

SHERWOOD FOREST CAMP, INC.

FINANCIAL STATEMENTS

December 31, 2013 and 2012

SHERWOOD FOREST CAMP, INC.

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	3
FINANCIAL STATEMENTS	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	6
Statements of Cash Flows	7
Notes to Financial Statements	8

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, 2013 and 2012, 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, 2013 and 2012, 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.

Kerber Eck & Braeckel LLP

St. Louis, Missouri
April 16, 2014

SHERWOOD FOREST CAMP, INC.

STATEMENTS OF FINANCIAL POSITION

December 31,

ASSETS	2013	2012
Current assets		
Cash and cash equivalents	\$ 607,422	\$ 640,695
Investments	134,000	140,076
Contributions receivable	482,950	495,160
Other receivable	1,478	4,352
Prepaid expenses	17,272	15,735
Inventories	6,017	8,032
Total current assets	1,249,139	1,304,050
Property and equipment, at cost		
Land improvements	23,292	20,500
Buildings	868,437	789,285
Equipment	649,287	611,373
	1,541,016	1,421,158
Less accumulated depreciation	1,135,237	1,077,420
	405,779	343,738
Land	165,545	165,545
Construction in progress	78,281	53,531
Total property and equipment	649,605	562,814
Total assets	<u>\$ 1,898,744</u>	<u>\$ 1,866,864</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 11,092	\$ 5,960
Accrued expenses	37,637	42,583
Total current liabilities	48,729	48,543
Net assets		
Unrestricted		
Undesignated	858,446	850,635
Designated by Board of Directors	15,500	15,500
	873,946	866,135
Temporarily restricted	976,069	952,186
Total net assets	1,850,015	1,818,321
Total liabilities and net assets	<u>\$ 1,898,744</u>	<u>\$ 1,866,864</u>

See notes to financial statements.

SHERWOOD FOREST CAMP, INC.

STATEMENTS OF ACTIVITIES

Year ended December 31,

	2013			2012		
	Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
Support and revenue						
Public support						
United Way allocation	\$ -	\$ 405,099	\$ 405,099	\$ -	\$ 395,099	\$ 395,099
Contributions	383,191	56,281	439,472	307,057	544,092	851,149
Special events, net of direct donor benefit of \$47,444 in 2013 and \$48,550 in 2012	146,603	-	146,603	160,918	-	160,918
Grants	80,618	28,007	108,625	123,000	20,000	143,000
USDA	46,970	-	46,970	44,981	-	44,981
Total public support	657,382	489,387	1,146,769	635,956	959,191	1,595,147
Other support and revenue						
Program fees	105,326	-	105,326	130,187	-	130,187
Sales - Camp store	5,121	-	5,121	4,994	-	4,994
Interest income	3,930	-	3,930	3,856	-	3,856
Other income	5,494	-	5,494	5,607	-	5,607
Total other support and revenue	119,871	-	119,871	144,644	-	144,644
Net assets released from restrictions	465,504	(465,504)	-	470,327	(470,327)	-
Total support and revenue	1,242,757	23,883	1,266,640	1,250,927	488,864	1,739,791
Expenses						
Program services	1,036,599	-	1,036,599	954,788	-	954,788
Management and general	69,282	-	69,282	59,769	-	59,769
Fundraising	129,065	-	129,065	171,909	-	171,909
Total expenses	1,234,946	-	1,234,946	1,186,466	-	1,186,466
INCREASE IN NET ASSETS	7,811	23,883	31,694	64,461	488,864	553,325
Net assets at beginning of year	866,135	952,186	1,818,321	801,674	463,322	1,264,996
Net assets at end of year	\$ 873,946	\$ 976,069	\$ 1,850,015	\$ 866,135	\$ 952,186	\$ 1,818,321

See notes to financial statements.

SHERWOOD FOREST CAMP, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Year ended December 31,

	2013				2012			
	Program services	Management and general	Fundraising	Total	Program services	Management and general	Fundraising	Total
Salaries	\$ 402,401	\$ 33,660	\$ 87,739	\$ 523,800	\$ 401,805	\$ 21,477	\$ 114,234	\$ 537,516
Employee benefits	79,784	2,667	16,325	98,776	72,630	2,912	18,612	94,154
Payroll taxes	58,561	3,240	5,753	67,554	48,486	2,128	9,659	60,273
Stipends	84,311	-	-	84,311	53,915	-	-	53,915
Recruiting	25,328	-	-	25,328	26,850	134	-	26,984
Professional fees	1,313	15,975	-	17,288	-	17,226	-	17,226
Food and supplies	130,558	4,292	1,933	136,783	121,234	4,013	11,267	136,514
Communication	8,220	-	-	8,220	8,492	-	-	8,492
Postage	3,438	1,177	4,280	8,895	2,739	1,760	4,620	9,119
Occupancy	34,492	4,972	4,025	43,489	34,631	3,460	6,391	44,482
Transportation	51,403	924	-	52,327	43,258	990	-	44,248
Conferences, conventions and meetings	1,370	654	-	2,024	1,222	1,395	-	2,617
Dues and subscriptions	3,495	811	-	4,306	3,455	575	-	4,030
Printing	1,833	890	5,107	7,830	3,172	1,232	7,126	11,530
Individual assistance	3,831	-	-	3,831	4,017	-	-	4,017
Insurance	45,647	-	-	45,647	41,328	-	-	41,328
Repairs and maintenance	34,096	20	-	34,116	27,334	-	-	27,334
Miscellaneous	8,701	-	3,903	12,604	7,873	300	-	8,173
Depreciation	57,817	-	-	57,817	52,347	2,167	-	54,514
Total expenses	<u>\$ 1,036,599</u>	<u>\$ 69,282</u>	<u>\$ 129,065</u>	<u>\$ 1,234,946</u>	<u>\$ 954,788</u>	<u>\$ 59,769</u>	<u>\$ 171,909</u>	<u>\$ 1,186,466</u>

See notes to financial statements.

SHERWOOD FOREST CAMP, INC.

STATEMENTS OF CASH FLOWS

Year ended December 31,

	2013	2012
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash flows from operating activities		
Increase in net assets	\$ 31,694	\$ 553,325
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities		
Depreciation	57,817	54,514
Donation of property and equipment	(87,103)	(38,999)
Donation of investments	(73,640)	(6,076)
(Increase) decrease in assets		
Contributions receivable	10,732	(91,997)
Other receivable	4,352	(4,352)
Prepaid expenses	(1,537)	(2,370)
Inventories	2,015	2,591
Increase (decrease) in liabilities		
Accounts payable	5,132	(2,115)
Accrued expenses	(4,946)	3,820
Net cash provided by (used in) operating activities	(55,484)	468,341
Cash flows from investing activities		
Purchase of property and equipment	(57,500)	(97,169)
Purchase of investments	-	(450,000)
Sales of investments	79,711	400,000
Net cash provided by (used in) investing activities	22,211	(147,169)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(33,273)	321,172
Cash and cash equivalents at beginning of year	640,695	319,523
Cash and cash equivalents at end of year	\$ 607,422	\$ 640,695
Supplemental disclosures		
Noncash investing and financing activities:		
Donation of vehicle	\$ 31,323	\$ -
Donation of construction materials and services	\$ 55,780	\$ 38,999
Donation of investments	\$ 73,640	\$ 6,076

See notes to financial statements.

SHERWOOD FOREST CAMP, INC

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – 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 2 – SUMMARY OF ACCOUNTING POLICIES

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

Cash and Cash Equivalents

The Camp considers all liquid investments with original maturities of 90 days or less to be cash equivalents.

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.

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.

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

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:

	<u>Years</u>
Buildings and improvements	20
Land improvements	15
Equipment	3 - 15

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.

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, 2013 and 2012 donated construction services were \$55,780 and \$38,999, 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

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, 2010 through 2013 have not expired and therefore are subject to examination.

The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Section 740-10 prescribes the minimum standard an income 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.

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.

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 3 – INVESTMENTS

Investments consists of the following at December 31:

	<u>2013</u>	<u>2012</u>
Certificates of deposit	\$ 125,000	\$ 125,000
Mutual fund	-	6,076
Oil and gas interest	<u>9,000</u>	<u>9,000</u>
	<u>\$ 134,000</u>	<u>\$ 140,076</u>

SHERWOOD FOREST CAMP, INC

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – 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 32% and 23% of its support and revenue from United Way during 2013 and 2012, respectively. The Camp's United Way allocation for 2014 is \$405,099.

NOTE 5 – 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 \$38,888 and \$39,830 for the years ended December 31, 2013 and 2012, respectively.

NOTE 6 – 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>2013</u>	<u>2012</u>
Restricted for purpose		
Neighborhood Assistance Program	\$ 420,123	\$ 445,032
Reading program	5,507	9,664
Arts	-	2,330
Capital projects	67,489	-
Restricted for time	<u>482,950</u>	<u>495,160</u>
	<u><u>\$ 976,069</u></u>	<u><u>\$ 952,186</u></u>

NOTE 7 – SUBSEQUENT EVENTS

In preparing these financial statements, the Camp has evaluated events and transactions for potential recognition or disclosure through April 16, 2014, the date the financial statements were available to be issued.

Subsequent to year end, the Camp entered into contracts totaling \$341,471 for the construction of new sewage facilities in accordance with the Neighborhood Assistance Program project.