

**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 June 30, 2018 and the related statement of activities for the twelve 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*

September 7, 2018

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

June 30, 2018

ASSETS

Cash on deposit	\$ 656,165
Investments - operating fund	757,936
Investments - life membership fund	263,291
Accounts receivable	496,596
Inventory	5,000
Prepaid expenses	73,140
Property and equipment - CASE	323
Property and equipment	<u>11,945</u>

TOTAL ASSETS \$ 2,264,396

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 214,355
Accrued leave payable	39,221
Other current liabilities	<u>7,883</u>

TOTAL LIABILITIES 261,459

NET ASSETS

Unrestricted net assets:	
Current operation	1,162,925
Board designated for special purposes	214,775
Temporarily restricted net assets	1,550
CASE Project	<u>623,687</u>

TOTAL NET ASSETS 2,002,937

TOTAL LIABILITIES AND NET ASSETS \$ 2,264,396

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Twelve Months Ended June 30, 2018

	Unrestricted				
	Current Operations	Board Designated	Temporarily Restricted	CASE Project	Total
Revenue, Gains and Losses					
Membership dues	\$ 458,817	\$ 1,260	\$ -	\$ -	\$ 460,077
Convention registration	127,428	-	-	-	127,428
Sponsorship and awards	19,226	-	-	-	19,226
Merchandise sales	8,538	-	-	-	8,538
Contributions	-	-	-	-	-
Net realized and unrealized gains (losses) on securities	89,415	-	-	-	89,415
Interest and dividends	26,621	-	-	-	26,621
FFA Foundation projects	1,274,547	-	-	-	1,274,547
CASE Program income	-	-	-	2,041,446	2,041,446
Other income	264,216	-	-	-	264,216
	2,268,808	1,260	-	2,041,446	4,311,514
Total Revenue, Gains and Losses					
Net Assets Released from Restrictions	-	-	-	-	-
Total Revenue, Gains and Losses and Reclassifications	2,268,808	1,260	-	2,041,446	4,311,514
Expenses					
General expenses	1,646,187	-	-	-	1,646,187
FFA Foundation projects	88,265	-	-	-	88,265
CASE Program expenses	-	-	-	1,707,626	1,707,626
Convention expenses	156,017	-	-	-	156,017
	1,890,469	-	-	1,707,626	3,598,095
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	378,339	1,260	-	333,820	713,419
NET ASSETS AT BEGINNING OF PERIOD	784,586	213,515	1,550	289,867	1,289,518
NET ASSETS AT END OF PERIOD	\$ 1,162,925	\$ 214,775	\$ 1,550	\$ 623,687	\$ 2,002,937

