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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 January 31, 2012 and the related statement of activities for the one and seven 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

February 14, 2012

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

January 31, 2012

ASSETS

Cash on deposit	\$ 186,522
Investments - operating fund	422,931
Investments - life membership fund	153,918
Investments - reserve fund	109,477
Accounts receivable	81,748
Prepaid expenses	77,690
Property and equipment - CASE	1,055
Property and equipment	<u>14,523</u>

TOTAL ASSETS \$ 1,047,864

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 27,464
Accrued leave payable	25,077
Other current liabilities	<u>3,959</u>

TOTAL LIABILITIES 56,500

NET ASSETS

Unrestricted net assets:	
Current operation	814,948
Board designated for special purposes	129,248
Temporarily restricted net assets	752
CASE Project	<u>46,416</u>

TOTAL NET ASSETS 991,364

TOTAL LIABILITIES AND NET ASSETS \$ 1,047,864

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Seven Months Ended January 31, 2012

	<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	\$ 324,130	\$ 5,400	\$ -	\$ -	\$ 329,530
Convention registration	82,293	-	-	-	82,293
Sponsorship and awards	9,950	-	-	-	9,950
Merchandise sales	2,885	-	-	-	2,885
Contributions	-	-	704	-	704
Management fees	72,500	-	-	-	72,500
Net realized and unrealized					
gains (losses) on securities	(34,361)	-	-	-	(34,361)
Interest and dividends	14,649	-	-	-	14,649
FFA Foundation projects	176,360	-	-	-	176,360
CASE Program income	-	-	-	338,718	338,718
Other income	130,229	-	-	-	130,229
	<u>778,635</u>	<u>5,400</u>	<u>704</u>	<u>338,718</u>	<u>1,123,457</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>778,635</u>	<u>5,400</u>	<u>704</u>	<u>338,718</u>	<u>1,123,457</u>
Expenses					
General expenses	420,772	-	-	-	420,772
FFA Foundation projects	81,648	-	-	-	81,648
CASE Program expenses	-	-	-	444,056	444,056
Convention expenses	33,907	-	-	-	33,907
	<u>536,327</u>	<u>-</u>	<u>-</u>	<u>444,056</u>	<u>980,383</u>
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	242,308	5,400	704	(105,338)	143,074
NET ASSETS AT BEGINNING OF PERIOD	<u>572,640</u>	<u>123,848</u>	<u>48</u>	<u>151,754</u>	<u>848,290</u>
NET ASSETS AT END OF PERIOD	<u>\$ 814,948</u>	<u>\$ 129,248</u>	<u>\$ 752</u>	<u>\$ 46,416</u>	<u>\$ 991,364</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Seven Months Ended January 31, 2012

