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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 December 31, 2014 and the related statement of activities for the six 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

January 29, 2015

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Statement of Financial Position
December 31, 2014

ASSETS	
Cash on deposit	\$ 284,043
Investments - operating fund	594,582
Investments - life membership fund	207,266
Investments - reserve fund	2,723
Accounts receivable	386,248
Prepaid expenses	240,147
Property and equipment - CASE	722
Property and equipment	<u>9,205</u>
 TOTAL ASSETS	 <u>\$ 1,724,936</u>
 LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts payable	\$ 32,244
Accrued leave payable	33,802
Other current liabilities	<u>3,013</u>
 TOTAL LIABILITIES	 <u>69,059</u>
 NET ASSETS	
Unrestricted net assets:	
Current operation	1,175,495
Board designated for special purposes	206,605
Temporarily restricted net assets	480
CASE Project	<u>273,297</u>
 TOTAL NET ASSETS	 <u>1,655,877</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,724,936</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Six Months ended December 31, 2014

	<u>Unrestricted</u>		<u>Temporarily Restricted</u>	<u>CASE Project</u>	<u>Total</u>
	<u>Current Operations</u>	<u>Board Designated</u>			
Revenue, Gains and Losses					
Membership dues	\$ 342,823	\$ 3,450	\$ -	\$ -	\$ 346,273
Convention registration	94,008	-	-	-	94,008
Sponsorship and awards	9,500	-	-	-	9,500
Merchandise sales	1,360	-	-	-	1,360
Contributions	-	-	480	-	480
Management fees	35,528	-	-	-	35,528
Net realized and unrealized gains (losses) on securities	20,584	-	-	-	20,584
Interest and dividends	21	-	-	-	21
FFA Foundation projects	176,115	-	-	-	176,115
CASE Program income	-	-	-	1,116,582	1,116,582
Other income	302,028	-	-	-	302,028
	<u>981,967</u>	<u>3,450</u>	<u>480</u>	<u>1,116,582</u>	<u>2,102,479</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>981,967</u>	<u>3,450</u>	<u>480</u>	<u>1,116,582</u>	<u>2,102,479</u>
Expenses					
General expenses	448,751	-	-	-	448,751
FFA Foundation projects	28,085	-	-	-	28,085
CASE Program expenses	-	-	-	1,033,010	1,033,010
Convention expenses	35,574	-	-	-	35,574
	<u>512,410</u>	<u>-</u>	<u>-</u>	<u>1,033,010</u>	<u>1,545,420</u>
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	469,557	3,450	480	83,572	557,059
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>\$ 1,175,495</u>	<u>\$ 206,605</u>	<u>\$ 480</u>	<u>\$ 273,297</u>	<u>\$ 1,655,877</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Six Months Ended December 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>
REVENUE											
Member dues	\$ 16,625		\$ 31,385		\$ (14,760)		\$ 334,873		\$ 376,615		\$ (41,742)
Corporate membership dues	6,750		2,500		4,250		11,400		30,000		(18,600)
NSTA Dues	-		-		-		-		-		-
Delmar scholarships	-		625		(625)		-		7,500		(7,500)
Freshman scholarships	-		-		-		-		-		-
Foundation management fees	35,528		7,083		28,445		35,528		85,000		(49,472)
MBNA affinity credit card program	-		-		-		-		-		-
Toyota vehicle lease management fee	-		-		-		-		-		-
Interest and dividends	5		1,667		(1,662)		21		20,000		(19,979)
Net realized and unrealized gains (losses) on securities	(2,944)		-		(2,944)		20,584		-		20,584
Merchandise sales	-		708		(708)		1,360		8,500		(7,140)
Investment income, Life Fund	-		42		(42)		-		500		(500)
Contributions, Legislative Fund	-		-		-		480		-		480
Miscellaneous income	-		417		(417)		1,271		5,000		(3,729)
Scholarship raffle proceeds	-		125		(125)		-		1,500		(1,500)
National Teach Ag Campaign	650		13,833		(13,183)		95,819		166,000		(70,181)
Teacher Ag non-foundation revenue	-		-		-		3,116		-		3,116
Teacher crisis fund	-		-		-		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	43,956		-		43,956		66,719		-		66,719
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	2,460		-		2,460		59,860		24,600		35,260
FFA Foundation project - TTTK	64,245		3,875		60,370		68,245		46,500		21,745
FFA Foundation project - OPAP	8,207		1,000		7,207		7,981		12,000		(4,019)
FFA Foundation project - OMSP	10,944		1,000		9,944		10,944		12,000		(1,056)
FFA Foundation project - OT	10,544		917		9,627		12,677		11,000		1,677
FFA Foundation project - OYM	9,419		917		8,502		14,813		11,000		3,813
FFA Foundation project - Lifetime Achievement	19,625		208		19,417		19,625		2,500		17,125
FFA Foundation project - Outstanding Service Citation	975		205		770		975		2,460		(1,485)
FFA Foundation teacher workshop	3,569		958		2,611		3,569		11,500		(7,931)
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	10,368		1,562		8,806		10,368		18,740		(8,372)
FFA Foundation NATAA/NAII	-		10,000		(10,000)		-		120,000		(120,000)
FFA Foundation project - XLR8	26,918		2,000		24,918		26,918		24,000		2,918
CASE program net income	(62,669)		-		(62,669)		83,572		-		83,572
Convention net income	48,477		4,587		43,890		128,757		48,050		80,707
TOTAL REVENUE	253,652		92,364		161,288		1,033,895		1,140,965		(107,070)
EXPENSES											
Salaries	31,404		28,050		3,354		181,498		336,594		(155,096)
Taxes and benefits	5,434		7,037		(1,603)		40,727		84,448		(43,721)
Computer service	1,255		625		630		3,617		7,500		(3,883)
Telephone	261		333		(72)		1,114		4,000		(2,886)
Accounting	650		1,317		(667)		3,900		15,800		(11,900)
Depreciation	249		333		(84)		1,496		4,000		(2,504)
Rent	-		625		(625)		-		7,500		(7,500)
Insurance	459		542		(83)		4,111		6,500		(2,389)
Legal	-		83		(83)		-		1,000		(1,000)
Office Supplies	465		667		(202)		1,200		8,000		(6,800)
Bank charges and investment fees	-		8		(8)		3,946		100		3,846
Printing, general	301		417		(116)		1,212		5,000		(3,788)
Staff training	-		42		(42)		-		500		(500)
Taxes and licenses	-		8		(8)		-		100		(100)
Membership and contributions	707		1,417		(710)		16,047		17,000		(953)
Travel, staff	-		2,083		(2,083)		554		25,000		(24,446)
Promotion and marketing	-		1,000		(1,000)		2,500		12,000		(9,500)
Merchandise and diaries	-		500		(500)		1,999		6,000		(4,001)

