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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 May 31, 2017 and the related statement of activities for the eleven 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

August 17, 2017

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

May 31, 2017

ASSETS

Cash on deposit	\$ 453,370
Investments - operating fund	673,642
Investments - life membership fund	231,879
Accounts receivable	424,419
Inventory	5,000
Prepaid expenses	1,911
Property and equipment - CASE	446
Property and equipment	<u>9,270</u>

TOTAL ASSETS \$ 1,799,937

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 43,888
Accrued leave payable	41,327
Other current liabilities	<u>9,663</u>

TOTAL LIABILITIES 94,878

NET ASSETS

Unrestricted net assets:	
Current operation	1,073,826
Board designated for special purposes	213,515
Temporarily restricted net assets	1,550
CASE Project	<u>416,168</u>

TOTAL NET ASSETS 1,705,059

TOTAL LIABILITIES AND NET ASSETS \$ 1,799,937

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Eleven Months ended May 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	\$ 411,729	\$ 5,100	\$ -	\$ -	\$ 416,829
Convention registration	127,206	-	-	-	127,206
Sponsorship and awards	17,250	-	-	-	17,250
Merchandise sales	4,521	-	-	-	4,521
Contributions	-	-	580	-	580
Management fees	-	-	-	-	-
Net realized and unrealized					
gains (losses) on securities	97,135	-	-	-	97,135
Interest and dividends	25,401	-	-	-	25,401
FFA Foundation projects	134,085	-	-	-	134,085
CASE Program income	-	-	-	1,644,582	1,644,582
Other income	959,664	-	-	-	959,664
	<u>1,776,991</u>	<u>5,100</u>	<u>580</u>	<u>1,644,582</u>	<u>3,427,253</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>1,776,991</u>	<u>5,100</u>	<u>580</u>	<u>1,644,582</u>	<u>3,427,253</u>
Expenses					
General expenses	1,559,050	-	-	-	1,559,050
FFA Foundation projects	73,882	-	-	-	73,882
CASE Program expenses	-	-	-	1,730,209	1,730,209
Convention expenses	116,772	-	-	-	116,772
	<u>1,749,704</u>	<u>-</u>	<u>-</u>	<u>1,730,209</u>	<u>3,479,913</u>
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	27,287	5,100	580	(85,627)	(52,660)
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>\$ 1,073,826</u>	<u>\$ 213,515</u>	<u>\$ 1,550</u>	<u>\$ 416,168</u>	<u>\$ 1,705,059</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Eleven Months Ended May 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											
Member dues	\$ 12,025	\$	\$ 32,907	\$	\$ (20,882)	\$	\$ 405,129	\$	\$ 394,880	\$	\$ 10,249
Corporate membership dues	-		2,563		(2,563)		11,700		30,750		(19,050)
Student teacher scholarship revenue	-		-		-		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	361		2,917		(2,556)		19,462		35,000		(15,538)
Net realized and unrealized gains (losses) on securities	9,583		-		9,583		97,135				97,135
Merchandise sales	1,454		833		621		4,521		10,000		(5,479)
Investment income, Life Fund	124		917		(793)		5,939		11,000		(5,061)
Contributions, Legislative Fund	-		-		-		580				580
Miscellaneous income			833		(833)		34,911		10,000		24,911
Scholarship raffle proceeds	-		125		(125)		-		1,500		(1,500)
National Teach Ag Campaign	389,500		37,500		352,000		671,032		450,000		221,032
Teacher crisis fund	1,160		-		1,160		25,228				25,228
BFRDP Grant	-		-		-		-				-
AEM business manager stipend	4,000		333		3,667		4,000		4,000		-
DuPont agriscience revenue	5,639		-		5,639		169,989		-		169,989
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	1,759		-		1,759		8,044		-		8,044
FFA Foundation project - TTTK	-		3,875		(3,875)		-		46,500		(46,500)
FFA Foundation project - OPAP	15,026		917		14,109		15,026		11,000		4,026
FFA Foundation project - OMSP	8,200		917		7,283		8,200		11,000		(2,800)
FFA Foundation project - OT	7,380		917		6,463		7,380		11,000		(3,620)
FFA Foundation project - OYM	-		917		(917)		-		11,000		(11,000)
FFA Foundation project - Lifetime Achievement	13,120		208		12,912		13,120		2,500		10,620
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	30,999		2,000		28,999		30,999		24,000		6,999
FFA Foundation communities of practice	14,760		4,783		9,977		14,760		57,400		(42,640)
FFA Foundation convention internet lounge	-		-		-		-		-		-
CASE program net income	215,771		-		215,771		(85,627)		-		(85,627)
Convention net income	17,033		5,005		12,028		50,312		53,050		(2,738)
TOTAL REVENUE	747,894		123,593		624,301		1,580,272		1,476,080		104,192
EXPENSES											
Salaries	47,073		30,331		16,742		430,617		363,967		66,650
Taxes and benefits	8,117		8,419		(302)		81,399		101,023		(19,624)
Computer service	1,562		667		895		14,875		8,000		6,875
Telephone	510		417		93		4,319		5,000		(681)
Accounting	650		1,317		(667)		15,650		15,800		(150)
Depreciation	277		333		(56)		3,043		4,000		(957)
Rent	-		629		(629)		7,550		7,550		-
Insurance	854		833		21		7,522		10,000		(2,478)
Legal	-		83		(83)		-		1,000		(1,000)
Office Supplies	413		833		(420)		9,664		10,000		(336)
Bank charges and investment fees	-		8		(8)		7,905		100		7,805
Printing, general	306		250		56		3,392		3,000		392
Staff training	-		42		(42)		415		500		(85)
Taxes and licenses	-		8		(8)		25		100		(75)
Membership and contributions	405		1,667		(1,262)		19,550		20,000		(450)
Travel, staff	5,048		2,917		2,131		30,875		35,000		(4,125)
Promotion and marketing	1,561		1,250		311		19,790		15,000		4,790
Merchandise and diaries	-		208		(208)		2,727		2,500		227
Photocopying	8		8		(8)		-		100		(100)

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Eleven Months Ended May 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>
Postage, general	817	542	275	6,262	6,500	(238)
Professional liability insurance	-	3,183	(3,183)	38,775	38,200	575
Public relations	99	83	16	430	1,000	(570)
Scholarships	-	2,583	(2,583)	37,500	31,000	6,500
Travel, regional secretaries	-	1,500	(1,500)	5,475	18,000	(12,525)
Travel, board of directors	1,557	3,333	(1,776)	24,004	40,000	(15,996)
Nat'l Teach Ag Campaign	89,908	34,167	55,741	485,859	410,000	75,859
FFA Foundation project - TTTK	-	3,875	(3,875)	34,108	46,500	(12,392)
FFA Foundation project - OPAP	-	917	(917)	6,777	11,000	(4,223)
FFA Foundation project - OMSP	-	917	(917)	5,798	11,000	(5,202)
FFA Foundation project - OT	-	917	(917)	8,312	11,000	(2,688)
FFA Foundation project - OYM	355	917	(562)	10,807	11,000	(193)
FFA Foundation project - Lifetime achievement	-	208	(208)	1,546	2,500	(954)
FFA Foundation project - Outstanding service citation	-	-	-	902	-	902
FFA Foundation teacher workshop	-	-	-	-	-	-
FFA Foundation Regional Grants	-	-	-	-	-	-
FFA Foundation Agriscience Teachers	-	-	-	5,632	-	5,632
FFA Foundation XLR8	-	2,000	(2,000)	23,240	24,000	(760)
FFA Foundation convention internet lounge	-	-	-	-	-	-
TTTK	287	-	287	287	-	287
DuPont Agriscience	7,232	667	6,565	158,432	8,000	150,432
Regional grants	-	-	-	-	-	-
NPS expense	-	417	(417)	9,500	5,000	4,500
Webinar expense	-	100	(100)	535	1,200	(665)
Teacher crisis fund	500	-	500	8,000	-	8,000
Communities of practice expense	12,600	3,167	9,433	64,791	38,000	26,791
Substitute teacher hire behinds	-	42	(42)	-	500	(500)
Website	1,050	1,083	(33)	14,181	13,000	1,181
NATAA stipends	1,450	10,000	(8,550)	14,700	120,000	(105,300)
BFRDP expense	-	-	-	-	-	-
BFPD contract labor	-	-	-	-	-	-
Credit card expense	318	208	110	4,735	2,500	2,235
Storage	-	-	-	2,708	-	2,708
Professional development	-	-	-	318	-	318
Miscellaneous	-	-	-	-	-	-
TOTAL EXPENSES	<u>182,949</u>	<u>121,046</u>	<u>61,903</u>	<u>1,632,932</u>	<u>1,452,540</u>	<u>180,392</u>
NET INCOME (LOSS)	<u>\$ 564,945</u>	<u>\$ 2,547</u>	<u>\$ 562,398</u>	<u>\$ (52,660)</u>	<u>\$ 23,540</u>	<u>\$ (76,200)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Eleven Months Ended May 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	\$ -	\$ 9,583	\$ (9,583)	\$ 127,206	\$ 115,000	\$ 12,206
Convention, trade show	-	-	-	1,800	-	1,800
Convention, sponsorships - FFA Foundation	17,548	4,583	12,965	20,828	55,000	(34,172)
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	-	1,333	(1,333)	17,250	16,000	1,250
TOTAL REVENUE	<u>17,548</u>	<u>15,499</u>	<u>2,049</u>	<u>167,084</u>	<u>186,000</u>	<u>(18,916)</u>
EXPENSES						
Convention, plaques and trophies	-	242	(242)	1,179	2,900	(1,721)
Convention, printing	-	-	-	4,117	-	4,117
Convention, awards	-	-	-	8,227	7,000	1,227
Convention, miscellaneous	-	-	-	428	-	428
Convention, meal functions	-	833	(833)	1,043	10,000	(8,957)
Convention, promotion and marketing	-	208	(208)	5,865	2,500	3,365
Convention, postage and shipping	-	333	(333)	7,519	4,000	3,519
Convention, equipment rental	-	1,583	(1,583)	2,695	19,000	(16,305)
Convention, host state social	-	-	-	-	-	-
Convention, committee expense	-	379	(379)	3,316	4,550	(1,234)
Convention, sponsorships - FFA Foundation	-	4,583	(4,583)	57,258	55,000	2,258
Convention, travel/board of directors	515	1,333	(818)	16,037	16,000	37
Convention, staff travel	-	1,000	(1,000)	9,088	12,000	(2,912)
TOTAL EXPENSES	<u>515</u>	<u>10,494</u>	<u>(9,979)</u>	<u>116,772</u>	<u>132,950</u>	<u>(16,178)</u>
NET INCOME (LOSS)	<u>\$ 17,033</u>	<u>\$ 5,005</u>	<u>\$ 12,028</u>	<u>\$ 50,312</u>	<u>\$ 53,050</u>	<u>\$ (2,738)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses

For the One and Eleven Months Ended May 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	\$ 238,387	\$ -	\$ 238,387	\$ 544,691	\$ -	\$ 544,691
Vendor - Vernier	72,179	-	72,179	825,075	-	825,075
Vendor - NewByte	1,490	-	1,490	9,559	-	9,559
Vendor - Bio-Rad	-	-	-	6,010	-	6,010
Field test fees	-	-	-	5,000	-	5,000
NRES	-	-	-	-	-	-
APT	-	-	-	10,366	-	10,366
ASP	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	52,398	-	52,398	52,398	-	52,398
Capstone Revenue	-	-	-	57,400	-	57,400
Royalty - Cengage	3,546	-	3,546	73,332	-	73,332
Royalty - Ward's	-	-	-	19,203	-	-
FSS revenue	-	-	-	-	-	-
G.W. Publications	-	-	-	5,763	-	5,763
Online	876	-	876	33,960	-	33,960
Merchandise	379	-	379	1,100	-	1,100
Replacement CD	50	-	50	725	-	725
TOTAL REVENUE	369,305	-	369,305	1,644,582	-	1,625,379
EXPENSES						
Council assessment	-	-	-	-	-	-
Travel	20,678	-	20,678	64,831	-	64,831
Travel - staff	6,718	-	6,718	49,496	-	49,496
Salary	7,070	-	7,070	77,792	-	77,792
Taxes and benefits	306	-	306	3,372	-	3,372
Contract labor	41,802	-	41,802	459,827	-	459,827
Supplies	-	-	-	1,084	-	1,084
Merchandise	-	-	-	327	-	327
Promotion	2,599	-	2,599	16,810	-	16,810
Printing	1,155	-	1,155	8,462	-	8,462
Postage	325	-	325	1,250	-	1,250
Telecommunications	-	-	-	-	-	-
Vernier	68,796	-	68,796	801,460	-	801,460
NewByte	-	-	-	4,622	-	4,622
Bio-Rad	-	-	-	-	-	-
Carthage	-	-	-	40,976	-	40,976
Carthage contract labor	-	-	-	84,850	-	84,850
Field test	-	-	-	10,000	-	10,000
CI scholarships	292	-	292	292	-	292
NRES	-	-	-	-	-	-
FSS	-	-	-	-	-	-
APT	-	-	-	8,336	-	8,336
ARD	-	-	-	-	-	-
ESI	-	-	-	1,559	-	1,559
MSA	-	-	-	8,864	-	8,864
G.W. Publications	-	-	-	5,336	-	5,336
Online expense	-	-	-	-	-	-
Royalty expense - Cengage	3,071	-	3,071	71,055	-	71,055
CI Mentor contract labor	-	-	-	5,000	-	5,000
CI mentor	713	-	713	4,504	-	4,504
Depreciation	9	-	9	104	-	104
TOTAL EXPENSES	153,534	-	153,534	1,730,209	-	1,730,209
NET INCOME (LOSS)	\$ 215,771	\$ -	\$ 215,771	\$ (85,627)	\$ -	\$ (104,830)

SEE ACCOMPANYING ACCOUNTANT'S REPORT