

**ACCURACY CHECKS**

**CASH FLOW CHECK**

Beginning cash balance	35,282	Ending cash balance	45,307
Gross cash farm income	354,184	Total cash farm expense	233,239
Capital sales	1,750	Farm capital purchases	59,500
Nonfarm income	31,878	Nonfarm cap purchases	3,000
Money borrowed	217,000	Principal payments	218,535
Gifts and inheritances	-	Gifts, other outflows	-
Beg nonfarm savings	4,766	Ending nonfarm savings	6,798
(A) Total cash inflows	644,860	(B) Subtotal cash outflows	566,379

Apparent money used for family purposes	(A-B)	78,481
Household capital purchases	(-)	-
Income tax and social security	(-)	24,910
Apparent family living expense	(=)	53,571
Family living expenses reported	(-)	53,571
Discrepancy	(=)	0

**LIABILITIES CHECK**

Beginning liabilities		516,553
Money borrowed	(+)	217,000
Principal payments	(-)	218,535
Change in accounts payable	(+)	-2,129
Ending liabilities calculated	(=)	512,889
Ending liabilities reported	(-)	512,889
Discrepancy	(=)	0

**INCOME STATEMENT**

<b>CASH FARM INCOME</b>	Quantity	Value	<b>CASH FARM EXPENSE</b>	
Corn	38,978 bu.	76,007	Seed	26,930
Soybeans	29,865 bu.	186,063	Fertilizer	20,279
Wheat Winter	2,932 bu.	8,795	Crop chemicals	21,716
Beef Calves	13 head	12,456	Crop insurance	7,130
Cull breeding livestock		1,992	Irrigation energy	14,611
Direct & CC govt payments		24,476	Purchased feed	3,953
Custom work income		4,500	Veterinary	2,136
Patronage dividends, cash		3,462	Interest	30,285
Insurance income		23,049	Fuel & oil	18,238
Cash from hedging accts		12,000	Repair, machinery	26,754
Other farm income		1,384	Land rent	20,000
			Machinery leases	8,500
			Real estate taxes	9,126
			Personal property taxes	2,074
			Farm insurance	3,747
			Utilities	2,509
			Dues & professional fees	2,464
			Hedging account deposits	5,000
			Miscellaneous	7,787
(C) Gross cash farm income		354,184	(D) Total cash farm expense	233,239
			(E) Net cash farm income	120,945

<b>INVENTORY CHANGES</b>		Crop & Feed	Market Livestock	Receivables & Other Income Items	Prepaid Expenses & Supplies	Payables & Accrued Expenses	Total
Ending inventory		117,105	11,719	18,904	27,250	Beg 19,452	
Beginning inventory	(-)	136,630	9,775	9,865	20,550	End 17,326	
(F) Inventory change	(=)	-19,525	1,944	9,039	6,700	2,126	284
(G) Net operating profit						(E+F)	121,229

<b>DEPRECIATION AND OTHER CAPITAL ADJUSTMENTS</b>		Breeding Livestock	Machinery & Vehicles	Buildings & Improvements	Other Assets	Total	
Ending inventory		1,338	134,684	14,676	27,007		
Capital sales	(+)	-	1,750	-	-		
Beginning inventory	(-)	1,912	145,275	18,544	21,982		
Capital purchases	(-)	-	59,500	-	-		
(H) Depreciation / cap adj	(=)	-574	-68,341	-3,868	5,025	-67,758	
(I) Net farm income						(G+H)	<b>53,471</b>

