







# Financial Scorecard and Operational Health Check Sheet

**Strong**      **Moderate**      **Vulnerable**







## Liquidity

For liquidity, use current ratio (measures what farm assets would pay the farm's current liabilities), working capital as a % of gross revenue (measures the operating capital available against the side of the business) or working capital as a % of operating expenses (measures the operating capital available against the amount of the business's operating expenses).

Measure _____	Calculation _____	Results	<input type="checkbox"/> 	<input type="checkbox"/> 	<input type="checkbox"/> 
Measure _____	Calculation _____	Results	<input type="checkbox"/> 	<input type="checkbox"/> 	<input type="checkbox"/> 







## Solvency

For solvency, use debt-to-asset ratio (total farm debt compared to total farm assets), equity-to-asset ratio (compares total farm equity to total farm assets), and debt-to-equity ratio (creditor's investment compared to the farm owner's investment).

Measure _____	Calculation _____	Results	<input type="checkbox"/> 	<input type="checkbox"/> 	<input type="checkbox"/> 
Measure _____	Calculation _____	Results	<input type="checkbox"/> 	<input type="checkbox"/> 	<input type="checkbox"/> 

## Profitability

For profitability, use rate of return on assets (avg interest rate being earned on all investments in the farm), rate of return on equity (interest rate being earned by your investment in the farm), operating profit margin ratio (operating efficiency of the farm business), or asset turnover ratio (measures efficiency in using capital).

Measure _____	Calculation _____	Results	<input type="checkbox"/> 	<input type="checkbox"/> 	<input type="checkbox"/> 
Measure _____	Calculation _____	Results	<input type="checkbox"/> 	<input type="checkbox"/> 	<input type="checkbox"/> 



# Financial Scorecard and Operational Health Check Sheet (cont.)

## Repayment Capacity

For repayment capacity, use debt coverage ratio (shows if your business generated enough income to cover current expenses and debt payments), replacement coverage ratio (ratio of less than 1.0 indicates you did not generate enough income to cover debt payments and unfunded capital purchases), or term debt what farm assets would pay the farm's current liabilities), working capital as a % of gross revenue (measures the operating capital available against the side of the business) or working capital as a % of operating expenses (measures the operating capital available against the amount of the business's operating expenses).

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Measure _____	Calculation _____	Results	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Measure _____	Calculation _____	Results	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Financial Capacity

For liquidity, use current ratio (measures what farm assets would pay the farm's current liabilities), working capital as a % of gross revenue (measures the operating capital available against the side of the business) or working capital as a % of operating expenses (measures the operating capital available against the amount of the business's operating expenses).

Measure _____	Calculation _____	Results	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Measure _____	Calculation _____	Results	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



SOURCE: U.S. Roundtable for Sustainable Beef

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