

LANDSTUHL HOSPITAL CARE PROJECT

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2006

**LANDSTUHL HOSPITAL CARE PROJECT
AUDITED FINANCIAL STATEMENTS
Year Ended December 31, 2006**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Landstuhl Hospital Care Project
Stafford, Virginia

We have audited the accompanying statements of financial position of the Landstuhl Hospital Care Project as of December 31, 2006 and the related statements of activities and cash flows for the fiscal year ended 2006. 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. 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 the Landstuhl Hospital Care Project as of December 31, 2006 and the changes in its net assets and its cash flows for the year ended December 31, 2006 in conformity with accounting principles generally accepted in the United States.

Kimberly Scott, CPA

January 22, 2006

LANDSTUHL HOSPITAL CARE PROJECT

STATEMENT OF FINANCIAL POSITION

December 31, 2006

	<u>2006</u>
ASSETS	
Current Assets	
Cash – Checking Accounts	<u>\$9,977.17</u>
Total Checking/Savings	<u>9,977.17</u>
Total Current Assets	<u>9,977.17</u>
TOTAL ASSETS	<u>\$9,977.17</u>
LIABILITIES & EQUITY	
Equity	
Net Income	<u>\$9,977.17</u>
Total Equity	<u>9,977.17</u>
TOTAL LIABILITIES & EQUITY	<u>\$9,977.17</u>

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

LANDSTUHL HOSPITAL CARE PROJECT

STATEMENT OF ACTIVITIES

Year Ended December 31, 2006

	<u>Total</u>
Support & Revenues	
Donations	\$27,940.17
Fundraising Income	500.00
Other Income	57.42
Total Income	<u>28,497.59</u>
Expenses	
Clothing	6,688.80
Electronics	78.72
Medical Supplies	8,504.98
Office Supplies	519.58
Postage and Delivery	2,648.06
Sundries	80.28
Total Expenses	<u>18,520.42</u>
CHANGE IN NET ASSETS	<u>9,977.17</u>
NET ASSETS – MAY 26, 2006	0.00
NET ASSETS – DECEMBER 31, 2006	<u><u>\$9,977.17</u></u>

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

LANDSTUHL HOSPITAL CARE PROJECT

STATEMENT OF CASH FLOWS

Year Ended December 31, 2006

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	<u>\$9,977.17</u>
Net cash provided by Operating Activities	<u>9,977.17</u>
Net cash increase for period	<u>9,977.17</u>
Cash at beginning of year	0.00
Cash at end of year	<u><u>\$9,977.17</u></u>

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

LANDSTUHL HOSPITAL CARE PROJECT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2006

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Landstuhl Hospital Care Project (LHCP) is a non-profit organization that provides comfort and relief items for military members who become sick, injured, or wounded from service in Iraq, Kuwait, and Afghanistan. Donated items are distributed to military patients at Landstuhl Regional Medical Center (LRMC) in Germany, the largest American military hospital outside the U.S. and to field hospitals in Afghanistan and Iraq. Many of the military personnel arrive with no extra clothing and require long hospitalization. The purpose of the program is to enhance the morale and welfare of the wounded by contributing quality of life items.

Basis of Accounting

The financial statements have been prepared on a cash basis in accordance with accounting principles generally accepted in the United States of America.

Income Tax Status

The Organization qualifies as a tax-exempt organization under Section 501 (c)(3) of the Internal Revenue Code and, therefore, has no provisions for federal or state income taxes.