

OZARKS FAMILY YMCA, INC.
BASIC FINANCIAL STATEMENTS
WITH
OTHER INFORMATION
YEAR ENDED AUGUST 31, 2017

TABLE OF CONTENTS

	PAGE
BASIC FINANCIAL STATEMENTS:	
Independent Auditor's Report	1
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6
OTHER INFORMATION:	
Schedule of Revenues and Expenses by Natural Classifications - Budgeted and Actual	12



417.469.3636 Phone 417.469.1736 Fax
203 North Walnut, Willow Springs, MO 65793

Member-American Institute of
Certified Public Accountants

Division for CPA firms Private
Companies Practice Section

Member-Missouri Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Ozarks Family YMCA, Inc.

I have audited the accompanying financial statements of Ozarks Family YMCA, Inc. (a nonprofit organization), which comprise the statement of financial position as of August 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

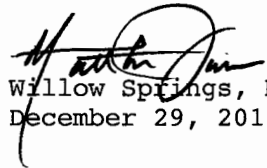
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ozarks Family YMCA, Inc. as of August 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The other information as identified in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements and has not been subjected to the auditing procedures applied in the audit of the financial statements. Accordingly, I do not express an opinion on the other information as identified in the table of contents.



Willow Springs, Missouri
December 29, 2017

OZARKS FAMILY YMCA, INC.
Statement of Financial Position
August 31, 2017

ASSETS

CURRENT ASSETS

Cash and Equivalents \$159,746.55

Total Current Assets 159,746.55

PROPERTY AND EQUIPMENT

Land 81,874.92

Buildings 587,161.34

Swimming Pool 2,163,869.35

Leasehold Improvements-Administrative Offices 364,806.23

Equipment and Furnishings 491,576.44

Automobile 22,067.50

Other Assets 6,466.00

Less: Accumulated Depreciation (1,245,538.00)

Total Property and Equipment 2,472,283.78

OTHER ASSETS

Restricted Cash and Equivalents 3,261.46

Total Other Assets 3,261.46

TOTAL ASSETS \$2,635,291.79

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable \$15,864.08

Accrued Salary and Wages 27,315.16

Payroll Taxes Payable 127.17

Gift Cards Payable 3,866.72

Note Payable-Line of Credit 91,957.67

Current Portion of Long-Term Debt 167,909.72

Total Current Liabilities 307,040.52

LONG-TERM LIABILITIES

Capital Leases Payable 868.89

Note Payable-Seymour Pool Construction 150,000.00

Notes Payable-Cabool Building 49,859.64

Less: Current Portion of Long-Term Debt (167,909.72)

Total Long-Term Liabilities 32,818.81

TOTAL LIABILITIES 339,859.33

NET ASSETS

Unrestricted 2,292,171.00

Temporarily Restricted 3,261.46

Total Net Assets 2,295,432.46

TOTAL LIABILITIES AND NET ASSETS \$2,635,291.79

The accompanying notes are an integral part of this financial statement.

OZARKS FAMILY YMCA, INC.
Statement of Activities
For the Year Ended August 31, 2017

UNRESTRICTED NET ASSETS

Program Service Revenues and Support	
Memberships	\$255,493.68
Fitness Center Daily Usage Fees	6,837.75
Program Fees	
City Recreation & Pool Management	236,988.36
Youth Participation Fees	139,358.45
Adult Participation Fees	48,873.00
After School Child Care Food Program	6,496.56
Contributions and Fundraising Events	349,347.17

Total Program Service Revenues and Support	1,043,394.97

Other Revenues	
Concession Sales	42,790.16
Other Revenues	12,691.40
Less: Costs of Concession Sales	(29,879.07)

Total Other Revenues	25,602.49

Net Assets Released from Restrictions	
Restrictions Satisfied by Payments	31,047.54

Total Assets Released from Restrictions	31,047.54

Total Unrestricted Revenues	
Support and Reclassifications	1,100,045.00

Expenses and Losses	
Program Services	
Fitness Centers Operations	830,092.26

Total Program Services	830,092.26

Supporting Services	
Management and General	465,020.11
Fundraising	7,316.56

Total Supporting Services	472,336.67

Total Expenses	1,302,428.93

INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	(202,383.93)

TEMPORARILY RESTRICTED ASSETS	
Grants	500.00
Contributions-Goods and Services	32,328.00
Less: Net Assets Released from Restrictions	(31,047.54)

INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	1,780.46

INCREASE (DECREASE) IN NET ASSETS	(200,603.47)

NET ASSETS, BEGINNING OF PERIOD	2,496,035.93

NET ASSETS, END OF PERIOD	\$2,295,432.46
	=====

The accompanying notes are an integral part of this financial statement.

OZARKS FAMILY YMCA, INC.
Statement of Cash Flows
For the Year Ended August 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

INCREASE (DECREASE) IN NET ASSETS (200,603.47)

ADJUSTMENTS TO RECONCILE CHANGE IN

NET ASSETS TO CASH

Depreciation	94,202.00
Increase(Decrease) in Accounts Payable	(6,022.83)
Increase(Decrease) in Other Payables	31,309.05
Loss on Sale of Assets	79,222.00

NET CASH PROVIDED BY OPERATING
ACTIVITIES

(1,893.25)

CASH FLOWS FROM INVESTING ACTIVITIES

Sale of Real Estate	93,515.00
Sale of Equipment	1,500.00
Building Purchases	(41,153.10)

NET CASH USED IN INVESTING ACTIVITIES

53,861.90

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of Note and Lease Principal	(29,455.98)
Proceeds of Notes Payable	90,010.00

NET CASH PROVIDED BY FINANCING
ACTIVITIES

60,554.02

NET INCREASE IN CASH AND
CASH EQUIVALENTS

112,522.67

CASH AND CASH EQUIVALENTS
BEGINNING OF PERIOD

50,485.34

CASH AND CASH EQUIVALENTS
AT END OF PERIOD

\$163,008.01

Noncash operating expenses for the year consist of:
\$32,328.00 of donated rent and utilities for use in operation
of the Cabool and Mountain Grove branches.

The accompanying notes are an integral part of this financial statement.

1. Summary of Significant Accounting Policies

a. Nature of Activities

Ozarks Family YMCA, Inc. is a not for profit corporation, organized under the laws of the State of Missouri, on July 14, 1992, with the express purpose of helping individuals develop Christian personalities and aid in building a Christian society. Ozarks Family YMCA endeavors to meet its goals by providing various recreational programs and social events which promote Christian values. Ozarks Family YMCA serves a four county region in southern Missouri and is funded through membership dues, various participation fees and charges for services, and contributions from private donors.

b. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principle.

c. Basis of Presentation

Financial Statement presentation follows the recommendations within the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-profit Entities*. Under ASC 958 the Organization 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.

d. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

e. Property and Equipment

Acquisitions of property and equipment are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the following estimated useful lives:

Fixtures and Equipment	5-10 years
Buildings	50 years
Swimming Pool	40 years
Leasehold Improvements	40 years

f. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

1. Summary of Significant Accounting Policies (continued)

g. Revenue Recognition

Ozarks Family YMCA receives the majority of its revenue from membership dues, participation fees and contributions. All grant revenue is received on an expense reimbursement basis. Therefore, the grants are treated as exchange transactions in which the granting agencies provide funding to Ozarks Family YMCA in exchange for the services provided. Grant revenue is recognized when earned rather than when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Ozarks Family YMCA had no permanently restricted net assets on August 31, 2017.

h. Contributed Services

Ozarks Family YMCA receives contributed services, from many unpaid volunteers, which do not meet the criteria for revenue recognition under FASB ASC 958 and accordingly have not been recorded as revenue. Contributed materials and services which do meet the revenue recognition criteria of FASB ASC 958 are presented under the caption "contributions-goods and services" in the statement of activities or as part of the appropriate capital asset balance in the statement of financial position and are discussed more fully in note 8 below.

i. Income Taxes

The association is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending August 31, 2015, 2016, and 2017 are subject to examination by the IRS, generally for three years after they were filed.

j. Cash and Cash Equivalents

Cash and Cash Equivalents consists of monies held as petty cash and in bank accounts.

Ozarks Family YMCA, Inc.
Notes to Financial Statements (continued)
August 31, 2017

2. Receivables

Membership fees are collected at the commencement of the membership and are non-refundable, therefore, the fees are considered by management to be earned when payment is received. Program participation fees and other charges are also collected when services are provided and are likewise considered earned when payment is received. Grant revenue is received on an expense reimbursement basis and are considered earned when service is provided (usually prior to payment), however no amounts were due from grantors at August 31, 2017. The Ozarks Family YMCA does not currently solicit pledges to give and accordingly no receivable for pledges has been recorded.

3. Temporarily Restricted Net Assets

As of August 31, 2017 net assets were temporarily restricted until used as follows:

Restricted for Use in:	
Memorial Scholarship Payment Funds	\$ 3,261.46

Balance, August 31, 2017	\$ 3,261.46
	=====

4. Inventory

Inventories consist of concession items for resale and are normally resold within one month of purchase. Any concession items on hand at August 31, 2017 were deemed by management to be immaterial and were accounted for using the purchase method in which supplies are charged to expense when purchased.

5. Debt

Notes Payable

On August 31, 2017, Ozarks Family YMCA had the following notes payable:

A cash advance provided by a benefactor of the Ozarks Family YMCA, totaling \$150,000. The balance is not due at a specified date, therefore the note is treated as short term. Additionally, the agreement calls for the loan to be interest free and no security for the loan was required.

Outstanding balance August 31, 2017. \$ 150,000.00

A note payable to Landmark Bank, N.A. dated June 6, 2017 in the amount of \$34,000, due in 36 monthly installments of principal and interest in the amount of \$225.73 and one principal payment on December 15, 2020 in the amount of \$30,742.26. The note bears interest at a rate of 5% and is secured with specific real estate.

Outstanding balance August 31, 2017. 33,859.64

Ozarks Family YMCA, Inc.
Notes to Financial Statements (continued)
August 31, 2017

5. Debt (continued)

A note payable to Landmark Bank, N.A. dated June 6, 2017 in the amount of \$16,000, due December 16, 2017 plus interest at 6% and is secured with specific real estate.

Outstanding balance August 31, 2017. 16,000.00

A line of credit with the Seymour Bank, used to provided cash for operations. Payment of the outstanding balance is due on June 9, 2018. The note calls for monthly payment of accrued interest at a variable rate adjusted on a daily basis. The note is secured by all receivables, equipment, inventory and real estate of the Ozarks Family YMCA.

Outstanding balance August 31, 2017. 91,957.67

Total Notes Payable \$ 291,817.31

Capital Leases Payable

On August 31, 2014, Ozarks Family YMCA had entered into a capital lease agreement to finance the purchase of office equipment. Terms of repayment and outstanding balances of the lease are as follows:

\$5,460 capital lease with Cannon Financial Service Inc., Payable in monthly installments of \$97.76, including principal and imputed interest at 3.004%, final payment May 10, 2018. \$ 868.89

Total Capital Leases Payable \$ 868.89

Following is a summary of changes in debt for the year ended August 31, 2017:

Total Debt, August 31, 2016	\$	232,132.18
Additional Borrowing		90,010.00
Repayment of Principal		29,455.98

Long Term Debt, August 31, 2017	\$	292,686.20
		=====

Ozarks Family YMCA, Inc.
Notes to Financial Statements (continued)
August 31, 2017

5. Debt (continued)

Following is an approximation of debt service requirements until maturity assuming no interest rate change:

Year	Notes Payable		Capital Lease		Totals		Total
Ending	Principal	Interest	Principal	Interest	Principal	Interest	Debt Service
Aug 31							
2018	\$258,998.50	\$5,316.34	\$868.89	\$18.84	\$259,867.39	\$5,335.18	\$265,202.57
2019	1,094.07	1,614.69			1,094.07	1,614.69	2,708.76
2020	31,724.74	1,302.93			31,724.74	1,302.93	33,027.67
Totals	<u>\$291,817.31</u>	<u>\$8,233.96</u>	<u>\$868.89</u>	<u>\$18.84</u>	<u>\$292,686.20</u>	<u>\$8,252.80</u>	<u>\$300,939.00</u>

6. Commitments

As of August 31, 2017, Ozarks Family YMCA had entered into contractual agreements with various cities, school districts and not-for-profit entities to administer recreational programs and provide child care services. All agreements are cancelable upon 30 days written notice. It is managements opinion that the Ozarks Family YMCA has substantially complied with all agreements.

7. Concentration of Risk

Ozarks Family YMCA support is largely generated from donations made and memberships and fees paid by residents of a four county region in southern Missouri. The limited sources of revenue cause Ozarks Family YMCA to be susceptible to revenue loss if poor economic conditions are encountered in its coverage area.

8. Contributions - Goods and Services

During the fiscal year ended August 31, 2017 the Ozarks Family YMCA received contributions of goods and services which are required to be recorded under FASB ASC 958 and were recorded as follows:

Donated rental and utilities Cabool branch building	\$ 7,500.00
Donated rental and utilities Mountain Grove branch building	24,828.00

Contributions - Goods and Services	\$ 32,328.00
	=====

9. Retirement

The Ozarks Family YMCA participates in a defined contribution, individual account, money purchase, retirement plan which is administered by the Young Men's Christian Association Retirement Fund (a separate corporation). This plan is for the benefit of all eligible employees of the Ozarks Family YMCA who qualify under the participation requirements.

In accordance with the agreement with the Retirement Fund, contributions by employees and employer YMCAs are a percentage of the participating employees salary and are to be remitted to the YMCA retirement Fund monthly. Total Ozarks Family YMCA contributions charged to retirement costs in this fiscal year aggregated \$21,602.28 all of which had been paid by August 31, 2017.

The Young Men's Christian Association Retirement Fund is operated as a church pension plan and is a non-profit, tax exempt, New York State corporation (1922). Participation is available to all duly organized and reorganized YMCAs in the United States. As a defined contribution plan, the Retirement Fund has no unfunded benefit obligations.

OZARKS FAMILY YMCA, INC.
 Schedule of Revenues and Expenses by Natural Classifications-
 Budgeted and Actual
 For the Year Ended August 31, 2017

(UNAUDITED)

	Budgeted	Actual	Favorable (Unfavorable) Variance
REVENUES AND GAINS			
Contributions and Fund-raisers	\$238,555	\$381,675.17	\$143,120.17
Membership Fees	288,343	255,493.68	(32,849.32)
After School Child Care Food Program	5,290	6,496.56	1,206.56
Program Participation Fees	475,193	425,219.81	(49,973.19)
Concession Sales	23,905	42,790.16	18,885.16
Other Revenues and Gains	18,187	20,029.15	1,842.15
	-----	-----	-----
Total Revenues and Gains	1,049,473	1,131,704.53	82,231.53
	-----	-----	-----
Expenses and Losses			
Salaries and Wages	510,233	535,038.61	(24,805.61)
Employee Benefits	65,089	66,207.37	(1,118.37)
Payroll Taxes	39,100	38,612.90	487.10
Supplies	51,444	93,311.79	(41,867.79)
Telephone	14,685	15,590.73	(905.73)
Fundraising and Promotions	7,135	7,316.56	(181.56)
Professional Fees	2,000	1,325.00	675.00
Program Expenses	60,370	47,272.84	13,097.16
Rent	26,700	26,700.00	
Repairs	26,541	66,943.81	(40,402.81)
Miscellaneous	20,602	14,450.47	6,151.53
Dues	53,721	49,375.22	4,345.78
Membership Scholarships	56,505	38,549.02	17,955.98
Insurance	43,367	45,210.55	(1,843.55)
Interest	1,650	4,870.57	(3,220.57)
Utilities	98,486	97,108.56	1,377.44
Depreciation		94,202.00	(94,202.00)
Lease Settlement	15,600	11,000.00	4,600.00
Losses from Sales of Assets		79,222.00	(79,222.00)
	-----	-----	-----
Total Expenses and Losses	1,093,228	1,332,308.00	(239,080.00)
	-----	-----	-----
REVENUES AND GAINS IN EXCESS OF EXPENSES AND LOSSES	(\$43,755)	(\$200,603.47)	(\$156,848.47)
	=====	=====	=====

Supplementary information-See auditor's report