

STEPHEN D. SCHNETTLER, PLLC

Certified Public Accountants

300 W. Maxwell Street

Lexington, Kentucky 40508

Telephone: (859) 254-8558

Fax: (859) 252-1545

Member
American Institute of
Certified Public Accountants

Member
Kentucky Society of
Certified Public Accountants

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 September 30, 2017 and the related statement of activities for the three 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

September 30, 2017

ASSETS

Cash on deposit	\$ 551,043
Investments - operating fund	709,239
Investments - life membership fund	243,711
Accounts receivable	251,884
Inventory	5,000
Prepaid expenses	51,571
Property and equipment - CASE	409
Property and equipment	<u>8,260</u>

TOTAL ASSETS \$ 1,821,117

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 42,411
Accrued leave payable	48,633
Other current liabilities	<u>7,415</u>

TOTAL LIABILITIES 98,459

NET ASSETS

Unrestricted net assets:	
Current operation	1,159,724
Board designated for special purposes	214,355
Temporarily restricted net assets	1,550
CASE Project	<u>347,029</u>

TOTAL NET ASSETS 1,722,658

TOTAL LIABILITIES AND NET ASSETS \$ 1,821,117

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Three Months Ended September 30, 2017

	Unrestricted				
	Current Operations	Board Designated	Temporarily Restricted	CASE Project	Total
Revenue, Gains and Losses					
Membership dues	\$ 235,177	\$ 840	\$ -	\$ -	\$ 236,017
Convention registration	335	-	-	-	335
Sponsorship and awards	3,476	-	-	-	3,476
Merchandise sales	2,936	-	-	-	2,936
Contributions	-	-	-	-	-
Management fees	-	-	-	-	-
Net realized and unrealized gains (losses) on securities	37,838	-	-	-	37,838
Interest and dividends	2,902	-	-	-	2,902
FFA Foundation projects	109,880	-	-	-	109,880
CASE Program income	-	-	-	604,033	604,033
Other income	292,440	-	-	-	292,440
Total Revenue, Gains and Losses	684,984	840	-	604,033	1,289,857
Net Assets Released from Restrictions	-	-	-	-	-
Total Revenue, Gains and Losses and Reclassifications	684,984	840	-	604,033	1,289,857
Expenses					
General expenses	306,030	-	-	-	306,030
FFA Foundation projects	2,008	-	-	-	2,008
CASE Program expenses	-	-	-	546,871	546,871
Convention expenses	1,808	-	-	-	1,808
Total expenses	309,846	-	-	546,871	856,717
INCREASE (DECREASE) IN NET ASSETS	375,138	840	-	57,162	433,140
NET ASSETS AT BEGINNING OF PERIOD	784,586	213,515	1,550	289,867	1,289,518
NET ASSETS AT END OF PERIOD	\$ 1,159,724	\$ 214,355	\$ 1,550	\$ 347,029	\$ 1,722,658

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Three Months Ended September 30, 2017

	<u>MONTH</u>	<u>MONTH</u>	<u>MONTH</u>	<u>YEAR TO DATE</u>	<u>YEAR</u>	<u>YEAR</u>
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>\$VARIANCE</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>\$VARIANCE</u>
REVENUE						
Member dues	\$ 186,190	\$ 33,704	\$ 152,486	\$ 233,767	\$ 404,445	\$ (170,678)
Corporate membership dues	750	2,625	(1,875)	2,250	31,500	(29,250)
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	1,251	2,917	(1,666)	2,142	35,000	(32,858)
Net realized and unrealized gains (losses) on securities	20,663	-	20,663	37,838	-	37,838
Merchandise sales	337	500	(163)	2,936	6,000	(3,064)
Investment income, Life Fund	413	1,000	(587)	760	12,000	(11,240)
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	1,816	-	1,816	9,543	-	9,543
BFRDP Grant	-	-	-	-	-	-
AEM business manager stipend	-	333	(333)	-	4,000	(4,000)
DuPont agriscience revenue	164,000	-	164,000	172,352	-	172,352
DuPont - non foundation	9,379	-	9,379	9,379	-	9,379
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	1,066	-	1,066	1,866	-	1,866
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	4,920	4,783	137	36,080	57,400	(21,320)
FFA Foundation convention internet lounge	-	-	-	-	-	-
CASE program net income	17,889	-	17,889	57,162	-	57,162
Convention net income	20,640	4,870	15,770	22,583	58,450	(35,867)
TOTAL REVENUE	429,314	126,510	302,804	741,178	1,518,120	(776,942)
EXPENSES						
Salaries	39,459	31,166	8,293	113,357	373,987	(260,630)
Taxes and benefits	8,032	8,568	(536)	20,870	102,817	(81,947)
Computer service	3,618	667	2,951	8,299	8,000	299
Telephone	1,459	500	959	1,964	6,000	(4,036)
Accounting	700	1,367	(667)	2,100	16,400	(14,300)
Depreciation	244	333	(89)	732	4,000	(3,268)
Rent	-	833	(833)	10,050	10,000	50
Insurance	315	833	(518)	946	10,000	(9,054)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	379	1,083	(704)	2,438	13,000	(10,562)
Bank charges and investment fees	-	8	(8)	2,184	100	2,084
Printing, general	370	250	120	953	3,000	(2,047)
Staff training	-	42	(42)	-	500	(500)
Taxes and licenses	-	4	(4)	-	50	(50)
Membership and contributions	3,000	1,667	1,333	3,050	20,000	(16,950)

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Three Months Ended September 30, 2017

	<u>MONTH</u>	<u>MONTH</u>	<u>MONTH</u>	<u>YEAR TO DATE</u>	<u>YEAR</u>	<u>YEAR</u>
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>\$VARIANCE</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>\$VARIANCE</u>
Travel, staff	622	2,917	(2,295)	5,800	35,000	(29,200)
Promotion and marketing	-	2,083	(2,083)	213	25,000	(24,787)
Merchandise and diaries	-	208	(208)	4,791	2,500	2,291
Photocopying	-	8	(8)	-	100	(100)
Postage, general	237	667	(430)	1,347	8,000	(6,653)
Professional liability insurance	-	3,233	(3,233)	-	38,790	(38,790)
Public relations	-	83	(83)	86	1,000	(914)
Delmar scholarships	9,000	625	8,375	9,000	7,500	1,500
Travel, regional secretaries	-	1,500	(1,500)	-	18,000	(18,000)
Travel, board of directors	1,546	3,333	(1,787)	8,689	40,000	(31,311)
Nat'l Teach Ag Campaign	44,427	34,167	10,260	77,529	410,000	(332,471)
FFA Foundation project - TTTK	(150)	3,875	(4,025)	185	46,500	(46,315)
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	335	917	(582)	1,005	11,000	(9,995)
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	-	833	(833)	335	10,000	(9,665)
FFA Foundation XLR8	335	2,000	(1,665)	335	24,000	(23,665)
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	30	-	30	17,316	-	17,316
Regional grants	-	-	-	-	-	-
NPS expense	-	417	(417)	-	5,000	(5,000)
Webinar expense	-	42	(42)	144	500	(356)
Teacher crisis fund	500	-	500	1,500	-	1,500
Communities of practice expense	-	3,167	(3,167)	-	38,000	(38,000)
Substitute teacher hire behinds	-	42	(42)	-	500	(500)
Website	3,370	1,500	1,870	4,194	18,000	(13,806)
NATAA	-	10,000	(10,000)	6,000	120,000	(114,000)
BFRDP expense	-	-	-	-	-	-
BFPD contract labor	-	-	-	-	-	-
Credit card expense	579	333	246	1,613	4,000	(2,387)
Storage	-	-	-	-	-	-
Professional development	-	-	-	-	-	-
Ag ed opportunity fund	-	-	-	500	-	500
Miscellaneous	30	-	30	30	-	30
TOTAL EXPENSES	<u>118,437</u>	<u>124,498</u>	<u>(6,061)</u>	<u>308,038</u>	<u>1,493,969</u>	<u>(1,185,931)</u>
NET INCOME (LOSS)	<u>\$ 310,877</u>	<u>\$ 2,012</u>	<u>\$ 308,865</u>	<u>\$ 433,140</u>	<u>\$ 24,151</u>	<u>\$ 408,989</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Three Months Ended September 30, 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>
REVENUE						
Convention, registration	\$ 335	\$ 9,583	\$ (9,248)	\$ 335	\$ 115,000	\$ (114,665)
Convention, trade show	600	-	600	900	-	900
Convention, sponsorships - FFA Foundation	18,040	5,000	13,040	19,680	60,000	(40,320)
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>3,476</u>	<u>24,000</u>	<u>(20,524)</u>
TOTAL REVENUE	<u>20,975</u>	<u>16,583</u>	<u>4,392</u>	<u>24,391</u>	<u>199,000</u>	<u>(174,609)</u>
EXPENSES						
Convention, plaques and trophies	-	167	(167)	335	2,000	(1,665)
Convention, printing	-	-	-	-	-	-
Convention, awards	335	833	(498)	1,005	10,000	(8,995)
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	<u>-</u>	<u>1,000</u>	<u>(1,000)</u>	<u>-</u>	<u>12,000</u>	<u>(12,000)</u>
TOTAL EXPENSES	<u>335</u>	<u>11,713</u>	<u>(11,378)</u>	<u>1,808</u>	<u>140,550</u>	<u>(138,742)</u>
NET INCOME (LOSS)	<u>\$ 20,640</u>	<u>\$ 4,870</u>	<u>\$ 15,770</u>	<u>\$ 22,583</u>	<u>\$ 58,450</u>	<u>\$ (35,867)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses

For the One and Three Months Ended September 30, 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						
CI fees	\$ 58,100	\$ -	\$ 58,100	\$ 265,822	\$ -	\$ 265,822
Vendor - Vernier	53,151	-	53,151	305,045	-	305,045
Vendor - NewByte	770	-	770	2,737	-	2,737
Vendor - Bio-Rad	-	-	-	-	-	-
Field test fees	-	-	-	-	-	-
NRES	-	-	-	-	-	-
APT	-	-	-	198	-	198
ASP	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	-	-	-	-	-	-
Capstone Revenue	-	-	-	-	-	-
Royalty - Cengage	13,387	-	13,387	22,810	-	22,810
Royalty - Ward's	-	-	-	-	-	-
FSS revenue	-	-	-	-	-	-
G.W. Publications	-	-	-	-	-	-
Online	2,004	-	2,004	7,111	-	7,111
Merchandise	-	-	-	160	-	160
Replacement CD	-	-	-	150	-	150
TOTAL REVENUE	<u>127,412</u>	<u>-</u>	<u>127,412</u>	<u>604,033</u>	<u>-</u>	<u>604,033</u>
EXPENSES						
Council assessment	-	-	-	-	-	-
Travel	-	-	-	7,043	-	7,043
Travel - staff	-	-	-	12,192	-	12,192
Salary	7,151	-	7,151	21,454	-	21,454
Taxes and benefits	306	-	306	1,710	-	1,710
Contract labor	34,969	-	34,969	106,650	-	106,650
Supplies	-	-	-	48	-	48
Merchandise	-	-	-	-	-	-
Promotion	-	-	-	3,090	-	3,090
Printing	1,831	-	1,831	1,831	-	1,831
Postage	(17)	-	(17)	303	-	303
Telecommunications	-	-	-	-	-	-
Management fee	-	-	-	-	-	-
Vernier	49,983	-	49,983	273,689	-	273,689
NewByte	1,200	-	1,200	1,652	-	1,652
Bio-Rad	-	-	-	-	-	-
Carthage	-	-	-	-	-	-
Carthage contract labor	-	-	-	78,200	-	78,200
Field test	-	-	-	-	-	-
CI scholarships	-	-	-	13,230	-	13,230
NRES	-	-	-	-	-	-
FSS	-	-	-	-	-	-
APT	-	-	-	(220)	-	(220)
ARD	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	-	-	-	-	-	-
G.W. Publications	-	-	-	-	-	-
Online expense	-	-	-	1,000	-	1,000
Royalty expense - Cengage	13,382	-	13,382	19,573	-	19,573
CI Mentor contract labor	500	-	500	2,500	-	2,500
CI mentor	209	-	209	2,898	-	2,898
Depreciation	9	-	9	28	-	28
TOTAL EXPENSES	<u>109,523</u>	<u>-</u>	<u>109,523</u>	<u>546,871</u>	<u>-</u>	<u>546,871</u>
NET INCOME (LOSS)	<u>\$ 17,889</u>	<u>\$ -</u>	<u>\$ 17,889</u>	<u>\$ 57,162</u>	<u>\$ -</u>	<u>\$ 57,162</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT