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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 May 31, 2012 and the related statement of activities for the one and eleven 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

June 21, 2012

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

May 31, 2012

ASSETS

Cash on deposit	\$ 20,008
Investments - operating fund	406,634
Investments - life membership fund	149,372
Investments - reserve fund	82,649
Accounts receivable	255,361
Prepaid expenses	7,113
Property and equipment - CASE	1,017
Property and equipment	<u>14,765</u>

TOTAL ASSETS \$ 936,919

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 83,623
Accrued leave payable	25,077
Other current liabilities	<u>5,465</u>

TOTAL LIABILITIES 114,165

NET ASSETS

Unrestricted net assets:	
Current operation	551,690
Board designated for special purposes	129,248
Temporarily restricted net assets	752
CASE Project	<u>141,064</u>

TOTAL NET ASSETS 822,754

TOTAL LIABILITIES AND NET ASSETS \$ 936,919

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Eleven Months Ended May 31, 2012

	Unrestricted				
	Current Operations	Board Designated	Temporarily Restricted	CASE Project	Total
Revenue, Gains and Losses					
Membership dues	\$ 385,735	\$ 5,400	\$ -	\$ -	\$ 391,135
Convention registration	82,293	-	-	-	82,293
Sponsorship and awards	9,950	-	-	-	9,950
Merchandise sales	5,122	-	-	-	5,122
Contributions	-	-	704	-	704
Management fees	72,500	-	-	-	72,500
Net realized and unrealized gains (losses) on securities	(57,533)	-	-	-	(57,533)
Interest and dividends	16,160	-	-	-	16,160
FFA Foundation projects	176,713	-	-	-	176,713
CASE Program income	-	-	-	637,421	637,421
Other income	183,031	-	-	-	183,031
	873,971	5,400	704	637,421	1,517,496
Total Revenue, Gains and Losses					
Net Assets Released from Restrictions	-	-	-	-	-
Total Revenue, Gains and Losses and Reclassifications	873,971	5,400	704	637,421	1,517,496
Expenses					
General expenses	659,906	-	-	-	659,906
FFA Foundation projects	106,498	-	-	-	106,498
CASE Program expenses	-	-	-	648,111	648,111
Convention expenses	128,517	-	-	-	128,517
	894,921	-	-	648,111	1,543,032
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	(20,950)	5,400	704	(10,690)	(25,536)
NET ASSETS AT BEGINNING OF PERIOD	572,640	123,848	48	151,754	848,290
NET ASSETS AT END OF PERIOD	\$ 551,690	\$ 129,248	\$ 752	\$ 141,064	\$ 822,754

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Eleven Months Ended May 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>
REVENUE						
Member dues	\$ 19,030	\$ 32,164	\$ (13,134)	\$ 369,465	\$ 385,970	\$ (16,505)
Corporate membership dues	1,500	2,563	(1,063)	21,670	30,750	(9,080)
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	500	(499)	11,883	6,000	5,883
Net realized and unrealized						
gains (losses) on securities	(42,948)	2,583	(45,531)	(57,533)	31,000	(88,533)
Merchandise sales	1,083	708	375	5,122	8,500	(3,378)
Investment income, Life Fund	100	250	(150)	4,277	3,000	1,277
Contributions, Legislative Fund	-	-	-	704	-	704
Miscellaneous income	-	250	(250)	7,877	3,000	4,877
National Teach Ag Campaign	2,227	-	2,227	56,592	-	56,592
Teacher crisis fund	100	-	100	6,208	-	6,208
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	18,957	-	18,957	86,143	-	86,143
NPS	-	-	-	820	-	820
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	228	997	(769)	12,236	11,965	271
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	-	-	-	13,700	-	13,700
FFA Foundation project - NAAE Convention	-	-	-	56,655	-	56,655
CASE program net income	120,244	-	120,244	(10,690)	10,000	(20,690)
Convention net income	(228)	6,880	(7,108)	(16,383)	75,560	(91,943)
TOTAL REVENUE	120,294	61,317	58,977	740,868	742,980	(2,112)
EXPENSES						
Salaries	23,777	23,303	474	276,778	279,630	(2,852)
Taxes and benefits	6,548	5,773	775	66,289	69,271	(2,982)
Computer service	797	542	255	7,072	6,500	572
Telephone	462	417	45	2,539	5,000	(2,461)
Accounting	500	1,058	(558)	12,600	12,700	(100)
Depreciation	404	583	(179)	2,623	7,000	(4,377)
Rent	-	625	(625)	5,000	7,500	(2,500)
Insurance	192	500	(308)	5,747	6,000	(253)
Legal	-	83	(83)	2,419	1,000	1,419
Office Supplies	346	583	(237)	5,491	7,000	(1,509)
Bank charges and investment fees	-	8	(8)	1,795	100	1,695
Printing, general	2,388	417	1,971	4,223	5,000	(777)
Staff training	-	83	(83)	-	1,000	(1,000)
Taxes and licenses	-	5	(5)	55	60	(5)
Membership and contributions	500	1,250	(750)	14,567	15,000	(433)
Travel, staff	2,340	2,500	(160)	13,559	30,000	(16,441)
Promotion and marketing	-	2,167	(2,167)	9,701	26,000	(16,299)
Merchandise and diaries	-	833	(833)	2,892	10,000	(7,108)
Photocopying	-	8	(8)	89	100	(11)
Postage, general	665	500	165	4,694	6,000	(1,306)
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	1,463	1,042	421	11,040	12,500	(1,460)
Travel, board of directors	-	2,917	(2,917)	23,884	35,000	(11,116)
Nat'l Teach Ag Campaign	2,709	4,432	(1,723)	66,689	-	66,689

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Eleven Months Ended May 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>
FFA Foundation project - TTTK	-	4,625	(4,625)	37,822	55,500	(17,678)
FFA Foundation project - OPAP	848	997	(149)	12,143	11,965	178
FFA Foundation project - OMSP	-	946	(946)	6,522	11,350	(4,828)
FFA Foundation project - OT	393	997	(604)	7,259	11,965	(4,706)
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	4,104	-	4,104	44,917	-	44,917
GMAC SmartEdge program	-	-	-	-	-	-
NPS expense	-	667	(667)	12,095	8,000	4,095
Webinar expense	99	292	(193)	990	3,500	(2,510)
Teacher crisis fund	500	-	500	2,000	-	2,000
Communities of practice expense	102	667	(565)	10,853	8,000	2,853
Substitute teacher hire behinds	-	333	(333)	-	4,000	(4,000)
NSTA dues	-	-	-	-	-	-
Bad debts	-	-	-	150	-	150
Miscellaneous	-	-	-	578	-	578
TOTAL EXPENSES	<u>49,137</u>	<u>64,197</u>	<u>(15,060)</u>	<u>766,404</u>	<u>721,326</u>	<u>45,078</u>
NET INCOME (LOSS)	<u>\$ 71,157</u>	<u>\$ (2,880)</u>	<u>\$ 74,037</u>	<u>\$ (25,536)</u>	<u>\$ 21,654</u>	<u>\$ (47,190)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Eleven Months Ended May 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	\$ -	\$ 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
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	228	-	228	8,202	-	8,202
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	-	-	-	-	-	-
TOTAL EXPENSES	<u>228</u>	<u>8,995</u>	<u>(8,767)</u>	<u>128,517</u>	<u>116,940</u>	<u>11,577</u>
NET INCOME (LOSS)	<u>\$ (228)</u>	<u>\$ 6,880</u>	<u>\$ (7,108)</u>	<u>\$ (16,383)</u>	<u>\$ 75,560</u>	<u>\$ (91,943)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Case Program Revenue and Expenses
For the One and Eleven Months Ended May 31, 2012.

	MONTH <u>ACTUAL</u>	MONTH <u>BUDGET</u>	MONTH <u>SVARIANCE</u>	YEAR TO DATE <u>ACTUAL</u>	YEAR <u>BUDGET</u>	YEAR <u>SVARIANCE</u>
REVENUE						
CI fees	\$ 23,800	\$ -	\$ 23,800	\$ 84,842	\$ -	\$ 84,842
Vendor - Vernier	78,921	-	78,921	313,999	-	313,999
Vendor - NewByte	-	-	-	8,743	-	8,743
Field test fees	-	-	-	-	-	-
New Jersey	-	-	-	-	-	-
NRES	17,831	-	17,831	72,909	-	72,909
APB	92,763	-	92,763	145,831	-	145,831
Assesments - ASP	936	-	936	1,278	-	1,278
Assesments - ASA	1,152	-	1,152	1,764	-	1,764
Replacement CD	-	-	-	50	-	50
Interest	-	-	-	5	-	5
FFA Foundation	-	-	-	8,000	-	8,000
TOTAL REVENUE	<u>215,403</u>	<u>-</u>	<u>215,403</u>	<u>637,421</u>	<u>-</u>	<u>637,421</u>
EXPENSES						
Legal and professional	-	-	-	420	-	420
Travel	11,224	-	11,224	19,368	-	19,368
Travel - staff	61	-	61	13,702	-	13,702
Salary	3,391	-	-	7,453	-	-
Contract labor	16,417	-	16,417	180,583	-	180,583
Supplies	-	-	-	400	-	400
Promotion	265	-	265	6,115	-	6,115
Printing	-	-	-	864	-	864
Postage	12	-	12	133	-	133
Telecommunications	22	-	22	138	-	138
Rutgers	-	-	-	1,369	-	1,369
Vernier	51,816	-	51,816	284,394	-	284,394
NewByte	576	-	576	4,504	-	4,504
Carthage	-	-	-	4,701	-	4,701
Carthage contract labor	-	-	-	43,690	-	43,690
Field test	-	-	-	-	-	-
Field test contract labor	-	-	-	-	-	-
NRSE	6,550	-	6,550	68,237	-	68,237
APB	4,816	-	-	5,224	-	-
Assesmnets	-	-	-	6,336	-	6,336
Bank charges	-	-	-	129	-	129
Depreciation	9	-	9	104	-	104
Equipment	-	-	-	247	-	247
TOTAL EXPENSES	<u>95,159</u>	<u>-</u>	<u>86,952</u>	<u>648,111</u>	<u>-</u>	<u>635,434</u>
NET INCOME (LOSS)	<u>\$ 120,244</u>	<u>\$ -</u>	<u>\$ 128,451</u>	<u>\$ (10,690)</u>	<u>\$ -</u>	<u>\$ 1,987</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT