

# **THE ACCESS FUND**

FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2014

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

**THE ACCESS FUND**  
**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

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May 26, 2015

INDEPENDENT AUDITORS' REPORT

Board of Directors  
The Access Fund  
Boulder, Colorado

We have audited the accompanying financial statements of **The Access Fund** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

*Management's Responsibility for the Financial Statements*

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

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Access Fund as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Report on Summarized Comparative Information***

We have previously audited The Access Fund 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 8, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

**THE ACCESS FUND**  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2014  
(WITH COMPARATIVE TOTALS FOR 2013)

	2014	2013
<u>Assets</u>		
Cash and cash equivalents - unrestricted	\$ 380,702	\$ 443,396
Cash and cash equivalents - temporarily restricted	423,266	438,903
Donations receivable	70,539	24,669
Grants receivable	-	25,000
Loans receivable - temporarily restricted (Note 3)	586,029	472,899
Prepaid expenses	16,094	6,433
Inventory (Note 4)	22,824	22,111
Inventory - land - temporarily restricted (Note 4)	202,721	263,396
Security deposit	3,101	2,841
Investments (Note 5)	338,968	216,837
Net property and equipment (Note 6)	59,592	71,635
	\$ 2,103,836	\$ 1,988,120
<u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 22,491	\$ 38,205
Payroll liabilities	20,956	17,839
Grants payable	3,077	-
Fiscal agent liability	7,650	-
Line of credit (Note 7)	-	-
Note payable (Note 8)	100,000	100,000
Lease commitments (Note 9)		
	154,174	156,044
<u>Net assets</u>		
<u>Unrestricted</u>		
Operating	553,054	460,243
Board designated reserve (Note 10)	125,000	125,000
Net investment in fixed assets	59,592	71,635
Temporarily restricted (Note 11)	1,212,016	1,175,198
	1,949,662	1,832,076
Total net assets	1,949,662	1,832,076
Total liabilities and net assets	\$ 2,103,836	\$ 1,988,120

The accompanying notes are an integral part of these financial statements

**THE ACCESS FUND**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(WITH COMPARATIVE TOTALS FOR 2013)

	2014			2013
	Unrestricted	Temporarily Restricted	Total	Total
<u>Revenue and other support</u>				
Corporations	\$ 234,028	\$ 251,395	\$ 485,423	\$ 424,395
Membership	452,320	-	452,320	433,875
Individuals	288,897	38,600	327,497	226,995
Foundations	146,665	-	146,665	124,811
Contract	108,605	-	108,605	-
Special event income	74,376	-	74,376	124,552
Land conservation campaign	-	43,550	43,550	108,409
Investment income	29,688	-	29,688	27,544
Merchandise sales (net of cost of goods sold)	13,020	-	13,020	7,051
Other	1,200	-	1,200	5,680
In-kind (Note 12)	27,960	-	27,960	134,436
Net assets released from restrictions (Note 11)	296,727	(296,727)	-	-
Total revenue and other support	<u>1,673,486</u>	<u>36,818</u>	<u>1,710,304</u>	<u>1,617,748</u>
<u>Expense</u>				
Program services				
Stewardship and conservation	538,815	-	538,815	287,355
Climbing management policy	318,341	-	318,341	329,473
Land acquisition and protection	158,942	-	158,942	154,132
Local support and mobilization	156,816	-	156,816	144,889
Education	118,557	-	118,557	140,475
Total program services	1,291,471	-	1,291,471	1,056,324
Management and general	109,352	-	109,352	167,643
Fund-raising	191,895	-	191,895	171,869
Total expense	<u>1,592,718</u>	<u>-</u>	<u>1,592,718</u>	<u>1,395,836</u>
Change in net assets	80,768	36,818	117,586	221,912
Net assets, beginning of year	<u>656,878</u>	<u>1,175,198</u>	<u>1,832,076</u>	<u>1,610,164</u>
Net assets, end of year	<u>\$ 737,646</u>	<u>\$1,212,016</u>	<u>\$1,949,662</u>	<u>\$ 1,832,076</u>

The accompanying notes are an integral part of these financial statements

**THE ACCESS FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
**(WITH COMPARATIVE TOTALS FOR 2013)**

	2014	2013
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 117,586	\$ 221,912
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	13,724	10,891
Prior period adjustment	11,653	-
Unrealized and realized loss(gain) on investments	(5,504)	(12,450)
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in accounts and loans recievable	(134,000)	(192,268)
(Increase)decrease in prepaid expenses	(9,921)	(2,023)
(Increase)decrease in inventory	48,309	(2,283)
Increase(decrease) in accounts payable	(15,714)	9,397
Increase(decrease) in payroll liabilities	3,117	2,014
Increase(decrease) in fiscal agent liabilities	7,650	-
Increase(decrease) in grants payable	3,077	-
Net cash provided(used) by operating activities	39,977	35,190
<u>Cash flows from investing activities</u>		
(Additions) to fixed assets	(1,681)	(29,055)
Sale (purchase) of investments	(107,779)	(3,060)
(Reinvestment) of interest and dividends	(8,848)	(6,876)
Net cash provided(used) by investing activities	(118,308)	(38,991)
Net increase(decrease) in cash and cash equivalents	(78,331)	(3,801)
Cash and cash equivalents, beginning of year	882,299	886,100
Cash and cash equivalents, end of year	\$ 803,968	\$ 882,299
<u>Supplemental disclosure of information:</u>		
Cash paid during the period for interest	\$ 5,000	\$ 5,000

The accompanying notes are an integral part of these financial statements

**THE ACCESS FUND**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

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.

- Stewardship and Conservation – The Access Fund helps organize volunteer events across the country. Our signature stewardship program, Adopt a Crag, unites local climbing communities in partnerships with land managers to conserve their local climbing areas. Our Access Fund/Jeep Conservation Team travels the country nine months of the year, assessing climbing area conservation needs, working with locals to address those needs, and providing stewardship best practices training.
- Land Acquisition and Protection – The Access Fund Land Conservation Campaign is 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. The Climbing Preservation Grant Program funds projects across the United States that preserve or enhance climbing access and opportunities and conserve the climbing environment. In special circumstances, the Access Fund will hold endangered property on behalf of the climbing community. We currently retain four land holdings and two Conservation Easements.
- Climbing Management Policy – On a national level, this work includes advocating for climbing issues and working toward mutually agreeable policies concerning the climbing community. On a local level, it involves providing legal and policy expertise to local climbing organizations and land managers and owners on climbing issues that directly impact their land.
- Education – The Access Fund provides stewardship training for the next generation of climbers through the ROCK Project. This program advances climber education through the lens of minimum impact behaviors so that climbers become better stewards of the nation’s climbing resources. Through media outreach, print publications, and the Vertical Times Newsletter, we provide up-to-date news on policy, area reports, events, action alerts, grants, and more. The Access Fund regularly hosts conferences and summits, which bring together land managers and climbers from across the country to share best practices in climbing stewardship, land conservation, policy, local support and mobilization, and volunteer management.
- Local Support and Mobilization – When a local climbing access issue occurs, The Access Fund offers one-on-one guidance, educational resources, stewardship programs, and grants to local organizations and climbers/ We also support regional coordinators, who are the Access Fund’s principal liaisons to local 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.

### 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.

### 6. Capitalization and Depreciation

The Organization follows the practice of capitalizing all expenditures for property and equipment, at cost, in excess of \$500. 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.

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

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. The Organization's Form 990 Return of Organization Exempt from Income Tax is subject to examination by the IRS generally three years after filing.

9. Functional Reporting of Expenses

For the year ended December 31, 2014, 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, 2013, from which the summarized information was derived.

11. Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

12. Subsequent Events

Management has evaluated subsequent events through May 26, 2015, the date the report was available for distribution.

13. Fair Value Measurement

The Organization is subject to the provisions of the Fair Value Measurements and Disclosures accounting standard. 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).

13. Conservation Easements

The Organization holds conservation easements on two properties in California. The Organization is responsible for monitoring the easements to ensure that their conditions are being followed. If any conditions of the easements are not followed, legal action by the Access Fund may be necessary.

NOTE 3 - LOANS RECEIVABLE

The Organization makes loans to local climbing organizations 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>Fiscal Year</u>	<u>Amount</u>
2015	\$ 208,542
2017	218,229
2018	<u>159,258</u>
Total	<u>\$ 586,029</u>

NOTE 4 - INVENTORY

The Organization has inventory that consists of land held for sale, 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 (level 1 input) and consist of:

<u>Description</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Appreciation (Depreciation)</u>
Cash and cash equivalents	\$ 985	\$ 985	\$ -
Mutual funds	262,486	274,795	12,309
Exchange traded funds	<u>42,047</u>	<u>63,188</u>	<u>21,141</u>
Total	<u>\$ 305,518</u>	<u>\$ 338,968</u>	<u>\$ 33,450</u>

Investment income and account activity is summarized as follows:

<u>Description</u>	<u>Amount</u>
Beginning balance	<u>\$ 216,837</u>
Additions	107,779
Interest and dividends	8,848
Net appreciation	<u>5,504</u>
Investment return	<u>14,352</u>
Balance, end of year	<u>\$ 338,968</u>

Additionally, during the year, the Organization earned interest income of \$13,881 on its cash, cash equivalents and loans receivable.

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

<u>Description</u>	<u>Amount</u>
Land	\$ 27,405
Vehicles	53,390
Equipment	42,646
Furniture and fixtures	<u>2,404</u>
Total	125,845
Less: accumulated depreciation	<u>(66,253)</u>
Net property and equipment	<u>\$ 59,592</u>

Depreciation expense for the year was \$13,724.

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 2 ¾ 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 was due by November 10, 2013. Terms have been negotiated to extend the note for two additional years.

NOTE 9 - LEASE COMMITMENTS

The Organization leases office space in Boulder Colorado. Total lease payments on the lease are \$153,274 for the period 10/1/11 through 2/28/16. Additionally, the Organization has leased a copier. The future minimum lease payments remaining are as follows:

<u>Fiscal Year</u>	<u>Office</u>	<u>Copier</u>	<u>Amount</u>
2015	\$ 42,783	\$ 1,548	\$ 44,331
2016	7,165	1,548	8,713
2017	<u>-</u>	<u>1,548</u>	<u>1,548</u>
Total	<u>\$ 49,948</u>	<u>\$ 4,644</u>	<u>\$ 54,592</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>	<u>Beginning Temporarily Restricted Net Assets</u>	<u>2014 Income</u>	<u>2014 Net Assets Released From Restrictions</u>	<u>Ending Temporarily Restricted Net Assets</u>
Land conservation campaign	\$ 975,691	\$ 43,550	\$ 20,367	\$ 998,874
Conservation Team	104,922	142,440	143,938	103,424
Land stewardship	54,786	5,000	-	59,886
Access Fund education	25,000	80,000	67,977	37,023
Summit Rock	6,559	-	-	6,559
Bolting	-	7,450	1,200	6,250
Stewardship manual	5,640	-	5,640	-
Land trust alliance	2,500	-	2,500	-
Policy analyst	-	45,105	45,105	-
TeamWorks	-	5,000	5,000	-
Adopt a crag	-	5,000	5,000	-
Total	<u>\$ 1,175,198</u>	<u>\$ 333,545</u>	<u>\$ 296,727</u>	<u>\$ 1,212,016</u>

NOTE 12 - IN-KIND CONTRIBUTIONS

Donated services 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 product	\$ 12,031
Donated legal	11,521
Donated advertising	<u>4,408</u>
Total	<u>\$ 27,960</u>

NOTE 13 - PRIOR PERIOD ADJUSTMENTS

Certain errors in previously reported inventory were discovered in the current year. An adjustment of \$11,654 was made during 2014 to adjust the inventory valuation in 2013. The effect of the restatement on net assets for 2013 is an increase of \$11,654.

**SUPPLEMENTARY INFORMATION**

**THE ACCESS FUND**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
**(WITH COMPARATIVE TOTALS FOR 2013)**

	2014						2013			
	Program Services					Supporting Services			Total	Total
	Stewardship and Conservation	Climbing Management Policy	Land Acquisition & Protection	Education	Local Support & Mobilization	Total Program	Management and General	Fund- raising		
Salaries	\$ 249,141	\$ 129,044	\$ 63,511	\$ 60,759	\$ 77,604	\$ 580,059	\$ 70,851	\$ 104,928	\$ 755,838	\$ 567,548
Payroll taxes and benefits	44,802	15,725	14,171	9,476	13,707	97,881	5,404	19,519	122,804	94,451
Professional and legal	27,687	68,401	11,299	8,323	4,065	119,775	9,227	128	129,130	98,883
Travel	27,700	23,866	7,519	3,837	4,664	67,586	327	13,331	81,244	37,443
Rent and utilities	21,872	14,534	6,692	4,984	6,593	54,675	890	4,772	60,337	56,547
Printing	22,884	9,690	3,965	6,139	3,914	46,592	1,723	8,022	56,337	38,000
Membership premiums and supplies	9,808	5,778	12,147	2,246	20,327	50,306	-	374	50,680	12,613
Land management	35,503	1,557	8,946	2,047	774	48,827	110	512	49,449	61,635
Postage	13,763	7,953	4,038	3,030	3,959	32,743	808	9,003	42,554	32,004
Grants	16,410	9,642	4,821	3,591	4,750	39,214	-	-	39,214	37,000
In-kind	7,172	8,694	8,448	1,570	2,076	27,960	-	-	27,960	121,804
Bank fees	7,737	4,446	2,806	1,656	2,244	18,889	1,180	5,099	25,168	21,926
Direct mail	8,712	5,120	2,560	1,907	2,852	21,151	-	2,571	23,722	25,701
Design and editing	8,945	4,959	1,920	4,310	1,891	22,025	-	60	22,085	9,090
Equipment and software	6,076	3,632	1,816	2,332	1,789	15,645	2,129	1,025	18,799	23,362
Office and program supplies	4,815	430	2,008	314	1,387	8,954	3,427	1,545	13,926	15,405
Bad debt	-	-	-	-	-	-	-	12,550	12,550	9,830
Conferences, events and trade show	8,429	1,453	353	913	998	12,146	-	-	12,146	74,807
Accounting	3,269	1,921	961	715	946	7,812	2,553	1,456	11,821	13,391
Insurance	549	324	162	121	159	1,315	8,887	-	10,202	10,198
Telephone	2,549	1,172	799	287	643	5,450	1,315	1,263	8,028	5,717
Interest	-	-	-	-	-	-	-	5,000	5,000	5,000
Communications	-	-	-	-	-	-	-	-	-	12,590
Other	-	-	-	-	-	-	-	-	-	-
	527,823	318,341	158,942	118,557	155,342	1,279,005	108,831	191,158	1,578,994	1,384,945
Depreciation	10,992	-	-	-	1,474	12,466	521	737	13,724	10,891
<b>Total</b>	<b>\$ 538,815</b>	<b>\$ 318,341</b>	<b>\$ 158,942</b>	<b>\$ 118,557</b>	<b>\$ 156,816</b>	<b>\$ 1,291,471</b>	<b>\$ 109,352</b>	<b>\$ 191,895</b>	<b>\$ 1,592,718</b>	<b>\$ 1,395,836</b>

The accompanying notes are an integral part of these financial statements