**Borrower Training Comprehension Check-in**

The goals of the borrower training are to improve the borrower’s understand of production and/or financial management techniques, and to enable borrowers to better analyze and manage their farming operations.

Borrower has demonstrated an ability to;

\_\_\_ A) Describe the specific goals of the business, describe the changes required to attain the goals, and outline how their changes will occur using present and projected budgets.

\_\_\_B) Maintain and utilize a financial management information system which includes financial and production records, a household budget, a statement of financial condition, and an accrual adjusted income statement. The borrower shall also be able to use the system to make financial and production decisions.

\_\_\_C) Understand and utilize an income statement. Specifically, the borrower must understand the structure and major components of an income statement and its role in analyzing the performance of a business, be familiar with the cash and accrual methods of determining net farm income, and understand the relationship between a balance sheet and an income statement.

\_\_\_D) Understand and utilize a balance sheet. Specifically, the borrower must understand the major components of a balance sheet and its role in analyzing the business, be familiar with the categories of assets and liabilities and be able to provide examples of entries under each, and be familiar with the cost and market methods of valuing assets and liabilities and advantages of each method.

\_\_\_E) Understand and utilize a cash flow budget. Specifically, the borrower must be able to explain and justify estimates for production and expenses, and analyze the cash flow to identify potential problems.

\_\_\_F) Use production records and other production information, be able to identify problems, evaluate alternatives, and make corrections to present production practices to achieve greater efficiency and profitability.