

**STEPHEN D. SCHNETTLER, PLLC**

Certified Public Accountants

300 W. Maxwell Street

Lexington, Kentucky 40508

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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

We have compiled the accompanying statement of financial position of National Association of Agricultural Educators, Inc. (a nonprofit organization) as of May 31, 2013 and the related statement of activities for the 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. We 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.

Our 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 19, 2013

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

May 31, 2013

ASSETS

Cash on deposit	\$ 87,770
Investments - operating fund	490,565
Investments - life membership fund	175,169
Investments - reserve fund	86,420
Accounts receivable	740,841
Prepaid expenses	95,471
Property and equipment - CASE	903
Property and equipment	<u>11,474</u>

TOTAL ASSETS \$ 1,688,613

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 334,904
Accrued leave payable	26,290
Other current liabilities	<u>5,849</u>

TOTAL LIABILITIES 367,043

NET ASSETS

Unrestricted net assets:	
Current operation	656,311
Board designated for special purposes	158,131
Temporarily restricted net assets	1,447
CASE Project	<u>505,681</u>

TOTAL NET ASSETS 1,321,570

TOTAL LIABILITIES AND NET ASSETS \$ 1,688,613

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Eleven Months Ended May 31, 2013

	Unrestricted				
	Current Operations	Board Designated	Temporarily Restricted	CASE Project	Total
Revenue, Gains and Losses					
Membership dues	\$ 393,240	\$ 4,800	\$ -	\$ -	\$ 398,040
Convention registration	94,847	-	-	-	94,847
Sponsorship and awards	18,850	-	-	-	18,850
Merchandise sales	5,016	-	-	-	5,016
Contributions	-	-	695	-	695
Management fees	71,175	-	-	-	71,175
Net realized and unrealized gains (losses) on securities	97,565	-	-	-	97,565
Interest and dividends	2,958	-	-	-	2,958
FFA Foundation projects	119,734	-	-	-	119,734
CASE Program income	-	-	-	1,550,286	1,550,286
Other income	296,373	-	-	-	296,373
	1,099,758	4,800	695	1,550,286	2,655,539
Total Revenue, Gains and Losses					
Net Assets Released from Restrictions	-	-	-	-	-
Total Revenue, Gains and Losses and Reclassifications	1,099,758	4,800	695	1,550,286	2,655,539
Expenses					
General expenses	763,648	-	-	-	763,648
FFA Foundation projects	118,116	-	-	-	118,116
CASE Program expenses	-	-	-	1,127,131	1,127,131
Convention expenses	113,962	-	-	-	113,962
	995,726	-	-	1,127,131	2,122,857
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	104,032	4,800	695	423,155	532,682
NET ASSETS AT BEGINNING OF PERIOD	552,279	153,331	752	82,526	788,888
NET ASSETS AT END OF PERIOD	\$ 656,311	\$ 158,131	\$ 1,447	\$ 505,681	\$ 1,321,570

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, 2013

	<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>						
Member dues	\$ 3,105	\$ 32,194	\$ (29,089)	\$ 377,790	\$ 386,325	\$ (8,535)
Corporate membership dues	1,500	2,375	(875)	20,250	28,500	(8,250)
NSTA Dues	-	-	-	-	-	-
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Foundation management fees	-	7,500	(7,500)	71,175	90,000	(18,825)
MBNA affinity credit card program	-	-	-	-	-	-
Toyota vehicle lease management fee	-	-	-	-	-	-
Interest and dividends	138	833	(695)	2,184	10,000	(7,816)
Net realized and unrealized gains (losses) on securities	13,845	2,583	11,262	97,565	31,000	66,565
Merchandise sales	1,026	708	318	5,016	8,500	(3,484)
Investment income, Life Fund	107	333	(226)	774	4,000	(3,226)
Contributions, Legislative Fund	-	-	-	695	-	695
Miscellaneous income	5,000	500	4,500	5,272	6,000	(728)
Scholarship raffle proceeds	-	167	(167)	-	2,000	(2,000)
National Teach Ag Campaign	45,329	-	45,329	106,881	90,000	16,881
Teacher crisis fund	-	-	-	5,042	-	5,042
BFRDP Grant	-	-	-	-	-	-
AEM business manager stipend	4,000	333	3,667	4,000	4,000	-
GMAC SmartEdge program	-	-	-	-	-	-
Webinar revenue	-	-	-	-	-	-
DuPont Agriscience	19,693	-	19,693	123,345	-	123,345
NPS	-	-	-	-	-	-
State website development	-	-	-	800	-	800
Hurricane relief	-	-	-	-	-	-
CASE management fee	-	-	-	-	20,000	(20,000)
Council MMM management fee	5,000	-	5,000	5,000	5,000	-
FFA Foundation project - TTTK	-	3,875	(3,875)	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	236,779	-	236,779	423,155	-	423,155
Convention net income	1,150	4,463	(3,313)	45,768	44,560	1,208
<b>TOTAL REVENUE</b>	<b>336,672</b>	<b>76,089</b>	<b>260,583</b>	<b>1,414,446</b>	<b>1,019,085</b>	<b>395,361</b>
<b>EXPENSES</b>						
Salaries	19,912	24,792	(4,880)	283,061	297,506	(14,445)
Taxes and benefits	4,880	6,501	(1,621)	67,269	78,011	(10,742)
Computer service	-	542	(542)	4,966	6,500	(1,534)
Telephone	422	417	5	2,779	5,000	(2,221)
Accounting	500	1,104	(604)	13,000	13,250	(250)
Depreciation	261	583	(322)	2,874	7,000	(4,126)
Rent	-	625	(625)	-	7,500	(7,500)
Insurance	188	500	(312)	6,511	6,000	511
Legal	-	83	(83)	840	1,000	(160)
Office Supplies	16	583	(567)	6,815	7,000	(185)
Bank charges and investment fees	-	8	(8)	6,305	100	6,205
Printing, general	-	333	(333)	3,082	4,000	(918)
Staff training	-	42	(42)	-	500	(500)
Taxes and licenses	15	8	7	35	100	(65)
Membership and contributions	808	1,667	(859)	15,489	20,000	(4,511)
Travel, staff	248	2,083	(1,835)	18,891	25,000	(6,109)
Promotion and marketing	-	1,000	(1,000)	12,212	12,000	212
Merchandise and diaries	-	500	(500)	7,064	6,000	1,064
Photocopying	-	8	(8)	-	100	(100)
Postage, general	-	500	(500)	3,171	6,000	(2,829)
Professional liability insurance	-	3,111	(3,111)	36,610	37,335	(725)
Public relations	-	50	(50)	852	600	252
Scholarships	-	938	(938)	10,500	11,250	(750)
Travel, regional secretaries	-	917	(917)	13,273	11,000	2,273

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.  
Schedule of Actual vs. Budget  
For the One and Eleven Months Ended May 31, 2013

	<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>
Travel, board of directors	234	3,333	(3,099)	22,036	40,000	(17,964)
Nat'l Teach Ag Campaign	7,871	7,500	371	104,914	90,000	14,914
FFA Foundation project - TTTK	-	3,875	(3,875)	43,763	46,500	(2,737)
FFA Foundation project - OPAP	-	1,000	(1,000)	8,968	12,000	(3,032)
FFA Foundation project - OMSP	-	1,000	(1,000)	10,464	12,000	(1,536)
FFA Foundation project - OT	-	917	(917)	9,300	11,000	(1,700)
FFA Foundation project - OYM	530	917	(387)	8,390	11,000	(2,610)
FFA Foundation project - Lifetime achievement	-	208	(208)	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	-	1,562	(1,562)	17,840	18,740	(900)
FFA Foundation NATAA/NAII	-	10,000	(10,000)	-	120,000	(120,000)
DuPont Agriscience	3,597	-	3,597	87,881	-	87,881
GMAC SmartEdge program	-	-	-	-	-	-
NPS expense	-	667	(667)	5,129	8,000	(2,871)
Webinar expense	-	100	(100)	594	1,200	(606)
Teacher crisis fund	(500)	-	(500)	3,000	-	3,000
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
BFRDP expense	-	-	-	5,000	-	5,000
Miscellaneous	-	-	-	(976)	-	(976)
<b>TOTAL EXPENSES</b>	<u>38,982</u>	<u>83,137</u>	<u>(44,155)</u>	<u>881,764</u>	<u>997,652</u>	<u>(115,888)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ 297,690</u>	<u>\$ (7,048)</u>	<u>\$ 304,738</u>	<u>\$ 532,682</u>	<u>\$ 21,433</u>	<u>\$ 511,249</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, 2013

	<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	\$ -	\$ 7,083	\$ (7,083)	\$ 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	1,150	1,667	(517)	18,850	20,000	(1,150)
<b>TOTAL REVENUE</b>	<u>1,150</u>	<u>12,917</u>	<u>(11,767)</u>	<u>159,730</u>	<u>155,000</u>	<u>4,730</u>
<b>EXPENSES</b>						
Convention, plaques and trophies	-	167	(167)	1,101	2,000	(899)
Convention, printing	-	-	-	1,687	-	1,687
Convention, miscellaneous	-	83	(83)	184	1,000	(816)
Convention, awards	-	-	-	8,994	9,000	(6)
Convention, photography	-	-	-	-	-	-
Convention, meal functions	-	417	(417)	11,714	5,000	6,714
Convention, promotion and marketing	-	208	(208)	834	2,500	(1,666)
Convention, postage and shipping	-	125	(125)	-	1,500	(1,500)
Convention, equipment rental	-	1,250	(1,250)	17,508	15,000	2,508
Convention, workshops	-	-	-	-	-	-
Convention, host state social	-	-	-	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	-	4,167	(4,167)	44,856	50,000	(5,144)
Convention, travel/board of directors	-	1,167	(1,167)	11,072	14,000	(2,928)
Convention, staff travel	-	625	(625)	11,924	7,500	4,424
Convention, other travel	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<u>-</u>	<u>8,454</u>	<u>(8,454)</u>	<u>113,962</u>	<u>110,440</u>	<u>3,522</u>
<b>NET INCOME (LOSS)</b>	<u>\$ 1,150</u>	<u>\$ 4,463</u>	<u>\$ (3,313)</u>	<u>\$ 45,768</u>	<u>\$ 44,560</u>	<u>\$ 1,208</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, 2013

	MONTH ACTUAL	MONTH BUDGET	MONTH \$VARIANCE	YEAR TO DATE ACTUAL	YEAR BUDGET	YEAR \$VARIANCE
REVENUE						
CI fees	\$ 85,880	\$ -	\$ 85,880	\$ 395,406	\$ -	\$ 395,406
Vendor - Vernier	452,953	-	452,953	841,451	-	841,451
Vendor - NewByte	6,253	-	6,253	16,942	-	16,942
Field test fees	-	-	-	44,900	-	44,900
New Jersey	-	-	-	-	-	-
NRES	851	-	851	121,101	-	121,101
APB	11,555	-	11,555	100,589	-	100,589
Royalty - Cengage	17,922	-	17,922	17,922	-	17,922
FSS revenue	7,981	-	7,981	7,981	-	7,981
Assesments - ASP	72	-	72	774	-	774
Assesments - ASA	3,120	-	3,120	3,120	-	3,120
Replacement CD	-	-	-	100	-	100
Interest	-	-	-	-	-	-
FFA Foundation	-	-	-	-	-	-
TOTAL REVENUE	<u>586,587</u>	<u>-</u>	<u>586,587</u>	<u>1,550,286</u>	<u>-</u>	<u>1,550,286</u>
EXPENSES						
Legal and professional	-	-	-	145	-	145
Travel	-	-	-	16,290	-	16,290
Travel - staff	24	-	24	15,074	-	15,074
Salary	3,391	-	3,391	37,971	-	37,971
Taxes and benefits	959	-	959	4,476	-	4,476
Contract labor	16,859	-	16,859	186,451	-	186,451
Supplies	-	-	-	258	-	258
Promotion	4,575	-	4,575	16,586	-	16,586
Printing	45	-	45	286	-	286
Postage	68	-	68	297	-	297
Telecommunications	-	-	-	23	-	23
Rutgers	-	-	-	-	-	-
Vernier	293,712	-	293,712	634,351	-	634,351
NewByte	576	-	576	6,493	-	6,493
Carthage	-	-	-	-	-	-
Carthage contract labor	3,500	-	3,500	87,275	-	87,275
Field test	-	-	-	-	-	-
Field test contract labor	-	-	-	-	-	-
CI scholarships	25,937	-	25,937	25,937	-	25,937
NRES	-	-	-	65,481	-	65,481
APB	-	-	-	26,506	-	26,506
FSS	152	-	152	737	-	737
Assesments	-	-	-	2,389	-	2,389
Bank charges	-	-	-	-	-	-
Depreciation	10	-	10	105	-	105
Equipment	-	-	-	-	-	-
TOTAL EXPENSES	<u>349,808</u>	<u>-</u>	<u>349,808</u>	<u>1,127,131</u>	<u>-</u>	<u>1,127,131</u>
NET INCOME (LOSS)	<u>\$ 236,779</u>	<u>\$ -</u>	<u>\$ 236,779</u>	<u>\$ 423,155</u>	<u>\$ -</u>	<u>\$ 423,155</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT