

**WYMAN CENTER, INC.
ST. LOUIS, MISSOURI**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2012 AND 2011

**WYMAN CENTER, INC.
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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Wyman Center, Inc. which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities and cash flows for the years 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

Board of Directors
Wyman Center, Inc.

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, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on the Supplementary Information

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 18, 2013

WYMAN CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2012 AND 2011

	2012	2011
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 791,430	\$ 295,479
Investments	411,625	1,676,651
Accounts Receivable, Net	94,696	225,833
Unconditional Promises to Give	1,059,418	1,297,021
Inventory	23,876	28,091
Prepaid Expenses	75,994	70,149
Total Current Assets	2,457,039	3,593,224
UNCONDITIONAL PROMISES TO GIVE - LONG-TERM	11,848	35,220
PROPERTY AND EQUIPMENT, NET	5,652,638	4,996,282
INTANGIBLE ASSETS, NET	34,841	38,369
BENEFICIAL INTEREST IN CHARITABLE REMAINDER TRUST	116,172	109,362
ASSETS RESTRICTED FOR PERMANENT INVESTMENT	3,388,475	2,995,696
Total Assets	\$ 11,661,013	\$ 11,768,153
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Line of Credit	\$ 213,844	\$ 186,487
Current Maturities of Capital Lease Obligation	-	7,511
Current Maturities of Long-Term Debt	151,691	130,506
Accounts Payable	43,689	46,502
Accrued Expenses	92,773	63,549
Deferred Revenue	77,211	45,660
Liability under Trust Agreement - Short Term	15,800	15,800
Total Current Liabilities	595,008	496,015
LIABILITY UNDER TRUST AGREEMENT - LONG-TERM	70,473	74,835
LONG-TERM DEBT, LESS CURRENT MATURITIES	1,938,623	2,093,907
Total Liabilities	2,604,104	2,664,757
NET ASSETS		
Unrestricted	3,844,182	3,953,525
Temporarily Restricted	1,727,669	1,645,224
Permanently Restricted	3,485,058	3,504,647
Total Net Assets	9,056,909	9,103,396
Total Liabilities and Net Assets	\$ 11,661,013	\$ 11,768,153

See accompanying Notes to Financial Statements.

WYMAN CENTER, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
REVENUES AND SUPPORT				
Program Fees	\$ 2,116,886	\$ -	\$ -	\$ 2,116,886
Grants and Contributions:				
United Way Services Funding	649,285	8,000	-	657,285
Missouri Youth Opportunity Program	139,141	105,182	-	244,323
Capital Campaign Contributions	-	2,628	-	2,628
Grants and Fees from Government Agencies	81,302	-	-	81,302
Special Events (Net of Direct Expenses of \$84,299 and \$89,382, Respectively)	242,216	-	-	242,216
Other Grants and Contributions	632,159	301,734	-	933,893
Total Grants and Contributions	<u>1,744,103</u>	<u>417,544</u>	<u>-</u>	<u>2,161,647</u>
Investment Income:				
Interest and Dividends	34,989	118,396	-	153,385
Realized Gain on Sale of Investments	40,611	152,174	-	192,785
Unrealized (Loss) Gain on Investments	69,384	127,194	-	196,578
Total Investment Income	<u>144,984</u>	<u>397,764</u>	<u>-</u>	<u>542,748</u>
Miscellaneous Income	24,588	-	-	24,588
Change in Value of Split-Interest Agreements	-	(4,628)	-	(4,628)
Change in Donor Restriction	-	19,589	(19,589)	-
Assets Released from Restrictions	747,824	(747,824)	-	-
Total Revenues and Support	<u>4,778,385</u>	<u>82,445</u>	<u>(19,589)</u>	<u>4,841,241</u>
EXPENSES				
Program Services	4,252,463	-	-	4,252,463
General and Administrative	162,552	-	-	162,552
Fundraising	472,713	-	-	472,713
Total Expenses	<u>4,887,728</u>	<u>-</u>	<u>-</u>	<u>4,887,728</u>
CHANGE IN NET ASSETS	(109,343)	82,445	(19,589)	(46,487)
NET ASSETS, BEGINNING OF YEAR	<u>3,953,525</u>	<u>1,645,224</u>	<u>3,504,647</u>	<u>9,103,396</u>
NET ASSETS, END OF YEAR	<u>\$ 3,844,182</u>	<u>\$ 1,727,669</u>	<u>\$ 3,485,058</u>	<u>\$ 9,056,909</u>

See accompanying Notes to Financial Statements.

2011			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 2,485,252	\$ -	\$ -	\$ 2,485,252
624,285	25,000	-	649,285
-	283,734	-	283,734
-	138,489	-	138,489
103,198	-	-	103,198
162,874	-	-	162,874
487,635	162,134	10,226	659,995
<u>1,377,992</u>	<u>609,357</u>	<u>10,226</u>	<u>1,997,575</u>
57,525	98,620	-	156,145
48,658	83,417	-	132,075
(141,980)	(243,404)	-	(385,384)
<u>(35,797)</u>	<u>(61,367)</u>	<u>-</u>	<u>(97,164)</u>
37,236	-	-	37,236
-	(21,298)	-	(21,298)
-	-	-	-
<u>752,304</u>	<u>(752,304)</u>	<u>-</u>	<u>-</u>
4,616,987	(225,612)	10,226	4,401,601
3,758,500	-	-	3,758,500
135,682	-	-	135,682
423,302	-	-	423,302
<u>4,317,484</u>	<u>-</u>	<u>-</u>	<u>4,317,484</u>
299,503	(225,612)	10,226	84,117
<u>3,654,022</u>	<u>1,870,836</u>	<u>3,494,421</u>	<u>9,019,279</u>
<u>\$ 3,953,525</u>	<u>\$ 1,645,224</u>	<u>\$ 3,504,647</u>	<u>\$ 9,103,396</u>

See accompanying Notes to Financial Statements.

WYMAN CENTER, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (46,487)	\$ 84,117
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization	212,604	200,001
Contributed Investments	(60,997)	(85,075)
Contributions Restricted for Permanent Endowment	-	(411)
Realized/Unrealized Gain on Investments	(389,363)	253,309
Change in Value of Split-Interest Agreements	(6,810)	9,970
Provision for Bad Debt	24,755	7,345
Changes in Assets and Liabilities:		
Accounts Receivable	106,381	(167,188)
Unconditional Promises to Give	260,975	56,734
Inventory	4,215	4,278
Prepaid Expenses	(5,845)	(31,602)
Accounts Payable	(2,813)	21,650
Accrued Expenses	29,224	790
Deferred Revenue	31,551	34,737
Liabilities under Trust Agreement	(4,362)	(4,472)
Net Cash Provided by Operating Activities	153,028	384,183
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(156,423)	(157,145)
Proceeds from Sale of Investments	1,479,030	410,568
Purchases of Intangibles	-	(5,061)
Purchases/Construction of Property and Equipment	(865,431)	(189,710)
Net Cash Provided by Investing Activities	457,176	58,652
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Activity on Line of Credit	27,357	(97,597)
Contributions Restricted for Permanent Endowment	-	411
Principal Payments on Long-Term Debt	(134,099)	(108,779)
Principal Payments on Capital Lease Obligation	(7,511)	(16,765)
Net Cash Used in Financing Activities	(114,253)	(222,730)
NET INCREASE IN CASH AND CASH EQUIVALENTS	495,951	220,105
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	295,479	75,374
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 791,430	\$ 295,479
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	\$ 170,554	\$ 182,405

See accompanying Notes to Financial Statements.

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

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 thousands of teens 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, 2012 AND 2011

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 thousands of 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, 2012 AND 2011**

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, 2012 and 2011, 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.

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.

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

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

Fair Value Measurement

Fair value measurement applies to reported balances that are required or permitted to be measured at fair value under an existing accounting standard. The Organization emphasizes that fair value is a market-based measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

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 \$- and \$10,000 as of December 31, 2012 and 2011, respectively.

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.

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

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

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.

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.

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

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

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 \$100,216 and \$106,333 for the years ended December 31, 2012 and 2011, respectively.

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.

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 2 INVESTMENTS

Investments consist of the following at December 31, 2012 and 2011:

	2012		2011	
	Cost	Fair Value	Cost	Fair Value
Common and Preferred Stocks	\$ 1,175,408	\$ 1,498,172	\$ 1,399,769	\$ 1,656,590
Mutual Funds-Equity	649,789	783,140	1,072,088	1,153,211
Mutual Funds-Fixed Income	1,426,354	1,518,788	1,848,520	1,862,546
	<u>\$ 3,251,551</u>	3,800,100	<u>\$ 4,320,377</u>	4,672,347
Less: Assets Restricted for Permanent Investment		<u>3,388,475</u>		<u>2,995,696</u>
Amount Reported as Investments		<u>\$ 411,625</u>		<u>\$ 1,676,651</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, 2012 and 2011, unrealized gains (losses) of \$196,578 and (\$385,384), respectively, were recorded to adjust the investments to fair value. For the years ended December 31, 2012 and 2011, investment fees totaled \$18,033 and \$21,340, respectively, and are included in interest expense.

NOTE 3 UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are expected to be collected in the following periods at December 31, 2012 and 2011:

	2012	2011
Pledges Due in Less Than One Year	\$ 1,059,418	\$ 1,297,021
Pledges Due in 1-5 Years	12,500	38,500
Discount to Record Promises to Give at Present Value	<u>(652)</u>	<u>(3,280)</u>
	<u>11,848</u>	<u>35,220</u>
	<u>\$ 1,071,266</u>	<u>\$ 1,332,241</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, 2012 and 2011.

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Land	\$ 2,977,579	\$ 2,890,710
Buildings and Improvements	4,734,081	4,070,018
Vehicles	122,888	144,002
Furniture and Equipment	720,239	1,029,771
Construction in Progress	34,880	73,776
	<u>8,589,667</u>	<u>8,208,277</u>
Less Accumulated Depreciation	<u>2,937,029</u>	<u>3,211,995</u>
	<u>\$ 5,652,638</u>	<u>\$ 4,996,282</u>

Depreciation expense charged against revenues amounted to \$209,075 and \$196,517 for the years ended December 31, 2012 and 2011, respectively.

NOTE 5 INTANGIBLE ASSETS

Detail of intangibles at December 31, 2012 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	\$ (11,630)	\$ 3,876	10 Years
Patent	7,500	(2,375)	5,125	20 Years
Trademark	<u>32,036</u>	<u>(6,196)</u>	<u>25,840</u>	20 Years
Total Intangible Assets	<u>\$ 55,042</u>	<u>\$ (20,201)</u>	<u>\$ 34,841</u>	

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, 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
Total Intangible Assets	<u>\$ 55,042</u>	<u>\$ (16,673)</u>	<u>\$ 38,369</u>	

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 6 LINE OF CREDIT

During the year ended December 31, 2012, Wyman maintained a revolving line of credit with a bank with a maximum credit limit of \$500,000 that matured in November 2012. Wyman renewed the revolving line of credit and increased the maximum credit limited to \$750,000. This line of credit had an outstanding balance of \$213,844 and \$186,487 at December 31, 2012 and 2011, respectively. The interest rate of borrowings on the line of credit is one month LIBOR plus 3.5%. The effective interest rate was 3.71% and 3.77% at December 31, 2012 and 2011, respectively. The line of credit is secured by the Organization's investments held at this bank and matures November 2013.

NOTE 7 LONG-TERM DEBT

Long-term debt consists of the following at December 31, 2012 and 2011:

	2012	2011
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	\$ 1,046,778	\$ 1,101,068
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	1,043,536	1,123,345
	2,090,314	2,224,413
Less Current Maturities	151,691	130,506
	\$ 1,938,623	\$ 2,093,907

The scheduled maturities on long-term debt as of December 31, 2012 are as follows:

2013	\$	151,691
2014		157,820
2015		164,338
2016		171,162
2017		178,307
Thereafter		1,266,996
		\$ 2,090,314

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
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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, 2012 and 2011, the liability under the trust amounted to \$86,273 and \$90,635, 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, 2012 and 2011, this promise to give was valued at \$116,172 and \$109,362, respectively.

NOTE 9 NET ASSETS

Temporarily restricted net assets are available for the following purposes at December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Program Activities	\$ 903,587	\$ 308,278
General Capital Improvements	60,247	388,635
Aquatics	2,395	1,476
Outdoor Education	1,093	174
College Scholarships	56,052	367
Restricted for Use in Future Operations	<u>704,295</u>	<u>946,294</u>
	<u>\$ 1,727,669</u>	<u>\$ 1,645,224</u>

Permanently restricted net assets consist of the following at December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Program Scholarships	\$ 2,655,108	\$ 2,655,108
College Scholarships	490,637	510,226
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>\$ 3,485,058</u>	<u>\$ 3,504,647</u>

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 9 NET ASSETS (CONTINUED)

Unrestricted net assets consist of the following at December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Board Designated Endowment for College Scholarships	\$ 19,589	\$ -
Undesignated	<u>3,824,593</u>	<u>3,953,525</u>
	<u>\$ 3,844,182</u>	<u>\$ 3,953,525</u>

Net assets were released from donor-imposed restrictions as follows for the years ended December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Temporarily Restricted:		
Program Services	\$ 305,558	\$ 633,892
General Capital Improvements	192,266	118,412
Campaign	<u>250,000</u>	<u>-</u>
	<u>\$ 747,824</u>	<u>\$ 752,304</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, 2012 and 2011 amounted to \$38,750 and \$37,750, 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, 2012 and 2011, Wyman's expense for the plan was \$87,594 and \$84,374, respectively.

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

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 \$6,451 and \$5,560 for the years ended December 31, 2012 and 2011, respectively.

At December 31, 2012 minimum annual rental commitments for office equipment are as follows:

2013	\$	6,741
2014		6,741
2015		5,380
2016		2,319
2017		<u>1,168</u>
	\$	<u>22,349</u>

Capital Leases

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, 2012 and 2011. The accumulated amortization on this equipment at December 31, 2012 and 2011 was \$43,001 and \$35,183, respectively. Amortization expense is included in depreciation expense. The final lease payment was made in May 2012 and no future lease payments remain. Interest expense relating to these leases amounted to \$195 and \$1,732 for the years ended December 31, 2012 and 2011, respectively.

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

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, 2012 and 2011.

The fair values of significant financial assets and liabilities that are measured on a recurring basis at December 31, 2012 and 2011 are as follows:

	Fair Value Measurements at Reporting Date Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2012				
Investments:				
Common and Preferred Stock	\$ 1,498,172	\$ 1,498,172	\$ -	\$ -
Mutual Funds - Equity	783,140	783,140	-	-
Mutual Funds - Fixed Income	1,518,788	1,518,788	-	-
Beneficial Interest in Charitable Remainder Trust	116,172	-	116,172	-
Liability Under Trust Agreement	(86,273)	-	(86,273)	-
Total	\$ 3,829,999	\$ 3,800,100	\$ 29,899	\$ -
December 31, 2011				
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	(90,635)	-	(90,635)	-
Total	\$ 4,691,074	\$ 4,672,347	\$ 18,727	\$ -

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, 2012 AND 2011

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 and 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:

- (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, 2012 AND 2011**

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.

Endowment net asset composition by type of net asset as of December 31, 2012:

	<u>Unrestricted</u>	<u>Temporary</u>	<u>Permanent</u>	<u>Total</u>
Donor-Restricted Endowment Funds	\$ -	\$ 478,474	\$ 3,485,058	\$ 3,963,532
Board Designated Endowment Funds	19,589	-	-	19,589
	<u>\$ 19,589</u>	<u>\$ 478,474</u>	<u>\$ 3,485,058</u>	<u>\$ 3,983,121</u>

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

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, 2012:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanent Donor- Restricted</u>	<u>Total</u>
Endowment Net Assets, Beginning of Year	\$ -	\$ 93,210	\$ 3,504,647	\$ 3,597,857
Investment Return:				
Investment Income	-	118,396	-	118,396
Net Depreciation (Realized and Unrealized)	-	279,368	-	279,368
Total Investment Return	-	397,764	-	397,764
Board Designated Transfer of Unrestricted Donation to Endowment Funds	19,589	-	-	19,589
Appropriated for:				
Operations	-	(12,500)	(19,589)	(32,089)
Endowment Net Assets, End of Year	<u>\$ 19,589</u>	<u>\$ 478,474</u>	<u>\$ 3,485,058</u>	<u>\$ 3,983,121</u>

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

	<u>Unrestricted</u>	<u>Temporary</u>	<u>Permanent</u>	<u>Total</u>
Donor-Restricted Endowment Funds	\$ -	\$ 93,210	\$ 3,504,647	\$ 3,597,857

**WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

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, 2011:

	Temporarily Restricted	Permanent Donor- Restricted	Total
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)	(159,987)	-	(159,987)
Total Investment Return	(61,367)	-	(61,367)
Contributions	-	10,226	10,226
Appropriated for:			
Operations	(262,500)	-	(262,500)
Endowment Net Assets, End of Year	<u>\$ 93,210</u>	<u>\$ 3,504,647</u>	<u>\$ 3,597,857</u>

Description of endowment amounts classified as permanently, temporarily and unrestricted net assets as of December 31, 2012 and 2011 is as follows:

	2012	2011
Permanently Restricted Net Assets		
(1) The portion of perpetual endowment funds that is required to be retained permanently by explicit donor stipulation	<u>\$ 3,485,058</u>	<u>\$ 3,504,647</u>
Temporarily Restricted Net Assets		
(1) The portion of perpetual endowment funds that is subject to a purpose restriction	<u>\$ 478,474</u>	<u>\$ 93,210</u>
Unrestricted Net Assets Board Designated		
(1) The portion of perpetual endowment funds that is required by Board designation to be retained permanently for college scholarships	<u>\$ 19,589</u>	<u>\$ -</u>

WYMAN CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

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 2009 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, 2012 and 2011.

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 18, 2013, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

WYMAN CENTER, INC.
SCHEDULES OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012			Total
	Program Services	General and Administrative	Fundraising	
Salaries and Wages	\$ 2,118,390	\$ 80,975	\$ 235,484	\$ 2,434,849
Retirement Plan Contributions	109,922	4,202	12,219	126,343
Other Employee Benefits	157,231	6,010	17,478	180,719
Payroll Taxes	149,982	5,733	16,672	172,387
Legal, Accounting and Investment Fees	38,017	1,454	4,226	43,697
Advertising and Promotion	60,430	2,310	6,718	69,458
Office Expenses	94,880	3,627	10,547	109,054
Information Technology	19,783	756	2,199	22,738
Occupancy	211,367	8,080	23,496	242,943
Travel	132,796	5,076	14,762	152,634
Conferences, Conventions and Meetings	26,851	1,026	2,985	30,862
Interest	148,387	5,672	16,495	170,554
Depreciation and Amortization	184,971	7,071	20,562	212,604
Insurance	80,332	3,071	8,930	92,333
Food Services	128,026	4,894	14,232	147,152
Professional and Consulting Fees	278,897	10,661	31,003	320,561
Independent Contractors	149,836	5,728	16,656	172,220
Supplies	71,634	2,738	7,963	82,335
Other Expenses	90,731	3,468	10,086	104,285
TOTAL FUNCTIONAL EXPENSES	<u>\$ 4,252,463</u>	<u>\$ 162,552</u>	<u>\$ 472,713</u>	<u>\$ 4,887,728</u>

2011

<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
\$ 1,849,842	\$ 66,779	\$ 208,339	\$ 2,124,960
106,312	3,838	11,973	122,123
140,076	5,057	15,776	160,909
129,822	4,687	14,621	149,130
59,943	2,164	6,752	68,859
46,357	1,673	5,221	53,251
97,143	3,507	10,942	111,592
21,878	790	2,464	25,132
175,168	6,324	19,728	201,220
100,981	3,645	11,373	115,999
19,892	718	2,240	22,850
158,789	5,732	17,884	182,405
174,107	6,285	19,609	200,001
75,360	2,720	8,487	86,567
112,415	4,058	12,661	129,134
251,626	9,084	28,339	289,049
108,671	3,923	12,239	124,833
78,334	2,828	8,822	89,984
51,784	1,870	5,832	59,486
<u>\$ 3,758,500</u>	<u>\$ 135,682</u>	<u>\$ 423,302</u>	<u>\$ 4,317,484</u>