

Equipment Purchase Decision Making Tool

Key Assumptions Relating to Equipment Purchase

Notes: The areas with blue font require key assumptions. Please do not change the format of the blue font cells. All other cells have been locked.

Name of Asset Purchased	10 Ton Truck
Date of Purchase	1-Jan-17
Purchase Price	\$250,000
Average monthly income assumptions	
Expected monthly rental income	\$0.00
Monthly project charge out fee	\$22,500.00
Annual project utilization estimate	70%
Monthly standby charge	\$500.00
Other monthly income	\$0.00

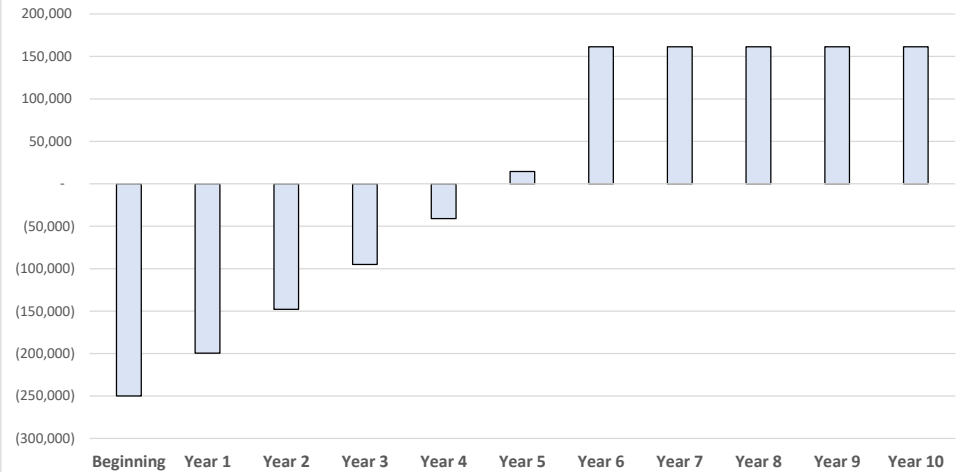
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Decision Making Metrics

Asset Under Evaluations: 10 Ton Truck

Internal rate of return	13.7%
Required rate of return	15.0%
Estimated payback period	5.0 Years
Does this investment make sense financially?	No

Cumulative Net Cash Flow



	Beginning	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
10 Ton Truck	1-Jan-17	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24	31-Dec-25	31-Dec-26
Purchase Price	(250,000)										
Annual Income		195,000	198,900	202,878	206,936	211,074	215,296	-	-	-	-
Annual Expenses		(112,800)	(115,056)	(117,357)	(119,704)	(122,098)	(124,540)	-	-	-	-
Net cash flow	(250,000)	82,200	83,844	85,521	87,231	88,976	90,755	-	-	-	-
Financing costs		(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	-	-	-	-
Net cash flow after financing costs	(250,000)	67,200	68,844	70,521	72,231	73,976	75,755	-	-	-	-
Less:											
Taxes		(16,800)	(17,211)	(17,630)	(18,058)	(18,494)	(18,939)	-	-	-	-
Net cash flow after taxes	(250,000)	50,400	51,633	52,891	54,173	55,482	56,817	-	-	-	-
Salvage value		-	-	-	-	-	90,000	-	-	-	-
Net cash flow	(250,000)	50,400	51,633	52,891	54,173	55,482	146,817	-	-	-	-