

**WYMAN CENTER, INC.**  
**St. Louis, Missouri**

**FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**WYMAN CENTER, INC.**

**TABLE OF CONTENTS**

	<b>PAGE</b>
<b>INDEPENDENT AUDITOR'S REPORT</b> .....	<b>1</b>
 <b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position .....	2
Statements of Activities .....	3
Statements of Cash Flows.....	5
Notes to Financial Statements.....	6
 <b>SUPPLEMENTARY INFORMATION</b> .....	 <b>24</b>
Schedules of Functional Expenses.....	25



CliftonLarsonAllen

CliftonLarsonAllen LLP  
www.cliftonlarsonallen.com

## Independent Auditor's Report

Board of Directors  
Wyman Center, Inc.  
St. Louis, Missouri

We have audited the accompanying statements of financial position of Wyman Center, Inc. (Wyman), a not-for-profit organization as of December 31, 2011 and 2010 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Wyman's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wyman Center, Inc. as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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

*CliftonLarsonAllen LLP*

St. Louis, Missouri  
June 5, 2012

**WYMAN CENTER, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 295,479	\$ 75,374
Investments	1,676,651	2,192,747
Accounts receivable, net	225,833	65,990
Unconditional promises to give	1,297,021	1,260,144
Inventory	28,091	32,369
Prepaid expenses	<u>70,149</u>	<u>38,547</u>
Total current assets	<u>3,593,224</u>	<u>3,665,171</u>
<b>UNCONDITIONAL PROMISES TO GIVE - LONG-TERM</b>	35,220	128,831
<b>PROPERTY AND EQUIPMENT, NET</b>	4,996,282	5,003,088
<b>INTANGIBLE ASSETS, NET</b>	38,369	36,793
<b>BENEFICIAL INTEREST IN CHARITABLE REMAINDER TRUST</b>	109,362	119,332
<b>ASSETS RESTRICTED FOR PERMANENT INVESTMENT</b>	<u>2,995,696</u>	<u>2,901,257</u>
<b>TOTAL ASSETS</b>	<u>\$ 11,768,153</u>	<u>\$ 11,854,472</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Line of credit	\$ 186,487	\$ 284,084
Current maturities of capital lease obligation	7,511	16,765
Current maturities of long-term debt	130,506	114,148
Accounts payable	46,502	24,852
Accrued expenses	63,549	62,759
Deferred revenue	45,660	10,923
Liability under trust agreement - short term	<u>15,800</u>	<u>15,800</u>
Total current liabilities	<u>496,015</u>	<u>529,331</u>
<b>LIABILITY UNDER TRUST AGREEMENT - LONG-TERM</b>	74,835	79,307
<b>LONG-TERM DEBT, LESS CURRENT MATURITIES</b>	2,093,907	2,219,044
<b>CAPITAL LEASE OBLIGATION, LESS CURRENT MATURITIES</b>	<u>-</u>	<u>7,511</u>
Total liabilities	<u>2,664,757</u>	<u>2,835,193</u>
<b>NET ASSETS</b>		
Unrestricted	3,953,525	3,654,022
Temporarily restricted	1,645,224	1,870,836
Permanently restricted	<u>3,504,647</u>	<u>3,494,421</u>
Total net assets	<u>9,103,396</u>	<u>9,019,279</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 11,768,153</u>	<u>\$ 11,854,472</u>

The accompanying notes are an integral part of the financial statements.

**WYMAN CENTER, INC.**  
**STATEMENTS OF ACTIVITIES**  
**Years Ended December 31, 2011 and 2010**

	<b>2011</b>			<u>Total</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	
<b>REVENUES AND SUPPORT</b>				
Program fees	\$ 2,485,252	\$ -	\$ -	\$ 2,485,252
Grants and contributions:				
United Way Services funding	624,285	25,000	-	649,285
Missouri Neighborhood Assistance Program	-	-	-	-
Missouri Youth Opportunity Program	-	283,734	-	283,734
Capital campaign contributions	-	138,489	-	138,489
Grants and fees from government agencies	103,198	-	-	103,198
Special events (net of direct expenses of \$89,382 and \$56,375, respectively)	162,874	-	-	162,874
Other grants and contributions	<u>487,635</u>	<u>162,134</u>	<u>10,226</u>	<u>659,995</u>
Total grants and contributions	1,377,992	609,357	10,226	1,997,575
Investment income:				
Interest and dividends	57,525	98,620	-	156,145
Realized gain on sale of investments	48,658	83,417	-	132,075
Unrealized (loss) gain on investments	<u>(141,980)</u>	<u>(243,404)</u>	<u>-</u>	<u>(385,384)</u>
Total investment income	(35,797)	(61,367)	-	(97,164)
Miscellaneous income	37,236	-	-	37,236
Change in value of split-interest agreements	-	(21,298)	-	(21,298)
Assets released from restrictions	<u>752,304</u>	<u>(752,304)</u>	<u>-</u>	<u>-</u>
Total revenues and support	<u>4,616,987</u>	<u>(225,612)</u>	<u>10,226</u>	<u>4,401,601</u>
<b>EXPENSES</b>				
Program services	3,758,500	-	-	3,758,500
General and administrative	135,682	-	-	135,682
Fundraising	<u>423,302</u>	<u>-</u>	<u>-</u>	<u>423,302</u>
Total expenses	<u>4,317,484</u>	<u>-</u>	<u>-</u>	<u>4,317,484</u>
<b>CHANGE IN NET ASSETS</b>	299,503	(225,612)	10,226	84,117
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>3,654,022</u>	<u>1,870,836</u>	<u>3,494,421</u>	<u>9,019,279</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 3,953,525</u>	<u>\$ 1,645,224</u>	<u>\$ 3,504,647</u>	<u>\$ 9,103,396</u>

**2010**

<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
\$ 795,035	\$ -	\$ -	\$ 795,035
606,785	17,500	-	624,285
-	12,000	-	12,000
-	219,910	-	219,910
-	24,359	-	24,359
427,174	-	-	427,174
143,135	75,000	-	218,135
<u>605,638</u>	<u>51,255</u>	<u>500,000</u>	<u>1,156,893</u>
1,782,732	400,024	500,000	2,682,756
59,869	93,403	-	153,272
60,543	39,501	-	100,044
<u>155,118</u>	<u>173,412</u>	<u>-</u>	<u>328,530</u>
275,530	306,316	-	581,846
15,184	-	-	15,184
-	(2,970)	-	(2,970)
<u>770,013</u>	<u>(770,013)</u>	<u>-</u>	<u>-</u>
<u>3,638,494</u>	<u>(66,643)</u>	<u>500,000</u>	<u>4,071,851</u>
3,689,685	-	-	3,689,685
147,360	-	-	147,360
<u>373,284</u>	<u>-</u>	<u>-</u>	<u>373,284</u>
<u>4,210,329</u>	<u>-</u>	<u>-</u>	<u>4,210,329</u>
(571,835)	(66,643)	500,000	(138,478)
<u>4,225,857</u>	<u>1,937,479</u>	<u>2,994,421</u>	<u>9,157,757</u>
<u>\$ 3,654,022</u>	<u>\$ 1,870,836</u>	<u>\$ 3,494,421</u>	<u>\$ 9,019,279</u>

The accompanying notes are an integral part of the financial statements.

**WYMAN CENTER, INC.**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 84,117	\$ (138,478)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	200,001	187,757
Contributed investments	(85,075)	(74,813)
Contributions restricted for permanent endowment	(411)	(26,168)
Realized/unrealized gain on investments	253,309	(428,574)
Change in value of split-interest agreements	9,970	(8,262)
Loss on sale of assets	-	331
Provision for bad debt	7,345	24,100
Changes in assets and liabilities:		
Accounts receivable	(167,188)	22,859
Unconditional promises to give	56,734	(488,002)
Inventory	4,278	(4,146)
Prepaid expenses	(31,602)	15,113
Accounts payable	21,650	(87,478)
Accrued expenses	790	12,130
Deferred revenue	34,737	(16,109)
Liabilities under trust agreement	(4,472)	(4,567)
Net cash provided by (used in) operating activities	<u>384,183</u>	<u>(1,014,307)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(157,145)	(380,585)
Proceeds from sale of investments	410,568	894,813
Purchases of intangibles	(5,061)	-
Purchases/construction of property and equipment	<u>(189,710)</u>	<u>(160,963)</u>
Net cash provided by investing activities	<u>58,652</u>	<u>353,265</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net activity on line of credit	(97,597)	284,084
Contributions restricted for permanent endowment	411	26,168
Principal payments on long-term debt	(108,779)	(177,948)
Principal payments on capital lease obligation	<u>(16,765)</u>	<u>(15,123)</u>
Net cash (used in) provided by financing activities	<u>(222,730)</u>	<u>117,181</u>
 <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	 220,105	 (543,861)
 <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	 <u>75,374</u>	 <u>619,235</u>
 <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	 <u>\$ 295,479</u>	 <u>\$ 75,374</u>
 <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest paid	<u>\$ 182,405</u>	<u>\$ 210,483</u>

The accompanying notes are an integral part of the financial statements.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

Wyman Center, Inc. (Wyman) 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 15,000 teens in 41 states across the country to lead successful lives and build strong communities.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles.

**Basis of Presentation**

Financial statement presentation follows the requirements of the Accounting Standards Codification (ASC) 958-205, *Not-for-Profit Presentation of Financial Statements*. Under ASC 958-205, Wyman is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Unrestricted net assets includes all net assets which are neither temporarily nor permanently restricted. Temporarily restricted net assets includes contributed net assets for which donor imposed time and purpose restrictions have not been met and the ultimate purpose of the contribution is not permanently restricted. Permanently restricted net assets includes contributed net assets which require, by donor restriction, that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

**Estimates and Assumptions**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Description of Programs and Supporting Services**

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

***Program services***

*Wyman Teen Leadership Program*

With a progressive leadership theme and an intensive summer experience based out of historic Kiwanis Camp Wyman, the Teen Leadership Program (TLP) engages teens year-round. Teens participate in four community-learning experiences during the school year, fulfill volunteerism expectations and develop an individual Leadership Plan. Through this program, they gain the experiences, skills and values needed to act as contributing students, family members, employees and citizens.

Each year, the South Side Lions Mane Event Young Lion Leader Scholarships enable multiple rising seventh graders to enter Wyman's seven-year Teen Leadership Program.

*Wyman Teen Outreach Program © (TOP)*

The Wyman Teen Outreach Program (TOP) is a nationally recognized and replicated best practice program in youth development 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.

The South Side Lions Mane Event helps provides middle and high school students with access to TOP.

TOP is expanding throughout the St. Louis region and the nation, currently reaching over 15,000 teens in the USA through Wyman's National Network. With support from The Wyman Institute for Teen Development, Wyman's National Network is building the capacity of youth workers and youth serving organizations to consistently deliver programs and services that prepare young people to lead successful lives and build strong communities. The Wyman Institute for Teen Development puts into practice the leading theories on effective youth development and leadership methods.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

***Program services*** (Continued)

*Experience Wyman*

For more than 50 years, Wyman has hosted school camp programs in line with "Show-Me Standards," including outdoor adventure, science and environmental education and team-building activities. Wyman works with teachers and students from more than 30 area school districts that participate in programs lasting from one day to a full week. Wyman also has extensive experience hosting Retreats, Corporate Team Building, Organizational Development, meetings, family reunions, holiday parties, wedding receptions and youth group outings to meet groups' needs and expectations. Full day and overnight accommodations are available. Net revenue earned from this work supports Wyman's mission.

***Supporting services***

*General and administrative*

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/development*

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.

**Credit Risk**

Financial instruments that potentially subject Wyman to credit risk consist principally of investments and deposits in financial institutions exceeding federally insured limits. At various times during the years ended December 31, 2011 and 2010, Wyman's cash balances may have exceeded federally insured limits.

**Cash and Cash Equivalents**

All unrestricted highly liquid investments with an initial maturity of three months or less are considered to be cash equivalents.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investments and Assets Restricted for Permanent Investment**

Investments are reported at fair value as described in Note 12 and are subject to the inherent risks of volatility in the market. Unrealized gains and losses are included as changes in net assets. Investment income is net of fees of \$21,340 and \$20,014 for the years ended December 31, 2011 and 2010, respectively.

**Accounts Receivable and Unconditional Promises to Give**

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 revenues in the period the promises are received. 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 and donors having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year end will be immaterial. Accounts receivable and unconditional promises to give are recorded net of an allowance for doubtful accounts of \$10,000 as of December 31, 2011 and 2010.

**Inventories**

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

**Property and Equipment**

Facilities and equipment are carried at cost at the date of purchase or fair value at the date of gift, less accumulated depreciation calculated using the straight-line method over lives ranging from 3 to 50 years. Wyman capitalizes individual assets greater than \$1,500.

**Intangible Assets**

Intangible assets are being amortized on a straight-line basis over 10 – 20 years. Such assets are periodically evaluated as to the recoverability of their carrying values.

**Split Interest and Annuity Agreements**

Wyman utilizes the actuarial method to record the asset and liability for its split interest and annuity agreements. Assets are recorded at fair value at date of receipt. Related assets and liabilities are recorded based on the present value of the agreement utilizing life expectancy tables as set forth in the Internal Revenue Code. On an annual basis, an adjustment is made to the asset and liability to record an actuarial gain or loss based on a re-computation of the donor's revised life expectancy. Upon termination of the agreement, the values are transferred to the appropriate net asset classification, in accordance with the wishes of the donor.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Long-Lived Assets**

Wyman reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amounts of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

**Fair Value of Financial Instruments**

The fair value of financial instruments classified as current assets or liabilities, including accounts receivable and accounts payable approximate carrying value, principally because of the short maturity of these items. The carrying amount of the line of credit and long-term debt approximate fair value since stated rates are similar to rates currently available to the Organization for debt with similar terms and remaining maturities.

**Restricted and Unrestricted Support and Revenue**

Wyman reports gifts of cash and other assets as unrestricted, temporarily restricted or permanently restricted, depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions. As permitted under ASC 958-205, *Not-for-Profit Presentation of Financial Statements*, Wyman has reported contributions that are temporarily restricted for purposes other than the capital campaign as unrestricted in the current year if Wyman met the donor restrictions in the same period as receipt of the contributions.

**Donated Services, Facilities and Supplies**

Certain professional services are donated to Wyman by various organizations and individuals. Since these donated services meet the criteria for recognition under ASC 958-605, *Accounting For Contributions Received and Contributions Made*, they 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. However, certain donated services have not been recorded because they do not meet the criteria for recognition under ASC 958-605.

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 \$106,333 and \$138,028 for the years ended December 31, 2011 and 2010, respectively.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Expense Allocation**

Expenses are charged to programs and supporting activities by specific identification. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of Wyman.

**Advertising Costs**

Advertising costs are expensed as incurred.

**Income Taxes**

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

**NOTE 2 - INVESTMENTS**

Investments consist of the following at December 31, 2011 and 2010:

	<u>2011</u>		<u>2010</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Common and preferred stocks	\$ 1,399,769	\$ 1,656,590	\$ 1,421,196	\$ 1,786,018
Mutual funds	<u>2,920,608</u>	<u>3,015,757</u>	<u>2,935,446</u>	<u>3,307,986</u>
	<u>\$ 4,320,377</u>	4,672,347	<u>\$ 4,356,642</u>	5,094,004
Less: assets restricted for permanent investment		<u>2,995,696</u>		<u>2,901,257</u>
<b>Amount reported as investments</b>		<u>\$ 1,676,651</u>		<u>\$ 2,192,747</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, 2011 and 2010, unrealized (losses) gains of \$(385,384) and \$328,530, respectively, were recorded to adjust the investments to fair value. For the years ended December 31, 2011 and 2010, investment fees totaled \$21,340 and \$20,014, respectively, and are included in interest expense.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 3 - UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give are expected to be collected in the following periods at December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Pledges due in less than one year	\$ 1,297,021	\$ 1,260,144
Pledges due in 1 - 5 years	38,500	140,500
Discount to record promises to give at present value	<u>(3,280)</u>	<u>(11,669)</u>
	<u>35,220</u>	<u>128,831</u>
	<u>\$ 1,332,241</u>	<u>\$ 1,388,975</u>

A discount rate of 5.5% was used to record promises to give at the present value of the future cash flows at December 31, 2011 and 2010.

