

**STEPHEN D. SCHNETTLER, PLLC**

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Member  
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To the Board of Directors  
National Association of  
Agricultural Educators, Inc.  
Lexington, Kentucky 40546

Management is responsible for the accompanying financial statements of National Association of Agricultural Educators, Inc. (a nonprofit organization), which comprise the statement of financial position as of August 31, 2017 and the related statement of activities for the two months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The supplementary information contained in the Schedule of Actual vs. Budget, Convention Revenue and Expenses, and Case Program Revenue and Expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, changes in net assets, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

*Stephen D. Schnettler, PLLC*

December 21, 2017

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

August 31, 2017

ASSETS

Cash on deposit	\$ 303,698
Investments - operating fund	692,076
Investments - life membership fund	238,547
Accounts receivable	405,367
Inventory	5,000
Prepaid expenses	3,536
Property and equipment - CASE	418
Property and equipment	<u>8,505</u>

TOTAL ASSETS \$ 1,657,147

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 189,399
Accrued leave payable	48,633
Other current liabilities	<u>7,334</u>

TOTAL LIABILITIES 245,366

NET ASSETS

Unrestricted net assets:	
Current operation	866,856
Board designated for special purposes	214,235
Temporarily restricted net assets	1,550
CASE Project	<u>329,140</u>

TOTAL NET ASSETS 1,411,781

TOTAL LIABILITIES AND NET ASSETS \$ 1,657,147

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Two Months Ended August 31, 2017

	<u>Unrestricted</u>				
	<u>Current</u>	<u>Board</u>	<u>Temporarily</u>	<u>CASE</u>	<u>Total</u>
	<u>Operations</u>	<u>Designated</u>	<u>Restricted</u>	<u>Project</u>	
Revenue, Gains and Losses					
Membership dues	\$ 48,357	\$ 720	\$ -	\$ -	\$ 49,077
Convention registration	-	-	-	-	-
Sponsorship and awards	1,476	-	-	-	1,476
Merchandise sales	2,599	-	-	-	2,599
Contributions	-	-	-	-	-
Management fees	-	-	-	-	-
Net realized and unrealized					
gains (losses) on securities	17,175	-	-	-	17,175
Interest and dividends	1,237	-	-	-	1,237
FFA Foundation projects	104,960	-	-	-	104,960
CASE Program income	-	-	-	476,622	476,622
Other income	97,539	-	-	-	97,539
	<u>273,343</u>	<u>720</u>	<u>-</u>	<u>476,622</u>	<u>750,685</u>
Total Revenue, Gains and Losses					
Net Assets Released from Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue, Gains and Losses and Reclassifications	<u>273,343</u>	<u>720</u>	<u>-</u>	<u>476,622</u>	<u>750,685</u>
Expenses					
General expenses	187,777	-	-	-	187,777
FFA Foundation projects	1,823	-	-	-	1,823
CASE Program expenses	-	-	-	437,349	437,349
Convention expenses	1,473	-	-	-	1,473
	<u>191,073</u>	<u>-</u>	<u>-</u>	<u>437,349</u>	<u>628,422</u>
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	82,270	720	-	39,273	122,263
NET ASSETS AT BEGINNING OF PERIOD	<u>784,586</u>	<u>213,515</u>	<u>1,550</u>	<u>289,867</u>	<u>1,289,518</u>
NET ASSETS AT END OF PERIOD	<u>\$ 866,856</u>	<u>\$ 214,235</u>	<u>\$ 1,550</u>	<u>\$ 329,140</u>	<u>\$ 1,411,781</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Two Months Ended August 31, 2017

	MONTH		MONTH		MONTH		YEAR TO DATE		YEAR		YEAR
	<u>ACTUAL</u>		<u>BUDGET</u>		<u>\$VARIANCE</u>		<u>ACTUAL</u>		<u>BUDGET</u>		<u>\$VARIANCE</u>
REVENUE											
Member dues	\$ 28,377	\$	\$ 33,704	\$	\$ (5,327)	\$	\$ 47,577	\$	\$ 404,445	\$	\$ (356,868)
Corporate membership dues	750		2,625		(1,875)		1,500		31,500		(30,000)
Upper division scholarships	-		1,833		(1,833)		-		22,000		(22,000)
Delmar scholarships	-		625		(625)		-		7,500		(7,500)
Foundation management fees	-		8,333		(8,333)		-		100,000		(100,000)
Interest and dividends	329		2,917		(2,588)		890		35,000		(34,110)
Net realized and unrealized gains (losses) on securities	698		-		698		17,175		-		17,175
Merchandise sales	(100)		500		(600)		2,599		6,000		(3,401)
Investment income, Life Fund	113		1,000		(887)		347		12,000		(11,653)
Contributions, Legislative Fund	-		-		-		-		-		-
Miscellaneous income	-		750		(750)		-		9,000		(9,000)
Scholarship raffle proceeds	-		-		-		-		-		-
National Teach Ag Campaign	-		37,500		(37,500)		78,720		450,000		(371,280)
Teacher crisis fund	7,569		-		7,569		7,727		-		7,727
BFRDP Grant	-		-		-		-		-		-
AEM business manager stipend	-		333		(333)		-		4,000		(4,000)
DuPont agriscience revenue	-		-		-		8,352		-		8,352
DuPont - non foundation	-		-		-		-		-		-
NPS National Ag Ed leadership dinner	-		352		(352)		-		4,225		(4,225)
CASE management fee	-		2,000		(2,000)		-		24,000		(24,000)
Council MMM management fee	-		417		(417)		-		5,000		(5,000)
Teach AG non-foundation revenue	700		-		700		800		-		800
FFA Foundation project - TTTK	-		4,375		(4,375)		65,600		52,500		13,100
FFA Foundation project - OPAP	-		917		(917)		-		11,000		(11,000)
FFA Foundation project - OMSP	-		917		(917)		-		11,000		(11,000)
FFA Foundation project - OT	-		917		(917)		8,200		11,000		(2,800)
FFA Foundation project - OYM	-		917		(917)		-		11,000		(11,000)
FFA Foundation project - Lifetime Achievement	-		208		(208)		-		2,500		(2,500)
FFA Foundation project - Outstanding Service Citation	-		-		-		-		-		-
FFA Foundation teacher workshop	-		1,667		(1,667)		-		20,000		(20,000)
FFA Foundation upper division scholarships	-		-		-		-		-		-
FFA Foundation Agriscience Teacher	-		2,050		(2,050)		-		24,600		(24,600)
FFA Foundation NATAA/NAII	-		10,000		(10,000)		-		120,000		(120,000)
FFA Foundation project - XLR8	-		2,000		(2,000)		-		24,000		(24,000)
FFA Foundation communities of practice	-		4,783		(4,783)		31,160		57,400		(26,240)
FFA Foundation convention internet lounge	-		-		-		-		-		-
CASE program net income	(43,093)		-		(43,093)		39,273		-		39,273
Convention net income	(705)		4,870		(5,575)		1,943		58,450		(56,507)
<b>TOTAL REVENUE</b>	<b>(5,362)</b>		<b>126,510</b>		<b>(131,872)</b>		<b>311,863</b>		<b>1,518,120</b>		<b>(1,206,257)</b>
EXPENSES											
Salaries	36,684		31,166		5,518		73,898		373,987		(300,089)
Taxes and benefits	6,779		8,568		(1,789)		12,837		102,817		(89,980)
Computer service	1,330		667		663		4,680		8,000		(3,320)
Telephone	144		500		(356)		505		6,000		(5,495)
Accounting	700		1,367		(667)		1,400		16,400		(15,000)
Depreciation	244		333		(89)		488		4,000		(3,512)
Rent	-		833		(833)		10,050		10,000		50
Insurance	315		833		(518)		631		10,000		(9,369)
Legal	-		83		(83)		-		1,000		(1,000)
Office Supplies	787		1,083		(296)		2,060		13,000		(10,940)
Bank charges and investment fees	12		8		4		2,184		100		2,084
Printing, general	-		250		(250)		583		3,000		(2,417)
Staff training	-		42		(42)		-		500		(500)
Taxes and licenses	-		4		(4)		-		50		(50)
Membership and contributions	-		1,667		(1,667)		50		20,000		(19,950)

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Two Months Ended August 31, 2017

	<u>MONTH</u> <u>ACTUAL</u>	<u>MONTH</u> <u>BUDGET</u>	<u>MONTH</u> <u>\$VARIANCE</u>	<u>YEAR TO DATE</u> <u>ACTUAL</u>	<u>YEAR</u> <u>BUDGET</u>	<u>YEAR</u> <u>\$VARIANCE</u>
Travel, staff	1,240	2,917	(1,677)	5,177	35,000	(29,823)
Promotion and marketing	-	2,083	(2,083)	213	25,000	(24,787)
Merchandise and diaries	4,434	208	4,226	4,791	2,500	2,291
Photocopying	-	8	(8)	-	100	(100)
Postage, general	125	667	(542)	1,110	8,000	(6,890)
Professional liability insurance	-	3,233	(3,233)	-	38,790	(38,790)
Public relations	-	83	(83)	86	1,000	(914)
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Travel, regional secretaries	-	1,500	(1,500)	-	18,000	(18,000)
Travel, board of directors	799	3,333	(2,534)	7,143	40,000	(32,857)
Nat'l Teach Ag Campaign	20,745	34,167	(13,422)	33,103	410,000	(376,897)
FFA Foundation project - TTTK	335	3,875	(3,540)	335	46,500	(46,165)
FFA Foundation project - OPAP	-	917	(917)	-	11,000	(11,000)
FFA Foundation project - OMSP	-	917	(917)	483	11,000	(10,517)
FFA Foundation project - OT	670	917	(247)	670	11,000	(10,330)
FFA Foundation project - OYM	-	917	(917)	-	11,000	(11,000)
FFA Foundation project - Lifetime achievement	-	208	(208)	-	2,500	(2,500)
FFA Foundation project - Outstanding service citation	-	-	-	-	-	-
FFA Foundation teacher workshop	-	-	-	-	-	-
FFA Foundation Regional Grants	-	-	-	-	-	-
FFA Foundation Agriscience Teachers	335	833	(498)	335	10,000	(9,665)
FFA Foundation XLR8	-	2,000	(2,000)	-	24,000	(24,000)
FFA Foundation convention internet lounge	-	-	-	-	-	-
NPS Ag Ed Leadership dinner	-	352	(352)	-	4,225	(4,225)
Upper division scholarships	-	1,833	(1,833)	-	22,000	(22,000)
TTTK	-	-	-	-	-	-
DuPont Agriscience	2,066	-	2,066	17,286	-	17,286
Regional grants	-	-	-	-	-	-
NPS expense	-	417	(417)	-	5,000	(5,000)
Webinar expense	-	42	(42)	144	500	(356)
Teacher crisis fund	500	-	500	1,000	-	1,000
Communities of practice expense	-	3,167	(3,167)	-	38,000	(38,000)
Substitute teacher hire behinds	-	42	(42)	-	500	(500)
Website	-	1,500	(1,500)	824	18,000	(17,176)
NATAA	-	10,000	(10,000)	6,000	120,000	(114,000)
BFRDP expense	-	-	-	-	-	-
BFPD contract labor	-	-	-	-	-	-
Credit card expense	476	333	143	1,034	4,000	(2,966)
Storage	-	-	-	-	-	-
Professional development	-	-	-	-	-	-
Ag ed opportunity fund	-	-	-	500	-	500
Miscellaneous	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<u>78,720</u>	<u>124,498</u>	<u>(45,778)</u>	<u>189,600</u>	<u>1,493,969</u>	<u>(1,304,369)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ (84,082)</u>	<u>\$ 2,012</u>	<u>\$ (86,094)</u>	<u>\$ 122,263</u>	<u>\$ 24,151</u>	<u>\$ 98,112</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.  
Schedule of Convention Revenue and Expenses  
For the One and Two Months Ended August 31, 2017

	<u>MONTH</u> <u>ACTUAL</u>	<u>MONTH</u> <u>BUDGET</u>	<u>MONTH</u> <u>\$VARIANCE</u>	<u>YEAR TO DATE</u> <u>ACTUAL</u>	<u>YEAR</u> <u>BUDGET</u>	<u>YEAR</u> <u>\$VARIANCE</u>
<b>REVENUE</b>						
Convention, registration	\$ -	\$ 9,583	\$ (9,583)	\$ -	\$ 115,000	\$ (115,000)
Convention, trade show	300	-	300	300	-	300
Convention, sponsorships - FFA Foundation	-	5,000	(5,000)	1,640	60,000	(58,360)
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	-	2,000	(2,000)	1,476	24,000	(22,524)
TOTAL REVENUE	<u>300</u>	<u>16,583</u>	<u>(16,283)</u>	<u>3,416</u>	<u>199,000</u>	<u>(195,584)</u>
<b>EXPENSES</b>						
Convention, plaques and trophies	335	167	168	335	2,000	(1,665)
Convention, printing	-	-	-	-	-	-
Convention, awards	670	833	(163)	670	10,000	(9,330)
Convention, miscellaneous	-	-	-	-	-	-
Convention, meal functions	-	833	(833)	-	10,000	(10,000)
Convention, promotion and marketing	-	167	(167)	-	2,000	(2,000)
Convention, postage and shipping	-	167	(167)	-	2,000	(2,000)
Convention, equipment rental	-	1,667	(1,667)	133	20,000	(19,867)
Convention, host state social	-	-	-	-	-	-
Convention, committee expense	-	379	(379)	335	4,550	(4,215)
Convention, sponsorships - FFA Foundation	-	4,583	(4,583)	-	55,000	(55,000)
Convention, travel/board of directors	-	1,917	(1,917)	-	23,000	(23,000)
Convention, staff travel	-	1,000	(1,000)	-	12,000	(12,000)
TOTAL EXPENSES	<u>1,005</u>	<u>11,713</u>	<u>(10,708)</u>	<u>1,473</u>	<u>140,550</u>	<u>(139,077)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ (705)</u>	<u>\$ 4,870</u>	<u>\$ (5,575)</u>	<u>\$ 1,943</u>	<u>\$ 58,450</u>	<u>\$ (56,507)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses

For the One and Two Months Ended August 31, 2017

	MONTH	MONTH	MONTH	YEAR TO DATE	YEAR	YEAR
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>\$VARIANCE</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>\$VARIANCE</u>
<b>REVENUE</b>						
CI fees	\$ 11,700	\$ -	\$ 11,700	\$ 207,722	\$ -	\$ 207,722
Vendor - Vernier	185,146	-	185,146	251,894	-	251,894
Vendor - NewByte	1,247	-	1,247	1,967	-	1,967
Vendor - Bio-Rad	-	-	-	-	-	-
Field test fees	-	-	-	-	-	-
NRES	-	-	-	-	-	-
APT	-	-	-	198	-	198
ASP	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	-	-	-	-	-	-
Capstone Revenue	-	-	-	-	-	-
Royalty - Cengage	5,904	-	5,904	9,423	-	9,423
Royalty - Ward's	-	-	-	-	-	-
FSS revenue	-	-	-	-	-	-
G.W. Publications	-	-	-	-	-	-
Online	5,108	-	5,108	5,108	-	5,108
Merchandise	160	-	160	160	-	160
Replacement CD	125	-	125	150	-	150
<b>TOTAL REVENUE</b>	<b>209,390</b>	<b>-</b>	<b>209,390</b>	<b>476,622</b>	<b>-</b>	<b>476,622</b>
<b>EXPENSES</b>						
Council assessment	-	-	-	-	-	-
Travel	2,474	-	2,474	7,043	-	7,043
Travel - staff	178	-	178	12,192	-	12,192
Salary	7,151	-	7,151	14,303	-	14,303
Taxes and benefits	306	-	306	1,404	-	1,404
Contract labor	34,969	-	34,969	71,681	-	71,681
Supplies	-	-	-	48	-	48
Merchandise	-	-	-	-	-	-
Promotion	1,690	-	1,690	3,090	-	3,090
Printing	-	-	-	-	-	-
Postage	95	-	95	320	-	320
Telecommunications	-	-	-	-	-	-
Management fee	-	-	-	-	-	-
Vernier	162,554	-	162,554	223,706	-	223,706
NewByte	452	-	452	452	-	452
Bio-Rad	-	-	-	-	-	-
Carthage	-	-	-	-	-	-
Carthage contract labor	38,300	-	38,300	78,200	-	78,200
Field test	-	-	-	-	-	-
CI scholarships	82	-	82	13,230	-	13,230
NRES	-	-	-	-	-	-
FSS	-	-	-	-	-	-
APT	-	-	-	(220)	-	(220)
ARD	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	-	-	-	-	-	-
G.W. Publications	-	-	-	-	-	-
Online expense	1,000	-	1,000	1,000	-	1,000
Royalty expense - Cengage	2,723	-	2,723	6,192	-	6,192
CI Mentor contract labor	500	-	500	2,000	-	2,000
CI mentor	-	-	-	2,689	-	2,689
Depreciation	9	-	9	19	-	19
<b>TOTAL EXPENSES</b>	<b>252,483</b>	<b>-</b>	<b>252,483</b>	<b>437,349</b>	<b>-</b>	<b>437,349</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (43,093)</b>	<b>\$ -</b>	<b>\$ (43,093)</b>	<b>\$ 39,273</b>	<b>\$ -</b>	<b>\$ 39,273</b>

SEE ACCOMPANYING ACCOUNTANT'S REPORT