

Table 3. (continued)

Asset Description	Month/year purchased	Number (A)	Cost per unit (B)	Total Cost (A x B)	Years of useful life	Salvage value	Depreciation method	Accumulated depreciation (total)	Annual depreciation expense ¹	Tax basis ² (C)	Market value per unit (D)	Total market value (A x D) ³	Taxable Gain/Loss (A x D) - C
Buildings & Improvements													
Hay Barn	9/00	1	15,000	15,000	30	0	SL	9,167	500	0	7,000	7,000	7,000
Farm Shop	7/05	1	19,760	19,760	40	5,000	SL	2,829	369	2,904	15,000	15,000	12,096
Machine Shed	5/07	1	29,800	29,800	40	5,000	SL	3,462	620	7,922	25,000	25,000	17,078
Subtotal - Bldg. & Imprv.									1,789	10,826		47,000	36,174
Total Non-current Farm Assets									68,039	884,258		2,730,040	
Non-farm Assets													
Cash Value of Life Insurance										0		14,056	
Investment in Other Entities													
Farm House	6/02	1	158,000	158,000	40	30,000	SL	53,333	2,666	158,000	125,000	125,000	(33,000)
Total Non-current Assets										1,042,258		2,884,096	

AGEC-939-12

¹ For straight line depreciation, annual depreciation = (Total cost - Salvage value)/(Years of life). When the asset is first purchased, the amount of depreciation taken the first year is the annual depreciation amount multiplied by the proportion of the year remaining. For example, if the accounting year begins January 1 and the asset is purchased March 1, 10/12 of the year remains so the annual depreciation amount is multiplied by 10/12 to arrive at the depreciation amount for that year.

² Depreciation schedules should be attached to your tax return and will list tax basis in depreciable assets.

³ May also record death losses here.