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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 February 28, 2017 and the related statement of activities for the eight 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

February 28, 2017

ASSETS

Cash on deposit	\$ 379,456
Investments - operating fund	658,157
Investments - life membership fund	225,064
Accounts receivable	105,962
Inventory	5,000
Prepaid expenses	432,458
Property and equipment - CASE	475
Property and equipment	<u>10,100</u>

TOTAL ASSETS \$ 1,816,672

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 14,795
Accrued leave payable	41,327
Other current liabilities	<u>9,242</u>

TOTAL LIABILITIES 65,364

NET ASSETS

Unrestricted net assets:	
Current operation	1,181,608
Board designated for special purposes	212,795
Temporarily restricted net assets	1,360
CASE Project	<u>355,545</u>

TOTAL NET ASSETS 1,751,308

TOTAL LIABILITIES AND NET ASSETS \$ 1,816,672

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Eight Months ended February 28, 2017

	<u>Unrestricted</u>		Temporarily <u>Restricted</u>	CASE <u>Project</u>	<u>Total</u>
	<u>Current Operations</u>	Board <u>Designated</u>			
Revenue, Gains and Losses					
Membership dues	\$ 374,319	\$ 4,380	\$ -	\$ -	\$ 378,699
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	75,248	-	-	-	75,248
Interest and dividends	22,889	-	-	-	22,889
FFA Foundation projects	44,600	-	-	-	44,600
CASE Program income	-	-	-	1,093,120	1,093,120
Other income	521,045	-	-	-	521,045
	<u>1,123,978</u>	<u>4,380</u>	<u>390</u>	<u>1,093,120</u>	<u>2,221,868</u>
Total Revenue, Gains and Losses	1,123,978	4,380	390	1,093,120	2,221,868
Net Assets Released from Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue, Gains and Losses and Reclassifications	<u>1,123,978</u>	<u>4,380</u>	<u>390</u>	<u>1,093,120</u>	<u>2,221,868</u>
Expenses					
General expenses	957,777	-	-	-	957,777
FFA Foundation projects	8,806	-	-	-	8,806
CASE Program expenses	-	-	-	1,239,370	1,239,370
Convention expenses	22,326	-	-	-	22,326
	<u>988,909</u>	<u>-</u>	<u>-</u>	<u>1,239,370</u>	<u>2,228,279</u>
Total expenses	988,909	-	-	1,239,370	2,228,279
INCREASE (DECREASE) IN NET ASSETS	135,069	4,380	390	(146,250)	(6,411)
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>\$ 1,181,608</u>	<u>\$ 212,795</u>	<u>\$ 1,360</u>	<u>\$ 355,545</u>	<u>\$ 1,751,308</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Eight Months Ended February 28, 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	\$ 39,380	\$ 32,907	\$ 6,473	\$ 367,749	\$ 394,880	\$ (27,131)
Corporate membership dues	1,500	2,563	(1,063)	10,950	30,750	(19,800)
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Foundation management fees	-	7,917	(7,917)	-	95,000	(95,000)
Interest and dividends	349	2,917	(2,568)	17,575	35,000	(17,425)
Net realized and unrealized gains (losses) on securities	20,005	-	20,005	75,248	-	75,248
Merchandise sales	-	833	(833)	3,058	10,000	(6,942)
Investment income, Life Fund	119	917	(798)	5,314	11,000	(5,686)
Contributions, Legislative Fund	-	-	-	390	-	390
Miscellaneous income	-	833	(833)	32,200	10,000	22,200
Scholarship raffle proceeds	-	125	(125)	-	1,500	(1,500)
National Teach Ag Campaign	229,600	37,500	192,100	281,532	450,000	(168,468)
Teacher crisis fund	3,451	-	3,451	22,689	-	22,689
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	658	-	658	4,889	-	4,889
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	(15,302)	-	(15,302)	(146,250)	-	(146,250)
Convention net income	(1,397)	5,005	(6,402)	65,573	53,050	12,523
TOTAL REVENUE	<u>278,363</u>	<u>123,593</u>	<u>154,770</u>	<u>960,172</u>	<u>1,476,080</u>	<u>(515,908)</u>
EXPENSES						
Salaries	34,254	30,331	3,923	309,918	363,967	(54,049)
Taxes and benefits	6,158	8,419	(2,261)	57,861	101,023	(43,162)
Computer service	637	667	(30)	9,000	8,000	1,000
Telephone	205	417	(212)	2,657	5,000	(2,343)
Accounting	9,150	1,317	7,833	13,700	15,800	(2,100)
Depreciation	277	333	(56)	2,213	4,000	(1,787)
Rent	-	629	(629)	7,550	7,550	-
Insurance	854	833	21	8,304	10,000	(1,696)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	28	833	(805)	1,162	10,000	(8,838)
Bank charges and investment fees	12	8	4	5,813	100	5,713
Printing, general	481	250	231	2,513	3,000	(487)
Staff training	-	42	(42)	-	500	(500)
Taxes and licenses	10	8	2	10	100	(90)
Membership and contributions	8,565	1,667	6,898	17,427	20,000	(2,573)
Travel, staff	534	2,917	(2,383)	3,684	35,000	(31,316)
Promotion and marketing	-	1,250	(1,250)	10,409	15,000	(4,591)

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NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Eight Months Ended February 28, 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	93	208	(115)	2,708	2,500	208
Photocopying	-	8	(8)	-	100	(100)
Postage, general	335	542	(207)	2,896	6,500	(3,604)
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	249	3,333	(3,084)	10,312	40,000	(29,688)
Nat'l Teach Ag Campaign	130,934	34,167	96,767	290,144	410,000	(119,856)
FFA Foundation project - TTTK	1,268	3,875	(2,607)	4,622	46,500	(41,878)
FFA Foundation project - OPAP	206	917	(711)	1,050	11,000	(9,950)
FFA Foundation project - OMSP	206	917	(711)	590	11,000	(10,410)
FFA Foundation project - OT	206	917	(711)	925	11,000	(10,075)
FFA Foundation project - OYM	206	917	(711)	666	11,000	(10,334)
FFA Foundation project - Lifetime achievement	206	208	(2)	206	2,500	(2,294)
FFA Foundation project - Outstanding service citation	206	-	206	541	-	541
FFA Foundation teacher workshop	-	-	-	-	-	-
FFA Foundation Regional Grants	-	-	-	-	-	-
FFA Foundation Agriscience Teachers	206	-	206	206	-	206
FFA Foundation XLR8	-	2,000	(2,000)	2,771	24,000	(21,229)
FFA Foundation convention internet lounge	-	-	-	-	-	-
DuPont Agriscience	2,102	667	1,435	31,200	8,000	23,200
Regional grants	-	-	-	-	-	-
NPS expense	-	417	(417)	(80)	5,000	(5,080)
Webinar expense	-	100	(100)	-	1,200	(1,200)
Teacher crisis fund	500	-	500	7,500	-	7,500
Communities of practice expense	37,191	3,167	34,024	52,191	38,000	14,191
Substitute teacher hire behinds	-	42	(42)	-	500	(500)
Website	1,050	1,083	(33)	11,031	13,000	(1,969)
NATAA stipends	2,250	10,000	(7,750)	13,250	120,000	(106,750)
BFRDP expense	-	-	-	-	-	-
BFPD contract labor	-	-	-	-	-	-
Credit card expense	239	208	31	3,585	2,500	1,085
Storage	-	-	-	102	-	102
Miscellaneous	-	-	-	-	-	-
TOTAL EXPENSES	<u>238,818</u>	<u>121,046</u>	<u>117,772</u>	<u>966,583</u>	<u>1,452,540</u>	<u>(485,957)</u>
NET INCOME (LOSS)	<u>\$ 39,545</u>	<u>\$ 2,547</u>	<u>\$ 36,998</u>	<u>\$ (6,411)</u>	<u>\$ 23,540</u>	<u>\$ (29,951)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Eight Months Ended February 28, 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	\$ -	\$ 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	-	15,499	(15,499)	87,899	186,000	(98,101)
EXPENSES						
Convention, plaques and trophies	985	242	743	1,103	2,900	(1,797)
Convention, printing	-	-	-	3,775	-	3,775
Convention, awards	412	-	412	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	-	379	(379)	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	-	1,000	(1,000)	(690)	12,000	(12,690)
TOTAL EXPENSES	1,397	10,494	(9,097)	22,326	132,950	(110,624)
NET INCOME (LOSS)	\$ (1,397)	\$ 5,005	\$ (6,402)	\$ 65,573	\$ 53,050	\$ 12,523

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses
For the One and Eight Months Ended February 28, 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	\$ 23,500	\$ -	\$ 23,500	\$ 285,304	\$ -	\$ 285,304
Vendor - Vernier	22,635	-	22,635	603,856	-	603,856
Vendor - NewByte	-	-	-	7,770	-	7,770
Vendor - Bio-Rad	3,564	-	3,564	6,010	-	6,010
Field test fees	-	-	-	5,000	-	5,000
NRES	-	-	-	-	-	-
APT	-	-	-	7,309	-	7,309
ASP	-	-	-	-	-	-
ESI	-	-	-	-	-	-
Capstone Revenue	-	-	-	57,400	-	57,400
Royalty - Cengage	621	-	621	62,109	-	62,109
Royalty - Ward's	-	-	-	19,203	-	-
FSS revenue	-	-	-	-	-	-
G.W. Publications	-	-	-	5,658	-	5,658
Online	-	-	-	32,155	-	32,155
Merchandise	-	-	-	721	-	721
Replacement CD	50	-	50	625	-	625
TOTAL REVENUE	50,370	-	50,370	1,093,120	-	1,073,917
EXPENSES						
Council assessment	-	-	-	-	-	-
Travel	(400)	-	(400)	8,846	-	8,846
Travel - staff	-	-	-	4,812	-	4,812
Salary	7,070	-	7,070	56,582	-	56,582
Taxes and benefits	306	-	306	2,452	-	2,452
Contract labor	41,802	-	41,802	334,420	-	334,420
Supplies	-	-	-	614	-	614
Merchandise	-	-	-	-	-	-
Promotion	-	-	-	3,050	-	3,050
Printing	230	-	230	6,725	-	6,725
Postage	141	-	141	565	-	565
Telecommunications	-	-	-	-	-	-
Vernier	15,924	-	15,924	630,451	-	630,451
NewByte	73	-	73	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	-	-	-	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	517	-	517	62,063	-	62,063
CI Mentor contract labor	-	-	-	5,000	-	5,000
CI mentor	-	-	-	3,791	-	3,791
Depreciation	9	-	9	76	-	76
TOTAL EXPENSES	65,672	-	65,672	1,239,370	-	1,239,370
NET INCOME (LOSS)	\$ (15,302)	\$ -	\$ (15,302)	\$ (146,250)	\$ -	\$ (165,453)

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