

THE ACCESS FUND

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2013

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

THE ACCESS FUND
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2013

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6
Supplementary Information	
Schedule of Functional Expenses	12

May 8, 2014

INDEPENDENT AUDITORS' REPORT

Board of Directors
The Access Fund
Boulder, Colorado

We have audited the accompanying financial statements of **The Access Fund**, (a Colorado nonprofit corporation), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. Information for the year ended December 31, 2012, 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 audit opinion dated April 18, 2013, was expressed.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

Auditors' 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 auditors' 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, 2013, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for purposes 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 PLLC
TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

THE ACCESS FUND
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	2013	2012
<u>Assets</u>		
Cash and cash equivalents - unrestricted	\$ 443,396	\$ 430,987
Cash and cash equivalents - temporarily restricted	438,903	455,113
Donations receivable	24,669	54,526
Grants receivable	25,000	-
Loans receivable - temporarily restricted (Note 3)	472,899	275,774
Prepaid expenses	6,433	4,410
Inventory (Note 4)	10,458	8,175
Inventory - land (Note 4)	263,396	263,396
Security deposit	2,841	2,841
Investments (Note 5)	216,837	194,451
Net property and equipment (Note 6)	71,635	53,471
Total assets	\$ 1,976,467	\$ 1,743,144
<u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 38,205	\$ 28,808
Payroll liabilities	17,839	15,825
Line of credit (Note 7)	-	-
Note payable (Note 8)	100,000	100,000
Lease commitments (Note 9)		
Total liabilities	156,044	144,633
<u>Net assets</u>		
<u>Unrestricted</u>		
Operating	448,590	425,757
Board designated reserve (Note 10)	125,000	125,000
Net investment in fixed assets	71,635	53,471
Temporarily restricted (Note 11)	1,175,198	994,283
Total net assets	1,820,423	1,598,511
Total liabilities and net assets	\$ 1,976,467	\$ 1,743,144

The accompanying notes are an integral part of these financial statements

THE ACCESS FUND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	2013			2012
	Unrestricted	Temporarily Restricted	Total	Total
<u>Revenue and other support</u>				
Membership	\$ 433,875	\$ -	\$ 433,875	\$ 399,757
Corporations	212,645	211,750	424,395	396,140
Individuals	184,751	42,244	226,995	232,594
Foundations	89,811	35,000	124,811	56,044
Special event income	124,552	-	124,552	44,573
Land conservation campaign	-	108,409	108,409	182,516
Investment income	27,544	-	27,544	34,744
Merchandise sales (net of cost of goods sold)	7,051	-	7,051	17,094
Other	5,680	-	5,680	4,550
In-kind (Note 12)	134,436	-	134,436	103,375
Net assets released from restrictions (Note 11)	216,487	(216,487)	-	-
Total revenue and other support	1,436,832	180,916	1,617,748	1,471,387
<u>Expense</u>				
Program services				
Climbing management policy	329,473	-	329,473	281,667
Stewardship and conservation	287,355	-	287,355	330,182
Land acquisition and protection	154,132	-	154,132	163,974
Local support and mobilization	144,889	-	144,889	133,666
Education	140,475	-	140,475	143,924
Total program services	1,056,324	-	1,056,324	1,053,413
Management and general	167,643	-	167,643	139,195
Fund-raising	171,869	-	171,869	132,114
Total expense	1,395,836	-	1,395,836	1,324,722
Change in net assets	40,996	180,916	221,912	146,665
Net assets, beginning of year	604,229	994,282	1,598,511	1,451,846
Net assets, end of year	<u>\$ 645,225</u>	<u>\$1,175,198</u>	<u>\$1,820,423</u>	<u>\$1,598,511</u>

The accompanying notes are an integral part of these financial statements

THE ACCESS FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	2013	2012
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 221,912	\$ 146,665
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	10,891	14,563
Unrealized and realized loss(gain) on investments	(12,450)	(17,414)
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in accounts and loans recievable	(192,268)	(43,162)
(Increase)decrease in prepaid expenses	(2,023)	6,993
(Increase)decrease in inventory	(2,283)	(255,756)
Increase(decrease) in accounts payable	9,397	1,822
Increase(decrease) in payroll liabilities	2,014	10,085
Increase(decrease) in grants payable	-	(5,600)
Net cash provided(used) by operating activities	35,190	(141,804)
<u>Cash flows from investing activities</u>		
(Additions) to fixed assets	(29,055)	(884)
Sale (purchase) of investments	(3,060)	206,642
(Reinvestment) of interest and dividends	(6,876)	(7,670)
Net cash provided(used) by investing activities	(38,991)	198,088
Net increase(decrease) in cash and cash equivalents	(3,801)	56,284
Cash and cash equivalents, beginning of year	886,100	829,816
Cash and cash equivalents, end of year	\$ 882,299	\$ 886,100
<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, 2013

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 through our youth program, Team Works, 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.

6. Capitalization and Depreciation

The Organization follows the practice of capitalizing all expenditures for property and equipment, at cost, in excess of \$500. The fair value of donated assets is similarly capitalized. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

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

7. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

8. Income Taxes

The Organization has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements. The Organization's Form 990 Return of Organization Exempt from Income Tax is subject to examination by the IRS generally three years after filing.

9. Functional Reporting of Expenses

For the year ended December 31, 2013, 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, 2011, 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 8, 2014, 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 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>Fiscal Year</u>	<u>Amount</u>
2014	\$ 127,774
2015	100,000
2017	<u>245,125</u>
Total	<u>\$ 472,899</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	\$ 2,491	\$ 2,491	\$ -
Mutual funds	165,045	165,967	922
Exchange traded funds	<u>30,836</u>	<u>48,379</u>	<u>17,543</u>
Total	<u>\$ 198,372</u>	<u>\$ 216,837</u>	<u>\$ 18,465</u>

Investment income and account activity is summarized as follows:

<u>Description</u>	<u>Amount</u>
Beginning balance	\$ 194,451
Additions	3,060
Interest and dividends	6,876
Net appreciation	<u>12,450</u>
Investment return	<u>19,326</u>
Balance, end of year	<u>\$ 216,837</u>

Additionally, during the year, the Organization earned interest income of \$8,218 on its cash, cash equivalents and loans receivable.

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

<u>Description</u>	<u>Amount</u>
Land	\$ 27,405
Vehicles	53,390
Equipment	42,108
Furniture and fixtures	<u>2,404</u>
Total	125,307
Less: accumulated depreciation	<u>(53,672)</u>
Net property and equipment	<u>\$ 71,635</u>

Depreciation expense for the year was \$10,891.

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 was due by November 10, 2013. Terms have been negotiated to extend the note for one additional year.

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. The future minimum lease payments remaining are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2014	\$ 41,549
2015	42,783
2016	<u>7,165</u>
Total	<u>\$ 91,497</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>2013 Income</u>	<u>2013 Net Assets Released From Restrictions</u>	<u>Ending Temporarily Restricted Net Assets</u>
Land conservation campaign	\$ 886,995	\$ 108,309	\$ 19,613	\$ 975,691
Conservation Team	47,336	188,500	130,914	104,922
Land stewardship	54,786	100	-	54,886
Access Fund education	-	25,000	-	25,000
Summit Rock	2,565	3,994	-	6,559
Stewardship manual	-	10,000	4,360	5,640
Land trust alliance	-	2,500	-	2,500
TeamWorks	2,600	2,050	4,650	-
Policy analyst	-	53,250	53,250	-
Adopt a crag	-	3,700	3,700	-
Total	<u>\$ 994,282</u>	<u>\$ 397,403</u>	<u>\$ 216,487</u>	<u>\$ 1,175,198</u>

NOTE 12 - IN-KIND CONTRIBUTIONS

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

<u>Description</u>	<u>Amount</u>
Donated product	\$ 96,618
Donated legal	25,228
Donated advertising	<u>12,590</u>
Total	<u>\$ 134,436</u>

SUPPLEMENTARY INFORMATION

THE ACCESS FUND
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	2013						2012			
	Program Services					Supporting Services			Total	Total
	Stewardship and Conservation	Land Acquisition & Protection	Climbing Management Policy	Education	Local Support & Mobilization	Total Program	Management and General	Fund- raising		
Salaries	\$ 109,415	\$ 54,822	\$ 117,159	\$ 39,947	\$ 64,790	\$ 386,133	\$ 103,383	\$ 78,032	\$ 567,548	\$ 550,092
Payroll taxes and benefits	18,624	9,332	19,942	6,800	11,028	65,726	17,598	13,283	96,607	93,689
Professional and legal	1,745	1,745	112,253	2,132	1,647	119,522	1,647	969	122,138	102,414
Membership premiums and supplies	20,644	10,710	10,710	32,130	20,642	94,836	-	12,265	107,101	75,195
Conferences, events and trade show	5,236	4,862	17,056	10,473	6,134	43,761	8,977	22,069	74,807	35,822
Rent and utilities	13,571	7,351	10,744	3,958	6,220	41,844	9,048	5,655	56,547	57,873
Conservation team	49,258	-	-	-	-	49,258	-	-	49,258	49,668
Printing	3,610	3,724	3,610	11,970	6,954	29,868	4,522	3,610	38,000	26,422
Travel	4,338	5,822	11,799	3,616	4,734	30,309	1,614	5,520	37,443	31,689
Grants	10,200	20,000	-	5,500	1,300	37,000	-	-	37,000	41,568
Postage	7,681	4,161	6,081	2,240	3,520	23,683	5,121	3,200	32,004	28,576
Direct mail	4,626	2,827	2,827	9,766	4,112	24,158	-	1,543	25,701	31,874
Equipment and software	5,421	2,936	4,291	1,694	2,597	16,939	3,613	2,032	22,584	17,350
Bank fees	5,262	2,850	4,166	1,544	2,408	16,230	3,508	2,188	21,926	19,413
Office and program supplies	4,386	2,375	3,471	1,279	2,010	13,521	2,923	1,827	18,271	18,202
Communications	2,767	3,075	769	3,382	1,537	11,530	-	3,843	15,373	77,965
Accounting	1,070	2,009	1,607	670	1,339	6,695	3,348	3,348	13,391	12,233
Land management	4,961	6,577	-	-	-	11,538	-	-	11,538	9,442
Bad debt	-	-	-	-	-	-	-	9,830	9,830	-
Design and editing	1,382	954	1,500	2,027	1,636	7,499	455	1,136	9,090	9,820
Insurance	3,619	2,252	402	402	563	7,238	402	402	8,042	7,314
Telephone	1,372	743	1,086	400	629	4,230	915	572	5,717	7,777
Interest	-	5,000	-	-	-	5,000	-	-	5,000	5,000
Other	-	5	-	-	-	5	24	-	29	761
	279,188	154,132	329,473	139,930	143,800	1,046,523	167,098	171,324	1,384,945	1,310,159
Depreciation	8,167	-	-	545	1,089	9,801	545	545	10,891	14,563
Total	\$ 287,355	\$ 154,132	\$ 329,473	\$ 140,475	\$ 144,889	\$ 1,056,324	\$ 167,643	\$ 171,869	\$ 1,395,836	\$ 1,324,722

The accompanying notes are an integral part of these financial statements