INSTRUCTIONS FOR HIRED LABOR, INDEPENDENT CONTRACTORS, AND CREDIT SOURCES

HIRED LABOR RECORD/INDEPENDENT CONTRACTORS - FORMS 21 and 22

- 1. Space is provided to keep the necessary records for Social Security, etc., for six employees and six contractors.
- 2. The figure in the column "Net Paid" should be the same as was entered on Form 8, column 45.

INTERMEDIATE AND LONG-TERM MULTIPAYMENT NOTE AND MORTGAGE RECORD - FORM 23

- 1. This form was included to record when different notes are due and other details. There is space for three different loans. This form is for intermediate (machinery and livestock) and long-term loans (real estate).
- 2. The spaces for each loan should include information about the original loan amount, etc., and should then be completed as each repayment is made.
- 3. The entry in the column headed "Interest" should be the same as the entry on Form 8, column 43 or 44. The "Principal" entry should be the same as the entry on Form 10, column 64.

CREDIT LINES AND SHORT-TERM NOTES - FORM 24

- 1. This form can be used for credit lines and short-term loans usually for operating funds that vary up and down.
- 2. The spaces for each loan should include information about the original loan amount, etc., and should then be completed as each repayment is made.
- 3. The entry in the column headed "Interest" should be the same as the entry on Form 8, column 43 or 44. The "Principal" entry should be the same as the entry on Form 10, column 64.

	Emp	nployee's Name: ddress: Time Gross Deductions - refere		Social S	ecurity No.	Emp	loyee's Na	me:				Social S	Security No.	Emp	loyee's Na	me:				Social S	ecurity No.				
L	Addr								Addı								Add	ress:						Ž	
		Time Worked	Gross	Ded	luctions -	reference	only	Net		Time Worked	Gross	Dec	luctions -	reference	only	Net		Time		Ded	uctions -	reference o	only	NT-4	٦.
1	Date	(hrs.)	Wages	Federal W.H.	State W.H.	F.I.C.A.	Other	Paid	Date	(hrs.)	Wages	Federal W.H.	State W.H.	F.I.C.A.	Other		Date	Worked (hrs.)	Gross Wages	Federal W.H.	State W.H.	F.I.C.A.	Other	Net Paid	
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	Date	Acres or Hours	Description of Work Done	Net Paid	Date	Acres or Hours	Description of Work Done	N Pa	let aid	Date	Acres or Hours	Description of Work Done		Net Pajd	
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INTERMEDIATE AND LONG-TERM MULTIPAYMENT NOTE AND MORTGAGE RECORD

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FORM 24

CREDIT LINES AND SHORT-TERM NOTES

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	ILIKIV			Payments		Unpaid	LILIKI			Payments		Unpaid				Payments		Unpaid	
	Date	Borrowings	Total	Interest	Principal	Principal Balance	Date	Borrowings	Total	Interest	Principal	Principal Balance	Date	Borrowings	Total	Interest	Principal	Principal Balance	
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INSTRUCTIONS FOR FINANCIAL STATEMENTS, CASH FLOW, AND PROFIT OR LOSS STATEMENT

FINANCIAL STATEMENTS - FORMS 25 AND 26

- 1. A financial statement relates the financial picture on a selected date and time. Normally financial statements will be completed the first day of the year using the same figures from inventory, depreciation schedules, etc.
- 2. An increase in net worth is one of the best measures of financial progress. A financial statement or balance sheet is also frequently required by creditors when applying for a loan.
- 3. Contingent tax liability is the income tax bill that will come due if all farm property is liquidated.
- 4. Some measure of desirable ratios in a financial statement can be calculated at the bottom of the form. These ratios are useful for comparison purposes between businesses or within a business over time.

CASH FLOW - FORMS 27 AND 28

- 1. There are two "Cash Flow" forms: Form 27 "Farm Business Cash Flow" and Form 28 "Non-Farm and Personal Cash Flow." The "Farm Business Cash Flow" can be used as either a summary or a planning form.
- 2. There are two kinds of cash flow estimates whole farm and enterprise. Whole farm includes the total cash available and is the most important. Enterprise cash flow will be of value when considering the addition of a major enterprise such as a hog finishing floor. It would give an indication if this additional enterprise would be able to serve the repayment schedule, start-up costs, etc. The enterprise cash flow should be included in a total farm cash flow projection.
- 3. A cash flow plan can be one of the most valuable financial tools used by farmers. Some of the advantages of using it are:
 - a. Lets one know if, when, and how much credit will be needed.
 - b. Assists one in planning or matching repayment schedules to available cash.
 - c. Lets one arrange for credit well in advance.
 - d. Helps one "test" ideas on paper.

- e. Often results in lower interest rates and costs better credit services.
- f. Helps in tax planning.
- g. Many farmers believe it makes them think ahead, helps in paying debts faster, and reduces impulse buying and selling.
- 4. To use the "Cash Flow" forms as a summary for the year:
 - a. Record income and expenses on correct lines. (Line numbers correspond to column headings on Receipts and Expenditures Forms.)
 - b. Total lines as directed on Form 27 and Form 28.
 - c. Record the cash balance on farm account plus family account on line L at start of the year.
 - d. Be sure to transfer information from Form 28 "Non-Farm and Personal Cash Flow" to Form 27 lines D and I to obtain a total cash flow picture.
 - e. Record the "Cash Balance End of Month" (line L).
 - 1) For Jan., add the beginning bank balance to line K of Jan.
 - 2) For Feb. through Dec., add the preceding month line L to the current month line K. For example, for Feb. line L add Jan. line L to Feb. line K.
 - 3) For the line L total, add the total of line K to the beginning bank balance.

PROFIT OR LOSS STATEMENT - FORM 29

A Profit or Loss Statement should be completed at the end of each year. This statement is used to calculate how much an operation earned. It shows the cash balance plus or minus inventory changes and can be used to compare income producing ability over a period of years. The right side of the form is an analysis of the business for the year, and if compared with state averages or other standards, it may indicate areas of the business which could be adjusted to increase income.

	20_		20	20	20			20_		20	20	20
	Start	End	End	End	End			Start	End	End	End	Enc
FARM ASSETS							NON-FARM ASSETS					
Cash in Farm Account	. • 156 (17.4) 11. (17.4)					25.	Family Bank Balance					
Accounts Receivable						26.	Savings Account					
Non-Breeding Livestock (Form 17)						27.	Stocks and Bonds					
						28.	IRA's					
						29.	Life Insurance (cash value)					
						30.	Household Goods					
Grain and Feed (Form 18, line A + B + C)			•			31.	Non-Farm Real Estate	2 9				
. Seed, Fertilizer, and Supplies (Form 18, line D)						32.	Family Share Auto					
. TOTAL CURRENT ASSETS (lines 1 thru 8)						33.	Boat, Camper, Guns, etc.					
. Machinery and Equipment (Form 13 or 14)						34.	PIK Certificates			e e que libra.		
Breeding Livestock (Form 15 or 16)						35.						
						36.	Other Investments or Assets		1			
o.						K.	TOTAL NON-FARM ASSETS (lines 25 thru 36)					
3.							NON-FARM LIABILITIES					
TOTAL INTERMEDIATE ASSETS (lines 9 thru 13)						37.	Charge Accounts:					
. Farm Land (Form 20)						38.				1. F		
5. Farm Buildings and Improvements (Form 20)				4		39.						
C. TOTAL LONG-TERM ASSETS (lines 14 + 15)						39. 40.	Notes:					
. TOTAL FARM ASSETS (lines A + B + C)						41.						
FARM LIABILITIES						42.		a Pagar	. Pro Na			
Notes and Accounts Payable (Form 24)						43.	Mortgages:			Nº 4º		
7. Annual Payments on Intermediate and Long-Term Loans	s					44.						
3. Accrued Interest and Taxes						L.	TOTAL NON-FARM LIABILITIES (lines 37 thru 44)					
9.		1 - 1 - 2-2-3				M.	NON-FARM NET WORTH (line K - line L)					
. TOTAL CURRENT LIABILITIES (lines 16 thru 19)						N.	CHANGE IN NON-FARM NET WORTH					
Notes: Machinery and Equipment (Form 23)						0.	TOTAL NET WORTH (line I + line M)					
1. Notes: Breeding Livestock (Form 23)						P.	CHANGE IN TOTAL NET WORTH					
2.		1			-	Q.	CONTINGENT TAX LIABILITIES					
F. TOTAL INTERMED. LIABILITIES (lines 20 + 21 + 22)							FARM BUSINESS FINANCIAL RATIOS					
3. Farm Real Estate Loans (Form 23)			1			R.	Liquidity -					
4.						1						
G. TOTAL LONG-TERM LIABILITIES (lines 23 + 24)				1			$\frac{\text{Current Assets}}{\text{Current Liabilities}} = \text{line A divided by line E}$					
I. TOTAL FARM LIABILITIES (lines E + F + G)	1					S.	Debt: Asset -	- : ::				
I. FARM NET WORTH (line D - line H)				1	1		Total I inhilities					
J. CHANGE IN FARM NET WORTH			1	1			$\frac{\text{Total Liabilities}}{\text{Total Assets}} = \text{line H divided by line D}$	e participation	ele (1854) in a sin (1864)	i ja konstruiten ja		