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Six Months Ended December 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>
Photocopying	-	8	(8)	-	100	(100)
Postage, general	467	500	(33)	874	6,000	(5,126)
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	-	1,167	(1,167)	3,757	14,000	(10,243)
Travel, board of directors	-	2,917	(2,917)	8,773	35,000	(26,227)
Nat'l Teach Ag Campaign	17,118	11,167	5,951	64,551	134,000	(69,449)
FFA Foundation project - TTTK	1,293	3,875	(2,582)	5,318	46,500	(41,182)
FFA Foundation project - OPAP	-	1,000	(1,000)	2,219	12,000	(9,781)
FFA Foundation project - OMSP	-	1,000	(1,000)	2,011	12,000	(9,989)
FFA Foundation project - OT	-	917	(917)	1,864	11,000	(9,136)
FFA Foundation project - OYM	-	917	(917)	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	5,200	958	4,242	5,419	11,500	(6,081)
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)	10,950	18,740	(7,790)
FFA Foundation NATAA/NAII	-	-	-	-	-	-
FFA Foundation XLR8	818	2,000	(1,182)	5,763	24,000	(18,237)
DuPont Agriscience	894	-	894	4,065	-	4,065
GMAC SmartEdge program	-	-	-	-	-	-
NPS expense	-	833	(833)	-	10,000	(10,000)
Webinar expense	-	100	(100)	601	1,200	(599)
Teacher crisis fund	-	-	-	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	1,605	-	1,605	6,855	-	6,855
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	295	-	295	1,315	-	1,315
Ag Ed opportunity fund	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
TOTAL EXPENSES	68,875	81,650	(12,775)	476,836	1,102,287	(625,451)
NET INCOME (LOSS)	\$ 184,777	\$ 10,714	\$ 174,063	\$ 557,059	\$ 38,678	\$ 518,381

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Six Months Ended December 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>
REVENUE						
Convention, registration	\$ -	\$ 8,333	\$ (8,333)	\$ 94,008	\$ 100,000	\$ (5,992)
Convention, tickets/workshops	-	-	-	-	-	-
Convention, trade show	-	-	-	1,800	-	1,800
Convention - Ideas Unlimited	-	-	-	-	-	-
Convention - Teacher Mentor	-	-	-	-	-	-
Convention scholarship fund	-	-	-	1,486	-	1,486
Convention, sponsorships - FFA Foundation	48,640	2,917	45,723	48,640	35,000	13,640
Convention, host state social	-	-	-	8,897	-	8,897
Convention, sponsorships	-	1,333	(1,333)	9,500	16,000	(6,500)
TOTAL REVENUE	<u>48,640</u>	<u>12,583</u>	<u>36,057</u>	<u>164,331</u>	<u>151,000</u>	<u>13,331</u>
EXPENSES						
Convention, plaques and trophies	-	242	(242)	4,765	2,900	1,865
Convention, printing	-	-	-	1,854	-	1,854
Convention, miscellaneous	-	-	-	-	-	-
Convention, awards	-	-	-	5,175	7,000	(1,825)
Convention, photography	-	-	-	-	-	-
Convention, meal functions	-	833	(833)	2,535	10,000	(7,465)
Convention, promotion and marketing	-	208	(208)	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
Convention, speakers	-	-	-	-	-	-
Convention, trade show expense	-	-	-	-	-	-
Convention, tour expenses	-	-	-	-	-	-
Convention, committee expense	163	379	(216)	1,950	4,550	(2,600)
Convention, sponsorships - FFA Foundation	-	2,917	(2,917)	-	35,000	(35,000)
Convention, travel/board of directors	-	1,167	(1,167)	4,422	14,000	(9,578)
Convention, staff travel	-	583	(583)	2,658	7,000	(4,342)
Convention, other travel	-	-	-	-	-	-
TOTAL EXPENSES	<u>163</u>	<u>7,996</u>	<u>(7,833)</u>	<u>35,574</u>	<u>102,950</u>	<u>(67,376)</u>
NET INCOME (LOSS)	<u>\$ 48,477</u>	<u>\$ 4,587</u>	<u>\$ 43,890</u>	<u>\$ 128,757</u>	<u>\$ 48,050</u>	<u>\$ 80,707</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses

For the One and Six Months Ended December 31, 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	\$ 2,200	\$ -	\$ 2,200	\$ 254,007	\$ -	\$ 254,007
Vendor - Vernier	9,425	-	9,425	515,593	-	515,593
Vendor - NewByte	770	-	770	7,426	-	7,426
Vendor - Bio-Rad	-	-	-	2,422	-	2,422
Field test fees	-	-	-	12,640	-	12,640
New Jersey	-	-	-	-	-	-
NRES	-	-	-	59,149	-	59,149
APB	-	-	-	-	-	-
APT	286	-	286	80,453	-	80,453
ASP	-	-	-	700	-	700
Capstone Revenue	-	-	-	45,605	-	45,605
Royalty - Cengage	-	-	-	28,739	-	28,739
Royalty - Ward's	-	-	-	-	-	-
FSS revenue	-	-	-	94,890	-	94,890
Assessments - ASP	-	-	-	-	-	-
Assessments - ASA	-	-	-	-	-	-
G.W. Publications	-	-	-	84	-	84
Online	2,500	-	2,500	14,452	-	14,452
Merchandise	57	-	57	272	-	272
Replacement CD	-	-	-	150	-	150
Interest	-	-	-	-	-	-
FFA Foundation	-	-	-	-	-	-
TOTAL REVENUE	15,238	-	15,238	1,116,582	-	1,116,582
EXPENSES						
Legal and professional	-	-	-	-	-	-
Council assessment	-	-	-	11,675	-	11,675
Travel	-	-	-	10,737	-	10,737
Travel - staff	-	-	-	2,709	-	2,709
Salary	4,184	-	4,184	25,107	-	25,107
Taxes and benefits	763	-	763	5,054	-	5,054
Contract labor	56,282	-	56,282	337,523	-	337,523
Supplies	-	-	-	(145)	-	(145)
Promotion	-	-	-	10,731	-	10,731
Printing	-	-	-	2,451	-	2,451
Postage	-	-	-	(9)	-	(9)
Telecommunications	-	-	-	-	-	-
Rutgers	-	-	-	-	-	-
Vernier	7,665	-	7,665	449,997	-	449,997
NewByte	570	-	570	3,520	-	3,520
Bio-Rad	-	-	-	76	-	76
Carthage	-	-	-	-	-	-
Carthage contract labor	3,500	-	3,500	118,725	-	118,725
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	-	-	-	835	-	835
G.W. Publications	-	-	-	92	-	92
Online expense	-	-	-	750	-	750
Assesments	-	-	-	-	-	-
Royalty expense - Cengage	4,933	-	4,933	31,012	-	31,012
Case management fee	-	-	-	-	-	-
Bank charges	-	-	-	-	-	-
CI Mentor contract labor	-	-	-	6,500	-	6,500
CI mentor	-	-	-	150	-	150
Credit card expense	-	-	-	-	-	-
Depreciation	10	-	10	57	-	57
Equipment	-	-	-	-	-	-
TOTAL EXPENSES	77,907	-	77,907	1,033,010	-	1,033,010
NET INCOME (LOSS)	\$ (62,669)	\$ -	\$ (62,669)	\$ 83,572	\$ -	\$ 83,572

SEE ACCOMPANYING ACCOUNTANT'S REPORT