



2001 ANNUAL REPORT

*Reality
and
Perspective*

"Embracing the diversity of life,
creating an environment to energize
people to work for positive change."

THE MOUNTAIN RETREAT & LEARNING CENTERS, INC.

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Printed in the USA

President's Annual Report for 2001

Tom Warth

"Keeping Things in Perspective."

A coed in the 60s, from a mid-western college, wrote the following letter to her parents during her sophomore year:

"Dear Mom & Dad: How are you doing, fine I hope. I know it's been a long time since I've written but so much is going on that it's hard to find the time. Let me tell you everything. I've met this most wonderful guy and we are crazy about each other. We met when our sociology class took a field trip to the community center. He was there as part of a work release program. He is so caring and funny – oh, I forgot to say, that he had to drop out of college because he had a little problem – but he's in the work release program and will finish his jail term the end of this year. You'll both really like him, as I know I'll like his family. Oh, did I tell you? He is from Alaska and I will be meeting his folks this summer when we move there – oh, yes, we have planned to get married and settle in his home town as his Dad has found him a job. But not to worry, we will be fine, as they have found the three of us a nice small apartment to live in. Oh, I meant to call you and tell you I was pregnant. Well, must run to class, will write again soon. It would be great if you

could send money as things are a little tight right now. My love to you both. Your loving daughter! P.S. None of the above is true but I did fail biology and I wanted you to put that news in perspective."

Keeping things in perspective. Authors Michael Jenkins and Deborah Bradshaw Jenkins in their latest book, *The Character of Leadership*, write, "If we want to achieve goals that further our values we must take reality into account." My report to you this year puts the realities of our business in perspective.

As Jean Findley, the Board's Financial Adviser, states in this Annual Report, "2001 was a difficult year for The Mountain ... Total Expenses exceeding Total Revenue by \$296,859." This is the first loss we have had in the last 12 years and the largest loss ever. However, putting it in perspective, it was a difficult year for nonprofits across the country. In November, leading analysts of the nonprofit sector forecast that 6 of 10 "small nonprofits" (less than \$5 million annual budgets—The Mountain qualifies) will go out of business within 12 months because of September 11 and the worsening economy. The Mountain is one of the 4 in 10 that will rebound. The fact is, first quarter 2002 is one of our better first quarters in recent years from an earnings and a cash perspective.

The reality is we did not sell enough space, market our programs effectively nor secure the level of donor support required to sustain and grow our business. However, putting it into perspective, as Board Chair Tony Stringer writes in his Annual Report article titled "The Measure of The Mountain," "The Mountain has only deepened its commitment to embracing the diversity of life and to energizing people to work for positive change." And the perspective includes testimonials of transformative experiences as follows:

- An Advisor comment for Sr. Hi CON, December 2001: "The openness of staff, and youth from all around allows the shyest to feel welcome and gives the most cynical a window of hope for the world."
- From Asheville 2001 Leadership School for Social Justice youth participants: "I learned that I have a long way to go and also that this is definitely what I want to do in my life." . . . "I learned that one doesn't have to be a 'leader' to help the group. Though I tend to be a leader, I also learned that I just want to be part of the group."
- From a guest at one of our retreats, "After hearing Shelley this morning, I am so grateful to The Mountain for their wonderful acceptance of our group. I have heard so many awful things said from the pulpit of my own Dad's church. I crave a safe spiritual environment."

Transformative experiences, "The Measure of The Mountain"—but the reality and the perspective is, we aren't doing enough. Our youth deserve more from us. Our multi-faith, diverse, communities demand more of us. The economically and physically challenged look to us for more. We must continue to develop new programs that will reach those who need them, continue to build accessible, safe buildings, maintain the spiritual and energizing place that is so important to so many and keep our financial house in order. The reality is, we do so much and the perspective is, we have so much more we can do.

The events of September 11, 2001 are still fresh in our minds. *Miami Herald* Columnist Leonard Pitts, writing about 9/11, wrote, "We will never again be without Sept 11. The only thing we can do now is learn to be with it." And that's the reality. But the perspective for me is that we

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A Message from The Board of Trustees

Tony Stringer, Chair

"The Measure of The Mountain."

Our Annual Meeting is a time to take stock of The Mountain, to see how it has measured up in the year that has passed. In an ordinary year, this would be an easy task. We would turn to the "usual and customary" measures of performance. But this is no ordinary year. Nonetheless, I will start with the usual and customary indices. This is what they tell us in 2001:

- The Mountain is worth more than ever. An independent appraisal valued The Mountain property at \$6.4 million, a tripling of our financial assets in a single decade.
- Despite taking some financial hits in 2001 (see Financial Report), The Mountain is soundly managed. An independent accounting audit resulted in a "clean opinion" of The Mountain and its finances.

It's also usual and customary to look at our progress towards programmatic goals. My predecessor, John Rakestraw, highlighted some of these goals in his Year 2000 Annual Report. Here is how we have progressed on the things John was excited about.

- In 2000, engineering studies on the Cabbage Patch land confirmed the feasibility of our vision for developing this property. In 2001, feasibility studies gave way to actual planning. Richard Rothman provided architectural plans for a "green community," and a Planning Committee, led by Hildegard Gray, began discussions with developers.
- In 2000, the Learning Center for Leadership (LCL) was launched and Milestone Learning Center became clear about their program offerings. In 2001, these two program centers expanded The Mountain's reach into 19 communities across 10 states—both are becoming continent-wide resources for leadership,

youth, and social justice training. Thank you LCL Director Helen Bishop and Milestone Director Shelley Denham, and your talented, dedicated staffs.

- In 2000, the Board of Trustees embraced a new governance model that called for expanded membership. In 2001, that model became a reality with board members now hailing from 12 states and a new standing committee structure in place that allows for greater collaboration and support between the Board and The Mountain Centers.

What do the usual and customary numbers tell us? They tell us that The Mountain is strong, healthy, and vibrant. But, as I said, this is no ordinary year. What do I mean by that? Well, as I write this, I am mindful that in Bethlehem Israeli troops are laying siege to Palestinian fighters holed up in a Christian church at the spot where Jesus purportedly was born. I am mindful that in a period of two weeks, French police counted 360 acts of violence against Jews. I am mindful that a few weeks ago in Atlanta, three white supremacist drifters nearly stomped two black men to death while shouting racial slurs, less than a mile from where my daughter attends school. I am mindful of the distrust and suspicion haunting my Catholic friends as they grapple with the revelations of sexual predation in the clergy. This is no ordinary year.

And so, as we take stock of The Mountain, I think we must look beyond the usual and customary measures. In this extraordinary time, we must remind ourselves of how remarkable it is that we have created a place that truly diverse religious groups share in peace and respect. We must remind ourselves of how remarkable it is that we have created a place of security without guns or a police force. We must remind

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Officers

Tony Stringer

Chair, Board of Trustees
Elected at Large

Hildegard Gray

Corporate Secretary
Elected at Large

Tom Warth

President & CEO

Jean Findley

Financial Advisor

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Elected-At-Large

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Board Appointment

Gini Courter

Board Appointment

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Elected-At-Large

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Board Appointment

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Board Appointment

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Elected-At-Large

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Board Appointment

Ed Mangiafico

Board Appointment

Ken Nafziger

Board Appointment

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Richard Rothman

Board Appointment

Rev. Tom Russell

Elected-At-Large

Dorothy Senghas

Elected-At-Large

Jeanne Shirly

Elected-At-Large

R.K. Whitehead

Board Appointment

The Mountain Endowment Fund, Inc. 2001 Annual Report

Board of Directors 2001-2002

Dan Boyce, Chair
Hal Reed, Vice Chair
Ann Creech, Corp. Secretary

Paul Clipp
Harry Donavon
Arnold Gelbin
June Sholin

John Wood
Jean Findley, MR&LCs Trustee
Neal Andreae, Treasurer
Larry Wheeler, Staff Liaison

Dan Boyce, Chair

*"We drink from wells we did not dig;
we are warmed by fires we did not build."*

—sign in the Dining Hall of The Mountain

I've had the pleasure of serving three years as chair of the Mountain Endowment Board. Our task has been to create a strong infrastructure for the fund and to get the word out that members and friends of The Mountain have a wonderful opportunity to make a lasting difference to this beloved place. Having the solid support of a wonderful group of Board members and all The Mountain staff throughout my tenure has made this position both rewarding and satisfying.

As I depart the committee—I am "termed out" after my six

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STATEMENTS OF FINANCIAL POSITION

Management Statements Unaudited	Dec. 31, 2001	Dec. 31, 2000
ASSETS		
Current Assets		
Accounts Receivable	\$ 13,686	\$ 5,693
Donor Pledges Receivable	-	1,000
Total Current Assets	13,686	6,693
Investments	307,659	284,057
Total Assets	\$ 321,345	\$ 290,750
LIABILITIES AND NET ASSETS		
Total Liabilities	\$ -	\$ -
Net Assets:		
Unrestricted	3,226	9,489
Permanently restricted	318,119	281,261
Total Net Assets	321,345	290,750
Total Liabilities and Net Assets	\$ 321,345	\$ 290,750

STATEMENTS OF ACTIVITIES

Management Statements Unaudited	Year Ended Dec. 31, 2001	Year Ended Dec. 31, 2000
Changes in Unrestricted Net Assets:		
REVENUE		
Interest	\$ 12,128	\$ 12,120
Dividends	932	346
Contributions	-	1,352
Total Unrestricted Revenues	13,060	13,818
EXPENSES		
Administration	NONE*	NONE*
Board Travel Expenses	2,332	2,452
Professional Fees, Audit, etc.	1,250	-
Miscellaneous Expenses	527	-
Telephone, conference call meeting	676	-
Printing	-	45
Total Expenses	4,785	2,497
SUPPORT		
Direct Support to The Mountain	14,538	8,628
Total Expenses and Support	19,323	11,125
Increase (decrease) in Unrestricted Net Assets	(6,263)	2,693
Changes in Permanently Restricted Net Assets:		
REVENUE		
Contributions	45,086	99,931
Gain (loss) on Market Value of Securities	(8,228)	15,463
Total Permanently Restricted Revenues	36,858	115,394
EXPENSES	NONE*	NONE*
Increase in Permanently Restricted Net Assets	36,858	115,394
Increase in Net Assets	30,595	118,087
Net Assets at Beginning of Year	290,750	172,663
Net Assets at End of Year	\$ 321,345	\$ 290,750

* The Mountain staff has provided administrative services at no cost to The Endowment Fund.
Available notes are an important part of these financial statements

Susan Nickerson
Hans Nitsch
Lynn & Hubert Normile, Jr.
Leonard & Nancy Nowak
Eric & Isabel Oake
Mary Ann & Godfrey Oakley
Kay Ohanneson
Cherie & Donald O'Keefe
Dorothy & Roy Oliver
Sandy Olson
Brian & Deborah Osgood
Cathy Owen & Erin Owen
Bill & Jan Palich
Krissa Palmer & Michael Licht
Victor & Diantha Pare
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Richard Phillips
Heather Tisdale & Thomas Pitchford
Amanda Plummer
Patrick & Mary Pohl
Melynda A. Ely Ponder
Elizabeth Powers & John Kopynec
Catherine Prentis
June Preston
Nick Prosch
Dick & Sandy Purdy
Ann L. Ragan
Qiyamah Rahman
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Nancy Jacobsen & Tex Ratcliff
Helga Reaves
Sarah Smith Redmond
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Bob & Jeanne Reed
Hal Reed & Terry Morales
Gladys Reese
Glenn & Susan Reider
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Rennselear Resch
Roy Reynolds & Jean Lamer
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Beverly Roberts
Kate & Edward Robie
Jordan Rode
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Simone Rosa
Maia Williams & Wyman Rousseau
John D. Rowland
Bruce & Cece Russell-Jayne
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Randy & Kate Safford
Ed & Julia Sallin
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Agnes Sandborn
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Chuck & Susan Sklar
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Velma Smith
Hilary Smith
I.D. Smith & JoAnn Stokes-Smith
Quentin & Barbara Smith
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Jenny & Mike Stein
Barbara Stenstrom
Ed & Anna Stephens
Bill & Sharon Stepler
Sandra Stimpson
John & Susan Stoll
Lilo Strauss
Michael & Melissa Streppa
Ruth & Mani Subramanian
Ken & Jeannine Suda
Jerry Sullivan
Stephen Sullivan
Janine Sutphen
Bill & Deedi Sutton
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Maxim Tabory
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Carl & Holly Taylor
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Vince Teeter & Kathee Williams
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Rod & Mary Alice Thompson
Susan Thompson
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Jennifer Thorn
Noland Thuss
Sally Tidman
Pete Tolleson
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Joe & Martha Usatine
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Emily B. VanValkenburgh
Lillian Vignieri
Marge & Arch Wakefield
Tom Wakelyn
Marlene Walker
Jerome & Melissa Walker
Susanne & Mark Walker
Bob Wall
John & Sylvia Wallace
Jim & Ann Wallace
Sarah Walls
Robert Walsh
Doug Walters & Alisa Wood-Walters
Mary K. Ward
Greg Ward
Bob & Nancy Warren
David Watkins
Paula Watson & Rick Irwin
Sidney Watson

Madeline Watt
Joan Watterson
Frances & Bill West
Neal & Cindy Westmoreland
Frederick Westover
Ken & Lorraine Wheeler
Jean & Brian Wheeler
Bruce Whitney
Molly Wilcox
William L. Williams
Virginia & Joe Wilson
Elaine Wimberly
Robert Winchester
Charlie & Arlene Wollmer
Barbara Woolf
Karen Woolhouse
Alice Zawadzki
Sharon Zens
Barbara Zimmerman
Reid Zimmerman
Donna Zurcher

Community Life Members - \$2,000+

Gay Spirit Visions
UU Womenspirit
Minister, UU Church of Asheville
Minister, UU Congregation of Atlanta
Minister, Thomas Jefferson Memorial
Church, Charlottesville
Minister, UU Church of Chattanooga
Minister, UU Fellowship of
Hendersonville
Minister, Tennessee Valley UU
Church, Knoxville
Minister, UU Church of Tallahassee
RE Director, UU church of Asheville
RE Director, UU Fellowship of
Hendersonville

Patron Members - \$5,000+

Sybil & Tom Ackerman
Afesa Adams
Manley & Elissa Allen
M. E. Anderson
Wayne Arnason & Kathleen Rolenz
Harriet J. & William Ball
Terry & Gary Beale
Sharon Beecher
Clint Betz
Bob & Connie Booth
Frances Boozer
Linda Winn Brown & Charles Brown
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Laury Christie
Carol & John Collins
Susan B. Deaver
Nancy & Tom DeLux
Bob & Trudy Deyle
Randy & Luanne Elliott
Margaret & Bud Evans
Murray Evans & Dee Montie
Jim Fason
Stuart & Kay Fors
Bonnie & Fred Forte
Bill & Fran Gimby
Matt & Allie Gooding
Leslie & Joni Grady
Mark & Bonnie Gramlich
Grace Gray
Libba Green
Adam Griffith
Nancy Hall
Carolyn & Bob Hargrove
Anne Heath
Paula Heusinkveld
Jim & Wendie Highsmith
Elvin & Nancy Hilyer
Georgeanne Hoegerman

Albert & Berniece Holt
Don & Betty Hostetler
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Sean Korb
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Lee & Marion Leiserson
Alan & Anna Belle Leiserson
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Bob MacDicken & Eileen Ross
Don & Sue Male
Jeannette Manning
Dee Medley
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George Miller
Kay Montgomery
Joan Moore
Carl Mott & Roberta Jordan
Jeri Moulder & Paul Murray
Margrit Nash
Alice Noggle
Missy James & Jack Nolan
Jan & Don Osgood
Merrill & Charlotte Palmer
E.B. & Brydie Palmore
Sarah & Ernest Palmore
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Pam & John Phelps
Priscilla & Steve Phillips
Walt Pirie
Betty & Milton H. Rahn
Hilda Ratner
Margaret Redfield
Christine Robinson & William Baker
Richard & Michelene Rothman
Robbin Ryan-Mooney & Jim Mooney
Herman & Donna Schmid
Margaret Schmidt
Donna Schmitt
Dorothy & Robert Senghas
David & Anna Smillie
Darwin & Myra Smith
Norman & Emily Sokoloff
Ray & Helen Solomon
Sue-Ann Soloway
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Rem & Lee Stokes
Melanie Morel Sullivan
Sharon Sweede & Bill Sbrocco
Joe Tomczyk & Verlie Leatherwood
Tom & Judy Turnipseed
Savie Underhill
Annette Walker & Kent Sidel
Nancy Maseng & Joe Watterson
Bob & Trudy Wendt
Richard & Dorothy Wertzler
Joan Willey & Charlie Stehman
Gary & Darcy Wolfson
Suzanne Wright
Virginia Talbot & Dean Zuch

Vision Holder Flame Azalea - \$10,000+

Emilu Bailes & Gerald Robison
Marty Beech
Nina Benedetto & Dan King
Louise Birch
Helen Bishop & Susan Grider
Toni & Jonathan Black
John & Kathy Bohstedt
Carl Bretz & Rosemary Burns
Barbara & Ronald Buck
Bill Cherry

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Polly & Hiram Cody, Jr.
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Marian Kern & John Beck
Susan & Charles Kimball
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Bobbie & Jim Littlefield
Larry & Juana Mae Long
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Patricia & John McGiverin
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Morn
Wayne Morris
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Dillman & Robert Sorrells
Sekayi & Anthony Stringer
Kay Giese & David Sweat
Mary Spivey Teslow & Dan Teslow
Becky Tisdale
Anne & Gene Todd
John & Ruth Tori
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Nancy & Chris Welles
Randy & Barbara Whitt
Alan & Janis Wilcox
Nancy Wylie

Vision Holder Mountain Laurel - \$15,000+

Bob & Diane Baum
Marcia Bystrom
Ivan & Jeanetta Cotman
Walter & Alicia Hodges
Claire M. Keane
John Lantz & Jane Royall
Elizabeth McMaster
Mike & Linda Plummer
Sonya Prestridge & Arvid Straube
Helen Ranney
Daidee Springer & Steven
Hollingsworth

Vision Holder Rhododendron - \$20,000+

Sue & Dan Boyce
Virginia Carver & Hank Raichle
Paul & Sandra Clipp
Ann & Joe Creech
Bob & Anne Hornberger
Alan S. Hutchinson
Bruce & Sandy Kirkman
Gladys Light
Ed & Jean Mangiafico
Elmo & Cliff McCray
Laird & Shawna Parry
Judy Shaklee
Robert E. & Susan Smith
Ellen Stewart
Fred & Phyllis Sweeton

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John & Jerri Wood

Vision Holder Chinquapin – \$25,000+

Roger W. & Faith Comstock
Mary Ann Ely
Betty & Philip Green
David & Charlyn Jackson
Irving & Millie Kagan
Phil & Linda Sterner
Hildegard Gray & John Vacher
Sophronia Ward & Allan Morgan

Vision Holder White Oak – \$35,000+

Neal Andrae & Nancy Mitchell
James Lawrence & Elizabeth Ellis
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William & Lucia Pulgram
Mo Wheeler
Nancy Heath & Larry Wheeler
Laura & RK Whitehead
Sue & Bob Whitney

Vision Holder Frasier Magnolia – \$50,000+

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Jacob Hawn, Jr.
Carole Light & Alex Redmountain
Myrtle Lockwood
John & Margaret Norris
Marjorie Riley

Vision Holder Tulip Poplar – \$75,000+

Harry & Rene Donavan
Tom & Jane Warth

Vision Holder Trillium – \$100,000+

Anonymous
Harold & Charlotte Johnson
Margaret Schilling
June Cravens Sholin
Anne Staley

Contributors – \$50+

Rev. Valerie Mapstone Ackerman
Alliance of UUs- Daytona Beach
Buggie & Dave Anderson
Jennifer Baldwin & Loren Post
Bill Baum Jr
Richard Blough
Ron Brooks & Ben Culmeyer
Margaret Broughton
Barbara Brown
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Inge & John Crowley
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Richard & Cathryn DuBow
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Glenn Guffey
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Carol Hamilton
Carol Hamilton & Peter Johnson
Shelley Hamilton & Davy Jay
Hilary Hamlin
Carol Harden & Alan Moore
Merridee Harper
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Renee Herrell
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Betty Hoskins
Doug & Ouida Hotch
Brian Irwin
Calley Jackson
Kathy Jewell
Stuart & Janice Jewell
Juliana's
Steve & Caryl Kaplan
Dick & Jane Kenan
Lucy Kinnaird
Jay Kiskel
Bonnie Kittle
Bob & Lois Krapf
Robin Krivanek
Walter Kropf
Kate & David Lambeth
Dottie Lambeth
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Paul & Sara Lovingood
Dennis & Barbara Lubert
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Noelle Masukawa
Kathy Mays
Boyd McKeown
Hester & Ronald Meyers
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Warren & Marcia Monroe
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Judy Pine
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Allan Stern
June Stratton
Cecelia Sullivan
Joe & Penny Sullivan
Thomas & Molly Tami
Al Taylor
Ray Taylor & Mary WillAllen
Norma Tokars
Howard & Nina Tolley
Harry & Mary Toulmin
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Susan Ullmann
Sue & John Ureda
UUTC
Jose & Lillian Velazquez
Emily & Kenneth Wagstaff
Sylvia Weaver & Ken Damon
Paul & Margie Wheeler
Nancy & Cliff White
Bonnie Whitehurst
Katie & Roger Winchell
Kenneth & Jean Wood
William & Diana Wright
Barbara & Ken Wyatt
Don Youngblood

Living Memorial Members

Mary Ann Ely
Anne Hornberger
Bob Hornberger
Roberta L. Jordan
Myrtle Lockwood
Juanita Ernst Polk
Dorothy Guynn Wertzler
Richard Wertzler

* List current as of
May 1, 2002

President's Article - Continued from page 2

not only must learn to "be with it," we must learn **from** it. We must pay attention to the lessons of September 11. We are a global community. It's not "we Americans," but "we humankind." It's not about our issues—"we" were attacked, "our" freedoms are at risk, "our" economy took a hit ... it's about a world at war with itself ... at war about ideas, beliefs, oppression, power, fear, mistrust. It's about people not at peace, a world not at peace with itself.

And the truth is, as UU minister, noted author and Mountain Trustee, Rosemary Bray McNatt writes, "If there is no **justice**, there will be no peace...."

And we **make justice** by acknowledging the horror of physical combat and work to end all violence, all wars—we say to our leaders, "find another way!"

And we **make justice** by reaching out to one another in the pews, in the schools, in the communities and we say to our leaders, "embrace differences!"

And we **make justice** by supporting a world view that respects the depth of influence of culture and creed.

And we **make justice** by saying to our leaders, "the environment counts, act responsibly!"

The reality is, we need to learn to live with 9/11. The perspective is, we need to learn from it.

And lastly, I want to share words by Martin Luther King, Jr. in which the reality and the perspective are one. He wrote, "Everybody can be great, because everybody can serve. You don't have to make your subject and verb agree ... to serve. You don't have to know about Plato and Aristotle ... to serve. You don't have to know Einstein's theory of relativity or the second theory of thermodynamics in physics ... to serve. You only need a heart full of grace, a soul generated by love."

This report began with the coed letter. I'd like to finish with one of my own:

"Dear Members and donors: 2001 was a most difficult year. We lost money.... Your dedicated President.

P.S. Although the above **is** true, I want you to put that news in perspective. The Mountain is about service. With commitments to financial stewardship, programs of relevance, justice and diversity, The Mountain serves with 'hearts full of grace and souls generated by love.' Count on it!"

The Mountain Endowment Fund, Inc. 2001 Annual Report

Board of Directors 2001-2002

Dan Boyce, Chair
Hal Reed, Vice Chair
Ann Creech, Corp. Secretary

Paul Clipp
Harry Donavon
Arnold Gelbin
June Sholin

John Wood
Jean Findley, MR&LCs Trustee
Neal Andreae, Treasurer
Larry Wheeler, Staff Liaison

Dan Boyce, Chair

*"We drink from wells we did not dig;
we are warmed by fires we did not build."*

—sign in the Dining Hall of The Mountain

I've had the pleasure of serving three years as chair of the Mountain Endowment Board. Our task has been to create a strong infrastructure for the fund and to get the word out that members and friends of The Mountain have a wonderful opportunity to make a lasting difference to this beloved place. Having the solid support of a wonderful group of Board members and all The Mountain staff throughout my tenure has made this position both rewarding and satisfying.

As I depart the committee—I am "termed out" after my six

Continues on page 8

STATEMENTS OF FINANCIAL POSITION

Management Statements

Unaudited Dec. 31, 2001 Dec. 31, 2000

ASSETS

Current Assets

Accounts Receivable	\$ 13,686	\$ 5,693
Donor Pledges Receivable	-	1,000
Total Current Assets	13,686	6,693

Investments 307,659 284,057

Total Assets **\$ 321,345** **\$ 290,750**

LIABILITIES AND NET ASSETS

Total Liabilities \$ - \$ -

Net Assets:

Unrestricted	3,226	9,489
Permanently restricted	318,119	281,261

Total Net Assets 321,345 290,750

Total Liabilities and Net Assets **\$ 321,345** **\$ 290,750**

STATEMENTS OF ACTIVITIES

Management Statements Year Ended Year Ended
Unaudited Dec. 31, 2001 Dec. 31, 2000

Changes in Unrestricted Net Assets:

REVENUE		
Interest	\$ 12,128	\$ 12,120
Dividends	932	346
Contributions	-	1,352
Total Unrestricted Revenues	13,060	13,818

EXPENSES		
Administration	NONE*	NONE*
Board Travel Expenses	2,332	2,452
Professional Fees, Audit, etc.	1,250	-
Miscellaneous Expenses	527	-
Telephone, conference call meeting	676	-
Printing	-	45
Total Expenses	4,785	2,497

SUPPORT		
Direct Support to The Mountain	14,538	8,628
Total Expenses and Support	19,323	11,125

Increase (decrease) in Unrestricted Net Assets	(6,263)	2,693
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Changes in Permanently Restricted Net Assets:

REVENUE		
Contributions	45,086	99,931
Gain (loss) on Market Value of Securities	(8,228)	15,463

Total Permanently Restricted Revenues **36,858** **115,394**

EXPENSES **NONE*** **NONE***

Increase in Permanently Restricted Net Assets	36,858	115,394
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Increase in Net Assets **30,595** **118,087**

Net Assets at Beginning of Year 290,750 172,663

Net Assets at End of Year **\$ 321,345** **\$ 290,750**

* The Mountain staff has provided administrative services at no cost to The Endowment Fund.
Available notes are an important part of these financial statements

Financial Advisor's Report to the Board

Jean Findley

2001 was a difficult year for The Mountain. Although growth continued to be strong with Total Assets increasing 5.9% and Operating Revenue increasing 2.7%, Development receipts decreased significantly 28.2%. This resulted in Total Expenses exceeding Total Revenue by \$296,859.

LIQUIDITY AND DEBT

As The Mountain continues to evolve, liquidity and debt remain vital areas to monitor. On the positive side, The Mountain's ability to meet immediate obligations (the Current Ratio) and its level of working capital (the Quick Ratio) have both improved by 100%. Current Assets have increased 35.8% to \$857,925 while current Liabilities have decreased 31.9% to \$557,434. This is a result of a strong cash position at the end of the year, debt restructuring, camp deposits for 2002, and additional member loans.

In 2001, the Debt-to-Total-Assets Ratio increased for The Mountain to 92.3%. This measure is the percentage of Total Assets financed by debt, and indicates the amount of risk an organization assumes by financial leverage, the lower the percentage the better. Fortunately, The Mountain is worth much more than its asset valuation on the books.

Despite our strong cash position at year-end, Operations used \$691,644 more than it generated during the year. We borrowed \$846,418 to cover the shortfall and chose to lower Capital Spending, using only \$106,835. Available cash will continue being carefully scrutinized during 2002 to ensure the stability of The Mountain.

RESULTS OF OPERATIONS

2001 continued the increase in Operating Revenue, to \$1,253,885. The Youth programs led the way, showing a 16.2% increase over the prior year. However, Operating Expenses continued to increase at a faster pace than Operating Revenue, as did Interest Expenses. Since Operations is not yet self-supporting, it depends on revenues from Development. When Development receipts do not meet expectations, as in 2001, the gap has to be financed by debt.

CONCLUSION

Although our financial statements were audited this year and we received a clean opinion, we must continue to keep close tabs on our finances. We are optimistic about the future and are focusing on increasing Development receipts back to the level necessary to fund an active organization like The Mountain.

Endowment Article - Continued from page 7

years on the Board—I think of Winston Churchill's immortal words when he said: "So much accomplished; so much yet to be done." We have formalized our committee structure, established our own supporting 501(c)(3) organization and accounts, created an investment policy for the current \$300,000+ in the endowment fund, created policies for accepting non-cash and restricted gifts, and begun a multifaceted publicity campaign to make sure potential donors know about us.

Now we need **you**.

Only the tip of the iceberg has been tapped for this initiative which can be so critical to the long-term financial health of The Mountain. Every time a Mountain member or friend makes a bequest to the Mountain Endowment Fund in their will or trust, every time the Endowment is named as beneficiary of an IRA or retirement plan, every time the Endowment is a beneficiary of a life insurance policy, such actions become a vote of confidence in the future and a note of thanks for the gifts this place has bestowed upon us and upon the many lives that it touches.

We are now in the **Charter Membership** period for the President's Society—a group consisting of those who have named

The Mountain or the Mountain Endowment Fund in their estate plans or as a beneficiary of a life insurance or a retirement plan. This period will last from now through June 30, 2003, and will be celebrated over Memorial Day Weekend 2003. It would be wonderful to have a large, grand celebration at that time to welcome all the new members.

If not you, then who? If not now, then when?

Please join me in becoming a "well-digger;" please join me in being a "fire-builder."

Trustees Message - Continued from page 3

ourselves of the unbroken record of safety enjoyed by every single one of the youth programs that are run at The Mountain. We must remind ourselves of the overwhelming sense of love and well being that pervades this place we call home.

In this extraordinary time, when faith-based and secular non-profit institutions are scraping to get by and are questioning their missions, The Mountain has only deepened its commitment to embracing the diversity of life and to energizing people to work for positive change. I hope 2002 will be the year you deepen your commitment to The Mountain.

The Mountain Retreat & Learning Centers, Inc.

Financial Report 2001

Robin Canady, Controller

STATEMENTS OF FINANCIAL POSITION

Management Statements Unaudited	Dec. 31, 2001	Dec. 31, 2000
ASSETS		
Cash and cash equivalents	\$ 97,053	\$ 49,114
Donor pledges receivable, net	717,818	526,718
Inventories, net	7,419	18,011
Prepaid expenses	12,397	10,385
Other current assets	23,238	27,296
	<u>857,925</u>	<u>631,524</u>
Property and equipment, net	<u>2,787,292</u>	<u>2,810,478</u>
Total Assets	<u>\$3,645,217</u>	<u>\$3,442,002</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 50,223	\$ 79,836
Accrued expenses & deferred comp.	125,320	104,922
Notes payable-bank	43,961	365,000
Current portion of long-term debt	200,000	150,000
Deferred revenue	137,930	118,907
Other current liabilities	-	-
	<u>557,434</u>	<u>818,665</u>
Long-term debt, less current portion	<u>2,805,579</u>	<u>2,044,274</u>
Total Liabilities	<u>3,363,013</u>	<u>2,862,939</u>
Net Assets:		
Unrestricted	209,590	570,175
Temporarily restricted	<u>72,614</u>	<u>8,888</u>
Total Net Assets	<u>282,204</u>	<u>579,063</u>
Total Liabilities and Net Assets	<u>\$3,645,217</u>	<u>\$3,442,002</u>



Available notes are an important part of these financial statements

STATEMENTS OF CASH FLOW

Management Statements Unaudited	Year Ended Dec. 31, 2001	Year Ended Dec. 31, 2000
Cash Flows From Operating Activities:		
Change in net assets	\$ (296,859)	\$ 68,764
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	116,987	114,998
In-Kind Donations	(22,079)	(21,632)
(Increase) decrease in current assets:		
Donor pledges receivable, net	(191,100)	(331,838)
Inventories, net	10,592	(3,976)
Prepaid expenses	(2,012)	(2,205)
Other current assets	4,058	(9,889)
Increase (decrease) in current liabilities:		
Accounts payable	(29,613)	(10,048)
Accrued expenses	7,046	20,424
Current notes payable-bank	(321,039)	93,421
Deferred revenue	19,023	(7,554)
Other current liabilities	<u>13,352</u>	<u>(763)</u>
Net Cash from Operating Activities	<u>(691,644)</u>	<u>(90,298)</u>
Cash Flows From Investing Activities:		
Purchases of fixed assets	<u>(106,835)</u>	<u>(173,318)</u>
Net Cash from Investing Activities	<u>(106,835)</u>	<u>(173,318)</u>
Cash Flows From Financing Activities:		
Proceeds from borrowings	1,191,067	659,000
Repayment of debt-bank	(56,041)	(263,830)
Repayment on notes payable	(353,505)	(213,099)
Interest payable	<u>64,897</u>	<u>42,659</u>
Net Cash from Financing Activities	<u>846,418</u>	<u>224,730</u>
Net Increase in Cash	47,939	(38,886)
Cash at Beginning of Year	<u>49,114</u>	<u>88,000</u>
Cash at End of Year	<u>\$ 97,053</u>	<u>\$ 49,114</u>

STATEMENTS OF ACTIVITIES

Management Statements
Unaudited

	Year Ended December 31, 2001				Year Ended Dec. 31, 2000
	Retreat Center	Milestone Center	Learning Center for Leadership	Totals	Totals
Changes in Unrestricted Net Assets:					
REVENUE					
Retreats & Conferences	\$ 356,500	\$ -	\$ -	\$ 356,500	\$ 362,909
Senior Programs	280,351	-	-	280,351	270,969
Youth Programs	305,104	-	-	305,104	262,553
Mountain Design Programs	106,178	-	-	106,178	112,383
Drop In	41,357	-	-	41,357	42,721
Store Margin	6,263	-	-	6,263	7,033
Other	16,157	-	-	16,157	9,018
Milestone	-	73,014	-	73,014	94,950
Learning Center for Leadership	-	-	68,961	68,961	58,593
Sub-total	1,111,910	73,014	68,961	1,253,885	1,221,129
Contributions				590,654	834,787
Support from The Endowment Fund				14,538	8,628
Sub-total				605,192	843,415
Total Unrestricted Revenues	1,111,910	73,014	68,961	1,859,077	2,064,544
Net assets released from restrictions		8,888		8,888	-
Total Unrestricted Revenues and Other Support	1,111,910	81,902	68,961	1,867,965	2,064,544
EXPENSES					
Programs:					
Retreats & Conferences	277,632	-	-	277,632	286,552
Senior Programs	245,065	-	-	245,065	237,491
Youth Programs	389,553	-	-	389,553	327,254
Mountain Design Programs	90,227	-	-	90,227	64,120
Drop In	48,589	-	-	48,589	75,872
Milestone	-	158,914	-	158,914	153,373
Learning Center for Leadership	-	-	131,486	131,486	71,119
Total Program Expenses	1,051,066	158,914	131,486	1,341,466	1,215,781
Support Services:					
Administration & Board				408,058	319,265
Development				181,616	180,233
Financing/Interest				190,103	182,764
Depreciation, excluding vehicles				107,307	106,625
Total Support Services Expenses				887,084	788,887
Total Expenses				2,228,550	2,004,668
Increase (decrease) in Unrestricted Net Assets				(360,586)	59,876
Changes in Temporarily Restricted Net Assets:					
Contributions				72,614	8,888
Net assets released from restrictions				(8,888)	-
Increase (decrease) in Temporarily Restricted Net Assets				63,726	8,888
Increase (decrease) in Net Assets				(296,859)	68,764
Net Assets at Beginning of Year				579,063	510,299
Net Assets at End of Year				\$ 282,204	\$ 579,063

Available notes are an important part of these financial statements