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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 January 31, 2019 and the related statement of activities for the seven 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

January 31, 2019

ASSETS

Cash on deposit	\$ 795,231
Investments - operating fund	738,671
Investments - life membership fund	257,844
Accounts receivable	293,774
Inventory	5,000
Property and equipment - CASE	256
Property and equipment	<u>10,515</u>

TOTAL ASSETS \$ 2,101,291

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 77,681
Accrued leave payable	39,221
Other current liabilities	<u>8,458</u>

TOTAL LIABILITIES 125,360

NET ASSETS

Unrestricted net assets:	
Current operation	962,250
Board designated for special purposes	217,895
Temporarily restricted net assets	1,550
CASE Project	<u>794,236</u>

TOTAL NET ASSETS 1,975,931

TOTAL LIABILITIES AND NET ASSETS \$ 2,101,291

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Seven Months Ended January 31, 2019

	<u>Unrestricted</u>				
	<u>Current</u>	<u>Board</u>	<u>Temporarily</u>	<u>CASE</u>	<u>Total</u>
	<u>Operations</u>	<u>Designated</u>	<u>Restricted</u>	<u>Project</u>	
Revenue, Gains and Losses					
Membership dues	\$ 409,155	\$ 3,120	\$ -	\$ -	\$ 412,275
Convention registration	158,035	-	-	-	158,035
Sponsorship and awards	15,750	-	-	-	15,750
Merchandise sales	5,260	-	-	-	5,260
Contributions	-	-	-	-	-
Net realized and unrealized					
gains (losses) on securities	(56,489)	-	-	-	(56,489)
Interest and dividends	39,097	-	-	-	39,097
FFA Foundation projects	241,900	-	-	-	241,900
CASE Program income	-	-	-	1,643,030	1,643,030
Other income	<u>277,242</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>277,242</u>
 Total Revenue, Gains and Losses	 1,089,950	 3,120	 -	 1,643,030	 2,736,100
 Net Assets Released from Restrictions	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Total Revenue, Gains and Losses and Reclassifications	 <u>1,089,950</u>	 <u>3,120</u>	 <u>-</u>	 <u>1,643,030</u>	 <u>2,736,100</u>
 Expenses					
General expenses	524,844	-	-	-	524,844
FFA Foundation projects	622,663	-	-	-	622,663
CASE Program expenses	-	-	-	1,472,481	1,472,481
Convention expenses	<u>143,118</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>143,118</u>
 Total expenses	 <u>1,290,625</u>	 <u>-</u>	 <u>-</u>	 <u>1,472,481</u>	 <u>2,763,106</u>
 INCREASE (DECREASE) IN NET ASSETS	 (200,675)	 3,120	 -	 170,549	 (27,006)
 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>\$ 962,250</u>	 <u>\$ 217,895</u>	 <u>\$ 1,550</u>	 <u>\$ 794,236</u>	 <u>\$ 1,975,931</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Seven Months Ended January 31, 2019

	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	\$ 14,240	\$	\$ 34,023	\$	\$ (19,783)	\$	\$ 402,975	\$	\$ 408,280	\$	\$ (5,305)
Corporate membership dues	2,250		1,250		1,000		9,300		15,000		(5,700)
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	42		2,917		(2,875)		30,224		35,000		(4,776)
Net realized and unrealized gains (losses) on securities	35,574		-		35,574		(56,489)				(56,489)
Merchandise sales	-		500		(500)		5,260		6,000		(740)
Investment income, Life Fund	6		1,000		(994)		8,873		12,000		(3,127)
Contributions, Legislative Fund	-		-		-		-		-		-
Miscellaneous income	2,450		750		1,700		4,859		9,000		(4,141)
Scholarship raffle proceeds	-		-		-		-		-		-
Student teacher scholarship revenue	-		-		-		-		-		-
National Teach Ag Campaign	82,000		81,250		750		123,000		975,000		(852,000)
Teacher crisis fund	10		-		10		9,158				9,158
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	25		-		25		2,637				2,637
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	7,380		1,298		6,082		7,380		15,580		(8,200)
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	41,000		6,567		34,433		41,000		78,800		(37,800)
FFA Foundation communities of practice	-		5,600		(5,600)		4,920		67,200		(62,280)
FFA Foundation convention internet lounge	-		-		-		-				-
CASE program net income	(139,178)		-		(139,178)		170,549		52,083		118,466
Convention net income	(54,908)		5,996		(60,904)		79,255		71,950		7,305
TOTAL REVENUE	(9,109)		172,056		(181,165)		1,120,501		2,116,743		(996,242)
EXPENSES											
Salaries	43,853		32,500		11,353		274,451		390,000		(115,549)
Taxes and benefits	8,023		9,151		(1,128)		54,027		109,815		(55,788)
Computer service	712		1,667		(955)		9,225		20,000		(10,775)
Telephone	288		500		(212)		2,255		6,000		(3,745)
Accounting	700		1,367		(667)		13,400		16,400		(3,000)
Depreciation	354		333		21		2,382		4,000		(1,618)
Rent	-		838		(838)		-		10,050		(10,050)
Insurance	1,234		1,000		234		7,360		12,000		(4,640)
Legal	-		83		(83)		-		1,000		(1,000)
Office Supplies	986		1,083		(97)		7,959		13,000		(5,041)
Bank charges and investment fees	2,162		8		2,154		7,124		100		7,024
Printing, general	375		250		125		885		3,000		(2,115)
Staff training	159		83		76		207		1,000		(793)
Taxes and licenses	-		4		(4)		263		50		213
Membership and contributions	1,000		1,667		(667)		5,051		20,000		(14,949)
Travel, staff	1,918		2,917		(999)		12,972		35,000		(22,028)
Promotion and marketing	(143)		2,083		(2,226)		14,854		25,000		(10,146)

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Seven Months Ended January 31, 2019

	<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>
Merchandise and diaries	1,256	417	839	5,943	5,000	943
Photocopying	-	8	(8)	-	100	(100)
Postage, general	1,789	667	1,122	6,484	8,000	(1,516)
Professional liability insurance	-	3,285	(3,285)	40,830	39,425	1,405
Public relations	63	83	(20)	280	1,000	(720)
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Travel, regional secretaries	4,898	1,500	3,398	12,732	18,000	(5,268)
Travel, board of directors	4,296	3,333	963	16,999	40,000	(23,001)
Nat'l Teach Ag Campaign	47,072	75,000	(27,928)	319,649	900,000	(580,351)
FFA Foundation project - TTTK	22,663	3,333	19,330	58,527	40,000	18,527
FFA Foundation project - OPAP	5,479	750	4,729	9,308	9,000	308
FFA Foundation project - OMSP	-	750	(750)	4,214	9,000	(4,786)
FFA Foundation project - OT	-	750	(750)	5,039	9,000	(3,961)
FFA Foundation project - OECT	-	750	(750)	4,395	9,000	(4,605)
FFA Foundation project - Lifetime achievement	-	208	(208)	2,024	2,500	(476)
FFA Foundation project - Outstanding service citation	-	-	-	1,900	-	1,900
FFA Foundation teacher workshop	-	-	-	-	-	-
FFA Foundation Regional Grants	-	-	-	-	-	-
FFA Foundation Agriscience Initiative	-	1,667	(1,667)	-	20,000	(20,000)
FFA Foundation XLR8	14,585	3,333	11,252	45,672	40,000	5,672
FFA Foundation convention internet lounge	-	-	-	-	-	-
NPS Ag Ed Leadership dinner	-	352	(352)	-	4,225	(4,225)
Upper division scholarships	28,500	1,667	26,833	28,500	20,000	8,500
TTTK	-	-	-	-	-	-
NATAA	11,315	10,833	482	85,375	130,000	(44,625)
Regional grants	-	-	-	-	-	-
NPS expense	-	417	(417)	-	5,000	(5,000)
Webinar expense	-	42	(42)	198	500	(302)
Teacher crisis fund	-	-	-	13,350	-	13,350
Communities of practice expense	-	3,167	(3,167)	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	4,950	-	4,950	17,150	-	17,150
TTTK stipends	1,000	-	1,000	1,000	-	1,000
XLR8 stipends	1,750	-	1,750	1,750	-	1,750
BFRDP expense	-	-	-	-	-	-
BFPD contract labor	-	-	-	-	-	-
Credit card expense	496	333	163	6,088	4,000	2,088
Storage	-	-	-	2,269	-	2,269
Professional development	24	-	24	46	-	46
Ag ed opportunity fund	-	-	-	-	-	-
Miscellaneous	-	-	-	2,960	-	2,960
TOTAL EXPENSES	<u>211,757</u>	<u>170,346</u>	<u>41,411</u>	<u>1,147,507</u>	<u>2,044,165</u>	<u>(896,658)</u>
NET INCOME (LOSS)	<u>\$ (220,866)</u>	<u>\$ 1,710</u>	<u>\$ (222,576)</u>	<u>\$ (27,006)</u>	<u>\$ 72,578</u>	<u>\$ (99,584)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Seven Months Ended January 31, 2019

	<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	\$ 7,880	\$ 10,583	\$ (2,703)	\$ 158,035	\$ 127,000	\$ 31,035
Convention, trade show	-	-	-	2,100	-	2,100
Convention, sponsorships - FFA Foundation	11,808	5,417	6,391	46,488	65,000	(18,512)
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	-	1,667	(1,667)	15,750	20,000	(4,250)
TOTAL REVENUE	<u>19,688</u>	<u>17,667</u>	<u>2,021</u>	<u>222,373</u>	<u>212,000</u>	<u>10,373</u>
EXPENSES						
Convention, plaques and trophies	-	167	(167)	1,404	2,000	(596)
Convention, printing	1,007	-	1,007	3,696	-	3,696
Convention, awards	-	750	(750)	10,210	9,000	1,210
Convention, miscellaneous	-	-	-	1,801	-	1,801
Convention, meal functions	-	125	(125)	-	1,500	(1,500)
Convention, promotion and marketing	-	417	(417)	12,670	5,000	7,670
Convention, postage and shipping	3,150	333	2,817	7,234	4,000	3,234
Convention, equipment rental	30,946	2,000	28,946	36,165	24,000	12,165
Convention, host state social	-	-	-	-	-	-
Convention, committee expense	335	379	(44)	3,350	4,550	(1,200)
Convention, sponsorships - FFA Foundation	39,398	4,583	34,815	39,398	55,000	(15,602)
Convention, travel/board of directors	-	1,917	(1,917)	12,419	23,000	(10,581)
Convention, staff travel	(240)	1,000	(1,240)	14,771	12,000	2,771
TOTAL EXPENSES	<u>74,596</u>	<u>11,671</u>	<u>62,925</u>	<u>143,118</u>	<u>140,050</u>	<u>3,068</u>
NET INCOME (LOSS)	<u>\$ (54,908)</u>	<u>\$ 5,996</u>	<u>\$ (60,904)</u>	<u>\$ 79,255</u>	<u>\$ 71,950</u>	<u>\$ 7,305</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses
For the One and Seven Months Ended January 31, 2019

	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	\$ 8,800	-	\$ 8,800	\$ 499,757	\$ 612,000	\$ (112,243)
USDA NIFA PD-STEP 18	-	-	-	-	\$ 85,000	-
Middle School	-	-	-	57,400	57,400	-
MSA	52,398	-	52,398	55,938	52,398	3,540
APT	-	-	-	5,640	-	5,640
ABF	-	-	-	62,500	103,000	(40,500)
Sustain Revenue	-	-	-	45,000	45,000	-
ARD CI Revenue	-	-	-	7,200	-	7,200
Vendor - Vernier	24,115	-	24,115	789,496	640,000	149,496
Vendor - NewByte	560	-	560	4,976	4,500	476
Vendor - Bio-Rad	-	-	-	-	5,000	(5,000)
Royalty - Cengage	-	-	-	87,764	25,000	62,764
Royalty - Ward's	-	-	-	-	14,000	(14,000)
G.W. Publications	-	-	-	2,017	-	2,017
CASE Online	7,069	-	7,069	23,329	36,000	(12,671)
Merchandise	-	-	-	88	-	88
Replacement CD	125	-	125	1,925	-	1,925
TOTAL REVENUE	93,067	-	93,067	1,643,030	1,679,298	48,732
EXPENSES						
Travel	-	-	-	9,711	105,950	(96,239)
Travel - staff	1,482	-	1,482	18,221	26,500	(8,279)
Salary	7,258	-	7,258	51,391	82,000	(30,609)
Taxes and benefits	306	-	306	2,145	25,000	(22,855)
Contract labor	23,692	-	23,692	221,092	429,500	(208,408)
Supplies	-	-	-	224	12,450	(12,226)
Promotion	-	-	-	6,918	9,700	(2,782)
Printing	-	-	-	200	5,500	(5,300)
Postage	-	-	-	1,499	1,450	49
Technology (CASE Online/IT)	-	-	-	-	21,000	(21,000)
Management fee	-	-	-	-	24,000	(24,000)
Vernier	21,665	-	21,665	703,945	556,800	147,145
NewByte	360	-	360	2,553	2,565	(12)
Legal and professional	-	-	-	770	2,200	(1,430)
Lead teacher orientation	-	-	-	-	-	-
Lead teacher stipends	-	-	-	95,900	210,000	(114,100)
Institute expense	175,057	-	175,057	225,378	-	225,378
USDA NIFA PD-STEP 18	-	-	-	17,842	82,600	(64,758)
APT	-	-	-	4,716	-	4,716
MSA	-	-	-	15,886	-	15,886
ABF	-	-	-	-	-	-
ARDCI	-	-	-	2,059	-	2,059
G.W. Publications	-	-	-	1,663	-	1,663
Technology	2,416	-	2,416	2,416	-	2,416
Sustain expense	-	-	-	9,000	8,500	500
Royalty expense - Cengage	-	-	-	78,886	21,500	57,386
CI Mentor contract labor	-	-	-	-	-	-
CI mentor	-	-	-	-	-	-
Depreciation	9	-	9	66	-	66
TOTAL EXPENSES	232,245	-	232,245	1,472,481	1,627,215	(154,734)
NET INCOME (LOSS)	\$ (139,178)	\$ -	\$ (139,178)	\$ 170,549	\$ 52,083	\$ 203,466

SEE ACCOMPANYING ACCOUNTANT'S REPORT