

**WYMAN CENTER, INC.**  
**AUDITED FINANCIAL STATEMENTS**  
**AND**  
**SUPPLEMENTARY INFORMATION**  
  
**Year Ended December 31, 2015**  
**(With Comparative Totals for 2014)**

# WYMAN CENTER, INC.

## TABLE OF CONTENTS

	<b>Page</b>
<b>Independent Auditor's Report</b>	1
<b>Financial Statements</b>	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to Financial Statements	5
<b>Independent Auditor's Report on Supplementary Information</b>	22
<b>Supplementary Information</b>	
Schedule of Functional Expenses	23

## **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, 2015, 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, 2015, 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**

The Wyman Center, Inc.'s financial statements for the year ended December 31, 2014 were audited by other auditors whose report dated June 14, 2015, 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, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*UHY* LLP

St. Louis, Missouri  
June 16, 2016

**WYMAN CENTER, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2015 (With Comparative Totals for 2014)**

	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 536,016	\$ 518,760
Investments	1,689,302	2,265,502
Accounts receivable	254,811	312,937
Unconditional promises-to-give	1,343,680	1,439,832
Inventories	8,999	8,567
Prepaid expenses	<u>46,004</u>	<u>14,224</u>
Total current assets	<b>3,878,812</b>	4,559,822
UNCONDITIONAL PROMISES-TO-GIVE	<b>561,584</b>	94,787
PROPERTY AND EQUIPMENT	<b>5,329,680</b>	5,332,985
INTANGIBLE ASSETS	<b>25,035</b>	27,787
BENEFICIAL INTEREST IN THIRD-PARTY TRUST	<b>119,903</b>	129,555
ASSETS RESTRICTED FOR PERMANENT INVESTMENT	<u><b>2,180,209</b></u>	<u>1,968,722</u>
Total assets	<u><b>\$ 12,095,223</b></u>	<u>\$ 12,113,658</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Line of credit	\$ 588,572	\$ 626,324
Current maturities of long-term debt	167,969	164,338
Accounts payable	142,793	66,200
Accrued expenses	115,044	73,572
Deferred revenue	123,608	16,173
Current portion of annuity payable	<u>3,950</u>	<u>15,800</u>
Total current liabilities	<b>1,141,936</b>	962,407
LONG-TERM DEBT	<b>1,448,596</b>	1,616,565
LONG-TERM ANNUITY PAYABLE	<u><b>50,772</b></u>	<u>42,096</u>
Total liabilities	<u><b>2,641,304</b></u>	<u>2,621,068</u>
<b>NET ASSETS</b>		
Unrestricted		
Board designated endowment for program scholarships	1,519,589	1,519,589
Undesignated - available for operations	<u>2,738,305</u>	<u>3,311,204</u>
	<b>4,257,894</b>	4,830,793
Temporarily restricted	<b>2,895,913</b>	2,563,520
Permanently restricted	<u><b>2,300,112</b></u>	<u>2,098,277</u>
Total net assets	<b>9,453,919</b>	9,492,590
Total liabilities and net assets	<u><b>\$ 12,095,223</b></u>	<u>\$ 12,113,658</u>

See notes to financial statements.

**WYMAN CENTER, INC.**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2015 (With Comparative Totals for 2014)**

	Years Ended December 31,				2014
	2015			Total	
	Unrestricted	Temporarily Restricted	Permanently Restricted		
<b>PUBLIC SUPPORT AND REVENUES</b>					
Public Support					
Grants and contributions					
United Way services funding	\$ -	\$ 684,171	\$ -	\$ 684,171	\$ 664,171
Missouri Youth Opportunity Program	46,957	1,000	-	47,957	373,976
In-kind contributions	141,575	-	-	141,575	123,791
Other grants and contributions	1,837,039	1,235,392	201,835	3,274,266	1,240,313
Total grants and contributions	2,025,571	1,920,563	201,835	4,147,969	2,402,251
Special events					
Contributions, including donated materials of \$1,627	379,819	-	-	379,819	316,380
Revenues	59,520	-	-	59,520	3,801
Direct expenses	(152,387)	-	-	(152,387)	(95,774)
Total special events	286,952	-	-	286,952	224,407
Assets released from restrictions	1,492,468	(1,492,468)	-	-	-
Total public support	3,804,991	428,095	201,835	4,434,921	2,626,658
Revenues					
Investment income (loss)					
Interest and dividends	18,077	75,828	-	93,905	106,630
Realized (loss) gain on sale of investments	(1,522)	(6,385)	-	(7,907)	103,347
Unrealized (loss) gain on investments	(34,058)	(142,867)	-	(176,925)	55,751
Total investment income (loss)	(17,503)	(73,424)	-	(90,927)	265,728
Program fees	2,059,475	-	-	2,059,475	2,393,380
Change in value of beneficial interest in third-party trust	-	(9,652)	-	(9,652)	632
Gain (loss) on annuity	-	(12,626)	-	(12,626)	8,143
Miscellaneous income	5,130	-	-	5,130	12,047
Total revenues	2,047,102	(95,702)	-	1,951,400	2,679,930
Total public support and revenues	5,852,093	332,393	201,835	6,386,321	5,306,588
<b>EXPENSES</b>					
Program services	5,752,149	-	-	5,752,149	4,722,691
Supporting services					
Management and general	246,236	-	-	246,236	194,590
Fundraising	426,607	-	-	426,607	392,642
Total expenses	6,424,992	-	-	6,424,992	5,309,923
CHANGES IN NET ASSETS	(572,899)	332,393	201,835	(38,671)	(3,335)
NET ASSETS, Beginning	4,830,793	2,563,520	2,098,277	9,492,590	9,495,925
NET ASSETS, Ending	\$ 4,257,894	\$ 2,895,913	\$ 2,300,112	\$ 9,453,919	\$ 9,492,590

See notes to financial statements.

**WYMAN CENTER, INC.**  
**STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2015 (With Comparative Totals for 2014)**

	<u>Years Ended December 31,</u>	
	<u>2015</u>	<u>2014</u>
<b>OPERATING ACTIVITIES</b>		
Changes in net assets	\$ (38,671)	\$ (3,335)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	230,155	236,783
Permanently restricted contributions	(201,835)	(12,600)
Realized loss (gain) on sale of investments	7,907	(103,347)
Unrealized loss (gain) on investments	176,925	(55,751)
Changes in beneficial interest in third-party trust	9,652	(632)
(Gain) loss on annuity	12,626	(8,143)
Loss on disposal of assets	-	3,259
Provision for bad debts	38,576	14,917
Changes in		
Accounts receivable	19,550	(94,321)
Unconditional promises-to-give	(370,645)	(404,531)
Inventories	(432)	13,415
Prepaid expenses	(31,780)	5,709
Accounts payable	76,593	42,292
Accrued expenses	41,472	22,068
Deferred revenue	107,435	(33,500)
Annuity payable	(15,800)	(15,800)
Net cash provided (used) by operating activities	<u>61,728</u>	<u>(393,517)</u>
<b>INVESTING ACTIVITIES</b>		
Purchases of investments	(1,390,227)	(922,763)
Proceeds from sale of investments	1,570,108	1,166,515
Purchases of property and equipment	(224,098)	(61,493)
Net cash provided (used) by investing activities	<u>(44,217)</u>	<u>182,259</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds (payments) on line of credit	(37,752)	75,000
Proceeds from contributions restricted for endowment	201,835	12,600
Payments on long-term debt	(164,338)	(157,819)
Net cash used by financing activities	<u>(255)</u>	<u>(70,219)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>17,256</b>	<b>(281,477)</b>
<b>CASH AND CASH EQUIVALENTS, Beginning</b>	<b><u>518,760</u></b>	<b><u>800,237</u></b>
<b>CASH AND CASH EQUIVALENTS, Ending</b>	<b><u>\$ 536,016</u></b>	<b><u>\$ 518,760</u></b>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Interest paid	<u>\$ 92,274</u>	<u>\$ 144,855</u>

See notes to financial statements.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015 (With Comparative Totals for 2014)**

**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 takes the best teen development theory and makes it real and effective in a way that builds fully prepared teens. Wyman consistently provides a time-tested approach with four key components. Wyman creates interactive peer group experiences; delivers curriculum that is engaging, relevant, and challenging; provides community service learning; and makes sure there is strong support from adults as positive role models. This inspires and enables thousands of teens across the country to lead successful lives and build strong communities.

**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, 2014. 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, 2014, 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:

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015 (With Comparative Totals for 2014)**

**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Description of Programs and Supporting Services (Continued)**

**Program Services**

Wyman's Teen Leadership Program (TLP)

Wyman's Teen Leadership Program (TLP) employs a progressive year-round approach, through high school and into post-secondary education, to support healthy teen development, leadership capacity, college access and college persistence. Each summer includes a significant developmental experience (residential camp experience, regional college tour, etc.), followed by integration of core content and relationship support over the course of the school year. Teens participate in several college access and community-learning experiences during the school year, fulfill volunteerism expectations and develop individualized post-secondary plans. Through this program, they gain the experiences, skills and values needed to act as contributing students, family members and employees. Each incoming eighth grade student is eligible to open a 529 college savings account through The Scholarship Foundation of St. Louis' Future Forward Program. The Fred Saigh Young Leaders Award is a \$1,000 scholarship awarded to a teen who demonstrates outstanding academic achievement, commitment to community service and overall demonstration of leadership within TLP.

Wyman's Teen Outreach Program (TOP)

Wyman's Teen Outreach Program (TOP) is a nationally recognized and replicated best practice program that promotes the positive development of adolescents through curriculum-guided, interactive group discussions and community service learning. Proven highly effective in increasing school success and reducing negative behaviors, the program is grounded by contemporary research and decades of experience to support the developmental, social and educational needs of teens, ages 12-17. In addition, Wyman's national network supports partner organizations in affordably and faithfully replicating TOP to build the capacity of their organizations, and impact the lives of as many teens as possible.

Experience Wyman/Vended Services

Experience Wyman, also known as Wyman's Vended Services, is a social entrepreneurial arm of the organization, managing Wyman's facilities in Eureka and hosting outdoor education camps that incorporate science, environmental education and team-building activities, adult and youth retreats, birthday parties, family reunions, corporate team-building, weddings, and more. Experience Wyman utilizes century-old expertise and facilities to 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 our mission to enable teens to lead successful lives and build strong communities.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015 (With Comparative Totals for 2014)**

**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Description of Programs and Supporting Services (Continued)**

**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.

**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.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015 (With Comparative Totals for 2014)**

**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fair Value Measurements (Continued)**

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, 2015 and 2014.

**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

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015 (With Comparative Totals for 2014)**

**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

The liabilities for the future payments to donors or beneficiaries have been recorded using published actuarial lives and discount rates based on the return yields of the assets. The gift annuity was recorded at fair value in the year the irrevocable gift agreement was signed and the difference between the fair value of donated assets and the calculated liability has been recognized as contribution revenue. Wyman annually revalues the liability for future annuity payments based on changes in actuarial assumptions.

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.

**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.

**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.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015 (With Comparative Totals for 2014)**

**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**Revenue Recognition - Grants**

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

**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 \$143,202 and \$145,388 for the years ended December 31, 2015 and 2014, respectively.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015 (With Comparative Totals for 2014)**

**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 \$14,450 and \$10,392 for the years ended December 31, 2015 and 2014, 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.

**Subsequent Events**

Wyman has performed a review of events subsequent to the statement of financial position through June 16, 2016, the date the financial statements were available to be issued.

**NOTE 3 — INVESTMENTS**

Investments consist of the following:

	December 31,			
	2015		2014	
	Cost	Fair Value	Cost	Fair Value
Mutual Funds - Equity	\$ 3,155,450	\$ 3,162,131	\$ 3,363,885	\$ 3,543,121
Mutual Funds - Fixed Income	<u>728,277</u>	<u>707,380</u>	<u>707,628</u>	<u>691,103</u>
	<u>\$ 3,883,727</u>	3,869,511	<u>\$ 4,071,513</u>	4,234,224
Less: Assets Restricted for Permanent Investment		<u>2,180,209</u>		<u>1,968,722</u>
		<u>\$ 1,689,302</u>		<u>\$ 2,265,502</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, 2015 and 2014, investment fees which are included in expenses totaled \$32,675 and \$33,988, respectively.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015 (With Comparative Totals for 2014)**

**NOTE 4 — UNCONDITIONAL PROMISES-TO-GIVE**

Unconditional promises-to-give consist of the following:

	December 31,	
	<u>2015</u>	<u>2014</u>
Pledges Due in Less Than One Year	\$ 1,343,680	\$ 1,439,832
Pledges Due in 1-5 Years	600,000	100,000
Discount to Record Promises-to-Give at Present Value	<u>(38,416)</u>	<u>(5,213)</u>
Pledges - Long-Term	<u>561,584</u>	<u>94,787</u>
Total Pledges	<u>\$ 1,905,264</u>	<u>\$ 1,534,619</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, 2015 and 2014.

**NOTE 5 — PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	December 31,	
	<u>2015</u>	<u>2014</u>
Land	\$ 2,977,579	\$ 2,977,579
Buildings and Improvements	4,768,002	4,768,002
Vehicles	152,314	136,314
Furniture and Equipment	<u>1,052,786</u>	<u>844,688</u>
	8,950,681	8,726,583
Less Accumulated Depreciation	<u>3,621,001</u>	<u>3,393,598</u>
	<u>\$ 5,329,680</u>	<u>\$ 5,332,985</u>

Depreciation expense was \$227,403 and \$233,253 for the years ended December 31, 2015 and 2014, respectively.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015 (With Comparative Totals for 2014)**

**NOTE 6 — INTANGIBLE ASSETS**

Intangible assets consist of the following:

	December 31,			
	2015			2014
	Gross Amount	Accumulated Amortization	Net Amount	Net Amount
TOP Curriculum	\$ 15,506	\$ 15,506	\$ -	\$ 776
Patent	7,500	3,500	4,000	4,375
Trademarks	<u>32,036</u>	<u>11,001</u>	<u>21,035</u>	<u>22,636</u>
2015 Totals	<u>\$ 55,042</u>	<u>\$ 30,007</u>	<u>\$ 25,035</u>	
2014 Totals		<u>\$ 27,255</u>		<u>\$ 27,787</u>

Amortization expense was \$2,752 and \$3,527 for the years ended December 31, 2015 and 2014, respectively.

Future aggregate amortization expense is as follows:

Year Ending <u>December 31,</u>	
2016	\$ 1,977
2017	1,977
2018	1,977
2019	1,977
2020	1,977
Thereafter	<u>15,150</u>
	<u>\$ 25,035</u>

**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 \$119,903 and \$129,555 at December 31, 2015 and 2014, 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.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015 (With Comparative Totals for 2014)**

**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 \$588,572 and \$626,324 at December 31, 2015 and 2014, respectively. The line of credit is secured by Wyman's investments held at this bank and matures June 11, 2016.

The one month LIBOR rate was 0.24% and 0.15% at December 31, 2015 and 2014, respectively.

**NOTE 9 — LONG-TERM DEBT**

Long-term debt consists of the following:

	December 31,	
	<u>2015</u>	<u>2014</u>
Note payable to a financing company, payable in monthly installments of \$9,794 including interest at 5.875% with a balloon payment due March 1, 2026, secured by a deed of trust on land and buildings	\$ 863,443	\$ 928,169
Note payable to a financing company, payable in monthly installments of \$10,245 including interest at 2.89% with a balloon payment due September 1, 2022, secured by a deed of trust on land and buildings	<u>753,122</u>	<u>852,734</u>
	1,616,565	1,780,903
Less current portion of long-term debt	<u>167,969</u>	<u>164,338</u>
	<u>\$ 1,448,596</u>	<u>\$ 1,616,565</u>

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

<u>Year Ending</u> <u>December 31,</u>	
2016	\$ 167,969
2017	173,603
2018	180,533
2019	187,771
2020	195,330
Thereafter	<u>711,359</u>
	<u>\$ 1,616,565</u>

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015 (With Comparative Totals for 2014)**

**NOTE 10 — ANNUITY PAYABLE**

Wyman is named as the party of a charitable gift annuity. Under the annuity agreement, Wyman pays the donor quarterly installments totaling \$3,950. The present value of future payments are determined by the terms of the annuity agreement and present value factors provided by the Internal Revenue Service. At December 31, 2015 and 2014, the liability under the trust amounted to \$54,722 and \$57,896, respectively.

**NOTE 11 — NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	December 31,	
	2015	2014
Program Activities	\$ 2,094,312	\$ 1,697,044
General Capital Improvements	22,750	23,740
Aquatics	4,236	4,495
Outdoor Education	2,933	3,191
College Scholarships	185,846	211,565
Restricted for Use in Future Operations	<u>585,836</u>	<u>623,485</u>
	<u>\$ 2,895,913</u>	<u>\$ 2,563,520</u>

Net assets were released from donor-imposed restrictions for the year ended December 31, 2015 as follows:

Temporarily Restricted	
Program services	\$ 828,292
Time restriction met	<u>664,176</u>
	<u>\$ 1,492,468</u>

Permanently restricted net assets consist of the following:

	December 31,	
	2015	2014
Program Scholarships	\$ 1,155,108	\$ 1,155,108
College Scholarships	805,691	603,856
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>\$ 2,300,112</u>	<u>\$ 2,098,277</u>

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015 (With Comparative Totals for 2014)**

**NOTE 12 — 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, 2015 and 2014, amounted to \$35,832 and \$38,063, 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, 2015 and 2014, Wyman's expense for the plan was \$108,123 and \$89,117, respectively.

**NOTE 13 — LEASE COMMITMENTS**

**Operating Leases**

Wyman leases office space and certain office equipment under various operating lease agreements expiring on various dates through 2019.

Total future minimum lease payments are as follows:

<u>Year Ending</u> <u>December 31,</u>	
2016	\$ 65,128
2017	16,960
2018	10,192
2019	7,685
2020	2,500
Thereafter	<u>7,500</u>
	<u>\$ 109,965</u>

Rent expense was \$67,370 and \$9,678 for the years ended December 31, 2015 and 2014, respectively.

**Capital Lease**

The Organization had a non-cancelable capital lease obligation which was obtained to finance the purchase of voice and data equipment totaling \$72,544 at December 31, 2015 and 2014. The accumulated amortization on this equipment at December 31, 2015 and 2014, was \$66,457 and \$58,638, respectively. Amortization expense is included in depreciation expense. The final lease payment was made in May 2012 and no future lease payments remain.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015 (With Comparative Totals for 2014)**

**NOTE 14 — 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, 2015 and 2014.

*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.

The following are the major categories of assets and liabilities measured at fair value on a recurring basis at December 31, 2015 and 2014:

	December 31,			Fair Value	Fair Value
	2015				
	Level 1 Quoted Prices in Active Markets for Identical Assets	Level 2 Significant Other Observable Inputs	Level 3 Significant Unobservable Inputs		
Investments					
Mutual Funds					
Equity	\$ 3,162,131	\$ -	\$ -	\$ 3,162,131	\$ 3,543,121
Fixed income	707,380	-	-	707,380	691,103
Beneficial Interest in Third-Party Trust	-	-	119,903	119,903	129,555
Annuity Payable Agreement	-	-	(54,722)	(54,722)	(57,896)
2015 Totals	<u>\$ 3,869,511</u>	<u>\$ -</u>	<u>\$ 65,181</u>	<u>\$ 3,934,692</u>	
2014 Totals	<u>\$ 4,234,224</u>	<u>\$ -</u>	<u>\$ 71,659</u>		<u>\$ 4,305,883</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.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015 (With Comparative Totals for 2014)**

**NOTE 14 — FAIR VALUE MEASUREMENTS (Continued)**

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, 2015 and 2014:

	Beneficial Interest in Third-Party Trust	Annuity Payable
	<u>                    </u>	<u>                    </u>
January 1, 2014	\$ 128,923	\$ (81,839)
Change in Fair Value Appreciation (Depreciation)	632	-
Revaluation of Annuity Payable	-	39,743
Annuity Payments	<u>-</u>	<u>(15,800)</u>
December 31, 2014	129,555	(57,896)
Change in Fair Value Appreciation (Depreciation)	(9,652)	-
Revaluation of Annuity Payable	-	18,974
Annuity Payments	<u>-</u>	<u>(15,800)</u>
December 31, 2015	<u>\$ 119,903</u>	<u>\$ (54,722)</u>

**NOTE 15 — 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.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015 (With Comparative Totals for 2014)**

**NOTE 15 — ENDOWMENT NET ASSETS (Continued)**

**Interpretation of Relevant Law (Continued)**

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.

**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, 2015, 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.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015 (With Comparative Totals for 2014)**

**NOTE 15 — ENDOWMENT NET ASSETS (Continued)**

**Spending Policy and How the Investment Objectives Relate to Spending Policy (Continued)**

Endowment net assets composition by type of net asset as of December 31, 2015 and 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<u>December 31, 2015</u>				
Donor-Restricted Endowment Funds	\$ -	\$ 762,413	\$ 2,300,112	\$ 3,062,525
Board Designated Endowment Funds	<u>1,519,589</u>	<u>-</u>	<u>-</u>	<u>1,519,589</u>
	<u>\$ 1,519,589</u>	<u>\$ 762,413</u>	<u>\$ 2,300,112</u>	<u>\$ 4,582,114</u>
<u>December 31, 2014</u>				
Donor-Restricted Endowment Funds	\$ -	\$ 998,337	\$ 2,098,277	\$ 3,096,614
Board Designated Endowment Funds	<u>1,519,589</u>	<u>-</u>	<u>-</u>	<u>1,519,589</u>
	<u>\$ 1,519,589</u>	<u>\$ 998,337</u>	<u>\$ 2,098,277</u>	<u>\$ 4,616,203</u>

Changes in endowment net assets are as follows:

	December 31,				2014
	2015			Total	
	Unrestricted	Temporarily Restricted	Permanently Restricted		Total
Beginning of Year	\$ 1,519,589	\$ 998,337	\$ 2,098,277	\$ 4,616,203	\$ 4,416,911
Contributions	-	-	201,835	201,835	12,600
Interest and Dividends	-	75,828	-	75,828	74,883
Investment Gain (Loss)	-	(149,252)	-	(149,252)	111,809
Appropriated for					
Expenditure	162,500	(162,500)	-	-	-
Distribution of Expenditure	<u>(162,500)</u>	<u>-</u>	<u>-</u>	<u>(162,500)</u>	<u>-</u>
End of Year	<u>\$ 1,519,589</u>	<u>\$ 762,413</u>	<u>\$ 2,300,112</u>	<u>\$ 4,582,114</u>	<u>\$ 4,616,203</u>

**NOTE 16 — COMMITMENTS**

Wyman partners with school districts, health departments, and public health and human service organizations to provide program services under provider agreements. Partner payments are contingent upon the completion of provider obligations as identified in the provider agreements. Future payment obligations were \$99,738 at December 31, 2015.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015 (With Comparative Totals for 2014)**

**NOTE 17 — 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 18 — COLLABORATION ARRANGEMENT**

Effective June 15, 2015, Wyman entered into a collaboration agreement with Inspire STL, a Missouri nonprofit corporation, whose core purpose was to place talented low-income middle school students into top college-prep high schools and support their ongoing academic progress to realize their potential through access to a dynamic education. The collaboration agreement transitions the day to day operations of Inspire to Wyman for the sole purpose of maintaining Inspire's grant compliance. Upon the completion of grant services, Inspire and Wyman will enter into a merger agreement that will result in a contribution of Inspire STL's net assets (Note 19). During the transition period, Wyman provided management services including financial and administrative functions. Management services related to the collaboration agreement provided were \$73,985 for the year ended December 31, 2015.

**NOTE 19 — SUBSEQUENT EVENTS**

In January 2016, Wyman has entered into an agreement and plan of merger with Inspire STL that involves a contribution of the excess of assets acquired over liabilities assumed of approximately \$144,000.

In January 2016, Wyman recognized a contribution of approximately \$54,000 due to the death of the last surviving donor of Wyman's charitable gift annuity agreement.

Wyman's Board of Directors approved interfund borrowings of \$250,000 for the rehabilitation of certain property and equipment. The interfund borrowing will consist of a temporary borrowing from the endowment fund and bear interest at 5%.

**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, 2015, and our report thereon dated June 16, 2016, 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 23 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 16, 2016

**WYMAN CENTER, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**Year Ended December 31, 2015 (With Comparative Totals for 2014)**

	Years Ended December 31,				
	2015				2014
	Program Services	Supporting Services		Total	Total
Management and General		Fundraising			
SALARIES AND WAGES	\$ 2,933,264	\$ 125,566	\$ 217,545	\$ 3,276,375	\$ 2,558,123
RETIREMENT PLAN CONTRIBUTIONS	128,880	5,517	9,558	143,955	127,180
OTHER EMPLOYEE BENEFITS	225,598	9,657	16,731	251,986	311,012
PAYROLL TAXES	207,932	8,901	15,421	232,254	180,524
LEGAL, ACCOUNTING AND INVESTMENT FEES	99,082	4,241	7,348	110,671	88,265
ADVERTISING AND PROMOTION	64,809	2,774	4,807	72,390	71,143
OFFICE EXPENSES	96,559	4,134	7,161	107,854	104,129
INFORMATION TECHNOLOGY	116,143	4,972	8,614	129,729	131,685
OCCUPANCY	252,010	10,788	18,690	281,488	215,507
TRAVEL	192,874	8,256	14,304	215,434	201,633
CONFERENCES, CONVENTIONS AND MEETINGS	31,362	1,343	2,326	35,031	35,975
INTEREST	82,611	3,536	6,127	92,274	97,835
INSURANCE	108,814	4,658	8,070	121,542	115,899
FOOD SERVICES	153,540	6,573	11,387	171,500	149,067
PROFESSIONAL AND CONSULTING FEES	245,151	10,494	18,182	273,827	256,071
PAYMENTS TO OTHER ORGANIZATIONS	87,211	3,733	6,468	97,412	-
INDEPENDENT CONTRACTORS	317,509	13,592	23,548	354,649	264,633
SUPPLIES	102,968	4,408	7,637	115,013	70,528
OTHER EXPENSES	<u>99,779</u>	<u>4,272</u>	<u>7,402</u>	<u>111,453</u>	<u>93,931</u>
SUBTOTAL	5,546,096	237,415	411,326	6,194,837	5,073,140
DEPRECIATION AND AMORTIZATION	<u>206,053</u>	<u>8,821</u>	<u>15,281</u>	<u>230,155</u>	<u>236,783</u>
TOTAL - 2015	<u>\$ 5,752,149</u>	<u>\$ 246,236</u>	<u>\$ 426,607</u>	<u>\$ 6,424,992</u>	
PERCENTAGE - 2015	<u>89.6</u> %	<u>3.8</u> %	<u>6.6</u> %	<u>100.0</u> %	
TOTAL - 2014	<u>\$ 4,722,691</u>	<u>\$ 194,590</u>	<u>\$ 392,642</u>		<u>\$ 5,309,923</u>
PERCENTAGE - 2014	<u>88.9</u> %	<u>3.7</u> %	<u>7.4</u> %		<u>100.0</u> %

See independent auditor's report on supplementary information.