

MARY RYDER HOME
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015

MARY RYDER HOME

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Fick, Eggemeyer & Williamson

Certified Public Accountants, PC



MEMBERS OF THE
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Mary Ryder Home
St. Louis, MO

We have audited the accompanying financial statements of Mary Ryder Home (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Mary Ryder Home as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 9 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Fick, Eggemeyer & Williamson CPA's

Fick, Eggemeyer & Williamson, CPA's
Columbia, Illinois
June 23, 2017

MARY RYDER HOME
STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2016 and 2015

<u>ASSETS</u>	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	\$ 862,999	\$ 947,630
Investments (Note 4)	237,685	236,619
Accounts receivable	63,592	57,962
Inventory	3,245	2,771
Prepaid expenses	42,666	44,439
Land	152,800	152,800
Building and equipment Net of accumulated depreciation	1,829,491	1,810,869
Total assets	<u>\$ 3,192,478</u>	<u>\$ 3,253,090</u>
<u>LIABILITIES AND NET ASSETS</u>		
Accounts payable	\$ 61,565	\$ 37,048
Accrued payroll	38,526	38,134
Resident deposits	3,509	24,740
Deferred revenue	3,646	1,850
Total liabilities	<u>107,246</u>	<u>101,772</u>
Net assets		
Unrestricted	3,085,232	3,151,318
Temporarily restricted	-	-
Permanently restricted	-	-
Total net assets	<u>3,085,232</u>	<u>3,151,318</u>
Total liabilities and net assets	<u>\$ 3,192,478</u>	<u>\$ 3,253,090</u>

See accompanying notes and independent auditors' report

MARY RYDER HOME
STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2016 and 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Total	2015 Total
Support and revenue					
Contributions	\$ 257,956	\$ -	\$ -	\$ 257,956	\$ 275,020
United Way of Greater St. Louis	616,021	-	-	616,021	620,560
Missouri care options program	209,246	-	-	209,246	213,379
Resident services	813,218	-	-	813,218	855,337
Miscellaneous income	312	-	-	312	845
	<hr/>			<hr/>	<hr/>
Total revenue	1,896,753	-	-	1,896,753	1,965,141
Program expenses					
Operation of the home	1,641,675	-	-	1,641,675	1,572,709
	<hr/>			<hr/>	<hr/>
Total program expenses	1,641,675	-	-	1,641,675	1,572,709
Support expenses					
Management and general	173,683	-	-	173,683	190,573
Fundraising activities	150,324	-	-	150,324	187,955
	<hr/>			<hr/>	<hr/>
Total support expenses	324,007	-	-	324,007	378,528
Total expenses	1,965,682	-	-	1,965,682	1,951,237
Changes in net assets from operations	(68,929)	-	-	(68,929)	13,904
Investment activities					
Interest income	2,843	-	-	2,843	2,933
	<hr/>			<hr/>	<hr/>
Total investment activity	2,843	-	-	2,843	2,933
Changes in net assets	(66,086)	-	-	(66,086)	16,837
Net assets, beginning of year	3,151,318	-	-	3,151,318	3,134,481
	<hr/>			<hr/>	<hr/>
Net assets, end of year	\$ 3,085,232	\$ -	\$ -	\$ 3,085,232	\$ 3,151,318
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See accompanying notes and independent auditors' report

MARY RYDER HOME
STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (66,086)	\$ 16,837
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	99,671	91,084
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(5,630)	(21,467)
(Increase) decrease in notes receivable	-	-
(Increase) decrease in inventory	(474)	473
(Increase) decrease in prepaid expenses	1,773	16,144
Increase (decrease) in accounts payable	24,517	2,766
Increase (decrease) in accrued liabilities	392	4,598
Increase (decrease) in resident deposits	(21,231)	18,631
Increase (decrease) in deferred revenue	1,796	(7,350)
	34,728	121,716
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(118,293)	(23,265)
Interest reinvested in certificates of deposit	(1,066)	(1,062)
	(119,359)	(24,327)
CASH FLOWS FROM FINANCING ACTIVITIES		
None	-	-
	-	-
Net increase (decrease) in cash and cash equivalents	(84,631)	97,389
Cash and cash equivalents - beginning of year	947,630	850,241
Cash and cash equivalents - end of year	\$ 862,999	\$ 947,630
Supplemental cash flow information:		
Cash paid during the year for interest	\$ -	\$ -

See accompanying notes and independent auditors' report

MARY RYDER HOME
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016 and 2015

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Home

Mary Ryder Home (the “Home”) is the only licensed Residential Care II Facility in St. Louis that accepts residents who have no family or means of financially supporting themselves. The long term facility accepts residents regardless of their ability to pay and meets the individuals’ security and health needs prior to resolving their financial situation. The facility is not a nursing home; its residents have physical and mental independence, which enables them to help themselves as well as their fellow residents. The facility assists women of low income.

Basis of Accounting

The financial statements of the Home have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Income Taxes

The Organization is exempt from income taxes pursuant to section 501(c)(3) of the Internal Revenue Service Code. Therefore, no provision is made for taxes on income.

The Organization adopted the provisions of Accounting for Uncertainty in Income Taxes on January 1, 2014. The adoption of that guidance resulted in no change to the financial statements for prior periods. As of December 31, 2016, no amounts have been recognized for uncertain tax positions. The Organization’s tax returns filed prior to fiscal 2014 are closed.

Cash and Cash Equivalents

Mary Ryder Home considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Investments

The Organization has adopted “Accounting for Certain Investments Held by Non-Profit Organizations.” Under the standard, investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

Support and Revenue

The Home receives a United Way allocation on an annual basis. Resident services represent revenue received from rent, dietary services, and personal care services. This revenue may be received from the resident themselves or various federal and state agencies. Revenue received under the Missouri Care Options Program is a third party reimbursement arrangement. The State of Missouri reimburses the Home for certain costs incurred while providing personal care services. The Home also receives revenue and support through public contributions and various fund-raising activities.

Inventories

Inventories represent food and supplies for the residents and are valued at the lower of cost or market using the FIFO method of valuation. Items of inventory that were donated to Mary Ryder Home are valued at their fair market value.

MARY RYDER HOME
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016 and 2015

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable

Accounts receivable are stated at the net amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision to its revenue accounts and an adjustment to a valuation allowance based on its assessment of the current status of the individual receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable accounts receivable.

Fixed Assets and Depreciation

Fixed assets are recorded at cost or, in the case of donated property, at their estimated fair market value at the date of the donation. The Home generally capitalizes assets with a cost of \$1,000 or more. Depreciation of fixed assets is provided over the estimated useful lives of the respective assets on a straight-line basis. Buildings and building improvements have been depreciated over periods of 15 to 30 years. All other depreciable property has been depreciated over periods ranging from 3 to 10 years. Expenditures for repairs and maintenance are charged to operating expense as incurred.

Basis of Presentation

The Home's financial statement presentation complies with the recommendations of the Financial Accounting Standards Board. The Home is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets - represent resources over which the Board of Directors has unlimited discretionary control to carry out the activities of the Home in accordance with the Articles of Incorporation and By-Laws.

Temporarily Restricted Net Assets - represent resources whose use is limited by donor-imposed restrictions that will be met either by actions of the Home or by the passage of time.

Permanently Restricted Net Assets - are subject to donor-imposed stipulations that the net assets be retained and invested permanently. The Home presently has no permanently restricted net assets.

Use of Estimates in Financial Statements

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

MARY RYDER HOME
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016 and 2015

Note 2 - ACCOUNTS RECEIVABLE

At December 31, 2016 accounts receivable was comprised of amounts due from residents of the Home and from the State of Missouri for services performed in accordance with the Missouri Care Options Program. Management deems all receivable balances to be fully collectible as of the end of fiscal 2016, therefore, the allowance for doubtful accounts is \$0. Accounts receivable balances as of December 31, 2016 and 2015 were \$63,592 and \$57,962, respectively.

Note 3 - 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. Costs are allocated between fundraising, administration and the operation of the Home based on evaluations of the related benefits. Administrative expenses include those expenses which were not directly identifiable with any other specific functions but provide for the overall support and direction of the organization.

Note 4 - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are described below:

- Level 1- Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Organization has the ability to access.
- Level 2- Inputs to the valuation methodology include:
 - Quoted prices for similar assets in active markets;
 - Quoted prices for similar assets in inactive markets;
 - Inputs other than quoted prices that are observable for the asset;
 - Inputs that are derived principally from or corroborated by observable market data by the correlation or other means.
- Level 3- Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The 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, 2016.

Certificates of deposit: Valued at cost, which approximates market value at year end.

MARY RYDER HOME
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016 and 2015

Note 4 - FAIR VALUE MEASUREMENTS (continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	\$ -	\$ 237,685	\$ -	\$ 237,685
Total Investments	<u>\$ -</u>	<u>\$ 237,685</u>	<u>\$ -</u>	<u>\$ 237,685</u>

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	\$ -	\$ 236,619	\$ -	\$ 236,619
Total Investments	<u>\$ -</u>	<u>\$ 236,619</u>	<u>\$ -</u>	<u>\$ 236,619</u>

Investment income is summarized as follows:

	<u>2016</u>	<u>2015</u>
Interest income	\$ 2,843	\$ 2,933
	<u>\$ 2,843</u>	<u>\$ 2,933</u>

Note 5 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 23, 2017, the date which the financial statements were available for issue and noted no reportable events.

MARY RYDER HOME
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016 and 2015

Note 6 – CONCENTRATION OF CREDIT RISK

At year-end, the carrying amount of Mary Ryder Home’s deposits totaled \$1,100,684 (including a certificate of deposit of \$237,685) and bank balances totaled \$1,102,631. Of the bank balances, \$490,691 was insured by the Federal Deposit Insurance Corporation (FDIC), \$589,440 was covered by National Credit Union Administration insurance and by additional Excess Share Insurance. In a Wells Fargo brokerage account \$22,500 was insured by Securities Investor Protection Corporation (SIPC). All balances were insured as of December 31, 2016 and 2015.

Note 7 – PENSION PLANS

The Organization has an Internal Revenue Code Section 401(k) defined-contribution pension plan covering all executive and professional staff, as well as non-union supervisory members of the maintenance staff. The plan was started October 1, 2007 and is funded through contributions based on a specific formula. The Organization contributes to another plan administered by industry and union representatives. Total pension costs for the Organization were \$30,359 and \$30,933 for the years ended 2016 and 2015, respectively.

During May 2006, the multi-employer pension plan covering the Home’s union employees (the Greater St. Louis Service Employees Pension Plan) implemented an agreement to cure a plan deficiency. Effective June 1, 2006, the Home stopped making contributions to the plan and is required to make a payment of \$8,156 per year until the death of the last retiree covered under the agreement. It is presently not possible to estimate how many payments may be required in future years.

Note 8 - FIXED ASSETS

The following components comprise fixed assets as of December 31, 2016 and 2015:

	2016	2015
Building and equipment	\$ 2,616,369	\$ 2,498,076
Construction in progress	-	-
Less: accumulated depreciation	(786,878)	(687,207)
Net depreciable assets	1,829,491	1,810,869
Land	152,800	152,800
Total net fixed assets	\$ 1,982,291	\$ 1,963,669

Depreciation policies are discussed in Note 1. Depreciation expense for 2016 and 2015 is \$99,671 and \$91,084, respectively.

MARY RYDER HOME
SUPPLEMENTAL SCHEDULE
STATEMENT OF FUNCTIONAL EXPENSES

For the years ended December 31, 2016 and 2015

	December 31, 2016			December 31, 2015			
	Program Services Operation of the Home	Supporting Services Management & General	Fundraising Activities	Program Services Operation of Home	Supporting Services Management & General	Fundraising Support	Total Expenses
Salaries	\$ 724,413	\$ 102,458	\$ 55,879	\$ 704,329	\$ 120,349	\$ 88,297	\$ 912,975
Payroll taxes	55,790	7,891	4,304	57,723	7,650	4,173	69,546
Employee benefits	80,059	11,323	6,176	94,921	11,167	5,584	111,672
Workmen's compensation	19,049	1,693	423	20,384	1,812	453	22,649
Pension plan	27,323	2,429	607	27,839	2,475	619	30,933
Medical expenses	64,234	-	-	58,337	-	-	58,337
Professional fees	108,253	2,232	3,261	50,447	1,040	520	52,007
Legal fees	10,279	-	10,279	3,294	-	-	3,294
Accounting services	68,433	6,083	1,521	68,433	6,083	1,521	76,037
Dietician fees	1,375	-	-	950	-	-	950
Insurance	28,572	679	679	49,109	679	679	50,467
Food	134,597	17,018	3,094	134,152	16,962	3,084	154,198
Household supplies	35,800	4,212	2,106	32,461	3,819	1,910	38,190
Office supplies	16,727	4,460	1,115	13,720	3,659	915	18,294
Telephone	11,144	2,972	743	12,032	3,209	802	16,043
Utilities	57,843	1,808	603	56,387	1,762	587	58,736
Repairs and maintenance	51,822	1,619	540	54,775	1,712	571	57,058
Training	7,671	-	-	3,136	-	-	3,136
Exterminator	2,829	754	189	2,829	754	189	3,772
Transportation	15,042	152	-	16,083	162	-	16,245
Conferences and conventions	-	855	-	-	1,970	-	1,970
Miscellaneous	3,434	382	-	2,742	305	-	3,047
Luncheon expenses	-	4,663	-	-	5,004	-	5,004
Resident expenses	17,315	-	-	17,542	-	-	17,542
Fundraising expenses	-	-	69,084	-	-	78,051	78,051
Depreciation expense	99,671	-	-	91,084	-	-	91,084
TOTAL	\$ 1,641,675	\$ 173,683	\$ 150,324	\$ 1,572,709	\$ 190,573	\$ 187,955	\$ 1,951,237

See accompanying notes and independent auditors' report