

WEBSTER CONFERENCE CENTER, INC.
Topeka, Kansas

FINANCIAL STATEMENTS
For the years ended December 31, 2019 and 2018

WEBSTER CONFERENCE CENTER, INC.
Topeka, Kansas

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Webster Conference Center, Inc.
Topeka, Kansas

We have reviewed the accompanying financial statements of Webster Conference Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Webster Conference Center, Inc.
Topeka, Kansas

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Supplementary Information

The supplementary information included in the schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

Hay•Rice & Associates, Chartered

Hay•Rice & Associates, Chartered

March 9, 2020

WEBSTER CONFERENCE CENTER, INC.
Topeka, Kansas

Exhibit A

STATEMENTS OF FINANCIAL POSITION
December 31, 2019 and 2018

<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
<u>Current Assets</u>		
Cash	\$ 304,265	\$ 308,472
Accounts receivable	2,750	16,670
Total current assets	<u>\$ 307,015</u>	<u>\$ 325,142</u>
<u>Property and Equipment</u>		
Land and improvements	\$ 897,159	\$ 844,333
Buildings and improvements	7,062,511	7,001,827
Furniture and equipment	483,082	468,790
Automobiles and trucks	19,835	19,835
<u>Less – Accumulated depreciation</u>	<u>(3,826,194)</u>	<u>(3,585,721)</u>
Total property and equipment	<u>\$ 4,636,393</u>	<u>\$ 4,749,064</u>
Total Assets	<u>\$ 4,943,408</u>	<u>\$ 5,074,206</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accounts payable	\$ 10,895	\$ 3,673
Deposits	4,920	2,610
Flexible benefit plan payable	860	561
Vacation payable	13,350	13,204
Current portion of long-term debt	94,000	50,000
Total current liabilities	<u>\$ 124,025</u>	<u>\$ 70,048</u>
<u>Long-Term Liabilities</u>		
Notes payable	\$ 94,000	\$ 144,000
<u>Less – Current portion</u>	<u>(94,000)</u>	<u>(50,000)</u>
Total long-term liabilities	<u>-</u>	<u>\$ 94,000</u>
Total liabilities	<u>\$ 124,025</u>	<u>\$ 164,048</u>
<u>Net Assets</u>		
Net assets without donor restrictions	\$ 4,636,912	\$ 4,674,070
Net assets with donor restrictions	182,471	236,088
Total net assets	<u>\$ 4,819,383</u>	<u>\$ 4,910,158</u>
Total Liabilities and Net Assets	<u>\$ 4,943,408</u>	<u>\$ 5,074,206</u>

See accompanying notes and independent accountant's review report.

WEBSTER CONFERENCE CENTER, INC.
Topeka, Kansas

Exhibit B

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<u>Net Assets Without Donor Restrictions</u>		
<u>Unrestricted Revenues</u>		
User fees	\$1,178,036	\$1,138,921
Cleaning income	2,197	5,422
Land rental	2,340	2,340
Snack service	14,908	17,049
Affiliate support	12,898	10,498
Miscellaneous	<u>2,697</u>	<u>1,030</u>
Total unrestricted revenues	\$1,213,076	\$1,175,260
Net Assets Released from Restrictions	<u>154,576</u>	<u>209,014</u>
Total Unrestricted Revenues and Other Support	<u>\$1,367,652</u>	<u>\$1,384,274</u>
<u>Expenses</u>		
Program Services:		
Conference center	\$1,417,537	\$1,366,345
Supporting Services:		
Management and general	<u>37,272</u>	<u>37,818</u>
Total expenses	<u>\$1,454,809</u>	<u>\$1,404,163</u>
Increase (Decrease) in Net Assets Without Donor Restrictions	\$ <u>(87,157)</u>	\$ <u>(19,889)</u>
<u>Net Assets With Donor Restrictions</u>		
Contributions	\$ 150,958	\$ 118,375
Net assets released from restrictions	<u>(154,576)</u>	<u>(209,014)</u>
Increase (Decrease) in Net Assets With Donor Restrictions	\$ <u>(3,618)</u>	\$ <u>(90,639)</u>
Increase (Decrease) in Net Assets	\$ (90,775)	\$ (110,528)
Net Assets – Beginning of Year	<u>4,910,158</u>	<u>5,020,686</u>
Net Assets – End of Year	<u>\$4,819,383</u>	<u>\$4,910,158</u>

See accompanying notes and independent accountant's review report.

WEBSTER CONFERENCE CENTER, INC.
Topeka, Kansas

Exhibit C

STATEMENTS OF CASH FLOWS
For the years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<u>Cash Flows from Operating Activities</u>		
Cash received from customers	\$1,211,371	\$1,158,620
Cash received from contributions	150,958	118,375
Support from affiliate	12,898	10,498
Land rental	2,340	2,340
Miscellaneous income	2,697	1,030
Cash paid to employees	(350,274)	(354,948)
Cash paid to suppliers	(852,108)	(804,616)
Interest paid	<u>(4,287)</u>	<u>(7,096)</u>
Cash provided by (used for) operating activities	\$ 173,595	\$ 124,203
 <u>Cash Flows from Investing Activities</u>		
Capital purchases	(127,802)	(128,194)
 <u>Cash Flows from Financing Activities</u>		
Payments on long-term debt	<u>(50,000)</u>	<u>(50,000)</u>
 Increase (Decrease) in Cash and Cash Equivalents	\$ (4,207)	\$ (53,991)
 Cash and Cash Equivalents – Beginning of Year	<u>308,472</u>	<u>362,463</u>
 Cash and Cash Equivalents – End of Year	\$ <u>304,265</u>	\$ <u>308,472</u>

See accompanying notes and independent accountant's review report.

WEBSTER CONFERENCE CENTER, INC.
Topeka, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 1: Summary of Significant Accounting Policies

Webster Conference Center, Inc. operates a conference center and facilities. The Organization is supported by its affiliate, donor contributions, and user fees.

Webster Conference Center, Inc. was incorporated in January 1994 when The Kansas-Nebraska Convention of Southern Baptists transferred assets with cost of \$1,810,101 and accumulated depreciation of \$381,242 to Webster Conference Center, Inc. subject to debt of \$176,946 along with various current liabilities of \$77,157. Webster Conference Center, Inc. maintains its affiliation with The Kansas-Nebraska Convention of Southern Baptists.

Depreciation is computed by the straight-line method over estimated useful lives of 40 years on buildings and improvements, 5 to 20 years on furniture and equipment, and 3 to 4 years on automobiles and trucks. The Organization has a policy to expense purchases under \$500.

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets with and net assets without donor restrictions.

Contributions received are recorded as unrestricted or restricted support depending on the existence and/or nature of any donor restrictions.

The Convention is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

All of the restrictions on assets at the end of the year relate to amounts received for property and equipment purchases and programs.

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.

See independent accountant's review report.

WEBSTER CONFERENCE CENTER, INC.
Topeka, Kansas

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019 and 2018
(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

The Organization maintains substantially all its cash balances in two financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization had \$19,114 uninsured balances at December 31, 2019.

The Organization recognized no contributed services for 2019. The value of donated services is computed by the hours donated times the estimated normal rate for the trade service donated.

Under FASB Codification 958-210-45-9, the organization is required to report information regarding its financial position and activities according to two classes of net assets:

With Donor Restrictions – restrictions placed on principal and/or income by the donor.

Without Donor Restrictions – no restrictions or designations placed on principal or income.

The Schedules of Functional Expenses allocate costs among program and support functions as required by FASB Codification 958-220-50-1 and 958-720-45-15.

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Advertising costs are expensed when incurred.

Management has evaluated subsequent events through March 9, 2020, the date the financial statements were available to be issued.

Note 2: Long-Term Debt

	<u>2019</u>	<u>2018</u>
2.0% note to Kansas-Nebraska Southern Baptist Foundation, an affiliate, dated March 4, 2015, in the amount of \$50,000 due March 4, 2020.		
Uncollateralized.	\$ 50,000	\$ 50,000

See independent accountant's review report.

WEBSTER CONFERENCE CENTER, INC.
Topeka, Kansas

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019 and 2018

(Continued)

Note 2: Long-Term Debt (Continued)

	<u>2019</u>	<u>2018</u>
4.5% note to Kansas-Nebraska Southern Baptist Foundation, an affiliate, dated November 20, 2015, in the amount of \$250,000, payable in annual installments of \$50,000, plus interest through December 31, 2020. Uncollateralized.	44,000	94,000
<u>Less</u> – Current Portion	<u>(94,000)</u>	<u>(50,000)</u>
	<u>=====</u>	<u>\$ 94,000</u>

Future scheduled maturities of long-term debt are as follows:

2020	\$ <u>94,000</u>
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Note 3: Related Party Transactions

The Organization received financial support from an affiliate, The Kansas-Nebraska Convention of Southern Baptists in the amounts of \$12,898 and \$10,498 for the years 2019 and 2018, respectively. This affiliate also collects contributions and provides management and accounting services on behalf of the Organization. The Organization’s long-term debt as discussed in Note 2 is owed to another affiliate, The Kansas-Nebraska Southern Baptist Foundation.

Note 4: Employee Benefit Plan

The Organization has established a 403(b)(9) Retirement Plan covering its employees subject to certain exclusions. The Organization makes non-matching contributions for all eligible participants in an amount equal to 10% of the participants’ compensation.

Note 5: Operating Leases

The Organization rents seventy-eight acres of farm ground on an annual basis for \$30 per acre. Because this is an annual lease, there are no future noncancelable lease obligations.

See independent accountant’s review report.

WEBSTER CONFERENCE CENTER, INC.
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NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019 and 2018

(Continued)

Note 6: Reconciliation of Statements of Activities to Net Cash Provided (Used) by Operating Activities

	<u>2019</u>	<u>2018</u>
Increase (Decrease) in Net Assets	\$ (90,775)	\$ (110,528)
Adjustments to reconcile net assets to net cash provided by operating activities:		
Depreciation	236,703	236,703
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	13,920	(2,772)
Increase (decrease) in accounts payable	7,222	(1,103)
Increase (decrease) in deposits	2,310	(1,180)
Increase (decrease) in flexible benefit plan payable	299	514
Increase (decrease) in vacation payable	<u>146</u>	<u>2,569</u>
 Net Cash Provided by Operating Activities	 <u>\$169,825</u>	 <u>\$ 124,203</u>

Note 7: Availability of Financial Assets and Liquidity

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	<u>2019</u>	<u>2018</u>
Financial assets at year end:		
Cash	\$304,265	\$308,472
Accounts receivable	<u>2,750</u>	<u>16,670</u>
Total	<u>\$307,015</u>	<u>\$325,142</u>

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The accounts receivable are subject to implied time restrictions but are expected to be collected or realized within one year.

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

See independent accountant's review report.

SUPPLEMENTARY SCHEDULES

WEBSTER CONFERENCE CENTER, INC.
Topeka, Kansas

Schedule 1

SCHEDULE OF NET ASSETS WITH DONOR RESTRICTIONS

For the year ended December 31, 2019

	<u>Beginning</u> <u>Balance</u>	<u>Receipts</u>	<u>Transfers</u> <u>In</u>	<u>Transfers</u> <u>Out</u>	<u>Disbursements</u>	<u>Ending</u> <u>Balance</u>
Church Gifts	\$ 85,925	\$ 82,944	\$ -	\$ -	\$ 54,287	\$114,582
Miscellaneous Gifts	185	-	-	-	-	185
Memorials	1,755	1,495	-	-	-	3,250
Capital Improvements	110,078	7,785	-	92,612	-	25,251
2017 Mulberry Creek Project	-	-	-	-	-	-
2014 Matching Grant – Pavilion	10,242	-	-	-	-	10,242
Chapel and Dorm Motel Rooms	17,918	-	-	-	817	17,101
Dining Hall Expansion	-	-	493	-	493	-
Disc Golf Course	2,365	-	-	-	-	2,365
Dorm Improvements	-	1,095	4,700	-	5,089	706
DR Pole Barn	-	984	-	-	3,109	(2,125)
First Aid	2,727	-	-	-	-	2,727
Kitchen Equipment	34	1,016	-	-	400	650
Lake Shower	-	-	-	-	-	-
Landscaping	459	-	1,219	1,678	-	-
Major Repair and Replacement	-	8,004	8,721	12,183	850	3,692
New Equipment	-	7,587	65,323	65,064	7,846	-
Playground Equipment	416	818	-	-	-	1,234
Pool	-	-	-	-	-	-
RV Park	69	-	-	-	-	69
Sidewalks and Parking Lots	-	39,230	11,883	48,876	2,942	(705)
Staff House	392	-	273	-	665	-
Target Range	3,055	-	-	-	276	2,779
Miscellaneous Restricted	468	-	-	-	-	468
Total	<u>\$236,088</u>	<u>\$150,958</u>	<u>\$ 92,612</u>	<u>\$220,413</u>	<u>\$ 76,774</u>	<u>\$182,471</u>

WEBSTER CONFERENCE CENTER, INC.
Topeka, Kansas

Schedule 1
(Continued)

SCHEDULE OF NET ASSETS WITH DONOR RESTRICTIONS

For the year ended December 31, 2018

	<u>Beginning</u> <u>Balance</u>	<u>Receipts</u>	<u>Transfers</u> <u>In</u>	<u>Transfers</u> <u>Out</u>	<u>Disbursements</u>	<u>Ending</u> <u>Balance</u>
Church Gifts	\$ 62,467	\$ 80,137	\$ -	\$ -	\$ 56,679	\$ 85,925
Miscellaneous Gifts	-	500	-	-	315	185
Memorials	1,755	-	-	-	-	1,755
Capital Improvements	206,191	15,989	1,053	113,155	-	110,078
2017 Mulberry Creek Project	5,679	40	66,032	71,751	-	-
2014 Matching Grant – Pavilion	10,242	-	-	-	-	10,242
Chapel and Dorm Motel Rooms	20,979	96	-	-	3,157	17,918
Dining Hall Expansion	-	-	4,676	-	4,676	-
Disc Golf Course	2,365	-	-	-	-	2,365
Dorm Improvements	-	1,200	28,223	28,583	840	-
DR Pole Barn	-	-	-	-	-	-
First Aid	2,727	-	-	-	-	2,727
Kitchen Equipment	420	92	6,516	6,516	478	34
Lake Shower	1,051	-	-	1,051	-	-
Landscaping	459	-	-	-	-	459
Major Repair and Replacement	7,941	9,308	4,826	12,578	9,497	-
New Equipment	-	999	1,957	-	2,956	-
Playground Equipment	416	-	-	-	-	416
Pool	2	-	-	2	-	-
RV Park	69	-	-	-	-	69
Sidewalks and Parking Lots	115	-	924	-	1,039	-
Staff House	-	8,994	165	8,767	-	392
Target Range	3,381	-	-	-	326	3,055
Miscellaneous Restricted	468	1,020	-	-	1,020	468
Total	<u>\$326,727</u>	<u>\$118,375</u>	<u>\$114,372</u>	<u>\$242,403</u>	<u>\$ 80,983</u>	<u>\$236,088</u>

WEBSTER CONFERENCE CENTER, INC.
Topeka, Kansas

Schedule 2

SCHEDULE OF FUNCTIONAL EXPENSES
For the year ended December 31, 2019

	<u>Program</u> <u>Services</u>	<u>Supporting</u> <u>Services</u>	
	<u>Conference</u> <u>Center</u>	<u>Management</u> <u>and</u> <u>General</u>	<u>Total</u>
Administration	\$ -	\$ 12,559	\$ 12,559
Personnel	334,711	16,008	350,719
Payroll tax	23,875	1,142	25,017
Personnel benefits	158,128	7,563	165,691
Food preparation	258,580	-	258,580
Snack service	2,779	-	2,779
Insurance	57,399	-	57,399
Utilities	199,529	-	199,529
Telephone and internet	15,333	-	15,333
Maintenance	95,263	-	95,263
Property tax	4,051	-	4,051
Supplies	21,267	-	21,267
Interest	4,287	-	4,287
Miscellaneous	1,862	-	1,862
Depreciation	<u>240,473</u>	<u>-</u>	<u>240,473</u>
Total	<u>\$1,417,537</u>	<u>\$ 37,272</u>	<u>\$1,454,809</u>

WEBSTER CONFERENCE CENTER, INC.
Topeka, Kansas

Schedule 2
(Continued)

SCHEDULE OF FUNCTIONAL EXPENSES
For the year ended December 31, 2018

	<u>Program</u> <u>Services</u>	<u>Supporting</u> <u>Services</u>	
	<u>Conference</u> <u>Center</u>	<u>Management</u> <u>and</u> <u>General</u>	<u>Total</u>
Administration	\$ -	\$ 13,977	\$ 13,977
Personnel	341,833	15,684	357,517
Payroll tax	24,813	1,139	25,952
Personnel benefits	152,958	7,018	159,976
Food preparation	255,412	-	255,412
Snack service	8,153	-	8,153
Insurance	58,872	-	58,872
Utilities	171,528	-	171,528
Telephone and internet	11,862	-	11,862
Maintenance	68,989	-	68,989
Property tax	8,279	-	8,279
Supplies	19,847	-	19,847
Interest	7,096	-	7,096
Miscellaneous	-	-	-
Depreciation	<u>236,703</u>	<u>-</u>	<u>236,703</u>
Total	<u>\$1,366,345</u>	<u>\$ 37,818</u>	<u>\$1,404,163</u>