

**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 July 31, 2011 and the related statement of activities for the one month 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 12, 2011

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

July 31, 2011

ASSETS

Cash on deposit	\$ 36,745
Cash on deposit - CASE Program	10,544
Investments - operating fund	432,514
Investments - life membership fund	156,551
Investments - reserve fund	106,504
Accounts receivable	129,961
Prepaid expenses	1,806
Property and equipment - CASE	1,112
Property and equipment	<u>11,578</u>

TOTAL ASSETS \$ 887,315

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 105,336
Accrued leave payable	25,077
Other current liabilities	<u>6,816</u>

TOTAL LIABILITIES 137,229

NET ASSETS

Unrestricted net assets:	
Current operation	514,333
Board designated for special purposes	124,688
Temporarily restricted net assets	49
CASE Project	<u>111,016</u>

TOTAL NET ASSETS 750,086

TOTAL LIABILITIES AND NET ASSETS \$ 887,315

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the One Month Ended July 31, 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	\$ 6,020	\$ 840	\$ -	\$ -	\$ 6,860
Convention registration	-	-	-	-	-
Sponsorship and awards	-	-	-	-	-
Merchandise sales	1,604	-	-	-	1,604
Contributions	-	-	-	-	-
Management fees	-	-	-	-	-
Net realized and unrealized gains (losses) on securities	(11,824)	-	-	-	(11,824)
Interest and dividends	95	-	-	-	95
FFA Foundation projects	-	-	-	-	-
CASE Program income	-	-	-	5,252	5,252
Other income	8,569	-	-	-	8,569
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue, Gains and Losses	4,464	840	-	5,252	10,556
Net Assets Released from Restrictions	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-	-
Total Revenue, Gains and Losses and Reclassifications	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	4,464	840	-	5,252	10,556
Expenses					
General expenses	62,769	-	-	-	62,769
FFA Foundation projects	-	-	-	-	-
CASE Program expenses	-	-	-	45,990	45,990
Convention expenses	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	62,769	-	-	45,990	108,759
INCREASE (DECREASE) IN NET ASSETS	(58,305)	840	-	(40,738)	(98,203)
NET ASSETS AT BEGINNING OF PERIOD	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	572,638	123,848	49	151,754	848,289
NET ASSETS AT END OF PERIOD	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 514,333	\$ 124,688	\$ 49	\$ 111,016	\$ 750,086

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One Month Ended July 31, 2011

	MONTH ACTUAL	MONTH BUDGET	MONTH VARIANCE	YEAR TO DATE ACTUAL	YEAR BUDGET	YEAR VARIANCE
<b>REVENUE</b>						
Member dues	\$ 6,860	\$ 32,164	\$ (25,304)	\$ 6,860	\$ 385,970	\$ (379,110)
Corporate membership dues	-	2,563	(2,563)	-	30,750	(30,750)
NSTA Dues	-	-	-	-	-	-
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Foundation management fees	-	4,583	(4,583)	-	55,000	(55,000)
MBNA affinity credit card program	-	-	-	-	-	-
Toyota vehicle lease management fee	-	-	-	-	-	-
Interest and dividends	4	500	(496)	4	6,000	(5,996)
Net realized and unrealized gains (losses) on securities	(11,824)	2,583	(14,407)	(11,824)	31,000	(42,824)
Merchandise sales	1,604	708	896	1,604	8,500	(6,896)
Investment income, Life Fund	91	250	(159)	91	3,000	(2,909)
Contributions, Legislative Fund	-	-	-	-	-	-
Miscellaneous income	1,950	250	1,700	1,950	3,000	(1,050)
National Teach Ag Campaign	-	-	-	-	-	-
Teacher crisis fund	100	-	100	100	-	100
Risk management education	-	-	-	-	-	-
AEM business manager stipend	-	333	(333)	-	4,000	(4,000)
GMAC SmartEdge program	-	-	-	-	-	-
Webinar revenue	-	1,367	(1,367)	-	16,400	(16,400)
DuPont Agriscience	6,019	-	6,019	6,019	-	6,019
Hurricane relief	500	-	500	500	-	500
FFA Foundation project - TTTK	-	4,625	(4,625)	-	55,500	(55,500)
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	-	-	-	-	4,170	(4,170)
FFA Foundation teacher workshop	-	-	-	-	-	-
FFA Foundation internet café	-	-	-	-	-	-
FFA Foundation Pfizer classroom	-	-	-	-	-	-
FFA Foundation Regional Grants Revenue	-	-	-	-	-	-
CASE program net income	(40,738)	-	(40,738)	(40,738)	10,000	(50,738)
Convention net income	-	6,880	(6,880)	-	75,560	(75,560)
<b>TOTAL REVENUE</b>	<b>(35,434)</b>	<b>61,317</b>	<b>(96,751)</b>	<b>(35,434)</b>	<b>742,980</b>	<b>(778,414)</b>
<b>EXPENSES</b>						
Salaries	23,193	23,303	(110)	23,193	279,630	(256,437)
Taxes and benefits	6,169	5,773	396	6,169	69,271	(63,102)
Computer service	425	542	(117)	425	6,500	(6,075)
Telephone	106	417	(311)	106	5,000	(4,894)
Accounting	475	1,058	(583)	475	12,700	(12,225)
Depreciation	190	583	(393)	190	7,000	(6,810)
Rent	-	625	(625)	-	7,500	(7,500)
Insurance	453	500	(47)	453	6,000	(5,547)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	74	583	(509)	74	7,000	(6,926)
Bank charges and investment fees	-	8	(8)	-	100	(100)
Printing, general	323	417	(94)	323	5,000	(4,677)
Staff training	-	83	(83)	-	1,000	(1,000)
Taxes and licenses	-	5	(5)	-	60	(60)
Membership and contributions	8,000	1,250	6,750	8,000	15,000	(7,000)
Travel, staff	515	2,500	(1,985)	515	30,000	(29,485)
Promotion and marketing	-	2,167	(2,167)	-	26,000	(26,000)
Merchandise and diaries	104	833	(729)	104	10,000	(9,896)
Photocopying	-	8	(8)	-	100	(100)
Postage, general	224	500	(276)	224	6,000	(5,776)
Professional liability insurance	-	3,118	(3,118)	-	37,415	(37,415)
Public relations	-	42	(42)	-	500	(500)
Scholarships	-	938	(938)	-	11,250	(11,250)
Travel, regional secretaries	-	1,042	(1,042)	-	12,500	(12,500)
Travel, board of directors	4,688	2,917	1,771	4,688	35,000	(30,312)
Nat'l Teach Ag Campaign	9,662	-	9,662	9,662	-	9,662
FFA Foundation project - TTTK	-	4,625	(4,625)	-	55,500	(55,500)
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	-	-	-	-	4,170	(4,170)
FFA Foundation project - Smart Edge	-	-	-	-	-	-
FFA Foundation teacher workshop	-	-	-	-	-	-
FFA Foundation internet café	-	-	-	-	-	-
FFA Pfizer Classroom	-	-	-	-	-	-
FFA Foundation Regional Grants	-	-	-	-	-	-

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One Month Ended July 31, 2011

	<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>
DuPont Agriscience	8,168	-	8,168	8,168	-	8,168
GMAC SmartEdge program	-	-	-	-	-	-
NPS expense	-	667	(667)	-	8,000	(8,000)
Webinar expense	-	292	(292)	-	3,500	(3,500)
Teacher crisis fund	-	-	-	-	-	-
Communities of practice expense	-	667	(667)	-	8,000	(8,000)
Substitute teacher hire behinds	-	333	(333)	-	4,000	(4,000)
NSTA dues	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
TOTAL EXPENSES	<u>62,769</u>	<u>59,765</u>	<u>3,004</u>	<u>62,769</u>	<u>721,326</u>	<u>(658,557)</u>
NET INCOME (LOSS)	<u>\$ (98,203)</u>	<u>\$ 1,552</u>	<u>\$ (99,755)</u>	<u>\$ (98,203)</u>	<u>\$ 21,654</u>	<u>\$ (119,857)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.  
Schedule of Convention Revenue and Expenses  
For the One Month Ended July 31, 2011

