

YOUTH OPPORTUNITY LOAN PROGRAM INFORMATION AND APPLICATION



Beadle and Spink Enterprise Community

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Pages 21-29 are to be completed, signed and returned to BASEC or to your youth livestock representative.

Return only pages 22-30. Pages 1-21, 30 and 32 are for you to keep!

Dear Young Entrepreneur,

Do you want some practical, hands-on experience in creating your own business?

Perhaps you need to borrow money to finance such a venture, but you don't know how to go about it. BASEC's Youth Opportunity Loan Program may be the key for you to start a business!

Any loan you obtain becomes part of your credit record - an important and precious commodity in today's credit-based society. Thus, it is necessary for you to have a thorough understanding of the loan process and related documents. You must also have a strong commitment to fulfill the responsibilities you undertake.

This manual will serve to acquaint you with the application process and responsibilities you assume when you obtain and manage a BASEC Youth Opportunity Loan.

Information presented here outlines the loan process, from applying for a loan to paying it back as well as establishing a credit record. Worksheets will help you become familiar with the computations associated with borrowing money and keeping good financial records.

Best Wishes!

YOUTH OPPORTUNITY LOAN PROGRAM GUIDELINES

Eligibility

1. Youth aged 12 to 21 years old with a permanent address in the BASEC district. See enclosed listing of eligible townships on pages 20 & 21.

Please call the BASEC office if you have questions concerning eligibility. 605-635-6165 Toll Free number 855-635-6165

Other requirements:

1. Youth selected for program must have approval of a parent or guardian. All expenses are the responsibility of the youth and their parent or guardian (co-debtor).
2. You must provide and identify the collateral that will be used for the loan. Any purchases made with loan funds will be used as collateral. Additional collateral may be required depending on the project.
3. The student shall have a co-debtor and an advisor or mentor for their loan. This can be the same person or two separate adults. For example, a parent could be the co-debtor and a teacher could be the advisor/mentor, or parent could be both co-debtor and advisor/mentor.

Supervision / Guidance

1. BASEC loan officers, and /or representatives of the Youth Opportunity Loan Committee may make site visits or conduct follow up phone calls to ensure program guidelines are being followed.
2. It is the expectation that record keeping and documentation will be done by the youth, with supervision of the advisor/mentor.

YOUTH OPPORTUNITY LOAN PROGRAM GUIDELINES (continued)

Loan amounts

Maximum loan amount for all livestock is \$10,000.00. All other projects will have a maximum loan amount of \$5,000.00.

Interest Rates and Terms of Loan

1. A simple 5% interest rate for the duration of the loan has been set by the BASEC Board of Directors. Both the interest computation and the loan length are based on a 365 day calendar year.
2. Youth Opportunity Loans are to be no more than five years.
3. Repayment schedule will be principal payments plus interest each year for length of loan.
4. There will be no prepayment penalty.
5. If a youth does not elect to complete the project requirements, applicant/co-debtor will pay off remaining principal and interest amounts due.

Application Process

Loan applications can be obtained from your high school representative or BASEC staff.

1. The complete application package includes the following: (Pages 22-32)
 - a. BASEC's Youth Opportunity Loan Application, completed, signed and dated.
 - b. Attachment A – description of plan for use of program funds (livestock)
 - c. Attachment B - parent or guardian describes level of support (livestock)
 - d. Attachment C - description of plan for use of program funds (non-livestock)
 - e. Attachment D - parent or guardian describes level of support (non-livestock)
 - f. Projected Cash Flow Worksheet for the duration of the loan.
 - g. Authorization for Release of Credit Information - Co-debtor must sign this. These must be completed, signed & returned to the BASEC office.
2. There is NO deadline for application. Loan will be made on a first come, first served basis. Once the funds allotted for this program are used, no more loans will be made.
3. All applications will be reviewed by the BASEC Loan Committee along with a personal interview. Co-debtors, parents or guardians should be included in the interview so all are aware of loan application, commitments and obligations.
4. Recommendations will be given whether to approve loan funds to the applicant or not. Decisions will be based on guidelines and requirements being met. A credit check of co/debtor will also be done.
5. Written notification of decision will be sent to co-debtor.

YOUTH OPPORTUNITY LOAN PROGRAM GUIDELINES (continued)

6. If application is approved, arrangements may be made for transfer of funds to the youth's financial institution in a supervised account. Funds will be released by BASEC's Executive Director or designee after presentation of purchase. A promissory note, security agreement and UCC1 filing form all will need to be signed and dated. There is a \$23.00 filing fee to the State of SD that the applicant will be responsible for, along with a \$50.00 closing fee. (\$73.00 total paid to BASEC)
7. A BASEC staff person or board member may be making contact with debtor/co-debtor periodically. Additionally, records maybe reviewed as well. BASEC staff will be available for questions and needs regarding this program.
8. Loan payments will be paid to BASEC and sent to PO Box 45 Doland, SD 57436. A loan payment work sheet is in this manual to record payments made.

Your Responsibilities as a Youth Opportunity Loan Recipient

As a borrower, you assume several responsibilities when you are accepted into this loan program.

1. Identifying collateral: Regarding livestock loans, you must identify the purchased livestock with ear tags, branding, etc. Offspring from the livestock you purchased must also be clearly identified as they are considered collateral for the loan. For all other loans, you must provide a list with any identifying information regarding the collateral for the loan.
2. You must maintain the physical condition of the collateral.
3. If you wish to sell, replace or substitute the collateral that you purchased, you must have authorization from your loan supervisor prior to the sale. Beadle and Spink Enterprise Community (BASEC) must be included on the check. Once the sale has taken place you must return a copy of the bill of sale and the proceeds to Beadle and Spink Enterprise Community (BASEC).
4. If you have livestock as collateral for your loan, **you must notify your loan officer as soon as possible if any of the secured stock should die.**
5. You will submit an "Annual Report" or any other income and expense records if requested by BASEC.

BASEC's Youth Opportunity Loan Program provides an excellent opportunity for you to get a start with livestock ownership or creating your own business, while at the same time learning management skills, marketing skills, etc.

You must remember that this is to be treated like any other type of loan. You have entered into a secured legal transaction, and YOU ARE RESPONSIBLE FOR THE CREDIT THAT YOU HAVE OBTAINED.

Take pride in your project and work hard to manage it well. BASEC supports you in your venture. If you have any questions, please contact your loan officer or other BASEC staff.

Youth Opportunity Loan Program Goals

BASEC's Project Goals:

1. Encourage youth to think about and explore entrepreneurship.
2. Engage and connect youth to their community.
3. Increase agricultural / livestock production in the BASEC area. Increase youth in agricultural development projects while youth gains knowledge and skills through active participation in raising, caring for and marketing livestock.
4. Increase youth involvement in the business area while youth gains knowledge and skills through active participation in creating and running a business.
5. Increase partnerships / contacts with schools, FFA, 4-H, local businesses and BASEC.
6. Increase BASEC opportunities with families not yet reached.
7. A long term goal is to help decrease youth out migration from the BASEC area.

Your Project Goals

A goal is the final product or accomplishment toward which an effort is directed. You need to ask yourself, what is the goal of this project for yourself, before assuming the financial responsibility of a Youth Opportunity Loan. Do you want to use it as a means of saving for college? Do you want to start a livestock breeding herd? Do you want to use this as an opportunity to explore the feasibility of your business idea?

- Your goals should be your own
- You must be personally committed to your goals
- Goals should be specific - concrete, clear and written
- Goals should be set for a definite and reasonable time period

Take time to identify your goal and write it below.

Goal: _____

About Your Loan Officer

BASEC staff could be a key component in the success of your Youth Opportunity Loan.

A major responsibility of the BASEC staff is to assess your character as an applicant, based upon the supervisor's experience with you. The loan officer can advise the loan committee whether you are responsible, capable, and mature enough to carry out the project.

It is also important that the loan officer finds the proposal appropriate to the purpose of the Youth Opportunity Loan Program.

The loan officer can also be valuable to you by helping you complete a sound credit proposal and loan request, and by reviewing all documentation for accuracy and validity. In addition, the loan officer will monitor your project.

After you have compiled all the information, signed and dated the application, you will need to submit the application package to your loan officer. You may want to go over it with your loan officer and co-debtor at this time, because your loan officer will submit it to the BASEC Loan Committee.

The loan committee reviews the written materials that are required for a loan application.

- a. Make sure all required documents are present:
 - application
 - attachment A (livestock loans only)
 - attachment B (livestock loans only)
 - attachment C (all non-livestock loans only)
 - attachment D (all non-livestock loans only)
 - cash flow projections
 - credit release
- b. Review the documents for accuracy.

The loan application is reviewed by the loan committee and the majority of the committee must agree to approve the loan.

Record Keeping

You are considering a business venture when you decide to apply for a Youth Opportunity Loan. As with any type of business, records are essential for both economic and legal purposes. Records are used for analyzing where you are, where you have been, and most important where you are going.

Documentation Records

Your documentation file should contain copies of contracts, bill of sales and receipts, loan documents you have signed, and all correspondence you have sent or received.

Production Records

Production records are primarily a listing of your assets and what they are doing -- performance and efficiency. They are used to identify strengths and weaknesses of your project.

Some measures of production are:

1. Livestock: Units of input - pounds of feed, supplement, veterinary expenses
2. Livestock: Units of output - pounds of gain, size of offspring (weaning weights), pounds of product produced (wool)
3. Hours of service provided
4. Quantity of items produced

Financial Records

Planning the financial future of your project is not only important for your lender in analysis of your loan request, but most importantly; to yourself - How profitable your project is or will be. There are primarily three basic statements used in financial record keeping.

- **Financial Statement** - sometimes called the balance sheet or a net worth statement. This is a listing of assets owned and what you owe. From these figures you can determine ownership or equity.

$$\begin{array}{rcccl}
 \text{Assets} & & \text{Liabilities} & = & \text{Net worth} \\
 \text{(what you own)} & - & \text{(what you owe)} & & \text{(your ownership)}
 \end{array}$$

Record Keeping (continued)

- **Income Statement** - sometimes called a profit or loss statement, measures profitability over a period of time (usually one year). It details the difference between incoming money and operating costs or cost of goods sold to show net income (the profits you have generated). Net income is what is available for debt repayment and eventually for yourself to meet your goals.
- **Cash Flow Statement** - is perhaps the most valuable tool in analyzing your project. Simply stated it, tells the story of how and when you receive and spend your money. Since you are starting your project, your cash flow will be your “best estimate” of your plan. But do not stop there! Your cash flow statement can serve as a record of past performance, as a monitoring tool for current performance, and as an aid in planning for the future. Also, it can help you with your marketing plans.

NOTE: YOU CANNOT DETERMINE WHAT PRICE TO SELL FOR IF YOU DO NOT KNOW WHAT YOUR COSTS ARE!

Your records should be accurate and complete. It is important to know costs of production and to establish a realistic sales price objective, which locks in a reasonable profit. This is essential to a good marketing strategy.

Calculating Simple Interest

Simple interest is charged only upon the original or outstanding principal. The type of interest that the Youth Opportunity Loan Program uses is simple interest.

The formula for calculating the amount of interest due is:

$$(\text{Principal}) \times (\text{Interest rate}) \times (\text{Length of loan}) = \text{Interest}$$

Suppose you take out a \$1,500 loan at 5% interest rate for 3 years. The factors you will need to compute the interest are:

$$\text{Principal} = \$1,500 \quad \text{Interest rate} = 5\% \quad \text{Length of loan} = 3 \text{ years}$$

The amount of interest due would be: $(1,500) \times (5\%) \times (3) = \75.00

You would owe \$75.00 in interest when the loan was due, so you would pay a total of \$1,575.00.

Most Youth Opportunity Loans require an amortization schedule based upon your proposed project. Amortization is further explained later in this text.

Equipment List

Item	Value
Date Purchased	Seller
Amount of Purchase	

Item	Value
Date Purchased	Seller
Amount of Purchase	

Item	Value
Date Purchased	Seller
Amount of Purchase	

Item	Value
Date Purchased	Seller
Amount of Purchase	

Example Promissory Note**PROMISSORY NOTE
DISCLOSURE AND SECURITY AGREEMENT**

BORROWER'S NAME & ADDRESS Name Address City, State Zip "I" includes each borrower above, jointly and severally.	Beadle and Spink Enterprise Community (BASEC) PO Box 45 Doland, SD 57436 LENDER'S NAME & ADDRESS "You" means the lender, its successors, and assigns.	Loan Number: xxx-xx-xx Date: January 1, 20xx Maturity Date: January 1, 20xx Loan Amount: \$10,000.00 Renewal Of:
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Note: I promise to pay to you, or your order, at your address above, the principal sum of: Ten Thousand Dollars \$10,000.00 plus interest from January 1, 20xx at the rate of 5.0% per year until paid in full. I will pay this amount as follows:

X In 4 yearly installments of \$2,309.75, beginning on January 1, 20xx, and continuing on the same day of each year thereafter. PLUS a final payment of unpaid principal and accrued interest of approximately \$2,309.75 (will need to contact BASEC for exact payoff amount).

Annual Percentage Rate The cost of my credit as a yearly rate. <u>5.0%(e)*</u> *estimate	Finance Charge The dollar amount the credit will cost me. <u>\$1,548.74</u>	Filing Fees \$ 23.00 (UCC-1) BASEC Fees \$ 50.00 Other \$ 0 Total \$ <u>73.00</u>	Amount Financed The amount of credit provided to me or on my behalf. <u>\$10,000.00</u>	Total of Payments The amount I will have paid when I have made all scheduled payments <u>\$11,548.74</u>
--	--	--	--	---

My payment schedule will be:

Number of Payments	Amount of Payments	When Payments are Due
4	\$2,309.75	01/1/20xx, 01/1/20xx, 01/1/20xx, 01/1/20xx
1	\$2,309.75, or balance due	01/1/20xx

Security:

- If checked, this note is not further secured by any contemporaneous agreement.
- If checked, this note is secured by a separate Security Agreement and/or Mortgage dated XXX, and a UCC1 Agreement dated xxx
- Security Agreement. If checked, I give you a security interest in the property described below.

All livestock now owned or hereafter acquired, including but not limited to:

The property covered will be located at XXX Farm, Beadle County, Bonilla Township, Hitchcock, South Dakota. The rights I am giving you in this property and the obligations this

DEFINITIONS

Accrue - To accumulate, as interest "accrues" on a loan.

Accounts Receivable – Money owed to a company by its customers

Applicant - A person who is applying for a loan, or job.

Balance Sheet - A condensed statement showing the nature and amount of a person's or business assets, liabilities, and capital on a given date. The balance sheet shows, in dollar amounts, what the person or business owns, owes, and net worth (the difference between assets and liabilities), also known as a financial statement.

BASEC - Beadle & Spink Enterprise Community.

Business Plan - Identifies key factors for analyzing whether a business is truly viable and advisable.

Cash Flow Statement - A statement estimating the monthly or annual cash you will be receiving, less the amount you will be spending. It may cover a few months or a number of years.

Co-Debtor - A person who signs a promissory note, along with the primary borrower, thereby is becoming a party to the loan on the same terms as the primary borrower. The co-debtor is equally obligated to the repayment of the entire debt, in the event of default by the primary borrower.

Collateral - Specific property owned by the borrower, which the borrower pledges as security for the repayment of a loan. The borrower agrees that the lender shall have the right to sell the collateral for the purpose of liquidating the debt if the borrower fails to repay the loan at maturity.

Compound Interest - Interest charged on the outstanding principal plus accrued interest.

Cost of Goods Sold/Cost of Sales – Accumulated total of all costs used to create a product or service, which has been sold.

$COGS = \text{Beginning Inventory} + \text{Purchases During the Period} - \text{Ending Inventory}$

Credit - Allowing the use of some good or service, with the borrower promising to pay for that use at a later date.

Financial Statement - See balance sheet.

Definitions (continued)

Financing Statement (UCC-1) - Used to “perfect” a security interest, or establish the priority of one lender over the claims of other creditors against a mortgaged piece of property. It is filed with the Secretary of State’s Office.

Interest - The amount charged a borrower by the lender for the privilege of using borrowed money.

Liability - Financial obligation of a borrower to a creditor.

Lien - Security interest created by a mortgage. A legal right granted to an individual by the authority of a court, to control or to enforce a charge against one's property until some debt is paid or otherwise satisfied.

Loan - An amount of money which one individual lends to another, usually with a charge of some percentage of interest for the use of that money.

Loan Document - See promissory note.

Maturity - The date upon which a note becomes due and payable.

Net Worth Statement - See balance sheet.

Principal - The original or remaining amount due and payable on note. Provides the basis for computation of interest.

Proceeds - The total amount of money received in any transaction, whether through a sale or by borrowing money.

Promissory Note - The primary document used in making a loan. A negotiable promise which serves as evidence of the debt of a borrower to a lender.

Definitions (continued)

Purchase Money Loan - A loan to purchase goods. A perfected security is automatically created in the items purchased, and has priority over all other claims.

Rate of Interest - The percentage of the principal amount which is annually charged for the use of money. Also known as APR – annual percentage rate.

Record Keeping - A method of keeping track of important happenings and transactions within a business.

Repayment Ability - One's capacity to repay a loan.

Repayment Plan - A plan for repaying a debt. See market plan, cash flow statement.

Responsibility - A thing or person that one is answerable for; a duty, obligation, or burden.

Security - What the borrower puts up to guarantee payment of the loan. (Collateral)

Security Agreement - The actual agreement, in writing, between the lender and the borrower which promises goods as collateral. A claim on property that the borrower gives the lender to secure a loan.

Simple Interest - Interest charged only upon original or outstanding principal.

These are the geographical boundaries of the service area that BASEC serves.

*BASEC's service area includes portions of these townships in Beadle County (Clyde, Custer, and Valley). Please refer to map (Page 21).

Beadle County

Townships:

Banner
 Barrett
 Belle Prairie
 Cavour
 Clifton
 *Clyde
 *Custer
 Foster
 Grant
 Iowa
 Lake Byron
 Liberty
 Login
 Milford
 Pearl Creek
 Richland
 *Valley

Towns:

Yale
 Cavour
 Iroquois
 Hitchcock

Spink County

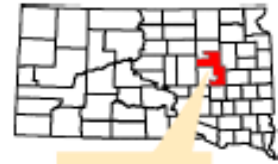
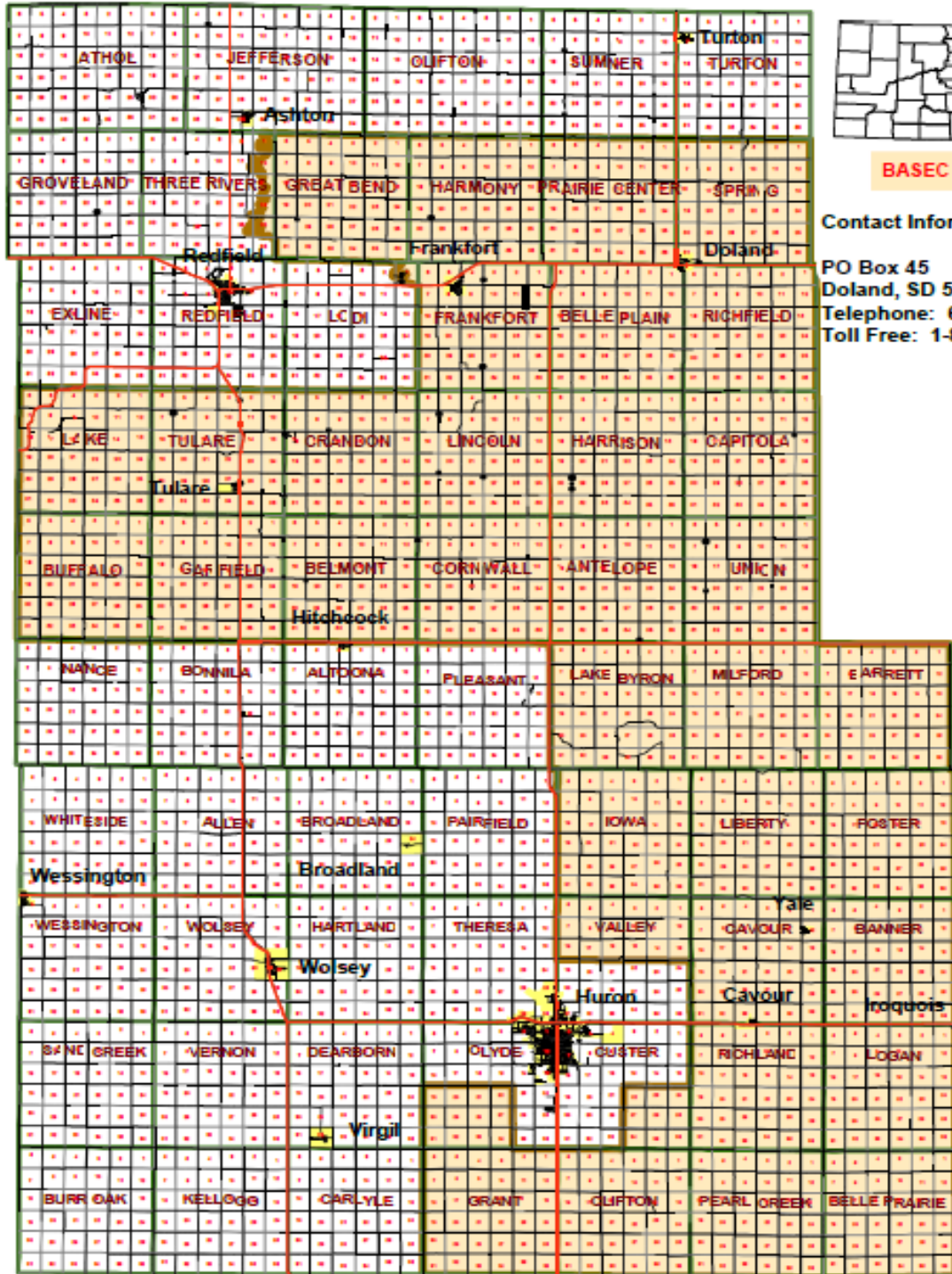
Townships:

Antelope
 Belle Plaine
 Belmont
 Buffalo
 Capitola
 Cornwall
 Crandon
 Frankfort
 Garfield
 Great Bend
 Harmony
 Harrison Lake
 Lincoln
 Prairie Center
 Richfield
 Spring
 Tulare
 Union

Towns:

Doland
 Frankfort
 Tulare

Beadle & Spink Enterprise Community, Inc. (BASEC)



BASEC Area

Contact Information:

PO Box 45
Doland, SD 57436
Telephone: 605-635-6165
Toll Free: 1-855-635-6165



YOUTH OPPORTUNITY LOAN APPLICATION

Applicant and Co -Debtor Information

Applicant		Date of birth	Social Security
Address		Home Phone	Cell Phone
Town /Zip	County	Township	e-mail
Co-Debtor		Date of birth	Social Security
Address		Home Phone	Cell Phone
Town/Zip	County	Township	e-mail

School Information

School	Grade	Phone	Advisor					
Circle all that apply:	4-H	FFA	Sports/ FB	VB	BB	WR	TR	Other:
Location where project will take place:	County			Township				

Bank Information (Applicant / Co-applicant)

Name of bank	Type of account (circle one)	Checking	Savings	Loan
Phone				

I agree to the following terms:

- To furnish information on stock or equipment purchased, and copy of the bill of sale, to Beadle & Spink Enterprise Community within 10 days of purchase date.
- To cooperate fully at all times with my loan officer in conducting my project and to adhere to the intended purposes of the Youth Opportunity Loan Program.
- To abide by the terms, conditions, and provisions of all loan documentation.

Failure to meet these requirements may result in this loan becoming due immediately, and payable in full.

Signature of Applicant _____ Date _____

LOAN OFFICER -- I hereby certify that I am familiar with the applicant's facilities for the proposed project and feel they are adequate. I agree to aid and advise the applicant in the pursuit of the project and to give ample field supervision of same. I agree further to advise the lender should the project at any time, seem in danger of failure.

Signature of Loan Officer _____, Title _____ Date _____

LOAN CO-DEBTOR – By consenting to become a co-debtor of the loan and loan documentation, I fully understand that I am jointly and severally obligated to meet all terms, conditions, and provisions of the loan. I further pledge full cooperation with the applicant and the project supervisor in the pursuit of this project.

Signature of Loan Co-debtor	Relationship to Applicant	
Address	City/State/Zip	Telephone

Pages 22 to 32 Must be completed, signed & returned to BASEC

Youth Opportunity Loan Committee – We, the undersigned have received the application and supporting material and hereby:

Circle: APPROVE / DISAPPROVE

AMOUNT: _____

Signature

Signature

Signature

FOR OFFICE USE ONLY:

Approving Officer Signature

Amount Approved

COMMENTS:

Youth Opportunity Loan Application - Attachment A
(Livestock Only)

NAME: _____ DATE: _____

To be completed by applicant:

1. What kind of livestock will you buy? _____

2. How many head, age, approximate weigh and price per head?

3. Where will the livestock be kept? _____

4. What facilities are available for caring for the livestock? (Include buildings, corrals, feeders, loader, tractor, pasture, etc.)

5. What experience have you had in managing this type of livestock?

6. What kind and how many other livestock do you own?

7. If applicable, what does your livestock breeding program consist of?

8. What feed/supplements will you need to purchase?

How much? _____

9. What health care costs do you anticipate? (Worming, vaccinating, pregnancy test, etc.)

10. Will you have your own brand, ear notch, or ear tags? _____

11. How will you market your livestock and their products? _____

12. What time of year? How often? _____

13. How will you pay back the loan? _____

14. How will this purchase fit into your future plans? _____

Youth Opportunity Loan Application-Attachment B
(Livestock Only)

NAME: _____ DATE: _____

To be completed by applicant's parents/guardians:

Will you be the co-debtor on this project? _____

Who will serve as advisor on this project? _____

1. What effect might this enterprise have on your total operation? (Graining, feed supply, facilities, etc.)

2. How will feed (grazing, hay and grain) be secured or purchased?

3. What experience have you had with this type of enterprise?

4. Will you be available to assist with this project? (During school, at night, etc.)

5. Do you foresee any problems identifying these animals separately? (Will you brand or earmark in some way?)

6. Do you think this is a worthwhile project?

7. Does the applicant have your full support and encouragement? _____

Parent/Guardian Signature

Relationship

Youth Opportunity Loan Application-Attachment C (Non-Livestock Only)

One of the first steps in any business venture should be the development of a business plan. A carefully prepared plan defines your expectations. The following will give you an idea of the important elements to include in your plan. It should be modified according to your specific situation. Please record answers on additional paper.

1. Describe the business (products, services, etc)
2. What products, services do your customers want or need?
3. What geographic area do you plan to serve?
4. Who are your competitors?
 - a. What do they do best?
 - b. What are their weaknesses?
 - c. What are you particularly good at doing, what is going to make your business better than the competitors? What are your weaknesses?
5. What specifically are you going to market? Include products and services that you will market and state where they will be marketed. Who are your customers? Do you have any guaranteed customers right now?
6. Describe your marketing plan. Include advertising, promotions, strategies for getting customers to buy your products/ services.
 - a. Selling arrangements
 - b. Pricing
 - c. Promotion
 - d. Distribution systems
 - e. Commissions
7. Where will your business be located?
8. How will production of your product or delivery of your services be accomplished?
9. Do you have experience in this type of industry/business?
10. How is your business going to be financed?
 - a. What kind of funding assistance are you requesting? Are there any other investors and/or other sources of financing?
 - b. What is the funding assistance (loan funds) going to be used for?
 - c. What is the total project cost?

Youth Opportunity Loan Application-Attachment D
(Non-Livestock Only)

NAME: _____ DATE: _____

To be completed by applicant's parents/guardians:

Will you be the co-debtor on this project? _____

Who will serve as advisor on this project? _____

1. Do you have any experience with this type of enterprise?

2. Will you be available to assist with this project? (During school, at night, etc.)

3. Do you foresee any problems with the project being successful?

4. Do you think this is a worthwhile project?

5. Does the applicant have your full support and encouragement? _____

Parent/Guardian Signature

Relationship

AUTHORIZATION FOR RELEASE OF CREDIT INFORMATION

I, _____, as co-debtor, hereby supplement BASEC's YouthLivestock Loan Application for _____ and agree as follows:

1. This authorization and any support information is the property of Beadle and Spink Enterprise Community, Inc.
2. Beadle and Spink Enterprise Community, Inc. is authorized to make credit checks or inquiries concerning matters listed as assets, liabilities and references relevant to cosigning this loan and for any transaction relating to any loans made pursuant to this authorization.
3. Creditors and others are authorized to disclose information relative to any loans, accounts, purchases, or other financial transactions, past or current, to Beadle and Spink Enterprise Community, Inc.

Signature: _____ Date: _____

Photocopies of this authorization may be presented to and relied upon by my creditors and others as evidence of my authorization to release information to Beadle and Spink Enterprise Community, Inc.

Listed below are three credit references which may be contacted:

Name: _____ Phone: _____

Address: _____

Name: _____ Phone: _____

Address: _____

Name: _____ Phone: _____

Address: _____

PROJECTED CASH FLOW WORKSHEET (Livestock Only)

(EXPLANATION OF CASH FLOW PROJECTION WORKSHEET page 31)

NAME _____

Type of Livestock _____ Date _____

	20 __	20 __	20 __	20 __	20 __
LIVESTOCK INCOME					
1. Livestock raised sales					
2. Livestock products sales					
3. Culled livestock sales					
4. Other:					
5. Total Income (1+2+3+4)					
LIVESTOCK EXPENSES					
6. Interest on Loan					
7. Rents and Lease.					
8. Feed and Supplements					
9. Breeding					
10. Veterinary & supplies					
11. Marketing					
12. Other:					
13. Total Operating Expenses (Add lines 6 – 12)					
SUMMARY					
14. Net Cash Income (Line 5 – Line 13)					
15. Principal Payment					
16. Remaining Loan Balance (Beginning \$)					
17. Remaining Cash Balance (Line 14 – Line 15)					

EXPLANATION OF CASH FLOW PROJECTION WORKSHEET

INCOME:

