

Debt Restructuring

by

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**Cash flow
vs.
Profitability**



Financial and Production Records

Historical Financial Records

- Balance Sheet
- Income Statement
- Cash Flow Monitoring Worksheet
- Federal Income Tax Returns

Financial Records Summary

Fiscal Year Ending	<u>Dec 31,</u> <u>1998</u>	<u>Dec 31,</u> <u>1999</u>	<u>Dec 31,</u> <u>2000</u>	<u>Dec 31,</u> <u>2001</u>	<u>Dec 31,</u> <u>2002</u>	<u>Avg.</u>
Hired labor						
Repairs						
Supplies						
Interest						
Rent						
Feed						
Seed						
Fertilizer						
Insurance						

Historical Production

Converting from cash to accrual

Loans

<u>Loan</u>	<u>Due Date</u>	<u>Interest Rate</u>	<u>Balance</u>	<u>Current</u>	<u>Non-Current</u>	<u>Payment</u>	<u>Accrued Interest</u>
Loan 1							
Loan 2							
Loan 3							
Loan 4							
Loan 5							

Rental and Lease Information

<u>Landlord</u>	<u>Acres</u>	<u>Type</u>	<u>Crop Share</u>	<u>Cash Rent</u>	<u>Expiration</u>

Planning

Develop a plan for the next fiscal year utilizing averages based on historical performance. If there will be significant changes in your operation, document the changes and explain your rationale. Pay special attention to prices, yields and management ability.

Planning

Will your plan cash flow?

Develop a projected cash flow based a combination of projected prices and yields and historical data.

Planning

- Is your plan feasible (does it cash flow)? If not, why?
- Is your plan flexible? Can it be changed?
- Are you willing to make changes so that your plan will cash flow.

Planning

- **Be honest with yourself and your lender!**
- **Be realistic!!!**

Is your operation
profitable or can it be
profitable?