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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 November 30, 2017 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

December 21, 2017

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

November 30, 2017

ASSETS

Cash on deposit	\$ 448,682
Investments - operating fund	734,912
Investments - life membership fund	253,099
Accounts receivable	182,715
Inventory	5,000
Prepaid expenses	193,452
Property and equipment - CASE	390
Property and equipment	<u>7,772</u>
 TOTAL ASSETS	 <u>\$ 1,826,022</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 4,424
Accrued leave payable	48,633
Other current liabilities	<u>7,803</u>
 TOTAL LIABILITIES	 <u>60,860</u>

NET ASSETS

Unrestricted net assets:	
Current operation	1,216,819
Board designated for special purposes	214,355
Temporarily restricted net assets	1,550
CASE Project	<u>332,438</u>
 TOTAL NET ASSETS	 <u>1,765,162</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,826,022</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Five Months Ended November 30, 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	\$ 330,012	\$ 840	\$ -	\$ -	\$ 330,852
Convention registration	75,870	-	-	-	75,870
Sponsorship and awards	19,226	-	-	-	19,226
Merchandise sales	3,174	-	-	-	3,174
Contributions	-	-	-	-	-
Management fees	-	-	-	-	-
Net realized and unrealized					
gains (losses) on securities	74,189	-	-	-	74,189
Interest and dividends	3,895	-	-	-	3,895
FFA Foundation projects	109,880	-	-	-	109,880
CASE Program income	-	-	-	729,305	729,305
Other income	344,274	-	-	-	344,274
	<u>960,520</u>	<u>840</u>	<u>-</u>	<u>729,305</u>	<u>1,690,665</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>960,520</u>	<u>840</u>	<u>-</u>	<u>729,305</u>	<u>1,690,665</u>
Expenses					
General expenses	518,407	-	-	-	518,407
FFA Foundation projects	2,757	-	-	-	2,757
CASE Program expenses	-	-	-	686,734	686,734
Convention expenses	7,123	-	-	-	7,123
	<u>528,287</u>	<u>-</u>	<u>-</u>	<u>686,734</u>	<u>1,215,021</u>
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	432,233	840	-	42,571	475,644
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>\$ 1,216,819</u>	<u>\$ 214,355</u>	<u>\$ 1,550</u>	<u>\$ 332,438</u>	<u>\$ 1,765,162</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, 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	\$ 43,365	\$ 33,704	\$ 9,661	\$ 321,102	\$ 404,445	\$ (83,343)
Corporate membership dues	4,500	2,625	1,875	9,750	31,500	(21,750)
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	352	2,917	(2,565)	2,883	35,000	(32,117)
Net realized and unrealized gains (losses) on securities	17,078	-	17,078	74,189	-	74,189
Merchandise sales	84	500	(416)	3,174	6,000	(2,826)
Investment income, Life Fund	120	1,000	(880)	1,012	12,000	(10,988)
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	-	-	-	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	-	-	-	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	685	-	685	3,211	-	3,211
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	21,593	-	21,593	42,571	-	42,571
Convention net income	12,795	4,870	7,925	110,653	58,450	52,203
TOTAL REVENUE	100,572	126,510	(25,938)	996,808	1,518,120	(521,312)
EXPENSES						
Salaries	33,752	31,166	2,586	192,751	373,987	(181,236)
Taxes and benefits	5,906	8,568	(2,662)	34,532	102,817	(68,285)
Computer service	2,380	667	1,713	12,622	8,000	4,622
Telephone	110	500	(390)	2,244	6,000	(3,756)
Accounting	700	1,367	(667)	3,500	16,400	(12,900)
Depreciation	244	333	(89)	1,221	4,000	(2,779)
Rent	-	833	(833)	10,050	10,000	50
Insurance	708	833	(125)	1,970	10,000	(8,030)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	370	1,083	(713)	2,988	13,000	(10,012)
Bank charges and investment fees	12	8	4	4,502	100	4,402
Printing, general	-	250	(250)	1,073	3,000	(1,927)
Staff training	-	42	(42)	412	500	(88)
Taxes and licenses	-	4	(4)	-	50	(50)
Membership and contributions	667	1,667	(1,000)	6,717	20,000	(13,283)
Travel, staff	708	2,917	(2,209)	8,025	35,000	(26,975)

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Five Months Ended November 30, 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>
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	(86)	667	(753)	1,353	8,000	(6,647)
Professional liability insurance	-	3,233	(3,233)	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	-	3,333	(3,333)	9,298	40,000	(30,702)
Nat'l Teach Ag Campaign	14,146	34,167	(20,021)	135,216	410,000	(274,784)
FFA Foundation project - TTTK	749	3,875	(3,126)	934	46,500	(45,566)
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	962	2,000	(1,038)	1,498	24,000	(22,502)
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	1,110	-	1,110	18,875	-	18,875
Regional grants	-	-	-	-	-	-
NPS expense	-	417	(417)	-	5,000	(5,000)
Webinar expense	-	42	(42)	144	500	(356)
Teacher crisis fund	1,500	-	1,500	3,000	-	3,000
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	264	333	(69)	2,227	4,000	(1,773)
Storage	-	-	-	-	-	-
Professional development	-	-	-	-	-	-
Ag ed opportunity fund	-	-	-	500	-	500
Miscellaneous	-	-	-	30	-	30
TOTAL EXPENSES	<u>64,202</u>	<u>124,498</u>	<u>(60,296)</u>	<u>521,164</u>	<u>1,493,969</u>	<u>(972,805)</u>
NET INCOME (LOSS)	<u>\$ 36,370</u>	<u>\$ 2,012</u>	<u>\$ 34,358</u>	<u>\$ 475,644</u>	<u>\$ 24,151</u>	<u>\$ 451,493</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, 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	\$ 560	\$ 9,583	\$ (9,023)	\$ 75,870	\$ 115,000	\$ (39,130)
Convention, trade show	1,800	-	1,800	3,000	-	3,000
Convention, sponsorships - FFA Foundation	-	5,000	(5,000)	19,680	60,000	(40,320)
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	<u>15,750</u>	<u>2,000</u>	<u>13,750</u>	<u>19,226</u>	<u>24,000</u>	<u>(4,774)</u>
TOTAL REVENUE	<u>18,110</u>	<u>16,583</u>	<u>1,527</u>	<u>117,776</u>	<u>199,000</u>	<u>(81,224)</u>
EXPENSES						
Convention, plaques and trophies	-	167	(167)	335	2,000	(1,665)
Convention, printing	2,998	-	2,998	2,998	-	2,998
Convention, awards	-	833	(833)	1,005	10,000	(8,995)
Convention, miscellaneous	-	-	-	-	-	-
Convention, meal functions	1,000	833	167	1,000	10,000	(9,000)
Convention, promotion and marketing	1,317	167	1,150	1,317	2,000	(683)
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	<u>-</u>	<u>1,000</u>	<u>(1,000)</u>	<u>-</u>	<u>12,000</u>	<u>(12,000)</u>
TOTAL EXPENSES	<u>5,315</u>	<u>11,713</u>	<u>(6,398)</u>	<u>7,123</u>	<u>140,550</u>	<u>(133,427)</u>
NET INCOME (LOSS)	<u>\$ 12,795</u>	<u>\$ 4,870</u>	<u>\$ 7,925</u>	<u>\$ 110,653</u>	<u>\$ 58,450</u>	<u>\$ 52,203</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, 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	\$ 700	\$ -	\$ 700	\$ 266,522	\$ -	\$ 266,522
Vendor - Vernier	15,847	-	15,847	365,123	-	365,123
Vendor - NewByte	-	-	-	2,737	-	2,737
Vendor - Bio-Rad	-	-	-	-	-	-
Field test fees	-	-	-	-	-	-
NRES	-	-	-	-	-	-
APT	-	-	-	198	-	198
ASP	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	-	-	-	-	-	-
ABF	62,500	-	62,500	62,500	-	62,500
Capstone Revenue	-	-	-	-	-	-
Royalty - Cengage	-	-	-	22,810	-	22,810
Royalty - Ward's	-	-	-	-	-	-
FSS revenue	-	-	-	-	-	-
G.W. Publications	-	-	-	-	-	-
Online	479	-	479	9,005	-	9,005
Merchandise	-	-	-	160	-	160
Replacement CD	75	-	75	250	-	250
TOTAL REVENUE	<u>79,601</u>	<u>-</u>	<u>79,601</u>	<u>729,305</u>	<u>-</u>	<u>729,305</u>
EXPENSES						
Council assessment	-	-	-	-	-	-
Travel	-	-	-	7,291	-	7,291
Travel - staff	-	-	-	12,773	-	12,773
Salary	7,151	-	7,151	35,757	-	35,757
Taxes and benefits	306	-	306	2,323	-	2,323
Contract labor	32,838	-	32,838	174,458	-	174,458
Supplies	-	-	-	48	-	48
Merchandise	-	-	-	-	-	-
Promotion	1,040	-	1,040	4,590	-	4,590
Printing	255	-	255	2,086	-	2,086
Postage	12	-	12	528	-	528
Telecommunications	-	-	-	-	-	-
Management fee	-	-	-	-	-	-
Vernier	16,397	-	16,397	327,829	-	327,829
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
ABF	-	-	-	-	-	-
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	9	-	9	47	-	47
TOTAL EXPENSES	<u>58,008</u>	<u>-</u>	<u>58,008</u>	<u>686,734</u>	<u>-</u>	<u>686,734</u>
NET INCOME (LOSS)	<u>\$ 21,593</u>	<u>\$ -</u>	<u>\$ 21,593</u>	<u>\$ 42,571</u>	<u>\$ -</u>	<u>\$ 42,571</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT