

# STEPHEN D. SCHNETTLER, PLLC

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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 September 30, 2014 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 7, 2014

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

September 30, 2014

ASSETS

Cash on deposit	\$ 194,323
Investments - operating fund	578,964
Investments - life membership fund	202,048
Investments - reserve fund	2,723
Accounts receivable	372,125
Prepaid expenses	40,817
Property and equipment - CASE	750
Property and equipment	<u>9,952</u>

TOTAL ASSETS \$ 1,401,702

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 66,968
Accrued leave payable	33,802
Other current liabilities	<u>7,192</u>

TOTAL LIABILITIES 107,962

NET ASSETS

Unrestricted net assets:	
Current operation	820,540
Board designated for special purposes	205,735
Temporarily restricted net assets	480
CASE Project	<u>266,985</u>

TOTAL NET ASSETS 1,293,740

TOTAL LIABILITIES AND NET ASSETS \$ 1,401,702

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Three Months ended September 30, 2014

	<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	\$ 217,930	\$ 2,580	\$ -	\$ -	\$ 220,510
Convention registration	-	-	-	-	-
Sponsorship and awards	3,000	-	-	-	3,000
Merchandise sales	1,023	-	-	-	1,023
Contributions	-	-	480	-	480
Management fees	-	-	-	-	-
Net realized and unrealized gains (losses) on securities	(2,191)	-	-	-	(2,191)
Interest and dividends	11	-	-	-	11
FFA Foundation projects	11,302	-	-	-	11,302
CASE Program income	-	-	-	771,774	771,774
Other income	106,911	-	-	-	106,911
	<u>337,986</u>	<u>2,580</u>	<u>480</u>	<u>771,774</u>	<u>1,112,820</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>337,986</u>	<u>2,580</u>	<u>480</u>	<u>771,774</u>	<u>1,112,820</u>
Expenses					
General expenses	218,609	-	-	-	218,609
FFA Foundation projects	2,240	-	-	-	2,240
CASE Program expenses	-	-	-	694,514	694,514
Convention expenses	2,535	-	-	-	2,535
	<u>223,384</u>	<u>-</u>	<u>-</u>	<u>694,514</u>	<u>917,898</u>
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	114,602	2,580	480	77,260	194,922
NET ASSETS AT BEGINNING OF PERIOD	<u>705,938</u>	<u>203,155</u>	<u>-</u>	<u>189,725</u>	<u>1,098,818</u>
NET ASSETS AT END OF PERIOD	<u>\$ 820,540</u>	<u>\$ 205,735</u>	<u>\$ 480</u>	<u>\$ 266,985</u>	<u>\$ 1,293,740</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, 2014

