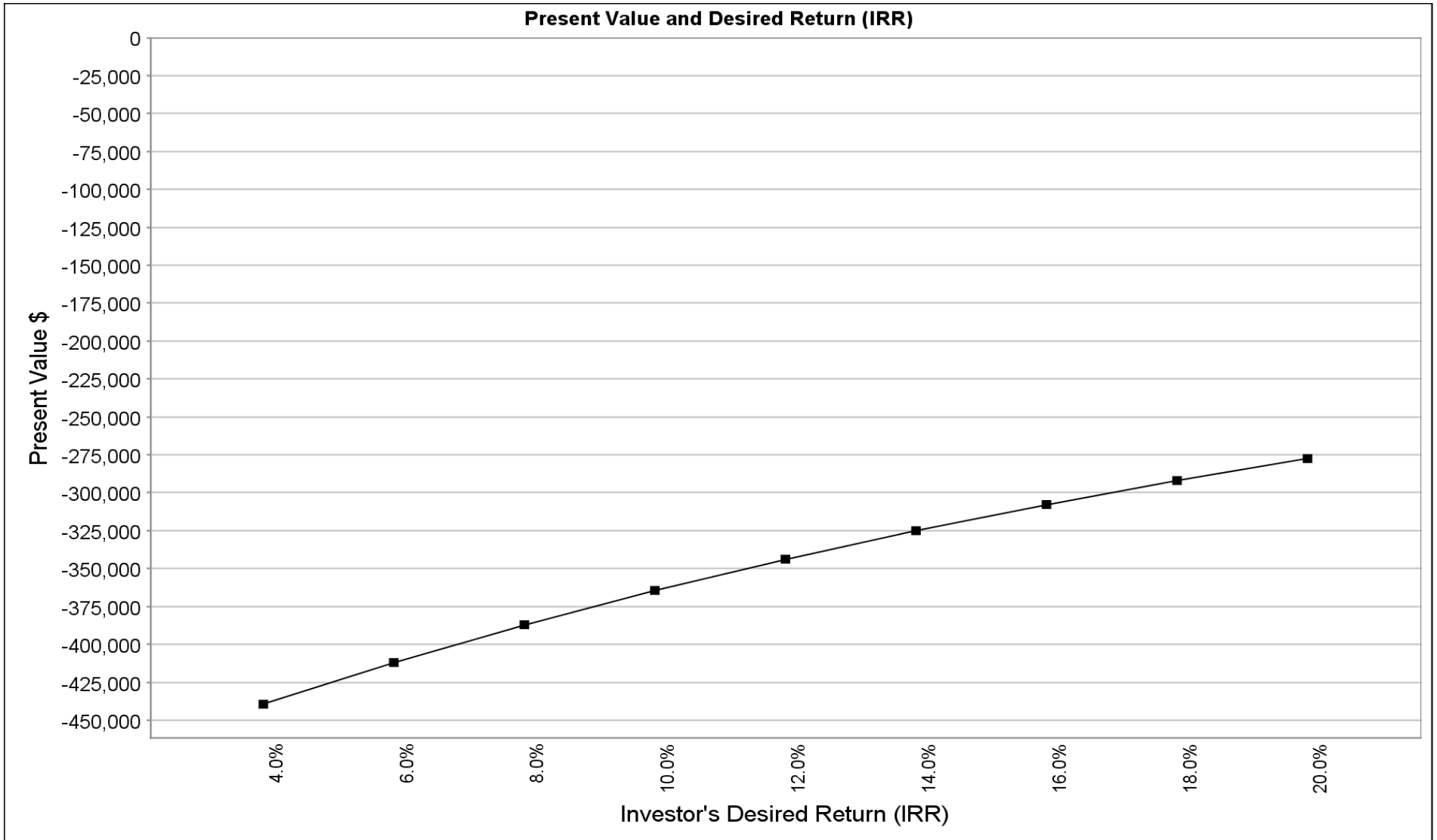


Operating Cash Flow Distribution



Graph. Present Value & Desired Return (Before Tax)
Super X Printer Lease Analysis
Example

September 24, 2009
Investit Decisions
Lease



Input Data Summary
Super X Printer Lease Analysis
Example

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Lease

Decision Lease

Note: For information on Revenue, Expenses and Working Capital inputs and projections see the Revenue, Expense and projections description reports and the Working Capital report.

Project Information

Analysis Period	6 years
Starting date	January Year 1

Investor Information

Marginal Tax Rate	33.00%
Capital Gain	50.00% added to income

Desired Return on Investment (Discount Rate)

Before Tax:	12.00%
After Tax:	7.80%

Input Data Summary
Super X Printer Lease Analysis
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Investment information

Total Invested in Year 1 is \$ 50,000

	CCA Class	Date	Amount	CCA Rate	First Year	Claim CCA in Last Year
Investment (Down Payment)	Equipment/Machinery	Jan, Year 1	\$ 50,000	30.00%	50.00%	Yes

Input Data Summary
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SALVAGE VALUE

Disposition Costs
Selling Expenses
Legal Fees
Removal Costs

0% of the Salvage Value
0% of the Salvage Value
-

	Capital Investment	Salvage Value	% of Capital Investment
Investment (Down Payment)	\$ 50,000	-	-

Projection Descriptions
Super X Printer Lease Analysis
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LEASE (EXPENSES) PROJECTIONS

Leasing Cost

Entry Choice: \$ per Month

Year 1 \$4,300 per Month for 1 year
 Constant per year for next 5 years

Service Contract

Entry Choice: \$ per Month

Year 1 \$2,500 per Month for 1 year
 Compounding at 3.00% per year for next 5 years

Capital Cost Allowance Schedules
 Super X Printer Lease Analysis
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Investment (Down Payment)

Starting Date: Year 1 January
 Amount: \$ 50,000
 CCA Claim: Full CCA Claim
 CCA Method: Equipment/Machinery
 CCA Rate: 30.0%
 First Year Rate: 50.0%
 Claim CCA in last Year: Yes

<u>Comencing</u>	<u>Value of Improvements</u>	<u>CCA Available</u>	<u>CCA Claimed</u>	<u>Undepreciated Balance</u>
Yr. 1 Jan-Yr. 1 Dec	\$ 50,000	\$ 7,500	\$ 7,500	\$ 42,500
Yr. 2 Jan-Yr. 2 Dec		12,750	12,750	29,750
Yr. 3 Jan-Yr. 3 Dec		8,925	8,925	20,825
Yr. 4 Jan-Yr. 4 Dec		6,248	6,248	14,577
Yr. 5 Jan-Yr. 5 Dec		4,373	4,373	10,204
Yr. 6 Jan-Yr. 6 Dec		3,061	3,061	7,143
Total	\$ 50,000		\$ 42,857	