

CLIMB
d/b/a CLIMB WYOMING

FINANCIAL REPORT

SEPTEMBER 30, 2011

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**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, 2011 and 2010, 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our 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, 2011 and 2010, 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
January 30, 2012

CLIMB
d/b/a CLIMB Wyoming

STATEMENTS OF FINANCIAL POSITION
September 30, 2011 and 2010

ASSETS	2011	2010
Current Assets		
Cash	\$ 570,957	\$ 353,867
Certificates of deposit	835,068	915,713
Grants receivable	283,443	183,768
Pledges receivable, net of doubtful accounts (2011 \$327; 2010 \$1,016)	95,365	90,249
Prepaid contracted services	3,260	3,850
Prepaid rent and insurance	17,520	10,043
	1,805,613	1,557,490
Noncurrent Assets		
Certificates of deposit	111,489	119,376
Pledges receivable	1,200	15,267
Furniture and equipment, net of accumulated depreciation (2011 \$96,798; 2010 \$96,901)	22,877	17,257
	135,566	151,900
Total assets	\$ 1,941,179	\$ 1,709,390
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 17,991	\$ 15,624
Deferred revenue	-	2,000
Total liabilities	17,991	17,624
Net Assets		
Unrestricted	1,622,687	1,361,837
Temporarily restricted (Note 3)	300,501	329,929
Total net assets	1,923,188	1,691,766
Total liabilities and net assets	\$ 1,941,179	\$ 1,709,390

See Notes to Financial Statements.

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STATEMENTS OF ACTIVITIES

Years Ended September 30, 2011 and 2010

	2011			2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and Additions to Net Assets						
Federal grant revenue	\$ 3,361,918	\$ -	\$ 3,361,918	\$ 2,053,935	\$ -	\$ 2,053,935
State and local grant revenue	112,331	-	112,331	181,473	-	181,473
Foundation and corporate grant revenue	3,000	30,075	33,075	60,000	50,542	110,542
Individual and corporate donation income	225,068	152,323	377,391	150,820	149,656	300,476
Contracted services income	-	-	-	69,907	-	69,907
Interest income	18,627	-	18,627	23,935	-	23,935
Miscellaneous income	1,393	1,642	3,035	1,421	-	1,421
	3,722,337	184,040	3,906,377	2,541,491	200,198	2,741,689
Net Assets Released from Restrictions	213,468	(213,468)	-	217,544	(217,544)	-
Total revenue and additions	3,935,805	(29,428)	3,906,377	2,759,035	(17,346)	2,741,689
Expenses and Reductions in Net Assets						
Program services	3,137,956	-	3,137,956	2,155,697	-	2,155,697
Management and support	267,220	-	267,220	211,646	-	211,646
Fundraising	269,779	-	269,779	225,346	-	225,346
Total expenses and reductions	3,674,955	-	3,674,955	2,592,689	-	2,592,689
Net increase (decrease) in net assets	260,850	(29,428)	231,422	166,346	(17,346)	149,000
Net Assets, beginning of year	1,361,837	329,929	1,691,766	1,195,491	347,275	1,542,766
Net Assets, end of year	\$ 1,622,687	\$ 300,501	\$ 1,923,188	\$ 1,361,837	\$ 329,929	\$ 1,691,766

See Notes to Financial Statements.

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STATEMENTS OF CASH FLOWS
Years Ended September 30, 2011 and 2010

	2011	2010
Cash Flows from Operating Activities		
Net increase in net assets	\$ 231,422	\$ 149,000
Adjustments to reconcile net increase in net assets to net cash provided by operating activities:		
Depreciation	18,488	21,656
Change in operating assets and liabilities:		
Prepaid expenses	(6,887)	(859)
Receivables	(90,724)	42,135
Accounts payable and accrued expenses	2,367	9,107
Deferred revenue	(2,000)	(889)
Net cash provided by operating activities	152,666	220,150
Cash Flows from Investing Activities		
Purchase of certificates of deposit	(117,538)	(721,694)
Redemption of certificates of deposit	206,070	107,848
Purchase of property and equipment	(24,108)	(12,141)
Net cash provided by (used in) investing activities	64,424	(625,987)
Increase (decrease) in cash	217,090	(405,837)
Cash		
Beginning	353,867	759,704
Ending	\$ 570,957	\$ 353,867

See Notes to Financial Statements.

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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.

The Financial Accounting Standards Board (FASB) issued new guidance on accounting for uncertainty in income taxes, which the Company adopted for the year ended September 30, 2010. Management evaluated the Company’s tax positions and concluded that the Company had taken no uncertain tax positions that require adjustments to the financial statements to comply with the provisions of this guidance. With few exceptions, the Company is no longer subject to income tax examinations by the U.S. Federal, State or local tax authorities for years before 2008.

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.

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NOTES TO FINANCIAL STATEMENTS

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.

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.

Subsequent events: Events occurring subsequent to the statement of financial position date have been evaluated for financial statement impact or disclosure through January 30, 2012, the date the financial statements were available to be issued.

Note 2. Related Party Transactions

During the years ended September 30, 2011 and 2010, the Organization contracted with related parties for office space in the amounts of \$129,333 and \$80,726, respectively, and for consulting services in the amounts of \$123,109 and \$11,500, respectively. During the years ended September 30, 2011 and 2010, the Organization received donations from related parties totaling \$3,967 and \$2,953, respectively, and had pledges receivable from related parties at year end totaling \$3,004 and \$7,284, respectively.

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NOTES TO FINANCIAL STATEMENTS

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 \$213,468 and \$217,544 during the years ended September 30, 2011 and 2010, respectively. As of September 30, 2011 and 2010, temporarily restricted net assets of \$300,501 and \$329,929, respectively, are available for donor specified CLIMB Wyoming programs, geographic locations, or expenditure classes.

Note 4. Economic Dependence

During the years ended September 30, 2011 and 2010, 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 May 31, 2016. The total minimum lease commitment at September 30, 2011 under these leases is as follows:

2012	\$ 279,293
2013	255,546
2014	132,215
2015	82,919
2016	34,275
	<hr/>
	\$ 784,248
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The total rent expense included in the statement of activities for the years ended September 30, 2011 and 2010 is \$304,391 and \$199,396, respectively.

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SCHEDULES OF FUNCTIONAL EXPENSES
Years Ended September 30, 2011 and 2010

	2011				2010			
	Program Services	Management and Support	Fundraising	Total	Program Services	Management and Support	Fundraising	Total
Program coordination and salary	\$ 1,213,781	\$ 151,723	\$ 151,723	\$ 1,517,227	\$ 855,195	\$ 106,899	\$ 106,899	\$ 1,068,993
Participant wage reimbursement	393,939	-	-	393,939	210,697	-	-	210,697
Facility	300,042	37,505	37,505	375,052	201,265	25,158	25,158	251,581
Participant tuition	228,659	-	-	228,659	74,345	-	-	74,345
Employer payroll taxes	123,237	15,405	15,405	154,047	98,815	12,351	12,351	123,517
Participant and employer recruitment	141,801	-	-	141,801	48,456	-	-	48,456
Staff development and training	112,005	14,897	14,001	140,903	60,441	8,562	7,555	76,558
Mental health provider	131,975	-	-	131,975	114,150	-	-	114,150
Participant incentives	117,045	-	-	117,045	83,101	-	-	83,101
Contracted services	64,769	17,388	1,866	84,023	33,227	19,120	1,459	53,806
Employee benefits	66,736	8,342	8,342	83,420	20,000	2,500	2,500	25,000
Participant group life skills training	70,586	-	-	70,586	50,651	-	-	50,651
Participant career clothing	57,804	-	-	57,804	39,332	-	-	39,332
Office supplies and reference materials	40,747	5,093	5,093	50,933	32,472	3,985	4,016	40,473
Fundraising expense	-	-	27,572	27,572	-	-	39,838	39,838
Staff travel	12,626	12,895	-	25,521	6,976	8,051	-	15,027
Depreciation expense	14,790	1,849	1,849	18,488	17,324	2,166	2,166	21,656
Insurance	10,909	1,364	1,364	13,637	10,726	1,341	1,341	13,408
Participant transportation assistance	10,129	-	-	10,129	7,035	-	-	7,035
Graduate services	9,956	-	-	9,956	10,260	-	-	10,260
Repair and maintenance	6,068	759	759	7,586	5,678	710	710	7,098
Participant recognition events	5,995	-	-	5,995	5,072	-	-	5,072
Bad debt expense	-	-	4,300	4,300	-	-	550	550
GED instruction	2,998	-	-	2,998	3,611	-	-	3,611
Substance abuse evaluation and collaborative treatment	1,359	-	-	1,359	440	-	-	440
Benefit allowance	-	-	-	-	166,428	20,803	20,803	208,034
	\$ 3,137,956	\$ 267,220	\$ 269,779	\$ 3,674,955	\$ 2,155,697	\$ 211,646	\$ 225,346	\$ 2,592,689