	<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>						
Member dues	\$ 180,820	\$ 31,385	\$ 149,435	\$ 218,110	\$ 376,615	\$ (158,505)
Corporate membership dues	750	2,500	(1,750)	2,400	30,000	(27,600)
NSTA Dues	-	-	-	-	-	-
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Freshman scholarships	-	-	-	-	-	-
Foundation management fees	-	7,083	(7,083)	-	85,000	(85,000)
MBNA affinity credit card program	-	-	-	-	-	-
Toyota vehicle lease management fee	-	-	-	-	-	-
Interest and dividends	4	1,667	(1,663)	11	20,000	(19,989)
Net realized and unrealized gains (losses) on securities	(16,244)	-	(16,244)	(2,191)	-	(2,191)
Merchandise sales	253	708	(455)	1,023	8,500	(7,477)
Investment income, Life Fund	-	42	(42)	-	500	(500)
Contributions, Legislative Fund	480	-	480	480	-	480
Miscellaneous income	143	417	(274)	271	5,000	(4,729)
Scholarship raffle proceeds	-	125	(125)	-	1,500	(1,500)
National Teach Ag Campaign	-	13,833	(13,833)	23,571	166,000	(142,429)
Teacher crisis fund	150	-	150	1,463	-	1,463
BFRDP Grant	-	2,500	(2,500)	12,797	30,000	(17,203)
AEM business manager stipend	-	333	(333)	-	4,000	(4,000)
AEM subscriptions	-	-	-	10	-	10
Webinar revenue	-	-	-	-	-	-
DuPont Agriscience	-	-	-	11,099	-	11,099
NPS	-	-	-	-	-	-
State website development	-	-	-	-	-	-
Hurricane relief	-	-	-	-	-	-
Credit card revenue	-	-	-	-	-	-
F2F revenue	-	-	-	-	15,000	(15,000)
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	24,600	32,800
FFA Foundation project - TTTK	-	3,875	(3,875)	4,000	46,500	(42,500)
FFA Foundation project - OPAP	(1,727)	1,000	(2,727)	(227)	12,000	(12,227)
FFA Foundation project - OMSP	-	1,000	(1,000)	-	12,000	(12,000)
FFA Foundation project - OT	-	917	(917)	2,134	11,000	(8,866)
FFA Foundation project - OYM	2,395	917	1,478	5,395	11,000	(5,605)
FFA Foundation project - Lifetime Achievement	-	208	(208)	-	2,500	(2,500)
FFA Foundation project - Outstanding Service Citation	-	205	(205)	-	2,460	(2,460)
FFA Foundation teacher workshop	-	958	(958)	-	11,500	(11,500)
FFA Foundation internet café	-	-	-	-	-	-
FFA Foundation Pfizer classroom	-	-	-	-	-	-
FFA Foundation Regional Grants Revenue	-	1,500	(1,500)	-	18,000	(18,000)
FFA Foundation Agriscience Teacher	-	1,562	(1,562)	-	18,740	(18,740)
FFA Foundation NATAA/NAII	-	10,000	(10,000)	-	120,000	(120,000)
FFA Foundation project - XLR8	-	-	-	-	24,000	(24,000)
CASE program net income	(85,426)	-	(85,426)	77,260	-	77,260
Convention net income	(2,160)	4,587	(6,747)	765	48,050	(47,285)
<b>TOTAL REVENUE</b>	<b>79,438</b>	<b>90,364</b>	<b>(10,926)</b>	<b>415,771</b>	<b>1,140,965</b>	<b>(725,194)</b>
<b>EXPENSES</b>						
Salaries	28,822	28,050	772	92,187	336,594	(244,407)
Taxes and benefits	6,415	7,037	(622)	18,022	84,448	(66,426)
Computer service	-	625	(625)	2,037	7,500	(5,463)
Telephone	502	333	169	522	4,000	(3,478)
Accounting	650	1,317	(667)	1,950	15,800	(13,850)
Depreciation	249	333	(84)	748	4,000	(3,252)
Rent	-	625	(625)	-	7,500	(7,500)
Insurance	730	542	188	2,191	6,500	(4,309)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	40	667	(627)	(35)	8,000	(8,035)
Bank charges and investment fees	-	8	(8)	2,000	100	1,900
Printing, general	493	417	76	655	5,000	(4,345)
Staff training	-	42	(42)	-	500	(500)
Taxes and licenses	-	8	(8)	-	100	(100)
Membership and contributions	10	1,417	(1,407)	11,840	17,000	(5,160)
Travel, staff	275	2,083	(1,808)	(1,516)	25,000	(26,516)
Promotion and marketing	1,673	1,000	673	1,673	12,000	(10,327)
Merchandise and diaries	-	500	(500)	247	6,000	(5,753)
Photocopying	-	8	(8)	-	100	(100)
Postage, general	306	500	(194)	239	6,000	(5,761)

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.  
Schedule of Actual vs. Budget  
For the One and Three Months Ended September 30, 2014

	<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>
Professional liability insurance	-	3,041	(3,041)	-	36,495	(36,495)
Public relations	-	83	(83)	-	1,000	(1,000)
Scholarships	-	813	(813)	11,250	9,750	1,500
Travel, regional secretaries	277	1,167	(890)	2,038	14,000	(11,962)
Travel, board of directors	835	2,917	(2,082)	7,971	35,000	(27,029)
Nat'l Teach Ag Campaign	12,987	11,167	1,820	21,099	134,000	(112,901)
FFA Foundation project - TTTK	-	3,875	(3,875)	-	46,500	(46,500)
FFA Foundation project - OPAP	-	1,000	(1,000)	1,187	12,000	(10,813)
FFA Foundation project - OMSP	419	1,000	(581)	419	12,000	(11,581)
FFA Foundation project - OT	-	917	(917)	634	11,000	(10,366)
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	-	205	(205)	-	2,460	(2,460)
FFA Foundation project - Smart Edge	-	-	-	-	-	-
FFA Foundation teacher workshop	-	958	(958)	-	11,500	(11,500)
FFA Foundation internet café	-	-	-	-	-	-
FFA Foundation Pfizer Classroom	-	-	-	-	-	-
FFA Foundation Regional Grants	-	1,500	(1,500)	-	18,000	(18,000)
FFA Foundation Agriscience Teachers	-	1,562	(1,562)	-	18,740	(18,740)
FFA Foundation NATAA/NAII	-	-	-	-	-	-
FFA Foundation XLR8	-	2,000	(2,000)	-	24,000	(24,000)
DuPont Agriscience	1,775	-	1,775	(565)	-	(565)
GMAC SmartEdge program	-	-	-	-	-	-
NPS expense	-	833	(833)	-	10,000	(10,000)
Webinar expense	601	100	501	601	1,200	(599)
Teacher crisis fund	-	-	-	1,000	-	1,000
Communities of practice expense	-	1,667	(1,667)	22,191	20,000	2,191
Substitute teacher hire behinds	-	125	(125)	-	1,500	(1,500)
NSTA dues	-	-	-	-	-	-
Bad debts	-	-	-	-	-	-
Website	1,050	-	1,050	3,150	-	3,150
NATAA stipends	-	-	-	8,625	120,000	(111,375)
BFRDP expense	-	-	-	-	2,500	(2,500)
BFPD contract labor	7,500	-	7,500	7,500	-	7,500
Contract labor	-	-	-	-	-	-
Storage	-	-	-	-	-	-
Credit card expense	198	-	198	489	-	489
Ag Ed opportunity fund	-	-	-	500	-	500
Miscellaneous	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<u>65,807</u>	<u>81,650</u>	<u>(15,843)</u>	<u>220,849</u>	<u>1,102,287</u>	<u>(881,438)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ 13,631</u>	<u>\$ 8,714</u>	<u>\$ 4,917</u>	<u>\$ 194,922</u>	<u>\$ 38,678</u>	<u>\$ 156,244</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, 2014

	<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	\$ -	\$ 8,333	\$ (8,333)	\$ -	\$ 100,000	\$ (100,000)
Convention, tickets/workshops	-	-	-	-	-	-
Convention, trade show	-	-	-	300	-	300
Convention - Ideas Unlimited	-	-	-	-	-	-
Convention - Teacher Mentor	-	-	-	-	-	-
Convention scholarship fund	-	-	-	-	-	-
Convention, sponsorships - FFA Foundation	-	2,917	(2,917)	-	35,000	(35,000)
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	-	1,333	(1,333)	3,000	16,000	(13,000)
<b>TOTAL REVENUE</b>	<u>-</u>	<u>12,583</u>	<u>(12,583)</u>	<u>3,300</u>	<u>151,000</u>	<u>(147,700)</u>
<b>EXPENSES</b>						
Convention, plaques and trophies	125	242	(117)	125	2,900	(2,775)
Convention, printing	-	-	-	-	-	-
Convention, miscellaneous	-	-	-	-	-	-
Convention, awards	-	-	-	375	7,000	(6,625)
Convention, photography	-	-	-	-	-	-
Convention, meal functions	2,035	833	1,202	2,035	10,000	(7,965)
Convention, promotion and marketing	-	208	(208)	-	2,500	(2,500)
Convention, postage and shipping	-	167	(167)	-	2,000	(2,000)
Convention, equipment rental	-	1,500	(1,500)	-	18,000	(18,000)
Convention, workshops	-	-	-	-	-	-
Convention, host state social	-	-	-	-	-	-
Convention, speakers	-	-	-	-	-	-
Convention, trade show expense	-	-	-	-	-	-
Convention, tour expenses	-	-	-	-	-	-
Convention, committee expense	-	379	(379)	-	4,550	(4,550)
Convention, sponsorships - FFA Foundation	-	2,917	(2,917)	-	35,000	(35,000)
Convention, travel/board of directors	-	1,167	(1,167)	-	14,000	(14,000)
Convention, staff travel	-	583	(583)	-	7,000	(7,000)
Convention, other travel	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<u>2,160</u>	<u>7,996</u>	<u>(5,836)</u>	<u>2,535</u>	<u>102,950</u>	<u>(100,415)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ (2,160)</u>	<u>\$ 4,587</u>	<u>\$ (6,747)</u>	<u>\$ 765</u>	<u>\$ 48,050</u>	<u>\$ (47,285)</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, 2014

	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	\$ -	\$ -	\$ -	\$ 251,732	\$ -	\$ 251,732
Vendor - Vernier	110,199	-	110,199	349,894	-	349,894
Vendor - NewByte	630	-	630	4,717	-	4,717
Vendor - Bio-Rad	-	-	-	2,422	-	2,422
Field test fees	-	-	-	10,140	-	10,140
New Jersey	-	-	-	-	-	-
NRES	-	-	-	33,759	-	33,759
APB	-	-	-	-	-	-
APT	-	-	-	43,976	-	43,976
Royalty - Cengage	4,043	-	4,043	17,521	-	17,521
Royalty - Ward's	-	-	-	-	-	-
FSS revenue	6,847	-	6,847	49,087	-	49,087
Assessments - ASP	-	-	-	-	-	-
Assessments - ASA	-	-	-	-	-	-
G.W. Publications	-	-	-	84	-	84
Online	472	-	472	8,342	-	8,342
Replacement CD	-	-	-	100	-	100
Interest	-	-	-	-	-	-
FFA Foundation	-	-	-	-	-	-
TOTAL REVENUE	<u>122,191</u>	<u>-</u>	<u>122,191</u>	<u>771,774</u>	<u>-</u>	<u>771,774</u>
EXPENSES						
Legal and professional	-	-	-	-	-	-
Council assessment	-	-	-	-	-	-
Travel	1,200	-	1,200	10,508	-	10,508
Travel - staff	2,908	-	2,908	2,248	-	2,248
Salary	4,184	-	4,184	12,553	-	12,553
Taxes and benefits	1,070	-	1,070	3,210	-	3,210
Contract labor	56,282	-	56,282	168,678	-	168,678
Supplies	-	-	-	(145)	-	(145)
Promotion	-	-	-	10,731	-	10,731
Printing	2,451	-	2,451	2,451	-	2,451
Postage	-	-	-	(9)	-	(9)
Telecommunications	-	-	-	-	-	-
Rutgers	-	-	-	-	-	-
Vernier	89,952	-	89,952	308,047	-	308,047
NewByte	2,098	-	2,098	2,369	-	2,369
Bio-Rad	-	-	-	-	-	-
Carthage	-	-	-	-	-	-
Carthage contract labor	20,550	-	20,550	115,225	-	115,225
Field test	-	-	-	-	-	-
Field test contract labor	-	-	-	-	-	-
CI scholarships	-	-	-	157	-	157
APT contract labor	-	-	-	-	-	-
NRES	-	-	-	2,650	-	2,650
APB	-	-	-	-	-	-
FSS	6,847	-	6,847	12,524	-	12,524
APT	295	-	295	549	-	549
G.W. Publications	92	-	92	92	-	92
Online expense	750	-	750	750	-	750
Assesmnts	11,675	-	11,675	11,675	-	11,675
Royalty expense - Cengage	7,253	-	7,253	23,572	-	23,572
Case management fee	-	-	-	-	-	-
Bank charges	-	-	-	-	-	-
CI Mentor contract labor	-	-	-	150	-	150
CI mentor	-	-	-	6,500	-	6,500
Credit card expense	-	-	-	-	-	-
Depreciation	10	-	10	29	-	29
Equipment	-	-	-	-	-	-
TOTAL EXPENSES	<u>207,617</u>	<u>-</u>	<u>207,617</u>	<u>694,514</u>	<u>-</u>	<u>694,514</u>
NET INCOME (LOSS)	<u>\$ (85,426)</u>	<u>\$ -</u>	<u>\$ (85,426)</u>	<u>\$ 77,260</u>	<u>\$ -</u>	<u>\$ 77,260</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT