

MOUNTAIN PARK ENVIRONMENTAL CENTER
FINANCIAL STATEMENTS
REPORT OF INDEPENDENT AUDITOR
DECEMBER 31, 2006 AND 2005

Bain & Jones
Certified Public Accountants

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FINANCIAL STATEMENTS
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December 31, 2006 and 2005**

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Independent Auditor's Report

Board of Directors
Mountain Park Environmental Center
Beulah, Colorado

We have audited the accompanying statements of financial position of the Mountain Park Environmental Center (a nonprofit organization) as of December 31, 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 Mountain Park Environmental Center'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 audits 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 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 the Mountain Park Environmental Center, as of December 31, 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.

Bain and Jones, CPAs

Louisville, Colorado
January 26, 2007

**MOUNTAIN PARK ENVIRONMENTAL CENTER
STATEMENTS OF FINANCIAL POSITION
December 31, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
ASSETS		
Current assets		
Cash	\$ 227,562	\$ 162,372
Accounts receivable	753	-
Inventory	7,123	7,123
Prepaid expenses	<u>4,153</u>	<u>4,116</u>
Total current assets	<u>239,591</u>	<u>173,611</u>
Property and equipment		
Leasehold improvements	1,665	1,665
Office equipment	3,000	3,000
Vehicles	73,276	85,336
Less accumulated depreciation	<u>(19,759)</u>	<u>(22,447)</u>
Total property and equipment	<u>58,182</u>	<u>67,554</u>
TOTAL ASSETS	<u><u>\$ 297,773</u></u>	<u><u>\$ 241,165</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	<u>\$ 4,029</u>	<u>\$ 2,765</u>
Total current liabilities	<u>4,029</u>	<u>2,765</u>
Net assets		
Unrestricted	252,220	238,400
Temporarily restricted	<u>41,524</u>	<u>-</u>
Total net assets	<u>293,744</u>	<u>238,400</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 297,773</u></u>	<u><u>\$ 241,165</u></u>

See accompanying notes financial statements.

MOUNTAIN PARK ENVIRONMENTAL CENTER
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Support and revenue		
Memberships	\$ 19,492	\$ 11,504
Donations	33,908	14,638
Programs	69,755	60,725
Grants		
City of Pueblo and Pueblo County	40,000	40,000
Foundations and trusts	53,175	74,520
Nature shop sales	2,855	5,292
Misc	500	408
Interest	7,823	3,271
Donated building space	10,800	10,800
Net assets released from restrictions	2,550	-
Total unrestricted support and revenue	<u>240,858</u>	<u>221,158</u>
Expenses		
Salaries	125,467	92,578
Payroll taxes	12,403	7,640
Benefits	12,109	8,903
Advertising	208	790
Building supplies	154	150
Contract staff	4,645	7,225
Depreciation	9,372	6,974
Donated building space	10,800	10,800
Education supplies	1,315	4,194
Insurance	4,024	3,204
Memberships	185	280
Miscellaneous	1,510	1,656
Nature shop	3,906	5,289
Office	1,122	951
Other program costs	14,668	9,196
Phone	1,635	1,668
Postage	1,974	1,620
Printing	730	305
Professional development	4,461	259
Professional services	2,054	2,050
Security	439	450
Vehicle	11,307	11,240
Lodge restoration	2,550	-
Total expenses	<u>227,038</u>	<u>177,422</u>
Change in unrestricted net assets	<u>13,820</u>	<u>43,736</u>
Temporarily restricted net assets		
Contributions and Grants	44,074	-
Net assets released from restrictions	(2,550)	-
Increase in temporarily restricted net assets	<u>41,524</u>	<u>-</u>
Change in net assets	55,344	43,736
Net assets Jaanuary 1	238,400	194,664
Net assets December 31	<u>\$293,744</u>	<u>\$ 238,400</u>

See accompanying notes financial statements.

MOUNTAIN PARK ENVIRONMENTAL CENTER
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Cash flows from operating activities		
Cash received for services	\$ 69,002	\$ 61,375
Cash received from grants	93,175	114,520
Cash received from contributions and fund raising	53,400	26,142
Cash received from restricted sources	44,074	-
Cash received from other sources	3,355	5,700
Cash paid to employees and suppliers	(205,639)	(165,993)
Interest received	7,823	3,271
	<u>65,190</u>	<u>45,015</u>
Cash flows from investing activities		
Net (purchase) sale/redemption of certificates of deposit	-	80,000
Capital expenditures	-	(54,438)
	<u>-</u>	<u>25,562</u>
Net cash flows from investing activities	-	25,562
Net increase (decrease) in cash	65,190	70,577
Cash - beginning of year	<u>162,372</u>	<u>91,795</u>
Cash - end of year	<u><u>\$ 227,562</u></u>	<u><u>\$ 162,372</u></u>
Reconciliation of change in net assets to net cash flows from operating activities		
Change in net assets	<u>\$ 55,344</u>	<u>\$ 43,736</u>
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	9,372	6,974
(Increase) decrease in receivables	(753)	650
(Increase) decrease in prepaid expenses	(37)	(655)
(Increase) decrease in inventory	-	(4,949)
Increase (decrease) in accounts payable	1,264	(741)
	<u>9,846</u>	<u>1,279</u>
Total adjustments	9,846	1,279
Net cash flows from operating activities	<u><u>\$ 65,190</u></u>	<u><u>\$ 45,015</u></u>
Supplemental data for noncash activities		
Donated building space	\$ 10,800	\$ 10,800

See accompanying notes financial statements.

MOUNTAIN PARK ENVIRONMENTAL CENTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

Note 1. Summary of Significant Accounting Policies

The Mountain Park Environmental Center is a nonprofit corporation formed in 1999 pursuant to the laws of the State of Colorado, for the purpose of establishing an educational organization that provides environmental education and interpretive programming for children and adults in order to create citizenry that understands, respects, and cares for nature. The center operates from a facility in Beulah, Colorado and is supported primarily by grants, program fees, memberships, and contributions.

The accompanying financial statements have been prepared on the accrual basis of accounting, in conformity with generally accepted accounting principles, as they apply to not-for-profit organizations.

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The center presents the financial statements pursuant to Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Accordingly, the center is required to report information regarding its financial position according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions.

Unrestricted net assets represent resources over which the board of directors has discretionary control and are used to carry out the operations of the center in accordance with its bylaws.

The center also complies with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Cash and cash equivalents - During the course of normal operations, the center carries bank balances that exceed the federally insured limit set by the Federal Deposit Insurance Corporation (FDIC). The center maintains its bank accounts with creditworthy, high-quality financial institutions.

For the purpose of the statements of cash flows, cash consists of unrestricted cash on deposit in checking, savings and money market accounts.

MOUNTAIN PARK ENVIRONMENTAL CENTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005

Note 1. Summary of Significant Accounting Policies (continued)

Accounts receivable represent amounts due for program services rendered. Management has determined that the receivables are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary.

Property and Equipment - Property and equipment are stated at cost (or fair market value at time of donation for donated items) less accumulated depreciation. Expenditures for maintenance, repairs and minor replacements are charged to operations, and expenditures for major replacements are capitalized.

All depreciation is computed using the straight-line method with estimated useful lives of 3-10 years. Depreciation expense of \$9,372 and \$6,974 was recorded for the years ended December 31, 2006 and 2005.

Donated building space is recorded as revenue and expense at the same amounts based on the fair market value of the space provided.

Note 2. Income Taxes

The center is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and is classified as a public charity (not a private foundation). The center undertook no unrelated business activities and, therefore, no provision has been made for income taxes in these financial statements.

Note 3. Restrictions on Net Assets

Temporarily restricted net assets are available for the following purpose:

	<u>2006</u>	<u>2005</u>
Lodge renovations	<u>\$41,524</u>	<u>\$0</u>

Note 4. Employee Retirement Plans

The center's employees are eligible to participate in a defined contribution retirement plan that operates under Section 403(b) of the Internal Revenue Code. Employees may make voluntary contributions to the plan and the center will match those contributions up to 2% of each employee's compensation. Benefits expense includes retirement plan contributions of \$2,509 and \$1,853 for the years ended December 31, 2006 and 2005. All contributions are immediately vested to the employee.

**MOUNTAIN PARK ENVIRONMENTAL CENTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2006 and 2005**

Note 5. Reclassification

Certain items shown for 2005 have been reclassified to provide consistency when comparing to the 2006 figures.