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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, 2013 and the related statement 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 24, 2013

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

March 31, 2013

ASSETS

Cash on deposit	\$ 69,283
Investments - operating fund	473,883
Investments - life membership fund	170,441
Investments - reserve fund	86,420
Accounts receivable	118,689
Prepaid expenses	30,010
Property and equipment - CASE	921
Property and equipment	<u>11,996</u>

TOTAL ASSETS \$ 961,643

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 79,954
Accrued leave payable	26,290
Other current liabilities	<u>4,931</u>

TOTAL LIABILITIES 111,175

NET ASSETS

Unrestricted net assets:	
Current operation	636,756
Board designated for special purposes	157,411
Temporarily restricted net assets	1,357
CASE Project	<u>54,944</u>

TOTAL NET ASSETS 850,468

TOTAL LIABILITIES AND NET ASSETS \$ 961,643

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Nine Months Ended March 31, 2013

	<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	\$ 373,770	\$ 4,080	\$ -	\$ -	\$ 377,850
Convention registration	94,847	-	-	-	94,847
Sponsorship and awards	17,700	-	-	-	17,700
Merchandise sales	3,782	-	-	-	3,782
Contributions	-	-	605	-	605
Management fees	71,175	-	-	-	71,175
Net realized and unrealized					
gains (losses) on securities	74,982	-	-	-	74,982
Interest and dividends	2,513	-	-	-	2,513
FFA Foundation projects	119,734	-	-	-	119,734
CASE Program income	-	-	-	688,884	688,884
Other income	214,481	-	-	-	214,481
	<u>972,984</u>	<u>4,080</u>	<u>605</u>	<u>688,884</u>	<u>1,666,553</u>
Total Revenue, Gains and Losses	972,984	4,080	605	688,884	1,666,553
Net Assets Released from Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue, Gains and Losses and Reclassifications	<u>972,984</u>	<u>4,080</u>	<u>605</u>	<u>688,884</u>	<u>1,666,553</u>
Expenses					
General expenses	657,284	-	-	-	657,284
FFA Foundation projects	117,261	-	-	-	117,261
CASE Program expenses	-	-	-	716,466	716,466
Convention expenses	113,962	-	-	-	113,962
	<u>888,507</u>	<u>-</u>	<u>-</u>	<u>716,466</u>	<u>1,604,973</u>
Total expenses	888,507	-	-	716,466	1,604,973
INCREASE (DECREASE) IN NET ASSETS	84,477	4,080	605	(27,582)	61,580
NET ASSETS AT BEGINNING OF PERIOD	<u>552,279</u>	<u>153,331</u>	<u>752</u>	<u>82,526</u>	<u>788,888</u>
NET ASSETS AT END OF PERIOD	<u>\$ 636,756</u>	<u>\$ 157,411</u>	<u>\$ 1,357</u>	<u>\$ 54,944</u>	<u>\$ 850,468</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, 2013

	<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											
Member dues	\$ 19,410		\$ 32,194		\$ (12,784)		\$ 360,600		\$ 386,325		\$ (25,725)
Corporate membership dues	-		2,375		(2,375)		17,250		28,500		(11,250)
NSTA Dues	-		-		-		-		-		-
Delmar scholarships	-		625		(625)		-		7,500		(7,500)
Foundation management fees	(1,000)		7,500		(8,500)		71,175		90,000		(18,825)
MBNA affinity credit card program	-		-		-		-		-		-
Toyota vehicle lease management fee	-		-		-		-		-		-
Interest and dividends	2		833		(831)		1,934		10,000		(8,066)
Net realized and unrealized											
gains (losses) on securities	12,316		2,583		9,733		74,982		31,000		43,982
Merchandise sales	-		708		(708)		3,782		8,500		(4,718)
Investment income, Life Fund	-		333		(333)		579		4,000		(3,421)
Contributions, Legislative Fund	-		-		-		605		-		605
Miscellaneous income	-		500		(500)		272		6,000		(5,728)
Scholarship raffle proceeds	-		167		(167)		-		2,000		(2,000)
National Teach Ag Campaign	-		-		-		59,134		90,000		(30,866)
Teacher crisis fund	-		-		-		4,590		-		4,590
BFRDP Grant	-		-		-		-		-		-
AEM business manager stipend	-		333		(333)		-		4,000		(4,000)
GMAC SmartEdge program	-		-		-		-		-		-
Webinar revenue	-		-		-		-		-		-
DuPont Agriscience	31		-		31		103,652		-		103,652
NPS	-		-		-		-		-		-
State website development	-		-		-		800		-		800
Hurricane relief	-		-		-		-		-		-
CASE management fee	-		-		-		-		20,000		(20,000)
Council MMM management fee	-		-		-		-		5,000		(5,000)
FFA Foundation project - TTTK	-		3,875		(3,875)		44,683		46,500		(1,817)
FFA Foundation project - OPAP	-		1,000		(1,000)		9,718		12,000		(2,282)
FFA Foundation project - OMSP	-		1,000		(1,000)		8,491		12,000		(3,509)
FFA Foundation project - OT	-		917		(917)		10,050		11,000		(950)
FFA Foundation project - OYM	-		917		(917)		9,685		11,000		(1,315)
FFA Foundation project - Lifetime Achievement	-		208		(208)		1,994		2,500		(506)
FFA Foundation project - Outstanding Service Citation	-		205		(205)		1,176		2,460		(1,284)
FFA Foundation teacher workshop	-		958		(958)		1,094		11,500		(10,406)
FFA Foundation internet café	-		500		(500)		11,085		6,000		5,085
FFA Foundation Pfizer classroom	-		833		(833)		4,243		10,000		(5,757)
FFA Foundation Regional Grants Revenue	-		1,500		(1,500)		-		18,000		(18,000)
FFA Foundation Agriscience Teacher	-		1,562		(1,562)		17,515		18,740		(1,225)
FFA Foundation NATAA/NAII	-		10,000		(10,000)		-		120,000		(120,000)
CASE program net income	(10,299)		-		(10,299)		(27,582)		-		(27,582)
Convention net income	-		4,463		(4,463)		44,618		44,560		58
TOTAL REVENUE	20,460		76,089		(55,629)		836,125		1,019,085		(182,960)
EXPENSES											
Salaries	26,085		24,792		1,293		237,956		297,506		(59,550)
Taxes and benefits	5,558		6,501		(943)		55,979		78,011		(22,032)
Computer service	-		542		(542)		4,193		6,500		(2,307)
Telephone	230		417		(187)		2,226		5,000		(2,774)
Accounting	500		1,104		(604)		12,000		13,250		(1,250)
Depreciation	261		583		(322)		2,351		7,000		(4,649)
Rent	-		625		(625)		-		7,500		(7,500)
Insurance	2,493		500		1,993		6,134		6,000		134
Legal	-		83		(83)		840		1,000		(160)
Office Supplies	27		583		(556)		6,772		7,000		(228)
Bank charges and investment fees	-		8		(8)		4,661		100		4,561
Printing, general	-		333		(333)		2,802		4,000		(1,198)
Staff training	-		42		(42)		-		500		(500)
Taxes and licenses	-		8		(8)		20		100		(80)
Membership and contributions	-		1,667		(1,667)		14,056		20,000		(5,944)
Travel, staff	741		2,083		(1,342)		18,522		25,000		(6,478)
Promotion and marketing	-		1,000		(1,000)		12,212		12,000		212
Merchandise and diaries	-		500		(500)		7,064		6,000		1,064
Photocopying	-		8		(8)		-		100		(100)
Postage, general	415		500		(85)		2,811		6,000		(3,189)
Professional liability insurance	-		3,111		(3,111)		36,610		37,335		(725)
Public relations	-		50		(50)		852		600		252
Scholarships	-		938		(938)		10,500		11,250		(750)
Travel, regional secretaries	-		917		(917)		12,052		11,000		1,052

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Nine Months Ended March 31, 2013

	<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>
Travel, board of directors	3,526	3,333	193	20,134	40,000	(19,866)
Nat'l Teach Ag Campaign	10,744	7,500	3,244	76,228	90,000	(13,772)
FFA Foundation project - TTTK	-	3,875	(3,875)	43,763	46,500	(2,737)
FFA Foundation project - OPAP	-	1,000	(1,000)	8,968	12,000	(3,032)
FFA Foundation project - OMSP	-	1,000	(1,000)	10,464	12,000	(1,536)
FFA Foundation project - OT	-	917	(917)	9,300	11,000	(1,700)
FFA Foundation project - OYM	-	917	(917)	7,860	11,000	(3,140)
FFA Foundation project - Lifetime achievement	-	208	(208)	1,793	2,500	(707)
FFA Foundation project - Outstanding service citation	-	205	(205)	1,176	2,460	(1,284)
FFA Foundation project - Smart Edge	-	-	-	-	-	-
FFA Foundation teacher workshop	-	958	(958)	1,094	11,500	(10,406)
FFA Foundation internet café	-	500	(500)	11,085	6,000	5,085
FFA Foundation Pfizer Classroom	-	833	(833)	4,243	10,000	(5,757)
FFA Foundation Regional Grants	-	1,500	(1,500)	-	18,000	(18,000)
FFA Foundation Agriscience Teachers	-	1,562	(1,562)	17,515	18,740	(1,225)
FFA Foundation NATAA/NAII	-	10,000	(10,000)	-	120,000	(120,000)
DuPont Agriscience	-	-	-	81,720	-	81,720
GMAC SmartEdge program	-	-	-	-	-	-
NPS expense	-	667	(667)	-	8,000	(8,000)
Webinar expense	-	100	(100)	594	1,200	(606)
Teacher crisis fund	-	-	-	3,500	-	3,500
Communities of practice expense	-	917	(917)	13,096	11,000	2,096
Substitute teacher hire behinds	-	250	(250)	-	3,000	(3,000)
NSTA dues	-	-	-	-	-	-
Bad debts	-	-	-	-	-	-
NATAA stipends	-	-	-	7,375	-	7,375
BFRDP expense	-	-	-	5,000	-	5,000
Miscellaneous	(1,332)	-	(1,332)	(976)	-	(976)
TOTAL EXPENSES	49,248	83,137	(33,889)	774,545	997,652	(223,107)
NET INCOME (LOSS)	\$ (28,788)	\$ (7,048)	\$ (21,740)	\$ 61,580	\$ 21,433	\$ 40,147

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Nine Months Ended March 31, 2013

	<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	\$ -	\$ 7,083	\$ (7,083)	\$ 94,847	\$ 85,000	\$ 9,847
Convention, tickets/workshops	-	-	-	-	-	-
Convention, trade show	-	-	-	600	-	600
Convention - Ideas Unlimited	-	-	-	-	-	-
Convention - Teacher Mentor	-	-	-	-	-	-
Convention scholarship fund	-	-	-	1,357	-	1,357
Convention, sponsorships - FFA Foundation	-	4,167	(4,167)	41,856	50,000	(8,144)
Convention, host state social	-	-	-	2,220	-	2,220
Convention, sponsorships	-	1,667	(1,667)	17,700	20,000	(2,300)
TOTAL REVENUE	<u>-</u>	<u>12,917</u>	<u>(12,917)</u>	<u>158,580</u>	<u>155,000</u>	<u>3,580</u>
EXPENSES						
Convention, plaques and trophies	-	167	(167)	1,101	2,000	(899)
Convention, printing	-	-	-	1,687	-	1,687
Convention, miscellaneous	-	83	(83)	184	1,000	(816)
Convention, awards	-	-	-	8,994	9,000	(6)
Convention, photography	-	-	-	-	-	-
Convention, meal functions	-	417	(417)	11,714	5,000	6,714
Convention, promotion and marketing	-	208	(208)	834	2,500	(1,666)
Convention, postage and shipping	-	125	(125)	-	1,500	(1,500)
Convention, equipment rental	-	1,250	(1,250)	17,508	15,000	2,508
Convention, workshops	-	-	-	-	-	-
Convention, host state social	-	-	-	2,220	-	2,220
Convention, speakers	-	-	-	-	-	-
Convention, trade show expense	-	-	-	-	-	-
Convention, tour expenses	-	-	-	-	-	-
Convention, committee expense	-	245	(245)	1,868	2,940	(1,072)
Convention, sponsorships - FFA Foundation	-	4,167	(4,167)	44,856	50,000	(5,144)
Convention, travel/board of directors	-	1,167	(1,167)	11,072	14,000	(2,928)
Convention, staff travel	-	625	(625)	11,924	7,500	4,424
Convention, other travel	-	-	-	-	-	-
TOTAL EXPENSES	<u>-</u>	<u>8,454</u>	<u>(8,454)</u>	<u>113,962</u>	<u>110,440</u>	<u>3,522</u>
NET INCOME (LOSS)	<u>\$ -</u>	<u>\$ 4,463</u>	<u>\$ (4,463)</u>	<u>\$ 44,618</u>	<u>\$ 44,560</u>	<u>\$ 58</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, 2013

	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	\$ -	\$ -	\$ -	\$ 120,076	\$ -	\$ 120,076
Vendor - Vernier	22,044	-	22,044	376,873	-	376,873
Vendor - NewByte	-	-	-	9,470	-	9,470
Field test fees	23,000	-	23,000	42,400	-	42,400
New Jersey	-	-	-	-	-	-
NRES	678	-	678	50,229	-	50,229
APB	-	-	-	89,034	-	89,034
Assesments - ASP	-	-	-	702	-	702
Assesments - ASA	-	-	-	-	-	-
Replacement CD	-	-	-	100	-	100
Interest	-	-	-	-	-	-
FFA Foundation	-	-	-	-	-	-
TOTAL REVENUE	45,722	-	45,722	688,884	-	688,884
EXPENSES						
Legal and professional	-	-	-	145	-	145
Travel	420	-	420	12,171	-	12,171
Travel - staff	-	-	-	14,993	-	14,993
Salary	4,063	-	4,063	31,189	-	31,189
Taxes and benefits	879	-	-	2,636	-	-
Contract labor	16,859	-	16,859	151,733	-	151,733
Supplies	-	-	-	258	-	258
Promotion	-	-	-	3,739	-	3,739
Printing	-	-	-	241	-	241
Postage	-	-	-	198	-	198
Telecommunications	-	-	-	23	-	23
Rutgers	-	-	-	-	-	-
Vernier	19,419	-	19,419	331,659	-	331,659
NewByte	-	-	-	5,917	-	5,917
Carthage	-	-	-	-	-	-
Carthage contract labor	-	-	-	83,775	-	83,775
Field test	-	-	-	-	-	-
Field test contract labor	-	-	-	-	-	-
NRES	14,372	-	14,372	48,809	-	48,809
APB	-	-	-	26,506	-	26,506
Assesments	-	-	-	2,389	-	2,389
Bank charges	-	-	-	-	-	-
Depreciation	9	-	9	85	-	85
Equipment	-	-	-	-	-	-
TOTAL EXPENSES	56,021	-	55,142	716,466	-	713,830
NET INCOME (LOSS)	\$ (10,299)	\$ -	\$ (9,420)	\$ (27,582)	\$ -	\$ (24,946)

SEE ACCOMPANYING ACCOUNTANT'S REPORT