

**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

We have compiled the accompanying statement of financial position of National Association of Agricultural Educators, Inc. (a nonprofit organization) as of October 31, 2015 and the related statement of activities for the four 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 30, 2015

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

October 31, 2015

ASSETS

Cash on deposit	\$ 214,921
Investments - operating fund	597,589
Investments - life membership fund	206,860
Investments - reserve fund	2,723
Accounts receivable	516,405
Inventory	5,000
Prepaid expenses	189,609
Property and equipment - CASE	627
Property and equipment	<u>11,495</u>

TOTAL ASSETS \$ 1,745,229

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 59,048
Accrued leave payable	38,485
Other current liabilities	<u>8,541</u>

TOTAL LIABILITIES 106,074

NET ASSETS

Unrestricted net assets:	
Current operation	827,755
Board designated for special purposes	207,565
Temporarily restricted net assets	480
CASE Project	<u>603,355</u>

TOTAL NET ASSETS 1,639,155

TOTAL LIABILITIES AND NET ASSETS \$ 1,745,229

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Four Months ended October 31, 2015

	<u>Unrestricted</u>				
	<u>Current</u>	<u>Board</u>	<u>Temporarily</u>	<u>CASE</u>	<u>Total</u>
	<u>Operations</u>	<u>Designated</u>	<u>Restricted</u>	<u>Project</u>	
Revenue, Gains and Losses					
Membership dues	\$ 264,936	\$ 120	\$ -	\$ -	\$ 265,056
Convention registration	-	-	-	-	-
Sponsorship and awards	10,000	-	-	-	10,000
Merchandise sales	1,494	-	-	-	1,494
Contributions	-	-	-	-	-
Management fees	1	-	-	-	1
Net realized and unrealized					
gains (losses) on securities	(13,554)	-	-	-	(13,554)
Interest and dividends	2,450	-	-	-	2,450
FFA Foundation projects	70,142	-	-	-	70,142
CASE Program income	-	-	-	1,033,422	1,033,422
Other income	138,345	-	-	-	138,345
	<u>473,814</u>	<u>120</u>	<u>-</u>	<u>1,033,422</u>	<u>1,507,356</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>473,814</u>	<u>120</u>	<u>-</u>	<u>1,033,422</u>	<u>1,507,356</u>
Expenses					
General expenses	373,345	-	-	-	373,345
FFA Foundation projects	20,691	-	-	-	20,691
CASE Program expenses	-	-	-	660,794	660,794
Convention expenses	2,840	-	-	-	2,840
	<u>396,876</u>	<u>-</u>	<u>-</u>	<u>660,794</u>	<u>1,057,670</u>
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	76,938	120	-	372,628	449,686
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>\$ 827,755</u>	<u>\$ 207,565</u>	<u>\$ 480</u>	<u>\$ 603,355</u>	<u>\$ 1,639,155</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Four Months Ended October 31, 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>
<b>REVENUE</b>						
Member dues	\$ 28,545	\$ 31,938	\$ (3,393)	\$ 254,346	\$ 383,260	\$ (128,914)
Corporate membership dues	2,670	2,563	107	10,710	30,750	(20,040)
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Foundation management fees	-	7,333	(7,333)	1	88,000	(87,999)
Interest and dividends	278	1,833	(1,555)	1,551	22,000	(20,449)
Net realized and unrealized gains (losses) on securities	43,224	-	43,224	(13,554)		(13,554)
Merchandise sales	-	833	(833)	1,494	10,000	(8,506)
Investment income, Life Fund	158	42	116	899	500	399
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	554	13,833	(13,279)	32,393	166,000	(133,607)
Teacher crisis fund	-	-	-	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	-	-	-	41,292	-	41,292
C O P	-	-	-	57,400	-	57,400
FFA Foundation project - TTTK	-	3,875	(3,875)	23,553	46,500	(22,947)
FFA Foundation project - OPAP	-	917	(917)	-	11,000	(11,000)
FFA Foundation project - OMSP	-	917	(917)	3,336	11,000	(7,664)
FFA Foundation project - OT	-	917	(917)	4,107	11,000	(6,893)
FFA Foundation project - OYM	-	917	(917)	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	-	1,562	(1,562)	3,691	18,740	(15,049)
FFA Foundation NATAA/NAII	-	10,000	(10,000)	-	120,000	(120,000)
FFA Foundation project - XLR8	12,942	2,000	10,942	12,942	24,000	(11,058)
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
CASE program net income	(47,666)	-	(47,666)	372,628	-	372,628
Convention net income	3,710	6,338	(2,628)	8,360	69,050	(60,690)
<b>TOTAL REVENUE</b>	<b>44,415</b>	<b>96,438</b>	<b>(52,023)</b>	<b>843,722</b>	<b>1,150,260</b>	<b>(306,538)</b>
<b>EXPENSES</b>						
Salaries	29,623	28,806	817	125,871	345,675	(219,804)
Taxes and benefits	9,500	7,301	2,199	37,279	87,613	(50,334)
Computer service	-	667	(667)	3,375	8,000	(4,625)
Telephone	-	417	(417)	966	5,000	(4,034)
Accounting	650	1,317	(667)	2,555	15,800	(13,245)
Depreciation	265	250	15	1,059	3,000	(1,941)
Rent	-	417	(417)	5,000	5,000	-
Insurance	729	667	62	2,916	8,000	(5,084)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	640	667	(27)	243	8,000	(7,757)
Bank charges and investment fees	-	8	(8)	2,016	100	1,916
Printing, general	-	167	(167)	89	2,000	(1,911)
Staff training	-	42	(42)	-	500	(500)
Taxes and licenses	-	8	(8)	-	100	(100)
Membership and contributions	-	1,417	(1,417)	14,595	17,000	(2,405)
Travel, staff	522	2,500	(1,978)	605	30,000	(29,395)
Promotion and marketing	939	1,000	(61)	4,195	12,000	(7,805)
Merchandise and diaries	-	208	(208)	6,003	2,500	3,503

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Four Months Ended October 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>
Photocopying	-	8	(8)	-	100	(100)
Postage, general	137	542	(405)	1,488	6,500	(5,012)
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	-	3,083	(3,083)	6,625	37,000	(30,375)
Nat'l Teach Ag Campaign	30,676	11,167	19,509	92,098	134,000	(41,902)
FFA Foundation project - TTTK	-	3,875	(3,875)	-	46,500	(46,500)
FFA Foundation project - OPAP	-	917	(917)	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	-	2,000	(2,000)	325	24,000	(23,675)
FFA Foundation convention internet lounge	-	683	(683)	-	8,200	(8,200)
FFA Foundation teacher workshop	609	-	609	609	-	609
DuPont Agriscience	1,279	1,562	(283)	10,272	18,740	(8,468)
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	2,000	-	2,000
Communities of practice expense	-	1,667	(1,667)	22,191	20,000	2,191
Substitute teacher hire behinds	-	42	(42)	-	500	(500)
Website	1,319	-	1,319	7,269	10,000	(2,731)
NATAA stipends	-	-	-	10,375	120,000	(109,625)
BFRDP expense	-	-	-	-	-	-
BFPD contract labor	-	-	-	-	-	-
Credit card expense	642	-	642	1,707	2,500	(793)
Miscellaneous	-	-	-	44	-	44
<b>TOTAL EXPENSES</b>	<u>78,030</u>	<u>82,949</u>	<u>(5,528)</u>	<u>394,036</u>	<u>1,127,853</u>	<u>(734,426)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ (33,615)</u>	<u>\$ 13,489</u>	<u>\$ (46,495)</u>	<u>\$ 449,686</u>	<u>\$ 22,407</u>	<u>\$ 427,888</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.  
Schedule of Convention Revenue and Expenses  
For the One and Four Months Ended October 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>
<b>REVENUE</b>						
Convention, registration	\$ -	\$ 9,583	\$ (9,583)	\$ -	\$ 115,000	\$ (115,000)
Convention, trade show	900	-	900	1,200		1,200
Convention, sponsorships - FFA Foundation	-	4,167	(4,167)	-	50,000	(50,000)
Convention, host state social	-	-	-	-		-
Convention, sponsorships	5,000	1,333	3,667	10,000	16,000	(6,000)
TOTAL REVENUE	<u>5,900</u>	<u>15,083</u>	<u>(9,183)</u>	<u>11,200</u>	<u>181,000</u>	<u>(169,800)</u>
<b>EXPENSES</b>						
Convention, plaques and trophies	68	242	(174)	68	2,900	(2,832)
Convention, printing	1,922	-	1,922	1,922		1,922
Convention, awards	-	-	-	650	7,000	(6,350)
Convention, meal functions	-	833	(833)	-	10,000	(10,000)
Convention, promotion and marketing	200	208	(8)	200	2,500	(2,300)
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>2,190</u>	<u>8,745</u>	<u>(6,555)</u>	<u>2,840</u>	<u>111,950</u>	<u>(109,110)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ 3,710</u>	<u>\$ 6,338</u>	<u>\$ (2,628)</u>	<u>\$ 8,360</u>	<u>\$ 69,050</u>	<u>\$ (60,690)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses

For the One and Four Months Ended October 31, 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						
CI fees	\$ 700	\$ -	\$ 700	\$ 281,058	\$ -	\$ 281,058
Vendor - Vernier	32,369	-	32,369	357,908	-	357,908
Vendor - NewByte	-	-	-	5,006	-	5,006
Vendor - Bio-Rad	-	-	-	-	-	-
Field test fees	-	-	-	-	-	-
ATP	-	-	-	455	-	455
NRES	-	-	-	16,506	-	16,506
APT	-	-	-	240,362	-	240,362
ASP	-	-	-	-	-	-
ESI	-	-	-	29,977	-	29,977
Capstone Revenue	137	-	137	47,431	-	47,431
Royalty - Cengage	861	-	861	28,857	-	28,857
FSS revenue	-	-	-	-	-	-
G.W. Publications	-	-	-	4,508	-	4,508
Online	-	-	-	20,957	-	20,957
Merchandise	-	-	-	247	-	247
Replacement CD	-	-	-	150	-	150
TOTAL REVENUE	<u>34,067</u>	<u>-</u>	<u>34,067</u>	<u>1,033,422</u>	<u>-</u>	<u>1,033,422</u>
EXPENSES						
Council assessment	-	-	-	11,225	-	11,225
Travel	-	-	-	5,322	-	5,322
Travel - staff	142	-	142	3,683	-	3,683
Salary	5,947	-	5,947	22,945	-	22,945
Taxes and benefits	306	-	306	2,498	-	2,498
Contract labor	48,469	-	48,469	200,439	-	200,439
Supplies	-	-	-	-	-	-
Merchandise	-	-	-	-	-	-
Promotion	3,232	-	3,232	4,330	-	4,330
Printing	-	-	-	148	-	148
Postage	-	-	-	468	-	468
Telecommunications	-	-	-	-	-	-
Vernier	28,495	-	28,495	308,593	-	308,593
NewByte	323	-	323	2,349	-	2,349
Bio-Rad	-	-	-	-	-	-
Carthage	-	-	-	-	-	-
Carthage contract labor	-	-	-	36,750	-	36,750
Field test	-	-	-	-	-	-
CI scholarships	-	-	-	800	-	800
ATP	-	-	-	368	-	368
NRES	1,400	-	1,400	1,400	-	1,400
FSS	-	-	-	-	-	-
APT	-	-	-	8,354	-	8,354
ARD	-	-	-	1,914	-	1,914
ESI	-	-	-	-	-	-
G.W. Publications	-	-	-	5,770	-	5,770
Online expense	-	-	-	10,000	-	10,000
Royalty expense - Cengage	(6,591)	-	(6,591)	27,599	-	27,599
CI Mentor contract labor	-	-	-	2,000	-	2,000
CI mentor	-	-	-	3,801	-	3,801
Depreciation	10	-	10	38	-	38
TOTAL EXPENSES	<u>81,733</u>	<u>-</u>	<u>81,733</u>	<u>660,794</u>	<u>-</u>	<u>660,794</u>
NET INCOME (LOSS)	\$ (47,666)	\$ -	\$ (47,666)	\$ 372,628	\$ -	\$ 372,628

SEE ACCOMPANYING ACCOUNTANT'S REPORT