

**STEPHEN D. SCHNETTLER, PLLC**

Certified Public Accountants

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Member  
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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 April 30, 2018 and the related statement of activities for the ten 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*

May 16, 2018

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

April 30, 2018

ASSETS

Cash on deposit	\$ 678,070
Investments - operating fund	741,895
Investments - life membership fund	256,525
Accounts receivable	301,453
Inventory	5,000
Prepaid expenses	41,727
Property and equipment - CASE	342
Property and equipment	<u>7,474</u>

TOTAL ASSETS \$ 2,032,486

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 29,385
Accrued leave payable	40,336
Other current liabilities	<u>7,732</u>

TOTAL LIABILITIES 77,453

NET ASSETS

Unrestricted net assets:	
Current operation	1,173,895
Board designated for special purposes	214,775
Temporarily restricted net assets	1,550
CASE Project	<u>564,813</u>

TOTAL NET ASSETS 1,955,033

TOTAL LIABILITIES AND NET ASSETS \$ 2,032,486

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Ten Months Ended April 30, 2018

	Unrestricted					
	Current Operations	Board Designated	Temporarily Restricted	CASE Project	Total	
Revenue, Gains and Losses						
Membership dues	\$ 418,657	\$ 1,260	\$ -	\$ -	\$ 419,917	
Convention registration	127,428	-	-	-	127,428	
Sponsorship and awards	19,226	-	-	-	19,226	
Merchandise sales	3,672	-	-	-	3,672	
Contributions	-	-	-	-	-	
Management fees	3,000	-	-	-	3,000	
Net realized and unrealized gains (losses) on securities	68,290	-	-	-	68,290	
Interest and dividends	24,898	-	-	-	24,898	
FFA Foundation projects	220,026	-	-	-	220,026	
CASE Program income	-	-	-	1,509,317	1,509,317	
Other income	1,105,527	-	-	-	1,105,527	
	1,990,724	1,260	-	1,509,317	3,501,301	
Total Revenue, Gains and Losses						
Net Assets Released from Restrictions	-	-	-	-	-	
Total Revenue, Gains and Losses and Reclassifications	1,990,724	1,260	-	1,509,317	3,501,301	
Expenses						
General expenses	1,358,196	-	-	-	1,358,196	
FFA Foundation projects	87,681	-	-	-	87,681	
CASE Program expenses	-	-	-	1,234,371	1,234,371	
Convention expenses	155,538	-	-	-	155,538	
	1,601,415	-	-	1,234,371	2,835,786	
Total expenses						
INCREASE (DECREASE) IN NET ASSETS	389,309	1,260	-	274,946	665,515	
NET ASSETS AT BEGINNING OF PERIOD	784,586	213,515	1,550	289,867	1,289,518	
NET ASSETS AT END OF PERIOD	\$ 1,173,895	\$ 214,775	\$ 1,550	\$ 564,813	\$ 1,955,033	

