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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 May 31, 2011 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. 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

June 24, 2011

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

May 31, 2011

ASSETS

Cash on deposit	\$ 64,491
Cash on deposit - CASE Program	50,530
Investments - operating fund	450,334
Investments - life membership fund	161,446
Investments - reserve fund	106,321
Accounts receivable	105,763
Prepaid expenses	4,612
Property and equipment - CASE	1,130
Property and equipment	<u>12,096</u>

TOTAL ASSETS \$ 956,723

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 42,263
Accrued leave payable	21,314
Other current liabilities	<u>7,305</u>

TOTAL LIABILITIES 70,882

NET ASSETS

Unrestricted net assets:	
Current operation	618,345
Board designated for special purposes	123,128
Temporarily restricted net assets	1,909
CASE Project	<u>142,459</u>

TOTAL NET ASSETS 885,841

TOTAL LIABILITIES AND NET ASSETS \$ 956,723

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Eleven Months Ended May 31, 2011

	<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	\$ 390,314	\$ 4,320	\$ -	\$ -	\$ 394,634
Convention registration	99,693	-	-	-	99,693
Sponsorship and awards	54,214	-	-	-	54,214
Merchandise sales	7,143	-	-	-	7,143
Contributions	-	-	49	-	49
Management fees	58,756	-	-	-	58,756
Net realized and unrealized					
gains (losses) on securities	116,118	-	-	-	116,118
Interest and dividends	8,875	-	-	-	8,875
FFA Foundation projects	70,115	-	-	-	70,115
CASE Program income	-	-	-	373,706	373,706
Other income	111,022	-	-	-	111,022
	<u>916,250</u>	<u>4,320</u>	<u>49</u>	<u>373,706</u>	<u>1,294,325</u>
Total Revenue, Gains and Losses					
Net Assets Released from Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue, Gains and Losses and Reclassifications	<u>916,250</u>	<u>4,320</u>	<u>49</u>	<u>373,706</u>	<u>1,294,325</u>
Expenses					
General expenses	584,349	-	-	-	584,349
FFA Foundation projects	64,464	-	-	-	64,464
Case Program expenses	-	-	-	542,452	-
Convention expenses	120,158	-	-	-	120,158
	<u>768,971</u>	<u>-</u>	<u>-</u>	<u>542,452</u>	<u>768,971</u>
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	147,279	4,320	49	(168,746)	(17,098)
NET ASSETS AT BEGINNING OF PERIOD	<u>471,066</u>	<u>118,808</u>	<u>1,860</u>	<u>311,205</u>	<u>902,939</u>
NET ASSETS AT END OF PERIOD	<u>\$ 618,345</u>	<u>\$ 123,128</u>	<u>\$ 1,909</u>	<u>\$ 142,459</u>	<u>\$ 885,841</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, 2011

	MONTH	MONTH	MONTH	YEAR TO DATE	YEAR	YEAR
	ACTUAL	BUDGET	SVARIANCE	ACTUAL	BUDGET	SVARIANCE
REVENUE						
Member dues	\$ 13,449	\$ 32,438	\$ (18,989)	\$ 373,384	\$ 389,250	\$ (15,866)
Corporate membership dues	750	2,375	-	21,250	28,500	(7,250)
NSTA Dues	-	-	(1,625)	832	-	832
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Foundation management fees	1,099	2,417	(1,318)	58,756	29,000	29,756
MBNA affinity credit card program	-	-	-	-	-	-
Toyota vehicle lease management fee	-	-	-	-	-	-
Interest and dividends	5	500	(495)	5,775	6,000	(225)
Net realized and unrealized gains (losses) on securities	(10,221)	1,250	(11,471)	116,118	15,000	101,118
Merchandise sales	1,640	708	932	7,143	8,500	(1,357)
Investment income, Life Fund	94	125	(31)	3,100	1,500	1,600
Contributions, Legislative Fund	-	-	-	49	-	49
Miscellaneous income	-	-	-	6,000	-	6,000
National Teach Ag Campaign	4,421	-	4,421	43,296	-	43,296
Teacher crisis fund	-	-	-	1,732	-	1,732
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	-	-	-	23,439	-	23,439
FFA Foundation project - TTTK	3,000	4,025	(1,025)	42,157	48,300	(6,143)
FFA Foundation project - OPAP	-	997	(997)	4,305	11,965	(7,660)
FFA Foundation project - OMSP	-	946	(946)	7,009	11,350	(4,341)
FFA Foundation project - OT	-	997	(997)	5,898	11,965	(6,067)
FFA Foundation project - OYM	-	946	(946)	5,952	11,350	(5,398)
FFA Foundation project - Greenhouse	-	-	-	-	-	-
FFA Foundation teacher workshop	-	-	-	1,098	-	1,098
FFA Foundation internet café	-	-	-	2,484	-	2,484
FFA Foundation Pfizer classroom	-	-	-	1,212	-	1,212
CASE program net income	(19,424)	-	(19,424)	(168,746)	-	(168,746)
Convention net income	-	4,767	(4,767)	69,472	50,209	19,263
TOTAL REVENUE	(5,187)	58,512	(63,699)	631,715	695,139	(63,424)
EXPENSES						
Salaries	23,445	21,666	1,779	251,694	259,994	(8,300)
Taxes and benefits	5,744	5,546	198	58,667	66,551	(7,884)
Computer service	520	83	437	3,779	1,000	2,779
Telephone	717	333	384	4,547	4,000	547
Accounting	475	1,033	(558)	12,225	12,400	(175)
Depreciation	328	583	(255)	4,187	7,000	(2,813)
Rent	-	625	(625)	7,500	7,500	-
Insurance	409	500	(91)	5,240	6,000	(760)
Legal	-	83	(83)	1,744	1,000	744
Office Supplies	184	417	(233)	5,213	5,000	213
Bank charges and investment fees	-	8	(8)	-	100	(100)
Printing, general	541	417	124	3,882	5,000	(1,118)
Staff training	-	83	(83)	54	1,000	(946)
Taxes and licenses	-	5	(5)	82	60	22
Membership and contributions	-	1,250	(1,250)	19,927	15,000	4,927
Travel, staff	(888)	1,856	(2,744)	13,520	22,275	(8,755)
Promotion and marketing	650	2,083	(1,433)	8,356	25,000	(16,644)
Merchandise and diaries	3,199	833	2,366	6,430	10,000	(3,570)
Photocopying	-	8	(8)	210	100	110
Postage, general	450	333	117	5,342	4,000	1,342
Professional liability insurance	-	3,093	(3,093)	37,415	37,110	305
Public relations	94	42	52	96	500	(404)
Scholarships	-	938	(938)	12,000	11,250	750
Travel, regional secretaries	-	833	(833)	5,638	10,000	(4,362)
Travel, board of directors	480	2,917	(2,437)	23,453	35,000	(11,547)
Nat'l Teach Ag Campaign	2,193	-	2,193	48,421	-	48,421
FFA Foundation project - TTTK	-	4,025	(4,025)	36,846	48,300	(11,454)
FFA Foundation project - OPAP	-	997	(997)	4,305	11,965	(7,660)
FFA Foundation project - OMSP	-	946	(946)	7,009	11,350	(4,341)
FFA Foundation project - OT	-	997	(997)	5,750	11,965	(6,215)
FFA Foundation project - OYM	200	946	(746)	5,752	11,350	(5,598)
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 internet café	-	-	-	2,484	-	2,484
FFA Teachers world	-	-	-	1,547	-	1,547

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Eleven Months Ended May 31, 2011

	<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>
Lifetime achievement	-	279	(279)	-	3,350	(3,350)
DuPont Agriscience	29	-	29	22,529	-	22,529
GMAC SmartEdge program	-	833	(833)	-	10,000	(10,000)
NPS expense	(2,181)	667	(2,848)	7,378	8,000	(622)
Webinar expense	99	292	(193)	990	3,500	(2,510)
Teacher crisis fund	500	-	500	3,500	8,000	(4,500)
Communities of practice expense	-	-	-	9,239	-	9,239
Substitute teacher hire behinds	-	333	(333)	-	4,000	(4,000)
NSTA dues	-	-	-	896	-	896
Miscellaneous	-	-	-	195	-	195
TOTAL EXPENSES	<u>37,188</u>	<u>55,883</u>	<u>(18,695)</u>	<u>648,813</u>	<u>678,620</u>	<u>(31,354)</u>
NET INCOME (LOSS)	<u>\$ (42,375)</u>	<u>\$ 2,629</u>	<u>\$ (45,004)</u>	<u>\$ (17,098)</u>	<u>\$ 16,519</u>	<u>\$ (32,070)</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, 2011

	<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)	\$ 99,693	\$ 83,699	\$ 15,994
Convention, tickets/workshops	-	-	-	-	-	-
Convention, trade show	-	-	-	1,500	-	1,500
Convention - Ideas Unlimited	-	-	-	-	-	-
Convention - Teacher Mentor	-	-	-	5,000	-	5,000
Convention scholarship fund	-	-	-	1,813	2,000	(187)
Convention, sponsorships - FFA Foundation	-	2,083	(2,083)	27,410	25,000	2,410
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	-	2,079	(2,079)	54,214	24,950	29,264
TOTAL REVENUE	<u>-</u>	<u>11,137</u>	<u>(11,137)</u>	<u>189,630</u>	<u>135,649</u>	<u>53,981</u>
EXPENSES						
Convention, plaques and trophies	-	125	(125)	2,077	1,500	577
Convention, printing	-	167	(167)	394	2,000	(1,606)
Convention, miscellaneous	-	83	(83)	(75)	1,000	(1,075)
Convention, awards	-	-	-	8,340	9,000	(660)
Convention, photography	-	-	-	72	-	72
Conventions, meal functions	-	1,000	(1,000)	45,878	12,000	33,878
Convention, promotion and marketing	-	83	(83)	-	1,000	(1,000)
Convention, postage and shipping	-	167	(167)	5,183	2,000	3,183
Convention, equipment rental	-	667	(667)	20,139	8,000	12,139
Convention, workshops	-	-	-	-	-	-
Convention, host state social	-	-	-	-	-	-
Convention, speakers	-	-	-	-	-	-
Convention, trade show expense	-	-	-	-	-	-
Convention, tour expenses	-	-	-	-	-	-
Convention, committee expense	-	245	(245)	2,109	2,940	(831)
Convention, sponsorships - FFA Foundation	-	2,083	(2,083)	7,765	25,000	(17,235)
Convention, travel/board of directors	-	1,000	(1,000)	11,586	12,000	(414)
Convention, staff travel	-	750	(750)	16,690	9,000	7,690
Convention, other travel	-	-	-	-	-	-
TOTAL EXPENSES	<u>-</u>	<u>6,370</u>	<u>(6,370)</u>	<u>120,158</u>	<u>85,440</u>	<u>34,718</u>
NET INCOME (LOSS)	<u>\$ -</u>	<u>\$ 4,767</u>	<u>\$ (4,767)</u>	<u>\$ 69,472</u>	<u>\$ 50,209</u>	<u>\$ 19,263</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, 2011

	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	\$ 7,250	\$ -	\$ 7,250	\$ 103,723	\$ -	\$ 103,723
Vendor - Vernier	23,589	-	23,589	229,753	-	229,753
Vendor - NewByte	-	-	-	2,598	-	2,598
Field test fees	-	-	-	4,200	-	4,200
New Jersey	-	-	-	31,822	-	31,822
Assesments - ASP	-	-	-	126	-	126
Assesments - ASA	-	-	-	504	-	504
Interest	17	-	17	530	-	530
FFA Foundation	-	-	-	450	-	450
TOTAL REVENUE	<u>30,856</u>	<u>-</u>	<u>30,856</u>	<u>373,706</u>	<u>-</u>	<u>373,706</u>
EXPENSES						
Legal and professional	-	-	-	3,404	-	3,404
Travel	10,489	-	10,489	36,094	-	36,094
Travel - staff	1,160	-	1,160	19,818	-	19,818
Contract labor	15,833	-	15,833	158,333	-	158,333
Supplies	-	-	-	1,212	-	1,212
Promotion	-	-	-	3,197	-	3,197
Printing	-	-	-	-	-	-
Postage	5	-	5	954	-	954
Telecommunications	31	-	31	98	-	98
Vernier	22,249	-	22,249	212,084	-	212,084
NewByte	154	-	154	972	-	972
Carthage	350	-	350	5,362	-	5,362
Carthage contract labor	-	-	-	39,862	-	39,862
Field test	-	-	-	18,754	-	18,754
Field test contract labor	-	-	-	7,000	-	7,000
Assesmnets	-	-	-	35,000	-	35,000
Depreciation	9	-	9	9	-	9
Equipment	-	-	-	299	-	299
TOTAL EXPENSES	<u>50,280</u>	<u>-</u>	<u>50,280</u>	<u>542,452</u>	<u>-</u>	<u>542,452</u>
NET INCOME (LOSS)	<u>\$ (19,424)</u>	<u>\$ -</u>	<u>\$ (19,424)</u>	<u>\$ (168,746)</u>	<u>\$ -</u>	<u>\$ (168,746)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT