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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 August 31, 2010, the related statement of activities for the two 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*

October 15, 2010

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

August 31, 2010

ASSETS

Cash on deposit	\$ 69,114
Cash on deposit - CASE Program	200,184
Investments - operating fund	342,595
Investments - life membership fund	111,773
Investments - legislative fund	369
Investments - reserve fund	103,984
Accounts receivable	46,156
Prepaid expenses	13,164
Property and equipment	<u>10,484</u>

TOTAL ASSETS \$ 897,823

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 103,068
Accrued leave payable	21,314
Other current liabilities	<u>6,192</u>

TOTAL LIABILITIES 130,574

NET ASSETS

Unrestricted net assets:	
Current operation	369,171
Board designated for special purposes	120,548
Temporarily restricted net assets	1,860
CASE Project	<u>275,670</u>

TOTAL NET ASSETS 767,249

TOTAL LIABILITIES AND NET ASSETS \$ 897,823

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Two Months Ended August 31, 2010

	<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	\$ 27,250	\$ 1,740	\$ -	\$ -	\$ 28,990
Convention registration	-	-	-	-	-
Sponsorship and awards	5,000	-	-	-	5,000
Merchandise sales	3,179	-	-	-	3,179
Contributions	-	-	-	-	-
Management fees	-	-	-	-	-
Net realized and unrealized					
gains (losses) on securities	11,520	-	-	-	11,520
Interest and dividends	383	-	-	-	383
FFA Foundation projects	-	-	-	-	-
Case Program income	-	-	-	51,000	51,000
Other income	1,064	-	-	-	1,064
	<u>48,396</u>	<u>1,740</u>	<u>-</u>	<u>51,000</u>	<u>101,136</u>
Total Revenue, Gains and Losses					
Net Assets Released from Restrictions	-	-	-	-	-
	<u>48,396</u>	<u>1,740</u>	<u>-</u>	<u>51,000</u>	<u>101,136</u>
Total Revenue, Gains and Losses and Reclassifications					
Expenses					
General expenses	148,743	-	-	-	148,743
FFA Foundation projects	918	-	-	-	918
CASE Program expenses	-	-	-	86,535	-
Convention expenses	630	-	-	-	630
	<u>150,291</u>	<u>-</u>	<u>-</u>	<u>86,535</u>	<u>150,291</u>
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	(101,895)	1,740	-	(35,535)	(135,690)
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>\$ 369,171</u>	<u>\$ 120,548</u>	<u>\$ 1,860</u>	<u>\$ 275,670</u>	<u>\$ 767,249</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget  
For the Two Months Ended August 31, 2010

	MONTH	MONTH	MONTH	YEAR TO DATE	YEAR	YEAR
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
<b>REVENUE</b>						
Member dues	\$ 22,065	\$ 32,438	\$ (10,373)	\$ 28,240	\$ 389,250	\$ (361,010)
Corporate membership dues	-	2,375	-	750	28,500	(27,750)
NSTA Dues	64	-	(2,375)	64	-	64
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Foundation management fees	-	2,417	(2,417)	-	29,000	(29,000)
MBNA affinity credit card program	-	-	-	-	-	-
Toyota vehicle lease management fee	-	-	-	-	-	-
Interest and dividends	145	500	(355)	219	6,000	(5,781)
Net realized and unrealized gains (losses) on securities	(15,144)	1,250	(16,394)	11,520	15,000	(3,480)
Merchandise sales	834	708	126	3,179	8,500	(5,321)
Investment income, Life Fund	88	125	(37)	164	1,500	(1,336)
Contributions, Legislative Fund	-	-	-	-	-	-
Miscellaneous income	-	250	(250)	-	3,000	(3,000)
National Teach Ag Campaign	-	-	-	-	-	-
Teacher crisis fund	1,000	-	1,000	1,000	-	1,000
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)
FFA Foundation project - TTTK	-	4,025	(4,025)	-	48,300	(48,300)
FFA Foundation project - OPAP	-	997	(997)	-	11,965	(11,965)
FFA Foundation project - OMSP	-	946	(946)	-	11,350	(11,350)
FFA Foundation project - OT	-	997	(997)	-	11,965	(11,965)
FFA Foundation project - OYM	-	946	(946)	-	11,350	(11,350)
FFA Foundation project - Greenhouse	-	-	-	-	-	-
CASE program net income	(20,074)	-	(20,074)	(35,535)	-	(35,535)
Convention net income	4,715	4,767	(52)	4,370	50,209	(45,839)
<b>TOTAL REVENUE</b>	<b>(6,307)</b>	<b>58,762</b>	<b>(65,133)</b>	<b>13,971</b>	<b>698,139</b>	<b>(684,168)</b>
<b>EXPENSES</b>						
Salaries	21,903	21,666	237	43,545	259,994	(216,449)
Taxes and benefits	5,505	5,546	(41)	11,578	66,551	(54,973)
Computer service	-	83	(83)	-	1,000	(1,000)
Telephone	334	333	1	668	4,000	(3,332)
Accounting	475	1,033	(558)	950	12,400	(11,450)
Depreciation	345	583	(238)	686	7,000	(6,314)
Rent	-	625	(625)	7,500	7,500	-
Insurance	191	500	(309)	364	6,000	(5,636)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	450	417	33	52	5,000	(4,948)
Bank charges and investment fees	-	8	(8)	-	100	(100)
Printing, general	-	417	(417)	614	5,000	(4,386)
Staff training	220	83	137	-	1,000	(1,000)
Taxes and licenses	27	5	22	27	60	(33)
Membership and contributions	684	1,250	(566)	8,595	15,000	(6,405)
Travel, staff	3,659	1,856	1,803	2,056	22,275	(20,219)
Promotion and marketing	(5,984)	2,083	(8,067)	4,816	25,000	(20,184)
Board operations	-	-	-	-	-	-
Merchandise and diaries	-	833	(833)	878	10,000	(9,122)
Photocopying	-	8	(8)	210	100	110
Postage, general	569	333	236	625	4,000	(3,375)
Professional liability insurance	37,415	3,093	34,322	37,415	37,110	305
Public relations	169	42	127	-	500	(500)
Scholarships	-	938	(938)	12,000	11,250	750
Travel, regional secretaries	-	833	(833)	-	10,000	(10,000)
Travel, board of directors	1,144	2,917	(1,773)	6,271	35,000	(28,729)
Nat'l Teach Ag Campaign	-	-	-	-	-	-
FFA Foundation project - TTTK	-	4,025	(4,025)	-	48,300	(48,300)
FFA Foundation project - OPAP	-	997	(997)	-	11,965	(11,965)
FFA Foundation project - OMSP	-	946	(946)	-	11,350	(11,350)
FFA Foundation project - OT	717	997	(280)	717	11,965	(11,248)
FFA Foundation project - OYM	201	946	(745)	201	11,350	(11,149)
FFA Foundation project - Greenhouse	-	-	-	-	-	-
FFA Foundation project - LAA	-	-	-	155	-	155
FFA Foundation project - Smart Edge	-	-	-	400	-	400
Lifetime achievement	-	279	(279)	-	3,350	(3,350)
GMAC SmartEdge program	-	833	(833)	-	10,000	(10,000)
Ag Ed opportunity fund	-	-	-	-	-	-
NPS expense	-	667	(667)	-	8,000	(8,000)
Webinar expense	99	292	(193)	99	3,500	(3,401)
Teacher crisis fund	-	-	-	-	8,000	(8,000)
Communities of practice expense	9,239	-	9,239	9,239	-	9,239
Substitute teacher hire behinds	-	333	(333)	-	4,000	(4,000)
Miscellaneous	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>77,362</b>	<b>55,883</b>	<b>21,479</b>	<b>149,661</b>	<b>678,620</b>	<b>(528,959)</b>
<b>NET INCOME (LOSS)</b>	<b>\$(83,669)</b>	<b>\$ 2,879</b>	<b>\$(86,612)</b>	<b>\$(135,690)</b>	<b>\$ 19,519</b>	<b>\$(155,209)</b>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.  
Schedule of Convention Revenue and Expenses  
For the Two Months Ended August 31, 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>
<b>REVENUE</b>						
Convention, registration	\$ -	\$ 6,975	\$ (6,975)	\$ -	\$ 83,699	\$ (83,699)
Convention, tickets/workshops	-	-	-	-	-	-
Convention, trade show	-	-	-	-	-	-
Convention - Ideas Unlimited	-	-	-	-	-	-
Convention - Teacher Mentor	-	-	-	-	-	-
Convention scholarship fund	-	-	-	-	2,000	(2,000)
Convention, sponsorships - FFA Foundation	-	2,083	(2,083)	-	25,000	(25,000)
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	5,000	2,079	2,921	5,000	24,950	(19,950)
<b>TOTAL REVENUE</b>	<u>5,000</u>	<u>11,137</u>	<u>(6,137)</u>	<u>5,000</u>	<u>135,649</u>	<u>(130,649)</u>
<b>EXPENSES</b>						
Convention, plaques and trophies	-	125	(125)	-	1,500	(1,500)
Convention, printing	-	167	(167)	-	2,000	(2,000)
Convention, miscellaneous	-	83	(83)	-	1,000	(1,000)
Convention, awards	285	-	285	630	9,000	(8,370)
Convention, photography	-	-	-	-	-	-
Conventions, meal functions	-	1,000	(1,000)	-	12,000	(12,000)
Convention, promotion and marketing	-	83	(83)	-	1,000	(1,000)
Convention, postage and shipping	-	167	(167)	-	2,000	(2,000)
Convention, equipment rental	-	667	(667)	-	8,000	(8,000)
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	-	2,083	(2,083)	-	25,000	(25,000)
Convention, travel/board of directors	-	1,000	(1,000)	-	12,000	(12,000)
Convention, staff travel	-	750	(750)	-	9,000	(9,000)
Convention, other travel	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<u>285</u>	<u>6,370</u>	<u>(6,085)</u>	<u>630</u>	<u>85,440</u>	<u>(84,810)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ 4,715</u>	<u>\$ 4,767</u>	<u>\$ (52)</u>	<u>\$ 4,370</u>	<u>\$ 50,209</u>	<u>\$ (45,839)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.  
Schedule of CASE Program Revenue and Expenses  
For the Two Months Ended August 31, 2010

	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>
<b>REVENUE</b>						
CI fees	\$ 1,600	\$ -	\$ 1,600	\$ 6,800	\$ -	\$ 6,800
Vendor - Vernier	36,269	-	36,269	41,017	-	41,017
Vendor - NewByte	399	-	399	399	-	399
Field test fees	2,600	-	2,600	2,600	-	2,600
New Jersey	-	-	-	-	-	-
Interest	119	-	119	184	-	184
FFA Foundation	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	<u>40,987</u>	<u>-</u>	<u>40,987</u>	<u>51,000</u>	<u>-</u>	<u>51,000</u>
<b>EXPENSES</b>						
Legal and professional	-	-	-	3,304	-	3,304
Travel	2,943	-	2,943	12,948	-	12,948
Travel - staff	2,221	-	2,221	2,221	-	2,221
Contract labor	15,833	-	15,833	15,833	-	15,833
Supplies	313	-	313	1,085	-	1,085
Promotion	-	-	-	-	-	-
Printing	-	-	-	-	-	-
Postage	205	-	205	651	-	651
Vernier	18,674	-	18,674	23,752	-	23,752
Carthage	10,831	-	10,831	18,646	-	18,646
Field test	9,742	-	9,742	7,796	-	7,796
Equipment	299	-	299	299	-	299
<b>TOTAL EXPENSES</b>	<u>61,061</u>	<u>-</u>	<u>61,061</u>	<u>86,535</u>	<u>-</u>	<u>86,535</u>
<b>NET INCOME (LOSS)</b>	<u>\$ (20,074)</u>	<u>\$ -</u>	<u>\$ (20,074)</u>	<u>\$ (35,535)</u>	<u>\$ -</u>	<u>\$ (35,535)</u>

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