

Figure 1: Earned-net returns from the ranch

	Operating Income	\$ _____
Minus	Operating Expenses	\$ _____
Equals	Net-Cash Operating Income	\$ _____
Minus	Depreciation	\$ _____
Plus or Minus	Inventory Change	\$ _____
Equals	Net Ranch Income	\$ _____

Earned net returns to unpaid family & operator labor, management and equity capital

Figure 2: Earned-net-cash flow

	Operating income	\$ _____
Minus	Operating expenses	\$ _____
Equals	Net-cash operating income	\$ _____
Minus	Debt principal paid	\$ _____
Minus	Family-living draw	\$ _____
Minus	Capital purchases	\$ _____
Minus	Capital sales	\$ _____
Plus	Income taxes & social security paid this year	\$ _____
Equals	Earned-net-cash flow	\$ _____

Figure 3. Family-living expense, NDFBMEP

