

THE ACCESS FUND

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2011

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

THE ACCESS FUND
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AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2011

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to Financial Statements	5
Supplementary Information	
Statement of Functional Expenses	11

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

May 18, 2012

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, 2011, and the related statements of activities 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, 2010, is presented for comparative purposes only and was extracted from the financial statements presented by net asset class for that year, on which an unqualified opinion dated April 11, 2011, 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, 2011, 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses on page 11 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

THE ACCESS FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011
(WITH COMPARATIVE TOTALS FOR 2010)

	<u>2011</u>	<u>2010</u>
<u>Assets</u>		
Cash and cash equivalents - unrestricted	\$ 198,280	\$ 186,269
Cash and cash equivalents - temporarily restricted	631,536	299,508
Donations receivable	13,154	2,043
Grants receivable	-	21,053
Loans receivable - temporarily restricted (Note 3)	273,984	302,857
Prepaid expenses	11,403	2,762
Inventory (Note 4)	15,815	18,072
Security deposit	2,841	2,841
Investments (Note 5)	376,010	369,025
Net property and equipment (Note 6)	39,744	8,284
Total assets	<u>\$ 1,562,767</u>	<u>\$ 1,212,714</u>
<u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 26,986	\$ 2,324
Payroll liabilities	5,740	6,537
Grants payable	5,600	-
Line of credit (Note 7)	-	-
Note payable (Note 8)	100,000	100,000
Lease commitments (Note 9)		
Total liabilities	<u>138,326</u>	<u>108,861</u>
<u>Net assets</u>		
<u>Unrestricted</u>		
Operating	354,177	368,204
Board designated reserve (Note 10)	125,000	125,000
Net investment in fixed assets	39,744	8,284
Temporarily restricted (Note 11)	905,520	602,365
Total net assets	<u>1,424,441</u>	<u>1,103,853</u>
Total liabilities and net assets	<u>\$ 1,562,767</u>	<u>\$ 1,212,714</u>

The accompanying notes are an integral part of these financial statements

THE ACCESS FUND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011
(WITH COMPARATIVE TOTALS FOR 2010)

	2011			2010
	Unrestricted	Temporarily Restricted	Total	Total
<u>Revenue and other support</u>				
Corporations	\$ 198,988	\$ 195,250	\$ 394,238	\$ 179,484
Membership	372,127	-	372,127	385,337
Land conservation campaign	-	252,111	252,111	468,531
Individuals	168,657	22,853	191,510	160,431
Special event income	73,225	-	73,225	46,558
Foundations	22,050	30,000	52,050	48,415
Merchandise sales (net of cost of goods sold)	11,291	-	11,291	12,458
Investment income	5,835	-	5,835	36,311
Other	4,189	-	4,189	5,670
In-kind (Note 12)	141,885	-	141,885	110,440
Net assets released from restrictions (Note 11)	197,059	(197,059)	-	-
Total revenue and other support	1,195,306	303,155	1,498,461	1,453,635
<u>Expense</u>				
Program services				
Stewardship and Conservation	223,752	-	223,752	132,359
Land Acquisition and Protection	197,593	-	197,593	229,422
Climbing Management Policy	181,407	-	181,407	158,831
Education	179,486	-	179,486	220,598
Local Support and Mobilization	164,797	-	164,797	141,183
Total program services	947,035	-	947,035	882,393
Management and general	96,630	-	96,630	96,400
Fund-raising	134,208	-	134,208	75,047
Total expense	1,177,873	-	1,177,873	1,053,840
Change in net assets	17,433	303,155	320,588	399,795
Net assets, beginning of year	501,488	602,365	1,103,853	704,058
Net assets, end of year	\$ 518,921	\$ 905,520	\$1,424,441	\$1,103,853

The accompanying notes are an integral part of these financial statements

THE ACCESS FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011
(WITH COMPARATIVE TOTALS FOR 2010)

	2011	2010
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 320,588	\$ 399,795
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	14,563	5,458
Unrealized and realized loss(gain) on investments	-	(30,178)
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in accounts and loans receivable	38,815	(148,951)
(Increase)decrease in prepaid expenses	(8,641)	(599)
(Increase)decrease in inventory	2,257	5,603
Increase(decrease) in accounts payable	24,662	(12,463)
Increase(decrease) in payroll liabilities	(797)	(662)
Increase(decrease) in grants payable	5,600	-
Increase(decrease) in fiscal agent liability	-	(3,042)
Net cash provided(used) by operating activities	397,047	214,961
<u>Cash flows from investing activities</u>		
(Additions) to fixed assets	(46,023)	(2,769)
(Purchases) of investments	-	(13,350)
(Reinvestment) of interest and dividends	(6,985)	(12,286)
Net cash provided(used) by investing activities	(53,008)	(28,405)
<u>Cash flows from financing activities</u>		
Borrowing on note payable	-	100,000
Net cash provided by financing activities	-	100,000
Net increase(decrease) in cash and cash equivalents	344,039	286,555
Cash and cash equivalents, beginning of year	485,777	199,222
Cash and cash equivalents, end of year	\$ 829,816	\$ 485,777
<u>Supplemental disclosure of information:</u>		
Cash paid during the period for interest	\$ 5,000	\$ -

The accompanying notes are an integral part of these financial statements

THE ACCESS FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

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 three 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 through our youth program, TeamWorks, which gets young gym climbers outside and caring for the places where they climb. 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. 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.

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, 2011, 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, 2010, 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 18, 2012, the date the report was available for distribution.

NOTE 3 - LOANS RECEIVABLE

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

<u>Description</u>	<u>Amount</u>
2012	\$ 173,359
2013	<u>100,625</u>
Total	<u>\$ 273,984</u>

NOTE 4 - INVENTORY

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

NOTE 5 - INVESTMENTS

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

<u>Description</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Appreciation (Depreciation)</u>
Cash and cash equivalents	\$ 24,825	\$ 24,825	\$ -
Mutual funds	<u>297,441</u>	<u>351,185</u>	<u>53,744</u>
Total	<u>\$ 322,266</u>	<u>\$ 376,010</u>	<u>\$ 53,744</u>

Investment income and account activity is summarized as follows:

<u>Description</u>	<u>Amount</u>
Beginning balance	\$ 369,025
Additions	10,042
Interest and dividends	12,861
Net depreciation	<u>(15,918)</u>
Investment return	<u>(3,057)</u>
Balance, end of year	<u>\$ 376,010</u>

Additionally, during the year, the Organization earned interest income of \$8,892 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>
Vehicles	\$ 40,928
Equipment	37,032
Furniture and fixtures	<u>1,894</u>
Total	79,854
Less: accumulated depreciation	<u>(40,110)</u>
Net property and equipment	<u>\$ 39,744</u>

Depreciation expense for the year was \$14,563.

NOTE 7 - LINE OF CREDIT

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

NOTE 8 - NOTE PAYABLE

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

NOTE 9 - LEASE COMMITMENTS

The Organization leases office space in Boulder Colorado. Total lease payments on the lease are \$28,013 for the period 10/1/11 through 2/28/13. The future minimum lease payments remaining are as follows:

<u>Fiscal</u> <u>Year</u>	<u>Amount</u>
2012	\$ 19,772
2013	<u>3,295</u>
Total	<u>\$ 23,067</u>

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

<u>Fiscal</u> <u>Year</u>	<u>Amount</u>
2012	\$ 1,428
2013	<u>714</u>
Total	<u>\$ 2,142</u>

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

<u>Fiscal</u> <u>Year</u>	<u>Amount</u>
2012	\$ 1,901
2013	<u>1,109</u>
Total	<u>\$ 3,010</u>

NOTE 10 - BOARD DESIGNATED RESERVE

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

NOTE 11 - RECONCILIATION OF RESTRICTED NET ASSETS

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

<u>Description</u>	Beginning Temporarily Restricted Net Assets	2011 Income	2011 Net Assets Released From Restrictions	Ending Temporarily Restricted Net Assets
Land conservation campaign	\$ 559,768	\$ 237,679	\$ 50,568	\$ 746,879
Land stewardship	21,544	39,432	6,190	54,786
Arizona economic study	21,053	-	21,053	-
Conservation Team	-	173,979	76,452	97,527
TeamWorks	-	21,271	18,671	2,600
Policy analyst	-	19,125	19,125	-
Land management	-	5,000	5,000	-
Summit Rock	-	3,728	-	3,728
Total	<u>\$ 602,365</u>	<u>\$ 500,214</u>	<u>\$ 197,059</u>	<u>\$ 905,520</u>

NOTE 12 - IN-KIND CONTRIBUTIONS

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

<u>Description</u>	<u>Amount</u>
Donated legal	\$ 66,709
Donated product	37,836
Donated advertising	<u>37,340</u>
Total	<u>\$141,885</u>

SUPPLEMENTARY INFORMATION

THE ACCESS FUND

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011
(WITH COMPARATIVE TOTALS FOR 2010)

	2011					2010				
	Program Services					Supporting Services				
	Stewardship and Conservation	Land Acquisition & Protection	Climbing Management Policy	Education	Local Support & Mobilization	Total Program	Management and General	Fund- raising	Total	Total
Salaries	\$ 55,924	\$ 69,594	\$ 74,331	\$ 52,865	\$ 79,252	\$ 331,966	\$ 43,393	\$ 59,308	\$ 434,667	\$ 425,494
Payroll taxes and benefits	9,977	12,375	13,226	9,281	14,076	58,935	7,734	10,674	77,343	72,323
Professional and legal	11,308	33,923	33,923	5,654	5,654	90,462	11,308	11,305	113,075	29,105
Membership premiums and supplies	12,471	6,471	6,471	19,412	12,471	57,296	-	7,410	64,706	73,297
Rent and utilities	8,597	14,329	12,609	10,317	5,731	51,583	2,866	2,865	57,314	55,515
Conferences, events and trade show	10,133	7,600	5,500	5,067	4,533	32,833	-	17,832	50,665	17,305
Grants	17,762	17,318	-	7,993	1,332	44,405	-	-	44,405	44,433
Advertising	12,113	8,075	2,019	8,075	10,094	40,376	-	-	40,376	70,910
Direct mail	6,356	3,884	3,884	13,419	5,650	33,193	-	2,120	35,313	33,483
Postage	6,071	3,710	3,710	12,480	5,397	31,368	1,012	1,350	33,730	47,525
Printing	5,592	3,417	3,728	11,494	5,281	29,512	311	1,241	31,064	52,519
Equipment and software	7,102	1,420	2,841	7,102	2,841	21,306	2,841	4,262	28,409	20,080
Conservation team	27,748	-	-	-	-	27,748	-	-	27,748	-
Travel	3,146	3,670	11,535	2,884	2,884	24,119	524	1,574	26,217	20,945
Accounting	1,576	2,955	2,364	985	1,970	9,850	4,925	4,925	19,700	13,046
Office and program supplies	3,816	1,908	1,908	5,724	1,908	15,264	2,862	953	19,079	8,106
Bank fees	849	849	849	849	849	4,245	12,739	-	16,984	19,903
Design and editing	1,943	1,188	1,188	4,103	1,728	10,150	-	647	10,797	6,518
Land management	7,265	2,421	-	-	-	9,686	-	-	9,686	20,918
Bad debt	-	-	-	-	-	-	-	6,625	6,625	4,461
Telephone	801	1,068	1,068	801	1,335	5,073	134	134	5,341	8,930
Insurance	2,280	1,418	253	253	355	4,559	253	254	5,066	3,566
Interest	-	-	-	-	-	-	5,000	-	5,000	-
Depreciation	212,830	197,593	181,407	178,758	163,341	933,929	95,902	133,479	1,163,310	1,048,382
	10,922	-	-	728	1,456	13,106	728	729	14,563	5,458
Total	\$ 223,752	\$ 197,593	\$ 181,407	\$ 179,486	\$ 164,797	\$ 947,035	\$ 96,630	\$ 134,208	\$ 1,177,873	\$ 1,053,840

The accompanying notes are an integral part of these financial statements