

XYZ CORPORATION
ANYWHERE, USA

OVERHEAD EXPENSES
FISCAL YEAR ENDED 12/31/01

This is an example only. The figures here do not imply the same treatment of similar costs you may incur. R Reynolds

ACCOUNTS	EXPENSES PER G/L	ADJUSTMENTS	CLAIMED COSTS	NOTES	FIELD	HOME
Direct Labor			\$ 5,622,987		\$ 774,998	\$ 4,847,989
Ind Salaries & Wages	\$ 1,287,567		\$ 1,287,567		\$ 177,461	\$ 1,110,106
Real Estate Rent	645,783		\$ 645,783		\$ 14,207	\$ 631,576
Property Taxes	26,745		\$ 26,745		\$ 3,686	\$ 23,059
Permit & Licenses	22,478		\$ 22,478		\$ 3,098	\$ 19,380
Depreciation/Amortization	221,456		\$ 221,456		\$ 4,872	\$ 216,584
Computers	522,745		\$ 522,745		\$ 11,500	\$ 511,245
Repairs & Maintenance	223,467		\$ 223,467		\$ 4,916	\$ 218,551
Postage & Handling	126,478		\$ 126,478		\$ 2,783	\$ 123,695
Office Supplies	78,465		\$ 78,465		\$ 1,726	\$ 76,739
Small Equipment	15,237		\$ 15,237		\$ 335	\$ 14,902
Temp. Help	38,775		\$ 38,775		\$ 853	\$ 37,922
Other Outside Services	15,281		\$ 15,281		\$ 2,106	\$ 13,175
Relocation	70,378	(777)	\$ 69,601	[1]	\$ 9,593	\$ 60,008
Business Meals	15,237		\$ 15,237		\$ 2,100	\$ 13,137
Telephone	88,457		\$ 88,457		\$ 1,946	\$ 86,511
Copier	7,845		\$ 7,845		\$ 173	\$ 7,672
Equipment Rental	27,150		\$ 27,150		\$ 597	\$ 26,553
Recruitment	16,289		\$ 16,289		\$ 2,245	\$ 14,044
Dues/Memberships	12,367	(500)	\$ 11,867	[2]	\$ 1,636	\$ 10,231
Travel	78,390		\$ 78,390		\$ 10,804	\$ 67,586
Business Development	67,489		\$ 67,489		\$ 9,302	\$ 58,187
Insurance	112,478	(47,567)	\$ 64,911	[3]	\$ 8,946	\$ 55,965
Holiday	223,478		\$ 223,478		\$ 30,801	\$ 192,677
Vacation	467,238		\$ 467,238		\$ 64,398	\$ 402,840
Sick Leave	32,764		\$ 32,764		\$ 4,516	\$ 28,248
Severance Pay	32,289	(23,023)	\$ 9,266	[4]	\$ 1,277	\$ 7,989
Employer FICA	467,356		\$ 467,356		\$ 64,414	\$ 402,942
FUI	78,467		\$ 78,467		\$ 10,815	\$ 67,652
SUI	65,378		\$ 65,378		\$ 9,011	\$ 56,367
Workmen's Compensation	56,345		\$ 56,345		\$ 7,766	\$ 48,579
Health Insurance	326,478		\$ 326,478		\$ 44,997	\$ 281,481
Life Insurance	125,367		\$ 125,367		\$ 17,279	\$ 108,088
401k	764,893		\$ 764,893		\$ 105,423	\$ 659,470
Total	\$ 6,360,610	\$ (71,867)	\$ 6,288,743		\$ 635,583	\$ 5,653,160
					82.01%	116.61%

Reflects reduced allocation since DART provides these costs

Notes Explaining Adjustments:

- [1] Moving expenses in excess of those allowed by FAR 31.205-35.
- [2] Membership fees and tennis dues for one individual-not allowable per FAR 31.205-14.
- [3] Professional Liability Insurance excluded in accordance with contract
- [4] Severance pay in excess of allowable costs per FAR 31.205-6.

Invoice Number	Invoice Date	Billed					
		Office Labor	Office Overhead	Office Rate	Field Labor	Field Overhead	Field Rate
0001	February '01	649.08	840.82	129.54%	3,707.23	2,911.66	78.54%
0002	March '01	480.80	622.83	129.54%	9,534.94	7,488.74	78.54%
0003	April '01	192.32	249.13	129.54%	13,756.03	10,803.99	78.54%
0004	May '01	333.22	431.65	129.54%	15,912.01	12,497.29	78.54%
0005	June '01	721.20	934.24	129.54%	18,295.24	14,369.08	78.54%
0006	July '01	432.72	560.55	129.54%	17,252.20	13,549.88	78.54%
0007	August '01	643.82	834.00	129.54%	23,922.47	18,788.71	78.54%
0008	September '01	5,043.95	6,533.93	129.54%	21,006.46	16,498.47	78.54%
0010	October '01	4,315.35	5,672.10	131.44%	19,856.50	15,970.58	80.43%
0011	November '01	10,507.82	13,811.48	131.44%	24,921.88	20,044.67	80.43%
0012	December '01	7,623.14	10,019.86	131.44%	18,117.25	14,571.70	80.43%
Total		30,943.42	40,510.59		186,282.21	147,494.78	

XYZ CORPORATION
ANYWHERE, USA

SCHEDULE L

RECONCILIATION OF TOTAL PAYROLL
TO TOTAL LABOR DISTRIBUTION
FISCAL YEAR ENDED 12/31/01

<u>DESCRIPTION</u>	EXPENSES PER G/L	
Direct Labor	\$ 656,824	
General and Administrative:		
Wages	\$ 90,007	
Holiday Wages	\$ 2,321	
Vacation Wages	\$ 5,812	
Sick Leave	\$ 987	
Personal Absence	\$ 1,082	
Overhead:		
Wages	\$ 33,060	
Holiday Wages	\$ 20,181	
Vacation	\$ 25,440	
Sick Leave	\$ 14,318	
Severance Pay (in full)	\$ 32,419	
Occupancy Wages	\$ 23,280	
Overtime Premium (included in ODCs)	\$ 270	
Total Labor Distribution	\$ 906,001	
		PER IRS FORM 941
1st. Quarter	\$ 228,479	
2nd. Quarter	\$ 228,236	
3rd. Quarter	\$ 237,206	
4th. Quarter	\$ 220,167	
Plus: Current Year Accrual	\$ 15,128	Journal Entry # 62
Less: Prior Year's Accrual	\$ (33,214)	Journal Entry # 62
Other Adjustments	\$ 9,999	*
TOTAL PAYROLL	\$ 906,001	

* Reference the source for any items used in this reconciliation.