

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**SHERWOOD FOREST CAMP, INC.**

**December 31, 2012 and 2011**

# SHERWOOD FOREST CAMP, INC.

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## Independent Auditors' Report

Board of Directors  
Sherwood Forest Camp, Inc.

We have audited the accompanying financial statements of Sherwood Forest Camp, Inc. (a Missouri Corporation, not-for-profit), which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities, functional expenses, 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.

### *Auditors' Responsibility*

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 Sherwood Forest Camp, Inc. as of December 31, 2012 and 2011, 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.

*Kerker, Eck & Braeckel LLP*

St. Louis, Missouri  
April 11, 2013

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#### Other Locations

Belleville, IL • Carbondale, IL • Jacksonville, IL • Litchfield, IL • Springfield, IL • Cape Girardeau, MO • Milwaukee, WI

# SHERWOOD FOREST CAMP, INC.

## STATEMENTS OF FINANCIAL POSITION December 31,

ASSETS	2012	2011
<b>Current assets</b>		
Cash and cash equivalents	\$ 640,695	\$ 319,523
Investments	140,076	84,000
Contributions receivable	495,160	403,163
Other receivable	4,352	-
Prepaid expenses	15,735	13,365
Inventories	8,032	10,623
<b>Total current assets</b>	<b>1,304,050</b>	<b>830,674</b>
<b>Property and equipment, at cost</b>		
Land improvements	20,500	20,500
Buildings	789,285	699,897
Equipment	611,373	578,173
	1,421,158	1,298,570
Less accumulated depreciation	1,077,420	1,022,906
	343,738	275,664
Land	165,545	165,545
Construction in progress	53,531	39,951
<b>Total property and equipment</b>	<b>562,814</b>	<b>481,160</b>
<b>Total assets</b>	<b>\$ 1,866,864</b>	<b>\$ 1,311,834</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 5,960	\$ 8,075
Accrued expenses	42,583	38,763
<b>Total current liabilities</b>	<b>48,543</b>	<b>46,838</b>
<b>Net assets</b>		
Unrestricted		
Undesignated	850,635	786,174
Designated by Board of Directors	15,500	15,500
Total unrestricted	866,135	801,674
Temporarily restricted	952,186	463,322
<b>Total net assets</b>	<b>1,818,321</b>	<b>1,264,996</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,866,864</b>	<b>\$ 1,311,834</b>

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

# SHERWOOD FOREST CAMP, INC.

## STATEMENTS OF ACTIVITIES Year ended December 31,

	2012			2011		
	Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
<b>Support and revenue</b>						
Public support						
United Way allocation	\$ -	\$ 395,099	\$ 395,099	\$ -	\$ 387,060	\$ 387,060
Contributions	307,057	544,092	851,149	287,795	55,655	343,450
Special events, net of direct donor benefit of \$48,550 in 2012 and \$56,008 in 2011	160,918	-	160,918	204,867	-	204,867
Grants	123,000	20,000	143,000	100,891	20,359	121,250
USDA	44,981	-	44,981	45,437	-	45,437
Total public support	635,956	959,191	1,595,147	638,990	463,074	1,102,064
Other support and revenue						
Program fees	130,187	-	130,187	132,355	-	132,355
Sales - Camp store	4,994	-	4,994	5,425	-	5,425
Interest income	3,856	-	3,856	2,736	-	2,736
Other income	5,607	-	5,607	4,869	-	4,869
Total other support and revenue	144,644	-	144,644	145,385	-	145,385
Net assets released from restrictions	470,327	(470,327)	-	400,066	(400,066)	-
<b>Total support and revenue</b>	<b>1,250,927</b>	<b>488,864</b>	<b>1,739,791</b>	<b>1,184,441</b>	<b>63,008</b>	<b>1,247,449</b>
<b>Expenses</b>						
Program services	954,788	-	954,788	921,276	-	921,276
Management and general	59,769	-	59,769	83,666	-	83,666
Fundraising	171,909	-	171,909	167,263	-	167,263
Total expenses	<b>1,186,466</b>	<b>-</b>	<b>1,186,466</b>	<b>1,172,205</b>	<b>-</b>	<b>1,172,205</b>
<b>INCREASE IN NET ASSETS</b>	<b>64,461</b>	<b>488,864</b>	<b>553,325</b>	<b>12,236</b>	<b>63,008</b>	<b>75,244</b>
Net assets at beginning of year	801,674	463,322	1,264,996	789,438	400,314	1,189,752
Net assets at end of year	<u>\$ 866,135</u>	<u>\$ 952,186</u>	<u>\$ 1,818,321</u>	<u>\$ 801,674</u>	<u>\$ 463,322</u>	<u>\$ 1,264,996</u>

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

# SHERWOOD FOREST CAMP, INC.

## STATEMENTS OF FUNCTIONAL EXPENSES

Year ended December 31,

	2012				2011			
	Program services	Management and general	Fundraising	Total	Program services	Management and general	Fundraising	Total
Salaries	\$ 401,805	\$ 21,477	\$ 114,234	\$ 537,516	\$ 395,348	\$ 31,141	\$ 103,494	\$ 529,983
Employee benefits	72,630	2,912	18,612	94,154	72,803	4,880	29,188	106,871
Payroll taxes	48,486	2,128	9,659	60,273	42,373	5,975	12,340	60,688
Stipends	53,915	-	-	53,915	39,976	-	-	39,976
Recruiting	26,850	134	-	26,984	27,140	22	-	27,162
Professional fees	-	17,226	-	17,226	1,500	24,421	-	25,921
Food and supplies	121,234	4,013	11,267	136,514	113,200	5,698	10,823	129,721
Communication	8,492	-	-	8,492	8,670	-	-	8,670
Postage	2,739	1,760	4,620	9,119	3,721	1,347	2,392	7,460
Occupancy	34,631	3,460	6,391	44,482	38,507	4,392	4,934	47,833
Transportation	43,258	990	-	44,248	42,777	-	970	43,747
Conferences, conventions and meetings	1,222	1,395	-	2,617	1,020	295	-	1,315
Dues and subscriptions	3,455	575	-	4,030	3,160	1,093	-	4,253
Printing	3,172	1,232	7,126	11,530	1,711	1,080	3,122	5,913
Individual assistance	4,017	-	-	4,017	6,660	-	-	6,660
Insurance	41,328	-	-	41,328	40,284	-	-	40,284
Repairs and maintenance	27,334	-	-	27,334	28,346	-	-	28,346
Miscellaneous	7,873	300	-	8,173	6,910	285	-	7,195
Depreciation	52,347	2,167	-	54,514	47,170	3,037	-	50,207
Total expenses	<u>\$ 954,788</u>	<u>\$ 59,769</u>	<u>\$ 171,909</u>	<u>\$ 1,186,466</u>	<u>\$ 921,276</u>	<u>\$ 83,666</u>	<u>\$ 167,263</u>	<u>\$ 1,172,205</u>

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

# SHERWOOD FOREST CAMP, INC.

## STATEMENTS OF CASH FLOWS

Year ended December 31,

	2012	2011
<b>Increase (decrease) in cash and cash equivalents</b>		
<b>Cash flows from operating activities</b>		
Increase in net assets	\$ 553,325	\$ 75,244
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	54,514	50,207
Donation of property and equipment	(38,999)	(56,134)
Donation of investments	(6,076)	(9,000)
(Increase) decrease in assets		
Contributions receivable	(91,997)	(20,396)
Other receivable	(4,352)	-
Prepaid expenses	(2,370)	1,022
Inventories	2,591	(2,559)
Increase (decrease) in liabilities		
Accounts payable	(2,115)	3,587
Accrued expenses	3,820	(1,217)
<b>Net cash provided by operating activities</b>	<b>468,341</b>	<b>40,754</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(97,169)	(17,209)
Purchase of investments	(450,000)	(450,000)
Sales of investments	400,000	550,000
<b>Net cash provided by (used in) investing activities</b>	<b>(147,169)</b>	<b>82,791</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>321,172</b>	<b>123,545</b>
Cash and cash equivalents at beginning of year	319,523	195,978
Cash and cash equivalents at end of year	\$ 640,695	\$ 319,523

### Supplemental disclosures

Noncash investing and financing activities:

Donation of vehicle	\$ -	\$ 28,696
Donation of construction materials and services	\$ 38,999	\$ 27,438
Donation of investments	\$ 6,076	\$ 9,000

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

# **SHERWOOD FOREST CAMP, INC**

## **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2012 and 2011**

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### **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 with original maturities of 90 days or less to be cash equivalents.

#### **2. Investments**

Investments in equity securities with readily determinable fair values and all debt securities are recorded at fair value with gains and losses reported in the statements of activities. Other investments are reported at cost. Donated investments are recorded at market value at the date of donation and thereafter carried in conformity with the stated policy.

#### **3. 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.

#### **4. 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.



# SHERWOOD FOREST CAMP, INC

## NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

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### NOTE B – SUMMARY OF ACCOUNTING POLICIES - Continued

#### 5. 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

#### 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, 2012 and 2011 donated construction services were \$38,999 and \$13,920, respectively, 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, 2012 and 2011**

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### **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, 2009 through 2012 have not expired and therefore are subject to examination.

The FASB ASC Section 740-10 prescribes 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.

#### **11. Reclassifications**

Certificates of deposit in the amount \$75,000 were reclassified from cash and cash equivalents to investments in the Statement of Financial Position at December 31, 2011 and in the Statement of Cash Flows for the year then ended.

# SHERWOOD FOREST CAMP, INC

## NOTES TO FINANCIAL STATEMENTS

December 31, 2012 and 2011

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### NOTE C – INVESTMENTS

Investments consists of the following at December 31:,

	<u>2012</u>	<u>2011</u>
Certificates of deposit	\$ 125,000	\$ 75,000
Mutual fund	6,076	-
Oil and gas interest	<u>9,000</u>	<u>9,000</u>
	<u>\$ 140,076</u>	<u>\$ 84,000</u>

### NOTE D – 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 23% and 31% of its support and revenue from United Way during 2012 and 2011, respectively. The Camp's United Way allocation for 2013 is \$395,099.

### NOTE E – 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 \$39,830 and \$63,729 for the years ended December 31, 2012 and 2011, respectively.

# SHERWOOD FOREST CAMP, INC

## NOTES TO FINANCIAL STATEMENTS December 31, 2012 and 2011

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### NOTE F – 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 consist of the following at December 31,:

	<u>2012</u>	<u>2011</u>
Restricted for purpose		
Neighborhood Assistance Program	\$ 445,032	\$ -
Lillywood cabin	-	50,405
Other	11,994	9,754
Restricted for time	<u>495,160</u>	<u>403,163</u>
	<u>\$ 952,186</u>	<u>\$ 463,322</u>

### NOTE G – COMMITMENTS

The Camp rents office space on a month-to-month basis. Rent expense for all operating leases was \$18,684 and \$17,152 for the years ended December 31, 2012 and 2011, respectively.

### NOTE H – SUBSEQUENT EVENTS

In preparing these financial statements, the Camp has evaluated events and transactions for potential recognition or disclosure through April 11, 2013, the date the financial statements were available to be issued.