Changing a family's Story

Climb WYOMING

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2023

CLIMB D/B/A CLIMB WYOMING

FINANCIAL REPORT

SEPTEMBER 30, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Climb d/b/a Climb Wyoming (the Organization), which comprise the Statements of Financial Position as of September 30, 2023 and 2022, the related Statements of Activities, Functional Expenses, and Cash Flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of September 30, 2023 and 2022, 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 (GAAP).

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter
As discussed in Note 1 to the financial statements, effective October 1, 2022, the Organization adopted new accounting guidance for leases based on the provisions of Accounting Standards Codification Topic 842, *Leases*, which require lessees to recognize right-of-use lease assets and corresponding lease liabilities for any leases with terms greater than 12 months. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal-control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we issued a separate report dated January 31, 2024 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. That report was issued under a separate cover. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming
January 31, 2024

CLIMB D/B/A CLIMB WYOMING

STATEMENTS OF FINANCIAL POSITION
September 30, 2023 and 2022

		2023		2022
ASSETS				
Current Assets				
Cash and cash equivalents	$	839,064	$	2,774,701
Certificates of deposit		1,040,744		131,391
Grants receivable		508,676		655,610
Contract and other receivables		6,628		286
Pledges receivable, net of doubtful accounts (2023 $11,112; 2022 $20,823) (Notes 1 and 2)		425,037		618,439
Prepaid contracted services		92,585		23,325
Prepaid rent and insurance		17,602		16,774
		2,930,336		4,220,526
Noncurrent Assets				
Investments (Note 4)		3,411,216		2,096,825
Cash held for permanent endowment (Note 3)		6,290		14,243
Investments held for permanent endowment (Notes 3 and 4)		1,221,315		1,068,181
Pledges receivable, net of discount (Note 1)		23,950		30,819
Furniture and equipment, net of accumulated depreciation (2023 $133,448; 2022 $119,605)		36,260		50,103
Right-of-use lease assets, net of accumulated amortization (Note 6)		446,428		-
		5,145,459		3,260,171
Total assets	$	8,075,795	$	7,480,697
LIABILITIES AND NET ASSETS				
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	$	171,493	$	89,742
Deferred revenue		12,714		55,720
Right-of-use lease liabilities (Note 6)		280,064		-
Total current liabilities		464,271		145,462
Right-of-use lease liabilities (Note 6)		174,661		-
Total liabilities		638,932		145,462
Net Assets				
Without donor restrictions		5,472,305		5,469,658
With donor restrictions (Note 3):				
Subject to the passage of time or expenditure for specified purpose		736,953		783,153
Endowment funds:				
Original gifts (corpus)		789,511		784,511
Accumulated endowment earnings		438,094		297,913
Total endowment funds		1,227,605		1,082,424
Total net assets with donor restrictions		1,964,558		1,865,577
Total net assets		7,436,863		7,335,235
Total liabilities and net assets	$	8,075,795	$	7,480,697

See Notes to Financial Statements.

CLIMB D/B/A CLIMB WYOMING

STATEMENTS OF ACTIVITIES
Years Ended September 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Additions to Net Assets						
Federal grant revenue	**$ 4,590,905**	**$ -**	**$ 4,590,905**	$ 4,171,287	$ -	$ 4,171,287
Individual and corporate donation income (Note 2)	**1,162,400**	**561,557**	**1,723,957**	1,197,684	576,549	1,774,233
Foundation and corporate grant revenue	**180,000**	**36,015**	**216,015**	155,000	94,438	249,438
State and local grant revenue	**143,452**	**-**	**143,452**	146,120	-	146,120
Contracted service income	**-**	**-**	**-**	357,910	-	357,910
Realized and unrealized gains (losses) on investments	**236,224**	**136,592**	**372,816**	(350,038)	(244,713)	(594,751)
Interest income	**57,630**	**21,082**	**78,712**	28,499	16,482	44,981
Miscellaneous income (Note 9)	**9,169**	**24**	**9,193**	509,309	7,749	517,058
	6,379,780	**755,270**	**7,135,050**	6,215,771	450,505	6,666,276
Net assets released from restrictions (Note 3)	**656,289**	**(656,289)**	**-**	639,456	(639,456)	-
Total revenue and additions to net assets	**7,036,069**	**98,981**	**7,135,050**	6,855,227	(188,951)	6,666,276
Expenses and Reductions in Net Assets (Notes 2, 6 and 11)						
Program services	**5,854,224**	**-**	**5,854,224**	4,787,965	-	4,787,965
Management and support	**577,997**	**-**	**577,997**	635,333	-	635,333
Fundraising	**601,201**	**-**	**601,201**	474,490	-	474,490
Total expenses and reductions in net assets	**7,033,422**	**-**	**7,033,422**	5,897,788	-	5,897,788
Net increase (decrease) in net assets	**2,647**	**98,981**	**101,628**	957,439	(188,951)	768,488
Net Assets, beginning of year	**5,469,658**	**1,865,577**	**7,335,235**	4,512,219	2,054,528	6,566,747
Net Assets, end of year	**$ 5,472,305**	**$ 1,964,558**	**$ 7,436,863**	$ 5,469,658	$ 1,865,577	$ 7,335,235

See Notes to Financial Statements.

CLIMB D/B/A CLIMB WYOMING

STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended September 30, 2023 and 2022

	2023				2022			
	Program Services	Management and Support	Fundraising	Total	Program Services	Management and Support	Fundraising	Total
Bad debt expense	$ -	$ -	$ 9,440	$ 9,440	$ -	$ -	$ -	$ -
Contracted services	440,732	69,894	123,492	634,118	505,920	52,370	21,374	579,664
Depreciation expense	11,490	1,107	1,246	13,843	12,469	1,693	1,232	15,394
Employee health and retirement benefits	195,887	50,209	31,498	277,594	175,165	53,002	21,516	249,683
Employer payroll taxes	148,503	29,656	21,196	199,355	138,674	29,384	23,858	191,916
Events and mailing	-	-	86,503	86,503	108	68	52,585	52,761
Facility	475,530	45,640	37,366	558,536	374,512	98,355	33,181	506,048
GED instruction	40	-	-	40	311	-	-	311
Graduate services	8,644	-	-	8,644	6,091	-	-	6,091
Insurance	24,600	4,007	4,102	32,709	23,500	3,356	2,154	29,010
Mental health provider	611,268	-	-	611,268	429,879	-	-	429,879
Office supplies	34,884	9,212	7,402	51,498	48,052	13,553	6,987	68,592
Participant and employer recruitment	539,857	216	180	540,253	339,101	-	150	339,251
Participant career clothing	70,271	-	-	70,271	46,043	-	-	46,043
Participant group life skills training	207,671	-	114	207,785	148,391	-	-	148,391
Participant incentives	177,765	-	-	177,765	122,296	-	-	122,296
Participant license and certification	5,147	-	-	5,147	18,792	-	-	18,792
Participant recognition events	11,027	-	-	11,027	7,872	-	-	7,872
Participant screenings	8,534	-	-	8,534	9,393	-	-	9,393
Participant transportation assistance	21,484	-	-	21,484	14,136	-	-	14,136
Participant tuition	526,660	-	-	526,660	274,221	-	-	274,221
Participant wage reimbursement	248,099	-	-	248,099	220,131	-	-	220,131
Program coordination and salary	1,736,423	352,701	251,767	2,340,891	1,640,770	360,275	277,543	2,278,588
Staff development and training	249,568	15,091	21,140	285,799	181,987	21,159	24,164	227,310
Staff travel	100,140	264	5,755	106,159	50,151	2,118	9,746	62,015
	$ 5,854,224	$ 577,997	$ 601,201	$ 7,033,422	$ 4,787,965	$ 635,333	$ 474,490	$ 5,897,788

See Notes to Financial Statements.

CLIMB D/B/A CLIMB WYOMING

STATEMENTS OF CASH FLOWS
Years Ended September 30, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities		
Net increase in net assets	$ 101,628	$ 768,488
Adjustments to reconcile net increase in net assets to net cash provided by operating activities:		
Depreciation	13,843	15,394
Noncash operating lease expense	264,277	-
(Gain) on extinguishment of debt	-	(500,000)
Realized and unrealized (gain) loss on investments held for endowment	(111,578)	214,514
Realized and unrealized (gain) loss on investments	(261,237)	380,237
Contributions received for endowment purposes	(5,000)	-
Changes in operating assets and liabilities:		
Prepaid expenses	(70,088)	(20,185)
Receivables	340,863	251,146
Accounts payable and accrued expenses	81,751	21,869
Deferred revenue	(43,006)	(147,092)
Operating lease liabilities	(255,980)	-
Net cash provided by operating activities	55,473	984,371
Cash Flows From Investing Activities		
Purchase of investments - permanent endowment	(294,507)	(241,426)
Purchase of investments	(2,406,864)	(1,250,716)
Sale of investments - permanent endowment	252,951	231,608
Sale of investments	1,353,710	541,926
Redemption of certificates of deposit	131,390	209,429
Purchase of certificates of deposit	(1,040,743)	-
Net cash (used in) investing activities	(2,004,063)	(509,179)
Cash Flows From Financing Activities		
Contributions restricted for endowment purposes	5,000	-
Net cash provided by financing activities	5,000	-
Change in cash and cash equivalents	(1,943,590)	475,192
Cash and Cash Equivalents, beginning of year	2,788,944	2,313,752
Cash and Cash Equivalents, end of year	$ 845,354	$ 2,788,944
Supplemental Schedule of Noncash Operating Activities		
Initial recognition of right-of-use lease asset and lease liability	$ 710,705	$ -

See Notes to Financial Statements.

Note 1. Nature of Business and Summary of Significant Accounting Policies

Nature of business: Climb d/b/a Climb Wyoming (the Organization) is a not-for-profit corporation that 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.

A summary of significant accounting policies follows:

Basis of accounting: The Organization conforms to accounting principles generally accepted in the United States of America, as applicable to not-for-profit entities. Revenue is recognized when earned, and expenses are recorded when incurred.

Financial statement presentation: The Organization has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*, as the basis of presentation of its financial statements. This Topic establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into two net asset categories:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors (the Board). These also include Board-designated or -appropriated amounts.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; these restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds must be maintained in perpetuity.

ASC Topic 958 also requires the Organization to distinguish between contributions received for each net asset category in accordance with donor-imposed conditions.

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

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 U.S. Federal, state, or local tax authorities except for the last three years filed.

Cash and cash equivalents: For purposes of reporting cash flows, the Organization considers all demand deposits, money market accounts, and highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Note 1. Nature of Business and Summary of Significant Accounting Policies, *Continued*

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

Certificates of deposit: Certificates of deposit (non-negotiable) are carried at cost plus accrued interest.

Pledges receivable: Pledges receivable represent 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, 2023 and 2022. Amortization of the discount is included in donation income. The unamortized discount was $9,550 and $20,481 as of September 30, 2023 and 2022, respectively.

Gross pledges receivable, prior to the discount and allowance for doubtful accounts, as of September 30 are due during the following periods:

	2023	2022
Less than one year	**$ 436,149**	$ 639,262
One to five years	**33,500**	51,300
	$ 469,649	$ 690,562

Investments: The Organization accounts for its investments under ASC Topic 958. Under this Topic, investments in marketable securities with readily determinable fair values are valued at their fair 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. The investment portfolio disclosed in Note 4 is diversified among major industry sectors.

Depreciation: It is the Organization's policy to capitalize property and equipment over $3,000 with a useful life of at least three years. Furniture and equipment are stated at cost at the date of acquisition or, in the case of gifts, at the acquisition value at the date of donation. Depreciation on furniture and equipment is calculated using the straight-line method. Furniture and equipment are depreciated over their useful lives of three to seven years. Expenditures for repairs and maintenance are expensed when incurred.

Revenue recognition: The Organization recognizes revenue in accordance with ASC Topic 958 and FASB ASC Topic 606, *Revenue From Contracts With Customers*. Accordingly, the Organization evaluates whether a transfer of assets is (1) an exchange transaction, in which a resource provider is receiving commensurate value in return for the resources transferred, or (2) a contribution.

Note 1. Nature of Business and Summary of Significant Accounting Policies, *Continued*

Exchange transactions: If the transfer of assets is determined to be an exchange transaction, the Organization applies guidance under ASC Topic 606, which provides a five-step model for recognizing revenue from contracts with customers, as follows:

1. Identify the contract with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognize revenue when or as performance obligations are satisfied

Contracted service income: Contracted service income is recognized in accordance with ASC Topic 606. Specifically, contracted service income is recognized in the period the contracted service (performance obligation) is provided and per the terms of the individual agreements/contracts. Revenue is recorded at the transaction price, which includes fixed consideration, and is generally recognized at a point in time. Certain contracts have more than one performance obligation. Revenue related to these contracts is recognized over time as each performance obligation is satisfied. For the year ended September 30, 2023, there was no contracted service income.

Contributions: If the transfer of assets is determined to be a contribution, ASC Topic 958 applies. Under this Topic, the Organization evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Organization is entitled to the assets transferred and promised, and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

Grant revenue (Federal, state, local, foundation and corporate): The Organization recognizes grant revenue in accordance with ASC Topic 958. Grants received are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses and are recognized as costs are incurred. Grant revenue is deferred when amounts received from grant and contract sponsors have not yet been earned under the terms of the agreement. 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.

Individual and corporate donation income: The Organization recognizes contribution income in accordance with ASC Topic 958. Unconditional promises to give are recognized as revenue or a gain in the period received and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Depending on the existence or nature of any donor restrictions, unconditional contributions received are recorded as increases in net assets with donor restrictions or net assets without donor restrictions. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and promises become unconditional. There were no conditional promises to give received by the Organization during the years ended September 30, 2023 or 2022.

Note 1. Nature of Business and Summary of Significant Accounting Policies, *Continued*

Leases: The Organization determines if a contract contains a lease at inception. Generally, the lease term is the minimum of the noncancelable period of the lease, inclusive of renewal periods that the Organization is reasonably certain to exercise. The Organization recognizes a right-of-use (ROU) asset and lease liability for each lease with a contractual term greater than 12 months at the time of lease inception. The Organization does not record leases with an initial term of 12 months or less on the Statement of Financial Position but continues to record rent expense on a straight-line basis over the lease term.

Lease assets and liabilities are recognized at the lease commencement date, which is the date the Organization controls the use of the property. Lease liabilities represent the present value of lease payments not yet paid. The Organization did not make the policy election to combine lease and nonlease components. As such, common area maintenance payments are not part of future lease payments. The Organization uses a risk-free rate as the discount rate for its leases.

ROU assets represent the Organization's right to use an underlying asset and are based upon the lease liabilities adjusted for prepayments, initial direct costs, and the impairment of ROU assets, as applicable.

The Organization's real estate operating leases typically include fixed rent escalations over the term of each lease. Operating lease expense is recognized on a straight-line basis over the lease term.

The Organization (a) does not have lease agreements that contain any material residual value guarantees or material restrictive covenants, (b) has not currently entered into any leases with related parties, (c) does not have any leases in which it acts as the lessor, and (d) is not party to any subleasing arrangements.

Functional allocation of expenses: The costs of providing program and supporting services have been reported on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited based on management's estimate of the relative attention and effort exerted toward specific functional areas.

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 31, 2024, the date the financial statements were available to be issued.

Note 2. Related-Party Transactions

The Organization contracted with related parties for office space in the amount of $0 and $27,486 during the years ended September 30, 2023 and 2022, respectively. The Organization received donations from related parties totaling $227,316 and $99,279 during the years ended September 30, 2023 and 2022, respectively, and had pledges receivable from related parties totaling $85,341 and $28,460 at September 30, 2023 and 2022, respectively.

Note 3. Restricted Funds and Endowments

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 released from restrictions: 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 $656,289 and $639,456 during the years ended September 30, 2023 and 2022, respectively.

Net assets with donor restrictions: Donor-restricted net assets are available for the following purposes or periods as of September 30:

	2023			
	Endowment Corpus	**Endowment Accumulated Earnings**	**Other Donor Restrictions**	**Total**
Long-term operations	**$ 655,300**	**$ 382,139**	**$ -**	**$ 1,037,439**
Locations	**134,211**	**55,955**	**736,016**	**926,182**
Organization activities other than personnel-related expenses	**-**	**-**	**937**	**937**
	$ 789,511	**$ 438,094**	**$ 736,953**	**$ 1,964,558**

	2022			
	Endowment Corpus	Endowment Accumulated Earnings	Other Donor Restrictions	Total
Long-term operations	$ 650,300	$ 262,945	$ -	$ 913,245
Locations	134,211	34,968	704,040	873,219
Organization activities other than personnel-related expenses	-	-	79,113	79,113
	$ 784,511	$ 297,913	$ 783,153	$ 1,865,577

Endowments: As of September 30, 2023 and 2022, the Organization had received donor-restricted endowments totaling $1,227,605 and $1,082,424, respectively, which are classified within net assets with donor restrictions. As of September 30, 2023 and 2022, $6,290 and $14,243, respectively, of these permanent endowment funds are temporarily being held as cash until suitable investment opportunities are identified, and the remaining $1,221,315 and $1,068,181, respectively, have been invested in equity and debt securities, mutual funds, and U.S. Treasury securities. 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.

Note 3. Restricted Funds and Endowments, *Continued*

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

	2023		
	Without Restrictions	**With Restrictions**	**Total**
Endowment net assets, beginning of year	**$ -**	**$ 1,082,424**	**$ 1,082,424**
Contribution	**-**	**5,000**	**5,000**
Investment return:			
Investment income, net	**-**	**140,181**	**140,181**
Endowment net assets, end of year	**$ -**	**$ 1,227,605**	**$ 1,227,605**

	2022		
	Without Restrictions	With Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 1,282,560	$ 1,282,560
Investment return:			
Investment (loss), net	-	(200,136)	(200,136)
Endowment net assets, end of year	$ -	$ 1,082,424	$ 1,082,424

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 fund, absent any explicit donor stipulation to the contrary.

As a result of this interpretation, the Organization classifies donor-restricted net assets as: (a) the original value of 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. 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.

Note 3. Restricted Funds and Endowments, *Continued*

Funds with deficiencies: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to maintain as a fund of perpetual duration. These deficiencies would be a result of unfavorable market fluctuations that occur shortly after the investment of new donor-restricted endowment contributions and the continued appropriation for certain programs that are deemed prudent by the Board. There were no deficiencies of this nature as of September 30, 2023 or 2022.

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 Organization invests in a professionally managed portfolio. Such investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

Accounting principles generally accepted in the United States of America require assets and liabilities carried at fair value to 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 asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Level 2 valuations are based on quoted market prices for identical assets in less-than-active markets.

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

Note 4. Investments, *Continued*

The costs and fair values of marketable securities are as follows at September 30:

	2023		2022	
	Cost	**Fair Value**	Cost	Fair Value
Equity securities (exchange-traded funds and index funds)	**$ 2,989,670**	**$ 3,113,880**	$ 2,981,692	$ 2,753,863
U.S. Treasury securities	**1,220,786**	**1,233,723**	306,969	303,419
Mutual funds	**38,300**	**34,328**	113,865	107,724
Money market funds	**250,600**	**250,600**	-	-
Total marketable securities	**$ 4,499,356**	**$ 4,632,531**	$ 3,402,526	$ 3,165,006

The Organization's investment portfolio is subject to concentration of credit risk. At September 30, 2023, there was one investment totaling $529,831 where the individual investment was greater than or equal to 10% of the fair value of the investment portfolio. At September 30, 2022, there was one investment totaling $553,609 where the individual investment was greater than or equal to 10% of the fair value of the investment portfolio.

Note 5. Economic Dependence

During the years ended September 30, 2023 and 2022, the Organization was highly dependent on grant revenue and contracted service income received from the State of Wyoming through grants and contracts provided by the Department of Family Services. Revenue from this source accounted for approximately 59% and 58% of total revenue for the years ended September 30, 2023 and 2022, respectively.

Note 6. Lease Commitments

The Organization leases land for office space and office equipment under leases that have extension terms ranging from two to three years.

Operating lease cost is recognized on a straight-line basis over the lease term. The components of lease cost for the year ended September 30, 2023 are as follows:

Operating lease cost	$ 294,637
Short-term lease cost	129,508
Total lease cost	$ 424,145

Rental expense associated with leases for the year ended September 30, 2022 was $400,209.

Note 6. Lease Commitments, *Continued*

Supplemental cash flow and noncash information related to leases for the year ended September 30, 2023 is as follows:

Cash paid for amounts included in the measurement of the lease liabilities:		
Operating cash flows from operating leases	$	286,340
ROU assets obtained in exchange for lease obligations:		
Operating lease liabilities	$	710,705

Supplemental information related to leases for the year ended September 30, 2023 is as follows:

Weighted-average remaining lease term (years):		
Operating leases		1.57
Weighted-average discount rate:		
Operating leases		5.21%
Supplemental Balance Sheet Information:		
Operating lease ROU assets	$	446,428

The Organization's lease term expirations range from December 2024 through November 2025, and the future minimum rental payments for noncancelable leases as of September 30, 2023 are as follows:

		Operating Leases
Years ending September 30:		
2024	$	294,637
2025		162,610
2026		12,274
Total minimum payments		469,521
Less interest		14,796
Present value of minimum lease payments	$	454,725

Note 7. Liquidity and Availability of Financial Assets

The Organization has a goal to maintain financial assets, consisting of cash and cash equivalents, certificates of deposit, and current receivables, that are sufficient to meet the normal operating expenses for one year. The following reflects the Organization's financial assets as of the Statement of Financial Position dates, reduced by amounts not available for general use within one year of the Statement of Financial Position dates because of donor-imposed restrictions. Amounts available include amounts determined to be used for restricted purposes only, as established by the endowments. The Board has set a policy regarding its level of reserves and evaluates this policy on an annual basis.

The Organization's financial assets available for general expenditures within one year of the Statement of Financial Position dates are as follows:

	2023	2022
Cash and cash equivalents	**$ 839,064**	$ 2,774,701
Certificates of deposit	**1,040,744**	131,391
Grants receivable	**508,676**	655,610
Contract and other receivables	**6,628**	286
Current portion of pledges receivable	**425,037**	618,439
Total financial assets	**2,820,149**	4,180,427
Less net assets with donor restrictions	**736,953**	783,153
Financial assets available to meet cash needs for general expenditures within one year	**$ 2,083,196**	$ 3,397,274

Note 8. Recently Issued Accounting Pronouncements

Adopted: In February 2016, the FASB issued ASC Topic 842, *Leases*, to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their Statements of Financial Position as an operating lease asset, representing the right to use an underlying asset, and a lease liability, representing the obligation to make lease payments over the lease term, measured on a discounted basis. ASC Topic 842 also requires the additional disclosure of key quantitative and qualitative information for leasing arrangements.

Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in FASB ASC Topic 840, *Leases*) and operating leases, with the classification affecting the pattern of expense recognition in the Statements of Activities. The Organization adopted ASC Topic 842 on October 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period financial statements. Under this transition provision, the Organization has applied ASC Topic 842 to reporting periods beginning on October 1, 2022, while prior periods continue to be reported and disclosed in accordance with the Organization's historical accounting treatment under ASC Topic 840.

Note 8. Recently Issued Accounting Pronouncements, *Continued*

The Organization elected the package of practical expedients under the transition guidance within ASC Topic 842 in which the Organization did not reassess (a) the historical lease classification; (b) whether any existing contracts at transition were, or contained, leases; or (3) the initial direct costs for any existing leases. The Organization also elected to adopt the hindsight practical expedient.

Note 9. Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

During March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The pandemic has impacted, and continues to significantly impact, the economic conditions in the U.S. as Federal, state and local governments react to the public health crisis, and has created significant uncertainties in the U.S. economy. It is unknown how long the adverse economic conditions associated with the coronavirus will last and what the complete financial effect will be, if any, on the Organization.

On March 27, 2020, the CARES Act was enacted to, among other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic, including the Paycheck Protection Program (PPP) implemented by the U.S. Small Business Administration (SBA).

On December 21, 2020, Congress passed the Consolidated Appropriations Act of 2021, which provided additional funding for the PPP. This additional funding was used to (a) re-open the PPP for first-draw loans and (b) allow certain borrowers to apply for a second draw of PPP funding (PPP2).

Due to economic uncertainty and in order to retain its workforce, the Organization applied for and received the following assistance:

PPP2 loan: On March 30, 2021, the Organization obtained a PPP2 loan in the amount of $500,000, which is accounted for under FASB ASC Topic 470, *Debt*. The loan accrued interest at a rate of 1.00% and was unsecured. The Organization applied for loan forgiveness, which was approved in full by the SBA on November 8, 2021. The amount forgiven, which comprised the loan principal and accrued interest, is included in miscellaneous income, as reported on the Statement of Activities, and does not constitute Federal taxable income.

Note 10. Subsequent Event

In October 2023, the Organization was informed of and received a significant contribution in the amount of $500,000. This contribution will be donor-restricted based on the stipulations of the donation.

Note 11. Employee Benefit Plan

The Organization maintains a 403(b) savings plan covering eligible employees. The plan allows the Organization to make discretionary non-elective contributions (3%) of each eligible employee's salary. The participants are fully vested in the Organization's discretionary contributions when made. The Organization contributed $58,460 and $56,771 in the years ended September 30, 2023 and 2022, respectively.