

# **National FFA Foundation, Inc.**

Accountants' Report and Financial Statements

December 31, 2007 and 2006

**National FFA Foundation, Inc.**  
**December 31, 2007 and 2006**

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## Independent Accountants' Report

Board of Trustees  
National FFA Foundation, Inc.  
Indianapolis, Indiana

We have audited the accompanying statements of financial position of National FFA Foundation, Inc. (Foundation) as of December 31, 2007 and 2006, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Foundation'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 National FFA Foundation, Inc. as of December 31, 2007 and 2006, 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.

*BKD, LLP*

June 25, 2008

**National FFA Foundation, Inc.**  
**Statements of Financial Position**  
**December 31, 2007 and 2006**

**Assets**

	2007			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Cash and cash equivalents	\$ 160,841	\$ 279,957	\$ -	\$ 440,798
Contributions receivable	224,052	3,023,690	2,500	3,250,242
Accounts receivable - National FFA Organization	51,080	-	-	51,080
Other receivables	288,374	5,208	-	293,582
Prepaid expenses and other	293,708	-	-	293,708
Investments	2,233,328	5,595,956	2,531,935	10,361,219
<b>Total assets</b>	<b>\$ 3,251,383</b>	<b>\$ 8,904,811</b>	<b>\$ 2,534,435</b>	<b>\$ 14,690,629</b>

**Liabilities**

Accounts payable - trade	\$ 1,549,616	\$ 12,117	\$ -	\$ 1,561,733
Accounts payable - National FFA Organization	-	-	-	-
Accrued payroll and other liabilities	246,499	-	-	246,499
<b>Total liabilities</b>	<b>1,796,115</b>	<b>12,117</b>	<b>-</b>	<b>1,808,232</b>

**Net Assets**

Unrestricted				
General	105,290	-	-	105,290
Ag Ed Strategic Opportunities Fund	1,320,236	-	-	1,320,236
Endowment and development	29,742	-	-	29,742
	<u>1,455,268</u>	<u>-</u>	<u>-</u>	<u>1,455,268</u>
Temporarily restricted				
General	-	7,661,780	-	7,661,780
Ag Ed Strategic Opportunities Fund	-	215,853	-	215,853
Endowment and development	-	1,015,061	-	1,015,061
	<u>-</u>	<u>8,892,694</u>	<u>-</u>	<u>8,892,694</u>
Permanently restricted - endowment and development	-	-	2,534,435	2,534,435
<b>Total net assets</b>	<b>1,455,268</b>	<b>8,892,694</b>	<b>2,534,435</b>	<b>12,882,397</b>
<b>Total liabilities and net assets</b>	<b>\$ 3,251,383</b>	<b>\$ 8,904,811</b>	<b>\$ 2,534,435</b>	<b>\$ 14,690,629</b>

2006			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 308,895	\$ 1,112	\$ -	\$ 310,007
331,109	3,407,810	-	3,738,919
-	-	-	-
357,877	1,430	25	359,332
163,243	-	-	163,243
4,151,185	6,216,261	2,381,274	12,748,720
<u>\$ 5,312,309</u>	<u>\$ 9,626,613</u>	<u>\$ 2,381,299</u>	<u>\$ 17,320,221</u>
\$ 1,467,110	\$ -	\$ -	\$ 1,467,110
155,835	-	-	155,835
174,237	-	-	174,237
<u>1,797,182</u>	<u>-</u>	<u>-</u>	<u>1,797,182</u>
2,312,991	-	-	2,312,991
1,178,448	-	-	1,178,448
23,688	-	-	23,688
<u>3,515,127</u>	<u>-</u>	<u>-</u>	<u>3,515,127</u>
-	8,695,009	-	8,695,009
-	146,652	-	146,652
-	784,952	-	784,952
<u>-</u>	<u>9,626,613</u>	<u>-</u>	<u>9,626,613</u>
-	-	2,381,299	2,381,299
<u>3,515,127</u>	<u>9,626,613</u>	<u>2,381,299</u>	<u>15,523,039</u>
\$ 5,312,309	\$ 9,626,613	\$ 2,381,299	\$ 17,320,221

**National FFA Foundation, Inc.**  
**Statements of Activities**  
**Years Ended December 31, 2007 and 2006**

	2007			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
<b>Revenue, Gains and Other Support</b>				
Public support				
Regular contributions	\$ 309,039	\$ -	\$ -	\$ 309,039
Special project contributions	4,964,739	5,025,682	152,869	10,143,290
Special project operational contributions	1,700,379	-	-	1,700,379
Interest and dividend income	547,081	233,210	267	780,558
Program fees	291,725	-	-	291,725
Net gains from investments	270,777	115,986	-	386,763
	<u>8,083,740</u>	<u>5,374,878</u>	<u>153,136</u>	<u>13,611,754</u>
Net assets released from restrictions	6,108,797	(6,108,797)	-	-
Total revenue, gains and other support	<u>14,192,537</u>	<u>(733,919)</u>	<u>153,136</u>	<u>13,611,754</u>
<b>Expenses</b>				
Program services				
Leadership development	2,215,215	-	-	2,215,215
Personal growth	1,409,393	-	-	1,409,393
Career development	6,455,278	-	-	6,455,278
Professional development and other	2,828,920	-	-	2,828,920
Total program services	<u>12,908,806</u>	<u>-</u>	<u>-</u>	<u>12,908,806</u>
Management and general	1,393,981	-	-	1,393,981
Fund raising	1,949,609	-	-	1,949,609
Total expenses	<u>16,252,396</u>	<u>-</u>	<u>-</u>	<u>16,252,396</u>
<b>Change in Net Assets</b>	(2,059,859)	(733,919)	153,136	(2,640,642)
<b>Net Assets, Beginning of Year</b>	<u>3,515,127</u>	<u>9,626,613</u>	<u>2,381,299</u>	<u>15,523,039</u>
<b>Net Assets, End of Year</b>	<u>\$ 1,455,268</u>	<u>\$ 8,892,694</u>	<u>\$ 2,534,435</u>	<u>\$ 12,882,397</u>

2006			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 272,656	\$ -	\$ -	\$ 272,656
5,472,862	6,665,719	7,222	12,145,803
1,162,251	-	-	1,162,251
572,139	152,275	113	724,527
174,442	-	-	174,442
688,911	217,297	-	906,208
<u>8,343,261</u>	<u>7,035,291</u>	<u>7,335</u>	<u>15,385,887</u>
5,883,259	(5,883,259)	-	-
<u>14,226,520</u>	<u>1,152,032</u>	<u>7,335</u>	<u>15,385,887</u>
1,754,933	-	-	1,754,933
1,743,251	-	-	1,743,251
6,109,981	-	-	6,109,981
2,549,458	-	-	2,549,458
<u>12,157,623</u>	<u>-</u>	<u>-</u>	<u>12,157,623</u>
910,097	-	-	910,097
2,073,041	-	-	2,073,041
<u>15,140,761</u>	<u>-</u>	<u>-</u>	<u>15,140,761</u>
(914,241)	1,152,032	7,335	245,126
<u>4,429,368</u>	<u>8,474,581</u>	<u>2,373,964</u>	<u>15,277,913</u>
<u>\$ 3,515,127</u>	<u>\$ 9,626,613</u>	<u>\$ 2,381,299</u>	<u>\$ 15,523,039</u>

**National FFA Foundation, Inc.**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2007**

	2007									
	Program Services					Supporting Services				
	Leadership Development	Personal Growth	Career Development	Professional Development and Other	Total	Management and General	Fundraising	Total	Total Expenses	
Awards, grants and scholarships	\$ 257,617	\$ 126,808	\$ 3,087,748	\$ 245,440	\$ 3,717,613	\$ -	\$ -	\$ -	\$ -	\$ 3,717,613
Programs and activities	251,007	199,090	560,174	497,800	1,508,071	-	-	-	-	1,508,071
Salaries, payroll taxes and employee benefits	52,033	273,699	177,500	183,348	686,580	868,538	1,248,535	2,117,073		2,803,653
Materials and supplies	409,214	129,517	137,339	155,569	831,639	13,692	23,173	36,865		868,504
Telephone and fax	4,392	17,012	4,792	59,153	85,349	11,660	24,436	36,096		121,445
Postage, freight, shipping and handling	13,365	2,578	63,420	18,334	97,697	11,876	28,536	40,412		138,109
Occupancy	-	-	-	3,420	3,420	25,048	34,196	59,244		62,664
Maintenance, repairs and rental	88,598	20,385	14,520	10,902	134,405	122,768	161,524	284,292		418,697
Printing and publications	191,462	177,011	217,842	116,814	703,129	52,679	51,271	103,950		807,079
Travel, meals and lodging	485,371	258,574	893,125	502,221	2,139,291	113,349	224,844	338,193		2,477,484
Conferences, conventions, workshops and meetings	284,335	87,954	1,199,471	143,465	1,715,225	6,237	18,843	25,080		1,740,305
Training and development	101,265	8,453	36,417	31,417	177,552	15,127	10,306	25,433		202,985
Bank, credit card and state fees	-	-	-	-	-	9,689	7,613	17,302		17,302
Professional fees - other	76,556	105,993	62,930	820,378	1,065,857	48,852	56,329	105,181		1,171,038
Accounting and legal fees	-	2,319	-	40,659	42,978	39,524	10,630	50,154		93,132
Miscellaneous	-	-	-	-	-	54,942	49,373	104,315		104,315
<b>Totals</b>	<b>\$ 2,215,215</b>	<b>\$ 1,409,393</b>	<b>\$ 6,455,278</b>	<b>\$ 2,828,920</b>	<b>\$ 12,908,806</b>	<b>\$ 1,393,981</b>	<b>\$ 1,949,609</b>	<b>\$ 3,343,590</b>	<b>\$</b>	<b>\$ 16,252,396</b>

**National FFA Foundation, Inc.**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2006**

	2006									
	Program Services					Supporting Services				
	Leadership Development	Personal Growth	Career Development	Professional Development and Other	Total	Management and General	Fundraising	Total	Total Expenses	
Awards, grants and scholarships	\$ 217,956	\$ 119,649	\$ 3,784,606	\$ 508,776	\$ 4,630,987	\$ -	\$ -	\$ -	\$ 4,630,987	
Programs and activities	171,478	64,424	644,299	330,985	1,211,186	-	-	-	1,211,186	
Salaries, payroll taxes and employee benefits	47,047	402,795	48,687	17,792	516,321	633,176	1,161,336	1,794,512	2,310,833	
Materials and supplies	317,689	79,878	125,157	301,217	823,941	10,433	25,172	35,605	859,546	
Telephone and fax	3,026	3,276	6,560	12,645	25,507	5,418	25,829	31,247	56,754	
Postage, freight, shipping and handling	33,239	3,253	34,855	12,976	84,323	4,212	18,581	22,793	107,116	
Occupancy	-	-	-	1,043	1,043	14,467	32,497	46,964	48,007	
Maintenance, repairs and rental	4,188	6,495	12,691	25,946	49,320	66,186	154,451	220,637	269,957	
Printing and publications	158,593	245,744	198,087	193,337	795,761	3,096	30,146	33,242	829,003	
Travel, meals and lodging	428,923	361,052	899,385	457,668	2,147,028	56,577	276,262	332,839	2,479,867	
Conferences, conventions, workshops and meetings	218,027	96,829	309,206	158,629	782,691	1,355	12,201	13,556	796,247	
Training and development	53,508	13,043	31,154	40,300	138,005	3,281	10,819	14,100	152,105	
Depreciation	-	-	-	-	-	635	255	890	890	
Bank, credit card and state fees	-	-	-	6,201	6,201	6,642	13,752	20,394	26,595	
Professional fees - other	101,259	346,813	15,294	481,943	945,309	51,572	256,396	307,968	1,253,277	
Accounting and legal fees	-	-	-	-	-	32,429	7,785	40,214	40,214	
Miscellaneous	-	-	-	-	-	20,618	47,559	68,177	68,177	
<b>Totals</b>	<b>\$ 1,754,933</b>	<b>\$ 1,743,251</b>	<b>\$ 6,109,981</b>	<b>\$ 2,549,458</b>	<b>\$ 12,157,623</b>	<b>\$ 910,097</b>	<b>\$ 2,073,041</b>	<b>\$ 2,983,138</b>	<b>\$ 15,140,761</b>	

**National FFA Foundation, Inc.**  
**Statements of Cash Flows**  
**Years Ended December 31, 2007 and 2006**

	<b>2007</b>	<b>2006</b>
<b>Operating Activities</b>		
Cash received from contributors and others	\$ 11,908,735	\$ 12,202,276
Interest and dividends received	780,291	732,949
Cash paid to employees, suppliers, etc.	(15,485,634)	(13,681,684)
Net cash used in operating activities	(2,796,608)	(746,459)
<b>Investing Activities</b>		
Proceeds from sales and maturities of investments	4,475,897	3,195,276
Purchases of investments	(1,701,367)	(3,058,578)
Net cash provided by investing activities	2,774,530	136,698
<b>Financing Activity</b> - proceeds from contributions restricted for investment in endowment	152,869	7,222
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	130,791	(602,539)
<b>Cash and Cash Equivalents, Beginning of Year</b>	310,007	912,546
<b>Cash and Cash Equivalents, End of Year</b>	\$ 440,798	\$ 310,007
<b>Reconciliation of Change in Net Assets to Net Cash Used in Operating Activities</b>		
Change in net assets	\$ (2,640,642)	\$ 245,126
Items not requiring (providing) cash		
Depreciation	-	890
Realized and unrealized gains on investments	(386,762)	(906,208)
Reinvested interest and dividends	(267)	(113)
Contributions restricted for long-term investment	(152,869)	(7,222)
Changes in		
Receivables	503,347	(1,108,629)
Prepaid expenses	(130,465)	(4,920)
Accounts payable and accrued expenses	11,050	1,034,617
Net cash used in operating activities	\$ (2,796,608)	\$ (746,459)

# **National FFA Foundation, Inc.**

## **Notes to Financial Statements**

**December 31, 2007 and 2006**

### **Note 1: Nature of Operations and Summary of Significant Accounting Policies**

#### ***General***

National FFA Foundation, Inc. (Foundation) commenced operations in March 1944 and was incorporated as a not-for-profit foundation in January 1945, under the laws of the District of Columbia. The Foundation was organized for the overall purpose of furthering the education and development of National FFA members with emphasis in all segments of the industry of agriculture in America at the national, state and local levels.

#### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

#### ***Temporarily and Permanently Restricted Net Assets***

Temporarily restricted net assets are those whose use by the Foundation has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Foundation in perpetuity.

#### ***Cash and Cash Equivalents***

The Foundation considers all liquid investments with original maturities of three months or less to be cash equivalents. Cash consists of bank deposits in federally insured accounts. At December 31, 2007, the Foundation's cash accounts exceeded federally insured limits by approximately \$189,000. However, these accounts were collateralized by overnight repurchase agreements.

#### ***Investments***

The Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in the changes in net assets in the accompanying statements of activities.

# **National FFA Foundation, Inc.**

## **Notes to Financial Statements December 31, 2007 and 2006**

### ***Income Taxes***

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the U. S. Internal Revenue Code. The Foundation is not considered to be a private foundation.

### ***Promises to Give***

Unconditional promises to give (contributions receivable) are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

While contributions, including promises to give, are required to be recorded as revenue in the year received, expenses funded by such contributions normally occur in subsequent years. This means fluctuations between years in the amount of contributions received or receivable can have a significant impact on the total change in net assets of the Foundation, as can the timing of program expenses which result therefrom.

### ***Support and Revenue***

The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as unrestricted.

### ***In-Kind Contributions***

In addition to receiving cash contributions, the Foundation receives in-kind contributions from various donors. It is the policy of the Foundation to record the estimated fair market value of certain in-kind donations as an asset or expense in its financial statements, and similarly increase donations by a like amount. For the years ended December 31, 2007 and 2006, in-kind contributions amounted to \$871,507 and \$725,927.

### ***Expense Allocation***

Expenses have been classified as program services, management and general, and fund raising based on the actual direct expenditures and cost allocations based upon estimates of time spent by Foundation personnel.

# National FFA Foundation, Inc.

## Notes to Financial Statements December 31, 2007 and 2006

### Note 2: Contributions Receivable

	2007			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Due within one year	\$ 224,052	\$ 2,436,221	\$ 2,500	\$ 2,662,773
Due in one to five years	-	712,100	-	712,100
	224,052	3,148,321	2,500	3,374,873
Discount (approximately 6%)	-	(124,631)	-	(124,631)
	\$ 224,052	\$ 3,023,690	\$ 2,500	\$ 3,250,242

	2006			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Due within one year	\$ 331,109	\$ 2,528,542	\$ -	\$ 2,859,651
Due in one to five years	-	1,074,875	-	1,074,875
	331,109	3,603,417	-	3,934,526
Discount (approximately 6%)	-	(195,607)	-	(195,607)
	\$ 331,109	\$ 3,407,810	\$ -	\$ 3,738,919

Contributions receivable designated for specific purposes are as follows:

	2007	2006
Leadership development	\$ 277,048	\$ 339,733
Personal growth	1,102,902	1,341,778
Career development	1,068,825	1,471,385
Professional development and other	494,168	164,436
Future periods	83,247	90,478
	\$ 3,026,190	\$ 3,407,810

# National FFA Foundation, Inc.

## Notes to Financial Statements December 31, 2007 and 2006

### Note 3: Investments

The Foundation's investments are as follows:

	<b>Market</b>	
	<b>2007</b>	<b>2006</b>
Uninvested cash	\$ 506,735	\$ 79,274
Bond mutual funds	2,812,010	3,299,526
Equity mutual funds	6,447,224	8,989,146
Alternative investments - mutual funds	595,250	380,774
Total	\$ 10,361,219	\$ 12,748,720
Unrestricted	\$ 2,233,328	\$ 4,151,185
Temporarily restricted	5,595,956	6,216,261
Permanently restricted	2,531,935	2,381,274
	\$ 10,361,219	\$ 12,748,720

The following schedules summarize the investment return and its classification in the statements of activities for the years ended December 31, 2007 and 2006:

<b>2007</b>				
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Dividends and interest	\$ 547,081	\$ 233,210	\$ 267	\$ 780,558
Net realized gains on investments	1,185,908	169,277	-	1,355,185
Net unrealized loss on investments	(915,131)	(53,291)	-	(968,422)
Total return on investments	\$ 817,858	\$ 349,196	\$ 267	\$ 1,167,321

<b>2006</b>				
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Dividends and interest	\$ 572,139	\$ 152,275	\$ 113	\$ 724,527
Net realized gains on investments	425,699	82,163	-	507,862
Net unrealized gains on investments	263,212	135,134	-	398,346
Total return on investments	\$ 1,261,050	\$ 369,572	\$ 113	\$ 1,630,735

# National FFA Foundation, Inc.

## Notes to Financial Statements December 31, 2007 and 2006

### Note 4: Interest in Charitable Trusts

During 2007, the Foundation was informed that it has been named the charitable beneficiary under two revocable charitable trusts from one donor. The estimated interest in the charitable trusts is approximately \$1,200,000. Due to the trusts being revocable, no asset has been recognized by the Foundation as of December 31, 2007.

### Note 5: Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods:

	<u>2007</u>	<u>2006</u>
Leadership development program activities	\$ 628,246	\$ 1,016,593
Personal growth program activities	2,012,690	2,192,274
Career development program activities	4,924,265	5,590,475
Professional development and other program activities	1,068,906	627,926
For periods after December 31, 2007 and 2006	<u>258,587</u>	<u>199,345</u>
	<u>\$ 8,892,694</u>	<u>\$ 9,626,613</u>

### Note 6: Permanently Restricted Net Assets

Permanently restricted net assets are restricted to:

	<u>2007</u>	<u>2006</u>
Investment in perpetuity, the income of which is expendable to support		
Leadership development program activities	\$ 41,891	\$ 41,262
Career development program activities	2,098,292	1,945,785
Professional development and other program activities	361,145	361,145
Any activity of the Foundation	<u>33,107</u>	<u>33,107</u>
	<u>\$ 2,534,435</u>	<u>\$ 2,381,299</u>

# National FFA Foundation, Inc.

## Notes to Financial Statements December 31, 2007 and 2006

### Note 7: Net Assets Released From Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2007	2006
Purpose restrictions accomplished and passage of time		
Leadership development program expenses	\$ 833,666	\$ 734,697
Personal growth program expenses	1,103,352	983,426
Career development program expenses	3,891,217	3,660,499
Professional development and other	280,562	504,637
Total net assets released from restrictions	\$ 6,108,797	\$ 5,883,259

### Note 8: Related Party Transactions

The Foundation currently has several of its trustees as directors of the National FFA Organization. However, neither organization appoints the trustees or directors of the other organization. During 2007 and 2006, the Foundation recorded revenues from the National FFA Organization as follows:

	2007	2006
Contributions from Alumni Association	\$ 19,275	\$ 29,350
Special project contributions and fees	330,497	62,984
Other reimbursements	595,243	617,501
Contributions from National FFA	125,000	125,000
Total	\$ 1,070,015	\$ 834,835

Expenses incurred by the National FFA Organization on behalf of the Foundation are as follows. The Foundation reimburses the National FFA Organization for such expenses, including the salaries and benefits of Foundation staff.

	2007	2006
Management fees, salaries and benefits	\$ 3,373,309	\$ 2,698,053
Convention, Career Show and Other Support	1,374,453	929,659
Awards and scholarships	13,366	-
Other expenses	2,026,271	1,988,932
Operating reimbursements	383,644	315,517
Total	\$ 7,171,043	\$ 5,932,161

# **National FFA Foundation, Inc.**

## **Notes to Financial Statements**

**December 31, 2007 and 2006**

At December 31, 2007 and 2006, the Foundation had receivables from the National FFA Organization of \$51,080 and \$0, respectively, and accounts payable to the National FFA Organization of \$0 and \$155,835, respectively.