

Brown Family Farms - Operations

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Financial Analysis: Oper 18

Brown Family Farm

Sumter, SC

File: Brown Family Farm

Prepared by: Scott Mickey
Agri Directions, LLC

Prepared on: 12/29/2018

2018 Financial Analysis Executive Summary

Income Statement

Crop sales	7,858,695	
Crop inventory change	146,650	
Gross crop income		8,005,345
Livestock sales	-	
Livestock inventory change	-	
Gross livestock income		-
Government payments		1,500
Other cash farm income		73,000
Change in accounts receivable		140,600
Gain or loss on hedging accts		-
Change in other assets		-
Gain or loss on breeding lvst		-
Gross farm income		8,220,445
Cash operating expense	7,704,912	
Change in prepaid exp and supplies	-	
Change in growing crops	-	
Change in accounts payable	-	
Depreciation	350,800	
Total operating expense		8,055,712
Interest paid	286,807	
Change in accrued interest	-98,971	
Total interest expense		187,836
Total expenses		8,243,548
Net farm income		-23,103

Other Measures

Total crop acres		4,500
Change in earned net worth	-283,103	-21 %
Change in market value net worth	-381,520	-10 %

Financial Standards Measures

Liquidity	Beg	End
Current ratio	0.99	0.91
Working capital	-29,734	-270,645
Working capital to gross revenues	-0.4 %	-3.3 %
Solvency (market)	Beg	End
Debt to asset ratio	52 %	55 %
Debt to equity ratio	1.08	1.23
Profitability	Cost	Market
Net farm income	-23,103	-121,520
Rate of return on assets	-6.0 %	-4.8 %
Rate of return on equity	-39.6 %	-15.4 %
Operating profit margin	-3.6 %	-4.8 %
Repayment Capacity		
Term debt coverage ratio (farm only)		0.33
Replacement margin coverage ratio		0.18
Efficiency	Cost	Market
Asset turnover rate	166.0 %	100.7 %
Operating expense ratio		93.7 %
Depreciation expense ratio		4.3 %
Interest expense ratio		2.3 %
Net farm income ratio		-0.3 %
Other		
Term debt coverage (farm+personal)		0.33
Term debt to EBITDA		1.77

Information Accuracy

Cash discrepancy	0
Liability discrepancy	0
Cash discrepancy to gross revenue	0 %

Income Statement

Income	Quantity	Price	Amount	Expense	Amount
Cantaloupe, NC	687,500 cwt.	1.03/cwt.	708,125	Seed and plants	560,000
Corn, NC	100,000 bu.	4.35/bu.	435,000	Fertilizer	720,079
Corn, OC	109,583 bu.	4.62/bu.	506,000	Crop chemicals	890,000
Pkg Cucmbrs, NC	18,000 cwt.	17.21 /cwt.	309,780	Crop insurance	91,000
Soybeans, OC	56,000 bu.	10.19/bu.	570,640	Drying expense	310,000
Soybeans, NC	8,000 bu.	10.03/bu.	80,250	Irrigation energy	123,000
Summr Squash, NC	37,500 bu.	17.50/bu.	656,250	Crop Supplies	114,500
Swt Potatoes, OC	150,000 bu.	6.46/bu.	969,000	Crop Custom hire	68,000
FICr Tobacco, NC	540,000 lb.	1.88/lb.	1,015,200	Crop Hauling and trucking	125,000
Tomatoes, NC	125,000 crtn.	8.75/crtn.	1,093,750	Crop Consultants	50,000
Watermelon, NC	50,000 cwt.	16.50/cwt.	825,000	Crop Marketing	1,157,209
Swt Corn Dir, NC	285,000 doz.	2.42/doz.	689,700	Interest	286,807
Crop government payments			1,500	Fuel & oil	89,015
Custom work income			30,000	Repairs	179,634
Patronage dividends, cash			5,000	Hired labor	2,762,500
Crop insurance income			38,000	Land rent	252,000
				Personal property taxes	50,600
				Farm insurance	83,250
				Utilities	79,125
Gross cash income			7,933,195	Total cash expense	7,991,719
				Net cash income	-58,524

Inventory Changes	Beginning Inventory	Purchases	Sales	Ending Inventory	Inventory Change	
Prepays and supplies	56,000			56,000	-	
Accounts receivable	98,000			238,600	140,600	
Hedging gains or losses	10,000	-	-	10,000	-	
Crops and feed	2,150,000			2,296,650	146,650	
Other assets	58,500	-	-	58,500	-	
Accounts payable	126,000			126,000	-	
Accrued interest	237,030			138,060	98,971	
Total inventory change						386,221
Net operating profit						327,697

Depreciation	Beginning Inventory	Purchases	Sales	Ending Inventory	Depreciation	
Machinery and equipment	834,000	-	-	483,200	-350,800	
Titled vehicles	-	-	-	-	-	
Buildings and improvement	-	-	-	-	-	
Total depreciation						-350,800

Net farm income **-23,103**

Profitability Measures		Cost	Market	Statement of Owner's Equity		
(A)	Net farm income from operations	-23,103	-121,520	(a)	Beginning net worth	3,989,120
	Rate of return on assets (E/F)	-6.0 %	-4.8 %		Net farm income	-23,103
	Rate of return on equity (G/H)	-39.6 %	-15.4 %		Personal income (+)	-
	Operating profit margin (E/I)	-3.6 %	-4.8 %		Owner withdrawals (-)	260,000
	Asset turnover rate (I/F)	166.0 %	100.7 %		Income taxes accrued (-)	-
	EBITDA	515,533	417,117		Change in personal assets (+)	-
(B)	Change in market valuation	-	-98,416		Change in nonfarm accounts payable (+)	-
(C)	Interest expense	187,836	187,836	(b)	Total change in retained earnings (=)	-283,103
(D)	Value of unpaid oper labor & mgmt	462,092	462,092		Change in market value of capital assets	17,450
(E)	Return on farm assets (A+C-D)	-297,359	-395,775		Change in deferred liabilities -	115,866
(F)	Average farm assets	4,951,901	8,167,126	(d)	Total change in market valuation =	-98,416
(G)	Return on farm equity (A-D)	-485,195	-583,612	(e)	Total change in net worth (b+d)	-381,520
(H)	Average farm net worth	1,226,359	3,798,360		Ending net worth	3,607,600
(I)	Value of farm production	8,220,445	8,220,445			
Liquidity Measures		Begin	End	Statement of Cash Flows		
(J)	Current assets	2,780,000	2,849,602	(f)	Beginning cash balance (farm & personal)	466,000
(K)	Current liabilities	2,809,734	3,120,247		Gross cash farm income	7,933,195
	Current ratio (J/K)	0.99	0.91		Cash farm expenses (-)	7,991,719
	Working capital (J-K)	-29,734	-270,645	(g)	Cash provided by operating activities (=)	-58,524
	Change in working capital	-240,910			Sale of capital assets	-
	Working capital to gross revenues	-0.4 %	-3.3 %		Purchase of capital assets (-)	-
Solvency Measures (Market)		Begin	End	(h)	Cash provided by investing activities (=)	-
(L)	Total assets	8,299,000	8,035,252		Money borrowed	2,819,112
(M)	Total liabilities	4,309,880	4,427,652		Principal payments (-)	2,718,236
	Net worth (L-M)	3,989,120	3,607,600		Personal income (+)	-
	Net worth change	-381,520			Owner withdrawals (-)	260,000
	Current debt to assets (K/J)	101 %	109 %	(i)	Income taxes paid (-)	-
	Intermediate debt to assets	- %	- %		Cash provided by financing activities (=)	-159,124
	Long term debt to assets	42 %	28 %		Net change in cash (g+h+i)	-217,648
	Total debt to assets ratio (M/L)	52 %	55 %		Ending cash balance (farm and personal)	248,352
Repayment Capacity						
	Net farm income from operations		-23,103			
	Depreciation (+)		350,800			
	Personal income (+)		-			
	Owner withdrawals (-)		260,000			
	Income taxes accrued (-)		-			
	Interest on term debt (+)		70,737			
(N)	Capital debt repayment capacity (=)		138,434			
(O)	Scheduled term debt payments		417,441			
(P)	Capital debt repayment margin (N-O)		-279,007			
(Q)	Cash replacement allowance		333,350			
	Replacement margin (P-Q)		-612,357			
	Term debt coverage ratio (N/O)		0.33			
	Replacement coverage ratio (N/O+Q)		0.18			

Crop Summary

Total acres owned	500
Total crop acres	4,500
Crop acres owned	-
Crop acres cash rented	4,500
Crop acres share rented	-
Irrigated crop acres	1,800
Dryland crop acres	2,700
Percent crop acres owned	- %
Machinery investment/crop acre (cost)	146
Machinery investment/crop acre (market)	704

Crop Yields

	Acres	Yield
Corn, Irrigated	1,000.0	175.0 bu.
Soybeans, Dryland	2,000.0	32.0 bu.
Tobacco, Flue Cured, Dryland	300.0	1,800.0 lb.
Sweet Potatoes, Dryland	400.0	423.8 bu.
Pkg Cucumbers, Irrigated	150.0	120.0 cwt.
Summr Squash, Irrigated	150.0	250.0 bu.
Swt Corn Dir, Irrigated	150.0	1,900.0 doz.
Tomatoes, Irrigated	100.0	1,250.0 crtn.
Watermelon, Irrigated	125.0	400.0 cwt.
Cantaloupe, Irrigated	125.0	5,500.0 cwt.

Labor Summary

Total unpaid labor hours	6,000
Total hired labor hours	220,357
Total farm labor hours	226,357
Value of farm production per hour	36.32
Net farm income per unpaid hour	-3.85
Average hourly hired labor wage	12.54

Planned vs Actual**Income Statement**

Cash Farm Income	Unit	Planned Quantity	Planned Value	Actual Quantity	Actual Value
Cantaloupe	cwt.	750,000	750,000	687,500	708,125
Corn	bu.	209,583	935,998	209,583	941,000
Pkg Cucumbers	cwt.	18,000	300,060	18,000	309,780
Soybeans	bu.	71,000	721,750	64,000	650,890
Summr Squash	bu.	37,500	660,000	37,500	656,250
Swt Potatoes	bu.	220,000	1,540,000	150,000	969,000
FICr Tobacco	lb.	720,000	1,404,000	540,000	1,015,200
Tomatoes	crtn.	150,000	1,275,000	125,000	1,093,750
Watermelon	cwt.	56,250	900,000	50,000	825,000
Swt Corn Dir	doz.	281,250	675,000	285,000	689,700
Crop government payments			60,000		1,500
Custom work income			38,000		30,000
Patronage dividends, cash			2,000		5,000
Crop insurance income			-		38,000
Gross cash farm income			9,261,808		7,933,195
Seed and plants			558,579		560,000
Fertilizer			470,888		720,079
Crop chemicals			890,882		890,000
Crop insurance			91,000		91,000
Drying expense			365,080		310,000
Irrigation energy			132,607		123,000
Supplies			120,920		114,500
Custom hire			71,379		68,000
Hired labor			2,750,999		2,762,500
Hauling and trucking			130,392		125,000
Marketing			1,367,209		1,157,209
			177,022		-
			98,079		-
Interest			360,146		286,807
Fuel & oil			100,000		89,015
Repairs			184,872		179,634
Land rent			252,000		252,000
Personal property taxes			50,455		50,600
Farm insurance			80,000		83,250
Utilities			80,000		79,125
Consultants			50,000		50,000
Total cash farm expense			8,382,508		7,991,719
Net cash farm income			879,300		-58,524
Inventory change			121,145		386,221
Depreciation			-350,800		-350,800
Net farm income			649,645		-23,103

Cash Flows

Cash Inflows	Planned	Actual
Beginning cash balance	466,000	466,000
Gross cash farm income	9,261,808	7,933,195
Personal income	-	-
Capital sales	-	-
Money borrowed	2,672,183	2,819,112
Total inflows	12,399,992	11,218,307

Cash Outflows

Cash farm expense	8,382,508	7,991,719
Owner withdrawals	260,000	260,000
Income taxes	-	-
Capital purchases	-	-
Principal payments	3,407,483	2,718,236
Ending cash balance	350,000	248,352
Total outflows	12,399,992	11,218,307

Ending Inventories

Corn	100,000	75,000
Soybeans	55,000	56,000
Swt Potatoes	156,000	169,500

Crop Production

Crop	Unit	Planned Acres	Planned Yield	Planned Production	Actual Acres	Actual Yield	Actual Production
Corn, Irrigated	bu.	1,000.0	200.0	200,000	1,000.0	175.0	175,000
Soybeans, Dryland	bu.	2,000.0	35.0	70,000	2,000.0	32.0	64,000
Tobacco, Flue Cured, Dryland	lb.	300.0	2,400.0	720,000	300.0	1,800.0	540,000
Sweet Potatoes, Dryland	bu.	400.0	565.0	226,000	400.0	423.8	169,500
Pkg Cucumbers, Irrigated	cwt.	150.0	120.0	18,000	150.0	120.0	18,000
Summr Squash, Irrigated	bu.	150.0	250.0	37,500	150.0	250.0	37,500
Swt Corn Dir, Irrigated	doz.	150.0	1,875.0	281,250	150.0	1,900.0	285,000
Tomatoes, Irrigated	crtn.	100.0	1,500.0	150,000	100.0	1,250.0	125,000
Watermelon, Irrigated	cwt.	125.0	450.0	56,250	125.0	400.0	50,000
Cantaloupe, Irrigated	cwt.	125.0	6,000.0	750,000	125.0	5,500.0	687,500

Cash Accuracy Check

Beginning cash balance	466,000	Ending cash balance	248,352
Gross cash farm income	7,933,195	Total cash farm expense	7,991,719
Personal income	-	Owner withdrawals	260,000
Capital sales	-	Capital purchases	-
Money borrowed	2,819,112	Principal payments	2,718,236
Gifts and inheritances	-	Gifts given	-
Beginning personal savings	-	Ending personal savings	-
		Income taxes	-
Total inflows	11,218,307	Total outflows	11,218,307
		Discrepancy (inflows - outflows)	0

Liabilities Check

Beginning liabilities	4,309,880
Money borrowed	(+) 2,819,112
Principal payments	(-) 2,718,236
Change in accounts payable	(+) -98,971
Change in deferred liabilities	(+) 115,866
Ending liabilities calculated	(=) 4,427,652
Ending liabilities reported	(-) 4,427,652
Discrepancy	(=) 0

Crop & Feed Check

Crop	Corn	Soybeans	Swt Potatoes	FICr Tobacco	Pkkg Cucmbrs	Summr Squash	Swt Corn Dir
Beginning inventory	109,583	56,000	150,000	-	-	-	-
Produced	175,000	64,000	169,500	540,000	18,000	37,500	285,000
Purchased	-	-	-	-	-	-	-
Total sources	284,583	120,000	319,500	540,000	18,000	37,500	285,000
Sold	209,583	64,000	150,000	540,000	18,000	37,500	285,000
Ending inventory	75,000	56,000	169,500	-	-	-	-
Total uses	284,583	120,000	319,500	540,000	18,000	37,500	285,000
Difference (Fed)	0	0	0	0	0	0	0

Crop & Feed Check (continued)

Crop	Tomatoes	Watermelon	Cantaloupe
Beginning inventory	-	-	-
Produced	125,000	50,000	687,500
Purchased	-	-	-
Total sources	125,000	50,000	687,500
Sold	125,000	50,000	687,500
Ending inventory	-	-	-
Total uses	125,000	50,000	687,500
Difference (Fed)	0	0	0

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: 12/31/2018 - Operating Balance Sheet

Brown Family Farm

Sumter, SC

File: Brown Family Farm

Prepared by: Scott Mickey
Agri Directions, LLC

Prepared on: 12/29/2018

Schedule A: Cash and checking

	Value
FCB Checking	138,000
Marketable Securities	-
American Funds ST Inves	110,352
Total cash and checking	248,352

Schedule B: Prepaid expenses and supplies

	Expense Category	Value Per		
		Quantity	Unit	Value
Gas	Fuel & oil	1,285.71	3.50	4,500
Diesel	Fuel & oil	4,520.547	3.65	16,500
PP Seed	Seed	-	-	20,000
PP Nitrogen	Fertilizer,N	-	-	15,000
Total prepaid expenses and supplies				56,000

Schedule D: Accounts receivable

	Value Per		
	Quantity	Unit	Value
Crop Insurance-Feb	-	-	73,000
ARC/PLC-Nov	-	-	60,000
MFP - Soybeans	64,000	1.65	105,600
Total accounts receivable			238,600

Schedule J: Machinery and equipment

Make/Model	Model Year	Serial No./VIN	Year Purchased	Purchase Price	Pct. Ownership	Cost Value	Market Value
Original Cost	-		-	-	100.00 %	4,744,000	-
Accum Depreciation	-		-	-	100.00 %	-3,910,000	-
CY Depreciation	-		-	-	100.00 %	-350,800	-
Tractors	-		-	-	100.00 %	-	550,000
Planting Equip	-		-	-	100.00 %	-	90,000
Harvest Equip	-		-	-	100.00 %	-	450,000
Tillage Equip	-		-	-	100.00 %	-	70,000
Irrigation Equip	-		-	-	100.00 %	-	600,000
Tobacco Eq	-		-	-	100.00 %	-	625,000
Trucks/Trailers	-		-	-	100.00 %	-	425,000
Misc Eq	-		-	-	100.00 %	-	190,150
Total machinery and equipment						483,200	3,000,150

Schedule E: Hedging accounts

	Value Per		Value
	Quantity	Unit	
RJ O'Brien Cash	-	-	6,500
RCG Cash	-	-	3,500
Total hedging accounts			10,000

Schedule G: Crop inventory

Crop	Description	Value Per		
		Quantity	Unit	Value
Corn	Delivery 3/15	75,000 bu.	4.58	343,500
Soybeans	Delivery 5/15	56,000 bu.	9.15	512,400
Swt Potatoes	Delivery 5/15	169,500 bu.	8.50	1,440,750
Total crop inventory				2,296,650

Schedule L: Other intermediate assets

	Quantity	Year Purchased	Purchase Price	Mkt Value Per Unit	Cost Value	Market Value
EE loans	-	-	-	-	2,000	2,000
Total other intermediate assets					2,000	2,000

Schedule M: Land

	Acres	Year Purchased	Purchase Price	Mkt Value Per Acre	Cost Value	Market Value
Home Place	235	2002	470,000	3,500	470,000	822,500
Neighbors Place	140	2010	350,000	3,500	350,000	490,000
Next Door	125	2015	600,000	3,500	600,000	437,500
Total land	500				1,420,000	1,750,000

Schedule N: Buildings and improvements

	Year Purchased	Purchase Price	Cost Value	Market Value
Grain Bins	2007	450,000	-	224,000
Shop	2012	175,000	-	125,000
Total buildings and improvements			-	349,000

Schedule O: Other long term assets

	Quantity	Year Purchased	Purchase Price	Mkt Value Per Unit	Cost Value	Market Value
Investment in Cooperative	-	-	-	-	-	-
Southern States	1	-	-	1,500	1,500	1,500
Farm Credit Patronage	1	-	-	5,000	5,000	5,000
Investment in Other Entit	-	-	-	-	-	-
Tri County Packing	0.1	-	-	780,000	50,000	78,000
Total other long term assets					56,500	84,500

Schedule T: Accounts payable and other accrued expenses

	Expense Category	Balance
LP Gas	Drying fuel	36,000
Jones Farm	Land rent	44,000
Fed WH	Labor	38,000
State WH	Labor	8,000
Total accounts payable and other accrued expen		126,000

Schedule U: Current loans

	Interest Rate	Principal Balance	Accrued Interest	Normal P & I	Past Due P & I	Month Due	Balance
AgFirst-Hedge Line	4.50 %	66,000	5,226	72,958	-	7	66,000
AgFirst-Operating	4.50 %	2,200,000	100,029	2,250,000	-	5	2,200,000
JDF-Farm Plan	4.33 %	149,500	10,533	161,112	-	2	149,500
Rabo -Syngenta/Bay	1.28 %	76,225	3,250	79,719	-	3	76,225
Total current loans		2,491,725	119,038	2,563,789	-		2,491,725

Schedule W: Long term loans

	Interest Rate	Principal Balance	Accrued Interest	Normal P & I	Past Due P & I	Month Due	Final Year	Principal Due	Lg Term Balance
Eq Dealer-Planters	3.49 %	47,166	1,376	36,521	-	3	2019	34,728	12,438
Eq Dealer-Tractors	2.90 %	213,486	1,560	92,293	-	3, 9	2020	86,657	126,829
Eq Dealer-Combine	6.45 %	190,531	10,269	124,761	-	6, 12	2019	103,532	86,999
Eq Dealer-Sprayer	2.99 %	74,287	1,667	23,127	-	4	2021	20,709	53,578
FCB-Irrigation	4.50 %	399,738	2,957	128,770	-	11	2021	109,095	290,643
FCB-Equip Refi	4.49 %	45,502	1,192	11,969	-	6	2022	9,741	35,761
Total long term loans		970,710	19,022	417,441	-			364,462	606,248

Schedule Y: Deferred liabilities

Deferred Taxes On Current Inventories

Market value of current inventories		2,601,250
Accounts payable and accrued expenses	(-)	264,060
Purchase cost of feeder livestock	(-)	-
Government crop loans already taxed	(-)	-
Tax loss (NOL) carryforwards	(-)	-
Taxable current inventory value	(=)	2,337,190
Estimated marginal tax rate (%)	(*)	30
Deferred taxes on current liabilities		701,157
Deferred liabilities on capital assets	(=)	-
Total deferred liabilities		701,157

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: 12/31/2017 - Operating Balance Sheet

Brown Family Farm

Sumter, SC

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Prepared by: Scott Mickey
Agri Directions, LLC

Prepared on: 12/29/2018



Brown Family Farm
12/31/2017 - Operating Balance Sheet

Current Assets				Value	Current Liabilities						Balance	
Cash and checking (Schd A)				466,000	Accrued interest						237,030	
Prepaid exp. & suppl. (Schd B)				56,000	Payables & accr exp (Schd T)						126,000	
Growing crops				-								
Accounts receivable (Schd D)				98,000			Int	P & I		Principal		
Hedging accounts (Schd E)				10,000			Rate	Due		Balance		
Other current assets				-								
Crops (Schd G)												
	Quantity	Value/Unit										
Corn	109,583	4.80/bu.	526,000				4.50	-		112,000		
Soybeans	56,000	10.25/bu.	574,000				4.50	-		1,800,000		
Swt Potatoes	150,000	7.00/bu.	1,050,000				4.33	-		120,000		
Livestock held for sale			-				1.28	-		68,000		
Total Current Assets				2,780,000	Total Current Liabilities						2,809,734	
Intermediate Assets					Intermediate Liabilities							
		Cost	Market				Int	Principal	P & I	Principal	Intermed	
		Value	Value				Rate	Balance	Due	Due	Balance	
Breeding livestock				-								
Machinery (Schd J)				834,000	3,333,500							
Titled vehicles				-	-							
Other intermed. (Schd L)				2,000	2,000							
Total Intermediate Assets				836,000	3,335,500	Total Intermediate Liabilities						-
Long Term Assets					Long Term Liabilities (Schd W)							
		Cost	Market				Int	Principal	P & I	Principal	Lg Term	
	Acres	Value	Value				Rate	Balance	Due	Due	Balance	
Land (Schd M)												
HomePlace	235	470,000	822,500				3.49	78,000	36,521	33,556	44,444	
Neighbors Place	140	350,000	490,000				2.90	289,383	92,293	84,412	204,971	
Next Door	125	600,000	437,500				6.45	266,949	124,761	94,200	172,749	
Bldgs & improve. (Schd N)		-	349,000				2.99	91,688	23,127	20,143	71,545	
Other long term (Schd O)		56,500	84,500				4.50	483,000	128,770	104,997	378,003	
Total Long Term Assets				1,476,500	2,183,500	Total Long Term Liabilities						914,855
Total Farm Assets				5,092,500	8,299,000	Total Farm Liabilities						3,724,589
										Cost	Market	
											585,291	
										3,724,589	4,309,880	
									[a-d]	1,367,911		
									[b-a-c]		2,621,209	
Total Assets (a)(b)				5,092,500	8,299,000	Net Worth						3,989,120
									[b-e]			

I certify that my statements on this balance sheet are true, complete, and correct to the best of my knowledge and belief.

Signature(s) _____

Date _____

Schedule A: Cash and checking

	Value
FCB Checking	166,000
Marketable Securities	-
American Funds ST Inves	300,000
Total cash and checking	466,000

Schedule B: Prepaid expenses and supplies

	Expense Category	Value Per		
		Quantity	Unit	Value
Gas	Fuel & oil	1,285.71	3.50	4,500
Diesel	Fuel & oil	4,520.547	3.65	16,500
PP Seed	Seed	-	-	20,000
PP Nitrogen	Fertilizer,N	-	-	15,000
Total prepaid expenses and supplies				56,000

Schedule D: Accounts receivable

	Value Per		
	Quantity	Unit	Value
Crop Insurance-Feb	-	-	38,000
ARC/PLC-Nov	-	-	60,000
Total accounts receivable			98,000

Schedule J: Machinery and equipment

Make/Model	Model Year	Serial No./VIN	Year Purchased	Purchase Price	Pct. Ownership	Cost Value	Market Value
Original Cost	-		-	-	100.00 %	4,744,000	-
Accum Depreciation	-		-	-	100.00 %	-3,910,000	-
Tractors	-		-	-	100.00 %	-	600,000
Planting Equip	-		-	-	100.00 %	-	100,000
Harvest Equip	-		-	-	100.00 %	-	520,000
Tillage Equip	-		-	-	100.00 %	-	74,000
Irrigation Equip	-		-	-	100.00 %	-	625,000
Tobacco Eq	-		-	-	100.00 %	-	760,000
Trucks/Trailers	-		-	-	100.00 %	-	445,500
Misc Eq	-		-	-	100.00 %	-	209,000
Total machinery and equipment						834,000	3,333,500

Schedule E: Hedging accounts

	Value Per		
	Quantity	Unit	Value
RJ O'Brien Cash	-	-	6,500
RCG Cash	-	-	3,500
Total hedging accounts			10,000

Schedule G: Crop inventory

Crop	Description	Value Per		
		Quantity	Unit	Value
Corn	Delivery 3/15	109,583 bu.	4.80	526,000
Soybeans	Delivery 5/15	56,000 bu.	10.25	574,000
Swt Potatoes	Delivery 5/15	150,000 bu.	7.00	1,050,000
Total crop inventory				2,150,000

Schedule L: Other intermediate assets

	Quantity	Year Purchased	Purchase Price	Mkt Value Per Unit	Cost Value	Market Value
EE loans	-	-	-	-	2,000	2,000
Total other intermediate assets					2,000	2,000

Schedule M: Land

	Acres	Year Purchased	Purchase Price	Mkt Value Per Acre	Cost Value	Market Value
Home Place	235	2002	470,000	3,500	470,000	822,500
Neighbors Place	140	2010	350,000	3,500	350,000	490,000
Next Door	125	2015	600,000	3,500	600,000	437,500
Total land	500				1,420,000	1,750,000

Schedule N: Buildings and improvements

	Year Purchased	Purchase Price	Cost Value	Market Value
Grain Bins	2007	450,000	-	224,000
Shop	2012	175,000	-	125,000
Total buildings and improvements			-	349,000

Schedule O: Other long term assets

	Quantity	Year Purchased	Purchase Price	Mkt Value Per Unit	Cost Value	Market Value
Investment in Cooperative	-	-	-	-	-	-
Southern States	1	-	-	1,500	1,500	1,500
Farm Credit Patronage	1	-	-	5,000	5,000	5,000
Investment in Other Entit	-	-	-	-	-	-
Tri County Packing	0.1	-	-	780,000	50,000	78,000
Total other long term assets					56,500	84,500

Schedule T: Accounts payable and other accrued expenses

	Expense Category	Balance
LP Gas	Drying fuel	36,000
Jones Farm	Land rent	44,000
Fed WH	Labor	38,000
State WH	Labor	8,000
Total accounts payable and other accrued expen		126,000

Schedule U: Current loans

	Interest Rate	Principal Balance	Accrued Interest	Normal P & I	Past Due P & I	Month Due	Balance
AgFirst-Hedge Line	4.50 %	112,000	12,796	-	-	7	112,000
AgFirst-Operating	4.50 %	1,800,000	185,175	-	-	5	1,800,000
JDF-Farm Plan	4.33 %	120,000	10,998	-	-	2	120,000
Rabo -Syngenta/Bay	1.28 %	68,000	2,276	-	-	3	68,000
Total current loans		2,100,000	211,245	-	-		2,100,000

Schedule W: Long term loans

	Interest Rate	Principal Balance	Accrued Interest	Normal P & I	Past Due P & I	Month Due	Final Year	Principal Due	Lg Term Balance
Eq Dealer-Planters	3.49 %	78,000	2,275	36,521	-	3	2019	33,556	44,444
Eq Dealer-Tractors	2.90 %	289,383	2,115	92,293	-	3, 9	2020	84,412	204,971
Eq Dealer-Combine	6.45 %	266,949	14,388	124,761	-	6, 12	2019	94,200	172,749
Eq Dealer-Sprayer	2.99 %	91,688	2,058	23,127	-	4	2021	20,143	71,545
FCB-Irrigation	4.50 %	483,000	3,573	128,770	-	11	2021	104,997	378,003
FCB-Equip Refi	4.49 %	52,539	1,377	11,969	-	6	2022	9,396	43,143
Total long term loans		1,261,559	25,785	417,441	-			346,704	914,855

Schedule Y: Deferred liabilities

Deferred Taxes On Current Inventories

Market value of current inventories	2,314,000
Accounts payable and accrued expenses	(-) 363,030
Purchase cost of feeder livestock	(-) -
Government crop loans already taxed	(-) -
Tax loss (NOL) carryforwards	(-) -
Taxable current inventory value	(=) 1,950,970
Estimated marginal tax rate (%)	(*) 30
Deferred taxes on current liabilities	585,291
Deferred liabilities on capital assets	(=) -
Total deferred liabilities	585,291

FINPACK

Cash Flow Plan: Oper 19 Projected

Brown Family Farm

Sumter, SC

File: Brown Family Farm

Prepared by: Scott Mickey
Agri Directions, LLC

Prepared on: 12/29/2018

Monthly Cash Flow Plan Executive Summary

Projected Cash Flow Summary

Total operating inflow		9,721,060
Total operating outflow	(-)	8,282,362
Capital purchases	(-)	-
Capital sales	(+)	-
New credit	(+)	-
Loan payments	(-)	964,323
Net cash flow	(=)	474,374
Beginning cash balance	(+)	248,352
Operating loan borrowings	(+)	2,247,096
Operating loan principal payments	(-)	2,619,823
Ending cash balance	(=)	350,000

Beginning operating loan balance		2,200,000
Peak operating loan balance (Jun)		4,046,586
Ending operating loan balance		1,827,274

Projected Change in Working Capital

Change in cash		101,648
Change in current inventories	(+)	54,106
Change in operating loan balance	(-)	-372,726
Change in other current loans	(-)	-291,725
Change in princ due on term loans	(-)	-28,334
Estimated change in working capital	(=)	848,539

Projected Income Statement

Gross cash farm income		9,721,060
Inventory change - income items	(+)	-161,750
Gross revenue	(=)	9,559,310
Cash farm operating expense		8,022,362
Interest expense	(+)	307,668
Depreciation	(+)	317,465
Inventory change - expense items	(+)	-215,856
Total farm expense	(=)	8,431,639
Net farm income		1,127,671

Projected Earned Net Worth Change

Net farm income		1,127,671
Owner withdrawals	(-)	260,000
Income taxes accrued	(-)	-
Earned net worth change	(=)	867,671

Term Debt Coverage

Net farm income from operations		1,127,671
Depreciation	(+)	317,465
Personal income	(+)	-
Owner withdrawals	(-)	260,000
Income taxes accrued	(-)	-
Interest on term debt	(+)	37,693
Capital debt repayment capacity	(=)	1,222,828
Term debt payments		417,441
Capital debt repayment margin		805,387
Term debt coverage ratio		2.93

Financial Standards Measures

Liquidity	Beginning	Ending
Current ratio	0.9	1.3
Working capital	-270,645	577,895
Working capital to gross revenue	-2.8 %	6.0 %

Solvency (market)

Debt to asset ratio	46.4 %	32.4 %
Debt to equity ratio	0.9	0.5

Profitability (market)

Net farm income		1,127,671
Rate of return on assets		16.6 %
Rate of return on equity		23.8 %
Operating profit margin		13.6 %
EBITDA		1,618,948

Repayment Capacity

Term debt coverage ratio (farm)		2.93
Replacement margin coverage ratio		1.70

Efficiency

Asset turnover rate (market)		121.8
Operating expense ratio		83.1 %
Depreciation ratio		3.3 %
Interest expense ratio		1.8 %
Net farm income ratio		11.8 %

Other

Term debt coverage (farm+personal)		2.93
Term debt to EBITDA		0.37

Shocks to Farm Term Debt Coverage Ratio

10% decrease in gross income		0.64
10% increase in operating expenses		1.03
3% increase in interest rates		2.58

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
CASH INFLOWS													
Beg cash bal	248352	350000	350000	350000	350000	350000	350000	350000	350000	350000	350000	350000	248352
Cantaloupe	-	-	-	-	-	150000	300000	300000	-	-	-	-	750000
Corn	-	-	343500	-	-	-	-	-	225000	-	237500	-	806000
Pkkg Cucmbrs	-	-	-	-	-	146696	133360	20004	-	-	-	-	300060
Soybeans	-	-	146400	183000	183000	-	-	-	-	-	-	140250	652650
Summr Squash	-	-	-	-	-	440000	220000	-	-	-	-	-	660000
Swt Potatoes	255000	255000	255000	255000	396000	-	-	-	-	297500	306250	-	2019750
FICr Tobacco	-	-	-	-	-	-	-	243750	487500	487500	185250	-	1404000
Tomatoes	-	-	-	-	-	-	425000	425000	425000	-	-	-	1275000
Watermelon	-	-	-	-	-	-	450000	450000	-	-	-	-	900000
Swt Corn Dir	-	-	-	-	-	67500	472500	135000	-	-	-	-	675000
Crop gov pay	-	-	105600	-	-	-	-	-	-	-	60000	-	165600
Custom work	-	-	-	5429	5429	5429	5429	5429	5429	5429	-	-	38000
Pat dividend	-	-	-	2000	-	-	-	-	-	-	-	-	2000
Cp insurance	-	-	73000	-	-	-	-	-	-	-	-	-	73000
Total inflow	503352	605000	1273500	795429	934429	1159625	2356289	1929183	1492929	1140429	1139000	490250	9969412
CASH OUTFLOWS													
Seed	20455	20455	212630	143400	161640	-	-	-	-	-	-	-	558579
Fertilizer	-	2624	124703	325290	18270	-	-	-	-	-	-	-	470888
C. Chemicals	-	-	284083	194347	276939	135512	-	-	-	-	-	-	890882
Crop insur.	-	36000	-	-	-	-	-	-	-	-	55000	-	91000
Drying fuel	-	-	-	-	-	-	30967	60113	113033	160967	-	-	365080
Irrig energy	-	-	-	-	15376	61192	45816	10224	-	-	-	-	132607
C. Supplies	-	-	4275	21859	11642	12796	21184	37072	-	-	12092	-	120920
C. Cust hire	-	-	-	-	-	9375	-	8168	11918	41918	-	-	71379
C. Labor	-	-	323110	-	504710	117370	381555	583843	124304	561108	-	-	2595999
C. Hauling	1188	5068	27586	7242	6591	6278	7137	8005	37296	13328	10675	-	130392
C. Marketing	-	-	117812	209472	124050	251968	190244	335393	-	1376	136894	-	1367209
Fertilizer,N	515	2512	45828	9402	4012	9725	11432	24268	51652	1529	16149	-	177022
Lime	155	721	10609	11696	9549	7481	4981	7593	11445	21837	12011	-	98079
Fuel & oil	8333	8333	8333	8333	8333	8333	8333	8333	8333	8333	8333	8333	100000
Repairs	6603	6603	6603	13205	19808	19808	19808	26410	26410	13205	13205	13205	184872
Labor	12917	12917	12917	12917	12917	12917	12917	12917	12917	12917	12917	12917	155000
Land rent	-	84000	-	-	-	-	-	-	-	168000	-	-	252000
Pers prop tx	-	-	-	-	-	-	-	-	-	-	-	50455	50455
Farm insur.	-	-	20000	-	-	20000	-	-	20000	-	-	20000	80000
Utilities	6667	6667	6667	6667	6667	6667	6667	6667	6667	6667	6667	6667	80000
Consultants	4167	4167	4167	4167	4167	4167	4167	4167	4167	4167	4167	4167	50000
Living/Draw	21667	21667	21667	21667	21667	21667	21667	21667	21667	21667	21667	21667	260000
Min end bal	350000	350000	350000	350000	350000	350000	350000	350000	350000	350000	350000	350000	350000
Tot. outflow	432665	561731	1580989	1339663	1556337	1055254	1116873	1504840	799807	1387018	659776	487410	8632362
Opr. surplus	70687	43269	-307489	-544234	-621908	104371	1239416	424343	693121	-246589	479224	2840	1337050

	<i>Jan</i>	<i>Feb</i>	<i>Mar</i>	<i>Apr</i>	<i>May</i>	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>	<i>Total</i>
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LOAN PAYMENTS

JDF-Farm P..	-	161112	-	-	-	-	-	-	-	-	-	-	161112
AgFir-Hedg..	-	-	-	-	-	-	72958	-	-	-	-	-	72958
Rabo -Syng..	-	-	79719	-	-	-	-	-	-	-	-	-	79719
EqDe-Comb..	-	-	-	-	-	62381	-	-	-	-	-	62381	124761
FCB-Equip..	-	-	-	-	-	11969	-	-	-	-	-	-	11969
FCB-Irriga..	-	-	-	-	-	-	-	-	-	-	128770	-	128770
EqDe-Plan..	-	-	36521	-	-	-	-	-	-	-	-	-	36521
EqDe-Spra..	-	-	-	23127	-	-	-	-	-	-	-	-	23127
EqDe-Trac..	-	-	46147	-	-	-	-	-	46147	-	-	-	92293
Tot loan pay	-	161112	162387	23127	-	74350	72958	-	46147	-	128770	62381	731230
Surp. or def	70687	-117843	-469875	-567361	-621908	30021	1166458	424343	646975	-246589	350454	-59541	605820

ANNUAL OPERATING LOAN TRANSACTIONS & BALANCES

Beg AO bal	2200000	2129313	2247156	2844463	3411824	4033733	4046586	2880128	2455785	1847904	2094493	1744039	2200000
AO borrowing	-	117843	597306	567361	621908	12854	-	-	-	246589	-	83234	2247096
AO int. pay	-	-	127431	-	-	42875	-	-	39094	-	-	23693	233093
AO prin. pay	70687	-	-	-	-	-	1166458	424343	607881	-	350454	-	2619823
End AO bal.	2129313	2247156	2844463	3411824	4033733	4046586	2880128	2455785	1847904	2094493	1744039	1827274	1827274
Accrued int.	109196	118068	-	11852	26068	-	16861	28861	-	7700	16427	-	-
End cash bal	350000	350000	350000	350000	350000	350000	350000	350000	350000	350000	350000	350000	350000

CROP & LIVESTOCK PRODUCTION

Enterprise	Units	Production Per		Operator Production
		Unit	Share	
Corn, 111, Irr.	1000.0 Acres	200.0 bu.	100	200,000 bu.
Soybeans, 116	2000.0 Acres	35.0 bu.	100	70,000 bu.
Tobacco, Flue Cured, 125	300.0 Acres	2400.0 lb.	100	720,000 lb.
Sweet Potatoes, 145	400.0 Acres	565.0 bu.	100	226,000 bu.
Cucumbers, Pickling, 136, Irr.	150.0 Acres	120.0 cwt.	100	18,000 cwt.
Squash, Summer, 147, Irr.	150.0 Acres	250.0 bu.	100	37,500 bu.
Sweet Corn, Direct, 144, Irr.	150.0 Acres	1875.0 doz.	100	281,250 doz.
Tomatoes, 146, Irr.	100.0 Acres	1500.0 crtn.	100	150,000 crtn.
Watermelon, 128, Irr.	125.0 Acres	450.0 cwt.	100	56,250 cwt.
Cantaloupe, 127, Irr.	125.0 Acres	6000.0 cwt.	100	750,000 cwt.
Total crops	4500 Acres			

CROP & LIVESTOCK SUMMARY

	Beg	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Cantaloupe														
Produced	cwt.	-	-	-	-	-	750000	-	-	-	-	-	-	- 750000
Sold	cwt.	-	-	-	-	-	150000	300000	300000	-	-	-	-	- 750000
Price	\$/cwt.	-	-	-	-	-	1.00	1.00	1.00	-	-	-	-	1.00
Inventory	cwt.	-	-	-	-	-	600000	300000	-	-	-	-	-	-
Corn														
Produced	bu.	-	-	-	-	-	-	-	100000	100000	-	-	-	- 200000
Sold	bu.	-	-	75000	-	-	-	-	-	50000	-	50000	-	- 175000
Price	\$/bu.	-	-	4.58	-	-	-	-	-	4.50	-	4.75	-	4.61
Inventory	bu.	75000	75000	75000	-	-	-	-	100000	150000	150000	100000	100000	100000
Cucumbers, Pickling														
Produced	cwt.	-	-	-	-	-	10800	7200	-	-	-	-	-	- 18000
Sold	cwt.	-	-	-	-	-	8800	8000	1200	-	-	-	-	- 18000
Price	\$/cwt.	-	-	-	-	-	16.67	16.67	16.67	-	-	-	-	16.67
Inventory	cwt.	-	-	-	-	-	2000	1200	-	-	-	-	-	-
Soybeans														
Produced	bu.	-	-	-	-	-	-	-	-	-	35000	35000	-	70000
Sold	bu.	-	-	16000	20000	20000	-	-	-	-	-	-	15000	71000
Price	\$/bu.	-	-	9.15	9.15	9.15	-	-	-	-	-	-	9.35	9.19
Inventory	bu.	56000	56000	56000	40000	20000	-	-	-	-	35000	70000	55000	55000
Squash, Summer														
Produced	bu.	-	-	-	-	-	37500	-	-	-	-	-	-	- 37500
Sold	bu.	-	-	-	-	-	25000	12500	-	-	-	-	-	- 37500
Price	\$/bu.	-	-	-	-	-	17.60	17.60	-	-	-	-	-	17.60
Inventory	bu.	-	-	-	-	-	12500	-	-	-	-	-	-	-
Sweet Potatoes														
Produced	bu.	-	-	-	-	-	-	-	-	-	113000	113000	-	- 226000
Sold	bu.	-	30000	30000	30000	30000	49500	-	-	-	-	35000	35000	- 239500
Price	\$/bu.	-	8.50	8.50	8.50	8.50	8.00	-	-	-	-	8.50	8.75	8.43
Inventory	bu.	169500	139500	109500	79500	49500	-	-	-	-	-	78000	156000	156000

CROP & LIVESTOCK SUMMARY (cont.)

		<i>Beg</i>	<i>Jan</i>	<i>Feb</i>	<i>Mar</i>	<i>Apr</i>	<i>May</i>	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>	<i>Total</i>
Tobacco, Flue Cured															
Produced	lb.		-	-	-	-	-	-	122400	237600	237600	122400	-	-	720000
Sold	lb.		-	-	-	-	-	-	-	125000	250000	250000	95000	-	720000
Price	\$/lb.		-	-	-	-	-	-	-	1.95	1.95	1.95	1.95	-	1.95
Inventory	lb.	-	-	-	-	-	-	-	122400	235000	222600	95000	-	-	
Tomatoes															
Produced	crtn.		-	-	-	-	-	75000	75000	-	-	-	-	-	150000
Sold	crtn.		-	-	-	-	-	-	50000	50000	50000	-	-	-	150000
Price	\$/crtn.		-	-	-	-	-	-	8.50	8.50	8.50	-	-	-	8.50
Inventory	crtn.	-	-	-	-	-	-	75000	100000	50000	-	-	-	-	
Watermelon															
Produced	cwt.		-	-	-	-	-	-	28125	28125	-	-	-	-	56250
Sold	cwt.		-	-	-	-	-	-	28125	28125	-	-	-	-	56250
Price	\$/cwt.		-	-	-	-	-	-	16.00	16.00	-	-	-	-	16.00
Inventory	cwt.	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sweet Corn, Direct															
Produced	doz.		-	-	-	-	-	28125	196875	56250	-	-	-	-	281250
Sold	doz.		-	-	-	-	-	28125	196875	56250	-	-	-	-	281250
Price	\$/doz.		-	-	-	-	-	2.40	2.40	2.40	-	-	-	-	2.40
Inventory	doz.	-	-	-	-	-	-	-	-	-	-	-	-	-	

PROJECTED INVENTORY CHANGE

Commodity	Begin Inventor	\$/Unit	Begin Value	Ending Inventory	\$/Unit	Ending Value	Change
Corn	75,000	4.58	343,500	100,000	4.75	475,000	131,500
Soybeans	56,000	9.15	512,400	55,000	9.50	522,500	10,100
Sweet Potatoes	169,500	8.50	1,440,750	156,000	8.50	1,326,000	-114,750
Accounts receivable			238,600			50,000	-188,600
Hedging accounts			10,000			10,000	0
Other current assets			0			0	0
Total income items			2,545,250			2,383,500	-161,750
Prepaid expenses & supplies			56,000			56,000	0
Growing crops			0			0	0
Accounts payable		(End)	44,000		(Beg)	126,000	82,000
Accrued interest		(End)	4,204		(Beg)	138,060	133,856
Total expense items			104,204			320,060	215,856
Total inventories			2,649,454			2,703,560	54,106

BALANCE SHEETS

	12/31/2018	Projected 1/1/2020
ASSETS		
Current Assets		
Cash and checking	248,352	350,000
Prepaid exp. & suppl.	56,000	56,000
Accounts receivable	238,600	50,000
Hedging accounts	10,000	10,000
Crops	2,296,650	2,323,500
Total current assets	2,849,602	2,789,500
Intermediate Assets		
Machinery	3,000,150	2,700,135
Other intermed.	2,000	2,000
Total intermediate assets	3,002,150	2,702,135
Long Term Assets		
Land	1,750,000	1,750,000
Bldgs & improve.	349,000	331,550
Other long term	84,500	84,500
Total long term assets	2,183,500	2,166,050
Total farm assets	8,035,252	7,657,685
Personal assets	-	-
Total assets	8,035,252	7,657,685
LIABILITIES		
Current Liabilities		
Accrued interest	138,060	4,204
Prin due on term loans	364,462	336,128
Operating loan(s)	2,200,000	1,827,274
Payables & accr exp	126,000	44,000
AgFirst-Hedge Line	66,000	1
JDF-Farm Plan	149,500	-
Rabo -Syngenta/Bay	76,225	-
Total current liabilities	3,120,247	2,211,605
Intermediate Liabilities		
Total inter. liabilities	-	-
Long Term Liabilities		
Eq Dealer-Planters	12,438	-
Eq Dealer-Tractors	126,829	37,514
Eq Dealer-Combine	86,999	-
Eq Dealer-Sprayer	53,578	32,042
FCB-Irrigation	290,643	174,713
FCB-Equip Refi	35,761	25,383
Total long term liab.	606,248	269,652

BALANCE SHEETS (cont.)

	12/31/2018	Projected 1/1/2020
Total farm liabilities	3,726,495	2,481,257
Personal liabilities	-	-
Total liabilities	3,726,495	2,481,257
Net worth	4,308,757	5,176,428
Net worth change		867,671
Total debt to asset ratio	46 %	32 %

COST OF PRODUCTION SUMMARY

Crop	Total Expenses	Less Govt & Other Income	With Labor & Mgt	Machinery Cost / Acre
Corn, Irr.	3.27 /bu.	3.08 /bu.	3.08 /bu.	13.37
Soybeans	10.06 /bu.	8.98 /bu.	8.98 /bu.	28.95
Tobacco, Flue Cured	1.84 /lb.	1.81 /lb.	1.81 /lb.	321.77
Sweet Potatoes	7.84 /bu.	7.66 /bu.	7.66 /bu.	523.89
Cucumbers, Pickling, Irr.	14.50 /cwt.	14.02 /cwt.	14.02 /cwt.	168.32
Squash, Summer, Irr.	11.81 /bu.	11.57 /bu.	11.57 /bu.	192.78
Sweet Corn, Direct, Irr.	1.82 /doz.	1.78 /doz.	1.78 /doz.	425.77
Tomatoes, Irr.	9.59 /crtn.	9.50 /crtn.	9.50 /crtn.	769.22
Watermelon, Irr.	14.56 /cwt.	14.38 /cwt.	14.38 /cwt.	404.89
Cantaloupe, Irr.	0.78 /cwt.	0.77 /cwt.	0.77 /cwt.	266.82

CROP ENTERPRISES

	Corn, 111 , Irr.	Soybeans, 116	Tobacco, Flue Cured, 125	Sweet Potatoes, 145	Cucumbers, Pickling, 136, Irr.	Squash, Summer, 147, Irr.
Acres	1000.0	2000.0	300.0	400.0	150.0	150.0
Yield per acre	200.0 bu.	35.0 bu.	2400.0 lb.	565.0 bu.	120.0 cwt.	250.0 bu.
Share of production	100%	100%	100%	100%	100%	100%

Expenses Per Acre

Seed	111.36	31.62	204.75	246.00	70.00	27.60
Fertilizer	65.60	46.00	203.00	226.00	162.50	180.00
C. Chemicals	88.51	82.99	1,061.1	172.22	112.95	97.97
Crop insur.	15.00	20.00	120.00	-	-	-
Drying fuel	52.92	-	607.20	325.00	-	-
Irrig energy	30.00	-	-	-	186.81	171.72
C. Supplies	-	-	-	-	-	-
C. Cust hire	10.00	20.00	19.20	-	-	-
C. Labor	14.96	39.71	1,342.8	2,325.0	747.04	855.56
C. Hauling	70.00	12.25	120.00	-	-	-
C. Marketing	-	1.72	-	-	8.25	1,120.7
Fertilizer,N	109.20	-	52.00	-	38.75	34.70
Lime	23.75	23.75	15.68	14.85	14.85	16.50
Fuel & oil	0.58	1.53	51.73	89.57	28.78	32.96
Repairs	1.07	2.83	95.64	165.59	53.20	60.93
Labor	0.89	2.37	80.18	138.84	44.61	51.09
Land rent	56.00	56.00	56.00	56.00	56.00	56.00
Pers prop tx	0.29	0.77	26.10	45.19	14.52	16.63
Farm insur.	0.46	1.22	41.38	71.66	23.02	26.37
Utilities	0.46	1.22	41.38	71.66	23.02	26.37
Consultants	0.29	0.76	25.87	44.79	14.39	16.48
Oper. int.	0.78	2.08	70.42	121.92	39.17	44.87
Lng term int	0.22	0.58	19.50	33.76	10.85	12.42
Mach. depr.	1.73	4.59	155.20	268.73	86.34	98.89
Bldg. depr.	0.10	0.27	9.03	15.63	5.02	5.75
Total expenses	654.17	352.27	4,418.1	4,432.4	1,740.0	2,953.5

Other Information

Govt payments	36.80	36.80	36.80	36.80	36.80	36.80
Cp insurance	0.42	1.12	37.76	65.39	21.01	24.06

Cost of Production

Total expenses	3.27 /bu.	10.06 /bu.	1.84 /lb.	7.84 /bu.	14.50 /cwt.	11.81 /bu.
Less govt & other income	3.08 /bu.	8.98 /bu.	1.81 /lb.	7.66 /bu.	14.02 /cwt.	11.57 /bu.
With labor & mgt	3.08 /bu.	8.98 /bu.	1.81 /lb.	7.66 /bu.	14.02 /cwt.	11.57 /bu.
Machinery cost per acre	13.37	28.95	321.77	523.89	168.32	192.78

CROP ENTERPRISES (continued)

	Sweet Corn, Direct, 144, Irr.	Tomatoes, 146, Irr.	Watermelon, 128, Irr.	Cantaloupe, 127, Irr.
Acres	150.0	100.0	125.0	125.0
Yield per acre	1875.0 doz.	1500.0 crtn.	450.0 cwt.	6000.0 cwt.
Share of production	100%	100%	100%	100%

