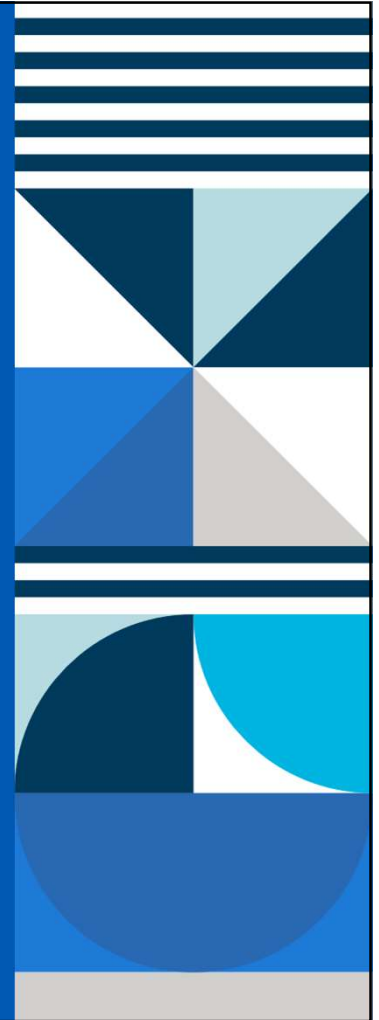


**MGIC**

**Evaluating  
Self-Employed Borrowers  
Income From Farming**



## Legal disclaimer



The materials included in this presentation are intended for general information only. This presentation is not intended to be complete or all-inclusive regarding the matters discussed herein, and nothing contained in this presentation is intended, or should be relied upon, as legal, accounting, compliance or other professional advice.

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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**




# Income calculation tools





# Cash flow worksheets

 **Fannie Mae** **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.

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

Freddie Mac Single-Family Seller/Service Guide      Bulletin 2019-9  
05/01/19      Page F91-1



# MGIC SAM Cash Flow Analysis Worksheet

[mgic.com/seb](http://mgic.com/seb)



SAM Cash Flow Analysis Worksheet		MGIC	
<b>SCHEDULE F - FARM INCOME</b>			
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		\$ -	\$ -
<b>Partnership Cash Flow</b>			
Evaluate business income as required by your investor.			
PARTNERSHIP Name:			
<b>SCHEDULE K-1</b>			
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		\$ -	\$ -
<b>FORM W-2</b>			
27	Wages: W-2, Box 5 (in general)		
<b>FORM 1065</b>			
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



# Schedule F (Form 1040)



**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](http://www.irs.gov/ScheduleF) for instructions and the latest information.

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 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 II 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)	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 2022	6a	
b	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	
9	<b>Gross income.</b> 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	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	<b>Total expenses.</b> Add lines 10 through 32f. If line 32f is negative, see instructions	33	
34	<b>Net farm profit or (loss).</b> Subtract line 33 from line 9	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  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 (Form 1040) 2022 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	<b>Gross income.</b> 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 instructions for Schedule C (Form 1040).  
 • Income from breeding, raising, or caring for dogs, cats, or other pet animals. Instead, see instructions for Schedule C (Form 1040).  
 • Income from managing a farm for a fee or on a contract basis. Instead, see instructions for Schedule C (Form 1040).  
 • Sales of livestock held for draft, breeding, sport, or dairy purposes. Instead, see instructions for Form 4797.

111300	Fruit and tree nut farming
111400	Greenhouse, nursery, and floriculture production
111900	Other crop farming
<b>Animal Production</b>	
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
<b>Forestry and Logging</b>	
113000	Forestry and logging (including forest nurseries and timber tracts)
113110	Timber tract operations
113210	Forest nurseries and gathering of forest products
113310	Logging
<b>Crop Production</b>	
111100	Oilseed and grain farming
111210	Vegetable and melon farming

Schedule F (Form 1040) 2022

# More than one owner

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

For calendar year 2022, or tax year beginning 2022, ending 2022

Department of the Treasury Internal Revenue Service

Go to [www.irs.gov/Form1065](http://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 22 below. See instructions for more information.

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

**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 \_\_\_\_\_

Private preparer's name \_\_\_\_\_ Preparer's signature \_\_\_\_\_ Date \_\_\_\_\_

**May the IRS discuss this return with the preparer shown below? See instructions.**  Yes  No

**Paid Preparer Use Only**

Firm's name \_\_\_\_\_ Firm's EIN \_\_\_\_\_

Firm's address \_\_\_\_\_ Phone no. \_\_\_\_\_

**Schedule K-1 (Form 1065)** 2022 OMB No. 1545-0123

Department of the Treasury Internal Revenue Service

For calendar year 2022, or tax year beginning / / 2022 ending / /

**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)	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*
6c	Dividend equivalents	23	More than one activity for passive activity purposes*
7	Royalties	*See attached statement for additional information.	
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)		
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)		
11	Other income (loss)		
12	Section 179 deduction		
13	Other deductions		

**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

**K** Partner's share of liabilities:

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

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

**L** **Partner's Capital Account Analysis**

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

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	\$ _____
-----------	----------

**For IRS Use Only**



# Farming rental income



**SCHEDULE E (Form 1040) Supplemental Income and Loss** (OMB No. 1545-0074)  
 (From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)  
 Attach to Form 1040, 1040-SR, 1040-NR, or 1041.  
 Go to [www.irs.gov/ScheduleE](http://www.irs.gov/ScheduleE) for instructions and the latest information.

2022 Attachment Sequence No. 13

Department of the Treasury Internal Revenue Service

Name(s) shown on return: \_\_\_\_\_ Your social security number: \_\_\_\_\_

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**Part I Income or Loss** (Rev. November 2018)  
 Note: If you are in rental income or loss, see instructions.

**Rental Real Estate Income and Expenses of a Partnership or an S Corporation** (OMB No. 1545-0123)  
 Attach to Form 1065 or Form 1120S.  
 Go to [www.irs.gov/Form825](http://www.irs.gov/Form825) for the latest information.

Form 8255 (Rev. November 2018) Department of the Treasury Internal Revenue Service

Name: \_\_\_\_\_ Employer identification number: \_\_\_\_\_

1 Show the type and rental value and date of rental property. Physical address of ZIP code

A \_\_\_\_\_ B \_\_\_\_\_ C \_\_\_\_\_

1b Type of Property (from list below)

A \_\_\_\_\_ B \_\_\_\_\_ C \_\_\_\_\_

Type of Property:  
 1 Single Family Residence  
 2 Multi-Family Residence

Income:  
 3 Rents received . . . . .  
 4 Royalties received . . . . .

Expenses:  
 5 Advertising . . . . .  
 6 Auto and travel (see instructions) . . . . .  
 7 Cleaning and maintenance . . . . .  
 8 Commissions . . . . .  
 9 Insurance . . . . .  
 10 Legal and other professional fees . . . . .  
 11 Management fees . . . . .  
 12 Mortgage interest paid . . . . .  
 13 Other interest . . . . .  
 14 Repairs . . . . .  
 15 Supplies . . . . .  
 16 Taxes . . . . .  
 17 Utilities . . . . .  
 18 Depreciation expense . . . . .  
 19 Other (list) . . . . .  
 20 Total expenses. Add lines 5 through 19 . . . . .  
 21 Subtract line 20 from line 3. If the result is a loss, see instructions for Form 6198 . . . . .  
 22 Deductible rental real estate loss on Form 8582 (see instructions) . . . . .  
 23a Total of all amounts reported on lines 3 and 22 . . . . .  
 b Total of all amounts reported on lines 3 and 22. Attach a schedule showing the calculation of the loss . . . . .  
 c Total of all amounts reported on lines 3 and 22. Attach a schedule showing the calculation of the loss . . . . .  
 d Total of all amounts reported on lines 3 and 22. Attach a schedule showing the calculation of the loss . . . . .  
 e Total of all amounts reported on lines 3 and 22. Attach a schedule showing the calculation of the loss . . . . .  
 24 Income. Add positive amounts from lines 3 and 22. Subtract losses from lines 23a, b, c, and d . . . . .  
 25 Losses. Add royalty losses from lines 23a, b, c, and d to the total on line 24 . . . . .  
 26 Total rental real estate income or loss. Enter the result here. If Parts II, III, IV, or V apply, see instructions for Form 1040-SS . . . . .

**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		
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		
33 Reserved for future use . . . . .	33		
34 If line 32 is a loss, check the box that describes your investment in this activity. See instructions . . . . .	34a		
		34b <input type="checkbox"/> All investment is at risk.	
		34c <input type="checkbox"/> Some investment is not at risk.	
		34d <input type="checkbox"/> . . . . .	

c You may have to 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 . . . . .

34c

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 13117W Form 4835 (2022)

# Ownership percentage





# Schedule K-1 (Form 1065)

- Ownership percentage
- Part II: Box J



651121  
OMB No. 1545-0123

**2022**

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

For calendar year 2022, or tax year beginning / / 2022 ending / /

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

**K** Partner's share of liabilities:

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

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

**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 \$ \_\_\_\_\_



# Taxable income vs. cash flow



# 3 key concepts

Noncash expenses

IRS limited loss/expenses

Recurring & nonrecurring income/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

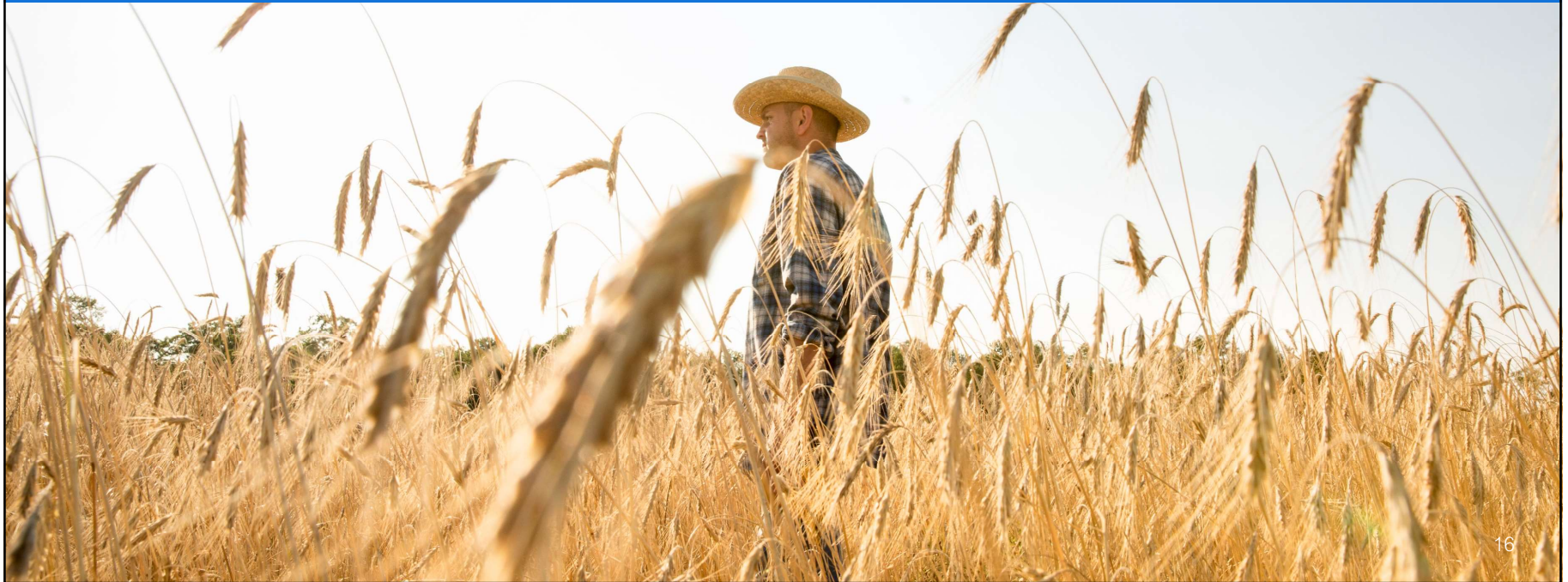
Line 14 – Depreciation

Line 32a-f

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

**MGIC**

# 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)

**MGIC**

## 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



<b>SCHEDULE 1</b> (Form 1040)	<b>Additional Income and Adjustments to Income</b>	OMB No. 1545-0074
Department of the Treasury Internal Revenue Service	Attach to Form 1040, 1040-SR, or 1040-NR. Go to <a href="http://www.irs.gov/Form1040">www.irs.gov/Form1040</a> for instructions and the latest information.	<b>2022</b> Attachment Sequence No. <b>01</b>
Name(s) shown on Form 1040, 1040-SR, or 1040-NR		Your social security number

Part I Additional Income		
<b>1</b>	Taxable refunds, credits, or offsets of state and local income taxes . . . . .	<b>1</b>
<b>2a</b>	Alimony received . . . . .	<b>2a</b>
<b>b</b>	Date of original divorce or separation agreement (see instructions): _____	
<b>3</b>	Business income or (loss). Attach Schedule C . . . . .	<b>3</b>
<b>4</b>	Other gains or (losses). Attach Form 4797 . . . . .	<b>4</b>
<b>5</b>	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E . . . . .	<b>5</b>
<b>6</b>	Farm income or (loss). Attach Schedule F . . . . .	<b>6</b> 211104
<b>7</b>	Unemployment compensation . . . . .	<b>7</b>
<b>8</b>	Other income:	
<b>a</b>	Net operating loss . . . . .	<b>8a</b> ( )
<b>b</b>	Gambling . . . . .	<b>8b</b>
<b>c</b>	Cancellation of debt . . . . .	<b>8c</b>
<b>d</b>	Any not engaged in for profit income . . . . .	<b>8d</b>
<b>k</b>	Stock options . . . . .	<b>8k</b>
<b>l</b>	Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property . . . . .	<b>8l</b>
<b>m</b>	Olympic and Paralympic medals and USOC prize money (see instructions) . . . . .	<b>8m</b>
<b>n</b>	Section 951(a) inclusion (see instructions) . . . . .	<b>8n</b>
<b>o</b>	Section 951A(a) inclusion (see instructions) . . . . .	<b>8o</b>
<b>p</b>	Section 461(l) excess business loss adjustment . . . . .	<b>8p</b>
<b>q</b>	Taxable distributions from an ABL account (see instructions) . . . . .	<b>8q</b>
<b>r</b>	Scholarship and fellowship grants not reported on Form W-2 . . . . .	<b>8r</b>
<b>s</b>	Nontaxable amount of Medicaid waiver payments included on Form 1040, line 1a or 1d . . . . .	<b>8s</b> ( )
<b>t</b>	Pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan . . . . .	<b>8t</b>
<b>u</b>	Wages earned while incarcerated . . . . .	<b>8u</b>
<b>z</b>	Other income. List type and amount: _____	<b>8z</b>
<b>9</b>	Total other income. Add lines 8a through 8z . . . . .	<b>9</b>
<b>10</b>	Combine lines 1 through 7 and 9. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8 . . . . .	<b>10</b>

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 71479F Schedule 1 (Form 1040) 2022

# Cash flowing Schedule F



**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](http://www.irs.gov/ScheduleF) for instructions and the latest information.

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

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

**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 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):		
6a	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	<b>Gross income.</b> 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		24a	Vehicles, machinery, equipment	24a	5,689
13	Custom hire (machine work)	13	7,500	24b	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):		
21a	Mortgage (paid to banks, etc.)	21a	19,411	32a	Phone/Computer/Internet fees/subscription	32a	1,912
21b	Other	21b	10,286	32b	Bank service fees	32b	2,132
22	Labor hired (less employment credits)	22		32c	Casualty loss	32c	405
33	<b>Total expenses.</b> Add lines 10 through 32f. If line 32f is negative, see instructions.	33	236,606	32d		32d	1,500
34	<b>Net farm profit or (loss).</b> 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	32e		32e	

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



# Identification of items on Schedule F, Lines 3-6



<b>SCHEDULE F</b> <b>(Form 1040)</b>		<b>Profit or Loss From Farming</b>		OMB No. 1545-0074
Department of the Treasury Internal Revenue Service		Attach to Form 1040, Form 1040-SR, Form 1040-NR, Form 1041, or Form 1065. Go to <a href="http://www.irs.gov/ScheduleF">www.irs.gov/ScheduleF</a> for instructions and the latest information.		<b>2022</b> Attachment Sequence No. <b>14</b>
Name of proprietor			Social security number (SSN)	
<b>A</b> Principal crop or activity	<b>B</b> Enter code from Part IV	<b>C</b> Accounting method: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual	<b>D</b> Employer ID number (EIN) (see instr.)	
<b>E</b> Did you "materially participate" in the operation of this business during 2022? If "No," see instructions for limit on passive losses <input type="checkbox"/> Yes <input type="checkbox"/> No				
<b>F</b> Did you make any payments in 2022 that would require you to file Form(s) 1099? See instructions <input type="checkbox"/> Yes <input type="checkbox"/> No				
<b>G</b> If "Yes," did you or will you file required Form(s) 1099? <input type="checkbox"/> Yes <input type="checkbox"/> No				
<b>Part I Farm Income—Cash Method.</b> Complete Parts I and II. (Accrual method. Complete Parts II and III, and Part I, line 9.)				
<b>3a</b> Cooperative distributions (Form(s) 1099-PATR)	<b>3a</b>	<b>3b</b> Taxable amount	<b>3b</b>	
<b>4a</b> Agricultural program payments (see instructions)	<b>4a</b>	<b>4b</b> Taxable amount	<b>4b</b>	
<b>5a</b> Commodity Credit Corporation (CCC) loans reported under election	<b>5a</b>			
<b>b</b> CCC loans forfeited	<b>5b</b>	<b>5c</b> Taxable amount	<b>5c</b>	
<b>6</b> Crop insurance proceeds and federal crop disaster payments (see instructions):				
<b>a</b> Amount received in 2022	<b>6a</b>	<b>6b</b> Taxable amount	<b>6b</b>	
<b>c</b> If election to defer to 2023 is attached, check here <input type="checkbox"/>	<b>6d</b> Amount deferred from 2021		<b>6d</b>	
<b>7</b> Custom hire (machine work) income	<b>7</b>			
<b>8</b> Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	<b>8</b>			
<b>9</b> <b>Gross income.</b> 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	<b>9</b>			

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

**SCHEDULE F (Form 1040) Profit or Loss From Farming**

OMB No. 1545-0074  
 Attach to Form 1040, Form 1040-SR, Form 1040-NR, Form 1041, or Form 1065.  
 Go to [www.irs.gov/ScheduleF](http://www.irs.gov/ScheduleF) for instructions and the latest information.

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

Principal crop or activity: **Cash crops** Accounting method:  Cash  Accrual

Employer ID number (EIN) (see note): **123-45-6789**

Did you "materially participate" in the operation of this business during 2022? If "No," see instructions for limit on passive losses:  Yes  No

Did you make any payments in 2022 that would require you to file Form(s) 1099? See instructions:  Yes  No

If "Yes," did you or will you file required Form(s) 1099?  Yes  No

<b>3a</b> Cooperative distributions (Form(s) 1099-PATR)	<b>3a</b>	22,643	<b>3b</b> Taxable amount	<b>3b</b>	17,643
<b>4a</b> Agricultural program payments (see instructions)	<b>4a</b>	111,425	<b>4b</b> Taxable amount	<b>4b</b>	111,425
<b>5a</b> Commodity Credit Corporation (CCC) loans reported under election	<b>5a</b>		<b>5c</b> Taxable amount	<b>5c</b>	
<b>b</b> CCC loans forfeited	<b>5b</b>		<b>5c</b> Taxable amount	<b>5c</b>	
<b>6</b> Crop insurance proceeds and federal crop disaster payments (see instructions):					
<b>a</b> Amount received in 2022	<b>6a</b>		<b>6b</b> Taxable amount	<b>6b</b>	

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

<b>10</b> Car and truck expenses (see instructions). Also attach Form 4602	<b>10</b>	11,500	<b>23</b> Pension and profit-sharing plans	<b>23</b>	
<b>11</b> Chemicals	<b>11</b>		<b>24</b> Rent or lease (see instructions):		
<b>12</b> Conservation expenses (see instructions)	<b>12</b>		<b>a</b> Vehicles, machinery, equipment	<b>24a</b>	5,689
<b>13</b> Custom hire (machine work)	<b>13</b>	7,500	<b>b</b> Other (land, animals, etc.)	<b>24b</b>	20,751
<b>14</b> Depreciation and section 179 expense (see instructions)	<b>14</b>	45,500	<b>25</b> Repairs and maintenance	<b>25</b>	41,163
<b>15</b> Employee benefit programs other than on line 23	<b>15</b>		<b>26</b> Seeds and plants	<b>26</b>	
<b>16</b> Feed	<b>16</b>	35,000	<b>27</b> Storage and warehousing	<b>27</b>	
<b>17</b> Fertilizers and lime	<b>17</b>		<b>28</b> Supplies	<b>28</b>	2,246
<b>18</b> Freight and trucking	<b>18</b>		<b>29</b> Taxes	<b>29</b>	3,708
<b>19</b> Gasoline, fuel, and oil	<b>19</b>	11,678	<b>30</b> Utilities	<b>30</b>	
<b>20</b> Insurance (other than health)	<b>20</b>	16,205	<b>31</b> Veterinary, breeding, and medicine	<b>31</b>	
<b>21</b> Interest (see instructions):			<b>32</b> Other expenses (specify):		
<b>a</b> Mortgage (paid to banks, etc.)	<b>21a</b>	19,411	<b>a</b> Phone/Computer/Internet	<b>32a</b>	1,912
<b>b</b> Other	<b>21b</b>	10,234	<b>b</b> Fees/subscription	<b>32b</b>	2,132
<b>22</b> Labor hired (less employment credits)	<b>22</b>		<b>c</b> Bank service fees	<b>32c</b>	405
<b>33</b> Total expenses. Add lines 10 through 32. If line 32f is negative, see instructions	<b>33</b>	236,606	<b>d</b> Casualty/losses	<b>32d</b>	1500
<b>34</b> 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.	<b>34</b>	211,104	<b>e</b> Casualty/losses	<b>32e</b>	
			<b>f</b>	<b>32f</b>	

**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. Cut No. 113461 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

**SCHEDULE F - FARM INCOME**

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



# Analysis of other income – Continued



**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](http://www.irs.gov/ScheduleF) for instructions and the latest information.

OMB No. 1545-0074  
**2022**  
 Schedule Sequence No. 14

Name of proprietor: \_\_\_\_\_ Social security number (SSN): \_\_\_\_\_  
 OIAE Identification No. 123-45-6789

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

**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		5a		5a	
b	CCC loans forfeited	5b		5c	Taxable amount	5c	
6	Crop insurance proceeds and federal crop disaster payments (see instructions)	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	2,344
17	Fertilizers and lime	17		29	Taxes	29	3,708
18	Freight and trucking	18		30	Utilities	30	
19	Gasoline, fuel, and oil	19	11,478	31	Veterinary, breeding, and medicine	31	
20	Insurance (other than health)	20	16,205	32	Other expenses (specify):	32	
21	Interest (see instructions):	21		a	Phone/Computer/Internet	32a	1,912
a	Mortgage (paid to banks, etc.)	21a	19,411	b	fees/subscriptions	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	1,900
23	Total expenses. Add lines 10 through 32. If line 32f is negative, see instructions	23	236,406	e		32e	
34	Net farm profit or (loss). Subtract line 23 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. OIA No. 11349H 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** OMB No. 1545-0074  
 Department of the Treasury Internal Revenue Service Attach to Form 1040, Form 1040-SR, Form 1040-NR, Form 1041, or Form 1065. **2022**  
 Go to [www.irs.gov/ScheduleF](http://www.irs.gov/ScheduleF) for instructions and the latest information. Attachment Sequence No. **14**

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

**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 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.)

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

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

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

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
	<b>SUBTOTAL \$ 100,429.00</b>



# Cash flowing continued – Depreciation



**SCHEDULE F (Form 1040) Profit or Loss From Farming**

OMB No. 1545-0074  
 2022  
 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](http://www.irs.gov/ScheduleF) for instructions and the latest information.  
 Attachment Sequence No. 14

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

**A** Principal crop or activity: **Cash**  **Accrual**

**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	
b	Taxable amount	6b	
c	If election to defer to 2023 is attached, check here <input type="checkbox"/>		
d	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	<b>Gross income.</b> 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):	24	5,689
12	Conservation expenses (see instructions)	12		a	Vehicles, machinery, equipment	24a	20,751
13	Custom hire (machine work)	13	7,500	b	Other (land, animals, etc.)	24b	41,163
14	Depreciation and section 179 expense (see instructions)	14	45,500	25	Repairs and maintenance	25	
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	10,284	b	fees/subscription	32b	2,132
22	Labor hired (less employment credits)	22		c	Bank service fees	32c	405
23	Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions	23	236,606	d	Casualty Loss	32d	1500
34	<b>Net farm profit or (loss).</b> Subtract line 23 from line 9. If a profit, stop here and see instructions for where to report. If a loss, complete line 36.	34	211,104	e		32e	

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	
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** OMB No. 1545-0074  
 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](http://www.irs.gov/ScheduleF) for instructions and the latest information. 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	22,443
4a	Agricultural program payments (see instructions)	4a	111,425
5a	Commodity Credit Corporation (CCC) loans reported under election	5a	
b	CCC loans forfeited	5b	
6	Crop insurance proceeds and federal crop disaster payments (see instructions)	6	
a	Amount received in 2022	6a	
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	<b>Gross income.</b> 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	11,679
20	Insurance (other than health)	20	14,295
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	32a	1,912
b	Fee/subscription	32b	2,132
c	Bank service fees	32c	405
d	Casualty Loss	32d	1,500
e		32e	
f		32f	
33	<b>Total expenses.</b> Add lines 10 through 32f. If line 32f is negative, see instructions	33	236,606
34	<b>Net farm profit or (loss).</b> 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. 11349H 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	
	<b>SUBTOTAL</b>	<b>\$ 147,429.00</b>



# Cash flowing - 2 years



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

## Cash Flow Analysis Summary



Schedule F	<input type="checkbox"/>	\$ 147,429.00	12	<input type="checkbox"/>	\$ 145,750.00	12	\$ 12,215.79	24
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# 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



<b>SCHEDULE 1 (Form 1040)</b>		<b>Additional Income and Adjustments to Income</b>		OMB No. 1545-0074
Department of the Treasury Internal Revenue Service		Attach to Form 1040, 1040-SR, or 1040-NR. Go to <a href="http://www.irs.gov/Form1040">www.irs.gov/Form1040</a> for instructions and the latest information.		<b>2022</b> Attachment Sequence No. <b>01</b>
Name(s) shown on Form 1040, 1040-SR, or 1040-NR Mr. Corn Husk and Mrs. Bella Ache Husk			Your social security number	
<b>Part I Additional Income</b>				
<b>1</b>	Taxable refunds, credits, or offsets of state and local income taxes	<b>1</b>		
<b>2a</b>	Alimony received	<b>2a</b>		
<b>b</b>	Date of original divorce or separation agreement (see instructions):			
<b>3</b>	Business income or (loss). Attach Schedule C	<b>3</b>		
<b>4</b>	Other gains or (losses). Attach Form 4797	<b>4</b>		
<b>5</b>	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	<b>5</b>	114,986	
<b>6</b>	Farm income or (loss). Attach Schedule F	<b>6</b>		
<b>7</b>	Unemployment compensation	<b>7</b>		
<b>8</b>	Other income:			
<b>a</b>	Net operating loss	<b>8a</b>		
<b>g</b>	Alaska Permanent Fund dividends	<b>8g</b>		
<b>h</b>	Jury duty pay	<b>8h</b>		
<b>i</b>	Prizes and awards	<b>8i</b>		
<b>j</b>	Activity not engaged in for profit income	<b>8j</b>		
<b>k</b>	Stock options	<b>8k</b>		
<b>l</b>	Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property	<b>8l</b>		
<b>m</b>	Olympic and Paralympic medals and USOC prize money (see instructions)	<b>8m</b>		
<b>n</b>	Section 951(a) inclusion (see instructions)	<b>8n</b>		
<b>o</b>	Section 951A(a) inclusion (see instructions)	<b>8o</b>		
<b>p</b>	Section 461(l) excess business loss adjustment	<b>8p</b>		
<b>q</b>	Taxable distributions from an ABL account (see instructions)	<b>8q</b>		
<b>r</b>	Scholarship and fellowship grants not reported on Form W-2	<b>8r</b>		
<b>s</b>	Nontaxable amount of Medicaid waiver payments included on Form 1040, line 1a or 1d	<b>8s</b>		
<b>t</b>	Pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan	<b>8t</b>		
<b>u</b>	Wages earned while incarcerated	<b>8u</b>		
<b>z</b>	Other income. List type and amount:	<b>8z</b>		
<b>9</b>	Total other income. Add lines 8a through 8z	<b>9</b>		
<b>10</b>	Combine lines 1 through 7 and 9. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8	<b>10</b>	114,986	

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 71479F Schedule 1 (Form 1040) 2022

# Schedule E, Part II (Form 1040)

Reflects income from  
Schedule K-1



Schedule E (Form 1040) 2022 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		12-3456789		
B	Lotsawork Farm	P		12-3456789		
C						
D						

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
A			57,498
B			57,498
C			
D			
29a Totals			
b Totals			
30 Add columns (h) and (k) of line 29a			114,986
31 Add columns (g), (i), and (j) of line 29b			
32 Total partnership and S corporation income or (loss). Combine lines 30 and 31			114,986

Passive income and loss		Nonpassive income and loss	
(g) Passive deduction or loss allowed (attach Form 8582 if required)	(h) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1	(f) Other income from Schedule K-1
A			
B			
34a Totals			
b Totals			
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**

(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules O, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules O, line 1b	(e) Income from Schedules O, line 3b
38				
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	114,498
42 Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 2; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120-S), box 17, code AD; 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) 2022

# Schedule K-1 (Form 1065)

Reflects partner's share of income based on ownership percentage



**Schedule K-1 (Form 1065) 2022**  
 Department of the Treasury Internal Revenue Service  
 For calendar year 2022, or tax year beginning / / 2022 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)	
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
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)	
9a Net long-term capital gain (loss)	19 Distributions
9b Collectibles (28%) gain (loss)	
9c Unrecaptured section 1250 gain	20 Other information N STMT 1,671
10 Net section 1231 gain (loss)	
11 Other income (loss)	
12 Section 179 deduction	21 Foreign taxes paid or accrued
13 Other deductions	

**Part I Information About the Partnership**  
 A Partnership's employer identification number 12-3456789  
 B Partnership's name, address, city, state, and ZIP code  
 Lotsawork Farm  
 PO Box 123  
 Goodview, VA 24095  
 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.) 123-45-5678  
 F Name, address, city, state, and ZIP code for partner entered in E. See instructions.  
 Mrs. Bella Ache Husk  
 PO Box 123  
 Goodview, VA  
 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: Name TIN  
 I1 What type of entity is this partner? Individual  
 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	50,000 %	50,000 %
Loss	50,000 %	50,000 %
Capital	50,000 %	50,000 %

 Check if decrease is due to sale or exchange of partnership interest   
 K Partner's share of liabilities:  

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

 Check this box if item K includes liability amounts from lower-tier partnerships   
**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 If "Yes," attach statement. See instructions.  
**N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)**  
 Beginning \$  
 Ending \$

For IRS Use Only  
 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 Paperwork Reduction Act Notice, see the Instructions for Form 1065. www.irs.gov/Form1065 Cat. No. 11394R Schedule K-1 (Form 1065) 2022

**Schedule K-1 (Form 1065) 2022**  
 Department of the Treasury Internal Revenue Service  
 For calendar year 2022, or tax year beginning / / 2022 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)	
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
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)	
9a Net long-term capital gain (loss)	19 Distributions
9b Collectibles (28%) gain (loss)	
9c Unrecaptured section 1250 gain	20 Other information N STMT 1,671
10 Net section 1231 gain (loss)	
11 Other income (loss)	
12 Section 179 deduction	21 Foreign taxes paid or accrued
13 Other deductions	

**Part I Information About the Partnership**  
 A Partnership's employer identification number 12-3456789  
 B Partnership's name, address, city, state, and ZIP code  
 Lotsawork Farm  
 PO Box 123  
 Goodview, VA 24095  
 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.) 123-45-5678  
 F Name, address, city, state, and ZIP code for partner entered in E. See instructions.  
 Mr. Corn Husk  
 PO Box 123  
 Goodview, VA  
 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: Name TIN  
 I1 What type of entity is this partner? Individual  
 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	50,000 %	50,000 %
Loss	50,000 %	50,000 %
Capital	50,000 %	50,000 %

 Check if decrease is due to sale or exchange of partnership interest   
 K Partner's share of liabilities:  

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

 Check this box if item K includes liability amounts from lower-tier partnerships   
**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 If "Yes," attach statement. See instructions.  
**N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)**  
 Beginning \$  
 Ending \$

For IRS Use Only  
 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 Paperwork Reduction Act Notice, see the Instructions for Form 1065. www.irs.gov/Form1065 Cat. No. 11394R Schedule K-1 (Form 1065) 2022



# Form 1065

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



**1065** U.S. Return of Partnership Income

OMB No. 1545-0123

For calendar year 2022, or tax year beginning \_\_\_\_\_, 2022, ending \_\_\_\_\_, 20**22**

Go to [www.irs.gov/Form1065](http://www.irs.gov/Form1065) for instructions and the latest information.

Department of the Treasury Internal Revenue Service

**A** Principal business activity: Grower/Farmer  
**B** Principal product or service: Produce  
**C** Business code number: 111150

Name of partnership: Lotuswork Farm  
 Number, street, and room or suite no. if a P.O. box, see instructions: P.O. Box 123  
 City or town, state or province, country, and ZIP or foreign postal code: Goodview, VA 24095

**D** Employer identification number  
**E** Date business started: 06/01/2019  
**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

<b>Income</b>	<b>1a</b> Gross receipts or sales	<b>1a</b>	
	<b>b</b> Returns and allowances	<b>1b</b>	
	<b>c</b> Balance. Subtract line 1b from line 1a	<b>1c</b>	
	<b>2</b> Cost of goods sold (attach Form 1125-A)	<b>2</b>	
	<b>3</b> Gross profit. Subtract line 2 from line 1c	<b>3</b>	
	<b>4</b> Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)	<b>4</b>	
	<b>5</b> Net farm profit (loss) (attach Schedule F (Form 1040))	<b>5</b>	114996
<b>6</b> Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)	<b>6</b>		
<b>7</b> Other income (loss) (attach statement)	<b>7</b>		

<b>Deductions</b>	<b>16a</b> Depreciation (if required, attach Form 4562)	<b>16a</b>	
	<b>b</b> Less depreciation reported on Form 1125-A and elsewhere on return	<b>16b</b>	
	<b>17</b> Depletion (Do not deduct oil and gas depletion.)	<b>17</b>	
	<b>18</b> Retirement plans, etc.	<b>18</b>	
	<b>19</b> Employee benefit programs	<b>19</b>	
	<b>20</b> Other deductions (attach statement)	<b>20</b>	
	<b>21</b> Total deductions. Add the amounts shown in the far right column for lines 9 through 20	<b>21</b>	
	<b>22</b> Ordinary business income (loss). Subtract line 21 from line 8	<b>22</b>	114996

<b>Tax and Payment</b>	<b>23</b> Interest due under the look-back method—completed long-term contracts (attach Form 8697)	<b>23</b>	
	<b>24</b> Interest due under the look-back method—income forecast method (attach Form 8866)	<b>24</b>	
	<b>25</b> BBA AAR imputed underpayment (see instructions)	<b>25</b>	
	<b>26</b> Other taxes (see instructions)	<b>26</b>	
	<b>27</b> Total balance due. Add lines 23 through 26	<b>27</b>	
	<b>28</b> Payment (see instructions)	<b>28</b>	
	<b>29</b> Amount owed. If line 28 is smaller than line 27, enter amount owed	<b>29</b>	
	<b>30</b> Overpayment. If line 28 is larger than line 27, enter overpayment	<b>30</b>	

**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 \_\_\_\_\_

Preparer's signature \_\_\_\_\_ Date \_\_\_\_\_

Check  if self-employed PTIN \_\_\_\_\_

Firm's name \_\_\_\_\_ Firm's EIN \_\_\_\_\_

Firm's address \_\_\_\_\_ Phone no. \_\_\_\_\_

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11390Z Form **1065** (2022)

# 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, Form 1040-SR, Form 1040-NR, Form 1041, or Form 1065. Go to <a href="http://www.irs.gov/ScheduleF">www.irs.gov/ScheduleF</a> for instructions and the latest information.		2022 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 1 1 1 1 5 0		C Accounting method: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual	
D Employer ID number (EIN) (see instr.)			1 2 3 4 5 6 7 8 9		
E Did you "materially participate" in the operation of this business during 2022? If "No," see instructions for limit on passive losses <input type="checkbox"/> Yes <input type="checkbox"/> No					
F Did you make any payments in 2022 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					
<b>Part I Farm Income—Cash Method.</b> 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		83839	
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		5c Taxable amount	
b CCC loans forfeited		5b		5c	
6 Crop insurance proceeds and federal crop disaster payments (see instructions):		6a		6b Taxable amount	
a Amount received in 2022		6a		6b	
c If election to defer to 2023 is attached, check here <input type="checkbox"/>		6d		6d Amount deferred from 2021	
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 <b>Gross income.</b> 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	
<b>Part II Farm Expenses—Cash and Accrual Method.</b> 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	
11 Chemicals		11		24 Rent or lease (see instructions):	
12 Conservation expenses (see instructions)		12		a Vehicles, machinery, equipment	
13 Custom hire (machine work)		13		b Other (land, animals, etc.)	
14 Depreciation and section 179 expense (see instructions)		14 341		25 Repairs and maintenance	
15 Employee benefit programs other than on line 23		15		26 Seeds and plants	
16 Feed		16		27 Storage and warehousing	
17 Fertilizers and lime		17		28 Supplies	
18 Freight and trucking		18 14000		29 Taxes	
19 Gasoline, fuel, and oil		19		30 Utilities	
20 Insurance (other than health)		20		31 Veterinary, breeding, and medicine	
21 Interest (see instructions):		21		32 Other expenses (specify):	
a Mortgage (paid to banks, etc.)		21a		a Meals	
b Other		21b 3342		b Travel	
22 Labor hired (less employment credits)		22 3120		c Coop membership	
				d	
				e	
				f	
23 Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions		23		32f 33843	
34 Net farm profit or (loss). Subtract line 33 from line 9		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 <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					

# Cash Flow 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](http://www.irs.gov/ScheduleF) for instructions and the latest information.

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 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	83839
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 2022	6a	
b	Taxable amount	6b	
c	If election to defer to 2023 is attached, check here <input type="checkbox"/> Amount deferred from 2021	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	<b>Gross income.</b> 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	
33	<b>Total expenses.</b> Add lines 10 through 32f. If line 32f is negative, see instructions	33		e		32e	
34	<b>Net farm profit or (loss).</b> 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) 2022

## SAM Cash Flow Analysis Worksheet

SCHEDULE F - FARM INCOME	2022
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	
<b>SUBTOTAL</b>	<b>\$ 114,996.00</b>

# Cash Flow Schedule F – Check for nonrecurring 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, Form 1040-SR, Form 1040-NR, Form 1041, or Form 1065. Go to [www.irs.gov/ScheduleF](http://www.irs.gov/ScheduleF) for instructions and the latest information. **2022** 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 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.)**

<b>1a</b> Sales of purchased livestock and other resale items (see instructions)	<b>1a</b>	
<b>b</b> Cost or other basis of purchased livestock or other items reported on line 1a	<b>1b</b>	
<b>c</b> Subtract line 1b from line 1a	<b>1c</b>	
<b>2</b> Sales of livestock, produce, grains, and other products you raised	<b>2</b>	83839
<b>3a</b> Cooperative distributions (Forms 1099-PATR)	<b>3a</b>	
<b>4a</b> Agricultural program payments (see instructions)	<b>4a</b>	
<b>5a</b> Commodity Credit Corporation (CCC) loans reported under election	<b>5a</b>	
<b>b</b> CCC loans forfeited	<b>5b</b>	
<b>6</b> Crop insurance proceeds and federal crop disaster payments (see instructions):		
<b>a</b> Amount received in 2022	<b>6a</b>	
<b>c</b> If election to defer to 2023 is attached, check here <input type="checkbox"/>	<b>6c</b>	
<b>7</b> Custom hire (machine work) income	<b>7</b>	65000
<b>8</b> Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	<b>8</b>	
<b>9</b> 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.	<b>9</b>	148839

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

<b>10</b> Car and truck expenses (see instructions). Also attach Form 4562	<b>10</b>	
<b>11</b> Chemicals	<b>11</b>	
<b>12</b> Conservation expenses (see instructions)	<b>12</b>	
<b>13</b> Custom hire (machine work)	<b>13</b>	
<b>14</b> Depreciation and section 179 expense (see instructions)	<b>14</b>	341
<b>15</b> Employee benefit programs other than on line 23	<b>15</b>	
<b>16</b> Feed	<b>16</b>	
<b>17</b> Fertilizers and lime	<b>17</b>	
<b>18</b> Freight and trucking	<b>18</b>	14000
<b>19</b> Gasoline, fuel, and oil	<b>19</b>	
<b>20</b> Insurance (other than health)	<b>20</b>	
<b>21</b> Interest (see instructions):		
<b>a</b> Mortgage (paid to banks, etc.)	<b>21a</b>	
<b>b</b> Other	<b>21b</b>	3342
<b>22</b> Labor hired (less employment credits)	<b>22</b>	3120
<b>23</b> Pension and profit-sharing plans	<b>23</b>	
<b>24</b> Rent or lease (see instructions):		
<b>a</b> Vehicles, machinery, equipment	<b>24a</b>	128
<b>b</b> Other (land, animals, etc.)	<b>24b</b>	
<b>25</b> Repairs and maintenance	<b>25</b>	
<b>26</b> Seeds and plants	<b>26</b>	
<b>27</b> Storage and warehousing	<b>27</b>	1935
<b>28</b> Supplies	<b>28</b>	9520
<b>29</b> Taxes	<b>29</b>	745
<b>30</b> Utilities	<b>30</b>	
<b>31</b> Veterinary, breeding, and medicine	<b>31</b>	
<b>32</b> Other expenses (specify):		
<b>a</b> Meals	<b>32a</b>	516
<b>b</b> Travel	<b>32b</b>	
<b>c</b> Coop membership	<b>32c</b>	150
<b>d</b> _____	<b>32d</b>	
<b>e</b> _____	<b>32e</b>	
<b>33</b> Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions	<b>33</b>	33843
<b>34</b> Net farm profit or (loss). Subtract line 33 from line 9	<b>34</b>	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) 2022

## SAM Cash Flow Analysis Worksheet

SCHEDULE F - FARM INCOME	2022
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	
<b>SUBTOTAL</b>	<b>\$ 49,996.00</b>



# Cash Flow Schedule F – Add back depreciation

**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](http://www.irs.gov/ScheduleF) for instructions and the latest information.

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

Name of proprietor: Lotsawork Farm  
 Social security number (SSN):  
 Principal crop or activity: Produce  
 Enter code from Part IV: 1111150  
 Accounting method:  Cash  Accrual  
 Employer ID number (EIN) (see instr.):

**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	83839
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):	6	
a	Amount received in 2022	6a	
b	Taxable amount	6b	
c	If election to defer to 2023 is attached, check here <input type="checkbox"/>	6d	
d	Amount deferred from 2021	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	<b>Gross income.</b> 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):	21	
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):	24	
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):	32	
a	Meals	32a	516
b	Travel	32b	
c	Coop membership	32c	150
d		32d	
e		32e	
f		32f	
33	<b>Total expenses.</b> Add lines 10 through 32f. If line 32f is negative, see instructions	33	33843
34	<b>Net farm profit or (loss).</b> 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

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	2022
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	
<b>SUBTOTAL</b>	<b>\$ 50,337.00</b>

# Cash Flow Schedule F – Review Line 32

**SCHEDULE F (Form 1040) Profit or Loss From Farming** OMB No. 1545-0074  
 Department of the Treasury Internal Revenue Service **2022** Attachments Sequence No. 14  
 Go to [www.irs.gov/ScheduleF](http://www.irs.gov/ScheduleF) for instructions and the latest information.

Name of proprietor: Lotsawork Farm Social security number (SSN):  
 Principal crop or activity: Produce Enter code from Part IV: 1111150 Accounting method: Cash Accrual Employer ID number (EIN) (see instr.): 123456789  
 Did you "materially participate" in the operation of this business during 2022? If "No," see instructions for limit on passive losses: Yes No  
 Did you make any payments in 2022 that would require you to file Form(s) 1099? See instructions: Yes No  
 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	83839
2	Sales of livestock, produce, grains, and other products you raised	2	
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):	6	
a	Amount received in 2022	6a	
b	Taxable amount	6b	
c	If election to defer to 2023 is attached, check here	6c	
d	Amount deferred from 2021	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	<b>Gross income.</b> 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 III 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):	21	
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):	24	
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):	32	
a	Meals	32a	516
b	Travel	32b	
c	Coop membership	32c	150
d		32d	
e		32e	
f		32f	
33	<b>Total expenses.</b> Add lines 10 through 32f. If line 32f is negative, see instructions.	33	33843
34	<b>Net farm profit or (loss).</b> 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

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	2022
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	
<b>SUBTOTAL</b>	<b>\$ 49,821.00</b>

# Cash flow Schedule F – Check for history of other income



## SAM Cash Flow Analysis Worksheet



SCHEDULE F - FARM INCOME		2022	2021
17	Net Profit (Loss): <b>LINE 34</b>	\$ 114,996.00	\$ 98,450.00
18	Non-Tax Portion Ongoing Co-op & CCC Pmts: <b>LINES 3a minus b through 6a minus b</b>		\$ 1,200.00
19	Add nonrecurring loss: <b>LINE 2-8</b>		
20	Deduct nonrecurring income: <b>LINE 2-8</b>	( \$ <del>6,000.00</del> )	( \$ <del>5,000.00</del> )
21	Depreciation: <b>LINE 14</b>	\$ 341.00	\$ 451.00
22	Amortization/Casualty Loss/Depletion (only if noted): <b>LINE 32</b>	\$ (516.00)	\$ (352.00)
23	Business Use of Home (only if noted): <b>LINE 32</b>		
SUBTOTAL		\$ 49,821.00	\$ 47,289.00

# Cash flow Schedule F – Check for trend

SCHEDULE F - FARM INCOME		2022	2021
17	Net Profit (Loss): <b>LINE 34</b>	\$ 114,996.00	\$ 98,450.00
18	Non-Tax Portion Ongoing Co-op & CCC Pmts: <b>LINES 3a minus b through 6a minus b</b>		\$ 1,200.00
19	Add nonrecurring loss: <b>LINE 2-8</b>		
20	Deduct nonrecurring income: <b>LINE 2-8</b>	( )	( )
21	Depreciation: <b>LINE 14</b>	\$ 341.00	\$ 451.00
22	Amortization/Casualty Loss/Depletion (only if noted): <b>LINE 32</b>	\$ (516.00)	\$ (352.00)
23	Business Use of Home (only if noted): <b>LINE 32</b>		
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)

MGIC

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

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**(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)

**MGIC**

## 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](http://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** **1b** Cost or other basis of purchased livestock or other items reported on line 1a **1c** Subtract line 1b from line 1a **2** Sales of livestock, produce, grains, and other products you raised

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

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**  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

**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



# Subject property is the farm



**MGIC**

# Property eligibility requirements

Freddie Mac

Seller/Service Guide

5601.1 (b)

(06/01/2022)

MGIC

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

FreddieMac Single-Family Seller/Service Guide

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

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## (b) Ineligible properties

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 property being used as a group home for individuals with disabilities is not considered an ineligible property. A Mortgage secured by such a property may be eligible for sale to Freddie Mac, provided it meets the requirements of the Guide, including but not limited to the residential requirements described above in Section 5601.1(a) and the occupancy requirements identified in Sections 4201.14 and 4201.16.

See Section 5701.3 for a list of ineligible project types and Section 5705.3 for a list of ineligible cooperative project types.

