



# “Ima Successful Farm”

## Sample Budget

Presented by Abby Road Group, LLC

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**For the Year Ending December 31, 2018**

INCOME	2018 Approved	Notes
Horse Sales	\$140,000.00	Average 4 sales a year at \$35,000 each
Boarding - Full	\$91,800.00	\$850 per month with 9 boarder stalls
Boarding - Pasture	\$21,960.00	\$305 per month for 6 pasture boarders
Full Lease	\$10,800.00	\$900 per month with 1 full lease per month
Half Lease	\$11,400.00	\$475 per month with 2 half leases per month
Riding Lessons	\$162,240.00	\$65 per lesson, 8 lessons a day 6 days a week
Horse Training Rides	\$15,600.00	\$50 per training ride, 6 training rides per week
Pony Parties	\$6,600.00	\$275 per pony party, 2 per month
Trail Rides	\$15,600.00	\$75 per trail ride, 4 per week
Clinics	\$4,000.00	Assume 4 clinics a year
Other income	\$5,000.00	Miscellaneous income
Interest Income	\$300.00	Interest earned on business savings account
Discounts on Lesson & Training Packages	\$(13,728.00)	10% discount offered on prepaid lesson and training packages, sold monthly
<b>TOTAL INCOME</b>	<b>\$471,572.00</b>	
<b>EXPENSES</b>		
<b>Fixed Expenses</b>		
Mortgage	\$36,000.00	Budget for Principal & Interest
Depreciation	\$9,500.00	Depreciate capital asset (ie, buildings, equipment, horses not held for sale)
Property Taxes	\$7,800.00	
Insurance	\$7,600.00	Property insurance, auto, liability, mortality)
<b>Total Fixed Expenses</b>	<b>\$60,900.00</b>	
<b>Cost of Goods Sold</b>		
Cost of Horses Held for Sale	\$24,000.00	Assume \$6000 paid for each of the 4 horses sold in 2018
Horse Shows	\$5,000.00	
<b>Total Cost of Goods Sold</b>	<b>\$29,000.00</b>	
<b>Payroll</b>		
Labor - outside	\$35,000.00	\$12 per hour labor - 7 days a week for a full day
Owners Draws	\$58,000.00	Take regular draws from your profitable company
Payroll Taxes & employee overhead	\$19,000.00	Estimate 20% of payroll cost
Workers Compensation Insurance	\$7,000.00	
<b>Total Payroll</b>	<b>\$119,000.00</b>	

EXPENSES (Continued)	2018 Approved Budget	Notes
<b>Horse Expenses</b>		
Hay	\$23,500.00	Assume 18 horses on property, \$105/horse/month
Grain	\$8,640.00	Assume 18 horses on property, \$40/horse/month
Bedding	\$7,560.00	Assume 18 horses on property, \$35/horse/month
Blanket Services	\$1,300.00	\$65/blanket x 4 blankets for 5 lesson horses
Veterinarian	\$5,000.00	Assume \$1000/year for 5 lesson horses
Farrier	\$4,500.00	Assume \$75/month for 5 lesson horses
Equine Dental	\$925.00	Assume \$185/year for 5 lesson horses
<b>Total Horse Expense</b>	<b>\$51,425.00</b>	
<b>Building, Grounds &amp; Equipment Expense</b>		
Tack and Tack Maintenance	\$3,600.00	Estimate
Building (Barn) Repairs and Maintenance	\$12,000.00	Estimate
Truck and Trailer Maintenance	\$3,250.00	Estimate
Fuel for vehicles and farm equipment	\$12,000.00	Estimate
Fence Repairs	\$3,000.00	Estimate
Pasture Maintenance	\$3,000.00	Estimate
Manure Disposal	\$5,700.00	Estimate
Well and Septic Maintenance	\$1,200.00	Estimate
<b>Total Building &amp; Equipment Expense</b>	<b>\$43,750.00</b>	
<b>Utilities</b>		
Gas	\$6,000.00	Estimate
Telephone and Internet	\$2,400.00	
Electric	\$10,000.00	Estimate
<b>Total Utilities</b>	<b>\$18,400.00</b>	
<b>Office and Administrative Expenses</b>		
Accounting & Bookkeeping	\$9,100.00	Price based on 18 horses
Bad Debt Expense	\$2,000.00	Should be included in every budget
Year End Tax Planning & Preparation	\$1,000.00	
Legal	\$1,500.00	
Advertising	\$4,500.00	
Office Supplies (postage, supplies, etc)	\$3,600.00	
Bank Fees	\$100.00	
Miscellaneous	\$1,200.00	
Operating Contingency	\$7,500.00	Oh poop! Unanticipated expenses. Budget roughly 2.5% of total expenses
<b>Total Office &amp; Administrative</b>	<b>\$30,500.00</b>	
<b>Total Expenses</b>	<b>\$352,975.00</b>	
<b>Net Income (Loss)</b>	<b>\$118,597.00</b>	
<b>Profit Margin</b>	<b>34%</b>	<i>33% is the sweet spot! That indicates you are running an efficient &amp; successful business!</i>