

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 November 30, 2016 and the related statement of activities for the five 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

January 13, 2017

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

November 30, 2016

ASSETS

Cash on deposit	\$ 397,491
Investments - operating fund	626,139
Investments - life membership fund	213,494
Accounts receivable	331,456
Inventory	5,000
Prepaid expenses	228,713
Property and equipment - CASE	504
Property and equipment	<u>10,929</u>

TOTAL ASSETS \$ 1,813,726

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 70,952
Accrued leave payable	41,327
Other current liabilities	<u>9,890</u>

TOTAL LIABILITIES 122,169

NET ASSETS

Unrestricted net assets:	
Current operation	969,876
Board designated for special purposes	212,795
Temporarily restricted net assets	1,020
CASE Project	<u>507,866</u>

TOTAL NET ASSETS 1,691,557

TOTAL LIABILITIES AND NET ASSETS \$ 1,813,726

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Five Months ended November 30, 2016

	<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	\$ 258,890	\$ 4,380	\$ -	\$ -	\$ 263,270
Convention registration	65,569	-	-	-	65,569
Sponsorship and awards	17,250	-	-	-	17,250
Merchandise sales	1,886	-	-	-	1,886
Contributions	-	-	50	-	50
Management fees	-	-	-	-	-
Net realized and unrealized					
gains (losses) on securities	45,822	-	-	-	45,822
Interest and dividends	6,733	-	-	-	6,733
FFA Foundation projects	24,600	-	-	-	24,600
CASE Program income	-	-	-	924,692	924,692
Other income	50,510	-	-	-	50,510
	<u>471,260</u>	<u>4,380</u>	<u>50</u>	<u>924,692</u>	<u>1,400,382</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>471,260</u>	<u>4,380</u>	<u>50</u>	<u>924,692</u>	<u>1,400,382</u>
Expenses					
General expenses	527,876	-	-	-	527,876
FFA Foundation projects	4,341	-	-	-	4,341
CASE Program expenses	-	-	-	918,621	918,621
Convention expenses	15,706	-	-	-	15,706
	<u>547,923</u>	<u>-</u>	<u>-</u>	<u>918,621</u>	<u>1,466,544</u>
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	(76,663)	4,380	50	6,071	(66,162)
NET ASSETS AT BEGINNING OF PERIOD	<u>1,046,539</u>	<u>208,415</u>	<u>970</u>	<u>501,795</u>	<u>1,757,719</u>
NET ASSETS AT END OF PERIOD	<u>\$ 969,876</u>	<u>\$ 212,795</u>	<u>\$ 1,020</u>	<u>\$ 507,866</u>	<u>\$ 1,691,557</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Five Months Ended November 30, 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						
Member dues	\$ 4,235	\$ 32,907	\$ (28,672)	\$ 256,820	\$ 394,880	\$ (138,060)
Corporate membership dues	-	2,563	(2,563)	6,450	30,750	(24,300)
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Foundation management fees	-	7,917	(7,917)	-	95,000	(95,000)
Interest and dividends	3,362	2,917	445	5,072	35,000	(29,928)
Net realized and unrealized gains (losses) on securities	18,570	-	18,570	45,822	-	45,822
Merchandise sales	14	833	(819)	1,886	10,000	(8,114)
Investment income, Life Fund	889	917	(28)	1,661	11,000	(9,339)
Contributions, Legislative Fund	-	-	-	50	-	50
Miscellaneous income	20,500	833	19,667	20,500	10,000	10,500
Scholarship raffle proceeds	-	125	(125)	-	1,500	(1,500)
National Teach Ag Campaign	-	37,500	(37,500)	10,932	450,000	(439,068)
Teacher crisis fund	140	-	140	12,056	-	12,056
BFRDP Grant	-	-	-	-	-	-
AEM business manager stipend	-	333	(333)	-	4,000	(4,000)
DuPont - non foundation	105	-	105	105	-	105
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	25	-	25	1,837	-	1,837
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	-	667	(667)	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	(42,649)	-	(42,649)	6,071	-	6,071
Convention net income	(3,623)	5,005	(8,628)	72,193	53,050	19,143
TOTAL REVENUE	1,568	123,593	(122,025)	466,055	1,476,080	(1,010,025)
EXPENSES						
Salaries	41,844	30,331	11,513	190,300	363,967	(173,667)
Taxes and benefits	8,038	8,419	(381)	38,341	101,023	(62,682)
Computer service	-	667	(667)	5,550	8,000	(2,450)
Telephone	518	417	101	1,786	5,000	(3,214)
Accounting	650	1,317	(667)	3,250	15,800	(12,550)
Depreciation	277	333	(56)	1,383	4,000	(2,617)
Rent	-	629	(629)	-	7,550	(7,550)
Insurance	854	833	21	3,946	10,000	(6,054)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	37	833	(796)	1,032	10,000	(8,968)
Bank charges and investment fees	16	8	8	3,827	100	3,727
Printing, general	-	250	(250)	1,253	3,000	(1,747)
Staff training	-	42	(42)	-	500	(500)
Taxes and licenses	-	8	(8)	-	100	(100)
Membership and contributions	3,637	1,667	1,970	7,742	20,000	(12,258)
Travel, staff	-	2,917	(2,917)	2,141	35,000	(32,859)
Promotion and marketing	-	1,250	(1,250)	10,057	15,000	(4,943)
Merchandise and diaries	-	208	(208)	2,049	2,500	(451)
Photocopying	-	8	(8)	-	100	(100)
Postage, general	68	542	(474)	1,330	6,500	(5,170)
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 Five Months Ended November 30, 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	-	2,583	(2,583)	9,000	31,000	(22,000)
Travel, regional secretaries	-	1,500	(1,500)	335	18,000	(17,665)
Travel, board of directors	776	3,333	(2,557)	10,063	40,000	(29,937)
Nat'l Teach Ag Campaign	24,479	34,167	(9,688)	131,791	410,000	(278,209)
FFA Foundation project - TTTK	637	3,875	(3,238)	2,059	46,500	(44,441)
FFA Foundation project - OPAP	413	917	(504)	844	11,000	(10,156)
FFA Foundation project - OMSP	-	917	(917)	384	11,000	(10,616)
FFA Foundation project - OT	335	917	(582)	719	11,000	(10,281)
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	972	2,000	(1,028)	2,166	24,000	(21,834)
FFA Foundation convention internet lounge	-	-	-	-	-	-
DuPont Agriscience	335	667	(332)	26,656	8,000	18,656
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)	5,481	13,000	(7,519)
NATAA stipends	-	10,000	(10,000)	8,750	120,000	(111,250)
BFRDP expense	-	-	-	-	-	-
BFPD contract labor	-	-	-	-	-	-
Credit card expense	859	208	651	2,285	2,500	(215)
Miscellaneous	-	-	-	-	-	-
TOTAL EXPENSES	<u>85,795</u>	<u>121,046</u>	<u>(35,251)</u>	<u>532,217</u>	<u>1,452,540</u>	<u>(920,323)</u>
NET INCOME (LOSS)	<u>\$ (84,227)</u>	<u>\$ 2,547</u>	<u>\$ (86,774)</u>	<u>\$ (66,162)</u>	<u>\$ 23,540</u>	<u>\$ (89,702)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Five Months Ended November 30, 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	\$ 1,180	\$ 9,583	\$ (8,403)	\$ 65,569	\$ 115,000	\$ (49,431)
Convention, trade show	-	-	-	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>1,180</u>	<u>15,499</u>	<u>(14,319)</u>	<u>87,899</u>	<u>186,000</u>	<u>(98,101)</u>
EXPENSES						
Convention, plaques and trophies	50	242	(192)	118	2,900	(2,782)
Convention, printing	2,625	-	2,625	3,775	-	3,775
Convention, awards	-	-	-	5,470	7,000	(1,530)
Convention, meal functions	-	833	(833)	-	10,000	(10,000)
Convention, promotion and marketing	1,073	208	865	3,844	2,500	1,344
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	1,005	379	626	1,340	4,550	(3,210)
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	50	1,000	(950)	(16)	12,000	(12,016)
TOTAL EXPENSES	<u>4,803</u>	<u>10,494</u>	<u>(5,691)</u>	<u>15,706</u>	<u>132,950</u>	<u>(117,244)</u>
NET INCOME (LOSS)	<u>\$ (3,623)</u>	<u>\$ 5,005</u>	<u>\$ (8,628)</u>	<u>\$ 72,193</u>	<u>\$ 53,050</u>	<u>\$ 19,143</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses

For the One and Five Months Ended November 30, 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						
CI fees	\$ -	\$ -	\$ -	\$ 259,604	\$ -	\$ 259,604
Vendor - Vernier	36,623	-	36,623	548,084	-	548,084
Vendor - NewByte	720	-	720	7,000	-	7,000
Vendor - Bio-Rad	-	-	-	2,446	-	2,446
Field test fees	-	-	-	5,000	-	5,000
NRES	-	-	-	-	-	-
APT	-	-	-	6,764	-	6,764
ASP	-	-	-	-	-	-
ESI	-	-	-	-	-	-
Capstone Revenue	-	-	-	-	-	-
Royalty - Cengage	893	-	893	57,766	-	57,766
FSS revenue	-	-	-	-	-	-
G.W. Publications	-	-	-	5,658	-	5,658
Online	1,236	-	1,236	31,124	-	31,124
Merchandise	44	-	44	721	-	721
Replacement CD	75	-	75	525	-	525
TOTAL REVENUE	39,591	-	39,591	924,692	-	924,692
EXPENSES						
Council assessment	-	-	-	-	-	-
Travel	451	-	451	9,037	-	9,037
Travel - staff	-	-	-	3,459	-	3,459
Salary	7,070	-	7,070	35,371	-	35,371
Taxes and benefits	306	-	306	1,532	-	1,532
Contract labor	41,802	-	41,802	209,012	-	209,012
Supplies	-	-	-	614	-	614
Merchandise	-	-	-	-	-	-
Promotion	1,109	-	1,109	2,700	-	2,700
Printing	-	-	-	6,495	-	6,495
Postage	38	-	38	347	-	347
Telecommunications	-	-	-	-	-	-
Vernier	27,467	-	27,467	468,755	-	468,755
NewByte	1,183	-	1,183	4,025	-	4,025
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
ARD	-	-	-	-	-	-
ESI	-	-	-	1,438	-	1,438
MSA expense	2,805	-	2,805	2,967	-	2,967
G.W. Publications	-	-	-	5,240	-	5,240
Online expense	-	-	-	-	-	-
Royalty expense - Cengage	-	-	-	58,426	-	58,426
CI Mentor contract labor	-	-	-	5,000	-	5,000
CI mentor	-	-	-	3,791	-	3,791
Depreciation	9	-	9	47	-	47
TOTAL EXPENSES	82,240	-	82,240	918,621	-	918,621
NET INCOME (LOSS)	\$ (42,649)	\$ -	\$ (42,649)	\$ 6,071	\$ -	\$ 6,071

SEE ACCOMPANYING ACCOUNTANT'S REPORT