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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, 2018 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

March 20, 2018

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

February 28, 2018

ASSETS

Cash on deposit	\$ 177,382
Investments - operating fund	749,515
Investments - life membership fund	259,086
Accounts receivable	156,635
Inventory	5,000
Prepaid expenses	60,424
Property and equipment - CASE	361
Property and equipment	<u>7,962</u>

TOTAL ASSETS \$ 1,416,365

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 94,768
Accrued leave payable	40,336
Other current liabilities	<u>7,596</u>

TOTAL LIABILITIES 142,700

NET ASSETS

Unrestricted net assets:	
Current operation	654,392
Board designated for special purposes	214,775
Temporarily restricted net assets	1,550
CASE Project	<u>402,948</u>

TOTAL NET ASSETS 1,273,665

TOTAL LIABILITIES AND NET ASSETS \$ 1,416,365

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Statement of Activities
For the Eight Months Ended February 28, 2018

	<u>Unrestricted</u>		<u>Temporarily Restricted</u>	<u>CASE Project</u>	<u>Total</u>
	<u>Current Operations</u>	<u>Board Designated</u>			
Revenue, Gains and Losses					
Membership dues	\$ 398,272	\$ 1,260	\$ -	\$ -	\$ 399,532
Convention registration	127,428	-	-	-	127,428
Sponsorship and awards	19,226	-	-	-	19,226
Merchandise sales	3,174	-	-	-	3,174
Contributions	-	-	-	-	-
Management fees	3,000	-	-	-	3,000
Net realized and unrealized					
gains (losses) on securities	78,273	-	-	-	78,273
Interest and dividends	22,746	-	-	-	22,746
FFA Foundation projects	164,000	-	-	-	164,000
CASE Program income	-	-	-	1,082,604	1,082,604
Other income	422,773	-	-	-	422,773
Total Revenue, Gains and Losses	<u>1,238,892</u>	<u>1,260</u>	<u>-</u>	<u>1,082,604</u>	<u>2,322,756</u>
Net Assets Released from Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue, Gains and Losses and Reclassifications	<u>1,238,892</u>	<u>1,260</u>	<u>-</u>	<u>1,082,604</u>	<u>2,322,756</u>
Expenses					
General expenses	1,115,290	-	-	-	1,115,290
FFA Foundation projects	87,681	-	-	-	87,681
CASE Program expenses	-	-	-	969,523	969,523
Convention expenses	166,115	-	-	-	166,115
Total expenses	<u>1,369,086</u>	<u>-</u>	<u>-</u>	<u>969,523</u>	<u>2,338,609</u>
INCREASE (DECREASE) IN NET ASSETS	(130,194)	1,260	-	113,081	(15,853)
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>\$ 654,392</u>	<u>\$ 214,775</u>	<u>\$ 1,550</u>	<u>\$ 402,948</u>	<u>\$ 1,273,665</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, 2018

	MONTH <u>ACTUAL</u>	MONTH <u>BUDGET</u>	MONTH <u>\$VARIANCE</u>	YEAR TO DATE <u>ACTUAL</u>	YEAR <u>BUDGET</u>	YEAR <u>\$VARIANCE</u>
REVENUE						
Member dues	\$ 13,230	\$ 33,704	\$ (20,474)	\$ 386,782	\$ 404,445	\$ (17,663)
Corporate membership dues	2,250	2,625	(375)	12,750	31,500	(18,750)
Upper division scholarships	-	1,833	(1,833)	-	22,000	(22,000)
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Foundation management fees	3,000	8,333	(5,333)	3,000	100,000	(97,000)
Interest and dividends	375	2,917	(2,542)	17,307	35,000	(17,693)
Net realized and unrealized gains (losses) on securities	(30,901)	-	(30,901)	78,273	-	78,273
Merchandise sales	-	500	(500)	3,174	6,000	(2,826)
Investment income, Life Fund	128	1,000	(872)	5,439	12,000	(6,561)
Contributions, Legislative Fund	-	-	-	-	-	-
Miscellaneous income	(6,051)	750	(6,801)	(3,601)	9,000	(12,601)
Scholarship raffle proceeds	-	-	-	-	-	-
Student teacher scholarship revenue	27,000	-	27,000	27,000	-	27,000
National Teach Ag Campaign	20,500	37,500	(17,000)	99,220	450,000	(350,780)
Teacher crisis fund	20	-	20	16,355	-	16,355
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	575	-	575	4,484	-	4,484
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	19,681	-	19,681	113,081	-	113,081
Convention net income	(72,215)	4,870	(77,085)	29,239	58,450	(29,211)
TOTAL REVENUE	(22,408)	126,510	(148,918)	1,187,118	1,518,120	(331,002)
EXPENSES						
Salaries	30,288	31,166	(878)	307,531	373,987	(66,456)
Taxes and benefits	5,748	8,568	(2,820)	57,547	102,817	(45,270)
Computer service	1,425	667	758	15,772	8,000	7,772
Telephone	435	500	(65)	3,517	6,000	(2,483)
Accounting	700	1,367	(667)	12,850	16,400	(3,550)
Depreciation	244	333	(89)	1,953	4,000	(2,047)
Rent	-	833	(833)	10,050	10,000	50
Insurance	2,064	833	1,231	6,000	10,000	(4,000)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	636	1,083	(447)	7,957	13,000	(5,043)
Bank charges and investment fees	9	8	1	6,829	100	6,729
Printing, general	454	250	204	2,259	3,000	(741)
Staff training	250	42	208	662	500	162
Taxes and licenses	-	4	(4)	-	50	(50)
Membership and contributions	8,595	1,667	6,928	16,986	20,000	(3,014)
Travel, staff	818	2,917	(2,099)	9,787	35,000	(25,213)
Promotion and marketing	39	2,083	(2,044)	8,301	25,000	(16,699)
Merchandise and diaries	-	208	(208)	4,791	2,500	2,291
Photocopying	-	8	(8)	-	100	(100)
Postage, general	488	667	(179)	4,892	8,000	(3,108)
Professional liability insurance	-	3,233	(3,233)	39,375	38,790	585
Public relations	-	83	(83)	86	1,000	(914)
Delmar scholarships	24,000	625	23,375	33,000	7,500	25,500
Travel, regional secretaries	-	1,500	(1,500)	3,534	18,000	(14,466)
Travel, board of directors	1,082	3,333	(2,251)	14,383	40,000	(25,617)
Natl Teach Ag Campaign	114,180	34,167	80,013	372,486	410,000	(37,514)

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NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Actual vs. Budget
For the One and Eight Months Ended February 28, 2018

	<u>MONTH ACTUAL</u>	<u>MONTH BUDGET</u>	<u>MONTH \$VARIANCE</u>	<u>YEAR TO DATE ACTUAL</u>	<u>YEAR BUDGET</u>	<u>YEAR \$VARIANCE</u>
FFA Foundation project - TTTK	16,235	3,875	12,360	41,942	46,500	(4,558)
FFA Foundation project - OPAP	3,562	917	2,645	6,471	11,000	(4,529)
FFA Foundation project - OMSP	4,845	917	3,928	8,555	11,000	(2,445)
FFA Foundation project - OT	4,226	917	3,309	8,298	11,000	(2,702)
FFA Foundation project - OYM	5,509	917	4,592	9,327	11,000	(1,673)
FFA Foundation project - Lifetime achievement	-	208	(208)	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	5,509	833	4,676	9,662	10,000	(338)
FFA Foundation XLR8	9,316	2,000	7,316	27,192	24,000	3,192
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	13,286	-	13,286	76,122	-	76,122
Regional grants	-	-	-	-	-	-
NPS expense	12,494	417	12,077	12,494	5,000	7,494
Webinar expense	-	42	(42)	651	500	151
Teacher crisis fund	500	-	500	5,000	-	5,000
Communities of practice expense	37,191	3,167	34,024	37,191	38,000	(809)
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	150	333	(183)	3,099	4,000	(901)
Storage	-	-	-	2,269	-	2,269
Professional development	-	-	-	-	-	-
Ag ed opportunity fund	-	-	-	500	-	500
Miscellaneous	-	-	-	30	-	30
TOTAL EXPENSES	<u>304,278</u>	<u>124,498</u>	<u>179,780</u>	<u>1,202,971</u>	<u>1,493,969</u>	<u>(290,998)</u>
NET INCOME (LOSS)	<u>\$ (326,686)</u>	<u>\$ 2,012</u>	<u>\$ (328,698)</u>	<u>\$ (15,853)</u>	<u>\$ 24,151</u>	<u>\$ (40,004)</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, 2018

