

**CAMP FIRE NATIONAL HEADQUARTERS**  
**Kansas City, Missouri**

**FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

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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, 2015 and 2014, 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.

National Board of Trustees  
Camp Fire National Headquarters

***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, 2015 and 2014, 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 30, 2015

**CAMP FIRE NATIONAL HEADQUARTERS  
STATEMENTS OF FINANCIAL POSITION  
June 30, 2015 and 2014**

**ASSETS**

	<b>2015</b>	<b>2014</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 49,270	\$ 554,648
Investments	860,757	682,083
Accounts receivable:		
Merchandise, net	1,116	1,116
Charter fees, net	346,532	212,609
Pledges receivable	10,604	31,848
United Way receivable	79,015	79,015
Grants receivable	-	258,929
Merchandise inventory, net	86,283	80,661
Prepaid expenses	18,271	26,924
Other receivables	619,720	17,560
Total current assets	2,071,568	1,945,393
<b>INVESTMENTS</b>	111,347	-
<b>PROPERTY AND EQUIPMENT</b>		
Land	10	10
Monument	25,000	25,000
Building Improvements	8,047	8,047
Furniture, fixtures, and equipment	245,401	246,351
Total, at cost	278,458	279,408
Less accumulated depreciation	209,367	185,030
Total property and equipment	69,091	94,378
<b>OTHER ASSETS</b>		
Long-term charter fees receivable, net	129,642	197,818
Long-term pledges receivable, net	-	962
Long-term United Way receivable, net	7,073	14,146
Intangible assets, net	147,594	220,221
Beneficial interest in perpetual trust	820,890	858,307
Total other assets	1,105,199	1,291,454
<b>TOTAL ASSETS</b>	<b>\$ 3,357,205</b>	<b>\$ 3,331,225</b>

## LIABILITIES AND NET ASSETS

	<u>2015</u>	<u>2014</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 193,883	\$ 176,498
Accrued liabilities	120,964	162,158
Lines-of-credit	709,138	-
Deferred revenues	4,588	4,273
	<u>1,028,573</u>	<u>342,929</u>
<b>NET ASSETS</b>		
Unrestricted:		
Undesignated	(55,980)	148,175
Board designated	1,336,072	1,184,812
	<u>1,280,092</u>	<u>1,332,987</u>
Temporarily restricted	116,303	685,655
Permanently restricted	932,237	969,654
	<u>2,328,632</u>	<u>2,988,296</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 3,357,205</u></u>	<u><u>\$ 3,331,225</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, 2015 and 2014**

	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUES, GAINS, AND PUBLIC SUPPORT</b>								
Contributions and grants	\$ 62,068	\$ 6,411	\$ -	\$ 68,479	\$ 113,108	\$ 16,457	\$ -	\$ 129,565
United Way contributions	1,740	86,245	-	87,985	46,473	114,964	-	161,437
Designated contributions and grants	130,039	10,000	-	140,039	97,624	73,574	-	171,198
Contribution of net assets	602,140	-	-	602,140	844,654	-	111,347	956,001
Contractual services	83,638	-	-	83,638	213,637	-	-	213,637
Contributed rent, goods, services, and travel	7,884	-	-	7,884	165,121	-	-	165,121
Royalties and license fees	21,085	-	-	21,085	17,302	-	-	17,302
Charter, Community Partner, and Fire Tender fees	1,305,576	-	-	1,305,576	1,347,981	-	-	1,347,981
Conferences and program services	66,982	-	-	66,982	98,349	-	-	98,349
Sales of inventory, net of cost of sales of \$39,084 for 2015 and \$52,332 for 2014	25,870	-	-	25,870	36,745	-	-	36,745
Investment income - net	49,081	5,629	-	54,710	31,490	-	-	31,490
Investment income - perpetual trust	39,117	-	-	39,117	35,608	-	-	35,608
Unrealized (loss) gain on investments, net	(30,907)	(4,160)	-	(35,067)	81,566	-	-	81,566
Change in value of beneficial interest in perpetual trust	-	-	(37,417)	(37,417)	-	-	76,937	76,937
(Loss) Gain on sale of property and equipment	(876)	-	-	(876)	650	-	-	650
Loss on property held for sale	-	-	-	-	(204,397)	-	-	(204,397)
Rental income	63,781	-	-	63,781	60,813	-	-	60,813
Other income	722	-	-	722	695	-	-	695
Net assets released from restrictions	673,477	(673,477)	-	-	1,183,948	(1,183,948)	-	-
<b>Total revenues, gains, and public support</b>	<b>3,101,417</b>	<b>(569,352)</b>	<b>(37,417)</b>	<b>2,494,648</b>	<b>4,171,367</b>	<b>(978,953)</b>	<b>188,284</b>	<b>3,380,698</b>
<b>EXPENSES</b>								
Program services:								
Programs for youth	1,545,292	-	-	1,545,292	2,204,651	-	-	2,204,651
Services to councils	603,281	-	-	603,281	708,755	-	-	708,755
Community relations	349,974	-	-	349,974	479,901	-	-	479,901
Support services:								
Fundraising	168,248	-	-	168,248	532,625	-	-	532,625
Management and general administration	487,517	-	-	487,517	650,674	-	-	650,674
<b>Total expenses</b>	<b>3,154,312</b>	<b>-</b>	<b>-</b>	<b>3,154,312</b>	<b>4,576,606</b>	<b>-</b>	<b>-</b>	<b>4,576,606</b>
<b>CHANGES IN NET ASSETS</b>	<b>(52,895)</b>	<b>(569,352)</b>	<b>(37,417)</b>	<b>(659,664)</b>	<b>(405,239)</b>	<b>(978,953)</b>	<b>188,284</b>	<b>(1,195,908)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>1,332,987</b>	<b>685,655</b>	<b>969,654</b>	<b>2,988,296</b>	<b>1,738,226</b>	<b>1,664,608</b>	<b>781,370</b>	<b>4,184,204</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 1,280,092</b>	<b>\$ 116,303</b>	<b>\$ 932,237</b>	<b>\$ 2,328,632</b>	<b>\$ 1,332,987</b>	<b>\$ 685,655</b>	<b>\$ 969,654</b>	<b>\$ 2,988,296</b>

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

**CAMP FIRE NATIONAL HEADQUARTERS  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended June 30, 2015**

	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
<b>EXPENSES</b>								
Salaries and wages	\$ 679,184	\$ 367,639	\$ 171,128	\$ 1,217,951	\$ 104,856	\$ 266,887	\$ 371,743	\$ 1,589,694
Benefits	38,448	18,107	8,221	64,776	7,149	16,018	23,167	87,943
Payroll taxes	67,801	28,379	11,312	107,492	8,043	21,633	29,676	137,168
Total salaries and related expenses	785,433	414,125	190,661	1,390,219	120,048	304,538	424,586	1,814,805
Payments and products to councils	369,080	-	-	369,080	-	-	-	369,080
Professional fees and contract services	88,222	60,275	49,396	197,893	13,557	45,170	58,727	256,620
Travel, conferences, and meetings	40,056	33,170	16,431	89,657	3,844	17,895	21,739	111,396
Telephone and other communication	12,951	5,441	976	19,368	1,225	4,491	5,716	25,084
Occupancy	136,320	43,194	15,719	195,233	13,396	35,168	48,564	243,797
Depreciation and amortization	56,487	4,916	45,389	106,792	1,522	6,433	7,955	114,747
Equipment rental and maintenance	1,910	779	283	2,972	241	5,716	5,957	8,929
Supplies and office expenses	26,125	2,466	670	29,261	863	2,911	3,774	33,035
Publications and printing	10,120	183	4,784	15,087	2,523	516	3,039	18,126
Postage and shipping	2,546	634	64	3,244	1,096	349	1,445	4,689
Insurance	12,619	8,589	3,791	24,999	3,140	7,941	11,081	36,080
Interest expense and bank fees	696	5	-	701	-	44,894	44,894	45,595
Membership dues and subscriptions	1,304	199	21,704	23,207	1,693	5,644	7,337	30,544
Bad debt and charter fee relief	-	27,155	-	27,155	5,000	-	5,000	32,155
Donated goods and services	-	2,100	100	2,200	-	5,684	5,684	7,884
Miscellaneous	1,423	50	6	1,479	100	167	267	1,746
<b>TOTAL EXPENSES</b>	<b>\$ 1,545,292</b>	<b>\$ 603,281</b>	<b>\$ 349,974</b>	<b>\$ 2,498,547</b>	<b>\$ 168,248</b>	<b>\$ 487,517</b>	<b>\$ 655,765</b>	<b>\$ 3,154,312</b>

