

**STEPHEN D. SCHNETTLER, PLLC**

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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 November 30, 2018 and the related statement of activities for the five 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*

February 22, 2019

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

November 30, 2018

ASSETS

Cash on deposit	\$ 1,248,729
Investments - operating fund	738,238
Investments - life membership fund	257,408
Accounts receivable	360,481
Inventory	5,000
Prepaid expenses	162
Property and equipment - CASE	275
Property and equipment	<u>10,255</u>

TOTAL ASSETS \$ 2,620,548

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 145,394
Accrued leave payable	39,221
Other current liabilities	<u>8,407</u>

TOTAL LIABILITIES 193,022

NET ASSETS

Unrestricted net assets:	
Current operation	1,236,238
Board designated for special purposes	216,935
Temporarily restricted net assets	1,550
CASE Initiative	<u>972,803</u>

TOTAL NET ASSETS 2,427,526

TOTAL LIABILITIES AND NET ASSETS \$ 2,620,548

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Five Months Ended November 30, 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	\$ 380,600	\$ 2,160	\$ -	\$ -	\$ 382,760
Convention registration	150,055	-	-	-	150,055
Sponsorship and awards	15,750	-	-	-	15,750
Merchandise sales	4,748	-	-	-	4,748
Contributions	-	-	-	-	-
Net realized and unrealized gains (losses) on securities	(25,435)	-	-	-	(25,435)
Interest and dividends	4,946	-	-	-	4,946
FFA Foundation projects	111,520	-	-	-	111,520
CASE Program income	-	-	-	1,467,442	1,467,442
Other income	307,430	-	-	-	307,430
	<u>949,614</u>	<u>2,160</u>	<u>-</u>	<u>1,467,442</u>	<u>2,419,216</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>949,614</u>	<u>2,160</u>	<u>-</u>	<u>1,467,442</u>	<u>2,419,216</u>
Expenses					
General expenses	378,083	-	-	-	378,083
FFA Foundation projects	443,475	-	-	-	443,475
CASE Program expenses	-	-	-	1,118,326	1,118,326
Convention expenses	54,743	-	-	-	54,743
	<u>876,301</u>	<u>-</u>	<u>-</u>	<u>1,118,326</u>	<u>1,994,627</u>
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	73,313	2,160	-	349,116	424,589
NET ASSETS AT BEGINNING OF PERIOD	<u>1,162,925</u>	<u>214,775</u>	<u>1,550</u>	<u>623,687</u>	<u>2,002,937</u>
NET ASSETS AT END OF PERIOD	<u>\$ 1,236,238</u>	<u>\$ 216,935</u>	<u>\$ 1,550</u>	<u>\$ 972,803</u>	<u>\$ 2,427,526</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Five Months Ended November 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>
REVENUE											
Member dues	\$ 29,215	\$	\$ 34,023	\$	\$ (4,808)	\$	\$ 375,710	\$	\$ 408,280	\$	\$ (32,570)
Corporate membership dues	750		1,250		(500)		7,050		15,000		(7,950)
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	497		2,917		(2,420)		3,688		35,000		(31,312)
Net realized and unrealized gains (losses) on securities	13,041		-		13,041		(25,435)				(25,435)
Merchandise sales	577		500		77		4,748		6,000		(1,252)
Investment income, Life Fund	162		1,000		(838)		1,258		12,000		(10,742)
Contributions, Legislative Fund	-		-		-		-				-
Miscellaneous income	(450)		750		(1,200)		2,409		9,000		(6,591)
Scholarship raffle proceeds	-		-		-		-				-
Student teacher scholarship revenue	-		-		-		-				-
National Teach Ag Campaign	-		81,250		(81,250)		41,000		975,000		(934,000)
Teacher crisis fund	163		-		163		8,968				8,968
BFRDP Grant	-		-		-		-				-
AEM business manager stipend	-		333		(333)		-		4,000		(4,000)
Nat'l Agriscience Teacher Ambassadors	-		13,667		(13,667)		212,000		164,000		48,000
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	590		-		590		2,273				2,273
FFA Foundation project - TTTK	65,600		5,467		60,133		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)		4,920		67,200		(62,280)
FFA Foundation convention internet lounge	-		-		-		-				-
CASE program net income	(46,351)		-		(46,351)		349,116		-		349,116
Convention net income	141,270		5,996		135,274		192,842		71,950		120,892
<b>TOTAL REVENUE</b>	<b>205,064</b>		<b>172,056</b>		<b>33,008</b>		<b>1,246,147</b>		<b>2,064,660</b>		<b>(818,513)</b>
EXPENSES											
Salaries	39,087		32,500		6,587		183,750		390,000		(206,250)
Taxes and benefits	7,141		9,151		(2,010)		38,161		109,815		(71,654)
Computer service	862		1,667		(805)		6,962		20,000		(13,038)
Telephone	318		500		(182)		1,648		6,000		(4,352)
Accounting	8,700		1,367		7,333		12,000		16,400		(4,400)
Depreciation	338		333		5		1,690		4,000		(2,310)
Rent	-		838		(838)		-		10,050		(10,050)
Insurance	86		1,000		(914)		6,084		12,000		(5,916)
Legal	-		83		(83)		-		1,000		(1,000)
Office Supplies	1,926		1,083		843		6,939		13,000		(6,061)
Bank charges and investment fees	7		8		(1)		4,962		100		4,862
Printing, general	-		250		(250)		176		3,000		(2,824)
Staff training	18		83		(65)		18		1,000		(982)
Taxes and licenses	10		4		6		263		50		213
Membership and contributions	901		1,667		(766)		4,051		20,000		(15,949)
Travel, staff	936		2,917		(1,981)		8,669		35,000		(26,331)

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Five Months Ended November 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>
Promotion and marketing	3,615	2,083	1,532	13,319	25,000	(11,681)
Merchandise and diaries	-	417	(417)	4,773	5,000	(227)
Photocopying	-	8	(8)	-	100	(100)
Postage, general	954	667	287	3,610	8,000	(4,390)
Professional liability insurance	-	3,285	(3,285)	40,830	39,425	1,405
Public relations	-	83	(83)	218	1,000	(782)
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Travel, regional secretaries	274	1,500	(1,226)	6,696	18,000	(11,304)
Travel, board of directors	1,046	3,333	(2,287)	12,703	40,000	(27,297)
Nat'l Teach Ag Campaign	38,327	75,000	(36,673)	238,006	900,000	(661,994)
FFA Foundation project - TTTK	2,171	3,333	(1,162)	34,024	40,000	(5,976)
FFA Foundation project - OPAP	-	750	(750)	3,604	9,000	(5,396)
FFA Foundation project - OMSP	335	750	(415)	3,989	9,000	(5,011)
FFA Foundation project - OT	292	750	(458)	4,814	9,000	(4,186)
FFA Foundation project - OECT	11	750	(739)	3,669	9,000	(5,331)
FFA Foundation project - Lifetime achievement	459	208	251	1,799	2,500	(701)
FFA Foundation project - Outstanding service citation	335	-	335	1,675	-	1,675
FFA Foundation teacher workshop	-	-	-	-	-	-
FFA Foundation Regional Grants	-	-	-	-	-	-
FFA Foundation Agriscience Initiative	-	1,667	(1,667)	-	20,000	(20,000)
FFA Foundation XLR8	10,197	3,333	6,864	26,491	40,000	(13,509)
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	-	-	-	-	-	-
NATAA	3,442	10,833	(7,391)	72,294	130,000	(57,706)
Regional grants	-	-	-	-	-	-
NPS expense	-	417	(417)	-	5,000	(5,000)
Webinar expense	-	42	(42)	198	500	(302)
Teacher crisis fund	1,000	-	1,000	10,850	-	10,850
Communities of practice expense	40,910	3,167	37,743	40,910	38,000	2,910
Substitute teacher hire behinds	-	42	(42)	-	500	(500)
Website	-	1,500	(1,500)	1,500	18,000	(16,500)
NATAA stipends	-	-	-	12,200	-	12,200
BFRDP expense	-	-	-	-	-	-
BFPD contract labor	-	-	-	-	-	-
Credit card expense	1,017	333	684	5,053	4,000	1,053
Storage	-	-	-	-	-	-
Professional development	-	-	-	-	-	-
Ag ed opportunity fund	-	-	-	-	-	-
Miscellaneous	-	-	-	2,960	-	2,960
<b>TOTAL EXPENSES</b>	<u>164,715</u>	<u>170,346</u>	<u>(5,631)</u>	<u>821,558</u>	<u>2,044,165</u>	<u>(1,222,607)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ 40,349</u>	<u>\$ 1,710</u>	<u>\$ 38,639</u>	<u>\$ 424,589</u>	<u>\$ 20,495</u>	<u>\$ 404,094</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.  
Schedule of Convention Revenue and Expenses  
For the One and Five Months Ended November 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	\$ 150,055	\$ 10,583	\$ 139,472	\$ 150,055	\$ 127,000	\$ 23,055
Convention, trade show	300	-	300	2,100	-	2,100
Convention, sponsorships - FFA Foundation	10,000	5,417	4,583	79,680	65,000	14,680
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	5,000	1,667	3,333	15,750	20,000	(4,250)
TOTAL REVENUE	<u>165,355</u>	<u>17,667</u>	<u>147,688</u>	<u>247,585</u>	<u>212,000</u>	<u>35,585</u>
<b>EXPENSES</b>						
Convention, plaques and trophies	108	167	(59)	108	2,000	(1,892)
Convention, printing	2,689	-	2,689	2,689	-	2,689
Convention, awards	-	750	(750)	9,760	9,000	760
Convention, miscellaneous	1,801	-	1,801	1,801	-	1,801
Convention, meal functions	-	125	(125)	-	1,500	(1,500)
Convention, promotion and marketing	6,237	417	5,820	12,670	5,000	7,670
Convention, postage and shipping	1,986	333	1,653	1,986	4,000	(2,014)
Convention, equipment rental	5,219	2,000	3,219	5,219	24,000	(18,781)
Convention, host state social	-	-	-	-	-	-
Convention, committee expense	-	379	(379)	2,010	4,550	(2,540)
Convention, sponsorships - FFA Foundation	-	4,583	(4,583)	-	55,000	(55,000)
Convention, travel/board of directors	1,470	1,917	(447)	8,847	23,000	(14,153)
Convention, staff travel	4,575	1,000	3,575	9,653	12,000	(2,347)
TOTAL EXPENSES	<u>24,085</u>	<u>11,671</u>	<u>12,414</u>	<u>54,743</u>	<u>140,050</u>	<u>(85,307)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ 141,270</u>	<u>\$ 5,996</u>	<u>\$ 135,274</u>	<u>\$ 192,842</u>	<u>\$ 71,950</u>	<u>\$ 120,892</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses

For the One and Five Months Ended November 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	\$ -	\$ -	\$ -	\$ 478,307	\$ -	\$ 478,307
Vendor - Vernier	39,844	-	39,844	740,795	-	740,795
Vendor - NewByte	1,219	-	1,219	4,417	-	4,417
Vendor - Bio-Rad	-	-	-	-	-	-
Field test fees	-	-	-	-	-	-
NRES	-	-	-	-	-	-
APT	-	-	-	5,640	-	5,640
ASP	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	-	-	-	3,541	-	3,541
ABF	-	-	-	62,500	-	62,500
ARD CI Revenue	-	-	-	7,200	-	7,200
Capstone Revenue	-	-	-	-	-	-
Royalty - Cengage	-	-	-	87,764	-	87,764
Royalty - Ward's	-	-	-	-	-	-
FSS revenue	-	-	-	-	-	-
MidSch	-	-	-	57,400	-	57,400
G.W. Publications	-	-	-	2,017	-	2,017
Online	310	-	310	16,123	-	16,123
Merchandise	-	-	-	88	-	88
Replacement CD	200	-	200	1,650	-	1,650
<b>TOTAL REVENUE</b>	<u>41,573</u>	<u>-</u>	<u>41,573</u>	<u>1,467,442</u>	<u>-</u>	<u>1,467,442</u>
<b>EXPENSES</b>						
Council assessment	-	-	-	-	-	-
Travel	-	-	-	9,311	-	9,311
Travel - staff	1,028	-	1,028	15,955	-	15,955
Salary	7,258	-	7,258	36,876	-	36,876
Taxes and benefits	306	-	306	1,532	-	1,532
Contract labor	21,700	-	21,700	173,017	-	173,017
Supplies	116	-	116	224	-	224
Merchandise	-	-	-	-	-	-
Promotion	2,092	-	2,092	6,092	-	6,092
Printing	-	-	-	200	-	200
Postage	147	-	147	1,499	-	1,499
Telecommunications	-	-	-	-	-	-
Management fee	-	-	-	-	-	-
Vernier	48,085	-	48,085	660,065	-	660,065
NewByte	592	-	592	2,193	-	2,193
Bio-Rad	-	-	-	-	-	-
Lead teacher orientation	-	-	-	-	-	-
Lead teacher stipends	-	-	-	89,600	-	89,600
Field test	-	-	-	-	-	-
Institute expense	7	-	7	163	-	163
PD-STEP 18	-	-	-	17,842	-	17,842
NRES	-	-	-	-	-	-
FSS	-	-	-	-	-	-
APT	-	-	-	4,716	-	4,716
ARD	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	-	-	-	15,886	-	15,886
ABF	-	-	-	-	-	-
ARDCI	-	-	-	2,059	-	2,059
G.W. Publications	-	-	-	1,663	-	1,663
Sustain expense	-	-	-	500	-	500
Online expense	-	-	-	-	-	-
Royalty expense - Cengage	6,584	-	6,584	78,886	-	78,886
CI Mentor contract labor	-	-	-	-	-	-
CI mentor	-	-	-	-	-	-
Depreciation	9	-	9	47	-	47
<b>TOTAL EXPENSES</b>	<u>87,924</u>	<u>-</u>	<u>87,924</u>	<u>1,118,326</u>	<u>-</u>	<u>1,118,326</u>
<b>NET INCOME (LOSS)</b>	<u>\$ (46,351)</u>	<u>\$ -</u>	<u>\$ (46,351)</u>	<u>\$ 349,116</u>	<u>\$ -</u>	<u>\$ 349,116</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT