

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 February 28, 2019 and the related statement of activities for the eight 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, CASE Initiative Revenue and Expenses, and National Teach Ag Campaign 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

March 16, 2019

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

February 28, 2019

ASSETS	
Cash on deposit	\$ 464,606
Investments - operating fund	738,671
Investments - life membership fund	257,844
Accounts receivable	270,781
Inventory	5,000
Property and equipment - CASE Initiative	247
Property and equipment	<u>10,161</u>
 TOTAL ASSETS	 <u>\$ 1,747,310</u>
 LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts payable	\$ 92,131
Accrued leave payable	39,221
Other current liabilities	<u>8,415</u>
 TOTAL LIABILITIES	 <u>139,767</u>
 NET ASSETS	
Unrestricted net assets:	
Current operation	1,014,371
Board designated for special purposes	218,555
Temporarily restricted net assets	(491,011)
CASE Initiative	<u>865,628</u>
 TOTAL NET ASSETS	 <u>1,607,543</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,747,310</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Eight Months Ended February 28, 2019

	<u>Unrestricted</u>		<u>Temporarily Restricted</u>	<u>CASE Initiative</u>	<u>Total</u>
	<u>Current Operations</u>	<u>Board Designated</u>			
Revenue, Gains and Losses					
Membership dues	\$ 429,145	\$ 3,780	\$ -	\$ -	\$ 432,925
Convention registration	158,135	-	-	-	158,135
Sponsorship and awards	27,210	-	-	-	27,210
Merchandise sales	5,853	-	-	-	5,853
Contributions	-	-	-	-	-
Net realized and unrealized gains (losses) on securities	(56,489)	-	-	-	(56,489)
Interest and dividends	39,122	-	-	-	39,122
FFA Foundation projects	118,900	-	-	-	118,900
CASE Initiative income	-	-	-	1,789,510	1,789,510
National Teach Ag Campaign Income	-	-	123,000	-	123,000
Other income	280,287	-	-	-	280,287
	<u>1,002,163</u>	<u>3,780</u>	<u>123,000</u>	<u>1,789,510</u>	<u>2,918,453</u>
Net Assets Released from Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue, Gains and Losses and Reclassifications	<u>1,002,163</u>	<u>3,780</u>	<u>123,000</u>	<u>1,789,510</u>	<u>2,918,453</u>
Expenses					
General expenses	591,507	-	-	-	591,507
FFA Foundation projects	364,567	-	-	-	364,567
CASE Initiative expenses	-	-	-	1,547,569	1,547,569
National Teach Ag Campaign expenses	-	-	615,561	-	615,561
Convention expenses	194,643	-	-	-	194,643
	<u>1,150,717</u>	<u>-</u>	<u>615,561</u>	<u>1,547,569</u>	<u>2,698,286</u>
INCREASE (DECREASE) IN NET ASSETS	(148,554)	3,780	(492,561)	241,941	(395,394)
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>\$ 1,014,371</u>	<u>\$ 218,555</u>	<u>\$ (491,011)</u>	<u>\$ 865,628</u>	<u>\$ 1,607,543</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Eight Months Ended February 28, 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	\$ 19,150	\$	\$ 34,023	\$	\$ (14,873)	\$	\$ 422,125	\$	\$ 408,280	\$	\$ 13,845
Corporate membership dues	1,500		1,250		250		10,800		15,000		(4,200)
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	25		2,917		(2,892)		30,249		35,000		(4,751)
Net realized and unrealized gains (losses) on securities	-		-		-		(56,489)				(56,489)
Merchandise sales	593		500		93		5,853		6,000		(147)
Investment income, Life Fund	-		1,000		(1,000)		8,873		12,000		(3,127)
Contributions, Legislative Fund	-		-		-		-				-
Miscellaneous income	-		750		(750)		4,859		9,000		(4,141)
Scholarship raffle proceeds	-		-		-		-				-
Student teacher scholarship revenue	-		-		-		-				-
Teacher crisis fund	3,045		-		3,045		12,203				12,203
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 Initiative 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	-		-		-		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	-		1,298		(1,298)		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/NAI	-		-		-		-				-
FFA Foundation project - XLR8	-		6,567		(6,567)		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 Initiative net income	68,081		3,966		64,115		241,941		47,583		194,358
Convention net income	(39,967)		5,996		(45,963)		39,290		71,950		(32,660)
National Teach Ag Campaign net income	(295,913)		6,250		(302,163)		(492,561)		75,000		(567,561)
TOTAL REVENUE	(243,486)		101,022		(344,508)		560,680		1,212,243		(651,563)
EXPENSES											
Salaries	38,959		32,500		6,459		313,410		390,000		(76,590)
Taxes and benefits	9,230		9,151		79		63,256		109,815		(46,559)
Computer service	750		1,667		(917)		9,975		20,000		(10,025)
Telephone	427		500		(73)		2,682		6,000		(3,318)
Accounting	700		1,367		(667)		14,100		16,400		(2,300)
Depreciation	354		333		21		2,736		4,000		(1,264)
Rent	-		838		(838)		-		10,050		(10,050)
Insurance	-		1,000		(1,000)		7,360		12,000		(4,640)
Legal	-		83		(83)		-		1,000		(1,000)
Office Supplies	2,382		1,083		1,299		10,343		13,000		(2,657)
Bank charges and investment fees	-		8		(8)		7,124		100		7,024
Printing, general	-		250		(250)		885		3,000		(2,115)
Staff training	-		83		(83)		207		1,000		(793)
Taxes and licenses	10		4		6		273		50		223
Membership and contributions	8,000		1,667		6,333		13,051		20,000		(6,949)
Travel, staff	1,891		2,917		(1,026)		14,864		35,000		(20,136)
Promotion and marketing	(222)		2,083		(2,305)		14,632		25,000		(10,368)

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Eight Months Ended February 28, 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	-	417	(417)	5,943	5,000	943
Photocopying	-	8	(8)	-	100	(100)
Postage, general	548	667	(119)	7,032	8,000	(968)
Professional liability insurance	-	3,285	(3,285)	40,830	39,425	1,405
Public relations	296	83	213	576	1,000	(424)
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Travel, regional secretaries	-	1,500	(1,500)	12,732	18,000	(5,268)
Travel, board of directors	1,228	3,333	(2,105)	18,227	40,000	(21,773)
FFA Foundation project - TTTK	-	3,333	(3,333)	58,527	40,000	18,527
FFA Foundation project - OPAP	-	750	(750)	9,308	9,000	308
FFA Foundation project - OMSP	6,693	750	5,943	10,907	9,000	1,907
FFA Foundation project - OT	6,913	750	6,163	11,952	9,000	2,952
FFA Foundation project - OECT	6,141	750	5,391	10,536	9,000	1,536
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	2,541	3,333	(792)	48,213	40,000	8,213
FFA Foundation convention internet lounge	-	-	-	-	-	-
NPS Ag Ed Leadership dinner	-	352	(352)	-	4,225	(4,225)
Upper division scholarships	1,500	1,667	(167)	30,000	20,000	10,000
TTTK	-	-	-	-	-	-
NATAA	30,514	10,833	19,681	115,890	130,000	(14,110)
Regional grants	-	-	-	-	-	-
NPS expense	5,750	417	5,333	5,750	5,000	750
Webinar expense	105	42	63	303	500	(197)
Teacher crisis fund	1,000	-	1,000	14,350	-	14,350
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	1,500	-	1,500	18,650	-	18,650
TTTK stipends	-	-	-	1,000	-	1,000
XLR8 stipends	-	-	-	1,750	-	1,750
BFRDP expense	-	-	-	-	-	-
BFPD contract labor	-	-	-	-	-	-
Credit card expense	676	333	343	6,764	4,000	2,764
Storage	-	-	-	2,269	-	2,269
Professional development	328	-	328	373	-	373
Ag ed oppourtuinty fund	-	-	-	-	-	-
Miscellaneous	-	-	-	2,960	-	2,960
TOTAL EXPENSES	<u>128,214</u>	<u>95,346</u>	<u>32,868</u>	<u>956,074</u>	<u>1,144,165</u>	<u>(188,091)</u>
NET INCOME (LOSS)	<u>\$ (371,700)</u>	<u>\$ 5,676</u>	<u>\$ (377,376)</u>	<u>\$ (395,394)</u>	<u>\$ 68,078</u>	<u>\$ (463,472)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Eight Months Ended February 28, 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	\$ 100	\$ 10,583	\$ (10,483)	\$ 158,135	\$ 127,000	\$ 31,135
Convention, trade show	-	-	-	2,100	-	2,100
Convention, sponsorships - FFA Foundation	-	5,417	(5,417)	46,488	65,000	(18,512)
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	11,460	1,667	9,793	27,210	20,000	7,210
TOTAL REVENUE	<u>11,560</u>	<u>17,667</u>	<u>(6,107)</u>	<u>233,933</u>	<u>212,000</u>	<u>21,933</u>
EXPENSES						
Convention, plaques and trophies	-	167	(167)	1,404	2,000	(596)
Convention, printing	-	-	-	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	-	333	(333)	7,234	4,000	3,234
Convention, equipment rental	10,524	2,000	8,524	46,688	24,000	22,688
Convention, host state social	-	-	-	-	-	-
Convention, committee expense	-	379	(379)	3,350	4,550	(1,200)
Convention, sponsorships - FFA Foundation	25,977	4,583	21,394	65,375	55,000	10,375
Convention, travel/board of directors	9,243	1,917	7,326	21,662	23,000	(1,338)
Convention, staff travel	5,783	1,000	4,783	20,553	12,000	8,553
TOTAL EXPENSES	<u>51,527</u>	<u>11,671</u>	<u>39,856</u>	<u>194,643</u>	<u>140,050</u>	<u>54,593</u>
NET INCOME (LOSS)	<u>\$ (39,967)</u>	<u>\$ 5,996</u>	<u>\$ (45,963)</u>	<u>\$ 39,290</u>	<u>\$ 71,950</u>	<u>\$ (32,660)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Initiative Revenue and Expenses
For the One and Eight Months Ended February 28, 2019

	MONTH ACTUAL	MONTH BUDGET	MONTH \$VARIANCE	YEAR TO DATE ACTUAL	YEAR BUDGET	YEAR \$VARIANCE
REVENUE						
CI fee revenue	\$ 700	51,000	\$ (50,300)	\$ 500,457	\$ 612,000	\$ (111,543)
USDA NIFA PD-STEP 18	85,483	7,083	78,400	85,483	85,000	483
Vernier revenue	30,616	53,333	(22,717)	819,389	640,000	179,389
NewByte revenue	79	375	(296)	5,055	4,500	555
Vendor - Bio-Rad	-	417	(417)	-	5,000	(5,000)
Field test fees	-	-	-	-	-	-
NRES	-	-	-	-	-	-
APT revenue	1,004	-	1,004	6,643	-	6,643
ASP	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA Revenue	-	4,367	(4,367)	55,938	52,398	3,540
ABF	-	8,583	(8,583)	62,500	103,000	(40,500)
ARD CI Revenue	-	-	-	7,200	-	7,200
Capstone Revenue	-	-	-	-	-	-
Cengage revenue	4,174	2,083	2,091	91,939	25,000	66,939
Ward's revenue	23,641	1,167	22,474	23,641	14,000	9,641
FSS revenue	-	-	-	-	-	-
MidSch	-	4,783	(4,783)	57,400	57,400	-
Sustain revenue	-	3,750	(3,750)	45,000	45,000	-
G.W. Pubs revenue	-	-	-	2,017	-	2,017
Online	1,456	3,000	(1,544)	24,785	36,000	(11,215)
Merchandise	-	-	-	88	-	88
Course downloads	50	-	50	1,975	-	1,975
TOTAL REVENUE	147,203	139,941	7,262	1,789,510	1,679,298	110,212
EXPENSES						
Travel	4,789	3,875	914	14,500	46,500	(32,000)
Travel - staff	7,408	2,208	5,200	25,629	26,500	(871)
Salary	7,258	6,833	425	58,649	82,000	(23,351)
Taxes and benefits	306	2,083	(1,777)	2,452	25,000	(22,548)
Contract labor	27,400	35,792	(8,392)	248,492	429,500	(181,008)
Supplies	7	479	(472)	231	5,750	(5,519)
Merchandise	-	-	-	-	-	-
Promotion	(1,540)	808	(2,348)	5,378	9,700	(4,322)
Printing	-	458	(458)	200	5,500	(5,300)
Postage	-	121	(121)	1,499	1,450	49
Technology	-	458	(458)	-	5,500	(5,500)
Management fee	-	2,000	(2,000)	-	24,000	(24,000)
Vernier	24,410	46,400	(21,990)	728,355	556,800	171,555
NewByte	-	214	(214)	2,553	2,565	(12)
Bio-Rad	-	-	-	-	-	-
Legal and professional	-	183	(183)	770	2,200	(1,430)
Lead teacher orientation	-	5,513	(5,513)	-	66,150	(66,150)
Lead teacher stipends	-	17,500	(17,500)	95,900	210,000	(114,100)
Field test	-	-	-	-	-	-
Institute expense	-	-	-	225,378	-	225,378
USDA NIFA PD-STEP 18	-	6,883	(6,883)	17,842	82,600	(64,758)
NRES	-	-	-	-	-	-
FSS	-	-	-	-	-	-
APT	594	-	594	5,310	-	5,310
ARD	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	-	-	-	15,886	-	15,886
ABF	-	-	-	-	-	-
ARDCI	-	-	-	2,059	-	2,059
G.W. Publisher	-	-	-	1,663	-	1,663
Technology	4,113	-	4,113	6,529	-	6,529
Sustain expense	-	708	(708)	9,000	8,500	500
Online expense	-	1,667	(1,667)	-	20,000	(20,000)
Cengage	4,367	1,792	2,575	79,218	21,500	57,718
CI Mentor contract labor	-	-	-	-	-	-
CI mentor	-	-	-	-	-	-
Depreciation	10	-	10	76	-	76
TOTAL EXPENSES	79,122	135,975	(56,853)	1,547,569	1,631,715	(84,146)
NET INCOME (LOSS)	\$ 68,081	\$ 3,966	\$ 64,115	\$ 241,941	\$ 47,583	\$ 194,358

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of National Teach Ag Campaign Revenue and Expenses
For the One and Eight Months Ended February 28, 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						
National Teach Ag Campaign	\$ -	\$ 81,250	\$ (81,250)	\$ 123,000	\$ 975,000	\$ (852,000)
EXPENSES						
Contractor stipends	-	-	-			-
Staff salaries	-	-	-			-
Staff fringes	-	-	-			-
Travel	179	-	179	179		179
Supplies	-	-	-			-
Promotion	-	-	-			-
Presenter stipends	-	-	-			-
IT services	1,743	-	1,743	1,743		1,743
Printing	-	-	-			-
Postage/shipping	-	-	-			-
Professional dev	-	-	-			-
State grants	-	-	-			-
NAAE management fee	-	-	-			-
Grants	-	-	-			-
Nat'l Teach Ag Campaign	293,991	75,000	218,991	613,639	900,000	(286,361)
Miscellaneous	-	-	-	-	-	-
TOTAL EXPENSES	<u>295,913</u>	<u>75,000</u>	<u>220,913</u>	<u>615,561</u>	<u>900,000</u>	<u>(284,439)</u>
NET INCOME (LOSS)	<u>\$ (295,913)</u>	<u>\$ 6,250</u>	<u>\$ (302,163)</u>	<u>\$ (492,561)</u>	<u>\$ 75,000</u>	<u>\$ (567,561)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT