

CAMP FIRE WEST TEXAS
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2015 AND 2014

CAMP FIRE WEST TEXAS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Camp Fire West Texas

Report on the Financial Statements

We have audited the accompanying statement of financial position of Camp Fire West Texas (the Organization), as of December 31, 2015, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 risk 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.

Report on Summarized Comparative Information

We have previously audited the Organization's financial statements and our report dated May 8, 2015, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all materials respects, with the audited financial statements from which it has been derived.

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Organization, as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Odessa, Texas
July 7, 2016



**CAMP FIRE WEST TEXAS
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR 2014)**

ASSETS

| CURRENT ASSETS: | <u>2015</u> | <u>2014</u> |
|--|------------------------------|------------------------------|
| Cash and Cash Equivalents | \$ 541,521 | \$ 574,252 |
| United Way Allocation for future periods | 37,750 | 37,750 |
| Prepaid Expenses | <u>3,254</u> | <u>12,251</u> |
| TOTAL CURRENT ASSETS | 582,525 | 624,253 |
| ENDOWMENT INVESTMENT | 52,920 | 56,311 |
| PROPERTY AND EQUIPMENT | | |
| Vans | 151,755 | 151,755 |
| Computer Equipment | 13,000 | 13,000 |
| Furniture and Fixtures | <u>20,564</u> | <u>20,564</u> |
| TOTAL PROPERTY AND EQUIPMENT | 185,319 | 185,319 |
| Less Accumulated Depreciation | <u>(181,838)</u> | <u>(174,875)</u> |
| NET PROPERTY AND EQUIPMENT | 3,481 | 10,444 |
| TOTAL ASSETS | <u>\$ 638,926</u> | <u>\$ 691,008</u> |

LIABILITIES AND NET ASSETS

| | | |
|---|--------------------------|--------------------------|
| CURRENT LIABILITIES | | |
| Accounts Payable | \$ 1,600 | \$ 81 |
| Accrued Expenses | <u>-</u> | <u>-</u> |
| TOTAL CURRENT LIABILITIES | 1,600 | 81 |
| NET ASSETS | | |
| Unrestricted | | |
| Operating | 585,545 | 639,146 |
| Board Designated | <u>47,950</u> | <u>47,950</u> |
| | 633,495 | 687,096 |
| Temporarily Restricted | - | - |
| Permanently Restricted | <u>3,831</u> | <u>3,831</u> |
| TOTAL NET ASSETS | <u>637,326</u> | <u>690,927</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 638,926</u> | <u>\$ 691,008</u> |

The accompanying notes are an integral part of these financial statements.

**CAMP FIRE WEST TEXAS
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015
(With Comparative Totals for 2014)**

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Totals</u> | |
|--|---------------------|-----------------------------------|-----------------------------------|-------------------|-------------------|
| | | | | <u>2015</u> | <u>2014</u> |
| REVENUES & SUPPORT | | | | | |
| Program service fees | \$ 701,840 | \$ - | \$ - | \$ 701,840 | \$ 679,342 |
| United Way | 75,500 | - | - | 75,500 | 75,831 |
| Foundation and private grants | 60,000 | - | - | 60,000 | 70,000 |
| Contributions | 2,990 | - | - | 2,990 | 5,907 |
| Special Events, Net | 11,657 | - | - | 11,657 | 66,384 |
| Interest Income | 1,505 | - | - | 1,505 | 782 |
| Investment Income (loss) | (3,390) | - | - | (3,390) | 926 |
| TOTAL REVENUES & SUPPORT | <u>850,102</u> | <u>-</u> | <u>-</u> | <u>850,102</u> | <u>899,172</u> |
| NET ASSETS RELEASED FROM RESTRICTIONS | | | | | |
| Expiration of time restrictions | - | - | - | - | - |
| Satisfaction of purpose restrictions | - | - | - | - | - |
| TOTAL SUPPORT, REVENUES & RECLASSIFICATIONS | <u>850,102</u> | <u>-</u> | <u>-</u> | <u>850,102</u> | <u>899,172</u> |
| EXPENSES | | | | | |
| Program Services: | | | | | |
| Kids Care | 626,097 | - | - | 626,097 | 605,799 |
| Camp Fire Programs | <u>222,025</u> | <u>-</u> | <u>-</u> | <u>222,025</u> | <u>199,471</u> |
| TOTAL PROGRAM SERVICES | 848,122 | - | - | 848,122 | 805,270 |
| Supporting Services: | | | | | |
| Management and General | 47,641 | - | - | 47,641 | 44,331 |
| Fundraising | <u>7,940</u> | <u>-</u> | <u>-</u> | <u>7,940</u> | <u>7,392</u> |
| TOTAL SUPPORT SERVICES | <u>55,581</u> | <u>-</u> | <u>-</u> | <u>55,581</u> | <u>51,723</u> |
| TOTAL EXPENSES | <u>903,703</u> | <u>-</u> | <u>-</u> | <u>903,703</u> | <u>856,993</u> |
| CHANGE IN NET ASSETS | <u>(53,601)</u> | <u>-</u> | <u>-</u> | <u>(53,601)</u> | <u>42,179</u> |
| BEGINNING NET ASSETS | <u>687,096</u> | <u>-</u> | <u>3,831</u> | <u>690,927</u> | <u>648,748</u> |
| ENDING NET ASSETS | <u>\$ 633,495</u> | <u>\$ -</u> | <u>\$ 3,831</u> | <u>\$ 637,326</u> | <u>\$ 690,927</u> |

The accompanying notes are an integral part of this statement.

CAMP FIRE WEST TEXAS
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015
(With Comparative Totals for 2014)

| | PROGRAM SERVICES | | | SUPPORT SERVICES | | TOTALS | |
|-----------------------------------|-------------------|--------------------|------------------|----------------------|-----------------|-------------------|-------------------|
| | Kids Care | Camp Fire Programs | Total | Management & General | Fundraising | 2015 | 2014 |
| Salaries & Wages | \$ 374,237 | \$ 122,964 | \$497,201 | \$ 32,077 | \$ 5,346 | \$ 534,624 | \$ 477,590 |
| Employee Benefits | 29,712 | 9,763 | 39,475 | 2,547 | 424 | 42,446 | 55,079 |
| Payroll taxes | 29,625 | 9,734 | 39,359 | 2,539 | 423 | 42,321 | 38,941 |
| Total Personnel | 433,574 | 142,461 | 576,035 | 37,163 | 6,193 | 619,391 | 571,610 |
| Bad debt Expense | 625 | 208 | 833 | - | - | 833 | 2,215 |
| Direct program supplies | 61,699 | 35,993 | 97,692 | - | - | 97,692 | 105,338 |
| Affiliate payments | 23,503 | 7,722 | 31,225 | 2,015 | 335 | 33,575 | 32,952 |
| Conferences & training | 5,009 | 1,646 | 6,655 | 429 | 72 | 7,156 | 3,634 |
| Insurance | 25,023 | 8,737 | 33,760 | 2,279 | 381 | 36,420 | 28,214 |
| Rent and lease expense | 27,553 | 9,053 | 36,606 | 2,362 | 393 | 39,361 | 40,981 |
| Professional service fees | 9,594 | 3,152 | 12,746 | 822 | 137 | 13,705 | 13,557 |
| Vehicle fuel & maintenance | 6,771 | 2,257 | 9,028 | - | - | 9,028 | 13,207 |
| Telephone | 5,970 | 1,962 | 7,932 | 512 | 85 | 8,529 | 7,987 |
| Office & meeting supplies | 15,564 | 5,137 | 20,701 | 1,340 | 223 | 22,264 | 17,694 |
| Printing | 1,723 | 566 | 2,289 | 148 | 25 | 2,462 | 8,464 |
| Advertising | 1,348 | 449 | 1,797 | - | - | 1,797 | 421 |
| Licenses | 1,482 | 494 | 1,976 | - | - | 1,976 | 3,593 |
| Postage | 1,786 | 587 | 2,373 | 153 | 26 | 2,552 | 2,072 |
| Totals before depreciation | 621,224 | 220,424 | 841,648 | 47,223 | 7,870 | 896,741 | 850,031 |
| Depreciation | 4,873 | 1,601 | 6,474 | 418 | 70 | 6,962 | 6,962 |
| TOTAL EXPENSES | \$ 626,097 | \$222,025 | \$848,122 | \$ 47,641 | \$ 7,940 | \$ 903,703 | \$ 856,993 |

The accompanying notes are an integral part of this statement.

**CAMP FIRE WEST TEXAS
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015
(With Comparative Totals for 2014)**

| | 2015 | 2014 |
|--|-------------|------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash collected from revenue and other expenses | \$ 853,556 | \$ 897,132 |
| Cash paid for operating expenses | (887,792) | (848,770) |
| Interest received | 1,505 | 782 |
| Interest paid | - | - |
| | (32,731) | 49,144 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sale of assets and other | - | - |
| Endowment | - | - |
| | - | - |
| NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES | | |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Earnings distributed from endowment | - | - |
| | - | - |
| NET CASH (USED) BY FINANCING ACTIVITIES | | |
| NET CHANGE IN CASH & CASH EQUIVALENTS | (32,731) | 49,144 |
| CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR | 574,252 | 525,108 |
| CASH & CASH EQUIVALENTS AT END OF YEAR | \$ 541,521 | \$ 574,252 |
| RECONCILIATION OF INCREASE (DECREASE) IN NET ASSETS TO NET CASH PROVIDED BY (USED) OPERATING ACTIVITIES | | |
| INCREASE (DECREASE) IN NET ASSETS | \$ (53,601) | \$ 42,179 |
| Adjustments to reconcile decrease in net assets to net cash provided (used) by operating activities | | |
| Depreciation | 6,962 | 6,962 |
| Receivables | - | (331) |
| Prepaid insurance | 8,999 | 3,722 |
| Accounts payable | 1,519 | (2,337) |
| Accrued and other liabilities | - | (124) |
| Endowment (gain) Loss | 3,390 | (927) |
| | (32,731) | 49,144 |
| NET CASH PROVIDED (USED) BY OPPRATING ACTIVITIES | \$ (32,731) | \$ 49,144 |

The accompanying notes are an integral part of this statement.

CAMP FIRE WEST TEXAS

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Camp Fire West Texas (the “Organization”) is a non-profit corporation originally organized in the State of Texas in 1965. The Organization is a chartered member of Camp Fire that is supported primarily through program services fees, the United Way and foundation grants. The Organization strives to build caring, confident youth and future leaders by providing an affordable, caring and nurturing environment for children for their benefit and that of their families and the community as a whole and by recognizing leadership, volunteerism and the unique qualities of every child. The Organization provides services to local youth through a variety of programs that include the following:

Kids Care: This is a licensed after school care program that is located on eleven (11) local school elementary campuses that offers families an affordable, appropriate option for their after school needs. Children receive a nutritious snack, homework assistance, and a chance to participate in a variety of games, Camp Fire curriculum and arts and crafts.

Camp Fire Connection Summer Camp: This summer program serves youth from kindergarten through sixth grade. Activities include arts and crafts, computer labs, social and recreational activities that include a variety of fields. Teenage volunteers assist with supervision of activities and also participate one (1) day per week in the Meals on Wheels program.

Council-Wide Programs: These programs include a variety of activities whereby on a monthly basis, families gather at the St. Marks United Methodist Church to participate in events such as a Halloween carnival, frito pie dinner, and Valentines for Veterans.

Texas Tours: This is a program where youth spend their summers exploring the great outdoors, visiting area theme parks, museums, and other attractions. These field trips are done one (1) day per week during the summer.

Texas Scholars: This program encourages and rewards academic achievement and community service. Students enroll and complete challenging course work that enables them to compete in the high-tech global economy.

Absolutely Incredible Kids Day: This is an annual call for adults to write letters of love and support to the children in their lives. This takes place on the third Thursday of March.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting consistent with U.S. generally accepted accounting principles applicable to voluntary health and welfare organizations.

Financial Statement Presentation

The Organization has adopted under authoritative literature, whereby the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Concentration of Cash

The Organization maintains its cash balances in a financial institution in Midland, Texas. The amounts on deposit at December 31, 2015 and 2014 exceed the \$250,000 federally insured limit. The Organization has not experienced any losses in such accounts. Management believes the Organization is not exposed to any significant credit risk related to cash.

CAMP FIRE WEST TEXAS

Notes to the Financial Statements (Cont'd)

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.

Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

Management is required to evaluate the tax positions taken by the Organization and recognize a tax liability if the organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions of the Organization and has concluded that as of December 31, 2015, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Organization Forms 990, are subject to examination by the IRS, generally for the three years after they were filed. Management believes it is no longer subject to income tax examination for years prior to 2013.

Cash & Cash Equivalents

The Organization considers all cash on hand and cash held in deemed accounts to be cash and cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Property and Equipment

Property and equipment of more than \$500 is recorded at cost for purchased property and fair market value at the date of acquisition for donated property. Property and equipment are depreciated using the straight-line method over the asset's estimated useful lives that range from 3 to 7 years.

Donated Facilities, Materials, and Services

The Organization receives some donated services from unpaid volunteers. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under authoritative literature. The Organization received no significant donated materials during the year. Such donations would be recognized at their fair market value at the time of donation is received. Local school districts also provide the use of their property at no charge. However, no fair market value of the use of these facilities has been assigned by the school districts; therefore, the contributed use of the property is not measurable with sufficient reliability and does not qualify for recognition under authoritative literature.

Support & Revenue Recognition

The Organization receives the majority of its revenues from program services fees that are billable for services rendered and are recognized as revenue when earned. The Organization does provide financial assistance in the form of reduced fees or "scholarships" to families under economic hardships. Program service fees are reported net of scholarships as shown in the statement of activities.

CAMP FIRE WEST TEXAS
Notes to the Financial Statements (Cont'd)

Support & Revenue Recognition (Cont'd)

The Organization has adopted authoritative literature, whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Under authoritative literature, all contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

Management considers all receivables to be fully collectable, and accordingly, no allowance for doubtful accounts is necessary. The direct write-off method is used to account for any bad debts.

Foundation grants and United Way allocations are recognized as contributions under authoritative literature since they are not exchange transactions.

Summarized Financial Information for 2014

The Financial information for the year ended December 31, 2014, presented for comparative purposes, is not intended to be a complete financial statement presentation.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. For financial statement presentation purposes, the programs described under "Nature of Activities" other than Kids Care are reported aggregately as "Camp Fire Programs".

Subsequent Events

The Organization has evaluated events subsequent to the date of the statement of net assets (December 31, 2015) through July 7, 2016, the date these financial statements were suitable to be issued, and concluded that no significant subsequent event has occurred that would require disclosure in the notes or recognition in the financial statements.

2. ENDOWMENT INVESTMENTS

In 2000, the Organization's board of director's established an endowment fund with the Permian Basin Area Foundation in the amount of \$7,950. The endowment consists primarily of unrestricted (board-designated) net assets, but also includes donor-restricted (permanent net assets. The board of directors designated an additional \$40,000 to the endowment fund in 2007. Investment earnings available for distribution are recorded in unrestricted net assets. Endowment contributions from outside donors are reported as permanently restricted. There are no donor-restrictions on earnings or losses from the endowment; therefore, these are reported as unrestricted.

The board of directors has interpreted the State Prudent Management of Institutional Funds Act (SMPIFA) as requiring the preservation of the fair value of the original donor's gift as of the gift date of any donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of any donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily

CAMP FIRE WEST TEXAS
Notes to the Financial Statements (Cont'd)

2. ENDOWMENT INVESTMENTS (Cont'd)

restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed in SPMIFA. In accordance with SPMIFA, 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 purposes 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 (7) The investment policies of the organization.

Any decline in the fair value of the assets of the donor-restricted endowment funds are classified as unrestricted in compliance with generally accepted accounting principles.

As previously stated, the board of directors established an endowment fund with the Permian Basin Area Foundation (PBAF) in April 2000 by contributing a board approved amount of \$7,950, and by signing an endowment fund agreement with the PBAF. The PBAF receives, accepts, administers, invests, and distributes the assets of the fund for the benefit of the Organization. The PBAF is a community foundation that facilitates the creation of permanent charitable funds, in partnership with many donors. The PBAF qualifies as a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code. Assets in the permanent funds of PBAF are invested with long-term objectives of corpus protection and value growth employing proven professional investment managers and diligent performance monitoring. The Foundation's investment strategy embraces a defined asset allocation model and disciplined re-balancing to maintain actual values within the allocation policy. The diversified portfolio includes positions in large cap, mid-cap, small cap, and international equities, equities, as well as fixed income securities. The PBAF's investment committee governs policy and monitors investment management and performance relative to standard benchmarks and peer group comparisons.

Endowment net asset composition as of December 31, 2015:

| <u>Unrestricted (board-designated)</u> | <u>Fair Value</u> |
|--|-------------------|
| Permian Basin Area Foundation | \$ 49,089 |
| | |
| <u>Permanently Restricted (donor-restricted)</u> | |
| Permian Basin Area Foundation | <u>3,831</u> |
| | |
| Total endowment investment | <u>\$ 52,920</u> |

3. FAIR VALUE OF INVESTMENTS

Effective January 1, 2008 the Organization adopted Accounting Standards Codification (Topic (820), *Fair Value Measurements and Disclosures*, which establishes a framework for measuring fair value in generally accepted accounting principles, clarifies the definition of fair value within that framework, and expands disclosures about the use of fair value measurement.

Currently, the Organization investments are carried at fair value under ASC Topic 820. The fair value is based upon independently sourced market parameters. To ensure that these investments are recorded at fair value, valuation adjustments may be required to reflect any reduction of their fair value.

CAMP FIRE WEST TEXAS
Notes to the Financial Statements (Cont'd)

3. FAIR VALUE OF INVESTMENTS (CONT'D)

ASC Topic 820 defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. ASC Topic 820 provides a framework for measuring fair value, establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date and requires consideration of the counterparty's creditworthiness when valuing certain assets.

The three-level fair value hierarchy for disclosure of fair value measurements defined by ASC Topic 820 is as follows:

Level 1 – Unadjusted, quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. An active market is defined as a market where transactions for the financial instrument occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – inputs, other than quoted prices in active markets, that are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable. Valuation under level 3 generally involves a significant degree of judgment from management.

The following table presents the fair value hierarchy for those assets measured at fair value on a recurring basis as of December 31, 2015 and 2014:

| | FAIR VALUE MEASUREMENTS USING | | | | |
|---|---|---|---|--|-----------|
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | | Total |
| Fair Value Inputs as of December 31, 2015 | | | | | |
| Assets: | | | | | |
| Investments | \$ 52,920 | \$ - | \$ - | | \$ 52,920 |
| Fair Value inputs as of December 31, 2014 | | | | | |
| Assets: | | | | | |
| Investments | \$ 56,311 | \$ - | \$ - | | \$ 56,311 |

CAMP FIRE WEST TEXAS
Notes to the Financial Statements (Cont'd)

3. FAIR VALUE OF INVESTMENTS (CONT'D)

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended:

| | December 31, 2015 | | | December 31, 2014 | | |
|------------------------|-------------------|---------------------------|----------|-------------------|---------------------------|----------|
| | Unrestricted | Permanently Restricted | Total | Unrestricted | Permanently Restricted | Total |
| Interest & Dividends | \$ 1,083 | \$ - | \$ 1,083 | \$ 996 | \$ - | \$ 996 |
| Management Fees | (946) | - | (946) | (920) | - | (920) |
| Realized Gain (Loss) | 1,788 | - | 1,788 | 3,931 | - | 4,489 |
| Unrealized Gain (Loss) | (5,317) | - | (5,317) | (3,639) | - | (3,639) |
| Total | \$ 3,390 | \$ - | \$ 3,390 | \$ 7,697 | \$ - | \$ 7,697 |

4. OPERATING LEASE COMMITMENTS

The Organization leases office space for \$1,170 per month. The Organization also leases storage space on a monthly basis. The following is a schedule by years of future minimum rental payments under non-cancelable operating leases in excess of one year as of December 31, 2015 are as follows:

| | |
|------|-----------|
| 2016 | 14,048 |
| 2017 | 14,048 |
| 2018 | 12,877 |
| | \$ 40,973 |

Rental expense under operating leases totaled \$34,802 in 2015.

5. COMPENSATED ABSENCES

Full-time salaried employees begin accruing vacation time immediately upon employment at a rate of 1.25 days per month. No employee may accrue more than 20 days of vacation time. The liability for accrued vacation time as of December 31, 2015 totaled \$-0-. Employees can earn sick leave at a rate of one day per month up to a maximum of sixty days. Accrued sick leave is not payable upon termination; therefore no liability is recognized.

6. EMPLOYEE BENEFIT PLAN

The Organization provides a Simple/IRA plan whereby the Organization contributes 3% of eligible employees' compensation to the plan. Retirement contributions totaled \$5,040 in 2015.

7. AFFILIATED ORGANIZATIONS

The Organization is a chartered member of their national affiliate, Camp Fire USA. Charter fees totaled \$33,575 in 2015.

CAMP FIRE WEST TEXAS
Notes to the Financial Statements (Cont'd)

8. AGENCY AFFILIATION AGREEMENT

Pursuant to the agency affiliation agreement with the United Way of Odessa, the Organization must report their accounts payable balance and make representation on the status of their payroll tax deposits. Accounts payable consists of the following as of December 31, 2015.

| | |
|--------|-----------------|
| Others | <u>\$ 1,600</u> |
| | <u>\$ 1,600</u> |

The Organization made the required payroll tax deposits in a timely manner in 2015.