National Runaway Switchboard
(d/b/a National Runaway Safeline)
(d/b/a 1-800-RUNAWAY)

Financial Statements and
Independent Auditors' Report

July 31, 2014 and 2013

Miller Cooper & Co., Ltd.

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MILLER COOPER & Co., Ltd
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Board of Directors and the Finance and Audit Committee
National Runaway Switchboard
(d/b/a National Runaway Safeline)
(d/b/a 1-800-RUNAWAY)
Chicago, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of National Runaway Switchboard (d/b/a National Runaway Safeline) / (d/b/a 1-800-RUNAWAY) ("Organization") which comprise the statements of financial position as of July 31, 2014 and 2013, and the related statements of activities, cash flows, and functional expenses 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, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 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.

(Continued)

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Auditors' Responsibility (Continued)

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 National Runaway Switchboard (d/b/a National Runaway Safeline) / (d/b/a 1-800-RUNAWAY) as of July 31, 2014 and 2013, and the results of its operations, cash flows, and its functional expenses for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

In accordance with *Government Auditing Standards*, we have also issued our report, dated September 26, 2014, on our consideration of National Runaway Switchboard's (d/b/a National Runaway Safeline) / (d/b/a 1-800-RUNAWAY) internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.

Miller, Cooper & Co., Ltd.

Certified Public Accountants

Deerfield, Illinois
September 26, 2014

FINANCIAL STATEMENTS

National Runaway Switchboard
(d/b/a National Runaway Safeline)
(d/b/a 1-800-RUNAWAY)
STATEMENTS OF FINANCIAL POSITION
July 31, 2014 and 2013

ASSETS	2014	2013
ASSETS		
Cash and cash equivalents	$ 295,612	$ 250,006
Investments	83,787	73,120
Pledges receivable	35,424	75,581
Equipment, net	78,808	-
Other assets	21,265	36,462
	$ 514,896	$ 435,169
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$ 46,461	$ 57,732
Unearned revenue	39,392	25,500
	85,853	83,232
NET ASSETS		
Unrestricted	393,619	276,356
Temporarily restricted	35,424	75,581
	429,043	351,937
	$ 514,896	$ 435,169

The accompanying notes are an integral part of these statements.

National Runaway Switchboard
(d/b/a National Runaway Safeline)
(d/b/a 1-800-RUNAWAY)
STATEMENTS OF ACTIVITIES
Years ended July 31, 2014 and 2013

	2014	2013
Revenues		
Program service revenue - federal government agency grant	$ 1,520,000	$ 1,600,000
Contributions and special events	261,611	251,827
Contributed services	104,258	87,853
Contract revenue	163,003	38,328
Net gain on investments	5,737	5,935
Miscellaneous	12,511	17,639
	2,067,120	2,001,582
Net assets released from donor restrictions	58,357	55,469
	2,125,477	2,057,051
Expenses		
Program services	1,580,805	1,614,889
Management and general	306,833	259,852
Fundraising	120,576	111,603
	2,008,214	1,986,344
Increase in unrestricted net assets	117,263	70,707
Temporarily restricted net assets		
Contributions	18,200	131,050
Net assets released from restrictions	(58,357)	(55,469)
Increase (decrease) in temporarily restricted net assets	(40,157)	75,581
INCREASE IN NET ASSETS	77,106	146,288
Net assets, beginning of year	351,937	205,649
Net assets, end of year	$ 429,043	$ 351,937

The accompanying notes are an integral part of these statements.

National Runaway Switchboard
(d/b/a National Runaway Safeline)
(d/b/a 1-800-RUNAWAY)

STATEMENTS OF CASH FLOWS

Years ended July 31, 2014 and 2013

	2014	2013
Cash flows from operating activities		
Increase in net assets	$ 77,106	$ 146,288
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Net gain on investments	(5,737)	(5,935)
Depreciation	4,765	-
(Increase) decrease in assets		
Pledges receivable	40,157	(75,581)
Other assets	15,197	21,061
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(11,271)	6,907
Unearned revenue	13,892	(30,089)
Net cash provided by operating activities	134,109	62,651
Cash flows from investing activities		
Proceeds from sales (purchase) of investments	(4,930)	66
Purchase of equipment	(83,573)	-
Net cash provided by (used in) investing activities	(88,503)	66
INCREASE IN CASH AND CASH EQUIVALENTS	45,606	62,717
Cash and cash equivalents, beginning of year	250,006	187,289
Cash and cash equivalents, end of year	$ 295,612	$ 250,006

The accompanying notes are an integral part of these statements.

National Runaway Switchboard
(d/b/a National Runaway Safeline)
(d/b/a 1-800-RUNAWAY)

STATEMENT OF FUNCTIONAL EXPENSES

Year ended July 31, 2014

	Program Services	Management and General	Fundraising	Total
Salaries	$ 865,969	$ 169,681	$ 75,054	$ 1,110,704
Employee benefits and payroll taxes	206,522	51,749	10,324	268,595
	1,072,491	221,430	85,378	1,379,299
Conference and seminar expenses	1,290	98	428	1,816
Contributed services-in-kind	75,193	29,065	-	104,258
DSL and web host fees	3,654	540	266	4,460
Dues and subscriptions	3,794	741	1,294	5,829
Interest expense and bank charges	-	966	3,495	4,461
Miscellaneous	75,398	6,810	17,036	99,244
Office expense	39,603	4,805	3,806	48,214
Office rental and maintenance	78,160	11,399	5,700	95,259
Professional fees and services	106,454	25,293	998	132,745
Promotional materials	42,375	476	320	43,171
Staff training and recognition	11,215	1,596	320	13,131
Stipends	3,526	-	-	3,526
Telephone and communications	45,272	2,273	1,137	48,682
Travel	11,550	1,281	398	13,229
Volunteer services	10,830	60	-	10,890
	$ 1,580,805	$ 306,833	$ 120,576	$ 2,008,214

The accompanying notes are an integral part of this statement.

National Runaway Switchboard
(d/b/a National Runaway Safeline)
(d/b/a 1-800-RUNAWAY)

STATEMENT OF FUNCTIONAL EXPENSES (Continued)

Year ended July 31, 2013

	Program Services	Management and General	Fundraising	Total
Salaries	$ 827,259	$ 167,263	$ 66,875	$ 1,061,397
Employee benefits and payroll taxes	184,128	45,092	9,985	239,205
	1,011,387	212,355	76,860	1,300,602
Conference and seminar expenses	1,084	110	440	1,634
Contributed services-in-kind	81,125	6,728	-	87,853
DSL and web host fees	4,001	563	281	4,845
Dues and subscriptions	4,174	953	693	5,820
Interest expense and bank charges	-	1,697	2,604	4,301
Miscellaneous	68,252	7,787	15,959	91,998
Office expense	32,021	5,350	3,603	40,974
Office rental and maintenance	80,246	11,251	5,612	97,109
Professional fees and services	158,945	6,425	79	165,449
Promotional materials	75,972	1,124	1,625	78,721
Staff training and recognition	9,285	875	2,173	12,333
Stipends	5,665	-	-	5,665
Telephone and communications	48,314	2,441	1,172	51,927
Travel	22,094	2,193	502	24,789
Volunteer services	12,324	-	-	12,324
	$ 1,614,889	$ 259,852	$ 111,603	$ 1,986,344

The accompanying notes are an integral part of this statement.

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Nature of Activities

The National Runaway Switchboard (d/b/a National Runaway Safeline) / (d/b/a 1-800-RUNAWAY) (the "Organization") is a nonprofit agency supported by volunteers providing crisis intervention and support for runaway and at-risk youth and their families. The mission of the Organization is to "keep America's runaway and at-risk youth safe and off the streets". The Organization manages a "24/7" hotline for runaway, at-risk, homeless, and thrown away youth and their families, offering non-judgmental, non-directive assistance to callers. Services include: confidential crisis intervention; information and referrals to over 16,000 direct service providers; a message relay service; advocacy for youth; conference calls; internet services; and runaway education and prevention. In partnership with Greyhound Lines, Inc., the Organization reunites families by providing runaway youth with free transportation home. The Organization has been the federally designated communication system for runaway and homeless youth since 1974. The Organization is primarily funded by a grant from the U.S. Department of Health and Human Services (Note I-2).

2. Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less at the date of purchase to be cash equivalents.

3. Pledges Receivable

Pledges receivable are stated at the amount management expects to collect from outstanding balances. Management monitors the collection of these receivables on a routine basis. Unconditional contributions (promises to give) that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of estimated future cash flows, at the date the contribution or pledge is received, to the extent estimated to be collectible by the Organization.

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Investments

Investments in marketable securities are reported at their fair value in the statements of financial position.

5. Equipment

Equipment is stated at cost. Depreciation is computed principally by the straight-line method over a five-year estimated useful life.

6. Unearned Revenues

Unearned revenues are contributions from special events that will be held in the following year. These amounts will be recognized in revenue upon completion of the event.

7. Grant Revenue Recognition

Federal grant revenue is recognized as the costs for the related services are incurred.

8. Contributions

Gifts of cash and other assets are presented as restricted support if the gifts are received with donor stipulations that limit the use of donated assets. If a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as unrestricted. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. At July 31, 2014 and 2013, the Organization has temporarily restricted net assets of $35,424 and $75,581, respectively, related to pledges receivable and Runaway Prevention Curriculum, and no permanently restricted net assets.

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Contributions (Continued)

A substantial number of unskilled volunteers have contributed their time and a number of organizations have donated services to the Organization. The unskilled volunteer services have not been recorded as the services do not meet the requirements for inclusion in the financial statements. The amount of unskilled volunteer services has been disclosed and is based on actual hours and the Independent Sector's value of volunteer time. The contributed services from a number of organizations have been recorded as they meet the requirements for inclusion in the financial statements and are based on the actual value of services provided or discounts given to the

9. Income Taxes

The Organization is a tax-exempt organization as defined in Section 501(c)(3) of the Internal Revenue Code. Accounting principles generally accepted in the United States of America requires management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service or other applicable taxing authorities.

Management has analyzed the tax positions taken by the Organization, and has concluded that as of July 31, 2014 and 2013, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Organization is subject to routine audits by taxing authorities; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2010.

10. Functional Expense Allocations

Expenses that can be specifically identified with a particular program or supporting service are charged directly to that program or supporting service. Other expenses that benefit more than one program or supporting service are allocated on the basis of management's estimate of the proportionate share of services provided to each program or supporting service.

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

12. Fair Value of Financial Instruments

The nature and/or amounts of financial instruments, including cash and cash equivalents, accounts payable and accrued expenses, and unearned revenue approximate fair value due to the short term nature of these instruments.

It is the Organization's policy, in general, to measure nonfinancial assets and liabilities at fair value on a nonrecurring basis. These items are not measured at fair value on an ongoing basis, but are subject to fair value adjustments in certain circumstances (such as evidence of impairment) which, if material, are disclosed in the accompanying notes to these financial statements.

NOTE B - PLEDGES RECEIVABLE

Pledges receivable totaled $39,474 and $79,482 at July 31, 2014 and 2013, respectively.

Future collections of pledges receivable are anticipated as follows at July 31, 2014:

Year ending July 31,	
2015	$ 26,720
2016	8,704
	$ 35,424

NOTE C - INVESTMENTS

Investments consist of the following at July 31, 2014:

	Cost	Market	Unrealized Gain
Mutual funds	$ 82,022	$ 83,787	$ 1,765

Investments consist of the following at July 31, 2013:

	Cost	Market	Unrealized Gain
Mutual funds	$ 71,478	$ 73,120	$ 1,642

One of the mutual funds represents 44% and 60% of total investments at July 31, 2014 and 2013, respectively.

NOTE D - FAIR VALUE MEASUREMENTS

The Organization adopted the accounting standard that establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under the accounting standard are described below:

The fair value hierarchy consists of the following three levels:

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

NOTE D - FAIR VALUE MEASUREMENTS (Continued)

Level 2 Inputs to the valuation methodology include the following:

* Quoted prices for similar assets or liabilities in active markets;
* Quoted prices for the identical or similar assets or liabilities in active markets;
* Inputs other than quoted prices that are observable for the asset or liability;
* Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

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

The following is a description of the valuation methodology used for the Organization's financial instruments measured at fair value.

Mutual funds are valued at the closing price on the active market on which the individual investments are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes that its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE D - FAIR VALUE MEASUREMENTS (Continued)

The following tables set for the Organization's investments measured at fair value on a recurring basis and the basis of measurement at July 31, 2014:

	Quoted Active For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds			
Strategic Fund	$ 28,071	$ -	$ -
Short-term Fund	4,059	-	-
Small Cap	8,392	-	-
Mid Cap	6,641	-	-
Large Cap	36,624	-	-
	$ 83,787	$ -	$ -

The following tables set for the Organization's investments measured at fair value on a recurring basis and the basis of measurement at July 31, 2013:

	Quoted Active For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds			
Strategic Fund	$ 43,986	$ -	$ -
Global Fund	26,986	-	-
Short-term Fund	2,148	-	-
	$ 73,120	$ -	$ -

NOTE E - EQUIPMENT

Equipment consists of the following:

	2014	2013
Furniture, fixtures, and equipment	$ 222,934	$ 185,667
Accumulated depreciation	(144,126)	(185,667)
	$ 78,808	$ -

NOTE F - LINE OF CREDIT

The Organization has a $75,000 revolving credit agreement with a bank that is secured by the assets of the Organization. The note is due on demand and bears interest at the prime rate (3.25% as of July 31, 2014) plus 3.25%. No borrowings were outstanding under this note at July 31, 2014 and 2013.

NOTE G - DONATED MATERIALS AND CONTRIBUTED SERVICES

Substantial numbers of individuals and organizations have contributed services to the Organization. The value of a portion of these contributed services has not been recorded because the contributed services do not meet the requirements for inclusion in the financial statements. However, the contributed services related to bus tickets and professional discounts have been recorded in the financial statements (as both revenues and program expenses) and were $104,258 and $87,853 in 2014 and 2013, respectively.

The value of all donated materials and contributed services, both recorded and unrecorded, were approximately $300,000 and $316,000 in 2014 and 2013, respectively.

NOTE H - LEASE COMMITMENT

The Organization leases office space under a noncancelable operating lease agreement which expires on September 30, 2015. Rent expense was $90,624 and $88,847 in 2014 and 2013, respectively.

Future minimum annual rentals are as follows:

Fiscal Year		
2015	$	92,437
2016	$	15,457
	$	107,894

NOTE I - CONCENTRATIONS OF RISK

1. Uninsured Cash

   The Organization maintains its cash balances at various financial institutions located in Illinois. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. The Organization may, from time to time, have balances in excess of FDIC insured deposit limits.

2. Funding Source

   The Organization receives over 75% of its revenues from federal funding. The Organization's federal grant agreement commenced on August 1, 2012 and expires on July 31, 2017. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expenses which may be disallowed by the grantor cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial.

NOTE J - RECLASSIFICATIONS

Certain reclassifications have been made to the 2013 financial statements to conform to the 2014 presentation. The reclassifications have no effect on the changes in net assets in the financial statements.

NOTE K - SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 26, 2014, the date that these financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the statement of financial position date, other than the item disclosed below, that require disclosure in the financial statements.

During September 2014, the Organization extended their office lease to September 30, 2015. See Note H.