COLORADO FOURTEENERS INITIATIVE

Financial Statements As Of December 31, 2016
(With Summarized Financial Information For
The Year Ended December 31, 2015)

Together With Independent Auditors' Report

JDS professional group
certified public accountants, consultants and advisors

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Colorado Fourteeners Initiative:

Report on the Financial Statements

We have audited the accompanying financial statements of Colorado Fourteeners Initiative ("CFI"), a not-for-profit organization, which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and cash flows for the year 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 Colorado Fourteeners Initiative as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Reporting on Summarized Comparative Information

We have previously audited CFI's December 31, 2015, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 18, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

JDS Professional Group

April 18, 2017

Statement Of Financial Position
As Of December 31, 2016
(With Summarized Financial Information As Of December 31, 2015)

	2016	2015
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 268,116	$ 355,376
Accounts receivable	32,827	
Promises to give	31,336	78,203
Investments	346,372	167,130
Prepaid expenses	7,594	7,034
Total Current Assets	686,245	607,743
Long Term Assets:		
Promises to give	11,000	67,000
Property and equipment, net	40,400	52,587
Land	32,667	
	84,067	119,587
TOTAL ASSETS	$ 770,312	$ 727,330
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$ 1,493	$ 5,334
Accrued liabilities	61,410	39,438
Deferred revenue	1,222	
Total Current Liabilities	64,125	44,772
Net Assets:		
Unrestricted -		
Undesignated	342,302	244,210
Board designated - reserve fund	110,584	110,001
Total Unrestricted	452,886	354,211
Temporarily restricted	253,301	328,347
Total Net Assets	706,187	682,558
TOTAL LIABILITIES AND NET ASSETS	$ 770,312	$ 727,330

The accompanying notes are an integral part of the financial statements.

COLORADO FOURTEENERS INITIATIVE

Statement Of Activities
For The Year Ended December 31, 2016
(With Summarized Financial Information For The Year Ended December 31, 2015)

	Unrestricted	Temporarily Restricted	2016 Total	2015 Total
Support And Revenue:				
Individual contributions	$ 397,511	$	$ 397,511	$ 338,874
Federal, state, and local government grants	399,056		399,056	325,502
Foundation grants	141,082	84,551	225,633	100,715
Corporate contributions	48,321	14,000	62,321	162,426
Other income	3,947		3,947	3,775
	989,917	98,551	1,088,468	931,292
Net assets released from restrictions- Satisfaction of program restrictions	173,597	(173,597)		
Total Support And Revenue	1,163,514	(75,046)	1,088,468	931,292
Expenses:				
Program Services -				
Field projects and education	850,297		850,297	630,097
Supporting Services -				
General administration	97,886		97,886	86,515
Fundraising	116,656		116,656	115,735
Total Supporting Services	214,542		214,542	202,250
Total Expenses	1,064,839		1,064,839	832,347
CHANGES IN NET ASSETS	98,675	(75,046)	23,629	98,945
Net Assets, Beginning Of Year	354,211	328,347	682,558	583,613
NET ASSETS, END OF YEAR	$ 452,886	$ 253,301	$ 706,187	$ 682,558

The accompanying notes are an integral part of the financial statements.

Statement Of Cash Flows
For The Year Ended December 31, 2016
(With Summarized Financial Information For The Year Ended December 31, 2015)

	2016	2015
Cash flows from operating activities:		
Changes in net assets	$ 23,629	$ 98,945
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	20,993	24,223
Donated vehicle		(2,000)
Loss on disposal of property and equipment	1,791	
Changes in operating assets and liabilities -		
(Increase) in accounts receivable	(32,827)	
Decrease in promises to give	102,867	33,902
(Increase) in prepaid expenses	(560)	(3,337)
Increase (decrease) in accounts payable	(3,841)	4,063
Increase in accrued liabilities	21,972	1,816
Increase (decrease) in deferred revenue	1,222	(31,062)
Net cash provided by operating activities	135,246	126,550
Cash flows from investing activities:		
Purchases of property and equipment	(10,597)	(29,263)
Purchase of land	(32,667)	
Purchases of investments	(585,933)	(169,361)
Sale of investments	406,691	2,231
Net cash (used in) investing activities	(222,506)	(196,393)
Cash flows from financing activities:		
Proceeds from notes payable	35,000	35,000
Payments on notes payable	(35,000)	(35,000)
Net cash provided by financing activities	0	0
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(87,260)	(69,843)
Cash and Cash Equivalents, Beginning Of Year	355,376	425,219
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 268,116	$ 355,376

The accompanying notes are an integral part of the financial statements.

(1) Nature Of Organization

Colorado Fourteeners Initiative ("CFI") began in 1994 as a joint effort of the US Forest Service and four Colorado-based non-profit organizations involved in mountain recreation and conservation activities. CFI was incorporated as an independent non-profit organization in Colorado in July 1996. The mission of CFI is to protect, preserve, restore and enhance the natural integrity of the state's 14,000-foot peaks through volunteer stewardship and public education. CFI accomplishes its mission through design, construction and maintenance of sustainably located summit trails, restoration of damaged alpine terrain and education of Fourteener climbers regarding how they can minimize their impacts on fragile alpine ecosystems. Revenues are derived primarily through contributions and government grants.

(2) Summary Of Significant Accounting Policies

Basis Of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis Of Presentation

CFI is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As of December 31, 2016, CFI did not have any permanently restricted net assets.

Use Of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of support and revenue and expenses during the reported period. Actual results could differ from those estimates.

Statement Of Cash Flows

For purposes of the statement of cash flows, cash and cash equivalents consists of demand deposits except for cash and cash equivalents held in the investment account.

Accounts Receivable

CFI uses the allowance method to record uncollectible accounts. The allowance is based on past experience and on specific analysis of the collectibility of individual accounts receivable. Management expects all accounts receivable will be fully collectible, accordingly, there is no allowance for doubtful accounts. CFI's policy is to charge off accounts receivable when collection of payments thereon is deemed to be improbable.

Promises To Give

Unconditional promises to give are recognized as revenues or gains in the period received, and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Management expects that all promises to give will be fully collectible, accordingly, there is no allowance for uncollectible promises to give.

Promises to give are recorded at net realizable value if expected to be collected within one year and at estimated fair value if expected to be collected in more than one year. As of December 31, 2016, there was no material difference between the present value of the promises to give and the amount recorded in the financial statements which is at face value.

Property And Equipment

Property and equipment are stated at cost and are depreciated using the straight-line method over their estimated useful lives ranging from five to ten years. Donated property and equipment are recorded at their estimated fair market value at the date of receipt. Expenditures for maintenance, repairs and minor replacements are charged to operations and expenditures for major replacements and betterments that exceed $500 are capitalized.

Fair Value Measurements

CFI follows accounting rules for fair value measurements which among other things require enhanced disclosures about investments that are measured and reported at fair value and establish a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the standard are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that CFI has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Certificates of deposit: The fair value of the certificates of deposit is based on amortized cost or original cost plus accrued interest.

Cash and cash equivalents: The fair value of the cash and cash equivalents is based on cost which approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while CFI believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statements of financial position.

The carrying amount reported in the statements of financial position for cash and equivalents, promises to give, accounts payable and accrued liabilities approximate fair value because of the immediate or short-term maturities of these financial instruments.

Contributions

Contributions received are recorded as unrestricted or temporarily restricted support, depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in temporarily restricted net assets. When a restriction expires (that is, when a stipulation time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated Goods and Services

Certain donated services, goods, and facilities that meet the criteria for recognition, are reflected in the financial statements at estimated fair market value at the time of the donation.

Functional Allocation Of Expenses

The costs of providing various program support and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs are allocated among the program and supporting services benefitted.

Prior-Year Amounts

The 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with CFI's financial statements for the year ended December 31, 2015, from which the summarized information was derived.

Reclassifications

Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations.

Subsequent Events

CFI has performed an evaluation of subsequent events through April 18, 2017, which is the date the financial statements were available to be issued and considered any relevant matters in the preparation of the financial statements and footnotes.

(3) Tax Exempt Status

CFI has previously received notice from the Internal Revenue Service of exemption from income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the accompanying financial statements contain no provision for income taxes. In addition, CFI qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(1).

CFI follows *Accounting for Uncertainty in Income Taxes*, which requires CFI to determine whether a tax position (and the related tax benefit) is more likely than not to be sustained upon examination by the applicable taxing authority, based solely on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement, presuming that the tax position is examined by the appropriate taxing authority that has full knowledge of all relevant information. During the year ended December 31, 2016, CFI's management evaluated its tax positions to determine the existence of uncertainties, and did not note any matters that would require recognition or which may have an affect on its tax-exempt status.

CFI is no longer subject to U.S. federal income tax audits on its Form 990 by taxing authorities for years prior to 2013. The years subsequent to this year contain matters that could be subject to differing interpretations of applicable tax laws and regulations. Although the outcome of tax audits is uncertain, management believes no material issues would arise.

(4) Promises to Give

Promises to give consisted of the following as of December 31, 2016:

Receivables due in less than one year	$ 31,336
Receivables due in one to five years	10,000
Receivables due in six to ten years	1,000
	$ 42,336

(5) **Property And Equipment**

Property and equipment consisted of the following as of December 31, 2016:

Office furniture and equipment	$ 21,179
Field equipment	157,121
	178,300
Less: accumulated depreciation	(137,900)
Net property and equipment	$ 40,400

(6) **Land**

In 2016 CFI purchased two mining claims adjacent to the summit of Mt. Shavano near Salida, CO. The cost of these tracks of land, including capitalized legal fees, was $32,667. At December 31, 2016 CFI also had purchased an option to acquire a third mining claim that contained the mountain's summit. The third option was exercised in January 2017, bringing the total costs of these three parcels of land to $42,667.

(7) **Long Term Debt**

CFI has a revolving line of credit with a financial institution with a maximum line of $60,000. The line of credit bears interest at the prime rate plus 6.75%. As of December 31, 2016, the effective interest rate was 10% and no amounts were outstanding on the line.

During the year ended December 31, 2016, CFI entered into a note agreement with a private organization for an amount of $35,000 with a 6% per annum interest rate. The note was repaid prior to year end.

(8) **Contingency**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. In that event, CFI may be required to refund amounts to the federal government. As of December 31, 2016, management believes there is no significant risk of such event occurring.

(9) Operating Lease Commitment

CFI entered into an operating leases for office space for its administrative office. Future minimum rental payments under this lease as of December 31, 2016, are due as follows:

Year ending December 31:	
2017	$ 30,768
2018	31,691
2019	32,642
2020	33,621
2021	14,181
	$ 142,903

For the year ended December 31, 2016, rent expense was $31,454.

(10) Investments And Concentrations Of Credit Risk

The following table presents CFI's fair value hierarchy for those assets measured at fair value on a recurring basis as of December 31, 2016:

	Level 1	Level 2	Level 3	Total
Investments:				
Cash and cash equivalents held in investment account	$ 8,113	$	$	$ 8,113
Certificates of deposit	338,259			338,259
Total	$ 346,372	$	$	$ 346,372

CFI's cash demand deposits are held at financial institutions at which deposits are insured up to $250,000 by the FDIC. As of December 31, 2016, CFI's cash demand deposits were fully insured by the FDIC.

(11) Temporarily Restricted Net Assets

Temporarily restricted net assets as of December 31, 2016, consisted of the following:

Adopt-A-Peak program	$ 33,500
Adopt-A-Peak intern	56,665
Mount Columbia project	67,300
Mount Shavano Land Acquisition	12,000
Trail building	74,000
Time restrictions	9,836
	$ 253,301

(12) Donated Goods and Services

CFI receives a substantial amount of donated services and expenses by unpaid volunteers. The value of this contributed time and expense is not reflected in the accompanying financial statements as it does not meet the requirements for recognition; however, these amounts are estimated based on rates earned by persons performing similar services as published by an association of volunteer groups and/or as determined by prevailing labor costs in the respective industry. The value of the donated services as estimated by CFI was approximately $333,119 and included 12,832 volunteer hours for the year ended December 31, 2016.

Donated goods that met the revenue recognition criteria amounted to $21,734 as of December 31, 2016. The in-kind goods are reflected in the program expenses.

(13) Joint Costs Of Informational Materials And Activities

CFI is required to record the costs of certain activities as fundraising or general administrative expenses, rather than recording all the costs to various programs of CFI.

During the year ended December 31, 2016, CFI conducted activities that included requests for contributions, as well as program and general administrative components. The costs of conducting those activities included a total of $21,736 in joint costs which are not specifically attributable to particular components of the activities (joint costs). These joint costs were allocated as follows:

Programs:	
Field projects and education	$ 16,302
General administration	1,811
Fundraising	3,623
	$ 21,736

(14) Retirement Plan

During the year ended December 31, 2011, CFI established a defined contribution plan (the "Plan") for all employees who receive greater than $5,000 of compensation during the year and have attained two years of service. Under the terms of the Plan, CFI will match 3% of eligible compensation or make a 2% discretionary contribution in place of the match. For the year ended December 31, 2016, CFI made contributions of $8,162 to the Plan.