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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, 2016 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

September 21, 2016

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

August 31, 2016

ASSETS

Cash on deposit	\$ 467,809
Investments - operating fund	626,277
Investments - life membership fund	212,053
Accounts receivable	614,518
Inventory	5,000
Prepaid expenses	82,487
Property and equipment - CASE	532
Property and equipment	<u>11,759</u>

TOTAL ASSETS \$ 2,020,435

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 316,304
Accrued leave payable	41,327
Other current liabilities	<u>8,511</u>

TOTAL LIABILITIES 366,142

NET ASSETS

Unrestricted net assets:	
Current operation	829,561
Board designated for special purposes	208,415
Temporarily restricted net assets	1,020
CASE Project	<u>615,297</u>

TOTAL NET ASSETS 1,654,293

TOTAL LIABILITIES AND NET ASSETS \$ 2,020,435

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Two Months ended August 31, 2016

	Unrestricted				
	Current Operations	Board Designated	Temporarily Restricted	CASE Project	Total
Revenue, Gains and Losses					
Membership dues	\$ 13,590	\$ -	\$ -	\$ -	\$ 13,590
Convention registration	-	-	-	-	-
Sponsorship and awards	-	-	-	-	-
Merchandise sales	1,370	-	-	-	1,370
Contributions	-	-	50	-	50
Management fees	-	-	-	-	-
Net realized and unrealized gains (losses) on securities	36,584	-	-	-	36,584
Interest and dividends	931	-	-	-	931
FFA Foundation projects	-	-	-	-	-
CASE Program income	-	-	-	571,504	571,504
Other income	5,898	-	-	-	5,898
	58,373	-	50	571,504	629,927
Total Revenue, Gains and Losses					
Net Assets Released from Restrictions	-	-	-	-	-
Total Revenue, Gains and Losses and Reclassifications	58,373	-	50	571,504	629,927
Expenses					
General expenses	269,108	-	-	-	269,108
FFA Foundation projects	2,525	-	-	-	2,525
CASE Program expenses	-	-	-	458,002	458,002
Convention expenses	3,718	-	-	-	3,718
	275,351	-	-	458,002	733,353
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	(216,978)	-	50	113,502	(103,426)
NET ASSETS AT BEGINNING OF PERIOD	1,046,539	208,415	970	501,795	1,757,719
NET ASSETS AT END OF PERIOD	\$ 829,561	\$ 208,415	\$ 1,020	\$ 615,297	\$ 1,654,293

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the Two Months Ended August 31, 2016

	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	\$ 9,800	\$ 32,907	\$ (23,107)	\$ 11,340	\$ 394,880	\$ (383,540)
Corporate membership dues	1,500	2,563	(1,063)	2,250	30,750	(28,500)
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Foundation management fees	-	7,917	(7,917)	-	95,000	(95,000)
Interest and dividends	313	2,917	(2,604)	600	35,000	(34,400)
Net realized and unrealized gains (losses) on securities	5,879	-	5,879	36,584	-	36,584
Merchandise sales	16	833	(817)	1,370	10,000	(8,630)
Investment income, Life Fund	173	917	(744)	331	11,000	(10,669)
Contributions, Legislative Fund	-	-	-	50	-	50
Miscellaneous income	-	833	(833)	-	10,000	(10,000)
Scholarship raffle proceeds	-	125	(125)	-	1,500	(1,500)
National Teach Ag Campaign	-	37,500	(37,500)	-	450,000	(450,000)
Teacher crisis fund	3,544	-	3,544	4,213	-	4,213
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)
Teach AG non-foundation revenue	785	-	785	785	-	785
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	-	208	(208)	-	2,500	(2,500)
FFA Foundation project - Outstanding Service Citation	-	-	-	-	-	-
FFA Foundation teacher workshop	-	1,667	(1,667)	-	20,000	(20,000)
FFA Foundation upper division scholarships	-	1,833	(1,833)	-	22,000	(22,000)
FFA Foundation Agriscience Teacher	-	667	(667)	-	8,000	(8,000)
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	-	4,783	(4,783)	-	57,400	(57,400)
FFA Foundation convention internet lounge	-	-	-	-	-	-
CASE program net income	(6,217)	-	(6,217)	113,502	-	113,502
Convention net income	(96)	5,005	(5,101)	(2,818)	53,050	(55,868)
TOTAL REVENUE	15,697	123,593	(107,896)	168,207	1,476,080	(1,307,873)
EXPENSES						
Salaries	36,416	30,331	6,085	73,022	363,967	(290,945)
Taxes and benefits	9,155	8,419	736	17,393	101,023	(83,630)
Computer service	712	667	45	3,387	8,000	(4,613)
Telephone	170	417	(247)	616	5,000	(4,384)
Accounting	650	1,317	(667)	1,300	15,800	(14,500)
Depreciation	277	333	(56)	553	4,000	(3,447)
Rent	-	629	(629)	-	7,550	(7,550)
Insurance	773	833	(60)	1,546	10,000	(8,454)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	29	833	(804)	1,969	10,000	(8,031)
Bank charges and investment fees	-	8	(8)	1,857	100	1,757
Printing, general	824	250	574	948	3,000	(2,052)
Staff training	-	42	(42)	-	500	(500)
Taxes and licenses	-	8	(8)	-	100	(100)
Membership and contributions	40	1,667	(1,627)	40	20,000	(19,960)
Travel, staff	210	2,917	(2,707)	2,813	35,000	(32,187)
Promotion and marketing	5,531	1,250	4,281	7,284	15,000	(7,716)
Merchandise and diaries	725	208	517	725	2,500	(1,775)
Photocopying	-	8	(8)	-	100	(100)
Postage, general	931	542	389	1,498	6,500	(5,002)
Professional liability insurance	38,775	3,183	35,592	38,775	38,200	575
Public relations	-	83	(83)	273	1,000	(727)

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the Two Months Ended August 31, 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>
Scholarships	-	2,583	(2,583)	-	31,000	(31,000)
Travel, regional secretaries	-	1,500	(1,500)	-	18,000	(18,000)
Travel, board of directors	2,279	3,333	(1,054)	9,131	40,000	(30,869)
Nat'l Teach Ag Campaign	38,732	34,167	4,565	51,572	410,000	(358,428)
FFA Foundation project - TTTK	1,422	3,875	(2,453)	1,422	46,500	(45,078)
FFA Foundation project - OPAP	-	917	(917)	-	11,000	(11,000)
FFA Foundation project - OMSP	384	917	(533)	384	11,000	(10,616)
FFA Foundation project - OT	384	917	(533)	384	11,000	(10,616)
FFA Foundation project - OYM	-	917	(917)	-	11,000	(11,000)
FFA Foundation project - Lifetime achievement	-	208	(208)	-	2,500	(2,500)
FFA Foundation project - Outstanding service citation	335	-	335	335	-	335
FFA Foundation teacher workshop	-	-	-	-	-	-
FFA Foundation Regional Grants	-	-	-	-	-	-
FFA Foundation Agriscience Teachers	-	-	-	-	-	-
FFA Foundation XLR8	-	2,000	(2,000)	852	24,000	(23,148)
FFA Foundation convention internet lounge	-	-	-	-	-	-
DuPont Agriscience	-	667	(667)	23,224	8,000	15,224
Regional grants	-	-	-	-	-	-
NPS expense	-	417	(417)	-	5,000	(5,000)
Webinar expense	-	100	(100)	-	1,200	(1,200)
Teacher crisis fund	3,000	-	3,000	3,500	-	3,500
Communities of practice expense	15,000	3,167	11,833	15,000	38,000	(23,000)
Substitute teacher hire behinds	-	42	(42)	-	500	(500)
Website	1,281	1,083	198	2,331	13,000	(10,669)
NATAA stipends	8,750	10,000	(1,250)	8,750	120,000	(111,250)
BFRDP expense	-	-	-	-	-	-
BFPD contract labor	-	-	-	-	-	-
Credit card expense	481	208	273	749	2,500	(1,751)
Miscellaneous	-	-	-	-	-	-
TOTAL EXPENSES	<u>167,266</u>	<u>121,046</u>	<u>46,220</u>	<u>271,633</u>	<u>1,452,540</u>	<u>(1,180,907)</u>
NET INCOME (LOSS)	<u>\$ (151,569)</u>	<u>\$ 2,547</u>	<u>\$ (154,116)</u>	<u>\$ (103,426)</u>	<u>\$ 23,540</u>	<u>\$ (126,966)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the Two Months Ended August 31, 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>
REVENUE						
Convention, registration	\$ -	\$ 9,583	\$ (9,583)	\$ -	\$ 115,000	\$ (115,000)
Convention, trade show	900	-	900	900	-	900
Convention, sponsorships - FFA Foundation	-	4,583	(4,583)	-	55,000	(55,000)
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	-	1,333	(1,333)	-	16,000	(16,000)
TOTAL REVENUE	<u>900</u>	<u>15,499</u>	<u>(14,599)</u>	<u>900</u>	<u>186,000</u>	<u>(185,100)</u>
EXPENSES						
Convention, plaques and trophies	-	242	(242)	-	2,900	(2,900)
Convention, printing	-	-	-	-	-	-
Convention, awards	670	-	670	670	7,000	(6,330)
Convention, meal functions	-	833	(833)	-	10,000	(10,000)
Convention, promotion and marketing	-	208	(208)	499	2,500	(2,001)
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	-	4,583	(4,583)	-	55,000	(55,000)
Convention, travel/board of directors	326	1,333	(1,007)	986	16,000	(15,014)
Convention, staff travel	-	1,000	(1,000)	1,563	12,000	(10,437)
TOTAL EXPENSES	<u>996</u>	<u>10,494</u>	<u>(9,498)</u>	<u>3,718</u>	<u>132,950</u>	<u>(129,232)</u>
NET INCOME (LOSS)	<u>\$ (96)</u>	<u>\$ 5,005</u>	<u>\$ (5,101)</u>	<u>\$ (2,818)</u>	<u>\$ 53,050</u>	<u>\$ (55,868)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Case Program Revenue and Expenses

For the Two Months Ended August 31, 2016

	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	\$ 23,630	\$ -	\$ 23,630	\$ 248,754	\$ -	\$ 248,754
Vendor - Vernier	206,937	-	206,937	251,277	-	251,277
Vendor - NewByte	2,108	-	2,108	2,507	-	2,507
Vendor - Bio-Rad	-	-	-	-	-	-
Field test fees	-	-	-	5,000	-	5,000
NRES	-	-	-	-	-	-
APT	3,617	-	3,617	3,617	-	3,617
ASP	-	-	-	-	-	-
ESI	-	-	-	-	-	-
Capstone Revenue	-	-	-	-	-	-
Royalty - Cengage	32,445	-	32,445	41,400	-	41,400
FSS revenue	-	-	-	-	-	-
G.W. Publications	1,768	-	1,768	3,890	-	3,890
Online	13,182	-	13,182	14,657	-	14,657
Merchandise	-	-	-	102	-	102
Replacement CD	275	-	275	300	-	300
TOTAL REVENUE	<u>283,962</u>	<u>-</u>	<u>283,962</u>	<u>571,504</u>	<u>-</u>	<u>571,504</u>
EXPENSES						
Council assessment	-	-	-	-	-	-
Travel	1,859	-	1,859	8,585	-	8,585
Travel - staff	90	-	90	4,169	-	4,169
Salary	7,070	-	7,070	14,160	-	14,160
Taxes and benefits	306	-	306	835	-	835
Contract labor	41,802	-	41,802	83,605	-	83,605
Supplies	-	-	-	874	-	874
Merchandise	-	-	-	37	-	37
Promotion	-	-	-	1,820	-	1,820
Printing	-	-	-	-	-	-
Postage	104	-	104	389	-	389
Telecommunications	-	-	-	-	-	-
Vernier	177,346	-	177,346	201,946	-	201,946
NewByte	206	-	206	966	-	966
Bio-Rad	-	-	-	-	-	-
Carthage	-	-	-	1,083	-	1,083
Carthage contract labor	23,450	-	23,450	81,350	-	81,350
Field test	-	-	-	10,000	-	10,000
CI scholarships	-	-	-	-	-	-
NRES	-	-	-	-	-	-
FSS	-	-	-	-	-	-
APT	-	-	-	-	-	-
ARD	-	-	-	-	-	-
ESI	-	-	-	2,391	-	2,391
G.W. Publications	1,214	-	1,214	1,946	-	1,946
Online expense	-	-	-	-	-	-
Royalty expense - Cengage	34,222	-	34,222	35,004	-	35,004
CI Mentor contract labor	2,500	-	2,500	5,000	-	5,000
CI mentor	-	-	-	3,823	-	3,823
Depreciation	10	-	10	19	-	19
TOTAL EXPENSES	<u>290,179</u>	<u>-</u>	<u>290,179</u>	<u>458,002</u>	<u>-</u>	<u>458,002</u>
NET INCOME (LOSS)	<u>\$ (6,217)</u>	<u>\$ -</u>	<u>\$ (6,217)</u>	<u>\$ 113,502</u>	<u>\$ -</u>	<u>\$ 113,502</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT