



**Financial Statements**  
**June 30, 2020**

**Walking Mountains  
(A Colorado Non-Profit Corporation)  
June 30, 2020**

**Table of Contents**

	<b>Page</b>
INDEPENDENT AUDITORS' REPORT	1 - 2
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 16
Schedule of Revenues and Expenses – Budget and Actual	17



# 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**

### ***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, 2020, 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.

*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

**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, 2020, 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 schedule on page 17 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, 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, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 5, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 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 20, 2020**

**Walking Mountains**  
**(A Colorado Non-Profit Corporation)**  
**Statement of Financial Position**  
**June 30, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>Assets:</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 2,338,719	\$ 173,024
Restricted cash held for others	154,347	6,596
Investments	75,036	1,332,545
Accounts receivable	32,283	153,701
Pledges receivable	824,809	823,699
Bookstore inventory	27,244	45,939
Other current assets	45,739	37,104
<b>Total current assets</b>	<b>3,498,177</b>	<b>2,572,608</b>
<b>Non current assets:</b>		
Pledges receivable	693,350	791,521
Permanently-restricted cash and investments	1,210,896	1,163,785
<b>Total non current assets</b>	<b>1,904,246</b>	<b>1,955,306</b>
<b>Fixed assets, net</b>	<b>19,501,701</b>	<b>17,614,603</b>
<b>Total Assets</b>	<b>24,904,124</b>	<b>22,142,517</b>
<b>Liabilities and Net Assets:</b>		
<b>Current Liabilities:</b>		
Accounts payable	441,694	216,664
Accrued payroll	150,393	140,714
Deferred revenue	461,148	544,603
Held for others	154,347	6,596
Current portion of notes payable	519,609	12,251
<b>Total current liabilities</b>	<b>1,727,191</b>	<b>920,828</b>
<b>Non current liabilities:</b>		
Notes payable	1,015,308	1,579,040
<b>Total non current liabilities</b>	<b>1,015,308</b>	<b>1,579,040</b>
<b>Total Liabilities</b>	<b>2,742,499</b>	<b>2,499,868</b>
<b>Net assets:</b>		
Without donor restrictions:		
Net investment in fixed assets	17,966,784	16,023,312
Undesignated	2,073,262	877,063
With donor restrictions	2,121,579	2,742,274
<b>Total net assets</b>	<b>22,161,625</b>	<b>19,642,649</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 24,904,124</b>	<b>22,142,517</b>

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, 2020**  
**With Comparative Totals for 2019**

	<b>2020</b>		<b>2019</b>	
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Total</b>
<b>Operating Income (Loss):</b>				
<b>Revenues:</b>				
Contributions and grants	\$ 1,635,383	3,619,244	5,254,627	3,016,708
Contributions - In-kind	183,438	-	183,438	185,703
Program fees and tuition	1,102,188	-	1,102,188	1,138,332
Special events	62,235	-	62,235	68,540
Investment income	51,694	21,731	73,425	98,520
Bookstore sales	20,950	-	20,950	28,157
Other	5,878	-	5,878	7,960
Net assets released from restrictions	4,261,670	(4,261,670)	-	-
<b>Total Revenues</b>	<b>7,323,436</b>	<b>(620,695)</b>	<b>6,702,741</b>	<b>4,543,920</b>
<b>Expenses:</b>				
Programs	2,850,994	-	2,850,994	2,776,438
Management and general	579,001	-	579,001	517,275
Fundraising and other supporting services	753,770	-	753,770	863,271
<b>Total Expenses</b>	<b>4,183,765</b>	<b>-</b>	<b>4,183,765</b>	<b>4,156,984</b>
<b>Operating Income (Loss)</b>	<b>3,139,671</b>	<b>(620,695)</b>	<b>2,518,976</b>	<b>386,936</b>
<b>Change in Net Assets</b>	<b>3,139,671</b>	<b>(620,695)</b>	<b>2,518,976</b>	<b>386,936</b>
<b>Net Assets - Beginning of Year</b>	<b>16,900,375</b>	<b>2,742,274</b>	<b>19,642,649</b>	<b>19,255,713</b>
<b>Net Assets - End of Year</b>	<b>\$ 20,040,046</b>	<b>2,121,579</b>	<b>22,161,625</b>	<b>19,642,649</b>

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

**Walking Mountains  
(A Colorado Non-Profit Corporation)  
Statement of Functional Expenses  
For the Year Ended June 30, 2020**

	<b>2020</b>			
	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Accounting	\$ 14,240	2,741	4,519	21,500
Advertising and marketing	61,222	334	15,072	76,628
Bad debt expense	-	2,362	-	2,362
Bank charges and credit card fees	19,287	386	12,437	32,110
Board and committee ops.	-	4,340	3,149	7,489
Computer support	40,280	8,208	5,508	53,996
Contract services	30,019	-	8,200	38,219
Depreciation expense	341,570	22,327	15,625	379,522
Dues and subscriptions	6,495	369	1,601	8,465
Employees: IRA contribution	52,432	16,913	15,222	84,567
Employees: employee benefits	104,237	33,845	31,141	169,223
Employees: payroll expenses	105,561	34,052	30,647	170,260
Employees: salaries and wages	1,288,045	415,498	373,949	2,077,492
Employees: uniforms	2,735	28	-	2,763
Energy rebates	81,808	-	-	81,808
Energy assessments	53,805	-	-	53,805
Grants	6,060	-	-	6,060
Equipment	17,255	3,534	-	20,789
Fees and permits	25,115	-	513	25,628
Bookstore	23,395	-	-	23,395
Insurance	54,578	-	-	54,578
Interest expense	55,286	3,645	1,823	60,754
Library supplies	426	-	-	426
Miscellaneous expenses	-	-	10,288	10,288
Office supplies	30,101	1,295	971	32,367
Postage	4,956	-	3,038	7,994
Printing and copying	24,061	-	10,895	34,956
Professional development	65,878	1,200	1,585	68,663
Professional fees	40,988	-	1,906	42,894
Program supplies	51,349	-	981	52,330
Recognition and awards	4,962	-	187	5,149
Recruitment	1,486	-	516	2,002
Rent and utilities	80,854	-	24,151	105,005
Repairs and maintenance	94,024	24,994	-	119,018
Special events expense	-	-	176,734	176,734
Telephone	12,324	2,401	1,280	16,005
Travel, lodging and entertainment	23,866	525	1,836	26,227
Vehicle	32,294	-	-	32,294
<b>Total Expenses</b>	<b>\$ 2,850,994</b>	<b>578,997</b>	<b>753,774</b>	<b>4,183,765</b>

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, 2020**  
**With Comparative Totals for 2019**

	<b>2020</b>	<b>2019</b>
<b>Cash Flows From Operating Activities:</b>		
Cash received from contributions and grants	\$ 2,969,680	2,875,749
Cash received for program fees and tuition	1,007,872	1,226,429
Cash received from special events	62,235	68,540
Cash received from other	26,828	36,117
Cash received from interest	51,917	57,165
Cash paid to employees	(2,392,828)	(2,384,067)
Cash paid for interest	(60,754)	(3,940)
Cash paid for goods and services	(774,703)	(1,059,329)
<b>Net Cash Provided by Operating Activities</b>	<b>890,247</b>	<b>816,664</b>
<b>Cash Flows From Financing Activities:</b>		
Proceeds from contributions for:		
Investment in fixed assets	2,514,287	822,173
Principal payments on debt	(1,032,736)	(309,951)
Cash received from debt issuance	976,362	1,857,486
Cash drawn on line of credit	306,552	93,470
Cash repaid on line of credit	(306,552)	(93,470)
<b>Net Cash Provided (Used) by Financing Activities</b>	<b>2,457,913</b>	<b>2,369,708</b>
<b>Cash Flows From Investing Activities:</b>		
Payments for purchase of property and equipment	(2,266,620)	(3,612,468)
Cash paid to purchase investments	(42,430)	(1,440,617)
Cash received from sale of investments	1,274,336	179,937
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(1,034,714)</b>	<b>(4,873,148)</b>
<b>Net Change in Cash</b>	2,313,446	(1,686,776)
<b>Cash and Cash Equivalents - Beginning of Year</b>	179,620	1,866,396
<b>Cash and Cash Equivalents - End of Year</b>	<b>2,493,066</b>	<b>179,620</b>
<b>Reconciliation to Cash on Statement of Financial Position</b>		
Cash and cash equivalents	2,338,719	102,266
Cash held for others	154,347	77,354
	<b>2,493,066</b>	<b>179,620</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>		
Operating income (loss)	2,518,976	386,936
<b>Adjustments:</b>		
Depreciation expense	379,522	286,255
Contributions restricted for fixed assets	(2,514,287)	(822,173)
Unrealized (gain) loss on investments	(21,508)	(41,355)
(Increase) decrease in accounts receivable	121,418	(54,357)
(Increase) decrease in pledges receivable	97,059	693,148
(Increase) decrease in bookstore inventory	18,700	(8,772)
(Increase) decrease in other current assets	(8,635)	26,888
Increase (decrease) in accounts payable	225,027	184,723
Increase (decrease) in accrued payroll	9,679	34,953
Increase (decrease) in deferred revenue	(83,455)	130,519
Increase (decrease) in infrastructure escrow	147,751	(101)
<b>Total Adjustments</b>	<b>(1,628,729)</b>	<b>429,728</b>
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 890,247</b>	<b>816,664</b>

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, 2020**

**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 graduate fellowship programs.

**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, 2020  
(Continued)**

**2. Summary of Significant Accounting Policies (continued)**

**D. Restricted Cash Held for Others**

At June 30, 2020, the Science Center held \$154,347 for the following accounts:

Vail Community Gardens	\$ 6,984
Great Outdoors Colorado	23,378
Climate Action Collaborative	27,881
Eagle Valley Wild	10,207
EcoBuild	85,897
	<u>\$ 154,347</u>

The Science Center has a liability recorded for the same amount at June 30, 2020, 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, 2020, an allowance of \$33,597 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 and infrastructure	39
Furniture and fixtures	5-7
Computer equipment and website	3-7
Program and office equipment	5
Vehicles	5

**Walking Mountains**  
**(A Colorado Non-Profit Corporation)**  
**Notes to the Financial Statements**  
**June 30, 2020**  
**(Continued)**

**2. Summary of Significant Accounting Policies (continued)**

**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. Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**K. 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.

**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. Advertising costs are expensed as incurred and totaled \$76,628 for the year ended June 30, 2020.

**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.

**Walking Mountains  
(A Colorado Non-Profit Corporation)  
Notes to the Financial Statements  
June 30, 2020  
(Continued)**

**2. Summary of Significant Accounting Policies (continued)**

**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, 2019, from which the comparative totals were derived.

Certain comparative amounts for fiscal year 2019 have been reclassified, with no effect on net position, fund balance, total assets, or total liabilities – to confirm to the 2020 presentation.

**O. Subsequent Events**

Management has evaluated subsequent events through October 20, 2020, the date the financial statements were available to be issued. Management does not believe there are any material subsequent events to report.

**3. Promise to Give**

Unconditional promises to give at June 30, 2020, are as follows:

Receivable in less than one year	\$ 824,809
Receivable in one to five years	729,000
Total unconditional promises to give	<u>1,553,809</u>
Less allowance for doubtful accounts	(33,597)
Less discount to present value	(2,053)
Net unconditional promises to give	<u><u>\$ 1,518,159</u></u>

The discount rate used on long-term promises to give at June 30, 2020 was 0.16%.

**4. Conditional Promises to Give**

Walking Mountains has received notification of the intention of two separate donors to bequeath \$250,000 in total. The amount of each bequest will be recognized in revenue when the probate court declares the will valid.

**5. Investment Fair Value Measurements**

Walking Mountains reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

**Walking Mountains**  
**(A Colorado Non-Profit Corporation)**  
**Notes to the Financial Statements**  
**June 30, 2020**  
**(Continued)**

**5. Investment Fair Value Measurements (continued)**

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

The following table presents assets and liabilities measured at fair value on a recurring basis, except those measured at cost as identified below, at June 30, 2020:

	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 2,338,719	\$ -	\$ -	\$ -
Investments:				
Certificate of deposits	75,036	75,036		
Money Market	73,757	73,757		
Equity funds	701,601	701,601	-	-
Bond funds	435,538	435,538	-	-
Total	<u>\$ 3,624,651</u>	<u>\$ 1,285,932</u>	<u>\$ -</u>	<u>\$ -</u>

The Science Center's investments at June 30, 2020 were comprised of certificate of deposits, US treasuries and bond funds, exchange traded funds and mutual funds.

**6. Liquidity and Availability of Resources**

Walking Mountain's net assets consist of donor-restricted amounts and amounts without donor restrictions. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditures. Walking Mountain maintains access to a line of credit in the amount of \$500,000, which it could draw upon, to ensure financial assets are available as general expenditures and other obligations become due. The financial assets available within one year from June 30, 2020 for general expenditures are as follows:

Cash and cash equivalents	\$ 2,338,719
Accounts and interest receivable	32,283
Contributions receivable	824,809
	<u>\$ 3,195,811</u>

**Walking Mountains**  
**(A Colorado Non-Profit Corporation)**  
**Notes to the Financial Statements**  
**June 30, 2020**  
**(Continued)**

**7. Fixed Assets**

The following is a schedule of changes in fixed assets:

	<u>Balance</u> <u>6/30/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/20</u>
Non-depreciable:				
Land	\$ 6,184,534	1,000	-	\$ 6,185,534
Construction in progress	39,404	2,087,320	-	2,126,724
Depreciable:				
Buildings and infrastructure	12,691,271	118,844	-	12,810,115
Equipment	41,307	21,704	-	63,011
Furniture and fixtures	126,466	5,422	-	131,888
Vehicles	82,257	32,330	-	114,587
Website	30,750	-	-	30,750
<b>Total fixed assets</b>	<u>19,195,989</u>	<u>2,266,620</u>	<u>-</u>	<u>21,462,609</u>
Less: accumulated depreciation	<u>(1,581,386)</u>	<u>(379,522)</u>	<u>-</u>	<u>(1,960,908)</u>
<b>Total</b>	<u><u>\$ 17,614,603</u></u>	<u><u>1,887,098</u></u>	<u><u>-</u></u>	<u><u>\$ 19,501,701</u></u>

**8. Classification of Net Assets and Net Assets Released from Restriction**

At June 30, 2020, Walking Mountains had the following net assets both without donor restrictions and with donor restrictions:

Without donor restriction	
Undesignated	\$ 2,073,262
Net investment in fixed assets	17,966,784
	<u>20,040,046</u>
With donor restriction	
Perpetual in nature	
Endowments	1,047,948
Purpose restrictions	
Science Center campus	872,725
Youth programs	8,213
Great Outdoors Colorado	23,375
401K Matching	60,000
Professional development	109,318
	<u>2,121,579</u>
Total net assets	<u>22,161,625</u>
Total liabilities and net assets	<u><u>\$ 24,904,124</u></u>

**Walking Mountains  
(A Colorado Non-Profit Corporation)  
Notes to the Financial Statements  
June 30, 2020  
(Continued)**

**8. Classification of Net Assets and Net Assets Released from Restriction (continued)**

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	\$ 3,109,090
Great Outdoors Colorado	171,456
Community programs	25,726
Youth programs	524,202
Professional development	15,926
Sustainability programs	374,550
401K Matching	40,000
Teacher salaries	720
Total restrictions released	<u><u>\$ 4,261,670</u></u>

**9. 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, 2020 was \$51,578.

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 balance of this endowment at June 30, 2019 was \$1,159,317.

Walking Mountain's investment policy ensures that funds are available to meet obligations with optimized returns within appropriate safety and liquidity constraints. Annual withdrawals from endowments will be limited to 5% of the market value of the originally endowed amount or current market value, whichever is greater, unless otherwise limited by the donor.

The following is a reconciliation of endowment balances:

	<b><u>With Donor Restriction</u></b>
Endowment net assets, beginning	\$ 1,163,785
Contributions	10,000
Change in donor restrictions	(15,926)
Net appreciation, realized and unrealized	21,508
Investment income (loss)	31,529
Endowment net assets, ending	<u><u>\$ 1,210,896</u></u>

**Walking Mountains  
(A Colorado Non-Profit Corporation)  
Notes to the Financial Statements  
June 30, 2020  
(Continued)**

**10. 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. During October 2018, The Science Center entered into change in terms agreements with Alpine Bank to increase the credit limit to \$500,000, and on January 16, 2020, extended the line of credit until January 16, 2021. Interest accrues on outstanding principal at a rate of J.P. Morgan Chase Prime rate plus 1.00%. During the year ended June 30, 2020, the Science Center drew and repaid \$306,552 on this line of credit. There was no balance outstanding at June 30, 2020. Collateral required to secure this line includes all accounts receivable, cash, pledges, equipment and inventory.

**11. Long-term Debt**

**A. Construction Loan Agreement – Alpine Bank**

During May 2018, the Science Center executed a promissory note with Alpine Bank to borrow up to \$3,000,000 to finance the construction of the Center for Sustainability. The loan is secured by Deed of Trust on the property. Outstanding principal bears interest at 4.75% per annum. Interest is due monthly on the outstanding principal balance, and the highest loan balance must be reduced by \$1,000,000 by May 2021, with any remaining loan balance due thereafter by May 2022. During the fiscal year 2020, the Science Center drew \$171,180, repaid \$711,515, and had an outstanding balance of \$1,018,724 at year end.

**B. Vehicle Loans**

The Science Center issued five promissory notes in connection with purchases of vehicles. Interest accrues on the unpaid principal balance per annum. The notes are secured by the vehicles purchase. The following are details of the promissory notes and outstanding balance as of June 30, 2020:

<u>Date Issued</u>	<u>Interest Rate</u>	<u>Amount Financed</u>	<u>Balance at June 30, 2020</u>
May 2016	6.29%	\$ 22,283	\$ 4,633
April 2016	6.29%	\$ 19,583	\$ 4,072
June 2017	5.35%	\$ 20,390	\$ 11,290
July 2019	7.49%	\$ 13,352	\$ 11,710
March 2020	8.64%	\$ 10,977	\$ 10,189

**C. Paycheck Protection Program (“PPP”) Loan**

During 2020, the Science Center entered into a loan agreement for the total amount of \$474,300 under the Paycheck Protection Program (“PPP”), administered by the Small Business Administration to assist small businesses affected by the COVID-19 pandemic. Interest accrues on the loan at 1% and the loan matures in 2 years. The PPP offers conditional forgiveness based on certain full-time employee calculations prior to, and after disbursement of the loan. The Science Center anticipates meeting the condition of full forgiveness of the loan principal when the loan forgiveness application becomes available.



**Walking Mountains  
(A Colorado Non-Profit Corporation)  
Notes to the Financial Statements  
June 30, 2020  
(Continued)**

**11. Long-term Debt (continued)**

**D. Long-Term Debt Payment Schedule**

Principal payments on the Science Center's long-term debt for the five fiscal years following June 30, 2020 and in five-year increments thereafter are as follows:

Fiscal year ending June 30, 2021	\$ 519,609
Fiscal year ending June 30, 2022	1,000,530
Fiscal year ending June 30, 2023	9,143
Fiscal year ending June 30, 2024	2,774
Fiscal year ending June 30, 2025	2,861
<b>Total</b>	<b>\$ 1,534,917</b>

**12. Letters of Credit**

The Science Center has a letter of credit, not to exceed \$1,590 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, 2020.

**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 2020, the Science Center recognized \$6,783 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 2020, VA provided the Science Center labor, equipment and use of facilities. During fiscal 2020, the Science Center recognized \$57,966, \$6,600 and \$21,189 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, 2020  
(Continued)**

**14. 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 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. Town of Vail**

The Science Center entered into a services agreement with the Town of Vail to provide staffing, programming, operating supplies, electricity, transportation, and maintenance costs at the Vail Nature Center from February 2019 through November 2019. Under the terms of the agreement, the Town of Vail 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, 2020, the Science Center recognized \$75,000 in program fees under this agreement.

**15. Retirement Plans**

The Science Center has a 401k 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 6% of each employee's pay. Total retirement expense for retirement recognized for the year ended June 30, 2020 was \$84,567.

**16. 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 2020.

**17. Other Related Parties**

A board member is president of a bank that is the primary bank for the Science Center's deposits.

**18. Subsequent Event – COVID 19**

The spread of COVID-19 may have operational, economic, and financial impacts on the Science Center. The significance and duration of the potential impacts cannot be reasonably estimated at this time.

**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, 2020**  
**With Comparative Totals for 2019**

	<u>2020</u>			<u>2019</u>
	<u>Budget (Unaudited)</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Total</u>
<b>Revenues:</b>				
Contributions and grants	\$ 2,437,250	5,254,627	2,817,377	3,016,708
Contributions - In-kind	41,971	183,438	141,467	185,703
Program fees and tuition	1,178,796	1,102,188	(76,608)	1,138,332
Special events	-	62,235	62,235	68,540
Investment income	50,000	73,425	23,425	98,520
Bookstore sales	22,515	20,950	(1,565)	28,157
Other	5,400	5,878	478	7,960
<b>Total Revenues</b>	<u>3,735,932</u>	<u>6,702,741</u>	<u>2,966,809</u>	<u>4,543,920</u>
<b>Expenses:</b>				
Accounting	22,500	21,500	1,000	21,500
Advertising and marketing	89,876	76,628	13,248	97,933
Bank charges and credit card fees	21,905	32,110	(10,205)	34,003
Board and committee ops.	4,860	7,489	(2,629)	3,418
Computer support	47,600	53,996	(6,396)	57,722
Professional development	87,340	68,663	18,677	108,903
Contract services	48,790	38,219	10,571	42,408
Dues and subscriptions	10,382	8,465	1,917	10,699
Employees: IRA contribution	86,102	84,567	1,535	87,912
Employees: employee benefits	154,420	169,223	(14,803)	175,269
Employees: payroll expenses	174,459	170,260	4,199	161,916
Employees: salaries and wages	2,149,795	2,077,492	72,303	2,082,805
Employees: uniforms	10,917	2,763	8,154	7,835
Energy rebates	85,000	81,808	3,192	134,819
Energy assessments	47,500	53,805	(6,305)	63,820
Grants	-	6,060	(6,060)	18,044
Equipment	19,205	20,789	(1,584)	26,272
Fees and permits	29,362	25,628	3,734	24,338
Bookstore	17,050	23,395	(6,345)	6,485
Insurance	41,200	54,578	(13,378)	34,547
Interest expense	3,160	60,754	(57,594)	3,940
Legal	900	-	900	180
Library supplies	1,055	426	629	1,233
Miscellaneous expenses	8,650	10,288	(1,638)	25,345
Office supplies	6,314	32,367	(26,053)	8,760
Postage	8,480	7,994	486	9,135
Printing and copying	47,896	34,956	12,940	43,860
Professional fees	28,455	42,894	(14,439)	49,107
Program supplies	90,139	52,330	37,809	69,919
Recognition and awards	5,480	5,149	331	7,996
Recruitment	1,971	2,002	(31)	2,747
Rent and utilities	58,696	105,005	(46,309)	100,329
Repairs and maintenance	86,435	119,018	(32,583)	92,597
Special events expense	136,000	176,734	(40,734)	182,154
Telephone	17,975	16,005	1,970	16,128
Travel, lodging and entertainment	43,499	26,227	17,272	37,640
Vehicle	41,626	32,294	9,332	19,011
<b>Total Expenses - Budget Basis</b>	<u>\$ 3,734,994</u>	<u>3,801,881</u>	<u>(66,887)</u>	<u>3,870,729</u>
<b>Reconciliation to GAAP Basis:</b>				
Bad debt expense		2,362		-
Depreciation expense		379,522		286,255
<b>Total Expenses - GAAP Basis</b>		<u>4,183,765</u>		<u>4,156,984</u>

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