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Ten Months Ended April 30, 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>
<b>REVENUE</b>						
Member dues	\$ 9,350	\$ 33,704	\$ (24,354)	\$ 402,667	\$ 404,445	\$ (1,778)
Corporate membership dues	3,750	2,625	1,125	17,250	31,500	(14,250)
Upper division scholarships	-	1,833	(1,833)	-	22,000	(22,000)
Delmar scholarships	7,500	625	6,875	7,500	7,500	-
Foundation management fees	-	8,333	(8,333)	3,000	100,000	(97,000)
Interest and dividends	418	2,917	(2,499)	18,915	35,000	(16,085)
Net realized and unrealized gains (losses) on securities	2,857	-	2,857	68,290	-	68,290
Merchandise sales	498	500	(2)	3,672	6,000	(2,328)
Investment income, Life Fund	144	1,000	(856)	5,983	12,000	(6,017)
Contributions, Legislative Fund	-	-	-	-	-	-
Miscellaneous income	-	750	(750)	(2,101)	9,000	(11,101)
Scholarship raffle proceeds	-	-	-	-	-	-
Student teacher scholarship revenue	-	-	-	27,000	-	27,000
National Teach Ag Campaign	635,500	37,500	598,000	734,720	450,000	284,720
Teacher crisis fund	10	-	10	16,375	-	16,375
BFRDP Grant	-	-	-	-	-	-
AEM business manager stipend	4,000	333	3,667	4,000	4,000	-
DuPont agriscience revenue	-	-	-	172,867	-	172,867
DuPont - non foundation	-	-	-	57,748	-	57,748
NPS National Ag Ed leadership dinner	4,225	352	3,873	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	50	-	50	5,493	-	5,493
FFA Foundation project - TTTK	-	4,375	(4,375)	65,600	52,500	13,100
FFA Foundation project - OPAP	15,026	917	14,109	15,026	11,000	4,026
FFA Foundation project - OMSP	8,200	917	7,283	8,200	11,000	(2,800)
FFA Foundation project - OT	8,200	917	7,283	16,400	11,000	5,400
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	24,600	4,783	19,817	60,680	57,400	3,280
FFA Foundation convention internet lounge	-	-	-	-	-	-
CASE program net income	63,178	-	63,178	274,946	-	274,946
Convention net income	-	4,870	(4,870)	39,816	58,450	(18,634)
<b>TOTAL REVENUE</b>	<b>816,506</b>	<b>126,510</b>	<b>689,996</b>	<b>2,111,392</b>	<b>1,518,120</b>	<b>593,272</b>
<b>EXPENSES</b>						
Salaries	33,372	31,166	2,206	377,455	373,987	3,468
Taxes and benefits	5,903	8,568	(2,665)	71,937	102,817	(30,880)
Computer service	2,025	667	1,358	20,347	8,000	12,347
Telephone	270	500	(230)	4,039	6,000	(1,961)
Accounting	700	1,367	(667)	14,250	16,400	(2,150)
Depreciation	244	333	(89)	2,441	4,000	(1,559)
Rent	-	833	(833)	10,050	10,000	50
Insurance	393	833	(440)	8,322	10,000	(1,678)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	983	1,083	(100)	9,479	13,000	(3,521)
Bank charges and investment fees	2,342	8	2,334	9,171	100	9,071
Printing, general	-	250	(250)	2,591	3,000	(409)
Staff training	359	42	317	1,471	500	971
Taxes and licenses	-	4	(4)	-	50	(50)
Membership and contributions	119	1,667	(1,548)	17,105	20,000	(2,895)

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Ten Months Ended April 30, 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	555	2,917	(2,362)	10,866	35,000	(24,134)
Promotion and marketing	1,010	2,083	(1,073)	10,170	25,000	(14,830)
Merchandise and diaries	-	208	(208)	4,791	2,500	2,291
Photocopying	-	8	(8)	-	100	(100)
Postage, general	967	667	300	6,356	8,000	(1,644)
Professional liability insurance	-	3,233	(3,233)	39,375	38,790	585
Public relations	93	83	10	179	1,000	(821)
Delmar scholarships	-	625	(625)	33,000	7,500	25,500
Travel, regional secretaries	-	1,500	(1,500)	8,137	18,000	(9,863)
Travel, board of directors	4,160	3,333	827	21,824	40,000	(18,176)
Nat'l Teach Ag Campaign	80,262	34,167	46,095	480,168	410,000	70,168
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	2,944	2,000	944	30,793	24,000	6,793
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	4,693	-	4,693	87,292	-	87,292
Regional grants	-	-	-	-	-	-
NPS expense	2,250	417	1,833	14,744	5,000	9,744
Webinar expense	99	42	57	892	500	392
Teacher crisis fund	1,500	-	1,500	7,000	-	7,000
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	405	333	72	3,767	4,000	(233)
Storage	-	-	-	2,269	-	2,269
Professional development	-	-	-	-	-	-
Ag ed opportunity fund	-	-	-	500	-	500
Miscellaneous	-	-	-	30	-	30
<b>TOTAL EXPENSES</b>	<u>145,648</u>	<u>124,498</u>	<u>21,150</u>	<u>1,445,877</u>	<u>1,493,969</u>	<u>(48,092)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ 670,858</u>	<u>\$ 2,012</u>	<u>\$ 668,846</u>	<u>\$ 665,515</u>	<u>\$ 24,151</u>	<u>\$ 641,364</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.  
Schedule of Convention Revenue and Expenses  
For the One and Ten Months Ended April 30, 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>
<b>REVENUE</b>						
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)
<b>EXPENSES</b>						
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	-	-	-	-	-	-
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	-	1,667	(1,667)	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	-	11,713	(11,713)	155,538	140,550	14,988
<b>NET INCOME (LOSS)</b>	<u>\$ -</u>	<u>\$ 4,870</u>	<u>\$ (4,870)</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 Ten Months Ended April 30, 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>
<b>REVENUE</b>						
CI fees	\$ 171,617	\$ -	\$ 171,617	\$ 468,340	\$ -	\$ 468,340
Vendor - Vernier	32,553	-	32,553	657,127	-	657,127
Vendor - NewByte	-	-	-	4,846	-	4,846
Vendor - Bio-Rad	-	-	-	-	-	-
Field test fees	(2,050)	-	(2,050)	19,400	-	19,400
NRES	-	-	-	-	-	-
APT	455	-	455	3,017	-	3,017
ASP	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	-	-	-	93,398	-	93,398
ABF	62,500	-	62,500	187,500	-	187,500
ARD CI Revenue	-	-	-	3,600	-	3,600
Capstone Revenue	-	-	-	-	-	-
Royalty - Cengage	4,278	-	4,278	28,845	-	28,845
Royalty - Ward's	-	-	-	14,175	-	14,175
FSS revenue	-	-	-	-	-	-
G.W. Publications	-	-	-	106	-	106
Online	165	-	165	28,309	-	28,309
Merchandise	-	-	-	204	-	204
Replacement CD	-	-	-	450	-	450
<b>TOTAL REVENUE</b>	<b>269,518</b>	<b>-</b>	<b>269,518</b>	<b>1,509,317</b>	<b>-</b>	<b>1,509,317</b>
<b>EXPENSES</b>						
Council assessment	-	-	-	-	-	-
Travel	-	-	-	7,387	-	7,387
Travel - staff	1,331	-	1,331	36,799	-	36,799
Salary	7,562	-	7,562	72,952	-	72,952
Taxes and benefits	306	-	306	3,855	-	3,855
Contract labor	69,938	-	69,938	349,304	-	349,304
Supplies	40	-	40	696	-	696
Merchandise	-	-	-	141	-	141
Promotion	721	-	721	13,434	-	13,434
Printing	-	-	-	3,316	-	3,316
Postage	186	-	186	953	-	953
Telecommunications	-	-	-	-	-	-
Management fee	24,000	-	24,000	24,000	-	24,000
Vernier	86,442	-	86,442	584,963	-	584,963
NewByte	370	-	370	2,737	-	2,737
Bio-Rad	-	-	-	-	-	-
Carthage	-	-	-	-	-	-
Carthage contract labor	5,150	-	5,150	83,350	-	83,350
Field test	-	-	-	-	-	-
CI scholarships	99	-	99	13,714	-	13,714
NRES	-	-	-	-	-	-
FSS	-	-	-	-	-	-
APT	2,310	-	2,310	2,090	-	2,090
ARD	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	1,550	-	1,550	1,807	-	1,807
ABF	-	-	-	-	-	-
ARDCI	1,337	-	1,337	1,337	-	1,337
G.W. Publications	97	-	97	97	-	97
Online expense	-	-	-	1,000	-	1,000
Royalty expense - Cengage	4,892	-	4,892	24,946	-	24,946
CI Mentor contract labor	-	-	-	2,500	-	2,500
CI mentor	-	-	-	2,898	-	2,898
Depreciation	9	-	9	95	-	95
<b>TOTAL EXPENSES</b>	<b>206,340</b>	<b>-</b>	<b>206,340</b>	<b>1,234,371</b>	<b>-</b>	<b>1,234,371</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 63,178</b>	<b>\$ -</b>	<b>\$ 63,178</b>	<b>\$ 274,946</b>	<b>\$ -</b>	<b>\$ 274,946</b>

SEE ACCOMPANYING ACCOUNTANT'S REPORT