

Southwest Supply, Inc.
Assumptions for 2006
3 Year Projection

Operating Expenses

Administrative wages and salaries

Projection Method: Adjust Prior year amount by 5%

Depreciation

Projection Method: Trend based on historical data
Slope (monthly rate of change in trend) - 158
Correlation coefficient - .9

Insurance

Projection Method: Adjust Prior year amount by 10%

Miscellaneous expense

Projection Method: Fixed amount entered manually

January	February	March	April	May	June	July	August	September	October	November	December
861	862	861	861	862	861	861	862	861	861	862	861

Officer's compensation

Projection Method: Adjust Prior year amount by 10%

Payroll taxes

Projection Method: Percent of the following categories:
Direct Labor
Administrative wages and salaries
Officer's compensation

January	February	March	April	May	June	July	August	September	October	November	December
10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

Rent

Projection Method: Fixed amount entered manually

January	February	March	April	May	June	July	August	September	October	November	December
4,363	4,363	4,363	4,363	4,363	4,363	4,363	4,363	4,363	4,363	4,363	4,363

Repairs and maintenance

Projection Method: Trend based on historical data
Slope (monthly rate of change in trend) - 23
Correlation coefficient - .94

Telephone

Projection Method: Trend based on historical data
Slope (monthly rate of change in trend) - -63
Correlation coefficient - -.94

Travel and entertainment

Projection Method: Trend based on historical data
Slope (monthly rate of change in trend) - 412
Correlation coefficient - .99

Utilities

Projection Method: Adjust prior period amount

January	February	March	April	May	June	July	August	September	October	November	December
2.00%	2.00%	1.00%									

Other Income

Interest expense

Projection Method: Amounts based on terms of note.