

# Cash Flow Management Workshop

CBDC, NB  
February 2008

Presented by:  
ACSBE



The seven attributes to success

- One line diagnostic tools
- Understanding margins
- Vertical and Horizontal analyses
- Market Evaluating of a business



Cash is king when it comes to the financial management of a company;

The time you have to pay your suppliers and staff and the time you collect from your customers is the problem;

The solution is cash flow management!

Cash flow management means delaying outlays of cash as long as possible while encouraging anyone who owes you money to pay as rapidly as possible !

# Techniques to Improve Cash Flow

- Managing your working capital
- Manage Business Risks
- Collect Quickly
- Managing Payables

# What is Working Capital

A measure of both a company's efficiency and its short-term financial health.

Working Capital = Current Assets – Current Liabilities

Positive working capital

Negative working capital

- Need enough working capital to set up business
- Maintain a level of working capital
- Short-term Financing (ex. Line Of Credit) can be used to make purchase
- Long-term Assets should be financed through Long-term Loan

# Manage Business Risks

- Business Risks:
  - 1) What if that big order suddenly comes in?
  - 2) What if that big order is cancelled
  - 3) What if that important client goes under owing me money?
- Reduce the risk by Planning Ahead and having a more diversified clients base

# Collect Quickly

- Invoice as early as possible;
- Offer discounts to customers who pay early;
- Ask customers to make a deposit;
- Require credit checks on all new non-cash customers;

# Collect Quickly

- Get rid of old, outdated inventory;
- Follow up immediately if payments are slow in coming;
- Track accounts receivable to identify slow-paying customers;
- Instituting a policy of cash on delivery (c.o.d.) is an alternative to refusing to do business with slow-paying customers.



XYZ Seafood Co., Inc.  
 123 Main Street  
 Anywhere, IL  
 60000  
 847-123-4567 847-123-4568 Fax

I N V O I C E

INVOICE#	PAGE
000122	1
INVOICE DATE	
05/31/03	

BILL Joe's Seafood Restaurants  
 TO: 123 Main Street  
 Suite 100  
 New York, NY 10001

SHIP 001 Joe's Seafood North  
 TO: 1000 Lexington Ave.  
 New York, NY  
 10002

ORDER DATE	CUST#	REP	CUST ORD#	SHIP VIA	DRIVER	ROUTE#	TERMS
05/30/03	12345	01	JSR-1001	Our Truck	Fred W	01/010	NET 30

ORD QTY	SHIPPED	LOT#	ITEM#	DESCRIPTION	PRICE	U/M	EXTENSION
35	35.55		250B	Sea Bass, Fillets	5.85	LBS	207.97
15	18.00		22222	Perch	7.65	LBS	137.70
10	10.00		33333	Scallops (8 Lb Tub)	8.95	LBS	89.50
25	26.65	10002	555	Whole Live Lobsters	11.95	LBS	318.47
20	19.50		386A	Swordfish, Center Cut	13.95	LBS	272.03
300	300.00	10016	77777	Oysters, Long Island	.10	EA	30.00
				Shellfish Harvest Area: NY001			
24	24.00		4000	Seafood Chowder 8 oz. can	0.89	CAN	21.36
10	10.00	09958	667	Shrimp, U10	8.75	LBS	87.50
				2 Cases			
250	250.00	10020	44444	Mussels, PEI	2.450	LBS	612.50
				Shellfish Harvest Area: CT123			
30	32.50		12345	Salmon, Whole 14/16	8.95	LBS	290.88
25	23.00		110B	Tuna Fillets	12.41	LBS	285.43
	100.00		NPN01	Dry Ice	0.25		25.00

SP INST: *** Deliver this order before noon! ***	SUB-TOTAL:	2378.34
*** This message is just for this invoice. ***	TAX:	0.00
Get your sales message across to your customers with custom messages on your invoices!	FREIGHT:	0.00
GET CHECK FOR \$500.00	TOTAL:	2378.34
THANK YOU!		

1.5% PER MONTH (18% PER ANNUM) SERVICE CHARGE WILL BE APPLIED TO ALL PAST DUE AMOUNTS TOGETHER WITH ATTORNEY FEES INCURRED IN MAKING COLLECTIONS.

# Managing Payable

- Take full advantage of creditor payment terms, (if due in 30 days, don't pay it in 15 days);
- Use electronic funds transfer to make payments on the last day they are due;
- Communicate with your suppliers so they know your financial situation; (you'll need their trust and understanding);
- Carefully consider vendors' offers of discounts for earlier payments, (the devil is in the details);
- Don't always focus on the lowest price when choosing suppliers. Sometimes more flexible payment terms can improve your cash flow.

# Example

- Company XYZ
- Income Statement at the end of year 1
- Cash Budget at the end of year 1



### Cash Budget

	January	February	March	April	June	July	August	Sept	October	Nov	December	TOTAL
CASH RECEIPTS												
Sales	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$10,000	\$ 10,000	\$ 10,000	\$10,000	\$ 10,000	\$120,000
Cash from sales (30%)	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 36,000
*Accounts receivables (70%)	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 84,000
Cash collected from account receivables:												
Cash collected from current month's sales (0%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash collected from previous month's sales (0%)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash collected from sales made 2 months ago (100%)			\$ 6,720	\$ 6,720	\$ 6,720	\$ 6,720	\$ 6,720	\$ 6,720	\$ 6,720	\$ 6,720	\$ 6,720	\$ 67,200
HST (14% of sales)	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 16,800
Cash from HST collected (30%)	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 5,040
HST receivable (70%)	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 9,800
Cash collected from HST receivables:												
HST collected from current month's sales (0% of receivables)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HST collected from previous month's sales (0% of receivables)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HST collected from sales made 2 months ago (90%)			\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 9,800
HST Payable	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 16,800
Loans	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
**Advances from employers	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000
<b>Total cash receipts</b>	<b>\$ 66,420</b>	<b>\$ 3,420</b>	<b>\$ 11,120</b>	<b>\$ 11,120</b>	<b>\$ 11,120</b>	<b>\$ 11,120</b>	<b>\$ 11,120</b>	<b>\$ 11,120</b>	<b>\$ 11,120</b>	<b>\$ 11,120</b>	<b>\$ 11,120</b>	<b>\$ 181,040</b>
CASH DISBURSEMENTS												
Equipment	\$ 60,000											
Material costs	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 36,000
Labour costs	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
Rent (storage)	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 2,400
Rent (office)	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Office supplies	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 600
Furniture	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Utilities	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 600
Phone&Internet	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
Selling expense	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
Adverting expense	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
Wage	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 33,600
HST	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 16,800
Interest expense	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 4,200
Principal repayment on loans	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Tax	\$ 388	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	
<b>Total cash disbursements</b>	<b>\$ 70,650</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 122,300</b>
<b>Net Cash</b>	<b>\$ (4,230)</b>	<b>\$ (7,318)</b>	<b>\$ 382</b>	<b>\$ 382</b>	<b>\$ 382</b>	<b>\$ 382</b>	<b>\$ 382</b>	<b>\$ 382</b>	<b>\$ 382</b>	<b>\$ 382</b>	<b>\$ 382</b>	<b>\$ (7,728)</b>
Beginning cash	\$ -	\$ (4,230)	\$ (11,548)	\$ (11,166)	\$ (10,402)	\$ (10,020)	\$ (9,638)	\$ (9,256)	\$ (8,874)	\$ (8,492)	\$ (8,110)	\$ -
<b>Ending Cash balance</b>	<b>\$ (4,230)</b>	<b>\$ (11,548)</b>	<b>\$ (11,166)</b>	<b>\$ (10,784)</b>	<b>\$ (10,020)</b>	<b>\$ (9,638)</b>	<b>\$ (9,256)</b>	<b>\$ (8,874)</b>	<b>\$ (8,492)</b>	<b>\$ (8,110)</b>	<b>\$ (7,728)</b>	<b>\$ (7,728)</b>

## Positive Net Earning VS Negative Cash Balance

### Income Statement

	January	February	March	April	May	June	July	August	Septemb	October	November	Decembe	Total
Earning After Tax	\$ 582	\$ 882	\$ 882	\$ 882	\$ 882	\$ 882	\$ 882	\$ 882	\$ 882	\$ 882	\$ 882	\$ 882	\$ 10,284

