

Exhibit IV Cash Budget

Assumptions Worksheet

Name of Business:	Preparer:	Date:
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Use these guidelines in preparing your assumptions:

Minimum Cash Balance

1. The amount of cash required to meet day-to-day needs.

Cash Receipts

Sales:

1. Sources of sales
2. Historical trends
2. External factors (population growth, competition, economics, industry trends)
3. Internal factors such as new products or services, location, employee productivity, operating efficiency, capacity, advertising strategy, sales incentives
4. Proportion of sales received in cash and on credit
5. If sales include sales tax, be sure to indicate as an expense in "Taxes" below
6. Expected contracts and probability of successful bid

Collections from Credit Accounts:

1. Rate of collection (net 30, net 60, net 90 days; % uncollected)

Cash Injection:

1. Amounts anticipated to be available for shortfalls.
2. Sources of cash injection.

Cash Paid Out

Purchases:

1. Direct materials as a percentage of sales
2. Proportion of purchases paid in cash and on credit
3. Payment schedule (30, 60, 90 days)
4. Minimum inventory level
5. Discounts taken & opportunities for discounts, cost effective suppliers, etc.

1. Anticipated business travel (purpose, cost, timing)
2. Expected mileage or actual expense
3. Leased auto costs
4. Car rental costs

Accounting and Legal:

1. Anticipated costs and timing

Rent:

1. Term of lease
2. Negotiated rate
3. Anticipated increases due to taxes, etc.

Telephone:

1. Anticipated use (historical)
2. Expected increases in basic charges
3. Cellular phone costs

Utilities:

1. Direct utilities as a percentage of sales
2. Indirect utilities (historical use)
3. Anticipated increases in basic charges

Insurance:

1. Coverage on business property and products (e.g. fire, theft, liability)
2. Bonds
3. Disability and/or life
4. Timing of payments
5. Anticipated increases

Taxes:

1. B&O tax rate
2. B&O payment schedule
3. Property tax assessment (if applicable)
4. Sales tax rate (see "Sales")
5. Payment schedule for all taxes

Licenses and Permits:

1. Types
2. Cost
3. Due dates
4. Anticipated increases

Bank Charges:

1. Checking account charges (e.g. checks, processing, etc.)
2. Bank services (expected cost, timing)

Equipment Rental/Lease:

1. Type of equipment
2. Terms of lease
3. Temporary uses/timing

Interest:

1. Types of credit
2. Terms of loan(s) (e.g. beginning balance, interest rate, length)
3. Timing

Non-operating Cash Paid Out

Loan Principal Payments:

1. Terms of loan(s) (e.g. beginning balance, interest rate, length)
2. Timing
3. Anticipated additional principal payments

Capital Purchases:

1. Expected equipment, auto, office, or other capital purchases
2. Method of payment
3. Timing
4. Terms of loan(s) (e.g. beginning balance, interest rate, length)

Owner's Withdrawal:

1. Minimum requirements
2. Anticipated draws (amount, timing)

Non-Cash Flow Information

Depreciation and/or Amortization:

1. Methods used
2. Anticipated monthly deductions

Accounts receivable balance

Accounts payable balance

Anticipated bad debts