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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 August 31, 2011 and the related statement of activities for the one and two 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 12, 2011

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

August 31, 2011

ASSETS

Cash on deposit	\$	46,259
Cash on deposit - CASE Program		544
Investments - operating fund		405,362
Investments - life membership fund		148,226
Investments - reserve fund		106,553
Accounts receivable		221,979
Prepaid expenses		7,310
Property and equipment - CASE		1,102
Property and equipment		<u>11,389</u>

TOTAL ASSETS \$ 948,724

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$	148,440
Accrued leave payable		25,077
Other current liabilities		<u>5,812</u>

TOTAL LIABILITIES 179,329

NET ASSETS

Unrestricted net assets:		
Current operation		473,593
Board designated for special purposes		127,208
Temporarily restricted net assets		113
CASE Project		<u>168,481</u>

TOTAL NET ASSETS 769,395

TOTAL LIABILITIES AND NET ASSETS \$ 948,724

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Two Months Ended August 31, 2011

	<u>Unrestricted</u>		<u>Temporarily Restricted</u>	<u>CASE Project</u>	<u>Total</u>
	<u>Current Operations</u>	<u>Board Designated</u>			
Revenue, Gains and Losses					
Membership dues	\$ 58,575	\$ 3,360	\$ -	\$ -	\$ 61,935
Convention registration	-	-	-	-	-
Sponsorship and awards	-	-	-	-	-
Merchandise sales	1,609	-	-	-	1,609
Contributions	-	-	65	-	65
Management fees	-	-	-	-	-
Net realized and unrealized gains (losses) on securities	(47,536)	-	-	-	(47,536)
Interest and dividends	383	-	-	-	383
FFA Foundation projects	931	-	-	-	931
CASE Program income	-	-	-	154,647	154,647
Other income	58,917	-	-	-	58,917
	<u>72,879</u>	<u>3,360</u>	<u>65</u>	<u>154,647</u>	<u>230,951</u>
Total Revenue, Gains and Losses					
Net Assets Released from Restrictions	-	-	-	-	-
	<u>72,879</u>	<u>3,360</u>	<u>65</u>	<u>154,647</u>	<u>230,951</u>
Total Revenue, Gains and Losses and Reclassifications					
	<u>72,879</u>	<u>3,360</u>	<u>65</u>	<u>154,647</u>	<u>230,951</u>
Expenses					
General expenses	169,608	-	-	-	169,608
FFA Foundation projects	2,031	-	-	-	2,031
CASE Program expenses	-	-	-	137,920	137,920
Convention expenses	285	-	-	-	285
	<u>171,924</u>	<u>-</u>	<u>-</u>	<u>137,920</u>	<u>309,844</u>
Total expenses					
	<u>171,924</u>	<u>-</u>	<u>-</u>	<u>137,920</u>	<u>309,844</u>
INCREASE (DECREASE) IN NET ASSETS	(99,045)	3,360	65	16,727	(78,893)
NET ASSETS AT BEGINNING OF PERIOD	<u>572,638</u>	<u>123,848</u>	<u>48</u>	<u>151,754</u>	<u>848,288</u>
NET ASSETS AT END OF PERIOD	<u>\$ 473,593</u>	<u>\$ 127,208</u>	<u>\$ 113</u>	<u>\$ 168,481</u>	<u>\$ 769,395</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Two Months Ended August 31, 2011

	MONTH ACTUAL	MONTH BUDGET	MONTH VARIANCE	YEAR TO DATE ACTUAL	YEAR BUDGET	YEAR VARIANCE
REVENUE						
Member dues	\$ 54,325	\$ 32,164	\$ 22,161	\$ 61,185	\$ 385,970	\$ (324,785)
Corporate membership dues	750	2,563	(1,813)	750	30,750	(30,000)
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	156	500	(344)	160	6,000	(5,840)
Net realized and unrealized gains (losses) on securities	(35,712)	2,583	(38,295)	(47,536)	31,000	(78,536)
Merchandise sales	5	708	(703)	1,609	8,500	(6,891)
Investment income, Life Fund	132	250	(118)	223	3,000	(2,777)
Contributions, Legislative Fund	65	-	65	65	-	65
Miscellaneous income	-	250	(250)	1,950	3,000	(1,050)
National Teach Ag Campaign	9,799	-	9,799	9,799	-	9,799
Teacher crisis fund	658	-	658	758	-	758
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	34,765	-	34,765	40,785	-	40,785
Hurricane relief	-	-	-	500	-	500
Council MMM management fee	5,000	-	5,000	5,000	-	5,000
FFA Foundation project - TTTK	-	4,625	(4,625)	-	55,500	(55,500)
FFA Foundation project - OPAP	256	997	(741)	256	11,965	(11,709)
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	-	-	-	675	-	675
FFA Foundation internet café	-	-	-	-	-	-
FFA Foundation Pfizer classroom	-	-	-	-	-	-
FFA Foundation Regional Grants Revenue	-	-	-	-	-	-
CASE program net income	57,464	-	57,464	16,727	10,000	6,727
Convention net income	(160)	6,880	(7,040)	(160)	75,560	(75,720)
TOTAL REVENUE	127,503	61,317	66,186	92,746	742,980	(650,234)
EXPENSES						
Salaries	23,574	23,303	271	46,767	279,630	(232,863)
Taxes and benefits	5,310	5,773	(463)	11,479	69,271	(57,792)
Computer service	-	542	(542)	425	6,500	(6,075)
Telephone	-	417	(417)	106	5,000	(4,894)
Accounting	475	1,058	(583)	950	12,700	(11,750)
Depreciation	190	583	(393)	379	7,000	(6,621)
Rent	-	625	(625)	-	7,500	(7,500)
Insurance	453	500	(47)	907	6,000	(5,093)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	14	583	(569)	89	7,000	(6,911)
Bank charges and investment fees	-	8	(8)	-	100	(100)
Printing, general	-	417	(417)	323	5,000	(4,677)
Staff training	-	83	(83)	-	1,000	(1,000)
Taxes and licenses	-	5	(5)	-	60	(60)
Membership and contributions	(155)	1,250	(1,405)	7,845	15,000	(7,155)
Travel, staff	14	2,500	(2,486)	530	30,000	(29,470)
Promotion and marketing	5,580	2,167	3,413	5,580	26,000	(20,420)
Merchandise and diaries	1,058	833	225	1,162	10,000	(8,838)
Photocopying	46	8	38	46	100	(54)
Postage, general	397	500	(103)	621	6,000	(5,379)
Professional liability insurance	37,270	3,118	34,152	37,270	37,415	(145)
Public relations	-	42	(42)	-	500	(500)
Scholarships	11,250	938	10,312	11,250	11,250	-
Travel, regional secretaries	-	1,042	(1,042)	-	12,500	(12,500)
Travel, board of directors	4,446	2,917	1,529	9,134	35,000	(25,866)
Nat'l Teach Ag Campaign	99	-	99	9,761	-	9,761
FFA Foundation project - TTTK	-	4,625	(4,625)	-	55,500	(55,500)
FFA Foundation project - OPAP	256	997	(741)	256	11,965	(11,709)
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	1,100	-	1,100	1,100	-	1,100
FFA Foundation teacher workshop	-	-	-	675	-	675
FFA Foundation internet café	-	-	-	-	-	-
FFA Foundation Pfizer Classroom	-	-	-	-	-	-
FFA Foundation Regional Grants	-	-	-	-	-	-

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Two Months Ended August 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	7,016	-	7,016	15,184	-	15,184
GMAC SmartEdge program	-	-	-	-	-	-
NPS expense	-	667	(667)	-	8,000	(8,000)
Webinar expense	99	292	(193)	99	3,500	(3,401)
Teacher crisis fund	-	-	-	-	-	-
Communities of practice expense	9,701	667	9,034	9,701	8,000	1,701
Substitute teacher hire behinds	-	333	(333)	-	4,000	(4,000)
NSTA dues	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
TOTAL EXPENSES	<u>108,193</u>	<u>59,765</u>	<u>48,428</u>	<u>171,639</u>	<u>721,326</u>	<u>(549,687)</u>
NET INCOME (LOSS)	<u>\$ 19,310</u>	<u>\$ 1,552</u>	<u>\$ 17,758</u>	<u>\$ (78,893)</u>	<u>\$ 21,654</u>	<u>\$ (100,547)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Two Months Ended August 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	\$ -	\$ 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	125	-	125	125	-	125
Convention, sponsorships	-	4,500	(4,500)	-	54,000	(54,000)
TOTAL REVENUE	<u>125</u>	<u>15,875</u>	<u>(15,750)</u>	<u>125</u>	<u>192,500</u>	<u>(192,375)</u>
EXPENSES						
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	285	-	285	285	9,000	(8,715)
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	-	-	-	-	-	-
TOTAL EXPENSES	<u>285</u>	<u>8,995</u>	<u>(8,710)</u>	<u>285</u>	<u>116,940</u>	<u>(116,655)</u>
NET INCOME (LOSS)	<u>\$ (160)</u>	<u>\$ 6,880</u>	<u>\$ (7,040)</u>	<u>\$ (160)</u>	<u>\$ 75,560</u>	<u>\$ (75,720)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses

For the One and Two Months Ended August 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>
REVENUE						
CI fees	\$ 78,119	\$ -	\$ 78,119	\$ 83,369	\$ -	\$ 83,369
Vendor - Vernier	63,276	-	63,276	63,276	-	63,276
Vendor - NewByte	-	-	-	-	-	-
Field test fees	-	-	-	-	-	-
New Jersey	-	-	-	-	-	-
Assesments - ASP	-	-	-	-	-	-
Assesments - ASA	-	-	-	-	-	-
Interest	-	-	-	2	-	2
FFA Foundation	8,000	-	8,000	8,000	-	8,000
TOTAL REVENUE	<u>149,395</u>	<u>-</u>	<u>149,395</u>	<u>154,647</u>	<u>-</u>	<u>154,647</u>
EXPENSES						
Legal and professional	-	-	-	-	-	-
Travel	813	-	813	2,794	-	2,794
Travel - staff	1,132	-	1,132	1,766	-	1,766
Contract labor	16,417	-	16,417	32,833	-	32,833
Supplies	5	-	5	5	-	5
Promotion	-	-	-	-	-	-
Printing	-	-	-	-	-	-
Postage	8	-	8	8	-	8
Telecommunications	-	-	-	-	-	-
Rutgers	-	-	-	1,369	-	1,369
Vernier	55,547	-	55,547	72,830	-	72,830
NewByte	-	-	-	411	-	411
Carthage	500	-	500	1,385	-	1,385
Carthage contract labor	17,500	-	17,500	24,500	-	24,500
Field test	-	-	-	-	-	-
Field test contract labor	-	-	-	-	-	-
Assesmnets	-	-	-	-	-	-
Depreciation	9	-	9	19	-	19
Equipment	-	-	-	-	-	-
TOTAL EXPENSES	<u>91,931</u>	<u>-</u>	<u>91,931</u>	<u>137,920</u>	<u>-</u>	<u>137,920</u>
NET INCOME (LOSS)	<u>\$ 57,464</u>	<u>\$ -</u>	<u>\$ 57,464</u>	<u>\$ 16,727</u>	<u>\$ -</u>	<u>\$ 16,727</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT