

STEPHEN D. SCHNETTLER, PLLC

Certified Public Accountant

300 W. Maxwell Street

Lexington, Kentucky 40508

Telephone: (859) 389-7022

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

I have compiled the accompanying statement of financial position of National Association of Agricultural Educators, Inc. (a nonprofit organization) as of October 31, 2011 and the related statement of activities for the one and 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. I 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.

My 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 28, 2011

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

October 31, 2011

ASSETS

Cash on deposit	\$ 42,411
Cash on deposit - CASE Program	521
Investments - operating fund	405,753
Investments - life membership fund	147,985
Investments - reserve fund	106,731
Accounts receivable	152,732
Prepaid expenses	6,403
Property and equipment - CASE	1,083
Property and equipment	<u>15,198</u>

TOTAL ASSETS \$ 878,817

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 105,808
Accrued leave payable	25,077
Other current liabilities	<u>6,178</u>

TOTAL LIABILITIES 137,063

NET ASSETS

Unrestricted net assets:	
Current operation	508,127
Board designated for special purposes	128,168
Temporarily restricted net assets	672
CASE Project	<u>104,787</u>

TOTAL NET ASSETS 741,754

TOTAL LIABILITIES AND NET ASSETS \$ 878,817

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Four Months Ended October 31, 2011

	<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	\$ 197,905	\$ 4,320	\$ -	\$ -	\$ 202,225
Convention registration	1,580	-	-	-	1,580
Sponsorship and awards	-	-	-	-	-
Merchandise sales	1,742	-	-	-	1,742
Contributions	-	-	624	-	624
Management fees	-	-	-	-	-
Net realized and unrealized					
gains (losses) on securities	(48,085)	-	-	-	(48,085)
Interest and dividends	1,268	-	-	-	1,268
FFA Foundation projects	34,797	-	-	-	34,797
CASE Program income	-	-	-	245,091	245,091
Other income	76,338	-	-	-	76,338
	<u>265,545</u>	<u>4,320</u>	<u>624</u>	<u>245,091</u>	<u>515,580</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>265,545</u>	<u>4,320</u>	<u>624</u>	<u>245,091</u>	<u>515,580</u>
Expenses					
General expenses	271,083	-	-	-	271,083
FFA Foundation projects	43,933	-	-	-	43,933
CASE Program expenses	-	-	-	292,058	292,058
Convention expenses	15,040	-	-	-	15,040
	<u>330,056</u>	<u>-</u>	<u>-</u>	<u>292,058</u>	<u>622,114</u>
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	(64,511)	4,320	624	(46,967)	(106,534)
NET ASSETS AT BEGINNING OF PERIOD	<u>572,638</u>	<u>123,848</u>	<u>48</u>	<u>151,754</u>	<u>848,288</u>
NET ASSETS AT END OF PERIOD	<u>\$ 508,127</u>	<u>\$ 128,168</u>	<u>\$ 672</u>	<u>\$ 104,787</u>	<u>\$ 741,754</u>

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, 2011

	MONTH ACTUAL	MONTH BUDGET	MONTH \$VARIANCE	YEAR TO DATE ACTUAL	YEAR BUDGET	YEAR \$VARIANCE
REVENUE						
Member dues	\$ 92,295	\$ 32,164	\$ 60,131	\$ 200,725	\$ 385,970	\$ (185,245)
Corporate membership dues	-	2,563	(2,563)	1,500	30,750	(29,250)
NSTA Dues	-	-	-	-	-	-
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Foundation management fees	-	4,583	(4,583)	-	55,000	(55,000)
MBNA affinity credit card program	-	-	-	-	-	-
Toyota vehicle lease management fee	-	-	-	-	-	-
Interest and dividends	6	500	(494)	771	6,000	(5,229)
Net realized and unrealized gains (losses) on securities	49,785	2,583	47,202	(48,085)	31,000	(79,085)
Merchandise sales	30	708	(678)	1,742	8,500	(6,758)
Investment income, Life Fund	90	250	(160)	497	3,000	(2,503)
Contributions, Legislative Fund	460	-	460	624	-	624
Miscellaneous income	-	250	(250)	2,300	3,000	(700)
National Teach Ag Campaign	2,999	-	2,999	12,798	-	12,798
Teacher crisis fund	-	-	-	758	-	758
Risk management education	-	-	-	-	-	-
AEM business manager stipend	-	333	(333)	-	4,000	(4,000)
GMAC SmartEdge program	-	-	-	-	-	-
Webinar revenue	-	1,367	(1,367)	-	16,400	(16,400)
DuPont Agriscience	1,208	-	1,208	52,482	-	52,482
Hurricane relief	-	-	-	500	-	500
Council MMM management fee	-	-	-	5,000	-	5,000
FFA Foundation project - TTTK	2,868	4,625	(1,757)	18,479	55,500	(37,021)
FFA Foundation project - OPAP	-	997	(997)	1,360	11,965	(10,605)
FFA Foundation project - OMSP	305	946	(641)	3,035	11,350	(8,315)
FFA Foundation project - OT	-	997	(997)	2,641	11,965	(9,324)
FFA Foundation project - OYM	-	946	(946)	2,663	11,350	(8,687)
FFA Foundation project - Greenhouse	-	-	-	-	-	-
FFA Foundation project - LAA	-	-	-	570	4,170	(3,600)
FFA Foundation teacher workshop	2,565	-	2,565	3,240	-	3,240
FFA Foundation internet café	818	-	818	818	-	818
FFA Foundation Pfizer classroom	956	-	956	956	-	956
FFA Foundation Regional Grants Revenue	-	-	-	-	-	-
FFA Foundation Agriscience Teacher	1,035	-	1,035	1,035	-	1,035
CASE program net income	(66,265)	-	(66,265)	(46,967)	10,000	(56,967)
Convention net income	(2,388)	6,880	(9,268)	(10,960)	75,560	(86,520)
TOTAL REVENUE	86,767	61,317	25,450	208,482	742,980	(534,498)
EXPENSES						
Salaries	27,377	23,303	4,074	100,134	279,630	(179,496)
Taxes and benefits	5,633	5,773	(140)	23,790	69,271	(45,481)
Computer service	700	542	158	2,115	6,500	(4,385)
Telephone	136	417	(281)	658	5,000	(4,342)
Accounting	475	1,058	(583)	1,900	12,700	(10,800)
Depreciation	243	583	(340)	815	7,000	(6,185)
Rent	-	625	(625)	-	7,500	(7,500)
Insurance	3,242	500	2,742	4,602	6,000	(1,398)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	710	583	127	1,489	7,000	(5,511)
Bank charges and investment fees	-	8	(8)	-	100	(100)
Printing, general	-	417	(417)	323	5,000	(4,677)
Staff training	-	83	(83)	-	1,000	(1,000)
Taxes and licenses	-	5	(5)	-	60	(60)
Membership and contributions	35	1,250	(1,215)	8,175	15,000	(6,825)
Travel, staff	2,218	2,500	(282)	4,899	30,000	(25,101)
Promotion and marketing	474	2,167	(1,693)	6,054	26,000	(19,946)
Merchandise and diaries	1,607	833	774	2,809	10,000	(7,191)
Photocopying	-	8	(8)	59	100	(41)
Postage, general	147	500	(353)	1,094	6,000	(4,906)
Professional liability insurance	-	3,118	(3,118)	37,270	37,415	(145)
Public relations	-	42	(42)	-	500	(500)
Scholarships	-	938	(938)	11,250	11,250	-
Travel, regional secretaries	786	1,042	(256)	2,994	12,500	(9,506)
Travel, board of directors	134	2,917	(2,783)	9,824	35,000	(25,176)
Nat'l Teach Ag Campaign	2,853	-	2,853	15,195	-	15,195
FFA Foundation project - TTTK	5,637	4,625	1,012	15,327	55,500	(40,173)
FFA Foundation project - OPAP	248	997	(749)	1,360	11,965	(10,605)
FFA Foundation project - OMSP	1,020	946	74	2,730	11,350	(8,620)
FFA Foundation project - OT	931	997	(66)	2,641	11,965	(9,324)
FFA Foundation project - OYM	953	946	7	2,663	11,350	(8,687)
FFA Foundation project - Greenhouse	-	-	-	-	-	-
FFA Foundation project - LAA	-	-	-	570	4,170	(3,600)
FFA Foundation project - Smart Edge	-	-	-	1,100	-	1,100
FFA Foundation teacher workshop	-	-	-	3,240	-	3,240
FFA Foundation internet café	2,631	-	2,631	2,631	-	2,631
FFA Pfizer Classroom	571	-	571	1,009	-	1,009
FFA Foundation Regional Grants	-	-	-	-	-	-
FFA Foundation Agriscience Teachers	10,662	-	10,662	10,662	-	10,662

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Four Months Ended October 31, 2011

	<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>
DuPont Agriscience	3,195	-	3,195	24,586	-	24,586
GMAC SmartEdge program	-	-	-	-	-	-
NPS expense	-	667	(667)	-	8,000	(8,000)
Webinar expense	99	292	(193)	297	3,500	(3,203)
Teacher crisis fund	-	-	-	-	-	-
Communities of practice expense	-	667	(667)	10,751	8,000	2,751
Substitute teacher hire behinds	-	333	(333)	-	4,000	(4,000)
NSTA dues	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
TOTAL EXPENSES	<u>72,717</u>	<u>59,765</u>	<u>12,952</u>	<u>315,016</u>	<u>721,326</u>	<u>(406,310)</u>
NET INCOME (LOSS)	<u>\$ 14,050</u>	<u>\$ 1,552</u>	<u>\$ 12,498</u>	<u>\$ (106,534)</u>	<u>\$ 21,654</u>	<u>\$ (128,188)</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, 2011

	MONTH ACTUAL	MONTH BUDGET	MONTH \$VARIANCE	YEAR TO DATE ACTUAL	YEAR BUDGET	YEAR \$VARIANCE
REVENUE						
Convention, registration	\$ 1,580	\$ 7,917	\$ (6,337)	\$ 1,580	\$ 95,000	\$ (93,420)
Convention, tickets/workshops	-	-	-	-	-	-
Convention, trade show	600	125	475	600	1,500	(900)
Convention - Ideas Unlimited	-	-	-	-	-	-
Convention - Teacher Mentor	-	-	-	-	-	-
Convention scholarship fund	-	-	-	-	2,000	(2,000)
Convention, sponsorships - FFA Foundation	-	3,333	(3,333)	-	40,000	(40,000)
Convention, host state social	1,650	-	1,650	1,900	-	1,900
Convention, sponsorships	-	4,500	(4,500)	-	54,000	(54,000)
TOTAL REVENUE	3,830	15,875	(12,045)	4,080	192,500	(188,420)
EXPENSES						
Convention, plaques and trophies	-	167	(167)	65	2,000	(1,935)
Convention, printing	1,793	167	1,626	1,793	2,000	(207)
Convention, miscellaneous	-	83	(83)	-	1,000	(1,000)
Convention, awards	3,830	-	3,830	6,680	9,000	(2,320)
Convention, photography	-	-	-	-	-	-
Conventions, meal functions	-	2,500	(2,500)	-	30,000	(30,000)
Convention, promotion and marketing	-	83	(83)	1,587	1,000	587
Convention, postage and shipping	-	250	(250)	-	3,000	(3,000)
Convention, equipment rental	-	1,000	(1,000)	-	12,000	(12,000)
Convention, workshops	-	-	-	-	-	-
Convention, host state social	-	-	-	-	-	-
Convention, speakers	-	-	-	-	-	-
Convention, trade show expense	-	-	-	-	-	-
Convention, tour expenses	-	-	-	-	-	-
Convention, committee expense	-	245	(245)	-	2,940	(2,940)
Convention, sponsorships - FFA Foundation	-	2,667	(2,667)	-	32,000	(32,000)
Convention, travel/board of directors	595	1,000	(405)	3,490	12,000	(8,510)
Convention, staff travel	-	833	(833)	1,425	10,000	(8,575)
Convention, other travel	-	-	-	-	-	-
TOTAL EXPENSES	6,218	8,995	(2,777)	15,040	116,940	(101,900)
NET INCOME (LOSS)	\$ (2,388)	\$ 6,880	\$ (9,268)	\$ (10,960)	\$ 75,560	\$ (86,520)

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, 2011

	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	\$ -	\$ -	\$ -	\$ 61,042	\$ -	\$ 61,042
Vendor - Vernier	26,379	-	26,379	169,020	-	169,020
Vendor - NewByte	-	-	-	1,194	-	1,194
Field test fees	-	-	-	-	-	-
New Jersey	-	-	-	-	-	-
NRES	5,833	-	5,833	5,833	-	5,833
Assesments - ASP	-	-	-	-	-	-
Assesments - ASA	-	-	-	-	-	-
Interest	-	-	-	2	-	2
FFA Foundation	-	-	-	8,000	-	8,000
TOTAL REVENUE	<u>32,212</u>	<u>-</u>	<u>32,212</u>	<u>245,091</u>	<u>-</u>	<u>245,091</u>
EXPENSES						
Legal and professional	-	-	-	420	-	420
Travel	285	-	285	3,649	-	3,649
Travel - staff	523	-	523	8,692	-	8,692
Contract labor	16,417	-	16,417	65,667	-	65,667
Supplies	-	-	-	5	-	5
Promotion	-	-	-	100	-	100
Printing	-	-	-	494	-	494
Postage	30	-	30	38	-	38
Telecommunications	-	-	-	39	-	39
Rutgers	-	-	-	1,369	-	1,369
Vernier	72,066	-	72,066	165,595	-	165,595
NewByte	-	-	-	411	-	411
Carthage	3,300	-	3,300	4,685	-	4,685
Carthage contract labor	-	-	-	35,000	-	35,000
Field test	-	-	-	-	-	-
Field test contract labor	-	-	-	-	-	-
NRES	5,833	-	5,833	5,833	-	5,833
Assessments	-	-	-	-	-	-
Bank charges	13	-	13	23	-	23
Depreciation	10	-	10	38	-	38
Equipment	-	-	-	-	-	-
TOTAL EXPENSES	<u>98,477</u>	<u>-</u>	<u>98,477</u>	<u>292,058</u>	<u>-</u>	<u>292,058</u>
NET INCOME (LOSS)	<u>\$ (66,265)</u>	<u>\$ -</u>	<u>\$ (66,265)</u>	<u>\$ (46,967)</u>	<u>\$ -</u>	<u>\$ (46,967)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT