

**STEPHEN D. SCHNETTLER, PLLC**

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Member  
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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 November 30, 2010 and the related statements of activities for the five 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*

January 24, 2011

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

November 30, 2010

ASSETS

Cash on deposit	\$ 125,614
Cash on deposit - CASE Program	90,350
Investments - operating fund	381,295
Investments - life membership fund	120,947
Investments - legislative fund	369
Investments - reserve fund	103,817
Accounts receivable	93,575
Prepaid expenses	62
Property and equipment	<u>13,019</u>

TOTAL ASSETS \$ 929,048

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 41,685
Accrued leave payable	21,314
Other current liabilities	<u>6,333</u>

TOTAL LIABILITIES 69,332

NET ASSETS

Unrestricted net assets:	
Current operation	498,259
Board designated for special purposes	121,688
Temporarily restricted net assets	1,909
CASE Project	<u>237,860</u>

TOTAL NET ASSETS 859,716

TOTAL LIABILITIES AND NET ASSETS \$ 929,048

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Five Months Ended November 30, 2010

	Unrestricted				
	Current Operations	Board Designated	Temporarily Restricted	CASE Project	Total
Revenue, Gains and Losses					
Membership dues	\$ 236,175	\$ 2,880	\$ -	\$ -	\$ 239,055
Convention registration	1,285	-	-	-	1,285
Sponsorship and awards	18,200	-	-	-	18,200
Merchandise sales	3,770	-	-	-	3,770
Contributions	-	-	49	-	49
Management fees	-	-	-	-	-
Net realized and unrealized gains (losses) on securities	58,421	-	-	-	58,421
Interest and dividends	1,199	-	-	-	1,199
FFA Foundation projects	34,568	-	-	-	34,568
CASE Program income	-	-	-	237,349	237,349
Other income	28,651	-	-	-	28,651
	382,269	2,880	49	237,349	622,547
Total Revenue, Gains and Losses					
Net Assets Released from Restrictions	-	-	-	-	-
Total Revenue, Gains and Losses and Reclassifications	382,269	2,880	49	237,349	622,547
Expenses					
General expenses	295,748	-	-	-	295,748
FFA Foundation projects	37,090	-	-	-	37,090
CASE Program expenses	-	-	-	310,694	-
Convention expenses	22,238	-	-	-	22,238
	355,076	-	-	310,694	355,076
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	27,193	2,880	49	(73,345)	(43,223)
NET ASSETS AT BEGINNING OF PERIOD	471,066	118,808	1,860	311,205	902,939
NET ASSETS AT END OF PERIOD	\$ 498,259	\$ 121,688	\$ 1,909	\$ 237,860	\$ 859,716

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Five Months Ended November 30, 2010

	MONTH ACTUAL	MONTH BUDGET	MONTH SVARIANCE	YEAR TO DATE ACTUAL	YEAR BUDGET	YEAR SVARIANCE
<b>REVENUE</b>						
Member dues	\$ 65,380	\$ 32,438	\$ 32,942	\$ 231,305	\$ 389,250	\$ (157,945)
Corporate membership dues	3,750	2,375	-	7,750	28,500	(20,750)
NSTA Dues	128	-	1,375	576	-	576
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	8	500	(492)	784	6,000	(5,216)
Net realized and unrealized gains (losses) on securities	(3,883)	1,250	(5,133)	58,421	15,000	43,421
Merchandise sales	568	708	(140)	3,770	8,500	(4,730)
Investment income, Life Fund	74	125	(51)	415	1,500	(1,085)
Contributions, Legislative Fund	-	-	-	49	-	49
Miscellaneous income	3,000	250	2,750	3,000	3,000	-
National Teach Ag Campaign	-	-	-	4,496	-	4,496
Teacher crisis fund	-	-	-	1,000	-	1,000
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)
DuPont Agriscience	-	-	-	13,079	-	13,079
FFA Foundation project - TTTK	-	4,025	(4,025)	21,492	48,300	(26,808)
FFA Foundation project - OPAP	-	997	(997)	2,102	11,965	(9,863)
FFA Foundation project - OMSP	-	946	(946)	3,698	11,350	(7,652)
FFA Foundation project - OT	-	997	(997)	3,609	11,965	(8,356)
FFA Foundation project - OYM	-	946	(946)	3,876	11,350	(7,474)
FFA Foundation project - Greenhouse	-	-	-	-	-	-
FFA Foundation teacher workshop	(319)	-	(319)	(209)	-	(209)
CASE program net income	(15,070)	-	(15,070)	(73,345)	-	(73,345)
Convention net income	(10,539)	4,767	(15,306)	3,747	50,209	(46,462)
<b>TOTAL REVENUE</b>	<b>43,097</b>	<b>58,762</b>	<b>(15,793)</b>	<b>289,615</b>	<b>698,139</b>	<b>(408,524)</b>
<b>EXPENSES</b>						
Salaries	22,093	21,666	427	110,785	259,994	(149,209)
Taxes and benefits	6,596	5,546	1,050	28,085	66,551	(38,466)
Computer service	825	83	742	975	1,000	(25)
Telephone	233	333	(100)	1,792	4,000	(2,208)
Accounting	475	1,033	(558)	2,375	12,400	(10,025)
Depreciation	374	583	(209)	1,871	7,000	(5,129)
Rent	-	625	(625)	7,500	7,500	-
Insurance	513	500	13	1,581	6,000	(4,419)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	1,187	417	770	2,098	5,000	(2,902)
Bank charges and investment fees	-	8	(8)	-	100	(100)
Printing, general	-	417	(417)	2,023	5,000	(2,977)
Staff training	-	83	(83)	24	1,000	(976)
Taxes and licenses	-	5	(5)	27	60	(33)
Membership and contributions	6,447	1,250	5,197	15,237	15,000	237
Travel, staff	(113)	1,856	(1,969)	3,603	22,275	(18,672)
Promotion and marketing	355	2,083	(1,728)	7,104	25,000	(17,896)
Merchandise and diaries	1,067	833	234	1,945	10,000	(8,055)
Photocopying	-	8	(8)	210	100	110
Postage, general	1,200	333	867	2,620	4,000	(1,380)
Professional liability insurance	-	3,093	(3,093)	37,415	37,110	305
Public relations	50	42	8	50	500	(450)
Scholarships	-	938	(938)	12,000	11,250	750
Travel, regional secretaries	872	833	39	3,351	10,000	(6,649)
Travel, board of directors	82	2,917	(2,835)	11,621	35,000	(23,379)
Nat'l Teach Ag Campaign	4,650	-	4,650	17,638	-	17,638
FFA Foundation project - TTTK	9,561	4,025	5,536	22,868	48,300	(25,432)
FFA Foundation project - OPAP	973	997	(24)	2,687	11,965	(9,278)
FFA Foundation project - OMSP	1,773	946	827	3,998	11,350	(7,352)
FFA Foundation project - OT	1,004	997	7	3,761	11,965	(8,204)
FFA Foundation project - OYM	1,497	946	551	3,776	11,350	(7,574)
FFA Foundation project - Greenhouse	-	-	-	-	-	-
FFA Foundation project - LAA	-	-	-	155	-	155
FFA Foundation project - Smart Edge	-	-	-	400	-	400
FFA Foundation teacher workshop	-	-	-	216	-	216
FFA Foundation teachers world	335	-	335	335	-	335
Lifetime achievement	-	279	(279)	-	3,350	(3,350)
DuPont Agriscience	3,875	-	3,875	13,077	-	13,077
GMAC SmartEdge program	-	833	(833)	-	10,000	(10,000)
NPS expense	-	667	(667)	-	8,000	(8,000)
Webinar expense	99	292	(193)	396	3,500	(3,104)
Teacher crisis fund	-	-	-	-	8,000	(8,000)
Communities of practice expense	-	-	-	9,239	-	9,239
Substitute teacher hire behinds	-	333	(333)	-	4,000	(4,000)
Miscellaneous	(185)	-	(185)	-	-	-
<b>TOTAL EXPENSES</b>	<b>65,838</b>	<b>55,883</b>	<b>9,955</b>	<b>332,838</b>	<b>678,620</b>	<b>(345,782)</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (22,741)</b>	<b>\$ 2,879</b>	<b>\$ (25,748)</b>	<b>\$ (43,223)</b>	<b>\$ 19,519</b>	<b>\$ (62,742)</b>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.  
Schedule of Convention Revenue and Expenses  
For the One and Five Months Ended November 30, 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>
<b>REVENUE</b>						
Convention, registration	\$ 500	\$ 6,975	\$ (6,475)	\$ 1,285	\$ 83,699	\$ (82,414)
Convention, tickets/workshops	-	-	-	-	-	-
Convention, trade show	600	-	600	1,500	-	1,500
Convention - Ideas Unlimited	-	-	-	-	-	-
Convention - Teacher Mentor	-	-	-	5,000	-	5,000
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	3,200	2,079	1,121	18,200	24,950	(6,750)
<b>TOTAL REVENUE</b>	<u>4,300</u>	<u>11,137</u>	<u>(6,837)</u>	<u>25,985</u>	<u>135,649</u>	<u>(109,664)</u>
<b>EXPENSES</b>						
Convention, plaques and trophies	55	125	(70)	55	1,500	(1,445)
Convention, printing	-	167	(167)	-	2,000	(2,000)
Convention, miscellaneous	-	83	(83)	-	1,000	(1,000)
Convention, awards	5,430	-	5,430	8,340	9,000	(660)
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	3,039	167	2,872	3,039	2,000	1,039
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	285	245	40	285	2,940	(2,655)
Convention, sponsorships - FFA Foundation	-	2,083	(2,083)	-	25,000	(25,000)
Convention, travel/board of directors	1,808	1,000	808	4,872	12,000	(7,128)
Convention, staff travel	4,222	750	3,472	5,647	9,000	(3,353)
Convention, other travel	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<u>14,839</u>	<u>6,370</u>	<u>8,469</u>	<u>22,238</u>	<u>85,440</u>	<u>(63,202)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ (10,539)</u>	<u>\$ 4,767</u>	<u>\$ (15,306)</u>	<u>\$ 3,747</u>	<u>\$ 50,209</u>	<u>\$ (46,462)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses

For the One and Five Months Ended November 30, 2010

	<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>
<b>REVENUE</b>						
CI fees	\$ 14,000	\$ -	\$ 14,000	\$ 64,371	\$ -	\$ 64,371
Vendor - Vernier	15,899	-	15,899	135,698	-	135,698
Vendor - NewByte	-	-	-	2,058	-	2,058
Field test fees	-	-	-	2,600	-	2,600
New Jersey	-	-	-	31,822	-	31,822
Interest	-	-	-	350	-	350
FFA Foundation	-	-	-	450	-	450
<b>TOTAL REVENUE</b>	<u>29,899</u>	<u>-</u>	<u>29,899</u>	<u>237,349</u>	<u>-</u>	<u>237,349</u>
<b>EXPENSES</b>						
Legal and professional	-	-	-	3,404	-	3,404
Travel	5,086	-	5,086	24,436	-	24,436
Travel - staff	2,131	-	2,131	9,514	-	9,514
Contract labor	15,833	-	15,833	63,333	-	63,333
Supplies	-	-	-	1,139	-	1,139
Promotion	2,914	-	2,914	2,914	-	2,914
Printing	-	-	-	-	-	-
Postage	135	-	135	897	-	897
Telecommunications	-	-	-	10	-	10
Vernier	18,734	-	18,734	137,033	-	137,033
NewByte	74	-	74	818	-	818
Carthage	62	-	62	41,143	-	41,143
Field test	-	-	-	25,754	-	25,754
Equipment	-	-	-	299	-	299
<b>TOTAL EXPENSES</b>	<u>44,969</u>	<u>-</u>	<u>44,969</u>	<u>310,694</u>	<u>-</u>	<u>310,694</u>
<b>NET INCOME (LOSS)</b>	<u>\$ (15,070)</u>	<u>\$ -</u>	<u>\$ (15,070)</u>	<u>\$ (73,345)</u>	<u>\$ -</u>	<u>\$ (73,345)</u>

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