



ICB, LLC

ANNUALIZED FINANCIAL ANALYSIS WORKSHEET: Samson Carts

Financial Variables			
Cost of capital	10.00%		
Tax rate	28.00%		
Useful life for comparison	10	years	
	Plywood	Samson	
Investment Characteristics			
Investment life (years)	3	10	
Current age of investment	1		
Initial depreciable investment cost	(\$190.00)	(\$635.00)	
Future salvage value	\$0.00	\$200.00	4
Current salvage value	\$0.00		
Depreciation (straight line)	\$63.33	\$43.50	
Initial (Costs) or Benefits			
Cost avoidance		869	1
Other initial benefits	\$0.00	\$0.00	2
<i>Total Initial Benefits</i>	\$0.00	\$869.00	
Initial investment cost	(\$190.00)	(\$635.00)	
Other required new investment	\$0.00		
<i>Total Initial Costs</i>	(\$190.00)	(\$635.00)	
Initial Subtotals	(\$190.00)	\$234.00	
PV Future (Costs) or Benefits			
Future salvage value	\$0.00	\$200.00	
Other future benefits			
<i>Total Future Benefits</i>	\$0.00	\$200.00	
PV Future Benefits	\$0.00	\$77.11	
Resale costs		\$0.00	
Other future costs			
<i>Total Future Costs</i>	\$0.00	\$0.00	
PV Future (Costs)	\$0.00	\$0.00	
Future PV Subtotals	\$0.00	\$77.11	
PV 3-year (Costs) or Benefits			
3 Year Revenues (sales, etc)	\$0.00	\$0.00	
Other annual benefits			
<i>Total 3-year Benefits</i>	\$0.00	\$0.00	
PV Annual Benefits	\$0.00	\$0.00	
Operating costs	\$0.00	\$0.00	
3-Year Maintenance/repair costs	(\$4,266.00)	(\$1,659.00)	3
Other annual costs			
3-year Depreciation tax shield	(\$190.00)	(\$130.50)	
Taxable income	(\$4,456.00)	(\$1,789.50)	
Taxes	\$0.00	\$0.00	
Total 3 Year Costs	(\$4,266.00)	(\$1,659.00)	

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	PV Annual (Costs)	(\$8,737.57)	(\$3,397.95)
	Total Annual (Costs) or Benefits	(\$1,422.00)	(\$553.00)
	Cost avoidance from new alternatives		\$869.00
	Annual PV Subtotals	(\$8,737.57)	(\$3,397.95)
Present Value Analysis			
	Initial (Costs)/Benefits	(\$190.00)	\$234.00
	Future (Costs)/Benefits	\$0.00	\$77.11
	Annual (Costs)/Benefits	(\$8,737.57)	(\$3,397.95)
	Net Present Value (NPV)	(\$8,927.57)	(\$3,086.84)
	NPV (alternative vs status quo)		\$5,840.74
1 Net Variance on annual Maintenance costs			
2 Plywood Cart's salvage value			
3 Life-Cycle total maintenance (3 years)			
4 Assumes a used & maintained Samson cart has a resale value of \$200.			
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Analysis cost assumptions			
Market comments suggest that the life span of a wood cart is between 18-36 months. For the sake of comparison the analysis is based on the lowest life cycle estimate between the two products, 3 years.			
It is assumed that the average annual operating & maintenance of a cart involves various aspects that are categorized as follows:			
4 wheels will be snapped of a cart.			
Cart will be dropped or severely damaged once yearly-End Panel.			
One shelf will be damaged beyond repair.			
Maintenance (cleaning) twice a month (15 Min. ea.)			
Minor adjustments (Samson) once a month (30 min.ea.)			
Minor adjustments (Wood) once a month plus splinter/divot repair (60 min.ea.)			
Painting once a month (1 hour ea.) (Wood Cart Only).			
Warehouse Carpenter Labor rate: \$28 (w/benefits).			
A sheet of 3/4" plywood costs \$40 (4' x 8')			
The time to cut materials and assemble one car t= 3 hours (\$84). Added to the cost of materials (\$40 plywood, \$20 gal. Paint/seal; 4 std. 4" wheels= \$25; hardware = \$10) total approximate cost to make carts in-house = \$ 179.			
	Wood	Samson	
Labor to replace end panel	\$ 39.50	\$ 29.63	
replace a wheel (4X)	\$ 158.00	\$ 39.50	
replace one shelf	\$ 39.50	\$ 9.88	
monthly maintenance	\$ 237.00	\$ 237.00	
adjustments	\$ 474.00	\$ 237.00	
paint/finish touch-up	\$ 474.00	\$ -	
Total Annual OPEX	\$ 1,422.00	\$ 553.00	
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