



**THE MOUNTAINEERS**

Consolidated Financial Statements  
For the Year Ended September 30, 2015

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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, 2015, 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, 2015, 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.



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## **Report on Summarized Comparative Information**

We have previously audited the Organization's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 23, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2014, 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 12 through 15 and the consolidated schedule of functional expenses, presented on page 16, 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

January 11, 2016

**THE MOUNTAINEERS****Consolidated Statement of Financial Position  
September 30, 2015  
(With Comparative Totals for 2014)**

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 1,386,662	\$ 1,570,223
Accounts receivable, less allowance for doubtful accounts and returns of \$47,796 (\$60,713 - 2014)	551,591	549,397
Pledges receivable	19,770	9,905
Current portion of author advances, less allowance for doubtful advances of \$162,450 (\$157,469 - 2014)	66,075	139,241
Book inventories	2,706,844	2,624,820
Prepaid and other current assets	<u>144,749</u>	<u>152,069</u>
<b>Total Current Assets</b>	<b>4,875,691</b>	<b>5,045,655</b>
Long-term investments (Note 2)	2,109,478	2,127,796
Author advances, less allowance for doubtful advances of \$69,622 (\$67,487 - 2014)	269,960	160,960
Property and equipment, net (Note 3)	<u>5,458,817</u>	<u>5,759,213</u>
<b>Total Assets</b>	<b><u>\$ 12,713,946</u></b>	<b><u>\$ 13,093,624</u></b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 310,068	\$ 307,508
Accrued liabilities	245,720	206,892
Royalties payable	84,869	77,796
Deferred revenue	<u>76,992</u>	<u>97,767</u>
<b>Total Liabilities</b>	<b>717,649</b>	<b>689,963</b>
<b>Net Assets:</b>		
Unrestricted net assets (Note 6)	11,717,002	12,185,865
Temporarily restricted net assets (Note 7)	<u>279,295</u>	<u>217,796</u>
<b>Total Net Assets</b>	<b><u>11,996,297</u></b>	<b><u>12,403,661</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 12,713,946</u></b>	<b><u>\$ 13,093,624</u></b>

See accompanying notes.

THE MOUNTAINEERS

**Consolidated Statement of Activities and Changes in Net Assets  
For the Year Ended September 30, 2015  
(With Comparative Totals for 2014)**

	Unrestricted	Temporarily Restricted	2015 Total	2014 Total
<b>Operating Revenue and Support:</b>				
Book sales	\$ 2,992,260	\$ -	\$ 2,992,260	\$ 2,989,406
Course fees	1,080,789		1,080,789	1,064,186
Membership dues and fees	522,172		522,172	555,148
Lodge sales	136,951		136,951	179,216
Room rentals	181,978		181,978	223,883
Other revenue	107,759		107,759	58,672
Ticket sales	211,701		211,701	165,765
Book royalties	48,197		48,197	23,794
Food and sundry sales	14,915		14,915	7,165
Grants and contributions	521,325	115,663	636,988	1,065,186
Special events, net of direct benefits to donors of \$114,349 (\$4,575 - 2014)	207,237		207,237	42,808
Net assets released from restriction	79,369	(79,369)		
<b>Total Operating Revenues and Support</b>	<b>6,104,653</b>	<b>36,294</b>	<b>6,140,947</b>	<b>6,375,229</b>
<b>Operating Expenses:</b>				
Program services	5,516,059		5,516,059	5,871,875
Management and general	687,724		687,724	532,403
Fundraising	329,236		329,236	231,118
<b>Total Operating Expenses</b>	<b>6,533,019</b>		<b>6,533,019</b>	<b>6,635,396</b>
<b>Change in Net Assets From Operations</b>	<b>(428,366)</b>	<b>36,294</b>	<b>(392,072)</b>	<b>(260,167)</b>
<b>Nonoperating:</b>				
Contributions restricted for the purchase of capital assets		61,843	61,843	47,346
Loss on disposal of property and equipment	(59,536)		(59,536)	(47,978)
Investment return	(17,599)		(17,599)	201,157
Net assets released from restriction	36,638	(36,638)		
<b>Total Nonoperating</b>	<b>(40,497)</b>	<b>25,205</b>	<b>(15,292)</b>	<b>200,525</b>
<b>Total Change in Net Assets</b>	<b>(468,863)</b>	<b>61,499</b>	<b>(407,364)</b>	<b>(59,642)</b>
Net assets, beginning of year	12,185,865	217,796	12,403,661	12,463,303
<b>Net Assets, End of Year</b>	<b>\$ 11,717,002</b>	<b>\$ 279,295</b>	<b>\$ 11,996,297</b>	<b>\$ 12,403,661</b>

See accompanying notes.

**THE MOUNTAINEERS**

**Consolidated Statement of Cash Flows  
For the Year Ended September 30, 2015  
(With Comparative Totals for 2014)**

	<u>2015</u>	<u>2014</u>
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ (407,364)	\$ (59,642)
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities-		
Depreciation and amortization	339,713	295,324
Loss (gain) on investments	62,850	(156,182)
Contributions restricted for the purchase of capital assets	(61,843)	(47,346)
Loss on disposal of property and equipment	59,536	47,978
Changes in assets and liabilities:		
Accounts receivable	(2,194)	(69,174)
Pledges receivable	(8,865)	561,640
Author advances	(35,834)	(34,228)
Book inventories	(82,024)	(80,045)
Prepaid and other current assets	7,320	12,805
Accounts payable	2,560	109,499
Accrued liabilities	38,828	18,961
Royalties payable	7,073	11,634
Deferred revenue	(20,775)	(34,227)
<b>Net Cash (Used) Provided by Operating Activities</b>	<b>(101,019)</b>	<b>576,997</b>
<b>Cash Flows From Investing Activities:</b>		
Purchases of property and equipment	(98,853)	(275,637)
Purchases of investments	(54,788)	(43,822)
Proceeds from the sale of investments	10,256	
<b>Net Cash Used by Investing Activities</b>	<b>(143,385)</b>	<b>(319,459)</b>
<b>Cash Flows From Financing Activities:</b>		
Proceeds from contributions restricted for the purchase of capital assets	60,843	47,346
<b>Net Cash Provided by Financing Activities</b>	<b>60,843</b>	<b>47,346</b>
<b>Change in Cash and Cash Equivalents</b>	<b>(183,561)</b>	<b>304,884</b>
Cash and cash equivalents, beginning of year	1,570,223	1,265,339
<b>Cash and Cash Equivalents, End of Year</b>	<b><u>\$ 1,386,662</u></b>	<b><u>\$ 1,570,223</u></b>

See accompanying notes.

## THE MOUNTAINEERS

### Notes to Consolidated Financial Statements For the Year Ended September 30, 2015

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#### 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, 2015 and 2014.

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 in 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.



## THE MOUNTAINEERS

### Notes to Consolidated Financial Statements For the Year Ended September 30, 2015

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#### Note 1 - Continued

**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. 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 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 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 \$5,000 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 5 years for equipment, furniture and fixtures, software, 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.

## THE MOUNTAINEERS

### Notes to Consolidated Financial Statements For the Year Ended September 30, 2015

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#### 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 provided valuable services throughout the years that were 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, losses on disposal of property and equipment, 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, 2015, there were no contribution concentrations. For the year ended September 30, 2014, approximately 37% of total contributions were received from two donors.

**Use of Estimates** - The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. 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.

**Reclassifications** - Certain accounts in the 2014 financial statements have been reclassified for comparative purposes to conform to the presentation in the 2015 financial statements. The reclassifications have no effect on previously reported total assets, liabilities, net assets, or changes in net assets.

**Comparative Information for 2014** - 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, 2014, from which the summarized information was derived.

**Subsequent Events** - The Organization has evaluated subsequent events through January 11, 2016, the date on which the consolidated financial statements were available to be issued.

## THE MOUNTAINEERS

### Notes to Consolidated Financial Statements For the Year Ended September 30, 2015

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#### Note 2 - Investments and Fair Value Measurements

Investments consisted of the following as of September 30:

	<u>2015</u>	<u>2014</u>
Mutual funds-		
Treasury bonds	\$ 806,211	\$ 790,291
Foreign large blend	249,036	183,612
Large blend	<u>1,054,231</u>	<u>1,153,893</u>
<b>Total Investments</b>	<b><u>\$ 2,109,478</u></b>	<b><u>\$ 2,127,796</u></b>

Investment return consisted of the following as of September 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Realized and unrealized (loss) gain on investments	\$ (62,850)	\$ 156,182
Interest and dividend income	<u>45,251</u>	<u>44,975</u>
<b>Total Investment Return</b>	<b><u>\$ (17,599)</u></b>	<b><u>\$ 201,157</u></b>

U.S. 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, U.S. 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, 2015 and 2014, 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.

## THE MOUNTAINEERS

### Notes to Consolidated Financial Statements For the Year Ended September 30, 2015

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#### Note 3 - Property and Equipment

Property and equipment consisted of the following at September 30:

	<u>2015</u>	<u>2014</u>
Land	\$ 12,213	\$ 71,749
Buildings and improvements	6,171,235	6,141,351
Equipment	1,241,875	1,191,816
Furniture and fixtures	317,919	298,573
Library books	21,423	21,423
Assets in process	<u>345</u>	
	7,765,010	7,724,912
Less accumulated depreciation	<u>(2,306,193)</u>	<u>(1,965,699)</u>
<b>Total Property and Equipment, net</b>	<b><u>\$ 5,458,817</u></b>	<b><u>\$ 5,759,213</u></b>

#### 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, which expired during the year ended September 30, 2015. Total rent income under these subleases totaled \$42,099 and \$34,912 and rental expense incurred under these leases was \$182,988 and \$192,342 for the years ended September 30, 2015 and 2014, respectively.

Future minimum lease payments are as follows:

For the Year Ending September 30,

2016	\$ 246,229
2017	220,766
2018	91,260
2019	91,260
2020	91,260
Thereafter	<u>1,450,469</u>
	<b><u>\$ 2,191,244</u></b>

## THE MOUNTAINEERS

### Notes to Consolidated Financial Statements For the Year Ended September 30, 2015

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#### 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, 2015 and 2014, 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:

	<u>2015</u>	<u>2014</u>
Board designated funds-		
Long-term building fund	\$ 2,109,478	\$ 2,127,796
Recreational properties	242,169	204,150
Friction slabs	88,000	
Program development		115,235
	<u>2,439,647</u>	<u>2,447,181</u>
<b>Total Board Designated Funds</b>	<b>2,439,647</b>	<b>2,447,181</b>
Net assets invested in fixed assets	5,458,817	5,759,213
Undesignated funds	3,818,538	3,979,471
	<u>3,818,538</u>	<u>3,979,471</u>
<b>Total Unrestricted Net Assets</b>	<b><u>\$ 11,717,002</u></b>	<b><u>\$ 12,185,865</u></b>

#### Note 7 - Temporarily Restricted Net Assets

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

	<u>2015</u>	<u>2014</u>
Publications	\$ 137,179	\$ 84,664
Recreational properties	64,390	87,148
Youth education programs	14,558	30,779
Capital projects	63,168	15,205
	<u>63,168</u>	<u>15,205</u>
<b>Total Temporarily Restricted Net Assets</b>	<b><u>\$ 279,295</u></b>	<b><u>\$ 217,796</u></b>

#### 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 75% 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, 2015 and 2014, the Organization contributed \$23,533 and \$23,164, respectively.

**SUPPLEMENTARY INFORMATION**

**THE MOUNTAINEERS**

**Consolidating Schedule of Financial Position  
September 30, 2015**

	<u>Mountaineers Programs</u>	<u>Mountaineers Books</u>	<u>Total Mountaineers</u>	<u>Braided River</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
<b>Assets</b>						
<b>Current Assets:</b>						
Cash and cash equivalents	\$ 1,245,748	\$ 84,916	\$ 1,330,664	\$ 55,998	\$ -	\$ 1,386,662
Accounts receivable, less allowance accounts and returns of \$47,796	164,155	387,436	551,591			551,591
Pledges receivable	19,770		19,770			19,770
Current portion of author advances, less allowance for doubtful advances of \$162,450		66,075	66,075			66,075
Book inventories	66,941	2,639,903	2,706,844			2,706,844
Prepaid and other current assets	79,445	65,304	144,749			144,749
<b>Total Current Assets</b>	<b>1,576,059</b>	<b>3,243,634</b>	<b>4,819,693</b>	<b>55,998</b>		<b>4,875,691</b>
Long-term investments	2,109,478		2,109,478			2,109,478
Author advances, less allowance for doubtful advances of \$69,622		269,960	269,960			269,960
Property and equipment, net	5,416,621	42,196	5,458,817			5,458,817
<b>Total Assets</b>	<b>\$ 9,102,158</b>	<b>\$ 3,555,790</b>	<b>\$ 12,657,948</b>	<b>\$ 55,998</b>	<b>\$ -</b>	<b>\$ 12,713,946</b>

See independent auditor's report.

THE MOUNTAINEERS

Consolidating Schedule of Financial Position (Continued)  
September 30, 2015

	<u>Mountaineers Programs</u>	<u>Mountaineers Books</u>	<u>Total Mountaineers</u>	<u>Braided River</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
<b>Liabilities and Net Assets</b>						
<b>Current Liabilities:</b>						
Accounts payable	\$ 69,691	\$ 238,913	\$ 308,604	\$ 1,464	\$ -	\$ 310,068
Accrued liabilities	162,936	82,784	245,720			245,720
Royalties payable		84,869	84,869			84,869
Deferred revenue	76,992		76,992			76,992
<b>Total Liabilities</b>	<b>309,619</b>	<b>406,566</b>	<b>716,185</b>	<b>1,464</b>		<b>717,649</b>
<b>Net Assets:</b>						
Unrestricted net assets	8,650,423	3,119,498	11,769,921	(52,919)		11,717,002
Temporarily restricted net assets	142,116	29,726	171,842	107,453		279,295
<b>Total Net Assets</b>	<b>8,792,539</b>	<b>3,149,224</b>	<b>11,941,763</b>	<b>54,534</b>		<b>11,996,297</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 9,102,158</b>	<b>\$ 3,555,790</b>	<b>\$ 12,657,948</b>	<b>\$ 55,998</b>	<b>\$ -</b>	<b>\$ 12,713,946</b>

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**THE MOUNTAINEERS**

**Consolidating Schedule of Activities and Changes in Net Assets  
For the Year Ended September 30, 2015**

	<u>Mountaineers Programs</u>	<u>Mountaineers Books</u>	<u>Total Mountaineers</u>	<u>Braided River</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
<b>Operating Revenue and Support:</b>						
Book sales	\$ 70,725	\$ 2,942,164	\$ 3,012,889	\$ -	\$ (20,629)	\$ 2,992,260
Course fees	1,080,789		1,080,789			1,080,789
Membership dues and fees	522,172		522,172			522,172
Lodge sales	136,951		136,951			136,951
Room rentals	181,978		181,978			181,978
Other revenue	53,092	40,280	93,372	14,387		107,759
Ticket sales	176,582	35,119	211,701			211,701
Book royalties		48,197	48,197			48,197
Food and sundry sales	14,915		14,915			14,915
Grants and contributions	418,670	218,484	637,154	148,228	(148,394)	636,988
Special events, net of direct benefits to donors of \$114,349	204,044		204,044	3,193		207,237
<b>Total Operating Revenues and Support</b>	<b>2,859,918</b>	<b>3,284,244</b>	<b>6,144,162</b>	<b>165,808</b>	<b>(169,023)</b>	<b>6,140,947</b>
<b>Operating Expenses:</b>						
Program services	2,463,139	3,084,795	5,547,934	106,878	(138,753)	5,516,059
Management and general	544,690	135,923	680,613	37,381	(30,270)	687,724
Fundraising	223,113	104,997	328,110	1,126		329,236
<b>Total Operating Expenses</b>	<b>3,230,942</b>	<b>3,325,715</b>	<b>6,556,657</b>	<b>145,385</b>	<b>(169,023)</b>	<b>6,533,019</b>

See independent auditor's report.

**THE MOUNTAINEERS**

**Consolidating Schedule of Activities and Changes in Net Assets (Continued)  
For the Year Ended September 30, 2015**

	Mountaineers Programs	Mountaineers Books	Total Mountaineers	Braided River	Eliminations	Consolidated Total
<b>Change in Net Assets From Operations</b>	<b>(371,024)</b>	<b>(41,471)</b>	<b>(412,495)</b>	<b>20,423</b>		<b>(392,072)</b>
<b>Nonoperating:</b>						
Contributions restricted for the purchase of capital assets	61,843		61,843			61,843
Loss on disposal of property and equipment	(59,536)		(59,536)			(59,536)
Investment return	(17,599)		(17,599)			(17,599)
<b>Total Nonoperating</b>	<b>(15,292)</b>		<b>(15,292)</b>			<b>(15,292)</b>
<b>Total Change in Net Assets</b>	<b>(386,316)</b>	<b>(41,471)</b>	<b>(427,787)</b>	<b>20,423</b>		<b>(407,364)</b>
Net assets, beginning of year	9,178,855	3,190,695	12,369,550	34,111		12,403,661
<b>Net Assets, End of Year</b>	<b>\$ 8,792,539</b>	<b>\$ 3,149,224</b>	<b>\$ 11,941,763</b>	<b>\$ 54,534</b>	<b>\$ -</b>	<b>\$ 11,996,297</b>

See independent auditor's report.

**THE MOUNTAINEERS**

**Consolidated Schedule of Functional Expenses  
For the Year Ended September 30, 2015**

	Programs	Supporting Services			2015 Total Total Expenses	2014 Total Total Expenses
		Management and General	Fundraising	Total		
Salaries and wages	\$ 1,245,834	\$ 220,864	\$ 163,658	\$ 384,522	\$ 1,630,356	\$ 1,452,749
Employee benefits and taxes	252,723	48,047	34,243	82,290	335,013	273,210
<b>Total salaries, benefits and taxes</b>	<b>1,498,557</b>	<b>268,911</b>	<b>197,901</b>	<b>466,812</b>	<b>1,965,369</b>	<b>1,725,959</b>
Cost of books sold	1,880,247				1,880,247	1,840,955
Occupancy	413,205	8,136	478	8,614	421,819	425,131
Professional fees	234,810	128,407	18,465	146,872	381,682	355,137
Depreciation	279,839	59,542	332	59,874	339,713	295,324
Course travel costs	191,203				191,203	348,944
Information technology	60,733	116,106	1,241	117,347	178,080	64,264
Advertising and promotion	172,947	233	91	324	173,271	243,175
Recognition and development	113,612	10,639	35,635	46,274	159,886	113,007
Office expenses	134,117	13,879	9,777	23,656	157,773	185,931
Program supplies	107,131	1,566	41,439	43,005	150,136	152,806
Insurance	53,371	69,278		69,278	122,649	109,956
Postage	115,527				115,527	112,454
Miscellaneous	64,436	5,752	385	6,137	70,573	75,533
Printing	75,482	750	9,180	9,930	85,412	80,850
Travel	81,818	2,332	242	2,574	84,392	58,089
Conferences, conventions, and meetings	25,404	2,193	14,070	16,263	41,667	41,395
Photography and publication costs	13,620				13,620	406,486
<b>Total Operating Expenses</b>	<b>\$ 5,516,059</b>	<b>\$ 687,724</b>	<b>\$ 329,236</b>	<b>\$ 1,016,960</b>	<b>\$ 6,533,019</b>	<b>\$ 6,635,396</b>

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