



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	89,593	Accounts Payable with Merchants & Dealers	37,635
Savings & CD's	58,735	Lease Payment	6,706
Hedging Account Balance	5,836	Feed Accounts Payable/FSA	80
Marketable Stocks & Bonds	79,437	Commodity Credit Corp Loans	69,829
Accounts Receivable/FSA LDP & CCP's	20,901	Operating/Short Term Loans	714,613
Crops & Feed	1,120,126	Estimated Tax Liability	
Market Livestock	21,959	Real Estate	112
Prepaid Expenses	325,353	Income and Social Security	360
Non-Farm Business/Other	50,429	Accrued Interest	28,861
		Principal Due Within Twelve Months	
		Intermediate Term Notes	85,358
		Long Term Notes	69,784
		Current, IT, & LT Other	202
Total Current Assets	1,772,369	Total Current Liabilities	1,013,539
<u>Intermediate Assets</u>		<u>Intermediate Liabilities</u>	
Assets Under Capital Lease	12,383	Capital Lease/Deferred Portion	5,677
Machinery & Equipment	1,327,816	Intermediate Notes	279,195
Breeding Livestock	30,226		
Non-Farm Business/Other	63,412	Life Insurance Policy Loans	0
Notes Receivable	63,671	Other	798
Retirement Accounts	142,138		
Securities Not Readily Marketable	118,390		
Cash Value of Life Insurance	8,738		
Home Furnishings & Personal Items	17,284		
Total Intermediate Assets	1,784,057	Total Intermediate Liabilities	285,670
<u>Fixed Assets</u>		<u>Fixed Liabilities</u>	
Farm Real Estate - Bare Land	3,587,369	Real Estate Mortgages	1,114,804
Buildings & Improvements	554,717	Other	0
Personal Residence	170,755		
Other Non-Farm Real Estate	165,100		
Contracts & Notes Receivable	9,771		
Non-Farm Business/Other/Amortization	167,850		
Total Fixed Assets	4,655,562	Total Fixed Liabilities	1,114,804
Total Assets	8,211,988	Total Liabilities	2,414,013
		Net Worth	5,797,975
		Total Liabilities & Net Worth	8,211,988

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

5/18/2018

Current Assets

Bank Balance	101,222
Savings & CD's	57,684
Hedging Account Balance	5,900
Marketable Stocks & Bonds	79,499
Accounts Receivable/FSA LDP & CCP's	37,437

Crops & Feed	993,318
Market Livestock	17,327
Prepaid Expenses	333,376
Non-Farm Business/Other	40,227

Total Current Assets **1,665,990**

Intermediate Assets

Assets Under Capital Lease	15,718
Machinery & Equipment	1,304,607
Breeding Livestock	30,986

Non-Farm Business/Other	50,334
Notes Receivable	64,607
Retirement Accounts	130,148
Securities Not Readily Marketable	121,172
Cash Value of Life Insurance	8,501
Home Furnishings & Personal Items	17,397

Total Intermediate Assets **1,743,469**

Fixed Assets

Farm Real Estate - Bare Land	3,444,513
Buildings & Improvements	534,647
Personal Residence	171,783
Other Non-Farm Real Estate	153,193
Contracts & Notes Receivable	9,467
Non-Farm Business/Other/Amortization	157,328

Total Fixed Assets **4,470,932**

Total Assets **7,880,391**

Current Liabilities

Accounts Payable with Merchants & Dealers	51,814
Lease Payment	9,306
Feed Accounts Payable/FSA	0
Commodity Credit Corp Loans	40,656
Operating/Short Term Loans	750,515

Estimated Tax Liability	
Real Estate	36
Income and Social Security	1,075
Accrued Interest	29,128
Principal Due Within Twelve Months	
Intermediate Term Notes	84,664
Long Term Notes	66,260
Current, IT, & LT Other	157

Total Current Liabilities **1,033,611**

Intermediate Liabilities

Capital Lease/Deferred Portion	6,415
Intermediate Notes	270,223

Life Insurance Policy Loans	0
Other	798

Total Intermediate Liabilities **277,435**

Fixed Liabilities

Real Estate Mortgages	1,012,349
Other	0

Total Fixed Liabilities **1,012,349**

Total Liabilities **2,323,396**

Net Worth **5,556,995**

Total Liabilities & Net Worth 7,880,391

AVERAGE GRAIN FARMER
KENTUCKY BUSINESS FARM ANALYSIS
INCOME STATEMENT
For Year Ending December 31, 2017

5/18/2018

Revenue

Crop Sales	1,486,210	
Inventory Change	126,727	1,612,937
Livestock, Milk, & Product Sales	63,996	
Inventory Change	3,697	67,692
Government Payments		64,985
Settlements		87,435
Other Farm Receipts		116,767
Accounts Receivable (net change)		-16,536
Less: Purchased Feed & Grain	67,512	
Less: Purchased Livestock	14,551	82,063
GROSS FARM RETURNS		1,851,218

Expenses

Fertilizer	213,892	
Pesticides	153,768	
Seed	170,464	
Machinery Repair	88,237	
Machine Hire and Lease	65,120	
Fuel & Oil	54,330	
Drying	9,243	
Storage	1,998	
Building & Fence Repair	15,783	
Hired Labor	153,147	
Vet, Medicine, and Lvstk Supply	4,676	
Utilities	26,727	
Insurance	72,133	
Taxes	7,920	
Rents and Settlements	290,424	
Light Vehicle	166	
Miscellaneous	23,423	
Cash Farm Operating Expenses Excluding Interest		1,351,452
Expense Adjustments		
Prepaid Expenses (- if increase)	8,065	
Accounts Payable (+ if increase)	-14,102	-6,037
Total Operating Expense Excluding Interest		1,345,414
Income Before Interest Expense		505,804
Interest Expense		
Cash Paid	80,274	
Accrued Interest Adjustments	-269	
Total Interest Expense		80,005
Total Operating Expense		1,425,419
Income Before Depreciation		425,799
Less: Depreciation		203,206
Farm Operating Income		222,593
Gain (Loss) on Machinery and Building Sales less Amortization		6,514
NET FARM INCOME		229,107

**AVERAGE GRAIN FARMER
KENTUCKY BUSINESS FARM ANALYSIS
STATEMENT of CASH FLOW
For Year Ending December 31, 2017**

Cash Farm Operating Receipts (excluding breeding livestock)	1,815,730
Cash Net Non Farm Income	73,370
Less: Cash Paid for Operating Expenses	1,351,452
Less: Cash Paid for Market Livestock, Feed, & Grain	78,924
Less Cash Paid for Interest	80,274
Net Cash Income	378,450
Less Cash Withdrawals for Family Living	175,788
Less: Cash Paid for Income Tax and Self-Employment Tax	40,524

Net Cash Provided by Operating Activities	\$162,138
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Cash Sale of Breeding Livestock	3,490
Cash Sale of Machinery & Equipment	19,476
Cash Sale of Buildings	3,317
Sale of Securities, Real Estate, Investments, and Fund Transfers	196,908
Less: Cash Paid for Breeding Livestock	3,139
Less: Cash Paid for Machinery & Equipment	151,391
Less: Cash Paid for Buildings	47,327
Less: Cash Paid for Securities, Real Estate, Investments, and Fund Transfers	384,531

Net Cash Provided by Investing Activities	(\$363,197)
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Proceeds from CCC and Operating Loans	977,629
Proceeds from Term Debt Financing	349,747
Gifts, Inheritances, and Other Non Taxable Receipts	82,094
Less: Principal Payments for CCC and Operating Loans	984,129
Less: Principal Payments for Term Debt Financing	233,188

Net Cash Provided by Financing Activities	\$192,153
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NET INCREASE (DECREASE) IN CASH	(\$8,906)
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Reconciliation

Beginning of Year Cash Balance	\$101,222
End of Year Balance	\$89,593
Change in Cash Balance	(\$11,629)

CAPITAL REPLACEMENT AND TERM DEBT REPAYMENT MARGIN

Farm Operating Income	222,593
Net Non Farm Income	73,370
Plus: Depreciation	222,503
Less: Income and Self Employment Tax (accrual)	39,809
Less: Family Living Expense	175,788
Capital Replacement and Term Debt Repayment Capacity	\$302,869
Less: Principal Payments on Current Portion of Term Debt	173,440
Capital Replacement and Term Debt Replacement Margin	\$129,429

Farm Financial Analysis

UK Farm Management Forms: FA

Name KFBM Average Grain Farm

Date 31-Dec-17



Liquidity

Current Ratio	=	Total Current Assets	/	Total Current Liabilities
1.7	=	\$1,772,368.60	/	\$1,013,539.34

Working Capital	=	Total Current Assets	-	Total Current Liabilities
\$758,829.26	=	\$1,772,368.60	-	\$1,013,539.34



Solvency

Debt/Asset Ratio	=	Total Liabilities	/	Total Assets
29%	=	\$2,414,013.28	/	\$8,211,988.37



Equity/Asset Ratio	=	Total Equity	/	Total Assets
71%	=	\$5,797,975.08	/	\$8,211,988.37



Debt/Equity Ratio	=	Total Liabilities	/	Total Equity
42%	=	\$2,414,013.28	/	\$5,797,975.08

Profitability

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

3.5%	=	\$222,592.95
	+	\$80,004.95
	-	\$52,381.38
	/	\$7,114,015.17

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

3.6%	=	\$222,592.95
	-	\$52,381.38
	/	\$4,745,310.72



Financial Efficiency

Asset Turnover Ratio	=	Value of Farm Prod.	/	Average Farm Assets
26%	=	\$1,851,218.29	/	\$7,114,015.17



Operating Expense Ratio	=	Total Op Exp - Depr	/	Value of Farm Prod.
73%	=	\$1,345,414.19	/	\$1,851,218.29



Depreciation Expense Ratio	=	Depreciation Expense	/	Value of Farm Prod.
11%	=	\$203,206.20	/	\$1,851,218.29



Interest Expense Ratio	=	Interest Expense	/	Value of Farm Prod.
4%	=	\$80,004.95	/	\$1,851,218.29



Net Farm Income from Operation Ratio	=	NFIFO	/	Value of Farm Prod.
12%	=	\$222,592.95	/	\$1,851,218.29

	BOY Equity	EOY Equity
Tot Equity	5,556,995	5,797,975
	BOY Farm Assets	EOY Farm Assets
Tot Assets	7,880,391	8,211,988
Mkt Stk	79,499	79,437
Other CA	40,227	50,429
Save	57,684	58,735
Life	8,501	8,738
Pers	17,397	17,284
NFB	50,334	63,412
Retire	130,148	142,138
Residence	171,783	170,755
NF RE	153,193	165,100
Note Rec	64,607	9,771
Other IA	157,328	167,650
Tot Farm Assets	6,949,690	7,278,341
Tot Farm Equity	4,626,294	4,864,327

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