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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 June 30, 2012 and the related statement of activities for the one and twelve 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

November 1, 2012

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

June 30, 2012

ASSETS

Cash on deposit	\$ 10,913
Investments - operating fund	420,677
Investments - life membership fund	153,330
Investments - reserve fund	83,745
Accounts receivable	355,580
Prepaid expenses	13,636
Property and equipment - CASE	1,007
Property and equipment	<u>14,348</u>

TOTAL ASSETS \$ 1,053,236

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 211,503
Accrued leave payable	26,290
Other current liabilities	<u>26,555</u>

TOTAL LIABILITIES 264,348

NET ASSETS

Unrestricted net assets:	
Current operation	552,279
Board designated for special purposes	153,331
Temporarily restricted net assets	752
CASE Project	<u>82,526</u>

TOTAL NET ASSETS 788,888

TOTAL LIABILITIES AND NET ASSETS \$ 1,053,236

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Twelve Months Ended June 30, 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	\$ 400,900	\$ 5,400	\$ -	\$ -	\$ 406,300
Convention registration	82,293	-	-	-	82,293
Sponsorship and awards	18,950	-	-	-	18,950
Merchandise sales	8,672	-	-	-	8,672
Contributions	-	-	704	-	704
Management fees	114,402	-	-	-	114,402
Net realized and unrealized					
gains (losses) on securities	(34,455)	-	-	-	(34,455)
Interest and dividends	13,640	-	-	-	13,640
FFA Foundation projects	139,812	-	-	-	139,812
CASE Program income	-	-	-	759,122	759,122
Other income	287,470	-	-	-	287,470
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue, Gains and Losses	1,031,684	5,400	704	759,122	1,796,910
Net Assets Released from Restrictions	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-	-
Total Revenue, Gains and Losses and Reclassifications	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,031,684	5,400	704	759,122	1,796,910
Expenses					
General expenses	766,660	-	-	-	766,660
FFA Foundation projects	139,695	-	-	-	139,695
CASE Program expenses	-	-	-	827,644	827,644
Convention expenses	122,313	-	-	-	122,313
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	1,028,668	-	-	827,644	1,856,312
INCREASE (DECREASE) IN NET ASSETS	3,016	5,400	704	(68,522)	(59,402)
RECLASS FUND BALANCE	(23,377)	24,083		(706)	-
NET ASSETS AT BEGINNING OF PERIOD	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	572,640	123,848	48	151,754	848,290
NET ASSETS AT END OF PERIOD	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 552,279	\$ 153,331	\$ 752	\$ 82,526	\$ 788,888

