**CU2M2 - Prepare a Cash Flow Worksheet**

**Prepare a Cash Flow Worksheet (also called a Cash Flow Forecast) for Luna Yard Care, LLC., using the template provided, and the information below.**

*(Hint: This is a forecast, you do not need the exact figures, you just need figures that are good enough.)*

1. The owner forecasts sales of $125,000 for the year. Of this amount $12,000 is on account which you receive at a rate of $1,000 per month. The estimated sales figures are shown below:

|  |  |
| --- | --- |
| **Month** | **Predicted Cash Sales** |
| January | $5,000 |
| February | 6,000 |
| March | 8,000 |
| April | 11,000 |
| May | 14,000 |
| June | 16,000 |
| July | 12,000 |
| August | 10,000 |
| September | 8,000 |
| October | 11,000 |
| November | 6,000 |
| December | 6,000 |
| Total Cash Sales | $113,000 |

1. The owner wants to buy a small used dump truck for $5,000 in November.
2. Purchases (these are items that are specifically used to deliver yard care and can include gasoline, oil, bags, replacement blades, dumping fees and the like) are predicted as follows: Jan $2,400, Feb $2,800, Mar $3,600, April $4,800, May $6,000, June $6,800, July $5,200, August $4,400, Sep $3,600, Oct $4,800 and Nov and Dec $2,800 each.
3. The owner has one employee who works all year. The wages paid (net) to the employee are as follows: November through March is $1,500 per month. May through October is $2,000.
4. It is estimated that $600 of employee and employer withholding payroll taxes and other will be paid January 15th and April 15th and $700 will be paid July 15th and October 15th.
5. The owner now pays $600 in rent through May. In June, the rent rises to $640/month thereafter.
6. Supplies (office paper, ink, and the like) are estimated at $75 per month.
7. Advertising is $50 per month September through February and then it goes up to $150 for March through August.
8. Professional services (accountant, lawyers and the like) are estimated at $75 per month but tax work is payable in April at $750.
9. Internet connection, cell phone, and utilities are estimated at $400 per month.
10. Worker’s Compensation Insurance is paid with payroll withholding payments and is estimated at $550 per quarter this year.
11. Personal property taxes are due in November and this year’s estimate is $850.
12. Miscellaneous costs are estimated at $150 per month.
13. Repairs average $125 November through March and $170 for May through October.
14. The owner will draw $24,000 per year from the business. He usually draws $1,000 from March and April and $3,000 for May through October and $2,000 for November and December. The owner does not draw in January or February because of seasonal reduction of work.
15. The beginning cash balance at January 1st is $1,250.