

**WYMAN CENTER, INC.**  
**AUDITED FINANCIAL STATEMENTS**  
**Year Ended December 31, 2020**  
**(With Comparative Totals for 2019)**

# WYMAN CENTER, INC.

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Wyman Center, Inc.

We have audited the accompanying financial statements of Wyman Center, Inc. (a not-for-profit corporation), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wyman Center, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited Wyman Center, Inc.'s financial statements for the year ended December 31, 2019, and our report dated June 23, 2020, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*UHY* LLP

St. Louis, Missouri  
June 28, 2021

**WYMAN CENTER, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2020 (With Comparative Totals for 2019)**

	<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 452,034	\$ 271,831
Investments	937,947	857,471
Accounts receivable	129,975	57,773
Unconditional promises-to-give	1,169,672	1,952,713
Inventories	7,469	7,938
Prepaid expenses	150,517	114,056
Total current assets	<u>2,847,614</u>	<u>3,261,782</u>
UNCONDITIONAL PROMISES-TO-GIVE	287,881	417,136
PROPERTY AND EQUIPMENT	5,366,702	5,051,815
INTANGIBLE ASSETS	15,151	17,127
BENEFICIAL INTEREST IN THIRD-PARTY TRUST	133,641	130,616
INVESTMENTS - ASSETS RESTRICTED FOR PERMANENT INVESTMENT	2,285,763	2,284,763
Total assets	<u>\$ 10,936,752</u>	<u>\$ 11,163,239</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES		
Line of credit	\$ 95,000	\$ 584,318
Current maturities of long-term debt	230,595	224,743
Accounts payable	78,290	116,715
Accrued expenses	67,691	159,073
Deferred revenue	81,953	160,496
Paycheck Protection Program Loan	879,942	-
Total current liabilities	<u>1,433,471</u>	<u>1,245,345</u>
LONG-TERM DEBT	1,181,328	1,363,754
Total liabilities	<u>2,614,799</u>	<u>2,609,099</u>
NET ASSETS		
Without donor restrictions		
Board designated endowment for program scholarships	24,157	21,880
Undesignated - available for operations	2,605,292	2,443,811
	<u>2,629,449</u>	<u>2,465,691</u>
With donor restrictions		
Time-restricted for future periods	519,007	640,110
Purpose restrictions	1,863,697	2,247,868
Endowment	3,176,159	3,069,855
Perpetual in nature	133,641	130,616
	<u>5,692,504</u>	<u>6,088,449</u>
Total net assets	<u>8,321,953</u>	<u>8,554,140</u>
Total liabilities and net assets	<u>\$ 10,936,752</u>	<u>\$ 11,163,239</u>

See notes to financial statements.

**WYMAN CENTER, INC.**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2020 (With Comparative Totals for 2019)**

	Years Ended December 31,			2019
	2020		Total	
	Without Donor Restrictions	With Donor Restrictions		
<b>PUBLIC SUPPORT AND REVENUES</b>				<b>Total</b>
Public Support				
Grants and contributions				
United Way services funding	\$ -	\$ 496,513	\$ 496,513	\$ 620,641
Missouri Youth Opportunity Program	42,810	2,383	45,193	124,233
Missouri Neighborhood Assistance Program	190,977	-	190,977	32,700
In-kind contributions	127,515	-	127,515	124,400
In-kind contributions - property and equipment	293,732	-	293,732	-
Other grants and contributions	1,075,039	961,950	2,036,989	3,526,747
Total grants and contributions	<u>1,730,073</u>	<u>1,460,846</u>	<u>3,190,919</u>	<u>4,428,721</u>
Special events				
Contributions	187,241	-	187,241	166,576
Revenues	-	-	-	24,000
Direct expenses	(41,496)	-	(41,496)	(75,200)
Total special events	<u>145,745</u>	<u>-</u>	<u>145,745</u>	<u>115,376</u>
Assets released from restrictions	2,124,150	(2,124,150)	-	-
Total public support	<u>3,999,968</u>	<u>(663,304)</u>	<u>3,336,664</u>	<u>4,544,097</u>
Revenues				
Program service fees				
Wyman Leaders	-	-	-	-
Teen Outreach Program® (TOP®)	605,007	-	605,007	811,140
Wyman's Wrap Around Services	-	-	-	-
Experience Wyman/Vended Services	28,021	-	28,021	551,179
Other program services	723,451	-	723,451	943,117
Total program service fees	<u>1,356,479</u>	<u>-</u>	<u>1,356,479</u>	<u>2,305,436</u>
Net investment return	(6,592)	266,106	259,514	472,039
Change in value of beneficial interest in third-party trust	-	3,025	3,025	15,724
Miscellaneous income (loss)	15,945	(1,772)	14,173	21,395
Total revenues	<u>1,365,832</u>	<u>267,359</u>	<u>1,633,191</u>	<u>2,814,594</u>
Total public support and revenues	<u>5,365,800</u>	<u>(395,945)</u>	<u>4,969,855</u>	<u>7,358,691</u>
<b>EXPENSES AND LOSSES</b>				
Program services				
Wyman Leaders	994,595	-	994,595	1,205,758
Teen Outreach Program® (TOP®)	686,859	-	686,859	866,361
Wyman's Wrap Around Services	711,902	-	711,902	916,977
Experience Wyman/Vended Services	405,060	-	405,060	622,852
Other program services	1,932,267	-	1,932,267	2,395,485
Total program services	<u>4,730,683</u>	<u>-</u>	<u>4,730,683</u>	<u>6,007,433</u>
Supporting services				
Management and general	60,610	-	60,610	128,075
Fundraising	335,749	-	335,749	410,581
Total supporting services	<u>396,359</u>	<u>-</u>	<u>396,359</u>	<u>538,656</u>
Total expenses before losses	<u>5,127,042</u>	<u>-</u>	<u>5,127,042</u>	<u>6,546,089</u>
Loss on uncollectible unconditional promises-to-give	75,000	-	75,000	575,000
Total expenses and losses	<u>5,202,042</u>	<u>-</u>	<u>5,202,042</u>	<u>7,121,089</u>
CHANGES IN NET ASSETS	163,758	(395,945)	(232,187)	237,602
NET ASSETS, Beginning	2,465,691	6,088,449	8,554,140	8,316,538
NET ASSETS, Ending	<u>\$ 2,629,449</u>	<u>\$ 5,692,504</u>	<u>\$ 8,321,953</u>	<u>\$ 8,554,140</u>

See notes to financial statements.

**WYMAN CENTER, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended December 31, 2020 (With Comparative Totals for 2019)**

	2020										2019	
	Program Services					Supporting Services					Total	Total
	Wyman Leaders	Teen Outreach Program® (TOP®)	Wyman's Wrap Around Services	Experience Wyman/Vended Services	Other Program Services	Total	Management and General	Fundraising	Total	Total		
Salaries and Wages	\$ 491,262	\$ 515,853	\$ 454,453	\$ 145,721	\$ 1,126,758	\$ 2,734,047	\$ 35,029	\$ 194,042	\$ 229,071	\$ 2,963,118	\$ 3,664,378	
Retirement Plan Contributions	11,273	7,870	12,715	4,684	38,301	74,843	959	5,312	6,271	81,114	190,446	
Other Employee Benefits	53,883	80,702	44,601	28,002	133,058	340,246	4,359	24,148	28,507	368,753	351,277	
Payroll Taxes	36,337	37,626	32,788	10,458	79,483	196,692	2,520	13,960	16,480	213,172	270,382	
	<u>592,755</u>	<u>642,051</u>	<u>544,557</u>	<u>188,865</u>	<u>1,377,600</u>	<u>3,345,828</u>	<u>42,867</u>	<u>237,462</u>	<u>280,329</u>	<u>3,626,157</u>	<u>4,476,483</u>	
Legal, Accounting and Other Fees	-	-	600	-	55,780	56,380	722	4,001	4,723	61,103	70,412	
Advertising and Promotion	9,383	852	-	520	22,247	33,002	423	2,342	2,765	35,767	43,235	
Office Expenses	12,611	10,060	6,336	1,869	39,429	70,305	901	4,990	5,891	76,196	90,099	
Information Technology	29,103	154	7,811	264	92,539	129,871	1,664	9,217	10,881	140,752	97,819	
Occupancy	1,780	167	2,698	1,168	88,937	94,750	1,214	6,725	7,939	102,689	237,048	
Travel	3,738	2,956	13,124	1,527	(4,729)	16,616	213	1,179	1,392	18,008	135,091	
Conferences, Conventions and Meetings	-	43	32	-	15,215	15,290	196	1,085	1,281	16,571	46,496	
Interest	45,713	-	-	45,713	-	91,426	1,171	6,489	7,660	99,086	125,513	
Insurance	17,784	17,784	17,784	68,204	31,261	152,817	1,958	10,846	12,804	165,621	165,730	
Food Services	1,775	6,632	1,170	5,187	-	14,764	189	1,048	1,237	16,001	164,379	
Professional and Consulting Fees	-	-	-	-	19,388	19,388	1,882	10,426	12,308	31,696	36,696	
Scholarships	165,541	-	-	-	-	165,541	2,121	11,749	13,870	179,411	137,757	
Independent Contractors	3,575	-	11,063	-	59,155	73,793	945	5,237	6,182	79,975	104,288	
Supplies	7,548	5,820	106,425	3,778	7,930	131,501	1,685	9,333	11,018	142,519	260,722	
Other Expenses	18,076	340	302	2,752	(8,636)	12,834	276	1,524	1,800	14,634	42,256	
Special Events Expenses	-	-	-	-	-	-	-	41,496	41,496	41,496	75,200	
Subtotal	<u>909,382</u>	<u>686,859</u>	<u>711,902</u>	<u>319,847</u>	<u>1,796,116</u>	<u>4,424,106</u>	<u>58,427</u>	<u>365,149</u>	<u>423,576</u>	<u>4,847,682</u>	<u>6,309,224</u>	
Noncash Expenses												
Provision for bad debts	-	-	-	-	8,636	8,636	-	-	-	8,636	802	
In-Kind												
Professional and consulting fees	-	-	-	-	127,515	127,515	-	-	-	127,515	124,400	
Depreciation and amortization	85,213	-	-	85,213	-	170,426	2,183	12,096	14,279	184,705	186,863	
	<u>994,595</u>	<u>686,859</u>	<u>711,902</u>	<u>405,060</u>	<u>1,932,267</u>	<u>4,730,683</u>	<u>60,610</u>	<u>377,245</u>	<u>437,855</u>	<u>5,168,538</u>	<u>6,621,289</u>	
Less Expenses Netted with Revenues on the Statement of Activities	-	-	-	-	-	-	-	(41,496)	(41,496)	(41,496)	(75,200)	
TOTAL - 2020	<u>\$ 994,595</u>	<u>\$ 686,859</u>	<u>\$ 711,902</u>	<u>\$ 405,060</u>	<u>\$ 1,932,267</u>	<u>\$ 4,730,683</u>	<u>\$ 60,610</u>	<u>\$ 335,749</u>	<u>\$ 396,359</u>	<u>\$ 5,127,042</u>		
PERCENTAGE - 2020	<u>19.4</u> %	<u>13.4</u> %	<u>13.9</u> %	<u>7.9</u> %	<u>37.7</u> %	<u>92.3</u> %	<u>1.2</u> %	<u>6.5</u> %	<u>7.7</u> %	<u>100.0</u> %		
TOTAL - 2019	<u>\$ 1,205,758</u>	<u>\$ 866,361</u>	<u>\$ 916,977</u>	<u>\$ 622,852</u>	<u>\$ 2,395,485</u>	<u>\$ 6,007,433</u>	<u>\$ 128,075</u>	<u>\$ 410,851</u>	<u>\$ 538,656</u>		<u>\$ 6,546,089</u>	
PERCENTAGE - 2019	<u>18.4</u> %	<u>13.2</u> %	<u>14.0</u> %	<u>9.5</u> %	<u>36.6</u> %	<u>91.8</u> %	<u>2.0</u> %	<u>6.3</u> %	<u>8.2</u> %		<u>100.0</u> %	

**WYMAN CENTER, INC.**  
**STATEMENT OF CASH FLOWS**

**Year Ended December 31, 2020 (With Comparative Totals for 2019)**

	Years Ended December 31,	
	2020	2019
<b>OPERATING ACTIVITIES</b>		
Changes in net assets	\$ (232,187)	\$ 237,602
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	184,705	186,863
Noncash contribution of property and equipment	(293,732)	-
Realized (gain) loss on sale of investments	6,185	(94,472)
Unrealized gain on investments	(231,535)	(330,570)
Changes in beneficial interest in third-party trust	(3,025)	(15,724)
Loss on uncollectible unconditional promises-to-give	75,000	575,000
Gain on sale of property and equipment	(3,525)	(3,596)
Provision for bad debts	8,636	802
Restricted contributions for endowment	(1,000)	-
Changes in		
Accounts receivable	(80,838)	164,451
Unconditional promises-to-give	837,296	(649,959)
Inventories	469	(2,536)
Prepaid expenses	(36,461)	(47,634)
Accounts payable	(38,425)	(33,104)
Accrued expenses	(91,382)	4,978
Deferred revenue	(78,543)	1,569
Net cash provided (used) by operating activities	<u>21,638</u>	<u>(6,330)</u>
<b>INVESTING ACTIVITIES</b>		
Purchases of investments	(1,511,687)	(945,317)
Proceeds from sale of investments	1,655,561	862,808
Purchases of property and equipment	(256,927)	(28,993)
Proceeds from sale of property and equipment	<u>56,568</u>	<u>33,760</u>
Net cash used by investing activities	<u>(56,485)</u>	<u>(77,742)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds (payments) on line of credit	(489,318)	296,000
Proceeds from restricted contributions for endowment	1,000	-
Proceeds from long-term debt	88,643	-
Proceeds from paycheck protection program loan	879,942	-
Payments on long-term debt	<u>(265,217)</u>	<u>(187,715)</u>
Net cash provided by financing activities	<u>215,050</u>	<u>108,285</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>180,203</b>	<b>24,213</b>
<b>CASH AND CASH EQUIVALENTS, Beginning</b>	<b><u>271,831</u></b>	<b><u>247,618</u></b>
<b>CASH AND CASH EQUIVALENTS, Ending</b>	<b><u>\$ 452,034</u></b>	<b><u>\$ 271,831</u></b>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Interest paid	<u>\$ 92,524</u>	<u>\$ 123,581</u>
Noncash investing activity		
Noncash contribution of property and equipment	<u>\$ (293,732)</u>	<u>\$ -</u>

See notes to financial statements.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020 (With Comparative Totals for 2019)**

**NOTE 1 — HISTORY AND BUSINESS ACTIVITY**

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

The COVID-19 Pandemic affected Wyman in March 2020, when the employees were restricted from reporting to work due to the health risks associated with the virus. Business travel was limited. Many of the activities, meetings, and programs were shifted from in-person meetings and events to virtual events until the end of the fiscal year:

- Wyman Leaders changed to virtual implementation. Formalized new partnership with local universities.
- Experience Wyman/Vended Services was closed from March 2020 - December 2020.
- Teen Outreach Program® (TOP®) delivered updated staffing and implementation structures in Normandy and Ferguson Florissant through March of 2020. Then it was changed to virtual implementation.
- Wyman's National Network Trainings launched phase one of the Teen Connection Project and secured phase two contract. Phase two contract secured. The updated model proved to be sustainable during the pandemic. Eleven new partners secured against a target of six. More participants to be trained as trainers which improves quality of implementation. COVID restrictions limited the ability to deliver system wide trainings. Partner contracts were lower than projections. Trainings focused on current network partners. Team redesigned the Training of Trainers to be virtual.

While it was a significant change in how business was conducted, there were no adverse effects on Wyman's net assets.

**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Comparative Totals**

The financial statements include certain summarized comparative information in total but not by net asset class for the year ended December 31, 2019. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Wyman's financial statements for the year ended December 31, 2019, from which the summarized information was derived.



**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020 (With Comparative Totals for 2019)**

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

**Use of Estimates**

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

**Description of Programs and Supporting Services**

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

**Program Services**

Wyman Leaders

Wyman Leaders supports nearly 600 St. Louis teens annually to enter and complete college and career education programs, develop life and leadership skills, and create strong connections to their communities - all with a focus on helping teens lead in their communities now, while preparing for a successful transition into young adulthood. For 10 years - from 7<sup>th</sup> grade through four years of post-secondary education - our young people participate in intensive peer group experiences each summer, as well as consistent, individualized coaching and enrichment opportunities during the school year. This long-term, engaging, empowering and holistic experience produces outstanding outcomes that support teens for success in life and to contribute to building strong communities.

Teen Outreach Program® (TOP®)

Delivered in St. Louis by Wyman, and across the country by our network of partners, the Teen Outreach Program® (TOP®) promotes positive youth development through a social and emotional learning curriculum, community service learning, and supportive relationships with adults. Teens are empowered with the tools and opportunities needed to develop social and emotional skills; promote healthy relationships and community connections; develop a sense of purpose; and avoid risky behaviors. TOP® is a 9 month program serving teens from 6<sup>th</sup> through 12<sup>th</sup> grade. In the 2019-2020 school year, Wyman directly delivered TOP® to 1,370 teens in the St. Louis area. Our partners deliver the program to an additional 23,000 youth across the nation.

Wyman's Wrap Around Services

Systems that support youth function best when they align and coordinate their work to meet the needs of youth and increase equitable access to supports and programs for all young people. As a systems partner, Wyman helps to coordinate services across providers, facilitate trainings in adolescent development and social and emotional supports, and align policies and procedures to sustain positive change. In the 2019-2020 school year, Wyman is continuing our partnerships with the Normandy Schools Collaborative and the School District of University City. This marks the second year at the School District of University City and the final year of systems level work with the Normandy Schools Collaborative.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020 (With Comparative Totals for 2019)**

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

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

**Program Services (Continued)**

Experience Wyman/Vended Services

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

Teen Connection Project

Our ability to build strong social connections and relationships with others is linked to many positive outcomes - yet many young people lack healthy, positive, and affirming connections with others, feeling isolated and alone. The Teen Connection Project (TCP) was developed through a three-year research-practice partnership between the University of Virginia and Wyman (2016-2019) and is designed to improve peer relationships, social and emotional skills, school engagement, and well-being among high school aged youth. Teens meet in small groups weekly for one semester and use a guided curriculum to build positive relationships with peers and adults, and then share what they have learned within their schools, homes, and communities. In the 2019-2020 school year, TCP was delivered to 38 teens directly by Wyman and is being implemented by one national partner.

Other Program Services

Wyman's other program services includes the following:

Wyman's National Network - provides program replication and positive youth development training services across the United States to positively impact teens and increase the skills of the adults who work with them.

Social Innovation STL - an initiative supported by Wyman that was developed to work at the regional level to improve program innovation, non-profit excellence, and partnership performance in pursuit of better outcomes for youth.

**Supporting Services**

Management and General

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

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020 (With Comparative Totals for 2019)**

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

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

**Supporting Services (Continued)**

Fundraising

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

**Cash and Cash Equivalents**

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

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

**Investments and Assets Restricted for Permanent Investment**

Investments and assets restricted for permanent investment are reported at fair value based on quoted market prices and are subject to the inherent risk of volatility in the market. Net investment return (loss) consists of interest, dividends, realized and unrealized appreciation (depreciation) and investment advisory fees related to investments.

**Fair Value Measurements**

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

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

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020 (With Comparative Totals for 2019)**

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

**Accounts Receivable and Unconditional Promises-to-Give**

Accounts receivable and unconditional promises-to-give are stated at the amount management expects to collect from balances outstanding at year end based on management's assessment of the credit history with customers, donors having outstanding balances, and current relationships with them. Unconditional promises-to-give consist of pledge donations from various corporations, foundations, and individuals. Many of these donations have been restricted by time and use for facility needs. Unconditional promises-to-give are recognized as support in the period the promises are received. Accounts receivable and unconditional promises-to-give are recorded net of an allowance for doubtful accounts of \$-0- as of December 31, 2020 and 2019.

**Inventories**

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

**Property and Equipment**

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

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

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

**Asset Impairment Assessments**

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

**Intangible Assets**

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

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Beneficial Interest in Third-Party Trust**

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

**Net Assets without Donor Restrictions**

Net assets without donor restrictions are those resources over which the Board of Directors has discretionary control. Designated amounts represent those resources that the Board has set aside for a particular purpose. All contributions are considered to be available for use unless specifically restricted by the donor. Included in net assets without donor restrictions are Board Designated net assets for which the governing board, rather than a donor, has designated net assets to be reserved for endowment for program scholarships. Wyman treats restricted funds received and released in the same year as unrestricted net assets. Restricted funds received and released in the same year totaled \$964,471 and \$1,682,601 during the years ended December 31, 2020 and 2019, respectively.

**Net Assets with Donor Restrictions**

Net assets with donor restrictions are those resources subject to donor-imposed restrictions that will be satisfied by actions of Wyman, the passage of time or are resources subject to donor-imposed restrictions that will be maintained by Wyman. The donors of these resources permit Wyman to only use income earned on related investments for program operations in accordance with donor restrictions.

**Revenue Recognition – Public Support and Program Service Fees**

Wyman's revenue streams are comprised of public support and program service fees.

For each revenue stream identified above, revenue recognition is subject to the completion of performance obligations. For each contract with a customer, Wyman determines whether the performance obligations in the contracts are distinct or should be bundled. Factors to be considered include the pattern of transfer, whether customers can benefit from the resources, and whether the resources are readily available. Wyman's revenue is recognized when a given performance obligation is satisfied, either over a period of time or at a given point in time. Wyman recognizes the revenue over a period of time if the customer receives and consumes the benefit that Wyman provided, or if Wyman's performance does not create an asset with an alternative use, and has an enforceable right to payment for the performance.

The revenue is recognized at a given point in time when the control of the goods or service is transferred to the customer and when the customer can direct its use and obtain substantial benefit from the goods. The transaction price is calculated as the amount of consideration to which Wyman expects to be entitled (such as event agreements, price of program fees set in advance). In some situations (such as grant funds), Wyman bills customers and collects cash prior to the satisfaction of the performance obligation, which results in Wyman recognizing contract liabilities upon receipt of payment.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020 (With Comparative Totals for 2019)**

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

**Revenue Recognition – Public Support and Program Service Fees (Continued)**

The following explains the performance obligations related to each revenue stream and how they are recognized.

Public Support

Wyman records contributions when received as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions in the statement of activities. Donor-restricted contributions in which the restrictions are met within the same year as received are reported as contributions with donor restrictions when received and are released to net assets without donor restrictions as the restrictions are met.

Special events are comprised of an exchange element equal to the fair value of direct benefits to donors and a contribution revenue for the difference. Wyman's revenue is recognized when a given performance obligation is satisfied, usually at the time of the event. The contribution portion is recognized immediately.

Program Service Fees

A significant portion of Wyman's revenue is derived from cost-reimbursable state and local contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when Wyman has incurred expenditures in compliance with specific contract or grant provisions.

**Donated Services, Facilities and Supplies**

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

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

Total value of donated services was recorded at fair value of \$127,515 and \$124,400 for the years ended December 31, 2020 and 2019, respectively.

Total value of donated property and equipment was recorded at fair value of \$293,732 and \$-0- for the years ended December 31, 2020 and 2019, respectively.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020 (With Comparative Totals for 2019)**

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

**Functional Allocation of Expenses**

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

**Advertising Costs**

Advertising costs are expensed as incurred and were \$33,396 and \$41,600 for the years ended December 31, 2020 and 2019, respectively.

**Income Taxes**

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

**Subsequent Events**

Wyman has performed a review of events subsequent to the statement of financial position through June 28, 2021, the date the financial statements were available to be issued.

**NOTE 3 — LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	December 31,	
	2020	2019
Cash and Cash Equivalents	\$ 452,034	\$ 271,831
Investments, Excluding Accumulated Endowment Earnings	47,551	72,379
Accounts Receivable	129,975	57,773
Unconditional Promises-to-Give	1,169,672	1,952,713
Endowment Appropriation	170,000	170,000
	<u>\$ 1,969,232</u>	<u>\$ 2,524,696</u>

Wyman’s endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure. Certain reclassifications have been made to the liquidity and availability figures as of December 31, 2019 to conform to the 2020 presentation.

As part of our liquidity management plan, Wyman invests cash in excess of daily requirements in investments and money market funds.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 4 — INVESTMENTS**

Investments consist of the following:

	December 31,			
	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Mutual Funds				
Equity	\$ 1,633,851	\$ 1,954,870	\$ 2,112,445	\$ 2,347,181
Fidelity 500 Index Fund	260,614	375,156	-	-
Vanguard Total Bond Market Fund	461,717	491,049	308,574	319,571
Fixed Income (All Others)	381,992	402,635	467,214	475,482
	<u>\$ 2,738,174</u>	3,233,710	<u>\$ 2,888,233</u>	3,142,234
Less: Amounts Restricted for Permanent Investment		<u>2,285,763</u>		<u>2,284,763</u>
Totals		<u>\$ 937,947</u>		<u>\$ 857,471</u>

Net investment return consists of the following:

	Years Ended December 31,			
	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Interest and Dividends	\$ 3,382	\$ 54,012	\$ 57,394	\$ 68,996
Investment Advisory Fees	(23,230)	-	(23,230)	(21,999)
Gain (Loss) on Sale of Investments	(364)	(5,821)	(6,185)	94,472
Unrealized Gain on Investments	13,620	217,915	231,535	330,570
Totals	<u>\$ (6,592)</u>	<u>\$ 266,106</u>	<u>\$ 259,514</u>	<u>\$ 472,039</u>

Wyman invests in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

**NOTE 5 — UNCONDITIONAL PROMISES-TO-GIVE**

Unconditional promises-to-give consist of the following:

	December 31,	
	2020	2019
Pledges Due in Less Than One Year	\$ 1,169,672	\$ 1,952,713
Pledges Due in 2022 - 2024	329,628	602,530
Discount to Record Promises-to-Give at Present Value	(41,747)	(185,394)
Pledges - Long-Term	287,881	417,136
Total Pledges	<u>\$ 1,457,553</u>	<u>\$ 2,369,849</u>

A discount rate of 5.5 percent was used to record promises-to-give at the present value of the future cash flows at December 31, 2020 and 2019.



**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020 (With Comparative Totals for 2019)**

**NOTE 6 — PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	December 31,	
	2020	2019
Land (Note 19)	\$ 2,966,198	\$ 2,979,629
Buildings and Improvements	5,373,992	5,047,470
Vehicles	77,868	77,868
Furniture and Equipment	980,772	930,772
Construction in Progress	<u>134,528</u>	<u>-</u>
	9,533,358	9,035,739
Less Accumulated Depreciation	<u>4,166,656</u>	<u>3,983,924</u>
	<u>\$ 5,336,702</u>	<u>\$ 5,051,815</u>

Depreciation expense was \$182,729 and \$184,886 for the years ended December 31, 2020 and 2019, respectively.

**NOTE 7 — INTANGIBLE ASSETS**

Intangible assets consist of the following:

	December 31,			
	2020		2019	
	Gross Amount	Accumulated Amortization	Net Amount	Net Amount
TOP Curriculum	\$ 15,506	\$ 15,506	\$ -	\$ -
Patent	7,500	5,375	2,125	2,500
Trademarks	<u>32,036</u>	<u>19,010</u>	<u>13,026</u>	<u>14,627</u>
2020 Totals	<u>\$ 55,042</u>	<u>\$ 39,891</u>	<u>\$ 15,151</u>	
2019 Totals	<u>\$ 55,042</u>	<u>\$ 37,915</u>		<u>\$ 17,127</u>

Amortization expense was \$1,976 and \$1,977 for the years ended December 31, 2020 and 2019, respectively.

Future aggregate amortization expense is as follows:

Year Ending December 31,	
2021	\$ 1,977
2022	1,977
2023	1,977
2024	1,977
Thereafter	<u>7,243</u>
	<u>\$ 15,151</u>

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 8 — BENEFICIAL INTEREST IN THIRD-PARTY TRUST**

Donors have established a trust naming Wyman as the beneficiary of a charitable remainder trust. At the time of the donors' deaths, the trust will terminate and the remaining trust assets are to be distributed to Wyman. Based upon donor life expectancy, the present value of future benefits expected to be received by Wyman is estimated to be \$133,641 and \$130,616 at December 31, 2020 and 2019, respectively.

Changes in fair value of the charitable remainder trust are reflected as a change in value of beneficial interest in third-party trust in Wyman's statement of activities.

**NOTE 9 — LINE OF CREDIT**

Wyman has one \$1,500,000 revolving line of credit with a bank. Advances bear interest at one month LIBOR plus 1.9%. The line of credit expired on October 31, 2020. At December 31, 2020, there was no borrowing under this revolving credit agreement.

Wyman has one \$2,000,000 revolving line of credit with a bank. Advances bear interest at one month LIBOR plus 1.9%. The line of credit expires on December 5, 2022.

The outstanding balance was \$95,000 and \$584,318 at December 31, 2020 and 2019, respectively. The one month LIBOR rate was 0.15% and 1.70% at December 31, 2020 and 2019, respectively.

**NOTE 10 — LONG-TERM DEBT**

Long-term debt consists of the following:

	December 31,	
	2020	2019
Note payable to a financing company, payable in monthly installments of \$9,188 including interest at 5.50% with a balloon payment due March 1, 2026, secured by a deed of trust on land and buildings. An additional principal payment of \$56,498 was made during the year (Note 19)	\$ 445,306	\$ 582,056
Note payable to a financing company, payable in monthly installments of \$10,245 including interest at 2.95% with a balloon payment due September 1, 2022, secured by a deed of trust on land and buildings (Note 19)	209,753	324,844
Note payable to a financing company with maximum borrowings of \$975,000, payable in monthly installments of \$8,228 including interest at 6.00% through June 2025, then interest based on the greater of index plus 3% margin or 6% as described in the loan agreement, with a balloon payment due July 1, 2035, secured by a deed of trust on land and buildings. An additional \$88,644 was added to this loan on June 30, 2020. The new monthly installments become \$6,500 (Note 19)	756,864	681,597
	1,411,923	1,588,497
Less current portion of long-term debt	230,595	224,743
	<u>\$ 1,181,328</u>	<u>\$ 1,363,754</u>

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020 (With Comparative Totals for 2019)**

**NOTE 10 — LONG-TERM DEBT (Continued)**

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

Year Ending <u>December 31,</u>		
2021	\$	230,595
2022		206,212
2023		121,249
2024		127,850
2025		702,224
Thereafter		<u>23,793</u>
	\$	<u>1,411,923</u>

**NOTE 11 — PAYCHECK PROTECTION PROGRAM LOAN**

In April 2020, Wyman received loan proceeds of \$879,942 from Midwest BankCentre, pursuant to the Paycheck Protection Program (PPP) under the CARES Act, which was enacted March 27, 2020.

The PPP loan, which was in the form of a promissory note dated April 21, 2020, have a two-year term. Monthly principal and interest payments are deferred for 10 months until the amount of forgiveness determined is remitted to the lender or 10 months after the last day of the covered period, if the Organization does not seek forgiveness. Wyman did not make any payments towards the PPP loan during the year ended December 31, 2020.

Under the terms of the CARES Act, PPP loan participants can apply for and be granted forgiveness for all or a portion of loans granted under the PPP. Under the terms of the PPP, PPP loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels over a designated eight week or twenty-four week period. The accrued interest was \$6,111 as of December 31, 2020. Wyman has used the loan proceeds for purposes consistent with the PPP and anticipates that the loan will be forgiven, but there is no assurance provided that Wyman will obtain forgiveness in whole or in part.

According to the rules of the SBA, the Organization is required to retain PPP Loan documentation for six years after the date the loan is forgiven or repaid in full, and permit authorized representatives of the SBA, including representatives of its Office of Inspector General, to access such files upon request. Should the SBA conduct such a review and reject all or some of the Organization's judgments pertaining to satisfying PPP Loan eligibility or forgiveness conditions, the Organization may be required to adjust previously reported amounts and disclosures in the financial statements.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 12 — NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods:

	December 31,	
	2020	2019
Subject to the Passage of Time		
United Way allocation	\$ 496,513	\$ 620,641
Future operations	<u>22,494</u>	<u>19,469</u>
	<u>519,007</u>	<u>640,110</u>
Subject to Expenditure for Specific Purpose		
Program activities	1,793,878	2,093,353
Capital improvements	1,477	1,477
YOP	-	76,058
Aquatics	386	386
Outdoor education	385	385
College scholarships	<u>67,571</u>	<u>76,209</u>
	<u>1,863,697</u>	<u>2,247,868</u>
Endowment		
Subject to appropriation and expenditure when a specified event occurs		
Restricted by donors for		
Program scholarships	1,043,759	1,042,759
Scholarships	902,691	902,691
Capital improvements	31,000	31,000
Unrestricted	4,465	4,465
Aquatics	8,100	8,100
Outdoor education	8,093	8,093
Multiple purpose	<u>287,655</u>	<u>287,655</u>
	<u>2,285,763</u>	<u>2,284,763</u>
Accumulated Investment Return	<u>890,396</u>	<u>785,092</u>
	<u>3,176,159</u>	<u>3,069,855</u>
Not Subject to Spending Policy or Appropriation		
Beneficial interest in third-party trust	<u>133,641</u>	<u>130,616</u>
	<u>\$ 5,692,504</u>	<u>\$ 6,088,449</u>

Net assets were released from donor restrictions by incurring expenses, satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

	Years Ended December 31,	
	2020	2019
Satisfaction of Purpose Restrictions		
Program services	\$ 1,437,509	\$ 1,578,401
Capital improvements	2,000	-
Specific expenditures	<u>64,000</u>	<u>25,000</u>
	1,503,509	1,603,401
Expiration of Time Restrictions	<u>620,641</u>	<u>640,040</u>
	<u>\$ 2,124,150</u>	<u>\$ 2,243,441</u>

**WYMAN CENTER, INC.**  
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**NOTE 13 — DEFERRED COMPENSATION PLANS**

Wyman has a defined contribution deferred compensation plan under Section 403(b) and 457(b) of the Internal Revenue Code for certain key members of management with ten or more years of service. Eligible employees may contribute a percentage of their salaries up to the extent permitted by law. The plan provides that Wyman will make a non-elective contribution to the plan based on the employee's years of service. The associated expense for the years ended December 31, 2020 and 2019, amounted to \$-0- and \$29,833, respectively.

Wyman has a tax-deferred annuity plan under Section 401(k) of the Internal Revenue Code which allows eligible employees to make tax-deferred contributions. Eligible employees may contribute a percentage of their salaries up to the extent permitted by law. The plan provides that Wyman will contribute 3 percent of the employee's annual salary to the plan. The plan also provides for employer matching contributions to a maximum of 3 percent of employee compensation. For years ended December 31, 2020 and 2019, Wyman's expense for the plan was \$81,114 and \$160,613, respectively.

**NOTE 14 — LEASE COMMITMENTS**

**Operating Leases**

Wyman leases office space and certain office equipment under various operating lease agreements expiring on various dates through 2024.

Total future minimum lease payments are as follows:

<u>Year Ending</u> <u>December 31,</u>	
2021	\$ 9,518
2022	9,518
2023	7,018
2024	<u>4,182</u>
	<u>\$ 30,236</u>

Rent expense was \$6,823 and \$42,440 for the years ended December 31, 2020 and 2019, respectively.

**NOTE 15 — FAIR VALUE MEASUREMENTS**

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020 and 2019.

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

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

**WYMAN CENTER, INC.**  
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**NOTE 15 — FAIR VALUE MEASUREMENTS (Continued)**

The following are the major categories of assets measured at fair value on a recurring basis at December 31, 2020 and 2019:

	December 31,			Fair Value	Fair Value
	2020				
	Level 1 Quoted Prices in Active Markets for Identical Assets	Level 2 Significant Other Observable Inputs	Level 3 Significant Unobservable Inputs		
Investments					
Mutual funds					
Equity	\$ 2,330,026	\$ -	\$ -	\$ 2,330,026	\$ 2,347,181
Fixed income	<u>893,684</u>	<u>-</u>	<u>-</u>	<u>893,684</u>	<u>795,053</u>
	3,223,710	-	-	3,223,710	3,142,234
Beneficial Interest in Third-Party Trust	<u>-</u>	<u>-</u>	<u>133,641</u>	<u>133,641</u>	<u>130,616</u>
2020 Totals	<u>\$ 3,323,710</u>	<u>\$ -</u>	<u>\$ 133,641</u>	<u>\$ 3,357,351</u>	
2019 Totals	<u>\$ 3,142,234</u>	<u>\$ -</u>	<u>\$ 130,616</u>		<u>\$ 3,272,850</u>

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. For additional information on how Wyman measures fair value, see Note 2.

The following table sets forth a summary of changes in the fair value of Wyman's Level 3 financial assets for the years ended December 31, 2020 and 2019:

	Beneficial Interest in Third-Party
January 1, 2019	\$ 114,892
Change in Fair Value Appreciation	<u>15,724</u>
December 31, 2019	130,616
Change in Fair Value Appreciation	<u>3,025</u>
December 31, 2020	<u>\$ 133,641</u>

**NOTE 16 — ENDOWMENT NET ASSETS**

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

**WYMAN CENTER, INC.**  
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**NOTE 16 — ENDOWMENT NET ASSETS (Continued)**

**Interpretation of Relevant Law**

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

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

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

**Return Objectives and Risk Parameters**

Wyman has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that Wyman must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results, over time, to out-perform a weighted, blended market index based on the target allocations established for the portfolio after adjusting for an estimated rate of inflation and net of investment management and custody fees while assuming a moderate level of investment risk.

**Strategies Employed for Achieving Objectives**

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

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

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

**WYMAN CENTER, INC.**  
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**December 31, 2020 (With Comparative Totals for 2019)**

**NOTE 16 — ENDOWMENT NET ASSETS (Continued)**

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

Through December 31, 2020, the Board of Directors may authorize distribution of accumulated, undistributed interest, appreciation and capital gains, if needed to maintain the enrollment level of endowed programs, through and up to that time.

Endowment net assets composition by type of net asset as of December 31, 2020 and 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
<u>December 31, 2020</u>			
Original Amounts			
Donor-Restricted Endowment Funds	\$ -	\$ 2,285,763	\$ 2,285,763
Board Designated Endowment Funds	<u>19,589</u>	<u>-</u>	<u>19,589</u>
	19,589	2,285,763	2,305,352
Accumulated Investment Return	<u>4,568</u>	<u>890,396</u>	<u>894,964</u>
	<u>\$ 24,157</u>	<u>\$ 3,176,159</u>	<u>\$ 3,200,316</u>
 <u>December 31, 2019</u>			
Original Amounts			
Donor-Restricted Endowment Funds	\$ -	\$ 2,284,763	\$ 2,284,763
Board Designated Endowment Funds	<u>19,589</u>	<u>-</u>	<u>19,589</u>
	19,589	2,284,763	2,304,352
Accumulated Investment Return	<u>2,291</u>	<u>785,092</u>	<u>787,383</u>
	<u>\$ 21,880</u>	<u>\$ 3,069,855</u>	<u>\$ 3,091,735</u>

Changes in endowment net assets are as follows:

	December 31,			2019
	2020		Total	
	Without Donor Restrictions	With Donor Restrictions		Total
Beginning of Year	\$ 21,880	\$ 3,069,855	\$ 3,091,735	\$ 2,775,932
Interest and Dividends	462	53,550	54,012	68,985
Investment Gain (Loss)	1,815	207,254	209,069	409,318
Inter-fund Earnings *	32	3,692	3,724	7,546
Additions	-	1,000	1,000	-
Expenditures Appropriated	155,500	(159,192)	(3,692)	(7,482)
Distribution of Expenditures	<u>(155,532)</u>	<u>-</u>	<u>(155,532)</u>	<u>(162,564)</u>
End of Year	<u>\$ 24,157</u>	<u>\$ 3,176,159</u>	<u>\$ 3,200,316</u>	<u>\$ 3,091,735</u>

\* Inter-fund earnings represents interest on borrowings from unrestricted net assets.



**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020 (With Comparative Totals for 2019)**

**NOTE 17 — SIGNIFICANT FUNDERS**

Revenues from major funders accounted for approximately 24% and 16% of total public support and revenues during the years ended December 31, 2020 and 2019, respectively. Unconditional promises-to-give includes \$994,023 from these funders at December 31, 2020.

**NOTE 18 — CONTINGENCIES**

Certain revenue received by Wyman is subject to compliance audits by appropriate governmental authorities. The findings of these audits could result in additional liabilities to Wyman. However, management believes that Wyman has complied with the provisions of each contract and the effect of such findings, if any, would not have a material impact on the consolidated financial statements.

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 19 — SUBSEQUENT EVENTS**

**COVID-19**

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively impact Wyman's operations. The future financial effect on Wyman is undeterminable at this time. As the situation continues to unfold, management may need to find ways to address the disruption of business operations that may result from the virus' spread.

**Paycheck Protection Program (PPP)**

First Draw

On June 22, 2021, Wyman received notification from the SBA for the PPP loan forgiveness of \$879,942 of principal and accrued interest and such amount will be recognized in other income in 2021.

Second Draw

In February 2021, Wyman entered into a 1% promissory note payable to a bank for \$671,685 as part of the Small Business Administration PPP. The note is due in February 2026, payable in fifty-three equal monthly installments beginning in September 1, 2021, including interest, and is unsecured. Funds from the note may only be used for payroll costs, costs used to continue group health care benefits, debt payments, rent, utilities, and interest. Wyman intends to use the entire note amount for qualifying expenses. Under the terms of the PPP, certain amounts of the note may be forgiven if they are used for qualifying expenses as described in the CARES Act.

**WYMAN CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020 (With Comparative Totals for 2019)**

**NOTE 19 — SUBSEQUENT EVENTS** (Continued)

**Contract for Sale of Land**

Wyman had a contract to sell approximately 153 acres of land for \$2,484,000 with closing on May 18, 2021. Wyman incurred closing costs approximately \$87,000. The transaction resulted in a gain on sale of land of approximately \$66,000 based on the net book value of \$2,331,000. Approximately \$1,318,516 of the proceeds was used to pay down existing loans (Note 10).

	<u>Payoffs</u>
Loan (matures March 1, 2026)	\$ 412,247
Loan (matures September 1, 2022)	161,012
Loan (matures July 1, 2035)	<u>745,257</u>
Total	<u>\$ 1,318,516</u>