

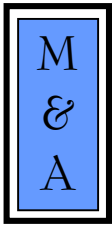


Financial Statements
June 30, 2021

**Walking Mountains
(A Colorado Non-Profit Corporation)
June 30, 2021**

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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, 2021, 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, 2021, 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.

Emphasis of Matter

As discussed in Note 19 to the financial statements, the Science Center adopted Accounting Standards Update 2014-09, Revenue from Contracts with Customers ("ASU 2014-09), and all subsequent amendments, in 2021. Our opinion is not modified with respect to this matter.

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 18 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, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 20, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 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, 2021**

Walking Mountains
(A Colorado Non-Profit Corporation)
Statement of Financial Position
June 30, 2021 and 2020

	2021	2020
Assets:		
Current assets:		
Cash and cash equivalents	\$ 260,357	\$ 2,338,719
Restricted cash held for others	93,976	154,347
Investments	1,299,743	75,036
Accounts receivable	160,269	32,283
Pledges receivable	183,911	824,809
Bookstore inventory	28,078	27,244
Other current assets	25,272	45,739
Total current assets	2,051,606	3,498,177
Non current assets:		
Pledges receivable	813,003	693,350
Endowment cash and investments	1,460,271	1,210,896
Total non current assets	2,273,274	1,904,246
Fixed assets, net	19,348,236	19,501,701
Total Assets	23,673,116	24,904,124
Liabilities and Net Assets:		
Current Liabilities:		
Accounts payable	110,857	441,694
Accrued payroll	199,789	150,393
Deferred revenue	481,750	461,148
Held for others	93,976	154,347
Current portion of notes payable	-	519,609
Total current liabilities	886,372	1,727,191
Non current liabilities:		
Notes payable	463,534	1,015,308
Total non current liabilities	463,534	1,015,308
Total Liabilities	1,349,906	2,742,499
Net assets:		
Without donor restrictions:		
Net investment in fixed assets	18,884,702	17,966,784
Undesignated	1,945,726	2,073,262
With donor restrictions	1,492,782	2,121,579
Total net assets	22,323,210	22,161,625
Total Liabilities and Net Assets	\$ 23,673,116	24,904,124

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, 2021
With Comparative Totals for 2020

	2021		2020	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Operating Income (Loss):				
Revenues:				
Contributions and grants	\$ 2,425,105	370,480	2,795,585	5,254,627
Contributions - In-kind	180,167	-	180,167	183,438
Program fees and tuition	918,879	-	918,879	1,102,188
Special events	19,085	-	19,085	62,235
Investment income	14,187	285,625	299,812	73,425
Bookstore sales	15,134	-	15,134	20,950
Other	817	-	817	5,878
Net assets released from restrictions	1,284,902	(1,284,902)	-	-
Total Revenues	4,858,276	(628,797)	4,229,479	6,702,741
Expenses:				
Programs	2,747,225	-	2,747,225	2,850,994
Management and general	627,876	-	627,876	579,001
Fundraising and other supporting services	640,110	-	640,110	753,770
Total Expenses	4,015,211	-	4,015,211	4,183,765
Operating Income (Loss)	843,065	(628,797)	214,268	2,518,976
Non-Operating Income (Loss):				
(Loss) on contribution of conservation easement	(52,684)	-	(52,684)	-
Change in Net Assets	790,382	(628,797)	161,585	2,518,976
Net Assets - Beginning of Year	20,040,046	2,121,579	22,161,625	19,642,649
Net Assets - End of Year	\$ 20,830,428	1,492,782	22,323,210	22,161,625

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, 2021**

	2021			
	Program Services	Management and General	Fundraising	Total
Accounting	\$ 12,726	2,424	5,050	20,200
Advertising and marketing	68,343	865	17,302	86,510
Bad debt expense	-	(7,892)	-	(7,892)
Bank charges and credit card fees	6,201	13,125	203	19,529
Board and committee ops.	-	290	290	580
Computer support	51,327	8,799	13,198	73,324
Contract services	38,030	-	-	38,030
Depreciation expense	385,839	25,723	17,148	428,710
Dues and subscriptions	9,089	354	2,361	11,804
Employees: IRA contribution	59,313	19,447	18,475	97,235
Employees: employee benefits	125,480	41,141	39,084	205,705
Employees: payroll expenses	101,253	33,198	31,538	165,989
Employees: salaries and wages	1,300,786	426,487	405,163	2,132,436
Employees: uniforms	5,221	1,712	1,626	8,559
Grants	8,181	-	-	8,181
Equipment	22,120	2,800	3,080	28,000
Fees and permits	22,136	1,165	-	23,301
Bookstore	5,380	-	-	5,380
Insurance	51,595	-	-	51,595
Interest expense	10,394	10,709	10,394	31,497
Legal	7,353	6,016	-	13,369
Library supplies	203	-	-	203
Miscellaneous expenses	-	-	9,270	9,270
Office supplies	9,992	1,327	1,990	13,309
Postage	3,545	51	1,469	5,065
Printing and copying	10,686	4,580	-	15,266
Professional development	89,790	-	-	89,790
Professional fees	86,762	-	-	86,762
Program supplies	45,820	9,164	(9,164)	45,820
Recognition and awards	4,355	484	-	4,839
Recruitment	2,912	639	-	3,551
Rent and utilities	76,898	-	-	76,898
Repairs and maintenance	87,905	21,976	-	109,881
Special events expense	-	-	67,601	67,601
Telephone	11,916	2,553	2,553	17,022
Travel, lodging and entertainment	12,568	739	1,479	14,786
Vehicle	13,106	-	-	13,106
Total Expenses	\$ 2,747,225	627,876	640,110	4,015,211

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, 2021
With Comparative Totals for 2020

	2021	2020
Cash Flows From Operating Activities:		
Cash received from contributions and grants	\$ 3,229,216	2,969,680
Cash received for program fees and tuition	770,874	1,007,872
Cash received from special events	19,085	62,235
Cash received from other	15,951	26,828
Cash received from interest	40,351	51,917
Cash paid to employees	(2,444,022)	(2,392,828)
Cash paid for interest	(31,496)	(60,754)
Cash paid for goods and services	(1,200,310)	(774,703)
Net Cash Provided by Operating Activities	399,649	890,247
Cash Flows From Financing Activities:		
Proceeds from contributions for:		
Investment in fixed assets	128,235	2,514,287
Principal payments on debt	(1,914,143)	(1,032,736)
Cash received from debt issuance	842,760	976,362
Cash drawn on line of credit	359,226	306,552
Cash repaid on line of credit	(359,226)	(306,552)
Net Cash Provided (Used) by Financing Activities	(943,148)	2,457,913
Cash Flows From Investing Activities:		
Cash received from sale of assets	313,768	-
Contribution of conservation easement	(52,684)	-
Payments for purchase of property and equipment	(641,697)	(2,266,620)
Cash paid to purchase investments	(1,303,254)	(42,430)
Cash received from sale of investments	88,633	1,274,336
Net Cash Provided (Used) by Investing Activities	(1,595,234)	(1,034,714)
Net Change in Cash	(2,138,733)	2,313,446
Cash and Cash Equivalents - Beginning of Year	2,493,066	179,620
Cash and Cash Equivalents - End of Year	354,333	2,493,066
Reconciliation to Cash on Statement of Financial Position		
Cash and cash equivalents	260,357	2,338,719
Cash held for others	93,976	154,347
	354,333	2,493,066
Reconciliation of Operating Income (Loss) to		
Net Cash Provided by Operating Activities:		
Operating income (loss)	214,268	2,518,976
Adjustments:		
Depreciation expense	428,710	379,522
Contributions restricted for fixed assets	(128,235)	(2,514,287)
Unrealized (gain) loss on investments	(259,461)	(21,508)
(Increase) decrease in accounts receivable	(127,986)	121,418
(Increase) decrease in pledges receivable	521,254	97,059
(Increase) decrease in bookstore inventory	(841)	18,700
(Increase) decrease in other current assets	20,467	(8,635)
Increase (decrease) in accounts payable	(331,157)	225,027
Increase (decrease) in accrued payroll	49,396	9,679
Increase (decrease) in deferred revenue	20,602	(83,455)
Increase (decrease) in infrastructure escrow	(60,052)	147,751
Total Adjustments	185,381	(1,628,729)
Net Cash Provided by Operating Activities	\$ 399,649	890,247
Schedule of Noncash Investing Activities:		
Capitalized contributions	\$ 24,000	-
	\$ 24,000	-

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, 2021**

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 Recognition

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.

The Science Center also derives revenues from program fees and tuition revenue within the fiscal year in which the related programs and educational services is provided. The Science Center may receive program funding from various governmental or corporate sources in exchange for an equivalent benefit in return. Revenues from such exchange transactions are recognized as related costs to the program funding as incurred. Retail store sales income is recognized at a point in time when goods are transferred to the customer.

**Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2021
(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, 2021, the Science Center held \$93,976 for the following accounts:

Vail Community Gardens	\$ 7,794
Great Outdoors Colorado	21,396
Climate Action Collaborative	14,471
Eagle Valley Wild	2,576
EcoBuild	47,739
	<u>\$ 93,976</u>

The Science Center has a liability recorded for the same amount at June 30, 2021, 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, 2021, an allowance of \$25,705 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.

Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2021
(Continued)

2. Summary of Significant Accounting Policies (continued)

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

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.

**Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2021
(Continued)**

2. Summary of Significant Accounting Policies (continued)

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 \$81,298 for the year ended June 30, 2021.

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, 2020, from which the comparative totals were derived.

O. Subsequent Events

Management has evaluated subsequent events through date of the auditor's report, 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, 2021, are as follows:

Receivable in less than one year	\$ 183,911
Receivable in one to five years	840,762
Total unconditional promises to give	<u>1,024,673</u>
Less allowance for doubtful accounts	(25,706)
Less discount to present value	(2,053)
Net unconditional promises to give	<u><u>\$ 996,914</u></u>

Unconditional promises expected to be collected within one year are reported at their net realizable value. Unconditional promises to give in subsequent years are reported at the present value of their net realizable value, using risk-free interest rate applicable to the years in which the promises are received. The discount rate used on long-term promises to give at June 30, 2021 was 0.25%.

Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2021
(Continued)

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:

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, 2021:

	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 260,357	\$ -	\$ -	\$ -
Investments:				
Money Market	1,350,613	1,350,613		
Equity funds	973,863	973,863	-	-
Bond funds	435,538	435,538	-	-
Total	\$ 3,020,371	\$ 2,760,014	\$ -	\$ -

The Science Center's investments at June 30, 2021 were comprised of US treasuries and bond funds, exchange traded funds and mutual funds.

Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2021
(Continued)

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, 2021 for general expenditures are as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 260,357	\$ 2,338,719
Accounts and interest receivable	160,269	32,283
Contributions receivable	183,911	824,809
	<u>\$ 604,537</u>	<u>\$ 3,195,811</u>

7. Fixed Assets

The following is a schedule of changes in fixed assets:

	<u>Balance</u> <u>6/30/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/21</u>
Non-depreciable:				
Land	\$ 6,185,534	3,862	-	\$ 6,189,396
Construction in progress	2,126,724	11,751	(2,126,725)	11,750
Depreciable:				
Buildings and infrastructure	12,810,115	2,314,137	-	15,124,252
Equipment	63,011	2,978	-	65,989
Furniture and fixtures	131,888	69,242	-	201,130
Vehicles	114,587	-	-	114,587
Website	30,750	-	-	30,750
Total fixed assets	<u>21,462,609</u>	<u>2,401,970</u>	<u>(2,126,725)</u>	<u>21,737,854</u>
Less: accumulated depreciation	(1,960,908)	(428,710)	-	(2,389,618)
Total	<u>\$ 19,501,701</u>	<u>1,973,260</u>	<u>(2,126,725)</u>	<u>\$ 19,348,236</u>

**Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2021
(Continued)**

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

At June 30, 2021, Walking Mountains had the following net assets both without donor restrictions and with donor restrictions:

Without donor restriction	
Undesignated	\$ 1,945,726
Net investment in fixed assets	18,884,702
	<u>20,830,428</u>
With donor restriction	
Perpetual in nature	
Endowments	1,050,423
Purpose restrictions	
Science Center campus	17,418
401K Matching	30,000
Professional development	394,941
	<u>1,492,782</u>
Total net assets	<u>22,323,210</u>
Total liabilities and net assets	<u>\$ 23,673,116</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	\$ 983,541
Great Outdoors Colorado	190,944
Youth programs	67,986
401K Matching	30,000
Teacher salaries	12,431
Total restrictions released	<u>\$ 1,284,902</u>

**Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2021
(Continued)**

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, 2021 was \$65,329.

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, 2021 was \$1,394,942.

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:

	<u>With Donor Restriction</u>
Endowment net assets, beginning	\$ 1,047,948
Contributions	-
Release in donor restrictions	(50,000)
Net appreciation, realized and unrealized	277,262
Investment income (loss)	185,061
Endowment net assets, ending	<u>\$ 1,460,271</u>

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, 2021, the Science Center drew and repaid \$359,226 on this line of credit. There was no balance outstanding at June 30, 2021. 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 2021, the Science Center repaid \$1,018,724, and the balance was paid in full at year end.

**Walking Mountains
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Notes to the Financial Statements
June 30, 2021
(Continued)**

11. Long-term Debt (continued)

B. Paycheck Protection Program (“PPP”) Loan

During 2020, the Science Center entered into a second draw loan agreement for the total amount of \$463,534 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 5 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.

C. Long-Term Debt Payment Schedule

Principal payments on the Science Center’s long-term debt for the five fiscal years following June 30, 2021 and in five-year increments thereafter are as follows:

Fiscal year ending June 30, 2022	\$	-
Fiscal year ending June 30, 2023		-
Fiscal year ending June 30, 2024		-
Fiscal year ending June 30, 2025		-
Fiscal year ending June 30, 2026		463,534
Total	\$	<u>463,534</u>

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, 2022.

13. Revenue from Contracts with Customers

For the year ended June 30, 2021, revenue recognized for goods transferred or performance obligations met at a point in time were \$934,013. There were no revenues recognized for goods transferred or performance obligations met over time during 2021. Revenues may be affected by general economic conditions and inflationary pressures. Revenues from contracts with customers are primarily collected from governments and local program participants.

**Walking Mountains
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Notes to the Financial Statements
June 30, 2021
(Continued)**

14. 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 and in July 2020 was extended to September 2021.

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 2021, 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 2021, VA provided the Science Center labor, equipment and use of facilities. During fiscal 2021, the Science Center recognized \$57,966, \$6,600 and \$21,189 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 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 2020 through November 2020. 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, 2021, the Science Center recognized \$37,500 in program fees under this agreement.

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Notes to the Financial Statements
June 30, 2021
(Continued)

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, 2021 was \$97,235.

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 2021.

17. Other Related Parties

During the fiscal year 2021, a third-party vendor controlled by a board member for Walking Mountains provided architectural services totaling \$79,282.

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

18. Subsequent Event – Conservation Easement

On July 30, 2021, Walking Mountains received a tax credit certificate for the donation of conservation easement valued at \$442,800. The Science Center intends to hold the tax credit for sale.

19. New Accounting Standard

Effective January 1, 2020, the Organization implemented Accounting Standards Update 2014-09, Revenue from Contracts with Customers (“ASU 2014-09”), issued by the Financial Accounting Standards Board (“FASB”), and all subsequent amendments. ASU 2014-09 requires enhanced disclosures of the Organization’s revenue recognition policies. The implementation of ASU 2014-09 has been applied retrospectively to all periods presented, with no effect to net assets or previously issued financial statements.

Walking Mountains
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Schedule of Revenues and Expenses - Budget (Non-GAAP Basis) and Actual
With Reconciliation to GAAP Basis
For the Year Ended June 30, 2021
With Comparative Totals for 2020

	<u>2021</u>			<u>2020</u>
	<u>Budget (Unaudited)</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Total</u>
Revenues:				
Contributions and grants	\$ 2,305,014	2,795,585	490,571	5,254,627
Contributions - In-kind	41,971	180,167	138,196	183,438
Program fees and tuition	980,830	918,879	(61,951)	1,102,188
Special events	-	19,085	19,085	62,235
Investment income	50,000	299,812	249,812	73,425
Bookstore sales	11,490	15,134	3,644	20,950
Other	4,000	817	(3,183)	5,878
Total Revenues	<u>3,393,305</u>	<u>4,229,479</u>	<u>836,174</u>	<u>6,702,741</u>
Expenses:				
Accounting	21,500	20,200	1,300	21,500
Advertising and marketing	101,894	86,510	15,384	76,628
Bank charges and credit card fees	14,650	19,529	(4,879)	32,110
Board and committee ops.	5,930	580	5,350	7,489
Computer support	46,079	73,324	(27,245)	53,997
Professional development	100,924	89,790	11,134	68,663
Contract services	64,200	38,030	26,170	38,219
Dues and subscriptions	5,664	11,804	(6,140)	8,465
Employees: IRA contribution	84,277	97,235	(12,958)	84,567
Employees: employee benefits	135,005	205,705	(70,700)	169,223
Employees: payroll expenses	175,134	165,989	9,145	170,260
Employees: salaries and wages	2,106,919	2,132,436	(25,517)	2,077,492
Employees: uniforms	7,292	8,559	(1,267)	2,762
Energy rebates	-	-	-	81,808
Energy assessments	-	-	-	53,805
Grants	13,600	8,181	5,419	6,060
Equipment	13,505	28,000	(14,495)	20,789
Fees and permits	31,326	23,301	8,025	25,627
Bookstore	13,450	5,380	8,070	23,395
Insurance	50,000	51,595	(1,595)	54,578
Interest expense	2,122	31,497	(29,375)	60,754
Legal	-	13,369	(13,369)	-
Library supplies	1,085	203	882	426
Miscellaneous expenses	3,675	9,270	(5,595)	10,288
Office supplies	6,215	13,309	(7,094)	32,367
Postage	7,388	5,065	2,323	7,994
Printing and copying	15,144	15,266	(122)	34,956
Professional fees	24,034	86,762	(62,728)	42,895
Program supplies	75,236	45,820	29,416	52,330
Recognition and awards	4,490	4,839	(349)	5,149
Recruitment	1,542	3,551	(2,009)	2,003
Rent and utilities	17,339	76,898	(59,559)	105,005
Repairs and maintenance	95,311	109,881	(14,570)	119,018
Special events expense	32,300	67,601	(35,301)	176,734
Telephone	14,008	17,022	(3,014)	16,005
Travel, lodging and entertainment	36,391	14,786	21,605	26,226
Vehicle	32,737	13,106	19,631	32,294
Total Expenses - Budget Basis	<u>\$ 3,360,366</u>	<u>3,594,393</u>	<u>(234,027)</u>	<u>3,801,881</u>
Reconciliation to GAAP Basis:				
Bad debt expense		(7,892)		2,362
Depreciation expense		428,710		379,522
Total Expenses - GAAP Basis		<u>4,015,211</u>		<u>4,183,765</u>

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