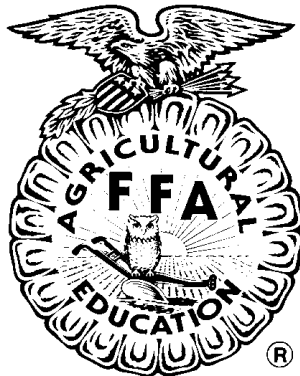

Garden State FFA Degree Handbook



For Use Beginning 2003-04

Developed by the New Jersey
Office of Agricultural Education
*Information taken from National FFA Organization
American FFA Degree Handbook*

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Do you qualify?

To receive the Garden State FFA Degree, you must meet the following minimum qualifications:

1. Must be current dues paid members of a chapter in good standing with the state association.
2. Must submit the application for the State FFA Degree to the Office of Agricultural Education by March 15 or the date indicated on the current state calendar of events.
3. Must have received the Chapter FFA Degree.
4. Must have been an active FFA member for at least two years (24 months) at the time of receiving the State FFA Degree.
5. Must have completed the equivalent of at least two years (360 hours) of systematic school instruction in agricultural education at or above the ninth grade level, which includes a supervised agricultural experience program.
6. Must have earned and productively invested at least \$1,000, or worked at least 300 hours in excess of scheduled class time, or a combination of thereof, in a supervised agricultural experience program.
7. Must have demonstrated leadership ability by:
 - a. Performing 10 procedures of parliamentary law.
 - b. Giving a six-minute speech on a topic relating to agriculture or the FFA.
 - c. Serving as an officer, committee chairperson, or participating member of a chapter committee.
8. Must have a satisfactory scholastic record as certified by a school administrator.
9. Must have participated in the planning and completion of the chapter POA.
10. Must have participated in a minimum of 5 events above the chapter level.

SAE Programs

Supervised Agricultural Experience programs are planned, practical activities conducted outside of class time that help students develop and apply agricultural knowledge and skills learned inside the classroom. These activities can include entrepreneurship, placement (paid or unpaid), exploratory or research/experimentation. Developing an SAE into a successful program takes time and planning. SAE programs also involve goal setting because they take time to grow and develop.

Entrepreneurship

With this type of program, you own and manage a production agriculture or agribusiness enterprise. You have personal ownership and assume all risk of the materials and make all the required business decisions. You may develop your ownership program on a farm or ranch, in an agribusiness at a home site, a school or community facility, provided that you own the materials.

Placement

In a placement type of SAE program, you can work in agribusiness or obtain experiences at school laboratories, research or community facilities and farms or ranches. You can work for a paid or unpaid experience.

Experimentation/Research

An experimentation/research based SAE requires that you use the scientific method or scientific processes to investigate agricultural phenomenon and conduct experiments to test various agricultural theories or possibilities. You could conduct a directed lab experience in a school or community facility to gain practical, hands-on-experience needed to enter and advance in a chosen occupational field in agriculture. However, you would not own the facility where you are placed.

Exploratory

Exploratory SAE activities are designed primarily to help students become literate in agriculture and/or become aware of possible careers in agriculture. Exploratory SAE activities are appropriate for beginning agricultural students but are not restricted to beginning students.

State Star Awards

Outstanding members at the state degree level are selected as Star Award winners. The National FFA Foundation sponsors the award plaques and medals. The following are descriptions of the Star Awards:

State Star Farmer

Outstanding achievement in a production agriculture SAE and active participation in FFA is recognized with the State Star Farmer award. Each year, state associations select one member from the top applicants for the State FFA Degree. The National FFA Foundation provides a \$300 cash award.

State Star in Agribusiness

This award is similar to the State Star Farmer award except that the member's SAE program must be in agribusiness rather than production agriculture. The top applicant for the State FFA Degree in an agribusiness in each association is recognized as the State Star in Agribusiness. The National FFA Foundation provides a \$300 cash award to recognize achievement in agribusiness and active FFA involvement.

State Star in Agricultural Placement

This award will be presented to the FFA member who has an outstanding placement SAE program. The member's placement experience may be in the areas of production agriculture, agribusiness or directed laboratory that is not agriscience or natural resource based. The National FFA Foundation provides the State Star in Placement a \$300 cash award.

State Star in Agriscience

The top applicant for the State FFA Degree whose SAE program is based in natural resources or agriscience is eligible for this award. The member's SAE program may be an entrepreneurship or placement type program. The placement hours do not have to be paid hours, but the member must meet the earnings and investment requirements for the degree. The National FFA Foundation awards a \$300 cash award to the recipient of the State Star in Agriscience.

Tips for Completing Your Application

1. Read all instructions before you begin. Review the glossary to gain a better understanding of the terminology used throughout this handbook.
2. Complete the application using information as of January 1 of the year in which you are seeking the degree. Do not include achievements accomplished or inventory acquired after this date. For example, if you are applying for this degree in 2004, do not include information from 2004. Only information from December 31, 2003 and before should be entered.
3. Use the latest revised application forms. (You can download the latest version of the application for free from the New Jersey Agricultural Education website at <http://www.state.nj.us/agriculture/rural/stguide/14.007.xls>)
4. Applications are due to the state office by March 15 or the date in the current state calendar of events.
5. Obtain the required signatures on the application in the proper places.
6. Review your application for spelling and grammatical errors.
7. Verify that the figures you used are true. You may round them to the nearest dollar.
8. Include only YOUR share of inventory, income and net worth in the application if your SAE programs involve other family members.

A Step-By-Step Approach

The following instructions correspond with the cover page of the Garden State FFA Degree application.

1. **Name** – Enter the name exactly as you want it on a certificate.
2. **Chapter Name** – List the complete name of your chapter.
3. **Chapter #** - Enter the chapter number using the proper format, i.e. NJ0097.
4. **Home Address** – You will be sent mail at this address. Include the appropriate post office box number and/or street name and number, town, state and zip code.
5. **School Address** – FFA advisor(s) and/or other school officials will be sent mail at this address. Include the appropriate post office box number and/or street name and number, town, state and zip code.
6. **Home Telephone** – Include the area code and confirm the number.
7. **School Telephone** – Include the area code and number where your advisor(s) and/or other school officials can be reached.
8. **Parent and Guardian Information** – Include the name, occupation and relationship of your parent and/or guardian.
9. **Chapter Advisor(s)** – Include the complete name of each current FFA Advisor.
10. **Personal Information** –
 - a. *Date of Birth*: Give the month, day and year of your birth (MM/DD/YY).
 - b. *Current Age*: Provide your age as of your last birthday.
 - c. *Years of Agricultural Education Completed in High School*: Indicate the number of years completed at the time of filling out this application.
 - d. *Years of Agricultural Education Offered in High School*: Indicate years, not semesters that your school offers.
 - e. *Date of Graduation*: Indicate the month and year you are expecting to graduate or have already graduated (MM/YY).
 - f. *Year FFA Membership Began*: Indicate the year your membership began (YYYY).
 - g. *Date Received Chapter Degree*: Indicate the date you received the Chapter FFA Degree (MM/DD/YY).
 - h. *Have You Paid All State and National FFA Dues?*: Enter “yes” if you have paid all state and national dues. Enter “no” if you have not paid all state and national dues.
 - i. *Have You Maintained Membership for the past 24 months?*: Enter “yes” if you have maintained membership for the past 24 months. Enter “no” if you have not maintained membership for the past 24 months.
 - j. *Date Began Supervised Agricultural Experience*: Indicate the Month and Day your project began as well as the Year. This is important to fill because it will be transferred to other pages of the application.
11. **Signatures** – Acquire the appropriate signatures in order to certify your application.

The following instructions correspond with PAGE 2 of the Garden State FFA Degree application.

I. Candidate's Supervised Agricultural Experience Program (Supervised Agricultural Experience Program by Year)

Year

This area is for the specific calendar year in which you conducted the program. This information will automatically transfer from the cover page.

Summary of Entrepreneurship, Placement, and/or other SAE (Enterprise, Description, Size, Title, Site, Hours, etc.)

This area is for a statement that describes the type of the business, entrepreneurship, placement or experiment that you conducted. Provide a complete description for each year you conducted an enterprise. DO NOT include information from year of applying for the degree.

Examples:

- Worked for Hal's Nursery for 650 hours
- Raised 25 meat rabbits
- Conducted research at state park on wildlife habitats, 25 hours non-paid
- Raised 12 head of breeding ewes

The following instructions correspond with PAGE 3-4 of the Garden State FFA Degree application.

II. Income, Expense and Hours Summary of Supervised Agricultural Experience Program of Candidate (do not include ownership/entrepreneurship SAEs in this section)

Year

This area is for the calendar year in which you conducted your program. This information is already programmed into the application.

Job Title, Type of Work and/or Other SAE Description

This area is for a brief description of the work you do or the actual title assigned to the job you perform.

Examples:

- Assistant greenhouse manager
- Milker
- Field research assistant
- Web site designer
- Floral designer
- Nursery sales clerk
- Park attendant
- Hunting guide
- Park volunteer
- Wildlife habitat research

- Transplanting and potting plants
- Cleaning fish ponds

Total Hours Worked

This area is for both paid and unpaid hours of work

Unpaid (A)

This area is for the number of hours you worked during which the only compensation you received was the experience you gained.

Examples:

- Home improvement
- Unpaid work on home farm
- School lab
- Volunteer work in an agriculture field
- Research/experimentation

Paid (B)

This area is for the number of hours that you worked for payment or wages.

Total (C)

In this area, the computer will automatically add your paid and unpaid hours of work (completed through your SAE program) that are directly related to the Garden State FFA Degree application.

Gross Earnings (D)

This area is for the entire salary you earned before payroll deductions for income taxes, social security or other benefits.

Total Expenditures (E)

The figure reported in this column is for the expenses associated with your gross income from this job title or work such as uniforms, safety equipment, employment agency fees, union dues, special tools and equipment you provide.

Net Earnings (F)

Net earnings is the difference between gross earnings and total expenditures and equals the money leftover and available to compensate you for your labor or management. To determine this value, subtract **column E**, Total Expenditures, from **column D**, Gross Earnings, to determine Net Earnings reported in **column (F)**. The computer will automatically calculate this for you.

Totals for Year 1, 2, 3, etc.

To determine this value, total the columns labeled Unpaid, Paid, Total, Gross Earnings, Total Expenditures and Net Earnings for each year covered by your application. The computer will automatically calculate this for you.

Grand Totals

You can calculate the grand total of the Unpaid, Paid, Total, Gross Earnings, Total Expenditures and Net Earnings columns by adding together the totals for each year. The computer will automatically calculate this for you.

The following instructions correspond with PAGE 5-7 of the Garden State FFA Degree application.

III. Candidate's Inventory Statement (candidate's share only)

The inventory statement is an important document for your business. Since an inventory increase is considered income, and an inventory decrease as an expense, you need an accurate inventory statement to determine your true financial situation. A large agriculturally-related inventory indicates that you are making excellent progress in becoming established in an agricultural career.

A. Candidate's investment in harvested and growing crops

This area includes crops owned solely or in partnership by you, those held for livestock feed or later resale and those crops unharvested or perennial crops that maintain a field value. These crops must be in inventory as of December 31 of the year for which you submit an application.

Description

This area is for the specific type of crop you have in inventory such as oats, alfalfa hay, corn silage, apples, rose bushes, fruit trees or other perennial flowers, etc.

Quantity

This area is for the specific volume of each crop you have in inventory such as bushels, plants, acres or tons.

Value

This area is for the realistic on-farm market value used for each harvested crop. If you have crops still growing in the field or greenhouse, you need to assign a value equal to the cost of production you incurred on each crop at the time of inventory. You need to include both cash and non-cash expenditures.

Total

This area is for the total dollar value of all harvested and growing crops owned by you and in inventory as of December 31 of the year for which you submit an application.

B. Candidate's investment in feed, seed, fertilizer, chemicals, supplies, prepaid expenses and other current assets

This section includes consumable items of livestock feed and veterinary supplies; crop supplies like fertilizer, potting soil, pesticides and other supplies such as gas, oil, spare parts.

Description

This area is for the specific type of item you are inventorying.

Quantity

This area is for the individual number, pounds or other specific measurable amount of each item you have in inventory.

Value

This area is for the total monetary value of each item, which should be the same as the purchase price.

Total

This area is for the total dollar value of all the feed, seed, fertilizer, chemical and supplies you own in inventory as of December 31 of the year for which you submit your application.

C. Candidate's investment in merchandise, crops and livestock purchased for resale

This section is for inventoried items purchased for resale and owned by you as of December 31 of the year for which you submit an application.

Description

This area is for the specific items you are inventorying, such as purchased feeder cattle, feeder pigs or nursery and greenhouse merchandise, including bedding plants, trees, fertilizers, grass seed, etc.

Quantity

This area is for the individual number, pounds or other specific measurable amount of each item you have in inventory.

Value

This area is for the total monetary value of each item, which should be the same as the purchase price.

Total

This area is for the total dollar value of all items purchased for resale and owned by you as of December 31 of the year for which you submit your application.

D. Candidate's investment in raised market livestock and poultry

This section includes all the home-raised livestock and poultry owned by you as of December 31 of the year for which you submit an application.

Description

This area is for the specific type of item you are inventorying, such as feeder cattle, feeder pigs, broilers, turkeys or rabbits.

Quantity

This area is for the individual number, pounds or other specific measurable amount of each item you have in inventory.

Value

This area is for the total monetary value of each item, which should be a conservative on-farm value.

Total

This area is for the total dollar value of all items raised and in inventory as of December 31 of the year for which you submit an application.

*Inventories E,F,G,H and I identified below are Non-Current/Capital Assets ONLY.

E. Candidate's investment in non-depreciable draft, pleasure or breeding livestock and poultry

This section includes all draft, pleasure or breeding livestock and poultry owned by you as of December 31 of the year for which you submit an application. The animals included in this section have not reached their maturity value (the point at which they start to depreciate).

Description

This area is for the specific type of item you are inventorying such as dairy cows, bulls, calves, swine and small animals, including breeding rabbits, dogs, etc.

Quantity

This area is for the individual number of each item.

Value

This area is for total monetary value of each item, which should be a conservative on-farm value.

Total

This area is for the total dollar value of all farms of non-depreciable draft, pleasure or breeding livestock and/or poultry in inventory as of December 31 of the year for which you submit an application.

F. Candidate's investment in depreciable draft, pleasure or breeding livestock

This section is for all the depreciable livestock and poultry owned by you as of December 31 of the year for which you submit an application. The animals in this section have reached their maturity value and are declining in value.

Description

This area is for the specific type of item you are inventorying such as beef cattle, breeding swine, breeding rabbits and dogs.

Acquisition Cost (A)

This area is for the actual cash dollar cost to obtain the inventoried item. If you received the item through gift or inheritance, enter the words "gift" or "inheritance" in the acquisition column.

Depreciation Claimed to Date (B)

This value represents the total dollar value of the depreciation you claimed since you possessed the property.

Balance (A minus B)

This area is for the current value of items as of December 31 of the year for which you submit an application. To determine this value, subtract column B from column A.

Total

This area is for the total dollar value of all depreciable draft, pleasure or breeding livestock and poultry owned by you as of December 31 of the year for which you submit an application.

G. Candidate's investment in machinery, equipment and fixtures

This section is for all machinery and equipment personally owned by you as of December 31 of the year for which you submit an application.

List only that portion of the value of a truck that the IRS will allow as a legal business expense as a part of the investment in machinery and equipment. Enter the remaining value or personal share as "non-productively invested/personal non-current assets" on your financial balance sheet.

Description

This area is for a one- or two-word description or name of the specific piece of equipment or machinery you are inventorying.

Acquisition Cost (A)

This area is for the actual cash dollar cost to obtain the inventoried item. If you received the item as a gift or inheritance, enter the words "gift" or "inheritance" in the acquisition column.

Depreciation Claimed to Date (B)

This value represents the total dollar value of the depreciation you claimed since you possessed the property.

Balance (A minus B)

This value represents your investment in machinery and equipment you owned as of December 31 of the year for which you submit an application. You can calculate this value by taking the acquisition cost (A) minus the depreciation claimed to date (B).

Total

This area is for the total dollar value of all machinery, equipment and fixtures you owned as of December 31 of the year for which you submit an application.

H. Candidate's investment in depreciable land improvements, buildings and fences

This section is for all the buildings and land improvements, such as tiling, terracing and fencing, owned by you as of December 31 of the year for which you submit an application.

Description

This area is for a one- or two-word description of the specific land improvement or building you are inventorying.

Acquisition Cost (A)

This area is for the actual cash dollar cost to obtain the inventoried item. If you received the item as a gift or inheritance, enter the words "gift" or "inheritance" in the acquisition column.

Depreciation Claimed to Date (B)

This value represents the total dollar value of the depreciation you claimed since you possessed the property.

Balance (A minus B)

This value represents your investment in land improvements and buildings you owned as of December 31 of the year for which you submit an application. You can calculate this value by taking the acquisition cost (A) minus the depreciation claimed to date (B).

Total

This area is for the total dollar value of all land improvements and buildings owned by you as of December 31 of the year for which you submit an application.

I. Candidate's investment in land

This section includes all the land owned by you as of December 31 of the year for which you submit an application.

It is important to keep land values at acquisition cost. Increasing their values due to inflation will lead to an unrealistic earnings statement.

Description

This area is for a one- or two-work description that identifies the items of land utilized as a part of the SAE program.

Quantity

This area is for the actual number of acres of land you own.

Value

This area is for the actual cash dollar cost to obtain the inventoried item.

Total

This area is for total dollar value of all land owned by you as of December 31 of the year for which you submit an application.

The following instructions correspond with PAGE 8 of the Garden State FFA Degree application.

**IV. Income and Expense Summary of Entrepreneurship
Supervised Agricultural Experience Program**

This section accounts for all the income and expenses incurred by you to conduct your business or entrepreneurship during the time covered by your application.

Year

This area is for the specific calendar year (A), (B), etc. In which you conducted your entrepreneurship such as January 1, 2000 to December 31, 2000. Your first record year can be less than one full year. After the first year, you are required to enter the calendar year. The computer will automatically transfer your years to page 8.

1. Current/Operating Income

This section covers the money or something of value you received for products/services sold or exchanged for inputs into your SAE. (You should not include any income from the sale of non-current/capital items in this section.)

a. Closing Current/Operating Inventory

Current/Operating inventory includes all the items that normally have a useful or intended “life” in your SAE for 12 months (Market livestock such as steers are an exception to this 12-month standard). You should include all personal, non-capital property in the inventory, including items such as merchandise held for resale, crops held for feed or sale, investments in growing crops, market animals, etc. Closing inventory is what you have on hand as of December 31 of each year of records.

Do not include capital goods, such as animals held for dairy, draft or breeding, machinery, equipment, fixtures, land, buildings and other capital goods, as a part of the inventory on line 1a. Use these items in calculating non-current/capital inventories in section 4.

An inventory change can be either an increase (positive) or decrease (negative). When it is an increase, it adds to income; when it decreases, it reduces income.

The “beginning inventory” for each year must be equal to the “closing inventory” for the prior year.

b. Beginning Current/Operating Inventory

See Closing Current/Operating Inventory above for a description of current/operating inventory. Beginning inventory is what you have on hand as of January 1 (this date may vary for your first year).

c. Change in Current/Operating Inventory (a-b)

This figure is the amount your inventory increased or decreased during the year. To find a change, subtract the beginning current/operating inventory from closing current/operating inventory (a minus b).

d. Cash Sales

This amount represents the cash received from the sale of all livestock, crops, products and miscellaneous income or services provided through that portion of your SAE program for which you seek recognition. This figure does not include the sale of capital items.

Examples:

Cash sales can include milk, live animals, sod, Christmas trees or crops sold; stud services; livestock rental for rodeo shows; animal training, campground and hunting fees; vacation cabin rentals; sales from items fabricated in manufacturing shops; contracts for raising dairy heifers; as well as cash premiums received at livestock and crop shows and fairs and other activities. You should include as part of cash sales any cash income earned from activities related to your SAE program.

e. Value of Products Used at Home

This area is for the fair market value for butchered livestock, milk, fruits, vegetables, flowers, plants, eggs, poultry and fish produced by your SAE program and consumed in the home.

f. Value of Production Transferred or Bartered

This area includes the fair market value of items produced by, but transferred or traded out of your SAE program.

Example #1:

You transferred bedding plants from your greenhouse business to landscape your parents' home. You did not charge your parents for the plants. If the plants were valued at \$50, you enter that amount in line 1f.

Example #2:

You traded a market hog to your father for \$110-worth of corn for feed for your hogs. No money changed hands. You should include the value of the market hog (110) as value of production transferred or bartered on line 1f and list the \$110 worth of corn as a non-cash feed expense on line 2c.

g. Value of Agricultural Labor Exchanged for Non-Cash Operating Expenses

When you exchange agricultural labor for non-cash operating expenses included as part of your SAE program, you should report the fair market value of your labor (equal to the non-cash expense value of the item for which you exchanged your labor) on line 1g.

Example:

You worked in building a corral fence for the neighbor in exchange for 300 bales of hay for your beef entrepreneurship included in your SAE. You need to include the value of the hay (\$600) as a non-cash feed expense (line 2c) and the same amount on line 1g.

h. Total Current/Operating Income

The value is the sum of 1c+1d+1e+1f+1g. The computer will automatically sum this value.

2. Current/Operating Expenses

This section represents the cash and non-cash business costs associated with owning and operating your entrepreneurship.

a. Current/Operating Inventory Purchased

This area is for expenses for purchased goods that you intend to resell later.

Example:

- Bedding plants bought from a wholesaler for retail sale in the florist shop
- Vegetables bought from a neighbor for resale in a roadside market
- Beef sides bought for resale to locker plant customers
- Purchased market animals or nuts and bolts bought for resale to farm customers

b. Cash Current/Operating Expenses – Feed

This area is for the amount of cash you paid for grains, forages, pastures, supplements and other feeds used with your animal/poultry entrepreneurships.

c. Non-Cash Current/Operating Expenses – Feed

This area is for the fair market value for all feeds obtained through barter, exchanged for labor, gifts or other means and used with your animal/poultry entrepreneurship. Include the fair market value for all home-grown feeds fed that you produced in a crop enterprise.

Example #1:

You traded three bred gilts to neighbor in exchange for 225 bushels of corn valued at \$600. This is an example of “bartering.” You should record the \$600 on line 2c as a “Non-cash Current/Operating Expense – Feed.” You should also record the value of the gilts as operating income on line 1f (above) as “Value of Production Transferred or Bartered.”

Example #2:

You received 900 bushels of corn from your father in exchange for summer labor estimated value of \$2400. You should record the \$2400 on line 2c as “Non-cash Current/Operating Expense – Feed” and also on line 1g as “Value of Agriculture Labor Exchanged for Non-Cash Operating Expenses.”

Example #3:

You received, as a gift from your brother, a half ton of high quality alfalfa hay, estimated value of \$75, for goat ration. You should record the \$75 on line 2c as a “Non-cash Operating Expense – Feed” and also on page 11, line 22c as “Income other than earnings.”

d. Cash Current/Operating Expenses – Other

This amount represents the cash costs associated with all of your enterprises other than feed for your livestock/poultry entrepreneurship. It includes the cash expended for fertilizer, seed, chemicals, fuel, lubrication, hired labor, land rent or interest on borrowed money. It can include other cash miscellaneous expenses incurred with your livestock/poultry, crop or forestry entrepreneurship, veterinary and animal health costs or bedding and registration fees. It also includes costs for business supplies, insurance, telephone, advertising, machinery rent, custom hire, building repair and maintenance, equipment, fences, fixtures, and other day-to-day expenses of operating a business. DO NOT include merchandise purchased for resale. Record all expenses associated with items purchased for resale in the “Current/Operating Inventory Purchased” expense category on page 8, line 2a.

e. Non-Cash Current/Operating Expenses – Other

This area is for the fair market value of expense items similar to those listed under “Cash Operating Expenses – Other,” but obtained through barter, exchanged for labor or gifts and/or other non-cash means. Refer to examples provided under the section “Non-cash Operating Expense – Feed” to learn how to report these transactions.

f. Total Current/Operating Expenses

This value represents the sum total of lines 2a+2b+2c+2d+2e.

3. Net Current/Operating Income (1h minus 2f)

This amount is the difference between Total Current/Operating Income and Total Current/Operating Expenses. You can calculate it by subtracting Total Current/Operating Expenses on line 2f from Total Current/Operating Income on line 1h.

4. Non-Current/Capital Transactions

This section covers the all depreciable property such as equipment; machinery; fixtures; dairy, draft, pleasure, and other breeding livestock; as well as non-depreciable land.

a. Closing Non-Current/Capital Inventory

This value is the ending inventory on all capital items, including non-depreciable land, as of December 31 of each calendar year. The ending value should equal the depreciated book value of depreciable assets and the acquisition cost of land.

It is important to keep land values at their acquisition cost. Increasing their values due to inflation will lead to an unrealistic earnings statement.

All machinery, buildings, fixtures and equipment values must reflect the remaining non-depreciated book value or equal the acquisition cost minus depreciation.

Adjust the remaining book value and estimated years of life of equipment or buildings, whose value and service life has been extended through extensive repairs, to reflect the added value. Use only the actual cost of repairs to calculate the new value, not the cost or your own labor. Include the cost of these repairs only on line 4d, "Non-Current/Capital Purchases." Do not include this amount on line 2d, "Cash Current/Operating Expenses – Other."

b. Non-Current/Capital Sales

In this section, record the sale price received for a capital asset such as a tractor; dairy, draft or breeding animals; loader; trailer; display case; truck; building or other similar assets sold, but not traded. Include only that portion of the item used in your SAE program.

Example:

You sell a trailer, which you used 25 percent of the time in a landscape nursery entrepreneurship and 75 percent for personal use, for \$400. You can include only \$100, or 25 percent of \$400, as a capital sale.

c. Beginning Non-Current/Capital Inventory

Beginning inventory is the value of all capital items, including non-depreciable land, as of January 1 of each calendar year. The ending value of one year equals the beginning value of the subsequent or next year.

If you used your personal car or pickup truck in your business, the Internal Revenue Service (IRS) will allow a reasonable proportion of your ownership costs as a business expense. You must follow all current IRS rules on this issue.

d. Non-Current/Capital Purchases

This amount is the total purchase price paid for all machinery, fixtures, equipment, buildings, land and its improvements, including purchased dairy, draft and breeding animals. Include items acquired by trade of another capital asset, where only the cash “boot” paid, as a capital expense.

e. Net Capital Transactions (a+b minus c minus d)

The value of net capital transactions is a combination of depreciation and the gain or loss on the sale of capital items. To calculate Net Capital Transactions, first add lines 4a and 4b; then subtract line 4c from this total; then subtract line 4d from this value.

5. Return to Capital, Labor and Management (3+4e)

This section determines how much profit your business generated from the use of labor, management and capital. The value reflects the available money that remains to compensate you, the operator, for your investment in capital, labor and management. You can calculate Return to Capital, Labor and Management by adding Net Current/Operating Income, line 3, plus line 4e, Net Capital Transactions.

6. Total Return to Capital, Labor and Management (5A+5B+5C+5D+5E+5F+5G)

This amount represents the difference between “Total Income” and “Total Expense” from your entrepreneurship SAE. This value reflects the available money that remains to compensate you for your investment in capital, labor and management. Calculate this total by adding lines 5 column A through G.

7. Hours Worked for Year in Entrepreneurship (unpaid hours only)

This section is where you enter the unpaid hours you worked in your entrepreneurship program.

The following instructions correspond with PAGE 8 of the Garden State FFA Degree application.

V. Candidate’s Financial Balance Sheet (candidate’s share only)

This is a list of assets and liabilities of an individual business. Assets minus liabilities equals equity/net worth.

A. Assets

This section covers anything of value that you owned and used to conduct your SAE program, as well as to qualify for the Garden State FFA Degree.

1. Current/Operating Assets

This category includes cash, money in a checking account and other assets that you own that you can convert into cash within one year without disrupting your business.

Examples:

- Savings Account
- Checking Account
- Nursery stock – trees and shrubs
- Bedding plants
- U.S. savings bonds

- Fish food in inventory
- Tree fertilizer left over from last year
- Hay, 150 tons
- Accounts receivable on hay sold to Smith Farms
- Thirty 175-pound feeder pigs

a. Cash on-hand, checking and savings

This total is for items that you can readily convert into cash.

b. Cash value-bonds, stocks and life insurance

This is the actual cash value of any item turned into cash. You should include only the cash surrender value of a life insurance policy, not the face value. Remember that some life insurance policies have no cash value.

c. Notes and accounts receivable

This area deals with money others owe you for items you sold or services you provided. One example: You have sold 10 rabbits to your neighbor in December, but she has not paid you for two months. Until she pays you for the rabbits, list the value of the sales as an account receivable. Another example: You cared for your neighbor's yard while he was on vacation in November and December. When he returns in January, he plans to pay you for the service you provided. The cost for your yard service is an account receivable.

d. Current/Operating Inventory

Current/Operating Inventory includes all items that normally have a useful or intended "life" of 12 months in your SAE (Note: Market animals such as steers are an exception to the 12 month standard). Include all non-capital property, such as merchandise held for resale, crops held for feed or sale, investments in growing crops, market animals, etc. used in your SAE, in the inventory. Use your inventory of capital goods such as animals held for dairy, draft or breeding; machinery; equipment; fixtures; land and buildings in calculating Net Capital Transactions for lines 2a, 1-5.

1. Candidate's investment in harvested and growing crops.
Transfer this total from page 5.
2. Candidate's investment in feed, seed, fertilizer, chemicals, supplies, prepaid expenses and other current/operating assets.
Transfer this total from page 5.
3. Candidate's investment in merchandise, crops and livestock purchased for resale.
Transfer this total from page 5.
4. Candidate's investment in raised market livestock and poultry.
Transfer this total from page 6.
5. Total Current/Operating Inventory.
This total is the sum of all Current/Operating Inventory (d1+d2+d3+d4)

e. Subtotal – productively invested current/operating assets

This value represents the total dollar value for all your current assets beginning with the day you began your first SAE program, including the ending value as of December 31 of the year you are applying for the Garden State FFA Degree. This value equals the sum of (1a+1b+1c+1d5)

f. Non-productively invested personal assets

This value includes those assets owned by you, but are not part of an SAE such as your share of an auto or pickup truck, hunting and other sporting equipment, stereos, television, etc.

g. Total Current/Operating Assets (e+f)

This value represents the total of all current assets both productively and non-productively invested.

2. Non-Current/Capital Assets

This section deals with assets used in producing products that you usually do not sell and convert into cash during a time period of a year.

a. Non-Current/Capital Inventory

1. Candidate's investment in non-depreciable draft, pleasure and breeding livestock and poultry.
Transfer this total from page 6.
2. Candidate's investment in depreciable draft, pleasure and breeding livestock.
Transfer this total from page 6.
3. Candidate's investment in machinery, equipment and fixtures.
Transfer this total from page 7.
4. Candidate's investment in depreciable land improvements, buildings and fences.
Transfer this total from page 7.
5. Candidate's investment in land.
Transfer this total from page 7.
6. Subtotal – Productively Invested Non-Current/Capital Assets
(a1+a2+a3+a4+a5)
This amount represents the total dollar value for all your productively invested non-current assets beginning with the first day of your SAE program, including the ending value as of December 31 of the year you are applying for the Garden State FFA Degree.

b. Non-productively invested personal non-current/capital assets

This amount is the total dollar value for all your non-productively invested personal non-current assets, including your share of any automobiles, motorcycles, boats, etc.

c. Total Non-Current/Capital Assets

This total equals line 2a6+2b.

3. Total Productively Invested Assets

This total equals line 1e+2a6.

4. Total Non-Productively Invested Assets

This value represents the total dollar value for all of your non-productively invested non-current assets, plus your non-productively invested/personal non-current assets. This total equals line 1f+2b.

5. Total Assets (3+4)

This amount represents the total dollar value of all your assets, including “Total Productively Invested Assets” and “Total Non-Productively Invested Assets.” This value equals line 3+4.

B. Liabilities and Equity

6. Current/Operating Liabilities

This section deals with liabilities that you must pay within the year.

a. Accounts and notes payable

This value includes operating loans, accrued taxes, accrued rent, lease payments, interest on liabilities up to the balance sheet date as well as principal on non-current liabilities due within 12 months.

Example:

- Charge account, gas – Good’s Gas Station
- Fourth quarter previous tax estimate – due on January 15
- Feed bill at Cyclone Cooperative
- Veterinary invoice at Whirlwind Vet Service
- Student school fees past due
- Insurance premium past due
- Interest due in current calendar year on greenhouse, barns, pickup, land, etc.

b. Current/operating portion of non-current debt

This area deals with liabilities that are not due within a year. Formerly classified as intermediate (one to 10 years) and long-term (more than 10 years) liabilities, this category includes the remaining balance you owe on the principal on items such as equipment, machinery, breeding livestock, buildings, land and nursery stock.

c. Subtotal – current/operating liabilities associated with productively invested assets

This value represents the total current portion of your liabilities associated with productively invested assets. You can calculate this value by adding lines 6a+6b.

d. Current/operating liabilities associated with non-productive personal assets

This value represents your current liabilities on non-productive/personal assets (assets not used with your SAE) such as life insurance premiums, interest on personal credit cards and automobile loans, etc.

Example:

You have a chattel mortgage of \$9,000 for a new pickup truck that is not used for your SAE and is payable over a four-year period. You must pay \$2,400 on the principle this next year, which is recorded on line d. The remaining \$6,000 becomes a non-current liability on line 8e.

7. Total Current/Operating Liabilities

This value includes both your current liabilities associated with productively invested and your non-productively/personal assets. This total equals lines 6c+6d.

8. Non-Current/Capital Liabilities

This section deals with non-current liabilities that are not due within a year. Formerly classified as intermediate and long-term liabilities, these items have a useful life of more than one year and are used by you to produce a product or service.

a. Notes and chattel mortgage

This is the amount you still owe on assets used with your SAE business or entrepreneurship, including commodity credit loans on stored grain; personal loans for machinery, equipment and tools purchased as well as chattel mortgage on dairy cows, tractors or other pieces of equipment. You can determine this amount by subtracting the current portion from the total non-current liability.

b. Real estate mortgages, contracts

This is the amount you still owe on long-term business or entrepreneurship assets, including loans for land and its improvement such as terraces, tiling, buildings and fences. You can determine this amount by subtracting the current portion from the total non-current liability.

c. Other non-current/capital liabilities

This is the amount you still owe on items not covered in lines a or b and is determined by subtracting the current portion from the total non-current liability.

d. Subtotal – non-current/capital liabilities associated with productively invested assets

This value represents the total liabilities you own as productively invested assets and is determined by adding “Notes and chattel mortgages,” “Real estate mortgages and contracts” and “Other non-current/capital liabilities” (lines 8a+8b+8c).

e. Non-current/capital liabilities associated with non-productive personal assets

This is the total you still owe on personal assets, including the amounts owed on your share of a vehicle and life insurance premiums. You obtain non-productive/personal loans on items generally not utilized in your SAE.

f. Total non-current/capital liabilities

This value is determined by adding “Non-current/capital liabilities associated with productively invested assets” and “Non-current/capital liabilities associated with non-productive/personal assets” (lines 8d+8e).

9. Total Liability on Productive Assets

This amount equals “Subtotal – current/operating liabilities associated with productively invested assets” plus “Subtotal – non-current/capital liabilities associated with productively invested assets” (page 10, line 6c+8d).

10. Total Liability on Non-Productive Personal Assets

This value represents your “Current/operating liabilities associated with non-productive/personal assets” plus “non-current/capital liabilities associated with non-productive/personal assets” (page 10, lines 6d+8e).

11. Total Liabilities

This amount represents the total financial commitments owed by you and is determined by adding the “Total Liability on Productive Assets” with “Total Liability on Non-Productive Personal Assets” (page 10, lines 9+10)

12. Owner’s Equity/Net Worth

This value is the same as net worth and is determined by subtracting liabilities from assets.

a. Productively invested

This value is determined by subtracting your “Total Liability on Productive Assets” from your “Total Productively Invested Assets.” This is the equity that you have in those items necessary to operate your business successfully (page 9/10, lines 3 minus 9).

b. Non-productively/personally invested

This amount is determined by subtracting your “Total Liability on Non-Productive/Personal Assets” from your “Total Non-Productive Invested Assets.” It represents the equity that you have in such things as household furniture, sporting equipment, your share of an automobile or pickup truck, the cash value of personal life insurance policies, etc. (page 9/10, lines 4 minus 10).

c. Total Owner’s Equity/Net Worth

This amount is determined by adding “Productively invested” and “Non-productively/personally invested” assets. It represents what you are worth if everything you own is turned into cash (page 10, lines 12a, column B+12b column A).

11. Change in Productively Invested Owner’s Equity

This section shows the progress that you have made in accumulating productively invested equity during the years covered by your application. You can determine this amount by subtracting the “Productively invested” Ending Value at End of Last Complete Record Year (B) from the “Productively invested” Beginning Value on Date Entered Ag (A) (page 10, 12a, column B minus 12a, column A).

14. Change in Non-Productively/Personal Invested Owner’s Equity

This amount represents the progress that you have made in accumulating non-productively invested/personal equity during the years covered by your application. You can determine this amount by subtracting the “Non-productively/personal invested” Ending Value at End of Last

Complete Record Year (B) from the “Non-productively/personally invested” Beginning Value on Date Entered Ag (A) (page 10, 12b, column B minus 12b, column A).

15. Gain or Loss in Owner’s Equity

This amount represents the total change in your equity over the years covered by your application. You can determine this amount by adding “Change in Productively Invested Owner’s Equity” and the “Change in Non-Productively/Personal Invested Owner’s Equity” for the Ending Value at End of Last Complete Record Year (page 10, 13+14).

16. Working Capital

This is the amount of funds you will have available if you sell your current assets and pay all your current liabilities (page 9, 1g minus line 7).

17. Current Ratio

This value describes the extent to which your current assets cover your current liabilities. For example, a ratio of 2:1 means that you have two dollars of current assets for each dollar of liability (page 9, 1g divided by line 7).

18. Debt-to-Equity Ratio

This ratio describes the extent to which your debt capital is being combined with your equity capital. This ratio shows the relationship between the amount your business owes to others (debt) and the amount you claim as your own (equity) (page 10, line 11 divided by 12c).

C. Summary of Productively Invested Capital

This section deals with the total value of all assets that you have invested, including educational costs. This is a factor evaluators used to determine if you have met one of the constitutional qualifications to receive the degree.

19. Supervised Agricultural Experience Program Equity

This amount represents that portion of your assets that was generated as a result of your SAE program.

a. Total of productively invested equity

This is the value that you determined on page 10, line 12a, column B. All you need to do is simply transfer that total here to help you to determine “Total productively invested equity.”

b. Total education expenses

Today, you can become successfully established in many agriculturally related occupations without acquiring physical ownership of land, equipment and facilities. To help you if you have this type of SAE, the National FFA Board of Directors has determined that you can claim educational expenses such as tuition, registration fees and books as a productively invested asset in meeting the requirements. To be eligible, you must have expended the amounts used for tuition, registration fees and books from your own funds.

c. Total productively invested equity

This value is the total of all your assets, which can, for the purposes of the Garden State FFA Degree application, be considered productively invested at the time you apply for the American FFA Degree. You can determine this total by adding “Total productively invested equity” from the Supervised Agricultural Experience program and the “Total educational expenses” (page 11, lines 19a+19b).

20. Total Non-Productively/Personally Invested Equity

This value represents the equity that you have in items, such as furniture, sporting equipment, your share of an automobile or a pickup truck not used in your SAE and the cash value of personal life insurance policies. You calculated this amount on page 10, line 12b, column B. You can simply transfer the total here to help you in determining the “Total Qualifying Productively Invested Equity.”

21. Total Equity

This value represents your total equity, including those educational items that the FFA Board of Directors has determined you can claim as productively invested assets in meeting the productively invested constitutional requirement for the Garden State FFA Degree (page 11, lines 19c+20).

22. Non-Supervised Agricultural Experience Program Income

You must have earned and productively invested at least \$1,000 from your SAE program to meet one of the constitutional qualifications for the Garden State FFA Degree. Due to the influence non-SAE earnings (both agriculturally- and non-agriculturally related) and other income can have on your net worth, you must identify all cash and non-cash income that you received, but not as a part of the SAE program. You then need to subtract this amount from your total earned and invested equity to determine the amount that you actually earned and invested as a direct result of your Supervised Agricultural Experience program.

You cannot use income received from sources other than your SAE program to meet the constitutional qualifications of \$1,000 earned and productively invested.

a. Candidate’s earnings and income from agricultural activities not part of an SAE

This section allows you to identify all other sources of agricultural-related income that you did not include as a part of the SAE program. Examples include non-cash items such as supplies, buildings and equipment earned through barter or exchange for labor, but not a part of your SAE; wages earned working for someone else, but not included as a part of the SAE; and earnings from custom work not part of your SAE.

b. Earnings from non-agricultural activities

Income you received from non-agricultural activities also has an influence on your financial statement. Report any earnings you received, in addition to agricultural-related income, in this area.

Examples:

- Babysitting
- Working as a store clerk
- Serving as a wait person
- Obtaining an allowance for non-agricultural work
- Delivering newspapers

c. Income other than earnings

Gifts, interest on savings, inheritances and awards (whether cash or non-cash) also have an influence on your financial statement. List each gift, inheritance or award that you received during the years covered by your application in this area.

Examples:

- Inheritance of five acres of land
- State Turf and Landscape Management Award (\$25.00)
- A 129-piece set of hand tools
- Interest on savings account
- Scholarships toward university education

d. Total non-supervised experience program income

This value represents the sum total of all income earned or received by you from agricultural activities not related to your SAE program and earnings from non-agricultural activities or sources (page 11, lines 22a+22b+22c).

e. Total other personal expenses (including taxes and FICA)

This information is needed if you finance your personal living expenses, including rent, electricity, food, auto expenses, health care or other personal-type expenditures. You need to include taxes and FICA payment in this area.

f. Net non-supervised experience program income

This value represents the non-supervised agricultural experience program income that is available after you deduct the funds for your personal expenses (page 11, line 22d minus 22e).

23. Total Qualifying Productively Invested Equity

For you to meet the \$1,000 Garden State FFA Degree constitution requirement based on income only, the figure in this space must be at least \$1,000. You can determine this figure by subtracting “Net non-supervised experience program income” from “Total productively invested equity” (page 11, line 19c minus 22f).

24. Value of Unpaid Labor

If you are unable to invest \$1,000 because of the nature of your SAE program, the National FFA Constitution makes an allowance for you. You can use any combination of unpaid hours times 3.33 to make up the difference between what you actually invested and what you need to meet the constitutional requirement. To obtain this value, take the “Grand Total” figure from page 4, column A, and multiply it by 3.33. If line 24 is zero, line 23 must be equal to or exceed \$1,000.

25. Adjusted Qualifying Productively Invested Equity

This value represents your total productively invested equity plus the dollar value of unpaid labor.

D. Summary of Sources and Use of Funds

This section of your application is designed to allow you to summarize the sources and use of all funds generated over the years covered by your application. This summary provides a valuable tool in evaluating the accuracy of your financial information and in visualizing the total investment you made to become established in an agricultural occupation.

26. Earnings from Supervised Agricultural Experience Program

This value represents the money you have earned from your SAE experience. (It is not the same as money you invested.)

a. Candidate's return to capital, labor and management

You recorded this information previously on page 8b. The computer will automatically transfer this figure (page 8b, line 6 column H).

b. Grand total net earnings from wage earnings

This value represents the difference between "Gross Earnings" and "Total Expenditures" from your wage earning supervised agricultural experience program. You recorded this information previously on page 4. The computer will automatically transfer this figure (page 4, Grand Total Net Earnings column).

c. Total SAE Earnings

This value is determined by adding "Candidate's return to capital, labor and management," and the "Grand total of net earnings from wage earnings" (page 11, line 26a+26b).

d. Value of unpaid labor

This value is the same amount as recorded on page 11, Line 24.

e. Adjusted total SAE earnings

This is the sum of page 11, line 26c+26d.

27. All Other Earnings and Income

In this section, you should include all earnings and other cash and non-cash income such as interest on savings, gifts or inheritances that were not a part of your SAE program because it will have an influence on your financial statement.

a. Candidate's earnings and income from agricultural activities not part of the SAE

Automatically transfers the total from page 11, line 22a to this space.

b. Total agricultural related earnings

This is the sum of page 11, lines 26c+27a.

c. Earnings from non-agricultural activities

Automatically transfers the total from page 11, line 22b to this space.

d. Income other than earnings

Automatically transfers the total from page 11, line 22c to this space.

e. Total non-agricultural related earnings

This is the sum of page 11, line 27c+27d.

f. Total source of funds

This is the sum of page 11, line 27b+27e.

28. Use of Funds

a. Total educational expenses

Automatically transfers the total from page 11, line 19b to this space.

b. Total other personal expenses (including taxes and FICA)

Automatically transfers the total from page 11, line 22e to this space.

c. Total use of funds for personal expenditures

This is the sum of page 11, line 28a+28b.

29. Maximum Possible Increase in Owner's Equity

This value represents the difference between the total funds you received during the years covered by your application minus the total identified use of those funds (page 11, line 27f minus 28c).

Due to unaccounted use of funds, your increase in Owner's Equity may be less than, but under no circumstances can it be greater than the sum total of the following:

- Your return to capital, labor and management (page 11, line 26a);
- Total agricultural related earnings (page 11, line 26b);
- Candidate's earnings and income from agricultural activities not a part of the SAE (page 11, line 27a);
- Earnings from non-agricultural activities (page 11, line 27c);
- Income other than earnings (page 11, line 27d).

