

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. \$10,875

N.C.A. \$280,000

Assets: \$290,000

C.L. \$70,500

N.C.L. \$200,000

Liab.: \$270,500

Net Worth = Assets - Liabilities

\$19,500 = \$290,000 - \$270,500

Balance Sheet Example

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

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

Current Liab.

Non-Current Assets

Non-Current Liab

Net Worth:

Net Worth Statement Answers

Current Assets

Cash - \$1000

Calves - \$3000

Non-Current Assets

Machinery - \$32,500

Land - \$25,000

Cows - \$10,000

Total Assets: 71,500

Current Liab.

Loan due - \$2000

Non-Current Liab.

Loan - \$10,000

Total Liabilities: 12,000

Net Worth: \$59,500