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			Total Program Services	Supporting Services		Total Supporting Services	Total Functional Expenses
	Programs for Youth	Services to Councils	Community Relations		Fundraising	Management and General Administration		
<b>EXPENSES</b>								
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
<b>TOTAL EXPENSES</b>	<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  
STATEMENTS OF CASH FLOWS  
Years Ended June 30, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ (659,664)	\$ (1,195,908)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	24,835	26,580
Amortization	89,912	74,050
Loss (gain) on sale of property and equipment	876	(650)
Loss on property held for sale	-	204,397
Income on investments and trust, net	(93,827)	(67,098)
Unrealized loss (gain) on investments, net	35,067	(81,566)
Change in value of trust	37,417	(76,937)
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
Charter fees receivable, net	(65,747)	68,169
Pledges and United Way receivable, net	29,279	6,487
Grants receivable, net	258,929	830,772
Other receivables	(602,160)	115,790
Merchandise inventory, net	(5,622)	(4,941)
Prepaid expenses	8,653	(1,134)
Accounts payable and accrued liabilities	(23,809)	(8,353)
Deferred revenues	315	(5,846)
	<b>(965,546)</b>	<b>(724,999)</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(625)	(14,570)
Purchase of intangible asset	(17,285)	(97,736)
Proceeds from sale of property and equipment	201	650
Purchase of investments	(411,170)	-
Proceeds from property held for sale	-	453,603
Proceeds from sale of investments	179,909	79,085
	<b>(248,970)</b>	<b>421,032</b>

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from contributions restricted for investment in endowment	\$ -	\$ 111,347
Proceeds from contributions designated for future councils	-	502,728
Proceeds from lines-of-credit	2,912,651	550,477
Payments on lines-of-credit	<u>(2,203,513)</u>	<u>(934,514)</u>
Net cash provided by financing activities	<u>709,138</u>	<u>230,038</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(505,378)	(73,929)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>554,648</u>	<u>628,577</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 49,270</u>	<u>\$ 554,648</u>
<b>SUPPLEMENTAL DATA - INTEREST PAID</b>	<u>\$ 34,219</u>	<u>\$ 8,487</u>

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

**CAMP FIRE NATIONAL HEADQUARTERS**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

**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 152,000 youth in 27 states through a 59 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, 2015 and 2014**

**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, 2015 and 2014**

**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, 2015 and 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**INVESTMENTS**

Investments include equity and fixed income mutual funds and certificates of deposit, 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. Investments include investment specific cash equivalents, money market funds, and certificates of deposit that are reported at cost, which approximates fair value.

**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, 2015 or 2014, 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. The grants receivable at June 30, 2014 were all collected during the current year.

**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, 2015 and 2014**

**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, 2015 and 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**MERCHANDISE INVENTORY**

Merchandise inventory is carried at the lower of weighted-average cost or market.

**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, 2015 and 2014**

**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 2015 or 2014. The Organization follows the standard for evaluating uncertain tax positions and has determined no liability should be recorded for uncertain tax positions.

**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, 2015 and 2014**

**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 investments valued using level 1 inputs 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 an investment using level 3 inputs within the valuation hierarchy.

**CAMP FIRE NATIONAL HEADQUARTERS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015 and 2014**

**NOTE 2 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

Fair values of assets and liabilities measured on a recurring basis, as of June 30, 2015 and 2014, are as follows:

<b>June 30, 2015</b>				
	<b>Fair Value</b>	<b>Quoted Prices In Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Other Inputs (Level 3)</b>
Mutual funds:				
Equity	\$ 648,702	\$ 648,702	\$ -	\$ -
Fixed income	123,402	123,402	-	-
Beneficial interest in perpetual trust	<u>820,890</u>	<u>-</u>	<u>-</u>	<u>820,890</u>
	<u><u>\$ 1,592,994</u></u>	<u><u>\$ 772,104</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 820,890</u></u>
<b>June 30, 2014</b>				
	<b>Fair Value</b>	<b>Quoted Prices In Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Other Inputs (Level 3)</b>
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>

**CAMP FIRE NATIONAL HEADQUARTERS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015 and 2014**

**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, 2015 and 2014:

	<b>Beneficial Interest in Perpetual Trust</b>
<b>Balance, July 1, 2013</b>	\$ 781,370
Unrealized gains	<u>76,937</u>
<b>Balance, June 30, 2014</b>	858,307
Unrealized losses	<u>(37,417)</u>
<b>Balance, June 30, 2015</b>	<u><u>\$ 820,890</u></u>

**NOTE 3 – INVESTMENTS**

Investments at June 30, 2015 are as follows:

	<b>Original Cost or Basis</b>	<b>Fair Market Value</b>	<b>Excess of Market Over Cost</b>
Equity and fixed income mutual funds and money market	\$ 678,651	\$ 772,104	\$ 93,453
Certificates of deposit - due within one year	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Total	<u><u>\$ 878,651</u></u>	<u><u>\$ 972,104</u></u>	<u><u>\$ 93,453</u></u>

Investment returns for the year ended June 30, 2015 consist of the following:

Investment income	\$ 922
Net realized gain	60,684
Net unrealized loss	<u>(35,067)</u>
Total investment return	<u><u>\$ 26,539</u></u>
Investment fees	<u><u>\$ 6,896</u></u>

**CAMP FIRE NATIONAL HEADQUARTERS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015 and 2014**

**NOTE 3 – INVESTMENTS (CONTINUED)**

Investments at June 30, 2014 are as follows:

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

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>\$ 119,418</u>
Investment fees	<u>\$ 6,362</u>

**NOTE 4 – PLEDGES AND UNITED WAY RECEIVABLE**

Pledges and United Way receivable include the following:

	<u>2015</u>	<u>2014</u>
Annual Fund campaign United Way	<u>\$ 10,604</u> <u>86,515</u>	<u>\$ 32,848</u> <u>94,015</u>
Total pledges and United Way receivable	97,119	126,863
Less: Unamortized discount	<u>427</u>	<u>892</u>
Net pledges and United Way receivable	96,692	125,971
Less: current portion	<u>89,619</u>	<u>110,863</u>
Pledges and United Way receivable, long term (net)	<u>\$ 7,073</u>	<u>\$ 15,108</u>

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

**CAMP FIRE NATIONAL HEADQUARTERS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015 and 2014**

**NOTE 4 – PLEDGES AND UNITED WAY RECEIVABLE (CONTINUED)**

Amounts due in future years:

2016	\$ 89,619
2017	<u>7,500</u>
 Total	 <u><u>\$ 97,119</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 included \$0 and \$258,929 at June 30, 2015 and 2014, respectively, from the Thrive Foundation for Youth.

**NOTE 6 – OPERATING LEASES**

The Organization leased office and warehouse space during 2015 and 2014 under non-cancelable operating leases. The leases expire at various dates through December 2015, and require aggregate monthly payments of \$18,525 at June 30, 2015. The warehouse space was renewed subsequent to year end for an additional three years to November 2018. The Organization entered into a new office lease effective January 2016. Total lease expense was \$237,225 in 2015 and \$225,743 in 2014. Future minimum lease commitments for these leases are as follows:

Years ended June 30:

2016	\$ 123,187
2017	166,143
2018	170,652
2019	166,656
2020	164,776
Thereafter	<u>1,072,035</u>
 Total	 <u><u>\$ 1,863,449</u></u>

**CAMP FIRE NATIONAL HEADQUARTERS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015 and 2014**

**NOTE 6 – OPERATING LEASES (CONTINUED)**

A portion of the leased office space expiring in December 2015 is leased to an unaffiliated organization. Additionally, the Organization expects to sublease a portion of the new office lease effective January 2016 to an unaffiliated organization. The above lease expense is expected to be offset by payments due under the sublease as follows:

Years ended June 30:

2016	\$	31,723
2017		54,503
2018		61,711
2019		63,545
2020		65,380
Thereafter		<u>430,801</u>
Total	\$	<u><u>707,663</u></u>

Total rental income from subleases was \$63,781 and \$60,813 in 2015 and 2014, respectively.

**NOTE 7 – INTANGIBLE ASSETS**

Intangible assets consist of corporate branding and program curriculum. Amortization expense on the assets was \$89,912 and \$74,050 during 2015 and 2014, 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 \$29,053 in 2015 and \$38,120 in 2014.

**CAMP FIRE NATIONAL HEADQUARTERS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015 and 2014**

**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>2015</u>	<u>2014</u>
Charter fees receivable	\$ 1,128,332	\$ 1,042,409
Less: Allowance for doubtful accounts	627,800	605,800
Less: Unamortized discount	24,358	26,182
Charter fees receivable, net	<u>476,174</u>	<u>410,427</u>
Less: Current portion	<u>346,532</u>	<u>212,609</u>
Long-term charter fees receivable, net	<u><u>\$ 129,642</u></u>	<u><u>\$ 197,818</u></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 \$29,201 and \$78,786 at June 30, 2015 and 2014, respectively. Long-term charter fees receivable that were 90 days or more past due and still accruing interest at June 30, 2015 and 2014 totaled \$28,201 and \$72,668, respectively.

The Organization is involved in legal proceedings with various of the chartered councils relating to repayment of the amounts due to the Organization. In most cases, these issues were considered when the above allowance was determined.

Amounts due in future years:

2016	\$ 346,532
2017	29,690
2018	29,469
2019	26,559
2020	15,512
Thereafter	<u>52,770</u>
Total	<u><u>\$ 500,532</u></u>

**Accounts Payable**

At June 30, 2015 and 2014, the Organization had accounts payable due to Councils totaling \$15,828 and \$62,736, respectively.

**CAMP FIRE NATIONAL HEADQUARTERS**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

**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>2015</u>	<u>2014</u>
Expensed:		
Professional services	\$ 100	\$ 155,419
Supplies and office expenses	329	-
Telephone and online fees	1,200	1,560
Publications and printing	-	478
Travel, conferences, and meetings	<u>6,255</u>	<u>7,664</u>
Total contributed goods and services	<u>\$ 7,884</u>	<u>\$ 165,121</u>

**NOTE 11 – BOARD DESIGNATED NET ASSETS**

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

	<u>2015</u>	<u>2014</u>
Operating reserve	\$ 656,643	\$ 679,566
Dallas restart	458,850	502,728
Receivership assets	218,000	-
Other	<u>2,579</u>	<u>2,518</u>
Total	<u>\$ 1,336,072</u>	<u>\$ 1,184,812</u>

**CAMP FIRE NATIONAL HEADQUARTERS**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

**NOTE 12 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consist of the following:

	<u>2015</u>	<u>2014</u>
United Way of Greater Kansas City	\$ 71,515	\$ 71,515
United Way of Wyandotte County	14,573	21,646
Pledges receivable	10,605	32,811
New York Life Foundation	7,894	276,974
Sosland Foundation	5,000	-
Francis Family Foundation	5,000	-
Other	1,470	7,964
Gamma Phi Beta Scholarships	231	231
Heartland camperships	15	15,585
Thrive Foundation for Youth	-	258,929
	<u>          </u>	<u>          </u>
Total	<u>\$ 116,303</u>	<u>\$ 685,655</u>

During the years ended June 30, 2015 and 2014, net assets of \$673,477 and \$1,183,948, 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>2015</u>	<u>2014</u>
James Humphrey Wilkinson perpetual trust	\$ 820,890	\$ 858,307
Lone Star endowment fund	111,347	111,347
	<u>          </u>	<u>          </u>
Total	<u>\$ 932,237</u>	<u>\$ 969,654</u>

**CAMP FIRE NATIONAL HEADQUARTERS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015 and 2014**

**NOTE 14 – ENDOWMENTS**

The Organization's endowment consists of a donor-restricted fund established to support general operating expenses of a council to be established in Texas. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of Relevant Law**

The Board has interpreted Missouri's enactment of the 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. Consequently, the Organization classifies permanently restricted net assets as:

- The original value of gifts donated to the permanent endowment, and
- The original value of subsequent gifts to the permanent endowment.

The remaining portion of the donor-restricted endowment fund not classified as permanently restricted is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Board. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purpose of the Organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization

**Return Objectives and Risk Parameters**

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs supported by the endowments. The endowment assets are invested in a manner that is intended to produce results similar to the S&P 500 index while assuming a moderate level of investment risk.

**Spending Policy**

The Organization has a policy of appropriating for distribution each year any funds earned in excess of the original endowed gift. In establishing this policy, the Organization considered the stipulations of the endowments as needing to maintain financial assets in the original amount of the endowment gifts. Therefore, any assets in excess of original gift balances are considered appropriated and are to be used based on the donor stipulations.

In establishing this policy, the Organization considered the long-term expected returns on its endowment investments. Accordingly, over the long term, the Organization expects the current spending policy will allow its endowment to retain the original corpus of the gift.

**CAMP FIRE NATIONAL HEADQUARTERS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2015 and 2014**

**NOTE 14 – ENDOWMENTS (CONTINUED)**

**Strategies Employed for Achieving Objectives**

The endowment assets are invested to provide the highest total rate of return consistent with sound investment practices. Equity investments have proven to provide the maximum return on investments over long periods of time, and mutual and co-mingled funds provide significant diversification among companies, industries and countries. Therefore, the endowment funds are invested primarily in equity mutual and co-mingled funds.

Endowment net asset composition by type of fund as of June 30, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor Restricted Endowment Funds	<u>\$ -</u>	<u>\$ 1,469</u>	<u>\$ 111,347</u>	<u>\$ 112,816</u>

Changes in endowment net assets for the fiscal year ended June 30, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net Assets, Beginning of Year	\$ -	\$ -	\$ -	\$ -
Investment Return:				
Investment Income	-	5,629	-	5,629
Net Depreciation	-	(4,160)	-	(4,160)
Transfer of Assets to Investments	<u>-</u>	<u>-</u>	<u>111,347</u>	<u>111,347</u>
Net Assets, End of Year	<u>\$ -</u>	<u>\$ 1,469</u>	<u>\$ 111,347</u>	<u>\$ 112,816</u>

**CAMP FIRE NATIONAL HEADQUARTERS**  
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**NOTE 15 – 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, 2015 and 2014, \$250,000 and \$-0- was drawn on the line-of-credit. The line-of-credit matures in February 2016.

The Organization has a secured line-of-credit that allows for borrowings of up to \$500,000; maturing February 2016, and is collateralized by certain investments with a value of \$659,222 at June 30, 2015. 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, 2015). Outstanding borrowings were \$459,138 and \$-0- at June 30, 2015 and 2014, respectively.

The Organization incurred interest expense of \$34,219 and \$8,487 for the years ended June 30, 2015 and 2014, respectively.

**NOTE 16 – 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.

At June 30, 2015, two councils made up 38% of the net charter fees receivable. At June 30, 2014 four councils made up 53% of the net charter fees receivable.

**NOTE 17 – 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.

**NOTE 18 – CONTRIBUTION OF NET ASSETS**

The Organization records net proceeds received from dissolved councils as Contribution of Net Assets. The total proceeds allocated to the Organization from the dissolution of one council, as well as final proceeds received in 2015 from previously dissolved councils, totaled \$602,140. The governance board of this individual council determined that the council's operations were not sustainable and notified the Organization of its intention to dissolve in 2013. The council's board did not complete the dissolution process, so the council's assets went into receivership and the Organization has recorded \$600,000 in other receivables during 2015 for its contractual share of the net assets. This represents management's best estimate, based upon the facts available at the date of these financial statements. The amount received at the final resolution of this matter may be different and the amount of variance may be material. Since the council is a separate 501(c)(3) corporation, the Organization did not incur a legal liability from the dissolution.

**CAMP FIRE NATIONAL HEADQUARTERS  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 18 – CONTRIBUTION OF NET ASSETS (CONTINUED)**

Similarly, the boards of two individual councils voted to dissolve 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, as well as remaining proceeds from previously dissolved councils, were \$956,001. The Organization's governance board designated \$614,075 of these proceeds as assets held to restart Camp Fire programming in the dissolved council's local jurisdiction. Since the councils were separate 501(c)(3) corporations, the Organization did not incur a legal liability from the dissolutions.

**NOTE 19 – 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 \$39,117 in 2015 and \$35,608 in 2014.

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 (loss)/gain on this trust amounted to \$(37,417) and \$76,937 for the years ended June 30, 2015 and 2014, respectively. The Organization's share in the trust had a value of \$820,890 and \$858,307 at June 30, 2015 and 2014, respectively.

**NOTE 20 – 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 2015 and 2014, the Organization received \$23,261 and \$22,155 respectively, which is included as contributions and grants revenue.

**CAMP FIRE NATIONAL HEADQUARTERS**  
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**NOTE 21 – CONTINGENCIES**

Over the prior four years, the Organization has incurred an overall negative change in net assets of \$1,834,026. In response to this trend, management has developed a comprehensive operating plan that includes both increases in revenue and reductions in expenses that Management believes to be reasonable and achievable by right sizing the organization to fit their reduced needs. Management intends to increase revenue and cash flow by a) working to create a strong pipeline of grants and b) obtaining additional funding from contributions. Management intends to decrease expenses by a) reducing their non-seasonal staff from a total of 30 to 20 which will reduce expenses by \$900,000, b) reducing travel costs by \$100,000 and c) reducing office rent by \$55,000. Management believes 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 22 – 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 relative 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 \$1,787,401 and \$2,492,252 to Axcet for the years ended June 30, 2015 and 2014, respectively, for salaries and payroll related costs. In addition, the Organization paid \$26,769 and \$36,953 to Axcet for the years ended June 30, 2015 and 2014, respectively, for service fees.

**CAMP FIRE NATIONAL HEADQUARTERS  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 23 – SUBSEQUENT EVENTS**

Subsequent to June 30, 2015, the Organization was the recipient of a \$100,000 unrestricted bequest.

Management evaluated subsequent events through October 30, 2015, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2015, but prior to October 30, 2015, that provided additional evidence about conditions that existed at June 30, 2015, have been recognized in the 2015 financial statements.

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