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1	Cash in Farm Account						25.	Family Bank Balance					
2.	Accounts Receivable	 		-		<u> </u>	26.	Savings Account					
3.	Non-Breeding Livestock (Form 17)						27.	Stocks and Bonds					
4							28.	IRA's					
5.							29.	Life Insurance (cash value)					
6.					1		30.						
7.	Grain and Feed (Form 18, lines A + B + C)						31.	Non-Farm Real Estate					
8.	Seed, Fertilizer, and Supplies (Form 18, line D)						32.	Family Share Auto					
A.	TOTAL CURRENT ASSETS (lines 1 thru 8)						33.	Boat, Camper, Guns, etc.					
9.	Machinery and Equipment (Form 14)						34.	PIK Certificates					
10.	Breeding Livestock (Form 17)						35.						
11.							36.	Other Investments or Assets					
12.							K.	TOTAL NON-FARM ASSETS (lines 25 thru 36)					
13.								NON-FARM LIABILITIES					
В.	TOTAL INTERMEDIATE ASSETS (lines 9 thru 13)			2000			37.	Charge Accounts:					
14.	Farm Land (Form 20)		week goods of the should be about the same				38.						
15.	Farm Buildings and Improvements (Form 20)						39.						
C.	TOTAL LONG-TERM ASSETS (lines 14 + 15)						40.	Notes:					
D.	TOTAL FARM ASSETS (lines A + B + C)						41.	·					
	FARM LIABILITIES						42.	·					
16.	Notes and Accounts Payable (Form 24)						43.	Mortgages:	<u> </u>				ļ
17.	Annual Payments on Intermediate and Long-Term Loans	3					44.	·					
18.	Accrued Interest and Taxes						L.	TOTAL NON-FARM LIABILITIES (lines 37 thru 44)					
19.	/						M.	NON-FARM NET WORTH (line K - line L)					
E.	TOTAL CURRENT LIABILITIES (lines 16 thru 19)						N.	TOTAL NET WORTH (line I + line M)					
20.	Notes: Machinery and Equipment (Form 23)						0.	CHANGE IN TOTAL NET WORTH					
21.	Notes: Breeding Livestock (Form 23)						P.	CONTINGENT TAX LIABILITIES					
22.								FARM BUSINESS FINANCIAL RATIOS					
F.	TOTAL INTERMED. LIABILITIES (lines 20 + 21 + 22)						Q.						
23.	Farm Real Estate Loans (Form 23)							$\frac{\text{Current Assets}}{\text{Current Liabilities}} = \text{line A divided by line E}$					
24.								Current Liabilities					
G.	TOTAL LONG-TERM LIABILITIES (lines 23 + 24)]_	Daha Acces		 	 	 	
H.	TOTAL FARM LIABILITIES (lines E + F + G)						R.	Debt: Asset -					
I.	FARM NET WORTH (line D - line H)							$\frac{\text{Total Liabilities}}{\text{Total Assets}} = \text{line H divided by line D}$					
J.	CHANGE IN FARM NET WORTH												

2U	FARM DUSINESS CASH FLOW					Tan	_or Summ	ату	_					TORM	-
		JAN.	FEB.	MARCH	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	TOTAL	
1.	Crop Sales							,							1.
2.															2.
3.															3.
4.		-													4.
5.								1							5.
6.															6.
7.	Crop Insurance Proceeds														7.
8.	Government Payments: Cash														8.
9.	Government Payments: Other														9.
10.	CCC Loans													1	10.
11.	Custom Work													1	11.
12.	Patronage Dividends														12.
13.	Resales and Settlements													1	13.
14.	Cash Rent		<u> </u>												14.
15.	Non-Breeding Livestock														15.
16.	Tron-Diceding Livestock														16.
17.												1			17.
18.	Livestock Products		-									 	·		18.
	Livestock Floducts														19.
19.														2	20.
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21.	Other Farm Receipts													2	22.
22.												1		2	23.
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A.	TOTAL OPERATING SALES (lines 1 thru 26)			-	·										27.
27.	Breeding Livestock											-			28.
28.															
29.														2	29.
30.	Equipment, Building, and Land Sales													3	30.
В.	TOTAL CAPITAL SALES (lines 27 thru 30)														В.
C.	TOTAL FARM RECEIPTS (lines A + B)														C.
31.	Money Borrowed - Farm														31.
D.	NON-FARM RECEIPTS (Form 28, Line A)														D.
E.	TOTAL DOLLARS AVAILABLE (lines C + 31 + D)]	E.
	EXPENDITURES									1					12
32.	Breeding Fees		<u> </u>									-		3	32.
33.	Chemicals								-			-		3	15.

36.															30
37.															- 1
38.															
39.	Fertilizer and Lime														- 13
40.	Freight and Trucking													~	4
41.	Gasoline, Fuel, and Oil														4
42.	Insurance														4
43.	Interest: Mortgage														4
44.	Interest: Other														4
45.	Labor Hired														4
46.	Machine Hire														4
47.	Cash Rent														4
48.	Repairs: Machine														4
49.	Repairs: Building and Fences														49
50.	Seeds and Plants														5
51.	Storage														5
52.	Supplies														52
53.	Taxes														53
54.	Utilities - Farm Share														54
55.	Veterinarian and Medicine														55
56.	Miscellaneous Farm Expenditures														56
57.							,								5
58.	Non-Breeding Livestock														58
59.															59
F.	TOTAL OPERATING EXPENDITURES (lines 32 thru 59)														F
60.	Breeding Livestock														60
61.															6.
62.	Machinery, Equipment, and Fence														6
63.	Land and Buildings														6.
G.	TOTAL CAPITAL EXPENDITURES (lines 60 thru 63)														(
H.	TOTAL FARM EXPENDITURES (lines F + G)														I
64.	Principal Paid on Borrowed Funds														6
I.	NON-FARM EXPENDITURES (Form 28, line B)														I
J.	TOTAL DOLLARS USED (lines H + 64 + I)														J
K.	CASH DIFFERENCE FOR MONTH (lines E - J)														I
L.	CASH BAL. END OF MONTH (last month line L + K)														
M.	CREDIT BAL. (last month lines M + 31 - 64)														N
		JAN.	FEB.	MARCH	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	TOTAL	+