<b>PROFITABILITY</b>		<b>Cost</b>	<b>Market</b>
(J) Net farm income	(I+K)	53,471	69,627
Labor and management earnings	(J-L)	11,441	-2,538
Rate of return on farm assets	(O/P)	4.7 %	4.3 %
Rate of return on farm equity	(Q/R)	3.9 %	3.6 %
Operating profit margin	(O/S)	16.3 %	21.0 %
Asset turnover rate	(S/P)	28.8 %	20.2 %
(K) Change in market valuation		-	16,156
(L) Interest on farm net worth	(R* 6%)	42,030	72,165
(M) Farm interest		28,159	28,159
(N) Value of operators labor & mgt		26,000	26,000
(O) Return on farm assets	(J+M-N)	55,630	71,786
(P) Average farm assets		1,182,903	1,685,150
(Q) Return on farm equity	(J-N)	27,471	43,627
(R) Average farm net worth		700,498	1,202,745
(S) Value of farm production		341,115	341,115

**CROP SUMMARY**

Total crop acres	830
Crop acres owned	320
Crop acres cash rented	160
Crop acres share rented	350

**CROP YIELDS**

	<b>Acres</b>	<b>Yield</b>
Irrigated Corn	260.0	197.2 bu.
Corn	130.0	119.5 bu.
Irrigated Soybeans	300.0	56.0 bu.
Soybeans	30.0	39.2 bu.
Wheat Winter	110.0	53.3 bu.

**CROP PRICES**

	<b>Price</b>
Corn	1.95 / bu.
Soybeans	6.23 / bu.
Wheat Winter	3.00 / bu.

**LIVESTOCK SUMMARY**

Beef Cow-Calf	
Number of cows	16.0
Pregnancy percentage	93.8
Calving percentage	93.8
Weaning percentage	93.8
Calves sold per cow	0.81
Average weaning weight	347
Lbs weaned/exposed female	325
Avg wgt/Beef Calf sold	812
Avg price / cwt.	118.00

<b>LIQUIDITY</b>		<b>Cash</b>	<b>Accrual</b>
Gross cash farm income	(C)	354,184	354,184
Inventory change-income items	(+)		-8,542
(T) Gross farm income	(=)	354,184	345,642
Cash farm expense	(D)	233,239	233,239
Inventory change-expense items	(+)		-8,826
(U) Total farm operating expense	(=)	233,239	224,413
Net farm operating income	(T-U)	120,945	121,229
Nonfarm income	(+)	31,878	31,878
Family living & taxes paid	(-)	78,481	78,481
(V) Available for principal payments	(=)	74,342	74,626
Principal due on long term debt	(-)	4,089	4,089
Principal due on nonfarm debt	(-)	8,546	8,546
(W) Available for intermediate debt	(=)	61,707	61,991
(X) Average intermediate debt		124,916	124,916
Yrs to turnover intermediate debt	(X/W)	2.0	2.0
Term debt coverage ratio		150 %	150 %
Operating expense as % of income	(U/T)	66 %	65 %
Interest as a % of income		9 %	8 %
Working capital to gross income ratio		8 %	8 %

**SOLVENCY (Market)**

	<b>Begin</b>	<b>End</b>
Total assets	1,924,927	1,946,410
Total liabilities	516,553	512,889
Net worth	1,408,374	1,433,521
Change in net worth		25,147
Current percent in debt	68 %	87 %
Current & intermediate pct in debt	36 %	37 %
Long term percent in debt	23 %	22 %
Nonfarm percent in debt	15 %	11 %
Total percent in debt	27 %	26 %

**STATEMENT OF OWNERS EQUITY**

(a) Beginning net worth		1,408,374
Net farm income		53,471
Nonfarm income	(+)	31,878
Family living expense	(-)	53,571
Income and social security tax	(-)	24,910
Change in nonfarm assets	(+)	2,120
Change in nonfarm accounts payable	(+)	3
(b) Total change in retained earnings	(=)	8,991
Change in market value of capital assets		16,156
Change in deferred liabilities	(-)	-
(d) Total change in market valuation	(=)	16,156
(e) Total change in net worth	(b+d)	25,147
Ending net worth	(a+e)	1,433,521

**FINANCIAL STANDARDS MEASURES**

LIQUIDITY	Begin	End
Current ratio	1.47	1.15
Working capital	68,268	29,280

SOLVENCY (Market)	Begin	End
Farm debt to asset ratio	29 %	29 %
Farm equity to asset ratio	71 %	71 %
Farm debt to equity ratio	40 %	40 %

PROFITABILITY	Cost	Market
Rate of return on farm asset	4.7 %	4.3 %
Rate of return on farm equity	3.9 %	3.6 %
Operating profit margin	16.3 %	21.0 %
Net farm income	53,471	69,627

REPAYMENT CAPACITY	Cash	Accrual
Term debt coverage ratio	150 %	150 %
Capital replacement margin	31,414	31,698

EFFICIENCY	
Asset turnover rate (market)	20.2 %
Operating expense ratio	56.8 %
Depreciation expense ratio	19.6 %
Interest expense ratio	8.1 %
Net farm income ratio	15.5 %

**STATEMENT OF CASH FLOWS**

(f) Beginning cash balance (farm and nonfarm)		40,048
<b>CASH FROM OPERATING ACTIVITIES</b>		
Gross cash farm income		354,184
Nonfarm income	(+)	31,878
Total cash farm expense	(-)	233,239
Family living expense	(-)	53,571
Income and social security tax	(-)	24,910
(g) Cash from operations	(=)	74,342
<b>CASH FROM INVESTING ACTIVITIES</b>		
Sale of breeding livestock		-
Sale of machinery & equipment	(+)	1,750
Sale of titled vehicles	(+)	-
Sale of farm land	(+)	-
Sale of farm buildings	(+)	-
Sale of other farm assets	(+)	-
Sale of nonfarm assets	(+)	-
Purchase of breeding livestock	(-)	-
Purchase of machinery & equip.	(-)	59,500
Purchase of titled vehicles	(-)	-
Purchase of farm land	(-)	-
Purchase of farm buildings	(-)	-
Purchase of other farm assets	(-)	-
Purchase of nonfarm assets	(-)	3,000
(h) Cash from investing activities	(=)	-60,750
<b>CASH FROM FINANCING ACTIVITIES</b>		
Money borrowed		217,000
Cash gifts and inheritances	(+)	-
Principal payments	(-)	218,535
Dividends paid	(-)	-
Gifts given	(-)	-
(i) Cash from financing activities	(=)	-1,535
(i) Net change in cash balance	(g+h+i)	12,057
Ending cash balance	(f+i)	52,105

**LABOR SUMMARY**

Total unpaid labor hours	2,080
Total hired labor hours	-
Total farm labor hours	2,080
Value of farm production per hour	164.00
Net farm income per unpaid labor hour	25.71
Average hourly hired labor wage	-

**COMPARATIVE BALANCE SHEETS (Year End at Cost)**

<b>ASSETS</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Current farm assets			
Cash and checking balance	8,496	35,282	45,307
Prepaid exp & supplies	15,550	20,550	27,250
Growing crops	-	-	7,800
Hedging accounts	5,844	9,865	11,104
Crops and feed	191,150	136,630	32,705
Crops under govt loan	-	-	84,400
Market livestock	8,000	9,775	11,719
Total current farm assets	229,040	212,102	220,285
Intermediate Farm Assets			
Breeding livestock	-	1,912	1,338
Machinery and equipment	57,612	96,389	100,657
Titled vehicles	16,001	48,886	34,027
Other intermediate assets	18,992	21,982	27,007
Total interm farm assets	92,605	169,169	163,029
Long Term Farm Assets			
Farm land	784,000	784,000	784,000
Buildings & improvements	22,412	18,544	14,676
Total lg term farm assets	806,412	802,544	798,676
Total farm assets	1,128,057	1,183,815	1,181,990
Nonfarm assets	249,638	246,943	254,095
Total assets	1,377,695	1,430,758	1,436,085
<b>LIABILITIES</b>			
Current Farm Liabilities			
Accrued interest	10,835	19,452	17,326
Current farm loans	120,483	90,000	65,000
Principal on CCC loans	-	-	72,000
Princ due on term loans	20,333	34,382	36,679
Total current farm liabs	151,651	143,834	191,005
Intermediate farm liabs	57,756	109,676	78,053
Long term farm liabs	236,911	226,311	215,930
Total farm liabilities	446,318	479,821	484,988
Nonfarm liabilities	45,424	36,732	27,901
Total liabilities	491,743	516,553	512,889
Net worth	885,952	914,205	923,196
Net worth change		28,252	8,991

**COMPARATIVE BALANCE SHEETS (Year End at Market)**

<b>ASSETS</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Current farm assets			
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Prepaid exp & supplies	15,550	20,550	27,250
Growing crops	-	-	7,800
Hedging accounts	5,844	9,865	11,104
Crops and feed	191,150	136,630	32,705
Crops under govt loan	-	-	84,400
Market livestock	8,000	9,775	11,719
Total current farm assets	229,040	212,102	220,285
Intermediate Farm Assets			
Breeding livestock	13,500	13,750	12,150
Machinery and equipment	330,000	396,000	408,500
Titled vehicles	20,000	57,400	51,660
Other intermediate assets	18,992	21,982	27,007
Total interm farm assets	382,492	489,132	499,317
Long Term Farm Assets			
Farmland	896,000	896,000	896,000
Buildings & improvements	85,000	80,750	76,713
Total lg term farm assets	981,000	976,750	972,713
Total farm assets	1,592,532	1,677,984	1,692,315
Nonfarm assets	249,638	246,943	254,095
Total assets	1,842,170	1,924,927	1,946,410
<b>LIABILITIES</b>			
Current Farm Liabilities			
Accrued interest	10,835	19,452	17,326
Current farm loans	120,483	90,000	65,000
Principal on CCC loans	-	-	72,000
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Total current farm liabs	151,651	143,834	191,005
Intermediate farm liabs	57,756	109,676	78,053
Long term farm liabs	236,911	226,311	215,930
Total farm liabilities	446,318	479,821	484,988
Nonfarm liabilities	45,424	36,732	27,901
Total liabilities	491,743	516,553	512,889
Retained earnings	885,952	914,205	923,196
Market valuation equity	464,475	494,169	510,325
Net worth	1,350,427	1,408,374	1,433,521
Net worth change		57,946	25,147

**COMPARATIVE TREND ANALYSIS**

<b>SITUATION</b>	<b>2004</b>	<b>2005</b>
Total crop acres	830	830
Crop acres owned	320	320
Crop acres cash rented	160	160
Crop acres share rented	350	350
Cow-Calf Cows	16.0	16.0

**PROFITABILITY**

Gross cash farm income	369,736	354,184
Total cash farm expense	214,472	233,239
Net cash farm income	155,264	120,945
Net operating profit	102,923	121,229
Net farm income	64,437	53,471
Lbr & mgt earnings	22,865	11,441
Rate of ret on assets	6.7 %	4.7 %

**LIQUIDITY (Accrual)**

Yrs to turnover int debt	1.8	2.0
Expense as a % of income	68 %	65 %
Interest as a % of income	12 %	8 %

**OTHER CASH FLOWS**

Apparent fam living exp	45,527	53,571
Nonfarm income	27,460	31,878

**SOLVENCY (Market)**

Total assets	1,924,927	1,946,410
Total liabilities	516,553	512,889
Net worth	1,408,374	1,433,521
Cur & interm % in debt	36 %	37 %
Total percent in debt	27 %	26 %

**CROP YIELDS**

Corn	111.9	119.5
Irrigated Corn	197.9	197.2
Soybeans	32.9	39.2
Irrigated Soybeans	62.5	56.0
Wheat Winter	-	53.3

**LIVESTOCK**

Beef Cow-Calf		
Number of cows	16.0	16.0
Calving percentage	87.5	93.8
Weaning percentage	87.5	93.8
Calves sold per cow	0.75	0.81