

cliMb *Wyoming*[®]

Strengthening Wyoming Now and for the Next Generation

**Audited Financial Statements for the Year Ended
September 30, 2009**



CONTENTS

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION	1
--	---

FINANCIAL STATEMENTS	
Statements of financial position	2
Statements of activities	3 and 4
Statements of cash flows	5
Notes to financial statements	6 – 8
SUPPLEMENTAL INFORMATION	
Schedules of functional expenses	9 and 10

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL
STATEMENTS AND SUPPLEMENTAL INFORMATION**

To the Board of Directors
CLIMB d/b/a CLIMB Wyoming
Cheyenne, Wyoming

We have audited the accompanying statements of financial position of CLIMB d/b/a CLIMB Wyoming as of September 30, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Organization as of September 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules of functional expenses are presented for purposes of additional analysis and are 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 aspects, in relation to the basic financial statements taken as a whole.

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming
March 10, 2010

CLIMB
d/b/a CLIMB Wyoming

STATEMENTS OF FINANCIAL POSITION
September 30, 2009 and 2008

ASSETS	2009	2008
Current Assets		
Cash	\$ 759,704	\$ 206,825
Certificates of deposit	421,243	204,679
Grants receivable	183,828	280,086
Pledges receivable, net of doubtful accounts (2009 \$1,299; 2008 \$617)	88,294	150,564
Contracts receivable	33,946	6,610
Other receivables	2,558	2,916
Prepaid contracted services	3,504	6,578
Prepaid rent and insurance	9,530	9,621
	1,502,607	867,879
Noncurrent Assets		
Certificates of deposit	-	201,822
Pledges receivable	22,793	800
Furniture and equipment, net of accumulated depreciation (2009 \$101,275; 2008 \$87,625)	26,772	34,116
	49,565	236,738
Total assets	\$ 1,552,172	\$ 1,104,617
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 6,517	\$ 19,056
Deferred revenue	2,889	5,152
Total liabilities	9,406	24,208
Net Assets		
Unrestricted	1,195,491	759,785
Temporarily restricted (Note 3)	347,275	320,624
Total net assets	1,542,766	1,080,409
Total liabilities and net assets	\$ 1,552,172	\$ 1,104,617

See Notes to Financial Statements.

CLIMB
d/b/a CLIMB Wyoming

STATEMENTS OF ACTIVITIES
For the Years Ended September 30, 2009 and 2008

	2009		
	Unrestricted	Temporarily Restricted	Total
Revenue and Additions to Net Assets			
Federal grant revenue	\$ 2,319,005	\$ -	\$ 2,319,005
State and local grant revenue	100,649	-	100,649
Foundation and corporate grant revenue	-	66,172	66,172
Individual and corporate donation income	260,489	200,442	460,931
Contracted services income	116,820	-	116,820
Research services income	-	-	-
Interest income	17,313	-	17,313
Miscellaneous income	1,248	-	1,248
	2,815,524	266,614	3,082,138
Net Assets Released from Restrictions	239,963	(239,963)	-
Total revenue and additions	3,055,487	26,651	3,082,138
Expenses and Reductions in Net Assets			
Program services	2,194,020	-	2,194,020
Management and support	200,364	-	200,364
Fundraising	225,397	-	225,397
Total expenses and reductions	2,619,781	-	2,619,781
Net increase (decrease) in net assets	435,706	26,651	462,357
Net Assets, beginning of year	759,785	320,624	1,080,409
Net Assets, end of year	\$ 1,195,491	\$ 347,275	\$ 1,542,766

See Notes to Financial Statements.

2008		
Unrestricted	Temporarily Restricted	Total
\$ 2,278,321	\$ -	\$ 2,278,321
89,222	-	89,222
10,124	76,569	86,693
147,618	155,319	302,937
91,883	-	91,883
40,000	-	40,000
7,473	-	7,473
1,283	517	1,800
2,665,924	232,405	2,898,329
296,303	(296,303)	-
2,962,227	(63,898)	2,898,329
2,201,233	-	2,201,233
188,784	-	188,784
263,819	-	263,819
2,653,836	-	2,653,836
308,391	(63,898)	244,493
451,394	384,522	835,916
\$ 759,785	\$ 320,624	\$ 1,080,409

CLIMB
d/b/a CLIMB Wyoming

STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2009 and 2008

	2009	2008
Cash Flows from Operating Activities		
Net increase in net assets	\$ 462,357	\$ 244,493
Adjustments to reconcile net increase in net assets to net cash provided by operating activities:		
Depreciation	18,634	22,207
Change in operating assets and liabilities:		
Prepaid expenses	3,165	731
Receivables	109,557	174,166
Accounts payable and accrued expenses	(12,539)	5,564
Deferred revenue	(2,263)	(42,051)
Net cash provided by operating activities	578,911	405,110
Cash Flows from Investing Activities		
Purchase of certificates of deposit	(14,742)	(406,501)
Purchase of property and equipment	(11,290)	(29,394)
Net cash (used in) investing activities	(26,032)	(435,895)
Increase (decrease) in cash	552,879	(30,785)
Cash		
Beginning	206,825	237,610
Ending	\$ 759,704	\$ 206,825

See Notes to Financial Statements.

CLIMB
d/b/a CLIMB Wyoming

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Business and Significant Accounting Policies

Nature of business: CLIMB d/b/a CLIMB Wyoming (the “Organization”) is a non-profit corporation which operates solely for charitable purposes of training and placing low-income single mothers in jobs that successfully support their families. The Organization achieves this mission through CLIMB Wyoming programs that provide employer driven job skills training and placement, life skills training, counseling and the support necessary to ensure self-sufficiency and long-term success.

Basis of presentation: The Organization has adopted the Not-for-Profit Entities Topic of the FASB Accounting Standards Codification (ASC), as the basis of presentation of its financial statements. This Topic, being ASC 958, establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. It also requires the Organization to distinguish between contributions received for each net asset category in accordance with donor imposed conditions. A description of the three net asset categories follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or by the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

A summary of significant accounting policies follows:

Income taxes: The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Contributions to the Organization are deductible as allowed under Section 170 of the Code.

Cash: The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Pledges receivable: Pledges receivable represents amounts committed by donors that have not been received by the Organization.

Depreciation: The Organization follows the policy of charging to operating expenses annual amounts of depreciation which allocates the cost of furniture and equipment over their estimated useful lives. The Organization employs the straight-line method of determining the annual charge for depreciation. Furniture and equipment are depreciated over their useful lives of three to seven years. Expenditures for repairs and maintenance are expensed when incurred.

CLIMB
d/b/a CLIMB Wyoming

NOTES TO FINANCIAL STATEMENTS

Grant revenue: Grant revenue is recognized when earned through expenditure. Grant revenue is deferred when amounts received from grant and contract sponsors have not yet been earned under the terms of the agreement.

Gifts and contributions: Unconditional donor promises to give cash and other assets are reported at fair value at the date that there is sufficient verifiable evidence documenting that a promise was made by the donor and received by the Organization. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that sufficiently limit the use of the donated assets.

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 are reported on the statement of activities as net assets released from restrictions.

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

Recent accounting pronouncements: In June 2006, the Financial Accounting Standards Board (FASB) issued a pronouncement on accounting for uncertainty in income taxes, included in ASC 740, which clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. It prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements, tax positions taken or expected to be taken on a tax return including positions that the organization is exempt from income taxes or not subject to income taxes on unrelated business income. If there are changes in net assets as a result of application of this pronouncement, these will be accounted for as an adjustment to the opening balance of net assets. Additional disclosures about the amounts of such liabilities will also be required.

The Organization presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable, respectively, that a liability has been incurred for unrecognized income tax benefits. The Organization has elected to defer the application of this pronouncement until its fiscal year beginning October 1, 2009. Management has not yet assessed the impact of this pronouncement on its financial position and results of operations and has not determined if the adoption of accounting for uncertainty in income taxes will have a material effect on its financial statements.

Subsequent events: Events occurring subsequent to the statement of financial position date have been evaluated for financial statement impact or disclosure through March 10, 2010, the date the financial statements were available to be issued.

CLIMB
d/b/a CLIMB Wyoming

NOTES TO FINANCIAL STATEMENTS

Note 2. Related Party Transactions

During the years ended September 30, 2009 and 2008, the Organization contracted with related parties for office space in the amounts of \$73,072 and \$72,686, respectively, and for consulting services in the amounts of \$23,976 and \$81,257, respectively. During the years ended September 30, 2009 and 2008, the Organization received donations from related parties totaling \$18,738 and \$5,150, respectively, and had pledges receivable from related parties at year end totaling \$7,959 and \$1,500, respectively.

Note 3. Restricted Funds

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrences of other events specified by donors. Net assets released from restrictions amounted to \$239,963 and \$296,303 during the years ended September 30, 2009 and 2008, respectively. As of September 30, 2009 and 2008, temporarily restricted net assets of \$347,275 and \$320,624, respectively, are available for donor specified CLIMB Wyoming programs, geographic locations, or expenditure classes.

Note 4. Economic Dependence

During the years ended September 30, 2009 and 2008, the Organization was highly dependent on grant revenue and contracted services revenue received both directly and indirectly from the State of Wyoming through grants provided by the Departments of Family Services and Work Force Services.

Note 5. Lease Commitments

The Organization leases office space and a phone system under various leases which expire through August 5, 2014. The total minimum lease commitment at September 30, 2009 under these leases is as follows:

2010	\$	85,168
2011		22,464
2012		3,264
2013		3,264
2014		3,264
	\$	<u>117,424</u>

The total rent expense included in the statement of activities for the years ended September 30, 2009 and 2008 is \$185,916 and \$163,427, respectively.

CLIMB
d/b/a CLIMB Wyoming

SCHEDULES OF FUNCTIONAL EXPENSES
For the Years Ended September 30, 2009 and 2008

	2009			
	Program Services	Management and Support	Fundraising	Total
Program coordination and salary	\$ 892,954	\$ 111,619	\$ 111,619	\$ 1,116,192
Participant tuition	158,101	-	-	158,101
Facility	186,327	23,291	23,291	232,909
Benefit allowance	178,591	22,324	22,324	223,239
Participant wage reimbursement	172,957	-	-	172,957
Contracted services	26,730	17,442	829	45,001
Employer payroll taxes	97,890	12,236	12,236	122,362
Participant incentives	132,435	-	-	132,435
Staff development and training	49,642	6,205	6,205	62,052
Participant and employer recruitment	69,163	-	-	69,163
Office supplies and reference materials	18,908	2,256	2,301	23,465
Mental health provider	74,106	-	-	74,106
Participant group life skills training	34,190	-	-	34,190
Fundraising expense	-	-	35,122	35,122
Participant career clothing	40,823	-	-	40,823
Depreciation expense	14,908	1,863	1,863	18,634
Insurance	9,242	1,155	1,155	11,552
Program related staff travel	13,166	1,075	-	14,241
Participant follow-up services	8,277	-	-	8,277
GED instruction	4,727	-	-	4,727
Participant recognition events	5,468	-	-	5,468
Participant transportation assistance	3,150	-	-	3,150
Substance abuse evaluation and collaborative treatment	450	-	-	450
Repair and maintenance	1,815	227	227	2,269
Miscellaneous expense	-	671	-	671
Bad debt expense	-	-	8,225	8,225
	\$ 2,194,020	\$ 200,364	\$ 225,397	\$ 2,619,781

2008

	Program Services	Management and Support	Fundraising	Total			
\$	813,466	\$	101,683	\$	101,683	\$	1,016,832
	286,310	-	-	-	286,310		
	173,839	21,730	21,730	-	217,299		
	162,693	20,337	20,337	-	203,367		
	179,681	-	-	-	179,681		
	43,049	15,437	61,382	-	119,868		
	95,643	11,955	11,955	-	119,553		
	104,997	-	-	-	104,997		
	80,821	10,103	10,103	-	101,027		
	57,367	-	-	-	57,367		
	35,860	3,894	4,142	-	43,896		
	42,646	-	-	-	42,646		
	32,474	-	-	-	32,474		
	-	-	28,692	-	28,692		
	28,368	-	-	-	28,368		
	17,765	2,221	2,221	-	22,207		
	9,426	1,178	1,178	-	11,782		
	11,023	-	-	-	11,023		
	7,867	-	-	-	7,867		
	6,081	-	-	-	6,081		
	3,939	-	-	-	3,939		
	3,120	-	-	-	3,120		
	2,830	-	-	-	2,830		
	1,968	246	246	-	2,460		
	-	-	-	-	-		
	-	-	150	-	150		
\$	2,201,233	\$	188,784	\$	263,819	\$	2,653,836