

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 July 31, 2010, the related statement of activities for the one month 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

October 15, 2010

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

July 31, 2010

ASSETS

Cash on deposit	\$ 137,521
Cash on deposit - CASE Program	200,065
Investments - operating fund	355,196
Investments - life membership fund	113,979
Investments - legislative fund	369
Investments - reserve fund	104,093
Accounts receivable	14,023
Prepaid expenses	13,516
Property and equipment	<u>10,368</u>

TOTAL ASSETS \$ 949,130

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 70,729
Accrued leave payable	21,314
Other current liabilities	<u>6,169</u>

TOTAL LIABILITIES 98,212

NET ASSETS

Unrestricted net assets:	
Current operation	432,764
Board designated for special purposes	120,548
Temporarily restricted net assets	1,860
CASE Project	<u>295,746</u>

TOTAL NET ASSETS 850,918

TOTAL LIABILITIES AND NET ASSETS \$ 949,130

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the One Month Ended July 31, 2010

	<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	\$ 5,185	\$ 1,740	\$ -	\$ -	\$ 6,925
Convention registration	-	-	-	-	-
Sponsorship and awards	-	-	-	-	-
Merchandise sales	2,345	-	-	-	2,345
Contributions	-	-	-	-	-
Management fees	-	-	-	-	-
Net realized and unrealized					
gains (losses) on securities	26,665	-	-	-	26,665
Interest and dividends	148	-	-	-	148
FFA Foundation projects	-	-	-	-	-
CASE Program income	-	-	-	10,013	10,013
Other income	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue, Gains and Losses	34,343	1,740	-	10,013	46,096
Net Assets Released from Restrictions	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-	-
Total Revenue, Gains and Losses and Reclassifications	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	34,343	1,740	-	10,013	46,096
Expenses					
General expenses	72,300	-	-	-	72,300
FFA Foundation projects	-	-	-	-	-
Case Program expenses	-	-	-	25,472	-
Convention expenses	345	-	-	-	345
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	72,645	-	-	25,472	72,645
INCREASE (DECREASE) IN NET ASSETS	(38,302)	1,740	-	(15,459)	(52,021)
NET ASSETS AT BEGINNING OF PERIOD	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	471,066	118,808	1,860	311,205	902,939
NET ASSETS AT END OF PERIOD	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 432,764	\$ 120,548	\$ 1,860	\$ 295,746	\$ 850,918

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget
For the One Month Ended July 31, 2010

	MONTH	MONTH	MONTH	YEAR TO DATE	YEAR	YEAR
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
REVENUE						
Member dues	\$ 6,175	\$ 32,438	\$ (26,263)	\$ 6,175	\$ 389,250	\$ (383,075)
Corporate membership dues	750	2,375	(1,625)	750	28,500	(27,750)
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Foundation management fees	-	2,417	(2,417)	-	29,000	(29,000)
MBNA affinity credit card program	-	-	-	-	-	-
Toyota vehicle lease management fee	-	-	-	-	-	-
Interest and dividends	73	500	(427)	73	6,000	(5,927)
Net realized and unrealized gains (losses) on securities	26,665	1,250	25,415	26,665	15,000	11,665
Merchandise sales	2,345	708	1,637	2,345	8,500	(6,155)
Investment income, Life Fund	75	125	(50)	75	1,500	(1,425)
Contributions, Legislative Fund	-	-	-	-	-	-
Miscellaneous income	-	250	(250)	-	3,000	(3,000)
National Teach Ag Campaign	-	-	-	-	-	-
Teacher crisis fund	-	-	-	-	-	-
Risk management education	-	-	-	-	-	-
AEM business manager stipend	-	333	(333)	-	4,000	(4,000)
Lifetime achievement awards	-	279	(279)	-	3,350	(3,350)
GMAC SmartEdge program	-	3,417	(3,417)	-	41,000	(41,000)
Webinar revenue	-	1,367	(1,367)	-	16,400	(16,400)
FFA Foundation project - TTTK	-	4,025	(4,025)	-	48,300	(48,300)
FFA Foundation project - OPAP	-	997	(997)	-	11,965	(11,965)
FFA Foundation project - OMSP	-	946	(946)	-	11,350	(11,350)
FFA Foundation project - OT	-	997	(997)	-	11,965	(11,965)
FFA Foundation project - OYM	-	946	(946)	-	11,350	(11,350)
FFA Foundation project - Greenhouse	-	-	-	-	-	-
CASE program net income	(15,459)	-	(15,459)	(15,459)	-	(15,459)
Convention net income	(345)	4,767	(5,112)	(345)	50,209	(50,554)
TOTAL REVENUE	20,279	58,762	(38,483)	20,279	698,139	(677,860)
EXPENSES						
Salaries	21,642	21,666	(24)	21,642	259,994	(238,352)
Taxes and benefits	6,073	5,546	527	6,073	66,551	(60,478)
Computer service	-	83	(83)	-	1,000	(1,000)
Telephone	334	333	1	334	4,000	(3,666)
Accounting	475	1,033	(558)	475	12,400	(11,925)
Depreciation	341	583	(242)	341	7,000	(6,659)
Rent	7,500	625	6,875	7,500	7,500	-
Insurance	172	500	(328)	172	6,000	(5,828)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	(395)	417	(812)	(395)	5,000	(5,395)
Bank charges and investment fees	-	8	(8)	-	100	(100)
Printing, general	614	417	197	614	5,000	(4,386)
Staff training	(220)	83	(303)	(220)	1,000	(1,220)
Taxes and licenses	-	5	(5)	-	60	(60)
Membership and contributions	7,911	1,250	6,661	7,911	15,000	(7,089)
Travel, staff	(1,603)	1,856	(3,459)	(1,603)	22,275	(23,878)
Promotion and marketing	10,800	2,083	8,717	10,800	25,000	(14,200)
Board operations	-	-	-	-	-	-
Merchandise and diaries	878	833	45	878	10,000	(9,122)
Photocopying	210	8	202	210	100	110
Postage, general	56	333	(277)	56	4,000	(3,944)
Professional liability insurance	-	3,093	(3,093)	-	37,110	(37,110)
Public relations	(169)	42	(211)	(169)	500	(669)
Scholarships	12,000	938	11,062	12,000	11,250	750
Travel, regional secretaries	-	833	(833)	-	10,000	(10,000)
Travel, board of directors	5,126	2,917	2,209	5,126	35,000	(29,874)
Nat'l Teach Ag Campaign	-	-	-	-	-	-
FFA Foundation project - TTTK	-	4,025	(4,025)	-	48,300	(48,300)
FFA Foundation project - OPAP	-	997	(997)	-	11,965	(11,965)
FFA Foundation project - OMSP	-	946	(946)	-	11,350	(11,350)
FFA Foundation project - OT	-	997	(997)	-	11,965	(11,965)
FFA Foundation project - OYM	-	946	(946)	-	11,350	(11,350)
FFA Foundation project - Greenhouse	-	-	-	-	-	-
FFA Foundation project - LAA	155	-	155	155	-	155
FFA Foundation project - Smart Edge	400	-	400	400	-	400
Lifetime achievement	-	279	(279)	-	3,350	(3,350)
GMAC SmartEdge program	-	833	(833)	-	10,000	(10,000)
Ag Ed opportunity fund	-	-	-	-	-	-
NPS expense	-	667	(667)	-	8,000	(8,000)
Webinar expense	-	292	(292)	-	3,500	(3,500)
Teacher crisis fund	-	-	-	-	8,000	(8,000)
Communities of practice expense	-	-	-	-	-	-
Substitute teacher hire behinds	-	333	(333)	-	4,000	(4,000)
Miscellaneous	-	-	-	-	-	-
TOTAL EXPENSES	72,300	55,883	16,417	72,300	678,620	(606,320)
NET INCOME (LOSS)	\$ (52,021)	\$ 2,879	\$ (54,900)	\$ (52,021)	\$ 19,519	\$ (71,540)

