

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 October 31, 2016 and the related statement of activities for the four 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

November 16, 2016

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

October 31, 2016

ASSETS

Cash on deposit	\$ 544,178
Investments - operating fund	607,438
Investments - life membership fund	209,383
Accounts receivable	338,051
Inventory	5,000
Prepaid expenses	209,159
Property and equipment - CASE	513
Property and equipment	<u>11,206</u>

TOTAL ASSETS \$ 1,924,928

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 70,756
Accrued leave payable	41,327
Other current liabilities	<u>10,047</u>

TOTAL LIABILITIES 122,130

NET ASSETS

Unrestricted net assets:	
Current operation	1,019,786
Board designated for special purposes	212,795
Temporarily restricted net assets	1,020
CASE Project	<u>569,197</u>

TOTAL NET ASSETS 1,802,798

TOTAL LIABILITIES AND NET ASSETS \$ 1,924,928

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Four Months ended October 31, 2016

	<u>Unrestricted</u>		<u>Temporarily Restricted</u>	<u>CASE Project</u>	<u>Total</u>
	<u>Current Operations</u>	<u>Board Designated</u>			
Revenue, Gains and Losses					
Membership dues	\$ 254,205	\$ 4,380	\$ -	\$ -	\$ 258,585
Convention registration	64,389	-	-	-	64,389
Sponsorship and awards	17,250	-	-	-	17,250
Merchandise sales	1,872	-	-	-	1,872
Contributions	-	-	50	-	50
Management fees	-	-	-	-	-
Net realized and unrealized gains (losses) on securities	27,251	-	-	-	27,251
Interest and dividends	2,484	-	-	-	2,484
FFA Foundation projects	24,600	-	-	-	24,600
CASE Program income	-	-	-	884,421	884,421
Other income	29,771	-	-	-	29,771
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue, Gains and Losses	421,822	4,380	50	884,421	1,310,673
Net Assets Released from Restrictions	-	-	-	-	-
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Total Revenue, Gains and Losses and Reclassifications	421,822	4,380	50	884,421	1,310,673
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Expenses					
General expenses	435,867	-	-	-	435,867
FFA Foundation projects	2,956	-	-	-	2,956
CASE Program expenses	-	-	-	817,019	817,019
Convention expenses	9,752	-	-	-	9,752
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Total expenses	448,575	-	-	817,019	1,265,594
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INCREASE (DECREASE) IN NET ASSETS	(26,753)	4,380	50	67,402	45,079
NET ASSETS AT BEGINNING OF PERIOD	1,046,539	208,415	970	501,795	1,757,719
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS AT END OF PERIOD	\$ 1,019,786	\$ 212,795	\$ 1,020	\$ 569,197	\$ 1,802,798
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SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Four Months Ended October 31, 2016

	MONTH <u>ACTUAL</u>	MONTH <u>BUDGET</u>	MONTH <u>\$VARIANCE</u>	YEAR TO DATE <u>ACTUAL</u>	YEAR <u>BUDGET</u>	YEAR <u>\$VARIANCE</u>
REVENUE						
Member dues	\$ 111,330	\$ 32,907	\$ 78,423	\$ 252,585	\$ 394,880	\$ (142,295)
Corporate membership dues	-	2,563	(2,563)	6,000	30,750	(24,750)
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Foundation management fees	-	7,917	(7,917)	-	95,000	(95,000)
Interest and dividends	231	2,917	(2,686)	1,712	35,000	(33,288)
Net realized and unrealized gains (losses) on securities	(13,239)	-	(13,239)	27,251	-	27,251
Merchandise sales	317	833	(516)	1,872	10,000	(8,128)
Investment income, Life Fund	130	917	(787)	772	11,000	(10,228)
Contributions, Legislative Fund	-	-	-	50	-	50
Miscellaneous income	31	833	(802)	31	10,000	(9,969)
Scholarship raffle proceeds	-	125	(125)	-	1,500	(1,500)
National Teach Ag Campaign	10,250	37,500	(27,250)	10,932	450,000	(439,068)
Teacher crisis fund	2,295	-	2,295	11,916	-	11,916
BFRDP Grant	-	-	-	-	-	-
AEM business manager stipend	-	333	(333)	-	4,000	(4,000)
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	50	-	50	1,812	-	1,812
FFA Foundation project - TTTK	-	3,875	(3,875)	-	46,500	(46,500)
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)	-	11,000	(11,000)
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	-	1,833	(1,833)	-	22,000	(22,000)
FFA Foundation Agriscience Teacher	24,600	667	23,933	24,600	8,000	16,600
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)	-	57,400	(57,400)
FFA Foundation convention internet lounge	-	-	-	-	-	-
CASE program net income	(14,646)	-	(14,646)	67,402	-	67,402
Convention net income	59,554	5,005	54,549	76,967	53,050	23,917
TOTAL REVENUE	180,903	123,593	57,310	483,902	1,476,080	(992,178)
EXPENSES						
Salaries	37,875	30,331	7,544	148,456	363,967	(215,511)
Taxes and benefits	7,708	8,419	(711)	30,302	101,023	(70,721)
Computer service	-	667	(667)	5,550	8,000	(2,450)
Telephone	341	417	(76)	1,269	5,000	(3,731)
Accounting	650	1,317	(667)	2,600	15,800	(13,200)
Depreciation	277	333	(56)	1,106	4,000	(2,894)
Rent	-	629	(629)	-	7,550	(7,550)
Insurance	773	833	(60)	3,092	10,000	(6,908)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	30	833	(803)	1,038	10,000	(8,962)
Bank charges and investment fees	1,954	8	1,946	3,811	100	3,711
Printing, general	305	250	55	1,243	3,000	(1,757)
Staff training	-	42	(42)	-	500	(500)
Taxes and licenses	-	8	(8)	-	100	(100)
Membership and contributions	4,000	1,667	2,333	4,105	20,000	(15,895)
Travel, staff	428	2,917	(2,489)	2,141	35,000	(32,859)
Promotion and marketing	3,429	1,250	2,179	10,057	15,000	(4,943)
Merchandise and diaries	-	208	(208)	2,049	2,500	(451)
Photocopying	-	8	(8)	-	100	(100)
Postage, general	156	542	(386)	1,262	6,500	(5,238)
Professional liability insurance	-	3,183	(3,183)	38,775	38,200	575

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Four Months Ended October 31, 2016

	<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>
Public relations	-	83	(83)	87	1,000	(913)
Scholarships	9,000	2,583	6,417	9,000	31,000	(22,000)
Travel, regional secretaries	-	1,500	(1,500)	335	18,000	(17,665)
Travel, board of directors	-	3,333	(3,333)	9,287	40,000	(30,713)
Nat'l Teach Ag Campaign	22,734	34,167	(11,433)	105,942	410,000	(304,058)
FFA Foundation project - TTTK	-	3,875	(3,875)	1,422	46,500	(45,078)
FFA Foundation project - OPAP	431	917	(486)	431	11,000	(10,569)
FFA Foundation project - OMSP	-	917	(917)	384	11,000	(10,616)
FFA Foundation project - OT	-	917	(917)	384	11,000	(10,616)
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	-	-	-	335	-	335
FFA Foundation teacher workshop	-	-	-	-	-	-
FFA Foundation Regional Grants	-	-	-	-	-	-
FFA Foundation Agriscience Teachers	-	-	-	-	-	-
FFA Foundation XLR8	-	2,000	(2,000)	1,194	24,000	(22,806)
FFA Foundation convention internet lounge	-	-	-	-	-	-
DuPont Agriscience	6,935	667	6,268	20,059	8,000	12,059
Regional grants	-	-	-	-	-	-
NPS expense	-	417	(417)	-	5,000	(5,000)
Webinar expense	-	100	(100)	-	1,200	(1,200)
Teacher crisis fund	-	-	-	3,500	-	3,500
Communities of practice expense	-	3,167	(3,167)	15,000	38,000	(23,000)
Substitute teacher hire behinds	-	42	(42)	-	500	(500)
Website	1,050	1,083	(33)	4,431	13,000	(8,569)
NATAA stipends	-	10,000	(10,000)	8,750	120,000	(111,250)
BFRDP expense	-	-	-	-	-	-
BFPD contract labor	-	-	-	-	-	-
Credit card expense	449	208	241	1,426	2,500	(1,074)
Miscellaneous	-	-	-	-	-	-
TOTAL EXPENSES	<u>98,525</u>	<u>121,046</u>	<u>(22,521)</u>	<u>438,823</u>	<u>1,452,540</u>	<u>(1,013,717)</u>
NET INCOME (LOSS)	<u>\$ 82,378</u>	<u>\$ 2,547</u>	<u>\$ 79,831</u>	<u>\$ 45,079</u>	<u>\$ 23,540</u>	<u>\$ 21,539</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Four Months Ended October 31, 2016

	<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	\$ 64,389	\$ 9,583	\$ 54,806	\$ 64,389	\$ 115,000	\$ (50,611)
Convention, trade show	300	-	300	1,800	-	1,800
Convention, sponsorships - FFA Foundation	-	4,583	(4,583)	3,280	55,000	(51,720)
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	-	1,333	(1,333)	17,250	16,000	1,250
TOTAL REVENUE	<u>64,689</u>	<u>15,499</u>	<u>49,190</u>	<u>86,719</u>	<u>186,000</u>	<u>(99,281)</u>
EXPENSES						
Convention, plaques and trophies	-	242	(242)	68	2,900	(2,832)
Convention, printing	-	-	-	-	-	-
Convention, awards	4,800	-	4,800	5,470	7,000	(1,530)
Convention, meal functions	-	833	(833)	-	10,000	(10,000)
Convention, promotion and marketing	-	208	(208)	2,770	2,500	270
Convention, postage and shipping	-	333	(333)	-	4,000	(4,000)
Convention, equipment rental	-	1,583	(1,583)	-	19,000	(19,000)
Convention, host state social	-	-	-	-	-	-
Convention, committee expense	335	379	(44)	335	4,550	(4,215)
Convention, sponsorships - FFA Foundation	-	4,583	(4,583)	-	55,000	(55,000)
Convention, travel/board of directors	-	1,333	(1,333)	1,175	16,000	(14,825)
Convention, staff travel	-	1,000	(1,000)	(66)	12,000	(12,066)
TOTAL EXPENSES	<u>5,135</u>	<u>10,494</u>	<u>(5,359)</u>	<u>9,752</u>	<u>132,950</u>	<u>(123,198)</u>
NET INCOME (LOSS)	<u>\$ 59,554</u>	<u>\$ 5,005</u>	<u>\$ 54,549</u>	<u>\$ 76,967</u>	<u>\$ 53,050</u>	<u>\$ 23,917</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses

For the One and Four Months Ended October 31, 2016

	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	\$ 10,950	\$ -	\$ 10,950	\$ 259,604	\$ -	\$ 259,604
Vendor - Vernier	111,948	-	111,948	511,230	-	511,230
Vendor - NewByte	1,825	-	1,825	5,831	-	5,831
Vendor - Bio-Rad	-	-	-	2,446	-	2,446
Field test fees	-	-	-	5,000	-	5,000
NRES	-	-	-	-	-	-
APT	3,147	-	3,147	6,764	-	6,764
ASP	-	-	-	-	-	-
ESI	-	-	-	-	-	-
Capstone Revenue	-	-	-	-	-	-
Royalty - Cengage	-	-	-	56,873	-	56,873
FSS revenue	-	-	-	-	-	-
G.W. Publications	-	-	-	5,658	-	5,658
Online	9,827	-	9,827	29,888	-	29,888
Merchandise	-	-	-	677	-	677
Replacement CD	50	-	50	450	-	450
TOTAL REVENUE	<u>137,747</u>	<u>-</u>	<u>137,747</u>	<u>884,421</u>	<u>-</u>	<u>884,421</u>
EXPENSES						
Council assessment	-	-	-	-	-	-
Travel	-	-	-	8,585	-	8,585
Travel - staff	1,542	-	1,542	3,459	-	3,459
Salary	7,070	-	7,070	28,301	-	28,301
Taxes and benefits	306	-	306	1,226	-	1,226
Contract labor	41,803	-	41,803	167,210	-	167,210
Supplies	-	-	-	614	-	614
Merchandise	-	-	-	-	-	-
Promotion	-	-	-	1,591	-	1,591
Printing	4,762	-	4,762	6,495	-	6,495
Postage	-	-	-	310	-	310
Telecommunications	-	-	-	-	-	-
Vernier	89,652	-	89,652	421,926	-	421,926
NewByte	729	-	729	2,842	-	2,842
Bio-Rad	-	-	-	-	-	-
Carthage	-	-	-	-	-	-
Carthage contract labor	-	-	-	84,850	-	84,850
Field test	-	-	-	10,000	-	10,000
CI scholarships	-	-	-	-	-	-
NRES	-	-	-	-	-	-
FSS	-	-	-	-	-	-
APT	5,515	-	5,515	5,515	-	5,515
ARD	-	-	-	-	-	-
ESI	-	-	-	1,438	-	1,438
MSA expense	162	-	162	162	-	162
G.W. Publications	1,652	-	1,652	5,240	-	5,240
Online expense	-	-	-	-	-	-
Royalty expense - Cengage	(810)	-	(810)	58,426	-	58,426
CI Mentor contract labor	-	-	-	5,000	-	5,000
CI mentor	-	-	-	3,791	-	3,791
Depreciation	10	-	10	38	-	38
TOTAL EXPENSES	<u>152,393</u>	<u>-</u>	<u>152,393</u>	<u>817,019</u>	<u>-</u>	<u>817,019</u>
NET INCOME (LOSS)	<u>\$ (14,646)</u>	<u>\$ -</u>	<u>\$ (14,646)</u>	<u>\$ 67,402</u>	<u>\$ -</u>	<u>\$ 67,402</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT