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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 the National Association of Agricultural Educators, Inc. as of December 31, 2009, the related statement of activities for the six months then ended, and the accompanying supplementary information contained in the Schedule of Actual vs. Budgeted Amounts and Convention Revenue and Expenses, which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. I have not audited or reviewed the accompanying financial statements and supplementary schedules and accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures and the statement of functional expenses and cash flows required by generally accepted accounting principles. If the omitted disclosures and statements of functional expenses and 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*

January 18, 2010

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

December 31, 2009

ASSETS	
Cash on deposit	\$ 78,482
Investments - operating fund	318,884
Investments - life membership fund	80,076
Investments - legislative fund	368
Accounts receivable	198,378
Prepaid expenses	12,549
Property and equipment	<u>9,074</u>
 TOTAL ASSETS	 <u>\$ 697,811</u>
 LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts payable	\$ 43,998
Accrued leave payable	18,459
Other current liabilities	<u>6,433</u>
 TOTAL LIABILITIES	 <u>68,890</u>
 NET ASSETS	
Unrestricted net assets:	
Current operation	508,913
Board designated for special purposes	118,148
Temporarily restricted net assets	<u>1,860</u>
 TOTAL NET ASSETS	 <u>628,921</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 697,811</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Six Months Ended December 31, 2009

	Unrestricted			
	Current Operations	Board Designated	Temporarily Restricted	Total
Revenue, Gains and Losses				
Membership dues	\$ 320,689	\$ 1,080	\$ -	\$ 321,769
Convention registration	69,241	-	-	69,241
Sponsorship and awards	24,950	-	-	24,950
Merchandise sales	4,884	-	-	4,884
Contributions	-	-	700	700
Management fees	-	-	-	-
Net realized and unrealized gains (losses) on securities	(57,193)	-	-	(57,193)
Interest and dividends	997	-	-	997
FFA Foundation projects	119,511	-	-	119,511
Other income	79,972	-	-	79,972
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue, Gains and Losses	563,051	1,080	700	564,831
Net Assets Released from Restrictions	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue, Gains and Losses and Reclassifications	<hr/>	<hr/>	<hr/>	<hr/>
	563,051	1,080	700	564,831
Expenses				
General expenses	304,174	-	-	304,174
FFA Foundation projects	99,134	-	-	99,134
Convention expenses	90,605	-	-	90,605
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	493,913	-	-	493,913
INCREASE (DECREASE) IN NET ASSETS	69,138	1,080	700	70,918
NET ASSETS AT BEGINNING OF PERIOD	<hr/>	<hr/>	<hr/>	<hr/>
	439,775	117,068	1,160	558,003
NET ASSETS AT END OF PERIOD	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 508,913	\$ 118,148	\$ 1,860	\$ 628,921

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.  
Schedule of Actual vs. Budget  
For the Six Months Ended December 31, 2009

	MONTH ACTUAL	MONTH BUDGET	MONTH \$VARIANCE	YEAR TO DATE ACTUAL	YEAR BUDGET	YEAR \$VARIANCE
REVENUE	\$ 80,169	\$ 32,322	\$ 47,847	\$ 306,519	\$ 387,860	\$ (81,341)
Member dues				15,250	32,250	(17,000)
Corporate membership dues	5,250	2,688	2,562	-	7,500	(2,500)
Delmar scholarships	-	625	(625)	-	-	-
Foundation management fees	-	-	-	290	700	(410)
MBNA affinity credit card program	150	58	92	-	-	-
Toyota vehicle lease management fee	-	-	-	892	6,000	(5,108)
Interest and dividends	16	500	(484)	-	-	-
Net realized and unrealized gains (losses) on securities	-	-	-	(57,193)	-	(57,193)
Merchandise sales	16	708	(692)	4,884	8,500	(3,616)
Investment income, Life Fund	-	125	(125)	105	1,500	(1,395)
Contributions, Legislative Fund	-	-	-	700	-	700
Miscellaneous income	-	167	(167)	3,000	2,000	1,000
National Teach Ag Campaign	9,511	-	9,511	21,606	-	21,606
Teacher crisis fund	250	-	250	571	-	571
Risk management education	-	1,000	(1,000)	14,376	12,000	2,376
Webinar revenue	4,100	2,083	2,017	4,100	25,000	(20,900)
FFA Foundation project - TTTK	23,217	4,658	18,559	56,300	55,900	400
FFA Foundation project - OPAP	7,942	1,075	6,867	11,404	12,900	(1,496)
FFA Foundation project - OMSP	7,493	1,250	6,243	10,879	15,000	(4,121)
FFA Foundation project - OT	6,782	1,075	5,707	10,465	12,900	(2,435)
FFA Foundation project - OYM	6,240	1,075	5,165	9,963	12,900	(2,937)
FFA Foundation project - Greenhouse	20,500	-	20,500	20,500	-	20,500
Convention net income	4,507	4,563	(56)	39,615	44,750	(5,135)
<b>TOTAL REVENUE</b>	<b>176,143</b>	<b>53,972</b>	<b>122,171</b>	<b>474,226</b>	<b>637,660</b>	<b>(163,434)</b>
EXPENSES						
Salaries	21,853	18,914	2,939	124,477	226,962	(102,485)
Taxes and benefits	5,674	4,654	1,020	29,103	55,843	(26,740)
Computer service	100	125	(25)	100	1,500	(1,400)
Telephone	593	333	260	2,464	4,000	(1,536)
Accounting	450	1,000	(550)	2,700	12,000	(9,300)
Depreciation	549	583	(34)	3,297	7,000	(3,703)
Rent	-	625	(625)	7,500	7,500	-
Insurance	807	500	307	2,829	6,000	(3,171)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	302	417	(115)	3,676	5,000	(1,324)
Bank charges and investment fees	-	8	(8)	162	100	62
Printing, general	693	458	235	748	5,500	(4,752)
Staff training	-	83	(83)	-	1,000	(1,000)
Taxes and licenses	-	5	(5)	-	60	(60)
Membership and contributions	75	1,000	(925)	8,789	12,000	(3,211)
Travel, staff	1,394	1,856	(462)	16,286	22,275	(5,989)
Promotion and marketing	742	2,083	(1,341)	14,950	25,000	(10,050)
Merchandise and diaries	-	833	(833)	1,373	10,000	(8,627)
Photocopying	-	8	(8)	-	100	(100)
Postage, general	655	333	322	2,587	4,000	(1,413)
Professional liability insurance	-	3,075	(3,075)	-	36,905	(36,905)
Public relations	153	42	111	153	500	(347)
Scholarships	-	625	(625)	11,250	7,500	3,750
Travel, regional secretaries	-	713	(713)	10,382	8,550	1,832
Travel, board of directors	6,430	3,083	(3,083)	12,633	37,000	(24,367)
Nat'l Teach Ag Campaign	3,153	-	3,153	23,106	-	23,106
FFA Foundation project - TTTK	24,053	4,658	19,395	61,336	55,900	5,436
FFA Foundation project - OPAP	5,800	1,075	4,725	9,847	12,900	(3,053)
FFA Foundation project - OMSP	5,780	1,250	4,530	9,401	15,000	(5,599)
FFA Foundation project - OT	5,693	1,075	4,618	9,612	12,900	(3,288)
FFA Foundation project - OYM	4,979	1,075	3,904	8,938	12,900	(3,962)
FFA Foundation project - Greenhouse	12,000	-	12,000	18,000	-	18,000
NPS expense	-	667	(667)	-	8,000	(8,000)
Webinar expense	198	583	(385)	693	7,000	(6,307)
Teacher crisis fund	-	-	-	500	-	500
Communities of practice expense	-	333	(333)	6,416	4,000	2,416
Miscellaneous	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>102,126</b>	<b>52,155</b>	<b>49,971</b>	<b>403,308</b>	<b>625,895</b>	<b>(222,587)</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 74,017</b>	<b>\$ 1,817</b>	<b>\$ 72,200</b>	<b>\$ 70,918</b>	<b>\$ 11,765</b>	<b>\$ 59,153</b>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Convention Revenue and Expenses

For the Six Months Ended December 31, 2009

	<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>
<b>REVENUE</b>						
Convention, registration	\$ (1,710)	\$ 6,396	\$ (8,106)	\$ 69,241	\$ 76,750	\$ (7,509)
Convention, tickets/workshops	-	-	-	-	-	-
Convention, trade show	600	-	600	1,500	-	1,500
Convention - Ideas Unlimited	-	-	-	5,000	-	5,000
Convention - Teacher Mentor	-	-	-	4,250	-	4,250
Convention scholarship fund	-	-	-	1,667	-	1,667
Convention, sponsorships - FFA Foundation	15,040	2,083	12,957	15,040	25,000	(9,960)
Convention, host state social	-	-	-	8,572	-	8,572
Convention, sponsorships	18,250	2,000	16,250	24,950	24,000	950
<b>TOTAL REVENUE</b>	<b>32,180</b>	<b>10,479</b>	<b>21,701</b>	<b>130,220</b>	<b>125,750</b>	<b>4,470</b>
<b>EXPENSES</b>						
Convention, plaques and trophies	100	208	(108)	1,467	2,500	(1,033)
Convention, printing	-	125	(125)	3,416	1,500	1,916
Conventions, miscellaneous	1,500	-	1,500	1,475	-	1,475
Convention, awards	-	-	-	8,365	10,000	(1,635)
Convention, photography	28	-	28	28	-	28
Conventions, meal functions	(19,388)	1,000	(20,388)	10,612	12,000	(1,388)
Convention, promotion and marketing	516	125	391	516	1,500	(984)
Convention, postage and shipping	161	167	(6)	583	2,000	(1,417)
Convention, equipment rental	8,616	500	8,116	8,616	6,000	2,616
Convention, workshops	-	-	-	-	-	-
Convention, host state social	-	-	-	8,572	-	8,572
Convention, speakers	-	-	-	-	-	-
Convention, trade show expense	-	-	-	-	-	-
Convention, tour expenses	-	-	-	-	-	-
Convention, committee expense	-	125	(125)	2,527	1,500	1,027
Convention, sponsorships - FFA Foundation	20,903	2,083	18,820	20,903	25,000	(4,097)
Convention, travel/board of directors	10,910	917	9,993	14,844	11,000	3,844
Convention, staff travel	4,327	583	3,744	8,681	7,000	1,681
Convention, other travel	-	83	(83)	-	1,000	(1,000)
<b>TOTAL EXPENSES</b>	<b>27,673</b>	<b>5,916</b>	<b>21,757</b>	<b>90,605</b>	<b>81,000</b>	<b>9,605</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 4,507</b>	<b>\$ 4,563</b>	<b>\$ (56)</b>	<b>\$ 39,615</b>	<b>\$ 44,750</b>	<b>\$ (5,135)</b>

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