

**AMAZON CONSERVATION TEAM**

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Financial Statements

December 31, 2006 and 2005

# AMAZON CONSERVATION TEAM

## Table of Contents

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	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Activities and Changes in Net Assets	3
Statement of Functional Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6-10
REPORTS REQUIRED BY OMB A-133	
Independent Auditors' Report on Internal Controls and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government     Auditing Standards</i>	11
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with <i>OMB Circular A-133</i>	12-13
Schedule of Expenditures of Federal Awards	14
Notes to Schedule of Expenditures of Federal Awards	15
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	16-17



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**CERTIFIED PUBLIC ACCOUNTANTS**  
**3131 MOUNT VERNON AVENUE**  
**ALEXANDRIA, VIRGINIA 22305**

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INDEPENDENT AUDITORS' REPORT

Board of Directors  
Amazon Conservation Team  
Arlington, Virginia

We have audited the accompanying statements of financial position of the Amazon Conservation Team (ACT) as of December 31, 2006 and 2005 the related statements of activities and changes in net assets, functional expenses, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of 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 audits provide a reasonable basis for our opinion.

We did not audit Instituto de Etnobiologia, the Colombian Operation, and Amazon Conservation Team - ACT Brazil, the Brazilian Operation. These operations were audited by other accountants, whose audit reports expressed unqualified opinions.

In our opinion, based on our audits and the report of other auditors, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Amazon Conservation Team as of December 31, 2006 and 2005, and its activities and changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2007 on our consideration of Amazon Conservation Team's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards and other supplementary information is presented for purposes of additional analysis as required by U. S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is 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.

*Berry Group, CPA's*

Alexandria, Virginia  
April 30, 2007

## AMAZON CONSERVATION TEAM

### Statement of Financial Position

As of December 31, 2006

(With Summarized Information for 2005)

	2006			2005
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 717,013	\$ 1,000,494	\$ 1,717,507	\$ 1,338,039
Grants and accounts receivable	10,069	1,352,232	1,362,301	1,169,775
Prepaid expenses	544	-	544	9,637
Total current assets	<u>727,626</u>	<u>2,352,726</u>	<u>3,080,352</u>	<u>2,517,451</u>
Property and equipment				
Office equipment & furniture	62,112	-	62,112	62,112
Less: accumulated depreciation	(51,512)	-	(51,512)	(43,773)
	<u>10,600</u>	<u>-</u>	<u>10,600</u>	<u>18,339</u>
Other assets				
Field operating advances	-	191,546	191,546	209,770
Security deposit and others	3,917	-	3,917	3,917
Total other assets	<u>3,917</u>	<u>191,546</u>	<u>195,463</u>	<u>213,687</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 742,143</u></b>	<b><u>\$ 2,544,272</u></b>	<b><u>\$ 3,286,415</u></b>	<b><u>\$ 2,749,477</u></b>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	\$ 22,738	\$ -	\$ 22,738	\$ 13,394
Accrued wages	17,000	-	17,000	-
Other accrued expenses	4,164	-	4,164	543
Refundable advance	-	-	-	38,669
Total current liabilities	<u>43,902</u>	<u>-</u>	<u>43,902</u>	<u>52,606</u>
Total liabilities	<u>43,902</u>	<u>-</u>	<u>43,902</u>	<u>52,606</u>
<b>NET ASSETS</b>				
Net assets	<u>698,241</u>	<u>2,544,272</u>	<u>3,242,513</u>	<u>2,696,871</u>
Total net assets	<u>698,241</u>	<u>2,544,272</u>	<u>3,242,513</u>	<u>2,696,871</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 742,143</u></b>	<b><u>\$ 2,544,272</u></b>	<b><u>\$ 3,286,415</u></b>	<b><u>\$ 2,749,477</u></b>

See accompanying notes to financial statements.

## AMAZON CONSERVATION TEAM

Statement of Activities and Changes in Net Assets  
 Year Ended December 31, 2006  
 (With Summarized Information for 2005)

	2006			2005
	Unrestricted	Temporarily Restricted	Total	Total
<b>REVENUE</b>				
Grants	\$ 256,442	\$ 1,621,872	\$ 1,878,314	\$ 2,928,213
Contributions	864,657	646,969	1,511,626	756,993
Grants-government	1,178,218	-	1,178,218	1,163,594
Investment income	34,286	-	34,286	8,912
Other income	8,856	-	8,856	3,258
Net assets released from restrictions:				
Satisfaction of program and time restrictions	1,986,506	(1,986,506)	-	-
Total revenue	4,328,965	282,335	4,611,300	4,860,970
<b>EXPENSES</b>				
Program expenses:				
Biodiversity	1,834,655	-	1,834,655	1,283,065
Culture	891,865	-	891,865	811,734
Health	628,569	-	628,569	523,699
Total Program	3,355,089	-	3,355,089	2,618,498
Support expenses:				
General and administrative	580,086	-	580,086	485,804
Fundraising	130,483	-	130,483	62,638
Total support	710,569	-	710,569	548,442
Total expenses	4,065,658	-	4,065,658	3,166,940
Change in net assets	263,307	282,335	545,642	1,694,030
<b>NET ASSETS, BEGINNING</b>	434,934	2,261,937	2,696,871	1,002,841
<b>NET ASSETS, ENDING</b>	<u>\$ 698,241</u>	<u>\$ 2,544,272</u>	<u>\$ 3,242,513</u>	<u>\$ 2,696,871</u>

See accompanying notes to financial statements.

**AMAZON CONSERVATION TEAM**

Statement of Functional Expenses

Year Ended December 31, 2006

(With Summarized Information for 2005)

	Total					General &		2006		2005	
	Biodiversity	Culture	Health	Program	Administrative	Fundraising	Total	Total	Total	Total	
Salaries and wages	\$ 56,530	\$ 55,894	\$ 55,894	\$ 168,318	\$ 174,515	\$ 55,835	\$ 398,668	\$ 398,668	\$ 337,792		
Payroll taxes and benefits	9,549	9,549	9,548	28,646	30,011	9,549	68,206	68,206	54,791		
Field operations and supplies	1,765,067	819,018	560,288	3,144,373	90,000	-	3,234,373	3,234,373	2,423,065		
Contract labor	-	-	300	300	113,834	10,157	124,291	124,291	123,178		
Rent	-	-	-	-	54,657	-	54,657	54,657	47,747		
Travel	913	6,008	1,659	8,580	25,224	17,067	50,871	50,871	59,181		
Meeting and conference	2,578	1,246	874	4,698	17,198	16,660	38,556	38,556	27,796		
Insurance	-	-	-	-	15,711	-	15,711	15,711	9,653		
Advertising	-	-	-	-	1,362	14,110	15,472	15,472	-		
Bank charges	-	-	-	-	8,975	1,300	10,275	10,275	6,544		
Office expense and supplies	18	9	6	33	9,655	81	9,769	9,769	11,392		
Accounting	-	-	-	-	8,469	-	8,469	8,469	9,977		
Depreciation	-	-	-	-	7,739	-	7,739	7,739	9,401		
Telephone and internet	-	-	-	-	6,485	409	6,894	6,894	15,533		
Postage and delivery	-	141	-	141	4,064	1,639	5,844	5,844	3,884		
Miscellaneous	-	-	-	-	4,326	-	4,326	4,326	4,048		
Educational materials/publications	-	-	-	-	2,312	1,367	3,679	3,679	1,425		
Printing, reproduction, translation	-	-	-	-	1,967	1,619	3,586	3,586	16,883		
Equipment rental and maintenance	-	-	-	-	2,208	-	2,208	2,208	1,988		
Licenses and permits	-	-	-	-	485	690	1,175	1,175	1,232		
Training	-	-	-	-	889	-	889	889	425		
Dues and subscriptions	-	-	-	-	-	-	-	-	1,005		
<b>TOTAL EXPENSES</b>	<b>\$ 1,834,655</b>	<b>\$ 891,865</b>	<b>\$ 628,569</b>	<b>\$ 3,355,089</b>	<b>\$ 580,086</b>	<b>\$ 130,483</b>	<b>\$ 4,065,658</b>	<b>\$ 4,065,658</b>	<b>\$ 3,166,940</b>		

See accompanying notes to financial statements.

## AMAZON CONSERVATION TEAM

### Statements of Cash Flows

Years Ended December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 545,642	\$ 1,694,030
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	7,739	9,401
(Increase) decrease in:		
Grants and accounts receivable	(192,526)	(929,271)
Prepaid expenses	9,093	(455)
Other assets	18,224	(208,568)
Increase (decrease) in:		
Accounts payable	9,344	1,437
Accrued expenses	17,000	(43,130)
Other accrued expenses	3,621	(10,214)
Refundable advance	(38,669)	38,669
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>379,468</u>	<u>551,899</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	379,468	551,899
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>1,338,039</u>	<u>786,140</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 1,717,507</u>	<u>\$ 1,338,039</u>

See accompanying notes to financial statements.

## AMAZON CONSERVATION TEAM

Notes to financial statements  
December 31, 2006 and 2005

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### NOTE A - ORGANIZATION AND NATURE OF ACTIVITIES

#### Organization and Nature of Activities

Amazon Conservation Team (ACT) is a not-for-profit organization incorporated under the laws of Virginia in 1998. ACT's mission is to work in partnership with indigenous people to conserve biodiversity, health, and culture in tropical America. It has long been ACT's conviction that the people who best *know, use, and protect* biodiversity are the indigenous people who live in tropical forests. This is reflected in the Amazon, where the most traditional indigenous groups are found within the largest, most intact expanses of remaining forest.

ACT champions conservation strategies that combine indigenous knowledge with western science, and believes that in order to have a real impact on biodiversity conservation, projects must work closely with social, cultural, and political realities at the local and regional level. The key to ACT's success is its commitment to the implementation of conservation initiatives conceived by and with the indigenous communities with which they work. To date, ACT has partnered with over 25 indigenous groups across the Amazon Basin in Brazil, Colombia, Ecuador, Suriname and Venezuela.

### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements of ACT are presented on the accrual basis of accounting. 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, ACT 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. ACT has no permanently restricted net assets.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with ACT's financial statements for the year ended December 31, 2005 from which the summarized information was derived.

#### Financial credit risk

ACT maintains its cash in bank accounts, which at times exceed federally insured limits. ACT has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk on its cash balances.

## AMAZON CONSERVATION TEAM

Notes to financial statements  
December 31, 2006 and 2005

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### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Contributions

ACT also elected to adopt SFAS No. 116, *Accounting for Contributions Received and Contributions Made* in 1994. In accordance with SFAS No. 116, contributions received are recorded as unrestricted or temporarily restricted support depending on the existence and/or nature of any donor restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Donated materials and equipment are recorded at their fair market value.

#### Cash and cash equivalents

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

#### Property and equipment

Property and equipment are stated at cost if purchased, and at fair market value if donated. Property and equipment is depreciated using the straight-line method over the useful lives of the property of between three and seven years.

#### Functional allocation of expenses

The costs of providing various programs and other 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.

#### 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Income Taxes

ACT is exempt from income taxes as a non-profit organization under section 501(c)(3) of the Internal Revenue Code. ACT does not generate unrelated business income.

## AMAZON CONSERVATION TEAM

Notes to financial statements  
December 31, 2006 and 2005

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### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Reclassification

Certain amounts from the prior year have been reclassified to conform to the current year financial statement presentation.

### NOTE C - CASH AND CASH EQUIVALENTS

A summary of ACT's cash and cash equivalents is as follows:

	<u>2006</u>	<u>2005</u>
Money market	\$ 1,087,649	\$ 859,323
Operating account	629,243	477,798
Petty cash and other	615	918
	<u>\$ 1,717,507</u>	<u>\$ 1,338,039</u>

### NOTE D - GRANTS AND ACCOUNTS RECEIVABLE

ACT had grants and accounts receivable totaling \$1,362,301 and \$1,169,775 at December 31, 2006 and 2005, respectively.

### NOTE E - RETIREMENT PLAN

ACT maintains a 403(b) annuity plan in which all employees are eligible to participate. ACT contributes 1% of the participant's salary to the plan. The retirement match totaled \$1,830 and \$2,122 for the year ended December 31, 2006 and 2005, respectively.

### NOTE F - OPERATING RESERVE

As of December 31, 2006 and 2005, ACT had an operating reserve balance of \$511,933 and \$390,000, respectively.

## AMAZON CONSERVATION TEAM

Notes to financial statements  
December 31, 2006 and 2005

### NOTE G - PROPERTY AND EQUIPMENT

Property and equipment and accumulated depreciation at December 31, 2006, are as follows:

Asset Category	Estimated Lives	Cost			
		12/31/05	Additions	Deletions	12/31/06
Furniture and fixtures	7 years	\$ 8,299	\$ -	\$ -	\$ 8,299
Office equipment	3-7 years	19,028	-	-	19,028
Computer equipment	5 years	26,978	-	-	26,978
Computer software	3 years	5,995	-	-	5,995
Government Assets		1,812	-	-	1,812
Total		<u>\$ 62,112</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,112</u>

  

Asset Category	Estimated Lives	Accumulated Depreciation			
		12/31/05	Additions	Deletions	12/31/06
Furniture and fixtures	7 years	\$ 5,442	\$ 980	\$ -	\$ 6,422
Office equipment	3-7 years	11,719	1,984	-	13,703
Computer equipment	5 years	18,805	4,775	-	23,580
Computer software	3 years	5,995	-	-	5,995
Government Assets		1,812	-	-	1,812
Total		<u>\$ 43,773</u>	<u>\$ 7,739</u>	<u>\$ -</u>	<u>\$ 51,512</u>

### NOTE H - LEASE COMMITMENTS

In May of 2006, ACT entered into a four and a half-year office lease for its Arlington, Virginia location, which expires on December 31, 2010. Rent expense totaled \$48,426 and \$47,747 for the years ended December 31, 2006 and 2005, respectively.

Minimum annual rental commitments at December 31, 2006 are as follows:

2007	\$ 50,376
2008	51,887
2009	53,443
2010	<u>55,046</u>
Total	<u>\$210,752</u>

## AMAZON CONSERVATION TEAM

Notes to financial statements  
December 31, 2006 and 2005

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### NOTE I - TEMPORARILY RESTRICTED SUPPORT AND REVENUE

As of December 31, 2006 and 2005, temporarily restricted net assets were available for the following purposes:

	<u>Balance</u> <u>12/31/2005</u>	<u>Additions</u>	<u>Releases</u>	<u>Balance</u> <u>12/31/2006</u>
Land use documentation (mapping)	\$ -	\$ 408,015	\$ 295,164	\$ 112,851
Land management	255,030	831,000	255,030	831,000
Land protection	1,751,323	176,960	908,630	1,019,653
Material self-sustainability	-	81,550	72,707	8,843
Integrated healthcare access	40,000	340,097	69,077	311,020
Healthcare knowledge capture and transmission	10,000	-	10,000	-
Healthcare and nutrition research	77,082	-	24,973	52,109
Traditional knowledge and culture preservation	15,800	10,170	25,970	-
Women's programs	78,151	32,500	46,115	64,536
Headquarters awards	<u>34,551</u>	<u>388,549</u>	<u>278,840</u>	<u>144,260</u>
Total	<u>\$2,261,937</u>	<u>\$2,268,841</u>	<u>\$1,986,506</u>	<u>\$2,544,272</u>



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**Independent Auditors' Report on Internal Controls and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

Board of Directors  
Amazon Conservation Team  
Arlington, Virginia

We have audited the financial statements of the Amazon Conservation Team as of and for year ended December 31, 2006, and have issued our report thereon dated April 30, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

*Internal Control Over Financial Reporting*

In planning and performing our audit, we considered Amazon Conservation Team's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to the management of Amazon Conservation Team in a separate letter dated April 30, 2007.

*Compliance and Other Matters*

As part of obtaining reasonable assurance about whether Amazon Conservation Team's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance, which we have reported to the management of Amazon Conservation Team in a separate letter dated April 30, 2007.

This report is intended solely for the information and use of the audit committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Berry Group CPA's*

Alexandria, VA  
April 30, 2007



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**Independent Auditors' Report on Compliance with Requirements  
Applicable to Each Major Program and on Internal Control  
Over Compliance in Accordance with OMB Circular A-133**

Board of Directors  
Amazon Conservation Team  
Arlington, Virginia

*Compliance*

We have audited the financial statements of the Amazon Conservation Team with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2006. Amazon Conservation Team's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs are the responsibility of Amazon Conservation Team's management. Our responsibility is to express an opinion on Amazon Conservation Team's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Amazon Conservation Team's compliance with those requirements and performing other procedures, as we considered necessary. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Amazon Conservation Team's compliance with those requirements.

In our opinion, Amazon Conservation Team complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006.

*Internal Control over Compliance*

The management of Amazon Conservation Team is responsible for establishing and maintaining effective internal controls over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Amazon Conservation Team's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedure for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with *OMB Circular A-133*.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulation, contract, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted certain immaterial instances of noncompliance, which we have reported to the management of Amazon Conservation Team in a separate letter dated April 30, 2007.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Bruce Stump, CPA*

Alexandria, VA  
April 30, 2007

**AMAZON CONSERVATION TEAM**  
 Schedule of Expenditures of Federal Awards  
 Twelve Months Ended December 31, 2006

<u>Grants</u>	<u>CFDA Number</u>	<u>Pass Through</u>	<u>Grant Number</u>	<u>Federal Award</u>	<u>Grant Expended This Year</u>
<i>U.S. Agency for International Development:</i>					
Sustainable Development for Colombian Indigenous	N/A	No	514-A-00-06-00306-00	\$ 500,000	\$ 275,303
Xingu Indigenous Park Conservation and Surveillance	N/A	No	512-A-00-04-00029-00	800,000	279,779
National Park Buffer Zones in Colombia	N/A	Yes	514-A-00-05-00306-00	<u>1,927,586</u>	<u>623,136</u>
<b>TOTAL</b>				<u><b>\$3,227,586</b></u>	<u><b>\$ 1,178,218</b></u>

See accompanying notes to financial statements.

**AMAZON CONSERVATION TEAM**  
Notes to Schedule of Expenditures of Federal Awards  
Twelve Months Ended December 31, 2006

**1. Summary of Significant Accounting Policies**

**Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**2. Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements**

**Revenue:**

Grants – government	\$ 1,178,218
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AMAZON CONSERVATION TEAM  
 Schedule of Findings and Questioned Costs  
 Year Ended December 31, 2006

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: X Unqualified     Qualified  
    Adverse     Disclaimer

Internal control over financial reporting:

- Material weakness(es) identified?     Yes     X No
- Reportable condition(s) identified that are not considered to be material weaknesses?     Yes     X None Reported

Noncompliance material to financial statements noted?     Yes     X No

**Federal Awards**

Type of auditors' report issued on compliance for major programs: X Unqualified     Qualified  
    Adverse     Disclaimer

Internal control over major programs:

- Material weakness(es) identified?     Yes     X No
- Reportable condition(s) identified that are not considered to be material weaknesses?     Yes     X None Reported

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Subpart B, Section 510 (a)?     Yes     X No

Identification of Major Program(s):

CFDA Number	Grantor/Program Title or Cluster	Federal Expenditures
N/A	U.S Agency for International Development <i>Integrated Sustainable Development of Indigenous Groups in National Buffer Zones in Colombia</i>	\$623,136

Dollar threshold used to determine Type A programs: \$300,000

Auditee qualified as a low-risk auditee? X Yes     No

AMAZON CONSERVATION TEAM  
Schedule of Findings and Questioned Costs (*Cont'd*)  
Year Ended December 31, 2006

**Section II - Findings relating to the financial statements audited in accordance with *Government Auditing Standards***

None

**Section III - Findings and Questioned costs for Federal Awards using Section 510 (a).**

None