

THE ACCESS FUND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

THE ACCESS FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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Taylor, Roth and Company, PLLC
Certified Public Accountants
working exclusively with nonprofit organizations

April 11, 2011

Independent Auditors' Report

Board of Directors
The Access Fund
Boulder, Colorado

We have audited the accompanying statement of financial position of **The Access Fund** (a Colorado nonprofit corporation) as of December 31, 2010, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of The Access Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit. Information for the year ended December 31, 2009, is presented for comparative purposes only and was extracted from the financial statements presented by net asset class for that year, on which an unqualified opinion dated April 19, 2010, was expressed.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Access Fund as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Taylor, Roth and Company, PLLC
TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

THE ACCESS FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2010
(WITH COMPARATIVE TOTALS FOR 2009)

	<u>2010</u>	<u>2009</u>
<u>Assets</u>		
Cash and cash equivalents - unrestricted	\$ 186,269	\$ 123,893
Cash and cash equivalents - temporarily restricted	299,508	75,329
Donations receivable	2,043	40,002
Grants receivable	21,053	-
Loans receivable - temporarily restricted (Note 3)	302,857	137,000
Inventory (Note 4)	18,072	23,675
Prepaid expenses	2,762	2,163
Security deposit	2,841	2,841
Investments (Note 5)	369,025	313,210
Net property and equipment (Note 6)	8,284	10,973
Total assets	<u><u>\$ 1,212,714</u></u>	<u><u>\$ 729,086</u></u>
<u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 2,324	\$ 14,787
Payroll liabilities	6,537	7,199
Fiscal agent liability	-	3,042
Line of credit (Note 7)	-	-
Note payable (Note 8)	100,000	-
Lease commitments (Note 9)	-	-
Total liabilities	<u><u>108,861</u></u>	<u><u>25,028</u></u>
<u>Net assets</u>		
<u>Unrestricted</u>		
Operating	368,204	355,756
Board designated reserve (Note 10)	125,000	125,000
Net investment in fixed assets	8,284	10,973
Temporarily restricted (Note 11)	602,365	212,329
Total net assets	<u><u>1,103,853</u></u>	<u><u>704,058</u></u>
Total liabilities and net assets	<u><u>\$ 1,212,714</u></u>	<u><u>\$ 729,086</u></u>

The accompanying notes are an integral part of these financial statements

THE ACCESS FUND

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010
(WITH COMPARATIVE TOTALS FOR 2009)

	2010		2009	
	Unrestricted	Temporarily Restricted	Total	Total
<u>Revenue and other support</u>				
Land conservation campaign	\$ -	\$ 468,531	\$ 468,531	\$ 363,656
Membership	385,337	-	385,337	413,740
Corporations	179,484	-	179,484	218,731
Individuals	160,431	-	160,431	98,447
Foundations	27,362	21,053	48,415	46,356
Special event income	46,558	-	46,558	30,834
Investment income	36,311	-	36,311	57,158
Merchandise sales (net of cost of goods sold)	12,458	-	12,458	8,105
Other	5,670	-	5,670	2,841
In-kind (Note 12)	110,440	-	110,440	111,311
Net assets released from restrictions (Note 11)	99,548	(99,548)	-	-
Total revenue and other support	<u>1,063,599</u>	<u>390,036</u>	<u>1,453,635</u>	<u>1,351,179</u>
<u>Expense</u>				
Program services				
Outreach and education	368,922	-	368,922	372,043
Special projects	270,313	-	270,313	256,918
Newsletter	139,569	-	139,569	116,941
Land conservation management	103,589	-	103,589	131,534
Total program services	882,393	-	882,393	877,436
Management and general	96,400	-	96,400	107,148
Fund-raising	75,047	-	75,047	93,566
Total expense	<u>1,053,840</u>	<u>-</u>	<u>1,053,840</u>	<u>1,078,150</u>
Change in net assets	9,759	390,036	399,795	273,029
Net assets, beginning of year	<u>491,729</u>	<u>212,329</u>	<u>704,058</u>	<u>431,029</u>
Net assets, end of year	<u>\$ 501,488</u>	<u>\$ 602,365</u>	<u>\$1,103,853</u>	<u>\$ 704,058</u>

The accompanying notes are an integral part of these financial statements

THE ACCESS FUND

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010
(WITH COMPARATIVE TOTALS FOR 2009)**

	2010										2009
	Program Services					Supporting Services					Total
	Outreach and Education	Special Projects	Newsletter	Land Conservation Management	Total Program	Management and General	Fund-raising	Total	Total		
Salaries	\$ 129,776	\$ 102,119	\$ 65,952	\$ 44,677	\$ 342,524	\$ 56,378	\$ 26,592	\$ 425,494	\$ 449,623		
Payroll taxes and benefits	22,059	17,358	11,210	7,594	58,221	9,583	4,519	72,323	72,761		
Postage	31,603	27,653	11,851	1,798	72,905	2,958	3,145	79,008	27,354		
Advertising	60,274	-	1,772	8,864	70,910	-	-	70,910	80,010		
Printing	13,630	8,178	27,260	2,726	51,794	360	2,366	54,520	33,736		
Rent and storage	19,094	19,094	3,096	7,741	49,025	1,290	1,290	51,605	44,518		
Membership supplies	21,465	21,465	4,769	-	47,699	-	-	47,699	40,972		
Grants	22,216	22,217	-	-	44,433	-	-	44,433	43,282		
Program activities	10,845	10,979	-	5,064	26,888	-	-	26,888	20,096		
Membership premiums	2,560	2,560	-	-	5,120	-	20,478	25,598	30,995		
Accounting and legal	3,427	12,338	2,285	2,285	20,335	1,371	1,143	22,849	20,818		
Travel	6,284	5,446	785	5,236	17,751	785	2,409	20,945	13,378		
Bank fees	-	-	-	-	-	19,873	-	19,873	15,799		
Computer consulting and supplies	7,885	3,844	296	6,702	18,727	-	986	19,713	42,782		
Telephone	3,304	3,304	536	1,340	8,484	223	223	8,930	7,479		
Conferences	3,828	3,828	851	-	8,507	-	-	8,507	6,262		
Contract services	-	-	-	8,000	8,000	-	-	8,000	54,000		
State registration	792	791	-	-	1,583	-	6,330	7,913	6,342		
Supplies	2,506	2,506	406	-	5,418	677	677	6,772	6,432		
Newsletter	-	-	6,518	-	6,518	-	-	6,518	-		
Bad debt expense	223	223	-	-	446	223	3,792	4,461	3,141		
Utilities	1,447	1,447	235	391	3,520	196	194	3,910	4,092		
Equipment	1,291	1,134	484	71	2,980	119	128	3,227	4,545		
Payroll fees	660	520	336	227	1,743	287	135	2,165	2,036		
Lobbying	-	158	-	-	158	-	-	158	8,004		
Membership acquisition	-	-	-	-	-	-	-	-	23,675		
Other	1,570	1,514	381	873	4,338	1,531	94	5,963	10,565		
	366,739	268,676	139,023	103,589	878,027	95,854	74,501	1,048,382	1,072,697		
Depreciation	2,183	1,637	546	-	4,366	546	546	5,458	5,453		
Total	\$ 368,922	\$ 270,313	\$ 139,569	\$ 103,589	\$ 882,393	\$ 96,400	\$ 75,047	\$ 1,053,840	\$ 1,078,150		

The accompanying notes are an integral part of these financial statements

THE ACCESS FUND

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010
(WITH COMPARATIVE TOTALS FOR 2009)

	<u>2010</u>	<u>2009</u>
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 399,795	\$ 273,029
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	5,458	5,453
Unrealized and realized loss(gain) on investments	(30,178)	(46,749)
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in accounts and loans receivable	(148,951)	(126,614)
(Increase)decrease in prepaid expenses	(599)	1,847
(Increase)decrease in inventory	5,603	(2,058)
Increase(decrease) in accounts payable	(12,463)	(1,426)
Increase(decrease) in payroll liabilities	(662)	4,702
Increase(decrease) in fiscal agent liability	(3,042)	3,042
Net cash provided(used) by operating activities	<u>214,961</u>	<u>111,226</u>
<u>Cash flows from investing activities</u>		
(Additions) to fixed assets	(2,769)	(3,587)
(Purchases) of investments	(13,350)	(10,028)
(Reinvestment) of interest and dividends	(12,286)	-
Net cash provided(used) by investing activities	<u>(28,405)</u>	<u>(13,615)</u>
<u>Cash flows from financing activities</u>		
Borrowing on note payable	<u>100,000</u>	-
Net cash provided by financing activities	<u>100,000</u>	-
Net increase(decrease) in cash and cash equivalents	286,555	97,611
Cash and cash equivalents, beginning of year	<u>199,222</u>	<u>101,611</u>
Cash and cash equivalents, end of year	<u>\$ 485,777</u>	<u>\$ 199,222</u>
<u>Supplemental disclosure of information:</u>		
Interest paid during the year	<u>\$ -</u>	<u>\$ 35</u>

The accompanying notes are an integral part of these financial statements

THE ACCESS FUND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2010

NOTE 1 - NATURE OF ACTIVITIES

The Access Fund (the Organization) is a national nonprofit organization dedicated to keeping climbing areas open and to conserving the climbing environment. Preserving the opportunity to climb and the diversity of the climbing experience are fundamental to the mission of The Access Fund. Working in cooperation with climbers, other recreational users, public land managers, and private land owners, the Access Fund promotes responsible use and sound management of climbing resources throughout the United States. The Access Fund encourages an ethic of personal responsibility, self regulation, strong conservation values, and minimum impact practices among climbers. The Organization is primarily supported through contributions from foundations, corporations and individuals, as well as membership dues.

- Outreach and Education – Educates climbers on effective climbing management strategies, land acquisitions, effective public and private land management practices, respecting and lessening impact on the climbing environment, political activism strategies, stewardship and conservation guidance, how to start a successful local climbing organization, and providing information about what’s going throughout the country. TeamWorks is the Access Fund’s youth initiative that works to get young climbers outside learning about conservation and stewardship through the Adopt a Crag program.
- Special Projects – Provides resources for direct acquisitions, leases, easements and other land conservation tactics when a climbing area is severely threatened. The Climbing Preservation Grant Program funds projects that preserve or enhance climbing access and opportunities and conserve the climbing environment throughout the United States. The Access Fund works with federal, state and local officials; local climbing organizations; and land managers to develop and guide climbing management policies for public and private lands.
- Newsletter – The Vertical Times newsletter, the Access Fund's 3x yearly publication, provides up-to-date news on policy, area reports, events, action alerts, grants, and more.
- Land Conservation Campaign – The first-ever multimillion-dollar revolving loan program that provides local climbing organizations and other agencies with the funds and expertise needed to act quickly to save threatened climbing areas.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

2. Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Continued)

3. Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

4. Donations

The Organization only accepts restricted gifts of cash and other assets of \$10,000 or more. However, the Organization may request grants from funders that do not meet the gift acceptance limit. When a donor 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.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless the explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent donor stipulations regarding how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

5. Accounts Receivable

The Organization states accounts receivable at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

6. Capitalization and Depreciation

The Organization follows the practice of capitalizing all expenditures for property and equipment, at cost, in excess of \$250. The fair value of donated assets is similarly capitalized. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

7. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

8. Income Taxes

The Organization has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Concluded)

9. Functional Reporting of Expenses

For the year ended December 31, 2010, the costs of providing the various programs and other 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.

10. Summarized Prior-Year Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2009, from which the summarized information was derived.

11. Subsequent Events

Management has evaluated subsequent events through April 11, 2011, the date the report was available for distribution.

NOTE 3 - LOANS RECEIVABLE

The Organization makes loans to climbing clubs to purchase property. Each loan is charged annual interest of 0% - 5% and is secured by the property and other financial assets. Management believes the present value discount is not material to these financial statements. Management has evaluated these loans and does not believe an allowance for doubtful accounts is needed. The remaining amounts of the loans are to be received as follows:

<u>Description</u>	<u>Amount</u>
2011	\$ 25,500
2012	176,732
2013	<u>100,625</u>
Total	<u>\$ 302,857</u>

NOTE 4 - INVENTORY

The Organization has inventory that consists of t-shirts, water bottles, books and hats, and is stated at the lower of cost or market.

NOTE 5 - INVESTMENTS

At year-end, investments are stated at their fair values and consist of:

<u>Description</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Appreciation (Depreciation)</u>
Cash and cash equivalents	\$ 18,858	\$ 18,858	\$ -
Mutual funds	<u>274,538</u>	<u>350,167</u>	<u>75,629</u>
Total	<u>\$ 293,396</u>	<u>\$ 369,025</u>	<u>\$ 75,629</u>

Investment income and account activity is summarized as follows:

<u>Description</u>	<u>Amount</u>
Beginning balance	\$ 313,210
Additions	22,629
Interest and dividends	12,286
Net appreciation	<u>20,900</u>
Investment return	<u>33,186</u>
Balance, end of year	<u>\$ 369,025</u>

Additionally, during the year, the Organization earned interest income of \$3,125 on its cash and cash equivalents.

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

<u>Description</u>	<u>Amount</u>
Equipment	\$ 31,937
Furniture and fixtures	<u>1,894</u>
Total	33,831
Less: accumulated depreciation	<u>(25,547)</u>
Net property and equipment	<u>\$ 8,284</u>

Depreciation expense for the year was \$5,458.

NOTE 7 - LINE OF CREDIT

There is no current balance on a \$75,000 revolving line-of-credit at Wells Fargo Bank, at an interest rate of the greater of 5% or index plus 1½ percent.

NOTE 8 - NOTE PAYABLE

During 2010, the Organization negotiated a \$100,000 note payable from a Trust. The terms of the note call for annual interest of 5% beginning one year after the funds were borrowed. The entire principal amount and any unpaid interest is due by November 10, 2013.

NOTE 9 - LEASE COMMITMENTS

The Organization leases office space in Boulder Colorado. Total lease payments on the lease are \$69,078 for the period of 5/1/2009 through 9/30/2011. The future minimum lease payments remaining are as follows:

<u>Fiscal</u> <u>Year</u>	<u>Amount</u>
2011	<u>\$ 24,461</u>

The Organization entered into an operating lease for a copier. Total lease payments on the lease are \$5,712 for the period of 7/1/2009 through 4/13/2013. The future minimum lease payments remaining are as follows:

<u>Fiscal</u> <u>Year</u>	<u>Amount</u>
2011	\$ 1,428
2012	1,428
2013	<u>714</u>
Total	<u>\$ 3,570</u>

The Organization entered into an operating lease for a postage meter. Total lease payments on the lease are \$8,080 for the period of 5/1/2009 through 7/31/2013. The future minimum lease payments remaining are as follows:

<u>Fiscal</u> <u>Year</u>	<u>Amount</u>
2011	\$ 1,901
2012	1,901
2013	<u>1,109</u>
Total	<u>\$ 4,911</u>

NOTE 10 - BOARD DESIGNATED RESERVE

The Board of Directors has designated an operating reserve of \$125,000, which is invested in stock and money market funds at Charles Schwab. Withdrawals require a majority vote of the Board of Directors. Earnings of the reserve may be used for operations of the Organization.

NOTE 11 - RECONCILIATION OF RESTRICTED NET ASSETS

During the year, net assets were released from donor restrictions by incurring expenses satisfying the restricted program purposes. The Organization ended the year with temporarily restricted net assets available for the following purposes:

<u>Description</u>	Beginning Temporarily Restricted <u>Net Assets</u>	2010 <u>Income</u>	2010 Net Assets Released From <u>Restrictions</u>	Ending Temporarily Restricted <u>Net Assets</u>
Land conservation campaign	\$ 202,968	\$ 432,644	\$ 75,844	\$ 559,768
Land stewardship	-	35,887	14,343	21,544
Arizona economic study	-	21,053	-	21,053
REI Stoney	<u>9,361</u>	<u>-</u>	<u>9,361</u>	<u>-</u>
Total	<u>\$ 212,329</u>	<u>\$ 489,584</u>	<u>\$ 99,548</u>	<u>\$ 602,365</u>

NOTE 12- IN-KIND CONTRIBUTIONS

Donated space and materials are reflected in the accompanying statements at their estimated values at date of receipt. The value of donated services and materials included in the financial statements and the corresponding expenses for the year are as follows:

<u>Description</u>	<u>Amount</u>
Donated advertising	\$ 64,420
Donated product	35,717
Donated legal	9,803
Donated refrigerator	<u>500</u>
Total	<u>\$ 110,440</u>