1. LIVESTOCKRAISED SALES: expected sales from lambs, calves, pigs (offspring)

To calculate the figures:

A) Est. lbs./hd. Est. price/lb. (cwt.) No. of hd. (unit)
_____ x _____ x _____ = \$_____

B) Anticipated time of Sale (s) (Month(s) _____)

2. LIVESTOCKPRODUCT SALES: expected sales from milk, wool, etc.

To calculate the figures:

A) Est. lbs./hd. (unit) Est. Price/lb. No. of hd. (unit)
_____ x _____ x _____ = \$_____

B) Anticipated time of Sale (s) (Month(s) _____)

3. CULLED LIVESTOCK SALES: sale proceeds from any animal other than offspring that is being eliminated from the herd
4. OTHER: wages, interest income, or other sources of cash that might be used in repaying the loan
5. TOTAL INCOME: the sum of all sources of income

EXPENSES:

6. INTEREST ON LOAN: remaining principal balance x interest rate = annual interest charge
7. RENTS AND LEASE: pasture expense, farrowing building rent, etc.
8. FEED AND SUPPLEMENTS include: sale and mineral, supplemental cake, purchased hay
9. BREEDING expense: charge for use of a bull, boar or ram, artificial insemination expense, etc.
10. VETERINARY AND SUPPLY expenses include: fly tags, vaccinations, pregnancy testing, growth implants
11. MARKETING COSTS include: trucking, sale barn commission, brand inspection, commodity checkoffs
12. OTHER COSTS: any other case expense incurred in the production or sale of livestock or livestock products
13. TOTAL OPERATING EXPENSES: the sum of all cash expenses related to the production and sale of livestock

SUMMARY:

14. NET CASH INCOME: Total income - Total Expense
15. PRINCIPAL PAYMENTS: Amount of payment to be applied to reduction of the principal amount of the loan
16. REMAINING LOAN BALANCE: Beginning Loan Balance – Sum of Principal Payments
17. REMAINING CASH BALANCE: Remaining Cash (income) after all expenses and loan payments are made

PROJECTED CASH FLOW WORKSHEET (Non-Livestock Only)

(EXPLANATION OF CASH FLOW PROJECTION WORKSHEET page 33)

NAME _____

Date _____

	20 ____	20 ____	20 ____	20 ____	20 ____
INCOME					
1. Sales					
2. A/R Collections					
3. Other Cash Injections					
4. Other:					
5. Total Income (1+2+3+4)					
EXPENSES					
6. Purchases (merchandise)					
7. Supplies					
8. Insurance					
9. Taxes					
10. Loan Payment					
11. Marketing					
12. Other:					
13. Total Operating Expenses (Add lines 6 – 12)					
SUMMARY					
14. Net Cash Income (Line 5 – Line 13)					
15. Principal Payment					
16. Remaining Loan Balance (Beginning \$)					
17. Remaining Cash Balance (Line 14 – Line 15)					

EXPLANATION OF CASH FLOW PROJECTION WORKSHEET

INCOME:

1. SALES: expected sales from goods or services you provide
2. A/R Collections: Accounts Receivable Collections – amount you received from customers on credit
3. OTHER CASH INJECTIONS: Did you have to put any cash into your business (other than what was received from sales)?
4. OTHER: wages, interest income, or other sources of cash that might be used in repaying the loan
5. TOTALINCOME: the sum of all sources of income (lines 1-4)

EXPENSES:

6. PURCHASES (MERCHANDISE): This is your cost of goods sold; what did you have to buy in order to produce a product for your customer?
7. SUPPLIES: Office supplies, maintenance supplies, etc.
8. INSURANCE: List costs associated with purchasing insurance for your business
9. TAXES: If applicable: sales tax, property tax, excise tax, etc.
10. INTEREST ON LOAN: Remaining principal balance x interest rate = annual interest charge
11. MARKETING: Facebook charges, newspaper ads, flyers, website design and costs, etc.
12. OTHERCOSTS: any other case expense incurred in your business
13. TOTALOPERATINGEXPENSES: the sum of all cash expenses (lines 6-13)

SUMMARY:

14. NETCASHINCOME: Total income - Total Expense
15. PRINCIPALPAYMENTS: Amount of payment to be applied to reduction of the principal amount of the loan
16. REMAININGLOANBALANCE: Beginning Loan Balance – Sum of Principal Payments
17. REMAININGCASHBALANCE: Remaining Cash (income) after all expenses and loan payments are made