

THE ACCESS FUND

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2015

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

THE ACCESS FUND
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AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2015

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May 19, 2016

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, 2015, and the related statements of activities, 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, 2015, 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 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 26, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 12 is presented for purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

THE ACCESS FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Cash and cash equivalents - unrestricted	\$ 8,170	\$ 380,702
Cash and cash equivalents - temporarily restricted	663,105	423,266
Donations receivable	121,229	70,539
Loans receivable - temporarily restricted (Note 3)	389,675	586,029
Prepaid expenses	11,400	16,094
Inventory (Note 4)	22,075	22,824
Inventory - land - temporarily restricted (Note 4)	242,311	202,721
Security deposit	3,101	3,101
Investments (Note 5)	441,833	338,968
Net property and equipment (Note 6)	216,375	59,592
	<u>2,119,274</u>	<u>2,103,836</u>
Total assets	<u>\$ 2,119,274</u>	<u>\$ 2,103,836</u>
<u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 16,865	\$ 22,491
Payroll liabilities	26,704	20,956
Grants payable	4,331	3,077
Fiscal agent liability	3,670	7,650
Line of credit (Note 7)	-	-
Note payable (Note 8)	100,000	100,000
Lease commitments (Note 9)		
	<u>151,570</u>	<u>154,174</u>
Total liabilities	<u>151,570</u>	<u>154,174</u>
<u>Net assets</u>		
<u>Unrestricted</u>		
Operating	331,238	553,054
Board designated reserve (Note 10)	125,000	125,000
Net investment in fixed assets	216,375	59,592
Temporarily restricted (Note 11)	1,295,091	1,212,016
	<u>1,967,704</u>	<u>1,949,662</u>
Total net assets	<u>1,967,704</u>	<u>1,949,662</u>
Total liabilities and net assets	<u>\$ 2,119,274</u>	<u>\$ 2,103,836</u>

The accompanying notes are an integral part of these financial statements

THE ACCESS FUND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
<u>Revenue and other support</u>				
Corporations	\$ 198,843	\$ 352,574	\$ 551,417	\$ 485,423
Membership	492,450	-	492,450	452,320
Individuals	325,262	-	325,262	327,497
Special event income	180,265	-	180,265	74,376
Foundations	126,887	42,500	169,387	146,665
Contract	105,603	-	105,603	108,605
Land conservation campaign	-	64,975	64,975	43,550
Investment income	10,915	-	10,915	29,688
Merchandise sales (net of cost of goods sold)	7,793	-	7,793	13,020
Other	316	-	316	1,200
In-kind (Note 12)	144,160	-	144,160	27,960
Net assets released from restrictions (Note 11)	376,974	(376,974)	-	-
Total revenue and other support	1,969,468	83,075	2,052,543	1,710,304
<u>Expense</u>				
Program services				
Stewardship and conservation	637,439	-	637,439	538,815
Climbing management policy	325,938	-	325,938	318,341
Education	272,717	-	272,717	118,557
Local support and mobilization	200,804	-	200,804	156,816
Land acquisition and protection	204,383	-	204,383	158,942
Total program services	1,641,281	-	1,641,281	1,291,471
Management and general	110,294	-	110,294	109,352
Fund-raising	282,926	-	282,926	191,895
Total expense	2,034,501	-	2,034,501	1,592,718
Change in net assets	(65,033)	83,075	18,042	117,586
Net assets, beginning of year	737,646	1,212,016	1,949,662	1,832,076
Net assets, end of year	\$ 672,613	\$1,295,091	\$1,967,704	\$ 1,949,662

The accompanying notes are an integral part of these financial statements

THE ACCESS FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

	2015	2014
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 18,042	\$ 117,586
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	29,879	13,724
Prior period adjustment	-	11,653
Loss on disposal of land	74,283	-
Unrealized and realized loss(gain) on investments	16,024	(5,504)
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in accounts and loans receivable	145,664	(134,000)
(Increase)decrease in prepaid expenses	4,694	(9,921)
(Increase)decrease in inventory	(113,124)	48,309
Increase(decrease) in accounts payable	(5,626)	(15,714)
Increase(decrease) in payroll liabilities	5,748	3,117
Increase(decrease) in fiscal agent liabilities	(3,980)	7,650
Increase(decrease) in grants payable	1,254	3,077
Net cash provided(used) by operating activities	172,858	39,977
<u>Cash flows from investing activities</u>		
(Additions) to fixed assets	(186,662)	(1,681)
Sale (purchase) of investments	(104,977)	(107,779)
(Reinvestment) of interest and dividends	(13,912)	(8,848)
Net cash provided(used) by investing activities	(305,551)	(118,308)
Net increase(decrease) in cash and cash equivalents	(132,693)	(78,331)
Cash and cash equivalents, beginning of year	803,968	882,299
Cash and cash equivalents, end of year	\$ 671,275	\$ 803,968
<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, 2015

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.

9. Functional Reporting of Expenses

For the year ended December 31, 2015, 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, 2014, 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 19, 2016, 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>
2016	\$ 110,000
2017	145,475
2018	<u>134,200</u>
Total	<u>\$ 389,675</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	\$ 3,830	\$ 3,830	\$ -
Mutual funds	360,108	357,675	(2,433)
Exchange traded funds	<u>61,654</u>	<u>80,328</u>	<u>18,674</u>
Total	<u>\$ 425,592</u>	<u>\$ 441,833</u>	<u>\$ 16,241</u>

Investment income and account activity is summarized as follows:

<u>Description</u>	<u>Amount</u>
Beginning balance	\$ 338,968
Additions	104,977
Interest and dividends	13,912
Net depreciation	<u>(16,024)</u>
Investment return	<u>(2,112)</u>
Balance, end of year	<u>\$ 441,833</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
Website and database	147,984
Vehicles	88,928
Equipment	45,787
Furniture and fixtures	<u>2,404</u>
Total	312,508
Less: accumulated depreciation	<u>(96,132)</u>
Net property and equipment	<u>\$ 216,376</u>
	0

Depreciation expense for the year was \$29,879.

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 3/4 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 three 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</u> <u>Year</u>	<u>Office</u>	<u>Copier</u>	<u>Amount</u>
2016	\$ 7,165	\$ 1,548	\$ 8,713
2017	<u>-</u>	<u>1,548</u>	<u>1,548</u>
Total	<u>\$ 7,165</u>	<u>\$ 3,096</u>	<u>\$ 10,261</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>2015 Income</u>	<u>2015 Net Assets Released From Restrictions</u>	<u>Ending Temporarily Restricted Net Assets</u>
Land conservation campaign	\$ 998,874	\$ 76,015	\$ 18,871	\$ 1,056,018
Conservation Team	103,424	148,070	160,982	90,512
Land stewardship	59,886	10,000	-	69,886
Access Fund education	37,023	140,813	139,207	38,629
Lab director	-	25,000	-	25,000
Summit Rock	6,559	-	-	6,559
Scholarship fund	-	5,430	-	5,430
Bolting	6,250	9,373	12,566	3,057
Policy analyst	-	45,348	45,348	-
Total	<u>\$ 1,212,016</u>	<u>\$ 460,049</u>	<u>\$ 376,974</u>	<u>\$ 1,295,091</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 website and database design	\$ 125,140
Donated product	10,922
Donated legal	<u>8,098</u>
Total	<u>\$ 144,160</u>

SUPPLEMENTARY INFORMATION

THE ACCESS FUND
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

	2015							2014		
	Program Services					Supporting Services				
	Stewardship and Conservation	Climbing Management Policy	Education	Local Support & Mobilization	Land Acquisition & Protection	Total Program	Management and General	Fund- raising	Total	Total
Salaries	\$ 289,481	\$ 133,680	\$ 100,836	\$ 88,030	\$ 54,630	\$ 666,657	\$ 71,028	\$ 109,890	\$ 847,575	\$ 755,838
Payroll taxes and benefits	49,484	15,162	16,865	14,358	10,631	106,500	10,405	20,673	137,578	122,804
In-kind	54,407	28,257	26,544	17,155	12,183	138,546	-	5,614	144,160	27,960
Professional and legal	17,036	70,333	11,989	4,019	4,132	107,509	317	8,325	116,151	129,130
Travel	32,561	16,177	32,244	5,761	6,809	93,552	478	11,513	105,543	77,887
Conferences, events and trade show	6,493	178	9,159	110	464	16,404	-	63,771	80,175	15,503
Loss on disposal of land	-	-	-	-	74,283	74,283	-	-	74,283	-
Membership premiums and supplies	14,960	7,657	6,506	37,258	3,181	69,562	99	-	69,661	50,680
Rent and utilities	18,939	10,042	7,371	5,427	7,258	49,037	7,323	7,323	63,683	60,337
Land management	43,738	2,453	2,924	1,296	8,788	59,199	343	3,131	62,673	49,449
Printing	14,319	7,206	8,498	4,661	2,791	37,475	672	8,884	47,031	56,337
Postage	12,728	5,932	6,625	3,617	2,297	31,199	1,051	9,272	41,522	42,554
Grants	16,295	8,339	6,978	5,138	3,230	39,980	-	-	39,980	39,214
Equipment and software	14,473	7,954	6,453	4,564	2,869	36,313	1,818	1,126	39,257	18,799
Office and program supplies	3,233	1,900	18,372	998	1,005	25,508	2,753	3,565	31,826	13,926
Bank fees	6,804	3,462	3,407	2,262	1,775	17,710	932	3,291	21,933	25,168
Bad debt	-	-	-	-	-	-	-	16,542	16,542	12,550
Insurance	3,154	1,615	1,351	995	626	7,741	8,140	-	15,881	10,202
Direct mail	4,868	2,492	2,085	1,535	965	11,945	-	3,746	15,691	23,722
Accounting	2,231	1,142	955	704	442	5,474	2,738	2,738	10,950	11,821
Design and editing	2,789	972	2,803	779	377	7,720	330	1,950	10,000	22,085
Telephone	2,515	985	752	663	647	5,562	1,130	835	7,527	8,028
Interest	-	-	-	-	5,000	5,000	-	-	5,000	5,000
	610,508	325,938	272,717	199,330	204,383	1,612,876	109,557	282,189	2,004,622	1,578,994
Depreciation	26,931	-	-	1,474	-	28,405	737	737	29,879	13,724
Total	\$ 637,439	\$ 325,938	\$ 272,717	\$ 200,804	\$ 204,383	\$ 1,641,281	\$ 110,294	\$ 282,926	\$ 2,034,501	\$ 1,592,718

The accompanying notes are an integral part of these financial statements