Reviewing Rural Properties

< Prev Next >

# 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



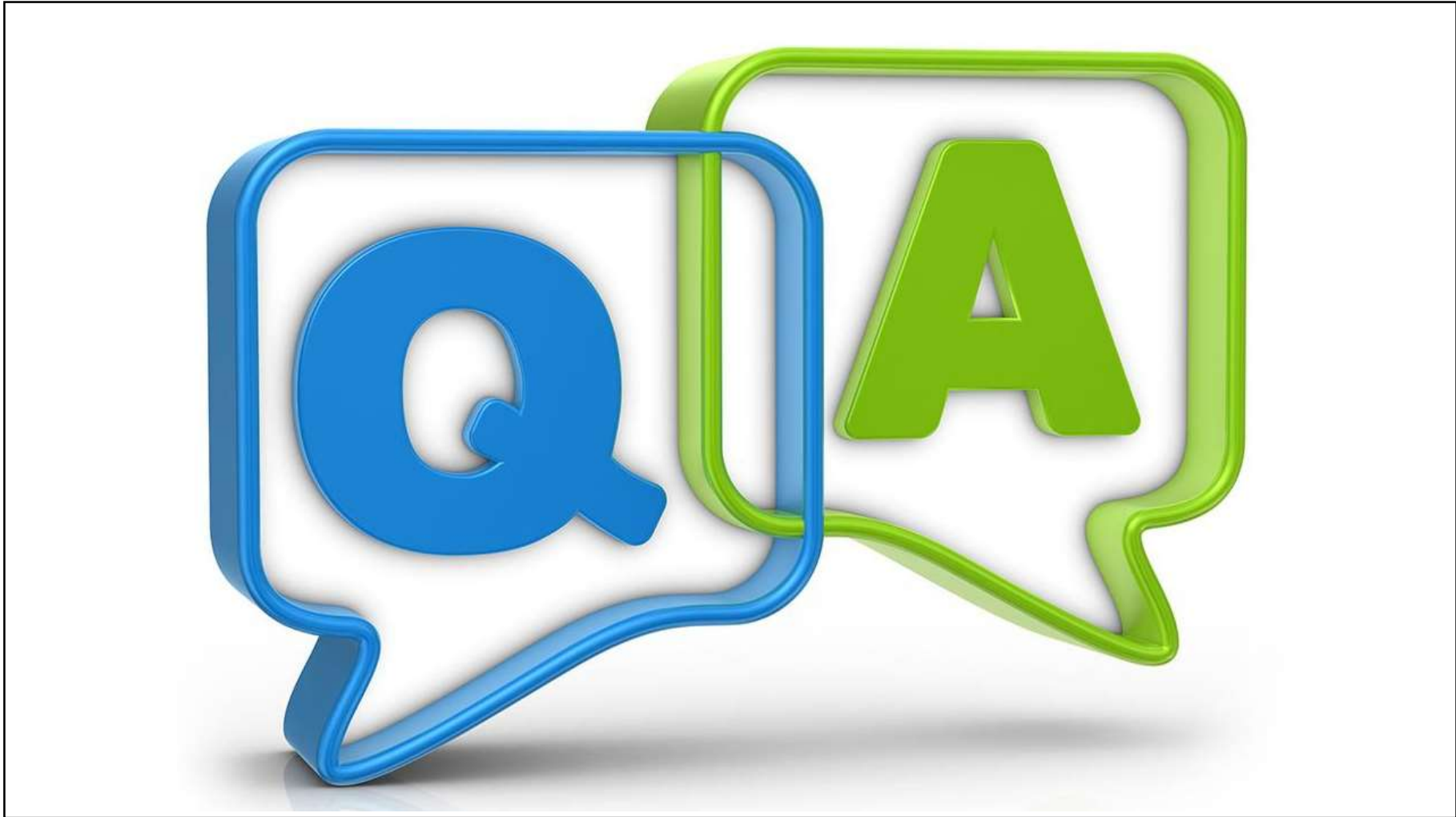
No specific limitation to size/acreage

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





# TOOLS FOR SUCCESS!





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## Self-employed borrower and income analysis worksheets

Editable, auto-calculating cash flow analysis worksheets for the 2022 tax year.

MGIC > underwriting >



### Gain instant access to MGIC's newly enhanced self-employed borrower and income analysis worksheets

2022 tax year: Outfitted for speed and accuracy, our editable and auto-calculating worksheets are updated and fitted specifically for loan officers and mortgage pros:

- All-in-one self-employed income calculator
- Employment and other income analysis calculator
- Rental income analysis calculator

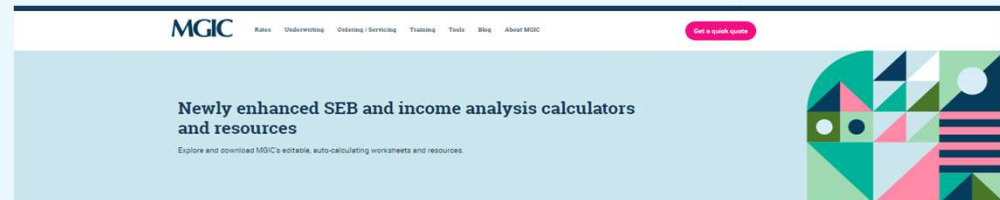
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**"I've been using MGIC worksheets for years and think they're fantastic! I haven't found any other worksheets that are as functional or as easy to use as MGIC's."**

Amaasha, Underwriter

01 02

# MGIC calculators



## Macro-free, ready to download and use

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

Incorporates four worksheets including the SAM cash flow, liquidity, comparative income analysis and P&L. (August 2023)

Download and save ▶

**Employment & other income calculator**

Designed to calculate salaried borrower's monthly qualifying income and gross-up non-taxable income. (August 2023)

Download and save ▶

**Rental income analysis calculator**

Cash flow income from a principal residence (2-4 Unit), investment property or business rental by review of tax returns or leases. (August 2023)

Download and save ▶

**NEW!**

# All-in-one self-employed income calculator

**MGIC**

The screenshot displays the MGIC SAM Cash Flow Analysis Worksheet software interface. The main window is titled "SAM Cash Flow Analysis Worksheet" and includes a "User Tips" section with instructions on how to use the tool. The interface is divided into several sections:

- SCHEDULE B - INTEREST AND DIVIDENDS FROM SELF-EMPLOYMENT:** This section includes input fields for "Recurring Interest Income" (LINE 1) and "Recurring Dividend Income" (LINE 5), along with a "SUBTOTAL" row.
- SCHEDULE C - SOLE PROPRIETORSHIP:** This section includes input fields for "Net Profit (Loss)" (LINE 31), "Deduct nonrecurring income/add nonrecurring loss or expense" (LINE 6), "Depreciation" (LINE 12), "Depreciation" (LINE 13), "Non-Deductible Meals and Entertainment Exclusion" (LINE 24b), "Business Use of Home" (LINE 30), "Business Miles" (page 2, part IV, LINE 44a OR Related 45b2, Line 30), "x Depreciation Rate" (0/22-\$0.26, 2011-\$0.26, 2000-\$0.27), "Total Mileage Depreciation", and "Amortization/Casualty Loss" (only if noted; page 2, part V).

The interface also features a "Profit and Loss Statement Analysis" section with a table showing "Qualifying Income" and "Total No. of Months". The table has columns for "Subtotal", "#mo.", "Qualifying Income", and "Total No. of Months". The data rows show a subtotal of 12 months with a qualifying income of \$0 and a total number of months of 24. The table is color-coded with green and blue cells.

At the bottom of the window, there is a navigation bar with tabs for "SAM", "Summary", "Liquidity", "Comparative", "P&L", and "Help Document". The "SAM" tab is currently selected.

# Training – SEB webinars

[mgic.com/training/seb](https://mgic.com/training/seb)



<p><b>Skill-based</b> 60 minutes</p> <p><b>Self-Employed Borrowers – Focus on Getting Started and the Sole Proprietor</b></p> <p>Recorded Session Available any time.</p> <p><a href="#">Register</a> <a href="#">Watch now</a></p> <p><a href="#">View training details ▶</a></p>	<p><b>Skill-based</b> 60 minutes</p> <p><b>Self-Employed Borrowers – Focus on Partnerships and S Corporations</b></p> <p>Recorded Session Available any time.</p> <p><a href="#">Register</a> <a href="#">Watch now</a></p> <p><a href="#">View training details ▶</a></p>	<p><b>Skill-based</b> 60 minutes</p> <p><b>Self-Employed Borrowers – Focus on Corporations and Financial Statements</b></p> <p>Recorded Session Available any time.</p> <p><a href="#">Register</a> <a href="#">Watch now</a></p> <p><a href="#">View training details ▶</a></p>
<p><b>Special Event</b> 60 minutes</p> <p><b>*Evaluating Self-Employed Income During Tough Economic Times*</b></p> <p>Recorded Session Available any time.</p> <p><a href="#">Register</a> <a href="#">Watch now</a></p> <p><a href="#">View training details ▶</a></p>	<p><b>Skill-based</b> 60 minutes</p> <p><b>Self-Employed Borrowers – Focus on Rental Income</b></p> <p>Recorded Session Available any time.</p> <p><a href="#">Register</a> <a href="#">Watch now</a></p> <p><a href="#">View training details ▶</a></p>	<p><b>Special Event</b> 30 minutes</p> <p><b>Can I Use Rental Income From a Business-Owned Property?</b></p> <p>Recorded Session Available any time.</p> <p><a href="#">Register</a> <a href="#">Watch now</a></p> <p><a href="#">View training details ▶</a></p>





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