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One Month Ended July 31, 2010

	<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	\$ -	\$ 6,975	\$ (6,975)	\$ -	\$ 83,699	\$ (83,699)
Convention, tickets/workshops	-	-	-	-	-	-
Convention, trade show	-	-	-	-	-	-
Convention - Ideas Unlimited	-	-	-	-	-	-
Convention - Teacher Mentor	-	-	-	-	-	-
Convention scholarship fund	-	-	-	-	2,000	(2,000)
Convention, sponsorships - FFA Foundation	-	2,083	(2,083)	-	25,000	(25,000)
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	-	2,079	(2,079)	-	24,950	(24,950)
TOTAL REVENUE	<u>-</u>	<u>11,137</u>	<u>(11,137)</u>	<u>-</u>	<u>135,649</u>	<u>(135,649)</u>
EXPENSES						
Convention, plaques and trophies	-	125	(125)	-	1,500	(1,500)
Convention, printing	-	167	(167)	-	2,000	(2,000)
Convention, miscellaneous	-	83	(83)	-	1,000	(1,000)
Convention, awards	345	-	345	345	9,000	(8,655)
Convention, photography	-	-	-	-	-	-
Conventions, meal functions	-	1,000	(1,000)	-	12,000	(12,000)
Convention, promotion and marketing	-	83	(83)	-	1,000	(1,000)
Convention, postage and shipping	-	167	(167)	-	2,000	(2,000)
Convention, equipment rental	-	667	(667)	-	8,000	(8,000)
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	-	2,083	(2,083)	-	25,000	(25,000)
Convention, travel/board of directors	-	1,000	(1,000)	-	12,000	(12,000)
Convention, staff travel	-	750	(750)	-	9,000	(9,000)
Convention, other travel	-	-	-	-	-	-
TOTAL EXPENSES	<u>345</u>	<u>6,370</u>	<u>(6,025)</u>	<u>345</u>	<u>85,440</u>	<u>(85,095)</u>
NET INCOME (LOSS)	<u>\$ (345)</u>	<u>\$ 4,767</u>	<u>\$ (5,112)</u>	<u>\$ (345)</u>	<u>\$ 50,209</u>	<u>\$ (50,554)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of CASE Program Revenue and Expenses
For the One Month Ended July 31, 2010

	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	\$ 5,200	\$ -	\$ 5,200	\$ 5,200	\$ -	\$ 5,200
Vendor - Vernier	4,748	-	4,748	4,748	-	4,748
New Jersey	-	-	-	-	-	-
Interest	65	-	65	65	-	65
FFA Foundation	-	-	-	-	-	-
TOTAL REVENUE	<u>10,013</u>	<u>-</u>	<u>10,013</u>	<u>10,013</u>	<u>-</u>	<u>10,013</u>
EXPENSES						
Legal and professional	3,304	-	3,304	3,304	-	3,304
Travel	10,005	-	10,005	10,005	-	10,005
Supplies	771	-	771	771	-	771
Promotion	-	-	-	-	-	-
Printing	-	-	-	-	-	-
Postage	446	-	446	446	-	446
Vernier	5,078	-	5,078	5,078	-	5,078
Carthage	7,815	-	7,815	7,815	-	7,815
Field test	(1,947)	-	(1,947)	(1,947)	-	(1,947)
Equipment	-	-	-	-	-	-
TOTAL EXPENSES	<u>25,472</u>	<u>-</u>	<u>25,472</u>	<u>25,472</u>	<u>-</u>	<u>25,472</u>
NET INCOME (LOSS)	<u>\$ (15,459)</u>	<u>\$ -</u>	<u>\$ (15,459)</u>	<u>\$ (15,459)</u>	<u>\$ -</u>	<u>\$ (15,459)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT