

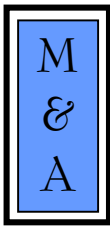


Financial Statements
June 30, 2023

**Walking Mountains
(A Colorado Non-Profit Corporation)
June 30, 2023**

Table of Contents

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 3
Statement of Financial Position	4
Statement of Activities and Changes in Net Assets	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 18
Schedule of Revenues and Expenses – Budget and Actual	19



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

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, 2023, 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, 2023, 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 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 Mountain's June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 9, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 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
September 14, 2023

Walking Mountains
(A Colorado Non-Profit Corporation)
Statement of Financial Position
June 30, 2023 and 2022

	2023	2022
Assets:		
Current assets:		
Cash and cash equivalents	\$ 209,568	-
Restricted cash held for others	137,587	202,220
Investments	742,276	2,329,115
Accounts receivable	135,468	136,561
Pledges receivable	758,420	590,479
Bookstore inventory	21,772	22,641
Other current assets	86,320	69,011
Total current assets	2,091,411	3,350,027
Non current assets:		
Pledges receivable	628,378	618,146
Endowment cash and investments	1,901,039	1,768,394
Total non current assets	2,529,417	2,386,540
Fixed assets, net	20,403,611	19,263,485
Total Assets	25,024,439	25,000,052
Liabilities and Net Assets:		
Current Liabilities:		
Accounts payable	172,012	224,898
Accrued payroll	196,842	172,521
Line of credit and cash reserve payable	396,815	6,796
Deferred revenue	675,592	387,140
Held for others	137,587	202,220
Total current liabilities	1,578,848	993,575
Total Liabilities	1,578,848	993,575
Net assets:		
Without donor restrictions:		
Net investment in fixed assets	20,403,611	19,263,485
Undesignated	685,928	2,449,741
With donor restrictions	2,356,052	2,293,251
Total net assets	23,445,591	24,006,477
Total Liabilities and Net Assets	\$ 25,024,439	25,000,052

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, 2023
With Summarized Totals for the Year Ended June 30, 2022

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Operating Income (Loss):				
Revenues:				
Contributions and grants	\$ 1,955,787	1,037,035	2,992,822	5,011,433
Contributed nonfinancial assets	334,765	-	334,765	165,733
Program fees and tuition	1,298,302	-	1,298,302	1,172,915
Special events	83,995	-	83,995	29,116
Investment income (loss)	130,056	127,154	257,210	(244,666)
Bookstore sales	23,174	-	23,174	30,815
Other	10,015	-	10,015	2,149
Net assets released from restrictions	1,101,388	(1,101,388)	-	-
Total Revenues	4,937,482	62,801	5,000,283	6,167,495
Expenses:				
Programs	3,776,983	-	3,776,983	3,377,260
Management and general	736,985	-	736,985	676,715
Fundraising and other supporting services	1,047,201	-	1,047,201	835,212
Total Expenses	5,561,169	-	5,561,169	4,889,187
Operating Income (Loss)	(623,687)	62,801	(560,886)	1,278,308
Non-Operating Income (Loss):				
Gain (Loss) on contribution of conservation easement	-	-	-	6,439
Gain from tax credit on conservation easement	-	-	-	398,520
Change in Net Assets	(623,687)	62,801	(560,886)	1,683,267
Net Assets - Beginning of Year	21,713,226	2,293,251	24,006,477	22,323,210
Net Assets - End of Year	\$ 21,089,539	2,356,052	23,445,591	24,006,477

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, 2023**

	2023			
	Program Services	Management and General	Fundraising	Total
Accounting	\$ 18,640	2,097	2,563	23,300
Advertising and marketing	130,568	1,507	35,320	167,395
Bad debt expense (recovery)	-	(6,152)	-	(6,152)
Bank charges and credit card fees	15,733	5,441	7,464	28,638
Board and committee ops.	-	7,083	7,083	14,166
Capital improvements	65,891	8,236	8,236	82,363
Computer support	77,424	7,952	19,251	104,627
Contract services	64,865	-	-	64,865
Depreciation expense	459,649	30,643	20,429	510,721
Dues and subscriptions	10,156	10,156	10,160	30,472
Employees: IRA contribution	84,737	25,156	22,508	132,401
Employees: employee benefits	116,968	34,725	31,070	182,763
Employees: payroll expenses	154,221	45,784	40,965	240,970
Employees: salaries and wages	1,784,486	529,769	474,004	2,788,259
Employees: uniforms	9,468	2,811	2,515	14,794
Equipment	23,608	3,027	3,632	30,267
Fees and permits	10,906	-	1,348	12,254
Bookstore	14,442	-	-	14,442
Insurance	91,047	-	-	91,047
Interest expense	7,508	-	-	7,508
Legal	6,167	-	-	6,167
Miscellaneous expenses	20,484	-	-	20,484
Office supplies	4,236	754	812	5,802
Postage	2,632	546	1,788	4,966
Printing and copying	10,124	2,531	4,218	16,873
Professional development	129,527	-	-	129,527
Professional fees	168,936	-	-	168,936
Program supplies	61,453	-	-	61,453
Recognition and awards	5,860	-	308	6,168
Recruitment	4,305	816	(589)	4,532
Rent and utilities	77,264	16,036	52,481	145,781
Repairs and maintenance	71,088	4,847	4,847	80,782
Special events expense	-	-	293,568	293,568
Telephone	17,761	1,211	1,211	20,183
Travel, lodging and entertainment	29,466	2,009	2,009	33,484
Vehicle	27,363	-	-	27,363
Total Expenses	\$ 3,776,983	736,985	1,047,201	5,561,169

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, 2023
With Comparative Totals for the Year Ended June 30, 2022

	2023	2022
Cash Flows From Operating Activities:		
Cash received from contributions and grants	\$ 2,631,970	2,763,061
Cash received for program fees and tuition	1,318,225	1,219,930
Cash received from special events	83,995	29,116
Cash received from other	33,189	32,964
Cash received from interest	87,605	33,168
Cash paid to employees	(3,168,243)	(2,954,249)
Cash paid for interest	(7,508)	(4,006)
Cash paid for goods and services	(1,649,569)	(1,134,444)
Net Cash Provided by Operating Activities	(670,336)	(14,460)
Cash Flows From Financing Activities:		
Proceeds from contributions for:		
Investment in fixed assets	452,300	1,455,211
Cash drawn on line of credit	1,971,981	680,503
Cash repaid on line of credit	(1,581,962)	(673,707)
Net Cash Provided (Used) by Financing Activities	842,319	1,462,007
Cash Flows From Investing Activities:		
Contribution of conservation easement	-	6,439
Payments for purchase of property and equipment	(1,650,847)	(389,290)
Cash paid to purchase investments	(103,718)	(2,054,138)
Cash received from sale of investments	1,727,517	438,809
Cash received from sale of tax credit easement	-	398,520
Net Cash Provided (Used) by Investing Activities	(27,048)	(1,599,660)
Net Change in Cash	144,935	(152,113)
Cash and Cash Equivalents - Beginning of Year	202,220	354,333
Cash and Cash Equivalents - End of Year	347,155	202,220
Reconciliation to Cash on Statement of Financial Position		
Cash and cash equivalents	209,568	-
Cash held for others	137,587	202,220
	347,155	202,220
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating income (loss)	(560,886)	1,278,308
Adjustments:		
Depreciation expense	510,721	474,041
Contributions restricted for fixed assets	(452,300)	(1,455,211)
Contribution revenue from PPP Loan forgiveness	-	(463,534)
Unrealized (gain) loss on investments	(169,605)	277,834
(Increase) decrease in accounts receivable	1,093	23,708
(Increase) decrease in pledges receivable	(178,176)	(211,710)
(Increase) decrease in bookstore inventory	869	5,439
(Increase) decrease in other current assets	(17,309)	(43,739)
Increase (decrease) in accounts payable	(52,418)	114,374
Increase (decrease) in accrued payroll	24,321	(27,268)
Increase (decrease) in deferred revenue	288,452	(94,610)
Increase (decrease) in infrastructure escrow	(65,098)	107,908
Total Adjustments	(109,450)	(1,292,768)
Net Cash Provided by Operating Activities	\$ (670,336)	(14,460)
Schedule of Noncash Investing Activities:		
Capitalized contributions	\$ 92,700	-
	\$ 92,700	-

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, 2023**

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, 2023
(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, 2023, 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	\$ 7,571
Great Outdoors Colorado	33,757
Climate Action Collaborative	36,772
Eagle Valley Wild	42,859
EcoBuild	16,628
	<u>\$ 137,587</u>

The Science Center has a liability recorded for the same amount at June 30, 2023, 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, 2023, an allowance of \$31,068 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, 2023
(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, 2023
(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 Science Center. Accordingly, certain costs have been allocated among the program services benefited. Advertising costs are expensed as incurred and totaled \$152,020 for the year ended June 30, 2023.

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 Science Center's financial statements for the year ended June 30, 2022, from which the comparative totals were derived.

N. 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, 2023, are as follows:

Receivable in less than one year	\$ 758,420
Receivable in one to five years	756,777
Total unconditional promises to give	<u>1,515,197</u>
Less allowance for doubtful accounts	(31,068)
Less discount to present value	(97,331)
Net unconditional promises to give	<u><u>\$ 1,386,798</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, 2023 was 4.86%.

Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2023
(continued)

4. Conditional Promises to Give

Walking Mountains has received notification of the intention of seven separate donors to bequeath \$1,370,500 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, 2023:

	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 209,568	\$ -	\$ -	\$ -
Investments:				
Money Market	808,128	808,128	-	-
Equity funds	1,144,050	1,144,050	-	-
Bond funds	691,137	691,137	-	-
	<u>2,643,315</u>	<u>2,643,315</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,852,883</u>	<u>\$ 2,643,315</u>	<u>\$ -</u>	<u>\$ -</u>

The Science Center's investments at June 30, 2023 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, 2023
(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, 2023 for general expenditures are as follows:

	2023	2022
Cash and cash equivalents	\$ 209,568	\$ -
Accounts and interest receivable	135,468	136,561
Contributions receivable	758,420	590,479
Investments - unrestricted	742,276	2,329,115
	<u>\$ 1,845,732</u>	<u>\$ 3,056,155</u>

7. Fixed Assets

The following is a schedule of changes in fixed assets:

	Balance 6/30/22	Additions	Deletions	Balance 6/30/23
Non-depreciable:				
Land	\$ 6,189,391	16,018	-	\$ 6,205,409
Construction in progress	327,243	-	(327,243)	-
Depreciable:				
Buildings and infrastructure	15,129,258	1,801,144	-	16,930,402
Equipment	68,550	97,200	-	165,750
Furniture and fixtures	219,123	17,728	-	236,851
Vehicles	162,829	46,000	-	208,829
Website	30,750	-	-	30,750
Total fixed assets	<u>22,127,144</u>	<u>1,978,090</u>	<u>(327,243)</u>	<u>23,777,991</u>
Less: accumulated depreciation	(2,863,659)	(510,721)	-	(3,374,380)
Total	<u>\$ 19,263,485</u>	<u>1,467,369</u>	<u>(327,243)</u>	<u>\$ 20,403,611</u>

Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2023
(continued)

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

At June 30, 2023, Walking Mountains had the following net assets both without donor restrictions and with donor restrictions:

Without donor restriction	
Undesignated	\$ 685,928
Net investment in fixed assets	20,403,611
	<u>21,089,539</u>
With donor restriction	
Perpetual in nature	
Endowments	1,055,989
Time restrictions	1,077,097
Purpose restrictions	
Professional development	222,966
	<u>2,356,052</u>
Total net assets	<u>23,445,591</u>
Total liabilities and net assets	<u>\$ 25,024,439</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	\$ 1,535,165
Professional development	50,000
401K Matching	10,000
Teacher salaries	8,746
Purpose restrictions released to time restrictions	(502,523)
Total restrictions released	<u>\$ 1,101,388</u>

**Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2023
(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, 2023 was \$64,735.

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, 2023 was \$1,222,966.

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, 2023, 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	\$ 564,119	\$ 1,204,275	\$ 1,768,394
Contributions	15,250	-	15,250
Release in donor restrictions	(30,000)	(50,000)	(80,000)
Net appreciation, realized and unrealized	56,511	112,685	169,196
Investment income (loss)	7,458	20,741	28,199
Endowment net assets, ending	<u>\$ 613,338</u>	<u>\$ 1,287,701</u>	<u>\$ 1,901,039</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 2024. Interest accrues on outstanding principal at a rate of J.P. Morgan Chase Prime rate. During the year ended June 30, 2023, the Science Center drew and repaid \$1,971,981 on this line of credit. There was no balance outstanding at June 30, 2023. Collateral required to secure this line includes all accounts receivable, cash, pledges, equipment and inventory.

Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2023
(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, 2024.

12. Revenue from Contracts with Customers

For the year ended June 30, 2023, revenue recognized for goods transferred were \$23,174, and tuition and program revenues met over time were \$1,298,302. 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 2023, 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 2023, VA provided the Science Center labor, equipment and use of facilities. During fiscal 2023, 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
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2023
(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 2022 through November 2022. 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, 2023, the Science Center recognized \$107,780 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	3,803
Special Events	92,806
Facilities	6,600
Fixed Assets	97,200
Lift Passes	27,488
Housing	90,320
	\$ 334,765

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, 2023 was \$132,402.

Walking Mountains
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
June 30, 2023
(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 2023.

17. Other Related Parties

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

Walking Mountains
(A Colorado Non-Profit Corporation)
Schedule of Revenues and Expenses - Budget (Non-GAAP Basis) and Actual
With Reconciliation to GAAP Basis
For the Year Ended June 30, 2023
With Comparative Totals for the Year Ended June 30, 2022

	2023		Variance Positive (Negative)	2022
	Budget (Unaudited)	Actual		Total
Revenues:				
Contributions and grants	\$ 3,263,079	2,992,822	(270,257)	5,011,433
Contributed nonfinancial assets	42,000	334,765	292,765	165,733
Program fees and tuition	1,227,017	1,298,302	71,285	1,172,915
Special events	-	83,995	83,995	29,116
Investment income (loss)	90,000	257,210	167,210	(244,666)
Bookstore sales	23,825	23,174	(651)	30,815
Other	7,000	10,015	3,015	2,149
Total Revenues	4,652,921	5,000,283	347,362	6,167,495
Expenses:				
Accounting	23,000	23,300	(300)	22,600
Advertising and marketing	174,279	167,395	6,884	136,653
Bank charges and credit card fees	25,840	28,638	(2,798)	21,630
Board and committee ops.	900	14,166	(13,266)	5,494
Capital improvements	63,200	82,363	(19,163)	-
Computer support	121,740	104,627	17,113	68,519
Professional development	123,320	129,527	(6,207)	100,500
Contract services	70,887	64,865	6,022	48,775
Dues and subscriptions	25,416	30,472	(5,056)	23,250
Employees: IRA contribution	105,209	132,401	(27,192)	113,583
Employees: employee benefits	210,418	182,763	27,655	220,114
Employees: payroll expenses	217,212	240,970	(23,758)	198,435
Employees: salaries and wages	2,630,528	2,788,259	(157,731)	2,519,513
Employees: uniforms	8,771	14,794	(6,023)	16,115
Equipment	23,610	30,267	(6,657)	23,473
Fees and permits	18,881	12,254	6,627	7,624
Bookstore	16,620	14,442	2,178	16,960
Insurance	73,000	91,047	(18,047)	102,047
Interest expense	700	7,508	(6,808)	4,006
Legal	1,500	6,167	(4,667)	358
Miscellaneous expenses	14,800	20,484	(5,684)	10,466
Office supplies	4,154	5,802	(1,648)	3,795
Postage	8,214	4,966	3,248	4,434
Printing and copying	14,040	16,873	(2,833)	15,727
Professional fees	128,485	168,936	(40,451)	109,582
Program supplies	75,607	61,453	14,154	61,486
Recognition and awards	4,900	6,168	(1,268)	5,216
Recruitment	2,825	4,532	(1,707)	2,985
Rent and utilities	60,000	145,781	(85,781)	142,728
Repairs and maintenance	54,920	80,782	(25,862)	161,101
Special events expense	249,100	293,568	(44,468)	157,404
Telephone	18,587	20,183	(1,596)	17,685
Travel, lodging and entertainment	49,268	33,484	15,784	26,027
Vehicle	27,990	27,363	627	35,346
Total Expenses - Budget Basis	4,647,921	5,056,600	(408,679)	4,403,631
Reconciliation to GAAP Basis:				
Bad debt expense		(6,152)		11,515
Depreciation expense		510,721		474,041
Total Expenses - GAAP Basis		5,561,169		4,889,187

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