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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 March 31, 2018 and the related statement of activities for the nine 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

April 24, 2018

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

March 31, 2018

ASSETS

Cash on deposit	\$ 74,426
Investments - operating fund	741,099
Investments - life membership fund	256,248
Accounts receivable	248,754
Inventory	5,000
Prepaid expenses	49,292
Property and equipment - CASE	352
Property and equipment	<u>7,717</u>

TOTAL ASSETS \$ 1,382,888

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 48,600
Accrued leave payable	40,336
Other current liabilities	<u>7,276</u>

TOTAL LIABILITIES 96,212

NET ASSETS

Unrestricted net assets:	
Current operation	566,206
Board designated for special purposes	214,775
Temporarily restricted net assets	1,550
CASE Project	<u>504,145</u>

TOTAL NET ASSETS 1,286,676

TOTAL LIABILITIES AND NET ASSETS \$ 1,382,888

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Nine Months Ended March 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	\$ 405,557	\$ 1,260	\$ -	\$ -	\$ 406,817
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	65,433	-	-	-	65,433
Interest and dividends	24,337	-	-	-	24,337
FFA Foundation projects	164,000	-	-	-	164,000
CASE Program income	-	-	-	1,242,299	1,242,299
Other income	425,242	-	-	-	425,242
	<u>1,237,397</u>	<u>1,260</u>	<u>-</u>	<u>1,242,299</u>	<u>2,480,956</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>1,237,397</u>	<u>1,260</u>	<u>-</u>	<u>1,242,299</u>	<u>2,480,956</u>
Expenses					
General expenses	1,212,558	-	-	-	1,212,558
FFA Foundation projects	87,681	-	-	-	87,681
CASE Program expenses	-	-	-	1,028,021	1,028,021
Convention expenses	155,538	-	-	-	155,538
	<u>1,455,777</u>	<u>-</u>	<u>-</u>	<u>1,028,021</u>	<u>2,483,798</u>
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	(218,380)	1,260	-	214,278	(2,842)
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>\$ 566,206</u>	<u>\$ 214,775</u>	<u>\$ 1,550</u>	<u>\$ 504,145</u>	<u>\$ 1,286,676</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Nine Months Ended March 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>
REVENUE											
Member dues	\$ 6,535	\$	\$ 33,704	\$	\$ (27,169)	\$	\$ 393,317	\$	\$ 404,445	\$	\$ (11,128)
Corporate membership dues	750		2,625		(1,875)		13,500		31,500		(18,000)
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)		3,000		100,000		(97,000)
Interest and dividends	1,189		2,917		(1,728)		18,497		35,000		(16,503)
Net realized and unrealized gains (losses) on securities	(12,840)		-		(12,840)		65,433		-		65,433
Merchandise sales	-		500		(500)		3,174		6,000		(2,826)
Investment income, Life Fund	400		1,000		(600)		5,840		12,000		(6,160)
Contributions, Legislative Fund	-		-		-		-		-		-
Miscellaneous income	1,500		750		750		(2,101)		9,000		(11,101)
Scholarship raffle proceeds	-		-		-		-		-		-
Student teacher scholarship revenue	-		-		-		27,000		-		27,000
National Teach Ag Campaign	-		37,500		(37,500)		99,220		450,000		(350,780)
Teacher crisis fund	10		-		10		16,365		-		16,365
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	960		-		960		5,443		-		5,443
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	102,606		-		102,606		214,278		-		214,278
Convention net income	10,619		4,870		5,749		39,816		58,450		(18,634)
TOTAL REVENUE	111,729		126,510		(14,781)		1,297,397		1,518,120		(220,723)
EXPENSES											
Salaries	36,552		31,166		5,386		344,083		373,987		(29,904)
Taxes and benefits	8,487		8,568		(81)		66,034		102,817		(36,783)
Computer service	2,550		667		1,883		18,322		8,000		10,322
Telephone	253		500		(247)		3,769		6,000		(2,231)
Accounting	700		1,367		(667)		13,550		16,400		(2,850)
Depreciation	244		333		(89)		2,197		4,000		(1,803)
Rent	-		833		(833)		10,050		10,000		50
Insurance	1,929		833		1,096		7,929		10,000		(2,071)
Legal	-		83		(83)		-		1,000		(1,000)
Office Supplies	541		1,083		(542)		8,505		13,000		(4,495)
Bank charges and investment fees	-		8		(8)		6,829		100		6,729
Printing, general	332		250		82		2,591		3,000		(409)
Staff training	450		42		408		1,113		500		613
Taxes and licenses	-		4		(4)		-		50		(50)
Membership and contributions	-		1,667		(1,667)		16,986		20,000		(3,014)
Travel, staff	523		2,917		(2,394)		10,310		35,000		(24,690)

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Nine Months Ended March 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>
Promotion and marketing	859	2,083	(1,224)	9,160	25,000	(15,840)
Merchandise and diaries	-	208	(208)	4,791	2,500	2,291
Photocopying	-	8	(8)	-	100	(100)
Postage, general	498	667	(169)	5,390	8,000	(2,610)
Professional liability insurance	-	3,233	(3,233)	39,375	38,790	585
Public relations	-	83	(83)	86	1,000	(914)
Delmar scholarships	-	625	(625)	33,000	7,500	25,500
Travel, regional secretaries	4,603	1,500	3,103	8,137	18,000	(9,863)
Travel, board of directors	2,084	3,333	(1,249)	17,664	40,000	(22,336)
Nat'l Teach Ag Campaign	26,922	34,167	(7,245)	399,906	410,000	(10,094)
FFA Foundation project - TTTK	-	3,875	(3,875)	41,942	46,500	(4,558)
FFA Foundation project - OPAP	-	917	(917)	6,471	11,000	(4,529)
FFA Foundation project - OMSP	-	917	(917)	8,555	11,000	(2,445)
FFA Foundation project - OT	-	917	(917)	8,298	11,000	(2,702)
FFA Foundation project - OYM	-	917	(917)	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	-	833	(833)	9,662	10,000	(338)
FFA Foundation XLR8	89	2,000	(1,911)	27,849	24,000	3,849
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	-	-	-	82,599	-	82,599
Regional grants	-	-	-	-	-	-
NPS expense	-	417	(417)	12,494	5,000	7,494
Webinar expense	142	42	100	793	500	293
Teacher crisis fund	500	-	500	5,500	-	5,500
Communities of practice expense	-	3,167	(3,167)	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	263	333	(70)	3,362	4,000	(638)
Storage	-	-	-	2,269	-	2,269
Professional development	-	-	-	-	-	-
Ag ed opportunity fund	-	-	-	500	-	500
Miscellaneous	-	-	-	30	-	30
TOTAL EXPENSES	88,521	124,498	(35,977)	1,300,239	1,493,969	(193,730)
NET INCOME (LOSS)	\$ 23,208	\$ 2,012	\$ 21,196	\$ (2,842)	\$ 24,151	\$ (26,993)

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Nine Months Ended March 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	\$ -	\$ 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	-	167	(167)	8,874	2,000	6,874
Convention, postage and shipping	-	167	(167)	1,128	2,000	(872)
Convention, equipment rental	33,493	1,667	31,826	34,235	20,000	14,235
Convention, host state social	-	-	-	-	-	-
Convention, committee expense	-	379	(379)	3,015	4,550	(1,535)
Convention, sponsorships - FFA Foundation	-	4,583	(4,583)	59,456	55,000	4,456
Convention, travel/board of directors	-	1,917	(1,917)	19,024	23,000	(3,976)
Convention, staff travel	-	1,000	(1,000)	13,145	12,000	1,145
TOTAL EXPENSES	(10,619)	11,713	(22,332)	155,538	140,550	14,988
NET INCOME (LOSS)	<u>\$ 10,619</u>	<u>\$ 4,870</u>	<u>\$ 5,749</u>	<u>\$ 39,816</u>	<u>\$ 58,450</u>	<u>\$ (18,634)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses

For the One and Nine Months Ended March 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	\$ 17,300	\$ -	\$ 17,300	\$ 297,422	\$ -	\$ 297,422
Vendor - Vernier	121,574	-	121,574	624,574	-	624,574
Vendor - NewByte	720	-	720	4,846	-	4,846
Vendor - Bio-Rad	-	-	-	-	-	-
Field test fees	4,200	-	4,200	21,450	-	21,450
NRES	-	-	-	-	-	-
APT	2,365	-	2,365	2,563	-	2,563
ASP	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	-	-	-	93,398	-	93,398
ABF	-	-	-	125,000	-	125,000
ARD CI Revenue	-	-	-	5,400	-	5,400
Capstone Revenue	-	-	-	-	-	-
Royalty - Cengage	1,181	-	1,181	24,567	-	24,567
Royalty - Ward's	14,175	-	14,175	14,175	-	14,175
FSS revenue	-	-	-	-	-	-
G.W. Publications	106	-	106	106	-	106
Online	-	-	-	28,144	-	28,144
Merchandise	-	-	-	204	-	204
Replacement CD	75	-	75	450	-	450
TOTAL REVENUE	<u>161,696</u>	<u>-</u>	<u>161,696</u>	<u>1,242,299</u>	<u>-</u>	<u>1,242,299</u>
EXPENSES						
Council assessment	-	-	-	-	-	-
Travel	(400)	-	(400)	7,387	-	7,387
Travel - staff	803	-	803	35,469	-	35,469
Salary	7,562	-	7,562	65,390	-	65,390
Taxes and benefits	306	-	306	3,549	-	3,549
Contract labor	-	-	-	279,365	-	279,365
Supplies	43	-	43	656	-	656
Merchandise	-	-	-	141	-	141
Promotion	902	-	902	12,713	-	12,713
Printing	760	-	760	3,316	-	3,316
Postage	-	-	-	768	-	768
Telecommunications	-	-	-	-	-	-
Management fee	-	-	-	-	-	-
Vernier	48,905	-	48,905	498,521	-	498,521
NewByte	-	-	-	2,367	-	2,367
Bio-Rad	-	-	-	-	-	-
Carthage	-	-	-	-	-	-
Carthage contract labor	-	-	-	78,200	-	78,200
Field test	-	-	-	-	-	-
CI scholarships	199	-	199	13,615	-	13,615
NRES	-	-	-	-	-	-
FSS	-	-	-	-	-	-
APT	-	-	-	(220)	-	(220)
ARD	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	-	-	-	246	-	246
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	86	-	86
TOTAL EXPENSES	<u>59,090</u>	<u>-</u>	<u>59,090</u>	<u>1,028,021</u>	<u>-</u>	<u>1,028,021</u>
NET INCOME (LOSS)	<u>\$ 102,606</u>	<u>\$ -</u>	<u>\$ 102,606</u>	<u>\$ 214,278</u>	<u>\$ -</u>	<u>\$ 214,278</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT