# AN INTEGRATED APPROACH TO FINANCIAL MANAGEMENT

IN AGRICULTURE

Ву

RUTH SHIPPEN EGBERT

Bachelor of Science

University of Vermont

Burlington, Vermont

1976

Submitted to the Faculty of the Graduate College
of the Oklahoma State University
in partial fulfillment of the requirements
for the Degree of
MASTER OF SCIENCE
December, 1984

Thesis 1984 Easi Copia



# AN INTEGRATED APPROACH TO FINANCIAL MANAGEMENT IN AGRICULTURE

Thesis Approved:

Hamp, Maff
Thesis Adviser

Camo Dolarico

Chel L Weede

Dean of Graduate College

#### PREFACE

The purpose of this study was to develop a financial management system for agricultural lenders and farm managers. Its goals were to make lenders and farmers aware of the need for adequate financial records, financial statements, and analyses in order to retain control of the farm financial structure. Several case farms were analyzed using the Integrated Farm Financial Statements program which was developed on the microcomputer.

The author would like to thank her major adviser, Dr. Harry P. Mapp, Jr., for his encouragement and assistance throughout this study. Special thanks is expressed for his generosity with his microcomputer, without which the author would have spent many fruitless hours searching for a computer not in use.

Appreciation is also expressed to Dr. Odell L. Walker, for his academic support and friendship during the author's graduate program. Thanks is also expressed to Dr. James S. Plaxico for his assistance and perspective in this research project.

The author is indebted to Randy Baden, Area Extension

Specialist, Farm Management in Altus, Oklahoma for his original program and ideas on Cash Flow Analysis. In addition, thanks are due the other Area Extension Agents who provided realistic data for this study.

Many thanks to all the other professors, graduate students and

staff in the Department of Agricultural Economics at Oklahoma State University, for their friendship and support during the past two years. Special thanks to Ron Walker for his encouragement and tolerance during this academic ordeal.

# TABLE OF CONTENTS

Chapte	Page
ı.	INTRODUCTION
	Objectives
	The Lending Environment
	Farm Credit System
	Commercial Banks
	Farmers Home Administration
	Organization of the Remaining Chapters
II.	CONCEPTUAL DEVELOPMENT AND FINANCIAL PROGRAM 21
	Previous Research
	Coordinated Statements for Agriculture 26
	Integrated Farm Financial Statements for
	the Microcomputer
	<u> </u>
	Introduction
	Equipment
	Copying the Diskettes
	The Basics of VisiCalc
	The Spreadsheet Concept
	Moving Around the Worksheet
	Entering Data
	Commands
	Arithmetic Operators
	Mathematical Functions
	Evaluation and Analyzing Functions 35
	Logical Operations
	Financial Calculations
	Other Operations and Special Keys
	Basics of the Data Interchange Format
	(DIF) File
	Fundamentals of Financial Statements in
	Agriculture
	The Net Worth Statement
	Methods of Valuation
	Assets
	Liabilities
	Contingent Tax Liability
	Current Liabilities
	Intermediate Liabilities 44
	Long Term Liabilities

Chapte	er	Pa	age
	Owner Equity		45
	The Spread Sheet		45
	The Cash Flow Statement		45
	Line-of-Credit Financing		46
	Sources of Information		47
	Capital Purchases		48
	Monitor Statement		48
			49
			49
	Expense Items		
	Inventory Adjustments		
	Inventory Method Vs. Depreciation	٠	7.
	Method		51
	Financial Ratios		
	Liquidity Ratios		
	Solvency Ratios		
	Profitability Ratios		
	The Relationship Between the Financial	•	,,
	Statements		55
	How It Works!		
	Cash Flow Statement		
	Direct Keyboard Entry	•	ره
	Different Methods of Computing		
	Interest		
	Enterprise Budgets		
	Loading the Enterprise Budgets		
	Customizing the Budgets		
	Saving the Worksheet and the Data		
	Additional Information Budget		
	Accumulating the Data		
	Net Worth Statement		
	Balance Sheet Supporting Schedules		
	Net Worth One		
	Net Worth Two		
	Net Worth Three		
	Net Worth Four		
	Net Worth Five		
	Net Worth Six		
	Integrated Statement	•	79
	Two Examples of the Integrated		
	Statement		
	The Monitor Statement		
	The Spread Sheet	•	86
III.	PROGRAM APPLICATIONS		88
	Southeastern Oklahoma Case Farm		92
			93
	Financial Data		94
	North Central Oklahoma Case Farm		

Chapter
Resources
West South Central Oklahoma Case Farm
IV. CASE FARM ANALYSIS
Resources
V. SUMMARY AND CONCLUSIONS
Integrated Farm Financial Statements for the Microcomputer
A SELECTED BIBLIOGRAPHY
APPENDICES
APPENDIX A - SAMPLE OUTPUT: OK PRODUCER EXAMPLES 2 AND 3
APPENDIX B - BUDGET WORKSHEETS
APPENDIX C - CASE FARMS FINANCIAL DATA 16

# LIST OF TABLES

Table	·	Page
1.	Effect of Alternative Debt Leverage and Cost on Profitability of a Farm in 1982	. 9
2.	Net Worth Statement: OK Producer	58
3.	Spread Sheet	. 59
4.	Cash Flow Statement: OK Producer	60
5.	Monitor Statement	61
6.	Income Statement: OK Producer	62
7.	Inventory Method Versus Depreciation Method	63
8.	Monthly Financial Analysis Worksheet for Low Equity, Good Cash Flow Situation	115
9.	Monthly Financial Analysis Worksheet for Low Equity, Poor Cash Flow Situation	116
10.	Monthly Financial Analysis Worksheet for Medium Equity, Good Cash Flow Situation	124
11.	Monthly Financial Analysis Worksheet for Medium Equity, Poor Cash Flow Situation	125
12.	Monthly Financial Analysis Worksheet for High Equity, Good Cash Flow Situation	133
13.	Monthly Financial Analysis Worksheet for High Equity, Poor Cash Flow Situation	134
14.	Spread Sheet (as of December 31)	145
15.	Net Worth Statement: Example 2	158
16.	Cash Flow Statement: Example 2	159
17.	Income Statement and Financial Ratios: Example 2	160
18.	Net Worth Statement: Example 3	161

Table		Page
19.	Cash Flow Statement: Example 3	. 162
20.	Income Statement and Financial Ratios: Example 3	. 163
21.	Additional Information Budget	. 165
22.	Crop and Livestock Enterprise Budget	. 166
23.	Net Worth Statement: Southeastern Oklahoma	. 168
24.	Cash Flow Statement: Southeastern Oklahoma	. 169
25.	Income Statement and Financial Ratios: Southeastern Oklahoma	. 170
26.	Net Worth Statement: North Central Oklahoma	171
27.	Cash Flow Statement: North Central Oklahoma	172
28.	Income Statement and Financial Ratios: North Central Oklahama	. 173
29.	Net Worth Statement: Southwestern Oklahoma	174
30.	Cash Flow Statement: Southwestern Oklahoma	. 175
31.	Income Statement and Financial Ratios: Southwestern Oklahoma	. 176
32.	Net Worth Statement: West South Central Oklahoma	. 177
33.	Cash Flow Statement: West South Central Oklahoma	. 178
34.	Income Statement and Financial Ratios: West South Central Oklahoma	. 179
35.	Net Worth Statement: Northwest Farm: Low Equity and Good Cash Flow	. 180
36.	Cash Flow Statement: Northwest Farm: Low Equity and Good Cash Flow	. 181
37.	Income Statement and Financial Ratios: Northwest Farm: Low Equity and Good Cash Flow	. 182
38.	Net Worth Statement: Northwest Farm: Low Equity and Poor Cash Flow	. 183
39.	Cash Flow Statement: Northwest Farm: Low Equity and Poor Cash Flow	. 184

Table		Page
40.	Income Statement and Financial Ratios: Northwest Farm: Low Equity and Poor Cash Flow	185
41.	Net Worth Statement: Northwest Farm: Medium Equity and Good Cash Flow	186
42.	Cash Flow Statement: Northwest Farm: Medium Equity and Good Cash Flow	187
43.	Income Statement and Financial Ratios: Northwest Farm: Medium Equity and Good Cash Flow	188
44.	Net Worth Statement: Northwest Farm: Medium Equity and Poor Cash Flow	189
45.	Cash Flow Statement: Northwest Farm: Medium Equity and Poor Cash Flow	190
46.	Income Statement and Financial Ratios: Northwest Farm: Medium Equity and Poor Cash Flow	191
47.	Net Worth Statement: Northwest Farm: High Equity and Good Cash Flow	192
48.	Cash Flow Statement: Northwest Farm: High Equity and Good Cash Flow	193
49.	Income Statement and Financial Ratios: Northwest Farm: High Equity and Good Cash Flow	194
50.	Net Worth Statement: Northwest Farm: High Equity and Poor Cash Flow	195
51.	Cash Flow Statement: Northwest Farm: High Equity and Poor Cash Flow	196
52.	Income Statement and Financial Ratios: Northwest Farm: High Equity and Poor Cash Flow	197

# LIST OF FIGURES

Figu	ire		Ра	ge
1.	Prime Rate Charged by Banks and Change in the Consumer Price Index			4
2.	Balance Sheet of the Farming Sector	•		6
3.	Farmland Value Per Acre Compared with the General Price Level	•	•	6
4.	Federal Land Bank Lending Structure			15
5.	Distribution of Real Estate Farm Debt Between Lenders			16
6.	Distribution of Non-Real Estate Farm Debt Between Lenders			16
7.	Percentage Distribution of Total Dollars Loaned by the Farmers Home Administration by Loan Program			19
8.	Percentage of Cumulative Dollars Loaned and Granted by the Farmers Home Administration			19
9.	Effect of the Amount of Short-Term Equity on Expected Amount of Loan			25
10.	Effect of the Leverage Ratio on Expected Amount of Loan	•		25
11.	Relationship Between Financial Statements	•		57
12.	Relationship of Budgets, Supporting Schedules and Financial Statements	•		81
13.	Area of Study			89
14.	Commercial Bank Lending Rates: Non-Real Estate Interest Rates		.1	14
15.	Debt to Equity Ratio: Low Equity Situation		. 1	18
16.	Outstanding Operating Debt: Low Equity Situation		. 1	18
17.	Net Capital Ratio: Low Equity Situation		. 1	20

Figur	e					Page
18.	Current Ratio: Low Equity Situation	•		•		. 120
19.	Working Asset Ratio: Low Equity Situation				•	121
20.	Liability Structure: Low Equity Situation and Good Cash Flow	•				121
21.	Liability Structure: Low Equity Situation and Poor Cash Flow	•				122
22.	Debt to Equity Ratio: Medium Equity Situation	•	•	•		126
23.	Outstanding Operating Debt: Medium Equity Situation .	•			•	126
24.	Total Debt Ratio: Medium Equity Situation	•	•		•	128
25.	Current Ratio: Medium Equity Situation	•			•	128
26.	Working Asset Ratio: Medium Equity Situation	•				129
27.	Liability Structure: Medium Equity Situation and Good Cash Flow	•		•		129
28.	Liability Structure: Medium Equity Situation and Poor Cash Flow					130
29.	Debt to Equity Ratio: High Equity Situation	•	•	•		132
30.	Outstanding Operating Debt: High Equity Situation	•	•	•	•	132
31.	Net Capital Ratio: High Equity Situation		•	•	•	135
32.	Current Ratio: High Equity Situation		•		•	137
33.	Working Asset Ratio: High Equity Situation	•		•		137
34.	Liability Structure: High Equity Situation and Good Cash Flow	•	•		•	138
35.	Liability Structure: High Equity Situation and Poor					138

#### CHAPTER I

#### INTRODUCTION

The credit needs of American agriculture have been a controversial subject for decades. Questions dealing with how successful lenders have been in meeting the ever-changing needs of American farmers, consumers and society as a whole are constantly being addressed. Comments range from criticism that too much credit has been extended to farmers, forcing them into bankruptcy, to those blaming insufficient credit for the cash flow squeeze in which many farm operators have found themselves. According to Newsweek (McCormick, p. 60)

What should be the most hopeful time of year in America's biggest industry is, for many farmers, a time of desperate quests for more credit, for refinancing, for whatever it takes to avoid foreclosure and bankruptcy. Just one year after the federal government doles out a record \$18.9 billion in farm subsidies, thousands of growers wonder if they can find loans to stick this year's crop into the ground.

What are some of the causes of this dilemma and who is to blame?

One explanation is that the farm economy has been in transition from being production-oriented to being more business-oriented, and many producers have been unable to make the necessary adjustments. From the 1950's and into the 1970's, both the national and regional emphasis had been to provide adequate supplies of food and fiber at reasonable prices for domestic consumption, to satisfy export demand for

agricultural products, and to have the security of surplus production. Farmers planted large acreages, increased yields with improved seed hybrids, production practices and chemicals, and tended to expand the operation to attain efficiency in size. Much of the growth was achieved with more and more credit. This reliance on credit as a tool for expansion and improvements was encouraged throughout the industry. The level of debt increased in the farming sector due to larger farm size, substitution of capital assets for labor, and higher variable costs of production. Since the 1950's, the competitive necessity for growth in farm size, as well as the apparent benefits of more and more leverage, became obvious to both lenders and borrowers.

Persistent high rates of inflation in the early 1970's had a major influence on American agriculture (Schertz). Inflation, which is defined as an increase in the money supply and in the general price level, was responsible for increases in prices, both for farm inputs and farm output. The direct effect of inflation is difficult to determine. However, the increase in the general price level had a definite effect on asset values and the relative wealth position of different groups of people in the country. Landowners benefitted from the capital gain on real estate due to inflated prices. Others, expecting the economic trends to continue, purchased land and other long term assets, often on credit, in order to share in some of these expected future gains.

Actually, the value of farm assets increased more rapidly than the rate of inflation in the early 1970's, making speculative buying of farmland even more attractive (Schertz). It made economic sense to

borrow aggressively in order to expand. In the past, expansion had taken place at more moderate rates based on profits from the business. Farmers, who have typically been heavily invested in real estate, found their net worths increasing as land values soared. In addition, increased land values were a reflection of the expected earnings of the farm sector which were generally very favorable. Commodity prices were high and the demand for farm products was growing to satisfy American consumers who were generally better-off than they had been in the past. Demand was also growing as world markets were being developed to absorb some of the surplus of American farm products.

Increases in net worth were a mixed blessing. Many farmers expanded operations, purchased larger and more efficient equipment, improved their lifestyles, and did much of this on borrowed funds made available due to their high net worths. In a sense, growth did not always occur as a result of good management and efficiency in the business. In many situations, management was not even a factor as lenders viewed the financial statement of the well established, high equity applicants.

Inflated land values had an adverse effect on those attempting to become established in farming. High rates of inflation were the major cause of rising interest rates in the late 1960's and early 1970's (figure 1).

High land values and interest rates made it very difficult for those without other sources of income to purchase farmland. Most beginning farmers discovered that the mortgage payments were unaffordable from farm earnings. Entry into a farm business was made possible only when property was inherited or gifted, or when favorable interest rates were available through such agencies as the Farmers Home Administration at subsized rates and terms. Liberal lending policies of the federal government made such opportunities available to beginning farmers.

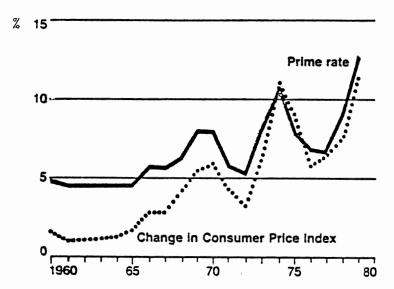


Figure 1. Prime Rate Charged by Banks and Change in the Consumer Price Index

Source: Barry, 1981

These trends did not continue into the 1980's. Farm debt continued to increase while farm income declined, land prices began to fall, interest rates soared, and export demand was seriously hampered by the United States' embargo of the Soviet Union under the Carter Administration in 1980 (USDA, 1982). The value of total assets of the farm sector decreased 2% from January 1982 to January 1983, the first

annual decrease in farm assets since 1954 (figure 2). The value of farmland decreased an average of 1% from 1981 to 1982, compared to average annual increases of 13% in the 1970's and to 9% in 1980 (figure 3). As a consequence of these events, many farmers developed serious cash flow problems as they found their incomes could not cover the interest costs and expenses for the expansions they had made. With lower land values resulting from a general economic recession, the net worth of many farmers plummetted.

Many of the better established operators have been able to reduce operating and family expenses and continue their operations, although even they have become aware that equity alone cannot pay debts and other expenses. Unfortunately, many of the highly leveraged, beginning farmers have found themselves financially vulnerable, and in situations of forced sales, and even bankrupty. A survey by the American Bankers Association reported that from June 1981 to June 1982, 2.2% of American farmers went out of business, primarily through voluntary liquidations (USDA, 1982). The interest expense alone has put many operators in financial straits. A report released by the U.S. Department of Agriculture's Economic Research Service illustrates the difficulty farmers have had in making payments when income levels are declining (USDA, 1982). In 1970, it was shown that a 1% decrease in gross farm income would cause a 1.2% reduction in net farm income. In 1981, the same decrease in gross income would cause a 1.8% decrease in net farm income.

Changes are needed in the farm financial environment. Credit is a necessary ingredient in most businesses, but it must be managed

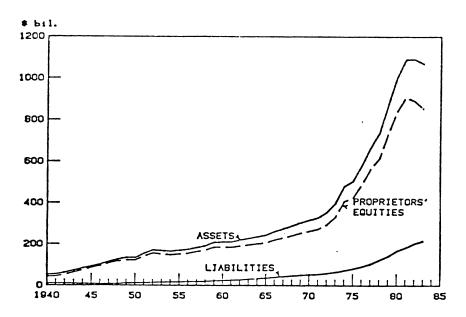


Figure 2. Balance Sheet of the Farming Sector

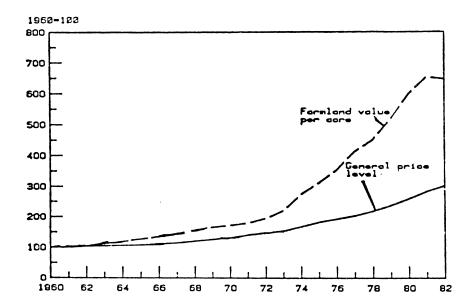


Figure 3. Farmland Value Per Acre Compared with the General Price Level

properly. It is important to determine whether increased debt is a means of alleviating current financial problems of inadequate cash flow, or is a means of increasing the productive capacity of the farm business and increasing earnings. In the former, the real problem is essentially being delayed to the future as increased borrowing leads to higher debt service and a repayment burden is carried into the future. Higher debt is often accompanied by greater risks, both for the borrower and for the lender. The higher the debt in relation to available net income, the greater the risk of a delinquency which would impact both parties. The risk position of the lender is restricted to the repayment of the loan through principal and interest payments. The risk position of the borrower includes the profits and losses from the business.

Lenders have approached these problems of declining farm income and decreasing levels of equity, both partly the result of higher interest rates, in different ways. Lenders have reacted differently to these situations depending on the characteristics of their borrowers as well. To the new applicants, who are typically young, beginning farmers, credit has become harder and harder to obtain. First of all, the lender is disadvantaged in the case of a new applicant, without prior knowledge and experience with the individual. Many of the loan review and eligibility decisions are based on unknowns and conjecture about the individual's management ability. These estimates are in addition to those on prices, yields, costs and other variables. The amount of investment required to begin farming has increase 50% every five years since the 1940's, thus increasing

substantially the requirements for credit (LaDue).

With existing borrowers, there are often feelings of a joint effort or partnership between borrower and lender. Knowledge of the operator and past performance of the business is valuable in assessing a loan request. However, one of the most difficult and most important tasks of the lender is to determine when loaning additional funds will be a detriment rather than a needed assistance to an individual farmer. In examining the current condition of many heavily indebted farmers, it might appear that this point had been passed.

It is evident that many of those farmers who became heavily indebted during the inflationary 1970's are now experiencing a greater cost-price squeeze than lower leveraged operations. Table 1 shows the effect of different levels of debt and interest payments on profitability. Higher losses are apparent in the higher leveraged situations, 30% and over, with high interest rates adding to the problem.

From the lenders' standpoint, agricultural loan losses in the 1980's have become a serious problem. Based on information from the Federal Reserve System, there was a significant worsening in the financial structure of agricultural banks in the early 1980's with loan losses increasing from .3% of outstanding loans in 1970 to .7% in 1982 (Melichar).

Lenders have relied on increasing land values as a means of refinancing debts to lesson the cost-price squeeze facing the farm manager, and to reduce potential losses from deliquency and forced sales. A major improvement in agricultural lending would be for

Table 1. Effect of Alternative Debt Leverage and Cost on Profitability of a Farm in 1982

EBT/ASSET RATIO			STANDING	DEBT (PERCENT
(PERCENT)	7	11		
	RETURN TO	EQUITY CAR	PITAL IN	1982 (PERCENT)
0	3.3	3.3	3.3	
10	2.9	2.4	1.8	
20	2.4	1.4	0	
30	1.7	0	-2.6	
40	0.8	-1.8	-5.8	
50	-0.4	-4.4	-10.4	
60	2.2	-8.2	-17.2	
70	5.3	-14.7	-28.7	
80	11.5	-27.5	-51.5	
90	30.0	-06.0	-120.0	

Source: Melichar

lenders to pay less attention in their analyses to net worth and appraised values, and more attention to the repayment capacity, liquidity, and management ability of the farm business. Too many operations have expanded, and others started, with sufficient collateral for security purposes, but with insufficient cash flow. Insufficient cash flow makes it difficult for a farmer to remain solvent without recourse to equity financing which is essentially a short-term solution to long-term problems. Eventually, the equity will be depleted to such an extent that continuation of the business becomes less and less plausible.

Operating and longer term loans should be structured with repayment schedules commensurate with the borrower's ability to repay. Timing of payments as well as the rates and terms of each loan are important. To insure proper timing, it is essential that lenders have good financial information from their clientele. Attention should be paid to the cash flow of the business, to income projections, and to carefully planned and realistic budgets for the future. Lenders have learned that farm managers must have expertise in money management and business matters as well as knowledge of their particular operation. Record-keeping has traditionally been a major problem in agricultural businesses. Lenders should provide the incentive to their borrowers to develop management strategies by making accurate records a prerequisite for loan approval. This should become a norm for the financial industry. Otherwise, bankers will be hesitant about imposing such requirements, particularly if they fear losing their better customers to other institutions which require only minimal

amounts of information from their borrowers.

# **Objectives**

The primary goals of this project are to develop an integrated financial program on a microcomputer and to use the program to illustrate how financial management in the farm sector could be improved. The program is intended for distribution to agricultural lenders, farm operators and others involved in farm management in Oklahoma. For this reason, thorough documentation of the program, which will also be available for public distribution, is another objective of this project.

The Integrated Farm Financial Statements program was developed on a microcomputer because many innovative farm managers and most agricultural lenders in the State have access to these relatively inexpensive computers. The microcomputer has become an important tool to lenders in analyzing the financial condition of their borrowers and new loan applicants. To the farm manager, the microcomputer has been used to improve record-keeping systems, production records, crop and livestock budgets, and financial monitoring of the business.

The Integrated Farm Financial Statements program includes crop and livestock enterprise budgets, a Cash Flow Statement, Net Worth Statement and Supporting Schedules, Income Statement, Financial Ratios, Monitor Worksheet, and a Spread Sheet. The statements can be used individually, or in conjunction with the enterprise budgets, supporting schedules and other statements. All of the worksheets are developed in a spreadsheet format using VisiCalc, a popular software

program available on most microcomputers. Some of the benefits of using the spreadsheet format are in its adaptability to large worksheets, lack of computer programming requirements, and its editing features. Being able to modify worksheets so they are suited to individual situations is a feature which many of the more structured computer programs do not have.

Secondary objectives of this study are:

- 1. To use the Integrated Farm Financial Statements to analyze the financial condition of five Oklahoma farm situations. The farm situations are developed with different levels of equity and cash flows and different debt structures to illustrate how these variables affect the allocation of credit.
- 2. To show how variations in the financial structure of the business within a year could affect the allocation of credit.
- 3. To determine if agricultural lenders could provide better service to their farm borrowers by emphasizing cash flow and repayment ability in their loan reviews.

# The Lending Environment

There are three main agricultural lenders in the United States: commercial banks, the Farm Credit System and the Farmers Home Administration. These lenders have all reacted differently to the changing financial environment in the farm sector.

# Farm Credit System

The Farm Credit Administration has played an increasingly significant, albeit sporadic, role in financing American agriculture.

The agency has experienced several internal and legislative changes which, in addition to a volatile farm economy, have caused a number of adjustments in their financing structure. During the late 1960's, the cost of the Federal Land Bank bonds, issued to finance mortgage loans, was rising faster than the rates being paid on new loans (Robison and Love). The new loans were generally long-term, with fixed interest rates, while the bonds were short-term and with requirements for refinancing at market rates prior to loan maturity. As a consequence, FLB's adopted variable interest rate loans, as did the Production Credit Associations, to reflect changes in the cost of their bonds due to general swings in the economy. This system was believed to be more equitable between existing borrowers and new borrowers than it had been when the burden of rising interest rates was supported entirely by the new borrowers. Under the new system, costs were essentially equalized between all borrowers.

The second major change affecting the Farm Credit System was a result of the 1971 Farm Credit Act (Baker and Dunn). This law increased the amount of credit the Federal Land Bank could extend, from 65% of the appraised value of real estate security, to 85%. In addition, it was publicly announced that cash flow, rather than security or collateral requirements, would be used as the basis for loan-making in the future. This did not cause a major upheaval in their lending practices however, since appraisals were based on the agricultural value of land rather than its market value. This is a practice which tends to link loans to the earnings potential of the property being financed.

The delinquency rate for Farm Credit System loans has remained

fairly constant at .18% of outstanding loans since the mid 1960's (Farm Credit Administration). The number of loans refinanced, however, and those in the process of foreclosure increased significantly from 1966 to 1977. In 1982, 50% of credit advanced was for refinancing purposes, indicating the need for present borrowers to strengthen their financial positions (figure 4).

The lending agency has encouraged refinancing as a means of avoiding delinquent accounts for those borrowers with sufficient equity to cover the indebtedness. High levels of equity are typical in the well-established, older businesses. For new borrowers, the agency has had to rely on increases in farmland values in order to continue with many operators.

# Commercial Banks

Commercial banks have maintained a relatively minor role in farm mortgage lending with their share of the total outstanding real estate farm debt decreasing from 16.7% in 1950 to 10.5% in 1980 (figure 5). Their share in the non-real estate credit market is significant, totaling 41.3% in 1980, although it has experienced a downward trend since 1975 (Figure 6). Their financial involvement in the farm sector has fluctuated a great deal since 1960, reflecting their sensitivity to monetary conditions in the economy. An inverse relationship exists between the commercial bank share of overall debt and the Farmers Home Administration's share, which would be expected due to the Farmers Home Administration's role as "lender of last resort". The variables affecting bank loans are primarily from the supply side, and include such factors as the individual bank's liquidity position,

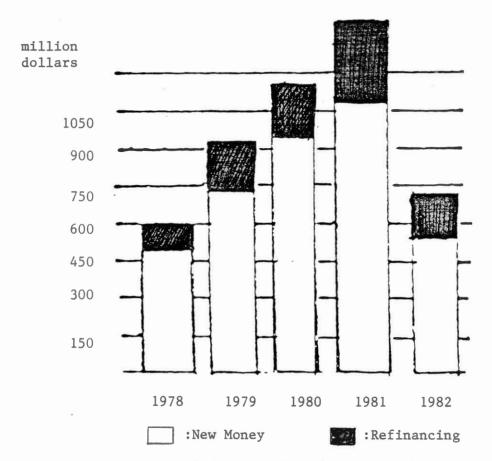


Figure 4. Federal Land Bank Lending Structure

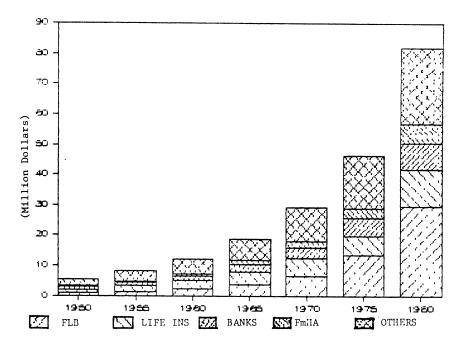


Figure 5. Distribution of Real Estate Farm Debt Between Lenders

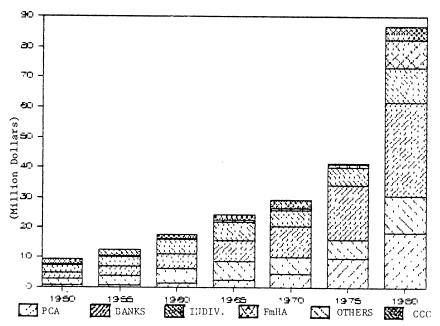


Figure 6. Distribution of Non-Real Estate Farm Debt Between Lenders

loan-to-deposit ratio, availability of funds in rural areas, the implementation of credit controls, and competition with the Farm Credit Service and non-bank financial intermediaries (Barry).

In response to declining farm incomes, banks have loaned funds primarily for short-term, seasonal, operating purposes at variable rates, and have favored the self-liquidating or asset-generating types of loans (Baker). Self-liquidating loans are those where the security for the loan is used up in one production period and the income from that period coincides with the maturity of the loan. An example would be a loan for chemicals or fertilizer, where the loan is paid in full when the crop is harvested. Asset-generating loans are loans to acquire tangible assets that can be encumbered with a lien for security purposes. An example would be a loan for machinery or equipment. In response to lower farm incomes in general, commercial banks have taken fewer risks, and are expected to play a declining role in agricultural lending in the future.

#### Farmers Home Administration

The Farmers Home Administration (FmHA) is a federal agency with a mission to serve the needs of rural America in an integrated approach. Its assistance ranges from emergency loans to farmers and ranchers, to business loans to enhance employment in rural areas. The rates and terms are generally favorable to the borrowers, and reflect their role as "lender of last resort" to high-risk borrowers. Their position is not intended to be in direct competition with either the cooperative Farm Credit System or commercial banks. Rather, the Farmers Home Administration was created to fill certain financial voids in rural

America, and to supplement other lending institutions (Herr and LaDue).

The agency has undergone several transformations since its beginnings as the Resettlement Agency of 1935, later as the Farm Security Administration in 1938, and finally as the Farmers Home Administration in 1946. It has grown both in loan volume and in the types of assistance available. In regard to total number of loans and grants obligated, the agency in 1980 was 40.9 times its size in 1960. The farm program has grown tremendously since 1950 (figures 7 and 8). The growth in this program can be attributed to high rates of inflation, less commercial bank involvement during periods of low returns to agriculture, and to emergency loan assistance. emergency loan programs are intended both for physical disasters such as drought or flood, as well as economic disasters, in times of tight credit and cost-price squeezes. The eligibility requirements and application processes are much less stringent for the emergency loans than for the traditional operating and real estate loans. Lower rates were initiated in an effort to respond promptly and efficiently to emergency needs. However, these loans have supplanted the traditional programs and are being made to farmers with higher net worths, larger operations, and higher net incomes (Herr and LaDue). The FmHA is essentially competing with, rather than supplementing, other agricultural lenders.

To address the problems of beginning farm operators faced with inadequate equity and poor cash flows, the Limited Resource program was initiated in 1978. This program involves a subsidized interest rate, 7.25% for operating loans and 5.25% for real estate loans. The

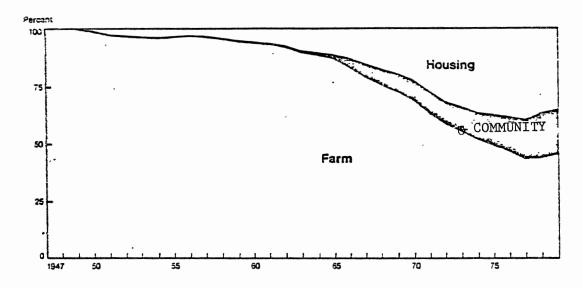


Figure 7. Percentage Distribution of Total Dollars Loaned by the Farmers Home Administration by Loan Program  $\left( \frac{1}{2} \right)$ 

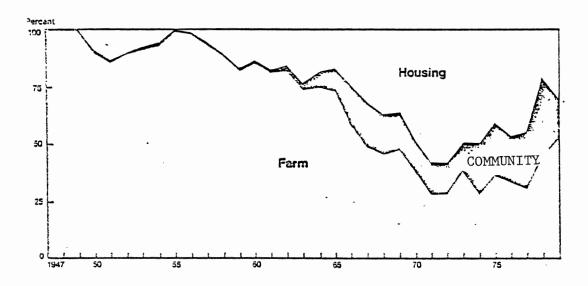


Figure 8. Percentage of Cumulative Dollars Loaned and Granted by the Farmers Home Administration  $\,$ 

interest rate is subject to review and adjustment at certain intervals, so that increases in the rate are commensurate with the borrower's repayment ability. Because net worths are generally low, loans are made on the basis of cash flow and repayment capacity much more than on equity and collateral value.

# Organization of the Remaining Chapters

The next chapter contains a review of two previous studies which investigate the relationship between agricultural lenders and borrowers, focusing on the relative importance of cash flow, equity levels, and liquidity in the allocation of credit in the farm sector. A review of an existing farm financial program was then completed as a basis for comparison to the financial program developed in this study. In addition, a detailed description of the Integrated Farm Financial Statements (IFFS) program was included in Chapter II.

Chapter III contains a description of four farms in different areas of Oklahoma which were used as case studies in the development of several financial statements using the IFFS program.

The fourth chapter contains the description of a fifth farm scenario in Northwestern Oklahoma which was used to illustrate the effects of different equity levels and cash flow situations on several criteria used in financial analysis. Also, variation in the financial statement of this farm business was illustrated within a one year period to show how the timing of loan requests can play an important role in the acquisition of credit.

Chapter V contains a summary, suggestions for further research, and concluding statements about this study.

#### CHAPTER II

#### CONCEPTUAL DEVELOPMENT

#### AND FINANCIAL PROGRAM

The purpose of this study was to develop a system of financial management for farmers and lenders on a microcomputer. The need for financial control of a business has become increasingly apparent to both lenders and farm managers. At the Oklahoma Bankers Association Ag Conference on October 28, 1983, an informal survey was taken to determine the need for some type of financial system on a microcomputer from the banker's standpoint (Survey). Out of thirty-nine responses, approximately half of the bankers already had computer facilities available in their banks and the personnel needed to operate them. Of the remaining bankers, over 60% reported plans to acquire microcomputers within the next two years. 95% of the bankers responding would use financial statements on the computer in their credit programs if they were made available.

Good record-keeping systems have been developed in the past decade in response to this awareness. In the 1980's, microcomputers have become accessible to the public, both in terms of cost and in relative simplicity. The microcomputer is still just an electronic time-saver, and a useful tool in management. By itself, the computer cannot provide much improvement in farm management. Many business managers have adopted new technology in the hopes of freeing up some of their

time for improving production techniques. Computers do help in saving people the drudgery of repetitive entries in a record book, and reducing mathematical errors in calculation. However, even computerized records must be properly analyzed by the farm manager to increase the productivity and efficiency of the business. The purpose of this program is to provide information to the farm manager and lender to facilitate identification of strengths and weaknesses in the business. Often, the important information is overlooked in the mass of data generated from a record-keeping system. Many operators and lenders become overwhelmed, and often ignore the majority of data in their system in making management decisions.

Also, many operations are analyzed only when credit is needed, or when income tax preparation is underway, and at infrequent and irregular intervals. Especially in a farm business, where seasonal variation in receipts and expenses is high, the time of year when analyses are done is crucial. Most management systems are oriented around yearly analysis. In many situations, more frequent reviews are necessary to provide improvement in management practices.

It has become a trend for lenders to mention cash flow as a substitute to equity financing in many areas. This changing emphasis appears to be beneficial, both to the lender and to the borrower. Lending on the basis of a business' cash flow does entail more work for borrower and lender. The borrower must have adequate and dependable records available throughout the year, and the lender must have the tools and knowledge to be able to analyze those records. Only then can good management decisions be made, and financial control be in the hands of the owners of the business.

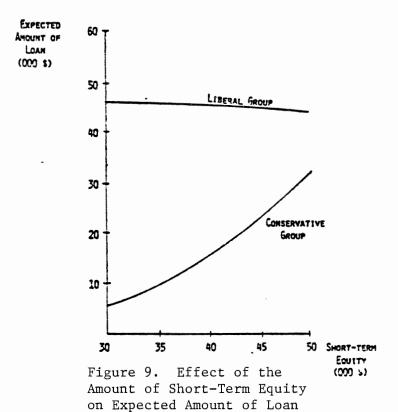
#### Previous Research

A study by Sonka and Dixon investigated the determinants of lender response to the farm borrowers' short term credit requests (Sonka and Dixon). Their results showed how important the applicant's liquidity position was in the lender's evaluation of their loan request. Three farm situations were used to test 33 lenders' reactions to different financial conditions in East Central Illinois. The first situation was the low equity case, with a net worth of \$53,900 and a leverage ratio of 2.44. Its liquidity position was the weakest of the three, as measured by the Current Ratio of 1.1. The second situation reported a net worth of \$51,374, a leverage ratio of .795, and a Current Ratio of The third farm situation had a leverage ratio of 1.39, a net worth of \$88,013, and a Current Ratio of 1.59. The lenders responded to requests for operating loans of approximately \$40,000 from these three case farms. Out of the 33 lenders surveyed, 42.4% would have declined the request for situation one, with a net worth very close to situation two, but with a poor liquidity position. In reviewing the second case with the lowest leverage ratio and the highest Current Ratio, only 15% of the lenders would have turned the applicant's request down. In the third case, 91% of the lenders would have reacted favorably to the loan request. This case had the highest net worth, and an acceptable cash flow.

Another study by Sonka, Dixon and Jones assessed the impact of the farm financial structure on the amount of credit which was made available to farm borrowers (Sonka, Dixon and Jones). Five hypothetical farm scenarios, with varying degrees of financial

stress, as shown in their cash flow residuals and Net Worth, were presented to a sample of agricultural lenders. The lenders were surveyed as to whether a loan would be approved to these applicants, and in what amount. The lenders were divided into two groups according to their responses: a conservative group and a liberal group. The authors' analyses showed that net worth and income-generating potential were the major determinants of how much credit was approved. The lenders varied by groups as to the importance of short-term equity and the leverage ratio. The conservative group found a positive correlation between the amount of the loan granted and the short-term equity postion of the borrower as seen in figure 9. The liberal group did not respond to the short-term equity position of the applicant with all other variables held constant, but were more influenced by the income-generating ability of the farm (figure 10).

A paper on how the farm sector has coped with financial stress and economic crises was prepared by Farris, McGrann, Penson and Pope (Farris et al.). These authors determined that the availability of credit did not appear to be one of the major problems facing certain farmers in Texas during times of economic stress. Those farmers were the established operators, with well developed financial statements and strategies for improved and stabilized cash flows. The cash flow statement was emphasized as a place to determine the actual need for loans, and to corroborate the repayment ability of the borrower. In addition, the Income Statement and Balance Sheet, indicating profitability and long term solvency and progress, would certainly help borrowers to receive favorable consideration of their loan requests, both in normal times, and in times of economic stress.



50 T EXPECTED AMOUNT OF 50 LOAN LIBERAL (000 \$) 40 30 20 CONSERVATIVE GROUP 10 LEYEPAGE RATIO 1 2

Figure 10. Effect of the Leverage Ratio on Expected Amount of Loan

According to Farris et al.

The present cost-price squeeze in agriculture increases the necessity to have timely accurate costs of production estimates...A record system that generates good production and financial information for the total business...is essential for accurate cost estimates.

Coordinated Financial Statements for Agriculture

One of the earlier programs to provide an integrated approach to farm record-keeping and financial analysis was developed by Thomas L. Frey and Danny A. Klinefelter (Frey and Klinefelter). Their system, Coordinated Financial Statements for Agriculture, provides a supplement to existing record-keeping systems by having financial statements constructed in a step-by-step fashion from information generated from those records. Their system emphasized the importance of having uniformity in agricultural accounting and financial analysis. Farm businesses have been notorious for poor accounting systems with arbitrary guidelines, and with little consistency between farms. Frey and Klinefelter made an attempt to provide a standard, or at least a consensus on how farm accounting should be handled. Their goal was to have a uniform system throughout the country so that comparative analyses could be made between farm businesses as well as on an individual basis. Only then could industry guidelines be made available to lenders and farmers alike to analyze new enterprises, develop management strategies and plan with reliable information.

Coordinated Financial Statements for Agriculture include a Balance Sheet, Statement of Owner Equity, Income Statement, Statement of Change in Financial Position, Cash Flow Statement, and a Monitoring Worksheet. These statements tie together through common entries. Several of the

statements are constructed from supporting schedules where information from the farm record system is summarized and then transferred to the respective financial statements. The financial statements are completed manually at this time, although it appears that in the future a computerized system will be available. The Frey and Klinefelter system was adopted by the Farmers Home Administration on a national basis in 1983. The purpose and projected benefits from this system were improved loan analysis and documentation. Potential problems of a farm borrower could be detected early and possibly avoided with better financial information. While more time is needed before a complete evaluation of their success can be made, the trend towards a uniform and thorough system of farm accounting and analysis seems apparent.

Another development in financial analyses for agriculture has come from microcomputer software programs. There are many different packages on the market now for the farmer manager and lender. Most of these systems incorporate farm record-keeping with financial statements to minimize multiple entries of data. These systems have many advantages in time-saving over the manual systems. If the farm manager is able to afford such systems, and can fully utilize the information in them, much can be gained. In some cases, modifying existing programs to fit individual situations is difficult, if possible at all.

Integrated Farm Financial Statements for the Microcomputer for the Microcomputer

In this project at Oklahoma State University, Integrated Farm

Financial Statements for the Microcomputer (IFFS) was developed on the Apple IIe microcomputer using VisiCalc, a spreadsheet package. The remainder of this chapter includes the manual which was written to document the IFFS program. The manual is reproduced in its entirety in this chapter because the documentation to the program was a major product of this study. The program will be available to the public, and the user's manual provides an overview of the need for such a program, as well as concise instructions on how to use the software. A detailed description of the financial statements available in the IFFS system and several examples are also contained in the manual. The examples given in the manual are based on the Oklahoma farm situation used as an example in the OSU Extension Facts publications on the Net Worth Statement, Cash Flow Statement and Income Statement (Hardin et al., Love et al., Williams et al).

The next chapter contains a description of the resources and financial structure of four Oklahoma farm situations. This data illustrates how the Integrated Farm Financial Statements program can be used to evaluate the credit needs of a farm business.

#### Integrated Farm Financial Statements

#### for the Microcomputer

## How this Manual is Organized

Integrated Farm Financial Statements for the Microcomputer is a system of agricultural financial worksheets which have been adapted to the VisiCalc program. This manual is organized as follows:

The first section provides a brief introduction to the program, lists the basic equipment requirements and offers several words of caution before getting started. Everyone is encouraged to read this section first.

Section 2 provides an introduction to the VisiCalc program and to the Data Interchange Format (DIF) files. For beginners, a VisiCalc manual is certainly the best place to start and the information in this section can be used for easy reference as you go along. Again, for those who are familiar with this program, a quick review of the VisiCalc commands listed in the beginning of this section may be sufficient.

The third section is a rather lengthy discussion on the fundamentals of financial statements in agriculture. This manual is not a textbook. However, for those with little or no backround in financial management and accounting, this section should be read carefully to help provide a working knowledge of the concepts and terms used in this manual. For those who are comfortable with these subjects, a quick review should be all that's required.

Section 4 gives a full explanation of how the Integrated Farm Financial System actually operates. Many people will go directly to this section in a hurry to get started. This section provides step-by-step instructions on how to run the programs and these steps should be followed closely.

The Appendices contain several examples of the final output, the Crop and Livestock Budget, and the Additional Information Budget.

## Introduction

Integrated Farm Financial Statements for the Microcomputer (IFFS) is a system of financial statements developed on the Apple IIe microcomputer using VisiCalc, a spreadsheet package. The system is an attempt to provide a complete and integrated financial program to the farm manager for purposes of planning for the future, monitoring the present, and analyzing past performance of the farm or ranch business.

The statements include a Net Worth Statement, a Cash Flow Statement, a Monitoring Worksheet, an Income Statement, an Integrated Statement which includes several financial ratios and a Spread Sheet. There are several variations of most of these statements to accomodate the specific needs of most farm managers. An individual would want to choose beforehand, those statements which most nearly fit the actual farm business to be analyzed. The backround statements include the Crop and Livestock Budget Worksheets, an Additional Information Worksheet, and Balance Sheet Supporting Schedules.

A computerized farm record system is not a prerequisite for running this program. However, detailed records are, in general, a necessary ingredient in good financial analysis.

## Equipment

IFFS is designed for the Apple IIe microcomputer. Minimum requirements include:

- 1. 64 kilobytes of Random-Access Memory (RAM) are required and additional memory is recommended for future expansion.
  - 2. At least one disk drive.
- 3. The VisiCalc program, produced by Software Arts, Inc. Either Enhanced or Extended VisiCalc can be used. If Extended VisiCalc is used, 128K is the minimum amount of RAM required.
  - 4. The IFFS VisiCalc Data Disks.
  - 5. A printer is useful, but not mandatory.
- 6. A minimum of 8 blank, initialized diskettes for making backups of the IFFS Data Disks and for saving your own worksheets and financial data. The Apple IIe disk drives are designed to handle single sided, single density, 5 1/4 inch floppy diskettes. Double density disks can be used, but the Disk Operating System will read and write data to these diskettes just as if they were single density diskettes.

The VisiCalc templates can be transferred to the Radio Shack Model 16 Microcomputer, the IBM Personal Computer and other popular

microcomputers. This is done using a transfer program which employs a relatively simple procedure to allow the computers to communicate with each other.

More will be said in Section 4 about the actual IFFS programs and how they work. However, a few words of caution about the diskettes themselves and some housekeeping details are appropriate at this time.

This program is written on Enhanced VisiCalc. This version of VisiCalc does not include the option of protecting the data entries in the individual cells on the worksheets as do some of the later versions. It is very easy to inadvertantly delete or change an equation or label on the worksheet, especially when you are first introduced to the program. Being aware of that possibility is your first step of precaution. Making a copy of the diskettes is a fool-proof way of protecting the original data. It can't hurt, and it may save you from some frustrations later on!

# Copying the Diskettes

- 1. Open your disk drive door and insert the SYSTEM MASTER diskette that contains the Disk Operating System (DOS). If the computer is off, turn it on now to load the contents of the disk. This is referred to as "booting" the disk. If the computer is already on and the red light on the disk drive is off, "boot" the disk by simultaneously holding down the CONTROL key, the OPEN-APPLE, and the RESET key. In this manual, one disk drive is assumed. If your system includes two disk drives, the System Master should be in Drive 1 and you should insert a blank diskette in Drive 2.
- 2. Now type: RUN COPYA. (DOS commands on the Apple IIe must be in uppercase letters.) This command is addressed to the disk in Drive 1 and it searches the disk's catalog to locate the program named COPYA.
- 3. Once the program is loaded, remove the System Master diskette, put the IFFS Data Disk 1 in Drive 1 and follow the prompts on the screen. The slot number is typically 6 for both drives. With one drive, you will have to switch the IFFS disk (referred to as the SOURCE disk) with the blank diskette (the TARGET disk) several times to complete the copy program.
- 4. When the copy has been completed, type a Y(ES) to run the program again and copy IFFS Data Disks 2-6 in the same manner as you did the first.
- 5. Afterwards, be sure to label all copies, carefully using a soft felt pen, as WORKING DISK:IFFS 1, WORKING DISK:IFFS 2 and so on. Put the original disks in a safe place and use the back-up copies from now on.

## The Basics of Visicalc

## The Spreadsheet Concept

VisiCalc is a software program available on diskette for most popular microcomputers. It was the first electronic spreadsheet, developed in 1978, equipped with built-in commands, mathematical operations, and functions. The VisiCalc worksheet is basically a grid, divided into 63 columns and 254 rows, with a resultant 16,002 "cells". Each cell can be identified by its appropriate row number and column letter, for example Al, H55, AA200 and so on. The program is easily adapted to documents in tabular form, where the entries are interrelated.

VisiCalc is not a difficult program to master once the basic commands have been learned and no experience in computer programming is necessary. It was developed as an alternative to BASIC, or other high-level programming languages, for manipulating large quantities of tabular data which was very cumbersome and tedious in a BASIC program. Using VisiCalc, individual worksheets, or "templates", can be constructed easily and with instant mathematical calculations. It is an electronic time-saver when "what-if" games are played in a financial analysis because assumptions or inputs can be changed in one section of the worksheet and any other formulas using those values are immediately recalculated.

VisiCalc can be likened to an electronic "scratch pad", with instant "try this...try that" capabilities. For example, a repayment schedule could be computed for a loan at a 15% interest rate for 3 years. Later, if the lender found that the interest rate increased by half a percentage point, the new value could be entered at one cell location and the new payment would be computed instantly. Or, if a farmer was basing his/her cash flow plan for the coming year on wheat at \$3.65 per bushel and the price increased to \$3.70 per bushel, the revised calculations could be easily done using the VisiCalc program. Thus, it allows the user to spend time on planning, forecasting or finding solutions, rather than on tedious computations.

Other advantages of a spreadsheet over the traditional computer programs are its simplicity and its visibility. You need absolutely no experience in computer programming to become proficient in a spreadsheet program. It has few of the mysteries that surround many BASIC or FORTRAN programs because the user can move around the worksheet easily and actually see what the program does. With this ability, it is much simpler to modify existing formulas or assumptions without an experienced programmer nearby!

## Moving around the Worksheet

Insert your VisiCalc program disk in Drive 1 and turn on the computer. The worksheet should appear on the screen in a few seconds. The cursor is the green bar which is usually located in the upper left-hand corner of the worksheet, in Al, when you first get started. The cursor can be moved around the screen using the four directional arrow keys. With most versions of VisiCalc, eight columns of nine characters each and twenty rows will appear on the screen at one time. The rest of the worksheet can be viewed by "scrolling" the screen using the arrow keys. These keys are "repeating" keys. Just keep your finger on the key to move a little faster. If you have long distances to travel on the worksheet, it is often easier to type the > key and then the location of the cell you want to go to, such as Al.

#### Entering Data

An entry into any of the cells can be a value, a label or a formula. The computer will recognize as a value any of the numbers 0 through 9, -, +, (, @, # or the . as a decimal point. As a label, it will recognize any letter, upper or lower case, and any other symbol on the keyboard preceded by the quotation mark, ". Thus, for a date to be treated like a label rather than as a value, just type the " and then the date, 3/10/84. The default column width is 9 characters. When typing a label, only the first 9 characters typed will appear on the worksheet. To type a label longer than 9 characters, just move the cursor to the next cell and continue typing.

Formulas can be composed of values, functions, cell references and any combination of those. If you want to multiply whatever value is entered into cell B10 by 5 and place the result in C10, just place the cursor at C10 and type: +B10 \* 5 and the computer will do the rest. The plus sign was crucial in that formula. Without it, the formula would have been treated like a label instead of a value, and a zero would appear in C10.

When typing on the keyboard, it is easy to make a typing error. If you have not pressed RETURN, just backspace in the cell by pressing either the ESC(APE) key or the DELETE key. Or, you can edit the cell by pressing the CONTROL and E keys at the same time and then use the left and right arrow keys in conjunction with the ESC key to correct the mistake.

To get into the Command mode, type a slash ( / ). The available command prompts are then listed at the top of the screen and you can just type in the letter of the command you want to work with. A VisiCalc manual will give a full explanation of all the commands, functions and operations, but here is a brief summary.

# Commands (/)

- B: This blanks out the contents of the cell in which the cursor is located.
  - C: This clears the entire worksheet... Be careful!
  - D: This deletes the row or column where the cursor is located.
- ${\tt E}$ : This puts you into the Edit mode and corrections can be made easily.
- F: This enables you to format a single cell, for example in Dollar Format, Integer Format, Right or Left Justified and so on.
- G: This puts you into the Global mode where all cell locations are affected. For instance, all cells can be formatted as integers through this command sequence.
- I: This is how you can insert an extra row or column into the worksheet. This command can be very useful when a table is being constructed.
- M: The move command will move an entire row or column to another location on the worksheet.
- P: The print command. Only use this when a printer is hooked up to your computer, otherwise the computer could lock up. There are many different print style capabilities available in the VisiCalc program. Using the "Setup" and various commands, different lettering styles can be used, such as italics, elite, double-wide, condensed print and so forth. A printer manual should also be referred to for more detail.
- R: The replicate command is probably the most powerful command within VisiCalc. It allows you to replicate the contents of a cell throughout any range of columns and rows. It can replicate a formula identically, or relative to each position.
- S: The storage command allows you to load, save or delete a VisiCalc template or a Data Interchange Format (DIF) file. It also has a sub-command to initialize blank diskettes. Loading and saving VisiCalc templates or files is a little different procedure than loading and saving DIF files. With DIF files, always type a pound sign (#) in addition to the S(ave) or L(oad) options. With most commands, the computer will give you several options or prompts at the top of the screen. These must be followed in sequence to get the correct results.
- T: The title command is a method of maintaining a constant horizontal and/or vertical title or heading on the screen. This is especially useful in large tables, such as the Cash Flow worksheet, where much of the data is not visible on the screen at one time.

- V: All this command does is to give you the version number of the VisiCalc program you have loaded.
- W: The window command divides the screen horizontally or vertically into two sections based on the location of the cursor when the command is invoked.
- -: The repeating command repeats any character throughout a cell. This is helpful in underlining or using a line of dashes to separate different rows.

The above commands are available with Enhanced VisiCalc. The Extended VisiCalc program has many commands in addition to these fifteen.

## Arithmetic Operators

These operators are represented by standard computer symbols: + (addition); - (subtraction); / (division); \* (multiplication); ^ (exponentiation).

## Mathematical Functions

These functions are instantly calculated once the command and the value to be manipulated have been entered. The available functions take the square root (@SQRT), integer portion (@INT), absolute value (@ABS), "e" to the power (@EXP), log base 10 (@LOG10) and natural log (@LN) of a certain value which would be entered in parenthesis after the function symbol. For instance, @SQRT(16) entered in cell Al would result in a 4 being displayed on the monitor at that location. The functions can be used alone, or in a formula, or combined with other functions and operations.

## Evaluation and Analyzing Functions

The @SUM, @AVERAGE, and @COUNT functions evaluate a list of values, which can be either a consecutive range of numbers or a group of random numbers. The @SUM was invaluable in the IFFS templates where monthly data had to be subtotalled over and over. The four analyzer functions include @MIN, @MAX, @CHOOSE and @LOOKUP which are also very useful.

# Logical Operations

These include the Boolean Functions (@AND, @NOT, @OR), a conditional calculation (@IF), Truth Value and Error Functions (@TRUE, @FALSE, @ERROR) and @NA and @ISNA, the Not Available tests. In financial analysis, the @IF function was used extensively and gave the program much more flexibility and potential.

## Financial Calculations

The Net Present Value function (@NPV) is a useful tool in evaluating the feasability of investments in many finacial analyses where time, and thus, discounting for time, are important.

## Other Operations and Special Keys

Typing an exclamation point (!) causes the worksheet to be recalculated. This means that all formulas in the worksheet are instantly recalculated and the up-dated results appear on the screen. This must be done in those worksheets where the preferred, chronological order of calculation wasn't maintained (such as, columns first, then rows). This occurence is due to the organization of the model and cannot be avoided in many cases. If the formula in one cell depends on the entry in another cell for its result, ideally that entry should be in a position to the left of the cell with the formula if column calculation is in effect. If the calculations are being done in row order, the entry should be above the cell with the formula. There will be a C in the upper right-hand corner of the worksheet if column order is in effect, and an R for row order.

The pound sign ( # ) copies a value in one cell to another. Control-C stops the printer and any entry you are inserting. Many of these instructions will be much clearer once you start working on a VisiCalc template!

#### Basics of the Data Interchange Format (DIF) File

When VisiCalc templates are saved on the diskette, all of the formulas, text, numbers and labels in the entire model are kept intact. This can take a lot of space on the diskette. In many instances, it is unnecessary to save all of the formulas which, in general, take a great deal of memory. In many cases, it is sufficient just to save the values created from those formulas and some of the more important labels. DIF files are a way to do this. The procedures to save data into a DIF file are different than those which save the entire VisiCalc worksheet. The block of data to be saved must be clearly identified:

the cursor must be located at the top left-hand corner of the block, and the program will prompt you for the lower right cell location. The data can be saved by columns, or by rows. Throughout the IFFS system, DIF files have been saved, and should be loaded, by rows (This is done by pressing the RETURN key or the letter R when prompted by the computer.) If a VisiCalc worksheet is formatted into integer values, the values are saved as integers. However, values saved in the DIF mode are saved at their full precision. To avoid any rounding problems, or a crowded looking screen, once the DIF file is loaded, just type the Global Command and then format the entire screen into integers, or into a two decimal, or dollar precision. Do this by typing these commands: / G F and I or \$.

DIF files are identified by their filename and an extension which is usually .DIF. They are essentially sequential text files which can be used to exchange data between different computer programs, such as VisiPlot, VisiTrend, MicroTSP, and BASIC programs. They were developed as a "common language" for data which are stored in tables, such as the VisiCalc worksheet or time series data, in an attempt to provide an integrated software package. They take up relatively little memory on the diskette and can be loaded anywhere within a VisiCalc worksheet just by placing the cursor at a certain location and loading the file. DIF files are divided into a Header Section and a Data Section. Header Section contains general information about the file such as the number of rows and columns, referred to as vectors and tuples. The Data Section contains information on the actual data, such as whether the data is numerical or not and what the actual entry is. It also specifies when there is no more data so the program reading the file doesn't crash when it comes to a blank space. More detail on this subject can be found in the "Programmer's Guide to DIF" from the DIF Clearinghouse, P.O.Box 527, Cambridge, MA 02139.

# Fundamentals of Financial Statements in Agriculture

Agriculture is the largest single industry in the United States, contributing more to the Gross National Product than any other industry throughout our history. It is composed of many small family farms which are essentially individual businesses with many similarities to other small entrepreneurships. With regard to accounting practices however, agriculture has not advanced in a uniform or integrated manner. Many farm record systems consist of a desk drawer full of old bills and receipts, and Income Tax time is the only time when some semblance of order or accountability is provided. Most record-keeping has been done with single-entry or cost accounting, with not much attention being paid to changes in inventory. In addition, many operations have kept records only to comply with their lender's requests, and consequently spent the minimal amount of time and energy necessary to complete the required financial statements. To solve a problem or increase profits, many farmers have traditionally preferred spending an additional hour at the end of the day on the tractor, to a half-hour on accounting or "book-work". To quote an Oklahoma banker:

.. It's like my Daddy always said to me: "If we start up early enough in the morning, don't sit too much during the day, and quit late enough...we'll get by.

This attitude doesn't assure profits or success any longer, in an environment where rising interest rates, larger operations, and more competition have made farming a much more complicated business.

A good record system is a prerequisite for financial planning and analysis. Audited or verifiable financial statements are not far into the future as typical requirements for acquiring credit, and records are the basis for these statements. Lenders must serve as instructors and give the incentive to their borrowers to keep complete production and financial records of their businesses. In the past, lenders have often prepared the financial statements for their clients, and typically with piecemeal data. Hence the term, "Upside-down Balance Sheet", where the farmer sits down across the table from the banker, and lets the banker fill in all of the data.

Management decisions must be made with as much backround information as possible. Enough risk and uncertainty are inherent in the farm business, without adding any more guesswork. Financial planning must include good forecasting techniques with enough flexibility to allow for sudden price variations, unexpected purchases or other unpredictable situations.

Good records and financial analyses are requirements for success for both the beginning operator and for the established farmer. Especially, but not exclusively, when credit is needed or when tax time rolls around, the more data, the better. The manager and lender can determine the feasability and profitability of adding or changing enterprise plans by reviewing the Cash Flow and Income Statements. They can determine the optimal loan amount and a repayment schedule

commensurate with the borrower's ability to repay. They can weigh different proposals, and calculate their risk exposure from each plan. Many lenders approve loans solely on the basis of certain financial ratios, so the data used to compute those values must be accurate and reliable. It isn't enough any longer to base loans on the reputation of the family or their past performance alone. Times change too quickly, and estimates for the future are what is needed to survive into the future.

Cash basis accounting recognizes only those financial transactions that involve the actual transfer of cash in or out of the business. Income is reported when it is actually received, and not necessarily in the same accounting period that it was produced. Expenses are reported when they are paid, and not necessarily when they are actually incurred. Under this system, reporting of receipts and expenses can be timed to give the best tax advantage possible. This system can be advantageous to most businesses, and particularly on crop farms where storage of the commodity is possible.

Under the accrual method of accounting, income is reported when assets are produced, rather than when they are sold, and expenses are reported when they are incurred, and not necessarily when they are paid. Changes in inventory, from the beginning of the accounting period to the end, are included in this system in computing income for the year.

Both methods of accounting have their advantages and disadvantages. Cash basis accounting is often used for tax management but it doesn't give a clear picture of the financial growth of the business. The accrual method considers changes in inventory and gives an accurate description of the financial performance of the business upon which to base the Income Statement.

#### The Net Worth Statement

This statement is also known as the Balance Sheet. It is explained in more detail in OSU Facts No. 752, "Developing a Net Worth Statement". A copy of the sample Net Worth Statement prepared in this factsheet can be found at the end of this section. A statement can be prepared just for the business, or it can be consolidated with a personal financial statement for the family. Farm businesses are typically single proprietorships and as such, have been more accurately described with the consolidated statement.

A Net Worth Statement generally contains the minimum amount of information a lender needs to make a loan. In the past, oftentimes this has been the only information the lender requested. The statement gives the financial picture of the business entity at one point in time. The actual point in time can be based on the calendar year, crop year, fiscal year or any other conventional accounting year. The important aspect of the timing of the Net Worth Statement is that it is the same period year after year. Consistency is very important in the

preparation of financial statements. If necessary, interim statements could be prepared within the year to correspond to the timing of loan requests or large capital purchases, for example.

The Net Worth Statement provides a summary of the assets and liabilities of the business and categorizes the assets as to how liquid, or marketable they are, and the liabilities as to when they are due for payment. It shows the lender and the borrower what would happen if the business had to be liquidated or sold. Could all of the bills be paid from the sale of the assets? Could the business be transferred to another family member without substantial tax penalties? Are all of the loans adequately secured, or is additional collateral necessary? These are the kinds of questions answered with information from the Net Worth Statement.

## Methods of Valuation

Items on the Net Worth Statement need to be given values. Some of the methods for evaluating the entries include Market Cost, Net Market Price, Farm Production Cost, Cost Minus Depreciation, Cost Minus Depletion, Capitalization, Market Value and Modified Cost. The Integrated Farm Financial System considers two methods of evaluating assets on the Net Worth Statement, by Modified Cost or by Market Value. In the Liability section, except for Contingent Liabilities, the only way to value the claims against the business is by the actual dollar amount owed as of the date of the Statement.

The Market Value approach values all assets at their estimated value in the marketplace, based on a current appraisal net of selling expenses. When using the Modified Cost approach, only certain items have a value other than their Market Value. They include Marketable Bonds and Securities, Machinery and Equipment, Breeding Livestock, Buildings and Improvements, and Land. Marketable Bonds and Securities in the Current Asset section are valued at their original cost or basis. The Modified Cost approach values the depreciable, intermediate assets such as Machinery and Equipment and Breeding Livestock at their cost or basis less accumulated depreciation. In the Long Term Asset section, the depreciable items (buildings and improvements) are valued at cost less depreciation and land is valued at its original cost.

The two different methods of evaluating real estate in particular show the effect of inflation on Net Worth. Land could be inherited or purchased many years before at extremely low prices. As inflation and other factors have caused land values to rise, farmers, who often have large holdings of land, have experienced tremendous increases in their Net Worth. Some lenders and accountants feel the need to eliminate the effects of inflation when preparing a financial analysis of a business. This is a relatively simple procedure on the asset side of the Net Worth Statement. However, in order to give the whole picture, liabilities must also be considered. How can the effects of inflation, evident in the interest rates charged on accounts and notes payable and mortgages, be eliminated in this section? The real interest rate,

calculated as the nominal interest rate less the inflation rate, should be charged if inflation is to be thoroughly ignored. This is clearly unrealistic. If the lender wants to determine whether an increase in Net Worth is attributable to actual growth in the business or to inflated land or machinery values, that could be accomplished by looking at the changes in those items alone, and not at the bottom line Net Worth figure.

The Modified Cost basis is not a realistic method of evaluating real estate as collateral for a loan in most situations. For the intermediate assets, the Modified Cost values would often approximate a conservative market value, depending on the method of depreciation used. Most lenders prefer a conservative market value approach for determining chattel and real estate security for their loans. In any respect, the method of valuation should reflect the purpose for which the Statement is prepared. For tax purposes, a Modified Cost is generally required, while for estate planning and credit acquisition, Market Value is frequently more appropriate.

#### Assets

Assets represent everything the business owns that has a tangible or intangible value and which can be expressed in terms of a dollar amount. The items do not have to be entirely paid for, but the actual ownership must reside with the business, subject to any liens or encumbrances. Thus, if land is rented, it is not included as a Long Term Asset. However, if land is owned by the farmer, but is security for a loan, its value is included in the Net Worth Statement.

Current assets are those items owned by the business which could easily be liquidated, or sold. "Easily" generally means that they are cash or near-cash items, or that they are items which will be consumed or marketed during the normal operating year. The sale of current assets by the end of the operating year should not disrupt the farm operation in the sense that future operations could not be continued. Current assets are thought of as very liquid items, so their market value should be a good approximation of the amount of cash they could be exchanged for. Current Assets include Cash, Checking and Savings Accounts, Marketable Bonds and Securities, Notes and Accounts Receivable, Livestock and Crops to be Sold, Feed on Hand, Supplies and Prepaid Expenses. Notes and Accounts Receivable should only include those accounts which relate to production or service items, and not to the sale of capital assets, such as machinery or land. It should include only "good" accounts, where payment is expected within the normal operating year. "Bad" accounts would be less liquid, and would be valued in the intermediate or long term sections, if at all.

Intermediate Assets are also referred to as Working Assets. They comprise those assets whose useful life in the business is expected to be longer than one operating year and probably less than seven years. Their marketability and liquidity are less than Current Assets and "forced" sales would generally cause some loss of value. Many of these

are assets with productive capabilities such as machinery, equipment, breeding livestock, and vehicles. Breeding Livestock can be of two types: raised or purchased. The tax treatment is different with each type so records should be kept with separate categories for each. Purchased breeding livestock is treated similarly to machinery and equipment, with its basis or cost less accumulated depreciation being deducted from market value to determine taxable gains on income tax. Raised livestock is treated as if the basis were zero, so the entire sales price would be taxed as a capital gain. Intermediate Assets would also include Notes Receivable due for payment within one to seven years, Securities Not Readily Marketable, Retirement Accounts and household goods.

Long Term or Fixed Assets include land, buildings and improvements which are of an enduring nature or which are attached to the land. This category would include the residence, barns and service buildings, drainage tile, fences, storage facilities and so on. Land itself is not a depreciable item for tax purposes, while buildings and improvements generally are depreciable. Thus, at the time of acquisition, these items should be separated into different categories and estimated values should be given to each. Long Term Assets would also include Contracts and Notes Receivable, where the maturity is at least ten years, and Non-farm Investments.

There are two tests to help in classifying assets as Current, Intermediate or Long Term. The first is the Convertibility Test. To use this test, classify all the assets in order of how easily they could be converted to cash without losing value. How marketable an asset is depends on how many alternate uses it has, what its value is in relation to the overall business assets, and whether established markets exist for buying and selling the item in question. The assets are then classified from Current to Intermediate to Long Term in order of decreasing liquidity. The second test is the Use Test which refers to how quickly the asset will be consumed or used up in the production process. The assets are classified in order of increasing longevity in the business plans.

## Liabilities

Liabilities represent claims against the business assets. These can either be claims held by creditors, and are classisifed as Liabilities, or they can be claims by the owners, and are known as Owner's Equity, or Net Worth. The classical accounting equation is that Total Assets equal Total Liabilities plus Net Worth. The amount of Net Worth will always be determined after the Assets and Liabilities have been summarized, because they represent the residual equity in the business after all debts have been accounted for at the time the Statement is prepared. Liabilities represent the amount of debt capital invested in the business by other individuals, businesses, the Internal Revenue Service, financial institutions and others. Owner equity represents the amount of debt capital invested by the owners in the business.

Liabilities are classified as Current, Intermediate and Long Term according to the maturity of the original debt instrument. They are valued identically by the Modified Cost and Market Value approaches as the actual dollar amount owed as of the date the Net Worth Statement is prepared.

## Contingent Tax Liability

Contingent Tax Liability is an item in all three of the Liability sections on the Net Worth Statement. In all cases, it represents the potential tax liabilities that would be due if the business or a portion of the business were liquidated. This item is frequently omitted on many Net Worth Statements. Its usefulness seems most apparent to retiring farmers and to high risk farm situations, where the prospect of a forced sale or liquidation isn't far from either the lender or the borrower's minds. With stable, on-going operations, these items should not be a major concern.

### Current Liabilities

Current Liabilities include Accounts and Notes Payable, Accrued Interest, Taxes and Other Accrued Expenses, Contingent Tax Liability, and the Principal Portion of Intermediate and Long Term Debts due within the accounting period.

Accounts Payable are typically revolving merchandise credit accounts which were used to finance short-term operating expenses, such as fuel, seed, and other supplies. Notes Payable represent the principal portion of short-term notes outstanding as of the statement date. This category would include the operating loan or line-of-credit principal balance. Notes Payable are different than Accounts Payable because with the former, a promissory note or some other written obligation describing the terms of the transaction has been signed.

In order to give an accurate representation of all of the claims against the business, accrued items must be included in the Net Worth Statement. With interest and tax expenses as an example, they might both be due six months from the date of the statement. However, interest on debts usually accrues on a daily basis and taxes are certainly a claim against current income or assets. Since the bills haven't actually been sent out, these accounts are often overlooked. By including those accrued items, all debts which would have to be paid if the business were liquidated are taken into consideration. In this example, both taxes and interest would be claims against the business and would have to be paid in full.

Contingent Tax Liability is determined by adding:

Notes and Accounts Receivable
Market Livestock and Products
Stored Crops, Feed and Supplies
Cash Investment in Growing Crops
Prepaid Expenses
Gain from Sale of Marketable Securities ( Market Value less Modified Cost) times 40%

and then subtracting:

Accounts Payable
Accrued Interest
Accrued Taxes
Other Accrued Expenses

Then multiply the remaining value times your estimated ordinary income tax rate to arrive at the total Contingent Tax Liability for Current Liabilites.

## Intermediate Liabilities

Intermediate Liabilities include debts with a maturity date between one and ten years from the date of the Net Worth Statement. This section would include the principal portion of Notes Payable due beyond the current portion listed under Current Liabilities.

Contingent Tax Liability is determined by adding:

Gain from Sale of Machinery and Equipment (Market Value less Adjusted Basis)

Gain from Sale of Purchased Breeding Livestock (Market Value less Adjusted Basis)

Gain from Sale of Raised Breeding Livestock (Market Value) times 40%

Then multiply the sum times your estimated ordinary income tax rate. In those cases where Machinery and Equipment or Purchased Breeding Livestock is sold for more than the original cost, the difference between the gain and the cost would first be multiplied by 40% before being multiplied by the ordinary tax rate.

