

STEPHEN D. SCHNETTLER, PLLC

Certified Public Accountant

300 W. Maxwell Street

Lexington, Kentucky 40508

Telephone: (859) 389-7022

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 the National Association of Agricultural Educators, Inc. as of May 31, 2009, the related statement of activities for the one and eleven months then ended, and the accompanying supplementary information contained in the Schedule of Actual vs. Budgeted Amounts and Convention Revenue and Expenses, which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. I have not audited or reviewed the accompanying financial statements and supplementary schedules and accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures and the statement of functional expenses and cash flows required by generally accepted accounting principles. If the omitted disclosures and statements of functional expenses and 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 26, 2009

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

May 31, 2009

ASSETS	
Cash on deposit	\$ 74,056
Investments - operating fund	377,125
Investments - life membership fund	77,494
Investments - legislative fund	368
Accounts receivable	56,448
Prepaid expenses	14,390
Property and equipment	<u>11,785</u>
 TOTAL ASSETS	 <u>\$ 611,666</u>
 LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts payable	\$ 5,453
Accrued leave payable	18,351
Other current liabilities	<u>5,343</u>
 TOTAL LIABILITIES	 <u>29,147</u>
 NET ASSETS	
Unrestricted net assets:	
Current operation	464,291
Board designated for special purposes	117,068
Temporarily restricted net assets	<u>1,160</u>
 TOTAL NET ASSETS	 <u>582,519</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 611,666</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Eleven Months Ended May 31, 2009

	<u>Unrestricted</u>			
	<u>Current</u>	<u>Board</u>	<u>Temporarily</u>	<u>Total</u>
	<u>Operations</u>	<u>Designated</u>	<u>Restricted</u>	
Revenue, Gains and Losses				
Membership dues	\$ 409,093	\$ 1,860	\$ -	\$ 410,953
Convention registration	76,751	-	-	76,751
Sponsorship and awards	23,950	-	-	23,950
Merchandise sales	7,646	-	-	7,646
Contributions	-	-	1,160	1,160
Management fees	3,600	-	-	3,600
Net realized and unrealized				
gains (losses) on securities	(122,134)	-	-	(122,134)
Interest and dividends	7,828	-	-	7,828
FFA Foundation projects	113,192	-	-	113,192
Other income	<u>73,362</u>	<u>-</u>	<u>-</u>	<u>73,362</u>
 Total Revenue, Gains and Losses	 593,288	 1,860	 1,160	 596,308
 Net Assets Released from Restrictions	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Total Revenue, Gains and Losses and Reclassifications	 <u>593,288</u>	 <u>1,860</u>	 <u>1,160</u>	 <u>596,308</u>
 Expenses				
General expenses	480,854	-	-	480,854
FFA Foundation projects	129,819	-	-	129,819
Convention expenses	<u>83,702</u>	<u>-</u>	<u>-</u>	<u>83,702</u>
 Total expenses	 <u>694,375</u>	 <u>-</u>	 <u>-</u>	 <u>694,375</u>
 INCREASE (DECREASE) IN NET ASSETS	 (101,087)	 1,860	 1,160	 (98,067)
 NET ASSETS AT BEGINNING OF PERIOD	 <u>565,378</u>	 <u>115,208</u>	 <u>-</u>	 <u>680,586</u>
 NET ASSETS AT END OF PERIOD	 <u>\$ 464,291</u>	 <u>\$ 117,068</u>	 <u>\$ 1,160</u>	 <u>\$ 582,519</u>

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, 2009

	MONTH ACTUAL	MONTH BUDGET	MONTH \$VARIANCE	YEAR TO DATE ELEVEN MONTHS ACTUAL	YEAR BUDGET	YEAR \$VARIANCE
REVENUE						
Member dues	\$ 11,363	\$ 31,524	\$ (20,161)	\$ 389,203	\$ 378,290	\$ 10,913
Corporate membership dues	750	2,375	(1,625)	21,750	28,500	(6,750)
Delmar scholarships	7,500	625	6,875	7,500	7,500	-
Foundation management fees	-	-	-	3,600	-	3,600
MBNA affinity credit card program	150	58	92	800	700	100
Toyota vehicle lease management fee	-	466	(466)	2,982	5,590	(2,608)
Interest and dividends	429	1,667	(1,238)	6,665	20,000	(13,335)
Net realized and unrealized gains (losses) on securities	27,942	-	27,942	(122,134)	-	(122,134)
Merchandise sales	1,106	500	606	7,646	6,000	1,646
Investment income, Life Fund	72	208	(136)	1,163	2,500	(1,337)
Contributions, Legislative Fund	-	-	-	1,160	-	1,160
Miscellaneous income	581	167	414	5,726	2,000	3,726
Teacher crisis fund	-	-	-	381	-	381
Webinar revenue	-	833	(833)	9,382	10,000	(618)
Hurricane relief	-	-	-	1,300	-	1,300
NPS Nat'l Ag Ed leadership dinner	3,280	-	3,280	3,280	-	3,280
FFA Foundation project - TTTK	-	4,658	(4,658)	58,315	55,900	2,415
FFA Foundation project - OPAP	911	1,075	(164)	12,943	12,900	43
FFA Foundation project - OMSF	-	1,250	(1,250)	12,121	15,000	(2,879)
FFA Foundation project - OT	-	1,075	(1,075)	14,067	12,900	1,167
FFA Foundation project - OYM	-	1,075	(1,075)	11,705	12,900	(1,195)
FFA Foundation project - nursery/landscape	-	342	(342)	4,041	4,100	(59)
Convention net income	-	6,049	(6,049)	59,010	62,587	(3,577)
TOTAL REVENUE	54,084	53,947	137	512,606	637,367	(124,761)
EXPENSES						
Salaries	21,559	18,631	2,928	209,507	223,568	(14,061)
Taxes and benefits	3,461	4,522	(1,061)	43,694	54,267	(10,573)
Computer service	343	125	218	1,225	1,500	(275)
Telephone	361	333	28	3,649	4,000	(351)
Accounting	450	1,000	(550)	11,450	12,000	(550)
Depreciation	591	458	133	6,062	5,500	562
Rent	-	625	(625)	7,500	7,500	-
Insurance	147	500	(353)	5,277	6,000	(723)
Legal	-	167	(167)	-	2,000	(2,000)
Office Supplies	1,075	417	658	5,077	5,000	77
Bank charges and investment fees	-	8	(8)	254	100	154
Printing, general	-	500	(500)	5,747	6,000	(253)
Staff training	-	83	(83)	590	1,000	(410)
Taxes and licenses	10	13	(3)	68	150	(82)
Membership and contributions	2,027	1,250	777	13,730	15,000	(1,270)
Travel, staff	4,875	1,856	3,019	22,910	22,275	635
Promotion and marketing	1,653	1,500	153	29,814	18,000	11,814
Merchandise and diaries	990	500	490	13,388	6,000	7,388
Photocopying	-	21	(21)	63	250	(187)
Postage, general	389	333	56	3,760	4,000	(240)
Professional liability insurance	-	3,079	(3,079)	36,895	36,945	(50)
Public relations	211	83	128	309	1,000	(691)
Scholarships	-	625	(625)	11,250	7,500	3,750
Travel, special project	346	83	263	734	1,000	(266)
Travel, regional secretaries	-	713	(713)	9,165	8,550	615
Travel, board of directors	-	3,083	(3,083)	28,160	37,000	(8,840)
Pioneer Leadership Academy	-	-	-	-	-	-
FFA Foundation project - TTTK	-	4,658	(4,658)	76,612	55,900	20,712
FFA Foundation project - OPAP	911	1,075	(164)	12,210	12,900	(690)
FFA Foundation project - OMSF	-	1,250	(1,250)	11,883	15,000	(3,117)
FFA Foundation project - OT	-	1,075	(1,075)	13,994	12,900	1,094
FFA Foundation project - OYM	-	1,075	(1,075)	11,870	12,900	(1,030)
FFA Foundation project - nursery/landscape	-	342	(342)	3,250	4,100	(850)
NPS expense	-	667	(667)	6,462	8,000	(1,538)
Webinar expense	198	833	(635)	2,904	10,000	(7,096)
Communities of practice expense	-	167	(167)	3,960	2,000	1,960
Toyota lease management expens	-	-	-	250	-	250
Ag Ed Magazine business manager stipend	-	-	-	(4,000)	-	(4,000)
Teacher crisis fund	-	-	-	1,000	-	1,000
Miscellaneous	-	-	-	-	-	-
TOTAL EXPENSES	39,597	51,650	(12,053)	610,673	619,805	(9,132)
NET INCOME (LOSS)	\$ 14,487	\$ 2,297	\$ 12,190	\$ (98,067)	\$ 17,562	\$ (115,629)

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, 2009

	MONTH <u>ACTUAL</u>	MONTH <u>BUDGET</u>	MONTH <u>SVARIANCE</u>	YEAR TO DATE ELEVEN MONTHS <u>ACTUAL</u>	YEAR <u>BUDGET</u>	YEAR <u>SVARIANCE</u>
REVENUE						
Convention, registration	\$ -	\$ 8,693	\$ (8,693)	\$ 76,751	\$ 104,315	\$ (27,564)
Convention, tickets/workshops	-	-	-	1,215	-	1,215
Convention, trade show	-	-	-	300	-	300
Convention - Ideas Unlimited	-	-	-	5,000	-	5,000
Convention - Teacher Mentor	-	-	-	5,000	-	5,000
Convention scholarship fund	-	-	-	2,146	-	2,146
Convention, sponsorships - FFA Foundation	-	2,083	(2,083)	19,926	25,000	(5,074)
Convention, host state social	-	-	-	8,424	-	8,424
Convention, sponsorships	-	1,667	(1,667)	23,950	20,000	3,950
TOTAL REVENUE	-	12,443	(12,443)	142,712	149,315	(6,603)
EXPENSES						
Convention, plaques and trophies	-	208	(208)	3,841	2,500	1,341
Convention, printing	-	117	(117)	3,847	1,400	2,447
Conventions, miscellaneous	-	23	(23)	-	278	(278)
Convention, awards	-	-	-	10,370	10,000	370
Convention - Ideas Unlimited	-	-	-	-	-	-
Convention, photography	-	-	-	28	-	28
Conventions, meal functions	-	1,000	(1,000)	30,249	12,000	18,249
Convention, promotion and marketing	-	125	(125)	1,840	1,500	340
Convention, postage and shipping	-	250	(250)	658	3,000	(2,342)
Convention, equipment rental	-	417	(417)	5,971	5,000	971
Convention, workshops	-	-	-	564	-	564
Convention, host state social	-	-	-	8,424	-	8,424
Convention, speakers	-	-	-	-	-	-
Convention, trade show expense	-	-	-	-	-	-
Convention, tour expenses	-	-	-	702	-	702
Convention, committee expense	-	88	(88)	1,228	1,050	178
Convention, sponsorships - FFA Foundation	-	2,083	(2,083)	1,022	25,000	(23,978)
Convention, travel/board of directors	-	1,167	(1,167)	8,007	14,000	(5,993)
Convention, staff travel	-	833	(833)	6,459	10,000	(3,541)
Convention, other travel	-	83	(83)	492	1,000	(508)
TOTAL EXPENSES	-	6,394	(6,394)	83,702	86,728	(3,026)
NET INCOME (LOSS)	\$ -	\$ 6,049	\$ (6,049)	\$ 59,010	\$ 62,587	\$ (3,577)

SEE ACCOMPANYING ACCOUNTANT'S REPORT