

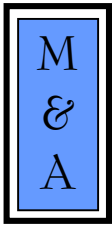
**Walking Mountains
(A Colorado Non-Profit Corporation)**

**Financial Statements
June 30, 2015**

**Walking Mountains
(A Colorado Non-Profit Corporation)
June 30, 2015**

Table of Contents

	Page
INDEPENDENT AUDITORS' REPORT	1 - 2
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 13
Schedule of Functional Expenses	14



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, 2015, 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 2014 financial statements and, in our report dated October 22, 2014, 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, 2015, 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 26, 2015

Walking Mountains
(A Colorado Non-Profit Corporation)
Statement of Financial Position
June 30, 2015
With Comparative Totals for 2014

	2015			2014	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Assets:					
Current assets:					
Cash and cash equivalents	569,420	116,110	-	685,530	804,326
Restricted cash held for others	12,826	-	-	12,826	8,316
Investments	17,124	782	-	17,906	54,308
Accounts receivable	94,610	-	-	94,610	43,556
Pledges receivable	291,505	-	-	291,505	177,306
Bookstore inventory	20,555	-	-	20,555	24,593
Other current assets	49,622	-	-	49,622	23,524
Total current assets	<u>1,055,662</u>	<u>116,892</u>	<u>-</u>	<u>1,172,554</u>	<u>1,135,929</u>
Non current assets:					
Pledges receivable	49,520	-	-	49,520	273,175
Restricted investments	-	-	39,345	39,345	-
Total non current assets	<u>49,520</u>	<u>-</u>	<u>39,345</u>	<u>88,865</u>	<u>273,175</u>
Fixed assets:					
Land	3,850,000	-	-	3,850,000	3,850,000
Building	7,609,716	-	-	7,609,716	7,609,716
Equipment	82,213	-	-	82,213	87,810
Furniture and fixtures	725,944	-	-	725,944	724,074
Vehicle	35,194	-	-	35,194	35,194
Website	97,516	-	-	97,516	97,516
Less: accumulated depreciation	(1,218,045)	-	-	(1,218,045)	(910,897)
Net fixed assets	<u>11,182,538</u>	<u>-</u>	<u>-</u>	<u>11,182,538</u>	<u>11,493,413</u>
Total Assets	<u>12,287,720</u>	<u>116,892</u>	<u>39,345</u>	<u>12,443,957</u>	<u>12,902,517</u>
Liabilities and Net Assets:					
Current Liabilities:					
Accounts payable	37,768	-	-	37,768	26,136
Accrued payroll	36,383	-	-	36,383	30,696
Deferred revenue	250,057	-	-	250,057	294,405
Held for others	12,826	-	-	12,826	8,316
Total current liabilities	<u>337,034</u>	<u>-</u>	<u>-</u>	<u>337,034</u>	<u>359,553</u>
Non current liabilities:					
Construction draw	372,673	-	-	372,673	610,000
Total non current liabilities	<u>372,673</u>	<u>-</u>	<u>-</u>	<u>372,673</u>	<u>610,000</u>
Total Liabilities	<u>709,707</u>	<u>-</u>	<u>-</u>	<u>709,707</u>	<u>969,553</u>
Net assets:					
Net investment in fixed assets	11,182,538	-	-	11,182,538	11,493,413
Unrestricted	395,475	-	-	395,475	310,048
Temporarily restricted	-	116,892	-	116,892	129,503
Permanently restricted	-	-	39,345	39,345	-
Total net assets	<u>11,578,013</u>	<u>116,892</u>	<u>39,345</u>	<u>11,734,250</u>	<u>11,932,964</u>
Total Liabilities and Net Assets	<u>12,287,720</u>	<u>116,892</u>	<u>39,345</u>	<u>12,443,957</u>	<u>12,902,517</u>

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, 2015
With Comparative Totals for 2014

	2015			2014	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Operating Income (Loss):					
Revenues:					
Contributions and grants	919,457	455,542	-	1,374,999	1,094,121
Contributions - In-kind	70,585	-	-	70,585	99,629
Program fees and tuition	790,721	-	-	790,721	505,379
Special events	12,150	-	-	12,150	18,122
Investment income	1,698	1,407	388	3,493	9,523
Bookstore sales	26,175	-	-	26,175	29,784
Other	7,450	-	-	7,450	10,068
Net assets released from restrictions	430,603	(430,603)	-	-	-
Total Revenues	2,258,839	26,346	388	2,285,573	1,766,626
Expenses:					
Programs	2,062,912	-	-	2,062,912	1,720,517
Management and general	174,581	-	-	174,581	145,780
Fundraising and other supporting services	246,794	-	-	246,794	234,745
Total Expenses	2,484,287	-	-	2,484,287	2,101,042
Operating Income (Loss)	(225,448)	26,346	388	(198,714)	(334,416)
Non-Operating Income (Loss):					
Net contribution from EVAS	-	-	-	-	153,668
Repurposed endowment	-	(38,957)	38,957	-	-
Change in Net Assets	(225,448)	(12,611)	39,345	(198,714)	(180,748)
Net Assets - Beginning of Year	11,803,461	129,503	-	11,932,964	12,113,712
Net Assets - End of Year	11,578,013	116,892	39,345	11,734,250	11,932,964

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, 2015
With Comparative Totals for 2014

	2015			2014	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Cash Flows From Operating Activities:					
Cash received from contributions and grants	1,004,888	455,542	-	1,460,430	1,296,392
Cash received for program fees and tuition	719,344	-	-	719,344	595,277
Cash received from special events	12,150	-	-	12,150	99,096
Cash received from other	33,626	-	-	33,626	39,856
Cash received from interest	868	-	-	868	892
Cash paid to employees	(1,282,894)	-	-	(1,282,894)	(1,027,162)
Cash paid for interest	(23,377)	-	-	(23,377)	(31,735)
Cash paid for goods and services	(780,628)	-	-	(780,628)	(694,139)
Net cash released from restriction	430,603	(430,603)	-	-	-
Net Cash Provided by Operating Activities	114,580	24,939	-	139,519	278,477
Cash Flows From Financing Activities:					
Principal payments on debt	(237,327)	-	-	(237,327)	(149,036)
Net Cash Provided (Used) by Financing Activities	(237,327)	-	-	(237,327)	(149,036)
Cash Flows From Investing Activities:					
Payments for purchase of property and equipment	(16,160)	-	-	(16,160)	(17,741)
Cash paid to purchase investments	(318)	-	-	(318)	(294)
Cash received from sale of investments	-	-	-	-	7,553
Cash received from acquisition of EVAS	-	-	-	-	135,448
Net Cash Provided (Used) by Investing Activities	(16,478)	-	-	(16,478)	124,966
Net Change in Cash	(139,225)	24,939	-	(114,286)	254,407
Cash and Cash Equivalents - Beginning of Year	721,471	91,171	-	812,642	558,235
Cash and Cash Equivalents - End of Year	582,246	116,110	-	698,356	812,642
Reconciliation to Cash on Statement of Financial Position					
Cash and cash equivalents	569,420	116,110	-	685,530	804,326
Cash held for others	12,826	-	-	12,826	8,316
	582,246	116,110	-	698,356	812,642
Reconciliation of Operating Income (Loss) to					
Net Cash Provided by Operating Activities:	(225,448)	26,346	388	(198,714)	(334,416)
Operating income (loss)	(225,448)	26,346	388	(198,714)	(334,416)
Adjustments:					
Depreciation expense	327,035	-	-	327,035	325,290
Unrealized (gain) loss on investments	(830)	(1,407)	(388)	(2,625)	(8,631)
(Increase) decrease in accounts receivable	(51,054)	-	-	(51,054)	(13,380)
(Increase) decrease in pledges receivable	109,456	-	-	109,456	202,275
(Increase) decrease in bookstore inventory	4,038	-	-	4,038	(3,823)
(Increase) decrease in other current assets	(26,098)	-	-	(26,098)	370
Increase (decrease) in accounts payable	11,632	-	-	11,632	(57,812)
Increase (decrease) in accrued payroll	5,687	-	-	5,687	10,054
Increase (decrease) in deferred revenue	(44,348)	-	-	(44,348)	184,252
Increase (decrease) in infrastructure escrow	4,510	-	-	4,510	(25,702)
Total Adjustments	340,028	(1,407)	(388)	338,233	612,893
Net Cash Provided by Operating Activities	114,580	24,939	-	139,519	278,477

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, 2015**

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 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 is recognized as required performance obligations are satisfied.

**Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2015
(Continued)**

2. Summary of Significant Accounting Policies (continued)

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.

D. Restricted Cash Held for Others

At June 30, 2015, the Science Center held \$12,826 for the Vail and Eagle Vail Community Gardens. The Science Center has a liability recorded for the same amount at June 30, 2015, 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, 2015, an allowance of \$21,814 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, 2015
(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.

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 2011.

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. 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.

N. 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, 2014, from which the comparative totals were derived.

O. Subsequent Events

Management has evaluated subsequent events through October 26, 2015, 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, 2015
(Continued)

3. Promise to Give

Unconditional promises to give at June 30, 2015, are as follows:

Receivable in less than one year	\$ 313,319
Receivable in one to five years	50,000
Total unconditional promises to give	<u>363,319</u>
Less allowance for doubtful accounts	(21,814)
Less discount to present value	(480)
Net unconditional promises to give	<u><u>\$ 341,025</u></u>

The discount rate used on long-term promises to give at June 30, 2015 was 0.65%.

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, 2015 were comprised of the following:

Mutual funds	<u>\$ 57,251</u>
Total	<u><u>\$ 57,251</u></u>

6. Fixed Assets

The following is a schedule of changes in fixed assets:

	Balance 6/30/14	Additions	Deletions	Balance 6/30/15
Land	\$ 3,850,000	-	-	3,850,000
Buildings	7,609,716	-	-	7,609,716
Furniture and fixtures	724,074	1,870	-	725,944
Computer equipment	75,871	12,335	(19,887)	68,319
Program and office equipment	11,939	1,955	-	13,894
Vehicles	35,194	-	-	35,194
Website	97,516	-	-	97,516
Total fixed assets	<u>12,404,310</u>	<u>16,160</u>	<u>(19,887)</u>	<u>12,400,583</u>
Less: accumulated depreciation	(910,897)	(327,035)	19,887	(1,218,045)
Total	<u><u>\$ 11,493,413</u></u>	<u><u>(310,875)</u></u>	<u><u>-</u></u>	<u><u>11,182,538</u></u>

**Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2015
(Continued)**

7. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

Girls in Science	\$ 54,995
Internship program	497
Science, Technology, Engineering and Math	52,845
Teacher salaries	782
Sustainability programs	7,773
Total temporarily restricted net assets	<u>\$ 116,892</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	\$ 350
Avon in school	31,500
Girls in science	11,186
Internship program	67,853
Science, Technology, Engineering and Math	55,983
Youth / School programs	125,000
Sustainability programs	47,646
Summer camp	2,775
Community programs	88,310
Total restrictions released	<u>\$ 430,603</u>

8. Permanently Restricted Net Assets

During August 2014, a donor converted a temporarily restricted endowment into a permanent endowment, whereby the corpus remains intact and is adjusted annually for the effects of inflation. The balance of the permanently restricted endowment at June 30, 2015 was \$39,345. Earnings on the invested funds that exceed the rate of inflation are temporarily restricted for educator salaries or youth programs.

9. 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 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 2015, the Science Center repaid \$237,327 on this construction draw line of credit. The balance outstanding at June 30, 2015 was \$372,673.

**Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2015
(Continued)**

9. Line of Credit (continued)

A. Construction Draw Line of Credit – Alpine Bank (continued)

The principal payment schedule at June 30, 2015 is as follows:

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

B. Operating 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 March 16, 2016. Interest accrues on outstanding principal at a rate of J.P. Morgan Chase Prime rate plus 1.75%. During the year ended June 30, 2015, the Science Center drew and repaid \$8,424 on this line of credit. There was no balance outstanding at June 30, 2015. Collateral required to secure this line includes all accounts receivable, cash, pledges, equipment and inventory.

10. Letter of Credit

The Science Center had 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, 2016.

11. 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 22, 2015 through August 21, 2015 in the amount of \$650 per month per vehicle, plus a security deposit of \$500 per vehicle. At June 30, 2015, the Science Center had four vehicles leased under the terms of this agreement.

12. 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 2015, the Science Center recognized \$4,368 of in-kind contribution for housing expenses from the Forest Service.

**Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2015
(Continued)**

12. Program Partners (continued)

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

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 2015, VA is to provide the Science Center labor, equipment and use of facilities. During fiscal 2015, the Science Center recognized \$8,177, \$6,600 and \$7,200 for lift tickets, use of facilities and employee housing provided by VA, respectively.

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 2013 to extend the term of the agreement through August 1, 2017.

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 2014 through December 2014. 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 of ten monthly installments of \$5,000 to the Science Center in exchange for services performed. The Science Center entered into an amended services agreement to change the term to February 2015 through December 2015 and increase the monthly installment from \$5,000 to \$6,000. During the year ended June 30, 2015, the Science Center recognized \$55,000 in program fees related to these agreements.

13. SIMPLE IRA Plan

The Science Center has 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, 2015 was \$15,235.

**Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2015
(Continued)**

14. 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 2015.

15. Uninsured Cash Balances

The Science Center’s cash balances held with financial institutions were insured by the Federal Deposit Insurance Corporation (the “FDIC”) at June 30, 2015 up to \$250,000 per depositor at each separately chartered FDIC-member financial institution. At June 30, 2015, the Science Center’s uninsured cash balances totaled \$258,217.

16. Subsequent Event

Subsequent to year-end, the Science Center issued a promissory note in the amount of \$500,000 in connection with the purchase of land. Interest accrues on the unpaid principal balance at a rate of 4% per annum. Principal payments required by this note are as follows:

July 2016	\$	100,000
July 2017		100,000
July 2018		300,000

Walking Mountains
(A Colorado Non-Profit Corporation)
Schedule of Functional Expenses
For the Year Ended June 30, 2015
With Comparative Totals for 2014

	2015			2014	
	Program Services	Management and General	Fundraising	Total	Total
Accounting	3,232	12,928	-	16,160	15,600
Advertising and marketing	51,245	-	2,697	53,942	39,389
Bad debt expense	46,706	4,613	6,343	57,662	-
Bank charges and credit card fees	7,675	399	1,894	9,968	10,747
Board and committee ops.	-	165	-	165	693
Capital Improvements	828	-	-	828	-
Computer support	44,618	4,724	3,149	52,491	67,163
Professional Development	14,707	817	817	16,341	8,048
Contract services	104,677	20,935	13,957	139,569	61,501
Depreciation expense	294,332	19,622	13,081	327,035	325,290
Dues and subscriptions	3,199	355	-	3,554	5,410
Employees: IRA contribution	12,036	1,371	1,828	15,235	17,382
Employees: employee benefits	62,907	7,167	9,556	79,630	63,825
Employees: payroll expenses	70,720	8,057	10,742	89,519	69,335
Employees: salaries and wages	919,741	78,514	123,380	1,121,635	899,000
Employees: uniforms	6,575	67	67	6,709	1,907
Energy rebates	72,255	-	-	72,255	55,932
Equipment	1,656	-	-	1,656	9,722
Fees and permits	19,740	201	201	20,142	13,499
Bookstore	16,368	-	-	16,368	12,184
Insurance	23,410	1,232	-	24,642	34,473
Interest expense	23,377	-	-	23,377	31,735
Legal	24,515	-	-	24,515	19,616
Library supplies	167	217	173	557	664
Misc expenses	-	-	2,254	2,254	4,423
Office supplies	6,116	764	764	7,644	4,574
Postage	3,013	1,507	1,507	6,027	5,015
Printing and copying	22,209	2,776	2,776	27,761	24,109
Program supplies	52,474	-	-	52,474	53,568
Recognition and awards	2,305	2,634	1,646	6,585	5,057
Recruitment	4,250	-	-	4,250	2,399
Rent and utilities	44,200	2,456	2,456	49,112	49,587
Repairs and maintenance	54,688	-	-	54,688	56,705
Special events expense	11,297	-	45,189	56,486	97,970
Telephone	9,623	535	535	10,693	9,336
Travel, lodging and entertainment	10,545	2,525	1,782	14,852	11,524
Vehicle	17,506	-	-	17,506	13,660
Total Expenses	2,062,912	174,581	246,794	2,484,287	2,101,042

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