

**GIRL SCOUTS OF NORTH-CENTRAL  
ALABAMA, INC.**

**Financial Statements**

**For the Year Ended  
September 30, 2017  
Including Summarized Information for  
September 30, 2016**

**GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.**

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For the Year Ended September 30, 2017**

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## GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.

### Nature of Operations For the Year Ended September 30, 2017

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Girl Scouts is the preeminent leadership development organization for girls. It began over 100 years ago with one woman, Girl Scouts' founder Juliette Gordon "Daisy" Low, who believed in the power of every girl. She organized the first Girl Scout troop on March 12, 1912, in Savannah, Georgia, and every year since, we've made her vision a reality, helping girls discover their strengths, passions, and talents.

In 1917, the first Girl Scout troop was established in Alabama. Today, Girl Scouts of North-Central Alabama (GSNCA) serves over 13,000 girls and adults in 36 counties in North and Central Alabama. The mission of Girl Scouts is to build girls of courage, confidence and character, who make the world a better place.

In April 2016, the board of directors adopted a vision statement for the council that would serve as the focal point for the development of the organizations long, short and mid-range strategic plans. The vision statement reads as follows: "For Girl Scouts of North-Central Alabama to be recognized as the leading organization on the leadership and life skills development of girls in North-Central Alabama. Our innovative leadership programs help girls discover, connect and take action as they develop strong values, social conscience and a deep sense of self and empowerment."

In November 2016, Girl Scouts of the USA launched the G.I.R.L., Go-Getter, Innovator, Risk-taker, Leader, brand campaign. The campaign reflects the core values and history of Girl Scouts, defines Girl Scout leadership and showcases the unique experiences and skill building opportunities Girl Scouts offers. The G.I.R.L. is at the heart of what program opportunities we offer our girl and adult members, has inspired new community partnerships and is used in all forms of internal and external communications.

The council's strategic objectives are as follows: to reach and serve more girls, to deliver consistent outcome driven program activities, and to increase the community's awareness and investment in Girl Scouts. The traditional Girl Scout program is delivered in troops led by trained adult leadership with the support of the council staff. Our alternative delivery and outreach programs are staff-led experiences that bring the Girl Scout program to targeted low-income, at risk and underserved girls in our 36 county area. GSNCA is able to deliver our mission and vision with the support of the community, volunteers, staff and donors. Together, we are building self-confidence and leadership skills in all girls— regardless of their socioeconomic status, race or religious beliefs.

#### **Program Services**

**Volunteer Support Services** - The majority of the Girl Scout Leadership Experience is provided to girls through adult volunteer leadership. In Girl Scouts, girls are guided by trained supportive adults to develop their leadership potential through age appropriate, outcomes measured activities that enable them to **discover** their values and skills in the world that surrounds them; **connect** with other people, locally and globally, to make a difference in the world; and **take action** to make the world a better place. To ensure that girls receive a quality and consistent Girl Scouts experience, GSNCA supports the training and of its adult volunteers by providing adult learning opportunities and training sessions that are conducted across the council's 36 county area. Additionally, training is also conducted through on-line course instruction and informal education sessions. Our training addresses three primary areas: girl leadership; troop leadership and management; and community service leadership and management. The training offered to troop leaders and volunteers involved in Girl Scouting not only benefits Girl Scouts, but also enhances the skills and knowledge of the volunteers as parents, mentors, and community leaders.

**Community Outreach** - Girl Scouts of North-Central Alabama provides a number of opportunities offered to underserved girls through outreach programs. Programs for girls served through outreach are provided in a safe and nurturing environment in a location accessible to girls who may not have transportation. Partnerships in the community are created to provide the girls served in our outreach programs the same Girl Scout program experiences girls have that are served in a traditional troop.

## **GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.**

### **Nature of Operations (continued) For the Year Ended September 30, 2017**

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Girls served through outreach participate in a series of six week outreach based program activities focused on one of our four initiatives: Science Technology, Engineering and Math; Financial Literacy; Healthy Living; and Leadership Development. Goals for girls served through the council's outreach programs are developing leadership and confidence in girls that are not able to participate in Girl Scouts through traditional troops and retaining them by recruiting adult leadership to continue offering the program. Underserved girls participating in outreach programs will develop values and healthy relationships (Healthy Living), gain practical life skills (Financial Literacy); and become resourceful problem solvers (STEM). Through these programs girls develop leadership skills that help to break the negative cycles in which they find themselves.

The **Girl Scout Leadership Experience (GSLE)**—the framework for defining what girls do in Girl Scouting, how they do it, and who will benefit that was borne out of years of research and development—engages girls in three key activities: discovering who they are and what they value; connecting with others; and taking action to make the world a better place.

The Girl Scout Leadership Experience is designed to be girl led, cooperative and hands-on to create a high quality experiences conducive to learning. When girls participate in Girl Scouts, they benefit in five important ways:

1. They develop a strong sense of self. Girls have confidence in themselves and their abilities and form positive identities.
2. Girls have positive values. They act ethically, honestly and show concern for others.
3. Girls are challenge seeking. They take appropriate risks, try things and learn from their mistakes.
4. Girls develop and maintain healthy relationships by communicating their feelings and resolving conflicts constructively.
5. Girls desire to contribute to the world in purposeful and meaningful ways.

When girls exhibit these attitudes and skills they become responsible, productive caring and engaged citizens. Girls who develop these five outcomes are: happier healthier and less likely to engage in problem behaviors or be victimized; achieve higher academically and feel more engaged in school; become strong college and job applicant and become successful well-adjusted adults.

## BORLAND | BENEFIELD

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors and Management  
Girl Scouts of North-Central Alabama, Inc.

We have audited the accompanying financial statements of Girl Scouts of North-Central Alabama, Inc. (the Council) which comprise the statement of financial position as of September 30, 2017, and the related statements of activities, functional expenses and cash flows 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Council as of September 30, 2017 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Report on Summarized Comparative Information

We have previously audited the Council's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 25, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Borland Benefield P.C.".

Borland Benefield, P.C.  
Birmingham, Alabama  
January 5, 2018

**GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.**

**Statement of Financial Position**

**As of September 30, 2017**

**With Summarized totals for the Year Ended September 30, 2016**

<b>Assets</b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Current Assets		
Cash		
Unrestricted	\$ 314,576	\$ 705,858
Restricted	83,576	41,799
Investments	6,137,126	3,986,897
Contributions receivable	201,228	203,200
Inventory	102,870	76,086
Prepaid expenses	65,216	66,501
Total current assets	<u>6,904,592</u>	<u>5,080,341</u>
Non-Current Assets		
Property and equipment, net	4,395,073	4,533,392
Asset held for sale	-	265,259
Total Non- Current Assets	<u>4,395,073</u>	<u>4,798,651</u>
<b>Total Assets</b>	<b><u>\$ 11,299,665</u></b>	<b><u>\$ 9,878,992</u></b>
<b>Liabilities and Net Assets</b>		
Current Liabilities		
Accounts payable	\$ 62,250	\$ 50,850
Accrued liabilities	21,093	13,742
Accrued vacation	113,610	77,113
Custodial funds	7,430	19,916
Deferred revenue	39,518	29,064
Total Current Liabilities	<u>243,901</u>	<u>190,685</u>
Net Assets		
Unrestricted	10,752,227	9,424,738
Temporarily restricted	303,537	263,569
Total Net Assets	<u>11,055,764</u>	<u>9,688,307</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 11,299,665</u></b>	<b><u>\$ 9,878,992</u></b>

*See accompanying notes to financial statements.*

**GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.**

**Statement of Activities  
For the Year Ended September 30, 2017  
With Summarized totals for the Year Ended September 30, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>2016 Total</u>
<b>Public Support</b>				
United Way allocation	\$ 536,850	\$ 201,162	\$ 738,012	\$ 738,371
Contributions	79,127	200,294	279,421	189,687
Other public support	117,189	-	117,189	115,411
Total Public Support	<u>733,166</u>	<u>401,456</u>	<u>1,134,622</u>	<u>1,043,469</u>
<b>Program Related Revenue</b>				
Gross product sales	4,180,918	-	4,180,918	3,864,384
Direct cost of product sales	(1,416,919)	-	(1,416,919)	(1,356,802)
Net revenue from product sales	<u>2,763,999</u>	<u>-</u>	<u>2,763,999</u>	<u>2,507,582</u>
Retail revenue	258,236	-	258,236	248,383
Direct cost of retail sales	(147,955)	-	(147,955)	(132,859)
Net revenue from retail sales	<u>110,281</u>	<u>-</u>	<u>110,281</u>	<u>115,524</u>
Program fees	<u>216,443</u>	<u>-</u>	<u>216,443</u>	<u>135,882</u>
Total Program Related Revenue	<u>3,090,723</u>	<u>-</u>	<u>3,090,723</u>	<u>2,758,988</u>
<b>Investment and Other Revenue</b>				
Investment income	52,595	-	52,595	36,039
Net realized and unrealized loss on investments	133,314	-	133,314	117,009
Gain (Loss) on sales of fixed assets	544,214	-	544,214	(165,245)
Timber income	18,774	-	18,774	245,456
Gain on insurance claims	51,733	-	51,733	16,643
Other income	-	-	-	324
Total Investment and Other Revenue	<u>800,630</u>	<u>-</u>	<u>800,630</u>	<u>250,226</u>
Net assets released from restrictions	<u>361,488</u>	<u>(361,488)</u>	<u>-</u>	<u>-</u>
<b>Total Revenue and Support</b>	<u>4,986,007</u>	<u>39,968</u>	<u>5,025,975</u>	<u>4,052,683</u>
<b>Expenses</b>				
Program services	3,171,051	-	3,171,051	3,224,911
Management and general	311,261	-	311,261	315,506
Fundraising	176,206	-	176,206	183,626
<b>Total Expenses</b>	<u>3,658,518</u>	<u>-</u>	<u>3,658,518</u>	<u>3,724,043</u>
<b>Change in Net Assets</b>	1,327,489	39,968	1,367,457	328,640
<b>Net Assets, Beginning of Year</b>	<u>9,424,738</u>	<u>263,569</u>	<u>9,688,307</u>	<u>9,359,667</u>
<b>Net Assets, End of Year</b>	<u>\$ 10,752,227</u>	<u>\$ 303,537</u>	<u>\$ 11,055,764</u>	<u>\$ 9,688,307</u>

*See accompanying notes to financial statements.*

**GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.**

**Statement of Functional Expenses  
For the Year Ended September 30, 2017  
With Summarized Totals for the Year Ended September 30, 2016**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2017 Total</u>	<u>2016 Total</u>
<b>Functional Expenses</b>					
Salaries	\$ 1,385,607	\$ 136,158	\$ 80,093	\$ 1,601,858	\$ 1,776,257
Benefits	397,579	39,069	22,982	459,630	448,764
Occupancy	253,324	24,893	14,643	292,860	272,240
Depreciation	251,781	24,741	14,554	291,076	310,966
Supplies	148,762	14,618	8,599	171,979	96,965
Professional fees	134,360	20,969	-	155,329	127,353
Payroll taxes	101,287	9,953	5,855	117,095	133,109
Insurance	99,831	9,810	5,771	115,412	134,227
Transportation and travel	99,497	9,777	5,751	115,025	102,364
Telephones and connectivity	94,534	9,289	5,465	109,288	128,584
Rental of equipment	53,203	5,228	3,075	61,506	62,168
Assistance to girls and adults	50,637	-	-	50,637	43,149
Conference and meetings	32,694	3,213	1,889	37,796	13,862
Printing	29,556	2,905	1,708	34,169	30,832
Credit card fees	8,715	-	2,044	10,759	9,476
Postage	6,490	638	375	7,503	10,050
Bank fees	6,042	-	1,417	7,459	7,117
Trust fund fees	5,263	-	1,235	6,498	8,050
Horses	6,270	-	-	6,270	-
Miscellaneous	2,494	-	585	3,079	6,283
Organization dues	2,420	-	-	2,420	1,474
Licenses and taxes	705	-	165	870	753
<b>Total Functional Expenses</b>	<u>\$ 3,171,051</u>	<u>\$ 311,261</u>	<u>\$ 176,206</u>	<u>\$ 3,658,518</u>	<u>\$ 3,724,043</u>

*See accompanying notes to financial statements.*

**GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.**

**Statement of Cash Flows  
For the Year Ended September 30, 2017  
With Summarized Total for the Year Ended September 30, 2016**

	<u>2017</u>	<u>2016</u>
<b>Cash Flows From Operating Activities</b>		
Cash received from contributors and grants	\$ 1,160,625	\$ 1,078,958
Cash received from programs	226,897	130,022
Cash received from fundraising	4,180,918	3,864,384
Cash received from merchandise	258,236	122,789
Cash received from other income	30,337	255,613
Cash paid to suppliers and employees	(4,956,547)	(4,818,969)
Interest received	15,680	5,410
Dividends received	36,916	30,629
<b>Net Cash Provided by Operating Activities</b>	<u>953,062</u>	<u>668,836</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of investments	(6,206,756)	(3,773,449)
Proceeds from sale of investments	4,192,288	3,093,387
Purchase of property and equipment	(192,830)	(86,384)
Proceeds from sale of asset	852,998	261,847
<b>Net Cash (Used) by Investing Activities</b>	<u>(1,354,300)</u>	<u>(504,599)</u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from insurance	51,733	20,000
<b>Net Cash Provided by Financing Activities</b>	<u>51,733</u>	<u>20,000</u>
<b>Net Decrease in Cash</b>	(349,505)	184,237
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>747,657</u>	<u>563,420</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 398,152</u>	<u>\$ 747,657</u>
<b>Reconciliation of Change in Net Assets to Cash Flows</b>		
<b>From Operating Activities</b>		
Change in net assets	\$ 1,367,457	\$ 328,640
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	291,076	310,966
Loss on disposal of property and equipment	5,525	53,034
Gain on sale of investments	(31,250)	10,773
Unrealized holding gain	(102,064)	(127,782)
Gain on sale of property	(549,739)	112,211
Gain on insurance proceeds	(51,733)	(16,643)
Net change in operating assets and liabilities:		
Accounts receivable	144	5,064
Pledge and grants receivable	1,826	6,263
Inventory	(26,784)	4,166
Prepaid expenses	1,285	(7,926)
Accounts payable	5,500	(6,234)
Custodial funds	(12,483)	162
Accrued payroll and taxes	43,848	2,002
Deferred revenue	10,454	(5,860)
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 953,062</u>	<u>\$ 668,836</u>

*See accompanying notes to financial statements.*

**GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.**

**Notes to Financial Statements  
For the Year Ended September 30, 2017**

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**Note 1 – Summary of Significant Accounting Policies**

Basis of Accounting – The financial statements of the Council have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation – Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Accounting Standards Codification 958-205, *Presentation of Financial Statements for Not-for-Profit Organizations*. Under ASC 958-205, the Council is required to report information regarding its financial position and activities according to three classes of net assets: 1) unrestricted net assets 2) temporarily restricted net assets and 3) permanently restricted net assets.

- Unrestricted Net Assets – Net assets that represent revenues and expenses related to the operation and management of the Council’s primary programs and supporting services.
- Temporarily Restricted Net Assets – Net assets that represent resources available for use, but expendable only for the purposes and during the time frame specifically stated by the donor.
- Permanently Restricted Net Assets – As of September 30, 2017, there are no permanently restricted net assets.

Use of Estimates – The preparation of financial statements in conformity with *Generally Accepted Accounting Principles* includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Income Taxes – The Council is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code. However, the Council is required to file an annual informational return.

The Council has implemented the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. As of September 30, 2017, the Council had no uncertain tax positions that qualify for disclosure in the financial statements. The Council files an annual Form 990 with the Internal Revenue Service and its tax returns for the year 2014 and subsequent years remain subject to examination by tax authorities.

Cash and Cash Equivalents – For purposes of the Statement of Cash Flows, the Council considers demand deposits and investments with an original maturity of 90 days or less to be cash equivalents.

Receivables – Receivables consists of grant funds due from grantor agencies and service fee receivables.

Management periodically assesses the collectability of any outstanding receivable balances and writes off those amounts that management believes will not be recovered. At September 30, 2017, management believes that the total accounts receivable will be collected and no allowance was estimated.

Restricted and Unrestricted Revenue – Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a 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.

*See independent auditor’s report.*

**GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.**

**Notes to Financial Statements (continued)  
For the Year Ended September 30, 2017**

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**Note 1 – Summary of Significant Accounting Policies (continued)**

Promises to Give – Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional 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 more than one year are recorded at fair value, which is measured as the present value of cash flows. Management has determined the discounts on those amounts to be immaterial.

Property and Equipment – Property and equipment are carried at cost or, if donated, the fair market value at the time of the donation and are depreciated or amortized over their estimated useful lives using the straight-line method. Major improvements and betterments which extend the useful life of the related asset are capitalized. Repairs and maintenance are expensed as incurred.

Inventory – Inventory consist of items for sale through the shops of the Council. They are stated at the lower of cost (first-in, first-out basis) or market.

Expense Allocation (Functional Expenses) – The costs of providing the Council's programs and supporting services 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.

Recent Pronouncements – In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-14 "Not-for-Profit Entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities" (the Update), which amend the current net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. The provisions for this update are effective for financial statements issued for fiscal years beginning after December 15, 2017. Management is currently evaluating the effects of this pronouncement.

In February 2016, the FASB issued ASU 2016-02, Leases. The standard's core principle is that a company will reflect virtually all leases on their balance sheet. The FASB retained a dual model that includes financing leases, which are similar to today's capital leases, and operating leases, with expense recognized on a straight-line basis. Under the FASB's dual approach, determining whether a lease is finance or operating will be based on guidance similar to the classification model under current US GAAP. The FASB's standard is effective for non-profit organizations for interim and annual reporting periods beginning after December 15, 2019. Entities are required to adopt the standard using a modified retrospective transition approach, which requires application of the new guidance at the beginning of the earliest comparative period presented in the year of adoption. Early adoption is permitted. Management is currently evaluating the effects of this pronouncement.

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*See independent auditor's report.*

## GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.

### Notes to Financial Statements (continued) For the Year Ended September 30, 2017

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#### Note 2 – Cash and Cash Equivalents

The Council maintains accounts at three financial institutions. The accounts at each financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At September 30, 2017, the Council did not have any cash funds that were above insured amounts. Restricted cash is only able to be used for capital purchases for the Council.

At September 30, 2017, the Council had total cash on hand and deposits with financial institutions in the amount of \$398,152 as follows:

Checking account:		
Operating	\$	179,670
Capital		83,576
Money market		134,234
Petty cash		672
Total Cash and Cash Equivalents	\$	<u>398,152</u>

#### Note 3 – Fair Value Measurements

FASB ASC 820-10-50 establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
- Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.
- Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The fair values of assets measured on a recurring basis at September 30, 2017, we as follows:

	<b>Total Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Unobservable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Cash	\$ 109,287	\$ 109,287	\$ -	\$ -
Equities	1,031,539	1,031,539	-	-
Mutual funds	729,232	729,232	-	-
Certificates of deposit	<u>4,267,068</u>	<u>-</u>	<u>4,267,068</u>	<u>-</u>
Total	<u>\$ 6,137,126</u>	<u>\$ 1,870,058</u>	<u>\$ 4,267,068</u>	<u>\$ -</u>

*See independent auditor's report.*

**GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.**

**Notes to Financial Statements (continued)  
For the Year Ended September 30, 2017**

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**Note 3 – Fair Value Measurements (continued)**

All assets have been valued using a market approach.

Investment income was composed of the following at September 30, 2017:

Interest and dividends	\$	52,595
Realized gain		31,250
Unrealized gain on marketable securities		<u>102,064</u>
Total	\$	<u>185,909</u>

Assets in investment accounts are protected from custodial credit risk by SIPC up to \$500,000, of which \$250,000 may be cash. At September 30, 2017, investments in the amount of \$5,118,327 were uninsured under SPIC coverage.

**Note 4 – Contributions Receivable**

The contribution receivables consist of outstanding contributions due to the Council. At September 30, 2017, contributions receivable totaled \$201,228 and are due within a year.

**Note 5 – Property and Equipment**

The following is a summary of property and equipment as of September 30, 2017:

Land	\$	1,840,280
Buildings and improvements		8,251,964
Equipment		591,389
Furniture and fixtures		219,234
Vehicles		<u>183,908</u>
		11,086,775
Less: Accumulated depreciation		<u>(6,691,702)</u>
Total property and equipment	\$	<u>4,395,073</u>

Depreciation expense at September 30, 2017, was \$291,076.

**Note 6 – Line of Credit**

The Council has available a \$500,000 revolving line of credit agreement with ServisFirst Bank. The line matures August 23, 2018. Borrowings are unsecured and the line bears interest at the bank's prime lending rate. There was no balance outstanding on the line of credit at September 30, 2017.

*See independent auditor's report.*

## GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.

### Notes to Financial Statements (continued) For the Year Ended September 30, 2017

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#### Note 7 – Employee Benefit Plans

The Council participates in the National Girl Scout Council Retirement Plan (the Plan), a multiemployer noncontributory defined benefit pension plan sponsored by Girl Scouts of the USA. The National Board for the Girl Scouts of the USA voted to freeze the plan to new entrants and to freeze future benefit accruals for current participants under the plan effective July 31, 2010. Accrued and vested benefits prior to July 31, 2010 are based on years of service and salary levels. The accumulated plan benefits exceeded the net plan assets. The Council's pension expense and contributions to this plan for the year ended September 30, 2017 was \$231,244.

The Council sponsors a 403(b) defined contribution plan that covered all eligible employees at retirement based on years of service and compensation. For the year ended September 30, 2017 total council contributions amounted to \$11,739.

#### Note 8 – Temporarily Restricted Assets

Temporarily restricted net assets have been restricted for specified purposes by donors and contributors. Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as reflected in the Statement of Activities. Temporarily restricted net assets are comprised of the following:

<u>Restricted Cash</u>		
Hamilton Trust	\$	83,576
<u>Contribution Receivable</u>		
United Way		201,162
<u>Restricted Investment</u>		
Campership - CD		18,799
Total Restricted Net Assets	\$	<u>303,537</u>

#### Note 9 – Operating Lease Agreements

The Council leases office building space for the Florence and Tuscaloosa offices. The lease for the Florence office expired in April 2018. The lease for the Tuscaloosa office expires in July 2018.

The Council leases equipment such as copiers and postage machines at their various office locations. The copier leases expire in March 2019. The postage machine leases expire in June 2019.

The following is a schedule of future minimum lease obligations at September 30, 2017:

2018	\$	86,537
2019		27,518
Total	\$	<u>114,055</u>

Lease expense at September 30, 2017 was \$95,209.

*See independent auditor's report.*

**GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.**

**Notes to Financial Statements (continued)  
For the Year Ended September 30, 2017**

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**Note 10 – Subsequent Events**

Subsequent events have been evaluated through January 5, 2018, which is the date the financial statements were issued.

**Note 11 –Comparative Financial Information**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Council's financial statements for the year ended September 30, 2016, from which the summarized information was derived.

**Note 12 – Board Designated Net Assets**

The Board of Directors designated a portion of funds for the purchase of fixed assets as the need arises. There is no legal restriction since a donor did not specifically require contributions to be treated as such. At September 30, 2017, the designated funds obtained through the sale of two properties are reflected within unrestricted net assets totaling \$1,400,000.

*See independent auditor's report.*