

Figure 21-2

PAYING RELOCATION COSTS

| <u>CATEGORY</u> | <u>AMOUNT</u> | <u>PERCENTAGE</u> |
|---|-----------------------|-------------------|
| A. Collections: | \$ 310,000 | 100% |
| Operating Expenses: | < \$ 186,000 > | 60% |
| Owner Compensation: | \$ 124,000 | 40% |
| Yearly Relocation Costs: (Inclusive of Equipment/ Leasehold Improvements, etc.) | \$ 30,000 | |
| | | |
| B. Collections: | \$ 310,000 | 100% |
| Operating Expenses: | \$ 186,000 | |
| Additional Costs: | <u>\$ 30,000</u> | |
| Total Expenses: | \$ 216,000 | 69.7% |
| | | |
| Revised Owner Compensation: | \$ 94,000 | 30.3% |
| | | |
| C. Additional Costs: | \$ 30,000 | |
| Inclusive of 40% | ? .6 | |
| Owner Profit: | = \$ 50,000 | |
| Prior Collections: | \$ 310,000 | |
| Additional Required Collections: | <u>\$ 50,000</u> | |
| | | |
| Revised Collections/40% Profit: | \$ 360,000 | |
| | | |
| Revised Collections: | \$ 360,000 | 100% |
| Total Expenses: | < <u>\$ 216,000</u> > | 60% |
| | | |
| Owner Compensation/40% Profit: | \$ 144,000 | 40% |
| | | |
| D. Prior Collections: | \$ 310,000 | |
| Additional Collections: | \$ 30,000 | |
| Revised Collections/No Additional Profit: | \$ 340,000 | |
| | | |
| Revised Collections: | \$ 340,000 | 100% |
| Total Expenses: | < <u>\$ 216,000</u> > | 63.5% |
| Owner Compensation/No Additional Profit: | <u>\$ 124,000</u> | 36.5% |