In short, your increase in Owner's Equity may not be greater than the sum from page 11, 26a+26b+27a+27c+27d.

30. Gain or Loss in Owner's Equity

Automatically transfers total from page 10, line 15, column B.

The following instructions correspond with PAGE 13 of the Garden State FFA Degree application.

VI. Candidate's Leadership and FFA Activities

A. Parliamentary Procedure Demonstrated by Candidate (must have completed 10 different procedures)

Description of Procedure Demonstrated

This area is for a brief description of a procedure demonstrated by the candidate.

Example:

Main Motion

Rescind
Amendment
Limit Debate

Location

This area is where you indicate the place you demonstrated the procedure.

Example:

Chapter Meeting
Parliamentary Procedure Contest

Year

This area is where you would indicated the year you demonstrated the procedure. The year must be entered in the four-digit format (i.e. 2003).

B. 6 Minute Speech on Agriculturally Related Topic Given by Candidate

Speech Topic/Title

This area is where you would indicate the topic or the title of the speech you presented.

Location

This area is where you would indicate the year you presented the speech.

Length

This area is where you would indicate the length of the speech. It must be 6 minutes or more in order to meet qualifications.

Date

This area is where you would indicate the date you presented the speech. The date must be in the following format, MM/DD/YY.

C. Candidate's Leadership Roles (do not duplicate these items in letter D)

Name of Office Held, Committee Chair Held, or Committee Served On

This area is where you would indicate offices held, committee chairs held and/or committees served on.

Example:

-Chapter Vice President
-Community Committee Chair
-FFA Week Committee Chair
-Fundraising Committee Member

Year Started

This area is where you would indicate the year your term started.

Year Finished

This area is where you would indicate the year your term ended.

D. Candidate's Participation in FFA Activities (must have participated in at least 5 activities above the chapter level)

Description of Event

This area is where you would indicate FFA activities you participated in. In order to meet the minimum qualifications for the state degree, you must have participated in at least 5 activities above the chapter level. An activity is defined as an event that is outlined in the chapter Program of Activities or in the state Calendar of Events. Filling out an application does not count as an activity. For events where several activities take place, only mark the major event. For example, when attending National Convention do not count attending sessions, leadership workshops, and career show as separate events; however, participation in a National CDE would be counted separately. If you participated in the same activity for more than one year, you must enter the activity on a separate line. Do not list the event and then enter a span of years. For example, if you attended the National FFA Convention in 2000, 2001 and 2002, National FFA Convention would be entered in three separate spaces. Do not enter it like, National FFA Convention 2000-02. If it is entered like this, it will only be counted once.

Level (Year)

This is where you would indicate the level and year the activity took place. If the activity was a chapter activity then the year would be entered in the "On Chapter Level" column. If the activity occurred on a state, regional or national level, the year would be entered in the "Above the Chapter Level" column. The year must be entered in the four-digit format (i.e. 2002).

E. Candidate's School and Community Activities

Name of Event, Activity or Organization

This is where you would indicate school and community activities you participated in.

Year Started

This area is where you would indicate the year your participation started.

Year Finished

This area is where you would indicate the year your participation ended.

F. Candidate's Awards, Honors and Achievements

Name of Award, Honor or Achievement

This area is where you would indicate any awards, honors and/or achievements you have received.

Year

This area is where you would indicate the year you received the award, honor and/or achievement.

Glossary

Accounts receivable – Money owed to your business for merchandise sold or services rendered

Accrue – To accumulate; to grow something

Acquisitions – items that a person purchases or receives

Acquisition cost – The price plus closing costs paid to purchase an item

Assets – Any item of value that is owned by a business or individual

Balance sheet statement – A statement of a business's financial status at any given date

Book value – The original value of an item minus the accumulated depreciation

Boot – Something given to equalize an uneven trade

Capital assets – Machinery, livestock, buildings and other assets that have a useful life of more than one year (See also “Non-current/capital assets” below)

Capital purchases and sales – The purchase or sale of machinery, livestock, buildings and other assets that have a useful life of more than one year

Chattel – Personal capital property, other than real estate holdings, that usually does not include livestock

Competency – A measure of abilities, knowledge or skills

Current liabilities – Liabilities that are payable within the year

Current/operating assets – items used in day-to-day operation such as cash, market animals or items bought to resale and those with a useful life of about a year

Current/operating expenses – items bought for use in day-to-day operations such as resale items, office supplies or market animals

Current/operating income – Money earned from the sale of non-capital items such as fertilizers, market animals or plants

Depreciable – Items that lose value over time because of wear or obsolescence

Depreciation – The amount an item declines in value because of time and/or wear and tear

Eligibility – Qualifications that must be met to attain something

Employee – A person who works for another for wages or salary

Entrepreneurship – The act of organizing, managing and assuming the risk of a business or enterprise

Equity – Business assets minus liabilities; same as net worth

Expense – The cost involved in producing a product or service

Home improvement – A series of learning activities that improve the value or appearance of a place of employment, home, school or community

Inflationary – An increase in the price of goods and services, resulting in a continuing rise in general price levels

Internal Revenue Service (IRS) – The branch of the federal government charged with collecting tax revenues

Investment – The expenditure of money put into a business to create income or profit

Liabilities – Money, goods and/or services for which you owe

Maturity value – The value of a breeding, pleasure or draft animal at the age when that particular species begins to decline in market value for breeding, draft or pleasure purposes

Net worth – The difference between total assets and total liabilities; same as equity

Non-current/capital assets – Inventory items, including all pleasure, draft and breeding animals, which normally have a useful life of more than one year

Non-current/capital income – Money received from the sale of capital items such as machinery, livestock or buildings

Non-current liabilities – Liabilities not paid within one year

Operating assets/expenses/income – See “Current/operating assets, expenses or income” above

Placement – An SAE program where students work for wages or experience

Principal – An amount of money borrowed or invested, not including interest

Proficiency – An advancement in knowledge or skill; the process of receiving competencies through training and practice

Processing – The changing of a raw material into a more useable form

Ratios – The relationship in quantity, amount or size between two or more things

Record keeping – The process of keeping accurate facts and information pertaining to an SAE

Research/experimentation – An extensive activity where a student plans and conducts a major agricultural experiment using the scientific process

Scope – The size and growth of an operation or enterprise

Supervised Agricultural Experience (SAE) program – Planned practical activities conducted outside of class time that help students develop and apply knowledge and skills. These activities may be either entrepreneurship, placement (paid or unpaid) or research/experimentation in nature

Wage – A payment, usually in money, for labor or services based on a contract or on an hourly, daily or piecework basis

Working capital – The amount of funds available after the sale of current assets and payment of current liabilities. This amount is calculated by subtracting current liabilities from current assets