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Independent Auditors' Report

Board of Directors
The Andrew Jackson Police Youth Camp, Inc.
Nashville, Tennessee

We have audited the accompanying statements of financial position of The Andrew Jackson Police Youth Camp, Inc. (a non-profit organization) as of December 31, 2006 and 2005, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Board of Directors. 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 The Andrew Jackson Police Youth Camp, Inc. (a non-profit organization) as of December 31, 2006 and 2005, and the changes in its net assets, functional expenses and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Cooper, Travis & Company, PLC
Cooper, Travis & Company, PLC
Certified Public Accountants

Nashville, Tennessee
May 5, 2007

THE ANDREW JACKSON POLICE YOUTH CAMP, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2006 AND 2005

	<u>ASSETS</u>	<u>2006</u>	<u>2005</u>
<u>Current Assets</u>			
Cash - unrestricted		\$ 467,434	\$ 313,610
Total current assets		<u>467,434</u>	<u>313,610</u>
<u>Property and Equipment - Notes 1(d) and 2</u>			
Land		19,503	19,503
Buildings and improvements		140,759	140,759
Camp equipment		29,266	25,816
Furniture and office equipment		<u>5,894</u>	<u>5,894</u>
		195,422	191,972
Less: Accumulated depreciation		<u>(144,188)</u>	<u>(138,170)</u>
Property and equipment, net		<u>51,234</u>	<u>53,802</u>
Total assets		<u><u>\$ 518,668</u></u>	<u><u>\$ 367,412</u></u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>			
Accrued payroll liabilities		<u>\$ 428</u>	<u>\$ 443</u>
<u>Net Assets</u>			
Unrestricted		495,233	343,672
Permanently restricted - Note 2		<u>23,007</u>	<u>23,297</u>
Total net assets		<u>518,240</u>	<u>366,969</u>
Total liabilities and net assets		<u><u>\$ 518,668</u></u>	<u><u>\$ 367,412</u></u>

See accompanying notes to financial statements.

THE ANDREW JACKSON POLICE YOUTH CAMP, INC.
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005

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THE ANDREW JACKSON POLICE YOUTH CAMP, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>Support</u>				
Special event revenue	\$ 5,105	\$ -	\$ -	\$ 5,105
Contributions	590,290	-	-	590,290
Total support	<u>595,395</u>	<u>-</u>	<u>-</u>	<u>595,395</u>
<u>Revenues</u>				
Interest	6,889	-	-	6,889
Rental and other income	1,160	-	-	1,160
Total revenues	<u>8,049</u>	<u>-</u>	<u>-</u>	<u>8,049</u>
Total support and revenues	<u>603,444</u>	<u>-</u>	<u>-</u>	<u>603,444</u>
<u>Expenses</u>				
Program	116,633	-	290	116,923
Management	6,372	-	-	6,372
Fundraising	326,368	-	-	326,368
Donor direct special event costs	2,510	-	-	2,510
Total expenses	<u>451,883</u>	<u>-</u>	<u>290</u>	<u>452,173</u>
Change in net assets	151,561	-	(290)	151,271
Net assets at beginning of year	<u>343,672</u>	<u>-</u>	<u>23,297</u>	<u>366,969</u>
Net assets at end of year	<u>\$ 495,233</u>	<u>\$ -</u>	<u>\$ 23,007</u>	<u>\$ 518,240</u>

See accompanying notes to financial statements.

2005

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>Support</u>				
Special event revenue	\$ 52,330	\$ -	\$ -	\$ 52,330
Contributions	448,808	-	-	448,808
Total support	<u>501,138</u>	<u>-</u>	<u>-</u>	<u>501,138</u>
<u>Revenues</u>				
Interest	2,473	-	-	2,473
Rental and other income	1,600	-	-	1,600
Total revenues	<u>4,073</u>	<u>-</u>	<u>-</u>	<u>4,073</u>
Total support and revenues	<u>505,211</u>	<u>-</u>	<u>-</u>	<u>505,211</u>
<u>Expenses</u>				
Program	105,917	-	290	106,207
Management	4,268	-	-	4,268
Fundraising	216,596	-	-	216,596
Donor direct special event costs	6,432	-	-	6,432
Total expenses	<u>333,213</u>	<u>-</u>	<u>290</u>	<u>333,503</u>
Change in net assets	171,998	-	(290)	171,708
Net assets at beginning of year	<u>171,674</u>	<u>-</u>	<u>23,587</u>	<u>195,261</u>
Net assets at end of year	<u>\$ 343,672</u>	<u>\$ -</u>	<u>\$ 23,297</u>	<u>\$ 366,969</u>

THE ANDREW JACKSON POLICE YOUTH CAMP, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>			
	<u>Program</u>	<u>Management</u>	<u>Fund Raising</u>	<u>Total</u>
Payroll	\$ 30,798	\$ 1,812	\$ 3,622	\$ 36,232
Food and kitchen supplies	6,412	-	-	6,412
Utilities	16,099	-	-	16,099
Depreciation	6,018	-	-	6,018
Maintenance:				
Building	631	-	-	631
Equipment	3,008	-	-	3,008
Pools	3,685	-	-	3,685
Camper clothing	5,765	-	-	5,765
Other camp costs	32,751	-	-	32,751
Insurance	10,374	-	-	10,374
Telephone	264	16	31	311
Taxes and license	455			455
Postage	663	39	78	780
Professional fundraising fees	-	-	322,637	322,637
Legal and professional	-	4,505	-	4,505
Total expenses	<u>\$ 116,923</u>	<u>\$ 6,372</u>	<u>\$ 326,368</u>	<u>\$ 449,663</u>
Percentage of total expense	<u>26.0%</u>	<u>1.4%</u>	<u>72.6%</u>	<u>100.0%</u>

See accompanying notes to financial statements.

2005

	<u>Program</u>	<u>Management</u>	<u>Fund Raising</u>	<u>Total</u>
Payroll	\$ 32,545	\$ 1,914	\$ 3,830	\$ 38,289
Food and kitchen supplies	7,557	-	-	7,557
Utilities	15,305	-	-	15,305
Depreciation	4,898	-	-	4,898
Maintenance:				
Building	423	-	-	423
Equipment	4,299	-	-	4,299
Pools	7,604	-	-	7,604
Camper clothing	2,466	-	-	2,466
Other camp costs	18,233	-	-	18,233
Insurance	10,855	-	-	10,855
Telephone	445	26	52	523
Taxes and license	430	-	-	430
Postage	1,147	67	135	1,349
Professional fundraising fees	-	-	212,579	212,579
Legal and professional	-	2,261	-	2,261
	<u>-</u>	<u>2,261</u>	<u>-</u>	<u>2,261</u>
Total expenses	<u>\$ 106,207</u>	<u>\$ 4,268</u>	<u>\$ 216,596</u>	<u>\$ 327,071</u>
Percentage of total expense	<u>32.5%</u>	<u>1.3%</u>	<u>66.2%</u>	<u>100.0%</u>

THE ANDREW JACKSON POLICE YOUTH CAMP, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
Cash flows from operating activities:		
Cash received from special events	\$ 5,105	\$ 52,330
Cash received from contributions	590,290	448,808
Interest received	6,889	2,473
Rental and other income received	1,160	1,600
Cash paid for program expenses	(110,920)	(101,135)
Cash paid for management expenses	(6,372)	(4,268)
Cash paid for fund raising expenses	(326,368)	(216,596)
Cash paid for donor direct special event costs	(2,510)	(6,432)
Net cash provided by operating activities	<u>157,274</u>	<u>176,780</u>
Cash flows from investing activities:		
Cash paid for purchase of equipment	<u>(3,450)</u>	<u>(7,500)</u>
Net cash used by investing activities	<u>(3,450)</u>	<u>(7,500)</u>
Net increase in cash	153,824	169,280
Cash at beginning of year	<u>313,610</u>	<u>144,330</u>
Cash at end of year	<u>\$ 467,434</u>	<u>\$ 313,610</u>
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	<u>\$ 151,271</u>	<u>\$ 171,708</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	6,018	4,898
Effect on cash from changes in operating assets and liabilities:		
Increase (decrease) in accrued payroll liabilities	<u>(15)</u>	<u>174</u>
Total adjustments	<u>6,003</u>	<u>5,072</u>
Net cash provided by operating activities	<u>\$ 157,274</u>	<u>\$ 176,780</u>

Supplemental schedule of noncash activities: None

See accompanying notes to financial statements.

THE ANDREW JACKSON POLICE YOUTH CAMP, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005

Note 1 - Summary of Significant Accounting Policies

a. **Nature of Activities**

The Andrew Jackson Police Youth Camp, Inc. (the "Organization") was organized as a non-profit organization for the purpose of establishing a youth camp for underprivileged children in Metropolitan Nashville and Davidson County, Tennessee. The Organization is supported primarily by contributions from the general public.

b. **Method of Accounting and Presentation**

The financial statements are prepared on the accrual basis of accounting.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, non-profit organizations are required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

c. **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity date of three months or less to be cash equivalents.

d. **Property and Equipment**

Property and equipment is stated at acquisition cost or, if donated, at the approximate fair value at the date of donation less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Expenditures for maintenance and repairs are not capitalized, whereas expenditures for renewals and betterments are generally capitalized.

The estimated useful life of depreciable property and equipment is as follows:

Buildings and improvements	10-30 years
Camp equipment	5-15 years
Furniture and office equipment	6 years

Depreciation expense for the years ended December 31, 2006 and 2005 amounted to \$6,018 and \$4,898 respectively.

THE ANDREW JACKSON POLICE YOUTH CAMP, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005

Note 1 - Continued

e. Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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 and financial position.

f. Contributed Services

The Organization receives a variety of services from volunteers supporting the organization's mission. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under SFAS No. 116, *Accounting for Contributions Received and Contributions Made*.

g. Income Taxes

The Organization is exempt from federal income taxes under Internal Revenue Service Code Section 501(c)(3) as a charitable organization. Since the Organization does not have any unrelated income, it is not required to pay any applicable tax.

h. Use of Estimates

The preparation of financial statements requires the use of management's estimates that affect the reported amounts of assets and liabilities and reported revenues and expenses. These estimates may require revision in future periods.

i. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, these costs have been allocated between program, management and fund raising expenses.

Note 2 - Permanently Restricted Net Assets

Permanently restricted net assets consist of land and buildings located at Old Hickory Lake near Nashville, Tennessee. The property was transferred to the Organization in March, 1975 by the U. S. Army Corps of Engineers. The terms of the transfer permanently restrict the use of the property, requiring it to be utilized for the operation of a youth camp. The total book value of land and buildings was \$23,007 and \$23,297 at December 31, 2006 and 2005, respectively.

THE ANDREW JACKSON POLICE YOUTH CAMP, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005

Note 3 - Related Party

The Board of Directors for the Organization is also the Board of Directors for the Fraternal Order of Police Andrew Jackson Lodge No. 5 (the "Lodge"). The Lodge is an organization exempt from federal income taxes under Internal Revenue Service Code Section 501(c)(8) as a fraternal organization. The unrestricted and temporarily restricted net assets of the Lodge were \$399,569 and \$503,894 at December 31, 2006 and 2005, respectively. The Youth Camp provided no support to the Lodge during the years ended December 31, 2006 and 2005.