

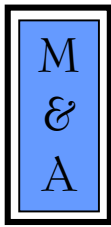


**Financial Statements**  
**June 30, 2025**

**Walking Mountains  
(A Colorado Non-Profit Corporation)  
June 30, 2025**

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# MCMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

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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, 2025, 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, 2025, 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.

### ***Financial Statements Restated***

As discussed in Note 22 to the financial statements, the 2024 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

### ***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.

*Member: American Institute of Certified Public Accountants*

**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 schedules on page 19 are 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 Mountains' June 30, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 11, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, except for the effects of the adjustment described in Note 22, 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  
December 15, 2025**

**Walking Mountains**  
**(A Colorado Non-Profit Corporation)**  
**Statement of Financial Position**  
**June 30, 2025 and 2024**

	<b>2025</b>	<b>2024</b> <b>(restated)</b>
<b>Assets:</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 86,739	23,703
Restricted cash held for others	551,296	284,913
Investments	1,018,544	864,058
Accounts receivable, net of allowance for credit loss	447,625	196,319
Pledges receivable	683,784	1,725,026
Bookstore inventory	21,625	33,166
Other current assets	137,301	123,666
<b>Total current assets</b>	<b>2,946,914</b>	<b>3,250,851</b>
<b>Non current assets:</b>		
Pledges receivable, net of allowance for credit loss	648,754	837,870
Endowment cash and investments	3,382,225	2,297,509
<b>Total non current assets</b>	<b>4,030,979</b>	<b>3,135,379</b>
<b>Fixed assets, net</b>	<b>20,835,409</b>	<b>21,537,182</b>
<b>Total Assets</b>	<b>27,813,302</b>	<b>27,923,412</b>
<b>Liabilities and Net Assets:</b>		
<b>Current Liabilities:</b>		
Accounts payable	207,595	431,820
Accrued payroll	261,428	264,752
Line of credit and cash reserve payable	729,332	527,763
Deferred revenue	403,806	538,438
Held for others	551,296	284,913
<b>Total current liabilities</b>	<b>2,153,457</b>	<b>2,047,686</b>
<b>Non current liabilities:</b>		
Notes payable	163,000	-
<b>Total non current liabilities</b>	<b>163,000</b>	<b>-</b>
<b>Total Liabilities</b>	<b>2,316,457</b>	<b>2,047,686</b>
<b>Net assets:</b>		
Without donor restrictions:		
Net investment in fixed assets	20,672,409	21,537,182
Undesignated	2,315,767	821,043
With donor restrictions	2,508,668	3,517,501
<b>Total net assets</b>	<b>25,496,844</b>	<b>25,875,726</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 27,813,301</b>	<b>27,923,412</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, 2025**  
**With Summarized Totals for the Year Ended June 30, 2024**

	<b>2025</b>		<b>2024</b> <b>(restated)</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	\$ 3,047,126	187,600	3,234,726	6,665,470
Contributed nonfinancial assets	482,387	-	482,387	310,105
Program fees and tuition	1,542,513	-	1,542,513	1,403,383
Special events	197,353	-	197,353	154,205
Investment income (loss)	196,461	70,902	267,363	295,781
Bookstore sales	17,540	-	17,540	24,379
Other	821,068	-	821,068	1,908
Net assets released from restrictions	1,551,818	(1,551,818)	-	-
<b>Total Revenues</b>	<b>7,856,266</b>	<b>(1,293,316)</b>	<b>6,562,950</b>	<b>8,855,231</b>
<b>Expenses:</b>				
Programs	4,599,228	-	4,599,228	4,449,910
Management and general	1,199,243	-	1,199,243	820,905
Fundraising and other supporting services	1,143,361	-	1,143,361	1,154,281
<b>Total Expenses</b>	<b>6,941,832</b>	<b>-</b>	<b>6,941,832</b>	<b>6,425,096</b>
<b>Operating Income (Loss)</b>	<b>914,434</b>	<b>(1,293,316)</b>	<b>(378,882)</b>	<b>2,430,135</b>
<b>Change in Net Assets</b>	<b>914,434</b>	<b>(1,293,316)</b>	<b>(378,882)</b>	<b>2,430,135</b>
<b>Net Assets - Beginning of Year</b>	<b>22,073,742</b>	<b>3,801,984</b>	<b>25,875,726</b>	<b>23,445,591</b>
<b>Net Assets - End of Year</b>	<b>\$ 22,988,176</b>	<b>2,508,668</b>	<b>25,496,844</b>	<b>25,875,726</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, 2025**

	<b>2025</b>			
	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Accounting	\$ -	25,700	-	25,700
Advertising and marketing	100,531	17	24,982	125,530
Bad debt expense (recovery)	-	262,653	-	262,653
Bank charges and credit card fees	12,244	-	16,231	28,475
Board and committee ops.	-	-	6,722	6,722
Capital improvements	68,591	8,574	8,574	85,739
Computer support	121,722	-	5,072	126,794
Contract services	72,598	-	1,482	74,080
Depreciation expense	537,684	35,846	23,897	597,427
Dues and subscriptions	27,385	3,331	6,291	37,007
Employees: IRA contribution	81,664	41,602	30,817	154,083
Employees: employee benefits	143,204	29,834	25,856	198,894
Employees: payroll expenses	152,829	60,605	50,065	263,499
Employees: salaries and wages	1,981,839	714,761	552,316	3,248,916
Employees: uniforms	7,673	158	79	7,910
Equipment	34,384	1,810	-	36,194
Fees and permits	48,275	503	1,509	50,287
Bookstore	19,546	-	-	19,546
Insurance	166,111	-	-	166,111
Interest expense	47,939	-	-	47,939
(Gain) loss on disposal of assets	26,550	-	-	26,550
Miscellaneous expenses	54,423	-	-	54,423
Office supplies	4,403	185	46	4,634
Postage	325	413	-	738
Printing and copying	15,069	152	-	15,221
Professional development	107,578	-	-	107,578
Professional fees	174,307	1,761	-	176,068
Program supplies	89,434	-	-	89,434
Recognition and awards	6,237	-	-	6,237
Recruitment	2,652	3,978	-	6,630
Rent and utilities	226,244	-	-	226,244
Repairs and maintenance	188,541	-	-	188,541
Special events expense	-	-	387,824	387,824
Telephone	23,435	1,598	1,598	26,631
Travel, lodging and entertainment	26,249	5,762	-	32,011
Vehicle	29,562	-	-	29,562
<b>Total Expenses</b>	<b>\$ 4,599,228</b>	<b>1,199,243</b>	<b>1,143,361</b>	<b>6,941,832</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, 2025**  
**With Comparative Totals for the Year Ended June 30, 2024**

	<b>2025</b>	<b>2024 (restated)</b>
<b>Cash Flows From Operating Activities:</b>		
Cash received from contributions and grants	\$ 4,333,290	4,357,043
Cash received for program fees and tuition	1,528,573	1,337,709
Cash received from special events	197,353	154,205
Cash received from other	587,302	26,288
Cash received from interest	60,886	61,631
Cash paid to employees	(3,689,307)	(3,581,983)
Cash paid for interest	(47,939)	(22,125)
Cash paid for goods and services	(2,061,478)	(1,482,585)
<b>Net Cash Provided by Operating Activities</b>	<b>908,680</b>	<b>850,183</b>
<b>Cash Flows From Financing Activities:</b>		
Proceeds from contributions for:		
Investment in fixed assets	-	1,000,000
Investment in endowments	11,100	-
Cash received from debt issuance	163,000	-
Cash drawn on line of credit	3,157,181	2,512,349
Cash repaid on line of credit	(2,955,611)	(2,381,401)
<b>Net Cash Provided (Used) by Financing Activities</b>	<b>375,670</b>	<b>1,130,948</b>
<b>Cash Flows From Investing Activities:</b>		
Cash received from sale of assets	238,950	6,278
Payments for purchase of property and equipment	(161,154)	(1,741,846)
Cash paid to purchase investments	(7,227,363)	(393,533)
Cash received from sale of investments	6,194,635	109,431
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(954,932)</b>	<b>(2,019,670)</b>
<b>Net Change in Cash</b>	329,418	(38,539)
<b>Cash and Cash Equivalents - Beginning of Year</b>	308,616	347,155
<b>Cash and Cash Equivalents - End of Year</b>	<b>638,034</b>	<b>308,616</b>
<b>Reconciliation to Cash on Statement of Financial Position</b>		
Cash and cash equivalents	86,739	23,703
Cash held for others	551,296	284,913
	<b>638,035</b>	<b>308,616</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>		
Operating income (loss)	(378,882)	2,430,135
<b>Adjustments:</b>		
Depreciation expense	597,427	602,766
(Gain) loss on sale of asset	26,550	(771)
Contributions restricted for fixed assets	(11,100)	(1,000,000)
Unrealized (gain) loss on investments	(206,474)	(234,150)
(Increase) decrease in accounts receivable	(251,306)	(60,851)
(Increase) decrease in pledges receivable	1,230,356	(1,176,094)
(Increase) decrease in bookstore inventory	11,541	(11,394)
(Increase) decrease in other current assets	(13,635)	(37,346)
Increase (decrease) in accounts payable	(224,336)	259,324
Increase (decrease) in accrued payroll	(3,324)	67,910
Increase (decrease) in deferred revenue	(134,632)	(137,154)
Increase (decrease) in infrastructure escrow	266,495	147,808
<b>Total Adjustments</b>	<b>1,287,562</b>	<b>(1,579,952)</b>
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 908,680</b>	<b>850,183</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, 2025**

**1. Organization**

Walking Mountains (the "Organization"), a non-profit corporation, was founded in 1998. The Organization was formerly Gore Range Natural Science School, but filed Articles of Amendment June 3, 2010 to change the name to Walking Mountains. Walking Mountains 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, Hispanic community outreach, 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 Organization. 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 Organization 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 Organization also derives revenues from program fees and tuition revenue within the fiscal year in which the related programs and educational services is provided. The Organization 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, 2025  
(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, 2025, the Organization held the following accounts for others and does not have the power to redirect funds to a different beneficiary:

Vail Community Gardens	\$ 8,241
Great Outdoors Colorado	39,196
Climate Action Collaborative	33,076
Eagle Valley Wild	4,473
Energy Smart	466,311
	<u>\$ 551,297</u>

The Organization has a liability recorded for the same amount at June 30, 2025, representing that cash is being held for the use of others.

**E. Investments and Endowments**

The Organization 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 3 below.

**F. Allowance for Credit Losses**

The Organization uses the allowance method for recognizing uncollectible accounts and pledges receivable. The allowances are an estimate based on an analysis of outstanding accounts and pledges receivable. At June 30, 2025, an allowance of \$248,300 recorded for accounts receivable and an allowance of \$26,520 for was recorded for pledges receivable. The Organization 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, 2025**  
**(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, 2025**  
**(continued)**

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

**K. 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 Organization. Accordingly, certain costs have been allocated among the program services benefited. Advertising costs are expensed as incurred and totaled \$111,871 for the year ended June 30, 2025.

**L. 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.

**M. 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 Organization's financial statements for the year ended June 30, 2024, from which the comparative totals were derived.

**N. Subsequent Events**

Management has evaluated subsequent events through date of the auditor's report December 15, 2025, the date the financial statements were available to be issued. All material subsequent events are disclosed in this report on page 18, note 21.

**3. 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.

**Walking Mountains  
(A Colorado Non-Profit Corporation)  
Notes to the Financial Statements  
June 30, 2025  
(continued)**

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

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, 2025:

	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 86,739	\$ -	\$ -	\$ -
Investments:				
Money Market	591,613	591,613	-	-
Equity funds	2,664,856	2,664,856	-	-
Bond funds	1,144,300	1,144,300	-	-
	<u>4,400,769</u>	<u>4,400,769</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 4,487,508</u>	<u>\$ 4,400,769</u>	<u>\$ -</u>	<u>\$ -</u>

The Organization's investments at June 30, 2025 were comprised of US treasuries and bond funds, exchange traded funds and mutual funds.

**4. Accounts Receivable**

The Organization had the following balances to be receivable at June 30, 2025:

Accounts receivable	\$ 695,925
Less: Allowance for credit losses for receivables	(248,300)
Net accounts receivable	<u>\$ 447,625</u>

Walking Mountains has applied for \$784,248 in Employee Retention Tax Credits from the IRS. As of June 30, 2025, the remaining receivable was \$535,633. The Organization has set up an allowance for credit losses of \$248,300, the remaining amount of funds not yet received as of the date of this report.

**Walking Mountains  
(A Colorado Non-Profit Corporation)  
Notes to the Financial Statements  
June 30, 2025  
(continued)**

**5. Pledges Receivable**

Pledges receivable are considered unconditional promises to give. The Organization's unconditional promises at June 30, 2025, are as follows:

Receivable in less than one year	\$ 683,784
Receivable in one to five years	733,500
Total unconditional promises to give	<u>1,417,284</u>
Less: Allowance for credit losses for pledges	(26,520)
Less: Discount to present value	(58,226)
Net unconditional promises to give	<u><u>\$ 1,332,538</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, 2025 was 3.72%.

**6. Conditional Promises to Give**

Walking Mountains has received notification of the intention of eleven separate donors to bequeath \$2,210,500 in total. The amount of each bequest will be recognized in revenue when the probate court declares the will valid.

**7. Liquidity and Availability of Resources**

Walking Mountains' 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 Mountains maintains access to a line of credit in the amount of \$1,000,000, to ensure financial assets are available as general expenditures and other obligations become due. See Note 11 for details of line of credit activity and available balance. The financial assets available within one year from June 30, 2025 for general expenditures are as follows:

	<b>2025</b>	<b>2024</b>
Cash and cash equivalents	\$ 86,739	\$ 23,703
Accounts and interest receivable	447,625	196,319
Contributions receivable	683,784	2,009,509
Investments - unrestricted	1,018,544	864,058
	<u><u>\$ 2,236,692</u></u>	<u><u>\$ 3,093,589</u></u>

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**June 30, 2025**  
**(continued)**

**8. Fixed Assets**

The following is a schedule of changes in fixed assets:

	<u>Balance 6/30/24</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/25</u>
Non-depreciable:				
Land	\$ 6,239,480	21,420	(265,500)	\$ 5,995,400
Depreciable:				
Buildings and infrastructure	18,596,414	50,199	-	18,646,613
Equipment	173,772	4,486	-	178,258
Furniture and fixtures	270,591	65,050	(30,851)	304,790
Vehicles	190,477	7,999	-	198,476
Website	30,750	12,000	-	42,750
<b>Total fixed assets</b>	<u>25,501,484</u>	<u>161,154</u>	<u>(296,351)</u>	<u>25,366,287</u>
Less: accumulated depreciation	(3,964,302)	(597,427)	30,851	(4,530,878)
<b>Total</b>	<u>\$ 21,537,182</u>	<u>(436,273)</u>	<u>(265,500)</u>	<u>\$ 20,835,409</u>

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

At June 30, 2025, Walking Mountains had the following net assets both without donor restrictions and with donor restrictions:

Without donor restriction:	
Undesignated	\$ 2,315,767
Net investment in fixed assets	20,672,409
	<u>22,988,176</u>
With donor restriction:	
Perpetual in nature	
Endowments	1,069,936
Time restrictions	1,036,500
Purpose restrictions	
Charitable Annuity	30,213
Professional development	372,019
	<u>2,508,668</u>
Total net assets	<u>25,496,844</u>
Total liabilities and net assets	<u>\$ 27,813,302</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:	
Professional development	\$ 50,000
Charitable gift annuity	3,700
Purpose restrictions released to time restrictions	1,498,118
Total restrictions released	<u>\$ 1,551,818</u>



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**June 30, 2025**  
**(continued)**

**10. 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, 2025 was \$82,187.

During December 2015, a donor contributed \$1,000,000, whereby the Organization can withdraw up to \$50,000 annually, without donor approval, for use in the professional development of Walking Mountains staff. Any withdrawal amount greater than \$50,000 annually requires written approval from the donor. The balance of this endowment at June 30, 2025 was \$1,382,019.

The purpose of the Endowment is to provide the Organization 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, 2025, there were no such donor stipulations. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for credit losses) 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 Mountains' 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	\$ 842,881	\$ 1,454,628	\$ 2,297,509
Contributions	1,156,000	11,709	1,167,709
Appropriated for expenditure	(262,040)	(53,700)	(315,740)
Net appreciation, realized and unrealized	98,832	80,383	179,215
Investment income (loss)	29,521	24,011	53,532
Endowment net assets, ending	<u>\$ 1,865,194</u>	<u>\$ 1,517,031</u>	<u>\$ 3,382,225</u>

**11. Line of Credit – Alpine Bank**

On August 16, 2010, the Organization entered into an agreement with Alpine Bank for a revolving line of credit not to exceed \$300,000. In December 2024, the Organization entered into change in terms agreements with Alpine Bank to increase the credit limit to \$1,000,000, and is payable on January 16, 2026. Interest accrues on outstanding principal at a rate of J.P. Morgan Chase Prime rate. During the year ended June 30, 2025, the Organization drew \$3,157,181 and repaid \$2,955,612 on this line of credit. There was a balance of \$729,332 outstanding at June 30, 2025. 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, 2025  
(continued)**

**12. Notes Payable**

The Organization entered into an agreement with Alpine Bank in 2025 to borrow \$500,000 (the "Note"). The Note bears interest at 7.5% per annum and interest is computed on a 365/360 basis. The Note expires on April 30, 2032, at which time all outstanding unpaid interest and principle is due. Under the terms of the Note, interest is payable monthly for all unpaid principal balances, and principal payments are due monthly beginning May 30, 2027. Prepayment of the principal balance is permitted with a prepayment penalty. At June 30, 2025, the Organization's Note had a principal balance of \$163,000 outstanding.

**13. Letters of Credit**

The Organization has a letter of credit, not to exceed \$7,128 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 expired September 24, 2025.

**14. Revenue from Contracts with Customers**

For the year ended June 30, 2025, revenue recognized for goods transferred were \$17,540, and tuition and program revenues met over time were \$1,542,513. 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.

**15. Program Partners**

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

The Organization 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 2025, the Organization recognized \$31,963 of in-kind contributions for salaries and labor; supplies and materials; housing expenses; and overhead costs 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 Organization, 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 2025, VA provided the Organization labor, equipment and use of facilities. During fiscal 2025, the Organization recognized \$27,488, \$6,600, \$2,000, and \$93,900 for lift tickets, use of facilities, supplies, and employee housing provided by VA, respectively.

**Walking Mountains  
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Notes to the Financial Statements  
June 30, 2025  
(continued)**

**15. Program Partners (continued)**

**A. Vail Associates, Inc. and the United States Forest Service (continued)**

Under the terms of this agreement, the Organization 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 Organization entered into an agreement with the Forest Service to operate the bookstore. Under the terms of the agreement, the Organization 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. During fiscal 2025, the Organization recognized \$35,439 of in-kind contributions for staffing. The Organization is responsible for providing a representative, ordering and maintaining inventory.

**C. Town of Vail**

The Organization 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 2024 through November 2024. 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 Organization in exchange for services performed. During the year ended June 30, 2025, the Organization recognized \$109,373 in program fees under this agreement.

**16. Contributed Nonfinancial Assets**

The following contributed nonfinancial assets were recognized during the year:

	<b>Revenue Recognized</b>
Cleaning	\$ 16,548
Property Management	5,804
Special Events	262,165
Office Supplies	4,775
Facilities	6,600
Professional Services	57,624
Lift Passes	27,488
Housing	101,383
	<b>\$ 482,387</b>

Contributed nonfinancial assets did not have donor-imposed restrictions. The Organization 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.

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**Notes to the Financial Statements**  
**June 30, 2025**  
**(continued)**

**16. Contributed Nonfinancial Assets (continued)**

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, professional services, lift passes, and housing were contributed by the USFS and Vail Resorts for the Conservation Education and Workforce Development Partnership.

**17. Retirement Plans**

The Organization 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 Organization makes matching contributions up to 6% of each employee's pay. Total retirement expense for retirement recognized for the year ended June 30, 2025 was \$154,083.

**18. Related Party – Buck Creek Association**

Pursuant to the Declarations filed December 30, 2009 for The Buck Creek Association, Inc., ("Association"), the Organization 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 2025.

**19. Other Related Parties**

A board chair is president of a bank that is the primary bank for the Organization's deposits.

**20. Concentration of Credit Risk**

The Organization has cash balances held with financial institutions were insured by the Federal Deposit Insurance Corporation (the "FDIC") at June 30, 2025 up to \$250,000 per depositor at each separately chartered FDIC-member financial institution, without regard to the nature of the accounts. At June 30, 2025, the Organization's uninsured cash balances totaled \$552,880.

**21. Subsequent event**

On July 8<sup>th</sup>, 2025, the Organization entered into a Premium Finance Agreement (the "Agreement") with AFCO Direct, to finance the Organization's insurance premium. The total amount financed is \$105,239 and bears interest at 9.75% per annum. The agreement requires 10 monthly payments of \$11,000 beginning July 12, 2025.

**22. Restatement**

During 2025, it was discovered that a reimbursement grant was recorded by the Organization as a pledge receivable and contribution revenue for the year ending June 30, 2024. As a result, the June 30, 2024 pledges receivable balance, contributions and grants revenue, and ending fund balance have been reduced by \$284,416 to correct the error.

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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, 2025**  
**With Comparative Totals for the Year Ended June 30, 2024**

	<u>2025</u>		<u>Variance Positive (Negative)</u>	<u>2024</u>
	<u>Budget (Unaudited)</u>	<u>Actual</u>		<u>Total</u>
<b>Revenues:</b>				
Contributions and grants	\$ 3,482,484	3,234,726	(247,758)	6,949,953
Contributed nonfinancial assets	-	482,387	482,387	310,105
Program fees and tuition	1,493,179	1,542,513	49,334	1,403,383
Special events	-	197,353	197,353	154,205
Investment income (loss)	-	267,363	267,363	295,781
Bookstore sales	21,055	17,540	(3,515)	24,379
Other	205,800	821,068	615,268	1,908
<b>Total Revenues</b>	<u>5,202,518</u>	<u>6,562,950</u>	<u>1,360,432</u>	<u>9,139,714</u>
<b>Expenses:</b>				
Accounting	23,000	25,700	(2,700)	24,450
Advertising and marketing	161,689	125,530	36,159	178,441
Bank charges and credit card fees	25,541	28,475	(2,934)	26,815
Board and committee ops.	2,560	6,722	(4,162)	7,927
Capital improvements	94,100	85,739	8,361	91,421
Computer support	115,057	126,794	(11,737)	107,784
Professional development	149,920	107,578	42,342	136,652
Contract services	85,808	74,080	11,728	69,861
Dues and subscriptions	26,675	37,007	(10,332)	29,676
Employees: IRA contribution	141,384	154,083	(12,699)	146,050
Employees: employee benefits	230,000	198,894	31,106	204,961
Employees: payroll expenses	282,808	263,499	19,309	297,548
Employees: salaries and wages	3,147,822	3,248,916	(101,094)	3,182,429
Employees: uniforms	7,211	7,910	(699)	14,261
Equipment	30,295	36,194	(5,899)	41,489
Fees and permits	11,605	50,287	(38,682)	12,217
Bookstore	15,950	19,546	(3,596)	2,928
Insurance	167,059	166,111	948	160,091
Interest expense	16,000	47,939	(31,939)	22,125
Legal	400	-	400	-
(Gain) loss on disposal of assets	(190,000)	26,550	(216,550)	(771)
Miscellaneous expenses	16,153	54,423	(38,270)	14,615
Office supplies	4,280	4,634	(354)	3,531
Postage	2,110	738	1,372	3,110
Printing and copying	14,400	15,221	(821)	15,982
Professional fees	181,671	176,068	5,603	265,553
Program supplies	96,573	89,434	7,139	130,836
Recognition and awards	6,700	6,237	463	8,784
Recruitment	2,953	6,630	(3,677)	3,429
Rent and utilities	21,960	226,244	(204,284)	146,411
Repairs and maintenance	59,067	188,541	(129,474)	77,115
Special events expense	140,897	387,824	(246,927)	314,034
Telephone	28,354	26,631	1,723	29,129
Travel, lodging and entertainment	49,811	32,011	17,800	41,768
Vehicle	24,960	29,562	(4,602)	30,578
<b>Total Expenses - Budget Basis</b>	<u>\$ 5,194,773</u>	<u>6,081,752</u>	<u>(886,979)</u>	<u>5,841,230</u>
<b>Reconciliation to GAAP Basis:</b>				
Bad debt expense		262,653		(18,900)
Depreciation expense		597,427		602,766
<b>Total Expenses - GAAP Basis</b>		<u>6,941,832</u>		<u>6,425,096</u>

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