

Big City Mountaineers

Financial Statements

For the Year Ended December 31, 2025

(With Comparative Totals for the Year Ended December 31, 2024)



Certified Public Accountants

Big City Mountaineers

Table of Contents

Independent Auditor's Report	1 - 2
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to the Financial Statements	7 - 20



Certified Public Accountants

Independent Auditor's Report

To the Board of Directors
Big City Mountaineers

Opinion

We have audited the accompanying financial statements of Big City Mountaineers (a nonprofit organization), which comprise the statement of financial position as of December 31, 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 financial statements referred to above present fairly, in all material respects, the financial position of Big City Mountaineers as of December 31, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Big City Mountaineers 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 accounting principles generally accepted in the United States of America, 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 Big City Mountaineers's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 generally accepted auditing standards 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, including omissions, 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.



Certified Public Accountants

Independent Auditor's Report

In performing an audit in accordance with generally accepted auditing standards, 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 Big City Mountaineers'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 Big City Mountaineers'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.

Report on Summarized Comparative Information

We have previously audited Big City Mountaineers' December 31, 2024, financial statements and in our report dated June 30, 2025, we expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Olson, Reyes and Sauerwein, LLC

Centennial, Colorado

June 12, 2026

Big City Mountaineers

Statements of Financial Position

December 31, 2025

(With Comparative Totals as of December 31, 2024)

	2025	2024 As Restated
ASSETS		
Cash	\$ 183,935	\$ 470,759
Contributions and grants receivable, net of unamortized discount of \$3,981 for 2025 and \$13,189 for 2024	333,368	402,351
Other assets	3,000	12,058
Investments	622,577	495,234
Property and equipment, net	184,160	190,856
Right-of-use asset	-	31,254
TOTAL ASSETS	\$ 1,327,040	\$ 1,602,512
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 3,059	\$ 1,818
Accrued payroll liabilities	47,942	48,105
Operating lease liability	-	32,648
Total Liabilities	51,001	82,571
Net Assets		
Without donor restrictions:		
Undesignated	164,454	432,700
Investment in property and equipment	184,160	190,856
Total Net Assets Without Donor Restrictions	348,614	623,556
With donor restrictions	927,425	896,385
Total Net Assets	1,276,039	1,519,941
TOTAL LIABILITIES AND NET ASSETS	\$ 1,327,040	\$ 1,602,512

See Notes to the Financial Statements

Big City Mountaineers

Statements of Activities

For the Year Ended December 31, 2025

(With Comparative Totals For the Year Ended December 31, 2024)

	Without Donor Restrictions	With Donor Restrictions	2025	2024 As Restated
Support and Revenue				
Contributions and grants	\$ 304,065	\$ 592,782	\$ 896,847	\$ 1,305,280
In-kind contributions	144,308	-	144,308	276,081
Investment income (loss), net	26,622	57,598	84,220	(825)
Program income	34,922	-	34,922	8,663
Interest income	6,858	-	6,858	2,367
Net assets released from restrictions	619,340	(619,340)	-	-
Total Support and Revenue	1,136,115	31,040	1,167,155	1,591,566
Expenses				
Program Services				
Youth expeditions	1,119,144	-	1,119,144	1,184,721
Support Services				
General and administrative	89,629	-	89,629	91,223
Fundraising	202,284	-	202,284	188,659
Total Support Services	291,913	-	291,913	279,882
Total Expenses	1,411,057	-	1,411,057	1,464,603
Change in Net Assets	(274,942)	31,040	(243,902)	126,963
Net Assets - Beginning of Year, As Originally Reported	1,039,801	896,385	1,936,186	1,727,639
Prior Period Adjustment (Note 15)	(416,245)	-	(416,245)	(334,661)
Net Assets - Beginning of Year, As Restated	623,556	896,385	1,519,941	1,392,978
NET ASSETS - END OF YEAR	\$ 348,614	\$ 927,425	\$ 1,276,039	\$ 1,519,941

See Notes to the Financial Statements

Big City Mountaineers

Statements of Functional Expenses

For the Year Ended December 31, 2025

(With Comparative Totals for the Year Ended December 31, 2024)

	Program Services		Support Services		Total 2025	Total 2024 As Restated
	Youth Expeditions	General and Administrative	Fund- Raising	Total		
Salaries, payroll taxes and benefits	\$ 693,407	\$ 24,765	\$ 166,276	\$ 884,448	\$ 795,393	
Program expenses	233,478	-	-	233,478	279,159	
Professional services	82,891	50,296	10,437	143,624	223,998	
Insurance	28,592	1,021	6,856	36,469	33,815	
Rent	24,641	880	5,909	31,430	33,521	
Office and other operating costs	13,630	9,408	5,580	28,618	22,335	
Equipment and software	14,556	520	3,490	18,566	15,453	
Travel, meals and entertainment	12,371	2,183	-	14,554	36,267	
Bank charges and credit card fees	5,512	197	1,322	7,031	9,687	
Depreciation	5,250	187	1,259	6,696	6,696	
Telephone and internet	4,816	172	1,155	6,143	8,279	
TOTAL EXPENSES	\$ 1,119,144	\$ 89,629	\$ 202,284	\$ 1,411,057	\$ 1,464,603	

See Notes to the Financial Statements

Big City Mountaineers

Statements of Cash Flows

For the Year Ended December 31, 2025

(With Comparative Totals for the Year Ended December 31, 2024)

	2025	2024 As Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (243,902)	\$ 126,963
Adjustment to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities		
Depreciation	6,696	6,696
Amortization (income)	(8,220)	(7,695)
Investment (income) loss, net	(84,220)	825
Donated investments	(7,858)	(33,091)
Noncash lease expense	31,430	32,345
Change in Operating Assets and Liabilities		
(Increase) Decrease in:		
Contributions and grants receivable	77,203	(80,430)
Other assets	9,058	(8,558)
Increase (Decrease) in:		
Accounts payable	1,241	(3,657)
Accrued payroll liabilities	(163)	14,179
Operating lease liability	(32,824)	(31,260)
Net Cash Flows from Operating Activities	(251,559)	16,317
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase) of investments	(347,175)	(169,961)
Proceeds from sale of investments	311,910	115,594
Net Cash Flows from Investing Activities	(35,265)	(54,367)
Net (Decrease) in Cash	(286,824)	(38,050)
Cash - Beginning of Year	470,759	508,809
CASH - END OF YEAR	\$ 183,935	\$ 470,759
Noncash investing and financing activities:		
Donated investments	\$ 7,858	\$ 33,091

See Notes to the Financial Statements

Big City Mountaineers

Notes to the Financial Statements

Note 1 - Significant Accounting Policies

Nature of Organization

Big City Mountaineers, Inc. ("BCM" or the "Organization") is a nonprofit organization incorporated in the State of Florida, headquartered in Arvada, Colorado. The Organization provides free fully-outfitted and professionally-led backpacking trips, paddling expeditions, overnight camping experiences, and nature-based day trips for youth from disinvested and unfairly marginalized communities so they can access all the physical, mental, and spiritual benefits of being connected to nature. The Organization operates and serves youth in Colorado, Washington, California, Minnesota, Wisconsin, Alabama, and Florida. The Organization partners with schools and youth development agencies to better address the ongoing needs of youth served. The Organization offers youth the following:

Weeklong Expeditions:

The Organization's core program is a weeklong wilderness expedition that empowers youth from traditionally marginalized communities to find their voice, build social-emotional skills, and promote their health and wellness. The Organization's expeditions have a one-to-one ratio of adult mentors to youth participants, which helps them reach their full personal potential and benefit from the wilderness experience. Adult mentors come from diverse backgrounds and have a wide range of life experiences. These mentors, as role models, help youth become better equipped to make critical career, educational, and healthy lifestyle decisions.

The weeklong expeditions:

- Provide wilderness-based mentoring opportunities to youth ages 12 to 18 with trained, caring adults
- Have been shown to support youth and improve their self-esteem, self-efficacy, and sense of belonging
- Are led by professional field instructors as to ensure participant safety

Single Day Programs:

Single-day outings are outdoor activities in parks and outdoor spaces close to where the students the Organization serves live. Activities include hiking and canoeing. Single-day outings are the entry point that eventually lead up to the Organization's weeklong expeditions, where youth begin to foster relationships with adult mentors and grow more comfortable in the outdoors.

Overnight Programs:

Through single night front-country camping experiences, the Organization provides youth with a safe and supportive environment to develop a sense of self, understanding of their place in the natural world, a passion for lifelong learning, awareness of healthy lifestyles, and respect for the great outdoors. Activities at BCM overnights emphasize team-building and outdoor education to teach citizenship and teamwork. These activities allow campers to learn, refine, and practice critical life skills using the outdoors as a unique context for these lessons.

Big City Mountaineers

Notes to the Financial Statements

Note 1 - Significant Accounting Policies (continued)

Nature of Organization (continued)

Adventure for Someone:

Adventure for Someone (AFS) enables anyone to create their own custom challenge in the outdoors and turn it into a peer-to-peer fundraiser for the Organization. Individuals raise funds for the Organization while participating in their climb or custom challenge.

Basis of Presentation

The financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP).

Classification of Net Assets

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of the Organization, 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 restrictions. The governing Board has designated from net assets without donor restrictions, funds to be held in an endowment.

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 explicit 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, or when the stipulated purpose for which the resource was restricted has been fulfilled.

Prior-Year Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. The prior-year presentation does not include sufficient detail to constitute presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the financial statements for the year ended December 31, 2024, from which the summarized information was derived.

Big City Mountaineers

Notes to the Financial Statements

Note 1 - Significant Accounting Policies (continued)

Income Taxes

The Organization is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from activities not directly related to the Organization's tax exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(ii) and has been classified as an organization other than a private foundation under Section 509(a)(1).

The Organization applies a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in a tax return. After evaluating the tax positions taken, none are considered to be uncertain, therefore, no amounts have been recognized as of December 31, 2025 and 2024.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from the estimates.

Fair Value of Financial Instruments

The Organization's financial instruments include cash, receivables, investments, accounts payable and short-term borrowings. The fair values of these financial instruments approximate their carrying amounts based on current market indicators, such as prevailing interest rates and their nearness to maturity.

Contributions and Grants Receivable

Contributions and grants receivable are recognized as revenue in the period awarded and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Contributions and grants receivable are recognized at the net realizable value if expected to be collected within one year, and at fair value if expected to be collected in greater than one year. At December 31, 2025 and 2024, contributions and grants receivable have been determined to be fully collectible. Accordingly, no allowance for doubtful accounts has been recorded.

Conditional contributions and grants receivable are recognized when the conditions on which they depend are substantially met.

Investments

The Organization carries investments in marketable securities with readily determinable fair values at their fair values in the Statement of Financial Position. Realized and unrealized gains and losses, dividends, interest, and investment management fees are reported in investment income (loss) on the Statement of Activities.

Big City Mountaineers

Notes to the Financial Statements

Note 1 - Significant Accounting Policies (continued)

Inventory

Inventory consists of items such as clothing, camping supplies, food items, and other materials that have been purchased by or donated to the Organization. Purchased inventory is recorded at the lower of cost or realizable value. Donated inventory is recorded at 50% of the MSRP for any given item.

Property and Equipment

Property and equipment are stated at cost or at the estimated fair value at the date of donation. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets, which range from 5 to 30 years. All assets with a useful life of more than one year and a cost of more than \$1,000 are capitalized.

Lease Accounting

The Organization determines if an arrangement is or contains a lease at inception. If the contract provides the Organization the right to substantially all of the economic benefits and the right to direct use of the identified asset, it is considered to be or to contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred. The Organization has elected to use a risk-free rate for a term similar to the underlying lease as the discount rate is the implicit rate in the lease contract is not readily determinable.

Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

For operating leases with lease payments that fluctuate over the lease term, the total lease costs are recognized on a straight-line basis over the lease term.

For all underlying classes of assets, the Organization has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to renew the lease that the Organization is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. The Organization recognizes short-term lease cost on a straight-line basis over the lease term.

For all underlying classes of assets, the Organization separated lease and non-lease components to determine the lease payment.

Big City Mountaineers

Notes to the Financial Statements

Note 1 - Significant Accounting Policies (continued)

Revenue Recognition

Contribution Revenue

Contributions are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when awarded.

Unconditional or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Grant Revenue

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

Grant Awards that are Contributions - Grant awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.

Grant Awards that are Exchange Transactions - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control over the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

Big City Mountaineers

Notes to the Financial Statements

Note 1 - Significant Accounting Policies (continued)

Revenue Recognition (continued)

In-Kind Contributions

Donated goods are reflected as contributions in the financial statements at their estimated fair values at the date of donation. Donated services are recognized as contributions in accordance with GAAP for Not-for-Profit Organizations if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Volunteers provided assistance with specific programs and fundraising events throughout the year that were not recognized as contributions in the financial statements because the recognition criteria were not met.

Program Income

Program service fee revenue consists primarily of fees charged for participation in outdoor excursions and related program activities. Revenue is recognized at a point in time upon completion of the related excursion or program activity, as this represents the point at which the Organization has satisfied its performance obligation and the participant has received the benefit of the services provided. Amounts received in advance of the excursion are recorded as deferred revenue until the related services are performed.

Functional Expense Allocation

The Statement of Functional Expenses reports certain categories of expenses that are attributed to more than one program or supporting function. Accordingly, certain costs have been allocated among the program and supporting services benefited. Allocated expenses include salaries, payroll taxes and employee benefits, rent, telephone and internet, and insurance, and are allocated based on time and effort.

Advertising and Promotion

Advertising and promotion are expensed as incurred and totaled \$2,799 and \$1,263 for the years ended December 31, 2025 and 2024, respectively.

Subsequent Events

In preparing its financial statements, the Organization has evaluated subsequent events through June 12, 2026, which is the date the financial statements were available to be issued. Management of the Organization has not identified any material subsequent events that require reporting or disclosure.

Big City Mountaineers

Notes to the Financial Statements

Note 2 - Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following as of December 31, 2025 and 2024:

	2025	2024
Cash	\$ 183,935	\$ 470,759
Investments	622,577	495,234
Contributions and grants receivable - due within one year	333,368	293,298
Total Financial Assets	1,139,880	1,259,291
Less:		
Donor restricted endowment fund	494,057	394,034
Restricted program contributions included in cash and investments	100,000	135,000
Restricted program contributions included in receivables due within one year	20,000	118,250
Total Financial Assets Available for General Expenditure	\$ 625,823	\$ 747,007

The Organization does not have a formal liquidity policy. According to the investment policy, cash is to be employed productively by investing in short-term equivalents to provide for liquidity and to optimize returns within the constraints defined in the policy.

At December 31, 2025 and 2024, the Organization also has two lines-of-credit for cash flow needs up to \$155,000 as discussed in Note 9.

Note 3 - Concentration of Credit Risk

Since the Organization periodically places cash in individual financial institutions in excess of FDIC-insured limits, the Organization periodically reviews the financial condition of the financial institutions to reduce the Organization's credit risk associated with cash. Additionally, the Organization places its cash with high credit quality financial institutions.

Credit risk associated with contributions and grants receivable is limited due to the number and creditworthiness of the entities from which the amounts are due. At December 31, 2025, 68% of contributions and grants receivable were due from three donors. At December 31, 2024, 77% of contributions and grants receivable were due from two donors.

The Organization receives virtually all its revenue from public support. A significant reduction in the level of support, if this were to occur, may have an adverse effect on the Organization's programs and activities.

Big City Mountaineers

Notes to the Financial Statements

Note 4 - Contributions and Grants Receivable

The Organization accounts for contributions receivable at the net realizable value if expected to be collected within one year, and at fair value if expected to be collected in greater than one year. The Organization discounted the long-term contribution receivable to present value discount using a weighted-average discount rate of 4.20% and 4.16%, respectively, for the years ended December 31, 2025 and 2024.

The following table represents the expected maturities of contributions and grants receivable at December 31, 2025 and 2024.

	2025	2024
Due in less than one year	\$ 337,349	\$ 293,298
One to five years	-	122,242
	337,349	415,540
Less: present value discount	(3,981)	(13,189)
	\$ 333,368	\$ 402,351

Note 5 - Investments

Investments in marketable securities are recorded at fair value and consist of the following at December 31, 2025 and 2024:

	2025	2024
Equity mutual funds and exchange traded funds	\$ 403,588	\$ 254,844
Fixed income mutual funds	208,609	96,536
Crypto-currency	789	1,200
Money market funds	9,591	142,654
Total Investments	\$ 622,577	\$ 495,234

Investments, in general are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with various investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Big City Mountaineers

Notes to the Financial Statements

Note 6 - Endowment

The State of Colorado adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective September 1, 2008. Board of Directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a consequence, the Organization classifies as net assets with donor restrictions: (a) the original value of the gifts donated to the endowment, and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified as permanent endowment is classified as accumulated earnings on the endowment until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Board acknowledges that donors to an endowment fund intend that the principal of the endowment fund shall be preserved in perpetuity. In making a determination to appropriate or accumulate, the Organization shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and shall consider, if relevant, the following factors:

- (1) The duration and preservation of the fund;
- (2) The purpose of the Organization and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other Organization resources;
- (7) The investment policies of the Organization.

The following table summarizes the changes in the endowment net assets for the years ended December 31, 2025 and 2024:

	Total
Balance, December 31, 2023	\$ 308,601
Contributions	83,700
Investment income, net	1,733
Balance, December 31, 2024	394,034
Contributions	77,425
Investment income, net	57,598
Withdrawals	(35,000)
Balance, December 31, 2025	\$ 494,057

Big City Mountaineers

Notes to the Financial Statements

Note 6 - Endowment (continued)

The following tables summarize the historical gift value and accumulated earnings of the donor-restricted endowment and the board designated endowment at December 31, 2025 and 2024:

	2025	2024
Donor restricted endowment		
Historical gift value	\$ 418,314	\$ 340,889
Accumulated earnings	75,743	53,145
Total	\$ 494,057	\$ 394,034

Investment Return Objectives

The Organization has adopted an investment policy for the endowment assets with an objective of providing a predictable stream of funding to programs supported by the endowment while seeking to maintain purchasing power of the endowment assets.

Spending Policy

Disbursements from the endowment are determined by a spending policy established by the Endowment Policy. The spending policy allows for annual disbursements of up to 5% of the market value of the fund.

Funds with Deficiencies

From time to time, the endowment fund may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). We have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2025 and 2024, there was no such deficiency.

Note 7 - Fair Value Measurements

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority level; Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1); and Level 3 inputs are unobservable and have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are used for investments for which Level 1 inputs were not available. Level 3 inputs would only be used if Level 1 or Level 2 inputs were not available. There are no Organization assets requiring the use of Level 3 inputs for the periods presented.

Big City Mountaineers

Notes to the Financial Statements

Note 7 - Fair Value Measurements (continued)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used as of December 31, 2025 and 2024.

Mutual funds, exchange traded funds and crypto-currency: Fair value based on publicly-quoted price in an active market.

The following tables set forth by level, within the fair value hierarchy, the Organization's investment assets at fair value as of December 31, 2025 and 2024. Classification within the fair value hierarchy table is based on the lowest level of any input that is significant to the fair value measurement.

<i>December 31, 2025</i>	Level 1	Level 2	Level 3	Total
Mutual funds, exchange traded funds and crypto-currency	\$ 622,577	\$ -	\$ -	\$ 622,577

<i>December 31, 2024</i>	Level 1	Level 2	Level 3	Total
Mutual funds, exchange traded funds and crypto-currency	\$ 495,234	\$ -	\$ -	\$ 495,234

Note 8 - Property and Equipment

Property and equipment consisted of the following at December 31, 2025 and 2024.

	2025	2024
Land	\$ 104,024	\$ 104,024
Building and improvements	105,679	105,679
Furniture, fixtures and equipment	26,683	26,683
	236,386	236,386
Less: accumulated depreciation	(52,226)	(45,530)
	\$ 184,160	\$ 190,856

For the years ended December 31, 2025 and 2024, depreciation expense was \$6,696 for both years.

Big City Mountaineers

Notes to the Financial Statements

Note 8 - Property and Equipment (continued)

In May 2015, certain real property (land and a building located in Minnesota) was donated to the Organization. The land and building were valued at appraised value. The property is subject to a conservation easement granted to the Minnesota Land Trust in October 2006. The property is also subject to restrictions on future sale.

Note 9 - Lines-of-Credit

The Organization has a line-of-credit with a financial institution for borrowings of up to \$55,000 at an interest rate equal to the prime rate plus 1.25% with a minimum rate of 5.50%. The line matures on May 22, 2027. As of December 31, 2025 and 2024, there was no outstanding balance on the line.

The Organization has an unsecured line-of-credit with a financial institution for borrowings of up to \$100,000 at an interest rate equal to the prime rate plus .5% with a minimum rate of 5.00%. The line matures on August 25, 2026. As of December 31, 2025 and 2024, there was no outstanding balance on the line.

Note 10 - Operating Lease Commitments

The Organization leases office space located in Arvada, Colorado from an unrelated party. The lease requires monthly rent payments of \$2,735 and was set to mature in December 2025. In October 2025, the Organization entered into an amended lease agreement to extend the maturity date to December 31, 2026 at the same monthly rent. The lease may be renewed through mutual agreement. Because the lease does not provide the Organization with an enforceable right to extend beyond December 31, 2026, the remaining lease term is 12 months. The Organization has elected the short-term lease exemption under ASC 842; accordingly, lease payments are recognized as expense on a straight-line basis over the lease term, and no right-of-use asset or lease liability has been recorded.

At December 31, 2024, the ROU asset reflected on the Statement of Financial Position represents the Organization's right to use underlying assets for the lease term, and the lease liability reflected on the Statement of Financial Position represents the Organization's obligation to make lease payments arising from these leases. The ROU asset and lease liability, which arise from operating leases, were calculated based on the present value of future lease payments over the lease term. The Organization elected to use a risk free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate the operating lease liability was 1.18% and the weighted average remaining maturity was 12 months.

For the years ended December 31, 2025 and 2024, lease costs consisted of operating lease costs of \$31,430 and \$33,521, respectively.

Big City Mountaineers

Notes to the Financial Statements

Note 11 - Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following at December 31, 2025 and 2024:

<i>As of December 31,</i>	2025	2024
Subject to expenditure for specified purpose		
Home office purchase	\$ 100,000	\$ 100,000
Subject to the passage of time		
Contributions and grants receivable	333,368	402,351
Endowment		
Historical gift value	418,314	340,889
Accumulated earnings on the endowment	75,743	53,145
Total Net Assets with Donor Restrictions	\$ 927,425	\$ 896,385

Note 12 - In-Kind Contributions

Donated materials and services are reflected in the Statements of Activities as contributions without restrictions unless restricted by the donor for a specific purpose and consisted of the following for the years ended December 31, 2025 and 2024:

Description	Valuation Methodology	2025	2024
Gear and equipment	50% of MSRP for the specific product or comparable products	\$ 59,499	\$ 104,328
Donated stock	Valued in a publicly traded market on the date of donation	7,858	33,091
Professional services	Standard industry pricing for similar services	76,951	138,662
		\$ 144,308	\$ 276,081

The Organization receives donations of clothing, camping gear, food items, and other materials for use in its programs. The Organization sold the donated stock on the date of the donation. Professional services consists primarily of marketing and public relations services utilized to market and brand the Organization and its programs.

Big City Mountaineers

Notes to the Financial Statements

Note 13 - Retirement Plan

The Organization has established an employee benefit plan under Section 401(k) of the Internal Revenue Service (the "Plan"). The Plan covers all employees aged twenty-one or older who have attained three months of service. Employees may elect to defer a portion of their compensation, subject to certain limits, as allowed under the Internal Revenue Code. The Plan is completely employee funded. For the years ended December 31, 2025 and 2024, the Organization has elected to not make any employer contributions to the Plan.

Note 14 - Related Party Transactions

For the years ended December 31, 2025 and 2024, the Organization received contributions totaling \$75,580 and \$75,933, respectively, from a company managed by a member of the Organization's board of directors.

Note 15 - Prior Period Adjustment

During the year ended December 31, 2025, the Organization identified an error related to the accounting treatment of donated backpacking equipment and supplies used in its programs. In prior years, the donated equipment and supplies were recorded as inventory. Upon further evaluation, management determined these items were distributed and consumed in program operations and did not meet the Organization's capitalization policy for property and equipment. Accordingly, the amounts should have been recognized as program expense when received or placed into service rather than recorded as inventory.

The prior period adjustment had the following impact on the Statement of Financial Position and the Statement of Activities as of and for the year ended December 31, 2024

	As Originally Reported	As Restated
Statement of Financial Position		
Inventory	\$ 416,245	\$ -
Net assets	\$ 1,936,186	\$ 1,519,941
Statement of Activities		
Change in net assets	\$ 208,547	\$ 126,963
