

Garden State FFA Degree Application



Unit Plan

Office of Agricultural Education

Some information compiled from the National FFA SAE Handbook CD-ROM

August 2006

INTRODUCTION:

The State FFA Degree is awarded to students who have met the qualifications for the degree as outlined in the National FFA Constitution. Star Awards will be presented in the areas of: Star State Agribusiness, Agriscience, Farmer and Placement. The award recipient will be selected from the degree applications submitted to the Office of Agricultural Education.

In order to be eligible for the Garden State FFA Degree applicants must meet the following minimum qualifications:

1. Have received the Chapter FFA Degree.
2. Has been an active member for at least two-year years (24 months) at the time of receiving the State FFA Degree.
3. While in school, 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.
4. Have earned and productively invested at least \$1,000, or worked at least 300 hours in excess of scheduled class time, or a combination thereof, in a supervised agricultural experience program.
5. Demonstrate 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.
 - d. Have a satisfactory scholastic record as certified by the local agricultural education instructors and the principal or superintendent.
 - e. Have participated in the planning and completion of the chapter Program of Activities.
 - f. Have participated in at least five different FFA activities above the chapter level.
6. Degree must be submitted to the Office of Agricultural Education by **March 15** or the date indicated on the current state calendar of events.

Those interested in the Star State Award program must mark the top right corner of the cover page in order to be judged for a star award area.

STUDENT OBJECTIVES:

At the end of the unit, the student will be able to:

1. Accurately Record Entries in a Journal
2. Discuss the Importance of Record Keeping and Perform a Record Keeping Analysis
3. Identify Components of a Typical Financial Statement and Complete a Financial Statement
4. Understand and Complete the Garden State FFA Degree Application
5. Understand the Importance of Inventory

STATE CONTENT STANDARDS:

At the end of this unit, the student will meet the following New Jersey Core Curriculum Content Standards:

Language Arts Literacy: 3.1 (*Reading*) All students will understand and apply the knowledge of sounds, letters, and words in written English to become independent and fluent readers, and will read a variety of materials and texts with fluency and comprehension.

Language Arts Literacy: 3.2 (*Writing*) All students will write in clear, concise, organized language that varies in content and form for different audiences and purposes.

Mathematics: 4.1 (*Number and Numerical Operations*) All students will develop number sense and will perform standard numerical operations and estimates on all types of numbers in a variety of ways.

Mathematics: 4.4 (*Data Analysis, Probability, and Discrete Mathematics*) All students will develop an understanding of the concepts and techniques of data analysis, probability, and discrete mathematics, and will use them to model situations, solve problems, and analyze and draw appropriate inferences from data.

Mathematics: 4.5 (*Mathematic Processes*) All students will use mathematical processes of problem solving, communication, connections, reasoning, representations, technology to solve problems and communicate mathematical ideas.

Social Studies: 6.5 (*Economics*) All students will acquire an understanding of key economic principles.

Social Studies: 6.6 (*Geography*) All students will apply knowledge of spatial relationships and other geographical skills to understand human behavior in relation to the physical and cultural environment.

RATIONALE:

Each year, chapter members apply for the Garden State FFA Degree. Each year, applicants are requested to resubmit the application due to minor mistakes. In an effort to prevent the minor mistakes, the Garden State FFA Degree Unit Plan has been created. The Unit Plan can be used to fill out the Garden State FFA Degree, to teach about the importance of record keeping, to teach about Supervised Agricultural Experiences, and/or to teach about important financial topics. It is the hopes of the Office of Agricultural Education that teachers are given enough tools to assist in the degree process.

Lesson GSD

Filling-Out the Garden State FFA Degree Application

NJ Core Content Standards:

LAL 3.1	MATH 4.1	SOST 6.5
LAL 3.2	MATH 4.4	SOST 6.6
	MATH 4.5	

(Students will meet all standards if all components of the unit are completed (ie. extended learning lessons)

Learning Objectives:

Students will be able to...

1. Accurately record entries in a journal
2. Discuss importance of Record Keeping and Perform a Record Keeping Analysis
3. Identify components of a typical financial statement and complete a financial statement
4. Understand and Complete the Garden State FFA Degree Application
5. Understand the Importance of Inventory

Time:

85 minutes (5+ hours if you complete the entire unit)

Resources:

www.cals.ncsu.edu/agexed/sae/toolbox/index.html

SAE Handbook CD-ROM

Garden State FFA Degree Handbook

CAERT Library Lesson CD – Agribusiness Management

Understanding Depreciation, Fixed and Variable Costs (A3-2)

Understanding Personal Finances and Goals (Lesson B2-1)

Understanding Record Keeping (Lesson B3-1)

Understanding Net Worth, Cash Flow, Income Statements and computerized Record Keeping (Lesson B3-2)

Understanding Budgets and Financial Analysis Ratios (Lesson B3-3)

Using Financial Statements in Business Decisions (Lesson B3-4)

Determining the Kinds of SAE (Lesson F1-2)

Keeping and Using SAE Records (Lesson F3-1)

Tools, Equipment and Supplies:

Writing Surface

Overhead Projector

Garden State FFA Degree

Handouts: GSD1, GSD2, GSD3, GSD4, GSD5, GSD6, Extra Information on GSD

Interest Approach:

Have students read the following letter and answer questions relating to it.

First Bank of New Jersey
Anytown, NJ 12345

Dear Mr. Smith,

Recently a check was presented for payment against your account. The check was for \$15.10 and was made out to the Hometown Hardware Store. Unfortunately there were insufficient funds in your account to cover this check. The check has been returned unpaid and your account has been charged \$25 for this overdraft.

Sincerely yours,
I. M. Banker

Questions:

What does this mean?

What does "insufficient funds" mean? *(There is not enough money in the checking account to pay the check)*

What will Hometown Hardware do about the returned check? *(The customer will probably have to cover the cost of the first purchase, plus provide a \$20+ fee for writing a bad check.)*

How much will it probably cost the check writer for this "bad" check? *(By the time the bank fee (\$25+) for an insufficient fund check is paid and the Hardware store fee (\$20+) for an insufficient fund check is paid, it will have cost the person \$45+ for writing a bad check.)*

Why do you think this happened? *(Probably poor record keeping on the part of the check writer)*

OBJECTIVE 1: Discuss the Importance of Record Keeping and Perform a Record Keeping Analysis

(EXTENDED LEARNING: A complete lesson on Record Keeping be found on the SAE Handbook CD-ROM – Record Keeping Lesson Plan 7 How do you Analyze and Summarize your Records" Other lessons can be found on the CAERT Agribusiness Curriculum CD-ROM. B3-1 Understanding Record Keeping)

Reasons for Keeping SAE Records

1. **To see if you made or lost money and analyze hours committed to the program** *(You need to know if your SAE is making or losing money and you want to know how much time you are investing in your SAE)*
2. **So someone else can't cheat you out of what you have earned** *(An employer may forget to record the number of hours you work. If you have a partner in a business enterprise, good records are critical to make sure you receive your fair share of the profits)*
3. **To determine which parts of the business are doing well and which parts are not** *(A farm market recently decided to keep detailed records on their business and discovered, to their surprise, that the ice cream operation was losing money, but the bakery was making money. This led to an overhaul of their operation.)*

4. **To make management decisions** *(records will help you decide whether you need to hire additional people, reduce or increase acreage, switch to a different crop, etc.)*
5. **For documentation purposes when seeking a loan** *(Bankers want to see a Net Worth Statement before loaning money. If you don't have financial records it is hard to develop a Net Worth Statement. A Net Worth Statement is a snapshot of your current financial situation and will give you important clues about where you should concentrate your financial planning efforts. Net Worth Statements are also useful for other purposes; such as when applying for a mortgage, credit card, car loan, or college financial aid.)*
6. **To prepare your tax returns** *(You need to know how much money you made or lost and what items can be deducted in order to file a tax return)*
7. **For planning for future events** *(If you record the dates on which animals were bred, you can anticipate when the offspring will be born. If you record the dates on which crops were planted, you can anticipate when they will start growing and/or be ready to market)*
8. **To document your activities for FFA recognitions, awards and degree purposes** *(When you fill out award applications, you have to record what you did on your SAE)*
9. **For legal purposes** *(You keep records to document when certain agricultural practices were performed in case there is a problem (i.e., grass dies after you apply fertilizer) or to determine when a crop can be harvested after it has been treated with an agricultural chemical)*
10. **To help plan a budget for the next year** *(If you know how much supplies cost this year, you will have a good idea of costs for next year and can plan your budget accordingly. You will also know how much income to expect.)*

Analyzing your records is just as important as keeping accurate records. Using your records, you can draw many conclusions. It can help you determine how much money you earned, the hours you worked, skills you developed, etc.

In an Entrepreneurship CDE, ask yourself:

- Is the enterprise making or losing money?
- How does the enterprise compare with other enterprises?
- How does the enterprise compare to community or state averages?
- Are management changes needed?
- Should different enterprises be tried?

In a Placement CDE, ask yourself:

- What skills have I learned?
- Are there other skills I need to learn?
- What knowledge have I gained?
- Is the pay appropriate for the work I do?
- Are the working conditions satisfactory?
- Are the hours I work appropriate?

In a Agriscience Research CDE, ask yourself:

- What have I learned?
- What skills have I developed?
- What are some additional skills or knowledge I need to learn?
- What can be done better?

This information will be valuable when applying for proficiency awards. For more information regarding the Proficiency Program, visit the National FFA Website.

Application: Complete Handout GSD1

OBJECTIVE 2: Accurately Record Entries in a Journal (pages 1, 2, 13, 14 GSD)

(EXTENDED LEARNING: A complete lesson on Journals can be found on the SAE Handbook CD-ROM – Record Keeping Lesson Plan 3 “What is a Journal and How Do I Prepare One” Other lessons can be found on the CAERT Agribusiness Curriculum CD-ROM: F1-2 Determining Kinds of SAEs and F3-1 Keeping and Using SAE Records)

Accurate and up-to-date journals make filling out the Garden State FFA Degree easy. You are encouraged to keep up with your record books. There are several electronic journals that you can utilize for your SAE. See the SAE Handbook CD-ROM for examples. In the Garden State FFA Degree Application, you are asked to enter the following journal information:

- Personal Information (Name, address, etc)
- Chapter Information (name, advisors, address, etc.)
- SAE Summary
- Leadership and FFA Activities (Parliamentary Procedure, Leadership Roles, Participation in FFA Activities, etc.)

When keeping records on your SAE you want to record the date, description of what you did, time spent, money earned or spent, and any skills attained or accomplished.

Example:

September 15, 2007	Cut firewood at Uncle Bill's. Cut up 10 ricks and paid Uncle Bill \$100 – 8 hours
September 17, 2007	Bought a pair of work gloves at Wal-Mart. \$12.95 (1 hour)
September 20, 2007	Paid rent on chainsaw \$5
September 23, 2007	Sold 6 ricks of firewood at \$50 a rick \$300 (worked 9 hours)

When summarizing your SAE program for award/degree applications you should include the following:

1. SAE type

There are 8 types

- a. **Entrepreneurship:** student plans, implements, operates, and assumes financial risks in a farming activity or agricultural business. (ex. growing an acre of corn; running a pay-to-fish operation; owning and operating a lawn care service; growing and selling bedding plants)
- b. **Placement:** involves the placement of students on farms and ranches, in agricultural businesses, or in community facilities to provide a “learning by doing” environment. This experience may be paid or non-paid (ex. working in a floral shop; working at a supply store; working at a riding stable)
- c. **Agri-science Research:** consists of an extensive activity where the student plans and conducts a major agricultural experiment using the scientific process (ex. compare the effect of various planting media on plant growth; determine the impact of different levels of protein on fish growth; determine if the phases of the moon have an effect on plant growth)
- d. **Agricultural Service Learning:** combines community service with a structured, school-based opportunity for reflection about that service, emphasizing the connections between service experiences and what is taught in agriculture class (test water wells in the community for pesticide contamination; build a nature trail; design and install a landscape path for church; build and erect wood duck nest boxes)

- e. **Exploratory:** designed primarily to help students become literate in agriculture and/or become aware of possible careers in agriculture (ex. observing and/or assisting a florist; attending an agricultural career day; preparing a scrapbook on the work of a veterinarian)
- f. **Improvement:** includes a series of learning activities that improves the value or appearance of the place of employment or home, the efficiency of an enterprise or business, or the living conditions of the family (ex. landscaping the home; building a fence; overhauling a piece of equipment; renovating and restocking a pond)
- g. **Supplemental:** the student performs on specific agricultural skill outside of normal class time. This skill is not related to the major SAE but is normally taught in an agricultural program (ex. pruning a fruit tree; changing oil in a sod cutter; fertilizing a lawn; staking tomatoes)
- h. **Directed School Laboratory:** students apply skills they have learned in laboratories provided by the school (ex. growing bedding plants in the greenhouse; taking care of livestock on the school farm; caring for an aquarium of fish)

2. SAE Area/Title

Look at the list of Proficiency Areas

Examples: Equine Science; Turf Management; Agricultural Sales; Sheep Production; Wildlife Management; Outdoor Recreation, etc.

3. SAE Enterprise and Description

Give a short job description and details on your program. Indicate skills attained through SAE.

4. SAE Size, Site, Hours, & Money Earned

Size

This relates to the number of animals, plants, acres, accounts, etc. you might have for your SAE. (Ex. How large is the operation you are working for? How many head of cattle do you own? How many lawn accounts do you mow?) If you are working for someone else you might include the specifics of the place of employment. (Ex. 10 greenhouses; 3 horses; 15 employees)

Site

This is where your SAE is conducted. (ex. Timothy's Center for Gardening; Quest Equestrian Farm; Nikki's Flower Boutique; Justin's Lawn Care; Fisher's Animal Laboratory)

Hours

This is how many hours you spend on your SAE. The hours can be paid or non-paid hours. (cut firewood – 8 hours; shopped for equipment – 2 hours; sold wood at local mill – 8 hours; Total – 18 hours)

Money Earned

This is how much you get paid for your SAE program. It can include your hourly wage, how much you make per bushel of corn, how much you make at auction with your sheep, etc. (ex. \$7.25/hour for 217 hours; Total Earned- \$1,573.25; 3 sheep at auction \$125 each Total earned - \$375)

Sample SAE entry for use on an Award or Degree Application

Placement – Small Animal Production and Care: I work at Precious Pets located in Hightstown, NJ. I specialize in the rodent department, which includes hamsters, rats, mice, and guinea pigs. At any given time there can be 25-75 animals on hand. I am responsible for feeding, watering and maintaining the cages. Once a month, I am involved with the breeding program. I have worked 115 hours and get paid \$7.15/hour.

For the Garden State FFA Degree, it is important to journal leadership positions and experiences, parliamentary procedure knowledge, etc. In order to show involvement in chapter activities, be sure to highlight chapter level events and opportunities.

Example of Candidate's Participation in FFA Activities (page 13 GSD):

(Must have participated in 5 activities above the chapter level. An activity is defined as an event that is outlined in the chapter Program of Activities or 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.)

Description of Event	On Chapter Level	Above Chapter Level
State FFA Convention		2006
National FFA Convention		2005
National Agricultural Sales CDE		2005
Adopt-A-Road	2006	
Citrus Sale	2006	

Example of Parliamentary Procedure Demonstrated (page 13 GSD):

(Consult the FFA Manual for the "Summary of Motions" for the parliamentary procedures that will meet the requirement for the Garden State FFA Degree. Voting, seconds, taps of gavel, etc. are not eligible parliamentary procedures.)

Description of Procedure Demonstrated	Location	Year
Main Motion	Chapter Meeting	2005
Amendment	Parli Pro CDE	2004
Previous Question	Parli Pro CDE	2004
Point of Order	Chapter Meeting	2005

Example of Candidate's Leadership Roles (page 13 GSD):

Name of Office Held, Committee Chair Held, or Committee Served On	Year Started	Year Ended
Fundraising Committee	2004	2005
Chapter Vice President	2005	2006
Ag Awareness Committee Member	2004	2005

Application: Complete Handouts GSD2 and GSD3

OBJECTIVE 3: Identify Components of a Typical Financial Statement (pages 3, 4, 8, 9, 10, 11 GSD)

(EXTENDED LEARNING: A complete lesson on Financial Statements can be found on the SAE Handbook CD-ROM – Financial Statement Lesson Plan 6 "What is a Financial Statement?" Other lessons can be found on the CAERT Agribusiness Curriculum CD-ROM: A3-2 Understanding Depreciation, Fixed and Variable Costs; B3-2 Understanding Net Worth, Cash Flow, Income Statements and Computerized Record Keeping; B3-3 Understanding Budgets and Financial Analysis Ratios B3-4 Using Financial Statements in Business Decisions)

When completing the financial pages of the Garden State FFA Degree and/or award applications, you should include as much financial information as possible. Doing so will ensure an accurate net worth statement, productively invested earnings, etc. In addition, it is important to complete the balance sheet in the Garden State FFA Degree application, even if values are zero. The balance sheet can be found on pages 9-12 of the Garden State Degree Application.

Typical Parts of a Financial Statement:

Current Assets – A current asset is anything that can be easily converted to cash within twelve months. Examples of current assets are money in the bank, savings bonds, cash surrender value of an insurance policy, non-depreciable inventory (fertilizer, feed, seed) and money that other people owe you.

Non-Current Assets – Non-current assets are items that have a useful life longer than one year and are used in the conduct of business. Items such as land, breeding livestock, and equipment are classified as non-current assets.

Current Liabilities – A debt that you have or money that you owe others is termed a liability. A current liability has to be paid during the next 12 months. There are basically two types of current liabilities: 1. “Notes” are short-term loans. A running account at a local farm supply store or a loan to be paid back in a month are examples of short-term notes. 2. The other type of current liability is the amount to be paid this year on a long term debt. If you borrow \$12,000 to buy a tractor and have to pay \$3,000 this year, the \$3,000 is a current liability.

Non-current Liabilities – Non-current liabilities are debts that will take several years to pay off. An example is a loan to buy equipment or land. The loan may extend over several years. The amount you owe minus the amount you have to pay during the current year is the non-current liability. When all the liabilities are added and subtracted from the total assets, the remainder is the **net worth** of the individual. This is a very important financial figure.

Banks and other financial institutions can tell a good bit about the financial health of an individual or organization by examining the current and non-current assets and liabilities.

Use the “Extra Information on GSD” handout for more details on financial statements. This information can also be found in the yellow boxes along the sides of the Garden State FFA Degree Application.

Application: Using Handout GSD4, Complete Handout GSD5

OBJECTIVE 4: Understand the Importance of Inventory (pages 4, 6, 7 GSD)

(EXTENDED LEARNING: A complete lesson on Inventory can be found on the SAE Handbook CD-ROM Financial Statement Lesson Plan 5 “What is an Inventory?”)

What is an *Inventory*?

In financial record keeping, an inventory is the company’s merchandise, raw materials, and finished and unfinished products that have not yet been sold.

What Items are Typically Included in an Inventory?

Growing crops• Harvested crops in storage that are not yet sold• Equipment• Feed not yet used• Seed not planted• Fertilizer not used• Agricultural Chemicals• Livestock• Land owned by the student• Scientific equipment• Greenhouse supplies• Floral Supplies• Aquaculture tanks• 100s of other items

What Items are Typically NOT Included in an Inventory?

For agricultural SAE record keeping, we often don't include personal property. However, this varies from state to state. Depending upon the state in which you live, the following items may or may not be included in the inventory: • CD players • Jewelry • Clothing • Personal vehicles • Hunting and Fishing Equipment • Compact Discs • Cell phones

Why do We Take Inventory?

Helps to determine whether or not the business is making a profit → It is possible that you may not have sold anything yet, but the fact that you have products on hand that could be sold indicates the business may be profitable.

Helps in making management decisions → Perhaps there is a surplus of some items that need to be sold. Or, you may not need to buy any more feed or fertilizer for a while.

May be needed to get credit → The inventory presents a truer picture of the financial condition of an enterprise. A person may not have much money on hand but may have a large inventory of products to be sold.

Used to determine net worth → In the next lesson, we will look at financial statements that are used to determine your net worth. The inventory enters into that calculation.

Can be used to determine fraud – • Inventories are used to determine if employees are dishonest. If you buy 100 products to sell, have records that only 50 items have been sold, but can only count 20 items in the inventory, you know that 30 items are missing.

Inventory Statements

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. Inventory can be classified in different categories.

Current Assets: Investments in harvested and growing crops

This refers to the specific type of crop on hand such as oats, alfalfa hay, corn silage, apples, rose bushes, fruit trees or other perennial flowers, etc. It 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. The realistic on-farm market value should be used for each harvested crop. Crops still growing in the field or greenhouse should be assigned a value equal to the cost of production that have been incurred at the time of inventory. Both cash and non-cash expenditures should be included.

Current Assets: Investments in feed, seed, fertilizer, chemicals, supplies, prepaid expenses, and other current assets

This refers to consumable items of livestock feed and veterinary supplies; crop supplies like fertilizer, potting soil, pesticides and other supplies such as gas, oil, spare parts. Count the individual number, pounds or other specific measurable amount of each item on hand. The value should be the same as the purchase price.

Current Assets: Investments in merchandise, crops, and livestock purchases for resale

This refers to the specific type of item being inventoried such as purchased feeder cattle, feeder pigs, nursery and greenhouse merchandise such as bedding plants, trees, fertilizers, grass seed, etc. It includes the items purchased for resale and owned by you. Count the individual number,

pounds or other specific measurable amount of each item on hand. The value should be the same as the original purchase price.

Current Assets: Investments in raised market livestock and poultry

This refers to the specific type of item being inventoried such as feeder cattle, feeder pigs, broilers, turkeys, rabbits, etc. It includes all home-raised livestock and poultry. Count the individual number, pounds or other specific measurable amount of each item on hand. The value should be a conservative on-farm value.

Non-Current/Capital Assets: Investments in non-depreciable draft, pleasure or breeding livestock and poultry

This refers to the specific type of item being inventoried such as dairy cows, bulls, calves, swine, small animals such as breeding rabbits, dogs, etc. The animals included in this section have not reached their maturity value. The individual number of each item on hand. The value should be a conservative on-farm value.

Non-Current/Capital Assets: Investments in depreciable draft, pleasure or breeding livestock

This refers to the specific type of item being inventoried such as beef cattle, breeding swine, breeding rabbits, dogs, etc. The animals in this section have reached their maturity value and are declining in value. The acquisition cost is the actual cash dollar cost to obtain the inventoried item. If the item was received through gift or inheritance, the words "gift" or "inheritance" should be entered in the acquisition column. The depreciation claimed to date represents the total dollar value of the depreciation claimed since the property came in to possession of the candidate.

Non-Current/Capital Assets: Investments in machinery, equipment and fixtures

This refers to the specific piece of equipment or machinery being inventoried. You should only list the portion of the value of an auto or truck that the IRS will allow as a legal business expense as a part of the investment in machinery and equipment. The remaining value or personal share should be entered in as "non-productively invested/personal non-current assets" on the financial balance sheet.

Non-Current/Capital Assets: Investments in depreciable land improvements, buildings and fences

This refers to the specific land improvement or building being inventoried, such as tiling, terracing, and fencing.

Non-Current/Capital Assets: Investments in land

This refers to all the land owned by the candidate and utilized as a part of the experience program.

Application: Complete Handout GSD6

Review/Summary: Eye Witness News Moment - *Establish the two roles each student will play – expert and interviewer.* Explain that when the students are the expert, they stand tall and take on the air of an expert. When they are the interviewer, students address an imaginary camera, with microphone (pen) in hand, and welcome the viewing audience. Then they pose questions to the expert about the content just learned in class. Note: This activity works best when students generate appropriate questions prior to the interview.

Evaluation: Using the completed handouts from this lesson, student SAE journals, etc., complete the Garden State FFA Degree Application. The application can be found at <http://www.jerseyageducation.nj.gov/stguide/14.007.xls>.

Handout GSD1

Beth decided to operate a business selling firewood. Her father agreed to rent his truck and chainsaw to Beth on selected days during the fall of the year. Beth received permission from her uncle who lived in the country to cut up downed trees and trees that need to be thinned on his farm. She paid him \$10 a rick for the wood. Beth advertised her business by placing flyers on grocery store bulletin boards. She also parked the truck at a busy intersection in town and sold firewood out of the back of the truck. Following is some information from her record book.

Note: Place the items from above in the record keeping form below. For each item that has money involved, it will either be an expense or income. It will not be both. Two items have already been entered

- Sept. 15 – Bought a pair of work gloves at Wal-Mart. \$12.95 (1 hour)
- Sept. 20 – Bought an axe, sledge hammer and splitting wedge at Lowes - \$69.65 (1 hour)
- Sept. 22 – Cut firewood at Uncle Bill's. Cut up 10 ricks and paid Uncle Bill \$100 (8 hours)
- Sept. 22 – Bought gas and oil for chainsaw - \$9.15 (1/2 hour)
- Sept. 22 – Paid rent on chainsaw and truck - \$25
- Sept. 26 – Made up advertising signs and copied them at Kinko's and then placed them in grocery stores- \$10.00 (2 hours)
- Sept. 29 – Sold 5 ricks of firewood at \$50 a rick - \$250 (worked 8 hours)
- Sept. 29 – Paid rent on truck - \$20
- Oct. 1 – Sold and delivered 3 ricks of firewood at \$60 a rick – \$180 (worked 3 hours)
- Oct. 1 – Paid rent on truck - \$10
- Oct. 6 – Cut firewood at Uncle Bill's. Cut up 10 ricks and paid Uncle Bill \$100. (8 hours)
- Oct. 6 – Bought gas and oil for chainsaw - \$8.25 (1/2 hour)
- Oct. 6 – Paid rent on chainsaw and truck - \$25
- Oct. 10 – Sold and delivered 4 ricks of firewood at \$60 a rick - \$240 (worked 4 hours)
- Oct. 10 – Paid rent on truck - \$10
- Oct. 13 – Sold 6 ricks of firewood at \$50 a rick - \$300 (worked 9 hours)
- Oct. 13 – Paid rent on truck - \$20

Date	Activity/Item	Hours	Expense	Income
Sept 15	Bought Work Gloves	1	\$12.95	--
Sept 29	Sold 5 ricks of firewood	8	--	\$250
Totals				
Profit of Loss				

(To indicate profit or loss, subtract, the total expenses from the total income. Put a minus sign in front of the number if there is a loss)

Handout GSD2

Enter data regarding your SAE in the Journal form provided below. Then determine the type, area/title, Enterprise/Description, and size/site/hours/money earned. Lastly, summarize your SAE based on the structure provided in the instruction of this lesson.

Complete SAE Journal SAE

Date	SAE Journal Entry

Let's Break it Down!

SAE Type:

SAE Area/Title:

SAE Enterprise and Description:

SAE Size, Site, Hours, and Money Earned:

SAE Summary

Handout GSD3

Based on your participation in the FFA, fill in the following boxes of information.

Example of Candidate's Participation in FFA Activities (page 13 GSD):

(Must have participated in 5 activities above the chapter level. An activity is defined as an event that is outlined in the chapter Program of Activities or 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.)

Description of Event	On Chapter Level	Above Chapter Level

Example of Parliamentary Procedure Demonstrated (page 13 GSD):

(Consult the FFA Manual for the "Summary of Motions" for the parliamentary procedures that will meet the requirement for the Garden State FFA Degree. Voting, seconds, taps of gavel, etc. are not eligible parliamentary procedures.)

Description of Procedure Demonstrated	Location	Year

Example of Candidate's Leadership Roles (page 13 GSD):

Name of Office Held, Committee Chair Held, or Committee Served On	Year Started	Year Ended

The Financial Statement Worksheet

Tom started agriculture classes in August of 2004. His net worth, as shown on his Financial Balance Sheet at the start of his agricultural career, was \$141.10. For his SAE program, he started a lawn care business. He borrowed some money to buy some equipment and had modest success in his business. At the end of 2005 his net worth was \$390.62. This was a gain of \$249.52 from when he started agriculture. It is now the end of 2006. Your task is to enter the following data in the Financial Balance sheet on the next page and the determine Tom's current net worth.

1. Current Assets:Cash on hand and in checking - \$735.80
2. Value of Stocks and bonds - \$461.00
3. Money other people owe Tom - \$42.00
4. Non-depreciable inventory - \$115.02
5. Non-Current Assets:Non-depreciable Inventory - \$0
6. Depreciable Inventory - \$380.00
7. Land - \$4.
8. Current Liabilities:Accounts and Notes Payable - \$125.00
9. Current portion of non-current debt - \$80.05
10. Non-Current LiabilitiesNotes and Chattel mortgages - \$155.00
11. Real Estate Mortgages - \$0

Make the calculations as directed to determine if Tom had a gain or loss in his Net Worth.

Financial Balance Sheet and Net Worth Statement

ASSETS and LIABILITIES	Beginning of Ag Ed	End of 1st Year Dec 31	End of 2nd Year Dec 31	End of 3rd Year Dec 31	End of 4th Year Dec 31	End of 5th Year Dec 31
Enter Year	2004	2005	2006			
1. CURRENT ASSETS (Items that can be quickly converted to cash or will be sold within 12 months)						
a. Cash on-hand, checking and in savings accounts	\$56.10	\$242.69				
b. Value of stocks, bonds and life insurance policies (if cashed in)	\$125.00	\$150.00				
c. Money other people owe me	-	\$70.00				
d. Non-depreciable inventory (see inventory page, line a)	-	\$36.33				
e. Total Current Assets (a+b+c+d)	\$181.10	\$499.02 -	\$ -	\$ -	\$ -	\$ -
2. NON-CURRENT ASSETS (Items that have a useful life longer than one year and are used in the conduct of business)						
a. Non-depreciable inventory (See Inventory page, line b)	---	---	---			
b. Depreciable inventory (see the inventory page, line c)	---	\$76.60				
c. Land	---	--	--			
d. Total Non-Current Assets (a+b+c)	\$---	\$76.60	\$ -	\$ -	\$ -	\$ -
3. TOTAL ASSETS (1e+2d)	\$181.10	\$575.62	\$ -	\$ -	\$ -	\$ -
4. CURRENT LIABILITIES (Debts and bills)						
a. Accounts and notes payable	40.00	\$65.00				
b. Current portion of non-current debt	----	----				
c. Total Current Liabilities (a+b)	\$40.00 -	\$65.00 -	\$ -	\$ -	\$ -	\$ -
5. NON-CURRENT LIABILITIES						
a. Notes and chattel mortgages (total minus current portion)	----	\$120.00				
b. Real estate mortgages/contracts (total minus current portion)	----	-----	---			
c. Total Non-Current Liabilities (a+b)	\$----	\$120.00	\$ -	\$ -	\$ -	\$ -
6. TOTAL LIABILITIES (4c+5c)	\$40.00	\$185.00	\$ -	\$ -	\$ -	\$ -
7. OWNER'S EQUITY/NET WORTH (Line 3 - Line 6)	\$141.10	\$390.62	\$ -	\$ -	\$ -	\$ -
8. GAIN OR LOSS IN OWNER'S EQUITY (line 7 for the current year minus line 7 from the previous year)		\$249.52	\$ -	\$ -	\$ -	\$ -

Handout GSD6

From the list below, enter inventory items in the appropriate boxes.

- | | | |
|---------------------------|---------------------------------|----------------------|
| Breeding Dogs | 12 acres of land | Rose Bushes (plants) |
| Feeder Cattle | Legends Horse Feed (50 lb. Bag) | Cell Phone |
| Dairy Cows | Rabbits | Barn |
| Ford Pick Up (work truck) | Bedding Plants | John Deere Tractor |
| Floral Foam (brick) | Silo | 100 acres of land |
| Hay (acre) | Dogs | grass seed |
| Gold necklace and locket | Breeding Cattle | CD player |

Current Operating Assets: Investment in harvested and growing crops	Quantity	Value

Current Operating Assets: Investment in feed, seed, fertilizer, chemicals, supplies, prepaid expenses, and other current assets	Quantity	Value

Current Operating Assets: Investment in merchandise, crops and livestock purchases for resale	Quantity	Value

Current Operating Assets: Investment in raised livestock and poultry	Quantity	Value

Non-Current Capital Assets: Investment in non-depreciable draft, pleasure or breeding livestock and poultry	Quantity	Value

Non-Current Capital Assets: Investment in depreciable draft, pleasure or breeding livestock	Acquisition Cost	Depreciation Claimed to Date

Non-Current Capital Assets: Investment in machinery, equipment and fixtures	Acquisition Cost	Depreciation Claimed to Date

Non-Current Capital Assets: Investment in depreciable land improvements, buildings and fences	Acquisition Cost	Depreciation Claimed to Date

Non-Current Capital Assets: Investment in land	Quantity	Value

NOT CONSIDERED INVENTORY

EXTRA INFORMATION ON GSD

PAGE 9 GSD

A. Assets:

This is anything of value owned and used by the candidate to conduct the SAE program used in qualifying for the Garden State FFA Degree.

1. Current/Operating Assets:

This is cash, checking and assets convertible into cash within one year without disrupting business.

Examples:

Savings Account
Checking Account
Nursery Stock - trees and shrubs
Bedding Plants
U.S. Savings Bonds
Fish food on hand
Fishing poles with reels
Tree fertilizer left over from last year
150 tons of hay
Accounts receivable - Hay sold to Smith Farms
Thirty 175-pound feeder pigs

a. Cash on-hand, checking and savings

This consists of those items that can readily be converted to cash

b. Cash value-book, stocks, life insurance

The actual cash value that could be obtained if the term was to be turned into cash. With life insurance, include only the cash surrender value of the policy - do not list the face value.

c. Notes and accounts receivable

This is money others owe you for items sold or services provided. For example, you sold 10 rabbits to your neighbor in December but she will not pay you for two months. Until she has paid for the rabbits, the value of the sale should be listed as an account receivable. Another example would be if you cared for your neighbor's yard while he was on vacation in November and December. When he returns in January he will pay you. The value of your service would be listed as an account receivable.

d. Current/Operating Inventory

Current/Operating Inventory includes all items that you would normally expect to have a useful or intended "life" in your SAE for 12 months (Note: An exception of 12 months may be for market animals such as steers). All non-capital property, which is used with your SAE, should be included in the inventory. The inventory would include such items as merchandise held for resale, crops held for feed or sale, investments in growing crops, market animals, etc.

The inventory of capital goods such as: animals held for dairy, draft or breeding; machinery, equipment, fixtures; land; buildings and other capital goods; are used in calculating net capital transactions in lines 2a, 1-5.

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

e. Subtotal - productively invested current/operating assets

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

f. Non-productively invested personal assets

Includes those assets owned by candidate that are not part of an SAE such as, personal share of auto or pick-up truck, hunting and other sporting equipment (not used in SAE), stereos, TVs, etc.

g. Total current/operating assets (e+f)

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

2. Non-Current/capital Assets.:

These are assets used in producing products that are usually not sold and converted into cash during a year.

a. Non-Current/Capital Inventory

1. Candidate's investment in non-depreciable draft, pleasure, and breeding livestock and poultry. Total from page 6.
2. Candidate's investment in depreciable draft, pleasure and breeding livestock. Total from page 6
3. Candidate's investment in machinery, equipment, and fixtures. Total from page 7.
4. Candidate's investment in depreciable land improvements, buildings, and fences. Total from page 7.
5. Candidate's investment in land. Total from page 7.
6. Subtotal: Productively Invested Non-Current/Capital Assets (a1+a2+a3+a4+a5)

This represents the total dollar value for all your productively invested non-current assets beginning with the day you began your first SAE program and 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

The total dollar value for all your non-productively invested personal non-current assets. This will include your personal share of any automobiles, motorcycles, boats, etc.

c. Total Non-Current/Capital Assets. The line equals line 2a6+2b.

3. Total Productively Invested Assets. This equals line 1e+2a6.

4. Total Non-Productively Invested Personal Assets.

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

5. Total Assets (3+4)

Represents the candidate's total dollar of all assets including "Total Productively Invested Assets" and "Total Non-Productively Invested Assets." This equals lines 3+4.

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B. Liabilities & Equity

6. Current/Operating Liabilities

These are liabilities that are payable within the year.

A. Accounts and Notes Payable

Include operating loans, accrued taxes, accrued rent, lease payments, interest on all liabilities up to the balance sheet date, principle on non-current liabilities due within 12 months, etc.

Examples:

Dad-Lawn mower loan

Good's Gas Station - Charge Account - Gas

Fourth quarter previous tax estimate - due January 15

Feed bill at Cyclone Cooperative

Vet bill at Whirlwind Vet Service

Student school fees

Insurance

Interest on greenhouse, barns, pickup, land, etc.

b. Current/operating portion of non-current/capital debt

These are liabilities that are not due within a year. Formerly classified as intermediate (1-10 years) and long term (more than 10 years). Includes the remaining balance of the principal on equipment, machinery, breeding livestock, buildings, land, nursery stock, etc.

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

Represents the total current portion of the liabilities associated with productively invested assets of the candidate. This is found by line 6a+6b.

d. Current/Operating Liabilities

Includes both the current liabilities associated with productively invested and the non-productively/personal assets of the candidate. This equals line 6c+6d.

Example: You have a chattel mortgage of \$9,000 for a new pickup truck which you do not use with your SAE. It is payable over a 4-year period. You must pay \$2,400 on the principal this next year, recorded on line d. The \$6,600 would be a non-current liability on line 8e.

7. Total Current/Operating Liabilities

Includes both the current liabilities associated with productively invested and the non-productively/personal assets of the candidate. This equals line 6c+6d.

8. Non-Current/Capital Liabilities:

Non-current liabilities are those liabilities that are not due within a year. They were formerly classified as intermediate and long term liabilities. They represent items that have a useful life of more than one year and are used by the candidate to produce a product or service.

a. Notes & Chattel Mortgages

This is the amount still owed on assets that were used with the candidate's SAE business or entrepreneurship. These may include commodity credit loans on stored grain, personal loans for machinery, equipment and tools purchased, chattel mortgage on dairy cows, tractors or other pieces of equipment. It is determined by subtracting the current portion from the total non-current liability.

b. Real estate mortgages; contracts

This is the amount still owed on long term business or entrepreneurship assets. This may include loans for land and land improvements such as terraces and tiling, buildings and fences, etc. It is determined by subtracting the current portion from the total non-current liability.

c. Other non-current/capital liabilities

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

d. Subtotal: Non-current/capital liability associated with productively invested assets

Represents the total liabilities of the candidate for productively invested assets. It is determined by combining "Notes and chattel mortgages," "Real estate mortgages and contracts" and "Other non-current capital liabilities" (lines 8a+8b+8c).

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

The amount still owed on personal assets owned by the candidate. Non-productive/personal loans are on items generally are not utilized with your SAE. Includes the amounts owed on personal share of vehicle and life insurance premiums, etc.

f. Total non-current/capital liabilities

Is determined by combining the total "Non-current liability associated with productively invested assets" and total "Non-current liabilities associated with non-productive/personal assets." (lines 8d+8e)

9. Total Liability on Productive Assets

"Subtotal-current/operating liabilities associated with productively invested assets" plus "Subtotal-non-current/capital liabilities associated with productively invested assets" (Page 10, lines 6c+8d).

10. Total Liability on Non-Productive Personal Assets

Represents the candidate's "Current/operating liabilities associated with non-productive/personal assets" plus "Non-current/capital liabilities associated with non-productive/personal assets" (Page 10, lines 9+10).

11. Total Liabilities

Represents the total financial commitments owed by the Garden State Degree candidate. It is determined by combining the "total liability on productive assets" with "total liability on non-productive assets" (page 10, lines 9+10).

12. Owner's Equity/Net Worth

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

a. Productively invested

This is determined by subtracting the "total liability on productive assets" from "total productively invested assets." This is the equity that the owner has in those items necessary to successfully operate his/her business. (page 9/10, lines 3 minus 9).

b. Non-productively/personally invested

Is determined by subtracting the "total liability on non-productive/personal assets" from the "total non-productive invested assets." It is the equity that the owner has in such things as household furniture, sporting equipment, personal share of an automobile or pickup truck, cash value of personal life insurance policies, etc. (Page 9/10, lines 4 minus 10).

c. Total owner's equity/net worth

Is determined by combining the "productively invested" and "non-productively/personally invested" assets. It represents what the owner would be worth if everything that is owned were turned into cash. (Page 10, lines 12a+12b).

13. Change in Productively Invested Owner's Equity

Shows the progress that the candidate has made in accumulating productively invested equity during the years covered by the application. It is determined 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 Invested/Personal Invested Owner's Equity

Represents the progress that the candidate has made in accumulating non-productively invested/personal equity during the years covered by the application. It is determined by subtracting the "Non-productive/personally 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

Represents the sum total change in the candidate's equity over the years covered by the application. It is determined by combining the "Change in Productively Invested Owner's Equity" and "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

The amount of funds you will have available if you have sold all current assets and paid off all current liabilities. (page 9, 1g minus line 7).

17. Current Ratio

The extent to which your current assets will cover your current liabilities.

For example, a ration of 2:1 means that you have two dollars of current assets for each dollar of liability. (Page 9, 1g divide by line 7).

18. Debt-to-Equity Ratio

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

PAGE 11 & 12

C. SUMMARY OF PRODUCTIVELY INVESTED CAPITAL:

The total value of all assets that the candidate has invested including education costs. This is one factor used to determine if the candidate has met one of the constitutional qualifications to receive the degree.

19. Supervised Agricultural Experience Program Equity

This is, that portion of the candidate's assets that was generated as a result of the candidate's SAE program.

a. Total productively invested equity

This value that was determined on page 10, line 12a column B, and is simply transferred here to help in determining the candidate's "total of productively invested equity."

b. Total education expenses

Today young people can become successfully established in many agricultural related occupations without acquiring physical ownership of land, equipment, facilities, etc. Therefore, to help candidates who have this type of SAE, education expenses of tuition, registration fees and books can be claimed as a productively invested asset in meeting this constitutional requirement. To be eligible the amounts that were expended for tuition, registration fees and books must come from the candidate's own funds.

c. Total Productively Invested Equity

The sum total of all assets, which can, for the purposes of the application, be considered productively, invested at the time of applying for the Garden State FFA Degree. This total is determined by adding "Total Productively Invested Equity" from the Supervised Agricultural Experience Program and the "Educational costs related to occupational objectives paid for from the candidate's income." (Page 10, lines 19a+19b).

20. Total Non-Productively/Personally Invested Equity

This is the equity that the owner has in items not used with their SAE such as furniture, sporting equipment, personal share of an automobile or pickup truck, cash value of personal life insurance policies, etc. This value was determined on Page 10, line 12b, column B and is simply transferred here to help in determining the candidate's "Total Qualifying Productively Invested Equity."

21. Total Equity

This represents the candidate's total equity including those education items that can be claimed as productively invested assets in meeting the productively invested constitutional requirement for the degree. (Page 11, lines 19c+20)

22. Non-Supervised Experience Program Income

One of the constitutional qualifications for the Garden State FFA Degree is that every candidate must have earned and productively invested at least \$1,000 from their SAE program. Due to the influence that other non-SAE earnings, agricultural and non-agriculturally related, as well as income other than

earnings can have on a candidate's net worth, all income, cash and non-cash that was received, but was not part of the SAE program must be identified. This sum is subtracted from the total earned and invested equity to determine the amount that was actually earned and invested as a direct results of the candidate's supervised agricultural experience program.

Special Tip:

Income received from sources other than the SAE program can not be used to meet the constitution qualification of \$1,000 earned and productively invested.

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

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

b. Earnings from non-agricultural activities

In addition to agriculture-related income, most candidates also receive income from non-agricultural activities. Since this income will also become a part of the candidate's financial statement, it must be reported here.

Examples:

Baby sitting

Store clerk

Wait Person

Allowance for non-agricultural work

Newspaper Route

c. Income other than earnings

Gifts, interest on savings, inheritances and awards, cash and non-cash, also have an influence on the financial statement. Each gift, inheritance or award that was received by the candidate during the years covered by the application must be listed here.

Examples:

Inheritance of Land

State Turf and Landscape Management Award (\$100)

129-piece set of hand tools

Interest on savings account

Scholarship to university

d. Total non-supervised experience program income

This represents the sum total of all income earned or received by the candidate from agricultural activities not a part of the SAE program, earnings from non-agricultural activities and income other than earnings. (Page 11, lines 22a+22b+22c)

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

This information is needed for candidates who finance their own personal living expenses such as rent, electricity, food, personal auto expenses, health care or other personal type of expenditures. Taxes and FICA are to be included here.

f. Net non-supervised experience program income

This represents the non-supervised agricultural experience program income that is available after the candidates use of funds for personal expenses have been deducted. (Page 11, line 22d minus 22e)

23. Total Qualifying Productively Invested Equity

To meet the \$1,000 Garden State FFA Degree constitutional requirement, based on income only, this figure must be at least \$1,000. This figure is determined by subtracting "Net non-supervised experience program income" from "Total Equity." (Page 11, line 19c minus 22f)

24. Dollar Value of Unpaid Labor

The constitution allows for candidates who, because of the nature of their SAE program, are unable to invest \$1,000. This allowance states that candidate's who have worked 300 non-paid hours in excess of scheduled class time, can also meet this requirement. Any combination of unpaid hours and invested earnings will allow a candidate to meet the constitutional requirement.

25. Adjusted Qualifying Productively Invested Equity

This is the total productively invested equity plus the dollar value of unpaid labor. Candidates may still be eligible for the degree.

D. SUMMARY OF SOURCE AND USE OF FUNDS

This portion of the application has been designed to allow the candidate to summarize the sources and use of all funds generated over the years covered by application and to indicate other important aspects of their programs. This summary provides a valuable tool in evaluating the accuracy of the financial information and to visualize the total investment made by the candidate in becoming established in an agricultural occupation.

26. Earnings from Supervised Agricultural Experience Program

This is the amount of money you have earned from your SAE experience. It is not the same as money invested.

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

This information has previously been recorded on page 8 and simply needs to be transferred to this section. This will automatically transfer. (Page 8, line 6 column H)

b. Grand total net earnings from wage earnings

This represents the difference between "Gross Earnings" and "Total Expenditures" from the candidate's wage earning supervised experience program. This information has previously been recorded on page 4, and simply needs to be transferred to this section. This will automatically transfer. (Page 4, Grande Total, Net Earnings Column)

c. Total SAE Earnings

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

d. Value of unpaid labor

The constitution allows for candidates who, because of the nature of their SAE program or their place of residence, are unable to earn \$1,000. This allowance states that candidates that have worked 300 non-paid hours in excess of schedules class time, can also meet this requirement. Any combination

of unpaid hours times 3.33 plus what was actually earned can be used to meet the constitutional requirement.

e. Adjusted Total SAE Earnings

This is calculated by Page 11, line 26c-26d.

27. All Other Earnings and Income

Because it will have an influence on the financial statement, all earned income and other income such as interest earned on savings, gifts, inheritances, cash and non-cash, that were not a part of the candidate's SAE program, must be included.

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

Transfer amount from Page 11, line 22a

b. Total Agricultural Related Earnings: Calculated from Page 11, lines 26c+27a

c. Earnings from non-agricultural activities: Transfer amount from Page 11, line 22b

d. Income other than earnings: Transfer amount from Page 11, line 22c

e. Total non-agricultural related income: Calculate from Page 11, line 27c+27d

f. Total source of funds: Calculate from Page 11, line 27b+27e

28. Use of Funds

a. Total educational expenses: Transfer amount from Page 11, line 19b

b. Total other personal expenses (including taxes and FICA): Transfer amount from Page 11, line 22e

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 is the difference between the total funds received during the years covered by the application, minus the total identified use of these funds. (Page 11, line 27f minus 28c)

Special Tip:

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

- Candidate's return to capital, labor and management from SAE program (Page 11, line 26a);
- Grand total net earnings from candidate's wage-earning SAE program (Page 11, line 26b);
- Grand total earnings from agricultural activities not a part of the candidate's SAE program (Page 11, line 27a);
- Grand total earnings from non-agricultural activities (Page 11, line 27c);
- Grand total 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+27c+27d

30. Gain or Loss in Owner's Equity Transfer amount from Page 10, line 15, Column B