

SHERWOOD FOREST CAMP, INC. AND AFFILIATE

FINANCIAL STATEMENTS

December 31, 2018 and 2017

SHERWOOD FOREST CAMP, INC. AND AFFILATE

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	3
FINANCIAL STATEMENTS	
Consolidated Statements of Financial Position	5
Consolidated Statements of Activities	6
Consolidated Statements of Functional Expenses	7
Consolidated Statements of Cash Flows	9
Notes to Financial Statements	10
SUPPLEMENTARY INFORMATION	
Consolidating Statement of Financial Position	25
Consolidating Statement of Activities	26
Consolidating Statement of Cash Flows	27

Independent Auditors' Report

Board of Directors
Sherwood Forest Camp, Inc.

We have audited the accompanying consolidated financial statements of Sherwood Forest Camp, Inc. (a Missouri Corporation, not-for-profit) and affiliate, which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Sherwood Forest Camp, Inc. and affiliate as of December 31, 2018 and 2017, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Kerber, Eck & Braeckel LLP

St. Louis, Missouri
June 13, 2019

SHERWOOD FOREST CAMP, INC. AND AFFILIATE**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****December 31,**

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 1,066,276	\$ 2,290,624
Contributions and grants receivable, net		
United Way	359,838	369,117
Capital campaign	1,054,638	1,157,466
Other	10,843	9,256
Interest receivable	9,477	-
Prepaid expenses	34,926	39,283
Inventories	3,569	3,159
Restricted cash and cash equivalents	2,261,245	-
Investments	103,114	76,619
Note receivable	5,686,160	-
Property and equipment, net	6,732,687	2,147,596
Total assets	<u>\$ 17,322,773</u>	<u>\$ 6,093,120</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 380,862	\$ 132,547
Accrued expenses	59,516	49,336
Deferred grant revenue	606,149	100,000
Other deferred revenue	3,050	-
Long-term debt, net of debt issuance costs	8,576,486	48,015
Total liabilities	9,626,063	329,898
NET ASSETS		
Without donor restrictions	6,371,212	1,585,304
With donor restrictions	1,325,498	4,177,918
Total net assets	<u>7,696,710</u>	<u>5,763,222</u>
Total liabilities and net assets	<u>\$ 17,322,773</u>	<u>\$ 6,093,120</u>

See notes to financial statements.

SHERWOOD FOREST CAMP, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF ACTIVITIES

Year ended December 31,

	2018			2017		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Support and revenue						
Public Support						
United Way allocation	\$ -	\$ 359,838	\$ 359,838	\$ -	\$ 369,117	\$ 369,117
Contributions and grants	2,912,079	174,643	3,086,722	297,968	3,177,580	3,475,548
Special events, net of direct donor benefit of \$75,261 in 2018 and \$65,916 in 2017	160,016	-	160,016	198,413	-	198,413
USDA food service program	53,443	-	53,443	59,614	-	59,614
Total public support	3,125,538	534,481	3,660,019	555,995	3,546,697	4,102,692
Other support and revenue						
Program fees	230,772	-	230,772	166,055	-	166,055
Sales - Camp store	1,882	-	1,882	2,709	-	2,709
Investment income	(381)	(847)	(1,228)	10,669	1,572	12,241
Other income	25,952	-	25,952	10,026	-	10,026
Total other support and revenue	258,225	(847)	257,378	189,459	1,572	191,031
Net assets released from restrictions	3,386,054	(3,386,054)	-	1,465,628	(1,465,628)	-
Total support and revenue	6,769,817	(2,852,420)	3,917,397	2,211,082	2,082,641	4,293,723
Expenses						
Program services						
Quest	1,187,449	-	1,187,449	1,098,225	-	1,098,225
Outdoor education	234,273	-	234,273	156,306	-	156,306
Supports for success	134,568	-	134,568	90,472	-	90,472
Total program services	1,556,290	-	1,556,290	1,345,003	-	1,345,003
Management and general	117,936	-	117,936	118,083	-	118,083
Fundraising	309,683	-	309,683	298,068	-	298,068
Total expenses	1,983,909	-	1,983,909	1,761,154	-	1,761,154
CHANGE IN NET ASSETS	4,785,908	(2,852,420)	1,933,488	449,928	2,082,641	2,532,569
Net assets at beginning of year	1,585,304	4,177,918	5,763,222	1,135,376	2,095,277	3,230,653
Net assets at end of year	\$ 6,371,212	\$ 1,325,498	\$ 7,696,710	\$ 1,585,304	\$ 4,177,918	\$ 5,763,222

See notes to financial statements.

SHERWOOD FOREST CAMP, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2018

	Program services				Supporting services		
	Quest	Outdoor education	Supports for success	Total	Management and general	Fundraising	Total
Salaries and stipends	\$ 475,236	\$ 107,541	\$ 63,272	\$ 646,049	\$ 54,515	\$ 126,410	\$ 826,974
Employee benefits	89,796	17,748	7,556	115,100	12,837	24,155	152,092
Payroll taxes	31,488	7,333	4,796	43,617	3,590	9,337	56,544
Recruiting	1,640	86	277	2,003	-	1,283	3,286
Professional fees	37,726	1,997	2,907	42,630	27,048	88,258	157,936
Food and supplies	140,387	37,043	7,639	185,069	2,065	11,722	198,856
Communication	7,407	1,199	774	9,380	315	830	10,525
Postage	6,117	602	1,128	7,847	250	16,985	25,082
Occupancy	50,206	6,966	3,726	60,898	2,456	7,390	70,744
Transportation	50,245	5,056	2,489	57,790	-	2,878	60,668
Conferences, conventions and meetings	30	-	-	30	569	20	619
Dues and subscriptions	3,860	401	752	5,013	249	115	5,377
Printing	3,849	347	478	4,674	-	16,407	21,081
Individual assistance	6,895	501	182	7,578	-	-	7,578
Insurance	54,460	11,742	7,218	73,420	-	-	73,420
Repairs and maintenance	25,111	1,966	3,687	30,764	-	-	30,764
Interest	34,390	3,573	6,699	44,662	-	-	44,662
Miscellaneous	48,025	7,679	7,464	63,168	14,042	3,893	81,103
Depreciation	120,581	22,493	13,524	156,598	-	-	156,598
Total expenses	<u>\$ 1,187,449</u>	<u>\$ 234,273</u>	<u>\$ 134,568</u>	<u>\$ 1,556,290</u>	<u>\$ 117,936</u>	<u>\$ 309,683</u>	<u>\$ 1,983,909</u>

See notes to financial statements.

SHERWOOD FOREST CAMP, INC. AND AFFILIATE

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2017

	Program services				Supporting services		
	Quest	Outdoor education	Supports for success	Total	Management and general	Fundraising	Total
Salaries and stipends	\$ 437,341	\$ 60,753	\$ 47,057	\$ 545,151	\$ 56,968	\$ 149,052	\$ 751,171
Employee benefits	80,227	13,092	10,691	104,010	11,495	17,938	133,443
Payroll taxes	27,997	9,393	3,824	41,214	3,578	10,664	55,456
Recruiting	1,948	36	287	2,271	-	-	2,271
Professional fees	62,251	3,749	7,787	73,787	21,454	86,536	181,777
Food and supplies	163,700	24,556	3,612	191,868	1,237	5,042	198,147
Communication	6,752	783	416	7,951	337	881	9,169
Postage	3,278	191	359	3,828	-	4,174	8,002
Occupancy	42,229	5,970	2,775	50,974	3,249	6,819	61,042
Transportation	41,619	2,912	1,412	45,943	11	4,568	50,522
Conferences, conventions and meetings	60	6	12	78	660	319	1,057
Dues and subscriptions	572	53	100	725	709	415	1,849
Printing	4,009	402	695	5,106	-	9,230	14,336
Individual assistance	4,871	183	162	5,216	-	-	5,216
Insurance	59,884	11,400	6,577	77,861	-	-	77,861
Repairs and maintenance	19,960	1,522	2,854	24,336	-	-	24,336
Miscellaneous	31,656	1,970	1,706	35,332	18,385	2,430	56,147
Depreciation	109,871	19,335	146	129,352	-	-	129,352
Total expenses	<u>\$ 1,098,225</u>	<u>\$ 156,306</u>	<u>\$ 90,472</u>	<u>\$ 1,345,003</u>	<u>\$ 118,083</u>	<u>\$ 298,068</u>	<u>\$ 1,761,154</u>

See notes to financial statements.

SHERWOOD FOREST CAMP, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended December 31,

	2018	2017
Increase (decrease) in cash and cash equivalents		
Cash flows from operating activities		
Increase in net assets	\$ 1,933,488	\$ 2,532,569
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	163,455	129,352
Realized and unrealized (gain) loss on investments	11,907	(3,824)
Loss on disposal of asset	-	3,328
Contributions restricted for long-term purposes	(1,723,080)	(2,422,781)
Contributions of property and equipment	(61,260)	(44,752)
Contributions of investments	-	(750)
(Increase) decrease in assets		
Contributions and grants receivable	7,692	89,740
Interest receivable	(9,477)	-
Prepaid expenses	4,357	37,803
Inventories	(410)	3,119
Increase in liabilities		
Accounts payable	248,315	128,950
Accrued expenses	10,180	6,037
Deferred grant revenue	506,149	100,000
Other deferred revenue	3,050	-
Net cash provided by operating activities	1,094,366	558,791
Cash flows from investing activities		
Proceeds from sale of equipment	-	23,227
Purchase of property and equipment	(125,815)	(440,366)
Purchase of investments	(38,856)	(25,949)
Sales of investments	454	403
Net cash used in investing activities	(164,217)	(442,685)
Cash flows from financing activities		
Issuance of note receivable	(5,686,160)	-
Proceeds from issuance of long-term debt	5,540,666	-
Payments on long-term debt	(1,112,885)	(8,473)
Payments for debt issuance costs	(460,781)	-
Proceeds from contributions restricted for long-term purposes	1,825,908	1,778,124
Net cash provided by financing activities	106,748	1,769,651
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,036,897	1,885,757
Cash and cash equivalents at beginning of year	2,290,624	404,867
Cash and cash equivalents at end of year	\$ 3,327,521	\$ 2,290,624
Supplemental disclosures		
Noncash investing and financing activities:		
Property and equipment acquired through issuance of debt	\$ 4,549,334	\$ 56,488

See notes to financial statements.

SHERWOOD FOREST CAMP, INC. AND AFFILIATE

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.

In 2018, the Camp created a supporting organization, Sherwood Forest Foundation (the “Foundation”) to take advantage of New Market Tax Credit (NMTC) financing. NMTC financing allows an entity to receive a loan or investment capital from outside investors, who will receive new market tax credits to be applied against their federal tax liability. As a result, the Organization has invested \$4,186,160 and was able to secure two 20-year loans in the amounts of \$5,686,160 and \$2,153,840 for a total of \$7,840,000 payable to a community development entity. The loan proceeds are to be used solely for the purpose of expanding and making improvements to the camp including building a new Learning Center, establishing a STEM and technology lab, creating an outdoor classroom, re-establishing Buder Lake, building a new dining hall and other support facilities, expanding housing and completing infrastructure improvements.

The consolidated financial statements include Sherwood Forest Camp, Inc. and its affiliate, Sherwood Forest Foundation. The Foundation is consolidated since the Camp has both an economic interest in the Foundation and control of the Foundation through a majority voting interest in its governing board. All material intercompany accounts and transactions have been eliminated.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES

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

Financial Statement Presentation

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor restrictions. The Board of Directors has designated, from net assets without donor restrictions, net assets for an endowment in order to maximize the use of investment assets over time.

SHERWOOD FOREST CAMP, INC. AND AFFILIATE

NOTES TO FINANCIAL STATEMENTS

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be satisfied by actions of the Camp or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates resources be maintained in perpetuity. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restriction.

Cash and Cash Equivalents

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

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents are limited in use to payment of costs of constructing and operating new facilities and payment of certain expenses associated with the NMTC financing discussed in Note 1.

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. 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 net realizable value. Costs are determined using the first-in, first-out (FIFO) method.

SHERWOOD FOREST CAMP, INC. AND AFFILIATE

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	5 - 20
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. 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 years ended December 31, 2018, and 2017 donated construction services were \$21,260 and \$44,752, 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 support and revenue without donor restrictions.

SHERWOOD FOREST CAMP, INC. AND AFFILIATE

NOTES TO FINANCIAL STATEMENTS

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 consolidated statement of activities. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited as described in Note 15.

Use of Estimates

The preparation of the consolidated 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.

SHERWOOD FOREST CAMP, INC. AND AFFILIATE

NOTES TO FINANCIAL STATEMENTS

Recent Accounting Pronouncements

In 2018, the Camp implemented the requirements of the Financial Accounting Standards Board's Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The accompanying 2017 financial statements have been restated to conform to the 2018 presentation and disclosure requirements of ASU 2016-14. ASU 2016-14 requires certain changes to the presentation of financial statements of not-for-profit entities and additional new disclosures. A key change required by ASU 2016-14 are the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions.

In June 2018, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958) – Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The update clarifies and improves the scope and the accounting guidance for contributions received and contributions made. The update assists entities in evaluation whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of *Topic 958, Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether the contribution is conditional. The Camp implemented ASU 2018-08 for the year ended December 31, 2018. The ASU has not been applied retrospectively to 2017.

Reclassifications

Certain reclassifications have been made to the 2017 financial statements to conform to the 2018 financial statement presentation.

Subsequent Events

In preparing the consolidated financial statements, the Camp has evaluated events and transactions for potential recognition or disclosure through June 13, 2019, the date the consolidated financial statements were available to be issued.

SHERWOOD FOREST CAMP, INC. AND AFFILIATE

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following represents financial assets as of the financial position date, reduced by amounts not available for general use within one year of the financial position date because of contractual or donor-imposed restrictions or internal designations. Amounts available include donor-restricted amounts that are available for general expenditure in the following year. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the Board of Directors approves the action.

	December 31,	
	2018	2017
Cash and cash equivalents	\$ 3,327,521	\$ 2,290,624
Contributions and grants receivable	1,425,319	1,535,839
Interest receivable	9,477	-
Investments	103,114	3,159
Note receivable	5,686,160	-
Total financial assets	10,551,591	3,829,622
Contributions and grants receivable to be collected in more than one year	(702,466)	-
Notes receivable to be collected in more than one year	(5,686,160)	-
Contractual or donor-imposed restrictions		
Restricted cash and cash equivalents	(2,261,245)	-
Endowment funds	(86,729)	(39,046)
Other donor restrictions	(165,767)	(2,786,002)
Board designations		
Endowment funds	(36,889)	(41,270)
Other	(10,000)	(10,000)
	<u>\$ 1,602,335</u>	<u>\$ 953,304</u>

The Camp's working capital and cash flows have seasonal variations during the year attributable primarily to a concentration of contributions received near calendar year-end. In the event of an unanticipated liquidity need, the Camp can draw upon \$200,000 of an available line of credit as disclosed in Note 10.

SHERWOOD FOREST CAMP, INC. AND AFFILIATE

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – INVESTMENTS

Investments consist of the following at December 31,:

	<u>2018</u>	<u>2017</u>	<u>Fair value level</u>
Pooled investment - YouthBridge	\$ 99,114	\$ 67,619	2
Oil and gas interest	<u>4,000</u>	<u>9,000</u>	3
	<u>\$ 103,114</u>	<u>\$ 76,619</u>	

In accordance with the 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 5 – CAPITAL CAMPAIGN CONTRIBUTIONS RECEIVABLE

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

	<u>2018</u>	<u>2017</u>
Due in less than one year	\$ 381,293	\$ 775,023
Due in one to five years	<u>702,466</u>	<u>423,065</u>
	1,083,759	1,198,088
Less discount to present value	<u>(29,121)</u>	<u>(40,622)</u>
Net unconditional promises to give	<u>\$ 1,054,638</u>	<u>\$ 1,157,466</u>

NOTE 6 – CONDITIONAL CONTRIBUTIONS RECEIVABLE

The Camp has grants totaling \$600,000 conditioned upon completing certain facility improvements related to the Way More Than Camp capital campaign. Of these, a \$500,000 grant is further conditioned upon the continued use of the Outdoor Learning Center for a period of five years from the completion date. The Camp also has a \$130,338 grant of which \$69,321 is conditioned upon incurring qualifying expenditures for the Leadership Training Program. These contributions will be recognized as revenue when the respective conditions are met in future years.

SHERWOOD FOREST CAMP, INC. AND AFFILIATE

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – NOTE RECEIVABLE

Sherwood Forest Foundation funded a loan of \$5,686,160 to Twain Investment Fund 315, LLC (Twain), who then loaned the proceeds to RDP 32 LLC who then loaned the funds to Sherwood Forest Camp, Inc. The note matures in 2038. Twain will make interest only payments to Sherwood Forest Foundation over seven years at 1.0% and the loan will then amortize over the remaining term with Twain scheduled to repay the full amount of the loan to Sherwood Forest Foundation over the subsequent 13 years.

NOTE 8 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31,:

	2018	2017
Property and equipment, at cost		
Land improvements	\$ 1,217,401	\$ 821,338
Buildings and improvements	1,333,894	1,285,200
Equipment	635,662	596,559
	<u>3,186,957</u>	<u>2,703,097</u>
Less accumulated depreciation	1,439,964	1,283,366
	<u>1,746,993</u>	<u>1,419,731</u>
Land	165,545	165,545
Construction in progress	<u>4,820,149</u>	<u>562,320</u>
Total property and equipment	<u>\$ 6,732,687</u>	<u>\$ 2,147,596</u>

NOTE 9 – 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% of its support and revenue from United Way during 2018 and 2017. The Camp's United Way allocation for 2019 is \$359,838.

SHERWOOD FOREST CAMP, INC. AND AFFILIATE

NOTES TO FINANCIAL STATEMENTS

NOTE 10 – LINE OF CREDIT

The Camp has a line of credit with Midwest Regional Bank that expires August 1, 2019 and provides for maximum borrowings of \$200,000. 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, equipment and a Deed of Trust on Camp property. There was no balance outstanding on the line of credit at December 31, 2018 and 2017. The line of credit also contains a minimum net asset position requirement. As of December 31, 2018, the Camp was in compliance with this covenant.

NOTE 11 – LONG-TERM DEBT

Long-term debt consists of the following at December, 31,:

	2018	2017
Kubota Credit Corporation	\$ 36,717	\$ 48,015
Midwest Regional Bank		
Construction loan	399,307	-
Bridge loan	749,106	-
RDP 32 LLC		
Note A	5,686,160	-
Note B	2,153,840	-
	<u>9,025,130</u>	<u>48,015</u>
Less unamortized debt issuance costs	<u>(448,644)</u>	<u>-</u>
	<u>\$ 8,576,486</u>	<u>\$ 48,015</u>

In May 2017, the Camp obtained a loan from The Kubota Credit Corporation 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.

In August 2018 the Camp obtained a construction loan from Midwest Regional Bank for borrowings up to \$750,000. The loan requires monthly interest only payments at a rate of 4.75% through September 2, 2019. Beginning September 2, 2019, the loan requires monthly principal and interest payments of \$4,875. The loan matures on August 2, 2023, at which time the remaining unpaid principal and interest is due. The loan is secured by a Deed of Trust on Camp property as well as the assignment of all rents from the property. This loan contains a minimum net asset position requirement. As of December 31, 2018, the Camp was in compliance with this covenant. The loan agreement allows for prepayment penalties of 3% in year one, 2% in years two, three and four, and 1% in year five. Although prepayments have been made, no penalties have yet been assessed.

SHERWOOD FOREST CAMP, INC. AND AFFILIATE

NOTES TO FINANCIAL STATEMENTS

In August 2018, the Foundation obtained a bridge loan from Midwest Regional Bank in the amount of \$1,500,000. The bridge loan requires monthly interest only payments at 4.25% through March 31, 2019. Fixed principal payments of \$600,000 and \$300,000 plus interest are due March 31, 2019 and 2020, respectively, with the remaining unpaid principal and interest due August 22, 2021. The Foundation has pre-paid the principal payment due March 31, 2019, and a portion of the principal payment due March 31, 2020. The loan is secured by all bank and investments accounts owned by Sherwood Forest Foundation.

The Camp obtained two loans from RDP 32, LLC consisting of Note A in the amount of \$5,686,160 and Note B in the amount of \$2,153,840 for a total of \$7,840,000. The notes require interest only payments until August, 2025 at 1.3337315%. The loan matures in August, 2038. The loan is secured by substantially all the assets acquired by the Camp from the project loan proceeds. The loans have a put option feature that is exercisable August, 2025, which if exercised by the lender, will effectively allow the Camp to extinguish its outstanding debt related to these two loans.

Aggregate maturities of long-term debt for the year ending December 31, are as follows:

2019	\$ 17,087
2020	184,161
2021	636,208
2022	30,827
2023	316,847
Thereafter	<u>7,840,000</u>
	<u>\$ 9,025,130</u>

Interest costs of \$40,413 were capitalized as part of the cost of assets acquired during 2018.

NOTE 12 – 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 \$39,595 and \$42,587 for the years ended December 31, 2018 and 2017, respectively.

SHERWOOD FOREST CAMP, INC. AND AFFILIATE

NOTES TO FINANCIAL STATEMENTS

NOTE 13 – NET ASSETS

Net assets without donor restrictions designated by the Camp's Board of Directors for specific purposes consist of the following at December 31:

	2018	2017
Subject to expenditure for specified purpose		
Nature Center	\$ 10,000	\$ 10,000
Homestead cabin	500	500
Subject to endowment spending policy and appropriation	36,889	41,270
	<u>\$ 47,389</u>	<u>\$ 51,770</u>

Net assets with donor-imposed restrictions were restricted for the following purposes or periods at December 31,:

	2018	2017
Subject to expenditure for specified purpose		
Youth Opportunity Program	\$ 51,673	\$ 790
Reading program	-	2,958
Arts	-	1,681
STEM curriculum	-	16,868
Leadership	20,000	10,000
CIT salaries	-	10,000
Program expansion	-	10,000
Equipment	2,729	5,921
Quest Curriculum	48,500	-
Support for Success	42,865	94,936
Capital campaign	-	2,632,848
Subject to endowment spending policy and appropriation	86,729	39,046
Subject to the passage of time		
Capital projects funded through the Neighborhood Assistance		
Program restricted for use over a five year period	709,953	980,552
Contributions and grants receivable not restricted by donors, but which are unavailable for expenditure until due	363,049	372,318
	<u>\$ 1,325,498</u>	<u>\$ 4,177,918</u>

SHERWOOD FOREST CAMP, INC. AND AFFILIATE

NOTES TO FINANCIAL STATEMENTS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31,:

	2018	2017
Expiration of time restrictions	\$ 642,918	\$ 584,168
Satisfaction of purpose restrictions		
Youth Opportunity Program	790	248,189
Reading program	2,958	5,051
Arts	1,681	28,319
STEM curriculum	16,868	8,132
Leadership	10,000	-
Program expansion	-	10,000
Equipment	5,921	18,967
Quest Curriculum	10,000	-
Support for Success	62,070	45,064
Capital campaign	2,632,848	517,738
	<u>\$ 3,386,054</u>	<u>\$ 1,465,628</u>

NOTE 14 – 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.

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 net assets with donor restrictions (a) the original value of the gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

SHERWOOD FOREST CAMP, INC. AND AFFILIATE

NOTES TO FINANCIAL STATEMENTS

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, 2018 and 2017, the Camp's endowment had the following activity:

	Without donor restrictions	With donor restrictions	Total
Balance at January 1, 2017	\$ 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>(319)</u>
Balance at December 31, 2017	41,270	39,046	80,316
Contributions	-	48,530	48,530
Investment loss	(3,928)	(847)	(4,775)
Appropriated for expenditure	<u>(453)</u>	<u>-</u>	<u>(453)</u>
Balance at December 31, 2018	<u>\$ 36,889</u>	<u>\$ 86,729</u>	<u>\$ 123,618</u>

SHERWOOD FOREST CAMP, INC. AND AFFILIATE

NOTES TO FINANCIAL STATEMENTS

Endowment net assets composition by type of fund as of December 31, 2018 is as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Board designated endowment	\$ 36,889	\$ -	\$ 36,889
Donor restricted endowment	<u>-</u>	<u>86,729</u>	<u>86,729</u>
	<u>\$ 36,889</u>	<u>\$ 86,729</u>	<u>\$ 123,618</u>

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

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Board designated endowment	\$ 41,270	\$ -	\$ 41,270
Donor restricted endowment	<u>-</u>	<u>39,046</u>	<u>39,046</u>
	<u>\$ 41,270</u>	<u>\$ 39,046</u>	<u>\$ 80,316</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.

SHERWOOD FOREST CAMP, INC. AND AFFILIATE

NOTES TO FINANCIAL STATEMENTS

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.
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 4.

NOTE 15 – FUNCTIONAL EXPENSES

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are salaries and stipends, payroll taxes, employee benefits, which are allocated on the basis of estimated time and effort; and recruiting, professional fees, food and supplies, communication, postage, occupancy, transportation, conferences, conventions and meetings, dues and subscriptions, and printing, which are allocated based on estimated usage.

NOTE 16 – RELATED PARTY TRANSACTIONS

A member of the Board of Directors is a partner at the firm that represented the Camp in the NMTC financing transaction during 2018.

NOTE 17 – CONTINGENCY

The NMTC financing includes certain compliance requirements, which if not met during the seven year compliance period, require recapture of the tax credits.

SHERWOOD FOREST CAMP, INC. AND AFFILIATE

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2018

	Consolidating Information					
	Sherwood Forest Camp					
	Sherwood Forest Camp	POB	Total	Sherwood Forest Foundation	Consolidating Entries	Consolidated Total
ASSETS						
Cash and cash equivalents	\$ 1,055,545	\$ -	\$ 1,055,545	\$ 10,731	\$ -	\$ 1,066,276
Contributions and grants receivable, net						
United Way	359,838	-	359,838	-	-	359,838
Capital Campaign	1,054,638	-	1,054,638	-	-	1,054,638
Other	10,843	-	10,843	-	-	10,843
Interest receivable	-	-	-	9,477	-	9,477
Prepaid expenses	34,926	-	34,926	-	-	34,926
Inventories	3,569	-	3,569	-	-	3,569
Restricted cash and cash equivalents	646,211	1,615,034	2,261,245	-	-	2,261,245
Investments	103,114	-	103,114	-	-	103,114
Note receivable	-	-	-	5,686,160	-	5,686,160
Property and equipment - net	1,587,182	5,145,505	6,732,687	-	-	6,732,687
Other assets	-	645,952	645,952	-	(645,952)	-
Total assets	\$ 4,855,866	\$ 7,406,491	\$ 12,262,357	\$ 5,706,368	\$ (645,952)	\$ 17,322,773
LIABILITIES AND NET ASSETS						
Accounts payable	\$ 49,835	\$ 331,027	\$ 380,862	\$ -	\$ -	\$ 380,862
Accrued expenses	42,038	17,478	59,516	-	-	59,516
Deferred grant revenue	606,149	-	606,149	-	-	606,149
Other deferred revenue	649,002	-	649,002	-	(645,952)	3,050
Long-term debt, net of debt issuance costs	436,024	7,391,356	7,827,380	749,106	-	8,576,486
Total liabilities	1,783,048	7,739,861	9,522,909	749,106	(645,952)	9,626,063
Net assets						
Without donor restrictions	1,747,320	(333,370)	1,413,950	4,957,262	-	6,371,212
With donor restrictions	1,325,498	-	1,325,498	-	-	1,325,498
Total net assets	3,072,818	(333,370)	2,739,448	4,957,262	-	7,696,710
Total liabilities and net assets	\$ 4,855,866	\$ 7,406,491	\$ 12,262,357	\$ 5,706,368	\$ (645,952)	\$ 17,322,773

SHERWOOD FOREST CAMP, INC. AND AFFILIATE

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended December 31, 2018

	Consolidating information												
	Sherwood Forest Camp						Sherwood Forest Foundation			Consolidating entries without donor restrictions	Consolidated		
	Sherwood Forest Camp without donor restrictions	Sherwood Forest Camp with donor restrictions	Sherwood Forest Camp total	POB without donor restrictions	POB with donor restrictions	POB total	Total	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Support and revenue													
Public Support													
United Way allocation	\$ -	\$ 359,838	\$ 359,838	\$ -	\$ -	\$ -	\$ 359,838	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions and grants	2,912,079	174,643	3,086,722	-	-	-	3,086,722	4,954,054	-	4,954,054	(4,954,054)	2,912,079	3,086,722
Special events, net of direct donor benefit of \$75,261	163,780	-	163,780	(3,764)	-	(3,764)	160,016	-	-	-	-	160,016	160,016
USDA food service program	53,443	-	53,443	-	-	-	53,443	-	-	-	-	53,443	53,443
Total public support	3,129,302	534,481	3,663,783	(3,764)	-	(3,764)	3,660,019	4,954,054	-	4,954,054	(4,954,054)	3,125,538	3,660,019
Other support and revenue													
Program fees	230,772	-	230,772	-	-	-	230,772	-	-	-	-	230,772	230,772
Sales - camp store	1,882	-	1,882	-	-	-	1,882	-	-	-	-	1,882	1,882
Investment income (loss)	(381)	(847)	(1,228)	-	-	-	(1,228)	-	-	-	-	(381)	(1,228)
Other income	28,966	-	28,966	9,067	-	9,067	38,033	20,217	-	20,217	(32,298)	25,952	25,952
Total other support and revenue	261,239	(847)	260,392	9,067	-	9,067	269,459	20,217	-	20,217	(32,298)	258,225	257,378
Net assets released from restrictions	3,386,054	(3,386,054)	-	-	-	-	-	-	-	-	-	3,386,054	(3,386,054)
Total support and revenue	6,776,595	(2,852,420)	3,924,175	5,303	-	5,303	3,929,478	4,974,271	-	4,974,271	(4,986,352)	6,769,817	3,917,397
Expenses													
Program services													
Quest	1,119,181	-	1,119,181	80,041	-	80,041	1,199,222	13,097	-	13,097	(24,870)	1,187,449	1,187,449
Outdoor education	227,180	-	227,180	8,316	-	8,316	235,496	1,361	-	1,361	(2,584)	234,273	234,273
Supports for success	121,269	-	121,269	15,592	-	15,592	136,861	2,551	-	2,551	(4,844)	134,568	134,568
Total program services	1,467,630	-	1,467,630	103,949	-	103,949	1,571,579	17,009	-	17,009	(32,298)	1,556,290	1,556,290
Management and general	117,936	-	117,936	-	-	-	117,936	-	-	-	-	117,936	117,936
Fundraising	74,959	-	74,959	234,724	-	234,724	309,683	-	-	-	-	309,683	309,683
Unallocated payments to affiliated organizations	4,954,054	-	4,954,054	-	-	-	4,954,054	-	-	-	(4,954,054)	-	-
Total expenses	6,614,579	-	6,614,579	338,673	-	338,673	6,953,252	17,009	-	17,009	(4,986,352)	1,983,909	1,983,909
CHANGE IN NET ASSETS	162,016	(2,852,420)	(2,690,404)	(333,370)	-	(333,370)	(3,023,774)	4,957,262	-	4,957,262	-	4,785,908	1,933,488
Net assets at beginning of year	1,585,304	4,177,918	5,763,222	-	-	-	5,763,222	-	-	-	-	1,585,304	5,763,222
Net assets at end of year	\$ 1,747,320	\$ 1,325,498	\$ 3,072,818	\$ (333,370)	\$ -	\$ (333,370)	\$ 2,739,448	\$ 4,957,262	\$ -	\$ 4,957,262	\$ -	\$ 6,371,212	\$ 7,696,710

SHERWOOD FOREST CAMP, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF CASH FLOWS
Year ended December 31, 2018

	Sherwood Forest Camp			Sherwood Forest Foundation	Consolidating Entries	Consolidated Total
	Sherwood Forest Camp	POB	Total			
Increase (decrease) in cash and cash equivalents						
Cash flows from operating activities						
Increase (decrease) in net assets	\$ (2,690,404)	\$ (333,370)	\$ (3,023,774)	\$ 4,957,262	\$ -	\$ 1,933,488
Adjustments to reconcile change in net assets to net cash provided by operating activities						
Depreciation and amortization	115,237	48,218	163,455	-	-	163,455
Realized and unrealized loss on investments	11,907	-	11,907	-	-	11,907
Contributions restricted for long-term purposes	(1,723,080)	-	(1,723,080)	-	-	(1,723,080)
Contributions of property and equipment	(61,260)	(632,252)	(693,512)	-	632,252	(61,260)
Contributions of property and equipment to affiliates	632,252	-	632,252	-	(632,252)	-
(Increase) decrease in assets						
Contributions and grants receivable	7,692	-	7,692	-	-	7,692
Interest receivable	-	-	-	(9,477)	-	(9,477)
Prepaid expenses	4,357	-	4,357	-	-	4,357
Inventories	(410)	-	(410)	-	-	(410)
Other assets	-	(645,952)	(645,952)	-	645,952	-
Increase (decrease) in liabilities						
Accounts payable	(82,712)	331,027	248,315	-	-	248,315
Accrued expenses	(7,298)	17,478	10,180	-	-	10,180
Deferred grant revenue	506,149	-	506,149	-	-	506,149
Other deferred revenue	649,002	-	649,002	-	(645,952)	3,050
Net cash provided by (used in) operating activities	(2,638,568)	(1,214,851)	(3,853,419)	4,947,785	-	1,094,366
Cash flows from investing activities						
Purchase of property and equipment	(125,815)	-	(125,815)	-	-	(125,815)
Purchase of investments	(38,856)	-	(38,856)	-	-	(38,856)
Sales of investments	454	-	454	-	-	454
Net cash used in investing activities	(164,217)	-	(164,217)	-	-	(164,217)
Cash flows from financing activities						
Issuance of note receivable	-	-	-	(5,686,160)	-	(5,686,160)
Proceeds from issuance of long-term debt	750,000	3,290,666	4,040,666	1,500,000	-	5,540,666
Payments on long-term debt	(361,991)	-	(361,991)	(750,894)	-	(1,112,885)
Debt issuance costs	-	(460,781)	(460,781)	-	-	(460,781)
Proceeds from contributions restricted for long-term purposes	1,825,908	-	1,825,908	-	-	1,825,908
Net cash provided by (used in) financing activities	2,213,917	2,829,885	5,043,802	(4,937,054)	-	106,748
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(588,868)	1,615,034	1,026,166	10,731	-	1,036,897
Cash and cash equivalents at beginning of year	2,290,624	-	2,290,624	-	-	2,290,624
Cash and cash equivalents at end of year	\$ 1,701,756	\$ 1,615,034	\$ 3,316,790	\$ 10,731	\$ -	\$ 3,327,521

SHERWOOD FOREST CAMP, INC.

FINANCIAL STATEMENTS

December 31, 2017 and 2016

SHERWOOD FOREST CAMP, INC.

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	3
FINANCIAL STATEMENTS	
Statements of Financial Position	5
Statements of Activities	6
Statements of Functional Expenses	7
Statements of Cash Flows	8
Notes to Financial Statements	9

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
	37,474	31,224
Total net assets	<u>5,763,222</u>	<u>3,230,653</u>
Total liabilities and net assets	<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 \$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 services	Management and general	Fundraising	Total	Program services	Management and 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

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

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

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

NOTE 3 – INVESTMENTS

Investments consist of the following at December 31:

	<u>2017</u>	<u>2016</u>	<u>Fair value 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

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	1,283,366	1,201,853
	<u>1,419,731</u>	<u>1,422,712</u>
Land	165,545	165,545
Construction in progress	562,320	173,640
	<u>562,320</u>	<u>173,640</u>
Total property and equipment	<u>\$ 2,147,596</u>	<u>\$ 1,761,897</u>

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

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

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

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 Restricted</u>	<u>Permanently 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

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently 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 Restricted</u>	<u>Permanently 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

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.