

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
SHERWOOD FOREST CAMP, INC.
December 31, 2011 and 2010**

SHERWOOD FOREST CAMP, INC

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Independent Auditors' Report

Board of Directors
Sherwood Forest Camp, Inc.

We have audited the accompanying statements of financial position of Sherwood Forest Camp, Inc. (a Missouri Corporation, not-for-profit) as of December 31, 2011 and 2010, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of Sherwood Forest Camp, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sherwood Forest Camp, Inc.'s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sherwood Forest Camp, Inc. as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Kerber, Eck & Braeckel LLP

St. Louis, Missouri
March 14, 2012

SHERWOOD FOREST CAMP, INC.

STATEMENTS OF FINANCIAL POSITION

December 31,

ASSETS	2011	2010
Current assets		
Cash and cash equivalents	\$ 394,523	\$ 370,978
Contributions receivable	403,163	382,767
Prepaid expenses	13,365	14,387
Inventories	10,623	3,974
Investment in oil and gas interest	9,000	-
Total current assets	830,674	772,106
Property and equipment, at cost		
Land improvements	20,500	17,332
Buildings	699,897	667,803
Equipment	578,173	539,742
	1,298,570	1,224,877
Less accumulated depreciation	1,022,906	972,698
	275,664	252,179
Land	165,545	165,545
Construction in progress	39,951	44,390
Total property and equipment	481,160	462,114
Total assets	\$ 1,311,834	\$ 1,234,220
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 8,075	\$ 4,488
Accrued expenses	38,763	39,980
Total current liabilities	46,838	44,468
Net assets		
Unrestricted		
Undesignated	786,174	771,938
Designated by Board of Directors	15,500	17,500
Total unrestricted	801,674	789,438
Temporarily restricted	463,322	400,314
Total net assets	1,264,996	1,189,752
Total liabilities and net assets	\$ 1,311,834	\$ 1,234,220

The accompanying notes are an integral part of these financial statements.

SHERWOOD FOREST CAMP, INC.

STATEMENTS OF ACTIVITIES

Year ended December 31,

	2011		2010	
	Unrestricted	Temporarily restricted	Unrestricted	Temporarily restricted
				Total
Support and revenue				
Public support				
United Way allocation	\$ -	\$ 387,060	\$ -	\$ 363,932
Contributions	287,795	55,655	357,774	8,140
Special events, net of direct donor benefit of \$56,008 in 2011 and \$47,775 in 2010.	204,867	-	170,650	-
Grants	100,891	20,359	89,300	15,020
USDA	45,437	-	40,770	-
	638,990	463,074	658,494	387,092
Total public support				1,045,586
Other support and revenue				
Program fees	132,355	-	150,796	-
Sales - Camp store	5,425	-	6,678	-
Interest income	2,736	-	200	-
Other income	4,869	-	-	-
	145,385	-	157,674	-
Total other support and revenue				157,674
Net assets released from restrictions	400,066	(400,066)	376,326	(376,326)
Total support and revenue	1,184,441	63,008	1,192,494	10,766
				1,203,260
Expenses				
Program services	921,276	-	853,890	-
Management and general	83,666	-	72,593	-
Fundraising	167,263	-	164,528	-
	1,172,205	-	1,091,011	-
Total expenses				1,091,011
INCREASE IN NET ASSETS	12,236	63,008	101,483	10,766
Net assets at beginning of year	789,438	400,314	687,955	389,548
Net assets at end of year	\$ 801,674	\$ 463,322	\$ 789,438	\$ 400,314
				\$ 1,189,752

The accompanying notes are an integral part of these financial statements.

SHERWOOD FOREST CAMP, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
Year ended December 31,

	2011			2010			
	Program services	Management and general	Fundraising	Program services	Management and general	Fundraising	Total
Salaries	\$ 395,348	\$ 31,141	\$ 103,494	\$ 377,931	\$ 29,776	\$ 114,999	\$ 522,706
Employee benefits	72,803	4,880	29,188	52,690	4,215	16,393	73,298
Payroll taxes	42,373	5,975	12,340	58,540	2,248	8,298	69,086
Stipends	39,976	-	-	29,128	-	-	29,128
Recruiting	27,140	22	-	11,966	81	-	12,047
Professional fees	1,500	24,421	-	-	17,538	-	17,538
Food and supplies	113,200	5,698	10,823	103,707	5,713	11,072	120,492
Communication	8,670	-	-	9,074	-	-	9,074
Postage	3,721	1,347	2,392	2,900	1,848	2,911	7,659
Occupancy	38,507	4,392	4,934	37,595	3,918	5,158	46,671
Transportation	42,777	-	970	33,769	950	-	34,719
Conferences, conventions and meetings	1,020	295	-	595	680	-	1,275
Dues and subscriptions	3,160	1,093	-	3,551	684	-	4,235
Printing	1,711	1,080	3,122	3,650	480	5,697	9,827
Individual assistance	6,660	-	-	5,742	-	-	5,742
Insurance	40,284	-	-	40,534	-	-	40,534
Repairs and maintenance	28,346	-	-	26,962	-	-	26,962
Miscellaneous	6,910	285	-	8,099	-	-	8,099
Depreciation	47,170	3,037	-	47,457	4,462	-	51,919
Total expenses	\$ 921,276	\$ 83,666	\$ 167,263	\$ 853,890	\$ 72,593	\$ 164,528	\$ 1,091,011

The accompanying notes are an integral part of these financial statements.

SHERWOOD FOREST CAMP, INC.

STATEMENTS OF CASH FLOWS

Year ended December 31,

	<u>2011</u>	<u>2010</u>
Increase (decrease) in cash and cash equivalents		
Cash flows from operating activities		
Increase in net assets	\$ 75,244	\$ 112,249
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	50,207	51,919
Donation of property and equipment	(56,134)	-
Donation of oil and gas interest	(9,000)	-
(Increase) decrease in assets		
Contributions receivable	(20,396)	(22,354)
Prepaid expense	1,022	(2,562)
Inventories	(2,559)	734
Increase (decrease) in liabilities		
Accounts payable	3,587	(7,391)
Accrued expenses	(1,217)	4,697
	<u>40,754</u>	<u>137,292</u>
Cash flows from investing activities		
Purchase of property and equipment	(17,209)	(34,414)
	<u>23,545</u>	<u>102,878</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at beginning of year	<u>370,978</u>	<u>268,100</u>
Cash and cash equivalents at end of year	<u>\$ 394,523</u>	<u>\$ 370,978</u>
Supplemental disclosures		
Noncash investing and financing activities:		
Donation of vehicle	<u>\$ 28,696</u>	<u>\$ -</u>
Donation of construction materials and services	<u>\$ 27,438</u>	<u>\$ -</u>
Donation of oil and gas interest	<u>\$ 9,000</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

SHERWOOD FOREST CAMP, INC

NOTES TO FINANCIAL STATEMENTS December 31, 2011 and 2010

NOTE A – NATURE OF ENTITY

Sherwood Forest Camp, Inc. (the “Camp”) is a not-for-profit charitable organization whose principal activities are to provide residential summer camps in which outdoor education and weekend retreats are offered to financially disadvantaged children and certain qualified families in the St. Louis metropolitan area. The Camp’s largest individual source of revenue is through contributions from the United Way and other public support. Fundraisers are also held to generate revenues.

NOTE B – SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements follows.

1. Cash and Cash Equivalents

The Camp considers all liquid investments, other than those limited as to use, with original maturities of 90 days or less to be cash equivalents.

2. Contributions Receivable

The Camp considers contributions receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

3. Inventory

Inventories consist of non-perishable food, clothing, and supplies. Inventories are stated at the lower of cost or market. Costs are determined using the first-in, first-out (FIFO) method.

4. Property and Equipment

Property and equipment are recorded at cost if purchased. Contributed property and equipment is recorded at fair value at the date of donation. Expenditures which extend the useful lives of the assets are capitalized, while maintenance and repairs are expensed. Depreciation of buildings and equipment is provided on a straight-line basis over their estimated useful lives as follows:

Buildings and improvements	20 years
Land improvements	15 years
Equipment	3-15 years

SHERWOOD FOREST CAMP, INC

NOTES TO FINANCIAL STATEMENTS

December 31, 2011 and 2010

NOTE B – SUMMARY OF ACCOUNTING POLICIES - Continued

5. Temporarily Restricted Net Assets

Temporarily restricted net assets are those which are subject to donor-imposed stipulations that will be met, either by actions of the Camp and/or the passage of time. Temporarily restricted net assets at December 31, 2011, consist of the 2012 United Way contribution allocation, which was awarded in December 2011, and contributions and grants available for program support.

6. Contributions

Unconditional promises to give cash and other assets are accrued at estimated fair value at the date each promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported as an increase in unrestricted net assets. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions.

7. In-Kind Contributions

Contributed services are recognized at fair value if the services create or enhance long-lived assets or require specialized skills and would need to be purchased if not donated. For the year ended December 31, 2011 donated construction services were \$13,920 and were recognized in the financial statements as contribution revenue and property and equipment.

The Camp also receives contributed services from a variety of unpaid volunteers assisting the Camp in its charitable programs and fundraising activities. However, these contributed services are not reflected in the financial statements because they do not meet the criteria for recognition.

The Camp receives contributions of furniture, clothing, equipment, and construction materials and recognizes support and revenue based on the contributions estimated fair value. Absent any explicit restrictions by the donor, the Camp reports the contribution of property and equipment as unrestricted support and revenue.

SHERWOOD FOREST CAMP, INC

NOTES TO FINANCIAL STATEMENTS December 31, 2011 and 2010

NOTE B – SUMMARY OF ACCOUNTING POLICIES - Continued

8. Income Taxes

The Camp qualifies as a charitable organization as defined by Internal Revenue Code 501 (c)(3), and, accordingly, it is exempt from Federal income taxes under Internal Revenue Code Section 501 (a) and similar provisions of state law. The Camp files federal information returns. The statutes of limitations for information returns filed for the tax years ended December 31, 2008 through 2010 have not expired and therefore are subject to examination.

The FASB issued ASC Section 740-10 (formerly known as FASB Interpretation No. 48), *Accounting for Uncertainty in Income Taxes --- an Interpretation of FASB No. 109*. This interpretation clarifies the accounting for income taxes by prescribing the minimum standard a tax position is required to meet before being recognized in the financial statements. The Camp has not taken any uncertain tax position that should be accounted for under ASC Section 740-10.

9. Functional Expenses

The costs of providing various programs and activities have been summarized on a functional basis in the statements of activities. Certain costs have been allocated among the program, management and general and fundraising categories based on the supporting services benefited.

10. Use of Estimates

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

NOTE C – CONCENTRATION OF CREDIT RISK

The Camp maintains its cash balances in two financial institutions. The balances may at times exceed federally insured limits. The Camp has not experienced any losses in cash accounts and believes it is not exposed to any significant credit risk on cash.

The Camp received 31% and 30% of its support and revenue from United Way during 2011 and 2010, respectively. The Camp's United Way allocation for 2012 is \$387,060.

SHERWOOD FOREST CAMP, INC

NOTES TO FINANCIAL STATEMENTS December 31, 2011 and 2010

NOTE D – PENSION PLAN

The Camp has a defined contribution annuity plan that covers all eligible employees. The Camp contributes 8% of salaries for eligible employees and full vesting occurs after three years of service. Pension expense was \$63,729 and \$32,611 for the years ended December 31, 2011 and 2010, respectively.

NOTE E – COMMITMENTS

The Camp rents office space on a month-to-month basis. Rent expense for all operating leases was \$17,152 and \$18,749 for the years ended December 31, 2011 and 2010, respectively.

The Camp also leases a copy machine under a noncancelable lease expiring in 2012. As of December 31, 2011 the remaining commitment under this agreement was \$2,150.

NOTE F – SUBSEQUENT EVENTS

In preparing these financial statements, the Camp has evaluated events and transactions for potential recognition or disclosure through March 14, 2012, the date the financial statements were available to be issued.