### Cash Budget

	January	February	March	April	May	June	July	August	Sept	October	Nov	ecember	TOTAL
Ending Cash balance	\$ (4,230)	\$ (11,548)	\$ (11,166)	\$ (10,784)	\$ (10,402)	\$ (10,020)	\$ (9,638)	\$ (9,256)	\$ (8,874)	\$ (8,492)	\$ (8,110)	\$ (7,728)	\$ (7,728)

# Factors Causing Negative Ending Cash Balance

- 1) Lack of working capital
- 2) Loan Repayment
- 3) Account Receivable turnover
- 4) Account Payable turnover
- 5) Bad debt expense : 4%

### Cash Budget

	January	February	March	April	May	June	July	August	Sept	October	Nov	December	TOTAL
<b>CASH RECEIPTS</b>													
Sales	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 120,000
Cash from sales (30%)	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 36,000
*Accounts receivables (70%)	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 84,000
Cash collected from account receivables:													
Cash collected from current month's sales (0%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash collected from previous month's sales (0%)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash collected from sales made 2 months ago (100%)			\$ 6,720	\$ 6,720	\$ 6,720	\$ 6,720	\$ 6,720	\$ 6,720	\$ 6,720	\$ 6,720	\$ 6,720	\$ 6,720	\$ 67,200
HST (14% of sales)	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 16,800
Cash from HST collected (30%)	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 5,040
HST receivable (70%)	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 9,800
Cash collected from HST receivables:													
HST collected from current month's sales (0% of receivables)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HST collected from previous month's sales (0% of receivables)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HST collected from sales made 2 months ago (100%)			\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 9,800
HST Payable	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 16,800
Loans	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
**Advances from employers	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000
<b>Total cash receipts</b>	<b>\$ 66,420</b>	<b>\$ 3,420</b>	<b>\$ 11,120</b>	<b>\$ 11,120</b>	<b>\$ 11,120</b>	<b>\$ 11,120</b>	<b>\$ 11,120</b>	<b>\$ 11,120</b>	<b>\$ 11,120</b>	<b>\$ 11,120</b>	<b>\$ 11,120</b>	<b>\$ 11,120</b>	<b>\$ 181,040</b>
<b>CASH DISBURSEMENTS</b>													
Equipment	\$ 60,000												
Material costs	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 36,000
Labour costs	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
Rent (storage)	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 2,400
Rent (office)	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Office supplies	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 600
Furniture	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Utilities	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 600
Phone&Internet	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
Selling expense	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
Advertising expense	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
Wage	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 33,600
HST	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 16,800
Interest expense	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 4,200
Principal repayment on loans	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Tax	\$ 388	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588
<b>Total cash disbursements</b>	<b>\$ 70,650</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 122,300</b>
<b>Net Cash</b>	<b>\$ (4,230)</b>	<b>\$ (7,318)</b>	<b>\$ 382</b>	<b>\$ 382</b>	<b>\$ 382</b>	<b>\$ 382</b>	<b>\$ 382</b>	<b>\$ 382</b>	<b>\$ 382</b>	<b>\$ 382</b>	<b>\$ 382</b>	<b>\$ 382</b>	<b>\$ (7,728)</b>
Beginning cash	\$ -	\$ (4,230)	\$ (11,548)	\$ (11,166)	\$ (10,784)	\$ (10,402)	\$ (10,020)	\$ (9,638)	\$ (9,256)	\$ (8,874)	\$ (8,492)	\$ (8,110)	\$ -
<b>Ending Cash balance</b>	<b>\$ (4,230)</b>	<b>\$ (11,548)</b>	<b>\$ (11,166)</b>	<b>\$ (10,784)</b>	<b>\$ (10,402)</b>	<b>\$ (10,020)</b>	<b>\$ (9,638)</b>	<b>\$ (9,256)</b>	<b>\$ (8,874)</b>	<b>\$ (8,492)</b>	<b>\$ (8,110)</b>	<b>\$ (7,728)</b>	<b>\$ (7,728)</b>

# Two Options

- Increase the initial working capital
  - Increase bank loan
  - Increase investment from shareholder
- Managing Receivable & Payable
  - Decrease Account Receivable turnover
  - Increase Account Payable turnover
  - Decrease Bad Debt Expense

# Impacts on Those 2 Options

- Option 1: Increase Working Capital
  - Impact: Reduce Net Earnings  
(Interest expense ↑ )
- Option 2: Managing Receivable & Payable
  - Impact: No

# OPTION 2

Decrease Account Receivable turnover

Increase Account Payable turnover

Decrease Bad Debt Expense

# Managing Account Receivable


- Receivable turnover: 90 days  $\longrightarrow$  60 days
- Offer Discount: 2%, 30 Net 60

**Cash Budget**

	January	February	March	April	May	June	July	August	Sept	October	Nov	December	TOTAL
<b>CASH RECEIPTS</b>													
Sales	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$120,000
Cash from sales (30%)	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 36,000
*Accounts receivables (70%)	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 84,000
Cash collected from account receivables:													
Cash collected from current month's sales (60%)	\$ 4,116	\$ 4,116	\$ 4,116	\$ 4,116	\$ 4,116	\$ 4,116	\$ 4,116	\$ 4,116	\$ 4,116	\$ 4,116	\$ 4,116	\$ 4,116	\$ 49,392
Cash collected from previous month's sales (40%)		\$ 2,688	\$ 2,688	\$ 2,688	\$ 2,688	\$ 2,688	\$ 2,688	\$ 2,688	\$ 2,688	\$ 2,688	\$ 2,688	\$ 2,688	\$ 29,568
Cash collected from sales made 2 months ago (0%)			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HST (14% of sales)	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 16,800
Cash from HST collected (30%)	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 5,040
HST receivable (70%)	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	
Cash collected from HST receivables:													
HST collected from current month's sales (60% of receivables)	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 7,056
HST collected from previous month's sales (40% of receivables)		\$ 392	\$ 392	\$ 392	\$ 392	\$ 392	\$ 392	\$ 392	\$ 392	\$ 392	\$ 392	\$ 392	\$ 4,312
HST collected from sales made 2 months ago (0%)			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HST Payable	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 16,800
Loans	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
**Advances from employers	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000
<b>Total cash receipts</b>	<b>\$ 71,124</b>	<b>\$ 11,204</b>	<b>\$ 11,204</b>	<b>\$ 11,204</b>	<b>\$ 11,204</b>	<b>\$ 11,204</b>	<b>\$ 11,204</b>	<b>\$ 11,204</b>	<b>\$ 11,204</b>	<b>\$ 11,204</b>	<b>\$ 11,204</b>	<b>\$ 11,204</b>	<b>\$194,368</b>
<b>CASH DISBURSEMENTS</b>													
Equipment	\$ 60,000												
Material costs	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 36,000
Labour costs	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
Rent (storage)	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 2,400
Rent (office)	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Office supplies	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 600
Furniture	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Utilities	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 600
Phone&Internet	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
Selling expense	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
Adverting expense	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
Wage	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 33,600
HST	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 16,800
Interest expense	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 4,200
Principal repayment on loans	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Tax	\$ 388	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	
<b>Total cash disbursements</b>	<b>\$ 70,650</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$122,300</b>
<b>Net Cash</b>	<b>\$ 474</b>	<b>\$ 466</b>	<b>\$ 466</b>	<b>\$ 466</b>	<b>\$ 466</b>	<b>\$ 466</b>	<b>\$ 466</b>	<b>\$ 466</b>	<b>\$ 466</b>	<b>\$ 466</b>	<b>\$ 466</b>	<b>\$ 466</b>	<b>\$ 5,600</b>
Beginning cash	\$ -	\$ 474	\$ 940	\$ 1,406	\$ 1,872	\$ 2,338	\$ 2,804	\$ 3,270	\$ 3,736	\$ 4,202	\$ 4,668	\$ 5,134	\$ -
<b>Ending Cash balance</b>	<b>\$ 474</b>	<b>\$ 940</b>	<b>\$ 1,406</b>	<b>\$ 1,872</b>	<b>\$ 2,338</b>	<b>\$ 2,804</b>	<b>\$ 3,270</b>	<b>\$ 3,736</b>	<b>\$ 4,202</b>	<b>\$ 4,668</b>	<b>\$ 5,134</b>	<b>\$ 5,600</b>	<b>\$ 5,600</b>

# Reduce Bad-Debt Expense

- Require credit checks on all new non-cash customers:

