STOCKMAN KAST RYAN & CO., LLP

ADAPTIVE SPORTS CENTER OF CRESTED BUTTE, INC.

Financial Statements

For the Year Ended April 30, 2025

And

Independent Auditors' Report

ADAPTIVE SPORTS CENTER OF CRESTED BUTTE, INC.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Adaptive Sports Center of Crested Butte, Inc.

Opinion

We have audited the accompanying financial statements of Adaptive Sports Center of Crested Butte, Inc. (the Organization), which comprise the statement of financial position as of April 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 financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of April 30, 2025 and the change in its net assets and its cash flows for the year then ended in conformity 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 Auditors' 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 these 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility 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 auditors' 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 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 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 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.

Stockman Kast Ryan & Co., LLP

September 9, 2025

ADAPTIVE SPORTS CENTER OF CRESTED BUTTE, INC.

STATEMENT OF FINANCIAL POSITION
APRIL 30, 2025

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 422,494
Investments	3,637,649
Accounts receivable	59,477
Grants receivable	92,720
Pledges receivable	675
Prepaid/deferred expenses	64,483
Merchandise inventory	10,845
Total current assets	4,288,343
INVESTMENTS	1,344,262
PROPERTY AND EQUIPMENT, NET	16,470,324
TOTAL ASSETS	$ 22,102,929
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	$ 150,177
Accrued liabilities	114,770
Accrued compensated absences	70,615
Deferred revenue	130,100
Total current liabilities	465,662
Note payable	500,000
Discount on note payable for imputed interest	(173,441)
Note payable, net	326,559
Total liabilities	792,221
NET ASSETS	
Without donor restrictions:	
Undesignated	2,447,294
Board-designated	165,000
Invested in property and equipment	16,470,324
With donor restrictions:	
Perpetual in nature	1,344,262
Purpose restrictions	883,828
Total net assets	21,310,708
TOTAL LIABILITIES AND NET ASSETS	$ 22,102,929

See notes to financial statements.

ADAPTIVE SPORTS CENTER OF CRESTED BUTTE, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Public support:			
Contributed non-financial assets	$ 625,407		$ 625,407
Contributed financial assets	566,723	$ 201,059	767,782
Proposals - fundraising	544,537		544,537
Grants	364,324		364,324
Program income:			
Winter	253,546		253,546
Less scholarships	(99,887)		(99,887)
Locker revenue	179,795		179,795
Summer	164,399		164,399
Less scholarships	(83,775)		(83,775)
Special events:			
Crested Butte Open	1,917,158		1,917,158
Other	182,659		182,659
Total	4,614,886	201,059	4,815,945
Rental and investment income	401,980	156,371	558,351
Employee retention credit	426,247		426,247
Net assets released from restriction	65,969	(65,969)	
Total revenues	5,509,082	291,461	5,800,543
EXPENSES			
Program services:			
Winter	1,818,781		1,818,781
Summer	1,797,086		1,797,086
Supporting services:			
Fundraising	1,098,947		1,098,947
General and administrative	275,432		275,432
Total expenses	4,990,246	—	4,990,246
CHANGE IN NET ASSETS	518,836	291,461	810,297
NET ASSETS, Beginning of year	18,563,782	1,936,629	20,500,411
NET ASSETS, End of year	$ 19,082,618	$ 2,228,090	$ 21,310,708

See notes to financial statements.

ADAPTIVE SPORTS CENTER OF CRESTED BUTTE, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED APRIL 30, 2025

		Supporting Services		
	Program Services	Fundraising	General and Administrative	Total
EXPENSES				
Salaries and wages	$ 1,534,983	$ 285,901	$ 111,524	$ 1,932,408
Program activities:				
Contributed supplies, lift tickets and auction items	319,226	272,770	16,412	608,408
Camps	211,452			211,452
Equipment/supplies	35,607			35,607
Vehicle expense	23,443			23,443
Depreciation	444,403		49,378	493,781
Fundraising		373,813		373,813
Insurance	293,464	20,751	11,794	326,009
Occupancy	262,298	25,210	25,532	313,040
Employee benefits	148,903	47,357	22,701	218,961
Payroll taxes	124,938	23,270	9,077	157,285
Advertising	76,748	19,187		95,935
Program development	45,538			45,538
Professional fees	15,055	15,055	15,055	45,165
Office expenses	11,908	8,579	2,342	22,829
Miscellaneous	67,901	7,054	11,617	86,572
TOTAL	$ 3,615,867	$ 1,098,947	$ 275,432	$ 4,990,246
PERCENTAGE	73%	22%	6%	100%

See notes to financial statements.

ADAPTIVE SPORTS CENTER OF CRESTED BUTTE, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2025

OPERATING ACTIVITIES		
Change in net assets	$	810,297
Adjustments to reconcile change in net assets		
to net cash provided by operating activities:		
Depreciation		493,781
Contribution of imputed interest		(175,790)
Amortization of loan discount		2,349
Realized and unrealized gains on investments		264,398
Changes in operating assets and liabilities:		
Accounts receivable		(44,009)
Grants receivable		58,057
Pledges receivable		5,138
Prepaid/deferred expenses		235
Merchandise inventory		(4,823)
Accounts payable		(37,337)
Accrued liabilities		86,920
Accrued compensated absences		6,163
Deferred revenue		(14,186)
Net cash provided by operating activities		1,451,193
INVESTING ACTIVITIES		
Purchases of investments		(402,007)
Sales of investments		417,697
Purchases of property and equipment		(1,917,896)
Net cash used in investing activities		(1,902,206)
FINANCING ACTIVITIES		
Net cash provided by financing activities —		
Proceeds from issuance of long-term debt		500,000
NET INCREASE IN CASH AND CASH EQUIVALENTS		48,987
CASH AND CASH EQUIVALENTS, Beginning of year		373,507
CASH AND CASH EQUIVALENTS, End of year	$	422,494

See notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities — The Adaptive Sports Center of Crested Butte, Inc. (the Organization), is a non-profit organization formed in 1995 pursuant to the laws of the State of Colorado, for the purpose of providing outdoor recreation programs for individuals with disabilities.

Basis of Presentation — The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which represents the expendable resources that are available for operations at management's discretion; and net assets with donor restrictions, which represents resources restricted by donors as to purpose or by the passage of time and resources whose use by the Organization is limited by donor imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

Cash and Cash Equivalents — The Organization considers all cash and highly liquid financial investments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Accounts and Grants Receivable — Accounts and grants receivable are stated at the invoice amount. Management provides for probable uncollectible amounts through a provision for bad debts and an adjustment to an allowance for credit losses based on its assessment of the current status of individual accounts, as well as current and future economic conditions. As of April 30, 2025, all accounts and grants receivable are considered collectible by management and, accordingly, no allowance has been recorded.

Merchandise Inventory — Merchandise inventory consists of t-shirts and other items valued at the lesser of cost or net realizable value.

Investments — Investments are reported at fair value. Realized and unrealized gains and losses on endowment funds are included as revenue with donor restrictions in the statement of activities. Realized and unrealized gains and losses on other investments are included as revenue without donor restrictions. Donated investments are recorded at fair market value on the date of donation. See Note 3 for information on fair value measurements.

Property and Equipment — The Organization records property and equipment additions of $2,000 or more at cost, or if donated, at fair value on the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long these donated assets must be maintained, the Organization reports expiration of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restriction to net assets without donor restriction at that time.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets ranging from 3 to 39 and a half years. When assets are sold or otherwise disposed of, the cost and related depreciation is removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Deferred Revenue — Revenue from sponsorships is deferred and recognized over the periods to which the sponsorships relate.

Functional Allocation of Expenses — The financial statements report certain categories of expenses that are attributable to one or more programs or supporting services of the Organization. Therefore, many expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated on the basis of estimates of time and effort spent by personnel in the various program and supporting services include payroll and related taxes and benefits, professional services, advertising expenses, and facilities expenses. All other expenses are attributed directly to individual projects, each of which is identified to a specific operational function.

Use of Estimates — Preparation of the Organization's financial statements, in conformity with accounting principles generally accepted in the United States of America, 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 amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributions and Grants — Unconditional contributions and grants are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional contributions and grants are recognized when the conditions on which they depend have been substantially met. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, 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. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

Contributed Non-Financial Assets — In addition to receiving cash contributions, the Organization receives various program-related in-kind contributions from donors. It is the policy of the Organization to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase contribution revenue by a like amount. No restrictions are placed on these items and the Organization estimates the fair value of these items on the basis of market prices for comparable products.

Contributed Services— Contributed services are recognized as contributions in accordance with FASB ASC 958, *Accounting for Contributions Received and Contributions Made,* if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with these skills, and would otherwise be purchased by the Organization. In addition, volunteers donated 7,782 hours to the Organization's programs.

No amounts have been reflected in the accompanying financial statements for those donated services because they do not meet the criteria for revenue recognition established by FASB ASC 958.

Program Income — Registration fees and locker rental fees are recognized over the periods to which the income relates.

Advertising Costs — The Organization expenses advertising and marketing costs as they are incurred. These costs were $95,935 for the year ended April 30, 2025.

Income Taxes — The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction. The Organization believes that it does not have any uncertain tax positions that are material to the financial statements.

Concentrations Risk – Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash in excess of Federal Deposit Insurance Corporation (FDIC) limits. The Organization places its cash accounts with creditworthy, high quality financial institutions. At times the Organization's cash balances exceed the limit.

Subsequent Events — The Organization has evaluated subsequent events for recognition or disclosure through the date of the Independent Auditors' Report, which is the date the financial statements were available for issuance.

2. LIQUIDITY AND AVAILABILITY

The following table reflects the Organization's financial assets as of April 30, 2025, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or time restrictions. Amounts not available include net assets with donor restrictions.

Financial assets at year-end:	
Cash and cash equivalents	$ 422,494
Receivables	152,872
Investments	4,981,911
Total financial assets at year-end	5,557,277
Less amounts unavailable for general expenditures within one year, due to:	
Restricted by donors with purpose restrictions	883,828
Restricted by donors in perpetuity	1,344,262
Total amounts unavailable for general expenditures within one year	2,228,090
Less amounts unavailable to management without board's approval:	
Board designated for specific use	165,000
Financial assets available to management to meet cash needs for general expenditures in the next twelve months	$ 3,164,187

The Organization's goal is generally to maintain financial assets to meet 180 days of operating expense.

3. INVESTMENTS

The Organization uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2: Prices determined using significant other observable inputs. Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Prices determined using significant unobservable inputs.

The investment'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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of April 30, 2025.

Exchange-Traded Funds and Mutual Funds – Valued at quoted prices in active markets.

U.S. Government Obligations and Corporate Bonds – Valued principally through pricing services.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's financial instruments at fair value as of April 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 and money market funds	$ 453,946	$ 453,946		
Exchange traded funds:				
Domestic equity	1,104,846	1,104,846		
International equity	160,193	160,193		
Fixed income	43,232	43,232		
Mutual funds:				
Domestic equity	52,922	52,922		
Fixed income	52,340	52,340		
U.S. Treasuries	2,735,117	2,735,117		
Corporate bonds	379,315		$ 379,315	
Total	$ 4,981,911	$ 4,602,596	$ 379,315	$ —

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at April 30, 2025:

Buildings and improvements	$ 17,051,230
Land	2,117,698
Program equipment	600,401
Vehicles	321,633
Challenge Course equipment	46,519
Office furniture and equipment	28,877
Total	20,166,358
Accumulated depreciation	(3,696,034)
Property and equipment, net	$ 16,470,324

Depreciation expense for the year ended April 30, 2025 was $493,781.

5. NOTE PAYABLE

A private lender has provided a non-interest bearing note payable with a face amount of $500,000. The note is payable at maturity in March 2035 and is secured by a deed of trust on property. Interest is imputed at 4.34% and the resulting discount is amortized to interest expense over the life of the note. The balance reported in the statement of financial position is net of unamortized discount of $173,441 at April 30, 2025.

6. NET ASSETS

Net assets with donor restrictions related to purpose are as follows as of April 30, 2025:

Roger Pepper	$ 262,089
Operations	196,211
Frank Fialkoff	100,771
At-risk youth programming	80,088
Visually impaired	59,021
Scholarships	38,701
Equipment	37,770
Kelsey Wright building	33,584
Hampton Travel funds	28,604
Kellen Sams	27,252
Craig Hospital	17,495
Down Syndrome - Sun Up Sun Down	2,242
Total restricted for purpose	$ 883,828

Net assets of $165,000 are designated by the board of directors for the capital campaign and capital improvements.

7. ENDOWMENT

The Organization's endowment consists of 6 individual funds with donor-restrictions established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The State of Colorado has adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), which provides statutory guidance for management, investment and expenditure of endowment funds held by not-for-profit organizations. The Organization has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies these as net assets with donor restriction that (a) the original value of gifts donated to the permanent endowment, and (b) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1) The duration and preservation of the fund.
2) The purposes 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 resources of the Organization.
7) The investment policies of the Organization.

Endowment net assets are comprised solely of net assets with donor restriction. Changes in endowment net assets for the year ended April 30, 2025 is as follows:

Endowment net assets, beginning of year	$ 1,485,635
Investment income	156,371
Contributions	88,610
Endowment net assets, end of year	$ 1,730,616

The portion of endowment funds required to be retained permanently either by explicit donor stipulation or by UPMIFA as of April 30, 2025 is $1,344,262.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy the endowment assets are invested in a manner that is intended to produce maximum results while assuming a moderate level of investment risk. The Organization expects its endowment funds, over time, to provide a rate of return sufficient to keep pace with the rate of inflation. Actual returns in any given year may vary from this amount.

8. CONTRIBUTIONS — NON-FINANCIAL ASSETS

Contributions of non-financial assets consist of the following for the year ended April 30, 2025:

	Revenue Recognized	Utilization in Programs / Activities	Donor Restriction	Valuation Techniques / Inputs
Lift tickets and passes	$ 316,646	Programs	None	Market prices for tickets and passes
Auction donations	272,770	Fund raising	None	Market prices for comparable products
Supplies	18,991	Operations	None	Market prices for comparable products
Professional fees	17,000	Operations	None	Market prices for comparable services
Total	$ 625,407			

9. EMPLOYEE RETENTION CREDIT

The CARES Act provides for employee retention tax credits, which are refundable tax credits against certain employment taxes. During the year ended April 30, 2025, the Organization determined that it is eligible for refundable employee retention tax credits for the quarters ended June 30, 2020 through June 30, 2021. Subsequent to June 30, 2021, the Organization filed for the tax credits.

The Organization has recognized non-operating revenue of $426,247 for the employee retention tax credits for the year ended April 30, 2025. Employee retention tax credit claims are subject to audit by the Internal Revenue Service.

10. RELATED PARTY TRANSACTIONS

The Organization received contributions from members of the board of directors totaling $485,556 during the year ended April 30, 2025.