

**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

I have compiled the accompanying statement of financial position of National Association of Agricultural Educators, Inc. (a nonprofit organization) as of November 30, 2011 and the related statement of activities for the one and 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. 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*

December 20, 2011

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

November 30, 2011

ASSETS

Cash on deposit	\$ 64,762
Cash on deposit - CASE Program	30,511
Investments - operating fund	403,340
Investments - life membership fund	146,939
Investments - reserve fund	106,896
Accounts receivable	188,911
Prepaid expenses	6,169
Property and equipment - CASE	1,074
Property and equipment	<u>14,954</u>

TOTAL ASSETS \$ 963,556

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 105,467
Accrued leave payable	25,077
Other current liabilities	<u>12,528</u>

TOTAL LIABILITIES 143,072

NET ASSETS

Unrestricted net assets:	
Current operation	605,883
Board designated for special purposes	128,168
Temporarily restricted net assets	672
CASE Project	<u>85,761</u>

TOTAL NET ASSETS 820,484

TOTAL LIABILITIES AND NET ASSETS \$ 963,556

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Five Months Ended November 30, 2011

	Unrestricted				
	Current <u>Operations</u>	Board <u>Designated</u>	Temporarily <u>Restricted</u>	CASE <u>Project</u>	<u>Total</u>
Revenue, Gains and Losses					
Membership dues	\$ 253,040	\$ 4,320	\$ -	\$ -	\$ 257,360
Convention registration	70,434	-	-	-	70,434
Sponsorship and awards	7,450	-	-	-	7,450
Merchandise sales	2,316	-	-	-	2,316
Contributions	-	-	624	-	624
Management fees	-	-	-	-	-
Net realized and unrealized gains (losses) on securities	(51,469)	-	-	-	(51,469)
Interest and dividends	1,366	-	-	-	1,366
FFA Foundation projects	49,820	-	-	-	49,820
CASE Program income	-	-	-	280,916	280,916
Other income	100,539	-	-	-	100,539
	433,496	4,320	624	280,916	719,356
Total Revenue, Gains and Losses					
Net Assets Released from Restrictions	-	-	-	-	-
Total Revenue, Gains and Losses and Reclassifications	433,496	4,320	624	280,916	719,356
Expenses					
General expenses	317,440	-	-	-	317,440
FFA Foundation projects	56,203	-	-	-	56,203
CASE Program expenses	-	-	-	346,909	346,909
Convention expenses	26,608	-	-	-	26,608
	400,251	-	-	346,909	747,160
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	33,245	4,320	624	(65,993)	(27,804)
NET ASSETS AT BEGINNING OF PERIOD	572,638	123,848	48	151,754	848,288
NET ASSETS AT END OF PERIOD	\$ 605,883	\$ 128,168	\$ 672	\$ 85,761	\$ 820,484

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, 2011

	MONTH	MONTH	MONTH	YEAR TO DATE	YEAR	YEAR
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>SVARIANCE</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>SVARIANCE</u>
REVENUE						
Member dues	\$ 49,185	\$ 32,164	\$ 17,021	\$ 249,910	\$ 385,970	\$ (136,060)
Corporate membership dues	5,950	2,563	3,387	7,450	30,750	(23,300)
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	7	500	(493)	778	6,000	(5,222)
Net realized and unrealized gains (losses) on securities	(3,384)	2,583	(5,967)	(51,469)	31,000	(82,469)
Merchandise sales	574	708	(134)	2,316	8,500	(6,184)
Investment income, Life Fund	91	250	(159)	588	3,000	(2,412)
Contributions, Legislative Fund	-	-	-	624	-	624
Miscellaneous income	-	250	(250)	2,300	3,000	(700)
National Teach Ag Campaign	1,377	-	1,377	14,175	-	14,175
Teacher crisis fund	5,100	-	5,100	5,858	-	5,858
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	285	-	285	52,767	-	52,767
Hurricane relief	-	-	-	500	-	500
Council MMM management fee	-	-	-	5,000	-	5,000
FFA Foundation project - TTTK	281	4,625	(4,344)	18,761	55,500	(36,739)
FFA Foundation project - OPAP	-	997	(997)	1,360	11,965	(10,605)
FFA Foundation project - OMSF	-	946	(946)	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	-	-	-	3,240	-	3,240
FFA Foundation internet café	1,813	-	1,813	2,631	-	2,631
FFA Foundation Pfizer classroom	2,288	-	2,288	3,244	-	3,244
FFA Foundation Regional Grants Revenue	-	-	-	-	-	-
FFA Foundation Agriscience Teacher	10,640	-	10,640	11,675	-	11,675
CASE program net income	(9,114)	-	(9,114)	(65,993)	10,000	(75,993)
Convention net income	82,176	6,880	75,296	71,215	75,560	(4,345)
<b>TOTAL REVENUE</b>	<b>147,269</b>	<b>61,317</b>	<b>85,952</b>	<b>345,839</b>	<b>742,980</b>	<b>(397,141)</b>
EXPENSES						
Salaries	28,662	23,303	5,359	128,796	279,630	(150,834)
Taxes and benefits	5,731	5,773	(42)	29,520	69,271	(39,751)
Computer service	-	542	(542)	2,115	6,500	(4,385)
Telephone	122	417	(295)	780	5,000	(4,220)
Accounting	475	1,058	(583)	2,375	12,700	(10,325)
Depreciation	243	583	(340)	1,058	7,000	(5,942)
Rent	-	625	(625)	-	7,500	(7,500)
Insurance	234	500	(266)	4,836	6,000	(1,164)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	27	583	(556)	1,514	7,000	(5,486)
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	1,000	1,250	(250)	9,175	15,000	(5,825)
Travel, staff	93	2,500	(2,407)	4,992	30,000	(25,008)
Promotion and marketing	-	2,167	(2,167)	6,054	26,000	(19,946)
Merchandise and diaries	83	833	(750)	2,892	10,000	(7,108)
Photocopying	-	8	(8)	59	100	(41)
Postage, general	240	500	(260)	1,334	6,000	(4,666)
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	1,215	1,042	173	4,209	12,500	(8,291)
Travel, board of directors	356	2,917	(2,561)	10,180	35,000	(24,820)
Natl Teach Ag Campaign	4,256	-	4,256	19,451	-	19,451
FFA Foundation project - TTTK	7,430	4,625	2,805	22,775	55,500	(32,725)
FFA Foundation project - OPAP	2,563	997	1,566	3,923	11,965	(8,042)
FFA Foundation project - OMSF	226	946	(720)	2,956	11,350	(8,394)
FFA Foundation project - OT	526	997	(471)	3,168	11,965	(8,797)
FFA Foundation project - OYM	939	946	(7)	3,602	11,350	(7,748)
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
FFA Pfizer Classroom	584	-	584	1,594	-	1,594
FFA Foundation Regional Grants	-	-	-	-	-	-
FFA Foundation Agriscience Teachers	-	-	-	10,662	-	10,662

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Five Months Ended November 30, 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	3,123	-	3,123	27,709	-	27,709
GMAC SmartEdge program	-	-	-	-	-	-
NPS expense	-	667	(667)	-	8,000	(8,000)
Webinar expense	-	292	(292)	297	3,500	(3,203)
Teacher crisis fund	500	-	500	500	-	500
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	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<u>58,628</u>	<u>59,765</u>	<u>(1,137)</u>	<u>373,643</u>	<u>721,326</u>	<u>(347,683)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ 88,641</u>	<u>\$ 1,552</u>	<u>\$ 87,089</u>	<u>\$ (27,804)</u>	<u>\$ 21,654</u>	<u>\$ (49,458)</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, 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>
<b>REVENUE</b>						
Convention, registration	\$ 68,854	\$ 7,917	\$ 60,937	\$ 70,434	\$ 95,000	\$ (24,566)
Convention, tickets/workshops	-	-	-	-	-	-
Convention, trade show	-	125	(125)	600	1,500	(900)
Convention - Ideas Unlimited	5,000	-	5,000	5,000	-	5,000
Convention - Teacher Mentor	5,000	-	5,000	5,000	-	5,000
Convention scholarship fund	1,389	-	1,389	1,389	2,000	(611)
Convention, sponsorships - FFA Foundation	-	3,333	(3,333)	-	40,000	(40,000)
Convention, host state social	6,050	-	6,050	7,950	-	7,950
Convention, sponsorships	7,450	4,500	2,950	7,450	54,000	(46,550)
<b>TOTAL REVENUE</b>	<u>93,743</u>	<u>15,875</u>	<u>77,868</u>	<u>97,823</u>	<u>192,500</u>	<u>(94,677)</u>
<b>EXPENSES</b>						
Convention, plaques and trophies	-	167	(167)	65	2,000	(1,935)
Convention, printing	-	167	(167)	1,793	2,000	(207)
Convention, miscellaneous	-	83	(83)	-	1,000	(1,000)
Convention, awards	1,021	-	1,021	7,701	9,000	(1,299)
Convention, photography	-	-	-	-	-	-
Convention, 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	7,500	-	7,500	7,500	-	7,500
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	1,979	1,000	979	5,470	12,000	(6,530)
Convention, staff travel	1,067	833	234	2,492	10,000	(7,508)
Convention, other travel	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<u>11,567</u>	<u>8,995</u>	<u>2,572</u>	<u>26,608</u>	<u>116,940</u>	<u>(90,332)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ 82,176</u>	<u>\$ 6,880</u>	<u>\$ 75,296</u>	<u>\$ 71,215</u>	<u>\$ 75,560</u>	<u>\$ (4,345)</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, 2011

	MONTH ACTUAL	MONTH BUDGET	MONTH \$VARIANCE	YEAR TO DATE ACTUAL	YEAR BUDGET	YEAR \$VARIANCE
REVENUE						
CI fees	\$ 10,631	\$ -	\$ 10,631	\$ 71,673	\$ -	\$ 71,673
Vendor - Vernier	15,757	-	15,757	184,776	-	184,776
Vendor - NewByte	3,001	-	3,001	4,195	-	4,195
Field test fees	-	-	-	-	-	-
New Jersey	-	-	-	-	-	-
NRES	6,435	-	6,435	12,268	-	12,268
Assesments - ASP	-	-	-	-	-	-
Assesments - ASA	-	-	-	-	-	-
Interest	2	-	2	4	-	4
FFA Foundation	-	-	-	8,000	-	8,000
TOTAL REVENUE	<u>35,826</u>	<u>-</u>	<u>35,826</u>	<u>280,916</u>	<u>-</u>	<u>280,916</u>
EXPENSES						
Legal and professional	-	-	-	420	-	420
Travel	-	-	-	3,649	-	3,649
Travel - staff	-	-	-	8,692	-	8,692
Contract labor	16,417	-	16,417	82,083	-	82,083
Supplies	-	-	-	5	-	5
Promotion	-	-	-	100	-	100
Printing	-	-	-	494	-	494
Postage	-	-	-	38	-	38
Telecommunications	-	-	-	39	-	39
Rutgers	-	-	-	1,369	-	1,369
Vernier	13,817	-	13,817	189,323	-	189,323
NewByte	-	-	-	411	-	411
Carthage	-	-	-	4,685	-	4,685
Carthage contract labor	-	-	-	35,000	-	35,000
Field test	-	-	-	-	-	-
Field test contract labor	-	-	-	-	-	-
NRSE	14,684	-	14,684	20,518	-	20,518
Assesmnets	-	-	-	-	-	-
Bank charges	13	-	13	36	-	36
Depreciation	9	-	9	47	-	47
Equipment	-	-	-	-	-	-
TOTAL EXPENSES	<u>44,940</u>	<u>-</u>	<u>44,940</u>	<u>346,909</u>	<u>-</u>	<u>346,909</u>
NET INCOME (LOSS)	<u>\$ (9,114)</u>	<u>\$ -</u>	<u>\$ (9,114)</u>	<u>\$ (65,993)</u>	<u>\$ -</u>	<u>\$ (65,993)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT