

**GIRL SCOUT COUNCIL OF  
GREATER NEW YORK, INC.**

**FINANCIAL STATEMENTS  
AND AUDITOR'S REPORT**

**SEPTEMBER 30, 2015 AND 2014**

**GIRL SCOUT COUNCIL OF GREATER NEW YORK, INC.**

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## **Independent Auditor's Report**

**Board of Directors  
Girl Scout Council of Greater New York, Inc.**

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Girl Scout Council of Greater New York, Inc., which comprise the statements of financial position as of September 30, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***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 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 Girl Scout Council of Greater New York, Inc. as of September 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Loeb & Troper LLP*

January 28, 2016

## GIRL SCOUT COUNCIL OF GREATER NEW YORK, INC.

## STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2015 AND 2014

|  | <u>2015</u>          | <u>2014</u>         |
|--|----------------------|---------------------|
| <b>ASSETS</b>  |                      |                     |
| Cash and cash equivalents                                | \$ 1,609,908         | \$ 1,423,844        |
| Investments at fair value (Note 3)                       | 5,458,540            | 5,832,537           |
| Contributions receivable - net (Note 4)                  | 615,995              | 1,092,723           |
| Accounts receivable                                      | 39,810               | 7,752               |
| Prepaid expenses and other assets                        | 176,034              | 191,162             |
| Inventory  | 15,938               | 13,030              |
| Deferred rent receivable (Note 5)                        |                      | 37,195              |
| Beneficial interest in a perpetual trust (Notes 3 and 6) | 379,286              | 417,979             |
| Fixed assets - net (Note 7)                              | <u>1,871,909</u>     | <u>805,578</u>      |
| Total assets   | <u>\$ 10,167,420</u> | <u>\$ 9,821,800</u> |
| <b>LIABILITIES AND NET ASSETS</b>                        |                      |                     |
| Liabilities  |                      |                     |
| Accounts payable and accrued expenses (Note 9)           | \$ 482,450           | \$ 419,288          |
| Deferred revenue   | 101,734              | 257,807             |
| Line of credit payable (Note 8)                          | 900,000              | 200,000             |
| Deferred rent payable                                    | 429,075              | 33,323              |
| Annuities payable  | <u>5,905</u>         | <u>9,188</u>        |
| Total liabilities  | <u>1,919,164</u>     | <u>919,606</u>      |
| Net assets (Exhibit B)                                   |                      |                     |
| Unrestricted   | 6,736,028            | 6,715,476           |
| Temporarily restricted (Note 11)                         | 1,117,942            | 1,755,739           |
| Permanently restricted (Note 11)                         | <u>394,286</u>       | <u>430,979</u>      |
| Total net assets   | <u>8,248,256</u>     | <u>8,902,194</u>    |
| Total liabilities and net assets                         | <u>\$ 10,167,420</u> | <u>\$ 9,821,800</u> |

See independent auditor's report.

The accompanying notes are an integral part of these statements.

## GIRL SCOUT COUNCIL OF GREATER NEW YORK, INC.

## EXHIBIT B

## STATEMENTS OF ACTIVITIES

## YEARS ENDED SEPTEMBER 30, 2015 AND 2014

|   | 2015                |                        |                        |                     | 2014                |                        |                        |                     |
|---|---------------------|------------------------|------------------------|---------------------|---------------------|------------------------|------------------------|---------------------|
|   | Unrestricted        | Temporarily Restricted | Permanently Restricted | Total               | Unrestricted        | Temporarily Restricted | Permanently Restricted | Total               |
| Revenues, gains, losses and other support   |                     |                        |                        |                     |                     |                        |                        |                     |
| Product sales   | \$ 4,075,049        |                        |                        | \$ 4,075,049        | \$ 3,810,424        |                        |                        | \$ 3,810,424        |
| Direct costs of product sales   | (1,252,684)         |                        |                        | (1,252,684)         | (1,149,739)         |                        |                        | (1,149,739)         |
| Contributions   |                     |                        |                        |                     |                     |                        |                        |                     |
| General public  | 681,793             | \$ 178,104             |                        | 859,897             | 534,658             | \$ 369,341             |                        | 903,999             |
| Foundations and corporations  | 249,889             | 138,250                | \$ 2,000               | 390,139             | 554,898             | 652,500                | \$ 1,000               | 1,208,398           |
| United Way of New York City   | 4,177               |                        |                        | 4,177               | 2,747               |                        |                        | 2,747               |
| Legacies and bequests   | 21,143              |                        |                        | 21,143              | 29,952              |                        |                        | 29,952              |
| Donated goods   | 257,991             |                        |                        | 257,991             | 8,749               |                        |                        | 8,749               |
| Governmental grants   | 34,300              |                        |                        | 34,300              | 33,500              |                        |                        | 33,500              |
| Special events revenue  | 1,090,455           |                        |                        | 1,090,455           | 1,142,959           |                        |                        | 1,142,959           |
| Direct cost of special events   | (228,096)           |                        |                        | (228,096)           | (223,955)           |                        |                        | (223,955)           |
| Program fees (net of financial assistance of \$173,235 for 2015 and \$175,815 for 2014) | 297,321             |                        |                        | 297,321             | 273,318             |                        |                        | 273,318             |
| Net investment return (Note 3)  | (125,333)           |                        |                        | (125,333)           | 385,931             |                        |                        | 385,931             |
| Change in value of beneficial interest in a perpetual trust                             |                     |                        | (38,693)               | (38,693)            |                     |                        | 11,422                 | 11,422              |
| Rental income   | 142,897             |                        |                        | 142,897             | 318,504             |                        |                        | 318,504             |
| Actuarial gains (losses) on annuity obligations   | 1,383               |                        |                        | 1,383               | (1,998)             |                        |                        | (1,998)             |
| Other income  | 51,693              |                        |                        | 51,693              | 13,259              |                        |                        | 13,259              |
| Net assets released from restrictions (Note 11)   | 954,151             | (954,151)              |                        |                     | 397,602             | (397,602)              |                        |                     |
| Total revenues, gains, losses and other support   | <u>6,256,129</u>    | <u>(637,797)</u>       | <u>(36,693)</u>        | <u>5,581,639</u>    | <u>6,130,809</u>    | <u>624,239</u>         | <u>12,422</u>          | <u>6,767,470</u>    |
| Expenses (Exhibit C)  |                     |                        |                        |                     |                     |                        |                        |                     |
| Program services  |                     |                        |                        |                     |                     |                        |                        |                     |
| Membership services   | 1,564,301           |                        |                        | 1,564,301           | 1,554,347           |                        |                        | 1,554,347           |
| Girl Scout program services   | 1,856,181           |                        |                        | 1,856,181           | 1,593,003           |                        |                        | 1,593,003           |
| Camp operations   | 650,575             |                        |                        | 650,575             | 597,109             |                        |                        | 597,109             |
| Adult education   | 566,412             |                        |                        | 566,412             | 329,011             |                        |                        | 329,011             |
| Public information  | 203,529             |                        |                        | 203,529             | 148,317             |                        |                        | 148,317             |
| Total program services  | <u>4,840,998</u>    |                        |                        | <u>4,840,998</u>    | <u>4,221,787</u>    |                        |                        | <u>4,221,787</u>    |
| Supporting services   |                     |                        |                        |                     |                     |                        |                        |                     |
| Management and general  | 897,288             |                        |                        | 897,288             | 813,336             |                        |                        | 813,336             |
| Fund development  | 497,291             |                        |                        | 497,291             | 719,171             |                        |                        | 719,171             |
| Total supporting services   | <u>1,394,579</u>    |                        |                        | <u>1,394,579</u>    | <u>1,532,507</u>    |                        |                        | <u>1,532,507</u>    |
| Total expenses  | <u>6,235,577</u>    |                        |                        | <u>6,235,577</u>    | <u>5,754,294</u>    |                        |                        | <u>5,754,294</u>    |
| Change in net assets (Exhibit D)  | 20,552              | (637,797)              | (36,693)               | (653,938)           | 376,515             | 624,239                | 12,422                 | 1,013,176           |
| Net assets - beginning of year  | <u>6,715,476</u>    | <u>1,755,739</u>       | <u>430,979</u>         | <u>8,902,194</u>    | <u>6,338,961</u>    | <u>1,131,500</u>       | <u>418,557</u>         | <u>7,889,018</u>    |
| Net assets - end of year (Exhibit A)  | <u>\$ 6,736,028</u> | <u>\$ 1,117,942</u>    | <u>\$ 394,286</u>      | <u>\$ 8,248,256</u> | <u>\$ 6,715,476</u> | <u>\$ 1,755,739</u>    | <u>\$ 430,979</u>      | <u>\$ 8,902,194</u> |

See independent auditor's report.

The accompanying notes are an integral part of these statements.

GIRL SCOUT COUNCIL OF GREATER NEW YORK, INC.

EXHIBIT C

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED SEPTEMBER 30, 2015 AND 2014

|  | 2015                |                             |                 |                 |                    |                     |                        |                               |                              |              |              |
|--|---------------------|-----------------------------|-----------------|-----------------|--------------------|---------------------|------------------------|-------------------------------|------------------------------|--------------|--------------|
|  | Program Services    |                             |                 |                 |                    | Supporting Services |                        | Direct Cost of Special Events | Direct Cost of Product Sales | Total        | Total 2014   |
|  | Membership Services | Girl Scout Program Services | Camp Operations | Adult Education | Public Information | Total               | Management and General |                               |                              |              |              |
| Salaries   | \$ 747,162          | \$ 759,178                  | \$ 247,737      | \$ 181,419      | \$ 79,904          | \$ 2,015,400        | \$ 290,588             | \$ 265,339                    |                              | \$ 2,571,327 | \$ 2,579,758 |
| Payroll taxes  | 68,129              | 68,301                      | 30,782          | 17,056          | 7,586              | 191,854             | 26,109                 | 24,808                        |                              | 242,771      | 243,870      |
| Health and retirement benefits   | 171,539             | 170,892                     | 42,309          | 43,182          | 18,908             | 446,830             | 50,412                 | 61,824                        |                              | 559,066      | 568,022      |
| Total salaries, payroll taxes and benefits   | 986,830             | 998,371                     | 320,828         | 241,657         | 106,398            | 2,654,084           | 367,109                | 351,971                       |                              | 3,373,164    | 3,391,650    |
| Professional and consulting fees   | 1,840               | 104,306                     | 1,097           | 132,811         | 66,000             | 306,054             | 380,009                | 57,992                        |                              | 744,055      | 655,454      |
| Cost of cookies and other products   |                     |                             |                 |                 |                    |                     |                        |                               | \$ 1,252,684                 | 1,252,684    | 1,149,739    |
| Supplies   | 66,596              | 149,772                     | 93,545          | 68,014          | 3,750              | 381,677             | 14,214                 | 9,655                         |                              | 405,546      | 215,836      |
| Postage and shipping   | 6,189               | 17,636                      | 3,664           | 2,327           | 710                | 30,526              | 364                    | 17,713                        |                              | 48,603       | 53,958       |
| Printing and publications  | 580                 | 5,835                       | 4,040           | 316             | 4,507              | 15,278              | 183                    | 25,274                        |                              | 40,735       | 76,622       |
| Telephone  | 19,019              | 21,558                      | 6,377           | 5,836           | 1,091              | 53,881              | 2,638                  | 1,792                         |                              | 58,311       | 41,251       |
| Travel   | 11,748              | 78,447                      | 16,743          | 2,499           | 1,358              | 110,795             | 1,173                  | 797                           |                              | 112,765      | 69,338       |
| Conference and meetings  | 2,744               | 17,473                      | 546             | 675             | 206                | 21,644              | 863                    | 586                           |                              | 23,093       | 19,365       |
| Event catering costs   |                     |                             |                 |                 |                    |                     |                        |                               | \$ 228,096                   | 228,096      | 223,955      |
| Equipment leases and repairs   | 23,916              | 20,875                      | 5,531           | 5,786           | 1,767              | 57,875              | 7,396                  | 5,023                         |                              | 70,294       | 53,801       |
| Assistance to individuals  | 27,364              | 27,695                      |                 |                 |                    | 55,059              |                        |                               |                              | 55,059       | 44,676       |
| Occupancy (Note 8)   | 265,867             | 302,681                     | 138,758         | 65,857          | 10,661             | 783,824             | 11,156                 | 10,874                        |                              | 805,854      | 742,243      |
| Insurance  | 32,780              | 27,519                      | 29,222          | 10,927          |                    | 100,448             | 5,463                  | 5,463                         |                              | 111,374      | 107,398      |
| Investment management fees   |                     |                             |                 |                 |                    |                     | 36,730                 |                               |                              | 36,730       | 35,384       |
| Bad debt   |                     |                             |                 |                 |                    |                     | 6,760                  |                               |                              | 6,760        | 10,489       |
| Interest   |                     |                             |                 |                 |                    |                     | 13,709                 |                               |                              | 13,709       | 8,175        |
| Miscellaneous  |                     | 833                         | 6,458           |                 | 1,140              | 8,431               | 82,732                 | 6,632                         |                              | 97,795       | 62,272       |
| Total expenses before depreciation and amortization and direct costs of product sales and special events | 1,445,473           | 1,773,001                   | 626,809         | 536,705         | 197,588            | 4,579,576           | 930,499                | 493,772                       | 228,096                      | 1,252,684    | 7,484,627    |
| Depreciation and amortization  | 118,828             | 83,180                      | 23,766          | 29,707          | 5,941              | 261,422             | 3,519                  | 3,519                         |                              | 268,460      | 201,766      |
| Total expenses   | 1,564,301           | 1,856,181                   | 650,575         | 566,412         | 203,529            | 4,840,998           | 934,018                | 497,291                       | 228,096                      | 1,252,684    | 7,753,087    |
| Less direct costs of product sales, special events and investment management fees                        |                     |                             |                 |                 |                    |                     | (36,730)               |                               | (228,096)                    | (1,252,684)  | (1,517,510)  |
| Total expenses as reported by function on the statements of activities (Exhibit B)                       | \$ 1,564,301        | \$ 1,856,181                | \$ 650,575      | \$ 566,412      | \$ 203,529         | \$ 4,840,998        | \$ 897,288             | \$ 497,291                    | \$ -                         | \$ -         | \$ 6,235,577 |

-continued-

## STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED SEPTEMBER 30, 2015 AND 2014

|  | 2014                   |                                   |                    |                    |                       |                     |                              |                                     |                                    |              |                     |
|--|------------------------|-----------------------------------|--------------------|--------------------|-----------------------|---------------------|------------------------------|-------------------------------------|------------------------------------|--------------|---------------------|
|  | Program Services       |                                   |                    |                    |                       | Supporting Services |                              | Direct Cost<br>of Special<br>Events | Direct Cost<br>of Product<br>Sales | Total        |                     |
|  | Membership<br>Services | Girl Scout<br>Program<br>Services | Camp<br>Operations | Adult<br>Education | Public<br>Information | Total               | Management<br>and<br>General |                                     |                                    |              | Fund<br>Development |
| Salaries   | \$ 795,726             | \$ 621,746                        | \$ 225,081         | \$ 138,762         | \$ 47,715             | \$ 1,829,030        | \$ 360,979                   | \$ 389,749                          |                                    | \$ 2,579,758 |                     |
| Payroll taxes  | 72,185                 | 59,152                            | 19,756             | 12,946             | 4,742                 | 168,781             | 39,674                       | 35,415                              |                                    | 243,870      |                     |
| Health and retirement benefits   | 189,918                | 138,097                           | 42,705             | 31,813             | 11,963                | 414,496             | 64,496                       | 89,030                              |                                    | 568,022      |                     |
| Total salaries, payroll taxes<br>and benefits  | 1,057,829              | 818,995                           | 287,542            | 183,521            | 64,420                | 2,412,307           | 465,149                      | 514,194                             |                                    | 3,391,650    |                     |
| Professional and consulting fees   | 8,221                  | 234,960                           | 4,269              | 2,611              | 52,419                | 302,480             | 248,043                      | 104,931                             |                                    | 655,454      |                     |
| Cost of cookies and other products   |                        |                                   |                    |                    |                       |                     |                              |                                     | \$ 1,149,739                       | 1,149,739    |                     |
| Supplies   | 32,255                 | 83,227                            | 59,075             | 32,578             | 602                   | 207,737             | 4,194                        | 3,905                               |                                    | 215,836      |                     |
| Postage and shipping   | 5,438                  | 21,298                            | 3,752              | 2,561              | 1,315                 | 34,364              | 215                          | 19,379                              |                                    | 53,958       |                     |
| Printing and publications  | 8,055                  | 12,346                            | 6,041              | 4,056              | 5,675                 | 36,173              | 297                          | 40,152                              |                                    | 76,622       |                     |
| Telephone  | 15,504                 | 15,043                            | 4,795              | 2,532              | 768                   | 38,642              | 1,351                        | 1,258                               |                                    | 41,251       |                     |
| Travel   | 24,276                 | 16,414                            | 22,365             | 2,954              | 249                   | 66,258              | 1,595                        | 1,485                               |                                    | 69,338       |                     |
| Conference and meetings  | 12,024                 | 2,861                             | 2,045              | 654                | 123                   | 17,707              | 859                          | 799                                 |                                    | 19,365       |                     |
| Event catering costs   |                        |                                   |                    |                    |                       |                     |                              |                                     | \$ 223,955                         | 223,955      |                     |
| Equipment leases and repairs   | 16,312                 | 19,356                            | 3,807              | 3,846              | 725                   | 44,046              | 5,052                        | 4,703                               |                                    | 53,801       |                     |
| Assistance to individuals  | 13,654                 | 30,467                            |                    |                    |                       | 44,121              | 305                          | 250                                 |                                    | 44,676       |                     |
| Occupancy (Note 8)   | 229,254                | 247,890                           | 165,410            | 63,011             | 14,450                | 720,015             | 11,114                       | 11,114                              |                                    | 742,243      |                     |
| Insurance  | 41,832                 | 26,684                            | 14,770             | 8,360              | 2,232                 | 93,878              | 6,760                        | 6,760                               |                                    | 107,398      |                     |
| Investment management fees   |                        |                                   |                    |                    |                       |                     | 35,384                       |                                     |                                    | 35,384       |                     |
| Interest   |                        |                                   |                    |                    |                       |                     | 10,489                       |                                     |                                    | 10,489       |                     |
| Miscellaneous  |                        |                                   |                    |                    |                       |                     | 8,175                        |                                     |                                    | 8,175        |                     |
|  | 385                    | 947                               | 5,377              |                    | 874                   | 7,583               | 47,093                       | 7,596                               |                                    | 62,272       |                     |
| Total expenses before depreciation<br>and amortization and direct costs of<br>product sales and special events | 1,465,039              | 1,530,488                         | 579,248            | 306,684            | 143,852               | 4,025,311           | 846,075                      | 716,526                             | 223,955                            | 1,149,739    | 6,961,606           |
| Depreciation and amortization  | 89,308                 | 62,515                            | 17,861             | 22,327             | 4,465                 | 196,476             | 2,645                        | 2,645                               |                                    |              | 201,766             |
| Total expenses   | 1,554,347              | 1,593,003                         | 597,109            | 329,011            | 148,317               | 4,221,787           | 848,720                      | 719,171                             | 223,955                            | 1,149,739    | 7,163,372           |
| Less direct costs of product sales, special events<br>and investment management fees                           |                        |                                   |                    |                    |                       |                     | (35,384)                     |                                     | (223,955)                          | (1,149,739)  | (1,409,078)         |
| Total expenses as reported by function on<br>the statements of activities (Exhibit B)                          | \$ 1,554,347           | \$ 1,593,003                      | \$ 597,109         | \$ 329,011         | \$ 148,317            | \$ 4,221,787        | \$ 813,336                   | \$ 719,171                          | \$ -                               | \$ -         | \$ 5,754,294        |

See independent auditor's report.

The accompanying notes are an integral part of these statements.



## GIRL SCOUT COUNCIL OF GREATER NEW YORK, INC.

## STATEMENTS OF CASH FLOWS

YEARS ENDED SEPTEMBER 30, 2015 AND 2014

|  | <u>2015</u>         | <u>2014</u>         |
|--|---------------------|---------------------|
| Cash flows from operating activities   |                     |                     |
| Change in net assets (Exhibit B)   | \$ (653,938)        | \$ 1,013,176        |
| Adjustments to reconcile change in net assets to net cash provided by operating activities |                     |                     |
| Depreciation and amortization  | 268,460             | 201,766             |
| Net realized and unrealized loss (gain) on investments                                     | 208,233             | (307,894)           |
| Actuarial (gain) loss on annuity obligations   | (1,383)             | 1,998               |
| Change in value of beneficial interest in a perpetual trust                                | 38,693              | (11,422)            |
| Decrease (increase) in assets  |                     |                     |
| Contributions receivable   | 476,728             | (64,930)            |
| Accounts receivable  | (32,058)            | 17,374              |
| Prepaid expenses and other assets  | 15,128              | (46,423)            |
| Inventory  | (2,908)             | (9,559)             |
| Deferred rent receivable   | 37,195              | 34,415              |
| Increase (decrease) in liabilities   |                     |                     |
| Accounts payable and accrued expenses  | 63,162              | 118,325             |
| Deferred revenue   | (156,073)           | 89,716              |
| Deferred rent payable  | 395,752             | (76,551)            |
| Net cash provided by operating activities  | <u>656,991</u>      | <u>959,991</u>      |
| Cash flows from investing activities   |                     |                     |
| Fixed asset acquisitions   | (1,334,791)         | (350,943)           |
| Proceeds from sale of investments  | 2,610,407           | 752,236             |
| Purchase of investments  | (2,444,643)         | (905,944)           |
| Net cash used by investing activities  | <u>(1,169,027)</u>  | <u>(504,651)</u>    |
| Cash flows from financing activities   |                     |                     |
| Payment of annuity obligations   | (1,900)             | (2,590)             |
| Proceeds from line of credit   | 1,000,000           | 675,000             |
| Repayment of line of credit  | (300,000)           | (475,000)           |
| Net cash provided by financing activities  | <u>698,100</u>      | <u>197,410</u>      |
| Net change in cash and cash equivalents  | 186,064             | 652,750             |
| Cash and cash equivalents - beginning of year  | <u>1,423,844</u>    | <u>771,094</u>      |
| Cash and cash equivalents - end of year  | <u>\$ 1,609,908</u> | <u>\$ 1,423,844</u> |
| Supplemental disclosure of cash flow information   |                     |                     |
| Cash paid for interest   | <u>\$ 13,709</u>    | <u>\$ 8,175</u>     |

