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To the Board of Directors
National Association of
Agricultural Educators, Inc.
Lexington, Kentucky 40546

We have compiled the accompanying statement of financial position of National Association of Agricultural Educators, Inc. (a nonprofit organization) as of August 31, 2015 and the related statement of activities for the two months then ended, and the accompanying supplementary information contained in the Schedule of Actual vs. Budget, Convention Revenue and Expenses, and Case Program Revenue and Expenses, which is presented only for supplementary purposes. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and supplementary schedules are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

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

November 10, 2015

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

August 31, 2015

ASSETS

Cash on deposit	\$ 145,788
Investments - operating fund	583,603
Investments - life membership fund	203,231
Investments - reserve fund	2,723
Accounts receivable	654,221
Inventory	5,000
Prepaid expenses	75,274
Property and equipment - CASE	646
Property and equipment	<u>12,024</u>

TOTAL ASSETS \$ 1,682,510

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 70,796
Accrued leave payable	38,485
Other current liabilities	<u>8,149</u>

TOTAL LIABILITIES 117,430

NET ASSETS

Unrestricted net assets:	
Current operation	687,886
Board designated for special purposes	207,445
Temporarily restricted net assets	480
CASE Project	<u>669,269</u>

TOTAL NET ASSETS 1,565,080

TOTAL LIABILITIES AND NET ASSETS \$ 1,682,510

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Two Months ended August 31, 2015

	<u>Unrestricted</u>		Temporarily <u>Restricted</u>	CASE <u>Project</u>	<u>Total</u>
	<u>Current Operations</u>	<u>Board Designated</u>			
Revenue, Gains and Losses					
Membership dues	\$ 43,960		\$ -	\$ -	\$ 43,960
Convention registration	-	-	-	-	-
Sponsorship and awards	5,000	-	-	-	5,000
Merchandise sales	1,184	-	-	-	1,184
Contributions	-	-	-	-	-
Management fees	1	-	-	-	1
Net realized and unrealized gains (losses) on securities	(29,659)	-	-	-	(29,659)
Interest and dividends	930	-	-	-	930
FFA Foundation projects	27,625	-	-	-	27,625
CASE Program income	-	-	-	829,816	829,816
Other income	94,277	-	-	-	94,277
	<u>143,318</u>	<u>-</u>	<u>-</u>	<u>829,816</u>	<u>973,134</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>143,318</u>	<u>-</u>	<u>-</u>	<u>829,816</u>	<u>973,134</u>
Expenses					
General expenses	186,005	-	-	-	186,005
FFA Foundation projects	19,594	-	-	-	19,594
CASE Program expenses	-	-	-	391,274	391,274
Convention expenses	650	-	-	-	650
	<u>206,249</u>	<u>-</u>	<u>-</u>	<u>391,274</u>	<u>597,523</u>
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	(62,931)	-	-	438,542	375,611
NET ASSETS AT BEGINNING OF PERIOD	<u>750,817</u>	<u>207,445</u>	<u>480</u>	<u>230,727</u>	<u>1,189,469</u>
NET ASSETS AT END OF PERIOD	<u>\$ 687,886</u>	<u>\$ 207,445</u>	<u>\$ 480</u>	<u>\$ 669,269</u>	<u>\$ 1,565,080</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Two Months Ended August 31, 2015

	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	\$ 28,840	\$ 31,938	\$ (3,098)	\$ 39,460	\$ 383,260	\$ (343,800)
Corporate membership dues	2,250	2,563	(313)	4,500	30,750	(26,250)
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Foundation management fees	-	7,333	(7,333)	1	88,000	(87,999)
Interest and dividends	510	1,833	(1,323)	930	22,000	(21,070)
Net realized and unrealized gains (losses) on securities	(41,097)	-	(41,097)	(29,659)		(29,659)
Merchandise sales	30	833	(803)	1,184	10,000	(8,816)
Investment income, Life Fund	-	42	(42)	-	500	(500)
Contributions, Legislative Fund	-	-	-	-	-	-
Miscellaneous income	250	833	(583)	250	10,000	(9,750)
Scholarship raffle proceeds	-	125	(125)	-	1,500	(1,500)
National Teach Ag Campaign	28,495	13,833	14,662	31,838	166,000	(134,162)
Teacher crisis fund	-	-	-	689	-	689
Greenhouse grants revenue	4,100	-	4,100	4,100	-	4,100
BFRDP Grant	-	-	-	-	-	-
AEM business manager stipend	-	333	(333)	-	4,000	(4,000)
CASE management fee	-	2,000	(2,000)	-	24,000	(24,000)
Council MMM management fee	-	417	(417)	-	5,000	(5,000)
C O P	-	-	-	57,400	-	57,400
FFA Foundation project - TTTK	-	3,875	(3,875)	-	46,500	(46,500)
FFA Foundation project - OPAP	-	917	(917)	-	11,000	(11,000)
FFA Foundation project - OMSP	-	917	(917)	-	11,000	(11,000)
FFA Foundation project - OT	-	917	(917)	-	11,000	(11,000)
FFA Foundation project - OYM	-	917	(917)	-	11,000	(11,000)
FFA Foundation project - Lifetime Achievement	325	208	117	18,325	2,500	15,825
FFA Foundation project - Outstanding Service Citation	-	205	(205)	-	2,460	(2,460)
FFA Foundation teacher workshop	-	958	(958)	-	11,500	(11,500)
FFA Foundation Regional Grants Revenue	-	1,500	(1,500)	-	18,000	(18,000)
FFA Foundation Agriscience Teacher	338	1,562	(1,224)	9,300	18,740	(9,440)
FFA Foundation NATAA/NAII	-	10,000	(10,000)	-	120,000	(120,000)
FFA Foundation project - XLR8	-	2,000	(2,000)	-	24,000	(24,000)
FFA Foundation communities of practice	-	2,733	(2,733)	-	32,800	(32,800)
FFA Foundation convention internet lounge	-	683	(683)	-	8,200	(8,200)
CASE program net income	42,037	-	42,037	438,542	-	438,542
Convention net income	(650)	6,338	(6,988)	4,350	69,050	(64,700)
TOTAL REVENUE	65,428	96,438	(31,010)	581,210	1,150,260	(569,050)
EXPENSES						
Salaries	31,476	28,806	2,670	64,422	345,675	(281,253)
Taxes and benefits	8,996	7,301	1,695	18,735	87,613	(68,878)
Computer service	562	667	(105)	1,687	8,000	(6,313)
Telephone	322	417	(95)	645	5,000	(4,355)
Accounting	605	1,317	(712)	1,255	15,800	(14,545)
Depreciation	265	250	15	529	3,000	(2,471)
Rent	-	417	(417)	5,000	5,000	-
Insurance	729	667	62	1,458	8,000	(6,542)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	(468)	667	(1,135)	(425)	8,000	(8,425)
Bank charges and investment fees	-	8	(8)	2,016	100	1,916
Printing, general	-	167	(167)	-	2,000	(2,000)
Staff training	-	42	(42)	-	500	(500)
Taxes and licenses	-	8	(8)	-	100	(100)
Membership and contributions	3,595	1,417	2,178	3,595	17,000	(13,405)
Travel, staff	175	2,500	(2,325)	(534)	30,000	(30,534)
Promotion and marketing	-	1,000	(1,000)	549	12,000	(11,451)
Merchandise and diaries	1,279	208	1,071	6,003	2,500	3,503
Photocopying	-	8	(8)	-	100	(100)

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Two Months Ended August 31, 2015

	<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>
Postage, general	305	542	(237)	950	6,500	(5,550)
Professional liability insurance		3,043	(3,043)	-	36,515	(36,515)
Public relations		50	(50)	-	600	(600)
Scholarships	-	813	(813)	11,250	9,750	1,500
Travel, regional secretaries	325	1,000	(675)	325	12,000	(11,675)
Travel, board of directors	1,158	3,083	(1,925)	5,098	37,000	(31,902)
Nat'l Teach Ag Campaign	12,379	11,167	1,212	19,794	134,000	(114,206)
FFA Foundation project - TTTK		3,875	(3,875)	-	46,500	(46,500)
FFA Foundation project - OPAP		917	(917)	-	11,000	(11,000)
FFA Foundation project - OMSP	325	917	(592)	325	11,000	(10,675)
FFA Foundation project - OT	325	917	(592)	325	11,000	(10,675)
FFA Foundation project - OYM	619	917	(298)	619	11,000	(10,381)
FFA Foundation project - Lifetime achievement	18,325	208	18,117	18,325	2,500	15,825
FFA Foundation project - Outstanding service citation		205	(205)	-	2,460	(2,460)
FFA Foundation teacher workshop		958	(958)	-	11,500	(11,500)
FFA Foundation Regional Grants		-	-	-		-
FFA Foundation Agriscience Teachers		-	-	-		-
FFA Foundation XLR8		2,000	(2,000)	-	24,000	(24,000)
FFA Foundation convention internet lounge		683	(683)	-	8,200	(8,200)
DuPont Agriscience	2,704	1,562	1,142	7,579	18,740	(11,161)
Regional grants		1,500	(1,500)	-	18,000	(18,000)
NPS expense		833	(833)	-	10,000	(10,000)
Webinar expense		100	(100)	-	1,200	(1,200)
Teacher crisis fund	1,000	-	1,000	1,000		1,000
Communities of practice expense	22,191	1,667	20,524	22,191	20,000	2,191
Substitute teacher hire behinds		42	(42)	-	500	(500)
Website	1,050	-	1,050	2,100	10,000	(7,900)
NATAA stipends	2,500	-	2,500	10,375	120,000	(109,625)
BFRDP expense		-	-	-		-
BFPD contract labor		-	-	-		-
Credit card expense	122	-	122	364	2,500	(2,136)
Miscellaneous	44	-	44	44	-	44
TOTAL EXPENSES	<u>110,908</u>	<u>82,949</u>	<u>27,959</u>	<u>205,599</u>	<u>1,127,853</u>	<u>(922,254)</u>
NET INCOME (LOSS)	<u>\$ (45,480)</u>	<u>\$ 13,489</u>	<u>\$ (58,969)</u>	<u>\$ 375,611</u>	<u>\$ 22,407</u>	<u>\$ 353,204</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Two Months Ended August 31, 2015

	<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	\$ -	\$ 9,583	\$ (9,583)	\$ -	\$ 115,000	\$ (115,000)
Convention, trade show	-	-	-	-	-	-
Convention, sponsorships - FFA Foundation	-	4,167	(4,167)	-	50,000	(50,000)
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	-	1,333	(1,333)	5,000	16,000	(11,000)
TOTAL REVENUE	<u>-</u>	<u>15,083</u>	<u>(15,083)</u>	<u>5,000</u>	<u>181,000</u>	<u>(176,000)</u>
EXPENSES						
Convention, plaques and trophies	-	242	(242)	-	2,900	(2,900)
Convention, printing	-	-	-	-	-	-
Convention, awards	650	-	650	650	7,000	(6,350)
Convention, meal functions	-	833	(833)	-	10,000	(10,000)
Convention, promotion and marketing	-	208	(208)	-	2,500	(2,500)
Convention, postage and shipping	-	333	(333)	-	4,000	(4,000)
Convention, equipment rental	-	1,583	(1,583)	-	19,000	(19,000)
Convention, host state social	-	-	-	-	-	-
Convention, committee expense	-	379	(379)	-	4,550	(4,550)
Convention, sponsorships - FFA Foundation	-	3,333	(3,333)	-	40,000	(40,000)
Convention, travel/board of directors	-	1,167	(1,167)	-	14,000	(14,000)
Convention, staff travel	-	667	(667)	-	8,000	(8,000)
TOTAL EXPENSES	<u>650</u>	<u>8,745</u>	<u>(8,095)</u>	<u>650</u>	<u>111,950</u>	<u>(111,300)</u>
NET INCOME (LOSS)	<u>\$ (650)</u>	<u>\$ 6,338</u>	<u>\$ (6,988)</u>	<u>\$ 4,350</u>	<u>\$ 69,050</u>	<u>\$ (64,700)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses

For the One and Two Months Ended August 31, 2015

	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	\$ 3,500	\$ -	\$ 3,500	\$ 276,858	\$ -	\$ 276,858
Vendor - Vernier	176,527	-	176,527	212,238	-	212,238
Vendor - NewByte	3,494	-	3,494	4,342	-	4,342
Vendor - Bio-Rad	-	-	-	-	-	-
Field test fees	-	-	-	-	-	-
ATP	455	-	455	455	-	455
NRES	8,253	-	8,253	8,253	-	8,253
ATP	44,198	-	44,198	240,362	-	240,362
ASP	-	-	-	-	-	-
ESI	14,989	-	14,989	14,989	-	14,989
Capstone Revenue	30,929	-	30,929	32,768	-	32,768
Royalty - Cengage	10,431	-	10,431	20,596	-	20,596
FSS revenue	-	-	-	-	-	-
G.W. Publications	4,508	-	4,508	4,508	-	4,508
Online	13,698	-	13,698	14,447	-	14,447
Merchandise	-	-	-	-	-	-
Replacement CD	-	-	-	-	-	-
TOTAL REVENUE	310,982	-	310,982	829,816	-	829,816
EXPENSES						
Council assessment	-	-	-	-	-	-
Travel	2,518	-	2,518	5,322	-	5,322
Travel - staff	-	-	-	506	-	506
Salary	5,666	-	5,666	11,052	-	11,052
Taxes and benefits	493	-	493	1,885	-	1,885
Contract labor	48,469	-	48,469	103,501	-	103,501
Supplies	-	-	-	-	-	-
Merchandise	-	-	-	-	-	-
Promotion	-	-	-	1,098	-	1,098
Printing	-	-	-	148	-	148
Postage	-	-	-	452	-	452
Telecommunications	-	-	-	-	-	-
Vernier	155,609	-	155,609	181,358	-	181,358
NewByte	411	-	411	411	-	411
Bio-Rad	-	-	-	-	-	-
Carthage	-	-	-	-	-	-
Carthage contract labor	30,100	-	30,100	36,750	-	36,750
Field test	-	-	-	-	-	-
CI scholarships	800	-	800	800	-	800
ATP	368	-	368	368	-	368
NRES	-	-	-	-	-	-
FSS	-	-	-	-	-	-
APT	-	-	-	8,268	-	8,268
ARD	75	-	75	1,914	-	1,914
ESI	-	-	-	-	-	-
G.W. Publications	2,035	-	2,035	3,660	-	3,660
Online expense	-	-	-	-	-	-
Royalty expense - Cengage	19,486	-	19,486	27,971	-	27,971
CI Mentor contract labor	1,000	-	1,000	2,000	-	2,000
CI mentor	1,906	-	1,906	3,801	-	3,801
Depreciation	9	-	9	9	-	9
TOTAL EXPENSES	268,945	-	268,955	391,274	-	391,274
NET INCOME (LOSS)	\$ 42,037	\$ -	\$ 42,027	\$ 438,542	\$ -	\$ 438,542

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