

Girl Scouts of West Central Florida, Inc.

Financial Statements

September 30, 2019 and 2018



GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Girl Scouts of West Central Florida, Inc.
Tampa, Florida

We have audited the accompanying financial statements of Girl Scouts of West Central Florida, Inc. (the Council), which comprise the statements of financial position as of September 30, 2019 and 2018, and the related statements of activities and of cash flows for the years then ended, the statement of functional expenses for the year ended September 30, 2019, 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 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 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 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 Girl Scouts of West Central Florida, Inc. as of September 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

CONTINUED

INDEPENDENT AUDITOR'S REPORT - CONTINUED

Report on Summarized Comparative Information

We have previously audited the Council's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 9, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PDR CPAs + Advisors

Oldsmar, Florida
January 8, 2020

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2019 AND 2018

	<u>ASSETS</u>	
	2019	2018
Current assets		
Cash and cash equivalents	\$ 1,197,683	\$ 356,586
Receivables	164,812	141,994
Inventory	214,343	223,353
Prepaid expenses and other assets	174,830	123,272
Total current assets	1,751,668	845,205
Property and Equipment, Net	6,111,562	5,240,438
Other Assets		
Assets held for sale	107,427	-
Beneficial interest in assets held by others	84,009	83,376
Investments	4,563,024	5,925,072
Total Assets	\$ 12,617,690	\$ 12,094,091
	<u>LIABILITIES AND NET ASSETS</u>	
Current liabilities		
Accounts payable	\$ 174,678	\$ 206,637
Accrued expenses	704,900	353,497
Custodial funds	8,929	4,676
Deferred revenue	114,444	140,150
Current portion of notes payable	22,080	21,268
Total current liabilities	1,025,031	726,228
Notes payable, net of current portion	32,729	54,809
Total liabilities	1,057,760	781,037
Net assets		
Without donor restrictions	11,276,824	11,054,516
With donor restrictions	283,106	258,538
Total net assets	11,559,930	11,313,054
Total Liabilities and Net Assets	\$ 12,617,690	\$ 12,094,091

See accompanying notes to financial statements

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	Without Donor Restrictions	With Donor Restrictions	Total 2019	2018
Revenues and Other Support				
Public support:				
Contributions	\$ 300,297	\$ 114,000	\$ 414,297	\$ 444,804
United Way	279,483	-	279,483	318,527
Government contracts/grants	731,104	-	731,104	720,083
Special events (net of direct costs of \$129,691)	275,046	-	275,046	262,390
Program:				
Product sales (net of cost of goods sold of \$4,293,974)	5,383,853	-	5,383,853	4,851,458
Girl Scout store (net of cost of goods sold of \$384,107)	276,719	-	276,719	299,682
Event fees	921,043	-	921,043	776,068
Other revenue:				
Rental income	50,452	-	50,452	49,803
Interest and dividend income	164,286	3,735	168,021	160,418
Other	228,078	-	228,078	97,678
Net assets released from restrictions	93,428	(93,428)	-	-
Total revenues and other support	<u>8,703,789</u>	<u>24,307</u>	<u>8,728,096</u>	<u>7,980,911</u>
Expenses				
Program services	6,810,386	-	6,810,386	6,542,792
Management and general	1,181,546	-	1,181,546	1,166,586
Fundraising	522,451	-	522,451	481,548
Total expenses	<u>8,514,383</u>	<u>-</u>	<u>8,514,383</u>	<u>8,190,926</u>
Change in Net Assets From Operations	189,406	24,307	213,713	(210,015)
Other Changes in Net Assets				
Realized and unrealized gains on investments, net	36,823	261	37,084	53,470
(Loss) gain on sale of assets	(3,921)	-	(3,921)	976,993
	<u>32,902</u>	<u>261</u>	<u>33,163</u>	<u>1,030,463</u>
Change in Net Assets	222,308	24,568	246,876	820,448
Net Assets at Beginning of Year	<u>11,054,516</u>	<u>258,538</u>	<u>11,313,054</u>	<u>10,492,606</u>
Net Assets at End of Year	<u>\$11,276,824</u>	<u>\$ 283,106</u>	<u>\$11,559,930</u>	<u>\$11,313,054</u>

See accompanying notes to financial statements

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Other Support			
Public support:			
Contributions	\$ 406,597	\$ 38,207	\$ 444,804
United Way	318,527	-	318,527
Government contracts/grants	720,083	-	720,083
Special events, net of direct costs of \$123,264	262,390	-	262,390
Program:			
Product sales (net of cost of goods sold of \$3,886,977)	4,851,458	-	4,851,458
Girl Scout store (net of cost of goods sold of \$377,108)	299,682	-	299,682
Event fees	776,068	-	776,068
Other revenue			
Rental income	49,803	-	49,803
Interest and dividend income	157,829	2,589	160,418
Other	97,678	-	97,678
Net assets released from restrictions	42,084	(42,084)	-
	<u>7,982,199</u>	<u>(1,288)</u>	<u>7,980,911</u>
Total revenues and other support			
Expenses			
Program services	6,542,792	-	6,542,792
Management and general	1,166,586	-	1,166,586
Fundraising	481,548	-	481,548
	<u>8,190,926</u>	<u>-</u>	<u>8,190,926</u>
Total expenses			
Change in Net Assets From Operations	(208,727)	(1,288)	(210,015)
Other Changes in Net Assets			
Realized and unrealized gains on investments, net	43,608	9,862	53,470
Gain on sale of assets	976,993	-	976,993
	<u>1,020,601</u>	<u>9,862</u>	<u>1,030,463</u>
Change in Net Assets	811,874	8,574	820,448
Net Assets at Beginning of Year	<u>10,242,642</u>	<u>249,964</u>	<u>10,492,606</u>
Net Assets at End of Year	<u>\$11,054,516</u>	<u>\$ 258,538</u>	<u>\$11,313,054</u>

See accompanying notes to financial statements

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	Program Services	Management and General	Fundraising	Total	
				2019	2018
Labor expenses					
Salaries	\$ 2,998,976	\$ 525,555	\$ 302,597	\$ 3,827,128	\$ 3,691,775
Employee benefits	816,439	132,207	78,582	1,027,228	1,036,169
Payroll taxes	251,733	38,741	25,509	315,983	299,435
Total salaries and related expenses	4,067,148	696,503	406,688	5,170,339	5,027,379
Other expenses					
Supplies	599,968	11,863	14,696	626,527	501,843
Building expense	411,452	48,979	-	460,431	412,767
Professional fees	209,337	107,793	16,113	333,243	332,015
Special assistance	242,953	-	15,732	258,685	308,158
Insurance	163,443	68,801	11	232,255	214,340
Grant subreceptent	162,706	-	-	162,706	198,427
Travel	136,651	8,297	3,493	148,441	170,308
Print and publications	158,624	1,261	10,081	169,966	165,847
Communications	139,462	13,107	17,504	170,073	154,736
Equipment	83,563	9,168	5,123	97,854	81,158
Staff development	41,008	34,196	14,573	89,777	79,412
Miscellaneous	64,277	1,689	465	66,431	76,393
Bank fees	51,471	27,956	8,442	87,869	62,696
Bad debt expense	45,648	200	-	45,848	42,024
Postage and shipping	45,296	1,623	9,530	56,449	38,763
Total other expenses	2,555,859	334,933	115,763	3,006,555	2,838,887
Total expenses before depreciation	6,623,007	1,031,436	522,451	8,176,894	7,866,266
Depreciation	187,379	150,110	-	337,489	324,660
Total expenses	\$ 6,810,386	\$ 1,181,546	\$ 522,451	\$ 8,514,383	\$ 8,190,926

See accompanying notes to financial statements

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 246,876	\$ 820,448
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	337,489	324,660
Bad debt expense	45,848	42,024
Loss (gain) on sale of property and equipment	3,921	(976,993)
Realized and unrealized gains on investments	(62,887)	(81,295)
(Increase) decrease In:		
Receivables	(68,666)	(26,765)
Prepaid expenses and other assets	(51,558)	14,475
Inventory	9,010	409
Increase (decrease) In:		
Accounts payable	(31,959)	(14,481)
Accrued expenses	351,403	25,815
Custodial funds	4,253	1,201
Deferred revenue	<u>(25,706)</u>	<u>26,282</u>
Net cash provided by operating activities	758,024	155,780
Cash Flows from Investing Activities:		
Proceeds from sale of property and equipment	-	1,039,783
Purchase of property and equipment	(1,319,961)	(1,258,500)
Purchase of investments	(6,735,717)	(6,504,458)
Proceeds from sale of investments	<u>8,160,019</u>	<u>6,528,257</u>
Net cash provided by (used in) investing activities	104,341	(194,918)
Cash Flows from Financing Activities:		
Payments on notes payable	<u>(21,268)</u>	<u>(18,809)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	841,097	(57,947)
Cash and Cash Equivalents at Beginning of Year	<u>356,586</u>	<u>414,533</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 1,197,683</u></u>	<u><u>\$ 356,586</u></u>
Supplemental Cash Flow Information:		
Cash paid during the year for interest	<u><u>\$ 2,490</u></u>	<u><u>\$ 2,970</u></u>

See accompanying notes to financial statements

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

NOTE A - NATURE OF ORGANIZATION

Girl Scouts of West Central Florida, Inc. (the Council) is a nonprofit organization incorporated in Florida on October 1, 2007 for the purpose of administering Girl Scouting in Hillsborough, Polk, Pinellas, Pasco, Citrus, Marion, Sumter, and Hernando counties. The Council administers Girl Scouting throughout its jurisdiction in accordance with the bylaws and policies of the Council and the charter requirements of the Girl Scouts of the United States of America (GSUSA).

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the Council have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP).

The Council presents information regarding its financial position and activities according to two classes of net assets described as follows:

- Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Council. These net assets may be used at the discretion of the Council's management and the board of directors.
- Net assets with donor restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Council or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates include allocation of functional expenses, asset lives, and fair value measurement of investments.

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Council's ongoing services. Nonoperating activities, if any, are limited to other activities considered to be of a more unusual or nonrecurring nature.

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fair Value Measurement

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on a measurement date. An entity is required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Cash and Cash Equivalents Accounts

For purposes of the statements of cash flows, the Council considers all operating bank accounts consisting of highly liquid investments with an original maturity of three months or less as cash. Cash and cash equivalents held in the investment accounts are not considered cash for the purposes of the statements of cash flows.

Financial instruments which potentially subject the Council to concentrations of credit risk consist principally of cash held in financial institutions in excess of federally-insured limits. From time to time throughout the years ended September 30, 2019 and 2018, the Council's cash balance may have exceeded the federally insured limit. However, the Council has not experienced and does not expect to incur any losses in such accounts.

Receivables

Receivables consist mainly of grants receivable that are due from various granting agencies as well as amounts due from various troops for cookie sales. Receivables are stated at the amount that management expects to collect from outstanding balances. Management monitors the collection of its receivable balances on an ongoing basis. The Council provides for probable uncollectible amounts through a charge to earnings and a credit to the allowance for doubtful accounts when, in management's estimation, it is probable that the receivable is not collectible. The Council has determined that all amounts are collectible; accordingly, no allowance for potentially uncollectible accounts has been recorded at September 30, 2019 and 2018.

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Beneficial Interest in Assets Held by Others

The Organization established accounts with the Community Foundation of Tampa Bay which are included within net assets with donor restrictions. The Organization's interest in the assets held by the Community Foundation of Tampa Bay is recorded at fair value and included in the accompanying statements of financial position. Earnings on these funds are earmarked to be distributed on a periodic basis to the Council and are recorded as revenue without donor restrictions in the accompanying statements of activities. As of September 30, 2019 and 2018, the fair value of these assets was \$84,009 and \$83,376, respectively. Unrealized gains and losses are included in the statements of activities under other changes in net assets.

Investments

Investments include marketable debt and equity securities and are stated at fair market value in the statements of financial position. Investment income or loss (including gains or losses on investments, interest, and dividends) is included in the statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law. Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

Inventories

The Council maintains an inventory of Girl Scouting related equipment, uniforms, and badges for sale. The inventory is stated at the lower of cost or market on an average cost basis.

Property and Equipment

Property and equipment expenditures in excess of \$1,500 are capitalized at cost when purchased or, if donated, at estimated fair value. Improvements and betterments that materially prolong the useful lives of assets are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives with a range of three to thirty years.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Council reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Council reclassifies net assets with donor restrictions at that time.

Assets Held for Sale

Assets held for sale consists of real property that was previously held for use in the Council's operations.

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Impairment of Long-Lived Assets

The Council evaluates its long-lived assets (including assets held for sale) for any events or changes in circumstances which indicate that the carrying amount of such assets may not be fully recoverable. The Council evaluates the recoverability of long-lived assets by measuring the carrying amount of such assets against the estimated undiscounted future cash flows associated with them. At the time such evaluation indicates that the future undiscounted cash flows of certain long-lived assets are not sufficient to recover the carrying value of such assets, the assets are adjusted to their fair values.

Revenue Recognition

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Contributions received with donor restrictions that are met in the same reporting period are reported as increases in net assets without donor restrictions.

Public grants from government agencies are recorded based on the terms of the grantor allotment which generally provides that revenue is earned when the allowable costs or units of service of the specific grant provisions have been incurred or provided. Such revenue is subject to audit by the grantor and, if the examination results in a non-allowance of units of service or expenses, the Council will be required to reimburse any overpayments.

Donated Premises, Services, and Materials

Donated materials are recorded as support at their fair value at the date of donation. Contributions of services are recorded as support at their estimated fair value if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The value of contributed services meeting the requirements for recognition in the financial statements is recorded as unrestricted support at the date of the donation. There were no significant donated goods and services for the years ended September 30, 2019 and 2018, respectively. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Council, but these services do not meet the criteria for recognition as contributed services under US GAAP.

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Council. These functions are defined as follows:

- Program services - the costs associated with the Council's efforts to achieve the stated mission and goals.
- Management and general - the costs of operating the Council's offices, including gathering, processing, and maintaining financial information.
- Fundraising - the costs associated with soliciting contributions or holding special events for the benefit of the Council.

Advertising

Advertising costs are expensed as incurred and were approximately \$84,000 for each of the years ended September 30, 2019 and 2018.

Income Tax Status

The Council is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Uncertain Tax Positions

The Council accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for all uncertain tax positions. The Council has identified its tax status as a tax-exempt entity as its only significant tax position; however, the Council has determined that such tax position does not result in an uncertainty requiring recognition. The Council is not currently under examination by any taxing jurisdiction. The Council's federal returns are generally open for examination for three years following the date filed.

Troops' Accounts and Activities

The accompanying financial statements do not include financial data for individual Girl Scout troops. Bank accounts held by troops are under the Council's federal identification number but not under the control of the Council. The Council has no signature authority nor does it access troop accounts, in accordance with the Council's established policies and procedures, other than for the purposes of closing dormant or forfeited accounts after an extended period of inactivity, and to process ACH payments to pay for product sales or event reimbursement or financial assistance. Annually, troops are required to report to the Council the balance in their accounts and the sources and uses of funds since the last reporting date.

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Comparative Financial Information

The accompanying financial statements include certain prior year summarized comparative total amounts. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Council's financial statements for the year ended September 30, 2018, from which the summarized information was derived.

Reclassifications

Certain reclassifications have been made to the 2018 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

New Accounting Pronouncement

On August 18, 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources and the lack of consistency in the type of information provided about expenses and investment return. The Council has adjusted the presentation of these statements accordingly.

NOTE C - AVAILABILITY AND LIQUIDITY

The following represents the Council's financial assets as of the financial position date, reduced by amounts not available for general use because of contractual or donor imposed restrictions within one year of the statement of financial position date.

	<u>2019</u>	<u>2018</u>
Financial Assets:		
Cash and cash equivalents	\$ 1,197,683	\$ 356,586
Receivables	<u>164,812</u>	<u>141,994</u>
Total financial assets	1,362,495	498,580
Less financial assets unavailable for general expenditures within one year due to:		
Donor restricted contributions for program activities	59,575	38,207
Designated for capital projects	<u>875,000</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 427,920</u>	<u>\$ 460,373</u>

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

NOTE C - AVAILABILITY AND LIQUIDITY - CONTINUED

As part of the Council's liquidity management, it invests cash for long-term purposes in a variety of investments as described in **NOTE E**. These investments are available to meet the Council's liquidity requirements as determined by Council management.

NOTE D - RECEIVABLES

Grants receivable are included in receivables on the statements of financial position and at September 30, 2019 consist of three grants receivable totaling \$135,116. Grants receivable at September 30, 2018 consist of five grants receivable totaling \$104,347.

NOTE E - INVESTMENTS

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statements of financial position.

Investments consist of the following at September 30:

	2019		2018	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Cash and cash equivalents	\$ 232,067	\$ 232,067	\$ 123,417	\$ 123,417
Bonds	1,398,258	1,441,829	2,473,850	2,441,550
Mutual funds	667,792	705,241	2,025,707	2,238,256
Equities	1,943,152	2,183,887	1,020,885	1,121,849
Total	<u>\$4,241,269</u>	<u>\$4,563,024</u>	<u>\$5,643,859</u>	<u>\$5,925,072</u>

The following schedule summarizes the investment return for the years ended September 30:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 168,021	\$ 160,418
Unrealized (loss)/gain on investments	34,116	(16,728)
Realized gain on investments	28,771	98,023
Net investment fees	<u>(25,803)</u>	<u>(27,825)</u>
	<u>37,084</u>	<u>53,470</u>
Total	<u>\$ 205,105</u>	<u>\$ 213,888</u>

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

NOTE E - INVESTMENTS - CONTINUED

With regard to its invested assets, the Council has an investment policy with an overall objective of supporting the activities of the Council while providing long-term growth of assets at a level of risk deemed acceptable by the Council's Board of Directors. The Council funds its cash flow needs from investments rather than borrowing, which led to the creation of both short and long-term components of the Council's investment portfolio. The short-term component consists of highly liquid investments, while the long-term component consists primarily of equities. The Council maintains a prudent and diversified portfolio management by a third-party investment firm, subject to oversight by a Finance Committee staffed by volunteer professionals.

NOTE F - FAIR VALUE MEASUREMENTS

The following is a description of the valuation methodologies used for investments measured at fair value at September 30, 2019 and 2018:

Cash and cash equivalents: The carrying amounts reported in the statements of financial position approximate the fair value due to the short maturities of those investments.

Bonds: Valued using quoted market prices and/or other observable market data for the same or comparable instruments and transactions in establishing the prices, discounted cash flow models and other pricing models. These models are primarily industry standard models that consider various assumptions including time value and yield curve as well as other relevant economic measures.

Mutual funds: Valued at the closing prices reported on the applicable exchange on which the fund is traded.

Equities: Comprised of common stock valued at the closing price reported in the active market in which the individual securities are traded.

Beneficial interest in assets held by others: The investments are managed by an unrelated third party and are valued based upon the third-party information without adjustment. The Organization does not develop nor are they provided with the quantitative inputs used to develop the fair market values.

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

NOTE F - FAIR VALUE MEASUREMENTS - CONTINUED

The following is a summary of the levels within the fair value hierarchy for the Council's assets measured at fair value on a recurring basis as of September 30, 2019 and 2018:

Assets by Designated Type	September 30, 2019			
	Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 232,067	\$ 232,067	\$ -	\$ -
Bonds	1,441,829	1,441,829	-	-
Mutual funds	705,241	705,241	-	-
Equities	2,183,887	2,183,887	-	-
Beneficial interest in assets held by others	- 84,009	-	-	84,009
Total fair value	\$ 4,647,033	\$ 4,563,024	\$ -	\$ 84,009

Assets by Designated Type	September 30, 2018			
	Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 123,417	\$ 123,417	\$ -	\$ -
Bonds	2,441,550	2,441,550	-	-
Mutual funds	2,238,256	2,238,256	-	-
Equities	1,121,849	1,121,849	-	-
Beneficial interest in assets held by others	83,376	-	-	83,376
Total fair value	\$ 6,008,448	\$ 5,925,072	\$ -	\$ 83,376

The following is a reconciliation of the Council's level 3 investments:

	2019	2018
Balance at beginning of the year	\$ 83,376	\$ 80,792
Investment income	831	1,409
Net appreciation (realized/unrealized)	598	2,259
Grant disbursements	(796)	(1,084)
	\$ 84,009	\$ 83,376

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

NOTE G - PROPERTY AND EQUIPMENT AND CONSTRUCTION IN PROGRESS

Property and equipment consisted of the following at September 30:

	<u>2019</u>	<u>2018</u>
Land	1,294,830	\$ 1,391,257
Buildings and improvements	8,014,760	7,936,216
Furnishings, equipment, and vehicles	1,998,898	1,957,848
Land and leasehold improvements	483,376	491,359
Livestock	28,275	28,275
Construction in progress	1,302,132	129,548
	<u>13,122,271</u>	<u>11,934,503</u>
Less accumulated depreciation	<u>(7,010,709)</u>	<u>(6,694,065)</u>
Total	<u><u>\$ 6,111,562</u></u>	<u><u>\$ 5,240,438</u></u>

Depreciation expense was \$337,489 and \$324,660 for the years ended September 30, 2019 and 2018, respectively.

At September 30, 2019 and 2018, the Council had construction in process of \$1,302,132 and \$129,548, respectively. The construction in progress is for improvements and repairs to various properties owned by the Council. Depreciation will commence when the projects are completed and placed into service.

At September 30, 2017, the Council had assets held for sale of \$56,692. These assets included land, building and improvements for Camp ScoutCrest. The property was sold in January 2018 and a gain of approximately \$975,000 was realized which is included in gain on sale of assets in the accompanying statement of activities for the year ended September 30, 2018.

NOTE H - NOTES PAYABLE

Notes payable consists of the following at September 30:

	<u>2019</u>	<u>2018</u>
Note payable to bank, bearing interest at 3.75% fixed rate, due in monthly installments of \$1,980 including interest, maturing February 2022, and secured by a vehicle	<u>54,809</u>	<u>\$ 76,077</u>
Less current portion	<u>(22,080)</u>	<u>(21,268)</u>
	<u><u>\$ 32,729</u></u>	<u><u>\$ 54,809</u></u>

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

NOTE H - NOTES PAYABLE - CONTINUED

Future maturities of the notes payable for each of the following years ending September 30, are as follows:

<u>Years Ending</u> <u>September 30,</u>	<u>Debt Service</u>
2020	\$ 22,080
2021	22,922
2022	9,807
	<u>\$ 54,809</u>

NOTE I - ENDOWMENT

The Council's endowment (the Fund) consists of three individual funds held by the Community Foundation of Tampa Bay (CFTB) and a permanent endowment created through a Council-wide pledge campaign. The endowments held by CFTB were established by the Council for a variety of purposes and are held by a third-party trustee. As such, the Council has no direct influence over the investment policies governing the funds held with CFTB, but has a separate investment policy for the funds managed exclusively by the Council. As required by US GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Council has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) 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. As a result of this interpretation, the Council classifies as net assets with donor restrictions of a permanent nature (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 the donor-restricted endowment funds that are not classified in net assets with donor restrictions of a permanent nature is classified as net assets with donor restrictions of a temporary nature until those amounts are appropriated for expenditure by the Council in accordance with the calculation provided in the donor agreement as calculated by CFTB.

**GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018**

NOTE I - ENDOWMENT - CONTINUED

In accordance with FUPMIFA, the Council considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds that are overseen by the Council:

- (1) The duration and preservation of the fund
- (2) The purposes of the Council 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 Council
- (7) The investment policies of the Council

For the years ended September 30, 2019 and 2018, the Council has elected not to add appreciation for cost of living or other spending policies, due to inflation and other economic conditions, to its permanently restricted endowment.

Summary of endowment assets:

Net Assets by Designated Type	September 30, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 223,531	\$ 223,531
Total	\$ -	\$ 223,531	\$ 223,531

Net Assets by Designated Type	September 30, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 220,331	\$ 220,331
Total	\$ -	\$ 220,331	\$ 220,331

**GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018**

NOTE I - ENDOWMENT - CONTINUED

Changes in endowment net assets for the years ended September 30 include:

September 30, 2019	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 220,331	\$ 220,331
Grant disbursements	-	(796)	(796)
Investment income	-	3,735	3,735
Realized and unrealized gains on investments	-	261	261
Endowment net assets, end of year	\$ -	\$ 223,531	\$ 223,531

September 30, 2018	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 208,964	\$ 208,964
Grant disbursements	-	(1,084)	(1,084)
Investment income	-	2,589	2,589
Realized and unrealized gains on investments	-	9,862	9,862
Endowment net assets, end of year	\$ -	\$ 220,331	\$ 220,331

In regards to the Council's permanently restricted endowment fund, all investment income and appreciation of the endowment is considered permanently restricted and added to the original value of the gift until the endowment reaches donor directed level in accordance with the donor agreement.

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

NOTE J – RETIREMENT PLANS

The Council participates in the National Girl Scout Council Retirement Plan (the Plan), a noncontributory defined benefit pension plan sponsored by Girl Scouts USA (Plan #02) (EIN number 13-1624016). The National Board of Girl Scouts USA voted to freeze the plan to new entrants and to freeze future benefit accruals for all current participants under the Plan effective July 31, 2010. The Plan covers substantially all of the employees of various Girl Scout councils who were eligible to participate in the Plan prior to the Plan freeze. Accrued and vested benefits prior to July 31, 2010 are based on years of service and salary levels.

Although net Plan assets grew during the year, net Plan assets available for Plan benefits continue to be less than the actuarial present value of accumulated Plan benefits as of January 1, 2019. Based on the April 18, 2014 conditional approval by the Internal Revenue Service (IRS), all existing amortization bases in the Plan's funding standard account as of January 1, 2013 were combined into one base and the resulting amortization period for that single base was extended to 10 years. Approval applies as long as at a minimum, beginning with the January 1, 2013 calendar year, \$30,000,000 is remitted. The \$30,000,000 calendar year minimum applies for each succeeding calendar year until the Plan is fully funded based upon the requirements of the Pension Protection Act of 2006 (PPA). In addition, on April 8, 2014, President Obama signed H.R. 4275 into law, a relief package unanimously passed by Congress that gives the Plan the flexibility to adopt the Pension Protection Act (PPA) funding requirements immediately or not at all. The Plan has elected to adopt this relief and not be subject to PPA. Aggregate annual contributions made in fiscal years 2018 and 2019 were \$32.4 million and \$32.2 million, respectively. The aggregate annual contributions decreased from 2018 to 2019 due to the spin-off of Girl Scouts of Louisiana East effective May 1, 2018. Aggregate contributions to be made in fiscal 2020 are expected to be \$32.2 million.

Net Plan assets available and Plan liabilities are as follows:

	<u>2019</u>	<u>2018</u>
Fair value of Plan assets	\$ 422,900,000	\$ 398,500,000
Accumulated liability of the Plan	\$ 688,300,000	\$ 644,900,000
Plan funded ratio	61%	62%

The risks of participating in multiemployer plans are different from single-employer plans in the following aspects:

- a. Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

Contributions made by the Council in fiscal years 2019 and 2018 were \$506,953 and \$507,636, respectively. These contributions were not greater than 5% of total plan contributions during 2019 and 2018.

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

NOTE J – RETIREMENT PLANS – CONTINUED

The Council also maintains a 401(k) retirement plan, in which the council will make a matching contribution not to exceed 2% of each individual's salary. The amount contributed to the 401(k) plan during 2019 and 2018 was \$36,809 and \$33,073, respectively.

NOTE K - RELATED PARTY TRANSACTIONS

The Council is a chartered member of GSUSA. As part of being a chartered member, the Council collects and passes through membership fees on behalf of GSUSA. The total paid to GSUSA by the Council for membership dues collected on behalf of GSUSA in 2019 and 2018 was \$196,505 and \$216,650, respectively. The Council purchases a majority of its merchandise inventory from GSUSA. In 2019 and 2018, approximately 85% and 81%, respectively, of the Council's merchandise inventory purchases were from GSUSA.

As part of the Council's product sales program, a portion of proceeds from the sale of items is retained by the troops and groups participating in the program. The amount of proceeds retained per troop or group varies and is based on the number of items sold by that particular troop or group. In 2019 and 2018, troops and groups retained approximately \$1,600,000 and \$1,400,000, respectively, in the Council's product sales program.

NOTE L - CONCENTRATION RISK

The Council received approximately 57% and 56% of its operating funds from the program-related sale of cookie products during 2019 and 2018, respectively. Due to licensing restrictions imposed by GSUSA, only two national suppliers are authorized to produce Girl Scout cookie products. This limited amount of suppliers may represent a business risk to the Council, and any adverse change in a supplier's ability to provide an adequate amount of goods for resale may have a negative impact on the Council's operations.

NOTE M – OPERATING LEASES

The Council leases office equipment under non-cancelable operating leases. Lease expense for the years ended September 30, 2019 and 2018 was approximately \$70,000 and \$74,000, respectively.

Future minimum payments due on the leases are as follows:

<u>Years Ending September 30,</u>	<u>Amount</u>
2020	\$ 38,621
2021	27,560
2022	10,906
2023	10,092
2024	10,092
Thereafter	<u>2,523</u>
	<u>\$ 99,794</u>

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

NOTE N - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of September 30:

	<u>2019</u>	<u>2018</u>
Temporary restrictions:		
Restricted contributions for programs	\$ 59,575	\$ 38,207
Scholarship fund	<u>14,686</u>	<u>15,230</u>
Total net assets with temporary restrictions	74,261	53,437
Permanent restrictions - endowment	<u>208,845</u>	<u>205,101</u>
Total net assets with donor restrictions	<u>\$ 283,106</u>	<u>\$ 258,538</u>

Net assets of \$93,428 and \$42,084 were released from restrictions during the years ended September 30, 2019 and 2018, respectively, by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors.

NOTE O - SELF-INSURANCE

The Council is self-insured for certain losses related to unemployment compensation and medical claims losses. The expected ultimate costs for claims incurred are recognized as liabilities in the accompanying statements of financial position and are estimated based principally on an analysis of historical claims data and estimates of claims incurred but not reported. Losses are accrued and charged to operations when it is probable that a loss has been incurred and the amount can be reasonably estimated. The Council maintains third-party stop-loss insurance policies to cover health insurance liability costs in excess of predetermined retained amounts. Costs related to the administration of the plans and related claims are expensed as incurred. At September 30, 2019 and 2018, self-insurance related liabilities of approximately \$77,544 and \$41,832, respectively, were included in accrued liabilities in the accompanying statements of financial position. The Council had \$59,077 and \$40,124 on deposit to cover claims at September 30, 2019 and 2018, respectively, which are included in prepaid expenses in the accompanying statements of financial position.

NOTE P - SUBSEQUENT EVENTS

The Council has evaluated all subsequent events through January 8, 2020, the date the financial statements were available to be issued. The Council is not aware of any subsequent events which would require recognition or disclosure in the financial statements.