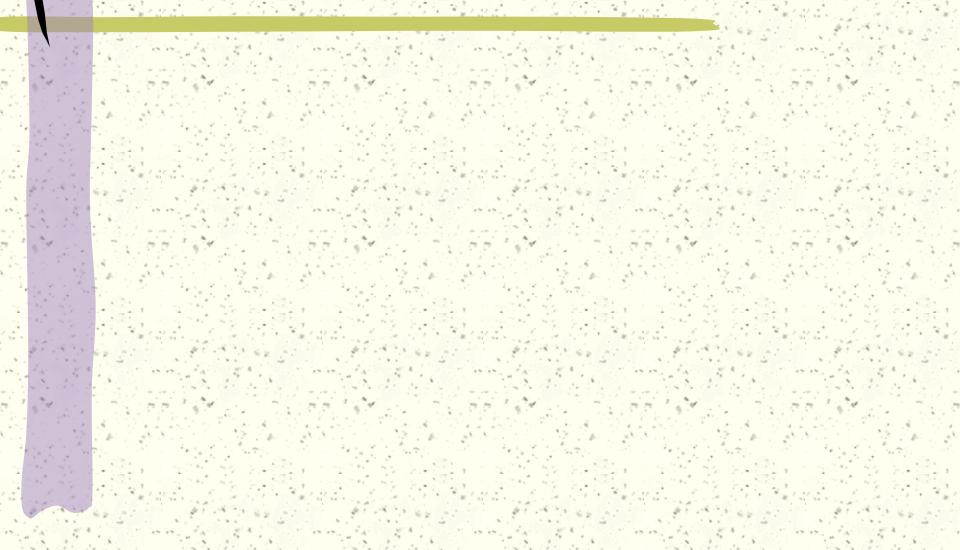
Compiling a Balance Sheet



List of Assets

Land \$200,000.00 5 ton of hay - \$75.00/ton Cash - \$2000.00 Tractor - \$50,000.00 10 head of feeder cattle - \$850.00/head Bailer - \$30,000.00

List of Liabilities

Land Debt Balance: \$200,000.00 Portion of balance due this year: 15,000.00 Final tractor payment: \$5000 Feed bill due at local feed store: \$500.00 Operating Loan: \$50,000 Baler Debt: 20,000 Portion of balance due this year \$5000.00

Classifying Assets

Land - \$200,000.00 *200,000.00 Non Current 5 ton of hay - \$75.00/ton *\$375.00 Current Cash - \$2000.00 *\$2000.00 Current Tractor - \$50,000.00 *\$50,000 Non Current 10 head of feeder cattle - \$850.00/head *\$8500.00 Current Bailer - \$30,000.00 *\$30,000 Non Current

Classifying Liabilities

Land Debt Balance: \$200,000.00 Portion of balance due this year: 15,000.00 *\$185,000.00 Non Current *\$15.000.00 Current Feed bill due at local feed store: \$500.00 *\$500.00 Current Operating Loan: \$50,000 *\$50,000 Current Baler Debt: 20,000 Portion of balance due this year \$5000.00 *\$15,000.00 Non Current *\$5,000.00 Current

Total Current Assets

Hay - \$375.00 Cash - \$2000.00

Feeder Cattle - \$8500.00

Total Current Assets: \$10,875.00

Total Non Current Assets

Land - 200,000.00 Tractor - \$50,000.00 Bailer - \$30,000.00

Total Non Current Assets: 280,000.00

Total Current Liabilities

Land Debt Balance - \$15.000.00 Feed Bill - \$500.00 Operating Loan - \$50,000 Baler Debt - \$5,000.00

Total Current Liabilities: \$70,500.00

Total Non Current Liabilities

Land Debt Balance - \$185,000.00

Baler Debt - \$15,000.00 Non Current

Total Non Current Liabilities: \$200,000.00

Balance Sheet

A balance sheet shows the financial condition of a business at a particular point in time. It lists all assets, values of assets, and liabilities of the business. It is also known as a net worth statement, financial statement, or statement of financial condition.

Reasons why a balance sheet is important

- Balance Sheets list all assets and liabilities in order to calculate net worth. Net worth is calculated by taking assets minus liabilities.
- A balance sheet once complete allows for financial analysis of a business. There are three types of financial analysis they are comparative analysis, projected analysis, and ratio analysis.
- Comparative analysis compares figures from the same dates each year.
 - Projected analysis is done by making balance sheets for the future for expected farm situations and analyzing them to see probable trends.
 - Ratio analysis is used to measure the financial condition of one business against another.

Calculating Net Worth

C.A. \$10,875C.L. \$70,500N.C.A. \$280,000N.C.L. \$200,000Assets:\$290,000Liab.: \$270,500

Net Worth = Assets - Liabilities \$19,500 = \$290,000 - \$270,500

Balance Sheet Example

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Classify the following assets and liabilities as: Current Asset (CA), Non-Current Asset (NCA), Current Liability (CL), and Non-current liability (NCL) Machinery - 32,500 Cash - 1000 Land - 25,000 Cows - 10,000 Loan - 10,000 Loan due - 2,000 Calves - 3,000

Answers

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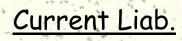
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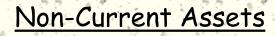
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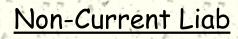
Classify the following assets and liabilities as: Current Asset (CA), Non-Current Asset (NCA), Current Liability (CL), and Non-current liability (NCL) Machinery - 32,500 NCA Cash - 1000 CA Land - 25,000 NCA Cows - 10,000 NCA Loan - 10,000 NCL Loan due - 2,000 CL Calves - 3,000 CA

Net Worth Statement

Current Assets







Net Worth:

Net Worth Statement Answers

<u>Current Assets</u> Cash - \$1000 Calves - \$3000

<u>Non-Current Assets</u> Machinery - \$32,500 Land - \$25,000 Cows - \$10,000 <u>Current Liab.</u> Loan due - \$2000

<u>Non-Current Liab.</u> Loan - \$10,000

Total Assets: 71,500 Total Liabilities: 12,000

Net Worth: \$59,500