

STEPHEN D. SCHNETTLER, PLLC

Certified Public Accountants

300 W. Maxwell Street

Lexington, Kentucky 40508

Telephone: (859) 254-8558

Fax: (859) 252-1545

Member
American Institute of
Certified Public Accountants

Member
Kentucky Society of
Certified Public Accountants

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 July 31, 2018 and the related statement of activities for the month 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

October 23, 2018

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

July 31, 2018

ASSETS

Cash on deposit	\$ 668,100
Investments - operating fund	772,770
Investments - life membership fund	268,202
Accounts receivable	479,879
Inventory	5,000
Prepaid expenses	18,040
Property and equipment - CASE	314
Property and equipment	<u>11,606</u>

TOTAL ASSETS \$ 2,223,911

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 178,348
Accrued leave payable	39,221
Other current liabilities	<u>7,813</u>

TOTAL LIABILITIES 225,382

NET ASSETS

Unrestricted net assets:	
Current operation	1,094,629
Board designated for special purposes	214,775
Temporarily restricted net assets	1,550
CASE Project	<u>687,575</u>

TOTAL NET ASSETS 1,998,529

TOTAL LIABILITIES AND NET ASSETS \$ 2,223,911

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the One Month Ended July 31, 2018

	Unrestricted				
	Current Operations	Board Designated	Temporarily Restricted	CASE Project	Total
Revenue, Gains and Losses					
Membership dues	\$ 34,745	\$ -	\$ -	\$ -	\$ 34,745
Convention registration	-	-	-	-	-
Sponsorship and awards	-	-	-	-	-
Merchandise sales	2,439	-	-	-	2,439
Contributions	-	-	-	-	-
Net realized and unrealized gains (losses) on securities	20,996	-	-	-	20,996
Interest and dividends	1,198	-	-	-	1,198
FFA Foundation projects	-	-	-	-	-
CASE Program income	-	-	-	374,952	374,952
Other income	2,615	-	-	-	2,615
	61,993	-	-	374,952	436,945
Total Revenue, Gains and Losses					
Net Assets Released from Restrictions	-	-	-	-	-
Total Revenue, Gains and Losses and Reclassifications	61,993	-	-	374,952	436,945
Expenses					
General expenses	67,505	-	-	-	67,505
FFA Foundation projects	61,948	-	-	-	61,948
CASE Program expenses	-	-	-	311,064	311,064
Convention expenses	836	-	-	-	836
	130,289	-	-	311,064	441,353
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	(68,296)	-	-	63,888	(4,408)
NET ASSETS AT BEGINNING OF PERIOD	1,162,925	214,775	1,550	623,687	2,002,937
NET ASSETS AT END OF PERIOD	\$ 1,094,629	\$ 214,775	\$ 1,550	\$ 687,575	\$ 1,998,529

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One Month Ended July 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	\$ 34,745	\$	\$ 34,023	\$	\$ 722	\$	\$ 34,745	\$	\$ 408,280	\$	\$ (373,535)
Corporate membership dues	-		1,250		(1,250)		-		15,000		(15,000)
Upper division scholarships	-		1,667		(1,667)		-		20,000		(20,000)
Delmar scholarships	-		625		(625)		-		7,500		(7,500)
Foundation management fees	-		-		-		-		-		-
Interest and dividends	864		2,917		(2,053)		864		35,000		(34,136)
Net realized and unrealized gains (losses) on securities	20,996		-		20,996		20,996		-		20,996
Merchandise sales	2,439		500		1,939		2,439		6,000		(3,561)
Investment income, Life Fund	334		1,000		(666)		334		12,000		(11,666)
Contributions, Legislative Fund	-		-		-		-		-		-
Miscellaneous income	-		750		(750)		-		9,000		(9,000)
Scholarship raffle proceeds	-		-		-		-		-		-
Student teacher scholarship revenue	-		-		-		-		-		-
National Teach Ag Campaign	-		81,250		(81,250)		-		975,000		(975,000)
Teacher crisis fund	2,615		-		2,615		2,615		-		2,615
BFRDP Grant	-		-		-		-		-		-
AEM business manager stipend	-		333		(333)		-		4,000		(4,000)
Nat'l Agriscience Teacher Ambassadors	-		13,667		(13,667)		-		164,000		(164,000)
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	-		-		-		-		-		-
FFA Foundation project - TTTK	-		5,467		(5,467)		-		65,600		(65,600)
FFA Foundation project - OPAP	-		1,252		(1,252)		-		15,025		(15,025)
FFA Foundation project - OMSP	-		1,298		(1,298)		-		15,580		(15,580)
FFA Foundation project - OT	-		1,298		(1,298)		-		15,580		(15,580)
FFA Foundation project - OYM	-		1,367		(1,367)		-		16,400		(16,400)
FFA Foundation project - Lifetime Achievement	-		410		(410)		-		4,920		(4,920)
FFA Foundation project - Outstanding Service Citation	-		-		-		-		-		-
FFA Foundation teacher workshop	-		-		-		-		-		-
FFA Foundation upper division scholarships	-		-		-		-		-		-
FFA Foundation Agriscience Initiative	-		2,050		(2,050)		-		24,600		(24,600)
FFA Foundation NATAA/NAII	-		-		-		-		-		-
FFA Foundation project - XLR8	-		6,567		(6,567)		-		78,800		(78,800)
FFA Foundation communities of practice	-		5,600		(5,600)		-		67,200		(67,200)
FFA Foundation convention internet lounge	-		-		-		-		-		-
CASE program net income	63,888		-		63,888		63,888		-		63,888
Convention net income	(836)		5,996		(6,832)		(836)		71,950		(72,786)
TOTAL REVENUE	125,045		172,056		(47,011)		125,045		2,064,660		(1,939,615)
EXPENSES											
Salaries	36,031		32,500		3,531		36,031		390,000		(353,969)
Taxes and benefits	7,996		9,151		(1,155)		7,996		109,815		(101,819)
Computer service	3,275		1,667		1,608		3,275		20,000		(16,725)
Telephone	288		500		(212)		288		6,000		(5,712)
Accounting	700		1,367		(667)		700		16,400		(15,700)
Depreciation	338		333		5		338		4,000		(3,662)
Rent	-		838		(838)		-		10,050		(10,050)
Insurance	480		1,000		(520)		480		12,000		(11,520)
Legal	-		83		(83)		-		1,000		(1,000)
Office Supplies	983		1,083		(100)		983		13,000		(12,017)
Bank charges and investment fees	2,424		8		2,416		2,424		100		2,324
Printing, general	-		250		(250)		-		3,000		(3,000)
Staff training	-		83		(83)		-		1,000		(1,000)
Taxes and licenses	130		4		126		130		50		80
Membership and contributions	120		1,667		(1,547)		120		20,000		(19,880)
Travel, staff	641		2,917		(2,276)		641		35,000		(34,359)
Promotion and marketing	390		2,083		(1,693)		390		25,000		(24,610)
Merchandise and diaries	3,217		417		2,800		3,217		5,000		(1,783)

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One Month Ended July 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>
Photocopying	-	8	(8)	-	100	(100)
Postage, general	1,050	667	383	1,050	8,000	(6,950)
Professional liability insurance	-	3,285	(3,285)	-	39,425	(39,425)
Public relations	-	83	(83)	-	1,000	(1,000)
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Travel, regional secretaries	1,301	1,500	(199)	1,301	18,000	(16,699)
Travel, board of directors	6,173	3,333	2,840	6,173	40,000	(33,827)
Nat'l Teach Ag Campaign	15,103	75,000	(59,897)	15,103	900,000	(884,897)
FFA Foundation project - TTTK	2,027	3,333	(1,306)	2,027	40,000	(37,973)
FFA Foundation project - OPAP	-	750	(750)	-	9,000	(9,000)
FFA Foundation project - OMSP	-	750	(750)	-	9,000	(9,000)
FFA Foundation project - OT	-	750	(750)	-	9,000	(9,000)
FFA Foundation project - OYM	-	750	(750)	-	9,000	(9,000)
FFA Foundation project - Lifetime achievement	-	208	(208)	-	2,500	(2,500)
FFA Foundation project - Outstanding service citation	-	-	-	-	-	-
FFA Foundation teacher workshop	-	-	-	-	-	-
FFA Foundation Regional Grants	-	-	-	-	-	-
FFA Foundation Agriscience Initiative	-	1,667	(1,667)	-	20,000	(20,000)
FFA Foundation XLR8	4,646	3,333	1,313	4,646	40,000	(35,354)
FFA Foundation convention internet lounge	-	-	-	-	-	-
NPS Ag Ed Leadership dinner	-	352	(352)	-	4,225	(4,225)
Upper division scholarships	-	1,667	(1,667)	-	20,000	(20,000)
TTTK	-	-	-	-	-	-
DuPont Agriscience	40,172	-	40,172	40,172	-	40,172
Regional grants	-	-	-	-	-	-
NPS expense	-	417	(417)	-	5,000	(5,000)
Webinar expense	-	42	(42)	-	500	(500)
Teacher crisis fund	500	-	500	500	-	500
Communities of practice expense	-	3,167	(3,167)	-	38,000	(38,000)
Substitute teacher hire behinds	-	42	(42)	-	500	(500)
Website	1,200	1,500	(300)	1,200	18,000	(16,800)
NATAA stipends	-	10,833	(10,833)	-	130,000	(130,000)
BFRDP expense	-	-	-	-	-	-
BFPD contract labor	-	-	-	-	-	-
Credit card expense	268	333	(65)	268	4,000	(3,732)
Storage	-	-	-	-	-	-
Professional development	-	-	-	-	-	-
Ag ed opportunity fund	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
TOTAL EXPENSES	<u>129,453</u>	<u>170,346</u>	<u>(40,893)</u>	<u>129,453</u>	<u>2,044,165</u>	<u>(1,914,712)</u>
NET INCOME (LOSS)	<u>\$ (4,408)</u>	<u>\$ 1,710</u>	<u>\$ (6,118)</u>	<u>\$ (4,408)</u>	<u>\$ 20,495</u>	<u>\$ (24,903)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One Month Ended July 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	\$ -	\$ 10,583	\$ (10,583)	\$ -	\$ 127,000	\$ (127,000)
Convention, trade show	-	-	-	-	-	-
Convention, sponsorships - FFA Foundation	-	5,417	(5,417)	-	65,000	(65,000)
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	-	1,667	(1,667)	-	20,000	(20,000)
TOTAL REVENUE	<u>-</u>	<u>17,667</u>	<u>(17,667)</u>	<u>-</u>	<u>212,000</u>	<u>(212,000)</u>
EXPENSES						
Convention, plaques and trophies	-	167	(167)	-	2,000	(2,000)
Convention, printing	-	-	-	-	-	-
Convention, awards	-	750	(750)	-	9,000	(9,000)
Convention, miscellaneous	-	-	-	-	-	-
Convention, meal functions	-	125	(125)	-	1,500	(1,500)
Convention, promotion and marketing	-	417	(417)	-	5,000	(5,000)
Convention, postage and shipping	-	333	(333)	-	4,000	(4,000)
Convention, equipment rental	-	2,000	(2,000)	-	24,000	(24,000)
Convention, host state social	-	-	-	-	-	-
Convention, committee expense	-	379	(379)	-	4,550	(4,550)
Convention, sponsorships - FFA Foundation	-	4,583	(4,583)	-	55,000	(55,000)
Convention, travel/board of directors	836	1,917	(1,081)	836	23,000	(22,164)
Convention, staff travel	-	1,000	(1,000)	-	12,000	(12,000)
TOTAL EXPENSES	<u>836</u>	<u>11,671</u>	<u>(10,835)</u>	<u>836</u>	<u>140,050</u>	<u>(139,214)</u>
NET INCOME (LOSS)	<u>\$ (836)</u>	<u>\$ 5,996</u>	<u>\$ (6,832)</u>	<u>\$ (836)</u>	<u>\$ 71,950</u>	<u>\$ (72,786)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses

For the One Month Ended July 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	\$ 162,807	\$ -	\$ 162,807	\$ 162,807	\$ -	\$ 162,807
Vendor - Vernier	173,233	-	173,233	173,233	-	173,233
Vendor - NewByte	720	-	720	720	-	720
Vendor - Bio-Rad	-	-	-	-	-	-
Field test fees	-	-	-	-	-	-
NRES	-	-	-	-	-	-
APT	557	-	557	557	-	557
ASP	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	-	-	-	-	-	-
ABF	-	-	-	-	-	-
ARD CI Revenue	-	-	-	-	-	-
Capstone Revenue	-	-	-	-	-	-
Royalty - Cengage	28,417	-	28,417	28,417	-	28,417
Royalty - Ward's	-	-	-	-	-	-
FSS revenue	-	-	-	-	-	-
G.W. Publications	-	-	-	-	-	-
Online	9,168	-	9,168	9,168	-	9,168
Merchandise	-	-	-	-	-	-
Replacement CD	50	-	50	50	-	50
TOTAL REVENUE	<u>374,952</u>	<u>-</u>	<u>374,952</u>	<u>374,952</u>	<u>-</u>	<u>374,952</u>
EXPENSES						
Council assessment	-	-	-	-	-	-
Travel	6,919	-	6,919	6,919	-	6,919
Travel - staff	1,561	-	1,561	1,561	-	1,561
Salary	7,188	-	7,188	7,188	-	7,188
Taxes and benefits	307	-	307	307	-	307
Contract labor	35,792	-	35,792	35,792	-	35,792
Supplies	-	-	-	-	-	-
Merchandise	-	-	-	-	-	-
Promotion	485	-	485	485	-	485
Printing	-	-	-	-	-	-
Postage	172	-	172	172	-	172
Telecommunications	-	-	-	-	-	-
Management fee	-	-	-	-	-	-
Vernier	152,859	-	152,859	152,859	-	152,859
NewByte	-	-	-	-	-	-
Bio-Rad	-	-	-	-	-	-
Lead teacher orientation	-	-	-	-	-	-
Lead teacher stipends	63,000	-	63,000	63,000	-	63,000
Field test	-	-	-	-	-	-
Institute expense	99	-	99	99	-	99
NRES	-	-	-	-	-	-
FSS	-	-	-	-	-	-
APT	458	-	458	458	-	458
ARD	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	15,743	-	15,743	15,743	-	15,743
ABF	-	-	-	-	-	-
ARDCI	1,223	-	1,223	1,223	-	1,223
G.W. Publications	-	-	-	-	-	-
Online expense	-	-	-	-	-	-
Royalty expense - Cengage	25,249	-	25,249	25,249	-	25,249
CI Mentor contract labor	-	-	-	-	-	-
CI mentor	-	-	-	-	-	-
Depreciation	9	-	9	9	-	9
TOTAL EXPENSES	<u>311,064</u>	<u>-</u>	<u>311,064</u>	<u>311,064</u>	<u>-</u>	<u>311,064</u>
NET INCOME (LOSS)	<u>\$ 63,888</u>	<u>\$ -</u>	<u>\$ 63,888</u>	<u>\$ 63,888</u>	<u>\$ -</u>	<u>\$ 63,888</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT