

THE ACCESS FUND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

THE ACCESS FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7

TAYLORROTH

Certified Public Accountants

WORKING EXCLUSIVELY WITH NONPROFITS

November 22, 2023

INDEPENDENT AUDITORS' REPORT

Board of Directors
The Access Fund
Boulder, Colorado

Opinion

We have audited the accompanying financial statements of The Access Fund (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Access Fund as of June 30, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Access Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Access Fund's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Access Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Access Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited The Access Fund's 2022 financial statements and expressed an unmodified audit opinion on those audited financial statements in our report dated November 30, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Taylor Roth and Company PLLC

TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
DENVER, COLORADO

THE ACCESS FUND
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023	2022
<u>Assets</u>		
Cash and cash equivalents	\$ 2,841,470	\$ 3,435,429
Donations receivable (Note 3)	143,816	547,380
Loans receivable (Note 4)	255,451	260,432
Prepaid expenses	28,058	41,348
Inventory - land - (Note 5)	150,144	205,144
Security deposit	17,046	17,046
Investments (Note 6)	801,364	715,706
Right-of-use asset (Note 10)	21,788	-
Net property and equipment (Note 7)	204,296	149,009
	\$ 4,463,433	\$ 5,371,494
 <u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 99,785	\$ 97,913
Payroll liabilities	209,607	251,695
Line of credit (Note 8)	-	-
Unearned revenue	3,000	-
Fiscal agent liability (Note 9)	124,204	122,497
Office lease obligation (Note 10)	24,150	-
	460,746	472,105
 <u>Net assets</u>		
<u>Without donor restrictions</u>		
Undesignated	2,179,611	3,124,340
Board designated operating reserve (Note 11)	125,000	125,000
	2,304,611	3,249,340
<u>With donor restrictions (Note 12)</u>	1,698,076	1,650,049
Total net assets	4,002,687	4,899,389
Total liabilities and net assets	\$ 4,463,433	\$ 5,371,494

The accompanying notes are an integral part of these financial statements

THE ACCESS FUND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<u>Revenue and other support</u>				
Grants and contributions	\$ 1,491,402	\$ 464,097	\$ 1,955,499	\$ 2,454,801
Membership	470,919	-	470,919	487,538
Corporate sponsorship	355,620	-	355,620	578,650
Contract	70,164	-	70,164	87,580
Investment income	59,886	-	59,886	(57,915)
Merchandise sales	32,195	-	32,195	43,903
Special event income	24,683	-	24,683	74,961
Gain(loss) on sale (Note 14)	(21,131)	-	(21,131)	28,332
Other	-	-	-	101
In-kind (Note 13)	56,167	-	56,167	85,438
Net assets released from restrictions (Note 12)	416,070	(416,070)	-	-
Total revenue and other support	<u>2,955,975</u>	<u>48,027</u>	<u>3,004,002</u>	<u>3,783,389</u>
<u>Expense</u>				
Program services				
Stewardship and conservation	1,051,591	-	1,051,591	1,072,078
Climbing management policy	715,280	-	715,280	705,438
Local support and mobilization	496,946	-	496,946	676,118
Land acquisition and protection	501,078	-	501,078	310,392
Total program services	<u>2,764,895</u>	<u>-</u>	<u>2,764,895</u>	<u>2,764,026</u>
Management and general	307,580	-	307,580	336,100
Fund-raising	828,229	-	828,229	589,905
Total expense	<u>3,900,704</u>	<u>-</u>	<u>3,900,704</u>	<u>3,690,031</u>
Change in net assets	(944,729)	48,027	(896,702)	93,358
Net assets, beginning of year	<u>3,249,340</u>	<u>1,650,049</u>	<u>4,899,389</u>	<u>4,806,031</u>
Net assets, end of year	<u>\$ 2,304,611</u>	<u>\$ 1,698,076</u>	<u>\$ 4,002,687</u>	<u>\$ 4,899,389</u>

The accompanying notes are an integral part of these financial statements

THE ACCESS FUND
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023								2022
	Program Services				Supporting Services				
	Stewardship and Conservation	Climbing Management Policy	Local Support & Mobilization	Land Acquisition & Protection	Total Program	Management and General	Fund- raising	Total	Total
Salaries	\$ 532,986	\$ 354,986	\$ 212,597	\$ 223,670	\$ 1,324,239	\$ 226,442	\$ 321,420	\$ 1,872,101	\$ 1,836,970
Payroll taxes and benefits	122,372	83,193	51,259	52,383	309,207	47,843	74,128	431,178	390,118
Contract services	86,512	114,469	7,084	107,588	315,653	83	15,729	331,465	238,271
Bad debt	-	-	-	-	-	-	200,050	200,050	7,874
General membership	50,407	35,285	28,552	24,983	139,227	30	40,288	179,545	188,379
Travel	63,743	25,528	30,995	14,410	134,676	4,666	16,765	156,107	187,881
Office expenses	37,924	28,475	25,415	18,865	110,679	3,786	35,654	150,119	159,615
Equipment and software	27,293	19,105	16,548	13,647	76,593	6,961	14,446	98,000	122,489
Advertising and design	26,808	18,497	15,417	13,347	74,069	232	14,332	88,633	120,139
Rent and utilities	24,006	16,804	13,597	11,898	66,305	8,555	10,694	85,554	85,014
Banking fees	2,333	1,633	1,322	1,166	6,454	1,955	72,945	81,354	50,545
Grants	-	46	79,584	-	79,630	-	-	79,630	104,949
Accounting	15,060	10,542	8,530	7,464	41,596	5,370	6,709	53,675	75,354
Insurance	24,756	3,930	2,230	3,277	34,193	740	3,247	38,180	41,156
Professional and legal	2,572	1,800	1,457	1,275	7,104	917	1,146	9,167	25,352
Program materials	4,064	740	2,166	703	7,673	-	-	7,673	10,759
Sales and property tax	-	-	-	5,838	5,838	-	-	5,838	10,137
Professional development	991	247	193	564	1,995	-	676	2,671	2,267
Other	-	-	-	-	-	-	-	-	6,285
	1,021,827	715,280	496,946	501,078	2,735,131	307,580	828,229	3,870,940	3,663,554
Depreciation	29,764	-	-	-	29,764	-	-	29,764	26,477
Total	\$ 1,051,591	\$ 715,280	\$ 496,946	\$ 501,078	\$ 2,764,895	\$ 307,580	\$ 828,229	\$ 3,900,704	\$ 3,690,031

The accompanying notes are an integral part of these financial statements

THE ACCESS FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023	2022
<u>Cash flows from operating activities</u>		
Change in net assets	\$ (896,702)	\$ 93,358
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	29,764	26,477
Unrealized and realized loss(gain) on investments	(7,086)	93,000
Right-of-use amortization	3,526	-
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in accounts and loans receivable	408,545	(416,040)
(Increase)decrease in prepaid expenses	13,290	(1,997)
(Increase)decrease in inventory	55,000	51,066
Increase(decrease) in accounts payable	1,872	(9,042)
Increase(decrease) in payroll liabilities	(42,088)	50,878
Increase(decrease) in deferred income	3,000	-
Increase(decrease) in fiscal agent liabilities	1,707	1,126
Increase(decrease) in operating lease liability	(1,164)	-
Net cash provided(used) by operating activities	(430,336)	(111,174)
<u>Cash flows from investing activities</u>		
(Additions) to fixed assets	(85,051)	(64,172)
(Purchase) of investments	(42,367)	(64,216)
(Reinvestment) of interest and dividends	(36,205)	(31,939)
Net cash provided(used) by investing activities	(163,623)	(160,327)
<u>Cash flows from financing activities</u>		
Payments on lease payable	-	(1,373)
Net cash provided by financing activities	-	(1,373)
Net increase(decrease) in cash and cash equivalents	(593,959)	(272,874)
Cash and cash equivalents, beginning of year	3,435,429	3,708,303
Cash and cash equivalents, end of year	\$ 2,841,470	\$ 3,435,429
<u>Supplemental disclosure of information:</u>		
Cash paid during the period for interest	\$ -	\$ 26

The accompanying notes are an integral part of these financial statements

THE ACCESS FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - NATURE OF ACTIVITIES

The Access Fund (the Organization, dba Access Fund) is a nonprofit advocacy organization that leads and inspires the climbing community toward sustainable access and conservation of the climbing environment. Preserving the opportunity to climb and the diversity of the climbing experience are fundamental to the mission of The Access Fund. Working in cooperation with climbers, other recreational users, public land managers, and private landowners, The Access Fund promotes responsible use and sound management of climbing resources throughout the United States. The Access Fund encourages an ethic of personal responsibility, self regulation, strong conservation values, and minimum impact practices among climbers. The Organization is primarily supported through contributions from Corporate sponsorships, grants and contributions, and membership dues.

- Stewardship and Conservation – The Access Fund partners with land managers and local climbing organizations across the country to improve sustainability and address environmental impacts at climbing areas. The Access Fund Conservation Teams travel the country assessing climbing area conservation needs, working with locals to address those needs, and providing stewardship best practices. Additionally, the Access Fund helps organize volunteer events across the country. The Access Fund’s stewardship volunteer program, Adopt a Crag, unites local climbing communities in partnerships with land managers to conserve their local climbing areas.
- Land Acquisition and Protection – The Access Fund Climbing Conservation Loan Program is the first-ever revolving loan program that provides local climbing organizations and other agencies with the funds and expertise to act quickly to save threatened climbing areas. In special circumstances, The Access Fund will hold endangered property on behalf of the climbing community. As of June 30, 2023, The Access Fund owned 3 properties in fee; leased 2 properties, held conservation easements on 10 properties; and managed 3 properties under contract.
- Climbing Management Policy – The Access Fund works with legislators, members of the administration, state agencies, tribal governments, and officials from the US Forest Service, National Park Service, and Bureau of Land Management to make sure that climbers' interests are represented in public land planning. The Organization works directly with these officials to educate and advocate for management strategies that balance climbing access with resource conservation, responsible placement and replacement of fixed anchors, sustainable care and management of climbing areas, and recognition of the social and economic benefits of climbing. Access Fund also works with local and regional land managers on climbing management planning and stewardship of climbing areas.
- Education – The Access Fund advances climber education through the lens of minimum impact behaviors so that climbers become better stewards of the nation’s climbing resources. Through the climber steward program, social media outreach, print publications, and the Vertical Times Newsletter, the Organization provides up-to-date news on policy, area reports, events, action alerts, grants, and more.

NOTE 1 - NATURE OF ACTIVITIES - (Concluded)

- Local Support and Mobilization – The Access Fund works to empower local advocates to join together and form local climbing organizations. The Access Fund supports these local groups with grants, one-on-one guidance when an access issue occurs, educational resources, stewardship programs, and consulting on political, legal, and regulatory issues. The Access Fund regularly hosts conferences and summits, that 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.
- Risk Management and Landowner Support – The Access Fund works with private and public landowners on tools and strategies to mitigate both real and perceived risks of climbing—giving them the confidence and protections they need to open their land to public access. The Access Fund works to strengthen state recreational use statutes and helps landowners implement waiver systems and other types of access agreements to mitigate risks.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

2. Basis of Presentation

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

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

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

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

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

3. Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

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

4. Accounts Receivable

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

5. Inventory - merchandise

The Organization expenses merchandise that is given to members and sold in the online store as it purchases it. This merchandise consists largely of t-shirts and other various smaller-valued items. Because much of the inventory has dated information, any remaining inventory would be slow-moving and obsolete inventory at year-end.

6. Capitalization and Depreciation

The Organization follows the practice of capitalizing all expenditures for property and equipment, at cost, in excess of \$2,500. The fair value of donated assets is similarly capitalized. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

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 June 30, 2023, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocations are determined by management on a rational and systematic basis. Salaries and benefits are allocated on a time and effort basis. All other costs are assigned directly to the program or functional area benefited.

10. 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.

11. Fair Value Measurement

The Organization is subject to the provisions of the Fair Value Measurements and Disclosures accounting standard. This standard requires use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3).

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

12. Conservation Easements

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

13. Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received; conditional promises to give with a measurable performance barrier and a right of return are not recognized until the conditions on which they depend have been met.

Consequently, at June 30, 2023, the remaining portion of one award totaling \$390,000, has not been recognized in the accompanying statement of activities because the conditions on which they depend has not yet been met. Remaining conditional contributions (\$130,000 to be received in February 2024, 2025, and 2026) are for the stewardship program. Various deadlines are through February 2027.

Membership revenue - Revenue from member dues are recognized when the performance obligation of providing services to the members has been fulfilled. Dues are considered fulfilled at receipt of funds.

14. Lease Standard

The Organization determines if an arrangement is or contains a lease at inception and whether they will be classified as an operating or finance lease based upon the accounting criteria. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. The Organization uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, the Organization uses its incremental borrowing rate to determine the present value of the future lease payments. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization applies the short-term lease exemption of not recognizing a ROU asset and lease liability for leases that have terms of 12 months or less. Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

15. Recently Adopted Accounting Standards

In 2023, the Organization adopted Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842), which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The Organization elected not to restate the comparative period (2022). It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases.

As a result of adopting ASU No. 2016-02, the Organization recognized right of use assets and lease liabilities of \$25,513 in its statement of financial position upon signing a lease. The adoption had no impact upon net assets and did not result in a significant effect on amounts reported in the statement of activities or cash flows for the year.

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

16. 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 June 30, 2022, from which the summarized information was derived.

17. Subsequent Events

Management has evaluated subsequent events through November 22, 2023, the date the report was available for distribution.

NOTE 3 - CONTRIBUTIONS RECEIVABLE

During 2022, the Organization commenced a campaign for the future operations. At June 30, 2023, 35% of contributions receivable are from one family foundation. Management believes a present value discount is immaterial to the financial statements. The remaining campaign pledges and the related allowance for doubtful accounts were:

<u>Fiscal</u> <u>Year to be received</u>	<u>Amount</u>
2024	\$ 136,690
2025	5,000
2026	5,000
2027	<u>5,000</u>
Total	151,690
Less: allowance for uncollectible pledges	<u>(7,874)</u>
Net contributions receivable	<u>\$ 143,816</u>

NOTE 4 - 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>
2024	\$ 105,646
2025	30,805
2026	<u>119,000</u>
Total	<u>\$ 255,451</u>

NOTE 5 - INVENTORY - LAND

The Organization has inventory that consists of land held for sale and is stated at the lower of cost or net realizable value.

NOTE 6 - 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	\$ 99	\$ 99	\$ -
Stocks	7,579	7,338	(241)
Bond funds	396,511	356,443	(40,068)
Equity funds	200,537	208,641	8,104
Exchange traded funds	<u>207,330</u>	<u>228,843</u>	<u>21,513</u>
Total	<u>\$ 812,056</u>	<u>\$ 801,364</u>	<u>\$ (10,692)</u>

The following table presents assets measured at fair value on a recurring basis as of June 30, 2023:

<u>Description</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents	\$ 99	\$ 99	\$ -	\$ -
Stocks	7,338	7,338	-	-
Bond funds	356,443	356,443	-	-
Equity funds	208,641	208,641	-	-
Exchange traded funds	<u>228,843</u>	<u>228,843</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 801,364</u>	<u>\$ 801,364</u>	<u>\$ 0</u>	<u>\$ 0</u>

Investment income and account activity is summarized as follows:

<u>Description</u>	<u>Amount</u>
Beginning balance	<u>\$ 715,706</u>
Additions (stock donations)	42,367
Investment return	
Interest and dividends	36,205
Unrealized gain	<u>7,086</u>
Investment return	<u>43,291</u>
Balance, end of year	<u>\$ 801,364</u>

Additionally, during the year, the Organization earned interest income of \$16,595 on its cash, cash equivalents, and loans receivable.

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

<u>Description</u>	<u>Amount</u>
Website and database	\$ 280,252
Vehicles	154,292
Land	27,405
Equipment	<u>11,023</u>
Total	472,972
Less: accumulated depreciation	<u>(268,676)</u>
Net property and equipment	<u>\$ 204,296</u>

Depreciation expense for the year was \$29,764.

NOTE 8 - LINE OF CREDIT

There is no current balance on a \$500,000 revolving line-of-credit at Wells Fargo Bank, at an interest rate prime plus 1.25%.

NOTE 9 - FISCAL AGENT LIABILITY

The Access Fund is the fiscal agent for the Hayden Kennedy Public Lands Defense Fund which was established by Michael and Julie Kennedy to honor their son's love of outdoor adventure. The Access Fund collects funds from donors and will disburse them for projects that will protect climbing in Indian Creek, Utah. At year-end, the balance was \$124,204.

NOTE 10- OPERATING LEASE RIGHT-OF-USE ASSET AND LEASE OBLIGATION

The Organization had entered into an operating lease agreement for office space in the Denver-Metro area. The Organization has obligations as a lessee for its office space. The future minimum lease payments are as follows:

<u>Fiscal year</u>	<u>Operating lease</u>
2023-2024	\$ 16,536
2024-2025	<u>8,268</u>
Total payments	24,804
Less interest	<u>(654)</u>
Present value of minimum lease payments	<u>\$ 24,150</u>

Other information related to the leases were as follows:

<u>Description</u>	<u>Operating lease</u>
Remaining lease term:	1.5 years
Discount rate	3.39%

NOTE 11 - 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 12 - RECONCILIATION OF NET ASSETS WITH DONOR RESTRICTIONS

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

<u>Description</u>	Beginning Net Assets With Donor <u>Restrictions</u>	<u>Income</u>	Net Assets Released From <u>Restrictions</u>	Ending Net Assets With Donor <u>Restrictions</u>
Land conservation campaign	\$ 1,300,358	\$ 14,173	\$ 10,508	\$ 1,304,023
Legal stewardship and defense	123,818	-	21	123,797
Land conservation stewardship	49,363	117,889	126,587	40,665
NW Arkansas	51,227	162,500	121,990	91,737
Access accelerator	39,235	33,999	48,483	24,751
Policy	20,412	9,000	12,060	17,352
Programs – Annual Summit	19,947	-	19,947	0
Ghiselli Scholarship fund	7,964	-	2,000	5,964
Stewardship: Estes Park	6,166	20,061	5,824	20,403
Anchor replacement fund	-	16,475	16,475	-
CCGP	-	30,000	30,000	-
RRG Conservation Initiative	-	60,000	15,156	44,844
Other	<u>31,559</u>	<u>-</u>	<u>7,019</u>	<u>24,540</u>
Total	<u>\$ 1,650,049</u>	<u>\$ 464,097</u>	<u>\$ 416,070</u>	<u>\$ 1,698,076</u>

NOTE 13 - IN-KIND CONTRIBUTIONS

Contributed services and supplies are reflected in the financial statements at the fair value of the services and supplies received. The contributions of services are recognized if the services received satisfy the criteria for recognition under professional standards. The contributions of services are recognized if the services received: (a) create or enhance non-financial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. In-kind contributions consist of:

	<u>Revenue Recognized</u>	<u>Utilization in Program/Activities</u>	<u>Donor Restrictions</u>	<u>Valuation and Inputs</u>
Program/member materials	\$ 47,000	Program and membership	None	Various rates/ fair value
Legal services	<u>9,167</u>	Program and administrative	None	25 hrs @ \$360- \$375 per hr
Total	<u>\$ 56,167</u>			

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

NOTE 14 - LOSS ON SALE OF PROPERTY

During September 2022, the Organization sold property in North Carolina. The net loss on the sale of the property is represented below:

<u>Description</u>	<u>Amount</u>
Sales price	\$ 39,000
Less: carrying value	(55,000)
Less: closing costs	<u>(5,131)</u>
Net loss on disposal	<u>\$ (21,131)</u>

NOTE 15 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at June 30, 2023.

<u>Description</u>	<u>Amount</u>
Cash and cash equivalents	\$ 2,841,470
Investments	801,364
Loans receivable due within one year (Note 4)	105,646
Donations receivable due within one year (Note 3)	<u>136,690</u>
Total financial assets available to meet general expenditures over the next twelve months	<u>\$ 3,885,170</u>

The Organization also considers all contributions with donor restrictions as available for general operations within the next year.

NOTE 16 - CONCENTRATION OF CREDIT RISK

A significant portion of cash and cash equivalents have been placed in a single financial institution. Amounts in excess of \$250,000 are not insured by the FDIC or a related entity.