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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 September 30, 2011 and the related statement of activities for the one and three 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 19, 2011

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

September 30, 2011

ASSETS

Cash on deposit	\$	30,439
Cash on deposit - CASE Program		535
Investments - operating fund		367,657
Investments - life membership fund		136,414
Investments - reserve fund		106,520
Accounts receivable		290,283
Prepaid expenses		6,857
Property and equipment - CASE		1,092
Property and equipment		<u>11,567</u>

TOTAL ASSETS \$ 951,364

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$	191,714
Accrued leave payable		25,077
Other current liabilities		<u>7,219</u>

TOTAL LIABILITIES 224,010

NET ASSETS

Unrestricted net assets:		
Current operation		428,763
Board designated for special purposes		127,328
Temporarily restricted net assets		212
CASE Project		<u>171,051</u>

TOTAL NET ASSETS 727,354

TOTAL LIABILITIES AND NET ASSETS \$ 951,364

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Three Months Ended September 30, 2011

	Unrestricted				
	Current Operations	Board Designated	Temporarily Restricted	CASE Project	Total
Revenue, Gains and Losses					
Membership dues	\$ 106,450	\$ 3,480	\$ -	\$ -	\$ 109,930
Convention registration	-	-	-	-	-
Sponsorship and awards	-	-	-	-	-
Merchandise sales	1,712	-	-	-	1,712
Contributions	-	-	164	-	164
Management fees	-	-	-	-	-
Net realized and unrealized gains (losses) on securities	(97,870)	-	-	-	(97,870)
Interest and dividends	1,172	-	-	-	1,172
FFA Foundation projects	26,251	-	-	-	26,251
CASE Program income	-	-	-	212,878	212,878
Other income	69,532	-	-	-	69,532
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue, Gains and Losses	107,247	3,480	164	212,878	323,769
Net Assets Released from Restrictions	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-	-
Total Revenue, Gains and Losses and Reclassifications	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	107,247	3,480	164	212,878	323,769
Expenses					
General expenses	221,021	-	-	-	221,021
FFA Foundation projects	21,279	-	-	-	21,279
CASE Program expenses	-	-	-	193,581	193,581
Convention expenses	8,822	-	-	-	8,822
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	251,122	-	-	193,581	444,703
INCREASE (DECREASE) IN NET ASSETS	(143,875)	3,480	164	19,297	(120,934)
NET ASSETS AT BEGINNING OF PERIOD	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	572,638	123,848	48	151,754	848,288
NET ASSETS AT END OF PERIOD	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 428,763	\$ 127,328	\$ 212	\$ 171,051	\$ 727,354

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Three Months Ended September 30, 2011

	MONTH <u>ACTUAL</u>	MONTH <u>BUDGET</u>	MONTH <u>SVARIANCE</u>	YEAR TO DATE <u>ACTUAL</u>	YEAR <u>BUDGET</u>	YEAR <u>SVARIANCE</u>
REVENUE						
Member dues	\$ 47,245	\$ 32,164	\$ 15,081	\$ 108,430	\$ 385,970	\$ (277,540)
Corporate membership dues	750	2,563	(1,813)	1,500	30,750	(29,250)
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	606	500	106	766	6,000	(5,234)
Net realized and unrealized gains (losses) on securities	(50,335)	2,583	(52,918)	(97,870)	31,000	(128,870)
Merchandise sales	103	708	(605)	1,712	8,500	(6,788)
Investment income, Life Fund	184	250	(66)	406	3,000	(2,594)
Contributions, Legislative Fund	99	-	99	164	-	164
Miscellaneous income	-	250	(250)	1,950	3,000	(1,050)
National Teach Ag Campaign	-	-	-	9,799	-	9,799
Teacher crisis fund	-	-	-	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	10,490	-	10,490	51,275	-	51,275
Hurricane relief	-	-	-	500	-	500
Council MMM management fee	-	-	-	5,000	-	5,000
FFA Foundation project - TTTK	15,612	4,625	10,987	15,612	55,500	(39,888)
FFA Foundation project - OPAP	1,103	997	106	1,360	11,965	(10,605)
FFA Foundation project - OMSP	2,730	946	1,784	2,730	11,350	(8,620)
FFA Foundation project - OT	2,641	997	1,644	2,641	11,965	(9,324)
FFA Foundation project - OYM	2,663	946	1,717	2,663	11,350	(8,687)
FFA Foundation project - Greenhouse	-	-	-	-	-	-
FFA Foundation project - LAA	570	-	570	570	4,170	(3,600)
FFA Foundation teacher workshop	-	-	-	675	-	675
FFA Foundation internet café	-	-	-	-	-	-
FFA Foundation Pfizer classroom	-	-	-	-	-	-
FFA Foundation Regional Grants Revenue	-	-	-	-	-	-
CASE program net income	2,571	-	2,571	19,297	10,000	9,297
Convention net income	(8,412)	6,880	(15,292)	(8,572)	75,560	(84,132)
TOTAL REVENUE	28,620	61,317	(33,267)	121,366	742,980	(621,614)
EXPENSES						
Salaries	25,990	23,303	2,687	72,757	279,630	(206,873)
Taxes and benefits	6,679	5,773	906	18,157	69,271	(51,114)
Computer service	990	542	448	1,415	6,500	(5,085)
Telephone	416	417	(1)	522	5,000	(4,478)
Accounting	475	1,058	(583)	1,425	12,700	(11,275)
Depreciation	193	583	(390)	572	7,000	(6,428)
Rent	-	625	(625)	-	7,500	(7,500)
Insurance	453	500	(47)	1,360	6,000	(4,640)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	689	583	106	781	7,000	(6,219)
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	295	1,250	(955)	8,140	15,000	(6,860)
Travel, staff	2,151	2,500	(349)	2,680	30,000	(27,320)
Promotion and marketing	-	2,167	(2,167)	5,580	26,000	(20,420)
Merchandise and diaries	41	833	(792)	1,202	10,000	(8,798)
Photocopying	13	8	5	59	100	(41)
Postage, general	327	500	(173)	948	6,000	(5,052)
Professional liability insurance	-	3,118	(3,118)	37,270	37,415	(145)
Public relations	-	42	(42)	-	500	(500)
Scholarships	-	938	(938)	11,250	11,250	-
Travel, regional secretaries	2,208	1,042	1,166	2,208	12,500	(10,292)
Travel, board of directors	556	2,917	(2,361)	9,690	35,000	(25,310)
Nat'l Teach Ag Campaign	2,581	-	2,581	12,342	-	12,342
FFA Foundation project - TTTK	9,690	4,625	5,065	9,690	55,500	(45,810)
FFA Foundation project - OPAP	855	997	(142)	1,111	11,965	(10,854)
FFA Foundation project - OMSP	1,710	946	764	1,710	11,350	(9,640)
FFA Foundation project - OT	1,710	997	713	1,710	11,965	(10,255)
FFA Foundation project - OYM	1,710	946	764	1,710	11,350	(9,640)
FFA Foundation project - Greenhouse	-	-	-	-	-	-
FFA Foundation project - LAA	570	-	570	570	4,170	(3,600)
FFA Foundation project - Smart Edge	-	-	-	1,100	-	1,100
FFA Foundation teacher workshop	2,565	-	2,565	3,240	-	3,240
FFA Foundation internet café	-	-	-	-	-	-
FFA Pfizer Classroom	438	-	438	438	-	438
FFA Foundation Regional Grants	-	-	-	-	-	-

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Three Months Ended September 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>
DuPont Agriscience	6,207	-	6,207	21,391	-	21,391
GMAC SmartEdge program	-	-	-	-	-	-
NPS expense	-	667	(667)	-	8,000	(8,000)
Webinar expense	99	292	(193)	198	3,500	(3,302)
Teacher crisis fund	-	-	-	-	-	-
Communities of practice expense	1,050	667	383	10,751	8,000	2,751
Substitute teacher hire behinds	-	333	(333)	-	4,000	(4,000)
NSTA dues	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
TOTAL EXPENSES	<u>70,661</u>	<u>59,765</u>	<u>10,896</u>	<u>242,300</u>	<u>721,326</u>	<u>(479,026)</u>
NET INCOME (LOSS)	<u>\$ (42,041)</u>	<u>\$ 1,552</u>	<u>\$ (44,163)</u>	<u>\$ (120,934)</u>	<u>\$ 21,654</u>	<u>\$ (142,588)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Three Months Ended September 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	\$ -	\$ 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	250	-	250
Convention, sponsorships	-	4,500	(4,500)	-	54,000	(54,000)
TOTAL REVENUE	<u>125</u>	<u>15,875</u>	<u>(15,750)</u>	<u>250</u>	<u>192,500</u>	<u>(192,250)</u>
EXPENSES						
Convention, plaques and trophies	65	167	(102)	65	2,000	(1,935)
Convention, printing	-	167	(167)	-	2,000	(2,000)
Convention, miscellaneous	-	83	(83)	-	1,000	(1,000)
Convention, awards	2,565	-	2,565	2,850	9,000	(6,150)
Convention, photography	-	-	-	-	-	-
Conventions, meal functions	-	2,500	(2,500)	-	30,000	(30,000)
Convention, promotion and marketing	1,587	83	1,504	1,587	1,000	587
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	2,895	1,000	1,895	2,895	12,000	(9,105)
Convention, staff travel	1,425	833	592	1,425	10,000	(8,575)
Convention, other travel	-	-	-	-	-	-
TOTAL EXPENSES	<u>8,537</u>	<u>8,995</u>	<u>(458)</u>	<u>8,822</u>	<u>116,940</u>	<u>(108,118)</u>
NET INCOME (LOSS)	<u>\$ (8,412)</u>	<u>\$ 6,880</u>	<u>\$ (15,292)</u>	<u>\$ (8,572)</u>	<u>\$ 75,560</u>	<u>\$ (84,132)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses

For the One and Three Months Ended September 30, 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	\$ (22,327)	\$ -	\$ (22,327)	\$ 61,042	\$ -	\$ 61,042
Vendor - Vernier	79,364	-	79,364	142,640	-	142,640
Vendor - NewByte	1,194	-	1,194	1,194	-	1,194
Field test fees	-	-	-	-	-	-
New Jersey	-	-	-	-	-	-
Assesments - ASP	-	-	-	-	-	-
Assesments - ASA	-	-	-	-	-	-
Interest	-	-	-	2	-	2
FFA Foundation	-	-	-	8,000	-	8,000
TOTAL REVENUE	<u>58,231</u>	<u>-</u>	<u>58,231</u>	<u>212,878</u>	<u>-</u>	<u>212,878</u>
EXPENSES						
Legal and professional	420	-	420	420	-	420
Travel	570	-	570	3,364	-	3,364
Travel - staff	6,403	-	6,403	8,170	-	8,170
Contract labor	16,417	-	16,417	49,250	-	49,250
Supplies	-	-	-	5	-	5
Promotion	100	-	100	100	-	100
Printing	494	-	494	494	-	494
Postage	-	-	-	8	-	8
Telecommunications	39	-	39	39	-	39
Rutgers	-	-	-	1,369	-	1,369
Vernier	20,698	-	20,698	93,528	-	93,528
NewByte	-	-	-	411	-	411
Carthage	-	-	-	1,385	-	1,385
Carthage contract labor	10,500	-	10,500	35,000	-	35,000
Field test	-	-	-	-	-	-
Field test contract labor	-	-	-	-	-	-
Assesmnets	-	-	-	-	-	-
Bank charges	10	-	10	10	-	10
Depreciation	9	-	9	28	-	28
Equipment	-	-	-	-	-	-
TOTAL EXPENSES	<u>55,660</u>	<u>-</u>	<u>55,660</u>	<u>193,581</u>	<u>-</u>	<u>193,581</u>
NET INCOME (LOSS)	<u>\$ 2,571</u>	<u>\$ -</u>	<u>\$ 2,571</u>	<u>\$ 19,297</u>	<u>\$ -</u>	<u>\$ 19,297</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT