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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 November 30, 2014 and the related statement of activities for the five 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

November 30, 2014

ASSETS

Cash on deposit	\$ 88,882
Investments - operating fund	596,764
Investments - life membership fund	208,027
Investments - reserve fund	2,723
Accounts receivable	471,560
Prepaid expenses	215,239
Property and equipment - CASE	732
Property and equipment	<u>9,453</u>
 TOTAL ASSETS	 <u>\$ 1,593,380</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 79,402
Accrued leave payable	33,802
Other current liabilities	<u>8,080</u>
 TOTAL LIABILITIES	 <u>121,284</u>

NET ASSETS

Unrestricted net assets:	
Current operation	926,805
Board designated for special purposes	206,605
Temporarily restricted net assets	480
CASE Project	<u>338,206</u>
 TOTAL NET ASSETS	 <u>1,472,096</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,593,380</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Five Months ended November 30, 2014

	Unrestricted				
	Current Operations	Board Designated	Temporarily Restricted	CASE Project	Total
Revenue, Gains and Losses					
Membership dues	\$ 317,424	\$ 3,450	\$ -	\$ -	\$ 320,874
Convention registration	94,008	-	-	-	94,008
Sponsorship and awards	9,500	-	-	-	9,500
Merchandise sales	1,360	-	-	-	1,360
Contributions	-	-	480	-	480
Management fees	-	-	-	-	-
Net realized and unrealized gains (losses) on securities	23,528	-	-	-	23,528
Interest and dividends	16	-	-	-	16
FFA Foundation projects	11,302	-	-	-	11,302
CASE Program income	-	-	-	1,103,297	1,103,297
Other income	205,322	-	-	-	205,322
	662,460	3,450	480	1,103,297	1,769,687
Total Revenue, Gains and Losses					
Net Assets Released from Restrictions	-	-	-	-	-
Total Revenue, Gains and Losses and Reclassifications	662,460	3,450	480	1,103,297	1,769,687
Expenses					
General expenses	385,995	-	-	-	385,995
FFA Foundation projects	20,797	-	-	-	20,797
CASE Program expenses	-	-	-	954,816	954,816
Convention expenses	34,801	-	-	-	34,801
	441,593	-	-	954,816	1,396,409
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	220,867	3,450	480	148,481	373,278
NET ASSETS AT BEGINNING OF PERIOD	705,938	203,155	-	189,725	1,098,818
NET ASSETS AT END OF PERIOD	\$ 926,805	\$ 206,605	\$ 480	\$ 338,206	\$ 1,472,096

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Five Months Ended November 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>
REVENUE						
Member dues	\$ 41,463	\$ 31,385	\$ 10,078	\$ 316,224	\$ 376,615	\$ (60,391)
Corporate membership dues	750	2,500	(1,750)	4,650	30,000	(25,350)
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	2	1,667	(1,665)	16	20,000	(19,984)
Net realized and unrealized						
gains (losses) on securities	13,112	-	13,112	23,528	-	23,528
Merchandise sales	337	708	(371)	1,360	8,500	(7,140)
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	71,597	13,833	57,764	95,169	166,000	(70,831)
Teacher Ag non-foundation revenue	3,116	-	3,116	3,116	-	3,116
Teacher crisis fund	150	-	150	1,613	-	1,613
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	11,664	-	11,664	22,763	-	22,763
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	104,950	-	104,950	148,481	-	148,481
Convention net income	82,520	4,587	77,933	80,890	48,050	32,840
TOTAL REVENUE	329,661	90,364	239,297	780,070	1,140,965	(360,895)
EXPENSES						
Salaries	37,733	28,050	9,683	150,094	336,594	(186,500)
Taxes and benefits	10,502	7,037	3,465	35,294	84,448	(49,154)
Computer service	-	625	(625)	2,362	7,500	(5,138)
Telephone	219	333	(114)	853	4,000	(3,147)
Accounting	650	1,317	(667)	3,250	15,800	(12,550)
Depreciation	249	333	(84)	1,247	4,000	(2,753)
Rent	-	625	(625)	-	7,500	(7,500)
Insurance	730	542	188	3,651	6,500	(2,849)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	96	667	(571)	733	8,000	(7,267)
Bank charges and investment fees	-	8	(8)	3,946	100	3,846
Printing, general	-	417	(417)	911	5,000	(4,089)
Staff training	-	42	(42)	-	500	(500)
Taxes and licenses	-	8	(8)	-	100	(100)
Membership and contributions	-	1,417	(1,417)	15,340	17,000	(1,660)
Travel, staff	1,362	2,083	(721)	434	25,000	(24,566)
Promotion and marketing	-	1,000	(1,000)	2,500	12,000	(9,500)
Merchandise and diaries	834	500	334	1,999	6,000	(4,001)

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Actual vs. Budget
For the One and Five Months Ended November 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>
Photocopying	-	8	(8)	-	100	(100)
Postage, general	26	500	(474)	408	6,000	(5,592)
Professional liability insurance	-	3,041	(3,041)	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	1,719	1,167	552	3,757	14,000	(10,243)
Travel, board of directors	131	2,917	(2,786)	8,773	35,000	(26,227)
Nat'l Teach Ag Campaign	3,960	11,167	(7,207)	47,433	134,000	(86,567)
FFA Foundation project - TTTK	3,603	3,875	(272)	3,603	46,500	(42,897)
FFA Foundation project - OPAP	1,032	1,000	32	2,219	12,000	(9,781)
FFA Foundation project - OMSP	1,219	1,000	219	1,638	12,000	(10,362)
FFA Foundation project - OT	905	917	(12)	1,864	11,000	(9,136)
FFA Foundation project - OYM	304	917	(613)	304	11,000	(10,696)
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)	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	10,625	1,562	9,063	10,950	18,740	(7,790)
FFA Foundation NATAA/NAII	-	-	-	-	-	-
FFA Foundation XLR8	3,881	2,000	1,881	4,945	24,000	(19,055)
DuPont Agriscience	2,996	-	2,996	2,917	-	2,917
GMAC SmartEdge program	-	-	-	-	-	-
NPS expense	-	833	(833)	-	10,000	(10,000)
Webinar expense	-	100	(100)	601	1,200	(599)
Teacher crisis fund	400	-	400	1,900	-	1,900
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	5,250	-	5,250
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	221	-	221	1,021	-	1,021
Ag Ed opportunity fund	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
TOTAL EXPENSES	<u>84,447</u>	<u>81,650</u>	<u>2,797</u>	<u>406,792</u>	<u>1,102,287</u>	<u>(695,495)</u>
NET INCOME (LOSS)	<u>\$ 245,214</u>	<u>\$ 8,714</u>	<u>\$ 236,500</u>	<u>\$ 373,278</u>	<u>\$ 38,678</u>	<u>\$ 334,600</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Five Months Ended November 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>
REVENUE						
Convention, registration	\$ 94,008	\$ 8,333	\$ 85,675	\$ 94,008	\$ 100,000	\$ (5,992)
Convention, tickets/workshops	-	-	-	-	-	-
Convention, trade show	1,200	-	1,200	1,800	-	1,800
Convention - Ideas Unlimited	-	-	-	-	-	-
Convention - Teacher Mentor	-	-	-	-	-	-
Convention scholarship fund	1,486	-	1,486	1,486	-	1,486
Convention, sponsorships - FFA Foundation	-	2,917	(2,917)	-	35,000	(35,000)
Convention, host state social	8,897	-	8,897	8,897	-	8,897
Convention, sponsorships	2,250	1,333	917	9,500	16,000	(6,500)
TOTAL REVENUE	<u>107,841</u>	<u>12,583</u>	<u>95,258</u>	<u>115,691</u>	<u>151,000</u>	<u>(35,309)</u>
EXPENSES						
Convention, plaques and trophies	4,348	242	4,106	4,765	2,900	1,865
Convention, printing	103	-	103	1,854	-	1,854
Convention, miscellaneous	-	-	-	-	-	-
Convention, awards	-	-	-	5,175	7,000	(1,825)
Convention, photography	-	-	-	-	-	-
Convention, meal functions	500	833	(333)	2,535	10,000	(7,465)
Convention, promotion and marketing	3,325	208	3,117	3,325	2,500	825
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	8,890	-	8,890	8,890	-	8,890
Convention, speakers	-	-	-	-	-	-
Convention, trade show expense	-	-	-	-	-	-
Convention, tour expenses	-	-	-	-	-	-
Convention, committee expense	1,787	379	1,408	1,787	4,550	(2,763)
Convention, sponsorships - FFA Foundation	-	2,917	(2,917)	-	35,000	(35,000)
Convention, travel/board of directors	3,812	1,167	2,645	3,812	14,000	(10,188)
Convention, staff travel	2,556	583	1,973	2,658	7,000	(4,342)
Convention, other travel	-	-	-	-	-	-
TOTAL EXPENSES	<u>25,321</u>	<u>7,996</u>	<u>17,325</u>	<u>34,801</u>	<u>102,950</u>	<u>(68,149)</u>
NET INCOME (LOSS)	<u>\$ 82,520</u>	<u>\$ 4,587</u>	<u>\$ 77,933</u>	<u>\$ 80,890</u>	<u>\$ 48,050</u>	<u>\$ 32,840</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses

For the One and Five Months Ended November 30, 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>
REVENUE						
CI fees	\$ -	\$ -	\$ -	\$ 251,807	\$ -	\$ 251,807
Vendor - Vernier	96,372	-	96,372	508,121	-	508,121
Vendor - NewByte	1,079	-	1,079	6,656	-	6,656
Vendor - Bio-Rad	-	-	-	2,422	-	2,422
Field test fees	-	-	-	12,640	-	12,640
New Jersey	-	-	-	-	-	-
NRES	25,000	-	25,000	59,149	-	59,149
APB	-	-	-	-	-	-
APT	34,734	-	34,734	80,167	-	80,167
ASP	-	-	-	700	-	700
Capstone Revenue	45,605	-	45,605	45,605	-	45,605
Royalty - Cengage	3,263	-	3,263	28,739	-	28,739
Royalty - Ward's	-	-	-	-	-	-
FSS revenue	35,401	-	35,401	94,890	-	94,890
Assessments - ASP	-	-	-	-	-	-
Assessments - ASA	-	-	-	-	-	-
G.W. Publications	-	-	-	84	-	84
Online	-	-	-	11,952	-	11,952
Merchandise	215	-	215	215	-	215
Replacement CD	50	-	50	150	-	150
Interest	-	-	-	-	-	-
FFA Foundation	-	-	-	-	-	-
TOTAL REVENUE	241,719	-	241,719	1,103,297	-	1,103,297
EXPENSES						
Legal and professional	-	-	-	-	-	-
Council assessment	-	-	-	11,675	-	11,675
Travel	230	-	230	10,737	-	10,737
Travel - staff	315	-	315	2,709	-	2,709
Salary	4,184	-	4,184	20,922	-	20,922
Taxes and benefits	613	-	613	4,290	-	4,290
Contract labor	56,282	-	56,282	281,242	-	281,242
Supplies	-	-	-	(145)	-	(145)
Promotion	-	-	-	10,731	-	10,731
Printing	-	-	-	2,451	-	2,451
Postage	-	-	-	(9)	-	(9)
Telecommunications	-	-	-	-	-	-
Rutgers	-	-	-	-	-	-
Vernier	77,633	-	77,633	442,332	-	442,332
NewByte	447	-	447	2,950	-	2,950
Bio-Rad	-	-	-	76	-	76
Carthage	-	-	-	-	-	-
Carthage contract labor	-	-	-	115,225	-	115,225
Field test	-	-	-	-	-	-
Field test contract labor	-	-	-	-	-	-
CI scholarships	-	-	-	157	-	157
APT contract labor	-	-	-	-	-	-
NRES	-	-	-	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	(2,944)	-	(2,944)	26,079	-	26,079
Case management fee	-	-	-	-	-	-
Bank charges	-	-	-	-	-	-
CI Mentor contract labor	-	-	-	6,500	-	6,500
CI mentor	-	-	-	150	-	150
Credit card expense	-	-	-	-	-	-
Depreciation	9	-	9	47	-	47
Equipment	-	-	-	-	-	-
TOTAL EXPENSES	136,769	-	136,769	954,816	-	954,816
NET INCOME (LOSS)	\$ 104,950	\$ -	\$ 104,950	\$ 148,481	\$ -	\$ 148,481

SEE ACCOMPANYING ACCOUNTANT'S REPORT