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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 June 30, 2011 and the related statement of activities for the twelve 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

October 11, 2011

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

June 30, 2011

ASSETS

Cash on deposit	\$ 48,618
Cash on deposit - CASE Program	40,543
Investments - operating fund	442,077
Investments - life membership fund	158,781
Investments - reserve fund	106,442
Accounts receivable	202,642
Prepaid expenses	10,154
Property and equipment - CASE	1,121
Property and equipment	<u>11,768</u>

TOTAL ASSETS \$ 1,022,146

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 140,412
Accrued leave payable	25,077
Other current liabilities	<u>8,368</u>

TOTAL LIABILITIES 173,857

NET ASSETS

Unrestricted net assets:	
Current operation	572,638
Board designated for special purposes	123,848
Temporarily restricted net assets	49
CASE Project	<u>151,754</u>

TOTAL NET ASSETS 848,289

TOTAL LIABILITIES AND NET ASSETS \$ 1,022,146

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Twelve Months Ended June 30, 2011

	Unrestricted				
	Current <u>Operations</u>	Board <u>Designated</u>	Temporarily <u>Restricted</u>	CASE <u>Project</u>	<u>Total</u>
Revenue, Gains and Losses					
Membership dues	\$ 418,628	\$ 5,040	\$ -	\$ -	\$ 423,668
Convention registration	99,693	-	-	-	99,693
Sponsorship and awards	54,214	-	-	-	54,214
Merchandise sales	8,715	-	-	-	8,715
Contributions	-	-	49	-	49
Management fees	60,406	-	-	-	60,406
Net realized and unrealized gains (losses) on securities	103,299	-	-	-	103,299
Interest and dividends	10,898	-	-	-	10,898
FFA Foundation projects	94,115	-	-	-	94,115
CASE Program income	-	-	-	477,823	477,823
Other income	171,040	-	-	-	171,040
	1,021,008	5,040	49	477,823	1,503,920
Total Revenue, Gains and Losses					
Net Assets Released from Restrictions	-	-	-	-	-
Total Revenue, Gains and Losses and Reclassifications	1,021,008	5,040	49	477,823	1,503,920
Expenses					
General expenses	728,396	-	-	-	728,396
FFA Foundation projects	76,670	-	-	-	76,670
CASE Program expenses	-	-	-	639,129	639,129
Convention expenses	114,371	-	-	-	114,371
	919,437	-	-	639,129	1,558,566
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	101,571	5,040	49	(161,306)	(54,646)
NET ASSETS AT BEGINNING OF PERIOD	471,067	118,808	-	313,060	902,935
NET ASSETS AT END OF PERIOD	\$ 572,638	\$ 123,848	\$ 49	\$ 151,754	\$ 848,289

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, 2011

	MONTH ACTUAL	MONTH BUDGET	MONTH \$VARIANCE	YEAR TO DATE ACTUAL	YEAR BUDGET	YEAR \$VARIANCE
REVENUE						
Member dues	\$ 21,534	\$ 32,438	\$ (10,904)	\$ 394,918	\$ 389,250	\$ 5,668
Corporate membership dues	7,500	2,375	5,125	28,750	28,500	250
NSTA Dues	-	-	-	832	-	832
Delmar scholarships	7,500	625	6,875	7,500	7,500	-
Foundation management fees	1,650	2,417	(767)	60,406	29,000	31,406
MBNA affinity credit card program	-	-	-	-	-	-
Toyota vehicle lease management fee	-	-	-	-	-	-
Interest and dividends	1,829	500	1,329	7,603	6,000	1,603
Net realized and unrealized gains (losses) on securities	(12,818)	1,250	(14,068)	103,299	15,000	88,299
Merchandise sales	3,004	708	2,296	8,715	8,500	215
Investment income, Life Fund	195	125	70	3,295	1,500	1,795
Contributions, Legislative Fund	-	-	-	49	-	49
Miscellaneous income	-	-	-	6,000	-	6,000
National Teach Ag Campaign	130	-	130	43,426	-	43,426
Teacher crisis fund	1,020	-	1,020	2,752	-	2,752
Risk management education	-	-	-	-	-	-
AEM business manager stipend	4,000	333	3,667	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	47,368	-	47,368	70,807	-	70,807
FFA Foundation project - TTTK	-	4,025	(4,025)	42,157	48,300	(6,143)
FFA Foundation project - OPAP	1,500	997	503	5,805	11,965	(6,160)
FFA Foundation project - OMSP	1,500	946	554	8,509	11,350	(2,841)
FFA Foundation project - OT	1,500	997	503	7,398	11,965	(4,567)
FFA Foundation project - OYM	1,500	946	554	7,452	11,350	(3,898)
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
FFA Foundation Regional Grants Revenue	18,000	-	18,000	18,000	-	18,000
CASE program net income	8,090	-	8,090	(161,306)	-	(161,306)
Convention net income	-	4,767	(4,767)	75,259	50,209	25,050
TOTAL REVENUE	115,002	58,512	56,490	750,420	695,139	55,281
EXPENSES						
Salaries	27,233	21,666	5,567	278,927	259,994	18,933
Taxes and benefits	10,875	5,546	5,329	69,542	66,551	2,991
Computer service	525	83	442	4,304	1,000	3,304
Telephone	419	333	86	4,967	4,000	967
Accounting	475	1,033	(558)	12,700	12,400	300
Depreciation	328	583	(255)	4,514	7,000	(2,486)
Rent	-	625	(625)	7,500	7,500	-
Insurance	646	500	146	5,886	6,000	(114)
Legal	-	83	(83)	1,744	1,000	744
Office Supplies	1,800	417	1,383	7,007	5,000	2,007
Bank charges and investment fees	-	8	(8)	-	100	(100)
Printing, general	-	417	(417)	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	530	1,250	(720)	20,457	15,000	5,457
Travel, staff	7,790	1,856	5,934	21,061	22,275	(1,214)
Promotion and marketing	441	2,083	(1,642)	8,797	25,000	(16,203)
Merchandise and diaries	-	833	(833)	6,430	10,000	(3,570)
Photocopying	-	8	(8)	210	100	110
Postage, general	616	333	283	5,958	4,000	1,958
Professional liability insurance	-	3,093	(3,093)	37,415	37,110	305
Public relations	546	42	504	643	500	143
Scholarships	-	938	(938)	12,000	11,250	750
Travel, regional secretaries	5,310	833	4,477	10,948	10,000	948
Travel, board of directors	15,998	2,917	13,081	39,451	35,000	4,451
Nat'l Teach Ag Campaign	169	-	169	48,589	-	48,589
FFA Foundation project - TTTK	427	4,025	(3,598)	42,157	48,300	(6,143)
FFA Foundation project - OPAP	1,691	997	694	5,805	11,965	(6,160)
FFA Foundation project - OMSP	1,500	946	554	8,509	11,350	(2,841)
FFA Foundation project - OT	1,500	997	503	7,398	11,965	(4,567)
FFA Foundation project - OYM	1,300	946	354	7,452	11,350	(3,898)
FFA Foundation project - Greenhouse	-	-	-	-	-	-
FFA Foundation project - LAA	-	-	-	155	-	155
FFA Foundation project - Smart Edge	-	-	-	400	-	400
FFA Foundation teacher workshop	-	-	-	1,098	-	1,098
FFA Foundation internet café	-	-	-	2,484	-	2,484
FFA Pfizer Classroom	-	-	-	1,212	-	1,212
FFA Foundation Regional Grants	18,000	-	18,000	18,000	-	18,000

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Twelve Months Ended June 30, 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	51,403	-	51,403	73,932	-	73,932
GMAC SmartEdge program	-	833	(833)	-	10,000	(10,000)
NPS expense	-	667	(667)	7,378	8,000	(622)
Webinar expense	198	292	(94)	1,188	3,500	(2,312)
Teacher crisis fund	1,000	-	1,000	4,500	8,000	(3,500)
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>150,720</u>	<u>55,883</u>	<u>94,837</u>	<u>805,066</u>	<u>678,620</u>	<u>126,446</u>
NET INCOME (LOSS)	<u>\$ (35,718)</u>	<u>\$ 2,629</u>	<u>\$ (38,347)</u>	<u>\$ (54,646)</u>	<u>\$ 16,519</u>	<u>\$ (71,165)</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, 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)	10,903	9,000	1,903
Convention, other travel	-	-	-	-	-	-
TOTAL EXPENSES	<u>-</u>	<u>6,370</u>	<u>(6,370)</u>	<u>114,371</u>	<u>85,440</u>	<u>28,931</u>
NET INCOME (LOSS)	<u>\$ -</u>	<u>\$ 4,767</u>	<u>\$ (4,767)</u>	<u>\$ 75,259</u>	<u>\$ 50,209</u>	<u>\$ 25,050</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, 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	\$ 20,400	\$ -	\$ 20,400	\$ 124,123	\$ -	\$ 124,123
Vendor - Vernier	82,330	-	82,330	312,083	-	312,083
Vendor - NewByte	798	-	798	3,396	-	3,396
Field test fees	-	-	-	4,200	-	4,200
New Jersey	-	-	-	31,822	-	31,822
Assesments - ASP	576	-	576	702	-	702
Assesments - ASA	-	-	-	504	-	504
Interest	13	-	13	543	-	543
FFA Foundation	-	-	-	450	-	450
TOTAL REVENUE	<u>104,117</u>	<u>-</u>	<u>104,117</u>	<u>477,823</u>	<u>-</u>	<u>477,823</u>
EXPENSES						
Legal and professional	-	-	-	3,404	-	3,404
Travel	13,520	-	13,520	49,912	-	49,912
Travel - staff	11,495	-	11,495	31,663	-	31,663
Contract labor	15,833	-	15,833	174,167	-	174,167
Supplies	92	-	92	1,304	-	1,304
Promotion	34	-	34	3,232	-	3,232
Printing	-	-	-	-	-	-
Postage	373	-	373	1,327	-	1,327
Telecommunications	31	-	31	129	-	129
Vernier	48,577	-	48,577	260,661	-	260,661
NewByte	-	-	-	972	-	972
Carthage	5,190	-	5,190	10,552	-	10,552
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	10	-	10	19	-	19
Equipment	872	-	872	1,171	-	1,171
TOTAL EXPENSES	<u>96,027</u>	<u>-</u>	<u>96,027</u>	<u>639,129</u>	<u>-</u>	<u>639,129</u>
NET INCOME (LOSS)	<u>\$ 8,090</u>	<u>\$ -</u>	<u>\$ 8,090</u>	<u>\$ (161,306)</u>	<u>\$ -</u>	<u>\$ (161,306)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT