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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 August 31, 2009, the related statement of activities for the 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*

October 2, 2009

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

August 31, 2009

|                                       |                       |
|---------------------------------------|-----------------------|
| ASSETS                                |                       |
| Cash on deposit                       | \$ 31,372             |
| Investments - operating fund          | 406,330               |
| Investments - life membership fund    | 83,328                |
| Investments - legislative fund        | 368                   |
| Accounts receivable                   | 53,014                |
| Prepaid expenses                      | 11,202                |
| Property and equipment                | <u>10,110</u>         |
| <br>TOTAL ASSETS                      | <br><u>\$ 595,724</u> |
| <br>LIABILITIES AND NET ASSETS        |                       |
| LIABILITIES                           |                       |
| Accounts payable                      | \$ 9,761              |
| Accrued leave payable                 | 18,459                |
| Other current liabilities             | <u>6,478</u>          |
| <br>TOTAL LIABILITIES                 | <br><u>34,698</u>     |
| <br>NET ASSETS                        |                       |
| Unrestricted net assets:              |                       |
| Current operation                     | 441,018               |
| Board designated for special purposes | 118,148               |
| Temporarily restricted net assets     | <u>1,860</u>          |
| <br>TOTAL NET ASSETS                  | <br><u>561,026</u>    |
| <br>TOTAL LIABILITIES AND NET ASSETS  | <br><u>\$ 595,724</u> |

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Two Months Ended August 31, 2009

|   | <u>Unrestricted</u>           |                             | <u>Temporarily<br/>Restricted</u> | <u>Total</u> |
|---|-------------------------------|-----------------------------|-----------------------------------|--------------|
|   | <u>Current<br/>Operations</u> | <u>Board<br/>Designated</u> |                                   |              |
| Revenue, Gains and Losses                                   |                               |                             |                                   |              |
| Membership dues   | \$ 92,615                     | \$ 1,080                    | \$ -                              | \$ 93,695    |
| Convention registration                                     | -                             | -                           | -                                 | -            |
| Sponsorship and awards                                      | 2,250                         | -                           | -                                 | 2,250        |
| Merchandise sales   | 2,837                         | -                           | -                                 | 2,837        |
| Contributions   | -                             | -                           | 700                               | 700          |
| Management fees   | -                             | -                           | -                                 | -            |
| Net realized and unrealized<br>gains (losses) on securities | 33,813                        | -                           | -                                 | 33,813       |
| Interest and dividends                                      | 496                           | -                           | -                                 | 496          |
| FFA Foundation projects                                     | 8,029                         | -                           | -                                 | 8,029        |
| Other income  | 281                           | -                           | -                                 | 281          |
|   | <hr/>                         | <hr/>                       | <hr/>                             | <hr/>        |
| Total Revenue, Gains and Losses                             | 140,321                       | 1,080                       | 700                               | 142,101      |
| Net Assets Released from Restrictions                       | -                             | -                           | -                                 | -            |
|   | <hr/>                         | <hr/>                       | <hr/>                             | <hr/>        |
| Total Revenue, Gains and Losses<br>and Reclassifications    | 140,321                       | 1,080                       | 700                               | 142,101      |
|   | <hr/>                         | <hr/>                       | <hr/>                             | <hr/>        |
| Expenses  |                               |                             |                                   |              |
| General expenses  | 106,443                       | -                           | -                                 | 106,443      |
| FFA Foundation projects                                     | 27,754                        | -                           | -                                 | 27,754       |
| Convention expenses   | 4,881                         | -                           | -                                 | 4,881        |
|   | <hr/>                         | <hr/>                       | <hr/>                             | <hr/>        |
| Total expenses  | 139,078                       | -                           | -                                 | 139,078      |
|   | <hr/>                         | <hr/>                       | <hr/>                             | <hr/>        |
| INCREASE (DECREASE) IN NET ASSETS                           | 1,243                         | 1,080                       | 700                               | 3,023        |
| NET ASSETS AT BEGINNING OF PERIOD                           | 439,775                       | 117,068                     | 1,160                             | 558,003      |
|   | <hr/>                         | <hr/>                       | <hr/>                             | <hr/>        |
| NET ASSETS AT END OF PERIOD                                 | \$ 441,018                    | \$ 118,148                  | \$ 1,860                          | \$ 561,026   |
|   | <hr/>                         | <hr/>                       | <hr/>                             | <hr/>        |

SEE ACCOMPANYING ACCOUNTANT'S REPORT

**NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.**

**Schedule of Actual vs. Budget**

**For the Two Months Ended August 31, 2009**

|   | MONTH<br>ACTUAL | MONTH<br>BUDGET | MONTH<br>\$VARIANCE | YEAR TO DATE<br>TWO MONTHS<br>ACTUAL | YEAR<br>BUDGET   | YEAR<br>\$VARIANCE |
|---|-----------------|-----------------|---------------------|--------------------------------------|------------------|--------------------|
| <b>REVENUE</b>  |                 |                 |                     |                                      |                  |                    |
| Member dues   | \$ 79,345       | \$ 32,322       | \$ 47,023           | \$ 91,445                            | \$ 387,860       | \$ (296,415)       |
| Corporate membership dues                                   | 750             | 2,688           | (1,938)             | 2,250                                | 32,250           | (30,000)           |
| FL Dept. of Citrus, freshman scholars                       | -               | -               | -                   | -                                    | -                | -                  |
| Delmar scholarships   | -               | 625             | (625)               | -                                    | 7,500            | (7,500)            |
| Foundation management fees                                  | -               | -               | -                   | -                                    | -                | -                  |
| MBNA affinity credit card program                           | 140             | 58              | 82                  | 140                                  | 700              | (560)              |
| Toyota vehicle lease management fee                         | -               | -               | -                   | -                                    | -                | -                  |
| Interest and dividends                                      | 419             | 500             | (81)                | 427                                  | 6,000            | (5,573)            |
| Net realized and unrealized<br>gains (losses) on securities | 8,972           | -               | 8,972               | 33,813                               | -                | 33,813             |
| Merchandise sales   | -               | 708             | (708)               | 2,837                                | 8,500            | (5,663)            |
| Investment income, Life Fund                                | 68              | 125             | (57)                | 69                                   | 1,500            | (1,431)            |
| Contributions, Legislative Fund                             | 700             | -               | 700                 | 700                                  | -                | 700                |
| Miscellaneous income  | -               | 167             | (167)               | -                                    | 2,000            | (2,000)            |
| Pioneer Leadership Academy                                  | -               | -               | -                   | -                                    | -                | -                  |
| Teacher crisis fund   | -               | -               | -                   | 141                                  | -                | 141                |
| Risk management education                                   | -               | 1,000           | (1,000)             | -                                    | 12,000           | (12,000)           |
| Webinar revenue   | -               | 2,083           | (2,083)             | -                                    | 25,000           | (25,000)           |
| FFA Foundation project - TTTK                               | 2,596           | 4,658           | (2,062)             | 5,596                                | 55,900           | (50,304)           |
| FFA Foundation project - OPAP                               | 631             | 1,075           | (444)               | 631                                  | 12,900           | (12,269)           |
| FFA Foundation project - OMSF                               | -               | 1,250           | (1,250)             | -                                    | 15,000           | (15,000)           |
| FFA Foundation project - OT                                 | 998             | 1,075           | (77)                | 998                                  | 12,900           | (11,902)           |
| FFA Foundation project - OYM                                | 804             | 1,075           | (271)               | 804                                  | 12,900           | (12,096)           |
| FFA Foundation project - nursery/landscape                  | -               | -               | -                   | -                                    | -                | -                  |
| Convention net income                                       | (2,310)         | 4,563           | (6,873)             | (2,631)                              | 44,750           | (47,381)           |
| <b>TOTAL REVENUE</b>  | <b>93,113</b>   | <b>53,972</b>   | <b>39,141</b>       | <b>137,220</b>                       | <b>637,660</b>   | <b>(500,440)</b>   |
| <b>EXPENSES</b>   |                 |                 |                     |                                      |                  |                    |
| Salaries  | 22,865          | 18,914          | 3,951               | 40,999                               | 226,962          | (185,963)          |
| Taxes and benefits  | 6,537           | 4,654           | 1,883               | 11,139                               | 55,843           | (44,704)           |
| Computer service  | -               | 125             | (125)               | -                                    | 1,500            | (1,500)            |
| Telephone   | 307             | 333             | (26)                | 669                                  | 4,000            | (3,331)            |
| Accounting  | 450             | 1,000           | (550)               | 900                                  | 12,000           | (11,100)           |
| Depreciation  | 527             | 583             | (56)                | 1,083                                | 7,000            | (5,917)            |
| Rent  | -               | 625             | (625)               | -                                    | 7,500            | (7,500)            |
| Insurance   | 310             | 500             | (190)               | 1,164                                | 6,000            | (4,836)            |
| Legal   | -               | 83              | (83)                | -                                    | 1,000            | (1,000)            |
| Office Supplies   | 48              | 417             | (369)               | 1,126                                | 5,000            | (3,874)            |
| Bank charges and investment fees                            | -               | 8               | (8)                 | -                                    | 100              | (100)              |
| Printing, general   | 30              | 458             | (428)               | 30                                   | 5,500            | (5,470)            |
| Staff training  | -               | 83              | (83)                | -                                    | 1,000            | (1,000)            |
| Taxes and licenses  | -               | 5               | (5)                 | -                                    | 60               | (60)               |
| Membership and contributions                                | 8,010           | 1,000           | 7,010               | 8,010                                | 12,000           | (3,990)            |
| Travel, staff   | 1,077           | 1,856           | (779)               | 5,582                                | 22,275           | (16,693)           |
| Promotion and marketing                                     | 833             | 2,083           | (1,250)             | 2,092                                | 25,000           | (22,908)           |
| Merchandise and diaries                                     | 43              | 833             | (790)               | 666                                  | 10,000           | (9,334)            |
| Photocopying  | -               | 8               | (8)                 | -                                    | 100              | (100)              |
| Postage, News & Views Mailings                              | -               | -               | -                   | -                                    | -                | -                  |
| Postage, general  | 364             | 333             | 31                  | 785                                  | 4,000            | (3,215)            |
| Professional liability insurance                            | -               | 3,075           | (3,075)             | -                                    | 36,905           | (36,905)           |
| Public relations  | -               | 42              | (42)                | -                                    | 500              | (500)              |
| Scholarships  | -               | 625             | (625)               | 11,250                               | 7,500            | 3,750              |
| Travel, special project                                     | -               | -               | -                   | -                                    | -                | -                  |
| Travel, regional secretaries                                | 2,078           | 713             | 1,365               | 2,568                                | 8,550            | (5,982)            |
| Travel, board of directors                                  | 7,229           | 3,083           | 4,146               | 10,266                               | 37,000           | (26,734)           |
| Board operations  | -               | -               | -                   | -                                    | -                | -                  |
| Natl Teach Ag Campaign                                      | 1,500           | -               | 1,500               | 1,500                                | -                | 1,500              |
| FFA Foundation project - TTTK                               | 15,481          | 4,658           | 10,823              | 18,481                               | 55,900           | (37,419)           |
| FFA Foundation project - OPAP                               | 2,341           | 1,075           | 1,266               | 2,341                                | 12,900           | (10,559)           |
| FFA Foundation project - OMSF                               | 1,710           | 1,250           | 460                 | 1,710                                | 15,000           | (13,290)           |
| FFA Foundation project - OT                                 | 2,708           | 1,075           | 1,633               | 2,708                                | 12,900           | (10,192)           |
| FFA Foundation project - OYM                                | 2,514           | 1,075           | 1,439               | 2,514                                | 12,900           | (10,386)           |
| FFA Foundation project - nursery/landscape                  | -               | -               | -                   | -                                    | -                | -                  |
| NPS expense   | -               | 667             | (667)               | -                                    | 8,000            | (8,000)            |
| Webinar expense   | 99              | 583             | (484)               | 198                                  | 7,000            | (6,802)            |
| Communities of practice expense                             | 6,416           | 333             | 6,083               | 6,416                                | 4,000            | 2,416              |
| Teacher crisis fund   | -               | -               | -                   | -                                    | -                | -                  |
| Miscellaneous   | -               | -               | -                   | -                                    | -                | -                  |
| <b>TOTAL EXPENSES</b>                                       | <b>83,477</b>   | <b>52,155</b>   | <b>31,322</b>       | <b>134,197</b>                       | <b>625,895</b>   | <b>(491,698)</b>   |
| <b>NET INCOME (LOSS)</b>                                    | <b>\$ 9,636</b> | <b>\$ 1,817</b> | <b>\$ 7,819</b>     | <b>\$ 3,023</b>                      | <b>\$ 11,765</b> | <b>\$ (8,742)</b>  |

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.  
Schedule of Convention Revenue and Expenses  
For the Two Months Ended August 31, 2009.

|   | MONTH<br><u>ACTUAL</u> | MONTH<br><u>BUDGET</u> | MONTH<br><u>\$VARIANCE</u> | YEAR TO DATE<br>TWO MONTHS<br><u>ACTUAL</u> | YEAR<br><u>BUDGET</u> | YEAR<br><u>\$VARIANCE</u> |
|---|------------------------|------------------------|----------------------------|---|-----------------------|---------------------------|
| <b>REVENUE</b>                            |                        |                        |                            |   |                       |                           |
| Convention, registration                  | \$ -                   | \$ 6,396               | \$ (6,396)                 | \$ -  | \$ 76,750             | \$ (76,750)               |
| Convention, tickets/workshops             | -                      | -                      | -                          | -   | -                     | -                         |
| Convention, trade show                    | -                      | -                      | -                          | -   | -                     | -                         |
| Convention - Ideas Unlimited              | -                      | -                      | -                          | -   | -                     | -                         |
| Convention - Teacher Mentor               | -                      | -                      | -                          | -   | -                     | -                         |
| Convention scholarship fund               | -                      | -                      | -                          | -   | -                     | -                         |
| Convention, sponsorships - FFA Foundation | -                      | 2,083                  | (2,083)                    | -   | 25,000                | (25,000)                  |
| Convention, host state social             | -                      | -                      | -                          | -   | -                     | -                         |
| Convention, sponsorships                  | 2,250                  | 2,000                  | 250                        | 2,250                                       | 24,000                | (21,750)                  |
| <b>TOTAL REVENUE</b>                      | <b>2,250</b>           | <b>10,479</b>          | <b>(8,229)</b>             | <b>2,250</b>                                | <b>125,750</b>        | <b>(123,500)</b>          |
| <b>EXPENSES</b>                           |                        |                        |                            |   |                       |                           |
| Convention, plaques and trophies          | -                      | 208                    | (208)                      | -   | 2,500                 | (2,500)                   |
| Convention, printing                      | -                      | 125                    | (125)                      | -   | 1,500                 | (1,500)                   |
| Conventions, miscellaneous                | -                      | -                      | -                          | -   | -                     | -                         |
| Convention, awards                        | 1,425                  | -                      | 1,425                      | 1,425                                       | 10,000                | (8,575)                   |
| 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          | -                      | 167                    | (167)                      | -   | 2,000                 | (2,000)                   |
| Convention, equipment rental              | -                      | 500                    | (500)                      | -   | 6,000                 | (6,000)                   |
| Convention, workshops                     | -                      | -                      | -                          | -   | -                     | -                         |
| Convention, host state social             | -                      | -                      | -                          | -   | -                     | -                         |
| Convention, speakers                      | -                      | -                      | -                          | -   | -                     | -                         |
| Convention, trade show expense            | -                      | -                      | -                          | -   | -                     | -                         |
| Convention, tour expenses                 | -                      | -                      | -                          | -   | -                     | -                         |
| Convention, committee expense             | -                      | 125                    | (125)                      | -   | 1,500                 | (1,500)                   |
| Convention, sponsorships - FFA Foundation | -                      | 2,083                  | (2,083)                    | -   | 25,000                | (25,000)                  |
| Convention, travel/board of directors     | 2,280                  | 917                    | 1,363                      | 2,601                                       | 11,000                | (8,399)                   |
| Convention, staff travel                  | 855                    | 583                    | 272                        | 855   | 7,000                 | (6,145)                   |
| Convention, other travel                  | -                      | 83                     | (83)                       | -   | 1,000                 | (1,000)                   |
| <b>TOTAL EXPENSES</b>                     | <b>4,560</b>           | <b>5,916</b>           | <b>(1,356)</b>             | <b>4,881</b>                                | <b>81,000</b>         | <b>(76,119)</b>           |
| <b>NET INCOME (LOSS)</b>                  | <b>\$ (2,310)</b>      | <b>\$ 4,563</b>        | <b>\$ (6,873)</b>          | <b>\$ (2,631)</b>                           | <b>\$ 44,750</b>      | <b>\$ (47,381)</b>        |

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