



ASPEN HISTORICAL SOCIETY

FINANCIAL STATEMENTS

December 31, 2024

ASPEN HISTORICAL SOCIETY

FINANCIAL STATEMENTS

December 31, 2024

TABLE OF CONTENTS

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

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Aspen Historical Society
Aspen, Colorado

Opinion

We have audited the accompanying financial statements of Aspen Historical Society (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, 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 Aspen Historical Society as of December 31, 2024, and the changes in its net assets, functional expenses, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Aspen Historical Society and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Aspen Historical Society's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 Aspen Historical Society'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 Aspen Historical Society'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.

Reese Henry & Company, Inc.

Certified Public Accountants
Aspen, Colorado
June 5, 2025

ASPEN HISTORICAL SOCIETY
STATEMENT OF FINANCIAL POSITION
December 31, 2024

ASSETS

Cash and Cash Equivalents	\$ 1,894,440
Inventory	4,791
Unrestricted Investments	1,224,254
Restricted Cash and Cash Equivalents	304,453
Restricted Investments	174,233
Prepaid Expenses	29,792
Land, Buildings and Equipment, net	1,788,180
Development Costs	214,573
TOTAL ASSETS	<u>\$ 5,634,716</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	\$ 17,258
Accrued Expenses	37,961
Customer Deposits	6,752
Note Payable	169,000
TOTAL LIABILITIES	<u>230,971</u>

NET ASSETS

Net Assets without Donor Restrictions	
Undesignated	3,714,153
Board Designated Endowments	1,224,254
Total Net Assets without Donor Restrictions	<u>4,938,407</u>
Net Assets with Donor Restrictions	
Purpose Restrictions	340,496
Perpetual in Nature	124,842
Total Net Assets with Donor Restrictions	<u>465,338</u>
TOTAL NET ASSETS	<u>5,403,745</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,634,716</u>

See accompanying notes and independent auditor's report.

ASPEN HISTORICAL SOCIETY
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Contributions	\$ 353,176	\$ 80,000	\$ 433,176
Grants	1,626,600	124,100	1,750,700
In Kind Contributions	-	22,120	22,120
Admissions	104,004	-	104,004
Sales, net	20,677	-	20,677
Investment Return, net	147,412	20,712	168,124
Interest Income	70,178	-	70,178
Net Assets Released From Restrictions:			
Satisfaction of Program Restrictions	186,024	(186,024)	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	2,508,071	60,908	2,568,979
EXPENSES			
Program Expenses	1,375,571	-	1,375,571
Supporting Services:			
General and Administration	254,386	-	254,386
Fundraising	171,546	-	171,546
Total Supporting Services	425,932	-	425,932
TOTAL EXPENSES	1,801,503	-	1,801,503
CHANGE IN NET ASSETS	706,568	60,908	767,476
NET ASSETS, Beginning	4,231,839	404,430	4,636,269
NET ASSETS, Ending	\$ 4,938,407	\$ 465,338	\$ 5,403,745

See accompanying notes and independent auditor's report.

ASPEN HISTORICAL SOCIETY
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2024

		Supporting Services		Cost of Goods	
	Program Services	General and Administration	Fundraising	Sold	Total
Salaries and Wages	\$ 643,334	\$ 145,426	\$ 126,829	\$ -	\$ 915,589
Employee Benefits	103,249	22,957	20,021	-	146,227
Payroll Taxes	48,473	10,957	9,556	-	68,986
Accounting	-	20,297	-	-	20,297
Professional Services	21,169	21,169	-	-	42,338
Advertising and Promotion	37,977	-	1,337	-	39,314
Office	48,160	9,497	2,417	-	60,074
Information Technology	64,416	14,205	8,735	-	87,356
Occupancy	144,370	-	-	-	144,370
Depreciation	87,567	-	-	-	87,567
Insurance	42,611	4,735	-	-	47,346
Licenses and Fees	2,292	5,143	2,651	-	10,086
Education and Exhibits	97,355	-	-	-	97,355
Equipment	13,253	-	-	-	13,253
Supplies	5,391	-	-	-	5,391
Capital Campaign Graphic Design	10,020	-	-	-	10,020
Interest	5,934	-	-	-	5,934
Cost of Goods Sold	-	-	-	5,568	5,568
Total Expenses by Function	1,375,571	254,386	171,546	5,568	1,807,071
Less Expenses Included with Revenues on the Statement of Activities:					
Cost of Goods Sold	-	-	-	(5,568)	(5,568)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 1,375,571	\$ 254,386	\$ 171,546	\$ -	\$1,801,503

See accompanying notes and independent auditor's report.

**ASPEN HISTORICAL SOCIETY
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 767,476
Adjustments to Reconcile Change in Net Assets to Net Cash and Cash Equivalents Provided by Operating Activities:	
Depreciation Expense	87,567
Loss on Disposal of Equipment	612
Unrealized Gain on Investments	(17,623)
In-Kind Contribution of Development Costs	(10,803)
(Increase) Decrease in Assets:	
Inventory	(232)
Prepaid Expenses	(18,838)
Increase (Decrease) in Liabilities:	
Accounts Payable	427
Accrued Expenses	(1,487)
Customer Deposits	1,902
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>809,001</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds From the Sale of Investments	589,811
Purchase of Investments	(728,278)
Purchase of Equipment and Buildings	(39,705)
NET CASH USED IN INVESTING ACTIVITIES	<u>(178,172)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on Note Payable	(7,519)
NET CASH USED IN FINANCING ACTIVITIES	<u>(7,519)</u>

NET INCREASE IN CASH, RESTRICTED CASH AND CASH EQUIVALENTS **623,310**

CASH, RESTRICTED CASH AND CASH EQUIVALENTS, Beginning	<u>1,575,583</u>
CASH, RESTRICTED CASH AND CASH EQUIVALENTS, Ending	<u>\$ 2,198,893</u>

CASH AND CASH EQUIVALENTS	\$ 1,894,440
RESTRICTED CASH AND CASH EQUIVALENTS	<u>304,453</u>
TOTAL CASH, RESTRICTED CASH AND CASH EQUIVALENTS	<u>\$ 2,198,893</u>

SUPPLEMENTARY CASH FLOW DISCLOSURES:

Interest Paid	<u>\$ 5,934</u>
---------------	------------------------

See accompanying notes and independent auditor's report.

ASPEN HISTORICAL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

1. ORGANIZATION AND PURPOSE

The Aspen Historical Society (the "Society") was incorporated in 1963 as a nonprofit organization under the laws of the State of Colorado. The Society brings together people interested in the history of the upper Roaring Fork Valley by discovering, collecting and preserving materials that help illustrate or establish the history of the area. The Society has been granted an exemption from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as a publicly supported charity under Section 509(a)(1) of the Code.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements of the Society have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP"). The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

BASIS OF PRESENTATION

The Society is required to report information regarding its financial position and activities according to of net assets as follows:

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

Net Assets with Donor Restrictions: Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met with the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all cash held in deposits and temporary investments with an original maturity of three months or less. Cash and investments with an original maturity of three months or less that are held in investment accounts and are included in investments.

INVENTORY

Inventory consists of gift shop merchandise, photos and publications and is stated at lower of cost or net realizable value less selling costs.

INVESTMENTS

The Society carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values. Unrealized gains and losses are included in the statement of activities. Investment income and gains restricted by a donor are reported as increases in net assets with donor restrictions and are released from restriction if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

FAIR VALUE MEASUREMENTS

The Society records investments in the 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).

LAND, BUILDINGS AND EQUIPMENT

Fixed assets are accounted for at cost. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. Donated fixed assets are recorded at fair market value at the time of ownership transfer. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Useful lives range from ten to thirty-nine years for buildings and improvements, and five to seven years for equipment and vehicles.

DEVELOPMENT COSTS

Various planning costs (architect fees, planning fees, etc.) related to the construction of a ski museum and the renovation of the Carriage House have been incurred. The Society has selected a site for the ski museum and intends to build a museum in the future. When the projects are completed, these costs will be placed into service and recognized as building costs.

DONATED HISTORICAL ITEMS

The Society does not capitalize donated historical items or recognize them as revenues or gains. Donations of historical items are added to collections that are held for public exhibition, education, or research in furtherance of public service rather than financial gain; are protected, kept unencumbered, cared for, and preserved; and are subject to a policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.

CONTRIBUTIONS AND GRANTS

Unconditional contributions are recorded as net assets without donor and grantor restrictions or net assets with donor restrictions depending on the existence and nature of any donor and grantor restrictions.

Donor and grantor-restricted support is reported as an increase in net assets with donor and grantor restrictions, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributions and grants received with donor and grantor-imposed restrictions that are met in the same year are recorded as net assets without donor restrictions.

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 the Society. Volunteers provide a variety of services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met. The Society values these items as either face value or fair value on the date received depending on the nature of the item. The value of donated services received during the year ended December 31, 2024 was \$22,120.

ADMISSIONS

Admissions consist of the fees received for the use of the Society's archives, grounds, tours and events. The admissions received during the year ended December 31, 2024 was \$104,004.

INCOME TAXES

The Society is organized as a Colorado nonprofit corporation and has been recognized by the IRS as exempt from Federal income taxes under Internal Revenue Code Section 509(a)(1) as an organization described in IRS Section 501(c)(3) and qualifies for the charitable contribution deduction under Code Section 170(b)(1)(A)(vi) and has been determined to not be a private foundation under Code Sections 509(a)(1) and (3). The Society is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Society is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purpose. The Society has determined that it has no activities unrelated to its exempt purpose.

USE OF ESTIMATES

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

ADVERTISING

The Society elects to expense advertising costs as incurred. Advertising totaled \$39,314 for the year ended December 31, 2024.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Salaries, wages and payroll related expenses are allocated based on time spent. Office related expenses are allocated based on actual usage of those items. Education and exhibit expenses are allocated based on the purpose of the program performed.

DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through June 5, 2025, the date the financial statements were available to be issued.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet, comprise the following:

Cash and Cash Equivalents	\$ 1,894,440
Unrestricted Investments	<u>1,224,254</u>
Total assets available for general expenditures	<u>\$ 3,118,694</u>

As part of the Society's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Society has a goal to maintain financial assets, which consist of cash on hand to meet 90 days of minimal operating expenses. Although the Society does not intend to spend from its board designated funds, the funds could be made available if necessary.

4. FAIR VALUE MEASUREMENTS

Investments measured on a recurring basis and reported at fair value are classified and disclosed in one of the three fair value hierarchy categories described in Note 2.

The following table summarizes the valuation of these instruments using the fair value hierarchy levels as of December 31, 2024:

	Fair Value	Level 1
Bond Funds	\$ 108,248	\$ 108,248
Exchange Traded Funds	595,267	595,267
Equities	551,291	551,291
Fixed Income	<u>113,351</u>	<u>113,351</u>
	<u>\$ 1,368,157</u>	<u>\$ 1,368,157</u>

As of December 31, 2024, cash held in investments was \$30,330.

5. INVESTMENTS

Investment return includes the following for the year ended December 31, 2024:

Interest and Dividend Income	\$ 32,217
Realized Gain	130,360
Unrealized Gain	17,623
Investment Management Fees	<u>(12,076)</u>
Investment Return, Net	<u>\$ 168,124</u>

6. ENDOWMENTS

The Society's endowment consists of funds established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Trustees (the "Board") to function as endowments. As required by generally accepted accounting principles, net assets associated with endowments are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of the Society has not adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Though they have not adopted this Act, the Board classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) 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. The remaining portion of the donor-restricted endowment fund that is not required to be held in perpetuity is classified as Board Designated or net assets with donor restrictions.

The expendable investment return earned from the corpus, which includes interest and dividends, and realized and unrealized gains, net of administrative fees, is included in the net assets with donor restrictions and is reported as net assets released from restrictions as the funds are spent. The Society is committed to preserving the corpus of its endowment.

