

ASPEN CENTER FOR ENVIRONMENTAL STUDIES

FINANCIAL STATEMENTS

October 31, 2022 and 2021



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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Aspen Center for Environmental Studies
Aspen, Colorado

Opinion

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, 2022 and 2021, and the related statements of activities, cash flows, and functional expenses for the years 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 Aspen Center for Environmental Studies as of October 31, 2022 and 2021 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.

Basis for Opinion

We conducted our audits 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 the Aspen Center for Environmental Studies and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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; 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.

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 Aspen Center for Environmental Studies' 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 are considered material if there is a substantial likelihood that, individually or in 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 Aspen Center for Environmental Studies' 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 Aspen Center for Environmental Studies' ability to continue as a going concern for a reasonable period.

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.

Reese Henry & Company, Inc.

Certified Public Accountants
Aspen, Colorado
June 7, 2023

ASPEN CENTER FOR ENVIRONMENTAL STUDIES
STATEMENTS OF FINANCIAL POSITION
October 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and Cash Equivalents	\$ 3,625,772	\$ 3,184,465
Accounts Receivable	-	69,963
Pledges Receivable (Net)	3,154,679	5,984,944
Inventory	36,076	19,612
Investments	4,083,869	3,223,426
Prepaid expenses	-	7,494
Land, Buildings and Equipment (Net)	15,176,618	11,402,714
Restricted Cash	6,001,181	6,689,539
Restricted Investments	2,003,827	2,023,558
TOTAL ASSETS	<u>\$ 34,082,022</u>	<u>\$ 32,605,715</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 515,136	\$ 255,964
Accrued Expenses	296,705	269,163
Note Payable	255,807	281,196
TOTAL LIABILITIES	<u>1,067,648</u>	<u>806,323</u>
 NET ASSETS		
Net Assets Without Donor Restrictions		
Undesignated	6,378,286	5,613,211
Invested in Land, Buildings and Equipment, Net of Note Payable	<u>14,920,811</u>	<u>11,121,518</u>
Total Net Assets Without Donor Restrictions	21,299,097	16,734,729
Net Assets With Donor Restrictions	<u>11,715,277</u>	<u>15,064,663</u>
TOTAL NET ASSETS	<u>33,014,374</u>	<u>31,799,392</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 34,082,022</u>	<u>\$ 32,605,715</u>

See accompanying notes and independent auditor's report.

ASPEN CENTER FOR ENVIRONMENTAL STUDIES
STATEMENTS OF ACTIVITIES
For the Years Ended October 31, 2022 and 2021

	2022			2021		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT						
Contributions and Grants	\$ 2,247,893	\$ 361,534	\$ 2,609,427	\$ 2,006,476	\$ 3,315,130	\$ 5,321,606
Membership Income	307,928	-	307,928	222,982	-	222,982
Admissions and Tuition	744,880	-	744,880	645,913	-	645,913
Special Event Income (Net)	597,313	-	597,313	302,333	-	302,333
Store Sales (Net)	15,633	-	15,633	15,918	-	15,918
Events Income	175,083	-	175,083	150,493	-	150,493
Investment Return (Net)	31,124	-	31,124	16,998	-	16,998
Loss on Disposal of Assets	(54,918)	-	(54,918)	-	-	-
Net Assets Released from Restrictions:						
Satisfaction of Program Restrictions	3,710,920	(3,710,920)	-	1,646,223	(1,646,223)	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	7,775,856	(3,349,386)	4,426,470	5,007,336	1,668,907	6,676,243
EXPENSES						
Program Expenses:						
Education	2,264,122	-	2,264,122	2,091,471	-	2,091,471
Supporting Service Expenses:						
Management and General	485,777	-	485,777	437,380	-	437,380
Fundraising	461,589	-	461,589	351,854	-	351,854
Total Supporting Service Expenses	947,366	-	947,366	789,234	-	789,234
TOTAL EXPENSES	3,211,488	-	3,211,488	2,880,705	-	2,880,705
CHANGE IN NET ASSETS	4,564,368	(3,349,386)	1,214,982	2,126,631	1,668,907	3,795,538
NET ASSETS, Beginning of year	16,734,729	15,064,663	31,799,392	14,608,098	13,395,756	28,003,854
NET ASSETS, End of year	\$ 21,299,097	\$ 11,715,277	\$ 33,014,374	\$ 16,734,729	\$ 15,064,663	\$ 31,799,392

See accompanying notes and independent auditor's report.

ASPEN CENTER FOR ENVIRONMENTAL STUDIES
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended October 31, 2022

	2022				
	Program	Supporting Services			
	Education	Management and General	Fundraising	Cost of Goods Sold	Total
Salaries and Wages	\$ 1,067,694	\$ 150,040	\$ 300,328	\$ -	\$ 1,518,062
Employee Benefits	136,694	28,391	30,676	-	195,761
Retirement Plan Contributions	19,489	7,522	7,180	-	34,191
Payroll Taxes	82,196	21,498	22,762	-	126,456
Professional Services	-	162,229	-	-	162,229
Marketing and Advertising	21,255	24,365	6,221	-	51,841
Office Expenses	25,851	5,365	5,225	-	36,441
Information Technology	25,850	7,131	11,588	-	44,569
Occupancy	136,969	33,084	13,399	-	183,452
Travel	14,230	-	-	-	14,230
Insurance	64,277	11,292	11,292	-	86,861
Supplies and Materials	528,325	33,037	41,458	-	602,820
Depreciation	133,869	1,823	11,460	-	147,152
Interest	7,423	-	-	-	7,423
Cost of Goods Sold	-	-	-	33,037	33,037
Cost of Direct Benefit to Donors	-	-	-	130,248	130,248
Total Expenses by Function	2,264,122	485,777	461,589	163,285	3,374,773
Less expenses included with revenues on the statement of activities					
Cost of Goods Sold	-	-	-	(33,037)	(33,037)
Cost of Direct Benefits to Donors	-	-	-	(130,248)	(130,248)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 2,264,122	\$ 485,777	\$ 461,589	\$ -	\$ 3,211,488

See accompanying notes and independent auditor's report.

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

	2021				
	Program	Supporting Services			
	Education	Management and General	Fundraising	Cost of 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
STATEMENTS OF CASH FLOWS
For the Years Ended October 31, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,214,982	\$ 3,795,538
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	147,152	151,921
Loss on Disposal of Assets	54,918	-
Amortization of Discount on Pledges Receivable	(34,710)	(62,638)
Non-Cash Capital Contributions	(90,000)	(2,140,445)
Changes in Assets and Liabilities:		
Accounts Receivable	69,963	(69,963)
Pledges Receivable (Net)	2,954,975	2,510,125
Inventory	(16,464)	62,035
Prepaid Expenses	7,494	(7,494)
Accounts Payable	(132,621)	12,746
Accrued Expenses	27,542	66,530
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,203,231	4,318,355
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	(895,630)	623,392
Purchase of Land, Buildings and Equipment	(3,529,263)	(1,058,884)
NET CASH USED IN INVESTING ACTIVITIES	(4,424,893)	(435,492)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Debt	(25,389)	(24,830)
NET CASH USED IN FINANCING ACTIVITIES	(25,389)	(24,830)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(247,051)	3,858,033
CASH AND CASH EQUIVALENTS, Beginning of year	9,874,004	6,015,971
CASH AND CASH EQUIVALENTS, End of year	\$ 9,626,953	\$ 9,874,004
Cash and Cash Equivalents	\$ 3,625,772	\$ 3,184,465
Restricted Cash	6,001,181	6,689,539
TOTAL CASH AND CASH EQUIVALENTS	\$ 9,626,953	\$ 9,874,004
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash Paid for Interest	\$ 7,423	\$ 7,112
Purchase of Land, Buildings and Equipment in Accounts Payable	391,793	216,566

See accompanying notes and independent auditor's report.

ASPEN CENTER FOR ENVIRONMENTAL STUDIES
NOTES TO THE FINANCIAL STATEMENTS
October 31, 2022 and 2021

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 Federal Deposit Insurance Corporation ("FDIC") insured limits. As of October 31, 2022 and 2021, ACES had \$8,856,665 and \$8,943,595, 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, 2022 and 2021, there were no conditional pledges and no allowance for doubtful accounts.

INVENTORY

Inventory is stated at net realizable value less selling costs. 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.

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, 2022 and 2021.

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.

FASB 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, 2022 and 2021. 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, 2022, and 2021 were \$51,841 and \$51,431, 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.

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, 2023. ACES has determined that the adoption of this ASU will have no significant impact on the financial statements as of October 31, 2023.

DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through June 7, 2023, 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, 2022 and 2021:

	2022	2021
Cash and Cash Equivalents	\$ 3,625,772	\$ 3,184,465
Pledges Receivable, Undesignated	190,000	325,000
Investments	4,083,869	3,223,426
Total assets available for general expenditures	<u>\$ 7,899,641</u>	<u>\$ 6,732,891</u>

2. LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

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:

	2022					
	Years Ending October 31					Total
	2023	2024	2025	2026	Thereafter	
Undesignated Pledges	\$ 190,000	\$ -	\$ -	\$ -	\$ -	\$ 190,000
For The Forest	100,000	-	-	-	-	100,000
50th Anniversary Capital Campaign	1,944,405	445,000	100,000	100,000	299,090	2,888,495
Total Pledges	<u>\$ 2,234,405</u>	<u>\$ 445,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 299,090</u>	3,178,495
Less Present Value Discount						(23,816)
Pledges Receivable, Net of Discount						<u>\$ 3,154,679</u>

	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>

A discount rate of 1% was determined applicable on pledges receivable as of October 31, 2022 and 2021.

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)

4. FAIR VALUE MEASUREMENT (CONTINUED)

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	
	2022	2021
Certificates of Deposit	\$ 158,088	\$ 157,770
US Treasury Notes	5,929,608	-
Money Market Fund	-	5,089,214
Total	<u>\$ 6,087,696</u>	<u>\$ 5,246,984</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:

2022							
	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	1,961,266	1,734,507	822,279	-	941,104	5,481,545	10,940,701
Equipment and Furnishings	207,603	58,616	7,504	-	-	-	273,723
Vehicles	46,684	35,122	-	-	-	-	81,806
	<u>3,315,553</u>	<u>2,833,245</u>	<u>1,629,783</u>	<u>3,746,000</u>	<u>1,201,104</u>	<u>5,481,545</u>	<u>18,207,230</u>
Less Accumulated Depreciation	<u>(1,724,461)</u>	<u>(658,533)</u>	<u>(335,294)</u>	<u>-</u>	<u>(312,324)</u>	<u>-</u>	<u>(3,030,612)</u>
	<u>\$ 1,591,092</u>	<u>\$ 2,174,712</u>	<u>\$ 1,294,489</u>	<u>\$ 3,746,000</u>	<u>\$ 888,780</u>	<u>\$ 5,481,545</u>	<u>\$ 15,176,618</u>

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>

Depreciation expense for the years ended October 31, 2022 and 2021 was \$147,152 and \$151,921, respectively.

5. LAND, BUILDINGS AND EQUIPMENT (CONTINUED)

As of October 31, 2022 and 2021, 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:

	2022	2021
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, 2022 and 2021. 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:

2023	\$ 25,960
2024	26,544
2025	27,141
2026	27,752
Thereafter	148,410
	<u>\$ 255,807</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	2022	2021
50th Anniversary Capital Campaign	Capital projects	\$ 6,833,046	\$ 7,498,416
Temporarily Restricted Pledges	Miscellaneous	2,964,679	5,662,379
For the Forest	Forest Program	682,400	582,400
General Capital	Capital Projects	211,231	211,229
Undesignated Pledges	Operational Expenses	190,000	323,516
Bob Lewis Cabin	Toklat	148,090	148,090
Down valley Education	Education	127,000	127,000
Nitze Memorial Fund	Special Projects	126,550	71,450
Green Energy	Green Energy	124,016	124,016
Hallam Lake Neighbors	Hallam Lake Maintenance	91,900	91,900
JCLD Lectures	Educational Lectures	72,807	75,000
Upper Castle Creek	Capital Projects	65,000	65,000
Rock Bottom Ranch	Rock Bottom Ranch Projects	31,123	34,326
Toklat	Special Projects	15,390	15,390
Heritage orchard	Education	9,939	10,445
Apprentice program	Education	8,660	8,660
Strategic Planning	Overall Facility Planning	7,141	7,141
Roaring Fork Gauges	Gauge Monitoring	6,305	8,305
		<u>\$ 11,715,277</u>	<u>\$ 15,064,663</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:

	2022	2021
Special Event Income	\$ 727,561	\$ 401,901
Direct Benefit to Donors	(130,248)	(99,568)
Special Event Income, Net	<u>\$ 597,313</u>	<u>\$ 302,333</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:

	2022	2021
Gross Sales	\$ 48,670	\$ 36,246
Cost of Sales	(33,037)	(20,328)
Store Sales, Net	<u>\$ 15,633</u>	<u>\$ 15,918</u>

11. RETIREMENT PLAN

On January 1, 2009, ACES adopted a SIMPLE plan. For the years ended October 31, 2022, and 2021, employer contributions of \$34,192 and \$27,472, 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, 2022, and 2021.

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, 2022 and 2021. The ACES Endowment Fund has an October 31 fiscal year end. At October 31, 2022, the ACES Endowment Fund had \$11,491,640 in total assets. Of this total, \$1,632,926 was net assets without donor restrictions; \$3,151,570 net assets with donor restrictions were board designated and \$6,707,144 was to be held in perpetuity. On 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 were board designated and \$6,707,144 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:

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

14. CONCENTRATIONS

For the year ended October 31, 2022, three donor pledge balances represent 42% of pledges receivable. The undiscounted pledge balance from these donors was \$1,382,424.

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, 2021, one donor provided 13% of total contributions and grants, including pledge commitments accounted for as contributions and grants.