

STEPHEN D. SCHNETTLER, PLLC

Certified Public Accountants

300 W. Maxwell Street

Lexington, Kentucky 40508

Telephone: (859) 254-8558

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 January 31, 2013 and the related statement of activities for the seven 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

February 19, 2013

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

January 31, 2013

ASSETS

Cash on deposit	\$ 161,848
Investments - operating fund	462,954
Investments - life membership fund	166,750
Investments - reserve fund	86,291
Accounts receivable	114,877
Prepaid expenses	7,541
Property and equipment - CASE	941
Property and equipment	<u>12,519</u>

TOTAL ASSETS \$ 1,013,721

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 56,138
Accrued leave payable	26,290
Other current liabilities	<u>5,716</u>

TOTAL LIABILITIES 88,144

NET ASSETS

Unrestricted net assets:	
Current operation	674,391
Board designated for special purposes	157,411
Temporarily restricted net assets	1,252
CASE Project	<u>92,523</u>

TOTAL NET ASSETS 925,577

TOTAL LIABILITIES AND NET ASSETS \$ 1,013,721

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Seven Months Ended January 31, 2013

	Unrestricted				
	Current Operations	Board Designated	Temporarily Restricted	CASE Project	Total
Revenue, Gains and Losses					
Membership dues	\$ 331,150	\$ 4,080	\$ -	\$ -	\$ 335,230
Convention registration	94,847	-	-	-	94,847
Sponsorship and awards	17,700	-	-	-	17,700
Merchandise sales	3,782	-	-	-	3,782
Contributions	-	-	500	-	500
Management fees	72,175	-	-	-	72,175
Net realized and unrealized gains (losses) on securities	60,364	-	-	-	60,364
Interest and dividends	2,377	-	-	-	2,377
FFA Foundation projects	119,734	-	-	-	119,734
CASE Program income	-	-	-	617,269	617,269
Other income	214,050	-	-	-	214,050
Total Revenue, Gains and Losses	916,179	4,080	500	617,269	1,538,028
Net Assets Released from Restrictions	-	-	-	-	-
Total Revenue, Gains and Losses and Reclassifications	916,179	4,080	500	617,269	1,538,028
Expenses					
General expenses	562,784	-	-	-	562,784
FFA Foundation projects	117,261	-	-	-	117,261
CASE Program expenses	-	-	-	607,272	607,272
Convention expenses	114,022	-	-	-	114,022
Total expenses	794,067	-	-	607,272	1,401,339
INCREASE (DECREASE) IN NET ASSETS	122,112	4,080	500	9,997	136,689
NET ASSETS AT BEGINNING OF PERIOD	552,279	153,331	752	82,526	788,888
NET ASSETS AT END OF PERIOD	\$ 674,391	\$ 157,411	\$ 1,252	\$ 92,523	\$ 925,577

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Seven Months Ended January 31, 2013

	<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	\$ 12,200	\$ 32,194	\$ (19,994)	\$ 319,480	\$ 386,325	\$ (66,845)
Corporate membership dues	4,500	2,375	2,125	15,750	28,500	(12,750)
NSTA Dues	-	-	-	-	-	-
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Foundation management fees	-	7,500	(7,500)	72,175	90,000	(17,825)
MBNA affinity credit card program	-	-	-	-	-	-
Toyota vehicle lease management fee	-	-	-	-	-	-
Interest and dividends	878	833	45	1,856	10,000	(8,144)
Net realized and unrealized						
gains (losses) on securities	33,022	2,583	30,439	60,364	31,000	29,364
Merchandise sales	557	708	(151)	3,782	8,500	(4,718)
Investment income, Life Fund	88	333	(245)	521	4,000	(3,479)
Contributions, Legislative Fund	-	-	-	500	-	500
Miscellaneous income	272	500	(228)	272	6,000	(5,728)
Scholarship raffle proceeds	-	167	(167)	-	2,000	(2,000)
National Teach Ag Campaign	-	-	-	59,134	90,000	(30,866)
Teacher crisis fund	-	-	-	4,590	-	4,590
BFRDP Grant	-	-	-	-	-	-
AEM business manager stipend	-	333	(333)	-	4,000	(4,000)
GMAC SmartEdge program	-	-	-	-	-	-
Webinar revenue	-	-	-	-	-	-
DuPont Agriscience	115	-	115	103,621	-	103,621
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	922	3,875	(2,953)	44,683	46,500	(1,817)
FFA Foundation project - OPAP	-	1,000	(1,000)	9,718	12,000	(2,282)
FFA Foundation project - OMSP	-	1,000	(1,000)	8,491	12,000	(3,509)
FFA Foundation project - OT	-	917	(917)	10,050	11,000	(950)
FFA Foundation project - OYM	-	917	(917)	9,685	11,000	(1,315)
FFA Foundation project - Lifetime Achievement	-	208	(208)	1,994	2,500	(506)
FFA Foundation project - Outstanding Service Citation	-	205	(205)	1,176	2,460	(1,284)
FFA Foundation teacher workshop	-	958	(958)	1,094	11,500	(10,406)
FFA Foundation internet café	-	500	(500)	11,085	6,000	5,085
FFA Foundation Pfizer classroom	-	833	(833)	4,243	10,000	(5,757)
FFA Foundation Regional Grants Revenue	-	1,500	(1,500)	-	18,000	(18,000)
FFA Foundation Agriscience Teacher	-	1,562	(1,562)	17,515	18,740	(1,225)
FFA Foundation NATAA/NAII	-	10,000	(10,000)	-	120,000	(120,000)
CASE program net income	(24,378)	-	(24,378)	9,997	-	9,997
Convention net income	(57,383)	4,463	(61,846)	44,558	44,560	(2)
TOTAL REVENUE	(29,207)	76,089	(105,296)	816,734	1,019,085	(202,351)
EXPENSES						
Salaries	24,186	24,792	(606)	187,169	297,506	(110,337)
Taxes and benefits	5,362	6,501	(1,139)	45,316	78,011	(32,695)
Computer service	800	542	258	3,800	6,500	(2,700)
Telephone	241	417	(176)	1,771	5,000	(3,229)
Accounting	500	1,104	(604)	11,000	13,250	(2,250)
Depreciation	261	583	(322)	1,829	7,000	(5,171)
Rent	-	625	(625)	-	7,500	(7,500)
Insurance	1,005	500	505	5,116	6,000	(884)
Legal	-	83	(83)	840	1,000	(160)
Office Supplies	1,616	583	1,033	6,731	7,000	(269)
Bank charges and investment fees	1,506	8	1,498	4,661	100	4,561
Printing, general	241	333	(92)	2,172	4,000	(1,828)
Staff training	-	42	(42)	-	500	(500)
Taxes and licenses	-	8	(8)	20	100	(80)
Membership and contributions	1,245	1,667	(422)	13,966	20,000	(6,034)
Travel, staff	9	2,083	(2,074)	17,083	25,000	(7,917)
Promotion and marketing	434	1,000	(566)	12,212	12,000	212
Merchandise and diaries	-	500	(500)	6,943	6,000	943
Photocopying	-	8	(8)	-	100	(100)
Postage, general	454	500	(46)	2,321	6,000	(3,679)
Professional liability insurance	-	3,111	(3,111)	36,610	37,335	(725)
Public relations	516	50	466	852	600	252
Scholarships	-	938	(938)	10,500	11,250	(750)
Travel, regional secretaries	5,349	917	4,432	12,052	11,000	1,052

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Seven Months Ended January 31, 2013

	<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	3,205	3,333	(128)	16,377	40,000	(23,623)
Nat'l Teach Ag Campaign	5,580	7,500	(1,920)	61,421	90,000	(28,579)
FFA Foundation project - TTTK	16,481	3,875	12,606	43,763	46,500	(2,737)
FFA Foundation project - OPAP	4,971	1,000	3,971	8,968	12,000	(3,032)
FFA Foundation project - OMSP	6,145	1,000	5,145	10,464	12,000	(1,536)
FFA Foundation project - OT	5,739	917	4,822	9,300	11,000	(1,700)
FFA Foundation project - OYM	3,689	917	2,772	7,860	11,000	(3,140)
FFA Foundation project - Lifetime achievement	325	208	117	1,793	2,500	(707)
FFA Foundation project - Outstanding service citation	-	205	(205)	1,176	2,460	(1,284)
FFA Foundation project - Smart Edge	-	-	-	-	-	-
FFA Foundation teacher workshop	-	958	(958)	1,094	11,500	(10,406)
FFA Foundation internet café	-	500	(500)	11,085	6,000	5,085
FFA Foundation Pfizer Classroom	-	833	(833)	4,243	10,000	(5,757)
FFA Foundation Regional Grants	-	1,500	(1,500)	-	18,000	(18,000)
FFA Foundation Agriscience Teachers	4,567	1,562	3,005	17,515	18,740	(1,225)
FFA Foundation NATAA/NAII	-	10,000	(10,000)	-	120,000	(120,000)
DuPont Agriscience	25,813	-	25,813	77,100	-	77,100
GMAC SmartEdge program	-	-	-	-	-	-
NPS expense	-	667	(667)	-	8,000	(8,000)
Webinar expense	99	100	(1)	594	1,200	(606)
Teacher crisis fund	500	-	500	3,500	-	3,500
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	-	-	-	-	-	-
NATAA stipends	-	-	-	7,375	-	7,375
Miscellaneous	325	-	325	357	-	357
TOTAL EXPENSES	121,164	83,137	38,027	680,045	997,652	(317,607)
NET INCOME (LOSS)	\$ (150,371)	\$ (7,048)	\$ (143,323)	\$ 136,689	\$ 21,433	\$ 115,256

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Seven Months Ended January 31, 2013

	MONTH ACTUAL	MONTH BUDGET	MONTH \$VARIANCE	YEAR TO DATE ACTUAL	YEAR BUDGET	YEAR \$VARIANCE
REVENUE						
Convention, registration	\$ 40,715	\$ 7,083	\$ 33,632	\$ 94,847	\$ 85,000	\$ 9,847
Convention, tickets/workshops	-	-	-	-	-	-
Convention, trade show	-	-	-	600	-	600
Convention - Ideas Unlimited	-	-	-	-	-	-
Convention - Teacher Mentor	-	-	-	-	-	-
Convention scholarship fund	-	-	-	1,357	-	1,357
Convention, sponsorships - FFA Foundation	-	4,167	(4,167)	41,856	50,000	(8,144)
Convention, host state social	-	-	-	2,220	-	2,220
Convention, sponsorships	-	1,667	(1,667)	17,700	20,000	(2,300)
TOTAL REVENUE	40,715	12,917	27,798	158,580	155,000	3,580
EXPENSES						
Convention, plaques and trophies	-	167	(167)	1,161	2,000	(839)
Convention, printing	-	-	-	1,687	-	1,687
Convention, miscellaneous	1,107	83	1,024	184	1,000	(816)
Convention, awards	-	-	-	8,994	9,000	(6)
Convention, photography	-	-	-	-	-	-
Convention, meal functions	18,274	417	17,857	11,714	5,000	6,714
Convention, promotion and marketing	834	208	626	834	2,500	(1,666)
Convention, postage and shipping	-	125	(125)	-	1,500	(1,500)
Convention, equipment rental	17,508	1,250	16,258	17,508	15,000	2,508
Convention, workshops	-	-	-	-	-	-
Convention, host state social	2,220	-	2,220	2,220	-	2,220
Convention, speakers	-	-	-	-	-	-
Convention, trade show expense	-	-	-	-	-	-
Convention, tour expenses	-	-	-	-	-	-
Convention, committee expense	-	245	(245)	1,868	2,940	(1,072)
Convention, sponsorships - FFA Foundation	44,856	4,167	40,689	44,856	50,000	(5,144)
Convention, travel/board of directors	5,648	1,167	4,481	11,072	14,000	(2,928)
Convention, staff travel	7,651	625	7,026	11,924	7,500	4,424
Convention, other travel	-	-	-	-	-	-
TOTAL EXPENSES	98,098	8,454	89,644	114,022	110,440	3,582
NET INCOME (LOSS)	\$ (57,383)	\$ 4,463	\$ (61,846)	\$ 44,558	\$ 44,560	\$ (2)

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses

For the One and Seven Months Ended January 31, 2013

	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	21,510	-	21,510	328,936	-	328,936
Vendor - NewByte	-	-	-	9,470	-	9,470
Field test fees	-	-	-	19,400	-	19,400
New Jersey	-	-	-	-	-	-
NRES	1,936	-	1,936	49,551	-	49,551
APB	2,663	-	2,663	89,034	-	89,034
Assesments - ASP	-	-	-	702	-	702
Assesments - ASA	-	-	-	-	-	-
Replacement CD	-	-	-	100	-	100
Interest	-	-	-	-	-	-
FFA Foundation	-	-	-	-	-	-
TOTAL REVENUE	26,109	-	26,109	617,269	-	617,269
EXPENSES						
Legal and professional	-	-	-	145	-	145
Travel	1,418	-	1,418	11,751	-	11,751
Travel - staff	3,549	-	3,549	14,873	-	14,873
Salary	3,391	-	3,391	23,736	-	23,736
Taxes and benefits	879	-	879	879	-	879
Contract labor	16,859	-	16,859	118,014	-	118,014
Supplies	-	-	-	258	-	258
Promotion	813	-	813	3,739	-	3,739
Printing	-	-	-	241	-	241
Postage	-	-	-	181	-	181
Telecommunications	4	-	4	23	-	23
Rutgers	-	-	-	-	-	-
Vernier	18,017	-	18,017	284,188	-	284,188
NewByte	-	-	-	4,887	-	4,887
Carthage	-	-	-	-	-	-
Carthage contract labor	820	-	820	83,775	-	83,775
Field test	-	-	-	-	-	-
Field test contract labor	-	-	-	-	-	-
NRES	1,936	-	1,936	31,621	-	31,621
APB	2,792	-	2,792	26,506	-	26,506
Assesments	-	-	-	2,389	-	2,389
Bank charges	-	-	-	-	-	-
Depreciation	9	-	9	66	-	66
Equipment	-	-	-	-	-	-
TOTAL EXPENSES	50,487	-	49,608	607,272	-	606,393
NET INCOME (LOSS)	\$ (24,378)	\$ -	\$ (23,499)	\$ 9,997	\$ -	\$ 10,876

SEE ACCOMPANYING ACCOUNTANT'S REPORT