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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 June 30, 2008, the related statement of activities for the one and twelve 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 17, 2008

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Statement of Financial Position
June 30, 2008

ASSETS	
Cash on deposit	\$ 73,022
Investments - operating fund	455,938
Investments - life membership fund	93,100
Investments - legislative fund	364
Accounts receivable	62,608
Inventory	5,000
Prepaid expenses	19,792
Property and equipment	<u>15,192</u>
 TOTAL ASSETS	 <u>\$ 725,016</u>
 LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts payable	\$ 18,225
Accrued leave payable	18,351
Other current liabilities	<u>7,854</u>
 TOTAL LIABILITIES	 <u>44,430</u>
 NET ASSETS	
Unrestricted net assets:	
Current operation	565,378
Board designated for special purposes	115,208
Temporarily restricted net assets	<u>-</u>
 TOTAL NET ASSETS	 <u>680,586</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 725,016</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Twelve Months Ended June 30, 2008

	<u>Unrestricted</u>			<u>Total</u>
	<u>Current Operations</u>	<u>Board Designated</u>	<u>Temporarily Restricted</u>	
Revenue, Gains and Losses				
Membership dues	\$ 429,190	\$ -	\$ -	\$ 429,190
Convention registration	104,315	-	-	104,315
Sponsorship and awards	12,700	-	-	12,700
Merchandise sales	8,689	-	-	8,689
Contributions	-	-	730	730
Management fees	16,427	-	-	16,427
Net realized and unrealized gains (losses) on securities	(65,764)	-	-	(65,764)
Interest and dividends	42,296	-	-	42,296
FFA Foundation projects	135,623	-	-	135,623
Other income	<u>79,976</u>	<u>-</u>	<u>-</u>	<u>79,976</u>
Total Revenue, Gains and Losses	763,452	-	730	764,182
Net Assets Released from Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue, Gains and Losses and Reclassifications	<u>763,452</u>	<u>-</u>	<u>730</u>	<u>764,182</u>
Expenses				
General expenses	489,709	-	-	489,709
FFA Foundation projects	135,623	-	-	135,623
Convention expenses	<u>95,802</u>	<u>-</u>	<u>-</u>	<u>95,802</u>
Total expenses	<u>721,134</u>	<u>-</u>	<u>-</u>	<u>721,134</u>
INCREASE (DECREASE) IN NET ASSETS	42,318	-	730	43,048
NET ASSETS RELEASED FROM RESTRICTION	3,713		(3,713)	-
NET ASSETS AT BEGINNING OF PERIOD	<u>519,347</u>	<u>115,208</u>	<u>2,983</u>	<u>637,538</u>
NET ASSETS AT END OF PERIOD	<u>\$ 565,378</u>	<u>\$ 115,208</u>	<u>\$ -</u>	<u>\$ 680,586</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Twelve Months Ended June 30, 2008

	MONTH	MONTH	MONTH	YEAR TO DATE	YEAR	YEAR
	ACTUAL	BUDGET	SVARIANCE	TWELVE MONTHS ACTUAL	BUDGET	SVARIANCE
REVENUE						
Member dues	\$ 5,195	\$ 32,030	\$ (26,835)	\$ 396,640	\$ 384,355	\$ 12,285
Corporate membership dues	1,500	1,875	(375)	32,550	22,500	10,050
FL Dept. of Citrus, freshman scholars	-	-	-	-	-	-
Delmar scholarships	7,500	625	6,875	7,500	7,500	-
Foundation management fees	-	1,250	(1,250)	16,427	15,000	1,427
MBNA affinity credit card program	-	42	(42)	691	500	191
Toyota vehicle lease management fee	-	542	(542)	5,333	6,500	(1,167)
Interest and dividends	1,100	1,250	(150)	34,759	15,000	19,759
Net realized and unrealized gains (losses) on securities	(31,545)	-	(31,545)	(65,764)	-	(65,764)
Merchandise sales	2,188	583	1,605	8,689	7,000	1,689
Investment income, Life Fund	138	125	13	7,537	1,500	6,037
Contributions, Legislative Fund	-	-	-	730	-	730
Miscellaneous income	1,350	63	1,287	4,150	750	3,400
Webinar income	180	-	180	180	-	180
Sponsorship - non-convention	22,375	-	22,375	22,375	-	22,375
Teacher crisis fund	-	-	-	1,307	-	1,307
FFA Foundation project - International Forum	(1,371)	-	(1,371)	10,872	-	10,872
FFA Foundation project - LAA	(27,920)	-	(27,920)	780	-	780
FFA Foundation project - TTTK	-	4,658	(4,658)	61,371	55,900	5,471
FFA Foundation project - OPAP	1,685	1,075	610	15,062	12,900	2,162
FFA Foundation project - OMSP	7,835	1,075	6,760	19,950	12,900	7,050
FFA Foundation project - OT	1,380	1,075	305	13,668	12,900	768
FFA Foundation project - OYM	1,115	1,075	40	10,020	12,900	(2,880)
FFA Foundation project - nursery/landscape	3,900	342	3,558	3,900	4,100	(200)
Convention net income	(1,307)	4,164	(5,471)	59,653	49,960	9,693
TOTAL REVENUE	(4,702)	51,849	(56,551)	668,380	622,165	46,215
EXPENSES						
Salaries	15,326	17,931	(2,605)	212,272	215,172	(2,900)
Taxes and benefits	2,348	4,349	(2,001)	47,357	52,190	(4,833)
Computer service	400	42	358	1,670	500	1,170
Telephone	307	350	(43)	3,633	4,200	(567)
Accounting	425	925	(500)	11,400	11,100	300
Depreciation	596	458	138	5,704	5,500	204
Rent	-	625	(625)	7,500	7,500	-
Insurance	(1,797)	433	(2,230)	5,459	5,200	259
Legal	-	83	(83)	7,557	1,000	6,557
Office Supplies	383	417	(34)	7,277	5,000	2,277
Bank charges and investment fees	-	13	(13)	25	150	(125)
Printing, general	(3,842)	333	(4,175)	5,216	4,000	1,216
Staff training	247	83	164	849	1,000	(151)
Taxes and licenses	-	-	-	4	-	4
Membership and contributions	201	1,583	(1,382)	11,557	19,000	(7,443)
Travel, staff	6,234	1,856	4,378	30,884	22,275	8,609
Promotion and marketing	(5,167)	1,250	(6,417)	13,955	15,000	(1,045)
Merchandise and diaries	(4,850)	1,833	(6,683)	10,585	22,000	(11,415)
Photocopying	-	21	(21)	17	250	(233)
Postage, News & Views Mailings	-	-	-	-	-	-
Postage, general	790	375	415	4,520	4,500	20
Professional liability insurance	-	3,243	(3,243)	37,390	38,920	(1,530)
Public relations	-	167	(167)	469	2,000	(1,531)
Scholarships	-	625	(625)	10,500	7,500	3,000
Travel, special project	475	583	(108)	(25)	7,000	(7,025)
Travel, regional secretaries	998	713	285	5,203	8,550	(3,347)
Travel, board of directors	8,323	2,833	5,490	24,990	34,000	(9,010)
Board operations	-	25	(25)	-	300	(300)
Ag Ed Opportunity Fund	10,000	-	10,000	10,000	-	10,000
FFA Foundation project - International Forum	-	-	-	10,872	-	10,872
FFA Foundation project - TTTK	-	4,658	(4,658)	61,371	55,900	5,471
FFA Foundation project - OPAP	1,500	1,075	425	15,062	12,900	2,162
FFA Foundation project - OMSP	4,500	1,075	3,425	19,950	12,900	7,050
FFA Foundation project - OT	1,500	1,075	425	13,668	12,900	768
FFA Foundation project - OYM	1,500	1,075	425	10,020	12,900	(2,880)
FFA Foundation project - LLA	-	-	-	780	-	780
FFA Foundation project - nursery/landscape	-	342	(342)	3,900	4,100	(200)
NPS expense	-	-	-	9,835	-	9,835
Teacher crisis fund	-	-	-	2,500	-	2,500
Webinar expense	126	-	126	1,061	-	1,061
Miscellaneous	-	-	-	345	-	345
TOTAL EXPENSES	40,523	50,449	(9,926)	625,332	605,407	18,864
NET INCOME (LOSS)	\$ (45,225)	\$ 1,400	\$ (46,625)	\$ 43,048	\$ 16,758	\$ 27,351

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Twelve Months Ended June 30, 2008

	MONTH	MONTH	MONTH	YEAR TO DATE	YEAR	YEAR
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>SVARIANCE</u>	<u>TWELVE MONTHS</u>	<u>BUDGET</u>	<u>SVARIANCE</u>
				<u>ACTUAL</u>		
REVENUE						
Convention, registration	\$ -	\$ 6,476	\$ (6,476)	\$ 104,315	\$ 77,710	\$ 26,605
Convention, tickets/workshops	-	-	-	-	-	-
Convention, trade show	-	-	-	900	-	900
Convention - Ideas Unlimited	-	-	-	5,000	-	5,000
Convention - Teacher Mentor	-	-	-	4,250	-	4,250
Convention scholarship fund	-	-	-	1,811	-	1,811
Convention, sponsorships - FFA Foundation	-	1,875	(1,875)	26,479	22,500	3,979
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	-	1,583	(1,583)	12,700	19,000	(6,300)
TOTAL REVENUE	-	9,934	(9,934)	155,455	119,210	36,245
EXPENSES						
Convention, plaques and trophies	-	125	(125)	2,439	1,500	939
Convention, printing	-	83	(83)	1,400	1,000	400
Conventions, miscellaneous	-	42	(42)	729	500	229
Convention, awards	-	-	-	9,773	-	9,773
Convention, photography	-	42	(42)	-	500	(500)
Conventions, meal functions	-	1,583	(1,583)	9,155	19,000	(9,845)
Convention, promotion and marketing	-	63	(63)	2,023	750	1,273
Convention, postage and shipping	-	250	(250)	4,518	3,000	1,518
Convention, equipment rental	-	333	(333)	10,337	4,000	6,337
Convention, workshops	-	-	-	-	-	-
Convention, host state social	-	-	-	-	-	-
Convention, speakers	-	-	-	-	-	-
Convention, trade show expense	-	-	-	-	-	-
Convention, tour expenses	-	-	-	-	-	-
Convention, committee expense	234	-	234	364	-	364
Convention, sponsorships - FFA Foundation	-	1,875	(1,875)	26,479	22,500	3,979
Convention, travel/board of directors	1,073	833	240	15,161	10,000	5,161
Convention, staff travel	-	333	(333)	11,057	4,000	7,057
Convention, CP expenses	-	-	-	2,015	-	2,015
Convention, other travel	-	208	(208)	352	2,500	(2,148)
TOTAL EXPENSES	1,307	5,770	(4,463)	95,802	69,250	26,552
NET INCOME (LOSS)	\$ (1,307)	\$ 4,164	\$ (5,471)	\$ 59,653	\$ 49,960	\$ 9,693

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