CAMP FIRE

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

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YEARS ENDED JUNE 30, 2020 AND 2019

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

National Board of Trustees
Camp Fire
Kansas City, Missouri

We have audited the accompanying financial statements of Camp Fire, which comprise the statements of financial position as of June 30, 2020 and 2019, 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Camp Fire as of June 30, 2020 and 2019, 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, management has adopted Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* Our opinion is not modified with respect to this matter.

CliftonLarsonAllen LLP

St. Joseph, Missouri
December 15, 2020

CAMP FIRE
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 956,543	$ 995,374
Investments	602,420	610,009
Charter Fees Receivable, Net	86,360	200,753
Pledges Receivable	48,960	36,612
United Way Receivable	33,048	58,710
Grants Receivable, Net	6,058	1,436,538
Merchandise Inventory, Net	1,364	1,407
Prepaid Expenses	12,844	27,110
Other Receivables	31,917	40,609
Total Current Assets	1,779,514	3,407,122
PROPERTY AND EQUIPMENT		
Land	10	10
Monument	25,000	25,000
Building Improvements	7,805	7,805
Furniture, Fixtures, and Equipment	248,368	251,007
Total, at Cost	281,183	283,822
Less: Accumulated Depreciation	235,911	225,715
Total Property and Equipment, Net	45,272	58,107
OTHER ASSETS		
Long-Term Charter Fees Receivable, Net	38,953	73,445
Long-Term Pledges Receivable, Net	36,390	65,117
Long-Term Grants Receivable, Net	-	504,808
Intangible Assets, Net	146,154	165,513
Beneficial Interest in Perpetual Trust	828,683	876,249
Total Other Assets	1,050,180	1,685,132
Total Assets	$ 2,874,966	$ 5,150,361

See accompanying Notes to Financial Statements.

CAMP FIRE
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2020 AND 2019

LIABILITIES AND NET ASSETS	2020	2019
CURRENT LIABILITIES		
Accounts Payable	$ 9,250	$ 131,309
Accrued Liabilities	101,955	134,091
Line of Credit	-	249,360
Current Portion of Note Payable	179,351	24,735
Deferred Revenues	130,492	132,599
Total Current Liabilities	421,048	672,094
LONG-TERM LIABILITIES		
Note Payable, Less Current Portion	569,660	365,619
Total Liabilities	990,708	1,037,713
NET ASSETS		
Without Donor Restrictions:		
General Operating	(461,352)	(416,196)
Board-Designated	818,826	623,030
Total Without Donor Restrictions	357,474	206,834
With Donor Restrictions:		
Time Restrictions	108,398	160,439
Purpose Restrictions	589,703	2,869,126
Perpetual in Nature	828,683	876,249
Total With Donor Restrictions	1,526,784	3,905,814
Total Net Assets	1,884,258	4,112,648
Total Liabilities and Net Assets	$ 2,874,966	$ 5,150,361

See accompanying Notes to Financial Statements.

CAMP FIRE
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2020 AND 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND PUBLIC SUPPORT						
Contributions and Grants	$ 101,290	$ 33,383	$ 134,673	$ 105,814	$ 140,914	$ 246,728
United Way Contributions	5,682	39,658	45,340	5,466	70,452	75,918
Designated Contributions and Grants	37,763	156,442	194,205	205,144	2,244,202	2,449,346
Contribution of Net Assets, Net of Losses	6,450	-	6,450	56,342	-	56,342
Contractual Services	80,545	-	80,545	5,331	-	5,331
Contributed Goods, Services, and Travel	19,815	-	19,815	911	-	911
Royalties and License Fees	16,294	-	16,294	29,790	-	29,790
Charter and Community Partner Fees	1,308,673	-	1,308,673	1,297,565	-	1,297,565
Conferences and Program Services	62,699	-	62,699	190,872	-	190,872
Sales of Inventory, Net of Cost of Sales of $163 for 2020 and $201 for 2019	233	-	233	229	-	229
Investment Income - Net	12,073	1,617	13,690	19,447	4,401	23,848
Investment Income - Perpetual Trust	40,000	-	40,000	33,750	-	33,750
Unrealized Gain (Loss) on Investments, Net	15,930	-	15,930	9,834	(7,768)	2,066
Change in Value of Beneficial Interest in Perpetual Trust	-	(47,566)	(47,566)	-	12,322	12,322
Gain (Loss) on Sale of Property and Equipment	(44)	-	(44)	2,774	-	2,774
Rental Income	78,142	-	78,142	68,822	-	68,822
Other Income	1,623	-	1,623	1,486	-	1,486
Net Assets Released from Restrictions	2,562,564	(2,562,564)	-	2,003,624	(2,003,624)	-
Total Revenues, Gains, and Public Support	4,349,732	(2,379,030)	1,970,702	4,037,201	460,899	4,498,100
EXPENSES						
Program Services:						
Programs for Youth	1,619,202	-	1,619,202	1,354,071	-	1,354,071
Services to Councils	1,235,473	-	1,235,473	750,365	-	750,365
Community Relations	337,998	-	337,998	413,848	-	413,848
Total Program Services	3,192,673	-	3,192,673	2,518,284	-	2,518,284
Support Services:						
Fundraising	601,980	-	601,980	736,595	-	736,595
Management and General Administration	404,439	-	404,439	587,287	-	587,287
Total Support Services	1,006,419	-	1,006,419	1,323,882	-	1,323,882
Total Expenses	4,199,092	-	4,199,092	3,842,166	-	3,842,166
CHANGES IN NET ASSETS	150,640	(2,379,030)	(2,228,390)	195,035	460,899	655,934
Net Assets - Beginning of Year	206,834	3,905,814	4,112,648	11,799	3,444,915	3,456,714
NET ASSETS - END OF YEAR	$ 357,474	$ 1,526,784	$ 1,884,258	$ 206,834	$ 3,905,814	$ 4,112,648

See accompanying Notes to Financial Statements.

CAMP FIRE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

	Program Services				Supporting Services			
	Programs for Youth	Services to Councils	Community Relations	Total Program Services	Fundraising	Management and General Administration	Total Supporting Services	Total Functional Expenses
EXPENSES								
Salaries and Wages	$ 379,669	$ 405,259	$ 157,179	$ 942,107	$ 379,385	$ 212,951	$ 592,336	$ 1,534,443
Benefits	39,171	28,264	13,053	80,488	16,879	15,401	32,280	112,768
Payroll Taxes	31,951	33,405	12,246	77,602	33,614	17,528	51,142	128,744
Total Salaries and Related Expenses	450,791	466,928	182,478	1,100,197	429,878	245,880	675,758	1,775,955
Payments and Products to Councils	569,835	412,312	2,500	984,647	30,000	-	30,000	1,014,647
Professional Fees and Contract Services	432,619	59,122	83,505	575,246	49,242	40,374	89,616	664,862
Travel, Conferences, and Meetings	91,693	38,482	409	130,584	23,859	6,989	30,848	161,432
Telephone and Other Communication	5,777	6,511	1,931	14,219	6,179	8,537	14,716	28,935
Occupancy	36,540	69,184	21,951	127,675	28,334	47,048	75,382	203,057
Depreciation and Amortization	3,952	21,531	1,101	26,584	3,801	1,765	5,566	32,150
Equipment Rental and Maintenance	1,637	1,645	590	3,872	2,036	7,008	9,044	12,916
Supplies and Office Expenses	9,550	1,222	1,800	12,572	-	1,186	1,186	13,758
Publications and Printing	2,311	1,940	13,400	17,651	5,794	-	5,794	23,445
Postage and Shipping	578	739	797	2,114	1,445	392	1,837	3,951
Insurance	6,695	12,502	2,331	21,528	8,048	3,739	11,787	33,315
Interest Expense and Bank Fees	1,624	254	-	1,878	779	30,245	31,024	32,902
Membership Dues and Subscriptions	2,710	1,846	12,955	17,511	4,922	5,094	10,016	27,527
Bad Debt and Charter Fee Relief	2,830	133,755	-	136,585	7,613	6,067	13,680	150,265
Donated Goods and Services	-	7,500	12,250	19,750	50	15	65	19,815
Miscellaneous	60	-	-	60	-	100	100	160
Total Expenses	$ 1,619,202	$ 1,235,473	$ 337,998	$ 3,192,673	$ 601,980	$ 404,439	$ 1,006,419	$ 4,199,092

See accompanying Notes to Financial Statements.

CAMP FIRE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	Program Services				Supporting Services			
	Programs for Youth	Services to Councils	Community Relations	Total Program Services	Fundraising	Management and General Administration	Total Supporting Services	Total Functional Expenses
EXPENSES								
Salaries and Wages	$ 589,500	$ 349,524	$ 223,793	$ 1,162,817	$ 429,109	$ 228,715	$ 657,824	$ 1,820,641
Benefits	43,766	26,798	16,908	87,472	21,912	16,850	38,762	126,234
Payroll Taxes	56,180	27,395	15,272	98,847	35,278	18,335	53,613	152,460
Total Salaries and Related Expenses	689,446	403,717	255,973	1,349,136	486,299	263,900	750,199	2,099,335
Payments and Products to Councils	180,851	96,800	-	277,651	-	-	-	277,651
Professional Fees and Contract Services	285,724	17,071	83,415	386,210	102,896	196,435	299,331	685,541
Travel, Conferences, and Meetings	41,294	39,384	12,698	93,376	76,037	27,263	103,300	196,676
Telephone and Other Communication	13,999	4,969	2,624	21,592	6,204	8,464	14,668	36,260
Occupancy	71,176	39,304	30,689	141,169	14,711	34,302	49,013	190,182
Depreciation and Amortization	8,445	17,982	1,703	28,130	3,860	1,915	5,775	33,905
Equipment Rental and Maintenance	2,251	823	539	3,613	1,222	6,426	7,648	11,261
Supplies and Office Expenses	13,092	4,381	2,055	19,528	1,221	6,989	8,210	27,738
Publications and Printing	10,144	131	6,023	16,298	14,348	127	14,475	30,773
Postage and Shipping	3,073	1,025	644	4,742	4,259	703	4,962	9,704
Insurance	23,486	3,736	2,447	29,669	5,549	2,756	8,305	37,974
Interest Expense and Bank Fees	5,235	205	-	5,440	223	27,943	28,166	33,606
Membership Dues and Subscriptions	4,680	1,809	15,038	21,527	15,384	9,283	24,667	46,194
Bad Debt and Charter Fee Relief	985	119,028	-	120,013	4,243	-	4,243	124,256
Obsolete Merchandise Inventory	37	-	-	37	-	-	-	37
Donated Goods and Services	153	-	-	153	139	619	758	911
Miscellaneous	-	-	-	-	-	162	162	162
Total Expenses	$ 1,354,071	$ 750,365	$ 413,848	$ 2,518,284	$ 736,595	$ 587,287	$ 1,323,882	$ 3,842,166

See accompanying Notes to Financial Statements.

CAMP FIRE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	$ (2,228,390)	$ 655,934
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	12,791	17,173
Amortization	19,359	16,732
Loss on Sale of Property and Equipment	44	-
Income on Investments and Trust, Net	(13,690)	(23,848)
Unrealized Gain on Investments, Net	(15,930)	(2,066)
Change in Value of Trust	47,566	(12,322)
Non-Cash Grant to Council	45,591	-
Effects of Changes in Operating Assets and Liabilities:		
Charter Fees Receivable, Net	148,885	40,925
Pledges and United Way Receivable, Net	42,041	(90,625)
Grants Receivable, Net	1,935,288	(94,629)
Other Receivables	8,692	(35,081)
Merchandise Inventory, Net	43	(629)
Prepaid Expenses	14,266	(1,602)
Accounts Payable and Accrued Liabilities	(154,195)	45,786
Deferred Revenues	(2,107)	52,470
Net Cash Provided (Used) by Operating Activities	(139,746)	568,218
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Intangible Asset	-	(100,000)
Proceeds from Sale of Investments	37,209	151,174
Net Cash Provided by Investing Activities	37,209	51,174
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Line of Credit	2,404,448	2,225,602
Payments on Line of Credit	(2,653,808)	(2,152,835)
Proceeds from Long-Term Debt	337,800	-
Payments on Note Payable	(24,734)	(23,805)
Net Cash Provided by Financing Activities	63,706	48,962
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(38,831)	668,354
Cash and Cash Equivalents - Beginning of Year	995,374	327,020
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 956,543	$ 995,374
SUPPLEMENTAL INFORMATION		
Cash Paid for Interest	$ 25,368	$ 24,377
Non-Cash Financing Transactions:		
Non-Cash Long-Term Obligation to Council	$ 45,591	$ -

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Camp Fire (the Organization) is a youth development organization headquartered in Kansas City, Missouri providing services to over 174,000 youth and adults in 24 states and the District of Columbia through a 50-council network. Founded in 1910 by Luther Gulick, M.D. and his wife, Charlotte, Camp Fire was the first nonsectarian 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’s 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.

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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

Financial statement presentation follows the recommendations of Financial Accounting Standards Board ASC 958-205, *Financial Statements of Not-for-profit Organizations.* Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

Cash and cash equivalents consist of bank accounts that are available for current operations. Certain cash equivalents are considered to be an integral part of the Organization's investment program and are, accordingly, recognized as a component of investments on the statement of financial position.

Investments

Investments include equity and fixed income mutual funds, which are carried at fair value, with unrealized and realized gains and losses on investments reported as increases or decreases in net assets without donor restrictions and net assets with donor restrictions 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.

Investments which are available to repay current liabilities are classified as current assets on the statement of financial position, while investments restricted for long-term purposes are shown as long-term assets.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants Receivable

Grants are recognized when the grant letter is received, absent the presence of conditional provisions, and are classified as net assets with restrictions if time or purpose restrictions are present.

Contributions and Pledge Receivables

Unconditional promises to give are recorded as revenues or gains in the period received and as assets or a decrease of liabilities, depending on the form of the benefits received. Conditional contributions received are accounted for as a liability or are unrecognized initially, that is, until the barriers to entitlement are overcome, and a right of return or release are no longer present, at which point the transaction is recognized as unconditional and classified as either net assets with restrictions or net assets without restrictions.

All contributions are considered to be available for the general programs of the Organization unless specifically restricted by the donor. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, reclassifications are made from net assets with donor restrictions to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Pledges receivable represents unconditional promises to give that are due within one to three years. Pledges receivable are stated at the pledged amount, with the exception of long-term promises to give which are discounted to reflect their present value. Management has also established a valuation allowance that reflects management's best estimate of amounts that may not be collected.

Program Service Revenue

Exchange transaction revenue from program services are recognized proportionately to when the service is provided, thus, monies received before the program begins are classified as deferred revenue.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 nonprofessional volunteer services that do not meet the criteria listed above. These nonprofessional 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 support without donor restrictions.

Accounts Receivable and Charter Fees

The Organization grants credit to councils for the 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Merchandise Inventory

Merchandise inventory is carried at the lower of weighted-average cost or net realizable value.

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 nonprofit organizations and individuals, is a beneficiary of this trust. The income received by the Organization from this trust is included as support without donor restriction 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 net assets with donor restrictions perpetual in nature.

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 $2,000 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 to-30 Years
Equipment	3 to 10 Years
Furniture and Fixtures	5 to 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 to 3 Years
Software Development	4 to 5 Years

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 by their natural expense classification. Functional expense allocations, expenses not explicitly attributable to a specific program or supporting service, are estimated through periodic evaluation of each employee's portfolio of responsibilities and how they distribute across functional areas.

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. Unrelated business income tax incurred during 2020 or 2019 was not significant. The Organization follows the standard for evaluating uncertain tax positions and has determined no liability should be recorded for uncertain tax positions.

New Accounting Pronouncement Effective in Future Accounting Period

On May 28, 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). The guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Additionally, qualitative and quantitative disclosures are required regarding customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. The standard does not impact the recording of contributions. Since then, the board issued proposed ASU, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*. The amendments in this update defer the effective date of update 2014-09 for all entities by one year, making the standard effective for fiscal year ending June 30, 2021. Management will be evaluating the effects of this new standard.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncement Effective in Future Accounting Period (Continued)

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842).* This update increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. ASU 2016-02 was effective for the Organization for the fiscal year ending June 30, 2021. Since then, the effective date has been postponed, making it effective for the year ending June 30, 2023. Management will be evaluating the effects of this new standard.

NOTE 2 ADOPTION OF NEW ACCOUNTING STANDARDS

In 2020, the Organization adopted Financial Accounting Standards Board's Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2018-08 – *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* was issued to clarify and improve the scope and accounting guidance for contributions received and contributions made. The update assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and (2) determining whether a contribution is conditional. The ASU is effective for contributions received in 2020. The Organization will adopt the changes from the ASU for grants awarded to grantees prospectively in 2021. There is no material impact on the financial statements, as such, there have been no related reclassifications on previously presented change in net assets or total net assets.

NOTE 3 LIQUIDITY AND AVAILABILITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, investments, pledges receivable, grants receivable, and a line of credit.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the Organization's cash.

NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise of the following:

	2020	2019
Cash and Cash Equivalents	$ 956,543	$ 995,374
Investments	602,420	610,009
Charter Fees Receivable, Current Portion	86,360	200,753
Pledges Receivable	85,350	101,729
United Way Receivable	33,048	58,710
Grants Receivable, Net	6,058	1,941,346
Accounts Receivable	31,917	40,609
Total Financial Assets	1,801,696	3,948,530
Contractual or Donor Imposed Restrictions:		
Cash Restricted to Specific Uses	589,703	946,782
Grants Receivable	-	1,922,344
Time Related Restrictions:		
Long Term Pledges Receivable	36,390	65,117
Total Restriction Imposed	626,093	2,934,243
Board Designations:		
Operating Reserve	602,420	610,009
Charter Fee Relief	212,871	-
Council Dissolution Funds	3,535	13,021
Total Board Designations	818,826	623,030
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	$ 356,777	$ 391,257

In addition, the Organization had available borrowing on its line of credit of $300,000 and $50,640, at June 30, 2020 and 2019, respectively.

Time related restrictions associated with Pledges Receivable and United Way Receivables of $82,008 and $95,322 at June 30, 2020 and 2019, respectively, have not been included in the restrictions imposed on financial assets as the amounts are expected to be collected within one year.

The Organization's board designated operating reserve secures its note payable to Central Bank of the Midwest and is not readily available for operations.

NOTE 4 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.

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.

NOTE 4 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair values of assets and liabilities measured on a recurring basis, as of June 30, 2020 and 2019 are as follows:

	June 30, 2020			
	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Inputs (Level 3)
Mutual Funds:				
Equity	$ 362,194	$ 362,194	$ -	$ -
Fixed Income	232,915	232,915	-	-
Beneficial Interest in Perpetual Trust	828,683	-	-	828,683
Total	$ 1,423,792	$ 595,109	$ -	$ 828,683

	June 30, 2019			
	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Inputs (Level 3)
Mutual Funds:				
Equity	$ 362,105	$ 362,105	$ -	$ -
Fixed Income	241,899	241,899	-	-
Beneficial Interest in Perpetual Trust	876,249	-	-	876,249
Total	$ 1,480,253	$ 604,004	$ -	$ 876,249

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, 2020 and 2019:

	Beneficial Interest in Perpetual Trust
BALANCE - JUNE 30, 2018	$ 863,927
Unrealized Gains	12,322
BALANCE - JUNE 30, 2019	876,249
Unrealized Losses	(47,566)
BALANCE - JUNE 30, 2020	$ 828,683

NOTE 5 INVESTMENTS

Investments at June 30, 2020 are as follows:

	Original Cost or Basis	Fair Market Value	Excess of Market Over Cost
Cash and Cash Equivalents	$ 7,312	$ 7,312	$ -
Equity and Fixed Income Mutual Funds	529,425	595,109	65,684
Total	$ 536,737	$ 602,421	$ 65,684

Investment returns for the year ended June 30, 2020 consist of the following:

Investment Income	$ 13,364
Net Realized Gain	5,769
Investment Fees	(5,443)
Investment Income - Net	13,690
Net Unrealized Gain	15,930
Total Investment Return	$ 29,620

Investments at June 30, 2019 are as follows:

	Original Cost or Basis	Fair Market Value	Excess of Market Over Cost
Cash and Cash Equivalents	$ 6,005	$ 6,005	$ -
Equity and Fixed Income Mutual Funds	554,250	604,004	49,754
Total	$ 560,255	$ 610,009	$ 49,754

Investment returns for the year ended June 30, 2019 consist of the following:

Investment Income	$ 15,728
Net Realized Gain	14,077
Investment Fees	(5,957)
Investment Income - Net	23,848
Net Unrealized Gain	2,066
Total Investment Return	$ 25,914

NOTE 6 PLEDGES AND UNITED WAY RECEIVABLE

Pledges and United Way receivable include the following:

	2020	2019
Annual Fund Campaign	$ 88,960	$ 106,612
United Way	33,048	58,710
Total Pledges and United Way Receivable	122,008	165,322
Less: Unamortized Discount	3,610	4,883
Net Pledges and United Way Receivable	118,398	160,439
Less: Current Portion	82,008	95,322
Pledges and United Way Receivable, Long Term (Net)	$ 36,390	$ 65,117

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

Pledges and United Way Receivable are due in future years as follows:

Year Ending June 30,	Amount
2021	$ 82,008
2022	20,000
2023	20,000
Total	$ 122,008

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; additionally, these amounts cannot be readily estimated by management due to the lack of support obtained by donors.

NOTE 7 GRANTS RECEIVABLE

Grants receivable include the following:

	2020	2019
New York Life Foundation	$ -	$ 575,000
Margaret A. Cargill Foundation	-	700,000
S. D. Bechtel, Jr. Foundation	-	667,536
Other	6,058	19,002
Total Grants Receivable	6,058	1,961,538
Less: Unamortized Discount	-	20,192
Net Grants Receivable	6,058	1,941,346
Less: Current Portion (Net)	6,058	1,436,538
Grants Receivable, Long-Term (Net)	$ -	$ 504,808

NOTE 8 OPERATING LEASES

The Organization leased office and warehouse space during 2020 and 2019 under noncancelable operating leases. The leases expire at various dates through August 2026. The Organization entered into a new office lease effective February 2016. Total lease expense was $199,585 in 2020 and $182,067 in 2019. Future minimum lease commitments for these leases as of June 30, 2020 are as follows:

Year Ending June 30,	Amount
2021	$ 177,381
2022	175,860
2023	176,191
2024	180,161
2025	184,132
Thereafter	211,926
Total	$ 1,105,651

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:

Year Ending June 30,	Amount
2021	$ 77,563
2022	79,394
2023	81,224
2024	83,054
2025	84,885
Thereafter	97,698
Total	$ 503,818

Total rental income from subleases was $78,142 and $68,822 in 2020 and 2019, respectively.

NOTE 9 INTANGIBLE ASSETS

Intangible assets consist of software development, corporate branding, and program curriculum. Amortization expense on the assets was $19,359 and $16,732 during 2020 and 2019, respectively.

NOTE 10 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 $22,422 in 2020 and $28,106 in 2019.

NOTE 11 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:

	2020	2019
Charter Fees Receivable	$ 424,360	$ 785,753
Less: Allowance for Doubtful Accounts	292,000	499,000
Net Collectible Charter Fees Receivable	132,360	286,753
Less: Unamortized Discount	7,047	12,555
Charter Fees Receivable, Net	125,313	274,198
Less: Current Portion	86,360	200,753
Long-Term Charter Fees Receivable, Net	$ 38,953	$ 73,445

Amounts due in future years as of June 30, 2020:

Year Ending June 30,	Amount
2021	$ 86,360
2022	7,559
2023	6,479
2024	6,579
2025	7,679
Thereafter	17,704
Total	$ 132,360

An imputed discount rate of 4% was used in discounting long-term charter fees receivable.

There were no long-term charter fees receivable that were considered past due by the Organization's policy, as discussed in Note 1, at June 30, 2020 or 2019.

Accounts Payable

At June 30, 2020 and 2019, the Organization had accounts payable due to Councils totaling $1,901 and $3,047, respectively.

NOTE 12 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:

	2020	2019
Professional Services	$ 19,750	$ -
Travel, Conferences, and Meetings	-	415
Miscellaneous	65	496
Total Contributed Goods and Services	$ 19,815	$ 911

NOTE 13 NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions as of June 30 consist of the following:

	2020	2019
Board-Designated:		
Operating Reserve	$ 602,420	$ 610,009
Council Dissolution Funds	3,535	13,021
Charter Fee Relief	212,871	-
Total Board-Designated Net Assets	818,826	623,030
General Operating	(461,352)	(416,196)
Total Net Assets Without Donor Restriction	$ 357,474	$ 206,834

At June 30, 2020 and 2019, the value of the assets underlying the Organization's general operating net assets without donor restrictions was less than the level required to fund the liabilities committed by those funds. Accordingly, the general operating net assets without donor restrictions were being supported by drawing upon the Organization's net assets without donor restrictions designated by the board of directors.

NOTE 14 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

	2020	2019
Time Related Restrictions:		
Heartland Council Receivables	$ 33,048	$ 58,710
Pledges Receivable	75,350	101,729
Total Net Assets with Time Related Restrictions	$ 108,398	$ 160,439
Purpose Related Restrictions:		
Heartland Council	$ 37,478	$ 10,000
Program Development	-	858,621
Capacity Building	174,363	986,826
Camp Diversity and Inclusion	362,911	959,589
Youth Leadership Expansion	14,951	54,090
Total Net Assets With Donor Purpose Related Restrictions	$ 589,703	$ 2,869,126

During the years ended June 30, 2020 and 2019, net assets of $2,562,564 and $2,003,624, respectively, were released from donor restrictions by satisfying the time or purpose restrictions as stipulated by the donors.

Net assets with donor restrictions perpetual in nature consist of the following as of June 30:

	2020	2019
James Humphrey Wilkinson Perpetual Trust	$ 828,683	$ 876,249
Total Net Assets With Donor Restrictions Perpetual in Nature	$ 828,683	$ 876,249

NOTE 15 ENDOWMENTS

The Organization's endowment consists of a donor-restricted fund established to support general operating expenses of a council to be re-established in Texas. After several years of attempting to restart the council in Texas, and operating at deficits, the Council was closed and the endowment was released. 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 net assets with donor restrictions perpetual in nature 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 net assets with donor restrictions purpose restricted until those amounts are appropriated for expenditure by the board. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Return Objectives and Risk Parameters

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

Spending Policy

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

NOTE 15 ENDOWMENTS (CONTINUED)

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, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	$ -	$ -	$ -

Changes in endowment net assets for the fiscal year ended June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets - Beginning of Year	$ -	$ 118,702	$ 118,702
Investment Return:			
Investment Income	-	3,552	3,552
Net Appreciation	-	(7,768)	(7,768)
Total Investment Return	-	(4,216)	(4,216)
Appropriation of Endowment Assets for Expenditures	-	(114,486)	(114,486)
Net Assets - End of Year	$ -	$ -	$ -

NOTE 16 LINE OF CREDIT AND LONG-TERM DEBT

Line of Credit

The Organization had a secured line of credit during the current year that allows for borrowings of up to $300,000, maturing January 23, 2021. The line was collateralized by a lien on the Organization's accounts receivable. Interest was charged at a variable rate, which was The Wall Street Journal Prime Rate plus .25% prior to the January 2020 renewal and Prime Rate plus 0% subsequently (3.25% and 5.75% at June 30, 2020 and 2019, respectively). As of June 30, 2020 and 2019, outstanding borrowings were $-0- and $249,360, respectively.

NOTE 16 LINE OF CREDIT AND LONG-TERM DEBT (CONTINUED)

Long-Term Debt

The Organization took out a note payable to Central Bank of the Midwest in the amount of $450,000 during the year ending June 30, 2017. The note is secured by a lien on an investment account valued at $602,420 as of June 30, 2020. The note is payable in monthly installments of $3,330, including interest at 3.95%, maturing November 2021 when the remaining balance is due. The outstanding principal at June 30, 2020 and 2019 was $365,620 and $390,354, respectively.

In April 2020, the Organization was granted a Paycheck Protection Program (the "PPP Loan") note through the Small Business Administration (SBA) established by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) signed into federal law on March 29, 2020, facilitated through Central Bank of the Midwest, totaling $337,800 to fund payroll, rent, utilities and interest on mortgages and existing debt. The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over 24 months, deferred for six months. The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Organization fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. To the extent that all or part of the PPP Loans are not forgiven, the Organization will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing in April 2022, principal and interest payments will be required through the maturity.

In 2020, the Organization made a grant to assist a Camp Fire council with the cost of the removal of buildings and a pool at a now unused camp to restore it to its original condition as required by the original lease of the land. The total grant liability accrued was $50,000 payable beginning in January 2021 at a rate of $833 per month over five years, with the final payment made in December 2025. The obligation is discounted at 4% and the outstanding balance at June 30, 2020 was $45,591.

Scheduled maturities of long-term debt are as follows as of June 30, 2020:

Year Ending June 30,	Amount
2021	$ 179,351
2022	538,601
2023	9,232
2024	8,941
2025	8,659
2026	4,227
Total	$ 749,011

The Organization incurred interest expense of $25,368 and $24,377 for the years ended June 30, 2020 and 2019, respectively.

NOTE 17 CONCENTRATIONS OF RISK

At June 30, 2020, three councils made up 92% of the $125,313 net charter fees receivable. At June 30, 2019, five councils made up 73% of the $274,198 net charter fees receivable.

During the year ended June 30, 2019, 47% of revenues were provided through contributions of two donors. During the year ended June 30, 2020, no such concentration of contribution revenue existed.

The Organization maintains cash in commercial banks located in the United States. The balances on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. Balances in excess of FDIC limits are uninsured. There was approximately $500,626 in excess of FDIC limits at June 30, 2020.

NOTE 18 CONTRIBUTION OF NET ASSETS

The Organization records net proceeds received from dissolved councils as Contribution of Net Assets. Contribution of net assets was $6,450 and $56,342 for the years ended June 30, 2020 and 2019, respectively.

NOTE 19 BENEFICIAL INTEREST IN PERPETUAL TRUST

In 1976, the Organization was named as a beneficiary of a perpetual trust. Under the terms of the trust, the Organization is designated to receive 2.5% of the annual income of the trust with no corresponding transfer of trust assets. The Organization received trust income, the use of which is without donor restrictions, of $40,000 in 2020 and $33,750 in 2019.

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 $47,566 and a gain of $12,322 for the years ended June 30, 2020 and 2019, respectively. The Organization's share in the trust had a value of $828,683 and $876,249 at June 30, 2020 and 2019, respectively.

NOTE 20 HALL FAMILY FOUNDATION GIFT

In 2005, the Hall Family Foundation pledged $500,000 to the Greater Kansas City Community Foundation, with the Organization named as a conditional beneficiary of the fund's earnings. The Organization is eligible to receive a portion of the earnings on the investment equal to 5% for supplemental funding of its rent expense as long as it is headquartered in downtown Kansas City, Missouri. In 2020 and 2019, the Organization received $23,926 and $23,261, respectively, which is included as contributions and grants revenue.

NOTE 21 CONTINGENCIES

Prior to 2019, the Organization had incurred decreases in net assets without donor restrictions and had experienced negative cash flows from operations. In response to that trend, management secured funding from the S.D. Bechtel, Jr. Foundation to support the hiring of a full development team consisting of fundraising professionals. This strategy was in line with the Organization's five-year business plan, and was expected to produce more sustainable, recurring revenue to result in an increase in net assets without donor restrictions into the future. Due to a lack of results, this plan was halted in 2020, and a reduction in force was instituted. In addition to all of the development positions, four other full-time positions have also been eliminated during the last twenty-four months. Though the Organization had a decrease in General Operating net assets and negative cash flow from operations in 2020, these expense reductions will allow the Organization to continue as a going concern for a reasonable period of time

The Organization's investment portfolio is subject to significant fluctuations in its value. Because the values of individual investments fluctuate with market conditions, the amount of investment gains or losses that the Organization will recognize in its future financial statements, if any, cannot be determined.

The Organization has legal actions that arise in the ordinary course of business and are now pending against the Organization. It is the opinion of management, after reviewing such actions with counsel that the outcome of any lawsuit or claim which is pending should either be covered by insurance, or would not result in a material settlement.

NOTE 22 CONTRACTUAL SERVICES

The Organization has contracted with service providers, engaging in a co-employment relationship with the Organization. The service providers administer 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 the service providers or the Organization terminate the agreement by giving 30 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 service provider's service fee percentage may be adjusted annually. The Organization paid $1,774,404 and $2,065,446 to the service providers for the years ended June 30, 2020 and 2019, respectively, for salaries and payroll related costs. In addition, the Organization paid $19,636 and $23,903 to service providers for the years ended June 30, 2020 and 2019, respectively, for service fees.

NOTE 23 ECONOMIC RISKS

During fiscal year 2020, the World Health Organization declared the spread of the Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, business, and communities. Specific to the Organization, COVID-19 may impact various parts of its fiscal year 2021 operations and financial results, including a negative impact on earnings. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing subsequent to year-end.

NOTE 24 SUBSEQUENT EVENTS

Management evaluated subsequent events through December 15, 2020, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2020, but prior to December 15, 2020, that provided additional evidence about conditions that existed at June 30, 2020, have been recognized in the 2020 financial statements.

In August 2020, the Margaret A. Cargill Foundation amended its grant to the Organization adding an additional $400,000 to not only continue the work of the original grant purpose, but also to allow the Organization flexibility to respond to business challenges presented by COVID-19.