

**SHERWOOD FOREST CAMP, INC.**

**FINANCIAL STATEMENTS**

**December 31, 2017 and 2016**

# **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, 2017 and 2016, 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, 2017 and 2016, 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.

St. Louis, Missouri  
May 10, 2018



# SHERWOOD FOREST CAMP, INC.

## STATEMENTS OF FINANCIAL POSITION December 31,

| ASSETS                                   | 2017                | 2016                |
|--|---------------------|---------------------|
| Cash and cash equivalents                | \$ 2,290,624        | \$ 404,867          |
| Contributions and grants receivable, net |                     |                     |
| United Way                               | 369,117             | 404,844             |
| Capital campaign                         | 1,157,466           | 512,809             |
| Other                                    | 9,256               | 63,269              |
| Prepaid expenses                         | 39,283              | 77,086              |
| Inventories                              | 3,159               | 6,278               |
| Investments                              | 76,619              | 46,499              |
| Property and equipment, net              | 2,147,596           | 1,761,897           |
| Total assets                             | <u>\$ 6,093,120</u> | <u>\$ 3,277,549</u> |
| LIABILITIES AND NET ASSETS               |                     |                     |
| Accounts payable                         | \$ 132,547          | \$ 3,597            |
| Accrued expenses                         | 49,336              | 43,299              |
| Deferred grant revenue                   | 100,000             | -                   |
| Long-term debt                           | 48,015              | -                   |
| Total liabilities                        | 329,898             | 46,896              |
| NET ASSETS                               |                     |                     |
| Unrestricted                             |                     |                     |
| Undesignated                             | 1,533,534           | 1,107,377           |
| Designated by Board of Directors         | 51,770              | 27,999              |
| Temporarily restricted                   | 1,585,304           | 1,135,376           |
| Permanently restricted                   | 4,140,444           | 2,064,053           |
| Total net assets                         | <u>37,474</u>       | <u>31,224</u>       |
| Total liabilities and net assets         | <u>5,763,222</u>    | <u>3,230,653</u>    |
|  | <u>\$ 6,093,120</u> | <u>\$ 3,277,549</u> |

See notes to financial statements.

**SHERWOOD FOREST CAMP, INC.**

**STATEMENTS OF ACTIVITIES**

**Year ended December 31,**

|   | 2017                |                        |                        |                     | 2016                |                        |                        |                     |
|---|---------------------|------------------------|------------------------|---------------------|---------------------|------------------------|------------------------|---------------------|
|   | Unrestricted        | Temporarily restricted | Permanently restricted | Total               | Unrestricted        | Temporarily restricted | Permanently restricted | Total               |
| Support and revenue   |                     |                        |                        |                     |                     |                        |                        |                     |
| Public support  |                     |                        |                        |                     |                     |                        |                        |                     |
| United Way allocation   | \$ -                | \$ 369,117             | \$ -                   | \$ 369,117          | \$ -                | \$ 404,844             | \$ -                   | \$ 404,844          |
| Contributions and grants  | 302,630             | 3,171,330              | 6,250                  | 3,480,210           | 358,374             | 676,936                | 12,500                 | 1,047,810           |
| Special events, net of direct donor benefit of<br>\$65,916 in 2017 and \$52,252 in 2016 | 198,413             | -                      | -                      | 198,413             | 181,975             | -                      | -                      | 181,975             |
| USDA food service program   | 59,614              | -                      | -                      | 59,614              | 53,714              | -                      | -                      | 53,714              |
| Total public support  | 560,657             | 3,540,447              | 6,250                  | 4,107,354           | 594,063             | 1,081,780              | 12,500                 | 1,688,343           |
| Other support and revenue   |                     |                        |                        |                     |                     |                        |                        |                     |
| Program fees  | 166,055             | -                      | -                      | 166,055             | 156,187             | -                      | -                      | 156,187             |
| Sales - Camp store  | 2,709               | -                      | -                      | 2,709               | 5,710               | -                      | -                      | 5,710               |
| Investment income   | 6,007               | 1,572                  | -                      | 7,579               | 36,141              | -                      | -                      | 36,141              |
| Other income  | 10,026              | -                      | -                      | 10,026              | 5,357               | -                      | -                      | 5,357               |
| Total other support and revenue   | 184,797             | 1,572                  | -                      | 186,369             | 203,395             | -                      | -                      | 203,395             |
| Net assets released from restrictions   | 1,465,628           | (1,465,628)            | -                      | -                   | 1,000,676           | (1,000,676)            | -                      | -                   |
| Total support and revenue   | 2,211,082           | 2,076,391              | 6,250                  | 4,293,723           | 1,798,134           | 81,104                 | 12,500                 | 1,891,738           |
| Expenses  |                     |                        |                        |                     |                     |                        |                        |                     |
| Program services  | 1,345,003           | -                      | -                      | 1,345,003           | 1,400,812           | -                      | -                      | 1,400,812           |
| Management and general  | 118,083             | -                      | -                      | 118,083             | 107,845             | -                      | -                      | 107,845             |
| Fundraising   | 298,068             | -                      | -                      | 298,068             | 229,399             | -                      | -                      | 229,399             |
| Total expenses  | 1,761,154           | -                      | -                      | 1,761,154           | 1,738,056           | -                      | -                      | 1,738,056           |
| INCREASE IN NET ASSETS  | 449,928             | 2,076,391              | 6,250                  | 2,532,569           | 60,078              | 81,104                 | 12,500                 | 153,682             |
| Net assets at beginning of year   | 1,135,376           | 2,064,053              | 31,224                 | 3,230,653           | 1,075,298           | 1,982,949              | 18,724                 | 3,076,971           |
| Net assets at end of year   | <u>\$ 1,585,304</u> | <u>\$ 4,140,444</u>    | <u>\$ 37,474</u>       | <u>\$ 5,763,222</u> | <u>\$ 1,135,376</u> | <u>\$ 2,064,053</u>    | <u>\$ 31,224</u>       | <u>\$ 3,230,653</u> |

See notes to financial statements.

**SHERWOOD FOREST CAMP, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES**

**Year ended December 31,**

|                                       | 2017                |                              |                   |                     | 2016                |                              |                   |                     |
|---------------------------------------|---------------------|------------------------------|-------------------|---------------------|---------------------|------------------------------|-------------------|---------------------|
|                                       | Program<br>services | Management<br>and<br>general | Fundraising       | Total               | Program<br>services | Management<br>and<br>general | Fundraising       | Total               |
| Salaries and stipends                 | \$ 545,151          | \$ 56,968                    | \$ 149,052        | \$ 751,171          | \$ 564,155          | \$ 47,864                    | \$ 122,388        | \$ 734,407          |
| Employee benefits                     | 78,602              | 11,495                       | 17,938            | 108,035             | 103,246             | 12,619                       | 25,862            | 141,727             |
| Payroll taxes                         | 66,622              | 3,578                        | 10,664            | 80,864              | 71,529              | 3,022                        | 9,508             | 84,059              |
| Recruiting                            | 2,271               | -                            | -                 | 2,271               | 909                 | 150                          | 600               | 1,659               |
| Professional fees                     | 90,787              | 21,454                       | 86,536            | 198,777             | 33,903              | 23,352                       | 37,434            | 94,689              |
| Food and supplies                     | 174,868             | 1,237                        | 5,042             | 181,147             | 273,579             | 2,821                        | 4,969             | 281,369             |
| Communication                         | 7,951               | 337                          | 881               | 9,169               | 5,579               | 287                          | 1,112             | 6,978               |
| Postage                               | 3,828               | -                            | 4,174             | 8,002               | 5,916               | 141                          | 4,714             | 10,771              |
| Occupancy                             | 50,974              | 3,249                        | 6,819             | 61,042              | 45,743              | 3,481                        | 5,712             | 54,936              |
| Transportation                        | 45,943              | 11                           | 4,568             | 50,522              | 47,473              | 135                          | 2,876             | 50,484              |
| Conferences, conventions and meetings | 78                  | 660                          | 319               | 1,057               | 223                 | -                            | 246               | 469                 |
| Dues and subscriptions                | 725                 | 709                          | 415               | 1,849               | 3,641               | 600                          | 648               | 4,889               |
| Printing                              | 5,106               | -                            | 9,230             | 14,336              | 5,328               | -                            | 5,259             | 10,587              |
| Individual assistance                 | 5,216               | -                            | -                 | 5,216               | 8,898               | 13                           | -                 | 8,911               |
| Insurance                             | 77,861              | -                            | -                 | 77,861              | 74,554              | -                            | -                 | 74,554              |
| Repairs and maintenance               | 24,336              | -                            | -                 | 24,336              | 34,583              | 217                          | -                 | 34,800              |
| Miscellaneous                         | 35,332              | 18,385                       | 2,430             | 56,147              | 25,268              | 7,224                        | 8,071             | 40,563              |
| Depreciation                          | 129,352             | -                            | -                 | 129,352             | 96,285              | 5,919                        | -                 | 102,204             |
| Total expenses                        | <u>\$ 1,345,003</u> | <u>\$ 118,083</u>            | <u>\$ 298,068</u> | <u>\$ 1,761,154</u> | <u>\$ 1,400,812</u> | <u>\$ 107,845</u>            | <u>\$ 229,399</u> | <u>\$ 1,738,056</u> |

See notes to financial statements.

# SHERWOOD FOREST CAMP, INC.

## STATEMENTS OF CASH FLOWS

Year ended December 31,

|  | 2017         | 2016       |
|--|--------------|------------|
| Increase (decrease) in cash and cash equivalents   |              |            |
| Cash flows from operating activities   |              |            |
| Increase in net assets   | \$ 2,532,569 | \$ 153,682 |
| Adjustments to reconcile increase in net assets to net cash provided by operating activities |              |            |
| Depreciation   | 129,352      | 102,204    |
| Realized and unrealized gain on investments  | (3,824)      | -          |
| Loss on disposal of asset  | 3,328        | 596        |
| Contributions restricted for long-term purposes  | (2,422,781)  | (148,600)  |
| Contributions of property and equipment  | (44,752)     | (40,384)   |
| Contributions of investments   | (750)        | (12,500)   |
| (Increase) decrease in assets  |              |            |
| Contributions and grants receivable  | 89,740       | 12,730     |
| Prepaid expenses   | 37,803       | (44,727)   |
| Inventories  | 3,119        | 865        |
| Increase (decrease) in liabilities   |              |            |
| Accounts payable   | 128,950      | 2,984      |
| Accrued expenses   | 6,037        | 1,599      |
| Deferred grant revenue   | 100,000      | -          |
| Net cash provided by operating activities  | 558,791      | 28,449     |
| Cash flows from investing activities   |              |            |
| Proceeds from sale of equipment  | 23,227       | -          |
| Purchase of property and equipment   | (440,366)    | (522,825)  |
| Purchase of investments  | (25,949)     | (25,000)   |
| Sales of investments   | 403          | 175,000    |
| Net cash used in investing activities  | (442,685)    | (372,825)  |
| Cash flows from financing activities   |              |            |
| Payments on long-term debt   | (8,473)      | -          |
| Proceeds from contributions restricted for long-term purposes                                | 1,778,124    | 197,998    |
| Net cash provided by financing activities  | 1,769,651    | 197,998    |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS   | 1,885,757    | (146,378)  |
| Cash and cash equivalents at beginning of year   | 404,867      | 551,245    |
| Cash and cash equivalents at end of year   | \$ 2,290,624 | \$ 404,867 |
| Supplemental disclosures   |              |            |
| Noncash investing and financing activities:  |              |            |
| Equipment acquired through issuance of debt  | \$ 56,488    | \$ -       |

See notes to financial statements.

# **SHERWOOD FOREST CAMP, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

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### **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. Certificates of deposit are reported at amortized cost, which approximates fair value. Donated investments are recorded at market value at the date of donation and thereafter carried in conformity with the stated policy.

#### **Contributions and Grants Receivable**

The Camp provides an allowance for uncollectible contributions and grants receivable based on management’s judgement, considering such factors as prior collection history, type of contribution, relationship with the donor, and other relevant factors.

#### **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

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### 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. Conditional promises to give are recognized when the conditions upon which they are given are substantially met.

The Camp recognizes the release of restrictions on contributions related to state tax credits awarded through the Neighborhood Assistance Program (NAP) administered by the Missouri Department of Economic Development that was restricted for capital purposes, generally over a five-year period.

### 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, 2017 and 2016, donated construction services were \$44,752 and \$49,874 respectively, and were recognized in the financial statements as contribution revenue.

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**

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### **Fair Value Measurements**

The Camp uses a three tier hierarchy established by generally accepted accounting principles to prioritize the assumptions, referred to as inputs, used in valuation techniques to measure fair value. 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 and liabilities in active markets that the Camp has the ability to access.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, or inputs other than quoted prices that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

### **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 information returns are generally subject to examination by the Internal Revenue Service and state taxing authorities for a period of three years from the date they are to be filed.

### **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.

### **Reclassifications**

Certain reclassifications have been made to the 2016 financial statements to conform to the 2017 financial statement presentation.

# SHERWOOD FOREST CAMP, INC.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3 – INVESTMENTS

Investments consist of the following at December 31:

|                                 | <u>2017</u>      | <u>2016</u>      | <u>Fair value<br/>level</u> |
|---------------------------------|------------------|------------------|-----------------------------|
| Pooled investment - YouthBridge | \$ 67,619        | \$ 37,499        | 2                           |
| Oil and gas interest            | <u>9,000</u>     | <u>9,000</u>     | 3                           |
|                                 | <u>\$ 76,619</u> | <u>\$ 46,499</u> |                             |

In accordance with Agency Fund Agreement, the pooled investment is the property of YouthBridge, but held in its corporate capacity for the designated purpose to benefit the Camp. Annual distributions may be made from the pooled investment up to 5% of the pooled investment balance. Distributions in excess of 5% are subject to the approval of the YouthBridge's Board of Directors.

### NOTE 4 – CAPITAL CAMPAIGN CONTRIBUTIONS RECEIVABLE

Capital campaign contributions receivable consist of the following at December 31:

|                                    | <u>2017</u>         | <u>2016</u>       |
|------------------------------------|---------------------|-------------------|
| Due in less than one year          | \$ 775,023          | \$ 189,288        |
| Due in one to five years           | <u>423,065</u>      | <u>344,375</u>    |
|                                    | 1,198,088           | 533,663           |
| Less discount to present value     | <u>(40,622)</u>     | <u>(20,854)</u>   |
| Net unconditional promises to give | <u>\$ 1,157,466</u> | <u>\$ 512,809</u> |

### NOTE 5 – CONDITIONAL CONTRIBUTIONS RECIEVABLE

The Camp has a \$500,000 grant conditioned upon completing certain facility improvements related to the Way More Than Camp capital campaign. Additionally, the Camp has a challenge grant in the amount of \$500,000 conditioned upon raising additional funds needed for the facility improvements. The Camp also has a \$90,000 grant conditioned upon the ongoing employment of a Program Manager for the Support for Success program. These contributions will be recognized as revenue when the respective conditions are met in future years.



# SHERWOOD FOREST CAMP, INC.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

|                                 | <u>2017</u>         | <u>2016</u>         |
|---------------------------------|---------------------|---------------------|
| Property and equipment, at cost |                     |                     |
| Land improvements               | \$ 821,338          | \$ 816,454          |
| Buildings and improvements      | 1,285,200           | 1,227,429           |
| Equipment                       | 596,559             | 580,682             |
|                                 | <u>2,703,097</u>    | <u>2,624,565</u>    |
| Less accumulated depreciation   | <u>1,283,366</u>    | <u>1,201,853</u>    |
|                                 | <u>1,419,731</u>    | <u>1,422,712</u>    |
| Land                            | 165,545             | 165,545             |
| Construction in progress        | <u>562,320</u>      | <u>173,640</u>      |
|                                 | <u>\$ 2,147,596</u> | <u>\$ 1,761,897</u> |
| Total property and equipment    |                     |                     |

### NOTE 7 – CONCENTRATION OF CREDIT RISK

The Camp maintains its cash balances in one financial institution. 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 9% and 21% of its support and revenue from United Way during 2017 and 2016, respectively. The Camp's United Way allocation for 2018 is \$369,117.

### NOTE 8 – LINE OF CREDIT

The Camp has a line of credit with Great Southern Bank that expires August 15, 2018 and provides for maximum borrowings of \$100,000. Interest on the revolving line of credit is payable monthly based on the prime rate with an interest rate floor of 3.5%. The line of credit is secured by all bank and investment accounts, inventory and equipment. There was no balance outstanding on the line of credit at December 31, 2017 and 2016.

# SHERWOOD FOREST CAMP, INC.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 9 – EQUIPMENT LOAN

In May 2017, the Camp obtained a loan in the amount of \$56,488 to finance the purchase of equipment. The interest rate on the loan is 0% per annum. Principal on the loan is payable monthly beginning June 2017 in the amount of \$941 through maturity in May 2022. The loan is secured by the equipment.

The annual requirements to amortize the loan as of December 31, 2017 are as follows:

|      |                  |
|------|------------------|
| 2018 | \$ 9,415         |
| 2019 | 11,298           |
| 2020 | 11,298           |
| 2021 | 11,298           |
| 2022 | <u>4,706</u>     |
|      | <u>\$ 48,015</u> |

### NOTE 10 – RETIREMENT PLAN

The Camp has a defined contribution annuity plan that covers all eligible employees. The Camp contributes 8% of salaries for eligible employees. The Camp also matches employee deferrals up to 50% of the first 4% of eligible employee compensation. Full vesting occurs after three years of service. Retirement expense was \$42,587 and \$48,324 for the years ended December 31, 2017 and 2016, respectively.

### NOTE 11 – NET ASSETS

Unrestricted net assets designated by the Camp's Board of Directors for specific purposes consist of the following at December 31:

|                 | <u>2017</u>      | <u>2016</u>      |
|-----------------|------------------|------------------|
| Nature Center   | \$ 10,000        | \$ 10,000        |
| Homestead cabin | 500              | 500              |
| Endowment       | <u>41,270</u>    | <u>17,499</u>    |
|                 | <u>\$ 51,770</u> | <u>\$ 27,999</u> |

# SHERWOOD FOREST CAMP, INC.

## NOTES TO FINANCIAL STATEMENTS

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Temporarily restricted net assets 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>2017</u>         | <u>2016</u>         |
|---------------------------------|---------------------|---------------------|
| Restricted for purpose          |                     |                     |
| Youth Opportunity Program       | \$ 790              | \$ 183,448          |
| Neighborhood Assistance Program | 499,837             | -                   |
| Endowment                       | 1,572               | -                   |
| Reading program                 | 2,958               | 8,009               |
| Arts                            | 1,681               | -                   |
| STEM curriculum                 | 16,868              | -                   |
| Leadership                      | 10,000              | -                   |
| CIT salaries                    | 10,000              | -                   |
| Program expansion               | 10,000              | 20,000              |
| Equipment                       | 5,921               | 10,656              |
| Support for Success             | 94,936              | 50,000              |
| Capital campaign                | 2,632,848           | 731,562             |
| Restricted for time             | <u>853,033</u>      | <u>1,060,378</u>    |
|                                 | <u>\$ 4,140,444</u> | <u>\$ 2,064,053</u> |

Temporarily restricted net assets include property and equipment subject to restriction of time of \$481,715 and \$651,347 for the years ended December 31, 2017 and 2016, respectively.

Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently and are included in the Camp's endowment.

### NOTE 12 – ENDOWMENT

The Camp's endowment consists of donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

# SHERWOOD FOREST CAMP, INC.

## NOTES TO FINANCIAL STATEMENTS

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The Camp has interpreted the Missouri Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Camp classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Camp in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Camp considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the duration and preservation of the fund, the purposes of the donor-restricted endowment fund, general economic conditions, the possible effect of inflation and deflation, the expected total return from income and the appreciation of investment, other resources of the Camp, and the Camp's investment policies.

During the years ended December 31, 2017 and 2016, the Camp's endowment had the following activity:

|                              | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Permanently<br/>Restricted</u> | <u>Total</u>     |
|------------------------------|---------------------|-----------------------------------|-----------------------------------|------------------|
| Balance at January 1, 2016   | \$ -                | \$ -                              | \$ 18,724                         | \$ 18,724        |
| Contributions                | <u>17,499</u>       | <u>-</u>                          | <u>12,500</u>                     | <u>29,999</u>    |
| Balance at December 31, 2016 | 17,499              | -                                 | 31,224                            | 48,723           |
| Contributions                | 21,000              | -                                 | 6,250                             | 27,250           |
| Investment income            | 3,090               | 1,572                             | -                                 | 4,662            |
| Appropriated for expenditure | <u>(319)</u>        | <u>-</u>                          | <u>-</u>                          | <u>(319)</u>     |
| Balance at December 31, 2017 | <u>\$ 41,270</u>    | <u>\$ 1,572</u>                   | <u>\$ 37,474</u>                  | <u>\$ 80,316</u> |

# SHERWOOD FOREST CAMP, INC.

## NOTES TO FINANCIAL STATEMENTS

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Endowment net assets composition by type of fund as of December 31, 2017 is as follows:

|                            | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Permanently<br/>Restricted</u> | <u>Total</u>     |
|----------------------------|---------------------|-----------------------------------|-----------------------------------|------------------|
| Board designated endowment | \$ 41,270           | \$ -                              | \$ -                              | \$ 41,270        |
| Donor restricted endowment | <u>-</u>            | <u>1,572</u>                      | <u>37,474</u>                     | <u>39,046</u>    |
|                            | <u>\$ 41,270</u>    | <u>\$ 1,572</u>                   | <u>\$ 37,474</u>                  | <u>\$ 80,316</u> |

Endowment net assets composition by type of fund as of December 31, 2016 is as follows:

|                            | <u>Unrestricted</u> | <u>Temporarily<br/>Restricted</u> | <u>Permanently<br/>Restricted</u> | <u>Total</u>     |
|----------------------------|---------------------|-----------------------------------|-----------------------------------|------------------|
| Board designated endowment | \$ 17,499           | \$ -                              | \$ -                              | \$ 17,499        |
| Donor restricted endowment | <u>-</u>            | <u>-</u>                          | <u>31,224</u>                     | <u>31,224</u>    |
|                            | <u>\$ 17,499</u>    | <u>\$ -</u>                       | <u>\$ 31,224</u>                  | <u>\$ 48,723</u> |

### Investment Objective

The purpose of the endowment fund is to maximize the use of investment assets over time, and if required, provide a predictable contribution to the annual operating budget of the Camp. The primary investment objective is to produce an average annual total return of 4% to 8%. To achieve this, the Camp will make an investment recommendation based on the Camp's risk tolerance and long-term objective.

### Spending Policy

In order to preserve the corpus of the endowment over the long term, the Camp shall decide annually whether or not to withdraw any portion of the investment income, including capital appreciation, of the endowment fund. Any annual distribution cannot exceed 5% of the balance of the endowment fund without approval of the Camp's Board of Directors as set forth below.

The Board may authorize distribution of endowment fund assets in excess of the annual distribution for extraordinary circumstances, under these two conditions:

1. The excess distributions must be approved by an affirmative vote by two-thirds of the Board and should be paid back to the endowment fund in a timely manner not to exceed a three-year term. This term may be extended by one additional three-year term with a two-thirds vote of the Board.

# **SHERWOOD FOREST CAMP, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

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2. The Board must implement an endowment marketing strategy to recoup those spent capital assets and to increase the net endowment total with new contributions.

Distributions in excess of 5% of the endowment fund balance must also be approved by YouthBridge's Board of Directors as described in Note 3.

### **NOTE 13 – SUBSEQUENT EVENTS**

In preparing these financial statements, the Camp has evaluated events and transactions for potential recognition or disclosure through May 10, 2018, the date the financial statements were available to be issued.

In 2018, the Camp was notified by a grantor that the \$500,000 challenge grant disclosed in Note 5 has been met.

In 2018, the Camp executed construction contracts totaling \$3,898,867 for certain facility improvements related to the Way More Than Camp capital campaign. New Market Tax Credits totaling \$8,000,000 have been preliminarily reserved for the purpose of financing the expansion and renovation of the Camp.