



Camp Fire Columbia

Financial Statements

Year Ended June 30, 2015

CAMP FIRE COLUMBIA

Financial Statements

Year Ended June 30, 2015

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Camp Fire Columbia
Portland, Oregon

We have audited the accompanying statement of financial position of Camp Fire Columbia (the Council) (a nonprofit corporation) as of June 30, 2015, and the related statements of activities, functional expenses and cash flows for the year 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Camp Fire Columbia as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

AKT LLP

October 21, 2015
Lake Oswego, Oregon

CAMP FIRE COLUMBIA

Statement of Financial Position

June 30, 2015

ASSETS

Current assets:

Cash and cash equivalents	\$ 381,567
Accounts receivable	372,311
Inventories	34,304
Prepaid expenses	308,499
Note receivable, current portion	<u>21,572</u>
Total current assets	1,118,253

Noncurrent assets:

Rent receivable	4,020
Note receivable, less current portion	193,172
Investments	1,840,160
Beneficial interest in perpetual trust	231,645
Land, buildings, and equipment, net	<u>1,884,241</u>
	<u>\$ 5,271,491</u>

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 113,608
Accrued expenses	112,381
Deferred revenues	1,021,124
Capital lease obligation, current portion	<u>9,978</u>
Total current liabilities	1,257,091

Capital lease obligation, less current portion

10,508

Total liabilities

1,267,599

Net Assets:

Unrestricted - undesignated	1,914,117
Unrestricted - board designated	<u>1,840,160</u>
Total unrestricted net assets	3,754,277

Temporarily restricted 17,970

Permanently restricted 231,645

Total net assets

4,003,892

\$ 5,271,491

CAMP FIRE COLUMBIA**Statement of Activities**

Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Changes in net assets:				
Public support:				
Contributions	\$ 124,094	\$ 108,359	\$ -	\$ 232,453
Donated goods and services	62,600	-	-	62,600
Special events, net of direct expenses of \$52,795	67,143	-	-	67,143
Total public support	253,837	108,359	-	362,196
Revenue:				
Camping and related fees	1,324,440	-	-	1,324,440
School based programs	1,533,634	-	-	1,533,634
Supplies sales	46,790	-	-	46,790
Interest and dividends	74,864	-	-	74,864
Unrealized losses	(72,319)	-	-	(72,319)
Revaluation loss on beneficial interest in perpetual trust	-	-	(8,878)	(8,878)
Government grants	725,544	-	-	725,544
Other income	21,656	-	-	21,656
Total revenue	3,654,609	-	(8,878)	3,645,731
Total public support and revenue	3,908,446	108,359	(8,878)	4,007,927
Operating expenses:				
Program services:				
Camping	1,344,188	-	-	1,344,188
Group activities	2,029,103	-	-	2,029,103
Total program services	3,373,291	-	-	3,373,291
Supporting services:				
Management and general	523,234	-	-	523,234
Fundraising	286,910	-	-	286,910
Total supporting services	810,144	-	-	810,144
Total operating expenses	4,183,435	-	-	4,183,435
Changes in net assets from operations	(274,989)	108,359	(8,878)	(175,508)
Net assets released from restriction	99,147	(99,147)	-	-
Changes in net assets	(175,842)	9,212	(8,878)	(175,508)
Net Assets, beginning	3,930,119	8,758	240,523	4,179,400
Net Assets, ending	\$ 3,754,277	\$ 17,970	\$ 231,645	\$ 4,003,892

