

LOWER ESOPUS RIVER WATCH, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2005

LOWER ESOPUS RIVER WATCH, INC.
ANNUAL FINANCIAL STATEMENTS
DECEMBER 31, 2005

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To the Board of Directors
Lower Esopus River Watch, Inc.
Cottkill, NY 12419

We have compiled the accompanying Statement of Financial Position of Lower Esopus River Watch, Inc. (a not for profit company) as of December 31, 2005 and the related Statement of Activity and Statement of Functional Expenses for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of management of Lower Esopus River Watch, Inc.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures and the statements of cash flows required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position and results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Merck CPAs & Consultants

Merck CPAs & Consultants
December 28, 2006

**LOWER ESOPUS RIVER WATCH INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2005**

ASSETS	<u>12/31/2005</u>
Current assets:	
Cash and cash equivalents	\$ 286,336
Restricted cash	<u>18,250</u>
Total current assets	304,586
Fixed Assets:	
Land	43,516
Building, equipment, leasehold improvements, furniture & fixtures	326,543
Less: accumulated depreciation	<u>(146,119)</u>
	180,424
Total fixed assets	<u>223,940</u>
 TOTAL ASSETS	 <u><u>\$ 528,526</u></u>
Current liabilities:	
Accounts payable	\$ 2,840
Credit cards payable	<u>1,345</u>
TOTAL LIABILITIES	4,185
Net assets:	
Unrestricted net assets	506,091
Temporarily restricted net assets	<u>18,250</u>
TOTAL NET ASSETS	<u>524,341</u>
 TOTAL LIABILITIES & NET ASSETS	 <u><u>\$ 528,526</u></u>

**LOWER ESOPUS RIVER WATCH INC.
STATEMENT OF ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>YEAR ENDED 12/31/2005</u>
Revenue	\$ 233,160
Functional expenses	240,513
Other income	<u>326</u>
Change in net assets	(7,027)
Net assets - beginning of year	<u>531,368</u>
Net assets - end of year	<u><u>\$ 524,341</u></u>

**LOWER ESOPUS RIVER WATCH INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005**

	Program Services	Mgmt. & General	Fund- raising	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation	\$ 41,696	\$ 1,737	\$ -	\$ 43,433
LSA education programs	32,726	3,636	-	36,362
Small tools & equipment	17,279	720	-	17,999
Auto expense	15,215	1,691	-	16,906
Equipment rental	13,500	1,500	-	15,000
Environmental career development interns	12,962	1,440	-	14,402
Conference professional development	8,729	3,741	-	12,470
Volunteer expenses	11,112	463	-	11,575
Field supplies	8,922	372	-	9,294
Conference expenses	5,604	2,402	-	8,006
LSA program materials & supplies	7,177	797	-	7,974
Computer supplies	6,394	266	-	6,660
Professional educational services	4,441	784	-	5,225
Mini-grants	5,016	209	-	5,225
Insurance & taxes	4,881	203	-	5,084
Research and development	4,800	200	-	5,000
Utilities	4,500	187	-	4,687
Miscellaneous operating supplies	3,923	164	-	4,087
Storage	2,407	100	-	2,507
LSA program travel	1,918	213	-	2,131
Repairs and maintenance	1,839	77	-	1,916
Postage & shipping	1,130	47	-	1,177
Office supplies	1,062	44	-	1,106
Permits & fees	919	38	-	957
Dues & subscriptions	371	15	-	386
Medical	240	10	-	250
Meals & entertainment	221	9	-	230
Service project	206	9	-	215
Interest expense	135	6	-	141
Bank service charges	89	4	-	93
Reports	14	1	-	15
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenses	<u><u>\$ 219,428</u></u>	<u><u>\$ 21,085</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 240,513</u></u>