

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

To the Board of Directors
Distributive Education Clubs of America, Inc.
Reston, Virginia

We have audited the accompanying balance sheets of Distributive Education Clubs of America, Inc. (the Association) as of June 30, 2008 and 2007, and the related statements of activities, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Distributive Education Clubs of America, Inc. as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

McGladrey & Pullen, LLP

Gaithersburg, Maryland
December 16, 2008

Distributive Education Clubs Of America, Inc.

Statement Of Activities
 Year Ended June 30, 2008
 (With Comparative Totals For 2007)

	2008				2007 Total
	Unrestricted		Temporarily Restricted	Total	
	Operating	Board Designated			
Support and revenue:					
Educational services	\$ 4,794,017	\$ -	\$ -	\$ 4,794,017	\$ 5,141,804
Professional services	1,526,004	-	-	1,526,004	1,486,591
Sponsor support, net of reallocations	-	-	1,104,595	1,104,595	1,321,095
Region conferences	252,977	-	-	252,977	233,173
Administration	111,710	-	-	111,710	82,501
Investment income	(53,131)	-	-	(53,131)	270,359
Other	187,983	7,272	307,040	502,295	445,077
Net assets released from restrictions	1,409,914	-	(1,409,914)	-	-
Total support and revenue	8,229,474	7,272	1,721	8,238,467	8,980,600
Expenses:					
Programs:					
Educational	3,902,547	-	-	3,902,547	4,309,737
Sponsor programs	1,183,688	-	-	1,183,688	1,237,098
Region conferences	213,101	-	-	213,101	190,553
Professional	182,658	-	-	182,658	171,725
Leadership packet	26,971	-	-	26,971	40,641
Other	374,908	122,023	-	496,931	485,149
Administration	2,191,855	-	-	2,191,855	2,112,897
Total expenses	8,075,728	122,023	-	8,197,751	8,547,800
Change in net assets	\$ 153,746	\$ (114,751)	\$ 1,721	\$ 40,716	\$ 432,800

See Notes To Financial Statements.