See independent auditor's report.

The accompanying notes are an integral part of these statements.

**GIRL SCOUT COUNCIL OF GREATER NEW YORK, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015 AND 2014**

**NOTE 1 - NATURE OF ORGANIZATION**

Girl Scout Council of Greater New York, Inc. (the "Council") was organized in 1940 to carry out the informal educational programs of the Girl Scout Council of the United States of America for girls ages 5 to 17 within the Greater New York area.

The programs seek to develop in each girl the following attributes: a deepening self-awareness, a strong value system, an ability to relate to others, and a commitment to society. The Council fulfills this purpose through the organization of troop and/or group activities; the operation and maintenance of a year-round camp; and the recruitment and development of adult volunteers.

The Council, which qualifies as a Section 501(c)(3) organization under the Internal Revenue Code (the Code), is exempt from federal income tax and has been classified as an organization that is not a private foundation under Section 501(a) of the Code. In addition, the Council is exempt from state and local income taxes. The Council qualifies for the maximum charitable contribution deduction by donors.

The Council is supported primarily by product sales, contributions and special events.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Accounting**

The accompanying financial statements have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit entities.

**B. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**C. Cash and Cash Equivalents**

For financial statement presentation purposes, the Council considers all highly liquid investments with original maturities of three months or less at the date of acquisition to be cash equivalents, with the exception of money market funds which are held in the Council's investment portfolio.

-continued-

**GIRL SCOUT COUNCIL OF GREATER NEW YORK, INC.****NOTES TO FINANCIAL STATEMENTS****SEPTEMBER 30, 2015 AND 2014****NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****D. Investments**

Investments are reported in the accompanying financial statements at fair value and consist primarily of money market funds and equity and fixed-income mutual funds, and are maintained with a custodian. Donated securities are recorded at their fair value on the date they are received.

Income from investments is recorded as unrestricted unless otherwise restricted by the donor.

Investment securities, in general, are exposed to various risks such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, based on the markets' fluctuations, and that such changes could materially affect the amounts reported in the financial statements.

**E. Contributions Receivable**

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 future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. The Council determines if an allowance for doubtful contributions is necessary based on management's assessment of the aging of the receivable, current economic conditions and historical information.

Conditional promises to give are not included as support until the conditions are substantially met.

**F. Governmental Grants**

Revenues and receivables from governmental grants are recognized when reimbursable expenditures are incurred under the terms of the contract. Receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Factors used to determine whether an allowance should be recorded include the age of the receivable and a review of payments subsequent to year end. Interest is not charged on outstanding receivable balances. Management has determined that no allowance is necessary.

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**GIRL SCOUT COUNCIL OF GREATER NEW YORK, INC.****NOTES TO FINANCIAL STATEMENTS****SEPTEMBER 30, 2015 AND 2014****NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****F. Governmental Grants (continued)**

Government grants are subject to audit by the awarding agencies. No provision for any disallowances is reflected in the financial statements, since management does not anticipate any material adjustments.

**G. Inventory**

Inventory, which consists primarily of promotional materials such as tee shirts and sweatshirts, is stated at lower of cost or market value. Cost is determined on the first-in, first-out basis.