<b>Three Year Synopsis</b>					
<b>Change in Net Assets</b>	<b>Current Operations</b>	<b>Board Designated</b>	<b>Temporarily Restricted</b>	<b>CASE Project</b>	<b>Total</b>
2015-16	\$295,722	\$970	\$490	\$271,068	\$568,250
2016-17	-\$261,953	\$5,100	\$580	-\$211,928	-\$468,201
2017-18	\$378,339	\$1,260		\$333,820	\$713,419
<b>Three Years Combined</b>	<b>\$412,108</b>	<b>\$7,330</b>	<b>\$1,070</b>	<b>\$392,960</b>	<b>\$813,468</b>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Twelve Months Ended June 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>
REVENUE						
Member dues	\$ 18,150	\$ 33,704	\$ (15,554)	\$ 428,577	\$ 404,445	\$ 24,132
Corporate membership dues	12,750	2,625	10,125	31,500	31,500	-
Upper division scholarships	-	1,833	(1,833)	-	22,000	(22,000)
Delmar scholarships	-	625	(625)	7,500	7,500	-
Foundation management fees	97,000	10,000	87,000	100,000	120,000	(20,000)
Interest and dividends	927	2,917	(1,990)	20,242	35,000	(14,758)
Net realized and unrealized gains (losses) on securities	(1,079)	-	(1,079)	89,415	-	89,415
Merchandise sales	3,514	500	3,014	8,538	6,000	2,538
Investment income, Life Fund	261	1,000	(739)	6,379	12,000	(5,621)
Contributions, Legislative Fund	-	-	-	-	-	-
Miscellaneous income	1,177	750	427	2,076	9,000	(6,924)
Scholarship raffle proceeds	-	-	-	-	-	-
Student teacher scholarship revenue	20,500	-	20,500	61,476	-	61,476
National Teach Ag Campaign	21,250	37,500	(16,250)	755,970	450,000	305,970
Teacher crisis fund	509	-	509	17,134	-	17,134
BFRDP Grant	-	-	-	-	-	-
AEM business manager stipend	-	333	(333)	4,000	4,000	-
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	1,582	-	1,582	7,314	-	7,314
FFA Foundation project - TTTK	(10,750)	4,375	(15,125)	54,850	52,500	2,350
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	1,630	917	713	18,030	11,000	7,030
FFA Foundation project - OYM	(6,750)	917	(7,667)	26,050	11,000	15,050
FFA Foundation project - Lifetime Achievement	(3,380)	208	(3,588)	9,740	2,500	7,240
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	(10,750)	2,050	(12,800)	13,850	24,600	(10,750)
FFA Foundation NATAA/NAII	(21,500)	10,000	(31,500)	151,367	120,000	31,367
FFA Foundation project - XLR8	30,999	2,000	28,999	30,999	24,000	6,999
FFA Foundation communities of practice	25,560	4,783	20,777	86,240	57,400	28,840
FFA Foundation convention internet lounge	-	-	-	-	-	-
CASE program net income	(79,983)	-	(79,983)	333,820	-	333,820
Convention net income	8,314	4,870	3,444	68,605	58,450	10,155
<b>TOTAL REVENUE</b>	<b>109,931</b>	<b>128,177</b>	<b>(18,246)</b>	<b>2,447,871</b>	<b>1,538,120</b>	<b>909,751</b>
EXPENSES						
Salaries	44,480	32,249	12,231	460,990	386,987	74,003
Taxes and benefits	8,168	9,100	(932)	87,050	109,199	(22,149)
Computer service	2,100	667	1,433	23,160	8,000	15,160
Telephone	435	500	(65)	4,848	6,000	(1,152)
Accounting	700	1,367	(667)	17,150	16,400	750
Depreciation	398	333	65	3,083	4,000	(917)
Rent	-	833	(833)	10,050	10,000	50
Insurance	(5,177)	833	(6,010)	3,538	10,000	(6,462)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	762	1,083	(321)	11,316	13,000	(1,684)
Bank charges and investment fees	-	8	(8)	9,171	100	9,071
Printing, general	1,003	250	753	5,158	3,000	2,158
Staff training	99	42	57	1,571	500	1,071
Taxes and licenses	25	4	21	50	50	-
Membership and contributions	1,500	1,667	(167)	19,209	20,000	(791)
Travel, staff	3,130	2,917	213	16,236	35,000	(18,764)
Promotion and marketing	1,667	2,083	(416)	12,175	25,000	(12,825)
Merchandise and diaries	-	208	(208)	4,791	2,500	2,291

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Twelve Months Ended June 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>
Photocopying	-	8	(8)	-	100	(100)
Postage, general	608	667	(59)	7,646	8,000	(354)
Professional liability insurance	-	3,233	(3,233)	39,375	38,790	585
Public relations	-	83	(83)	252	1,000	(748)
Delmar scholarships	-	625	(625)	7,500	7,500	-
Travel, regional secretaries	3,761	1,500	2,261	12,872	18,000	(5,128)
Travel, board of directors	13,285	3,333	9,952	36,488	40,000	(3,512)
Nat'l Teach Ag Campaign	86,631	34,167	52,464	595,180	410,000	185,180
FFA Foundation project - TTTK	584	3,875	(3,291)	42,526	46,500	(3,974)
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	1,713	2,000	(287)	32,505	24,000	8,505
FFA Foundation convention internet lounge	-	-	-	-	-	-
NPS Ag Ed Leadership dinner	-	352	(352)	-	4,225	(4,225)
Upper division scholarships	-	1,833	(1,833)	25,500	22,000	3,500
TTTK	-	-	-	-	-	-
DuPont Agriscience	19,248	10,000	9,248	107,862	120,000	(12,138)
Regional grants	-	-	-	-	-	-
NPS expense	-	417	(417)	14,744	5,000	9,744
Webinar expense	32	42	(10)	1,023	500	523
Teacher crisis fund	500	-	500	8,500	-	8,500
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)	16,794	18,000	(1,206)
NATAA stipends	-	-	-	6,000	-	6,000
BFRDP expense	-	-	-	-	-	-
BFPD contract labor	-	-	-	-	-	-
Credit card expense	385	333	52	4,556	4,000	556
Storage	-	-	-	2,269	-	2,269
Professional development	-	-	-	-	-	-
Ag ed opportunity fund	(500)	-	(500)	-	-	-
Miscellaneous	-	-	-	384	-	384
<b>TOTAL EXPENSES</b>	<u>185,537</u>	<u>126,113</u>	<u>59,424</u>	<u>1,734,452</u>	<u>1,513,351</u>	<u>221,101</u>
<b>NET INCOME (LOSS)</b>	<u>\$ (75,606)</u>	<u>\$ 2,064</u>	<u>\$ (77,670)</u>	<u>\$ 713,419</u>	<u>\$ 24,769</u>	<u>\$ 688,650</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.  
Schedule of Convention Revenue and Expenses  
For the One and Twelve Months Ended June 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	8,768	5,000	3,768	74,368	60,000	14,368
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	-	2,000	(2,000)	19,226	24,000	(4,774)
TOTAL REVENUE	<u>8,768</u>	<u>16,583</u>	<u>(7,815)</u>	<u>224,622</u>	<u>199,000</u>	<u>25,622</u>
<b>EXPENSES</b>						
Convention, plaques and trophies	-	167	(167)	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	454	1,000	(546)	13,599	12,000	1,599
TOTAL EXPENSES	<u>454</u>	<u>11,713</u>	<u>(11,259)</u>	<u>156,017</u>	<u>140,550</u>	<u>15,467</u>
<b>NET INCOME (LOSS)</b>	<u>\$ 8,314</u>	<u>\$ 4,870</u>	<u>\$ 3,444</u>	<u>\$ 68,605</u>	<u>\$ 58,450</u>	<u>\$ 10,155</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses

For the One and Twelve Months Ended June 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	\$ 85,184	\$ -	\$ 85,184	\$ 719,207	\$ -	\$ 719,207
Vendor - Vernier	165,321	-	165,321	887,850	-	887,850
Vendor - NewByte	539	-	539	5,385	-	5,385
Vendor - Bio-Rad	2,831	-	2,831	2,831	-	2,831
Field test fees	-	-	-	19,400	-	19,400
NRES	-	-	-	-	-	-
APT	-	-	-	3,017	-	3,017
ASP	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	-	-	-	134,398	-	134,398
ABF	-	-	-	187,500	-	187,500
ARD CI Revenue	3,600	-	3,600	7,200	-	7,200
Capstone Revenue	-	-	-	-	-	-
Royalty - Cengage	-	-	-	28,845	-	28,845
Royalty - Ward's	-	-	-	14,175	-	14,175
FSS revenue	-	-	-	-	-	-
G.W. Publications	-	-	-	106	-	106
Online	2,392	-	2,392	30,678	-	30,678
Merchandise	-	-	-	204	-	204
Replacement CD	200	-	200	650	-	650
<b>TOTAL REVENUE</b>	<b>260,067</b>	<b>-</b>	<b>260,067</b>	<b>2,041,446</b>	<b>-</b>	<b>2,041,446</b>
<b>EXPENSES</b>						
Council assessment	-	-	-	-	-	-
Travel	11,671	-	11,671	29,116	-	29,116
Travel - staff	6,258	-	6,258	46,100	-	46,100
Salary	6,218	-	6,218	86,732	-	86,732
Taxes and benefits	306	-	306	4,468	-	4,468
Contract labor	34,969	-	34,969	419,977	-	419,977
Supplies	173	-	173	905	-	905
Merchandise	-	-	-	141	-	141
Promotion	1,688	-	1,688	17,743	-	17,743
Printing	-	-	-	3,316	-	3,316
Postage	462	-	462	1,486	-	1,486
Telecommunications	-	-	-	-	-	-
Management fee	-	-	-	24,000	-	24,000
Vernier	147,900	-	147,900	794,217	-	794,217
NewByte	282	-	282	3,020	-	3,020
Bio-Rad	-	-	-	-	-	-
Lead teacher orientation	-	-	-	-	-	-
Lead teacher stipends	91,350	-	91,350	178,200	-	178,200
Field test	-	-	-	-	-	-
Institute expense	15,111	-	15,111	29,770	-	29,770
NRES	-	-	-	-	-	-
FSS	-	-	-	-	-	-
APT	-	-	-	2,090	-	2,090
ARD	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	3,652	-	3,652	15,067	-	15,067
ABF	-	-	-	-	-	-
ARDCI	-	-	-	(277)	-	(277)
G.W. Publications	-	-	-	97	-	97
Online expense	20,000	-	20,000	21,000	-	21,000
Royalty expense - Cengage	-	-	-	24,946	-	24,946
CI Mentor contract labor	-	-	-	2,500	-	2,500
CI mentor	-	-	-	2,898	-	2,898
Depreciation	10	-	10	114	-	114
<b>TOTAL EXPENSES</b>	<b>340,050</b>	<b>-</b>	<b>340,050</b>	<b>1,707,626</b>	<b>-</b>	<b>1,707,626</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (79,983)</b>	<b>\$ -</b>	<b>\$ (79,983)</b>	<b>\$ 333,820</b>	<b>\$ -</b>	<b>\$ 333,820</b>

SEE ACCOMPANYING ACCOUNTANT'S REPORT