

AMAZON CONSERVATION TEAM

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Financial Statements

December 31, 2007 and 2006

AMAZON CONSERVATION TEAM

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Amazon Conservation Team
Arlington, Virginia

We have audited the accompanying statement of financial position of the Amazon Conservation Team (ACT) as of December 31, 2007, the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 audit. The prior year summarized comparative information has been derived from ACT's 2006 financial statements, and in our report dated April 30, 2007, we expressed an unqualified opinion on those financial statements.

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. 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.

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

In our opinion, based on our audit 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, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 11, 2008 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, CPAs

Alexandria, Virginia
August 11, 2008

AMAZON CONSERVATION TEAM

Statement of Financial Position

As of December 31, 2007

(With Summarized Information for 2006)

	2007			2006
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 459,963	\$ 1,182,307	\$ 1,642,270	\$ 1,717,507
Grants and accounts receivable	679,040	940,392	1,619,432	1,362,301
Prepaid expenses	17,050	-	17,050	544
Total current assets	<u>1,156,053</u>	<u>2,122,699</u>	<u>3,278,752</u>	<u>3,080,352</u>
Property and equipment				
Office equipment & furniture	41,604	-	41,604	62,112
Less: accumulated depreciation	(35,783)	-	(35,783)	(51,512)
Net property and equipment	<u>5,821</u>	<u>-</u>	<u>5,821</u>	<u>10,600</u>
Other assets				
Field operating advances	-	33,772	33,772	191,546
Security deposit and others	3,917	-	3,917	3,917
Total other assets	<u>3,917</u>	<u>33,772</u>	<u>37,689</u>	<u>195,463</u>
TOTAL ASSETS	<u>\$ 1,165,791</u>	<u>\$ 2,156,471</u>	<u>\$ 3,322,262</u>	<u>\$ 3,286,415</u>
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 47,015	\$ -	\$ 47,015	\$ 22,738
Accrued wages	-	-	-	17,000
Other accrued expenses	2,826	-	2,826	4,164
Total current liabilities	<u>49,841</u>	<u>-</u>	<u>49,841</u>	<u>43,902</u>
Total liabilities	<u>49,841</u>	<u>-</u>	<u>49,841</u>	<u>43,902</u>
NET ASSETS				
Net assets	<u>1,115,950</u>	<u>2,156,471</u>	<u>3,272,421</u>	<u>3,242,513</u>
Total net assets	<u>1,115,950</u>	<u>2,156,471</u>	<u>3,272,421</u>	<u>3,242,513</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,165,791</u>	<u>\$ 2,156,471</u>	<u>\$ 3,322,262</u>	<u>\$ 3,286,415</u>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

AMAZON CONSERVATION TEAM

Statement of Activities and Changes in Net Assets

Year Ended December 31, 2007

(With Summarized Information for 2006)

	2007			2006
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
SUPPORT AND REVENUE				
Grants	\$ 494,920	\$ 1,091,538	\$ 1,586,458	\$ 1,878,314
Contributions	1,239,797	347,525	1,587,322	1,511,626
Grants-government	1,352,911	-	1,352,911	1,178,218
Investment income	47,150	-	47,150	34,286
Other income	6,789	-	6,789	8,856
Net assets released from restrictions:				
Satisfaction of program and time restrictions	1,826,864	(1,826,864)	-	-
Total support and revenue	4,968,431	(387,801)	4,580,630	4,611,300
EXPENSES				
Program expenses:				
Biodiversity	2,142,528	-	2,142,528	1,834,655
Culture	842,889	-	842,889	891,865
Health	694,093	-	694,093	628,569
Total Program	3,679,510	-	3,679,510	3,355,089
Support expenses:				
General and administrative	700,847	-	700,847	580,086
Fundraising	170,365	-	170,365	130,483
Total support	871,212	-	871,212	710,569
Total expenses	4,550,722	-	4,550,722	4,065,658
Change in net assets	417,709	(387,801)	29,908	545,642
NET ASSETS, BEGINNING	698,241	2,544,272	3,242,513	2,696,871
NET ASSETS, ENDING	<u>\$ 1,115,950</u>	<u>\$ 2,156,471</u>	<u>\$ 3,272,421</u>	<u>\$ 3,242,513</u>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

AMAZON CONSERVATION TEAM

Statement of Functional Expenses
 Year Ended December 31, 2007
 (With Summarized Information for 2006)

	Total					General &		2007		2006	
	Biodiversity	Culture	Health	Program	Administrative	Fundraising	Total	Total	Total	Total	
Salaries and wages	\$ 137,498	\$ 73,168	\$ 68,960	\$ 279,626	\$ 247,913	\$ 83,228	\$ 610,767	\$ 398,668			
Payroll taxes and benefits	11,006	11,406	10,750	33,162	43,899	12,974	90,035	68,206			
Field operations and supplies	1,973,481	749,439	604,067	3,326,987	-	-	3,326,987	3,234,373			
Travel	19,282	8,876	6,565	34,723	97,008	4,022	135,753	50,871			
Contract labor	-	-	-	-	61,011	65,225	126,236	110,436			
Technology	-	-	-	-	69,404	-	69,404	13,855			
Rent	-	-	-	-	59,638	-	59,638	54,657			
Printing, reproduction, translation	-	-	-	-	27,241	1,769	29,010	3,586			
Miscellaneous	-	-	650	650	15,797	-	16,447	4,326			
Office expense and supplies	1,261	-	3,101	4,362	8,883	46	13,291	9,769			
Telephone and internet	-	-	-	-	12,095	492	12,587	6,894			
Meeting and conference	-	-	-	-	11,221	-	11,221	38,556			
Postage and delivery	-	-	-	-	8,125	1,452	9,577	5,844			
Accounting	-	-	-	-	9,498	-	9,498	8,469			
Bank charges	-	-	-	-	8,133	858	8,991	10,275			
Insurance	-	-	-	-	6,285	-	6,285	15,711			
Depreciation	-	-	-	-	4,779	-	4,779	7,739			
Equipment rental and maintenance	-	-	-	-	3,247	-	3,247	2,208			
Dues and subscriptions	-	-	-	-	2,336	299	2,635	-			
Educational materials/publications	-	-	-	-	2,468	-	2,468	3,679			
Advertising	-	-	-	-	1,405	-	1,405	15,472			
Licenses and permits	-	-	-	-	461	-	461	1,175			
Training	-	-	-	-	-	-	-	889			
TOTAL EXPENSES	\$ 2,142,528	\$ 842,889	\$ 694,093	\$ 3,679,510	\$ 700,847	\$ 170,365	\$ 4,550,722	\$ 4,065,658			

The accompanying Notes to Financial Statements are an integral part of these financial statements.

AMAZON CONSERVATION TEAM

Statements of Cash Flows

Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 29,908	\$ 545,642
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	4,779	7,739
(Increase) decrease in:		
Grants and accounts receivable	(257,131)	(192,526)
Prepaid expenses	(16,506)	9,093
Other assets	157,774	18,224
Increase (decrease) in:		
Accounts payable	24,277	9,344
Accrued expenses	(17,000)	17,000
Other accrued expenses	(1,338)	3,621
Refundable advance	-	(38,669)
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>(75,237)</u>	<u>379,468</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(75,237)</u>	<u>379,468</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,717,507</u>	<u>1,338,039</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,642,270</u>	<u>\$ 1,717,507</u>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

AMAZON CONSERVATION TEAM

Notes to financial statements
December 31, 2007 and 2006

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, 2006 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, 2007 and 2006

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, 2007 and 2006

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>2007</u>	<u>2006</u>
Money market	\$ 1,481,760	\$ 1,087,649
Operating account	160,146	629,243
Petty cash and other	364	615
	<u>\$ 1,642,270</u>	<u>\$ 1,717,507</u>

NOTE D - GRANTS AND ACCOUNTS RECEIVABLE

ACT had grants and accounts receivable totaling \$1,619,432 and \$1,362,301 at December 31, 2007 and 2006, respectively.

NOTE E - RETIREMENT PLAN

ACT maintains a 403(b) annuity plan in which all employees are eligible to participate. As of August of 2007, ACT increased its contribution to the plan from 1% to 5% of the participant's salary. The retirement match totaled \$12,345 and \$1,830 for the year ended December 31, 2007 and 2006, respectively.

NOTE F - OPERATING RESERVE

As of December 31, 2007 and 2006, ACT had an operating reserve balance of \$533,649 and \$511,933, respectively.

