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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 February 28, 2010, the related statement of activities for the eight 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

March 16, 2010

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Statement of Financial Position
February 28, 2010

ASSETS	
Cash on deposit	\$ 142,968
Investments - operating fund	332,907
Investments - life membership fund	88,693
Investments - legislative fund	368
Investments - reserve fund	103,229
Accounts receivable	64,456
Prepaid expenses	4,154
Property and equipment	<u>8,692</u>
 TOTAL ASSETS	 <u>\$ 745,467</u>
 LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts payable	\$ 20,873
Accrued leave payable	18,459
Other current liabilities	<u>6,610</u>
 TOTAL LIABILITIES	 <u>45,942</u>
 NET ASSETS	
Unrestricted net assets:	
Current operation	579,517
Board designated for special purposes	118,148
Temporarily restricted net assets	<u>1,860</u>
 TOTAL NET ASSETS	 <u>699,525</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 745,467</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Eight Months Ended February 28, 2010

	<u>Unrestricted</u>			
	<u>Current</u>	<u>Board</u>	<u>Temporarily</u>	
	<u>Operations</u>	<u>Designated</u>	<u>Restricted</u>	<u>Total</u>
Revenue, Gains and Losses				
Membership dues	\$ 363,714	\$ 1,080	\$ -	\$ 364,794
Convention registration	83,699	-	-	83,699
Sponsorship and awards	24,950	-	-	24,950
Merchandise sales	6,262	-	-	6,262
Contributions	-	-	700	700
Management fees	-	-	-	-
Net realized and unrealized	-	-	-	-
gains (losses) on securities	65,064	-	-	65,064
Interest and dividends	5,062	-	-	5,062
FFA Foundation projects	119,511	-	-	119,511
Other income	89,197	-	-	89,197
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue, Gains and Losses	757,459	1,080	700	759,239
Net Assets Released from Restrictions	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue, Gains and Losses and Reclassifications	757,459	1,080	700	759,239
	<hr/>	<hr/>	<hr/>	<hr/>
Expenses				
General expenses	418,968	-	-	418,968
FFA Foundation projects	107,649	-	-	107,649
Convention expenses	91,100	-	-	91,100
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	617,717	-	-	617,717
	<hr/>	<hr/>	<hr/>	<hr/>
INCREASE (DECREASE) IN NET ASSETS	139,742	1,080	700	141,522
NET ASSETS AT BEGINNING OF PERIOD	<hr/>	<hr/>	<hr/>	<hr/>
	439,775	117,068	1,160	558,003
	<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS AT END OF PERIOD	\$ 579,517	\$ 118,148	\$ 1,860	\$ 699,525

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Actual vs. Budget
For the Eight Months Ended February 28, 2010

	MONTH ACTUAL	MONTH BUDGET	MONTH \$VARIANCE	YEAR TO DATE ACTUAL	YEAR BUDGET	YEAR \$VARIANCE
REVENUE						
Member dues	\$ 21,275	\$ 32,322	\$ (11,047)	\$ 348,794	\$ 387,860	\$ (39,066)
Corporate membership dues	-	2,688	(2,688)	16,000	32,250	(16,250)
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Foundation management fees	-	-	-	-	-	-
MBNA affinity credit card program	-	58	(58)	290	700	(410)
Toyota vehicle lease management fee	-	-	-	-	-	-
Interest and dividends	15	500	(485)	4,206	6,000	(1,794)
Net realized and unrealized gains (losses) on securities	9,921	-	9,921	65,064	-	65,064
Merchandise sales	1,220	708	512	6,262	8,500	(2,238)
Investment income, Life Fund	49	125	(76)	856	1,500	(644)
Contributions, Legislative Fund	-	-	-	700	-	700
Miscellaneous income	-	167	(167)	3,000	2,000	1,000
National Teach Ag Campaign	7,625	-	7,625	30,731	-	30,731
Teacher crisis fund	-	-	-	671	-	671
Risk management education	-	1,000	(1,000)	14,376	12,000	2,376
Webinar revenue	-	2,083	(2,083)	4,100	25,000	(20,900)
FFA Foundation project - TTTK	-	4,658	(4,658)	56,300	55,900	400
FFA Foundation project - OPAP	-	1,075	(1,075)	11,404	12,900	(1,496)
FFA Foundation project - OMSP	-	1,250	(1,250)	10,879	15,000	(4,121)
FFA Foundation project - OT	-	1,075	(1,075)	10,465	12,900	(2,435)
FFA Foundation project - OYM	-	1,075	(1,075)	9,963	12,900	(2,937)
FFA Foundation project - Greenhouse	-	-	-	20,500	-	20,500
Convention net income	(676)	4,563	(5,239)	53,578	44,750	8,828
TOTAL REVENUE	39,429	53,972	(14,543)	668,139	637,660	30,479
EXPENSES						
Salaries	18,855	18,914	(59)	158,368	226,962	(68,594)
Taxes and benefits	4,388	4,654	(266)	37,722	55,843	(18,121)
Computer service	-	125	(125)	198	1,500	(1,302)
Telephone	307	333	(26)	3,000	4,000	(1,000)
Accounting	7,450	1,000	6,450	10,600	12,000	(1,400)
Depreciation	564	583	(19)	4,411	7,000	(2,589)
Rent	-	625	(625)	7,500	7,500	-
Insurance	464	500	(36)	3,531	6,000	(2,469)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	675	417	258	4,368	5,000	(632)
Bank charges and investment fees	-	8	(8)	593	100	493
Printing, general	-	458	(458)	748	5,500	(4,752)
Staff training	-	83	(83)	-	1,000	(1,000)
Taxes and licenses	10	5	5	10	60	(50)
Membership and contributions	40	1,000	(960)	10,226	12,000	(1,774)
Travel, staff	2,248	1,856	392	18,535	22,275	(3,740)
Promotion and marketing	-	2,083	(2,083)	19,283	25,000	(5,717)
Merchandise and diaries	-	833	(833)	1,373	10,000	(8,627)
Photocopying	-	8	(8)	-	100	(100)
Postage, general	731	333	398	3,582	4,000	(418)
Professional liability insurance	37,125	3,075	34,050	37,125	36,905	220
Public relations	-	42	(42)	153	500	(347)
Scholarships	-	625	(625)	11,250	7,500	3,750
Travel, regional secretaries	140	713	(573)	10,523	8,550	1,973
Travel, board of directors	4,305	3,083	1,222	17,280	37,000	(19,720)
Nat'l Teach Ag Campaign	8,275	-	8,275	32,881	-	32,881
FFA Foundation project - TTTK	-	4,658	(4,658)	69,851	55,900	13,951
FFA Foundation project - OPAP	-	1,075	(1,075)	9,847	12,900	(3,053)
FFA Foundation project - OMSP	-	1,250	(1,250)	9,401	15,000	(5,599)
FFA Foundation project - OT	-	1,075	(1,075)	9,612	12,900	(3,288)
FFA Foundation project - OYM	-	1,075	(1,075)	8,938	12,900	(3,962)
FFA Foundation project - Greenhouse	-	-	-	18,000	-	18,000
NPS expense	-	667	(667)	-	8,000	(8,000)
Webinar expense	99	583	(484)	792	7,000	(6,208)
Teacher crisis fund	-	-	-	500	-	500
Communities of practice expense	-	333	(333)	6,416	4,000	2,416
Miscellaneous	-	-	-	-	-	-
TOTAL EXPENSES	85,676	52,155	33,521	526,617	625,895	(99,278)
NET INCOME (LOSS)	\$ (46,247)	\$ 1,817	\$ (48,064)	\$ 141,522	\$ 11,765	\$ 129,757

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Convention Revenue and Expenses

For the Eight Months Ended February 28, 2010

	<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	\$ (285)	\$ 6,396	\$ (6,681)	\$ 83,699	\$ 76,750	\$ 6,949
Convention, tickets/workshops	-	-	-	-	-	-
Convention, trade show	-	-	-	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	-	2,083	(2,083)	15,040	25,000	(9,960)
Convention, host state social	-	-	-	8,572	-	8,572
Convention, sponsorships	-	2,000	(2,000)	24,950	24,000	950
TOTAL REVENUE	(285)	10,479	(10,764)	144,678	125,750	18,928
EXPENSES						
Convention, plaques and trophies	-	208	(208)	1,467	2,500	(1,033)
Convention, printing	-	125	(125)	3,416	1,500	1,916
Conventions, miscellaneous	-	-	-	1,475	-	1,475
Convention, awards	-	-	-	8,365	10,000	(1,635)
Convention, photography	-	-	-	28	-	28
Conventions, meal functions	-	1,000	(1,000)	10,612	12,000	(1,388)
Convention, promotion and marketing	-	125	(125)	516	1,500	(984)
Convention, postage and shipping	-	167	(167)	583	2,000	(1,417)
Convention, equipment rental	-	500	(500)	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	-	2,083	(2,083)	20,903	25,000	(4,097)
Convention, travel/board of directors	391	917	(526)	15,234	11,000	4,234
Convention, staff travel	-	583	(583)	8,786	7,000	1,786
Convention, other travel	-	83	(83)	-	1,000	(1,000)
TOTAL EXPENSES	391	5,916	(5,525)	91,100	81,000	10,100
NET INCOME (LOSS)	\$ (676)	\$ 4,563	\$ (5,239)	\$ 53,578	\$ 44,750	\$ 8,828

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