GIVING SINGLE MOTHERS

Hope and a Future

Audited Financial Statements for the Year Ended September 30, 2015

CLIMB
d/b/a CLIMB WYOMING

FINANCIAL REPORT

SEPTEMBER 30, 2015

CONTENTS

McGee, Hearne & Paiz, LLP
Certified Public Accountants and Consultants
314 West 18th Street, Cheyenne, Wyoming 82001-4404

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of CLIMB d/b/a CLIMB Wyoming (the "Organization"), which comprise the Statements of Financial Position as of September 30, 2015 and 2014, the related Statements of Activities, and Cash Flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming
January 21, 2016

CLIMB
d/b/a CLIMB Wyoming

STATEMENTS OF FINANCIAL POSITION
September 30, 2015 and 2014

ASSETS	**2015**	2014
Current Assets		
Cash	**$ 141,807**	$ 404,136
Certificates of deposit	**369,858**	496,961
Grants receivable	**605,636**	184,367
Other receivables	**627**	2,025
Pledges receivable, net of doubtful accounts (2015 $25,496; 2014 $19,813)	**240,139**	188,784
Pledge receivable held for permanent endowment (Note 3)	**100,000**	-
Prepaid contracted services	**10,300**	8,847
Prepaid rent and insurance	**17,008**	17,146
	1,485,375	1,302,266
Noncurrent Assets		
Cash held for permanent endowment (Note 3)	**33,578**	26,518
Investments held for permanent endowment (Notes 3 and 4)	**364,103**	279,882
Certificates of deposit	**130,838**	127,935
Pledges receivable	**323,900**	358,946
Furniture and equipment, net of accumulated depreciation (2015 $134,792; 2014 $123,896)	**48,656**	49,354
	901,075	842,635
Total assets	**$ 2,386,450**	$ 2,144,901
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	**$ 38,879**	$ 72,254
Deferred revenue	**41,746**	15,000
Total liabilities	**80,625**	87,254
Net Assets		
Unrestricted	**1,133,389**	1,038,816
Temporarily restricted (Note 3)	**672,436**	718,831
Permanently restricted (Note 3)	**500,000**	300,000
Total net assets	**2,305,825**	2,057,647
Total liabilities and net assets	**$ 2,386,450**	$ 2,144,901

See Notes to Financial Statements.

CLIMB
d/b/a CLIMB Wyoming

STATEMENTS OF ACTIVITIES
Years Ended September 30, 2015 and 2014

	2015				2014			
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Additions to Net Assets								
Federal grant revenue	**$ 2,357,018**	**$ -**	**$ -**	**$ 2,357,018**	$ 2,032,435	$ -	$ -	$ 2,032,435
State and local grant revenue	**181,820**	**-**	**-**	**181,820**	114,490	-	-	114,490
Foundation and corporate grant revenue	**340,847**	**86,506**	**-**	**427,353**	282,500	227,000	-	509,500
Individual and corporate donation income	**591,706**	**209,123**	**200,000**	**1,000,829**	455,256	235,635	-	690,891
Interest income	**5,344**	**8,440**	**-**	**13,784**	5,467	5,490	-	10,957
Realized and unrealized gains (losses) on investments	**(2,319)**	**(14,840)**	**-**	**(17,159)**	2,694	(169)	-	2,525
Miscellaneous income	**5,681**	**-**	**-**	**5,681**	6,250	11	-	6,261
	3,480,097	**289,229**	**200,000**	**3,969,326**	2,899,092	467,967	-	3,367,059
Net Assets Released from Restrictions	**335,624**	**(335,624)**	**-**	**-**	467,037	(467,037)	-	-
Total revenue and additions	**3,815,721**	**(46,395)**	**200,000**	**3,969,326**	3,366,129	930	-	3,367,059
Expenses and Reductions in Net Assets								
Program services	**2,836,422**	**-**	**-**	**2,836,422**	2,789,593	-	-	2,789,593
Management and support	**307,949**	**-**	**-**	**307,949**	333,928	-	-	333,928
Fundraising	**576,777**	**-**	**-**	**576,777**	488,240	-	-	488,240
Total expenses and reductions	**3,721,148**	**-**	**-**	**3,721,148**	3,611,761	-	-	3,611,761
Net increase (decrease) in net assets	**94,573**	**(46,395)**	**200,000**	**248,178**	(245,632)	930	-	(244,702)
Net Assets, beginning of year	**1,038,816**	**718,831**	**300,000**	**2,057,647**	1,284,448	717,901	300,000	2,302,349
Net Assets, end of year	**$ 1,133,389**	**$ 672,436**	**$ 500,000**	**$ 2,305,825**	$ 1,038,816	$ 718,831	$ 300,000	$ 2,057,647

See Notes to Financial Statements.

CLIMB
d/b/a CLIMB Wyoming

STATEMENTS OF CASH FLOWS
Years Ended September 30, 2015 and 2014

	2015	2014
Cash Flows from Operating Activities		
Net increase (decrease) in net assets	**$ 248,178**	$ (244,702)
Adjustments to reconcile net increase (decrease) in net assets to net cash (used in) operating activities:		
Depreciation	**29,865**	24,681
Realized and unrealized (gain) loss on investments	**17,159**	(2,525)
Change in operating assets and liabilities:		
Prepaid expenses	**(1,315)**	11,408
Receivables	**(436,180)**	288,611
Pledge receivable held for permanent endowment	**(100,000)**	-
Accounts payable and accrued expenses	**(33,375)**	(66,403)
Deferred revenue	**26,746**	(17,500)
Net cash (used in) operating activities	**(248,922)**	(6,430)
Cash Flows from Investing Activities		
Cash invested (held) for permanent endowment	**(7,060)**	125,163
Purchase of investments - permanent endowment	**(101,380)**	(130,653)
Purchase of certificates of deposit	**(503,411)**	(624,896)
Redemption of certificates of deposit	**627,611**	747,896
Purchase of property and equipment	**(29,167)**	(14,035)
Net cash provided by (used in) investing activities	**(13,407)**	103,475
Increase (decrease) in cash	**(262,329)**	97,045
Cash		
Beginning	**404,136**	307,091
Ending	**$ 141,807**	$ 404,136

See 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.

Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustments to the financial statements. With few exceptions, the Organization is no longer subject to income tax examinations by the U.S. Federal, state or local tax authorities except for the last three years filed.

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.

Pledges receivable: Pledges receivable represents amounts committed by donors that have not been received by the Organization. Pledges receivable, that are expected to be collected within one year, are recorded at net realizable value. Pledges receivable that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts were computed using an interest rate of 4% for the years ended September 30, 2015 and 2014. Amortization of the discount is included in donation income. The unamortized discount was $37,496 and $37,754 as of September 30, 2015 and 2014, respectively.

Gross pledges receivable, prior to the discount and allowance for doubtful accounts, as of September 30, 2015 and 2014 are due in:

	2015	2014
Less than one year	**$ 365,635**	$ 208,597
One to five years	**361,396**	396,700
	$ 727,031	$ 605,297

Investments: The Organization accounts for its investments under Statement of Financial Accounting Board Codification Topic 958, *Accounting for Certain Investments Held by Not-for-Profit Organizations* (Topic 958). Under Topic 958, investments in marketable securities with readily determinable fair values are valued at their fair market values in the Statements of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statements of Activities. Certificates of deposit are carried at cost.

Fair value measurements: Statement of Financial Accounting Standards Board Codification Topic 820, Fair Value Measurements and Disclosures establishes a framework for fair value measurement and disclosure. It requires that assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The Organization has valued its investments utilizing the Level 1 approach.

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.

Grants: Grants receivable include amounts due from Federal, state, and local grant programs. All grants are considered by management to be fully collectible; no allowance for doubtful accounts has been accrued. 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 Statements of Activities as net assets released from restrictions.

Functional allocation of expenses: The costs of providing program and supporting services have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

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 21, 2016, the date the financial statements were available to be issued.

Note 2. Related Party Transactions

During the years ended September 30, 2015 and 2014, the Organization contracted with related parties for office space in the amounts of $30,036 and $109,836, respectively, and for consulting services in the amounts of $1,950 and $14,657, respectively. During the years ended September 30, 2015 and 2014, the Organization received donations from related parties totaling $7,950 and $8,570, respectively, and had pledges receivable from related parties at year end totaling $11,304 and $10,854, respectively.

Note 3. Restricted Funds and Endowment

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 $335,624 and $467,037 during the years ended September 30, 2015 and 2014, respectively. As of September 30, 2015 and 2014, temporarily restricted net assets of $672,436 and $718,831, respectively, are available for donor specified CLIMB Wyoming programs, geographic locations, or expenditure classes.

During the year ended September 30, 2012, the Organization received a $300,000 donor-restricted endowment, which is classified within permanently restricted net assets. Additionally, during the year ended September 30, 2015 an additional pledge to this endowment of $200,000 was made, with $100,000 of the pledged funds also given to the organization during the same year. As of September 30, 2015 and 2014, these permanent endowment funds of $33,578 and $26,518, respectively, are temporarily being held as cash until suitable investment opportunities are identified and the remaining $364,103 and $279,882, respectively, have been invested in equity securities and mutual funds. In accordance with the endowment agreement, the income earned by the permanent endowment shall be used for initiatives that address the operational priorities and mission of the Organization.

The changes in endowment net asset composition by type of funds during the years ended September 30, 2015 and 2014 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
		2015		
Endowment net assets, beginning of year	**$ -**	**$ 6,400**	**$ 300,000**	**$ 306,400**
Investment return:				
Interest/dividend income	**-**	**8,440**	**-**	**8,440**
Realized and unrealized (losses)	**(2,319)**	**(14,840)**	**-**	**(17,159)**
Contributions	**-**	**-**	**200,000**	**200,000**
Endowment net assets, end of year	**$ (2,319)**	**$ -**	**$ 500,000**	**$ 497,681**
		2014		
Endowment net assets, beginning of year	$ (1,615)	$ -	$ 300,000	$ 298,385
Investment return:				
Interest/dividend income	-	5,490	-	5,490
Realized and unrealized gains (losses)	2,694	(169)	-	2,525
Releases	(1,079)	1,079	-	-
Endowment net assets, end of year	$ -	$ 6,400	$ 300,000	$ 306,400

The Organization has interpreted Wyoming's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent any explicit donor stipulation to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets: a) the original value of gifts donated to the permanent endowment, b) the original value of subsequent gifts to the permanent endowment, and c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In the event the donor-restricted endowment fund experiences losses that exceed any accumulation of temporarily restricted net assets, such losses are recorded as a reduction in unrestricted net assets after all related temporarily restricted net assets have been eliminated. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the endowment fund;
2. The purposes of the Organization and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Organization; and
7. The investment policies of the Organization.

Endowment return objectives, risk parameters and spending policy: The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period. It is the Organization's policy to appropriate actual earnings on endowment investments.

Note 4. Investments

The cost and fair values of marketable securities are as follows at September 30, 2015 and 2014:

	2015		2014	
	Cost	**Fair Value**	Cost	Fair Value
Marketable securities:				
Equity securities	**$ 228,478**	**$ 222,953**	$ 167,308	$ 168,936
Mutual funds	**150,170**	**141,150**	111,554	110,946
Total marketable securities	**$ 378,648**	**$ 364,103**	$ 278,862	$ 279,882

Note 5. Economic Dependence

During the years ended September 30, 2015 and 2014, the Organization was highly dependent on grant revenue and contracted services revenue received from the State of Wyoming through grants and contracts provided by the Departments of Family Services and Work Force Services. Revenue from these sources accounted for approximately 55% and 51% of total revenue for the years ended September 30, 2015 and 2014, respectively.

Note 6. Lease Commitments

The Organization leases office space and a phone system under various leases which expire through March 31, 2017. The total minimum lease commitment at September 30, 2015 under these leases is as follows:

2016	$ 299,750
2017	201,195
2018	143,344
2019	51,944
2020	11,810
	$ 708,043

The total rent expense included in the Statements of Activities for the years ended September 30, 2015 and 2014 is $339,827 and $353,734, respectively.

CLIMB
d/b/a CLIMB Wyoming

SCHEDULES OF FUNCTIONAL EXPENSES
Years Ended September 30, 2015 and 2014

	2015				2014			
	Program Services	**Management and Support**	**Fundraising**	**Total**	Program Services	Management and Support	Fundraising	Total
Program coordination and salary	**$ 1,064,132**	**$ 198,985**	**$ 336,862**	**$ 1,599,979**	$ 1,147,854	$ 225,714	$ 286,363	$ 1,659,931
Facility	**351,218**	**27,114**	**34,149**	**412,481**	363,045	26,601	31,905	421,551
Participant tuition	**211,025**	**-**	**-**	**211,025**	231,177	-	-	231,177
Participant wage reimbursement	**101,351**	**-**	**-**	**101,351**	217,031	-	-	217,031
Mental health provider	**304,019**	**-**	**-**	**304,019**	171,014	-	-	171,014
Employer payroll taxes	**103,741**	**15,673**	**29,600**	**149,014**	110,689	18,462	26,766	155,917
Employee benefits	**82,199**	**16,965**	**34,643**	**133,807**	86,648	18,252	12,311	117,211
Participant incentives	**86,578**	**-**	**-**	**86,578**	99,537	-	-	99,537
Staff development and training	**95,504**	**7,714**	**25,365**	**128,583**	55,071	4,455	28,634	88,160
Contracted services	**61,208**	**27,354**	**25,873**	**114,435**	38,122	26,837	21,722	86,681
Participant and employer recruitment	**169,714**	**-**	**-**	**169,714**	64,764	-	-	64,764
Staff travel	**39,274**	**3,686**	**13,231**	**56,191**	37,568	4,982	19,540	62,090
Participant group life skills training	**47,112**	**-**	**-**	**47,112**	52,020	-	-	52,020
Fundraising expense	**-**	**-**	**62,468**	**62,468**	-	-	51,969	51,969
Participant career clothing	**23,056**	**-**	**-**	**23,056**	27,385	-	-	27,385
Depreciation expense	**22,399**	**2,389**	**5,077**	**29,865**	19,069	2,287	3,325	24,681
Office supplies	**18,571**	**3,284**	**6,160**	**28,015**	16,178	2,467	4,992	23,637
Insurance	**15,172**	**4,299**	**316**	**19,787**	17,059	3,671	-	20,730
Graduate services	**7,730**	**-**	**-**	**7,730**	9,110	-	-	9,110
Participant transportation assistance	**5,802**	**-**	**-**	**5,802**	7,463	-	-	7,463
Participant recognition events	**4,296**	**-**	**-**	**4,296**	6,733	-	-	6,733
Participant license and certification	**10,846**	**-**	**-**	**10,846**	4,873	-	-	4,873
Repair and maintenance	**2,139**	**486**	**836**	**3,461**	3,498	200	463	4,161
Participant screenings	**7,209**	**-**	**-**	**7,209**	3,021	-	-	3,021
GED instruction	**1,967**	**-**	**-**	**1,967**	664	-	-	664
Bad debt expense	**-**	**-**	**2,197**	**2,197**	-	-	250	250
Substance abuse evaluation and collaborative treatment	**160**	**-**	**-**	**160**	-	-	-	-
	$ 2,836,422	**$ 307,949**	**$ 576,777**	**$ 3,721,148**	$ 2,789,593	$ 333,928	$ 488,240	$ 3,611,761