

Analyzing Self-Employed Borrowers **Income from Farming**

Presented by:

MGIC



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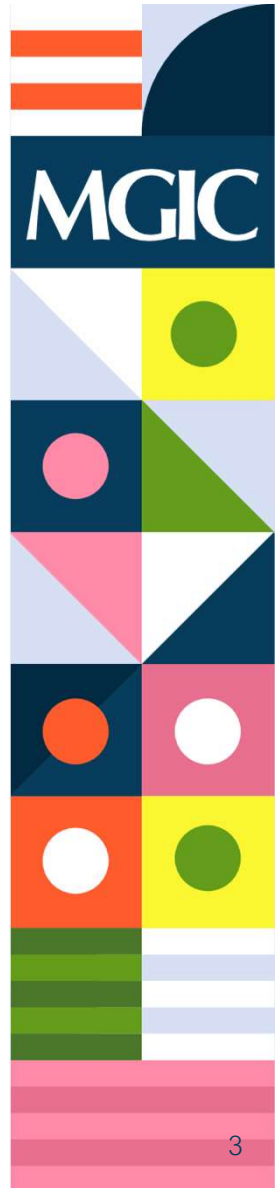
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Agenda

- **Tools needed for analyzing farming income**
- **Review of forms used to report farming income to the IRS**
- **Farming income reported on Schedule F**
- **Farming income reported on a partnership return**
- **Omitting a mortgage tied to a farming property**
- **Subject property is the source of farming income**
- **Q&A**



The slide features a vibrant green background with a decorative border of colorful geometric shapes (squares, triangles, circles) in shades of pink, blue, yellow, and orange. The MGIC logo is positioned in the top right corner of the border.

Income calculation tools

Cash flow worksheets



Cash Flow Analysis (Form 1084)

Borrower Name: _____

Business Name (optional): _____

This worksheet may be used to prepare a written evaluation of the analysis of income related to self-employment. The purpose of this written analysis is to determine the amount of stable and continuous income that will be available to the borrower for loan qualifying purposes.

IRS Form 1040 – Individual Income Tax Return	Year _____	Year _____
1. W-2 Income from Self-Employment	(+) _____	(+) _____
2. Schedule B – Interest and Ordinary Dividends		
a. Interest Income from Self-Employment	(+) _____	(+) _____
b. Dividends from Self-Employment	(+) _____	(+) _____
3. Schedule C – Profit or Loss from Business: Sole Proprietorship		
a. Net Profit or (Loss)	(+/-) _____	(+/-) _____
b. Nonrecurring Other (Income) Loss/Expenses	(+/-) _____	(+/-) _____
c. Depletion	(+) _____	(+) _____
d. Depreciation	(+) _____	(+) _____
e. Non-deductible Travel and Meals Expenses	(-) _____	(-) _____
f. Business Use of Home	(+) _____	(+) _____
g. Amortization/Casualty Loss	(+) _____	(+) _____
4. Schedule D – Capital Gains and Losses		
a. Recurring Capital Gains	(+) _____	(+) _____
5. Schedule E – Supplemental Income and Loss		
Note: A lender may use Fannie Mae Rental Income Worksheets (Form 1037 or Form 1038) to calculate individual rental income (loss) reported on Schedule E.		
a. Royalties Received	(+) _____	(+) _____
b. Total Expenses	(-) _____	(-) _____
c. Depletion	(+) _____	(+) _____
6. Schedule F – Profit or Loss from Farming		
a. Net Farm Profit or (Loss)	(+/-) _____	(+/-) _____
b. Non-Tax Portion Ongoing Coop and CCC Payments	(+) _____	(+) _____
c. Nonrecurring Other (Income) Loss	(+/-) _____	(+/-) _____
d. Depreciation	(+) _____	(+) _____
e. Amortization/Casualty Loss/Depletion	(+) _____	(+) _____
f. Business Use of Home	(+) _____	(+) _____

Note: IRS Form 4797 (Sales of Business Property) is not included on this worksheet due to its infrequent use. If applicable, a lender may include analysis of the sale and related recurring capital gains.



Borrower Name: _____

Form 91 Income Calculations (Schedule Analysis Method)

Form 91 is to be used to document the Seller's calculation of the income for a self-employed Borrower. This form is a tool to help the Seller calculate the income for a self-employed Borrower; the Seller's calculations must be based on the requirements and guidance for the determination of stable monthly income in Topic 5300. This form does not replace the requirements and guidance for the analysis and treatment of the income for self-employed Borrowers as described in Chapters 5304 and 5305.

I. Income Calculations from IRS Form 1040

IRS Form 1040 Federal Individual Income Tax Return	Year:	Year:
1. W-2 Income from self-employment (reported on IRS Forms 1040 and 1120 or 1120S)		
Name of business: _____		
IRS Form 1040, W-2 Income – Officer Compensation (Section 5304.1(d)) ¹	(+)	(+)
Subtotal of W-2 income from self-employment	\$	\$
<small>¹Validate with business returns and IRS Form 1125-E, Compensation of Officers, as applicable</small>		
2. Schedule B – Interest and Ordinary Dividends		
Recurring interest income (Chapter 5305)	(+)	(+)
Recurring dividend income (Chapter 5305)	(+)	(+)
Dividend income from self-employment reported on IRS Form 1120	(-)	(-)
Subtotal of dividends and interest	\$	\$

All-in-one self-employed income calculator

Excel XLSM – macro-enabled

Excel XLSX – macro-free

Excel XLSX – macro-free short

mortgage guaranty
insurance corporation

SAM Worksheet - Help Document

The Schedule C cash flow method. This help re method. When you s add/deduct

Profit and Loss Statement Analysis

User Tips:

- Add borrower information in blue shaded fields
- Click "Add" to add a new line item
- Use all

Comparative Income Analysis Worksheet

Cost of Goods Sold (CGS) \$ - \$

Liquidity Worksheet

Determine business liquidity using tax return or interim balance sheet and entering the applicable line

Cash Flow Analysis Summary

In general:

- Use the Current
- Use the Quick

SAM Cash Flow Analysis Worksheet MGIC

User Tips:

- Add borrower information in blue shaded fields
- Select the tax year(s) being reviewed
- Click the "17" button to expand income source section
- Use Summary section to analyze income trends
- For negative entries, please type "-" prior to number
- For line instructions, hover over red triangles
- For guidance, see [Help Document](#)
- Select the Reset Workbook button on top to clear all information
- To print several worksheets tabs into one PDF, hold down the Command or Control key and click on the tabs that should be included, then print the document

BORROWER NAME: _____ DATE: _____

Input the Year(s): _____

Before you can use the worksheet, you must make it a Trusted Document. [Click here for instructions.](#)

SCHEDULE B - INTEREST AND DIVIDENDS FROM SELF-EMPLOYMENT

SCHEDULE C - SOLE PROPRIETORSHIP

Name: _____

4 Net Profit (Earnings) (LINE 31)

5 Deduct nonrecurring income/add nonrecurring loss or expense: (LINE 6)

6 Depreciation: (LINE 13)

7 Depreciation: (LINE 13)

8 Non-Deductible Meals and Entertainment Exclusion: (LINE 24)

9 Business Use of Home: (LINE 30)

10 Business Miles: Page 2, Part IV, LINE 40a OR Related 4502, Line 30

11a x Depreciation Rate: 2023: 50.26, 2022: 50.26, 2021: 50.26

11b = Total Mileage Depreciation

12 Amortization/Casualty Loss (only if noted): page 3, part V

SUBTOTAL \$ - \$ -

SCHEDULE C - SINGLE-MEMBER LLC

SCHEDULE D - CAPITAL GAINS AND LOSSES

SCHEDULE E - SUPPLEMENTAL INCOME AND LOSS

SCHEDULE F - FARM INCOME

Partnership Cash Flow

Evaluate business income as required by your investor.

PARTNERSHIP

SAM Liquidity Comparative P&L Help Doc Microsoft Instructions

SSO New Slide - Using Magic Minutes format
Sandra Sweeney, 2024-01-29T17:42:19.115

MGIC SAM Cash Flow Analysis Worksheet

mgic.com/seb

SAM Cash Flow Analysis Worksheet		MGIC	
SCHEDULE F - FARM INCOME			
17	Net Profit (Loss): LINE 34		
18	Non-Tax Portion Ongoing Co-op & CCC Pmts: LINES 3a minus b through 6a minus b		
19	Add nonrecurring loss: LINE 2-8		
20	Deduct nonrecurring income: LINE 2-8	()	()
21	Depreciation: LINE 14		
22	Amortization/Casualty Loss/Depletion (only if noted): LINE 32		
23	Business Use of Home (only if noted): LINE 32		
SUBTOTAL		\$ -	\$ -
Partnership Cash Flow			
Evaluate business income as required by your investor.			
PARTNERSHIP		Name: _____	
SCHEDULE K-1			
24	Ordinary Income (Loss): LINE 1 If > Distributions see additional requirements.		
25	Net Rental Income (Loss): LINES 2 & 3 If > Distributions see additional requirements.		
26	Guaranteed Payments: LINE 4c		
SUBTOTAL		\$ -	\$ -
FORM W-2			
27	Wages: W-2, Box 5 (in general)		
FORM 1065			
28	Passthrough (Income) Loss from Other Partnerships: LINE 4		
29	Deduct nonrecurring income/add nonrecurring loss: LINES 5, 6 & 7		
30	Depreciation: LINE 16c		
31	Depreciation (FORM 8825): LINE 14		



Tax forms: Personal and business

MGIC

Schedule F (Form 1040)



SCHEDULE F (Form 1040) Profit or Loss From Farming

OMB No. 1545-0074
2023
 Attachment Sequence No. 14

Attach to Form 1040, 1040-SR, 1040-SS, 1040-NR, 1041, or 1065.
 Go to www.irs.gov/ScheduleF for instructions and the latest information.

Department of the Treasury
 Internal Revenue Service

Name of proprietor _____ Social security number (SSN) _____

A Principal crop or activity _____ **B** Enter code from Part IV _____ **C** Accounting method: Cash Accrual _____ **D** Employer ID number (EIN) (see instr.) _____

E Did you "materially participate" in the operation of this business during 2023? If "No," see instructions for limit on passive losses Yes No
F Did you make any payments in 2023 that would require you to file Form(s) 1099? See instructions Yes No
G If "Yes," did you or will you file required Form(s) 1099? Yes No

Part I Farm Income—Cash Method. Complete Parts I and II. (Accrual method. Complete Parts II and III, and Part I, line 9.)

1a	Sales of purchased livestock and other resale items (see instructions)	1a	
b	Cost or other basis of purchased livestock or other items reported on line 1a	1b	
c	Subtract line 1b from line 1a	1c	
2	Sales of livestock, produce, grains, and other products you raised	2	
3a	Cooperative distributions (Form(s) 1099-PATR)	3b	Taxable amount
3a		3b	
4a	Agricultural program payments (see instructions)	4b	Taxable amount
4a		4b	
5a	Commodity Credit Corporation (CCC) loans reported under election	5a	
b	CCC loans forfeited	5c	Taxable amount
b		5c	
6	Crop insurance proceeds and federal crop disaster payments (see instructions):		
a	Amount received in 2023	6a	
c	If election to defer to 2024 is attached, check here <input type="checkbox"/>	6d	Amount deferred from 2022
c		6d	
7	Custom hire (machine work) income	7	
8	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	8	
9	Gross income. Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50. See instructions.	9	

Part II Farm Expenses—Cash and Accrual Method. Do not include personal or living expenses. See instructions.

10	Car and truck expenses (see instructions). Also attach Form 4562	10	
11	Chemicals	11	
12	Conservation expenses (see instructions)	12	
13	Custom hire (machine work)	13	
14	Depreciation and section 179 expense (see instructions)	14	
15	Employee benefit programs other than on line 23	15	
16	Feed	16	
17	Fertilizers and lime	17	
18	Freight and trucking	18	
19	Gasoline, fuel, and oil	19	
20	Insurance (other than health)	20	
21	Interest (see instructions):		
a	Mortgage (paid to banks, etc.)	21a	
b	Other	21b	
22	Labor hired (less employment credits)	22	
23	Pension and profit-sharing plans	23	
24	Rent or lease (see instructions):		
a	Vehicles, machinery, equipment	24a	
b	Other (land, animals, etc.)	24b	
25	Repairs and maintenance	25	
26	Seeds and plants	26	
27	Storage and warehousing	27	
28	Supplies	28	
29	Taxes	29	
30	Utilities	30	
31	Veterinary, breeding, and medicine	31	
32	Other expenses (specify):		
a		32a	
b		32b	
c		32c	
d		32d	
e		32e	
f		32f	
33	Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions.	33	
34	Net farm profit or (loss). Subtract line 33 from line 9. If a profit, stop here and see instructions for where to report. If a loss, complete line 36.	34	
35	Reserved for future use.		
36	Check the box that describes your investment in this activity and see instructions for where to report your loss:		
a	<input type="checkbox"/> All investment is at risk.		
b	<input type="checkbox"/> Some investment is not at risk.		

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11346H Schedule F (Form 1040) 2023

Schedule F (Form 1040) 2023 Page 2

Part III Farm Income—Accrual Method (see instructions)

37	Sales of livestock, produce, grains, and other products (see instructions)	37	
38a	Cooperative distributions (Form(s) 1099-PATR)	38a	
38b	Taxable amount	38b	
39a	Agricultural program payments	39a	
39b	Taxable amount	39b	
40	Commodity Credit Corporation (CCC) loans:		
a	CCC loans reported under election	40a	
b	CCC loans forfeited	40b	
40c	Taxable amount	40c	
41	Crop insurance proceeds	41	
42	Custom hire (machine work) income	42	
43	Other income (see instructions)	43	
44	Add amounts in the right column for lines 37 through 43 (lines 37, 38b, 39b, 40a, 40c, 41, 42, and 43)	44	
45	Inventory of livestock, produce, grains, and other products at beginning of the year. Do not include sales reported on Form 4797	45	
46	Cost of livestock, produce, grains, and other products purchased during the year	46	
47	Add lines 45 and 46	47	
48	Inventory of livestock, produce, grains, and other products at end of year	48	
49	Cost of livestock, produce, grains, and other products sold. Subtract line 48 from line 47*	49	
50	Gross income. Subtract line 49 from line 44. Enter the result here and on Part I, line 9	50	

*If you use the unit-livestock-price method or the farm-price method of valuing inventory and the amount on line 48 is larger than the amount on line 47, subtract line 47 from line 48. Enter the result on line 49. Add lines 44 and 49. Enter the total on line 50 and on Part I, line 9.

Part IV Principal Agricultural Activity Codes

CAUTION Do not file Schedule F (Form 1040) to report the following:
 • Income from providing agricultural services such as soil preparation, veterinary, farm labor, horticultural services if your principal source of income is from providing such services. Instead, see the Instructions for Schedule C (Form 1040).
 • Income from breeding, raising, or caring for dogs, cats, or other pet animals. Instead, see the Instructions for Schedule C (Form 1040).
 • Income from managing a farm for a fee or on a contract basis. Instead, see the Instructions for Schedule C (Form 1040).
 • Sales of livestock held for draft, breeding, sport, or dairy purposes. Instead, see the Instructions for Form 4797.

111300	Fruit and tree nut farming
111400	Greenhouse, nursery, and floriculture production
111900	Other crop farming
Animal Production	
112111	Beef cattle ranching and farming
112112	Cattle feedlots
112120	Dairy cattle and milk production
112210	Hog and pig farming
112300	Poultry and egg production
112400	Sheep and goat farming
112510	Aquaculture
112900	Other animal production
Forestry and Logging	
113000	Forestry and logging (including forest nurseries and timber tracts)
113110	Timber tract operations
113210	Forest nurseries and gathering of forest products
113310	Logging

These codes for the Principal Agricultural Activity classify farms by their primary activity to facilitate the administration of the Internal Revenue Code. These six-digit codes are based on the North American Industry Classification System (NAICS). Select the code that best identifies your primary farming activity and enter the six-digit number on line B.

Crop Production

111100	Oilseed and grain farming
111210	Vegetable and melon farming

Schedule F (Form 1040) 2023

More than one owner

Form 1065 U.S. Return of Partnership Income OMB No. 1545-0123

For calendar year 2023, or tax year beginning _____, 2023, ending _____, 2023

Go to www.irs.gov/Form1065 for instructions and the latest information.

A Principal business activity Name of partnership **D** Employer identification number

B Principal product or service Type or Print Number, street, and room or suite no., if a P.O. box, see instructions. **E** Date business started

C Business code number City or town, state or province, country, and ZIP or foreign postal code **F** Total assets (see instructions)

G Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return

H Check accounting method: (1) Cash (2) Accrual (3) Other (specify): _____

I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year: _____

J Check if Schedules C and M-3 are attached

K Check if partnership: (1) Aggregated activities for section 465 at-risk purposes (2) Grouped activities for section 469 passive activity purposes

Caution: Include **only** trade or business income and expenses on lines 1a through 23 below. See instructions for more information.

Income	1a	b	c	1c
1	Gross receipts or sales	Less returns and allowances	Balance	2
2	Cost of goods sold (attach Form 1125-A)			3
3	Gross profit. Subtract line 2 from line 1c			4
4	Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)			5
5	Net farm profit (loss) (attach Schedule F (Form 1040))			6
6	Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			7
7	Other income (loss) (attach statement)			8
8	Total income (loss). Combine lines 3 through 7			9
9	Salaries and wages (other than to partners) (less employment credits)			10
10	Guaranteed payments to partners			11
11	Repairs and maintenance			12
12	Bad debts			13
13	Rent			14
14	Taxes and licenses			15
15	Interest (see instructions)			16a
16a	Depreciation (if required, attach Form 4562)			16b
b	Less depreciation reported on Form 1125-A and elsewhere on return			17
17	Depletion (Do not deduct oil and gas depletion.)			18
18	Retirement plans, etc.			19
19	Employee benefit programs			20
20	Energy efficient commercial buildings deduction (attach Form 7205)			21
21	Other deductions (attach statement)			22
22	Total deductions. Add the amounts shown in the far right column for lines 9 through 21			23
23	Ordinary business income (loss). Subtract line 22 from line 8			24
24	Interest due under the look-back method—completed long-term contracts (attach Form 8697)			25
25	Interest due under the look-back method—income forecast method (attach Form 8866)			26
26	BBA AAR imputed underpayment (see instructions)			27
27	Other taxes (see instructions)			28
28	Total balance due. Add lines 24 through 27			29
29	Elective payment election amount from Form 3800			30
30	Payment (see instructions)			31
31	Amount owed. If the sum of line 29 and line 30 is smaller than line 28, enter amount owed			32
32	Overpayment. If the sum of line 29 and line 30 is larger than line 28, enter overpayment			

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than partner or limited liability company member) is based on all information of which preparer has any knowledge.

Signature of partner or limited liability company member _____ Date _____

Print/Type preparer's name _____ Preparer's signature _____ Date _____

Check if self-employed PTIN: _____

Firm's name _____ Firm's EIN _____

Firm's address _____ Phone no. _____

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Schedule K-1 (Form 1065) 2023 OMB No. 1545-0123

For calendar year 2023, or tax year beginning _____ / ____ / 2023 ending _____ / ____ / _____

Partner's Share of Income, Deductions, Credits, etc. See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number _____

B Partnership's name, address, city, state, and ZIP code _____

C IRS center where partnership filed return: _____

D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.) _____

F Name, address, city, state, and ZIP code for partner entered in E. See instructions. _____

G General partner or LLC member-manager Limited partner or other LLC member

H1 Domestic partner Foreign partner

H2 If the partner is a disregarded entity (DE), enter the partner's: TIN _____ Name _____

I1 What type of entity is this partner? _____

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	%	%
Loss	%	%
Capital	%	%

Check if decrease is due to: Sale or Exchange of partnership interest. See instructions.

K1 Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	\$	\$
Qualified nonrecourse financing	\$	\$
Recourse	\$	\$

K2 Check this box if item K1 includes liability amounts from lower-tier partnerships

K3 Check if any of the above liability is subject to guarantees or other payment obligations by the partner. See instructions

L Partner's Capital Account Analysis

Beginning capital account \$ _____

Capital contributed during the year \$ _____

Current year net income (loss) \$ _____

Other increase (decrease) (attach explanation) \$ _____

Withdrawals and distributions \$ _____

Ending capital account \$ _____

M Did the partner contribute property with a built-in gain (loss)? Yes No "Yes" attach statement. See instructions.

N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)

	Beginning	Ending
Beginning	\$	\$
Ending	\$	\$

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	14
Ordinary business income (loss)	Self-employment earnings (loss)
2 Net rental real estate income (loss)	
3 Other net rental income (loss)	15 Credits
4a Guaranteed payments for services	
4b Guaranteed payments for capital	16 Schedule K-3 is attached if checked <input type="checkbox"/>
4c Total guaranteed payments	17 Alternative minimum tax (AMT) items
5 Interest income	
6a Ordinary dividends	
6b Qualified dividends	18 Tax-exempt income and nondeductible expenses
6c Dividend equivalents	
7 Royalties	
8 Net short-term capital gain (loss)	19 Distributions
9a Net long-term capital gain (loss)	
9b Collectibles (28%) gain (loss)	20 Other information
9c Unrecaptured section 1250 gain	
10 Net section 1231 gain (loss)	
11 Other income (loss)	
12 Section 179 deduction	21 Foreign taxes paid or accrued
13 Other deductions	

22 More than one activity for at-risk purposes

23 More than one activity for passive activity purposes

*See attached statement for additional information.

For IRS Use Only

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mortgage guaranty insurance corporation

Farming rental income

mortgage guaranty insurance corporation

SCHEDULE E (Form 1040) Supplemental Income and Loss (From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.) OMB No. 1545-0074
 Department of the Treasury Internal Revenue Service Attach to Form 1040, 1040-SR, 1040-NR, or 1041. **2023** Attachment Sequence No. 13
 Go to www.irs.gov/ScheduleE for instructions and the latest information. Your social security number

Part I Income or Loss From Rental Real Estate and Royalties

Form 8825 Rental Real Estate Income and Expenses of a Partnership or an S Corporation (Rev. November 2018) OMB No. 1545-0123
 Department of the Treasury Internal Revenue Service Attach to Form 1040, 1040-SR, or Form 1120S. Attach to Form 1040, 1040-SR, or Form 1120S. Go to www.irs.gov/Form8825 for the latest information. Employer identification number

Form 4835 Farm Rental Income and Expenses (Crop and Livestock Shares (Not Cash) Received by Landowner (or Sub-Lessor) (Income Not Subject to Self-Employment Tax) OMB No. 1545-0074
 Department of the Treasury Internal Revenue Service Attach to Form 1040, 1040-SR, or 1040-NR. Attach to Form 1040, 1040-SR, or 1040-NR. Go to www.irs.gov/Form4835 for the latest information. Attachment Sequence No. 37
 Your social security number
 Employer ID number (EIN), if any

Part I Gross Farm Rental Income—Based on Production. Include amounts converted to cash or the equivalent.

1	Income from production of livestock, produce, grains, and other crops	1
2a	Cooperative distributions (Form(s) 1099-PATR)	2a
2b	Taxable amount	2b
3a	Agricultural program payments (see instructions)	3a
3b	Taxable amount	3b
4	Commodity Credit Corporation (CCC) loans (see instructions):	
a	CCC loans reported under election	4a
b	CCC loans forfeited	4b
4c	Taxable amount	4c
5	Crop insurance proceeds and federal crop disaster payments (see instructions):	
a	Amount received in 2023	5a
b	Amount deferred from 2022	5b
5d	Amount deferred from 2022	5d
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6
7	Gross farm rental income. Add amounts in the right column for lines 1 through 6. Enter the total here and on Schedule E (Form 1040), line 42	7

Part II Expenses—Farm Rental Property. Do not include personal or living expenses.

8	Car and truck expenses (see Schedule F (Form 1040) instructions). Also attach Form 4562	8	21	Pension and profit-sharing plans	21
9	Chemicals	9	22	Rent or lease:	
10	Conservation expenses (see instructions)	10	a	Vehicles, machinery, and equipment (see instructions)	22a
11	Custom hire (machine work)	11	b	Other (land, animals, etc.)	22b
12	Depreciation and section 179 expense deduction not claimed elsewhere	12	23	Repairs and maintenance	23
13	Employee benefit programs other than on line 21 (see Schedule F (Form 1040) instructions)	13	24	Seeds and plants	24
14	Feed	14	25	Storage and warehousing	25
15	Fertilizers and lime	15	26	Supplies	26
16	Freight and trucking	16	27	Taxes	27
17	Gasoline, fuel, and oil	17	28	Utilities	28
18	Insurance (other than health)	18	29	Veterinary, breeding, and medicine	29
19	Interest (see instructions):		30	Other expenses (specify):	
a	Mortgage (paid to banks, etc.)	19a	a		30a
b	Other	19b	b		30b
20	Labor hired (less employment credits) (see Schedule F (Form 1040) instructions)	20	c		30c
			d		30d
			e		30e
			f		30f
			g		30g
31	Total expenses. Add lines 8 through 30g. See instructions	31			31
32	Net farm rental income or (loss). Subtract line 31 from line 7. If the result is income, enter it here and on Schedule E (Form 1040), line 40. If the result is a loss, you must go to line 34. See instructions	32			32
33	Reserved for future use	33			33
34	If line 32 is a loss, check the box that describes your investment in this activity. See instructions	34			34
					34a
					34b
					34c

21 Net rental income or (loss) from this property. Enter the net rental income or (loss) from this property on Schedule E (Form 1040), line 40. If you have a loss, you must complete Form 8582 to determine your deductible loss, regardless of which box you checked. If you checked box 34b, you must complete Form 6198 before going to Form 8582. In either case, enter the deductible loss here and on Schedule E (Form 1040), line 40. See instructions.

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 13117W Form 4835 (2023)

Ownership percentage



Schedule K-1 (Form 1065)

Ownership percentage

Part II: Box J

mortgage guaranty insurance corporation

651123
OMB No. 1545-0123

Schedule K-1 (Form 1065) 2023
Department of the Treasury Internal Revenue Service

For calendar year 2023, or tax year beginning / / 2023 ending / /

Partner's Share of Income, Deductions, Credits, etc. See separate instructions.

Final K-1 Amended K-1

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items	
1 Ordinary business income (loss)	14 Self-employment earnings (loss)
2 Net rental real estate income (loss)	
3 Other net rental income (loss)	15 Credits
4a Guaranteed payments for services	
4b Guaranteed payments for capital	16 Schedule K-3 is attached if checked <input type="checkbox"/>
4c Total guaranteed payments	17 Alternative minimum tax (AMT) items
5 Interest income	
6a Ordinary dividends	
6b Qualified dividends	18 Tax-exempt income and nondeductible expenses
6c Dividend equivalents	
7 Royalties	
8 Net short-term capital gain (loss)	19 Distributions
9a Net long-term capital gain (loss)	
9b Collectibles (28%) gain (loss)	20 Other information
9c Unrecaptured section 1250 gain	
10 Net section 1231 gain (loss)	
11 Other income (loss)	
12 Section 179 deduction	21 Foreign taxes paid or accrued
13 Other deductions	
22 <input type="checkbox"/> More than one activity for at-risk purposes*	
23 <input type="checkbox"/> More than one activity for passive activity purposes*	
*See attached statement for additional information.	

Part I Information About the Partnership

A Partnership's employer identification number

B Partnership's name, address, city, state, and ZIP code

C IRS center where partnership filed return:

D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.)

F Name, address, city, state, and ZIP code for partner entered in E. See instructions.

G General partner or LLC member-manager Limited partner or other LLC member

H1 Domestic partner Foreign partner

H2 If the partner is a disregarded entity (DE), enter the partner's: TIN _____ Name _____

I1 What type of entity is this partner?

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	_____ %	_____ %
Loss	_____ %	_____ %
Capital	_____ %	_____ %

Check if decrease is due to:
 Sale or Exchange of partnership interest. See instructions.

K1 Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	\$ _____	\$ _____
Qualified nonrecourse financing	\$ _____	\$ _____
Recourse	\$ _____	\$ _____

K2 Check this box if item K1 includes liability amounts from lower-tier partnerships

K3 Check if any of the above liability is subject to guarantees or other payment obligations by the partner. See instructions

Partner's Capital Account Analysis

L

Beginning capital account	\$ _____
Capital contributed during the year	\$ _____
Current year net income (loss)	\$ _____
Other increase (decrease) (attach explanation)	\$ _____
Withdrawals and distributions	\$ (_____)
Ending capital account	\$ _____

M Did the partner contribute property with a built-in gain (loss)?
 Yes No If "Yes," attach statement. See instructions.

N **Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)**

Beginning	\$ _____
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For IRS Use Only



Taxable income vs. cash flow

3 key concepts

- 1 Noncash expenses
- 2 IRS limited loss/expenses
- 3 Recurring and nonrecurring income and expenses

Schedule F – Cash flowing



SAM Cash Flow Analysis Worksheet

SCHEDULE F - FARM INCOME		
17	Net Profit (Loss): LINE 34	
18	Non-Tax Portion Ongoing Co-op & CCC Pmts: LINES 3a minus b through 6a minus b	
19	Add nonrecurring loss: LINE 2-8	
20	Deduct nonrecurring income: LINE 2-8	()
21	Depreciation: LINE 14	
22	Amortization/Casualty Loss/Depletion (only if noted): LINE 32	
23	Business Use of Home (only if noted): LINE 32	
SUBTOTAL		\$ -

Line 34 – Net profit/loss

Lines 3, 4, 5, 6a & b

- ▶ Deduct nonrecurring income
- ▶ Add back non-taxable portion

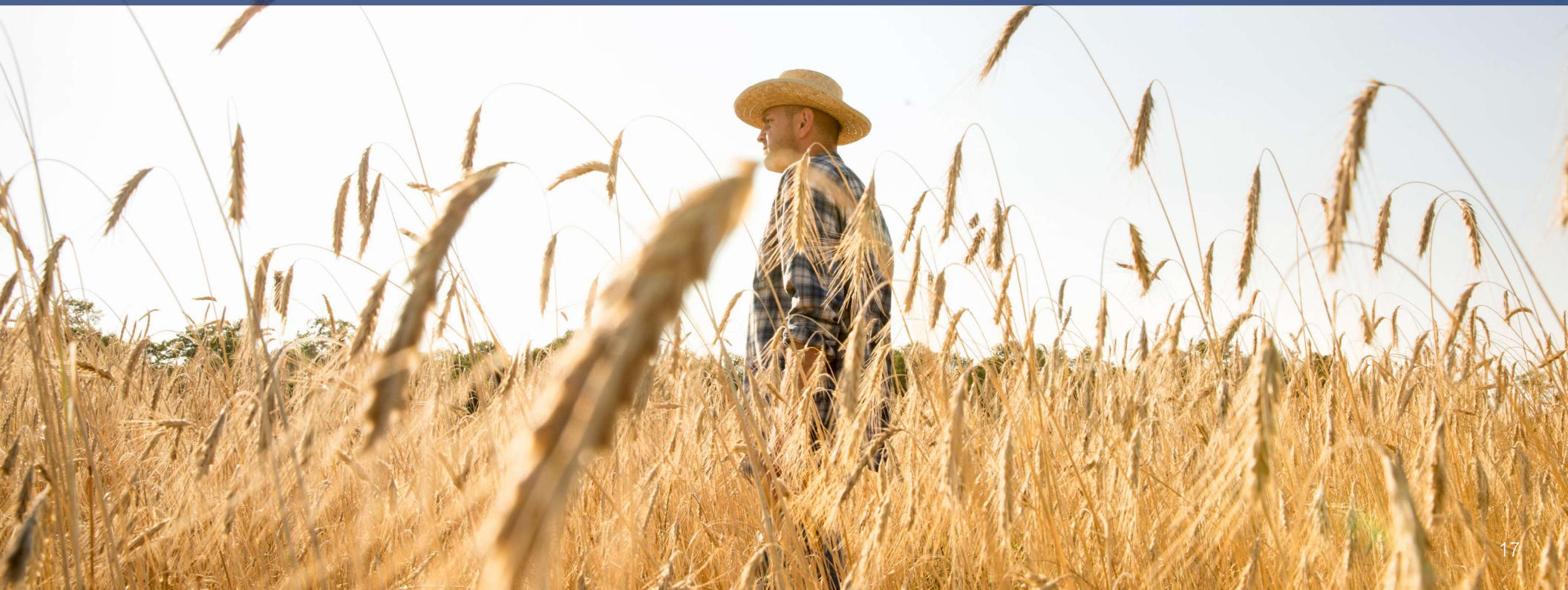
Line 7,8 – Other income

Line 14 – Depreciation

Line 32a-f

- ▶ Business use of home
- ▶ Meals
- ▶ Amortization
- ▶ Casualty loss
- ▶ Net operating losses (NOLs)

Schedule F – One owner





Farmer MacDonald

- Sole owner of farm
- Has been cash cropping for 14 years
- Files a Schedule F

Special considerations

Other income - Lines 3-6

Fannie Mae

Selling Guide B3-3.3-06

(04/01/2009)

B3-3.3-06, Income or Loss Reported on IRS Form 1040, Schedule F (04/01/2009)

Introduction

This topic contains information on income or loss reported on IRS Form 1040, Schedule F.

- [Income or Loss Reported on IRS Form 1040, Schedule F](#)

Income or Loss Reported on IRS Form 1040, Schedule F

Income received from farming is calculated on IRS Form 1040, Schedule F, and transferred to IRS Form 1040.

Note: Other income on Schedule F may represent income that is not obtained from the borrower's farming operations.

The lender may need to make certain adjustments to the net income amount that was transferred to IRS Form 1040. For example, certain federal agricultural program payments, co-op distributions, and insurance or loan proceeds are not fully taxable, so they would not be reported on IRS Form 1040. These income sources may or may not be stable or continuous and could be a one-time occurrence.

If the lender verifies that the net income amounts that were transferred to IRS Form 1040 are stable, consistent, and continuing, the borrower's cash flow must be adjusted by the nontaxable portion of any recurring income from these sources. Otherwise, the income must be deducted from the borrower's cash flow.

The lender can adjust the borrower's cash flow by adding the amount of any deductions the borrower claimed on Schedule F for depreciation, amortization, casualty loss, depletion, or business use of their home.

Schedule 1 (Form 1040)

Source of income is
Schedule F

SCHEDULE 1 (Form 1040)		Additional Income and Adjustments to Income		OMB No. 1545-0074
Department of the Treasury Internal Revenue Service		Attach to Form 1040, 1040-SR, or 1040-NR. Go to www.irs.gov/Form1040 for instructions and the latest information.		2023 Attachment Sequence No. 01
Name(s) shown on Form 1040, 1040-SR, or 1040-NR			Your social security number	
Part I Additional Income				
1	Taxable refunds, credits, or offsets of state and local income taxes		1	
2a	Alimony received		2a	
b	Date of original divorce or separation agreement (see instructions): _____			
3	Business income or (loss). Attach Schedule C		3	
4	Other gains or (losses). Attach Form 4797		4	
5	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E		5	
6	Farm income or (loss). Attach Schedule F		6	211104
7	Unemployment compensation		7	
8	Other income:			
a	Net operating loss	8a	()	
b	Gambling	8b		
c	Cancellation of debt	8c		
n	Section 951(a) inclusion (see instructions)	8n		
o	Section 951A(a) inclusion (see instructions)	8o		
p	Section 461(i) excess business loss adjustment	8p		
q	Taxable distributions from an ABLÉ account (see instructions)	8q		
r	Scholarship and fellowship grants not reported on Form W-2	8r		
s	Nontaxable amount of Medicaid waiver payments included on Form 1040, line 1a or 1d	8s	()	
t	Pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan	8t		
u	Wages earned while incarcerated	8u		
z	Other income. List type and amount: _____	8z		
9	Total other income. Add lines 8a through 8z		9	
10	Combine lines 1 through 7 and 9. This is your additional income . Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8		10	

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 71479F Schedule 1 (Form 1040) 2023

Cash flowing Schedule F



SCHEDULE F (Form 1040) Profit or Loss From Farming

OMB No. 1545-0074
2022
 Attachment Sequence No. 14

Department of the Treasury
 Internal Revenue Service

Attach to Form 1040, Form 1040-SR, Form 1040-NR, Form 1041, or Form 1065.
 Go to www.irs.gov/ScheduleF for instructions and the latest information.

Name of proprietor: **Olde MacDonald** Social security number (SSN): **123-45-6789**

A Principal crop or activity: **Cash crops** **B** Enter code from Part IV: **C** Accounting method: Cash Accrual **D** Employer ID number (EIN) (see instr.):

E Did you "materially participate" in the operation of this business during 2022? If "No," see instructions for limit on passive losses Yes No
F Did you make any payments in 2022 that would require you to file Form(s) 1099? See instructions Yes No
G If "Yes," did you or will you file required Form(s) 1099? Yes No

Part I Farm Income—Cash Method. Complete Parts I and II. (Accrual method, complete Parts II and III, and Part I, line 9.)

1a	Sales of purchased livestock and other resale items (see instructions)	1a	
b	Cost or other basis of purchased livestock or other items reported on line 1a	1b	
c	Subtract line 1b from line 1a	1c	
2	Sales of livestock, produce, grains, and other products you raised	2	317,142
3a	Cooperative distributions (Form(s) 1099-PATR)	3a	22,643
3b	Taxable amount	3b	17,643
4a	Agricultural program payments (see instructions)	4a	111,425
4b	Taxable amount	4b	111,425
5a	Commodity Credit Corporation (CCC) loans reported under election	5a	
5b	CCC loans forfeited	5b	
5c	Taxable amount	5c	
6	Crop insurance proceeds and federal crop disaster payments (see instructions):		
a	Amount received in 2022	6a	
6b	Taxable amount	6b	
c	If election to defer to 2023 is attached, check here <input type="checkbox"/>	6d	Amount deferred from 2021
7	Custom hire (machine work) income	7	
8	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	8	5,500
9	Gross income. Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50. See instructions.	9	447,710

Part II Farm Expenses—Cash and Accrual Method. Do not include personal or living expenses. See instructions.

10	Car and truck expenses (see instructions). Also attach Form 4562	10	11,500	23	Pension and profit-sharing plans	23	
11	Chemicals	11		24	Rent or lease (see instructions):		
12	Conservation expenses (see instructions)	12		a	Vehicles, machinery, equipment	24a	5,689
13	Custom hire (machine work)	13	7,500	b	Other (land, animals, etc.)	24b	20,751
14	Depreciation and section 179 expense (see instructions)	14	45,500	25	Repairs and maintenance	25	41,163
15	Employee benefit programs other than on line 23	15		26	Seeds and plants	26	
16	Feed	16	35,000	27	Storage and warehousing	27	
17	Fertilizers and lime	17		28	Supplies	28	2,266
18	Freight and trucking	18		29	Taxes	29	3,708
19	Gasoline, fuel, and oil	19	11,678	30	Utilities	30	
20	Insurance (other than health)	20	16,205	31	Veterinary, breeding, and medicine	31	
21	Interest (see instructions):			32	Other expenses (specify):		
a	Mortgage (paid to banks, etc.)	21a	19,411	a	Phone/Computer/Internet fees/subscription	32a	1,912
b	Other	21b	10,286	b	Bank service fees	32b	2,132
22	Labor hired (less employment credits)	22		c	Casualty Loss	32c	405
23				d		32d	1500
24				e		32e	
25				f		32f	
33	Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions	33	236,606				
34	Net farm profit or (loss). Subtract line 33 from line 9. If a profit, stop here and see instructions for where to report. If a loss, complete line 36.	34	211,104				

35 Reserved for future use.
 36 Check the box that describes your investment in this activity and see instructions for where to report your loss:
 a All investment is at risk. b Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11346H Schedule F (Form 1040) 2022

SAM Cash Flow Analysis Worksheet

SCHEDULE F - FARM INCOME		
17	Net Profit (Loss): LINE 34	\$ 211,104.00
18	Non-Tax Portion Ongoing Co-op & CCC Pmts: LINES 3a minus b through 6a minus b	
19	Add nonrecurring loss: LINE 2-8	
20	Deduct nonrecurring income: LINE 2-8	()
21	Depreciation: LINE 14	
22	Amortization/Casualty Loss/Depletion (only if noted): LINE 32	
23	Business Use of Home (only if noted): LINE 32	
SUBTOTAL		\$ 211,104.00

mortgage guaranty
 insurance corporation

Identification of items on Schedule F, Lines 3-6



SCHEDULE F (Form 1040) Profit or Loss From Farming
 Attach to Form 1040, Form 1040-SR, Form 1040-NR, Form 1041, or Form 1065.
 Go to www.irs.gov/ScheduleF for instructions and the latest information.

OMB No. 1545-0074
2022
 Attachment Sequence No. 14

Name of proprietor: Olde MacDonald
 Social security number (SSN): 123-45-6789

A Principal crop or activity: Cash crops
B Enter code from Part IV:
C Accounting method: Cash Accrual
D Employer ID number (EIN) (see instr.):

E Did you "materially participate" in the operation of this business during 2022? If "No," see instructions for limit on passive losses: Yes No
F Did you make any payments in 2022 that would require you to file Form(s) 1099? See instructions: Yes No
G If "Yes," did you or will you file required Form(s) 1099?: Yes No

Part I Farm Income—Cash Method. Complete Parts I and II. (Accrual method. Complete Parts II and III, and Part I, line 9.)

1a	Sales of purchased livestock and other resale items (see instructions)	1a	
b	Cost or other basis of purchased livestock or other items reported on line 1a	1b	
c	Subtract line 1b from line 1a	1c	

3a	Cooperative distributions (Form(s) 1099-PATR)	3a		3b	Taxable amount	3b	
4a	Agricultural program payments (see instructions)	4a		4b	Taxable amount	4b	
5a	Commodity Credit Corporation (CCC) loans reported under election			5a			
b	CCC loans forfeited	5b		5c	Taxable amount	5c	
6	Crop insurance proceeds and federal crop disaster payments (see instructions):						
a	Amount received in 2022	6a		6b	Taxable amount	6b	
c	If election to defer to 2023 is attached, check here <input type="checkbox"/>			6d	Amount deferred from 2021	6d	

14	(see instructions)	45,500	27	Storage and warehousing	27	
15	Employee benefit programs other than on line 23		28	Supplies	28	2,265
16	Feed	35,000	29	Taxes	29	3,708
17	Fertilizers and lime		30	Utilities	30	
18	Freight and trucking		31	Veterinary, breeding, and medicine	31	
19	Gasoline, fuel, and oil	11,678	32	Other expenses (specify):		
20	Insurance (other than health)	16,205	a	Phone/Computer/Internet fees/subscription	32a	1,912
21	Interest (see instructions):		b	Bank service fees	32b	2,132
a	Mortgage (paid to banks, etc.)	19,411	c	Casualty Loss	32c	405
b	Other	10,286	d		32d	1,500
22	Labor hired (less employment credits)		e		32e	
			f		32f	
33	Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions		33		33	236,606
34	Net farm profit or (loss). Subtract line 33 from line 9		34		34	211,104

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11346H Schedule F (Form 1040) 2022

3a – **Cooperative distributions:** The borrower should receive Form 1099-PATR. Eligible income if there is a two-year history.

4a – **Agricultural program payments:** This income could include payments to help offset losses associated with COVID-19. Borrower should receive Form CCC-1099G. This type of income should be analyzed to determine continuance.

5a – **Commodity credit corporation:** Typically, the borrower would not report loan proceeds as income; however, if they pledged part of production to secure a CCC loan, they can elect to report the loan proceeds as income in the year received. Borrower would receive Form 1099-A. This type of income should be analyzed to determine continuance.

6a – **Crop insurance proceeds:** Borrower may receive federal crop disaster payments, which may be a one-time event.

Analysis of other income – Lines 3-6

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SCHEDULE F (Form 1040) Profit or Loss From Farming

OMB No. 1545-0074
2022
Attachment Sequence No. 14

Department of the Treasury
Internal Revenue Service
Attach to Form 1040, Form 1040-SR, Form 1040-NR, Form 1041, or Form 1065.
Go to www.irs.gov/ScheduleF for instructions and the latest information.

Name of proprietor: Olde MacDonald
Social security number (SSN): 123-45-6789

A Principal crop or activity: Cash crops
B Enter code from Part IV: Cash Accrual
C Accounting method: Cash Accrual
D Employer ID number (EIN) (see instr.):

E Did you "materially participate" in the operation of this business during 2022? If "No," see instructions for limit on passive losses: Yes No
F Did you make any payments in 2022 that would require you to file Form(s) 1099? See instructions: Yes No
G If "Yes," did you or will you file required Form(s) 1099?: Yes No

Part I Farm Income—Cash Method. Complete Parts I and II. (Accrual method, Complete Parts II and III, and Part I, line 9.)

1	2	3a	3b	4a	4b	5a	5c	6a	6b
Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	8	22,643	17,643	111,425	111,425				
Gross income. Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50. See instructions.	9								

Part III Farm Expenses—Cash and Accrual Method. Do not include personal or living expenses. See instructions.

10	11	12	13	14	15	16	17	18	19	20	21a	21b	22	23	24	24a	24b	25	26	27	28	29	30	31	32	32a	32b	32c	32d	32e	32f	33	34		
Car and truck expenses (see instructions). Also attach Form 4562	Chemicals	Conservation expenses (see instructions)	Custom hire (machine work)	Depreciation and section 179 expense (see instructions)	Employee benefit programs other than on line 23	Feed	Fertilizers and lime	Freight and trucking	Gasoline, fuel, and oil	Insurance (other than health)	Interest (see instructions): a Mortgage (paid to banks, etc.) b Other	Labor hired (less employment credits)	Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions	Pension and profit-sharing plans	Rent or lease (see instructions): a Vehicles, machinery, equipment b Other (land, animals, etc.)	Repairs and maintenance	Seeds and plants	Storage and warehousing	Supplies	Taxes	Utilities	Veterinary, breeding, and medicine	Other expenses (specify): a Phone/Computer/Internet b fees/subscription c Bank service fees d Casualty Loss												
11,500			7,500	45,500		35,000			11,678	16,205	19,411 10,286		236,606		5,689	20,751	41,163					2,266	3,708			1,912	2,132	405	1,500				211,104		

33 Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions
34 Net farm profit or (loss). Subtract line 33 from line 9.
35 Reserved for future use.
36 Check the box that describes your investment in this activity and see instructions for where to report your loss:
a All investment is at risk. b Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11346H Schedule F (Form 1040) 2022

Cooperative distributions –
non-taxable portion: 3a minus 3b
\$22,643 minus \$17,643 = \$5,000
\$5,000 x 125% = \$6,250

SAM Cash Flow Analysis Worksheet

SCHEDULE F - FARM INCOME

17	Net Profit (Loss); LINE 34	\$	211,104.00
18	Non-Tax Portion Ongoing Co-op & CCC Pmts; LINES 3a minus b through 6a minus b	\$	6,250.00
19	Add nonrecurring loss; LINE 2-8		
20	Deduct nonrecurring income; LINE 2-8		
21	Depreciation; LINE 14		
22	Amortization/Casualty Loss/Depletion (only if noted); LINE 32		
23	Business Use of Home (only if noted); LINE 32		
	SUBTOTAL	\$	217,354.00

mortgage guaranty
insurance corporation

Analysis of other income – Continued

SCHEDULE F (Form 1040) Profit or Loss From Farming
 Attach to Form 1040, Form 1040-SR, Form 1040-NR, Form 1041, or Form 1065.
 Department of the Treasury Internal Revenue Service
 OMB No. 1545-0074
 2022 Attachment Sequence No. 14

Name of proprietor: **Olde MacDonald**
 Social security number (SSN): **123-45-6789**

Part I Farm Income – Cash Method. Complete Parts I and II. (Accrual method. Complete Parts II and III, and Part I, line 9.)

1a	Sales of purchased livestock and other resale items (see instructions)	1a	
b	Cost or other basis of purchased livestock or other items reported on line 1a	1b	
c	Subtract line 1b from line 1a	1c	
2	Sales of livestock, produce, grains, and other products you raised	2	317,142
3a	Cooperative distributions (Form(s) 1099-PATR)	3a	22,643
3b	Taxable amount	3b	17,643
4a	Agricultural program payments (see instructions)	4a	111,425
4b	Taxable amount	4b	111,425
5a	Commodity Credit Corporation (CCC) loans reported under election	5a	
5b	CCC loans forfeited	5b	
5c	Taxable amount	5c	
6	Crop insurance proceeds and federal crop disaster payments (see instructions):		
a	Amount received in 2022	6a	
6b	Taxable amount	6b	

11	Chemicals	11		24a	Vehicles, machinery, equipment	24a	5,689
12	Conservation expenses (see instructions)	12		24b	Other (land, animals, etc.)	24b	20,751
13	Custom hire (machine work)	13	7,500	25	Repairs and maintenance	25	41,163
14	Depreciation and section 179 expense (see instructions)	14	45,500	26	Seeds and plants	26	
15	Employee benefit programs other than on line 23	15		27	Storage and warehousing	27	
16	Feed	16	35,000	28	Supplies	28	2,266
17	Fertilizers and lime	17		29	Taxes	29	3,708
18	Freight and trucking	18		30	Utilities	30	
19	Gasoline, fuel, and oil	19	11,678	31	Veterinary, breeding, and medicine	31	
20	Insurance (other than health)	20	16,205	32	Other expenses (specify):		
21	Interest (see instructions):			a	Phone/Computer/Internet	32a	1,912
a	Mortgage (paid to banks, etc.)	21a	19,411	b	fees/subscription	32b	2,132
b	Other	21b	10,286	c	Bank service fees	32c	405
22	Labor hired (less employment credits)	22		d	Casualty Loss	32d	1500
23	Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions	23	236,606	e		32e	
34	Net farm profit or (loss). Subtract line 33 from line 9. If a profit, stop here and see instructions for where to report. If a loss, complete line 36.	34	211,104	f		32f	

35 Reserved for future use.
 36 Check the box that describes your investment in this activity and see instructions for where to report your loss:
 All investment is at risk. Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11346H Schedule F (Form 1040) 2022

Agricultural program payments

Analyzed not to have continuance

SCHEDULE F - FARM INCOME		
17	Net Profit (Loss): LINE 34	\$ 211,104.00
18	Non-Tax Portion Ongoing Co-op & CCC Pmts: LINES 3a minus b through 6a minus b	\$ 6,250.00
19	Add nonrecurring loss: LINE 2-8	
20	Deduct nonrecurring income: LINE 2-8	(\$ 111,425.00)
21	Depreciation: LINE 14	
22	Amortization/Casualty Loss/Depletion (only if noted): LINE 32	
23	Business Use of Home (only if noted): LINE 32	
SUBTOTAL		\$ 105,929.00

Cash flowing continued – Other income: Line 8



SCHEDULE F (Form 1040) Profit or Loss From Farming
 Department of the Treasury Internal Revenue Service
 Attach to Form 1040, Form 1040-SR, Form 1040-NR, Form 1041, or Form 1065.
 Go to www.irs.gov/ScheduleF for instructions and the latest information.

OMB No. 1545-0074
2022
 Attachment Sequence No. 14

Name of proprietor: **Olde MacDonald** Social security number (SSN): **123-45-6789**

A Principal crop or activity: **Cash crops**
B Enter code from Part IV: **1** **C** Accounting method: Cash Accrual **D** Employer ID number (EIN) (see instr.):

E Did you "materially participate" in the operation of this business during 2022? If "No," see instructions for limit on passive losses: Yes No
F Did you make any payments in 2022 that would require you to file Form(s) 1099? See instructions: Yes No
G If "Yes," did you or will you file required Form(s) 1099? Yes No

Part I Farm Income—Cash Method. Complete Parts I and II. (Accrual method. Complete Parts II and III, and Part I, line 9.)

1a Sales of purchased livestock and other resale items (see instructions)	1a		
b Cost or other basis of purchased livestock or other items reported on line 1a	1b		
c Subtract line 1b from line 1a		1c	317,142
2 Sales of livestock, produce, grains, and other products you raised		2	317,142
3a Cooperative distributions (Form(s) 1099-PATR)	3a	3b Taxable amount	17,643
4a Agricultural program payments (see instructions)	4a	4b Taxable amount	111,425
5a Commodity Credit Corporation (CCC) loans reported under election	5a	5c Taxable amount	
b CCC loans forfeited	5b	5c Taxable amount	
6 Crop insurance proceeds and federal crop disaster payments (see instructions):		6b Taxable amount	
a Amount received in 2022	6a	6d Amount deferred from 2021	
c If election to defer to 2023 is attached, check here <input type="checkbox"/>			
7 Custom hire (machine work) income		7	5,500
8 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)		8	
9 Gross income. Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50. See instructions.		9	447,710

Part II Farm Expenses—Cash and Accrual Method. Do not include personal or living expenses. See instructions.

10 Car and truck expenses (see instructions). Also attach Form 4562	10	11,500	23 Pension and profit-sharing plans	23	
11 Chemicals	11		24 Rent or lease (see instructions):		
12 Conservation expenses (see instructions)	12		a Vehicles, machinery, equipment	24a	5,689
13 Custom hire (machine work)	13	7,500	b Other (land, animals, etc.)	24b	20,751
14 Depreciation and section 179 expense (see instructions)	14	45,500	25 Repairs and maintenance	25	41,163
15 Employee benefit programs other than on line 23	15		26 Seeds and plants	26	
16 Feed	16	35,000	27 Storage and warehousing	27	
17 Fertilizers and lime	17		28 Supplies	28	2,266
18 Freight and trucking	18		29 Taxes	29	3,708
19 Gasoline, fuel, and oil	19	11,678	30 Utilities	30	
20 Insurance (other than health)	20	16,205	31 Veterinary, breeding, and medicine	31	
21 Interest (see instructions):			32 Other expenses (specify):		
a Mortgage (paid to banks, etc.)	21a	19,411	a Phone/computer/internet	32a	1,912
b Other	21b	10,286	b fees/subscriptions	32b	2,132
22 Labor hired (less employment credits)	22		c Bank service fees	32c	405
33 Total expenses. Add lines 10 through 32. If line 32f is negative, see instructions	33	236,606	d Casualty Loss	32d	1500
34 Net farm profit or (loss). Subtract line 33 from line 9	34	211,104	e	32e	
			f	32f	

35 Reserved for future use.
36 Check the box that describes your investment in this activity and see instructions for where to report your loss:
a All investment is at risk. **b** Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11346H Schedule F (Form 1040) 2022

SCHEDULE F - FARM INCOME		
17	Net Profit (Loss): LINE 34	\$ 211,104.00
18	Non-Tax Portion Ongoing Co-op & CCC Pmts: LINES 3a minus b through 6a minus b	\$ 6,250.00
19	Add nonrecurring loss: LINE 2-8	\$ (5,500.00)
20	Deduct nonrecurring income: LINE 2-8	(\$ 111,425.00)
21	Depreciation: LINE 14	
22	Amortization/Casualty Loss/Depletion (only if noted): LINE 32	
23	Business Use of Home (only if noted): LINE 32	
	SUBTOTAL	\$ 100,429.00

Cash flowing continued – Depreciation MGIC

SCHEDULE F (Form 1040) Profit or Loss From Farming
 Department of the Treasury Internal Revenue Service
 Attach to Form 1040, Form 1040-SR, Form 1040-NR, Form 1041, or Form 1065.
 Go to www.irs.gov/ScheduleF for instructions and the latest information.

OMB No. 1545-0074
2022
 Attachment Sequence No. 14

Name of proprietor: **Olde MacDonald** Social security number (SSN): **123-45-6789**

A Principal crop or activity: **Cash crops**
B Enter code from Part IV: **1** **C** Accounting method: Cash Accrual **D** Employer ID number (EIN) (see instr.):

E Did you "materially participate" in the operation of this business during 2022? If "No," see instructions for limit on passive losses: Yes No
F Did you make any payments in 2022 that would require you to file Form(s) 1099? See instructions: Yes No
G If "Yes," did you or will you file required Form(s) 1099? Yes No

Part I Farm Income—Cash Method. Complete Parts I and II. (Accrual method. Complete Parts II and III, and Part I, line 9.)

1a Sales of purchased livestock and other resale items (see instructions)	1a		
b Cost or other basis of purchased livestock or other items reported on line 1a	1b		
c Subtract line 1b from line 1a		1c	
2 Sales of livestock, produce, grains, and other products you raised		2	317,142
3a Cooperative distributions (Form(s) 1099-PATR)	3a	3b Taxable amount	17,643
4a Agricultural program payments (see instructions)	4a	4b Taxable amount	111,425
5a Commodity Credit Corporation (CCC) loans reported under election		5a	
b CCC loans forfeited	5b	5c Taxable amount	
6 Crop insurance proceeds and federal crop disaster payments (see instructions):		6b Taxable amount	
a Amount received in 2022	6a	6d Amount deferred from 2021	
c If election to defer to 2023 is attached, check here <input type="checkbox"/>		6d	
7 Custom hire (machine work) income		7	5,500
8 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)		8	
9 Gross income. Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50. See instructions.		9	447,710

Part II Farm Expenses—Cash and Accrual Method. Do not include personal or living expenses. See instructions.

10 Car and truck expenses (see instructions). Also attach Form 4562	10	11,500	23 Pension and profit-sharing plans	23	
11 Chemicals	11		24 Rent or lease (see instructions):		
12 Conservation expenses (see instructions)	12		a Vehicles, machinery, equipment	24a	5,689
13 Custom hire (machine work)	13	7,500	b Other (land, animals, etc.)	24b	20,751
14 Depreciation and section 179 expense (see instructions)	14	45,500	25 Repairs and maintenance	25	41,163
15 Employee benefit programs other than on line 23	15		26 Seeds and plants	26	
16 Feed	16	35,000	27 Storage and warehousing	27	
17 Fertilizers and lime	17		28 Supplies	28	2,266
18 Freight and trucking	18		29 Taxes	29	3,708
19 Gasoline, fuel, and oil	19	11,678	30 Utilities	30	
20 Insurance (other than health)	20	16,205	31 Veterinary, breeding, and medicine	31	
21 Interest (see instructions):			32 Other expenses (specify):		
a Mortgage (paid to banks, etc.)	21a	19,411	a Phone/Computer/Internet	32a	1,912
b Other	21b	10,286	b fees/subscription	32b	2,132
22 Labor hired (less employment credits)	22		c Bank service fees	32c	405
			d Casualty Loss	32d	1500
33 Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions	33	236,606		32e	
34 Net farm profit or (loss). Subtract line 33 from line 9. If a profit, stop here and see instructions for where to report. If a loss, complete line 36.	34	211,104		32f	

35 Reserved for future use.
36 Check the box that describes your investment in this activity and see instructions for where to report your loss:
a All investment is at risk. **b** Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11348H Schedule F (Form 1040) 2022

SCHEDULE F - FARM INCOME		
17	Net Profit (Loss): LINE 34	\$ 211,104.00
18	Non-Tax Portion Ongoing Co-op & CCC Pmts: LINES 3a minus b through 6a minus b	\$ 6,250.00
19	Add nonrecurring loss: LINE 2-8	\$ (5,500.00)
20	Deduct nonrecurring income: LINE 2-8	(\$ 111,425.00)
21	Depreciation: LINE 14	\$ 45,500.00
22	Amortization/Casualty Loss/Depletion (only if noted): LINE 32	
23	Business Use of Home (only if noted): LINE 32	
	SUBTOTAL	\$ 145,929.00

Cash flowing continued – Line 32



SCHEDULE F (Form 1040) Profit or Loss From Farming
 Department of the Treasury Internal Revenue Service
 Attach to Form 1040, Form 1040-SR, Form 1040-NR, Form 1041, or Form 1065.
 Go to www.irs.gov/ScheduleF for instructions and the latest information.

OMB No. 1545-0074
2022
 Attachment Sequence No. 14

Name of proprietor: **Olde MacDonald** Social security number (SSN): **123-45-6789**

A Principal crop or activity: **Cash crops** **B** Enter code from Part IV: **C** Accounting method: Cash Accrual **D** Employer ID number (EIN) (see instr.):

E Did you "materially participate" in the operation of this business during 2022? Yes No
F Did you make any payments in 2022 that would require you to file Form(s) 1099? Yes No
G If "Yes," did you or will you file required Form(s) 1099? Yes No

Part I Farm Income – Cash Method. Complete Parts I and II. (Accrual method. Complete Parts II and III, and Part I, line 9.)

1a Sales of purchased livestock and other resale items (see instructions)	1a		
b Cost or other basis of purchased livestock or other items reported on line 1a	1b		
c Subtract line 1b from line 1a	1c		
2 Sales of livestock, produce, grains, and other products you raised	2		317,142
3a Cooperative distributions (Form(s) 1099-PATR)	3a	22,643	
3b Taxable amount	3b		17,643
4a Agricultural program payments (see instructions)	4a	111,425	
4b Taxable amount	4b		111,425
5a Commodity Credit Corporation (CCC) loans reported under election	5a		
5b CCC loans forfeited	5b		
5c Taxable amount	5c		
6 Crop insurance proceeds and federal crop disaster payments (see instructions):			
a Amount received in 2022	6a		
6b Taxable amount	6b		
c If election to defer to 2023 is attached, check here <input type="checkbox"/>	6d Amount deferred from 2021	6d	
7 Custom hire (machine work) income	7		
8 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	8		5,500
9 Gross income. Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50. See instructions.	9		447,710

Part II Farm Expenses – Cash and Accrual Method. Do not include personal or living expenses. See instructions.

10 Car and truck expenses (see instructions). Also attach Form 4562	10	11,500	
11 Chemicals	11		
12 Conservation expenses (see instructions)	12		
13 Custom hire (machine work)	13	7,500	
14 Depreciation and section 179 expense (see instructions)	14	45,500	
15 Employee benefit programs other than on line 23	15		
16 Feed	16	35,000	
17 Fertilizers and lime	17		
18 Freight and trucking	18		
19 Gasoline, fuel, and oil	19	11,678	
20 Insurance (other than health)	20	16,205	
21 Interest (see instructions):			
a Mortgage (paid to banks, etc.)	21a	19,411	
b Other	21b	10,286	
22 Labor hired (less employment credits)	22		
23 Pension and profit-sharing plans	23		
24 Rent or lease (see instructions):			
a Vehicles, machinery, equipment	24a		5,689
b Other (land, animals, etc.)	24b		20,751
25 Repairs and maintenance	25		41,163
26 Seeds and plants	26		
27 Storage and warehousing	27		
28 Supplies	28		2,266
29 Taxes	29		3,708
30 Utilities	30		
31 Veterinary, breeding, and medicine	31		
32 Other expenses (specify):			
a Phone/Computer/Internet fees/subscription	32a		1,912
b Bank service fees	32b		2,132
c Casualty Loss	32c		405
d Casualty Loss	32d		15,000
33 Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions	33		236,606
34 Net farm profit or (loss). Subtract line 33 from line 9. If a profit, stop here and see instructions for where to report. If a loss, complete line 36.	34		211,104

35 Reserved for future use.
36 Check the box that describes your investment in this activity and see instructions for where to report your loss:
a All investment is at risk. **b** Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11346H Schedule F (Form 1040) 2022

SCHEDULE F - FARM INCOME		
17	Net Profit (Loss): LINE 34	\$ 211,104.00
18	Non-Tax Portion Ongoing Co-op & CCC Pmts: LINES 3a minus b through 6a minus b	\$ 6,250.00
19	Add nonrecurring loss: LINE 2-8	\$ (5,500.00)
20	Deduct nonrecurring income: LINE 2-8	\$ (111,425.00)
21	Depreciation: LINE 14	\$ 45,500.00
22	Amortization/Casualty Loss/Depletion (only if noted): LINE 32	\$ 1,500.00
23	Business Use of Home (only if noted): LINE 32	
	SUBTOTAL	\$ 147,429.00

Cash flowing – 2 years



SCHEDULE F - FARM INCOME			
17	Net Profit (Loss): LINE 34	\$ 211,104.00	\$ 105,000.00
18	Non-Tax Portion Ongoing Co-op & CCC Pmts: LINES 3a minus b through 6a minus b	\$ 6,250.00	\$ 5,000.00
19	Add nonrecurring loss: LINE 2-8	\$ (5,500.00)	
20	Deduct nonrecurring income: LINE 2-8	(\$ 111,425.00)	()
21	Depreciation: LINE 14	\$ 45,500.00	\$ 35,750.00
22	Amortization/Casualty Loss/Depletion (only if noted): LINE 32	\$ 1,500.00	
23	Business Use of Home (only if noted): LINE 32		
	SUBTOTAL	\$ 147,429.00	\$ 145,750.00

Cash Flow Analysis Summary				MGIC				
Schedule F	<input type="checkbox"/>	\$ 147,429.00	12	<input type="checkbox"/>	\$ 145,750.00	12	\$ 12,215.79	24

A photograph of a cornfield with rows of green plants. A dark blue horizontal band is overlaid across the middle of the image, containing white text. The background is a bright, sunny day with some shadows on the ground.

Farm owned by two partners

The farmer and his wife

- Mr. Corn Husk and Mrs. Bella Husk
- Co-owners of Lotsawork Farm
- In operation for 4 long years
- Grow produce



Schedule 1 (Form 1040)

Reflects income
from Schedule E,
Part II

SCHEDULE 1 (Form 1040)		Additional Income and Adjustments to Income		OMB No. 1545-0074
Department of the Treasury Internal Revenue Service		Attach to Form 1040, 1040-SR, or 1040-NR. Go to www.irs.gov/Form1040 for instructions and the latest information.		2023 Attachment Sequence No. 01
Name(s) shown on Form 1040, 1040-SR, or 1040-NR Mr. Corn Hust and Mrs. Bella Ache Husk			Your social security number	
Part I Additional Income				
1	Taxable refunds, credits, or offsets of state and local income taxes	1		
2a	Alimony received	2a		
b	Date of original divorce or separation agreement (see instructions):			
3	Business income or (loss). Attach Schedule C	3		
4	Other gains or (losses). Attach Form 4797	4		
5	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	5		
6	Farm income or (loss). Attach Schedule F	6		114,986
7	Unemployment compensation	7		
8	Other income:			
a	Net operating loss	8a	()	
b	Capital loss	8b	()	
c	Capital gain	8c	()	
d	Taxable distributions from an ABLE account (see instructions)	8d	()	
e	Scholarship and fellowship grants not reported on Form W-2	8e	()	
f	Nontaxable amount of Medicaid waiver payments included on Form 1040, line 1a or 1d	8f	()	
g	Pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan	8g	()	
h	Wages earned while incarcerated	8h	()	
i	Other income. List type and amount:	8i	()	
j		8j	()	
k		8k	()	
l		8l	()	
m		8m	()	
n		8n	()	
o		8o	()	
p		8p	()	
q		8q	()	
r		8r	()	
s		8s	()	
t		8t	()	
u		8u	()	
v		8v	()	
w		8w	()	
x		8x	()	
y		8y	()	
z		8z	()	
9	Total other income. Add lines 8a through 8z	9		
10	Combine lines 1 through 7 and 9. This is your additional income . Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8	10		

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 71479F Schedule 1 (Form 1040) 2023

Schedule E, Part II (Form 1040)

Reflects income from
Schedule K-1

Schedule E (Form 1040) 2023 Attachment Sequence No. 13 Page 2

Name(s) shown on return. Do not enter name and social security number if shown on other side. Your social security number

Caution: The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II Income or Loss From Partnerships and S Corporations
 Note: If you report a loss, receive a distribution, dispose of stock, or receive a loan repayment from an S corporation, you must check the box in column (e) on line 28 and attach the required basis computation. If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (f) on line 28 and attach Form 6198. See instructions.

27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? If you answered "Yes," see instructions before completing this section Yes No

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if basis computation is required	(f) Check if any amount is not at risk
A	Lotsawork Farm	P	<input type="checkbox"/>	12-3456789	<input type="checkbox"/>	<input type="checkbox"/>
B	Lotsawork Farm	P	<input type="checkbox"/>	12-3456789	<input type="checkbox"/>	<input type="checkbox"/>
C			<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
D			<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if basis computation is required	(f) Check if any amount is not at risk
A	Lotsawork Farm	P	<input type="checkbox"/>	12-3456789	<input type="checkbox"/>	<input type="checkbox"/>
B	Lotsawork Farm	P	<input type="checkbox"/>	12-3456789	<input type="checkbox"/>	<input type="checkbox"/>
C			<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
D			<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

Passive Income and Loss		Nonpassive Income and Loss		
(g) Passive loss allowed (attach Form 8582 if required)	(h) Passive income from Schedule K-1	(i) Nonpassive loss allowed (see Schedule K-1)	(j) Section 179 expense deduction from Form 4562	(k) Nonpassive income from Schedule K-1
A				57,498
B				57,498
C				
D				
29a Totals				
b Totals				
30 Add columns (h) and (k) of line 29a				30 114,986
31 Add columns (g), (i), and (j) of line 29b				31 ()
32 Total partnership and S corporation income or (loss). Combine lines 30 and 31				32 114,986

35 Add columns (d) and (f) of line 34a 35

36 Add columns (c) and (e) of line 34b 36 ()

37 Total estate and trust income or (loss). Combine lines 35 and 36 37

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs)—Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below				39

Part V Summary

40 Net farm rental income or (loss) from Form 4835. Also, complete line 42 below 40

41 Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Schedule 1 (Form 1040), line 5 41 114,986

42 Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120-S), box 17, code AN; and Schedule K-1 (Form 1041), box 14, code F. See instructions 42

43 Reconciliation for real estate professionals. If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040, Form 1040-SR, or Form 1040-NR from all rental real estate activities in which you materially participated under the passive activity loss rules 43

Schedule E (Form 1040) 2023

Schedule K-1 (Form 1065)

Reflects partner's share of income based on ownership percentage

Schedule K-1 (Form 1065) 2023
 Department of the Treasury Internal Revenue Service
 For calendar year 2023, or tax year beginning / / 2023 ending / /

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	57,498	14	Self-employment earnings (loss)	
2	Net rental real estate income (loss)		15	Credits	
3	Other net rental income (loss)		16	Schedule K-3 is attached if checked	<input type="checkbox"/>
4a	Guaranteed payments for services		17	Alternative minimum tax (AMT) items	
4b	Guaranteed payments for capital		18	Tax-exempt income and nondeductible expenses	
4c	Total guaranteed payments		19	Distributions	
5	Interest income		20	Other information	
6a	Ordinary dividends		21	Foreign taxes paid or accrued	
6b	Qualified dividends		22	More than one activity for at-risk purposes*	<input type="checkbox"/>
6c	Dividend equivalents		23	More than one activity for passive activity purposes*	<input type="checkbox"/>
7	Royalties		*See attached statement for additional information.		
8	Net short-term capital gain (loss)		For IRS Use Only		
9a	Net long-term capital gain (loss)				
9b	Collectibles (28%) gain (loss)		L Partner's Capital Account Analysis Beginning capital account \$ Capital contributed during the year \$ Current year net income (loss) \$ Other increase (decrease) (attach explanation) \$ Withdrawals and distributions \$ Ending capital account \$		
9c	Unrecaptured section 1250 gain	N	M Did the partner contribute property with a built-in gain (loss)? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," attach statement. See instructions.		
10	Net section 1231 gain (loss)		N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss) Beginning \$ Ending \$		
11	Other income (loss)	1,671			

For Paperwork Reduction Act Notice, see the Instructions for Form 1065. www.irs.gov/Form1065 Cat. No. 11394R Schedule K-1 (Form 1065) 2023

Schedule K-1 (Form 1065) 2023
 Department of the Treasury Internal Revenue Service
 For calendar year 2023, or tax year beginning / / 2023 ending / /

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	57,798	14	Self-employment earnings (loss)	
2	Net rental real estate income (loss)		15	Credits	
3	Other net rental income (loss)		16	Schedule K-3 is attached if checked	<input type="checkbox"/>
4a	Guaranteed payments for services		17	Alternative minimum tax (AMT) items	
4b	Guaranteed payments for capital		18	Tax-exempt income and nondeductible expenses	
4c	Total guaranteed payments		19	Distributions	
5	Interest income		20	Other information	
6a	Ordinary dividends		21	Foreign taxes paid or accrued	
6b	Qualified dividends		22	More than one activity for at-risk purposes*	<input type="checkbox"/>
6c	Dividend equivalents		23	More than one activity for passive activity purposes*	<input type="checkbox"/>
7	Royalties		*See attached statement for additional information.		
8	Net short-term capital gain (loss)		For IRS Use Only		
9a	Net long-term capital gain (loss)				
9b	Collectibles (28%) gain (loss)		L Partner's Capital Account Analysis Beginning capital account \$ Capital contributed during the year \$ Current year net income (loss) \$ Other increase (decrease) (attach explanation) \$ Withdrawals and distributions \$ Ending capital account \$		
9c	Unrecaptured section 1250 gain	N	M Did the partner contribute property with a built-in gain (loss)? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," attach statement. See instructions.		
10	Net section 1231 gain (loss)	STMT 1,671	N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss) Beginning \$ Ending \$		
11	Other income (loss)				

For Paperwork Reduction Act Notice, see the Instructions for Form 1065. www.irs.gov/Form1065 Cat. No. 11394R Schedule K-1 (Form 1065) 2023

Form 1065

Reflects income on Line 5 –
Net farm profit (loss)

Form 1065		U.S. Return of Partnership Income		OMB No. 1545-0123
Department of the Treasury Internal Revenue Service		For calendar year 2023, or tax year beginning _____, 2023, ending _____, 2023		2023
Go to www.irs.gov/Form1065 for instructions and the latest information.				
A Principal business activity Grower/Farmer	Name of partnership Lotsawork Farm	D Employer identification number		
B Principal product or service Produce	Number, street, and room or suite no. If a P.O. box, see instructions. PO Box 123	E Date business started		06/01/2019
C Business code number 111150	City or town, state or province, country, and ZIP or foreign postal code Goodview, VA 24095	F Total assets (see instructions)		\$
G Check applicable boxes: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change (5) <input type="checkbox"/> Amended return H Check accounting method: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify): _____ I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year: _____ J Check if Schedules C and M-3 are attached <input type="checkbox"/> K Check if partnership: (1) <input type="checkbox"/> Aggregated activities for section 465 at-risk purposes (2) <input type="checkbox"/> Grouped activities for section 469 passive activity purposes Caution: Include only trade or business income and expenses on lines 1a through 23 below. See instructions for more information.				
1a Gross receipts or sales		b Less returns and allowances		c Balance
1c				
Income	2 Cost of goods sold (attach Form 1125-A)			2
	3 Gross profit. Subtract line 2 from line 1c			3
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)			4
	5 Net farm profit (loss) (attach Schedule F (Form 1040))			5 114,996
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			6
	7 Other income (loss) (attach statement)			7
	8 Total income (loss). Combine lines 3 through 7			8 114,996
	Tax and Payments 27 Other taxes (see instructions) 27 28 Total balance due. Add lines 24 through 27 28 29 Elective payment election amount from Form 3800 29 30 Payment (see instructions) 30 31 Amount owed. If the sum of line 29 and line 30 is smaller than line 28, enter amount owed 31 32 Overpayment. If the sum of line 29 and line 30 is larger than line 28, enter overpayment 32			
Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than partner or limited liability company member) is based on all information of which preparer has any knowledge.				
Signature of partner or limited liability company member		Date		May the IRS discuss this return with the preparer shown below? See instructions. <input type="checkbox"/> Yes <input type="checkbox"/> No
Print/Type preparer's name		Preparer's signature		Check <input type="checkbox"/> if self-employed PTIN
Firm's name		Date		Firm's EIN
Firm's address		Phone no.		
For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11390Z Form 1065 (2023)				

Schedule F (Form 1040)

Source of income

SCHEDULE F (Form 1040)		Profit or Loss From Farming		OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service		Attach to Form 1040, 1040-SR, 1040-SS, 1040-NR, 1041, or 1065. Go to www.irs.gov/ScheduleF for instructions and the latest information.		2023 Attachment Sequence No. 14	
Name of proprietor Loisawork Farm		Social security number (SSN)			
A Principal crop or activity Produce		B Enter code from Part IV 1 1 1 1 5 0	C Accounting method: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual	D Employer ID number (EIN) (see instr.)	
E Did you "materially participate" in the operation of this business during 2023? If "No," see instructions for limit on passive losses				<input type="checkbox"/> Yes <input type="checkbox"/> No	
F Did you make any payments in 2023 that would require you to file Form(s) 1099? See instructions				<input type="checkbox"/> Yes <input type="checkbox"/> No	
G If "Yes," did you or will you file required Form(s) 1099?				<input type="checkbox"/> Yes <input type="checkbox"/> No	
Part I Farm Income—Cash Method. Complete Parts I and II. (Accrual method. Complete Parts II and III, and Part I, line 9.)					
1a	Sales of purchased livestock and other resale items (see instructions)	1a			
b	Cost or other basis of purchased livestock or other items reported on line 1a	1b			
c	Subtract line 1b from line 1a	1c			
2	Sales of livestock, produce, grains, and other products you raised	2		89839	
3a	Cooperative distributions (Form(s) 1099-PATR)	3a			
3b	Taxable amount	3b			
4a	Agricultural program payments (see instructions)	4a			
4b	Taxable amount	4b			
5a	Commodity Credit Corporation (CCC) loans reported under election	5a			
5b	CCC loans forfeited	5b			
5c	Taxable amount	5c			
6	Crop insurance proceeds and federal crop disaster payments (see instructions):				
a	Amount received in 2023	6a			
b	Taxable amount	6b			
c	If election to defer to 2024 is attached, check here <input type="checkbox"/>	6d	Amount deferred from 2022		
7	Custom hire (machine work) income	7		65000	
8	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	8			
9	Gross income. Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50. See instructions	9		148839	
Part II Farm Expenses—Cash and Accrual Method. Do not include personal or living expenses. See instructions.					
10	Car and truck expenses (see instructions). Also attach Form 4562	10			
11	Chemicals	11			
12	Conservation expenses (see instructions)	12			
13	Custom hire (machine work)	13			
14	Depreciation and section 179 expense (see instructions)	14	341		
15	Employee benefit programs other than on line 23	15			
16	Feed	16			
17	Fertilizers and lime	17			
18	Freight and trucking	18	14000		
19	Gasoline, fuel, and oil	19			
20	Insurance (other than health)	20			
21	Interest (see instructions):				
a	Mortgage (paid to banks, etc.)	21a			
b	Other	21b	3342		
22	Labor hired (less employment credits)	22	3120		
23	Pension and profit-sharing plans	23			
24	Rent or lease (see instructions):				
a	Vehicles, machinery, equipment	24a		128	
b	Other (land, animals, etc.)	24b			
25	Repairs and maintenance	25			
26	Seeds and plants	26			
27	Storage and warehousing	27		1935	
28	Supplies	28		9520	
29	Taxes	29		745	
30	Utilities	30			
31	Veterinary, breeding, and medicine	31			
32	Other expenses (specify):				
a	Meals	32a		516	
b	Travel	32b			
c	Coop membership	32c		150	
d		32d			
e		32e			
f		32f			
33	Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions	33		33843	
34	Net farm profit or (loss). Subtract line 33 from line 9	34		114996	
If a profit, stop here and see instructions for where to report. If a loss, complete line 36.					
35	Reserved for future use.				
36	Check the box that describes your investment in this activity and see instructions for where to report your loss:				
a	<input type="checkbox"/> All investment is at risk.	b	<input type="checkbox"/> Some investment is not at risk.		
For Paperwork Reduction Act Notice, see the separate instructions.		Cat. No. 11346H		Schedule F (Form 1040) 2023	

Cash Flow Schedule F

SCHEDULE F (Form 1040) Profit or Loss From Farming OMB No. 1545-0074
 Attach to Form 1040, 1040-SR, 1040-SS, 1040-NR, 1041, or 1065. **2023**
 Department of the Treasury Internal Revenue Service Go to www.irs.gov/ScheduleF for instructions and the latest information. Attachment Sequence No. 14

Name of proprietor: **Lotsawork Farm** Social security number (SSN):

A Principal crop or activity: **Produce** **B** Enter code from Part IV: **111150** **C** Accounting method: Cash Accrual **D** Employer ID number (EIN) (see instr.):

E Did you "materially participate" in the operation of this business during 2023? If "No," see instructions for limit on passive losses Yes No
F Did you make any payments in 2023 that would require you to file Form(s) 1099? See instructions Yes No
G If "Yes," did you or will you file required Form(s) 1099? Yes No

Part I Farm Income—Cash Method. Complete Parts I and II. (Accrual method. Complete Parts II and III, and Part I, line 9.)

1a Sales of purchased livestock and other resale items (see instructions)	1a	
b Cost or other basis of purchased livestock or other items reported on line 1a	1b	
c Subtract line 1b from line 1a	1c	
2 Sales of livestock, produce, grains, and other products you raised	2	89839
3a Cooperative distributions (Form(s) 1099-PATR)	3a	
3b Taxable amount	3b	
4a Agricultural program payments (see instructions)	4a	
4b Taxable amount	4b	
5a Commodity Credit Corporation (CCC) loans reported under election	5a	
5b CCC loans forfeited	5b	
5c Taxable amount	5c	
6 Crop insurance proceeds and federal crop disaster payments (see instructions):		
a Amount received in 2023	6a	
6b Taxable amount	6b	
c If election to defer to 2024 is attached, check here <input type="checkbox"/>	6d Amount deferred from 2022	6d
7 Custom hire (machine work) income	7	65000
8 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	8	
9 Gross income. Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50. See instructions.	9	148839

Part II Farm Expenses—Cash and Accrual Method. Do not include personal or living expenses. See instructions.

