



# HELP IS ON YOUR HORIZON

ISSUE: AUGUST 2017 #26

## STRUGGLING WITH RECORD KEEPING FOR YOUR AGRI-BUSINESS?

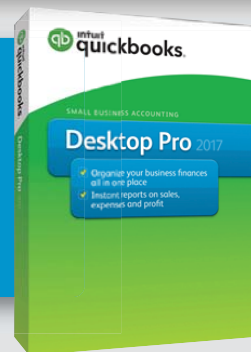
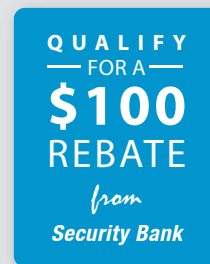


BY **BRANDON BALLER**  
Senior Lender/Chief Credit Officer  
Security Bank | Hartington

For several years one of the common challenges that many farm families have experienced is the inability to accurately track farm and personal expenses. Many producers either lack the time or the experience necessary to properly establish a record keeping system that provides an accurate picture of the expenses associated with not only operating a farm, but providing for family living expenses as well. Security Bank has joined forces with the Center for Rural Affairs to provide assistance for record keeping training through the Rural Enterprise Assistance project (REAP).

REAP offers one-on-one technical assistance to individual members throughout Northeast Nebraska. Through the REAP program, Diann Ballard of Pender, Nebraska works privately with individuals farm families and businesses to set up and train users how to keep accurate and detailed farm and business records using the QuickBooks accounting software.

The Rural Enterprise Assistance Project is committed to strengthening rural communities through small, self-employed business development. They offer four essential services: financing (micro loans), business training, technical assistance, and networking.



### QUICKBOOKS PRO SOFTWARE

Was ~~\$199.95~~ NOW \$99.95  
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I'm interested in receiving technical assistance training on Quickbooks from REAP!



I'm interested in receiving a \$100 reimbursement from Security Bank for the purchase of the QuickBooks software!

At Security Bank we are dedicated to your success and believe in helping to equip area producers with the best tools and resources possible to aid in their success - which is why we are excited to offer you a **50% savings on the total cost of purchasing the Quickbooks software program.**

**SEE REVERSE SIDE FOR MORE DETAILS! ▶**

**QUESTIONS?** Give our lenders a call...

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In many cases, Ag producers and businesses don't know their exact allocation of costs until they receive their tax returns in February of the following production year. Often times these expense categories don't tell the true picture of the actual costs involved with running a

farm because either 1) some of the expenses are prepaid items for the upcoming production year or 2) because the expense is not tax deductible and does not appear on the schedule F of the tax return. A majority of the expenses which are not tax deductible are related to

family living expenses, traditionally one of the most important but underestimated expenses that is considered when budgeting for the next crop season. As the chart below illustrates, family living costs averaged \$83,210 for the average size family of 3.6 individuals.

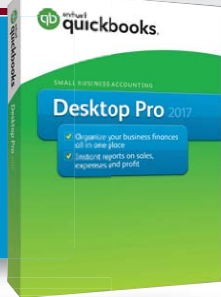
How do your family living costs compare to the chart below? Having detailed expense records can provide for an exact family living cost and assist greatly in preparing a reliable cash flow projection for the next farm season.

**2007 - 2016 Family Living Summary**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
No. of Families Included	60	47	48	38	49	39	25	40	48	43	37
Average Family Size	2.9	2.9	3.0	3.3	3.3	3.3	3.7	3.7	3.4	3.4	3.6
<b>Expense Item</b>											
Food & Meals	\$6,273	\$7,063	\$7,007	\$8,386	\$8,688	\$9,167	\$10,037	\$10,069	\$9,927	\$8,322	\$9,708
Medical Care	4,522	5,306	5,068	5,037	6,728	5,966	7,060	6,699	5,066	5,275	5,354
Health Insurance	3,358	3,364	4,860	5,283	6,966	6,628	7,506	6,996	6,634	7,530	7,594
Cash Donations	2,983	2,781	3,392	3,592	4,360	6,259	5,545	5,130	5,401	5,431	3,636
Household Supplies	2,053	3,015	2,756	3,189	3,763	6,376	8,789	7,078	6,304	5,456	5,023
Clothing	1,639	2,130	2,272	2,616	2,893	2,803	3,706	4,119	3,979	2,440	2,722
Personal Care	1,778	1,286	1,969	1,555	3,234	7,137	11,792	7,471	7,711	8,414	5,953
Child/Dependent Care	804	820	1,081	1,055	981	1,023	958	1,293	1,577	1,045	653
Alimony and Child Support	0	0	528	421	1,147	235	0	0	103	0	0
Gifts	2,833	2,418	3,480	2,185	5,753	4,839	3,690	4,674	4,138	4,097	3,839
Education	1,041	852	1,183	1,986	1,861	2,836	2,439	3,237	1,892	2,441	1,930
Recreation	2,129	2,759	4,313	3,579	5,155	5,308	7,151	9,081	8,126	7,860	5,187
Utilities (household share)	2,201	2,305	2,767	3,347	2,854	2,721	2,576	2,952	3,129	2,935	2,952
Personal Auto	3,322	2,822	3,327	2,629	3,010	3,264	3,627	4,185	4,382	3,456	3,832
Household Real Estate Taxes	292	384	603	1,238	1,093	1,113	1,151	1,372	1,489	925	1,196
Dwelling Rent	228	224	60	234	367	856	1,273	514	224	212	101
Household Repairs	2,946	2,109	4,692	3,022	4,340	5,457	4,040	3,529	7,086	3,648	2,403
Personal Interest	1,000	2,043	1,972	1,668	2,204	1,638	2,125	1,909	2,187	2,513	3,167
Disability/Long Term Care Ins	184	196	679	461	676	394	382	612	779	696	242
Life Insurance Payments	3,161	2,126	3,483	4,324	3,981	4,672	6,662	5,606	5,444	5,486	6,005
Personal Property Insurance	179	99	210	229	183	47	68	175	83	143	488
Miscellaneous	7,240	7,590	9,924	8,927	8,691	6,260	9,429	9,979	10,956	13,666	11,225
<b>Total Family Living Expense</b>	<b>\$50,166</b>	<b>\$51,692</b>	<b>\$65,626</b>	<b>\$64,963</b>	<b>\$78,928</b>	<b>\$84,999</b>	<b>\$100,006</b>	<b>\$96,680</b>	<b>\$96,617</b>	<b>\$91,991</b>	<b>\$83,210</b>
Furnishing & Appliance Purchases	106	72	500	250	322	734	0	523	649	1,121	1,791
Nonfarm Vehicle Purchases	3,293	2,536	4,650	5,639	2,606	3,860	6,521	5,170	2,266	4,402	2,183
Nonfarm Real Estate Purchases	10,579	14,937	16,599	12,188	735	25,719	33,551	27,932	9,152	17,772	18,116
Other Nonfarm Capital Purchases	1,178	1,293	6,688	627	6,887	9,799	120,159	9,847	3,321	2,767	12,412
Nonfarm Savings & Investments	9,381	9,933	14,974	13,269	19,205	14,247	16,728	11,357	6,992	15,166	-3,207
<b>Total Non Farm Costs</b>	<b>\$74,703</b>	<b>\$80,463</b>	<b>\$109,037</b>	<b>\$96,936</b>	<b>\$108,683</b>	<b>\$139,358</b>	<b>\$276,965</b>	<b>\$151,509</b>	<b>\$118,997</b>	<b>\$133,219</b>	<b>\$114,505</b>
Income, Soc. Sec. Taxes	\$11,648	\$12,887	\$26,078	\$27,844	\$30,059	\$40,354	\$43,740	\$56,269	\$48,855	\$30,727	\$33,212
<b>Total Taxes &amp; Family Living</b>	<b>\$86,351</b>	<b>\$93,350</b>	<b>\$135,115</b>	<b>\$124,780</b>	<b>\$138,742</b>	<b>\$179,712</b>	<b>\$320,705</b>	<b>\$207,778</b>	<b>\$167,852</b>	<b>\$163,946</b>	<b>\$147,717</b>

SOURCE: Nebraska Farm Business, Inc. www.nfbi.net

**QUALIFY FOR A \$100 REBATE** from Security Bank



APPLY FOR Quickbooks Training from **REAP** RURAL ENTERPRISE ASSISTANCE PROJECT

BE SURE TO REDEEM YOUR **Gift VOUCHER**

Want to apply for assistance from REAP or curious how to qualify for a \$100 Software reimbursement from Security Bank? Let us know you're interested by replying in one of these three ways:

**APPLY BY MAIL**  
Fill out and return the postcard included in this mailing.

**APPLY BY PHONE**  
Call Brandon Baller at **402.254.2455**.

**APPLY ONLINE**  
Go to: [www.mysecbank.com/giveaways.htm](http://www.mysecbank.com/giveaways.htm) and enter your information to apply.