

**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 March 31, 2012 and the related statement of activities for the one and nine 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*

April 23, 2012

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

March 31, 2012

ASSETS

Cash on deposit	\$ 28,445
Investments - operating fund	443,570
Investments - life membership fund	159,561
Investments - reserve fund	83,635
Accounts receivable	82,292
Prepaid expenses	7,539
Property and equipment - CASE	1,036
Property and equipment	<u>14,037</u>

TOTAL ASSETS \$ 820,115

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 25,112
Accrued leave payable	25,077
Other current liabilities	<u>4,142</u>

TOTAL LIABILITIES 54,331

NET ASSETS

Unrestricted net assets:	
Current operation	638,398
Board designated for special purposes	129,248
Temporarily restricted net assets	752
CASE Project	<u>(2,614)</u>

TOTAL NET ASSETS 765,784

TOTAL LIABILITIES AND NET ASSETS \$ 820,115

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Nine Months Ended March 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	\$ 359,040	\$ 5,400	\$ -	\$ -	\$ 364,440
Convention registration	82,293	-	-	-	82,293
Sponsorship and awards	9,950	-	-	-	9,950
Merchandise sales	3,791	-	-	-	3,791
Contributions	-	-	704	-	704
Management fees	72,500	-	-	-	72,500
Net realized and unrealized					
gains (losses) on securities	(9,215)	-	-	-	(9,215)
Interest and dividends	15,950	-	-	-	15,950
FFA Foundation projects	176,485	-	-	-	176,485
CASE Program income	-	-	-	359,512	359,512
Other income	143,705	-	-	-	143,705
	<u>854,499</u>	<u>5,400</u>	<u>704</u>	<u>359,512</u>	<u>1,220,115</u>
Total Revenue, Gains and Losses	854,499	5,400	704	359,512	1,220,115
Net Assets Released from Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue, Gains and Losses and Reclassifications	<u>854,499</u>	<u>5,400</u>	<u>704</u>	<u>359,512</u>	<u>1,220,115</u>
Expenses					
General expenses	555,193	-	-	-	555,193
FFA Foundation projects	105,258	-	-	-	105,258
CASE Program expenses	-	-	-	513,880	513,880
Convention expenses	128,290	-	-	-	128,290
	<u>788,741</u>	<u>-</u>	<u>-</u>	<u>513,880</u>	<u>1,302,621</u>
Total expenses	788,741	-	-	513,880	1,302,621
INCREASE (DECREASE) IN NET ASSETS	65,758	5,400	704	(154,368)	(82,506)
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>\$ 638,398</u>	<u>\$ 129,248</u>	<u>\$ 752</u>	<u>\$ (2,614)</u>	<u>\$ 765,784</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Nine Months Ended March 31, 2012

	MONTH	MONTH	MONTH	YEAR TO DATE	YEAR	YEAR
	ACTUAL	BUDGET	\$VARIANCE	ACTUAL	BUDGET	\$VARIANCE
<b>REVENUE</b>						
Member dues	\$ 9,405	\$ 32,164	\$ (22,759)	\$ 345,770	\$ 385,970	\$ (40,200)
Corporate membership dues	3,000	2,563	437	18,670	30,750	(12,080)
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	1,012	500	512	11,880	6,000	5,880
Net realized and unrealized						
gains (losses) on securities	2,990	2,583	407	(9,215)	31,000	(40,215)
Merchandise sales	602	708	(106)	3,791	8,500	(4,709)
Investment income, Life Fund	191	250	(59)	4,070	3,000	1,070
Contributions, Legislative Fund	-	-	-	704	-	704
Miscellaneous income	950	250	700	7,877	3,000	4,877
National Teach Ag Campaign	13,682	-	13,682	42,177	-	42,177
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	639	-	639	62,152	-	62,152
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	125	-	125	13,700	-	13,700
FFA Foundation project - NAAE Convention	-	-	-	56,655	-	56,655
CASE program net income	(9,736)	-	(9,736)	(154,368)	10,000	(164,368)
Convention net income	-	6,880	(6,880)	(16,156)	75,560	(91,716)
<b>TOTAL REVENUE</b>	<b>22,860</b>	<b>61,317</b>	<b>(38,457)</b>	<b>577,945</b>	<b>742,980</b>	<b>(165,035)</b>
<b>EXPENSES</b>						
Salaries	25,705	23,303	2,402	232,719	279,630	(46,911)
Taxes and benefits	5,737	5,773	(36)	52,970	69,271	(16,301)
Computer service	1,125	542	583	5,240	6,500	(1,260)
Telephone	177	417	(240)	1,471	5,000	(3,529)
Accounting	500	1,058	(558)	11,600	12,700	(1,100)
Depreciation	243	583	(340)	1,976	7,000	(5,024)
Rent	-	625	(625)	-	7,500	(7,500)
Insurance	234	500	(266)	5,321	6,000	(679)
Legal	-	83	(83)	2,419	1,000	1,419
Office Supplies	755	583	172	4,246	7,000	(2,754)
Bank charges and investment fees	222	8	214	1,795	100	1,695
Printing, general	123	417	(294)	1,835	5,000	(3,165)
Staff training	-	83	(83)	-	1,000	(1,000)
Taxes and licenses	30	5	25	55	60	(5)
Membership and contributions	1,410	1,250	160	13,652	15,000	(1,348)
Travel, staff	1,174	2,500	(1,326)	8,253	30,000	(21,747)
Promotion and marketing	-	2,167	(2,167)	9,598	26,000	(16,402)
Merchandise and diaries	-	833	(833)	2,892	10,000	(7,108)
Photocopying	-	8	(8)	69	100	(31)
Postage, general	303	500	(197)	3,877	6,000	(2,123)
Professional liability insurance	-	3,118	(3,118)	37,270	37,415	(145)
Public relations	-	42	(42)	57	500	(443)
Scholarships	-	938	(938)	11,250	11,250	-
Travel, regional secretaries	-	1,042	(1,042)	9,577	12,500	(2,923)
Travel, board of directors	5,782	2,917	2,865	16,882	35,000	(18,118)
Nat'l Teach Ag Campaign	21,589	-	21,589	59,648	-	59,648
FFA Foundation project - TTTK	-	4,625	(4,625)	37,822	55,500	(17,678)
FFA Foundation project - OPAP	-	997	(997)	11,296	11,965	(669)

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NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Nine Months Ended March 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 - OMSP	-	946	(946)	6,522	11,350	(4,828)
FFA Foundation project - OT	-	997	(997)	6,866	11,965	(5,099)
FFA Foundation project - OYM	-	946	(946)	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	-	-	-	13,700	-	13,700
DuPont Agriscience	3,512	-	3,512	37,685	-	37,685
GMAC SmartEdge program	-	-	-	-	-	-
NPS expense	(35)	667	(702)	9,215	8,000	1,215
Webinar expense	99	292	(193)	792	3,500	(2,708)
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
<b>TOTAL EXPENSES</b>	<u>68,685</u>	<u>59,765</u>	<u>8,920</u>	<u>660,451</u>	<u>721,326</u>	<u>(60,875)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ (45,825)</u>	<u>\$ 1,552</u>	<u>\$ (47,377)</u>	<u>\$ (82,506)</u>	<u>\$ 21,654</u>	<u>\$ (104,160)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.  
Schedule of Convention Revenue and Expenses  
For the One and Nine Months Ended March 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>
<b>REVENUE</b>						
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)
<b>TOTAL REVENUE</b>	<u>-</u>	<u>15,875</u>	<u>(15,875)</u>	<u>112,134</u>	<u>192,500</u>	<u>(80,366)</u>
<b>EXPENSES</b>						
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
Convention, meal functions	-	2,500	(2,500)	70,230	30,000	40,230
Convention, promotion and marketing	-	83	(83)	2,782	1,000	1,782
Convention, postage and shipping	-	250	(250)	472	3,000	(2,528)
Convention, equipment rental	-	1,000	(1,000)	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	-	1,000	(1,000)	14,165	12,000	2,165
Convention, staff travel	-	833	(833)	4,219	10,000	(5,781)
Convention, other travel	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<u>-</u>	<u>8,995</u>	<u>(8,995)</u>	<u>128,290</u>	<u>116,940</u>	<u>11,350</u>
<b>NET INCOME (LOSS)</b>	<u>\$ -</u>	<u>\$ 6,880</u>	<u>\$ (6,880)</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 Nine Months Ended March 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>
<b>REVENUE</b>						
CI fees	\$ -	\$ -	\$ -	\$ 71,673	\$ -	\$ 71,673
Vendor - Vernier	-	-	-	226,590	-	226,590
Vendor - NewByte	-	-	-	7,574	-	7,574
Field test fees	-	-	-	-	-	-
New Jersey	-	-	-	-	-	-
NRES	18,425	-	18,425	44,828	-	44,828
Assessments - ASP	-	-	-	180	-	180
Assessments - ASA	-	-	-	612	-	612
Replacement CD	-	-	-	50	-	50
Interest	-	-	-	5	-	5
FFA Foundation	-	-	-	8,000	-	8,000
<b>TOTAL REVENUE</b>	<b>18,425</b>	<b>-</b>	<b>18,425</b>	<b>359,512</b>	<b>-</b>	<b>359,512</b>
<b>EXPENSES</b>						
Legal and professional	-	-	-	420	-	420
Travel	-	-	-	4,595	-	4,595
Travel - staff	260	-	260	13,523	-	13,523
Salary	2,031	-	-	2,031	-	-
Contract labor	16,417	-	16,417	147,750	-	147,750
Supplies	-	-	-	400	-	400
Promotion	375	-	375	5,850	-	5,850
Printing	-	-	-	694	-	694
Postage	21	-	21	121	-	121
Telecommunications	-	-	-	116	-	116
Rutgers	-	-	-	1,369	-	1,369
Vernier	282	-	282	226,508	-	226,508
NewByte	823	-	823	3,928	-	3,928
Carthage	265	-	265	4,701	-	4,701
Carthage contract labor	920	-	920	43,690	-	43,690
Field test	-	-	-	-	-	-
Field test contract labor	-	-	-	-	-	-
NRSE	6,758	-	6,758	51,387	-	51,387
Assesmnets	-	-	-	6,336	-	6,336
Bank charges	-	-	-	129	-	129
Depreciation	9	-	9	85	-	85
Equipment	-	-	-	247	-	247
<b>TOTAL EXPENSES</b>	<b>28,161</b>	<b>-</b>	<b>26,130</b>	<b>513,880</b>	<b>-</b>	<b>511,849</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (9,736)</b>	<b>\$ -</b>	<b>\$ (7,705)</b>	<b>\$ (154,368)</b>	<b>\$ -</b>	<b>\$ (152,337)</b>

SEE ACCOMPANYING ACCOUNTANT'S REPORT