

Climbing Wall Association, Inc.

FINANCIAL STATEMENTS (Tax Basis)

As of December 31, 2009

Prepared by: MacRae Accounting, P.C.

MacRae Accounting, P.C.
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To The Board of Directors of Climbing Wall Association, Inc.:

We have compiled the accompanying statement of financial position of Climbing Wall Association, Inc. as of December 31, 2009, and the related statement of activities, and the statement of cash flows for the twelve months then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management (owners). We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them. We are not independent with respect to Climbing Wall Association, Inc.

MacRae Accounting, P.C.

Boulder, Colorado
August 2, 2010

Climbing Wall Association, Inc.
Statement of Financial Position
December 31, 2009

	Dec 31, 09
ASSETS	
Current Assets	
Checking/Savings	
Key Bank	\$ 64,403
Total Checking/Savings	64,403
Accounts Receivable	
Accounts Receivable	5,364
Total Accounts Receivable	5,364
Other Current Assets	
Prepaid Expenses	1,044
Total Other Current Assets	1,044
Total Current Assets	70,811
Fixed Assets	
Furniture, Fixtures, Equipment	7,992
Accumulated Depreciation	(7,893)
Total Fixed Assets	99
Other Assets	
Intangible	
Software	1,275
Accumulated Amortization	(1,275)
Total Intangible	-
Security Deposit - Office	1,200
Total Other Assets	1,200
TOTAL ASSETS	\$ 72,110

Climbing Wall Association, Inc.
Statement of Financial Position
 December 31, 2009

	<u>Dec 31, 09</u>
LIABILITIES & NET ASSETS	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Sales Tax Payable	\$ 18
Officer PTO Accrued	1,944
Payroll Liabilities	
Fed W/H, FICA, Med	2,505
FUTA	185
State W/H	497
SUTA	13
Total Payroll Liabilities	<u>3,199</u>
Total Other Current Liabilities	<u>5,161</u>
Total Current Liabilities	5,161
Long Term Liabilities	
Note Payable - Stratus Ins Svcs	17,100
Total Long Term Liabilities	<u>17,100</u>
Total Liabilities	\$ 22,261
NET ASSETS	
Unrestricted	
Operating	\$ 49,749
Net Investment in Fixed Assets	99
Total Net Assets	<u>49,848</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 72,110</u></u>

Climbing Wall Association, Inc.
Statement of Activities
For the Year Ended December 31, 2009

	Jan - Dec 09
Unrestricted Revenue	
Events	\$ 58,523
Membership	94,969
Publications	7,624
Discounts	(337)
Total Unrestricted Revenue	\$ 160,779
 Expense	
Advertising & Marketing	\$ 6,749
Bank & Merchant Fees	3,567
Computer & Software Exp	1,049
Depreciation	2,317
Dues, Fees, & Subscriptions	1,923
Equipment Rental and Maintenananc	281
Event Operations	20,764
Health Insurance - Officer	4,395
Loss (Gain)-Asset Dispositions	191
Meals & Entertainment	584
Office Expense	1,150
Outside Services	1,875
Payroll Expenses	74,120
Postage and Delivery	2,708
Printing and Reproduction	4,291
Professional Development	312
Professional Services fees	3,162
Rent	6,175
Supplies and Materials	1,959
Telecommunications	3,764
Travel	5,142
Utilities	220
Total Expense	\$ 146,697
Increase (Decrease) in Unrestricted Net Assets	\$ 14,081
Increase (Decrease) in Net Assets	14,081
Net Assets at Beginning of Year	35,767
Net Assets at End of Year	\$ 49,848

Climbing Wall Association, Inc.
Statement of Cash Flows
January through December 2009

	Jan - Dec 09
OPERATING ACTIVITIES	
Change in Net Assets	\$ 14,081
Adjustments to reconcile Change in Net Assets to net cash provided by operations:	
Accounts Receivable	1,712
Prepaid Expenses	(1,044)
Sales Tax Payable	(6)
Officer Commissions Accrued	(956)
Officer PTO Accrued	(1,999)
Payroll Liabilities:Fed W/H, FICA, Med	(554)
Payroll Liabilities:FUTA	57
Payroll Liabilities:State W/H	(35)
Payroll Liabilities:SUTA	(28)
Net cash provided by Operating Activities	11,230
INVESTING ACTIVITIES	
Furniture, Fixtures, Equipment	(476)
Accumulated Depreciation	856
Security Deposit - Office	(600)
Net cash provided by Investing Activities	(220)
Net cash increase for period	11,010
Cash at beginning of period	53,393
Cash at end of period	64,403

Climbing Wall Association, Inc.
Journal
 January 1, 2009 through January 1, 2010

Type	Date	Num	Name	Memo	Account	Debit	Credit
General Journal	01/01/2009	1.1	Zimmermann, William J	80 hrs x \$24.30 per hr	Officer PTO Accrued	1,998.56	
			Zimmermann, William J	Adj to actual balance due to salary rate incr. + loss of 84 c/o hrs to 2009.	Employee Benefits		1,998.56
						1,998.56	1,998.56
General Journal	01/13/2009	1.5	Zimmermann, William J	Reverse AJE 12.2 FYE 08	Officer Commissions Accrued	955.82	
			Zimmermann, William J	Reverse AJE 12.2 FYE 08	Officers Salary		1,035.00
			Zimmermann, William J	Reverse AJE 12.2 FYE 08	Payroll Taxes		79.18
			Zimmermann, William J	Reverse AJE 12.2 FYE 08	Fed W/H, FICA, Med	158.36	
						1,114.18	1,114.18
General Journal	03/31/2009	3.1	Zimmermann, William J	Adj to actual balance 1st Q 09: 128.75 hrs x \$24.30.	Officer PTO Accrued		959.85
			Zimmermann, William J	Adj to actual balance 1st Q 09: 128.75 hrs x \$24.30.	Employee Benefits	959.85	
						959.85	959.85
General Journal	06/30/2009	6.1	Zimmermann, William J	Adj to actual balance 2nd Q 09: 134 hrs x \$24.30.	Officer PTO Accrued		352.35
			Zimmermann, William J	Adj to actual balance 2nd Q 09: 134 hrs x \$24.30.	Employee Benefits	352.35	
						352.35	352.35
General Journal	08/31/2009	8.1	Odisea LLC	Reclass Odisea reimb for carpet cleaning.	Office Expense		75.00
			Odisea LLC	Reclass Odisea reimb for carpet cleaning.	SUSPENSE	75.00	
						75.00	75.00
General Journal	09/30/2009	9.1	Zimmermann, William J	Adj to actual balance 3rd Q 09: 161.5 hrs x \$24.30.	Officer PTO Accrued		668.25
			Zimmermann, William J	Adj to actual balance 3rd Q 09: 161.5 hrs x \$24.30.	Employee Benefits	668.25	
						668.25	668.25
General Journal	12/31/2009	12.7		Reclass	Payroll Expenses		106.44
				Reclass	Payroll Processing	106.44	
						106.44	106.44

Climbing Wall Association, Inc.
Journal
January 1, 2009 through January 1, 2010

General Journal	12/31/2009	12.1	Zimmermann, William J	Adj to actual balance 4th Q 09: 80 hrs max c/o x \$24.30.	Officer PTO Accrued	1,980.45	
			Zimmermann, William J	Adj to actual balance 4th Q 09: 80 hrs max c/o x \$24.30.	Employee Benefits		1,980.45
						1,980.45	1,980.45
General Journal	12/31/2009	12.2	CO Dept of Revenue	Sales Tax Adjustment	Sales Tax Payable		0.19
			CO Dept of Revenue	Sales Tax Adjustment	Office Expense	0.19	
						0.19	0.19
General Journal	12/31/2009	12.3		Reclass Stratus pmt for Workers Comp program commission.	Membership Accounts		1,050.00
				Reclass Stratus pmt for Workers Comp program commission.	SUSPENSE	1,050.00	
						1,050.00	1,050.00
General Journal	12/31/2009	12.4		Reclass	Bank & Merchant Fees	10.23	
				Reclass	SUSPENSE		10.23
						10.23	10.23
General Journal	12/31/2009	12.5		Dispose 7/1/09: 1-HP DB NC6220 Laptop	Furniture, Fixtures, Equipment		1,452.03
				Dispose 7/1/09: 1-HP Docking Stations	Furniture, Fixtures, Equipment		199.62
				Dispose 7/1/09: 1-HP DB NC6220 Laptop & Docking Station	Accumulated Depreciation	1,461.00	
				Dispose 7/1/09: 1-HP DB NC6220 Laptop & Docking Station	Loss (Gain)-Asset Dispositions	190.65	
				Rcrd CY Sec 179	Section 179	2,127.48	
				Rcrd CY Sec 179	Accumulated Depreciation		2,127.48
				Rcrd CY Reg deprec of PY assets.	Regular	189.35	
				Rcrd CY Reg deprec of PY assets.	Accumulated Depreciation		189.35
						3,968.48	3,968.48
General Journal	12/31/2009	12.6		Jan 10 rent pd in Dec 09	Prepaid Expenses	600.00	
				Jan 10 rent pd in Dec 09	Rent		600.00
						600.00	600.00

Climbing Wall Association, Inc.
Journal
January 1, 2009 through January 1, 2010

General Journal	12/31/2009	12.6	Adj AP	Reclass for 990	Accounts payable		443.79
			Adj AP	Reclass for 990	Prepaid Expenses	443.79	
						443.79	443.79
General Journal	01/01/2010	1.1		Reverse Jan 10 rent pd in Dec 09.	Prepaid Expenses		600.00
				Reverse Jan 10 rent pd in Dec 09.	Rent	600.00	
						600.00	600.00
General Journal	01/01/2010	R12.6	Adj AP	Reverse AJE 12.6 12/31/09	Accounts payable	443.79	
			Adj AP	Reverse AJE 12.6 12/31/09	Prepaid Expenses		443.79
						443.79	443.79
						14,371.56	14,371.56

2009

Open to Public Inspection

Form 990-EZ

Short Form Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Sponsoring organizations of donor advised funds and controlling organizations as defined in section 512(b)(13) must file Form 990. All other organizations with gross receipts less than \$500,000 and total assets less than \$1,250,000 at the end of the year may use this form.

The organization may have to use a copy of this return to satisfy state reporting requirements.

Department of the Treasury Internal Revenue Service

A For the 2009 calendar year, or tax year beginning, 2009, and ending, 20

B Check if applicable: Address change, Name change, Initial return, Terminated, Amended return, Application pending. C Name of organization: CLIMBING WALL ASSOCIATION INC. D Employer identification number: 86-1063819. E Telephone number: 720-838-8284. F Group Exemption Number.

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

G Accounting Method: Cash, Accrual. Other (specify).

I Website: WWW.CLIMBINGWALLINDUSTRY.ORG

J Tax-exempt status (check only one) - 501(c) (6) (insert no.) 4947(a)(1) or 527

H Check if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

K Check if the organization is not a section 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A Form 990-EZ or Form 990 return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts; if \$500,000 or more, file Form 990 instead of Form 990-EZ \$ 160,779

Table with 3 columns: Line number, Description, and Amount. Rows include Revenue (1-9), Expenses (10-17), and Net Assets (18-21). Total revenue is 160,779 and total expenses is 146,698.

Part II Balance Sheets. If Total assets on line 25, column (B) are \$1,250,000 or more, file Form 990 instead of Form 990-EZ.

(See the instructions for Part II.)

Table with 3 columns: Line number, Description, (A) Beginning of year, and (B) End of year. Rows include Cash, Land and buildings, Other assets, Total assets, Total liabilities, and Net assets or fund balances.

Part VI Section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts only. All section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts must answer questions 46-49b and complete the tables for lines 50 and 51.

- 46 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I Yes No
 - 47 Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II 46 47
 - 48 Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E 48
 - 49a Did the organization make any transfers to an exempt non-charitable related organization? 49a
 - 49b If "Yes," was the related organization a section 527 organization? 49b
- 50 Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and address of each employee paid more than \$100,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances

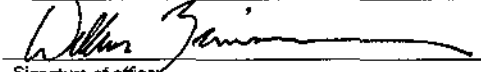
f Total number of other employees paid over \$100,000 ▶ _____


51 Complete this table for the organization's five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and address of each independent contractor paid more than \$100,000	(b) Type of service	(c) Compensation

d Total number of other independent contractors each receiving over \$100,000 . . . ▶ _____

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here ▶  | Date 8/2/2010
 Signature of officer
 ▶ **WILLIAM ZIMMERMANN - PRESIDENT**
 Type or print name and title

Paid Preparer's Use Only
 Preparer's signature ▶  Date 8-2-10 Check if self-employed
 Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ **MACRAE ACCOUNTING PC** EIN ▶ _____
 ▶ **PO BOX 4323, BOULDER CO 80306** Phone no. ▶ **303-440-5365**

May the IRS discuss this return with the preparer shown above? See instructions ▶ Yes No

Climbing Wall Association Inc**EIN 86-1063819****Form 990-EZ, Part I, Line 16, Other Expenses:**

Assets-Depreciation	2,317
Assets-Loss on Dispositions	191
Bank & Merchant Fees	3,567
Computer & Software Expense	1,049
Dues, Fees, & Subscriptions	1,924
Event Operations	20,764
Meals & Entertainment	584
Office Expense	1,150
Payroll Taxes	5,908
Professional Development - Staff	312
Supplies and Materials	1,959
Travel – Transportation, Food, Lodging	<u>5,142</u>
TOTAL	<u>44,867</u>

Climbing Wall Association Inc**EIN 86-1063819****Form 990-EZ, Part II, Line 26, Balance Sheet-Liabilities:****Liabilities****Current Liabilities****Sales Tax Payable 18****Officer PTO Accrued 1,944****Payroll Liabilities****Fed WH, FICA, Med 2,504****FUTA 185****State WH 497****SUTA 13****Total Payroll Liabilities 3,199****Total Current Liabilities 5,161****Long Term Liabilities****Note Payable - Insurance Contract 17,100****Total Liabilities 22,261**

Climbing Wall Association Inc

EIN 86-1063819

Form 990-EZ, Part III, Line 31 –STATEMENT OF PROGRAM ACCOMPLISHMENTS, Other program services:

Publications - The CWA offers a variety of products and services including publications. We offer the industry's only consensus standards for the design and engineering of artificial climbing structures, structural inspection of artificial climbing structures, operation of climbing facilities, and certification for the staff of climbing facilities. The CWA also sponsors a public information campaign about climbing sports called ClimbSmart! Finally, the CWA publishes a variety of publications, some of which are available free to the public, for example: The Guide to Climbing.

Climbing Wall Association Inc

EIN 86-1063819

Form 990-EZ, Part III, Relationship of Activities to the Accomplishment of Exempt Purposes:**CWA Strategic Plan – 2006-2011****I. Strategic Intent – Member Development**

Develop CWA membership to enable the organization to be self-sufficient. Develop a compelling set of member benefits. Broaden efforts to identify new member segments within the scope of CWA's vision and mission, and attract and recruit new members. Maintain efforts to retain existing members.

Major Member development Goals

- 1.0 Communicate with CWA members on a regular basis and inform members about new and existing CWA initiatives and projects.
- 2.0 Expand efforts to create a "CWA community" – both actual and virtual through events, meetings, educational offerings, and via cost effective technology.
- 3.0 Increase the level of constructive member participation and involvement in the CWA.
- 4.0 Expand and diversify CWA member benefits program through improved benefits for all members and targeted delivery of services designed to meet the needs of specific member segments, including new members.
- 5.0 Identify new constituencies for CWA membership and recruit those constituencies.
- 6.0 Increase CWA membership to 275 organizational members.

II. Strategic Intent – Identity/Branding

The intent is to establish the CWA as a well-known, recognized, and reputable organization in the North American climbing community and with the public. Increase recognition of the CWA, and continue to differentiate the CWA from preceding organizations. Position the CWA as the primary source of information regarding risk management, insurance, education and standards for the climbing wall industry and the public. Define, promote, and deliver functional, tangible, features and benefits to our members, and the public, that promote competence in practice, quality in products and services, and a positive image for the manufactured climbing wall industry.

Major Identity/Branding Goals

- 1.0 Communicate the new CWA brand to our members.
- 2.0 Connect the CWA with the public at large, positioning the CWA as the first stop resource on issues related to manufactured wall climbing.
- 3.0 Develop a PR campaign promoting the sport of indoor climbing.
- 4.0 Develop referral mechanisms to connect our members with the public.

III. Strategic Intent – Standards Development

The intention is for the CWA to be the leader in standards development for the manufactured climbing wall industry. The CWA will develop widely-adopted, consensus-based standards, with a high degree of cooperation with other standard setting organizations. The CWA will advocate for the adoption of sound standards and will promote the interoperability of standards by working with national and international standard setting organizations such as ANSI. The CWA will develop and implement both engineering standards for the construction of manufactured climbing structures, and practice standards for the management and operation of manufactured climbing structures.

Major Standards Development Goals

- 1.0 Publish design and engineering standards for manufactured climbing structures.

- 2.0 Revise operations standards for manufactures climbing structures periodically (Industry Practices)
- 3.0 Develop and maintain a research and development capacity for matters pertaining to standards development.
- 4.0 Develop, and publish „white papers“ or research on topics pertinent to areas of current or future standards development.

IV. Strategic Intent — Government Affairs/Public Policy

The CWA’s intention is to protect and expand the recreational use of climbing facilities in North America. The CWA will attempt to influence government actions, policy development, and legislation to achieve either neutral or positive outcomes for the industry. By marshalling the industry’s resources, involving industry members, maintaining reliable relationships, and using effective advocacy techniques; the CWA can position itself to effectively represent the manufactured climbing wall industry. CWA will employ an effective issues management process to that will focus its resources on advocacy at the state and, to certain extent, federal levels. Advocacy on the state level will attempt to achieve the best results for CWA membership.

Major Government Affairs/Public Policy Goals

- 1.0 Increase opportunities for recreational climbing and expand access to recreational climbing facilities.
- 2.0 Promote a unified position on behalf of the industry regarding public policy matters that affect the industry.
- 3.0 Improve CWA’s effectiveness in advocating for the industry and influencing policymakers to support the recreational use of climbing facilities.
- 4.0 Support sound national legislative initiatives, in keeping with CWA’s mission, that promote or expand funding for health and physical education, sports participation, and recreation.
- 5.0 Strengthen CWA’s capacity for legal challenges and litigation to achieve timely, fair, and efficient adjudications and reasonable interpretations and application of the law.
- 6.0 Enhance and broaden CWA’s capacity to form and work within coalitions that address our public policy goals.
- 7.0 Oppose state efforts to regulate recreational climbing facilities under amusement licensing statutes.
- 8.0 Promote prudent, cost-effective policies and regulations, where necessary, that support CWA standards.

V. Publications/Communications/Information Systems Development

The development, organization, and distribution of information pertaining to the industry is vital to its continued growth and success. The intention is to develop CWA into the central source of information and communication regarding the manufactured climbing wall industry – to become the industry’s „information broker“. The CWA will identify information of interest to members and the public and will determine cost-effective ways to distribute this information.

Major Publications/Communications/information Systems Goals

- 1.0 Identify member expertise that addresses the interests of others in the organization, and develop member expertise to generate and distribute usable information.
- 2.0 Commission, develop, publish and/or distribute pertinent information via print publications, web sites, conferences, educational offerings, other organizations, and the media.
- 3.0 Support research efforts and activities that support the industry and CWA standards.
- 4.0 Develop networks to allow the exchange of information via communications technology.
- 5.0 Act as a referral service for qualified vendors and/or a repository of information regarding members’ activities and capabilities.

VI. Strategic Intent – Program Development

The CWA's intention is to define and develop programs of interest to our members and to the general public that promote responsible recreational use of manufactured climbing facilities. CWA programs will be focused on the professional development of members and the improvement climbing related knowledge and information.

Major Program Development Goals

- 1.0 Establish CWA as a comprehensive provider, or sponsor, of continuing professional education and training.
- 2.0 Develop and expand the ClimbSmart! Program as a national public awareness and education campaign to promote responsible, informed participation in climbing sports.
- 3.0 Develop symposia and workshops on important topics and issues important to our members.
- 4.0 Provide and/or facilitate consultation by CWA members for the membership or the public.

VII. Strategic Intent – CWA Conference and Events

The CWA's intention is to develop and promote a constructive and collegial community within the manufactured climbing wall industry. Community building can best be done face-to-face. The conference will bring together a critical mass of members to discuss industry wide concerns and initiatives, promote information sharing, and improve opportunities networking. The conference will offer an opportunity to conduct CWA business cost effectively; and will provide opportunities for member training, education, and professional development

Major CWA Conference and Events Goals

- 1.0 Sponsor and promote cost-effective regional and national membership meetings.
- 2.0 Develop a CWA Annual Conference to facilitate member growth, member involvement, ongoing professional education, and information sharing.
- 3.0 Promote the CWA Annual Conference as a nation-wide conference.
- 4.0 Convene special events to address topics deemed important to the organizations' constituencies.

Climbing Wall Association Inc

EIN 86-1063819

Form 990-EZ, Part V, Line 35 - If the organization had income from business activities, such as those reported on lines 2, 6a, and 7a (among others), but not reported on Form 990-T, attach a statement explaining your reason for not reporting the income on Form 990-T:

Program Service revenue reported on Part I, Line 2 does not include any Unrelated trade or business income—i.e. gross income derived from any trade or business (defined below^{***}) that is regularly carried on, and not substantially related to, the organization's exempt purpose or function (aside from the organization's need for income or funds or the use it makes of the profits).

A portion of CWA's revenue is derived from its annual convention. However an unrelated trade or business does not include a trade or business:That consists of qualified convention or trade show activities regularly conducted by a section 501(c)(3), (4), (5), or (6) organization as one of its substantial exempt purposes (see section 513(d)(3) for the meaning of qualified convention and trade show activities)...

*****Trade or business.** A trade or business is any activity carried on for the production of income from selling goods or performing services. An activity does not lose its identity as a trade or business merely because it is carried on within a larger group of similar activities that may or may not be related to the exempt purpose of the organization. If, however, an activity carried on for profit is an unrelated trade or business, no part of it can be excluded from this classification merely because it does not result in profit.