



**Income & Expense Statement Yearly**  
 New Jersey \$11M Expansion  
 Increased production for Product's A & B

September 25, 2009  
 Investit Decisions  
 A1 Invest Rev & Exp Monthly Proj. Part A

	Starting March	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>REVENUE</b>											
Sales Revenue Product A		3,600,000	5,562,000	6,073,164	6,647,784	7,253,796	7,888,104	8,639,784	9,431,640	10,305,600	11,225,352
Sales Revenue Product B		2,700,000	2,920,320	3,095,412	3,401,664	3,663,744	4,007,700	4,372,992	4,832,352	5,247,468	5,764,500
<b>Total Revenue</b>		<b>6,300,000</b>	<b>8,482,320</b>	<b>9,168,576</b>	<b>10,049,448</b>	<b>10,917,540</b>	<b>11,895,804</b>	<b>13,012,776</b>	<b>14,263,992</b>	<b>15,553,068</b>	<b>16,989,852</b>
<b>EXPENSES</b>											
Labor		720,000	734,400	749,088	771,561	794,707	818,549	843,105	868,398	894,450	921,284
Materials		2,520,000	3,392,928	3,667,430	4,019,779	4,367,016	4,758,322	5,205,110	5,705,597	6,221,227	6,795,941
Repairs & Maintenance		240,000	247,200	254,616	262,254	270,122	278,226	286,573	295,170	304,025	313,146
Utilities		36,000	37,440	38,938	40,495	42,115	43,800	45,552	47,374	49,269	51,239
Marketing & Sales Fixed Costs		720,000	748,800	778,752	809,902	842,298	875,990	911,030	947,471	985,370	1,024,785
Sales Commissions		1,260,000	1,696,464	1,833,715	2,009,890	2,183,508	2,379,161	2,602,555	2,852,798	3,110,614	3,397,970
<b>Total Expenses</b>		<b>5,496,000</b>	<b>6,857,232</b>	<b>7,322,539</b>	<b>7,913,881</b>	<b>8,499,767</b>	<b>9,154,046</b>	<b>9,893,925</b>	<b>10,716,808</b>	<b>11,564,954</b>	<b>12,504,364</b>
<b>Net Income</b>		<b>804,000</b>	<b>1,625,088</b>	<b>1,846,037</b>	<b>2,135,567</b>	<b>2,417,773</b>	<b>2,741,758</b>	<b>3,118,851</b>	<b>3,547,184</b>	<b>3,988,114</b>	<b>4,485,488</b>



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Starting March

**REVENUE**

Sales Revenue Product A  
Sales Revenue Product B

**Total Revenue**

**EXPENSES**

Labor  
Materials  
Repairs & Maintenance  
Utilities  
Marketing & Sales Fixed Costs  
Sales Commissions

**Total Expenses**

**Net Income**



**Operating Cash Flow Yearly**  
 New Jersey \$11M Expansion  
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September 25, 2009  
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Starting March	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>CASH FLOW BEFORE TAX</b>										
Revenue	6,300,000	8,482,320	9,168,576	10,049,448	10,917,540	11,895,804	13,012,776	14,263,992	15,553,068	16,989,852
Expenses	5,496,000	6,857,232	7,322,539	7,913,881	8,499,767	9,154,046	9,893,925	10,716,808	11,564,954	12,504,364
Net Income	<b>804,000</b>	<b>1,625,088</b>	<b>1,846,037</b>	<b>2,135,567</b>	<b>2,417,773</b>	<b>2,741,758</b>	<b>3,118,851</b>	<b>3,547,184</b>	<b>3,988,114</b>	<b>4,485,488</b>
Less: Principle Payments	344,242	369,127	395,811	424,424	455,106	488,006	523,284	-	-	-
Interest payments	199,095	174,209	147,525	118,912	88,230	55,331	20,053	-	-	-
Working Capital Additions	200,000	-	-	-	-	-	-	-	-	(200,000)
<b>CASH FLOW BEFORE TAX</b>	<b>60,664</b>	<b>1,081,752</b>	<b>1,302,700</b>	<b>1,592,230</b>	<b>1,874,437</b>	<b>2,198,421</b>	<b>2,575,515</b>	<b>3,547,184</b>	<b>3,988,114</b>	<b>4,685,488</b>
Less: Income Tax at 35.00%	(338,283)	(435,049)	(78,990)	224,780	471,733	596,643	740,973	1,069,711	1,395,840	1,569,921
<b>CASH FLOW AFTER TAX</b>	<b>398,947</b>	<b>1,516,801</b>	<b>1,381,691</b>	<b>1,367,451</b>	<b>1,402,704</b>	<b>1,601,779</b>	<b>1,834,542</b>	<b>2,477,473</b>	<b>2,592,274</b>	<b>3,115,567</b>
<b>INCOME TAX CALCULATIONS</b>										
Net Income	804,000	1,625,088	1,846,037	2,135,567	2,417,773	2,741,758	3,118,851	3,547,184	3,988,114	4,485,488
Less: Interest Payments	199,095	174,209	147,525	118,912	88,230	55,331	20,053	-	-	-
Depreciation & Amortization	1,571,429	2,693,877	1,924,198	1,374,427	981,734	981,734	981,734	490,867	-	-
<b>Taxable Income</b>	<b>(966,524)</b>	<b>(1,242,998)</b>	<b>(225,686)</b>	<b>642,228</b>	<b>1,347,809</b>	<b>1,704,693</b>	<b>2,117,065</b>	<b>3,056,317</b>	<b>3,988,114</b>	<b>4,485,488</b>
<b>Income Tax at 35.00%</b>	<b>(338,283)</b>	<b>(435,049)</b>	<b>(78,990)</b>	<b>224,780</b>	<b>471,733</b>	<b>596,643</b>	<b>740,973</b>	<b>1,069,711</b>	<b>1,395,840</b>	<b>1,569,921</b>



**Working Capital Yearly**  
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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Working Capital</b>										
Balance. Beginning of Year	-	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Additions to Working Capital	200,000	-	-	-	-	-	-	-	-	(200,000)
Balance. End of Year	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	-
<b>Working Capital Summary</b>										
Balance. Beginning of Year	-	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Additions to Working Capital	200,000	-	-	-	-	-	-	-	-	(200,000)
Balance. End of Year	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	-



**Net Cash Flow (Before Tax)**  
 New Jersey \$11M Expansion  
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Year	Investment	Working Capital		Financing		Operating Cash Flow (Before Tax)	Sale Proceeds (Before Tax)	Net Cash Flow (Before Tax)
		Additions	Reductions	Borrow	Paid Back			
2010 Mar-2011 Feb	\$ (11,000,000)	\$ (200,000)	-	\$ 3,000,000	-	\$ 60,664	-	\$ (8,139,336)
2011 Mar-2012 Feb	-	-	-	-	-	1,081,752	-	1,081,752
2012 Mar-2013 Feb	-	-	-	-	-	1,302,700	-	1,302,700
2013 Mar-2014 Feb	-	-	-	-	-	1,592,230	-	1,592,230
2014 Mar-2015 Feb	-	-	-	-	-	1,874,437	-	1,874,437
2015 Mar-2016 Feb	-	-	-	-	-	2,198,421	-	2,198,421
2016 Mar-2017 Feb	-	-	-	-	-	2,575,515	-	2,575,515
2017 Mar-2018 Feb	-	-	-	-	-	3,547,184	-	3,547,184
2018 Mar-2019 Feb	-	-	-	-	-	3,988,114	-	3,988,114
2019 Mar-2020 Feb	-	-	200,000	-	-	4,685,488	270,000	5,155,488
							Total	\$ 15,176,505

**Financial Returns (Before Tax)**

Internal Rate of Return (IRR)	16.84%
Net Present Value (NPV) at 12.00%	\$ 2,528,815
Modified Internal Rate of Return (MIRR)	11.83%
Short Term Financing Rate (Before Tax)	7.000%
Short Term Reinvestment Rate (Before Tax)	2.500%
Annual Equivalency at 12.00%	\$ 447,560
Benefit to Cost Ratio at 12.00%	1.19
Payback Period	6.03 years.
Discounted Payback Period at 12.00%	8.40 years.



**Net Cash Flow (After Tax)**  
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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			
2010 Mar-2011 Feb	\$ (11,000,000)	\$ (200,000)	-	\$ 3,000,000	-	\$ 398,947	-	\$ (7,801,053)
2011 Mar-2012 Feb	-	-	-	-	-	1,516,801	-	1,516,801
2012 Mar-2013 Feb	-	-	-	-	-	1,381,691	-	1,381,691
2013 Mar-2014 Feb	-	-	-	-	-	1,367,451	-	1,367,451
2014 Mar-2015 Feb	-	-	-	-	-	1,402,704	-	1,402,704
2015 Mar-2016 Feb	-	-	-	-	-	1,601,779	-	1,601,779
2016 Mar-2017 Feb	-	-	-	-	-	1,834,542	-	1,834,542
2017 Mar-2018 Feb	-	-	-	-	-	2,477,473	-	2,477,473
2018 Mar-2019 Feb	-	-	-	-	-	2,592,274	-	2,592,274
2019 Mar-2020 Feb	-	-	200,000	-	-	3,115,567	165,000	3,480,567
							Total	\$ 9,854,228

**Financial Returns (After Tax)**

Internal Rate of Return (IRR)	13.64%
Net Present Value (NPV) at 7.80%	\$ 2,978,942
Modified Internal Rate of Return (MIRR)	8.80%
Short Term Financing Rate (After Tax)	4.550%
Short Term Reinvestment Rate (After Tax)	1.625%
Annual Equivalency at 7.80%	\$ 439,954
Payback Period	6.29 years.
Discounted Payback Period at 7.80%	7.99 years.



**Cash Flow on Disposition (Before Tax)**

Salvage Value		\$	300,000
Less: Selling Expenses			<u>30,000</u>
<b>Cash Flow on Disposition (Before Tax)</b>			<b>270,000</b>

**Cash Flow on Disposition (After Tax)**

Net Salvage Value			270,000
Less: Capital Gains Tax			
Net Salvage Value	270,000		
Less Cost Basis	<u>11,000,000</u>		
Capital Gains	-	x 35.00%	-
Less: Recaptured Depreciation Tax			
Tax Value of Investments on Sale	300,000		
Less Adjusted Basis	<u>-</u>		
Recaptured Depreciation	300,000	x 35.00%	<u>105,000</u>
<b>Cash Flow on Disposition (After Tax)</b>			<b>165,000</b>



**Revenue Calculations. Yearly**  
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<b>Total</b>	<b>6,300,000</b>	<b>8,482,320</b>	<b>9,168,576</b>	<b>10,049,448</b>	<b>10,917,540</b>	<b>11,895,804</b>	<b>13,012,776</b>	<b>14,263,992</b>	<b>15,553,068</b>	<b>16,989,852</b>





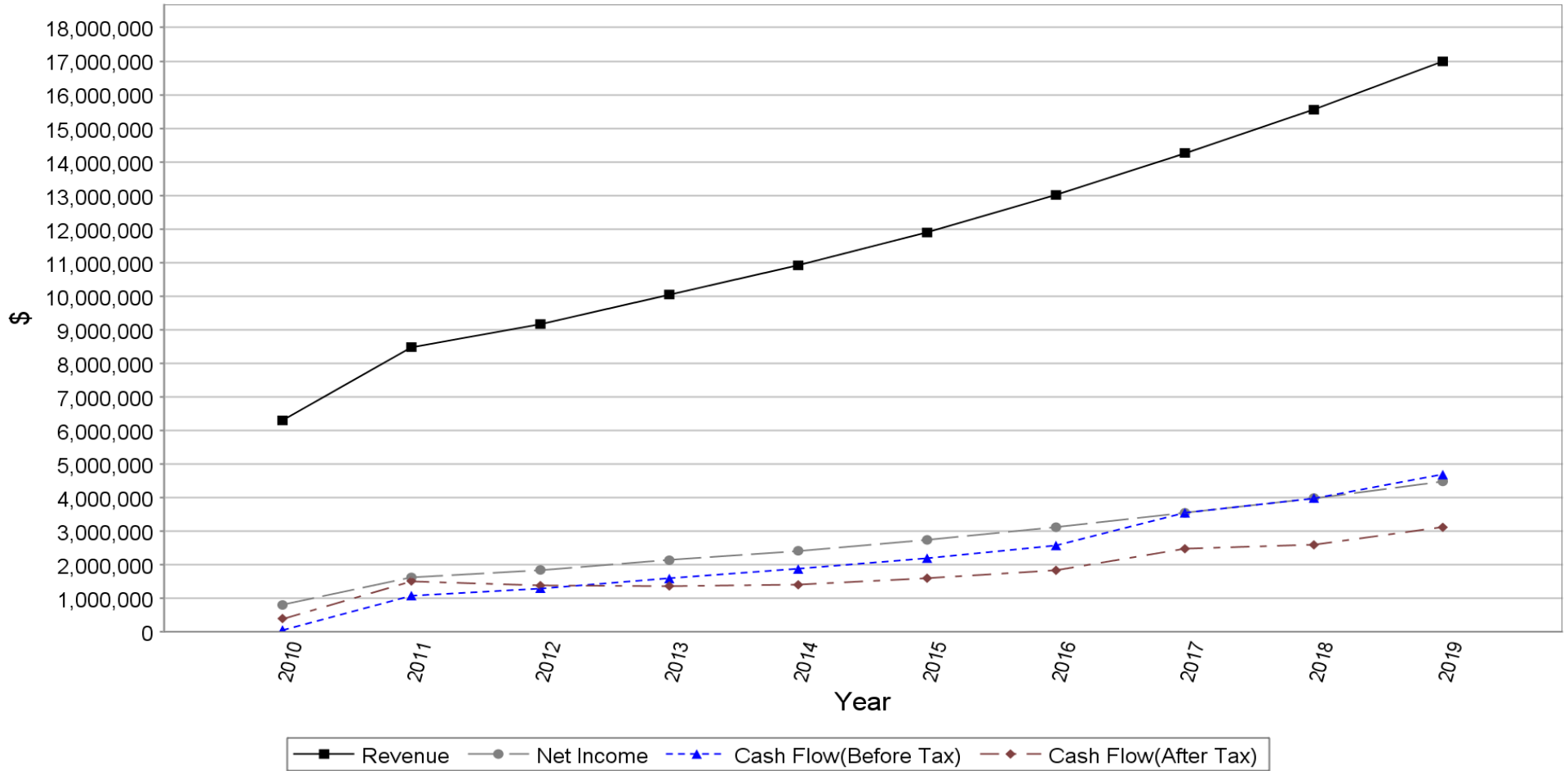
**Expense Calculations Yearly**  
 New Jersey \$11M Expansion  
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Starting March	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Labor	720,000	734,400	749,088	771,561	794,707	818,549	843,105	868,398	894,450	921,284
Materials	2,520,000	3,392,928	3,667,430	4,019,779	4,367,016	4,758,322	5,205,110	5,705,597	6,221,227	6,795,941
Repairs & Maintenance	240,000	247,200	254,616	262,254	270,122	278,226	286,573	295,170	304,025	313,146
Utilities	36,000	37,440	38,938	40,495	42,115	43,800	45,552	47,374	49,269	51,239
Marketing & Sales Fixed Costs	720,000	748,800	778,752	809,902	842,298	875,990	911,030	947,471	985,370	1,024,785
Sales Commissions	1,260,000	1,696,464	1,833,715	2,009,890	2,183,508	2,379,161	2,602,555	2,852,798	3,110,614	3,397,970
<b>Total</b>	<b>5,496,000</b>	<b>6,857,232</b>	<b>7,322,539</b>	<b>7,913,881</b>	<b>8,499,767</b>	<b>9,154,046</b>	<b>9,893,925</b>	<b>10,716,808</b>	<b>11,564,954</b>	<b>12,504,364</b>

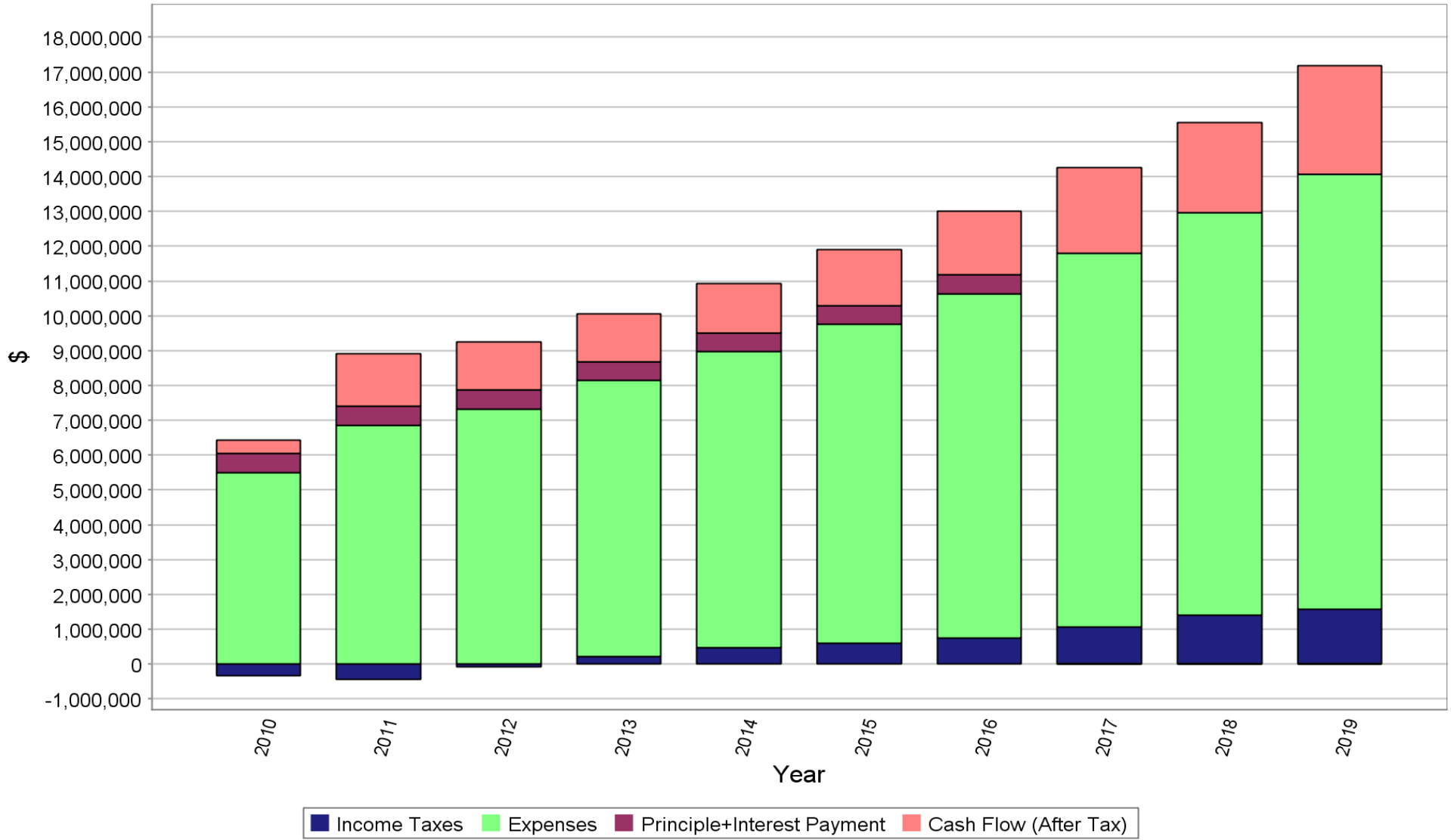


### Operating Cash Flow Incl. Working Capital





### Revenue Distribution





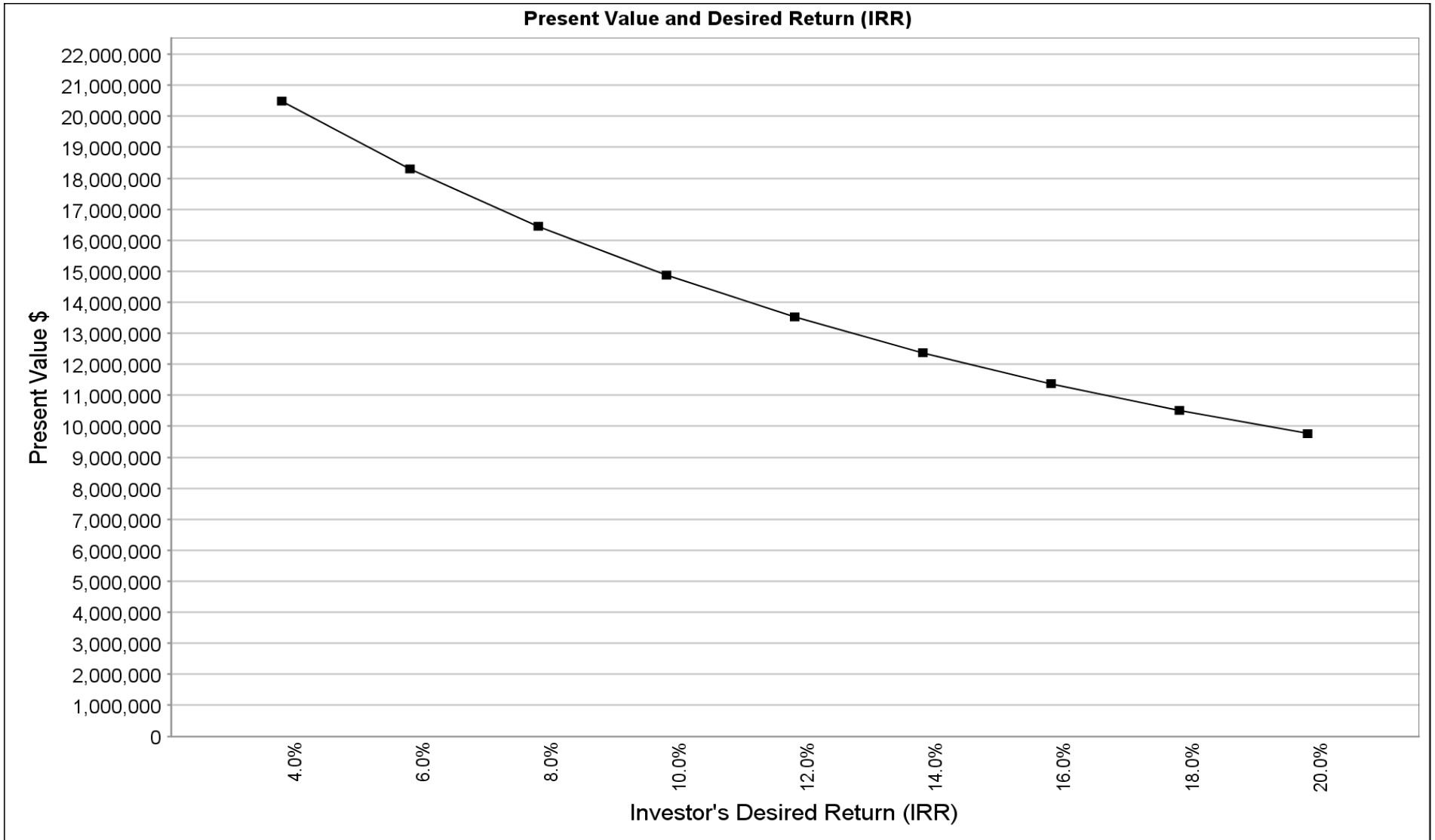
**Graph. Present Value & Desired Return (Before Tax)**

New Jersey \$11M Expansion  
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September 25, 2009

Investit Decisions

A1 Invest Rev & Exp Monthly Proj. Part A





**Input Data Summary**  
New Jersey \$11M Expansion  
Increased production for Product's A & B

September 25, 2009  
Investit Decisions  
A1 Invest Rev & Exp Monthly Proj. Part A

**Decision Investment Analysis**

**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                    10 years  
Starting date                        March 2010

**Investor Information**

Marginal Tax Rate                35.00%  
Capital Gain Tax Rate            35.00%  
Recaptured Deprec. Tax Rate    35.00%

**Desired Return on Investment (Discount Rate)**

Before Tax:                        12.00%  
After Tax:                         7.80%

**Short Term Reinvestment Rates**

Before Tax:                        2.500%  
After Tax:                         1.625%

**Short Term Financing Rates**

Before Tax:                        7.000%  
After Tax:                         4.550%



**Input Data Summary**  
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**Investment information**

Total Invested in Year 1 is \$ 11,000,000

	Investment Type	Date	Amount	Recovery Period Years
Plant Expansion	Personal Property. 200% Declining Bal.	Mar, 2010	\$ 11,000,000	7.00

**Financing**

Financing  
 Starts: March 2010  
 Type: Standard Mortgage  
 Amount: \$ 3,000,000  
 Interest Rate: Fixed  
 Payment Frequency: Monthly  
 Compounding Frequency: Monthly  
 Addit. Payments/Borrowing: No  
 Rounding: Up to Nearest Cent  
 No of Terms: 1

Term	Time Period	Nominal Annual Interest Rate	Amortization
1	7 yrs & 0 mos	7.000%	7 yrs & 0 mos



**Input Data Summary**  
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**SALVAGE VALUE**

Disposition Costs  
Selling Expenses                      10.00% of the Salvage Value

	Capital Investment	Salvage Value	% of Capital Investment
Plant Expansion	\$ 11,000,000	\$ 300,000	2.73%



**Projection Descriptions**  
New Jersey \$11M Expansion  
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**EXPENSES PROJECTIONS**

**Labor**

Entry Choice: \$ per Month

2010 Mar \$60,000.00 per Month paid monthly for 12 months  
Compounding at 2.00% per year for next 2 years  
then Compounding at 3.00% per year for next 7 years

**Materials**

Entry Choice: % of Revenue(s)

Sales Revenue Product A

Sales Revenue Product B

2010 Mar 40.00% of Revenue(s) for 12 months  
Constant per year for next 9 years

**Repairs & Maintenance**

Entry Choice: \$ per Month

2010 Mar \$20,000.00 per Month paid monthly for 12 months  
Compounding at 3.00% per year for next 9 years

**Utilities**

Entry Choice: \$ per Month

2010 Mar \$3,000.00 per Month paid monthly for 12 months  
Compounding at 4.00% per year for next 9 years

**Marketing & Sales Fixed Costs**

Entry Choice: \$ per Month

2010 Mar \$60,000.00 per Month paid monthly for 12 months  
Compounding at 4.00% per year for next 9 years

**Sales Commissions**

Entry Choice: % of Revenue(s)

Sales Revenue Product A

Sales Revenue Product B

2010 Mar 20.00% of Revenue(s) for 12 months  
Constant per year for next 9 years

**REVENUE PROJECTIONS**

**Sales Revenue Product A**

Entry Choice: \$ per Unit Product A





**Projection Descriptions**  
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2010 Mar            \$3,000 per Unit Product A entered monthly for 12 months  
                          Compounding at 3.00% per year for next 9 years

**Sales Revenue Product A**

Entry Choice: Quantity

2010 Mar            100 entered monthly for 12 months  
2011 Mar            150 entered monthly for 12 months  
                          Compounding at 6.00% per year for next 8 years

**Sales Revenue Product B**

Entry Choice: \$ per Unit Product B

2010 Mar            \$4,500 per Unit Product B entered monthly for 12 months  
                          Compounding at 4.00% per year for next 9 years

**Sales Revenue Product B**

Entry Choice: Quantity

2010 Mar            50 entered monthly for 12 months  
                          Compounding at 3.00% per year for next 2 years  
                          then Compounding at 5.00% per year for next 7 years



**Plant Expansion**

Starting Date: 2010 March  
 Depreciation Method: Personal Property. 200% Declining Bal.  
 Recovery Period: 7.0 Year(s)  
 First Year Convention: Half-Year 50.0%  
 Last Year Convention: 50.0%  
 Amount \$ 11,000,000

Period	Cost Basis	Adjusted Cost Basis	Depreciation	Undepreciated Balance
2010 Mar-2011 Feb	\$ 11,000,000	\$ 11,000,000	\$ 1,571,429	\$ 9,428,571
2011 Mar-2012 Feb		9,428,571	2,693,877	6,734,694
2012 Mar-2013 Feb		6,734,694	1,924,198	4,810,496
2013 Mar-2014 Feb		4,810,496	1,374,427	3,436,069
2014 Mar-2015 Feb		3,436,069	981,734	2,454,335
2015 Mar-2016 Feb		2,454,335	981,734	1,472,601
2016 Mar-2017 Feb		1,472,601	981,734	490,867
2017 Mar-2018 Feb		490,867	490,867	-
Total	\$ 11,000,000		\$ 11,000,000	



**Mortgage Schedule**  
 New Jersey \$11M Expansion  
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**Financing**

Amount: \$ 3,000,000  
 Type: Standard Mortgage  
 Analysis Start Date: March 2010  
 Mortgage Commences: March 2010  
 Payment Frequency: Monthly  
 Payment Rounded: Up to Nearest Cent  
 Compounding Frequency: Monthly  
 Interest Rate: Fixed  
 Additional Payment or Borrowing: No

Term	Start Date of (Balloon) Term	Time Period		Nominal Annual Interest Rate	Amortization	
		Years	Months		Years	Months
1	2010 Mar	7	0	7.000 %	7	0

	Outstanding Balance	End of Year Accrued Interest	Mortgage Payout
Payout at end of Analysis Period: Feb 2020	-	-	-
Payout at end of last Term: Feb 2017	-	-	-

Time Period	Payment	Interest Payment	Principal Payment	Additional Payment or (Borrowing)	Outstanding Balance
2010 Mar-2011 Feb	543,336.48	199,094.75	344,241.73	-	2,655,758.27
2011 Mar-2012 Feb	543,336.48	174,209.47	369,127.01	-	2,286,631.26
2012 Mar-2013 Feb	543,336.48	147,525.28	395,811.20	-	1,890,820.06
2013 Mar-2014 Feb	543,336.48	118,912.05	424,424.43	-	1,466,395.63
2014 Mar-2015 Feb	543,336.48	88,230.37	455,106.11	-	1,011,289.52
2015 Mar-2016 Feb	543,336.48	55,330.71	488,005.77	-	523,283.75
2016 Mar-2017 Feb	543,336.48	20,052.73	523,283.75	-	-
	<b>3,803,355.36</b>	<b>803,355.36</b>	<b>3,000,000.00</b>	-	