

THE ACCESS FUND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

THE ACCESS FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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November 15, 2019

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, 2018, 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, 2018, 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's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 22, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, 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, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

| | <u>2018</u> | <u>2017</u> |
|--|---------------------|---------------------|
| <u>Assets</u> | | |
| Cash and cash equivalents | \$ 1,414,640 | \$ 1,147,441 |
| Donations receivable | 201,682 | 127,725 |
| Loans receivable (Note 3) | 478,370 | 741,756 |
| Prepaid expenses | 5,131 | 11,226 |
| Inventory (Note 4) | 48,105 | 72,664 |
| Inventory - land - (Note 4) | 329,750 | 152,994 |
| Security deposit | 17,046 | 17,046 |
| Investments (Note 5) | 549,857 | 460,327 |
| Net property and equipment (Note 6) | 160,806 | 228,642 |
| Total assets | <u>\$ 3,205,387</u> | <u>\$ 2,959,821</u> |
| <u>Liabilities and net assets</u> | | |
| <u>Liabilities</u> | | |
| Accounts payable | \$ 134,214 | \$ 116,341 |
| Payroll liabilities | 59,085 | 67,726 |
| Grants payable | 4,094 | 6,759 |
| Fiscal agent liability | 77,895 | 49,051 |
| Line of credit (Note 7) | - | - |
| Note payable | - | 200,000 |
| Lease commitments (Note 8) | 9,489 | 12,513 |
| Total liabilities | <u>284,777</u> | <u>452,390</u> |
| <u>Net assets</u> | | |
| <u>Without donor restrictions</u> | | |
| Undesignated | 1,302,006 | 957,617 |
| Board designated reserve (Note 9) | 125,000 | 125,000 |
| | <u>1,427,006</u> | <u>1,082,617</u> |
| <u>With donor restrictions (Note 10)</u> | <u>1,493,604</u> | <u>1,424,814</u> |
| Total net assets | <u>2,920,610</u> | <u>2,507,431</u> |
| Total liabilities and net assets | <u>\$ 3,205,387</u> | <u>\$ 2,959,821</u> |

The accompanying notes are an integral part of these financial statements

THE ACCESS FUND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

| | 2018 | | | 2017 |
|---|-------------------------------|----------------------------|--------------------|--------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Total |
| Revenue and other support | | | | |
| Individuals | \$ 844,774 | \$ 74,904 | \$ 919,678 | 673,220 |
| Membership | 730,752 | - | 730,752 | \$ 697,319 |
| Corporations | 311,792 | 253,244 | 565,036 | 655,939 |
| Contract | 344,186 | - | 344,186 | 395,804 |
| Foundations | 130,410 | 179,031 | 309,441 | 162,965 |
| Special event income | 254,123 | - | 254,123 | 316,964 |
| Land conservation campaign | - | 49,670 | 49,670 | 63,023 |
| Merchandise sales (Note 12) | 7,486 | - | 7,486 | 19,972 |
| Investment income | (8,762) | - | (8,762) | 39,669 |
| Other | 1,937 | - | 1,937 | 16,442 |
| In-kind (Note 11) | 171,884 | - | 171,884 | 152,296 |
| Net assets released from restrictions (Note 10) | 488,059 | (488,059) | - | - |
| Total revenue and other support | 3,276,641 | 68,790 | 3,345,431 | 3,193,613 |
| Expense | | | | |
| Program services | | | | |
| Stewardship and conservation | 1,074,825 | - | 1,074,825 | 1,185,799 |
| Climbing management policy | 528,721 | - | 528,721 | 439,224 |
| Land acquisition and protection | 201,398 | - | 201,398 | 140,044 |
| Local support and mobilization | 117,934 | - | 117,934 | 120,051 |
| Anchors program | 87,199 | - | 87,199 | - |
| Education | 13,961 | - | 13,961 | 106,780 |
| Total program services | 2,024,038 | - | 2,024,038 | 1,991,898 |
| Management and general | 303,706 | - | 303,706 | 253,946 |
| Fund-raising | 604,508 | - | 604,508 | 481,282 |
| Total expense | 2,932,252 | - | 2,932,252 | 2,727,126 |
| Change in net assets | 344,389 | 68,790 | 413,179 | 466,487 |
| Net assets, beginning of year | 1,082,617 | 1,424,814 | 2,507,431 | 2,040,944 |
| Net assets, end of year | \$ 1,427,006 | \$1,493,604 | \$2,920,610 | \$2,507,431 |

The accompanying notes are an integral part of these financial statements

THE ACCESS FUND

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

| | 2018 | | | | | | | | | | 2017 | | |
|------------------------------------|------------------------------|----------------------------|-------------------------------|------------------------------|---------------|---------------------|---------------|------------------------|--------------|--------------|--------------|-------|-------|
| | Program Services | | | | | Supporting Services | | | | | Total | Total | Total |
| | Stewardship and Conservation | Climbing Management Policy | Land Acquisition & Protection | Local Support & Mobilization | Fixed Anchors | Education | Total Program | Management and General | Fund-raising | Total | | | |
| Salaries | \$ 514,491 | \$ 254,596 | \$ 103,831 | \$ 57,453 | \$ 36,117 | \$ 7,109 | \$ 973,597 | \$ 160,239 | \$ 202,621 | \$ 1,336,457 | \$ 1,249,690 | | |
| Payroll taxes and benefits | 95,520 | 46,012 | 17,976 | 11,762 | 9,492 | 902 | 181,664 | 43,297 | 29,900 | 254,861 | 194,481 | | |
| Professional and legal | 34,072 | 78,837 | 15,149 | 3,724 | 2,483 | 884 | 135,149 | 7,488 | 48,190 | 190,827 | 155,764 | | |
| Travel | 66,052 | 43,896 | 8,533 | 12,266 | 8,035 | 286 | 139,068 | 4,709 | 43,217 | 186,994 | 126,226 | | |
| In-kind supplies | 40,110 | 7,119 | 2,738 | 1,643 | 1,095 | 275 | 52,980 | 13,861 | 105,043 | 171,884 | 152,296 | | |
| Conferences, events and trade show | 1,246 | 3,892 | 514 | 8,469 | 320 | 15 | 14,456 | 160 | 96,082 | 110,698 | 99,922 | | |
| Rent and utilities | 20,158 | 9,889 | 3,803 | 2,282 | 1,521 | 380 | 38,033 | 24,924 | 19,001 | 81,958 | 80,111 | | |
| Accounting | 56,697 | 1,638 | 630 | 378 | 252 | 63 | 59,658 | 3,384 | 3,150 | 66,192 | 13,656 | | |
| Equipment and software | 15,987 | 14,121 | 3,942 | 1,747 | 1,683 | 292 | 37,772 | 11,008 | 14,272 | 63,052 | 50,697 | | |
| Printing | 26,930 | 13,209 | 5,080 | 3,684 | 2,016 | 639 | 51,558 | 1,081 | 7,220 | 59,859 | 65,845 | | |
| Postage | 21,952 | 9,847 | 3,818 | 2,359 | 1,547 | 378 | 39,901 | 9,058 | 10,109 | 59,068 | 42,686 | | |
| Office and program supplies | 20,435 | 1,400 | 15,390 | 1,325 | 6,516 | 45 | 45,111 | 6,750 | 4,358 | 56,219 | 24,027 | | |
| Grants | 21,200 | 10,400 | 4,000 | 2,400 | 11,600 | 400 | 50,000 | - | - | 50,000 | 52,660 | | |
| Bank fees | 19,087 | 9,388 | 3,677 | 2,159 | 1,440 | 359 | 36,110 | 1,282 | 7,649 | 45,041 | 45,833 | | |
| Insurance | 24,723 | 4,490 | 2,382 | 986 | 657 | 163 | 33,401 | 4,773 | 1,356 | 39,530 | 35,806 | | |
| Design and editing | 10,585 | 4,598 | 2,162 | 2,816 | 707 | 1,402 | 22,270 | - | 1,005 | 23,275 | 17,939 | | |
| Telephone | 3,186 | 2,602 | 917 | 606 | 917 | 33 | 8,261 | 6,642 | 970 | 15,873 | 12,649 | | |
| Direct mail | 7,064 | 3,465 | 1,333 | 966 | 529 | 168 | 13,525 | 284 | 1,893 | 15,702 | 25,343 | | |
| Dues and subscriptions | - | 7,550 | 1,875 | 500 | - | 100 | 10,025 | - | 1,150 | 11,175 | - | | |
| Land management | 17 | 8 | 1,534 | 2 | 2 | - | 1,563 | 93 | - | 1,656 | 139,759 | | |
| Interest | - | - | - | - | - | - | - | 557 | - | 557 | 515 | | |
| Bad debt | - | - | - | - | - | - | - | - | 500 | 500 | 16,072 | | |
| Membership premiums and supplies | - | - | - | - | - | - | - | - | - | - | 71,729 | | |
| Other | 20,840 | - | 1,436 | - | - | - | 22,276 | 724 | 38 | 23,038 | 2,105 | | |
| | 1,020,352 | 526,957 | 200,720 | 117,527 | 86,929 | 13,893 | 1,966,378 | 300,314 | 597,724 | 2,864,416 | 2,675,811 | | |
| Depreciation | 54,473 | 1,764 | 678 | 407 | 270 | 68 | 57,660 | 3,392 | 6,784 | 67,836 | 51,315 | | |
| Total | \$ 1,074,825 | \$ 528,721 | \$ 201,398 | \$ 117,934 | \$ 87,199 | \$ 13,961 | \$ 2,024,038 | \$ 303,706 | \$ 604,508 | \$ 2,932,252 | \$ 2,727,126 | | |

The accompanying notes are an integral part of these financial statements

THE ACCESS FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

| | 2018 | 2017 |
|---|--------------|--------------|
| <u>Cash flows from operating activities</u> | | |
| Change in net assets | \$ 413,179 | \$ 466,487 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | | |
| Depreciation | 67,836 | 51,315 |
| Unrealized and realized loss(gain) on investments | 39,122 | (19,893) |
| <u>Changes in operating assets and liabilities</u> | | |
| decrease in accounts and loans receivable | 189,429 | 23,245 |
| (Increase)decrease in prepaid expenses | 6,095 | (2,256) |
| (Increase)decrease in inventory | (152,197) | 3,444 |
| Increase(decrease) in accounts payable | 17,873 | 75,733 |
| Increase(decrease) in payroll liabilities | (8,641) | 36,660 |
| Increase in fiscal agent liabilities | 28,844 | 27,089 |
| Increase(decrease) in grants payable | (2,665) | 1,246 |
| Net cash provided(used) by operating activities | 598,875 | 663,070 |
| <u>Cash flows from investing activities</u> | | |
| (Additions) to fixed assets | - | (70,432) |
| (Purchase) of investments | (112,670) | (30,235) |
| (Reinvestment) of interest and dividends | (15,982) | (10,227) |
| Net cash provided(used) by investing activities | (128,652) | (110,894) |
| <u>Cash flows from financing activities</u> | | |
| Repayment on note payable | (203,024) | 212,513 |
| Net cash provided by financing activities | (203,024) | 212,513 |
| Net increase(decrease) in cash and cash equivalents | 267,199 | 764,689 |
| Cash and cash equivalents, beginning of year | 1,147,441 | 382,752 |
| Cash and cash equivalents, end of year | \$ 1,414,640 | \$ 1,147,441 |
| <u>Supplemental disclosure of information:</u> | | |
| Cash paid during the period for interest | \$ 557 | \$ 515 |
| Assets acquired by capital lease | \$ - | \$ 14,684 |

The accompanying notes are an integral part of these financial statements

THE ACCESS FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 - NATURE OF ACTIVITIES

The Access Fund (the Organization, dba Access Fund) is a national nonprofit organization dedicated to keeping climbing areas open and 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 landowners, 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 corporations, individuals, and membership dues.

- Stewardship and Conservation – The Access Fund partners with land managers and local climbing organizations across the country to improve sustainability and address environmental impacts at climbing areas. The Access Fund/Jeep Conservation Teams travel the country assessing climbing area conservation needs, working with locals to address those needs, and providing stewardship best practices. Additionally, the Access Fund helps organize volunteer events across the country. Our stewardship volunteer program, Adopt a Crag, unites local climbing communities in partnerships with land managers to conserve their local climbing areas.
- Land Acquisition and Protection – The Access Fund Climbing Conservation Loan Program is the first-ever revolving loan program that provides local climbing organizations and other agencies with the funds and expertise to act quickly to save threatened climbing areas. In special circumstances, The Access Fund will hold endangered property on behalf of the climbing community. As of 12.31.18, The Access Fund retained 4 landholdings and 9 easements.
- Climbing Management Policy – The Access Fund works with legislators, members of the administration, state agencies, tribal governments, and officials from the US Forest Service, National Park Service, and Bureau of Land Management to make sure that climbers' interests are represented in public land planning. We work directly with these officials to educate and advocate for management strategies that balance climbing access with resource conservation, responsible placement and replacement of fixed anchors, sustainable care and management of climbing areas, and recognition of the social and economic benefits of climbing. Access Fund also works with local and regional land managers on climbing management planning and stewardship of climbing areas.
- Education – The Access Fund advances climber education through the lens of minimum impact behaviors so that climbers become better stewards of the nation's climbing resources. Through social 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.
- Local Support and Mobilization – The Access Fund works to empower local advocates to join together and form local climbing organizations. The Access Fund supports these local groups with grants, one-on-one guidance when an access issue occurs, educational resources, stewardship programs, and consulting on political, legal, and regulatory issues. 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.

NOTE 1 - NATURE OF ACTIVITIES - (Concluded)

- Risk Management and Landowner Support – The Access Fund works with private and public landowners on tools and strategies to mitigate both real and perceived risks of climbing—giving them the confidence and protections they need to open their land to public access. The Access Fund works to strengthen state recreational use statutes and helps landowners implement waiver systems and other types of access agreements to mitigate risks.

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 financial statements of The Access Fund have been prepared in accordance with U.S. generally accepted accounting principles which require the Organization to report its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

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. Accounts Receivable

The Organization states accounts receivable at the amount management expects to collect from outstanding balances. Management has elected to write off bad debts utilizing the direct method and write off bad debts as they are incurred.

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

5. Capitalization and Depreciation

The Organization follows the practice of capitalizing all expenditures for property and equipment, at cost, in excess of \$2,500. 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.

6. 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.

7. 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.

8. Functional Reporting of Expenses

For the year ended December 31, 2018, 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. The allocations are determined by management on a rational and systematic basis. Salaries and benefits are allocated on a time and effort basis. All other costs are assigned directly to the program or functional area 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, 2017, 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 November 15, 2019, 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).

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

14. Conservation Easements

The Organization holds conservation easements on nine properties in California, Kentucky, Colorado, Illinois, Texas, and New Hampshire. 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.

15. New Accounting Pronouncement

On August 18, 2016, the Financial Accounting Standards Board issued ASU 2016-14, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for Profit Entities. The update addresses net asset classification, information about liquidity, information provided about expenses, and consistency in reporting investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

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> |
|--------------------|-------------------|
| 2019 | \$ 180,533 |
| 2020 | 96,315 |
| 2021 | <u>201,522</u> |
| Total | <u>\$ 478,370</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 net realizable value.

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 | \$ 148,142 | \$ 148,142 | \$ - |
| Stocks, bonds, and mutual funds | 271,543 | 356,821 | 85,278 |
| Exchange traded funds | <u>40,642</u> | <u>44,894</u> | <u>4,252</u> |
| Total | <u>\$ 460,327</u> | <u>\$ 549,857</u> | <u>\$ 89,530</u> |

NOTE 8 - LEASE COMMITMENTS

The Organization leases office space in Boulder Colorado. Total lease payments on the lease are \$650,612 for the period 4/1/16 through 3/31/23. The lease is shared with the American Mountain Guides Association (AMGA). A memorandum of understanding exists between the organizations to split the cost of the lease with 51 percent being covered by The Access Fund. The future minimum lease payments below do not account for this memorandum.

| <u>Fiscal</u> <u>Year</u> | <u>Amount</u> |
|------------------------------|-------------------|
| 2019 | \$ 92,240 |
| 2020 | 95,057 |
| 2021 | 97,873 |
| 2022 | 100,690 |
| 2023 | <u>25,349</u> |
| Total | <u>\$ 411,209</u> |

Additionally, the Organization has leased a copier and a postage meter. The future minimum lease payments remaining are as follows:

| <u>Fiscal</u> <u>Year</u> | <u>Copier</u> | <u>Postage</u> <u>Meter</u> | <u>Amount</u> |
|--|-----------------|--------------------------------|-----------------|
| 2019 | \$ 1,680 | \$ 1,901 | \$ 3,581 |
| 2020 | 1,680 | 1,901 | 3,581 |
| 2021 | 1,680 | 951 | 2,631 |
| 2022 | <u>420</u> | <u>-</u> | <u>420</u> |
| Total | 5,460 | 4,753 | 10,213 |
| Less: amount representing interest | <u>(430)</u> | <u>(294)</u> | <u>(724)</u> |
| Present value of capital lease obligations | <u>\$ 5,030</u> | <u>\$ 4,459</u> | <u>\$ 9,489</u> |

NOTE 9 - 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 10 - RECONCILIATION OF NET ASSETS WITH DONOR RESTRICTIONS

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

| <u>Description</u> | <u>Beginning Net Assets With Donor Restrictions</u> | <u>2018 Income</u> | <u>2018 Net Assets Released From Restrictions</u> | <u>Ending Net Assets With Donor Restrictions</u> |
|---------------------------------|---|------------------------|---|--|
| Land conservation campaign | \$ 1,147,789 | \$ 146,985 | \$ 51,473 | \$ 1,243,301 |
| Land conservation - stewardship | 15,754 | 210,895 | 117,862 | 108,787 |
| Legal stewardship and defense | 69,636 | 10,000 | - | 79,636 |
| Access Fund education | 33,729 | - | 7,172 | 26,557 |
| Climbing conservation grant | - | 20,000 | - | 20,000 |
| Ghiselli Scholarship fund | 9,814 | - | 1,050 | 8,764 |
| Summit Rock | 6,559 | - | - | 6,559 |
| Policy | 111,033 | 122,082 | 233,115 | - |
| Front Range Climbing Stewards | 24,515 | - | 24,515 | - |
| Texas initiative | 5,985 | 34,387 | 40,372 | - |
| Bolting | - | 12,500 | 12,500 | - |
| Total | <u>\$ 1,424,814</u> | <u>\$ 556,849</u> | <u>\$ 488,059</u> | <u>\$ 1,493,604</u> |

NOTE 11 - 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 products | \$ 134,444 |
| Donated legal | 37,440 |
| Total | <u>\$ 171,884</u> |

Additionally, The Organization has entered into a lawsuit against the United States government to preserve public lands. Legal services have been provided pro bono to benefit the entire group of litigants.

NOTE 12 - MERCHANDISE SALES

| <u>Description</u> | <u>Amount</u> |
|-----------------------|-----------------|
| Merchandise sales | \$ 12,013 |
| Cost of goods sold | (4,527) |
| Net merchandise sales | <u>\$ 7,486</u> |

NOTE 13 - AVAILABILITY AND LIQUIDITY

The following represents 's financial assets at December 31, 2018. The Organization also considers all contributions with donor restrictions as available for general operations within the next year:

| <u>Description</u> | <u>Amount</u> |
|---|---------------------|
| Cash and cash equivalents | \$ 1,414,640 |
| Investments | 549,857 |
| Donations receivable | <u>201,682</u> |
| Total financial assets available to meet general expenditures over the next twelve months | <u>\$ 2,166,179</u> |

The Organization's goal is generally to maintain financial assets sufficient to meet 60 days of operating expenses.