



Rural Services of Indiana, Inc.

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Name _____

SOLUTION SESSION 2 - EXERCISE 5

To set a projection for the upcoming year, there is a 6-step process you follow when preparing this plan. Below you will find the 6 steps scrambled.

Please put them in their correct order, 1 through 6:

(5) Review Capital Expenditures

(1) Determine Income from Production based on 5 year average.

(6) Compare Schedule K Debt Repayment with Current Farm and Nonfarm Liabilities on Balance Sheet

(2) Set 5 year average Expense-to-Income Ratio

(4) Set Family Living

(3) Set expenses from 5 year average Expense-to-Income Ratio