	<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>						
Convention, registration	\$ -	\$ 7,917	\$ (7,917)	\$ -	\$ 95,000	\$ (95,000)
Convention, tickets/workshops	-	-	-	-	-	-
Convention, trade show	-	125	(125)	-	1,500	(1,500)
Convention - Ideas Unlimited	-	-	-	-	-	-
Convention - Teacher Mentor	-	-	-	-	-	-
Convention scholarship fund	-	-	-	-	2,000	(2,000)
Convention, sponsorships - FFA Foundation	-	3,333	(3,333)	-	40,000	(40,000)
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	-	4,500	(4,500)	-	54,000	(54,000)
<b>TOTAL REVENUE</b>	<u>-</u>	<u>15,875</u>	<u>(15,875)</u>	<u>-</u>	<u>192,500</u>	<u>(192,500)</u>
<b>EXPENSES</b>						
Convention, plaques and trophies	-	167	(167)	-	2,000	(2,000)
Convention, printing	-	167	(167)	-	2,000	(2,000)
Convention, miscellaneous	-	83	(83)	-	1,000	(1,000)
Convention, awards	-	-	-	-	9,000	(9,000)
Convention, photography	-	-	-	-	-	-
Conventions, meal functions	-	2,500	(2,500)	-	30,000	(30,000)
Convention, promotion and marketing	-	83	(83)	-	1,000	(1,000)
Convention, postage and shipping	-	250	(250)	-	3,000	(3,000)
Convention, equipment rental	-	1,000	(1,000)	-	12,000	(12,000)
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	-	2,667	(2,667)	-	32,000	(32,000)
Convention, travel/board of directors	-	1,000	(1,000)	-	12,000	(12,000)
Convention, staff travel	-	833	(833)	-	10,000	(10,000)
Convention, other travel	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<u>-</u>	<u>8,995</u>	<u>(8,995)</u>	<u>-</u>	<u>116,940</u>	<u>(116,940)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ -</u>	<u>\$ 6,880</u>	<u>\$ (6,880)</u>	<u>\$ -</u>	<u>\$ 75,560</u>	<u>\$ (75,560)</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, 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>
<b>REVENUE</b>						
CI fees	\$ 5,250	\$ -	\$ 5,250	\$ 5,250	\$ -	\$ 5,250
Vendor - Vernier	-	-	-	-	-	-
Vendor - NewByte	-	-	-	-	-	-
Field test fees	-	-	-	-	-	-
New Jersey	-	-	-	-	-	-
Assesments - ASP	-	-	-	-	-	-
Assesments - ASA	-	-	-	-	-	-
Interest	2	-	2	2	-	2
FFA Foundation	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	<u>5,252</u>	<u>-</u>	<u>5,252</u>	<u>5,252</u>	<u>-</u>	<u>5,252</u>
<b>EXPENSES</b>						
Legal and professional	-	-	-	-	-	-
Travel	1,982	-	1,982	1,982	-	1,982
Travel - staff	634	-	634	634	-	634
Contract labor	16,417	-	16,417	16,417	-	16,417
Supplies	-	-	-	-	-	-
Promotion	-	-	-	-	-	-
Printing	-	-	-	-	-	-
Postage	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-
Rutgers	1,369	-	1,369	1,369	-	1,369
Vernier	17,283	-	17,283	17,283	-	17,283
NewByte	411	-	411	411	-	411
Carthage	885	-	885	885	-	885
Carthage contract labor	7,000	-	7,000	7,000	-	7,000
Field test	-	-	-	-	-	-
Field test contract labor	-	-	-	-	-	-
Assesmnets	-	-	-	-	-	-
Depreciation	9	-	9	9	-	9
Equipment	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<u>45,990</u>	<u>-</u>	<u>45,990</u>	<u>45,990</u>	<u>-</u>	<u>45,990</u>
<b>NET INCOME (LOSS)</b>	<u>\$ (40,738)</u>	<u>\$ -</u>	<u>\$ (40,738)</u>	<u>\$ (40,738)</u>	<u>\$ -</u>	<u>\$ (40,738)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT