

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 March 31, 2017 and the related statement of activities for the nine 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

April 26, 2017

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

March 31, 2017

ASSETS

Cash on deposit	\$ 347,384
Investments - operating fund	659,839
Investments - life membership fund	226,040
Accounts receivable	167,825
Inventory	5,000
Prepaid expenses	474,125
Property and equipment - CASE	466
Property and equipment	<u>9,822</u>

TOTAL ASSETS \$ 1,890,501

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 70,595
Accrued leave payable	41,327
Other current liabilities	<u>9,512</u>

TOTAL LIABILITIES 121,434

NET ASSETS

Unrestricted net assets:	
Current operation	1,194,834
Board designated for special purposes	212,795
Temporarily restricted net assets	1,550
CASE Project	<u>359,888</u>

TOTAL NET ASSETS 1,769,067

TOTAL LIABILITIES AND NET ASSETS \$ 1,890,501

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Nine Months ended March 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	\$ 396,534	\$ 4,380	\$ -	\$ -	\$ 400,914
Convention registration	127,746	-	-	-	127,746
Sponsorship and awards	17,250	-	-	-	17,250
Merchandise sales	3,078	-	-	-	3,078
Contributions	-	-	580	-	580
Management fees	-	-	-	-	-
Net realized and unrealized					
gains (losses) on securities	76,466	-	-	-	76,466
Interest and dividends	24,336	-	-	-	24,336
FFA Foundation projects	44,600	-	-	-	44,600
CASE Program income	-	-	-	1,221,263	1,221,263
Other income	539,483	-	-	-	539,483
	<u>1,229,493</u>	<u>4,380</u>	<u>580</u>	<u>1,221,263</u>	<u>2,455,716</u>
Total Revenue, Gains and Losses	1,229,493	4,380	580	1,221,263	2,455,716
Net Assets Released from Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue, Gains and Losses and Reclassifications	<u>1,229,493</u>	<u>4,380</u>	<u>580</u>	<u>1,221,263</u>	<u>2,455,716</u>
Expenses					
General expenses	1,049,732	-	-	-	1,049,732
FFA Foundation projects	8,806	-	-	-	8,806
CASE Program expenses	-	-	-	1,363,170	1,363,170
Convention expenses	22,660	-	-	-	22,660
	<u>1,081,198</u>	<u>-</u>	<u>-</u>	<u>1,363,170</u>	<u>2,444,368</u>
Total expenses	1,081,198	-	-	1,363,170	2,444,368
INCREASE (DECREASE) IN NET ASSETS	148,295	4,380	580	(141,907)	11,348
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>\$ 1,194,834</u>	<u>\$ 212,795</u>	<u>\$ 1,550</u>	<u>\$ 359,888</u>	<u>\$ 1,769,067</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Nine Months Ended March 31, 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	\$ 21,465	\$ 32,907	\$ (11,442)	\$ 389,214	\$ 394,880	\$ (5,666)
Corporate membership dues	750	2,563	(1,813)	11,700	30,750	(19,050)
Student teacher scholarship revenue	13,527	-	13,527	13,527	-	13,527
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Foundation management fees	-	7,917	(7,917)	-	95,000	(95,000)
Interest and dividends	1,097	2,917	(1,820)	18,670	35,000	(16,330)
Net realized and unrealized gains (losses) on securities	1,218	-	1,218	76,466	-	76,466
Merchandise sales	19	833	(814)	3,078	10,000	(6,922)
Investment income, Life Fund	352	917	(565)	5,666	11,000	(5,334)
Contributions, Legislative Fund	190	-	190	580	-	580
Miscellaneous income	2,711	833	1,878	34,911	10,000	24,911
Scholarship raffle proceeds	-	125	(125)	-	1,500	(1,500)
National Teach Ag Campaign	-	37,500	(37,500)	281,532	450,000	(168,468)
Teacher crisis fund	1,379	-	1,379	24,068	-	24,068
BFRDP Grant	-	-	-	-	-	-
AEM business manager stipend	-	333	(333)	-	4,000	(4,000)
DuPont agriscience revenue	-	-	-	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	821	-	821	5,710	-	5,710
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/NAI	-	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	4,345	-	4,345	(141,907)	-	(141,907)
Convention net income	61,842	5,005	56,837	127,416	53,050	74,366
TOTAL REVENUE	109,716	123,593	(13,877)	1,069,886	1,476,080	(406,194)
EXPENSES						
Salaries	36,729	30,331	6,398	346,647	363,967	(17,320)
Taxes and benefits	6,783	8,419	(1,636)	64,645	101,023	(36,378)
Computer service	1,987	667	1,320	10,987	8,000	2,987
Telephone	317	417	(100)	2,974	5,000	(2,026)
Accounting	650	1,317	(667)	14,350	15,800	(1,450)
Depreciation	277	333	(56)	2,489	4,000	(1,511)
Rent	-	629	(629)	7,550	7,550	-
Insurance	(3,421)	833	(4,254)	4,882	10,000	(5,118)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	51	833	(782)	1,214	10,000	(8,786)
Bank charges and investment fees	-	8	(8)	5,813	100	5,713
Printing, general	390	250	140	2,903	3,000	(97)
Staff training	-	42	(42)	-	500	(500)
Taxes and licenses	15	8	7	25	100	(75)
Membership and contributions	500	1,667	(1,167)	17,927	20,000	(2,073)
Travel, staff	959	2,917	(1,958)	4,644	35,000	(30,356)
Promotion and marketing	500	1,250	(750)	10,909	15,000	(4,091)

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Nine Months Ended March 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>
Merchandise and diaries	19	208	(189)	2,727	2,500	227
Photocopying	-	8	(8)	-	100	(100)
Postage, general	62	542	(480)	2,958	6,500	(3,542)
Professional liability insurance	-	3,183	(3,183)	38,775	38,200	575
Public relations	-	83	(83)	87	1,000	(913)
Scholarships	-	2,583	(2,583)	37,500	31,000	6,500
Travel, regional secretaries	-	1,500	(1,500)	1,584	18,000	(16,416)
Travel, board of directors	1,741	3,333	(1,592)	12,052	40,000	(27,948)
Nat'l Teach Ag Campaign	37,940	34,167	3,773	328,083	410,000	(81,917)
FFA Foundation project - TTTK	-	3,875	(3,875)	4,622	46,500	(41,878)
FFA Foundation project - OPAP	-	917	(917)	1,050	11,000	(9,950)
FFA Foundation project - OMSP	-	917	(917)	590	11,000	(10,410)
FFA Foundation project - OT	-	917	(917)	925	11,000	(10,075)
FFA Foundation project - OYM	-	917	(917)	666	11,000	(10,334)
FFA Foundation project - Lifetime achievement	-	208	(208)	206	2,500	(2,294)
FFA Foundation project - Outstanding service citation	-	-	-	541	-	541
FFA Foundation teacher workshop	-	-	-	-	-	-
FFA Foundation Regional Grants	-	-	-	-	-	-
FFA Foundation Agriscience Teachers	-	-	-	206	-	206
FFA Foundation XLR8	-	2,000	(2,000)	2,771	24,000	(21,229)
FFA Foundation convention internet lounge	-	-	-	-	-	-
DuPont Agriscience	4,991	667	4,324	36,191	8,000	28,191
Regional grants	-	-	-	-	-	-
NPS expense	-	417	(417)	(80)	5,000	(5,080)
Webinar expense	-	100	(100)	-	1,200	(1,200)
Teacher crisis fund	-	-	-	7,500	-	7,500
Communities of practice expense	-	3,167	(3,167)	52,191	38,000	14,191
Substitute teacher hire behinds	-	42	(42)	-	500	(500)
Website	1,050	1,083	(33)	12,081	13,000	(919)
NATAA stipends	-	10,000	(10,000)	13,250	120,000	(106,750)
BFRDP expense	-	-	-	-	-	-
BFPD contract labor	-	-	-	-	-	-
Credit card expense	416	208	208	4,001	2,500	1,501
Storage	-	-	-	102	-	102
Miscellaneous	-	-	-	-	-	-
TOTAL EXPENSES	<u>91,956</u>	<u>121,046</u>	<u>(29,090)</u>	<u>1,058,538</u>	<u>1,452,540</u>	<u>(394,002)</u>
NET INCOME (LOSS)	<u>\$ 17,760</u>	<u>\$ 2,547</u>	<u>\$ 15,213</u>	<u>\$ 11,348</u>	<u>\$ 23,540</u>	<u>\$ (12,192)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Nine Months Ended March 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>
REVENUE						
Convention, registration	\$ 62,177	\$ 9,583	\$ 52,594	\$ 127,746	\$ 115,000	\$ 12,746
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>62,177</u>	<u>15,499</u>	<u>46,678</u>	<u>150,076</u>	<u>186,000</u>	<u>(35,924)</u>
EXPENSES						
Convention, plaques and trophies	-	242	(242)	1,103	2,900	(1,797)
Convention, printing	-	-	-	3,775	-	3,775
Convention, awards	-	-	-	5,882	7,000	(1,118)
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	335	379	(44)	3,316	4,550	(1,234)
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	-	1,000	(1,000)	(690)	12,000	(12,690)
TOTAL EXPENSES	<u>335</u>	<u>10,494</u>	<u>(10,159)</u>	<u>22,660</u>	<u>132,950</u>	<u>(110,290)</u>
NET INCOME (LOSS)	<u>\$ 61,842</u>	<u>\$ 5,005</u>	<u>\$ 56,837</u>	<u>\$ 127,416</u>	<u>\$ 53,050</u>	<u>\$ 74,366</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses

For the One and Nine Months Ended March 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						
CI fees	\$ 17,800	\$ -	\$ 17,800	\$ 303,104	\$ -	\$ 303,104
Vendor - Vernier	98,746	-	98,746	702,602	-	702,602
Vendor - NewByte	-	-	-	7,770	-	7,770
Vendor - Bio-Rad	-	-	-	6,010	-	6,010
Field test fees	-	-	-	5,000	-	5,000
NRES	-	-	-	-	-	-
APT	2,966	-	2,966	10,275	-	10,275
ASP	-	-	-	-	-	-
ESI	-	-	-	-	-	-
Capstone Revenue	-	-	-	57,400	-	57,400
Royalty - Cengage	7,677	-	7,677	69,786	-	69,786
Royalty - Ward's	-	-	-	19,203	-	-
FSS revenue	-	-	-	-	-	-
G.W. Publications	-	-	-	5,658	-	5,658
Online	930	-	930	33,084	-	33,084
Merchandise	-	-	-	721	-	721
Replacement CD	25	-	25	650	-	650
TOTAL REVENUE	128,144	-	128,144	1,221,263	-	1,202,060
EXPENSES						
Council assessment	-	-	-	-	-	-
Travel	-	-	-	8,846	-	8,846
Travel - staff	-	-	-	4,812	-	4,812
Salary	7,070	-	7,070	63,652	-	63,652
Taxes and benefits	306	-	306	2,758	-	2,758
Contract labor	41,802	-	41,802	376,222	-	376,222
Supplies	-	-	-	614	-	614
Merchandise	(240)	-	(240)	(240)	-	(240)
Promotion	-	-	-	3,050	-	3,050
Printing	135	-	135	6,860	-	6,860
Postage	51	-	51	616	-	616
Telecommunications	-	-	-	-	-	-
Vernier	65,975	-	65,975	696,427	-	696,427
NewByte	-	-	-	4,468	-	4,468
Bio-Rad	-	-	-	-	-	-
Carthage	-	-	-	5,000	-	5,000
Carthage contract labor	-	-	-	84,850	-	84,850
Field test	-	-	-	10,000	-	10,000
CI scholarships	-	-	-	-	-	-
NRES	-	-	-	-	-	-
FSS	-	-	-	-	-	-
APT	2,294	-	2,294	8,254	-	8,254
ARD	-	-	-	-	-	-
ESI	-	-	-	1,438	-	1,438
MSA expense	-	-	-	2,967	-	2,967
G.W. Publications	-	-	-	5,240	-	5,240
Online expense	-	-	-	-	-	-
Royalty expense - Cengage	6,397	-	6,397	68,460	-	68,460
CI Mentor contract labor	-	-	-	5,000	-	5,000
CI mentor	-	-	-	3,791	-	3,791
Depreciation	9	-	9	85	-	85
TOTAL EXPENSES	123,799	-	123,799	1,363,170	-	1,363,170
NET INCOME (LOSS)	\$ 4,345	\$ -	\$ 4,345	\$ (141,907)	\$ -	\$ (161,110)

SEE ACCOMPANYING ACCOUNTANT'S REPORT