



Balance Sheet Instructions

Please complete Financial Information forms for AgChoice Farm Credit as a market value balance sheet. Use your estimate of the value of the assets on the day you complete the form.

Complete a separate balance sheet for each applicant and/or entity. For example:

- If married and running a sole proprietorship, complete one balance sheet. Include assets and liabilities for each spouse and the business on a combined basis.
- If married and running a business that is a legal entity (Inc, LLC, LLP, LP, partnership, etc.), complete two balance sheets. One for the married couple and one for the business.

GENERAL INFORMATION (Top)

Heading: Complete Name of all applicants, Address, Phone, and Email Address

Non-Farm Employment Status: Complete in full, if applicable.

Date: Complete the balance sheet at yearend (12/31) in order to match your tax return, therefore, the assets and liabilities should be stated as they were on December 31.

ASSETS (Left Side)

Current Assets – Assets that you could convert to cash within 12 months.

Cash/Savings: Complete using your cash on hand/checking/savings account bank statements as of yearend. If operating as sole proprietorship, this would include both personal and business accounts.

Accounts Receivable: Include money owed to you from the sale of goods or services. Footnote the age of the receivable or attach a receivable aging report. Do not include a loan made by you to another party, as this is considered an intermediate asset below.

Stocks and Bonds: (See schedule H on supplementary balance sheet.) Show the market value of all stocks and bonds from your yearend statements of accounts. Do not include 401ks/IRA's or other retirement accounts, as these are considered intermediate assets below.

Feed, Seed and Supplies: (See schedule A on reverse side of balance sheet.) Use the schedule to list all inventories including item, amounts, value per unit, and total value for each. This includes, but is not limited to, corn silage, haylage, dry hay, grain, minerals, supplies, fuels, chemicals, seed, fertilizer, etc.

Investment in Growing Crops: (See schedule B on reverse side of balance sheet.) Typically you will not have growing crops when completing the balance sheet at yearend, with the exception of wheat, rye, fall hay seedings, etc. Show the amount you have invested in these crops (i.e., cost of seed, chemicals or fertilizer applied), not the future value of these when harvested.

Crops Held for Resale: (See schedule C on reverse side of balance sheet.) Include the market value of crops you will not feed or use in the operation, but intend to sell in the next 12 months. Include units, commodity, and unit price for each.

Poultry: (See schedule D on reverse side of balance sheet.) Include only poultry you own, not poultry that is owned by another party/integrator where you provide the housing and management.

Market Livestock: (See schedule E on reverse side of balance sheet) Include livestock you plan to sell in the next 12-18 months and exclude breeding livestock.

Other: (See schedule F on reverse side of balance sheet.) Use as needed to document other current assets, such as prepaid expenses that will be converted to cash in the next 12 months.

Prepaid Expenses are items that you already paid for, but have not been delivered to the business (i.e. prepaid fertilizer, seed, feed), and are not included in another asset category.

Intermediate Assets

Autos/Trucks: Complete using the market value of the vehicles you own and document the number of vehicles next to each item heading (i.e., Auto 2, Trucks 3). Remember to think about vehicles bought or sold in the last 12 months when calculating this value. Use the bottom schedule on the supplemental sheet to list vehicles bought and the amount paid, and any vehicles sold and the amount received.

Machinery and Equipment: Show the market value of all machinery and equipment you own. Do not include leased machinery and equipment or leased fixtures, such as grain tanks, silos, milking parlors, etc. affixed to the real estate. Remember to think about machinery/equipment bought or sold in the last 12 months when calculating this value. Use the bottom schedule on the supplemental sheet to list equipment bought and the amount paid, and any equipment sold and the amount received.

For leased assets, list them on a separate line and show the value equal to the total remaining lease payments.

Dairy Cows: Include the market value of all dairy livestock such as mature cows, bred heifers, open heifers, bulls, and calves. List the number of head for each category, per head value, and the total. Remember to think about any cows/heifers bought or sold in the last 12 months when calculating this value. Use the bottom schedule on the supplemental sheet to list livestock bought and the amount paid, and any livestock sold and the amount received.

Beef/Hogs/Other: Value the brood cattle, sows or other livestock held longer than one year and used for breeding purposes. List the number of head, value per head, and total value.

Contracts or Notes Receivable: Include the total principal balance that is owed to you from another party in the form of a loan as of the balance sheet date. Please footnote the terms of this loan (interest rate, payment, maturity, etc).

Cash Value of Life Insurance: Include only the cash value portion accumulated, not the face amount of the life insurance policy. You may need to contact your insurance representative for this information.

Retirement Accounts: Include the balances from yearend statements for: IRA's/401ks/annuities and other retirement accounts that are owned by you and are vested. This would exclude pensions or other retirement plans that are controlled by your employer(s).

Stock and Equity in Association: Include total AgChoice stock and allocated surplus, dairy cooperative equity, or any other cooperative equities payable to you now or in the future. You may need to contact an association representative for this information.

Blanks: Use blank lines to include the value of other assets owned by you and not included in current or fixed assets below. This may include items such as ownership interest in a business, motorcycles, boats, collectables, or household items of significant value. For ownership interest in a business, list the % ownership of each business and calculate the value as a percentage of the businesses net worth (equity).

Fixed Assets

Farm Land: List number of acres and the market value including buildings and fixtures for each tract of land you own. Include your residence with the farm value, if located on the same deed.

Residence: Use this line to show the market value for a residence with small acreage where the house and outbuildings have a value greater than the land. This line can also be used if the residence is on a separate deed from the farm land.

Leasehold Improvements: List the market value of any asset owned by you and attached to real estate owned by another party that you have control over. For example, grain bin, shed, barn, or other improvements you made on someone else's property. This may include property owned by a related business.

Other Real Estate: (See schedule I on supplementary balance sheet) Include the market value of real estate you own that has not been included in the other real estate line items. This may include hunting camps, recreational property, non agricultural real estate, vacation homes, rental units, etc.

LIABILITIES (RIGHT SIDE)

Be sure to complete all columns for each liability, including: interest rate, payments per year, payment amount, security given, and loan purpose. This information is used to calculate financial ratios necessary for loan approval. The loan balance should represent the principal balance as of the balance sheet date.

Current Liabilities – Debts expected to be paid back within the next 12 months.

Income Taxes: List here all accrued income taxes (Federal/State/Local) that are due and have not been paid. You may need to contact your accountant to estimate this liability.

Taxes: List any other taxes that are due and payable, including real estate taxes, sales taxes, etc.

Accounts Payable : List all debts owed to vendors/suppliers/creditors for items purchased or services rendered but not yet paid for, including but not limited to:

- feed,
- fertilizer,
- supplies,
- inventory,
- vet services,
- custom hire work,
- deferred payment plans with crop input vendors

Be sure to account for any offsetting current assets that were purchased with A/P and still on hand. Include the purpose for the payable and footnote the age of the payable or attach a payable aging report.

Notes Payable: Include the current principal balance of any loans (evidenced by a promissory note) typically taken out to fund operating needs (feed, seed, inventory, supplies, etc) and are expected to be repaid within 12 months. This includes but is not limited to:

- revolving lines of credit,
- operating loans,
- FSA loans, including Commodity Credit Corporation (CCC) loans

For revolving credit lines (RCL), show the current principal balance and footnote the maximum amount of the RCL. If more space is needed, attach a schedule of notes payable.

Credit cards (CC) and Home Equity Line of Credits (HELOC) should be included in this section. Include repayment terms and loan purpose for each loan.

Loans on Life Insurance: Include any loans taken out against a life insurance policy. You may need to contact your insurance representative for this information.

Cash Rent: Account for any accrued rent payments that are due and not yet paid in this section.

All Other Current Debts: Use as needed to document other current liabilities, such as personal debts that will be repaid in the next 12 months. Attach a schedule if needed.

Accrued Interest: Include any interest that has accrued on a loan(s) and is due, but not yet paid. For loans with monthly payments, this will typically not be important. For loans with less than monthly payments (quarterly, semi-annually, or annual), this may be significant and should be accounted for. You may need to contact your lender for this information.

Intermediate Liabilities

Notes Payable: These are loans typically taken out to fund capital items including but not limited to:

- vehicles,
- equipment,
- machinery,
- breeding livestock,
- fixtures,
- building improvements.

This also includes:

- education loans,

- loans taken out to refinance other debts,
- personal loans to an individual or family member,
- capital lines of credit.

Include repayment terms and loan purpose for each loan. Attach a schedule if more space is needed.

Other I-T Debts: Use as needed to document other liabilities to be repaid within 1-10 years. Attach a schedule if needed.

Financial Leases: The present balance of all leases should equal to the total remaining lease payments. This liability should equal the value of the leased asset calculated on the asset side.

Long Term Liabilities

Farm Mortgages: Include loans taken out to fund real estate purchases such as: residence, farm land, agricultural buildings, commercial property, and bare land. Also include liabilities associated with owner financing. Include repayment terms and loan purpose for each loan.

Other: (See schedule G on reverse side of balance sheet) Use as needed to document other long term liabilities.

CONTINGENT LIABILITIES (BOTTOM)

Fill out this section in full. Include any loans that you co-signed or guaranteed for another party and footnote the details of this contingent liability (to whom, amount, payment, who is making the payments)

INSURANCE COVERAGE (BOTTOM)

Fill out this section completely. You may need to contact your insurance representative for this information.

CERTIFICATION (SIGNING THE BALANCE SHEET)

All parties included in the balance sheet should sign and date the certification section.

- For a married couple, include both spouses.
- For a corporation, this will generally be the President and Secretary.
- For an LLC, include all members.
- For a partnership, include all partners.