Expenses Per Acre

Seed	94.50	609.00	576.00	500.00
Fertilizer	138.00	280.00	100.30	395.00
C. Chemicals	70.65	1,189.9	410.44	293.00
Crop insur.	-	-	-	-
Drying fuel	-	-	-	-
Irrig energy	84.56	186.81	99.85	39.95
C. Supplies	-	901.70	126.00	120.00
C. Cust hire	-	-	50.00	75.00
C. Labor	1,891.5	3,413.8	1,575.0	851.25
C. Hauling	-	-	-	-
C. Marketing	40.00	6,109.2	2,700.0	1,920.0
Fertilizer,N	155.00	49.00	105.00	-
Lime	22.50	25.00	30.00	15.00
Fuel & oil	72.79	131.52	60.68	32.80
Repairs	134.58	243.14	112.17	60.63
Labor	112.83	203.85	94.05	50.83
Land rent	56.00	56.00	56.00	56.00
Pers prop tx	36.73	66.36	30.61	16.55
Farm insur.	58.24	105.21	48.54	26.24
Utilities	58.24	105.21	48.54	26.24
Consultants	36.40	65.76	30.34	16.40
Oper. int.	99.09	179.02	82.59	44.64
Lng term int	27.44	49.57	22.87	12.36
Mach. depr.	218.39	394.57	182.04	98.39
Bldg. depr.	12.70	22.95	10.59	5.72
Total expenses	3,420.1	14,387.	6,551.6	4,656.0

Other Information

Govt payments	36.80	36.80	36.80	36.80
Cp insurance	53.14	96.01	44.29	23.94

Cost of Production

Total expenses	1.82 /doz.	9.59 /crtn.	14.56 /cwt.	0.78 /cwt.
Less govt & other income	1.78 /doz.	9.50 /crtn.	14.38 /cwt.	0.77 /cwt.
With labor & mgt	1.78 /doz.	9.50 /crtn.	14.38 /cwt.	0.77 /cwt.
Machinery cost per acre	425.77	769.22	404.89	266.82

Financial Data:

	<u>2017</u>	<u>2018</u>	<u>Projected</u>
EBITDA SUPPLY & DEMAND			
Revenue	9,061,808	8,220,445	
- Operating Expenses	8,053,508	7,704,912	
= EBITDA Supply	1,008,300	515,533	
EBITDA Demands:			
Family Living & taxes	260,000	260,000	
+ Interest expense	177,493	187,836	
+ term Debt payments	318,772	346,704	
= EBITDA Demand	756,265	794,540	
= Asset GROWTH(Decline)	252,035	(279,007)	
BALANCE SHEET			
Total Current Assets	2,780,000	2,849,602	
Total Assets	8,299,000	8,035,252	
Total Current Liabilities	2,809,734	3,120,247	
Total Liabilities	3,724,589	3,726,495	
Owner Equity	4,574,411	4,308,757	
OTHER INFORMATION			
Term Debt Payments	417,441	417,441	
Depreciation	281,112	350,800	
Cash On Hand	466,000	248,352	

Do not include Interest or Depreciation in Operating Expenses

KEY FINANCIAL RATIOS

Current Equity (<i>Working Capital</i>)	(29,734)	(270,645)	
Working Capital Sufficiency	-0.4%	-3.5%	
Cash to Current Assets	17%	9%	
WC Burn Rate: Debt Service	(0.1)	(0.6)	
Equity to Asset Ratio:	55%	54%	
Debt Efficiency	0.91	1.18	
EBITDA Efficiency	11%	6%	
Asset Turnover	109%	102%	
Rate of Return on Assets	6%	-1%	
Family Living Withdrawals	26%	50%	

EBITDA Improvement Plan

Metric:	Vulnerable	Resilient	Agile
EBITDA Efficiency	< 10 %	10 – 25 %	> 25 %

Revenue Strategies:

	2018	% of Revenue
Revenue	8,220,445	100%
- Operating	7,704,912	94%
= EBITDA	515,533	6%

2019 Goal is	1,233,067	15%
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EBITDA CHANGE: 717,534

Expense Strategies:

Working Capital Improvement Plan

Metric:	Vulnerable	Resilient	Agile
Working Capital Sufficiency	< 10 %	10 – 33 %	> 33 %

Family Living Strategies:

	2018	
Current Assets	2,849,602	
- Current Liabilities	3,120,247	
= Working Capital	(270,645)	
/ Operating Expenses	7,704,912	-4%
2019 Goal is	1,155,737	15%

WORKING CAPITAL CHANGE: 1,426,382

WC Burn Rate: Debt Service	< 1:1	1:1 – 5: 1	> 5:1
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Liability Strategies:

Working Capital	(270,645)	
/ Term Debt Payments	417,441	-0.65
2019 Goal is	834,882	2.00

WORKING CAPITAL CHANGE: 1,105,527

Side by Side Analysis

Financial Dashboard

Practice:	Vulnerable	Resilient	Agile	2016	2017	2018	GOAL Projected
1 Working Capital Sufficiency	< 10 %	10 – 33 %	> 33 %				
Formula: $(\text{Current Assets} - \text{Current Liabilities}) / \text{Operating Expenses}$							
2 Cash to Current Assets	< 5 %	5 – 15 %	> 15 %				
Formula: $\text{Cash} / \text{Total Current Assets}$							
3 WC Burn Rate: Debt Service	< 1:1	1:1 – 5:1	> 5:1				
Formula: $\text{Working Capital} / \text{Term Debt Payments}$							
4 Equity to Asset Ratio:	< 40 %	40 – 70 %	> 70 %				
Formula: $\text{Total Equity} / \text{Total Assets}$							
5 Core Equity Burn Rate	< 2:1	2:1 – 5:1	> 5:1				
Formula: $\text{Excess Reserves} / (\text{EBITDA} - \text{FL} - \text{Interest} - \text{Debt payments})$							
	<u>Assets</u>	<u>Market Value</u>	<u>Loan Max</u>	<u>Borrowing Capacity</u>	<u>Long Term Liability</u>	<u>Excess Reserve</u>	
	Breeding livestock						
	Machinery & equipment						
*	Real Estate & Buildings						
<i>* Real estate is primary core asset in todays economy.</i>							
6 Debt Efficiency	> 7:1	3:1 – 7:1	< 3:1				
Formula: $\text{Term Debt} / \text{EBITDA}$							
7 EBITDA Efficiency	< 10 %	10 – 25 %	> 25 %				
Formula: $\text{EBITDA} / \text{Revenue}$							
8 Asset Turnover	< 30 %	30 – 70 %	> 70 %				
Formula: $\text{Revenue} / \text{Total Assets}$							
9 Rate of Return on Assets	< 2 %	2 – 8 %	> 8 %				
Formula: $(\text{EBITDA} - \text{FL} - \text{Deprec}) / \text{Total Assets}$							
10 Family Living Withdrawals	> 25 %	15 – 25 %	< 15 %				
Formula: $\text{FL} / \text{EBITDA}$							

Developed by: Dr. David Kohl & Scott Mickey

Side by Side Analysis

Management Dashboard

Practice:	Vulnerable	Resilient	Agile	Strategy
1 Product/Service Marketing Plan	None	Written	Written & Executed	
2 Cost of Production by Enterprise	None	In Your Mind	Written Budgets	
3 Business Plan	None	In Your Mind	Written & Used	
4 Succession Plan for Assets & Management	None	Written	Written & Executed	
5 Advisory Team	None	Developing	Established & Used	
6 Risk Management Plan	None	Developing	Written	
7 Lifelong Learning/Training	None	Developing	Definite Plan for Management &	
8 Goal Setting	None	Developing	Written & Executed	
9 Environmental Conservation Plan	None	Developing	Written	
10 Financial Plan	None	Plan in Your Mind & Executed	Written Financial/Investment Plan, Executed & Monitored	
* Business Principles Defined	None	Working on 7 Steps	7 Steps Written & Posted	

Developed by: Dr. David Kohl & Scott Mickey