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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 September 30, 2010, the related statement of activities for the three months then ended, and the accompanying supplementary information contained in the Schedule of Actual vs. Budgeted Amounts, Convention Revenue and Expenses and Case Program 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

September 30, 2010

ASSETS

Cash on deposit	\$ 17,617
Cash on deposit - CASE Program	140,287
Investments - operating fund	371,890
Investments - life membership fund	118,518
Investments - legislative fund	369
Investments - reserve fund	104,003
Accounts receivable	117,475
Prepaid expenses	12,811
Property and equipment	<u>13,768</u>

TOTAL ASSETS \$ 896,738

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 44,623
Accrued leave payable	21,314
Other current liabilities	<u>6,429</u>

TOTAL LIABILITIES 72,366

NET ASSETS

Unrestricted net assets:	
Current operation	432,491
Board designated for special purposes	120,548
Temporarily restricted net assets	1,909
CASE Project	<u>269,424</u>

TOTAL NET ASSETS 824,372

TOTAL LIABILITIES AND NET ASSETS \$ 896,738

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Three Months Ended September 30, 2010

	Unrestricted				
	Current <u>Operations</u>	Board <u>Designated</u>	Temporarily <u>Restricted</u>	CASE <u>Project</u>	<u>Total</u>
Revenue, Gains and Losses					
Membership dues	\$ 111,855	\$ 1,740	\$ -	\$ -	\$ 113,595
Convention registration	(200)	-	-	-	(200)
Sponsorship and awards	10,000	-	-	-	10,000
Merchandise sales	3,203	-	-	-	3,203
Contributions	-	-	49	-	49
Management fees	-	-	-	-	-
Net realized and unrealized gains (losses) on securities	46,911	-	-	-	46,911
Interest and dividends	1,055	-	-	-	1,055
FFA Foundation projects	13,002	-	-	-	13,002
CASE Program income	-	-	-	144,675	144,675
Other income	7,841	-	-	-	7,841
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue, Gains and Losses	193,667	1,740	49	144,675	340,131
Net Assets Released from Restrictions	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-	-
Total Revenue, Gains and Losses and Reclassifications	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	193,667	1,740	49	144,675	340,131
Expenses					
General expenses	204,226	-	-	-	204,226
FFA Foundation projects	20,617	-	-	-	20,617
Case Program expenses	-	-	-	186,456	-
Convention expenses	7,399	-	-	-	7,399
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	232,242	-	-	186,456	232,242
INCREASE (DECREASE) IN NET ASSETS	(38,575)	1,740	49	(41,781)	(78,567)
NET ASSETS AT BEGINNING OF PERIOD	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	471,066	118,808	1,860	311,205	902,939
NET ASSETS AT END OF PERIOD	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 432,491	\$ 120,548	\$ 1,909	\$ 269,424	\$ 824,372

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget
For the Three Months Ended September 30, 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>
REVENUE						
Member dues	\$ 81,355	\$ 32,438	\$ 48,917	\$ 109,595	\$ 389,250	\$ (279,655)
Corporate membership dues	3,250	2,375	-	4,000	28,500	(24,500)
NSTA Dues	192	-	875	256	-	256
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	554	500	54	772	6,000	(5,228)
Net realized and unrealized						
gains (losses) on securities	35,391	1,250	34,141	46,911	15,000	31,911
Merchandise sales	24	708	(684)	3,203	8,500	(5,297)
Investment income, Life Fund	119	125	(6)	283	1,500	(1,217)
Contributions, Legislative Fund	49	-	49	49	-	49
Miscellaneous income	-	250	(250)	-	3,000	(3,000)
National Teach Ag Campaign	-	-	-	-	-	-
Teacher crisis fund	-	-	-	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)
DuPont Agriscience	5,985	-	5,985	5,985	-	5,985
FFA Foundation project - TTTK	9,405	4,025	5,380	9,405	48,300	(38,895)
FFA Foundation project - OPAP	855	997	(142)	855	11,965	(11,110)
FFA Foundation project - OMSP	-	946	(946)	-	11,350	(11,350)
FFA Foundation project - OT	1,572	997	575	1,572	11,965	(10,393)
FFA Foundation project - OYM	1,170	946	224	1,170	11,350	(10,180)
FFA Foundation project - Greenhouse	-	-	-	-	-	-
CASE program net income	(6,244)	-	(6,244)	(41,781)	-	(41,781)
Convention net income	(1,369)	4,767	(6,136)	3,001	50,209	(47,208)
TOTAL REVENUE	132,308	58,762	73,554	146,276	698,139	(551,863)
EXPENSES						
Salaries	24,082	21,666	2,416	67,627	259,994	(192,367)
Taxes and benefits	5,694	5,546	148	17,271	66,551	(49,280)
Computer service	150	83	67	150	1,000	(850)
Telephone	547	333	214	1,215	4,000	(2,785)
Accounting	475	1,033	(558)	1,425	12,400	(10,975)
Depreciation	437	583	(146)	1,123	7,000	(5,877)
Rent	-	625	(625)	7,500	7,500	-
Insurance	352	500	(148)	716	6,000	(5,284)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	852	417	435	902	5,000	(4,098)
Bank charges and investment fees	-	8	(8)	-	100	(100)
Printing, general	859	417	442	1,473	5,000	(3,527)
Staff training	24	83	(59)	24	1,000	(976)
Taxes and licenses	-	5	(5)	27	60	(33)
Membership and contributions	195	1,250	(1,055)	8,790	15,000	(6,210)
Travel, staff	1,922	1,856	66	3,978	22,275	(18,297)
Promotion and marketing	1,433	2,083	(650)	6,249	25,000	(18,751)
Merchandise and diaries	-	833	(833)	878	10,000	(9,122)
Photocopying	-	8	(8)	210	100	110
Postage, general	653	333	320	1,278	4,000	(2,722)
Professional liability insurance	-	3,093	(3,093)	37,415	37,110	305
Public relations	-	42	(42)	-	500	(500)
Scholarships	-	938	(938)	12,000	11,250	750
Travel, regional secretaries	2,480	833	1,647	2,480	10,000	(7,520)
Travel, board of directors	5,268	2,917	2,351	11,539	35,000	(23,461)
Nat'l Teach Ag Campaign	823	-	823	823	-	823
FFA Foundation project - TTTK	12,617	4,025	8,592	12,617	48,300	(35,683)
FFA Foundation project - OPAP	1,429	997	432	1,429	11,965	(10,536)
FFA Foundation project - OMSP	1,880	946	934	1,880	11,350	(9,470)
FFA Foundation project - OT	2,040	997	1,043	2,757	11,965	(9,208)
FFA Foundation project - OYM	1,733	946	787	1,934	11,350	(9,416)
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)
DuPont Agriscience	8,857	-	8,857	8,857	-	8,857
GMAC SmartEdge program	-	833	(833)	-	10,000	(10,000)
NPS expense	-	667	(667)	-	8,000	(8,000)
Webinar expense	198	292	(94)	297	3,500	(3,203)
Teacher crisis fund	-	-	-	-	8,000	(8,000)
Communities of practice expense	-	-	-	9,239	-	9,239
Substitute teacher hire behinds	-	333	(333)	-	4,000	(4,000)
Miscellaneous	185	-	185	185	-	185
TOTAL EXPENSES	75,185	55,883	19,302	224,843	678,620	(453,777)
NET INCOME (LOSS)	\$ 57,123	\$ 2,879	\$ 54,052	\$ (78,567)	\$ 19,519	\$ (98,086)

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the Three Months Ended September 30, 2010

	MONTH ACTUAL	MONTH BUDGET	MONTH VARIANCE	YEAR TO DATE ACTUAL	YEAR BUDGET	YEAR VARIANCE
REVENUE						
Convention, registration	\$ (200)	\$ 6,975	\$ (7,175)	\$ (200)	\$ 83,699	\$ (83,899)
Convention, tickets/workshops	-	-	-	-	-	-
Convention, trade show	600	-	600	600	-	600
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	10,000	24,950	(14,950)
TOTAL REVENUE	5,400	11,137	(5,737)	10,400	135,649	(125,249)
EXPENSES						
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	2,280	-	2,280	2,910	9,000	(6,090)
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	3,064	1,000	2,064	3,064	12,000	(8,936)
Convention, staff travel	1,425	750	675	1,425	9,000	(7,575)
Convention, other travel	-	-	-	-	-	-
TOTAL EXPENSES	6,769	6,370	399	7,399	85,440	(78,041)
NET INCOME (LOSS)	\$ (1,369)	\$ 4,767	\$ (6,136)	\$ 3,001	\$ 50,209	\$ (47,208)

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of CASE Program Revenue and Expenses
For the Three Months Ended September 30, 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>
REVENUE						
CI fees	\$ -	\$ -	\$ -	\$ 6,800	\$ -	\$ 6,800
Vendor - Vernier	59,641	-	59,641	100,658	-	100,658
Vendor - NewByte	1,659	-	1,659	2,058	-	2,058
Field test fees	-	-	-	2,600	-	2,600
New Jersey	31,822	-	31,822	31,822	-	31,822
Interest	104	-	104	287	-	287
FFA Foundation	450	-	450	450	-	450
TOTAL REVENUE	<u>93,676</u>	<u>-</u>	<u>93,676</u>	<u>144,675</u>	<u>-</u>	<u>144,675</u>
EXPENSES						
Legal and professional	-	-	-	3,304	-	3,304
Travel	5,341	-	5,341	18,289	-	18,289
Travel - staff	4,529	-	4,529	6,750	-	6,750
Contract labor	15,833	-	15,833	31,667	-	31,667
Supplies	55	-	55	1,139	-	1,139
Promotion	-	-	-	-	-	-
Printing	-	-	-	-	-	-
Postage	84	-	84	735	-	735
Telecommunications	10	-	10	10	-	10
Vernier	37,841	-	37,841	61,594	-	61,594
NewByte	35	-	35	35	-	35
Carthage	18,234	-	18,234	36,880	-	36,880
Field test	17,958	-	17,958	25,754	-	25,754
Equipment	-	-	-	299	-	299
TOTAL EXPENSES	<u>99,920</u>	<u>-</u>	<u>99,920</u>	<u>186,456</u>	<u>-</u>	<u>186,456</u>
NET INCOME (LOSS)	<u>\$ (6,244)</u>	<u>\$ -</u>	<u>\$ (6,244)</u>	<u>\$ (41,781)</u>	<u>\$ -</u>	<u>\$ (41,781)</u>

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