

| SAMPLE COMPANY | | | | | | | | | | | | | | |
|--|----------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------|----------------|------------------------|------------------------|-----------------------|-------------------------|--------------|
| CALCULATION OF FULLY LOADED LABOR RATES | | | | | | | | | | | | | | |
| BASED ON THE PAYROLL SUMMARY FOR DECEMBER 31, 2013 | | | | | | | | | | | | | | |
| | | | | | | | | Hol. & Vac. | Quote Rate | Over- time Prem. | 9.50% FICA & W/C | O.T. Quote Rate | Direct Labor Hrs. | Hire Date |
| Employee Name | Base Rate | 7.65% FICA | 3.40% SUTA | 0.80% FUTA | W/C | Med | 401K | | | | | | | |
| Annodizing | | | | | | | | | | | | | | |
| 1 | \$12.50 | \$0.96 | \$0.43 | \$0.03 | \$0.23 | \$2.17 | \$0.00 | \$0.48 | \$16.79 | \$6.25 | \$0.59 | \$23.64 | 1,397 | 4-13 |
| 2 | \$15.10 | \$1.16 | \$0.51 | \$0.03 | \$0.28 | \$5.15 | \$0.76 | \$1.68 | \$24.67 | \$7.55 | \$0.72 | \$32.94 | 1,835 | 9-05 |
| 3 | | | | | | | | | | | | | 1,496 | |
| 4 | \$12.00 | \$0.92 | \$0.41 | \$0.03 | \$0.22 | \$5.15 | \$0.00 | \$0.46 | \$19.19 | \$6.00 | \$0.57 | \$25.76 | 1,617 | 03-13 |
| Average | \$13.20 | \$1.01 | \$0.45 | \$0.03 | \$0.24 | \$4.16 | \$0.25 | \$0.88 | \$20.22 | \$6.60 | \$0.63 | \$27.45 | 6,345 | |
| Assembly | | | | | | | | | | | | | | |
| 5 | \$12.00 | \$0.92 | \$0.41 | \$0.03 | \$0.22 | \$5.15 | \$0.24 | \$1.11 | \$20.08 | \$6.00 | \$0.57 | \$26.65 | 1,927 | 10-09 |
| 6 | \$17.50 | \$1.34 | \$0.51 | \$0.03 | \$0.32 | \$2.17 | \$0.88 | \$1.95 | \$24.70 | \$8.75 | \$0.83 | \$34.28 | 2,013 | 10-95 |
| 7 | \$12.00 | \$0.92 | \$0.41 | \$0.03 | \$0.22 | \$2.17 | \$0.60 | \$1.38 | \$17.73 | \$6.00 | \$0.57 | \$24.30 | 1,872 | 12-03 |
| 8 | \$12.00 | \$0.92 | \$0.41 | \$0.03 | \$0.22 | \$7.09 | \$0.00 | \$1.11 | \$21.78 | \$6.00 | \$0.57 | \$28.35 | 1,948 | 11-11 |
| 9 | \$12.00 | \$0.92 | \$0.41 | \$0.03 | \$0.22 | \$2.17 | \$0.12 | \$1.34 | \$17.20 | \$6.00 | \$0.57 | \$23.77 | 959 | 08-05 |
| 10 | \$12.00 | \$0.92 | \$0.41 | \$0.03 | \$0.22 | \$3.57 | \$0.00 | \$1.11 | \$18.26 | \$6.00 | \$0.57 | \$24.83 | 1,909 | 12-12 |
| 11 | \$13.00 | \$0.99 | \$0.44 | \$0.03 | \$0.24 | \$3.57 | \$0.65 | \$1.45 | \$20.38 | \$6.50 | \$0.62 | \$27.49 | 1,919 | 08-05 |
| 12 | \$12.00 | \$0.92 | \$0.41 | \$0.03 | \$0.22 | \$5.15 | \$0.00 | \$1.11 | \$19.84 | \$6.00 | \$0.57 | \$26.41 | 1,988 | 05-11 |
| 13 | \$18.26 | \$1.40 | \$0.51 | \$0.03 | \$0.34 | \$0.00 | \$0.91 | \$2.04 | \$23.48 | \$9.13 | \$0.87 | \$33.48 | 1,866 | 11-05 |
| Average | \$13.42 | \$1.03 | \$0.43 | \$0.03 | \$0.25 | \$3.45 | \$0.38 | \$1.40 | \$20.38 | \$6.71 | \$0.64 | \$27.73 | 16,401 | |
| Chemical Area/Filling Line | | | | | | | | | | | | | | |
| 14 | | | | | | | | | | | | | 379 | |
| 15 | \$11.00 | \$0.84 | \$0.37 | \$0.03 | \$0.20 | \$2.17 | \$0.00 | \$0.42 | \$15.04 | \$5.50 | \$0.52 | \$21.06 | 588 | 09-13 |
| 16 | \$20.00 | \$1.53 | \$0.51 | \$0.03 | \$0.37 | \$0.00 | \$1.00 | \$2.23 | \$25.67 | \$10.00 | \$0.95 | \$36.62 | 1,771 | 07-07 |
| 17 | \$22.19 | \$1.70 | \$0.51 | \$0.03 | \$0.41 | \$2.17 | \$0.00 | \$2.05 | \$29.05 | \$11.09 | \$1.05 | \$41.20 | 1,007 | 07-11 |
| 18 (50%) | \$12.00 | \$0.92 | \$0.41 | \$0.03 | \$0.22 | \$5.15 | \$0.00 | \$1.11 | \$19.84 | \$6.00 | \$0.57 | \$26.41 | 1,020 | 09-12 |
| Weighted Average | \$16.05 | \$1.25 | \$0.45 | \$0.03 | \$0.30 | \$2.37 | \$0.25 | \$1.45 | \$21.78 | \$8.15 | \$0.77 | \$30.70 | 4,765 | |
| Coating | | | | | | | | | | | | | | |
| 19 | \$12.00 | \$0.92 | \$0.41 | \$0.03 | \$0.22 | \$3.57 | \$0.00 | \$1.11 | \$18.26 | \$6.00 | \$0.57 | \$24.83 | 1,912 | 12-09 |
| Deburring | | | | | | | | | | | | | | |
| 20 | \$16.62 | \$1.27 | \$0.51 | \$0.03 | \$0.31 | \$2.17 | \$0.00 | \$1.92 | \$22.82 | \$8.31 | \$0.79 | \$31.92 | 1,840 | 02-90 |
| 21 | \$12.00 | \$0.92 | \$0.41 | \$0.03 | \$0.22 | \$2.17 | \$0.12 | \$1.34 | \$17.20 | \$6.00 | \$0.57 | \$23.77 | 959 | 08-05 |
| 22 | \$13.50 | \$1.03 | \$0.46 | \$0.03 | \$0.25 | \$0.00 | \$0.68 | \$1.25 | \$17.19 | \$6.75 | \$0.64 | \$24.58 | 1,977 | 07-11 |
| 23 | | | | | | | | | | | | | 1,305 | |
| 24 | \$12.00 | \$0.92 | \$0.41 | \$0.03 | \$0.22 | \$2.17 | \$0.00 | \$1.11 | \$16.85 | \$6.00 | \$0.57 | \$23.42 | 1,915 | 02-12 |
| 25 | \$19.00 | \$1.45 | \$0.51 | \$0.03 | \$0.35 | \$3.57 | \$0.95 | \$2.12 | \$27.98 | \$9.50 | \$0.90 | \$38.39 | 1,775 | 12-02 |
| 18 (50%) | \$12.00 | \$0.92 | \$0.41 | \$0.03 | \$0.22 | \$5.15 | \$0.00 | \$1.11 | \$19.84 | \$6.00 | \$0.57 | \$26.41 | 1,020 | 09-12 |
| 26 | | | | | | | | | | | | | 219 | |
| 27 | \$12.00 | \$0.92 | \$0.41 | \$0.03 | \$0.22 | \$2.17 | \$0.60 | \$1.11 | \$17.45 | \$6.00 | \$0.57 | \$24.02 | 1,908 | 11-11 |
| 28 | \$12.00 | \$0.92 | \$0.41 | \$0.03 | \$0.22 | \$0.00 | \$0.00 | \$1.11 | \$14.69 | \$6.00 | \$0.57 | \$21.26 | 2,040 | 12-12 |
| Average | \$13.64 | \$1.04 | \$0.44 | \$0.03 | \$0.25 | \$2.17 | \$0.29 | \$1.38 | \$19.25 | \$6.82 | \$0.65 | \$26.72 | 14,958 | |
| Engraving | | | | | | | | | | | | | | |
| 29 | \$12.00 | \$0.92 | \$0.41 | \$0.03 | \$0.22 | \$2.17 | \$0.00 | \$1.11 | \$16.85 | \$6.00 | \$0.57 | \$23.42 | 1,835 | 06-11 |
| Laser Etching | | | | | | | | | | | | | | |
| 30 | \$12.00 | \$0.92 | \$0.41 | \$0.03 | \$0.22 | \$2.17 | \$0.00 | \$1.11 | \$16.85 | \$6.00 | \$0.57 | \$23.42 | 1,499 | 05-10 |
| Forming/Press Brake | | | | | | | | | | | | | | |
| 31 | | | | | | | | | | | | | 796 | |
| 32 | \$15.00 | \$1.15 | \$0.51 | \$0.03 | \$0.28 | \$0.00 | \$0.00 | \$0.58 | \$17.54 | \$7.50 | \$0.71 | \$25.75 | 531 | 6-13 |
| 33 | \$13.00 | \$0.99 | \$0.44 | \$0.03 | \$0.24 | \$7.09 | \$0.13 | \$1.20 | \$23.13 | \$6.50 | \$0.62 | \$30.25 | 1,901 | 10-09 |
| 34 | \$21.50 | \$1.64 | \$0.51 | \$0.03 | \$0.40 | \$0.00 | \$1.08 | \$2.48 | \$27.64 | \$10.75 | \$1.02 | \$39.41 | 1,881 | 3-97 |
| 35 | \$17.00 | \$1.30 | \$0.51 | \$0.03 | \$0.31 | \$2.17 | \$0.64 | \$1.96 | \$23.92 | \$8.50 | \$0.81 | \$33.23 | 940 | 1-98 |
| 36 | \$24.00 | \$1.84 | \$0.51 | \$0.03 | \$0.44 | \$7.09 | \$1.20 | \$2.77 | \$37.88 | \$12.00 | \$1.14 | \$51.02 | 2,144 | 03-94 |
| 37 | \$12.50 | \$0.96 | \$0.43 | \$0.03 | \$0.23 | \$2.17 | \$0.63 | \$1.15 | \$18.09 | \$6.25 | \$0.59 | \$24.93 | 2,147 | 07-11 |
| Average | \$17.17 | \$1.31 | \$0.48 | \$0.03 | \$0.32 | \$3.09 | \$0.61 | \$1.69 | \$24.70 | \$8.58 | \$0.82 | \$34.10 | 10,340 | |

| SAMPLE COMPANY | | | | | | | | | | | | | | |
|--|----------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------|----------------|------------------------|------------------------|-----------------------|---------------------------------|---------------|
| CALCULATION OF FULLY LOADED LABOR RATES | | | | | | | | | | | | | | |
| BASED ON THE PAYROLL SUMMARY FOR DECEMBER 31, 2013 | | | | | | | | | | | | | | |
| | | | | | | | | Hol. & Vac. | Quote Rate | Over- time Prem. | 9.50% FICA & W/C | O.T. Quote Rate | Direct Labor Hrs. | Hire Date |
| Employee Name | Base Rate | 7.65% FICA | 3.40% SUTA | 0.80% FUTA | W/C | Med | 401K | | | | | | | |
| Hydraulic Press/Hydro | | | | | | | | | | | | | | |
| 38 | \$13.50 | \$1.03 | \$0.46 | \$0.03 | \$0.25 | \$5.15 | \$0.00 | \$1.25 | \$21.67 | \$6.75 | \$0.64 | \$29.06 | 1,980 | 03-10 |
| 39 | \$19.00 | \$1.45 | \$0.51 | \$0.03 | \$0.35 | \$2.17 | \$0.95 | \$2.19 | \$26.66 | \$9.50 | \$0.90 | \$37.06 | 978 | 12-03 |
| Average | \$16.25 | \$1.24 | \$0.48 | \$0.03 | \$0.30 | \$3.66 | \$0.48 | \$1.72 | \$24.16 | \$8.13 | \$0.77 | \$33.06 | 2,958 | |
| Injection (Silicone) | | | | | | | | | | | | | | |
| 40 | \$12.00 | \$0.92 | \$0.41 | \$0.03 | \$0.22 | \$2.17 | \$0.00 | \$1.11 | \$16.85 | \$6.00 | \$0.57 | \$23.42 | 1,910 | 08-11 |
| 41 | \$11.00 | \$0.84 | \$0.37 | \$0.03 | \$0.20 | \$5.15 | \$0.00 | \$1.02 | \$18.62 | \$5.50 | \$0.52 | \$24.64 | 1,997 | 12-12 |
| Average | \$11.50 | \$0.88 | \$0.39 | \$0.03 | \$0.21 | \$3.66 | \$0.00 | \$1.06 | \$17.74 | \$5.75 | \$0.55 | \$24.03 | 3,907 | |
| Laser Cutting | | | | | | | | | | | | | | |
| 42 | \$17.50 | \$1.34 | \$0.51 | \$0.03 | \$0.32 | \$5.15 | \$0.88 | \$2.02 | \$27.75 | \$8.75 | \$0.83 | \$37.33 | 1,956 | 08-99 |
| Machine Shop | | | | | | | | | | | | | | |
| 43 | \$24.00 | \$1.84 | \$0.51 | \$0.03 | \$0.44 | \$7.09 | \$1.20 | \$2.77 | \$37.88 | \$12.00 | \$1.14 | \$51.02 | 1,808 | 1-99 |
| 44 | \$17.00 | \$1.30 | \$0.51 | \$0.03 | \$0.31 | \$2.17 | \$0.64 | \$1.96 | \$23.92 | \$8.50 | \$0.81 | \$33.23 | 940 | 1-98 |
| Weighted Average | \$21.61 | \$1.57 | \$0.51 | \$0.03 | \$0.38 | \$4.63 | \$0.92 | \$2.37 | \$33.11 | \$10.25 | \$0.97 | \$44.33 | 2,748 | |
| Omera Trimming Machine | | | | | | | | | | | | | | |
| 45 | \$13.50 | \$1.03 | \$0.46 | \$0.03 | \$0.25 | \$2.17 | \$0.00 | \$1.25 | \$18.69 | \$6.75 | \$0.64 | \$26.08 | 1,954 | 12-10 |
| 46 | \$19.00 | \$1.45 | \$0.51 | \$0.03 | \$0.35 | \$2.17 | \$0.95 | \$2.19 | \$26.66 | \$9.50 | \$0.90 | \$37.06 | 978 | 12-03 |
| Weighted Average | \$15.33 | \$1.24 | \$0.48 | \$0.03 | \$0.30 | \$2.17 | \$0.48 | \$1.72 | \$21.34 | \$8.13 | \$0.77 | \$30.24 | 2,932 | |
| Piercing | | | | | | | | | | | | | | |
| 47 | \$11.00 | \$0.84 | \$0.37 | \$0.03 | \$0.20 | \$0.00 | \$0.00 | \$0.42 | \$12.87 | \$5.50 | \$0.52 | \$18.89 | 269 | 09-13 |
| 48 | \$12.40 | \$0.95 | \$0.42 | \$0.03 | \$0.23 | \$5.15 | \$0.62 | \$1.14 | \$20.95 | \$6.20 | \$0.59 | \$27.74 | 941 | 05-12 |
| Average | \$11.70 | \$0.90 | \$0.40 | \$0.03 | \$0.22 | \$2.58 | \$0.31 | \$0.78 | \$16.91 | \$5.85 | \$0.56 | \$23.32 | 1,210 | |
| Silk Screen | | | | | | | | | | | | | | |
| 49 | \$16.50 | \$1.26 | \$0.51 | \$0.03 | \$0.31 | \$2.17 | \$0.00 | \$1.90 | \$22.68 | \$8.25 | \$0.78 | \$31.71 | 1,845 | 04-95 |
| 50 | | | | | | | | | | | | | 1,421 | |
| 51 | \$11.00 | \$0.84 | \$0.37 | \$0.03 | \$0.20 | \$5.15 | \$0.00 | \$0.42 | \$18.03 | \$5.50 | \$0.52 | \$24.05 | 624 | 9-13 |
| Weighted Average | \$15.11 | \$1.05 | \$0.44 | \$0.03 | \$0.25 | \$3.66 | \$0.00 | \$1.16 | \$21.71 | \$6.88 | \$0.65 | \$29.24 | 3,890 | |
| Spot Welding | | | | | | | | | | | | | | |
| 52 | \$11.00 | \$0.84 | \$0.37 | \$0.03 | \$0.20 | \$0.00 | \$0.00 | \$0.42 | \$12.87 | \$5.50 | \$0.52 | \$18.89 | 269 | 09-13 |
| 53 | \$12.40 | \$0.95 | \$0.42 | \$0.03 | \$0.23 | \$5.15 | \$0.62 | \$1.14 | \$20.95 | \$6.20 | \$0.59 | \$27.74 | 941 | 05-12 |
| Average | \$11.70 | \$0.90 | \$0.40 | \$0.03 | \$0.22 | \$2.58 | \$0.31 | \$0.78 | \$16.91 | \$5.85 | \$0.56 | \$23.32 | 1,210 | |
| Welding | | | | | | | | | | | | | | |
| 54 | | | | | | | | | | | | | 796 | |
| 55 | \$15.00 | \$1.15 | \$0.51 | \$0.03 | \$0.28 | \$0.00 | \$0.00 | \$0.58 | \$17.54 | \$7.50 | \$0.71 | \$25.75 | 530 | 6-13 |
| | | | | | | | | | | | | | 1,326 | |
| Factory Quality Inspection | | | | | | | | | | | | | | |
| 56 | \$20.00 | \$1.53 | \$0.51 | \$0.03 | \$0.37 | \$2.17 | \$1.00 | \$2.31 | \$27.92 | \$10.00 | \$0.95 | \$38.87 | 1,873 | 7-95 |
| 57 | \$14.00 | \$1.07 | \$0.48 | \$0.03 | \$0.26 | \$3.57 | \$0.00 | \$1.29 | \$20.70 | \$7.00 | \$0.67 | \$28.36 | 1,918 | 3-12 |
| 58 | \$14.25 | \$1.09 | \$0.48 | \$0.03 | \$0.26 | \$2.17 | \$0.31 | \$1.59 | \$20.19 | \$7.13 | \$0.68 | \$28.00 | 1,862 | 08-05 |
| 59 | | | | | | | | | | | | | 592 | |
| 60 | \$22.19 | \$1.70 | \$0.51 | \$0.03 | \$0.41 | \$2.17 | \$0.00 | \$2.05 | \$29.05 | \$11.09 | \$1.05 | \$41.20 | 1,007 | 07-11 |
| 61 | \$17.50 | \$1.34 | \$0.51 | \$0.03 | \$0.32 | \$5.15 | \$0.88 | \$1.95 | \$27.68 | \$8.75 | \$0.83 | \$37.26 | 1,433 | 02-06 |
| Average | \$17.59 | \$1.35 | \$0.50 | \$0.03 | \$0.33 | \$3.05 | \$0.44 | \$1.84 | \$25.11 | \$8.79 | \$0.84 | \$34.74 | 8,685 | |
| | | | | | | | | | | | | | Total Direct Labor Hours | 86,697 |
| Factory Indirect | | | | | | | | | | | | | | |
| 62 | \$18.13 | \$1.39 | \$0.51 | \$0.03 | \$0.34 | \$2.17 | \$0.00 | \$2.02 | \$24.58 | \$9.06 | \$0.86 | \$34.50 | 1,697 | 4-08 |
| 63 | \$17.50 | \$1.34 | \$0.51 | \$0.03 | \$0.32 | \$0.00 | \$0.88 | \$1.62 | \$22.19 | \$8.75 | \$0.83 | \$31.77 | 1,989 | 5-10 |
| 64 | \$12.00 | \$0.92 | \$0.41 | \$0.03 | \$0.22 | \$2.17 | \$0.00 | \$1.11 | \$16.85 | \$6.00 | \$0.57 | \$23.42 | 1,896 | 07-10 |
| 65 | \$13.00 | \$0.99 | \$0.44 | \$0.03 | \$0.24 | \$0.00 | \$0.65 | \$1.45 | \$16.81 | \$6.50 | \$0.62 | \$23.92 | 1,879 | 11-05 |
| 66 | \$17.00 | \$1.30 | \$0.51 | \$0.03 | \$0.04 | \$0.00 | \$0.00 | \$1.57 | \$20.45 | \$8.50 | \$0.81 | \$29.76 | 660 | 01-11 |
| 67 | \$13.50 | \$1.03 | \$0.46 | \$0.03 | \$0.25 | \$2.17 | \$0.00 | \$1.25 | \$18.69 | \$6.75 | \$0.64 | \$26.08 | 1,804 | 09-10 |
| 68 | \$11.00 | \$0.84 | \$0.37 | \$0.03 | \$0.20 | \$2.17 | \$0.55 | \$1.02 | \$16.18 | \$5.50 | \$0.52 | \$22.21 | 1,864 | 12-09 |

| SAMPLE COMPANY | | | | | | |
|--|---------------------------------|----------------------------|------------------|------------------------|-----------------|----------------------|
| WORK CENTER/OPERATION EQUIPMENT DEPRECIATION | | | | | | |
| FOR THE 12 MONTHS ENDED DECEMBER 31, 2013 | | | | | | |
| Work Center/ Operation | Equipment Name | Actual or Repl. Cost | Depr. Life | Annual Depreciation | Hours Used | Depr. Hourly Rate |
| Anodizing | Anodizing Line | \$81,650 | 7 | \$11,664 | | |
| | Jessop Hoist | \$50,836 | 7 | \$7,262 | | |
| | Waste Water Trtmt. & Rectifier | \$14,200 | 7 | \$2,029 | | |
| | Chiller | \$12,500 | 7 | \$1,786 | | |
| | Water Heater | \$9,000 | 7 | \$1,286 | | |
| | Boiler | \$15,000 | 7 | \$2,143 | | |
| | | | <u>\$183,186</u> | | <u>\$26,169</u> | 4,948 |
| Assembly | Haegar Machine - New | \$15,000 | 7 | \$2,143 | | |
| | Haegar Machines (4) Used | \$24,000 | 7 | \$3,429 | | |
| | | <u>\$39,000</u> | | <u>\$5,571</u> | 16,401 | \$0.34 |
| Chemical Area | Filling Line | \$54,000 | 7 | \$7,714 | | |
| | Labeling Machine | \$8,500 | 7 | \$1,214 | | |
| | Reverse Osmosis Water System | \$11,000 | 7 | \$1,571 | | |
| | | <u>\$73,500</u> | | <u>\$10,500</u> | 3,758 | \$2.79 |
| Cleaning | Shared Dust Collection System | \$4,500 | 7 | \$643 | 0 | \$0 |
| Coating | Sandblasters - Repl Est. | \$15,000 | 7 | \$2,143 | | |
| | Heating Oven | \$5,000 | 7 | \$714 | | |
| | Coating Oven | \$5,000 | 7 | \$714 | | |
| | | <u>\$25,000</u> | | <u>\$3,571</u> | 1,912 | \$1.87 |
| Deburring | Timesaver 3111 | \$60,200 | 7 | \$8,600 | | |
| | Shared Dust Collection System | \$4,500 | 7 | \$643 | | |
| | | <u>\$64,700</u> | | <u>\$9,243</u> | 14,958 | \$0.62 |
| Engraving | Gravelgraph | \$10,000 | 7 | \$1,429 | 1,835 | \$0.78 |
| Laser Etching | Epilog Laser Machines (2) | \$46,400 | 7 | \$6,629 | 1,499 | \$4.42 |
| Forming | Amada Press Brake | \$99,900 | 7 | \$14,271 | | |
| | Amada Press Brake | \$80,000 | 7 | \$11,429 | | |
| | Amada Press Brake | \$26,900 | 7 | \$3,843 | | |
| | Older Press Brakes (2) | \$40,000 | 7 | \$5,714 | | |
| | | <u>\$246,800</u> | | <u>\$35,257</u> | 10,340 | \$3.41 |
| Hydraulic Press | Omera Press | \$364,000 | 7 | \$52,000 | | |
| | Pump Kit | \$43,000 | 7 | \$6,143 | | |
| | Older Hydraulic Press + Upgrade | \$514,000 | 7 | \$73,429 | | |
| | | <u>\$921,000</u> | 7 | <u>\$131,571</u> | 2,958 | \$44.48 |

| SAMPLE COMPANY | | | | | | | | |
|---|--------------|-----------|-------------|-------------|-----------|----------|---------|--|
| OVERHEAD ALLOCATION AND BREAKEVEN CALCULATION | | | | | | | | |
| FOR THE 12 MONTHS ENDED DECEMBER 31, 2013 | | | | | | | | |
| | | Fixed | Variable | Not | | | | |
| | Total | Expense | Expense | Overhead | Mfg. O/H | Sell O/H | G&A O/H | |
| Net Sales | \$10,351,000 | | | | | | | |
| Cost of Sales: | | | | | | | | |
| 47300-Materials Purchased | \$2,269,000 | | \$2,269,000 | \$2,269,000 | | | | |
| 50550-Freight In | \$66,300 | | \$66,300 | \$66,300 | | | | |
| 50650-Anodizing Costs | \$261,500 | | \$261,500 | \$261,500 | | | | |
| 50750-Packaging Materials | \$93,400 | | \$93,400 | \$93,400 | | | | |
| 50705-Freight Out Invoiced | \$200 | | \$200 | \$200 | | | | |
| 72150-Freight Out | \$228,200 | | \$228,200 | \$228,200 | | | | |
| 50700-Freight Out | (\$70,200) | | (\$70,200) | (\$70,200) | | | | |
| 48000-Direct Labor Sal. & Wages (23% Fixed) | \$1,538,600 | \$355,700 | \$1,182,900 | \$1,182,900 | \$355,700 | | | |
| 48100-Direct Labor Piecework | \$24,600 | | \$24,600 | \$24,600 | | | | |
| 48200-Direct Labor Payroll Taxes | \$55,000 | \$12,700 | \$42,300 | \$42,300 | \$12,700 | | | |
| 48800-Direct Labor Health Insurance | \$293,700 | \$37,800 | \$255,900 | \$255,900 | \$37,800 | | | |
| 70901-Direct Labor Other Emp. Benefits | \$15,600 | \$3,600 | \$12,000 | \$12,000 | \$3,600 | | | |
| 70701-Direct Labor SUTA | \$25,700 | \$8,800 | \$16,900 | \$16,900 | \$8,800 | | | |
| 70301-Direct Labor Medicare Expense | \$11,900 | \$2,700 | \$9,200 | \$9,200 | \$2,700 | | | |
| 70201-Direct Labor FICA Expense | \$50,700 | \$11,700 | \$39,000 | \$39,000 | \$11,700 | | | |
| 47800-Engineering Salary CGS | \$363,300 | \$363,300 | | | \$363,300 | | | |
| 47900-Engineering Salary Payroll Taxes | \$13,400 | \$13,400 | | | \$13,400 | | | |
| 47950-Engineering Health Insurance | \$40,100 | \$40,100 | | | \$40,100 | | | |
| 70902-Engineering Other Emp. Benefits | \$600 | \$600 | | | \$600 | | | |
| 70702-Engineering SUTA | \$2,200 | \$2,200 | | | \$2,200 | | | |
| 70302-Engineering Medicare Expense | \$2,100 | \$2,100 | | | \$2,100 | | | |
| 70201-Engineering FICA Expense | \$8,800 | \$8,800 | | | \$8,800 | | | |
| 70911-Engineering 401(k) Match | \$36,500 | \$36,500 | | | \$36,500 | | | |
| 49200-Production Services | \$2,700 | | \$2,700 | | \$2,700 | | | |
| 49300-Production Utilities | \$157,000 | | \$157,000 | | \$157,000 | | | |
| 49400-Production Rent | \$219,500 | \$219,500 | | | \$219,500 | | | |
| 49500-Repairs and Upgrades | \$30,500 | \$30,500 | | | \$30,500 | | | |
| 49600-Maintenance & Calibrations | \$5,500 | \$5,500 | | | \$5,500 | | | |
| 49800-Water | \$7,200 | \$7,200 | | | \$7,200 | | | |
| 50400-Factory Expense | \$307,900 | \$154,000 | \$153,900 | | \$307,900 | | | |
| 60700-Lab Testing | \$39,300 | | \$39,300 | \$39,300 | | | | |
| 77200-Machinery & Equipment Depr | \$358,600 | \$358,600 | | \$358,600 | | | | |

| | | | | | | | | | |
|---------------------------------------|-------------|-----------|-----------|-----------|--|-----------|--|--|--|
| | \$6,459,400 | | | | | | | | |
| Gross Profit | \$3,891,600 | | | | | | | | |
| Selling Expenses: | | | | | | | | | |
| 70105-Sales Salaries & Wages | \$522,500 | \$522,500 | | | | \$522,500 | | | |
| 70903-Sales Other Employee Benefits | \$2,100 | \$2,100 | | | | \$2,100 | | | |
| 70703-Sales SUTA | \$3,300 | \$3,300 | | | | \$3,300 | | | |
| 70303-Sales Medicare Expense | \$5,000 | \$5,000 | | | | \$5,000 | | | |
| 70203-Sales FICA Expense | \$21,200 | \$21,200 | | | | \$21,200 | | | |
| 60100-Commission Expense | \$645,300 | | \$645,300 | \$645,300 | | | | | |
| 60150-Independent Contractors | \$43,300 | | | | | \$43,300 | | | |
| 60200-Advertising | \$18,800 | \$18,800 | | | | \$18,800 | | | |
| 60300-Promotion & Public Relations | \$9,800 | \$9,800 | | | | \$9,800 | | | |
| 60400-Trade Shows | \$42,600 | \$42,600 | | | | \$42,600 | | | |
| 60500-Professional Services | \$7,200 | \$7,200 | | | | \$7,200 | | | |
| 72100-Auto & Truck Expense | \$71,400 | \$71,400 | | | | \$71,400 | | | |
| 72200-Meals | \$16,900 | \$16,900 | | | | \$16,900 | | | |
| 72300-Parking & Tolls | \$8,400 | \$8,400 | | | | \$8,400 | | | |
| 72400-Airfare | \$48,100 | \$48,100 | | | | \$48,100 | | | |
| 72500-Lodging | \$50,000 | \$50,000 | | | | \$50,000 | | | |
| 72600-Other Travel & Entertainment | \$5,600 | \$5,600 | | | | \$5,600 | | | |
| 72700-Transportation-Taxi/Car Rental | \$9,700 | \$9,700 | | | | \$9,700 | | | |
| | \$1,531,200 | | | | | | | | |
| General & Administrative Expenses: | | | | | | | | | |
| 70050-Admin Salaries & Wages | \$916,200 | \$916,200 | | | | \$916,200 | | | |
| 70904-Admin Other Employee Benefits | \$1,400 | \$1,400 | | | | \$1,400 | | | |
| 70704-Admin SUTA | \$4,800 | \$4,800 | | | | \$4,800 | | | |
| 70304-Admin Medicare Expense | \$6,600 | \$6,600 | | | | \$6,600 | | | |
| 70204-Admin FICA Expense | \$22,400 | \$22,400 | | | | \$22,400 | | | |
| 70912-Admin 401(K) Match | \$4,800 | \$4,800 | | | | \$4,800 | | | |
| 70200-FICA Expense | \$0 | \$0 | | | | \$0 | | | |
| 70250-FICA Expense-Employer | \$43,000 | \$43,000 | | | | \$43,000 | | | |
| 70300-Medicare Expense | \$9,800 | \$9,800 | | | | \$9,800 | | | |
| 70500-SUI/SDI Expense | \$600 | \$600 | | | | \$600 | | | |
| 70600-FUTA Expense | \$8,900 | \$8,900 | | | | \$8,900 | | | |
| 70700-SUTA Expense | \$48,700 | \$48,700 | | | | \$48,700 | | | |
| 70800-Health Insurance | \$106,600 | \$106,600 | | | | \$106,600 | | | |
| 70900-Other Employee Benefit Plan | \$8,800 | \$8,800 | | | | \$8,800 | | | |
| 70910-401(K) Match - Admin-Mktg-Sales | \$29,100 | \$29,100 | | | | \$29,100 | | | |

| | | | | | | | | |
|---|-------------|----------|----------|----------|--|----------|--|--|
| 71000-Group Life Insurance | \$4,000 | \$4,000 | | | | \$4,000 | | |
| 73100-Accounting Fees | \$7,700 | \$7,700 | | | | \$7,700 | | |
| 60600-Bad Debt Expense | \$11,400 | \$11,400 | | | | \$11,400 | | |
| 76200-Bank Charges | \$6,100 | \$6,100 | | | | \$6,100 | | |
| 75000-Computer Software Expense | \$41,600 | \$41,600 | | | | \$41,600 | | |
| 75100-Computer Expense | \$20,100 | \$20,100 | | | | \$20,100 | | |
| 75150-Computer Consulting Expense | \$1,800 | \$1,800 | | | | \$1,800 | | |
| 75200-Computer Software Support | \$4,700 | \$4,700 | | | | \$4,700 | | |
| 76300-Contributions & Donations | \$1,200 | \$1,200 | | | | \$1,200 | | |
| 76600-Credit Card Expense | \$19,200 | \$19,200 | | | | \$19,200 | | |
| 77100-Depreciation Exp. - Furn & Fixt | \$8,600 | \$8,600 | | | | \$8,600 | | |
| 77300-Depreciation Exp. - Office Eq. | \$5,300 | \$5,300 | | | | \$5,300 | | |
| 77400-Depreciation Exp. - Leasehold Imprv | \$10,600 | \$10,600 | | | | \$10,600 | | |
| 77500-Depreciaton - Software | \$1,900 | \$1,900 | | | | \$1,900 | | |
| 78400-Amort Trademark & Patents Exp | \$64,800 | \$64,800 | | | | \$64,800 | | |
| 73000-Dues & Subscriptions | \$35,400 | \$35,400 | | | | \$35,400 | | |
| 74200-Equipment Rental | \$2,300 | \$2,300 | | | | \$2,300 | | |
| 76210-Fines & Penalties | \$100 | \$100 | | | | \$100 | | |
| 74500-Heat, Light, and Power | \$7,300 | \$7,300 | | | | \$7,300 | | |
| 74300-General Business Insurance | \$81,800 | \$54,500 | \$27,300 | \$27,300 | | \$54,500 | | |
| 73650-Janitorial & Cleaning Services | \$2,600 | \$2,600 | | | | \$2,600 | | |
| 73200-Legal Fees | \$44,200 | \$44,200 | | | | \$44,200 | | |
| 76400-Licenses & Permits | \$26,400 | \$26,400 | | | | \$26,400 | | |
| 76000-Miscellaneous Expense | \$2,300 | \$2,300 | | | | \$2,300 | | |
| 73600-Office Expense | \$32,200 | \$32,200 | | | | \$32,200 | | |
| 73400-Payroll Processing Fees | \$21,400 | \$21,400 | | | | \$21,400 | | |
| 74100-Postage | \$6,000 | \$6,000 | | | | \$6,000 | | |
| 73700-Printing & Reproduction | \$45,100 | \$45,100 | | | | \$45,100 | | |
| 66900-Reconciliation Discrepancies | (\$300) | (\$300) | | | | (\$300) | | |
| 76500-Repairs & Maintenance | \$57,300 | \$57,300 | | | | \$57,300 | | |
| 74900-Rent-Building | \$31,600 | \$31,600 | | | | \$31,600 | | |
| 90000-State Income Tax-NJ | \$2,000 | \$2,000 | | | | \$2,000 | | |
| 71100-Taxes-Other | \$56,400 | \$56,400 | | | | \$56,400 | | |
| 71150-Excise Tax -Medical Devices | \$71,100 | \$71,100 | | | | \$71,100 | | |
| 78600-Training Expense | \$100 | \$100 | | | | \$100 | | |
| 74800-Telephone | \$21,700 | \$21,700 | | | | \$21,700 | | |
| | \$1,967,700 | | | | | | | |
| | | | | | | | | |
| Income from Operations | \$392,700 | | | | | | | |
| | | | | | | | | |
| Other Income/Expense: | | | | | | | | |

SAMPLE COMPANY

DEPARTMENTAL RATES

BASED ON COSTS FOR THE 12 MONTHS ENDED DECEMBER 31, 2013

| | Fully Loaded | Machine Overhead | Fixed | Fixed | Fixed | |
|--------------------|-------------------------|-----------------------------|-----------------|-----------------|--------------------|--------------|
| Department | Labor Rate | Rate | Mfg. O/H | Sell O/H | G&A O/H | Total |
| Annodizing | \$20.15 | \$5.29 | \$19.29 | \$10.22 | \$22.42 | \$77.37 |
| Assembly | \$20.38 | \$0.34 | \$19.29 | \$10.22 | \$22.42 | \$72.65 |
| Chemical Area | \$22.15 | \$2.79 | \$19.29 | \$10.22 | \$22.42 | \$76.87 |
| Coating | \$18.26 | \$1.87 | \$19.29 | \$10.22 | \$22.42 | \$72.06 |
| Deburring | \$19.25 | \$0.62 | \$19.29 | \$10.22 | \$22.42 | \$71.80 |
| Engraving | \$16.85 | \$0.78 | \$19.29 | \$10.22 | \$22.42 | \$69.56 |
| Laser Etching | \$16.85 | \$4.42 | \$19.29 | \$10.22 | \$22.42 | \$73.20 |
| Forming | \$24.70 | \$3.41 | \$19.29 | \$10.22 | \$22.42 | \$80.04 |
| Hydraulic Press | \$24.16 | \$44.88 | \$19.29 | \$10.22 | \$22.42 | \$120.97 |
| Silicone Injection | \$17.74 | \$5.83 | \$19.29 | \$10.22 | \$22.42 | \$75.50 |
| Laser Cutting | \$27.75 | \$84.33 | \$19.29 | \$10.22 | \$22.42 | \$164.01 |
| Machine Shop | \$32.01 | \$5.20 | \$19.29 | \$10.22 | \$22.42 | \$89.14 |
| Omera Trim | \$21.75 | \$17.54 | \$19.29 | \$10.22 | \$22.42 | \$91.22 |
| Piercing | \$16.91 | \$0.59 | \$19.29 | \$10.22 | \$22.42 | \$69.43 |
| Silk Screening | \$21.71 | \$1.30 | \$19.29 | \$10.22 | \$22.42 | \$74.94 |
| Spot Welding | \$17.54 | \$12.44 | \$19.29 | \$10.22 | \$22.42 | \$81.91 |
| Welding (MIG, TIG) | \$16.91 | \$3.50 | \$19.29 | \$10.22 | \$22.42 | \$72.34 |