

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 March 31, 2019 and the related statement of activities for the nine 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

April 29, 2019

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

March 31, 2019

ASSETS	
Cash on deposit	\$ 293,421
Investments - operating fund	759,651
Investments - life membership fund	266,165
Accounts receivable	326,591
Inventory	5,000
Prepaid expenses	2,783
Property and equipment - CASE Initiative	238
Property and equipment	<u>9,807</u>
 TOTAL ASSETS	 <u>\$ 1,663,656</u>
 LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts payable	\$ 116,685
Accrued leave payable	39,221
Other current liabilities	<u>8,443</u>
 TOTAL LIABILITIES	 <u>164,349</u>
 NET ASSETS	
Unrestricted net assets:	
Current operation	988,636
Board designated for special purposes	219,275
Temporarily restricted net assets	(524,676)
CASE Initiative	<u>816,072</u>
 TOTAL NET ASSETS	 <u>1,499,307</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,663,656</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Nine Months Ended March 31, 2019

	<u>Unrestricted</u>		Temporarily <u>Restricted</u>	CASE <u>Initiative</u>	<u>Total</u>
	<u>Current Operations</u>	<u>Board Designated</u>			
Revenue, Gains and Losses					
Membership dues	\$ 433,615	\$ 4,500	\$ -	\$ -	\$ 438,115
Convention registration	158,135	-	-	-	158,135
Sponsorship and awards	27,210	-	-	-	27,210
Merchandise sales	6,026	-	-	-	6,026
Contributions	-	-	-	-	-
Net realized and unrealized gains (losses) on securities	(29,870)	-	-	-	(29,870)
Interest and dividends	41,821	-	-	-	41,821
FFA Foundation projects	118,900	-	-	-	118,900
CASE Initiative income	-	-	-	1,870,683	1,870,683
National Teach Ag Campaign Income	-	-	123,000	-	123,000
Other income	280,347	-	-	-	280,347
	<u>1,036,184</u>	<u>4,500</u>	<u>123,000</u>	<u>1,870,683</u>	<u>3,034,367</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>1,036,184</u>	<u>4,500</u>	<u>123,000</u>	<u>1,870,683</u>	<u>3,034,367</u>
Expenses					
General expenses	646,230	-	-	-	646,230
FFA Foundation projects	369,600	-	-	-	369,600
CASE Initiative expenses	-	-	-	1,678,298	1,678,298
National Teach Ag Campaign expenses	-	-	649,226	-	649,226
Convention expenses	194,643	-	-	-	194,643
	<u>1,210,473</u>	<u>-</u>	<u>649,226</u>	<u>1,678,298</u>	<u>2,888,771</u>
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	(174,289)	4,500	(526,226)	192,385	(503,630)
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>\$ 988,636</u>	<u>\$ 219,275</u>	<u>\$ (524,676)</u>	<u>\$ 816,072</u>	<u>\$ 1,499,307</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Nine Months Ended March 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	\$ 4,440	\$ 34,023	\$ (29,583)	\$ 426,565	\$ 408,280	\$ 18,285
Corporate membership dues	750	1,250	(500)	11,550	15,000	(3,450)
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	1,519	2,917	(1,398)	32,269	35,000	(2,731)
Net realized and unrealized gains (losses) on securities	5,345	-	5,345	(29,870)	-	(29,870)
Merchandise sales	173	500	(327)	6,026	6,000	26
Investment income, Life Fund	502	1,000	(498)	9,552	12,000	(2,448)
Contributions, Legislative Fund	-	-	-	-	-	-
Miscellaneous income	-	750	(750)	4,859	9,000	(4,141)
Scholarship raffle proceeds	-	-	-	-	-	-
Student teacher scholarship revenue	-	-	-	-	-	-
Teacher crisis fund	10	-	10	12,213	-	12,213
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	50	-	50	2,687	-	2,687
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	(49,553)	3,966	(53,519)	192,385	47,583	144,802
Convention net income	-	5,996	(5,996)	39,290	71,950	(32,660)
National Teach Ag Campaign net income	(33,665)	6,250	(39,915)	(526,226)	75,000	(601,226)
TOTAL REVENUE	(70,429)	101,022	(171,451)	512,200	1,212,243	(700,043)
EXPENSES						
Salaries	35,887	32,500	3,387	349,297	390,000	(40,703)
Taxes and benefits	5,318	9,151	(3,833)	68,574	109,815	(41,241)
Computer service	1,125	1,667	(542)	11,100	20,000	(8,900)
Telephone	555	500	55	3,343	6,000	(2,657)
Accounting	700	1,367	(667)	14,800	16,400	(1,600)
Depreciation	354	333	21	3,090	4,000	(910)
Rent	-	838	(838)	-	10,050	(10,050)
Insurance	86	1,000	(914)	7,447	12,000	(4,553)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	416	1,083	(667)	10,755	13,000	(2,245)
Bank charges and investment fees	-	8	(8)	7,124	100	7,024
Printing, general	-	250	(250)	885	3,000	(2,115)
Staff training	254	83	171	462	1,000	(538)
Taxes and licenses	-	4	(4)	273	50	223
Membership and contributions	595	1,667	(1,072)	13,646	20,000	(6,354)
Travel, staff	1,280	2,917	(1,637)	16,144	35,000	(18,856)
Promotion and marketing	10	2,083	(2,073)	14,642	25,000	(10,358)

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Nine Months Ended March 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	30	417	(387)	5,974	5,000	974
Photocopying	-	8	(8)	-	100	(100)
Postage, general	390	667	(277)	7,422	8,000	(578)
Professional liability insurance	-	3,285	(3,285)	40,830	39,425	1,405
Public relations	-	83	(83)	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	6,842	3,333	3,509	25,069	40,000	(14,931)
FFA Foundation project - TTTK	-	3,333	(3,333)	58,527	40,000	18,527
FFA Foundation project - OPAP	-	750	(750)	11,202	9,000	2,202
FFA Foundation project - OMSP	-	750	(750)	10,907	9,000	1,907
FFA Foundation project - OT	-	750	(750)	11,952	9,000	2,952
FFA Foundation project - OECT	-	750	(750)	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	2,709	3,333	(624)	50,922	40,000	10,922
FFA Foundation convention internet lounge	-	-	-	-	-	-
NPS Ag Ed Leadership dinner	-	352	(352)	-	4,225	(4,225)
Upper division scholarships	-	1,667	(1,667)	30,000	20,000	10,000
TTTK	-	-	-	-	-	-
NATAA	-	10,833	(10,833)	116,320	130,000	(13,680)
Regional grants	-	-	-	-	-	-
NPS expense	-	417	(417)	5,750	5,000	750
Webinar expense	-	42	(42)	303	500	(197)
Teacher crisis fund	500	-	500	14,850	-	14,850
Communities of practice expense	-	3,167	(3,167)	40,910	38,000	2,910
Substitute teacher hire behinds	-	42	(42)	-	500	(500)
Website	8	1,500	(1,492)	1,508	18,000	(16,492)
NATAA stipends	-	-	-	18,650	-	18,650
TTTK stipends	-	-	-	1,000	-	1,000
XLR8 stipends	-	-	-	1,750	-	1,750
BFRDP expense	-	-	-	-	-	-
BFPD contract labor	-	-	-	-	-	-
Credit card expense	269	333	(64)	7,032	4,000	3,032
Storage	-	-	-	2,269	-	2,269
Professional development	-	-	-	373	-	373
Ag ed oppourtuinty fund	-	-	-	-	-	-
Miscellaneous	-	-	-	2,960	-	2,960
TOTAL EXPENSES	<u>57,328</u>	<u>95,346</u>	<u>(38,018)</u>	<u>1,015,830</u>	<u>1,144,165</u>	<u>(128,335)</u>
NET INCOME (LOSS)	<u>\$ (127,757)</u>	<u>\$ 5,676</u>	<u>\$ (133,433)</u>	<u>\$ (503,630)</u>	<u>\$ 68,078</u>	<u>\$ (571,708)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Nine Months Ended March 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	\$ -	\$ 10,583	\$ (10,583)	\$ 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	-	1,667	(1,667)	27,210	20,000	7,210
TOTAL REVENUE	-	17,667	(17,667)	233,933	212,000	21,933
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	-	2,000	(2,000)	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	-	4,583	(4,583)	65,375	55,000	10,375
Convention, travel/board of directors	-	1,917	(1,917)	21,662	23,000	(1,338)
Convention, staff travel	-	1,000	(1,000)	20,553	12,000	8,553
TOTAL EXPENSES	-	11,671	(11,671)	194,643	140,050	54,593
NET INCOME (LOSS)	<u>\$ -</u>	<u>\$ 5,996</u>	<u>\$ (5,996)</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 Nine Months Ended March 31, 2019

	<u>MONTH ACTUAL</u>	<u>MONTH BUDGET</u>	<u>MONTH \$VARIANCE</u>	<u>YEAR TO DATE ACTUAL</u>	<u>YEAR BUDGET</u>	<u>YEAR \$VARIANCE</u>
REVENUE						
CI fee revenue	\$ 700	51,000	\$ (50,300)	\$ 501,157	\$ 612,000	\$ (110,843)
USDA NIFA PD-STEP 18	-	7,083	(7,083)	85,483	85,000	483
Vernier revenue	64,823	53,333	11,490	884,212	640,000	244,212
NewByte revenue	399	375	24	5,455	4,500	955
Vendor - Bio-Rad	-	417	(417)	-	5,000	(5,000)
Field test fees	-	-	-	-	-	-
NRES	-	-	-	-	-	-
APT revenue	162	-	162	6,806	-	6,806
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	13,000	2,083	10,917	104,938	25,000	79,938
Ward's revenue	-	1,167	(1,167)	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	1,938	3,000	(1,062)	26,723	36,000	(9,277)
Merchandise	-	-	-	88	-	88
Course downloads	150	-	150	2,125	-	2,125
TOTAL REVENUE	81,172	139,941	(58,769)	1,870,683	1,679,298	191,385
EXPENSES						
Travel	16,179	3,875	12,304	30,679	46,500	(15,821)
Travel - staff	1,679	2,208	(529)	27,308	26,500	808
Salary	7,890	6,833	1,057	66,539	82,000	(15,461)
Taxes and benefits	1,393	2,083	(690)	3,846	25,000	(21,154)
Contract labor	29,600	35,792	(6,192)	278,092	429,500	(151,408)
Supplies	11	479	(468)	243	5,750	(5,507)
Merchandise	-	-	-	-	-	-
Promotion	-	808	(808)	5,378	9,700	(4,322)
Printing	572	458	114	772	5,500	(4,728)
Postage	82	121	(39)	1,581	1,450	131
Technology	511	458	53	7,040	5,500	1,540
Management fee	-	2,000	(2,000)	-	24,000	(24,000)
Vernier	60,475	46,400	14,075	788,831	556,800	232,031
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	150	-	150	225,529	-	225,529
USDA NIFA PD-STEP 18	-	6,883	(6,883)	17,842	82,600	(64,758)
NRES	-	-	-	-	-	-
FSS	-	-	-	-	-	-
APT	409	-	409	5,719	-	5,719
ARD	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	-	-	-	15,886	-	15,886
ABF	-	-	-	-	-	-
ARDCI	-	-	-	2,059	-	2,059
G.W. Publisher	-	-	-	1,663	-	1,663
Sustain expense	-	708	(708)	9,000	8,500	500
Online expense	-	1,667	(1,667)	-	20,000	(20,000)
Cengage	11,765	1,792	9,973	90,983	21,500	69,483
CI Mentor contract labor	-	-	-	-	-	-
CI mentor	-	-	-	-	-	-
Depreciation	9	-	9	85	-	85
TOTAL EXPENSES	130,725	135,975	(5,250)	1,678,298	1,631,715	46,583
NET INCOME (LOSS)	\$ (49,553)	\$ 3,966	\$ (53,519)	\$ 192,385	\$ 47,583	\$ 144,802

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of National Teach Ag Campaign Revenue and Expenses
For the One and Nine Months Ended March 31, 2019

	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						
National Teach Ag Campaign	\$ -	\$ 81,250	\$ (81,250)	\$ 123,000	\$ 975,000	\$ (852,000)
EXPENSES						
Contractor stipends	-	-	-	-		-
Staff salaries	2,494	-	2,494	2,494		2,494
Staff fringes	574	-	574	574		574
Travel	12,181	-	12,181	12,360		12,360
Supplies	859	-	859	859		859
Promotion	1,569	-	1,569	1,569		1,569
Presenter stipends	1,225	-	1,225	1,225		1,225
IT services	391	-	391	2,134		2,134
Printing	678	-	678	678		678
Postage/shipping	17	-	17	17		17
Professional dev	-	-	-	-		-
State grants	-	-	-	-		-
NAAE management fee	-	-	-	-		-
Grants	-	-	-	-		-
Nat'l Teach Ag Campaign	11,667	75,000	(63,333)	625,306	900,000	(274,694)
Miscellaneous	2,010	-	2,010	2,010	-	2,010
TOTAL EXPENSES	<u>33,665</u>	<u>75,000</u>	<u>(41,335)</u>	<u>649,226</u>	<u>900,000</u>	<u>(250,774)</u>
NET INCOME (LOSS)	<u>\$ (33,665)</u>	<u>\$ 6,250</u>	<u>\$ (39,915)</u>	<u>\$ (526,226)</u>	<u>\$ 75,000</u>	<u>\$ (601,226)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT