

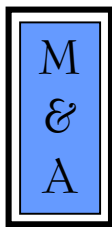


Financial Statements
June 30, 2022

**Walking Mountains
(A Colorado Non-Profit Corporation)
June 30, 2022**

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Walking Mountains
Avon, Colorado**

Opinion

We have audited the financial statements of Walking Mountains (the "Organization"), a Colorado non-profit corporation, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022, 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 ("U.S. GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.

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INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Walking Mountains
Avon, Colorado

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 19 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 U.S. GAAS. In our opinion, the information, except for the 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.

INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Walking Mountains
Avon, Colorado

Report on Summarized Comparative Information

We have previously audited Walking Mountain's June 30, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 20, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 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.
Avon, Colorado
November 9, 2022

Walking Mountains
(A Colorado Non-Profit Corporation)
Statement of Financial Position
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ -	260,357
Restricted cash held for others	202,220	93,976
Investments	2,329,115	1,299,743
Accounts receivable	136,561	160,269
Pledges receivable	590,479	183,911
Bookstore inventory	22,641	28,078
Other current assets	69,011	25,272
Total current assets	<u>3,350,027</u>	<u>2,051,606</u>
Non current assets:		
Pledges receivable	618,146	813,003
Endowment cash and investments	1,768,394	1,460,271
Total non current assets	<u>2,386,540</u>	<u>2,273,274</u>
Fixed assets, net	<u>19,263,485</u>	<u>19,348,236</u>
Total Assets	<u><u>25,000,052</u></u>	<u><u>23,673,116</u></u>
Liabilities and Net Assets:		
Current Liabilities:		
Accounts payable	224,898	110,857
Accrued payroll	172,521	199,789
Deferred revenue	387,140	481,750
Held for others	202,220	93,976
Total current liabilities	<u>993,575</u>	<u>886,372</u>
Non current liabilities:		
Notes payable	-	463,534
Total non current liabilities	<u>-</u>	<u>463,534</u>
Notes payable		
Total Liabilities	<u>993,575</u>	<u>1,349,906</u>
Net assets:		
Without donor restrictions:		
Net investment in fixed assets	19,263,485	18,884,702
Undesignated	2,449,741	1,945,726
With donor restrictions	2,293,251	1,492,782
Total net assets	<u>24,006,477</u>	<u>22,323,210</u>
Total Liabilities and Net Assets	<u><u>\$ 25,000,052</u></u>	<u><u>23,673,116</u></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, 2022
With Summarized Totals for the Year Ended June 30, 2021

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Operating Income (Loss):				
Revenues:				
Contributions and grants	\$ 3,402,978	1,608,455	5,011,433	2,795,585
Contributed nonfinancial assets	165,733	-	165,733	180,167
Program fees and tuition	1,172,915	-	1,172,915	918,879
Special events	29,116	-	29,116	19,085
Investment income (loss)	(45,536)	(199,130)	(244,666)	299,812
Bookstore sales	30,815	-	30,815	15,134
Other	2,149	-	2,149	817
Net assets released from restrictions	608,856	(608,856)	-	-
Total Revenues	5,367,026	800,469	6,167,495	4,229,479
Expenses:				
Programs	3,377,260	-	3,377,260	2,747,225
Management and general	676,715	-	676,715	627,876
Fundraising and other supporting services	835,212	-	835,212	640,110
Total Expenses	4,889,187	-	4,889,187	4,015,211
Operating Income (Loss)	477,839	800,469	1,278,308	214,268
Non-Operating Income (Loss):				
Gain (Loss) on contribution of conservation easement	6,439	-	6,439	(52,684)
Change in Net Assets	882,798	800,469	1,683,267	161,585
Net Assets - Beginning of Year	20,830,428	1,492,782	22,323,210	22,161,625
Net Assets - End of Year	\$ 21,713,226	2,293,251	24,006,477	22,323,210

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, 2022

	2022			
	Program Services	Management and General	Fundraising	Total
Accounting	\$ 18,080	2,034	2,486	22,600
Advertising and marketing	106,589	1,367	28,697	136,653
Bad debt expense	-	11,515	-	11,515
Bank charges and credit card fees	11,285	291	10,054	21,630
Board and committee ops.	-	2,747	2,747	5,494
Computer support	50,704	5,481	12,333	68,518
Contract services	48,775	-	-	48,775
Depreciation expense	426,637	28,442	18,962	474,041
Dues and subscriptions	7,749	7,749	7,751	23,249
Employees: IRA contribution	72,693	21,581	19,309	113,583
Employees: employee benefits	140,873	41,822	37,419	220,114
Employees: payroll expenses	126,998	37,703	33,734	198,435
Employees: salaries and wages	1,612,489	478,708	428,317	2,519,514
Employees: uniforms	10,314	3,062	2,740	16,116
Equipment	18,309	2,347	2,817	23,473
Fees and permits	6,785	-	839	7,624
Bookstore	16,960	-	-	16,960
Insurance	102,047	-	-	102,047
Interest expense	4,006	-	-	4,006
Legal	358	-	-	358
Miscellaneous expenses	10,466	-	-	10,466
Office supplies	2,771	493	531	3,795
Postage	2,350	488	1,596	4,434
Printing and copying	9,436	2,359	3,932	15,727
Professional development	100,500	-	-	100,500
Professional fees	109,582	-	-	109,582
Program supplies	61,486	-	-	61,486
Recognition and awards	4,955	-	261	5,216
Recruitment	2,836	537	(388)	2,985
Rent and utilities	75,646	15,700	51,382	142,728
Repairs and maintenance	141,769	9,666	9,666	161,101
Special events expense	-	-	157,404	157,404
Telephone	15,563	1,061	1,061	17,685
Travel, lodging and entertainment	22,903	1,562	1,562	26,027
Vehicle	35,346	-	-	35,346
Total Expenses	\$ 3,377,260	676,715	835,212	4,889,187

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, 2022
With Comparative Totals for the Year Ended June 30, 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities:		
Cash received from contributions and grants	\$ 2,763,061	3,229,216
Cash received for program fees and tuition	1,219,930	770,874
Cash received from special events	29,116	19,085
Cash received from other	32,964	15,951
Cash received from interest	33,168	40,351
Cash paid to employees	(2,954,249)	(2,444,022)
Cash paid for interest	(4,006)	(31,496)
Cash paid for goods and services	(1,134,444)	(1,200,310)
Net Cash Provided by Operating Activities	<u>(14,460)</u>	<u>399,649</u>
Cash Flows From Financing Activities:		
Proceeds from contributions for:		
Investment in fixed assets	1,455,211	128,235
Principal payments on debt	-	(1,914,143)
Cash received from debt issuance	-	842,760
Cash drawn on line of credit	680,503	359,226
Cash repaid on line of credit	(673,707)	(359,226)
Net Cash Provided (Used) by Financing Activities	<u>1,462,007</u>	<u>(943,148)</u>
Cash Flows From Investing Activities:		
Cash received from sale of assets	-	313,768
Contribution of conservation easement	6,439	(52,684)
Payments for purchase of property and equipment	(389,290)	(641,697)
Cash paid to purchase investments	(2,054,138)	(1,303,254)
Cash received from sale of investments	438,809	88,633
Cash received from sale of tax credit easement	398,520	-
Net Cash Provided (Used) by Investing Activities	<u>(1,599,660)</u>	<u>(1,595,234)</u>
Net Change in Cash	(152,113)	(2,138,733)
Cash and Cash Equivalents - Beginning of Year	354,333	2,493,066
Cash and Cash Equivalents - End of Year	<u>202,220</u>	<u>354,333</u>
Reconciliation to Cash on Statement of Financial Position		
Cash and cash equivalents	-	260,357
Cash held for others	202,220	93,976
	<u>202,220</u>	<u>354,333</u>
Reconciliation of Operating Income (Loss) to		
Net Cash Provided by Operating Activities:		
Operating income (loss)	1,278,308	214,268
Adjustments:		
Depreciation expense	474,041	428,710
(Gain) loss on sale of asset	-	52,684
Contributions restricted for fixed assets	(1,455,211)	(128,235)
Contribution revenue from PPP Loan forgiveness	(463,534)	-
Unrealized (gain) loss on investments	277,834	(259,461)
(Increase) decrease in accounts receivable	23,708	(127,986)
(Increase) decrease in pledges receivable	(211,710)	521,254
(Increase) decrease in bookstore inventory	5,439	(841)
(Increase) decrease in other current assets	(43,739)	20,467
Increase (decrease) in accounts payable	114,374	(331,157)
Increase (decrease) in accrued payroll	(27,268)	49,396
Increase (decrease) in deferred revenue	(94,610)	20,602
Increase (decrease) in infrastructure escrow	107,908	(60,052)
Total Adjustments	<u>(1,292,768)</u>	<u>185,381</u>
Net Cash Provided by Operating Activities	<u>\$ (14,460)</u>	<u>399,649</u>
Schedule of Noncash Investing Activities:		
Capitalized contributions	\$ -	24,000
	<u>\$ -</u>	<u>24,000</u>

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, 2022**

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, 2022
(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, 2022, the Science Center held the following accounts for others and does not have the power to redirect funds to a different beneficiary:

Vail Community Gardens	\$ 6,601
Great Outdoors Colorado	21,257
Climate Action Collaborative	24,424
Eagle Valley Wild	23,144
EcoBuild	126,794
	<u>\$ 202,220</u>

The Science Center has a liability recorded for the same amount at June 30, 2022, 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, 2022, an allowance of \$37,220 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, 2022
(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.

Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2022
(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 \$118,531 for the year ended June 30, 2022.

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, 2021, 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, 2022, are as follows:

Receivable in less than one year	\$ 590,479
Receivable in one to five years	710,555
Total unconditional promises to give	<u>1,301,034</u>
Less allowance for doubtful accounts	(37,220)
Less discount to present value	(55,189)
Net unconditional promises to give	<u><u>\$ 1,208,625</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, 2022 was 3.06%.

Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2022
(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, 2022:

	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ -	\$ -	\$ -	\$ -
Investments:				
Money Market	2,367,176	2,367,176	-	-
Equity funds	967,876	967,876	-	-
Bond funds	762,457	762,457	-	-
	<u>4,097,509</u>	<u>4,097,509</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 4,097,509</u>	<u>\$ 4,097,509</u>	<u>\$ -</u>	<u>\$ -</u>

The Science Center's investments at June 30, 2022 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, 2022
(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, 2022 for general expenditures are as follows:

	2022	2021
Cash and cash equivalents	\$ -	\$ 260,357
Accounts and interest receivable	136,561	160,269
Contributions receivable	590,479	183,911
Investments - unrestricted	2,329,115	1,299,743
	<u>\$ 3,056,155</u>	<u>\$ 1,904,280</u>

7. Fixed Assets

The following is a schedule of changes in fixed assets:

	Balance 6/30/21	Additions	Deletions	Balance 6/30/22
Non-depreciable:				
Land	\$ 6,189,391	-	-	\$ 6,189,391
Construction in progress	11,750	315,493	-	327,243
Depreciable:				
Buildings and infrastructure	15,124,252	5,006	-	15,129,258
Equipment	65,989	2,561	-	68,550
Furniture and fixtures	201,130	17,993	-	219,123
Vehicles	114,587	48,242	-	162,829
Website	30,750	-	-	30,750
Total fixed assets	<u>21,737,849</u>	<u>389,295</u>	<u>-</u>	<u>22,127,144</u>
Less: accumulated depreciation	(2,389,618)	(474,041)	-	(2,863,659)
Total	<u>\$ 19,348,231</u>	<u>(84,746)</u>	<u>-</u>	<u>\$ 19,263,485</u>

Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2022
(Continued)

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

At June 30, 2022, Walking Mountains had the following net assets both without donor restrictions and with donor restrictions:

Without donor restriction	
Undesignated	\$ 2,449,741
Net investment in fixed assets	19,263,485
	<u>21,713,226</u>
With donor restriction	
Perpetual in nature	
Endowments	1,054,570
Purpose restrictions	
Science Center campus	1,082,871
401K Matching	10,000
Professional development	145,810
	<u>2,293,251</u>
Total net assets	<u>24,006,477</u>
Total liabilities and net assets	<u><u>\$ 25,000,052</u></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	\$ 389,759
Great Outdoors Colorado	145,401
Professional development	50,000
401K Matching	20,000
Teacher salaries	3,696
Total restrictions released	<u><u>\$ 608,856</u></u>

Walking Mountains
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Notes to the Financial Statements
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(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, 2022 was \$58,265.

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, 2022 was \$1,146,010.

The purpose of the Endowment is to provide the Science Center with a reliable source of ongoing, permanent revenue to compliment annual fundraising efforts. The Board of Trustees has interpreted the Colorado Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2022, there were no such donor stipulations. As a result of this interpretation, the School retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the Endowment and (b) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

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>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Endowment net assets, beginning	\$ -	\$ 1,445,365	\$ 1,445,365
Contributions	600,668	-	600,668
Release in donor restrictions	-	(50,000)	(50,000)
Net appreciation, realized and unrealized	(42,882)	(226,980)	(269,862)
Investment income (loss)	6,333	35,890	42,223
Endowment net assets, ending	<u>\$ 564,119</u>	<u>\$ 1,204,275</u>	<u>\$ 1,768,394</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 subsequently has extended the line of credit January 2023. Interest accrues on outstanding principal at a rate of J.P. Morgan Chase Prime rate plus 1.00%. During the year ended June 30, 2022, the Science Center drew and repaid \$680,503 on this line of credit. There was no balance outstanding at June 30, 2022. Collateral required to secure this line includes all accounts receivable, cash, pledges, equipment and inventory.

**Walking Mountains
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Notes to the Financial Statements
June 30, 2022
(Continued)**

11. Letters of Credit

The Science Center has a letter of credit, not to exceed \$2,106 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.

12. Revenue from Contracts with Customers

For the year ended June 30, 2022, revenue recognized for goods transferred were \$30,815, and tuition and program revenues met over time were \$1,172,915. 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.

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 terms of the agreement is through December 1, 2026.

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 2022, the Science Center recognized \$5,810 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 2022, VA provided the Science Center labor, equipment and use of facilities. During fiscal 2022, the Science Center recognized \$27,488, \$6,600 and \$84,510 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.

**Walking Mountains
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Notes to the Financial Statements
June 30, 2022
(Continued)**

13. Program Partners (continued)

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 2021 through November 2021. 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, 2022, the Science Center recognized \$90,594 in program fees under this agreement.

14. Contributed Nonfinancial Assets

The following contributed nonfinancial assets were recognized during the year:

	Revenue Recognized
Cleaning	\$ 16,548
Property Management	4,055
Special Events	20,722
Facilities	6,600
Lift Passes	27,488
Housing	90,320
	<u>\$ 165,733</u>

Contributed nonfinancial assets did not have donor-imposed restrictions. The Science Center estimates the value of contributed nonfinancial assets based on current rates for similar services or wholesale values that would be received for selling similar products in the United States.

Cleaning and property management were used for general building maintenance in support of programs. Special events contributed assets consisted of food and prizes for fundraising events. Facilities, lift passes, and housing were contributed by the USFS and Vail Resorts for the Conservation Education and Workforce Development Partnership.

15. Retirement Plans

The Science Center has a 401k plan (the "Plan") that covers eligible regular full-time employees on the first of the month after 60 days, and regular part-time employees after the first year of service, if 1,000 hours are worked. The plan does not cover graduate fellows, temporary part-time, temporary full-time, and seasonal interns, or regular employees under the age of 21 years old. 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, 2022 was \$113,583.

Walking Mountains
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Notes to the Financial Statements
June 30, 2022
(Continued)

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 2022.

17. Other Related Parties

During the fiscal year 2022, a third-party vendor controlled by a board member for Walking Mountains provided architectural services totaling \$106,817.

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

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, 2022
With Comparative Totals for the Year Ended June 30, 2021

	2022			2021
	Budget (Unaudited)	Actual	Variance Positive (Negative)	Total
Revenues:				
Contributions and grants	\$ 2,925,393	5,011,433	2,086,040	2,795,585
Contributed nonfinancial assets	42,000	165,733	123,733	180,167
Program fees and tuition	1,080,862	1,172,915	92,053	918,879
Special events	-	29,116	29,116	19,085
Investment income (loss)	50,000	(244,666)	(294,666)	299,812
Bookstore sales	19,300	30,815	11,515	15,134
Other	2,000	2,149	149	817
Total Revenues	4,119,555	6,167,495	2,047,940	4,229,479
Expenses:				
Accounting	23,000	22,600	400	20,200
Advertising and marketing	149,392	136,653	12,739	86,510
Bank charges and credit card fees	14,284	21,630	(7,346)	19,529
Board and committee ops.	5,100	5,494	(394)	580
Computer support	52,784	68,518	(15,734)	73,324
Professional development	122,879	100,500	22,379	89,790
Contract services	68,588	48,775	19,813	38,030
Dues and subscriptions	13,136	23,249	(10,113)	11,804
Employees: IRA contribution	98,113	113,583	(15,470)	97,235
Employees: employee benefits	155,755	220,114	(64,359)	205,705
Employees: payroll expenses	199,642	198,435	1,207	165,989
Employees: salaries and wages	2,452,831	2,519,514	(66,683)	2,132,436
Employees: uniforms	14,390	16,116	(1,726)	8,559
Grants	-	-	-	8,181
Equipment	22,020	23,473	(1,453)	28,000
Fees and permits	18,085	7,624	10,461	23,301
Bookstore	13,650	16,960	(3,310)	5,380
Insurance	73,000	102,047	(29,047)	51,595
Interest expense	900	4,006	(3,106)	31,497
Legal	5,000	358	4,642	13,369
Library supplies	-	-	-	203
Miscellaneous expenses	29,500	10,466	19,034	9,270
Office supplies	4,810	3,795	1,015	13,309
Postage	7,385	4,434	2,951	5,065
Printing and copying	14,026	15,727	(1,701)	15,266
Professional fees	86,424	109,582	(23,158)	86,762
Program supplies	77,957	61,486	16,471	45,820
Recognition and awards	4,800	5,216	(416)	4,839
Recruitment	1,875	2,985	(1,110)	3,551
Rent and utilities	58,030	142,728	(84,698)	76,898
Repairs and maintenance	95,323	161,101	(65,778)	109,881
Special events expense	145,750	157,404	(11,654)	67,601
Telephone	16,786	17,685	(899)	17,022
Travel, lodging and entertainment	38,025	26,027	11,998	14,786
Vehicle	36,315	35,346	969	13,106
Total Expenses - Budget Basis	\$ 4,119,555	4,403,631	(284,076)	3,594,393
Reconciliation to GAAP Basis:				
Bad debt expense		11,515		(7,892)
Depreciation expense		474,041		428,710
Total Expenses - GAAP Basis		4,889,187		4,015,211

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