

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 December 31, 2018 and the related statement of activities for the six 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

December 31, 2018

ASSETS

Cash on deposit	\$ 1,033,633
Investments - operating fund	714,412
Investments - life membership fund	248,675
Accounts receivable	310,472
Inventory	5,000
Prepaid expenses	76
Property and equipment - CASE	266
Property and equipment	<u>9,916</u>

TOTAL ASSETS \$ 2,322,450

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 77,476
Accrued leave payable	39,221
Other current liabilities	<u>8,956</u>

TOTAL LIABILITIES 125,653

NET ASSETS

Unrestricted net assets:	
Current operation	1,044,898
Board designated for special purposes	216,935
Temporarily restricted net assets	1,550
CASE Project	<u>933,414</u>

TOTAL NET ASSETS 2,196,797

TOTAL LIABILITIES AND NET ASSETS \$ 2,322,450

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Six Months Ended December 31, 2018

	<u>Unrestricted</u>		<u>Temporarily Restricted</u>	<u>CASE Project</u>	<u>Total</u>
	<u>Current Operations</u>	<u>Board Designated</u>			
Revenue, Gains and Losses					
Membership dues	\$ 393,625	\$ 2,160	\$ -	\$ -	\$ 395,785
Convention registration	150,155	-	-	-	150,155
Sponsorship and awards	15,750	-	-	-	15,750
Merchandise sales	5,260	-	-	-	5,260
Contributions	-	-	-	-	-
Net realized and unrealized gains (losses) on securities	(92,063)	-	-	-	(92,063)
Interest and dividends	39,049	-	-	-	39,049
FFA Foundation projects	111,520	-	-	-	111,520
CASE Program income	-	-	-	1,549,965	1,549,965
Other income	262,949	-	-	-	262,949
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue, Gains and Losses	886,245	2,160	-	1,549,965	2,438,370
Net Assets Released from Restrictions	-	-	-	-	-
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Total Revenue, Gains and Losses and Reclassifications	886,245	2,160	-	1,549,965	2,438,370
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Expenses					
General expenses	447,650	-	-	-	447,650
FFA Foundation projects	488,100	-	-	-	488,100
CASE Program expenses	-	-	-	1,240,238	1,240,238
Convention expenses	68,522	-	-	-	68,522
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Total expenses	1,004,272	-	-	1,240,238	2,244,510
INCREASE (DECREASE) IN NET ASSETS	(118,027)	2,160	-	309,727	193,860
NET ASSETS AT BEGINNING OF PERIOD	1,162,925	214,775	1,550	623,687	2,002,937
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS AT END OF PERIOD	\$ 1,044,898	\$ 216,935	\$ 1,550	\$ 933,414	\$ 2,196,797
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SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Six Months Ended December 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											
Member dues	\$ 13,025	\$	\$ 34,023	\$	\$ (20,998)	\$	\$ 388,735	\$	\$ 408,280	\$	\$ (19,545)
Corporate membership dues	-		1,250		(1,250)		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	26,494		2,917		23,577		30,182		35,000		(4,818)
Net realized and unrealized gains (losses) on securities	(66,627)		-		(66,627)		(92,063)		-		(92,063)
Merchandise sales	512		500		12		5,260		6,000		(740)
Investment income, Life Fund	7,609		1,000		6,609		8,867		12,000		(3,133)
Contributions, Legislative Fund	-		-		-		-		-		-
Miscellaneous income	-		750		(750)		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	180		-		180		9,148		-		9,148
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	339		-		339		2,612		-		2,612
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)		4,920		67,200		(62,280)
FFA Foundation convention internet lounge	-		-		-		-		-		-
CASE program net income	(39,384)		-		(39,384)		309,727		-		309,727
Convention net income	(58,679)		5,996		(64,675)		134,163		71,950		62,213
TOTAL REVENUE	(116,531)		172,056		(288,587)		1,129,610		2,064,660		(935,050)
EXPENSES											
Salaries	46,848		32,500		14,348		230,598		390,000		(159,402)
Taxes and benefits	7,843		9,151		(1,308)		46,004		109,815		(63,811)
Computer service	1,550		1,667		(117)		8,513		20,000		(11,487)
Telephone	318		500		(182)		1,966		6,000		(4,034)
Accounting	700		1,367		(667)		12,700		16,400		(3,700)
Depreciation	338		333		5		2,028		4,000		(1,972)
Rent	-		838		(838)		-		10,050		(10,050)
Insurance	42		1,000		(958)		6,126		12,000		(5,874)
Legal	-		83		(83)		-		1,000		(1,000)
Office Supplies	41		1,083		(1,042)		6,972		13,000		(6,028)
Bank charges and investment fees	-		8		(8)		4,962		100		4,862
Printing, general	335		250		85		511		3,000		(2,489)
Staff training	30		83		(53)		48		1,000		(952)
Taxes and licenses	-		4		(4)		263		50		213
Membership and contributions	-		1,667		(1,667)		4,051		20,000		(15,949)
Travel, staff	2,384		2,917		(533)		11,054		35,000		(23,946)
Promotion and marketing	1,678		2,083		(405)		14,997		25,000		(10,003)

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Six Months Ended December 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>
Merchandise and diaries	(86)	417	(503)	4,687	5,000	(313)
Photocopying	-	8	(8)	-	100	(100)
Postage, general	1,085	667	418	4,695	8,000	(3,305)
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	1,137	1,500	(363)	7,833	18,000	(10,167)
Travel, board of directors	-	3,333	(3,333)	12,703	40,000	(27,297)
Nat'l Teach Ag Campaign	34,571	75,000	(40,429)	272,577	900,000	(627,423)
FFA Foundation project - TTTK	1,839	3,333	(1,494)	35,863	40,000	(4,137)
FFA Foundation project - OPAP	225	750	(525)	3,829	9,000	(5,171)
FFA Foundation project - OMSP	225	750	(525)	4,214	9,000	(4,786)
FFA Foundation project - OT	225	750	(525)	5,039	9,000	(3,961)
FFA Foundation project - OECT	726	750	(24)	4,395	9,000	(4,605)
FFA Foundation project - Lifetime achievement	225	208	17	2,024	2,500	(476)
FFA Foundation project - Outstanding service citation	225	-	225	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	4,596	3,333	1,263	31,088	40,000	(8,912)
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	1,768	10,833	(9,065)	74,061	130,000	(55,939)
Regional grants	-	-	-	-	-	-
NPS expense	-	417	(417)	-	5,000	(5,000)
Webinar expense	-	42	(42)	198	500	(302)
Teacher crisis fund	2,500	-	2,500	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	-	-	-	12,200	-	12,200
BFRDP expense	-	-	-	-	-	-
BFPD contract labor	-	-	-	-	-	-
Credit card expense	539	333	206	5,592	4,000	1,592
Storage	2,269	-	2,269	2,269	-	2,269
Professional development	22	-	22	22	-	22
Ag ed opportunity fund	-	-	-	-	-	-
Miscellaneous	-	-	-	2,960	-	2,960
TOTAL EXPENSES	114,198	170,346	(56,148)	935,750	2,044,165	(1,108,415)
NET INCOME (LOSS)	\$ (230,729)	\$ 1,710	\$ (232,439)	\$ 193,860	\$ 20,495	\$ 173,365

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Six Months Ended December 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	\$ 100	\$ 10,583	\$ (10,483)	\$ 150,155	\$ 127,000	\$ 23,155
Convention, trade show	-	-	-	2,100	-	2,100
Convention, sponsorships - FFA Foundation	(45,000)	5,417	(50,417)	34,680	65,000	(30,320)
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	-	1,667	(1,667)	15,750	20,000	(4,250)
TOTAL REVENUE	<u>(44,900)</u>	<u>17,667</u>	<u>(62,567)</u>	<u>202,685</u>	<u>212,000</u>	<u>(9,315)</u>
EXPENSES						
Convention, plaques and trophies	1,296	167	1,129	1,404	2,000	(596)
Convention, printing	-	-	-	2,689	-	2,689
Convention, awards	450	750	(300)	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	2,098	333	1,765	4,084	4,000	84
Convention, equipment rental	-	2,000	(2,000)	5,219	24,000	(18,781)
Convention, host state social	-	-	-	-	-	-
Convention, committee expense	1,005	379	626	3,015	4,550	(1,535)
Convention, sponsorships - FFA Foundation	-	4,583	(4,583)	-	55,000	(55,000)
Convention, travel/board of directors	3,572	1,917	1,655	12,419	23,000	(10,581)
Convention, staff travel	5,358	1,000	4,358	15,011	12,000	3,011
TOTAL EXPENSES	<u>13,779</u>	<u>11,671</u>	<u>2,108</u>	<u>68,522</u>	<u>140,050</u>	<u>(71,528)</u>
NET INCOME (LOSS)	<u>\$ (58,679)</u>	<u>\$ 5,996</u>	<u>\$ (64,675)</u>	<u>\$ 134,163</u>	<u>\$ 71,950</u>	<u>\$ 62,213</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses

For the One and Six Months Ended December 31, 2018

	MONTH <u>ACTUAL</u>	MONTH <u>BUDGET</u>	MONTH <u>\$VARIANCE</u>	YEAR TO DATE <u>ACTUAL</u>	YEAR <u>BUDGET</u>	YEAR <u>\$VARIANCE</u>
REVENUE						
CI fees	\$ 12,650	\$ -	\$ 12,650	\$ 490,957	\$ -	\$ 490,957
Vendor - Vernier	24,587	-	24,587	765,381	-	765,381
Vendor - NewByte	-	-	-	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
Sustain revenue	45,000	-	45,000	45,000	-	45,000
G.W. Publications	-	-	-	2,017	-	2,017
Online	137	-	137	16,260	-	16,260
Merchandise	-	-	-	88	-	88
Replacement CD	150	-	150	1,800	-	1,800
TOTAL REVENUE	82,524	-	82,524	1,549,965	-	1,549,965
EXPENSES						
Council assessment	-	-	-	-	-	-
Travel	400	-	400	9,711	-	9,711
Travel - staff	783	-	783	16,739	-	16,739
Salary	7,258	-	7,258	44,134	-	44,134
Taxes and benefits	306	-	306	1,839	-	1,839
Contract labor	24,383	-	24,383	197,400	-	197,400
Supplies	-	-	-	224	-	224
Merchandise	-	-	-	-	-	-
Promotion	826	-	826	6,918	-	6,918
Printing	-	-	-	200	-	200
Postage	-	-	-	1,499	-	1,499
Telecommunications	-	-	-	-	-	-
Management fee	-	-	-	-	-	-
Vernier	22,215	-	22,215	682,281	-	682,281
NewByte	-	-	-	2,193	-	2,193
Bio-Rad	-	-	-	-	-	-
Legal and professional	770	-	770	770	-	770
Lead teacher orientation	-	-	-	-	-	-
Lead teacher stipends	6,300	-	6,300	95,900	-	95,900
Field test	-	-	-	-	-	-
Institute expense	50,157	-	50,157	50,321	-	50,321
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	8,500	-	8,500	9,000	-	9,000
Online expense	-	-	-	-	-	-
Royalty expense - Cengage	-	-	-	78,886	-	78,886
CI Mentor contract labor	-	-	-	-	-	-
CI mentor	-	-	-	-	-	-
Depreciation	10	-	10	57	-	57
TOTAL EXPENSES	121,908	-	121,908	1,240,238	-	1,240,238
NET INCOME (LOSS)	\$ (39,384)	\$ -	\$ (39,384)	\$ 309,727	\$ -	\$ 309,727

SEE ACCOMPANYING ACCOUNTANT'S REPORT