

CAMP FIRE NATIONAL HEADQUARTERS
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016 AND 2015

**CAMP FIRE NATIONAL HEADQUARTERS
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2016 AND 2015**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	5
STATEMENTS OF FUNCTIONAL EXPENSES	6
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	10

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Camp Fire National Headquarters, which comprise the statements of financial position as of June 30, 2016 and 2015, 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 audits 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
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, 2016 and 2015, 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
September 28, 2016

**CAMP FIRE NATIONAL HEADQUARTERS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015**

ASSETS	2016	2015
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 638,149	\$ 49,270
Investments	599,591	860,757
Accounts Receivable:		
Merchandise, Net	778	1,116
Charter Fees, Net	257,760	346,532
Pledges Receivable	7,910	10,604
United Way Receivable	79,015	79,015
Grants Receivable	575,000	-
Merchandise Inventory, Net	81,745	86,283
Prepaid Expenses	22,177	18,271
Other Receivables	22,129	619,720
Total Current Assets	2,284,254	2,071,568
INVESTMENTS	111,347	111,347
PROPERTY AND EQUIPMENT		
Land	10	10
Monument	25,000	25,000
Building Improvements	7,805	8,047
Furniture, Fixtures, and Equipment	215,935	245,401
Total, at Cost	248,750	278,458
Less: Accumulated Depreciation	161,562	209,367
Total Property and Equipment	87,188	69,091
OTHER ASSETS		
Long-Term Charter Fees Receivable, Net	86,245	129,642
Long-Term United Way Receivable, Net	-	7,073
Long-Term Grants Receivable, Net	306,490	-
Intangible Assets, Net	69,317	147,594
Beneficial Interest in Perpetual Trust	779,146	820,890
Total Other Assets	1,241,198	1,105,199
 Total Assets	 \$ 3,723,987	 \$ 3,357,205

See accompanying Notes to Financial Statements.

	<u>2016</u>	<u>2015</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 132,705	\$ 193,883
Accrued Liabilities	82,200	120,964
Lines-of-Credit	434,059	709,138
Deferred Revenues	5,763	4,588
Total Current Liabilities	<u>654,727</u>	<u>1,028,573</u>
NET ASSETS		
Unrestricted:		
Undesignated	(114,584)	(55,980)
Board Designated	899,558	1,336,072
Total Unrestricted	<u>784,974</u>	<u>1,280,092</u>
Temporarily Restricted	1,393,793	116,303
Permanently Restricted	890,493	932,237
Total Net Assets	<u>3,069,260</u>	<u>2,328,632</u>
Total Liabilities and Net Assets	<u>\$ 3,723,987</u>	<u>\$ 3,357,205</u>

**CAMP FIRE NATIONAL HEADQUARTERS
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2016 AND 2015**

	2016				2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS, AND PUBLIC SUPPORT								
Contributions and Grants	\$ 125,715	\$ 9,080	\$ -	\$ 134,795	\$ 62,068	\$ 6,411	\$ -	\$ 68,479
United Way Contributions	1,720	86,245	-	87,965	1,740	86,245	-	87,985
Designated Contributions and Grants	54,788	1,995,018	-	2,049,806	130,039	10,000	-	140,039
Contribution of Net Assets, net of losses	23,000	-	-	23,000	602,140	-	-	602,140
Contractual Services	10,484	-	-	10,484	83,638	-	-	83,638
Contributed Rent, Goods, Services, and Travel	170,432	-	-	170,432	7,884	-	-	7,884
Royalties and License Fees	18,284	-	-	18,284	21,085	-	-	21,085
Charter and Community Partner Fees	1,216,804	-	-	1,216,804	1,305,576	-	-	1,305,576
Conferences and Program Services	104,295	-	-	104,295	66,982	-	-	66,982
Sales of Inventory, Net of Cost of Sales of \$41,629 for 2016 and \$39,084 in 2015	34,220	-	-	34,220	25,870	-	-	25,870
Investment Income - Net	30,304	5,659	-	35,963	49,081	5,629	-	54,710
Investment Income - Perpetual Trust	58,747	-	-	58,747	39,117	-	-	39,117
Unrealized Loss on Investments, Net	(48,864)	(6,576)	-	(55,440)	(30,907)	(4,160)	-	(35,067)
Change in Value of Beneficial Interest in Perpetual Trust	-	-	(41,744)	(41,744)	-	-	(37,417)	(37,417)
Loss on Sale of Property and Equipment	(78)	-	-	(78)	(876)	-	-	(876)
Loss on Property Held for Sale	-	-	-	-	-	-	-	-
Rental Income	41,655	-	-	41,655	63,781	-	-	63,781
Other Income	49,053	-	-	49,053	722	-	-	722
Net Assets Released from Restrictions	811,936	(811,936)	-	-	673,477	(673,477)	-	-
Total Revenues, Gains, and Public Support	2,702,495	1,277,490	(41,744)	3,938,241	3,101,417	(569,352)	(37,417)	2,494,648
EXPENSES								
Program Services:								
Programs for Youth	1,125,834	-	-	1,125,834	1,545,292	-	-	1,545,292
Services to Councils	1,048,513	-	-	1,048,513	603,281	-	-	603,281
Community Relations	262,122	-	-	262,122	349,974	-	-	349,974
Support Services:								
Fundraising	192,025	-	-	192,025	168,248	-	-	168,248
Management and General Administration	569,119	-	-	569,119	487,517	-	-	487,517
Total Expenses	3,197,613	-	-	3,197,613	3,154,312	-	-	3,154,312
CHANGES IN NET ASSETS	(495,118)	1,277,490	(41,744)	740,628	(52,895)	(569,352)	(37,417)	(659,664)
Net Assets - Beginning of Year	1,280,092	116,303	932,237	2,328,632	1,332,987	685,655	969,654	2,988,296
NET ASSETS - END OF YEAR	\$ 784,974	\$ 1,393,793	\$ 890,493	\$ 3,069,260	\$ 1,280,092	\$ 116,303	\$ 932,237	\$ 2,328,632

See accompanying Notes to Financial Statements.

**CAMP FIRE NATIONAL HEADQUARTERS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016**

	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	\$ 556,280	\$ 410,879	\$ 144,277	\$ 1,111,436	\$ 118,022	\$ 193,536	\$ 311,558	\$ 1,422,994
Benefits	39,315	28,015	7,871	75,201	6,511	15,937	22,448	97,649
Payroll Taxes	53,294	34,201	10,019	97,514	9,979	17,937	27,916	125,430
Total Salaries and Related Expenses	648,889	473,095	162,167	1,284,151	134,512	227,410	361,922	1,646,073
Payments and Products to Councils	83,651	94,356	-	178,007	490	-	490	178,497
Professional Fees and Contract Services	160,746	269,782	7,329	437,857	10,726	142,573	153,299	591,156
Travel, Conferences, and Meetings	36,952	73,413	12,498	122,863	4,007	7,277	11,284	134,147
Telephone and Other Communication	10,296	6,109	820	17,225	1,232	3,514	4,746	21,971
Occupancy	75,754	37,607	11,614	124,975	17,475	27,122	44,597	169,572
Depreciation and Amortization	42,120	4,889	44,596	91,605	1,491	5,818	7,309	98,914
Equipment Rental and Maintenance	2,644	1,770	360	4,774	540	5,976	6,516	11,290
Supplies and Office Expenses	16,956	5,412	660	23,028	1,407	3,802	5,209	28,237
Publications and Printing	10,860	3,657	4,501	19,018	2,967	1,208	4,175	23,193
Postage and Shipping	3,524	1,620	233	5,377	657	1,266	1,923	7,300
Insurance	20,859	8,320	1,690	30,869	2,535	4,169	6,704	37,573
Interest Expense and Bank Fees	611	8	22	641	55	51,597	51,652	52,293
Membership Dues and Subscriptions	1,931	404	15,626	17,961	4,332	8,080	12,412	30,373
Bad Debt and Charter Fee Relief	(10)	16,148	-	16,138	5,350	-	5,350	21,488
Obsolete Merchandise Inventory	7,600	-	-	7,600	-	-	-	7,600
Donated Goods and Services	750	51,244	-	51,994	4,100	79,033	83,133	135,127
Miscellaneous	1,701	679	6	2,386	149	274	423	2,809
Total Expenses	<u>\$ 1,125,834</u>	<u>\$ 1,048,513</u>	<u>\$ 262,122</u>	<u>\$ 2,436,469</u>	<u>\$ 192,025</u>	<u>\$ 569,119</u>	<u>\$ 761,144</u>	<u>\$ 3,197,613</u>

See accompanying Notes to 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
EXPENSES								
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
Total Expenses	<u>\$ 1,545,292</u>	<u>\$ 603,281</u>	<u>\$ 349,974</u>	<u>\$ 2,498,547</u>	<u>\$ 168,248</u>	<u>\$ 487,517</u>	<u>\$ 655,765</u>	<u>\$ 3,154,312</u>

See accompanying Notes to Financial Statements.

**CAMP FIRE NATIONAL HEADQUARTERS
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 740,628	\$ (659,664)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	20,637	24,835
Amortization	78,277	89,912
Loss on Sale of Property and Equipment	78	876
Donated Property and Equipment	(35,305)	-
Income on Investments and Trust, Net	(35,963)	(93,827)
Unrealized Loss on Investments, Net	55,440	35,067
Change in Value of Trust	41,744	37,417
Effects of Changes in Operating Assets and Liabilities:		
Merchandise Receivable, Net	338	-
Charter Fees Receivable, Net	132,169	(65,747)
Pledges Receivable, Net	2,694	29,279
Grants Receivable, Net	(874,417)	258,929
Other Receivables	597,591	(602,160)
Merchandise Inventory, Net	4,538	(5,622)
Prepaid Expenses	(3,906)	8,653
Accounts Payable and Accrued Liabilities	(105,094)	(23,809)
Deferred Revenues	1,175	315
Net Cash Provided (Used) by Operating Activities	620,624	(965,546)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	-	(625)
Purchase of Intangible Asset	-	(17,285)
Proceeds from Sale of Property and Equipment	1,645	201
Proceeds from Sale of Investments	241,689	179,909
Net Cash Provided (Used) by Investing Activities	243,334	(248,970)

See accompanying Notes to Financial Statements.

**CAMP FIRE NATIONAL HEADQUARTERS
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Lines-of-Credit	\$ 2,240,107	\$ 2,912,651
Payments on Lines-of-Credit	<u>(2,515,186)</u>	<u>(2,203,513)</u>
Net Cash Provided (Used) by Financing Activities	<u>(275,079)</u>	<u>709,138</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	 588,879	 (505,378)
 Cash and Cash Equivalents - Beginning of Year	 <u>49,270</u>	 <u>554,648</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	 <u><u>638,149</u></u>	 <u><u>49,270</u></u>
 SUPPLEMENTAL INFORMATION		
Cash Paid for Interest	<u>\$ 39,127</u>	<u>\$ 34,219</u>
Donated Property and Equipment	<u>\$ 35,305</u>	<u>\$ -</u>
Asset Acquired through Capital Lease	<u>\$ 5,152</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

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 128,000 youth in 26 states through a 57 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, 2016 AND 2015**

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, 2016 AND 2015**

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, 2016 AND 2015**

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, 2016 or 2015, 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.

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, 2016 AND 2015**

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, 2016 AND 2015**

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	2-3 Years

**CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

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 2016 or 2015. 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, 2016 AND 2015**

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, 2016 AND 2015**

NOTE 2 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair values of assets and liabilities measured on a recurring basis, as of June 30, 2016 and 2015 are as follows:

	June 30, 2016			
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	\$ 544,679	\$ 544,679	\$ -	\$ -
Fixed Income	166,259	166,259	-	-
Beneficial Interest in Perpetual Trust	<u>779,146</u>	<u>-</u>	<u>-</u>	<u>779,146</u>
Total	<u>\$ 1,490,084</u>	<u>\$ 710,938</u>	<u>\$ -</u>	<u>\$ 779,146</u>
	June 30, 2015			
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	\$ 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>
Total	<u>\$ 1,592,994</u>	<u>\$ 772,104</u>	<u>\$ -</u>	<u>\$ 820,890</u>

**CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

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, 2016 and 2015:

	Beneficial Interest in Perpetual Trust
	<u> </u>
BALANCE, JUNE 30, 2014	\$ 858,307
Unrealized Losses	<u>(37,417)</u>
BALANCE, JUNE 30, 2015	820,890
Unrealized Losses	<u>(41,744)</u>
BALANCE, JUNE 30, 2016	<u>\$ 779,146</u>

NOTE 3 INVESTMENTS

Investments at June 30, 2016 are as follows:

	Original Cost or Basis	Fair Market Value	Excess of Market Over Cost
	<u> </u>	<u> </u>	<u> </u>
Equity and Fixed Income			
Mutual Funds and Money Market	<u>\$ 672,925</u>	<u>\$ 710,938</u>	<u>\$ 38,013</u>

Investment returns for the year ended June 30, 2016 consist of the following:

Investment Income	\$ 19,695
Net Realized Gain	22,962
Net Unrealized Loss	<u>(55,440)</u>
Total Investment Return	<u>\$ (12,783)</u>
Investment Fees	<u>\$ 6,694</u>

**CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 3 INVESTMENTS (CONTINUED)

Investments at June 30, 2015 are as follows:

	Original Cost or Basis	Fair Market Value	Excess of Market Over Cost
Equity and Fixed Income			
Mutual Funds and Money Market	\$ 678,651	\$ 772,104	\$ 93,453
Certificates of Deposit - Due Within One Year	200,000	200,000	-
Total	<u>\$ 878,651</u>	<u>\$ 972,104</u>	<u>\$ 93,453</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>\$ 26,539</u>
 Investment Fees	 <u>\$ 6,896</u>

NOTE 4 PLEDGES AND UNITED WAY RECEIVABLE

Pledges and United Way receivable include the following:

	2016	2015
Annual Fund Campaign	\$ 7,910	\$ 10,604
United Way	79,015	86,515
Total Pledges and United Way Receivable	<u>86,925</u>	<u>97,119</u>
 Less: Unamortized Discount	 -	 427
Net Pledges and United Way Receivable	<u>86,925</u>	<u>96,692</u>
 Less: Current Portion	 86,925	 89,619
Pledges and United Way Receivable, Long Term (Net)	<u>\$ -</u>	<u>\$ 7,073</u>

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

**CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 4 PLEDGES AND UNITED WAY RECEIVABLE (CONTINUED)

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:

	2016	2015
New York Life Foundation Grant	\$ 900,000	\$ -
Total Grants Receivable	900,000	-
Less: Unamortized Discount	18,510	-
Net Grants Receivable	881,490	-
Less: Current Portion (Net)	575,000	-
Grants Receivable, Long-Term (Net)	\$ 306,490	\$ -

Future amounts are due as follows:

Year Ending June 30,	Amount
2017	\$ 575,000
2018	325,000
Total	\$ 900,000

**CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 6 OPERATING LEASES

The Organization leased office and warehouse space during 2016 and 2015 under non-cancelable operating leases. The leases expire at various dates through August 2026. The warehouse space was renewed for an additional three years to November 2018. The Organization entered into a new office lease effective February 2016. Total lease expense was \$157,169 in 2016 and \$237,225 in 2015. Future minimum lease commitments for these leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2017	\$ 147,187
2018	170,155
2019	166,160
2020	164,279
2021	168,250
Thereafter	<u>924,631</u>
Total	<u>\$ 1,740,662</u>

A portion of the leased office space is leased to an unaffiliated organization. The above lease expense is expected to be offset by payments due under the sublease as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2017	\$ 61,547
2018	72,072
2019	73,902
2020	75,733
2021	77,563
Thereafter	<u>426,255</u>
Total	<u>\$ 787,072</u>

Total rental income from subleases was \$41,655 and \$63,781 in 2016 and 2015, respectively.

NOTE 7 INTANGIBLE ASSETS

Intangible assets consist of corporate branding and program curriculum. Amortization expense on the assets was \$78,277 and \$89,912 during 2016 and 2015, respectively.

**CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

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 \$28,715 in 2016 and \$29,053 in 2015.

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,

	2016	2015
Charter Fees Receivable	\$ 953,760	\$ 1,128,332
Less: Allowance for Doubtful Accounts	594,000	627,800
Net Collectible Charter Fees Receivable	359,760	500,532
Less: Unamortized Discount	15,755	24,358
Charter Fees Receivable, Net	344,005	476,174
Less: Current Portion	257,760	346,532
 Long-Term Charter Fees Receivable, Net	 \$ 86,245	 \$ 129,642

Amounts due in future years:

2017	\$ 257,760
2018	17,512
2019	19,923
2020	13,305
2021	12,608
2022	12,608
2023	9,333
2024	6,954
2025	6,954
2026	2,803
Total	\$ 359,760

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 \$-0- and \$29,201 at June 30, 2016 and 2015, respectively. Long-term charter fees receivable that were 90 days or more past due and still accruing interest at June 30, 2016 and 2015 totaled \$-0- and \$28,201, respectively.

**CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 9 RELATED PARTY TRANSACTIONS (CONTINUED)

The Organization is involved in legal proceedings with two 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.

Accounts Payable

At June 30, 2016 and 2015, the Organization had accounts payable due to Councils totaling \$14,779 and \$15,828, respectively.

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>2016</u>	<u>2015</u>
Capitalized:		
Property and Equipment	\$ 12,205	\$ -
Prepaid Maintenance Contract	23,100	-
Expensed:		
Professional Services	91,513	100
Supplies and Office Expenses	1,596	329
Telephone and Online Fees	1,200	1,200
Rent	40,818	-
Travel, Conferences, and Meetings	-	6,255
Total Contributed Goods and Services	<u>\$ 170,432</u>	<u>\$ 7,884</u>

NOTE 11 UNRESTRICTED NET ASSETS

Unrestricted net assets as of June 30 consist of the following:

	<u>2016</u>	<u>2015</u>
Board Designated:		
Operating Reserve	\$ 598,336	\$ 656,643
Dallas Restart	298,707	458,850
Receivership Assets	-	218,000
Other	2,515	2,579
Total Board Designated Net Assets	<u>899,558</u>	<u>1,336,072</u>
Undesignated	<u>(114,584)</u>	<u>(55,980)</u>
Total Unrestricted Net Assets	<u>\$ 784,974</u>	<u>\$ 1,280,092</u>

**CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 11 UNRESTRICTED NET ASSETS (CONTINUED)

At June 30, 2016, the value of the assets underlying the Organization's unrestricted operating funds was less than the level required to fund the liabilities committed by those funds. Accordingly, the unrestricted operating funds were being supported by drawing upon the Organization's Unrestricted Board Designated net assets.

The unrestricted, undesignated change in net assets, before the effect of depreciation and amortization expense is as follows for the years ending June 30:

	2016	2015
Total Change in Unrestricted Net Assets	\$ (495,118)	\$ (52,895)
Less: Unrestricted, Designated Change in Net Assets	<u>(436,514)</u>	<u>(151,260)</u>
Unrestricted, Undesignated Change in Net Assets	(58,604)	98,365
Plus: Depreciation and Amortization	<u>98,914</u>	<u>114,747</u>
Unrestricted, Undesignated Change in Net Assets, Before Depreciation and Amortization	<u>\$ 40,310</u>	<u>\$ 213,112</u>

NOTE 12 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following:

	2016	2015
United Way of Greater Kansas City	\$ 71,515	\$ 71,515
United Way of Wyandotte County	7,500	14,573
Pledges Receivable	7,910	10,604
New York Life Foundation	1,015,708	7,895
RGK Foundation	19,000	-
S.D. Bechtel, Jr. Foundation	248,434	-
Sosland Foundation	-	5,000
Francis Family Foundation	-	5,000
Ewing Marion Kauffman Foundation	9,742	-
Hall Family Foundation	3,501	-
Cohen Foundation	1,502	-
Bank of America Charitable Foundation	4,676	-
Royals Charities	4,305	-
Gamma Phi Beta Scholarships	-	231
Heartland Camperships	-	16
Endowment Funds - See Note 14	-	1,469
Total	<u>\$ 1,393,793</u>	<u>\$ 116,303</u>

During the years ended June 30, 2016 and 2015, net assets of \$811,936 and \$673,477, respectively, were released from donor restrictions by satisfying the time or purpose restrictions as stipulated by the donors.

**CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 13 PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of the following:

	2016	2015
James Humphrey Wilkinson Perpetual Trust	\$ 779,146	\$ 820,890
Lone Star Endowment Fund	111,347	111,347
Total	\$ 890,493	\$ 932,237

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.

**CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 14 ENDOWMENTS (CONTINUED)

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.

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, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor Restricted Endowment Funds	<u>\$ (1,261)</u>	<u>\$ -</u>	<u>\$ 111,347</u>	<u>\$ 110,086</u>

Changes in endowment net assets for the fiscal year ended June 30, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net Assets, Beginning of Year	\$ -	\$ 1,469	\$ 111,347	\$ 112,816
Investment Return:				
Investment Income	-	5,107	-	5,107
Net Depreciation	(1,261)	(6,576)	-	(7,837)
Net Assets, End of Year	<u>\$ (1,261)</u>	<u>\$ -</u>	<u>\$ 111,347</u>	<u>\$ 110,086</u>

**CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 14 ENDOWMENTS (CONTINUED)

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>

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, 2016 and 2015, \$- and \$250,000 was drawn on the line-of-credit, respectively. The line-of-credit matures in November 2016.

The Organization has a secured line-of-credit that allows for borrowings of up to \$500,000; maturing January 2017, and is collateralized by certain investments with a value of \$600,851 at June 30, 2016. 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, 2016). Outstanding borrowings were \$434,059 and \$459,138 at June 30, 2016 and 2015, respectively.

The Organization incurred interest expense of \$39,127 and \$34,219 for the years ended June 30, 2016 and 2015, respectively.

**CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

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. The Organization has uninsured balances totaling \$375,070 and \$-0- at June 30, 2016 and 2015, respectively.

At June 30, 2016, three councils made up 51% of the net charter fees receivable. At June 30, 2015, two councils made up 38% of the net charter fees receivable.

NOTE 17 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 net proceeds received in 2016 from a previously dissolved council, netted \$23,000 for the year ended June 30, 2016. Total revenues of \$82,500 were received from one council, which were netted against a write-off of \$59,500 from a reduction in the estimated receivable from the prior year. Contribution of net assets was \$602,140 for the year ended June 30, 2015.

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 \$58,747 in 2016 and \$39,117 in 2015.

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 on this trust amounted to \$41,744 and \$37,417 for the years ended June 30, 2016 and 2015, respectively. The Organization's share in the trust had a value of \$779,146 and \$820,890 at June 30, 2016 and 2015, 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 2016 and 2015, the Organization received \$23,577 and \$23,261, respectively, which is included as contributions and grants revenue.

**CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 20 CONTINGENCIES

Over the prior three years, the Organization has incurred an overall negative change in net assets of \$1,114,944. In response to this trend, Management has developed a comprehensive operating plan that includes both revenue increases and expenditure decreases for the National office. Grant revenue and expenses will increase in 2017 as a result of obtaining new grants. Management believes that these actions are reasonable and achievable, and 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 COMMITMENTS

At June 30, 2016, the Organization had a contractual commitment totaling \$42,857 in consulting services.

At June 30, 2016, the Organization had a contractual commitment totaling \$100,000 in strategic planning services.

At June 30, 2016, the Organization had a contractual commitment totaling \$60,000 in services related to developing learning lab videos.

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 \$1,636,088 and \$1,787,401 to Axcet for the years ended June 30, 2016 and 2015, respectively, for salaries and payroll related costs. In addition, the Organization paid \$26,421 and \$26,769 to Axcet for the years ended June 30, 2016 and 2015, respectively, for service fees.

**CAMP FIRE NATIONAL HEADQUARTERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 23 SUBSEQUENT EVENTS

Management evaluated subsequent events through September 28, 2016, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2016, but prior to September 28, 2016, that provided additional evidence about conditions that existed at June 30, 2016, have been recognized in the 2016 financial statements.