

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 February 29, 2012 and the related statement of activities for the one and eight 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

March 15, 2012

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

February 29, 2012

ASSETS

Cash on deposit	\$ 57,663
Investments - operating fund	440,211
Investments - life membership fund	159,016
Investments - reserve fund	109,347
Accounts receivable	55,075
Prepaid expenses	7,481
Property and equipment - CASE	1,045
Property and equipment	<u>14,280</u>

TOTAL ASSETS \$ 844,118

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 2,691
Accrued leave payable	25,077
Other current liabilities	<u>4,801</u>

TOTAL LIABILITIES 32,569

NET ASSETS

Unrestricted net assets:	
Current operation	674,425
Board designated for special purposes	129,248
Temporarily restricted net assets	752
CASE Project	<u>7,124</u>

TOTAL NET ASSETS 811,549

TOTAL LIABILITIES AND NET ASSETS \$ 844,118

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Eight Months Ended February 29, 2012

	Unrestricted				
	Current Operations	Board Designated	Temporarily Restricted	CASE Project	Total
Revenue, Gains and Losses					
Membership dues	\$ 346,575	\$ 5,400	\$ -	\$ -	\$ 351,975
Convention registration	82,293	-	-	-	82,293
Sponsorship and awards	9,950	-	-	-	9,950
Merchandise sales	3,189	-	-	-	3,189
Contributions	-	-	704	-	704
Management fees	72,500	-	-	-	72,500
Net realized and unrealized gains (losses) on securities	(12,205)	-	-	-	(12,205)
Interest and dividends	14,747	-	-	-	14,747
FFA Foundation projects	176,360	-	-	-	176,360
CASE Program income	-	-	-	341,087	341,087
Other income	128,434	-	-	-	128,434
	821,843	5,400	704	341,087	1,169,034
Total Revenue, Gains and Losses					
Net Assets Released from Restrictions	-	-	-	-	-
Total Revenue, Gains and Losses and Reclassifications	821,843	5,400	704	341,087	1,169,034
Expenses					
General expenses	486,510	-	-	-	486,510
FFA Foundation projects	105,258	-	-	-	105,258
CASE Program expenses	-	-	-	485,717	485,717
Convention expenses	128,290	-	-	-	128,290
	720,058	-	-	485,717	1,205,775
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	101,785	5,400	704	(144,630)	(36,741)
NET ASSETS AT BEGINNING OF PERIOD	572,640	123,848	48	151,754	848,290
NET ASSETS AT END OF PERIOD	\$ 674,425	\$ 129,248	\$ 752	\$ 7,124	\$ 811,549

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Eight Months Ended February 29, 2012

	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						
Member dues	\$ 20,195	\$ 32,164	\$ (11,969)	\$ 336,305	\$ 385,970	\$ (49,665)
Corporate membership dues	2,250	2,563	(313)	15,670	30,750	(15,080)
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	7	500	(493)	10,868	6,000	4,868
Net realized and unrealized gains (losses) on securities	22,155	2,583	19,572	(12,205)	31,000	(43,205)
Merchandise sales	304	708	(404)	3,189	8,500	(5,311)
Investment income, Life Fund	93	250	(157)	3,879	3,000	879
Contributions, Legislative Fund	-	-	-	704	-	704
Miscellaneous income	-	250	(250)	6,927	3,000	3,927
National Teach Ag Campaign	-	-	-	28,495	-	28,495
Teacher crisis fund	-	-	-	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	-	946	(946)	11,155	11,350	(195)
FFA Foundation project - Greenhouse	-	-	-	-	-	-
FFA Foundation project - LAA	-	-	-	4,920	4,170	750
FFA Foundation teacher workshop	-	-	-	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	(39,293)	-	(39,293)	(144,630)	10,000	(154,630)
Convention net income	(94,383)	6,880	(101,263)	(16,156)	75,560	(91,716)
TOTAL REVENUE	(88,672)	61,317	(149,989)	555,027	742,980	(187,953)
EXPENSES						
Salaries	25,287	23,303	1,984	207,014	279,630	(72,616)
Taxes and benefits	4,815	5,773	(958)	47,233	69,271	(22,038)
Computer service	625	542	83	4,115	6,500	(2,385)
Telephone	120	417	(297)	1,294	5,000	(3,706)
Accounting	7,750	1,058	6,692	11,100	12,700	(1,600)
Depreciation	243	583	(340)	1,733	7,000	(5,267)
Rent	-	625	(625)	-	7,500	(7,500)
Insurance	234	500	(266)	5,087	6,000	(913)
Legal	-	83	(83)	2,419	1,000	1,419
Office Supplies	203	583	(380)	3,494	7,000	(3,506)
Bank charges and investment fees	(222)	8	(230)	1,572	100	1,472
Printing, general	134	417	(283)	1,712	5,000	(3,288)
Staff training	-	83	(83)	-	1,000	(1,000)
Taxes and licenses	10	5	5	25	60	(35)
Membership and contributions	696	1,250	(554)	12,242	15,000	(2,758)
Travel, staff	438	2,500	(2,062)	7,079	30,000	(22,921)
Promotion and marketing	31	2,167	(2,136)	9,598	26,000	(16,402)
Merchandise and diaries	-	833	(833)	2,892	10,000	(7,108)
Photocopying	10	8	2	69	100	(31)
Postage, general	245	500	(255)	3,574	6,000	(2,426)
Professional liability insurance	-	3,118	(3,118)	37,270	37,415	(145)
Public relations	14	42	(28)	57	500	(443)
Scholarships	-	938	(938)	11,250	11,250	-
Travel, regional secretaries	5,005	1,042	3,963	9,577	12,500	(2,923)
Travel, board of directors	909	2,917	(2,008)	11,100	35,000	(23,900)
Nat'l Teach Ag Campaign	4,525	-	4,525	38,059	-	38,059
FFA Foundation project - TTTK	9,919	4,625	5,294	37,822	55,500	(17,678)
FFA Foundation project - OPAP	2,042	997	1,045	11,296	11,965	(669)

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NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Eight Months Ended February 29, 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>
FFA Foundation project - OMSP	3,063	946	2,117	6,522	11,350	(4,828)
FFA Foundation project - OT	3,501	997	2,504	6,866	11,965	(5,099)
FFA Foundation project - OYM	3,355	946	2,409	7,155	11,350	(4,195)
FFA Foundation project - Greenhouse	-	-	-	-	-	-
FFA Foundation project - LAA	-	-	-	768	4,170	(3,402)
FFA Foundation project - Smart Edge	-	-	-	1,100	-	1,100
FFA Foundation teacher workshop	-	-	-	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	1,729	-	1,729	13,700	-	13,700
DuPont Agriscience	5,313	-	5,313	34,173	-	34,173
GMAC SmartEdge program	-	-	-	-	-	-
NPS expense	9,250	667	8,583	9,250	8,000	1,250
Webinar expense	99	292	(193)	693	3,500	(2,807)
Teacher crisis fund	-	-	-	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>89,343</u>	<u>59,765</u>	<u>29,578</u>	<u>591,768</u>	<u>721,326</u>	<u>(129,558)</u>
NET INCOME (LOSS)	<u>\$ (178,015)</u>	<u>\$ 1,552</u>	<u>\$ (179,567)</u>	<u>\$ (36,741)</u>	<u>\$ 21,654</u>	<u>\$ (58,395)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Eight Months Ended February 29, 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	\$ -	\$ 7,917	\$ (7,917)	\$ 82,293	\$ 95,000	\$ (12,707)
Convention, tickets/workshops	-	-	-	227	-	227
Convention, trade show	-	125	(125)	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	-	-	-	7,975	-	7,975
Convention, sponsorships	-	4,500	(4,500)	9,950	54,000	(44,050)
TOTAL REVENUE	<u>-</u>	<u>15,875</u>	<u>(15,875)</u>	<u>112,134</u>	<u>192,500</u>	<u>(80,366)</u>
EXPENSES						
Convention, plaques and trophies	-	167	(167)	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	25	-	25	25	-	25
Convention, meal functions	70,230	2,500	67,730	70,230	30,000	40,230
Convention, promotion and marketing	-	83	(83)	2,782	1,000	1,782
Convention, postage and shipping	472	250	222	472	3,000	(2,528)
Convention, equipment rental	16,800	1,000	15,800	16,800	12,000	4,800
Convention, workshops	-	-	-	-	-	-
Convention, host state social	-	-	-	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	6,361	1,000	5,361	14,165	12,000	2,165
Convention, staff travel	495	833	(338)	4,219	10,000	(5,781)
Convention, other travel	-	-	-	-	-	-
TOTAL EXPENSES	<u>94,383</u>	<u>8,995</u>	<u>85,388</u>	<u>128,290</u>	<u>116,940</u>	<u>11,350</u>
NET INCOME (LOSS)	<u>\$ (94,383)</u>	<u>\$ 6,880</u>	<u>\$ (101,263)</u>	<u>\$ (16,156)</u>	<u>\$ 75,560</u>	<u>\$ (91,716)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses
For the One and Eight Months Ended February 29, 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	-	-	-	226,590	-	226,590
Vendor - NewByte	2,369	-	2,369	7,574	-	7,574
Field test fees	-	-	-	-	-	-
New Jersey	-	-	-	-	-	-
NRES	-	-	-	26,403	-	26,403
Assesments - ASP	-	-	-	180	-	180
Assesments - ASA	-	-	-	612	-	612
Replacement CD	-	-	-	50	-	50
Interest	-	-	-	5	-	5
FFA Foundation	-	-	-	8,000	-	8,000
TOTAL REVENUE	<u>2,369</u>	<u>-</u>	<u>2,369</u>	<u>341,087</u>	<u>-</u>	<u>341,087</u>
EXPENSES						
Legal and professional	-	-	-	420	-	420
Travel	-	-	-	4,595	-	4,595
Travel - staff	1,556	-	1,556	13,263	-	13,263
Contract labor	16,417	-	16,417	131,333	-	131,333
Supplies	-	-	-	400	-	400
Promotion	3,740	-	3,740	5,475	-	5,475
Printing	-	-	-	694	-	694
Postage	-	-	-	99	-	99
Telecommunications	-	-	-	116	-	116
Rutgers	-	-	-	1,369	-	1,369
Vernier	-	-	-	226,225	-	226,225
NewByte	-	-	-	3,105	-	3,105
Carthage	-	-	-	4,436	-	4,436
Carthage contract labor	7,770	-	7,770	42,770	-	42,770
Field test	-	-	-	-	-	-
Field test contract labor	-	-	-	-	-	-
NRSE	5,833	-	5,833	44,629	-	44,629
Assesmnts	6,336	-	6,336	6,336	-	6,336
Bank charges	-	-	-	129	-	129
Depreciation	10	-	10	76	-	76
Equipment	-	-	-	247	-	247
TOTAL EXPENSES	<u>41,662</u>	<u>-</u>	<u>41,662</u>	<u>485,717</u>	<u>-</u>	<u>485,717</u>
NET INCOME (LOSS)	<u>\$ (39,293)</u>	<u>\$ -</u>	<u>\$ (39,293)</u>	<u>\$ (144,630)</u>	<u>\$ -</u>	<u>\$ (144,630)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT