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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 June 30, 2017 and the related statement of activities for the twelve 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

November 27, 2017

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

June 30, 2017

ASSETS

Cash on deposit	\$ 460,669
Investments - operating fund	680,553
Investments - life membership fund	233,843
Accounts receivable	275,613
Inventory	5,000
Prepaid expenses	16,423
Property and equipment - CASE	437
Property and equipment	<u>8,993</u>

TOTAL ASSETS \$ 1,681,531

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 333,839
Accrued leave payable	48,633
Other current liabilities	<u>9,541</u>

TOTAL LIABILITIES 392,013

NET ASSETS

Unrestricted net assets:	
Current operation	784,586
Board designated for special purposes	213,515
Temporarily restricted net assets	1,550
CASE Project	<u>289,867</u>

TOTAL NET ASSETS 1,289,518

TOTAL LIABILITIES AND NET ASSETS \$ 1,681,531

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Year ended June 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	\$ 433,829	\$ 5,100	\$ -	\$ -	\$ 438,929
Convention registration	127,206	-	-	-	127,206
Sponsorship and awards	17,250	-	-	-	17,250
Merchandise sales	7,838	-	-	-	7,838
Contributions	-	-	580	-	580
Management fees	95,000	-	-	-	95,000
Net realized and unrealized gains (losses) on securities	104,587	-	-	-	104,587
Interest and dividends	26,831	-	-	-	26,831
FFA Foundation projects	143,425	-	-	-	143,425
CASE Program income	-	-	-	1,814,484	1,814,484
Other income	747,422	-	-	-	747,422
Total Revenue, Gains and Losses	1,703,388	5,100	580	1,814,484	3,523,552
Net Assets Released from Restrictions	-	-	-	-	-
Total Revenue, Gains and Losses and Reclassifications	1,703,388	5,100	580	1,814,484	3,523,552
Expenses					
General expenses	1,757,658	-	-	-	1,757,658
FFA Foundation projects	88,643	-	-	-	88,643
CASE Program expenses	-	-	-	2,026,412	2,026,412
Convention expenses	119,040	-	-	-	119,040
Total expenses	1,965,341	-	-	2,026,412	3,991,753
INCREASE (DECREASE) IN NET ASSETS	(261,953)	5,100	580	(211,928)	(468,201)
NET ASSETS AT BEGINNING OF PERIOD	1,046,539	208,415	970	501,795	1,757,719
NET ASSETS AT END OF PERIOD	\$ 784,586	\$ 213,515	\$ 1,550	\$ 289,867	\$ 1,289,518

Two Year Synopsis					
Change in Net Assets	Current	Board	Temporarily		
	Operations	Designated	Restricted	CASE Project	Total
2016-17	-\$261,953	\$5,100	\$580	-\$211,928	-\$468,201
2015-16	\$295,722	\$970	\$490	\$271,068	\$568,250
Two Years Combined	\$33,769	\$6,070	\$1,070	\$59,140	\$100,049

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Twelve Months Ended June 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						
Member dues	\$ 3,050	\$ 32,907	\$ (29,857)	\$ 408,179	\$ 394,880	\$ 13,299
Corporate membership dues	19,050	2,563	16,487	30,750	30,750	-
Student teacher scholarship revenue	-	-	-	13,527	-	13,527
Delmar scholarships	7,500	625	6,875	7,500	7,500	-
Foundation management fees	95,000	7,917	87,083	95,000	95,000	-
Interest and dividends	1,106	2,917	(1,811)	20,568	35,000	(14,432)
Net realized and unrealized gains (losses) on securities	7,452	-	7,452	104,587	-	104,587
Merchandise sales	3,317	833	2,484	7,838	10,000	(2,162)
Investment income, Life Fund	325	917	(592)	6,263	11,000	(4,737)
Contributions, Legislative Fund	-	-	-	580	-	580
Miscellaneous income	(19,361)	833	(20,194)	15,550	10,000	5,550
Scholarship raffle proceeds	-	125	(125)	-	1,500	(1,500)
National Teach Ag Campaign	(204,000)	37,500	(241,500)	467,032	450,000	17,032
Teacher crisis fund	1,584	-	1,584	26,812	-	26,812
BFRDP Grant	-	-	-	-	-	-
AEM business manager stipend	-	333	(333)	4,000	4,000	-
DuPont agriscience revenue	(40,000)	-	(40,000)	129,989	-	129,989
DuPont - non foundation	-	-	-	10,305	-	10,305
NPS National Ag Ed leadership dinner	4,225	-	4,225	4,225	-	4,225
CASE management fee	24,000	2,000	22,000	24,000	24,000	-
Council MMM management fee	5,000	417	4,583	5,000	5,000	-
Teach AG non-foundation revenue	610	-	610	8,654	-	8,654
FFA Foundation project - TTTK	-	3,875	(3,875)	-	46,500	(46,500)
FFA Foundation project - OPAP	(1,300)	917	(2,217)	13,726	11,000	2,726
FFA Foundation project - OMSP	-	917	(917)	8,200	11,000	(2,800)
FFA Foundation project - OT	-	917	(917)	7,380	11,000	(3,620)
FFA Foundation project - OYM	-	917	(917)	-	11,000	(11,000)
FFA Foundation project - Lifetime Achievement	(10,000)	208	(10,208)	3,120	2,500	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	(16,000)	667	(16,667)	8,600	8,000	600
FFA Foundation NATAA/NAII	-	10,000	(10,000)	-	120,000	(120,000)
FFA Foundation project - XLR8	(6,000)	2,000	(8,000)	24,999	24,000	999
FFA Foundation communities of practice	42,640	4,783	37,857	57,400	57,400	-
FFA Foundation convention internet lounge	-	-	-	-	-	-
CASE program net income	(76,950)	-	(76,950)	(211,928)	-	(211,928)
Convention net income	7,932	5,005	2,927	56,244	53,050	3,194
TOTAL REVENUE	(150,820)	123,593	(274,413)	1,378,100	1,476,080	(97,980)
EXPENSES						
Salaries	52,545	30,331	22,214	483,161	363,967	119,194
Taxes and benefits	9,880	8,419	1,461	91,278	101,023	(9,745)
Computer service	-	667	(667)	14,875	8,000	6,875
Telephone	527	417	110	4,884	5,000	(116)
Accounting	650	1,317	(667)	16,300	15,800	500
Depreciation	277	333	(56)	3,319	4,000	(681)
Rent	-	629	(629)	7,550	7,550	-
Insurance	(9,500)	833	(10,333)	(1,978)	10,000	(11,978)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	327	833	(506)	10,273	10,000	273
Bank charges and investment fees	-	8	(8)	7,905	100	7,805
Printing, general	637	250	387	4,028	3,000	1,028
Staff training	549	42	507	964	500	464
Taxes and licenses	-	8	(8)	25	100	(75)
Membership and contributions	1,779	1,667	112	21,329	20,000	1,329
Travel, staff	7,943	2,917	5,026	39,518	35,000	4,518
Promotion and marketing	11	1,250	(1,239)	24,490	15,000	9,490

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Twelve Months Ended June 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>
Merchandise and diaries	609	208	401	3,336	2,500	836
Photocopying		8	(8)	-	100	(100)
Postage, general	1,134	542	592	7,717	6,500	1,217
Professional liability insurance	-	3,183	(3,183)	38,775	38,200	575
Public relations	-	83	(83)	520	1,000	(480)
Scholarships	-	2,583	(2,583)	37,500	31,000	6,500
Travel, regional secretaries	5,322	1,500	3,822	11,654	18,000	(6,346)
Travel, board of directors	9,679	3,333	6,346	33,683	40,000	(6,317)
Nat'l Teach Ag Campaign	21,814	34,167	(12,353)	511,461	410,000	101,461
FFA Foundation project - TTTK	-	3,875	(3,875)	42,771	46,500	(3,729)
FFA Foundation project - OPAP	477	917	(440)	8,280	11,000	(2,720)
FFA Foundation project - OMSP	-	917	(917)	6,676	11,000	(4,324)
FFA Foundation project - OT	-	917	(917)	8,593	11,000	(2,407)
FFA Foundation project - OYM	74	917	(843)	12,385	11,000	1,385
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	-	-	-	7,490	-	7,490
FFA Foundation XLR8	-	2,000	(2,000)	23,854	24,000	(146)
FFA Foundation convention internet lounge	-	-	-	-	-	-
TTTK	-	-	-	287	-	287
DuPont Agriscience	69,191	667	68,524	228,336	8,000	220,336
Regional grants	-	-	-	-	-	-
NPS expense	-	417	(417)	9,500	5,000	4,500
Webinar expense	-	100	(100)	535	1,200	(665)
Teacher crisis fund	-	-	-	8,000	-	8,000
Communities of practice expense	-	3,167	(3,167)	64,791	38,000	26,791
Substitute teacher hire behinds	-	42	(42)	-	500	(500)
Website	1,050	1,083	(33)	15,231	13,000	2,231
NATAA stipends	11,425	10,000	1,425	26,125	120,000	(93,875)
BFRDP expense	-	-	-	-	-	-
BFPD contract labor	-	-	-	-	-	-
Credit card expense	671	208	463	5,406	2,500	2,906
Storage	-	-	-	2,708	-	2,708
Professional development	-	-	-	318	-	318
Miscellaneous	-	-	-	-	-	-
TOTAL EXPENSES	<u>187,071</u>	<u>121,046</u>	<u>66,025</u>	<u>1,846,301</u>	<u>1,452,540</u>	<u>393,761</u>
NET INCOME (LOSS)	<u>\$ (337,891)</u>	<u>\$ 2,547</u>	<u>\$ (340,438)</u>	<u>\$ (468,201)</u>	<u>\$ 23,540</u>	<u>\$ (491,741)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Twelve Months Ended June 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	\$ -	\$ 9,583	\$ (9,583)	\$ 127,206	\$ 115,000	\$ 12,206
Convention, trade show	-	-	-	1,800	-	1,800
Convention, sponsorships - FFA Foundation	8,200	4,583	3,617	29,028	55,000	(25,972)
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	-	1,333	(1,333)	17,250	16,000	1,250
TOTAL REVENUE	<u>8,200</u>	<u>15,499</u>	<u>(7,299)</u>	<u>175,284</u>	<u>186,000</u>	<u>(10,716)</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	268	1,583	(1,315)	4,963	19,000	(14,037)
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	-	1,333	(1,333)	16,037	16,000	37
Convention, staff travel	-	1,000	(1,000)	9,088	12,000	(2,912)
TOTAL EXPENSES	<u>268</u>	<u>10,494</u>	<u>(10,226)</u>	<u>119,040</u>	<u>132,950</u>	<u>(13,910)</u>
NET INCOME (LOSS)	<u>\$ 7,932</u>	<u>\$ 5,005</u>	<u>\$ 2,927</u>	<u>\$ 56,244</u>	<u>\$ 53,050</u>	<u>\$ 3,194</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses

For the One and Twelve Months Ended June 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	\$ 121,597	\$ -	\$ 121,597	\$ 625,692	\$ -	\$ 625,692
Vendor - Vernier	59,181	-	59,181	885,242	-	885,242
Vendor - NewByte	-	-	-	9,559	-	9,559
Vendor - Bio-Rad	-	-	-	6,010	-	6,010
Field test fees	-	-	-	5,000	-	5,000
NRES	-	-	-	-	-	-
APT	2,000	-	2,000	12,366	-	12,366
ASP	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	-	-	-	52,398	-	52,398
Capstone Revenue	-	-	-	57,400	-	57,400
Royalty - Cengage	12,719	-	12,719	86,051	-	86,051
Royalty - Ward's	-	-	-	19,203	-	19,203
FSS revenue	-	-	-	-	-	-
G.W. Publications	2,110	-	2,110	7,873	-	7,873
Online	11,879	-	11,879	45,840	-	45,840
Merchandise	-	-	-	1,100	-	1,100
Replacement CD	25	-	25	750	-	750
TOTAL REVENUE	<u>209,511</u>	<u>-</u>	<u>209,511</u>	<u>1,814,484</u>	<u>-</u>	<u>1,814,484</u>
EXPENSES						
Council assessment	-	-	-	-	-	-
Travel	13,176	-	13,176	78,237	-	78,237
Travel - staff	5,138	-	5,138	59,178	-	59,178
Salary	7,487	-	7,487	85,280	-	85,280
Taxes and benefits	306	-	306	3,679	-	3,679
Contract labor	41,802	-	41,802	501,630	-	501,630
Supplies	189	-	189	1,460	-	1,460
Merchandise	295	-	295	622	-	622
Promotion	319	-	319	20,280	-	20,280
Printing	974	-	974	9,436	-	9,436
Postage	305	-	305	1,559	-	1,559
Telecommunications	-	-	-	-	-	-
Management fee	24,000	-	24,000	24,000	-	24,000
Vernier	57,378	-	57,378	858,838	-	858,838
NewByte	370	-	370	4,993	-	4,993
Bio-Rad	-	-	-	-	-	-
Carthage	-	-	-	40,976	-	40,976
Carthage contract labor	92,050	-	92,050	176,900	-	176,900
Field test	-	-	-	10,000	-	10,000
CI scholarships	157	-	157	449	-	449
NRES	-	-	-	-	-	-
FSS	-	-	-	-	-	-
APT	1,642	-	1,642	9,978	-	9,978
ARD	-	-	-	-	-	-
ESI	709	-	709	2,267	-	2,267
MSA	4,610	-	4,610	15,098	-	15,098
G.W. Publications	1,758	-	1,758	7,094	-	7,094
Online expense	20,000	-	20,000	20,000	-	20,000
Royalty expense - Cengage	9,944	-	9,944	80,998	-	80,998
CI Mentor contract labor	500	-	500	5,500	-	5,500
CI mentor	3,342	-	3,342	7,846	-	7,846
Depreciation	10	-	10	114	-	114
TOTAL EXPENSES	<u>286,461</u>	<u>-</u>	<u>286,461</u>	<u>2,026,412</u>	<u>-</u>	<u>2,026,412</u>
NET INCOME (LOSS)	<u>\$ (76,950)</u>	<u>\$ -</u>	<u>\$ (76,950)</u>	<u>\$ (211,928)</u>	<u>\$ -</u>	<u>\$ (211,928)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT