

ASPEN CENTER FOR ENVIRONMENTAL STUDIES

FINANCIAL STATEMENTS

October 31, 2021 and 2020



ASPEN CENTER FOR ENVIRONMENTAL STUDIES

FINANCIAL STATEMENTS

October 31, 2021 and 2020

TABLE OF CONTENTS

ITEM	PAGE NUMBER
Independent Auditor's Report	1
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to the Financial Statements	8

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Aspen Center for Environmental Studies
Aspen, Colorado

We have audited the accompanying financial statements of Aspen Center for Environmental Studies (ACES, a nonprofit organization), which comprise the statements of financial position as of October 31, 2021 and 2020, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Aspen Center for Environmental Studies as of October 31, 2021 and 2020, and the changes in its net assets, cash flows, and functional expenses for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Reese Henry & Company, Inc.

Certified Public Accountants
Aspen, Colorado
April 19, 2022

ASPEN CENTER FOR ENVIRONMENTAL STUDIES
STATEMENTS OF FINANCIAL POSITION
October 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and Cash Equivalents	\$ 3,184,465	\$ 3,065,080
Accounts Receivable	69,963	-
Pledges Receivable (Net)	5,984,944	6,291,986
Inventory	19,612	81,647
Investments	3,223,426	3,855,748
Prepaid expenses	7,494	-
Land, Buildings and Equipment (Net)	11,402,714	10,279,185
Restricted Cash	6,689,539	2,950,891
Restricted Investments	2,023,558	2,014,628
TOTAL ASSETS	<u>\$ 32,605,715</u>	<u>\$ 28,539,165</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 255,964	\$ 26,652
Accrued Expenses	269,163	202,633
Note Payable	281,196	306,026
TOTAL LIABILITIES	<u>806,323</u>	<u>535,311</u>
 NET ASSETS		
Net Assets Without Donor Restrictions		
Undesignated	5,613,211	4,634,939
Invested in Land, Buildings and Equipment, Net of Note Payable	11,121,518	9,973,159
Total Net Assets Without Donor Restrictions	16,734,729	14,608,098
Net Assets With Donor Restrictions	15,064,663	13,395,756
TOTAL NET ASSETS	<u>31,799,392</u>	<u>28,003,854</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 32,605,715</u>	<u>\$ 28,539,165</u>

See accompanying notes and independent auditor's report.

ASPEN CENTER FOR ENVIRONMENTAL STUDIES
STATEMENTS OF ACTIVITIES
For the Years Ended October 31, 2021 and 2020

	2021			2020		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT						
Contributions and Grants	\$ 2,006,476	\$ 3,315,130	\$ 5,321,606	\$ 3,093,382	\$ 6,169,502	\$ 9,262,884
Membership Income	222,982	-	222,982	231,501	-	231,501
Admissions and Tuition	645,913	-	645,913	529,586	-	529,586
Special Event Income (Net)	302,333	-	302,333	162,720	-	162,720
Store Sales (Net)	15,918	-	15,918	4,423	-	4,423
Payroll Protection Program Grant	-	-	-	288,100	-	288,100
Events Income	150,493	-	150,493	70,748	-	70,748
Investment Income	16,998	-	16,998	55,677	-	55,677
Net Assets Released from Restrictions:						
Satisfaction of Program Restrictions	1,646,223	(1,646,223)	-	695,017	(695,017)	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	5,007,336	1,668,907	6,676,243	5,131,154	5,474,485	10,605,639
EXPENSES						
Program Expenses:						
Education	2,091,471	-	2,091,471	1,854,430	-	1,854,430
Supporting Service Expenses:						
Management and General	437,380	-	437,380	367,776	-	367,776
Fundraising	351,854	-	351,854	325,917	-	325,917
Total Supporting Service Expenses	789,234	-	789,234	693,693	-	693,693
TOTAL EXPENSES	2,880,705	-	2,880,705	2,548,123	-	2,548,123
CHANGE IN NET ASSETS	2,126,631	1,668,907	3,795,538	2,583,031	5,474,485	8,057,516
NET ASSETS, Beginning of year	14,608,098	13,395,756	28,003,854	12,025,067	7,921,271	19,946,338
NET ASSETS, End of year	\$ 16,734,729	\$ 15,064,663	\$ 31,799,392	\$ 14,608,098	\$ 13,395,756	\$ 28,003,854

See accompanying notes and independent auditor's report.

ASPEN CENTER FOR ENVIRONMENTAL STUDIES
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended October 31, 2021

	Program	Supporting Services		Cost of	
	Education	Management and General	Fundraising	Goods Sold	Total
Salaries and Wages	\$ 977,024	\$ 140,251	\$ 217,150	\$ -	\$ 1,334,425
Employee Benefits	119,705	25,211	27,346	-	172,262
Retirement Plan Contributions	15,659	6,044	5,769	-	27,472
Payroll Taxes	73,852	19,315	20,451	-	113,618
Professional Services	20,384	136,119	-	-	156,503
Marketing and Advertising	17,356	19,895	14,180	-	51,431
Office Expenses	11,772	31,983	2,341	-	46,096
Information Technology	9,639	2,659	4,321	-	16,619
Occupancy	157,133	44,864	14,167	-	216,164
Travel	10,621	-	-	-	10,621
Insurance	52,125	9,157	9,157	-	70,439
Supplies and Materials	480,881	-	25,141	-	506,022
Depreciation	138,208	1,882	11,831	-	151,921
Interest	7,112	-	-	-	7,112
Cost of Goods Sold	-	-	-	20,328	20,328
Cost of Direct Benefit to Donors	-	-	-	99,568	99,568
Total Expenses by Function	2,091,471	437,380	351,854	119,896	3,000,601
Less expenses included with revenues on the statement of activities					
Cost of Goods Sold	-	-	-	(20,328)	(20,328)
Cost of Direct Benefits to Donors	-	-	-	(99,568)	(99,568)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 2,091,471	\$ 437,380	\$ 351,854	\$ -	\$ 2,880,705

See accompanying notes and independent auditor's report.

ASPEN CENTER FOR ENVIRONMENTAL STUDIES
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended October 31, 2020

	Program	Supporting Services		Cost of	
	Education	Management and General	Fundraising	Goods Sold	Total
Salaries and Wages	\$ 995,844	\$ 225,139	\$ 162,721	\$ -	\$ 1,383,704
Employee Benefits	108,406	23,609	26,128	-	158,143
Retirement Plan Contributions	18,661	7,203	6,875	-	32,739
Payroll Taxes	63,899	16,712	17,695	-	98,306
Professional Services	-	24,938	-	-	24,938
Marketing and Advertising	15,196	17,419	43,177	-	75,792
Office Expenses	8,461	1,993	1,843	-	12,297
Information Technology	5,933	1,633	2,660	-	10,226
Occupancy	151,574	35,077	11,548	-	198,199
Travel	13,172	-	-	-	13,172
Insurance	62,565	10,991	10,991	-	84,547
Supplies and Materials	265,509	-	30,032	-	295,541
Depreciation	137,778	3,062	12,247	-	153,087
Interest	7,432	-	-	-	7,432
Cost of Goods Sold	-	-	-	7,592	7,592
Cost of Direct Benefit to Donors	-	-	-	27,923	27,923
Total Expenses by Function	1,854,430	367,776	325,917	35,515	2,583,638
Less expenses included with revenues on the statement of activities					
Cost of Goods Sold	-	-	-	(7,592)	(7,592)
Cost of Direct Benefits to Donors	-	-	-	(27,923)	(27,923)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 1,854,430	\$ 367,776	\$ 325,917	\$ -	\$ 2,548,123

See accompanying notes and independent auditor's report.

ASPEN CENTER FOR ENVIRONMENTAL STUDIES
STATEMENTS OF CASH FLOWS
For the Years Ended October 31, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 3,795,538	\$ 8,057,516
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	151,921	153,087
Amortization of Discount on Pledges Receivable	(62,638)	27,687
Non-Cash Capital Contributions	(2,140,445)	(5,967,500)
Changes in Assets and Liabilities:		
Accounts Receivable	(69,963)	-
Pledges Receivable (Net)	2,510,125	1,019,481
Inventory	62,035	(58,961)
Prepaid Expenses	(7,494)	-
Accounts Payable	12,746	26,652
Accrued Expenses	66,530	(15,915)
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,318,355	3,242,047
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	623,392	(2,051,984)
Purchase of Land, Buildings and Equipment	(1,058,884)	(388,374)
NET CASH USED IN INVESTING ACTIVITIES	(435,492)	(2,440,358)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Debt	(24,830)	(24,283)
NET CASH USED IN FINANCING ACTIVITIES	(24,830)	(24,283)
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,858,033	777,406
CASH AND CASH EQUIVALENTS, Beginning of year	6,015,971	5,238,565
CASH AND CASH EQUIVALENTS, End of year	\$ 9,874,004	\$ 6,015,971
Cash and Cash Equivalents	\$ 3,184,465	\$ 3,065,080
Restricted Cash	6,689,539	2,950,891
TOTAL CASH AND CASH EQUIVALENTS	\$ 9,874,004	\$ 6,015,971
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash Paid for Interest	\$ 7,112	\$ 7,966
Donation of Land	-	2,730,000
Purchase of Land, Buildings and Equipment in Accounts Payable	216,566	-

See accompanying notes and independent auditor's report.

ASPEN CENTER FOR ENVIRONMENTAL STUDIES
NOTES TO THE FINANCIAL STATEMENTS
October 31, 2021 and 2020

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

Aspen Center for Environmental Studies ("ACES") is a nonprofit corporation that was incorporated under the laws of Colorado on October 7, 1968. ACES is a nonprofit environmental science education organization. Since 1968, ACES has inspired a life-long commitment to the earth by providing innovative and immersive programming for all ages. ACES has three locations: Hallam Lake, Rock Bottom Ranch, and Catto Center at Toklat. The programs focus on ecological literacy, regenerative agriculture, forest and ecosystem health, land restoration, and environmental leadership.

AGENDA AND ACHIEVEMENTS (UNAUDITED)

ACES works to contribute to a national agenda for increased environmental awareness. The programs reach over 130,000 individuals every year. ACES teaches daily in schools from Aspen to Rifle, provides kids camps, adult classes, guided hikes and field programs for all ages, with 70 partner organizations. ACES also engages the community by hosting public lectures and events. ACES collaborates with land trusts, public agencies, and other nonprofits to achieve its mission.

In the next 50 years, ACES seeks to cultivate a community of environmental stewards so that children, parents, consumers, decision-makers, and leaders can make informed decisions in an increasingly complex world.

BASIS OF PRESENTATION

The financial statements of ACES have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

CLASSIFICATION OF NET ASSETS

ACES net assets are classified based on the presence or absence of donor-imposed restrictions. Net assets are classified as follows:

Net assets without donor restrictions: Net assets available for use in operations and not subject to donor-imposed restrictions.

Net assets with donor restrictions: Net assets that are subject to donor-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 resources are to be maintained in perpetuity. Net assets with donor restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purposed for which the resource was restricted has been fulfilled, or both.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all cash held in deposits and investments with an original maturity of three months or less.

ACES places its cash with federally insured financial institutions. At times, the balances at these financial institutions may exceed the FDIC insured limits. As of October 31, 2021 and 2020, ACES had \$8,943,595 and \$5,563,208, respectively, of its cash and cash equivalents in excess of the FDIC insured limits.

PLEDGES RECEIVABLE

Unconditional pledges are recognized as contribution revenue in the period the pledge is made. Pledges are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional pledges are recognized when the conditions on which they depend are substantially met. As of October 31, 2021 and 2020, there were no conditional pledges and no allowance for doubtful accounts.

INVENTORY

Inventory is stated at cost, which is lower than market, on the first-in, first-out method. Inventory consists of gift shop items and agricultural products held for resale.

INVESTMENTS

ACES holds investments in certificates of deposit and money market funds with a readily determinable fair value based on quoted prices in active markets in the statement of financial position.

LAND, BUILDINGS AND EQUIPMENT

Donations of land, buildings and equipment are recorded as support at their estimated fair value at the date of the donation. Such donations are reported as net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Purchased assets are recorded at fair value as an increase to net assets without donor restrictions as of the purchase date. Buildings and equipment are depreciated over their estimated useful lives using the straight-line method, as follows:

Buildings and Land Improvements	3-40 years
Equipment and Furnishings	3-10 years
Vehicles	5 years

ACCRUED EXPENSES

Accrued expenses consist of compensated absences and accrued payroll. Compensated absences for paid vacation, sick pay and personal time have been accrued based on hours earned and current pay rates.

REVENUE RECOGNITION

CONTRIBUTIONS AND GRANTS

Contributions and grants received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence or nature of any donor restrictions.

CONTRIBUTIONS AND GRANTS (CONTINUED)

Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or 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. Contributions restricted for the acquisition of land, buildings and equipment are reported as net assets without donor restriction upon acquisition of the assets, and the assets are placed in service.

MEMBERSHIP INCOME

Membership income is related to the sale of memberships. ACES offers members access to members' only events and programs. Members also receive discounts on adult workshops and classes, kids' programs, and store purchases. ACES recognizes this as revenue when received.

ADMISSIONS AND TUITION

Admissions and tuition revenue is related to different program activities provided by ACES including classes, hikes, events, tuition and agricultural products. Admissions and tuition revenue is recognized when the related service or good is provided to the customer.

DONATED SERVICES

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by ACES. There were no donated services received during the years ended October 31, 2021 and 2020.

INCOME TAX STATUS

ACES is exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to ACES' tax-exempt purpose is subject to taxation as unrelated business income. Contributions to ACES are tax deductible as permitted under the Code.

FASC Topic 740-10, Accounting for Uncertainty in Income Taxes, prescribes when to recognize and how to measure the financial statement effects of income tax positions taken or expected to be taken on its income tax returns. These rules require management to evaluate the likelihood that, upon examination by relevant taxing jurisdictions, those income tax positions would be sustained. Based on that evaluation, ACES only recognizes the maximum benefit of each income tax position that is more than 50% likely of being sustained. To the extent that all or a portion of the benefits of an income tax position are not recognized, a liability would be recognized for the unrecognized benefits, along with any interest and penalties that would result from disallowance of the position. Should any such penalties and interest be incurred, they would be recognized as operating expenses. ACES had no material unrecognized tax benefits for the years ended October 31, 2021 and 2020. As a result, no interest or penalties were accrued for unrecognized tax benefits during these years.

FUNCTIONAL EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis (program services, management and general, and fundraising). The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

ADVERTISING

ACES expenses advertising costs as incurred. Advertising expenses incurred for the years ended October 31, 2021 and 2020 were \$51,431 and \$75,792, respectively.

USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENT

In June 2018, the FASB issued Accounting Standards Update ("ASU") No. 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this ASU clarify and improve current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. ACES adopted this ASU for the year ending October 31, 2020. The adoption of this ASU had no significant impact on how ACES recognizes revenue.

UPCOMING ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued ASU 2016-02 to increase transparency and comparability of information regarding an entity's leasing activities by providing additional information to users of financial statements. ASU 2016-02 requires lessees to recognize most leases on their balance sheet by recording a liability for its lease obligation and an asset for its right to use the underlying asset as of the lease commencement date and recognizing expenses on the income statement in a similar manner to the current guidance in ASC Topic 840, Leases ("ASC 840"). The new lease guidance will be effective for ACES's year ending October 31, 2022. ACES is currently in the process of evaluating the impact the adoption will have on ACES's financial condition, results of operations, and cash flows.

RECLASSIFICATION

Certain amounts in the October 31, 2020 financial statements have been reclassified for consistency with the current year presentation.

DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through April 19, 2022, the date which the financial statements were available to be issued.

2. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available to meet cash needs for general expenditures within one year are as follows as of October 31, 2021 and 2020:

	2021	2020
Cash and Cash Equivalents	\$ 3,184,465	\$ 3,065,080
Pledges Receivable, Undesignated	325,000	560,000
Investments	3,223,426	3,855,748
Total assets available for general expenditures	<u>\$ 6,732,891</u>	<u>\$ 7,480,828</u>

As part of ACES' liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, ACES invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, ACES has a committed line of credit in the amount of \$250,000 (as further discussed in Note 6), which it could draw upon.

3. PLEDGES RECEIVABLE

Pledges receivable as of October 31 are as follows:

2021						
	Years Ending October 31					Total
	2022	2023	2024	2025	Thereafter	
Undesignated Pledges	\$ 175,000	\$ 150,000	\$ -	\$ -	\$ -	\$ 325,000
For The Forest	100,000	100,000	-	-	-	200,000
Hallam Lake Neighbors	6,200	-	-	-	-	6,200
50th Anniversary Capital Campaign	2,520,289	1,903,334	490,000	150,000	448,677	5,512,300
Total Pledges	<u>\$ 2,801,489</u>	<u>\$ 2,153,334</u>	<u>\$ 490,000</u>	<u>\$ 150,000</u>	<u>\$ 448,677</u>	6,043,500
Less Present Value Discount						(58,556)
Pledges Receivable, Net of Discount						<u>\$ 5,984,944</u>

2020						
	Years Ending October 31					Total
	2021	2022	2023	2024	Thereafter	
Undesignated Pledges	\$ 235,000	\$ 175,000	\$ 150,000	\$ -	\$ -	\$ 560,000
For The Forest	100,000	100,000	100,000	-	-	300,000
Down Valley Education	1,000	-	-	-	-	1,000
Hallam Lake Neighbors	6,200	6,200	-	-	-	12,400
50th Anniversary Capital Campaign	1,952,116	1,461,333	1,287,623	440,000	398,647	5,539,719
Total Pledges	<u>\$ 2,294,316</u>	<u>\$ 1,742,533</u>	<u>\$ 1,537,623</u>	<u>\$ 440,000</u>	<u>\$ 398,647</u>	6,413,119
Less Present Value Discount						(121,133)
Pledges Receivable, Net of Discount						<u>\$ 6,291,986</u>

A discount rate of 1% was determined applicable on pledges receivable as of October 31, 2021 and 2020.

4. FAIR VALUE MEASUREMENT

ACES measure all financial assets and liabilities in order to mitigate volatility in reported changes in net assets. The carrying amount reported in the statement of financial position for cash and cash equivalents, pledges receivable, accounts payable and accrued expenses approximate fair value because of the immediate or short-term maturities of these financial instruments. Investments are measured on a recurring basis and reported at fair value.

ACES is subject to the provisions of *Fair Value Measurements and Disclosures*. This standard requires use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3).

The following table summarizes the valuation of investments in the fair value hierarchy as of October 31. All investments are considered Level 1 investments.

	Fair Value	
	2021	2020
Certificates of Deposit	\$ 157,770	\$ 790,398
US Treasury Notes	-	1,003,750
Money Market Fund	5,089,214	4,076,228
Total	<u>\$5,246,984</u>	<u>\$5,870,376</u>

5. LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment are reported at cost or, if donated, at fair market value on the date donated. Land values are reduced for impairment of values based on deed restrictions or conservation easements placed on the property. Land, buildings and equipment are held in the following locations as of October 31:

	2021						
	Hallam Lake	Rock Bottom Ranch	Toklat	Land	Employee Housing	Construction In Progress	Total
Land	\$1,100,000	\$1,005,000	\$ 800,000	\$3,746,000	\$ 260,000	\$ -	\$ 6,911,000
Buildings and Land Improvements	1,961,265	1,679,154	822,279	-	941,104	1,628,528	7,032,330
Equipment and Furnishings	198,652	60,183	7,503	-	-	-	266,338
Vehicles	41,005	35,500	-	-	-	-	76,505
	<u>3,300,922</u>	<u>2,779,837</u>	<u>1,629,782</u>	<u>3,746,000</u>	<u>1,201,104</u>	<u>1,628,528</u>	<u>14,286,173</u>
Less Accumulated Depreciation	<u>(1,681,147)</u>	<u>(600,930)</u>	<u>(314,872)</u>	<u>-</u>	<u>(286,510)</u>	<u>-</u>	<u>(2,883,459)</u>
	<u>\$1,619,775</u>	<u>\$2,178,907</u>	<u>\$1,314,910</u>	<u>\$3,746,000</u>	<u>\$ 914,594</u>	<u>\$1,628,528</u>	<u>\$ 11,402,714</u>

5. LAND, BUILDINGS AND EQUIPMENT (CONTINUED)

2020							
	Hallam Lake	Rock Bottom Ranch	Toklat	Land	Employee Housing	Construction In Progress	Total
Land	\$1,100,000	\$1,005,000	\$ 800,000	\$3,746,000	\$ 260,000	\$ -	\$ 6,911,000
Buildings and Land Improvements	1,961,265	1,673,454	822,279	-	908,694	388,374	5,754,066
Equipment and Furnishings	198,652	60,183	7,503	-	-	-	266,338
Vehicles	41,005	35,500	-	-	-	-	76,505
	3,300,922	2,774,137	1,629,782	3,746,000	1,168,694	388,374	13,007,909
Less Accumulated Depreciation	(1,630,418)	(542,823)	(294,450)	-	(261,033)	-	(2,728,724)
	<u>\$1,670,504</u>	<u>\$2,231,314</u>	<u>\$1,335,332</u>	<u>\$3,746,000</u>	<u>\$ 907,661</u>	<u>\$ 388,374</u>	<u>\$ 10,279,185</u>

Depreciation expense for the years ended October 31, 2021 and 2020 was \$151,921 and \$153,087, respectively.

As of October 31, 2021 and 2020, a portion of net assets consists of land with conservations easements. Land with conservations easements consist of the following land parcels as of October 31:

	2021	2020
River Dance	\$ 2,730,000	\$ 2,730,000
Hallam Lake	1,100,000	1,100,000
Rock Bottom Ranch	1,000,000	1,000,000
Northstar Land	500,000	500,000
North Ranch	500,000	500,000
Total Land with Conservation Easements	<u>\$ 5,830,000</u>	<u>\$ 5,830,000</u>

6. LINE OF CREDIT

ACES has a \$250,000 line of credit with a bank. The line was not in use during the years ended October 31, 2021 and 2020. The line of credit was renewed on June 16, 2019 for five years and expires in June 2024. When in use, the line accrues interest at the rate of the JP Morgan Chase prime plus 1.75%, with a floor of 0.0%. The line is secured by the employee housing unit owned by ACES.

7. NOTE PAYABLE

Note payable consists of a 15-year mortgage note on manufactured employee housing units at Rock Bottom Ranch with an original balance of \$400,000 dated October 31, 2016. The note is payable to ACES Endowment Fund in annual payments of \$31,715 including principal and interest. The interest rate is 2.25% and the future maturities of the note are summarized as follows:

Year Ending October 31:

2022	\$ 25,389
2023	25,960
2024	26,544
2025	27,141
Thereafter	176,162
	<u>\$ 281,196</u>

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions for a specified purpose or time restriction consist of the following as of October 31:

Fund	Restriction	2021	2020
50th Anniversary Capital Campaign	Capital projects	\$ 7,498,416	\$ 5,730,269
Temporarily Restricted Pledges	Miscellaneous	5,662,379	5,741,543
For the Forest	Forest Program	582,400	482,400
Undesignated Pledges	Operational Expenses	323,516	550,443
General Capital	Capital Projects	211,229	211,228
Bob Lewis Cabin	Toklat	148,090	148,090
Down valley Education	Education	127,000	126,000
Green Energy	Green Energy	124,016	124,016
Hallam Lake Neighbors	Hallam Lake Maintenance	91,900	75,700
JCLD Lectures	Educational Lectures	75,000	75,000
Nitze Memorial Fund	Special Projects	71,450	-
Upper Castle Creek	Capital Projects	65,000	65,000
Rock Bottom Ranch	Rock Bottom Ranch Projects	34,326	18,626
Toklat	Special Projects	15,390	15,390
Heritage orchard	Education	10,445	10,445
Apprentice program	Education	8,660	4,660
Roaring Fork Gauges	Gauge Monitoring	8,305	9,805
Strategic Planning	Overall Facility Planning	7,141	7,141
		<u>\$ 15,064,663</u>	<u>\$ 13,395,756</u>

9. SPECIAL EVENT INCOME

Special event income is shown net of related expenses on the statements of activities. Gross income and direct benefits to donors for the years ended October 31 are as follows:

	2021	2020
Special Event Income	\$ 401,901	\$ 190,643
Direct Benefit to Donors	(99,568)	(27,923)
Special Event Income, Net	<u>\$ 302,333</u>	<u>\$ 162,720</u>

10. STORE SALES

Store sales are shown net of related expenses on the statements of activities. Gross sales and cost of sales for the years ended October 31 are as follows:

	2021	2020
Gross Sales	\$ 36,246	\$ 12,015
Cost of Sales	(20,328)	(7,592)
Store Sales, Net	<u>\$ 15,918</u>	<u>\$ 4,423</u>

11. RETIREMENT PLAN

On January 1, 2009 ACES adopted a SIMPLE plan. For the year ended October 31, 2021 and 2020, employer contributions of \$27,472 and \$32,739, respectively, were made to the SIMPLE plan.

12. ASPEN CENTER FOR ENVIRONMENTAL STUDIES ENDOWMENT FUND

The endowment funds of ACES have been transferred to The Aspen Center for Environmental Studies Endowment Fund ("ACES Endowment Fund"), a separate 501(c)(3) organization that is not controlled by ACES. A separate board determines the investing policies and reviews grant requests. ACES submits annual grant requests to the ACES Endowment Fund. Approved grants from the ACES Endowment Fund were \$480,000 and \$480,000, respectively, for the years ended October 31, 2021 and 2020.

ACES has granted full variance power to ACES Endowment Fund, which has complete control of the funds. Therefore, none of the assets of ACES Endowment Fund are included in ACES statements of financial position as of October 31, 2021 and 2020. The ACES Endowment Fund has an October 31 fiscal year end. At October 31, 2021, the ACES Endowment Fund had \$13,771,945 in total assets. Of this total, \$3,433,232 was net assets without donor restrictions; \$3,631,570 net assets with donor restrictions was board designated and \$6,707,144 was to be held in perpetuity. At October 31, 2020, the ACES Endowment Fund had \$10,908,981 in total assets. Of this total, \$4,351,837 was net assets without donor restrictions; \$3,056,014 net assets with donor restrictions were board designated and \$6,557,144 was to be held in perpetuity.

13. OPERATING LEASES

ACES entered into an operating lease to rent housing for employees during November 2019. The lease expires in November 2023 and has annual payments of \$18,000.

Future payments on operating leases are as follows:

Year Ending October 31:

2022	\$	18,000
2023		18,000
	\$	<u>36,000</u>

14. CONCENTRATIONS

For the year ended October 31, 2021 and 2020, one and four donors provided 13% and 62%, respectively, of total contributions and grants, including pledge commitments accounted for as contributions and grants.

For the year ended October 31, 2021, three donor pledge balances represent 36% of pledges receivable. The undiscounted pledge balance from these donors was \$2,145,314.

For the year ended October 31, 2020, three donor pledge balances represent 40% of pledges receivable. The undiscounted pledge balance from these donors was \$2,548,647.