

JOHN AUSTIN CHELEY FOUNDATION

Financial Statements

December 31, 2007

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ROE & ASSOCIATES, P.C.
Certified Public Accountants


INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
of the John Austin Cheley Foundation

We have audited the accompanying statement of financial position of the John Austin Cheley Foundation (a nonprofit organization) as of December 31, 2007, and the related statements of activities and cash flows for the year 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 audit.

We conducted our audit 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 audit provides 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 John Austin Cheley Foundation as of December 31, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Roe + Associates, P.C. CPAs

Norcross, Georgia
March 31, 2008

JOHN AUSTIN CHELEY FOUNDATION

STATEMENT OF FINANCIAL POSITION

December 31, 2007

ASSETS

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
CURRENT ASSETS			
Cash and cash equivalents, (Note 1)	\$ 434,946	\$ -	\$ 434,946
Prepaid camp expenses	-	-	-
Prepaid expenses	-	-	-
Pledges receivable, (Note 1)	-	107,000	107,000
	<u>434,946</u>	<u>107,000</u>	<u>541,946</u>
Total current assets	434,946	107,000	541,946
OTHER ASSETS			
Investments, (Note 2)	847,982	294,484	1,142,466
Deposits	25	-	25
	<u>848,007</u>	<u>294,484</u>	<u>1,142,491</u>
Total other assets	848,007	294,484	1,142,491
Total assets	<u>1,282,953</u>	<u>401,484</u>	<u>1,684,437</u>

LIABILITIES AND NET ASSETS

NETS ASSETS			
Unrestricted	1,240,209	-	1,240,209
Designated Sis Cheley endowed campership (Note 5)	42,744	-	42,744
Temporarily restricted (Note 3)	-	401,484	401,484
	<u>1,282,953</u>	<u>401,484</u>	<u>1,684,437</u>
Total net assets	1,282,953	401,484	1,684,437
Total liabilities and net assets	<u>\$ 1,282,953</u>	<u>\$ 401,484</u>	<u>\$ 1,684,437</u>

See accompanying notes.

JOHN AUSTIN CHELEY FOUNDATION

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
CONTRIBUTIONS AND REVENUES			
Contributions (Notes 1 & 3)	\$ 192,216	\$ 207,325	\$ 399,541
Dividends income	42,131	8,209	50,340
Interest income	29,120	-	29,120
Realized loss from investments	(5)	-	(5)
Unrealized gain from investments	16,096	-	16,096
Net assets released from restriction	14,124	(14,124)	-
 Total contributions and revenues	 <u>293,682</u>	 <u>201,410</u>	 <u>495,092</u>
PROGRAM EXPENSES			
Camperships	138,282	-	138,282
GENERAL & ADMINISTRATIVE EXPENSES	22,219	-	22,219
FUND RAISING EXPENSES	19,059	-	19,059
 Total expenses	 <u>179,560</u>	 <u>-</u>	 <u>179,560</u>
 Change in net assets	 114,122	 201,410	 315,532
 Net Assets, beginning of year	 <u>1,168,831</u>	 <u>200,074</u>	 <u>1,368,905</u>
 Net Assets, end of year	 <u>\$ 1,282,953</u>	 <u>\$ 401,484</u>	 <u>\$ 1,684,437</u>

See accompanying notes.

JOHN AUSTIN CHELEY FOUNDATION

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2007

	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$315,532
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Realized and unrealized (gains) losses from investments	(16,091)
(Increase) decrease:	
Pledges receivable	(74,000)
Prepaid camp expenses	<u>3,515</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	228,956
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of investments	10,780
Purchases of investments	<u>(289,479)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>(278,699)</u>
Net change in cash and cash equivalents	(49,743)
Cash and cash equivalents, beginning of year	<u>484,689</u>
Cash and cash equivalents, end of year	<u>\$434,946</u>

See accompanying notes.

JOHN AUSTIN CHELEY FOUNDATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2007

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

The John Austin Cheley Foundation (the Foundation) was established in 1989 to honor the memory of John Austin (Jack) Cheley and to help fulfill his dream of making a camping experience available to deserving youth who could not otherwise afford it. The purpose of the Foundation is to secure, by financial or other means, the benefits of a mountain summer camp experience for children whose personal or family resources are not adequate to cover the cost of tuition and transportation. Partial or full "camperships" (scholarships to attend summer camp) are awarded to children of good moral character without regard to sex, race, color, religion, national or ethnic origin.

Income Taxes

The Foundation is a nonprofit organization as described in Section 501(c) (3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

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

The Foundation had no permanently restricted net assets at December 31, 2007.

JOHN AUSTIN CHELEY FOUNDATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2007

Revenue recognition

Contributions are generally available for unrestricted use in the related year unless specifically restricted by the donor. Unconditional promises to give are recorded as received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value.

Contributions of cash and other assets are reported as temporarily 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 the stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Foundation has not received any permanently restricted contributions and therefore there are no permanently restricted net assets.

Contributions of donated non-cash assets are recorded at their fair values in the period received.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management's estimates.

Cash and Cash Equivalents

Cash and equivalents include bank accounts and financial institution accounts as well as certificates of deposit purchased with a maturity of twelve months or less. Interest income on the certificates of deposit is recorded as income when earned. At December 31, 2007, cash and equivalents included \$434,946 held in commercial banks insured by the Federal Deposit Insurance Corporation and a high quality financial institution.

Investments

Investments are composed of debt and equity securities and are carried at fair market value.

JOHN AUSTIN CHELEY FOUNDATION

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

2. INVESTMENTS

Investments at December 31, 2007, are summarized as follows:

	<u>Cost</u>	<u>Fair Market Value</u>
Unrestricted:		
Certificates of Deposit	\$ 216,058	\$ 216,058
Equities	314,805	308,501
Mutual Funds	<u>309,664</u>	<u>322,918</u>
Total Unrestricted	<u>\$ 840,527</u>	<u>\$ 847,477</u>
Temporarily restricted:		
Mutual Funds	<u>\$ 285,868</u>	<u>\$ 294,989</u>
Total	<u>\$1,126,395</u>	<u>\$1,142,466</u>

3. TEMPORARILY RESTRICTED NET ASSETS

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

Specific camp programs	<u>\$401,484</u>
Total temporarily restricted net assets	<u>\$401,484</u>

4. 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, certain costs have been allocated among the programs and supporting services benefited.

5. DESIGNATED UNRESTRICTED NET ASSET

The Sis Cheley Memorial Endowed Campership Fund was established by the Board of Trustees as a way to honor Sis Cheley's memory. The Fund will perpetually endow a campership to one or more associated camps.

JOHN AUSTIN CHELEY FOUNDATION

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

6. DONATED SERVICES, MATERIALS, AND FACILITIES

The Foundation receives donated services from the Board of Trustees who assist the foundation with the general and administrative functions. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under *SFAS No. 116*, have not been meet.