

STEPHEN D. SCHNETTLER, PLLC

Certified Public Accountant

300 W. Maxwell Street

Lexington, Kentucky 40508

Telephone: (859) 389-7022

Fax: (859) 252-1545

Member
American Institute of
Certified Public Accountants

Member
Kentucky Society of
Certified Public Accountants

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, 2008, the related statement of activities for the one and 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

September 16, 2008

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Statement of Financial Position
August 31, 2008

ASSETS	
Cash on deposit	\$ 36,305
Investments - operating fund	463,824
Investments - life membership fund	92,833
Investments - legislative fund	364
Accounts receivable	38,622
Prepaid expenses	5,859
Property and equipment	<u>14,157</u>
 TOTAL ASSETS	 <u>\$ 651,964</u>
 LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts payable	\$ 435
Accrued leave payable	18,351
Other current liabilities	<u>5,460</u>
 TOTAL LIABILITIES	 <u>24,246</u>
 NET ASSETS	
Unrestricted net assets:	
Current operation	497,137
Board designated for special purposes	126,088
Temporarily restricted net assets	<u>4,493</u>
 TOTAL NET ASSETS	 <u>627,718</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 651,964</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Two Months Ended August 31, 2008

	Unrestricted			
	Current Operations	Board Designated	Temporarily Restricted	Total
Revenue, Gains and Losses				
Membership dues	\$ 72,910	\$ 1,860	\$ -	\$ 74,770
Convention registration	-	-	-	-
Sponsorship and awards	-	-	-	-
Merchandise sales	3,928	-	-	3,928
Contributions	-	-	780	780
Management fees	-	-	-	-
Net realized and unrealized gains (losses) on securities	(13,392)	-	-	(13,392)
Interest and dividends	1,004	-	-	1,004
FFA Foundation projects	6,251	-	-	6,251
Other income	4,615	-	-	4,615
	75,316	1,860	780	77,956
Total Revenue, Gains and Losses				
Net Assets Released from Restrictions	-	-	-	-
Total Revenue, Gains and Losses and Reclassifications	75,316	1,860	780	77,956
Expenses				
General expenses	119,817	-	-	119,817
FFA Foundation projects	5,460	-	-	5,460
Convention expenses	547	-	-	547
	125,824	-	-	125,824
Total expenses				
INCREASE (DECREASE) IN NET ASSETS	(50,508)	1,860	780	(47,868)
NET ASSETS AT BEGINNING OF PERIOD	547,645	124,228	3,713	675,586
NET ASSETS AT END OF PERIOD	\$ 497,137	\$ 126,088	\$ 4,493	\$ 627,718

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Two Months Ended August 31, 2008

	MONTH			YEAR TO DATE		YEAR	
	ACTUAL	BUDGET	SVARIANCE	TWO MONTHS ACTUAL	BUDGET	SVARIANCE	
REVENUE							
Member dues	\$ 60,360	\$ 31,524	\$ 28,836	\$ 72,520	\$ 378,290	\$ (305,770)	
Corporate membership dues	2,250	2,375	(125)	2,250	28,500	(26,250)	
FL. Dept. of Citrus, freshman scholars	-	-	-	-	-	-	
Delmar scholarships	-	625	(625)	-	7,500	(7,500)	
Foundation management fees	-	-	-	-	-	-	
MBNA affinity credit card program	163	58	105	163	700	(537)	
Toyota vehicle lease management fee	-	466	(466)	-	5,590	(5,590)	
Interest and dividends	634	1,667	(1,033)	846	20,000	(19,154)	
Net realized and unrealized gains (losses) on securities	(231)	-	(231)	(13,392)	-	(13,392)	
Merchandise sales	1,074	500	574	3,928	6,000	(2,072)	
Investment income, Life Fund	113	208	(95)	158	2,500	(2,342)	
Contributions, Legislative Fund	780	-	780	780	-	780	
Miscellaneous income	-	167	(167)	-	2,000	(2,000)	
Pioneer Leadership Academy	-	-	-	-	-	-	
Teacher crisis fund	50	-	50	337	-	337	
Webinar revenue	4,100	833	3,267	4,100	10,000	(5,900)	
FFA Foundation project - TTTK	1,185	4,658	(3,473)	1,185	55,900	(54,715)	
FFA Foundation project - OPAP	60	1,075	(1,015)	60	12,900	(12,840)	
FFA Foundation project - OMSP	-	1,250	(1,250)	-	15,000	(15,000)	
FFA Foundation project - OT	-	1,075	(1,075)	-	12,900	(12,900)	
FFA Foundation project - OYM	965	1,075	(110)	965	12,900	(11,935)	
FFA Foundation project - nursery/landscape	4,041	342	3,699	4,041	4,100	(59)	
Convention net income	(440)	6,049	(6,489)	(532)	62,587	(63,119)	
TOTAL REVENUE	75,104	53,947	21,157	77,409	637,367	(559,958)	
EXPENSES							
Salaries	17,793	18,631	(838)	36,051	223,568	(187,517)	
Taxes and benefits	3,292	4,522	(1,230)	7,110	54,267	(47,157)	
Computer service	-	125	(125)	-	1,500	(1,500)	
Telephone	311	333	(22)	609	4,000	(3,391)	
Accounting	450	1,000	(550)	900	12,000	(11,100)	
Depreciation	518	458	60	1,035	5,500	(4,465)	
Rent	-	625	(625)	-	7,500	(7,500)	
Insurance	316	500	(184)	632	6,000	(5,368)	
Legal	-	167	(167)	-	2,000	(2,000)	
Office Supplies	193	417	(224)	549	5,000	(4,451)	
Bank charges and investment fees	-	8	(8)	-	100	(100)	
Printing, general	-	500	(500)	-	6,000	(6,000)	
Staff training	-	83	(83)	-	1,000	(1,000)	
Taxes and licenses	-	13	(13)	-	150	(150)	
Membership and contributions	262	1,250	(988)	493	15,000	(14,507)	
Travel, staff	883	1,856	(973)	5,444	22,275	(16,831)	
Promotion and marketing	844	1,500	(656)	2,778	18,000	(15,222)	
Merchandise and diaries	-	500	(500)	5,196	6,000	(804)	
Photocopying	-	21	(21)	63	250	(187)	
Postage, News & Views Mailings	-	-	-	-	-	-	
Postage, general	203	333	(130)	975	4,000	(3,025)	
Professional liability insurance	-	3,079	(3,079)	36,895	36,945	(50)	
Public relations	-	83	(83)	98	1,000	(902)	
Scholarships	11,250	625	10,625	11,250	7,500	3,750	
Travel, special project	-	83	(83)	-	1,000	(1,000)	
Travel, regional secretaries	-	713	(713)	-	8,550	(8,550)	
Travel, board of directors	3,299	3,083	216	8,295	37,000	(28,705)	
Board operations	-	-	-	-	-	-	
Pioneer Leadership Academy	-	-	-	-	-	-	
FFA Foundation project - TTTK	1,155	4,658	(3,503)	1,155	55,900	(54,745)	
FFA Foundation project - OPAP	60	1,075	(1,015)	60	12,900	(12,840)	
FFA Foundation project - OMSP	-	1,250	(1,250)	-	15,000	(15,000)	
FFA Foundation project - OT	-	1,075	(1,075)	-	12,900	(12,900)	
FFA Foundation project - OYM	995	1,075	(80)	995	12,900	(11,905)	
FFA Foundation project - nursery/landscape	3,250	342	2,908	3,250	4,100	(850)	
NPS expense	-	667	(667)	-	8,000	(8,000)	
Webinar expense	594	833	(239)	944	10,000	(9,056)	
Communities of practice expense	-	167	(167)	-	2,000	(2,000)	
Teacher crisis fund	-	-	-	500	-	500	
Miscellaneous	-	-	-	-	-	-	
TOTAL EXPENSES	45,668	51,650	(5,982)	125,277	619,805	(494,528)	
NET INCOME (LOSS)	\$ 29,436	\$ 2,297	\$ 27,139	\$ (47,868)	\$ 17,562	\$ (65,430)	

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Schedule of Convention Revenue and Expenses
For the One and Two Months Ended August 31, 2008

	MONTH		MONTH	YEAR TO DATE		YEAR	YEAR
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>\$VARIANCE</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>\$VARIANCE</u>	<u>\$VARIANCE</u>
REVENUE							
Convention, registration	\$ -	\$ 8,693	\$ (8,693)	\$ -	\$ 104,315	\$ (104,315)	
Convention, tickets/workshops	-	-	-	-	-	-	
Convention, trade show	-	-	-	-	-	-	
Convention - Ideas Unlimited	-	-	-	-	-	-	
Convention - Teacher Mentor	-	-	-	-	-	-	
Convention scholarship fund	-	-	-	15	-	15	
Convention, sponsorships - FFA Foundation	-	2,083	(2,083)	-	25,000	(25,000)	
Convention, host state social	-	-	-	-	-	-	
Convention, sponsorships	-	1,667	(1,667)	-	20,000	(20,000)	
TOTAL REVENUE	-	12,443	(12,443)	15	149,315	(149,300)	
EXPENSES							
Convention, plaques and trophies	-	208	(208)	-	2,500	(2,500)	
Convention, printing	-	117	(117)	-	1,400	(1,400)	
Conventions, miscellaneous	-	23	(23)	-	278	(278)	
Convention, awards	155	-	155	155	10,000	(9,845)	
Convention - Ideas Unlimited	285	-	285	285	-	285	
Convention, photography	-	-	-	-	-	-	
Conventions, meal functions	-	1,000	(1,000)	-	12,000	(12,000)	
Convention, promotion and marketing	-	125	(125)	-	1,500	(1,500)	
Convention, postage and shipping	-	250	(250)	-	3,000	(3,000)	
Convention, equipment rental	-	417	(417)	-	5,000	(5,000)	
Convention, workshops	-	-	-	-	-	-	
Convention, host state social	-	-	-	-	-	-	
Convention, speakers	-	-	-	-	-	-	
Convention, trade show expense	-	-	-	-	-	-	
Convention, tour expenses	-	-	-	-	-	-	
Convention, committee expense	-	88	(88)	-	1,050	(1,050)	
Convention, sponsorships - FFA Foundation	-	2,083	(2,083)	-	25,000	(25,000)	
Convention, travel/board of directors	-	1,167	(1,167)	-	14,000	(14,000)	
Convention, staff travel	-	833	(833)	107	10,000	(9,893)	
Convention, other travel	-	83	(83)	-	1,000	(1,000)	
TOTAL EXPENSES	440	6,394	(5,954)	547	86,728	(86,181)	
NET INCOME (LOSS)	\$ (440)	\$ 6,049	\$ (6,489)	\$ (532)	\$ 62,587	\$ (63,119)	

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