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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 January 31, 2018 and the related statement of activities for the seven 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

March 20, 2018

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

January 31, 2018

ASSETS

Cash on deposit	\$ 415,953
Investments - operating fund	772,791
Investments - life membership fund	266,215
Accounts receivable	238,162
Inventory	5,000
Prepaid expenses	2,359
Property and equipment - CASE	371
Property and equipment	<u>8,206</u>

TOTAL ASSETS \$ 1,709,057

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 59,411
Accrued leave payable	40,336
Other current liabilities	<u>8,960</u>

TOTAL LIABILITIES 108,707

NET ASSETS

Unrestricted net assets:	
Current operation	1,000,758
Board designated for special purposes	214,775
Temporarily restricted net assets	1,550
CASE Project	<u>383,267</u>

TOTAL NET ASSETS 1,600,350

TOTAL LIABILITIES AND NET ASSETS \$ 1,709,057

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Seven Months Ended January 31, 2018

	<u>Unrestricted</u>		Temporarily <u>Restricted</u>	CASE <u>Project</u>	<u>Total</u>
	<u>Current Operations</u>	<u>Board Designated</u>			
Revenue, Gains and Losses					
Membership dues	\$ 382,792	\$ 1,260	\$ -	\$ -	\$ 384,052
Convention registration	127,428	-	-	-	127,428
Sponsorship and awards	19,226	-	-	-	19,226
Merchandise sales	3,174	-	-	-	3,174
Contributions	-	-	-	-	-
Management fees	-	-	-	-	-
Net realized and unrealized gains (losses) on securities	109,175	-	-	-	109,175
Interest and dividends	22,243	-	-	-	22,243
FFA Foundation projects	164,000	-	-	-	164,000
CASE Program income	-	-	-	976,121	976,121
Other income	380,729	-	-	-	380,729
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue, Gains and Losses	1,208,767	1,260	-	976,121	2,186,148
Net Assets Released from Restrictions	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue, Gains and Losses and Reclassifications	1,208,767	1,260	-	976,121	2,186,148
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Expenses					
General expenses	850,900	-	-	-	850,900
FFA Foundation projects	47,796	-	-	-	47,796
CASE Program expenses	-	-	-	882,721	882,721
Convention expenses	93,899	-	-	-	93,899
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	992,595	-	-	882,721	1,875,316
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
INCREASE (DECREASE) IN NET ASSETS	216,172	1,260	-	93,400	310,832
NET ASSETS AT BEGINNING OF PERIOD	784,586	213,515	1,550	289,867	1,289,518
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS AT END OF PERIOD	\$ 1,000,758	\$ 214,775	\$ 1,550	\$ 383,267	\$ 1,600,350
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SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Seven Months Ended January 31, 2018

	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	\$ 46,555	\$	\$ 33,704	\$	\$ 12,851	\$	\$ 373,552	\$	\$ 404,445	\$	\$ (30,893)
Corporate membership dues	-		2,625		(2,625)		10,500		31,500		(21,000)
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	358		2,917		(2,559)		16,932		35,000		(18,068)
Net realized and unrealized gains (losses) on securities	43,158		-		43,158		109,175		-		109,175
Merchandise sales	-		500		(500)		3,174		6,000		(2,826)
Investment income, Life Fund	122		1,000		(878)		5,311		12,000		(6,689)
Contributions, Legislative Fund	-		-		-		-		-		-
Miscellaneous income	2,450		750		1,700		2,450		9,000		(6,550)
Scholarship raffle proceeds	-		-		-		-		-		-
National Teach Ag Campaign	-		37,500		(37,500)		78,720		450,000		(371,280)
Teacher crisis fund	3,210		-		3,210		16,335		-		16,335
BFRDP Grant	-		-		-		-		-		-
AEM business manager stipend	-		333		(333)		-		4,000		(4,000)
DuPont agriscience revenue	-		-		-		172,867		-		172,867
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	548		-		548		3,909		-		3,909
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)		16,400		11,000		5,400
FFA Foundation project - Lifetime Achievement	-		208		(208)		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	-		-		-		-		-		-
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	71,517		-		71,517		93,400		-		93,400
Convention net income	48,916		4,870		44,046		101,455		58,450		43,005
TOTAL REVENUE	216,834		126,510		90,324		1,209,528		1,518,120		(308,592)
EXPENSES											
Salaries	34,945		31,166		3,779		277,242		373,987		(96,745)
Taxes and benefits	5,100		8,568		(3,468)		51,798		102,817		(51,019)
Computer service	675		667		8		14,347		8,000		6,347
Telephone	274		500		(226)		3,082		6,000		(2,918)
Accounting	700		1,367		(667)		12,150		16,400		(4,250)
Depreciation	244		333		(89)		1,709		4,000		(2,291)
Rent	-		833		(833)		10,050		10,000		50
Insurance	393		833		(440)		3,935		10,000		(6,065)
Legal	-		83		(83)		-		1,000		(1,000)
Office Supplies	267		1,083		(816)		7,324		13,000		(5,676)
Bank charges and investment fees	2,319		8		2,311		6,821		100		6,721
Printing, general	-		250		(250)		1,805		3,000		(1,195)
Staff training	-		42		(42)		412		500		(88)
Taxes and licenses	-		4		(4)		-		50		(50)
Membership and contributions	1,204		1,667		(463)		8,391		20,000		(11,609)

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Seven Months Ended January 31, 2018

	<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>
Travel, staff	449	2,917	(2,468)	8,969	35,000	(26,031)
Promotion and marketing	26	2,083	(2,057)	8,262	25,000	(16,738)
Merchandise and diaries	-	208	(208)	4,791	2,500	2,291
Photocopying	-	8	(8)	-	100	(100)
Postage, general	976	667	309	4,404	8,000	(3,596)
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)	3,534	18,000	(14,466)
Travel, board of directors	1,524	3,333	(1,809)	13,301	40,000	(26,699)
Nat'l Teach Ag Campaign	81,394	34,167	47,227	258,306	410,000	(151,694)
FFA Foundation project - TTTK	1,143	3,875	(2,732)	25,707	46,500	(20,793)
FFA Foundation project - OPAP	168	917	(749)	2,910	11,000	(8,090)
FFA Foundation project - OMSP	202	917	(715)	3,709	11,000	(7,291)
FFA Foundation project - OT	202	917	(715)	4,073	11,000	(6,927)
FFA Foundation project - OYM	202	917	(715)	3,818	11,000	(7,182)
FFA Foundation project - Lifetime achievement	76	208	(132)	1,751	2,500	(749)
FFA Foundation project - Outstanding service citation	-	-	-	1,675	-	1,675
FFA Foundation teacher workshop	-	-	-	-	-	-
FFA Foundation Regional Grants	-	-	-	-	-	-
FFA Foundation Agriscience Teachers	202	833	(631)	4,153	10,000	(5,847)
FFA Foundation XLR8	673	2,000	(1,327)	17,876	24,000	(6,124)
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	102	-	102	62,836	-	62,836
Regional grants	-	-	-	-	-	-
NPS expense	-	417	(417)	-	5,000	(5,000)
Webinar expense	-	42	(42)	651	500	151
Teacher crisis fund	1,500	-	1,500	4,500	-	4,500
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	267	333	(66)	2,950	4,000	(1,050)
Storage	-	-	-	2,269	-	2,269
Professional development	-	-	-	-	-	-
Ag ed opportunity fund	-	-	-	500	-	500
Miscellaneous	-	-	-	30	-	30
TOTAL EXPENSES	<u>135,227</u>	<u>124,498</u>	<u>10,729</u>	<u>898,696</u>	<u>1,493,969</u>	<u>(595,273)</u>
NET INCOME (LOSS)	<u>\$ 81,607</u>	<u>\$ 2,012</u>	<u>\$ 79,595</u>	<u>\$ 310,832</u>	<u>\$ 24,151</u>	<u>\$ 286,681</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Seven Months Ended January 31, 2018

	<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	\$ 52,353	\$ 9,583	\$ 42,770	\$ 127,428	\$ 115,000	\$ 12,428
Convention, trade show	-	-	-	3,600	-	3,600
Convention, sponsorships - FFA Foundation	-	5,000	(5,000)	45,100	60,000	(14,900)
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	-	2,000	(2,000)	19,226	24,000	(4,774)
TOTAL REVENUE	<u>52,353</u>	<u>16,583</u>	<u>35,770</u>	<u>195,354</u>	<u>199,000</u>	<u>(3,646)</u>
EXPENSES						
Convention, plaques and trophies	705	167	538	1,936	2,000	(64)
Convention, printing	-	-	-	3,083	-	3,083
Convention, awards	404	833	(429)	10,642	10,000	642
Convention, miscellaneous	-	-	-	44,112	-	44,112
Convention, meal functions	-	833	(833)	1,000	10,000	(9,000)
Convention, promotion and marketing	-	167	(167)	7,834	2,000	5,834
Convention, postage and shipping	-	167	(167)	1,128	2,000	(872)
Convention, equipment rental	-	1,667	(1,667)	742	20,000	(19,258)
Convention, host state social	-	-	-	-	-	-
Convention, committee expense	-	379	(379)	3,015	4,550	(1,535)
Convention, sponsorships - FFA Foundation	-	4,583	(4,583)	-	55,000	(55,000)
Convention, travel/board of directors	-	1,917	(1,917)	10,634	23,000	(12,366)
Convention, staff travel	2,328	1,000	1,328	9,773	12,000	(2,227)
TOTAL EXPENSES	<u>3,437</u>	<u>11,713</u>	<u>(8,276)</u>	<u>93,899</u>	<u>140,550</u>	<u>(46,651)</u>
NET INCOME (LOSS)	<u>\$ 48,916</u>	<u>\$ 4,870</u>	<u>\$ 44,046</u>	<u>\$ 101,455</u>	<u>\$ 58,450</u>	<u>\$ 43,005</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses

For the One and Seven Months Ended January 31, 2018

	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	\$ 2,900	\$ -	\$ 2,900	\$ 269,422	\$ -	\$ 269,422
Vendor - Vernier	53,643	-	53,643	459,670	-	459,670
Vendor - NewByte	1,389	-	1,389	4,126	-	4,126
Vendor - Bio-Rad	-	-	-	-	-	-
Field test fees	19,250	-	19,250	19,250	-	19,250
NRES	-	-	-	-	-	-
APT	-	-	-	198	-	198
ASP	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	-	-	-	41,000	-	41,000
ABF	62,500	-	62,500	125,000	-	125,000
ARD CI Revenue	5,400	-	5,400	5,400	-	5,400
Capstone Revenue	-	-	-	-	-	-
Royalty - Cengage	-	-	-	23,386	-	23,386
Royalty - Ward's	-	-	-	-	-	-
FSS revenue	-	-	-	-	-	-
G.W. Publications	-	-	-	-	-	-
Online	19,084	-	19,084	28,090	-	28,090
Merchandise	-	-	-	204	-	204
Replacement CD	75	-	75	375	-	375
TOTAL REVENUE	<u>164,241</u>	<u>-</u>	<u>164,241</u>	<u>976,121</u>	<u>-</u>	<u>976,121</u>
EXPENSES						
Council assessment	-	-	-	-	-	-
Travel	382	-	382	7,787	-	7,787
Travel - staff	1,471	-	1,471	31,250	-	31,250
Salary	7,357	-	7,357	50,265	-	50,265
Taxes and benefits	306	-	306	2,936	-	2,936
Contract labor	34,969	-	34,969	244,396	-	244,396
Supplies	27	-	27	470	-	470
Merchandise	-	-	-	141	-	141
Promotion	398	-	398	10,054	-	10,054
Printing	-	-	-	2,556	-	2,556
Postage	-	-	-	632	-	632
Telecommunications	-	-	-	-	-	-
Management fee	-	-	-	-	-	-
Vernier	47,726	-	47,726	411,828	-	411,828
NewByte	-	-	-	1,652	-	1,652
Bio-Rad	-	-	-	-	-	-
Carthage	-	-	-	-	-	-
Carthage contract labor	-	-	-	78,200	-	78,200
Field test	-	-	-	-	-	-
CI scholarships	79	-	79	13,416	-	13,416
NRES	-	-	-	-	-	-
FSS	-	-	-	-	-	-
APT	-	-	-	(220)	-	(220)
ARD	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	-	-	-	840	-	840
ABF	-	-	-	-	-	-
G.W. Publications	-	-	-	-	-	-
Online expense	-	-	-	1,000	-	1,000
Royalty expense - Cengage	-	-	-	20,054	-	20,054
CI Mentor contract labor	-	-	-	2,500	-	2,500
CI mentor	-	-	-	2,898	-	2,898
Depreciation	9	-	9	66	-	66
TOTAL EXPENSES	<u>92,724</u>	<u>-</u>	<u>92,724</u>	<u>882,721</u>	<u>-</u>	<u>882,721</u>
NET INCOME (LOSS)	<u>\$ 71,517</u>	<u>\$ -</u>	<u>\$ 71,517</u>	<u>\$ 93,400</u>	<u>\$ -</u>	<u>\$ 93,400</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT