

OZARKS FAMILY YMCA, INC.

BASIC FINANCIAL STATEMENTS  
WITH  
OTHER INFORMATION

YEAR ENDED AUGUST 31, 2016

**TABLE OF CONTENTS**

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



**MATTHEW L. JAMES**  
certified public accountant

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, 2016, 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, 2016, 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 8, 2016

OZARKS FAMILY YMCA, INC.  
Statement of Financial Position  
August 31, 2016

ASSETS

CURRENT ASSETS

Cash and Equivalents \$49,004.34

Total Current Assets 49,004.34

PROPERTY AND EQUIPMENT

Land 81,874.92

Buildings 724,008.24

Swimming Pool 2,163,869.35

Leasehold Improvements-Administrative Offices 364,806.23

Equipment and Furnishings 493,576.44

Automobile 22,067.50

Other Assets 6,466.00

Less: Accumulated Depreciation (1,157,099.00)

Total Property and Equipment 2,699,569.68

OTHER ASSETS

Restricted Cash and Equivalents 1,481.00

Total Other Assets 1,481.00

TOTAL ASSETS \$2,750,055.02

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable \$21,886.91

Note Payable-Line of Credit 72,353.77

Current Portion of Long-Term Debt 158,688.13

Total Current Liabilities 252,928.81

LONG-TERM LIABILITIES

Capital Leases Payable 2,556.47

Note Payable-Seymour Pool Construction 150,000.00

Note Payable-Fitness Equipment 7,221.94

Less: Current Portion of Long-Term Debt (158,688.13)

Total Long-Term Liabilities 1,090.28

TOTAL LIABILITIES 254,019.09

NET ASSETS

Unrestricted 2,494,554.93

Temporarily Restricted 1,481.00

Total Net Assets 2,496,035.93

TOTAL LIABILITIES AND NET ASSETS \$2,750,055.02

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

OZARKS FAMILY YMCA, INC.  
Statement of Activities  
For the Year Ended August 31, 2016

UNRESTRICTED NET ASSETS

Program Service Revenues and Support	
Memberships	\$283,219.49
Fitness Center Daily Usage Fees	4,637.75
Program Fees	
City Recreation & Pool Management	239,172.90
Youth Participation Fees	137,457.17
Adult Participation Fees	48,549.00
After School Child Care Food Program	5,499.40
Contributions and Fundraising Events	440,137.23
Total Program Service Revenues and Support	<u>1,158,672.94</u>
Other Revenues	
Concession Sales	38,058.19
Other Revenues	13,876.06
Less: Costs of Concession Sales	(25,093.19)
Total Other Revenues	<u>26,841.06</u>
Net Assets Released from Restrictions	
Restrictions Satisfied by Payments	846,893.61
Total Assets Released from Restrictions	<u>846,893.61</u>
Total Unrestricted Revenues	
Support and Reclassifications	2,032,407.61
Expenses	
Program Services	
Fitness Centers Operations	856,372.16
Total Program Services	<u>856,372.16</u>
Supporting Services	
Management and General	395,249.23
Fundraising	9,620.55
Total Supporting Services	<u>404,869.78</u>
Total Expenses	<u>1,261,241.94</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	<u>771,165.67</u>
TEMPORARILY RESTRICTED ASSETS	
Grants	59,843.87
Contributions-Goods and Services	210,328.00
Contributions-Pool Debt Reduction	576,721.74
Less: Net Assets Released from Restrictions	(846,893.61)
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	<u>0.00</u>
INCREASE (DECREASE) IN NET ASSETS	<u>771,165.67</u>
NET ASSETS, BEGINNING OF PERIOD	<u>1,724,870.26</u>
NET ASSETS, END OF PERIOD	<u>\$2,496,035.93</u>

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, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

INCREASE (DECREASE) IN NET ASSETS \$771,165.67

ADJUSTMENTS TO RECONCILE CHANGE IN  
NET ASSETS TO CASH

    Depreciation 97,303.00  
    Increase(Decrease) in Accounts Payable (12,273.47)

NET CASH PROVIDED BY OPERATING  
ACTIVITIES

856,195.20

CASH FLOWS FROM INVESTING ACTIVITIES

    Equipment Purchases (8,000.00)  
    Building Improvements (110,342.61)  
    Contributed Real Estate (178,000.00)

NET CASH USED IN INVESTING ACTIVITIES

(296,342.61)

CASH FLOWS FROM FINANCING ACTIVITIES

    Repayment of Note and Lease Principal (624,996.02)  
    Proceeds of Notes Payable 50,000.00

NET CASH PROVIDED BY FINANCING  
ACTIVITIES

(574,996.02)

NET INCREASE IN CASH AND  
CASH EQUIVALENTS

(15,143.43)

CASH AND CASH EQUIVALENTS  
BEGINNING OF PERIOD

65,628.77

CASH AND CASH EQUIVALENTS  
AT END OF PERIOD

\$50,485.34

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, 2016.

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, 2014, 2015, and 2016 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, 2016

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, 2016. 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, 2016 net assets were temporarily restricted until used as follows:

Restricted for Use in:	
Memorial Scholarship Payment Funds	\$ 1,481.00
	-----
Balance, August 31, 2016	\$ 1,981.00
	=====

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, 2016 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, 2016, 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, 2016. \$ 150,000.00

A note payable to Progressive Ozark Bank dated April 2, 2014 in the amount of \$31,044.60, due in 36 monthly installments of principal and interest of \$916.62. The note bears interest at a rate of 4% and is secured specific equipment.

Outstanding balance August 31, 2016. 7,221.94

Ozarks Family YMCA, Inc.  
Notes to Financial Statements (continued)  
August 31, 2016

5. Debt (continued)

A line of credit with the Seymour Bank, used to provided cash for operations. Payment of the outstanding balance is due on June 9, 2016. 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, 2016.	72,353.77
	-----
Total Notes Payable	\$ 229,575.71
	=====

Capital Leases Payable

On August 31, 2014, Ozarks Family YMCA had entered into two capital lease agreements to finance the purchase of various fitness and office equipment. Terms of repayment and outstanding balances of the leases were 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.	\$ 1,997.46
---	-------------

\$1,195 capital lease with Cannon Financial Service Inc., Payable in monthly installments of \$33.22, including principal and imputed interest at 14.938%, final payment March 12, 2018.	559.01
--	--------

Total Capital Leases Payable	-----
	\$ 2,556.47
	=====

Following is a summary of changes in debt for the year ended August 31, 2016:

Total Debt, August 31, 2015	\$ 807,128.20
Additional Borrowing	50,000.00
Repayment of Principal	624,996.02
	-----
Long Term Debt, August 31, 2016	\$ 232,132.18
	=====

Ozarks Family YMCA, Inc.  
 Notes to Financial Statements (continued)  
 August 31, 2016

5. Debt (continued)

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

Year	Notes Payable		Capital Leases		Totals		Total
Ending	Principal	Interest	Principal	Interest	Principal	Interest	Debt Service
Aug 31							
2017	\$229,575.71	\$110.93	\$1,466.19	\$105.57	\$231,041.90	\$216.50	\$231,258.40
2018			1,090.28	22.10	1,090.28	22.10	1,112.38
Totals	<u>\$229,575.71</u>	<u>\$110.93</u>	<u>\$2,556.47</u>	<u>\$127.67</u>	<u>\$232,132.18</u>	<u>\$238.60</u>	<u>\$232,370.78</u>

6. Commitments

As of August 31, 2016, 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, 2016 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
Donated real estate Willow Springs branch	178,000.00
	-----
Contributions - Goods and Services	\$210,328.00
	=====

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 \$20,109.18 all of which had been paid by August 31, 2016.

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, 2016

(UNAUDITED)

	Budgeted	Actual	Favorable (Unfavorable) Variance
<b>REVENUES AND GAINS</b>			
Contributions and Fund-raisers	\$330,050	\$1,227,186.97	\$897,136.97
Membership Fees	251,771	283,219.49	31,448.49
After School Child Care Food Program	2,650	5,499.40	2,849.40
Program Participation Fees	379,773	425,179.07	45,406.07
Concession Sales	25,215	38,058.19	12,843.19
Other Revenues and Gains	58,121	78,357.68	20,236.68
<b>Total Revenues and Gains</b>	<b>1,047,580</b>	<b>2,057,500.80</b>	<b>1,009,920.80</b>
<b>Expenses and Losses</b>			
Salaries and Wages	447,781	506,709.90	(58,928.90)
Employee Benefits	62,330	62,950.48	(620.48)
Payroll Taxes	34,720	40,928.82	(6,208.82)
Supplies	55,745	81,867.77	(26,122.77)
Telephone	15,475	15,020.82	454.18
Fundraising and Promotions	13,845	9,620.55	4,224.45
Professional Fees	1,900	2,809.00	(909.00)
Program Expenses	30,730	54,209.31	(23,479.31)
Rent	26,700	26,700.00	
Repairs	21,075	37,753.78	(16,678.78)
Miscellaneous	47,326	77,925.36	(30,599.36)
Dues	21,901	54,463.26	(32,562.26)
Membership Scholarships	40,122	54,569.66	(14,447.66)
Insurance	39,718	45,773.76	(6,055.76)
Interest	31,455	18,598.24	12,856.76
Utilities	124,244	99,131.42	25,112.58
Depreciation		97,303.00	(97,303.00)
<b>Total Expenses and Losses</b>	<b>1,015,067</b>	<b>1,286,335.13</b>	<b>(271,268.13)</b>
<b>REVENUES AND GAINS IN EXCESS OF EXPENSES AND LOSSES</b>	<b>\$32,513</b>	<b>\$771,165.67</b>	<b>\$738,652.67</b>

Supplementary information-See auditor's report