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**CAMP FIRE HEART OF OKLAHOMA, INC.
AND CAMP DAKANI FOUNDATION**

 **ENGELBACH
ROBERTS & CO. PLLC**
CERTIFIED PUBLIC ACCOUNTANTS

Combing Financial
Statements with
Independent
Auditor' Report

For the Year Ended
August 31, 2019



INDEPENDENT AUDITORS' REPORT

The Board of Directors of
Camp Fire Heart of Oklahoma, Inc.
and Camp DaKaNi Foundation
Oklahoma City, Oklahoma

We have audited the accompanying combining financial statements of Camp Fire Heart of Oklahoma, Inc. and Camp DaKaNi Foundation, which comprise the combining statement of financial position as of August 31, 2019, and the related combining statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to combining 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 combining financial statements referred to above present fairly, in all material respects, the financial position of Camp Fire Heart of Oklahoma, Inc. and Camp DaKaNi Foundation as of August 31, 2019, 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.

Engelke Roberts & Co. PLLC
Certified Public Accountants

Oklahoma City, Oklahoma
March 26, 2020

CAMP FIRE HEART OF OKLAHOMA, INC. AND
CAMP DAKANI FOUNDATION
COMBINING STATEMENT OF FINANCIAL POSITION
August 31, 2019

	Camp Fire Heart of Oklahoma, Inc.	Camp DaKaNi Foundation	Combined Total
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents (interest-bearing \$75,650)	\$ 142,008	\$ 242	\$ 142,250
Accounts receivable - United Way	201,289		201,289
Accounts receivable - other	19,690		19,690
Prepaid expenses	6,290		6,290
Inventories	16,230		16,230
	<u>385,507</u>	<u>242</u>	<u>385,749</u>
Total current assets			
Long term assets:			
Property and equipment, less accumulated depreciation of \$585,358 (Note 4)		304,382	304,382
Beneficial interest in assets held by others (Note 3)	131,624		131,624
Oil & gas mineral interest, less accumulated depletion of \$7,585	65,082		65,082
	<u>196,706</u>	<u>304,382</u>	<u>501,088</u>
Total long term assets			
	<u>\$ 582,213</u>	<u>\$ 304,624</u>	<u>\$ 886,837</u>
Total assets			
<u>LIABILITIES AND NET ASSETS</u>			
Current liabilities:			
Accounts payable	\$ 23,568	\$	\$ 23,568
Payroll taxes payable	15,637		15,637
	<u>39,205</u>		<u>39,205</u>
Total current liabilities			
	<u>39,205</u>		<u>39,205</u>
Total liabilities			
Net assets:			
Without donor restrictions	141,671	304,624	446,295
With donor restrictions (Note 5)	401,337		401,337
	<u>543,008</u>	<u>304,624</u>	<u>847,632</u>
Total net assets			
	<u>\$ 582,213</u>	<u>\$ 304,624</u>	<u>\$ 886,837</u>
Total liabilities and net assets			

See notes to combining financial statements.

CAMP FIRE HEART OF OKLAHOMA, INC.
AND CAMP DAKANI FOUNDATION
COMBINING STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2019

	<u>Camp Fire Heart of Oklahoma, Inc.</u>	<u>Camp DaKaNi Foundation</u>	<u>Total</u>
Changes in net assets without donor restrictions:			
Revenue, gains and other support:			
Contributions	\$ 48,076	\$ 252	\$ 48,328
Grants	45,932		45,932
Program fees	452,280		452,280
Candy sales, net of direct expenses of \$37,675	25,137		25,137
Merchandise sales, net of costs of \$5,348	17,185		17,185
Rental income	4,610		4,610
Investment income	14,662		14,662
Royalties, net of depletion of \$788	4,464		4,464
	<u>612,346</u>	<u>252</u>	<u>612,598</u>
Net assets released from restrictions	<u>353,967</u>		<u>353,967</u>
Total revenue, gains, and other support	<u>966,313</u>	<u>252</u>	<u>966,565</u>
Expenses:			
Program services	667,759		667,759
Management and general	95,870	30,386	126,256
Fundraising	89,364	40,000	129,364
Total functional expenses	<u>852,993</u>	<u>70,386</u>	<u>923,379</u>
Increase (decrease) in net assets without donor restrictions	<u>113,320</u>	<u>(70,134)</u>	<u>43,186</u>
Changes in net assets with donor restrictions:			
Contributions	20,470		20,470
United Way	255,841		255,841
Grants	93,093		93,093
Unrealized gain (loss) on beneficial interest	(3,124)		(3,124)
In-kind donation	1,000		1,000
Net assets released from restrictions	<u>(353,967)</u>		<u>(353,967)</u>
Increase (decrease) in net assets with donor restrictions	<u>13,313</u>		<u>13,313</u>
Increase (decrease) in total net assets	<u>126,633</u>	<u>(70,134)</u>	<u>56,499</u>
Net assets, beginning of year:			
Net assets without donor restrictions	403,109		403,109
Net assets with donor restrictions	<u>388,024</u>		<u>388,024</u>
Total net assets, beginning of year	<u>791,133</u>		<u>791,133</u>
Transfer of assets to Camp DaKaNi Foundation (Note 8)	<u>(374,758)</u>	<u>374,758</u>	
Net assets, end of year:			
Net assets without donor restrictions	141,671	304,624	446,295
Net assets with donor restrictions	<u>401,337</u>		<u>401,337</u>
Total net assets, end of year	<u>\$ 543,008</u>	<u>\$ 304,624</u>	<u>\$ 847,632</u>

See notes to combining financial statements.

CAMP FIRE HEART OF OKLAHOMA, INC.
AND CAMP DAKANI FOUNDATION
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended August 31, 2019

	Program Services			Supporting Services			Total Program and Supporting Services
	Camps and Outdoor Education	Outreach	Community Programs	Total Program Services	Management and General	Fundraising	
Camp Fire Heart of Oklahoma, Inc.:							
Salaries	\$ 250,880	\$ 25,683	\$ 50,958	\$ 327,521	\$ 63,165	\$ 57,494	\$ 448,180
Payroll taxes	20,856	660	4,079	25,595	5,552	2,741	33,888
Workers comp insurance	4,522	382	894	5,798	683	43	6,524
Employee benefits	18,001	287	2,983	21,271	4,373	2,319	27,963
Total personnel costs	294,259	27,012	58,914	380,185	73,773	62,597	516,555
Occupancy	44,710	6,672	6,041	57,423	1,151	575	59,149
Charter fees	24,577	5,289	5,210	35,076			35,076
Professional fees	11,193	504	1,130	12,827	15,428	153	28,255
Maintenance and repairs	20,734	254	70	21,058	94	50	21,305
Dues and subscriptions	5,732	362	342	6,436	749	2,889	7,235
Marketing	13,960	465	383	14,808	3,795	980	17,697
Office expenses	23,265	2,037	1,734	27,036			31,811
Food	56,637	944	1,544	59,125	70		59,125
General supplies	9,721	4,130	1,394	15,245			15,315
Community projects		4,632		4,632			4,632
Events	25	279		304		20,919	21,223
Conferences and meetings	11,222	1,056	3,136	15,414	278	179	15,871
Bank and credit card fees	10,919	218		11,137	595	795	12,527
Miscellaneous	5,166	1,228	659	7,053	(63)	227	7,217
Total Camp Fire Heart of Oklahoma, Inc.	532,120	55,082	80,557	667,759	95,870	89,364	852,993
Camp DaKaNi Foundation:							
Bank fees					10		10
Professional fees					30,376	40,000	40,000
Depreciation							30,376
Total Camp DaKaNi Foundation					30,386	40,000	70,386
Total functional expenses	\$ 532,120	\$ 55,082	\$ 80,557	\$ 667,759	\$ 126,256	\$ 129,364	\$ 923,379

See notes to combining financial statements.

