

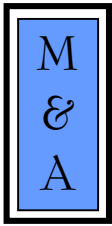


Financial Statements
June 30, 2018

**Walking Mountains
(A Colorado Non-Profit Corporation)
June 30, 2018**

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Walking Mountains**

Report on the Financial Statements

We have audited the accompanying financial statements of Walking Mountains, which comprise the statement of financial position as of June 30, 2018, 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 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.

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**INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Walking Mountains**

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, 2018, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules on pages 15 and 16 are presented for purposes of additional analysis and are 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, except for that portion marked "unaudited", on which we express no opinion, is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Walking Mountain's June 30, 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 6, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.

October 1, 2018

Walking Mountains
(A Colorado Non-Profit Corporation)
Statement of Financial Position
June 30, 2018 and 2017

	2018	2017
Assets:		
Current assets:		
Cash and cash equivalents	\$ 1,859,699	\$ 1,787,040
Restricted cash held for others	6,697	6,330
Investments	149,223	115,715
Accounts receivable	99,344	90,404
Pledges receivable	1,881,283	885,679
Bookstore inventory	37,167	29,145
Tax credit held for sale	-	920,250
Other current assets	63,992	40,614
Total current assets	4,097,405	3,875,177
Non current assets:		
Pledges receivable	427,084	1,378,096
Permanently-restricted cash and investments	1,045,072	1,043,531
Total non current assets	1,472,156	2,421,627
Fixed assets, net	14,288,390	13,241,281
Total Assets	19,857,951	19,538,085
Liabilities and Net Assets:		
Current Liabilities:		
Accounts payable	31,940	70,045
Accrued payroll	105,761	97,227
Deferred revenue	414,084	339,034
Held for others	6,697	6,330
Current portion of notes payable	11,920	7,902
Total current liabilities	570,402	520,538
Non current liabilities:		
Notes payable, net of debt issuance costs of \$0	31,836	2,368,624
Total non current liabilities	31,836	2,368,624
Total Liabilities	602,238	2,889,162
Net assets:		
Net investment in fixed assets	14,244,634	10,864,755
Unrestricted	553,701	2,520,801
Temporarily restricted	3,412,306	2,219,836
Permanently restricted	1,045,072	1,043,531
Total net assets	19,255,713	16,648,923
Total Liabilities and Net Assets	\$ 19,857,951	19,538,085

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, 2018
With Comparative Totals for 2017

	2018			2017	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Operating Income (Loss):					
Revenues:					
Contributions and grants	\$ 1,579,660	3,270,729	-	4,850,389	5,182,587
Contributions - In-kind	144,728	-	-	144,728	188,169
Program fees and tuition	1,063,524	-	-	1,063,524	1,028,657
Special events	54,286	-	-	54,286	23,417
Investment income	14,139	82,480	1,541	98,160	100,469
Bookstore sales	30,980	-	-	30,980	35,243
Other	5,349	-	-	5,349	28,620
Net assets released from restrictions	2,160,739	(2,160,739)	-	-	-
Total Revenues	5,053,405	1,192,470	1,541	6,247,416	6,587,162
Expenses:					
Programs	2,354,946	-	-	2,354,946	2,742,721
Management and general	698,280	-	-	698,280	216,607
Fundraising and other supporting services	587,400	-	-	587,400	365,712
Total Expenses	3,640,626	-	-	3,640,626	3,325,040
Operating Income (Loss)	1,412,779	1,192,470	1,541	2,606,790	3,262,122
Non-Operating Income (Loss):					
(Loss) on contribution of conservation easement	-	-	-	-	(1,092,862)
Gain from tax credit on conservation easement	-	-	-	-	920,250
Change in Net Assets	1,412,779	1,192,470	1,541	2,606,790	3,089,510
Net Assets - Beginning of Year	13,385,556	2,219,836	1,043,531	16,648,923	13,559,413
Net Assets - End of Year	\$ 14,798,335	3,412,306	1,045,072	19,255,713	16,648,923

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, 2018
With Comparative Totals for 2017

	2018	2017
Cash Flows From Operating Activities:		
Cash received from contributions and grants	\$ 4,902,081	4,388,378
Cash received for program fees and tuition	1,033,351	942,753
Cash received from special events	54,286	23,417
Cash received from other	36,329	63,863
Cash received from interest	38,665	34,627
Cash paid to employees	(1,976,634)	(1,758,135)
Cash paid for interest	(40,777)	(61,189)
Cash paid for goods and services	(1,223,487)	(1,016,265)
Net Cash Provided by Operating Activities	2,823,814	2,617,449
Cash Flows From Financing Activities:		
Principal payments on debt	(2,686,001)	(574,602)
Cash received from debt issuance	348,233	2,347,939
Cash drawn on line of credit	327,843	454,969
Cash repaid on line of credit	(327,843)	(454,969)
Net Cash Provided (Used) by Financing Activities	(2,337,768)	1,773,337
Cash Flows From Investing Activities:		
Cash received from sale of assets	-	1,002,138
Payments for purchase of property and equipment	(1,357,716)	(4,073,373)
Cash paid to purchase investments	-	(691,880)
Cash received from sale of investments	24,446	699,106
Cash received from sale of tax credit easement	920,250	-
Net Cash Provided (Used) by Investing Activities	(413,020)	(3,064,009)
Net Change in Cash	73,026	1,326,777
Cash and Cash Equivalents - Beginning of Year	1,793,370	466,593
Cash and Cash Equivalents - End of Year	1,866,396	1,793,370
Reconciliation to Cash on Statement of Financial Position		
Cash and cash equivalents	1,859,699	1,787,040
Cash held for others	6,697	6,330
	1,866,396	1,793,370
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating income (loss)	2,606,790	3,262,122
Adjustments:		
Depreciation expense	310,607	328,258
Unrealized (gain) loss on investments	(59,495)	(65,842)
(Increase) decrease in accounts receivable	(8,940)	(62,176)
(Increase) decrease in pledges receivable	(44,591)	(790,888)
(Increase) decrease in bookstore inventory	(8,022)	5,548
(Increase) decrease in other current assets	(23,378)	(7,417)
(Increase) decrease in loan issue costs	4,998	(4,997)
Increase (decrease) in accounts payable	(38,106)	(42,622)
Increase (decrease) in accrued payroll	8,534	20,819
Increase (decrease) in deferred revenue	75,050	(27,049)
Increase (decrease) in infrastructure escrow	367	1,693
Total Adjustments	217,024	(644,673)
Net Cash Provided by Operating Activities	\$ 2,823,814	2,617,449

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, 2018**

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 and sustainability 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, sustainability and stewardship programs, and college-level internships.

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 by the Science Center. Such investment earnings are recorded in accordance with the donor's stipulation.

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.

Program fees and tuition revenue are recognized as required performance obligations are satisfied.

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, 2018
(Continued)

2. Summary of Significant Accounting Policies (continued)

D. Restricted Cash Held for Others

At June 30, 2018, the Science Center held \$6,697 for the Vail and Eagle Vail Community Gardens. The Science Center has a liability recorded for the same amount at June 30, 2018, representing that cash is being held for the use of others.

E. Investments

The Science Center has invested certain funds in mutual funds, equities and money market funds. 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 fair 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, 2018, an allowance of \$37,444 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 \$2,500 or more is capitalized at cost. Donated fixed assets having a fair value of \$2,500 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.

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.

**Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2018
(Continued)**

2. Summary of Significant Accounting Policies (continued)

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 2014.

L. Debt Issuance Costs

Debt issuance costs are presented as a reduction of long-term debt and are amortized to interest expense over the life of the related debt.

M. Tax Credit Held for Sale

The tax credit held for sale was created through the sale of a conservation easement on land owned by the Science Center. The tax credit was measured at fair value, less costs to sell. The tax credit was sold during the year ended June 30, 2018.

N. 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.

O. 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.

P. 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, 2017, from which the comparative totals were derived.

Q. Subsequent Events

Management has evaluated subsequent events through October 1, 2018, the date the financial statements were available to be issued. Management does not believe there are any material subsequent events to report.

Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2018
(Continued)

3. Promise to Give

Unconditional promises to give at June 30, 2018, are as follows:

Receivable in less than one year	\$ 1,881,283
Receivable in one to five years	485,000
Total unconditional promises to give	<u>2,366,283</u>
Less allowance for doubtful accounts	(37,444)
Less discount to present value	<u>(20,472)</u>
Net unconditional promises to give	<u><u>\$ 2,308,367</u></u>

The discount rate used on long-term promises to give at June 30, 2018 was 2.68%.

4. Investments

The Science Center's investments at June 30, 2018 were in exchange traded funds and mutual funds comprised of the following:

Stocks	\$ 736,503
Bonds	403,103
Short-term reserves	54,689
Total	<u><u>\$ 1,194,295</u></u>

5. Fixed Assets

The following is a schedule of changes in fixed assets:

	Balance 6/30/17	Additions	Deletions	Balance 6/30/18
Non-depreciable:				
Land	\$ 6,222,534	-	(38,000)	\$ 6,184,534
Construction in progress	261,542	1,355,670	-	1,617,212
Depreciable:				
Buildings	7,609,716	-	-	7,609,716
Equipment	80,368	3,905	-	84,273
Furniture and fixtures	728,321	-	-	728,321
Vehicles	68,366	20,391	(6,500)	82,257
Website	97,516	15,750	-	113,266
Total fixed assets	<u>15,068,363</u>	<u>1,395,716</u>	<u>(44,500)</u>	<u>16,419,579</u>
Less: accumulated depreciation	(1,827,082)	(310,607)	6,500	(2,131,189)
Total	<u><u>\$ 13,241,281</u></u>	<u><u>1,085,109</u></u>	<u><u>(38,000)</u></u>	<u><u>\$ 14,288,390</u></u>

**Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2018
(Continued)**

6. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

Science Center campus	\$ 3,016,760
Youth programs	146,323
401K Matching	150,000
Professional development	98,196
Teacher salaries	1,027
Total temporarily restricted net assets	<u>\$ 3,412,306</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	\$ 1,688,152
Youth Programs	350,527
Professional development	50,000
Sustainability programs	72,060
Total restrictions released	<u>\$ 2,160,739</u>

7. Long-Term Restricted Net Assets

During August 2014, a donor converted a short-term endowment into a long-term endowment for teacher remuneration in programs qualifying under the Colorado Child Care Credit. The balance of this endowment at June 30, 2018 was \$46,099.

During December 2015, a donor contributed \$1,000,000, whereby the Science Center can withdraw up to \$50,000 annually, without donor approval, for use in the professional development of Science Center staff. Any withdrawal amount greater than \$50,000 annually requires written approval from the donor.

The total balance of the two long-term restricted endowments at June 30, 2018 was \$1,045,072.

8. Line of Credit – Alpine Bank

On August 16, 2010, the Science Center entered into an agreement with Alpine Bank for a revolving line of credit not to exceed \$300,000. The Science Center entered into change in terms agreements with Alpine Bank to extend the \$300,000 line of credit until October 2018. Interest accrues on outstanding principal at a rate of J.P. Morgan Chase Prime rate plus 1.75%. During the year ended June 30, 2018, the Science Center drew and repaid \$327,843 on this line of credit. There was no balance outstanding at June 30, 2018. Collateral required to secure this line includes all accounts receivable, cash, pledges, equipment and inventory.

**Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2018
(Continued)**

9. Long-term Debt

A. Note Payable – Alpine Bank

During December 2016, the Science Center executed a promissory note with Alpine Bank to borrow \$2,347,939 to finance the purchase of land and retire outstanding debt. The loan is secured by a Deed of Trust on the lot and all improvements at 318 Walking Mountains Lane and 168 Walking Mountains Lane, Avon, Colorado 81620. Outstanding principal bears interest at 3.875% per annum. Interest is due monthly. The note was paid in full during fiscal year 2018.

B. Vehicle Loans

During April 2016, the Science Center issued a promissory note in the amount of \$19,583 in connection with the purchase of a vehicle. Interest accrues on the unpaid principal balance at a rate of 6.29% per annum. The note matures May 2021 and is secured by a vehicle. The balance outstanding at June 30, 2018 was \$12,190.

During May 2016, the Science Center issued a promissory note in the amount of \$22,283 in connection with the purchase of a vehicle. Interest accrues on the unpaid principal balance at a rate of 6.29% per annum. The note matures May 2021 and is secured by a vehicle. The balance outstanding at June 30, 2018 was \$13,870.

During June 2017, the Science Center issued a promissory note in the amount of \$20,390 in connection with the purchase of a vehicle. Interest accrues on the unpaid principal balance at a rate of 5.35% per annum. The note matures July 2023 and is secured by a vehicle. The balance outstanding at June 30, 2018 was \$17,696.

Principal payments on the Science Center's long-term debt for the five fiscal years following June 30, 2018 and in five-year increments thereafter are as follows:

Fiscal year ending June 30, 2019	11,920
Fiscal year ending June 30, 2020	12,258
Fiscal year ending June 30, 2021	12,045
Fiscal year ending June 30, 2022	3,667
Fiscal year ending June 30, 2023	3,866
Total	\$ 43,756

**Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2018
(Continued)**

11. Letter of Credit

The Science Center has a letter of credit, not to exceed \$5,774, outstanding with Alpine Bank to be held for the purpose of complying with the Colorado Department of Labor and Employment Unemployment Insurance Operations, the named beneficiary. This letter of credit expires October 23, 2018.

12. Operating Leases

A. Colorado Mountain Express

The Science Center entered into a lease agreement with Colorado Mountain Express for the lease of seven vehicles. The term of this agreement was for May 2018 through September 2018 for six vehicles and through November 2018 for one vehicle, in the amount of \$650 per month per vehicle, plus a security deposit of \$500 per vehicle.

B. Mountain Chevrolet

During November 2015, the Science Center entered into a lease agreement with Mountain Chevrolet for the lease of a vehicle. The term of this agreement is from November 2015 through January 2019 and requires lease payments of \$318 per month.

13. Program Partners

A. Vail Associates, Inc. and the United States Forest Service

The Science Center has entered into a challenge cost share agreement with Vail Associates, Inc. ("VA") and the United States Forest Service (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 original term of the agreement was March 19, 2013, through March 19, 2018. In June 2017, the agreement was extended to September 2020.

Under the terms of this agreement, the Forest Service shall provide housing for five employees 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 2018, the Science Center recognized \$6,543 of in-kind contribution for housing expenses from the Forest Service.

Under the terms of this agreement, VA will provide cash to cover internship stipends and wages for three naturalists, provide summer housing on a yearly basis from May 1 through October 31, provide yearly funds to the Science Center, provide twelve full time employee winter ski passes and twenty-five 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 provide general liability insurance. For the fiscal year 2018, VA provided the Science Center labor, equipment and use of facilities. During fiscal 2018, the Science Center recognized \$28,453, \$6,600 and \$68,400 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, 2018
(Continued)**

13. Program Partners (continued)

A. Vail Associates, Inc. and the United States Forest Service (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 Forest Service Bookstore

In fiscal year 2007, the Science Center purchased a national forest bookstore from the Forest Conservancy and entered into an 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.

C. Vail Recreation District

The Science Center entered into a services agreement with Vail Park and Recreation District ("VRD") to provide staffing, programming, operating supplies, electricity, transportation, and maintenance costs at the Vail Nature Center from February 2017 through December 2017. Under the terms of the agreement, VRD will pay maintenance costs of the Vail Nature Center, costs to maintain required licenses, costs for telephone and internet service, and compensation to the Science Center in exchange for services performed. During the year ended June 30, 2018, the Science Center recognized \$55,000 in program fees under this agreement.

14. Retirement Plans

The Science Center had 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. Effective January 1, 2017, the Science Center converted the Simple IRA plan into a 401k plan. Eligibility and contribution matching are the same as with the SIMPLE IRA plan, described above. Total retirement expense for retirement recognized for the year ended June 30, 2018 was \$32,907.

15. 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 2018.

Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2018
(Continued)

16. Concentration of Credit Risk

The Science Center's cash balances held with financial institutions were insured by the Federal Deposit Insurance Corporation (the "FDIC") at June 30, 2018 up to \$250,000 per depositor at each separately chartered FDIC-member financial institution. At June 30, 2018, the uninsured deposits totaled \$1,642,155.

Walking Mountains
(A Colorado Non-Profit Corporation)
Schedule of Functional Expenses
For the Year Ended June 30, 2018

	2018			
	Program Services	Management and General	Fundraising	Total
Accounting	\$ -	24,735	-	24,735
Advertising and marketing	55,859	4,242	10,606	70,707
Bad debt expense	5,309	524	721	6,554
Bank charges and credit card fees	7,632	-	15,494	23,126
Board and committee ops.	-	906	-	906
Computer support	51,475	6,773	9,482	67,730
Contract services	38,079	3,211	4,588	45,878
Depreciation expense	279,546	18,636	12,424	310,606
Dues and subscriptions	3,162	5,174	1,246	9,582
Employees: IRA contribution	16,454	9,543	6,910	32,907
Employees: employee benefits	69,737	40,447	29,289	139,473
Employees: payroll expenses	94,461	23,968	22,558	140,987
Employees: salaries and wages	1,178,714	273,325	256,242	1,708,281
Employees: uniforms	2,483	409	29	2,921
Energy rebates	114,394	-	-	114,394
Energy assessments	43,869	-	-	43,869
Equipment	20,539	3,331	3,886	27,756
Fees and permits	22,545	1,002	1,503	25,050
Bookstore	154	15,253	-	15,407
Insurance	-	56,325	-	56,325
Interest expense	-	41,655	4,120	45,775
Legal	-	-	3,763	3,763
Library supplies	522	16	-	538
(Gain) loss on disposal of assets	(1,000)	-	-	(1,000)
Miscellaneous expenses	-	1,122	10,099	11,221
Office supplies	5,524	1,263	1,105	7,892
Postage	3,204	1,672	2,090	6,966
Printing and copying	18,651	12,561	6,852	38,064
Professional development	99,518	3,078	-	102,596
Professional fees	20,500	15,841	56,842	93,183
Program supplies	66,100	674	674	67,448
Recognition and awards	1,543	996	2,440	4,979
Recruitment	3,862	351	1,638	5,851
Rent and utilities	81,918	4,551	4,551	91,020
Repairs and maintenance	1,108	109,727	-	110,835
Special events expense	2,269	-	111,161	113,430
Telephone	4,461	8,365	1,115	13,941
Travel, lodging and entertainment	15,827	8,063	5,972	29,862
Vehicle	26,527	541	-	27,068
Total Expenses	\$ 2,354,946	698,280	587,400	3,640,626

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

Walking Mountains
(A Colorado Non-Profit Corporation)
Schedule of Revenues and Expenses - Budget (Non-GAAP Basis) and Actual
With Reconciliation to GAAP Basis
For the Year Ended June 30, 2018
With Comparative Totals for 2017

	<u>2018</u>		<u>Variance</u>	<u>2017</u>
	<u>Budget</u> <u>(Unaudited)</u>	<u>Actual</u>	<u>Positive</u> <u>(Negative)</u>	<u>Total</u>
Revenues:				
Contributions and grants	\$ 1,895,101	4,850,389	2,955,288	5,182,587
Contributions - In-kind	41,953	144,728	102,775	188,169
Program fees and tuition	1,041,882	1,063,524	21,642	1,028,657
Special events	-	54,286	54,286	23,417
Investment income	-	98,160	98,160	100,469
Bookstore sales	32,625	30,980	(1,645)	35,239
Other	5,500	5,349	(151)	28,620
Total Revenues	<u>3,017,061</u>	<u>6,247,416</u>	<u>3,230,355</u>	<u>6,587,158</u>
Expenses:				
Accounting	19,500	24,735	(5,235)	19,303
Advertising and marketing	79,739	70,707	9,032	66,649
Bank charges and credit card fees	18,225	23,126	(4,901)	21,767
Board and committee ops.	1,025	906	119	1,332
Capital improvements	-	-	-	208
Computer support	51,500	67,730	(16,230)	46,556
Professional development	83,165	102,596	(19,431)	80,049
Contract services	46,479	45,878	601	28,818
Dues and subscriptions	6,385	9,582	(3,197)	17,329
Employees: IRA contribution	42,559	32,907	9,652	39,276
Employees: employee benefits	110,776	139,473	(28,697)	152,006
Employees: payroll expenses	138,674	140,987	(2,313)	123,186
Employees: salaries and wages	1,653,252	1,708,281	(55,029)	1,505,879
Employees: uniforms	6,845	2,921	3,924	8,380
Energy rebates	109,500	114,394	(4,894)	95,803
Energy assessments	39,996	43,869	(3,873)	24,751
EcoSchool grants	-	-	-	4,700
Equipment	18,450	27,756	(9,306)	17,001
Fees and permits	18,392	25,050	(6,658)	17,646
Bookstore	13,475	15,407	(1,932)	26,246
Insurance	46,010	56,325	(10,315)	44,228
Interest expense	2,100	45,775	(43,675)	62,960
Legal	1,000	3,763	(2,763)	1,100
Library supplies	615	538	77	1,727
(Gain) loss on disposal of assets	-	(1,000)	1,000	-
Miscellaneous expenses	6,060	11,221	(5,161)	5,578
Office supplies	6,034	7,892	(1,858)	6,637
Postage	9,705	6,966	2,739	6,828
Printing and copying	42,265	38,064	4,201	33,918
Professional fees	71,058	93,183	(22,125)	111,040
Program supplies	84,159	67,448	16,711	62,588
Recognition and awards	6,250	4,979	1,271	5,485
Recruitment	2,275	5,851	(3,576)	3,981
Rent and utilities	54,653	91,020	(36,367)	91,652
Repairs and maintenance	62,325	110,835	(48,510)	74,942
Special events expense	97,434	113,430	(15,996)	124,340
Telephone	14,740	13,941	799	13,660
Travel, lodging and entertainment	23,215	29,862	(6,647)	22,545
Vehicle	29,226	27,068	2,158	26,689
Total Expenses - Budget Basis	<u>\$ 3,017,061</u>	<u>3,323,466</u>	<u>(306,405)</u>	<u>2,996,783</u>
Reconciliation to GAAP Basis:				
Bad debt expense		6,554		-
Depreciation expense		310,606		328,257
Total Expenses - GAAP Basis		<u>3,640,626</u>		<u>3,325,040</u>

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