	MONTH ACTUAL	MONTH BUDGET	MONTH \$VARIANCE	YEAR TO DATE ACTUAL	YEAR BUDGET	YEAR \$VARIANCE
REVENUE						
Member dues	\$ 58,990	\$ 32,164	\$ 26,826	\$ 316,110	\$ 385,970	\$ (69,860)
Corporate membership dues	750	2,563	(1,813)	13,420	30,750	(17,330)
NSTA Dues	-	-	-	-	-	-
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Foundation management fees	-	4,583	(4,583)	72,500	55,000	17,500
MBNA affinity credit card program	-	-	-	-	-	-
Toyota vehicle lease management fee	-	-	-	-	-	-
Interest and dividends	755	500	255	10,862	6,000	4,862
Net realized and unrealized gains (losses) on securities	35,092	2,583	32,509	(34,361)	31,000	(65,361)
Merchandise sales	-	708	(708)	2,885	8,500	(5,615)
Investment income, Life Fund	-	250	(250)	3,787	3,000	787
Contributions, Legislative Fund	80	-	80	704	-	704
Miscellaneous income	5,249	250	4,999	8,722	3,000	5,722
National Teach Ag Campaign	-	-	-	28,495	-	28,495
Teacher crisis fund	250	-	250	6,108	-	6,108
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	-	-	-	61,513	-	61,513
Hurricane relief	-	-	-	500	-	500
Council MMM management fee	-	-	-	5,000	-	5,000
FFA Foundation project - TTTK	-	4,625	(4,625)	40,665	55,500	(14,835)
FFA Foundation project - OPAP	-	997	(997)	12,008	11,965	43
FFA Foundation project - OMSP	-	946	(946)	8,473	11,350	(2,877)
FFA Foundation project - OT	-	997	(997)	7,847	11,965	(4,118)
FFA Foundation project - OYM	(18,030)	946	(18,976)	11,155	11,350	(195)
FFA Foundation project - Greenhouse	-	-	-	-	-	-
FFA Foundation project - LAA	-	-	-	4,920	4,170	750
FFA Foundation teacher workshop	277	-	277	9,970	-	9,970
FFA Foundation internet café	-	-	-	2,639	-	2,639
FFA Foundation Pfizer classroom	-	-	-	8,453	-	8,453
FFA Foundation Regional Grants Revenue	-	-	-	-	-	-
FFA Foundation Agriscience Teacher	-	-	-	13,575	-	13,575
FFA Foundation project - NAAE Convention	-	-	-	56,655	-	56,655
CASE program net income	(20,518)	-	(20,518)	(105,338)	10,000	(115,338)
Convention net income	10,372	6,880	3,492	78,227	75,560	2,667
TOTAL REVENUE	73,267	61,317	11,950	645,494	742,980	(97,486)
EXPENSES						
Salaries	24,293	23,303	990	181,727	279,630	(97,903)
Taxes and benefits	6,965	5,773	1,192	42,418	69,271	(26,853)
Computer service	900	542	358	3,490	6,500	(3,010)
Telephone	109	417	(308)	1,174	5,000	(3,826)
Accounting	500	1,058	(558)	3,350	12,700	(9,350)
Depreciation	242	583	(341)	1,490	7,000	(5,510)
Rent	-	625	(625)	-	7,500	(7,500)
Insurance	(275)	500	(775)	4,853	6,000	(1,147)
Legal	2,419	83	2,336	2,419	1,000	1,419
Office Supplies	80	583	(503)	3,286	7,000	(3,714)
Bank charges and investment fees	565	8	557	1,795	100	1,695
Printing, general	1,027	417	610	1,578	5,000	(3,422)
Staff training	-	83	(83)	-	1,000	(1,000)
Taxes and licenses	15	5	10	15	60	(45)
Membership and contributions	1,280	1,250	30	11,546	15,000	(3,454)
Travel, staff	49	2,500	(2,451)	6,640	30,000	(23,360)
Promotion and marketing	-	2,167	(2,167)	9,567	26,000	(16,433)
Merchandise and diaries	-	833	(833)	2,892	10,000	(7,108)
Photocopying	-	8	(8)	59	100	(41)
Postage, general	560	500	60	3,330	6,000	(2,670)
Professional liability insurance	-	3,118	(3,118)	37,270	37,415	(145)
Public relations	-	42	(42)	43	500	(457)
Scholarships	-	938	(938)	11,250	11,250	-
Travel, regional secretaries	-	1,042	(1,042)	4,572	12,500	(7,928)
Travel, board of directors	-	2,917	(2,917)	10,191	35,000	(24,809)
Nat'l Teach Ag Campaign	5,453	-	5,453	33,534	-	33,534
FFA Foundation project - TTTK	-	4,625	(4,625)	27,904	55,500	(27,596)
FFA Foundation project - OPAP	-	997	(997)	9,253	11,965	(2,712)
FFA Foundation project - OMSP	-	946	(946)	3,458	11,350	(7,892)
FFA Foundation project - OT	-	997	(997)	3,366	11,965	(8,599)
FFA Foundation project - OYM	-	946	(946)	3,800	11,350	(7,550)
FFA Foundation project - Greenhouse	-	-	-	-	-	-
FFA Foundation project - LAA	-	-	-	768	4,170	(3,402)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Seven Months Ended January 31, 2012

	<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>
FFA Foundation project - Smart Edge		-	-	1,100	-	1,100
FFA Foundation teacher workshop	1,165	-	1,165	8,981	-	8,981
FFA Foundation internet café		-	-	2,639	-	2,639
FFA Pfizer Classroom		-	-	8,409	-	8,409
FFA Foundation Regional Grants		-	-	-	-	-
FFA Foundation Agriscience Teachers	-	-	-	11,970	-	11,970

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Seven Months Ended January 31, 2012

	<u>MONTH ACTUAL</u>	<u>MONTH BUDGET</u>	<u>MONTH \$VARIANCE</u>	<u>YEAR TO DATE ACTUAL</u>	<u>YEAR BUDGET</u>	<u>YEAR \$VARIANCE</u>
DuPont Agriscience	29	-	29	28,860	-	28,860
GMAC SmartEdge program		-	-	-		-
NPS expense		667	(667)	-	8,000	(8,000)
Webinar expense	99	292	(193)	594	3,500	(2,906)
Teacher crisis fund	500	-	500	1,500	-	1,500
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	-	-	-	578	-	578
TOTAL EXPENSES	<u>45,975</u>	<u>59,765</u>	<u>(13,790)</u>	<u>502,420</u>	<u>721,326</u>	<u>(218,906)</u>
NET INCOME (LOSS)	<u>\$ 27,292</u>	<u>\$ 1,552</u>	<u>\$ 25,740</u>	<u>\$ 143,074</u>	<u>\$ 21,654</u>	<u>\$ 121,420</u>

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Seven Months Ended January 31, 2012

<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>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Seven Months Ended January 31, 2012

	<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	\$ 11,859	\$ 7,917	\$ 3,942	\$ 82,293	\$ 95,000	\$ (12,707)
Convention, tickets/workshops	-	-	-	227	-	227
Convention, trade show	(300)	125	(425)	300	1,500	(1,200)
Convention - Ideas Unlimited	-	-	-	5,000	-	5,000
Convention - Teacher Mentor	-	-	-	5,000	-	5,000
Convention scholarship fund	-	-	-	1,389	2,000	(611)
Convention, sponsorships - FFA Foundation	-	3,333	(3,333)	-	40,000	(40,000)
Convention, host state social	25	-	25	7,975	-	7,975
Convention, sponsorships	2,500	4,500	(2,000)	9,950	54,000	(44,050)
TOTAL REVENUE	14,084	15,875	(1,791)	112,134	192,500	(80,366)
EXPENSES						
Convention, plaques and trophies	(75)	167	(242)	1,446	2,000	(554)
Convention, printing	-	167	(167)	-	2,000	(2,000)
Convention, miscellaneous	-	83	(83)	-	1,000	(1,000)
Convention, awards	-	-	-	8,097	9,000	(903)
Convention, photography	-	-	-	-	-	-
Convention, meal functions	-	2,500	(2,500)	-	30,000	(30,000)
Convention, promotion and marketing	-	83	(83)	2,782	1,000	1,782
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	475	-	475	7,975	-	7,975
Convention, speakers	-	-	-	-	-	-
Convention, trade show expense	-	-	-	-	-	-
Convention, tour expenses	-	-	-	-	-	-
Convention, committee expense	-	245	(245)	2,079	2,940	(861)
Convention, sponsorships - FFA Foundation	-	2,667	(2,667)	-	32,000	(32,000)
Convention, travel/board of directors	2,080	1,000	1,080	7,804	12,000	(4,196)
Convention, staff travel	1,232	833	399	3,724	10,000	(6,276)
Convention, other travel	-	-	-	-	-	-
TOTAL EXPENSES	3,712	8,995	(5,283)	33,907	116,940	(83,033)
NET INCOME (LOSS)	\$ 10,372	\$ 6,880	\$ 3,492	\$ 78,227	\$ 75,560	\$ 2,667

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses
For the One and Seven Months Ended January 31, 2012

	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	\$ -	\$ -	\$ -	\$ 71,673	\$ -	\$ 71,673
Vendor - Vernier	29,047	-	29,047	226,590	-	226,590
Vendor - NewByte	-	-	-	5,205	-	5,205
Field test fees	-	-	-	-	-	-
New Jersey	-	-	-	-	-	-
NRES	500	-	500	26,403	-	26,403
Assesments - ASP	180	-	180	180	-	180
Assesments - ASA	612	-	612	612	-	612
Replacement CD	-	-	-	50	-	50
Interest	-	-	-	5	-	5
FFA Foundation	-	-	-	8,000	-	8,000
TOTAL REVENUE	<u>30,339</u>	<u>-</u>	<u>30,339</u>	<u>338,718</u>	<u>-</u>	<u>338,718</u>
EXPENSES						
Legal and professional	-	-	-	420	-	420
Travel	197	-	197	4,595	-	4,595
Travel - staff	1,274	-	1,274	11,707	-	11,707
Contract labor	16,417	-	16,417	114,917	-	114,917
Supplies	87	-	87	400	-	400
Promotion	867	-	867	1,735	-	1,735
Printing	-	-	-	694	-	694
Postage	61	-	61	99	-	99
Telecommunications	41	-	41	116	-	116
Rutgers	-	-	-	1,369	-	1,369
Vernier	25,571	-	25,571	226,225	-	226,225
NewByte	-	-	-	3,105	-	3,105
Carthage	500	-	500	4,436	-	4,436
Carthage contract labor	-	-	-	35,000	-	35,000
Field test	-	-	-	-	-	-
Field test contract labor	-	-	-	-	-	-
NRSE	5,833	-	5,833	38,796	-	38,796
Assesmnets	-	-	-	-	-	-
Bank charges	-	-	-	129	-	129
Depreciation	9	-	9	66	-	66
Equipment	-	-	-	247	-	247
TOTAL EXPENSES	<u>50,857</u>	<u>-</u>	<u>50,857</u>	<u>444,056</u>	<u>-</u>	<u>444,056</u>
NET INCOME (LOSS)	<u>\$ (20,518)</u>	<u>\$ -</u>	<u>\$ (20,518)</u>	<u>\$ (105,338)</u>	<u>\$ -</u>	<u>\$ (105,338)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT