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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 October 31, 2017 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

December 21, 2017

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

October 31, 2017

ASSETS

Cash on deposit	\$ 558,903
Investments - operating fund	721,923
Investments - life membership fund	248,546
Accounts receivable	221,114
Inventory	5,000
Prepaid expenses	98,824
Property and equipment - CASE	399
Property and equipment	<u>8,017</u>

TOTAL ASSETS \$ 1,862,726

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 75,866
Accrued leave payable	48,633
Other current liabilities	<u>9,435</u>

TOTAL LIABILITIES 133,934

NET ASSETS

Unrestricted net assets:	
Current operation	1,202,041
Board designated for special purposes	214,355
Temporarily restricted net assets	1,550
CASE Project	<u>310,846</u>

TOTAL NET ASSETS 1,728,792

TOTAL LIABILITIES AND NET ASSETS \$ 1,862,726

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Four Months Ended October 31, 2017

	<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	\$ 282,147	\$ 840	\$ -	\$ -	\$ 282,987
Convention registration	75,310	-	-	-	75,310
Sponsorship and awards	3,476	-	-	-	3,476
Merchandise sales	3,090	-	-	-	3,090
Contributions	-	-	-	-	-
Management fees	-	-	-	-	-
Net realized and unrealized gains (losses) on securities	57,112	-	-	-	57,112
Interest and dividends	3,423	-	-	-	3,423
FFA Foundation projects	109,880	-	-	-	109,880
CASE Program income	-	-	-	649,705	649,705
Other income	341,789	-	-	-	341,789
	<u>876,227</u>	<u>840</u>	<u>-</u>	<u>649,705</u>	<u>1,526,772</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>876,227</u>	<u>840</u>	<u>-</u>	<u>649,705</u>	<u>1,526,772</u>
Expenses					
General expenses	454,956	-	-	-	454,956
FFA Foundation projects	2,008	-	-	-	2,008
CASE Program expenses	-	-	-	628,726	628,726
Convention expenses	1,808	-	-	-	1,808
	<u>458,772</u>	<u>-</u>	<u>-</u>	<u>628,726</u>	<u>1,087,498</u>
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	417,455	840	-	20,979	439,274
NET ASSETS AT BEGINNING OF PERIOD	<u>784,586</u>	<u>213,515</u>	<u>1,550</u>	<u>289,867</u>	<u>1,289,518</u>
NET ASSETS AT END OF PERIOD	<u>\$ 1,202,041</u>	<u>\$ 214,355</u>	<u>\$ 1,550</u>	<u>\$ 310,846</u>	<u>\$ 1,728,792</u>

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, 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	\$ 43,970	\$ 33,704	\$ 10,266	\$ 277,737	\$ 404,445	\$ (126,708)
Corporate membership dues	3,000	2,625	375	5,250	31,500	(26,250)
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	389	2,917	(2,528)	2,531	35,000	(32,469)
Net realized and unrealized gains (losses) on securities	19,273	-	19,273	57,112	-	57,112
Merchandise sales	154	500	(346)	3,090	6,000	(2,910)
Investment income, Life Fund	132	1,000	(868)	892	12,000	(11,108)
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	20	-	20	9,563	-	9,563
BFRDP Grant	-	-	-	-	-	-
AEM business manager stipend	-	333	(333)	-	4,000	(4,000)
DuPont agriscience revenue	-	-	-	172,352	-	172,352
DuPont - non foundation	48,369	-	48,369	57,748	-	57,748
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	660	-	660	2,526	-	2,526
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	-	4,783	(4,783)	36,080	57,400	(21,320)
FFA Foundation convention internet lounge	-	-	-	-	-	-
CASE program net income	(36,181)	-	(36,181)	20,979	-	20,979
Convention net income	75,275	4,870	70,405	97,858	58,450	39,408
TOTAL REVENUE	155,061	126,510	28,551	896,238	1,518,120	(621,882)
EXPENSES						
Salaries	45,642	31,166	14,476	158,999	373,987	(214,988)
Taxes and benefits	7,756	8,568	(812)	28,626	102,817	(74,191)
Computer service	1,943	667	1,276	10,241	8,000	2,241
Telephone	170	500	(330)	2,134	6,000	(3,866)
Accounting	700	1,367	(667)	2,800	16,400	(13,600)
Depreciation	244	333	(89)	976	4,000	(3,024)
Rent	-	833	(833)	10,050	10,000	50
Insurance	315	833	(518)	1,262	10,000	(8,738)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	184	1,083	(899)	2,623	13,000	(10,377)
Bank charges and investment fees	2,305	8	2,297	4,489	100	4,389
Printing, general	120	250	(130)	1,073	3,000	(1,927)
Staff training	412	42	370	412	500	(88)
Taxes and licenses	-	4	(4)	-	50	(50)
Membership and contributions	3,000	1,667	1,333	6,050	20,000	(13,950)

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NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Four Months Ended October 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>
Travel, staff	1,517	2,917	(1,400)	7,317	35,000	(27,683)
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	92	667	(575)	1,439	8,000	(6,561)
Professional liability insurance	39,375	3,233	36,142	39,375	38,790	585
Public relations	-	83	(83)	86	1,000	(914)
Delmar scholarships	-	625	(625)	9,000	7,500	1,500
Travel, regional secretaries	-	1,500	(1,500)	-	18,000	(18,000)
Travel, board of directors	609	3,333	(2,724)	9,298	40,000	(30,702)
Nat'l Teach Ag Campaign	43,541	34,167	9,374	121,070	410,000	(288,930)
FFA Foundation project - TTTK	-	3,875	(3,875)	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	-	917	(917)	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	201	2,000	(1,799)	536	24,000	(23,464)
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	450	-	450	17,765	-	17,765
Regional grants	-	-	-	-	-	-
NPS expense	-	417	(417)	-	5,000	(5,000)
Webinar expense	-	42	(42)	144	500	(356)
Teacher crisis fund	-	-	-	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	-	1,500	(1,500)	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	351	333	18	1,963	4,000	(2,037)
Storage	-	-	-	-	-	-
Professional development	-	-	-	-	-	-
Ag ed opportunity fund	-	-	-	500	-	500
Miscellaneous	-	-	-	30	-	30
TOTAL EXPENSES	<u>148,927</u>	<u>124,498</u>	<u>24,429</u>	<u>456,964</u>	<u>1,493,969</u>	<u>(1,037,005)</u>
NET INCOME (LOSS)	<u>\$ 6,134</u>	<u>\$ 2,012</u>	<u>\$ 4,122</u>	<u>\$ 439,274</u>	<u>\$ 24,151</u>	<u>\$ 415,123</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, 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	\$ 74,975	\$ 9,583	\$ 65,392	\$ 75,310	\$ 115,000	\$ (39,690)
Convention, trade show	300	-	300	1,200	-	1,200
Convention, sponsorships - FFA Foundation	-	5,000	(5,000)	19,680	60,000	(40,320)
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	-	2,000	(2,000)	3,476	24,000	(20,524)
TOTAL REVENUE	<u>75,275</u>	<u>16,583</u>	<u>58,692</u>	<u>99,666</u>	<u>199,000</u>	<u>(99,334)</u>
EXPENSES						
Convention, plaques and trophies	-	167	(167)	335	2,000	(1,665)
Convention, printing	-	-	-	-	-	-
Convention, awards	-	833	(833)	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	-	1,000	(1,000)	-	12,000	(12,000)
TOTAL EXPENSES	<u>-</u>	<u>11,713</u>	<u>(11,713)</u>	<u>1,808</u>	<u>140,550</u>	<u>(138,742)</u>
NET INCOME (LOSS)	<u>\$ 75,275</u>	<u>\$ 4,870</u>	<u>\$ 70,405</u>	<u>\$ 97,858</u>	<u>\$ 58,450</u>	<u>\$ 39,408</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, 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>
REVENUE						
CI fees	\$ -	\$ -	\$ -	\$ 265,822	\$ -	\$ 265,822
Vendor - Vernier	44,232	-	44,232	349,277	-	349,277
Vendor - NewByte	-	-	-	2,737	-	2,737
Vendor - Bio-Rad	-	-	-	-	-	-
Field test fees	-	-	-	-	-	-
NRES	-	-	-	-	-	-
APT	-	-	-	198	-	198
ASP	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	-	-	-	-	-	-
Capstone Revenue	-	-	-	-	-	-
Royalty - Cengage	-	-	-	22,810	-	22,810
Royalty - Ward's	-	-	-	-	-	-
FSS revenue	-	-	-	-	-	-
G.W. Publications	-	-	-	-	-	-
Online	1,414	-	1,414	8,526	-	8,526
Merchandise	-	-	-	160	-	160
Replacement CD	25	-	25	175	-	175
TOTAL REVENUE	45,671	-	45,671	649,705	-	649,705
EXPENSES						
Council assessment	-	-	-	-	-	-
Travel	248	-	248	7,291	-	7,291
Travel - staff	582	-	582	12,773	-	12,773
Salary	7,151	-	7,151	28,606	-	28,606
Taxes and benefits	306	-	306	2,017	-	2,017
Contract labor	34,969	-	34,969	141,619	-	141,619
Supplies	-	-	-	48	-	48
Merchandise	-	-	-	-	-	-
Promotion	460	-	460	3,550	-	3,550
Printing	-	-	-	1,831	-	1,831
Postage	213	-	213	517	-	517
Telecommunications	-	-	-	-	-	-
Management fee	-	-	-	-	-	-
Vernier	37,742	-	37,742	311,432	-	311,432
NewByte	-	-	-	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	171	-	171	171	-	171
G.W. Publications	-	-	-	-	-	-
Online expense	-	-	-	1,000	-	1,000
Royalty expense - Cengage	-	-	-	19,573	-	19,573
CI Mentor contract labor	-	-	-	2,500	-	2,500
CI mentor	-	-	-	2,898	-	2,898
Depreciation	10	-	10	38	-	38
TOTAL EXPENSES	81,852	-	81,852	628,726	-	628,726
NET INCOME (LOSS)	\$ (36,181)	\$ -	\$ (36,181)	\$ 20,979	\$ -	\$ 20,979

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