



diMb Wyoming[®]

**Audited Financial Statements
for the Year Ended September 30, 2010**



Helping Wyoming families turn challenges into opportunities

CLIMB
d/b/a CLIMB WYOMING

FINANCIAL REPORT

SEPTEMBER 30, 2010

CONTENTS

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION	1
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FINANCIAL STATEMENTS	
Statements of financial position	2
Statements of activities	3
Statements of cash flows	4
Notes to financial statements	5 – 7
SUPPLEMENTAL INFORMATION	
Schedules of functional expenses	8

**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, 2010 and 2009, 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, 2010 and 2009, 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
February 17, 2011

CLIMB
d/b/a CLIMB Wyoming

STATEMENTS OF FINANCIAL POSITION
September 30, 2010 and 2009

ASSETS	2010	2009
Current Assets		
Cash	\$ 353,867	\$ 759,704
Certificates of deposit	915,713	421,243
Grants receivable	183,768	183,828
Pledges receivable, net of doubtful accounts (2010 \$1,016; 2009 \$1,299)	90,249	88,294
Contracts receivable	-	33,946
Other receivables	-	2,558
Prepaid contracted services	3,850	3,504
Prepaid rent and insurance	10,043	9,530
	1,557,490	1,502,607
Noncurrent Assets		
Certificates of deposit	119,376	-
Pledges receivable	15,267	22,793
Furniture and equipment, net of accumulated depreciation (2010 \$96,901; 2009 \$101,275)	17,257	26,772
	151,900	49,565
Total assets	\$ 1,709,390	\$ 1,552,172
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 15,624	\$ 6,517
Deferred revenue	2,000	2,889
Total liabilities	17,624	9,406
Net Assets		
Unrestricted	1,361,837	1,195,491
Temporarily restricted (Note 3)	329,929	347,275
Total net assets	1,691,766	1,542,766
Total liabilities and net assets	\$ 1,709,390	\$ 1,552,172

See Notes to Financial Statements.

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STATEMENTS OF ACTIVITIES

For the Years Ended September 30, 2010 and 2009

	2010			2009		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and Additions to Net Assets						
Federal grant revenue	\$ 2,053,935	\$ -	\$ 2,053,935	\$ 2,319,005	\$ -	\$ 2,319,005
State and local grant revenue	181,473	-	181,473	100,649	-	100,649
Foundation and corporate grant revenue	60,000	50,542	110,542	-	66,172	66,172
Individual and corporate donation income	150,820	149,656	300,476	260,489	200,442	460,931
Contracted services income	69,907	-	69,907	116,820	-	116,820
Interest income	23,935	-	23,935	17,313	-	17,313
Miscellaneous income	1,421	-	1,421	1,248	-	1,248
	2,541,491	200,198	2,741,689	2,815,524	266,614	3,082,138
Net Assets Released from Restrictions	217,544	(217,544)	-	239,963	(239,963)	-
Total revenue and additions	2,759,035	(17,346)	2,741,689	3,055,487	26,651	3,082,138
Expenses and Reductions in Net Assets						
Program services	2,155,697	-	2,155,697	2,194,020	-	2,194,020
Management and support	211,646	-	211,646	200,364	-	200,364
Fundraising	225,346	-	225,346	225,397	-	225,397
Total expenses and reductions	2,592,689	-	2,592,689	2,619,781	-	2,619,781
Net increase (decrease) in net assets	166,346	(17,346)	149,000	435,706	26,651	462,357
Net Assets, beginning of year	1,195,491	347,275	1,542,766	759,785	320,624	1,080,409
Net Assets, end of year	\$ 1,361,837	\$ 329,929	\$ 1,691,766	\$ 1,195,491	\$ 347,275	\$ 1,542,766

See Notes to Financial Statements.

CLIMB
d/b/a CLIMB Wyoming

STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2010 and 2009

	2010	2009
Cash Flows from Operating Activities		
Net increase in net assets	\$ 149,000	\$ 462,357
Adjustments to reconcile net increase in net assets to net cash provided by operating activities:		
Depreciation	21,656	18,634
Change in operating assets and liabilities:		
Prepaid expenses	(859)	3,165
Receivables	42,135	109,557
Accounts payable and accrued expenses	9,107	(12,539)
Deferred revenue	(889)	(2,263)
Net cash provided by operating activities	220,150	578,911
Cash Flows from Investing Activities		
Purchase of certificates of deposit	(721,694)	(14,742)
Redemption of certificates of deposit	107,848	-
Purchase of property and equipment	(12,141)	(11,290)
Net cash (used in) investing activities	(625,987)	(26,032)
Increase (decrease) in cash	(405,837)	552,879
Cash		
Beginning	759,704	206,825
Ending	\$ 353,867	\$ 759,704

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.

The Financial Accounting Standards Board (FASB) issued new guidance on accounting for uncertainty in income taxes. The Company adopted this new guidance 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 2007.

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.

CLIMB
d/b/a CLIMB Wyoming

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 February 17, 2011, the date the financial statements were available to be issued.

Note 2. Related Party Transactions

During the years ended September 30, 2010 and 2009, the Organization contracted with related parties for office space in the amounts of \$80,726 and \$73,072, respectively, and for consulting services in the amounts of \$11,500 and \$23,976, respectively. During the years ended September 30, 2010 and 2009, the Organization received donations from related parties totaling \$2,953 and \$18,738, respectively, and had pledges receivable from related parties at year end totaling \$7,284 and \$7,959, respectively.

CLIMB
d/b/a CLIMB Wyoming

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 \$217,544 and \$239,963 during the years ended September 30, 2010 and 2009, respectively. As of September 30, 2010 and 2009, temporarily restricted net assets of \$329,929 and \$347,275, respectively, are available for donor specified CLIMB Wyoming programs, geographic locations, or expenditure classes.

Note 4. Economic Dependence

During the years ended September 30, 2010 and 2009, 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 February 29, 2016. The total minimum lease commitment at September 30, 2010 under these leases is as follows:

2011	\$	221,260
2012		213,750
2013		186,798
2014		84,556
2015		81,292
Thereafter		33,190
	\$	<u>820,846</u>

The total rent expense included in the statement of activities for the years ended September 30, 2010 and 2009 is \$199,396 and \$185,916, respectively.

CLIMB
d/b/a CLIMB Wyoming

SCHEDULES OF FUNCTIONAL EXPENSES
For the Years Ended September 30, 2010 and 2009

	2010				2009			
	Program Services	Management and Support	Fundraising	Total	Program Services	Management and Support	Fundraising	Total
Program coordination and salary	\$ 855,195	\$ 106,899	\$ 106,899	\$ 1,068,993	\$ 892,954	\$ 111,619	\$ 111,619	\$ 1,116,192
Facility	201,265	25,158	25,158	251,581	186,327	23,291	23,291	232,909
Participant wage reimbursement	210,697	-	-	210,697	172,957	-	-	172,957
Benefit allowance	166,428	20,803	20,803	208,034	178,591	22,324	22,324	223,239
Employer payroll taxes	98,815	12,351	12,351	123,517	97,890	12,236	12,236	122,362
Mental health provider	114,150	-	-	114,150	74,106	-	-	74,106
Participant incentives	83,101	-	-	83,101	132,435	-	-	132,435
Staff development and training	60,441	8,562	7,555	76,558	49,642	6,205	6,205	62,052
Participant tuition	74,345	-	-	74,345	158,101	-	-	158,101
Contracted services	33,227	19,120	1,459	53,806	26,730	17,442	829	45,001
Participant group life skills training	50,651	-	-	50,651	34,190	-	-	34,190
Participant and employer recruitment	48,456	-	-	48,456	69,163	-	-	69,163
Office supplies and reference materials	32,472	3,985	4,016	40,473	18,908	2,256	2,301	23,465
Fundraising expense	-	-	39,838	39,838	-	-	35,122	35,122
Participant career clothing	39,332	-	-	39,332	40,823	-	-	40,823
Employee benefits	20,000	2,500	2,500	25,000	-	-	-	-
Depreciation expense	17,324	2,166	2,166	21,656	14,908	1,863	1,863	18,634
Staff travel	6,976	8,051	-	15,027	13,166	1,075	-	14,241
Insurance	10,726	1,341	1,341	13,408	9,242	1,155	1,155	11,552
Graduate services	10,260	-	-	10,260	8,277	-	-	8,277
Repair and maintenance	5,678	710	710	7,098	1,815	227	227	2,269
Participant transportation assistance	7,035	-	-	7,035	3,150	-	-	3,150
Participant recognition events	5,072	-	-	5,072	5,468	-	-	5,468
GED instruction	3,611	-	-	3,611	4,727	-	-	4,727
Bad debt expense	-	-	550	550	-	-	8,225	8,225
Substance abuse evaluation and collaborative treatment	440	-	-	440	450	-	-	450
Miscellaneous expense	-	-	-	-	-	671	-	671
	\$ 2,155,697	\$ 211,646	\$ 225,346	\$ 2,592,689	\$ 2,194,020	\$ 200,364	\$ 225,397	\$ 2,619,781