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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 May 31, 2019 and the related statement of activities for the eleven 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

June 18, 2019

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

May 31, 2019

ASSETS

Cash on deposit	\$ 714,384
Investments - operating fund	743,137
Investments - life membership fund	297,106
Accounts receivable	362,299
Inventory	5,000
Prepaid expenses	16,663
Property and equipment - CASE Initiative	219
Property and equipment	<u>9,099</u>

TOTAL ASSETS \$ 2,147,907

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 102,554
Accrued leave payable	39,221
Other current liabilities	<u>7,746</u>

TOTAL LIABILITIES 149,521

NET ASSETS

Unrestricted net assets:	
Current operation	920,078
Board designated for special purposes	219,275
Temporarily restricted net assets	(71,355)
CASE Initiative	<u>930,388</u>

TOTAL NET ASSETS 1,998,386

TOTAL LIABILITIES AND NET ASSETS \$ 2,147,907

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Eleven Months Ended May 31, 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	\$ 442,951	\$ 4,500	\$ -	\$ -	\$ 447,451
Convention registration	158,135	-	-	-	158,135
Sponsorship and awards	27,210	-	-	-	27,210
Merchandise sales	8,652	-	-	-	8,652
Contributions	-	-	-	-	-
Net realized and unrealized gains (losses) on securities	(50,603)	-	-	-	(50,603)
Interest and dividends	43,193	-	-	-	43,193
FFA Foundation projects	151,700	-	-	-	151,700
CASE Initiative income	-	-	-	2,323,342	2,323,342
National Teach Ag Campaign Income	-	-	717,500	-	717,500
Other income	289,178	-	-	-	289,178
	<u>1,070,416</u>	<u>4,500</u>	<u>717,500</u>	<u>2,323,342</u>	<u>4,115,758</u>
Total Revenue, Gains and Losses	1,070,416	4,500	717,500	2,323,342	4,115,758
Net Assets Released from Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue, Gains and Losses and Reclassifications	<u>1,070,416</u>	<u>4,500</u>	<u>717,500</u>	<u>2,323,342</u>	<u>4,115,758</u>
Expenses					
General expenses	736,828	-	-	-	736,828
FFA Foundation projects	381,792	-	-	-	381,792
CASE Initiative expenses	-	-	-	2,016,641	2,016,641
National Teach Ag Campaign expenses	-	-	790,405	-	790,405
Convention expenses	194,643	-	-	-	194,643
	<u>1,313,263</u>	<u>-</u>	<u>790,405</u>	<u>2,016,641</u>	<u>3,329,904</u>
Total expenses	1,313,263	-	790,405	2,016,641	3,329,904
INCREASE (DECREASE) IN NET ASSETS	(242,847)	4,500	(72,905)	306,701	(4,551)
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>\$ 920,078</u>	<u>\$ 219,275</u>	<u>\$ (71,355)</u>	<u>\$ 930,388</u>	<u>\$ 1,998,386</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Eleven Months Ended May 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	\$ 5,450		\$ 34,023		\$ (28,573)		\$ 435,901		\$ 408,280		\$ 27,621
Corporate membership dues	-		1,250		(1,250)		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	509		2,917		(2,408)		33,291		35,000		(1,709)
Net realized and unrealized gains (losses) on securities	(55,482)		-		(55,482)		(50,603)		-		(50,603)
Merchandise sales	2,626		500		2,126		8,652		6,000		2,652
Investment income, Life Fund	173		1,000		(827)		9,902		12,000		(2,098)
Contributions, Legislative Fund	-		-		-		-		-		-
Miscellaneous income	-		750		(750)		4,859		9,000		(4,141)
Scholarship raffle proceeds	-		-		-		-		-		-
Student teacher scholarship revenue	-		-		-		-		-		-
Teacher crisis fund	-		-		-		12,713		-		12,713
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	401		-		401		4,048		-		4,048
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)		49,200		78,800		(29,600)
FFA Foundation communities of practice	-		5,600		(5,600)		29,520		67,200		(37,680)
FFA Foundation convention internet lounge	-		-		-		-		-		-
CASE Initiative net income	(73,606)		3,966		(77,572)		306,701		47,583		259,118
Convention net income	-		5,996		(5,996)		46,260		71,950		(25,690)
National Teach Ag Campaign net income	(64,331)		6,250		(70,581)		(72,905)		75,000		(147,905)
TOTAL REVENUE	(184,260)		101,022		(285,282)		1,114,069		1,212,243		(98,174)
EXPENSES											
Salaries	32,370		32,500		(130)		384,026		390,000		(5,974)
Taxes and benefits	6,579		9,151		(2,572)		77,277		109,815		(32,538)
Computer service	1,388		1,667		(279)		13,763		20,000		(6,237)
Telephone	-		500		(500)		3,545		6,000		(2,455)
Accounting	700		1,367		(667)		17,200		16,400		800
Depreciation	354		333		21		3,798		4,000		(202)
Rent	-		838		(838)		-		10,050		(10,050)
Insurance	369		1,000		(631)		7,902		12,000		(4,098)
Legal	-		83		(83)		-		1,000		(1,000)
Office Supplies	716		1,083		(367)		14,751		13,000		1,751
Bank charges and investment fees	-		8		(8)		9,532		100		9,432
Printing, general	-		250		(250)		1,304		3,000		(1,696)
Staff training	-		83		(83)		462		1,000		(538)
Taxes and licenses	-		4		(4)		288		50		238
Membership and contributions	1,500		1,667		(167)		15,146		20,000		(4,854)
Travel, staff	344		2,917		(2,573)		18,542		35,000		(16,458)
Promotion and marketing	10		2,083		(2,073)		15,120		25,000		(9,880)

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Eleven Months Ended May 31, 2019

	<u>MONTH</u>	<u>MONTH</u>	<u>MONTH</u>	<u>YEAR TO DATE</u>	<u>YEAR</u>	<u>YEAR</u>
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>\$VARIANCE</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>\$VARIANCE</u>
Merchandise and diaries	-	417	(417)	5,974	5,000	974
Photocopying	-	8	(8)	-	100	(100)
Postage, general	1,042	667	375	9,227	8,000	1,227
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	2,057	1,500	557	15,138	18,000	(2,862)
Travel, board of directors	812	3,333	(2,521)	30,662	40,000	(9,338)
FFA Foundation project - TTTK	386	3,333	(2,947)	58,913	40,000	18,913
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	859	3,333	(2,474)	52,338	40,000	12,338
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	6,402	10,833	(4,431)	123,635	130,000	(6,365)
Regional grants	-	-	-	-	-	-
NPS expense	-	417	(417)	8,500	5,000	3,500
Webinar expense	-	42	(42)	408	500	(92)
Teacher crisis fund	1,000	-	1,000	16,350	-	16,350
Communities of practice expense	-	3,167	(3,167)	40,910	38,000	2,910
Substitute teacher hire behinds	-	42	(42)	-	500	(500)
Website	12,608	1,500	11,108	14,124	18,000	(3,876)
NATAA stipends	-	-	-	18,975	-	18,975
TTTK stipends	-	-	-	1,000	-	1,000
XLR8 stipends	-	-	-	1,750	-	1,750
BFRDP expense	-	-	-	-	-	-
BFPD contract labor	-	-	-	-	-	-
Contract labor	4,388	-	4,388	4,388	-	4,388
Credit card expense	593	333	260	8,143	4,000	4,143
Storage	-	-	-	2,269	-	2,269
Professional development	-	-	-	373	-	373
Ag ed opportunity fund	-	-	-	-	-	-
Miscellaneous	-	-	-	2,960	-	2,960
TOTAL EXPENSES	<u>74,477</u>	<u>95,346</u>	<u>(20,869)</u>	<u>1,118,620</u>	<u>1,144,165</u>	<u>(25,545)</u>
NET INCOME (LOSS)	<u>\$ (258,737)</u>	<u>\$ 5,676</u>	<u>\$ (264,413)</u>	<u>\$ (4,551)</u>	<u>\$ 68,078</u>	<u>\$ (72,629)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Eleven Months Ended May 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)	53,458	65,000	(11,542)
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	-	1,667	(1,667)	27,210	20,000	7,210
TOTAL REVENUE	-	17,667	(17,667)	240,903	212,000	28,903
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>\$ 46,260</u>	<u>\$ 71,950</u>	<u>\$ (25,690)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Initiative Revenue and Expenses

