

CAMP FIRE NATIONAL HEADQUARTERS
Kansas City, Missouri

FINANCIAL STATEMENTS
June 30, 2014 and 2013

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Independent Auditors' Report

The National Board of Trustees
Camp Fire National Headquarters
Kansas City, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Camp Fire National Headquarters (the Organization), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities and changes in net assets, 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 from 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 Organization'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 Organization'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 Camp Fire National Headquarters as of June 30, 2014 and 2013, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Joseph, Missouri
October 3, 2014

**CAMP FIRE NATIONAL HEADQUARTERS
STATEMENTS OF FINANCIAL POSITION
June 30, 2014 and 2013**

ASSETS

	2014	2013
CURRENT ASSETS		
Cash and cash equivalents	\$ 554,648	\$ 628,577
Investments	682,083	612,504
Accounts receivable:		
Merchandise, net	1,116	6,380
Charter fees, net	212,609	223,842
Pledges receivable	31,848	29,334
United Way receivable	79,015	60,956
Grants receivable	258,929	872,936
Merchandise inventory, net	80,661	75,720
Prepaid expenses	26,924	25,790
Real estate held for sale	-	658,000
Other receivables	17,560	133,350
	1,945,393	3,327,389
PROPERTY AND EQUIPMENT		
Land	10	10
Monument	25,000	25,000
Building Improvements	8,047	8,047
Furniture, fixtures, and equipment	246,351	232,336
Total, at cost	279,408	265,393
Less accumulated depreciation	185,030	158,451
	94,378	106,942
OTHER ASSETS		
Long-term charter fees receivable, net	197,818	254,754
Long-term pledges receivable, net	962	9,963
Long-term United Way receivable, net	14,146	-
Long-term grants receivable, net	-	248,970
Intangible assets, net	220,221	207,535
Beneficial interest in perpetual trust	858,307	781,370
	1,291,454	1,502,592
TOTAL ASSETS	\$ 3,331,225	\$ 4,936,923

LIABILITIES AND NET ASSETS

	<u>2014</u>	<u>2013</u>
CURRENT LIABILITIES		
Accounts payable	\$ 176,498	\$ 194,491
Accrued liabilities	162,158	164,072
Lines-of-credit	-	384,037
Deferred revenues	4,273	10,119
	<u>342,929</u>	<u>752,719</u>
Total current liabilities		
	<u>342,929</u>	<u>752,719</u>
NET ASSETS		
Unrestricted:		
Undesignated	148,175	947,723
Board designated	1,184,812	790,503
	<u>1,332,987</u>	<u>1,738,226</u>
Total Unrestricted		
	<u>1,332,987</u>	<u>1,738,226</u>
Temporarily restricted	685,655	1,664,608
Permanently restricted	969,654	781,370
	<u>1,655,309</u>	<u>2,445,978</u>
Total net assets		
	<u>2,988,296</u>	<u>4,184,204</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,331,225</u></u>	<u><u>\$ 4,936,923</u></u>

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

CAMP FIRE NATIONAL HEADQUARTERS
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended June 30, 2014 and 2013

	2014				2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS, AND PUBLIC SUPPORT								
Contributions and grants	\$ 113,108	\$ 16,457	\$ -	\$ 129,565	\$ 88,666	\$ 23,797	\$ -	\$ 112,463
United Way contributions	46,473	114,964	-	161,437	7,217	129,413	-	136,630
Designated contributions and grants	97,624	73,574	-	171,198	175,993	141,531	-	317,524
Contribution of net assets	844,654	-	111,347	956,001	963,105	-	-	963,105
Contractual services	213,637	-	-	213,637	173,665	-	-	173,665
Contributed rent, goods, services, and travel	165,121	-	-	165,121	45,188	-	-	45,188
Royalties and license fees	17,302	-	-	17,302	22,013	-	-	22,013
Charter, Community Partner, and Fire Tender fees	1,347,981	-	-	1,347,981	1,378,249	-	-	1,378,249
Conferences and program services	98,349	-	-	98,349	74,759	-	-	74,759
Sales of inventory, net of cost of sales of \$52,332 for 2014 and \$51,410 in 2013	36,745	-	-	36,745	34,966	-	-	34,966
Investment income - net	31,490	-	-	31,490	11,827	310	-	12,137
Investment income - perpetual trust	35,608	-	-	35,608	35,178	-	-	35,178
Unrealized gain on investments, net	81,566	-	-	81,566	75,363	-	-	75,363
Change in value of beneficial interest in perpetual trust	-	-	76,937	76,937	-	-	70,870	70,870
Gain on sale of property and equipment	650	-	-	650	60,710	-	-	60,710
Loss on property held for sale	(204,397)	-	-	(204,397)	(252,860)	-	-	(252,860)
Rental income	60,813	-	-	60,813	67,798	-	-	67,798
Other income	695	-	-	695	8,180	-	-	8,180
Change in donor restrictions	-	-	-	-	5,226	-	(5,226)	-
Net assets released from restrictions	1,183,948	(1,183,948)	-	-	1,032,085	(1,032,085)	-	-
Total revenues, gains, and public support	4,171,367	(978,953)	188,284	3,380,698	4,007,328	(737,034)	65,644	3,335,938
EXPENSES								
Program services:								
Programs for youth	2,204,651	-	-	2,204,651	1,922,495	-	-	1,922,495
Services to councils	708,755	-	-	708,755	876,938	-	-	876,938
Community relations	479,901	-	-	479,901	523,581	-	-	523,581
Support services:								
Fundraising	532,625	-	-	532,625	467,489	-	-	467,489
Management and general administration	650,674	-	-	650,674	510,107	-	-	510,107
Total expenses	4,576,606	-	-	4,576,606	4,300,610	-	-	4,300,610
CHANGES IN NET ASSETS	(405,239)	(978,953)	188,284	(1,195,908)	(293,282)	(737,034)	65,644	(964,672)
NET ASSETS, BEGINNING OF YEAR	1,738,226	1,664,608	781,370	4,184,204	2,031,508	2,401,642	715,726	5,148,876
NET ASSETS, END OF YEAR	\$ 1,332,987	\$ 685,655	\$ 969,654	\$ 2,988,296	\$ 1,738,226	\$ 1,664,608	\$ 781,370	\$ 4,184,204

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

**CAMP FIRE NATIONAL HEADQUARTERS
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2014**

	Program Services			Supporting Services			Total Functional Expenses	
	Programs for Youth	Services to Councils	Community Relations	Total Program Services	Fundraising	Management and General Administration		Total Supporting Services
EXPENSES								
Salaries and wages	\$ 871,718	\$ 375,613	\$ 222,905	\$ 1,470,236	\$ 372,791	\$ 379,445	\$ 752,236	\$ 2,222,472
Benefits	50,125	21,598	12,817	84,540	21,436	21,820	43,256	127,796
Payroll taxes	79,379	34,203	20,298	133,880	33,947	34,552	68,499	202,379
Total salaries and related expenses	1,001,222	431,414	256,020	1,688,656	428,174	435,817	863,991	2,552,647
Payments and products to councils	699,124	260	-	699,384	-	-	-	699,384
Professional fees and contract services	92,482	48,018	74,571	215,071	13,056	73,636	86,692	301,763
Travel, conferences, and meetings	98,571	108,582	28,228	235,381	19,027	18,456	37,483	272,864
Telephone and other communication	20,486	6,144	1,956	28,586	3,287	4,190	7,477	36,063
Occupancy	73,007	35,828	19,563	128,398	45,239	64,504	109,743	238,141
Depreciation and amortization	40,020	4,470	45,472	89,962	4,461	6,207	10,668	100,630
Equipment rental and maintenance	3,976	825	345	5,146	3,747	5,924	9,671	14,817
Supplies and office expenses	23,462	8,898	1,207	33,567	2,029	3,707	5,736	39,303
Publications and printing	5,308	10,090	19,927	35,325	385	333	718	36,043
Postage and shipping	1,616	845	1,508	3,969	655	945	1,600	5,569
Insurance	19,729	4,940	2,067	26,736	4,943	4,828	9,771	36,507
Interest expense and bank fees	1,895	681	-	2,576	-	16,819	16,819	19,395
Membership dues and subscriptions	908	2,950	28,490	32,348	5,932	4,494	10,426	42,774
Bad debt and charter fee relief	-	10,597	-	10,597	1,690	-	1,690	12,287
Donated goods and services	122,150	34,148	47	156,345	-	8,777	8,777	165,122
Miscellaneous	695	65	500	1,260	-	2,037	2,037	3,297
TOTAL EXPENSES	<u>\$ 2,204,651</u>	<u>\$ 708,755</u>	<u>\$ 479,901</u>	<u>\$ 3,393,307</u>	<u>\$ 532,625</u>	<u>\$ 650,674</u>	<u>\$ 1,183,299</u>	<u>\$ 4,576,606</u>

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

**CAMP FIRE NATIONAL HEADQUARTERS
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2013**

	Program Services				Supporting Services			Total Functional Expenses
	Programs for Youth	Services to Councils	Community Relations	Total Program Services	Fundraising	Management and General Administration	Total Supporting Services	
EXPENSES								
Salaries and wages	\$ 838,306	\$ 321,193	\$ 214,947	\$ 1,374,446	\$ 199,337	\$ 259,523	\$ 458,860	\$ 1,833,306
Benefits	65,026	24,086	16,196	105,308	14,794	19,702	34,496	139,804
Payroll taxes	78,559	29,083	19,558	127,200	17,859	23,574	41,433	168,633
Total salaries and related expenses	981,891	374,362	250,701	1,606,954	231,990	302,799	534,789	2,141,743
Payments and products to councils	517,289	5,651	-	522,940	-	-	-	522,940
Professional fees and contract services	70,230	98,949	81,394	250,573	172,424	73,369	245,793	496,366
Travel, conferences, and meetings	138,652	122,784	34,282	295,718	18,193	26,802	44,995	340,713
Telephone and other communication	15,544	12,890	4,829	33,263	1,887	1,823	3,710	36,973
Occupancy	134,111	51,883	27,677	213,671	19,259	41,957	61,216	274,887
Depreciation and amortization	10,525	4,200	44,192	58,917	2,280	2,370	4,650	63,567
Equipment rental and maintenance	5,239	1,323	732	7,294	711	1,829	2,540	9,834
Supplies and office expenses	16,259	5,281	11,442	32,982	957	8,091	9,048	42,030
Publications and printing	4,908	9,612	39,855	54,375	2,657	996	3,653	58,028
Postage and shipping	3,457	1,348	3,259	8,064	1,174	698	1,872	9,936
Insurance	13,654	5,998	3,293	22,945	3,256	3,384	6,640	29,585
Interest expense and bank fees	-	-	-	-	-	32,897	32,897	32,897
Membership dues and subscriptions	1,331	2,992	18,538	22,861	9,295	8,818	18,113	40,974
Bad debt and charter fee relief	-	176,682	-	176,682	-	-	-	176,682
Obsolete merchandise inventory	4,994	-	756	5,750	-	-	-	5,750
Donated goods and services	3,725	2,440	2,400	8,565	1,725	2,925	4,650	13,215
Miscellaneous	686	543	231	1,460	1,681	1,349	3,030	4,490
TOTAL EXPENSES	\$ 1,922,495	\$ 876,938	\$ 523,581	\$ 3,323,014	\$ 467,489	\$ 510,107	\$ 977,596	\$ 4,300,610

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

**CAMP FIRE NATIONAL HEADQUARTERS
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2014 and 2013**

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (1,195,908)	\$ (964,672)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	26,580	20,316
Amortization	74,050	43,251
Gain on sale of property and equipment	(650)	(60,710)
Loss on property held for sale	204,397	252,860
Donated intangible asset	-	(56,793)
Donated property and equipment	-	(7,950)
Income on investments and trust, net	(67,098)	(47,315)
Unrealized gain on investments, net	(81,566)	(75,363)
Change in value of trust	(76,937)	(70,870)
Contributions restricted for long-term purposes	(111,347)	-
Contributions designated for future councils	(502,728)	-
Effects of changes in operating assets and liabilities:		
Merchandise receivable, net	5,264	4,373
Charter fees receivable, net	68,169	171,722
Pledges receivable, net	6,487	5,395
Grants receivable, net	830,772	755,692
Other receivables	115,790	(123,101)
Merchandise inventory, net	(4,941)	(44,305)
Prepaid expenses	(1,134)	(8,472)
Accounts payable and accrued liabilities	(8,353)	19,067
Deposits	-	(1,725)
Deferred revenues	(5,846)	(1,900)
	(724,999)	(190,500)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(14,570)	(46,396)
Purchase of intangible asset	(97,736)	(74,030)
Proceeds from sale of property and equipment	650	60,720
Purchase of investments	-	(13,543)
Proceeds from property held for sale	453,603	-
Proceeds from sale of investments	79,085	454,581
	421,032	381,332

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from contributions restricted for investment in endowment	\$ 111,347	\$ -
Proceeds from contributions designated for future councils	502,728	-
Proceeds from lines-of-credit	550,477	975,570
Payments on lines-of-credit	(934,514)	(861,983)
Payments on long-term debt	-	(747)
	<u>230,038</u>	<u>112,840</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(73,929)	303,672
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>628,577</u>	<u>324,905</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 554,648</u>	<u>\$ 628,577</u>
SUPPLEMENTAL DATA - INTEREST PAID	<u>\$ 8,487</u>	<u>\$ 21,799</u>
NON CASH INVESTING AND FINANCING ACTIVITIES		
Donated property and equipment	<u>\$ -</u>	<u>\$ 7,950</u>
Donated intangible asset	<u>\$ -</u>	<u>\$ 56,793</u>
Property and equipment purchased with accounts payable	<u>\$ -</u>	<u>\$ 554</u>
Intangible asset purchased with accounts payable	<u>\$ -</u>	<u>\$ 11,000</u>

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

**CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Camp Fire National Headquarters (the Organization) is a youth development organization headquartered in Kansas City, Missouri providing services to over 141,000 youth in 26 states through a 60 council network. Founded in 1910 by Luther Gulick, M.D. and his wife, Charlotte, Camp Fire was the first non-sectarian organization for girls in the United States. Dr. Gulick chose the name “Camp Fire” because campfires were the origin of the first communities and domestic life. The Organization began with no barriers to nationality, race, creed, or economic status, which was unique in 1910 and remains a model for others even today. With that spirit of inclusiveness, Camp Fire expanded programming to include boys in 1975 and today embraces all children and youth, regardless of race, creed, religion, gender, social status, disability or sexual orientation.

Camp Fire impacts thousands of communities nationwide through programs that meet or exceed nationally recognized quality standards, including:

- Out-of-school time programs
- Outdoor education
- Teen programs
- Customized programs to meet the needs of youth and families

Camp Fire National Headquarters’ curriculum and frameworks are portable and customizable for specific youth and family audiences. The benefit of this approach is that (1) Camp Fire councils do not rely on managing and funding the overhead for multiple program delivery facilities, and (2) Programs “move” where youth and their families are, delivered in neighborhood-based facilities already familiar to participants. This also ensures that councils engage in true operational partnerships with school districts, community organizations and faith institutions – all typical locations for Camp Fire programs.

The core of Camp Fire’s success is the “how” of what we do. We offer youth and families an experience that is inclusive and open to everyone. Youth chart their course with adult guidance and support. Camp Fire helps youth develop abilities now, empowering youth for their future but, equally as important, their today.

Our Promise

Young people want to shape the world.

Camp Fire provides the opportunity to find their spark, lift their voice, and discover who they are.

In Camp Fire, it begins *now*.

Light the fire within.

**CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies followed by the Organization are presented below.

USE OF ESTIMATES IN PREPARING FINANCIAL STATEMENTS

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, expenses, gains, losses, and other changes in net assets during the reporting period. Significant estimates incorporated into the Organization's financial statements include the timing and collectability of charter fees receivable, grants receivable, and pledges receivable; estimated useful lives for depreciable and amortizable assets; the allocations incorporated into the statements of functional expenses; the valuation of gift-in-kind contributions; and the valuation of the beneficial interest in perpetual trust. Actual results could differ from those estimates.

DESCRIPTION OF PROGRAMS

The primary programs of the Organization are grouped into three activity areas:

Programs for Youth

Research, development, and evaluation of programs for youth and families through Outdoor Education, Out of School Time, and Teen Leadership; access to program quality intervention tools and supports for councils; program design, testing, and innovation; and regional and national training in support of effective program delivery.

Services to Councils

Council effectiveness assists councils in improving organizational performance so they are better equipped to effectively deliver high-quality programs and achieve our Camp Fire Promise. Strategies are developed in partnership with council leadership, to increase knowledge, interest and skills related to enhancing organizational effectiveness.

Community Relations

Public relations and media support to increase awareness of the Organization's programs and services; development of products and materials that support programs and services.

CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RELATED PARTIES

The financial statements do not include the financial position or activities of the local councils, licensees, or community partners. Each council, licensee, and community partner is an autonomous corporation organized under the laws of the state in which it operates.

NET ASSETS

Financial statement presentation follows the recommendations of Financial Accounting Standards ASC 958, *Financial Statements of Not-for-profit Organizations*. Under ASC 958, the Organization is required to report 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.

Unrestricted

Unrestricted net assets include all net assets which are neither temporarily nor permanently restricted. This category includes board designated net assets.

Temporarily Restricted

Temporarily restricted net assets include contributed net assets for which donor imposed time and purpose restrictions have not been met and the ultimate purpose of the contribution is not permanently restricted. It is the Organization's policy to record temporarily restricted contributions that are received and expended in the same accounting period in the unrestricted net asset category.

Permanently Restricted

Permanently restricted net assets include contributed net assets which require, by donor restriction, that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of bank accounts that are available for current operations.

CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENTS

Investments include equity and fixed income mutual funds, which are carried at fair value, with unrealized and realized gains and losses on investments reported as increases or decreases in unrestricted, temporarily restricted, or permanently restricted net assets based upon donor imposed restrictions.

Investment income is reported in the statement of activities as unrestricted or temporarily restricted revenue based upon donor imposed restrictions.

PLEDGES RECEIVABLE

Pledges are recorded when received and determined to be unconditional. Allowances are provided for amounts estimated to be uncollectible. No allowance for doubtful accounts is recorded for pledges receivable as of June 30, 2014 or 2013, as management does not believe the required amount of such an allowance would be material to the financial statements.

GRANTS RECEIVABLE

Grants are recognized when the grant letter is received, absent the presence of conditional provisions, and are classified as temporarily restricted net assets if time or purpose restrictions are present. No allowance for doubtful grant accounts is considered by management to be necessary as of June 30, 2014 or 2013, as management does not believe the required amount of such an allowance would be material to the financial statements.

CONTRIBUTIONS

Gifts of cash and other assets are considered to be restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, whether because a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires, or the purpose restriction is accomplished, in the reporting period in which the support is recognized.

IN-KIND CONTRIBUTIONS

In-kind contributions consist of goods and services donated to the Organization. These have been reflected in the financial statements at their estimated fair market value at the date of donation.

CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IN-KIND CONTRIBUTIONS (CONTINUED)

In-kind support for contributed services is recognized if these services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by an individual possessing those skills, and would typically need to be purchased if not provided by donation. Such support could be used in the program activities of the Organization as well as in fundraising and administrative activities. The value of services meeting these requirements, to the extent measurable, is reflected in the accompanying financial statements.

The Organization receives a substantial amount of support from non-professional volunteer services that do not meet the criteria listed above. These non-professional volunteers donate services for fundraising, education and administration that are not valued or recorded in the financial statements.

Contributed property and equipment is recorded at its fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

ACCOUNTS RECEIVABLE AND CHARTER FEES

The Organization grants credit to local councils, licensees, and community partners for the purpose of merchandise purchases and payment of charter fees. Accounts are due on negotiated terms, generally within 15 days, and are stated at the amounts due, net of an allowance for doubtful accounts. Accounts outstanding longer than their contractual payment terms are considered past due. The Organization determines its allowance for doubtful accounts by considering a number of factors, including the length of time accounts are past due, the council's ability to pay its obligations to the Organization, and the general condition of the council. The Organization writes off accounts receivable and charter fees when they become uncollectible, and payments subsequently received on such receivables are recorded to the allowance for doubtful accounts. Finance charges are recognized as revenue when billed, and are considered when the allowance for doubtful accounts is established.

Charter fees are paid to the Organization monthly, quarterly, or annually by the chartered councils. Such fees are determined annually and are based upon the level of certain expenditures made by each council. Certain councils have renegotiated payment terms over periods greater than one year. These renegotiated payments, and management's estimates of the timing of other payments, have been recorded as long-term charter fees receivable on the statements of financial position. Interest is accrued on the long-term charter fees receivable, generally at a rate 1% greater than the Wall Street Journal Prime Rate. Long-term receivables are not placed on nonaccrual status, but are considered in the allowance for doubtful accounts.

CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MERCHANDISE INVENTORY

Merchandise inventory is carried at the lower of weighted-average cost or market, net of a reserve for obsolete inventory. The reserve for obsolete inventory was \$14,000 and \$15,451 as of June 30, 2014 and 2013, respectively.

BENEFICIAL INTEREST IN PERPETUAL TRUST

The Organization holds a beneficial interest in a perpetual trust. The trust was created by an independent donor for which the assets are not in the possession or control of the Organization. The Organization, along with other specified not-for-profit organizations and individuals, is a beneficiary of this trust. The income received by the Organization from this trust is included as unrestricted support on the statement of activities. The Organization's beneficial interest in this trust is recorded at the fair value of the underlying assets in the trust and classified within permanently restricted net assets.

PROPERTY AND EQUIPMENT

The Organization's property and equipment is carried at cost if purchased, or fair value if contributed. The cost of property and equipment purchased in excess of \$500 is capitalized. Depreciation of building improvements, furniture and fixtures, and equipment is provided on the straight-line method over the estimated useful lives of the assets as follows:

Building improvements	5-30 years
Equipment	3-10 years
Furniture and fixtures	5-10 years

Leasehold improvements are amortized over the life of the lease, or the service lives of the improvements, whichever is shorter. Repair and maintenance costs are charged to expense as incurred. The monument is not being depreciated. Management believes the fair market value of the monument exceeds its cost basis.

INTANGIBLE ASSETS

Intangible assets are carried at cost if purchased, or fair value if contributed. Amortization is provided on the straight-line method over the estimated useful lives of the assets as follows:

Branding	5 years
Curriculum	2 years

CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IMPAIRMENT OF LONG-LIVED ASSETS

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets held for sale are reported at the lower of their carrying amount or fair value less costs to sell.

DEFERRED REVENUES

Deferred revenues primarily represent council charter fees paid in advance of the terms set forth in the charter agreements.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the Organization's various programs and activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited according to formulas developed by management to, in its judgment, reflect actual costs and efforts expended on each program or supporting service.

INCOME TAX STATUS

The Organization is tax-exempt under Section 501(c)(3) of the Internal Revenue code and has been determined not to be a private foundation.

Although it is exempt from federal and state income taxes on its principal operations, the Organization is subject to federal income taxes on the net income from certain operations that generate unrelated business income. No such unrelated business income tax was incurred during 2014 or 2013.

The Organization's Form 990 information returns for years ended prior to June 30, 2011 are no longer subject to examination by the Internal Revenue Service.

NOTE 2 – FAIR VALUE OF FINANCIAL INSTRUMENTS

In determining fair value, the Organization uses various valuation approaches within the ASC 820 fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

NOTE 2 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs, by requiring that the most observable inputs be used when available. ASC 820 defines levels within the hierarchy based on the reliability of inputs as follows:

- Level 1—Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets; and
- Level 2—Valuations based on quoted prices for similar assets or liabilities, or identical assets or liabilities in less active markets, such as dealer or broker markets; and
- Level 3—Valuations derived from valuation techniques in which one or more significant inputs, or significant value drivers, are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

Following is a description of the valuation methodologies used for instruments measured at fair value and their classifications in the valuation hierarchy.

Equity and fixed income mutual funds

Fair value of equity and fixed income mutual funds is determined based on quoted market prices. These are classified as a level 1 within the valuation hierarchy.

Beneficial interest in perpetual trust

The fair value of interests in perpetual trusts was determined by calculating the Organization's proportional share of the underlying assets held in trust, as determined by the trustee, and is classified as level 3 within the valuation hierarchy.

**CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013**

NOTE 2 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair values of assets and liabilities measured on a recurring basis, as of June 30, 2014 and 2013, are as follows:

June 30, 2014					
	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Inputs (Level 3)	
Mutual funds:					
Equity	\$ 591,183	\$ 591,183	\$ -	\$ -	
Fixed income	90,900	90,900	-	-	
Beneficial interest in perpetual trust	<u>858,307</u>	<u>-</u>	<u>-</u>	<u>858,307</u>	
	<u><u>\$ 1,540,390</u></u>	<u><u>\$ 682,083</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 858,307</u></u>	
June 30, 2013					
	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Inputs (Level 3)	
Mutual funds:					
Equity	\$ 379,160	\$ 379,160	\$ -	\$ -	
Fixed income	233,344	233,344	-	-	
Beneficial interest in perpetual trust	<u>781,370</u>	<u>-</u>	<u>-</u>	<u>781,370</u>	
	<u><u>\$ 1,393,874</u></u>	<u><u>\$ 612,504</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 781,370</u></u>	

**CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013**

NOTE 2 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following is a reconciliation of the beginning and ending balance of assets and liabilities measured at fair value on a recurring basis using significant unobservable (Level 3) inputs during the years ended June 30, 2014 and 2013:

	Beneficial Interest in Perpetual Trust
Balance, June 30, 2012	\$ 710,500
Unrealized gains	<u>70,870</u>
Balance, June 30, 2013	781,370
Unrealized gains	<u>76,937</u>
Balance, June 30, 2014	<u><u>\$ 858,307</u></u>

NOTE 3 – SHORT-TERM INVESTMENTS

Short-term investments at June 30, 2014 are as follows:

	Original Cost or Basis	Fair Market Value	Excess of Market Over Cost
Equity and fixed income mutual funds	<u>\$ 553,563</u>	<u>\$ 682,083</u>	<u>\$ 128,520</u>

Short-term investment returns for the year ended June 30, 2014 consist of the following:

Investment income	\$ 9,650
Net realized gain	28,202
Net unrealized gain	<u>81,566</u>
Total investment return	<u><u>\$ 119,418</u></u>
Investment fees	<u><u>\$ 6,362</u></u>

**CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013**

NOTE 3 – SHORT-TERM INVESTMENTS (CONTINUED)

Short-term investments at June 30, 2013 are as follows:

	Original Cost or Basis	Fair Market Value	Excess of Market Over Cost
Equity and fixed income mutual funds	<u>\$ 565,550</u>	<u>\$ 612,504</u>	<u>\$ 46,954</u>

Short-term investment returns for the year ended June 30, 2013 consist of the following:

Investment income	\$ 21,651
Net realized loss	(2,833)
Net unrealized gain	<u>75,363</u>
Total investment return	<u>\$ 94,181</u>
Investment fees	<u>\$ 6,681</u>

NOTE 4 – PLEDGES AND UNITED WAY RECEIVABLE

Pledges and United Way receivable include the following:

	2014	2013
Annual Fund campaign	\$ 32,848	\$ 39,734
United Way	<u>94,015</u>	<u>60,956</u>
Total pledges and United Way receivable	126,863	100,690
Less: Unamortized discount	<u>892</u>	<u>437</u>
Net pledges and United Way receivable	125,971	100,253
Less: current portion	<u>110,863</u>	<u>90,290</u>
Pledges and United Way receivable, long term (net)	<u>\$ 15,108</u>	<u>\$ 9,963</u>

An imputed discount rate of 4% was used in discounting long-term pledges.

**CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013**

NOTE 4 – PLEDGES AND UNITED WAY RECEIVABLE (CONTINUED)

Amounts due in future years:

2015	\$ 110,863
2016	8,500
2017	<u>7,500</u>
Total	<u><u>\$ 126,863</u></u>

The Organization has been notified that it is designated as a beneficiary of certain wills and trusts. The present value of will and trust amounts that are irrevocable are recognized as income, and reflected as long-term wills and trusts, at the point that the amount can be reasonably estimated. Those wills and trusts that are revocable are not recognized within the accompanying financial statements due to their conditional nature.

NOTE 5 – GRANTS RECEIVABLE

Grants receivable include the following:

	<u>2014</u>	<u>2013</u>
New York Life Foundation	\$ -	\$ 325,000
Thrive Foundation for Youth	258,929	781,865
Other	<u>-</u>	<u>25,000</u>
Total grants receivable	258,929	1,131,865
Less: Unamortized discount	<u>-</u>	<u>9,959</u>
Net grants receivable	258,929	1,121,906
Less: current portion (net)	<u>258,929</u>	<u>872,936</u>
Grants receivable, long-term (net)	<u><u>\$ -</u></u>	<u><u>\$ 248,970</u></u>

An imputed discount rate of 4% was used in discounting long-term grants.

**CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013**

NOTE 6 – OPERATING LEASES

The Organization leased an office and warehouse space during 2014 and three offices and warehouse space in 2013, under non-cancelable operating leases. Two of the office leases expired in 2013. The remaining leases expire at various dates through December 2015, and require aggregate monthly payments of \$18,525 at June 30, 2014. Total lease expense was \$225,743 in 2014 and \$236,261 in 2013. Future minimum lease commitments for these leases are as follows:

Years ended June 30:

2015	\$ 222,576
2016	<u>110,348</u>
Total	<u><u>\$ 332,924</u></u>

A portion of the leased office space is subleased to an unaffiliated not-for-profit organization. The above lease expense will be offset by payments due under the sublease as follows:

Years ended June 30:

2015	\$ 60,422
2016	<u>30,211</u>
Total	<u><u>\$ 90,633</u></u>

Total rental income from subleases was \$60,813 and \$67,798 in 2014 and 2013, respectively.

NOTE 7 – INTANGIBLE ASSETS

Intangible assets consist of corporate branding and program curriculum. Amortization expense on the assets was \$74,050 and \$43,251 during 2014 and 2013, respectively.

NOTE 8 – RETIREMENT PLAN

The Organization maintains a defined contribution 401(k) retirement plan (the Plan) which provides benefits upon retirement, death, or disability for all employees who have reached age 18 and completed one year of service. Annual employer contributions are based on a match of employee contributions up to 4% of each individual's salary. Retirement expense for the Plan was \$38,120 in 2014 and \$33,145 in 2013.

**CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013**

NOTE 9 – RELATED PARTY TRANSACTIONS

Charter Fees Receivable

Charter fees are due from chartered councils and community partners, and consisted of the following as of June 30,

	<u>2014</u>	<u>2013</u>
Charter fees receivable	\$ 1,042,409	\$ 1,472,842
Less: Allowance for doubtful accounts	605,800	951,000
Net collectible charter fees receivable	<u>436,609</u>	<u>521,842</u>
Less: Unamortized discount	26,182	43,246
Charter fees receivable, net	<u>410,427</u>	<u>478,596</u>
Less: Current portion	<u>212,609</u>	<u>223,842</u>
 Long-term charter fees receivable, net	 <u>\$ 197,818</u>	 <u>\$ 254,754</u>

An imputed discount rate of 4% was used in discounting long-term charter fees receivable.

Long-term charter fees receivable that were considered past due by the Organization's policy, as discussed in Note 1, were \$78,786 and \$118,001 at June 30, 2014 and 2013, respectively. Long-term charter fees receivable that were 90 days or more past due and still accruing interest at June 30, 2014 and 2013 totaled \$72,668 and \$114,648, respectively.

Amounts due in future years:

2015	\$ 212,609
2016	75,249
2017	40,714
2018	40,714
2019	26,130
2020	26,130
2021	10,263
2022	2,400
2023	<u>2,400</u>
 Total	 <u>\$ 436,609</u>

Accounts Payable

At June 30, 2014 and 2013, the Organization had accounts payable due to Councils totaling \$62,736 and \$803, respectively.

**CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013**

NOTE 10 – CONTRIBUTED GOODS AND SERVICES

Contribution revenue was recognized for certain goods and services received at the following fair values for the years ended June 30:

	<u>2014</u>	<u>2013</u>
Capitalized:		
Professional services - branding intangible	\$ -	\$ 24,022
Property and equipment	-	7,950
Expensed:		
Professional services	155,419	-
Telephone and online fees	1,560	1,200
Publications and printing	478	1,850
Travel, conferences, and meetings	7,664	10,166
	<u>7,664</u>	<u>10,166</u>
Total contributed goods and services	<u>\$ 165,121</u>	<u>\$ 45,188</u>

NOTE 11 – BOARD DESIGNATED NET ASSETS

Board designated net assets were available for the following purposes at June 30:

	<u>2014</u>	<u>2013</u>
Operating reserve	\$ 679,566	\$ 610,383
Wise Kids	-	178,000
Dallas restart	502,728	-
Other	2,518	2,120
	<u>2,518</u>	<u>2,120</u>
Total	<u>\$ 1,184,812</u>	<u>\$ 790,503</u>

**CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013**

NOTE 12 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following:

	<u>2014</u>	<u>2013</u>
United Way of Greater Kansas City	\$ 71,515	\$ 60,956
United Way of Wyandotte County	21,646	-
Thrive Foundation for Youth	258,929	771,905
New York Life Foundation	276,974	710,000
Pledges receivable	32,811	39,297
Gamma Phi Beta Scholarships	231	27,340
General Mills	-	7,869
Heartland camperships	15,585	-
Hall Family Foundation	-	20,000
Heartland Thrive project	-	17,500
Other	7,964	9,741
	<u>7,964</u>	<u>9,741</u>
Total	<u>\$ 685,655</u>	<u>\$ 1,664,608</u>

During the years ended June 30, 2014 and 2013, net assets of \$1,183,948 and \$1,032,085, respectively, were released from donor restrictions by satisfying the time or purpose restrictions as stipulated by the donors.

NOTE 13 – PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of the following:

	<u>2014</u>	<u>2013</u>
James Humphrey Wilkinson perpetual trust	\$ 858,307	\$ 781,370
Lone Star endowment fund	111,347	-
	<u>111,347</u>	<u>-</u>
Total	<u>\$ 969,654</u>	<u>\$ 781,370</u>

CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

NOTE 14 – LINES-OF-CREDIT

The Organization has an unsecured line-of-credit that allows for borrowing of up to \$250,000. Interest is payable monthly at 5.5%. As of June 30, 2014 and 2013, nothing was drawn on the line-of-credit. The line-of-credit matures in November 2014.

The Organization has a secured line-of-credit that allows for borrowings of up to \$500,000; maturing February 2015, and is collateralized by investments with a value of \$682,083 at June 30, 2014. Interest is charged at a variable rate, which is the 30 day LIBOR rate plus 3.5%, with a minimum rate of 4.25% (4.25% at June 30, 2014). Outstanding borrowings were \$-0- and \$384,037 at June 30, 2014 and 2013, respectively.

The Organization incurred interest expense of \$8,487 and \$21,799 for the years ended June 30, 2014 and 2013, respectively.

NOTE 15 – CONCENTRATIONS OF RISK

The Organization maintains cash balances at two banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to specified limits. The Organization generally has balances on deposit in excess of insurance limits. Uninsured balances totaled \$347,879 at June 30, 2014.

At June 30, 2014 four councils made up 53% of the net charter fees receivable. At June 30, 2013, three councils made up 38% of the net charter fees receivable.

NOTE 16 – REAL ESTATE HELD FOR SALE

Real estate was acquired during the 2011 fiscal year as a result of a local council dissolution. It was held for resale, and was initially valued at an estimated fair market value of \$910,860. During 2013, an impairment loss of \$252,860 was recorded based on market conditions. During the 2014 fiscal year, this property was sold for \$453,603, resulting in an additional impairment loss on the property of \$204,397 that is reflected in the 2014 statement of activities.

CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

NOTE 17 – CONTRIBUTION OF NET ASSETS

During 2013, an agreement was entered into between the Organization and the Sajai Foundation (the Foundation) for the Organization to acquire the assets of the Foundation. This acquisition will permit the Organization to build additional expertise in health, wellness, and the outdoors into the Camp Fire strategy for delivering programs. As a result, as of May 15, 2013, the Foundation dissolved, liquidated, and transferred its remaining assets to the Organization. The assets transferred included cash of \$200,000, inventory of \$18,037, and the curriculum of the Foundation of \$32,771, for a total contribution of \$250,808 recorded in the year ended June 30, 2013.

Two councils were dissolved in a previous year. During the dissolution process, the councils liquidated their assets, paid off all debts, and the remaining proceeds were transferred to the Organization. The proceeds allocated to the Organization from the dissolutions totaled \$712,297 for the year ended June 30, 2013. Since the councils were separate 501(c)(3) corporations, the Organization did not incur a legal liability from the dissolutions.

Two councils were dissolved during 2014. During the dissolution process, the councils liquidated their assets, paid off all debts, and the remaining proceeds were transferred to the Organization. The proceeds allocated to the Organization from the dissolution of these councils were \$956,001. Since the councils were separate 501(c)(3) corporations, the Organization did not incur a legal liability from the dissolutions.

NOTE 18 – BENEFICIAL INTEREST IN PERPETUAL TRUST

In 1976, the Organization was named as a beneficiary of a perpetual trust. Under the terms of the trust, the Organization is designated to receive 2.5% of the annual income of the trust with no corresponding transfer of trust assets. The Organization received trust income, the use of which is unrestricted, of \$35,608 in 2014 and \$35,178 in 2013.

At the time the Organization was notified of the trust, its share of the fair value of the trust assets was \$538,080 and was reflected in the statements of activities as a permanently restricted contribution. Changes in the fair value of the Organization's interest in the trust assets are reflected as unrealized gains or losses in the statements of activities in the year in which they take place. The gain on this trust amounted to \$76,937 and \$70,870 for the years ended June 30, 2014 and 2013, respectively. The Organization's share in the trust had a value of \$858,307 and \$781,370 at June 30, 2014 and 2013, respectively.

NOTE 19 – HALL FAMILY FOUNDATION GIFT

In 2005, the Hall Family Foundation pledged \$500,000 to the Greater Kansas City Community Foundation, with the Organization named as a conditional beneficiary of the fund's earnings. The Organization is eligible to receive a portion of the earnings on the investment equal to 5% for supplemental funding of its rent expense as long as it is headquartered in downtown Kansas City, Missouri. In 2014 and 2013, the Organization received \$22,155 and \$21,981 respectively, which is included as contributions and grants revenue.

CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

NOTE 20 – CONTINGENCIES

Over the prior three years, the Organization has incurred an overall negative change in net assets of \$1,174,362. In response to this trend, management has developed a comprehensive operating plan that includes both revenue increases and expense reductions that Management believes to be reasonable and achievable. Management intends to increase revenue by a) obtaining additional grant income of \$730,000 from current sources, and b) obtaining additional funding from contributions of affiliate net assets of approximately \$500,000. Management intends to decrease expenses by a) reorganizing, combining or eliminating personnel through strategic staffing decisions, and by b) reducing travel costs by more effectively using technology to conduct the work with the councils. Management believes that these actions will combine to reduce or eliminate future operating deficits.

The Organization's investment portfolio is subject to significant fluctuations in its value. Because the values of individual investments fluctuate with market conditions, the amount of investment gains or losses that the Organization will recognize in its future financial statements, if any, cannot be determined.

The Organization has legal actions that arise in the ordinary course of business and are now pending against the Organization. It is the opinion of management, after reviewing such actions with counsel, that the outcome of any lawsuit or claim which is pending should either be covered by insurance, or would not result in a material settlement.

NOTE 21 – CONTRACTUAL SERVICES

The Foundation has contracted with Axcet HR Solutions, in a client service agreement to engage in a co-employment relationship with the Organization. Axcet provides personnel management services to the Organization's employees including payment of salaries, wages, payroll taxes, employee benefits, and procurement of workers' compensation insurance. This agreement shall remain in force until either Axcet or the Organization terminates the agreement by giving thirty days prior written notice. The Organization is required to pay service fees based on a percentage of gross salaries, which cover services rendered to each employee. The Axcet service fee percentage may be adjusted annually. The Organization paid \$2,492,252 and \$2,093,170 to Axcet for the years ended June 30, 2014 and 2013, respectively, for salaries and payroll related costs. In addition, the Organization paid \$36,953 and \$29,715 to Axcet for the years ended June 30, 2014 and 2013, respectively, for service fees.

NOTE 22 – SUBSEQUENT EVENTS

Management evaluated subsequent events through October 3, 2014, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2014, but prior to October 3, 2014, that provided additional evidence about conditions that existed at June 30, 2014, have been recognized in the 2014 financial statements.

This information is an integral part of the accompanying financial statements.