

Success Center Practice Sheet
Accounting 105
Cash Budget - Olsen's Equipment Rental

Estimated receipts:

8/6/14	\$	2,343.28	
8/20/14	\$	1,762.91	
9/3/14	\$	1,785.74	
9/17/14	\$	1,851.65	\$ 7,743.58

Amount of 8% 10-year loan to purchase land, taken on 7/1/2014
\$ 150,000.00

Balance in cash as of August 1 is: \$ 1,516.87

Estimated payments:

Loan payment (monthly)	\$1,250.00
Utilities	\$310.00
Transportation costs	\$100.00
Rent	\$900.00
Equipment	\$150.00
Savings	\$550.00
Insurance	\$75.00
Supplies	\$55.00
	<hr/>
	\$3,390.00

- a) Make a payment of interest on installment loan on 9/30/14.
- b) Minimum beginning cash balance \$1500.00.
- c) One-time payment to design consultant of \$225.00 on 9/1/14.
- d) In Sept., increase utilities 1%, transportation costs 2%, and supplies 5%.

Instructions: With the given information, prepare a cash budget for the months of August and September 2014 for Olsen's Equipment Rental.