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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 September 30, 2018 and the related statement of activities for the three 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

October 25, 2018

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

September 30, 2018

ASSETS

Cash on deposit	\$ 986,838
Investments - operating fund	785,738
Investments - life membership fund	274,025
Accounts receivable	419,282
Inventory	5,000
Prepaid expenses	736
Property and equipment - CASE	294
Property and equipment	<u>10,931</u>

TOTAL ASSETS \$ 2,482,844

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 93,522
Accrued leave payable	39,221
Other current liabilities	<u>7,960</u>

TOTAL LIABILITIES 140,703

NET ASSETS

Unrestricted net assets:	
Current operation	1,143,371
Board designated for special purposes	216,215
Temporarily restricted net assets	1,550
CASE Project	<u>981,005</u>

TOTAL NET ASSETS 2,342,141

TOTAL LIABILITIES AND NET ASSETS \$ 2,482,844

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Three Months Ended September 30, 2018

	Unrestricted				
	Current Operations	Board Designated	Temporarily Restricted	CASE Project	Total
Revenue, Gains and Losses					
Membership dues	\$ 246,385	\$ 1,440	\$ -	\$ -	\$ 247,825
Convention registration	-	-	-	-	-
Sponsorship and awards	-	-	-	-	-
Merchandise sales	4,029	-	-	-	4,029
Contributions	-	-	-	-	-
Net realized and unrealized gains (losses) on securities	37,910	-	-	-	37,910
Interest and dividends	3,135	-	-	-	3,135
FFA Foundation projects	4,920	-	-	-	4,920
CASE Program income	-	-	-	1,109,266	1,109,266
Other income	68,654	-	-	-	68,654
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue, Gains and Losses	365,033	1,440	-	1,109,266	1,475,739
Net Assets Released from Restrictions	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue, Gains and Losses and Reclassifications	365,033	1,440	-	1,109,266	1,475,739
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Expenses					
General expenses	179,084	-	-	-	179,084
FFA Foundation projects	194,052	-	-	-	194,052
CASE Program expenses	-	-	-	751,948	751,948
Convention expenses	11,451	-	-	-	11,451
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	384,587	-	-	751,948	1,136,535
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
INCREASE (DECREASE) IN NET ASSETS	(19,554)	1,440	-	357,318	339,204
NET ASSETS AT BEGINNING OF PERIOD	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,162,925	214,775	1,550	623,687	2,002,937
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS AT END OF PERIOD	\$ 1,143,371	\$ 216,215	\$ 1,550	\$ 981,005	\$ 2,342,141
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SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Three Months Ended September 30, 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						
Member dues	\$ 184,570	\$ 34,023	\$ 150,547	\$ 243,775	\$ 408,280	\$ (164,505)
Corporate membership dues	750	1,250	(500)	4,050	15,000	(10,950)
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	1,065	2,917	(1,852)	2,361	35,000	(32,639)
Net realized and unrealized gains (losses) on securities	(6,449)	-	(6,449)	37,910	-	37,910
Merchandise sales	1,591	500	1,091	4,029	6,000	(1,971)
Investment income, Life Fund	300	1,000	(700)	774	12,000	(11,226)
Contributions, Legislative Fund	-	-	-	-	-	-
Miscellaneous income	2,859	750	2,109	2,859	9,000	(6,141)
Scholarship raffle proceeds	-	-	-	-	-	-
Student teacher scholarship revenue	-	-	-	-	-	-
National Teach Ag Campaign	-	81,250	(81,250)	-	975,000	(975,000)
Teacher crisis fund	2,750	-	2,750	5,482	-	5,482
BFRDP Grant	-	-	-	-	-	-
AEM business manager stipend	-	333	(333)	-	4,000	(4,000)
Nat'l Agriscience Teacher Ambassadors	1,408	13,667	(12,259)	1,433	164,000	(162,567)
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	-	-	-	-	-	-
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	2,460	5,600	(3,140)	4,920	67,200	(62,280)
FFA Foundation convention internet lounge	-	-	-	-	-	-
CASE program net income	(28,611)	-	(28,611)	357,318	-	357,318
Convention net income	(3,940)	5,996	(9,936)	47,429	71,950	(24,521)
TOTAL REVENUE	158,753	172,056	(13,303)	712,340	2,064,660	(1,352,320)
EXPENSES						
Salaries	36,073	32,500	3,573	106,535	390,000	(283,465)
Taxes and benefits	9,515	9,151	364	23,655	109,815	(86,160)
Computer service	675	1,667	(992)	4,800	20,000	(15,200)
Telephone	247	500	(253)	821	6,000	(5,179)
Accounting	700	1,367	(667)	2,100	16,400	(14,300)
Depreciation	338	333	5	1,014	4,000	(2,986)
Rent	-	838	(838)	-	10,050	(10,050)
Insurance	487	1,000	(513)	1,454	12,000	(10,546)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	35	1,083	(1,048)	1,045	13,000	(11,955)
Bank charges and investment fees	-	8	(8)	2,424	100	2,324
Printing, general	176	250	(74)	176	3,000	(2,824)
Staff training	-	83	(83)	-	1,000	(1,000)
Taxes and licenses	-	4	(4)	233	50	183
Membership and contributions	-	1,667	(1,667)	3,150	20,000	(16,850)
Travel, staff	300	2,917	(2,617)	1,420	35,000	(33,580)
Promotion and marketing	160	2,083	(1,923)	560	25,000	(24,440)

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NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Three Months Ended September 30, 2018

	<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)	3,682	5,000	(1,318)
Photocopying	-	8	(8)	-	100	(100)
Postage, general	455	667	(212)	1,785	8,000	(6,215)
Professional liability insurance	-	3,285	(3,285)	-	39,425	(39,425)
Public relations	-	83	(83)	-	1,000	(1,000)
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Travel, regional secretaries	2,610	1,500	1,110	3,911	18,000	(14,089)
Travel, board of directors	1,747	3,333	(1,586)	8,777	40,000	(31,223)
Nat'l Teach Ag Campaign	61,377	75,000	(13,623)	99,295	900,000	(800,705)
FFA Foundation project - TTTK	13,065	3,333	9,732	15,092	40,000	(24,908)
FFA Foundation project - OPAP	1,505	750	755	2,088	9,000	(6,912)
FFA Foundation project - OMSP	1,340	750	590	1,961	9,000	(7,039)
FFA Foundation project - OT	1,340	750	590	2,438	9,000	(6,562)
FFA Foundation project - OYM	1,675	750	925	1,675	9,000	(7,325)
FFA Foundation project - Lifetime achievement	670	208	462	1,005	2,500	(1,495)
FFA Foundation project - Outstanding service citation	670	-	670	1,340	-	1,340
FFA Foundation teacher workshop	-	-	-	-	-	-
FFA Foundation Regional Grants	-	-	-	-	-	-
FFA Foundation Agriscience Initiative	-	1,667	(1,667)	-	20,000	(20,000)
FFA Foundation XLR8	313	3,333	(3,020)	4,959	40,000	(35,041)
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	-	-	-	-	-	-
DuPont Agriscience	11,492	-	11,492	52,499	-	52,499
Regional grants	-	-	-	-	-	-
NPS expense	-	417	(417)	-	5,000	(5,000)
Webinar expense	-	42	(42)	-	500	(500)
Teacher crisis fund	4,850	-	4,850	6,850	-	6,850
Communities of practice expense	-	3,167	(3,167)	-	38,000	(38,000)
Substitute teacher hire behinds	-	42	(42)	-	500	(500)
Website	-	1,500	(1,500)	1,500	18,000	(16,500)
NATAA stipends	-	10,833	(10,833)	11,700	130,000	(118,300)
BFRDP expense	-	-	-	-	-	-
BFPD contract labor	-	-	-	-	-	-
Credit card expense	540	333	207	2,862	4,000	(1,138)
Storage	-	-	-	-	-	-
Professional development	-	-	-	-	-	-
Ag ed opportunity fund	-	-	-	-	-	-
Miscellaneous	330	-	330	330	-	330
TOTAL EXPENSES	<u>152,685</u>	<u>170,346</u>	<u>(17,661)</u>	<u>373,136</u>	<u>2,044,165</u>	<u>(1,671,029)</u>
NET INCOME (LOSS)	<u>\$ 6,068</u>	<u>\$ 1,710</u>	<u>\$ 4,358</u>	<u>\$ 339,204</u>	<u>\$ 20,495</u>	<u>\$ 318,709</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Three Months Ended September 30, 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	\$ -	\$ 10,583	\$ (10,583)	\$ -	\$ 127,000	\$ (127,000)
Convention, trade show	600	-	600	1,500	-	1,500
Convention, sponsorships - FFA Foundation	5,740	5,417	323	57,380	65,000	(7,620)
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	-	1,667	(1,667)	-	20,000	(20,000)
TOTAL REVENUE	<u>6,340</u>	<u>17,667</u>	<u>(11,327)</u>	<u>58,880</u>	<u>212,000</u>	<u>(153,120)</u>
EXPENSES						
Convention, plaques and trophies	-	167	(167)	-	2,000	(2,000)
Convention, printing	-	-	-	-	-	-
Convention, awards	5,025	750	4,275	5,360	9,000	(3,640)
Convention, miscellaneous	-	-	-	-	-	-
Convention, meal functions	-	125	(125)	-	1,500	(1,500)
Convention, promotion and marketing	-	417	(417)	-	5,000	(5,000)
Convention, postage and shipping	-	333	(333)	-	4,000	(4,000)
Convention, equipment rental	-	2,000	(2,000)	-	24,000	(24,000)
Convention, host state social	-	-	-	-	-	-
Convention, committee expense	-	379	(379)	-	4,550	(4,550)
Convention, sponsorships - FFA Foundation	-	4,583	(4,583)	-	55,000	(55,000)
Convention, travel/board of directors	3,480	1,917	1,563	4,316	23,000	(18,684)
Convention, staff travel	1,775	1,000	775	1,775	12,000	(10,225)
TOTAL EXPENSES	<u>10,280</u>	<u>11,671</u>	<u>(1,391)</u>	<u>11,451</u>	<u>140,050</u>	<u>(128,599)</u>
NET INCOME (LOSS)	<u>\$ (3,940)</u>	<u>\$ 5,996</u>	<u>\$ (9,936)</u>	<u>\$ 47,429</u>	<u>\$ 71,950</u>	<u>\$ (24,521)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses

For the One and Three Months Ended September 30, 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						
CI fees	\$ -	\$ -	\$ -	\$ 477,207	\$ -	\$ 477,207
Vendor - Vernier	102,626	-	102,626	462,576	-	462,576
Vendor - NewByte	720	-	720	1,979	-	1,979
Vendor - Bio-Rad	-	-	-	-	-	-
Field test fees	-	-	-	-	-	-
NRES	-	-	-	-	-	-
APT	287	-	287	5,640	-	5,640
ASP	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	977	-	977	3,541	-	3,541
ABF	-	-	-	62,500	-	62,500
ARD CI Revenue	-	-	-	5,400	-	5,400
Capstone Revenue	-	-	-	-	-	-
Royalty - Cengage	12,112	-	12,112	73,948	-	73,948
Royalty - Ward's	-	-	-	-	-	-
FSS revenue	-	-	-	-	-	-
G.W. Publications	-	-	-	2,017	-	2,017
Online	3,375	-	3,375	13,270	-	13,270
Merchandise	-	-	-	88	-	88
Replacement CD	225	-	225	1,100	-	1,100
TOTAL REVENUE	<u>120,322</u>	<u>-</u>	<u>120,322</u>	<u>1,109,266</u>	<u>-</u>	<u>1,109,266</u>
EXPENSES						
Council assessment	-	-	-	-	-	-
Travel	-	-	-	9,311	-	9,311
Travel - staff	3,547	-	3,547	5,108	-	5,108
Salary	7,606	-	7,606	22,400	-	22,400
Taxes and benefits	306	-	306	919	-	919
Contract labor	36,179	-	36,179	108,150	-	108,150
Supplies	-	-	-	-	-	-
Merchandise	-	-	-	-	-	-
Promotion	218	-	218	784	-	784
Printing	-	-	-	-	-	-
Postage	320	-	320	504	-	504
Telecommunications	-	-	-	-	-	-
Management fee	-	-	-	-	-	-
Vernier	90,091	-	90,091	408,446	-	408,446
NewByte	284	-	284	654	-	654
Bio-Rad	-	-	-	-	-	-
Lead teacher orientation	-	-	-	-	-	-
Lead teacher stipends	-	-	-	89,600	-	89,600
Field test	-	-	-	-	-	-
Institute expense	-	-	-	99	-	99
PD-STEP 18	-	-	-	17,842	-	17,842
NRES	-	-	-	-	-	-
FSS	-	-	-	-	-	-
APT	302	-	302	4,716	-	4,716
ARD	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	-	-	-	15,743	-	15,743
ABF	-	-	-	-	-	-
ARDCI	-	-	-	1,223	-	1,223
G.W. Publications	-	-	-	1,663	-	1,663
Online expense	-	-	-	-	-	-
Royalty expense - Cengage	10,071	-	10,071	64,758	-	64,758
CI Mentor contract labor	-	-	-	-	-	-
CI mentor	-	-	-	-	-	-
Depreciation	9	-	9	28	-	28
TOTAL EXPENSES	<u>148,933</u>	<u>-</u>	<u>148,933</u>	<u>751,948</u>	<u>-</u>	<u>751,948</u>
NET INCOME (LOSS)	<u>\$ (28,611)</u>	<u>\$ -</u>	<u>\$ (28,611)</u>	<u>\$ 357,318</u>	<u>\$ -</u>	<u>\$ 357,318</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT