

**WILDWOOD OUTDOOR
EDUCATION CENTER, INC.
LA CYGNE, KANSAS**

For the Years Ended December 31, 2011 and 2010
Annual Financial Statements
With Independent Auditors' Report

**WILDWOOD OUTDOOR EDUCATION CENTER, INC.
LA CYGNE, KANSAS**

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Diehl Banwart Bolton

Certified Public Accountants P.A.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Wildwood Outdoor Education Center, Inc.
La Cygne, Kansas 66040

We have audited the accompanying statements of financial position of Wildwood Outdoor Education Center, Inc. (a nonprofit organization) as of December 31, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

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

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining schedule of activities – unrestricted net assets on pages 10 and 11 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.


DIEHL, BANWART, BOLTON, CPAs PA

Fort Scott, Kansas
March 27, 2012

WILDWOOD OUTDOOR EDUCATION CENTER, INC.
LA CYGNE, KANSAS

Statements of Financial Position
December 31, 2011 and 2010

	2011	2010
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$37,310.09	\$17,871.83
Accounts Receivable	98.00	588.00
Prepaid Expenses	-	-
Total Current Assets	<u>37,408.09</u>	<u>18,459.83</u>
Fixed Assets		
Land, Buildings and Improvements	2,340,784.83	2,340,784.83
Furniture and Equipment	76,006.38	76,006.38
Automobiles	85,139.82	85,139.82
Less Accumulated Depreciation	<u>(1,283,485.63)</u>	<u>(1,221,206.90)</u>
Total Fixed Assets	<u>1,218,445.40</u>	<u>1,280,724.13</u>
 TOTAL ASSETS	 <u>\$1,255,853.49</u>	 <u>\$1,299,183.96</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$3,104.43	\$3,973.03
Payroll Taxes Payable	3,268.05	615.51
Credit Cards	10,935.31	10,134.55
Notes Payable	3,747.12	3,566.43
Total Current Liabilities	<u>21,054.91</u>	<u>18,289.52</u>
Non-Current Liabilities		
Notes Payable	<u>5,850.28</u>	<u>9,792.00</u>
Net Assets		
Unrestricted Net Assets	<u>1,228,948.30</u>	<u>1,271,102.44</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$1,255,853.49</u>	 <u>\$1,299,183.96</u>

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

WILDWOOD OUTDOOR EDUCATION CENTER, INC.
LA CYGNE, KANSAS

Statements of Activities
For the Years Ended December 31, 2011 and 2010

	2011	2010
Support and Revenue		
Tuition and fees	\$219,211.98	\$214,953.63
Contributions	155,000.45	80,363.00
Federal grant	5,543.78	10,256.22
Grants from the Greater Kansas City Community Foundation	89,000.00	117,000.00
Interest income	6.58	3.27
Insurance proceeds	-	26,452.99
Miscellaneous income	4,402.87	2,910.28
Total Support and Revenue	<u>473,165.66</u>	<u>451,939.39</u>
Expenses		
Program Services:		
Instruction and student activities	349,491.62	321,995.98
Support Service:		
General administration	<u>165,828.18</u>	<u>157,681.16</u>
Total Expenses	<u>515,319.80</u>	<u>479,677.14</u>
Increase (Decrease) in Net Assets	(42,154.14)	(27,737.75)
Net Assets, Beginning of the Year	<u>1,271,102.44</u>	<u>1,298,840.19</u>
Net Assets, End of the Year	<u>\$1,228,948.30</u>	<u>\$1,271,102.44</u>

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

WILDWOOD OUTDOOR EDUCATION CENTER, INC.
LA CYGNE, KANSAS

Statements of Cash Flows
For the Years Ended December 31, 2011 and 2010

	2011	2010
Cash Flows from Operating Activities		
Net Increase (Decrease) in Net Assets	(\$42,154.14)	(\$27,737.75)
Adjustments to reconcile Net Increase (Decrease) in Net Assets to Cash Provided (Used) by Operating Activities		
Depreciation	62,278.73	68,234.94
(Increase) Decrease in Accounts Receivable	490.00	(588.00)
(Increase) Decrease in Prepaid Expenses	-	-
Increase (Decrease) in Accounts Payable	(868.60)	(537.54)
Increase (Decrease) in Payroll Taxes Payable	2,652.54	254.83
Increase (Decrease) in Credit Cards Payable	800.76	3,729.70
Increase (Decrease) in Customer Deposits	-	-
Net Cash Provided (Used) by Operating Activities	23,199.29	43,356.18
Cash Flows from Investing Activities		
Cash Payments for the purchase of Fixed Assets	-	(42,959.43)
Net Cash Provided (Used) by Investing Activities	-	(42,959.43)
Cash Flows from Financing Activities		
Principal paid on Note Payable	(3,761.03)	(3,286.57)
Net Cash Provided (Used) by Investing Activities	(3,761.03)	(3,286.57)
Net Increase (Decrease) in Cash and Cash Equivalents	19,438.26	(2,889.82)
Cash and Cash Equivalents, Beginning of Year	17,871.83	20,761.65
Cash and Cash Equivalents, End of Year	\$37,310.09	\$17,871.83
Supplemental Disclosures of Cash Flow Information:		
Noncash Investing and Financing Transactions:		
Cost of Fixed Asset additions	-	\$42,959.43
Less note incurred for fixed asset additions	-	-
Net cost of Fixed Asset additions	-	\$42,959.43
Cash paid for interest expense	\$500.38	\$831.59

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

WILDWOOD OUTDOOR EDUCATION CENTER, INC.
LA CYGNE, KANSAS

Notes to the Financial Statements
For the Years Ended December 31, 2011 and 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Wildwood's programs are divided into two categories for the purpose of accumulating revenues and costs. The Summer Program refers to the program provided under contract to the Kansas City, Missouri Schools for students of the Districts, as well as other public and private schools. Funding for this program comes mainly from three sources: the contracts with the school districts, donations from businesses, foundations and individuals and from a nominal tuition fee paid by the students.

The second category includes all other programs: Outdoor School, Adventure Challenge, Summer Adventure Camp, weekend groups, Corporate Challenge, etc. These programs are funded by the related tuition charges.

All revenues and expenses are accrued to the program category to which they apply. To the extent possible, expenses are accrued directly to a program. Costs, which are difficult to allocate, are grouped in a General category.

Summary of Significant Accounting Policies

Accounting transactions are recorded on an accrual basis. Assets are recorded at cost when acquired, or in the case of gifts, at appraisal value at the date of the gift. Investments are valued at cost for financial statement presentation. Revenues are recognized when earned and expenses when the goods or services are received.

Accounting 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

Financial Instruments are defined as cash or a contract that requires the exchange of cash or other financial instruments. Financial instruments of Wildwood consist of cash, investments, accounts receivable, and accrued expenses. The carrying amounts reflected in the statement of financial position for these instruments approximates the respective fair values due to the short maturities of these instruments.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to Wildwood, the accounts of Wildwood are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been recorded and reported by fund group.

The assets, liabilities, and fund balances of the Center are reported in two self-balancing fund groups as follows:

- Operating funds, which include unrestricted and restricted resources, represent the portion of expendable funds that is available for support of operations.
- Plant funds represent resources restricted for plant acquisitions and funds expended for the plant.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers cash to include all deposit accounts in banks and money market investment accounts held by brokers. Cash does not include investments with an original maturity date of over three months. Although cash deposits are sometimes in excess of limits insured by the Federal Deposit Insurance Corporation, the amount of credit risk to the Organization is considered minimal.

Contributions and Unconditional Pledges

Wildwood records contributions received as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the donor restrictions.

Plant Assets and Depreciation

Uses of operating funds for plant acquisitions are accounted for as Capital Outlays. Proceeds from the sale of plant assets, if unrestricted, are transferred to operating fund balances, or, if restricted, to deferred amounts restricted for plant acquisitions. Depreciation of buildings and equipment is provided over the estimated useful lives of the respective assets on a straight-line or accelerated basis.

Tax Exempt Status

Wildwood is a tax-exempt organization under Section 501(c) 3 of the Internal Revenue Code.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Temporarily Restricted Net Assets

Wildwood receives temporarily restricted contributions for use in the Summer Program and other programs. The restrictions are met in the year the contributions are received and, accordingly, these temporarily restricted contributions are recorded as unrestricted net assets.

Financial Statement Presentation

Wildwood reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, Wildwood is required to present a statement of cash flows.

Totals

Total columns on the financial statements are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation.

NOTE 2: CASH AND INVESTMENTS

Wildwood's cash is held in deposit accounts with cash balances occasionally in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC).

NOTE 3: LAND, IMPROVEMENTS, EQUIPMENT, FURNITURE AND AUTOMOBILES

Fixed assets purchased are recorded at cost. Donated fixed assets are recorded at fair market value at the date of the gift. Expenditures for renewals and improvements that significantly add to productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to income currently. When depreciable properties are retired or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in income. Fixed assets are depreciated over their estimated useful lives. Buildings and improvements are depreciated over estimated useful lives of 5 to 30 years. The useful lives of equipment, furniture, and automobiles are estimated at 2 to 10 years.

NOTE 4: RETIREMENT PLAN

Wildwood maintains a 401(k) employee retirement plan. Under the terms of the plan, employees may contribute from 1% to 20% of their salary to their retirement account. Wildwood matches 50% of the first 5% of the employees' contribution. In addition, Wildwood voluntarily makes discretionary contributions from net profits in an amount determined by management at the end of the year. Employees are eligible after attaining age 21 and working one year of service. Vesting is 100% after the earliest of the following dates: early retirement age 55 with certain conditions, normal retirement age of 65, date of total disability, the date of death, or after six years of service. Additional information on the plan can be obtained from the plan documents held by the plan administrator. For the years ended December 31, 2011 and 2010, expenses of \$4,431.49 and \$4,682.84 were recognized.

NOTE 5: GREATER KANSAS CITY COMMUNITY FOUNDATION GRANTS

Wildwood has made contributions to the Greater Kansas City Community Foundation. The money is held for the benefit of Wildwood and is restricted for capital outlays or endowment purposes. However, Wildwood has granted the Foundation the unilateral power to redirect the use of the money to another beneficiary. Accordingly, these assets are not reflected in these financial statements. As of and for the year ended December 31, 2011, the money held by the Foundation was as follows:

	Building Fund	Endowment Fund
Balances, December 31, 2009	\$ 45,625.40	\$ 394,901.31
Contributions	-	-
Net Increase (Decrease) in Value	1,087.37	40,392.35
Grants to Wildwood	<u>(37,500.00)</u>	<u>(79,500.00)</u>
Balances, December 31, 2010	9,212.77	355,793.66
Contributions	-	-
Net Increase (Decrease) in Value	(593.11)	(5,088.21)
Grants to Wildwood	<u>-</u>	<u>(89,000.00)</u>
Balances, December 31, 2011	<u>\$ 8,619.66</u>	<u>\$ 261,705.45</u>

NOTE 6: ADVERTISING EXPENSES

During the years ended December 31, 2011 and 2010, Wildwood spent \$2,489.08 and \$1,266.00 on advertising, which is recorded as an expense on the financial statements.

NOTE 7: NOTES PAYABLE

Principal
December 31, 2011

Van Loan/Toyota Financial Services:

Dated June 16, 2009, originally for \$18,283.50, calling for monthly payments of \$343.18 with a 4.70% interest rate.

The note matures in July 2014, and is secured by the Toyota Sienna purchased.

\$ 9,597.40

Less Current Portion of Long-Term Debt

(3,747.12)

Net Long-Term Debt

\$ 5,850.28

The estimated annual principal payments for the next five years are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 3,747.12	\$ 371.04	\$ 4,118.16
2013	3,927.07	191.09	4,118.16
2014	<u>1,923.21</u>	<u>25.37</u>	<u>1,948.58</u>
TOTAL	<u>\$ 9,597.40</u>	<u>\$ 587.50</u>	<u>\$10,184.90</u>

NOTE 8: SUBSEQUENT EVENTS

Management has evaluated events and transactions occurring subsequent to December 31, 2011 through the date of the issuance of the financial statements as shown in the Independent Auditors' Report on page one of these financial statements. During this period, there were no subsequent events requiring recognition in the financial statements or disclosure in the notes to the financial statements.

**WILDWOOD OUTDOOR EDUCATION CENTER, INC.
LA CYGNE, KANSAS**

SUPPLEMENTAL INFORMATION

WILDWOOD OUTDOOR EDUCATION CENTER, INC.
LA CYGNE, KANSAS

Combining Schedule of Activities - Unrestricted Net Assets
For the Year Ended December 31, 2011

	UNRESTRICTED OPERATING FUNDS				TOTAL UNRESTRICTED FUNDS	2010 Comparative
	SUMMER LEARNING	SUMMER ADVENTURE	OUTDOOR SCHOOL	OTHER		
<u>Support and Revenue</u>						
Tuition and fees	\$4,710.00	\$44,264.47	\$81,130.00	\$87,969.51	\$1,138.00	\$219,211.98
Contributions	114,725.45	10,000.00	-	25,575.00	4,700.00	155,000.45
Federal Grant	-	-	-	-	5,543.78	5,543.78
Grants from Greater Kansas City Community Foundation	-	-	-	-	89,000.00	117,000.00
Interest income	-	-	-	-	6.58	3.27
Insurance Proceeds	-	-	-	-	-	26,452.99
Miscellaneous income	1,058.00	2,713.00	-	515.75	116.12	2,910.28
Total Support and Revenue	\$120,493.45	\$56,977.47	\$81,130.00	\$114,060.26	\$100,504.48	\$451,939.39

<u>Expenses</u>						
<u>Program Services:</u>						
Advertising and promotion	-	\$2,489.08	-	-	-	\$1,266.00
Automobile expenses	2,680.32	131.75	973.15	-	-	3,480.56
Bus rental	1,880.64	-	-	-	-	1,880.64
Food service supplies and expense	7,933.06	5,055.56	15,881.43	1,870.09	390.88	28,252.08
Health insurance and expense	2,529.01	2,516.77	10,414.67	-	-	11,529.73
Insurance - general	896.00	-	2,469.10	-	-	11,325.34
Maintenance	3,460.64	1,754.69	4,101.56	-	17.45	6,720.59
Professional fees	677.00	-	298.05	-	-	1,467.65
Office supplies and expense	492.98	385.37	1,304.55	-	-	2,117.58
Pool supplies	1,250.15	130.79	56.49	-	154.09	2,557.28
Program supplies and expense	883.65	368.23	140.14	1,379.81	378.44	608.66
Payroll expense	71,440.16	31,193.58	69,455.59	300.00	-	147,803.00
Staff development	1,295.43	-	-	-	-	405.00
Payroll taxes and expense	6,210.59	2,855.14	6,116.24	-	-	12,776.69
Travel expense	4,495.01	410.78	1,064.68	48.98	262.94	1,515.00
Postage and delivery	272.34	1,040.33	279.23	-	-	1,479.26
Miscellaneous expense	2,801.12	1,054.02	869.59	86.99	-	4,825.50
Utilities	2,909.25	2,817.89	6,297.18	-	-	16,437.57
Depreciation	-	-	-	-	60,568.97	65,579.65
Total Program Services	112,107.35	52,203.98	119,721.65	3,685.87	349,491.62	321,995.98
			- 10 -			

WILDWOOD OUTDOOR EDUCATION CENTER, INC.
LA CYGNE, KANSAS

Combining Schedule of Activities - Unrestricted Net Assets
For the Year Ended December 31, 2011

	UNRESTRICTED OPERATING FUNDS				TOTAL	
	SUMMER LEARNING	SUMMER ADVENTURE	OUTDOOR SCHOOL	OTHER	UNRESTRICTED FUNDS	TOTAL UNRESTRICTED FUNDS
Support Service:						
General administration						
Automobile expense	-	-	-	\$207.22	\$842.09	\$315.38
Insurance	-	-	-	-	29,075.20	21,752.07
Food service supplies and expense	-	-	-	-	-	-
Health insurance and expense	-	-	-	-	9,637.19	8,318.23
Maintenance	-	-	-	113.27	1,454.84	4,927.20
Dues, subscriptions, fees	-	-	-	20.00	1,373.91	2,348.17
Professional fees	-	-	-	-	8,351.91	5,203.94
Office supplies and expense	-	-	-	123.78	2,460.41	1,580.34
Program supplies and expense	-	-	-	-	-	-
Payroll expense	-	-	-	1,447.50	78,335.55	77,406.17
Payroll taxes and expenses	-	-	-	130.71	6,297.59	6,308.17
Staff development	-	-	-	-	-	-
Travel expense	-	-	-	90.00	2,486.80	2,542.54
Internet and technology expense	-	-	-	-	1,707.13	4,293.79
Meetings and meals	-	-	-	40.00	519.14	687.65
Postage and delivery	-	-	-	196.02	317.00	531.82
Miscellaneous	-	-	-	208.64	4,403.64	2,084.68
Utilities	-	-	-	2,003.16	6,844.23	11,437.86
Depreciation	-	-	-	-	1,709.76	2,655.29
Retirement expense	-	-	-	-	4,431.49	4,682.84
Fundraising	-	-	-	-	1,000.00	605.02
Total Support Services	-	-	-	4,580.30	161,247.88	157,681.16
Total Expenses	112,107.35	52,203.98	119,721.65	8,266.17	515,319.80	479,677.14
Increase (Decrease) in Net Assets	\$8,386.10	\$4,773.49	(\$38,591.65)	\$105,794.09	(42,154.14)	(27,737.75)
Balance December 31, 2010					1,271,102.44	1,298,840.19
Balance December 31, 2011					\$1,228,948.30	\$1,271,102.44