

WYMAN CENTER, INC.
AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

Year Ended December 31, 2017
(With Comparative Totals for 2016)

WYMAN CENTER, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Wyman Center, Inc.

We have audited the accompanying financial statements of Wyman Center, Inc. (a not-for-profit corporation), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, and cash flows for the year 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 the 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 audit. We conducted our audit 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 from 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 entity'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 entity'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 Wyman Center, Inc. as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Wyman Center, Inc.'s financial statements for the year ended December 31, 2016, and our report dated June 8, 2017, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

UHY LLP

St. Louis, Missouri
June 25, 2018

WYMAN CENTER, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2017 (With Comparative Totals for 2016)

	<u>December 31,</u>	
	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 700,173	\$ 382,500
Investments	526,878	1,100,417
Accounts receivable	148,138	276,927
Unconditional promises-to-give	1,364,959	1,278,295
Inventories	10,559	7,095
Prepaid expenses	<u>75,050</u>	<u>93,289</u>
Total current assets	2,825,757	3,138,523
UNCONDITIONAL PROMISES-TO-GIVE	1,180,314	565,624
PROPERTY AND EQUIPMENT	5,249,072	5,415,815
INTANGIBLE ASSETS	21,081	23,058
BENEFICIAL INTEREST IN THIRD-PARTY TRUST	131,147	120,147
ASSETS RESTRICTED FOR PERMANENT INVESTMENT	<u>2,265,965</u>	<u>2,205,965</u>
Total assets	<u>\$ 11,673,336</u>	<u>\$ 11,469,132</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Line of credit	\$ 331,818	\$ 119,572
Current maturities of long-term debt	180,533	173,603
Accounts payable	71,303	89,043
Accrued expenses	159,379	153,709
Deferred revenue	<u>100,868</u>	<u>80,515</u>
Total current liabilities	843,901	616,442
LONG-TERM DEBT	<u>1,094,498</u>	<u>1,274,993</u>
Total liabilities	<u>1,938,399</u>	<u>1,891,435</u>
NET ASSETS		
Unrestricted		
Board designated endowment for program scholarships	1,519,589	1,519,589
Undesignated - available for operations	<u>1,234,451</u>	<u>2,021,253</u>
	2,754,040	3,540,842
Temporarily restricted	4,583,785	3,710,743
Permanently restricted	<u>2,397,112</u>	<u>2,326,112</u>
Total net assets	<u>9,734,937</u>	<u>9,577,697</u>
Total liabilities and net assets	<u>\$ 11,673,336</u>	<u>\$ 11,469,132</u>

See notes to financial statements.

WYMAN CENTER, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2017 (With Comparative Totals for 2016)

	Years Ended December 31,				2016
	2017			Total	
	Unrestricted	Temporarily Restricted	Permanently Restricted		
PUBLIC SUPPORT AND REVENUES					
Public Support					
Grants and contributions					
United Way services funding	\$ -	\$ 656,545	\$ -	\$ 656,545	\$ 631,545
Missouri Youth Opportunity Program	102,193	-	-	102,193	278,008
In-kind contributions	130,235	-	-	130,235	123,750
InspireSTL net contribution	-	-	-	-	143,606
Charitable gift annuity contribution	-	-	-	-	54,722
Other grants and contributions	1,536,901	2,271,358	71,000	3,879,259	2,905,894
Total grants and contributions	<u>1,769,329</u>	<u>2,927,903</u>	<u>71,000</u>	<u>4,768,232</u>	<u>4,137,525</u>
Special events					
Contributions, including donated materials of \$650 and \$7,198, respectively	294,315	-	-	294,315	439,300
Revenues	43,680	-	-	43,680	59,520
Direct expenses	(150,397)	-	-	(150,397)	(154,546)
Total special events	<u>187,598</u>	<u>-</u>	<u>-</u>	<u>187,598</u>	<u>344,274</u>
Assets released from restrictions	2,338,218	(2,338,218)	-	-	-
Total public support	<u>4,295,145</u>	<u>589,685</u>	<u>71,000</u>	<u>4,955,830</u>	<u>4,481,799</u>
Revenues					
Investment income (loss)					
Interest and dividends	27,389	39,356	-	66,745	74,963
Realized (loss) gain on sale of investments	81,577	118,249	-	199,826	(1,953)
Unrealized (loss) gain on investments	79,160	114,752	-	193,912	181,944
Total investment income	<u>188,126</u>	<u>272,357</u>	<u>-</u>	<u>460,483</u>	<u>254,954</u>
Program fees	2,537,412	-	-	2,537,412	3,097,168
Change in value of beneficial interest in third-party trust	-	10,756	-	10,756	9,896
Gain (loss) on annuity	-	244	-	244	(9,652)
Miscellaneous income	158,243	-	-	158,243	15,456
Total revenues	<u>2,883,781</u>	<u>283,357</u>	<u>-</u>	<u>3,167,138</u>	<u>3,367,822</u>
Total public support and revenues	<u>7,178,926</u>	<u>873,042</u>	<u>71,000</u>	<u>8,122,968</u>	<u>7,849,621</u>
EXPENSES					
Program services	7,349,415	-	-	7,349,415	7,098,865
Supporting services					
Management and general	161,192	-	-	161,192	233,536
Fundraising	455,121	-	-	455,121	393,442
Total expenses	<u>7,965,728</u>	<u>-</u>	<u>-</u>	<u>7,965,728</u>	<u>7,725,843</u>
CHANGES IN NET ASSETS	(786,802)	873,042	71,000	157,240	123,778
NET ASSETS, Beginning	<u>3,540,842</u>	<u>3,710,743</u>	<u>2,326,112</u>	<u>9,577,697</u>	<u>9,453,919</u>
NET ASSETS, Ending	<u>\$ 2,754,040</u>	<u>\$ 4,583,785</u>	<u>\$ 2,397,112</u>	<u>\$ 9,734,937</u>	<u>\$ 9,577,697</u>

See notes to financial statements.

WYMAN CENTER, INC.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2017 (With Comparative Totals for 2016)

	<u>Years Ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
OPERATING ACTIVITIES		
Changes in net assets	\$ 157,240	\$ 123,778
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	232,243	232,243
Permanently restricted contributions	(71,000)	(26,000)
Realized loss (gain) on sale of investments	(199,826)	1,953
Unrealized gain on investments	(193,912)	(181,944)
Changes in beneficial interest in third-party trust	(10,756)	(9,896)
(Gain) loss on annuity	(244)	9,652
Gain on disposal of property and equipment	(121,985)	-
Provision for bad debts	10,500	71,241
Changes in		
Accounts receivable	118,289	(93,357)
Unconditional promises-to-give	(701,354)	61,345
Inventories	(3,464)	1,904
Prepaid expenses	18,239	(47,285)
Accounts payable	(17,740)	(53,750)
Accrued expenses	5,670	38,665
Deferred revenue	20,353	(43,093)
Annuity payable	-	(54,722)
Net cash provided (used) by operating activities	<u>(757,747)</u>	<u>30,734</u>
INVESTING ACTIVITIES		
Purchases of investments	(1,421,935)	(1,354,712)
Proceeds from sale of investments	2,329,212	2,097,832
Purchases of property and equipment	(101,301)	(316,401)
Proceeds from disposal of property and equipment	159,763	-
Net cash provided by investing activities	<u>965,739</u>	<u>426,719</u>
FINANCING ACTIVITIES		
Proceeds (payments) on line of credit	212,246	(469,000)
Proceeds from contributions restricted for endowment	71,000	26,000
Payments on long-term debt	(173,565)	(167,969)
Net cash provided (used) by financing activities	<u>109,681</u>	<u>(610,969)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	317,673	(153,516)
CASH AND CASH EQUIVALENTS, Beginning	<u>382,500</u>	<u>536,016</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 700,173</u>	<u>\$ 382,500</u>
SUPPLEMENTAL DISCLOSURES		
Interest paid	<u>\$ 91,400</u>	<u>\$ 93,828</u>

See notes to financial statements.

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 (With Comparative Totals for 2016)

NOTE 1 — HISTORY AND BUSINESS ACTIVITY

Wyman Center, Inc. (Wyman), formed in 1898, is a St. Louis County, Missouri, based national not-for-profit expert in developing teens. Wyman has been dedicated to serving youth from disadvantaged circumstances for more than a century. Wyman empowers teens, equips adults and strengthens systems. Wyman's engaging, empowering and experiential programs and services help teens build skills, develop a sense of self, and make connections to their world. As a result, teens achieve educational success, develop healthy behaviors and relationships, and exhibit life and leadership skills. From thousands of teens in St. Louis - to tens of thousands nationally - Wyman programs and services make a difference in the lives of today's teens and tomorrow's leaders.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding Wyman's financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America.

Comparative Totals

The financial statements include certain summarized comparative information in total but not by net asset class for the year ended December 31, 2016. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Wyman's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

Use of Estimates

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

Description of Programs and Supporting Services

The following programs and supporting services are included in the accompanying financial statements:

Program Services

Wyman's Teen Leadership Program (TLP)

Wyman's Teen Leadership Program (TLP) boosts teens' tenacity through a six-year course of leadership experiences, and college access and persistence programming, which begin the summer after eighth grade. Wyman coaches help teens identify their values, talents and interests, and explore aligned career paths. Teens participate in college tours, more than 40 hours of community service annually, and work with coaches to apply for college or other postsecondary options, and succeed in their paths after high school.

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 (With Comparative Totals for 2016)

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Description of Programs and Supporting Services (Continued)

Program Services (Continued)

Wyman's Teen Outreach Program® (TOP®)

Wyman's Teen Outreach Program® TOP® empowers teens from sixth through twelfth grade with the tools and opportunities needed to build a foundation of healthy behaviors, life skills and a sense of purpose, and avoid risky behaviors that can derail success. Caring and highly trained adult facilitators guide students through a unique combination of engaging curriculum and experiential community service that helps teens build strengths and hone social emotional skills proven to bolster success later in life. These skills include emotion management, empathy, teamwork, responsibility, initiative and problem solving. TOP is offered in-school, afterschool and within community-based organizations.

InspireSTL

InspireSTL provides high-potential scholars from the City of St. Louis with rigorous academic preparation to help them emerge as next-generation leaders. Scholars are placed into college preparatory high schools. The program begins the summer after seventh grade, lasts through college, and includes securing financial aid, tutoring, coaching, ACT prep, and providing financial resources for books, uniforms, tuition and more, when needed. The majority of these teens are first-generation college students.

Experience Wyman/Vended Services

Wyman's Vended Services operations serve as the social entrepreneurial arm of the organization. Based in Eureka, Mo., the site hosts outdoor education camps that incorporate science, environmental education and team-building activities, adult and youth retreats and more. Wyman's staff create custom-built experiences designed to help groups of all kinds learn to embrace challenges, go beyond the expected, and realize their potential. All proceeds generated from a "Wyman experience" directly support Wyman's mission to enable teens to lead successful lives and build strong communities.

Supporting Services

Management and General

Includes those expenditures necessary to maintain an equitable employment program, ensure an adequate working environment, provide coordination and articulation of Wyman's program strategy, secure proper administrative functioning of the Board, maintain competent legal services for the program administration of Wyman, and manage the financial and budgetary responsibilities of Wyman.

Fundraising

Provides the structure necessary to encourage and secure private financial support from individuals, organizations, and corporations in the form of gifts, as well as fundraising events

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 (With Comparative Totals for 2016)

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less. These accounts include interest bearing demand deposit and money market accounts. For cash flow purposes, Wyman converts all unrestricted donations of stock immediately to cash.

Wyman from time to time during the year may have bank balances in excess of its insured limits. Management has deemed this as normal business risk.

Investments and Assets Restricted for Permanent Investment

Investments and assets restricted for permanent investment are reported at fair value based on quoted market prices and are subject to the inherent risk of volatility in the market. Unrealized gains and losses are included as changes in net assets.

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Wyman determines the fair values of its financial instruments based on the fair value hierarchy established which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

Financial instruments are considered Level 1 when valuation can be based on quoted prices in active markets for identical assets or liabilities. Level 2 financial instruments are valued using quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data of substantially the full term of the assets or liabilities. Financial instruments are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable and when determination of the fair value requires significant management judgment or estimation.

Accounts Receivable and Unconditional Promises-to-Give

Accounts receivable and unconditional promises-to-give are stated at the amount management expects to collect from balances outstanding at year end based on management's assessment of the credit history with customers, donors having outstanding balances, and current relationships with them. Unconditional promises-to-give consist of pledge donations from various corporations, foundations, and individuals. Many of these donations have been restricted by time and use for facility needs. Unconditional promises-to-give are recognized as support in the period the promises are received. Accounts receivable and unconditional promises-to-give are recorded net of an allowance for doubtful accounts of \$-0- as of December 31, 2017 and 2016.

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 (With Comparative Totals for 2016)

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

Inventories consist of program curriculum and assessments and are valued at cost.

Property and Equipment

Property and equipment are recorded at cost if purchased or at fair value at date of donation if donated, net of accumulated depreciation. Wyman capitalizes individual assets greater than \$1,500. Significant repairs that extend the life of an asset are capitalized; all other repairs are charged to expense as incurred.

Depreciation of property and equipment is provided on a straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and Improvements	5 - 50
Vehicles	3 - 7
Furniture and Equipment	3 - 10

Asset Impairment Assessments

Wyman reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying value of such assets may not be fully recoverable. Impairment is recognized to the extent that the sum of undiscounted estimated future cash flows expected to result from use of the assets is less than carrying value. If impairment is recognized, the carrying value of the impaired asset is reduced to its fair value.

Intangible Assets

Intangible assets consist of a patent, trademark, and copyrights with finite lives, which are amortized using the straight-line method over their useful lives. The carrying value of intangibles is evaluated at least annually for impairment.

Gift Annuity Agreement and Beneficial Interest in Third-Party Trust

Wyman entered into a gift annuity agreement for which the donor contributed assets in exchange for distribution of annuity payments to the donor or beneficiaries for their remaining lives. In January 2016, Wyman recognized a contribution of \$54,722 due to the death of the last surviving donor of Wyman's charitable gift annuity agreement.

Wyman is the beneficiary of a charitable remainder trust. Wyman has the irrevocable right to receive the distributions for a specified period of time and/or principal of the trust at the death of the donors or beneficiaries. The amount recorded in the statement of financial position represents the estimated fair value of the contribution measured as the present value of the principal based upon the actuarial lives of the donors.

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 (With Comparative Totals for 2016)

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unrestricted Net Assets

Unrestricted net assets are those resources over which the Board of Directors has discretionary control. Designated amounts represent those resources that the Board has set aside for a particular purpose. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Included in unrestricted net assets are Board Designated net assets for which the governing board, rather than a donor, has designated net assets to be reserved for future use. Wyman treats restricted funds received and released in the same year as unrestricted net assets. Restricted funds received and released in the same year totaled \$802,624 and \$638,859 during the years ended December 31, 2017 and 2016, respectively.

Temporarily Restricted Net Assets

Temporarily restricted net assets are those resources subject to donor-imposed restrictions that will be satisfied by actions of Wyman or the passage of time.

Permanently Restricted Net Assets

Permanently restricted net assets are those resources subject to donor-imposed restrictions that will be maintained by Wyman. The donors of these resources permit Wyman to only use income earned on related investments for program operations in accordance with donor restrictions.

Revenue Recognition

Contributions

Unconditional promises-to-give cash and other assets to Wyman are reported at fair value at the date the promise is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. In the case of non-capital contributions that are temporarily restricted as to use by the donor, Wyman reports the contribution as unrestricted when the restriction is fulfilled in the same time period in which the contribution is received. In the case of capital contributions, Wyman reports the contributions as restricted until such contributions are actually received, at which time the assets are reported as released from restrictions.

Contributions that have been pledged but not received as of the end of an accounting period are reported at the net present value of the future cash flows of such pledges.

Contributions that are conditional upon some event are not reported until such time as the condition has been met.

Grants

Grants are generally recognized as program service fees in the period that specific services are performed.

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 (With Comparative Totals for 2016)

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services, Facilities and Supplies

Certain professional services are donated to Wyman by various organizations and individuals and are recorded at fair value at the date of donation. In addition, a substantial number of volunteers have donated a significant amount of their time to Wyman's programs. The value of this contributed time is not reflected in these financial statements because it does not meet the criteria for financial recognition, but is contributed in support of Wyman's mission.

Various supplies are donated to Wyman. These items are recorded as contributions at their respective estimated fair values at the date of the donation.

Total value of donated services and supplies recorded at fair value are \$130,885 and \$130,948 for the years ended December 31, 2017 and 2016, respectively.

Functional Allocation of Expenses

The costs associated with providing Wyman's activities have been summarized on a functional basis. Certain of these expenses represent costs associated with multiple activities and require allocation among the program and supporting services benefited. Such allocations are based on relevant factors that represent management's best estimate of the costs of providing such activities.

Advertising Costs

Advertising costs are expensed as incurred and were \$33,643 and \$30,822 for the years ended December 31, 2017 and 2016, respectively.

Income Taxes

Wyman constitutes a qualified, not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from federal income taxes on related income under Section 501(a) of the Code.

Reclassifications

Certain reclassifications have been made to the financial statements for the year ended December 31, 2016 to conform to the 2017 presentation.

Subsequent Events

Wyman has performed a review of events subsequent to the statement of financial position through June 25, 2018, the date the financial statements were available to be issued.

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 (With Comparative Totals for 2016)

NOTE 3 — INVESTMENTS

Investments consist of the following:

	December 31,			
	2017		2016	
	Cost	Fair Value	Cost	Fair Value
Mutual Funds - Equity	\$1,680,146	\$2,033,563	\$2,432,949	\$2,610,214
Mutual Funds - Fixed Income	<u>750,970</u>	<u>759,280</u>	<u>705,618</u>	<u>696,168</u>
	<u>\$2,431,116</u>	2,792,843	<u>\$3,138,567</u>	3,306,382
Less: Assets Restricted for Permanent Investment		<u>2,265,965</u>		<u>2,205,965</u>
		<u>\$ 526,878</u>		<u>\$1,100,417</u>

Investments are carried at fair value in accordance with accounting principles generally accepted in the United States of America. For the years ended December 31, 2017 and 2016, investment fees which are included in expenses totaled \$26,142 and \$29,267, respectively.

NOTE 4 — UNCONDITIONAL PROMISES-TO-GIVE

Unconditional promises-to-give consist of the following:

	December 31,	
	2017	2016
Pledges Due in Less Than One Year	\$ <u>1,364,959</u>	\$ <u>1,278,295</u>
Pledges Due in 1-6 Years	1,303,174	625,000
Discount to Record Promises-to-Give at Present Value	<u>(122,860)</u>	<u>(59,376)</u>
Pledges - Long-Term	<u>1,180,314</u>	<u>565,624</u>
Total Pledges	<u>\$ 2,545,273</u>	<u>\$ 1,843,919</u>

A discount rate of 5.5 percent was used to record promises-to-give at the present value of the future cash flows at December 31, 2017 and 2016.

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 (With Comparative Totals for 2016)

NOTE 5 — PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	December 31,	
	2017	2016
Land	\$ 2,977,579	\$ 2,977,579
Buildings and Improvements	4,866,550	5,015,621
Vehicles	148,587	152,314
Furniture and Equipment	<u>1,174,740</u>	<u>1,121,568</u>
	9,167,456	9,267,082
Less Accumulated Depreciation	<u>3,918,384</u>	<u>3,851,267</u>
	<u>\$ 5,249,072</u>	<u>\$ 5,415,815</u>

Depreciation expense was \$230,266 for the years ended December 31, 2017 and 2016.

NOTE 6 — INTANGIBLE ASSETS

Intangible assets consist of the following:

	December 31,			
	2017			2016
	Gross Amount	Accumulated Amortization	Net Amount	Net Amount
TOP Curriculum	\$ 15,506	\$ 15,506	\$ -	\$ -
Patent	7,500	4,250	3,250	3,625
Trademarks	<u>32,036</u>	<u>14,205</u>	<u>17,831</u>	<u>19,433</u>
2017 Totals	<u>\$ 55,042</u>	<u>\$ 33,961</u>	<u>\$ 21,081</u>	
2016 Totals	<u>\$ 55,042</u>	<u>\$ 31,984</u>		<u>\$ 23,058</u>

Amortization expense was \$1,977 for the years ended December 31, 2017 and 2016.

Future aggregate amortization expense is as follows:

Year Ending December 31,	
2018	\$ 1,977
2019	1,977
2020	1,977
2021	1,977
2022	1,977
Thereafter	<u>11,196</u>
	<u>\$ 21,081</u>

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 (With Comparative Totals for 2016)

NOTE 7 — BENEFICIAL INTEREST IN THIRD-PARTY TRUST

Donors have established a trust naming Wyman as the beneficiary of a charitable remainder trust. At the time of the donors' deaths, the trust will terminate and the remaining trust assets are to be distributed to Wyman. Based upon donor life expectancy, the present value of future benefits expected to be received by Wyman is estimated to be \$131,147 and \$120,147 at December 31, 2017 and 2016, respectively.

Changes in fair value of the charitable remainder trust are reflected as changes in temporarily restricted net assets in Wyman's statement of activities.

NOTE 8 — LINE OF CREDIT

Wyman has a \$1,500,000 revolving line of credit with a bank. Advances bear interest at one month LIBOR plus 1.9%. The outstanding balance was \$331,818 and \$119,572 at December 31, 2017 and 2016, respectively. The line of credit is secured by Wyman's cash and investments held at this bank and matures September 30, 2018.

The one month LIBOR rate was 1.37% and 0.62% at December 31, 2017 and 2016, respectively.

NOTE 9 — LONG-TERM DEBT

Long-term debt consists of the following:

	December 31,	
	2017	2016
Note payable to a financing company, payable in monthly installments of \$9,188 including interest at 5.50% with a balloon payment due March 1, 2026, secured by a deed of trust on land and buildings	\$ 729,932	\$ 798,003
Note payable to a financing company, payable in monthly installments of \$10,245 including interest at 2.95% with a balloon payment due September 1, 2022, secured by a deed of trust on land and buildings	<u>545,099</u>	<u>650,593</u>
	1,275,031	1,448,596
Less current portion of long-term debt	<u>180,533</u>	<u>173,603</u>
	<u>\$ 1,094,498</u>	<u>\$ 1,274,993</u>

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 (With Comparative Totals for 2016)

NOTE 9 — LONG-TERM DEBT (Continued)

The scheduled maturities on long-term debt are as follows:

Year Ending <u>December 31,</u>	
2018	\$ 180,533
2019	187,771
2020	195,330
2021	210,449
2022	188,700
Thereafter	<u>312,248</u>
	<u>\$ 1,275,031</u>

NOTE 10 — NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>December 31,</u>	
	<u>2017</u>	<u>2016</u>
Program Activities	\$ 3,640,292	\$ 2,886,703
General Capital Improvements	25,158	21,628
Aquatics	6,041	5,119
Outdoor Education	4,736	3,815
College Scholarships	229,514	128,362
Youth Opportunities Program (YOP)	1,500	51,940
Restricted for Use in Future Operations	<u>676,544</u>	<u>613,176</u>
	<u>\$ 4,583,785</u>	<u>\$ 3,710,743</u>

Net assets were released from donor-imposed restrictions for the year ended December 31, 2017 as follows:

Temporarily Restricted	
Program services	\$ 1,681,721
Time restrictions met	604,177
Specific expenditures	<u>52,320</u>
	<u>\$ 2,338,218</u>

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 (With Comparative Totals for 2016)

NOTE 10 — NET ASSETS (Continued)

Permanently restricted net assets consist of the following:

	December 31,	
	2017	2016
Program Scholarships	\$ 1,155,108	\$ 1,155,108
College Scholarships	902,691	831,691
Capital Improvements	31,000	31,000
General Use	4,465	4,465
Aquatics	8,100	8,100
Outdoor Education	8,093	8,093
Multiple Purpose	<u>287,655</u>	<u>287,655</u>
	<u>\$ 2,397,112</u>	<u>\$ 2,326,112</u>

NOTE 11 — DEFERRED COMPENSATION PLANS

Wyman has a defined contribution deferred compensation plan under Section 403(b) and 457(b) of the Internal Revenue Code for certain key members of management with ten or more years of service. Eligible employees may contribute a percentage of their salaries up to the extent permitted by law. The plan provides that Wyman will make a non-elective contribution to the plan based on the employee's years of service. The associated expense for the years ended December 31, 2017 and 2016, amounted to \$23,250 and \$39,500, respectively.

Wyman has a tax-deferred annuity plan under Section 401(k) of the Internal Revenue Code which allows eligible employees to make tax-deferred contributions. Eligible employees may contribute a percentage of their salaries up to the extent permitted by law. The plan provides that Wyman will contribute 3 percent of the employee's annual salary to the plan. The plan also provides for employer matching contributions to a maximum of 3 percent of employee compensation. For years ended December 31, 2017 and 2016, Wyman's expense for the plan was \$177,244 and \$162,093, respectively.

NOTE 12 — LEASE COMMITMENTS

Operating Leases

Wyman leases office space and certain office equipment under various operating lease agreements expiring on various dates through 2023.

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 (With Comparative Totals for 2016)

NOTE 12 — LEASE COMMITMENTS (Continued)

Operating Leases (Continued)

Total future minimum lease payments are as follows:

<u>Year Ending</u> <u>December 31,</u>	
2018	\$ 68,037
2019	12,791
2020	2,500
2021	2,500
2022	2,500
Thereafter	<u>2,500</u>
	<u>\$ 90,828</u>

Rent expense was \$77,650 and \$71,057 for the years ended December 31, 2017 and 2016, respectively.

NOTE 13 — FAIR VALUE MEASUREMENTS

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2017 and 2016.

Mutual funds: Valued at the daily closing price reported by the fund, which is the quoted net asset value (NAV) of shares.

Beneficial interest in third-party trust: Valued at the present value of expected future benefits.

Annuity payable: Valued at the present value of expected future payments to the beneficiary.

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 (With Comparative Totals for 2016)

NOTE 13 — FAIR VALUE MEASUREMENTS (Continued)

The following are the major categories of assets and liabilities measured at fair value on a recurring basis at December 31, 2017 and 2016:

	December 31,				
	2017			2016	
	Level 1 Quoted Prices in Active Markets for Identical Assets	Level 2 Significant Other Observable Inputs	Level 3 Significant Unobservable Inputs	Fair Value	Fair Value
Investments					
Mutual Funds					
Equity	\$ 2,033,563	\$ -	\$ -	\$ 2,033,563	\$ 2,610,214
Fixed income	<u>759,280</u>	<u>-</u>	<u>-</u>	<u>759,280</u>	<u>696,168</u>
	2,792,843	-	-	2,792,843	3,306,382
Beneficial Interest in Third-Party Trust	<u>-</u>	<u>-</u>	<u>131,147</u>	<u>131,147</u>	<u>120,147</u>
2017 Totals	<u>\$ 2,792,843</u>	<u>\$ -</u>	<u>\$ 131,147</u>	<u>\$ 2,923,990</u>	
2016 Totals	<u>\$ 3,306,382</u>	<u>\$ -</u>	<u>\$ 120,147</u>		<u>\$ 3,426,529</u>

Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets and financial liabilities valued using Level 2 inputs are based on inputs other than quoted prices (interest rates) that are observable for the financial asset or liability.

The following table sets forth a summary of changes in the fair value of Wyman's Level 3 financial assets and liabilities for the years ended December 31, 2017 and 2016:

	Beneficial Interest in Third-Party Trust	Annuity Payable
January 1, 2016	\$ 119,903	\$ (54,722)
Change in Fair Value Appreciation	244	-
Contribution	<u>-</u>	<u>54,722</u>
December 31, 2016	120,147	-
Change in Fair Value Appreciation	<u>11,000</u>	<u>-</u>
December 31, 2017	<u>\$ 131,147</u>	<u>\$ -</u>

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 (With Comparative Totals for 2016)

NOTE 14 — ENDOWMENT NET ASSETS

Endowment net assets consists of individual funds established for a variety of purposes. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The endowment includes donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments.

Interpretation of Relevant Law

Wyman's Board of Directors has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Wyman classifies permanently restricted net assets as (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 Wyman in a manner consistent with the standard of prudence prescribed by SPMIFA.

In accordance with SPMIFA, Wyman considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of Wyman 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 Wyman
- (7) The investment policies of Wyman

Return Objectives and Risk Parameters

Wyman 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 Wyman must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results, over time, to out-perform a weighted, blended market index based on the target allocations established for the portfolio after adjusting for an estimated rate of inflation and net of investment management and custody fees while assuming a moderate level of investment risk.

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 (With Comparative Totals for 2016)

NOTE 14 — ENDOWMENT NET ASSETS (Continued)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the endowment relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The endowment targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The endowment has a policy of appropriating for distribution each year no more than 5% of the endowment trust based on a twelve quarter trailing average. In establishing this policy, the endowment considered the long-term expected return on its endowment. This is consistent with Wyman's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Through December 31, 2017, the Board of Directors may authorize distribution of accumulated, undistributed interest appreciation and capital gains, if needed to maintain the enrollment level of endowed programs, through and up to that time.

Endowment net assets composition by type of net asset as of December 31, 2017 and 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<u>December 31, 2017</u>				
Donor-Restricted Endowment Funds	\$ -	\$ 817,644	\$ 2,284,763	\$ 3,102,407
Board Designated Endowment Funds	<u>1,519,589</u>	<u>-</u>	<u>-</u>	<u>1,519,589</u>
	<u>\$ 1,519,589</u>	<u>\$ 817,644</u>	<u>\$ 2,284,763</u>	<u>\$ 4,621,996</u>
<u>December 31, 2016</u>				
Donor-Restricted Endowment Funds	\$ -	\$ 853,407	\$ 2,213,763	\$ 3,067,170
Board Designated Endowment Funds	<u>1,519,589</u>	<u>-</u>	<u>-</u>	<u>1,519,589</u>
	<u>\$ 1,519,589</u>	<u>\$ 853,407</u>	<u>\$ 2,213,763</u>	<u>\$ 4,586,759</u>

Changes in endowment net assets are as follows:

	December 31,				2016
	2017			Total	
	Unrestricted	Temporarily Restricted	Permanently Restricted		Total
Beginning of Year	\$ 1,519,589	\$ 853,407	\$ 2,213,763	\$ 4,586,759	\$ 4,582,114
Contributions	-	-	71,000	71,000	26,000
Interest and Dividends	-	39,356	-	39,356	75,581
Investment Gain	-	233,001	-	233,001	177,913
Inter-fund Earnings	20,699	30,229	-	50,928	-
Expenditures Appropriated	338,349	(338,349)	-	-	-
Distribution of Expenditures	<u>(359,048)</u>	<u>-</u>	<u>-</u>	<u>(359,048)</u>	<u>(274,849)</u>
End of Year	<u>\$ 1,519,589</u>	<u>\$ 817,644</u>	<u>\$ 2,284,763</u>	<u>\$ 4,621,996</u>	<u>\$ 4,586,759</u>

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 (With Comparative Totals for 2016)

NOTE 15 — SIGNIFICANT CUSTOMER

During the years ending December 31, 2017 and December 31, 2016, approximately 16% and 18%, respectively, of total public support and revenues was from one donor.

NOTE 16 — CONTINGENCIES

Wyman, from time to time, is involved in various legal proceedings and claims in the ordinary course of its business. In the opinion of Wyman's management, the probable resolution of such contingencies will not have a material adverse effect on the financial position or results of operations of Wyman.

NOTE 17 — BUSINESS COMBINATION

On February 16, 2016, Wyman merged with InspireSTL, a not-for-profit organization incorporated in 2011 to provide high-potential scholars who are at-risk with rigorous academic support to help them emerge as next-generation leaders. The merger creates a stronger suite of programs to serve thousands of teens with social, emotional and academic support, as well as leadership development. The estimated fair values of the assets and liabilities at the date of merger are as follows:

Excess of Assets Over Liabilities	
Accounts receivable	\$ 6,606
Accounts payable	<u>(75,160)</u>
	(68,554)
Cash	<u>212,160</u>
	<u>\$ 143,606</u>

There was no consideration in the merger. The excess of assets over liabilities of \$143,606 is recorded as a donation on the statement of activities for the year ended December 31, 2016. The revenues and expenses of InspireSTL are included in the accompanying financial statements as of February 17, 2016 through December 31, 2016.

**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION**

To the Board of Directors
Wyman Center, Inc.

We have audited the financial statements of Wyman Center, Inc. (Wyman) as of and for the year ended December 31, 2017, and our report thereon dated June 25, 2018, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on page 22 is presented for purposes of additional analysis of the financial statements rather than to present the financial position and results of operations of Wyman, 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 supplementary information has been subjected to the auditing procedures applied in the audit 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 supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

UHY LLP

St. Louis, Missouri
June 25, 2018

WYMAN CENTER, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
Year Ended December 31, 2017 (With Comparative Totals for 2016)

	Years Ended December 31,				2016
	2017			Total	
	Program Services	Supporting Services			
		Management and General	Fundraising		
SALARIES AND WAGES	\$ 3,980,533	\$ 87,303	\$ 246,500	\$ 4,314,336	\$ 4,154,494
RETIREMENT PLAN CONTRIBUTIONS	184,982	4,057	11,455	200,494	201,593
OTHER EMPLOYEE BENEFITS	382,478	8,389	23,685	414,552	480,063
PAYROLL TAXES	<u>297,498</u>	<u>6,525</u>	<u>18,423</u>	<u>322,446</u>	<u>295,527</u>
	4,845,491	106,274	300,063	5,251,828	5,131,677
LEGAL, ACCOUNTING AND INVESTMENT FEES	81,522	1,788	5,048	88,358	70,313
ADVERTISING AND PROMOTION	234,464	5,142	14,519	254,125	183,004
OFFICE EXPENSES	141,445	3,102	8,759	153,306	122,103
INFORMATION TECHNOLOGY	99,562	2,184	6,166	107,912	137,423
OCCUPANCY	311,843	6,839	19,311	337,993	287,484
TRAVEL	161,362	3,539	9,993	174,894	225,677
CONFERENCES, CONVENTIONS AND MEETINGS	74,671	1,638	4,624	80,933	70,872
INTEREST	84,328	1,850	5,222	91,400	93,828
INSURANCE	121,797	2,671	7,542	132,010	132,762
FOOD SERVICES	203,802	4,470	12,621	220,893	195,981
PROFESSIONAL AND CONSULTING FEES	285,965	6,272	17,709	309,946	348,811
INDEPENDENT CONTRACTORS	171,703	3,766	10,633	186,102	113,744
SUPPLIES	258,092	5,661	15,983	279,736	155,507
OTHER EXPENSES	<u>59,094</u>	<u>1,296</u>	<u>3,659</u>	<u>64,049</u>	<u>224,414</u>
SUBTOTAL	7,135,141	156,492	441,852	7,733,485	7,493,600
DEPRECIATION AND AMORTIZATION	<u>214,274</u>	<u>4,700</u>	<u>13,269</u>	<u>232,243</u>	<u>232,243</u>
TOTAL - 2017	<u>\$ 7,349,415</u>	<u>\$ 161,192</u>	<u>\$ 455,121</u>	<u>\$ 7,965,728</u>	
PERCENTAGE - 2017	<u>92.3</u> %	<u>2.0</u> %	<u>5.7</u> %	<u>100.0</u> %	
TOTAL - 2016	<u>\$ 7,098,865</u>	<u>\$ 233,536</u>	<u>\$ 393,442</u>		<u>\$ 7,725,843</u>
PERCENTAGE - 2016	<u>92.0</u> %	<u>3.0</u> %	<u>5.0</u> %		<u>100.0</u> %

See independent auditor's report on supplementary information.