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Twelve Months Ended June 30, 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	\$ 6,135	\$ 32,164	\$ (26,029)	\$ 375,600	\$ 385,970	\$ (10,370)
Corporate membership dues	9,780	2,563	7,217	30,700	30,750	(50)
NSTA Dues	-	-	-	-	-	-
Delmar scholarships	7,500	625	6,875	7,500	7,500	-
Foundation management fees	21,902	4,583	17,319	94,402	55,000	39,402
MBNA affinity credit card program	-	-	-	-	-	-
Toyota vehicle lease management fee	-	-	-	-	-	-
Interest and dividends	(2,179)	500	(2,679)	9,704	6,000	3,704
Net realized and unrealized						
gains (losses) on securities	23,078	2,583	20,495	(34,455)	31,000	(65,455)
Merchandise sales	3,166	708	2,458	8,672	8,500	172
Investment income, Life Fund	(341)	250	(591)	3,936	3,000	936
Contributions, Legislative Fund	-	-	-	704	-	704
Miscellaneous income	-	250	(250)	7,877	3,000	4,877
National Teach Ag Campaign	29,424	-	29,424	86,016	-	86,016
Teacher crisis fund	1,470	-	1,470	7,678	-	7,678
BFRDP Grant	14,474	-	14,474	14,474	-	14,474
AEM business manager stipend	4,000	333	3,667	4,000	4,000	-
GMAC SmartEdge program	-	-	-	-	-	-
Webinar revenue	-	1,367	(1,367)	-	16,400	(16,400)
DuPont Agriscience	(8,584)	-	(8,584)	77,559	-	77,559
NPS	-	-	-	820	-	820
Hurricane relief	(500)	-	(500)	-	-	-
Council MMM management fee	-	-	-	5,000	-	5,000
FFA Foundation Regional Grants	18,000	-	18,000	18,000	-	18,000
FFA Foundation project - TTTK	4,440	4,625	(185)	45,105	55,500	(10,395)
FFA Foundation project - OPAP	1,983	997	986	14,219	11,965	2,254
FFA Foundation project - OMSP	-	946	(946)	8,473	11,350	(2,877)
FFA Foundation project - OT	1,983	997	986	9,830	11,965	(2,135)
FFA Foundation project - OYM	(2,500)	946	(3,446)	8,655	11,350	(2,695)
FFA Foundation project - Greenhouse	-	-	-	-	-	-
FFA Foundation project - LAA	(4,152)	-	(4,152)	768	4,170	(3,402)
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
CASE management fee	20,000	-	20,000	20,000	-	20,000
CASE program net income	(50,022)	-	(50,022)	(68,522)	10,000	(78,522)
Convention net income	15,205	6,880	8,325	55,476	75,560	(20,084)
TOTAL REVENUE	114,262	61,317	52,945	846,953	742,980	103,973
EXPENSES						
Salaries	21,745	23,303	(1,558)	298,523	279,630	18,893
Taxes and benefits	5,726	5,773	(47)	72,015	69,271	2,744
Computer service	-	542	(542)	7,072	6,500	572
Telephone	413	417	(4)	2,952	5,000	(2,048)
Accounting	500	1,058	(558)	13,100	12,700	400
Depreciation	418	583	(165)	3,040	7,000	(3,960)
Rent	-	625	(625)	5,000	7,500	(2,500)
Insurance	192	500	(308)	5,939	6,000	(61)
Legal	-	83	(83)	2,419	1,000	1,419
Office Supplies	2,370	583	1,787	7,854	7,000	854
Bank charges and investment fees	1,460	8	1,452	3,255	100	3,155
Printing, general	235	417	(182)	4,458	5,000	(542)
Staff training	-	83	(83)	-	1,000	(1,000)
Taxes and licenses	-	5	(5)	55	60	(5)
Membership and contributions	265	1,250	(985)	16,332	15,000	1,332
Travel, staff	9,201	2,500	6,701	22,760	30,000	(7,240)
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	1,547	500	1,047	6,241	6,000	241
Professional liability insurance	-	3,118	(3,118)	37,270	37,415	(145)
Public relations	150	42	108	208	500	(292)
Scholarships	-	938	(938)	11,250	11,250	-
Travel, regional secretaries	1,512	1,042	470	12,552	12,500	52
Travel, board of directors	10,224	2,917	7,307	34,108	35,000	(892)
Nat'l Teach Ag Campaign	19,656	4,432	15,224	86,345	-	86,345

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Twelve Months Ended June 30, 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	7,057	4,625	2,432	44,880	55,500	(10,620)
FFA Foundation project - OPAP	2,344	997	1,347	14,487	11,965	2,522
FFA Foundation project - OMSP	1,951	946	1,005	8,473	11,350	(2,877)
FFA Foundation project - OT	2,344	997	1,347	9,603	11,965	(2,362)
FFA Foundation project - OYM	1,500	946	554	8,655	11,350	(2,695)
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	18,000	-	18,000	18,000	-	18,000
FFA Foundation Agriscience Teachers	-	-	-	13,700	-	13,700
DuPont Agriscience	29,449	-	29,449	74,366	-	74,366
GMAC SmartEdge program	-	-	-	-	-	-
NPS expense	-	667	(667)	12,095	8,000	4,095
Webinar expense	198	292	(94)	1,188	3,500	(2,312)
Teacher crisis fund	-	-	-	2,000	-	2,000
Communities of practice expense	-	667	(667)	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>138,457</u>	<u>64,197</u>	<u>74,260</u>	<u>906,355</u>	<u>721,326</u>	<u>185,029</u>
NET INCOME (LOSS)	<u>\$ (24,195)</u>	<u>\$ (2,880)</u>	<u>\$ (21,315)</u>	<u>\$ (59,402)</u>	<u>\$ 21,654</u>	<u>\$ (81,056)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Twelve Months Ended June 30, 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)	56,655	40,000	16,655
Convention, host state social	-	-	-	7,975	-	7,975
Convention, sponsorships	9,000	4,500	4,500	18,950	54,000	(35,050)
TOTAL REVENUE	<u>9,000</u>	<u>15,875</u>	<u>(6,875)</u>	<u>177,789</u>	<u>192,500</u>	<u>(14,711)</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	325	-	325	8,423	9,000	(577)
Convention, photography	-	-	-	25	-	25
Convention, meal functions	(63,185)	2,500	(65,685)	7,045	30,000	(22,955)
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	-	-	-	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 - FFA foundation	56,655	-	56,655	56,655	-	56,655
TOTAL EXPENSES	<u>(6,205)</u>	<u>8,995</u>	<u>(15,200)</u>	<u>122,313</u>	<u>116,940</u>	<u>5,373</u>
NET INCOME (LOSS)	<u>\$ 15,205</u>	<u>\$ 6,880</u>	<u>\$ 8,325</u>	<u>\$ 55,476</u>	<u>\$ 75,560</u>	<u>\$ (20,084)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of CASE Program Revenue and Expenses
For the One and Twelve Months Ended June 30, 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	\$ 66,050	\$ -	\$ 66,050	\$ 150,892	\$ -	\$ 150,892
Vendor - Vernier	17,864	-	17,864	334,613	-	334,613
Vendor - NewByte	399	-	399	9,167	-	9,167
Field test fees	-	-	-	-	-	-
New Jersey	-	-	-	-	-	-
NRES	22,180	-	22,180	95,089	-	95,089
APB	20,602	-	20,602	157,958	-	157,958
Assesments - ASP	-	-	-	1,278	-	1,278
Assesments - ASA	306	-	306	2,070	-	2,070
Replacement CD	-	-	-	50	-	50
Interest	-	-	-	5	-	5
FFA Foundation	-	-	-	8,000	-	8,000
TOTAL REVENUE	<u>127,401</u>	<u>-</u>	<u>127,401</u>	<u>759,122</u>	<u>-</u>	<u>759,122</u>
EXPENSES						
Legal and professional	1,994	-	1,994	2,414	-	2,414
Travel	13,856	-	13,856	33,732	-	33,732
Travel - staff	7,800	-	7,800	21,503	-	21,503
Salary	3,391	-	3,391	10,844	-	10,844
Contract labor	16,417	-	16,417	197,000	-	197,000
Supplies	872	-	872	1,272	-	1,272
Promotion	122	-	122	7,837	-	7,837
Printing	29	-	29	893	-	893
Postage	113	-	113	246	-	246
Telecommunications	5	-	5	143	-	143
Rutgers	-	-	-	1,369	-	1,369
Vernier	48,875	-	48,875	333,269	-	333,269
NewByte	421	-	421	4,926	-	4,926
Carthage	-	-	-	4,701	-	4,701
Carthage contract labor	33,300	-	33,300	76,990	-	76,990
Field test	-	-	-	-	-	-
Field test contract labor	-	-	-	-	-	-
NRSE	14,986	-	14,986	83,223	-	83,223
APB	35,232	-	35,232	40,456	-	40,456
Assesmnets	-	-	-	6,336	-	6,336
Bank charges	-	-	-	129	-	129
Depreciation	10	-	10	114	-	114
Equipment	-	-	-	247	-	247
TOTAL EXPENSES	<u>177,423</u>	<u>-</u>	<u>138,800</u>	<u>827,644</u>	<u>-</u>	<u>827,644</u>
NET INCOME (LOSS)	<u>\$ (50,022)</u>	<u>\$ -</u>	<u>\$ (11,399)</u>	<u>\$ (68,522)</u>	<u>\$ -</u>	<u>\$ (68,522)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT