

2010 ANNUAL REPORT

TELLURIDE HISTORICAL MUSEUM, INC.

MISSION STATEMENT

The mission of the Telluride Historical Museum is to preserve the rich, colorful and diverse history of the region and to bring history to life through exhibits, programs and education.

2010 OVERVIEW

The Telluride Historical Museum flourished in 2010 serving local residents and visitors to the region through engaging and thought-provoking exhibits, programs and education. The Museum also made considerable progress on significant collections and exhibit projects despite a flailing economy and challenges with facilities maintenance. Despite the challenges, the Museum continued efforts towards its vision of becoming an indispensable cultural asset to the region.

ORGANIZATIONAL ACCOMPLISHMENTS

Strategic planning sessions with the Museum Board of Directors led to the adoption of a new three-year strategic plan, as well as a revised mission statement broadening the scope of the Museum and committing to the engagement of our constituent communities more often and more creatively to bring the rich history of our region to life in ways that go beyond the walls.

The Museum continues to thrive as evidenced by increasingly strong community support. Serving diverse populations through targeted programming and outreach, the Museum has effectively increased its membership 12% over 2009 serving 295 members in 2010.

Focus on preservation of the regions unique history through its collection of artifacts was borne out in 2010 through the professional assessment of collection policies and procedures and the resulting update of the Collections Policy. The Museum also served as a resource for regional Museums by funding, coordinating and hosting a textile workshop. Progress was also made in the ongoing documentation of the Museum's extensive collection of artifacts.

Considerable attention was given to serving regional schools in 2010 resulting in a 30% increase in school contacts over 2009, and a 130% increase over the past two years. Established Museum programming was supplemented by several new programs introduced in 2010 establishing a greater presence throughout the region, particularly the Mountain Village and the West End.

EXHIBITS

With the goal of exposing diverse audiences to as much of the Museum's collection as possible in both Telluride and the Mountain Village, 2010 projects included two onsite temporary exhibits, the addition of three offsite temporary exhibits, the rotation of artifacts through the Museum's permanent exhibits, and the setting of the infrastructure for an extensive outdoor mining exhibit and program area.

The Museum's collection of large mining artifacts is the foundation of a new outdoor mining exhibit on the east side of the building. Sponsored by the Wings Foundation Inc., the final exhibit will allow visitors to explore the mining process from discovery through the milling process. Infrastructure and artifact placement are complete, and work has begun on installation of interactive elements including a mine adit and portal sponsored by the Engbring Family and a jig-back tram sponsored by the Museum's current Board of Directors. Construction for the project also included the development of an outdoor program area on the west side of the building. Designed to accommodate small groups, the seating area will be used to host classes and presentations. A grand opening is planned for July, 2011.

After the recent passing of Albert Aldasoro, the Museum celebrated regional heritage onsite this spring with the exhibit "Aldasoro: A Ranching Legacy" which examined the history of the local Aldasoro sheep ranching family. The Current Histories Project study of the 1970s culminated in the Fall exhibit "The 70's: Makin' It Work" honoring the fortitude of those who came to Telluride in the 1970s as rumors of the opening of a ski area swept the skiing world.

The installation of off-site displays extends the Museum's reach and enhances the visitor experience. New exhibits in the former BIOTA space in Telluride, in the Wilkinson Library, as well as in the Telluride Medical Center were installed. Exhibits remain in The Peaks, Centrum and Town of Mountain Village offices while one retail exhibit was removed from the Mountain Village at the retailer's request. Efforts to expand exhibits in the Mountain Village are ongoing.

COLLECTION

The Museum underwent a thorough assessment of collections policies and procedures with the assistance of a professional collections consultant, culminating in the updating of the Museum's Collections Policy. The revised policy incorporates suggested changes, and enhances collections care guidelines for staff and volunteers.

As the steward of over 10,000 artifacts, the Museum continues to improve on its efforts to preserve regional history through its collection. Professional development was sought in the area of textile care, and by opening the training to industry professionals, the Museum served as a resource for preservation training in the region. At the suggestion of the collections consultant, a recent graduate of Randolph College was contracted to assist with collections projects and significant progress on the inventorying, indexing and organization of the collection was realized. Inventory within the Museum is almost complete, and has begun in the reserve storage facility in Montrose.

Preservation of the historic Halls Hospital Building continues. The installation of a new boiler system was completed in January, with the Museum covering 75% of the cost of this project. Drainage challenges with the historic building resulted in significant damage to the archive room during the spring off-season. While the root cause remains unidentified, efforts by town and Museum staff to mitigate the problem continue. In addition, the historic stone shed on the property had significantly deteriorated and was at risk of collapse. Repairs to the structure were completed, also with funding assistance from the Museum.

PROGRAMMING

As in past years, community programming in 2010 included the well attended Lone Tree Cemetery Tours, summer Fireside Chats, Hikes into History, and Centennial Ranch Tours. In addition, four winter Fireside Chats were added in the Mountain Village. The winter Chats experienced low attendance however, so the Museum, in collaboration with The Peaks, has introduced weekly Ski Into History on-mountain historical tours for the 2010/2011 winter season.

Unique educational programming included the "Lead to Creede" three-day 4x4 mining history tour, as well as a private tour of Crow Canyon Archaeological Center. Special events introduced included an evening of mystery theatre with "Who Shot Jim Clark," a revival of the traditional Muleskinners Ball, and the Historical Pub Crawl.

In its third year, Heritage Fest saw an increased interest in the collaborative participation of vendors and other non-profits; however audience participation was down due to inclement weather. The decrease in attendance, due to the size of the one event, accounted for the majority of the 17% decrease in program attendees served from 2009 to 2010. Galloping Goose rides on Depot Avenue however, were a well received addition to festival activities, and barring a repeat of bad weather, the Museum anticipates an ever growing attendance for Heritage Fest.

Outreach to the Spanish speaking community included the bi-lingual Fireside Chat - Immigrant Stories, as well as a new collaboration with One Telluride, the San Miguel Resource Center and the Wilkinson Library for the Museum's second annual Old Fashioned Christmas event. Over two hundred guests, approximately half from the Latino community, enjoyed free sleigh rides, visits with and gifts from Santa Claus, and hot drinks by the fire as well as the opportunity to cut their own holiday tree.

Established school programs were maintained including historical scavenger hunts with the first and fourth grades, Tomboy field trips with the eighth graders, and participation in a high school Intensive Study Program on preservation of the Valley Floor. Additions included the Norwood elementary school "Bringing History to Life" program and another at the Palm Theater which included students from the Mountain School. The "Bringing History to Life" programs were well received, and efforts to expand outreach to the West End continue.

Other collaborators included San Miguel Social Services, Marketing Telluride Inc., the Sheridan Arts Foundation, and the SquidShow Theatre among many others, allowing the Museum to bring history to life for diverse audiences.

VISITORS

The Museum served over 9,100 people in 2010, an 8% drop from 2009. Museum attendance was down approximately 5%, and poor weather for the Museum's largest program, Heritage Fest, attributed to the 17% drop in overall program attendance. The number of students served however, was up over 30% for the second year in a row as a result of increased outreach.

Museum visitation was trending up during the first quarter of 2010, however summer numbers were down. Construction on Fir Street likely contributed to this decrease, as the view corridor from Colorado Avenue to the Museum was blocked with heavy equipment, dumpsters and a construction trailer throughout the summer. Winter visitation continued to trend down before the Rosenbaum family donated their Colorado Avenue retail space to the Museum for the last two weeks of December. The Colorado Avenue space provided great exposure for the Museum, and visitor numbers rebounded the second half of December as a result.

The growing support of the Museum is evident in the 100% increase in volunteer hours provided by community members in 2010. Over 1300 volunteer hours were worked for projects ranging from programming assistance to exhibit research and design, and collection inventory.

Regional residents taking advantage of "Locals Day" dropped 12% from 145 in 2009 to 127 in 2010. Some of this may be attributed to the 12% increase in memberships and resulting 21% increase in free member visits from 131 in 2009 to 159 in 2010. Regardless, efforts to increase awareness of "Locals Day" have been initiated.

LEADERSHIP

Guided by a Board of Directors the Museum was led by Executive Director Lauren Bloemsma for the fifth consecutive year. The board of fourteen includes residents and government representatives from Telluride, Mountain Village, and San Miguel County, and is representative of various demographic groups in the region.

Staff retention was 100% with full-time Assistant Director Beth Roberts, part-time Collection Manager Kathy Rohrer and a seasonal Visitor Services Coordinator. Cameo Johnson, a recent graduate of Randolph College, was contracted to assist with collections work at the recommendation of our collections consultant.

The makeup of the Board of Directors remained constant in 2010 with the exception of the addition of Board Member Shari Seay Mitchell and Emeritus Board Member Carol Kammer who stepped down in December, 2009, after ten years of service. The makeup of the Board of Directors during 2010 was as follows:

Executive Committee:

Deborah Freedman, President
Paula Malone, Vice President
Danny Craft, Treasurer
Vicki Eidsmo, Secretary

Government Representatives:

Elaine Fischer, San Miguel County
Dan Garner, Mountain Village
Bob Saunders, Town of Telluride

Directors:

Todd Brown
Rudy Davison
Shari Seay Mitchell
Jim Tharp

Diana Conovitz
Carol Hintermeister
John Shields

Emeritus Members:

Richard Betts
Carol Kammer
Sheila Wald

Jack Harrison
John S. Pillsbury III

FINANCIAL REPORT

The Museum continues to work within its means to fulfill its mission of preserving regional heritage and educating residents and visitors about history. Mill levy funding received from the Towns of Telluride and Mountain Village accounted for 35% of total income, and increases in gifts and donations accounted for 42% of income used primarily for the outdoor mining exhibit and education areas. Memberships accounted for 9% of income, with the balance received from store sales, admissions, grants and programming.

The Telluride Tourism Board reported significant increases in visitor numbers during the summer of 2010. Despite that increase, the Museum saw a 5% decrease in visitation. Support of the Museum remains strong however, as evidenced by the 16% increase in membership revenue and the 30% increase in store revenue.

Increases in income and expenses related to the new outdoor exhibit and program area are noted. Increases also included building expenses related to installation of a new boiler system and rehabilitation of the historic shed located on the property, professional fees related to a legal review of Museum agreements, consulting fees related to professional review of Museum collections policies and procedures, contracting and preservation fees related to collections work, and fees associated with a necessary upgrade in the Museum's computer network.

The Museum has a firm foundation on which it faces a number of significant challenges over the next several years. These include additional infrastructure upgrades, more efficient storage facilities, and better information technology, all of which will reduce the Museum's carbon footprint. The staff and board are confident that the Museum, with the strong community support established over the past decade, is ready to face these challenges.

Telluride Historical Museum

Balance Sheet as of December 31, 2010

ASSETS

Current Assets

Combined MM - Reserve Fund	\$	343,869
Checking/Savings	\$	28,723
Accounts Receivable	\$	2,625
Other Current Assets	\$	5,626
Gift Shop Inventory	\$	31,715

Total Current Assets \$ 412,557

Fixed Assets

Building - Town of Telluride	\$	1
Exhibits and Presentations	\$	822,352
Historical Collections at FMV		
Anasazi Blanket	\$	750,000
Collection of Artifacts	\$	350,000
Collection of Historic Photos	\$	168,960
Historical Collections at FMV	\$	1,268,960
Other Fixed Assets	\$	85,414
Less Acc. Depreciation	\$	(812,700)

Total Fixed Assets \$ 1,364,027

TOTAL ASSETS \$ 1,776,584

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable	\$	28,660
Other Current Liabilities	\$	23,696

Total Liabilities \$ 52,356

Total Net Worth \$ 1,724,229

TOTAL LIABILITIES & NET WORTH \$ 1,776,584

Telluride Historical Museum

2010 Statement of Operations of All Funds

Revenue	
Admissions	\$ 17,963
Contributed Services	\$ 9,223
Operating Donations	\$ 4,223
Restricted Donations	\$228,625
Foundation Operating Grants	\$ 12,500
Government Operating Grants	\$ 1,000
Memberships	\$ 55,880
Museum Store & Website Income	\$ 40,734
Program Income	\$ 6,563
Special Event Income	\$ 21,508
Investment Income	\$ 2,282
Mountain Village Mill Levy	\$117,419
Town of Telluride Mill Levy	\$ 90,822
Other Income	\$ 27
Total Revenue	\$608,769
Total Cost of Goods Sold	\$ 21,866
Gross Profit	<u>\$ 586,903</u>
Expense	
Accounting Fees	\$ 4,088
Building/Facilities Maintenance	\$ 26,672
Collections & Exhibits	\$242,605
Program Expense	\$ 15,159
School Program Expense	\$ 1,196
Computer Hard/Software & Maintenance	\$ 6,232
Credit Card Fees	\$ 1,543
Depreciation	\$ 63,077
Fees and Fines	\$ 53
Fundraising	\$ 1,265
General Expense	\$ 17,850
Insurance	\$ 10,563
Internet Access & Website	\$ 1,587
Marketing & Advertising	\$ 13,052
Payroll Expense	\$180,880
Professional Development	\$ 5,529
Special Events Expense	\$ 13,122
Utilities Expense	\$ 12,346
Total Expense	<u>\$ 616,819</u>
Expenses in Excess of Revenue	<u>\$ (29,916)</u>

The 2010 shortfall has been met from Museum reserves.