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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 May 31, 2018 and the related statement of activities for the eleven 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

June 14, 2018

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

May 31, 2018

ASSETS

Cash on deposit	\$ 697,884
Investments - operating fund	758,163
Investments - life membership fund	262,984
Accounts receivable	478,641
Inventory	5,000
Prepaid expenses	30,741
Property and equipment - CASE	333
Property and equipment	<u>7,229</u>

TOTAL ASSETS \$ 2,240,975

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 119,689
Accrued leave payable	40,336
Other current liabilities	<u>7,588</u>

TOTAL LIABILITIES 167,613

NET ASSETS

Unrestricted net assets:	
Current operation	1,158,643
Board designated for special purposes	214,775
Temporarily restricted net assets	1,550
CASE Project	<u>698,394</u>

TOTAL NET ASSETS 2,073,362

TOTAL LIABILITIES AND NET ASSETS \$ 2,240,975

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Eleven Months Ended May 31, 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	\$ 427,917	\$ 1,260	\$ -	\$ -	\$ 429,177
Convention registration	127,428	-	-	-	127,428
Sponsorship and awards	19,226	-	-	-	19,226
Merchandise sales	5,024	-	-	-	5,024
Contributions	-	-	-	-	-
Management fees	3,000	-	-	-	3,000
Net realized and unrealized gains (losses) on securities	90,494	-	-	-	90,494
Interest and dividends	25,434	-	-	-	25,434
FFA Foundation projects	236,426	-	-	-	236,426
CASE Program income	-	-	-	1,775,660	1,775,660
Other income	1,143,492	-	-	-	1,143,492
	<u>2,078,441</u>	<u>1,260</u>	<u>-</u>	<u>1,775,660</u>	<u>3,855,361</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>2,078,441</u>	<u>1,260</u>	<u>-</u>	<u>1,775,660</u>	<u>3,855,361</u>
Expenses					
General expenses	1,461,140	-	-	-	1,461,140
FFA Foundation projects	87,681	-	-	-	87,681
CASE Program expenses	-	-	-	1,367,133	1,367,133
Convention expenses	155,563	-	-	-	155,563
	<u>1,704,384</u>	<u>-</u>	<u>-</u>	<u>1,367,133</u>	<u>3,071,517</u>
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	374,057	1,260	-	408,527	783,844
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>\$ 1,158,643</u>	<u>\$ 214,775</u>	<u>\$ 1,550</u>	<u>\$ 698,394</u>	<u>\$ 2,073,362</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Eleven Months Ended May 31, 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	\$ 7,760	\$ 33,704	\$ (25,944)	\$ 410,427	\$ 404,445	\$ 5,982
Corporate membership dues	1,500	2,625	(1,125)	18,750	31,500	(12,750)
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	401	2,917	(2,516)	19,315	35,000	(15,685)
Net realized and unrealized gains (losses) on securities	22,204	-	22,204	90,494	-	90,494
Merchandise sales	1,352	500	852	5,024	6,000	(976)
Investment income, Life Fund	135	1,000	(865)	6,119	12,000	(5,881)
Contributions, Legislative Fund	-	-	-	-	-	-
Miscellaneous income	3,000	750	2,250	899	9,000	(8,101)
Scholarship raffle proceeds	-	-	-	-	-	-
Student teacher scholarship revenue	13,976	-	13,976	40,976	-	40,976
National Teach Ag Campaign	-	37,500	(37,500)	734,720	450,000	284,720
Teacher crisis fund	250	-	250	16,625	-	16,625
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	239	-	239	5,732	-	5,732
FFA Foundation project - TTTK	-	4,375	(4,375)	65,600	52,500	13,100
FFA Foundation project - OPAP	-	917	(917)	15,026	11,000	4,026
FFA Foundation project - OMSP	-	917	(917)	8,200	11,000	(2,800)
FFA Foundation project - OT	-	917	(917)	16,400	11,000	5,400
FFA Foundation project - OYM	16,400	917	15,483	32,800	11,000	21,800
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)	60,680	57,400	3,280
FFA Foundation convention internet lounge	-	-	-	-	-	-
CASE program net income	139,036	-	139,036	408,527	-	408,527
Convention net income	20,475	4,870	15,605	60,291	58,450	1,841
TOTAL REVENUE	226,728	126,510	100,218	2,332,665	1,518,120	814,545
EXPENSES						
Salaries	39,055	31,166	7,889	416,510	373,987	42,523
Taxes and benefits	6,946	8,568	(1,622)	78,883	102,817	(23,934)
Computer service	712	667	45	21,060	8,000	13,060
Telephone	374	500	(126)	4,413	6,000	(1,587)
Accounting	2,200	1,367	833	16,450	16,400	50
Depreciation	244	333	(89)	2,685	4,000	(1,315)
Rent	-	833	(833)	10,050	10,000	50
Insurance	393	833	(440)	8,715	10,000	(1,285)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	1,077	1,083	(6)	10,557	13,000	(2,443)
Bank charges and investment fees	-	8	(8)	9,171	100	9,071
Printing, general	1,564	250	1,314	4,155	3,000	1,155
Staff training	-	42	(42)	1,471	500	971
Taxes and licenses	25	4	21	25	50	(25)
Membership and contributions	604	1,667	(1,063)	17,709	20,000	(2,291)

