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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 March 31, 2011 and the related statements of activities for the nine 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

April 18, 2011

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

March 31, 2011

ASSETS

Cash on deposit	\$ 132,987
Cash on deposit - CASE Program	50,496
Investments - operating fund	425,707
Investments - life membership fund	159,470
Investments - reserve fund	105,944
Accounts receivable	57,116
Prepaid expenses	18,386
Property and equipment	<u>12,810</u>

TOTAL ASSETS \$ 962,916

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 15,761
Accrued leave payable	21,314
Other current liabilities	<u>8,380</u>

TOTAL LIABILITIES 45,455

NET ASSETS

Unrestricted net assets:	
Current operation	636,195
Board designated for special purposes	122,408
Temporarily restricted net assets	1,909
CASE Project	<u>156,949</u>

TOTAL NET ASSETS 917,461

TOTAL LIABILITIES AND NET ASSETS \$ 962,916

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Nine Months Ended March 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	\$ 346,535	\$ 3,600	\$ -	\$ -	\$ 350,135
Convention registration	99,693	-	-	-	99,693
Sponsorship and awards	54,214	-	-	-	54,214
Merchandise sales	5,449	-	-	-	5,449
Contributions	-	-	49	-	49
Management fees	57,657	-	-	-	57,657
Net realized and unrealized gains (losses) on securities	109,336	-	-	-	109,336
Interest and dividends	8,677	-	-	-	8,677
FFA Foundation projects	67,115	-	-	-	67,115
CASE Program income	-	-	-	285,586	285,586
Other income	97,897	-	-	-	97,897
	<u>846,573</u>	<u>3,600</u>	<u>49</u>	<u>285,586</u>	<u>1,135,808</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>846,573</u>	<u>3,600</u>	<u>49</u>	<u>285,586</u>	<u>1,135,808</u>
Expenses					
General expenses	497,022	-	-	-	497,022
FFA Foundation projects	64,264	-	-	-	64,264
CASE Program expenses	-	-	-	439,842	-
Convention expenses	120,158	-	-	-	120,158
	<u>681,444</u>	<u>-</u>	<u>-</u>	<u>439,842</u>	<u>681,444</u>
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	165,129	3,600	49	(154,256)	14,522
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>\$ 636,195</u>	<u>\$ 122,408</u>	<u>\$ 1,909</u>	<u>\$ 156,949</u>	<u>\$ 917,461</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Nine Months Ended March 31, 2011

	MONTH ACTUAL	MONTH BUDGET	MONTH \$VARIANCE	YEAR TO DATE ACTUAL	YEAR BUDGET	YEAR \$VARIANCE
REVENUE						
Member dues	\$ 19,715	\$ 32,438	\$ (12,723)	\$ 329,635	\$ 389,250	\$ (59,615)
Corporate membership dues	750	2,375	-	20,500	28,500	(8,000)
NSTA Dues	-	-	(1,625)	832	-	832
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Foundation management fees	-	2,417	(2,417)	57,657	29,000	28,657
MBNA affinity credit card program	-	-	-	-	-	-
Toyota vehicle lease management fee	-	-	-	-	-	-
Interest and dividends	961	500	461	5,763	6,000	(237)
Net realized and unrealized gains (losses) on securities	3,052	1,250	1,802	109,336	15,000	94,336
Merchandise sales	1,297	708	589	5,449	8,500	(3,051)
Investment income, Life Fund	173	125	48	2,914	1,500	1,414
Contributions, Legislative Fund	-	-	-	49	-	49
Miscellaneous income	-	-	-	6,000	-	6,000
National Teach Ag Campaign	9,000	-	9,000	32,754	-	32,754
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	5,000	-	5,000	20,856	-	20,856
FFA Foundation project - TTTK	-	4,025	(4,025)	39,157	48,300	(9,143)
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	(14,238)	-	(14,238)	(154,256)	-	(154,256)
Convention net income	(427)	4,767	(5,194)	69,472	50,209	19,263
TOTAL REVENUE	25,283	58,512	(33,229)	575,808	695,139	(119,331)
EXPENSES						
Salaries	29,397	21,666	7,731	205,612	259,994	(54,382)
Taxes and benefits	6,322	5,546	776	48,507	66,551	(18,044)
Computer service	-	83	(83)	2,509	1,000	1,509
Telephone	350	333	17	3,415	4,000	(585)
Accounting	7,475	1,033	6,442	11,275	12,400	(1,125)
Depreciation	386	583	(197)	3,473	7,000	(3,527)
Rent	-	625	(625)	7,500	7,500	-
Insurance	(120)	500	(620)	4,449	6,000	(1,551)
Legal	-	83	(83)	1,744	1,000	744
Office Supplies	12	417	(405)	4,094	5,000	(906)
Bank charges and investment fees	-	8	(8)	-	100	(100)
Printing, general	271	417	(146)	3,018	5,000	(1,982)
Staff training	-	83	(83)	24	1,000	(976)
Taxes and licenses	30	5	25	82	60	22
Membership and contributions	-	1,250	(1,250)	19,157	15,000	4,157
Travel, staff	1,190	1,856	(666)	11,690	22,275	(10,585)
Promotion and marketing	-	2,083	(2,083)	7,707	25,000	(17,293)
Merchandise and diaries	686	833	(147)	3,231	10,000	(6,769)
Photocopying	-	8	(8)	210	100	110
Postage, general	345	333	12	4,723	4,000	723
Professional liability insurance	-	3,093	(3,093)	37,415	37,110	305
Public relations	-	42	(42)	50	500	(450)
Scholarships	-	938	(938)	12,000	11,250	750
Travel, regional secretaries	-	833	(833)	5,638	10,000	(4,362)
Travel, board of directors	2,476	2,917	(441)	17,526	35,000	(17,474)
Nat'l Teach Ag Campaign	10,702	-	10,702	39,593	-	39,593
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	-	946	(946)	5,552	11,350	(5,798)
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 Nine Months Ended March 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	5,026	-	5,026	20,880	-	20,880
GMAC SmartEdge program	-	833	(833)	-	10,000	(10,000)
NPS expense	338	667	(329)	7,378	8,000	(622)
Webinar expense	-	292	(292)	792	3,500	(2,708)
Teacher crisis fund	500	-	500	3,000	8,000	(5,000)
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>65,386</u>	<u>55,883</u>	<u>9,503</u>	<u>561,286</u>	<u>678,620</u>	<u>(118,881)</u>
NET INCOME (LOSS)	<u>\$ (40,103)</u>	<u>\$ 2,629</u>	<u>\$ (42,732)</u>	<u>\$ 14,522</u>	<u>\$ 16,519</u>	<u>\$ (450)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Nine Months Ended March 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	427	245	182	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>427</u>	<u>6,370</u>	<u>(5,943)</u>	<u>120,158</u>	<u>85,440</u>	<u>34,718</u>
NET INCOME (LOSS)	<u>\$ (427)</u>	<u>\$ 4,767</u>	<u>\$ (5,194)</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 Nine Months Ended March 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	\$ -	\$ -	\$ -	\$ 73,973	\$ -	\$ 73,973
Vendor - Vernier	-	-	-	172,191	-	172,191
Vendor - NewByte	-	-	-	2,328	-	2,328
Field test fees	1,600	-	1,600	4,200	-	4,200
New Jersey	-	-	-	31,822	-	31,822
Assesments - ASP	126	-	126	126	-	126
Interest	17	-	17	496	-	496
FFA Foundation	-	-	-	450	-	450
TOTAL REVENUE	<u>1,743</u>	<u>-</u>	<u>1,743</u>	<u>285,586</u>	<u>-</u>	<u>285,586</u>
EXPENSES						
Legal and professional	-	-	-	3,404	-	3,404
Travel	-	-	-	25,519	-	25,519
Travel - staff	148	-	148	17,070	-	17,070
Contract labor	15,833	-	15,833	126,667	-	126,667
Supplies	-	-	-	1,160	-	1,160
Promotion	-	-	-	3,197	-	3,197
Printing	-	-	-	-	-	-
Postage	-	-	-	949	-	949
Telecommunications	-	-	-	67	-	67
Vernier	-	-	-	158,714	-	158,714
NewByte	-	-	-	818	-	818
Carthage	-	-	-	1,362	-	1,362
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
Equipment	-	-	-	299	-	299
TOTAL EXPENSES	<u>15,981</u>	<u>-</u>	<u>15,981</u>	<u>439,842</u>	<u>-</u>	<u>439,842</u>
NET INCOME (LOSS)	<u>\$ (14,238)</u>	<u>\$ -</u>	<u>\$ (14,238)</u>	<u>\$ (154,256)</u>	<u>\$ -</u>	<u>\$ (154,256)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT