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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 December 31, 2008, the related statement of activities for the one and six 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

January 20, 2009

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

ASSETS	
Cash on deposit	\$ 11,091
Investments - operating fund	349,741
Investments - life membership fund	71,675
Investments - legislative fund	367
Accounts receivable	102,185
Prepaid expenses	12,831
Property and equipment	<u>14,742</u>
 TOTAL ASSETS	 <u>\$ 562,632</u>
 LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts payable	\$ 26,181
Accrued leave payable	18,351
Other current liabilities	<u>6,352</u>
 TOTAL LIABILITIES	 <u>50,884</u>
 NET ASSETS	
Unrestricted net assets:	
Current operation	393,740
Board designated for special purposes	117,068
Temporarily restricted net assets	<u>940</u>
 TOTAL NET ASSETS	 <u>511,748</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 562,632</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.
Statement of Activities
For the Six Months Ended December 31, 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	\$ 317,221	\$ 1,860	\$ -	\$ 319,081
Convention registration	2,430	-	-	2,430
Sponsorship and awards	23,950	-	-	23,950
Merchandise sales	5,366	-	-	5,366
Contributions	-	-	940	940
Management fees	-	-	-	-
Net realized and unrealized gains (losses) on securities	(152,655)	-	-	(152,655)
Interest and dividends	5,095	-	-	5,095
FFA Foundation projects	113,183	-	-	113,183
Other income	29,605	-	-	29,605
	<u>344,195</u>	<u>1,860</u>	<u>940</u>	<u>346,995</u>
Total Revenue, Gains and Losses				
	344,195	1,860	940	346,995
Net Assets Released from Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue, Gains and Losses and Reclassifications	<u>344,195</u>	<u>1,860</u>	<u>940</u>	<u>346,995</u>
Expenses				
General expenses	304,690	-	-	304,690
FFA Foundation projects	117,012	-	-	117,012
Convention expenses	94,131	-	-	94,131
	<u>515,833</u>	<u>-</u>	<u>-</u>	<u>515,833</u>
Total expenses				
	515,833	-	-	515,833
INCREASE (DECREASE) IN NET ASSETS	(171,638)	1,860	940	(168,838)
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>\$ 393,740</u>	<u>\$ 117,068</u>	<u>\$ 940</u>	<u>\$ 511,748</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, 2008

	MONTH	MONTH	MONTH	YEAR TO DATE	YEAR	YEAR
	ACTUAL	BUDGET	VARIANCE	SIX MONTHS	BUDGET	VARIANCE
REVENUE						
Member dues	\$ 34,931	\$ 31,524	\$ 3,407	\$ 309,331	\$ 378,290	\$ (68,959)
Corporate membership dues	1,500	2,375	(875)	9,750	28,500	(18,750)
FL. Dept. of Citrus, freshman scholars	-	-	-	-	-	-
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Foundation management fees	-	-	-	-	-	-
MBNA affinity credit card program	-	58	(58)	337	700	(363)
Toyota vehicle lease management fee	-	466	(466)	-	5,590	(5,590)
Interest and dividends	2,640	1,667	973	4,181	20,000	(15,819)
Net realized and unrealized						
gains (losses) on securities	5,309	-	5,309	(152,655)	-	(152,655)
Merchandise sales	1,013	500	513	5,366	6,000	(634)
Investment income, Life Fund	546	208	338	914	2,500	(1,586)
Contributions, Legislative Fund	-	-	-	940	-	940
Miscellaneous income	-	167	(167)	1,200	2,000	(800)
Pioneer Leadership Academy	-	-	-	-	-	-
Teacher crisis fund	34	-	34	371	-	371
Webinar revenue	1,182	833	349	5,282	10,000	(4,718)
Hurricane relief	-	-	-	330	-	330
FFA Foundation project - TTTK	42,599	4,658	37,941	61,829	55,900	5,929
FFA Foundation project - OPAP	5,541	1,075	4,466	10,881	12,900	(2,019)
FFA Foundation project - OMSP	6,375	1,250	5,125	11,360	15,000	(3,640)
FFA Foundation project - OT	6,348	1,075	5,273	13,067	12,900	167
FFA Foundation project - OYM	5,221	1,075	4,146	12,005	12,900	(895)
FFA Foundation project - nursery/landscape	-	342	(342)	4,041	4,100	(59)
Convention net income	(30,144)	6,049	(36,193)	(45,666)	62,587	(108,253)
TOTAL REVENUE	83,095	53,947	29,148	252,864	637,367	(384,503)
EXPENSES						
Salaries	20,117	18,631	1,486	112,163	223,568	(111,405)
Taxes and benefits	3,482	4,522	(1,040)	21,260	54,267	(33,007)
Computer service	-	125	(125)	732	1,500	(768)
Telephone	597	333	264	2,126	4,000	(1,874)
Accounting	6,950	1,000	5,950	9,200	12,000	(2,800)
Depreciation	518	458	60	3,106	5,500	(2,394)
Rent	-	625	(625)	7,500	7,500	-
Insurance	113	500	(387)	1,524	6,000	(4,476)
Legal	-	167	(167)	-	2,000	(2,000)
Office Supplies	688	417	271	3,242	5,000	(1,758)
Bank charges and investment fees	-	8	(8)	254	100	154
Printing, general	-	500	(500)	1,698	6,000	(4,302)
Staff training	-	83	(83)	75	1,000	(925)
Taxes and licenses	-	13	(13)	-	150	(150)
Membership and contributions	117	1,250	(1,133)	9,265	15,000	(5,735)
Travel, staff	736	1,856	(1,120)	15,722	22,275	(6,553)
Promotion and marketing	1,833	1,500	333	22,409	18,000	4,409
Merchandise and diaries	-	500	(500)	8,830	6,000	2,830
Photocopying	-	21	(21)	63	250	(187)
Postage, News & Views Mailings	-	-	-	-	-	-
Postage, general	527	333	194	2,192	4,000	(1,808)
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	6,627	713	5,914	8,795	8,550	245
Travel, board of directors	2,401	3,083	(682)	18,672	37,000	(18,328)
Board operations	-	-	-	-	-	-
Pioneer Leadership Academy	-	-	-	-	-	-
FFA Foundation project - TTTK	31,327	4,658	26,669	65,643	55,900	9,743
FFA Foundation project - OPAP	3,564	1,075	2,489	11,299	12,900	(1,601)
FFA Foundation project - OMSP	4,418	1,250	3,168	11,883	15,000	(3,117)
FFA Foundation project - OT	3,146	1,075	2,071	13,067	12,900	167
FFA Foundation project - OYM	3,596	1,075	2,521	11,870	12,900	(1,030)
FFA Foundation project - nursery/landscape	-	342	(342)	3,250	4,100	(850)
NPS expense	-	667	(667)	-	8,000	(8,000)
Webinar expense	99	833	(734)	2,409	10,000	(7,591)
Communities of practice expense	-	167	(167)	3,960	2,000	1,960
Toyota lease management expens	-	-	-	250	-	250
Teacher crisis fund	-	-	-	1,000	-	1,000
Miscellaneous	-	-	-	-	-	-
TOTAL EXPENSES	90,856	51,650	39,206	421,702	619,805	(198,103)
NET INCOME (LOSS)	\$ (7,761)	\$ 2,297	\$ (10,058)	\$ (168,838)	\$ 17,562	\$ (186,400)

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, 2008

	MONTH		YEAR TO DATE		YEAR	
	ACTUAL	BUDGET	\$VARIANCE	SIX MONTHS ACTUAL	BUDGET	\$VARIANCE
REVENUE						
Convention, registration	\$ 895	\$ 8,693	\$ (7,798)	\$ 2,430	\$ 104,315	\$ (101,885)
Convention, tickets/workshops	1,090	-	1,090	1,215	-	1,215
Convention, trade show	300	-	300	300	-	300
Convention - Ideas Unlimited	-	-	-	5,000	-	5,000
Convention - Teacher Mentor	-	-	-	5,000	-	5,000
Convention scholarship fund	2,131	-	2,131	2,146	-	2,146
Convention, sponsorships - FFA Foundation	-	2,083	(2,083)	-	25,000	(25,000)
Convention, host state social	7,349	-	7,349	8,424	-	8,424
Convention, sponsorships	-	1,667	(1,667)	23,950	20,000	3,950
TOTAL REVENUE	11,765	12,443	(678)	48,465	149,315	(100,850)
EXPENSES						
Convention, plaques and trophies	78	208	(130)	3,841	2,500	1,341
Convention, printing	906	117	789	3,847	1,400	2,447
Conventions, miscellaneous	-	23	(23)	-	278	(278)
Convention, awards	-	-	-	10,370	10,000	370
Convention - Ideas Unlimited	-	-	-	-	-	-
Convention, photography	-	-	-	-	-	-
Conventions, meal functions	15,230	1,000	14,230	45,230	12,000	33,230
Convention, promotion and marketing	840	125	715	1,840	1,500	340
Convention, postage and shipping	379	250	129	658	3,000	(2,342)
Convention, equipment rental	7,971	417	7,554	7,971	5,000	2,971
Convention, workshops	564	-	564	564	-	564
Convention, host state social	1,300	-	1,300	1,300	-	1,300
Convention, speakers	-	-	-	-	-	-
Convention, trade show expense	-	-	-	-	-	-
Convention, tour expenses	702	-	702	702	-	702
Convention, committee expense	1,228	88	1,140	1,228	1,050	178
Convention, sponsorships - FFA Foundation	1,022	2,083	(1,061)	1,022	25,000	(23,978)
Convention, travel/board of directors	5,370	1,167	4,203	8,007	14,000	(5,993)
Convention, staff travel	5,227	833	4,394	6,459	10,000	(3,541)
Convention, other travel	1,092	83	1,009	1,092	1,000	92
TOTAL EXPENSES	41,909	6,394	35,515	94,131	86,728	7,403
NET INCOME (LOSS)	\$ (30,144)	\$ 6,049	\$ (36,193)	\$ (45,666)	\$ 62,587	\$ (108,253)

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