**NOTE 4 - PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Land	\$ 2,890,710	\$ 2,888,270
Buildings and improvements	4,070,018	4,035,427
Vehicles	144,002	139,502
Furniture and equipment	1,029,771	936,636
Construction in progress	<u>73,776</u>	<u>21,748</u>
	8,208,277	8,021,583
Less accumulated depreciation	<u>3,211,995</u>	<u>3,018,495</u>
	<u>\$ 4,996,282</u>	<u>\$ 5,003,088</u>

Depreciation expense charged against revenues amounted to \$196,517 and \$184,482 for the years ended December 31, 2011 and 2010, respectively.

On November 30, 2011, with the consent of the Board of Directors, management executed a contract for the construction of a building. Construction began in February 2012 and is expected to be completed summer of 2012 at a cost of \$439,900. Wyman did not incur debt to finance the construction.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 5 - INTANGIBLE ASSETS**

Detail of intangibles at December 31, 2011 is as follows:

<u>Description</u>	<u>Gross Cost</u>	<u>Recorded Accumulated Amortization</u>	<u>Net Carrying Amount</u>	<u>Useful Life</u>
Intangible assets:				
TOP curriculum	\$ 15,506	\$ (10,079)	\$ 5,427	10 years
Patent	7,500	(2,000)	5,500	20 years
Trademark	<u>32,036</u>	<u>(4,594)</u>	<u>27,442</u>	20 years
<b>Total intangible assets</b>	<b><u>\$ 55,042</u></b>	<b><u>\$ (16,673)</u></b>	<b><u>\$ 38,369</u></b>	

Estimated amortization expense relating to intangibles calculated based on management's estimate would be approximately \$3,500 per year for each of the next five fiscal years.

Detail of intangibles at December 31, 2010 is as follows:

<u>Description</u>	<u>Gross Cost</u>	<u>Recorded Accumulated Amortization</u>	<u>Net Carrying Amount</u>	<u>Useful Life</u>
Intangible assets:				
TOP curriculum	\$ 15,506	\$ (8,528)	\$ 6,978	10 years
Patent	7,500	(1,625)	5,875	20 years
Trademark	<u>26,975</u>	<u>(3,035)</u>	<u>23,940</u>	20 years
<b>Total intangible assets</b>	<b><u>\$ 49,981</u></b>	<b><u>\$ (13,188)</u></b>	<b><u>\$ 36,793</u></b>	

**NOTE 6 - LINE OF CREDIT**

During the year ended December 31, 2011, Wyman maintained a revolving line of credit with a bank with a maximum credit limit of \$500,000. This line of credit had an outstanding balance of \$186,487 and \$284,084 at December 31, 2011 and 2010, respectively. The interest rate of borrowings on the line of credit is one month LIBOR plus 3.5%. The effective interest rate was 3.771% and 3.765% at December 31, 2011 and 2010, respectively. The line of credit is secured by the Organization's investments held at this bank and matures November 2012.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 6 - LINE OF CREDIT (CONTINUED)**

During the year ended December 31, 2010, Wyman maintained a revolving line of credit agreement with a bank, with a maximum credit limit of \$500,000 at the prime rate. This line of credit was secured by land and improvements and was due on demand. This line of credit was closed during the year ended December 31, 2010.

**NOTE 7 - LONG-TERM DEBT**

Long-term debt consists of the following at December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Note payable to a bank, secured by a deed of trust on land and buildings, payable in monthly installments of \$9,794 including principal and interest at 5.875%, with a balloon payment due March 1, 2026	\$ 1,101,068	\$ 1,138,148
Note payable to a financing company, secured by a deed of trust on land and buildings, payable in monthly installments of \$11,909 including principal and interest at 6.125%, with a balloon payment due September 1, 2022	<u>1,123,345</u>	<u>1,195,044</u>
	2,224,413	2,333,192
Less current maturities	<u>130,506</u>	<u>114,148</u>
	<u>\$ 2,093,907</u>	<u>\$ 2,219,044</u>

The scheduled maturities on long-term debt as of December 31, 2011 are as follows:

2012	\$ 130,506
2013	138,685
2014	147,164
2015	156,273
2016	165,947
Thereafter	<u>1,485,838</u>
	<u>\$ 2,224,413</u>

**WYMAN CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010**

**NOTE 8 - SPLIT-INTEREST AGREEMENTS**

During 2001, Wyman was 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, 2011 and 2010, the liability under the trust amounted to \$90,635 and \$95,107, respectively.

Wyman is also a beneficiary of a charitable remainder trust. Upon the death of the last surviving annuitant of the trust, Wyman will receive 100% of the remaining trust balance. At December 31, 2011 and 2010, this promise to give was valued at \$109,362 and \$119,332, respectively.

**NOTE 9 - NET ASSETS**

Temporarily restricted net assets are available for the following purposes at December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Program activities	\$ 308,278	\$ 553,252
General capital improvements	388,635	369,169
Aquatics	1,476	1,636
Outdoor education	174	1,634
College scholarships	367	2,552
Restricted for use in future operations	<u>946,294</u>	<u>942,593</u>
	<u>\$ 1,645,224</u>	<u>\$ 1,870,836</u>

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 9 - NET ASSETS (CONTINUED)**

Permanently restricted net assets consist of the following at December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Program scholarships	\$ 2,655,108	\$ 2,655,108
College scholarships	510,226	500,000
Capital improvements	31,000	31,000
General use	4,465	4,465
Aquatics	8,100	8,100
Outdoor education	8,093	8,093
Multiple purposes	<u>287,655</u>	<u>287,655</u>
	<u>\$ 3,504,647</u>	<u>\$ 3,494,421</u>

Net assets were released from donor-imposed restrictions as follows for the years ended December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Temporarily restricted:		
Program services	\$ 633,892	\$ 570,956
General capital improvements	118,412	192,949
Campaign	<u>-</u>	<u>6,108</u>
	<u>\$ 752,304</u>	<u>\$ 770,013</u>

**NOTE 10 - DEFERRED COMPENSATION PLANS**

Wyman has a defined contribution deferred compensation plan under Section 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, 2011 and 2010 amounted to \$37,750 and \$29,250, 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% of the employee's annual salary to the plan. The plan also provides for employer matching contributions to a maximum of 3% of employee compensation. For years ended December 31, 2011 and 2010, Wyman's expense for the plan was \$84,374 and \$78,972, respectively.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 11 - LEASE COMMITMENTS**

**Operating Leases**

Wyman leases office space with a one year term and certain office equipment under various operating lease agreements with three year terms. Rent expense amounted to \$5,560 and \$5,422 for the years ended December 31, 2011 and 2010, respectively.

At December 31, 2011 minimum annual rental commitments for office equipment are as follows:

2012	\$ 5,224
2013	4,989
2014	4,989
2015	3,628
2016	<u>567</u>
	<u>\$ 19,397</u>

**Capital Leases**

The Organization has a non-cancelable capital lease obligation which was obtained to finance the purchase of voice and data equipment totaling \$72,544 at December 31, 2011 and 2010. The accumulated amortization on this equipment at December 31, 2011 and 2010 was \$35,183 and \$27,365, respectively. Amortization expense is included in depreciation expense. Future minimum lease payments related to these capital leases as of December 31, 2011 are as follows:

2012	\$ 7,707
Amount representing interest	<u>(196)</u>
	7,511
Less current maturities	<u>(7,511)</u>
<b>Long-term portion</b>	<u>\$ -</u>

Interest expense relating to these leases amounted to \$1,732 and \$3,373 for the years ended December 31, 2011 and 2010, respectively.

**NOTE 12 - FAIR VALUE MEASUREMENT**

The Organization adopted ASC 820-10, *Fair Value Measurement*, related to fair value reporting of financial assets and financial liabilities for the years ended December 31, 2011 and 2010.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 12 - FAIR VALUE MEASUREMENT (CONTINUED)**

The fair values of significant financial assets and liabilities that are measured on a recurring basis at December 31, 2011 and 2010 are as follows:

	<u>Fair Value Measurements at Reporting Date Using</u>			
	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>December 31, 2011</b>				
Cash and cash equivalents	\$ 295,479	\$ 51,566	\$ 243,913	\$ -
Investments				
Common and preferred stock	1,656,590	1,656,590	-	-
Mutual funds - equity	1,153,211	1,153,211	-	-
Mutual funds - fixed income	1,862,546	1,862,546	-	-
Beneficial interest in charitable remainder trust	109,362	109,362	-	-
Liability under trust agreement	<u>(90,635)</u>	<u>-</u>	<u>(90,635)</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 4,986,553</u></b>	<b><u>\$ 4,833,275</u></b>	<b><u>\$ 153,278</u></b>	<b><u>\$ -</u></b>
<b>December 31, 2010</b>				
Cash and cash equivalents	\$ 75,374	\$ 21,816	\$ 53,558	\$ -
Investments				
Common and preferred stock	1,786,018	1,786,018	-	-
Mutual funds - equity	1,501,372	1,501,372	-	-
Mutual funds - fixed income	1,806,614	1,806,614	-	-
Beneficial interest in charitable remainder trust	119,332	119,332	-	-
Liability under trust agreement	<u>(95,107)</u>	<u>-</u>	<u>(95,107)</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 5,193,603</u></b>	<b><u>\$ 5,235,152</u></b>	<b><u>\$ (41,549)</u></b>	<b><u>\$ -</u></b>

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, 2011 and 2010**

**NOTE 13 - ENDOWMENT NET ASSETS**

The endowment consists of individual funds established for a variety of purposes. As required by generally accepted accounting principles, 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 only. As of December 31, 2011 and 2010, there are no funds designated by the Board of Directors to function as endowments.

**Interpretation of Relevant Law**

In August 2009, the State of Missouri enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Wyman's Board of Directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent 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 the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

**Interpretation of Relevant Law**

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

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 13 - ENDOWMENT NET ASSETS (CONTINUED)**

**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 the Organization 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 percent of the endowment trust based on a 12 quarter trailing average. In establishing this policy, the endowment considered the long-term expected return on its endowment. This is consistent with the Organization'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, 2012, 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, 2011 and 2010**

**NOTE 13 - ENDOWMENT NET ASSETS (CONTINUED)**

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

Endowment net asset composition by type of net asset as of December 31, 2011:

	<u>Temporary</u>	<u>Permanent</u>	<u>Total</u>
Donor-restricted endowment funds	\$ 93,210	\$ 3,504,647	\$ 3,597,857

Changes in the endowment net assets for the year ended December 31, 2011:

	<u>Temporarily Restricted</u>	<u>Permanent Donor-Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 417,077	\$ 3,494,421	\$ 3,911,498
Investment return:			
Investment income	98,620	-	98,620
Net depreciation (realized and unrealized)	<u>(159,987)</u>	<u>-</u>	<u>(159,987)</u>
Total investment return	(61,367)	-	(61,367)
Contributions	-	10,226	10,226
Appropriated for:			
Operations	<u>(262,500)</u>	<u>-</u>	<u>(262,500)</u>
<b>Endowment net assets, end of year</b>	<b><u>\$ 93,210</u></b>	<b><u>\$ 3,504,647</u></b>	<b><u>\$ 3,597,857</u></b>

Endowment net asset composition by type of net asset as of December 31, 2010:

	<u>Temporary</u>	<u>Permanent</u>	<u>Total</u>
Donor-restricted endowment funds	\$ 417,077	\$ 3,494,421	\$ 3,911,498

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 13 - ENDOWMENT NET ASSETS (CONTINUED)**

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

Changes in the endowment net assets for the year ended December 31, 2010:

	<u>Temporarily Restricted</u>	<u>Permanent Donor-Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 387,047	\$ 2,994,421	\$ 3,381,468
Investment return:			
Investment income	93,403	-	93,403
Net appreciation (realized and unrealized)	<u>212,913</u>	<u>-</u>	<u>212,913</u>
Total investment return	306,316	-	306,316
Contributions	-	500,000	500,000
Appropriated for:			
Operations	<u>(276,286)</u>	<u>-</u>	<u>(276,286)</u>
<b>Endowment net assets, end of year</b>	<b><u>\$ 417,077</u></b>	<b><u>\$ 3,494,421</u></b>	<b><u>\$ 3,911,498</u></b>

Description of endowment amounts classified as permanently and temporarily restricted net assets as of December 31, 2011 and 2010 is as follows:

	<u>2011</u>	<u>2010</u>
<b>Permanently Restricted Net Assets</b>		
(1) The portion of perpetual endowment funds that is required to be retained permanently by explicit donor stipulation	<u>\$ 3,504,647</u>	<u>\$ 3,494,421</u>
<b>Temporarily Restricted Net Assets</b>		
(1) The portion of perpetual endowment funds that is subject to a purpose restriction	<u>\$ 93,210</u>	<u>\$ 417,077</u>

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**NOTE 14 - INCOME TAX**

Wyman has adopted ASC 740-10, *Income Taxes*, as it relates to uncertain tax positions and has evaluated its tax positions taken for all open tax years. Currently, the 2008 and subsequent tax years are open and subject to examination by the Internal Revenue Service. However, Wyman is not currently under audit nor has the Organization been contacted by the Internal Revenue Service.

Based on the evaluation of the Organization's tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded as of December 31, 2011 and 2010.

**NOTE 15 - 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 16 - SUBSEQUENT EVENTS**

Wyman has evaluated subsequent events through June 5, 2012, the date which the financial statements were available to be issued.

This information is an integral part of the accompanying financial statements.

**SUPPLEMENTARY INFORMATION**

**WYMAN CENTER, INC.**  
**SCHEDULES OF FUNCTIONAL EXPENSES**  
**Years Ended December 31, 2011 and 2010**

	2011			
	<u>Program</u> <u>Services</u>	<u>General and</u> <u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 1,849,842	\$ 66,779	\$ 208,339	\$ 2,124,960
Retirement plan contributions	106,312	3,838	11,973	122,123
Other employee benefits	140,076	5,057	15,776	160,909
Payroll taxes	129,822	4,687	14,621	149,130
Legal, accounting and investment fees	59,943	2,164	6,752	68,859
Advertising and promotion	46,357	1,673	5,221	53,251
Office expenses	97,143	3,507	10,942	111,592
Information technology	21,878	790	2,464	25,132
Occupancy	175,168	6,324	19,728	201,220
Travel	100,981	3,645	11,373	115,999
Conferences, conventions and meetings	19,892	718	2,240	22,850
Interest	158,789	5,732	17,884	182,405
Depreciation and amortization	174,107	6,285	19,609	200,001
Insurance	75,360	2,720	8,487	86,567
Food services	112,415	4,058	12,661	129,134
Professional and consulting fees	251,626	9,084	28,339	289,049
Temporary agency staffing	-	-	-	-
Independent contractors	108,671	3,923	12,239	124,833
Supplies	78,334	2,828	8,822	89,984
Other expenses	51,784	1,870	5,832	59,486
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>\$ 3,758,500</u>	<u>\$ 135,682</u>	<u>\$ 423,302</u>	<u>\$ 4,317,484</u>

**2010**

<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
\$ 1,754,400	\$ 70,068	\$ 177,492	\$ 2,001,960
94,839	3,788	9,595	108,222
111,483	4,452	11,279	127,214
120,205	4,801	12,161	137,167
37,280	1,489	3,772	42,541
40,781	1,629	4,126	46,536
87,940	3,512	8,897	100,349
13,116	524	1,327	14,967
160,009	6,391	16,188	182,588
74,498	2,975	7,537	85,010
18,365	733	1,858	20,956
184,455	7,367	18,661	210,483
164,539	6,571	16,646	187,756
85,037	3,396	8,603	97,036
139,548	5,573	14,118	159,239
357,811	14,290	36,200	408,301
838	33	85	956
99,028	3,955	10,019	113,002
84,989	3,394	8,598	96,981
60,524	2,419	6,122	69,065
<u>\$ 3,689,685</u>	<u>\$ 147,360</u>	<u>\$ 373,284</u>	<u>\$ 4,210,329</u>