CAMP FIRE COLUMBIA

Statement of Functional Expenses

Year Ended June 30, 2015

	Program Services		Supporting Services		Total
	Camping	Group Activities	Management and General	Fundraising	
Salaries and wages	\$ 441,198	\$ 1,412,055	\$ 215,844	\$ 124,648	\$ 2,193,745
Health and retirement benefits	18,719	41,154	16,277	6,549	82,699
Payroll taxes	57,253	143,537	23,922	14,526	239,238
Total salaries and related expenses	517,170	1,596,746	256,043	145,723	2,515,682
Awards and recognition	3,346	4,542	1,402	228	9,518
Charter fee expense	22,899	33,247	525	-	56,671
Education, conferences, and meetings	2,658	10,785	3,462	1,404	18,309
Food	130,742	57,701	1,404	1,171	191,018
Horse expense	46,172	-	-	-	46,172
Insurance	45,893	36,399	3,127	514	85,933
License, permits, dues	4,924	4,402	796	-	10,122
Maintenance and equipment rental	84,528	48	3,568	-	88,144
Miscellaneous	1,211	1,255	8,687	109	11,262
Occupancy	59,832	89,415	17,667	13,205	180,119
Outside printing and publicity	21,093	4,201	52	6,925	32,271
Postage and shipping	2,693	798	2,258	1,483	7,232
Professional services	108,556	45,635	176,425	83,807	414,423
Supplies	73,621	117,252	235	3,226	194,334
Telephone	14,795	12,072	5,701	4,824	37,392
Transportation	41,459	14,605	2,887	588	59,539
Donated goods and services	5,000	-	15,138	23,703	43,841
Depreciation	157,596	-	17,511	-	175,107
Interest	-	-	6,346	-	6,346
	<u>\$ 1,344,188</u>	<u>\$ 2,029,103</u>	<u>\$ 523,234</u>	<u>\$ 286,910</u>	<u>\$ 4,183,435</u>

CAMP FIRE COLUMBIA

Statement of Cash Flows

Year Ended June 30, 2015

Cash flows from operating activities:	
Change in net assets	\$ (175,508)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	175,107
Net gain on investments	(2,105)
Receipt of donated inventories	(18,759)
Receipt of donated investments - stock	(53,970)
Net loss on beneficial interest in perpetual trust	8,878
Changes in operating assets and liabilities:	
Accounts receivable	(274,797)
Grants receivable	10,000
Inventories	(15,545)
Prepaid expenses	(293,433)
Rent receivable	(4,020)
Accounts payable	73,397
Accrued expenses	10,608
Deferred revenues	66,124
Net cash from operating activities	<u>(494,023)</u>
Cash flows from investing activities:	
Proceeds from note receivable	20,522
Proceeds from sale of investments	53,970
Purchases of equipment and improvements	<u>(69,696)</u>
Net cash from investing activities	<u>4,796</u>
Cash flows from financing activities:	
Payments on capital lease	(6,091)
Payments on long-term debt	<u>(3,790)</u>
Net cash from financing activities	<u>(9,881)</u>
Net change in cash and cash equivalents	(499,108)
Cash and cash equivalents, beginning	<u>880,675</u>
Cash and cash equivalents, ending	<u>\$ 381,567</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash paid during the year for interest	<u>\$ 6,346</u>

CAMP FIRE COLUMBIA

Notes to Financial Statements

Year Ended June 30, 2015

Note 1 - Nature of Activities

Camp Fire Columbia (the Council) is organized to provide, through a program of informal education, opportunities for youth to realize their potential and to function effectively as caring, self-directed individuals responsible to themselves and to others; and, as an organization, to seek to improve those conditions in society which affect youth. The Council is affiliated with Camp Fire National Headquarters, and paid charter fees of \$56,671 in 2015.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Council have been prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires the Council's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Council considers all highly liquid investment securities purchased with a maturity of three months or less to be cash equivalents. The Council maintains bank accounts that may exceed depository insurance limits and therefore expose the Council to credit risk. The Council restricts its cash deposits to financial institutions that are members of the FDIC. At June 30, 2015, the Council had \$178,741 in uninsured cash. The Council has not experienced any losses in such accounts and has taken adequate measures to limit exposure to any significant risk on cash and cash equivalents.

Accounts Receivable

Accounts receivable are recorded at estimated net realizable value. Receivables are written off when the Council determines an account is uncollectible. Past due status is determined based on how recently payments have been received. No allowance for doubtful accounts is deemed necessary as of June 30, 2015.

Grants Receivable

Grants receivable are recorded at estimated net realizable value. Past due status is determined based on how recently payments have been received.

Inventories

Inventories consist primarily of emblems, accessories, and beads, and are carried at the lower of first-in, first-out cost or market.

Investments

Investments in limited partnerships with readily determinable fair values and all investments in marketable securities, which consist primarily of mutual funds, are recorded at their fair values in the statement of financial position. Investments in limited partnership interests and other equity securities have been estimated by management, in the absence of readily determinable fair values, based on information provided by fund managers. Realized and unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

CAMP FIRE COLUMBIA

Notes to Financial Statements

Year Ended June 30, 2015

Note 2 - Summary of Significant Accounting Policies (Continued)

Fair Value of Financial Instruments

The Council's financial instruments, none of which are held for trading purposes, include cash equivalents, accounts receivable, pledges receivable, grants receivable, investments, and accounts payable. The Council estimates that the fair value of all of these non-derivative financial instruments at June 30, 2015 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

Land, Buildings, and Equipment

Land, buildings, and equipment with a minimum cost of \$5,000 are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets beginning at the date the asset is placed in service.

	<u>Depreciable Lives</u>
Land improvements	5 years
Buildings and leasehold improvements	3-20 years
Furniture and equipment	3-15 years

Maintenance and repairs are charged to expense as incurred and betterments and major renewals are capitalized. Amortization of leasehold improvements is provided using straight-line method over the estimated useful lives of the assets or the lease term, whichever is shorter. When land, buildings and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in the statement of activities.

Deferred Revenues

Camping and membership fees received are recognized as revenue in the fiscal year the services are provided. All fees not recognized as revenue in the current fiscal year are shown as deferred revenue on the statement of financial position until recognized.

Net Assets

GAAP requires the Council 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 net assets represent net assets not subject to donor-imposed stipulations.
- Temporarily restricted net assets represent net assets subject to donor-imposed stipulations that may or will be met by actions of the Council and/or the passage of time.
- Permanently restricted net assets represent net assets subject to donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Council.

Designation of Unrestricted Net Assets

It is the practice of the Board of Directors of the Council to review its plans for operations and designate appropriate sums of the unrestricted net assets to assure adequate funding of programs and operations. Net assets designated by the Board are called Unrestricted – Board Designated. Net assets not designated by the Board are considered unrestricted and are available for the general operations of the Council.

Each year, the Board of Directors authorizes an amount of board designated net assets to be released for uses in the Council's operations and/or to repay amounts owed on the line of credit. The amount approved for the year ended June 20, 2015 was approximately \$149,500.

Temporarily Restricted Net Assets

When a donor-stipulation or time restriction ends or terms of the original contribution are met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

CAMP FIRE COLUMBIA

Notes to Financial Statements

Year Ended June 30, 2015

Note 2 - Summary of Significant Accounting Policies (Continued)

Temporarily Restricted Net Assets (Continued)

Temporarily restricted net assets were comprised of the following contributions at June 30, 2015:

Business development	\$	2,970
High school programs		<u>15,000</u>
Total temporarily restricted net assets	\$	<u><u>17,970</u></u>

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are released from restriction and included in unrestricted net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets. All unconditional promises to give are recorded as current pledges receivable or noncurrent pledges receivable based upon the agreed payment terms, less an estimated allowance for uncollectible contributions. Pledges collectible in more than one year are recorded at the present value of future estimated cash flows.

The Council records various types of in-kind contributions. Contributed services are recognized at fair market value for services that require specialized skills and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses unless they are capitalized.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Council has tax exempt status under Section 501(c)(3) of the Internal Revenue Code as it is included in a group ruling issued to Camp Fire National Headquarters. Accordingly, no income taxes have been provided for in the accompanying financial statements. The Council is operated in a manner that continues to qualify it for tax exempt status. In any year in which the Council has gross receipts from unrelated business activities of \$1,000 or more, it must file Form 990-T with the Internal Revenue Service (IRS) and pay tax on such income less any related deductions. The Council is not a private foundation. The Council adopted Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) Topic *Income Taxes*. No expense for taxes, interest and penalties is recognized in the financial statements. The Council's Form 990-T and Form 990 for the years ended June 30, 2014, 2013 and 2012 are subject to examination by the IRS, generally for three years after they were filed.

Note 3 - Note Receivable

On November 1, 2013, the Council entered into a \$250,000 promissory note for the sale of certain assets. Monthly payments are \$2,652 including interest accruing annually at 5%. The note receivable is due in full by November 1, 2016.

CAMP FIRE COLUMBIA

Notes to Financial Statements

Year Ended June 30, 2015

Note 3 - Note Receivable (Continued)

Future amount due on the note receivable are as follows:

<u>Year ending June 30,</u>	
2016	\$ 21,572
2017	<u>193,172</u>
	<u>\$ 214,744</u>

Note 4 - Fair Value Measurement and Investments

The Council follows FASB ASC Topic *Fair Value Measurement*. This Topic applies to all assets and liabilities that are being measured and reported on a fair value basis and requires disclosure that establishes a framework for measuring fair value under GAAP, and expands disclosure about fair value measurements. This Topic enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The Topic requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar asset or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2015.

Mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Limited partnership: Valued at the partner's reported capital account balance, which approximates fair value.

Beneficial interest in perpetual trust: Valued at the amount of the underlying investments, which approximates fair value.

CAMP FIRE COLUMBIA

Notes to Financial Statements

Year Ended June 30, 2015

Note 4 - Fair Value Measurement and Investments (Continued)

The following tables set forth, by level within the fair value hierarchy, the Council's investments and beneficial interest in perpetual trust at fair value as of June 30, 2015:

	Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds:				
Bond funds	\$ 419,848	\$ -	\$ -	\$ 419,848
Domestic equities:				
U.S. large cap	624,402	-	-	624,402
U.S. mid cap	171,853	-	-	171,853
International equities	234,084	-	-	234,084
Limited partnership	-	-	389,973	389,973
Total investments	1,450,187	-	389,973	1,840,160
Beneficial interest in perpetual trust	-	231,645	-	231,645
	<u>\$ 1,450,187</u>	<u>\$ 231,645</u>	<u>\$ 389,973</u>	<u>\$ 2,071,805</u>

The following is a summary of changes in the fair value of the Council's level 3 investments as of June 30, 2015:

Limited partnership:	
Beginning balance	\$ 397,077
Dividends/capital gains	81,380
Unrealized losses	(81,855)
Fees	(6,629)
Ending balance	<u>\$ 389,973</u>

Commitments and redemptions for those investments valued based on net asset values are as follows as of June 30, 2015:

	Fair value	Unfunded commitment	Redemption frequency	Redemption notice period
Matisse Absolute Return Fund (a)	\$ 389,973	none	annually	120 days

(a) The absolute return fund is invested in a fund-to-fund limited partnership

Note 5 - Beneficial Interest in Perpetual Trust

During the year ended June 30, 2014, the Council became aware that it has a 20 percent beneficial interest in a perpetual trust that is held and administered by a third-party trustee. Under the terms of the agreement, the Council receives periodic distributions from the trustee and retains an irrevocable right to such future distributions. The Council has recorded its 20 percent interest in this trust as a component of the permanently restricted net assets, since the Council does not have access to the principal of the trust. Any change in the value is recorded and reported in the statement of activities as a revaluation gain or loss in permanently restricted net assets. In accordance with the trust agreement, distributions from the trust are restricted for use in specific Council programs. See Note 4 for fair value disclosure.

CAMP FIRE COLUMBIA

Notes to Financial Statements

Year Ended June 30, 2015

Note 6 - Land, Buildings, and Equipment

Land, buildings, and equipment as of June 30, 2015 are as follows:

Land	\$ 91,035
Land improvements	204,860
Buildings and leasehold improvements	3,655,066
Furniture and equipment	<u>874,515</u>
	4,825,476
Less accumulated depreciation	<u>(2,941,235)</u>
	<u>\$ 1,884,241</u>

Note 7 - Capital Lease

The Council is the lessee of office equipment under a capital lease, expiring in June 2017. The asset and liability under the capital lease are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The asset is amortized over its estimated productive life. Amortization of assets under capital leases is included in depreciation expense.

Following is a summary of property held under capital leases and included in Note 6 above as of June 30, 2015:

Furniture and equipment	\$ 47,600
Accumulated depreciation	<u>(29,353)</u>
	<u>\$ 18,247</u>

Minimum future lease payments under the capital lease are as follows:

<u>Year ending June 30,</u>	
2016	\$ 10,776
2017	<u>10,776</u>
Total minimum lease payments	21,552
Less amount representing interest	<u>(1,066)</u>
Present value of net minimum lease payments	20,486
Less current portion	<u>(9,978)</u>
Long-term portion	<u>\$ 10,508</u>

The interest rate on the capitalized lease is 5.0% and is imputed based on the lower of the Council's incremental borrowing rate at the inception of the lease or the lessor's implicit rate of return.

The capital lease provides that the Council is to retain ownership of the leased asset after 60 months of payments.

CAMP FIRE COLUMBIA

Notes to Financial Statements

Year Ended June 30, 2015

Note 8 - Operating Lease

The Council has an operating lease agreement for its office space with United Way which expired June 30, 2015. Rent expense for the year ended June 30, 2015 amounted to \$55,956. The lease with United Way changed to month to month effective July 1, 2015.

Note 9 - Line of Credit Payable

In October 2014, the Council entered into a new \$250,000 bank line of credit that matures October 2015. Amounts under this agreement will accrue interest at the prime rate plus 1%. The new line is secured by \$400,000 of investments held in accounts at a separate financial institution.

Note 10 - Retirement Plan

The Council adopted a defined contribution plan (the Plan) on July 1, 1988 covering full-time employees. Employees become eligible to participate in the Plan at the age of 21 and after completion of 1 year of full-time service. An amount equal to 5% of an employee's salary is contributed annually and vests after 5 years of employment. During the fiscal year ended June 30, 2009, the Council temporarily suspended contributions to the Plan. No contributions were made in 2015.

The Council has discontinued the prior retirement plans and will begin a new 401k plan effective July 1, 2015. Beginning July 1, 2015, the council will match 50% of an employee's contribution to the new 401k plan up to 3% of their salary and vesting occurs after six years.

Note 11 - Donated Goods and Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Council. Volunteers also provide program leader, fundraising and administration services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

The Council recognized the following donated goods and services on the statement of activities for the year ended June 30, 2015:

Printing and publicity	\$	19,660
Rent		15,138
Specific program supplies		4,043
Horses and tack		5,000
		<hr/>
	\$	<u>43,841</u>

The Council also recognized donated inventories on the statement of financial position of \$18,759 as of June 30, 2015.

Note 12 - Contingencies

Amounts received or receivable from various contracting and granting agencies are subject to audit and potential adjustment by the contracting agencies. Any disallowed claims, including amounts already collected, would become a liability of the Council if so determined in the future. It is management's belief that no significant amounts received or receivable will be required to be returned in the future.

Note 13 - Subsequent Events

FASB ASC Topic *Subsequent Events* requires disclosure of the date through which subsequent events have been evaluated, as well as whether that date is the date the financial statements were issued or the date the financial statements were available to be issued. Subsequent events have been evaluated through October 21, 2015, which is the date the financial statements were available to be issued.