

**THE ACCESS FUND**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2009

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

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FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

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

April 19, 2010

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, 2009, 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, 2008, is presented for comparative purposes only and was extracted from the financial statements presented by net asset class for that year, audited by other auditors, on which an unqualified opinion dated April 6, 2009, 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, 2009, 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, 2009**  
**(WITH COMPARATIVE TOTALS FOR 2008)**

	<u>2009</u>	<u>2008</u>
<u>Assets</u>		
Cash and cash equivalents - unrestricted	\$ 123,893	\$ 78,499
Cash and cash equivalents - temporarily restricted	75,329	23,112
Donations receivable	40,002	50,388
Loans receivable - temporarily restricted (Note 3)	137,000	-
Inventory (Note 4)	23,675	21,617
Prepaid expenses	2,163	4,010
Security deposit	2,841	2,841
Investments (Note 5)	313,210	256,433
Net property and equipment (Note 6)	10,973	12,839
Total assets	<u>\$ 729,086</u>	<u>\$ 449,739</u>
<u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 14,787	\$ 16,213
Payroll liabilities	7,199	2,497
Fiscal agent liability	3,042	-
Line of credit (Note 7)	-	-
Lease commitments (Note 8)	-	-
Total liabilities	<u>25,028</u>	<u>18,710</u>
<u>Net assets</u>		
<u>Unrestricted</u>		
Operating	355,756	270,078
Board designated endowment (Note 9)	125,000	125,000
Net investment in fixed assets	10,973	12,839
Temporarily restricted (Note 10)	212,329	23,112
Total net assets	<u>704,058</u>	<u>431,029</u>
Total liabilities and net assets	<u>\$ 729,086</u>	<u>\$ 449,739</u>

The accompanying notes are an integral part of these financial statements

**THE ACCESS FUND**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**  
**(WITH COMPARATIVE TOTALS FOR 2008)**

	2009			2008
	Unrestricted	Temporarily Restricted	Total	Total
<u>Revenue and other support</u>				
Membership	\$ 413,740	\$ -	\$ 413,740	\$ 419,981
Land conservation campaign	-	363,656	363,656	128,670
Corporations	211,731	7,000	218,731	257,728
Individuals	98,447	-	98,447	138,746
Investment income	57,158	-	57,158	(84,811)
Foundations	46,356	-	46,356	65,150
Special event income	30,834	-	30,834	30,026
Merchandise sales	8,105	-	8,105	4,943
Other	2,841	-	2,841	(12,227)
In-kind (Note 11)	111,311	-	111,311	137,823
Net assets released from restrictions (Note 10)	181,439	(181,439)	-	-
Total revenue and other support	<u>1,161,962</u>	<u>189,217</u>	<u>1,351,179</u>	<u>1,086,029</u>
<u>Expense</u>				
Program services				
Outreach and education	372,043	-	372,043	360,960
Special projects	256,918	-	256,918	305,963
Land conservation management	131,534	-	131,534	-
Newsletter	116,941	-	116,941	161,976
Total program services	<u>877,436</u>	<u>-</u>	<u>877,436</u>	<u>828,899</u>
Management and general	107,148	-	107,148	126,601
Fund-raising	93,566	-	93,566	238,707
Total expense	<u>1,078,150</u>	<u>-</u>	<u>1,078,150</u>	<u>1,194,207</u>
Change in net assets	83,812	189,217	273,029	(108,178)
Net assets, beginning of year	<u>407,917</u>	<u>23,112</u>	<u>431,029</u>	<u>539,207</u>
Net assets, end of year	<u>\$ 491,729</u>	<u>\$ 212,329</u>	<u>\$ 704,058</u>	<u>\$ 431,029</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, 2009**  
**(WITH COMPARATIVE TOTALS FOR 2008)**

	2009								2008
	Program Services				Supporting Services				
	Outreach and Education	Special Projects	Land Conservation Management	Newsletter	Total Program	Management and General	Fund- raising	Total	Total
Salaries	\$ 135,086	\$ 94,914	\$ 6,378	\$ 72,641	\$ 349,019	\$ 67,145	\$ 33,459	\$ 449,623	\$ 445,304
Payroll taxes and benefits	25,509	25,509	-	7,220	58,238	8,039	6,484	72,761	73,766
Advertising	67,890	220	10,144	1,756	80,010	-	-	80,010	74,663
Contract services	-	-	54,000	-	54,000	-	-	54,000	108,954
Grants	21,641	21,641	-	-	43,282	-	-	43,282	45,746
Rent and storage	16,471	16,471	-	2,671	35,613	4,453	4,452	44,518	44,923
Computer consulting and supplies	17,449	8,098	14,424	672	40,643	-	2,139	42,782	13,944
Membership supplies	18,438	18,438	-	4,096	40,972	-	-	40,972	56,042
Printing	8,434	5,060	-	16,868	30,362	675	2,699	33,736	55,959
Premiums	3,112	3,112	-	-	6,224	-	24,771	30,995	34,240
Postage	10,942	9,574	-	4,103	24,619	1,368	1,367	27,354	35,412
Membership acquisition	10,654	10,654	-	-	21,308	-	2,367	23,675	48,437
Accounting and legal	3,129	11,279	-	2,088	16,496	2,234	2,088	20,818	35,096
Program activities	7,554	7,714	3,148	-	18,416	614	1,066	20,096	14,661
Bank fees	-	-	-	-	-	15,799	-	15,799	9,642
Travel	4,019	3,518	3,329	502	11,368	502	1,508	13,378	19,808
Lobbying	3,602	3,602	-	800	8,004	-	-	8,004	2,545
Telephone	2,767	2,767	-	449	5,983	748	748	7,479	7,945
Supplies	2,380	2,380	-	386	5,146	643	643	6,432	9,613
State registration	634	634	-	-	1,268	-	5,074	6,342	5,541
Conferences	2,818	2,818	-	626	6,262	-	-	6,262	3,281
Equipment	1,818	1,364	-	455	3,637	453	455	4,545	4,927
Utilities	1,514	1,514	-	246	3,274	409	409	4,092	5,723
Acquisition	-	-	-	-	-	-	-	-	14,000
Other	4,000	4,000	111	817	8,928	3,522	3,292	15,742	18,711
	369,861	255,281	131,534	116,396	873,072	106,604	93,021	1,072,697	1,188,883
Depreciation	2,182	1,637	-	545	4,364	544	545	5,453	5,324
<b>Total</b>	<b>\$ 372,043</b>	<b>\$ 256,918</b>	<b>\$ 131,534</b>	<b>\$ 116,941</b>	<b>\$ 877,436</b>	<b>\$ 107,148</b>	<b>\$ 93,566</b>	<b>\$ 1,078,150</b>	<b>\$ 1,194,207</b>

The accompanying notes are an integral part of these financial statements

**THE ACCESS FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**  
**(WITH COMPARATIVE TOTALS FOR 2008)**

	2009	2008
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 273,029	\$ (108,178)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	5,453	5,324
Loss on disposal of assets	-	14,195
Unrealized and realized loss(gain) on investments	(46,749)	96,841
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in accounts and loans receivable	(126,614)	(14,950)
(Increase)decrease in prepaid expenses	1,847	12,860
(Increase)decrease in inventory	(2,058)	(4,556)
Increase(decrease) in accounts payable	(1,426)	(18,540)
Increase(decrease) in payroll liabilities	4,702	(11,135)
Increase(decrease) in fiscal agent liability	3,042	-
Net cash provided(used) by operating activities	111,226	(28,139)
<u>Cash flows from investing activities</u>		
(Additions) to fixed assets	(3,587)	(2,722)
(Purchases) of investments	(10,028)	(253,625)
Proceeds from sale of investments	-	239,400
Proceeds from sale of fixed assets	-	4,146
Net cash provided(used) by investing activities	(13,615)	(12,801)
Net increase(decrease) in cash and cash equivalents	97,611	(40,940)
Cash and cash equivalents, beginning of year	101,611	142,551
Cash and cash equivalents, end of year	\$ 199,222	\$ 101,611
<u>Supplemental disclosure of information:</u>		
Interest paid during the year	\$ 35	\$ 718

The accompanying notes are an integral part of these financial statements

## THE ACCESS FUND

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009

#### 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 and ethic of personal responsibility, self regulation, strong conservation values, and minimum impact practices among climbers. The Organization is primarily supported through membership dues, as well as, contributions from foundations, corporations and individuals.

#### 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.



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

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.

9. Functional Reporting of Expenses

For the year ended December 31, 2009, 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, 2008, from which the summarized information was derived.

11. Reclassifications

Certain prior year balances have been reclassified to conform to the current year financial statement presentation

NOTE 3 - LOANS RECEIVABLE

The Organization makes loans to climbing clubs to purchase property. Each loan is charged annual interest of 0% - 3% and is secured by the property and other financial assets. Management believes the present value discount is not material to these financial statements. The remaining amounts of the loans are to be received as follows:

<u>Description</u>	<u>Amount</u>
2010	\$ 15,000
2011	92,000
2012	<u>30,000</u>
Total	<u>\$ 137,000</u>

NOTE 4 - INVENTORY

The Organization has inventory that consists of t-shirts, water bottles, books, and calendars, 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	\$ 9,851	\$ 9,851	\$ -
Mutual funds	<u>251,910</u>	<u>303,359</u>	<u>51,449</u>
Total	<u>\$ 261,761</u>	<u>\$ 313,210</u>	<u>\$ 51,449</u>

Investment income is summarized as follows:

<u>Description</u>	<u>Amount</u>
Interest and dividends	\$ 10,028
Realized losses	(89,521)
Unrealized gains	<u>136,270</u>
Total investment income	<u>\$ 56,777</u>

Additionally, during the year, the Organization earned interest income of \$381 on its cash and cash equivalents.

<u>Description</u>	<u>Amount</u>
Beginning balance	\$ 256,433
Interest and dividends	10,028
Realized losses	(89,521)
Unrealized gains	<u>136,270</u>
Ending balance	<u>\$ 313,210</u>

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

<u>Description</u>	<u>Amount</u>
Equipment	\$ 29,668
Furniture and fixtures	<u>1,394</u>
Total	31,062
Less: accumulated depreciation	<u>(20,089)</u>
Net property and equipment	<u>\$ 10,973</u>

Depreciation expense for the year was \$5,453.

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 percent or index plus 1½ percent.

NOTE 8 - 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 Year</u>	<u>Amount</u>
2010	\$ 29,241
2011	<u>24,461</u>
Total	<u>\$ 53,702</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 10/31/2010. The future minimum lease payments remaining are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2010	<u>\$ 3,570</u>

NOTE 8 - LEASE COMMITMENTS - CONTINUED

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:

Fiscal <u>Year</u>	<u>Amount</u>
2010	\$ 1,901
2011	1,901
2012	1,901
2013	<u>1,109</u>
Total	<u>\$ 6,812</u>

NOTE 9 - BOARD DESIGNATED ENDOWMENT FUND

The Board of Directors has designated an endowment fund of \$125,000, which are invested in stock and money market funds at Charles Schwab. Withdrawals take a majority vote of the Board of Directors. Earnings of the endowment are not added to the fund and may be used for operations of the Organization.

NOTE 10 - 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>	2009 <u>Income</u>	2009 Net Assets Released From <u>Restrictions</u>	Ending Temporarily Restricted <u>Net Assets</u>
Land conservation campaign	\$ 1,000	\$ 363,656	\$ 161,688	\$ 202,968
REI Stoney	9,361	-	-	9,361
1872 Mining law reform	10,751	7,000	17,751	-
Roadless campaign work	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>-</u>
Total	<u>\$ 23,112</u>	<u>\$ 370,656</u>	<u>\$ 181,439</u>	<u>\$ 212,329</u>

NOTE 11- 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	\$ 67,670
Donated product	35,491
Donated legal	<u>8,150</u>
Total	<u>\$ 111,311</u>

NOTE 12 - THE ACCESS FUND LAND FOUNDATION

The Access Fund Land Foundation (AFLF) is a non-profit organization dedicated to preserving private and public land. The Foundation's Board is comprised of four individuals, all of whom are independent with respect to the Access Fund. The Foundation's assets as of December 31, 2009 and December 31, 2008 consisted of cash valued at \$446 and \$562 respectively, and three parcels of land. As of December 31, 2009 the Foundation had no liabilities. The Foundation had minimal income and expenses during 2009. In August 2009 Board members of both the Access Fund and the Access Fund Land Foundation resolved to dissolve the AFLF and transfer all assets and title of the three properties (North Table Mountain, Society Turn and Unawep Canyon), including one conservation easement, to the Access Fund. These transfers are scheduled to happen in 2010.

NOTE 13 - RELATED PARTY TRANSACTIONS

During the year, the Organization paid a board member for printing services totaling \$17,718.