

**American Mountain Guides
Association, Inc.**
(a not-for-profit Colorado corporation)

Boulder, Colorado

Financial Statements

December 31, 2006 and 2005

American Mountain Guides Association, Inc.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
American Mountain Guides Association, Inc.
Boulder, Colorado

We have audited the accompanying statement of financial position of American Mountain Guides Association, Inc. (a not-for-profit Colorado corporation) as of December 31, 2006 and 2005, and the related statements of activities, 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. 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 that 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 American Mountain Guides Association, Inc. 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of expenses is presented for purposes of additional analysis 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 for the years ended December 31, 2006 and 2005, taken as a whole.

Brock and Company, CPAs, P.C.
Certified Public Accountants

Boulder, Colorado
June 5, 2007

American Mountain Guides Association, Inc.

Statements of Financial Position

December 31,	2006	2005
ASSETS		
Current Assets		
Cash and equivalents	\$ 264,104	\$ 199,721
Investments	187,990	124,251
Accrued interest receivable	2,670	1,433
Merchandise inventory	6,000	5,373
Prepaid expenses	8,406	2,826
Total current assets	<u>469,170</u>	<u>333,604</u>
Office furniture and equipment, at cost	25,918	24,177
Less accumulated depreciation	21,053	18,453
Net property and equipment	<u>4,865</u>	<u>5,724</u>
Other Assets - Deposits	<u>1,000</u>	<u>1,000</u>
Total assets	<u>\$ 475,035</u>	<u>\$ 340,328</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 6,906	\$ 3,119
Deferred revenue	89,935	34,843
Total current liabilities	<u>96,841</u>	<u>37,962</u>
Net Assets		
Unrestricted		
Undesignated	99,295	53,165
Designated	185,156	182,518
	<u>284,451</u>	<u>235,683</u>
Permanently restricted	93,743	66,683
Total net assets	<u>378,194</u>	<u>302,366</u>
Total liabilities and net assets	<u>\$ 475,035</u>	<u>\$ 340,328</u>

The accompanying Notes are an integral
part of these financial statements

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American Mountain Guides Association, Inc.

Statements of Activities

Years ended December 31,	2006			2005		
	Unrestricted	Permanently Restricted	Total	Unrestricted	Permanently Restricted	Total
Revenue						
Contributions - gifts and fundraising	\$ 107,529	\$ 25,280	\$ 132,809	\$ 112,655	\$ 10,520	\$ 123,175
Grants	27,000	-	27,000	-	-	-
Membership dues	92,211	-	92,211	97,101	-	97,101
Program services - courses	369,468	-	369,468	341,236	-	341,236
Merchandise sales	7,336	-	7,336	7,962	-	7,962
Other	528	-	528	474	-	474
Investment income	15,505	3,030	18,535	6,633	2,018	8,651
Net assets released						
released from restrictions	1,250	(1,250)	-	2,936	(2,936)	-
Total support and revenue	<u>620,827</u>	<u>27,060</u>	<u>647,887</u>	<u>568,997</u>	<u>9,602</u>	<u>578,599</u>
Expenses						
Program	381,658	-	381,658	378,253	-	378,253
Fund raising	87,778	-	87,778	63,633	-	63,633
Support services	102,623	-	102,623	110,723	-	110,723
Total expenses	<u>572,059</u>	<u>-</u>	<u>572,059</u>	<u>552,609</u>	<u>-</u>	<u>552,609</u>
Change in Net Assets	48,768	27,060	75,828	16,388	9,602	25,990
Net Assets, Beginning of year	<u>235,683</u>	<u>66,683</u>	<u>302,366</u>	<u>219,295</u>	<u>57,081</u>	<u>276,376</u>
Net Assets, End of year	<u>\$ 284,451</u>	<u>\$ 93,743</u>	<u>\$ 378,194</u>	<u>\$ 235,683</u>	<u>\$ 66,683</u>	<u>\$ 302,366</u>

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The accompanying Notes are an integral part of these financial statements

American Mountain Guides Association, Inc.

Statements of Cash Flows

Years ended December 31,	2006	2005
Cash Flows From Operating Activities		
Cash revenues received	\$ 551,635	\$ 440,550
Cash contributions received	132,809	123,175
Cash interest received	17,298	7,218
Cash expenses paid	<u>(571,879)</u>	<u>(550,971)</u>
Net cash provided by operating activities	<u>129,863</u>	<u>19,972</u>
Cash Flows From Investing Activities		
Purchases of property and equipment	(1,741)	(826)
Increase in investments	<u>(63,739)</u>	<u>(72,778)</u>
Net cash used by investing activities	<u>(65,480)</u>	<u>(73,604)</u>
Increase in Cash and Cash Equivalents	64,383	(53,632)
Cash and Cash Equivalents, Beginning of year	<u>199,721</u>	<u>253,353</u>
Cash and Cash Equivalents, End of year	<u><u>\$ 264,104</u></u>	<u><u>\$ 199,721</u></u>

Reconciliation of Change in Net Assets to Net Cash Flows from Operating Activities

Change in net assets	\$ 75,828	\$ 25,990
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	2,600	2,400
Increase (decrease) from changes in assets and liabilities		
Accrued interest receivable	(1,237)	(1,433)
Inventory	(627)	696
Prepaid expenses	(5,580)	(234)
Accounts payable	3,787	(1,224)
Deferred revenue	55,092	(6,223)
Net cash provided by operating activities	<u><u>\$ 129,863</u></u>	<u><u>\$ 19,972</u></u>

American Mountain Guides Association, Inc.

Notes to Financial Statements

December 31, 2006

Note 1 - Summary of Significant Accounting Policies

Organization and Activities. American Mountain Guides Association, Inc. (AMGA) is a not-for-profit corporation established to disseminate educational information to its members via courses and other media. Funding for the organization is obtained through solicitations from interested parties, membership dues, and course fees.

Basis of Presentation. The financial statements are prepared on the accrual basis of accounting and are in conformity with Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, AMGA 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. In addition, AMGA is required to present a statement of cash flows. AMGA does not have funds that qualify as permanently restricted and, accordingly, the financial statements do not present permanently restricted net assets.

AMGA applies the provisions of Statement of Financial Accounting Standards (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 or nature of any donor restrictions. Under SFAS No. 116, such contributions are required to be reported as temporarily restricted net assets and then reclassified to unrestricted net assets upon expiration of the restriction.

Cash and Cash Equivalents. For purpose of the statement of cash flows, AMGA considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments. Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position.

Depreciation and Amortization. Property and equipment are recorded at cost for purchased assets and at estimated fair market value at the date of acquisition for donated assets. AMGA provides for depreciation using the straight-line method over the estimated useful lives of three to ten years for office property and equipment.

Income Taxes. AMGA is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Use of 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 and the reported amounts of public support and revenue and functional expenses during the reporting period. Actual results could differ from those estimates.

American Mountain Guides Association, Inc.

Notes to Financial Statements

December 31, 2006

Note 1 – Significant Accounting Policies (continued)

In-Kind Contributions. Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the

Cash Concentrations. AMGA maintains cash balances in excess of Federally Insured limits of \$100,000 in a single bank

Note 2 – Restrictions on Net Assets

Permanent restrictions on net assets consisted of the following at December 31:

	<u>2006</u>	<u>2005</u>
Jim Ratz Scholarship	\$ 10,018	\$ 10,000
Scott Fisher Education Fund	6,830	6,479
Julie Cheney Culberson Fund	29,599	28,429
Fatty Hatty Fund	22,486	21,775
Chad Vanderham Fund	24,930	-
	<u>\$ 93,863</u>	<u>\$ 66,683</u>

Note 3 – Investments

Investments as of December 31 are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Carrying Value</u>
2006			
Equities	\$ 43,649	\$ 57,990	\$ 57,990
Certificates of deposit	130,000	129,742	130,000
	<u>\$ 173,649</u>	<u>\$ 187,732</u>	<u>\$ 187,990</u>
2005			
Equities	\$ 39,903	\$ 42,251	\$ 42,251
Certificates of deposit	82,000	81,866	82,000
	<u>\$ 121,903</u>	<u>\$ 124,117</u>	<u>\$ 124,251</u>

Note 4 – Deferred Compensation Plan

AMGA provides for a deferred compensation plan under Internal Revenue Code Section 403 (b), which allows an employee to contribute, or defer, up to \$13,000 of their annual compensation. AMGA may also provide additional contributions, but did not for the years ended December 31, 2006 and 2005.

American Mountain Guides Association, Inc.

Notes to Financial Statements

December 31, 2006

Note 5 - Rental Commitment

AMGA leases its premises under a lease agreement for monthly rents of \$1,000, through June 30, 2007.

American Mountain Guides Association, Inc.

Schedules of Expenses

Years ended December 31,	2006				2005			
	Programs	Fund Raising	Support Services	Total	Programs	Fund Raising	Support Services	Total
Cost of merchandise sold	\$ -	\$ 6,686	\$ -	\$ 6,686	\$ -	\$ 4,291	\$ -	\$ 4,291
Accreditation	756	-	-	756	819	-	-	819
Partner programs	7,635	-	-	7,635	43,876	-	-	43,876
Contract labor	-	-	-	-	4,154	-	-	4,154
Scholarships and awards	19,650	-	-	19,650	19,900	-	-	19,900
Other program and course expense	75,223	-	-	75,223	62,647	-	-	62,647
Bank and credit card fees	8,303	-	1,315	9,618	7,713	-	667	8,380
Payroll and employee benefits	220,681	34,066	82,774	337,521	202,453	33,139	93,172	328,764
Occupancy expenses	8,496	1,312	3,187	12,995	7,905	1,294	3,638	12,837
Professional fees	2,501	386	938	3,825	2,402	393	1,105	3,900
Advertising and fund raising	-	39,398	-	39,398	-	20,197	-	20,197
Printing and postage	10,245	1,582	3,843	15,670	8,970	1,468	4,128	14,566
Telephone	3,798	586	1,424	5,808	3,280	537	1,509	5,326
Travel and meals	11,706	1,807	4,391	17,904	5,960	976	2,742	9,678
Depreciation	1,700	262	638	2,600	1,478	242	680	2,400
Office and other	10,964	1,693	4,113	16,770	6,696	1,096	3,082	10,874
Total expenses	\$ 381,658	\$ 87,778	\$ 102,623	\$ 572,059	\$ 378,253	\$ 63,633	\$ 110,723	\$ 552,609