

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

We have compiled the accompanying statement of financial position of National Association of Agricultural Educators, Inc. (a nonprofit organization) as of June 30, 2013 and the related statement of activities for the year 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

October 12, 2013

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

June 30, 2013

ASSETS

Cash on deposit	\$ 224,338
Investments - operating fund	479,831
Investments - life membership fund	171,438
Investments - reserve fund	86,605
Accounts receivable	337,126
Prepaid expenses	12,631
Property and equipment - CASE	893
Property and equipment	<u>11,754</u>

TOTAL ASSETS \$ 1,324,616

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 159,312
Accrued expenses	96,990
Deferred revenue	274,955
Accrued leave payable	31,422
Other current liabilities	<u>5,728</u>

TOTAL LIABILITIES 568,407

NET ASSETS

Unrestricted net assets:	
Current operation	588,329
Board designated for special purposes	158,131
Temporarily restricted net assets	1,447
CASE Project	<u>8,302</u>

TOTAL NET ASSETS 756,209

TOTAL LIABILITIES AND NET ASSETS \$ 1,324,616

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Year Ended June 30, 2013

	Unrestricted				
	Current Operations	Board Designated	Temporarily Restricted	CASE Project	Total
Revenue, Gains and Losses					
Membership dues	\$ 412,360	\$ 4,800	\$ -	\$ -	\$ 417,160
Convention registration	94,847	-	-	-	94,847
Sponsorship and awards	18,850	-	-	-	18,850
Merchandise sales	9,076	-	-	-	9,076
Contributions	-	-	695	-	695
Management fees	88,969	-	-	-	88,969
Net realized and unrealized gains (losses) on securities	83,089	-	-	-	83,089
Interest and dividends	3,158	-	-	-	3,158
FFA Foundation projects	130,695	-	-	-	130,695
CASE Program income	-	-	-	1,517,165	1,517,165
Other income	384,101	-	-	-	384,101
	1,225,145	4,800	695	1,517,165	2,747,805
Total Revenue, Gains and Losses					
Net Assets Released from Restrictions	-	-	-	-	-
Total Revenue, Gains and Losses and Reclassifications	1,225,145	4,800	695	1,517,165	2,747,805
Expenses					
General expenses	955,360	-	-	-	955,360
FFA Foundation projects	119,773	-	-	-	119,773
CASE Program expenses	-	-	-	1,591,389	1,591,389
Convention expenses	113,962	-	-	-	113,962
	1,189,095	-	-	1,591,389	2,780,484
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	36,050	4,800	695	(74,224)	(32,679)
NET ASSETS AT BEGINNING OF PERIOD	552,279	153,331	752	82,526	788,888
NET ASSETS AT END OF PERIOD	\$ 588,329	\$ 158,131	\$ 1,447	\$ 8,302	\$ 756,209