AMAZON CONSERVATION TEAM

Notes to financial statements
December 31, 2007 and 2006

NOTE G - PROPERTY AND EQUIPMENT

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

Asset Category	Estimated Lives	Cost			
		12/31/06	Additions	Deletions	12/31/07
Furniture and fixtures	7 years	\$ 8,299	\$ -	\$ 1,635	\$ 6,664
Office equipment	3-7 years	19,028	-	3,763	15,265
Computer equipment	5 years	26,978	-	15,110	11,868
Computer software	3 years	5,995	-	-	5,995
Government Assets		1,812	-	-	1,812
Total		<u>\$ 62,112</u>	<u>\$ -</u>	<u>\$ 20,508</u>	<u>\$ 41,604</u>

Asset Category	Estimated Lives	Accumulated Depreciation			
		12/31/06	Additions	Deletions	12/31/07
Furniture and fixtures	7 years	\$ 6,422	\$ 563	\$ 1,635	\$ 5,350
Office equipment	3-7 years	13,703	1,857	3,763	11,797
Computer equipment	5 years	23,580	2,359	15,110	10,829
Computer software	3 years	5,995	-	-	5,995
Government Assets		1,812	-	-	1,812
Total		<u>\$ 51,512</u>	<u>\$ 4,779</u>	<u>\$ 20,508</u>	<u>\$ 35,783</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 \$50,376 and \$48,426 for the years ended December 31, 2007 and 2006, respectively.

Minimum annual rental commitments at December 31, 2007 are as follows:

2008	\$ 51,887
2009	53,443
2010	55,046
Total	<u>\$160,376</u>

AMAZON CONSERVATION TEAM

Notes to financial statements
December 31, 2007 and 2006

NOTE I - TEMPORARILY RESTRICTED SUPPORT AND REVENUE

As of December 31, 2007 and 2006, temporarily restricted net assets were available for the following purposes:

	Balance <u>12/31/2006</u>	<u>Additions</u>	<u>Releases</u>	Balance <u>12/31/2007</u>
Land use documentation (mapping)	\$ 112,851	\$ -	\$ 112,851	\$ -
Land management	831,000	828,515	488,997	1,170,518
Land protection	1,019,653	157,555	723,649	453,559
Material self-sustainability	8,843	-	8,843	-
Integrated healthcare access	311,020	-	133,437	177,583
Healthcare knowledge capture and transmission	-	100,000	32,970	67,030
Healthcare and nutrition research	52,109	16,268	23,904	44,473
Traditional knowledge and culture preservation	-	25,942	16,000	9,942
Women's programs	64,536	44,200	56,070	52,666
Headquarters awards	<u>144,260</u>	<u>266,583</u>	<u>230,143</u>	<u>180,700</u>
Total	<u>\$2,544,272</u>	<u>\$1,439,063</u>	<u>\$1,826,864</u>	<u>\$2,156,471</u>



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Report on Internal Controls Over Financial Reporting 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, 2007, and have issued our report thereon dated August 11, 2008. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Amazon Conservation Team's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Amazon Conservation Team's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Amazon Conservation Team's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Amazon Conservation Team's financial statements that is more than inconsequential will not be prevented or detected by Amazon Conservation Team's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Amazon Conservation Team's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of Amazon Conservation Team in a separate letter dated August 11, 2008.

This report is intended solely for the information and use of the audit committee, management, others within the entity, 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.

Betsy Simpson, CPA

Alexandria, VA
August 11, 2008



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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, 2007. 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, 2007.

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. Accordingly, we do not express an opinion on the effectiveness of Amazon Conservation Team's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, others within the entity, 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.



Alexandria, VA
August 11, 2008

AMAZON CONSERVATION TEAM
 Schedule of Expenditures of Federal Awards
 Twelve Months Ended December 31, 2007

<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	\$ 124,452
Xingu Indigenous Park Conservation and Surveillance	N/A	No	512-A-00-04-00029-00	800,000	16,650
National Park Buffer Zones in Colombia	N/A	Yes	514-A-00-05-00306-00	<u>2,761,100</u>	<u>1,211,809</u>
TOTAL				<u>\$4,061,100</u>	<u>\$ 1,352,911</u>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

AMAZON CONSERVATION TEAM
Notes to Schedule of Expenditures of Federal Awards
Twelve Months Ended December 31, 2007

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	\$ 1,352,911
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AMAZON CONSERVATION TEAM
 Schedule of Findings and Questioned Costs
 Year Ended December 31, 2007

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified Qualified
 Adverse Disclaimer

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

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

Internal control over major programs:

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

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

Identification of Major Program(s):

<u>CFDA Number</u>	<u>Grantor/Program Title or Cluster</u>	<u>Federal Expenditures</u>
N/A	U.S Agency for International Development <i>Integrated Sustainable Development of Indigenous Groups in National Buffer Zones in Colombia</i>	\$1,211,809
N/A	<i>Xingu Indigenous Park Conservation and Surveillance</i>	16,650
N/A	<i>Sustainable Development for Colombian Indigenous Communities</i>	124,452

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

Auditee qualified as a low-risk auditee? Yes No

AMAZON CONSERVATION TEAM
Schedule of Findings and Questioned Costs (*Cont'd*)
Year Ended December 31, 2007

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