

Part II: On-Farm Buildings and Infrastructure

Building 1:	Poor	Adequate	Strong
Current Condition			
Capacity			
Layout/Design			
Building 2:	Poor	Adequate	Strong
Current Condition			
Capacity			
Layout/Design			
Building 3:	Poor	Adequate	Strong
Current Condition			
Capacity			
Layout/Design			
Building 4:	Poor	Adequate	Strong
Current Condition			
Capacity			
Layout/Design			
Fencing			
Fuel Storage (tanks)			
Feed Storage:			
Crop Storage:			
Other:			

Notes:

Part III: Local and Community Infrastructure

Take some time and think about the community where your farm is located. Does it have the elements needed to support the type of use you envision for your land, or the type of enterprise you would like to operate on your land? Your assessment of local services and support is important to identifying gaps that with community attention could be improved.

Resource	Poor	Adequate	Strong
Availability of farm supplies			
Repair services			
Availability of financing			
Availability of business support (training, tax professionals, etc.)			
Competitive tenant market			
Availability of processing			
Competitive labor market			
Road system			
Local zoning policies			
County and Municipal government support of agriculture			
Community support of agriculture			
Local Farmers Market			
Urban pressure			
County economic development			
Voluntary Agriculture District			
Availability of health services			
Timber Markets			

Notes:

Part IV: Farm Asset Net Worth Statement

Use this worksheet to sketch your farm's net worth. Later worksheets will help you estimate the value of your overall estate. Supply the information to the page below by completing the schedules [noted in parentheses] following. Note that not all schedules will apply to all situations and operations.

Farm Assets	Cost Basis	Market Value	Farm Liabilities	Market Value
Farm checking (M)			Accounts payable (N)	
Crops held for sale or feed (A)			Farm taxes due	
Investment in growing crops (B)			Current notes and credit lines (O)	
Commercial feed on hand (C)			Accrued interest - short (P)	
Prepaid Expenses (D)				
Market livestock (E)			Accrued interest - fixed (P)	
Supplies on hand (F)				
Accounts receivable (G)			Other current liabilities	
Other current assets				
Total Current Assets			Total Current Liabilities	
Unpaid cooperative distributions (H)			Notes and contracts, remainder	
Breeding livestock (I)				
Machinery and equipment (J)				
buildings and improvements (K)				
Farmland (L)				
Timberland (L.1)				
Merchantable Timber (L.2)				
Pre-Merchantable Timber (L.3)				
Other fixed assets			Total Fixed Liabilities	
Total Fixed Assets				
a. Total Farm Assets			b. Total Farm Liabilities	
			$\frac{\text{Current Assets (market)}}{\text{Current Liabilities}} = \text{ ______ } \text{ Ratio}$	
c. Farm Net Worth (a - b)			$\frac{\text{Current Assets (market)}}{\text{Current Liabilities}} = \text{ ______ } \text{ Debt to Asset Ratio}$	

Part IV: Supporting Schedules

Schedule A: Crops Held for Sale or Feed				
Description	Unit	Price per Unit	Quantity	Value
Total				

Schedule B: Investment in Growing Crops			
Description	Acres	\$/acre	Value
Total			

Schedule C: Commercial Feed on Hand				
Description	Unit	Price per Unit	Quantity	Value
Total				

Schedule D. Prepaid Expenses				
Description	Unit	Price per Unit	Quantity	Value
Total				

Part IV: Supporting Schedules (cont'd)

Schedule E: Market Livestock				
Description	Number	Average weight	Price per head	Value

Schedule F: Supplies on Hand				
Description	Unit	Price per Unit	Quantity	Value
Total				

Schedule G. Accounts Receivable		Schedule H. Unpaid Cooperative Distributions	
Description	Value	Source	Value
Total		Total	

Schedule I. Breeding Livestock				
Description	Number	Average weight	Price per head	Value
Total				

Part IV: Supporting Schedules (cont'd)

Schedule J: Machinery and Equipment						
Description	(a) Previous Cost Basis	(b) Cost of Purchases/ Trades	(c) Deprecia- tion	(d) Cost Basis of items sold	New Cost Basis (a+b-c-d)	Current market value
Total						

Schedule K: Buildings and Improvements						
Description	(a) Previous Cost Basis	(b) Cost of Purchases/ Trades	(c) Deprecia- tion	(d) Cost Basis of items sold	New Cost Basis (a+b-c-d)	Current market value
Total						

Schedule L: Farmland						
Description and number of acres	(a) Previous Cost Basis	(b) Cost of Purchases/ Trades	(c) Cost basis of land sold	(d) Cost Basis of items sold	New Cost Basis (a+b-c)	Current market value
Total						

Part IV: Supporting Schedules (cont'd)

Schedule L.1: Timberland						
Description and number of acres	(a) Previous Cost Basis	(b) Cost of Purchases/ Trades	(c) Cost basis of land sold	(d) Cost Basis of items sold	New Cost Basis (a+b-c)	Current market value
Total						

Schedule L.2: Marketable Timber						
Description and number of acres	(a) Previous Cost Basis	(b) Cost of Purchases/ Trades	(c) Cost basis of land sold	(d) Cost Basis of items sold	New Cost Basis (a+b-c)	Current market value
Total						

Schedule L.3: Premarketable Timber						
Description and number of acres	(a) Previous Cost Basis	(b) Cost of Purchases/ Trades	(c) Cost basis of land sold	(d) Cost Basis of items sold	New Cost Basis (a+b-c)	Current market value
Total						

Part V: Management (Human Resource) Assessment

This worksheet could certainly challenge your objectivity, particularly where family members are involved. Please duplicate for multiple relevant individuals, particularly if you are looking at business succession issues. This sheet is also useful for deciding who is best suited to handle important tasks like land management, entity management, etc. Duplicate, complete, and discuss steps that can be taken to improve challenging areas.

Skill/Trait	Comments
Farm production management	
Financial management	
Marketing management	
Personnel/Labor management	
Organization	
Scheduling	
Creativity	
Innovation	
Decision-making ability	
Ability to listen	
Logical thinking ability	
Work ethic	
Other:	
Other:	
Other:	
Other:	

Notes:

Variable Expenses					Estimated Annual Expense		
					Whole Farm (\$)	Landowner Share (\$)	Farmer Share (\$)
SECTION TWO: Items of Variable Expenses							
21. Cash farm operating expenses							
a.	Livestock breeding						
b.	Hired labor						
c.	Conservation expense						
d.	Fertilizer/lime						
e.	Fuel						
f.	Seeds/plants						
g.	Utilities						
h.	Veterinary expense						
i.	Farmer training and development						
j.	Cash rent						
k.	Machinery expense						
l.	Marketing expense						
m.	Timber net expenses						
n.	Other:						
o.	Other:						
22. TOTAL VARIABLE EXPENSES							
SECTION THREE. Annual Farm Receipts					Whole Farm (\$)	Landowner Share (\$)	Farmer Share (\$)
	Crops						
Expected yield (1) (unit per acre)							
Expected price (2) (per unit)	\$	\$	\$	\$			
Crop income (1 x 2)							
Other income (gov't, hay, other)							
	Spring		Fall				
Livestock sales	\$	\$	\$	\$			
Other							
23. TOTAL PROJECTED RECEIPTS							
SECTION FOUR. Summary Expenses							
TOTAL FIXED EXPENSES (#20)							
TOTAL VARIABLE EXPENSES (#22)							
24. TOTAL EXPENSES (#20 plus #22)							
RECEIPTS LESS TOTAL EXPENSES (#23 minus #24)							

This worksheet developed from USDA Pub. No. 836 and *Holding Ground: A Guide to Northeast Farmland Tenure and Stewardship*

Worksheet 3.4

REPAIRS AND MAINTENANCE CHECKLIST

This worksheet can be used to support a clause in a lease agreement requiring that landowner and farmer will visit the issues of repair and maintenance on an annual basis. Each party should keep a copy.

Year: _____				% of Cost Contributed by Landowner and Tenant				Total Dollars Contributed Toward Repair		Value of Labor	
	Repair or Replacement to be Undertaken	Date to be Completed	Estimated Cost of Materials and Labor	Materials		Labor		L	T	L	T
				L	T	L	T				
Structures: Exterior siding/ Windows/ Roofing											
Fences											
Barn Equipment											
Water, Heating, Ventilating Systems											
Waste Management Systems											
Conservation Structures											
Total											
Landowner (signed)				Farmer (signed)							
This worksheet adapted from USDA form AD 562 (Mar 1960)											

Worksheet 4.1

LOCATE IMPORTANT DOCUMENTS

Use this worksheet for help locate the documents you will need in meeting with professional advisers. It is important to gather certain documents to assess your current financial situation, but also to determine ownership and obligations related to your real and personal property. Doing this exercise prior to meeting with professionals will save time, money, and will help them better serve your needs.

DOCUMENT	WHERE IS IT?
Birth Certificates (all family members)	_____
Marriage Certificates	_____
Divorce decrees/separation	_____
Medical Records	_____
Healthcare Power of Attorney and Living Will	_____
Durable Power of Attorney	_____
Bequest list of tangible personal property	_____
Wills and Trust documents	_____
Cemetery deeds/burial instructions	_____
List of special bequests (to heirs, charity, etc.)	_____
Insurance policies	_____
Stocks, mutual fund and bond certificates	_____
Real estate deeds	_____
Promissory notes, contracts, mortgages, receivables	_____
Partnership/corporation documents	_____
Checking/savings account statements	_____
Pension statements	_____
Income/gift tax returns	_____
Farm and other business financial statements	_____
Property tax statements	_____
Farm conservation contracts (NRCS, etc.)	_____
Forestry Management Plan	_____

Worksheet 4.2

WILLS AND TRUSTS BASICS

Regardless of the size of your estate, all wills and trusts require basic decisions about who will administer the estate or trust property, whom property will go to, how it will be divided, etc. Use this worksheet to help make some decisions on key elements of your will and trust documents. Factors to consider are noted with each ques-

Executor of the estate: If all or parts of your estate passes through probate, whom do you want to handle the details of paying your debts and death taxes, and distributing the remaining assets to the beneficiaries named in your will? A spouse is appropriate as well as adult children, close friend, accountant, lawyer, or a bank's trust department. The individual is generally paid. Successors (1 or 2) should be named in case the first predeceases you or is incapacitated or is otherwise unable or unwilling to serve.

Name/Address: _____

Successor(s): _____

Trustee: If you are advised to make use of a trust, whether in your will or in a separate living or insurance trust, you will need to name a trustee to manage investments, pay taxes, make distributions, and so forth. In the event he or she cannot serve, you will want to provide for one or more successor trustees. Many who establish a living trust will become the trustee, with a trusted family member or institution taking over upon death or incapacity.

Name/Address: _____

Successor(s): _____

Do you want a corporate or individual fiduciary as executor or trustee? Executors and trustees are referred to as fiduciaries because of the high standard of care required of them to manage the assets of another person.

Guardians for minor children: For younger parents using this workbook, it is important to accept the possibility that you could, through accident or illness, predecease your children. You may suggest a guardian for your children in the body of your will. A thorough discussion of who might best serve as the guardian of your children in that event should take place before drafting or updating your wills. It is important to identify secondary and tertiary guardians in the event your first choices are unable through changed circumstances to serve or otherwise care for your children. You do not want a judge to decide whom your children will live with.

Factors to consider would include: age of proposed guardians and ages of their children; ages of your children and the number of them who are still minors; and health and financial situations of all parties. If you name a couple as guardians and one of them dies, would you want the surviving co-guardian to act as sole guardian? What if they divorce? Is a brother, sister, grandparent or a close friend the better choice? Be sure to discuss the matter with your intended choices to make sure they are willing — or otherwise feel confident they are able — to serve as guardians for your children. Remember that your will is merely a suggestion to the court, but in all likelihood the suggestion of guardian will ensure your children are cared for according to your wishes.

Guardians for minor children: Who do you think is best able to cope with the raising of your minor children?

Name/Address: _____

Successor(s): _____

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Guardians for minor children: Who do you think is best able to cope with the raising of your minor children?

Name/Address: _____

Successor(s): _____

Worksheet 4.3

GATHERING INFORMATION ABOUT YOUR ESTATE

Use this worksheet to take stock of your personal wealth, your family situation, and your current plans and ideas, so that your professional advisors will have a good starting point from which to guide you through the farm transfer planning process.

I. PERSONAL INFORMATION

Date: _____

Your Full Name: _____

Birth Date: _____

Spouse's Full Name: _____

Birth Date: _____

Date, County, and State of your marriage: _____

Home address: _____

Home telephone: _____ Email address: _____

Business Name(s) and Address(es): _____

Husband: _____

Wife: _____

Business telephone: Husband _____ Wife _____

II. PROFESSIONAL ADVISERS:

Attorney: _____

Address: _____

Telephone: _____ Email address: _____

Insurance Agent: _____

Address: _____

Telephone: _____ Email address: _____

Financial Advisor: _____

Address: _____

Telephone: _____ Email address: _____

Accountant: _____

Address: _____

Telephone: _____ Email address: _____

Lender: _____

Address: _____

Telephone: _____ Email address: _____

Other Advisors: _____

III. ALL CHILDREN: (if any children are adopted or from a previous marriage, please indicate)

Name	Spouse	Date of Birth	Resides (City, State)

III.B. GRANDCHILDREN:

Name	Parent	Date of Birth	Resides (City, State)

IV. GENERAL FAMILY INFORMATION:

Does any child or grandchild have a health problem or handicap? Yes No

If yes, please explain:

Are there any persons dependent on you? Yes No

Monthly obligation: Alimony or child support \$ and years to be paid:

V. CURRENT ESTATE PLANS:

Does Husband have a will/trust at the present time? Yes No

Location of original(s):

Does Wife have a will/trust at the present time? Yes No

Location of original(s):

Do you have a marital property agreement? Yes No

VI. REAL ESTATE (Personal residences, farm properties, rental properties)

Location	Ownership*	Basis**	Estimated Value	Mortgage Balance

VI.1 TIMBER REAL ESTATE (Timberland, merchantable timber, pre-merchantable timber)

Location	Ownership*	Basis**	Estimated Value	Mortgage Balance

*List the name(s) that appear as grantees on the deed for each property to the best of your knowledge. If you are certain the deed contains language such as “jointly” or “with right of survivorship,” please indicate.

**Basis is the value of the property at the point you came into its ownership, less any depreciation taken, and is determined by the manner in which you acquired it. As a general matter, if you inherited it, your basis is the value placed on it during the estate settlement. If you purchased it, the purchase price is your basis. If the property was gifted to you, generally your basis is the same as the previous owner’s. Basis is used to determine any capital gains you or your heirs may be exposed to by sale of the property.

VII. BANK ACCOUNTS AND CERTIFICATES OF DEPOSIT:

Institution Name	Type of Account	Ownership	Approximate Balance

VIII. STOCKS AND MUTUAL FUNDS:

Company/Fund	Number of Shares	Ownership	Cost (Basis)	Market Value

IX. BONDS (Taxable and Exempt), TREASURY INSTRUMENTS, NOTES RECEIVABLE:

Description	Due Date	Face Value	Market Value	Ownership

X. LIFE INSURANCE

Furnish the requested information for all policies on members of your family, including husband, wife and children. Be sure to include group insurance a member of your family may have through an off-farm job. Use additional sheets if necessary. Your insurance agent may be able to provide you with printouts of the information requested below.

	Policy 1	Policy 2	Policy 3
Insurance Co.			
Policy #			
Insured			
Owner			
Type Insurance			
Face Value			
Cash Surrender Value			
Loans			

Primary Beneficiary			
Contngent Beneficiary			

XI. RETIREMENT PLANS

If either spouse is entitled to any benefits under a deferred compensation, retirement or profit sharing plan, please provide the following information.

	Plan 1	Plan 2	Plan 3
Participant			
Plan Name			
Plan Nature			
Expected Payment			
Death Benefit			
Contributions...			
...Made by			
Designated Beneficiary			
Life Insurance in Plan?			

If either spouse has established an IRA account, please furnish the following information:

Contributor			
Investment			
Approximate Value			
Designated Beneficiary			

XII. INTEREST IN TRUSTS OR ESTATES:

Does any member of your family have any relationship to an existing trust as Yes No

donor, trustee or beneficiary?

Has any member of your family in the past received an inheritance from an estate? Yes No

If yes, please explain:

Does any member of your family have any interest (e.g. as a beneficiary) Yes No
in a pending estate?

If yes, please explain:

XIII. PERSONAL EFFECTS:

Please list all items having significant market value, such as jewelry, art, antiques, rare musical instruments, autos, boats, collections, farm equipment, etc. Please Note: Normal household furnishings need not be listed.

Description	Ownership	Estimated Value

XIV. CLOSELY HELD BUSINESS INTERESTS:

Company Name	Organization Type (Corp., LLC)	Ownership Interest (as a %)	Estimated Value

XV. LIABILITIES (other than real estate mortgage):

Creditor	Amount Due	Date Payable	Collateral Description

