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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 October 31, 2012 and the related statement of activities for the four 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 19, 2012

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

October 31, 2012

ASSETS

Cash on deposit	\$ 193,776
Investments - operating fund	432,695
Investments - life membership fund	157,351
Investments - reserve fund	85,724
Accounts receivable	156,229
Prepaid expenses	18,404
Property and equipment - CASE	969
Property and equipment	<u>13,302</u>
 TOTAL ASSETS	 <u>\$ 1,058,450</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 7,880
Accrued leave payable	26,290
Other current liabilities	<u>4,601</u>
 TOTAL LIABILITIES	 <u>38,771</u>

NET ASSETS

Unrestricted net assets:	
Current operation	698,006
Board designated for special purposes	157,411
Temporarily restricted net assets	1,252
CASE Project	<u>163,010</u>
 TOTAL NET ASSETS	 <u>1,019,679</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,058,450</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Four Months Ended October 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	\$ 257,902	\$ 4,080	\$ -	\$ -	\$ 261,982
Convention registration	53,157	-	-	-	53,157
Sponsorship and awards	-	-	-	-	-
Merchandise sales	2,379	-	-	-	2,379
Contributions	-	-	500	-	500
Management fees	-	-	-	-	-
Net realized and unrealized					
gains (losses) on securities	19,832	-	-	-	19,832
Interest and dividends	1,171	-	-	-	1,171
FFA Foundation projects	32,948	-	-	-	32,948
CASE Program income	-	-	-	492,409	492,409
Other income	66,902	-	-	-	66,902
	<u>434,291</u>	<u>4,080</u>	<u>500</u>	<u>492,409</u>	<u>931,280</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>434,291</u>	<u>4,080</u>	<u>500</u>	<u>492,409</u>	<u>931,280</u>
Expenses					
General expenses	272,155	-	-	-	272,155
FFA Foundation projects	7,454	-	-	-	7,454
CASE Program expenses	-	-	-	411,925	411,925
Convention expenses	8,955	-	-	-	8,955
	<u>288,564</u>	<u>-</u>	<u>-</u>	<u>411,925</u>	<u>700,489</u>
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	145,727	4,080	500	80,484	230,791
NET ASSETS AT BEGINNING OF PERIOD	<u>552,279</u>	<u>153,331</u>	<u>752</u>	<u>82,526</u>	<u>788,888</u>
NET ASSETS AT END OF PERIOD	<u>\$ 698,006</u>	<u>\$ 157,411</u>	<u>\$ 1,252</u>	<u>\$ 163,010</u>	<u>\$ 1,019,679</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Four Months Ended October 31, 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	\$ 92,975	\$ 32,194	\$ 60,781	\$ 258,232	\$ 386,325	\$ (128,093)
Corporate membership dues	750	2,375	(1,625)	3,750	28,500	(24,750)
NSTA Dues	-	-	-	-	-	-
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Foundation management fees	-	7,500	(7,500)	-	90,000	(90,000)
MBNA affinity credit card program	-	-	-	-	-	-
Toyota vehicle lease management fee	-	-	-	-	-	-
Interest and dividends	89	833	(744)	842	10,000	(9,158)
Net realized and unrealized						
gains (losses) on securities	(11,459)	2,583	(14,042)	19,832	31,000	(11,168)
Merchandise sales	20	708	(688)	2,379	8,500	(6,121)
Investment income, Life Fund	69	333	(264)	329	4,000	(3,671)
Contributions, Legislative Fund	-	-	-	500	-	500
Miscellaneous income	-	500	(500)	-	6,000	(6,000)
Scholarship raffle proceeds	-	167	(167)	-	2,000	(2,000)
National Teach Ag Campaign	13,591	-	13,591	27,318	90,000	(62,682)
Teacher crisis fund	1,685	-	1,685	3,790	-	3,790
BFRDP Grant	-	-	-	-	-	-
AEM business manager stipend	-	333	(333)	-	4,000	(4,000)
GMAC SmartEdge program	-	-	-	-	-	-
Webinar revenue	-	-	-	-	-	-
DuPont Agriscience	10,201	-	10,201	35,094	-	35,094
NPS	-	-	-	-	-	-
State website development	-	-	-	400	-	400
Hurricane relief	-	-	-	-	-	-
CASE management fee	-	-	-	-	20,000	(20,000)
Council MMM management fee	-	-	-	-	5,000	(5,000)
FFA Foundation project - TTTK	12,025	3,875	8,150	17,355	46,500	(29,145)
FFA Foundation project - OPAP	1,625	1,000	625	2,789	12,000	(9,211)
FFA Foundation project - OMSP	1,950	1,000	950	2,296	12,000	(9,704)
FFA Foundation project - OT	1,986	917	1,069	3,627	11,000	(7,373)
FFA Foundation project - OYM	1,625	917	708	3,631	11,000	(7,369)
FFA Foundation project - Lifetime Achievement	975	208	767	975	2,500	(1,525)
FFA Foundation project - Outstanding Service Citation	975	205	770	975	2,460	(1,485)
FFA Foundation teacher workshop	-	958	(958)	-	11,500	(11,500)
FFA Foundation internet café	-	500	(500)	-	6,000	(6,000)
FFA Foundation Pfizer classroom	-	833	(833)	-	10,000	(10,000)
FFA Foundation Regional Grants Revenue	-	1,500	(1,500)	-	18,000	(18,000)
FFA Foundation Agriscience Teacher	1,300	1,562	(262)	1,300	18,740	(17,440)
FFA Foundation NATAA/NAII	-	10,000	(10,000)	-	120,000	(120,000)
CASE program net income	32,160	-	32,160	80,484	-	80,484
Convention net income	46,025	4,463	41,562	44,502	44,560	(58)
TOTAL REVENUE	208,567	76,089	132,478	510,400	1,019,085	(508,685)
EXPENSES						
Salaries	20,919	24,792	(3,873)	99,986	297,506	(197,520)
Taxes and benefits	5,912	6,501	(589)	24,791	78,011	(53,220)
Computer service	-	542	(542)	2,250	6,500	(4,250)
Telephone	218	417	(199)	751	5,000	(4,249)
Accounting	500	1,104	(604)	2,000	13,250	(11,250)
Depreciation	261	583	(322)	1,045	7,000	(5,955)
Rent	-	625	(625)	-	7,500	(7,500)
Insurance	2,989	500	2,489	3,554	6,000	(2,446)
Legal	-	83	(83)	360	1,000	(640)
Office Supplies	1,118	583	535	2,792	7,000	(4,208)
Bank charges and investment fees	1,527	8	1,519	2,981	100	2,881
Printing, general	-	333	(333)	1,144	4,000	(2,856)
Staff training	-	42	(42)	-	500	(500)
Taxes and licenses	-	8	(8)	20	100	(80)
Membership and contributions	-	1,667	(1,667)	11,599	20,000	(8,401)
Travel, staff	1,801	2,083	(282)	7,682	25,000	(17,318)
Promotion and marketing	6,490	1,000	5,490	10,013	12,000	(1,987)
Merchandise and diaries	-	500	(500)	6,197	6,000	197
Photocopying	-	8	(8)	-	100	(100)
Postage, general	428	500	(72)	768	6,000	(5,232)
Professional liability insurance	-	3,111	(3,111)	-	37,335	(37,335)
Public relations	79	50	29	288	600	(312)
Scholarships	-	938	(938)	10,500	11,250	(750)
Travel, regional secretaries	756	917	(161)	3,003	11,000	(7,997)

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Four Months Ended October 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>
Travel, board of directors	900	3,333	(2,433)	12,591	40,000	(27,409)
Nat'l Teach Ag Campaign	3,769	7,500	(3,731)	27,459	90,000	(62,541)
FFA Foundation project - TTTK	5,026	3,875	1,151	5,330	46,500	(41,170)
FFA Foundation project - OPAP	-	1,000	(1,000)	414	12,000	(11,586)
FFA Foundation project - OMSP	346	1,000	(654)	346	12,000	(11,654)
FFA Foundation project - OT	174	917	(743)	858	11,000	(10,142)
FFA Foundation project - OYM	-	917	(917)	506	11,000	(10,494)
FFA Foundation project - Lifetime achievement	-	208	(208)	-	2,500	(2,500)
FFA Foundation project - Outstanding service citation	-	205	(205)	-	2,460	(2,460)
FFA Foundation project - Smart Edge	-	-	-	-	-	-
FFA Foundation teacher workshop	-	958	(958)	-	11,500	(11,500)
FFA Foundation internet café	-	500	(500)	-	6,000	(6,000)
FFA Interactive Classroom	-	833	(833)	-	10,000	(10,000)
FFA Foundation Regional Grants	-	1,500	(1,500)	-	18,000	(18,000)
FFA Foundation Agriscience Teachers	-	1,562	(1,562)	-	18,740	(18,740)
FFA Foundation NATAA/NAII	-	10,000	(10,000)	-	120,000	(120,000)
DuPont Agriscience	6,223	-	6,223	24,488	-	24,488
GMAC SmartEdge program	-	-	-	-	-	-
NPS expense	-	667	(667)	-	8,000	(8,000)
Webinar expense	99	100	(1)	297	1,200	(903)
Teacher crisis fund	-	-	-	2,500	-	2,500
Communities of practice expense	-	917	(917)	13,096	11,000	2,096
Substitute teacher hire behinds	-	250	(250)	-	3,000	(3,000)
NSTA dues	-	-	-	-	-	-
Bad debts	-	-	-	-	-	-
Miscellaneous	(881)	-	(881)	-	-	-
TOTAL EXPENSES	<u>58,654</u>	<u>83,137</u>	<u>(24,483)</u>	<u>279,609</u>	<u>997,652</u>	<u>(718,043)</u>
NET INCOME (LOSS)	<u>\$ 149,913</u>	<u>\$ (7,048)</u>	<u>\$ 156,961</u>	<u>\$ 230,791</u>	<u>\$ 21,433</u>	<u>\$ 209,358</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Four Months Ended October 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	\$ 53,157	\$ 7,083	\$ 46,074	\$ 53,157	\$ 85,000	\$ (31,843)
Convention, tickets/workshops	-	-	-	-	-	-
Convention, trade show	300	-	300	300	-	300
Convention - Ideas Unlimited	-	-	-	-	-	-
Convention - Teacher Mentor	-	-	-	-	-	-
Convention scholarship fund	-	-	-	-	-	-
Convention, sponsorships - FFA Foundation	-	4,167	(4,167)	-	50,000	(50,000)
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	-	1,667	(1,667)	-	20,000	(20,000)
TOTAL REVENUE	<u>53,457</u>	<u>12,917</u>	<u>40,540</u>	<u>53,457</u>	<u>155,000</u>	<u>(101,543)</u>
EXPENSES						
Convention, plaques and trophies	-	167	(167)	64	2,000	(1,936)
Convention, printing	1,560	-	1,560	1,560	-	1,560
Convention, miscellaneous	-	83	(83)	-	1,000	(1,000)
Convention, awards	5,417	-	5,417	5,417	9,000	(3,583)
Convention, photography	-	-	-	-	-	-
Convention, meal functions	-	417	(417)	-	5,000	(5,000)
Convention, promotion and marketing	-	208	(208)	-	2,500	(2,500)
Convention, postage and shipping	-	125	(125)	-	1,500	(1,500)
Convention, equipment rental	-	1,250	(1,250)	-	15,000	(15,000)
Convention, workshops	-	-	-	-	-	-
Convention, host state social	-	-	-	-	-	-
Convention, speakers	-	-	-	-	-	-
Convention, trade show expense	-	-	-	-	-	-
Convention, tour expenses	-	-	-	-	-	-
Convention, committee expense	-	245	(245)	-	2,940	(2,940)
Convention, sponsorships - FFA Foundation	-	4,167	(4,167)	-	50,000	(50,000)
Convention, travel/board of directors	455	1,167	(712)	1,914	14,000	(12,086)
Convention, staff travel	-	625	(625)	-	7,500	(7,500)
Convention, other travel	-	-	-	-	-	-
TOTAL EXPENSES	<u>7,432</u>	<u>8,454</u>	<u>(1,022)</u>	<u>8,955</u>	<u>110,440</u>	<u>(101,485)</u>
NET INCOME (LOSS)	<u>\$ 46,025</u>	<u>\$ 4,463</u>	<u>\$ 41,562</u>	<u>\$ 44,502</u>	<u>\$ 44,560</u>	<u>\$ (58)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of CASE Program Revenue and Expenses
For the One and Four Months Ended October 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	\$ -	\$ -	\$ -	\$ 120,076	\$ -	\$ 120,076
Vendor - Vernier	56,622	-	56,622	255,504	-	255,504
Vendor - NewByte	400	-	400	4,884	-	4,884
Field test fees	-	-	-	19,400	-	19,400
New Jersey	-	-	-	-	-	-
NRES	9,324	-	9,324	20,041	-	20,041
APB	13,813	-	13,813	71,702	-	71,702
Assesments - ASP	-	-	-	702	-	702
Assesments - ASA	-	-	-	-	-	-
Replacement CD	-	-	-	100	-	100
Interest	-	-	-	-	-	-
FFA Foundation	-	-	-	-	-	-
TOTAL REVENUE	<u>80,159</u>	<u>-</u>	<u>80,159</u>	<u>492,409</u>	<u>-</u>	<u>492,409</u>
EXPENSES						
Legal and professional	-	-	-	145	-	145
Travel	-	-	-	8,359	-	8,359
Travel - staff	969	-	969	7,343	-	7,343
Salary	3,391	-	3,391	13,563	-	13,563
Contract labor	-	-	-	50,578	-	50,578
Supplies	-	-	-	-	-	-
Promotion	283	-	283	893	-	893
Printing	-	-	-	-	-	-
Postage	-	-	-	181	-	181
Telecommunications	-	-	-	-	-	-
Rutgers	-	-	-	-	-	-
Vernier	37,582	-	37,582	212,681	-	212,681
NewByte	2,131	-	2,131	2,902	-	2,902
Carthage	-	-	-	-	-	-
Carthage contract labor	-	-	-	82,955	-	82,955
Field test	-	-	-	-	-	-
Field test contract labor	-	-	-	-	-	-
NRES	-	-	-	6,185	-	6,185
APB	3,634	-	3,634	23,713	-	23,713
Assesmnets	-	-	-	2,389	-	2,389
Bank charges	-	-	-	-	-	-
Depreciation	9	-	9	38	-	38
Equipment	-	-	-	-	-	-
TOTAL EXPENSES	<u>47,999</u>	<u>-</u>	<u>47,999</u>	<u>411,925</u>	<u>-</u>	<u>411,925</u>
NET INCOME (LOSS)	<u>\$ 32,160</u>	<u>\$ -</u>	<u>\$ 32,160</u>	<u>\$ 80,484</u>	<u>\$ -</u>	<u>\$ 80,484</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT