

**STEPHEN D. SCHNETTLER, PLLC**

Certified Public Accountants

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Member  
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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 June 30, 2016 and the related statement of activities for the year 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*

August 1, 2016

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

June 30, 2016

ASSETS

Cash on deposit	\$ 749,458
Investments - operating fund	587,012
Investments - life membership fund	203,927
Accounts receivable	397,522
Inventory	5,000
Prepaid expenses	19,372
Property and equipment - CASE	551
Property and equipment	<u>12,312</u>

TOTAL ASSETS \$ 1,975,154

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 126,435
Accrued leave payable	41,327
Other current liabilities	<u>49,673</u>

TOTAL LIABILITIES 217,435

NET ASSETS

Unrestricted net assets:	
Current operation	1,046,539
Board designated for special purposes	208,415
Temporarily restricted net assets	970
CASE Project	<u>501,795</u>

TOTAL NET ASSETS 1,757,719

TOTAL LIABILITIES AND NET ASSETS \$ 1,975,154

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Year ended June 30, 2016

	<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	\$ 451,602	\$ 970	\$ -	\$ -	\$ 452,572
Convention registration	113,604	-	-	-	113,604
Sponsorship and awards	31,579	-	-	-	31,579
Merchandise sales	6,096	-	-	-	6,096
Contributions	-	-	490	-	490
Management fees	90,787	-	-	-	90,787
Net realized and unrealized gains (losses) on securities	(70,184)	-	-	-	(70,184)
Interest and dividends	46,596	-	-	-	46,596
FFA Foundation projects	281,467	-	-	-	281,467
CASE Program income	-	-	-	2,121,789	2,121,789
Other income	1,157,514	-	-	-	1,157,514
	<u>2,109,061</u>	<u>970</u>	<u>490</u>	<u>2,121,789</u>	<u>4,232,310</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>2,109,061</u>	<u>970</u>	<u>490</u>	<u>2,121,789</u>	<u>4,232,310</u>
Expenses					
General expenses	1,544,733	-	-	-	1,544,733
FFA Foundation projects	117,636	-	-	-	117,636
CASE Program expenses	-	-	-	1,850,721	1,850,721
Convention expenses	150,970	-	-	-	150,970
	<u>1,813,339</u>	<u>-</u>	<u>-</u>	<u>1,850,721</u>	<u>3,664,060</u>
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	295,722	970	490	271,068	568,250
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>\$ 1,046,539</u>	<u>\$ 208,415</u>	<u>\$ 970</u>	<u>\$ 501,795</u>	<u>\$ 1,757,719</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Twelve Months Ended June 30, 2016

	<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>
REVENUE						
Member dues	\$ 18,095	\$ 31,938	\$ (13,843)	\$ 421,072	\$ 383,260	\$ 37,812
Corporate membership dues	7,290	2,563	4,727	31,500	30,750	750
Delmar scholarships	7,500	625	6,875	7,500	7,500	-
Student teacher scholarship revenue	54,000	-	54,000	62,000	-	62,000
Foundation management fees	90,210	7,333	82,877	90,787	88,000	2,787
Interest and dividends	885	1,833	(948)	34,236	22,000	12,236
Net realized and unrealized gains (losses) on securities	(8,755)	-	(8,755)	(70,184)	-	(70,184)
Merchandise sales	3,472	833	2,639	6,096	10,000	(3,904)
Investment income, Life Fund	311	42	269	12,360	500	11,860
Contributions, Legislative Fund	-	-	-	490	-	490
Miscellaneous income	127	833	(706)	8,227	10,000	(1,773)
Scholarship raffle proceeds	-	125	(125)	2,346	1,500	846
National Teach Ag Campaign	225,750	13,833	211,917	667,072	166,000	501,072
Teacher crisis fund	671	-	671	6,466	-	6,466
Greenhouse grants revenue	-	-	-	4,100	-	4,100
AEM business manager stipend	4,000	333	3,667	4,000	4,000	-
CASE management fee	24,000	2,000	22,000	24,000	24,000	-
Council MMM management fee	5,000	417	4,583	5,000	5,000	-
DuPont Agriscience revenue	-	10,000	(10,000)	124,971	120,000	4,971
DuPont Non-Foundation	-	-	-	20,500	-	20,500
NPS national ag ed leadership dinner	-	-	-	4,225	-	4,225
F2F	-	-	-	15,000	-	15,000
FFA Foundation project - Communities of Practice	37,720	2,733	34,987	97,580	32,800	64,780
FFA Foundation project - TTTK	51,500	3,875	47,625	107,780	46,500	61,280
FFA Foundation project - OPAP	5,026	917	4,109	19,417	11,000	8,417
FFA Foundation project - OMSP	(1,800)	917	(2,717)	15,406	11,000	4,406
FFA Foundation project - OT	5,580	917	4,663	19,784	11,000	8,784
FFA Foundation project - OYM	6,400	917	5,483	18,766	11,000	7,766
FFA Foundation project - Lifetime Achievement	(18,000)	208	(18,208)	4,920	2,500	2,420
FFA Foundation project - Outstanding Service Citation	-	205	(205)	2,460	2,460	-
FFA Foundation teacher workshop	(10,000)	958	(10,958)	11,320	11,500	(180)
FFA Foundation Regional Grants Revenue	18,000	1,500	16,500	18,000	18,000	-
FFA Foundation Agriscience Teacher	(10,000)	1,562	(11,562)	10,432	18,740	(8,308)
FFA Foundation Internet Café	-	-	-	1,476	-	1,476
FFA Foundation project - XLR8	20,999	2,000	18,999	51,706	24,000	27,706
FFA Foundation convention internet lounge	-	683	(683)	-	8,200	(8,200)
Teacher Ag non-Foundation revenue	485	-	485	2,858	-	2,858
CASE program net income	110,731	-	110,731	271,068	-	271,068
Convention net income	43,606	6,338	37,268	95,882	69,050	26,832
<b>TOTAL REVENUE</b>	<b>692,803</b>	<b>96,438</b>	<b>596,365</b>	<b>2,230,619</b>	<b>1,150,260</b>	<b>1,080,359</b>
EXPENSES						
Salaries	48,956	28,806	20,150	428,823	345,675	83,148
Taxes and benefits	7,769	7,301	468	98,015	87,613	10,402
Computer service	950	667	283	8,612	8,000	612
Telephone	608	417	191	5,578	5,000	578
Accounting	650	1,317	(667)	15,755	15,800	(45)
Depreciation	456	250	206	3,579	3,000	579
Rent	-	417	(417)	7,550	5,000	2,550
Insurance	2,565	667	1,898	11,570	8,000	3,570
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	2,210	667	1,543	13,085	8,000	5,085
Bank charges and investment fees	55	8	47	5,781	100	5,681
Printing, general	766	167	599	3,090	2,000	1,090
Staff training	-	42	(42)	150	500	(350)
Taxes and licenses	-	8	(8)	25	100	(75)
Membership and contributions	1,400	1,417	(17)	19,640	17,000	2,640
Travel, staff	5,405	2,500	2,905	32,186	30,000	2,186

continued

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Twelve Months Ended June 30, 2016

	<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>
Promotion and marketing	2,005	1,000	1,005	25,662	12,000	13,662
Merchandise and diaries	-	208	(208)	6,003	2,500	3,503
Photocopying	-	8	(8)	-	100	(100)
Postage, general	1,127	542	585	7,781	6,500	1,281
Professional liability insurance	-	3,043	(3,043)	38,200	36,515	1,685
Public relations	186	50	136	1,090	600	490
Scholarships	-	813	(813)	11,250	9,750	1,500
Travel, regional secretaries	2,528	1,000	1,528	6,578	12,000	(5,422)
Travel, board of directors	9,614	3,083	6,531	27,008	37,000	(9,992)
Nat'l Teach Ag Campaign	50,615	11,167	39,448	417,493	134,000	283,493
FFA Foundation project - TTTK	-	3,875	(3,875)	58,414	46,500	11,914
FFA Foundation project - OPAP	206	917	(711)	8,308	11,000	(2,692)
FFA Foundation project - OMSP	-	917	(917)	10,223	11,000	(777)
FFA Foundation project - OT	206	917	(711)	11,404	11,000	404
FFA Foundation project - OYM	235	917	(682)	11,632	11,000	632
FFA Foundation project - Lifetime achievement	(18,000)	208	(18,208)	1,179	2,500	(1,321)
FFA Foundation project - Outstanding service citation	-	205	(205)	1,504	2,460	(956)
FFA Foundation teacher workshop	-	958	(958)	6,885	11,500	(4,615)
FFA Foundation Regional Grants	-	-	-	-	-	-
FFA Foundation Agriscience Teachers	-	-	-	8,087	-	8,087
FFA Foundation XLR8	651	2,000	(1,349)	20,022	24,000	(3,978)
FFA Foundation convention internet lounge	-	683	(683)	-	8,200	(8,200)
DuPont Agriscience	28,813	10,000	18,813	188,896	120,000	68,896
Regional grants	18,000	1,500	16,500	18,000	18,000	-
NPS expense	-	833	(833)	9,710	10,000	(290)
Webinar expense	-	100	(100)	301	1,200	(899)
Teacher crisis fund	1,500	-	1,500	5,800	-	5,800
Communities of practice expense	-	1,667	(1,667)	63,287	20,000	43,287
Substitute teacher hire behinds	-	42	(42)	-	500	(500)
Website	2,100	-	2,100	18,863	10,000	8,863
NATAA stipends	1,250	-	1,250	11,625	18,740	(7,115)
BFRDP expense	-	-	-	-	-	-
BFPD contract labor	3,500	-	3,500	3,500	-	3,500
Greenhouse grants	-	-	-	4,000	-	4,000
Storage	-	-	-	2,270	-	2,270
Credit card expense	443	-	443	3,611	2,500	1,111
Miscellaneous	-	-	-	344	-	344
<b>TOTAL EXPENSES</b>	<u>176,769</u>	<u>91,387</u>	<u>85,382</u>	<u>1,662,369</u>	<u>1,127,853</u>	<u>534,516</u>
<b>NET INCOME (LOSS)</b>	<u>\$ 516,034</u>	<u>\$ 5,051</u>	<u>\$ 510,983</u>	<u>\$ 568,250</u>	<u>\$ 22,407</u>	<u>\$ 545,843</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.  
Schedule of Convention Revenue and Expenses  
For the One and Twelve Months Ended June 30, 2016

	<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)	\$ 113,604	\$ 115,000	\$ (1,396)
Convention, trade show	-	-	-	1,200	-	1,200
Convention, sponsorships - FFA Foundation	45,428	4,167	41,261	100,469	50,000	50,469
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	829	1,333	(504)	31,579	16,000	15,579
TOTAL REVENUE	<u>46,257</u>	<u>15,083</u>	<u>31,174</u>	<u>246,852</u>	<u>181,000</u>	<u>65,852</u>
<b>EXPENSES</b>						
Convention, plaques and trophies	-	242	(242)	1,684	2,900	(1,216)
Convention, printing	-	-	-	3,218	-	3,218
Convention, awards	-	-	-	9,962	7,000	2,962
Convention, meal functions	-	833	(833)	-	10,000	(10,000)
Convention, promotion and marketing	-	208	(208)	1,965	2,500	(535)
Convention, postage and shipping	-	333	(333)	4,875	4,000	875
Convention, equipment rental	-	1,583	(1,583)	27,178	19,000	8,178
Convention, host state social	-	-	-	-	-	-
Convention, committee expense	650	379	271	1,950	4,550	(2,600)
Convention, sponsorships - FFA Foundation	-	3,333	(3,333)	55,041	40,000	15,041
Convention, travel/board of directors	-	1,167	(1,167)	23,770	14,000	9,770
Convention, staff travel	2,001	667	1,334	21,327	8,000	13,327
TOTAL EXPENSES	<u>2,651</u>	<u>8,745</u>	<u>(6,094)</u>	<u>150,970</u>	<u>111,950</u>	<u>39,020</u>
<b>NET INCOME (LOSS)</b>	<u>\$ 43,606</u>	<u>\$ 6,338</u>	<u>\$ 37,268</u>	<u>\$ 95,882</u>	<u>\$ 69,050</u>	<u>\$ 26,832</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses

For the One and Twelve Months Ended June 30, 2016

	<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>
<b>REVENUE</b>						
CI fees	\$ 269,361	\$ -	\$ 269,361	\$ 607,879	\$ -	\$ 607,879
Vendor - Vernier	105,931	-	105,931	839,562	-	839,562
Vendor - NewByte	1,440	-	1,440	9,131	-	9,131
Vendor - Bio-Rad	-	-	-	-	-	-
Field test fees	-	-	-	28,050	-	28,050
MSA	41,000	-	41,000	41,000	-	41,000
ATP	-	-	-	1,637	-	1,637
NRES	-	-	-	42,328	-	42,328
APT	-	-	-	234,110	-	234,110
ASP	-	-	-	19,800	-	19,800
ESI	-	-	-	106,973	-	106,973
Capstone Revenue	-	-	-	65,068	-	65,068
Royalty - Cengage	7,083	-	7,083	57,377	-	57,377
Royalty - Ward's	-	-	-	11,358	-	11,358
FSS revenue	-	-	-	-	-	-
G.W. Publications	-	-	-	8,840	-	8,840
Online	225	-	225	34,647	-	34,647
Merchandise	-	-	-	13,599	-	13,599
Interest	30	-	30	30	-	30
Replacement CD	-	-	-	400	-	400
<b>TOTAL REVENUE</b>	<u>425,070</u>	<u>-</u>	<u>425,070</u>	<u>2,121,789</u>	<u>-</u>	<u>2,121,789</u>
<b>EXPENSES</b>						
Council assessment	-	-	-	11,225	-	11,225
Travel	15,422	-	15,422	63,597	-	63,597
Travel - staff	5,308	-	5,308	46,002	-	46,002
Salary	6,391	-	6,391	76,799	-	76,799
Taxes and benefits	528	-	528	5,172	-	5,172
Contract labor	41,803	-	41,803	554,963	-	554,963
Supplies	459	-	459	2,680	-	2,680
NAAE management fee	24,000	-	24,000	24,000	-	24,000
Merchandise	37	-	37	558	-	558
Promotion	249	-	249	20,579	-	20,579
Printing	297	-	297	743	-	743
Postage	381	-	381	1,644	-	1,644
Telecommunications	-	-	-	361	-	361
Vernier	27,606	-	27,606	680,720	-	680,720
NewByte	-	-	-	4,256	-	4,256
Bio-Rad	-	-	-	-	-	-
Carthage	37,558	-	37,558	37,558	-	37,558
Carthage contract labor	101,150	-	101,150	137,900	-	137,900
Field test	-	-	-	-	-	-
CI scholarships	-	-	-	4,718	-	4,718
ATP	-	-	-	1,342	-	1,342
NRES	-	-	-	1,400	-	1,400
FSS	-	-	-	-	-	-
APT	-	-	-	19,378	-	19,378
ARD	-	-	-	11,206	-	11,206
ESI	954	-	954	6,957	-	6,957
G.W. Publications	-	-	-	9,741	-	9,741
Online expense	39,056	-	39,056	64,559	-	64,559
Royalty expense - Cengage	8,780	-	8,780	51,897	-	51,897
CI Mentor contract labor	2,500	-	2,500	5,000	-	5,000
CI mentor	1,851	-	1,851	5,652	-	5,652
Depreciation	9	-	9	114	-	114
<b>TOTAL EXPENSES</b>	<u>314,339</u>	<u>-</u>	<u>314,339</u>	<u>1,850,721</u>	<u>-</u>	<u>1,850,721</u>
<b>NET INCOME (LOSS)</b>	<u>\$ 110,731</u>	<u>\$ -</u>	<u>\$ 110,731</u>	<u>\$ 271,068</u>	<u>\$ -</u>	<u>\$ 271,068</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT