

<b>Income Statement</b>	<b>Fiscal Year</b>
Kate's Rambouillets	2019
<b>Cash Farm Income</b>	
Fleece sales	\$ 1,200.00
Lamb sales	\$ 7,800.00
Cull ewe sales	\$ 480.00
Guard dog puppies	\$ 2,000.00
<b>Gross Farm Income</b>	<b>\$ 11,480.00</b>
<b>Cash Farm Expense</b>	
Grain	\$ 1,500.00
Hay	\$ 2,500.00
Straw	\$ 300.00
Dogfood	\$ 500.00
Fertilizer	\$ 600.00
Salt	\$ 150.00
Wormer	\$ 200.00
Other veterinary supplies	\$ 100.00
Veterinary expense	\$ 200.00
Shearing	\$ 350.00
Labor	
Fuel	\$ 200.00
Repairs	\$ 500.00
Utilities	\$ 300.00
Miscellaneous	\$ 150.00
Interest on loans	\$ 3,806.00
<b>Total Cash Farm Expense</b>	<b>\$ 11,356.00</b>
<b>Net Cash Farm Income</b>	<b>\$ 124.00</b>
<b>Accrual Adjustments</b>	
Feed	\$ 1,200.00
Fleece inventory	\$ 800.00
Market livestock	\$ 1,000.00
Accounts receivable	\$ (200.00)
Prepaid expense and supplies	\$ (500.00)
Accounts payable	
<b>Total Inventory Change</b>	<b>\$ 2,300.00</b>
<b>Net Operating Profit</b>	<b>\$ 2,424.00</b>

**Ownership costs****Depreciation\*:**

Purchased breeding livestock	\$	180.00	Note: Ram, purchased for \$1000, 5-year life, \$100 salvage value $(\$1000 - \$100)/5$
Working dog, purchased	\$	200.00	Note: 1 purchased dog worth \$1200, 6-year life.
Machinery	\$	300.00	Note: $(\$4500 - \$1500)/10$
Vehicles	\$	600.00	Note: $(\$8500 - \$2500)/10$
Barns and fences	\$	1,250.00	Note: $\$25,000/20$
Interest on retained livestock	\$	325.00	Note: $\$6500 * .05$
<b>Total Ownership Costs</b>	<b>\$</b>	<b>2,855.00</b>	
<b>Net Farm Income</b>	<b>\$</b>	<b>(431.00)</b>	

\*Economic depreciation calculated as:

$(\text{Purchase price} - \text{Salvage price})/\text{Years of life}$

<b>Balance Sheet</b>	<b>2016</b>	<b>2017</b>	
Kate's Rambouillets	1/1/2016	1/1/2017	
<b>Assets</b>			
<i>Current Assets</i>			
Cash & checking	\$ 2,200.00	\$ 1,200.00	
Prepaid feed & supplies	\$ 750.00	\$ 1,950.00	
Accounts receivable	\$ 200.00	\$ -	
<i>Crops</i>			
Handspinning fleece	\$ 480.00	\$ 1,280.00	
Fat lambs	\$ 800.00	\$ 1,800.00	
<i>Total Current Assets</i>	<u>\$ 4,430.00</u>	<u>\$ 6,230.00</u>	
<i>Intermediate Assets</i>			
Breeding livestock	\$6,500	\$6,320	
Trained working dog	\$1,000	\$800	
Machinery	\$4,500	\$4,200	
Titled vehicles	\$8,500	\$7,900	
<i>Total Intermediate Assets</i>	<u>\$20,500</u>	<u>\$19,220</u>	
<i>Long Term Assets</i>			
Land	\$125,000	\$125,000	
Barns, fences	\$25,000	\$23,750	
<i>Total Long Term Assets</i>	<u>\$150,000</u>	<u>\$148,750</u>	
<i>Total Farm Assets</i>	\$174,930	\$174,200	
<i>Personal Assets</i>	\$35,000	\$35,000	
<b>Total Assets</b>	<b><u>\$209,930</u></b>	<b><u>\$209,200</u></b>	
<b>Liabilities</b>			
<i>Current Liabilities</i>			
Accrued interest			
Machinery	\$306	\$306	
Mortgage	\$3,500	\$3,250	
<i>Total Current Liabilities</i>	<u>\$3,806</u>	<u>\$3,556</u>	
<i>Intermediate Liabilities</i>			
Machinery	\$4,875	\$3,625	
<i>Total Intermediate Liabilities</i>	<u>\$4,875</u>	<u>\$3,625</u>	
<i>Long Term Liabilities</i>			
Mortgage	\$70,000	\$65,000	
<i>Total Long Term Liabilities</i>	<u>\$70,000</u>	<u>\$65,000</u>	
<i>Total Farm Liabilities</i>	\$78,681	\$72,181	
<i>Total Personal Liabilities</i>	\$5,800	\$4,800	
<b>Total Liabilities</b>	<b><u>\$84,481</u></b>	<b><u>\$76,981</u></b>	
<b>Net Worth</b>	<b>\$125,449</b>	<b>\$132,219</b>	
<b>Net Worth Change</b>			<b>\$6,770</b>
<b>Total Liabilities + Net Worth</b>	<b>\$209,930</b>	<b>\$209,200</b>	
<b>Total Debt to Asset Ratio</b>	<b>40%</b>	<b>37%</b>	

Term Loans:	Annual principal payment	Interest rate	Principal balance
Machinery	\$1,250	5%	\$3,625
Mortgage	\$5,000	5%	\$65,000