

**STEPHEN D. SCHNETTLER, PLLC**

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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 December 31, 2017 and the related statement of activities for the six 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

December 31, 2017

ASSETS

Cash on deposit	\$ 530,619
Investments - operating fund	742,482
Investments - life membership fund	255,214
Accounts receivable	125,119
Inventory	5,000
Prepaid expenses	2,752
Property and equipment - CASE	380
Property and equipment	<u>8,450</u>

TOTAL ASSETS \$ 1,670,016

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 107,689
Accrued leave payable	40,336
Other current liabilities	<u>3,251</u>

TOTAL LIABILITIES 151,276

NET ASSETS

Unrestricted net assets:	
Current operation	991,087
Board designated for special purposes	214,355
Temporarily restricted net assets	1,550
CASE Project	<u>311,748</u>

TOTAL NET ASSETS 1,518,740

TOTAL LIABILITIES AND NET ASSETS \$ 1,670,016

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Six Months Ended December 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	\$ 336,657	\$ 840	\$ -	\$ -	\$ 337,497
Convention registration	75,075	-	-	-	75,075
Sponsorship and awards	19,226	-	-	-	19,226
Merchandise sales	3,174	-	-	-	3,174
Contributions	-	-	-	-	-
Management fees	-	-	-	-	-
Net realized and unrealized					
gains (losses) on securities	66,017	-	-	-	66,017
Interest and dividends	21,763	-	-	-	21,763
FFA Foundation projects	164,000	-	-	-	164,000
CASE Program income	-	-	-	811,879	811,879
Other income	374,521	-	-	-	374,521
	<u>1,060,433</u>	<u>840</u>	<u>-</u>	<u>811,879</u>	<u>1,873,152</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>1,060,433</u>	<u>840</u>	<u>-</u>	<u>811,879</u>	<u>1,873,152</u>
Expenses					
General expenses	717,868	-	-	-	717,868
FFA Foundation projects	45,601	-	-	-	45,601
CASE Program expenses	-	-	-	789,998	789,998
Convention expenses	90,463	-	-	-	90,463
	<u>853,932</u>	<u>-</u>	<u>-</u>	<u>789,998</u>	<u>1,643,930</u>
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	206,501	840	-	21,881	229,222
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>\$ 991,087</u>	<u>\$ 214,355</u>	<u>\$ 1,550</u>	<u>\$ 311,748</u>	<u>\$ 1,518,740</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Six Months Ended December 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	\$ 6,195	\$ 33,704	\$ (27,509)	\$ 326,997	\$ 404,445	\$ (77,448)
Corporate membership dues	750	2,625	(1,875)	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	13,692	2,917	10,775	16,574	35,000	(18,426)
Net realized and unrealized gains (losses) on securities	(8,172)	-	(8,172)	66,017	-	66,017
Merchandise sales	-	500	(500)	3,174	6,000	(2,826)
Investment income, Life Fund	4,176	1,000	3,176	5,189	12,000	(6,811)
Contributions, Legislative Fund	-	-	-	-	-	-
Miscellaneous income	-	750	(750)	-	9,000	(9,000)
Scholarship raffle proceeds	-	-	-	-	-	-
National Teach Ag Campaign	-	37,500	(37,500)	78,720	450,000	(371,280)
Teacher crisis fund	3,562	-	3,562	13,125	-	13,125
BFRDP Grant	-	-	-	-	-	-
AEM business manager stipend	-	333	(333)	-	4,000	(4,000)
DuPont agriscience revenue	515	-	515	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	150	-	150	3,361	-	3,361
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	16,400	917	15,483	16,400	11,000	5,400
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	-	-	-	-	-	-
FFA Foundation Agriscience Teacher	24,600	2,050	22,550	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	(328)	-	(328)	21,881	-	21,881
Convention net income	5,406	4,870	536	52,538	58,450	(5,912)
<b>TOTAL REVENUE</b>	<b>80,066</b>	<b>126,510</b>	<b>(46,444)</b>	<b>992,691</b>	<b>1,518,120</b>	<b>(525,429)</b>
EXPENSES						
Salaries	57,845	31,166	26,679	242,298	373,987	(131,689)
Taxes and benefits	11,731	8,568	3,163	46,699	102,817	(56,118)
Computer service	1,050	667	383	13,672	8,000	5,672
Telephone	38	500	(462)	2,808	6,000	(3,192)
Accounting	7,950	1,367	6,583	11,450	16,400	(4,950)
Depreciation	244	333	(89)	1,465	4,000	(2,535)
Rent	-	833	(833)	10,050	10,000	50
Insurance	1,572	833	739	3,542	10,000	(6,458)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	(327)	1,083	(1,410)	7,057	13,000	(5,943)
Bank charges and investment fees	-	8	(8)	4,502	100	4,402
Printing, general	732	250	482	1,805	3,000	(1,195)
Staff training	-	42	(42)	412	500	(88)
Taxes and licenses	-	4	(4)	-	50	(50)
Membership and contributions	385	1,667	(1,282)	7,187	20,000	(12,813)
Travel, staff	(5,712)	2,917	(8,629)	8,520	35,000	(26,480)

