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Member  
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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 October 31, 2008, the related statement of activities for the one and four 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 13, 2008

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

ASSETS	
Cash on deposit	\$ 118,090
Investments - operating fund	362,606
Investments - life membership fund	73,995
Investments - legislative fund	366
Accounts receivable	47,245
Prepaid expenses	13,111
Property and equipment	<u>13,121</u>
 TOTAL ASSETS	 <u>\$ 628,534</u>
 LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts payable	\$ 21,848
Accrued leave payable	18,351
Other current liabilities	<u>5,338</u>
 TOTAL LIABILITIES	 <u>45,537</u>
 NET ASSETS	
Unrestricted net assets:	
Current operation	465,019
Board designated for special purposes	117,068
Temporarily restricted net assets	<u>910</u>
 TOTAL NET ASSETS	 <u>582,997</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 628,534</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.  
Statement of Activities  
For the Four Months Ended October 31, 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	\$ 236,060	\$ 1,860	\$ -	\$ 237,920
Convention registration	135	-	-	135
Sponsorship and awards	18,950	-	-	18,950
Merchandise sales	4,164	-	-	4,164
Contributions	-	-	910	910
Management fees	-	-	-	-
Net realized and unrealized gains (losses) on securities	(134,184)	-	-	(134,184)
Interest and dividends	1,776	-	-	1,776
FFA Foundation projects	39,750	-	-	39,750
Other income	16,145	-	-	16,145
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Total Revenue, Gains and Losses	182,796	1,860	910	185,566
Net Assets Released from Restrictions	-	-	-	-
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Total Revenue, Gains and Losses and Reclassifications	182,796	1,860	910	185,566
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Expenses				
General expenses	213,677	-	-	213,677
FFA Foundation projects	60,594	-	-	60,594
Convention expenses	8,884	-	-	8,884
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Total expenses	283,155	-	-	283,155
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INCREASE (DECREASE) IN NET ASSETS	(100,359)	1,860	910	(97,589)
NET ASSETS AT BEGINNING OF PERIOD	565,378	115,208	-	680,586
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NET ASSETS AT END OF PERIOD	\$ 465,019	\$ 117,068	\$ 910	\$ 582,997
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SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.  
Schedule of Actual vs. Budget  
For the One and Four Months Ended October 31, 2008

	MONTH	MONTH	MONTH	YEAR TO DATE	YEAR	YEAR
	ACTUAL	BUDGET	SVARIANCE	FOUR MONTHS	BUDGET	SVARIANCE
	ACTUAL	BUDGET	SVARIANCE	ACTUAL	BUDGET	SVARIANCE
<b>REVENUE</b>						
Member dues	\$ 81,925	\$ 31,524	\$ 50,401	\$ 231,170	\$ 378,290	\$ (147,120)
Corporate membership dues	3,750	2,375	1,375	6,750	28,500	(21,750)
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	69	1,667	(1,598)	1,467	20,000	(18,533)
Net realized and unrealized gains (losses) on securities	(70,592)	-	(70,592)	(134,184)	-	(134,184)
Merchandise sales	-	500	(500)	4,164	6,000	(1,836)
Investment income, Life Fund	53	208	(155)	309	2,500	(2,191)
Contributions, Legislative Fund	-	-	-	910	-	910
Miscellaneous income	1,200	167	1,033	1,200	2,000	(800)
Pioneer Leadership Academy	-	-	-	-	-	-
Teacher crisis fund	-	-	-	337	-	337
Webinar revenue	-	833	(833)	4,100	10,000	(5,900)
Hurricane relief	-	-	-	330	-	330
FFA Foundation project - TTTK	-	4,658	(4,658)	16,388	55,900	(39,512)
FFA Foundation project - OPAP	-	1,075	(1,075)	4,440	12,900	(8,460)
FFA Foundation project - OMSP	-	1,250	(1,250)	4,084	15,000	(10,916)
FFA Foundation project - OT	-	1,075	(1,075)	5,818	12,900	(7,082)
FFA Foundation project - OYM	-	1,075	(1,075)	4,979	12,900	(7,921)
FFA Foundation project - nursery/landscape	-	342	(342)	4,041	4,100	(59)
Convention net income	19,105	6,049	13,056	20,216	62,587	(42,371)
<b>TOTAL REVENUE</b>	<b>35,510</b>	<b>53,947</b>	<b>(18,437)</b>	<b>176,682</b>	<b>637,367</b>	<b>(460,685)</b>
<b>EXPENSES</b>						
Salaries	15,128	18,631	(3,503)	73,499	223,568	(150,069)
Taxes and benefits	2,016	4,522	(2,506)	13,920	54,267	(40,347)
Computer service	-	125	(125)	-	1,500	(1,500)
Telephone	303	333	(30)	1,225	4,000	(2,775)
Accounting	450	1,000	(550)	1,800	12,000	(10,200)
Depreciation	518	458	60	2,070	5,500	(3,430)
Rent	-	625	(625)	7,500	7,500	-
Insurance	2,081	500	1,581	3,029	6,000	(2,971)
Legal	-	167	(167)	-	2,000	(2,000)
Office Supplies	9	417	(408)	571	5,000	(4,429)
Bank charges and investment fees	12	8	4	22	100	(78)
Printing, general	420	500	(80)	420	6,000	(5,580)
Staff training	-	83	(83)	75	1,000	(925)
Taxes and licenses	-	13	(13)	-	150	(150)
Membership and contributions	42	1,250	(1,208)	9,032	15,000	(5,968)
Travel, staff	2,383	1,856	527	8,457	22,275	(13,818)
Promotion and marketing	5,465	1,500	3,965	9,140	18,000	(8,860)
Merchandise and diaries	752	500	252	8,078	6,000	2,078
Photocopying	-	21	(21)	63	250	(187)
Postage, News & Views Mailings	-	-	-	-	-	-
Postage, general	330	333	(3)	1,715	4,000	(2,285)
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	1,140	713	427	2,168	8,550	(6,382)
Travel, board of directors	2,313	3,083	(770)	16,271	37,000	(20,729)
Board operations	-	-	-	-	-	-
Pioneer Leadership Academy	-	-	-	-	-	-
FFA Foundation project - TTTK	12,825	4,658	8,167	29,183	55,900	(26,717)
FFA Foundation project - OPAP	2,395	1,075	1,320	6,835	12,900	(6,065)
FFA Foundation project - OMSP	2,480	1,250	1,230	6,564	15,000	(8,436)
FFA Foundation project - OT	2,310	1,075	1,235	8,128	12,900	(4,772)
FFA Foundation project - OYM	1,625	1,075	550	6,634	12,900	(6,266)
FFA Foundation project - nursery/landscape	-	342	(342)	3,250	4,100	(850)
NPS expense	-	667	(667)	-	8,000	(8,000)
Webinar expense	-	833	(833)	1,169	10,000	(8,831)
Communities of practice expense	-	167	(167)	3,960	2,000	1,960
Toyota lease management expens	-	-	-	250	-	250
Teacher crisis fund	500	-	500	1,000	-	1,000
Miscellaneous	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>55,497</b>	<b>51,650</b>	<b>3,847</b>	<b>274,271</b>	<b>619,805</b>	<b>(345,534)</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (19,987)</b>	<b>\$ 2,297</b>	<b>\$ (22,284)</b>	<b>\$ (97,589)</b>	<b>\$ 17,562</b>	<b>\$ (115,151)</b>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

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

	MONTH ACTUAL	MONTH BUDGET	MONTH \$VARIANCE	YEAR TO DATE FOUR MONTHS ACTUAL	YEAR BUDGET	YEAR \$VARIANCE
<b>REVENUE</b>						
Convention, registration	\$ 135	\$ 8,693	\$ (8,558)	\$ 135	\$ 104,315	\$ (104,180)
Convention, tickets/workshops	-	-	-	-	-	-
Convention, trade show	-	-	-	-	-	-
Convention - Ideas Unlimited	5,000	-	5,000	5,000	-	5,000
Convention - Teacher Mentor	5,000	-	5,000	5,000	-	5,000
Convention scholarship fund	-	-	-	15	-	15
Convention, sponsorships - FFA Foundation	-	2,083	(2,083)	-	25,000	(25,000)
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	16,950	1,667	15,283	18,950	20,000	(1,050)
<b>TOTAL REVENUE</b>	<b>27,085</b>	<b>12,443</b>	<b>14,642</b>	<b>29,100</b>	<b>149,315</b>	<b>(120,215)</b>
<b>EXPENSES</b>						
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	5,130	-	5,130	5,570	10,000	(4,430)
Convention - Ideas Unlimited	-	-	-	-	-	-
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	2,280	1,167	1,113	2,637	14,000	(11,363)
Convention, staff travel	570	833	(263)	677	10,000	(9,323)
Convention, other travel	-	83	(83)	-	1,000	(1,000)
<b>TOTAL EXPENSES</b>	<b>7,980</b>	<b>6,394</b>	<b>1,586</b>	<b>8,884</b>	<b>86,728</b>	<b>(77,844)</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 19,105</b>	<b>\$ 6,049</b>	<b>\$ 13,056</b>	<b>\$ 20,216</b>	<b>\$ 62,587</b>	<b>\$ (42,371)</b>

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