

**NOTES TO PRO FORMA FINANCIAL STATEMENTS (continued)**

**(2.) - Details of Depreciation**

**██████████ Depreciation Chart**

Depreciation is calculated using the total amount at the end of the period for each respective asset.

\*\*S.L.D = Straight Line Depreciation

Assets Depreciating	Rate
Equipment	9%
Leasehold Improvement	S.L.D
Computer Equipment	30%
Office	4%
Truck & Trailer	30%

Ending Date Year 2013		
Original Cost	Depreciation	Balance
\$ 68,000	\$ 6,120	\$ 61,880
\$ 4,000	\$ 140	\$ 3,860
\$ 2,500	\$ 750	\$ 1,750
\$ 15,000	\$ 600	\$ 14,400
\$ 40,000	\$ 12,000	\$ 28,000

Ending Date Year 2014		
Yr. 2 Purchases	Depreciation	Balance
\$ -	\$ 5,569	\$ 56,311
\$ -	\$ 140	\$ 3,720
\$ -	\$ 525	\$ 1,225
\$ -	\$ 576	\$ 13,824
\$ -	\$ 8,400	\$ 19,600

Ending Date Year 2015		
Yr. 3 Purchases	Depreciation	Balance
\$ -	\$ 5,068	\$ 51,243
\$ -	\$ 140	\$ 3,580
\$ -	\$ 368	\$ 858
\$ -	\$ 553	\$ 13,271
\$ -	\$ 5,880	\$ 13,720

**(3.) - Salaries**

Year 1 (2012-2013)		
Owners/Employees	Status	Monthly Pay
██████████	Full-Time	\$2,000
	Part-Time	\$1,250
TOTAL:		\$3,250

Year 2 (2013-2014)		
Owners/Employees	Status	Monthly Pay
██████████	Full-Time	\$2,500
	Part-Time	\$1,250
Part-Time Hire	Part-Time	\$1,250
TOTAL:		\$5,000

Year 3 (2014-2015)		
Owners/Employees	Status	Monthly Pay
██████████	Full-Time	\$2,500
	Part-Time	\$1,250
Part-Time Hire	Part-Time	\$1,250
TOTAL:		\$5,000

**(4.) - Cost of Galvanizing Service**

Cost will only accumulate depending on the amount of steel clients need ██████████. The average mark-up of ██████████ is \$0.12/lb of steel.