Audited Financial Statements

THE MOUNTAIN INSTITUTE

September 30, 2015

The Mountain Institute

Contents

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&
TRYON

A Professional Corporation

Certified Public
Accountants
and Consultants

Independent Auditor's Report on the Financial Statements

To the Board of Trustees
The Mountain Institute

We have audited the accompanying financial statements of The Mountain Institute (the Institute), which comprise the statements of financial position as of September 30, 2015 and 2014, and the related statements of activities, functional expense, and cash flows for the years then ended, and the related notes to the 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 Mountain Institute as of September 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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September 9, 2016

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Statements of Financial Position

September 30,		2015		2014
Assets				
Cash and cash equivalents	**$**	**167,256**	$	118,112
Grants and contributions receivable		**216,942**		149,537
Employee and other receivables		**86,590**		145,382
Prepaid expenses		**3,624**		13,339
Investments		**113,569**		113,235
Endowment investments		**387,312**		387,312
Property and equipment, net		**329,750**		331,845
Total assets	**$**	**1,305,043**	$	1,258,762
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	**$**	**135,356**	$	161,789
Refundable advances		**379,996**		339,863
Lines of credit		**571,480**		593,500
Total liabilities		**1,086,832**		1,095,152
Net assets				
Unrestricted		**(468,979)**		(651,290)
Temporarily restricted		**299,878**		427,588
Permanently restricted		**387,312**		387,312
Total net assets		**218,211**		163,610
Commitments and contingencies		**-**		-
Total liabilities and net assets	**$**	**1,305,043**	$	1,258,762

See notes to the financial statements.

The Mountain Institute

Statement of Activities
Year Ended September 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and support				
Grants and contributions:				
Government grants	$ -	$ 999,198	$ -	**$ 999,198**
Multilateral organizations		469,050		**469,050**
Private foundations		152,938		**152,938**
Other organizations		38,501		**38,501**
Tuition and fees	368,644			**368,644**
Individual donations	159,755	160,497		**320,252**
Consultants and contracts	246,676			**246,676**
Other income	64,153			**64,153**
Interest income	888	970		**1,858**
	840,116	1,821,154	-	**2,661,270**
Net assets released from restriction	1,782,773	(1,782,773)		**-**
Total revenue and support	2,622,889	38,381	-	**2,661,270**
Expense				
Program services				
South America	1,255,474			**1,255,474**
North America	570,443			**570,443**
Asia	186,673			**186,673**
Global	135,663			**135,663**
Total program services	2,148,253	-	-	**2,148,253**
Supporting services				
Management and general	404,607			**404,607**
Development and fundraising	53,809			**53,809**
Total supporting services	458,416	-	-	**458,416**
Total expense	2,606,669	-	-	**2,606,669**
Change in net assets before appropriation	16,220	38,381	-	**54,601**
Appropriation of endowment net assets	166,091	(166,091)		**-**
Change in net assets after appropriation	182,311	(127,710)	-	**54,601**
Net assets, beginning of year	(651,290)	427,588	387,312	**163,610**
Net assets, end of year	$ (468,979)	$ 299,878	$ 387,312	**$ 218,211**

The Mountain Institute

Statement of Activities
Year Ended September 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and support				
Grants and contributions:				
Government grants	$ -	$ 646,554	$ -	**$ 646,554**
Multilateral organizations		583,624		**583,624**
Private foundations		269,474		**269,474**
Other organizations	14,275	145,477		**159,752**
Consultants and contracts	500,608			**500,608**
Tuition and fees	335,597	330		**335,927**
Individual donations	272,553	37,430		**309,983**
Other income	26,839	8,347		**35,186**
Interest income	447	9,021		**9,468**
	1,150,319	1,700,257	-	**2,850,576**
Net assets released from restriction	1,702,874	(1,702,874)		**-**
Total revenue and support	2,853,193	(2,617)	-	**2,850,576**
Expense				
Program services				
South America	957,974			**957,974**
North America	689,416			**689,416**
Global	421,149			**421,149**
Asia	233,297			**233,297**
Total program services	2,301,836	-	-	**2,301,836**
Supporting services				
Management and general	452,841			**452,841**
Development and fundraising	58,404			**58,404**
Total supporting services	511,245	-	-	**511,245**
Total expense	2,813,081	-	-	**2,813,081**
Change in net assets	40,112	(2,617)	-	**37,495**
Net assets, beginning of year	(691,402)	430,205	387,312	**126,115**
Net assets, end of year	$ (651,290)	$ 427,588	$ 387,312	**$ 163,610**

The Mountain Institute

Statement of Functional Expense
Year Ended September 30, 2015

	Program Services					Supporting Services		
	North America	Asia	South America	Global	Total Programs	Management and General	Development and Fundraising	Total
Salaries and benefits	$ 260,776	$ 34,066	$ 352,838	$ 67,272	$ 714,952	$ 208,372	$ 39,213	$ 962,537
Consultants and contractors	40,253	9,597	311,304	35,794	396,948	-	-	396,948
Subgrants	6,000	91,540	164,361	-	261,901	-	-	261,901
Fringe benefits	56,173	(4,776)	59,981	20,412	131,790	60,442	11,280	203,512
Program supplies	112,961	8,605	62,164	722	184,452	(2,535)	-	181,917
Training and workshops	220	1,697	130,295	522	132,734	1	-	132,735
Travel	28,623	7,705	38,394	14,107	88,829	5,054	462	94,345
Facilities and equipment rentals	(1,227)	5,354	55,468	353	59,948	25,968	-	85,916
Equipment and software	33,805	4,349	20,928	345	59,427	8,255	2,539	70,221
Legal, audit and accounting	5,000	426	-	-	5,426	29,848	-	35,274
Miscellaneous	(5,620)	17,482	6,364	(4,468)	13,758	18,644	-	32,402
Interest and bank fees	143	212	3,713	58	4,126	27,095	86	31,307
Taxes, licenses and insurance	312	361	5,986	-	6,659	17,170	-	23,829
Printing and publications	2,848	2,127	17,720	61	22,756	338	125	23,219
Office supplies	757	3,575	16,238	-	20,570	2,309	-	22,879
Telecommunication	4,109	1,433	7,584	361	13,487	2,842	-	16,329
Utilities	12,997	937	1,658	-	15,592	536	-	16,128
Depreciation	10,970	-	-	-	10,970	-	-	10,970
Postage and shipping	1,343	626	577	124	2,670	268	104	3,042
Currency loss	-	1,357	(99)	-	1,258	-	-	1,258
Total direct expenses	570,443	186,673	1,255,474	135,663	2,148,253	404,607	53,809	2,606,669
Allocated indirect expenses	105,296	36,713	225,351	26,664	394,024	(404,607)	10,583	-
Total expenses	**$ 675,739**	**$ 223,386**	**$ 1,480,825**	**$ 162,327**	**$ 2,542,277**	**$ -**	**$ 64,392**	**$ 2,606,669**

The Mountain Institute

Statement of Functional Expense
Year Ended September 30, 2014

	Program Services					Supporting Services		
	North America	**Asia**	**South America**	**Global**	**Total Programs**	**Management and General**	**Development and Fundraising**	**Total**
Salaries and benefits	$ 287,011	$ 46,945	$ 224,513	$ 171,629	$ 730,098	$ 246,477	$ 35,572	$ 1,012,147
Consultants and contractors	124,449	9,794	255,780	117,600	507,623	(9,400)	1,034	499,257
Fringe benefits	61,693	12,108	33,717	46,918	154,436	72,413	10,487	237,336
Program supplies	90,255	25,484	65,531	10,972	192,242	1,281	-	193,523
Travel	57,154	34,132	44,654	26,725	162,665	11,507	7,945	182,117
Subgrants	-	56,047	107,458	-	163,505	-	-	163,505
Equipment and software	19,900	10,486	57,087	20,723	108,196	8,368	2,329	118,893
Training and workshops	(401)	5,545	84,200	11,342	100,686	-	40	100,726
Facilities and equipment rentals	-	4,599	42,390	5,989	52,978	24,000	-	76,978
Legal, audit and accounting	5,300	-	-	-	5,300	41,591	-	46,891
Currency losses (gains)	-	21,621	14,744	-	36,365	-	-	36,365
Interest and bank fees	347	292	3,490	275	4,404	30,142	109	34,655
Telecommunication	7,355	1,270	5,445	3,011	17,081	5,641	-	22,722
Taxes, licenses and insurance	1,114	210	2,959	819	5,102	16,853	-	21,955
Utilities	15,812	947	604	975	18,338	35	-	18,373
Office supplies	(1,079)	6,335	7,524	1,573	14,353	2,661	4	17,018
Printing and publications	6,168	898	4,836	2,050	13,952	780	213	14,945
Depreciation	8,706	-	-	-	8,706	-	-	8,706
Postage and shipping	845	995	1,215	59	3,114	411	671	4,196
Miscellaneous	4,787	(4,411)	1,827	489	2,692	81	-	2,773
Total direct expenses	689,416	233,297	957,974	421,149	2,301,836	452,841	58,404	2,813,081
Allocated indirect expenses	128,233	45,885	184,494	82,741	441,353	(452,841)	11,488	-
Total expenses	**$ 817,649**	**$ 279,182**	**$ 1,142,468**	**$ 503,890**	**$ 2,743,189**	**$ -**	**$ 69,892**	**$ 2,813,081**

Year Ended September 30,	2015	2014
Cash flows from operating activities		
Change in net assets	**$ 54,601**	$ 37,495
Adjustments to reconcile change in net assets		
to net cash flows provided by (used in) operating activities:		
Depreciation	**10,970**	8,706
Donated securities	**-**	(547)
Changes in assets and liabilities:		
Grants and contributions receivable	**(67,405)**	(5,329)
Employee and other receivables	**58,792**	(30,667)
Prepaid expenses	**9,715**	(10,137)
Accounts payable and accrued expenses	**(26,433)**	45,807
Refundable advances	**40,133**	(197,389)
Total adjustments	**25,772**	(189,556)
Net cash provided by (used in) operating activities	**80,373**	(152,061)
Cash flows from investing activities		
Purchases of investments	**(334)**	-
Purchases of property and equipment	**(8,875)**	(10,000)
Net cash used in investing activities	**(9,209)**	(10,000)
Cash flows from financing activities		
Payments from line of credit	**(22,020)**	(4,500)
Net cash used in financing activities	**(22,020)**	(4,500)
Net increase (decrease) in cash and cash equivalents	**49,144**	(166,561)
Cash and cash equivalents, beginning of year	**118,112**	284,673
Cash and cash equivalents, end of year	**$ 167,256**	$ 118,112

A. Organization and Summary of Significant Accounting Policies

Organization: The Mountain Institute (the Institute) is a nonprofit organization whose mission is to advance mountain cultures and preserve mountain environments. Founded in 1972, the Institute is headquartered in Washington, DC, and has offices and community-based programs in the Andean, Appalachian, and Himalayan mountain ranges. By prioritizing sustainable mountain development, the Institute partners with local people to strengthen their communities and to conserve their natural resources and cultural heritage.

The Institute's objectives are to:

- Conserve high-priority mountain ecosystems;
- Improve mountain livelihoods;
- Support mountain cultures; and
- Promote the well-being of mountain people through advocacy, education and outreach.

Basis of accounting: The accompanying financial statements have been prepared on the accrual basis of accounting. Consequently, revenue is recognized when earned and expense when the obligation is incurred.

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 certain reported amounts and disclosures. Actual results could differ from estimates.

Income taxes: The Institute is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code. The Institute is not considered to be a private foundation, as it meets the requirements of a publicly supported organization as defined in IRC Section 509(a)(1).

Cash and cash equivalents: For financial statement purposes, the Institute considers highly liquid, short-term instruments with original maturities of three months or less to be cash and cash equivalents.

Investments: Investments consist of certificates of deposit and donated mutual funds.

Grants and contributions receivable: Grants and contributions receivable represent amounts due from individual donors, foundations, federal agencies and foreign governments. All amounts are due within one year and are considered fully collectible.

Property and equipment: The Institute capitalizes all non-grant purchases of property and equipment in excess of $5,000. Expenditures for major repairs and improvements are capitalized; expenditures for minor repairs and maintenance costs are expensed as incurred. Upon the retirement or disposal of assets, the cost and accumulated depreciation is eliminated from the respective accounts and the resulting gain or loss, if any, is included in revenue and support or expenses.

A. Organization and Summary of Significant Accounting Policies – Continued

Revenue recognition: The Institute reports gifts, contributions, and grants of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported on the accompanying statement of activities as net assets released from restrictions.

Unrestricted grants and contributions are reported as revenue and support in the year in which the payments are received and/or unconditional promises are made. Revenue recognized on grants and contributions that have been committed to the Institute, but have not been received, is reflected as grants and contributions receivable in the accompanying statement of financial position. Amounts received in advance of incurring expenses under contracts is deferred upon receipt and recorded as refundable advances on the accompanying statement of financial position. Such amounts are recognized as revenue as expenses are incurred.

Net assets: Net assets are classified as unrestricted, temporarily restricted, or permanently restricted. A description of each net asset group is as follows:

> *Unrestricted*: Unrestricted net assets represent the portion of expendable funds that are available for support of the Institute's operations.
>
> *Temporarily restricted net assets*: Temporarily restricted net assets are comprised of amounts specifically restricted by donors or grantors to be used for specific programs.
>
> *Permanently restricted net assets:* Permanently restricted net assets are composed of contributions received from donors who have specified that the corpus of their original and certain subsequent gifts be maintained in perpetuity.

Functional allocation of expenses: The costs of providing various program and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Subsequent events: Subsequent events have been evaluated through September 9, 2016, which was the date the financial statements were available to be issued.

B. Concentrations of Risk

Credit risk: The Institute's cash is held in accounts at various financial institutions that, at times, exceed the amount guaranteed by the Federal Deposit Insurance Corporation and, therefore bear some risk. The uninsured portions of cash and money market accounts are backed solely by the assets of the underlying institution. As such, the failure of an underlying institution could result in financial loss to the Institute.

Market value risk: The Institute also invests in marketable securities. Such investments are exposed to market and credit risks. As a result, the investment balances reported in the accompanying financial statements may not be reflective of the portfolio's value during subsequent periods.

C. INVESTMENTS

Accounting standards use the following prioritized input levels to measure fair value. The input levels used for valuing investments are not necessarily an indication of risk.

> Level 1 – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets, such as stock quotes;
>
> Level 2 – Includes inputs other than level 1 inputs that are directly or indirectly observable in the marketplace, such as yield curves or other market data;
>
> Level 3 – Unobservable inputs, which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk such as bid/ask spreads and liquidity discounts.

Investments are recorded at fair value on a recurring basis and consisted of the following at September 30,:

2015	**Total**	**Level 1**	**Level 2**	**Level 3**
Certificates of deposit	$ 500,881	$ -	$ 500,881	$ -
Total	**$ 500,881**	$ -	$ 500,881	$ -

2014	**Total**	**Level 1**	**Level 2**	**Level 3**
Certificates of deposit	$ 500,000	$ -	$ 500,000	$ -
Stock	547	547	-	-
Total	**$ 500,547**	$ 547	$ 500,000	$ -

The Institute's certificates of deposit are carried at their face value. Management believes that the face value of the certificates of deposit approximates the fair value of these instruments.

D. CONDITIONAL PROMISES TO GIVE

The Institute has received grant commitments from the U.S. Federal government. These grants are cost-reimbursable in nature. As such, the Institute accounts for these grant commitments as conditional promises to give. Thus, a receivable related to these grants is only recognized as the Institute incurs grant-related expenses. Total unearned conditional grant commitments as of September 30, 2015 and 2014 approximated $1,145,555 and $2,575,000, respectively.

E. Property and Equipment

Property and equipment are recorded at cost and are depreciated on a straight-line basis over the following estimated useful lives:

Building and improvements	10-25 years
Furniture and equipment	3-5 years
Vehicles	4 years

Property and equipment consists of the following at December 31:

	2015	2014
Building and improvements	$ 415,597	$ 415,597
Land	268,828	268,828
Vehicles	31,698	31,698
Furniture and equipment	20,225	11,350
	736,348	727,473
Less accumulated depreciation	(406,598)	(395,628)
Property and equipment, net	**$ 329,750**	**$ 331,845**

F. Line of Credit

The Institute has entered into a $500,000 line of credit agreement with a bank. Amounts drawn on the line bear interest at a fixed rate of 3.15%. The line of credit is collateralized by the Institute's certificates of deposit held at the same bank. The amount drawn and outstanding on the line is $499,362 at September 30, 2015, which is payable in full on August 28, 2016.

The Institute established a second line of credit at the same bank for $100,000. Amounts drawn on the line bear interest at a fixed rate of 4.21%. The second line of credit is secured by the Institute's real estate. The amount drawn and outstanding on the line is $72,118 at September 30, 2015, which is payable in full on March 13, 2018.

G. Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following at September 30,:

	2015	2014
Global	$ 133,307	$ 131,991
North America	111,181	273,891
Asia	33,330	-
South America	22,060	21,706
	$ 299,878	**$ 427,588**

H. ENDOWMENT FUND

The Institute has a donor-restricted endowment fund established for the purpose of generating earnings to support an educational program in West Virginia. As required by generally accepted accounting principles, net assets associated with permanently restricted net assets are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant law: The Board of Trustees of the Institute has interpreted the West Virginia Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Institute classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment. Investment returns on permanently restricted endowments are classified in accordance with donor specifications. When no specifications are outlined by the donor, investment earnings are classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Institute in a manner consistent with the standard of prudence prescribed by UPMIFA.

Funds with deficiencies: From time to time, the fair value of assets associated with individual endowment funds may fall below the fair value of the original gift(s). Deficiencies of this nature are reported as part of unrestricted net assets.

Return objectives and risk parameters: The Institute has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Institute must hold in perpetuity. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in funds to achieve growth in principal value and income over time sufficient to preserve or increase the purchasing power of the funds, thus protecting the funds against inflation. Actual returns in any given year may vary.

Strategies employed for achieving objectives: To satisfy its long-term rate of return objectives, the Institute relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Institute targets a diversified asset allocation, which is reviewed as necessary by the Board of Trustees.

Changes in endowment net assets consist of the following for the year ended September 30, 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ -	$ 278,690	$ 387,312	$ 666,002
Investment income		970		970
Total investment return	-	970	-	970
Appropriation of endowment assets for expenditure	-	(166,091)	-	(166,091)
Endowment net assets, end of year	**$ -**	**$ 113,569**	**$ 387,312**	**$ 500,881**

During the year ended September 30, 2015, management concluded that certain funds carried within the endowments' temporarily restricted net assets category were available for appropriation. Thus, these items are shown as being appropriated for general operations during the year ended September 30, 2015.

H. Endowment Fund – Continued

Changes in endowment net assets consist of the following for the year ended September 30, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ -	$ 269,669	$ 387,312	$ 656,981
Investment income	-	9,021	-	9,021
Total investment return	-	9,021	-	9,021
Appropriation of endowment assets for expenditure	-	-	-	-
Endowment net assets, end of year	**$ -**	**$ 278,690**	**$ 387,312**	**$ 666,002**

I. Retirement Plan

The Institute maintains a defined contribution retirement plan pursuant to Section 403(b) of the Internal Revenue Code for all employees who work at least 30 hours per week. The Institute makes annual elective contributions to the plan based on a percentage of each participant's salary when funds are available. This percentage is determined annually by the Board of Trustees. There were no pension contributions to the plan for the years ended September 30, 2015 and 2014.

J. Office Lease

The Institute leases office space in Washington, DC on a month-to-month basis. Rent expense for the years ending September 30, 2015 and 2014 was $18,204 and $17,088, respectively.

K. Commitments and Contingencies

Office of Management and Budget Circular A-133: The Institute has instructed its independent auditors to audit its applicable federal programs for the year ended September 30, 2015, in compliance with Circular A-133 issued by the U.S. Office of Management and budget (OMB). Until such audit is reviewed and accepted by the contracting or granting agencies, there exists a contingent liability to refund any amounts received in excess of allowable costs. Management believes that any matters arising from the reviews by the federal agencies of the independent auditor's reports for fiscal year 2015 will not have a material effect on the Institute's financial position as of September 30, 2015, or its results of operations for the year then ended.

Provisional indirect cost rates: Billings under cost-reimbursable government contracts and grants are calculated using provisional rates that permit recovery of indirect costs. These rates are subject to audit by the U.S. Agency for International Development (USAID), the Institute's cognizant agency. The audit results in the negotiation and determination of the final indirect cost rates, which may create availability for indirect cost recovery for amounts billed in excess for the actual rates, or may allow for additional billings for unbilled indirect costs.

USAID may audit costs related to the U.S. government contracts and grants, in accordance with Circular A-122 issued by the OMB. USAID has yet to audit the costs and indirect cost rates for the years ended September 30, 2015 and 2014. Management believes that cost disallowances, if any, arising from USAID's audit for September 30, 2015 and 2014 will not have a material effect on the Institute's financial position as of September 30, 2015, or its results of operations for the years then ended.

L. Foreign Operations

The Institute has field offices in various foreign countries to implement grants received from the U.S. federal government, foreign governments, private foundations and other types of organizations in support of the Institute's public purpose. The future results of these programs could be adversely affected by a number of potential factors, such as currency devaluations or changes in the political climate. The Institute had cash in these foreign countries totaling approximately $47,000 and $13,000 which represent approximately 0.4% and 0.3% of the Institute's total assets as of September 30, 2015 and 2014, respectively.

M. Management's Plan

During fiscal year 2015, The Mountain Institute's Board of Trustees and Management continued to focus on strengthening the organization's financial position and reinforcing its overall operations in order to ensure its long-term wellbeing, viability, and mission oriented impact. More specifically, during fiscal year 2015, the organization made important strides in the following areas:

- The organization continued to focus on maintaining an effective, diverse, and vibrant Board of Trustees. During fiscal year 2015, The Board of Trustees added an additional trustee reaching 19 members, nearly the full complement allowed by the by-laws. In 2015, a clause in the by-laws was enacted to enable Board Chair William Beddow to continue past the usual six-year term limit until June 2016 to maintain continuity in leadership. The diverse and varied backgrounds, and skills, of the members of the Board of Trustee have enabled it to oversee and support the organization's mission of advancing and preserving mountain communities, cultures, and environments. The Mountain Institute will continue to build on this progress as it looks to further strengthen its Board during fiscal year 2016.

- During fiscal year 2015, The Mountain Institute supported vibrant field programs in the Himalayas, Andes, and Appalachian mountain ranges through its two directors brought on in fiscal year 2014, and its long standing Program Director based in Lima, Peru. It further established alliances with other major conservation and development organizations, both non-profits and international agencies, for joint fund raising and to better enable it to accomplish its mission. In this fiscal year, The Mountain Institute engaged more intensively in international policy work of relevance to mountains through participation in the UN Mountain Partnership and international climate change processes such as COP20 in Peru in December 2014.

- During fiscal year 2015, The Mountain Institute revamped and strengthened its financial management team through hiring a new Controller and Assistant Controller. This will enable the updating and maintenance of financial management and administrative systems of the highest standards so as to best support mountain communities and environments.

- Recognizing the need to address the organization's negative unrestricted net asset position, Management continues to take aggressive strides to reduce unrestricted spending while, at the same time, focusing on increasing fund raising that covers full overhead costs as well as unrestricted giving. These efforts have resulted in an improved unrestricted net asset position during fiscal year 2015 and the organization will continue this focus during fiscal year 2016.

Looking forward to fiscal year 2016, the organization plans to continue to build on the progress made during fiscal year 2015, focusing on expanding its support of communities, cultures, and conservation efforts in mountains around the world. We will be initiating a new strategic planning process in 2016 to enable the Institute to most effectively accomplish its mission. This will include a full assessment, and potentially streamlining, of all our programs to ensure mission fit, viability, and effectiveness.