	MONTH ACTUAL	MONTH BUDGET	MONTH \$VARIANCE	YEAR TO DATE ACTUAL	YEAR BUDGET	YEAR \$VARIANCE
REVENUE						
Convention, registration	\$ -	\$ 9,583	\$ (9,583)	\$ 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	-	16,583	(16,583)	195,354	199,000	(3,646)
EXPENSES						
Convention, plaques and trophies	-	167	(167)	1,936	2,000	(64)
Convention, printing	-	-	-	3,083	-	3,083
Convention, awards	-	833	(833)	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	1,040	167	873	8,874	2,000	6,874
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	59,456	4,583	54,873	59,456	55,000	4,456
Convention, travel/board of directors	8,389	1,917	6,472	19,024	23,000	(3,976)
Convention, staff travel	3,330	1,000	2,330	13,103	12,000	1,103
TOTAL EXPENSES	72,215	11,713	60,502	166,115	140,550	25,565
NET INCOME (LOSS)	\$ (72,215)	\$ 4,870	\$ (77,085)	\$ 29,239	\$ 58,450	\$ (29,211)

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, 2018

	MONTH <u>ACTUAL</u>	MONTH <u>BUDGET</u>	MONTH <u>\$VARIANCE</u>	YEAR TO DATE <u>ACTUAL</u>	YEAR <u>BUDGET</u>	YEAR <u>\$VARIANCE</u>
REVENUE						
CI fees	\$ 10,700	\$ -	\$ 10,700	\$ 280,122	\$ -	\$ 280,122
Vendor - Vernier	43,330	-	43,330	503,001	-	503,001
Vendor - NewByte	-	-	-	4,126	-	4,126
Vendor - Bio-Rad	-	-	-	-	-	-
Field test fees	-	-	-	19,250	-	19,250
NRES	-	-	-	-	-	-
APT	-	-	-	198	-	198
ASP	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	52,398	-	52,398	93,398	-	93,398
ABF	-	-	-	125,000	-	125,000
ARD CI Revenue	-	-	-	5,400	-	5,400
Capstone Revenue	-	-	-	-	-	-
Royalty - Cengage	-	-	-	23,386	-	23,386
Royalty - Ward's	-	-	-	-	-	-
FSS revenue	-	-	-	-	-	-
G.W. Publications	-	-	-	-	-	-
Online	54	-	54	28,144	-	28,144
Merchandise	-	-	-	204	-	204
Replacement CD	-	-	-	375	-	375
TOTAL REVENUE	106,482	-	106,482	1,082,604	-	1,082,604
EXPENSES						
Council assessment	-	-	-	-	-	-
Travel	-	-	-	7,787	-	7,787
Travel - staff	3,415	-	3,415	34,666	-	34,666
Salary	7,562	-	7,562	57,827	-	57,827
Taxes and benefits	306	-	306	3,242	-	3,242
Contract labor	34,969	-	34,969	279,365	-	279,365
Supplies	143	-	143	612	-	612
Merchandise	-	-	-	141	-	141
Promotion	1,758	-	1,758	11,812	-	11,812
Printing	-	-	-	2,556	-	2,556
Postage	135	-	135	768	-	768
Telecommunications	-	-	-	-	-	-
Management fee	-	-	-	-	-	-
Vernier	37,788	-	37,788	449,616	-	449,616
NewByte	715	-	715	2,367	-	2,367
Bio-Rad	-	-	-	-	-	-
Carthage	-	-	-	-	-	-
Carthage contract labor	-	-	-	78,200	-	78,200
Field test	-	-	-	-	-	-
CI scholarships	-	-	-	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	10	-	10	76	-	76
TOTAL EXPENSES	86,801	-	86,801	969,523	-	969,523
NET INCOME (LOSS)	\$ 19,681	\$ -	\$ 19,681	\$ 113,081	\$ -	\$ 113,081

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