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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, 2009, the related statement of activities for the 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*

October 16, 2009

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.  
Statement of Financial Position  
September 30, 2009

ASSETS	
Cash on deposit	\$ 61,916
Investments - operating fund	421,176
Investments - life membership fund	86,502
Investments - legislative fund	368
Accounts receivable	92,210
Prepaid expenses	4,077
Property and equipment	<u>9,569</u>
 TOTAL ASSETS	 <u>\$ 675,818</u>
 LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts payable	\$ 9,800
Accrued leave payable	18,459
Other current liabilities	<u>4,722</u>
 TOTAL LIABILITIES	 <u>32,981</u>
 NET ASSETS	
Unrestricted net assets:	
Current operation	522,829
Board designated for special purposes	118,148
Temporarily restricted net assets	<u>1,860</u>
 TOTAL NET ASSETS	 <u>642,837</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 675,818</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Three Months Ended September 30, 2009

	<u>Unrestricted</u>		<u>Temporarily Restricted</u>	<u>Total</u>
	<u>Current Operations</u>	<u>Board Designated</u>		
Revenue, Gains and Losses				
Membership dues	\$ 153,645	\$ 1,080	\$ -	\$ 154,725
Convention registration	(3,705)	-	-	(3,705)
Sponsorship and awards	6,000	-	-	6,000
Merchandise sales	3,316	-	-	3,316
Contributions	-	-	700	700
Management fees	-	-	-	-
Net realized and unrealized gains (losses) on securities	51,384	-	-	51,384
Interest and dividends	948	-	-	948
FFA Foundation projects	47,337	-	-	47,337
Other income	32,367	-	-	32,367
	<u>291,292</u>	<u>1,080</u>	<u>700</u>	<u>293,072</u>
Total Revenue, Gains and Losses				
	291,292	1,080	700	293,072
Net Assets Released from Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue, Gains and Losses and Reclassifications	<u>291,292</u>	<u>1,080</u>	<u>700</u>	<u>293,072</u>
Expenses				
General expenses	154,250	-	-	154,250
FFA Foundation projects	47,337	-	-	47,337
Convention expenses	6,651	-	-	6,651
	<u>208,238</u>	<u>-</u>	<u>-</u>	<u>208,238</u>
Total expenses				
	208,238	-	-	208,238
INCREASE (DECREASE) IN NET ASSETS	83,054	1,080	700	84,834
NET ASSETS AT BEGINNING OF PERIOD	<u>439,775</u>	<u>117,068</u>	<u>1,160</u>	<u>558,003</u>
NET ASSETS AT END OF PERIOD	<u>\$ 522,829</u>	<u>\$ 118,148</u>	<u>\$ 1,860</u>	<u>\$ 642,837</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the Three Months Ended September 30, 2009

	MONTH ACTUAL	MONTH BUDGET	MONTH \$VARIANCE	YEAR TO DATE THREE MONTHS ACTUAL	YEAR BUDGET	YEAR \$VARIANCE
<b>REVENUE</b>						
Member dues	\$ 55,780	\$ 32,322	\$ 23,458	\$ 147,225	\$ 387,860	\$ (240,635)
Corporate membership dues	5,250	2,688	2,562	7,500	32,250	(24,750)
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Foundation management fees	-	-	-	-	-	-
MBNA affinity credit card program	-	58	(58)	140	700	(560)
Toyota vehicle lease management fee	-	-	-	-	-	-
Interest and dividends	419	500	(81)	846	6,000	(5,154)
Net realized and unrealized gains (losses) on securities	17,570	-	17,570	51,384	-	51,384
Merchandise sales	479	708	(229)	3,316	8,500	(5,184)
Investment income, Life Fund	32	125	(93)	102	1,500	(1,398)
Contributions, Legislative Fund	-	-	-	700	-	700
Miscellaneous income	-	167	(167)	-	2,000	(2,000)
National Teach Ag Campaign	8,070	-	8,070	8,070	-	8,070
Teacher crisis fund	-	-	-	141	-	141
Risk management education	14,376	1,000	13,376	14,376	12,000	2,376
Webinar revenue	-	2,083	(2,083)	-	25,000	(25,000)
FFA Foundation project - TTTK	27,487	4,658	22,829	33,083	55,900	(22,817)
FFA Foundation project - OPAP	2,831	1,075	1,756	3,462	12,900	(9,438)
FFA Foundation project - OMSP	3,386	1,250	2,136	3,386	15,000	(11,614)
FFA Foundation project - OT	2,685	1,075	1,610	3,683	12,900	(9,217)
FFA Foundation project - OYM	2,920	1,075	1,845	3,723	12,900	(9,177)
Convention net income	7,915	4,563	3,352	5,284	44,750	(39,466)
<b>TOTAL REVENUE</b>	<b>149,200</b>	<b>53,972</b>	<b>95,228</b>	<b>286,421</b>	<b>637,660</b>	<b>(351,239)</b>
<b>EXPENSES</b>						
Salaries	19,437	18,914	523	60,436	226,962	(166,526)
Taxes and benefits	4,574	4,654	(80)	15,713	55,843	(40,130)
Computer service	-	125	(125)	-	1,500	(1,500)
Telephone	367	333	34	1,035	4,000	(2,965)
Accounting	450	1,000	(550)	1,350	12,000	(10,650)
Depreciation	542	583	(41)	1,625	7,000	(5,375)
Rent	7,500	625	6,875	7,500	7,500	-
Insurance	310	500	(190)	1,474	6,000	(4,526)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	785	417	368	1,911	5,000	(3,089)
Bank charges and investment fees	-	8	(8)	-	100	(100)
Printing, general	-	458	(458)	30	5,500	(5,470)
Staff training	-	83	(83)	-	1,000	(1,000)
Taxes and licenses	-	5	(5)	-	60	(60)
Membership and contributions	365	1,000	(635)	8,375	12,000	(3,625)
Travel, staff	976	1,856	(880)	6,558	22,275	(15,717)
Promotion and marketing	3,673	2,083	1,590	5,765	25,000	(19,235)
Merchandise and diaries	-	833	(833)	666	10,000	(9,334)
Photocopying	-	8	(8)	-	100	(100)
Postage, general	360	333	27	1,145	4,000	(2,855)
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, regional secretaries	-	713	(713)	2,568	8,550	(5,982)
Travel, board of directors	74	3,083	(3,009)	10,516	37,000	(26,484)
Nat'l Teach Ag Campaign	8,120	-	8,120	9,620	-	9,620
FFA Foundation project - TTTK	14,602	4,658	9,944	33,083	55,900	(22,817)
FFA Foundation project - OPAP	1,121	1,075	46	3,462	12,900	(9,438)
FFA Foundation project - OMSP	1,676	1,250	426	3,386	15,000	(11,614)
FFA Foundation project - OT	975	1,075	(100)	3,683	12,900	(9,217)
FFA Foundation project - OYM	1,210	1,075	135	3,723	12,900	(9,177)
NPS expense	-	667	(667)	-	8,000	(8,000)
Webinar expense	99	583	(484)	297	7,000	(6,703)
Communities of practice expense	-	333	(333)	6,416	4,000	2,416
Miscellaneous	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>67,216</b>	<b>52,155</b>	<b>15,061</b>	<b>201,587</b>	<b>625,895</b>	<b>(424,308)</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 81,984</b>	<b>\$ 1,817</b>	<b>\$ 80,167</b>	<b>\$ 84,834</b>	<b>\$ 11,765</b>	<b>\$ 73,069</b>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Convention Revenue and Expenses

For the Three Months Ended September 30, 2009

	MONTH	MONTH	MONTH	YEAR TO DATE	YEAR	YEAR
	ACTUAL	BUDGET	\$VARIANCE	THREE MONTHS	BUDGET	\$VARIANCE
REVENUE				ACTUAL		
Convention, registration	\$ (3,705)	\$ 6,396	\$ (10,101)	\$ (3,705)	\$ 76,750	\$ (80,455)
Convention, tickets/workshops	-	-	-	-	-	-
Convention, trade show	300	-	300	300	-	300
Convention - Ideas Unlimited	5,000	-	5,000	5,000	-	5,000
Convention - Teacher Mentor	4,250	-	4,250	4,250	-	4,250
Convention scholarship fund	-	-	-	-	-	-
Convention, sponsorships - FFA Foundation	-	2,083	(2,083)	-	25,000	(25,000)
Convention, host state social	90	-	90	90	-	90
Convention, sponsorships	3,750	2,000	1,750	6,000	24,000	(18,000)
TOTAL REVENUE	<u>9,685</u>	<u>10,479</u>	<u>(794)</u>	<u>11,935</u>	<u>125,750</u>	<u>(113,815)</u>
EXPENSES						
Convention, plaques and trophies	-	208	(208)	-	2,500	(2,500)
Convention, printing	-	125	(125)	-	1,500	(1,500)
Conventions, miscellaneous	-	-	-	-	-	-
Convention, awards	1,485	-	1,485	2,910	10,000	(7,090)
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	-	917	(917)	2,601	11,000	(8,399)
Convention, staff travel	285	583	(298)	1,140	7,000	(5,860)
Convention, other travel	-	83	(83)	-	1,000	(1,000)
TOTAL EXPENSES	<u>1,770</u>	<u>5,916</u>	<u>(4,146)</u>	<u>6,651</u>	<u>81,000</u>	<u>(74,349)</u>
NET INCOME (LOSS)	<u>\$ 7,915</u>	<u>\$ 4,563</u>	<u>\$ 3,352</u>	<u>\$ 5,284</u>	<u>\$ 44,750</u>	<u>\$ (39,466)</u>

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