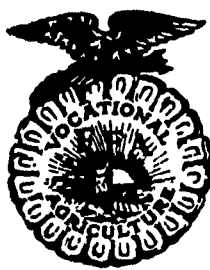


From Local Ag Teachers:



## Thoughts in Passing



The article this week was prepared by Donald Robinson, teacher of agriculture at Garden Spot High School.

### CASH FLOW: MONEY MAP

#### TO FARM PROFIT

In a business like farming, there are times when cash flows out faster than it flows in and times when the situation is reversed. But more important, on every farm, there is usually a pattern to the flow which more or less repeats from one year to the next.

Since today's management-minded far-

mer is handy with a pencil and calculator - it's relatively easy to use your farm's cash flow pattern as a starting point to predict future income and expenses. Not to the exact penny, or even to the dollar, but close enough to be a valuable tool in the planning and management of your business.

Other businesses have been doing this for years. Until recently, however, few people gave much thought to cash flow accounting in a farm business. No one in the business of farming needs to be reminded that it takes



Donald Robinson

money. More and more of it all the time. Capital - managed wisely - has become an essential ingredient in the farm financial picture.

Cash flow accounting is one of the most useful tools of modern farm financial management. But as with any tool, using it profitably requires a certain amount of know-how: first in setting up a simple cash flow projection for your business and then cashing it on it.

One thing needs emphasizing from the outset: Cash flow income and outgo projections don't replace other types of financial statements. The others are still essential as a record of what you've accomplished in the past, and of where you currently stand financially. To these, the cash flow adds a future dimension.

By now you've no doubt realized that a cash flow statement is simply a month-by-month comparison of expected cash income and expected cash expenses. And that is exactly what it is. How do you start long term planning? The following points may serve as a guideline:

1. Identify long-term goals - to know where you are going.
2. Lay out a year's plan, breaking it into major projects or steps. Cash flow gives you timing - tells you when and how much capital you'll need.
3. Review your annual and long-term projections every six months.
4. Your annual plan should have achievable objectives and improvements.
5. Calendarize your income and expenses and analyze the progress of your business at least once a month.
6. Assign yourself priorities.
7. Try to think more like a manager of equity and less like a chore-boy. Leave yourself time to think. It's easy to rationalize that you ought to work, when you really ought to think instead. Maybe that is the ultimate test of a top manager-how successfully he can discipline himself to figure ahead.

As farm managers need to borrow more and more capital, the lenders are going to want more and more projections of operations and expected returns. Ponder these thoughts, and consult with your lending institution for further assistance to develop your financial "road-map".

## Net Income Increases At Dauphin Deposit

Dauphin Deposit Trust Company increased its net income by 24 percent to \$4,484,597 in 1973 from \$3,596,450 in 1972. This represents earnings per share of \$4.06 in 1973, compared to \$3.26 in 1972.

W. D. Lewis, president of the bank, also announced that loans increased by 20 percent to \$213,572,312 from \$177,323,708, personal trusts climbed by 28 percent to \$372,601,767 from \$289,993,582 and corporate trusts advanced 21 percent to \$196,851,000 from \$162,484,000.

Total assets on December 31, 1973 were \$382,430,715 compared to \$356,796,361 on the same date in 1972, an increase of 7 percent. Total deposits were \$334,991,281 at the end of 1973 compared to \$313,474,850 at the end of 1972, an advance of 6 percent.

Lewis said he believes that the bank will experience continued growth during 1974. He stated that the year ahead promises "many changes which represent a great challenge for the bank." He predicted that the bank will achieve its long term profit and growth objectives.

He added that Dauphin

### Thin Trees

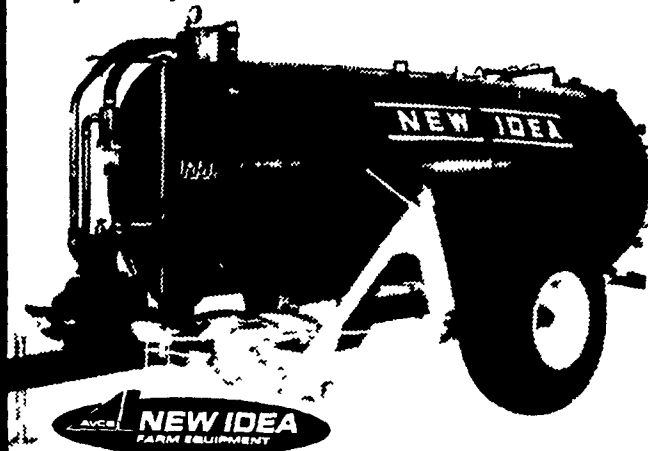
Most trees need thinning as they grow older. But corrective pruning can be done while trees are young. Pruning can be done gradually, and involve more and more thinning out of weak, and eventually dead wood as a tree matures. Ask your county agent for more information.

## TRY A CLASSIFIED AD

Deposit had realigned responsibilities and authority, and made numerous promotions during 1973, which are expected to "broaden the opportunities and accelerate the progress of younger people throughout the organization."

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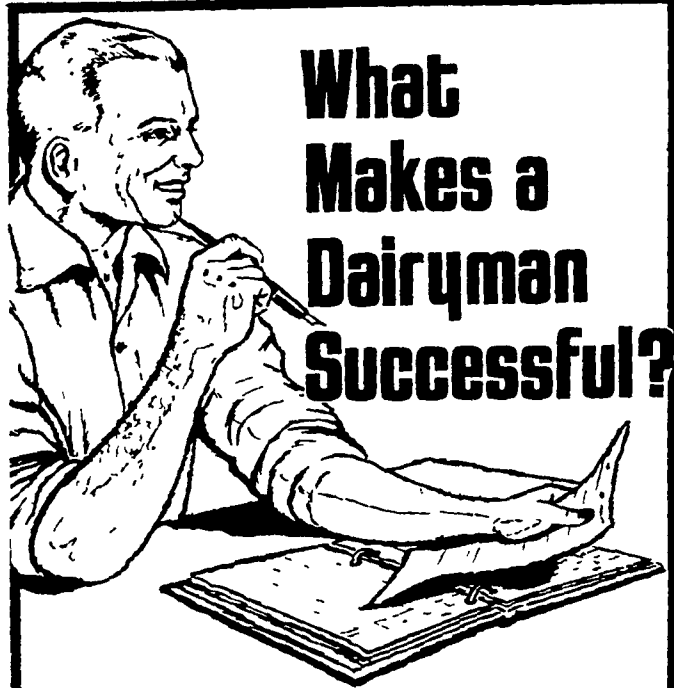
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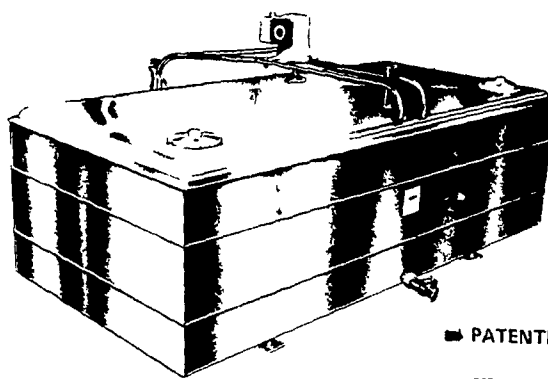
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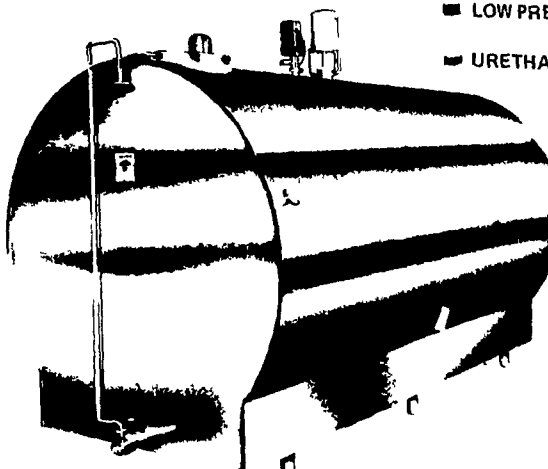


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