

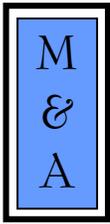
**Walking Mountains
(A Colorado Non-Profit Corporation)**

**Financial Statements
June 30, 2014**

**Walking Mountains
(A Colorado Non-Profit Corporation)
June 30, 2014**

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MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors Walking Mountains

We have audited the accompanying financial statements of Walking Mountains, which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from Walking Mountains's 2013 financial statements and, in our report dated October 15, 2013, we expressed an unqualified opinion on those 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 of 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.

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
DANIEL R. CUDAHY, CPA, CGMA

AVON: (970) 845-8800
ASPEN: (970) 544-3996
FRISCO: (970) 668-3481

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Walking Mountains as of June 30, 2014, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 14 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McMahan and Associates, L.L.C.
October 22, 2014

Walking Mountains
(A Colorado Non-Profit Corporation)
Statement of Financial Position
June 30, 2014
With Comparative Totals for 2013

	2014		2013	
	Unrestricted	Temporarily Restricted	Total	Total
Assets:				
Current assets:				
Cash and cash equivalents	713,155	91,171	804,326	532,533
Restricted cash held for others	8,316	-	8,316	25,702
Investments	15,976	38,332	54,308	52,936
Accounts receivable	43,556	-	43,556	6,136
Pledges receivable	177,306	-	177,306	329,082
Bookstore inventory	24,593	-	24,593	20,770
Other current assets	23,524	-	23,524	20,452
Total current assets	1,006,426	129,503	1,135,929	987,611
Non current assets:				
Pledges receivable	273,175	-	273,175	323,674
Total non current assets	273,175	-	273,175	323,674
Fixed assets:				
Land	3,850,000	-	3,850,000	3,850,000
Building	7,609,716	-	7,609,716	7,607,061
Equipment	87,810	-	87,810	85,627
Furniture and fixtures	724,074	-	724,074	711,172
Vehicle	35,194	-	35,194	35,194
Website	97,516	-	97,516	97,516
Less: accumulated depreciation	(910,897)	-	(910,897)	(585,607)
Net fixed assets	11,493,413	-	11,493,413	11,800,963
Total Assets	12,773,014	129,503	12,902,517	13,112,248
Liabilities and Net Assets:				
Current Liabilities:				
Accounts payable	26,136	-	26,136	83,003
Accrued payroll	30,696	-	30,696	20,642
Deferred revenue	294,405	-	294,405	110,153
Held for others	8,316	-	8,316	25,702
Current portion of construction draw	-	-	-	750,000
Total current liabilities	359,553	-	359,553	989,500
Non current liabilities:				
Construction draw	610,000	-	610,000	9,036
Total non current liabilities	610,000	-	610,000	9,036
Total Liabilities	969,553	-	969,553	998,536
Net assets:				
Net investment in fixed assets	11,493,413	-	11,493,413	11,800,963
Unrestricted	310,048	-	310,048	186,082
Temporarily restricted	-	129,503	129,503	126,667
Total net assets	11,803,461	129,503	11,932,964	12,113,712
Total Liabilities and Net Assets	12,773,014	129,503	12,902,517	13,112,248

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

Walking Mountains
(A Colorado Non-Profit Corporation)
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2014
With Comparative Totals for 2013

	2014			2013
	Unrestricted	Temporarily Restricted	Total	Total
Operating Income (Loss):				
Revenues:				
Contributions	610,442	483,679	1,094,121	1,056,413
Contributions - In-kind	99,629	-	99,629	67,302
Program fees and tuition	505,379	-	505,379	198,031
Special events	18,122	-	18,122	61,686
Interest income	3,326	6,197	9,523	8,053
Other	39,852	-	39,852	30,767
Net assets released from restrictions	487,040	(487,040)	-	-
Total Revenues	1,763,790	2,836	1,766,626	1,422,252
Expenses:				
Programs	1,720,517	-	1,720,517	1,348,853
Management and general	145,780	-	145,780	135,812
Fundraising and other supporting services	234,745	-	234,745	185,696
Total Expenses	2,101,042	-	2,101,042	1,670,361
Operating Income (Loss)	(337,252)	2,836	(334,416)	(248,109)
Non-Operating Income (Loss):				
Net contribution from EVAS	153,668	-	153,668	-
Change in Net Assets	(183,584)	2,836	(180,748)	(248,109)
Net Assets - Beginning of Year	11,987,045	126,667	12,113,712	12,361,821
Net Assets - End of Year	11,803,461	129,503	11,932,964	12,113,712

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

Walking Mountains
(A Colorado Non-Profit Corporation)
Statement of Cash Flows
For the Year Ended June 30, 2014
With Comparative Totals for 2013

	2014			2013
	Unrestricted	Temporarily Restricted	Total	Total
Cash Flows From Operating Activities:				
Cash received from donations	812,717	483,675	1,296,392	1,129,876
Cash received for program fees and tuition	595,277	-	595,277	211,750
Cash received from special events	99,096	-	99,096	76,036
Cash received from other	39,856	-	39,856	30,771
Cash received from interest	407	485	892	8,583
Cash paid to employees	(1,027,162)	-	(1,027,162)	(798,006)
Cash paid for interest	(31,735)	-	(31,735)	(46,362)
Cash paid for goods and services	(694,139)	-	(694,139)	(405,603)
Net cash released from restriction	527,209	(527,209)	-	-
Net Cash Provided (Used) by Operating Activities	321,526	(43,049)	278,477	207,045
Cash Flows From Financing Activities:				
Principal payments on debt	(149,036)	-	(149,036)	(264,902)
Cash received from debt issuance	-	-	-	24,003
Net Cash Provided (Used) by Financing Activities	(149,036)	-	(149,036)	(240,899)
Cash Flows From Investing Activities:				
Payments for purchase of property and equipment	(17,741)	-	(17,741)	(90,625)
Cash paid to purchase investments	(294)	-	(294)	-
Cash received from sale of investments	-	7,553	7,553	52,245
Cash received from acquisition of EVAS	135,448	-	135,448	-
Net Cash Provided (Used) by Investing Activities	117,413	7,553	124,966	(38,380)
Net Change in Cash	289,903	(35,496)	254,407	(72,234)
Cash Balance and Cash Equivalents - Beginning of Year	431,568	126,667	558,235	630,469
Cash Balance and Cash Equivalents - End of Year	721,471	91,171	812,642	558,235
Reconciliation to Cash on Statement of Financial Position				
Cash and cash equivalents	713,155	91,171	804,326	532,533
Cash held for others	8,316	-	8,316	25,702
	<u>721,471</u>	<u>91,171</u>	<u>812,642</u>	<u>558,235</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating income (loss)	(337,252)	2,836	(334,416)	(248,109)
Adjustments:				
Depreciation expense	325,290	-	325,290	320,714
Donated investments	40,173	(40,173)	-	(52,245)
(Increase) decrease in accrued interest receivable	(2,919)	(5,712)	(8,631)	530
(Increase) decrease in accounts receivable	(13,380)	-	(13,380)	3,024
(Increase) decrease in pledges receivable	202,275	-	202,275	125,708
(Increase) decrease in bookstore inventory	(3,823)	-	(3,823)	(1,665)
(Increase) decrease in other current assets	370	-	370	(11,908)
Increase (decrease) in accounts payable	(57,812)	-	(57,812)	55,340
Increase (decrease) in accrued payroll	10,054	-	10,054	(9,389)
Increase (decrease) in deferred revenue	184,252	-	184,252	25,045
Increase (decrease) in infrastructure escrow	(25,702)	-	(25,702)	-
Total Adjustments	658,778	(45,885)	612,893	455,154
Net Cash Provided (Used) by Operating Activities	321,526	(43,049)	278,477	207,045

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

**Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2014**

1. Organization

Walking Mountains (the "Science Center"), a non-profit corporation, was founded in 1998. The Science Center was formerly Gore Range Natural Science School, but filed Articles of Amendment June 3, 2010 to change the name to Walking Mountains. The Science Center is located in Avon, Colorado, and strives to awaken a sense of wonder and inspire environmental stewardship through natural science education. Programs include scientific field study trips for school groups, teacher training workshops, adult natural history seminars, guided nature hikes for families and adults, summer science camps, and college-level internships.

On October 31, 2013 Eagle Valley Alliance for Sustainability was acquired by the Science Center, which added sustainability and stewardship programs to the Science Center's scope of activities.

2. Summary of Significant Accounting Policies

A. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting, which recognizes revenues when earned and expenses when incurred.

B. Support and Revenue

Unconditional promises to give (pledges) are recorded when received. Unconditional promises to give which are due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give that are due in subsequent years are reflected as long-term promises to give, and are recorded at the present value of their net realizable value, using an average of the one-year and three-year risk-free interest rates to discount these amounts.

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit or specify the use of the donated assets, whether by time period or purpose. When a donor restriction expires, that is, when a stipulated time restriction ends or the stated 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.

Endowment contributions are permanently restricted by the donor, with investment earnings to be used as needed by the Science Center. Such investment earnings are recorded in unrestricted net assets. There are no permanently restricted net assets at June 30, 2014.

Non-monetary donations of goods and services are accepted and recorded at their fair values when received. Donated services are recorded at their fair values in the period received, provided that such services either create or enhance non-financial assets or are considered to be "professional" services which the Science Center would otherwise be required to purchase. Donated fixed assets are recorded at fair value when received and reflected in these financial statements as contribution revenue and an addition to fixed assets.

C. Cash and Cash Equivalents

All short-term investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the date of purchase, they have a maturity date of less than three months.

Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2014
(Continued)

2. Summary of Significant Accounting Policies (continued)

D. Restricted Cash Held for Others

At June 30, 2014, the Science Center held \$8,316 for the Vail and Eagle Vail Community Gardens. The Science Center has a liability recorded for the same amount at June 30, 2014, representing that cash is being held for the use of others.

E. Investments

The Science Center has invested certain funds in a stock market index fund. Since these securities are intended to fund future expenditures and may provide a ready source of cash when so required, these investments are classified as trading. Accordingly, these securities are reported on these financial statements at market value, and all realized and unrealized gains and losses relating to original cost are included in current period earnings. See Note 5 below.

F. Allowance for Doubtful Pledges

The Science Center uses the allowance method for recognizing uncollectible pledges receivable. The allowance is an estimate based on an analysis of outstanding pledges receivable. At June 30, 2014, an allowance of \$42,811 was recorded. The Science Center considers pledges to be doubtful when they are 365 days or more past due and there has been no response from the donor.

G. Inventories

Bookstore inventories are stated at the lower of cost, utilizing the first in, first out method, and market value.

H. Fixed Assets and Depreciation

Property and equipment having a unit cost of \$1,000 or more is capitalized at cost. Donated fixed assets having a fair value of \$1,000 or more are capitalized at fair value at the date of donation. Land and construction in progress are not depreciated.

Depreciation is provided using the straight-line basis over the following estimated useful lives:

Buildings	39
Furniture and fixtures	5-7
Computer equipment and website	3-7
Program and office equipment	5
Vehicles	5

I. Deferred Revenue

Deferred revenue represents funds for tuition, contract agreements and special event revenue for next fiscal year, which has been received in advance.

Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2014
(Continued)

2. Summary of Significant Accounting Policies (continued)

J. Classification of Net Assets

Net assets are classified, according to donor intentions, as unrestricted, temporarily restricted, and permanently restricted. Temporarily restricted net assets are reclassified to unrestricted upon satisfaction of donor intentions with respect to time and purpose. At June 30, 2014, net assets were unrestricted and temporarily restricted; there were no permanently restricted net assets.

K. Income Taxes

The Science Center is a non-profit organization as described in section 501(c)(3) of the Internal Revenue Code and is thus exempt from federal and state income taxes on income which is directly related to its organizational purpose. The Federal informational returns of the Science Center are subject to examination by the Internal Revenue Service. The Science Center is no longer subject to examination for tax years prior to 2010.

L. Functional Expenses

The cost of providing the various programs and supporting services have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets. Directly identifiable program expenses are charged to program services. Expenses related to more than one function are charged to program services on the basis of time spent or other factors influencing the generation of the expense. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Science Center. Accordingly, certain costs have been allocated among the program services benefited.

M. In-kind Contributions

In-kind contributions are recognized as contribution income and program service expense at their fair market value at the time of contribution.

N. 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

O. Comparative Information

The financial statements include certain prior year comparative information in total but not by net asset class. Accordingly, such information should be read in conjunction with the Science Center's financial statements for the year ended June 30, 2013, from which the comparative totals were derived.

P. Subsequent Events

Management has evaluated subsequent events through October 22, 2014, the date the financial statements were available to be issued. Management does not believe there are any material subsequent events to report, except as disclosed in Note 16.

Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2014
(Continued)

3. Promise to Give

Unconditional promises to give at June 30, 2014, are as follows:

Receivable in less than one year	\$ 220,117
Receivable in one to five years	274,991
Total unconditional promises to give	<u>495,108</u>
Less discounts to net present value	(1,816)
Less allowance for doubtful accounts	<u>(42,811)</u>
Net unconditional promises to give at June 30, 2012	<u><u>\$ 450,481</u></u>

The discount rate used on long-term promises to give was 0.41% in 2014.

4. Conditional Promises to Give

The Science Center has received notification of the intention of three separate donors to bequeath \$120,000, in total, to the Science Center. The amount of each bequest will be recognized in revenue when the probate court declares the will valid.

5. Investments

The Science Center's investments at June 30, 2014 were comprised of the following:

Mutual funds	<u>\$ 54,308</u>
Total	<u><u>\$ 54,308</u></u>

6. Fixed Assets

The following is a schedule of changes in fixed assets:

	Balance 6/30/13	Additions	Deletions	Balance 6/30/14
Land	\$ 3,850,000	-	-	3,850,000
Buildings	7,607,061	2,655	-	7,609,716
Furniture and fixtures	711,172	12,902	-	724,074
Computer equipment	75,871	-	-	75,871
Program and office equipment	9,756	2,183	-	11,939
Vehicles	35,194	-	-	35,194
Website	97,516	-	-	97,516
Total fixed assets	<u>12,386,570</u>	<u>17,740</u>	<u>-</u>	<u>12,404,310</u>
Less: accumulated depreciation	<u>(585,607)</u>	<u>(325,290)</u>	<u>-</u>	<u>(910,897)</u>
Total	<u><u>\$ 11,800,963</u></u>	<u><u>(307,550)</u></u>	<u><u>-</u></u>	<u><u>11,493,413</u></u>

Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2014
(Continued)

7. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

Girls in Science	\$ 21,936
Internship program	2,850
Science, Technology, Engineering and Math	57,328
Teacher salaries	38,332
Sustainability programs	9,057
Total temporarily restricted net assets	<u>\$ 129,503</u>

Net assets were released from donor restriction by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

Purpose restriction accomplished:	
Science Center campus	\$ 49,088
Girls in science	33,058
Internship program	63,650
Science, Technology, Engineering and Math	41,176
Youth / School programs	131,825
Teacher salaries	7,500
Graduate fellowship scholarships	20,000
Sustainability programs	71,743
Summer camp	1,500
Community programs	67,500
Total restrictions released	<u>\$ 487,040</u>

8. Line of Credit

A. Construction Draw Line of Credit – Alpine Bank

On August 20, 2010, the Science Center entered into an agreement with Alpine Bank for a construction draw line of credit not to exceed \$2,000,000. The line is secured by a Deed of Trust on the lot and all improvements at 318 Walking Mountains Lane, Avon, Colorado 81620. The outstanding principal bore interest at the JP Morgan Chase Prime rate plus 1.00%, with a 5% floor and matured August 20, 2015. During August 2013, the Science Center entered into a change in terms agreement with Alpine Bank to modify the terms of the construction draw line of credit. The terms were modified to extend the maturity until February 2018, change the interest to a fixed rate of 4.5% per annum, and increase the note payable balance to \$803,654. During fiscal 2014, the Science Center drew \$0 and repaid \$149,036. The balance outstanding at June 30, 2014 was \$610,000.

The principal payment schedule at June 30, 2014 is as follows:

- Loan to be paid down to maximum loan balance of \$650,000 by 7/1/14
- Loan to be paid down to maximum loan balance of \$550,000 by 7/1/15
- Loan to be paid down to maximum loan balance of \$500,000 by 7/1/16
- Loan to be paid down to maximum loan balance of \$325,000 by 7/1/17
- Loan to be paid in full by 2/1/18

**Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2014
(Continued)**

8. Line of Credit (continued)

B. Operating Line of Credit – Alpine Bank

On August 16, 2010, the Science Center entered into an agreement with Alpine Bank. The line of credit, not to exceed \$300,000, is secured by all accounts receivable. The outstanding principal bears interest at the JP Morgan Chase Prime rate plus 2.00%, with a 6% floor and matured August 16, 2013. During April 2014, the Science Center entered into a change in terms agreement with Alpine Bank to extend the \$300,000 line of credit until February 16, 2015. Interest accrues on outstanding principal at a rate of J.P. Morgan Chase Prime rate plus 1.75%. During the year ended June 30, 2014, the Science Center did not utilize this line of credit. There was no balance outstanding at June 30, 2014. Collateral required to secure this line includes all accounts receivable, cash, pledges, equipment and inventory.

9. Letter of Credit

The Science Center had a letter of credit, not to exceed \$44,618, outstanding with Alpine Bank to be held for the purpose of complying with the requirement of the Town of Avon, the named beneficiary. This letter of credit expired September 15, 2013.

10. Vehicle Lease

The Science Center entered into a lease agreement with Colorado Mountain Express for the lease of three vehicles. The term of this agreement was for May 23, 2014 through August 23, 2014 in the amount of \$650 per month per vehicle, plus a security deposit of \$500 per vehicle. At June 30, 2014, the Science Center had four vehicles leased under the terms of this agreement.

11. Program Partners

A. Vail Associates, Inc. and the United States Department of Agriculture

The Science Center has entered into a challenge cost share agreement with Vail Associates, Inc. ("VA") and the United States Department of Agriculture (the "Forest Service"). The purpose of this agreement is to provide for the enjoyment of Environmental Education for the public at Vail and Beaver Creek. The term of the agreement is March 19, 2013, through March 19, 2018.

Under the terms of this agreement, the Forest Service shall provide \$9,000 in cash to cover stipends, housing for employees (four) on a yearly basis during the period of November 1 through April 30, provide materials and equipment as needed to support the Nature Discovery Center operations, provide information or distribute promotional materials, and provide personnel to aid in training and give updated information concerning forest issues. For the fiscal year 2014, the Science Center recognized \$4,195 of in-kind contribution for housing expenses from the Forest Service.

Under the terms of this agreement, VA will provide \$24,762 in cash to cover stipends, summer housing on a yearly basis from May 1 through October 31, provide yearly funds to the Science Center, provide six full time employee winter ski passes and twelve summer passes, provide promotion for interpretive programming, provide a facility at Eagle's Nest of Vail Mountain in which displays and programs can exist, and will provide general liability insurance. For the fiscal year 2014, VA is to provide the Science Center labor, equipment and use of facilities. During fiscal 2014, the Science Center recognized \$10,693, \$6,600 and \$7,200 for lift tickets, use of facilities and employee housing provided by VA, respectively.

**Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2014
(Continued)**

11. Program Partners (continued)

A. Vail Associates, Inc. and the United States Department of Agriculture (continued)

Under the terms of this agreement, the Science Center will provide an Interpretive Programs Coordinator and supervision for the intern staff, provide interns to staff interpretive programs at the Nature Discovery Center, provide the internship job description and hiring process, provide concentrated training for interns, provide staffing of the Nature Discovery Center, provide Vail and Beaver Creek ski schools with experiential ecology and natural history lessons, and maintain certain insurance policies.

B. United States Department of Agriculture

In fiscal year 2007, the Science Center purchased a national forest bookstore for \$8,979 from the Forest Conservancy and entered into a one year agreement with the Forest Service to operate the bookstore. Under the terms of the agreement, the Science Center will reimburse the Forest Service 10% of gross revenue from the bookstore in return the Forest Service will provide a representative to staff the store. The Science Center is responsible for providing a representative, ordering and maintaining inventory. This agreement was amended during fiscal year 2014 to extend the term of the agreement through August 1, 2017.

C. Vail Recreation District

The Science Center entered into an agreement with Vail Park and Recreation District ("VRD") to provide programming, staffing, operating supplies, electricity, transportation, and maintenance costs up to \$2,000 at the Vail Nature Center from February 2014 to November 2014. Under the terms of the agreement, VRD will pay maintenance costs of the Vail Nature Center in excess of \$2,000, costs to maintain required licenses, costs for telephone and internet service, and compensation of \$50,000 to the Science Center in exchange for services performed.

12. SIMPLE IRA Plan

During August 2008, the Science Center set up a SIMPLE IRA plan (the "Plan") covering all employees with at least one year of service that have earned at least \$5,000. The Science Center makes matching contributions up to 3% of each employee's pay. Total expense for the year ended June 30, 2014 was \$17,382.

13. Related Party – Buck Creek Association

Pursuant to the Declarations filed December 30, 2009 for The Buck Creek Association, Inc., ("Association"), the Science Center holds a 35% allocated interest in the common expenses of the Association. There was no assessment for common expenses of the Association during fiscal year 2014.

14. Uninsured Cash Balances

The Science Center's cash balances held with financial institutions were insured by the Federal Deposit Insurance Corporation (the "FDIC") at December 31, 2012 up to \$250,000 per depositor at each separately chartered FDIC-member financial institution. At June 30, 2014, the Science Center's uninsured cash balances totaled \$470,652.

**Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2014
(Continued)**

15. Business Combination

On October 31, 2013, the Science Center acquired one hundred percent of the non-profit corporation, Eagle Valley Alliance for Sustainability (“EVAS”), for the purpose of furthering both of their non-profit missions and to incorporate sustainability and stewardship programs to the Science Center’s scope of activities. On October 31, 2013, the following assets and liabilities of EVAS were transferred to the Science Center, resulting in net contribution revenue from EVAS.

Cash	\$	135,448
Accounts receivable		24,040
Other current assets		3,442
Accounts payable		(946)
Held for others		<u>(8,316)</u>
 Net contribution from EVAS	 \$	 <u><u>153,668</u></u>

Sustainability and stewardship program revenues and expenses for activity after October 31, 2013 are included in the Science Center’s Statement of Activities on page 4.

16. Subsequent Event

Subsequent to year-end, a temporarily restricted endowment was converted into a permanent endowment, whereby the corpus remains intact and is adjusted annually for the effects of inflation. The balance of the temporarily restricted endowment at June 30, 2014 was \$38,332. Earnings on the invested funds that exceed the rate of inflation are temporarily restricted for educator salaries or youth programs.

Walking Mountains
(A Colorado Non-Profit Corporation)
Schedule of Functional Expenses
For the Year Ended June 30, 2014
With Comparative Totals for 2013

	2014			2013	
	Program Services	Management and General	Fundraising	Total	Total
Accounting	3,120	12,480	-	15,600	15,675
Advertising and marketing	37,420	-	1,969	39,389	21,787
Bank charges and credit card fees	-	10,747	-	10,747	7,805
Board and committee ops.	-	693	-	693	610
Computer support	57,088	6,045	4,030	67,163	45,767
Professional Development	7,244	402	402	8,048	9,201
Contract services	46,126	9,225	6,150	61,501	19,338
Depreciation expense	292,761	19,517	13,012	325,290	320,715
Dues and subscriptions	4,869	541	-	5,410	3,107
Employees: IRA contribution	14,253	1,217	1,912	17,382	16,313
Employees: employee benefits	52,336	4,468	7,021	63,825	41,201
Employees: payroll expenses	56,855	4,853	7,627	69,335	56,152
Employees: salaries and wages	737,180	62,930	98,890	899,000	731,765
Employees: uniforms	1,869	19	19	1,907	2,797
Energy rebates	55,932	-	-	55,932	-
Equipment	9,722	-	-	9,722	4,488
Fees and permits	13,229	135	135	13,499	12,939
Bookstore	12,184	-	-	12,184	12,213
Insurance	32,749	1,724	-	34,473	28,708
Interest expense	31,735	-	-	31,735	46,362
Legal	170	-	-	170	(1,355)
Library supplies	199	259	206	664	293
Misc expenses	-	-	4,423	4,423	2,025
Office supplies	3,660	457	457	4,574	3,524
Postage	2,507	1,254	1,254	5,015	4,080
Printing and copying	19,287	2,411	2,411	24,109	25,332
Program supplies	53,568	-	-	53,568	25,348
Recognition and awards	1,770	2,023	1,264	5,057	5,633
Recruitment	2,399	-	-	2,399	1,597
Rent and utilities	62,129	3,452	3,452	69,033	53,927
Repairs and maintenance	56,705	-	-	56,705	53,922
Special events expense	19,594	-	78,376	97,970	66,257
Telephone	8,402	467	467	9,336	8,714
Travel and lodging	9,795	461	1,268	11,524	8,214
Vehicle	13,660	-	-	13,660	10,888
Total Expenses	1,720,517	145,780	234,745	2,101,042	1,670,361

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