10 Car and truck expenses (see instructions). Also attach Form 4562	10		23 Pension and profit-sharing plans	23	
11 Chemicals	11		24 Rent or lease (see instructions):		
12 Conservation expenses (see instructions)	12		a Vehicles, machinery, equipment	24a	128
13 Custom hire (machine work)	13		b Other (land, animals, etc.)	24b	
14 Depreciation and section 179 expense (see instructions)	14	341	25 Repairs and maintenance	25	
15 Employee benefit programs other than on line 23	15		26 Seeds and plants	26	
16 Feed	16		27 Storage and warehousing	27	1935
17 Fertilizers and lime	17		28 Supplies	28	9520
18 Freight and trucking	18	14000	29 Taxes	29	745
19 Gasoline, fuel, and oil	19		30 Utilities	30	
20 Insurance (other than health)	20		31 Veterinary, breeding, and medicine	31	
21 Interest (see instructions):			32 Other expenses (specify):		
a Mortgage (paid to banks, etc.)	21a		a Meals	32a	516
b Other	21b	3342	b Travel	32b	
22 Labor hired (less employment credits)	22	3120	c Coop membership	32c	150
33 Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions	33		d	32d	
34 Net farm profit or (loss). Subtract line 33 from line 9. If a profit, stop here and see instructions for where to report. If a loss, complete line 36.	34	114996	e	32e	
			f	32f	

35 Reserved for future use.
36 Check the box that describes your investment in this activity and see instructions for where to report your loss:
a All investment is at risk. **b** Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11346H Schedule F (Form 1040) 2023

SAM Cash Flow Analysis Worksheet

SCHEDULE F - FARM INCOME		2023
17	Net Profit (Loss): LINE 34	\$ 114,996.00
18	Non-Tax Portion Ongoing Co-op & CCC Pmts: LINES 3a minus b through 6a minus b	
19	Add nonrecurring loss: LINE 2-8	
20	Deduct nonrecurring income: LINE 2-8	()
21	Depreciation: LINE 14	
22	Amortization/Casualty Loss/Depletion (only if noted): LINE 32	
23	Business Use of Home (only if noted): LINE 32	
	SUBTOTAL	\$ 114,996.00

Cash Flow Schedule F – Check for nonrecurring income



SCHEDULE F (Form 1040) Profit or Loss From Farming
 Attach to Form 1040, 1040-SR, 1040-SS, 1040-NR, 1041, or 1065.
 Go to www.irs.gov/ScheduleF for instructions and the latest information.

OMB No. 1545-0074
2023
 Attachment Sequence No. **14**

Name of proprietor: Lotsawork Farm Social security number (SSN):

A Principal crop or activity: Produce **B** Enter code from Part IV: 111150 **C** Accounting method: Cash Accrual **D** Employer ID number (EIN) (see instr.):

E Did you "materially participate" in the operation of this business during 2023? If "No," see instructions for limit on passive losses Yes No
F Did you make any payments in 2023 that would require you to file Form(s) 1099? See instructions Yes No
G If "Yes," did you or will you file required Form(s) 1099? Yes No

Part I Farm Income—Cash Method. Complete Parts I and II. (Accrual method. Complete Parts II and III, and Part I, line 9.)

1a Sales of purchased livestock and other resale items (see instructions)	1a	
b Cost or other basis of purchased livestock or other items reported on line 1a	1b	
c Subtract line 1b from line 1a	1c	
2 Sales of livestock, produce, grains, and other products you raised	2	89839
3a Cooperative distributions (Form(s) 1099-PATR)	3a	
3b Taxable amount	3b	
4a Agricultural program payments (see instructions)	4a	
4b Taxable amount	4b	
5a Commodity Credit Corporation (CCC) loans reported under election	5a	
5b CCC loans forfeited	5b	
5c Taxable amount	5c	
6 Crop insurance proceeds and federal crop disaster payments (see instructions):		
a Amount received in 2023	6a	
b Taxable amount	6b	
c If election to defer to 2024 is attached, check here <input type="checkbox"/>	6c	
d Amount deferred from 2022	6d	
7 Custom hire (machine work) income	7	65000
8 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	8	
9 Gross income. Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50. See instructions.	9	148839

Part II Farm Expenses—Cash and Accrual Method. Do not include personal or living expenses. See instructions.

10 Car and truck expenses (see instructions). Also attach Form 4562	10		23 Pension and profit-sharing plans	23	
11 Chemicals	11		24 Rent or lease (see instructions):	24	
12 Conservation expenses (see instructions)	12		a Vehicles, machinery, equipment	24a	128
13 Custom hire (machine work)	13		b Other (land, animals, etc.)	24b	
14 Depreciation and section 179 expense (see instructions)	14	341	25 Repairs and maintenance	25	
15 Employee benefit programs other than on line 23	15		26 Seeds and plants	26	
16 Feed	16		27 Storage and warehousing	27	1935
17 Fertilizers and lime	17		28 Supplies	28	9520
18 Freight and trucking	18	14000	29 Taxes	29	745
19 Gasoline, fuel, and oil	19		30 Utilities	30	
20 Insurance (other than health)	20		31 Veterinary, breeding, and medicine	31	
21 Interest (see instructions):			32 Other expenses (specify):		
a Mortgage (paid to banks, etc.)	21a		a Meals	32a	516
b Other	21b	3342	b Travel	32b	
22 Labor hired (less employment credits)	22	3120	c Coop membership	32c	150
			d	32d	
			e	32e	
			f	32f	
33 Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions	33		33	33	33843
34 Net farm profit or (loss). Subtract line 33 from line 9. If a profit, stop here and see instructions for where to report. If a loss, complete line 36.	34		34	34	114996

35 Reserved for future use.
36 Check the box that describes your investment in this activity and see instructions for where to report your loss:
 All investment is at risk. Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11346H Schedule F (Form 1040) 2023

SAM Cash Flow Analysis Worksheet

SCHEDULE F - FARM INCOME	2023
17 Net Profit (Loss): LINE 34	\$ 114,996.00
18 Non-Tax Portion Ongoing Co-op & CCC Pmts: LINES 3a minus b through 6a minus b	
19 Add nonrecurring loss: LINE 2-8	
20 Deduct nonrecurring income: LINE 2-8	(\$ 65,000.00)
21 Depreciation: LINE 14	
22 Amortization/Casualty Loss/Depletion (only if noted): LINE 32	
23 Business Use of Home (only if noted): LINE 32	
SUBTOTAL	\$ 49,996.00

Cash Flow Schedule F – Add back depreciation

SCHEDULE F (Form 1040) Profit or Loss From Farming
 Attach to Form 1040, 1040-SR, 1040-SS, 1040-NR, 1041, or 1065.
 Go to www.irs.gov/ScheduleF for instructions and the latest information.

OMB No. 1545-0074
2023
 Attachment Sequence No. **14**

Department of the Treasury Internal Revenue Service

Name of proprietor: **Lotsawork Farm** Social security number (SSN):

A Principal crop or activity: **Produce** **B** Enter code from Part IV: **111150** **C** Accounting method: Cash Accrual **D** Employer ID number (EIN) (see instr.):

E Did you "materially participate" in the operation of this business during 2023? If "No," see instructions for limit on passive losses Yes No
F Did you make any payments in 2023 that would require you to file Form(s) 1099? See instructions Yes No
G If "Yes," did you or will you file required Form(s) 1099? Yes No

Part I Farm Income—Cash Method. Complete Parts I and II. (Accrual method. Complete Parts II and III, and Part I, line 9.)

1a Sales of purchased livestock and other resale items (see instructions)	1a		
b Cost or other basis of purchased livestock or other items reported on line 1a	1b		
c Subtract line 1b from line 1a	1c		89839
2 Sales of livestock, produce, grains, and other products you raised	2		89839
3a Cooperative distributions (Form(s) 1099-PATR)	3a	3b Taxable amount	3b
4a Agricultural program payments (see instructions)	4a	4b Taxable amount	4b
5a Commodity Credit Corporation (CCC) loans reported under election	5a	5c Taxable amount	5c
b CCC loans forfeited	5b		
6 Crop insurance proceeds and federal crop disaster payments (see instructions):		6b Taxable amount	6b
a Amount received in 2023	6a	6d Amount deferred from 2022	6d
c If election to defer to 2024 is attached, check here <input type="checkbox"/>		7	65000
7 Custom hire (machine work) income		8	
8 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)		9	148839

Part II Farm Expenses—Cash and Accrual Method. Do not include personal or living expenses. See instructions.

10 Car and truck expenses (see instructions). Also attach Form 4562	10	23 Pension and profit-sharing plans	23
11 Chemicals	11	a Vehicles, machinery, equipment	24a 128
12 Conservation expenses (see instructions)	12	b Other (land, animals, etc.)	24b
13 Custom hire (machine work)	13	25 Repairs and maintenance	25
14 Depreciation and section 179 expense (see instructions)	14 341	26 Seeds and plants	26
15 Employee benefit programs other than on line 23	15	27 Storage and warehousing	27 1935
16 Feed	16	28 Supplies	28 9520
17 Fertilizers and lime	17	29 Taxes	29 745
18 Freight and trucking	18 14000	30 Utilities	30
19 Gasoline, fuel, and oil	19	31 Veterinary, breeding, and medicine	31
20 Insurance (other than health)	20	32 Other expenses (specify):	
21 Interest (see instructions):		a Meals	32a 516
a Mortgage (paid to banks, etc.)	21a	b Travel	32b
b Other	21b 3342	c Coop membership	32c 150
22 Labor hired (less employment credits)	22 3120	d	32d
33 Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions	33 33843	e	32e
34 Net farm profit or (loss). Subtract line 33 from line 9. If a profit, stop here and see instructions for where to report. If a loss, complete line 36.	34 114996	f	32f

35 Reserved for future use.
36 Check the box that describes your investment in this activity and see instructions for where to report your loss:
a All investment is at risk. **b** Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11346H Schedule F (Form 1040) 2023

SAM Cash Flow Analysis Worksheet	
SCHEDULE F - FARM INCOME	2023
17 Net Profit (Loss): LINE 34	\$ 114,996.00
18 Non-Tax Portion Ongoing Co-op & CCC Pmts: LINES 3a minus b through 6a minus b	
19 Add nonrecurring loss: LINE 2-8	
20 Deduct nonrecurring income: LINE 2-8	(\$ 65,000.00)
21 Depreciation: LINE 14	\$ 341.00
22 Amortization/Casualty Loss/Depletion (only if noted): LINE 32	
23 Business Use of Home (only if noted): LINE 32	
SUBTOTAL	\$ 50,337.00

Cash Flow Schedule F – Review Line 32

SCHEDULE F (Form 1040) Profit or Loss From Farming OMB No. 1545-0074
 Attach to Form 1040, 1040-SR, 1040-SS, 1040-NR, 1041, or 1065. **2023**
 Department of the Treasury Internal Revenue Service Go to www.irs.gov/ScheduleF for instructions and the latest information. Attachment Sequence No. **14**

Name of proprietor: **Lotsawork Farm** Social security number (SSN):

A Principal crop or activity: **Produce** **B** Enter code from Part IV: **1111150** **C** Accounting method: Cash Accrual **D** Employer ID number (EIN) (see instr.):

E Did you "materially participate" in the operation of this business during 2023? If "No," see instructions for limit on passive losses Yes No
F Did you make any payments in 2023 that would require you to file Form(s) 1099? See instructions Yes No
G If "Yes," did you or will you file required Form(s) 1099? Yes No

Part I Farm Income—Cash Method. Complete Parts I and II. (Accrual method, Complete Parts II and III, and Part I, line 9.)

1a Sales of purchased livestock and other resale items (see instructions)	1a		1c	
b Cost or other basis of purchased livestock or other items reported on line 1a	1b			
c Subtract line 1b from line 1a			1c	
2 Sales of livestock, produce, grains, and other products you raised			2	89839
3a Cooperative distributions (Form(s) 1099-PATR)	3a		3b Taxable amount	
4a Agricultural program payments (see instructions)	4a		4b Taxable amount	
5a Commodity Credit Corporation (CCC) loans reported under election			5a	
b CCC loans forfeited	5b		5c Taxable amount	
6 Crop insurance proceeds and federal crop disaster payments (see instructions):				
a Amount received in 2023	6a		6b Taxable amount	
c If election to defer to 2024 is attached, check here <input type="checkbox"/>			6d Amount deferred from 2022	
7 Custom hire (machine work) income			7	65000
8 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)			8	
9 Gross income. Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50. See instructions.			9	148839

Part II Farm Expenses—Cash and Accrual Method. Do not include personal or living expenses. See instructions.

10 Car and truck expenses (see instructions). Also attach Form 4562	10		23 Pension and profit-sharing plans	23	
11 Chemicals	11		24 Rent or lease (see instructions):		
12 Conservation expenses (see instructions)	12		a Vehicles, machinery, equipment	24a	128
13 Custom hire (machine work)	13		b Other (land, animals, etc.)	24b	
14 Depreciation and section 179 expense (see instructions)	14	341	25 Repairs and maintenance	25	
15 Employee benefit programs other than on line 23	15		26 Seeds and plants	26	
16 Feed	16		27 Storage and warehousing	27	1935
17 Fertilizers and lime	17		28 Supplies	28	9520
18 Freight and trucking	18	14000	29 Taxes	29	745
19 Gasoline, fuel, and oil	19		30 Utilities	30	
20 Insurance (other than health)	20		31 Veterinary, breeding, and medicine	31	
21 Interest (see instructions):			32 Other expenses (specify):		
a Mortgage (paid to banks, etc.)	21a		a Meals	32a	516
b Other	21b	3342	b Travel	32b	
22 Labor hired (less employment credits)	22	3120	c Coop membership	32c	150
33 Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions			d	32d	
34 Net farm profit or (loss). Subtract line 33 from line 9. If a profit, stop here and see instructions for where to report. If a loss, complete line 36.			e	32e	
			f	32f	
			33		33843
			34		114996

35 Reserved for future use.
36 Check the box that describes your investment in this activity and see instructions for where to report your loss:
a All investment is at risk. **b** Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11346H Schedule F (Form 1040) 2023

SAM Cash Flow Analysis Worksheet

SCHEDULE F - FARM INCOME		2023
17	Net Profit (Loss): LINE 34	\$ 114,996.00
18	Non-Tax Portion Ongoing Co-op & CCC Pmts: LINES 3a minus b through 6a minus b	
19	Add nonrecurring loss: LINE 2-8	
20	Deduct nonrecurring income: LINE 2-8	(\$ 65,000.00)
21	Depreciation: LINE 14	\$ 341.00
22	Amortization/Casualty Loss/Depletion (only if noted): LINE 32	\$ (516.00)
23	Business Use of Home (only if noted): LINE 32	
	SUBTOTAL	\$ 49,821.00

Cash flow Schedule F – Check for history of other income



SAM Cash Flow Analysis Worksheet		MGIC	
SCHEDULE F - FARM INCOME		2023	2022
17	Net Profit (Loss): LINE 34	\$ 114,996.00	\$ 98,450.00
18	Non-Tax Portion Ongoing Co-op & CCC Pmts: LINES 3a minus b through 6a minus b		\$ 1,200.00
19	Add nonrecurring loss: LINE 2-8		
20	Deduct nonrecurring income: LINE 2-8	(\$ 5,000.00)	(\$ 5,000.00)
21	Depreciation: LINE 14	\$ 341.00	\$ 451.00
22	Amortization/Casualty Loss/Depletion (only if noted): LINE 32	\$ (516.00)	\$ (352.00)
23	Business Use of Home (only if noted): LINE 32		
SUBTOTAL		\$ 49,821.00	\$ 47,289.00

Cash flow Schedule F – Check for trend

SCHEDULE F - FARM INCOME		2023	2022
17	Net Profit (Loss): LINE 34	\$ 114,996.00	\$ 98,450.00
18	Non-Tax Portion Ongoing Co-op & CCC Pmts: LINES 3a minus b through 6a minus b		\$ 1,200.00
19	Add nonrecurring loss: LINE 2-8		
20	Deduct nonrecurring income: LINE 2-8	()	()
21	Depreciation: LINE 14	\$ 341.00	\$ 451.00
22	Amortization/Casualty Loss/Depletion (only if noted): LINE 32	\$ (516.00)	\$ (352.00)
23	Business Use of Home (only if noted): LINE 32		
SUBTOTAL		\$ 114,821.00	\$ 99,749.00

Cash Flow Analysis Summary		MGIC				
Schedule F	<input type="checkbox"/> \$ 114,821.00	12	<input type="checkbox"/> \$ 99,749.00	12	\$ 8,940.42	24

Omitting farm mortgage



MGIC

Monthly debt payment-to-income ratio

Freddie Mac

Seller/Servicer Guide
5401.2 (b-iv)

(05/01/2023)

Freddie Mac Home Single-Family Division Multifamily Division Capital Markets Division Renters, Buyers and Owners

Freddie Mac Single-Family Seller/Servicer Guide

Guide Home Seller/Servicer Relationship **Selling** Servicing

Search the Guide View All

(iv) Self-employed Borrower's debt paid by the Borrower's business

When a self-employed Borrower is obligated on a debt that has been paid by the Borrower's business for 12 months or longer, the monthly payment for the debt may be excluded from the monthly debt payment-to-income ratio if the following requirements are met:

- The Mortgage file contains evidence that the debt has been paid timely by the Borrower's business for no less than the most recent 12 months, and
- The tax returns evidence that business expenses associated with the debt (e.g., interest, lease payments, taxes, insurance) have been reported and support that the debt has been paid by the business

Monthly debt obligations

Fannie Mae

Selling Guide B3-6-05
(05/04/2022)

Business Debt in Borrower's Name

When a self-employed borrower claims that a monthly obligation that appears on their personal credit report (such as a Small Business Administration loan) is being paid by the borrower's business, the lender must confirm that it verified that the obligation was actually paid out of company funds and that this was considered in its cash flow analysis of the borrower's business.

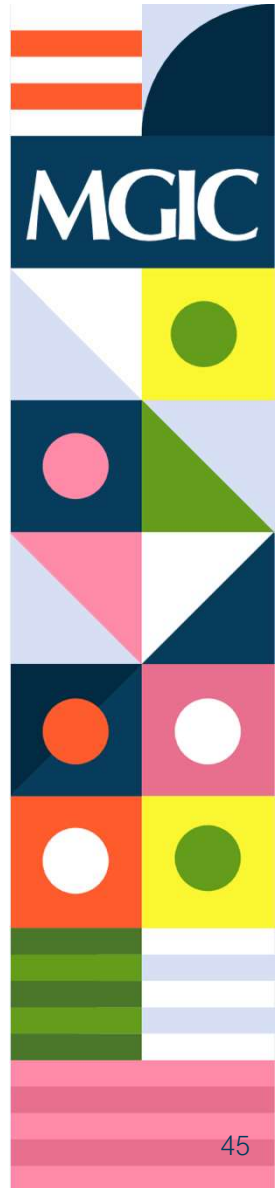
The account payment does not need to be considered as part of the borrower's DTI ratio if:

- the account in question does not have a history of delinquency,
- the business provides acceptable evidence that the obligation was paid out of company funds (such as 12 months of canceled company checks), and
- the lender's cash flow analysis of the business took payment of the obligation into consideration.

The account payment must be considered as part of the borrower's DTI ratio in any of the following situations:

- If the business does not provide sufficient evidence that the obligation was paid out of company funds.
- If the business provides acceptable evidence of its payment of the obligation, but the lender's cash flow analysis of the business does not reflect any business expense related to the obligation (such as an interest expense—and taxes and insurance, if applicable—equal to or greater than the amount of interest that one would reasonably expect to see given the amount of financing shown on the credit report and the age of the loan). It is reasonable to assume that the obligation has not been accounted for in the cash flow analysis.
- If the account in question has a history of delinquency. To ensure that the obligation is counted only once, the lender should adjust the net income of the business by the amount of interest, taxes, or insurance expense, if any, that relates to the account in question.

3 things needed to omit business debt



Omitting mortgage paid by business

Schedule F, Line 21 shows mortgage interest

SCHEDULE F (Form 1040) Profit or Loss From Farming

Department of the Treasury Internal Revenue Service

Attach to Form 1040, Form 1040-SR, Form 1040-NR, Form 1041, or Form 1065. Go to www.irs.gov/ScheduleF for instructions and the latest information.

OMB No. 1545-0074
2022
 Attachment Sequence No. 14

Name of proprietor: **Olde MacDonald** Social security number (SSN): **123-45-6789**

A Principal crop or activity: **Cash crops** B Enter code from Part IV: **01** C Accounting method: Cash Accrual D Employer ID number (EIN) (see instr.):

E Did you "materially participate" in the operation of this business during 2022? If "No," see instructions for limit on passive losses Yes No
 F Did you make any payments in 2022 that would require you to file Form(s) 1099? See instructions Yes No
 G If "Yes," did you or will you file required Form(s) 1099? Yes No

Part I Farm Income—Cash Method. Complete Parts I and II. (Accrual method, Complete Parts II and III, and Part I, line 9.)

1a	Sales of purchased livestock and other resale items (see instructions)	1a	
b	Cost or other basis of purchased livestock or other items reported on line 1a	1b	
c	Subtract line 1b from line 1a	1c	
2	Sales of livestock, produce, grains, and other products you raised	2	317,142
3a	Cooperative distributions (Form(s) 1099-PATR)	3a	22,643
3b	Taxable amount	3b	17,643
4a	Agricultural program payments (see instructions)	4a	111,425
4b	Taxable amount	4b	111,425
5a	Commodity Credit Corporation (CCC) loans reported under election	5a	
b	CCC loans forfeited	5b	
5c	Taxable amount	5c	
6	Crop insurance proceeds and federal crop disaster payments (see instructions):		
a	Amount received in 2022	6a	
6b	Taxable amount	6b	
c	If election to defer to 2023 is attached, check here <input type="checkbox"/>	6c	
6d	Amount deferred from 2021	6d	
7	Custom hire (machine work) income	7	
8	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	8	5,500
9	Gross income. Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50. See instructions	9	447,710

Part II Farm Expenses—Cash and Accrual Method. Do not include personal or living expenses. See instructions.

10	Car and truck expenses (see instructions). Also attach Form 4562	10	11,500	23	Pension and profit-sharing plans	23	
11	Chemicals	11		24	Rent or lease (see instructions):		
12	Conservation expenses (see instructions)	12		a	Vehicles, machinery, equipment	24a	5,689
13	Custom hire (machine work)	13	7,500	b	Other (land, animals, etc.)	24b	20,751
14	Depreciation and section 179 expense (see instructions)	14	45,500	25	Repairs and maintenance	25	41,163
15	Employee benefit programs other than on line 23	15		26	Seeds and plants	26	
16	Feed	16	35,000	27	Storage and warehousing	27	
17	Fertilizers and lime	17		28	Supplies	28	2,266
18	Freight and trucking	18		29	Taxes	29	3,708
19	Gasoline, fuel, and oil	19	11,678	30	Utilities	30	
20	Insurance (other than health)	20	16,205	31	Veterinary, breeding, and medicine	31	
21	Interest (see instructions):			32	Other expenses (specify):		
a	Mortgage (paid to banks, etc.)	21a	19,411	a	Phone/Computer/Internet fees/subscription	32a	1,912
b	Other	21b	10,286	b	Bank service fees	32b	2,132
22	Labor hired (less employment credits)	22		c	Casualty Loss	32c	405
				d		32d	1500
				e		32e	
				f		32f	
33	Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions	33	236,606				
34	Net farm profit or (loss). Subtract line 33 from line 9. If a profit, stop here and see instructions for where to report. If a loss, complete line 36.	34	211,104				
35	Reserved for future use.						
36	Check the box that describes your investment in this activity and see instructions for where to report your loss:						
a	<input type="checkbox"/> All investment is at risk.	b	<input type="checkbox"/> Some investment is not at risk.				

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11346H Schedule F (Form 1040) 2022

Subject property is the farm

An aerial photograph of a large farm complex. In the foreground, there are several tall, cylindrical silos and a large red barn with a white roof. The farm is surrounded by vast fields of green and yellow crops, likely corn and soybeans. A road or driveway runs through the property. The background shows a flat landscape with more fields and a distant horizon under a clear sky.

MGIC

Property eligibility requirements

Freddie Mac

Seller/Service Guide
5601.1 (b)

(06/01/2022)

The screenshot shows the Freddie Mac Seller/Service Guide website. The top navigation bar includes links for Freddie Mac Home, Single-Family Division, Multifamily Division, Capital Markets Division, and Renters, Buyers and Owners. The main navigation includes Guide Home, Seller/Service Relationship, Selling (highlighted), and Servicing. A search bar and a 'View All' dropdown are also present. The page title is '(b) Ineligible properties'. The content states that Freddie Mac does not purchase mortgages secured by:

- Vacant land, undeveloped land or land development properties
- Properties used primarily for agriculture or farming
- Properties used primarily for commercial enterprises (including, but not limited to, bed and breakfasts, boarding houses, Condominium Hotels and units located in a PUD operating as a hotel or similar type of transient housing that includes hotel type services and characteristics)

A note specifies that a property used as a group home for individuals with disabilities is not considered ineligible, provided it meets the requirements of the Guide, including those in Section 5601.1(a) and Sections 4201.14 and 4201.16. A reference to Section 5701.3 for ineligible project types and Section 5705.3 for ineligible cooperative project types is also included. A 'Reviewing Rural Properties' link is visible on the right side of the page.

General property eligibility

Fannie Mae

Selling Guide B2-3-01
(06/01/2022)

Ineligible Properties

Fannie Mae does not purchase or securitize mortgages on

- vacant land or land development properties;
- properties that are not readily accessible by roads that meet local standards;
- agricultural properties, such as farms or ranches;
- units in condo or co-op hotels (see [B4-2.1-03, Ineligible Projects](#), for additional information);
- properties that are not secured by real estate such as, houseboats, boat slips, timeshares, and other forms of property that are not real estate (see [B4-2.1-03, Ineligible Projects](#), for additional information);
- boarding houses;
- bed and breakfast properties; or
- properties that are not suitable for year-round occupancy regardless of location.

Note: Group homes are not considered to be boarding houses. They are an eligible property type, including when leased to a business entity for use as a group home.

Property needs to be residential in nature



No specific limitation to size/acreage

Land use and valuation

Income-producing buildings

Income-producing land

Multiple parcels



Purpose of cash flow analysis

Verify qualifying income that is:

- Stable
- Likely to continue

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Equipped for speed and accuracy, our editable and auto-calculating worksheets are now available in macro-enabled and macro-free versions:

Updated for tax year 2023:

- All-in-one self-employed income calculator
- Rental income calculator

Updated for 2024:

- Employment and other income calculator

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New slide - Magic Minutes

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SEB and income analysis calculators and resources

Explore and download MGIC's editable, auto-calculating self-employed borrower and employment and other income worksheets and resources.

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[Overview video](#) [Updated calculators](#) [Additional resources](#) [FAQs](#)

Updated cash flow analysis worksheets for tax year 2023

Now available for downloading, MGIC's popular income analysis worksheets include:

- All-in-one self-employed income calculator, including 4 worksheets to analyze your borrower's income
- Employment and other income calculator
- Rental income calculator

[Watch our overview video >](#)
[Download the calculators below >](#)

Overview & demo:
All-in-one self-employed income calculator

PLEASE NOTE: Download and save a copy to your desktop as a template.

Updated calculators

Available in **macro-enabled** or **macro-free** versions. To learn more about these versions and MGIC's auto-calculating worksheets, [see our FAQs below](#). Having trouble with macro-enabled calculators? Try our macro-free alternatives below.

FEATURED CALCULATOR

All-in-one self-employed income calculator

Macro-enabled version. Incorporates 4 worksheets, including SAM cash flow analysis, liquidity, comparative income analysis and P&L analysis. (3/1/2024)

[Download and save macro-enabled >](#)

OTHER CALCULATORS

Employment & other income calculator

Macro-enabled version. Designed to calculate salaried borrowers' monthly qualifying income (fixed and variable) and gross-up non-taxable income. (2/21/2024)

[Download and save macro-enabled >](#)

Rental income calculator

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Update with current page shot

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