

VENTANA WILDLIFE SOCIETY
FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2006 AND 2005

TABLE OF CONTENTS

	PAGE
AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-11

AUDITOR'S REPORT

To the Board of Directors
Ventana Wildlife Society
Salinas, California

We have audited the accompanying statement of financial position of Ventana Wildlife Society (a California not-for-profit organization) as of March 31, 2006 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Society'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 Ventana Wildlife Society as of March 31, 2006 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Snyder Accountancy
Certified Public Accountants

Monterey, California
September 20, 2006

**VENTANA WILDLIFE SOCIETY
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2006 AND 2005**

<u>ASSETS</u>	<u>2006</u>	<u>2005</u>
Cash and cash equivalents - unrestricted	\$ 12,710	\$ 13,868
Cash - reserved	17,509	45,257
Grants receivable	168,124	120,565
NPS grant receivable	-	139,309
Investments, at market	89,268	170,279
Deposits	4,383	4,383
Taxes receivable	-	1,745
Property and equipment - net	<u>498,916</u>	<u>249,929</u>
TOTAL ASSETS	<u>\$ 790,910</u>	<u>\$ 745,335</u>
 <u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 47,649	\$ 46,720
NPS contract liability	-	103,748
Deferred revenue	<u>8,615</u>	<u>5,760</u>
Total liabilities	56,264	156,228
 <u>NET ASSETS</u>		
Unrestricted	734,646	588,856
Permanently restricted	<u>-</u>	<u>251</u>
TOTAL NET ASSETS	<u>734,646</u>	<u>589,107</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 790,910</u>	<u>\$ 745,335</u>

See independent auditor's report and accompanying notes to financial statements.

VENTANA WILDLIFE SOCIETY
STATEMENTS OF ACTIVITIES FOR THE YEAR ENDED MARCH 31, 2006
WITH COMPARATIVE TOTALS FOR 2005

	Unrestricted	Permanently Restricted	Total	
			2006	2005
REVENUE AND SUPPORT				
Foundation grants	\$ 251,166		\$ 251,166	\$ 263,215
Federal grants	195,338		195,338	190,322
Major donations	75,200		75,200	110,140
In-kind and other donations	325,586		325,586	32,616
Corporation grants	46,046		46,046	47,508
State grants	52,751		52,751	12,000
Bequests and memberships	70,616		70,616	284,849
County grants	20,560		20,560	33,230
Natural Science Discovery Camp (Note 7)	28,205		28,205	24,725
Organization contributions	17,400		17,400	16,912
Class and seminar fees	6,120		6,120	3,251
Unrealized gains/(losses) (Note 3)	-		-	(5,432)
Interest and dividends	4,513	(251)	4,262	437
Sale of assets	750		750	(792)
Program service fees	500		500	750
Sales	130		130	95
	<u>1,094,881</u>	<u>(251)</u>	<u>1,094,630</u>	<u>1,013,826</u>
Total support and revenue				
FUNCTIONAL EXPENSES				
Program services	744,373		744,373	682,114
Fundraising	70,265		70,265	-
Management and general	134,453		134,453	128,319
	<u>949,091</u>	<u></u>	<u>949,091</u>	<u>810,433</u>
Total functional expenses				
Change in net assets	145,790	(251)	145,539	203,393
Net assets, beginning of year	<u>588,856</u>	<u>\$ 251</u>	<u>589,107</u>	<u>385,714</u>
Net assets, end of year	<u>\$ 734,646</u>	<u>\$ -</u>	<u>\$ 734,646</u>	<u>\$ 589,107</u>

See independent auditor's report and accompanying notes to financial statements.

**VENTANA WILDLIFE SOCIETY
STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2006
WITH COMPARATIVE TOTALS FOR 2005**

	Program Services							Total	
	Education and Outreach	Species Recovery	Conservation Ecology	Habitat Restoration	Total Program Services	Fundraising	Management and General	2006	2005
	Salaries and wages	\$ 64,673	\$ -	\$ 179,444	\$ 53,238	\$ 297,355	\$ 50,294	\$ 60,355	\$ 408,004
Supplies	4,286	-	20,017	9,149	33,452	1,930	2,975	38,357	34,009
Rent	3,794	-	24,033	7,329	35,156	-	5,747	40,903	65,920
Benefits	9,266	-	24,777	9,904	43,947	4,404	4,690	53,041	48,427
Travel volunteer	2,080	-	35,491	9,366	46,937	457	608	48,003	52,970
Auto expense	5,445	-	30,509	8,449	44,404	1,325	1,894	47,623	46,240
Professional services	227	-	16,572	13,605	30,403	10	360	30,773	15,186
Contractual services	11,550	-	4,861	655	17,066	-	17,593	34,659	30,537
Depreciation	10,361	-	33,155	11,743	55,259	-	13,815	69,074	49,116
Payroll taxes	6,052	-	16,958	5,072	28,083	4,290	7,990	40,363	30,978
Printing	6,413	-	4,415	1,107	11,935	1,497	1,585	15,017	12,770
Telecommunications	1,641	-	6,547	2,651	10,839	1,253	1,357	13,448	12,442
Insurance	3,195	-	5,367	2,615	11,177	95	2,751	14,023	3,505
Advertising and promotion	1,245	-	217	108	1,570	128	108	1,806	1,662
Equipment rental	12,798	-	640	320	13,757	320	320	14,397	8,133
Miscellaneous	497	-	826	416	1,739	181	400	2,320	7,248
Tools and equipment	27	-	2,303	432	2,761	27	1,598	4,386	7,403
Aerial tracking expense	-	-	1,190	-	1,190	-	-	1,190	-
Postage and shipping	819	-	3,286	1,259	5,364	1,856	822	8,042	4,022
Accounting and legal	482	-	964	457	1,903	104	1,463	3,470	4,213
Audit	1,920	-	3,840	1,920	7,680	-	1,920	9,600	8,765
Staff development	1,572	-	2,064	41	3,677	983	2,388	7,048	7,628
Membership	827	-	1,359	621	2,806	804	621	4,231	3,387
Utilities	54	-	1,935	-	1,989	-	-	1,989	1,619
Maintenance	-	-	5,903	34	5,937	-	-	5,937	16,328
Conferences and meetings	170	-	1,493	228	1,890	-	399	2,290	1,517
Dues and subscriptions	87	-	75	37	199	67	92	359	360
Permits and licenses	421	-	1,170	555	2,146	-	373	2,519	3,794
Interest expense	-	-	-	-	-	-	-	-	284
In-kind goods and services	4,955	-	7,448	11,350	23,753	240	2,230	26,223	-
Photography	-	-	-	-	-	-	-	-	-
Total functional expenses	\$ 154,858	\$ -	\$ 436,856	\$ 152,659	\$ 744,373	\$ 70,265	\$ 134,453	\$ 949,091	\$ 810,433

See independent auditor's report and accompanying notes to financial statements.

**VENTANA WILDLIFE SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2006**

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ 145,539
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Donated equipment	(297,500)
Depreciation	69,074
Gain on sale of equipment	(750)
Increase in accounts receivable	(47,559)
Decrease in contracts receivable	139,309
Increase in refunds receivables	1,745
Increase in accounts payable	929
Decrease in contracts payable	(103,748)
Increase in deferred revenue	<u>2,855</u>

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES (235,645)

CASH FLOW FROM INVESTING ACTIVITIES

Proceeds from sale of investments	81,011
Purchase of equipment	(20,561)
Proceeds from sale of equipment	<u>750</u>

NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES 61,200

NET INCREASE (DECREASE) IN CASH (28,906)

BEGINNING CASH AND EQUIVALENTS 59,125

ENDING CASH AND EQUIVALENTS \$ 30,219

See independent auditor's report and accompanying notes to the financial statements.

VENTANA WILDLIFE SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2006 AND 2005

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of activities

Ventana Wildlife Society (the Society) is a not-for-profit organization incorporated in 1977. The mission statement reads: "Conserving native wildlife and their habitats."

B. Basis of presentation

Financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*, the Society is required to report information regarding its financial position and activities according to the following three classes of net assets:

- *Unrestricted Net Assets* - Net assets that are not subject to donor-imposed stipulations.
- *Temporarily Restricted Net Assets* - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Society and/or the passage of time.
- *Permanently Restricted Net Assets* - Net assets subject to donor-imposed restrictions that will be maintained permanently by the Society.

C. Cash and cash equivalents

Cash equivalents consist primarily of money market accounts and other investments with an original maturity of 90 days or less.

See independent auditor's report.

VENTANA WILDLIFE SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2006 AND 2005

D. Investments

Under SFAS No. 124, *Accounting for Certain Investments Held by Not-for Profit and Contributions Made*, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair market values in the statement of financial position. Unrealized gains and losses are included in the change in net assets on the statement of activities. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the gains and losses are recognized.

E. Public support and revenue

Support is derived primarily from donor contributions, grants and special events. Grants and 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 is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

F. Contributed services and materials

Contributed services are reported in the financial statements for voluntary donations of services when those services: 1) create or enhance non-financial assets; or 2) require specialized skills provided by individuals possessing those skills. These services would typically be purchased if not provided by donations. Accordingly, the Society recognized \$26,223 and \$29,110 of such services for the year ended March 31, 2006 and 2005, respectively. The amounts are included as a component of contributions and grants revenue and program expenses.

Contributed property and equipment is recorded at fair value at the date of donation. In the absence of donor restrictions, contributions of this type are recorded as unrestricted support. The Society recognized \$297,500 and \$2,442 of such assets for the year ended March 31, 2006 and 2005, respectively. The increase in donated property is due to the donation of unimproved land located in Big Sur, previously used by the Society and paying a share of the property taxes and receiving in-kind donation in the form of rent.

See independent auditor's report.

VENTANA WILDLIFE SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2006 AND 2005

G. Income taxes

The Society is exempt from federal and California income taxes under Section 501(c)(3) of the Internal Revenue Code and related California provisions, except on net income derived from unrelated business activities. There was no tax liability for the years ended March 31, 2006 and 2005 for unrelated business activity.

H. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements. Estimates and assumptions may also affect disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses. Actual results could differ from management's estimates.

I. Property and equipment

Property and equipment is stated at cost at the date of acquisition or estimated fair value at the date of donation. Depreciation and amortization expense is provided on a straight-line basis over the estimated lives of the related assets, generally 5 to 7 years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation or amortization are removed from the accounts and any resulting gain or loss is recognized. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

J. Reclassifications

Certain 2005 balances have been reclassified to conform to the 2006 presentation.

See independent auditor's report.

**VENTANA WILDLIFE SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2006 AND 2005**

NOTE 2 FUNDS HELD BY COMMUNITY FOUNDATION FOR MONTEREY COUNTY

In September of 1998 the Board of Directors, by virtue of a gift of \$10,025, authorized an endowment fund (the Fund) with the Community Foundation for Monterey County (CFMC). Under the terms of the restricted endowment fund agreement, the Board of Governors of CFMC has full authority as to the investment and reinvestment of the fund assets. CFMC selects investments likely to provide preservation of capital; reasonable returns for grant making and growth against inflation over the long term in "pooled investments funds." The Society or other donors, to assure the growth of the Fund as a permanent endowment, may add additional gifts to the Fund at any time. The market value of The Society's share of the pooled investments as of March 31, 2006 and 2005 was \$17,793 and \$15,003, respectively.

NOTE 3 NATIONAL PARK SERVICE GRANT AND CONTRACT LIABILITY

During the fiscal year ended March 31, 2005 the Society entered into a third party contract with National Park Service. The funds were provided by the United States Department of the Interior for a total of \$280,340, to provide services through September 30, 2005. Of the \$280,340 only \$68,163 is revenue to Ventana. These funds were treated as an exchange transaction, which means that revenue is recognized as the work is performed. As of March 31, 2005, the Organization has recognized \$35,561 and a liability to NPS of \$103,748. The grant was successfully completed, terminated, and liability paid during the fiscal year.

See independent auditor's report.

**VENTANA WILDLIFE SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2006 AND 2005**

NOTE 4 INVESTMENTS

Investments are stated at fair value and consist of stocks and mutual funds. During the fiscal year ended March 31, 2005, the Society does not hold any stocks/investments that causes gains or losses. They only generate interests and dividends. The two financial institutions that the Society uses are Wells Fargo Investments and A.G. Edwards. There are no restrictions on the investments and funds can be used as needed by the Society. Investments at March 31, 2006 and 2005 are summarized as follows:

	<u>2006</u>	
	<u>4/1/05</u>	<u>3/31/06</u>
Unrestricted – Wells Fargo	\$ 170,028	\$ 89,016
Unrestricted – A.G. Edwards	<u>251</u>	<u>258</u>
Total	<u>\$ 170,279</u>	<u>\$ 89,274</u>

	<u>2005</u>		
	<u>Fair Market 4/1/04</u>	<u>Fair Value</u>	<u>Unrealized (Loss)</u>
Unrestricted – Wells Fargo	\$ -	\$ 170,028	\$ -
Unrestricted – A.G. Edwards	<u>5,683</u>	<u>251</u>	<u>(5,432)</u>
Total	<u>\$ 5,683</u>	<u>\$ 251</u>	<u>\$ (5,432)</u>

NOTE 5 PROPERTY AND EQUIPMENT

The cost and accumulated depreciation of property and equipment were as follows at March 31, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Furniture and Equipment	\$ 169,443	\$ 145,003
Tenant improvements	9,555	8,689
Building	132,738	132,738
Real estate property	277,500	-
Vehicles	<u>104,740</u>	<u>89,485</u>
Total Cost	693,976	375,915
Less: accumulated depreciation	<u>(195,703)</u>	<u>(125,986)</u>
Net property and equipment	<u>\$ 498,273</u>	<u>\$ 249,929</u>

In December 27, 2005 the Society received a donation of unimproved land in Big Sur from Salvatore Lucido. The land was valued at \$277,500.

See independent auditor's report.

**VENTANA WILDLIFE SOCIETY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2006 AND 2005**

NOTE 6 LEASE COMMITMENT

The Society leases office facilities under non-cancelable operating leases without expiration date, except a 30-day notice to evacuate. The agreements require payments of base rents. Rent expense amounted to \$40,902 in 2006 and \$65,920 in 2005, which includes \$23,400 of in-kind donation equivalent to rent for Big Sur property. At March 31, 2006 the minimum lease payments were as follows:

2006	\$ 41,796
2007	46,596
2008	<u>46,596</u>
	<u>\$ 134,988</u>

NOTE 7 NATURAL SCIENCE DISCOVERY CAMP

This program service fee is for attendance to the Natural Science Discovery Camp. A target number of 225 youth are served, with 125 of those paying the service fee. The number of youth served in both years was similar. Total revenue for 2006 and 2005 were \$28,205 and \$24,725, respectively.

See independent auditor's report.