Bad Debt: 4%  2%

Cash Budget													
	January	February	March	April	May	June	July	August	Sept	October	Nov	December	TOTAL
CASH RECEIPTS													
Sales	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 120,000
Cash from sales (30%)	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 36,000
*Accounts receivables (70%)	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 84,000
Cash collected from account receivables:													
Cash collected from current month's sales 60%)	\$ 4,116	\$ 4,116	\$ 4,116	\$ 4,116	\$ 4,116	\$ 4,116	\$ 4,116	\$ 4,116	\$ 4,116	\$ 4,116	\$ 4,116	\$ 4,116	\$ 49,392
Cash collected from previous month's sales (40%)		\$ 2,744	\$ 2,744	\$ 2,744	\$ 2,744	\$ 2,744	\$ 2,744	\$ 2,744	\$ 2,744	\$ 2,744	\$ 2,744	\$ 2,744	\$ 30,184
Cash collected from sales made 2 months ago (0%)			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HST (14% of sales)	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 16,800
Cash from HST collected (30%)	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 5,040
HST receivable (70%)	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980
Cash collected from HST receivables:													
HST collected from current month's sales (60% of receivables)	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 7,056
HST collected from previous month's sales (40% of receivables)		\$ 392	\$ 392	\$ 392	\$ 392	\$ 392	\$ 392	\$ 392	\$ 392	\$ 392	\$ 392	\$ 392	\$ 4,312
HST collected from sales made 2 months ago (0%)			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HST Payable	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 16,800
Loans	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
**Advances from employers	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000
<b>Total cash receipts</b>	<b>\$ 71,124</b>	<b>\$ 11,260</b>	<b>\$ 11,260</b>	<b>\$ 11,260</b>	<b>\$ 11,260</b>	<b>\$ 11,260</b>	<b>\$ 11,260</b>	<b>\$ 11,260</b>	<b>\$ 11,260</b>	<b>\$ 11,260</b>	<b>\$ 11,260</b>	<b>\$ 11,260</b>	<b>\$ 194,984</b>
CASH DISBURSEMENTS													
Equipment	\$ 60,000												
Material costs	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 36,000
Labour costs	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
Rent (storage)	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 2,400
Rent (office)	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Office supplies	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 600
Furniture	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Utilities	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 600
Phone&Internet	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
Selling expense	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
Adverting expense	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
Wage	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 33,600
HST	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 16,800
Interest expense	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 4,200
Principal repayment on loans	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Tax	\$ 388	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	
<b>Total cash disbursements</b>	<b>\$ 70,650</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 10,738</b>	<b>\$ 122,300</b>
<b>Net Cash</b>	<b>\$ 474</b>	<b>\$ 522</b>	<b>\$ 522</b>	<b>\$ 522</b>	<b>\$ 522</b>	<b>\$ 522</b>	<b>\$ 522</b>	<b>\$ 522</b>	<b>\$ 522</b>	<b>\$ 522</b>	<b>\$ 522</b>	<b>\$ 522</b>	<b>\$ 6,216</b>
Beginning cash	\$ -	\$ 474	\$ 996	\$ 1,518	\$ 2,040	\$ 2,562	\$ 3,084	\$ 3,606	\$ 4,128	\$ 4,650	\$ 5,172	\$ 5,694	\$ -
<b>Ending Cash balance</b>	<b>\$ 474</b>	<b>\$ 996</b>	<b>\$ 1,518</b>	<b>\$ 2,040</b>	<b>\$ 2,562</b>	<b>\$ 3,084</b>	<b>\$ 3,606</b>	<b>\$ 4,128</b>	<b>\$ 4,650</b>	<b>\$ 5,172</b>	<b>\$ 5,694</b>	<b>\$ 6,216</b>	<b>\$ 6,216</b>

- Account Payable Turnover:  
30 days ⇒ 60 days
- HST Payable Turnover:  
30 days ⇒ 90 days

Cash Budget													
	January	February	March	April	May	June	July	August	Sept	October	Nov	December	TOTAL
<b>CASH RECEIPTS</b>													
Sales	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 120,000
Cash from sales (30%)	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 36,000
*Accounts receivables (70%)	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 84,000
Cash collected from account receivables:													
Cash collected from current month's sales 60%)	\$ 4,116	\$ 4,116	\$ 4,116	\$ 4,116	\$ 4,116	\$ 4,116	\$ 4,116	\$ 4,116	\$ 4,116	\$ 4,116	\$ 4,116	\$ 4,116	\$ 49,392
Cash collected from previous month's sales (40%)		\$ 2,744	\$ 2,744	\$ 2,744	\$ 2,744	\$ 2,744	\$ 2,744	\$ 2,744	\$ 2,744	\$ 2,744	\$ 2,744	\$ 2,744	\$ 30,184
Cash collected from sales made 2 months ago (0%)			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HST (14% of sales)	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 16,800
Cash from HST collected (30%)	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 420	\$ 5,040
HST receivable (70%)	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	\$ 980	
Cash collected from HST receivables:													
HST collected from current month's sales (60% of receivables)	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 7,056
HST collected from previous month's sales (40% of receivables)		\$ 392	\$ 392	\$ 392	\$ 392	\$ 392	\$ 392	\$ 392	\$ 392	\$ 392	\$ 392	\$ 392	\$ 4,312
HST collected from sales made 2 months ago (0%)			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HST Payable	\$ 1,400	\$ 2,800	\$ -	\$ 1,400	\$ 2,800	\$ -	\$ 1,400	\$ 2,800	\$ -	\$ 1,400	\$ 2,800	\$ -	\$ 16,800
Loans	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
**Advances from employers	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000
<b>Total cash receipts</b>	<b>\$ 71,124</b>	<b>\$ 11,260</b>	<b>\$ 11,260</b>	<b>\$ 11,260</b>	<b>\$ 11,260</b>	<b>\$ 11,260</b>	<b>\$ 11,260</b>	<b>\$ 11,260</b>	<b>\$ 11,260</b>	<b>\$ 11,260</b>	<b>\$ 11,260</b>	<b>\$ 11,260</b>	<b>\$ 194,984</b>
<b>CASH DISBURSEMENTS</b>													
Equipment	\$ 60,000												
Material costs	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 33,000
Labour costs	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
Rent (storage)	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 2,400
Rent (office)	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Office supplies	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 600
Furniture	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Utilities	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 600
Phone&Internet	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
Selling expense	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
Adverting expense	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,200
Wage	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 33,600
HST	\$ -	\$ -	\$ 4,200	\$ -	\$ -	\$ 4,200	\$ -	\$ -	\$ 4,200	\$ -	\$ -	\$ 4,200	\$ 16,800
Interest expense	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350	\$ 4,200
Principal repayment on loans	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,000
Tax	\$ 388	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	\$ 588	
<b>Total cash disbursements</b>	<b>\$ 66,250</b>	<b>\$ 9,338</b>	<b>\$ 13,538</b>	<b>\$ 9,338</b>	<b>\$ 9,338</b>	<b>\$ 13,538</b>	<b>\$ 9,338</b>	<b>\$ 9,338</b>	<b>\$ 13,538</b>	<b>\$ 9,338</b>	<b>\$ 9,338</b>	<b>\$ 13,538</b>	<b>\$ 119,300</b>
<b>Net Cash</b>	<b>\$ 4,874</b>	<b>\$ 1,922</b>	<b>\$ (2,278)</b>	<b>\$ 1,922</b>	<b>\$ 1,922</b>	<b>\$ (2,278)</b>	<b>\$ 1,922</b>	<b>\$ 1,922</b>	<b>\$ (2,278)</b>	<b>\$ 1,922</b>	<b>\$ 1,922</b>	<b>\$ (2,278)</b>	<b>\$ 9,216</b>
Beginning cash	\$ -	\$ 4,874	\$ 6,796	\$ 4,518	\$ 6,440	\$ 8,362	\$ 6,084	\$ 8,006	\$ 9,928	\$ 7,650	\$ 9,572	\$ 11,494	\$ -
<b>Ending Cash balance</b>	<b>\$ 4,874</b>	<b>\$ 6,796</b>	<b>\$ 4,518</b>	<b>\$ 6,440</b>	<b>\$ 8,362</b>	<b>\$ 6,084</b>	<b>\$ 8,006</b>	<b>\$ 9,928</b>	<b>\$ 7,650</b>	<b>\$ 9,572</b>	<b>\$ 11,494</b>	<b>\$ 9,216</b>	<b>\$ 9,216</b>



# Financial Ratios

- Profitability Ratios
- Asset Utilization Ratios
- Liquidity Ratios
- Debt Utilization Ratios

# Where you can get Industry Average Financial Ratios?

- Bankers
- Local Board of Trade / Local Chamber of Commerce
- Industry Association
- Statistics Canada