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Six Months Ended December 31, 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>
Promotion and marketing	604	2,083	(1,479)	8,236	25,000	(16,764)
Merchandise and diaries	-	208	(208)	4,791	2,500	2,291
Photocopying	-	8	(8)	-	100	(100)
Postage, general	1,031	667	364	3,427	8,000	(4,573)
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	2,371	1,500	871	3,534	18,000	(14,466)
Travel, board of directors	214	3,333	(3,119)	11,777	40,000	(28,223)
Nat'l Teach Ag Campaign	17,577	34,167	(16,590)	176,912	410,000	(233,088)
FFA Foundation project - TTTK	1,787	3,875	(2,088)	24,564	46,500	(21,936)
FFA Foundation project - OPAP	747	917	(170)	2,741	11,000	(8,259)
FFA Foundation project - OMSP	-	917	(917)	3,508	11,000	(7,492)
FFA Foundation project - OT	492	917	(425)	3,871	11,000	(7,129)
FFA Foundation project - OYM	617	917	(300)	3,616	11,000	(7,384)
FFA Foundation project - Lifetime achievement	-	208	(208)	1,675	2,500	(825)
FFA Foundation project - Outstanding service citation	-	-	-	1,675	-	1,675
FFA Foundation teacher workshop	-	-	-	-	-	-
FFA Foundation Regional Grants	-	-	-	-	-	-
FFA Foundation Agriscience Teachers	457	833	(376)	3,951	10,000	(6,049)
FFA Foundation XLR8	2,004	2,000	4	17,203	24,000	(6,797)
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	10,416	-	10,416	62,734	-	62,734
Regional grants	-	-	-	-	-	-
NPS expense	-	417	(417)	-	5,000	(5,000)
Webinar expense	38	42	(4)	651	500	151
Teacher crisis fund	-	-	-	3,000	-	3,000
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	259	333	(74)	2,682	4,000	(1,318)
Storage	2,269	-	2,269	2,269	-	2,269
Professional development	-	-	-	-	-	-
Ag ed opportunity fund	-	-	-	500	-	500
Miscellaneous	-	-	-	30	-	30
<b>TOTAL EXPENSES</b>	<u>116,391</u>	<u>124,498</u>	<u>(8,107)</u>	<u>763,469</u>	<u>1,493,969</u>	<u>(730,500)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ (36,325)</u>	<u>\$ 2,012</u>	<u>\$ (38,337)</u>	<u>\$ 229,222</u>	<u>\$ 24,151</u>	<u>\$ 205,071</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.  
Schedule of Convention Revenue and Expenses  
For the One and Six Months Ended December 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>
<b>REVENUE</b>						
Convention, registration	\$ 100	\$ 9,583	\$ (9,483)	\$ 75,075	\$ 115,000	\$ (39,925)
Convention, trade show	600	-	600	3,600	-	3,600
Convention, sponsorships - FFA Foundation	25,420	5,000	20,420	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>26,120</u>	<u>16,583</u>	<u>9,537</u>	<u>143,001</u>	<u>199,000</u>	<u>(55,999)</u>
<b>EXPENSES</b>						
Convention, plaques and trophies	199	167	32	1,232	2,000	(768)
Convention, printing	-	-	-	3,083	-	3,083
Convention, awards	5,548	833	4,715	10,238	10,000	238
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	1,128	167	961	1,128	2,000	(872)
Convention, equipment rental	273	1,667	(1,394)	742	20,000	(19,258)
Convention, host state social	-	-	-	-	-	-
Convention, committee expense	2,680	379	2,301	3,015	4,550	(1,535)
Convention, sponsorships - FFA Foundation	-	4,583	(4,583)	-	55,000	(55,000)
Convention, travel/board of directors	5,480	1,917	3,563	10,634	23,000	(12,366)
Convention, staff travel	5,406	1,000	4,406	7,445	12,000	(4,555)
TOTAL EXPENSES	<u>20,714</u>	<u>11,713</u>	<u>9,001</u>	<u>90,463</u>	<u>140,550</u>	<u>(50,087)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ 5,406</u>	<u>\$ 4,870</u>	<u>\$ 536</u>	<u>\$ 52,538</u>	<u>\$ 58,450</u>	<u>\$ (5,912)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses

For the One and Six Months Ended December 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	\$ -	\$ -	\$ -	\$ 266,522	\$ -	\$ 266,522
Vendor - Vernier	40,928	-	40,928	406,027	-	406,027
Vendor - NewByte	-	-	-	2,737	-	2,737
Vendor - Bio-Rad	-	-	-	-	-	-
Field test fees	-	-	-	-	-	-
NRES	-	-	-	-	-	-
APT	-	-	-	198	-	198
ASP	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	41,000	-	41,000	41,000	-	41,000
ABF	-	-	-	62,500	-	62,500
Capstone Revenue	-	-	-	-	-	-
Royalty - Cengage	576	-	576	23,386	-	23,386
Royalty - Ward's	-	-	-	-	-	-
FSS revenue	-	-	-	-	-	-
G.W. Publications	-	-	-	-	-	-
Online	-	-	-	9,005	-	9,005
Merchandise	44	-	44	204	-	204
Replacement CD	-	-	-	300	-	300
TOTAL REVENUE	<u>82,548</u>	<u>-</u>	<u>82,548</u>	<u>811,879</u>	<u>-</u>	<u>811,879</u>
EXPENSES						
Council assessment	-	-	-	-	-	-
Travel	114	-	114	7,405	-	7,405
Travel - staff	1,033	-	1,033	29,779	-	29,779
Salary	7,151	-	7,151	42,908	-	42,908
Taxes and benefits	306	-	306	2,630	-	2,630
Contract labor	34,969	-	34,969	209,427	-	209,427
Supplies	177	-	177	443	-	443
Merchandise	-	-	-	141	-	141
Promotion	1,340	-	1,340	9,656	-	9,656
Printing	470	-	470	2,556	-	2,556
Postage	-	-	-	632	-	632
Telecommunications	-	-	-	-	-	-
Management fee	-	-	-	-	-	-
Vernier	36,049	-	36,049	364,103	-	364,103
NewByte	-	-	-	1,652	-	1,652
Bio-Rad	-	-	-	-	-	-
Carthage	-	-	-	-	-	-
Carthage contract labor	-	-	-	78,200	-	78,200
Field test	-	-	-	-	-	-
CI scholarships	107	-	107	13,337	-	13,337
NRES	-	-	-	-	-	-
FSS	-	-	-	-	-	-
APT	-	-	-	(220)	-	(220)
ARD	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	669	-	669	840	-	840
ABF	-	-	-	-	-	-
G.W. Publications	-	-	-	-	-	-
Online expense	-	-	-	1,000	-	1,000
Royalty expense - Cengage	481	-	481	20,054	-	20,054
CI Mentor contract labor	-	-	-	2,500	-	2,500
CI mentor	-	-	-	2,898	-	2,898
Depreciation	10	-	10	57	-	57
TOTAL EXPENSES	<u>82,876</u>	<u>-</u>	<u>82,876</u>	<u>789,998</u>	<u>-</u>	<u>789,998</u>
NET INCOME (LOSS)	<u>\$ (328)</u>	<u>\$ -</u>	<u>\$ (328)</u>	<u>\$ 21,881</u>	<u>\$ -</u>	<u>\$ 21,881</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT