

Robert G. Gillette, CPA

Nonprofit Clients Only

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Camp Fire USA Central Ohio Council, Inc.:

I have audited the accompanying financial statements of Camp Fire USA Central Ohio Council, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2012, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Camp Fire USA Central Ohio Council, Inc. as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.


October 8, 2013

Camp Fire USA Central Ohio Council, Inc.
Statement of Financial Position
December 31, 2012

Assets

Current assets	
Cash and cash equivalents	\$18,210
Prepaid expenses and deposits	721
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Total current assets	18,931
Property and equipment	
Land buildings and equipment - Note C	377,154
Less: Accumulated depreciation	(255,241)
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Net property and equipment	121,913
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Total assets	<u>\$140,844</u>

Liabilities

Accounts payable and accrued liabilities - Note D	\$10,141
Accounts payable - National	89,658
Notes payable - Note D	6,500
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Total liabilities	106,299

Net assets

Unrestricted	28,698
Temporarily restricted - Note E	2,346
Permanently restricted - Note E	3,500
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Total net assets	34,545
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Total liabilities and net assets	<u>\$140,844</u>

See accompanying notes to financial statements

Camp Fire USA Central Ohio Council, Inc.
Statement of Activities
For the Year Ended December 31, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue				
Contributions	\$76,998	\$2,346		\$79,344
Write-off of uncollectable pledges	(14,784)			(14,784)
In-kind contributions - Note G	9,250			9,250
Foundations and grants	20,340			20,340
Membership dues	11,694			11,694
Program fees	224,089			224,089
Interest income	85			85
Net assets released from restrictions	46,394	(46,394)		0
Total support and revenue	<u>374,066</u>	<u>(44,048)</u>	<u>0</u>	<u>330,018</u>
Expenses:				
Program service	242,273			242,273
Management and general	77,430			77,430
Fundraising	8,848			8,848
	<u>328,551</u>	<u>0</u>	<u>0</u>	<u>328,551</u>
Change in net assets	45,515	(44,048)		1,467
Net assets - beginning of year	(16,817)	46,394	3,500	33,078
Net assets - end of year	<u>\$28,698</u>	<u>\$2,346</u>	<u>\$3,500</u>	<u>\$34,545</u>

See accompanying notes to financial statements

Camp Fire USA Central Ohio Council, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2012

	<u>Program Service</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, payroll taxes and benefits	\$148,391	\$39,521	\$5,978	\$193,890
Professional fees	3,997	15,150		19,147
Camp and office supplies	33,372	1,936		35,308
Telephone and communications	1,687	2,482		4,169
Office expense	1,264	3,917		5,181
Occupancy	24,224	6,595		30,819
Insurance	2,705	5,676		8,381
Charter fee and dues	8,329			8,329
Transportation, conference and meeting	3,025	108	2,870	6,003
Bank fees and interest	2,466	2,045		4,511
Depreciation	4,744			4,744
Publicity	8,069			8,069
	<u>\$242,273</u>	<u>\$77,430</u>	<u>\$8,848</u>	<u>\$328,551</u>

See accompanying notes to financial statements

Camp Fire USA Central Ohio Council, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2012

Cash Flows From Operating Activities

Increase in Net Assets	\$1,467
Adjustments to reconcile increase in net assets to cash provided by operating activities:	
Depreciation	4,744
Prepaid expenses and deposits	942
Contributions receivable	20,619
Accounts payable and accrued liabilities	(2,352)
Net Cash Provided by Operations	<u>25,420</u>

Cash Flows From Financing Activities

Decrease in notes payable	(4,809)
Net Cash Used by Financing Activities	<u>(4,809)</u>

Cash Flows From Investing Activities

Increase in property and equipment	(82,904)
Net Cash Used by Investing Activities	<u>(82,904)</u>
Decrease in cash	<u>(62,293)</u>

Cash Beginning of Year 80,503

Cash End of Year \$18,210

See accompanying notes to financial statements

Camp Fire USA Central Ohio Council, Inc.
Notes to Financial Statements
For the Years Ending December 31, 2012

NOTE A - COUNCIL AND PURPOSE

Camp Fire USA Central Ohio Council, Inc. (the Council) was founded in 1913 and is affiliated with Camp Fire USA, a national 501(c)(3) nonprofit Organization. Camp Fire USA was founded in 1910 as America's first nonsectarian, interracial Council for girls and in 1975 expanded services to include boys. Camp Fire's mission is to build caring, confident youth and future leaders. The mission is achieved through delivering evidence-based programming in Camp Fire clubs, before and after school educational programs, day camp, and various residential camp experiences encompassing Camp Fire's twelve core values.

The Council's main programs include:

Day and Resident Camps

The Council owns Camp Wyandot, a resident camp located in the Hocking Hills. Founded by the Council in 1928, Camp Wyandot is a fun, educational, and nurturing place where all children ages 8-18, no matter their backgrounds, are welcomed. As evidenced by a returning camper rate of about 60%, which is higher than the national average, kids enjoy and benefit from the camp experience. Parents report the following impact on their children after attending camp: they return home energized; they have improved confidence and self-esteem; they learn responsibility and independence; they get exercise in the outdoors, and they learn to live without electronic games, cell phones and TV. Parents view the camp as a safe, nurturing place where their children have new experiences, meet new friends and learn skills that will last a lifetime.

The Council sponsors a day camp at Highbanks Metro Park north of Columbus. The camp is held for eight weeks and offers after care for children.

Camp Fire Kids

The council provided before and after school care and Camp Fire programming at two charter schools in 2012.

Camp Fire Clubs

Camp Fire clubs are community based clubs organized and run by adult volunteers. In addition to club meetings once a month, participants can enjoy special programs at Camp Wyandot and events such as camp-outs, field trips, progressing through ranks, collecting emblems, and showcasing their talents in the state fair.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

BASIS OF REPORTING AND PRESENTATION

The financial statements of the Council have been prepared on the accrual basis. The preparation of the 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. Actual results could differ from those estimates. The significant accounting policies followed are described below to enhance the usefulness of the statements to the reader.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS AND CREDIT RISKS

Cash and cash equivalents include cash on hand, bank checking accounts, and savings accounts.

PROPERTY, EQUIPMENT, AND DEPRECIATION

Property and equipment purchased by the Council are carried at cost or, if donated, at fair market value on the date of donation. The Council follows the practice of capitalizing all expenditures for property and equipment over \$1,000 with a useful life in excess of one year. Property and equipment are depreciated using the straight-line method, half-year convention. All office furniture and equipment have been estimated to have a remaining useful life of three to five years. All buildings have been estimated to have useful lives of thirty years. Expenditures for maintenance and repairs are charged to expense as incurred.

NET ASSETS

Financial statements report amounts separately by class of net assets:

- *Unrestricted net assets* represent resources over which the Board of Directors has discretionary control and are used to carry out the Council's operations in accordance with its bylaws and exempt purposes.
- *Temporarily restricted net assets* represent funds stipulated for specific operating purposes and those not currently available for use until commitments regarding their use have been fulfilled.
- *Permanently restricted net assets* would be those contributed with donor restrictions requiring they be held in perpetuity.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES - Continued

SUPPORT, REVENUE, AND RECLASSIFICATIONS

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to the Council. The Council reports funds as restricted if they are received with stipulations that limit the use of the funds. When a stipulated time restriction ends or purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as satisfaction of purpose restrictions.

EXPENSES

Expenses are reported when costs are incurred. The cost of providing the various program services and supporting activities has been presented on a functional basis. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Expenses are generally charged to functional departments as incurred for the various activities.

UNCERTAIN TAX POSITIONS

The Council follows the provisions of the *Income Tax* topic of the FASB ASC. These provisions clarify the accounting for uncertainty in income tax positions and prescribe guidance related to the combined financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The tax benefit from an uncertain tax position is only recognized in the combined statements of financial position if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Interest and penalties, if any, are included in expenses in the combined statements of activities. As of December 31, 2012, the Council had no uncertain tax positions that qualify for recognition or disclosure in the combined financial statements.

The Council has evaluated its tax position for all open tax years. Currently the tax years open and subject to examination by the Internal Revenue Service are the 2009, 2010 and 2011 tax years. However the Council is not currently under audit nor has the Council been contacted by any jurisdiction. Based on the evaluation of the Council's tax positions, management believes all tax positions taken would be upheld under an examination. Therefore no provision for the effects of uncertain tax positions have been recorded for the year ended December 31, 2012.

The Council is a tax-exempt organization under Section 501 (c) (3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the financial statements.

AFFILIATED ORGANIZATIONS

Camp Fire USA Central Ohio Council, Inc. is affiliated with Camp Fire USA, a national 501(c)(3) nonprofit organization. At December 31, 2013 the Council had charter fees payable to Camp Fire USA of \$89,658 and had charter fee expense of \$6,451 during the year ended December 31, 2012. See Note H.

NOTE C – PROPERTY AND EQUIPMENT

Property and equipment are carried on the books at historical cost for items purchased or assigned cost for donated items, with the appropriate accumulated depreciation. The depreciation charged against net assets consists of the amount required to write down the original cost of fixed assets to a residual value over their estimated useful lives. It is the Council's policy to capitalize property and equipment of \$1,000 or higher. Lesser amounts are expensed as period costs.

The straight-line depreciation method is used by the Council with useful lives of buildings at 20 years and fixtures, furniture and equipment ranging from 3 to 10 years.

Fixed assets consist of the following:

	<u>2012</u>
Land	\$4,821
Buildings	326,944
Fixtures, furniture, & equipment	45,389
Total	<u>377,154</u>
Less: accumulated depreciation	(255,241)
Net	<u><u>\$121,913</u></u>

Depreciation expense for the year ending December 31, 2012 was \$4,744.

NOTE D –NOTES AND CREDIT CARDS PAYABLE

On December 31, 2012 the Council had \$6,000 in non-interest bearing notes payable to supporters of the Council and a \$500 note with a 5% interest rate.

The Council has bank credit cards with a total credit limit of \$12,000. There was no balance due on these cards at December 31, 2012.

NOTE E - RESTRICTED NET ASSETS

Temporarily restricted net assets are available for:

Capital improvements to Camp Wyandot	\$2,346
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Permanently restricted net assets are available for:

Endowment fund providing investment earnings to support the operation of Camp Wyandot	\$3,500
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NOTE F - CONCENTRATION OF CREDIT RISK

The Council places some of its temporary cash and money market accounts with creditworthy, high-quality financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

NOTE G – IN-KIND REVENUE

The Council had \$9,250 in in-kind contributions for the year ended December 31, 2012. The contributions were for donated legal fees which were expensed and for construction of improvements which were capitalized.

NOTE H - SUBSEQUENT EVENTS

In January, 2013, the Council ceased the Camp Fire Kids program, a before and after school program. The program was not financially viable.

As of April 24, 2013, Camp Fire USA Central Ohio Council, Inc. became an independent organization and is no longer affiliated with Camp Fire USA. After the disaffiliation, the name was changed to Camp Wyandot Inc. and the corporation registration with the Ohio Secretary of State was restated. The by-laws were also amended and restated. The federal EIN remains the same. The Council continued with the same board and staff. All assets, including the camp, remain with Camp Wyandot Inc. As part of the disaffiliation with Camp Fire USA \$35,000 was paid as a settlement for past due charter fees and interest to them and the balance of the liability to them, \$55,069, was forgiven. Debt of \$25,000 was incurred to pay the settlement, demand loans of \$5,000 each from five individuals. The balance of the settlement, \$10,000, was paid for with donations.

NOTE I - DONATED SERVICES

The Council receives volunteer services that are not recordable under generally accepted accounting principles. A substantial number of volunteers have donated a significant amount of time in the Council's program services. The value of volunteer services is not disclosed as no objective basis is available to measure the value of such services.