The Society has a formal investment policy that was approved by the Board. The policy was set to provide long-term financial stability of the Society's assets. It requires the use of an investment manager to manage the portfolio and annually review the policy and outcome with the Board. Endowment assets are invested in a well-diversified asset mix which includes equities and bonds to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution that would approximate the annual earnings without invading corpus. Investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk. The Society's spending policy is to only spend earnings and not invade corpus.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). We have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

The endowment's composition by type of fund as of December 31, 2024 is as follows:

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total Endowment Funds
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 124,842	\$ 124,842
Accumulated Investment Gains	-	49,391	49,391
Board endowment funds - Ruth Whyte	899,988	-	899,988
Board endowment funds - Other	324,266	-	324,266
Total Endowment Funds	<u>\$ 1,224,254</u>	<u>\$ 174,233</u>	<u>\$ 1,398,487</u>

Changes in the endowment's net assets as of December 31, 2024, are as follows:

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total Endowment Funds
Endowment Net Assets, beginning of year	\$ 1,076,842	\$ 165,555	\$ 1,242,397
Investment Return, net	147,412	20,712	168,124
Withdrawals	12,034	(12,034)	-
Amounts appropriated for expenditures	(12,034)	-	(12,034)
Endowment Net Assets, end of year	<u>\$ 1,224,254</u>	<u>\$ 174,233</u>	<u>\$ 1,398,487</u>

7. LAND, BUILDINGS AND EQUIPMENT

As of December 31, 2024, land, buildings and equipment consists of the following:

Land, Buildings and Improvements	\$ 3,349,341
Furniture and Fixtures	82,279
Equipment	35,915
Vehicles	27,010
	<u>3,494,545</u>
Less Accumulated Depreciation	<u>(1,706,365)</u>
Total Land, Buildings and Equipment, net	<u>\$ 1,788,180</u>

Depreciation expense was \$87,567 for the year ended December 31, 2024.

8. NOTE PAYABLE

On May 18, 2016, the Society signed a loan agreement with a bank for the purchase of warehouse space. The note is due in monthly payments of \$1,183, including interest at the fixed rate of 3.97%. The note is secured by all security interest, pledges and the real property owned by the Society. The original note matured May 18, 2021. On May 1, 2021, the note was amended with monthly payments of \$1,121, including interest at the fixed rate of 3.38% and a due date of May 28, 2026. The note may be prepaid in full or in part at any time without indemnity. The future maturity schedule is as follows:

2025	\$	7,782
2026		161,218
	\$	<u>169,000</u>

9. BOARD DESIGNATED NET ASSETS

A donor gifted a residence to the Society and designated the proceeds from the sale of the residence to be used to renovate the Wheeler Stallard museum. After completion of the renovation of the Wheeler Stallard museum, the Board agreed to designate the remaining funds to be used for maintaining the museum and the Society's property. The board designated balance at December 31, 2024 is \$899,988.

In February 2019, the Board approved of transferring undesignated funds to a board designated endowment. The board designated endowment balance at December 31, 2024 is \$324,266.

10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with restrictions for time or purpose consist of the following as of December 31, 2024:

Capital Campaign - Lift One Museum	\$	171,297
Ashcroft - Jail relocation		75,500
Hodges - Parlor Room		36,041
Holden Marolt and Zupancis		30,894
Capital Campaign - Carriage House Remodel		11,764
Education Programs		10,000
Textile conservator appraisal		5,000
	\$	<u>340,496</u>

Net assets to be held in perpetuity consist of the following as of December 31, 2024:

Net assets to be held in perpetuity		
Hodges - Parlor Room	\$	99,842
Bridge to the Future (Apex) Endowment		25,000
	\$	<u>124,842</u>

11. SALES

Sales income consists of gift shop, photo and publication sales. For the year ended December 31, 2024, gross sales income was \$26,245 and was reported net of \$5,568 of expenses.

12. DEFINED CONTRIBUTION PLAN

The Society has adopted a 403(b) retirement plan covering all full-time employees. After one full year of employment, the Society will begin to contribute to the employee's individual retirement plan at the rate of 2% of the employee's salary. In addition to the 2% automatic contribution, the Society will match employee contributions up to an additional 4% of the employee's salary. The maximum amount the Society will pay into the individual 403(b) retirement plan is 6% of applicable employees' salaries. Contributions to the plan for the year ended December 31, 2024 were \$36,741.

13. CONCENTRATIONS

The Society received 62% of its revenue from one grantor during the year ended December 31, 2024.