

Consolidating Detailed Balance Sheets and Tax Forms

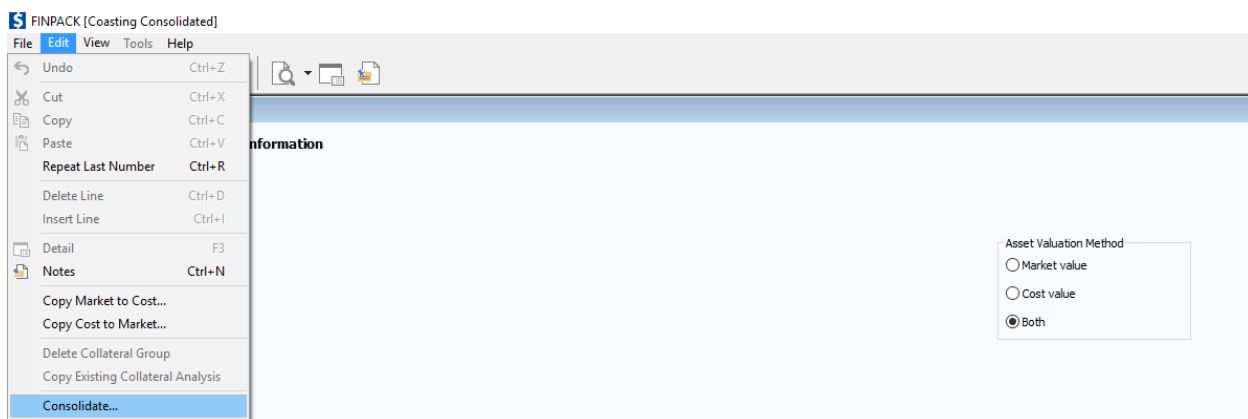
FINPACK allows users to consolidate the balance sheets or tax forms from several different data files into a consolidated file. For example, a farm or business may have multiple entities for tax reasons, but these entities are controlled by the same owner(s). For analysis purposes, the user would prefer to consolidate the information for these different entities. (Ex: A farm has an entity that owns the assets, another entity that operates the farm and leases the assets from the first entity, and finally a personal balance sheet). Both are owned by the same person, so consolidating the financial information for both entities provides the best complete financial information for the owner.)


It is a best practice to consolidate Detailed Balance Sheets or Tax Forms from the different entities into a new data file. It is best to indicate in the file name that this is a consolidated file.

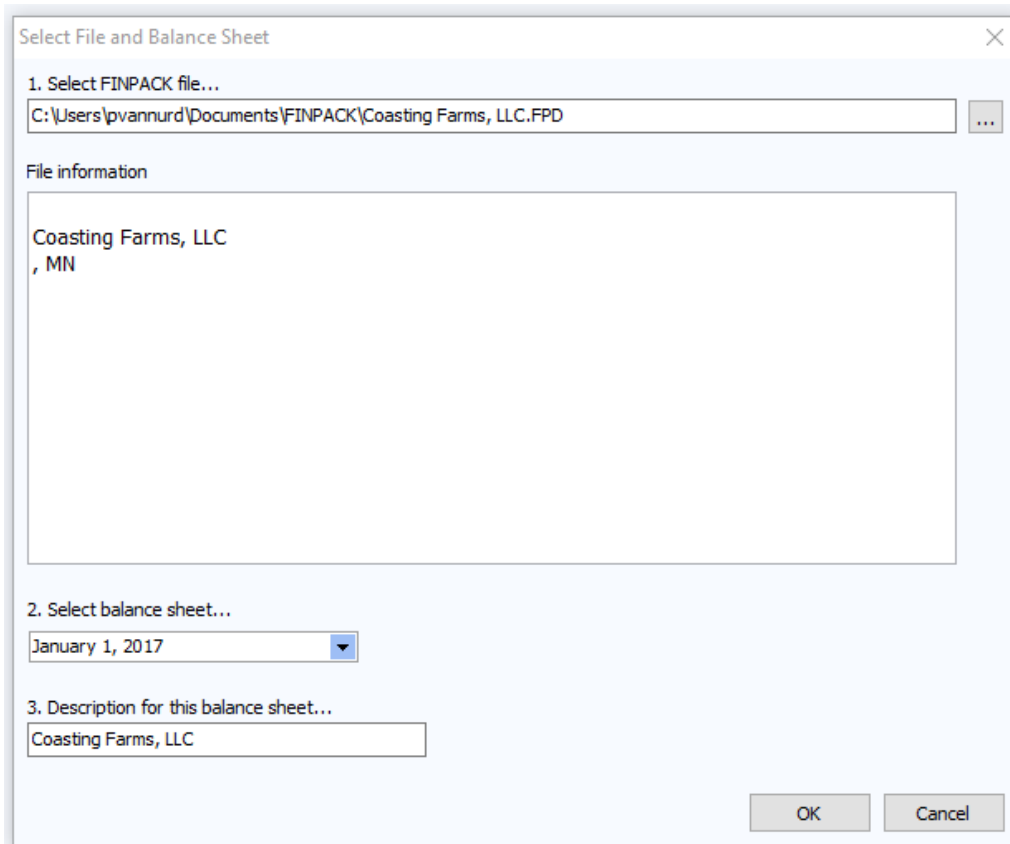
First, a fiscal year-end or period-end Detailed Balance Sheet or a fiscal year-end Tax is needed for each entity. (These Detailed Balance Sheets or Tax Forms are contained in the respective entity data files.) In the newly created consolidated file, a Detailed Balance Sheet or Tax Form is created with the same date. The other entity Detailed Balance Sheets or Tax Forms will be consolidated into this new consolidated FINPACK file.

NOTE: The example outlined below steps the user through consolidating a Detailed Balance Sheet. The procedure for consolidating Tax Forms is the same.

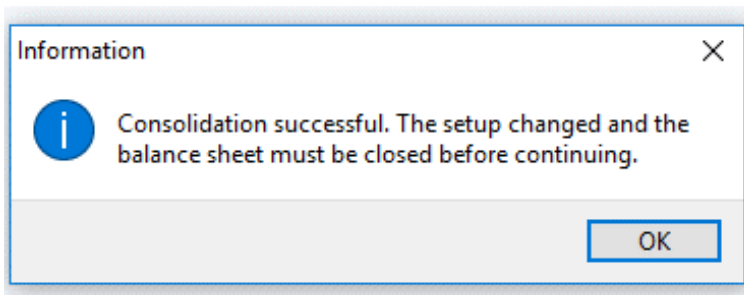
In the Consolidated FINPACK file, with the correct Detailed Balance Sheet open, select *Edit + Consolidate*.



A dialog box opens to assist with selecting the FINPACK file and proper Detailed Balance Sheet to consolidate into this file. Browse for the file to consolidate from using  the icon. When the file is found and opened, go to 2. *Select balance sheet...* Here pick the desired Detailed Balance Sheet from the list. Finally, edit the description as needed under 3. *Description for this balance sheet...* This short description will be added to indicate the source of individual assets and liabilities in the Consolidated Detailed Balance Sheet. When this is complete, click *OK*.



Upon completing the consolidation, a message appears explaining the status of the consolidation. The user is informed of any errors needing attention at this time.



Repeat this process as many times as necessary to complete the consolidation for all entities.

Once all entities are consolidated, the Detailed Balance Sheet will contain total information on the Summary page (page 1). The Schedules (page 2 and beyond) will have details for each entity in the consolidation.

Here is a sample consolidated Detailed Balance Sheet for the Coasting Consolidated file. This consolidated file includes 3 entities: Coasting Farms, LLC (farm operating entity); Coasting Properties, LLC (farm asset holding entity); and I.M Coasting (personal assets).

Highlighted below is the Source of information for Schedule A: Cash and checking.

Schedule A: Cash and checking		Value	Schedule G: Crop inventory					
Source: Coasting Farms, LLC								
Farm account		38,044	Crop	Description	Quantity	Unit	Value	
Livestock Account		38,456	Source: Coasting Farms, LLC					
			Corn		100,841	bu.	3,26	328,742
			Corn Silage		959	ton	25.00	23,975
			Alfalfa Hay		40	ton	90.00	3,600
			Soybeans		18,947	bu.	9.50	179,997
Source: Coasting Properties, LLC			Total crop inventory				536,313	
Farm account		1,000						
Total cash and checking		77,500						
Schedule B: Prepaid expenses and supplies			Schedule H: Livestock held for sale					
Expense		Value Per						

Finally, make any necessary edits or “eliminations” on the consolidated data. A common item to address is equity entries on Detailed Balance Sheets contained in the consolidation.

For the example farm, I.M. Coasting lists the equity in each entity on his personal Detailed Balance Sheet. Therefore, this needs to be edited, or total equity on a consolidated basis, will be over-stated. In this example, the equity line entries under Personal Business Investment can be deleted or a better practice may be to include negative, offsetting entries in the schedule. The example below uses this approach.

Coasting Consolidated : 1/1/2017 Balance Sheet				Page 5		8/4/2017 3:27:44 PM		
Schedule N: Buildings and improvements				Schedule P: Personal assets				
	Year	Cost	Market		Mkt Val	Cost	Market	
	Purchased	Value	Value	Quantity	Per Unit	Value	Value	
Source: Coasting Properties, LLC				Savings and checking				
BIN	2003	25,730	37,081			792	792	
SHIVERS SYSTEM	2003	21,592	32,446			-	-	
21' CONE BIN	2003	5,726	9,270			-	-	
BULK BIN	2003	6,133	9,270					
TILE	2006	4,889	7,416			15,000	15,000	
CATTLE SHED	2006	219,385	324,459			32,584	33,812	
Tile	2007	6,110	8,992			-	-	
Grain Bin	2011	33,578	42,346					
Tile - New 80	2014	38,582	42,998			10,000	10,000	
Total buildings and improvements		361,726	514,278					
Schedule O: Other long term assets				Personal business investment				
	Mkt Val	Cost	Market					
				Coasting Prop.- Net Worth	-	-	- 1,888,624	
				Coasting Farms-Net Worth	-	-	- 793,181	
				Coasting Farms NW Offset	-	-	- -793,181	
				Coasting Prop NW Offset	-	-	- -1,888,624	
				Other intermediate assets	-	-	-	