CAMP FIRE HEART OF OKLAHOMA, INC.
AND CAMP DAKANI FOUNDATION
COMBINING STATEMENT OF CASH FLOWS
August 31, 2019

Cash flows from operating activities:	
Cash received from donors	\$ 68,798
Cash received from grants and awards	393,136
Cash received from program fees	452,280
Cash received from fundraising	42,322
Cash received from camp rentals	4,610
Cash received from investments and royalties	19,126
Cash paid to employees and vendors	<u>(867,973)</u>
Net cash provided (used) by operating activities	<u>112,299</u>
Cash flows from investing activities:	
Purchase of property and equipment	<u>(16,397)</u>
Net cash provided (used) by investing activities	<u>(16,397)</u>
Net increase (decrease) in cash	95,902
Cash at beginning of year	<u>46,348</u>
Cash at end of year	<u><u>\$ 142,250</u></u>
Supplemental schedule of noncash operating activities:	
Fair market value of donated goods and services received	<u><u>\$ 1,000</u></u>

See notes to combining financial statements.

CAMP FIRE HEART OF OKLAHOMA, INC.
AND CAMP DAKANI FOUNDATION
NOTES TO COMBINING FINANCIAL STATEMENTS
For the Year Ended August 31, 2019

1. Organization and Summary of Significant Accounting Policies

Organization - The accompanying combining financial statements include the accounts of Camp Fire Heart of Oklahoma, Inc. (the Council) and Camp DaKaNi Foundation (the Foundation) (collectively the Organization).

Camp Fire Heart of Oklahoma, Inc. is a not-for-profit corporation established in 1929 under the laws of the State of Oklahoma. The Council is a chartered council of Camp Fire National Headquarters. The relationship is governed by a Charter Contract between the Organization and National Headquarters. The purpose of the Council is to seek to improve those conditions in society which affect youth, to serve as a chartered Organization of National Headquarters, and to develop, manage, promote, and maintain Camp Fire programming throughout the Council's jurisdiction in conformance with Camp Fire requirements and the Charter Contract.

Camp DaKaNi Foundation is a not-for-profit corporation established in 2018 under the laws of the State of Oklahoma. The purposes of the Foundation are to support, own, and maintain Camp DaKaNi.

Description of Programs

Camps and Outdoor Education - Includes Camp DaKaNi summer day camp, resident camp, holiday break camps, Camp CANOE (Children with Autism Need Outdoor Experiences), and Outdoor Classroom. These programs provide youth the opportunity to explore nature, interact with peers, participate in physical and creative activities, and self-discovery through play. Outdoor Classroom allows teachers to bring their students on site to experience STEM activities in conjunction with what they are learning in the classroom.

Outreach - Club programs encourage youth to connect with each other, older adult mentors, their families, their friends, and their communities through age appropriate activities and service learning opportunities. Club programming provides consistent opportunities for children to stay engaged through their journey of growing up from ages 4-18. Our Clubs reach past the metro to Perry and Ardmore.

CAMP FIRE HEART OF OKLAHOMA, INC.
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NOTES TO COMBINING FINANCIAL STATEMENTS

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For the Year Ended August 31, 2019

Community Programs - Community programs encompass our After School and Teen programs. After School is offered in educational facilities throughout the metro and provides STEM opportunities on site after school. In our TEEN program, young adults are given opportunities to practice leadership and mentoring. They participate in a Rugged Outdoor Challenge quarterly in which a group of young adults gets to plan the entire weekend excursion outside of the city to camp, kayak, rappel, hike, and more. Teen engagement opportunities foster self-confidence and leadership qualities.

Financial Statement Presentation - The Organization's financial statements are presented on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles for not-for-profit organizations, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Contributions - The Organization reports support in conformity with U.S. generally accepted accounting principles for not-for-profit organizations. Contributions, including unconditional promises to give are recognized as revenues in the period received or promised and are reported as without donor restrictions or with donor restrictions, dependent on the existence or absence of any donor restrictions.

In-Kind Contributions - In-kind support for contributed services is recognized if those 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 Camp Fire's program activities 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.

CAMP FIRE HEART OF OKLAHOMA, INC.
AND CAMP DAKANI FOUNDATION
NOTES TO COMBINING FINANCIAL STATEMENTS

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For the Year Ended August 31, 2019

Camp Fire 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.

Use of Estimates - The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reporting amounts and disclosures. Accordingly, actual amounts could differ from those estimated.

Property and Equipment - The Organization capitalizes property and equipment with cost or fair market value at date of contribution of \$500 or more. Depreciation has been provided on the straight line method. Lives generally used are:

Buildings	15-39 years
Furniture and equipment	5-10 years
Vehicles	3-5 years

Land and building assets donated near the beginning of the Organization's history are not included in property and equipment as the cost is unavailable. The original cost of these items is believed by management to be immaterial to the financial statements.

Functional Expense Allocation - The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain indirect 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.

Merchandise Inventory - Merchandise inventory consists of books, uniforms, badges, clothing apparel, bags, and other miscellaneous items. Inventories are recorded at cost and are maintained on the first-in first-out basis of accounting.

CAMP FIRE HEART OF OKLAHOMA, INC.
AND CAMP DAKANI FOUNDATION
NOTES TO COMBINING FINANCIAL STATEMENTS

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For the Year Ended August 31, 2019

Income Taxes - The Organization has been recognized by the IRS as a not-for-profit corporation, by way of the Group Exemption of Camp Fire National Headquarters, as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal income taxes on related income pursuant to Section 501(a) of the IRC.

The Organization evaluates and accounts for their uncertain tax positions, if any, in accordance with GAAP, including the Organization's tax position as a tax-exempt not-for-profit entity. Through the Organization's evaluation of its uncertain tax positions, management has determined no uncertain tax positions exist as of August 31, 2019, which would require the Organization to record a liability in its financial statements. Camp Fire's exempt returns for years ended before August 31, 2016, are no longer subject to examination by taxing authorities.

Cash and Cash Equivalents - For purposes of the statement of cash flows, only deposits subject to immediate withdrawal and highly liquid investments with maturities of three months or less when purchased are considered to be cash equivalents.

Date of Management Evaluation - Management of the Organization has evaluated subsequent events through March 26, 2020, which is the date the financial statements were available to be issued, and determined that no subsequent events have occurred that require adjustment to or disclosure in the financial statements.

New Accounting Pronouncement - On August 18, 2016 the Financial Accounting Standards Board (FASB) issued ASU 2016-14, "*Not-for-Profits Entities (Topic 958) - Presentation of Financial Statements for Not-for-Profit Entities*". The update addresses the complexity and understandability of net asset classifications, deficiencies in information about liquidity and availability of resources, and lack of consistency in the type of information provided about expense and investment return. The Organization has adjusted the presentation of these statements accordingly.

CAMP FIRE HEART OF OKLAHOMA, INC.
AND CAMP DAKANI FOUNDATION
NOTES TO COMBINING FINANCIAL STATEMENTS

(Continued)

For the Year Ended August 31, 2019

2. Availability and Liquidity

The following represents the combining financial assets at August 31, 2019 of Camp Fire Heart of Oklahoma, Inc. and Camp DaKaNi Foundation that are available to meet general expenditures over the next twelve months:

Financial assets available to meet cash needs for general expenditures within one year:	
Cash and cash equivalents	\$142,250
Accounts receivable - United Way	201,289
Accounts receivable - other	19,690
Prepaid expenses	<u>22,342</u>
Total	<u><u>\$385,571</u></u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

3. Endowed Funds Held by Oklahoma City Community Foundation

The Organization is the beneficiary of a designated agency endowment fund held by the Oklahoma City Community Foundation, Inc. (The Foundation). This endowment was established with funds contributed by Camp Fire Heart of Oklahoma, Inc. and other third-party donors. Under the terms of the Foundation's designated fund policies, the Foundation has variance power over these assets. The total endowment fund balance at August 31, 2019 was \$290,933. The endowed funds contributed by Camp Fire Heart of Oklahoma, Inc. and the earnings thereon, net of distributions received, are reflected as endowed funds held by the Foundation and are recorded at \$131,624 at August 31, 2019. The endowed funds contributed by third-party donors held by the Foundation designated for the benefit of Camp Fire Heart of Oklahoma, Inc. were approximately \$159,309 at August 31, 2019, and are not reflected in Camp Fire Heart of Oklahoma, Inc.'s statement of financial position.

CAMP FIRE HEART OF OKLAHOMA, INC.
AND CAMP DAKANI FOUNDATION
NOTES TO COMBINING FINANCIAL STATEMENTS
(Continued)
For the Year Ended August 31, 2019

The following schedule summarizes the investment return on the funds held by the Oklahoma City Community Foundation for the year ended August 31, 2019:

Distributions	\$14,190
Net unrealized gain/(loss)	<u>(3,124)</u>
 Total	 <u><u>\$11,066</u></u>

4. Land, Buildings and Equipment

The cost of property and equipment at August 31, 2019, were as follows:

Land	\$50,006
Buildings	679,227
Furniture and fixtures	156,007
Vehicles	<u>4,500</u>
	889,740
Less accumulated depreciation	<u>585,358</u>
 Net	 <u><u>\$304,382</u></u>

Depreciation expense for the year ended August 31, 2019 was \$30,376.

5. Restrictions on Assets

	<u>2019</u>
Time or purpose restricted net assets are available for the following purposes:	
United Way, future funding	\$253,007
Ardmore after school STEM	8,916
Camp scholarships	<u>7,790</u>
	<u><u>\$269,713</u></u>

CAMP FIRE HEART OF OKLAHOMA, INC.
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For the Year Ended August 31, 2019

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Perpetual restricted net assets are restricted to:
Beneficial interest held by others, income from
which is expendable to support program activities \$131,624

6. Related Party Transactions

Camp Fire National assists the numerous Camp Fire councils nationally in improving organizational performance so they are better equipped to effectively deliver high quality programs and achieve the Camp Fire Promise. The Council is charged a monthly charter fee, which totaled \$35,076 for the year ended August 31, 2019.

7. Fair Value of Financial Instruments

The Organization discloses the estimated fair value for all financial instruments in conformity with U.S. generally accepted accounting principles (GAAP). The fair values reported below for financial instruments were based on a variety of factors. Accordingly, the fair values may not represent actual values of the financial instruments that could have been realized as of August 31, 2019, or that will be realized in the future.

GAAP establishes the fair value hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. This hierarchy consists of three broad levels: Level 1 - Quoted Prices in Active Markets for Identical Assets, Level 2 - Significant Other Observable Inputs, and Level 3 - Significant Unobservable Inputs. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its assets and liabilities.

CAMP FIRE HEART OF OKLAHOMA, INC.
AND CAMP DAKANI FOUNDATION
NOTES TO COMBINING FINANCIAL STATEMENTS

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For the Year Ended August 31, 2019

Fair Value on a Recurring Basis

The Organization's financial instruments at August 31, 2019 were as follows:

	<u>Fair Value/ Estimated Market Value and Carrying Amount</u>
Cash and cash equivalents	\$142,250
Assets held by others (OKC Community Foundation)	\$131,624
Oil & gas mineral interest	\$65,082

A description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below. These valuation methodologies were applied to all of the Organization's financial assets and financial liabilities carried at fair value.

The carrying amount of cash and cash equivalents approximates fair value because of their short maturity and is measured using Level 1 inputs.

The assets held by the Oklahoma City Community Foundation are funds that are pooled with other funds held by the Foundation and invested in various investment accounts. The value of the Organization's investment is equal to the principal amount plus earnings net of distributions and is measured using Level 2 inputs.

The fair value of the Organization's mineral rights was established during the fiscal year ended August 31, 2013 and has been adjusted for depletion based upon 15% of the royalty income during the current fiscal year. The fair value of mineral rights is classified as Level 3 within the valuation hierarchy.

CAMP FIRE HEART OF OKLAHOMA, INC.
AND CAMP DAKANI FOUNDATION
NOTES TO COMBINING FINANCIAL STATEMENTS

(Continued)

For the Year Ended August 31, 2019

	Fair Value	Fair Value Level
<u>2019:</u>		
Cash and cash equivalents	\$142,250	(1)
Assets held by others	\$131,624	(2)
Mineral interest	\$65,082	(3)
		Fair Value Measurements Using Significant Unobservable Input (Level 3)
Beginning balance		\$65,870
Depletion		(788)
Ending balance		\$65,082

8. During the fiscal year the following assets were transferred from Camp Fire Heart of Oklahoma, Inc. to Camp DaKaNi Foundation:

Property and equipment at historical cost	\$889,740
Less accumulated depreciation	(554,982)
	334,758
Cash	40,000
Total	\$374,758