

Project Cash Flow Example Problem

Table 9.3 Overdraft Calculations with Mobilization Payment

	Month					
	1	2	3	4	5	6
Direct cost	\$25,000	\$65,000	\$75,000	\$15,000		
Indirect cost	5,000	5,000	5,000	5,000		
<i>Subtotal</i>	<u>30,000</u>	<u>70,000</u>	<u>80,000</u>	<u>20,000</u>		
Markup (25%)	7,500	17,500	20,000	5,000		
<i>Total billed</i>	<u>37,500</u>	<u>87,500</u>	<u>100,000</u>	<u>25,000</u>		
Retainage withheld (10%)	<u>3,750</u>	<u>8,750</u>	<u>0</u>	<u>0</u>		
<i>Payment received</i>		\$20,000	\$33,750	\$78,750	\$100,000	\$17,500
Total cost to date	30,000	100,000	180,000	200,000	200,000	
Total amount billed to date	37,500	125,000	225,000	250,000	250,000	
Total paid to date		\$20,000	\$53,750	\$132,000	\$232,500	\$250,000
Overdraft end of month	30,000	80,300	127,353	69,877	(29,424) ^a	(46,924) ^a
Interest on overdraft balance	300	803	1,274	699	0	0
Total amount financed	\$30,300	\$81,103	\$128,627	\$70,576	(29,424)	

^aParentheses indicate a positive balance.

