

Nietzke & Faupel, PC

Dairy Advantage

CPA's On Your Team

Flexible, practical assistance for large dairy operations.
Independent Certified Public Accountants, trusted business advisors.
Trained attention to details, giving you confidence to make the big decisions.
Assistance that allows you to focus on what you do best,
growing your profitable dairy operation.





The Dairy Advantage

Flexible, practical management assistance

In this day of excess information, having the right information when you need it is critical to business success. We reduce the stacks of daily transactions into concise reports, tables and graphs that mean something to your specific operation.

Independent Certified Public Accountants

America counts on CPAs. We represent you—*independent of banks—independent of software companies—and independent of government agencies.* We help you pick the right tools and the right vendors that will work for you, the owner.

Reviewed accrual basis financial statements

Financial statements, graphs, charts, and statistics are produced almost automatically from most software on the market. Trustworthy reports and information can only come from accurately recorded transactions. Most business owners are highly skilled in managing the daily operations of their business, which includes the day-to-day entry of transactions in a bookkeeping system. However, there are very few business owners who choose to do all their accounting tasks, such as the end of the month adjustments and financial statements. The accountants in our dairy services departments have developed highly customized accounting information—*bringing you trusted, practical information.* Check our website to learn more about our accrual basis financial statements at:

<http://www.nfcpa.com/agriculturalservices/>

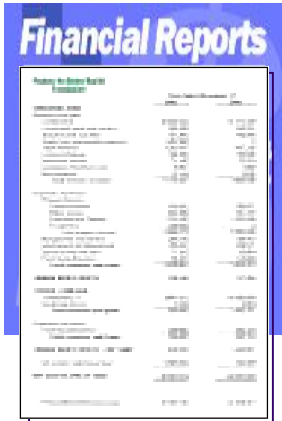
Key performance indicators

Key Performance Indicators (KPI's) are the measures of business performance. They are used to check performance against targets or as benchmarks to signal areas of performance in need of improvement. Our Dairy Advantage reports include comparative graphs, a milk 100cwt schedule, and detailed cost analysis. Our goal is to provide concise, practical and useful information. Our firm's 50 years of experience in agriculture gives us a keen understanding of what agri-business owners need to know and what trends to watch out for. It's easy to produce dozens of ratios and graphs. Knowing what information is critical to a dairy operation is what earned Dairy Advantage respect throughout the Great Lakes area.

Accounting software that a non-accountant can understand

Accounting software varies from the simple to the incredibly complex and expensive. Most business owners want software that their own people can understand and use on a daily basis, but yet has the capacity to produce the complex reports needed. We recommend QuickBooks, which is the most used accounting software on the market today. Our customized setup of QuickBooks for dairy operations allows our clients to input most daily transactions and do as much reporting as they want. We take it from there. On a monthly or quarterly basis, our accountants review the details, make the journal entries, and convert the cash statements to accrual statements. QuickBooks allows you to do what you can, and allows us to complete the accounting cycles very efficiently. QuickBooks is affordable and practical.

Dairy Advantage Reports

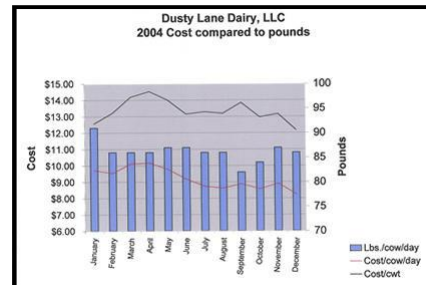


CPA Reviewed Financial Statements

Any accounting software can produce financial reports. But financial information must always be reviewed for accuracy. The trained eye of a CPA often picks up on missing entries or transactions that have been entered incorrectly. With large dairy operations, there are many details to review each period. Independent CPAs provide the reviewed reports you can trust. Dairy Advantage financial statements are produced using a very detailed preparation and review process. During the year, we issue statements with no disclosures. Annually, we issue full disclosure statements with comments, which are critical to working with your lenders.

Comparative Graphs

Simple charts show relationships of your milk production to costs per cow and to net profits. Look for these Key Performance Indicators to be included with your 2005 financial reports.



Milk 100cwt Schedule

Our statements include a per 100cwt schedule, detailing financial performance. This schedule analyzes your financial results and compares them with averages of all our clients who have dairy operations. These KPI's allow you to see how your dairy is performing compared to others.

Detailed Cost Analysis

New for 2005 is a detailed analysis of feed costs and replacement cow costs. These reports will give you valuable insight into two of the most important expenditures in a dairy operation.



Flexible Assistance

Dairy Advantage services include monthly or quarterly reviewed accrual basis financial statements and additional supplemental analysis information to help you understand your dairy's performance. While there are many reports and graphs that we could easily provide, we focus on what is important to understand. Financial information for dairy operations comes down to a few critical numbers and ratios. We help you understand them and watch for trends. Also included is comparative information to help you understand how your operation is performing compared to other similar dairy operations.

With Nietzke & Faupel, PC's Dairy Advantage, you choose the level of assistance you need, based on your time and financial record keeping skills. We recognize that some business owners enjoy bookkeeping tasks, and others would rather out-source it. Dairy Advantage offers four levels of assistance.

You can choose to do most of your computerized bookkeeping tasks or do very little, other than writing checks and making deposits. Clients always have the option to change the assistance level. At each level, we provide the training you need and complete the accounting cycle with CPA reviewed statements.

1 Dairy Advantage Reports, Full Bookkeeping and Payroll

Minimal bookkeeping. You simply write checks, make deposits, and then send copies or duplicates to us. We handle all the computer entries and provide you with cash basis statements. You complete a worksheet of additional information for the period and send it to us. We complete the accounting cycle and send you the CPA reviewed Dairy Advantage reports.

2 Dairy Advantage Reports and Payroll

Light computerized bookkeeping. We set you up with a customized version of QuickBooks and provide the training you need. You write checks, make deposits, and enter them in your computer. You reconcile your bank accounts using QuickBooks. We calculate your payroll, accounts receivable, and accounts payable based on the information you provide us. We make the end-of-period journal entries and provide you with the CPA reviewed Dairy Advantage reports.

3 Dairy Advantage Reports

Medium level computerized bookkeeping. You write checks, make deposits, enter them in your computer, and reconcile your bank accounts. We provide additional training so you can also do your own payroll. Periodically, you complete a worksheet, and send us your QuickBooks file. We handle the accounts payable and accounts receivable entries, and make the end-of-period journal entries. We provide you with the Dairy Advantage CPA reviewed reports and an updated QB file.

4 Dairy Advantage Reports and Advanced QuickBooks Training

Our advanced level computerized bookkeeping is for those that are comfortable with more complex bookkeeping. You handle almost all computer entries. We provide additional training for accounts receivable and accounts payable. Each period you complete a worksheet and send us your QuickBooks file. We make end-of-period journal entries and send you the Dairy Advantage CPA reviewed reports along with your updated QB file.

Note: additional advanced options are available.



The CPA Advantage

CPAs See the Forest . . . and the Trees

Of course we're focused on the details of business. Our attention to details helps our clients feel confident about making major decisions, such as investing in new equipment, expanding a business or opening additional locations. We also keep our eye on the big picture. We help identify potential problems and suggest ways to avoid them.

Trusted Advice from the CPAs of Nietzke & Faupel, PC

There are no certainties when it comes to business cycles, and no amount of guesswork will protect the business owner from the ups and downs of a changing economy. There are, however, fundamental steps you can take to minimize disruptions from increasing costs, fluctuating revenue, and growing operating risks.

Business Planning. Reviewing your operations periodically in planning sessions with our team will help keep your business on track. We have experience in bringing shareholders, bankers, attorneys and others together working toward common goals.

Financial Planning. Not only do you need to have funds available to grow the business, you must also efficiently manage those funds. At the same time you must consider cash flow management. All this cannot be done effectively without reliable financial information. Dairy Advantage systems and processes ensure that your numbers mean what they say. It's the foundation of making good business decisions.

Selecting the Right Legal Structure. The proper structure for your business will impact its operating efficiency as well as determine the tax treatment. The Dairy Advantage team can pull together the resources you need to set up a business structure that will work for you.

Managing Business Risk. Risk management involves protecting yourself against potential loss or less than expected return. Dairy Advantage provides forecasts based on trusted trends and statistics. They give you the confidence you need to make decisions to replace equipment or expand. Practical budgets reduce the risk of overspending. Comparison data helps you understand your operation's efficiencies.

Managing Your Workforce. As a business owner you realize the need for good systems to manage your workforce. Proper payroll procedures, employee records and filing information with the government are critical. Dairy Advantage offers the resources you need to keep your employee payroll and records in order—minimizing employee risks.

Succession Planning. More than 70 percent of family-owned businesses do not survive the transition from founder to second generation. In most cases, the "killers" are taxes, management or family discord. Your CPA advisor can work with you to build a solid succession plan.

Dairy Advantage Team



Jeff Bushey, CPA, Partner

Growing up on a farm and still being actively involved in his family operations has given Jeff Bushey a unique background as a CPA. Jeff has focused his education and career around the accounting needs of agri-business operations. He is a member and past president of the Farm Financial Standards Council, a nation-wide organization committed to standardizing the reporting formats of agricultural entities. Jeff became a partner of Nietzke & Faupel, PC in 1992.

Nietzke & Faupel, PC recognized Jeff's leadership and supported his development of specialized agri-business accounting services. In the last decade, numerous large dairy operations have emerged across the Great Lakes area; and Jeff built a team of professionals who are focused on addressing their specific needs. Most of Jeff's time is spent visiting large dairy clients in southern Michigan, Indiana and Ohio. Jeff enjoys attending various agriculture conferences here in the states and Europe, where he is often asked to speak about the related accounting issues.



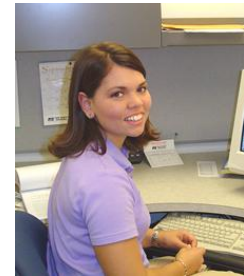
Brian Hazard
CPA, Partner



Jodi Reinhardt
Senior Accountant



Sue Rochfort-Perterson
Senior Accountant



Becky Fiebig
Accountant



Dan Drabek
CPA



Mandie Fritz
CPA



Sarah Dahlman
Accountant



Laura Kramer
Accountant

Dairy Advantage Office
7274 Hartley St
Pigeon, MI 48755

Phone: 989-453-3122
email@nfcpa.com
www.nfcpa.com

