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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 December 31, 2010 and the related statements of activities for the six 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

February 3, 2011

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

December 31, 2010

ASSETS

Cash on deposit	\$ 65,913
Cash on deposit - CASE Program	90,433
Investments - operating fund	405,388
Investments - life membership fund	126,838
Investments - legislative fund	369
Investments - reserve fund	105,211
Accounts receivable	214,723
Prepaid expenses	13,803
Property and equipment	<u>12,645</u>

TOTAL ASSETS \$ 1,035,323

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 56,718
Accrued leave payable	21,314
Other current liabilities	<u>7,159</u>

TOTAL LIABILITIES 85,191

NET ASSETS

Unrestricted net assets:	
Current operation	633,878
Board designated for special purposes	122,408
Temporarily restricted net assets	1,909
CASE Project	<u>191,937</u>

TOTAL NET ASSETS 950,132

TOTAL LIABILITIES AND NET ASSETS \$ 1,035,323

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Six Months Ended December 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	\$ 266,811	\$ 3,600	\$ -	\$ -	\$ 270,411
Convention registration	2,385	-	-	-	2,385
Sponsorship and awards	27,200	-	-	-	27,200
Merchandise sales	4,054	-	-	-	4,054
Contributions	-	-	49	-	49
Management fees	58,183	-	-	-	58,183
Net realized and unrealized					
gains (losses) on securities	83,633	-	-	-	83,633
Interest and dividends	7,371	-	-	-	7,371
FFA Foundation projects	61,332	-	-	-	61,332
Case Program income	-	-	-	257,661	257,661
Other income	75,587	-	-	-	75,587
	<u>586,556</u>	<u>3,600</u>	<u>49</u>	<u>257,661</u>	<u>847,866</u>
Total Revenue, Gains and Losses					
Net Assets Released from Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue, Gains and Losses and Reclassifications	<u>586,556</u>	<u>3,600</u>	<u>49</u>	<u>257,661</u>	<u>847,866</u>
Expenses					
General expenses	351,129	-	-	-	351,129
FFA Foundation projects	40,989	-	-	-	40,989
CASE Program expenses	-	-	-	376,929	-
Convention expenses	31,626	-	-	-	31,626
	<u>423,744</u>	<u>-</u>	<u>-</u>	<u>376,929</u>	<u>423,744</u>
Total expenses					
INCREASE (DECREASE) IN NET ASSETS	162,812	3,600	49	(119,268)	47,193
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>\$ 633,878</u>	<u>\$ 122,408</u>	<u>\$ 1,909</u>	<u>\$ 191,937</u>	<u>\$ 950,132</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Six Months Ended December 31, 2010

	MONTH ACTUAL	MONTH BUDGET	MONTH \$VARIANCE	YEAR TO DATE ACTUAL	YEAR BUDGET	YEAR \$VARIANCE
REVENUE						
Member dues	\$ 26,166	\$ 32,438	\$ (6,272)	\$ 257,411	\$ 389,250	\$ (131,839)
Corporate membership dues	5,250	2,375		13,000	28,500	(15,500)
NSTA Dues	192	-	2,875	768	-	768
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Foundation management fees	58,183	2,417	55,766	58,183	29,000	29,183
MBNA affinity credit card program	-	-	-	-	-	-
Toyota vehicle lease management fee	-	-	-	-	-	-
Interest and dividends	4,002	500	3,502	4,785	6,000	(1,215)
Net realized and unrealized gains (losses) on securities	25,210	1,250	23,960	83,633	15,000	68,633
Merchandise sales	519	708	(189)	4,054	8,500	(4,446)
Investment income, Life Fund	2,171	125	2,046	2,586	1,500	1,086
Contributions, Legislative Fund	-	-	-	49	-	49
Miscellaneous income	-	-	-	3,000	-	3,000
National Teach Ag Campaign	12,629	-	12,629	17,125	-	17,125
Teacher crisis fund	688	-	688	1,688	-	1,688
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	1,720	-	1,720	14,799	-	14,799
FFA Foundation project - TTTK	15,865	4,025	11,840	37,357	48,300	(10,943)
FFA Foundation project - OPAP	2,204	997	1,207	4,305	11,965	(7,660)
FFA Foundation project - OMSP	3,310	946	2,364	7,009	11,350	(4,341)
FFA Foundation project - OT	2,002	997	1,005	5,611	11,965	(6,354)
FFA Foundation project - OYM	2,076	946	1,130	5,952	11,350	(5,398)
FFA Foundation project - Greenhouse	-	-	-	-	-	-
FFA Foundation teacher workshop	1,308	-	1,308	1,098	-	1,098
FFA Foundation internet café	2,484	-	2,484	2,484	-	2,484
CASE program net income	(45,977)	-	(45,977)	(119,268)	-	(119,268)
Convention net income	29,935	4,767	25,168	33,682	50,209	(16,527)
TOTAL REVENUE	149,937	58,512	91,233	439,311	695,139	(255,828)
EXPENSES						
Salaries	30,105	21,666	8,439	140,891	259,994	(119,103)
Taxes and benefits	5,242	5,546	(304)	33,327	66,551	(33,224)
Computer service	475	83	392	1,450	1,000	450
Telephone	463	333	130	2,256	4,000	(1,744)
Accounting	475	1,033	(558)	2,850	12,400	(9,550)
Depreciation	374	583	(209)	2,246	7,000	(4,754)
Rent	-	625	(625)	7,500	7,500	-
Insurance	966	500	466	2,548	6,000	(3,452)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	1,173	417	756	3,268	5,000	(1,732)
Bank charges and investment fees	-	8	(8)	-	100	(100)
Printing, general	-	417	(417)	2,023	5,000	(2,977)
Staff training	-	83	(83)	24	1,000	(976)
Taxes and licenses	-	5	(5)	27	60	(33)
Membership and contributions	245	1,250	(1,005)	15,482	15,000	482
Travel, staff	2,695	1,856	839	6,299	22,275	(15,976)
Promotion and marketing	585	2,083	(1,498)	7,689	25,000	(17,311)
Merchandise and diaries	-	833	(833)	1,945	10,000	(8,055)
Photocopying	-	8	(8)	210	100	110
Postage, general	334	333	1	2,954	4,000	(1,046)
Professional liability insurance	-	3,093	(3,093)	37,415	37,110	305
Public relations	-	42	(42)	50	500	(450)
Scholarships	-	938	(938)	12,000	11,250	750
Travel, regional secretaries	745	833	(88)	4,096	10,000	(5,904)
Travel, board of directors	-	2,917	(2,917)	11,621	35,000	(23,379)
Nat'l Teach Ag Campaign	6,504	-	6,504	24,141	-	24,141
FFA Foundation project - TTTK	2,882	4,025	(1,143)	25,751	48,300	(22,549)
FFA Foundation project - OPAP	133	997	(864)	2,819	11,965	(9,146)
FFA Foundation project - OMSP	199	946	(747)	4,197	11,350	(7,153)
FFA Foundation project - OT	486	997	(511)	4,247	11,965	(7,718)
FFA Foundation project - OYM	199	946	(747)	3,975	11,350	(7,375)
FFA Foundation project - Greenhouse	-	-	-	-	-	-
FFA Foundation project - LAA	-	-	-	155	-	155
FFA Foundation project - Smart Edge	-	-	-	400	-	400
FFA Foundation teacher workshop	-	-	-	216	-	216
FFA Foundation internet café	2,484	-	2,484	2,484	-	2,484
FFA Teachers world	1,212	-	1,212	1,547	-	1,547

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Six Months Ended December 31, 2010

	<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>
Lifetime achievement		279	(279)	-	3,350	(3,350)
DuPont Agriscience	-	-	-	13,077	-	13,077
GMAC SmartEdge program	-	833	(833)	-	10,000	(10,000)
NPS expense	-	667	(667)	-	8,000	(8,000)
Webinar expense	99	292	(193)	495	3,500	(3,005)
Teacher crisis fund	500	-	500	500	8,000	(7,500)
Communities of practice expense	-	-	-	9,239	-	9,239
Substitute teacher hire behinds	-	333	(333)	-	4,000	(4,000)
NSTA dues	704	-	704	704	-	704
Miscellaneous	-	-	-	-	-	-
TOTAL EXPENSES	<u>59,279</u>	<u>55,883</u>	<u>3,396</u>	<u>392,118</u>	<u>678,620</u>	<u>(288,049)</u>
NET INCOME (LOSS)	<u>\$ 90,658</u>	<u>\$ 2,629</u>	<u>\$ 87,837</u>	<u>\$ 47,193</u>	<u>\$ 16,519</u>	<u>\$ 32,221</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Six Months Ended December 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>
REVENUE						
Convention, registration	\$ 1,100	\$ 6,975	\$ (5,875)	\$ 2,385	\$ 83,699	\$ (81,314)
Convention, tickets/workshops	-	-	-	-	-	-
Convention, trade show	-	-	-	1,500	-	1,500
Convention - Ideas Unlimited	-	-	-	-	-	-
Convention - Teacher Mentor	-	-	-	5,000	-	5,000
Convention scholarship fund	1,813	-	1,813	1,813	2,000	(187)
Convention, sponsorships - FFA Foundation	27,410	2,083	25,327	27,410	25,000	2,410
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	9,000	2,079	6,921	27,200	24,950	2,250
TOTAL REVENUE	<u>39,323</u>	<u>11,137</u>	<u>28,186</u>	<u>65,308</u>	<u>135,649</u>	<u>(70,341)</u>
EXPENSES						
Convention, plaques and trophies	2,022	125	1,897	2,077	1,500	577
Convention, printing	394	167	227	394	2,000	(1,606)
Convention, miscellaneous	(75)	83	(158)	(75)	1,000	(1,075)
Convention, awards	-	-	-	8,340	9,000	(660)
Convention, photography	47	-	47	47	-	47
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	179	167	12	3,218	2,000	1,218
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)	285	2,940	(2,655)
Convention, sponsorships - FFA Foundation	-	2,083	(2,083)	-	25,000	(25,000)
Convention, travel/board of directors	2,941	1,000	1,941	7,813	12,000	(4,187)
Convention, staff travel	3,880	750	3,130	9,527	9,000	527
Convention, other travel	-	-	-	-	-	-
TOTAL EXPENSES	<u>9,388</u>	<u>6,370</u>	<u>3,018</u>	<u>31,626</u>	<u>85,440</u>	<u>(53,814)</u>
NET INCOME (LOSS)	<u>\$ 29,935</u>	<u>\$ 4,767</u>	<u>\$ 25,168</u>	<u>\$ 33,682</u>	<u>\$ 50,209</u>	<u>\$ (16,527)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses

For the One and Six Months Ended December 31, 2010

	<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						
CI fees	\$ -	\$ -	\$ -	\$ 64,424	\$ -	\$ 64,424
Vendor - Vernier	19,905	-	19,905	155,604	-	155,604
Vendor - NewByte	270	-	270	2,328	-	2,328
Field test fees	-	-	-	2,600	-	2,600
New Jersey	-	-	-	31,822	-	31,822
Interest	83	-	83	433	-	433
FFA Foundation	-	-	-	450	-	450
TOTAL REVENUE	<u>20,258</u>	<u>-</u>	<u>20,258</u>	<u>257,661</u>	<u>-</u>	<u>257,661</u>
EXPENSES						
Legal and professional	-	-	-	3,404	-	3,404
Travel	150	-	150	24,587	-	24,587
Travel - staff	4,047	-	4,047	13,561	-	13,561
Contract labor	15,833	-	15,833	79,167	-	79,167
Supplies	-	-	-	1,139	-	1,139
Promotion	284	-	284	3,197	-	3,197
Printing	-	-	-	-	-	-
Postage	27	-	27	924	-	924
Telecommunications	57	-	57	67	-	67
Vernier	10,837	-	10,837	147,869	-	147,869
NewByte	-	-	-	818	-	818
Carthage	-	-	-	1,281	-	1,281
Carthage contract labor	-	-	-	39,862	-	39,862
Field test	-	-	-	18,754	-	18,754
Field test contract labor	-	-	-	7,000	-	7,000
Assesmnets	35,000	-	35,000	35,000	-	35,000
Equipment	-	-	-	299	-	299
TOTAL EXPENSES	<u>66,235</u>	<u>-</u>	<u>66,235</u>	<u>376,929</u>	<u>-</u>	<u>376,929</u>
NET INCOME (LOSS)	<u>\$ (45,977)</u>	<u>\$ -</u>	<u>\$ (45,977)</u>	<u>\$ (119,268)</u>	<u>\$ -</u>	<u>\$ (119,268)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT