

**STEPHEN D. SCHNETTLER, PLLC**

Certified Public Accountants

300 W. Maxwell Street

Lexington, Kentucky 40508

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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, 2014 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*

December 16, 2014

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

October 31, 2014

ASSETS

Cash on deposit	\$ 50,542
Investments - operating fund	586,618
Investments - life membership fund	205,061
Investments - reserve fund	2,723
Accounts receivable	392,309
Prepaid expenses	149,406
Property and equipment - CASE	741
Property and equipment	<u>9,703</u>

TOTAL ASSETS \$ 1,397,103

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 129,685
Accrued leave payable	33,802
Other current liabilities	<u>6,734</u>

TOTAL LIABILITIES 170,221

NET ASSETS

Unrestricted net assets:	
Current operation	787,412
Board designated for special purposes	205,735
Temporarily restricted net assets	480
CASE Project	<u>233,255</u>

TOTAL NET ASSETS 1,226,882

TOTAL LIABILITIES AND NET ASSETS \$ 1,397,103

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Four Months ended October 31, 2014

	<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	\$ 276,080	\$ 2,580	\$ -	\$ -	\$ 278,660
Convention registration	-	-	-	-	-
Sponsorship and awards	7,250	-	-	-	7,250
Merchandise sales	1,023	-	-	-	1,023
Contributions	-	-	480	-	480
Management fees	-	-	-	-	-
Net realized and unrealized					
gains (losses) on securities	10,415	-	-	-	10,415
Interest and dividends	14	-	-	-	14
FFA Foundation projects	11,302	-	-	-	11,302
CASE Program income	-	-	-	861,577	861,577
Other income	107,211	-	-	-	107,211
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue, Gains and Losses	413,295	2,580	480	861,577	1,277,932
Net Assets Released from Restrictions	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-	-
Total Revenue, Gains and Losses and Reclassifications	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	413,295	2,580	480	861,577	1,277,932
Expenses					
General expenses	319,232	-	-	-	319,232
FFA Foundation projects	3,109	-	-	-	3,109
CASE Program expenses	-	-	-	818,047	818,047
Convention expenses	9,480	-	-	-	9,480
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	331,821	-	-	818,047	1,149,868
INCREASE (DECREASE) IN NET ASSETS	81,474	2,580	480	43,530	128,064
NET ASSETS AT BEGINNING OF PERIOD	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	705,938	203,155	-	189,725	1,098,818
NET ASSETS AT END OF PERIOD	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 787,412	\$ 205,735	\$ 480	\$ 233,255	\$ 1,226,882

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, 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	\$ 56,650	\$ 31,385	\$ 25,265	\$ 274,760	\$ 376,615	\$ (101,855)
Corporate membership dues	1,500	2,500	(1,000)	3,900	30,000	(26,100)
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	3	1,667	(1,664)	14	20,000	(19,986)
Net realized and unrealized gains (losses) on securities	12,606	-	12,606	10,415	-	10,415
Merchandise sales	-	708	(708)	1,023	8,500	(7,477)
Investment income, Life Fund	-	42	(42)	-	500	(500)
Contributions, Legislative Fund	-	-	-	480	-	480
Miscellaneous income	-	417	(417)	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	-	-	-	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	-	1,000	(1,000)	(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	-	917	(917)	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	(33,730)	-	(33,730)	43,530	-	43,530
Convention net income	(2,396)	4,587	(6,983)	(1,630)	48,050	(49,680)
<b>TOTAL REVENUE</b>	<b>34,633</b>	<b>90,364</b>	<b>(55,731)</b>	<b>450,405</b>	<b>1,140,965</b>	<b>(690,560)</b>
<b>EXPENSES</b>						
Salaries	20,174	28,050	(7,876)	112,361	336,594	(224,233)
Taxes and benefits	6,769	7,037	(268)	24,791	84,448	(59,657)
Computer service	325	625	(300)	2,362	7,500	(5,138)
Telephone	113	333	(220)	635	4,000	(3,365)
Accounting	650	1,317	(667)	2,600	15,800	(13,200)
Depreciation	249	333	(84)	997	4,000	(3,003)
Rent	-	625	(625)	-	7,500	(7,500)
Insurance	730	542	188	2,921	6,500	(3,579)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	669	667	2	633	8,000	(7,367)
Bank charges and investment fees	1,946	8	1,938	3,946	100	3,846
Printing, general	256	417	(161)	911	5,000	(4,089)
Staff training	-	42	(42)	-	500	(500)
Taxes and licenses	-	8	(8)	-	100	(100)
Membership and contributions	3,500	1,417	2,083	15,340	17,000	(1,660)
Travel, staff	587	2,083	(1,496)	(928)	25,000	(25,928)
Promotion and marketing	827	1,000	(173)	2,500	12,000	(9,500)
Merchandise and diaries	919	500	419	1,165	6,000	(4,835)
Photocopying	-	8	(8)	-	100	(100)
Postage, general	143	500	(357)	382	6,000	(5,618)

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Four Months Ended October 31, 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>
Professional liability insurance	36,810	3,041	33,769	36,810	36,495	315
Public relations	-	83	(83)	-	1,000	(1,000)
Scholarships	-	813	(813)	11,250	9,750	1,500
Travel, regional secretaries	-	1,167	(1,167)	2,038	14,000	(11,962)
Travel, board of directors	-	2,917	(2,917)	8,642	35,000	(26,358)
Nat'l Teach Ag Campaign	22,375	11,167	11,208	43,474	134,000	(90,526)
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	-	1,000	(1,000)	419	12,000	(11,581)
FFA Foundation project - OT	325	917	(592)	959	11,000	(10,041)
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	219	958	(739)	219	11,500	(11,281)
FFA Foundation internet café	-	-	-	-	-	-
FFA Foundation Pfizer Classroom	-	-	-	-	-	-
FFA Foundation Regional Grants	-	1,500	(1,500)	-	18,000	(18,000)
FFA Foundation Agriscience Teachers	325	1,562	(1,237)	325	18,740	(18,415)
FFA Foundation NATAA/NAII	-	-	-	-	-	-
FFA Foundation XLR8	325	2,000	(1,675)	1,064	24,000	(22,936)
DuPont Agriscience	485	-	485	(79)	-	(79)
GMAC SmartEdge program	-	-	-	-	-	-
NPS expense	-	833	(833)	-	10,000	(10,000)
Webinar expense	-	100	(100)	601	1,200	(599)
Teacher crisis fund	-	-	-	1,500	-	1,500
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	4,200	-	4,200
NATAA stipends	-	-	-	8,625	120,000	(111,375)
BFRDP expense	-	-	-	-	2,500	(2,500)
BFPD contract labor	-	-	-	7,500	-	7,500
Contract labor	-	-	-	-	-	-
Storage	-	-	-	-	-	-
Credit card expense	311	-	311	800	-	800
Ag Ed opportunity fund	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<u>100,082</u>	<u>81,650</u>	<u>18,432</u>	<u>322,341</u>	<u>1,102,287</u>	<u>(779,946)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ (65,449)</u>	<u>\$ 8,714</u>	<u>\$ (74,163)</u>	<u>\$ 128,064</u>	<u>\$ 38,678</u>	<u>\$ 89,386</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, 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	600	-	600
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	4,250	1,333	2,917	7,250	16,000	(8,750)
<b>TOTAL REVENUE</b>	<u>4,550</u>	<u>12,583</u>	<u>(8,033)</u>	<u>7,850</u>	<u>151,000</u>	<u>(143,150)</u>
<b>EXPENSES</b>						
Convention, plaques and trophies	293	242	51	417	2,900	(2,483)
Convention, printing	1,751	-	1,751	1,751	-	1,751
Convention, miscellaneous	-	-	-	-	-	-
Convention, awards	4,800	-	4,800	5,175	7,000	(1,825)
Convention, photography	-	-	-	-	-	-
Convention, meal functions	-	833	(833)	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	102	583	(481)	102	7,000	(6,898)
Convention, other travel	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<u>6,946</u>	<u>7,996</u>	<u>(1,050)</u>	<u>9,480</u>	<u>102,950</u>	<u>(93,470)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ (2,396)</u>	<u>\$ 4,587</u>	<u>\$ (6,983)</u>	<u>\$ (1,630)</u>	<u>\$ 48,050</u>	<u>\$ (49,680)</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, 2014

	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>
<b>REVENUE</b>						
CI fees	\$ 75	\$ -	\$ 75	\$ 251,807	\$ -	\$ 251,807
Vendor - Vernier	61,855	-	61,855	411,748	-	411,748
Vendor - NewByte	860	-	860	5,577	-	5,577
Vendor - Bio-Rad	-	-	-	2,422	-	2,422
Field test fees	2,500	-	2,500	12,640	-	12,640
New Jersey	-	-	-	-	-	-
NRES	389	-	389	34,149	-	34,149
APB	-	-	-	-	-	-
APT	1,457	-	1,457	45,433	-	45,433
ASP	700	-	700	700	-	700
Royalty - Cengage	7,955	-	7,955	25,476	-	25,476
Royalty - Ward's	-	-	-	-	-	-
FSS revenue	10,402	-	10,402	59,489	-	59,489
Assessments - ASP	-	-	-	-	-	-
Assessments - ASA	-	-	-	-	-	-
G.W. Publications	-	-	-	84	-	84
Online	3,610	-	3,610	11,952	-	11,952
Replacement CD	-	-	-	100	-	100
Interest	-	-	-	-	-	-
FFA Foundation	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	<b>89,803</b>	<b>-</b>	<b>89,803</b>	<b>861,577</b>	<b>-</b>	<b>861,577</b>
<b>EXPENSES</b>						
Legal and professional	-	-	-	-	-	-
Council assessment	-	-	-	11,675	-	11,675
Travel	-	-	-	10,508	-	10,508
Travel - staff	147	-	147	2,395	-	2,395
Salary	4,184	-	4,184	16,738	-	16,738
Taxes and benefits	466	-	466	3,676	-	3,676
Contract labor	56,282	-	56,282	224,960	-	224,960
Supplies	-	-	-	(145)	-	(145)
Promotion	-	-	-	10,731	-	10,731
Printing	-	-	-	2,451	-	2,451
Postage	-	-	-	(9)	-	(9)
Telecommunications	-	-	-	-	-	-
Rutgers	-	-	-	-	-	-
Vernier	56,653	-	56,653	364,699	-	364,699
NewByte	133	-	133	2,502	-	2,502
Bio-Rad	76	-	76	76	-	76
Carthage	-	-	-	-	-	-
Carthage contract labor	-	-	-	115,225	-	115,225
Field test	-	-	-	-	-	-
Field test contract labor	-	-	-	-	-	-
CI scholarships	-	-	-	157	-	157
APT contract labor	-	-	-	-	-	-
NRES	132	-	132	2,782	-	2,782
APB	-	-	-	-	-	-
FSS	-	-	-	12,524	-	12,524
APT	-	-	-	549	-	549
G.W. Publications	-	-	-	92	-	92
Online expense	-	-	-	750	-	750
Assesmnts	-	-	-	-	-	-
Royalty expense - Cengage	5,451	-	5,451	29,023	-	29,023
Case management fee	-	-	-	-	-	-
Bank charges	-	-	-	-	-	-
CI Mentor contract labor	-	-	-	6,500	-	6,500
CI mentor	-	-	-	150	-	150
Credit card expense	-	-	-	-	-	-
Depreciation	9	-	9	38	-	38
Equipment	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>123,533</b>	<b>-</b>	<b>123,533</b>	<b>818,047</b>	<b>-</b>	<b>818,047</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (33,730)</b>	<b>\$ -</b>	<b>\$ (33,730)</b>	<b>\$ 43,530</b>	<b>\$ -</b>	<b>\$ 43,530</b>

SEE ACCOMPANYING ACCOUNTANT'S REPORT