



**AVERAGE GRAIN FARMER
KENTUCKY BUSINESS FARM ANALYSIS
BALANCE SHEET
For Year Ending December 31, 2018**

<u>Current Assets</u>		<u>Current Liabilities</u>	
Bank Balance	129,663	Accounts Payable with Merchants & Dealers	33,452
Savings & CD's	69,666	Lease Payment	8,538
Hedging Account Balance	5,979	Feed Accounts Payable/FSA	17
Marketable Stocks & Bonds	83,019	Commodity Credit Corp Loans	83,659
Accounts Receivable/FSA LDP & CCP's	58,665	Operating/Short Term Loans	798,322
Crops & Feed	1,189,912	Estimated Tax Liability	
Market Livestock	15,138	Real Estate	100
Prepaid Expenses	366,344	Income and Social Security	425
Non-Farm Business/Other	61,888	Accrued Interest	35,438
		Principal Due Within Twelve Months	
		Intermediate Term Notes	84,237
		Long Term Notes	75,087
		Current, IT, & LT Other	0
Total Current Assets	1,980,273	Total Current Liabilities	1,119,276
<u>Intermediate Assets</u>		<u>Intermediate Liabilities</u>	
Assets Under Capital Lease	18,281	Capital Lease/Deferred Portion	9,743
Machinery & Equipment	1,465,291	Intermediate Notes	341,767
Breeding Livestock	29,032		
Non-Farm Business/Other	74,139	Life Insurance Policy Loans	0
Notes Receivable	100,354	Other	0
Retirement Accounts	176,080		
Securities Not Readily Marketable	127,002		
Cash Value of Life Insurance	10,918		
Home Furnishings & Personal Items	18,413		
Total Intermediate Assets	2,019,510	Total Intermediate Liabilities	351,510
<u>Fixed Assets</u>		<u>Fixed Liabilities</u>	
Farm Real Estate - Bare Land	4,119,272	Real Estate Mortgages	1,250,008
Buildings & Improvements	584,406	Other	5,285
Personal Residence	172,666		
Other Non-Farm Real Estate	193,155		
Contracts & Notes Receivable	19,896		
Non-Farm Business/Other/Amortization	186,412		
Total Fixed Assets	5,275,808	Total Fixed Liabilities	1,255,293
Total Assets	9,275,591	Total Liabilities	2,726,079
		Net Worth	6,549,512
		Total Liabilities & Net Worth	9,275,591



**AVERAGE GRAIN FARMER
KENTUCKY BUSINESS FARM ANALYSIS
BALANCE SHEET
For Year Ending December 31, 2017**

<u>Current Assets</u>		<u>Current Liabilities</u>	
Bank Balance	107,703	Accounts Payable with Merchants & Dealers	40,409
Savings & CD's	68,517	Lease Payment	7,734
Hedging Account Balance	6,508	Feed Accounts Payable/FSA	0
Marketable Stocks & Bonds	81,922	Commodity Credit Corp Loans	79,201
Accounts Receivable/FSA LDP & CCP's	18,764	Operating/Short Term Loans	749,015
Crops & Feed	1,212,009	Estimated Tax Liability	
Market Livestock	14,912	Real Estate	42
Prepaid Expenses	360,668	Income and Social Security	418
Non-Farm Business/Other	50,587	Accrued Interest	29,277
		Principal Due Within Twelve Months	
		Intermediate Term Notes	87,776
		Long Term Notes	74,519
		Current, IT, & LT Other	0
Total Current Assets	1,921,588	Total Current Liabilities	1,068,390
<u>Intermediate Assets</u>		<u>Intermediate Liabilities</u>	
Assets Under Capital Lease	16,110	Capital Lease/Deferred Portion	8,376
Machinery & Equipment	1,398,565	Intermediate Notes	297,521
Breeding Livestock	28,751		
Non-Farm Business/Other	71,606	Life Insurance Policy Loans	0
Notes Receivable	70,987	Other	0
Retirement Accounts	159,844		
Securities Not Readily Marketable	124,656		
Cash Value of Life Insurance	11,456		
Home Furnishings & Personal Items	17,362		
Total Intermediate Assets	1,899,335	Total Intermediate Liabilities	305,898
<u>Fixed Assets</u>		<u>Fixed Liabilities</u>	
Farm Real Estate - Bare Land	3,887,340	Real Estate Mortgages	1,190,061
Buildings & Improvements	572,037	Other	4,881
Personal Residence	166,558		
Other Non-Farm Real Estate	192,019		
Contracts & Notes Receivable	18,425		
Non-Farm Business/Other/Amortization	190,180		
Total Fixed Assets	5,026,559	Total Fixed Liabilities	1,194,941
Total Assets	8,847,482	Total Liabilities	2,569,229
		Net Worth	6,278,253
		Total Liabilities & Net Worth	8,847,482



AVERAGE GRAIN FARMER
KENTUCKY BUSINESS FARM ANALYSIS
INCOME STATEMENT
For Year Ending December 31, 2018

Revenue

Crop Sales	1,536,756	
Inventory Change	<u>-24,532</u>	1,512,224
Livestock, Milk, & Product Sales	43,746	
Inventory Change	<u>3,912</u>	47,658
Government Payments		82,194
Settlements		209,502
Other Farm Receipts		107,146
Accounts Receivable (net change)		49,054
Less: Purchased Feed & Grain	63,528	
Less: Purchased Livestock	<u>153,627</u>	<u>217,155</u>
GROSS FARM RETURNS		1,790,623

Expenses

Fertilizer	314,521	
Pesticides	133,741	
Seed	175,742	
Machinery Repair	88,729	
Machine Hire and Lease	71,089	
Fuel & Oil	63,825	
Drying	10,222	
Storage	3,237	
Building & Fence Repair	124,771	
Hired Labor	354,878	
Vet, Medicine, and Lvstck Supply	35,830	
Utilities	39,927	
Insurance	74,820	
Taxes	15,701	
Rents and Settlements	286,715	
Light Vehicle	279,992	
Miscellaneous	563,171	
Cash Farm Operating Expenses Excluding Interest		2,636,910
Expense Adjustments		
Prepaid Expenses (- if increase)	-7,758	
Accounts Payable (+ if increase)	<u>-5,561</u>	<u>-13,319</u>
Total Operating Expense Excluding Interest		2,623,591
Income Before Interest Expense		-832,967
Interest Expense		
Cash Paid	81,446	
Accrued Interest Adjustments	<u>6,228</u>	
Total Interest Expense		<u>87,675</u>
Total Operating Expense		2,711,265
Income Before Depreciation		407,319
Less: Depreciation		<u>211,042</u>
Farm Operating Income		196,816
Gain (Loss) on Machinery and Building Sales less Amortization		143,892
NET FARM INCOME		340,708

AVERAGE GRAIN FARMER
KENTUCKY BUSINESS FARM ANALYSIS
STATEMENT of CASH FLOW
For Year Ending December 31, 2018

Cash Farm Operating Receipts (excluding breeding livestock)	2,006,577	
Cash Net Non Farm Income	78,101	
Less: Cash Paid for Operating Expenses	1,438,994	
Less: Cash Paid for Market Livestock, Feed, & Grain	75,356	
Less Cash Paid for Interest	88,379	
Net Cash Income	481,948	
Less Cash Withdrawals for Family Living	198,544	
Less: Cash Paid for Income Tax and Self-Employment Tax	35,748	
Net Cash Provided by Operating Activities		\$247,656

Cash Sale of Breeding Livestock	2,290	
Cash Sale of Machinery & Equipment	119,097	
Cash Sale of Buildings	2,343	
Sale of Securities, Real Estate, Investments, and Fund Transfers	215,757	
Less: Cash Paid for Breeding Livestock	2,729	
Less: Cash Paid for Machinery & Equipment	311,922	
Less: Cash Paid for Buildings	57,105	
Less: Cash Paid for Securities, Real Estate, Investments, and Fund Transfers	405,833	
Net Cash Provided by Investing Activities		(\$438,103)

Proceeds from CCC and Operating Loans	1,144,994	
Proceeds from Term Debt Financing	430,105	
Gifts, Inheritances, and Other Non Taxable Receipts	56,034	
Less: Principal Payments for CCC and Operating Loans	1,090,920	
Less: Principal Payments for Term Debt Financing	327,526	
Net Cash Provided by Financing Activities		\$212,687

NET INCREASE (DECREASE) IN CASH **\$22,240**

Reconciliation		
Beginning of Year Cash Balance	\$107,703	
End of Year Balance	\$129,663	
Change in Cash Balance		\$21,960

CAPITAL REPLACEMENT AND TERM DEBT REPAYMENT MARGIN

Farm Operating Income	196,816	
Net Non Farm Income	78,101	
Plus: Depreciation	250,013	
Less: Income and Self Employment Tax (accrual)	35,756	
Less: Family Living Expense	198,544	
Capital Replacement and Term Debt Repayment Capacity		\$290,630
Less: Principal Payments on Current Portion of Term Debt	217,463	
Capital Replacement and Term Debt Replacement Margin		\$73,167

Farm Financial Analysis

Name KFBM Average Grain Farm

UK Farm Management Forms: FA

Date 31-Dec-18



Liquidity

Current Ratio	=	Total Current Assets	/	Total Current Liabilities
1.8	=	\$1,980,273.13	/	\$1,119,275.79

Working Capital	=	Total Current Assets	-	Total Current Liabilities
\$860,997.34	=	\$1,980,273.13	-	\$1,119,275.79

Solvency

Debt/Asset Ratio	=	Total Liabilities	/	Total Assets
29%	=	\$2,726,078.67	/	\$9,275,591.07

Equity/Asset Ratio	=	Total Equity	/	Total Assets
71%	=	\$6,549,512.40	/	\$9,275,591.07

Debt/Equity Ratio	=	Total Liabilities	/	Total Equity
42%	=	\$2,726,078.67	/	\$6,549,512.40

Profitability

Return on Assets = Net Farm Income From Operations
 + Farm Interest Expense
 - Value of Operator & Family Labor & Mgt
 / Average Farm Assets [(Beg + End)/2]

2.9%	=	\$196,816.43
	+	\$87,674.50
	-	\$56,618.20
	/	\$7,987,892.35

Return on Equity = Net Farm Income From Operations
 - Value of Operator & Family Labor & Mgt
 / Average Farm Equity [(Beg + End)/2]

2.6%	=	\$196,816.43
	-	\$56,618.20
	/	\$5,340,238.60

Financial Efficiency

Asset Turnover Ratio	=	Value of Farm Prod.	/	Average Farm Assets
22%	=	\$1,790,623.45	/	\$7,987,892.35

Operating Expense Ratio	=	Total Op Exp - Depr	/	Value of Farm Prod.
147%	=	\$2,623,590.87	/	\$1,790,623.45

Depreciation Expense Ratio	=	Depreciation Expense	/	Value of Farm Prod.
12%	=	\$211,042.28	/	\$1,790,623.45

Interest Expense Ratio	=	Interest Expense	/	Value of Farm Prod.
5%	=	\$87,674.50	/	\$1,790,623.45

Net Farm Income from Operation Ratio	=	NFIFO	/	Value of Farm Prod.
11%	=	\$196,816.43	/	\$1,790,623.45