

Instructions For FSA-2039

FARM BUSINESS PLAN WORKSHEET SUMMARY OF YEAR'S BUSINESS

The form is used by applicants to determine if the loan requested from the agency is feasible.

This form is provided for informational purposes only. Applicants are not required to return the form to the agency.

Applicants complete all Items.

| Fld Name / Item No. | Instruction |
|--|--|
| A Name | Enter the name of the applicant or borrower for this operation. |
| B Date | Enter the date. The date should coincide with the date of the balance sheet. |
| C Check Box | Enter a checkmark to indicate either projected or actual income and expense. |
| 1 Total Farm Income | Enter the total income amount from all sources. (Item 10 from FSA-2038) |
| 2 Purchase of Livestock and Commodities for resale | Enter the total amount of all livestock and other commodities purchased for resale. (Sum of Items 1I, 2F and 3F from FSA-2038) |
| 3 Gross Margin | Enter the gross margin. (Item 1 minus Item 2) |
| 4 Total Operating Expenses | Enter the total of all farm operating expenses. (Item 33 from FSA-2038) |
| 5 Net Operating Income | Enter the net operating income. (Item 3 minus Item 4) |
| 6 Non-Farm Income | Enter all income from non-farm sources. (Item 36 from FSA- 2038) |
| 7 Total Net Operating Income and Non-Farm Income | Enter total net operating and non-farm income. (Item 5 plus Item 6) |

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| 8 Owner- Withdrawals, Income Taxes and Non-Farm Expense | <p>Enter the total of Items 34, 35 and 37 from FSA-2038.</p> <p>For Owner-Withdrawals: the total of family living expenses (Household operating expenses and all non-farm debt payments).</p> <p>For Income Taxes: the total State and Federal income tax paid during the production cycle.</p> <p>For Non-Farm Expense: the total of all expenses associated with non-farm business.</p> |
| 9 Net Cash Income | Enter total net cash income. (Item 7 minus Item 8) |
| 10 Term Loan Principal Payments | Enter the total principal portion paid on all farm related installment loans (operating and real estate) during the production cycle. (Items 2L (1) and 2L (2) from FSA-2037) |
| 11 Margin After Debt Service | Enter the margin after debt service. (Item 9 minus Item 10) |
| 12 Loan Advances | Enter the total of all loans anticipated to be advanced or made during the production cycle. |
| 13 Capital Sales and Capital Contributions | <p>Enter the total of Items 38 and 39 from form FSA-2038.</p> <p>For Capital Sales: the total dollar amount received from the sale of depreciable items (equipment, breeding livestock) and real estate during the production cycle.</p> <p>For Capital Contributions: Enter all inflows of capital that are not the result of business operations or other income. Capital contributions usually include gifts, inheritance, lottery winnings, the gift-value of substantial asset purchases for less than market value, and the capital contributions of partners or stockholders to an entity.</p> <p>Caution: Ensure that capital contributions are not double-counted in capital sales.</p> |

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| 14 Beginning Cash/Cash Carryover | Enter the total of all income on hand brought forward to the new production cycle from the previous year's operation. (Use the applicant's records) |
| 15 Total Margin After Debt Service | Enter the total from Items 11, 12, 13 and 14. |
| 6 Operating Loan Principal Payments and Debts Refinanced | Enter the total principal portion paid on all operating loans (non term loans) (Item 2J from FSA-2037) during the production cycle, plus the total of all debts refinanced during the production cycle. (Use the applicant's records) |
| 17 Capital Expenditures and Capital Withdrawals | <p>Enter the total of Items 40 and 41 from FSA-2038.</p> <p>For Capital Expenditures: the total dollar amount for the purchase of depreciable items (equipment, breeding livestock) and real estate during the production the cycle.</p> <p>For Capital Withdrawals: Enter all outflows of capital that are not the result of business operations or owner withdrawals. Capital withdrawals usually include gifts, the gift-value of substantial sales of assets for less than the market value, and withdrawals of capital by partners or stockholders of an entity.</p> <p>Caution: Ensure that capital withdrawals are not double-counted in capital purchases (expenditures).</p> |
| 18 Total Operating Loan Principal Payments | Enter the total from Item 16 plus Item 17. |
| 19 Ending Cash On Hand | Enter the ending cash on hand. (Item 15 minus Item 18) |