

**STEPHEN D. SCHNETTLER, PLLC**

Certified Public Accountants

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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 January 31, 2017 and the related statement of activities for the seven 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*

February 16, 2017

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

January 31, 2017

ASSETS

Cash on deposit	\$ 414,312
Investments - operating fund	643,039
Investments - life membership fund	219,717
Accounts receivable	165,843
Inventory	5,000
Prepaid expenses	338,035
Property and equipment - CASE	484
Property and equipment	<u>10,377</u>

TOTAL ASSETS \$ 1,796,807

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 30,421
Accrued leave payable	41,327
Other current liabilities	<u>8,608</u>

TOTAL LIABILITIES 80,356

NET ASSETS

Unrestricted net assets:	
Current operation	1,128,092
Board designated for special purposes	212,795
Temporarily restricted net assets	1,360
CASE Project	<u>374,204</u>

TOTAL NET ASSETS 1,716,451

TOTAL LIABILITIES AND NET ASSETS \$ 1,796,807

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Seven Months ended January 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	\$ 333,439	\$ 4,380	\$ -	\$ -	\$ 337,819
Convention registration	65,569	-	-	-	65,569
Sponsorship and awards	17,250	-	-	-	17,250
Merchandise sales	3,058	-	-	-	3,058
Contributions	-	-	390	-	390
Management fees	-	-	-	-	-
Net realized and unrealized					
gains (losses) on securities	66,514	-	-	-	66,514
Interest and dividends	11,150	-	-	-	11,150
FFA Foundation projects	44,600	-	-	-	44,600
CASE Program income	-	-	-	1,045,333	1,045,333
Other income	287,336	-	-	-	287,336
	<u>828,916</u>	<u>4,380</u>	<u>390</u>	<u>1,045,333</u>	<u>1,879,019</u>
Total Revenue, Gains and Losses	828,916	4,380	390	1,045,333	1,879,019
Net Assets Released from Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue, Gains and Losses and Reclassifications	<u>828,916</u>	<u>4,380</u>	<u>390</u>	<u>1,045,333</u>	<u>1,879,019</u>
Expenses					
General expenses	720,337	-	-	-	720,337
FFA Foundation projects	6,097	-	-	-	6,097
Case Program expenses	-	-	-	1,172,924	1,172,924
Convention expenses	20,929	-	-	-	20,929
	<u>747,363</u>	<u>-</u>	<u>-</u>	<u>1,172,924</u>	<u>1,920,287</u>
Total expenses	747,363	-	-	1,172,924	1,920,287
INCREASE (DECREASE) IN NET ASSETS	81,553	4,380	390	(127,591)	(41,268)
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>\$ 1,128,092</u>	<u>\$ 212,795</u>	<u>\$ 1,360</u>	<u>\$ 374,204</u>	<u>\$ 1,716,451</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Seven Months Ended January 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>						
Member dues	\$ 27,010	\$ 32,907	\$ (5,897)	\$ 328,369	\$ 394,880	\$ (66,511)
Corporate membership dues	2,250	2,563	(313)	9,450	30,750	(21,300)
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Foundation management fees	-	7,917	(7,917)	-	95,000	(95,000)
Interest and dividends	8	2,917	(2,909)	8,425	35,000	(26,575)
Net realized and unrealized gains (losses) on securities	15,611	-	15,611	66,514	-	66,514
Merchandise sales	44	833	(789)	3,058	10,000	(6,942)
Investment income, Life Fund	-	917	(917)	2,725	11,000	(8,275)
Contributions, Legislative Fund	340	-	340	390	-	390
Miscellaneous income	1,700	833	867	32,200	10,000	22,200
Scholarship raffle proceeds	(2,327)	125	(2,452)	-	1,500	(1,500)
National Teach Ag Campaign	41,000	37,500	3,500	51,932	450,000	(398,068)
Teacher crisis fund	2,827	-	2,827	19,238	-	19,238
BFRDP Grant	-	-	-	-	-	-
AEM business manager stipend	-	333	(333)	-	4,000	(4,000)
DuPont agriscience revenue	164,000	-	164,000	164,350	-	164,350
DuPont - non foundation	-	-	-	10,305	-	10,305
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	2,244	-	2,244	4,231	-	4,231
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	(10,236)	-	(10,236)	(127,591)	-	(127,591)
Convention net income	(901)	5,005	(5,906)	66,970	53,050	13,920
<b>TOTAL REVENUE</b>	<b>243,570</b>	<b>123,593</b>	<b>119,977</b>	<b>685,166</b>	<b>1,476,080</b>	<b>(790,914)</b>
<b>EXPENSES</b>						
Salaries	36,317	30,331	5,986	275,664	363,967	(88,303)
Taxes and benefits	5,318	8,419	(3,101)	51,702	101,023	(49,321)
Computer service	975	667	308	8,362	8,000	362
Telephone	362	417	(55)	2,452	5,000	(2,548)
Accounting	650	1,317	(667)	4,550	15,800	(11,250)
Depreciation	277	333	(56)	1,936	4,000	(2,064)
Rent	-	629	(629)	7,550	7,550	-
Insurance	2,651	833	1,818	7,450	10,000	(2,550)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	64	833	(769)	1,141	10,000	(8,859)
Bank charges and investment fees	1,973	8	1,965	5,801	100	5,701
Printing, general	-	250	(250)	2,031	3,000	(969)
Staff training	-	42	(42)	-	500	(500)
Taxes and licenses	-	8	(8)	-	100	(100)
Membership and contributions	1,120	1,667	(547)	8,862	20,000	(11,138)
Travel, staff	1,009	2,917	(1,908)	3,150	35,000	(31,850)
Promotion and marketing	-	1,250	(1,250)	10,057	15,000	(4,943)
Merchandise and diaries	566	208	358	2,615	2,500	115

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Seven Months Ended January 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>
Photocopying	-	8	(8)	-	100	(100)
Postage, general	608	542	66	2,561	6,500	(3,939)
Professional liability insurance	-	3,183	(3,183)	38,775	38,200	575
Public relations	-	83	(83)	87	1,000	(913)
Scholarships	25,500	2,583	22,917	37,500	31,000	6,500
Travel, regional secretaries	114	1,500	(1,386)	1,584	18,000	(16,416)
Travel, board of directors	-	3,333	(3,333)	10,063	40,000	(29,937)
Nat'l Teach Ag Campaign	13,366	34,167	(20,801)	159,209	410,000	(250,791)
FFA Foundation project - TTTK	-	3,875	(3,875)	3,355	46,500	(43,145)
FFA Foundation project - OPAP	-	917	(917)	844	11,000	(10,156)
FFA Foundation project - OMSP	-	917	(917)	384	11,000	(10,616)
FFA Foundation project - OT	-	917	(917)	719	11,000	(10,281)
FFA Foundation project - OYM	-	917	(917)	460	11,000	(10,540)
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)	2,771	24,000	(21,229)
FFA Foundation convention internet lounge	-	-	-	-	-	-
DuPont Agriscience	322	667	(345)	28,115	8,000	20,115
Regional grants	-	-	-	-	-	-
NPS expense	(80)	417	(497)	(80)	5,000	(5,080)
Webinar expense	-	100	(100)	-	1,200	(1,200)
Teacher crisis fund	3,000	-	3,000	7,000	-	7,000
Communities of practice expense	-	3,167	(3,167)	15,000	38,000	(23,000)
Substitute teacher hire behinds	-	42	(42)	-	500	(500)
Website	3,450	1,083	2,367	9,981	13,000	(3,019)
NATAA stipends	2,250	10,000	(7,750)	11,000	120,000	(109,000)
BFRDP expense	-	-	-	-	-	-
BFPD contract labor	-	-	-	-	-	-
Credit card expense	363	208	155	3,346	2,500	846
Storage	-	-	-	102	-	102
Miscellaneous	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<u>100,175</u>	<u>121,046</u>	<u>(20,871)</u>	<u>726,434</u>	<u>1,452,540</u>	<u>(726,106)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ 143,395</u>	<u>\$ 2,547</u>	<u>\$ 140,848</u>	<u>\$ (41,268)</u>	<u>\$ 23,540</u>	<u>\$ (64,808)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

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

	<u>MONTH ACTUAL</u>	<u>MONTH BUDGET</u>	<u>MONTH \$VARIANCE</u>	<u>YEAR TO DATE ACTUAL</u>	<u>YEAR BUDGET</u>	<u>YEAR \$VARIANCE</u>
<b>REVENUE</b>						
Convention, registration	\$ -	\$ 9,583	\$ (9,583)	\$ 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>-</u>	<u>15,499</u>	<u>(15,499)</u>	<u>87,899</u>	<u>186,000</u>	<u>(98,101)</u>
<b>EXPENSES</b>						
Convention, plaques and trophies	-	242	(242)	118	2,900	(2,782)
Convention, printing	-	-	-	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	-	208	(208)	3,844	2,500	1,344
Convention, postage and shipping	-	333	(333)	2,328	4,000	(1,672)
Convention, equipment rental	-	1,583	(1,583)	-	19,000	(19,000)
Convention, host state social	-	-	-	-	-	-
Convention, committee expense	972	379	593	2,982	4,550	(1,568)
Convention, sponsorships - FFA Foundation	-	4,583	(4,583)	-	55,000	(55,000)
Convention, travel/board of directors	-	1,333	(1,333)	3,102	16,000	(12,898)
Convention, staff travel	(71)	1,000	(1,071)	(690)	12,000	(12,690)
TOTAL EXPENSES	<u>901</u>	<u>10,494</u>	<u>(9,593)</u>	<u>20,929</u>	<u>132,950</u>	<u>(112,021)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ (901)</u>	<u>\$ 5,005</u>	<u>\$ (5,906)</u>	<u>\$ 66,970</u>	<u>\$ 53,050</u>	<u>\$ 13,920</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses  
For the One and Seven Months Ended January 31, 2017

	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>
<b>REVENUE</b>						
CI fees	\$ 100	\$ -	\$ 100	\$ 261,804	\$ -	\$ 261,804
Vendor - Vernier	32,676	-	32,676	585,842	-	585,842
Vendor - NewByte	770	-	770	7,770	-	7,770
Vendor - Bio-Rad	-	-	-	2,446	-	2,446
Field test fees	-	-	-	5,000	-	5,000
NRES	-	-	-	-	-	-
APT	546	-	546	7,309	-	7,309
ASP	-	-	-	-	-	-
ESI	-	-	-	-	-	-
Capstone Revenue	57,400	-	57,400	57,400	-	57,400
Royalty - Cengage	365	-	365	61,489	-	61,489
Royalty - Ward's	19,203	-	-	19,203	-	-
FSS revenue	-	-	-	-	-	-
G.W. Publications	-	-	-	5,658	-	5,658
Online	108	-	108	30,116	-	30,116
Merchandise	-	-	-	721	-	721
Replacement CD	25	-	25	575	-	575
<b>TOTAL REVENUE</b>	<b>111,193</b>	<b>-</b>	<b>91,990</b>	<b>1,045,333</b>	<b>-</b>	<b>1,026,130</b>
<b>EXPENSES</b>						
Council assessment	-	-	-	-	-	-
Travel	210	-	210	9,246	-	9,246
Travel - staff	-	-	-	4,039	-	4,039
Salary	7,070	-	7,070	49,512	-	49,512
Taxes and benefits	306	-	306	2,145	-	2,145
Contract labor	41,802	-	41,802	292,618	-	292,618
Supplies	-	-	-	614	-	614
Merchandise	-	-	-	-	-	-
Promotion	350	-	350	3,050	-	3,050
Printing	-	-	-	6,495	-	6,495
Postage	76	-	76	424	-	424
Telecommunications	-	-	-	-	-	-
Vernier	65,872	-	65,872	614,527	-	614,527
NewByte	-	-	-	4,395	-	4,395
Bio-Rad	-	-	-	-	-	-
Carthage	5,000	-	5,000	5,000	-	5,000
Carthage contract labor	-	-	-	84,850	-	84,850
Field test	-	-	-	10,000	-	10,000
CI scholarships	-	-	-	-	-	-
NRES	-	-	-	-	-	-
FSS	-	-	-	-	-	-
APT	445	-	445	5,960	-	5,960
ARD	-	-	-	-	-	-
ESI	-	-	-	1,438	-	1,438
MSA expense	-	-	-	2,967	-	2,967
G.W. Publications	-	-	-	5,240	-	5,240
Online expense	-	-	-	-	-	-
Royalty expense - Cengage	289	-	289	61,546	-	61,546
CI Mentor contract labor	-	-	-	5,000	-	5,000
CI mentor	-	-	-	3,791	-	3,791
Depreciation	9	-	9	67	-	67
<b>TOTAL EXPENSES</b>	<b>121,429</b>	<b>-</b>	<b>121,429</b>	<b>1,172,924</b>	<b>-</b>	<b>1,172,924</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (10,236)</b>	<b>\$ -</b>	<b>\$ (29,439)</b>	<b>\$ (127,591)</b>	<b>\$ -</b>	<b>\$ (146,794)</b>

SEE ACCOMPANYING ACCOUNTANT'S REPORT