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, 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	\$ 10,870	\$ 32,194	\$ (21,324)	\$ 388,660	\$ 386,325	\$ 2,335
Corporate membership dues	8,250	2,375	5,875	28,500	28,500	-
NSTA Dues	-	-	-	-	-	-
Delmar scholarships	7,500	625	6,875	7,500	7,500	-
Foundation management fees	17,793	7,500	10,293	88,969	90,000	(1,031)
MBNA affinity credit card program	-	-	-	-	-	-
Toyota vehicle lease management fee	-	-	-	-	-	-
Interest and dividends	114	833	(719)	2,298	10,000	(7,702)
Net realized and unrealized						
gains (losses) on securities	(14,476)	2,583	(17,059)	83,089	31,000	52,089
Merchandise sales	4,059	708	3,351	9,076	8,500	576
Investment income, Life Fund	86	333	(247)	860	4,000	(3,140)
Contributions, Legislative Fund	-	-	-	695	-	695
Miscellaneous income	-	500	(500)	5,272	6,000	(728)
Scholarship raffle proceeds	-	167	(167)	-	2,000	(2,000)
National Teach Ag Campaign	19,980	-	19,980	126,861	90,000	36,861
Teacher crisis fund	-	-	-	5,042	-	5,042
BFRDP Grant	22,507	-	22,507	22,507	-	22,507
AEM business manager stipend	-	333	(333)	4,000	4,000	-
GMAC SmartEdge program	-	-	-	-	-	-
Webinar revenue	-	-	-	-	-	-
DuPont Agriscience	17,741	-	17,741	141,086	-	141,086
NPS	-	-	-	-	-	-
State website development	-	-	-	800	-	800
Hurricane relief	-	-	-	-	-	-
CASE management fee	20,000	-	20,000	20,000	-	20,000
Council MMM management fee	-	-	-	5,000	5,000	-
FFA Foundation project - TTTK	4,027	3,875	152	48,710	46,500	2,210
FFA Foundation project - OPAP	1,702	1,000	702	11,420	12,000	(580)
FFA Foundation project - OMSP	-	1,000	(1,000)	8,491	12,000	(3,509)
FFA Foundation project - OT	1,702	917	785	11,752	11,000	752
FFA Foundation project - OYM	3,530	917	2,613	13,215	11,000	2,215
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	(390,078)	-	(390,078)	(74,224)	-	(74,224)
Convention net income	-	4,463	(4,463)	45,768	44,560	1,208
TOTAL REVENUE	(264,693)	76,089	(340,782)	1,042,454	999,085	43,369
EXPENSES						
Salaries	66,033	24,792	41,241	323,665	297,506	26,159
Taxes and benefits	5,007	6,501	(1,494)	73,406	78,011	(4,605)
Computer service	1,010	542	468	6,035	6,500	(465)
Telephone	336	417	(81)	3,279	5,000	(1,721)
Accounting	500	1,104	(604)	13,500	13,250	250
Depreciation	355	583	(228)	3,229	7,000	(3,771)
Rent	2,500	625	1,875	2,500	7,500	(5,000)
Insurance	(2,435)	500	(2,935)	4,076	6,000	(1,924)
Legal	195	83	112	1,035	1,000	35
Office Supplies	1,061	583	478	10,736	7,000	3,736
Bank charges and investment fees	12	8	4	6,317	100	6,217
Printing, general	-	333	(333)	3,082	4,000	(918)
Staff training	-	42	(42)	189	500	(311)
Taxes and licenses	-	8	(8)	35	100	(65)
Membership and contributions	-	1,667	(1,667)	16,465	20,000	(3,535)
Travel, staff	6,669	2,083	4,586	35,121	25,000	10,121
Promotion and marketing	610	1,000	(390)	13,121	12,000	1,121
Merchandise and diaries	-	500	(500)	7,064	6,000	1,064
Photocopying	-	8	(8)	-	100	(100)
Postage, general	1,293	500	793	5,868	6,000	(132)
Professional liability insurance	-	3,111	(3,111)	36,610	37,335	(725)
Public relations	-	50	(50)	1,180	600	580
Scholarships	-	938	(938)	10,500	11,250	(750)
Travel, regional secretaries	2,645	917	1,728	15,919	11,000	4,919

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Actual vs. Budget
For the One and Twelve Months Ended June 30, 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	12,805	3,333	9,472	43,154	40,000	3,154
Nat'l Teach Ag Campaign	13,034	7,500	5,534	119,506	90,000	29,506
FFA Foundation project - TTTK	27	3,875	(3,848)	45,016	46,500	(1,484)
FFA Foundation project - OPAP	404	1,000	(596)	9,372	12,000	(2,628)
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	-	917	(917)	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	23,626	-	23,626	131,775	-	131,775
GMAC SmartEdge program	-	-	-	-	-	-
NPS expense	-	667	(667)	13,379	8,000	5,379
Webinar expense	99	100	(1)	1,188	1,200	(12)
Teacher crisis fund	(150)	-	(150)	2,850	-	2,850
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	-	-	-	-	-	-
Website	15,000	-	15,000	15,000	-	15,000
NATAA stipends	1,500	-	1,500	8,875	-	8,875
BFRDP expense	5,000	-	5,000	10,000	-	10,000
Contract labor	3,250	-	3,250	3,250	-	3,250
Miscellaneous	-	-	-	355	-	355
TOTAL EXPENSES	<u>160,386</u>	<u>83,137</u>	<u>77,249</u>	<u>1,075,133</u>	<u>997,652</u>	<u>77,481</u>
NET INCOME (LOSS)	<u>\$ (425,079)</u>	<u>\$ (7,048)</u>	<u>\$ (418,031)</u>	<u>\$ (32,679)</u>	<u>\$ 1,433</u>	<u>\$ (34,112)</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, 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>
REVENUE						
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	-	1,667	(1,667)	18,850	20,000	(1,150)
TOTAL REVENUE	<u>-</u>	<u>12,917</u>	<u>(12,917)</u>	<u>159,730</u>	<u>155,000</u>	<u>4,730</u>
EXPENSES						
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	-	-	-	-	-	-
TOTAL EXPENSES	<u>-</u>	<u>8,454</u>	<u>(8,454)</u>	<u>113,962</u>	<u>110,440</u>	<u>3,522</u>
NET INCOME (LOSS)	<u>\$ -</u>	<u>\$ 4,463</u>	<u>\$ (4,463)</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 Twelve Months Ended June 30, 2013

	MONTH ACTUAL	MONTH BUDGET	MONTH \$VARIANCE	YEAR TO DATE ACTUAL	YEAR BUDGET	YEAR \$VARIANCE
REVENUE						
CI fees	\$ (269,030)	\$ -	\$ (269,030)	\$ 136,376	\$ -	\$ 136,376
Vendor - Vernier	77,970	-	77,970	926,699	-	926,699
Vendor - NewByte	55,125	-	55,125	72,067	-	72,067
Vendor - Bio-Rad	18,023	-	18,023	18,023	-	18,023
Field test fees	15,000	-	15,000	59,900	-	59,900
New Jersey	-	-	-	-	-	-
NRES	22,654	-	22,654	143,755	-	143,755
APB	5,778	-	5,778	106,367	-	106,367
Royalty - Cengage	-	-	-	19,823	-	19,823
FSS revenue	22,151	-	22,151	30,091	-	30,091
Assessments - ASP	162	-	162	610	-	610
Assessments - ASA	234	-	234	3,354	-	3,354
Replacement CD	-	-	-	100	-	100
Interest	-	-	-	-	-	-
FFA Foundation	-	-	-	-	-	-
TOTAL REVENUE	(51,933)	-	(51,933)	1,517,165	-	1,517,165
EXPENSES						
Legal and professional	-	-	-	145	-	145
Travel	29,365	-	29,365	79,965	-	79,965
Travel - staff	10,154	-	10,154	37,718	-	37,718
Salary	7,610	-	7,610	44,721	-	44,721
Taxes and benefits	959	-	959	5,900	-	5,900
Contract labor	16,859	-	16,859	203,310	-	203,310
Supplies	176	-	176	2,242	-	2,242
Promotion	4,581	-	4,581	21,809	-	21,809
Printing	-	-	-	286	-	286
Postage	951	-	951	1,287	-	1,287
Telecommunications	35	-	35	98	-	98
Rutgers	-	-	-	-	-	-
Vernier	70,922	-	70,922	753,315	-	753,315
NewByte	2,969	-	2,969	9,461	-	9,461
Bio-Rad	29,668	-	29,668	29,668	-	29,668
Carthage	750	-	750	750	-	750
Carthage contract labor	89,050	-	89,050	176,325	-	176,325
Field test	-	-	-	-	-	-
Field test contract labor	-	-	-	-	-	-
CI scholarships	13,193	-	13,193	58,317	-	58,317
NRES	14,228	-	14,228	81,645	-	81,645
APB	-	-	-	27,233	-	27,233
FSS	21,714	-	21,714	29,739	-	29,739
Assesmnts	-	-	-	2,389	-	2,389
Royalty expense - Cengage	14,952	-	14,952	14,952	-	14,952
Case management fee	10,000	-	10,000	10,000	-	10,000
Bank charges	-	-	-	-	-	-
Depreciation	9	-	9	114	-	114
Equipment	-	-	-	-	-	-
TOTAL EXPENSES	338,145	-	338,145	1,591,389	-	1,591,389
NET INCOME (LOSS)	\$ (390,078)	\$ -	\$ (390,078)	\$ (74,224)	\$ -	\$ (74,224)

SEE ACCOMPANYING ACCOUNTANT'S REPORT