

1971

EC71-849 Cash Flow Planning

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CASH FLOW PLANNING

WITH THE AID OF YOUR
INCOME TAX RETURN



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A FINANCIAL MANAGEMENT SERIES FOR NEBRASKA FARMERS & RANCHERS

EC 71-846	YOUR PLANS FOR PROFIT
EC 71-847	YOUR BALANCE SHEET
EC 71-848	YOUR INCOME STATEMENT
EC 71-849	CASH FLOW PLANNING WITH THE AID OF YOUR INCOME TAX RETURN
EC 71-850	CASH FLOW PLANNING WITH THE AID OF YOUR RECORD BOOK AND BUDGETING
EC 71-851	ESTIMATING YOUR FAMILY LIVING EXPENSES
EC 71-852	CASH FLOW PLANNING FORM
EC 71-853	BALANCE SHEET
EC 71-854	INCOME STATEMENT

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CASH FLOW PLANNING WITH THE AID OF YOUR INCOME TAX RETURN

by

Larry L. Bitney

Extension Economist (Farm Management)

Cash Flow Planning — What Is It?

A cash flow plan shows the sources, amounts and timing of your cash income and expenses. It shows when you will need credit, how much you will need, and when you should be able to make loan payments. Normally, your cash flow plan will be for one year in the future. But, if you are anticipating a major change in your farming operations, you may want to project your cash flows for a longer period to see if you should be able to pay off investments in machinery, buildings or land.

Cash Flow Planning — Why Should I?

Money is becoming an increasingly important resource on most farms and ranches. Like other resources, such as land and labor, if it is managed well, it will make money for you. If not, it will lose money for you. A cash flow plan will help you to be a better money manager and hopefully will increase the productivity of the money which you use.

Cash Flow Planning — Where Do I Start?

Where you start depends on how much information you have, how much time you are willing to spend, and what changes you have in mind for your farm or ranch. Two circulars are available to help you fill out your cash flow form. Use the one which best fits your situation.

1. CASH FLOW PLANNING with the aid of your INCOME TAX RETURN (this circular). Use this if your records are limited, you don't have much time, and you are not planning major changes in your farming or ranching operation.
2. CASH FLOW PLANNING with the aid of your RECORD BOOK & BUDGETING. (EC 71-850) Use this if you are making a major change in your business or would just like to develop a more detailed plan. This alternative will require more time, but will give you more information about your business.

A Look at the Form (EC 71-852)

The form is divided into three areas — Cash Flow in, Cash Flow out and Summary. The column headings are blank, so that this form may be used in several ways. The example inside the back cover of this circular shows suggested column headings.

Where Do I Get the Numbers To Put In the Form?

Before you start to fill out the form, get your:

1. Income tax forms for last year — Form 1040 and schedule F, D, and any other forms which you filed.
2. Your farm record book.
3. Receipts, sales slips and check stubs.

Why Use Last Year's Information?

Last year's information provides a basis for projecting your cash needs for the year ahead. The exception would be the case where you are moving to another farm, or making major changes in your business in terms of resources employed, or enterprises.

The first step is to determine your cash flows for last year. Use the first column of the blank form for this. Title it "Actual 1971," for example.

Summarizing Last Year's Cash Flow

Cash Flow In

- a. You may leave line 1 blank, as we are primarily interested in the income and expenses for last year.
- b. Crop Sales — Look at your 1040-F, Part 1. Chances are that all of your crop sales will be on line 16 of the tax form, "grain," but don't overlook a crop sale that might be on another line.

- c. **Livestock Sales** — We are interested in the amount of cash you received from the sale of livestock which you have raised and which you have purchased for resale (feeder cattle, feeder pigs). These come from lines 1 and 5-12, Part 1 of your 1040-F. Don't overlook other lines for livestock income. Add it together and put it in line 3. Livestock sales for capital gain treatment will be listed on line 6.
- d. **Other Income** — Use line 4 to list another major category of income on your farm. The remainder of your income in Part 1 of the 1040-F should be added together and placed on line 5.
- e. Now record the cash received from the sale of capital items. First, did you take capital gains on any breeding livestock? This will show on 1040, Schedule D. Record the amount of cash you received from the sale of this stock. Enter it on line 6.
- f. Did you sell any machinery or equipment during the year? This will show on Schedule D. Record the gross sales price for these items on line 7.
- g. Record the amount of cash received for the sale of all other capital items on lines 8 & 9. These might be land or buildings for example.
- h. List any non-farm income which you received last year on line 10.

Cash Flow Out

- a. Look first at the expenses listed in Part II of your 1040-F. Items will correspond closely between the income tax form and the cash flow form. There are a few exceptions:
 - 1. **Interest** — It is not necessary to list last year's total interest paid, as it will not be used directly in projecting this year's interest expense. This item is on both forms but in different locations. It is found toward the end of the listing of expense items on the cash flow form (line 38).
 - 2. **Fertilizer, Lime & Chemicals** — The category on the income tax form includes only fertilizer and lime, thus you should locate the chemical expense and add it on line 17 of the cash flow form.
 - 3. **Livestock Expense** — This category on the cash flow form is the sum of "breeding fees" and "veterinary, medicine" categories on the income tax form. Enter on line 20.
 - 4. **Auto** — Line 27 is provided to catch all farm auto expense not listed in other categories.
 - 5. **Miscellaneous** — Add all expense items from this section of your income tax form which have not already been included, and place the total on line 30.
- b. Feeder livestock bought last year, but not resold within the year will not be shown on your last year's income tax return if you report your taxes on the cash basis. Thus, you will have to find their cost in your records, cancelled checks, or on the tickets in your file. This may or may not be helpful in completing your cash flow projections but it will enable you to use this list of expenses for your Income Statement (EC 71-854).
- c. Did you buy any livestock for breeding purposes during the year? If you did, this should be on your depreciation schedule. Enter the cost of all breeding livestock purchased last year on line 31.
- d. The cost of machinery, buildings and any other capital purchases during the year can be found on the depreciation schedule. Enter on lines 32, 33 and 34.
- e. How much did you spend last year on family living? If you don't have records of family living expense, a good estimate will be sufficient. The estimate will be more accurate if you estimate categories individually; food, clothing, insurance, etc. If there is a general tendency, it is that most persons tend to estimate family living expenses low. It is in your own interest that these estimates be realistic. A form is provided in this series of publications for you to use in determining your family living expenses (EC 71-851).
- f. It is not necessary to enter the total principal and interest paid last year, as the total will not be used directly in estimating this year's payments.
- g. It is not necessary to total the income or expenses, as we are primarily interested in using the individual items, not the total, to project income and expenses for the coming year. But, if you completed a cash flow form a year ago, you will want to total this column and make comparisons with the projections for last year.

What About This Year?

First write titles in the columns you will use. It will help to have a place to indicate the changes between last year and this year, so write "change" in the next column. Then write "projected 1972," for example, in the next column (see example).

The purpose of the cash flow analysis is to show your cash needs for periods within the year, so you must break the year into several parts. How many? If you have never filled in a cash flow form before, a quarterly cash flow should work well. As you develop more precision in your estimates, and begin to keep records which will show your cash flows by months, you may want to go to a monthly cash flow. As suggested in the example, label the next four columns "Jan-Mar", "April-June", "July-Sept" and "Oct-Dec" if you desire a quarterly cash flow.

Projecting Your Cash Flow

Cash Flow In

- Line 1 Beginning Cash Balance — Enter your cash balance on hand as of January 1, if this is the start of your tax year, in the "total year" and "first period" columns ("Projected 1972" and "Jan-Mar" in the example).
- Line 2 Crops — How much will crop sales amount to? Will they be different than last year? Here you must think in terms of expected yields and prices. Remember to consider changes in crop acreage, feed requirements of livestock, and the amount on hand at the beginning of the year. In determining when each crop will be sold, consider your expected marketing pattern, the amount of grain on hand January 1, as well as what you will produce this year. In the example, no crop sales are indicated since it is expected that crops will all be fed to hogs and cattle.
- Line 3 Livestock — If your livestock program will be about the same as last year, you need only consider possible differences in price from last year. If you plan changes in the kind or size of your program, you will need to figure out the value of sales and when they will occur.

In the example, the farmer has been farrowing 20 sows in December, March and September. This year he has decided to hire some additional field labor in June so he will have time to farrow 20 sows then. He estimates that with a 7½ pig average and a \$20 price when the market hogs from this farrowing are ready in December, his income will increase \$6750 over last year's. His expected livestock sales for the year look like this:

	Total Value	Estimated Sale Date
247 Market Steers (1100# @ \$31) (bought as yearlings in October)	\$84,227	March
247 Market Steers (1100# @ \$31) (most were bought as calves in October — 47 were home raised)	84,227	September
15 Heifer Calves (390# @ \$33)	1,930	November
2 Cull Yearling Heifers (800# @ \$28)	448	August
145 Market Hogs (225# @ \$19)	6,199	March
145 Market Hogs (225# @ \$19)	6,199	September
130 Market Hogs (225# @ \$21)	6,142	June
Add 150 Market Hogs (225# @ \$20)	6,750	December

These sales can be summarized as follows:

	Jan- March	April- June	July- Sept.	Oct- Dec.
Market Steers	\$84,227		\$84,227	
Heifer Calves				\$1,930
Cull Heifers			448	
Market Hogs	6,199	6,142	6,199	6,750
Total	\$90,426	\$6,142	\$90,874	\$8,680

Total for year = \$196,122

These totals are then transferred to line 3 of the cash flow form. They do not include the expected sales of cull cows, bulls, sows or boars. Sales of livestock held for breeding purposes should be entered on line 6.

Line 4-5 Other Income — Large items might be estimated individually such as government payments. Other items such as patronage refunds, dividends, etc., may be estimated individually, or as a group from last year's total.

Line 6 Breeding Livestock — Here again, you may wish to use last year's figures, or do some calculating. In the example, the farmer plans sales of breeding stock as follows:

			When Sold
9 Cull Cows	(1000# @ \$22)	\$1,980	November
1 Cull Bull	(1500# @ \$20)	300	August
10 Sows	(400# @ \$15)	600	February
10 Sows	(400# @ \$15)	600	May
1 Boar	(400# @ \$15)	60	June

When summarized, the totals for each time period are transferred to line 6 as illustrated in the example.

Line 7 Do you plan any outright sales of machinery or equipment? If so, list the total of expected sales on line 7. Machinery to be traded in should not be included since you receive no cash for it.

Line 8-9 List the expected sales of other capital items (land, buildings) on lines 8 & 9.

Line 10 If you anticipate having off-farm income, list the net amount here.

Line 11 Check to see that you have listed all anticipated income in the total (Projected 1972) column, and by periods (Jan-Mar, April-June, etc.). Then, total lines 1 through 10 of the total year and first period columns only.

Cash Flow Out

Line 12 Labor Hired — Will you hire about the same amount of labor as you did last year? Will the wage rate be higher? Include social security paid on hired workers as well as the cash cost of perquisites (utilities, groceries) which will not be included in other expense categories.

In the example, the farmer has a full time hired man, plus some day labor. Wages, social security on employees, the cash cost of perquisites and miscellaneous labor expenses were included in last year's total of \$6255. He anticipates that the added summer farrowing will make it necessary to hire about one month of additional labor (240 hours @ \$1.75 hr) for field work so he or his hired man can take care of the hogs.

When will the labor expense occur? The full time hired man will be paid each month. Most of the day labor will come in the summer, and the remainder will come during the fall harvest. An estimated breakdown of the labor expense is then \$1350, \$2225, \$1350 and \$1750 for each of the four periods.

Line 13 Repairs & Maintenance — This is tough to estimate. From last year's total, think about how much of it might be related to routine, small repairs. Then add to this major items which you plan this year. For example, tires for the tractor, major overhauls, or rebuilding the corn head of the combine.

Estimate the timing of this expense as best as you can. Do you do a lot of preventive maintenance on crop equipment during the winter? Or, do most of your repairs occur during the summer?

In the example, the farmer estimates that the extra farrowing will cause his repair bill to be \$230 greater than last year's. He did not include an overall "inflation factor" but you may want to, as the cost of repairs has been increasing at the rate of about 5% per year in recent years.

Line 14 Rents and Leases — Will you be cash renting about the same amount of land, pasture, etc., that you did last year? Will the rental rates be about the same? If so, use last year's figure. If not, you will need to estimate the amount of rents you will pay this year.

Line 15 Feed Purchased — Include all grain, forage, and commercial feeds you plan to purchase this year. If your livestock program will be the same as last year, use last year's figure, unless it was not typical due to large year-end purchases or other factors.

In the example, the farmer plans to add 20 litters of hogs. Since he is presently feeding all of his grain, he figures he will have to buy 2000 bushels of corn at \$1.25 plus an additional \$1,550 worth of commercial feed. This brings his expected total feed purchases for this year to \$20,767. He has distributed the expenditures among the four quarters according to when he thinks the feed will be paid for.

It is important to consider when you think the cash will be spent — not when the feed will be fed.

Line 16 Seeds & Plants — Last year's figure should be a pretty good estimate, unless you plan changes in your cropping program. You may also want to adjust for possible seed price changes.

When distributing the seed expense by periods of the year, remember to put the expense in the period that the cash will be expended, not necessarily when the seed was ordered or delivered.

Line 17 Fertilizer, Lime & Chemicals — Changes in rate of application, prices, and crop acreage could cause your fertilizer and chemical expense to be different from last year's. Your estimate of this figure could be last year's total, or you may want to list all of your crops, the acreage of each, and the rates of fertilizer and chemical application planned for each crop. Then, summarize your total needs, get an estimate of the prices per unit and compute the total. There are some side benefits to figuring your fertilizer and chemical needs in detail. It may enable you to shop for prices, get other's opinions on your plan or enable you to line up supplies early.

If you pay for materials 30 or 60 days after delivery, remember this when estimating the period that the fertilizer and chemical bills will be paid.

Line 18 Machine Hire — Last year's figure, or a quick estimate of custom work required this year is all that is needed.

Line 19 Supplies — This is another tough one to estimate. Last year's figure will probably be as good as any, unless you can think of large supply expense items which might make last year's figure abnormal.

Line 20 Livestock Expense — This figure can vary from year to year, but will probably be related to the size of your livestock program.

In the example, the farmer figures that the additional 20 litters will require an additional \$120 for miscellaneous sow veterinary expense, plus iron shots and other medication for the pigs.

Line 21 Gas, Fuel, Oil — Last year's total may be your best estimate for this line unless it was an abnormal year or your crop acreage will change. You may want to adjust for a price change in gasoline or diesel fuel if you anticipate one.

In the example, the farmer will be paying for his irrigation fuel in the July-Sept. quarter, causing a much larger expenditure there than in the other quarters. Also, he anticipates that grinding feed and hauling manure for the additional 20 litters of hogs will add \$100 to his fuel bill compared to last year's.

- Line 22 Storage, Warehousing — Do you plan to pay for any commercial storage or warehousing this year? List on line 22.
- Line 23 Taxes — Do not include your personal income and self-employment social security taxes here (they belong on line 36). Last year's figure may be your best estimate here unless you have acquired more property or anticipate an increase in the tax rate.
- Line 24 Insurance — Last year's figure will be a good estimate for property and liability insurance. If you plan changes in your hail insurance coverage, get an estimate of the cost, and when the premium will be due. Also, you may have expenditures for credit life insurance in this category.
- Line 25 Utilities — Last year's figure is probably your best estimate here, unless you plan to add electrical equipment which would significantly affect your utility cost.
- Line 26 Freight & Trucking — Last year's figure will be a good estimate unless you plan to market livestock or grain at a different location this year. Also, you may need to estimate the effect of change in crop acreage or livestock numbers.
- For example, our farmer who is adding 20 litters of hogs estimates that this will increase his freight and trucking expense by \$217 over last year.
- Line 27 Auto — Include only the farm share of auto expense — and only items not included in other lines. For example, the repairs, gasoline, taxes and insurance might all be included in other categories.
- Line 28 is an extra line for listing any expense item which may be unique to your farm.
- Line 29 Feeder Livestock — How Many? What Weight? What Price? When? This may seem like your estimating ability is being pushed too far, but your best estimate at this time is much better than no estimate at all. This is likely to be one of the largest items on this form, if you feed cattle. It is important that you and your creditor know approximately when money will be needed and approximately how much.
- Line 30 Miscellaneous — Unless you can identify some major items in the category which will be different from last year, use last year's figure as your estimate.
- Line 31 Breeding Livestock — List the estimated cost of purchases of livestock to be held for breeding purposes.
- In the example, the farmer plans to buy a boar for \$200 and three replacement beef heifers for \$250 each in the first quarter of the year.
- Line 32 Machinery — What machines or equipment must be replaced this year? What machines or equipment would you like to replace if you are financially able to?
- This is a figure you may want to change when you get through, as you might find that there may or may not be money available for the "maybe" purchases.
- Lines 33-34 Do you plan to buy land or make other capital purchases this year? List these on line 33 or 34. As in the case of machinery, you may want to use your cash flow analysis to determine if you "can handle" a land purchase.
- Line 35 Family Living Expense — This is another tough one. If you have no records of personal expenditures on which you base your estimate, use EC 71-851 to do this. Unless large items such as college tuition or life insurance premiums can be isolated, distribute your total for the year equally between the time periods.

Line 36 Income Tax and Social Security — The tax you pay this year is on last year's income, so you should have this figure available — by March 1 if not before. Otherwise, estimate your tax liability.

Lines 37-38 Fixed Term Loan Payments Due — List here the total principal and interest which will be due at **specific dates during the year**. Be sure to include real estate mortgage payments and payments on machinery loans or contracts. If you have filled out the balance sheet (EC 71-853), the amounts due and their timing may be summarized from that form.

Line 39 Total Cash Required — Check to see that you have listed all of your anticipated cash expenses. Then make sure you have distributed each expense item among the time periods you have set up. Total the figures for the time periods for each line to see that they agree with the total for the year.

Then, add lines 12-38 in each column, and you will have completed your estimated cash needs for the year as well as when they will occur.

Summary

Line 40 Cash Available Less Cash Required — Concentrate your attention on the first period of the year. Subtract line 39 from line 11 of the first period column ("Jan-March" in the example). Be sure to place a minus sign before the figure on line 40 if cash required is greater than cash available. You may want to write the figure in red or bracket it () to indicate that it is a deficit.

Line 41 Is there a surplus or deficit of cash in this period (line 40)? If there is a deficit, you should indicate on line 41 how much money will need to be borrowed. In the example, the farmer has a \$71,573 surplus for the quarter, so he does not borrow any money now.

Lines 41, 42, 43 & 45 are wide enough so that two entries may be made on each line. In the example, the farmer has his entire operating loan with one creditor, but chooses to keep the cattle portion of his operating loan separate. This is only an illustration of one use of the separation within these lines. You may use it to keep your loan balance with your major lender separate from other short term loans. In some situations borrowers or lenders might be interested in seeing total indebtedness shown, possibly in the bottom margin of the form.

Lines 42-43 Debt Payments — If you have a projected cash surplus on line 40, it may be used to pay down your operating loan(s). The farmer in the example paid \$56,000 on his cattle loan, as he sold one batch of cattle during the quarter, and paid off his "other" operating loan, plus interest.

Line 44 Ending Cash Balance — Start with the figure in line 40. If line 40 is negative, subtract it from the amount of money borrowed (line 41) to get the ending cash balance (line 44). If line 40 is positive, subtract principal and interest payments (lines 42 & 43) to get the ending cash balance (line 44). Transfer the ending cash balance for this period to line 1 (beginning cash balance) of the next period.

In the example, the farmer had a surplus in line 40, so he made some principal and interest payments as noted above. His \$71,573 surplus less principal payments of \$11,793 and \$56,000 and interest payments of \$412 and \$1,797 leave an ending cash balance of \$1,571.

Line 45 Operating Loan Balance — The operating loan balance at the end of the previous year should be shown in the "last year" column, line 45 ("Actual 1971" in the example).

In the example, the farmer's operating loan balance at the end of the previous year, (1971) was \$11,793 for "other" and \$90,400 for cattle.

To compute the operating loan balance at the end of the first quarter, add to the balance from the previous period any money borrowed (line 41) during this period and subtract any principal (line 42) which was paid.

In the example, the "other" operating loan was paid off and the cattle loan balance was reduced to reflect the \$56,000 principal payment.

Complete the summary following the same procedure for each remaining column — it is summarized below:

1. Total lines 1 through 10 to get Total Cash Available in the period. Place the result in line 11.
2. Total lines 12 through 38 to get Total Cash Required in the period. Place the result in line 39.
3. Subtract line 39 from line 11 and place the result in line 40. If the result is negative, write it in red, bracket it (), or place a minus sign in front of it.
4. If line 40 is negative, show at least enough new borrowings (line 41) to cover the deficit.
5. If line 40 is positive, show projected principal and interest payments on the operating loan(s) in lines 42 and 43.
6. Ending Cash Balance (line 44 — if line 40 is negative, subtract it from the amount of money borrowed (line 41) to get the ending cash balance. If line 40 is positive, subtract principal and interest payments (lines 42 and 43) to get the ending cash balance.
7. Increase the operating loan balance (line 45) by the amount of new borrowings during the period, or decrease it by the amount of principal payments, whichever is appropriate.
8. Transfer the ending cash balance (line 44) for the period you have just completed to the beginning cash balance (line 1) for the next period.
9. Repeat steps 1 through 8 for each period on your cash flow sheet.

The "Projected 1972" or Total Year Column

The figures in this column reflect your total cash flow for the year. Each figure in this column is the sum of the figures in the individual time periods for most of the lines. But, the figures in lines 1, 11, 40 & 44 do not necessarily "add across." This is due to the transfer of cash balances from the end of one period to the beginning of the next. If the beginning and ending cash balances were all equal, these lines would also add across. All of the lines except these five may be added to form the total year figure for each line. Then, the following calculations may be performed on the total year column as a check on your previous calculations: (with reference to line numbers in the total year column) $11 - 39 + 41 - 42 - 43 = \text{line } 44$. The ending cash balance (line 44) using this approach should agree with the ending cash balance for the last period of the year.

It's Done — What do I do With It?

Study it — show it to your creditor.

1. It shows the amount and timing of your credit needs for the year. It indicates when and how much you should be able to repay. Also, it indicates when idle funds might be available for short-term investment.

In the example, the farmer began the year with an operating loan balance of \$102,193 (\$11,793 + \$90,400), reduced it to \$34,400 by the end of the first quarter and increased it to \$66,400 by the end of the second quarter. By the end of the third quarter the operating loan balance was zero and he had a cash balance of \$8,893. In the last period, he bought cattle, feed and a substantial amount of repairs, putting his total operating loan balance back up to \$102,425.

2. Your creditor can do a better job of helping you in financial management if he can see your plans in "black & white." It also helps him manage his business if he knows when the demands for funds will be heaviest, and when he needs to make arrangements to have the money available for you.

(Continued on back cover)

CASH FLOW PLANNING FORM

Date Completed Jan 22, 1972

Do in pencil

Round to dollars

Name

Address

	Actual 1971	Change	Projected 1972	Jan- March	April- June	July- Sept.	Oct- Dec.
1. Beginning Cash Balance			500	500	1,571	1,776	8,893
Operating Sales							
2. Crops							
3. Livestock & Livestock Products	189,372	+6,750	196,122	90,426	6,142	90,874	8,680
4.							
5. Other (Custom Work, Govt. Pmts., etc.)	5,089	—	5,089	—	—	5,089	—
Capital Sales							
6. Breeding Livestock	3,720	-180	3,540	600	660	300	1,980
7. Machinery & Equipment							
8.							
9. Other							
10. Non-farm Income							
11. TOTAL CASH AVAILABLE (Add lines 1 thru 10)			205,251	91,526	8,373	98,039	19,553
Operating Expense							
12. Labor Hired	6,255	+420	6,675	1,350	2,225	1,350	1,750
13. Repairs & Maintenance	5,950	+230	6,180	748	820	549	2,063
14. Rents & Leases	2,300	—	2,300	—	1,150	—	1,150
15. Feed Purchased	16,717	+4050	20,767	5,952	3,462	3,430	7,923
16. Seeds & Plants	2,043	—	2,043	2,043	—	—	—
17. Fertilizer, Lime & Chemicals	8,124	—	8,124	—	8,124	—	—
18. Machine Hire	2,703	—	2,703	—	1,300	1,403	—
19. Supplies	2,334	—	2,334	500	500	500	834
20. Livestock Expense (Breeding, Vet, etc.)	1,233	+120	1,653	249	270	199	635
21. Gas, Fuel, Oil	5,470	+100	5,570	1,000	1,100	2,500	970
22. Storage, Warehousing							
23. Taxes (Real Estate & Pers. Property)	6,109	—	6,109	—	4,542	1,567	—
24. Insurance (Property, Liability, Hail)	3,284	—	3,284	300	1,100	1,884	—
25. Utilities (Electricity, Telephone)	840	—	840	270	150	150	270
26. Freight & Trucking	4,845	+217	5,062	217	218	218	4,409
27. Auto (if not included in other items)	250	—	250	100	50	50	50
28.							
29. Feeder Livestock (purchased for resale)	90,425	—	90,425				90,425
30. Miscellaneous	2,580	—	2,580	1,580	330	330	340
Capital Expense							
31. Breeding Livestock	950	—	950	950			
32. Machinery	5,125	-125	5,000			5,000	
33.							
34. Other							
35. Family Living Expense	6,000	—	6,000	1,500	1,500	1,500	1,500
36. Income Tax & Social Security			1,394	1,394			
37. Fixed Term Loan Payments Due — Principal			11,965		6,425		5,540
38. — Interest			9,365	500	5,228	500	3,137
39. TOTAL CASH REQUIRED (Add lines 12 thru 38)			194,273	19,953	38,597	19,727	120,996
40. CASH AVAILABLE less CASH REQUIRED (11-39)			5,978	+71,573	-30,224	+78,312	-101,443
41. Money to Be Borrowed (if line 40 is negative)			44,000		32,000		12,000
42. Debt Payments (if line 40 is positive)			90,425				90,425
Principal			43,793	11,793		32,000	
Interest			90,400	56,000		34,400	
43.			1,052	412		640	
44. Ending Cash Balance			4,176	1,797		2,379	
45. OPERATING LOAN BALANCE (at End of Period)			982	1,571	1,776	8,893	982
					32,000		12,000
				34,400	34,400		90,425

Note: Instructions for completing summary are on back of this form.