For the One and Eleven Months Ended May 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						
CI fee revenue	\$ 35,750	51,000	\$ (15,250)	\$ 723,607	\$ 612,000	\$ 111,607
Brief CASE CI fee revenue	6,500	-	6,500	6,500	-	6,500
Brief CASW service fee	1,850	-	1,850	1,850	-	1,850
USDA NIFA PD-STEP 18	-	7,083	(7,083)	85,483	85,000	483
Vernier revenue	73,685	53,333	20,352	1,042,488	640,000	402,488
NewByte revenue	-	375	(375)	5,654	4,500	1,154
Vendor - Bio-Rad	-	417	(417)	-	5,000	(5,000)
Field test fees	-	-	-	-	-	-
NRES	-	-	-	-	-	-
APT revenue	-	-	-	6,806	-	6,806
ASP	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA Revenue	-	4,367	(4,367)	76,439	52,398	24,041
ABF	-	8,583	(8,583)	103,000	103,000	-
ARD CI Revenue	-	-	-	7,200	-	7,200
Capstone Revenue	-	-	-	-	-	-
Cengage revenue	-	2,083	(2,083)	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	1,028	-	1,028	3,045	-	3,045
Online	900	3,000	(2,100)	27,953	36,000	(8,047)
Merchandise	-	-	-	88	-	88
Course downloads	-	-	-	2,250	-	2,250
TOTAL REVENUE	119,713	139,941	(20,228)	2,323,342	1,679,298	644,044
EXPENSES						
Travel	58,954	3,875	55,079	96,950	46,500	50,450
Travel - staff	6,829	2,208	4,621	39,051	26,500	12,551
Salary	10,921	6,833	4,088	85,066	82,000	3,066
Taxes and benefits	376	2,083	(1,707)	4,835	25,000	(20,165)
Contract labor	27,400	35,792	(8,392)	332,892	429,500	(96,608)
Supplies	-	479	(479)	626	5,750	(5,124)
Merchandise	-	-	-	-	-	-
Promotion	-	808	(808)	16,246	9,700	6,546
Printing	-	458	(458)	2,137	5,500	(3,363)
Postage	241	121	120	2,195	1,450	745
Technology	3,112	458	2,654	10,294	5,500	4,794
Management fee	-	2,000	(2,000)	-	24,000	(24,000)
Vernier	62,732	46,400	16,332	925,921	556,800	369,121
NewByte	103	214	(111)	2,912	2,565	347
Bio-Rad	-	-	-	-	-	-
Legal and profesional	-	183	(183)	770	2,200	(1,430)
Lead teacher orientation	-	5,513	(5,513)	-	66,150	(66,150)
Lead teacher stipends	3,150	17,500	(14,350)	99,050	210,000	(110,950)
Field test	-	-	-	-	-	-
Institute expense	376	-	376	234,273	-	234,273
USDA NIFA PD-STEP 18	-	6,883	(6,883)	17,842	82,600	(64,758)
NRES	-	-	-	-	-	-
FSS	-	-	-	-	-	-
APT	-	-	-	5,719	-	5,719
ARD	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	-	-	-	21,949	-	21,949
ABF	-	-	-	-	-	-
ARDCI	(1,800)	-	(1,800)	(7,741)	-	(7,741)
G.W. Publisher	916	-	916	2,579	-	2,579
Sustain expense	-	708	(708)	9,000	8,500	500
Online expense	20,000	1,667	18,333	20,000	20,000	-
Cengage	-	1,792	(1,792)	93,971	21,500	72,471
CI Mentor contract labor	-	-	-	-	-	-
CI mentor	-	-	-	-	-	-
Depreciation	9	-	9	104	-	104
TOTAL EXPENSES	193,319	135,975	57,344	2,016,641	1,631,715	384,926
NET INCOME (LOSS)	\$ (73,606)	\$ 3,966	\$ (77,572)	\$ 306,701	\$ 47,583	\$ 259,118

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of National Teach Ag Campaign Revenue and Expenses
For the One and Eleven Months Ended May 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)	\$ 717,500	\$ 975,000	\$ (257,500)
EXPENSES						
Contractor stipends	7,417	-	7,417	97,542		97,542
Staff salaries	7,421	-	7,421	48,484		48,484
Staff fringes	625	-	625	7,451		7,451
Travel	31,610	-	31,610	47,130		47,130
Supplies	3,495	-	3,495	4,354		4,354
Promotion	146	-	146	3,343		3,343
Presenter stipends	-	-	-	3,225		3,225
IT services	228	-	228	2,408		2,408
Printing	625	-	625	2,097		2,097
Postage/shipping	302	-	302	320		320
Professional dev	-	-	-	-		-
State grants	5,000	-	5,000	10,000		10,000
NAAE management fee	-	-	-	-		-
Grants	-	-	-	7,500		7,500
Nat'l Teach Ag Campaign	4,250	75,000	(70,750)	551,329	900,000	(348,671)
Miscellaneous	3,212	-	3,212	5,222	-	5,222
TOTAL EXPENSES	<u>64,331</u>	<u>75,000</u>	<u>(10,669)</u>	<u>790,405</u>	<u>900,000</u>	<u>(109,595)</u>
NET INCOME (LOSS)	<u>\$ (64,331)</u>	<u>\$ 6,250</u>	<u>\$ (70,581)</u>	<u>\$ (72,905)</u>	<u>\$ 75,000</u>	<u>\$ (147,905)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT