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

November 5, 2008

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

ASSETS	
Cash on deposit	\$ 37,894
Investments - operating fund	421,860
Investments - life membership fund	85,231
Investments - legislative fund	365
Accounts receivable	64,266
Prepaid expenses	14,302
Property and equipment	<u>13,639</u>
 TOTAL ASSETS	 <u>\$ 637,557</u>
 LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts payable	\$ 15,479
Accrued leave payable	18,351
Other current liabilities	<u>742</u>
 TOTAL LIABILITIES	 <u>34,572</u>
 NET ASSETS	
Unrestricted net assets:	
Current operation	485,007
Board designated for special purposes	117,068
Temporarily restricted net assets	<u>910</u>
 TOTAL NET ASSETS	 <u>602,985</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 637,557</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Statement of Activities
For the Two Months Ended September 30, 2008

	<u>Unrestricted</u>			
	<u>Current</u>	<u>Board</u>	<u>Temporarily</u>	<u>Total</u>
	<u>Operations</u>	<u>Designated</u>	<u>Restricted</u>	
Revenue, Gains and Losses				
Membership dues	\$ 150,385	\$ 1,860	\$ -	\$ 152,245
Convention registration	-	-	-	-
Sponsorship and awards	2,000	-	-	2,000
Merchandise sales	4,164	-	-	4,164
Contributions	-	-	910	910
Management fees	-	-	-	-
Net realized and unrealized				
gains (losses) on securities	(63,592)	-	-	(63,592)
Interest and dividends	1,657	-	-	1,657
FFA Foundation projects	39,750	-	-	39,750
Other income	4,945	-	-	4,945
	<u>139,309</u>	<u>1,860</u>	<u>910</u>	<u>142,079</u>
Total Revenue, Gains and Losses				
Net Assets Released from Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue, Gains and Losses and Reclassifications	<u>139,309</u>	<u>1,860</u>	<u>910</u>	<u>142,079</u>
Expenses				
General expenses	179,817	-	-	179,817
FFA Foundation projects	38,959	-	-	38,959
Convention expenses	904	-	-	904
	<u>219,680</u>	<u>-</u>	<u>-</u>	<u>219,680</u>
Total expenses				
INCREASE (DECREASE) IN NET ASSETS	(80,371)	1,860	910	(77,601)
NET ASSETS AT BEGINNING OF PERIOD	<u>565,378</u>	<u>115,208</u>	<u>-</u>	<u>680,586</u>
NET ASSETS AT END OF PERIOD	<u>\$ 485,007</u>	<u>\$ 117,068</u>	<u>\$ 910</u>	<u>\$ 602,985</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Three Months Ended September 30, 2008

	MONTH			YEAR TO DATE		
	ACTUAL	BUDGET	VARIANCE	THREE MONTHS ACTUAL	YEAR BUDGET	YEAR VARIANCE
REVENUE						
Member dues	\$ 76,725	\$ 31,524	\$ 45,201	\$ 149,245	\$ 378,290	\$ (229,045)
Corporate membership dues	750	2,375	(1,625)	3,000	28,500	(25,500)
FL. Dept. of Citrus, freshman scholars	-	-	-	-	-	-
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Foundation management fees	-	-	-	-	-	-
MBNA affinity credit card program	-	58	(58)	163	700	(537)
Toyota vehicle lease management fee	-	466	(466)	-	5,590	(5,590)
Interest and dividends	552	1,667	(1,115)	1,400	20,000	(18,600)
Net realized and unrealized gains (losses) on securities	(50,200)	-	(50,200)	(63,592)	-	(63,592)
Merchandise sales	236	500	(264)	4,164	6,000	(1,836)
Investment income, Life Fund	99	208	(109)	257	2,500	(2,243)
Contributions, Legislative Fund	130	-	130	910	-	910
Miscellaneous income	-	167	(167)	-	2,000	(2,000)
Pioneer Leadership Academy	-	-	-	-	-	-
Teacher crisis fund	-	-	-	337	-	337
Webinar revenue	-	833	(833)	4,100	10,000	(5,900)
Hurricane relief	330	-	330	-	-	330
FFA Foundation project - TTTK	15,203	4,658	10,545	16,388	55,900	(39,512)
FFA Foundation project - OPAP	4,380	1,075	3,305	4,440	12,900	(8,460)
FFA Foundation project - OMSF	4,084	1,250	2,834	4,084	15,000	(10,916)
FFA Foundation project - OT	5,818	1,075	4,743	5,818	12,900	(7,082)
FFA Foundation project - OYM	4,014	1,075	2,939	4,979	12,900	(7,921)
FFA Foundation project - nursery/landscape	-	342	(342)	4,041	4,100	(59)
Convention net income	1,643	6,049	(4,406)	1,111	62,587	(61,476)
TOTAL REVENUE	63,764	53,947	9,817	141,175	637,367	(496,192)
EXPENSES						
Salaries	22,320	18,631	3,689	58,371	223,568	(165,197)
Taxes and benefits	4,795	4,522	273	11,905	54,267	(42,362)
Computer service	-	125	(125)	-	1,500	(1,500)
Telephone	313	333	(20)	922	4,000	(3,078)
Accounting	450	1,000	(550)	1,350	12,000	(10,650)
Depreciation	518	458	60	1,553	5,500	(3,947)
Rent	7,500	625	6,875	7,500	7,500	-
Insurance	316	500	(184)	948	6,000	(5,052)
Legal	-	167	(167)	-	2,000	(2,000)
Office Supplies	13	417	(404)	562	5,000	(4,438)
Bank charges and investment fees	10	8	2	10	100	(90)
Printing, general	-	500	(500)	-	6,000	(6,000)
Staff training	75	83	(8)	75	1,000	(925)
Taxes and licenses	-	13	(13)	-	150	(150)
Membership and contributions	8,497	1,250	7,247	8,990	15,000	(6,010)
Travel, staff	630	1,856	(1,226)	6,074	22,275	(16,201)
Promotion and marketing	897	1,500	(603)	3,675	18,000	(14,325)
Merchandise and diaries	2,129	500	1,629	7,326	6,000	1,326
Photocopying	-	21	(21)	63	250	(187)
Postage, News & Views Mailings	-	-	-	-	-	-
Postage, general	410	333	77	1,385	4,000	(2,615)
Professional liability insurance	-	3,079	(3,079)	36,895	36,945	(50)
Public relations	-	83	(83)	98	1,000	(902)
Scholarships	-	625	(625)	11,250	7,500	3,750
Travel, special project	-	83	(83)	-	1,000	(1,000)
Travel, regional secretaries	1,028	713	315	1,028	8,550	(7,522)
Travel, board of directors	5,663	3,083	2,580	13,958	37,000	(23,042)
Board operations	-	-	-	-	-	-
Pioneer Leadership Academy	-	-	-	-	-	-
FFA Foundation project - TTTK	15,203	4,658	10,545	16,358	55,900	(39,542)
FFA Foundation project - OPAP	4,380	1,075	3,305	4,440	12,900	(8,460)
FFA Foundation project - OMSF	4,084	1,250	2,834	4,084	15,000	(10,916)
FFA Foundation project - OT	5,818	1,075	4,743	5,818	12,900	(7,082)
FFA Foundation project - OYM	4,014	1,075	2,939	5,009	12,900	(7,891)
FFA Foundation project - nursery/landscape	-	342	(342)	3,250	4,100	(850)
NPS expense	-	667	(667)	-	8,000	(8,000)
Webinar expense	225	833	(608)	1,169	10,000	(8,831)
Communities of practice expense	3,960	167	3,793	3,960	2,000	1,960
Toyota lease management expens	250	-	250	250	-	250
Teacher crisis fund	-	-	-	500	-	500
Miscellaneous	-	-	-	-	-	-
TOTAL EXPENSES	93,498	51,650	41,848	218,776	619,805	(401,029)
NET INCOME (LOSS)	\$ (29,734)	\$ 2,297	\$ (32,031)	\$ (77,601)	\$ 17,562	\$ (95,163)

SEE ACCOMPANYING ACCOUNTANT'S REPORT

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

	MONTH	MONTH	MONTH	YEAR TO DATE	YEAR	YEAR
	ACTUAL	BUDGET	\$VARIANCE	THREE MONTHS	BUDGET	\$VARIANCE
				ACTUAL		
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	2,000	1,667	333	2,000	20,000	(18,000)
TOTAL REVENUE	2,000	12,443	(10,443)	2,015	149,315	(147,300)
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	10,000	(9,845)
Convention - Ideas Unlimited	-	-	-	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	357	1,167	(810)	357	14,000	(13,643)
Convention, staff travel	-	833	(833)	107	10,000	(9,893)
Convention, other travel	-	83	(83)	-	1,000	(1,000)
TOTAL EXPENSES	357	6,394	(6,037)	904	86,728	(85,824)
NET INCOME (LOSS)	\$ 1,643	\$ 6,049	\$ (4,406)	\$ 1,111	\$ 62,587	\$ (61,476)

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