

**JUNIOR ACHIEVEMENT  
OF MIDDLE TENNESSEE, INC.  
FINANCIAL STATEMENTS,  
SUPPLEMENTAL SCHEDULES,  
AND  
INDEPENDENT AUDITORS' REPORT  
YEARS ENDED JUNE 30, 2006 AND 2005**

**JUNIOR ACHIEVEMENT  
OF MIDDLE TENNESSEE, INC.  
FINANCIAL STATEMENTS,  
SUPPLEMENTAL SCHEDULES  
AND  
INDEPENDENT AUDITORS' REPORT  
YEARS ENDED JUNE 30, 2006 AND 2005**

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# BLANKENSHIP CPA GROUP, PLLC

MEMBER FIRM OF THE BLANKENSHIP ACCOUNTANCY FIRM, L.L.P.

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Junior Achievement of Middle Tennessee, Inc.

We have audited the accompanying statements of financial position of Junior Achievement of Middle Tennessee, Inc. (the "Organization") as of June 30, 2006 and 2005, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization'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 Junior Achievement of Middle Tennessee, Inc., as of June 30, 2006 and 2005, 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.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules, as listed in the table of contents, on pages 14 through 18 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Blankenship CPA Group, PLLC*

July 27, 2006

**JUNIOR ACHIEVEMENT OF MIDDLE TENNESSEE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2006 AND 2005**

	2006	2005
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 174,565	\$ 207,554
Contributions receivable currently due, net	791,124	739,305
Prepaid expenses and other current assets	<u>24,067</u>	<u>53,542</u>
Total current assets	989,756	1,000,401
Property and equipment, net	1,019,253	1,215,537
Non-current contributions receivable, net	<u>993,822</u>	<u>1,060,783</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 3,002,831</u></u>	<u><u>\$ 3,276,721</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current portion of notes payable	\$ 632,992	\$ 68,218
Accounts payable and accrued expenses	127,631	100,196
Deferred revenue	<u>-</u>	<u>29,500</u>
Total current liabilities	760,623	197,914
<b>LONG-TERM DEBT</b>		
Notes payable, net of current portion	<u>17,272</u>	<u>750,264</u>
Total liabilities	<u><u>777,895</u></u>	<u><u>948,178</u></u>
<b>NET ASSETS</b>		
Unrestricted	775,113	1,064,760
Temporarily restricted	<u>1,449,823</u>	<u>1,263,783</u>
Total net assets	<u><u>2,224,936</u></u>	<u><u>2,328,543</u></u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 3,002,831</u></u>	<u><u>\$ 3,276,721</u></u>

The accompanying notes are an integral part of these financial statements.

**JUNIOR ACHIEVEMENT OF MIDDLE TENNESSEE, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2006 AND 2005**

	2006			2005		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and other support						
Contributions:						
Corporations and individuals	\$ 226,653	\$ 530,514	\$ 757,167	\$ 273,768	\$ 619,668	\$ 893,436
Foundations and grants	165,700	-	165,700	64,725	-	64,725
Special events	865,609	-	865,609	633,420	-	633,420
Total contributions	1,257,962	530,514	1,788,476	971,913	619,668	1,591,581
Interest income	6,828	-	6,828	5,646	-	5,646
Program fees	83,938	-	83,938	83,387	-	83,387
Other	21,556	-	21,556	25,967	-	25,967
Net assets released from restrictions	344,474	(344,474)	-	711,441	(711,441)	-
Total revenues and other support	1,714,758	186,040	1,900,798	1,798,354	(91,773)	1,706,581
Expenses						
Functional expenses:						
Program services	1,329,171	-	1,329,171	1,248,352	-	1,248,352
Management and general	150,363	-	150,363	155,920	-	155,920
Fundraising	166,295	-	166,295	151,698	-	151,698
Total functional expenses	1,645,829	-	1,645,829	1,555,970	-	1,555,970
Special events	303,982	-	303,982	214,246	-	214,246
Franchise and licensee fees	54,594	-	54,594	54,934	-	54,934
Total expenses	2,004,405	-	2,004,405	1,825,150	-	1,825,150
DECREASE IN NET ASSETS	(289,647)	186,040	(103,607)	(26,796)	(91,773)	(118,569)
NET ASSETS, BEGINNING OF THE YEAR	1,064,760	1,263,783	2,328,543	1,091,556	1,355,556	2,447,112
NET ASSETS, END OF THE YEAR	<u>\$ 775,113</u>	<u>\$ 1,449,823</u>	<u>\$ 2,224,936</u>	<u>\$ 1,064,760</u>	<u>\$ 1,263,783</u>	<u>\$ 2,328,543</u>

The accompanying notes are an integral part of these financial statements.

**JUNIOR ACHIEVEMENT OF MIDDLE TENNESSEE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2006 AND 2005**

	2006	2005
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Decrease in net assets	\$ (103,607)	\$ (118,569)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Depreciation	211,899	231,859
Donated assets	-	(1,270)
Decrease in contributions receivable, net	15,142	59,235
(Increase) decrease in prepaid expenses and other current assets	29,475	(15,801)
Increase in accounts payable and accrued expenses	27,435	14,308
Increase (decrease) in deferred revenue	(29,500)	29,500
Net cash provided by operating activities	<u>150,844</u>	<u>199,262</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	<u>(15,615)</u>	<u>(22,208)</u>
Net cash used by investing activities	<u>(15,615)</u>	<u>(22,208)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings and refinancing of notes payable	-	1,017,981
Net borrowings under line of credit agreement	-	12,000
Principal payments on and refinancing of notes payable	<u>(168,218)</u>	<u>(1,212,525)</u>
Net cash used by financing activities	<u>(168,218)</u>	<u>(182,544)</u>
Decrease in cash and cash equivalents	(32,989)	(5,490)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>207,554</u>	<u>213,044</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u><u>\$ 174,565</u></u>	<u><u>\$ 207,554</u></u>
<b><u>SUPPLEMENTAL DISCLOSURES</u></b>		
CASH PAID DURING THE YEAR FOR INTEREST	<u><u>\$ 56,306</u></u>	<u><u>\$ 66,282</u></u>
NON-CASH INVESTING ACTIVITY: donated property and equipment	<u><u>-</u></u>	<u><u>\$ 1,270</u></u>

The accompanying notes are an integral part of these financial statements.

**JUNIOR ACHIEVEMENT  
OF MIDDLE TENNESSEE, INC.  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2006 AND 2005**

**NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Junior Achievement of Middle Tennessee, Inc. (the "Organization") was chartered as a not-for-profit corporation on August 31, 1957, and organized as a franchise of Junior Achievement, Inc. Since 1919, Junior Achievement, Inc. has been educating and inspiring young people to value free enterprise, understand business and economics, and improve the quality of their lives. Through partnerships and collaborations between businesses, educators, and other not-for-profit organizations, approximately 41,000 students in kindergarten through twelfth grade, in 312 schools throughout middle Tennessee, benefited from the economic education programs. The programs also meet the state's curriculum requirements for economics, with the aid of 2,217 volunteer role models from business, industry and the community. Junior Achievement's funding support comes primarily from businesses, foundations, special events and individuals.

In addition to providing the program services available as a franchisee of Junior Achievement, Inc., the Organization began operating the Exchange City program in Nashville as a licensee of Experiencia. Through this program students experience the real-life applications of social studies, math, language arts, economics, government and technology by spending the day as a participant in this experimental city.

Basis of Accounting

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America using the accrual method of accounting.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets based on the existence or absence of donor-imposed restrictions.

Contributions

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 support is 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 as net assets released from restrictions.

**JUNIOR ACHIEVEMENT  
OF MIDDLE TENNESSEE, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED JUNE 30, 2006 AND 2005**

**NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Contributions receivable

Contributions receivable, less an allowance for uncollectible amounts, are recognized as revenues in the period promised and as assets, decreases in 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.

Amounts expected to be collected within the next fiscal year are classified as current assets at the face value of the receivable. Amounts which are not collectible within the next fiscal year are recorded as non-current contributions receivable, using the estimated present value of the future cash flows.

Donated Material and Services

Contributions of donated material that are useable for program services, fundraising, and support of management and general functions are recorded at their estimated fair values in the period received. Contributions of donated services requiring specialized skills and which would typically need to be purchased if not donated, are recorded at their estimated fair values in the period received.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. As of June 30, 2006, the Organization has no donated property or equipment which is restricted.

The fair value of donated volunteer services is not reflected in the accompanying financial statements since it is not practicable to objectively determine the fair value of the service received. However, management estimates that a substantial number of volunteers have donated significant amounts of their time as instructors, chapter advisors and as fundraisers.

Cash and Cash Equivalents

Cash includes amounts on hand and on deposit in financial institutions. Cash equivalents include highly liquid investments with an original maturity of three months or less.



**JUNIOR ACHIEVEMENT  
OF MIDDLE TENNESSEE, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED JUNE 30, 2006 AND 2005**

**NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (CONTINUED)**

Property and Equipment

Property and equipment are carried at cost if purchased and at estimated fair value if donated, less accumulated depreciation. Significant additions and improvements are capitalized. Repairs and maintenance are charged to expense as incurred. Depreciation is provided on a straight-line basis over the following estimated useful lives:

	<b>Years</b>
Tenant improvements	10
Furniture and equipment	3 - 7
Automobile	5

Income Taxes

Junior Achievement is a not-for-profit service organization exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, income taxes are not provided.

Functional Allocation

Allocation of costs on a functional basis is dependent upon management's estimate of the percentage of staff time incurred in conjunction with each activity and the nature of the expense.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**JUNIOR ACHIEVEMENT  
OF MIDDLE TENNESSEE, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED JUNE 30, 2006 AND 2005**

**NOTE 2 - CONCENTRATION OF CREDIT RISK**

The Organization maintains its cash in bank deposit accounts in financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. At June 30, 2006, the Organization maintained cash balances of \$100,601 that were not FDIC insured.

**NOTE 3 - CONTRIBUTIONS RECEIVABLE**

Contributions receivable as of June 30, 2006 and 2005 are summarized as follows:

	<b>2006</b>	<b>2005</b>
United Way (from donor designations)	\$ 15,533	\$ 20,890
Exchange City program	1,811,037	1,983,000
Other corporations and individuals	<u>344,590</u>	<u>240,415</u>
	2,171,160	2,244,305
Less discounts to net present value	(361,214)	(419,217)
Less allowance for uncollectible amounts	<u>(25,000)</u>	<u>(25,000)</u>
Total	<u><u>\$ 1,784,946</u></u>	<u><u>\$ 1,800,088</u></u>

The net amounts are classified in the statements of financial position as follows:

	<b>2006</b>	<b>2005</b>
Current portion	\$ 791,124	\$ 739,305
Non-current portion	<u>993,822</u>	<u>1,060,783</u>
Total	<u><u>\$ 1,784,946</u></u>	<u><u>\$ 1,800,088</u></u>

The current portion represents the face value of contributions collectible within the next fiscal year. The non-current portion represents the present value of amounts due after one year. The non-current portion was discounted using a 5% annual interest rate to estimate present value. This rate is used in all subsequent periods to update the estimated present value of this pledge as follows:

	<b>2006</b>	<b>2005</b>
Due in one to five years	\$ 409,060	\$ 425,514
Due after five years	<u>584,762</u>	<u>635,269</u>
Total non-current portion	<u><u>\$ 993,822</u></u>	<u><u>\$ 1,060,783</u></u>

**JUNIOR ACHIEVEMENT  
OF MIDDLE TENNESSEE, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED JUNE 30, 2006 AND 2005**

**NOTE 4 - PROPERTY AND EQUIPMENT**

Property and equipment consists of the following:

	2006	2005
Tenant improvements	\$ 1,272,201	\$ 1,266,730
Furniture and equipment	570,800	560,657
Automobile	<u>31,968</u>	<u>31,967</u>
	1,874,969	1,859,354
Less accumulated depreciation	<u>(855,716)</u>	<u>(643,817)</u>
Net	<u>\$ 1,019,253</u>	<u>\$ 1,215,537</u>

Depreciation expense was \$211,899 and \$231,859 for the years ended June 30, 2006 and 2005, respectively.

**NOTE 5 - NOTES PAYABLE AND LONG-TERM DEBT**

The Organization's outstanding debt at June 30 was as follows:

	2006	2005
Note payable to bank	\$ 626,800	\$ 789,200
Note payable to Toyota Motor	<u>23,464</u>	<u>29,282</u>
	650,264	818,482
Less current portion	<u>(632,992)</u>	<u>(68,218)</u>
Total non-current portion	<u>\$ 17,272</u>	<u>\$ 750,264</u>

During 2005, the Organization consolidated the balance of their note payable to the bank and their revolving line of credit into a new bank note with an original amount of \$986,000. The note is payable in monthly principal payments of \$5,200 with interest due monthly at a rate of LIBOR plus 2.75% and a fixed rate of 5.0% less LIBOR. The note matures September 2006 and is collateralized by contributions receivable and equipment.

Also during 2005, the Organization traded in their vehicle and acquired a new note payable to Toyota Motor due in monthly installments aggregating \$624 including interest at 6.25% and maturing December 2009 and is collateralized by the automobile.

**JUNIOR ACHIEVEMENT  
OF MIDDLE TENNESSEE, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED JUNE 30, 2006 AND 2005**

**NOTE 5 - NOTES PAYABLE AND LONG-TERM DEBT (CONTINUED)**

Maturities of notes payable are as follows:

Year Ending June 30,	Amount
2007	\$ 632,992
2008	6,590
2009	7,014
2010	3,668
	<u>\$ 650,264</u>

Interest expense was \$56,306 and \$66,282 for the years ended June 30, 2006 and 2005, respectively.

The Organization has a \$100,000 revolving line-of-credit with Bank of America with interest at a floating rate, 9.25% at June 30, 2006. The credit agreement expires in December, 2006. This line of credit had a zero balance at June 30, 2006.

The Organization has an interest swap agreement with Bank of America for its outstanding debt to the Bank. The Organization entered into this agreement to manage its risk between its floating and variable interest rates. The term of the agreement is for five years beginning March 2002 with the fixed interest rate at approximately 6.71%. Excess interest cost for the year ended June 30, 2006 amounted to approximately \$3,224.

**NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets as of June 30 were restricted for the following purposes:

	2006	2005
Contributions receivable restricted for Exchange City program	<u>\$ 1,449,823</u>	<u>\$ 1,263,783</u>

**JUNIOR ACHIEVEMENT  
OF MIDDLE TENNESSEE, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED JUNE 30, 2006 AND 2005**

**NOTE 7 - AGENCY FUND**

On January 13, 1995, the Organization created the Junior Achievement Agency Fund (the "Fund") with the Nashville Area Community Foundation (the "Foundation"). The Organization retains the right to make future contributions to the Fund and to suggest the manner in which income of the Fund is distributed to charitable organizations, including the Organization, which otherwise meet the eligibility standards of the Foundation.

The Foundation has ultimate authority and control over all property of the Fund, including income derived therefrom, for use in conjunction with the charitable purposes of the Foundation, therefore, these assets are not included in the financial statements of the Organization. The Fund is charged an asset management fee by the Foundation equal to 0.75% of the current value of the Fund annually, payable quarterly in arrears.

The market value of the Fund was \$111,347 and \$106,599 as of June 30, 2006 and 2005, respectively.

**NOTE 8 - DONATED MATERIALS AND SERVICES**

The Organization receives donated materials and services ("in-kind" contributions) in the normal course of its operations, to include program materials, special events, fundraising goods or services, property and equipment and office supplies. The estimated fair values of these items are included in the statements of activities for the years ended June 30, 2006 and 2005 as follows:

	2006	2005
Special events	\$ 73,337	\$ 72,775
Management and general	5,646	21,053
Program materials	2,474	18,775
Fundraising	-	5,900
Property and equipment	<u>-</u>	<u>1,270</u>
Total in-kind contributions	<u>\$ 81,457</u>	<u>\$ 119,773</u>

**JUNIOR ACHIEVEMENT  
OF MIDDLE TENNESSEE, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED JUNE 30, 2006 AND 2005**

**NOTE 9 - LEASE OBLIGATIONS**

Junior Achievement of Middle Tennessee, Inc. leases its administrative offices and Exchange City facilities under an operating lease expiring August 31, 2011. Junior Achievement pays certain operating expenses in addition to the base rent.

Future minimum rental commitments are as follows:

<b>Year Ending June 30,</b>	<b>Amount</b>
2007	\$ 130,399
2008	136,314
2009	142,273
2010	148,663
2011	155,356
Thereafter	<u>26,079</u>
Total	<u><b>\$ 739,084</b></u>

Rent amounted to \$115,971 for the year ended June 30, 2006 and \$119,181 for 2005.

**NOTE 10 - COMMITMENTS**

As a franchisee of Junior Achievement, Inc., the Organization pays franchise fees based on contribution revenue. The fees are based on contributions for the prior fiscal year ended, paid monthly in equal installments.

As a licensee of Experiencia, operating the Exchange City program in Nashville, the Organization pays license fees based on the number of students utilizing the program. The fees are \$2.50 per student up to a \$25,000 annual maximum.

Total franchise and licensee fees were \$54,594 and \$54,934 for 2006 and 2005, respectively.

**JUNIOR ACHIEVEMENT  
OF MIDDLE TENNESSEE, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED JUNE 30, 2006 AND 2005**

**NOTE 11 - PENSION PLAN**

The Organization participates in the Junior Achievement, Inc. non-contributory, defined benefit pension plan (the "Plan"), which is available to all employees who have completed one year of service and work at least 1,000 hours a year.

Contributions

The Organization's contribution is actuarially determined to fund future anticipated benefits. Forfeitures of the Organization's contributions occur when a participant terminates employment and is not 100% vested. Any forfeitures are used to reduce subsequent contributions by the Organization. Total pension expense was \$42,284 and \$51,704 for the years ended June 30, 2006 and 2005, respectively.

Benefits

Benefits (for normal, early, or late retirement) are payable monthly based on years of service and average earnings, as defined in the Plan document.

Vesting

Prior to retirement or attaining age 65 (when all participants become 100% vested), participants vest in the Organization's contributions as follows:

<b>Years of Service</b>	<b>Vesting %</b>
Less than 5 years	0%
5 years and over	100%

Investments

The Plan's assets are invested by the Equitable Life Assurance Society of the United States. The Organization's allocable portion of total Plan assets is not readily determinable.

**SUPPLEMENTAL SCHEDULES**



**JUNIOR ACHIEVEMENT OF MIDDLE TENNESSEE, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2006**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries and benefits	\$ 539,724	\$ 67,466	\$ 67,465	\$ 674,655
Program materials	144,730	-	-	144,730
Rent	92,777	11,597	11,597	115,971
Employee insurance	66,554	8,319	8,320	83,193
Repairs and maintenance	57,958	7,245	7,245	72,448
Interest	45,045	5,631	5,630	56,306
Payroll taxes	34,823	4,353	4,353	43,529
Retirement benefits	33,827	4,228	4,229	42,284
Utilities	28,029	3,504	3,503	35,036
Staff training	14,707	1,838	1,839	18,384
Telephone	14,536	1,817	1,817	18,170
Marketing	-	-	16,448	16,448
Travel	10,457	1,307	1,307	13,071
Business insurance	9,463	1,183	1,183	11,829
Computer expense	8,938	1,118	1,117	11,173
Subscriptions	8,402	1,050	1,050	10,502
Office supplies	8,237	1,030	1,029	10,296
Program insurance	10,294	-	-	10,294
Volunteer training	8,562	-	-	8,562
Postage	5,480	685	685	6,850
Outside services	4,724	591	590	5,905
Business development	-	-	5,134	5,134
Audit	3,960	495	495	4,950
Contract labor	4,717	-	-	4,717
Public relations	558	70	69	697
Miscellaneous	676	-	-	676
Total functional expenses before depreciation and in-kind items	1,157,178	123,527	145,105	1,425,810
Depreciation	169,519	21,190	21,190	211,899
In-kind items	2,474	5,646	-	8,120
Total functional expenses	<u>\$ 1,329,171</u>	<u>\$ 150,363</u>	<u>\$ 166,295</u>	<u>\$ 1,645,829</u>

JUNIOR ACHIEVEMENT OF MIDDLE TENNESSEE, INC.  
SCHEDULE OF SPECIAL EVENTS  
YEAR ENDED JUNE 30, 2006

**BOWL-A-THON**

Revenues:

Cash contributions	\$ 288,629
In-kind contributions	4,837
Total Revenues	<u>293,466</u>

Expenses:

Awards/luncheon	37,444
T-shirts	10,065
Lanes fees	9,534
Promotional items	2,263
Printing/miscellaneous	2,077
Kintera fees	1,525
Décor/supplies/photos	1,204
Concessions	534
Total Expenses	<u>64,646</u>
Net	<u><u>\$ 228,820</u></u>

**FREE ENTERPRISE AWARD DINNER**

Revenues:

Cash contributions	\$ 116,350
Total Revenues	<u>116,350</u>

Expenses:

Reception/dinner/AV equipment	17,414
Photography/videography	3,163
Printing/signs/supplies	953
Decorations	525
Awards	341
Postage/courier	314
Miscellaneous	122
Liquor license	100
Total Expenses	<u>22,932</u>
Net	<u><u>\$ 93,418</u></u>

JUNIOR ACHIEVEMENT OF MIDDLE TENNESSEE, INC.  
SCHEDULE OF SPECIAL EVENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2006

**GAYLORD GOLF TOURNAMENT**

Revenues:

Cash contributions	\$ 358,338
In-kind contributions	67,150
Total Revenues	<u>425,488</u>

Expenses:

Awards/gifts	121,288
Dining and refreshments	51,529
Course fees	15,000
Trust event solutions fee	2,500
Sign/printing	2,066
Miscellaneous	1,743
Supplies/photography	333
Total Expenses	<u>194,459</u>
Net	<u><u>\$ 231,029</u></u>

**STOCK MARKET CHALLENGE**

Revenues:

Cash contributions	\$ 28,955
In-kind contributions	1,350
Total Revenues	<u>30,305</u>

Expenses:

Room rental/food/AV	10,536
Fundraiser Inc. fees	8,833
Promo items/supplies	1,791
Printing	527
Awards	258
Total Expenses	<u>21,945</u>
Net	<u><u>\$ 8,360</u></u>

TOTAL SPECIAL EVENTS, REVENUES*	\$ 865,609
TOTAL SPECIAL EVENTS, EXPENSES*	<u>303,982</u>

NET	<u><u>\$ 561,627</u></u>
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* Total in-kind amounts included in revenues and expenses	<u><u>\$ 73,337</u></u>
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**JUNIOR ACHIEVEMENT OF MIDDLE TENNESSEE, INC.**  
**SCHEDULE OF ACTIVITIES BY DIVISION**  
**YEAR ENDED JUNE 30, 2006**

	Junior Achievement Program Activities	Exchange City Program Activities	Total
<b>Revenues and other support</b>			
Contributions - special events	\$ 865,609	\$ -	\$ 865,609
Contributions - corporations and individuals	226,653	530,514	757,167
Contributions - foundations and grants	165,700	-	165,700
Program fees	-	83,938	83,938
Interest income	5,862	966	6,828
Other	9,118	12,438	21,556
	<u>1,272,942</u>	<u>627,856</u>	<u>1,900,798</u>
<b>Total revenues and other support</b>			
	<u>1,272,942</u>	<u>627,856</u>	<u>1,900,798</u>
<b>Expenses</b>			
Salaries and wages	477,707	196,948	674,655
Special events	303,982	-	303,982
Program materials	121,258	23,472	144,730
Rent	46,388	69,583	115,971
Employee insurance	71,330	11,863	83,193
Repairs and maintenance	37,237	35,211	72,448
Interest	23,628	32,678	56,306
Franchise and licensee fees	39,627	14,967	54,594
Payroll taxes	29,424	14,105	43,529
Retirement benefits	35,712	6,572	42,284
Utilities	14,008	21,028	35,036
Staff training	14,406	3,978	18,384
Telephone	11,196	6,974	18,170
Marketing	6,521	9,927	16,448
Travel	12,636	435	13,071
Business insurance	7,091	4,738	11,829
Computer expense	5,381	5,792	11,173
Subscriptions	8,951	1,551	10,502
Office supplies	6,751	3,545	10,296
Program insurance	10,294	-	10,294
Volunteer training	6,607	1,955	8,562
In-kind items	5,646	2,474	8,120
Postage	6,438	412	6,850
Outside services	3,163	2,742	5,905
Business development	5,102	32	5,134
Audit	2,970	1,980	4,950
Contract labor	4,617	100	4,717
Public relations	442	255	697
Miscellaneous	-	676	676
	<u>1,318,513</u>	<u>473,993</u>	<u>1,792,506</u>
<b>Total expenses before depreciation</b>			
	<u>1,318,513</u>	<u>473,993</u>	<u>1,792,506</u>
<b>INCREASE (DECREASE) IN NET ASSETS BEFORE DEPRECIATION</b>	(45,571)	153,863	108,292
<b>Depreciation</b>	<u>11,510</u>	<u>200,389</u>	<u>211,899</u>
<b>DECREASE IN NET ASSETS</b>	<u>\$ (57,081)</u>	<u>\$ (46,526)</u>	<u>\$ (103,607)</u>



Junior Achievement of Middle Tennessee

Area # 106803

## Supplemental Schedule to the Audit

FOR PERIOD ENDED JUNE 30, 2006

REVENUE AND EXPENSE	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
<b>REVENUE (GROSS)</b>				
Contributions (Exclusive of Special Events)				
- Corporations	185,344	-	-	185,344
- Individual	35,663	530,514	-	566,177
- Foundation	165,700	-	-	165,700
Special Events (Gross)	865,609	-	-	865,609
Less Special Event expenses (please see attached sheet for allocable expenses)	303,982	-	-	303,982
Net Special events income	561,627	-	-	561,627
Realized Gains or Losses on investments	6,828	-	-	6,828
Unrealized Gains or Losses on investments	-	-	-	-
Contributed Services (Inkind)	5,646	-	-	5,646
Governmental Income	-	-	-	-
Other Income	105,494	-	-	105,494
Net Assets Released From Restrictions	344,474	(344,474)	-	-
<b>TOTAL REVENUE</b>	<b>1,410,776</b>	<b>186,040</b>	<b>-</b>	<b>1,596,816</b>
<b>EXPENSES</b>				
Program Expense	1,329,171	-	-	1,329,171
General & Administrative	204,955	-	-	204,955
Fund Raising	166,297	-	-	166,297
<b>TOTAL EXPENSES</b>	<b>1,700,423</b>	<b>-</b>	<b>-</b>	<b>1,700,423</b>
<b>SURPLUS/(DEFICIT)</b>	<b>(289,647)</b>	<b>186,040</b>	<b>-</b>	<b>103,607</b>
<b>STATEMENT OF FINANCIAL POSITION</b>				
ASSETS	1,553,008	1,449,823	-	3,002,831
LIABILITIES	777,895	-	-	777,895
BEGINNING NET ASSETS	1,064,760	1,263,783	-	2,328,543
SURPLUS/(DEFICIT)	(289,647)	186,040	-	(103,607)
ADJUSTMENTS/TRANSFERS	-	-	-	-
ENDING NET ASSETS	775,113	1,449,823	-	2,224,936
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,553,008</b>	<b>1,449,823</b>	<b>-</b>	<b>3,002,831</b>
Please indicate total income not subject to License fees. (ATTACH DETAIL LIST)	720,351	Please indicate total Depreciation and/or Amortization		211,899

See Independent Auditors' Report  
Auditor's Signature

July 27, 2006  
Date

License Fee Paid

54,594

**JUNIOR ACHIEVEMENT OF MIDDLE TENNESSEE, INC.**  
**YEAR ENDED JUNE 30, 2006**

**INCOME NOT SUBJECT TO LICENSE FEES:**

Exchange City revenue	\$ 626,890
Contributed goods	78,983
Board member dues	7,650
Investment income	<u>6,828</u>
	<u>\$ 720,351</u>