## Long Term Liabilities

Long Term Liabilities typically includes real estate debts plus any other debts with a maturity of more than ten years. The principal portion of real estate mortgages and Notes Payable due beyond the current portion should be listed here. The Contingent Tax Liability is determined as follows:

Gain from Sale of Real Estate (Market value less Modified Cost) times 40% times your estimated ordinary income tax rate.

## Owner Equity

At this point, Owner Equity or Net Worth can be computed. Sum the Current, Intermediate and Long Term sections of both Assets and Liabilities. Subtract Total Liabilities from Total Assets to arrive at the amount of Net Worth as of the date of the statement. This figure is used frequently in the financial ratios which will be discussed later in this section.

## The Spread Sheet

The Spread Sheet is a place to record items on the Net Worth Statement on an annual basis. Using this format, it is easy to view the business as a continuing entity and to compare the growth and change in the business from year to year. As a tool of analysis, it provides a means of identifying the changing structure of the business assets and liabilities and to pin-point the causes behind an increasing or decreasing net worth in the business. In addition to the asset, liability and net worth comparisons on this Spread Sheet, there are sections for Income Statement entries and Financial Ratios. These sections include a column to insert the projected figures and ratios for the coming year, and a column to insert a tolerable range for those projections. These ranges indicate whether actual results are acceptable to the farm manager and to the lender, or whether changes need to be made.

#### The Cash Flow Statement

The Cash Flow Statement records all cash inflows and outflows of a business during the accounting period. OSU Extension Facts No. 751, "Developing a Cash Flow Plan", gives a full explanation of this statement. A copy of the sample Cash Flow Statement from the factsheet can be found at the end of this section. The Cash Flow Statement can be based on actual figures or, more commonly, it can be a projection of cash inflows and outflows into the next time period. As a projection, it is often referred to as the Pro Forma Cash Flow Statement. This statement provides insight into all aspects of the financial performance of the business: liquidity, solvency and profitability. The Cash Flow Statement is a convenient place to combine all of the financial concerns of the business: production possibilities, purchasing and marketing

strategies, debt structure and repayment ability, tax strategies, family living expenses and non-farm income.

Cashflow planning has historically been overlooked in the financial analyses of agricultural businesses. Many loans have been made with the Net Worth Statement being the only financial statement required by the credit institution. By not considering the Cash Flow Statement, many loans have not been repaid from the productive capacity of the business; instead, they have been repaid through the sale of capital assets or refinanced with long term, usually real estate, security. Many agricultural lenders loaned on an equity basis, rather than on a cash flow basis, because "it worked". But it "worked" because of inflated land values and non-farm income which essentially subsidized the farm operation. In the future, lenders should become more attuned to the cash flow, and look not only at the long-term profitability of the business, but to its short-term liquidity position as well. If an operator is unable to keep up with the monthly bills and obligations, obvious problems arise. However, if the operator can keep up with expenses only through depleting inventories or selling fixed assets, equally serious problems can arise.

## Line-of-Credit Financing

Cash flow planning is especially useful in a line-of-credit financial analysis. For adequate credit to be made available to the farm business, in the right amounts and at the right time, careful planning must be done well before the funds are actually needed. In line-of-credit financing, the total loan needs are anticipated in advance, and are then advanced and later repaid in accordance with an agreed upon schedule between the borrower and the lender. The advantages of this system over the single operating loan are in interest savings to the borrower, and fewer loan agreements and paperwork to the lender.

Line-of-credit financing can be done on a revolving or a non-revolving basis. With a revolving note, a maximum amount of credit is provided and this amount can be continuously paid down and essentially "re-borrowed" as long as the maximum loan balance is not exceeded. This system offers a great deal of flexibility to the borrower, but it can also present some serious accounting headaches to the lender. With a non-revolving note, the total amount of new loan funds must be budgeted, and the funds which are disbursed cannot be loaned again once repayment is received. This system can be a problem when funds are needed in shorter intervals than the term of the loan, causing larger than necessary loan requests which could exceed the banker's approval authority.

## Sources of Information

To construct a Cash Flow Statement, estimates of all the cash inflows and cash outflows must be obtained. These can be estimated on a monthly basis, or on an annual basis and then prorated throughout the year. Data can be obtained from several sources. Previous years' records and tax forms are probably the most widely used and reliable sources of information for projecting into the future. Past performance is certainly an important criterion to the lender in evaluating the credit needs and management strategies of the business into the future. Marketing decisions go hand in hand with financial decision-making when planning for the future. Most agricultural products have seasonal production cycles which are well established in their geographic areas. However, many products can be withheld from the market temporarily and placed in storage, to be released at a later date when prices are favorable to the producer. This system provides a great deal of opportunity for large profits, as well as large losses, depending on the timing of sales. A liquidity bind is the situation where receipts and expenses are not timed properly and either credit must be made available in time to cover the obligations, or inventories must be sold, and not necessarily at the time when profits can be maximized. Thus, to be effective, marketing strategies must be carefully considered in a Pro Forma Cash Flow Statement.

Data for the Cash Flow Statement can also be obtained from regional or state averages, or from budgets. The Integrated Farm Financial System is organized to be used in conjunction with the Enterprise Budgets available at Oklahoma State University. Using these budgets, which have both statewide and regional cost and return estimates, a whole farm analysis can be completed. This system can be especially useful to the lender faced with an unusual or unfamiliar loan proposal and where not much information about the amount and timing of receipts and expenses is available. The budgets can easily be altered to more accurately describe the actual farm situation. In addition, they can be adjusted to perform some "what-if" analyses. Prices and yields could be changed, and the resultant effect on cash flow observed. Also, the number of harvested acres or livestock raised could be changed to search for the optimal size operation.

The Cash Flow Statement summarizes all cash receipts and expenses, non-farm income and family living expenses, capital sales and purchases, debt repayment and new loans. The amount of operating credit required is calculated for the months where a cash deficit exists, or when anticipated cash inflows are insufficient to cover cash outflows plus a minimum bank balance established earlier. Interest accrues monthly on the principal loan balance, and is paid first when any cash surplus exists. After accrued interest is paid, the operating loan principal is paid down with any remaining surplus funds. The statement could be adjusted to fit situations where principal and interest are only repaid at

certain intervals during the year. This is typical with Production Credit Association loans and some commercial bank agricultural loans. "What-if" analyses can be done by changing the operating loan interest rate, or the minimum cash balance required, or by rescheduling any of the capital purchases or sales. The computer makes this sort of analyses possible by performing the calculations instantly.

### Capital Purchases

There are two methods of entering data in the Capital Purchases section of the Cash Flow Statement if financing is used. One is to enter only the amount of the actual cash outlay, or downpayment, to purchase the capital item in the outflow section of the Cash Flow. This system gives the most accurate description of the actual cash requirements of the business. The amount of new borrowing is entered later in the statement, but the amount of the loan is not used in computing the Ending Cash Balance in the Cash Flow Summary. The other method is to enter the total cost of the capital item in the outflow section, and then to enter the amount of the loan funds advanced to cover the balance of the purchase price in the Cash Flow Summary where it is used in computing the Ending Cash Balance. This method is used in the IFFS with the Integrated Statement because the total cost of the capital item is needed to complete the Income Statement and the Net Worth Statement. With the first method, it isn't always clear whether the additional borrowing was to cover operating expenses, some other expense, or to finance the purchase of the capital asset.

## Monitor Statement

In addition to the Cash Flow Statement, there is a Monitor Statement in the IFFS package. A copy of the statement can be found at the end of this section. The Monitor Statement is a worksheet which compares the actual cash flow items to the projections. Computations are done on a monthly basis, and on a year-to-date or cumulative basis. Actual data must be recorded in the same manner as the projections, and accumulated each month or quarterly period. This is a useful statement which should provide the "red flags" to both the farm manager and to the lender when the business is not following its charted course. When large discrepancies are observed, an analysis must be done to determine whether improper management, large price swings, unexpected purchases or other situations were the cause of the actual results being different than the plan. In some cases, revised plans should be prepared for the rest of the year to reflect those contingencies, especially if additional credit is needed. With this statement, the performance of the business can be measured in more frequent intervals than at the end of the year, which in some

cases could be too late.

#### The Income Statement

The Income Statement is also referred to as the Profit and Loss Statement. More information on this statement can be found in OSU Extension Facts No.753, "Developing an Income Statement", and a sample form is located at the end of this section. This statement measures the overall performance of the business in a given year from a profitability standpoint. Its bottom-line figure, Net Farm Income, is used in computing the amount of Income Tax due, and is an important ingredient in any financial accounting package. The amount of taxable income alone is an unreliable estimate of the business earnings due to such factors as rapid depreciation of capital assets, inventory sales, advance purchases and so forth.

### Net Farm Income

Net Farm Income is the amount of income generated by the business during the year which is available for family living, principal debt repayment, savings and reinvestment in the business. A positive Net Farm Income is a prerequisite for continued success and growth of the farm business. Net Farm Income also represents the return to unpaid operator and family labor, management and equity capital. The amount of this return could determine whether the farm business is a competitive employer with other small businesses in the area.

## Return to Labor and Management

An estimate of the residual return to labor and management is calculated as follows. First, estimate the average amount of unpaid, non-operator family labor used in the business and multiply that by the average wage rate for similar employment in the area. Then, average the amount of Net Worth for the beginning and ending periods, which represents the owners' equity capital, and multiply that times a conservative return on long-term investments in the capital market, usually between 5% to 10%. This opportunity cost calculation is necessary because the capital invested has alternative uses, such as earning interest on a savings certificate or purchasing stock in another business venture. Finally, subtract both figures from Net Farm Income to arrive at an estimate for the return to operator's labor and management for the year. If this return is comparable to what the farm manager could be earning elsewhere, this is an indication of proper resource allocation in the marketplace. If the manager is earning more than a competitive return, that could be a sign that more money could be spent paying off debts, saving, or for reinvestment in the business. If the

manager is not being adequately compensated for his/her labor and management, then some decisions need to be made. It may be that the farm operator is aware of this situation, that a higher income could be earned by leaving the farm and working in town. However, some families have concluded that their lifestyle on the farm is worth more than enough to offset lower earnings.

The Income Statement summarizes cash revenues, cash expenses and adjustments in inventory items to arrive at the Net Farm Income figure. Gross Receipts from Farming is the summation of all Operating Receipts plus other farm income such as Government Payments, Custom Work, Dividends and Refunds, Cash Rent, Interest on Farm Savings and Equipment Rental. It does not include non-farm income or the sale of intermediate and long-term assets, such as machinery, breeding livestock or land. Cash rent received from another farm owned by the operator should be included in Operating Receipts only if the farm operator actively participates in the other farm operation; otherwise it should be considered as non-farm income and would not be included in the Income Statement.

#### Expense Items

Total Cash Expenses includes all cash farm operating expenses, such as crop and livestock expenses, interest paid on debts, the farm share of utilities, insurance and taxes, and machinery and equipment expenses. It does not include family living expenses or the purchase of capital assets such as breeding livestock, new equipment and real estate improvements.

Additional borrowing and the principal portion of loan payments are also not considered in the Income Statement. Loan proceeds are not included in Cash Receipts and principal debt payments are not considered Cash Operating Expenses. This is because neither entry affects the overall equity position of the business since equal entries are made on both the asset and the liability sides of the Net Worth Statement. Principal payments on debt would be offset by equal reductions in the cash account, and the amount of a new loan would be offset by a corresponding increase in a capital asset account. By omitting principal debt payments in the expense section, it is also easier to compare similar businesses and trends over time without having to consider varied degrees of leverage.

Both income and expense categories exclude any entries which are not specifically related to the farm operation. In some cases, there is a fine line between the family and the farm business. As with IRS procedures, those items which are common to both the business and the home should be prorated between the two, with just the farm share being reported on the Income Statement.

# Inventory Adjustments

In the next section of the Income Statement are the adjustments for changes in inventory and accrued items from the beginning of the accounting period to the end. Changes in inventory include physical changes as well as changes in value from price variations. This section is necessary to give a true picture of Net Farm Income. When inventories are higher at the end of the year than at the beginning, additional income should be reported. If Accounts Receivable is higher at the end of the year than it was at the beginning, then some item had been sold or service performed where cash payment was not actually received. Instead, a promissory note or some credit agreement was given to the business and this I.O.U. should be treated as a source of revenue. When, on the other hand, Accounts Payable are higher at the end of the year than at the beginning, an additional expense should be charged against the business. For those items which correspond to the assets of the business, (Current, Intermediate and Long Term), an increase in value from the beginning of the year to the end will result in a positive adjustment to Net Income. For those items which correspond to the liabilities of the business, an increase would represent an increase in expenses, and would result in a negative adjustment to Net Income. For adjustments to depreciable Capital Items, such as Purchased Breeding Livestock, Vehicles, Machinery and Equipment and Real Estate Improvements, both sales and purchases during the year must be itemized to show the actual change in inventory from the beginning of the year to the end. With yearly comparisons, this section could give an indication to the manager of whether increased capital expenditures were associated with increases in revenue and profits.

The Income Statement can also be used in analyzing future investment possibilities and growth of the business from the standpoint of debt-carrying capacity. This type of feasibility analysis is easily adapted to the spreadsheet programs on the microcomputer with the instant calculating abilities to "try out" different investment plans.

### Inventory Method vs. Depreciation Method

There are two methods of completing the Income Statement: the Inventory Method and the Depreciation Method. The Inventory Method is essentially on an accrual basis where revenue is generated not only by cash sales, but by increases in inventory as well. Likewise, expenses are recognized both as cash expenditures and as decreases in inventory. For example, if the value of Stored Crops decreased from \$10,000 at the beginning of the year, to \$7,500 at the end, then \$2,500 of the reported Crop Sales income for this accounting period was actually the result of production in the previous year. If a downward adjustment wasn't made for that

change in inventory this year, Net Farm Income would be overstated by \$2,500.

IFFS uses the Inventory Method, but an example showing both methods can be found at the end of this section. The Depreciation Method is basically on a cash basis where revenue and expenses are recognized only when the cash is received. The Depreciation Method includes depreciation as an expense on the Income Statement, while the Inventory Method accounts for depreciation only through the change in inventory items. To be sure that both methods give the same result, another accounting equation which should always hold is that Beginning Inventories (of depreciable capital items) plus Purchases must equal Ending Inventories (of depreciable items) plus Depreciation plus Sales.

#### Financial Ratios

Certain ratios are used in the Integrated Farm Financial System as benchmarks to measure the financial performance and stability of the farm business. Ratios are used to compare different enterprises within the farm, to compare the business to others in the area, and by many lenders in their loan review and analysis process. Year-to-year comparisons of these ratios provide a picture of the liquidity, solvency, profitability and growth of the business over time. Financial ratios provide some basis for evaluating the past performance of the business, and for projecting into the future. The accuracy and reliability of these measures alone justifies the amount of work that goes into a good record-keeping system and into the preparation of the three Financial Statements. Data from the Net Worth and Income Statements are used in computing these ratios.

## Liquidity Ratios

Liquidity is a concept which refers to the ability of the business to meet its short-term obligations when they are due without having either to borrow money or to sell its productive assets. Since it measures how accurately the operator has timed revenue in relation to expenses and in this respect, the Cash Flow Statement is the most detailed measure of liquidity.

# Current Ratio= Current Assets Current Liabilities

A ratio of 2:1 has historically been considered safe by many lenders. A Current Ratio of less than 2 could indicate potential cash flow problems, while a ratio of more than 2 might indicate that the business is over-invested in low-earning assets in an effort to remain liquid. This ratio is used mainly when short-term

or operating credit needs are being evaluated. The interpretation of this ratio will depend on the individual business as well as on general economic conditions.

# Working Asset Ratio = Current + Intermediate Assets Current + Intermediate Liabilities

This ratio is similar to the Current Ratio, except it includes Intermediate Assets and Liabilities. This ratio would be of particular interest to those lenders who are involved in both short-term and intermediate credit, for example the Production Credit Associations. A ratio of 2.0 or more would be considered acceptable in a farming operation. In agriculture, where the composition of assets and liabilities varies a great deal during the year (for example, before and after harvest), it is important to compute these ratios at the same time each year. Otherwise, the financial position of the business could be misinterpretted and lead to an unreliable historical analysis.

# Debt Structure Ratio = Current Liabilities Total Liabilities

This ratio will give an indication of both the asset and liability structure of the business. A high ratio would be typical of a business that leases a great deal of its equipment and land, or an older established farm operation where much of the real estate debt has been paid off. A low ratio would be typical of a capital intensive operation, such as a dairy farm where most of the liabilities are on intermediate or long term notes.

### Solvency Ratios

A business is considered solvent if its Total Assets are greater than Total Liabilities. Solvency gives an indication of whether a business should declare bankruptcy or not and if so, whether all its creditors could be paid. The amount of Net Worth, which is the difference between the Total Assets and Total Liabilities of the business, gives the clearest picture of solvency.

# Net Capital Ratio= Total Assets Total Liabilities

This ratio is a measure of the long term solvency of the business. A "safe" Net Capital Ratio must be determined on an individual basis. A ratio of 1.0 or more is certainly a requirement for a business to be considered solvent. The higher the ratio, the more risk is supported by the owners of the business in comparison to its creditors.

# Debt to Equity Ratio= Total Liabilities Net Worth

This ratio is also known as the Leverage Ratio. It shows the relationship between borrowed capital and equity capital invested in the business. This ratio indicates to what degree the creditors, as opposed to the owners, are providing funds for the business. Lenders are particularly interested in this figure because it shows what proportion of the risk they are taking in comparison to the owners of the business. Lending agencies vary in this respect, with commercial lenders preferring a much safer risk position (a Leverage Ratio of 1 or less) than the government credit agencies such as the Farmers Home Administration. The requirements would also vary depending on whether the liabilities are against current, intermediate or long term assets. In general, a higher amount of owner equity would be required with long term, high risk loans.

# Total Debt Ratio= Total Liabilities Total Assets

This ratio is the inverse of the Net Capital Ratio, but it is another way to measure the risk exposure of the business.

# Per Cent Equity= Net Worth \* 100 Total Assets

This ratio is another measure of the risk exposure of the business. Most lenders would prefer this to be 50% or higher, although each business must be examined on an individual basis. In some of the Farmers Home Administration loans to beginning farmers, this ratio could be as low as 15-20%.

# Debt Servicing Ratio= Total Debt Payments Net Cash Farm Income

This ratio reflects the proportion of Net Cash Farm Income which is needed to make scheduled debt payments of both principal and interest. Net Cash Farm Income is calculated as Gross Receipts from Farming less Total Cash Expenses plus Cash Interest paid during the year. This ratio will generally be higher for beginning operators than for well established, high-equity operations.

## Profitability Ratios

The following measures show whether the business made a profit or a loss during the year, and the Income Statement is the source of most of the data. The amount of Net Farm Income indicates whether sufficient income was generated by the business to cover costs plus a residual to retire debts, provide a return to unpaid owner labor and management, and provide for growth of the business.

Return on Equity= Net Farm Income - Opportunity Return to Labor and Management

Average Net Worth

This ratio represents the ratio of returns to equity capital to the total amount of equity capital in the business. The Return on Equity is basically what farm managers are trying to maximize. This rate of return should be compared to a typical opportunity return on equity capital, in the range of 5-8%.

In this ratio, the Opportunity Return to Labor and Management represents the value of unpaid labor provided by the family and an opportunity cost of the operator's labor and management. An estimate of the operator's labor and management could be based on alternative employment options in the area. This value could also be estimated as the difference between Net Farm Income and a typical return (5-10%) on the value of Total Assets. The rate used should be a realistic estimate of how much those assets (Current, Intermediate and Long Term) could be earning if invested elsewhere. The value of Total Assets can be the value at the beginning of the year, at the end of the year, or an average of the beginning and ending values.

Rate of Return
on Investment = Net Farm Income + Interest - Opportunity
Return to Labor and Management

Average Total Assets

This ratio represents the rate of return earned on all sources of investment in the business, both owner-capital and debt-capital. Interest on debt is added back into this formula because interest represents the return earned by creditors on the borrowed funds which they invested in the business. This includes interest as a cash expense as well as an adjustment for the change in interest liability from beginning to end of the year. A typical Return on Investment for a farm business would be from 3% to 6%.

## The Relationship between the Financial Statements

In the IFFS Integrated Statement worksheet, the Net Worth, Cash Flow and Income Statements and the Financial Ratios are all

consolidated. One of the main advantages of the integrated system is the ability to trace the effects of a change in product price, or in the interest rate, or in the timing of a capital purchase, or in any other variable, on all of the Financial Statements. Thus, transactions which affect the profitability of a business for example, might also affect the solvency and net worth of the business. The repercussions of a major change in one aspect of the business are often carried into other financial statements and those effects must be considered in any whole farm planning stategy or analysis.

The interrelationships between the three financial statements are illustrated in figure 11. For the statements to tie together, the Beginning and Ending Net Worth Statements must be available and they must represent the same accounting period as the Cash Flow Statement.

An actual example of how the statements interrelate is located in the section, "How It Works".

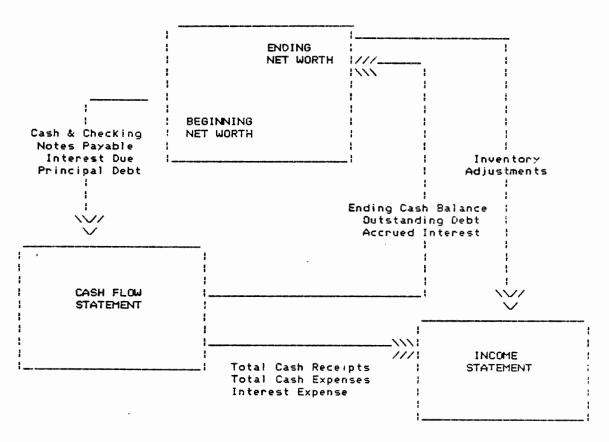


Figure 11. Relationship Between Financial Statements

Table 2. Net Worth Statement: OK PRODUCER

	ASSETS	Beginning Balance	Ending Balance	Ne t Change	LIABILITIES	Beginning Balance	Ending Balance	Net Change
	RENT ASSETS	2000	4000		CURRENT LIABILITIES			_
1. Cash & (		2000	2000	0	37. Accounts Payable	1200	1129	-51
	& Tima Certificates	508	530	30	38. Notes Payable	50000	48479	-152
	ble Bonds & Securities	35.4			Interest Due:			
	s Receivable	850	1000	150	39. Current Liabilities	895	871	-24
	lue Life Insurance	600	408	0	40. Intermediate Liabilities	5600	5523	-7
6. Other				0	41. Long Term Liabilities	8362	8072	-39
	lines 1 thru 6)	3950	4130	180	Taxes Due:			
	Livestock & Products:				42. Real Estate & Personal Proper	ty 990	1000	11
	sed Livestock			0	43. Employee Payroll Withholding			
	chased Livestock	53550	55080	1530	44. Personal& Self-Employment	2108	2200	100
	Croos, Feed, Supplies	23454	24900	1446	45. Other Accrued Expenses	480	480	
	vestment Growing Crops	8000	8489	400	46. Contingent Tax Liability	0	0	i
2. Prepaid				8	<pre><!-- Tax Rate: 0.00-->&gt;</pre>			
	urrent Assets			•	Principal Due in 12 mos:			
4.				0	47. Intermediate Liabilities	5050	7729	167
5.				6	48. Long Term Liabilities	2465	2.755	290
ó.				0	49. Other Current Liabilities			
7.				•	50.			
	URRENT ASSETS ERMEDIATE ASSETS	88954	92510	3556	51. TOTAL CURRENT LIABILITIES INTERMEDIATE LIABILITIES	79142	7 <b>3229</b>	3
9. Notes R	ecesvable	3	•	8 -	52. Notes Payable	33950	31721	-222
Breeding	g Livestock:				( Principal Que Beyond 12 Mos	.)		
0. Rais	sed Livestock	25108	24700	-400	Contingent Tax Liability:			
1. Purc	chased Livestock	1508	1440	-40	53. From Sale of Machinery			
2. Vehicles	5	5089	3950	-1058	54. From Sale of Breeding Lives	tk d	0	
Machiner	ry & Equipment:				55. Other		•	
	t or Basis				56. TOTAL CONTINGENT TAX LIABILIT	y a	0	
3. Les	s Accum.Depreciation	46760	38658	-8110	57. Other Intermediate Liabilitie			
	ies Not Readily Mktable.		2750	a	58.	•		
	termediate Assets			ă	59.			i
14.				a	40.			
	VTERMEDIATE ASSETS	81110	71490	-9620	61. TOTAL INTERMEDIATE LIABILITIE	33950	31721	-2229
	ED ASSETS	*****	7.47.	, 025	LONG TERM LIABILITIES	33730	31/21	- 222
	ts & Notes Pecervable			8	62. Mortgages & Notes Payable	73830	71075	-275
	as & Improvements	2400	8400	7000	( Principal Due Beyond 12 Mos		/10/3	-2/5
Land	gs & mpi overacii (s	2700	9400	9000	Contingent Tax Liability:	• ,		
S. Crock	ad.	324008	324000	0	63. From Sale of Real Estate			,
1. Pastur		34000	36000	1				(
2.	•	20000	20040	8				(
	Investments			•	45. TOTAL CONTINGENT TAX LIABILIT	7 3	1	(
				8	66. Other Long Term Liabilities			(
A. GIBEL FE	ong Term Assets			•	67.			1
E 707A) C	TVER ACCUTE	2/2/52	4/4/4-	0	68.			(
J. IUIAL P	IXED ASSETS	362400	368408	9086	69. TOTAL LONG TERM LIABILITIES	73830	71075	-2755
					70. TOTAL LIABILITIES	185922	181025	-4897
	40570	****			71. NET WORTH	346542	351375	1833
36. TUTAL AS	33813	532464	532400	-64	72. TOTAL LIABILITIES & NET WORTH	532464	532400	-94

Table 3. Spread Sheet

	Standard for	fear Esqueq	Year Englag	rar Ending	Year Estre
1784	Compart 100	12/31/00	12/31/00	:מעונע:	12/11/00
HET HORTH STATESHT					
REBIT ASSETS			, ,		
1. Cash & Other Liquid Assets	********	********		********	
2. PRELimentace & Products: Principal	********	********		********	
4. Stored Cross. Feed & Supplies	********	********	*******	********	
5. Cash Investment: Groung Groes	*********	*******	*******	********	******
és Propaid Exposurs à Other Assets			********		
7. Total Correct Assets	•	•	•	•	
TEPREDIATE ASSETS S. Notes Receivable					
7. Breeding Livestocks Resed	********	********		********	******
8. Brooding Livestock: Perchased	********	*******	********	********	******
1. Veticles	********	*******	********	*******	
2. Machinery & Equipment		******	********	*******	
3. Other Intermediate Assets 4. Total Intermediate Assets			1		
ASSETS	•	•	•	•	
5. Contracts & Hotes Ascervable				********	
4. Buildings & Incresements	********	*******		********	
7. Land		********	********		******
8. Other Fixed Assets 9. Jotal Fixed Assets					•••••
. TUTAL ASSETS					
	•	•	•	•	
REST LIMILITIES 1. Accounts & Notes Parable					
2. laterest due					
3. Estimated Taxes Due	********				
1. Accreed Expresses		********	********	*********	
S. Principal Oue in 12 Mass Inter-					
4. Long-Torm		*******	*******	•••••	
7. Other Current Liabilities 9. Total Current Liabilities					******
TEREDIATE LIABILITIES			•		
7. Hotes Parable		********			
8. Sther Intermediate Liabilities	********		********	*******	*****
12. Mortgages & Mates Parable 12. Sther Lang Term Limbilities	**********			********	
2. Northages & Hates Parable 12. Sther Lang Term Limbilities M. Tetal Lang Term Limbilities					
IZ. Hortgages & Nates Pursale IZ. Sther Lang Term Limbilities M. Total Lang Term Limbilities IS. TOTAL LIABILITIES		•	•	•	
22. Nortgages à Notes Purmile 22. Sther Lamp Term Limbilities Mr. Total Lamp Term Limbilities SI. TUTAL LIABILITIES Mr. NET NORTH		*******		********	
22. Nortgages à Notes Pursolo 22. Stare Lang Term Lindslittes 34. Tetal Lang Term Lindslittes 35. TOTAL LIABILITIES 34. NET MORTH 77. TOTAL LIABILITIES à NET MORTH DECEME STATEMENT 28. Shows Receipts from Farming			•	•••••••••••••••••••••••••••••••••••••••	
2. Partiages à Notes Parallo 2. State Lang Term Liabilities 3. Total Lang Term Liabilities 5. TOTAL LIABILITIES 4. NET MORTH 7. TOTAL LIABILITIES à NET MORTH  PACONE STATEMENT 8. Pross Receipts from Farming 9. Total Cann Espesses less Interest				:	
2. Partiages à Mates Paraile 2. Stare Lang Term Liabilities 3. State Lang Term Liabilities 5. TSTAL LIABILITIES 4. NET MOTH 7. TSTAL LIABILITIES à NET MOTH  DECRE STATEMENT 8. Bross Receipts from Farming 9. Total Cash Espesse less Interest 4. Interest Espesse	:			;	
2. Partiages à Nates Paraile 2. Stare Lang Term Liabilities M. Total Lang Term Liabilities M. Total Ling Term Liabilities M. PATES LIABILITIES M. PATES LIABILITIES DECOME STATE-PATE M. Bross Sprengts from Farming M. Total Case Esposes less Interest M. Interest Expesse M. Interest Expes				:	
2. Partiages à Nates Paraile 2. Stare Lang Term Lindslittes 3. Testa Lang Term Lindslittes 5. TUTAL LIABILITIES 4. PET MORTH 7. TUTAL LIABILITIES à NET MORTH  DECOME STATEMENT 10. Srous Receipts from Farming 19. Testal Cash Expresse less Interest 11. Net Cash Income from Operations 2. Adjessments for Accessed Items 2. Adjessments for Accessed Items 2. Adjessments for Accessed Items 3. Datemps in Income from Department	:			:	
2. Portrages & Notes Parade 2. Stee Lang Term Liabilities 4. Tests Lang Term Liabilities 5. TUSAL LIABILITIES 4. NET MORTH 7. TUTAL LIABILITIES & NET MORTH  DECRE STATEMENT 10. Sees Secrepts from Farming 19. Testal Cash Expresses less Interest 4. Jaterest Express 10. Net Cash Income from Operations 12. Adjactments for Accred (Item 4. Chappes in Jaconterry 13. Adjactments for Accred (Item 5. Chappes in Jaconterry 13. Adjactments for Accred (Item 6. Chappes in Jaconterry 14. Adjactments for Accred (Item 7. Adjactments for Capital (Item 7. Adjactments for Ca					
2. Partiages à Nates Paraile 2. Stare Lang Term Lindslittes 3. Stare Lang Term Lindslittes 5. TURAL LIABILITIES 4. NET MORTH 7. TSTAL LIABILITIES à NET MORTH  DECOME STATEMENT 8. Bross Receigts from Farming 9. Total Cash Expresse less laterest 4. Net Found Cash Income from Derestims 12. Adjustments for Accreed Items 3 Classpes in Inconcery 14. Net Ferm Scannia					
2. Partiages à Nates Paraile 2. Stare Lang Term Lindslittes 3. Stare Lang Term Lindslittes 5. TURAL LIABILITIES 4. NET MORTH 7. TSTAL LIABILITIES à NET MORTH  DECOME STATEMENT 8. Bross Receigts from Farming 9. Total Cash Expresse less laterest 4. Net Found Cash Income from Derestims 12. Adjustments for Accreed Items 3 Classpes in Inconcery 14. Net Ferm Scannia					
C. Prorragges & Nation Pursule CL. Steer Lamp Term Limbilities M. Testal Lamp Term Limbilities St. TUSAL LIMBILITIES M. NET MORTH CT. TUSAL LIMBILITIES & NET MORTH CT. TUSAL LIMBILITIES & NET MORTH  DECRE STATEMENT  20. Seess Sprengts from Farming CL. Adjustments for Accreed limm & Clamps in Limonotory CL. Adjustments for Accreed limm & Clamps in Limonotory CL. Adjustments for Accreed limm M. Net Cash Income from Obsertions CL. Adjustments for Accreed limm & Clamps in Limonotory CL. Adjustments for Capital limm M. Net Farm Jacome GL. Adjustments for Capital limm M. Net Farm Jacome GL. Adjustments for Capital limm M. Net Farm Jacome GL. Adjustments for Capital Limm M. Net Farm Jacome GL. Adjustments for Capital Limm GL. Appartments for Capital Limm GL. Opportments forces to Labor & Agar't.					
22. Partiages à Notes Parable 22. Sther Lang Term Liabilities 32. Sther Lang Term Liabilities 33. Total Lang Term Liabilities 35. TUMAL LIABILITIES 34. NET MORTH 37. TOTAL LIABILITIES à NET MORTH 37. TOTAL LIABILITIES à NET MORTH 38. Sees Secripts from Farming 39. Sees Secripts from Farming 49. Total Cash Exposes less Interest 49. Interest Exposes 40. Not Cash Income from Germations 40. Algostments for Accorded Unes 40. Algostments for Capital Unes 40. Algostments for Capital Unes 40. Opportunity Return to Labor & Pagn't. 41. Community Return to Labor & Pagn't. 42. Community Return to Labor & Pagn't. 43. TOTAL STATES 43. STATES AND COMMUNITIES 43. STATES AND COMMUNITIES 43. STATES AND COMMUNITIES 44. STATES AND COMMUNITIES 44. STATES AND COMMUNITIES 45. STATES AND COMMUNITIES 45. STATES AND COMMUNITIES 45. STATES AND COMMUNITIES 45. STATES AND COMMUNITIES 46. STATES AND C					
2. Portogos à Notes Parade 2. Ster Lang Term Lindslitte 3. Ster Lang Term Lindslitte 5. Total Lang Term Lindslitte 5. TOTAL LINSLITIES 5. TOTAL LINSLITIES 6. NET MOTTH 7. TOTAL LINSLITIES à NET MOTTH  DECRE STATEMENT 8. Bross Receipts from Farming 9. Total Cash Express less Interest 9. Interest Express 11. Net Cash Income from Deventions 9. Adjestments for Accord litems 9. Adjestments for Acquital litems 9. Appartmenty Return to Labor & Mgs*t. (					
2. Portogers & Notes Parasie 2. Steer Lamp Term Liabilities 3. Steer Lamp Term Liabilities 5. TOTAL LIABILITIES 5. TOTAL LIABILITIES 64. NET WORTH 7. TOTAL LIABILITIES & NET WORTH  DECRE STATEMENT 10. Serves Receipts from Farming 10. Total Cash Exposure less Interest 10. Interest Exposure 10. Pot Cash Income from Deventions 12. Adjustments for Accresed Thoma 10. Total Cash Income from Deventions 12. Adjustments for Accresed Thoma 10. Net Cash Income from Deventions 10. Adjustments for Accresed Thoma 10. Not Cash Income from Deventions 10. Not Cash Income 1					
2. PROTESSES A Nation Paramile 2. Steer Lamp Term Limbilities 3. Tatal Lamp Term Limbilities 5. TUTAL LIMBILITIES 4. NET MORTH 7. TOTAL LIMBILITIES & NET MORTH  DECREE STATEMENT 10. Shows Strengts from Farming 10. Shows Strengts from Farming 10. Shows Strengts from Farming 10. And Strengts from Farming 10. Adjustments for Accred Items 10. And Strengts in Leventery 10. Adjustments for Accred Items 10. And Strengts in Leventery 10. Adjustments for Capital Items 10. And Strengts in Leventery 10. Adjustments for Capital Items 10. Appartments for Capital Items 10. Appartments for Capital Items 10. Appartments for Capital Items 10. Carrent Statio 10. Leving Asset Statio 10. Leving Asset Statio 10. Leving Asset Statio 10. Strengts Asset Statio 10. Strengts Asset Statio 10. Strengts Asset Strengts 10. Streng					
22. Nortopes & Notes Pursole 22. Steer Long Term Lindslittes 32. Steer Long Term Lindslittes 33. Testal Long Term Lindslittes 35. TUTAL LINGSLITTES 34. NOT NORTH 27. TSTAL LINGSLITTES & NOT NORTH  DECIME STATEMENT 28. Sross Security from Farming 39. Testal Cash Expresse less Interest 41. Not Cash Income from Deventions 42. Adjustments for Accreed Items 42. Adjustments for Accreed Items 43. Express in Income 44. Not Ferm Income 45. Departments for Capital Items 46. Departments for Capital 46. Overest Statio 47. Not Capital 46. Departments 47. Not Capital 47. Not Capital 48. Departments 48. De					
22. POPTOMORS & Notes Parents 22. Store Lamp Town Limbilities 32. Store Lamp Town Limbilities 33. TOWAL LIMBILITIES 34. NET MORTH 27. TOWAL LIMBILITIES & NET MORTH 27. TOWAL LIMBILITIES & NET MORTH 28. Stores Stores from Farming 29. Stores Stores from Farming 29. Stores Stores from Farming 20. Stores Stores from Services 40. Intercent Express 41. Net Cash Income from Generations 42. Adjustments for Accorded Unes 42. Adjustments for Accorded Unes 43. Chairman for Morte Comments 44. Department for Express 45. Opportments for Express 46. Opportments forms to Labor & Pagn't. 47. Lowering Annuel Store 48. Option of Comments 48. Option of Co					
22. Nortopes & Notes Pursale 22. Steer Lamp Term Linkellities 23. Steer Lamp Term Linkellities 24. Testal Lamp Term Linkellities 25. TUTAL LIABILITIES 26. NOTE MORTH 27. TUTAL LIABILITIES & NET MORTH 28. Shous Security from Furning 29. Total Cash Expresse less Interest 41. Not Cash Income from Deventions 42. Adjustments for Accorded Items 43. Not form Income 44. Not Form Income 45. Adjustments for Accorded Items 46. Not form Income 46. Openhantly Seture to Labor & Agar't.  (					
22. Nortgages & Notes Pursale 22. Steer Lamp Term Linkellities 23. Steer Lamp Term Linkellities 25. TOTAL LIABILITIES 26. TOTAL LIABILITIES 27. TOTAL LIABILITIES & NET WORTH 27. TOTAL LIABILITIES & NET WORTH  28. Stees Receipts from Furning 29. Total Cash Exposes less Interest 41. Not Cash Income from Deventions 41. Not Cash Income from Deventions 42. Adjustments for Accessed Items 43. Adjustments for Accessed Items 44. Not Farm Income 45. Adjustments for Capital Items 46. Not Farm Income 46. Operatory Return to Labor & App't. 47. Lamping Annual Testing 48. Obst Structure Ratio 49. Dott Structure Ratio 51. Total Deet Ratio 52. Total Deet Ratio 52. Total Deet Ratio 53. Dott In Emerty Ratio 53. Per Cost Equaty					
2. PROTESTANCES  2. Steer Lamp Term Limbilities  3. Steer Lamp Term Limbilities  3. Total Lambilities  3. TUTAL LIMBILITIES  3. NET MORTH  7. TUTAL LIMBILITIES & NET MORTH  7. TOTAL LIMBILITIES & NET MORTH  7. Advanced For Lambing  7. Adjustments for Accreed limm  8. Clampes in Lescentered Operations  7. Adjustments for Accreed limm  8. Clampes in Lescentered  9. Adjustments for Accreed limm  4. Net Fame Locum for Accreed limm  4. Net Fame Locum for Accreed limm  4. Net Fame Locum for Accreed limm  5. Clampes in Lescentered  6. Operation for Capital limm  6. Departments for Capital limm  6. Department for Capital limm  6. Department for Capital limm  7. Indian Associated Associated  8. Debt Structure Ratio  8. John Structure Ratio  8. John Structure Ratio  8. John Limital Ratio  7. Total Debt Ratio  7. Per Capital Ratio  8. Per Capi					
33. Srees Secupts from Farming 27. Total Case Express less Interest 45. Interest Express 45. Interest Express 45. Interest Express 45. Adjustments for Accrese Items 46. Note farm Income 46. Note farm Income 46. Note farm Income 46. Note farm Income 56. Opportunity Nature to Labor & Agar't. (					

Table 4. Cash Flow Statement: OK PRODUCER

UHOLEFARM CASHFLOW STATEMENT	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUS	SEP	OCT	NOV	DEC	TOTALS
<pre><!-- OPERATING RECEIPTS -->&gt; 1. Livestock sales:</pre>			8	0	0	0	0	0	0	13785	0	0	13785
2.	0	0	72174	0	9	9	0	8	8 8	0	0	9	0 72174
3. Sale of purchased lusk 4. Crop Sales:	0	0	72174 8	9	8	38400	Ğ	ě	0	Ů	8	0	38400
5.	0	0	9 8	<b>8</b>	2860	2808 9	2100	2199	2880 8	8 3220	8	0	12600 3220
6. Government payments 7. Other farm income	i	9	0	i	0	0	•	i	0	3220	0	530	530
8.	9 0	<b>8</b> 0	8 72174	0	0 2 <b>888</b>	0 4120 <b>8</b>	0 2100	0 2188	0 2880	8 1 <b>7085</b>	0	0 538	9 1 <b>4</b> 07 <b>09</b>
9. TUTAL CASH RECEIPTS (( CAPITAL SALES ))	u	٠	/41/7	•	2000	71200	2100	2100	7944	17003	٠	330	140/07
18. Breeding livestock	425	9	85 <b>8</b> 8	0	0	8	0	0	425 0	425 0	8 4	0	2125 8
11. Machinery, equipment 12. Building, land	i	i	ě	8	ï	8			0	9	ï	0	å
(( OTHER INFLOWS ))	8			٥	298	289	209	200	. 0	٥	8	0	800
13. Wages and salaries 14. Investments	9	i	i	i	0	1	8	0		ŏ	i	- 0	9
15. 16. TOTAL CASH INFLOW	8 425	8	8 73824	8 8	0 3888	0 41 <b>400</b>	0 2300	9 2308	8 3225	0 1 <b>7439</b>	8	3600 413 <b>0</b>	3608 147234
<pre>&lt;&lt; OPERATING EXPENSES &gt;&gt;</pre>	763	•	/3024	٠	3000	11.400	2300	2300	3223	17430	٠	7130	17/207
17. Hired labor	8 54	95	16	0 16	9 61	9 323	0 197	0 197	268 585	9 51	8 49	8 49	2 <b>69</b> 1 <b>68</b> 7
18. Repairs: Mach.& Equip. 19. Buildings & Fences	25	25	25	22	22	22	22	22	22	25	25	25	282
28. Feed	534	494	52 <b>5</b>	354 8	18	18	10	10 0	10 1928	1986	312 0	533 0	4704 1928
21. Seeds, plants 22. Fertilizer,Lime,Chem.	0	6432	408	588	248	i	å	i	7240	8	Ö	9	14812
23. Machine Hire	0	1448	168 38	9	1020 155	8170 160	868 188	86 <b>8</b> 115	2490 130	8 1 <b>88</b>	8	0	14 <b>990</b> 790
24. Supplies 25. Vet.Medicine,Breed fee	73	32	62	53	240	45	100	115	130	878	95	35	1505
26. Fuel, orl, lubricants	165	277	54 88	74	147 88	766	394	396 8	1223	143	154	154	3949 400
27. Storage, Warehousing 28. Taxes- R.E & Pers.Prop	9 <b>6</b>	88 1	428	88 1	•	8	;	i	ŏ	i	i	570	998
29. Insurance			250				44	0 44	0 48	308 42	0 42	8 42	550 490
30. Utilities 31. Rents, leases	42 4 <b>88</b>	42 8	40	44	44	48	7	7	7	1	8	72	488
32. Freight, trucking	56	•	110	0 58	0		:		56	820	0 28	0	1842 150
33. Miscellaneous 34.	98 1	i	1843	7		i	:		i	8	0	0	1963
35. Livestock purchases						-			120//	51000 55251	9 697	0 1408	5198 <b>9</b> 101964
36. TUTAL CASH EXPENSES  (( CAPITAL EXPENSES (total cost) ))	1591	8917	3229	1189	2915	9534	1625	1648	13944	20531	97/	1700	101004
37. Breeding livestock			•	•			8		6	8	0 8	0	8 8
38. Machinery, Equipment 39. Bldgs, Fences, Land	8	8	•	7508	i	8	i		i		ě	ů	7500
(( OTHER OUTFLOWS >>	1000	1256	1250	1250	1250	1250	1250	1250	1258	1250	1258	1258	15000
40. Family living 41. Income Tax	1258	1250	1250	2100	1230	1230	1236	1230	1250	1230	0	1236	2190
42. Investments	•	8	!	0		:	0	0	0	0	0	8	8
43. Scheduled Debt Payments:	•	٠	•	•	•	•	•	•	•	٠	٠		-
44. Intermediate: interest 45. principal	0	!	!	•	•	1	8	9	•	9	9	5608 6858	5600 6050
46. Long Term: interest	1418	i	i	8	i	i	6952	i	Ö	ě	0		8362
47. principal 48. Total Cash Outflows	2688 4331	181 <i>6</i> 7	8 4479	9 12939	9 3265	9 18786	385 18212	8 2896	8 1 <b>521</b> 6	6 56 <b>50</b> 1	8 1947	0 14 <b>36</b> 8	2465 148141
<pre>&lt;&lt; NEW BORRROWING &gt;&gt;</pre>			1117		1200	10700		2074					
49. Intermediate 50. Long Term	0	:	0	5580 8				•	8	0	8	6	5500 0
***************************************													
<pre>&lt;&lt; CASH FLOW SUPPARY &gt;&gt;    Int.Rate= &lt;&lt; 14.00&gt;&gt;</pre>	JAN .	FEB	HAR	APR	HAY	JUN	JUL	AUG	<b>SP</b>	OCT	NOV	DEC	TOTALS
Minimum Cash Balance (< 2889>)	2000	2000	2006	2940	2860	2888	25218	17298	16708	4717	2000	2000	2000
51. Beginning Cash Balance 52. Inflows- Outflows (16-48)	29 <b>88</b> -5986	-10167	48545	-12839	-265	30614	-7912	-590	-11991	-39971	-1947	-10178	-907
53. Cash Position (49+58+51+52) 54. New Borrowing: Operating	-3984 5984	-0147 10147	70545 8	-4539 6539	17 <b>35</b> 26 <b>5</b>	32614	17298	16708 0	4717 0	-34354 36354	53 1947	-6178 10178	71356
55. New Borrowing: Inter.& LongTerm	8	9	Ō	5506	0	0	i	ě	ě	0		0	5500
<pre>&lt;&lt; Accrued Int.due on Oper.Loan &gt;&gt; 56. Interest pay'ts.on Oper.Loan</pre>	1478 8	2131 0	2901 2901	5 0	84 8	171 171	8	9	8	0	424	871 8	3072
57. Principal pay'ts.on Oper.Loan	0	8	65644	9	8	7233	0	ā			ě	0	72877
50. Ending Cash Balance 59. Outstanding Operating Debt	2808 53986	2000 66073	2088 429	200 <b>8</b> 69 <b>68</b>	2000 7233	25219 0	17 <b>298</b> 9	16788 8	4717 0	2000 363 <b>5</b> 4	2000 3 <b>83</b> 01	2000 48479	
60. Outstanding Intermediate Debt	40008	49868	40000	45508	45500	45500	45508	45500	45500	45500	45508	39450	
61. Outstanding Long Term Debt	74215	74215	74215	74215	74215	74215	73839	73830	73830	73830	73830	73830	

Table 5. Monitor Statement

Comparison of Actual to Projected Figures

Insert Month for Emparison here 19...... HONTHLY DATA YEAR-TO-DATE Change Quege Projected Actual Projected Actual (( OPENATING REDEIFTS )) 1. Livestock sales: J. Sale of parchased less 4. Crop Saless 5. 6. Coveragent payments
7. Other fare racone 3.
7. TOTAL CASH RECEIPTS
(( CAPITAL SALES )) 18. Breeding livestock 11. Machinery, semipoent 12. Building, land (( STHER INFLORS )) 13. Mages and salaries 14. Investments 15.
16. TOTAL CASH INFLOM
(( OPERATING EXPENSES )) 17. Hired labor 18. Repairs: Machile Equip. 18. Regards Pack. & Lyun.
17. Buildings & Fences
20. Feed
21. Seeds, plants
22. Fertilizer, Line, Chem.
23. Machine Hire 23. Supplies
24. Supplies
25. Vet.Medicine,Sreed fee
26. Feel, eil, laboricasts
27. Storage, Warenousing
28. Tixes- R.E & Pers.Pros
29. Inserance 31. Utilities
11. Bests, lesses
12. Freight, trecking
13. Miscellances S. Limstoci perchases 36. TOTAL CASH EXPENSES
<( CAPITAL EXPENSES (total cost) >> 17. Breeding treestock 38. Machinery, Equipment 19. Bldgs, Fences, Land (( GTHER OUTFLOWS )) 48. Family living 41. Jecome Tex 42. Javestments Scheduled Dest Payments: 44. Intermediates interest 5. principal 44. Long Terms interest 48. Total Cash Outflows (C NGA BOXX2041748 ))

St. Long Terms	•	•	•	•	•	
({ CASH FLOW SUMMAY >>						
31. Beginning Cash Balance	•	•	•			
52. Inflam- Outflors (16-48)		•				
53. Cash Position (49+50+51+52)	3	•	•			
54. New Sarrawings Operating		i	•			
55. New Barrawings later & Longlera	i	i	i	i	i	
(( Accreed ist.ore on Ger.Loan ))		•	•			
S6. Interest pay'ts.on Coer.Loux	1				•	
57. Principal pay'ts.on Oper.Loan	•	i	•	i	4	
58. Ending Case 3.: ance	:	1	•			
59. Outstanding Overating Debt	1	i	i	3	9	
ed. Omtstanding Intermediate Debt	a		•	i	4	
41. Detstanding Long Term Gent	\$	1		i	i	

Table 6. Income Statement: OK PRODUCER

	INCOME STATEMENT	_				FIRMICIAL RATIOS
A. OPERATING RECEIPTS				AM EXPENSES		**************
Livestoci Sales & Products			ired Labo		260	Corrent Ration Current Assets = 1.182552
Raised market livestock	13785			in-Repairs	1687	***************************************
	,			Feace Repairs	282	Correct Liabilities
Livestock surchased for			ash Inter		17034	
resale:	72174		eed Purch		4794	Working Asset Ratio= Current+Int.mssets 1.491586
Livestock products				ts. Other	1929	***************
				, line, chemicals	14912	Current+int.L:ap:l:t:es
	Subtotal: \$5959		ach inery	Hite	14970	
			uppi res		7 <b>98</b>	Debt Structure Ratio= Current Liabilities = .4321458
Crop Sales:	38408		reed:ng F		•	***************
	12600		et.fees,		1505	Total Liabilities
				ul,lubricants	3949	
				arehousing	400	Net Capital Ratio= Total Assets = 2.941029
				i Est.& Pers.Pr		*************
		1	RSUPERCE		550	Totai Liabilities
	Sebtotal: 51886	ŧ	tilities	(fare share)	490	
		9	ash Rest	à Leases	489	Gebt to Equity Ratiom Total Liabilities = .5151907
Other Farm Income:		F	reight, T	rucking	1842	- 13131/0/
Government payments	3220			on Expenses		Net Horth
Custon Work				ous Expenses	150	HAT DALLY
Dividends, Refunds				,	1043	Total Sabi Saturn Satul Luculation - 2400471
Cash Reet			va (1)	hased for resali		Total Gebt Ratio= Total Liabilities = .3400171
Other	530	•	*******	MASTE 101 143411	71444	T-1-1 4
•		1	MAI CASH	EXPENSES	118078	Total Assets
	Subtotal: 3750	,	oine unun		1104/5	A
GROSS RECEIPTS FROM FARMIN						Per Cent Equity= Net Worth* 100 = 65.99829
amous necessities that the thin	110/0/		MET CAC	N INCOME FROM		*
			OPERATI		22611	Total Assets
D. ADJUSTMENTS FOR ACCRUED	ITDE AND IMPORTOR	CLANCES.		una enu	22011	
1. Accounts & Notes Receiv		CIMMOE3:				Debt Servicing Ratio= Total Debt Payments = .5940789
1. MCCOMMIS & MOLES RECEIV		Ass	***			************
f-4 1	Accounts	Other	ütker			Net Cash Farm Income
Ending Inventory	1000					
Beginning Invento		_				NOE-Het farm income-Unthoronals = .8074878
Change	150	•	1		156	CONTROL OF THE CONTRO
2. Accounts Payable & Accr		_				Equity
	Accounts		interest	Other		
Jegraning Invento		996	14857	488		Profit Margia Ratio= NFI+latdithdrawais = .8684767
Ending Inventory	1129	1988	14466	480		***************************************
Change	84	-18	391	•	461	Net Cash Farm Income
3. Prepaid Expenses:						
	Ending	8	PRIMALOP			ROI= Net Farm Income+Interest-Withdrawais = .0368849
	Inventory	1	eventory			- 702303-4
			þ			Total Assets
	,					
4. Inventories:	•					10(4) 7337(3
4. Inventories:	Mit.Livestock	Stores	Cross.	Grawing		(MIS) MOSE (S
4. izventories:			Crops,	Growing Cross		IVAL POSE(3
	& Products	Feed &	i Crops, Supplies	Crops		10(4) #324(4)
Ending Inventory	& Products 55080	Feed & 24988		Crops 8488		10(4) #358(1)
Ending Inventory Beginning Invento	\$ Products 55080 Fy \$33550	Feed & 24908 23454		Crops 8499 9009	2274	10(1) #358(1)
Ending Inventory	& Products 55080	Feed & 24988		Crops 8488	3376	10(4) #358(1)
Ending Inventory Beginning Invento Change	& Products 55080 ry 53550 1530	Feed & 24908 23454		Crops 8499 9009	3374	10.01 7532.11
Ending Inventory Beginning Invento Change	\$ Products 55080 77 53550 1530	Feed & 24908 23454	Supplies	Crops 8498 8036 498	3376	10.01 252.11
Ending Inventory Beginning Invento Change	& Products 55088 ry 53550 1530 1530	Feed & 24908 23454 1446	Supplies Mach.4	Crops 8498 9096 498	3374	10.01 #32.11
Ending Inventory Beginning Invento Change E. ADJUSTMONTS FOR CAPITAL	& Products 55088 ry 53550 1530 1530 . ITEMS:	Feed & 24908 23454 1446	Supplies Mach.e	Crops 8400 9000 406 Improve- ments	3376	10.01 ASE 10
Ending Inventory Beginning Invento Change E. ADJUSTMENTS FOR CAPITAL Ending Inventory	& Products 55088 ry 53550 1530 1530 . ITEMS:	Feed & 24908 23454 1446 Uehicles 3958	Supplies Mach.4	Crops 8498 9090 498 !merove- ments 8498	3374	
Ending Inventory Beginning Invento Change E. AGJUSTMENTS FOR CAPITAL Ending Inventory Sales	b Products 55088 55088 7 33530 1530 1530 1TEMS: Seceding Lystx. 26144 2125	Feed & 24908 23454 1446 Uehicles 3958 8	Mach.& Equip. 38650	Crops 8498 9096 498 Improve- ments 8498 8	3374	
Ending Inventory Beginning Invento Change E. AGUISTMENTS FOR CAPITAL Ending Inventory Sales Subtotal	# Products 55088 75 55508 75 55508 1550 1550 1550 1550 1550 1550 15	Feed & 24908 23454 1444 1444 Uehicles 3958 0 3958	Mach.& Equip. 38650 0	Crops 8488 9090 498 !merove— mests 8498 8	3374	
Ending Inventory Beginsing Inventor Change E. ADJUSTMENTS FOR CAPITAL Ending Inventory Sales Subtotal Beginsing Inventory	# Products 55008 Fy 53550 1530 ITEMS: Greeding Lysix. 24144 2125 1 28265 Fy 24680	Feed & 24908 23454 1444 1444 Vehicles 3958 0 3958 5988	Mach.& Equip. 38650 8 38458 44748	Crops 8488 9638 488 Improve- ments 8488 8 9408 2408	3376	
Ending Inventory Beginning Invento Change E. ADJUSTMENTS FOR CAPITAL Ending Inventory Sales Subtotal Beginning Inventor	# Products 55008 FY 33550 1530 ITEMS: Sreeding Lysts. 24148 2125 1 28245 ry 24600	Feed & 24908 23454 1446 1446 Vehicles 3958 8 5088 8	Mach.& Equip. 38650 0 38658 44768	Crops 8449 8009 406 1merove- ments 8496 8 9400 7500 7500	3374	
Ending Inventory Beginning Invento Change E. ADJUSTMENTS FOR CAPITAL Ending Inventory Sales Subtotal Beginning Invento Parchases Subtotal	# Products 55088	Feed & 24908 23454 1446   Vehicles 3958 0 3758 5388 8 5080	Mach.& Equip. 38656 44768	Crops 8488 9009 468 Improve- ments 8488 8 8408 2408 7508 9968		
Ending Inventory Beginning Inventor Change E. ADJUSTMENTS FOR CAPITAL Ending Inventory Sales Subtotal Beginning Inventor Perchases Subtotal Change	\$ Products	Feed & 24908 23454 1446   Vehicles 3958 0 3758 5388 8 5080	Mach.& Equip. 38650 0 38658 44768	Crops 8449 8009 406 1merove- ments 8496 8 9400 7500 7500	337 <b>6</b> -89 <b>9</b> 5	
Beginning Invento Change  E. ADJUSTMENTS FOR CAPITAL  Ending Inventory Sales  Subtotal  Beginning Inventor Parchases Subtotal	\$ Products	Feed & 24908 23454 1446   Vehicles 3958 0 3758 5388 8 5080	Mach.& Equip. 38656 44768	Crops 8488 9809 466 Improve- ments 8488 8 8408 2408 7586 9988		

Table 7. Inventory Method Versus Depreciation Method

I	NCOME STATE	EMENT	
I. Inventory Method		II. Depreciation Method	
PECEIPTS		RECEIPTS	
Livestock sales	85959	Livestock sales Livestock product sales	8595
Crop Sales	51000	Crop sales	5100
iscellaneous receipts	3780	Miscellaneous receipts	3780
		Profit from depreciable	
Sale of deprec.assets	2125	asset sales:	2125
Inventory increase:		Inventory increase:	
Depreciable assets	6000	Livestock	1530
Livestock	1530	Feed, seed, supplies	184
Feed, seed, supplies	1846	Accounts receivable	150
Accounts receivable	150		
Value of farm products		Value of farm products	
used in the home:		used in the home:	•
TOTAL RECEIPTS	152390	TOTAL RECEIPTS	146390
EXPENSES		EXPENSES	
PERATING EXPENSES:		OPERATING EXPENSES:	
ivestock, excluding feed	1505	Livestock, excluding feed	1503
Crop expenses	31722	Crop expenses	3172
Mach.& Equip.repair	1687	Mach.& Equip.repair	168
Building repair	282	Building repair	282
Hired labor	260	Hired labor	260
Jtilities	490	Utilities	490
Miscellaneous	7874	Miscellaneous	787
Feed purchases	4704	Feed purchases	4704
Liv <b>estoc</b> k purchases	51000	Livestock purchases	5100
FIXED EXPENSES:		FIXED EXPENSES:	
Takes	990	Taxes	90
Insurance	550	Insurance	550
Interest	17034	Interest	1703
Purchases of depreciable		Losses from depreciable	
assets:	7500	asset sales:	(
Inventory decrease:		Inventory decrease:	
Livestock	460	Livestock	46
Feed, seed, supplies		Feed, seed, supplies	
Buildings		Vehicles	105
Machinery	8110	Accounts payable	-46
Vehicles	1050	Donnari stra-	
Accounts payable	-461	Depreciation: Buildings	150
		Machinery	811
TOTAL EXPENSES	134757	TOTAL EXPENSES	12875
NET FARM INCOME	17633	NET FARM INCOME	1763.

# How it Works!

All of the financial statements in this system can either be used individually, or they can be used in conjunction with the other statements. We anticipate most managers using them together, so we will discuss that system in most detail. The following VisiCalc and Data Interchange Format files are disucssed in this section:

FILENAME	PURPOSE
CASHFLOW/VC	A blank Cash Flow worksheet which is used for direct keyboard entries of the data, and to accumulate the crop, livestock and additional information budgets.
60 CROP AND LIVESTOCK BUDGETS	These VisiCalc templates were compiled from OSU's Enterprise Budget Book to provide representative budgets for most of the farming situations in Oklahoma.
BUDGET BUILDER	A blank budget form which can be completed to fit any crop or livestock operation not covered in the IFFS package.
C&L BUDGET	The Crop and Livestock Budget form.
C&L CLEAR	This is a file with blank data which is used to clear the upper portion of the C&L BUDGET worksheet in between loading budgets.
AI/VC	This is the Additional Information Budget worksheet. This budget should be completed with those cash flow items which cannot be allocated to any particular enterprise. It includes such items as Capital Sales and Expenses, Family Living Expense, Non-farm Income and Debt Repayment.
BLANKOUT.DIF	This is a file with blank data. It is needed when the various crop and livestock budgets are being accumulated to avoid double entries.

## Cash Flow Statement

Let's begin with the Cash Flow Statement. This statement generally has the most "number crunching" and is therefore a good candidate for adoption on the microcomputer. Cash flow projections can be developed from the previous year's records, from "educated" guesses, or from budgets.

<u>Direct Keyboard Entry</u>. If the previous year's records or "educated guesses" are to be used, the data must be input directly into the Cash Flow VisiCalc template. To do this, follow these instructions:

- l. Insert the VisiCalc program disk in Drive 1 and turn on the computer. This loads or "boots" the entire program into the computer's memory and the program disk isn't needed again unless the computer is turned off.
- 2. At this point, be sure you have a couple of blank, initialized disks. If you don't, this is a good time to initialize them. In this manual, the commands you should type will appear in boldface print. Type these commands: / S(torage) I(nitialize) and then replace the VisiCalc disk with your blank disk and press RETURN. The computer will make some whirring noises for a minute, and then will notify you when the initialization process has been completed. This process essentially prepares the blank diskette to receive information from the computer by dividing its surface into tracks and sectors. If you are having problems with a diskette, re-initializing it can improve the performance in some cases. The contents of the disk should be copied temporarily to another disk during this process as initialization erases the entire disk.

\*\*\* Please note: That last step was irreversible, so anything that was on that particular diskette is now and forever gone! So be careful!

- 3. Now, remove the blank, but initialized disk and insert the IFFS Data Disk I.
- 4. To load the Cash Flow worksheet, type these commands: / S(torage) L(oad) and the filename which is CASHFLOW/VC. Instead of typing the filename, you can load the file by scrolling through the disk directory using the right arrow key and pressing RETURN when the filename appears. That's all there is to it! Practice moving the cursor around the screen until you get the feel for it.
- 5. Complete the worksheet by inserting your data in the appropriate cells. The monthly data should be inserted in columns E through P. Operating Receipts are located in rows 56-63; Capital Sales in rows 66-68 and Other Cash Inflows in rows 70-72.

Operating Expenses should be inserted in rows 75-93; Capital Expenses in rows 96-98; Other Outflows in rows 100-108 and New Borrowing in rows 111-112. Do not attempt to fill in any of the totals or subtotals...the computer will do this for you. Insert the Operating Loan interest rate in cell Cl15 (Note: 15% should be typed in as 15, 14 1/2% as 14.5); the Beginning Cash Balance in El17 and the Minimum Cash Balance in Dl16. The Minimum Cash Balance represents the minimum balance the operator wishes to maintain in the farm checking account. As of the beginning of the year, Accrued Interest Payable on the Operating Loan should be entered in Al31; Outstanding Operating Debt in Al32; Outstanding Intermediate Debt in Al33 and Outstanding Long Term Debt in Al34.

- 6. Once all of the data have been entered, recalculate the worksheet by typing a !. Now, save the entire worksheet. Insert your blank, initialized disk in the disk drive and type this sequence of commands: / S(torage) S(ave) and your new filename, such as CASHFLOW PROJECTIONS and RETURN. You could save the worksheet under the old filename but then you wouldn't have a blank Cash Flow worksheet for future reference. Either method is acceptable.
- 7. The data in this worksheet will be needed later when the other financial statements are combined in the Integrated Statement. Only the actual numbers need to be saved because the labels and formulas have already been transferred onto the Integrated Statement. Just the data can be saved in a Data Interchange Format (DIF) file. To do this, place the cursor at E56. Now type: / S(torage) # (which alerts the computer that a DIF file is being saved) S(ave) and CASHFLOW.DIF, which is the name of the file. When the computer prompts you with: "Data Save: Lower right", type P112. Then, when you are prompted with: "Data save: R C or RETURN", always press the RETURN key or R. After the light on the disk drive goes off, your cash flow data has been saved in the CASHFLOW.DIF file.

Different Methods of Computing Interest. The Production Credit Association schedules repayment on its Lines-of-Credit such that all accrued interest is due for repayment at the end of the year. Payments made during the year are generally applied only to principal. A loan could be entirely repaid, principal and interest, before the end of the year if the borrower wanted to do so. To adjust the Cash Flow model to this type of situation, follow these instructions:

- 1. Load the CASHFLOW/VC worksheet.
- 2. Place the cursor at E123 and just type a zero, which will replace the formula in that cell. With this change, any interest payments made during the year will have to be entered directly into the appropriate month.
  - 3. Leaving the cursor at El23, replicate the zero in January

from February thru November. Do this by typing: / R RETURN F123...0123 (as the "target" range).

4. In December, if there are not sufficient funds to pay the interest due, additional money should be borrowed. Place the cursor at Pl20 and change the formula to do this. Type this formula: @IF(Pl19<(Dl16+Ol22-Ol23+(Ol26\*(Cl15/l200))),Dl16-Pl19+Ol12-Ol23+(Ol26\*(Cl5/l200)),0)

Some lenders compute the interest due on Operating Loans based on a variable interest rate. The CASHFLOW/VC worksheet can be altered to reflect this situation.

- 1. Load the CASHFLOW/VC worksheet.
- 2. Type "Variable" in cell C115.
- 3. If the interest rate is adjusted monthly, choose a cell location below the worksheet, such as Al36, and insert the January interest rate. Then insert February's rate in Al37, March's in Al38 and so on. If the rate is adjusted quarterly, only four values would be entered.
- 4. The formulas in cells E122 through P122 have to be retyped or edited to reflect these changes. The formulas should be changed so that the cell location of that month's interest rate replaces C115 in the formula. For example, with your cursor at E122, retype the formula in that cell, changing the C115 to A136. No other changes are necessary in that formula. Then move the cursor to F122, and replace the C115 in the formula with A137, and so on.
- 5. If the interest rate is adjusted quarterly, change the formula in January as you did in step 4, and then replicate that formula into February and March. Then place your cursor at H122, and replace the Cl15 in the formula with the cell location holding the second quarter's interest rate.

Enterprise Budgets. If you prefer not to input all of this data yourself, and instead wish to use the budgets, Oklahoma State University has a large computer program which generates Crop and Livestock Budgets, called Enterprise Budgets, for various sections of Oklahoma and for the state as a whole. The budgets assume certain production processes, certain yields and prices, machinery requirements and so on, and give estimates for expected receipts and expenses, both on a monthly and on an annual basis. The budgets are up-dated at regular intervals to give current costs and returns. The budgets are available through the Department of Agricultural Economics, 308 Agricultural Hall, Oklahoma State University, Stillwater, OK 74078. In this IFFS system, these budgets can be used as the beginning basis for cash flow planning. The budgets can be adapted easily to an individual farm situation, and provide a good starting point for many producers and lenders

who are analyzing prospective loan requests.

The IFFS Data Disks 3-6 contain 60 sample budgets for the major crop and livestock enterprises in Oklahoma. There is also a blank worksheet on disk 3, called BUDGET BUILDER, which can be used to create additional budgets. The budgets listed on the following pages have been adapted to this program.

BUDGET NUMBER		DESCRIPTION	AREA
11101018	4	COW-CALF, 100 COW UNIT SIZE SPRING CALVING, NATIVE PASTURE	NORTHWEST
11101218	4	COW-CALF, 100 COW UNIT SIZE SPRING CALVING, IMPROVED PASTURE & ALFALFA HAY	NORTHWEST
11101318	4	COW-CALF, 100 COW UNIT SIZE SPRING CALVING: IMPROVED PASTURE & GRASS HAY	NORTHWEST
11601318	3	COW-CALF, 100 COW UNIT SIZE SPRING CALVING, IMPROVED PASTURE & GRASS HAY	SOUTHWEST
11701318	6	COW-CALF, 100 COW UNIT SIZE WESTSO SPRING CALVING: IMPROVED PASTURE & GRASS HAY	OUTH CENTRAL
11902218	5	COW-CALF, 50 COW UNIT SIZE SPRING CALVING: DRY GRASS	SOUTHEAST
13100034	4	STOCKER STEERS: BUY OCT.15-SELL MARCH 1 400# IN- 590# OUT	NORTHWEST
13100236	4	STOCKER STEERS: BUY OCT.15-SELL MAY 15 400# IN-701# OUT: GRAZE-OUT WHEAT	NORTHWEST
13200153	5	STOCKER STEERS: STARTING WEIGHT 400# NO	ORTH CENTRAL
13601134	3	STOCKER STEERS: BUY OCT.15, 400# SELL MARCH 1, 568#	SOUTHWEST
13601136	3	STOCKER STEERS: BUY OCT.15, 300# SELL MAY: GRAZE-OUT WHEAT	SOUTHWEST
13603325	3	STOCKER STEERS: BUY MAY 1, 500# SELL OCT.1	SOUTHWEST
13701336	6	STOCKER STEERS: BUY OCT-SELL MAY WESTSO	DUTHCENTRAL

BUDGET NUMBER		DESCRIPTION	AREA
13900116	5	STOCKER STEERS: BUY SEPT.15, 500# SELL JULY 15: BERMUDA O.S. FESCUE	SOUTHEAST
21041101	3	DAIRY COW & REPLACEMENTS: 80 COW HERD 12,000 LBS. OF MILK SOLD PER YEAR	STATE
31012383	3	SHEEP: 100 EWE SYSTEM RAMBOUILLET EWES-DORSET RAMS REPLACEMENTS PURCHASED: FALL LAMBING	STATE
41011333	3	SWINE: FARROW TO FINISH: 90 SOW CONFINEMENT: PURCHASE COMPLETE RATION	STATE
41011433	3	SWINE: FARROW TO FINISH: 90 SOW CONFINEMENT: COMPLETE FEEDMILL	STATE
72100860	4	CORN IRRIGATED, SURFACE SYSTEM 24" WATER, CUSTOM HARVEST	NORTHWEST
73101161	4	GRAIN SORGHUM, IRRIGATED, SURFACE SYSTEM: 24" WATER, CUSTOM HARVEST	NORTHWEST
73101967	4	GRAIN SORGHUM, IRRIGATED, CIRCULAR SPRINKLER: 24" WATER: CUSTOM HARVEST	NORTHWEST
73104108	4	GRAIN SORGHUM: DRYLAND: CUSTOM HARVEST	NORTHWEST
73201904	5	GRAIN SORGHUM OWNED HARVEST EQUIPMENT	NORTHCENTRAL
73691661	3	GRAIN SORGHUM: IRRIGATED: WELL SOURCE	SOUTHWEST
73700704	6	GRAIN SORGHUM: CUSTOM COMBINE WES & HAULING	TSOUTHCENTRAL
73902001	5	GRAIN SORGHUM, UPLAND: OWNED EQUIPMENT	SOUTHEAST
74750005	6	OATS: OWN MACHINERY WES	TSOUTH CENTRAL
76101550	4	WHEAT, IRRIGATED, 18" WATER SURFACE SYSTEM: CUSTOM HARVEST	NORTHWEST
76101551	4	WHEAT, IRRIGATED, 18" WATER	NORTHWEST
76101857	4	SURFACE SYTEM: OWNED HARVEST EQUIPMENT WHEAT, IRRIGATED, 18" WATER CIRCULAR SPRINKLER: CUSTOM HARVEST	NORTHWEST
76200101	5	WHEAT FOR GRAIN	NORTHCENTRAL
76300801	6	WHEAT & SOYBEANS DOUBLE CROPPED OWNED EQUIPMENT	NORTHEAST

BUDGET NUMBER		DESCRIPTION	AREA
76601204	3	WHEAT: LOAM SOILS	SOUTHWEST
76691831	3	WHEAT, IRRIGATED: WELL SOURCE	SOUTHWEST
76700804	6	WHEAT: LOAM SOILS CUSTOM COMBINE & HARVEST	WESTSOUTHCENTRAL
76900101	5	WHEAT: LOAM SOILS	SOUTHEAST
81101291	4	ALFALFA HAY, IRRIGATED, SURFACE SYSTEM: 33" WATER: OWNED HARVEST EQUIPMENT: CONVENTIONAL BALE	NORTHWEST
81201801	5	ALFALFA HAY: 3 TONS: 3 CUTTINGS OWNED EQUIPMENT	NORTHCENTRAL
81601904	3	ALFALFA HAY & SEED CROP CUSTOM HARVEST	SOUTHWEST
81602004	3	ALFALFA HAY OWN EQUIPMENT	SOUTHWEST
81750005	6	ALFALFA HAY & SEED OWN EQUIPMENT: CUSTOM HAUL	WESTSOUTHCENTRAL
81900101	5	ALFALFA HAY: CUSTOM HARVEST CONVENTIONAL BALE	SOUTHEAST
83200902	5	BERMUDA PASTURE & HAY: 1.25 TONS 1 CUTTING (JULY): CUSTOM HARVEST	NORTHCENTRAL
83205101	5	BERMUDA PASTURE: GRAZING MAY THRU OCTOBER	NORTHCENTRAL
83608302	3	BERMUDA: 50# NITROGEN	SOUTHWEST
83900301	5	BERMUDA GRASS PASTURE & HAY CONVENTIONAL BALE CUSTOM HARVEST & HAUL	SOUTHEAST
84901102	5	FESCUE & BERMUDA: HAY & PASTURE CUSTOM HARVEST	SOUTHEAST
85100001	4	NATIVE PASTURE: YEAR-ROUND GRAZING	NORTHWEST
85300101	6	NATIVE GRASS PASTURE YEAR-ROUND GRAZING	NORTHEAST
85901101	5	NATIVE PASTURE, MAINTENANCE	SOUTHEAST
86100560	4	CORN SILAGE, IRRIGATED, SURFACE	NORTHWEST

BUDGET NUMBER	DISK NUMBER	DESCRIPTION	AREA
87600902	3	SUDAN FOR PASTURE	SOUTHWEST
89200801	5	SMALL GRAIN GRAZE-OUT	NORTHCENTRAL
89692834	3	SMALL GRAIN GRAZE-OUT, IRRIGATED FLOOD IRRIGATION: WELL SOURCE	SOUTHWEST
89740005	6	SMALL GRAIN GRAZEOUT	WESTSOUTHCENTRAL
93602904	3	COTTON: DRYLAND	SOUTHWEST
93693251	3	COTTON: IRRIGATED, WELL SOURCE FLOOD IRRIGATION	SOUTHWEST
95500718	6	PEANUTS: OWN MACHINERY	EASTCENTRAL
95740007	6	PEANUTS: DRYLAND	WESTSOUTHCENTRAL
98901201	5	SOYBEANS: CUSTOM HARVEST	SOUTHEAST

These budgets are all compiled on a per acre or per head basis. First, choose the budgets which you think are most appropriate to your farm situation, or to the farm you are planning to analyze. Before loading any of the worksheets, have on a handy piece of paper the total number of acres or head for each enterprise, and any changes you anticipate making to more accurately describe your own operation.

## Loading the Enterprise Budgets. Follow these instructions:

- l. The first step is to load the Crop and Livestock Budget worksheet on IFFS Disk 1. With a clear worksheet on the screen, type this sequence of commands: / S(torage) L(oad) and C&L BUDGET. This will just take a few seconds.
- 2. Now, load the first budget you will be using. Without moving the cursor from Al and without clearing the screen, type these commands: / S(torage) L(oad) and the filename, such as 76601204, the wheat budget for Southwest Okklahoma. Insert the total number of acres in cell number D4. This process completes one budget at a time, so be sure to enter only the number of head or the number of acres, and not both! If you don't have any corrections to make, recalculate the worksheet once (by typing a !), and the total expenses and receipts will be calculated for you.

Customizing the Budgets. The budgets can be "customized" to fit your own situation.

- 3. To make an adjustment in the yield per acre or in the amount of fertilizer used, just place the cursor at the appropriate cell location and type the new formula or value. If you are not changing the monthly allocations, then just recalculate the worksheet (by typing a !) and the adjusted totals will appear. As an example on the wheat budget, file number 76601204, let's change the cost of seed from \$4.40 per bushel to \$4.65. Place the cursor at F32 and type the new price, 4.65. Now, recalculate the worksheet and that's all there is to it!
- 4. As another example, change the monthly allocation of fuel, oil and lubricants so equal costs are incurred in January, July, August and September and those costs are doubled in June and October. The monthly entries are percent allocations of the totals and these formulas should be changed very carefully. First, blank out the existing formulas in cells H37 to S37 by placing the cursor at H37 and typing these commands: / B(lank) and Y(es). Then, copy that "blank" in the other months by leaving the cursor at H37 and typing: / R(eplicate) H37 as the "source" cell and I37 to S37 as the "target range". Without moving the cursor, enter the new formula for January, which would be +G37\*.125, which would multiply the yearly total by one-eighth. Then, replicate that formula in cells N37 thru P37. This is done in the same manner as before, with the "target range" being N37 to P37. When the computer prompts you with "No Change or Relative" for the G37 cell, type an N in this case. Now, move the cursor to M37 and enter the new formula, +G37\*.25. Replicate that formula into cell Q37 for October's cost. Now, just recalculate the worksheet and the revised expenses will be computed for you.

# Saving the Worksheet and the Data. Follow these instructions:

- 5. If you have made some changes in the budgets, you might want to save the worksheet. Again, this can be saved onto your own data disk, or it can replace the file you loaded, in this case, 76601204. In any case, save the worksheet by typing: / S(torage) S(ave) and the filename, but do not clear the screen yet.
- 6. Now, we want to save just the data you've created in a DIF file for future use in the whole farm Cash Flow Statement. Place the cursor at G55. To do this, you can either use the four directional arrows and move to the cell location. Or, you can type a > and then the computer will prompt you with "Go to: Coordinate" and you just type the column and row coordinates of the cell you are heading towards. This can save a lot of time in a large worksheet. However you get there, you should now have the cursor at G55.
- 7. Type this sequence of commands: / S(torage) # S(ave) and the filename, such as 76601204.DIF. When the computer prompts you with: "Data Save: Lower right", type a S79 for all of the crop and livestock budget worksheets in this exercise. Then, when you are

prompted with "Data save: R C or RETURN", always press the RETURN key or R. When all of these steps have been completed, the actual data will be saved on your diskette and can be later loaded into the Cash Flow worksheet.

- 8. Before loading the next budget, you have to clear the top fifty-one rows of this worksheet. Do this by loading the C&L CLEAR file which is located on each disk containing the Enterprise Budgets. Type: / S # L C&L CLEAR. Load this file by ROWS. Now you are ready to load the next budget by following the exact same procedures as above, beginning with Step 2.
- 9. If you are interested in building your own budgets from scratch, load the BUDGET BUILDER file. This is essentially the same worksheet as the C&L BUDGET, except is takes less memory to store the individual budgets in this format. The totals could be filled out on a per acre basis in column F and the monthly allocations would then be entered as percentages. Or, monthly data could be entered in columns H through S and then column G would have a formula to sum the monthly data. To do this, the formula @SUM(list) must be entered in column G. When all the information is typed, place the cursor at Al and save the worksheet as before. A DIF file is not created from this worksheet.

Additional Information Budget. In addition to the crop and livestock budgets, there is an Additional Information Budget worksheet on IFFS Data Disk 1. This budget is for the whole farm, and the income and expense items are not allocated to any particular enterprise. The entries include Capital Sales and Expenses, Income from Wages or Investments, Family Living Expenses, Debt Repayment and New Borrowing.

- 1. Load the Additional Information worksheet in the same manner you loaded all of the other budgets. Insert IFFS Disk 1 and type: / S(torage) L(oad) and the filename which is AI/VC.
- 2. Fill in only the monthly data in columns F through Q except for "Wages and Salaries" and "Family Living" in rows 10 and 18. For these two items, just the totals should be entered in column E and the monthly allocations will be computed for you. If you wish to change the percent allocations, just be sure that the sum of the months equals the total!
- 3. Recalculate the worksheet twice (by typing a ! twice) and save both the worksheet and the DIF file as before. The VisiCalc worksheet should be saved by typing: / S(torage) S(ave) and the filename, AI/VC. The DIF file should be saved by placing the cursor at F46 and typing: / S(torage) # S(ave) and the filename, AI.DIF. The lower right is R65. Again, save the data by rows.
  - 4. Clear the worksheet by typing: / C(lear) Y(es).

Accumulating the Data. The next logical step is to accumulate all of the data you have saved into a general Cash Flow worksheet.

- 5. With a clear screen in front of you, load the CASHFLOW/VC template on IFFS Disk 1 by typing: / S L and CASHFLOW/VC.
- 6. For example, let's assume you have completed three budgets for Southwest Oklahoma, 11601318, 76601204 and 93602904. The DIF files were saved by following the file numbers with .DIF. With the cursor located at Al, load the first Crop and Livestock Budget's DIF file. (Important: The "-999999" in Al is not a mistake..Leave it alone!) To load the DIF file, type this sequence: / S # L(oad) and the filename, 11601318.DIF. Load all DIF files by hitting the R or the RETURN key when you are prompted with "Data load: R C or RETURN". This will take several seconds.
- 7. Once the information is loaded, and WITHOUT CLEARING THE SCREEN OR MOVING THE CURSOR FROM Al, load the next budget's DIF file in the same manner as the first. Repeat this process until all of the Crop and Livestock Budget data has been entered.
- 8. Now, again at Al, load the "BLANKOUT.DIF" file on your IFFS Data Disk I the exact same way you just entered the enterprise DIF files. This step is necessary so the information in the last enterprise budget you loaded is not loaded twice. Once "BLANKOUT.DIF" is loaded, the top 50 rows of the screen will be blanked out.
- 9. Now, move the cursor to A26 and load the Additional Information DIF file (AI.DIF) in the same manner you've loaded all of the other DIF files.
- 10. Move the cursor to Cl15 and enter the Operating Loan interest rate (15% should be entered as 15, 14 1/2% as 14.5). The Minimum Cash Balance desired should be entered in Dl16.
- 11. Now, recalculate the worksheet several times. If you've followed all of luck, your Cash Flow Statement should be completed. To see the results, cursor down the screen through Q128.
- 12. The data in the Cash Flow Statement will be needed later in the Integrated Statement. This is the best time to save the data. Place the cursor at E56 and save the data in a DIF file. The filename should be CASHFLOW.DIF and the lower right is P112.
  - 13. Clear the worksheet.

#### Net Worth Statement

Let's move on to the Net Worth Statement. The Net Worth Statement gives a condensed, birds-eye view of the financial

position of a business. As it is condensed, there is not always enough room to get sufficient working space or detail on the statement itself. To provide more detail, the IFFS system has a group of background worksheets, called Balance Sheet Supporting Schedules, which can be loaded into the final Net Worth Statement later on. These schedules are optional. If the user has another ledger or account book with Accounts Payable, Machinery and Equipment Reports and so on, these schedules could be redundant.

The following VisiCalc worksheets and DIF files will be discussed in this section:

FILENAME	PURPOSE
28 = 2 = 2 = 2 = 2	=======================================
BSSS	These are the Balance Sheet Supporting Schedules and include:
	Securities Accounts & Notes Receivable Livestock & Products Crops, Feed & Supplies Breeding Livestock Real Estate Machinery & Equipment
NW 1-6	There are six different versions of the Net Worth Statement which are described in detail in this section.

The Balance Sheet Supporting Schedules. If the Net Worth Statement is to be used in conjunction with the Supporting Schedules, follow these instructions:

- 1. To complete the Balance Sheet Supporting Schedules, load the BSSS VisiCalc template on the IFFS Data Disk 2. Do this by typing: / S(torage) L(oad) and BSSS. There is a Table of Contents at the top of the screen to save you some time moving the cursor around the worksheet.
  - 2. Complete those sections of the worksheet which are relevant to your farming operation by simply moving the cursor around the schedules and entering the data into the appropriate cells. It is not necessary to sum any of the data yourself... the computer can do that!
  - 3. Recalculate the worksheet several times and then save the template. This should be saved under another filename than BSSS so the original is kept blank. Save the worksheet as before, by typing / S S and the filename.
    - 4. Save just the data in a DIF file whose upper left-hand cell is X46

and whose lower right is Y108. Do this by typing: / S # S and BSSS.DIF as the filename.

5. Then clear the worksheet (/ C Y) and load one of the Net Worth Statements.

There are several different Net Worth Statements which are explained in more detail below. The user should choose beforehand which format is most appropriate to the business needs. It is useful to have a printer available when completing this statement. The data generated in the Net Worth Statement will have to be manually input into the Integrated Statement later on, and a hardcopy will be extremely useful.

To load one of the Net Worth Statements, follow these instructions:

- 6. With a clear screen in front of you, and the IFFS Data Disk II in the disk drive, type: / S L and the filename, such as NW1, NW2, NW3 and so on.
- 7. Place the cursor at Al and load the BSSS.DIF file by typing: / S # L and BSSS.DIF. This should be loaded by rows as the other DIF files have been loaded. If you have a BSSS file for the Ending Balances, load this DIF file at Cl.
- 8. Now, input any additional data from your keyboard in all appropriate sections of the balance sheet except where the Supporting Schedule data is located and where the formulas are entered. The formulas are located in those cells which have zeros in them when the worksheet is first loaded up. Leave those cells alone unless you want to change the actual formulas.
- 9. After all of the data is entered, recalculate the worksheet twice (by typing a! twice).
- 10. Save the worksheet, under a new filename, by typing: / S S and the filename.
- ll. To print the worksheet, place the cursor at the upper left-hand cell and type these commands: / P P and the bottom right cell location. The different statements are different sizes, so the upper left and bottom right cells are listed in the discussion of each statement.
- 12. To print the worksheet in condensed print, which is generally 17 characters per inch (CPI), rather than 10 CPI, follow the instructions for your printer. For the Epson printers, type a " ^CO after the commands above. For the C.ITOH Prowriters, type a " ^EQ after those commands. Always follow the instructions in your printer manuals if you encounter any problems.
- All of the Statements can be used with or without the Balance Sheet Supporting Statements DIF files. If the DIF file option is not used, direct input on the keyboard must be made for all entries on the Net Worth Statement. To do this, follow instructions #6-11 omitting #7

above.

A brief explanation of the various Net Worth Statements is provided below:

Net Worth One. This Net Worth Statement has both Modified Cost values and Market Values. Modified Cost is used with readily marketable bonds and securities, machinery and equipment, and real estate. The other assets and all of the liabiliities are valued identically at Market Value and Modified Cost. Market Value estimates are based on current appraisals of the assets and liabilities and, as such, include the effects of inflation. In most cases, the Market Value approach will give higher values to the assets than with Modified Cost, and is generally the approach used to determine collateral for a loan. Using the Modified Cost method, the items above are valued at cost or basis less accumulated depreciation. Thus, net worth is also on a cost basis, and it ignores some of the major effects of inflation to give a clearer picture of the actual growth of the business. This statement gives the total numbers of livestock ( market and breeding livestock ), and total acreage of pasture and cropland without any detail as to weight or price. The Contingent Tax Liability items in Current, Intermediate and Long Term Liabilities are only relevant in the Market Value section because of the capital gain implications on Marketable Securities, Machinery and Equipment , Breeding Livestock, and Real Estate.

This statement can be printed on a 14" X 11" sheet of computer print-out in regular printing styles ( 10 CPI ), or on an 8 1/2" X 11" sheet in condensed print ( 17 CPI ). The upper left is F1 and the lower right cell is T63.

Net Worth Two. This statement gives no detail on the livestock numbers and real estate acreage. It has only one column for valuation of the assets and liabilities and, for most items, Market Value is used. Machinery and equipment are valued at the Modified Cost basis, or cost less accumulated depreciation. This should result in a more conservative estimate than Market Value, which is a "safer" method for a lender in determining the value of security for a loan.

This statement has the same printer options as Statement One.

Net Worth Three. The third Net Worth Statement also gives no additional detail on livestock and real estate. It has columns for Beginning and Ending Balances and Net Change for all Assets and Liabilities, where the valuation is identical to Net Worth Two. The accounting period, for Beginning and Ending Balances, is usually the calendar year. Whatever period of time is chosen, it should be consistent from year to year, and it should correspond to the time when revenue and expenses for the business are summarized.

Net Worth Three must be printed in condensed print on the wide computer print-out paper. The upper left is Il and the lower right

cell is W63.

Net Worth Four. Net Worth Four differs from the previous three statements in that it gives full detail on the livestock (market and breeding livestock) and gives acreage amounts on pasture and cropland. The detail might be desired by a livestock producer as a way to determine if the change in net worth is due to increased livestock weight or prices, or to changing land values, for instance. The columns for Beginning and Ending Balance and for Net Change are the same as Net Worth Three, as is the method of valuation. All assets and liabilities are valued at their estimated market value, except for Machinery and Equipment, which is valued at cost or basis less accumulated depreciation.

This statement can be printed on two sheets of the 14" X 11" computer print-out in condensed print. The upper left is I1 and the lower right cell is AF98.

Net Worth Five. This Statement also gives a full description of the livestock and real estate. It differs from Statement Four in the valuation columns. It gives both Modified Cost and Market Values at one point in time, like the first Net Worth Statement.

It can be printed on two sheets of 81/2" X 11" paper in condensed print. The upper left is G1 and the lower right cell is U95.

Net Worth Six. This Statement is identical to the last one, except the valuation is identical to number two. All items are valued at their estimated Market Value, except Machinery and Equipment.

It has the same printing options as the last statement. The upper left is Gl and the lower right cell is T95.

Now, let's sit back for a minute and contemplate what we've accomplished up to this point. By now, the Net Worth and Cash Flow Statements should be completed. To construct an integrated, or combined worksheet using the Net Worth, Cash Flow and Income Statements, beginning and ending values are needed on the Net Worth Statement. Net Worth Statements Three, Four or Six have beginning and ending values already incorporated in them. To use the other Statements, two print-outs would be necessary because both beginning and ending values are needed to complete the Income Statement. The change in Net Worth, from the beginning to the end of the accounting period, is needed to calculate the change in inventory values on the Income Statement. To continue then, let's assume one of these statements was completed and a print-out is available with both beginning and ending balances.

## Integrated Statement

- 1. With a clear screen in front of you, load the VisiCalc template on IFFS Disk 2 named "INTEGRATED STATEMENT" by typing these commands: / S L and INTEGRATED STATEMENT. Don't panic when you notice several ERROR messages on the three statements... they will soon disappear!
- 2. Now, input the data from your Net Worth Statement into the worksheet. Several items on the Ending Balances will be entered directly from the Cash Flow Statement, so leave these blank. They are: "CASH & CHECKING", a Current Asset; "NOTES PAYABLE" and "INTEREST DUE ON CURRENT LIABILITIES", under Current Liabilities; "NOTES PAYABLE" under Intermediate Liabilities; and "MORTGAGES AND NOTES PAYABLE", a Long Term Liability.
- 3. Move the cursor to E40 and load the DIF file from your Cash Flow Statement. The commands are: / S # L and the filename, which is CASHFLOW.DIF. The file should be loaded by rows when the computer prompts you with: "Data load: R C or RETURN".
- 4. Then, at C99 and D100, insert the appropriate interest rate to be used in calculating the Operating Loan cost, and the Minimum Cash Balance required. The interest rate should be entered as a percentage, such as 15 or 14.5.
- 5. Recalculate the worksheet three times (type a ! three times). At this point, all three Statements and the Financial Ratios should be completed. Move the cursor around the screen to see the results.
- 6. If you are interested in doing any "What-If's?", change the appropriate cell value, and recalculate the worksheet several times to be sure all the formulas tied to that value are changed.
- 7. When data are loaded into the Cash Flow Statement from the DIF file, several things happen. One, all of the values entered are now at full precision, with four or five decimals, in the individual cell locations. Two, several formulas for summation have been replaced with values. A characteristic of the DIF file is that only numbers can be saved and, therefore retrieved. If a number is the result of a formula, such as the summation of all cash expenses in January, then only the actual value is saved, and not the formula itself. This presents a problem in the Integrated Statement if changes are to be made in the Cash Flow section. To correct this problem, place the cursor at the following locations, and enter these commands:

Cursor Location	Commands
E48	@SUM(E40E47)
Total Cash Receipts	/ R(eplicate) RETURN

~	<b>-</b> . •
Cursor	Location

#### Commands

	F48P48 (as the target) R(elative) R
E57 Total Cash	@SUM(E48E56) / R RETURN F57P57 R F
E78 Total Cash	@SUM(E59E77) / R RETURN F78P57 R F
E93 Total Cash	@SUM(E78E92) / R RETURN F93P93 R F

NOTE: The TOTALS in column Q were not affected by the DIF file.

8. To change any of the crop and livestock prices and yields on a per acre basis, it is necessary to return to the original budgets and make the adjustments there. Then, load the revised DIF files into the CASHFLOW/VC worksheet as before.

A print-out of this worksheet can be obtained using three sheets of 14" X 11" paper and the condensed printing style. The lower right cell is Q177.

Figure 12 on the following page shows the general relationship between the supporting schedules, budgets and Financial Statements.

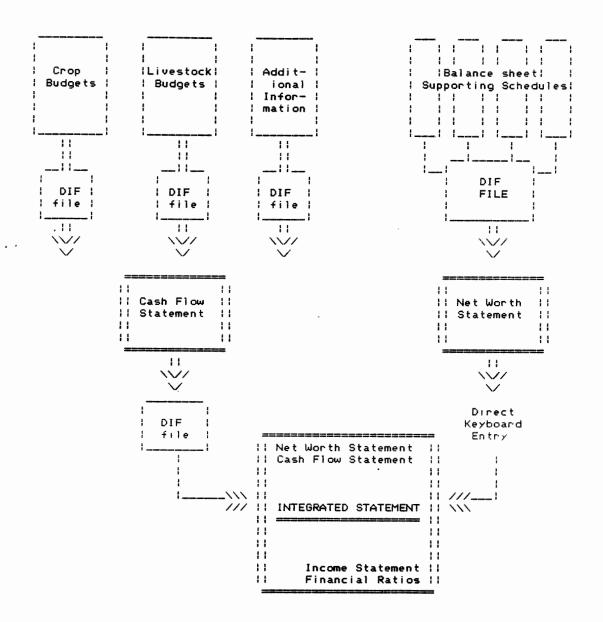


Figure 12. Relationship of Budgets, Supporting Schedules and Financial Statements

Two Examples of the Integrated Statement. The following examples provide an illustration of the interdependence between the financial statements.

Load the "OK Producer" template on the IFFS Data Disk 1 (by typing: / S L and OK PRODUCER) and follow the effects of a change in the short-term interest rate. To do this, once the worksheet is on the screen, place the cursor at Cl15. The interest rate in the example is 14%. Change this to 15.5% and recalculate the worksheet (by typing a !) three times. Now move the cursor around the screen through the Net Worth, Cash Flow, and Income Statements and the Financial Ratios and observe the changes. The changes are summarized below:

Net Worth Statement: Ending Current Liabilities increased by

\$341.00.

Ending Net Worth decreased by \$341.00.

Cash Flow Statement: New Borrowing for Operating Purposes

increased by \$242.00.

Interest Payments on Operating Loan

increased by \$242.00.

Outstanding Operating Debt increased by

\$242.00.

Income Statement: Total Cash Expenses increased by \$242.00

Net Cash Income from Operations

decreased by \$242.00

Accounts Payable and Accrued Expenses

decreased by \$100.00.

Net Farm Income decreased by \$341.00.

Financial Ratios: Per Cent Equity decreased by .07%.

A copy of this example, labelled "OK Producer-Example 2", can be found in the Appendix.

As another example, let's assume the bookkeeper had forgotton about the \$1,000 that was hidden in the safe in the boss' office. Change the beginning "Cash and Checking" balance on the Net Worth Statement to \$3,000 and recalculate the worksheet three times (by typing a ! three times). The changes on the financial statements are summarized below:

Net Worth Statement: Beginning Current Assets increased by

\$1000.00.

Ending Current Liabilities decreased by

\$1,077.00.

Beginning Net Worth increased by \$1000.00.

Ending Net Worth increased by \$1077.00.

Cash Flow Statement: New Borrowing for Operating Purposes

decreased by \$2,646.00.

Interest Payments on Operating Loan

decreased by \$52.00.

Principal Payments on Operating Loan

decreased by \$1,594.00.

Outstanding Operating Debt decreased by

\$1,052.00.

Income Statement: Total Cash Expenses decreased by \$52.00.

Net Cash Income from Operations increased

by \$52.00.

Accounts Payable and Accrued Expenses

increased by \$25.00.

Net Farm Income increased by \$77.00.

Financial Ratios: The Current Ratio increased by .02.

The Net Capital Ratio increased by .02.

Debt to Equity Ratio decreased by .01.

Per Cent Equity increased by .2%.

A copy of this example, called "OK Producer- Example 3", can also be found in the Appendix.

# The Monitor Statement

As a way to evaluate an ongoing farm operation, the IFFS includes a Cash Flow Monitor Statement. This Statement provides a monthly comparison of the projected receipts and expenses to the actual receipts and expenses. It provides a means to:

1. Evaluate how closely the projected figures estimated the

actual results.

- 2. Determine whether financial, production or management adjustments are necessary for the business to be successful.
- 3. Identify exactly when and where the actual problems occured.
- 4. Examine the causes behind those problems and determine how significant they could be.
- 5. Assist in projecting the following year's receipts and expenses more realistically.

In the Monitor Statement, the difference between the projected and the actual figures is a measure of the variance. A positive figure represents an increase in receipts or a decrease in expenses between the projections and the actual results. A positive figure represents an improvement in the overall cash flow position of the business. This situation is referred to as "under budget". Conversely, a negative figure represents a decrease in receipts or an increase in expenses. A negative figure represents a worsening in the cash flow position and is referred to as "over budget". The year-to-date figures are an accumulation of the monthly data, from January up to and including the month that is being compared. For example, if actual results are available for the first half of the year, then the monthly comparison will be between the projected and actual figures for June, and the year-to-date figures will represent the summation of monthly data from January through June.

The IFFS Monitor Statement is constructed with data from the Cash Flow Statement. Several manipulations of the data into Data Interchange Format (DIF) files are explained below. The use of DIF files is an attempt to save the time of entering data into a worksheet which would be considerable with this size Cash Flow Statement. The Monitor Statement provides a monthly and a cumulative comparison of projected cash flow figures to the actual results.

The first step is to complete the projected Cash Flow Statement for the entire year. This can be done with the use of crop and livestock budgets, previous year's records, or other sources of information. Once the statement is completed, the individual monthly data must be saved into DIF files. Saving all of these will take approximately 190 bytes of storage space on your diskette. Save these files by typing the following sequence of commands:

- 1. Have either the Cash Flow Statement in the Integrated Statement or the independent Cash Flow Statement completed and loaded into your computer.
- 2. Place the cursor at E56 for ALL of the files to be saved if you have CASHFLOW/VC loaded. The cursor should be at E40 for all

files if the INTEGRATED STATEMENT is loaded.

- 3. Type: / S # S and the filenames, which should be JAN.PROJ, FEB.PROJ, MAR.PROJ and so on.
- 4. INTEGRATED STATEMENT: When prompted by the computer, the lower right cell location is Ell2 for the JAN.PROJ file, Fll2 for February, Gll2 for March, Hll2 for April, Ill2 for May, Jll2 for June, Kll2 for July, Lll2 for August, Mll2 for September, Nll2 for October, Oll2 for November and Pll2 for December. For the CASHFLOW/VC worksheet, the lower right locations are El28, Fl28, Gl28, Hl28, Il28, Jl28, Kl28, Ll28, Ml28, Nl28, Ol28 and Pl28.
- 5. All of the files should be saved by pressing RETURN when the computer prompts you with: Data Save: R C or RETURN.

Now, the projections will be saved for the year. The actual data should be completed on a monthly basis. After each month's data has been entered, save the DIF files in the same manner the projections were saved. The filenames should be JAN.ACT, FEB.ACT and so on. The bottom right locations will be identical to the projected data files.

After each month, it is possible to analyze the progress of the business through the Monitor Statement. To do this, load the Monitor Statement which is located on the IFFS Data Disk II. This worksheet should be loaded as any other VisiCalc template with the commands: / S L and the filename, MONITOR. Don't be concerned about the ERROR messages which appear in the Year-to-Date section... they will soon disappear!

Let's assume you are interested in analyzing the business for the month of June. Then, after the Monitor is loaded, follow these steps:

- 6. Place the cursor at G4 and load the projections for June. Do this by typing: / S # L and the filename, JUN.PROJ. Load all DIF files by pressing RETURN when prompted by the computer.
- 7. Then move the cursor to G79 and load the JUN.ACT file in the same way.
  - 8. Now, recalculate the worksheet twice. (by typing a! twice)
- 9. Scroll down the worksheet to see the results which are located in Al53 through L231.
- 10. Generally, just the results would be printed. The Monitor Statement can be printed on two sheets of 8 1/2" X 11" paper in condensed print (17 characters per inch) or on two sheets of 14" X 11" paper in normal print. Before printing, place the cursor at A153. Then, type the printer commands: / P P and the bottom right location which is L231. For condensed print, after typing the -, type: " ^EQ for the Prowriter printers, and " ^CO for the

Epson printers.

The projected and actual DIF files must be loaded in the appropriate cell locations to get the proper results. These locations are summarized below:

MONTH	Load PROJECTIONS at:	Load ACTUALS at:
====	=======================================	==============
January	L4	L79
February	K4	K79
March	J4	J79
April	14	179
May	H4	н79
June	G4	G79
July	F4	F79
August	E4	E79
September	D4	D79
October	C4	C79
November	В4	В79
December	A4	A79

To analyze another month, you don't need to clear the screen. Just follow these instructions:

- 11. Place the cursor at A4.
- 12. Load the CLEAR file which is on the IFFS Data Disk II. Do this by typing: / S # L and the filename, CLEAR.DIF. Recalculate the worksheet once.
- 13. Now load another month's projections and actuals in the same manner you loaded the June data.

## The Spread Sheet

The Spread Sheet does not rely on the DIF files for data entry. All figures must be manually input from the keyboard into the worksheet. Load this VisiCalc template located on IFFS Disk 2 as follows:

- 1. Type: / S L and the filename which is SPREAD SHEET.
- 2. Enter the data from print-outs of your Net Worth Statement, Income Statement and Financial Ratios for every year and save the worksheet each time under the same name (SPREAD SHEET). Type: / S and the filename.
- 3. This worksheet can be printed on two sheets of 8 1/2" X 11" paper in the normal print size (11 CPI). Place the cursor at Al. The bottom right cell is N91.

Chapter 3 contains the financial statements for several hypothetical farm situations which were developed using the Integrated Farm Financial System. In Chapter 4, another farm situation was analyzed in detail using the financial information from the IFFS program.

#### CHAPTER III

#### PROGRAM APPLICATIONS

To illustrate the usefulness of the Integrated Farm Financial Statements, this study includes an analysis of five farm situations in different areas of Oklahoma (figure 13). Data for the study was obtained from Oklahoma State Area Extension Specialists in Farm Management from these areas of the state. The farm situations are described as typical farms, and not necessarily optimum resource scenarios.

The Integrated Farm Financial Statements program was used to analyze the five case farms. Crop and livestock enterprise information was developed using the OSU Enterprise Budget Generator as modified by the area agents (Dept.of Agricultural Economics). Certain basic information about each representative farm situation was obtained from the area agents, including estimates of off-farm income, family living expenses, average volume and value of crops in storage, and average investment and percent equity in machinery, equipment and real estate.

The first step in building the financial statements was to modify the individual enterprise budgets from the mainframe computer so they could be accessible to the microcomputer. Income and cash expense items were allocated by months, and then totaled for the year in individual worksheets. After any modifications were made to the budgets, the actual numbers of acres or head of livestock were entered

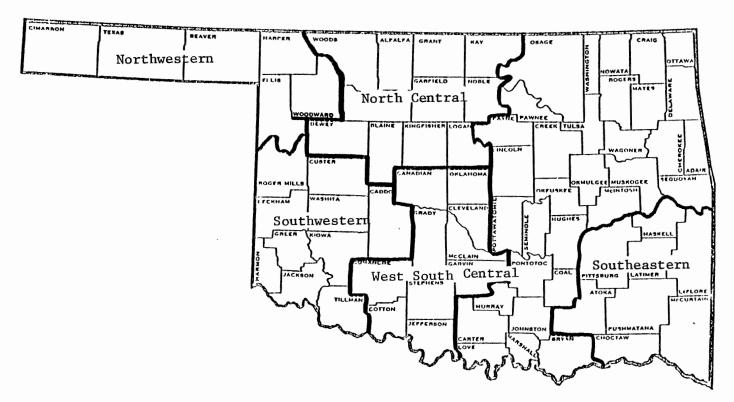


Figure 13. Area of Study

to determine the total receipts and costs for each enterprise. All of the enterprise data were then accumulated in one worksheet to be used later in the Cash Flow worksheet.

An additional information worksheet was then completed for each area. Information included income and expense items which were related to the farm as a whole and could not be allocated to any one enterprise. Capital Sales, Wages and Salaries, Investments, Capital Expenses, Family Living Expenses, Income Tax and Debt Repayment were included in this budget. Some of the data in these worksheets was obtained from the area agents, and the rest was developed to provide a variety of equity situations and credit terms for each area.

Data from the enterprise budgets and the additional information budget were then consolidated into the Cash Flow Statement. statement provides a monthly summary of all income and expenses for the farm. An appropriate interest rate for operating credit and a required, or preferred, minimum monthly balance in the farm bank account were entered into the Statement. The program then computes, based on the total inflows and outflows for each month, the amount of money which has to be borrowed to cover all expenses. In the months where a surplus of funds exists, the operating note is paid down. As a planning tool, the Cash Flow Statement provides estimates of the repayment capacity of the business which are useful for scheduling repayment of existing debts and for acquiring additional credit. With existing loans, it is important to time the repayment terms with anticipated income flows. With new loan requests, the Cash Flow Statement provides a basis for loan approval or denial based on repayment ability.

The Cash Flow Statement was then combined with the beginning of the year Net Worth Statement and the end of the year Net Worth Statement in the Integrated Statement. While the Cash Flow Statement is basically a flow concept, the Net Worth Statement and Income Statement are stock concepts. The Net Worth Statement gives a financial glimpse of the business at a particular point in time, which is usually at the beginning or end of the year. Data for the Income Statement and Financial Ratios were calculated directly from the other two statements. No additional information was necessary.

The criteria used to analyze the farm situations included liquidity, solvency, profitability and trends in equity positions and cash flow. Liquidity refers to the ability of a business to meet its short-term obligations without having to borrow money or sell its productive assets. Ratios which are used to measure liquidity include the Current Ratio, Working Asset Ratio and Debt Structure Ratio. These ratios were explained in more detail in Chapter II.

Solvency indicates whether a business has sufficient assets to cover its liabilities. In case of liquidation, a business which is solvent will be able to pay all of its creditors and other liabilities from the sale of the business assets. There are several ratios which show whether a business is solvent, although the amount of net worth gives one of the clearest indications. Other measures include the Net Capital Ratio, Debt to Equity Ratio, Total Debt Ratio, Per Cent Equity, and Debt Servicing Ratio.

Profitability measures whether the business made a profit or loss during the year. Net Farm Income shows whether sufficient income was generated by the business to cover costs plus a residual to retire

debts, provide a return to unpaid labor and management, and provide for growth of the business. Other measures of profitability include the Return on Equity and the Return on Investment.

Changes in net worth from the beginning of the accounting period to the end will give an indication of whether the business is able to remain solvent in future years from the earnings of the business. A decreasing trend might indicate that the business is continuing to operate only through depletion of its equity base. The amount of operating credit from beginning to end of the year gives another picture of the profitability of the business over time.

This chapter gives a description of the resource situations of farms in four areas of the state and summarizes the results of the analyses. The Cash Flow Statements, Net Worth Statements, Income Statements and Financial Ratios for each area are included in the Appendix. An in-depth analysis of one farm situation in Northwestern Oklahoma is then described in the next chapter.

## Southeastern Oklahoma Case Farm

The Southeastern district includes Haskell, Pittsburg, Latimer, LeFlore, Atoka, Pushmataha, Choctaw and McCurtain counties. This is one of the poorest parts of the state agriculturally, with the average market value of agricultural products sold in 1982 ranging from a high of \$57,592 in Haskell County to \$24,399 in Latimer County for farms with sales of \$10,000 or more (U.S.Dept. of Commerce). Only the medium and large farms were included in these statistics in order to remove the influence of part-time and hobby-type farms. The average size farm ranged from 1164 acres in Pushmataha County to 522 acres in

McCurtain County. The average investment in land and buildings ranged from \$472,620 in Pushmataha County to \$254,027 in Latimer County.

Over half of the farms in this category are operated by full-owners, with the rest primarily part-owners and a few tenants. The majority of farms in this area are family operated. The remainder are partnerships and corporations which often have the farm family owning the controlling interest in the business.

## Resources

The representative farm was composed of 350 acres of owned land and 100 rented acres. Two hundred acres of cropland were planted in peanuts, soybeans and bermuda grass. The remaining two hundred and fifty acres were unimproved, native pasture. Fifty cows were grazed on the bermuda grass during the winter months, and were then put onto the native pasture. Both the peanuts and soybeans were grown on rented land, with a crop share agreement between the landlord and operator. The landlord received one third of the income from each crop, and was responsible for one third of the fertilizer and chemical expenses.

This was a family owned and operated farm, with hired labor available in the area at \$4.25 per hour. Off-farm income was estimated at \$12,000 annually, and family living expenses at \$12,000. The beginning Net Worth Statement showed \$22,000 of current assets, \$84,817 of intermediate assets and \$197,500 of long-term assets, primarily real estate.

## Financial Data

This farm was indebted to the Production Credit Association for equipment purchases and to the Federal Land Bank for real estate purchase and improvements. A local bank held the first and second mortgages on the residence, and had a line-of-credit with the farm business. Average equity in the machinery and equipment was 51.68% and equity in the real estate was 68.14%. Neither of these percentages is unusual for the farming industry, although many farmers do not have as high an equity in their land as this operator.

Overall, the owners had an average equity level of 66.36% in the business during the year. This is certainly a solvent business, with approximately \$196,714 in assets in excess of total liabilities. If a sale or liquidation was necessary, all indications are that creditors could be paid in full, and the owners left with a sizable amount of money. Although not a significant change, the percent equity did decrease from the beginning of the year to the end, from 66.7% to 66.35%. The beginning operating debt was \$4,052 including principal and interest. An additional \$33,014 was borrowed during the year, \$32,963 repaid, for a net increase in operating credit of \$2,532 (Appendix Table C-2).

The above figures do not suggest a business with a great deal of financial stress, but the Income Statement and Financial Ratios give another perspective. The Net Cash Income from Operations was \$5,384 while Net Farm Income was \$-17,098. Negative net farm income indicates a weakening of the financial structure due to adjustments in inventory, primarily machinery and equipment. These changes can be

seen in Adjustments for Capital Items in the Income Statement. A large amount of depreciation of machinery and equipment during the year caused a disproportionate decrease in asset values.

From the Current Ratio of .876, it appears that this business has a liquidity problem. The rule-of-thumb for lenders in the farming industry is a Current Ratio of 2.0 as the minimum satisfactory value. The value of .876 provides an insight into the cash flow problems of the business, albeit slight problems, mentioned earlier. The Debt Structure Ratio of .269 which is computed as current liabilities divided by total liabilities seems reasonable for a farm operation with a majority of intermediate and long-term indebtedness. The asset side seems to be the problem, with current assets representing only 7.5% of total assets.

The Working Asset ratio, which is similar to the Current Ratio except it includes intermediate assets and liabilities, was 2.56 indicating a more favorable financial position of the business. Cash Interest paid of \$10,234 represented approximately 19% of Total Cash Expenses for the year.

Both the Return on Investment and Return on Equity were fractional, negative figures based on an Opportunity Return to Labor and Management of \$18,000. These figures are computed from Net Farm Income which was low due to the depreciation of capital assets, and thus the low returns might not be a major concern of management.

To summarize, this farm was relatively small and located in an area where land values are generally lower than other areas of the state. As a result, owner equity has not risen as dramatically as it has in other parts of the state. This farm also had a low level of

operating debt. This low operating debt seems at odds with the low Current Ratio mentioned earlier. This can be explained by the lack of market livestock in the Current Asset section of the Net Worth Statement, and by the low level of stored and growing crops. Because this farm is involved in two crops where there is no carry-over value into the beginning of the year, current assets are low as of January lst. Both crops are planted and sold within one year so stock levels are low. It could be advantageous to change the accounting year for this farm to June or October to obtain higher current asset values. This farm could also become more profitable by expanding operations and thereby reducing its per acre fixed costs. Also, with more acres in the production of peanuts or soybeans, the farm manager could justify the purchase of harvesting equipment which could increase profits. However, most of the income problems of this business appear to be the result of the two accounting techniques mentioned earlier: rapid depreciation of machinery and equipment, and an accounting year which does not reflect the production activities of the farm.

# North Central Oklahoma Case Farm

The North Central district includes Woods, Alfalfa, Grant, Kay, Major, Garfield, Noble, Dewey, Blaine, Kingfisher and Logan Counties. It is one of the most productive agricultural areas of the state, with an average value of agricultural products sold in 1982 ranging from a high of \$115,283 in Alfalfa County to a low of \$51,383 in Logan County, for farms with sales of \$10,000 or more. Wheat, grain sorghum and stockers are the primary crop and livestock enterprises in the area.

Farm size ranges from 1,159 acres in Woods County to 624 acres in Logan County. Real estate values are generally above average for the state, with an average investment in land and buildings ranging from \$833,018 in Garfield County, to \$573,895 in Logan County. There appears to be a high percentage of part-owners as opposed to full-owners and tenants. Part-owners represented 62.3% of the farm businesses in Noble County, 59.4% in Logan County, and over 50% in the remaining counties in the district. Thus, a large portion of the farmers depend on rented land to supplement their own acreages.

### Resources

The representative farm in this study contained 980 acres, including 500 acres of owned land and 480 acres of rented land. Two hundred stockers were grazed on wheat pasture from November to February, and then on 200 acres of wheat grazeout through May until being sold. 50 cows grazed on 50 acres of bermuda grass from July through October, and were then turned out on the 250 acres of native pasture.

Wheat was grown on the 480 acres of rented land, on a crop share agreement. One-third of the income and one-third of the nitrogen, fertilizer and insecticide costs were the responsibility of the landlord.

This was a family owned and operated business, with hired labor available in the area at \$4.25 per hour. Off-farm income was estimated at \$10,000 and family living expenses at \$18,000 per year. The average investment in machinery and equipment was \$77,198. Real estate investment was high at approximately \$613,750 with an average

equity \$386,962 or 63%.

# Financial Data

This farm operation was indebted to the Production Credit
Association and to an equipment dealer for machinery and equipment,
and to the Federal Land Bank and to the Farmers Home Administration
for real estate. In addition, a commercial bank held two mortgages on
the residence, and had a revolving line-of-credit, with a principal
balance of \$100,000 at the beginning of the year. The Farmers Home
Administration loan was a Farm Ownership loan with a fixed interest
rate of 5% for forty years, while the Federal Land Bank loan had a
term of twenty years with a variable interest rate, averaging 9.2% for

This business had a lower per cent equity than the Southeastern farm. Net worth averaged \$424,367, representing 44.98% of the total assets. However, the declining trend in the equity position of the owners, from 52.25% at the beginning of the year, to 44.98% at the end of the year is an obvious problem to the farm manager. The business is solvent, but it appears to have an earnings problem and cash flow problems as well. The operating debt increased from \$100,000 at the beginning of the year, to \$176,884 at the end of December, a 76.8% increase within one year. This type of situation is not uncommon in the farm sector today. Interest costs, totalling \$50,520 for the year, represented 27.5% of cash expenses for the business. With this type of financial dilemma, both the lenders and owners should monitor the operation carefully, and possibly suggest changes in management or in production activities.

The asset and liability structure was not unusual, except for the relatively high equity level in total intermediate assets at 75%.

Current assets represented 15.5% of total assets on the average, compared to current liabilities at 45.65% of total liabilities.

Intermediate assets averaged 14% of total assets, while intermediate liabilities averaged 9.5% of the total liabilities. Long-term assets were the majority of total assets, at 70.4%, as compared to long-term liabilities at 44.9% of total liabilities. This structure led to a very low Current Ratio of .55, substantially lower than the 2.0 level many lenders prefer. The Working Asset Ratio at .88 is higher, but it still appears that this business has serious liquidity problems, as seen in the change in Operating Debt and the low Current Ratio.

Information from the Income Statement also provides several warning signals of potential problems in this business. Net Cash Income from Operations was \$-46,839, while Net Farm Income was a staggering \$-77,376. Again, the latter includes adjustments for capital items, such as depreciation of machinery and equipment, which lowers the Net Farm Income. Based on an Opportunity Return to Labor and Management of \$18,000, the Return on Investment was -.066 and the Return on Equity was -.225, both of which would indicate the lack of profitability of this farm. The Opportunity Return to Labor and Management is based on an estimate of what the farm manager could be earning elsewhere. The Return on Investment of -.066 is a measure of the rate of return on the total investment in the business, both by the owners and creditors. Interest on debt is added to Net Farm Income in this formula because interest represents the return earned by creditors on the borrowed funds they invested in the business. The

interest expense includes both the cash expense and an adjustment for the net change in the interest liability during the year. The Return on Investment should be compared to what the farm assets could be earning if they were invested elsewhere. Return on Investment for a farm business has averaged between 3% and 6.3% from 1950 to 1979 (Tweeten). The Return on Equity of -.225 represents a rate of return which the owners of the business are earning on their investment in the business. In today's financial market, that rate of return would range between 5% and 8%.

#### Southwestern Oklahoma Case Farm

The Southwestern section of Oklahoma includes Roger Mills, Custer, Beckham, Washita, Caddo, Harmon, Greer, Kiowa, Jackson and Tillman Counties. It is one of the driest areas of the state, with an average annual rainfall of 22 to 28 inches, as compared to 22 to 32 inches in North Central and to 38 to 52 inches in Southeastern Oklahoma (OK Water Resources Board). The predominant crops are wheat, cotton, hay, and grain sorghum and stocker steers is the major livestock enterprise. The average market value of agricultural products sold in 1982 ranged from \$89,400 in Jackson County to \$44,921 in Beckham County. Irrigated land averaged 12.7% of total cropland in Caddo County, 12% in Jackson County, 11.7% in Harmon County, with the remaining counties having less than 5% of irrigated cropland.

Farms are generally large in this area of the state, ranging from 1,172 acres in Roger Mills County to 636 acres in Caddo County. However, with the exception of Caddo County and Washita County, all

of the counties in this district had an average farm size of 850 acres or more. The average value of land and buildings in this district ranged from \$898,713 per farm in Custer County, to \$407,138 in Greer County. The majority of farms were operated by part-owners, a reflection of the number of operations which depend to some degree on rented land.

### Resources

The representative farm in this study was a lower equity operation, suggesting a beginning farmer scenerio. It was a large operation, 1,680 acres, with 980 acres owned and 700 acres rented. In some cases, entry into farming has entailed larger and larger operations in order to spread costs over a wide base. This occurred a great deal in the mid-1970's when inflation was high and before interest rates rose so dramatically. Three hundred acres of cotton were grown, 200 acres on a share lease agreement with the landlord being responsible for one-fourth of the fertilizer and chemical expenses in return for one-fourth of the cotton crop. In addition, 900 acres of wheat were grown, 500 acres rented on a 2/3: 1/3 share lease agreement. For livestock, 150 stockers grazed the wheat pasture from November through February, until being sold in March. Fifty cows grazed the 480 acres of native pasture.

Off-farm income was estimated at \$12,000 annually, and family living expenses at \$18,000 per year. The average investment in machinery and equipment was \$93,703. The average real estate investment was \$674,500, with an average equity level of \$248,160 or 36.8%.

### Financial Data

This farm operation had a high debt load, primarily to the Farmers Home Administration. Its intermediate loan from the FmHA was a Limited Resource loan, made available through a program for entry level farmers. The rates and terms are subsized, at 7.25%, generally for seven years. The rate is then adjusted as the financial condition of the business improves to the extent that there is sufficient ability to repay the loan at the regular rates. The business also had a Farm Ownership loan from the Farmers Home Administration, at a fixed rate of 5% for 40 years. The balance of the long-term indebtedness was a loan from the owners of the property, also at a low rate of 5% for 40 years. In addition to these loans, the local commercial bank held a mortgage on the owner's residence, and a line-of-credit for \$40,000.

Net Worth was \$368,708 at the beginning of the year, and it increased to \$369,437 by the end of the year. This is an insignificant increase of .2%; however, it reflects a favorable trend of the business. The average level of equity was 39.87% so the business would certainly be considered solvent. The Cash Flow Statement shows an increase in operating debt from \$40,000 at the beginning of the year, to \$49,276 at the end of the year, an increase of 23.2%. However, intermediate and long-term debt decreased from \$482,275 to \$472,654 during the year. There was approximately 23.66% equity in Current Assets at the end of the year; 70.34% equity in Intermediate Assets; and 45.2% equity in Long Term Assets at the end of the year.

The Current Ratio of 1.31 indicated that this business was in a better liquidity position than the other farms examined. The Working Asset Ratio of 1.9 was more in line with many lenders' requirements (Hardin et al.).

Net Cash Income from Operations was \$8,845 while Net Farm Income was a positive \$7,419. Interest expense was approximately 20% of Cash Farm Expenses. This farm shows more profitability than the previous situations analyzed, and despite the low equity position, might be a better credit risk to many lenders. It should be pointed out that the Farmers Home Administration provides funds to the majority of its borrowers at interest rates well below prevailing rates in the private sector. Without these concessionary rates and terms, entry into farming would be impossible for the low equity operator aspiring to become a full-time owner of an economically sized farm unit. For this farm situation, higher interest rates on the same debt level would substantially reduce Net Farm Income and the profitability of the business.

## West South Central Oklahoma Case Farm

This area of the state includes Canadian, Oklahoma, Grady,
Cleveland, McClain, Comanche, Garvin, Cotton, Stephens, and Jefferson
Counties. It is an area with a great deal of part-time farm
operations, including some of the more urban sections of the state.
It is an area which was recently damaged by flooding of tributaries
of the Red River which left large deposits of silt on the farmland,
causing tremendous crop and livestock losses for many farmers.
Considering only farms with sales of \$10,000 or more, the average

size farm ranged from 1,154 acres in Jefferson County, to 418 acres in Oklahoma County. Most of the counties reported an average farm size between 500 and 750 acres. The value of land and buildings averaged between \$758,772 in Oklahoma County and \$437,164 in Garvin County.

This area had an average market value of agricultural products sold ranging from a high of \$81,440 in Cotton County, to a low of \$49,540 in Comanche County in 1982. These values are lower than those for the other areas of the State. There was a more balanced combination of full-owners and part-owners in this area, with a small number of tenants. The major crops are wheat, alfalfa, cotton, and soybeans. The primary livestock enterprises are cow-calf operations and stocker steers.

# Resources

The representative farm situation for West South Central Oklahoma was a larger livestock operation with 100 cows and 200 stockers. The stockers grazed 100 acres of wheat pasture from November until March, and the 100 acres of small grain graze-out from November until being sold in May. The 100 cows grazed the 400 acres of bermuda pasture, and the 280 acres of native pasture. Out of a total of 880 acres farmed, 480 acres were owned, and 400 rented. The bermuda hay was grown on the rented land, with a cash rent agreement of \$12 per acre.

#### Financial Data

This business had a number of loans outstanding, with two

intermediate loans, two land loans, two mortgages on the residence, and a line-of-credit at the local bank. The first intermediate loan was from the Production Credit Association, a variable interest rate loan averaging 11.5% for five years, secured by a lien on machinery and equipment. The business was also indebted to an equipment dealer for approximately \$10,680 to be repaid at 15% over two years. The land loans were both fixed rate loans, at 12% and at 5%. The line-of-credit balance was \$70,000 at the beginning of the year.

This operation had a high off-farm income of \$25,000, which might suggest a part-time farm manager with a large amount of hired, seasonal labor. Family living expenses were estimated at \$18,000 per year. Average equity in the \$56,063 investment in machinery and equipment was 47.9%. The average investment in real estate was \$285,750, substantially lower than the district averages. The owners of the business had \$168,245 of equity in the real estate on the average for the year, representing 58.9% of the real estate value. The asset and liability structure was as follows: current assets were 21.5% of total assets; intermediate assets were 22.4% of the total; and long-term assets represented 56% of total assets. On the liability side of the Balance Sheet, the debt load of this business was skewed towards current liabilities, at 44% of total liabilities, while intermediate liabilities were only 11% and long-term liabilities were 44.8% of total liabilities.

Considering all of the Balance Sheet entries, owner equity increased from \$238,225 to \$257,145 (46% to 51%), an increase of 7.9% within the year. This increase in owner's equity indicates good financial progress and growth of the business. The business is

solvent, and with a decrease in the operating debt from \$70,000 at the beginning of the year to \$64,778 at the end of the year, it is paying its obligations and decreasing its overall debt level.

Intermediate and long-term debts also decreased 9% during the year.

The Current Ratio of 1.00 was low, reflecting the high level of current liabilities mentioned above and potential liquidity problems. The Working Asset Ratio at 1.66 shows a more favorable mixture of assets and liabilities.

Net Cash Income from Operations was the highest of the farms analyzed, at \$16,689 and Net Farm Income was \$10,570. Cash Interest of \$31,614 was 14.2% of Total Cash Expenses. Return on Investment and Return on Equity were both low. Return on Equity was a negative .018, based on an estimated Opportunity Return to Labor and Management of \$15,000. These figures are traditionally low in a farm business, partly because of the adjustments for capital items in the Income Statement which depress the level of Net Farm Income. It is also difficult to estimate the opportunity return for the owners' labor and management because it is based on alternative employment in the area, as well as some of the intangible benefits of farming and being one's own boss.

This farm situation had a positive cash flow for the year. However, without the off-farm income of \$25,000, the total cash outflows would have exceeded the total cash inflows by \$4,236. In addition, the 5% interest rate on the land loan, and the overall low debt, kept the interest expense at a low level.

Chapter IV contains a detailed analysis of one farm situation in Northwestern Oklahoma. This analysis shows the effects on certain

financial criteria of variations in the equity position, interest rates and cash flow throughout the year. This chapter provides an illustration of financial monitoring within the accounting year, rather than only at the beginning or end.

#### CHAPTER IV

### CASE FARM ANALYSIS

This chapter describes one farm situation in Northwestern Oklahoma in more detail than the previous case farm analyses in Chapter III. A number of assumptions were changed from the original case farm scenario to provide an illustration of how the Integrated Farm Financial Statements can assist farm managers and lenders in monitoring the financial condition of a business when variables change within the year. In addition, the seasonal variation in income and expenses in most farm businesses can greatly influence the financial ratios and other factors which lenders consider when making a loan review. Depending on whether a loan application is made before or after harvest, there is a great deal of difference in the farm balance sheet and cash flow statement. Thus, to obtain the appropriate amount of credit, and at the right times, it is imperative that the farm manager consider these yearly monitoring tools.

According to Barry, Hopkin and Baker (Barry et al.)

... an important element of the test of financial feasibility is accounting for the period when the firm is experiencing its greatest financial risk. At this point, loan repayability and loan security are most crucial and must be assured.

The Northwestern area of the state includes Cimarron, Texas,
Beaver, Harper, Ellis and Woodward Counties. It is one of the driest

areas of the state, with a large percentage of its crops being grown on irrigated land. The average rainfall is between 17 and 22 inches per year (Oklahoma Water Resources Board). In Texas County alone, 150,019 acres were irrigated, representing 22.5% of all cropland in the county (U.S. Dept. of Commerce). For this reason and others, farm size is the highest in the state, ranging from 2,845 acres in Cimarron County to 1,510 acres in Woodward County, for farms with sales of \$10,000 or more in 1982. All of the remaining county averages were between 1,500 and 1,800 acres. The value of land and buildings averaged between \$1,104,685 in Cimarron County and \$519,508 in Ellis County, with most of the counties averaging half of a million dollar investment in real estate per farm.

The tenure characteristics of the farm operator were skewed towards part-owners, as opposed to full-owners and tenants. In all of the counties, over 50% of the farm operations reporting were run by part-owners. Again, this is a reflection of the need for rented land as a supplement to owned land to take advantage of the size efficiencies of a large farm unit.

The major crop enterprises include wheat, hay and grain sorghum. Stockers are the primary livestock enterprise owing to the proximity of packing houses and feedlots, and to the favorable range conditions in the Oklahoma Panhandle. The average market value of agricultural products sold in 1982 was \$477,715 in Texas County, by far the highest reported per farm sales in the state. Cimarron County reported an average of \$207,725; Harper County an average of \$146,278; Beaver County, \$95,934; Woodward County, \$71,568; and Ellis County, \$55,674.

The average investment in machinery and equipment was also high, ranging from \$108,897 in Texas County, to \$49,626 in Woodward County. Many of the wheat growers use custom harvesters in this area, which would decrease the equipment requirements for each farm considerably.

#### Resources

The representative farm in the Northwestern district was a large operation, with 2,167 acres of cropland and 500 acres of native pasture. Of the 2,667 total acres farmed, 1,620 were owned land and 1,047 rented. All of the crops, except 227 acres of grain sorghum, were grown on irrigated land. On the owned land, 200 acres of irrigated corn were grown, along with 120 acres of irrigated alfalfa, 300 acres of irrigated grain sorghum and 500 acres of irrigated wheat. The leased land was available on a crop share agreement, with the landlord receiving one third of the income from 120 acres of irrigated alfalfa, one third from the 227 acres of dry grain sorghum, and one tenth of the income from 700 acres of irrigated wheat. In turn, the landlord was responsible for one third of the fertilizer and chemical expenses for the alfalfa and grain sorghum, and for one half of those expenses for the irrigated wheat crop.

The livestock enterprises included 300 stockers and 85 cows. The cows grazed the corn and grain sorghum stubble from November through March, and were then turned out on the native pasture. The alfalfa hay was not grazed, and four cuttings of hay were produced. The stockers were purchased in October, then grazed on the wheat

pasture from November until March when they were sold.

This was a family owned and operated business, with an estimated off-farm income of \$12,000 per year. Royalty income was received yearly, in two payments of \$6,000 in June and December. Family living expenses averaged \$20,000 per year. The average investment in machinery and equipment was approximately \$79,280. Both the grain sorghum and corn were custom harvested, so the farm owned just hay and wheat harvesting equipment.

#### Financial Data

Three different equity positions were developed for this farm scenario at low, medium and high levels. There were two sets of data for the Cash Flow Statement: the first represented the normal situation with enterprise data coming from the OSU Enterprise Budget Generator and the second represented a poor production year with reduced yields for some crops and higher prices for certain expenses. For the poor cash flow, wheat, alfalfa, grain sorghum and corn yields were reduced; fuel, oil, lubricant, seed, fertilizer and lime expenses were increased for all budgets by 5%; beef prices were reduced and feed costs increased by 5% for the livestock budgets.

This section illustrates the importance of both the Net Worth
Statement and the Cash Flow Statement if lenders are to have a clear
picture of the financial condition of their clients. One suspects
that lending practices in the past which have not considered cash
flow have led to a reduced net worth in the farm sector, and have
resulted in insufficient attention being paid to management
practices and to the long-term effects of declining equity.

According to Boehlje and Eidman (Boehlje and Eidman)

Loan programs and the opportunity to refinance on appreciating land values provided protection from volatile incomes. These historical means of protection have changed ...in particular the "safety valve" of monetarizing capital gain to cover debt servicing problems is not as readily available because nominal and real interest rates are higher and positive capital gains less certain than in the past.

A goal of this study was to develop criteria which lenders and borrowers can use in determining their credit needs, based on an integrated system. Viewing liquidity in the short-run, and profitability and solvency in the long-run, gives a broader basis for loan review. Agricultural lenders should be encouraged to pay attention to the sufficiency of their collateral to protect their security interests, but to base the borrowing capacity and repayment schedules of their clients on cash flow projections. Bankers have several options if a borrower has insufficient cash flow to repay a loan.

- 1. Require the borrower to sell some of the business assets, preferably non-productive assets.
- Suggest changes in management, enterprise mix, marketing strategies, or production techniques.
- 3. Ignore the problem as long as there is sufficient equity in the business to protect the bank's security.
- 4. Reduce the payment on the loan, refinancing it on a longterm note. The action taken by the banker will obviously influence the long-run survival of the farm.

The analyses were performed for a one year period, with certain financial ratios and other measures computed on a monthly basis.

Full results of the analyses of these case farm situations can be

found in the Appendix. In the Cash Flow Summary, a variable interest rate was used to compute payments on the operating loan. The rate was adjusted monthly, and was based on the average non-real estate commercial bank rate charged in 1980. 1980 was a year with an average annual interest rate of 15.1%, compared to 16.6% in 1982 and 14.03% in 1983. There was also a great deal of variability in the interest rate (figure 14). The coefficient of variation for 1980 interest rates was .0705, representing over twice as much variability as for 1983, which had a coefficient of .035. The variable interest rate is typical for commercial banks; however, the overall financial condition of the business was not significantly affected by the variable interest rate.

# Low Equity Situation

The farm business in the low equity situation had a net worth of \$587,361 as of January 31, representing 40.2% of total assets. Net Worth decreased by 14.3%, to \$503,231 by the end of the year under the good cash flow situation, and by 32.2%, to \$398,086 with a poor cash flow (Tables 8 and 9). This trend is also illustrated in the change in the Debt to Equity Ratio, also referred to as the Leverage Ratio, computed as total liabilities divided by net worth. This ratio shows how the financing of the business has been allocated between the owners of the business, indicated by the amount of net worth, and the creditors, indicated by the amount of total liabilities. This ratio shows a great deal of variation within the year for both of the cash flow situations. The coefficient of variation, which measures the relative variability of the data, was

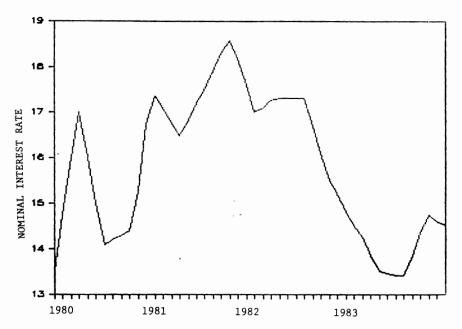


Figure 14. Commercial Bank Lending Rates: Non-Real Estate Interest Rates

Source: Irwin

Table 8. Monthly Financial Analysis Worksheet for Low Equity, Good Cash Flow Situation

CRITERIA:	January ist		February	March	Apr11	Mav	June	July	August	_	October	November	December	January
CASH FLOW CRITERIA:			*************											
Operatino Debt	156000	153707	114352	94868	147439	195508	35410	46071	97007	135768	64680	85510	162644	162644
I Change from Previous Month		2.41	-34.42	-20.54	35.66	24.59	-452.13	23.14	<b>5</b> 2.51	28.55	-110.17	24.45	47.43	
MET WORTH CRITERIA:														
CURRENT ASSETS														
Cash & Checking	1590	1006	1000	1000	1090	1000	1000	1000	1000	1000	1000	1000	1600	1006
Market Livestock & Products	110353	118357	61950	0	8	•	0	ŧ	8	0	82422	89555	56955	76955
Stored Cross. Feed, Supplies	41500	41568	36500	30000	25000	20000	3699 <b>C</b>	3253A	32000	35000	38200	42000	40125	40125
Cash Investment in Growing Crops	73734	74589	77348	98492	125764	151455	6741C	79624	123837	132719	34920	73743	73743	73743
Other Current Assets	7ù00	7000	7300	7869	7159	7150	7150	7300	7360	7300	75ûG	7500	7500	7508
Iotal Current Assets	234092	242446	163728	136472	158914	179695	105563	120424	164137	174019	194342	213793	219323	219323
NTERMEDIATE ASSETS														
Breeding Livestock	44408	44583	44766	44949	45132	45315	45498	45631	45364	46047	46230	46413	46608	46608
Machinery & Equipment	87494	84218	81030	77842	74654	71466	68278	65090	41902	58714	55526	52338	49153	49153
Other Intermediate Assets	27890	27125	27250	27375	27500	27625	27755	27875	28009	28125	29250	28375	28510	28500
Total Intermediate Assets	152805	155926	153046	150166	147286	144408	141526	138246	135766	132886	130086	127126	124253	124253
ONG TERM ASSETS		•												`
Land	1021000	1021900	1021003	1021800	1021803	1821006	1021000	1021000	1021000	1021000	1021000	1921000	1021000	1821000
	40000	49000	35834	37728	37592	39456	39328	39184	39048	38912	38776	38443	38560	38509
Other Long Term Assets	1041930	1661060	1069854	1060728	1060592	1040454	1040320	1060184	1063048	1057912	1259776	1059440	1059330	1059539
Total Long Term Assets OTAL ASSETS	1453398	1459372	1397798	1347386	1366794	1384467	1307408	1319454	1359951	1368817	1384124	1400564	1453076	1403076
URRENT LIABILITIES														
Motes Pavable	150000	153709	114352	94868	147439	195508	35416	46971	97007	135768	44600	65510	182644	162644
Interest Due	78517	17502	11209	17404	20500	27829	29883	24774	30550	36936	<b>3</b> 739 <b>9</b>	43415	49759	64259
	00100	30126	30120	30,28	27535	27535	27535	15559	15559	15559	12777	12777	12777	34401
Principal due: Intermediate Debts	19635	19835	19739	19673	19404	19538	19470	19402	19332	19263	19192	19121	19050	21798
Long Term Debts	15000	12890	14600	15400	12503	12300	12150	14900	14700	18500	15800	18600	17500	17500
Other Current Liabilities	- 293442	233936	190020	178667	227580	282710	124398	120786	177148	226026	149768	177423	281770	308488
Total Current Liabilities	169880	149990	149380	149880	169980	149880	169080	149038	169390	169880	149830	149830	149680	135479
NTERMEDIATE LIABILITIES	468195	468175	469195	468195	448195	426195	468195	468195	468195	468195	468195	468195	463195	446399
ONS TERM LIABILITIES	931517	872011	628095	814742	865455	920785	762473	758781	815223	864101	767843	815498	899945	982478
OTAL LIABILITIES	522391	587341	549413	532644	501139	463692	544933	560673	544728	504716	596291	585066	503231	520598
ET WORTH	327331	207501	1,07013	302011	*******	100002		555575		•				
ATIOS:	0.80	1.04	0.97	0.77	0.70	0.64	0.85	1.90	0.93	0.76	1.30	1.21	0.84	0.73
Current Ratio	0.85	0.99	0.94	0.83	8.77	0.72	0.84	0.39	0.86	0.73	1.01	0.98	03.6	8.79
Working Asset Ratio	1.56	3.47	3.95	3.95	3.49	3.10	4.53	4.53	3.98	3.51	4.41	4.10	3.29	1.59
Met Capital Ratio	1.78	1.48	1.45	1.53	1.73	1.99	1.40	1.35	1.50	1.71	1.32	1.39	1.79	1.70
Debt to Equity Ratio	0.64	0.27	0.25	ŷ.25	0.29	0.32	0.22	0.22	0.25	9.29	0.23	0.24	8.38	0.63
Totas Debt Ratso					36.67	33.49	41.48	42.49	40.05	36.87	43.08	41.77	35.87	37.10
Per Cent Equity	3 <b>5 93</b>	40.25	40.75	39.53	30.07	33,47	71.00	76.77	40.00	30107	15.00	*****	34107	21
Debt and Asset Structure Ratios:	• • •	2.17	6 12	0.12	0.12	0.12	0.00	0.09	0.12	0.13	0.14	0.15	8.15	9.15
Current Assets: Total Assets	0.16	3.17	0.13	0.10	0.12	3.13	0.08	0.09	0.12	0.13	0.14	0.15	9.13	0.09
Intermed. Assets: Total Assets	0.11	0.11	0.11	8.11	0.11	0.10	0.11		0.78	0.77	0.77	0.76	8.74	0.76
Long Tera Assets: Total Assets	0.73	0.73	0.76	8.79	J.79	0.77	0.81	0.80						0.76
Current Liab: Total Liab	0.32	0.59	3.54	0.52	0.53	0.63	8.43	0.42	0.52	0.58	0.48	0.52	0.61	
Intermed. Liab: Total Liab	9.18	C.43	6.43	0.50	a.43	9.38	0.59	0.60	0.50	0.44	0.54	0.50	8.40	8.15
Long Term Liab: Total Liab	0.50	1.18	1.32	1.27	1.20	1.05	1.62	1.64	1.37	1.20	1.49	1.37	1.18	0.51

Table 9. Monthly Financial Analysis Worksheet for Low Equity, Poor Cash Flow Situation

MONTHLY FINANCIAL ANALYSIS WORKSHEET: Low Equity Poor Cash Flow Variable Interest Rate CRITERIA: January 1st January 31 February March April Hay June July August September Oc tober November December January 1 CASH FLOW CRITERIA: 166359 187866 245048 265068 203946 87833 104047 166669 212160 154435 Operating Debt 150000 153878 116453 100198 -27.53 11.45 29.13 24.28 -132.20 17.19 36.36 21.44 2.52 -32.14 -16.23 35.12 % Change from Previous Month HET WORTH CRITERIA: **CURRENT ASSETS** 1500 1900 1000 1009 1080 1000 1000 1000 1000 1000 1000 1600 1000 1000 Cash & Checking 82422 96955 110358 118357 41950 89555 96955 Market Livestock & Products 41500 41500 36500 30000 25000 20000 30000 32500 32000 35000 38500 42000 40125 40125 Stored Crops, Feed, Supplies 73734 74589 77348 98492 125766 151455 67410 79824 123837 132719 64920 73743 73743 73743 Cash Investment in Growing Crops 7500 7500 7500 7150 7150 7150 7300 7300 7300 7500 7000 7000 7000 7000 Other Current Assets 164137 174019 194342 213798 219323 219323 183798 136492 158916 179605 105560 120624 234092 242446 Total Current Assets INTERMEDIATE ASSETS 46047 46230 46600 44400 44583 44766 44949 45132 45315 45498 45481 45864 46413 46600 Breeding Livestock 87406 84218 81030 77842 74654 71466 68278 65090 61902 58714 55526 52338 49153 49153 Machinery & Equipment 27000 27250 27375 27500 27625 27750 27875 28000 28125 28250 28375 28500 28500 27125 Other Internediate Assets 150166 147286 144406 141526 138646 135766 132886 130006 127126 124253 124253 158806 155926 153046 Total Intermediate Assets LONG TERM ASSETS 1021000 1021000 1021800 1021000 1021000 1021000 1021008 1021800 1021000 1821000 1821098 Land 1021000 1621000 1021000 40008 40000 39864 39728 39592 39456 39320 39184 39048 38912 38774 38640 38500 38500 Other Long Term Assets 1961000 1061000 1060864 1060728 1060592 1860456 1060320 1080184 1060048 1059912 1059776 1059640 1059500 1059500 Total Long Term Assets TOTAL ASSETS 1453898 1459372 1397708 1347386 1366794 1384467 1307406 1319454 1359951 1368817 1384124 1400564 1403076 1403076 **CURRENT LIABILITIES** 150000 153878 116453 100196 154435 203946 87833 104047 166669 212160 146359 187866 245048 265069 Notes Payable 16606 78517 17502 11209 20575 27998 29883 25390 31876 39092 37399 44708 52520 6698F Interest Due 30120 27535 27535 27535 15559 15559 15559 12777 12777 12777 344C. Principal due: Intermediate Debts 30120 30120 30120 19805 19739 19673 19606 19538 19470 19402 19332 19263 19192 19121 19050 21796 19805 : Long Term Debts 15000 12800 14600 15400 12500 12300 12100 14900 14700 18500 15800 18400 17500 17500 Other Current Liabilities 293442 234105 192121 181995 234651 291317 176821 181318 248136 304574 251527 281072 366915 405745 Total Current Liabilities 169880 169888 INTERHEDIATE LIABILITIES 149880 149880 169880 149880 169880 169880 169880 169880 169880 169880 1698: 0 135479 LONG TERM LIABILITIES 468195 468195 468195 448195 468195 468195 468195 468195 468195 468195 468195 468195 4681,5 446399 830196 820070 872726 929392 814896 819393 884211 942649 889492 919147 1004990 987623 TOTAL LIABILITIES 931517 872180 455075 492510 500061 473740 426168 494522 481417 398086 415453 NET WORTH 522381 587192 587512 527316 494068 RATIOS: 0.75 0.40 0.67 0.58 0.77 0.76 03.0 8.54 Current Ratio 0.88 1.04 0.96 0.68 0.62 0.66 Working Asset Ratio 0.85 0.99 0.93 0.81 0.76 0.70 0.71 0.74 0.72 8.65 1.77 0.76 0.64 E4.0 Net Capital Ratio 1.56 1.67 1.68 1.64 1.57 1.49 1.60 1.61 1.53 1.45 1.56 1.52 1.40 1.42 Debt to Equity Ratio 1.78 1.49 1.46 1.56 1.77 2.84 1.65 1.64 1.87 2.21 1.80 1.91 2.52 2.38 Total Debt Ratio 0.59 0.61 0.64 8.67 0.62 0.62 0.65 0.69 0.64 0.66 0.72 8.78 0.64 0.60 Per Cent Equity 40.24 32.87 37.67 37.90 34.84 31.13 35.73 34.37 28.37 29.61 35.93 40.60 39.14 36.15 Debt and Asset Structure Ratios: Current Assets: Total Assets 1.16 0.17 0.13 8.10 0.12 0.13 0.08 0.09 0.12 0.13 0.14 0.15 0.16 0.16 Intermed. Assets: Total Assets 0.11 0.11 0.11 0.11 0.10 0.11 0.11 0.10 8.16 0.09 0.09 0.09 1.09 1.11 0.77 Long Term Assets: Total Assets 0.73 0.73 0.76 0.79 0.78 8.77 0.81 0.80 0.78 0.77 1.76 0.76 1.76 0.22 1.32 0.28 0.37 Current Liab: Total Liab 0.32 8.27 0.23 0.22 0.27 0.22 0.28 0.31 0.41 0.31 Interned. Liab:Total Liab 0.18 1.19 8.20 0.21 0.17 1.18 0.21 0.21 0.19 0.18 1.17 0.18 0.17 0.14 Long Term Liab: Total Liab 1.58 0.56 0.53 8.50 8.53 0.47 8.54 0.57 8.54 8.50 0.57 0.57 0.51 1.45 .126 for the good cash flow, and .164 for the poor cash flow. A situation with no variation in the ratio throughout the year would have a coefficient of zero. However, the net change during the year was much less for the good cash flow situation, beginning at 1.48 and ending at 1.79, a 20.4% increase. For the poor cash flow, the net change was a significant 70%, beginning the year at 1.49 and ending at 2.52. The increase in the Leverage Ratio indicates that, by the end of the year, the creditors had over twice the investment in the business, and thus over twice the risk, than did the owners (figure 15).

The principal operating debt at the beginning of the year for both situations was \$150,000. Operating debt showed a great deal of variability during the year, reaching its minimum level for both cases in June, and its maximum in December. For the good cash flow, the outstanding operating debt increased to \$162,644 by the end of the year, a net increase of 8.4%. For the poor cash flow situation, the outstanding operating debt increased dramatically, by 76.7% during the year, ending at \$265,068 (figure 16).

The Net Capital Ratio, another measure of the solvency of the business, is computed as total assets divided by total liabilities. It is a measure of the long-term solvency position of the business. This ratio showed less variability than the Debt to Equity Ratio for both cash flow situations. For the good cash flow, the coefficient of variation was .046, and for the poor cash flow, .054 (figure 17). Again, with the better cash flow, the net change from the beginning to end of the year was much less significant than with the poor cash flow.

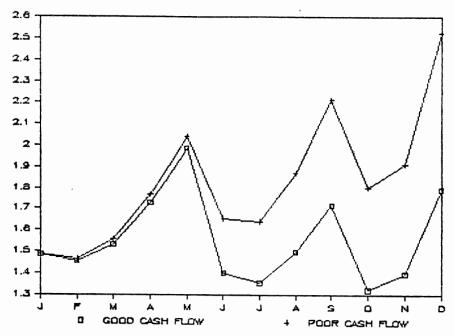


Figure 15. Debt to Equity Ratio: Low Equity Situation

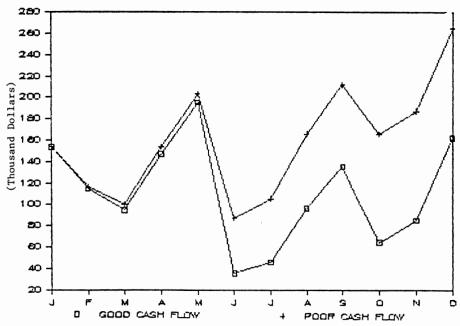


Figure 16. Outstanding Operating Debt: Low Equity Situation

Certain liquidity measures also showed a great deal of variation within the year. The Current Ratio was 1.04 at the beginning of the year for both cases. It decreased to .84 by the end of the year for the good cash flow, and to .60 for the poor cash flow. The coefficients of variation were very similar for both cases: .21 for the good Cash Flow, and .19 for the poor cash flow (figure 18). The Working Asset ratio, which considers both current and intermediate assets and liabilities, had approximately half the variability as the Current Ratio in the good cash flow situation, and two-thirds of the variability as the Current Ratio in the poor cash flow (figure 19).

The variation in the structure of the liabilities can be seen in figures 20 and 21. This amount of variation would not be unusual for a farm business, but it illustrates how the timing of loan requests with the balance sheet can make a large difference in many of the financial ratios used in the decision-making process. Much of the variation in the balance sheet refects changes in the level of operating debt, which in turn reflects the variation in the cash inflows and cash outflows of the business. Some of this variation is inherent in a seasonal business. However, debt repayment is scheduled unevenly in small monthly installments, larger quarterly installments, and an even larger installment in December which causes some of the flucuation in the monthly cash balance. An analysis of these ratios on a monthly basis provides a way to evaluate the financial performance of the business with the seasonal variation taken into consideration.

In summary, even though this operation had a low equity level,

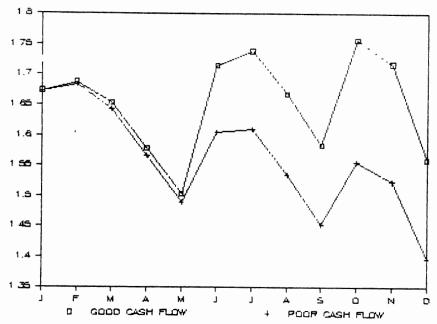


Figure 17. Net Capital Ratio: Low Equity Situation

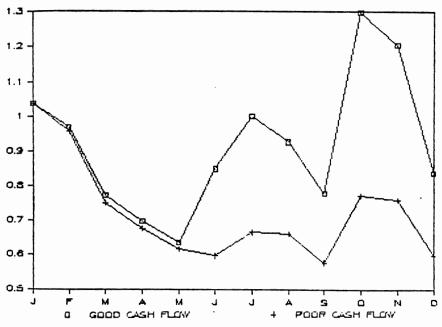
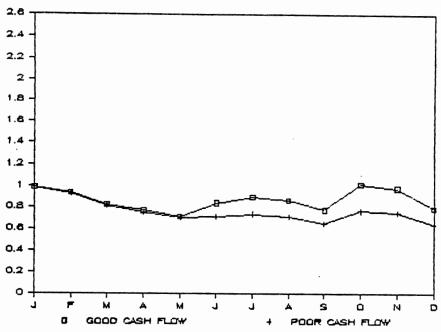


Figure 18. Current Ratio: Low Equity Situation



'Figure 19. 'Situation Working Asset Ratio: Low Equity

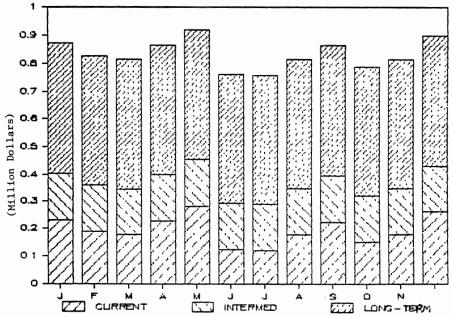


Figure 20. Liability Structure: Low Equity and Good Cash Flow

121

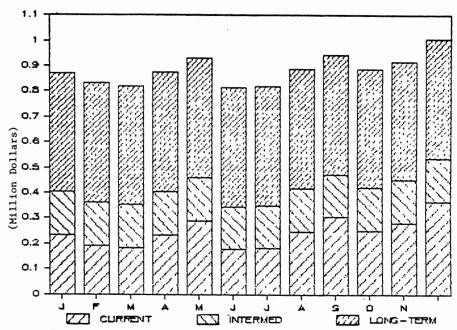


Figure 21. Liability Structure: Low Equity Situation and Poor Cash Flow

with a strong cash flow, the overall financial position of the business did not significantly deteriorate from the beginning to the end of the year. With the poor cash flow, however, it is apparent that major changes and possibly liquidation are necessary. Both cases had negative Net Farm Incomes for the year: -\$3,281 for the better cash flow, and -\$108,428 for the poor cash flow.

## Medium Equity Situation

The farm business representing the medium equity situation had a net worth of \$874,326 as of January 31, or 59.9% of total assets (Tables 10 and 11). This decreased by 4% during the year under the good cash flow situation, and it decreased by 16% under the poor cash flow. The Debt to Equity ratio exhibited the same trends as it had in the low equity situation: a great deal of variability within the year, but insignificant net changes for the year under the stronger cash flow case. The coefficient of variation was .135 with the good cash flow, and .13 with the poor cash flow (figure 22).

The outstanding operating debt for both situations was \$150,000 at the beginning of the year. For the better cash flow, operating debt decreased by 24.7%, to \$112,896 by the end of the year (figure 23). The reduction indicates that the business is being managed with profitability in mind, and should be emphasized in a loan review. For the poor cash flow, the principal operating debt increased to \$215,320 during the year, a significant 43.5%. This increase is obviously a warning signal to both the farm manager and to the lender.

The Total Debt Ratio, computed as total liabilities divided by

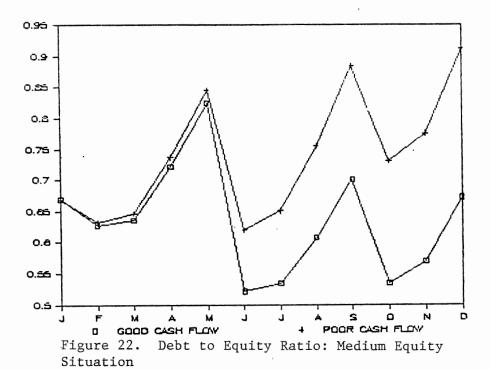
Table 10. Monthly Financial Analysis Worksheet for Medium Equity, Good Cash Flow Situation

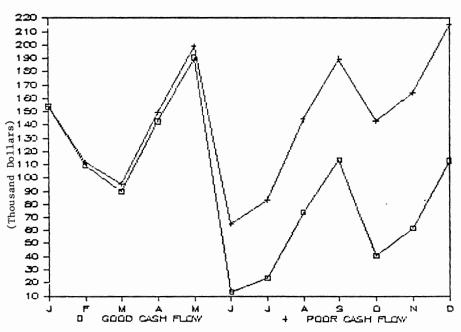
HUNTINLY FINANCIAL ANALYSIS WORKSHEET: Medium Equity, Good Cash Flow Variable Interest Rate

CRITERIA:		January 31	l'ebruary	March	April	Hay	June	July	•	September	Oc tober	November	December	January
CASH FLOW CRITERIA:														
Operating Debt	150000	153709	109352	89801	142373	190441	12809	23470	74405	113167	40925	41835	112876	11287
% Change from Previous Month		2.41	-40.56	-21.77	36.93	25.24	-1384.77	45.42	48.46	34.25	-176.52	33.82	45.23	
NET WORTH CRITERIA:														
CURRENT ASSETS														
Cash & Checking	1500	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	100
Market Livestock & Products	110358	118357	41950	8	0	0	0	0	8	0	82422	89555	94955	9493
Stored Crops, Feed, Supplies	41500	41500	36500	30000	25000	20000	30000	32500	32000	35000	38500	42000	40125	4013
Cash Investment in Growing Crops	73734	74589	77348	98492	125766	151455	67410	79824	123837	132719	64920	73743	73743	7374
Other Current Assets	7000	7000	7000	7000	7150	7150	7150	7300	7300	7300	7500	7500	7500	750
Total Current Assets	234092	242446	183798	136492	158914	179605	105540	120624	164137	174019	194342	213798	219323	21932
INTERMEDIATE ASSETS														
Breeding Livestock	44400	44583	44766	44949	45132	45315	45498	45381	45854	46047	46230	46413	46600	4660
Machinery & Equipment	87406	84218	81030	77842	74654	71466	<b>68278</b>	<b>&amp;5090</b>	61902	58714	55524	52338	49153	4915
Other Intermediate Assets	27000	27125	27250	27375	27500	27625	27750	27875	28000	28125	28250	28375	28500	2850
Total Intermediate Assets LONG TERM ASSETS	158804	155926	153046	150166	147286	144405	141526	138646	135766	132884	130004	127126	124253	12425
Land	1021000	1021000	1021000	1021000	1021000	1021000	1021000	1021000	1021000	1021000	1021000	1021000	1021050	102100
Other Long Term Assets	40000	40800	39864	39728	39592	39453	39320	39184	39048	38912	38776	38440	38500	3850
Total Long Term Assets	1061000	1041000	1040844	1060728	1060592	1040454	1040320	1040184	1040048	1059912	1059776	1059640	1059500	105950
TOTAL ASSETS	1453898	1459372	1397708	1347386	1366794	1384467	1307406	1319454	1359951	1368817	1384124	1400564	1403078	140307
CUKRENT LIABILITIES														
Notes Payable	150000	153709	109352	89861	142373	190441	12809	23476	74405	113167	40925	å1835	112898	11285
Interest Due	50540	10537	7279	10711	12548	17864	18093	18894	22537	29798	26189	30039	34227	4325
Principal due: Internediate Debts	10935	10935	10935	10935	8350	8350	8350	5448	5448	5668	2884	2886	2883	1267
: Long Term Debts	18543	18543	18497	18431	18344	18298	18228	18140	18090	18021	17950	17879	17808	20493
Other Current Liabilities	10000	7800	9400	10400	7500	7300	7100	9900	9700	13500	10800	11600	12500	1250
Total Current Liabilities	240038	201544	155443	140278	189155	242251	<b>64580</b>	74092	130400	180154	98750	124239	180317	20181
INTERMEDIATE LIABILITIES	64065	64065	84085	64065	64045	44045	84085	84085	64065	64065	64065	44045	84055	51393
LONG TERM LIABILITIES	319437	319437	319437	319437	319437	319437	319437	319437	319437	319437	319437	319437	319437	298945
TOTAL LIABILITIES	623540	585046	539145	523780	572457	625753	448082	459594	513902	543454	482252	507741	543819	55215
NET WORTH	830358	874326	858543	823606	794137	758714	859324	859840	844049	805141	901872	892823	839257	850920
RATIOS:														
Current Ratio	0.98	1.20	1.18	0.97	0.84	0.74	1.63	1.59	1.26	0.98	1.97	1.72	1.22	1.09
Working Asset Ratio	1.29	1.50	1.53	1.48	1.21	1.06	1.92	1.85	1.54	1.24	1.99	1.81	1.41	1.3
Net Capital Ratio	2.33	2.49	2.59	2.57	2.39	2.21	2.92	2.87	2.65	2.43	2.87	2.76	2.49	2.5
Debt to Equity Ratio	0.75	0.67	0.43	0.64	0.72	0.82	0.52	0.53	0.41	0.70	0.53	0.57	0.7	0.5
Total Debt Ratio	0.43	0.40	0.39	0.39	8.42	0.45	0.34	0.35	0.38	0.41	0.35	0.36	ر 0	0.39
Per Cent Equity	57.11	59.91	41.43	61.13	58.10	54.88	65.73	65.17	62.21	58.82	45.14	63.75	59.82	60.55
Debt and Asset Structure Ratios:														
Current Assets: Total Assets	0.16	0.17	0.13	0.10	0.12	0.13	8.08	0.09	0.12	0.13	0.14	0.15	0.16	0.16
Intermed. Assets: Total Assets	0.11	0.11	0.11	0.11	0.11	0.10	0.11	0.11	0.10	0.10	0.09	0.09	0.09	0.0
Long Term Assets: Total Assets	0.73	0.73	0.76	0.79	0.78	0.77	0.81	0.80	0.78	0.77	0.77	0.76	0.75	0.73
Current Liab: Total Liab	0.38	0.34	0.29	0.27	0.33	0.39	0.14	0.17	0.25	0.32	0.20	0.24	0.32	0.37
Intermed. Liab:Total Liab	0.10	0.11	0.12	0.12	0.11	0.10	0.14	0.14	0.12	0.11	0.13	0.13	0.11	0 09
long Term Liab: Total Liab	0.51	0.55	0.59	0.61	0.54	0.51	0.71	0.70	0.42	0.57	0.64	0.43	0 57	0.54

 $\textit{Table 11.} \quad \textit{Monthly Financial Analysis Worksheet for Medium Equity, Poor Cash Flow Situation } \\$ 

HURITHLY FINANCIAL ANALYSIS WORKSHEET: Medium Equity Poor Cash Flow Variable Interest Rate July January 1st January 31 February April Hay June August September October November December January 1 CASH FLOW CRITERIA: 150000 153878 149368 198879 65232 Operating Debt 111453 95130 83465 144068 189559 142684 164191 215320 215320 2.52 -38.07 -17.16 36.31 24.90 ~204.88 21.85 42.07 % Change from Previous Month 24.08 -32.85 13.10 23.75 NET LORTH CRITERIA: CURRENT ASSETS 1000 Cash & 'hecking 1500 1009 1000 1000 1000 1000 1000 1000 1000 1000 1000 1000 1000 110358 118357 61950 Market Livestock & Products 0 8 82422 89555 96955 94955 Stored Crops, Feed, Supplies 41500 41500 34500 30000 25000 20008 30000 32500 32000 3500**0** 38500 42000 40125 40125 Cash Investment in Growing Crops 73734 74589 77348 98492 125766 151455 67410 79824 123837 132719 64920 73743 73743 73743 Other Current Assets 7000 7000 7000 7000 7150 7150 7150 7300 7300 7300 7500 7500 7500 7500 Total Current Assets 234092 242446 183798 136492 158916 179405 105560 120624 164137 176019 194342 213798 219323 219323 INTERMEDIATE ASSETS Breeding Livestock 44400 44583 44766 44949 45132 45315 4549B 45681 45864 46047 46230 46413 46600 46600 Machinery & Equipment 87406 84218 81030 77842 74654 71466 68278 65090 61982 58714 55526 52338 49153 49153 Other Intermediate Assets 27000 27125 27250 27375 27500 27625 27750 27875 28009 28125 28250 28375 28500 28500 Total Intermediate Assets 158806 155926 153046 150166 147286 144486 141526 138646 135766 132886 130004 127126 124253 124253 LONG TERM ASSETS Land 1021000 1021000 1821000 1021000 1021000 1021000 1021000 1021000 1021000 1021000 1021000 1021000 1021800 1021000 Other Long Term Assets 40000 40000 39864 39728 39592 39456 39320 39184 39048 38912 38776 38640 38500 38500 1061000 1060864 1060592 1060456 Total Long Yerm Assets 1841800 1060728 1060320 1060184 1040048 1059912 1059776 1059840 1059500 1059500 TOTAL ASSETS 1453898 1459372 1397708 1347386 1366794 1384467 1307406 1319454 1359951 1348817 1384124 1400564 1403976 1403074 CURRENT LIABILITIES Notes Payable 150000 153878 111453 95130 198879 65232 144068 149368 83465 189559 142684 164191 215320 215320 Interest Due 50548 10537 7279 10711 12644 18033 18093 19509 23863 31954 26189 31332 36949 45988 Principal due: Intermediate Debts 10935 10935 10935 10935 8350 8350 8350 5668 5668 5668 2886 2886 2886 12670 : Long Term Debts 18563 18563 18497 18431 18364 18296 18228 18160 18098 18021 17950 17879 17808 20492 Other Current Liabilities 10000 7800 9600 10400 750**0** 7300 7100 9900 9700 13500 10808 11600 12500 12500 Total Current Liabilities 240038 201713 157764 145607 196226 250858 136702 117003 201389 258702 200509 227888 285463 304942 INTERMEDIATE LIABILITIES 64865 64865 64065 64065 64065 64065 64065 64065 64065 64065 64065 64065 64065 51395 LONG TERM LIABILITIES 319437 319437 319437 319437 319437 319437 319437 319437 319437 319437 319437 319437 319437 298945 TOTAL LIABILITIES 623540 585215 541266 529109 579728 634360 500505 520204 584891 642204 584011 611390 688965 657302 NET WORTH 830358 874157 856442 818277 787066 750107 804901 799250 775060 726613 800113 789174 734111 745774 RATIOS: Current Ratio 0.98 1.20 1.17 0.94 8.81 1.72 0.90 0.88 0.82 8.48 0.97 0.77 0.94 0.71 Working Asset Ratio 1.29 1.50 1.52 1.37 1.18 1.03 1.36 1.29 1.13 9.96 1.23 1.17 0.98 8.96 Net Capital Ratio 2.33 2.49 2.58 2.55 2.36 2.18 2.61 2.54 2.33 2.13 2.37 2.29 2.10 2.13 Debt to Equity Ratio 0.75 0.67 0.63 0.65 0.74 0.85 1.62 0.65 0.75 0.88 0.73 0.77 0.91 8.85 Total Debt Ratio 0.43 0.40 1.39 0.39 0.46 0.42 0.38 0.39 0.43 0.47 8.42 0.44 0.48 0.47 Per Cent Equity 57.11 59.90 61.27 40.73 57.58 54.18 41.72 60.57 56.99 53.88 57.61 54.35 52.32 53.15 Debt and Asset Structure Ratios: Current Assets: Total Assets 0.16 0.17 0.13 8.10 0.12 1.13 88.0 0.09 0.12 0.13 8.14 0.15 0.15 0.16 Intermed. Assets: Total Assets 0.11 0.11 0.11 0.11 0.11 0.10 11.0 0.11 0.10 8.18 0.97 8.09 0.01 1.19 Long Term Assets: Total Assets 1.73 0.73 0.76 0.79 0.78 0.77 0.81 8.80 8.78 1.77 9.77 1.74 0.76 8.76 Current Liab: Total Liab 8.3B 0.34 0.29 0.28 0.34 8.40 0.23 0.26 0.34 0.34 8.40 0.37 0.43 9.47 Intermed. Liab:Total Liab 0.10 ●.11 0.12 8.12 0.11 0.10 0.13 1.12 1.15 0.11 0.11 9.10 0.10 0.08 Long Term Liab: Total Liab 0.59 0.40 0.51 1.55 0.55 8.50 0.64 0.61 8.55 1.50 0.55 0.48 0.45





total assets, is another measure of the risk exposure of the business. It averaged .39 for the good cash flow, and .42 for the poor cash flow. The variability was relatively low, with a coefficient of variation for the better cash flow of .08, and .07 for the poor cash flow (figure 24). The stable Total Debt Ratio indicates a fairly stable relationship between the owners' investment in the business, and the creditors' investment.

The liquidity position is stronger than that of the low equity position. The Current Ratio averaged 1.3 for the strong cash flow case, and .90 for the weaker cash flow. Again, there was a great deal of variability in this ratio, reflecting the seasonal swings in production and expenses of the farm (figure 25). The Working Asset ratio averaged 1.54 and 1.2, with considerably less variation than the Current Ratio, especially with the stronger cash flow (figure 26).

The Net Farm Income was -\$105,601 in the poor cash flow situation, another clear warning signal to both the borrower and lender. For the stronger cash flow, the Net Farm Income was \$19,062 for the year.

The variation in the structure of the liabilities in the medium equity case farm can be seen in figures 27 and 28.

# High Equity Situation

This farm situation had a net worth at the beginning of the year of \$1,041,893 which represents a 71.39% equity level. Equity decreased by 1.4% by the end of the year for the good cash flow situation, and by 11.5% for the poor cash flow situation. Compared

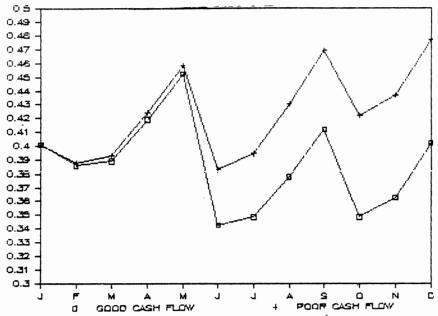


Figure 24. Total Debt Ratio: Medium Equity Situation

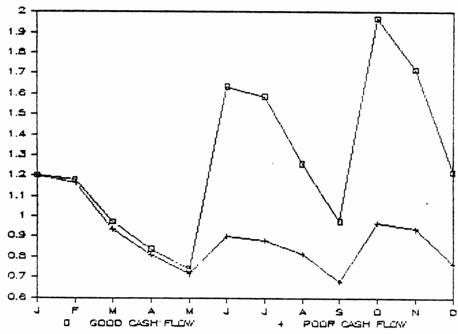


Figure 25. Current Ratio: Medium Equity Situation

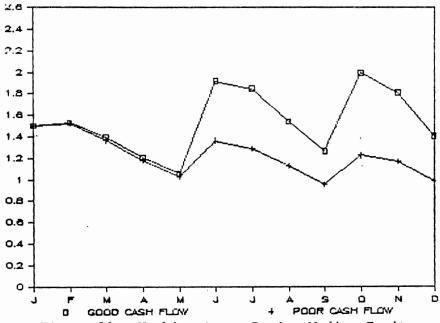


Figure 26. Working Asset Ratio: Medium Equity Situation

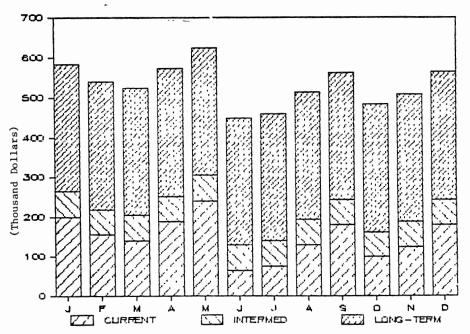


Figure 27. Liability Structure: Medium Equity and Good Cash Flow

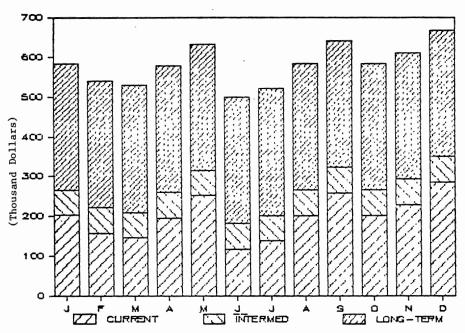


Figure 28. Liability Structure: Medium Equity and Poor Cash Flow  $\,$ 

to the low and medium equity positions, these trends were relatively insignificant, although in a declining direction. The Debt to Equity ratio, representing total liabilities divided by net worth, showed a great deal of variability within the year, reaching its minimum in June after harvest, reaching peaks in May, September, and its maximum value in December, when many of its debts were scheduled for repayment (figure 29). As measured by the coefficient of variation, the Debt to Equity ratio had a high degree of variability: .144 for the poor cash flow, and .182 for the stronger cash flow situation (Tables 12 and 13).

The operating debt was \$150,000 at the beginning of the year for both situations. Operating debt also displayed much variability within the year, reaching peak values in May, September and December, and reaching a minimum value after harvest in June. By the end of the year, the outstanding debt decreased to \$110,134 for the good cash flow, a 26.6% decrease. For the poor production situation, the outstanding operating debt increased by \$62,558 during the year, ending at \$212,558 (figure 30). This 41.7% increase should provide a clear signal to the farm manager and to the lender that, despite high levels of equity, this business does not have the profitability to be able to continue in business without recourse to possible sale of assets, which would result in a decline in the equity level in the long-run.

The Net Capital Ratio, seen in figure 31, showed the greatest amount of variability for the high equity situation. This ratio measures the solvency of the business and is computed as total assets divided by total liabilities. The coefficient of variation was .135

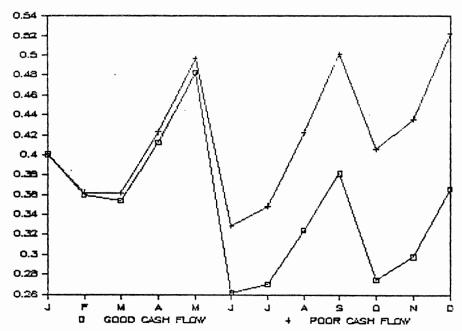


Figure 29. Debt to Equity Ratio: High Equity Situation

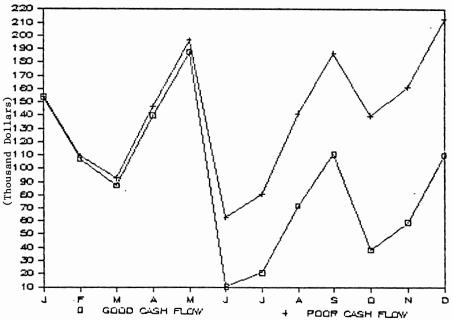


Figure 30. Outstanding Operating Debt: High Equity Situation

Table 12. Monthly Financial Analysis Worksheet for High Equity, Good Cash Flow Situation

MONTHLY FINANCIAL ANALYSIS WORKSHEET: High Equity Good Cash Flow Variable Interest Rate CRITERIA: Hay July January 1st January 31 February March April June August September October November December January 1 \* CASH FLOW CRITERIA: 150600 153709 104852 87267 139838 187907 10172 20833 71769 110530 38163 59073 Operating Debt 110134 110134 X Change from Previous Month 2.41 -43.85 25.58 -22.44 37.59 -1747.30 51.17 70.97 35.07 -189.63 35.40 94.68 NET WORTH CRITERIA: CURRENT ASSETS Cash & Checking 1500 1890 1000 1000 1000 1000 1000 1000 1000 1000 1000 1000 1000 1000 Market Livestock & Products 110358 118357 61950 82422 89555 96955 93955 Stored Crops, Feed, Supplies 41500 41500 36500 30000 2500**0** 20000 30000 32500 32000 35000 38500 42000 40125 40125 125766 Cash Investment in Growing Crops 73734 74589 77348 98492 151455 67410 79824 123837 132719 44920 73743 73743 73743 Other Current Assets 7080 7000 7000 7080 7150 7150 7150 7300 7300 7300 7500 7500 7500 7500 Total Current Assets 242446 234092 183798 136492 158916 179605 105560 120624 164137 176019 194342 213798 219323 219323 INTERHEDIATE ASSETS Breeding Livestock 44400 44583 44766 44949 45132 45315 45498 45681 45864 46847 46238 46413 46600 46600 87486 84218 Machinery & Equipment 81030 77842 74654 71466 68278 45090 61902 58714 55526 52338 49153 49153 Other Intermediate Assets 27800 27250 27125 27375 27500 27625 27750 27875 28080 28125 28250 28375 28500 28500 158804 155926 Total Intermediate Assets 153046 150166 147286 144406 141526 138646 135766 132886 130008 127126 124253 124253 LONG TERM ASSETS Land 1021000 1021000 1021000 1021000 1021008 1021000 1021000 1021000 1021000 1021000 1021000 1021000 1021000 1021000 40000 40000 Other Long Term Assets 39864 39728 39592 39456 39320 39184 39048 38912 38776 38640 38500 38500 1041000 1041000 1060864 1060728 Total Long Term Assets 1060592 1860456 1060320 1040184 1060048 1059912 1059776 1059640 1059500 1059500 TOTAL ASSETS 1453898 1459372 1397708 1347386 1366794 1384467 1307406 1359951 1368817 1319454 1384124 1400564 1403076 1403076 CURRENT LIABILITIES Notes Payable 150000 153709 106852 87267 139838 187907 10172 20833 71769 110530 38163 59073 110134 110134 Interest Due 26601 6266 3738 5400 6326 9808 8325 8220 10039 12466 11109 13119 15472 19315 14680 Princ pal due: Intermediate Debts 14680 14680 14689 11210 11210 11210 7610 7610 7810 3875 3875 3875 1700 : Long Term Debts 36256 36256 36190 36124 34057 35989 35921 35853 35783 35714 35643 35572 35501 40024 Other Current Liabilities 5000 2800 4600 5400 2500 2300 2109 4900 4700 8500 5800 0003 7500 7500 Total Current Liabilities 232537 213711 166060 148871 195931 247214 67728 77416 174820 129901 94590 118239 172492 193982 INTERHEDIATE LIABILITIES 36715 36715 36715 36715 36715 36715 36715 36715 36715 36715 38715 36715 36713 19787 LONG TERM LIABILITIES 166884 166884 166884 166884 166884 166884 166884 166884 166884 166884 166884 188884 14486-1 126860 TOTAL LIABILITIES 436136 417318 369659 352470 399530 450813 271327 281015 333500 378419 298189 321838 376081 340549 NET WORTH 1017762 1042062 1028049 994916 967264 933454 1036079 1038439 1028451 990398 1085935 1078726 1026995 1062527 RATIOS: Current Ratio 1.01 1.13 1.11 0.92 0.81 0.73 1.56 1.56 1.26 1.01 2.05 1.27 1.81 1.13 Working Asset Ratio 1.46 1.59 1.66 1.54 2.37 1.32 1.14 2.27 1.80 1.46 2.47 2.20 1.64 1.61 Net Capital Ratio 3.33 3.50 3.78 3.82 3.42 3.07 4.82 4.70 4.68 3.62 4.64 4.35 3.73 4.12 Debt to Equity Ratio 0.43 0.40 0.36 0.35 0.41 0.48 0.26 0.27 0.32 6.38 0.27 0.30 0.37 .0.32 Total Debt Ratio 0.30 0.29 0.28 0.26 0.29 0.33 0.21 0.21 0.25 0.28 0.22 0.23 0.27 8.24 Per Cent Equity 70.00 71.40 73.55 73.84 70.77 67.44 79.25 78.70 75.48 72.35 78.46 77.02 73.20 75.73 Debt and Asset Structure Ratios: Current Assets: Total Assets 8.16 0.17 0.13 0.10 0.12 0.13 8.08 0.09 0.12 0.13 0.14 0.15 0.16 0.16 Intermed. Assets: Total Assets 0.11 0.11 0.11 9.11 0.11 0.10 0.11 0.11 0.10 0.10 0.09 0.09 0.09 0.09 0.73 0.78 0.77 0.77 0.76 0.76 0.76 Long Term Assets: Total Assets 0.73 0.76 0.79 0.78 0.77 0.81 0.80 Current Liab: Total Liab 8.53 1.51 8.45 8.42 0.55 0.08 2.78 1:39 1:12 1:17 8.N 8.57 8.75 0.10 Interned, Liab:Total Liab 80.0 8.09 0.10 0.52 0.44 0.37 0.62 0.59 0.50 1.44 1.56 0.37 0.47 0.42 Long Term Liab: Total Liab 6.38 8.40 0.45

Table 13, Monthly Financial Analysis Worksheet for High Equity, Poor Cash Flow Situation

High Equity Poor Cash Flow Variable Interest Rate MONTHLY FINANCIAL ANALYSIS WORKSHEET: CRITERIA: January 1st January 31 April Hay June Oc tober February March July August September November December January 1 CASH FLOW CRITERIA: 196345 62595 150000 153878 108953 92595 146834 80829 141431 186922 139922 Operating Debt 161429 212558 212558 % Change from Previous Month 2.52 -41.23 -17.67 36.94 25.22 -213.68 22.56 42.85 24.34 -33.59 13.32 24.05 HET WORTH CRITERIA: **CURRENT ASSETS** Cash & Checking 1500 1000 1000 1000 1000 1000 1000 1000 1000 1000 1000 1000 1000 1000 Market Livestock & Products 110358 118357 61950 8 8 82422 89555 96955 96955 0 0 Stored Crops, Feed, Supplies 41500 41500 36500 30000 25000 20000 30000 32500 32000 35000 38500 42000 40125 40125 Cash Investment in Growing Crops 73734 74589 77348 98492 125766 151455 67410 79824 123837 132719 64920 73743 73743 73743 Other Current Assets 7000 7000 7000 7000 7150 7150 7150 7300 7300 7300 7500 7500 7500 7500 **Total Current Assets** 234092 242446 183798 136492 158916 179605 105560 120624 164137 176019 194342 213798 219323 219323 INTERHEDIATE ASSETS Breeding Livestock 44400 44583 44766 44949 45132 45315 45498 45681 45864 46047 46230 46413 46600 46600 Hachinery & Equipment 87406 84218 81030 77842 74654 71466 68278 65090 61902 58714 55526 52338 49153 49153 Other Intermediate Assets 27000 27125 27250 27375 27500 27625 27750 27875 28000 28125 28250 28375 28500 28509 Total Intermediate Assets 158806 155926 153046 150166 147286 144406 141526 138646 135766 132886 130006 127126 124253 124253 LONG TERM ASSETS Land 1021000 1021000 1021000 1021000 1021000 1021000 1021000 1021000 1021000 1021000 1021900 1021000 1021090 1021006 Other Long Term Assets 40000 40000 39864 39728 39592 39456 39320 39184 39048 38912 38776 38640 38500 38500 Total Long Term Assets 1061000 1061000 1060864 1060728 1060592 1060456 1060320 1060184 1060048 1059912 1059776 1059640 1059500 1059500 TOTAL ASSETS 1453898 1459372 1397708 1347386 1366794 1384467 1307406 1319454 1359951 1368817 1384124 1400564 1403076 1403076 **CURRENT LIABILITIES** Notes Payable 150000 153878 108953 92595 146834 196345 62595 80829 141431 186922 139922 161429 212558 212558 Interest Due 26601 6266 3738 5400 6402 9977 8325 8835 11365 14622 11109 14412 18193 22036 Principal due: Intermediate Debts 14680 14680 14680 14680 11210 11210 11210 7610 7610 7610 3875 3875 3875 17009 : Long Term Debts 36256 36256 36190 36124 36057 35989 35921 35853 35783 35714 35643 35572 35501 40024 Other Current Liabilities 5000 2800 4600 5400 2500 2300 2100 4900 4700 8500 5800 6600 7500 7500 Total Current Liabilities 232537 213880 168161 154199 203003 255821 120151 138027 200889 253368 196349 221888 277627 299127 INTERMEDIATE LIABILITIES 36715 36715 36715 36715 36715 36715 36715 36715 36715 36715 36715 36715 36715 19707 LONG TERM LINBILITIES 166884 166884 166884 166884 166884 166884 166884 166884 166884 166884 166884 166884 166884 126860 TOTAL LIABIL TIES 436136 417479 371760 357798 406602 459420 323750 341626 404488 456967 399948 425487 481226 445694 **NET WORTH** 1017762 1041893 1025948 989588 960192 925047 983656 977828 955463 911850 984176 975077 921850 957382 RATIOS: Current Ratio 1.01 1.13 1.09 0.89 0.78 0.70 0.88 0.87 9.82 0.69 0.99 0.96 0.79 0.73 Working Asset Ratio 1.58 1.26 1.06 1.39 1.32 1.09 1.08 1.46 1.59 1.64 1.50 1.28 1.11 1.48 Net Capital Ratio 3.00 3.46 3.33 3.50 3.76 3.77 3.36 3.01 4.04 3.86 3.36 3.29 2.92 3.15 Debt to Equity Ratio 0.43 0.40 0.36 0.36 0.42 0.50 0.33 0.35 0.42 0.50 0.41 0.44 0.52 0.47 Total Debt Ratio 0.30 0.29 0.27 0.27 0.30 0.33 0.25 0.26 0.30 0.33 0.29 0.30 0.34 0.32 Per Cent Equity 70.00 71.39 73.40 73.45 70.25 66.82 75.24 74.11 70.26 66.62 71.16 69.62 65.70 68.23 Debt and Asset Structure Ratios: Current Assets: Total Assets 0.17 0.13 0.13 0.08 0.09 0.12 0.13 0.14 0.15 0.16 0.16 0.16 0.10 0.12 Intermed, Assets: Total Assets 0.11 0.11 0.11 0.11 0.10 0.10 0.89 0.09 0.09 0.89 0.11 0.11 0.11 0.10 Long Term Assets: Total Assets 0.73 0.73 0.76 0.79 0.78 8.77 0.81 0.80 0.78 0.77 0.77 0.76 0.76 0.76 Current Liab: Total Liab 0.53 0.51 0.45 0.43 0.50 0.56 0.37 0.40 0.50 0.55 0.49 0.52 0.58 0.67 Intermed, LiabiTotal Liab 0.08 0.09 0.10 0.10 0.09 0.08 0.11 0.11 0.09 0.08 8.89 0.09 0.08 0.04 Long Term Liab: Total Liab 0.38 0.40 0.45 0.47 0.41 0.36 0.52 0.41 0.37 0.39 0.28

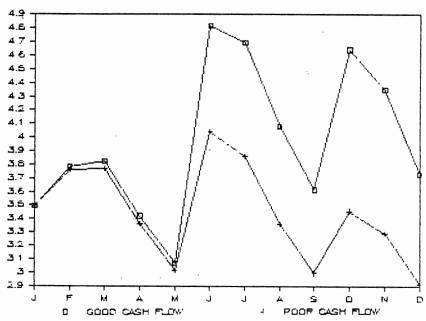


Figure 31. Net Capital Ratio: High Equity Situation

for the good cash flow, three times that of the low equity situation and 40% higher than the medium equity case. With the poor cash flow, the coefficient was .10 for the high equity case, compared to .072 for the medium and .054 for the low equity situation. The relative instability of this ratio for the high equity case might be a concern to a lender, although the overall solvency of this business is not in question.

The Current Ratio and Working Asset Ratio, both measures of liquidity, averaged 1.27 and 1.79 respectively for the good cash flow; .88 and 1.36 for the poor cash flow (figures 32 and 33). The flucuations in the overall liability structure of this business can be seen in figures 34 and 35.

To summarize, three levels of equity were used in the development of this case farm to show the relationship between equity and certain financial ratios. All of the scenarios in this chapter had the same level and structure of assets. The variation in equity was achieved through varying debt levels. The level of equity affected the liquidity position of the business through the interest liability in the current section of the Net Worth

Statement. For the lower leveraged operation, interest was not as significant an entry as in the higher leveraged operation. The level of equity affected the solvency of the business directly by the amount of total liabilities for each situation. A highly leveraged business is less solvent than one with a low level of indebtedness. The equity position affected profitability through the interest expense in the Income Statement. This expense was higher for the low equity business than for the high equity business.

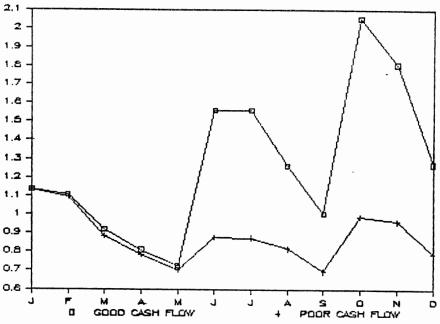


Figure 32. Current Ratio: High Equity Situation

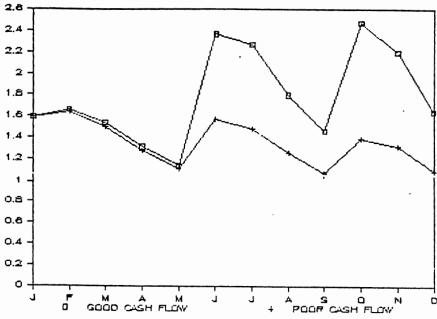
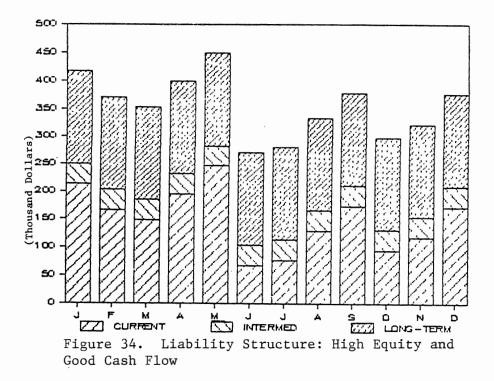


Figure 33. Working Asset Ratio: High Equity Situation



M SSS

CURRENT

Figure 35. Liz Poor Cash Flow INTERMED

Liability Structure: High Equity and

ם א ם ב איפור-באסט (נננו

Figure 34. Liability Structure: High Equity and Good Cash Flow

500

Two Cash Flow Statements were then developed for each equity position to show the importance of repayment ability in the financial evaluation of a business. While the most lucrative financial situation was that of the high equity farm with a good cash flow, this analysis showed that the low equity position with a good cash flow might be a better risk for a lender than the higher equity situations with poor cash flow projections.

The following chapter provides a summary of the problems addressed in this study and the procedures used in completing the analyses. A summary of the results is presented to draw some conclusions about the effects of equity levels and cash flow on the financial condition of a farm business.

#### CHAPTER V

#### SUMMARY AND CONCLUSIONS

The goals of this project were to develop an integrated financial program available to farmers and agricultural lenders on a microcomputer, and to use that system to identify some of the ways credit allocation to the farm sector could be improved. An important aspect of financial management is to have a system which allows the farm manager to control and analyze the performance of the business for purposes of evaluation by lenders, reporting to government agencies and others, and as an aid in the decision making process. Only from a thorough understanding of the past can managers adequately plan for the future.

Credit is a necessary ingredient in most farm management strategies, but in order to be effective, lenders must be responsive to the overall financial condition of each farm business. The premise that loans can be made on the basis of equity alone is an obvious fallacy, leading to a long-run decline in the net worth of many farm businesses.

Integrated Farm Financial Statements for the Microcomputer

Integrated Farm Financial Statements (IFFS), a system of agricultural financial worksheets designed for the microcomputer, was a

product of this study. Full documentation of the program in a user's manual format was incorporated into the project. An integrated approach to financial management was taken in the programming of the IFFS system to show the interrelationships between the production and financial aspects of the farm business.

The Cash Flow Statement was easily adapted to the microcomputer program because of its tabular structure and repetitive entries and formulas. The Cash Flow Statement records all cash inflows and outflows of the farm business during the year. It can be constructed from previous years' records, tax forms, budgets, or other sources of information. In the IFFS system, income and expense items can be entered directly into the Cash Flow worksheet from the keyboard. Also, the IFFS program includes sixty budgets which represent the major crop and livestock enterprises in various regions of Oklahoma. The information from these budgets can be loaded directly into the Cash Flow worksheet in the IFFS program which can save a significant amount of time for the farm manager.

The full utilization of cash flow analysis as a management tool has not been attained in many cases because of the lack of predictive or planning budgets, and regular and timely adjustments to those plans. For many businesses, a budget is prepared at the beginning of the planning horizon, on January 1 or at the beginning of the crop year. However, few managers have interim budgets to reflect adjustments which are needed within the year. The budgets in the IFFS system can be revised at any time during the year, and monthly comparisons of the actual figures to budgeted figures can be obtained to indicate how the business is performing. These types of

comparisons serve as "red flags" both to the operator and lender and should provide useful insights into the trends of the business.

The planning budgets could be adjusted in the following situations: unanticipated capital purchases; major repairs or improvements; additional financing needs; windfall gains from marketing strategies, speculation or inheritance; addition or elimination of an enterprise; natural disaster; changes in government programs and policies; changes in financing terms, especially with variable rate loans; or unusual family expenses or income. Changes such as these have entailed hours of pencil-erasing and revisions in the past. Often the adjustments have been handled in shortcut methods resulting in poor management and lack of control. In the IFFS system, once the budgets have been adjusted, a revised farm plan can be formulated and the resulting implications on the major financial statements and ratios analyzed.

The Cash Flow Summary calculates the cash position of the business at the end of each month to determine when operating credit is needed. The operating loan balance increases when there is a cash deficit during the month. Principal and calculated interest on the loan are repaid when there is a cash surplus in the month. This information can help the farm manager and lender establish repayment schedules for existing loans, and determine the repayment capacity of the business for new loans.

The Monitor Statement is another financial statement available in the IFFS program. This worksheet compares actual cash flow data to projected figures. Monitoring is done on a monthly basis as well as on a cumulative basis. This statement provides warnings to the farm

manager and lender of potential cash flow problems when the business is not performing as planned.

The Net Worth Statement provides a summary of the financial position of the business at one point in time. It summarizes the assets and liabilities of the business, and calculates the amount of owner equity or net worth. There are several Net Worth Statements in the IFFS system. The formats vary in the detail provided in the statement, as well as in the method of valuing the assets. In several of the statements, full detail is provided for the market and breeding livestock, and for pasture and cropland acreages. This format might be useful to the lender when complete information on the business assets is required for collateral. The two methods of valuation are Market Value and Modified Cost. The Market Value is based on current appraisals of the assets. Modified Cost is based on the cost or basis of the asset, less accumulated depreciation. This method would generally result in lower figures as the effects of inflation on the Balance Sheet are eliminated.

The IFFS includes Balance Sheet Supporting Schedules which provide more detail on the assets, liabilities and debt structure of the business. There are Supporting Schedules for securities; accounts and notes receivable; livestock and products; crops, feed and supplies; breeding livestock; real estate; and machinery and equipment.

Information from these schedules can be loaded directly into any of the Net Worth Statements in the system.

The Income Statement is also included in the IFFS program. This statement measures the profitability of the business in a given year. It summarizes cash receipts and expenses, and adjustments for changes

in inventory and capital items. This statement is completed automatically with information from the Cash Flow and Net Worth Statements.

Several financial ratios are calculated from the financial statements in the IFFS system. These include the Current Ratio, Working Asset Ratio, Debt Structure Ratio, Net Capital Ratio, Debt to Equity Ratio, Total Debt Ratio, Per Cent Equity, Debt Servicing Ratio, Return on Equity and Return on Investment.

Another worksheet available in this system is the Spread Sheet.

This contains information from all three of the major financial statements and several of the financial ratios on an annual basis.

This statement provides a summary of the changing structure and growth of the business from year to year.

#### Case Farm Analyses

Several case farms were developed with their financial statements evaluated on the microcomputer program. The microcomputer allowed a number of "what-if?" situations to be done in a fraction of the time it would have taken with conventional accounting techniques. The farm scenarios were evaluated on the basis of liquidity, solvency, profitability, and overall trends of the business. First, four farms were analyzed on the basis of these criteria. Table 14 provides a comparative analysis of the financial data for these farms. Then a detailed analysis of one farm was completed with variations in the equity position, interest rate and cash flow assumptions. A summary of the financial data for each of these situations can be found in Tables 8 through 13 in Chapter IV.

Table 14 Spread Sheet (as of December 31)

	Southeastern	North Central	Southwest	Jest South Central
NET LIGHTLE CT IPST				
NET WORTH STHILLICT				
CURRENT ASSETS	10000	24400	70.40	(0450
1. Casa & Other Liquid Assets 2. MKt.Livestock & Products: Rsd.	! 8800	34400 16416	7060 16416	18 <b>650</b> 1 <b>7938</b>
3. Mt.Livestock: Purchased		3 <b>2832</b>	32 <b>832</b>	53813
4. Stared Cross, Feed & Supplies	4000	18258	42000	11850
5. Cash Investment: Growing Crops	********	27744	2 <b>5702</b>	7974
6. Prepaid Expenses & Other Assets 7. Total Current Assets	22800	129642	124616	110225
INTERNEDIATE ASSETS	22000	127072	121010	:10223
8. Notes Receivable				
9. Breeding Livestock: Raised	26600	20700	26600	511 <b>56</b>
10. Breeding Livestock: Purchased		*******	********	
11. Vehicles 12. Machinery & Equipment	9 <b>909</b> 1 <b>4232</b>	90 <b>00</b> 5 <b>3228</b>	45 <b>00</b> 911 <b>55</b>	7000 381 <i>6</i> 0
13. Other Intermediate Assets	19100	29000	4250	13200
14. Total Internediate Assets	67 <b>932</b>	111928	128505	109510
FIXED ASSETS				
15. Contracts & Notes Receivable		**********	********	
16. Buildings & Improvements	36300	62500	34008	52500
17. Land 18. Other Fixed Assets	160000	550000	6 <del>40</del> 00 <b>0</b>	232000
19. Total Fixed Assets	196300	612506	5 <b>74000</b>	284500
20. TUTAL ASSETS	297032	354970	924515	504235
CURRENT LIABILITIES				
21. Accounts & Notes Payable	3086	131884	54276	59778
22. Interest Due	7098	26322	25968	16210
23. Estimated Taxes Due 24. Accrued Expenses	2750	7700	4180	5500
25. Principal Due In 12 Most Inter.	3949	12128	6149	11917
26. Long-Term	3133	9755	1897	5897
27. Other Current Liabelities	********	*******		
28. Total Current Liabilities	24016	237789	94679	109382
INTERNEDIATE LIABILITIES			****	
29. Notes Payable 30. Other Intermediate Liabilities	9377	36213	38117	2 <b>3231</b>
31. Total Intermediate Crabilities	7377	36213	38117	23 <b>231</b>
LONG TERM LIABILITIES	7411	******	••••	
32. Mortgages & Notes Payable	61174	195939	42 <b>4291</b>	114557
33. Other Long Term Liabilities	********			
34. Total Long Term Liabilities	61174	19 <b>5939</b>	424291	114557
35. TUTAL LIABILITIES 36. NET WORTH	°6 <b>567</b> 19 <b>0465</b>	469941 2841 <i>2</i> 9	557078 369437	247090
27. TOTAL LIABILITIES & NET WORTH	297032	3 <b>540</b> 70	926515	257145 504235
			7.0010	
INCOME STATEMENT				
38. Gross Receipts from Farming	59368	136676	184689	238979
39. Total Cash Expenses less Interest	43750	132995	140986	190676
40. Interest Expense	10234	50 <b>528</b>	34849	31614
41. Net Cash Income from Operations	5384	-46839	8845	16689
42. Adjustments for Accrued Items  2 Changes in Inventory	903	-598	51 <i>69</i>	9486
43. Adjustments for Capital Items	-23 <b>385</b>	-29 <b>939</b>	-4595	-15605
44. Net Farm Income	-17098	-77376	7419	10570
45. Opportunity Return to Labor & Mgm't.	15800	18900	13000	15000
FINANCIAL RATIOS				
LIQUIDITY MEASURES				
46. Current Ratio	0.38	0.55	1.31	1.01
47. Working Asset Ratio	2.56	1.88	1.90	1.36
48. Debt Structure Ratio	0.27	0.51	3.17	0.44
SOLVENCY MEASURES 49. Net Capital Ratio	2.97	1.32	1.36	2.04
SB. Total Debt Ratio	0.34	9.55	0.40	0.49
51. Jebt to Equity Ratio	3.51	1.22	1.51	1.96
52. Per Cent Equity	o <b>6.3</b> 6	44.98	39.37	51.00
PROFITABILITY MEASURES				
53. Return on Investment 54. Return on Equity	-0.08 -4.14	-9. <b>17</b>	9.02	1.13
AAT WETGER ON CORETO	-9.16	-J.22	-9.03	-0.02

#### Southeastern Oklahoma Farm Situation

This was the smallest farm unit analyzed with 200 acres of cropland, 250 acres of native pasture, and 50 cows. It had the lowest net worth of the four case farms, at \$190,465, and the highest percent equity at 66.36%. It had the lowest production levels of the four, with gross receipts from farming of \$59,368. The Current Ratio of .88 pointed towards potential cash flow problems. However, with a Working Asset Ratio of 2.56, this farm showed the strongest liquidity position of the four when both current and intermediate assets and liabilities were considered. All of the farms reported a negative Return on Equity, but the Southeastern farm had the second highest rate of return of the four at -.16. The Net Farm Income of -\$17,098 was not a major concern because it was largely the result of the high depreciation expense of machinery and equipment.

#### North Central Oklahoma Farm Situation

This farm included 680 acres of wheat, 50 acres of bermuda grass, 250 acres of native pasture, 200 stockers and 50 cows. It was the most solvent of the four farms analyzed, with a net worth of \$384,129 at the end of the year. However, the equity position of the owners of this business had declined during the year, from 55.25% at the beginning of the year, to 44.98% by December 31. This farm had serious liquidity problems with a Current Ratio of .55 and a Working Asset Ratio of .88. It was also the least profitable operation, with a Net Farm Income of -\$77,376.

#### Southwestern Oklahoma Farm Situation

This farm was the largest operation of the four, with 980 acres owned and 700 rented acres. The major crop and livestock enterprises were cotton, wheat, stockers and cows. The farm was large enough to attain economies of size, but with the lowest percent equity of 39.87%, it could typify that of a newly established operator. Most of the financing of this farm was at concessionary rates and terms available through the Farmers Home Administration. The Net Farm Income of \$7,419 could not have been achieved without the subsidized interest rate which kept the interest expense much lower than it would have been with conventional sources of credit. This farm was in a better liquidity position than the other farms evaluated, with a Current Ratio of 1.31 and a Working Asset Ratio of 1.9.

#### West South Central Oklahoma Farm Situation

The resources of this farm included 200 stockers, 100 cows, 200 acres of wheat, 400 acres of bermuda grass, and 280 acres of native pasture. 45% of the land was rented on a cash rent agreement. This farm had the highest annual off-farm income of \$25,000 which suggests a part-time manager with a large amount of hired, seasonal labor. The percent equity increased during the year from 46% to 51%, an increase of 7.9%. This reflects a positive trend and growth of the business. The business did not have serious liquidity problems, with a Current Ratio of 1.01 and a Working Asset Ratio of 1.66. The West South Central farm was the most profitable of the four with a Net Farm Income of \$10,570.

#### Northwestern Oklahoma Farm Situation

The Northwestern farm was analyzed in more detail than the other four farm situations. Three levels of equity were considered, and two cash flow scenarios. This was a large operation, with 2,167 acres of cropland and 500 acres of native pasture. The major crop and livestock enterprises included wheat, grain sorghum, corn, alfalfa, stocker steers and cows. All of the crops, except 227 acres of grain sorghum, were grown on irrigated land.

### Low Equity Situation

This farm operation began the year with a net worth of \$587,361 representing 40.2% of total assets. This decreased to 35.9% of total assets under the good cash flow scenario, and to 28.4% with the poor cash flow. This decline was less significant in the good cash flow situation with a net decrease of 14.3% in net worth during the year. The outstanding operating debt exhibited a great deal of variability in the low equity situation. Operating debt increased 8.4% during the year with the good cash flow, and it increased 76.7% with the poor cash flow. The low equity position combined with a poor cash flow resulted in a business with severe financial stress. The overall financial position of the stronger cash flow situation did not significantly deteriorate during the year. Net Farm Income of -\$3,281 does not represent a serious earnings problem because it includes a large amount of depreciation of machinery and equipment.

#### Medium Equity Situation

This farm situation had a net worth of \$874,326 at the beginning

of the year. Net Worth decreased by 4% during the year under the good cash flow situation, and it decreased by 16% under the poor cash flow. There was a great deal of variability in the debt to equity level during the year, but the net change was insignficant during the year with the stronger cash flow. The operating debt decreased by 24.7% during the year with the good cash flow scenario and it increased 43.5% with the poor cash flow. This increase in outstanding operating debt and a Net Farm Income of -\$105,601 for the poor cash flow reflect the deficit in cash receipts which would provide strong warning signals to both the farm manager and lender. The better cash flow situation was profitable with a Net Farm Income of \$19,062 for the year.

#### High Equity Situation

The percent equity of this farm situation was 71.4% at the beginning of the year. Per cent equity increased to 73.2% by the end for the good cash flow scenario, and it decreased to 65.7% for the poor cash flow. Both levels indicate a solvent business, but with the poor cash flow there is a declining trend in solvency during the year. The Net Capital Ratio is an indication of the solvency of the business. This ratio showed the greatest amount of variability during the year with both cash flow scenarios. Although this business is solvent, the variability might be a concern to both the farm manager and the lender. The operating debt showed a great deal of variability during the year, reflecting the seasonal nature of the business in the cash inflows and outflows. For the good cash flow, the operating debt decreased 26.6% during the year. For the poor cash flow, the

outstanding operating debt increased 41.7%. This increase in operating debt reflects a serious earnings problem and the lack of profitability of the business.

To summarize, a high level of equity is certainly an advantage in most businesses, and it was shown that the high equity case farm exhibited a stronger financial base than the medium or low equity farms. However, by having both good and poor cash flow scenarios, it was shown that in the long-run, even high levels of equity do not assure continued solvency or profitability. The high equity situation with the poor cash flow deteriorated much more than the low equity situation with the good cash flow. This was seen most clearly in the change in outstanding operating debt which increased 41.7% for the high equity, poor cash flow scenario during the year. Outstanding operating debt increased less signficantly, only 8.4% in the low equity, good cash flow scenario. Under the medium equity, good cash flow scenario, operating debt decreased by 24.7% during the year. This reduction is a strong sign of profitability and should be emphasized in the financial review of this business. The high equity situation had a higher net worth than the other farm situations, but this level decreased by 11.5% during the year under the poor cash flow scenario. Under the medium equity, good cash flow farm situation, net worth decreased by 4% during the year.

In conclusion, it is obvious that lenders should pay close attention to the cash flow statement of its borrowers to prevent deterioration of owner equity and possible bankruptcy in the long-run. While low equity situations represent higher risks to the agricultural lender, with a strong earnings capability, they could be safer in the

long-run than some of the poorly managed, unprofitable higher equity farms.

#### Implications For Further Study

One aspect of financial management which was not covered under the Integrated Farm Financial Statements was risk management. It would be possible to incorporate a risk model within this program, so enterprise selection and decision making could be based on liquidity, profitability, and solvency as well as the risk exposure of the business. The relationship between risk and liquidity could also be developed thoroughly. How the farm manager prepares for the unknown, as a risk-lover or a risk-averter, has an impact on the liquidity position, and hence on the Balance Sheet, of the business. A business with a very high Current Ratio could indicate a risk-adverse manager, preparing for any unforeseen expenses by having a high proportion of easily liquidated, short term assets. The risk-adverse manager could also have an excess of current assets in place of the generally more productive, and depreciable intermediate and long-term assets in an attempt to reduce risk. These are management strategies which could have an adverse effect on the earnings potential of the business.

The allocation of credit in agriculture might be improved if financial standards were developed for the different agricultural enterprises and regions of the country as has been done by other industries in the United States. Standards or norms are just guidelines, and effective financial analysis must be performed on an individual basis to evaluate the unique aspects of each farm situation. However, for lenders, investors, beginning farmers and others, some guidelines to

serve as benchmarks would be desirable. The Almanac of Business and Financial Ratios publishes a table of financial ratios for agricultural production, based on the size of the business assets. These ratios are for the entire farm sector in the country and, as such, are too general to be of much assistance.

Designing the financial structure of the business so that it could be timed with the cash inflows and outflows was a goal of this program. In addition, properly structuring debt repayment with the acquisition of capital items, such as new equipment and additional land, could be incorporated into the financial analysis of this program. The lending policies of credit institutions including the rates and terms of their loans to farmers, should reflect the repayment ability and financial condition of the individual. Short term, operating loans which are repaid from cash receipts can often be made despite a borrower's low net worth. Longer term loans often entail more planning and risk, but are generally better secured than the operating loan.

A final suggestion for future research would be to incorporate a record-keeping system into the Integrated Farm Financial Statements program. This would save time for the farm manager from gathering past production and financial data needed in the program. There are many computerized record systems on the market which could be integrated with the IFFS worksheets in a spread sheet format, so data could be automatically accessed for financial analyses.

#### A SELECTED BIBLIOGRAPHY

- Baker, C.B. "Credit in the Production Organization of the Firm." American Journal of Agricultural Economics, Vol. 50, No. 3, (August, 1968), pp. 507-520.
- Baker, C.B. and Daniel Dunn. "Lending Risks of Federal Land Banks and the Farm Credit Act of 1971." Agricultural Finnce Review, United States Department of Agriculture, Economics and Statistics Service, Vol. 39, (November, 1979) pp. 1-17.
- Barry, P. "Agricultural Lending By Commericial Banks." Agricultural Review. United States Department of Agriculture Economics and Statistics Service, Vol. 41, (July, 1981), pp. 28-40.
- Barry, Peter J., John A. Hopkin, C.B. Baker. <u>Financial Management in Agriculture</u>. 3rd Edition. Danville, Illinois: The Interstate Printers and Publishers, Inc., 1983.
- Boehlje, Michael and Vernon Eidman. "Financial Stress in Agriculture: Implications for Producers." American Journal of Agricultural Economics, Vol. 65, No. 5, (December, 1983) pp. 937-944.
- Department of Agricultural Economics. "OSU Agricultural Economics Department Farm Management Extension Enterprise Budgets." Stillwater: Oklahoma State University, 1981.
- Farm Credit Administration. "The Federal Land Bank of Wichita 1982 Annual Report." Wichita, Kansas, 1982.
- Farris, D.E., J.M McGrann, J.B. Penson, Jr., R.D. Pope. "Coping With Economic Crisis in Agriculture." College Station:

  The Texas Agricultural Experiment Station Departmental Information Report 80-1, 1980.
- Frey, Thomas L. and Robert H. Behrens. <u>Lending to Agricultural</u>
  <u>Enterprises</u>. Boston, Massachusetts: Bankers Publishing
  <u>Company</u>, 1981.
- Frey, Thomas L. and Danny A. Klinefelter. Coordinated Statements in Agriculture. 2nd Edition. Skokie, Illinois: Agri Finance 1980.

- Hardin, Mike L., Ross O. Love, Harry P. Mapp, Jr. "Developing a Net Worth Statement." Stillwater: Oklahoma State University Cooperative Extension Service. OSU Extension Facts No. 752 1983.
- Herr, W. and E. LaDue. "The Farmers Home Administration's Changing Role and Mission." Agricultural Finance Review United States Department of Agriculture, Economics and Statstics Service, Vol. 41, (July, 1981), pp.58-72.
- Irwin, George D. Agricultural and Credit Outlook '84. Washington D.C.: Farm Credit Administration, December, 1984.
- James, Sydney C. and Everett Stoneberg. Farm Accounting and
  Business Analysis. 2nd Edition. Ames, Iowa: Iowa State
  University Press, 1979.
- LaDue, E. "Financing the Entry of Young Farmers." Agricultural Finance Review, United States Department of Agriculture, Economics and Statistics Service, Vol. 39, (November, 1979) pp. 1-122.
- Love, Ross O., Mike L. Hardin, Harry P. Mapp, Jr. "Developing a Cash Flow Plan." Stillwater: Oklahoma State University Cooperative Extension Service. OSU Extension Facts No. 751, 1983.
- McCormick, John. "A Riches-to-Rags Story." Newsweek. April 2, 1984, pp. 60-62.
- Melichar, Emanuel. "Trends Affecting and Exhibited by Commercial Banks in Agricultural Areas." (Paper presented at a Symposium on Agricultural Communities: The Interrelationship of Agriculture, Business, Industry and Government in the Rural Economy.) Congressional Research Service, The Library of Congress, Washington D.C., 1983.
- Oklahoma Water Resources Board. "State-Level Research Results for the Six-State High Plains Ogallala Aquifer Area Study." Norman, Oklahoma: O.U. Printing Services, (June, 1983), pp. 28-30.
- Robison, L. and R. Love. "An Empirical Study of Changes in Farm Mortgage Loan Market Shares Held by Federal Land Banks and Life Insurance Companies." Agricultural Finance Review, United States Department of Agriculture, Economics and Statistics Service, Vol. 39, (November, 1979), pp. 18-23.
- Schertz, Lyle and David H. Harrington. "Inflation and Agriculture."

  Agricultural-Food Policy Review: Perspective for the 1980's.

  United States Department of Agriculture, Economics and Statistics Service, 1981.

- Sonka, Steven T. and Bruce L. Dixon. "Determinants of Lender Response to Short-Term Credit Needs of Small Commercial Farmers."

  <u>Southern Journal of Agricultural Economics</u>, Vol. 11, No. 1, (July, 1979), pp. 133-137.
- Sonka, S.T., B.L. Dixon, B.L. Jones. "Impact of Farm Financial Structure on the Credit Reserve of the Farm Business."

  American Journal of Agricultural Economics, Vol. 62, No. 3
  (December, 1980), pp. 565-570.
- Survey of Oklahoma Bankers, Ag Conference, Oklahoma Bankers Association. Oklahoma City, Oklahoma, October 28, 1983.
- Troy, Leo. Almanac of Business and Industrial Financial Ratios. 1984 Edition. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1984, p.2.
- Tweeten, Luther. "Farmland Pricing and Cash Flow In An Inflationary Economy." Oklahoma State University Agriculture Experiment Station Research Report P-811. 1981.
- Williams, Joe, Mike L. Hardin, Ross O. Love. "Developing an Income Statement." Stillwater: Oklahoma State University Cooperative Extension Service. OSU Extension Facts No. 753, 1984.
- U.S. Department of Agriculture. Agricultural Finance: Outlook and Situation, 1982. Washington D.C.: U.S. Government Printing Office, 1982.
- U.S. Department of Agriculture. <u>Agricultural Statistics</u>, 1983. Washington D.C.: U.S. Government Printing Office, 1983.
- U.S. Department of Commerce. 1982 Census of Agriculture: State and County Data of Oklahoma. Washington D.C.: U.S. Government Printing Office, 1984.

APPENDICES

## APPENDIX A

SAMPLE OUTPUT: OK PRODUCER

EXAMPLES 2 AND 3

Table 15. Net Worth Statement: Example 2

	ASSETS	Beginning Balance	Ending Balance	Ne t Change	LIABILITIES	Beginning Balance	Ending Balance	Ne t Change
	CURRENT ASSETS		, <b></b>		CURRENT LIABILITIES			20040000
1.	Cash & Checking	2000	2000	0	37. Accounts Payable	1200	1120	-80
	Savings & Time Certificates	500	530	30	38. Notes Payable	50008	48721	-1279
	Marketable Bonds & Securities			0	Interest Due:			
	Accounts Receivable	850	1908	150	39. Current Liabilities	895	971	76
	Cash Value Life Insurance	600	680	0	40. Intermediate Liabilities	5600	5523	-77
	Other	•••	•••	ā	41. Long Term Liabilities	8362	8072	-290
	TOTAL (lines 1 thru 6)	3950	4130	180	Taxes Due:	*****	••••	
-	Market Livestock & Products:				42. Real Estate & Personal Property	990	1000	10
8.	Raised Livestock			8	43. Employee Payroll Withholding			0
9.	Purchased Livestock	53550	55080	1530	44. Personal& Self-Employment	2100	2200	100
	Stored Crops, Feed, Supplies	23454	24900	1446	45. Other Accrued Expenses	480	480	0
	Cash Investment Growing Crops	8000	8400	400	46. Contingent Tax Liability	900	0	ã
	Prepaid Expenses	0000	0100	0	(( Tax Rate: 0.00))	•	•	•
	Other Current Assets			ů	Principal Due in 12 mos:			
14.	other burrent hasets			Õ	47. Intermediate Liabilities	6050	7729	1679
15.				Ô	48. Long Term Liabilities	2465	2755	290
16.				0	49. Other Current Liabilities	2700	27 00	2,0
17.				å	50.			0
	TOTAL CURRENT ASSETS	88954	92510	3556	51. TOTAL CURRENT LIABILITIES	78142	78570	428
10.	INTERMEDIATE ASSETS	00734	72310	3336	INTERMEDIATE LIABILITIES	70174	10010	720
	Notes Receivable	8	0	0	52. Notes Payable	33950	31721	-2229
		U	U	U	( Principal Due Beyond 12 Mos.		31721	-2227
	Breeding Livestock:	25100	24700	-400		,		
29.	Raised Livestock	25100			Contingent Tax Liability:			0
21.	Purchased Livestock	1500	1440 3950	-60 -1050	53. From Sale of Machinery	c 0	8	0
	Vehicles	5000	3770	-1000	54. From Sale of Breeding Livest	. ,	ų.	0
	Machinery & Equipment:				55. Other	0	0	0
	Cost or Basis	4/3/0	00/50	2442	56. TOTAL CONTINGENT TAX LIABILITY	Ų	U	0
23.	Less Accum.Depreciation	46760	38650	-8110	57. Other Intermediate Liabilities			0
	Securities Not Readily Mktable	. 2750	2750	0	58.			0
	Other Intermediate Assets			0	59.			-
26.				0	60.	****		0
27.	TOTAL INTERMEDIATE ASSETS FIXED ASSETS	81110	71490	-9620	61. TOTAL INTERMEDIATE LIABILITIES  LONG TERM LIABILITIES	33950	31721	-2229
28.	Contracts & Notes Receivable			8	62. Mortgages & Notes Payable	73830	71075	-2755
	Buildings & Improvements Land	2400	8400	6000	( Principal Due Beyond 12 Mos. Contingent Tax Liability:	)		
30.	Cropland:	324000	324000	8	63. From Sale of Real Estate			0
31.	Pasture:	36000	34000	8	64. Other			ū
32.				0	65. TOTAL CONTINGENT TAX LIABILITY	0	0	0
	Non-Farm Investments			ō	66. Other Long Term Liabilities	-	-	0
	Other Long Term Assets			Ö	67.			0
				ů	48.			ű
35.	TOTAL FIXED ASSETS	362400	368400	6000	69. TOTAL LONG TERM LIABILITIES	73830	71075	-2755
	TAILE I TURE LIAMETA	445 100		••••	70. TOTAL LIABILITIES	185922	181366	-4556
					71. NET WORTH	346542	351034	4492
34.	TITAL ASSETS	532444	532400	-64				-64
36.	TOTAL ASSETS	532464	532400	-64	72. TOTAL LIABILITIES & NET WORTH	532464	532400	

Table 16. Cash Flow Statement: Example 2

UNOLEFARN CASHFLON STATEMENT													
	بننز	FEB	MAK	~28	MAY	KSC	ш	AUG	SEP	द्भा	MOJ	DEC	TOTALS
(( OPGATING RECEIPTS )) —	i	1	1	3	1		,		1	13785	1	3	13785
2.	i	i	i	i	i	i	i	i	i		i	ă	\$
3. Sale of purchased lust		3	72174				•			•		8	72174
4. Gree .Sales: 5.	:	•	:		2568	38498 2888	2166	0 21 <b>39</b>	2943	8	- :	8	3845 <b>6</b> 126 <b>8</b>
6. Sovernment payments	i	i	i	i					;	3228	i	ő	3220
7. Other farm income	•	•	9		1	8	ŧ		•			530	539
8. 9. TOTAL CASH RECEIPTS	:	- !	30174	3	2808	!	2126	g · 2168	7900	17985	8		1 140709
(( CAPITAL SALES ))	•	•	72174	•	2500	41208	2139	2160	2800	11/862	•	538	140/07
18. Breeding livestock	425		859						425	425	•		2129
11. Machinery, equipment	•		•	3	. !		•		•	•	!		
12. Beriding, land (( OTHER ENFLOWS ))	•	•	1	•	•	•	•		•	•	•	1	3
13. Wages and salaries		•			208	298	288	250		8			308
14. investments	•	•	•		•	•	•		•		9		8
15. 16. TOTAL CASH INFLOM	425	•	8 73024	:	3206	41 448	2364	2388	3225	0 17436	8	3498 4138	360 <b>8</b> 147234
(( OPERATING EXPENSES ))	723	•	/2029	•	266.6	11100	2300	2300	3443	17430	•	4138	147234
17. Hired labor	•				•				259		i		268
18. Repairs: Mach.& Equip.	54	75	18	16	41	323	197	197	325	51	49	49	1687
19 Suridings & Fesces 29. Feed	25 334	25 474	ಸ 325	22 354	22 18	22 18	22 10	22 18	22 18	25 1998	25 312	25 233	282 4784
23. Seeds, plants	334	77	22	357	1	10	1	"	1728	1348	312		1728
22. Fertilizer,Line,Chen.	i	6432	468	588	240	ï	i	i	7246	i	i	i	14812
23. Machine Hire		1448	164	•	1829	8170	868	168	2468		•	1	14999
24. Supplies 25. Vet.Medicise.Breed for	73	22	38 42	23	155	:48 45	180	115	136	180 870	6 95	35 35	799 1505
25. Vet.Hedicine,Breed fee 26. Fami, oil, lubricants	145	277	54	74	24 <b>8</b> 147	744	394	396	1223	143	154	154	3949
27. Storage, Warehousing	38	28	**	28	23	1	1						408
28. Taxes- R.E & Pers.Prop		•	428	1		•	•	•	•	•		578	798
29. Insurance			250							320			550
36. Utilities 26. Rents, leases	488	42	44	4	48	44	49	44	49	42	42	42	490 480
32. Freight, trucking	34	i	118	i	- 1	i	·	i	54	128	i	i	1942
33. Hiscoilaneous	98	i	•	2	i	i	i	i	1	-	29	i	156
34.	•	•	1843	•	•		•	•			•		1943
35. Livestock perchases 36. TUTAL CASH EXPENSES	6 1591	8 2517	3229	11 <b>87</b>	2015	9 7534	1625	1648	13764	51888 55251	697	8 1488	51898 181644
(( CAPITAL EXPENSES (total cost) ))	1371	<b>6</b> 17	****	1107	2013	7330	1623	1010	13/00	2021	•,,	1100	10100-
37. Breeding livestock	•		•	•	•	•			•				
38. Hickonery, Equipment			•		•	•	•	•	•	•	•		
39. Bidgs, Fences, Land (( STNER SUTFLOWS ))	•	•	•	7588	1	•	•	•	•	•	•		7586
40. Family Living	1258	1258	1250	1258	1258	1250	1250	1258	1258	1258	1258	1258	15898
41. Incame Tax		1		2186	•	•	1	•					21 98
42. Investments	•	•	•		•			•	•		•		•
43. Scheduled Debt Payments:	•	•	•	•	•	•	•	•	•	•		9	1
4. Intermediates interest					,							5498	5400
45. priscipal	i	i	i	i	i	i	i	i	i	ā	i	6850	6459
46. Long Terms interest	1418 2080	:	:	•			4952	!					8332
47. principal 48. Total Cash Outflows	2388 4331	18147	4479	8 12037	3245	18784	395 18212	2876	1521 <i>6</i>	54501	8 1947	e 14388	2445 148141
(( NEW SCREAMING ))			1777	10441	~~		.4414		619		.,,,,		. 76671
47. Intermediate	•	•		5586		1	•		•	•		•	5546
Si. Leng Term		1	1	1.		•	1		•	•			
(( CASH FLOW SUPPLIEY >)	JAN	FEB	HAR	APR	HAY	ДN	,74	AUS	5EP	OCT	NOV	330	TITTALS
Int.Rate= (( 15.58)) —													
Minimum Cash Ballance (( 2000))	****	****	****		***	****					****	****	****
51. Segiming Casa Salance 52. Inflows- Outflows (16-48)	2886 -5984	2988 -18167	2990 48545	2888 -12839	2888 -245	2988 30414	24968 -7912	17954 -598	16466 -11991	4475 -39871	2998 -1947	2085 -16178	2088 - <del>-7</del> 97
53. Cash Position (49+50+51+52)	-3784	-1167	78545	-12837 -1337	1735	32614	17856	-376 14466	-11771 4473	-37071 -34596	-1747	-0178	-747
54. New Borrowings Operating	5904	18147	i	4539	245		1	1	1	34594	1947	10179	71598
SS. New Borrowings Inter-& Longfern		1		5581			•	•	•	•			5508
(( Accreed Int.dee on Oper.Loan )) 36. Interest pay ts.on Oper.Loan	1541 8	2263	3116		161	197 197	•		8	1	473	971	3314
37. Principal pay ts.on Oper.Loan	i	i	65429		i	7448	:	i	·	ï	;	- ;	72977
98. Ending Cash Balance	2008	2008	2886	2900	2968	24948	17856	16466	4475	2988	2098	2000	
27. Setzianum, Operating Debt 40. Setstanding Intermediate Debt	53904 40008	56973 49888	44 40008	7183	7446 45508	9 45509	8	45		36596	38543	49721	
41. Outstanding Long Term Debt	74215	74213	40008 74215	45509 74215	45508 74215	45588 74215	45588 73830	45509 73839	45500 73838	45 <b>500</b> 73 <b>833</b>	45500 73830	39450 7 <b>383</b> 0	
			644					. 4643		0-04	1 40-34	/ 3536	

Table 17. Income Statement and Financial Ratios: Example 2  $\,$ 

A. OPERATING RECEIPTS	INCINE STATIBIENT					FINANCIAL PATIOS
				ARK EXPENSES		****
Livestock Sales & Products			ired Labe	or .	268	Current Ratio= Current Assets = 1.177418
Raised market livescock	13785	5 M	lack.& Equ	419.24941PS	1487	, resultable to a constitution of the constitu
				k Fence Repairs	282	Correct Liabilities
Livestecs perceased for			asa late		17274	
resales	72174		ted Parci		4784	Working Asset Ratio= Current+Int.Assets 1.485977
Livestock products				nts, Other	1929	***************************************
				,lime,chemicals	14812	Current-int.Liabilities
	Subtotal: \$5955		achinery	Hire	14996	
			uepites		796	Cebt Structure Ratio= Current Liabilities = .4332132
Crop Saless	38400		reeding i		•	
	12680			sedicine	1505	Potzi Liabilities
				oil, lebricants	3949	
				larebousing	408	Het Capital Ratio= Total Assets ≈ 2.935497
				al Est.& Pers.Prop	996	<del></del>
			B SWP BACE		550	Total Liabilities
	Sebtotal: 31800			(farm share)	498	
				è Lesses	490	Debt to Equity Ratio= Total Liabilities = .5166633
Other Farm lacones			reight, 1	Trucking	1842	*************
Soverament payments	3221		<del>onserv</del> ati	on Expenses		Het Worth
Caston Work		H	iscelland	rous Expenses	158	
Dividends, Refunds					1843	Total Debt Ration Total Liabilities = .3404579
Cash Rent			vstk.perc	chased for resale	21800	**************************************
Other	231	1				Total Assets
			utal cas	ESSIBING I	118346	
	Sebtotal: 3750					For Cost Equity= Not Worth + 188 = 45.93421
BROSS RECEIPTS FROM FARKING	8 148789					Ascendo-more Ma
		ε		SH INCOME FROM		Total Assets
			OPERAT 1	10 <b>16</b>	22347	
D. ADJUSTINENTS FOR ACCRUED						Bebt Servicing Ratio= Total Coot Payments = 1.304815
1. Accounts & Mates Receive						*****************
• • .	Accounts		Other			Net Cash Farm Income
Ending Inventory	1668	1	Uther			
Segunning Investor	1888 77 - 158	) }				
Beginning Inventor Change	1668 -7 -858 156	) }	Other		159	ROE-Net Farm Income-Withdrawals = .006443
Beginning Inventor Change	1888 P7 - 258 158 red Expenses:	•	•		150	
Begianing Investor Change 2. Accounts Payable & Accre	1988 P7 - 155 156 ued Expenses Accounts	Taxes	8 Interest	Other	159	Equity
Beginning Inventor Change 2. Accounts Payable & Accre Beginning Inventor	1868 P7 - 256 156 156 Red Expenses: Accounts	Taxos	Interest 14857	486	150	Equity
Beginning Investor Change 2. Accounts Payable & Accre Seginning Investor Ending Invantory	1848 P7 - 856 156 Red Expenses: Accounts P7 1286 1128	\$ Taxes : 970 : 1848	Interest 14857 14546	498 488		ROE-Not Farm Income-Withdrawais = .0064431 Equity  Profit Margia Ratio= NFI+lat,-Withdrawais = .373495
Beginning Inventor Change 2. Accounts Payable & Accre Beginning Inventor Ending Invantory Change	1868 P7 - 256 156 156 Red Expenses: Accounts	Taxes : 770	Interest 14857	486	159 341	Equity
Beginning Inventor Change 2. Accounts Payable & Accre Beginning Inventor Ending Invantory Change	1840 P7 - 858 158 Red Expenses: Accounts P7 1248 38	Taxos 970 1800 -18	laterest 14657 14544 291	498 488		ROE-Not Farm Income-Withdrawais = .0064431  Equity  Profit Marqua Ratio= NFT-IntWithdrawais = .3734851  Net Cash Farm Income
Beginning Inventor Change 2. Accounts Payable & Accre Beginning Inventor Ending Invantory Change	1988 P7 - 859 150 160 Expenses: Accounts 1298 1120 20 Ending	5 Taxes : 978 : 1860 : -18	Interest 14857 14546 291 egineing	498 488		ROE-Not Farm Income-Withdrawals = .006443 Equity Profit Margia Ratio= MFT+IntWithdrawals = .373405 Not Cash Farm Income
Beginning Inventor Change 2. Accounts Payable & Accre Beginning Inventor Ending Invantory Change	1840 P7 - 858 158 Red Expenses: Accounts P7 1248 38	5 Taxes : 978 : 1860 : -18	laterest 14657 14544 291	498 488	341	ROE-Mat Farm Income-Withdrawals = .006443  Equity  Profit Margin Ration MFT+Int,-Withdrawals = .373485  Not Cash Farm Income  ROI= Not Farm Income-Interest-Withdrawals = .336697
Beginning Inventor Change 2. Accounts Payable & Accru Beginning Inventor Ending Inventory Change 3. Propaid Expenses:	1988 P7 - 859 150 160 Expenses: Accounts 1298 1120 20 Ending	5 Taxes : 978 : 1860 : -18	Interest 14857 14546 291 egineing	498 488		ROE-Not Farm Income-Withdrawals = .006443  Equity  Profit Margin Ratio= MFI+IntWithdrawals = .373485  Not Cash Farm Income
Beginning Inventor Change 2. Accounts Payable & Accru Beginning Inventor Ending Inventory Change 3. Propaid Expenses:	1988 PT - ESS SEE Expenses PT 1298 PT 1298 Ending Ending Inventory	5 Taxes : 979 : 1860 : -18	Interest 1457 1454 271 equating secutory	490 488 8	341	ROE-Mat Farm Income-Withdrawals = .004443  Equity  Profit Margin Antion MFT+Int,-Withdrawals = .373485  Not Cash Farm Income  ROI= Not Farm Income-Interest-Withdrawals = .336497
Beginning Inventor Change 2. Accounts Payable & Accru Beginning Inventor Ending Inventory Change 3. Propaid Expenses:	1988 PY - CSI 159 sed Expenses: Accounts PY 1286 11:20 Ending Inventory 6 HELL:sestock	Taxes 778 1888 -18 18 18 18 18 18 18 18 18 18 18 18 18 1	Interest 14657 14546 291 equating secutory an	488 8 8 Scouring	341	ROE-Mat Farm Income-Withdrawals = .006443  Equity  Profit Margin Ration MFT+Int,-Withdrawals = .373485  Not Cash Farm Income  ROI= Not Farm Income-Interest-Withdrawals = .336697
Seguaning Inventor Change 2. Accounts Payable & Accre Seguaning Inventor Ending Inventory Change 3. Propaid Expenses: 4. Inventories:	1988 PT - ESS 158 ned Expenses: Accountr PT 1286 1128 Ending Inventory A PRELIFICATION PRODUCTS A Products	7 Taxes   1848   -18   1848   -18   1848   1	Interest 1457 1454 271 equating secutory	488 486 8 Srawing Crops	341	ROE-Mat Farm Income-Withdrawals = .006443  Equity  Profit Margin Ration MFT+Int,-Withdrawals = .373485  Not Cash Farm Income  ROI= Not Farm Income-Interest-Withdrawals = .336697
Segishing Inventor Change 2. Accounts Physics & Accru Seginaling Inventor Ending Inventory Change 3. Pregula Expenses: 4. Inventories: Ending Inventory	1888 PT - ESS ped Expenses PT 1288 PT 1288 Ending Inventory 6 PMELLiestock \$ Products 55400	9 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	Interest 14657 14546 291 equating secutory an	466 486 8 Srawing Crops 9448	341	ROE-Mat Farm Income-Withdrawals = .006443  Equity  Profit Margin Ration MFT+Int,-Withdrawals = .373485  Not Cash Farm Income  ROI= Not Farm Income-Interest-Withdrawals = .336697
Segishing Inventor Change 2. Accounts Payable & Accre Segisming Inventor Ending Inventory Change 3. Prepaid Expenses: 4. Inventories: Ending Inventory Beginning Inventory Beginning Inventory	1988 PT - CSSS	9 Taxes	Interest 14657 14546 291 equating secutory an	468 488 8 Scarleg Crops 9448 888	341	ROE-Mat Farm Income-Withdrawals = .006443  Equity  Profit Margin Ration MFT+Int,-Withdrawals = .373485  Not Cash Farm Income  ROI= Not Farm Income-Interest-Withdrawals = .336697
Segisming Inventor Change 2. Accounts Physics & Accru Segisming Inventor Ending Inventory Change 3. Preguid Expenses: 4. Inventories: Ending Inventory	1888 PT - ESS ped Expenses PT 1288 PT 1288 Ending Inventory 6 PMELLiestock \$ Products 55400	9 Taxes	Interest 14657 14546 291 equating secutory an	466 486 8 Srawing Crops 9448	341	ROE-Mat Farm Income-Withdrawals = .006443  Equity  Profit Margin Ration MFT+Int,-Withdrawals = .373485  Not Cash Farm Income  ROI= Not Farm Income-Interest-Withdrawals = .336697
Segisming Inventor Change 2. Accounts Physics & Accru Segisming Inventor Ending Inventory Change 3. Prepaid Expenses: 4. Inventories: Ending Inventory Segisming Inventor Change	1888   1888	9 Taxes	Interest 14657 14546 291 equating secutory an	468 488 8 Scarleg Crops 9448 888	341	ROE-Mat Farm Income-Withdrawals = .006443  Equity  Profit Margin Ration MFT+Int,-Withdrawals = .373485  Not Cash Farm Income  ROI= Not Farm Income-Interest-Withdrawals = .336697
Segisming Inventor Change 2. Accounts Physics & Accru Segisming Inventor Ending Inventory Change 3. Prepaid Expenses: 4. Inventories: Ending Inventory Segisming Inventor Change	1888   159	9 Taxos 999 1889 -18 Bi -18 Stored & 1 -24708 24544 14446	Interest 14857 14546 291 regioning secutory 3m Crops, Supplies	488 488 8 Srawing Crops 9468 8884 488	341	ROE-Mat Farm Income-Withdrawals = .006443  Equity  Profit Margin Ration MFT+Int,-Withdrawals = .373485  Not Cash Farm Income  ROI= Not Farm Income-Interest-Withdrawals = .336697
Segisming Inventor Change 2. Accounts Physics & Accru Segisming Inventor Ending Inventory Change 3. Prepaid Expenses: 4. Inventories: Ending Inventory Segisming Inventor Change	1888 PT - CSS  158  Red Expenses: Account  PT - 1286  Ending	9 1 Taxes 1990 1800 -18 1800 -18 1800 1800 1800 1800	Interest 1457 14566 291 secutory and Crops, Seppines	488 488 8 8 9 9 9 9 9 9 9 9 9 9 9 9 9 9	341	ROE-Mat Farm Income-Withdrawals = .004443  Equity  Profit Margin Antion MFT+Int,-Withdrawals = .373485  Not Cash Farm Income  ROI= Not Farm Income-Interest-Withdrawals = .336497
Segisming Inventor Change 2. Accounts Physics & Accru Segisming Inventor Ending Inventory Change 3. Prepaid Expenses: 4. Inventories: Ending Inventory Segisming Inventor Change E. ADJUSTHENTS FOR CAPITAL	1888 PT - ESS ped Expenses: Accounts PT - 1288  Ending lawestery 6 PKt.Livestock 55000 PT - 33558 ITBS: Breeding Lestt.	9 1 Taxes 1998 1888 -18 11 1 1 1 1 1 1 1 1 1 1 1 1 1	Interest 14857 14854 291 equating sventory on Crops, Sappiles Hach_k Equip.	488 488 8 Scauling Crops 9448 9186 468	341	ROE-Mat Farm Income-Withdrawals = .004443  Equity  Profit Margin Antion MFT+Int,-Withdrawals = .373485  Not Cash Farm Income  ROI= Not Farm Income-Interest-Withdrawals = .336497
Beginning Inventor Change  2. Accounts Parable & Accre Reginning Inventor Ending Inventory Change  3. Prepaid Expenses  4. Inventories:  Ending Inventor Beginning Inventor Change  E. AGJUSTHENTS FOR CAPITAL Ending Inventory	1988 PT - CSI 159 ned Expenses 1 Accounts PT 1286 Ending Inventory Architectory 1120 Ending Inventory 1530 Htt.Livestock Products 55000 PT 33558 ITBIS: Breeding Lostk. 2515.	9 Taxes	Interest 1457 14566 291 secutory and Crops, Seppines	488 488 8 8 9 9 9 9 9 9 9 9 9 9 9 9 9 9	341	ROE-Mat Farm Income-Withdrawals = .004443  Equity  Profit Margin Antion MFT+Int,-Withdrawals = .373485  Not Cash Farm Income  ROI= Not Farm Income-Interest-Withdrawals = .336497
Segiating Inventor Change 2. Accounts Payable & Accru Seginaria Inventor Ending Inventory Change 3. Proposed Expenses: Ending Inventory Beginning Inventory Beginning Inventor Change E. AGJUSTHENTS FOR CAPITAL Ending Inventory Sales	1888 PT - ESS  Red Expenses: Accounts PT 1288  Ending lawestory Art.Livestors 4 Products PT 5288  ITEMS: Breeding Lestt. 24146  2122	9 1 Taxes 1998 1888 -18 B 11 Taxes 1998 1888 -18 B 11 Taxes 1998 1998 1998 1998 1998 1998 1998 199	Interest 14857 14554 291 squaring seen tary 3m Crops, Seppires Nach_b Equip. 3858 8	488 488 8 8 9 9 9 9 9 9 9 9 9 9 9 9 9 9	341	ROE-Mat Farm Income-Withdrawals = .006443  Equity  Profit Margin Antion NFI+Int,-Withdrawals = .373485  Net Cash Farm Income  ROI= Net Farm Income+Interest-Withdrawals = .336497
Segisming Inventor Change 2. Accounts Physics & Accru Segisming Inventor Ending Inventory Change 3. Prepaid Expenses: 4. Inventories: Ending Inventory Segisming Inventor Change E. ADJUSTHENTS FOR CAPITAL Ending Inventory Sales Subtotali	1888   159	9 1 Taxes 1998 1888 -18 168 168 168 168 168 168 168 168 168 1	Interest 14857 14554 291 equating seen tory 3 Crops, Seppires Hach-& Equip. 38458 38458	488 488 8 8 9 9 9 9 9 9 9 9 9 9 9 9 9 9	341	ROE-Mat Farm Income-Withdrawals = .006443  Equity  Profit Margin Antion NFI+Int,-Withdrawals = .373485  Net Cash Farm Income  ROI= Net Farm Income+Interest-Withdrawals = .336497
Segiating Inventor Change 2. Accounts Payable & Accre figure and Inventor Change Inventory Change 3. Prepaid Expenses:  Ending Inventory Segiating Inventor Change E. ADJUSTIVENTS FOR CAPITAL Ending Inventor Sales Subtotal Begianing Inventor	1888   159	9 Taxes	Interest 14857 14554 291 squaring seen tary 3m Crops, Seppires Nach_b Equip. 3858 8	488 488 8 8 9 9 9 9 9 9 9 9 9 9 9 9 9 9	341	ROE-Mat Farm Income-Withdrawals = .006443  Equity  Profit Margin Antion NFI+Int,-Withdrawals = .373485  Net Cash Farm Income  ROI= Net Farm Income+Interest-Withdrawals = .336497
Segisming Inventor Change 2. Accounts Payable & Accru Segisming Inventor Ending Inventory Change 3. Pregaid Expenses:  Ending Inventory Segisming Inventor Change E. AGAUSTIPENTS FOR CAPITAL Ensing Inventor Sales Subtotali Beginning Inventor Perchases	1888   1888	9 9 17 Taxes 1790 1888 -19 1888 19 18 18 19 18 19 18 19 19 19 19 19 19 19 19 19 19 19 19 19	Interest 1457 14546 271 regioning seventory 3m Crops, Seppiles 1458 8 8 8 38459 44748 8	488 488 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8	341	ROE-Mat Farm Income-Withdrawals = .004443  Equity  Profit Margin Antion MFT+Int,-Withdrawals = .373485  Not Cash Farm Income  ROI= Not Farm Income-Interest-Withdrawals = .336497
Segisming Inventor Change 2. Accounts Physics & Accru Segisming Inventor Ending Inventor Change 3. Prepaid Expenses:  4. Inventories:  Ending Inventor Segisming Inventor Change E. ADJUSTHENTS FOR CAPITAL Ending Inventor Sales Subtotals Beginning Inventor Segisming Inventor Sales Subtotals Subtotals	1888   159	9 Taxes	Interest 1457 1457 1456 291 14	488 488 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8	341 • • • •	ROE-Mat Farm Income-Withdrawals = .004443  Equity  Profit Margin Antion MFT+Int,-Withdrawals = .373485  Not Cash Farm Income  ROI= Not Farm Income-Interest-Withdrawals = .336497
Segishing Inventor Change  2. Accounts Payable & Accru Seginning Inventor Ending Inventory Change  3. Prepaid Expenses:  Ending Inventory Seginning Inventor Change  E. AGJUSTHENTS FOR CAPITAL  Ending Inventor Sales Subtotali Seginning Inventor Sales Subtotali Change Change	1888   Frequency   1888   Accounts   Accounts   1288   Institute   1288   Ending   Institute   1288   Institute   1288   Freducts   1288   Freducts   1288   ITEMS:   Reeding   1288   ITEMS:   2448   1272   1288   1288   1288   1288   1288   1288   1288   1288   1288   1288   1288   1288   1288   1288   1288   1288   1388	9 Taxes	Interest 1457 14546 271 14546 271 regioning seventory 3m Crops, Seppiles 1458 8 8 8 38459 44748 8	488 488 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8	341	ROE-Not Farm Income-Withdrawais = .0064431  Equity  Profit Margia Ration NFI+lat,-Withdrawais = .3734857  Net Cash Farm Income  ROI= Net Farm Income+laterest-Withdrawais = .3366970
Segishing Inventor Change  2. Accounts Payable & Accru Segishing Inventor Ending Inventory Change  3. Prepaid Expenses:  4. Inventories:  Ending Inventory Segishing Inventor Change  E. ADJUSTMONTS FOR CAPITAL  Ending Inventory Sales Subtotali Segishing Inventor Perchases Subtotali Segishing Inventor Perchases Subtotali	1888   Frequency   1888   Accounts   Accounts   1288   Institute   1288   Ending   Institute   1288   Institute   1288   Freducts   1288   Freducts   1288   ITEMS:   Reeding   1288   ITEMS:   2448   1272   1288   1288   1288   1288   1288   1288   1288   1288   1288   1288   1288   1288   1288   1288   1288   1288   1388	9 Taxes	Interest 1457 1457 1456 291 14	488 488 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8	341 • • • •	ROE-Not Farm Income-Withdrawais = .0064431  Equity  Profit Margia Ration NFI+lat,-Withdrawais = .3734857  Net Cash Farm Income  ROI= Net Farm Income+laterest-Withdrawais = .3366970

Table 18. Net Worth Statement: Example 3

	ASSETS	Beginning Balance	Ending Balance	Ne t Change	LIABILITIES	Beginning Baiance	Ending Balance	Ne t Change
-	CURRENT ASSETS				CURRENT LIABILITIES			
1.	Cash & Checking	3000	2008	-1080	37. Accounts Payable	1200	1120	-86
	Savings & Time Certificates	500	530	30	38. Notes Payable	50000	47660	-2340
	Marketable Bonds & Securities			0	Interest Due:			-
4.	Accounts Receivable	850	1000	150	39. Current Liabilities	895	943	48
5.	Cash Value Life Insurance	500	600	8	40. Intermediate Liabilities	5600	5523	-77
۵.	Other			8	41. Long Term Liabilities	8362	8872	-290
7.	TOTAL (lines 1 thru 6)	4950	4138	-828	Taxes Due:			
	Market Livestock & Products:				42. Real Estate & Personal Property	990	1008	10
8.	Raised Livestock			8	43. Employee Payroll Withholding			
9.	Purchased Livestock	53550	55080	1530	44. Personal& Self-Employment	2100	2200	100
10.	Stored Crops, Feed, Supplies	23454	24900	1446	45. Other Accrued Expenses	480	480	
	Cash Investment Growing Crops	8000	8400	400	46. Contingent Tax Liability	0	0	ì
	Prepaid Expenses	*****	0.00	A	(( Tax Rate: 0.00))	•	٠	,
	Other Current Assets			Ŏ	Principal Due in 12 mos:			
14.	Other Our cat masets			à	47. Intermediate Liabilities	6050	7729	1679
15.				a	48. Long Term Liabilities	2465	2755	290
16.				8	49. Other Current Liabilities	2700	47 33	271
17.				å	50.			í
	TOTAL CURRENT ASSETS	89954	92510	2556		701.12	77400	
10.	INTERMEDIATE ASSETS	07734	72318	2330	51. TOTAL CURRENT LIABILITIES	78142	77482	-666
10		0	8	0	INTERMEDIATE LIABILITIES	20050	21721	200
17.	Notes Receivable	U	U	٠	52. Notes Payable	33950	31721	-2229
20	Breeding Livestock:	~~	0.4700	400	( Principal Due Beyond 12 Mos.	)		
20.		25100	24700	-400	Contingent Tax Liability:			_
21.		1580	1440	-60	53. From Sale of Machinery		_	6
22.	Vehicles	5000	3950	-i050	54. From Sale of Breeding Livesti	( 0	0	(
	Machinery & Equipment:				55. Other			0
	Cost or Basis				56. TOTAL CONTINGENT TAX LIABILITY	0	9	(
23.		46760	38650	-0110	57. Other Intermediate Liabilities			0
	Securities Not Readily Mktable.	. 2750	2758	0	58.			(
	Other Intermediate Assets			0	59.			(
26.				0	60.			(
27.	TOTAL INTERMEDIATE ASSETS FIXED ASSETS	81110	71490	-9620	61. TOTAL INTERMEDIATE LIABILITIES	33950	31721	-2229
20	Contracts & Notes Receivable			•	LONG TERM LIABILITIES	70000	71075	
		2400	0400	48 <b>00</b> 0	62. Mortgages & Notes Payable	73839	71075	-275
27.	Buildings & Improvements	2408	8400	2000	( Principal Due Beyond 12 Mos.	)		
30.	Land	224000	324000	•	Contingent Tax Liability:			
	*· - <b>/</b> · · · · · ·	324000		0	63. From Sale of Real Estate			(
31. 32.		36000	36000	0	64. Other			(
				9	45. TOTAL CONTINGENT TAX LIABILITY	8	0	(
	Non-Farm Investments			9	66. Other Long Term Liabilities			(
J4 .	Other Long Term Assets			0	67.			(
				0	68.			(
35.	TOTAL FIXED ASSETS	362400	368400	6000	69. TOTAL LONG TERM LIABILITIES	73830	71075	-2755
					70. TOTAL LIABILITIES	185922	180278	-5644
					71. NET WORTH	347542	352122	4580
36.	TOTAL ASSETS	533464	532400	-1064	72. TOTAL LIABILITIES & NET WORTH	533464	532400	-1064

Table 19. Cash Flow Statement: Example 3

WHOLEFARM CASHFLUS STATEMENT							•						
	JAN .	FEB	MAR	APR	MAY	JUH	23.	ALAS	SEP.	007	HOU	æ	TOTALS
(( OPERATING RECEIPTS ))	1		,							10204			1224
1. Livestock sales: 2.	i	ï	•	·	:	;	8	1	8	13795	;	•	13785 J
3. Sale of purchased lesk	•	•	72174			•	2	•			•	•	72174
4. Crop Sales: 5.	:	:	:	ŧ	2888	38488 2888	9 210 <b>8</b>	2188	2886	:	:	2	38460 12360
6. Government payments	ij	i	i	i	1000		4		1	3228	i	i	3228
7. Other farm :scome		ŧ		•		•				1	•	558	5.78
8. 9. TOTAL CASH RECEIPTS	:	:	72174	:	0 29 <b>00</b>	9 41 <b>288</b>	0 2108	21 GB	2908	17865	Ç	1 538	1 49 7 <b>9 9</b>
(( CAPITAL SALES ))	•	•	7447	•	4000	*1200	2000	240	1000	17000	•	~~	1 787 87
18. Breeding livestock	125		558		•		•	•	425	425	•	•	1125
11. Mackinery, equipment 12. Building, land	:				:	:		:	:	8	9	8	
(( OTHER INFLOAS >>	•	•	•	. •	•	•	-	•	•		•	•	-
13. Wages and salaries 14. Investments	1	:	:	:	284	558	201	250	;	i	:	9	958 3
15.	i	ï	·	i	•	·	·	i	•	i	•	3459	:588
14. TOTAL CASH INFLOR	425	i	73024	•	38.08	41448	2309	2368	3223	17436	i	4139	147234
(( OFERATING EXPENSES )) 17. Aired labor									268			4	244
18. Repairs: Machik Equip.	, ,	95	10	14	41	323	197	197	25G	51	49	49	1687
17. Buildings & Fences	25	25	25	22	22	22	22	22	22	25	25	25	292
29. Feed	33é	494	525	354	10	16	16	18	10	1986	312	233	4784
21. Seeds, plants 22. Fertilizer,Line,Chem.	i	432	468	596	240	:	:	:	1928 7248		:	:	1928 14912
23. Hacking Hire	i	1448	160	•	1828	8178	144	868	2488	i	i	i	14998
24. Supplies	73	12	38 42	1 23	155 248	144	168	115	138	186	95		796 1505
25. Vet.Medicine,Breed fee 26. Feel, oil, lubricants	143	מנ	¥	33 74	147	45 766	8 374	374	1223	143	154	35 154	1949
27. Storage, Warehousing	**	80	90		86	1			•	1			408
28. Tazes= R.E & Pers.Prop 27. Insurance	1		428 258		:	:	!	. !		366		570	99 <b>0</b> 550
30. Utilities	42	42	4	4	4	4	4	4	4	42	42	42	350 490
II. Rents, leases	483	•	i	ī	•	1	1	i	i	1		•	488
32. Freight, trucking 33. Hiscuilaneous	54 80	:	118	1 34	:	:	1	:	_ 34	121	8 26	;	1942 150
33. 1190011 tareous 34.	7	i	1643	7	:	:	i			:	.a	:	1943
35. Livestock purchases	•	i	•	•	i	i	í	i	i	51866	6	i	\$1546
34. TOTAL CASH EXPENSES (( CAPITAL EXPENSES (total cost) >)	1591	8 <b>9</b> 17	320	1197	2815	9536	1425	1646	13744	55251	497	143	181364
17. Sreeding livestock				•								2	
38. Hachinery, Equipment	i	i	i	i	•	i	1	i	i	i	i	•	1
39. Bldys, Freces, Land (( OTHER OUTFLONS ))	•	•	•	7588	•	•	•	•	•	•	•	•	7588
40, Family living	1250	1250	1250	1250	1258	1258	1250	1259	1258	1258	1250	1250	15066
41. Income Tax	1	•	•	2100		•		•	•	1	t	4	2149
42. lavestments 43.	:	:	:	:	:	:	:	:	:	:	:	•	1
Scheduled Debt Payments:	•	•	•	•	•	•	•	•	•	•	•	•	•
44. Intermediator interest	•		•	•		•	•		•	•		5684	5688
45. principal 46. Long Terms interest	1418	:	•	:	:	:	4952		:		:	4050 4	9373 1020
47. principal	2986	i	i	i	i	;	385		i	i	i	i	2445
48. Total Cash Outflows	6331	18147	4479	12039	3245	18794	10212	2896	15216	56561	1947	14398	148141
({ MSS BORRROWINS )} 49. Intermediate			•	554									5509
Si. Long Term	i	i	i	•	i	•	i	i	i	i	i	i	1
(( CASH FLOW SUPPARY ))	.jan	FEB	MAR	APE	MAY	JUN	48.	AUS	SEP	OCT	NOV	NEC	TUTALS
lat.Rate= (( 15.58>) —												VCL	TUING
Hierman Cash Balance (( 2000))	~~~	~~~	~~~	***		***	****			****	***		
SI. Beginning Cash Balance S2. Inflows- Outflows (16-48)	3888 -59 <b>8</b> 4	2000 -191 <i>6</i> 7	2998 48545	2301 -12139	2963 -245	2696 38414	24829 -7912	18117 -590	17527 -11991	5534 -39171	28 <b>09</b> -1947	2086 -10178	2000 -707
53. Cash Position (49450+51+52)	-2794	-8147	78545	-4158	1735	32414	18117	17527	5534	-33535	23	-9178	
54. New Borrowings Operating	4794	18167	:	4158	245		•	•	•	2335	1947	10178	J9154
55. New Barrawing: Inter.& LangTerm ({ Accreed Int.ame on Oper.Loan ))	1541	2258	3391	5544 1	33	142	:			- 1	-37	943	2563
56. Interest pay ts.on Oper.Loan	•		3491	i	•	162	i	i	i	i		ĩ	3253
57. Principal pay'ts.on Oper.Loan 38. Ending Cash Balance	3 2088	2100	45873 2381	29 <b>06</b>	2008	4422 24929	8 18117	17527	3 3524	2008	2008	2000	71496
55. Outstanding Operating Debt	54904	65073	1361	4158	642 <b>3</b>	20429	19117	1/52/	3356	35535	37482	47668	
40. Getstanding Intermediate Debt	40000	40009	40000	45500	45509	45500	45508	45580	45306	45500	45500	39450	
41. Outstanding Long Term Debt	74215	74215	74215	74215	74215	74215	73838	73839	73830	73830	73830	73830	

Table 20. Income Statement and Financial Ratios: Example  $\boldsymbol{3}$ 

	INCOME STATEMENT					FINANCIAL RATIOS
A. OPERATING RECUIPTS		8. 0	ASH FARM	EUPENSES		*****
Livestock Sales & Products:		Nice.	nd Labor		260	Current Ratio Current Assets # 1.193952
Raison market livestock	13785		id Equip.		1687	
	•			ACO ROSAITS	282	Correst Liabilities
Livestock purchases for			i interest		17215	
resales	72174		t Percesu		4784	Working Asset Ration Current-Lat.Assets 1.501788
Livestock products			i, Piats,		1929	******
				84,C3551C21S	14812	Correct+lat.Liabilities
	Sobtetal: 85757		HER TOPPE	•	14998	
A	****		lies		790	Debt Strecture Ratio= Current Liabilities = .4297924
Oraș Salesi	38400 12408		rding Fees		1 1505	
	12001		fees, med		1505 3949	Total Liabilities
			100. Ware	labricasts	448	Not Camital Ration Total Assets # 2,753214
				stat Pers.Pros	998	Met Capital Ration Total Assets = 2.753214
			PROCE	ates remarks	55A	Total Liabilities
	Subtotal: 51006		lities (fa	m chann)	499	igtal Liabilities
	MB101211		Reat & L		489	Sout to Essety Antro- Total Leabilities3119768
Other Farm Income:			obt. Truc		1842	peat to exerty satto- ideal classifies - ideas
Soverement sayments	3220		ervation		1	Not liceth
Ceston Hort				Ezpenses	158	ART BUTTE
Dividends, Refunds				LA CART	1843	Total Dekt Ratiom Total Liabilities = .JC86142
Casa Rest		Lesi	lk.aurchas	ed for resale	51084	Ideal nast water local Committee
Other	536		,			Tatal Assets
		TOTA	NL CASH EX	796SES	118279	1912: 112-15
	Sebtotal: 3758					Per Cent Equity= Not Worth # 188 = 66.13858
SPOSS RECEIPTS FROM FARMING	144789					
		C. N	ET CASH I	NCOME FROM		Total Assets
		9	PENTICH	1	22430	
D. ACCRUENTS FOR ACCRUED	ITES NO DUBITOR	Y OWNES:		-		Sebt Servicing Matiom Total Sebt Payments = 1.062898
1. Accounts & Motes Receive	wier Notes &					ORGINAL DE SECTION DE LA COMPANSION DE L
•	Accounts	Other	Sther			Het Cash Farm Income
Ending Involtory	1866					
Beginning Inventor						#06-Net Farm Jacobe-Withdrawals # .0966733
Change	133	•	ŧ		150	
2. Accounts Payable & Accre						Equaty
	Accounts			Other		
Segraniag Investor		958	14857	198		Profit Hargis Ratio= HFI+LatWithdrawels 3722653
Ending Inventory	1128		14538 319	486	***	
Change	24	-i\$	317		389	Het Cash Farm Income
3. Propaid Expossess	Eading	•				
	Enging Inventory		e tory			803= Met Farm Income+interest-dithornmais = .3367484
	(Adda (Gry	1200	Marcory			
4. Investories:	•	-	_		•	Total Assets
4. Investor 1481	fit.Livestoci	Stored Cr		CW186		
	& Froducts			Poss		
Ending Investory	55488	24598	4,149	8448		
Beginning laventor		23454		3263		
Change	1536			400	3374	
				100	307 4	
E. ACCUSTMENTS FOR CAPITAL	ITES:					
	Freding	Ma Ma	ach le les	rose-		
				eets		
Ending Inventory	26149		38450	3488		
Sales	2125	•		•		
Sebintal	28245	3758	38458	8489		
360 (8/4)	2,440	5880	44748	2480		
Begissing Investor	7 2000		-			
		•	•	7506		
Begisning Inventor Perchases Subtotal	26486	5900	44748	7798		
Begisning (aventu Porchases Subtuta) Change	2446 1445	5900	•		-8995	
Begisning Inventor Perchases Subtotal	2446 1445	5900	44748	7798	-8775 8 17358	

APPENDIX B

BUDGET WORKSHEETS

Table 21. Additional Information Budget

## CASHFLOW OF ADDITIONAL INFORMATION

		TOTALS	JAN	FE8	NAR	APR	NAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	#Error#
(( CAPITAL SALES ))															
1. Breeding Livestock		0													0
2. Hachinery, Equipment		0				`									0
3. Buildings, Land		0													0
(( OTHER INFLOWS ))															
4. Wages and Salaries		0	0	0	0	0	0			0	8	•			9
5. livestments		0													e
6.	t	0													9
(( CAPITAL EXPENSES (Total	Cost) ))														
7. Breeding livestock		0													e
B. Hachinery, Equipment		0													ę.
9. Buildings, Fences, Lan (( OTHER OUTFLOAS ))	nd	0													ą
10. Family Living		Λ	Δ	۵	۵	۵	Δ.	Δ	Δ	۵				Δ.	^
11. Income Tax		۵	•	•	•	•	•	•	•	•	•	•	•	•	
12. Investments		Ā									,				
13.		ă													. 4
(( SCHEDULED DEST PAYMENTS INTERNEDIATE:	))	•						•							•
14.	int.	0								-					0
Total debt=	prin.	0													0
15.	int.	0													0
Total debt= LONG TERM;	prin.	8													9
16.	int.	۵													۵
Total debt=	prin.	ă													ů
17.	int.	Ď													ă
Total debt=	prin.	Õ					1								Ď
(( NEW BORROWING-INTERNEDIA		-													•
18.		0												,	Δ
19.		Õ													ŏ
(( NEW BORROWING-LONG TERM	))	_													•
20.		0													A
21.		0 -													ă
22. OUTSTANDING OPERATING 23. OUTSTANDING OPERATING 24. BEGINNING CASH BALANCE	INTEREST	•••••													

Table 22. Crop and Livestock Enterprise Budget

# ENTERPRISE BUDGET WORKSHEET

Enterprise: ...... Budget Identification Number: .......
Number of acres: ...... Number of head:......

		PER HEAD OR ACRE	TOTAL	JAN	FEB	HAR	APR	NAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Erra chec
OPERATING RECEIPTS ))																
Livestock sales:																
Description unit pri	e quantity															
***************************************																
		0.90	0													
<b>!.</b>		0.00	0													
l <b>.</b>		0.00	0													
l <b>.</b>		0.00	9											•		
Crop Sales:																
Description unit pric	e quantity															
•		0.00	•													
•		0.00	0													
, Other farm income (per he-	nd or acre)	0.00	0													
		0.00	٥													
-		8.80	0													
. Total Cash Operating Rece	pts	0.00	0	0	0	8	0	9	0	8	0	0		0	9	
			*													
OPERATING EXPENSES ))																
. Hired labor		0.00					'									
. Repairs: Hachinery & Equip		0.00	0													
. Buildings & Feac	5	0.00	0													
. Feed		0.00	0													
. Seeds, plants		0.00	0													
. Fertilizer, Lime, Chemical	\$	0.00	0													
. Machine Hire		0.00	0								-					
. Supplies		0.00	0													
. Vet.Hedicine, Breeding fe	\$	0.00	8													
. Fuel, oil, lubricants		0.00	0													
. Storage, Warehousing		0.00	0													
. Taxes (Real Estate & Persi	nal Prop.)	0.00	0													
. Insurance (Property, Liab	lity, Crop)	8.00	0										,			
. Utilities		0.00	8													
. Rents, leases		0.80	0													
. Freight, trucking		0.00	Ō													
. Miscellaneous		6.00	ă													
		0.00	Ă													
Livestock purchased for re	cala.	V.00	•													
Description unit prid																
vescription enter prin																
•		0.00	9													
		0.80	0													
. Total Cash Operating Expen	505	9.00	0	9	0	0	0	0	0	0		0	0	•	•	

## APPENDIX C

CASE FARMS FINANCIAL DATA

Table 23. Net Worth Statement: Southeastern Oklahoma

NET WORTH STATEMENT	Beginning Balance	Ending Balance	He t Chai. ge			Ending (a) ance	Ne t Change
CURRENT ASSETS				CURRENT LIABILITIES			
1. Cash & Checking	500	1000	500	29. Accounts Payable	3000	3000	0
2. Savings & Time Certificates	5000	<b>5300</b>	300	30. Notes Payable	3554	6086	2532
3. Marketable Bonds & Securities			0	31. Interest Due: Current	498	11	-487
4. Accounts Receivable			0	32. Intermediate	2022	1599	-423
5. Cash Value Life Insurance	12500	12500	0	33. Long Term	5731	5488	-243
Market Livestock & Products:				Taxes Due:			
6. Raised Livestock			0	34. Real Estate & Personal Property	2500	2750	250
<ol><li>Purchased Livestock</li></ol>			0	35. Employee Payroll Withholding			0
8. Stored Crops, Feed, Supplies	4000	4000	0	36. Personal& Self-Employment			0
9. Cash Investment Growing Crops			0	37. Other Accrued Expenses			0
10. Prepaid Expenses			0 8	38. Contingent Tax Liability Principal Due in 12 months:			IJ
11. Other Current Assets 12. TOTAL CURRENT ASSETS	22000	22000	-	•	2627	2040	400
	22000	22800	800	39. Intermediate Liabilities	3526	3949	423
INTERMEDIATE ASSETS			_	40. Long Term Liabilities	2890	3133	243
13. Notes Receivable			0	41. Other Current Liabilities			U
Breeding Livestock:	2//00	2//00		42.	00701	5/01/	0005
14. Raised Livestock	26600	26600	0	43. TOTAL CURRENT LIABILITIES	23721	26016	2295
15. Purchased Livestock	0000	0000	1000	INTERMEDIATE LIABILITIES			0040
16. Vehicles	9000	8000	-1000	44. Notes Payable	13326	9377	-3949
17. Machinery & Equipment	35417	14232	-21185	45. Contingent Tax Liability			. 0
18. Securities Not Readily Mktable		8300	0	46. Other Intermediate Liabilities			U
19. Other Intermediate Assets	7500	12800	5300	47.	4000/		U
20. TOTAL INTERMEDIATE ASSETS	84817	67932	-16885	48. TOTAL INTERMEDIATE LIABILITIES	13326	9377	-3949
FIXED ASSETS				LONG TERM LIABILITIES			0400
21. Contracts & Notes Receivable	07500	0.4000	0	49. Mortgages & Notes Payable	64307	61174	-3133
22. Buildings & Improvements	37500	36300	-1200	50. Contingent Tax Liability			8
23. Cropland	00000	0000	0	51. Other Long Term Liabilities			0
24. Pasture	100000	100000	0	52.	44005		0
25. Hon-Farm Investments			0	53. TOTAL LONG TERM LIABILITIES	64307	61174	-3133
26. Other Long Term Assets			0	54. TOTAL LIABILITIES	101354	96567	-4787
27. TOTAL FIXED ASSETS	197500	196300	-1200	55. NET WORTH	202963	190465	-12498
28. TOTAL ASSETS	304317	287032	-17285	56. TOTAL LIABILITIES & NET WORTH	304317	287032	-17285

Table 24. Cash Flow Statement: Southeastern Oklahoma

Idbic 24. Cash	TIOV	v bla	i ceme	IIL.	30uL	neast	.ern	OKTAI	noma				
WHOLEFARM CASHFLOW STATEMENT													
	JAN	FEB	HAR	a₽ <b>R</b>	YAY	JUN	$x_{\mathbf{L}}$	446	EP	ाटा	NOA	DEC	TOTALS
<pre>&lt;&lt; OPERATING RECEIPTS &gt;&gt;</pre>	<del>0000000000</del>	200			1	210	· · · · · · · · · · · · · · · · · · ·	400		. 6764	•		20.44
i. Livestock sales: 2.	9	3 <b>30</b> 0	0	9	) 0	739 0	) 3	1120	) 9	10781 a	J O	) J	.3941
3. Sale of purchased lusk	3	3	9	0	3	3	3	3	3	3	3	3	,
4. Crop Sales:	á	i	ā	0	1404	14820	á	5916	ĝ	23187	ű	á	44377
5.	ŋ	ō	0	ō	9	9	j	a	ŋ	9	0	j	9
6. Government payments	9	0	0	Ð	ũ	0	0	0	0	0	0	0	9
7. Other tarm income	0	, 0	3	0	9	ũ	a	a	ð	3	0	9	0
3.	3	3	1	0	)	J	3	9	3	9	3	9	9
9. TOTAL CASH RECEIPTS	0	386	0	0	1484	15588	0	8036	0	33968	ũ	3	5 <b>9368</b>
(( CAPITAL SALES >>					•		a				•		A
10. Breeding livestock	0 0	0	0	0	0	0	ŭ G	0	0 3	g 0	9 8	0	0
11. Machinery, equipment 12. Building, land	8	0	8	ů	8	8	ū	9	0	0	0	ū	3
(( OTHER INFLOWS >>	•	•	•	•	•	•	•	•	•	•	•	•	•
13. Wages and salaries	1008	1006	1908	1000	1006	1886	1009	1008	1000	1096	1000	1000	12008
14. Investments	0	0	0	0	0	0	0	8	0	0	0	0	9
15.	0	6	0	0	8	8	8	0	3	0	0	8	0
16. TUTAL CASH INFLOW	1800	1386	1000	1000	2484	14588	1000	9036	1000	34968	1000	1000	71368
(( OPERATING EXPENSES ))													
17. Hired labor	217	226	194	170	456	261	843	160	148	571	205	182	3432
18. Repairs: Mach.& Equip.	92	32	25	26	285	82	48	20	12 10	328	47	28	1019
19. Buildings & Fences	10 3 <b>61</b>	10 622	18 622	19 4 <b>87</b>	1 <b>0</b>	10 0	10 50	!0 0	10	10	! <b>6</b> 0	10 311	123 2452
20. Feed 21. Seeds, plants	201	922	964	307	1974	0	76	0	9	ŭ	8	311	1974
22. Fertilizer,Line,Chen.	ĵ	ů	9	ă	13843	ō	138	ĝ	ŭ	ž	õ	i	14081
23. Machine Hire	j	Ö	0	0	390	3336	J	C370	0	2789	3	8	16185
24. Supplies	0	0	9	3	9	0	0	3	9	0	9	3	J
25. Vet.Medicine,Breed fee	8	119	44	0	9	281	9	9	44	0	119	44	6 <b>58</b>
26. Fuel, oil, lubricants	102	75	64	57	526	156	96	43	32	483	103	54	1793
27. Storage, Warehousing	0	0	0	0	0	0	0	0	G	0	8	0	
28. Taxes- R.E & Pers.Prop	0	0	0	0	0	0	0	0 a	0	9	0	103	163
29. Insurance	0 a	0	S A	0 0	0	0 a	U A	u O	0	0 a	0	9	
38. Utilities	a	9	0	8	- 0	3	0	a	8	Ü	8	a	4
31. Rents, leases 32. Freight, trucking	0	7	3	8	0	14	ů	20	ů	117	8	ů	158
33. Miscellaneous	ŏ	O	9	0	540	0	480	400	408	0	0	9	1746
34.	0	0	0	0	9	0	0	0	9	8	9	3	ð
35. Livestock purchases	9	8	8	0	0	0	0	0	0	9	0	0	0
36. TUTAL CASH EXPENSES	784	1091	9 <b>59</b>	750	18545	9140	1586	4543	647	4498	484	724	43758
(( CAPITAL EXPENSES (total cost) ))								_		_	_		
37. Breeding livestock	0	9	0	0	0	0	0	0	0	0	0	3	0
38. Machinery, Equipment	0	0	0	0	9	0	0	0	0	0	8	0 8	8 a
39. Bldgs, Fences, Land (( OTHER OUTFLOWS ))	U	ď	y .	u	u	•	,	U	U	u	•	•	•
40. Family living	1000	1009	1000	1000	1000	1980	1000	1008	1000	1800	1908	1800	12066
41. Income Tax		a	a	1000	2000	0			0	0	8	3	1000
42. Investments	ō	0	ā	0	0	0.	0	0	0	0	8	0	8
43.	9	0	6	8	9	0	0	9	0	0	8	0	0
Scheduled Debt Payments:							•						
44. Intermediate: interest	0	8	9	9	9	2022	0	0	0	9	0	0	2022
45. principal	0	0	0	0	0	3526	0	0	3	ũ	0	3054	3526
46. Long Terms Interest	3 3	0	Û	0	8	2776	0	0	0	0	0	2956 1710	5731 28 <b>96</b>
47. principal 48. Total Cash Outflows	1784	0 2 <b>09</b> 1	0 1 <b>959</b>	0 2 <b>758</b>	9 1 <b>9545</b>	1181 19644	2 <b>586</b>	5 <b>543</b>	1647	54 <b>98</b>	1484	6389	7 <b>0919</b>
(< NEW BORRROWING >>	1107	2071	1737	27 30	.,,,,,,	.,,,,,,	2.500	JU70	1671	J7/9	. 101		. 4,17
49. Intermediate	6	3	0	0	0	0	0	0	0	0	0	0	3
58. Long Term	0	0	0	0	9	0	8	0	3	0	8	0	0
***************************************													
(( CASH FLOW SUPPARY ))	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	S <b>EP</b>	OCT	NOV	DEC	TOTALS
Int.Rate= (( 14.00)) Minimum Cash Balance= (( 1000))	\						****				**********	·	
Minimum Cash Balance= << 1000>> 51. Beginning Cash Balance	, 500	1000	- 1000	1000	1000	1006	1000	1900	1000	1900	1000	1000	1000
52. Inflows Outflows (16-48)	-78 <b>4</b>	-711	-9 <b>59</b>	-1750	-17141	-3064	-1586	3493	-447	29470	-484	-5 <b>389</b>	449
53. Cash Position (49+50+51+52)	-284	289	41	-750	-16141	-2864	-586	4493	353	30470	516	-4389	•
54. New Borrowing: Operating	1284	711	9 <b>59</b>	1750	17141	3064	1586	0	647	0	484	5389	33014
55. New Borrowing: Interi& LongTerm	9	3	9	9	9	0	0	ĵ	9	0	3	3	9
(( Accrued Int.due on Oper.Loam ))	539	596	6 <b>61</b>	7 <b>37</b>	833	1129	1461	1812	331	569	2	11	
56. Interest pay'ts.on Oper.Loan	0	0	0	9	0	0	0	1912	9	569 22000	3	3	2481
57. Principal pay'ts.on Oper.Loan	1000	1000	1000	1000	1008	1000	1000	1681	0 19 <b>00</b>	23800	0 19 <b>08</b>	1000	30482
58. Ending Cash Balance 59. Outstanding Operating Debt	100 <b>0</b> 483 <b>8</b>	1000 5548	10 <b>00</b> 5 <b>507</b>	100 <b>0</b> 3257	1000 25398	19 <b>00</b> 2 <b>8462</b>	100 <b>0</b> 30 <b>048</b>	1090 2 <b>83</b> 66	29013	1000 213	697	1000	
50. Outstanding Intermediate Debt	168 <b>52</b>	14852	16 <b>852</b>	16852	16852	13326	13326	13326	13326	13326	13326	13326	
61. Outstanding Long Term Debt	67197	67197	67197	67197	67197	56017	66817	56017	o <b>681</b> 7	56017	56 <b>0</b> 17	64307	

Table 25. Income Statement and Financial Ratios: Southeastern Oklahoma

	.NCOME STATEMENT					FINANCIAL RATIOS
A. OPERATING RECEIPTS		8.	CASH FA	AN EXPENSES		*****************
Livestock Sales & Products		Hir	ed Labo	<b>r</b>	3632	Current Ratio= Current Assets = .3763891
Paised market livestock	13041			ip.Repairs	1019	******************
	0		•	Fence Repairs	123	Current Liabilities
Livestock purchased for			in Inter		19234	Harting Assess But as Born state to Assess as British
resale:	0		d Purch		2452	Working Asset Ratio= Current+Int.Assets = 2.563569
Livestock products				ts, Other	1 <b>974</b> 14 <b>001</b>	Connected to the State of
	Subtotal: 13841		tillzer hinery	, line, chemicals	14001	Current+Int.Liabilities
	3000041: 13071		niner, Diies	uire	10103	Debt Structure Ratio= Current Liabilities = .2694876
Crop Sales:	46327		eding F	£2 <b>5</b>	õ	ACRES AND ACTURE WELLO. ARRIVED FIRSTILLIANS - 1781-4810
	0		•	sedicine	650	Total Liabilities
				il,lubricants	1793	
		Sto	rage, W	arehousing	9	Net Camital Ratio= Total Assets = 2.972366
				l Est.& Pers.Pro	103	***************************************
			MLSUCE		- 0	Total Liabilities
	Subtotal: 46327			(farm share)	0	
Otton From Torons				k Leases		Debt to Equity Ratio= Total Liabilities = .5070853
Other Farm Income:			ight, T		158	
Government payments	0	,		on Expenses		Net Worth
Custom Work Dividends, Refunds		nis	: :Ce i i ane	ous Expenses	1746 0	Tabal Ashi Ashion Tabal Labalilian
Cash Rent		1			•	Total Debt Ratio= Total Liabilities = ,3364323
Other	0	r.v.:	ik.purc	hased for resale		Total Assets
o thei	•	TO	A CASH	EXPENSES	53984	IDIAI HISETS
	Subtotal: 0	101	ne unon	EVI. CHOCO	33764	Per Cent Equity= Net Worth * 108 = 66.35677
GROSS RECEIPTS FROM FARMIN						101 deut effett/- liet wat (it = 100 - Optomit
		C.		H INCOHE FROM		Total Assets
D. ADJUSTMENTS FOR ACCRUED	ITEMS AND INVENTOR	Y CHANGES:	OPERATI	INS .	5384	Debt Servicing Ratio™ Total Debt Payments = -2.92117
1. Accounts & Notes Receiv						-enochmonences
	Accounts	Other	Other	, .		Net Cash Fare 1 .cme
Ending Inventory	8					
Beginning Invento				,		Opportunity Return to Labor & Management = 15008
Change	0	0	0		0	(Insert am estimated value in Q148)
2. Accounts Payable & Accr				•••		
Zananan Iswanta	Accounts 9800 ary	Taxes In 2500	terest 8251	Other.		ROE= Net Farm Income- Opportunity Return
Beginning Inventory	NF7 3000 2808	2750 2750	70 <b>98</b>	0		to Labor & Management =163178
Change	3000	-25 <b>0</b>	1153	G	903	Average Equity
3. Prepaid Expenses:	•	200	1133	•	/43	HASELEGE Edition
	Ending	Bed	enning	,	•	ROI= Net Farm Income+ Interest- Opportunity
	Inventory		entory		•	Return to Labor & Management =077846
	0	-	()=e		0 -	*******************************
4. inventories:				ž (r		Average Total Assets
	Mkt.Livestock			Growing		
	& Products	Feed & Su	opiies	Crops		
Ending Inventory	0	4998		3		
Beginning Invento Change	1 <b>r</b> y 0 0	40 <b>00</b> 0		Q Q	0	
change	•	v		U	U	
E. ADJUSTMENTS FOR CAPITAL	. ITEIS:					•
	Breeding	ř	lach-&	Improve-		
	Lustk.	Vehicles	Equip.	nents		
Ending Inventory	26608	8088	14232	36300		
Sales		0000	(4222	0		
Subtotal Beginning Invento		8000	14232	36380		
Purchases	ry 266 <b>00</b>	9 <b>086</b> 0	3 <b>5417</b>	3 <b>7500</b> 0		•
Subtotal	•		35417	37 <b>500</b>		
Change	. 25550		-21185	-1200	-23385	
F. VALUE OF FARM PRODUCTS					0	
G. NET FARM INCOME					-17098	
~						

Table 26. Net Worth Statement: North Central Oklahoma

76884 -10376 -1522 -815
76884 -10376 -1522 -815
-10376 -1522 -815
-1522 -815
-815
700
700
700
0
0
0
0
1522
818
0
0
67211
-12129
0
0
0
-12129
-9756
0
. 0
0
-9756
45326
-80476
-35150

Table 27. Cash Flow Statement: North Central Oklahoma

UNOLEFARM CASHFLOW STATEMENT	JAN	FEB	W4.0	A 040	MAY	1194	***	A116	e58			252	78841.0
(( OPERATING RECEIPTS ))	W-61	725	MAR	APR	MAY	JUN	JUL	AU6	SEP	OCT	NOV	DEC	TOTALS
1. Livestock sales:	9	384	0	8	90358	608	0	0	288	9611	8	0	101170
<ol> <li>Sale of purchased lysk</li> </ol>	0 0	0	0	8	0	0	9	0	0	0	0	0	0
4. Crop Sales:	9	ū	ő	8	ů	32256	32 <b>50</b>	0	j	0	8	3	35 <b>50</b> 6
5.	8	0	8	0	0	g	0	0	8	0	0	0	0
6. Government payments 7. Other farm income	0	Q 0	0	0	0	0 G	0	0	0	0	0	0	9 0
8.	0	0	õ	ō	0	j.	ā	0	0	ű	ő	0	2
9. TOTAL CASH RECEIPTS (( CAPITAL SALES ))	0	384	0	. 0	90358	32864	3250	9	288	9611	0	0	13 <b>56</b> 76
10. Breeding livestock	0	8	8	0	a	0	9	8	9	g	0	0	ū
11. Machinery, equipment	8	0	0	0	0	0	0	0	6	0	ō	ō	9
12. Building, land (( OTHER INFLOWS ))	9	0	0	0	0	G	0	8	0	0	8	8	9
13. Wages and salaries	833	833	833	833	833	833	833	833	833	833	833	833	10908
14. Investments	0	8	0	0	0	0	0	8	0	0	0	9	0
15. 16. TOTAL CASH INFLOW	833	1137	83 <b>3</b>	833 0	91192	0 3 <b>3697</b>	0 4083	833	0 1121	19445	8 <b>33</b>	833	0 1 <b>46676</b>
(( OPERATING EXPENSES ))	993	1137	033	933	71172	33677	4003	033	1121	10773	033	933	1706/0
17. Hired labor	492	1207	782	549	462	1740	2003	1661	1833	88	642	482	11968
18. Repairs: Mach.& Equip. 19. Buildings & Fences	52 28	250 28	132 28	110 28	49 28	5 <b>52</b> 21	210 <b>4</b> 21	7 <b>92</b> 21	1 <b>336</b> 21	16 21	58 28	51 28	5494 302
20. Feed	1953	1655	1600	530	22	0	48	0	0	245	2054	1462	9563
21. Seeds, plants	0	0	0	0	0	0	0	0	3040	0	0	0	3040
22. Fertilizer,Lime,Chem. 23. Machine Hire	0	8 <b>304</b> 6 <b>80</b>	0	1910 50	9	82 <b>5</b> 9888	9 1 <b>453</b>	9	8190 680	0	0	0	19 <b>229</b> 12744
24. Supplies	0	0	0	0	0	0	0	0	0	0	0	9	3
25. Uet.Medicine,Breed fee	202	) 751	421	0	202	1221	9	1500	3100	0	300	0	1002
26. Fuel, oil, lubricants 27. Storage, Warehousing	20 <b>3</b> 0	7 <b>51</b> 0	421 8	45 <b>4</b> 0	1 <b>66</b>	1 <b>321</b>	2 <b>950</b> 0	1 <b>598</b> 0	21 <b>98</b> 0	9 <b>9</b> 0	178 0	191 0	9 <b>623</b> 0
28. Taxes- R.E & Pers.Prop	0	0	0	Ō	0	0	0	0	0	0	0	124	124
29. Insurance 30. Utilities	0	~ Q	0 0	0	. 0	0 a	8	0	0	0	0	0	3 8
31. Rents, leases	8	0	0	0	- 0	0	8	3	8	0	0	0	8
32. Freight, trucking	0	50	0	8	390	0	g	100	- G	50	250	0	840
33. Miscellaneous 34.	9	0	0 a	0 0	1075	0 8	9	8	8	9	0	0	1075
35. Livestock purchases	0	8	0	9	9	9	8	0	0	8	58000	8	58 <b>996</b>
36. TUTAL CASH EXPENSES	27 <b>29</b>	12925	2964	3652	2394	1054	7671	4162	1 <b>7297</b>	518	62004	2 <b>339</b>	132995
<pre>(( CAPITAL EXPENSES (total cost) )) 37. Breeding livestock</pre>	0	8	8	0	0	9	0	8	a	9	a	0	8
38. Machinery, Equipment	0	0	ŏ	Ŏ	Ö	Ö	ō	0	0	ō	ō	ū	ō
39. Bldgs, Fences, Land	9	0	0	0	0	0	8	0	0	0	0	· 0	0
(( OTHER OUTFLOWS )) 40. Family living	1500	1500	1500	1500	1500	1500	1508	1500	1500	1500	1500	1500	18000
41. Income Tax	0	0	0	2500	0	0	0	0	0	0	0	0	2588
42. Investments 43.	9	0	0	0	0	0	0	0	0 a	0 8	0	0	9
Scheduled Dept Payments:	U	0	u	U	u	u	0	U	u	ű	U	U	,
44. Intermediate: interest	0	0	1250	0	0	4753	1250	0	9	0	1258	0	3503
45. principal 46. Long Term: interest	6 n	0	1236	0	0	6 <b>879</b>	1236	0	0	0	1236	4000 0	10697
47. principal	ō	9	ő	0	8	7513	ő	0	0	ū	ů	1425	17032 3 <b>938</b>
48. Total Cash Outflows	4229	14425	6956	7652	3894	46037	11657	5662	18797	2018	65998	11264	19 <b>8575</b>
(( NEW BORRROWING )) 49. Intermediate	0	0	9	8	8	0	0	0	0	0	0	0	0
50. Long Term	Ō	Ö	ō	Ö	Ŏ	ō	ā	ā	0	ō	Ö	8	Ö
(( CASH FLOW SUMMARY ))	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTALS
Int.Rate= (< 14.00))	WIT.	1.60		HPR	1941			HU0	3EF		1700	VEL	IUIMLS
Minimum Cash Balance= (( 1000))													
51. Beginning Cash Balance 52. Inflows- Outflows (16-48)	10 <b>00</b> -3 <b>396</b>	1000 -13288	10 <b>80</b> -6116	10 <b>86</b> -6818	19 <b>99</b> 8 <b>729</b> 7	1008 -12339	1000 -7 <b>57</b> 4	100 <b>6</b> -4829	1000 -17676	10 <b>00</b> 8 <b>427</b>	1000 -651 <b>5</b> 6	100 <b>0</b> -10431	1000 -51899
53. Cash Position (49+50+51+52)	-2396	-12288	-5116	-5818	88297	-11339	-6574	-3829	-16676	9427	-64156	-9431	71477
54. New Borrowing: Operating	3396	13288	6116	6818	8	12339	. 7574	4829	17676	0	6 <b>5156</b>	10431	147623
55. New Borrowing: Inter.& LongTerm Accrued Int.due on Oper.Loan >	9 14667	0 15873	0 1 <b>7234</b>	0 18667	0 20179	0 7 <b>29</b>	0 16 <b>02</b>	0 2564	8 3582	0 4 <b>90</b> 6	0 1182	0 3124	0
56. Interest pay'ts.on Oper.Loan	0	0	0	0	20179	9	0	0	0	1809	0	0	24985
57. Principal pay'ts.on Oper.Loan 58. Ending Cash Balance	0 1 <b>000</b>	0 1 <b>000</b>	0 1 <b>000</b>	1000	67118	1000	1000	1000	1000	3621	1000	0 1 <b>000</b>	70739
59. Outstanding Operating Debt	103396	116684	122809	1000 129619	1000 6 <b>2500</b>	1909 7 <b>4840</b>	1000 82413	1000 87243	1000 104918	1000 101297	1000 1664 <b>5</b> 3	176884	
60. Outstanding Intermediate Debt	58948	58948	57712	57712	57712	50813	49577	49577	49577	49577	48341	48341	
61. Outstanding Long Term Debt	214632	214632	214632	214632	214632	207119	207119	207119	207119	207119	297119	205694	

Table 28. Income Statement and Financial Ratios: North Central Oklahoma

	INCOME STATEMENT				FINANCIAL RATIOS
4. OPERATING RECEIPTS			ARM EXPENSES		■ 中心 © 中心
Livestock Sales & Products		Hired Labo		11960 5 <b>494</b>	Current Ratio= Current Assets = .5451980
Raised market livestock	191170 9		up.Repairs E Fence Repairs	302	Current Liabilities
Livestock purchased for	•	Cash Inter		50 <b>529</b>	Current Litariffees
resale:	9	Feed Purci		9563	Working Asset Ratio= Current+Int.Assets = .8816364
Livestock products		Seed, Plas	ts, Other	3848	******************************
		Fertilizer	, line, chemicals	19229	Current+Int.Liabilities
	Subtotal: 101170	Machinery	Hire	12744	
Casa Calass	SEED (	Supplies	•	0	Debt Structure Ratio= Current Liabilities = .5059974
Crop Sales:	3 <b>550</b> 6	Breeding l Vet.fees,		1092	Total Liabilities
	v	•	oil, lubricants	9623	IUCEI LIEDITICIES
			larehousing	0	Net Capital Ratio= Total Assets = 1.817399
			I Est.& Pers.Prop	124	***************************************
		Insurance		0	Total Liabilities
•	Subtotal: 35506		(farm share)	0	
		Cash Rent		9	Debt to Equity Ratio= Total Liabilities = 1.223393
Other Farm Income:		Freight,	•	849	Wat II. II
Government payments Custom Work	0		on Expenses	1075	Net Worth
Dividends, Refunds		TI SCETT ZNO	eous Expenses	1 <b>075</b> 0	Total Debt Ratio= Total Liapilities = .5502369
Cash Rent		Lustit pur	chased for resale	58000	10(4) VEDI (41(U- 10(4) L)4U(11(165JJ02307
Other	0	20011119011		***************************************	Total Assets
	·	TOTAL CASI	I EXPENSES	183515	
	Subtotal: 0				Per Cent Equity= Net Worth + 100 = 44.97631
GROSS RECEIPTS FROM FARMIN	6 136676				***************************************
			SH INCOME FROM	4/000	Total Assets
D. ADJUSTMENTS FOR ACCRUED	ITEMS AND INDIBITION	OPERATI	iums .	-46839	Debt Servicing Ratio= Total Debt Payments =463829
1. Accounts & Notes Receiv		CIPTUES:			sent servicing nation lotal sent repletits = -110002/
	Accounts	Other Other			Net Cash Farm Income
Ending Inventory	9				
Beginning Invento	ry 0				Opportunity Return to Labor & Management = 18000
Change	0	0 0		9	(Insert an estimated value in Q148)
2. Accounts Payable & Accr		•			
Garage Investo	Accounts ry 5000	Taxes Interest 7000 39835	Other		ROE= Net Farm Income- Opportunity Return
Beginning Invento Ending Inventory	5800 5800	7000 39835 7700 26322	8		to Labor & Managément =224748
Change	3000	-700 12713	9	12013	Average Equity
3. Prepaid Expenses:	·		•		man age adarty
	Ending	Beginning			ROI= Net Farm Income+ Interest- Opportunity
	Inventory	Inventory			Return to Labor & Management =066847
	0	- 0=	•	0	***************************************
4. Inventories:	Mina I	A1	•		Average Total Assets
	MKt.Livestock	Stored Crops,	Growing		
Ending Inventory	& Products 49248	Feed & Supplies 18250	Crops 27744		
Beginning Invento		18250	27744		
Change	-12611	0	0	-12611	
•					
E. ADJUSTMENTS FOR CAPITAL					
	Breeding		Indicase-		
Sadina Inventory		Vehicles Equip.			
Ending Inventory Sales	2 <b>0700</b> 0	9 <b>000</b> 53228	62 <b>580</b> 0		
Subtotal	•	9000 53228	62500		
Beginning Invento		10000 79667	65800		
Purchases	0	0 8	0		
Subtotal	: 20700	10000 79667	6 <b>5000</b>		
Change	0	-1000 -26439	-2500	-29939	
F. VALUE OF FARM PRODUCTS G. NET FARM INCOME	used in the home			-77274	
U. HET PHINT BROWNE				-77376	

Table 29. Net Worth Statement: Southwestern Oklahoma

Balance Balance Change		Dalance	Balance	Change
CURRENT ASSÉTS	CURRENT LIABILITIES			
1. Cash & Checking 500 1000 500	29. Accounts Payable	5000	5000	0
2. Savings & Time Certificates 1000 1060 60	30. Notes Payable	40000	49276	9276
3. Marketable Bonds & Securities 0	31. Interest Due: Current	<b>5</b> 200	277	-4923
4. Accounts Receivable 0	32. Intermediate	3625	3209	-416
5. Cash Value Life Insurance 5000 5000 0	33. Long Term	22692	22482	-210
Market Livestock & Products:	Taxes Due:			
6. Raised Livestock 16416 16416 0	34. Real Estate & Personal Property	3800	4180	380
7. Purchased Livestock 32832 32832 0	35. Employee Payroll Withholding			0
8. Stored Crops, Feed, Supplies 42000 42000 0	36. Personal& Self-Employment			0
9. Cash Investment Growing Crops 25702 25702 0	37. Other Accrued Expenses			0
10. Prepaid Expenses 0	38. Contingent Tax Liability			0
11. Other Current Assets 0	Principal Due in 12 months:			
12. TOTAL CURRENT ASSETS 123450 124010 560	39. Intermediate Liabilities	5734	6149	415
INTERHEDIATE ASSETS	40. Long Term Liabilities	3887	4097	210
13. Notes Receivable 0	41. Other Current Liabilities			0
Breeding Livestock:	42.			0
14. Raised Livestock 26600 26600 0	43. TOTAL CURRENT LIABILITIES	89938	94670	4732
15. Purchased Livestock 0	INTERMEDIATE LIABILITIES			
16. Vehicles 5000 4500 -500	44. Notes Payable	44266	38117	-6149
17. Machinery & Equipment 96250 91155 -5095	45. Contingent Tax Liability			0
18. Securities Not Readily Mktable. 5000 6250 1250	46. Other Intermediate Liabilities			0
19. Other Intermediate Assets 0	47.			0
20. TOTAL INTERMEDIATE ASSETS 132850 128505 -4345	48. TOTAL INTERMEDIATE LIABILITIES	44266	38117	-6149
FIXED ASSETS	LONG TERM LIABILITIES			
21. Contracts & Notes Receivable 0	49. Mortgages & Notes Payable	428388	424291	~4097
22. Buildings & Improvements 35000 34000 -1000	50. Contingent Tax Liability			0
23. Cropland 400000 400000 0	51. Other Long Term Liabilities			0
24. Pasture 240000 240000 0	52.			0
25. Non-Farm Investments 0	53. TOTAL LONG TERM LIABILITIES	428388	424291	-4097
26. Other Long Term Assets	54. TOTAL LIABILITIES	562592	557078	-5514
27. TOTAL FIXED ASSETS 675000 674000 -1000	55. NET WORTH	368708	369437	729
28. TOTAL ASSETS 931300 926515 -4785	56. TOTAL LIABILITIES & NET WORTH	931300	926515	-4785

Table 30. Cash Flow Statement: Southwestern Oklahoma

Company and particular   Company and particu							Stell		Lanon					
1. Livesteck saless	WHOLEFARM CASHFLOW STATEMENT	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTALS
2. Saler of purchased leak  8	<pre>&lt;&lt; OPERATING RECEIPTS &gt;&gt;</pre>							*****					********	
3. Series   1. Ser		0		54528	•	-		-			11068	-		
4. Crop Salest		U		8	•	-	•	•		-	Ü	•	•	
5. Government pagments		0			•	-	•	•	•	•		•	•	
4. Operanent powers and the process of the process		٠	Ö	•	•	Ŏ	37100	ů	0	•		0	0	11000.
7, Other farm income		8	Ö	Ō	Ō	Ö	Ö	Ŏ	Ö	Ö	Ō	Ŏ	ā	8
9. Tright Cases RECEIPTS 10. Pre-defing live-stack 10. See ding live-stack 10.	•	. 0	0	0	0	0	0	0	0	0	0	0	0	Ç
Company   Description   Company		0	•	•	0	•	•	0	0	-	0	•	0	-
18. Persiding   Investock   8		9	343	54528	0	0	59791	0	0	0	11068	58 <b>950</b>	0	184680
1.1. Natherly, regressed   0														
12. birdings, land	•	•	-	-	-	•	•	•	•	-		•	•	-
Company   Comp		-	•	-	•	•	•	•	•	-	•	•	•	
13, Mayes and salaries		•	•	•	·	•	•	•	•	v	U	٠	•	
14.   Investments		1000	1080	1900	1000	1000	1000	1000	1000	1000	1000	1000	1000	12000
14.   TOTAL CASH INPLICAL   10.00   1343   25528   1800   1800   1800   1800   12048   2979   1800   19468   1979   1900   19468   1979   1910   19468   1979   1910   19468   1979   1910   19468   1979   1910   19468   1979   1910   19468   1979   1910   19468   1979   1910   19468   1979   1910   19468   1979   1910   19468   1979   1910   19468   1979   1910   19468   1979   1910   19468   1979   1910   1910   19468   1979   1910   191		0	0	8	0	0	8	0	0	0	0	0	0	0
(COPENSES))  18. Reparts Nach & Equip.  208   289   28   142   1378   1452   1046   449   2415   1078   2123   1001   1041   18. Reparts Nach & Equip.  209   229   239   239   5 0 0 0 0 0 0 0 0 0 0 0 5 5 5 5 5 3 2 2 2 2 2 2 2 2 2 2 2 2 2 2	15.	0	9	0	0	0	0	0	0	0	0	0	0	9
17,   Here   Labor   200   229   0   50   1418   1477   1281   448   224   228   218   142   1378   1477   1281   448   224   228   228   1481   1477   1281   14		1008	1343	55528	1800	1006	69791	1000	1000	1800	12068	59950	1000	196680
18. Reparts: Natch & Equip.   229   229   259   50   50   1410   1477   1281   448   224   2369   7433   1271   1494*]   9. Buildings & Fences   5   5   5   8   8   0   0   0   0   0   1161   33   33   1272*   21. Ferd   33   33   33   0   0   0   0   0   0						4070					4070			10/10
19,   Burldings & Fences   5   5   5   8   8   0   0   0   0   0   5   5   5   5   2														
23. Feed   33   33   0   0   0   0   0   0   0				•			-							
21. Service, planets	•	-	_		•	•	•	•	•	-	-		-	
22. Fertilizer, Line, Chem.  10 196349 0 34682 1463 0 0 0 1010101 0 0 0 267902 24. Supplies 25. We Lifericine, Bread fere 10 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0				•	-		•	ā	•	-	0			
23. Nachne Hire  0 3400 0 0 0 14256 0 0 0 0 0 0 0 0 7350 25. Verlindictine, Sered fee  0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		•	•	•	_			Ŏ	•		Ŏ	Ŏ	-	
25.   W.A.Medicine, Breed fee		Ō		9			14256	Ō	Q		0	Ö	0	
2.4. Feel, orl, labricants	24. Supplies	8	0	0	0	0	8	0	0	0	0	0	0	0
27. Storage, Warehousing  0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	25. Vet.Medicine,Breed fee	0	0	0	0	-	-	•	•	0		•	•	
28. Taxas—R.E. & Pers.Prop  8		457		0	348	2595		2213				2767		
29   Insurance		0	•	0		•	•	0	0	-		0	•	
13.		8	•	0	•	0	•	0	0	-	•	0	0	
131. Rents, leases				•	•	U	•	U	U	•	•			-
32. Freeight, trucking 0 0 0 0 0 0 0 0 0 0 0 7,668 0 8383 34.  33. Hiscellaneous 0 0 7,720 0 0 0 0 0 0 0 7,668 0 8383 34.  34. UNAL CASH EXPENSES 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		3				0	•	0	- 0	•	-	•	-	
33. Hiscellaneous 0 0 720 0 0 0 0 0 0 0 7648 0 8388 34. 35. Livestock purchases 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		n	•	_	. 0	n	•	8	0	•	-	•	•	
35. Livestock purchases 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		ō	•	•	ō	•	•	ō		•		•	•	
34. TOTAL CASH EXPENSES   1336   16041   943   4223   9746   20189   4534   2083   16185   48123   14044   3609   140966   (CAPITAL EXPENSES (total cost))   37. Breeding livestock   0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		Ō	Ō		ō	ō	Ō	Ō	Ō	-			Ō	
Continue	35. Livestork nurchases													
37. Breeding livestock	DOT CIVESTOCK POLCHESES	8	0	0	Ū	0	U	U	U	U	41084	0	0	41004
38. Hachinery, Equipment 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		•	-	-	-	-	•	•	-	-		•	-	
99. Bldgs, Fences, Land 0 0 0 1500 1500 1500 1500 1500 1500 15	34. TOTAL CASH EXPENSES (( CAPITAL EXPENSES (total cost) ))	•	16041	943	4223	9746	20180	4534	2003	16185	48123	•	3609	140986
(C CASH FLOW Simplery )>	34. TOTAL CASH EXPENSES  (( CAPITAL EXPENSES (total cost) ))  37. Breeding livestock	1336	16041 0	943 0	4223 0	9746 8	20180	4534 0	20 <b>03</b> 0	16185	48123 0	•	3609	1 <b>4098</b> 6
40. Family living 1500 1500 1500 1500 1500 1500 1500 150	34. TOTAL CASH EXPENSES (( CAPITAL EXPENSES (total cost) )) 37. Breeding livestock 38. Machinery, Equipment	1336 0 0	16 <b>041</b> 0 0	943 0 0	4223 0	9746 8 0	20180 0 0	4534 0 0	20 <b>03</b> 0 0	16185 0	48123 0 0	14064 0 0	3609	140986 0 0
41. Income Tax	34. TOTAL CASH EXPENSES (( CAPITAL EXPENSES (total cost) )) 37. Breeding livestock 38. Machinery, Equipment 39. Bldgs, Fences, Land	1336 0 0	16 <b>041</b> 0 0	943 0 0	4223 0	9746 8 0	20180 0 0	4534 0 0	20 <b>03</b> 0 0	16185 0	48123 0 0	14064 0 0	3609	140986 0 0
42. Investments	36. TOTAL CASH EXPENSES (( CAPITAL EXPENSES (total cost) )) 37. Breeding livestock 38. Machinery, Equipment 39. Bldgs, Fences, Land (( OTHER OUTFLOWS ))	1336 0 0	14041 0 0	943 0 0	4223 0 8 0	9746 8 0	20180 0 0 0	4534 0 0	20 <b>63</b> 0 0	16185 8 0	48123 0 0	14064 0 0	3609 . 0 0	140986 0 0
Scheduled Debt Payments:  44. Intermediate: interest  45. Intermediate: interest  46. Long Term: interest  46. Long Term: interest  46. Long Term: interest  46. Long Term: interest  47. principal  48. Total Cash Dutflows	36. TOTAL CASH EXPENSES (( CAPITAL EXPENSES (total cost) )) 37. Breeding livestock 38. Machinery, Equipment 39. Bldgs, Fences, Land (( OTHER OUTFLOWS )) 40. Family living	1336 0 0 0	16041 0 0 0	943 0 0 0	4223 0 8 0	9746 0 0 1500	20180 0 0 0	4534 0 0 0	20 <b>03</b> 0 0 0 1500	16185 0 0 0	48123 0 0 0	14064 0 0 0	3609 . 0 0 0	140986 0 0 0
44. Intermediate: interest 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 3625 3625 45. principal 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 5734 5734 46. Long Term: interest 0 0 0 0 0 0 0 1415 0 0 0 10859 0 10418 224672 47. principal 0 0 0 0 0 0 0 344 0 0 0 0 19059 0 10418 224672 47. principal 0 0 0 0 0 0 344 0 0 0 0 1904 0 1639 3887 48. Total Cash Dutflows 2836 17541 2443 7723 11246 23439 6034 3503 17685 62386 15564 26525 196924 (\ NEW BORRRIMINS \)  49. Intermediate 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	36. TOTAL CASH EXPENSES (( CAPITAL EXPENSES (total cost) )) 37. Breeding livestock 38. Machinery, Equipment 37. Bldgs, Fences, Land (( OTHER OUTFLOWS )) 40. Family living 41. Income Tax	1336 0 0 0 0	16041 0 0 0 0	943 0 0 0 0	4223 0 0 0 1500 2000	9746 0 0 0	20180 0 0 0 1500	4534 0 0 0 0	20 <b>03</b> 0 0 0 0	16185 0 0 0	48123 0 0 0 0	14064 0 0 0 0	3409 0 0 0	140986 0 0 0 18000 2000
45. principal 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	36. TOTAL CASH EXPENSES (( CAPITAL EXPENSES (total cost) )) 37. Breeding livestock 38. Hachinery, Equipment 37. Bldgs, Fences, Land (( OTHER OUTFLOWS )) 40. Family living 41. Income Tax 42. Investments	1336 0 0 0 0	16041 0 0 0 0 1500 0	943 0 0 0 0	4223 0 8 0 1500 2000	9746 0 0 0 1500 0	20180 0 0 0 1500 0	4534 0 0 0 0 1500 0	20 <b>03</b> 0 0 0 1500 0	16185 0 0 0 0	48123 0 0 0 0 1500 0	14064 0 0 0 0	3409 - 0 0 0 1500 0	140986 0 0 0 18000 2000
46. Long Term: Interest 0 0 0 0 0 0 1415 0 0 0 0 10859 0 10418 22692 47. principal 0 0 0 0 0 0 344 0 0 0 1994 0 1639 3887 48. Total Cash Dutflows 2836 17541 2443 7723 11246 23439 6034 3503 17685 62386 15564 26525 196924 ((NEA BORRROWING))  49. Intermediate 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	36. TOTAL CASH EXPENSES  (( CAPITAL EXPENSES (total cost) )) 37. Breeding livestock 38. Machinery, Equipment 39. Bldgs, Fences, Land (( OTHER OUTFLOWS )) 40. Family living 41. Income Tax 42. Investments 43. Scheduled Debt Payments:	1336 0 0 0 0	16041 0 0 0 0 1500 0	943 0 0 0 0	4223 0 8 0 1500 2000	9746 0 0 0 1500 0	20180 0 0 0 1500 0	4534 0 0 0 0 1500 0	20 <b>03</b> 0 0 0 1500 0	16185 0 0 0 0	48123 0 0 0 0 1500 0	14064 0 0 0 0	3609 - 0 0 0 1500 0	140986 0 0 0 18000 2000
47. principal 0 0 0 0 0 0 344 0 0 0 1904 0 1439 3887  48. Total Cash Dutflows 2836 17541 2443 7723 11246 23439 6034 3303 17685 62386 15564 26525 196924  (**NEM BORRRAING**)  49. Intermediate 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	36. TOTAL CASH EXPENSES (( CAPITAL EXPENSES (total cost) )) 37. Breeding livestock 38. Machinery, Equipment 39. Bldgs, Fences, Land (( OTHER OUTFLOWS )) 40. Family living 41. Income Tax 42. Investments 43. Scheduled Debt Payments: 44. Intermediate: interest	1336 0 0 0 1500 0 0	14041 0 0 0 0 1500 0 0	943 0 0 0 0 1500 0 0	4223 0 8 0 1500 2000 0 0	9746 8 0 0 1500 0 0	20180 0 0 0 1500 0 0	4534 0 0 0 1500 0	2003 0 0 0 1500 0 0	16185 0 0 0 1500 0 0	48123 0 0 0 0 1500 0 0	14064 0 0 0 1500 0 0	3609 0 0 1500 0 0 3625	140986 0 0 0 18000 2000 0 3625
48. Total Cash Outflows	36. TOTAL CASH EXPENSES (( CAPITAL EXPENSES (total cost) )) 37. Breeding livestock 38. Machinery, Equipment 39. Bldgs, Fences, Land (COTHER OUTFLOWS )) 40. Family living 41. Income Tax 42. Investments 43. Scheduled Debt Payments: 44. Intermediate: interest 45. principal	1336 0 0 0 1500 0 0	14041 0 0 0 0 1500 0 0	943 0 0 0 1500 0 0	4223 0 8 0 1500 2000 0 0	9746 8 0 0 1500 0 0	20180 0 0 0 1500 0 0	4534 0 0 0 1500 0	2003 0 0 0 1500 0 0	16185 0 0 0 1500 0 0	48123 0 0 0 0 1500 0 0	14044 0 0 0 0 1500 0 0	3609 0 0 1500 0 0 3625 5734	140784 0 0 0 0 18000 2000 0 1 3625 5734
(** NEW BORRROWING **)  49. Intermediate  0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	36. TOTAL CASH EXPENSES (( CAPITAL EXPENSES (total cost) )) 37. Breeding livestock 38. Machinery, Equipment 39. Bldgs, Fences, Land (COTHER OUTFLOWS )) 40. Family living 41. Income Tax 42. Investments 43. Scheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest	1336 0 0 0 1500 0 0 0	16041 0 0 0 1500 0 0 0	943 0 0 0 1500 0 0 0	4223 0 8 0 1500 2000 0 0	9746 0 0 0 1500 0 0 0	20180 0 0 0 1500 0 0 0	4534 0 0 0 0 1500 0 0 0	2003 0 0 0 1500 0 0	16185 0 0 0 0 1500 0 0	48123 0 0 0 1500 0 0 0 0	14044 0 0 0 1500 0 0	3609 0 0 0 0 1500 0 0 0 0 0 0 0 0 0 0 0 0 0 0	140784 0 0 0 0 0 18000 2000 0 1 3625 5734 22692
## Intermediate	36. TOTAL CASH EXPENSES  (( CAPITAL EXPENSES (total cost) )) 37. Breeding livestock 38. Machinery, Equipment 39. Bldgs, Fences, Land  (( OTHER OUTFLOWS )) 40. Family living 41. Income Tax 42. Investments 43.  Scheduled Debt Payments: 44. Intermediate: Interest 45. principal 46. Long Term: interest 47. principal	1336 0 0 0 1500 0 0 0 0	14041 0 0 0 1500 0 0 0 0	943 0 0 0 1500 0 0 0	4223 0 0 1500 2000 0 0	9744 0 0 0 1500 0 0 0	20180 0 0 0 1500 0 0 0 0 1415 344	4534 0 0 0 1500 0 0 0	2003 0 0 0 1500 0 0 0	16185 0 0 0 1500 0 0 0	48123 0 0 0 1500 0 0 0 0 10859 1904	14044 0 0 0 1500 0 0	3609 . 0 0 1500 0 0 0 0 3625 5734 10418 1639	140784 0 0 0 0 0 18000 2000 0 1 3625 5734 22692 3887
CCASH FLOW SUPPRRY >>   JAN   FEB   NAR   APR   NAY   JUN   JUL   ANB   SEP   OCT   NOV   DEC   TUTALS	36. TOTAL CASH EXPENSES  (( CAPITAL EXPENSES (total cost) )) 37. Breeding livestock 38. Machinery, Equipment 39. Bldgs, Fences, Land (( OTHER OUTFLOWS )) 40. Family living 41. Income Tax 42. Investments 43.  Scheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest 47. principal 48. Total Cash Outflows	1336 0 0 0 1500 0 0 0 0	14041 0 0 0 1500 0 0 0 0	943 0 0 0 1500 0 0 0	4223 0 0 1500 2000 0 0	9744 0 0 0 1500 0 0 0	20180 0 0 0 1500 0 0 0 0 1415 344	4534 0 0 0 1500 0 0 0	2003 0 0 0 1500 0 0 0	16185 0 0 0 1500 0 0 0	48123 0 0 0 1500 0 0 0 0 10859 1904	14044 0 0 0 1500 0 0	3609 . 0 0 1500 0 0 0 0 3625 5734 10418 1639	140784 0 0 0 0 0 18000 2000 0 1 3625 5734 22692 3887
(( CASH FLOW SUPPARY )) Int.Rate ( 14.00) Int.Rate ( 1080)  51. Beginning Cash Balance ( 1080)  52. Inflows Outflows (16-48) -1836 -16198 53085 -6723 -10246 37352 -5034 -2503 -16485 -50318 44386 -25525 -244  53. Cash Position (49*50+51+52) -1336 -15199 54085 -5723 -9246 38352 3349 847 -15485 -49318 45386 -24525  54. New Borrowing: Operating 236 16198 0 6723 10246 0 0 153 16485 50318 0 25525 128184  55. New Borrowing: Inter.& LongTerm 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	36. TOTAL CASH EXPENSES  (( CAPITAL EXPENSES (total cost) )) 37. Breeding livestock 38. Machinery, Equipment 39. Bldgs, Fences, Land (( OTHER OUTFLOWS )) 40. Family living 41. Income Tax 42. Investments 43.  Scheduled Debt Payments: 44. Intermediate: Interest 45. principal 46. Long Term: Interest 47. principal 48. Total Cash Outflows (( NEW BORRROWING ))	1336 0 0 0 1500 0 0 0 0 0 0 0 2836	16041 0 0 0 1500 0 0 0 0 0	943 0 0 0 1500 0 0 0 0 0 0 2 443	4223 0 8 0 0 1500 2000 0 0 0 0 7723	9744 8 0 0 1500 0 0 0 0 0 11244	20180 0 0 0 1500 0 0 0 1415 344 23439	4534 0 0 0 1500 0 0 0 0 0 0 0 0 0	2003 0 0 0 1500 0 0 0 0 0 0 3503	16185 0 0 1500 0 0 0 0 0 17685	48123 0 0 0 1500 0 0 0 0 10859 1904 62386	140.64 0 0 0 1500 0 0 0 0 0	3609 0 0 0 1500 0 0 3625 5734 10418 1639 26525	140786 0 0 18000 2000 0 3625 5734 22672 3887 196924
Int.Rate	36. TOTAL CASH EXPENSES (( CAPITAL EXPENSES (total cost) )) 37. Breeding livestock 38. Machinery, Equipment 39. Bldgs, Fences, Land (( OTHER OUTFLOWS )) 40. Family living 41. Income Tax 42. Investments 43. Scheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest 47. principal 48. Total Cash Outflows (( NEW BORRROWAINS )) 49. Intermediate	1336 0 0 0 1500 0 0 0 0 0 0 0 2836	16041 0 0 0 1500 0 0 0 0 0 0 0 17541	943 0 0 0 1500 0 0 0 0 0 0 0 2443	4223 0 0 1500 2000 0 0 0 0 7723	9746 0 0 1500 0 0 0 0 0 11246	20180 0 0 0 1500 0 0 0 0 1415 344 23439	1500 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	2003 0 0 0 1500 0 0 0 0 0 0 0 3503	16185 0 0 0 1500 0 0 0 0 0 0 17685	48123 0 0 0 1500 0 0 0 0 10859 1904 62386	140.64 0 0 0 1500 0 0 0 0 0 0 15564	3609 0 0 1500 0 0 0 3625 5734 10418 1639 26525	140786 0 0 18000 2000 0 1 3625 5734 22692 3887 196924
Minimum Cash Balance   ( 1080)   1080   1080   1080   1080   1080   1080   1080   1088   3383   3349   1080   1080   1000   1000   1080   10	36. TOTAL CASH EXPENSES (( CAPITAL EXPENSES (total cost) )) 37. Breeding livestock 38. Machinery, Equipment 39. Bldgs, Fences, Land (( OTHER OUTFLOWS )) 40. Family living 41. Income Tax 42. Investments 43. Scheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest 47. principal 48. Total Cash Outflows (( NEW BORRROWING )) 49. Intermediate 50. Long Term	1336 0 0 1500 0 0 0 0 0 0 2836	15041 0 0 1500 0 0 0 0 0 0 17541	943 0 0 0 1500 0 0 0 0 0 0 0 0 2443	1500 2000 0 0 0 0 0 0 0 0 7723	9744 8 0 0 1500 0 0 0 0 0 11244	20180 0 0 0 1500 0 0 0 1415 344 23439	1500 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	2003 0 0 1500 0 0 0 0 0 0 0 0 0 0	14185 0 0 1500 0 0 0 0 0 17685	48123 0 0 0 1500 0 0 0 0 10859 1904 62386	140.44 0 0 1500 0 0 0 0 0 15564	3609 0 0 1500 0 0 0 3625 5734 10418 1639 26525	140986 0 0 0 18000 2000 5 3625 5734 22692 3887 196924
51. Beginning Cash Balance         500         1000	36. TOTAL CASH EXPENSES  (( CAPITAL EXPENSES (total cost) )) 37. Breeding livestock 38. Machinery, Equipment 39. Bidgs, Fences, Land (( OTHER OUTFLOWS )) 40. Family living 41. Income Tax 42. Investments 43.  Scheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest 47. principal 48. Total Cash Outflows (( NEW BORRROWING )) 49. Intermediate 58. Long Term  (( CASH FLOW SUPPLARY ))	1336 0 0 1500 0 0 0 0 0 0 2836	15041 0 0 1500 0 0 0 0 0 0 17541	943 0 0 0 1500 0 0 0 0 0 0 0 0 2443	1500 2000 0 0 0 0 0 0 0 0 7723	9744 8 0 0 1500 0 0 0 0 0 11244	20180 0 0 0 1500 0 0 0 1415 344 23439	1500 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	2003 0 0 1500 0 0 0 0 0 0 0 0 0 0	14185 0 0 1500 0 0 0 0 0 17685	48123 0 0 0 1500 0 0 0 0 10859 1904 62386	140.44 0 0 1500 0 0 0 0 0 15564	3609 0 0 1500 0 0 0 3625 5734 10418 1639 26525	140986 0 0 0 18000 2000 5 3625 5734 22692 3887 196924
52. Inflows (16-48) -1836 -16198 53085 -6723 -10246 37352 -5034 -2503 -16685 -50318 44386 -25525 -244  53. Cash Position (49+50+51+52) -1336 -15198 54085 -5723 -9246 38352 3349 847 -15405 -49318 45386 -24525  54. New Borrowing: Operating 2336 16198 0 6723 10246 0 0 133 164085 50318 0 25525 128184  55. New Borrowing: Inter.& LongTerm 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	36. TOTAL CASH EXPENSES  (( CAPITAL EXPENSES (total cost) )) 37. Breeding livestock 38. Machinery, Equipment 39. Bldgs, Fences, Land (( OTHER OUTFLOWS )) 40. Family living 41. Income Tax 42. Investments 43. Scheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest 47. principal 48. Total Cash Outflows (( NEW BORRROWING )) 49. Intermediate 58. Long Term  (( CASH FLOW SUMMARY )) Int.Rate (( 14.00)) -	1336 0 0 0 1500 0 0 0 0 0 2836	15041 0 0 1500 0 0 0 0 0 0 17541	943 0 0 0 1500 0 0 0 0 0 0 0 0 2443	1500 2000 0 0 0 0 0 0 0 0 7723	9744 8 0 0 1500 0 0 0 0 0 11244	20180 0 0 0 1500 0 0 0 1415 344 23439	1500 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	2003 0 0 1500 0 0 0 0 0 0 0 0 0 0	14185 0 0 1500 0 0 0 0 0 17685	48123 0 0 0 1500 0 0 0 0 10859 1904 62386	140.44 0 0 1500 0 0 0 0 0 15564	3609 0 0 1500 0 0 0 3625 5734 10418 1639 26525	140986 0 0 0 18000 2000 5 3625 5734 22692 3887 196924
53. Cash Position (49+50+51+52) -1336 -15198 54885 -5723 -9246 38352 3349 847 -15685 -49318 45386 -24525 - 128184 - 15685 -15685	36. TOTAL CASH EXPENSES (( CAPITAL EXPENSES ( total cost) )) 37. Breeding livestock 38. Machinery, Equipment 39. Bldgs, Fences, Land (( OTHER OUTFLOWS )) 40. Family living 41. Income Tax 42. Investments 43. Scheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest 47. principal 48. Total Cash Outflows (( NEW BORRROWING )) 49. Intermediate 50. Long Term  (( CASH FLOW SUPMARY )) Int.Ratem (( 14.00)) Hinimum Cash Balancem (( 1080)	1336 0 0 1500 0 0 0 0 0 0 2836 0	14041 0 0 0 1500 0 0 0 0 0 0 17541 0	943 0 0 1500 0 0 0 0 0 0 0 0 2443	4223 0 0 1500 2000 0 0 0 7723	9746 0 0 1500 0 0 0 0 0 0 11246 0 8	20180 0 0 0 1500 0 0 0 1415 344 23439 0	1500 0 0 1500 0 0 0 0 0 0 0 0 0 0 0 0 0	2003 0 0 0 1500 0 0 0 0 0 0 0 0 0 0 0 0 0 0	14185 0 0 1500 0 0 0 0 0 0 17485	48123 0 0 0 1500 0 0 0 10859 1904 62386 0	140.44 0 0 1500 0 0 0 0 0 0 15544 0 0	3609 0 1500 0 3625 5734 10418 1639 26525 0 0	140986 0 0 0 18000 2000 6 5 5734 22692 3887 196924 0 0
54. New Borrowing: Operating         2336         16198         0         6723         10246         0         0         153         16485         50318         0         25525         128184           55. New Borrowing: Inter.& LongTerm         0         8532         5532         18908         58         0         0         0         0         0         0         0         0         118908         5852         128184         0         0         0         0         0         0         0 <td>36. TOTAL CASH EXPENSES  (CAPITAL EXPENSES (total cost) &gt;&gt; 37. Breeding livestock 38. Machinery, Equipment 39. Bidgs, Fences, Land  (COTHER OUTFLOWS &gt;&gt; 40. Family living 41. Income Tax 42. Investments 43.  Scheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest 47. principal 48. Total Cash Outflows  (COSH FLOW SUPPLARY &gt;&gt; Intermediate 58. Long Term  (CCASH FLOW SUPPLARY &gt;&gt; Int.Ratem (14.00&gt;) — Minimum Cash Balance (1000&gt;) 51. Beginning Cash Balance</td> <td>1336 0 0 1500 0 0 0 0 0 0 2836 0</td> <td>16041 0 0 1500 0 0 0 0 0 0 17541 0 0</td> <td>943 0 0 1500 0 0 0 0 0 0 0 2443 9 0</td> <td>4223 0 0 1500 2000 0 0 0 7723</td> <td>9744 0 0 1500 0 0 0 0 0 11244 0 8</td> <td>20180 0 0 0 1500 0 0 0 1415 344 23439 0 0</td> <td>4534 0 0 0 1500 0 0 0 0 0 4034 0 0</td> <td>2003 0 0 1500 0 0 0 0 0 0 0 3503</td> <td>16185 0 0 1500 0 0 0 0 0 0 17685 0 8</td> <td>48123 0 0 1500 0 0 0 10859 1904 62384 0 0</td> <td>140.64 0 0 1500 0 0 0 0 15564 0 0</td> <td>3609  . 0 0 1500 0 3625 5734 10418 1639 26525 0 0 DEC</td> <td>140986 0 0 18000 2000 5 5 734 22692 3887 196924 0 TUTALS</td>	36. TOTAL CASH EXPENSES  (CAPITAL EXPENSES (total cost) >> 37. Breeding livestock 38. Machinery, Equipment 39. Bidgs, Fences, Land  (COTHER OUTFLOWS >> 40. Family living 41. Income Tax 42. Investments 43.  Scheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest 47. principal 48. Total Cash Outflows  (COSH FLOW SUPPLARY >> Intermediate 58. Long Term  (CCASH FLOW SUPPLARY >> Int.Ratem (14.00>) — Minimum Cash Balance (1000>) 51. Beginning Cash Balance	1336 0 0 1500 0 0 0 0 0 0 2836 0	16041 0 0 1500 0 0 0 0 0 0 17541 0 0	943 0 0 1500 0 0 0 0 0 0 0 2443 9 0	4223 0 0 1500 2000 0 0 0 7723	9744 0 0 1500 0 0 0 0 0 11244 0 8	20180 0 0 0 1500 0 0 0 1415 344 23439 0 0	4534 0 0 0 1500 0 0 0 0 0 4034 0 0	2003 0 0 1500 0 0 0 0 0 0 0 3503	16185 0 0 1500 0 0 0 0 0 0 17685 0 8	48123 0 0 1500 0 0 0 10859 1904 62384 0 0	140.64 0 0 1500 0 0 0 0 15564 0 0	3609  . 0 0 1500 0 3625 5734 10418 1639 26525 0 0 DEC	140986 0 0 18000 2000 5 5 734 22692 3887 196924 0 TUTALS
<	36. TOTAL CASH EXPENSES  (CAPITAL EXPENSES (total cost) )  37. Breeding livestock  38. Machinery, Equipment  39. Bldgs, Fences, Land  (COTHER OUTFLOWS )  40. Family living  41. Income Tax  42. Investments  43.  Scheduled Debt Payments:  44. Intermediate: interest  45. principal  46. Long Term: interest  47. principal  48. Total Cash Outflows  (CNEW BORRROWING )  49. Intermediate  50. Long Term  (CASH FLOW SUPPARY )  Int.Rate= ( 14.00) —  Minimum Cash Balance= ( 1080)  51. Beginning Cash Balance  52. Inflows- Outflows (16-48)	1336 0 0 1500 0 0 0 0 0 0 2836 0 0 3AN	16041 0 0 1500 0 0 0 0 0 0 17541 0 0 FEB	943 0 0 1500 0 0 0 0 0 0 0 2443 0 9 8 1000 53085	4223 0 0 1500 2000 0 0 0 7723 0 0 APR	9744 8 0 1500 0 0 0 0 11246 0 8 MAY	20180 0 0 1500 0 0 0 1415 344 23439 0 0 JUN	1500 0 0 1500 0 0 0 0 0 0 0 0 0 0 0 0 0	2003 0 0 1500 0 0 0 0 0 0 0 0 0 0 0 0 0 0 3503 0 0 AUS	16185 0 0 1500 0 0 0 0 0 17685 0 8 SEP	48123 0 0 0 1500 0 0 10859 1904 62386 0 0	140.64 0 0 1500 0 0 0 0 0 0 0 0 15564 0 0 1000 44386	3609 0 0 1500 0 3625 5734 10418 1639 26525 0 0 DEC	140986 0 0 18000 2000 5 5 734 22692 3887 196924 0 TUTALS
56. Interest pay'ts.on Oper.Loan     0     0     6843     0     0     707     0     0     0     0     982     0     8532       57. Principal pay'ts.on Oper.Loan     0     0     46241     0     0     29262     0     0     0     43405     0     118908       58. Ending Cash Balance     1000     1000     1000     1000     8383     3349     1000     1000     1000     1000       59. Outstanding Operating Debt     42336     58534     12293     19016     29262     0     0     153     16838     67156     23751     49276       60. Outstanding Intermediate Debt     5000     50000 <td< td=""><td>36. TOTAL CASH EXPENSES (CAPITAL EXPENSES (total cost)) 37. Breeding livestock 38. Machinery, Equipment 39. Bldgs, Fences, Land (COTHER OUTFLOMS)) 40. Family living 41. Income Tax 42. Investments 43. Scheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest 47. principal 48. Total Cash Outflows (CNEW BORRROWING)) 49. Intermediate 50. Long Term  (CCASH FLOW SUPMARY)) Int.Ratem (14.00) Minimum Cash Balancem (1000) 51. Beginning Cash Balance 52. Inflows Outflows (16-48) 33. Cash Position (49+50+51+52) 54. New Borrowing: Operating</td><td>1336 0 0 1500 0 1500 0 0 0 0 2836 0 0 JAN 500 -1836 -1336 2336</td><td>16041 0 0 0 1500 0 0 0 0 0 0 0 17541 0 0 FEB 1008 -16198</td><td>943 0 0 1500 0 1500 0 0 0 0 0 2443 0 0 MAR 1000 53085 54085</td><td>4223 0 0 1500 2000 0 0 0 7723 0 0 0 APR</td><td>9744 8 0 0 1500 0 0 0 0 0 11246 0 8 HAY</td><td>20180 0 0 0 1500 0 0 0 1415 344 23439 0 0 1008 37352 38352 0</td><td>4534 0 0 0 1500 0 0 0 0 0 0 0 0 0 0 0 0 0 0</td><td>2003 0 0 1500 0 0 0 0 0 3503 0 0 349 -2503 847</td><td>16185 0 0 1500 0 0 0 0 0 17685 0 9 SEP 1089 -16685 -15685</td><td>48123 0 0 0 1500 0 0 0 10859 1904 62386 0 0</td><td>140.64 0 0 0 1500 0 0 0 0 0 0 0 0 15564 0 0 15564 0 44386 45384 0</td><td>3609 0 0 1500 0 3625 5734 10418 1639 26525 0 0 DEC</td><td>140986 0 0 18000 2000 0 : 3625 5734 22692 3887 196924 0 TOTALS</td></td<>	36. TOTAL CASH EXPENSES (CAPITAL EXPENSES (total cost)) 37. Breeding livestock 38. Machinery, Equipment 39. Bldgs, Fences, Land (COTHER OUTFLOMS)) 40. Family living 41. Income Tax 42. Investments 43. Scheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest 47. principal 48. Total Cash Outflows (CNEW BORRROWING)) 49. Intermediate 50. Long Term  (CCASH FLOW SUPMARY)) Int.Ratem (14.00) Minimum Cash Balancem (1000) 51. Beginning Cash Balance 52. Inflows Outflows (16-48) 33. Cash Position (49+50+51+52) 54. New Borrowing: Operating	1336 0 0 1500 0 1500 0 0 0 0 2836 0 0 JAN 500 -1836 -1336 2336	16041 0 0 0 1500 0 0 0 0 0 0 0 17541 0 0 FEB 1008 -16198	943 0 0 1500 0 1500 0 0 0 0 0 2443 0 0 MAR 1000 53085 54085	4223 0 0 1500 2000 0 0 0 7723 0 0 0 APR	9744 8 0 0 1500 0 0 0 0 0 11246 0 8 HAY	20180 0 0 0 1500 0 0 0 1415 344 23439 0 0 1008 37352 38352 0	4534 0 0 0 1500 0 0 0 0 0 0 0 0 0 0 0 0 0 0	2003 0 0 1500 0 0 0 0 0 3503 0 0 349 -2503 847	16185 0 0 1500 0 0 0 0 0 17685 0 9 SEP 1089 -16685 -15685	48123 0 0 0 1500 0 0 0 10859 1904 62386 0 0	140.64 0 0 0 1500 0 0 0 0 0 0 0 0 15564 0 0 15564 0 44386 45384 0	3609 0 0 1500 0 3625 5734 10418 1639 26525 0 0 DEC	140986 0 0 18000 2000 0 : 3625 5734 22692 3887 196924 0 TOTALS
57. Principal pay'ts.on Oper.Loan     0     0     46241     0     0     29262     0     0     0     43405     0     118908       58. Ending Cash Balance     1000     1000     1000     1000     1000     8383     3349     1000     1000     1000     1000       59. Outstanding Operating Debt     42336     58534     12293     19016     29262     0     0     153     16838     67156     23751     49276       60. Outstanding Intermediate Debt     50000 <td< td=""><td>36. TOTAL CASH EXPENSES  (CAPITAL EXPENSES (total cost) )  37. Breeding livestock  38. Machinery, Equipment  39. Bidgs, Fences, Land  (COTHER OUTFLOWS )  40. Family living  41. Income Tax  42. Investments  43.  Scheduled Debt Payments:  44. Intermediate: interest  45. principal  46. Long Term: interest  47. principal  48. Total Cash Outflows  (CNEW BORRROWING )  49. Intermediate  50. Long Term  (CCASH FLOW SUPPRAY )&gt; Int.Ratem (14.00) — Minimum Cash Balance  52. Inflows Outflows (16-48)  53. Cash Position (49-50-51-52)  54. New Borrowing: Operating  55. New Borrowing: Inter-&amp; LongTerm</td><td>1334 0 0 1500 0 0 0 0 0 2834 0 0 1834 -1834 2334</td><td>16041 0 0 0 1500 0 0 0 0 0 0 0 0 17541 0 0 17541 0 1008 -16198 -15198 16198</td><td>943 0 0 1500 0 0 0 0 0 0 0 0 2443 0 0 MAR 1009 53065 54085 0 0</td><td>4223 0 0 1500 2000 0 0 0 0 7723 0 0 APR 1008 -6723 -5723 0 0</td><td>9744 0 0 1500 0 0 0 0 0 0 11246 0 0 10284 -9246 10246 0</td><td>20180 0 0 0 0 1500 0 0 0 0 1415 344 23439 0 0 0 1008 37352 38352 0 0</td><td>4534 0 0 1500 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0</td><td>2003 0 0 0 1500 0 0 0 0 0 0 0 0 3503 0 0 AUS 3349 -2503 847 153 0</td><td>16185 0 0 0 0 1500 0 0 0 0 0 0 0 0 17685 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0</td><td>48123 0 0 0 1500 0 0 0 10859 1904 62384 0 0 0 0 0 0 0</td><td>140.64 0 0 1500 0 0 0 0 0 0 0 15564 0 0 14386 45386 0 0</td><td>3609  0 0 1500 0 3625 5734 10418 1639 26525 0 0 0 0 0 1000 -25525 -24525 0 0</td><td>140986 0 0 18000 2000 0 3625 5734 22692 3887 196924 0 TUTALS</td></td<>	36. TOTAL CASH EXPENSES  (CAPITAL EXPENSES (total cost) )  37. Breeding livestock  38. Machinery, Equipment  39. Bidgs, Fences, Land  (COTHER OUTFLOWS )  40. Family living  41. Income Tax  42. Investments  43.  Scheduled Debt Payments:  44. Intermediate: interest  45. principal  46. Long Term: interest  47. principal  48. Total Cash Outflows  (CNEW BORRROWING )  49. Intermediate  50. Long Term  (CCASH FLOW SUPPRAY )> Int.Ratem (14.00) — Minimum Cash Balance  52. Inflows Outflows (16-48)  53. Cash Position (49-50-51-52)  54. New Borrowing: Operating  55. New Borrowing: Inter-& LongTerm	1334 0 0 1500 0 0 0 0 0 2834 0 0 1834 -1834 2334	16041 0 0 0 1500 0 0 0 0 0 0 0 0 17541 0 0 17541 0 1008 -16198 -15198 16198	943 0 0 1500 0 0 0 0 0 0 0 0 2443 0 0 MAR 1009 53065 54085 0 0	4223 0 0 1500 2000 0 0 0 0 7723 0 0 APR 1008 -6723 -5723 0 0	9744 0 0 1500 0 0 0 0 0 0 11246 0 0 10284 -9246 10246 0	20180 0 0 0 0 1500 0 0 0 0 1415 344 23439 0 0 0 1008 37352 38352 0 0	4534 0 0 1500 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	2003 0 0 0 1500 0 0 0 0 0 0 0 0 3503 0 0 AUS 3349 -2503 847 153 0	16185 0 0 0 0 1500 0 0 0 0 0 0 0 0 17685 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	48123 0 0 0 1500 0 0 0 10859 1904 62384 0 0 0 0 0 0 0	140.64 0 0 1500 0 0 0 0 0 0 0 15564 0 0 14386 45386 0 0	3609  0 0 1500 0 3625 5734 10418 1639 26525 0 0 0 0 0 1000 -25525 -24525 0 0	140986 0 0 18000 2000 0 3625 5734 22692 3887 196924 0 TUTALS
58. Ending Cash Balance 1000 1000 1000 1000 1000 8383 3349 1000 1000 1000 1000 1000 59. Outstanding Operating Debt 42336 58534 12293 19016 29262 0 0 153 16838 67156 23751 49276 60. Outstanding Intermediate Debt 5000000	36. TOTAL CASH EXPENSES  (CAPITAL EXPENSES (total cost) )  37. Breeding livestock  38. Machinery, Equipment  39. Bldgs, Fences, Land  (COTHER OUTFLOWS )  40. Family living  41. Income Tax  42. Investments  43.  Scheduled Debt Payments:  44. Intermediate: interest  45. principal  46. Long Term: interest  47. principal  48. Total Cash Outflows  (CNEW BORRROWING )  49. Intermediate  50. Long Term  (CASH FLOW SUPPRAY )  Int.Rate (14.00) —  Minimum Cash Balance (100)  31. Beginning Cash Balance  52. Inflows Outflows (16-48)  33. Cash Position (49-50-51-52)  54. New Borrowing: Operating  55. New Borrowing: Inter.& LongTerm  (CACCIVED Int.due on Oper.Loan )	1336 0 0 1500 0 0 0 0 0 0 2836 0 0 3AN 508 -1836 -1336 2336 0 5667	16041 0 0 1500 0 1500 0 0 0 0 0 17541 0 0 FEB 1008 -16198 -15198 16198 0 6161	943 0 0 1500 0 0 0 0 0 0 2443 9 0 1000 53085 54085 0 0 6843	4223 0 0 1500 2000 0 0 0 0 7723 0 0 APR 1008 -6723 -5723 6723 0 143	9744 8 0 0 1500 0 0 0 0 0 11246 0 8 MAY 1088 -10246 -9246 10246 0 345	20180 0 0 0 1500 0 0 0 1415 344 23439 0 0 0 1008 37352 38352 0 0 707	1500 0 0 1500 0 0 0 0 0 0 0 0 0 0 0 0 0	2003 0 0 1500 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	16185 0 0 1500 0 0 0 0 0 0 17685 0 0 17685 16685 115685 16685 16685 16685	1500 0 1500 0 0 1500 0 0 10859 1904 62384 0 0 0 0 0 0 0 1008 -50318 -49318 0 198	140.64 0 0 1500 0 0 0 0 0 0 0 0 15564 0 0 14386 45384 0 982	3609  0  1500 0  1500 0 3625 5734 10418 1639 26525 0 0  DEC  1000 -25525 -24525 25525 0 277	140986 0 0 18000 2000 5 5 3625 5734 22692 3887 196924 0 TUTALS
59. Outstanding Operating Debt 42336 58534 12293 19016 29262 0 0 153 16838 67156 23751 49276 60. Outstanding Intermediate Debt 50000 50000 50000 50000 50000 50000 50000 50000 50000 50000 50000 44266	36. TOTAL CASH EXPENSES  (( CAPITAL EXPENSES (total cost) )) 37. Breeding livestock 38. Machinery, Equipment 39. Bidgs, Fences, Land (( OTHER OUTFLOWS )) 40. Family living 41. Income Tax 42. Investments 43.  Scheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest 47. principal 48. Total Cash Outflows (( NEW BORRROWING )) 49. Intermediate 50. Long Term  (( CASH FLOW SUPMARY )) Int.Ratem (( 14.00)) — Minimum Cash Balancem (( 1080) 51. Beginning Cash Balance 52. Inflows Outflows (16-48) 53. Cash Position (49-50-51-52) 54. New Borrowing: Operating 55. New Borrowing: Operating 55. New Borrowing: Interâc LongTerm (( Accrued Int.due on Oper.Loan )) 56. Interest pay'ts.on Oper.Loan	1336 0 0 1500 0 1500 0 0 0 0 0 0 2836 0 JAN 508 -1836 -1336 2336 0 5667	16041 0 0 0 1500 0 0 0 0 0 0 17541 0 0 FEB 1008 -16198 -15198 16198 0 6161	943 0 0 1500 0 0 0 0 0 0 0 2443 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1500 2000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	9744 8 0 0 1500 0 0 0 0 0 11246 0 8 MAY 1080 -10246 -9246 10244 0 345 0	20180 0 0 0 1500 0 0 0 1415 344 23439 0 0 JUN 1008 37352 38352 0 0 707 707	4534 0 0 0 1500 0 0 0 0 0 0 0 0 0 0 0 0 0 0	2003 0 0 1500 0 0 0 0 0 0 0 0 0 0 3503 0 0 AUS 3349 -2503 847 153 0 0 0	16185 0 0 1500 0 0 0 0 0 17685 0 8 SEP 1089 -16485 -15485 16485 0 2 0	1500 0 0 1500 0 0 10859 1904 62386 0 0 0 0 0 0 10859 1904 62386	140.64 0 0 1500 0 0 0 0 0 0 0 155544 0 0 14384 45384 0 0 982 982	3609 0 0 1500 0 3625 5734 10418 1639 26525 0 0 DEC 1000 -25525 -24525 25525 0 277 0	140986 0 0 18000 2000 1 3625 5734 22692 3887 196924 0 TUTALS
60. Outstanding Intermediate Debt 50000 50000 50000 50000 50000 50000 50000 50000 50000 50000 44266	36. TOTAL CASH EXPENSES (CAPITAL EXPENSES (total cost)) 37. Breeding livestock 38. Machinery, Equipment 39. Bldgs, Fences, Land (COTHER OUTFLOMS)) 40. Family living 41. Income Tax 42. Investments 43. Scheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest 47. principal 48. Total Cash Outflows (NEW BORRROWING)) 49. Intermediate 50. Long Term  (CASH FLOM SUPMARY)) Int.Rate= (14.00) Minimum Cash Balance= (1080) 51. Beginning Cash Balance 52. Inflows- Outflows (16-48) 53. Cash Position (49*50*51*52) 54. New Borrowing: Inter.& LongTerm (CACCIVED Interest pay'ts.on Oper.Loan 57. Principal pay'ts.on Oper.Loan 57. Principal pay'ts.on Oper.Loan	1336 0 0 0 1500 0 0 0 0 0 0 0 0 0 0 0 0 0 0	16041 0 0 0 1500 0 0 0 0 0 0 0 17541 0 0 FEB 1008 -16198 0 6161	943 0 0 1500 0 0 0 0 0 0 0 0 0 0 0 2443 0 MAR 1000 53095 54085 0 0 6843 46241	4223 0 0 1500 2000 0 0 0 7723 0 0 0 APR	9744  8 0 0 1500 0 0 0 0 0 11246 0 110246 -9246 10246 0 345	20180 0 0 0 1500 0 0 0 1415 344 23439 0 0 JUN 1008 37352 38352 0 0 707 707 29262	4534 0 0 0 1500 0 0 0 0 0 0 0 0 0 0 0 0 0 0	2003 0 0 1500 0 0 0 0 0 0 0 0 0 3503 0 0 AUS 3349 -2503 847 153 0 0 0 0	16185 0 0 1500 0 0 0 0 0 0 17685 0 9 SEP 1089 -16485 -15485 16485 0 0 0	48123 0 0 0 1500 0 0 0 10859 1904 42384 0 0 0 0 0 0 0 1000 -50318 -49318 50318 0 198	140.64 0 0 0 1500 0 0 0 0 0 0 0 15564 0 0 15564 0 0 982 982 43405	3609  0 0 1500 0 3625 5734 10418 1639 26525 0 0 0 0 0 0 0 25525 0 277 0 0	140986 0 0 18000 2000 1 3625 5734 22692 3887 196924 0 TUTALS
•	36. TOTAL CASH EXPENSES (( CAPITAL EXPENSES (total cost) )) 37. Breeding livestock 38. Machinery, Equipment 39. Bidgs, Fences, Land (( OTHER OUTFLOWS )) 40. Family living 41. Income Tax 42. Investments 43. Scheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest 47. principal 48. Total Cash Outflows (( NEW BORRROWING )) 49. Intermediate 58. Long Term  (( CASH FLOW SIMPMARY )) Int.Rate ( 14.00) — Himmum Cash Balance 32. Inflows Outflows (16-48) 33. Cash Position (49+50+51+52) 54. New Borrowing: Operating 55. New Borrowing: Inter.& LongTerm (( Accrued Int.due on Oper.Loan )) 56. Interest pay'ts.on Oper.Loan 58. Ending Cash Balance	1336 0 0 1500 0 0 0 0 0 0 2836 0 0 -1836 -1836 2336 0 5667 0	16041 0 0 0 1500 0 0 0 0 0 0 0 0 17541 0 0 17541 0 0 6161 0 0 6161 0 0 1000	943 0 0 0 1500 0 0 0 0 0 0 0 2443 9 0 0 MAR 1009 53085 54085 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1500 2000 0 0 0 0 0 0 0 7723 0 0 0 APR	9744 0 0 1500 0 0 0 0 0 0 0 11244 0 0 0 10244 -9244 10244 0 345 0 1000	20180 0 0 0 0 1500 0 0 0 1415 344 23439 0 0 0 1008 37352 38352 0 0 707 707 29242 8383	1500 0 1500 0 0 0 0 0 0 0 0 0 0 0 0 0 0	2003 0 0 0 1500 0 0 0 0 0 0 0 3503 0 0 0 3499 -2503 8477 1533 0 0 0 1000	16185 0 0 0 0 1500 0 0 0 0 0 0 0 0 0 0 0 17685 0 9 1009 -16685 -15685 0 2 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1500 0 0 1500 0 0 0 18859 1904 62384 0 0 0 0 0 0 0 1008 -50318 50318 0 198	140.64 0 0 1500 0 0 0 0 0 0 0 15564 0 0 0 15564 0 0 0 982 982 43405 1000	3609  . 0 0  . 1500 0 0  . 1500 0 0  . 3625 5734 10418 1639 26525 0 0  . 0 0  DEC  . 1000 - 25525 - 24525 - 24525 0 0 2777 0 0 1000	140986 0 0 18000 2000 1 3625 5734 22692 3887 196924 0 TUTALS
	36. TOTAL CASH EXPENSES  (CAPITAL EXPENSES (total cost) )  37. Breeding livestock  38. Machinery, Equipment  39. Bldgs, Fences, Land  (COTHER OUTFLOWS )  40. Family living  41. Income Tax  42. Investments  43.  Scheduled Debt Payments:  44. Intermediate: interest  45. principal  46. Long Term: interest  47. principal  46. Total Cash Outflows  (CNEW BORRROWING )  49. Intermediate  58. Long Term  (CASH FLOW SUPPRAY )  Int.Rate (14.00) —  Minimum Cash Balance (1000)  51. Beginning Cash Balance  52. Inflows Outflows (16-40)  53. Cash Position (49+50+51+52)  54. New Borrowing: Operating  55. New Borrowing: Inter.& LongTerm  (CACCIVED Int.due on Oper.Loan  57. Principal pay'ts.on Oper.Loan  58. Ending Cash Balance  59. Outstanding Operating Debt	1334 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	16041 0 0 0 1500 0 0 0 0 0 0 0 0 0 17541 0 0 17541 0 0 16198 -16198 0 6161 0 0 1000 58534	943 0 0 0 1500 0 0 0 0 0 0 0 2443 0 0 1089 53085 54885 0 0 6843 6843 46241 1000 12293	1500 2000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	9744  0 0 1500 0 0 0 0 0 0 11244 0 0 11244 0 0 345 0 0 1000 29262	20180 0 0 0 1500 0 0 0 1415 344 23439 0 0 707 707 29262 8383 0	4534 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	2003 0 0 0 1500 0 0 0 0 0 0 0 0 0 3503 0 0 0 349 -2503 847 153 0 0 0 1000 153	16185 0 0 1500 0 0 0 0 0 0 17685 0 0 17685 0 0 0 0 0 0 0 0 0 0 0 0 0	1500 0 0 1500 0 0 0 10859 1904 62384 0 0 0 0 0 0 0 1000 -50318 -49318 0 198 0 0	140.64  0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	3609  0 0 1500 0 0 3625 5734 10418 1639 26525 0 0 DEC 1000 -25525 -24525 2576 0 1000 49276	140986 0 0 18000 2000 1 3625 5734 22692 3887 196924 0 TUTALS

Table 31. Income Statement and Financial Ratios: Southwestern Oklahoma

	INCOME STA	TEHENT					FINANCIAL RATIOS
A. OPERATING RECEIPTS		-			HAM EXPENSES		*************
Livestock Sales & Products	:			Hired Labo		10613	Current Ratio= Current Assets = 1.309914
Raised market livestock		66625			iip.Repairs	10604	Cunnak Labalikian
Lucatesk numehored for		0		Bullaing a Cash Inter	Fence Repairs	32 34849	Current Liabilities
Livestock purchased for resale:		0		Feed Purch		1293	Working Asset Ratio= Current+Int.Assets = 1.90165P
Livestock products		u			its, Other	6525	**************************************
Elvestock products				,	,line,chemicals	26980	Current+Int.Liabilities
	Subtotal:	66625		Machinery		17856	
				Supplies		0	Debt Structure Ratio= Current Liabilities = .1699408
Crop Sales:		118855		Breeding F	tes	0	**************
		0	1	Jet.fees,	nedicine	473	Total Liabilities
				Gas, fuel, c	oil, lubricants	16843	
					larehousing	9	Net Capital Ratio= Total Assets = 1.663166
					il Est.& Pers.Prop		
				insurance		0	Total Liabilities
	Subtotal:	118055			(farm share)	23	Sobil to County Station Total Links Library on 1 207017
Other Francisco				Cash Rent		0 3 <b>53</b>	Debt to Equity Ratio= Total Liabilities = 1.307913
Other Farm Income:		0		Freight, 1		333 0	Net Warth
Government payments Custom Work		u			on Expenses ous Expenses	8388	Met worth
Dividends, Refunds				*** 36811486	And Cyhausas	0300	Total Debt Ratio= Total Liabilities = .601262:
Cash Rent				ustk.oper	hased for resale	41004	001707.
Other		0		-43/x : pui (	mesen in leseit	41004	Total Assets
		•		TOTAL CASH	EXPENSES	175835	7000 7000
	Subtotal:	0					Per Cent Equity= Net Worth # 100 = 39.87379
BROSS RECEIPTS FROM FARMIN	16	184689					************
				C. NET CAS	H INCOME FROM		Total Assets
				OPERAT 1	ONS	8845	
D. ADJUSTMENTS FOR ACCRUED			CHANGES	:			Debt Servicing Ratio= Total Debt Payments = -1.3829:
1. Accounts & Notes Receiv	able:	Notes &					**************
		Accounts	Other	Other			Net Cash Farm Income
Ending Inventory		0			-		
Beginning Invento	ry .	0		•	-	•	Opportunity Return to Labor & Management = 18000
Change	5	0	8	8	-	0	(Insert am estimated value in 0148)
2. Accounts Payable & Accr	.nea exbeuze	Accounts	Tavas	Interest	Other		ROE= Net Farm Income- Opportunity Return
Beginning Invento		5000	3800	31517	Otner O		to Labor & Management =028670
Ending Inventory	• /	5000	4180	25968	ů		to reconstruction and the control of
Change		0	-380	5549	Õ	5149	Average Equity
3. Prepaid Expenses:		•		•••	•		
		Ending		Beginning			ROI= Net Farm Income+ Interest- Opportunity
	1	nventory		Inventory			Return to Labor & Management = .0201512
		0	-	0=	•	0	
4. Inventories:							Average Total Assets
		.ivestock		d Crops,	Growing		
f. 21	ě	Products		Suppires	Crops		
Ending Inventory		49248	42000		25702		
Beginning Invento	ry	49248	42000		25702	•	
Change		0	0		0	0	
E. ADJUSTMENTS FOR CAPITAL	ITEMS.						
cr nooding to rok an line	,	Breeding		Mach.A	Improve-		
			Vehicles	Equip.			
Ending Inventory		26608	4589	91155	34000		
Sales		8	0	0	0		
Subtotal	:	26600	4508	91155	34909		
Beginning Invento	ry	26680	5000	96 <b>250</b>	35000		
Purchases		0	0	9	0		
Subtotal	:	26690	5000		35000		
Change			-588	-5095	-1000	-6595	
F. VALUE OF FARM PRODUCTS	USED IN THE	HUTE				7410	
G. NET FARM INCOME						7419	

Table 32. Net Worth Statement: West South Central Oklahoma

Beginning Balance	Ending Balance	Ne t Change	Beginning Ending Balance Balance	Ne t Change
			CURRENT LIABILITIES	
500	1000	500	29. Accounts Payable 5000 5000	0
7500	7650	150	<b>30. Notes Payable 70000 64778</b>	-5222
		6	31. Interest Due: Current 9625 1486	-8139
		0	32. Intermediate 5627 4242	-1385
10000	10000	0	33. Long Term 10944 10482	-462
			Taxes Due:	
17938	17938	0	34. Real Estate & Personal Property 5000 5500	500
53813	53813	0	35. Employee Payroll Withholding	0
11850	11850	0	36. Personal& Self-Employment	0
7975	<b>7975</b>	0	37. Other Accrued Expenses	0
		0	38. Contingent Tax Liability	0
		0	Principal Due in 12 months:	
109575	110225	<b>650</b>	39. Intermediate Liabilities 10532 11917	1385
			40. Long Term Liabilities 5435 5897	462
		0	41. Other Current Liabilities	0
			42.	0
51150	51150	0	43. TOTAL CURRENT LIABILITIES 122163 109302	-12861
		0	INTERMEDIATE LIABILITIES	
7500	70 <b>00</b>	-500	44. Notes Payable 35148 23231	-11917
50765	38160	-12605	45. Contingent Tax Liability	0
1	•	0	46. Other Intermediate Liabilities	0
10000	13200	3200	47.	0
119415	109510	-9905	48. TOTAL INTERMEDIATE LIABILITIES 35148 23231	-11917
			LONG TERM LIABILITIES	
		0	49. Mortgages & Notes Payable 120454 114557	-5897
55000	52500	-2500	50. Contingent Tax Liability	0
120000	120000	0	51. Other Long Term Liabilities	0
112000	112000	0	52.	0
		0	53. TOTAL LONG TERM LIABILITIES 120454 114557	-5897
		0	54. TOTAL LIABILITIES 277765 247090	-30675
287000	284500	-2500	55. NET WORTH 238225 257145	18920
515990	504235	-11755	56. TOTAL LIABILITIES & NET WORTH 515990 504235	-11755
	Balance 500 7500 10000 17938 53813 11850 7975 109575 51150 7500 50765 10000 119415 55000 120000 112000	Balance         Balance           500         1000           7500         7650           10000         10000           17938         17938           53813         53813           11850         11850           7975         7975           109575         110225           51150         51150           7500         7000           50765         38160           10900         13200           119415         109510           55000         52500           120000         120000           112000         112000           287000         284500	Balance         Balance         Change           500         1000         500           7500         7650         150           0         0         0           10000         10000         0           17938         17938         0           53813         53813         0           11850         11850         0           7975         7975         0           0         0         0           109575         110225         650           0         0         0           7500         7000         -500           50765         38160         -12605           0         1000         13200         3200           119415         109510         -9905           55000         52500         -2500           120000         112000         0           112000         112000         0           287000         284500         -2500	Balance   Solo   Solo

Table 33. Cash Flow Statement: West South Central Oklahoma

Tubic 55. odbii	1 100	Dea	CIIICI			0000			0101	arrome	-		
WHOLEFARM CASHFLOW STATEMENT	JAN	FEB	MAR	APR	MAY	JUN	JUL	AU6	SEP	OCT	NOV	DEC	TOTALS
<pre>&lt;&lt; OPERATING RECEIPTS &gt;&gt;</pre>													
1. Livestock sales:	0	0	9	0	98591	0	0	. 0	0	26309	6	0	12489°
2.	8	8	0	0	9	9	8	8	0	8	9	0	9
<ol><li>Sale of purchased lusk</li></ol>	0	9	0	0	0	0	0	0	0	8	0	0	£
4. Crop Sales:	8	0	0	0	5616	69360	0	27664	0	11440	0	0	114080
5.	8	0	0	0	0	0	0	0	0	0	0	0	
6. Government payments	0	0	8	0	0	0	0	0	0	0	0	0	5
7. Other farm income	0	0	0	9	0	8	0	0	3	9	0	0	
8.	0	0	0	0 0	0	(82.0	0 0	37//4	0	97740	0	0	200020
9. TOTAL CASH RECEIPTS	U	V	U	U	104207	69360	U	27664	U	37749	U	U	2389?*
<pre>&lt;&lt; CAPITAL SALES &gt;&gt; 10. Breeding livestock</pre>	n	0	۵	0	0	8	0	0	0	0	0	0	Ü
11. Machinery, equipment	۵	a	8	ū	. 0	a	0	0	0	8	0	0	0
12. Building, land	ň	8	0	A	0	0	0	0	0	0	۵	0	G
(( OTHER INFLOWS ))	٠	٠	٠	•	•	•	٠	٠	٠	٠	٠	٠	•
13. Wages and salaries	2083	2083	2083	2083	2083	2083	2083	2083	2083	2083	2083	2083	<b>2500</b> G
14. Investments	0	0	0	8	0	0	8	0	0	0	0	0	(
15.	0	Ŏ	ō	Ŏ	Ď	Ö	Ŏ	ō	Ŏ	Õ	0	ō	ō
16. TOTAL CASH INFLOW	2083	2083	2083	2083	106290	71443	2083	29747	2083	39832	2083	2083	263979
(( OPERATING EXPENSES ))													
17. Hired labor	576	678	576	576	405	659	560	592	995	756	654	551	7578
18. Repairs: Mach.& Equip.	104	180	104	149	124	183	149	275	524	154	87	95	2127
19. Buildings & Fences	35	35	35	35	35	31	31	31	31	35	35	35	404
20. Feed	2595	2387	2495	1292	26	0	101	0	0	2869	1251	1825	14842
21. Seeds, plants	0	8	0	0	0	0	8	0	1496	0	8	0	149:
22. Fertilizer, Line, Chem.	0	2640	0	252	28330	0	0	0	3120	0	0	0	34341
23. Machine Hire	0	0	300	0	3568	35424	0	15560	0	6436	0	0	61289
24. Supplies	0	0	0	8	0	9	0	0	0	0	0	0	
25. Vet.Medicine,Breed fee	0	0	0	0	840	0	0	8	8	1500	0	0	234
26. Fuel, oil, lubricants	258	416	258	461	304	423	342	506	1010	301	215	237	4735
27. Storage, Warehousing 28. Taxes- R.E & Pers.Prop	0	0 0	0	0	0	0	0	0	0	0	0	0 309	ر عود
29. Insurance	0	8	0	8	0	0	8	0	0	0	0	309	30°
30. Utilities	0	6		9	- 0	0	0	0	8	9	9	9	44
31. Rents, leases	ň	0	á	Ó	ů	ů	ů	0	0	Ó	1	0	- (
32. Freight, trucking	0	ů	ŏ	. 0	Õ	ū	Ď	Ů.		1750	Ď	٥	1750
33. Miscellaneous	ō	0	Ö	0	1250	180	Ō	Ŏ	0	0	9	0	1438
34.	Ō	0	Ö	Ō	0	0	Ö	Ö	Ō	0	0	0	e
35. Livestock purchases	8	0	0	0	0	0	0	0	0	58000	0	0	58000
36. TOTAL CASH EXPENSES	3548	6336	3777	2774	34877	36900	1183	16965	7177	71810	2251	3061	19067
(( CAPITAL EXPENSES (total cost) ))													
37. Breeding livestock	8	8	0	8	0	8	0	0	0	0	0	0	0
36. Machinery, Equipment	0	8	0	0	0	0	0	9	0	0	0	0	6
39. Bldgs, Fences, Land	8	0	8	0	0	9	0	0	0	0	9	0	0
(( OTHER OUTFLOWS >>	4500		4500	4000		4500							
40. Family living	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	18000
41. Income Tax 42. Investments	0	0	0	<b>2000</b> 8	0	0	0	0	0	0	0	0	2980
43.	0	0	0	0	0	0	0	6	0	0	0	0	0
Scheduled Debt Payments:	u	u	U	v	U	v	U	v	U	, "	0	U	,
44. Intermediate: interest	n	0	0	534	0	4925	0	0	534	0	0	534	5627
45. principal	ñ	6	Ď	- 1656	ñ	5564	ő	ŏ	1656	0	0	1656	10532
45. Long Term: Interest	Õ	0	0	۵	ō	5275	0	Õ	0	0	0	5669	10944
47. principal	0	0	Ō	Ŏ	0	3018	0	0	Ö	0	0	2417	5435
48. Total Cash Outflows	5048	7836	5277	8464	36377	56282	2683	18465	10867	73310	3751	14837	243215
(< NEW BORRROWING >>													
49. Intermediate	0	9	0	0	8	0	0	0	0	0	0	0	9
50. Long Term	0	0	0	0	0	0	0	0	0	0	8	0	0
				*******									
(( CASH FLOW SUPPLARY ))	JAN	FEB	MAR	APR	MAY	JUN	JUL	AU6	SEP	OCT	NOV	DEC	TOTALS
Int.Rate= (( 14.00))										494644			
Minimum Cash Balance (( 1900): 51. Beginning Cash Balance	, <b>50</b> 0	1000	1900	1000		1888	1000	****	1600	1000	1000	1000	****
52. Inflows- Outflows (16-48)	-2985	-57 <b>5</b> 2	-3194	1000 -6381	1800 69914	1800 15161	1900 680	1000 11283	1000 -8783	1000 -33478	1000 -1668	1000 -12753	1000 20764
53. Cash Position (49+50+51+52)	-2485	-47 <b>5</b> 2	-2194	-5381	70914	16161	400	12283	-77 <b>8</b> 3	-32478	-668	-11753	20704
54. New Borrowing: Operating	3485	5752	3194	4381	0	10101	400	12263	87 <b>8</b> 3	33478	1668	12753	76093
55. New Borrowing: Inter.& LongTern	3403	8	3174	0301	0	0	8	0	0,03	337/0	1555	12733	70073
(( Accrued Int.due on Oper.Loan ))	18442	11299	12223	13185	14221	386	214	435	94	291	879	1486	•
56. Interest pay'ts.on Guer.Loan	v	0	υ	0	14221	386	0	435	Ô	0	0	0	15043
57. Principal paritsion Oper-Loan	Ö	Ö	0	ō	55692	14775	Ō	10848	8	Ö	0	Ö	81315
58. Ending Cash Balance	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	
59. Outstanding Operating Debt	73485	79237	82431	88812	33120	18345	18944	8097	16880	50358	52025	64778	
60. Outstanding Intermediate Debt	45680	45680	45680	44824	44024	38460	38460	38460	36804	36804	36804	35148	
61. Dutstanding Long Term Deb+	125889	125889	125889	125889	125889	122871	122871	122871	122871	122871	122871	120454	

Table 34. Income Statement and Financial Ratios: West South Central Oklahoma

	INCOME STATI	BHINT						FINANCIAL RATIOS
A. OPERATING RECEIPTS					arn expen	SES		***************************************
Livestock Sales & Products	i <b>:</b>			Hired Lab			7578	Current Ratio= Current Assets = 1.008441
Raised market livestock		124899			uip.Repair		21 <b>27</b> 40 <b>4</b>	Consol Labilitary
Livestock purchased for				Cash Inte	& Fence Ri	epairs	31614	Current Liabilities
resales		8		Feed Purc			14842	Working Asset Ratio= Current+Int.Assets = 1.657968
Livestock products					nts, Other	r	1496	***************************************
					r, line, ch		34342	Current+Int.Liabilities
	Subtotal:	124899		Mach inery	Hire		61280	
				Supplies	_		0	Debt Structure Ratio= Current Liabilities = .4423578
Crop Sales:		114089		Breeding			0	************
		0			medicine		23 <b>40</b> 4 <b>735</b>	Total Liabilities
					o: i , i ubr : Harehousi:		7/33	Net Capital Ratio Total Assets = 2.048691
					al Est.&		389	
				insurance			0	Total Liabilities
	Subtotal:	114089			(farm sha	are)	44	
					& Leases		0	Debt to Equity Ratiom Total Liabilities = .9609002
Other Farm Income:				Freight,			1750	**************************************
Government payments Custom Work		0			ion Expens			Net Worth
Dividends, Refunds				TI SCE I I AN	eous Expe	nses	143 <b>0</b>	Total Debt Ratios Total Liabilities = 4000301
Cash Rent				usik.oue	chased for	e cesale	58000	Total Debt Ratio= Total Liabilities = .4900301
Other		9		-ASIN SPEI	CHESED (O	1 43414	70000	Total Assets
				TOTAL CAS	H EXPENSES	\$	222291	10001
	Subtotal:	0						- Per Cent Equity= Net Worth * 100 = 50.99699
GROSS RECEIPTS FROM FARMIN	6	238979						050000000000
			1		SH INCOME	FROM		Total Assets
D. ADJUSTMENTS FOR ACCRUED	ITEMS AND IN	<b>UPATION</b>	CHANCES	OPERAT:	i unis		16689	Debt Servicing Ratio= Total Debt Payments = -2.18008
1. Accounts & Notes Receiv		totes &	CIPTIOLS					vent servicing katio- idea vent rayments2.10000
		counts	Other	Other				Net Cash Farm Income
Ending Inventory		0						
Beginning Invento	fy	0			-			Opportunity Return to Labor & Management = 15000
Change		0	9	9			8	(Insert an estimated value in Q148)
2. Accounts Payable & Accr		: :counts	7	Interest	Other			ANT No. 1 Process According to the Contract
Beginning Invento		5000	5000	26196	Other			ROS= Net Farm Income- Opportunity Return to Labor & Management =017887
Ending Inventory	• '	5000	5500	16218	9			to reno. a unitable it'01/do/
Change		0	-500	9986	Ô		9486	Average Equity
3. Prepaid Expenses:								• •
		nding		Beginning				ROI= Net Farm Income+ Interest- Opportunity
	Inv	entory		inventary				Return to Labor & Management = .0337126
4. Inventories:		0	•	0=	•		0	Ausses Takel Assada
	Mkt.Liv	estock	Store	Crops,	Growing			Average Total Assets
		oducts		Supplies				
Ending Inventory		71750	11850		7975			
Beginning Invento	fy	71750	11850		7 <b>975</b>			
Change		9	9		0		9	
E. ADJUSTMENTS FOR CAPITAL	ITEM:							
er nood many ron out the		eeding		Mach.&	Improve-			
	l	.vstk.	Vehicles		nests			
Ending Inventory		51150	7088	38168	52500			
Sales		9	0	0	8			
Subtotal	-	51150	7880	381 60	52500			
Beginning Invento Purchases	7	51150 8	7589 8	5076 <b>5</b>	55898 0			
Subtotal	:	511 <b>50</b>	7500	5 <b>0745</b>	5500 <b>0</b>			
Change		0	-588	-12605			-15685	
F. VALUE OF FARM PRODUCTS	USED IN THE H	ME					0	
G. NET FARM INCOME							10570	

Table 35. Net Worth Statement: Northwest Farm: Low Equity and Good Cash Flow

NET WORTH STATEMENT	Beginning Balance	Ending Balance	Ne t Change	8	eginning Balance		Ne t Change
CURRENT ASSETS				CURRENT LIABILITIES			
1. Cash & Checking	1500	1000	-500	29. Accounts Payable	10000	11500	1500
2. Savings & Time Certificates	2000	2500	500	30. Notes Payable	150000	162644	12644
3. Marketable Bonds & Securities			0	31. Interest Due: Current	10000	2015	-7985
4. Accounts Receivable			0	32. Intermediate	26131	21850	-4281
5. Cash Value Life Insurance	5000	5000	0	33. Long Term	42386	40394	-1992
Market Livestock & Products:				Taxes Due:			
6. Raised Livestock	36786	27440	-9346	34. Real Estate & Personal Property	5000	8000	1000
<ol><li>Purchased Livestock</li></ol>	73572	69515	-4057	35. Employee Payroll Withholding			0
8. Stored Crops, Feed, Supplies	41500	40125	-1375	36. Personal& Self-Employment			0
9. Cash Investment Growing Crops	73734	73743	9	37. Other Accrued Expenses			0
10. Prepaid Expenses			0	38. Contingent Tax Liability			0
11. Other Current Assets			0	Principal Due in 12 months:			
12. TOTAL CURRENT ASSETS	234092	219323	-14769	39. Intermediate Liabilities	30120	34401	4281
INTERMEDIATE ASSETS				40. Long Term Liabilities	19805	21796	1991
13. Notes Receivable			0	41. Other Current Liabilities			0
Breeding Livestock:				42.			0
14. Raised Livestock	44400	46600	2200	43. TOTAL CURRENT LIABILITIES	293442	300599	7157
<ol><li>Purchased Livestock</li></ol>			0	INTERMEDIATE LIABILITIES			
16. Vehicles	5000	4500	-500	44. Notes Payable	169880	135479	-34401
17. Machinery & Equipment	87406	49153	-38253	45. Contingent Tax Liability			0
18. Securities Not Readily Mktable.	12000	12000	0	46. Other Intermediate Liabilities			0
19. Other Intermediate Assets	10000	12000	2000	47.			0
20. TOTAL INTERMEDIATE ASSETS	158806	124253	-34553	48. TOTAL INTERMEDIATE LIABILITIES	169880	135479	-34401
FIXED ASSETS				LONG TERM LIABILITIES			
21. Contracts & Notes Receivable			0	49. Mortgages & Notes Payable	468195	446399	-21796
22. Buildings & Improvements	40000	38500	-1500	50. Contingent Tax Liability			0
23. Cropland	896000	896000	0	51. Other Long Term Liabilities			0
24. Pasture	125000	125000	0	52.			0
25. Non-Farm Investments			0	53. TOTAL LONG TERM LIABILITIES	468195	446399	-21796
26. Other Long Term Assets			0	54. TOTAL LIABILITIES	931517	882478	-49039
27. TOTAL FIXED ASSETS	1061000	1059500	-1500	55. NET WORTH	522381	520598	-1783
28. TOTAL ASSETS	1453898	1403076	-50822	56. TOTAL LIABILITIES & NET WORTH	1453898	1403076	-50822

Table 36. Cash Flow Statement: Northwest Farm: Low Equity and Good Cash Flow

CAMERIANN CAMERIAN	and Good Cash III	O W												
	WHOLEFARM CASHFLOW STATEMENT	JAN	FEB	HAR	APR	HAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTALS
2. Salie of purchased livis  8		1017	A1 950	43307	<u></u>	0	0		1	612	21326	a	a	148212
4. Cross Sulfers				0			-	-	0	0		0	0	
5. Soverneet parametrs  5. Time Consecution  5. Time Cons			0		•	-	-	•	•	-	•	0	_	-
7 Unifor Fram riscome  10	•	0	0	•	•							9	-	
9. TITINAL CASH RECEIPTS 1017 A1999 43307 0 0 2 221272 24009 24009 24101 191225 0 0 0 0 1 0 1 0 1 0 1 0 1 1 1 1 1 1 1	•	0	•	•	0	0	•	-	•		0	0	-	3
		•	•	•	u n	a a	•	•	•	•	0	0	•	•
		•		-	•	•	-	24000	-	-	191225	0		-
1			•	•	•	•			•		•		a	•
1. Second Seco		•	•	•	•	-	-		•					
13, lugsys and safarries	L'. Building, land	Ō	0	0	0	0	0	0	0	0	0	9	9	0
15.     15.		1000	1000	1000	1000	1800	1000	1000	1000	1000	1000	1000	1000	12006
1.5.   TIME CASH INFIRMS														
11.0		•	•	•	•	•		•	•	-	•			(25204
17. htter  labor   11/4   2448   41/9   97/3   8774   9749   6749   4089   10438   875   8752   979   41147   1977   2772   47572   87572		2017	62930	64307	1088	1000	2282/3	23000	23000	23012	172223	1000	7000	032387
19.   Sevi-dings a Frences   296   296   206   92   972   972   972   972   972   972   972   972   972   973   375   3002   2327			2448											
192   192   192   292   298   445   17   17   17   17   2083   376   1002   2277														
22. Fereint_cen_Line_Chem.   722   722   20419   13949   19447   0   4914   48970   0   0   0   197231   0   0   197272   1.5 Stoplines   0   0   0   0   0   0   0   0   0														
23. Nachthare Hirre				•		-		-	•		_	-		
24. Sponglies  1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0							•				•			
22. Field, oil, Jubricants		•	•		•	•	•	ō	ō	•		ō	9	
27. Storage, Marehousing 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 2 25 25 25 25 27 27 28 25 27 29 29 20 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		•	•	-	•		-	•	•			•		
28. Taxes - R.E & Pers.Prop  9														
39. Utilities 9 9 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		9	9	-	8	0	0	0	0	0	•	3		
11.   Rants, leases		0	0	•	0	. 0	8	0	0	0	•	0	•	-
122. Free(pht, trucking   106   0   106   0   0   0   0   0   1023   0   0   1235		•	•	•	•	0	•	•	8	•				
33. Livestock purchases	32. Freight, trucking		•		•	•	•	•	•	•		-	•	
35. Livestock purchases		•	•			•	•	•	•			•	-	
(CAPITAL EXPENSES (total cost) ))  37. Breeding livestock  0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		•	•	•	•	•	•	0	0	0	•	0	0	89352
33. Machinery, Equipment 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		4077	7868	35750	46422	46920	37542	33512	73785	56828	115161	19761	2956	486481
38. Nachinery, Equipment 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		0	0	0	0	0	0	0	0	0	0	0	0	9
(***COTMER OUTFLOWS***)**  40. Family living 1647 1647 1647 1647 1647 1647 1647 1647		-				•	-	-	•	-	-	-		
40. Family living 1647 1667 1667 1667 1667 1667 1667 1667		9	0	0	8	0	9	0	0	0	0	0	9	0
42. investments 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		1667	1667	1667	1667	1667	1667	1667	1667	1667	1667	1667	1667	20006
3. Cheduled Debt Payments:  44. Intermediate: interest  0 0 2813 0 0 10754 0 0 0 2615 0 0 9951 26133  45. principal 0 0 2885 0 0 11976 0 0 2782 0 0 12777 30120  46. Long Term: interest 417 416 416 415 414 414 413 413 412 412 411 37833 42346  47. principal 66 66 67 68 68 69 69 70 70 70 71 72 19050 19886  48. Total Cash Outflows 6226 10017 43298 53572 49068 62421 35661 75935 64373 117310 21910 84134 623926  (\(\color{1}{1}\) NEW BORRROWING \(\color{1}\) \(\color{1}\) AND BORROWING \(\color{1}\) \(\color{1}\) AND BORROWING \(\c		-		-			-		•	-	-			
Scheduled Debt Payments:  44. Intermediate: interest  45. principal  46. Long Term: interest  47. quincipal  46. Long Term: interest  47. quincipal  48. Long Term: interest  47. quincipal  48. Total Cash Butflows  48. Total Cash Butflows  48. Total Cash Butflows  48. Total Cash Butflows  49. Intermediate  40. 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		•			•	-			•		•	•		
45. principal 0 0 2585 0 0 11976 0 0 2792 0 0 12777 30120 46. Long Term: interest 417 416 416 415 414 418 413 413 413 412 412 411 37833 42386 47. principal 66 66 66 67 68 68 69 69 70 70 71 72 19050 19866 48. Total Cash Outflows 6226 10017 43298 53572 49068 62421 35661 75935 64373 117310 21910 84134 623926  ((NEM BORREGULING))  49. Intermediate 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		•	•	•	•	·	•	•	•					
46. Long Term: interest 417 416 416 415 414 414 413 413 412 412 411 37833 42386 47. principal 66 66 66 67 68 68 69 69 70 70 70 71 72 19050 19806 48. Total Cash Outflows 6226 10017 43298 53572 49068 62421 35661 75935 64373 117310 21910 84134 623926 (CNEW BORRROWING) >>  49. Intermediate 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		•	-		•	•		•	•		•	_		
48. Total Cash Outflows 626 10017 43298 53572 49048 6242 3564 75935 64373 117310 21910 84134 623926 (KNEW BORRROWING)>  49. Intermediate 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		-	•		-			•	•		-	-		
(NBJ BORRROWING )>         49. Intermediate         0	47. principal		66	67	68									
49. Intermediate 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		6226	10017	43298	53572	49068	62421	33661	75935	64373	11/310	21910	84134	623928
(CASH FLOW SIMMARY )) Int.Rate= ((variable )) Himmon Cash Balance= (< 1800)  51. Beginning Cash Balance= (< 1800)  52. Inflows- Outflows (16-48)	49. Intermediate	-				-						-		
Int.Rate	58. Long Term	0	9	0	0	0	0	0	0	 	0	0	0	
Signature   Sign	(( CASH FLOW SUMMARY >)	JAN	FEB	NAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTALS
51. Beginning Cash Balance         1500         1000 <th< td=""><td></td><td>···········</td><td></td><td>*******</td><td>*****</td><td></td><td>*******</td><td>****</td><td></td><td></td><td></td><td></td><td></td><td></td></th<>		···········		*******	*****		*******	****						
52. Infigure Outflows (16-48)         -4209         52933         21009         -52572         -48068         165851         -10661         -5935         -38761         74915         -20910         -77134         11458           53. Cash Position (49+59+51+52)         -2709         53933         22009         -51572         -47048         164851         -9641         -49935         -37761         75915         -19910         -76134           54. New Borrowing: Overating Street LongTerm         0         201			1008	1000	1000	1000	1000	1000	1906	1000	1000	1008	1000	1000
54. New Borrowing: Operating 3709 0 0 52572 48068 0 10661 50935 38761 0 20910 77134 302750 55. New Borrowing: Inter & LongTerm 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	52. Inflows- Outflows (16-48)	-4209	52933	21009	-52572	-48968	165851	-10661	-50 <b>935</b>		74915			11458
55. New Borrowing: Inter.& LongTerm 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0														302750
56. Interest pay'ts.on Oper.Loan       0       13577       1525       0       0       5754       0       0       0       3746       0       0       24602         57. Principal pay'ts.on Oper.Loan       0       37357       19484       0       0       160097       0       0       0       71168       0       0       290107         58. Ending Cash Balance       1000	55. New Borrowing: Inter.& LongTerm				9	8	Ö	8	0	9	0	0	0	
57. Principal pay'ts.on Oper.Loan 9 37357 19484 0 0 140097 0 0 0 71148 0 0 290107 58. Ending Cash Balance 1000 1000 1000 1000 1000 1000 1000 10														24402
58. Ending Cash Balance 1000 1000 1000 1000 1000 1000 1000 10					•				•			-	-	
60. Outstanding Intermediate Debt 200000 200000 197415 197415 197415 185439 185439 185439 182657 182657 182657 169880	58. Ending Cash Balance		1000	1000	1000	1000	1000				1000			

Table 37. Income Statement and Financial Ratios: Northwest Farm: Low Equity and Good Cash Flow

A. OPERATING RECEIPTS Livestock Sales & Products: Raised market livestock  148212 Mach.& Equip.Repairs  1786 Livestock purchased for cash interest  148212 Mach.& Equip.Repairs  1786 Livestock purchased for cash interest  1786 Livestock products  Subtotal:  148212 Machinery Hire  19671 Supplies  148212 Machinery Hire 19671  19671 Supplies  19681  Current Liabilities  19681  Current+Int.Liabilities  19681  Current-Int.Liabilities  198876  Current Liabilities  198876  Current Liabilities  198876  Current Liabilities  198876  Current Liabilities  198876  Current-Int.Liabilities  19		INCOME STATEMENT				FINANCIAL RATIOS
Raised market   Ivestoct   148212	A. OPERATING RECEIPTS		B. C	ASH FARM EXPENSES		***********
Rate darket   Investoct   14212	Livestock Sales & Products	!	Hire	d Labor	61143	Current Ratio= Current Assets = .7296192
Cash Interest	Raised market livestock	148212	Mach	& Equip.Repairs	38661	*****************
Cash Interest		0				Current Liabilities
Subtotal: 14212   Seed, Plants, Other   1934   Fertilizer, Injunctional   1947   Supplies   0   Debt Structure Ration Current Liabilities   3,04630   Supplies   0   Debt Structure Ration Current Liabilities   1,58972   Supplies   0   Debt Structure Ration Current Liabilities   1,58972   Supplies   0   Debt Structure Ration Current Liabilities   1,58972   Supplies   0   Total Liabilities   1,58972   Supplies   0   Total Liabilities   1,58972   Supplies   0   Total Liabilities   1,58972   Supplies   0   Supplies	Livestock purchased for		Cash	Interest	93121	
Subtotal   14212   Seed, Plants, Other   1921   Subtotal   14212   Supplies   0   Debt Structure Ration Current Liabilities   2,44620   Supplies   0   Debt Structure Ration Current Liabilities   2,44620   Supplies   0   Debt Structure Ration Current Liabilities   2,44620   Supplies   0   Debt Structure Ration Current Liabilities   3,44620   Supplies   0   Debt Structure Ration Current Liabilities   1,5972   Supplies   0   Debt Structure Ration Current Liabilities   1,5972   Supplies   0   Total Liabilities   1,67512   Supplies   0   Debt Structure Ration Total Liabilities   1,5972   Supplies   0   Total Liabilities   1,5972   Supplies   0   Total Liabilities   1,67512   Supplies   0   Debt Structure Ration Total Liabilities   1,67512   Supplies   0   Total Liabilities   1,67512   Supplies	resale:	0	Feed	Purchased	8297	Working Asset Ratio= Current+Int.Assets = .7878769
Subtotal:   14212	Livestock products					***************************************
Subtotal:   14212			Fert	lizer.line.chemicals	100131	Current+Int.Liabilities
Crop Sales1		Subtotal: 148212				
Comparation						Debt Structure Ratios Current Liabilities = .3484388
Vet.fees, sedicane   1431   Total Liabilities   Ras, feel of Juber cants   12955   Storage, Marcheousing   0   Net Capital Ratiom Total Assets = 1.58976   Total Capital Ratiom	Crop Sales:	463171	Bree	ding Fees	Ö	***************************************
Saving   1,		0			1431	Total Liabilities
Storage   Marchousing   1   Taxes   Marcho			Gas.	ivel.oil.lubeicants	129535	
Taxes   Real   State   Pers. Prop   255   Insurance   Subtotal:   463171   Utilities (farm share)   45   Cash Rent & Lasses   0   Freight, Trucking   1255   Conservation Expenses   0   Obbt to Equity Ratio= Total Liabrlities   1.69312   Obbt to Equity Ratio= Total Ratio= Tota						Net Capital Ratiom Total Assets = 1.589927
Subtotal: 445171   Utilities (farm share)   45					09 255	***************************************
Cash Rent & Lasses   0   Cept to Equity Ratios   Total Liabilities   1.69512			Insu	rance	0	Total Liabelities
Comparison   Com		Subtotal: 463171	Util	ities (farm share)	45	
Comparison payments			Cash	Rent & Leases	0	Debt to Equity Ratio= Total-Liabilities = 1.695125
Dividendes, Refunds	Other Farm Income:		Fres	ght, Trucking	1235	*****************
Dividends, Refunds	Government payments	0		• '	0	Net Worth
Dividends, Refunds	Custom Work				14577	
Case   Country   Case   Case   Country   Case   C	Dividends, Refunds					Total Debt Ratios Total Liabilities = .4289597
Total Assets   Subtotal: 0			Lusti	k.nurchased for resai	e 89352	***************************************
TOTAL CASH EUPENSES   573691	Other	0				Total Accets
Subtotal: 0		-	TOTAL	L CASH EXPENSES	573681	TOTAL TISSEES
C. NET CASH INCOME FROM   Total Assets		Subtotal: 0			0.0001	Per Cent Faulty Net Worth # 100 = 27 10403
C. NET CASH INCOME FROM OPERATIONS 37782   Debt Servicing Ratio= Total Debt Payments = -2.1483						161 delic rida () - 164 wor (li x 100 - 17/10403
OPERATIONS   37782   OPERATIONS   37782		•	C. N	FT CASH INCOME FROM		Total Accets
Debt Servicing Ratio					37782	וטנפו השפנים
Accounts & Notes Receivable: Notes & Accounts   Other Other   Other	D. ADJUSTMENTS FOR ACCRUED	ITEMS AND INVENTORY			07702	Seht Servicion Pation Total Seht Payments = -2 14828
Accounts						seat servicing netro- ister sept replents - 211400
Ending Inventory 0   Seginning Inventory 0   Seginning Inventory 0   Opportunity Return to Labor & Management = 2000   Clasert an estimated value in 9148)  2. Accounts Payable & Accrued Expenses:    Accounts Payable & Accrued Expenses:   Accounts   Taxes   Interest   Other   Seginning Inventory   10000   5000   79517   O   Ending Inventory   11500   6000   64259   O   O   O   O   O   O   O   O   O			Other	Ithee		Net Cach Earn Income
Beginning Inventory	Ending Inventory		J	o ciner		Het Cash Farm Inches
Change	•	•				Oppositually Setupe to Labor & Management - 20000
Accounts Payable & Accrued Expenses:   Accounts   Taxes   Interest   Other			a	1	0	
Reginning Inventory   10000   5000   78317   0   0   0   0   0   0   0   0   0	•	-	•	•	•	(THOSEL C BIL COLUMNICA ANION IN GLAD)
Beginning Inventory   1000   5000   78517   0			Taves Inte	nest Other		DOES Not Com Income Concestuative Datum
Ending Inventory 11500 6000 64259 0 11758 Average Equity  3. Prepaid Expenses:    Ending	Bearmanna Inventor					
Change -1500 -1000 14258 0 11758 Average Equity  3. Prepaid Expenses:    Ending   Beginning   ROI= Net Farm Income* Interest- Opportunity   Return to Labor & Management   .038908						to cana a management, 0 11017
Ending   Beginning   R0]					11758	Auerane Fausty
Ending   Beginning   R0]= Net Farm Income+ Interest- Opportunity   Return to Labor & Management = .038908						HASS ENGLY
Inventory	or respond amplification	Fadina	Renu	00100		PRIZ Net Form Incomed Interests Concentually
4. Inventories:    Mkt.Livestock   Stored Crops   Growing   Crops						
4. Inventories:    MKt.Livestock   Stored Crops, Feed & Supplies   Crops   Crops   Feed & Supplies   Feed & Supplies   Crops   Feed & Supplies   Feed & Supplies   Crops   Feed & Supplies   Feed & Supp			-		n	Actum to Cabor & Hallageisen t0307007
Mkt.Livestock & Stored Crops, Feed & Supplies   Crops   Feed & Supplies   Crops   Feed & Supplies   Crops   Feed & Supplies   Feed & Supplies   Crops   Feed & Supplies   Feed & F	4. Inventories:	•		•	٠	Auerane Total Accete
Ending Inventory 96955 40125 73743 Beginning Inventory 110358 41500 73734 Change -13403 -1375 9 -14769  E. ADJUSTMENTS FOR CAPITAL ITEMS:  Breeding Mach.& Improve— Lustk. Vehicles Equip. ments Ending Inventory 4660 4500 49153 38500 Sales 0 0 0 0 0 Subtotal: 46600 4500 49153 38500 Beginning Inventory 44400 5000 87406 48000 Purchases 0 0 0 0 0 Subtotal: 44408 5080 87406 48000 Change 2200 -500 -38253 -1500 -38053 F. VALUE OF FARM PRODUCTS USED IN THE HOME		MKt.Liuestork	Stored Cer	ons. Grawino		userade inter ussers
Ending Inventory 96955 40125 73743 Beginning Inventory 110358 41500 73734 Change -13403 -1375 9 -14769  E. ADJUSTMENTS FOR CAPITAL ITEMS:  Breeding Mach.& Improve— Lvstk. Vehicles Equip. ments Ending Inventory 4600 4500 49153 38500 Sales 0 0 0 0 0 Subtotal: 46600 4500 49153 38500 Beginning Inventory 44400 5000 87406 48000 Purchases 0 0 0 0 0 0 Subtotal: 44408 5080 37406 48000 Change 2200 -500 -38253 -1500 -38053 F. VALUE OF FARM PRODUCTS USED IN THE HOME						
Beginning Inventory	· Ending Inventory					
Change -13403 -1375 9 -14769  E. ADJUSTMENTS FOR CAPITAL ITEMS:  Breeding Mach.& Improve- Lvstk. Vehicles Equip. ments  Ending Inventory 44600 4500 49153 38500  Sales 0 0 0 0 0  Subtotal: 46600 4500 49153 38500  Beginning Inventory 44400 5000 87406 48000 Purchases 0 0 0 0 0  Subtotal: 44408 5080 87406 48000  Change 2200 -500 -38253 -1500 -38053  F. VALUE OF FARM PRODUCTS USED IN THE HOME						
E. ADJUSTMENTS FOR CAPITAL ITEMS:    Breeding					-14749	
Breeding	y-			,	14707	
Breeding	E. ADJUSTMENTS FOR CAPITAL	ITEMS:				
Lustk. Vehicles Equip. ments  Ending Inventory 46600 4500 49153 38500  Sales 0 0 0 0 0  Subtotal: 46600 4500 49153 38500  Beginning Inventory 44400 5000 87496 48000  Purchases 0 0 0 0 0  Subtotal: 44400 5080 87496 48000  Change 2200 -500 -38253 -1500 -38053  F. VALUE OF FARM PRODUCTS USED IN THE HOME 0			Nac	h & Improve-		
Ending Inventory 46600 4500 49153 38500 Sales 0 0 0 0 0 Subtotal: 46600 4500 49153 38500  Beginning Inventory 44400 5000 87406 48000 Purchases 0 0 0 0 0 Subtotal: 44400 5080 87406 48000  Change 2200 -500 -38253 -1500 -38053 F. VALUE OF FARM PRODUCTS USED IN THE HOME 0						
Sales 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Ending Inventory					
Subtotal: 46400 4500 49153 38500  Beginning Inventory 44400 5000 87406 40000  Purchases 0 0 0 0 0  Subtotal: 44408 5000 37406 40000  Change 2200 -500 -38253 -1500 -38053  F. VALUE OF FARM PRODUCTS USED IN THE HOME 0						
Reginning Inventory		-	-			
Purchases 0 0 0 0 0 0 Subtotal: 44408 5080 97486 48000 Change 2200 -500 -38253 -1500 -38053 F. VALUE OF FARM PRODUCTS USED IN THE HOME 0						
Subtotal: 44400 5000 87404 40000 Change 2200 -500 -38253 -1500 -38053 F. VALUE OF FARM PRODUCTS USED IN THE HOME 0						
Change 2200 -500 -38253 -1500 -38053 F. VALUE OF FARM PRODUCTS USED IN THE HOME 0		•	•			
F. VALUE OF FARM PRODUCTS USED IN THE HOME 0					-29052	
			-300 -3	-1300	-30033	
-3101		III III III			-3291	
	- I I I I I I I I I I I I I I I I I I I				-3401	

Table 38. Net Worth Statement: Northwest Farm: Low Equity and Poor Cash Flow

NET WORTH STATEMENT	Beginning Balance	Ending Balance	Ne t Change	Beginning E Balance Ba	Ending Net alance Change
CURRENT ASSETS				CURRENT LIABILITIES	•
1. Cash & Checking	1500	1000	-500	29. Accounts Payable 10000	11500 1500
2. Savings & Time Certificates	2000	2500	500	·	265068 115068
3. Marketable Bonds & Securities			0	31. Interest Due: Current 10000	4736 -5264
4. Accounts Receivable			0	32. Intermediate 26131	21850 -4281
5. Cash Value Life Insurance	5000	5000	0	33. Long Term 42386	40394 -1992
Market Livestock & Products:				Taxes Due:	
6. Raised Livestock	36786	27440	-9346	34. Real Estate & Personal Property 5000	6000 1000
7. Purchased Livestock	73572	69515	-4057	35. Employee Payroll Withholding	0
8. Stored Crops, Feed, Supplies	41500	40125	-1375	36. Personal& Self-Employment	0
9. Cash Investment Growing Crops	73734	73743	9	37. Other Accrued Expenses	0
10. Prepaid Expenses			0	38. Contingent Tax Liability	0
11. Other Current Assets			0	Principal Due in 12 months:	
12. TOTAL CURRENT ASSETS	234092	219323	-14769	39. Intermediate Liabilities 30120	34401 4281
INTERMEDIATE ASSETS				40. Long Term Liabilities 19805	21796 1991
13. Notes Receivable			0	41. Other Current Liabilities	0
Breeding Livestock:				. 42.	, 0
14. Raised Livestock	44400	46600	2200	43. TOTAL CURRENT LIABILITIES 293442 4	105746 112304
<ol><li>Purchased Livestock</li></ol>			0	INTERMEDIATE LIABILITIES	
16. Vehicles	5000	4500	-500	44. Notes Payable 169880 1	35479 -34401
17. Machinery & Equipment	87406	49153	-38253	45. Contingent Tax Liability	0
18. Securities Not Readily Mktable	. 12000	12000	0	46. Other Intermediate Liabilities	0
19. Other Intermediate Assets	10000	12000	2000	47.	0
20. TOTAL INTERMEDIATE ASSETS	158806	124253	-34553	48. TOTAL INTERMEDIATE LIABILITIES 169880 1	35479 -34401
FIXED ASSETS				LONG TERM LIABILITIES	
21. Contracts & Notes Receivable			0	49. Mortgages & Notes Payable 468195 4	46399 -21796
22. Buildings & Improvements	40000	38500	-1500	50. Contingent Tax Liability	0
23. Cropland	896000	896000	0	51. Other Long Term Liabilities	0
24. Pasture	125000	125000	0	52.	Ō
25. Non-Farm Investments			0	53. TOTAL LONG TERM LIABILITIES 468195 4	46399 -21796
26. Other Long Term Assets			0		87623 56106
27. TOTAL FIXED ASSETS	1061000	1059500	-1500		15453 -106928
28. TOTAL ASSETS	1453898	1403076	-50822		03076 -50822

Table 39. Cash Flow Statement: Northwest Farm: Low Equity and Poor Cash Flow

and Poor Cash Fi	.OW												
UHOLEFARM CASHFLOW STATEMENT	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL:
<pre>&lt;&lt; OPERATING RECEIPTS &gt;&gt; -</pre>	<i></i>	LED	, PA	7FR	1711		, oc.		) <u>5</u> F		1100		TOTAL:
1. Livestock sales:	96 <b>9</b>	60180	61472	9	0	9	0	8	571	29348	0	0	14354
2.	0	0	0	9	8	9	0	0	0	9	0	•	
3. Sale of purchased lvsK	J	0	0	g	0	0	0	0	0	0	9	0	
4. Crop Sales:	0	0	0	9	0	178485	17231	17231	17231	147530	0	0	37770
5. 6. Government payments	9	O O	0	0	- 0	0	9	0	0	0	0	0	
7. Other farm income	9	9	8	0	0	0	0	G G	a	0	9	0	
8.	ŏ	Ó	ā	ō	8	ů.	Ŏ	ű	ő	ŏ	0	ő	
P. TOTAL CASH RECEIPTS	969	60188	61472	ð	9	178485	17231	17231	17802	167878	0	ō	521248
(( CAPITAL SALES ))													
D). Breeding livestock	0	0	8	8	0	0	8	0	0	0	0	8	
Mr. Machinery, equipment	0	0	0	0	0	8	9	0	0	0	0	0	
12. Building, land (( OTHER INFLOWS ))	0	0	0	0	8	0	0	0	0	9	9	0	
13. Wages and salaries	1800	1008	1000	1000	1008	1000	1888	1000	1008	1000	1080	1000	12000
IM. Investments	1000	8	1000	0	0	4006	.000	1000	1000	3	0	4000	12000
15.	9	0	Ō	0	Ō	0	0	Ō	0	0	0	0	1
16. TOTAL CASH INFLOW	1969	61189	62472	1008	1000	185485	18231	18231	18802	168878	1000	7000	5 <b>452</b> 48
(( OPERATING EXPENSES ))													
17. Hired Tabor	1164	2448	4169	5073	8574	9149	6943	6080	10638	835	5882	989	61140
18. Repairs: Mach.& Equip. 19. Buildings & Fences	176	1417	1977	2924 92	4572	6892	5462	4706	8186	31 206	2289	29	3 <b>86</b> 61 1786
19. Buildings & Fences 20. Feed	206 1052	206 968	206 1029	678	92 18	92 18	92 18	92 18	92 18	3237	206 6 <b>05</b>	206 1052	8712
22. Seeds, plants	1052	0	1027	6825	0	2899	.0	0	5355	3237	0	1032	15079
22. Fertilizer, Lime, Chem.	759	759	21440	14667	10970	9	5160	51384	0	0	0	0	105138
23. Machine Hire	0	0	440	0	0	0	0	0	0	19231	0	9	19671
24. Suspires	0	0	0	0	0	0	0	0	0	0	0	0	
25. Vet.Medicine,Breed fee	0	3334	0	9	381	0	0.	0	0	1050	0	0	1431
26. Fuel, oil, lubricants	726 0	2 <b>221</b>	6443 0	13677 8	23 <b>756</b>	19415 0	16641	1 <b>4493</b> 0	2 <b>4859</b> 0	3 <b>58</b>	12167	3 <b>84</b> 0	135051
27. Storage, Warehousing 28. Taxes- R.E & Pers.Prop	0	0	0	6	8	0	0	0	0	0	0	255	255
29. Insurance	0	8	0	0	- 0	ů	Ŏ	ō	Ů	0	0	0	
30. Utilities	9	9	Ō	. 0	0	Ö	0	0	Ō	9	9	9	15
31. Rents, leases	0	0	0	0	8	0	0	0	- 0	0	0	0	;
32. Freight, trucking	186	0	106	0	0	0	0	8	0	1023	0	0	1235
33. Miscellaneous	0	0	1305	4152	0	. 0	0	0	7600	0	0	0	13057
34.	0	0	9 0	0	0	· 0	8	0	0	90178	0	0	30170
35. Livestock purchases 36. TOTAL CASH EXPENSES	4197	â027	37115	48089	48363	38465	34316	76683	56747	88128 114108	20357	2925	88128 4893 <del>9</del> 2
(( CAPITAL EXPENSES (total cost) ))	7477	0027	37113	70007	10000	30700	34010	7 0000	307 47	114100	20007	2723	10/3/2
37. Breeding livestock	8	0	0	0	0	0	0	9	0	0	0	0	0
38. Machinery, Equipment	0	0	0	0	0	8	0	6	0	0	0	0	)
39. Bldgs, Fences, Land	0	0	9	0	0	0	0	0	0	0	0	0	3
(( OTHER OUTFLOWS >>	1777			11/3		1773	1773	1773			1.77	477	2000
40. Family living 41. Income Tax	1667 0	1667 0	1667 0	1667 5000	1667 0	1667 0	16 <b>67</b> 0	1667 0	1667	1667 0	1667 0	16 <b>6</b> 7	20 <b>0</b> 00 5000
42. Investments	û	0	0	8	a	0	0	8	0	0	0	9	1003
43.	Ŏ	0	Ō	Ō	Ŏ	ō	ō	Ō	Ō	ō	ā	0	9
Scheduled Debt Payments:													
44. Intermediate: interest	0	0	2813	0	0	10754	0	.0	2615	0	9	9951	26133
45. principal	0	0	2585	0	0	11976	.0	0	2782		0	12777	30120
46. Long Term: interest 47. principal	417 66	41 á á á	416 67	415 68	414 68	414 69	413 69	413 70	412 78	412 71	411 72	37833 19050	42386 19896
48. Tetai Cash Outflows	6347	10176	44663	55238	50511	63345	3646 <b>5</b>	78833	64293	116258	22507	84202	632837
(( NEW BORRROWING ))	34						33.00	. 3000	- 12.5		-2007	- 1676	
49. Intermediate	0	0	0	0	0	0	8	0	0	0	0	0	3
50. Long Term	0	0	0	8	0	0	0	0	0	9	0	0	9
(( CASH FLOW SUMMARY ))	IAM	CED	WAD	A00		7184	113	AHO	cco	APT	NO.1	٥٥٥	TOTALC
Int.Rate= ((variable)) -	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	0EC	TOTALS
Minimum Cash Balance= (( 1000)	<b>)</b>												
51. Beginning Cash Balance	1500	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
52. Inflows- Outflows (16-48)	-4378	51004	17809	-54238	-49511	122141	-18234	-60602	-45491	52620	-21507	-77202	-67 <b>589</b>
53. Cash Position (49+50+51+52)	-2878	52904	18809	-53238	-48511	123141	-17234	-59602	-44491	53620	-20507	-76202	
54. New Borrowing: Operating	3878	0	0	54238	49511	0	18234	60602	45491	9	21507	77202	330664
55. New Borrowing: Inter.& LongTerm (( Accrued Int.due on Oper.Loan ))	0 1168 <b>8</b>	0 13 <b>579</b>	0 1553	0 1419	0 3479	0 6028	0 10 <b>32</b>	0 2287	0 4273	0 6819	0 2114	0 4736	ý
56. Interest pay'ts.on Oper.Loan	11000	13579	1553	1417	34/7	6828	1032	2287	42/3	6819	2114	4/38	27979
57. Principal pay'ts.on Oper.Loan	ō	37425	16256	Ŏ	ŏ	116113	ŏ	ő	ő	45801	ů.	ō	215596
58. Ending Cash Balance	1000	1000	1000	1000	1000	1000	1000	1000	1000	1008	1000	1000	
59. Outstanding Operating Debt	153878	116453	100196	154435	203946	87833	106067	166669	212160	166359	187866	265068	
óD. Outstanding Intermediate Debt	200066	200000	197415	197415	197415	185439	18 <b>5439</b>	185439	182657	182657	182657	169880	
Al Outstanding Long Tree Aska													
ól. Outstanding Long Term Debt	487934	487868	487801	487733	487665	487596	487527	487457	487387	487316	487244	468194	

Table 40. Income Statement and Financial Ratios: Northwest Farm: Low Equity and Poor Cash Flow

	INCOME STATEMENT				FINANCIAL RATIOS
A. OPERATING RECEIPTS		8. C	ASH FARM EXPEN	ES	
Livestock Sales & Products	:	Hire	d Labor	61143	Current Ratio= Current Assets = .5405432
Raised market livestock	143540	Mach	.& Equip.Repair	38661	***************************************
	9	Busto	ding & Fence Ri	pairs 1786	Current Liabilities
Livestock purchased for		Cash	Interest	96498	
resales	0	Feed	Purchased	8712	Working Asset Ratio= Current+Int.Assets = .6348123
Livestock products		Seed	, Plants, Other	15079	***************************************
		Fert	iliz <b>er</b> , li <b>ne</b> , cho	micals 105138	Current+Int.Liabilities
	Subtotal: 143540		inery Hire	19671	
		Supp		. 0	Debt Structure Ratio= Current Liabilities = .4108306
Crop Sales:	377708		ding Fees	0	***************************************
	0		fees, medicine	1431	Total Liabilities
			fuel ,oil , lube r		
			ige, Warehousi		Net Capital Ratio= Total Assets = 1.420468
			s: Real Est.& i rance	Pers.Prop 255	7-1-1 ( )-1-1-1
	Subtotal: 377708		rance ities (farm shi	-	Total Liabilities
	300001411 377700		Rent & Leases	re, 43	Debt to Equity Ratio= Total Liabilities = 2.377216
Other Farm Income:			nt, Trucking	1235	VENT (0 EQUITY RACTO- 10021 L1201110165 - 2.37/210
Government payments	0		ervation Expens		Net Worth
Custom Work	•		ritaneous Expen		HEC MOLCH
Dividends, Refunds		111361	rii ameuus Laper	13037	Total Debt Ratio= Total Liabilities = .7038981
Cash Rent		Lucti	L.purchased for	•	10(2) PERC MECTO- 10(E) CTENTITIES - 1/100/01
Other	0				Total Assets
-	•	TOTAL	CASH EXPENSES	585890	10127 1133613
	Subtotal: 0				Per Cent Equity= Net Worth ± 100 = 29.61019
GROSS RECEIPTS FROM FARMING	521248				************
		C. NE	T CASH INCOME	FROM	Total Assets
		08	PERATIONS	-64642	
D. ADJUSTMENTS FOR ACCRUED	ITEMS AND INVENTORY	CHANGES:			Debt Servicing Ratio= Total Debt Payments =735045
1. Accounts & Notes Receive	able: Notes &				*******************
	Accounts	Other (	)ther		Net Cash Farm Income
Ending Inventory	0				
Beginning Inventor				٠.	Opportunity Return to Labor & Management = 20000
Change		0	9	0	(Insert an estimated value in Q148)
2. Accounts Payable & Accr					
	Accounts	Taxes Into			ROE= Net Farm Income- Opportunity Return
Beginning Inventor			78517 0		to Labor & Management .=273881
Ending Inventory	11500		66 <b>998</b> 8 11537 0	***	***************************************
Change 3. Prepaid Expenses:	-1500	-1000	1537 0	9037	Average Equity
3. Frepaid Expenses:	Ending	0			Office Made Committee Committee Committee to
	Inventory	Begri	itory		ROI= Net Farm Income+ Interest- Opportunity Return to Labor & Management =030429
	THAGH COL.)	Illver	ncory 0==	0	Return to Labor & Management =030429
4. Inventories:	v		<b>-</b>	U	Average Total Assets
	MKt.Livestock	Stored Cro	ops, Growing		user age 19181 123613
	& Products	Feed & Supp			
Ending Inventory	96955	40125	73743		
Beginning Inventor		41500	73734		
Change	-13403	-1375	9	-14769	
•					
E. ADJUSTMENTS FOR CAPITAL	ITES:				
	8reeding		h.& Improve-		
			uip. ments		
Ending Inventory	46600		19153 38508		
Sales	0		0 0		
Subtotal			9153 38500		
Beginning Inventor			7496 46086		
Purchases			0 0		
Subtotai			7406 40000	2000	
Change F. VALUE OF FARM PRODUCTS	2208	-500 -:	382531500	-38053	
G. NET FARM INCOME	שתוו אוו דון עשכט			-108428	
G. HET PHAT THOUSE				-108428	

Table 41. Net Worth Statement: Northwest Farm: Medium Equity and Good Cash Flow

			Balance	Ne t Change	Beginning Balance	Ending Balance	Ne t Charfge
	Current Assets				CURRENT LIABILITIES		
	. Cash & Checking	1500	1000	-500	29. Accounts Payable 5000	<b>6500</b>	1500
	Savings & Time Certificates	2000	2500	500	30. Notes Payable 150000	112896	-37104
	Marketable Bonds & Securities			0	31. Interest Due: Current 5000	1383	-3617
	Accounts Receivable			0	32. Intermediate 10654 33. Long Term 34886	32958	-1735
5.	Cash Value Life Insurance	5000	5000	Õ		32958	-1930
,	Market Livestock & Products:	2/20/	22440	0247	Taxes Due:	/000	1000
6.		36786	27440	-9346	34. Real Estate & Personal Property 5000	4000	1000
7.		73572	69515	-4057	35. Employee Payroll Withholding		U
	Stored Crops, Feed, Supplies	41500	40125	-1375	36. Personal& Self-Employment		U
	Cash Investment Growing Crops	73734	73743	9	37. Other Accrued Expenses		U
	Prepaid Expenses			0	38. Contingent Tax Liability		U
	Other Current Assets	004000	040000	0	Principal Due in 12 months:	40/70	4705
	TOTAL CURRENT ASSETS	234092	219323	-14769	39. Intermediate Liabilities 10935	12670	1735
	INTERMEDIATE ASSETS			_	40. Long Term Liabilities 18563	20492	1929
13.	Notes Receivable			0	41. Other Current Liabilities		0
4.4	Breeding Livestock:	44400	4//00	0000	42.	204047	00000
14.		44400	46600	2200	43. TOTAL CURRENT LIABILITIES 240038	201816	-38222
15.		5000	4500	0	INTERMEDIATE LIABILITIES	E4005	40/30
	Vehicles	5000	4500	-500	44. Notes Payable 64065	51395	-12670
	Machinery & Equipment	87406	49153	-38253	45. Contingent Tax Liability		U
	Securities Not Readily Mktable.		12000	0	46. Other Intermediate Liabilities		0
	Other Intermediate Assets	10000	12000	2000	47.		0
	TOTAL INTERMEDIATE ASSETS	158806	124253	-34553	48. TOTAL INTERMEDIATE LIABILITIES 64065	51395	-12670
	FIXED ASSETS				LONG TERM LIABILITIES		
	Contracts & Notes Receivable			0	49. Mortgages & Notes Payable 319437	298945	-20492
	Buildings & Improvements	40000	38500	-1500	50. Contingent Tax Liability		0
	Cropland	896000	896000	0	51. Other Long Term Liabilities		0
	Pasture	125000	125000	0	52.		0
	Non-Farm Investments			0	53. TOTAL LONG TERM LIABILITIES 319437	298945	-20492
	Other Long Term Assets			0	54. TOTAL LIABILITIES 623540	552156	-71384
	TOTAL FIXED ASSETS		1059500	-1500	55. NET WORTH 830358	850920	20562
28.	TOTAL ASSETS	1453898	1403076	-50822	56. TOTAL LIABILITIES & NET WORTH 1453898	1403076	-50822

Table 42. Cash Flow Statement: Northwest Farm: Medium Equity and Good Cash Flow  $\,$ 

<b></b> 555 <b>2</b> 53511 23													-
WHOLEFARM CASHFLOW STATEMENT	JAN	FEB	MAR	APR	HAY	JUN	JUL	AUG	SEP	· 0CT	NOV	DEC	TOTAL:
<pre>&lt;&lt; OPERATING RECEIPTS &gt;&gt; -</pre>			/0007			^				24.22./		^	
1. Livestock sales:	1917	61950	63307	0	0	0	0	0	612	21326 0	0	0	148211
2.	0	9	0	8	0	0	0	0	0	0	0	0	
<ol> <li>Sale of purchased lvsk</li> <li>Crop Sales:</li> </ol>	0	8	ū	Ð	0	221273	24000	24000	24000	169899	0	0	463:-
5.	0	9	8	0	0	2212/3	24000	27000	27000	10,0,,	0	n	-021
6. Government payments	a	0	0	0	0	Ů	ů	ő	0	0	ě	0	
7. Other farm income	8	0	0	0	0	ō	ō	0	0	Ō	0	0	
8.	8	Ō	0	0	Ō	Ō	0	Ö	Ö	0	0	8	
9. TOTAL CASH RECEIPTS	1017	61950	63307	0	0	221273	24000	24000	24612	191225	0	0	61138-
(( CAPITAL SALES ))													
10. Breeding livestock	0	0	9	9	9	0	0	0	0	8	. 0	9	
11. Machinery, equipment	0	0	8	0	0	0	0	0	9	0	0	0	į
12. Building, land	0	0	0	0	0	0	0	0	8	0	0	0	•
<pre>&lt;&lt; other inflows &gt;&gt;</pre>													
13. Wages and salaries	1000	1000	1008	1000	1000	1000	1000	1008	1000	1000	1000	1000	12005
14. Investments	0	0	0	0	0	6000	. 0	0	0	0	0	4080	12000
15. 16. TOTAL CASH INFLOD	0 2617	6 <b>295</b> 0	64307	0 1006	0 18 <b>86</b>	0 228273	2 <b>500</b> 0	0 25008	25612	192225	1 <b>000</b>	9 7000	435384
(( OPERATING EXPENSES ))	2017	02730	07307	1000	1000	220213	25000	25000	25012	172223	1000	7000	00000-
17. Hired labor	1164	2448	4169	5073	8574	9149	6943	6080	10638	835	5082	989	61140
18. Repairs: Mach.& Equip.	176	1417	1977	2924	4572	6892	5462	4706	8186	31	2289	29	3860.
19. Buildings & Fences	206	206	206	92	92	92	92	92	92	206	206	206	178:
20. Feed	1802	922	980	645	17	17	17	17	17	3083	576	1002	82°-
21. Seeds, plants	0	0	9	6500	8	2761	0	0	5100	0	0	0	1436
22. Fertilizer,Lime,Chem.	722	722	20419	13969	10447	0	4914	48937	0	0	0	0	10010.
23. Machine Hire	0	0	440	0	0	8	0	0	0	19231	0	9	1967
24. Supplies	8	0	0	0	0	0	0	0	0	0	0	0	
25. Vet.Medicine,Breed fee	0	0	0	0	381	0	0	0	0	1050	0	0	143:
26. Fuel, oil, lubricants	691	2144	6147	13067	22836	18 <b>63</b> 1	16985	139 <b>5</b> 3	23675	341 8	11599	366 0	129535
27. Storage, Warehousing	0	0	0	8	9	0	0	0	0	8	0	255	255
28. Taxes- R.E & Pers.Prop 29. Insurance	0	0	0	0	0	8	0	0	0	0	0	233	24.
30. Utilities		9	0	0	- 0	0	0	Ů	0	9	9	•	45
31. Rents, leases	0	Ó	0	0	8	0	0	ů	- 0		á	0	
32. Freight, trucking	186	å	186	0	0	8	ő	0	_ 0	1023	0	Ō	1225
33. Miscellaneous	0	8	1305	4152	Ō	8	Ŏ	0	9120	0	0	0	145
34.	0	Ō	0	0	0	0	0	Ō	0	0	0	0	
35. Livestock purchases	8	6	0	0	9	0	0	8	0	89352	0	0	89351
36. TUTAL CASH EXPENSES	4077	7868	35750	46422	46920	37542	33512	73785	54828	115161	19761	2856	48048:
(( CAPITAL EXPENSES (total cost) ))													
37. Breeding livestock	0	0	0	0	0	0	0	0	0	0	0	J	
38. Machinery, Equipment	0	0	0	0	0	0	8	0	0	0	0	0	(
39. Bldgs, Fences, Land	0	0	9	0	0	0	0	0	0	0	0	0	r
(( OTHER OUTFLOWS )) 40. Family living	1667	1667	1667	1667	1667	1667	1667	1667	1667	1667	1667	1667	20001
41. Income Tax	1007	100/	1007	5000	1007	0	1007	1007	1007	1997	1007	1007	500
42. Investments	8	G	ō	0	0	0	٥	0	0	0	Ô	0	300
43.	Ġ	ů	0	ō	8	0	0	i	0	â	0	0	
Scheduled Debt Payments:	•	•	•	•	•								
44. Intermediate: interest	9	8	2813	9	0	2716	0	0	2615	0	0	2511	16655
45. principal	0	0	2585	0	0	2682	0	0	2782	0	0	2886	10935
46. Long Term: Interest	417	416	416	415	414	414	413	413	412	412	411	30333	3488:
47. principal	66	66	67	68	68	69	69	70	70	71	72	17808	18564
48. Total Cash Outflows	6226	10017	43298	53572	49068	45089	35661	75935	64373	117310	21910	58061	58052
(( NEW BORRROWING ))						9							
49. Intermediate 50. Long Term	8	0	8	8	0	8	0	9	0	0	0	. 0	0
	·		·			•	<del></del>		· · · · · · · · · · · · · · · · · · ·	············			•
(( CASH FLOW SUPPARY ))	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTALS
int.Rate= ((variable ))													
Minimum Cash Balance (( 1800))	)												
51. Beginning Cash Balance	1500	1000	1000	1909	1080	1000	1000	1000	1000	1000	1000	1000	1000
52. Inflows- Outflows (16-48)	<del>-4209</del>	52933	21009	-52572	-48068	183183	-10661	-50935	-38761	74915	-20910	-51061	54863
53. Cash Position (49+50+51+52)	-2709	53933	22009	-51572	-47068	184183	-9661	-49935	-37761	75915	-19910	-50061	
54. New Borrowing: Operating	3709	0	0	52 <b>57</b> 2	48048	0	19661	50935	38761	0	20910	51061	27667
55. New Borrowing: Inter.& LongTerm (( Accrued Int.aue on Oper.Loan ))	1100	0 9 <b>57</b> 7	1450	1272	2170	0	. 0	420	1215	0 2/72		1203	Ç
56. Interest pay'es.on Oper.Loan	6 <b>68</b> 8	8 <b>57</b> 7 8 <b>5</b> 77	1458 1458	1272 0	3170 0	5551 5551	151	428 0	1315	2673	520	1383	10057
	U	03//						0	0	2673 7 <b>224</b> 2	0	0	19257
57. Princing, navite on financiase	B	44357	19551										
57. Principal pay'ts.on Oper.Loan 58. Ending Cash Balance	0 1000	44357 1000	19551 1000	1880	0 1000	177632	1000	•			-	1000	313761
58. Ending Cash Balance	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	313/61
58. Ending Cash Balance								•			-		313761
58. Ending Cash Balance 59. Outstanding Operating Debt	1000 153709	1000 10 <b>935</b> 2	1000 89801	1000 142373	1000 190441	1000 12869	1000 23470	1000 74405	1000 113167	1000 40 <b>925</b>	1000 61835	1000 112896	313761

Table 43. Income Statement and Financial Ratios: Northwest Farm: Medium Equity and Good Cash Flow  $\,$ 

2. CASE FAME POPPERS		INCOME STA	TRIBIT					FINANCIAL RATIOS
Reser darket livestock   148212	A. OPERATING RECEIPTS							
Building & Feet Repairs   1786   Carrent Liabilities		::						Current Ratio= Current Assets = 1.086747
Cash   Interest   Cash   Interest   Cash   Interest   Cash   Interest   Cash	Raised market livestock							Current Lightlities
	Lunestock nurchased for		٠					our ent crasiii ties
			0					Working Asset Ratio= Current+Int.Assets = 1.356876
Subtotal:   148212   Nachmery fifts   1947    Supplies   6   Supplies	Livestock products				Seed, Pla	ets, Other		*****************
Sepiles								Current+Int.Liabilities
Comparing   Comp	,	Subtotal:	148212			Hire		
						_	-	Debt Structure Ratio= Current Liabilities = .3655855
Satisfied   Storage   Satisfied   Storage	Crop Sales:						•	***************************************
Subtotal: 462171   Augustate   Subtotal: 462171   Augustate   Case Rent & Leases   Case Ren			0					Total Liabilities
Tars: Real Est.4 Pers.Prop   255								Net Constal Batter Total Assets - 2 Esten
Subtotal: 462171								met Capital Ratio=   lotal Assets =   2.541886
Subtotal: 463171						er estia reconred		Total Liabilities
Other   Country   Countr		Subtotal:	463171			(farm share)		TOTAL CIADITITIES
Other   Country   Countr					Cash Rent	& Leases	O	Debt to Equity Ratio= Total Liabilities = .648893.
Part					Freight, '	Trucking	1235	***************************************
Case   Ref   Case   C	Government payments		0		Conservat	on Expenses	14570	Net Worth
Subtotal								Total Debt Ratio= Total Liabilities = .3935325
Subtotal: 0   Per Cant Equity= Net Worth = 100 = 66.44675			a		ras ir .ba.	chased for resale	87332	***************************************
Subtotal   0			٠		TOTAL CAS	H FYPENSES	544281	iotal Assets
C. NET CASH INCOME FROM OPERATIONS		Subtotal:	0			D. 0100	344201	Per Cent Equity= Net Wortn + 108 = 60.64675
Debt Servicing Ratio= Total Debt Payments   Debt Servicing Ratio= Total Debt Payments   22.71611	GROSS RECEIPTS FROM FARMIN	16	611384					**********
D. ADJUSTMENTS FOR ACCRUED ITEMS AND INJECTION? CNEMEES:  1. Accounts Aboves Recrivable:    Notes & Counts   Other   Other   Other   Claim   Net Cash Farm Income   Net Cash Farm Income   Net Cash Farm Income   Other   Othe				(				Total Assets
Accounts & Notes Receivable:   Notes & Accounts   Other   Other   Other   Ending Inventory   0						ONS	67103	
Recounts   Net Cash Farm Income   Page   Recounts   Recounts   Page   Recounts   Page   Recounts   Page				CHANGES	1			Debt Servicing Ratio= Total Debt Payments = 22.71611
Ending   Inventory   0   0   0   0   0   0   0   0   0	1. Accounts & Notes Receiv				•			
Department   Dep				Uther	Other			Net Cash Farm Income
Change 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			•					Oncestive the Detune to Labor & Management - 25000
Accounts Payable & Accrued Expenses:   Reginning Inventory		ry .	-		٨		۵	
Rose		d Evene	•	٠	U	-	U	(1996Lf W 62fimefed Afine In Alac.
Beginning Inventory	MCCOUNTS PAYABLE & MCCP			Taves	Interest	Ather		POEs Not Face Incomes Connection to Return
Ending Inventory - 4500	Regisarag Tayenta							
Change		•				ň		
Ending   Beginning   R0]= Net Farm Income* Interest- Opportunity   Return to Labor & Management   2.0389085						•	4782	Average Equity
Ending   Beginning   ROJ= Net Farm Income*   Interest- Opportunity   Return to Labor & Hanagement   = .038908°						·		
Nkt.Livestock   Stored Crops   Feed & Supplies   Feed & Fee			Endiag	1	eq i nn i nq			ROJ= Net Farm Income+ Interest- Opportunity
Inventories:		1	nventory	1	Inventory			Return to Labor & Management = .038908°
Mkt.Livestock & Products   Feed & Supplies   Crops   Crops   Ending Inventory   96955   41550   73734			0	•	9=	:	0	*****************************
Ending Inventory 96755 40125 73743 Beginning Inventory 110358 41500 73734 Change -13403 -1375 9 -14769  E. ADJUSTMENTS FOR CAPITAL ITEMS:  Breeding	i. inventories:							Average Total Assets
Ending Inventory 96955 40125 73743 Beginning Inventory 110358 41500 73734 Change -13403 -1375 9 -14769  E. ADJUSTMENTS FOR CAPITAL ITEMS:  Breeding						6coming		
Beginning Inventory		f			Supplies			
Change -13403 -1375 9 -14769  E. ADJUSTMENTS FOR CAPITAL ITEMS:  Breeding Mach.& Improve— Lustk. Vehicles Equip. ments  Ending Inventory 46600 4500 49153 38500 Sales 0 0 0 0 0 Subtotal: 46600 4500 49153 38500 Beginning Inventory 44400 5000 87486 49000 Purchases 0 0 0 0 0 Subtotal: 44400 5000 87486 40000 Change 2200 -500 -38253 -1500 -38053  F. VALUE OF FARM PRODUCTS USED IN THE HOME 0								
E. ADJUSTMENTS FOR CAPITAL ITEMS:    Breeding		ry						
Breeding   Mach.4   Improve—   Lystk. Vehicles   Equip.   ments	Change		-13483	-1375		9	-14769	
Breeding   Mach.4   Improve—   Lystk. Vehicles   Equip.   ments	5 48 HIMMOTO CON 0401741							
Lvstk. Vehicles Equip. ments  Ending Inventory 46600 4500 49153 38500  Sales 0 0 0 0 0  Subtotal: 46600 4500 49153 38500  Beginning Inventory 44400 5000 87486 49000  Purchases 0 0 0 0 0  Subtotal: 44400 5000 87486 40000  Change 2200 -500 -38253 -1500 -38053  - VALUE OF FARM PRODUCTS USED IN THE HOME 0	E. ADJUSTMENTS FUR CAPITAL	1162:	Danadona		Mark 1			
Ending Inventory 46600 4500 49153 38500 Sales 0 0 0 0 0 Subtotal: 46600 4500 49153 38500 Beginning Inventory 44400 5000 87406 48000 Purchases 0 0 0 0 0 Subtotal: 44400 5000 87406 40000 Change 2200 -500 -38253 -1500 -38053  - VALUE OF FARM PRODUCTS USED IN THE HOME 0				linheelee				
Sales 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Fedura lawantery							
Subtotal: 46600 4500 49153 38500  Beginning Inventory 44400 5000 87486 48000  Purchases 0 0 0 0 0  Subtotal: 44400 5000 87486 40000  Change 2200 -500 -38253 -1500 -38053  - VALUE OF FARM PRODUCTS USED IN THE HOME 0	•							
Beginning Inventory         44400         5000         87486         48000           Purchases         0         0         0         0           Subtotal:         44400         5000         87486         40000           Change         2200         -500         -38253         -1500         -38053           VALUE OF FARM PRODUCTS USED IN THE HOME         0         0         0		:	•	-		•		
Purchases 0 0 0 0 0 Subtotal: 44400 5000 87404 40000 Change 2200 -500 -38253 -1500 -38053  F. VALUE OF FARM PRODUCTS USED IN THE HOME 0								
Subtotal: 44400 5000 87406 40000  Change 2200 -500 -38253 -1500 -38053  F. VALUE OF FARM PRODUCTS USED IN THE HOME 0		.,						
Change 2200 -500 -38253 -1500 -38053  F. VALUE OF FARM PRODUCTS USED IN THE HOME 0		:	•	-	-	•		
VALUE OF FARM PRODUCTS USED IN THE HONE 0		-					-38053	
		USED IN THE				••••	0	
			_				14063	

Table 44. Net Worth Statement: Northwest Farm: Medium Equity and Poor Cash Flow

NET WORTH STATEMENT	Beginning Balance	Ending Balance	Ne t Change		Beginning Balance	Ending Balance	Ne t Change
CURRENT ASSETS			-	CURRENT LIABILITIES			
1. Cash & Checking	1500	1000	-500	29. Accounts Payable	5000	<b>6500</b>	1500
2. Savings & Time Certificates	2000	2500	500	30. Notes Payable	150000	215320	65320
3. Marketable Bonds & Securities			0	31. Interest Due: Current	5000	4105	-895
4. Accounts Receivable			0	32. Intermediate	10654	8919	-1735
5. Cash Value Life Insurance	5000	5000	0	33. Long Term	34886	32956	-1930
Market Livestock & Products:				Taxes Due:			
<ol><li>Raised Livestock</li></ol>	36786	27440	-9346	34. Real Estate & Personal Property	5000	6000	1000
<ol><li>Purchased Livestock</li></ol>	73572	69515	-4057	35. Employee Payroll Withholding			0
8. Stored Crops, Feed, Supplies	41500	40125	-1375	36. Personal& Self-Employment			0
9. Cash Investment Growing Crops	73734	73743	9	37. Other Accrued Expenses			Û
10. Prepaid Expenses			0	38. Contingent Tax Liability			0
11. Other Current Assets			8	Principal Due in 12 months:			
12. TOTAL CURRENT ASSETS	234092	219323	-14769	39. Intermediate Liabilities	10935	12670	1735
Internediate assets				40. Long Term Liabilities	18563	20492	1929
13. Notes Receivable			0	41. Other Current Liabilities			0
Breeding Livestock:				·· 42.			0
14. Raised Livestock	44400	46600	2200	43. TOTAL CURRENT LIABILITIES	240038	306962	66924
<ol><li>Purchased Livestock</li></ol>			0	INTERMEDIATE LIABILITIES			
16. Vehicles	5000	4500	-500	44. Notes Payable	64065	51395	-12670
17. Machinery & Equipment	87406	49153	-38253	45. Contingent Tax Liability			0
18. Securities Not Readily Mktable	. 12000	12000	0	46. Other Intermediate Liabilities			0
19. Other Intermediate Assets	10000	12000	2000	47.			0
20. TOTAL INTERMEDIATE ASSETS	158806	124253	-34553	48. TOTAL INTERMEDIATE LIABILITIES	64065	51395	-12670
FIXED ASSETS				LONG TERM LIABILITIES			
21. Contracts & Notes Receivable			0	49. Mortgages & Notes Payable	319437	298945	-20492
22. Buildings & Improvements	40000	38500	-1500	50. Contingent Tax Liability			•0
23. Cropland	894000	896000	0	51. Other Long Term Liabilities			0
24. Pasture	125000	125000	0	52.			0
25. Non-Farm Investments			0	53. TOTAL LONG TERM LIABILITIES	319437	298945	-20492
26. Other Long Term Assets			0	54. TOTAL LIABILITIES	623540	657302	33762
27. TOTAL FIXED ASSETS	1061000	1059500	-1500	55. NET WORTH	830358	74577 <b>4</b>	-84584
28. TOTAL ASSETS	1453898	1403076	-50822	56. TOTAL LIABILITIES & NET WORTH	1453898	1403076	-50822

Table 45. Cash Flow Statement: Northwest Farm: Medium Equity and Poor Cash Flow

UNOLEFARM CASHFLOW STATEMENT	AN	:E3	MAR	APR	MAY	JUN	JUL	÷06	SEP	900	NOV	DEC	TOTALS
( OPERATING RECEIPTS )) -	969	69180	61472	0		0	0	0	571	20348	0	0	143540
2.	3	0	9	3	0	0	8	9	0	0	3	8	
<ol> <li>Sale of purchased lusg</li> <li>Crop Sales:</li> </ol>	0	9	9	0	0	9 1 <b>78485</b>	0 1 <b>7231</b>	17 <b>231</b>	17 <b>231</b>	0 147 <b>530</b>	0	0	37779
5.	ō	0	ō	0	0	0	0	3	8	0	Ö	0	•,,,,
6. Government payments 7. Other farm income	0	0	. 0	3	0	9	0	0	9	0	9	0	
8.	0	0	9	o	Õ	0	0	0	0	9	9	9	
TUTAL CASH RECEIPTS     (( CAPITAL SALES ))	969	60180	61472	J	0	178485	17231	17231	17802	167878	0	0	521248
18. Breeding livestock	0	0	0	0	0	0	0	3	0	0	0	0	
11. Machinery, equipment	0	0	0	0	0	0	0	0	0	0	0	0	
12. Building, land (( OTHER INFLOWS ))	0	0	0	9	0	9	0	0	0	0	0	9	٠
13. Wages and salaries	1000	1000	1000	1088	1000	1000	1000	1000	1000	1008	1000	1000	12000
14. Investments	0	0	0 8	8	0	6 <b>000</b> 0	0	0	0	0	0	6 <b>00</b> 8	12000
16. TOTAL CASH INFLOW	1969	61180	62472	1000	1000	185485	18231	18231	18802	168878	1000	7008	54524t
<pre>&lt;( OPERATING EXPENSES &gt;&gt; 17. Hired labor</pre>	1164	2448	4169	5873	8574	9149	6943	6080	10638	835	5082	989	61140
19. Repairs: Mach.& Equip.	176	1417	1977	2924	4572	6892	5462	4706	8186	31	2289	29	386éi
19. Buildings & Fences	206 1052	20 <b>6</b> 9 <b>68</b>	206 1029	92 678	92 18	92 18	92 18	92 18	92 18	206 32 <b>37</b>	2 <b>06</b> 6 <b>05</b>	206 1052	178e 8712
20. Feed 21. Seeds, plants	0	798	0	6 <b>825</b>	0	2899	,8	0	5355	3237	003	0	15079
22. Fertilizer, Line, Chem.	7 <b>59</b>	7 <b>59</b>	21448	14667	10970	0	5160	51384	0		0	0	105139
23. Machine Hire 24. Supplies	9	0	4 <b>46</b> 0	0	8	0	0	0	0	19 <b>231</b> 0	0	0	1967
25. Jet.Medicine,Breed fee	0	3	0	0	381	0	0	0	0	1950	0	J	143.
26. Fuel, oil, lubricants 27. Storage, Warehousing	726 0	2 <b>22</b> 1	6443 0	13677 a	23754	19 <b>415</b>	16641	14493	24859 0	3 <b>58</b>	12167	3 <b>84</b> 0	135851
28. Taxes- R.E & Pers.Prop .	ō	0	ů	ů	. 0	Ů	8	0	0	0	0	255	255
29. Insurance	9	0	0	8	- 0	0	9	0	0	0	0	9	1
30. Utilities 31. Rents, leases	0	9	0	0	0	8	0	0	. 0	0	0	0	45
32. Freight, trucking	196	0	106	0	0	0	0	0	0	1023	0	0	1235
33. Miscellaneous 34.	0 a	0	13 <b>05</b>	4152 0	0 a	9 0	0	0	76 <b>08</b>	0	0	0	1385
35. Livestock purchases	0	ō	Ō	0	0	g	0	0	0	88128	ō	0	88123
36. TOTAL CASH EXPENSES (( CAPITAL EXPENSES (total cost) ))	4197	8 <b>627</b>	37115	48989	48363	38465	34316	76683	56747	114108	20357	2925	489392
37. Breeding livestock	0	0	0	0	0	0	0	0	0	0	0	8	
38. Machinery, Equipment	0 8	0	0	.0	0	0	8	8	0	0	3	0	)
39. Bidgs, Fences, Land (( OTHER OUTFLOWS ))	•	U		,	•	U			U	U	3	v	
40. Family living	1667	1667	1667	1667	1667	1667	1667	1667	1667	1667	1667	. 1667	20000
41. Income Tax 42. Investments	0,	0	0	5 <b>000</b> 0	0	0	8	0	0	9	0	0	50 <b>0</b> 6
43.	0	0	0	Ō	Ō	0	0	9	0	0	0	0	
Scheduled Debt Payments: 44. Intermediate: interest	a	0	2813	6	0	2716	0	8	2615	0	0	2511	10655
45. principal	0	0	2585	ō	0	2682	0	9	2782	0	0	2886	10935
46. Long Term: interest 47. orincipal	417 66	41 6 66	41 <i>6</i> 67	41 <b>5</b> 68	414 68	414 69	413 69	413 70	412 70	412 71	411 72	30333 17808	3488c 18564
48. Total Cash Outflows	6347	10176	44663	55238	50511	46013	36465	78833	64293	116258	22507	58129	589432
/( NEW BORRROWING )> 49. Intermediate	8	0	9	9	9	a	0	0	8	0	0	8	
50. Long Term	9	0	0	8	0	å	9	8	0	0	0	8	0
(( CASH FLOW SUPPARY ))	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP		NOU	0EC	TUTALS
Int.Rate= ((variable)) -			(THK	HTK		101	106	HUO	357	OCT	100	VE6	TUIMES
Minimum Cash Balance (( 1000)) 51. Beginning Cash Balance	1509	1000	1000	1000	1000	1966	1000	1000	1000	1000	1000	1000	1000
52. Inflows- Outflows (16-48)	-4378	51004	17809	1000 -54238	1000 -49511	139473	100 <b>0</b> -18234	1000 -60602	10 <b>00</b> -45491	1000 52620	10 <b>09</b> -21 <b>50</b> 7	1000 -51129	1000 -44184
53. Cash Position (49+58+51+52)	-2878	52084	18809	-53238	-48511	140473	-17234	-59602	-44491	53620	-20507	-58129	284504
54. New Borrowing: Operating 55. New Borrowing: Inter.& LongTerm	3 <b>878</b> 0	0	9	54238 0	49511 0	9	1 <b>8234</b> 0	6 <b>9692</b> 0	45 <b>491</b> 0	0	21 <b>507</b> 0	51129 0	3 <b>8459</b> 1
<pre>&lt;&lt; Accrued Int.due on Oper.Loan &gt;&gt;</pre>	6688	8579	1486	1348	3339	5 <b>825</b>	766	1754	3471	5746	1813	4105	
56. Interest pay'ts.on Oper.Loan 57. Principal pay'ts.on Oper.Loan	0	8 <b>579</b> 42 <b>425</b>	14 <b>86</b> 16 <b>323</b>	0	0	5 <b>825</b> 133647	Ŭ G	9	0	5746 46875	0	0	21635 2 <b>392</b> 71
58. Ending Cash Balance	1000	1000	1080	1800	1000	1350	1000	1000	1000	1000	1000	1000	
59. Jutstanding Operating Debt 30. Outstanding Intermediate Debt	153878 75000	111453 75000	95130 72415	149368 72415	198879 72415	55232 69733	83465 69733	144068 59733	189559 66951	142684 36951	164191 66951	215320 64065	
61. Outstanding Long Term Debt	337934	337868	337801	337733	337665	337596	337527	337457	337387	337316	337244	319436	

Table 46. Income Statement and Financial Ratios: Northwest Farm: Medium Equity and Poor Cash Flow

	INCOME STATEMENT					FINANCIAL RATIOS
A. OPERATING RECEIPTS				arm expenses		
Livestock Sales & Products	•		Hired Lab		61143	Current Ratio= Current Assets = .7144949
Raised market livestock	143540			wip.Repairs	38661	***************************************
Lunghant amakasad (as	0			& Fence Repairs	1786	Current Liabilities
Livestock purchased for resale:			Cash Inte		67177	
Livestock products	0		Feed Parc		8712	Working Asset Ratio= Current+Int.Assets = .9587526
Civestock products				nts, Other	15879	*****************
	Subtotal: 143546		rertilize Machinery	r,lime,chemicals	1 <b>05138</b> 19671	Current+Int.Liabilities
	300001211 143340		maca i nery Suppi i es	nire	176/1	Anth Chambers Baters A second by the first second
Crop Sales:	377708		Breeding .	Ease	0	Debt Structure Ratio= Current Liabilities = .4678632
	1			medicine	1431	Total Liabilities
	•			ori, lubricants	135051	iotal Liabilities
				arehousing	.55501	Net Capital Ratio= Total Assets = 2,134598
				al Est.& Pers.Prop	255	
			insurance		0	Total Liabilities
	Subtotal: 377708		Utilities	(farm share)	45	
			Cash Rent	& Leases	o	Debt to Equity Ratio= Total Liabilities = .8813496
Other Farm Income:			Freight,		1235	************
Government payments	8			on Expenses	0	Net Worth
Custom Work		,	tisceilan	eous Expenses	13057	
Dividends, Refunds					0	Total Debt Ratio= Total Liabilities = .4684723
Cash Rent		1	.vstk.par	chased for resale	88128	***************
Other	0					Total Assets
•		1	TUTAL CAS	EXPENSES	556569	
	Subtotal: 0					Per Cent Equity= Net Worth # 108 = 53.15277
GROSS RECEIPTS FROM FAMILIE	521248					*********
		(		SH INCOME FROM		Total Assets
D. ADJUSTMENTS FOR ACCRUED	TTDME AND INCOMES	-	OPERAT:	1865	-35321	A-14 A
1. Accounts & Notes Receive		CHAMBES				Debt Servicing Ratio= Total Debt Payments =732112
1. ACCOUNTS & HOTES APERIVA	Accounts	Other	Other	-		No. A. Comp. Comp. Language
Ending Inventory	Accounts	VINES	otner	•		Net Cash Farm Income
Beginning Inventor	•					Opportunity Return to Labor & Management = 20086
Change	í	8	0		a	Opportunity Return to Labor & Management = 20000 (Insert am estimated value in 0148)
2. Accounts Payable & Accru		•	٠		•	Clinate of the Commerce Affide in 6140)
	Accounts	Taxes	Interest	Other		ROE= Net Farm Income- Opportunity Return
Seginning Inventor		5000	50540	0		to Labor & Management =134612
Ending Inventory	4500	6000	45988	ō		**************************************
Change	-1500	-1880	4560	Ô	2860	Average Equity
3. Prepaid Expenses:						
	Ending		eginning			ROI= Net Farm Income+ Interest- Opportunity
	Inventory	1	nventory			Return to Labor & Management =030428
	0	-	0=	1	0	******************************
4. Inventories:						Average Total Assets
	Mkt.Livestock		Crops,	6rawing		
	& Products		Supplies	Crops		
Ending Inventory	96955	40125		73743		
Beginning Inventor		41508		73734		
Change	-13403	-1375		9	-14769	
E. ADJUSTMENTS FOR CAPITAL	TTEME.					
C. ADDUSTRIBUTES FOR CAPTIAL	Breeding		Mast 4	Insrove-		
		Vehicles	Eguis.	mercee-		
Ending Inventory	46600	4508	49153	38500		
Sales	1000	4300 A	471.33	0		
Subtotal:	•	4588	49153	38580		
Beginning Inventor		5000	87486	40000		
Purchases	,0	0	0, 400	0		
Subtotal:	44480	5000	87406	40000		
Change	2200	-500	-38253	-1500	-38853	
F. VALUE OF FARM PRODUCTS U	SED IN THE HOME				0	
G. NET FARM INCOME					-84983	

Table 47. Net Worth Statement: Northwest Farm: High Equity and Good Cash Flow

NET WORTH STATEMENT	Beginning Balance	Ending Balance	Ne t Change	J	Beginning Balance	Ending Balance	Ne t Change
CURRENT ASSETS				CURRENT LIABILITIES			
1. Cash & Checking	1500	1000	-500	29. Accounts Payable	2000	4000	2000
2. Savings & Time Certificates	2000	2500	500	30. Notes Payable	150000	110134	-39866
3. Marketable Bonds & Securities			0	31. Interest Due: Current	2500	1310	-1190
4. Accounts Receivable			0	32. Intermediate	6908	4580	-2328
5. Cash Value Life Insurance	5000	5000	0	33. Long Term	17193	13425	-3768
Market Livestock & Products:				Taxes Due:			
6. Raised Livestock	36786	27440	-9346	34. Real Estate & Personal Property	3000	3500	500
<ol><li>Purchased Livestock</li></ol>	73572	69515	-4057	35. Employee Payroll Withholding			0
8. Stored Crops, Feed, Supplies	41500	40125	-1375	36. Personal& Self-Employment			0
9. Cash Investment Growing Crops	73734	73743	9	37. Other Accrued Expenses			0
10. Prepaid Expenses			0	38. Contingent Tax Liability			0
11. Other Current Assets		•	0	Principal Due in 12 months:			
12. TOTAL CURRENT ASSETS	234092	219323	-14769	39. Intermediate Liabilities	14680	17009	2329
INTERMEDIATE ASSETS				40. Long Term Liabilities	36256	40024	3768
13. Notes Receivable			0	41. Other Current Liabilities			0
Breeding Livestock:				42.			0
<ol><li>Raised Livestock</li></ol>	44400	46600	2200	43. TOTAL CURRENT LIABILITIES	<b>2325</b> 37	193982	-38555
<ol><li>Purchased Livestock</li></ol>			0	INTERMEDIATE LIABILITIES			
16. Vehicles	5000	4500	-500	44. Notes Payable	36715	19707	-17008
17. Machinery & Equipment	87406	49153	-38253	45. Contingent Tax Liability			0
18. Securities Not Readily Mktable.	12000	12000	0	46. Other Intermediate Liabilities			0
19. Other Intermediate Assets	10000	12000	2000	47.			0
20. TOTAL INTERMEDIATE ASSETS	158806	124253	-34553	48. TOTAL INTERMEDIATE LIABILITIES	36715	19707	-17008
FIXED ASSETS				LONG TERM LIABILITIES			
21. Contracts & Notes Receivable			0	49. Mortgages & Notes Payable	166884	126860	-40024
22. Buildings & Improvements	40000	38500	-1500	50. Contingent Tax Liability			0
23. Cropland	896000	896000	. 0	51. Other Long Term Liabilities			0
24. Pasture	125000	125000	0	52.			0
25. Non-Farm Investments			0	53. TOTAL LONG TERM LIABILITIES	166884	126860	-40024
26. Other Long Term Assets			0	54. TOTAL LIABILITIES	436136	340549	-95587
27. TOTAL FIXED ASSETS	1061000	1059500	-1500	55. NET WORTH	1017762	1062527	44765
28. TOTAL ASSETS	1453898	1403076	-50822	56. TOTAL LIABILITIES & NET WORTH	1453898	1403076	-50822

Table 48. Cash Flow Statement: Northwest Farm: High Equity

		beae								. ,			
and Good Cash Flo			440	498	444	711	***	110	en.	00		055	- 77ALC
<pre>&lt;&lt; OPERATING RECEIPTS &gt;&gt; -</pre>	JAN	FEB	HAR	APR	MAY	JUN	JUL	906	SEP	0 <b>CT</b>	40V	DEC	TOTALS
1. Livestock sales:	1017	61950	53307	0	0	0	0	3	512	21326	3		148211
2.	1017	31730	33307	ū	0	ů	ů	á	0	1	3	ó	170212
3. Sale of ourchased lusk	Ď	,	0	ō	ă	9	ō	ō	3	ō	ā	i	•
4. Crop Sales:	ò	Ö	ō	Ō	0	221273	24800	24000	24000	169899	9	ĵ	46317!
5.	0	Û	8	0	0	9	8	0	0	0	0	0	
<ol><li>Government payments</li></ol>	0	0	0	0	0	0	0	3	0	0	0	0	
7. Other tarm income	0	0	0	0	0	0	9	0	3	0	0	9	
8.	0	8	0	8	8	9	0	0	0	0	0	0	J
9. TOTAL CASH RECEIPTS	1017	61958	63387	0	0	221273	24800	24000	24612	191225	0	0	611394
(( CAPITAL SALES ))													
10. Breeding livestock	0	0	0	0	9	0	0	0	8	0	0	0	)
11. Machinery, equipment	0	0	0	0	0	0	0	0	0	0	0	0	2
12. Building, land	9	9	0	0	0	0	0	0	0	0	0	0	1
(( OTHER INFLOWS >>	1006	1000		1000	1000	1000	1000	1000	1000	1000	1000	1000	12000
13. Wages and salaries 14. Investments	1008	1000	1000 a	100 <b>0</b> 0	1000	10 <b>08</b> 6 <b>000</b>	1000	1000	1000	1000	1000	1000 6000	12006 12000
15.	a	9	0	0	8	0	9	8	8	8	0	0	12000
16. TOTAL CASH INFLOW	2017	62950	64387	1000	1906	228273	25000	25890	25612	192225	1000	7000	635384
<pre>&lt;&lt; OPERATING EXPENSES &gt;&gt;</pre>		02740	*****									7.000	******
17. Hired Tabor	1164	2448	4169	5073	8574	9149	6943	6888	10638	835	5082	9 <b>89</b>	61143
18. Repairs: Mach.& Equip.	176	1417	1977	2924	4572	68 <b>92</b>	5462	4706	8186	31	2289	29	38661
19. Buildings & Fences	296	206	206	92	92	92	92	92	92	206	206	206	1786
28. Feed	1882	922	980	645	17	17	17	17	17	3083	576	1002	8297
21. Seeds, plants	9	8	0	4500	8	2761	0	9	5100	0	0	. 0	14361
22. Fertilizer,Lime,Chem.	722	722	. 20419	13969	10447	0	4914	48937	0	0	0	0	100131
23. Machine Hire	0	0	440	0	0	0	0	0	9	19231	0	0	19671
24. Supplies	0	0	0	9	9	0	0	8	0	ũ	9	0	9
25. Vet.Medicine,Breed fee					381	Q-	0	0	0	1050		0	1431
26. Fuel, oil, lubricants	691	2144	6147	13047	22836	18631	14085	13953	23675	341	11599	366	129535
27. Storage, Warehousing	0	0	0 0	0	. 0	0	9	0	0	0	0	0 2 <b>55</b>	ე 2 <b>55</b>
"28. Taxes- R.E & Pers.Prop 29. Insurance	0	a	9	0	- 0	8	0	0	9	0	0	233	233
30. Utilities	9	,	0	0	. 0	0	8	0-	0	9	9	9	45
31. Rents. leases	á	á	ů	ů	ă	ā	ů	0 -	- 0	á	á	á	9
32. Freight, trucking	106	á	106	ā	å	i	ă	ő	0	1023	ů	ď	1235
33. Miscellaneous	0	0	1305	4152	ő	ă	ů	ō	9120	0	8	ě	14577
34.	å	ā		0	ā	ă	ā	ŏ	0	ă	ă	ă	3
35. Livestock purchases	à	Ġ	ă	Ď	Ŏ	9	ā	ā	ā	89352	ō	ģ	~~552
36. TOTAL CASH EXPENSES	4077	7868	35750	46422	46920	37542	33512	73785	56828	115161	19761	2856	488481
(( CAPITAL EXPENSES (total cost) ))													
		9	0	0	0	0	0	0	0	9	0	0	1
37. Breeding livestock	0	v	•								•		,
37. Breeding livestock 38. Machinery, Equipment	0	0	ů	0	0	0	6	0	0	0	ő	0	3
38. Machinery, Equipment 39. Bldgs, Fences, Land	-		-	0	0	0	8	0	O O	0		0	
38. Machinery, Equipment 39. Bldgs, Fences, Land << OTHER OUTFLOWS >>	0	0	0	0	0	0	0	Ō	Û	0	0	ō	3
38. Machinery, Equipment 39. Bldgs, Fences, Land (COTHER OUTFLOWS >> 40. Family living	0 0 1667	0 0 1667	0 0 1667	1667	1667	1667	1667	1667	1667	1667	0 0 1667	1667	3 9 20 <b>00</b>
38. Machinery, Equipment 39. Bldgs, Fences, Land (< OTHER OUTFLOWS >> 40. Family living 41. Income Tax	0 0 1667 0	0 0 1667 0	0 0 1667 0	1 6 6 7 5000	0 1667 0	0 16 <b>67</b> 0	1667 0	0 1667 0	0 1667 0	1667	0 0 1447 0	1 <b>667</b>	20 <b>000</b> 50 <b>00</b>
38. Machinery, Equipment 39. Bldgs, Fences, Land (* OTHER OUTFLOAS >> 40. Family living 41. Income Tax 42. Investments	0 0 1667 0	0 0 1667 0	0 0 1667 0	1667 5000 0	1667 0 0	1667 0	1667 0 0	1667 0	1667 0 0	1667 0 0	0 0 1667 0	1567 0	20 <b>060</b> 50 <b>00</b>
38. Machinery, Equipment 39. Bldgs, Fences, Land (COTHER OUTFLOWS >> 40. Family loving 41. Income Tax 42. Investments 43.	0 0 1667 0	0 0 1667 0	0 0 1667 0	1 6 6 7 5000	0 1667 0	0 16 <b>67</b> 0	1667 0	0 1667 0	0 1667 0	1667	0 0 1447 0	1 <b>667</b>	20 <b>000</b> 50 <b>00</b>
38. Machinery, Equipment 39. Bldgs, Fences, Land (COTHER OUTFLOAS >> 40. Family living 41. Income Tax 42. Investments 43. Geneduled Debt Payments:	1667 0 0	0 0 1667 0 0	1667 0 0	1667 5000 0	16 <b>67</b> 0 0	1667 0 0	1667 0 0	1667 0 0	1667 0 0	1667 0 0	1667 0 0	16 <b>67</b> 0 0	20 <b>000</b> 50 <b>00</b>
38. Machinery, Equipment 39. Bldgs, Fences, Land (*COTHER OUTFLOWS >> 40. Family living 41. Income Tax 42. Investments 43. Scheduled Debt Payments: 44. Intermediate: interest	1667 0 0 0	0 0 1667 0 0	0 0 1667 0 0 0	0 1667 5000 0 0	1667 0 0	0 1667 0 0 0	1667 0 0	0 1667 0 0	1667 0 0 0	0 16 <b>67</b> 0 0	1667 0 0 0	1667 0 0 0	20 <b>000</b> 50 <b>00</b> 0
38. Machinery, Equipment 39. Bldgs, Fences, Land (COTHER OUTFLOAS )> 40. Family living 41. Income Tax 42. Investments 43.  3cheduled Debt Payments: 44. Intermediate: interest 45. principal	1667 0 0 0 0	0 0 1667 0 0 0	1667 0 0 0 0 1927 3470	0 1467 5000 0 0	1667 0 0 0	0 1667 0 0 0 1797 3600	0 1667 0 0 0	0 1667 0 0 0	1667 0 0 0 1662 3735	0 1667 0 0 0	0 0 1667 0 0 0	1667 0 0 0 1522 3875	3 9 20 <b>880</b> 50 <b>00</b> 3 0 49 <b>98</b> 14 <b>690</b>
38. Machinery, Equipment 39. Bldgs, Fences, Land (*OTHER OUTFLOAS >> 40. Family living 41. Income Tax 42. Investments 43. Scheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest	0 0 1667 0 0 0	0 0 1667 0 0 0 0	1667 0 0 0 0 1927 3470 416	0 1667 5000 0 0 0	0 1667 0 0 0	1667 0 0 0 1797 3600 414	0 1667 0 0 0 0	0 1667 0 0 0 0	1667 0 0 0 1662 3735 412	0 1667 0 0 0 0	0 0 1667 0 0 0 0	1667 0 0 0 1522 3875 12640	3 9 20 <b>000</b> 50 <b>00</b> 0 3 49 <b>08</b> 14 <b>690</b> 17193
38. Machinery, Equipment 39. Bldgs, Fences, Land (*COTHER OUTFLOWS >> 40. Family living 41. Income Tax 42. Investments 43.  Scheduled Debt Payments: 44. Intermediate: interest 45.  principal 46. Long Term: interest 47.  principal	0 0 0 1667 0 0 0 0 0 417 66	0 0 1667 0 0 0	1667 0 0 0 0 1927 3470	0 1467 5000 0 0	1667 0 0 0	0 1667 0 0 0 1797 3600	0 1667 0 0 0 0 0 413 69	0 1667 0 0 0	1667 0 0 0 1662 3735 412 70	0 1667 0 0 0	0 0 1667 0 0 0 0 0 411 72	1667 0 0 0 1522 3875	20 <b>840</b> 50 <b>00</b> 3 0 49 <b>98</b> 14 <b>490</b>
38. Machinery, Equipment 39. Bldgs, Fences, Land (*OTHER OUTFLOAS >> 40. Family living 41. Income Tax 42. Investments 43. Scheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest	0 0 1667 0 0 0	0 0 1667 0 0 0 0 0	1667 0 0 0 0 1927 3470 416 67	0 1667 5000 0 0 0 415 68	0 1667 0 0 0 0 414 68	1667 0 0 0 1797 3600 414 49	0 1667 0 0 0 0	0 1667 0 0 0 0 0 413 70	1667 0 0 0 1662 3735 412	0 1667 0 0 0 0 0 412 71	0 0 1667 0 0 0 0	1567 0 0 0 1522 3875 12640 35301	3 9 20000 5000 0 4908 14600 17193 36257
38. Machinery, Equipment 39. Bldgs, Fences, Land (COTHER OUTFLOWS) 40. Family living 41. Income Tax 42. Investments 43. Scheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest 47. principal 48. Total Cash Outflows	0 0 0 1667 0 0 0 0 0 417 66	0 0 1667 0 0 0 0 0	1667 0 0 0 0 1927 3470 416 67	0 1667 5000 0 0 0 415 68	0 1667 0 0 0 0 414 68	1667 0 0 0 1797 3600 414 49	0 1667 0 0 0 0 0 413 69	0 1667 0 0 0 0 0 413 70	1667 0 0 0 1662 3735 412 70	0 1667 0 0 0 0 0 412 71	0 0 1667 0 0 0 0 0 411 72	1567 0 0 0 1522 3875 12640 35301	3 9 20000 5000 0 4908 14600 17193 36257
38. Machinery, Equipment 39. Bldgs, Fences, Land (COTHER OUTFLOWS)) 40. Family living 41. Income Tax 42. Investments 43. 3cheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest 47. principal 48. Total Cash Outflows (COMEND BORRROWING))	0 0 1667 0 0 0 0 417 64 6226	0 0 0 1667 0 0 0 0 416 64 10017	0 0 1667 0 0 1927 3470 416 67 43297	0 1647 5000 0 0 0 415 68 53572	0 1647 0 0 0 0 0 414 48 49048	1647 0 0 0 1797 3600 414 49	0 1667 0 0 0 0 0 413 69 35641	0 1667 0 0 0 0 413 70 75935	1667 0 0 0 1662 3735 412 70 64373	0 1667 0 0 0 0 0 412 71 117310	0 0 0 1667 0 0 0 0 411 72 21910	1567 0 0 0 1522 3875 12640 35301 58041	3 9 20000 5000 0 4908 14600 17193 36257
38. Machinery, Equipment 39. Bldgs, Fences, Land (COTHER OUTFLOWS >> 40. Family living 41. Income Tax 42. Investments 43. Scheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest 47. principal 48. Total Cash Outflows (CNEW BORRROWING >> 49. Intermediate 50. Long Term	0 0 1667 0 0 0 0 417 64 6226	0 0 1667 0 0 0 0 416 66 10017	1667 0 0 0 1927 3470 416 67 43297	0 1667 5000 0 0 0 415 48 53572	1667 0 0 0 0 0 414 48 49048	1647 0 0 0 1797 3600 414 49 45088	0 1667 0 0 0 0 413 69 35641	0 1647 0 0 0 0 413 70 75935	1667 0 0 1662 3735 412 70 64373	0 1667 0 0 0 0 412 71 117310	0 0 0 1667 0 0 0 0 0 411 72 21910	1667 0 0 1522 3875 12640 35501 58061	20000 5000 5000 9 4998 14600 17193 36257 580519
38. Machinery, Equipment 39. Bldgs, Fences, Land (*COTHER OUTFLOWS >> 40. Family living 41. Income Tax 42. Investments 43. 3 Cheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest 47. principal 48. Total Cash Outflows (*NEW BORRROWING >> 49. Intermediate 50. Long Term (*CASH FLOW SUPMARY >>	0 0 1667 0 0 0 0 417 64 6226	0 0 1667 0 0 0 0 416 666 10017	1667 0 0 0 1927 3470 416 67 43297	0 1667 5000 0 0 0 415 48 53572	1667 0 0 0 0 0 414 48 49048	1647 0 0 0 1797 3600 414 49 45088	0 1667 0 0 0 0 413 69 35641	0 1647 0 0 0 0 413 70 75935	1667 0 0 0 1662 3735 412 70 64373	0 1667 0 0 0 0 0 412 71 117310	0 0 0 1647 0 0 0 0 411 72 21910	1667 0 0 1522 3875 12640 35501 58061	20000 5000 3 4908 14600 17193 34257 580519
38. Machinery, Equipment 39. Bldgs, Fences, Land (COTHER OUTFLOAS >> 40. Family living 41. Income Tax 42. Investments 43.  3cheduled Debt Payments: 44. Intermediate: interest 45.  principal 46. Long Term: interest 47. principal 48. Total Cash Outflows (CNEW BORRROWING >> 49. Intermediate 50. Long Term  (CASH FLOW SUMMARY >> Int.Rate ((variable >>)	0 0 1667 0 0 0 0 417 64 6226	0 0 1667 0 0 0 0 416 66 10017	1667 0 0 0 1927 3470 416 67 43297	0 1667 5000 0 0 0 415 48 53572	0 1667 0 0 0 0 414 68 49068	1667 0 0 1797 3600 414 49 45088	0 1667 0 0 0 0 413 69 35641	0 1667 0 0 0 0 413 70 75935	1667 0 0 1662 3735 412 70 64373	0 1667 0 0 0 0 412 71 117310	0 0 0 1667 0 0 0 0 0 411 72 21910	1567 0 0 1522 3875 12640 35501 58061	3 9 20000 5000 3 9 4998 14696 17193 36257 580519
38. Machinery, Equipment 39. Bldgs, Fences, Land (**COTHER OUTFLOMS**) 40. Family living 41. Income Tax 42. Investments 43. 3. Scheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest 47. principal 48. Total Cash Outflows (**NEW BORRROWING**) 49. Intermediate 50. Long Term  (**CASH FLOW SUMMARY**) Int.Ratem (**Wariable**) Minimum Cash Balancem (**1000)	0 0 0 1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 1647 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1667 0 0 0 1927 3470 416 47 43297 0 0	0 1667 5000 0 0 0 415 68 53572 0	0 1647 0 0 0 0 0 414 68 49048	0 1667 0 0 0 1797 3600 414 69 45088	1667 0 0 0 0 413 49 35661	0 1667 0 0 0 0 413 70 75935	0 1647 0 0 0 1662 3735 412 70 64373 0 0	0 1667 0 0 0 0 412 71 117310 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1567 0 0 0 1 1522 3875 12640 35301 58061	20000 5000 3 3 4998 14690 17193 34257 580519
38. Machinery, Equipment 39. Bldgs, Fences, Land (**COTHER OUTFLOWS **) 40. Family living 41. Income Tax 42. Investments 43. 3cheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest 47. principal 48. Total Cash Outflows (**NEW BORRROWING **) 49. Intermediate 50. Long Term  (**CASH FLOW SUMMARY **) Int.Rate*** (**Variable **) Minimum Cash Balance** (** 1000) 51. Beginning Cash Balance** (** 1000)	0 0 0 1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1667 0 0 0 0 0 416 666 10017 0	1647 0 0 0 1927 3470 416 43297 0 0 MAR	0 1647 5000 0 0 0 415 48 53572 0 0	0 1647 0 0 0 0 9 414 68 49048 0 0	1647 0 0 0 1797 3600 414 45088 0 0	1667 0 0 0 0 0 413 69 35661 0	0 1647 0 0 0 0 413 75935 0 0	1647 0 0 0 1662 3735 412 70 64373 0 9	0 1667 0 0 0 0 412 71 117310 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1567 0 0 0 1 1522 3875 12640 35501 58041 0 0	3 9 20000 5000 5000 5000 5000 5000 5000 5
38. Machinery, Equipment 39. Bldgs, Fences, Land (**OTHER OUTFLOWS **) 40. Family living 41. Income Tax 42. Investments 43. 3cheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest 47. principal 48. Total Cash Outflows (**NEW BORRROWING **) 49. Intermediate 50. Long Term  (**CASH FLOW SUPPMRY **) Int.Ratem (**variable **) Minimum Cash Balancem (**) 51. Beginning Cash Balance 52. Inflows- Outflows (16-48)	0 0 0 1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1667 0 0 0 0 0 416 46 10017 0 FEB	1667 0 0 0 1927 3470 416 43297 0 MAR	0 1667 5000 0 0 415 48 53572 0 0 APR	1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1647 0 0 0 1797 3640 414 49 45888 0 0	1667 0 0 0 0 413 49 35661 0 JUL	1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1667 0 0 0 1662 3735 412 70 64373 0 0 SEP	0 1667 0 0 0 0 412 71 117310 0 0 OCT	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1667 0 0 0 1522 3875 12640 35301 58061 0 0	20098 5000 3 4998 14699 17193 36257 580519
38. Machinery, Equipment 39. Bldgs, Fences, Land (**OTHER OUTFLOAS**) 30. Family living 41. Income Tax 42. Investments 43.  Scheduled Debt Payments: 44. Intermediate: interest 45.  principal 46. Long Term: interest 47.  principal 48. Total Cash Outflows (**NBAB BORROWING**) 49. Intermediate 50. Long Term  (**CASH FLOA SUMMARY**)  Int.Ratem (**Wariable**)  Minimum Cash Balancem (**1000) 51. Beginning Cash Balance 52. Inflows- Outflows (16-48) 53. Cash Position (49+50+51+52)	1647 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1647 0 0 0 1 1927 3470 416 67 43297 0 0 MAR	0 1667 5000 0 0 0 415 48 53572 0 0 0	1667 0 0 0 0 9 0 414 48 49068 0 0 0 0	1667 0 0 0 0 1797 3600 414 69 45088 0 0 0 1008 183184 184184	1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1667 0 0 0 0 413 70 75935 0 0 446	1647 0 0 0 0 0 1642 3735 412 70 64373 0 0 9 SEP	0 1667 0 0 0 0 412 71 117310 0 0 OCT	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1567 0 0 0 0 1522 3875 12640 35501 58061 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	20000 5000 3 4998 14400 17193 34257 580519
38. Machinery, Equipment 39. Bldgs, Fences, Land (**COTHER OUTFLOWS**) 40. Family living 41. Income Tax 42. Investments 43. 3. Scheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest 47. principal 48. Total Cash Outflows (**NEW BORRROWING**) 49. Intermediate 50. Long Term  (**CASH FLOW SUMMARY**) Int.Ratem (**wariable**) Minimum Cash Balancem (** 1000) 51. Beginning Cash Balance 52. Inflows Outflows (16-48) 53. Cash Position (49+58+51+52) 54. New Borrowing: Operating	0 0 0 1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1647 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1647 0 0 1927 3470 414 47 43297 0 0 Mark	1667 5000 0 0 0 415 48 53572 0 0 APR	1647 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 1667 0 0 0 0 1797 3600 414 69 45088 0 0 0 0 1000 193184 194184 0 0	1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 1647 0 0 0 1662 3735 412 70 64373 0 9 SEP	0 1667 0 0 0 412 71 117310 0 0 0 T	1647 0 0 0 0 411 72 21910 0 0 1000 -20910 -19910 20910	1667 0 0 0 1522 3875 12640 35301 58061 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	3 9 20000 5000 5000 5000 5000 5000 5000 5
38. Machinery, Equipment 39. Bldgs, Fences, Land (COTHER OUTFLOWS) 40. Family living 41. Income Tax 42. Investments 43. Scheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest 47. principal 48. Total Cash Outflows (CNEW BORRROWING) 49. Intermediate 50. Long Term  (CCASH FLOW SUMMARY) Int.Rate== ((variable)) Himmoma Cash Balance= (( 1000) 51. Beginning Cash Balance 52. Inflows- Outflows (14—40) 53. Cash Position (49+50+51+52) 54. New Borrowing: Operating 55. New Borrowing: Inter.& LongTerm	0 0 0 1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1647 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1647 0 0 1927 3470 416 67 43297 0 0 MAR	1667 5000 0 0 415 415 0 0 APR 1000 -32572 -51572 52572 0	1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1647 0 0 0 1797 3600 414 45088 0 0 1000 193184 184184 0 0	1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1647 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 1667 0 0 0 1662 3735 412 70 64373 0 9 SEP	0 1667 0 0 0 0 412 117310 0 0 0 T 1000 74915 75915 0 0	1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1667 0 0 0 0 1522 3875 12640 35501 58061 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	20000 5000 3 4998 14400 17193 34257 580519
38. Machinery, Equipment 39. Bldgs, Fences, Land (**COTHER OUTFLOWS **) 40. Family living 41. Income Tax 42. Investments 43. 3cheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest 47. principal 48. Total Cash Outflows (**NEW BORRROWING **) 49. Intermediate 50. Long Term  (**CASH FLOW SUPPMRY **) Int.Ratem (**wariable **) Minimum Cash Balancem (** 1008) 51. Beginning Cash Balancem 52. Inflows- Outflows (16-48) 53. Cash Position (49*50*51*52) 54. New Borrowing: Operating 55. New Borrowing: Operating 55. New Borrowing: Inter.& LongTerm (**Accrued Int.due on Oper.Loan **)	0 0 0 1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1667 0 0 1927 3470 416 47 43297 0 MAR 1000 21010 22010 0 0	1667 5000 0 0 0 415 48 53572 0 0 APR	1647 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1647 0 0 0 1797 3640 414 49 45088 0 0 JUN 1000 193184 184184 0 0 5450	1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1667 0 0 0 0 413 7935 0 0 AUG 1000 -50935 -49935 50935 0 366	0 1647 0 0 0 1662 3735 412 70 64373 0 9 SEP	0 1667 0 0 0 412 71 117310 0 0 OCT	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1667 0 0 0 1522 3875 12640 35301 58061 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	20000 5000 5000 3 4908 14600 17193 36257 580519 4 1000 54845
38. Machinery, Equipment 39. Bldgs, Fences, Land (**COTHER OUTFLOWS >> 40. Family living 41. Income Tax 42. Investments 43.      Scheduled Debt Payments: 44. Intermediate: interest 45.	1647 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1647 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1647 0 0 1927 3470 416 67 43297 0 0 MAR 1000 21010 0 0 1425 1425	0 1667 5000 0 0 415 48 53572 0 0 APR 1000 -52572 -51572 52572 0 1236	1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1667 0 0 0 0 1797 3400 414 49 45088 0 0 0 1000 183184 184184 0 0 5450 5450 5450	1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1647 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1667 0 0 0 0 1662 3735 412 70 64373 0 0 9 SEP	0 1667 0 0 0 0 412 71 117310 0 0 OCT	1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1667 0 0 0 1522 3875 12640 35301 58061 0 0 DEC	20008 5000 3 4908 14609 17193 36257 580519 1000 54845 274677 0
38. Machinery, Equipment 39. Bldgs, Fences, Land (**COTHER OUTFLOWS **) 40. Family living 41. Income Tax 42. Investments 43. 3cheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest 47. principal 48. Total Cash Outflows (**NEW BORRROWING **) 49. Intermediate 50. Long Term  (**CASH FLOW SUPPMRY **) Int.Ratem (**wariable **) Minimum Cash Balancem (** 1008) 51. Beginning Cash Balancem 52. Inflows- Outflows (16-48) 53. Cash Position (49*50*51*52) 54. New Borrowing: Operating 55. New Borrowing: Operating 55. New Borrowing: Inter.& LongTerm (**Accrued Int.due on Oper.Loan **)	0 0 0 1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1667 0 0 1927 3470 416 47 43297 0 MAR 1000 21010 22010 0 0	0 1667 5000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1647 0 0 0 1797 3640 414 49 45088 0 0 JUN 1000 193184 184184 0 0 5450	1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1667 0 0 0 1662 3735 412 70 64373 0 0 SEP 1009 -38761 38761 0 1221	0 1667 0 0 0 412 71 117310 0 0 OCT	1647 0 0 0 0 411 72 21910 0 0 NOU	1667 0 0 0 0 1522 3875 12640 35501 58061 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	3 9 20000 5000 5000 5000 5000 5000 5000 5
38. Machinery, Equipment 39. Bldgs, Fences, Land (**COTHER OUTFLOWS**) 40. Family living 41. Income Tax 42. Investments 43. 3. Scheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest 47. principal 48. Total Cash Outflows (**NEW BORRROWING**) 49. Intermediate 50. Long Term  (**CASH FLOW SUMMARY**) Int.Ratem (**wariable**) Minimum Cash Balance 52. Inflows (16-48) 53. Cash Position (49-58-51-52) 54. New Borrowing: Operating 55. New Borrowing: Inter.& LongTerm (**Accrued Int.due on Oper.Loan**) 56. interest pay**ts.on Oper.Loan 57. Principal pay*ts.on Oper.Loan 57. Principal pay**ts.on Oper.Loan 57. Principal pay**ts.on Oper.Loan	0 0 0 1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1647 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1647 0 0 1927 3470 414 47 43297 0 0 MAR 1008 21010 22010 0 0 1425 1425	1667 5000 0 0 0 415 68 53572 0 0 APR 1000 -32572 -51572 52572 52572 0 0	1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1647 0 0 0 1797 3400 414 49 45088 0 0 1000 183194 184184 0 0 5450 177734	1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1647 0 0 0 0 413 70 75935 0 0 1000 -59935 50935 50935 0 0	1667 0 0 0 1 1642 3735 412 70 64373 0 9 SEP 1009 -38761 -37761 38761 0 1221 0 0	0 1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1647 0 0 0 0 411 72 21910 0 0 -20910 -19910 20910 0 0 485	1567 0 0 1522 3875 12640 35501 58961 0 0 0 0 0 0 0 0 1000 -51061 51061 51061 51061	20008 5000 3 4908 14609 17193 36257 580519 1000 54845 274677 0
38. Machinery, Equipment 39. Bldgs, Fences, Land (COTHER OUTFLOWS)) 40. Family living 41. Income Tax 42. Investments 43. 3cheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest 47. principal 48. Total Cash Outflows (CNEW BORRROWING)) 49. Intermediate 50. Long Term  (CASH FLOW SUMMARY)) Int.Rate== ((variable)) Himmome Cash Balance= (( 1000) 51. Beginning Cash Balance 52. Inflows- Outflows (16-40) 53. Cash Position (49+50+51+52) 54. New Borrowing: Operating 55. New Borrowing: Inter.& LongTerm (CACCIVED INT. ACCIVED INT. ACCIVE	1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1647 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1647 0 0 1927 3470 416 67 43297 0 0 MAR 1000 21010 0 0 1425 1425 19585 1000	1667 5000 0 0 0 415 48 53572 0 0 APR 1000 -52572 -51572 52572 0 1236 0 1000	1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1647 0 0 0 0 1797 3600 414 45088 0 0 0 0 1000 193184 184184 0 0 5450 5450 177734 1000	1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1647 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1667 0 0 0 0 1662 3735 412 70 64373 0 0 9 SEP	0 1667 0 0 0 0 412 117310 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1667 0 0 0 0 1411 72 21910 0 0 0 0 401 21910 0 0 405 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1667 0 0 0 1 1522 3875 12640 35501 58061 0 0 -51061 -50061 51061 51061 0 0 1310 0 0 1000	20008 5000 3 4908 14609 17193 36257 580519 1000 54845 274677 0
38. Machinery, Equipment 39. Bldgs, Fences, Land (**COTHER OUTFLOWS **) 40. Family living 41. Income Tax 42. Investments 43. 3cheduled Debt Payments: 44. Intermediate: interest 45. principal 46. Long Term: interest 47. principal 48. Total Cash Outflows (**NEW BORRROWING **) 49. Intermediate 50. Long Term  (**CASH FLOW SUMMARY **) Int.Ratem (**warnable **) Minimum Cash Balancem (** 1008) 51. Reginning Cash Balancem (** 1008) 53. Cash Position (49*59*51*52) 54. New Borrowing: Operating 55. New Borrowing: Inter-& LongTerm (**Accrued Int.due on Oper.Loan **) 56. interest pay 'ts.on Oper.Loan 57. Principal pay 'ts.on Oper.Loan 58. Ending Cash Balance 59. Outstanding Operating Debt	0 0 0 1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1667 0 0 1927 3470 416 43297 0 0 MAR 1000 21010 22010 0 0 1425 1425 1958 1000 87267	0 1667 5000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 1647 0 0 0 0 1797 3640 414 49 4588 0 0 0 1 1797 1998 193184 184184 0 0 5450 17734 1000 10172	1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1667 0 0 0 0 1413 70 75735 0 0 AUG 1000 -50935 -49935 50935 0 0 1000 71769	1667 0 0 0 0 1662 3735 412 70 64373 0 0 9 SEP	0 1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1667 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1667 0 0 1522 3875 12640 35301 58961 0 0 0 1000 -51061 -50061 51061 0 0 1310 0 1003	20008 5000 3 4908 14609 17193 36257 580519 1000 54845 274677 0

Table 49. Income Statement and Financial Ratios: Northwest Farm: High Equity and Good Cash Flow

	income statement					FINANCIAL RATIOS
A. OPERATING RECEIPTS				ARM EXPENSES		
Livestock Sales & Products:			fired Labo		61143	Current Ratio= Current Assets = 1.13063:
Raised market livestock	148212 0			iip.Repairs Fence Repairs	38661 1786	Current Liabilities
Livestock-purchased for	U		Cash Inter		39688	. current Clabilities
resale:	0		Feed Purch		8297	Working Asset Ratio= Current+Int.Assets = 1.587832
Livestock products	•			its. Other	14361	warning reset retto- current/littinesets - 110erouz
Livestoca products				,line,chemicals	100131	Current+Int.Liabilities
	Subtotal: 148212		fachinery		19671	401.407.107171901117143
			ues i es		.,,,,	Debt Structure Ratiom Current Liabilities = .5696155
Cros Sales:	463171		reeding f	****	ò	*
•	0	(	et.fees,	medicine	1431	Total Liabilities
		(	as, fuel ,	oil, lubricants	129535	
				larehousing	0	Net Capital Ratio= Total Assets = 4.120041
		1	Taxes: Rea	i Est.& Pers.Prop	255	***************************************
		1	asurance		0	Total Liabilities
	Subtotal: 463171	(	Itilities	(farm share)	45 -	
•			ash Rent		0	Debt to Equity Ratio= Total Liabilities = .3295086
Other Farm Income:			reight, 1		1235	***************************************
Government payments	0			on Expenses		Net Warth
Custom Work		1	fisce i i ane	ous Expenses	14577	Total Acts Acts on Total Co. Co.
Dividends, Refunds				hand for	0	Total Debt Ratio= Total Liabilities = .2427160
Other	0		.vstx.purc	thased for resale	89352	Total Assets
Strer	U		TOTAL CACL	EXPENSES	520081	I OTAL MISSETS
	Subtotal: 0	'	UIML UHSE	EAFERSES	320001	Per Cent Equity= Net Worth # 100 = 75.72840
GROSS RECEIPTS FROM FARMING						rer cent courty- net worth = 100 - 73.72040
Shoot Access to The The Island	011304		NET CAS	IN INCOME FROM		Total Assets
		•	OPERATI		91303	TOTAL MOSELS
D. ADJUSTMENTS FOR ACCRUED	ITEMS AND INVENTOR	Y CHANGES:			/1000	Debt Servicing Ratiom Total Debt Payments = 1.451320
1. Accounts & Notes Receiva						- 11:0122
	Accounts	Other	Other			Net Cash Farm Income
Ending Inventory	0					-
Seginaling Inventor	7 0					Opportunity seturn to Labor & Management = 20000
Change	0	0	0		0	(Insert am estimated value in Q148)
2. Accounts Payable & Accru	ed Expenses:					
	Accounts	Taxes	Interest	Other		ROE= Net Farm Income- Opportunity Return
Seginning Inventor	WELDER (3		INCEL 420			
	2000	3000	26601	Q.		to Labor & Management = .0223695
Ending Inventory	y 2000 4000	30 <b>00</b> 3 <b>5</b> 00	26601 19315	Ŏ		*******************************
Ending Inventory Change	2000	3000	26601	•	4786	to Labor & Management = .0223695  Average Equity
Ending Inventory	y 2000 4080 -2008	30 <b>00</b> 3500 -500	26601 19315 7286	Ŏ	4794	Average Equity
Ending Inventory Change	y 2000 4000 -2000 Ending	308 <b>8</b> 3500 -500	26601 19315 7286 Beginning	Ŏ	4786	Average Equity  ROI= Net Farm Income+ Interest- Opportunity
Ending Inventory Change	y 2000 4000 -2008 Ending Inventory	308 <b>8</b> 3500 -500	26601 19315 7286 Beginning Inventory	0		Average Equity
Ending Inventory Change 3. Premaid Expenses:	y 2000 4000 -2000 Ending	308 <b>8</b> 3500 -500	26601 19315 7286 Beginning	0	478 <b>6</b> 0	Average Equity  ROI= Net Farm Income+ Interest- Opportunity Return to Labor & Management = .0389089
Ending Inventory Change 3. Premaid Expenses:	2 2000 4080 -2008 Ending Inventory	3099 3500 -500	26601 19315 7286 Reginning Inventory (19	j 9		Average Equity  ROI= Net Farm Income+ Interest- Opportunity
Ending Inventory Change 3. Premaid Expenses:	y 2000 4009 -2000 Ending Inventory 0 MKt.Livestock	3500 -500 -500 Stored	26601 19315 7286 Beginning Inventory 0=	0 0 0		Average Equity  ROI= Net Farm Income+ Interest- Opportunity Return to Labor & Management = .0389089
Ending Inventory Change 3. Premaid Expenses: 4. Inventories:	y 2000 4000 -2000 Ending Inventory 0 MKt.Livestock & Products	3000 -500 -500 Stored	26601 19315 7286 Reginning Inventory (19	0 0 0 Growing Crops		Average Equity  ROI= Net Farm Income+ Interest- Opportunity Return to Labor & Management = .0389089
Ending Inventory Change 3. Prepaid Expenses: 4. Inventories: Ending Inventory	y 2000 4000 -2008 Ending Inventory 0 MKt.Livestock & Products 96955	3000 3500 -500 Stored Feed & 40125	26601 19315 7286 Beginning Inventory 0=	0 0 Growing Crops 73743		Average Equity  ROI= Net Farm Income+ Interest- Opportunity Return to Labor & Management = .0389089
Ending Inventory Change 3. Prepaid Expenses: 4. Inventories: Ending Inventory Beginning Inventory	y 2008 4009 -2008 Ending Inventory 0 MKt.Livestock & Products 98935 y 110358	3000 3500 -500 Stored Feed & 40125 41500	26601 19315 7286 Beginning Inventory 0=	0 0 Grawing Crops 73743 73734	0	Average Equity  ROI= Net Farm Income+ Interest- Opportunity Return to Labor & Management = .0389989
Ending Inventory Change 3. Prepaid Expenses: 4. Inventories: Ending Inventory	y 2000 4000 -2008 Ending Inventory 0 MKt.Livestock & Products 96955	3000 3500 -500 Stored Feed & 40125 41500	26601 19315 7286 Beginning Inventory 0=	0 0 Growing Crops 73743		Average Equity  ROI= Net Farm Income+ Interest- Opportunity Return to Labor & Management = .0389089
Ending Inventory Change 3. Premaid Expenses: 4. Inventories: Ending Inventory Beginning Inventor Change	y 2000 4000 -2000 Ending Inventory 0 MKt.Livestock & Products 96955 y 110358 -13403	3000 3500 -500 Stored Feed & 40125 41500	26601 19315 7286 Reginning Inventory 0=	0 0 Grawing Crops 73743 73734	0	Average Equity  ROI= Net Farm Income+ Interest- Opportunity Return to Labor & Management = .0389089
Ending Inventory Change 3. Premaid Expenses: 4. Inventories: Ending Inventory Beginning Inventor Change	y 2000 4000 -2000 Ending Inventory 0 MKt.Livestock & Products 96955 y 110358 -13403	3000 -500 -500 Stored & 40125 +1500 -1375	26601 19315 7286 Beginning Inventory Or I Crops, Supplies	0 0 Grawing Crops 73743 73734	0	Average Equity  ROI= Net Farm Income+ Interest- Opportunity Return to Labor & Management = .0389089
Ending Inventory Change 3. Premaid Expenses: 4. Inventories: Ending Inventory Beginning Inventor Change	y 2008 4009 -2008 Ending Inventory 0 MKt.Livestock & Products 98955 y 110358 -13403	3000 -500 -500 Stored & 40125 +1500 -1375	26601 19315 7286 Beginning Inventory Or I Crops, Supplies	0 0 0 Growing Crops 73743 73734 9	0	Average Equity  ROI= Net Farm Income+ Interest- Opportunity Return to Labor & Management = .0389089
Ending Inventory Change 3. Prepaid Expenses: 4. Inventories: Ending Inventory Begianing Inventor Change E. AOJUSTHENTS FOR CAPITAL Ending Inventory	y 2000 4000 -2000 Ending Inventory 0  Mkt.Livestock & Products 9/975 y 110358 -13403 ITEMS: Breeding Lustk. 46600	3000 3500 -500 -500 Storec Feed & 40125 -1375 Vehicles 4500	26601 19315 7286 Beginning Inventory 0= d Crops, Supplies	0 0 Growing Crops 73743 73743 9	0	Average Equity  ROI= Net Farm Income+ Interest- Opportunity Return to Labor & Management = .0389089
Ending Inventory Change 3. Prepaid Expenses: 4. Inventories: Ending Inventory Beginning Inventor Change E. AGJUSTMENTS FOR CAPITAL Ending Inventory Sales	y 2000 4000 -2000 Ending Inventory 0 MKt.Livestock & Products 96935 y 110338 -13403 ITEMS: Breeding Lustk. 46400	3000 3500 -500 -500 -500 -500 -500 -1375 -1375 -1375 -1375	26401 19315 7286 Beginning inventory 0s i Crops, Supplies	Growing Crops 73743 73734 9	0	Average Equity  ROI= Net Farm Income+ Interest- Opportunity Return to Labor & Management = .0389089
Ending Inventory Change 3. Prepaid Expenses: 4. Inventories: Ending Inventory Beginning Inventor Change E. AOJUSTMENTS FOR CAPITAL Ending Inventory Sales Subtotal:	y 2008 4009 -2008 Ending Inventory 0 MKt.Livestock & Products 96955 y 110358 -13403 ITEMS: Breeding Lustk. 46608	3000 3500 -500 Stored & 40125 41500 -1375 Vehicles 4500 4500	26401 19315 7286 Beginning Inventory On I Crops, Supplies Mach.& Equip. 49153 49153	Growing Crops 73743 73743 73734 9	0	Average Equity  ROI= Net Farm Income+ Interest- Opportunity Return to Labor & Management = .0389089
Ending Inventory Change 3. Presaid Excenses: 4. Inventories: Ending Inventory Beginning Inventor Change E. AOJUSTHENTS FOR CAPITAL Ending Inventory Sales Subtotal: Beginning Inventor	y 2008 4009 -2008 Ending Inventory 0 Mkt.Livestock & Products 9/9955 y 110358 -13403 ITEMS: Breeding Lustk. 44409 0 44440	3000 3500 -500 -500 Stored & 40125 41500 -1375 Vehicles 4508 5000	26401 19315 7286 Beginning inventory On 1 Crops, Supplies Mach.& Equip. 49153 0 49153 87486	Growing Crops 73743 73734 9 Improve- ments 38500 0 38500 4000	0	Average Equity  ROI= Net Farm Income+ Interest- Opportunity Return to Labor & Management = .0389089
Ending Inventory Change 3. Presaid Excenses: 4. Inventories: Ending Inventory Beginning Inventor Change E. AOJUSTHENTS FOR CAPITAL Ending Inventory Sales Subtotal: Beginning Inventor Purchases	y 2000 4000 -2000 Ending Inventory 0  Mkt.Livestock & Products 9/9755 y 110358 -13403 ITEMS: Breeding Lustk. 44600 0 46600 y 44400	3000 3500 -500 -500 -500 -500 -1375	26401 19315 7286 Beginning Inventory 0s is Crops, Susplies Mach.& Equip. 49153 0 49153 87446 0	Growing Crops 73743 73734 9 Improvements 38560 48080	0	Average Equity  ROI= Net Farm Income+ Interest- Opportunity Return to Labor & Management = .0389089
Ending Inventory Change 3. Prepaid Expenses: 4. Inventories: Ending Inventory Beginning Inventor Change E. AGJUSTHENTS FOR CAPITAL Ending Inventory Sales Subtotal: Beginning Inventor Purchases	y 2000 4000 -2000 Ending Inventory 0 MKt.Livestock & Products 99955 y 110358 -13403 ITEMS: Breeding Lustk. 46600 y 44400	3000 3500 -500 -500 -500 -500 -1375	26401 19315 7286 Seginning Inventory Or of Crops, Supplies Mach.& Equip. 49153 0 49153 87466	Grawing Crops 73743 73734 9 Improve- ments 38560 48000	g -14749	Average Equity  ROI= Net Farm Income+ Interest- Opportunity Return to Labor & Management = .0389089
Ending Inventory Change 3. Presaid Excenses:  4. Inventories:  Ending Inventory Beginning Inventor Change E. AOJUSTHENTS FOR CAPITAL  Ending Inventory Sales  Subtotal: Beginning Inventor Purchases Subtotal: Change	y 2000 4000 -2008 Ending Inventory 0 Mkt.Livestock & Products 9/6955 y 110359 -13403 ITEMS: Breeding Lustk. 46600 0 46600 y 44400 10 46600 y 44400 2200	3000 3500 -500 -500 -500 -500 -1375	26401 19315 7286 Beginning Inventory 0s is Crops, Susplies Mach.& Equip. 49153 0 49153 87446 0	Growing Crops 73743 73734 9 Improvements 38560 48080	-14749 -38053	Average Equity  ROI= Net Farm Income+ Interest- Opportunity Return to Labor & Management = .0389089
Ending Inventory Change 3. Presaid Expenses: 4. Inventories: Ending Inventory Beginning Inventor Change E. AOJUSTMENTS FOR CAPITAL Ending Inventory Sales Subtotal: Beginning Inventor Purchases Subtotal:	y 2000 4000 -2008 Ending Inventory 0 Mkt.Livestock & Products 9/6955 y 110359 -13403 ITEMS: Breeding Lustk. 46600 0 46600 y 44400 10 46600 y 44400 2200	3000 3500 -500 -500 -500 -500 -1375	26401 19315 7286 Seginning Inventory Or of Crops, Supplies Mach.& Equip. 49153 0 49153 87466	Grawing Crops 73743 73734 9 Improve- ments 38560 48000	g -14749	Average Equity  ROI= Net Farm Income+ Interest- Opportunity Return to Labor & Management = .0389089

Table 50. Net Worth Statement: Northwest Farm: High Equity and Poor Cash Flow

NET WORTH STATEMENT	Beginning Balance	Ending Balance	Ne t Change	8	leginning Balance	Ending Balance	Ne t Change
CURRENT ASSETS			-	CURRENT LIABILITIES			
1. Cash & Checking	1500	1000	-500	29. Accounts Payable	2000	4000	2000
2. Savings & Time Certificates	2000	2500	500	30. Notes Payable	150000	212558	62558
3. Marketable Bonds & Securities			0	31. Interest Due: Current	2500	4031	1531
4. Accounts Receivable			0	32. Intermediate	6908	4580	-2328
5. Cash Value Life Insurance	5000	5000	0	33. Long Term	17193	13425	-3768
Market Livestock & Products:				Taxes Due:			
6. Raised Livestock	36786	27440	-9346	34. Real Estate & Personal Property	3000	3500	500
7. Purchased Livestock	73572	69515	-4057	35. Employee Payroll Withholding			0
8. Stored Crops, Feed, Supplies	41500	40125	-1375	36. Personal& Self-Employment			0
9. Cash Investment Growing Crops	73734	73743	9	37. Other Accrued Expenses			0
10. Prepaid Expenses			0	38. Contingent Tax Liability	•		0
11. Other Current Assets			0	Principal Due in 12 months:			
12. TOTAL CURRENT ASSETS	234092	219323	-14769	39. Intermediate Liabilities	14680	17009	2329
INTERMEDIATE ASSETS				40. Long Term Liabilities	36256	40024	3768
13. Notes Receivable			0	41. Other Current Liabilities			0
Breeding Livestock:				42.			0
<ol> <li>Raised Livestock</li> </ol>	44400	46600	2200	43. TOTAL CURRENT LIABILITIES	232537	299127	<b>66590</b>
<ol><li>Purchased Livestock</li></ol>			0	INTERMEDIATE LIABILITIES			
16. Vehicles	5000	4500	-500	44. Notes Payable	36715	19707	-17008
17. Machinery & Equipment	87406	49153	-38253	45. Contingent Tax Liability			0
18. Securities Not Readily Mktable.	12000	12000	0	46. Other Intermediate Liabilities			0
19. Other Intermediate Assets	10000	12000	2000	47.			0
20. TOTAL INTERMEDIATE ASSETS	158806	124253	-34553	48. TOTAL INTERMEDIATE LIABILITIES	36715	19707	-17008
FIXED ASSETS				LONG TERM LIABILITIES			
21. Contracts & Notes Receivable			0	49. Mortgages & Notes Payable	166884	126860	-40024
22. Buildings & Improvements	40000	38500	-1500	50. Contingent Tax Liability			0
23. Cropland	896000	896000	0	51. Other Long Term Liabilities			0
24. Pasture	125000	125000	0	52.			0
25. Non-Farm Investments			0	53. TOTAL LONG TERM LIABILITIES	166884	126860	-40024
26. Other Long Term Assets			0	54. TOTAL LIABILITIES	436136	445694	9558
27. TOTAL FIXED ASSETS	1061000	1059500	-1500	55. NET WORTH	1017762	957382	-80380
28. TOTAL ASSETS	1453898	1403076	-50822	56. TOTAL LIABILITIES & NET WORTH	1453898	1403076	-50822

Table 51. Cash Flow Statement: Northwest Farm: High Equity and Poor Cash Flow

and root oddn ri													
WHOLEFARM CASHFLOW STATEMENT	JAN	FEB	MAR	APR	MAY	JUN	JUL	406	SEP	OCT	400	<b>33</b> C	TOTALS
: OPERATING RECEIPTS >> -													
1. Livestock sales: 2.	769 3	60180 0	61472	0	0	0	9	g J	571 0	20348 0	3 3	0	143548
3. Sale of ourcnased lusk	0	0	,	0	,	j	,	0	0	Û	ĵ	9	,
4. Crop Sales:	0	0	0	9	0	178485	17231	17231	17231	147530	9	1	377709
5.	ĵ	0	9	0	0	0	0	0	0	0	9	)	
<ol> <li>Government payments</li> <li>Other tarm income</li> </ol>	0	9	8	0	0	0	0	3	3	0	0	0	
8.	0	á	ā	ő	ā	Û	ō	ō	Ō	o o	ō	ō	
9. TOTAL CASH RECEIPTS	969	60180	51472	3	3	178485	17231	17231	17902	167878	J	0	521248
(( CAPITAL SALES )) 10. Breeding livestock	0	0	8	0	0	0	0	0	8	0	9	0	)
11. Machinery, equipment	õ	3	0	0	ŏ	ŏ	ū	Ö	ō	ő	ŏ	ű	á
12. Building, land	0	0	0	0	0	0	9	0	0	8	0	0	j
(( OTHER INFLOWS >>	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1008	1900	12000
13. Wages and salaries 14. Investments	10 <b>00</b>	1 <b>000</b> 0	1000	100 <b>0</b>	1000	6000	1000	1000	1000	18 <b>00</b> 0	1000	4000	12000
15.	ō	9	ō	0	ō	0	0	8	ā	0	0	0	)
16. TOTAL CASH INFLOW	1969	61180	52472	1990	1080	185485	18231	18231	18802	148878	1000	7080	545248
(( OPERATING EXPENSES )) 17. Hired labor	1164	2448	4169	5073	8574	9149	6943	o <b>080</b> c	10438	835	5082	9 <b>99</b>	61143
18. Repairs: Mach.& Equip.	176	1417	1977	2924	4572	4892	5462	4706	9186	31	2289	29	38461
19. Buildings & Fences	206	206	206	92	92	92	92	92	92	206	206	204	1786
28. Feed	1052	968	1029	678 (025	18	18	18	18	18	3237	605	1052	8712
21. Seeds, plants 22. Fertilizer.Lime.Chem.	0 739	0 7 <b>59</b>	9 21 4 <b>40</b>	6825 14667	0 10970	28 <del>99</del> 8	0 516 <b>0</b>	0 51384	5 <b>355</b>	0	0	0	1507° 10 <b>5</b> 132
23. Machine Hire	73	0	440	0	0	õ	0.00	0	ĵ	19231	ō	j	1967:
24. Supplies	0	9	0	0	0	9	0	0	0	3	3	3	
25. Vet.Medicine, Breed fee	0 7 <b>26</b>	2 <b>221</b>	j 4 <b>443</b>	0 1 <b>3677</b>	381 2 <b>375</b> 6	0 19415	16641	14 <b>403</b>	ງ 2 <b>4859</b>	1050 358	12167	0 3 <b>84</b>	: 431 135051
26. Fuel, oil, lubricants 27. Storage, Warehousing	/20	0	3443	130//	23738	17713	10071	14403	24037	270	12107	384	122021
2B. Taxes- R.E & Pers.Prop	Ō	ō	0	ō	ō	Ō	ō	ō	0	9	0	255	255
29. Insurance	0	0	0	0	. 0	0	0	0	0	0	0	9	;
30. Utilities	9	9	0	0 0	. 0	0	0	0	- 0	9	9	9	45
31. Rents, leases 32. Freight, trucking	106	0	196	8	0	a	0	9	- 0	1023	0	a a	1235
33. Miscellaneous	0	3	1305	4152	à	9	ā	ů	7680	0	0	ð	:3857
24.	0	0	0	0	0	0	0	0	3	ũ	0	J	
35. Livestock purchases 36. TOTAL CASH EXPENSES	0 4197	0 8 <b>02</b> 7	0 37115	0 48 <b>089</b>	0 48363	0 3 <b>8465</b>	0 3431 <i>6</i>	0 76 <b>683</b>	9 56747	38128 114108	0 20 <b>35</b> 7	0 2925	38129 489392
( CAPITAL EXPENSES (total cost) ))	4177	0027	3/113	+0007	40303	30703	34310	/0003	30/4/	114100	20337	2723	407372
37. Breeding livestock	0	9	- 0	0	0	0	0	3	0	0	8	0	1
38. Machinery, Equipment	0	0	0	0	0	0	9	8	0	0	3 0	0	;
39. Bldgs, Fences, Land (COTHER OUTFLOWS))	9	0	8	0	0	0	,	0	0	U	U	0	)
40. Family living	1667	1667	1667	1667	1667	1667	1667	1667	1667	1567	1667	1567	20000
41. Income Tax	0	0	3	5000	0	0	0	0	0	0	0	. 0	5000
42. Investments	0	0	0	0	0	g g	0	0	0	0	0	0	1
Scheduled Debt Payments:	•	J	v	u	•	,	•	ď	•	,	,	•	•
44. Intermediate: interest	0	0	1927	0	0	1797	0	9	1662	3	8	1522	690€
45. principal		. 0	3470	0	0	3600	0	0	3735	0	9	3875	14680
46. Long Term: interest 47. principal	417 66	41 6 66	41 6 57	415 48	41.4 68	414 59	413 69	413 70	412 70	112 71	411 72	12540 35501	1719? 36257
48. Total Cash Outflows	á347	10176	44662	55238	50511	46012	36465	78833	64293	116258	22507	58129	589430
(( NEW BORRROWING >>													
49. Intermediate 50. Long Term	0	0	0	0	0	8	0	0	0	3 0	0	0	) 9
													********
(( CASH FLOW SUPPLARY >)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTALS
Int.Rate= ((variable )) Minimum Cash Balance=(( 1880))	)			******									
51. Beginning Cash Balance	1508	1008	1000	1000	1008	1000	1988	1008	1000	1000	1990	1008	1000
52. Inflows- Outflows (16-48)	-4378	51804	17810	-54238	-49511	139474	-18234	-60602	-45491	52620	-21507	-51129	-44182
53. Cash Position (49+58+51+52)	-2878 3878	5 <b>2084</b> 0	18810	-53238 54238	-48511 49511	148474	-17234	-5 <b>9602</b> 60602	-44491 45491	53420 0	-20587 21507	-50129 51129	304591
54. New Borrowing: Operating 55. New Borrowing: Inter-& LongTerm	38/8	0	0	54238 0	47311	0	18234	00002	43471	3	21507	31127	304371
<pre>&lt;&lt; Accrued Int.due on Oper.Loan &gt;&gt;</pre>	4188	6079	1453	1312	3270	5724	735	1692	3377	5629	1778	4031	
56. Interest pay'ts.on Oper.Loan	J	5079	1453	)	J	5724	3	9	o o	5620	j a	3	18876
57. Principal pay'ts.on Oper.Loan 58. Ending Cash Balance	1000	44925 1000	16357 1000	8 10 <b>00</b>	1000	133750	9 10 <b>00</b>	100 <b>0</b>	10 <b>00</b>	47080 1000	100 <b>0</b>	1000	242033
59. Outstanding Operating Debt	153878	108953	92595	146834	196345	62595	30829	141431	186922	139922	161429	212558	
60. Outstanding Intermediate Debt	51395	51395	17925	47925	47925	44325	44325	44325	40590	40590	40590	36715	
51. Cutstanding Long Term Oebt	203074	203008	202941	202973	202805	292736	202667	202597	202527	202456	202384	166883	

Table 52. Income Statement and Financial Ratios: Northwest Farm: High Equity and Poor Cash Flow

	INCOME STATEMENT					FINANCIAL RATIOS
4. OPERATING RECEIPTS				ARM EXPENSES		***************************************
Raised market livestock	: ! 4354(		Hired Lab		5114 <b>3</b> 3 <b>8.561</b>	Current Ratio= Current Assets = .73321 3
ASISED METRET 11985TOCK	14334	-		uip.Repairs & Fence Repairs	1786	Current Liabilities
Livestock purchased for	`	•	Cash Inte		42977	Surrent Creditities
resale:	(	3	Feed Purc		8712	Working Asset Ratio= Current+Int.Assets = 1.07760Z
Livestock products				nts, Other	15079	***************************************
			Fertilize	r, line, chemicals	195138	Current+Int.Liabilities
	Subtotal: 143546	)	Machinery	Hire	19671	
		_	Supplies	_	0	Debt Structure Ratio= Current Liabilities = .671148
Crop Sales:	377708	-	Breeding			***************************************
	t c	I	Vet.fees,		1431 135051	Total Liabilities
				oil,lubricants Warehousing	132821	Net Capital Ratio= Total Assets = 3.148070
				al Est.& Pers.Prop	255	Net Capital Ratio= Total Assets = 3.148070
			Insurance		- 0	Total Liabilities
	Subtotal: 377708	}	Utilities	(farm share)	45	
			Cash Rent		0	Oebt to Equity Ratio= Total Liabilities = .465534?
Other Farm Incomes			Freight,		1235	***************************************
Sovernment payments	0			on Expenses	0	Net Worth
Custom Work			Miscellan	eous Expenses	13057	
Dividends, Refunds Cash Rent				shaard (sa).	0	Total Debt Ratio= Total Liabilities = .3174548
Other	0		Lustk.pur	chased for resale	98128	Total Assets
other.	•		TITTAL CAS	N EXPENSES	532369	IOTAL MISSETS
	Subtotal: 8				332307	Per Cent Equity= Net Worth + 100 = 68.23451
SROSS RECEIPTS FROM FARMING		•				**************************************
			C. NET CA	SH INCOME FROM	•	Total Assets
			OPERAT	TONS	-11121	
D. ADJUSTMENTS FOR ACCRUED			:			Debt Servicing Ratio= Total Debt Payments = -1.3370)
1. Accounts & Notes Receiva						***************************************
Sadana Janandaran	Accounts		Other			Net Cash Farm Income
Ending Inventory Seginning Inventor	<b>y</b> 0					Once two by Ontine to Liber & Manager to 1
Change	, ,				0	Opportunity Return to Labor & Management = 20000 (Insert am estimated value in Q148)
2. Accounts Payable & Accru		•	•		٠	ATHREE OF GREEN AFINE IN ATAO.
	Accounts	Taxes	Interest	Other		ROE= Net Farm Income- Opportunity Return
Beginning Inventor	7 2080	3080	26601	0		to Labor & Management =082907
Ending Inventory	4008			0		***************************************
Change	-2800	-500	4565	0	2065	Average Equity
3. Prepaid Expenses:						
	Ending Inventory		Beginning Inventory			ROI= Net Farm Income+ Interest- Opportunity
	inventory 0		Inventory		0	Return to Labor & Management =030429
4. inventories:			<b>V</b> -		v	Average Total Assets
	Mkt.Livestock	Store	d Crops,	Growing		rate
	& Products	Feed &	Supplies	Crops		
Ending Inventory	96955			73743		
Beginning Inventor				7 <b>3734</b>		
Change	-13403	-1375		9	-14769	
E. ADJUSTMENTS FOR CAPITAL	170w.					
E. ADUGSTRENTS FOR CAPTIME	Breeding		Mach &	Inerove-		
		Vehicles		nents		
Ending Inventory	46600			38500		
Sales	0			0		,
Subtotal:	46680	4508	49153	38500		
Beginning Inventor	y 44480	5000	87406	40000		
Purchases	0	•	•	0		
Subtotal:						
				48088		
Change	2200			40 <b>088</b> -1500	-38053	
	2200				-38 <b>053</b> 0 -31879	

VITA 1

## Ruth Shippen Egbert

## Candidate for the Degree of

## Master of Science

Thesis: AN INTEGRATED APPROACH TO FINANCIAL MANAGEMENT

IN AGRICULTURE

Major Field: Agricultural Economics

Biographical:

Personal Data: Born in Washington D.C., August 28, 1953, the daughter of Dr. and Mrs. Lawrence D. Egbert.

Education: Graduated from Wellesley Senior High School, Wellesley, Massachusetts, in June 1971; received Bachelor of Science from University of Vermont in Burlington, Vermont with a major in Agricultural Economics in May, 1976; completed requirements for the Master of Science degree at Oklahoma State University in December, 1984.

Professional Experience: Graduate Research and Teaching Assistant, Department of Agricultural Economics, Oklahoma State University, 1982-1984. Assistant and County Supervisor, Farmers Home Administration, New Hampshire, 1976-1981.