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Eleven Months Ended May 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	2,240	2,917	(677)	13,106	35,000	(21,894)
Promotion and marketing	338	2,083	(1,745)	10,508	25,000	(14,492)
Merchandise and diaries	-	208	(208)	4,791	2,500	2,291
Photocopying	-	8	(8)	-	100	(100)
Postage, general	681	667	14	7,037	8,000	(963)
Professional liability insurance	-	3,233	(3,233)	39,375	38,790	585
Public relations	72	83	(11)	252	1,000	(748)
Delmar scholarships	-	625	(625)	33,000	7,500	25,500
Travel, regional secretaries	-	1,500	(1,500)	9,111	18,000	(8,889)
Travel, board of directors	897	3,333	(2,436)	23,203	40,000	(16,797)
Nat'l Teach Ag Campaign	26,544	34,167	(7,623)	508,451	410,000	98,451
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	-	2,000	(2,000)	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	804	-	804	88,614	-	88,614
Regional grants	-	-	-	-	-	-
NPS expense	-	417	(417)	14,744	5,000	9,744
Webinar expense	99	42	57	991	500	491
Teacher crisis fund	1,000	-	1,000	8,000	-	8,000
Communities of practice expense	-	3,167	(3,167)	37,191	38,000	(809)
Substitute teacher hire behinds	-	42	(42)	-	500	(500)
Website	12,600	1,500	11,100	16,794	18,000	(1,206)
NATAA	-	10,000	(10,000)	6,000	120,000	(114,000)
BFRDP expense	-	-	-	-	-	-
BFPD contract labor	-	-	-	-	-	-
Credit card expense	398	333	65	4,172	4,000	172
Storage	-	-	-	2,269	-	2,269
Professional development	-	-	-	-	-	-
Ag ed opportunity fund	-	-	-	500	-	500
Miscellaneous	354	-	354	384	-	384
TOTAL EXPENSES	<u>99,221</u>	<u>124,498</u>	<u>(25,277)</u>	<u>1,548,821</u>	<u>1,493,969</u>	<u>54,852</u>
NET INCOME (LOSS)	<u>\$ 127,507</u>	<u>\$ 2,012</u>	<u>\$ 125,495</u>	<u>\$ 783,844</u>	<u>\$ 24,151</u>	<u>\$ 759,693</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Eleven Months Ended May 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	20,500	5,000	15,500	65,600	60,000	5,600
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	-	2,000	(2,000)	19,226	24,000	(4,774)
TOTAL REVENUE	<u>20,500</u>	<u>16,583</u>	<u>3,917</u>	<u>215,854</u>	<u>199,000</u>	<u>16,854</u>
EXPENSES						
Convention, plaques and trophies	25	167	(142)	1,961	2,000	(39)
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	<u>25</u>	<u>11,713</u>	<u>(11,688)</u>	<u>155,563</u>	<u>140,550</u>	<u>15,013</u>
NET INCOME (LOSS)	<u>\$ 20,475</u>	<u>\$ 4,870</u>	<u>\$ 15,605</u>	<u>\$ 60,291</u>	<u>\$ 58,450</u>	<u>\$ 1,841</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses

For the One and Eleven Months Ended May 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	\$ 163,283	\$ -	\$ 163,283	\$ 631,623	\$ -	\$ 631,623
Vendor - Vernier	62,083	-	62,083	719,210	-	719,210
Vendor - NewByte	-	-	-	4,846	-	4,846
Vendor - Bio-Rad	-	-	-	-	-	-
Field test fees	-	-	-	19,400	-	19,400
NRES	-	-	-	-	-	-
APT	-	-	-	3,017	-	3,017
ASP	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	41,000	-	41,000	134,398	-	134,398
ABF	-	-	-	187,500	-	187,500
ARD CI Revenue	-	-	-	3,600	-	3,600
Capstone Revenue	-	-	-	-	-	-
Royalty - Cengage	-	-	-	28,845	-	28,845
Royalty - Ward's	-	-	-	14,175	-	14,175
FSS revenue	-	-	-	-	-	-
G.W. Publications	-	-	-	106	-	106
Online	233	-	233	28,286	-	28,286
Merchandise	-	-	-	204	-	204
Replacement CD	-	-	-	450	-	450
TOTAL REVENUE	<u>266,599</u>	<u>-</u>	<u>266,599</u>	<u>1,775,660</u>	<u>-</u>	<u>1,775,660</u>
EXPENSES						
Council assessment	-	-	-	-	-	-
Travel	10,059	-	10,059	17,446	-	17,446
Travel - staff	2,540	-	2,540	39,339	-	39,339
Salary	7,562	-	7,562	80,514	-	80,514
Taxes and benefits	306	-	306	4,162	-	4,162
Contract labor	35,704	-	35,704	385,008	-	385,008
Supplies	36	-	36	732	-	732
Merchandise	-	-	-	141	-	141
Promotion	1,206	-	1,206	16,055	-	16,055
Printing	-	-	-	3,316	-	3,316
Postage	71	-	71	1,024	-	1,024
Telecommunications	-	-	-	-	-	-
Management fee	-	-	-	24,000	-	24,000
Vernier	57,629	-	57,629	646,006	-	646,006
NewByte	-	-	-	2,737	-	2,737
Bio-Rad	-	-	-	-	-	-
Lead teacher orientation	-	-	-	-	-	-
Lead teacher stipends	3,500	-	3,500	86,850	-	86,850
Field test	-	-	-	-	-	-
Institute expense	945	-	945	14,659	-	14,659
NRES	-	-	-	-	-	-
FSS	-	-	-	-	-	-
APT	-	-	-	2,461	-	2,461
ARD	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	9,609	-	9,609	11,415	-	11,415
ABF	-	-	-	-	-	-
ARDCI	(1,613)	-	(1,613)	(277)	-	(277)
G.W. Publications	-	-	-	97	-	97
Online expense	-	-	-	1,000	-	1,000
Royalty expense - Cengage	-	-	-	24,946	-	24,946
CI Mentor contract labor	-	-	-	2,500	-	2,500
CI mentor	-	-	-	2,898	-	2,898
Depreciation	9	-	9	104	-	104
TOTAL EXPENSES	<u>127,563</u>	<u>-</u>	<u>127,563</u>	<u>1,367,133</u>	<u>-</u>	<u>1,367,133</u>
NET INCOME (LOSS)	<u>\$ 139,036</u>	<u>\$ -</u>	<u>\$ 139,036</u>	<u>\$ 408,527</u>	<u>\$ -</u>	<u>\$ 408,527</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT