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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 September 30, 2015 and the related statement of activities for the three 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 25, 2015

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

September 30, 2015

ASSETS

Cash on deposit	\$ 282,904
Investments - operating fund	563,979
Investments - life membership fund	196,817
Investments - reserve fund	2,723
Accounts receivable	560,129
Inventory	5,000
Prepaid expenses	174,225
Property and equipment - CASE	637
Property and equipment	<u>11,759</u>

TOTAL ASSETS \$ 1,798,173

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 78,386
Accrued leave payable	38,485
Other current liabilities	<u>8,532</u>

TOTAL LIABILITIES 125,403

NET ASSETS

Unrestricted net assets:	
Current operation	813,685
Board designated for special purposes	207,565
Temporarily restricted net assets	480
CASE Project	<u>651,040</u>

TOTAL NET ASSETS 1,672,770

TOTAL LIABILITIES AND NET ASSETS \$ 1,798,173

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Three Months ended September 30, 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	\$ 233,721	\$ 120	\$ -	\$ -	\$ 233,841
Convention registration	-	-	-	-	-
Sponsorship and awards	5,000	-	-	-	5,000
Merchandise sales	1,494	-	-	-	1,494
Contributions	-	-	-	-	-
Management fees	1	-	-	-	1
Net realized and unrealized gains (losses) on securities	(56,778)	-	-	-	(56,778)
Interest and dividends	2,014	-	-	-	2,014
FFA Foundation projects	57,200	-	-	-	57,200
CASE Program income	-	-	-	999,354	999,354
Other income	136,890	-	-	-	136,890
	<u>379,542</u>	<u>120</u>	<u>-</u>	<u>999,354</u>	<u>1,379,016</u>
Total Revenue, Gains and Losses					
Net Assets Released from Restrictions	-	-	-	-	-
	<u>379,542</u>	<u>120</u>	<u>-</u>	<u>999,354</u>	<u>1,379,016</u>
Total Revenue, Gains and Losses and Reclassifications					
	<u>379,542</u>	<u>120</u>	<u>-</u>	<u>999,354</u>	<u>1,379,016</u>
Expenses					
General expenses	295,333	-	-	-	295,333
FFA Foundation projects	20,691	-	-	-	20,691
CASE Program expenses	-	-	-	579,041	579,041
Convention expenses	650	-	-	-	650
	<u>316,674</u>	<u>-</u>	<u>-</u>	<u>579,041</u>	<u>895,715</u>
Total expenses					
	<u>316,674</u>	<u>-</u>	<u>-</u>	<u>579,041</u>	<u>895,715</u>
INCREASE (DECREASE) IN NET ASSETS	62,868	120	-	420,313	483,301
NET ASSETS AT BEGINNING OF PERIOD	750,817	207,445	480	230,727	1,189,469
NET ASSETS AT END OF PERIOD	<u>\$ 813,685</u>	<u>\$ 207,565</u>	<u>\$ 480</u>	<u>\$ 651,040</u>	<u>\$ 1,672,770</u>

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, 2015

	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	\$ 186,341	\$ 31,938	\$ 154,403	\$ 225,801	\$ 383,260	\$ (157,459)
Corporate membership dues	3,540	2,563	977	8,040	30,750	(22,710)
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Foundation management fees	-	7,333	(7,333)	1	88,000	(87,999)
Interest and dividends	681	1,833	(1,152)	1,273	22,000	(20,727)
Net realized and unrealized gains (losses) on securities	(27,119)	-	(27,119)	(56,778)		(56,778)
Merchandise sales	310	833	(523)	1,494	10,000	(8,506)
Investment income, Life Fund	403	42	361	741	500	241
Contributions, Legislative Fund	-	-	-	-		-
Miscellaneous income	-	833	(833)	250	10,000	(9,750)
Scholarship raffle proceeds	-	125	(125)	-	1,500	(1,500)
National Teach Ag Campaign	-	13,833	(13,833)	31,838	166,000	(134,162)
Teacher crisis fund	999	-	999	1,688	-	1,688
Greenhouse grants revenue	-	-	-	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)
DuPont Agriscience revenue	31,993	-		41,292	-	41,292
C O P	-	-	-	57,400	-	57,400
FFA Foundation project - TTTK	23,553	3,875	19,678	23,553	46,500	(22,947)
FFA Foundation project - OPAP	-	917	(917)	-	11,000	(11,000)
FFA Foundation project - OMSP	3,336	917	2,419	3,336	11,000	(7,664)
FFA Foundation project - OT	4,107	917	3,190	4,107	11,000	(6,893)
FFA Foundation project - OYM	4,188	917	3,271	4,188	11,000	(6,812)
FFA Foundation project - Lifetime Achievement	-	208	(208)	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	3,691	1,562	2,129	3,691	18,740	(15,049)
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)
Teacher Ag non-Foundation revenue	22	-	22	22	-	22
CASE program net income	(18,236)	-	(18,236)	420,313	-	420,313
Convention net income	300	6,338	(6,038)	4,650	69,050	(64,400)
TOTAL REVENUE	218,109	96,438	89,678	799,325	1,150,260	(350,935)
EXPENSES						
Salaries	31,825	28,806	3,019	96,268	345,675	(249,407)
Taxes and benefits	9,044	7,301	1,743	27,779	87,613	(59,834)
Computer service	1,687	667	1,020	3,375	8,000	(4,625)
Telephone	322	417	(95)	966	5,000	(4,034)
Accounting	650	1,317	(667)	1,905	15,800	(13,895)
Depreciation	265	250	15	794	3,000	(2,206)
Rent	-	417	(417)	5,000	5,000	-
Insurance	729	667	62	2,187	8,000	(5,813)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	39	667	(628)	(401)	8,000	(8,401)
Bank charges and investment fees	-	8	(8)	2,016	100	1,916
Printing, general	89	167	(78)	89	2,000	(1,911)
Staff training	-	42	(42)	-	500	(500)
Taxes and licenses	-	8	(8)	-	100	(100)
Membership and contributions	11,000	1,417	9,583	14,595	17,000	(2,405)

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Three Months Ended September 30, 2015

	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>
Travel, staff	617	2,500	(1,883)	83	30,000	(29,917)
Promotion and marketing	2,707	1,000	1,707	3,256	12,000	(8,744)
Merchandise and diaries	-	208	(208)	6,003	2,500	3,503
Photocopying	-	8	(8)	-	100	(100)
Postage, general	401	542	(141)	1,351	6,500	(5,149)
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	-	1,000	(1,000)	325	12,000	(11,675)
Travel, board of directors	1,528	3,083	(1,555)	6,625	37,000	(30,375)
Nat'l Teach Ag Campaign	41,629	11,167	30,462	61,423	134,000	(72,577)
FFA Foundation project - TTTK	-	3,875	(3,875)	-	46,500	(46,500)
FFA Foundation project - OPAP	1,097	917	180	1,097	11,000	(9,903)
FFA Foundation project - OMSP	-	917	(917)	325	11,000	(10,675)
FFA Foundation project - OT	-	917	(917)	325	11,000	(10,675)
FFA Foundation project - OYM	-	917	(917)	619	11,000	(10,381)
FFA Foundation project - Lifetime achievement	-	208	(208)	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	325	2,000	(1,675)	325	24,000	(23,675)
FFA Foundation convention internet lounge	-	683	(683)	-	8,200	(8,200)
DuPont Agriscience	1,414	1,562	(148)	8,994	18,740	(9,746)
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	500	-	500	1,500	-	1,500
Communities of practice expense	-	1,667	(1,667)	22,191	20,000	2,191
Substitute teacher hire behinds	-	42	(42)	-	500	(500)
Website	3,850	-	3,850	5,950	10,000	(4,050)
NATAA stipends	-	-	-	10,375	120,000	(109,625)
BFRDP expense	-	-	-	-	-	-
BFPD contract labor	-	-	-	-	-	-
Credit card expense	701	-	701	1,065	2,500	(1,435)
Miscellaneous	-	-	-	44	-	44
TOTAL EXPENSES	<u>110,419</u>	<u>82,949</u>	<u>27,470</u>	<u>316,024</u>	<u>1,127,853</u>	<u>(811,829)</u>
NET INCOME (LOSS)	<u>\$ 107,690</u>	<u>\$ 13,489</u>	<u>\$ 62,208</u>	<u>\$ 483,301</u>	<u>\$ 22,407</u>	<u>\$ 460,894</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, 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	300	-	300	300	-	300
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>300</u>	<u>15,083</u>	<u>(14,783)</u>	<u>5,300</u>	<u>181,000</u>	<u>(175,700)</u>
EXPENSES						
Convention, plaques and trophies	-	242	(242)	-	2,900	(2,900)
Convention, printing	-	-	-	-	-	-
Convention, awards	-	-	-	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>-</u>	<u>8,745</u>	<u>(8,745)</u>	<u>650</u>	<u>111,950</u>	<u>(111,300)</u>
NET INCOME (LOSS)	<u>\$ 300</u>	<u>\$ 6,338</u>	<u>\$ (6,038)</u>	<u>\$ 4,650</u>	<u>\$ 69,050</u>	<u>\$ (64,400)</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, 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	\$ 280,358	\$ -	\$ 280,358
Vendor - Vernier	113,302	-	113,302	325,540	-	325,540
Vendor - NewByte	664	-	664	5,006	-	5,006
Vendor - Bio-Rad	-	-	-	-	-	-
Field test fees	-	-	-	-	-	-
ATP	-	-	-	455	-	455
NRES	8,253	-	8,253	16,506	-	16,506
APT	-	-	-	240,362	-	240,362
ASP	-	-	-	-	-	-
ESI	14,989	-	14,989	29,977	-	29,977
Capstone Revenue	14,526	-	14,526	47,294	-	47,294
Royalty - Cengage	7,398	-	7,398	27,994	-	27,994
FSS revenue	-	-	-	-	-	-
G.W. Publications	-	-	-	4,508	-	4,508
Online	6,510	-	6,510	20,957	-	20,957
Merchandise	247	-	247	247	-	247
Replacement CD	150	-	150	150	-	150
TOTAL REVENUE	169,539	-	169,539	999,354	-	999,354
EXPENSES						
Council assessment	11,225	-	11,225	11,225	-	11,225
Travel	-	-	-	5,322	-	5,322
Travel - staff	3,035	-	3,035	3,541	-	3,541
Salary	5,946	-	5,946	16,999	-	16,999
Taxes and benefits	307	-	307	2,192	-	2,192
Contract labor	48,469	-	48,469	151,970	-	151,970
Supplies	-	-	-	-	-	-
Merchandise	-	-	-	-	-	-
Promotion	-	-	-	1,098	-	1,098
Printing	-	-	-	148	-	148
Postage	15	-	15	468	-	468
Telecommunications	-	-	-	-	-	-
Vernier	98,739	-	98,739	280,097	-	280,097
NewByte	1,615	-	1,615	2,026	-	2,026
Bio-Rad	-	-	-	-	-	-
Carthage	-	-	-	-	-	-
Carthage contract labor	-	-	-	36,750	-	36,750
Field test	-	-	-	-	-	-
CI scholarships	-	-	-	800	-	800
ATP	-	-	-	368	-	368
NRES	-	-	-	-	-	-
FSS	-	-	-	-	-	-
APT	86	-	86	8,354	-	8,354
ARD	-	-	-	1,914	-	1,914
ESI	-	-	-	-	-	-
G.W. Publications	2,110	-	2,110	5,770	-	5,770
Online expense	10,000	-	10,000	10,000	-	10,000
Royalty expense - Cengage	6,219	-	6,219	34,189	-	34,189
CI Mentor contract labor	-	-	-	2,000	-	2,000
CI mentor	-	-	-	3,801	-	3,801
Depreciation	9	-	28	9	-	9
TOTAL EXPENSES	187,775	-	187,794	579,041	-	579,041
NET INCOME (LOSS)	\$ (18,236)	\$ -	\$ (18,255)	\$ 420,313	\$ -	\$ 420,313

SEE ACCOMPANYING ACCOUNTANT'S REPORT