THE MOUNTAINEERS

Consolidated Financial Statements

For the Year Ended September 30, 2014

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Certified Public
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Independent Auditor's Report

Board of Directors
The Mountaineers
Seattle, Washington

We have audited the accompanying consolidated financial statements of The Mountaineers and Braided River (collectively, the Organization), which comprise the consolidated statement of financial position as of September 30, 2014, and the related consolidated statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2014, and the changes in net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization’s 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 23, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating schedules of financial position and activities and changes in net assets on pages 13 through 16 and the consolidated schedule of functional expenses, presented on page 17, are for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Clark Nuber P S

Certified Public Accountants
February 23, 2015

THE MOUNTAINEERS

Consolidated Statement of Financial Position
September 30, 2014
(With Comparative Totals for 2013)

	2014	*2013*
Assets		
Current Assets:		
Cash and cash equivalents	$ 1,570,223	$ 1,265,339
Accounts receivable, less allowance for doubtful accounts and returns of $60,713 ($45,272 - 2013)	549,397	480,223
Bequests and pledges receivable	9,905	571,545
Current portion of author advances, less allowance for doubtful advances of $157,469 ($171,194 - 2013)	139,241	117,316
Book inventories	2,624,820	2,544,775
Prepaid and other current assets	152,069	164,874
Total Current Assets	**5,045,655**	**5,144,072**
Long-term investments (Note 2)	2,127,796	1,927,792
Author advances, less allowance for doubtful advances of $67,487 ($73,369 - 2013)	160,960	148,657
Property and equipment, net (Note 3)	5,759,213	5,835,263
Total Assets	**$ 13,093,624**	**$ 13,055,784**
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	$ 307,508	$ 206,394
Accrued liabilities	206,892	187,931
Royalties payable	77,796	66,162
Deferred revenue	97,767	131,994
Total Liabilities	**689,963**	**592,481**
Net Assets:		
Unrestricted net assets (Note 6)	12,185,865	12,187,823
Temporarily restricted net assets (Note 7)	217,796	275,480
Total Net Assets	**12,403,661**	**12,463,303**
Total Liabilities and Net Assets	**$ 13,093,624**	**$ 13,055,784**

See accompanying notes.

THE MOUNTAINEERS

Consolidated Statement of Activities and Changes in Net Assets
For the Year Ended September 30, 2014
(With Comparative Totals for 2013)

	Unrestricted	*Temporarily Restricted*	*2014 Total*	*2013 Total*
Operating Revenue:				
Book sales	$ 2,989,406	$ -	$ 2,989,406	$ 2,972,023
Cost of books sold	(1,840,955)		(1,840,955)	(1,836,158)
Net Operating Revenue	1,148,451		1,148,451	1,135,865
Other Operating Revenues and Support:				
Course fees	1,064,186		1,064,186	894,825
Membership dues and fees	555,148		555,148	549,493
Lodge sales	179,216		179,216	173,456
Room rentals	223,883		223,883	155,959
Other revenue	58,672		58,672	74,246
Ticket sales	165,765		165,765	168,954
Book royalties	23,794		23,794	62,898
Food and sundry sales	7,165		7,165	20,815
Grants and contributions	989,349	75,837	1,065,186	831,009
Special events, net of direct benefits to donors of $4,575 ($54,247 - 2013)	42,808		42,808	21,353
Net assets released from restriction	139,772	(139,772)		
Total Operating Revenues and Support	**4,598,209**	**(63,935)**	**4,534,274**	**4,088,873**
Operating Expenses:				
Program services	4,030,920		4,030,920	3,246,441
Management and general	532,403		532,403	479,407
Fundraising	231,118		231,118	248,607
Total Operating Expenses	**4,794,441**		**4,794,441**	**3,974,455**
Change in Net Assets from Operations	**(196,232)**	**(63,935)**	**(260,167)**	**114,418**
Nonoperating:				
Contributions restricted for the purchase of capital assets		47,346	47,346	141,968
Loss on disposal of property and equipment	(47,978)		(47,978)	
Bequests				572,944
Investment return	201,157		201,157	216,470
Net assets released from restriction	41,095	(41,095)		
Total Nonoperating	194,274	6,251	200,525	931,382
Total Change in Net Assets	**(1,958)**	**(57,684)**	**(59,642)**	**1,045,800**
Net assets, beginning of year	12,187,823	275,480	12,463,303	11,417,503
Net Assets, End of Year	**$ 12,185,865**	**$ 217,796**	**$ 12,403,661**	**$ 12,463,303**

See accompanying notes.

THE MOUNTAINEERS

Consolidated Statement of Cash Flows
For the Year Ended September 30, 2014
(With Comparative Totals for 2013)

	2014	*2013*
Cash Flows From Operating Activities:		
Change in net assets	$ (59,642)	$ 1,045,800
Adjustments to reconcile change in net assets to		
net cash provided by operating activities-		
Depreciation and amortization	295,324	254,821
Gain on investments	(156,182)	(173,918)
Contributions restricted for the purchase of capital assets	(47,346)	(141,968)
Loss on disposal of property and equipment	47,978	
Changes in assets and liabilities:		
Accounts receivable	(69,174)	118,194
Bequests and pledges receivable	561,640	(320,434)
Author advances	(34,228)	(13,468)
Book inventories	(80,045)	32,165
Prepaid and other current assets	12,805	(4,342)
Accounts payable	109,499	(180,656)
Accrued liabilities	18,961	5,572
Royalties payable	11,634	(163)
Deferred revenue	(34,227)	24,784
Net Cash Provided by Operating Activities	**576,997**	**646,387**
Cash Flows From Investing Activities:		
Purchases of property and equipment	(275,637)	(408,038)
Purchases of investments	(43,822)	(809,751)
Proceeds from the sale of investments		768,078
Net Cash Used by Investing Activities	**(319,459)**	**(449,711)**
Cash Flows From Financing Activities:		
Proceeds from contributions restricted for the purchase of capital assets	47,346	141,968
Net Cash Provided by Financing Activities	**47,346**	**141,968**
Change in Cash and Cash Equivalents	**304,884**	**338,644**
Cash and cash equivalents, beginning of year	1,265,339	926,695
Cash and Cash Equivalents, End of Year	**$ 1,570,223**	**$ 1,265,339**
Supplemental Cash Flow Information:		
Property and equipment included in accounts payable	$ -	$ 8,385

See accompanying notes.

Note 1 - Organization and Significant Accounting Policies

Organization - The Mountaineers is a Washington State nonprofit corporation formed to enrich the community by helping people explore, conserve, learn about and enjoy the lands and waters of the Pacific Northwest and beyond. The Mountaineers publishes books consistent with its philosophies and mission.

Braided River is a Washington State nonprofit corporation formed to inspire support for critical conservation effort through books, media campaigns, multimedia presentations, and museum exhibits. The Mountaineers has consolidated the statements of financial position and activities of Braided River due to its economic interest in and control of Braided River.

Principles of Consolidation - The accompanying consolidated financial statements include the accounts of the Mountaineers and Braided River (collectively, the Organization). Inter-company transactions and balances have been eliminated in consolidation.

Basis of Presentation - Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

> Unrestricted Net Assets - Unrestricted net assets include all net assets on which there are no donor-imposed restrictions for use, or on which donor-imposed restrictions were temporary and have expired. This category of net assets also includes certain net assets designated by the Board of Directors and invested in property and equipment. The Board has the right to spend such net assets at any time.
>
> Temporarily Restricted Net Assets - Temporarily restricted net assets include all net assets received by donations under which the donors imposed some restriction on use. Such restrictions are time or purpose dependent and will expire when the Organization makes use of the net assets sometime in the future for the restricted purpose.
>
> Permanently Restricted Net Assets - Permanently restricted net assets include all net assets received by donations wherein donors imposed a permanent restriction on the use of the gift. The Organization has no permanently restricted net assets at September 30, 2014 and 2013.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled or the stipulated time period has lapsed) are reported as reclassifications between the applicable classes of net assets. Contributions with donor-imposed restrictions that are met in the same year as received are reported as revenues of the unrestricted net asset class.

Contributions that the donor requires to be used to acquire long-lived assets (e.g., building improvements, furniture, fixtures and equipment) are reported as temporarily restricted. When the long-lived assets are acquired, the Organization reflects the expiration of the donor-imposed restriction as a reclassification included in net assets released from restriction.

Cash Equivalents - Cash and cash equivalents represent checking, savings, and money market accounts held at various regional financial institutions.

Note 1 - Continued

Bequests and Pledges Receivable - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using risk-adjusted rates applicable to the years in which the promises are received. Amortization of the discounts is included in revenue and support. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Bequests and pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to change in net assets and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are determined to be uncollectible are written off through a charge to the valuation allowance and a credit to bequests and pledges receivable. No allowance for uncollectible balances has been established by management based on the Organization's historical experience in the collection of balances due. Additionally, all bequests and pledges are due within one year.

Author Advances - Author advances are amounts that have been prepaid to authors for books that are in progress. Author advances are deducted from royalty payments over several years as related books are sold.

Allowance for Doubtful Accounts, Returns and Doubtful Advances - The Organization extends credit to a substantial number of its customers and authors. Accounts receivable are recorded at the invoice amount and do not bear interest. Allowances for doubtful accounts and doubtful advances are maintained for estimated losses resulting from the inability of its customers to pay or the lack of sufficient proceeds from the sale of authors' publications. The Organization determines the allowances based on review of past due balances, historical write-off experience, and economic data. Uncollected accounts receivable balances are charged against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Organization has established credit policies and has determined that historically the losses related to customer and author nonpayment have been low as a percentage of net sales. The allowance for returns is calculated based on typical patterns of returns incurred during the previous year applied to the ending accounts receivable balance.

Book Inventories - Inventories consist primarily of finished books and prepaid book production expenses and are stated at the lower of cost or market. Cost is determined using an average cost basis.

Investments - Investments with readily determinable market values are stated at fair value based on quoted market prices. Unrealized and realized gains and losses on these investments are reported in the consolidated statement of activities and changes in net assets.

Property and Equipment - Purchased land, buildings, and equipment are recorded at cost, and those received by donations are capitalized at their estimated fair values on the date received. Property and equipment with an original cost of $1,500 or greater are capitalized. Depreciation is accounted for on a straight-line method based upon estimated useful lives of the assets ranging from 20 to 40 years for buildings and improvements, and 3 to 7 years for equipment, furniture and fixtures, and library books.

Deferred Revenue - Receipts from events registrations and courses received in advance are deferred and recognized over the periods to which the revenue relates.

Contributions - Contributions, which include unconditional promises to give (pledges), are recognized as revenue in the period received.

Note 1 - Continued

Donated Services - Donated services are recognized as revenue and corresponding expense when (a) the services received create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. A number of volunteers provide valuable services throughout the years that are not recognized as contributions in the consolidated financial statements since the recognition criteria was not met.

Income From Operations - The consolidated statement of activities and changes in net assets includes a performance indicator that reports income from operations. Changes in net assets excluded from income from operations, consistent with industry practice, include, receipt of contributions restricted for the purchase of capital assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets), loss on disposal of property and equipment, bequest income, and investment return income.

Concentration of Credit Risk - Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash balances, long-term investments, pledges receivable, and contribution revenues. The Organization has cash and investments that are in excess of the Federal Deposit Insurance Corporation and the Securities Investor Protection Corporation insurance amounts.

For the year ended September 30, 2014, approximately 37% of total contributions were received from two donors. For the year ended September 30, 2013, approximately 98% of total bequests and pledges were receivable from one bequest. Additionally, approximately 37% of total contributions were received from one donor.

Use of Estimates - The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from those estimates.

Allocation of Functional Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Federal Income Taxes - The Internal Revenue Service has recognized The Mountaineers and Braided River as exempt from federal income taxes under provisions of Section 501(a) of the Internal Revenue Code as entities described in Section 501(c)(3) and not as private foundations. The entities file income tax returns with the U.S. government. The entities are subject to income tax examinations for the current year and certain prior years based on the applicable laws and regulations.

Reclassifications - Certain accounts in the 2013 financial statements have been reclassified for comparative purposes to conform to the presentation in the 2014 financial statements. The reclassifications have no effect on previously reported total assets, liabilities, net assets, or changes in net assets.

Comparative Information for 2013 - The consolidated 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 U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended September 30, 2013, from which the summarized information was derived.

Note 1 - Continued

Subsequent Events - The Organization has evaluated subsequent events through February 23, 2015, the date on which the consolidated financial statements were available to be issued.

Note 2 - Investments and Fair Value Measurements

Investments consisted of the following as of September 30:

	2014	*2013*
Mutual funds-		
Treasury bonds	$ 790,291	$ 772,848
Foreign large blend	183,612	175,054
Large blend	1,153,893	979,890
Total Investments	**$ 2,127,796**	**$ 1,927,792**

Investment return consisted of the following as of September 30, 2014 and 2013:

Unrealized gain on investments	$ 156,182	$ 173,918
Interest and dividend income	44,975	42,552
Total Investment Return	**$ 201,157**	**$ 216,470**

GAAP defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. To increase consistency and comparability in fair value measurements, GAAP uses a fair value hierarchy that prioritizes the inputs to valuation approaches into three broad levels. The hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs (Level 3).

Valuation Techniques - Financial assets and liabilities valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets and liabilities valued using Level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. Financial assets and liabilities using Level 3 inputs were primarily valued using management's assumptions about the assumptions market participants would utilize in pricing the asset or liability. Valuation techniques utilized to determine fair value are consistently applied.

At September 30, 2014 and 2013, mutual funds were valued at quoted market prices in active markets, which represent the net asset value (NAV) of shares held by the Organization at year-end. All mutual funds were valued using Level 1 inputs.

Note 3 - Property and Equipment

Property and equipment consisted of the following at September 30:

	2014	*2013*
Land	$ 71,749	$ 71,749
Buildings and improvements	6,141,351	6,365,727
Equipment	1,191,816	1,097,934
Furniture and fixtures	298,573	209,469
Library books	21,423	21,423
	7,724,912	7,766,302
Less accumulated depreciation	(1,965,699)	(1,931,039)
Total Property and Equipment, net	**$ 5,759,213**	**$ 5,835,263**

Note 4 - Leases

Operating Leases - The Organization leases a building for its headquarters under an agreement with the City of Seattle that is classified as an operating lease. In February 2008, the Organization began renovations on the building per the terms of the agreement. In return, the City of Seattle provides to the Organization an offset against the market value of the rental payments for improvements made to the building. This lease agreement terminates in February 2038.

The Organization also leases a facility for its books and other divisions and leases lodging facilities that are classified as operating leases with various expiration dates through 2030.

The Organization has three separate subleases at its headquarters facility. These leases expire at various dates through November 2015 with future minimum lease revenue for the year ending September 30, 2015, being $2,590. Total rent income under these subleases totaled $34,912 and $43,195 and rental expense incurred under these leases was $182,988 and $208,072 for the years ended September 30, 2014 and 2013, respectively.

Future minimum lease payments are as follows:

For the Year Ending September 30,	
2015	$ 260,967
2016	241,689
2017	216,604
2018	91,260
2019	91,260
Thereafter	1,541,729
	$ 2,443,509

Note 5 - Contingencies

The Organization is subject to legal proceedings and claims that arise in the ordinary course of business and carries applicable insurance coverage. As of September 30, 2014 and 2013, management believes that resolution of such legal matters, if any, will not have a material adverse effect on its financial condition, results from operations, or liquidity.

Note 6 - Unrestricted Net Assets

Unrestricted funds were available as follows at September 30:

	2014	*2013*
Board Designated Funds:		
Long-term building fund	$ 2,127,796	$ 1,927,792
Recreational properties	204,150	181,013
Program development	115,235	115,235
Tech 2.0		114,797
Tacoma Program Center		36,866
Total Board Designated Funds	**2,447,181**	**2,375,703**
Net assets invested in fixed assets	5,759,213	5,835,263
Undesignated funds	3,979,471	3,976,857
Total Unrestricted Net Assets	**$ 12,185,865**	**$ 12,187,823**

Note 7 - Temporarily Restricted Net Assets

Temporarily restricted net assets were available as follows as of September 30:

	2014	*2013*
Publications	$ 84,664	$ 126,590
Recreational properties	87,148	68,778
Capital projects	15,205	10,340
Youth education programs	30,779	49,627
Tacoma Program Center		16,984
Conservation program		3,161
Total Temporarily Restricted Net Assets	**$ 217,796**	**$ 275,480**

Note 8 - Benefit Plan

The Organization sponsors a 401(k) retirement plan covering substantially all full-time and part-time employees upon completion of one year of service and working at least 1,000 hours during that period. Employees may elect to defer up to 15% of their eligible compensation subject to certain limitations established by the Internal Revenue Code. The Organization matches 50% of the employees' contributions not to exceed 3% of the employees' gross wages. The Organization contributions fully vest after five years of service. For the years ended September 30, 2014 and 2013, the Organization contributed $23,164 and $20,938, respectively.

SUPPLEMENTARY INFORMATION

THE MOUNTAINEERS

Consolidating Schedule of Financial Position
September 30, 2014

	Mountaineers Programs	*Mountaineers Books*	*Total Mountaineers*	*Braided River*	*Eliminations*	*Consolidated Total*
Assets						
Current Assets:						
Cash and cash equivalents	$ 1,235,882	$ 298,385	$ 1,534,267	$ 35,956	$ -	$ 1,570,223
Accounts receivable, less allowance for doubtful accounts and returns of $60,713	226,470	327,133	553,603		(4,206)	549,397
Bequests and pledges receivable	9,905		9,905			9,905
Current portion of author advances, less allowance for doubtful advances of $157,469		139,241	139,241			139,241
Book inventories	67,713	2,557,107	2,624,820			2,624,820
Prepaid and other current assets	87,610	64,459	152,069			152,069
Total Current Assets	**1,627,580**	**3,386,325**	**5,013,905**	**35,956**	**(4,206)**	**5,045,655**
Long-term investments	2,127,796		2,127,796			2,127,796
Author advances, less allowance for doubtful advances of $67,487		160,960	160,960			160,960
Property and equipment, net	5,739,955	19,258	5,759,213			5,759,213
Total Assets	**$ 9,495,331**	**$ 3,566,543**	**$ 13,061,874**	**$ 35,956**	**$ (4,206)**	**$ 13,093,624**

See independent auditor's report.

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Consolidating Schedule of Financial Position (Continued)
September 30, 2014

	Mountaineers Programs	*Mountaineers Books*	*Total Mountaineers*	*Braided River*	*Eliminations*	*Consolidated Total*
Liabilities and Net Assets						
Current Liabilities:						
Accounts payable	$ 80,029	$ 229,840	$ 309,869	$ 1,845	$ (4,206)	$ 307,508
Accrued liabilities	138,680	68,212	206,892			206,892
Royalties payable		77,796	77,796			77,796
Deferred revenue	97,767		97,767			97,767
Total Liabilities	**316,476**	**375,848**	**692,324**	**1,845**	**(4,206)**	**689,963**
Net Assets:						
Unrestricted net assets	9,045,723	3,166,134	12,211,857	(25,992)		12,185,865
Temporarily restricted net assets	133,132	24,561	157,693	60,103		217,796
Total Net Assets	**9,178,855**	**3,190,695**	**12,369,550**	**34,111**		**12,403,661**
Total Liabilities and Net Assets	**$ 9,495,331**	**$ 3,566,543**	**$ 13,061,874**	**$ 35,956**	**$ (4,206)**	**$ 13,093,624**

See independent auditor's report.

THE MOUNTAINEERS

Consolidating Schedule of Activities and Changes in Net Assets
For the Year Ended September 30, 2014

	Mountaineers Programs	*Mountaineers Books*	*Total Mountaineers*	*Braided River*	*Eliminations*	*Consolidated Total*
Operating Revenue:						
Book sales	$ 77,287	$ 2,932,409	$ 3,009,696	$ -	$ (20,290)	$ 2,989,406
Cost of books sold	(41,767)	(1,819,478)	(1,861,245)		20,290	(1,840,955)
Net Operating Revenue	35,520	1,112,931	1,148,451			1,148,451
Other Operating Revenues and Support:						
Course fees	1,064,186		1,064,186			1,064,186
Membership dues and fees	555,148		555,148			555,148
Lodge sales	179,216		179,216			179,216
Room rentals	223,883		223,883			223,883
Other revenue	56,335	1,464	57,799	873		58,672
Ticket sales	165,765		165,765			165,765
Book royalties		23,794	23,794			23,794
Food and sundry sales	7,165		7,165			7,165
Grants and contributions	344,537	318,615	663,152	507,804	(105,770)	1,065,186
Special events, net of direct benefits to donors of $4,575	42,808		42,808			42,808
Total Operating Revenues and Support	**2,674,563**	**1,456,804**	**4,131,367**	**508,677**	**(105,770)**	**4,534,274**
Operating Expenses:						
Program services	2,352,636	1,224,623	3,577,259	525,931	(72,270)	4,030,920
Management and general	429,606	95,358	524,964	7,439		532,403
Fundraising	147,477	83,234	230,711	33,907	(33,500)	231,118
Total Operating Expenses	**2,929,719**	**1,403,215**	**4,332,934**	**567,277**	**(105,770)**	**4,794,441**

See independent auditor's report.

THE MOUNTAINEERS

Consolidating Schedule of Activities and Changes in Net Assets (Continued)
For the Year Ended September 30, 2014

	Mountaineers Programs	*Mountaineers Books*	*Total Mountaineers*	*Braided River*	*Eliminations*	*Consolidated Total*
Change in Net Assets from Operations	**(255,156)**	**53,589**	**(201,567)**	**(58,600)**	**-**	**(260,167)**
Nonoperating:						
Contributions restricted for the purchase of capital assets	47,346		47,346			47,346
Loss on disposal of property and equipment	(47,978)		(47,978)			(47,978)
Investment return	201,157		201,157			201,157
Total Nonoperating	200,525		200,525			200,525
Total Change in Net Assets	**(54,631)**	**53,589**	**(1,042)**	**(58,600)**		**(59,642)**
Net assets, beginning of year	9,233,486	3,137,106	12,370,592	92,711		12,463,303
Net Assets, End of Year	**$ 9,178,855**	**$ 3,190,695**	**$ 12,369,550**	**$ 34,111**	**$ -**	**$ 12,403,661**

See independent auditor's report.

THE MOUNTAINEERS

Consolidated Schedule of Functional Expenses
For the Year Ended September 30, 2014

		Supporting Services				
	Programs	*Management and General*	*Fundraising*	*Total*	*2014 Total Expenses*	*2013 Total Expenses*
Salaries and wages	$ 1,133,812	$ 178,519	$ 140,418	$ 318,937	$ 1,452,749	$ 1,290,008
Employee benefits and taxes	221,879	20,641	30,690	51,331	273,210	281,562
Total salaries, benefits and taxes	1,355,691	199,160	171,108	370,268	1,725,959	1,571,570
Occupancy	426,105	17,732	5,889	23,621	449,726	438,652
Photography and publication costs	406,486				406,486	140,057
Professional fees	190,725	159,663	4,749	164,412	355,137	249,924
Course travel costs	348,937	7		7	348,944	226,444
Depreciation	265,519	29,449	356	29,805	295,324	254,821
Advertising and promotion	242,870	385	(80)	305	243,175	185,882
Office expenses	148,712	30,083	7,136	37,219	185,931	160,694
Program supplies	145,770	3,631	3,405	7,036	152,806	130,777
Recognition and development	86,343	11,204	15,460	26,664	113,007	78,194
Postage	110,609	1,845		1,845	112,454	115,089
Insurance	52,613	57,343		57,343	109,956	104,906
Printing	58,577	5,634	16,639	22,273	80,850	70,943
Miscellaneous	62,967	7,397	5,169	12,566	75,533	36,173
Travel	55,241	2,746	102	2,848	58,089	54,869
Conferences, conventions, and meetings	41,052	343		343	41,395	45,043
Information technology	32,703	5,781	1,185	6,966	39,669	110,417
Total Operating Expenses	**4,030,920**	**532,403**	**231,118**	**763,521**	**4,794,441**	**3,974,455**
Cost of books sold	1,840,955				1,840,955	1,836,158
Total Functional Expenses	**$ 5,871,875**	**$ 532,403**	**$ 231,118**	**$ 763,521**	**$ 6,635,396**	**$ 5,810,613**

See independent auditor's report.