**H. Deferred Rent Income and Receivable**

Rental income from subleased space is straight-lined over the term of the lease. The difference between the rent revenue earned by the Council on the accrual basis and the rental payments received in cash is attributable to several months of free rent and scheduled rent increases, and is reported as deferred rent receivable in the accompanying financial statements.

**I. Fixed Assets**

Land, buildings and building improvements, leasehold improvements, furniture and equipment are reported at their original cost if purchased by the Council or at their fair value at the date of donation. The Council capitalized all expenditures in excess of \$5,000 with estimated useful lives of more than one year.

Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements are amortized using the straight-line method over the remaining lease term, or the estimated useful life of the improvement, whichever is shorter.

**J. Deferred Revenue**

The Council records monies received in advance of its annual breakfast event as deferred revenue until the event takes place.

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**GIRL SCOUT COUNCIL OF GREATER NEW YORK, INC.****NOTES TO FINANCIAL STATEMENTS****SEPTEMBER 30, 2015 AND 2014****NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****K. Operating Leases and Deferred Rent Payable**

Operating leases are straight-lined over the term of the lease. The difference between the rent expense incurred by the Council on the accrual basis and the rental payments paid in cash is attributable to several months of free rent and scheduled rent increases, and is reported as deferred rent payable in the accompanying financial statements.

**L. Accrued Vacation**

Beginning in fiscal year 2015, the Council's policy is that employees can carry over 5 unused vacation days into the next fiscal period. An accrued vacation obligation of \$19,857 has been recorded as of September 30, 2015 and no obligation has been recorded as of September 30, 2014.

**M. Net Assets**

The net assets of the Council and changes therein are classified and reported as follows:

- ***Unrestricted:*** Unrestricted net assets represent those resources that are not subject to donor restrictions.
- ***Temporarily restricted:*** Temporarily restricted net assets represent those resources that are subject to donor-imposed stipulations that will be met either by the actions of the Council and/or the passage of time.
- ***Permanently restricted:*** Permanently restricted net assets represent those resources that require that the principal be invested in perpetuity and that only the income be used. The Council's permanently restricted net assets include a beneficial interest in a perpetual trust, which is shown at the Council's share of the fair value of the underlying trust's assets.

**N. Product Sales - Cookie Revenue**

The Girl Scout Cookie Sale in the five boroughs of New York City is an annual program activity in which Girl Scouts voluntarily participate. Of the \$4.00 paid by customers for each box (\$5.00 per box for gluten-free cookies) for the years ended September 30, 2015 and 2014, respectively:

- \$1.13 and \$0.98 represents the average cost of cookies. In 2015, the Council added a gluten-free cookie which had a cost of \$2.25 per box.

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**GIRL SCOUT COUNCIL OF GREATER NEW YORK, INC.****NOTES TO FINANCIAL STATEMENTS****SEPTEMBER 30, 2015 AND 2014****NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****N. Product Sales - Cookie Revenue (continued)**

- \$2.22 went to the Council to provide for 29,242 girls in 2015 and \$2.31 went to the Council to provide for 29,034 girls in 2014, as well as 7,657 volunteers in 2015 and 8,058 volunteers in 2014; the Council provides educational and cultural programs; leader training and materials; camping and service center facilities; publications; financial assistance and camperships; and professional and clerical services.
- \$0.65 and \$0.71 in 2015 and 2014, respectively, went to the girls' troop treasury, to be used for troop program activities, trips, and materials for service projects and other supplies, as decided by the girls and their leaders.

**O. Program Fees and Financial Assistance**

Program fees are recognized once the services are provided. Financial assistance is awarded to girl scouts who may not have the ability to pay for the programs.

**P. Contributions**

Contributions, including unconditional promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted contributions received and expended in the same fiscal year are reflected as unrestricted revenues.

**Q. Donated Goods and Services**

Contributed goods are recognized at their fair values at the date of donation. Contributions of services are recognized when they are received if the services (a) create or enhance non-financial assets, or (b) require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not donated.

**R. Volunteer Services**

The majority of the Council's activities are carried out by thousands of volunteers. No amounts representing the estimated fair value of these donated services are included in the accompanying financial statements, as those services do not meet the criteria for recognition under generally accepted accounting principles.

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**GIRL SCOUT COUNCIL OF GREATER NEW YORK, INC.****NOTES TO FINANCIAL STATEMENTS****SEPTEMBER 30, 2015 AND 2014****NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****S. Functional Allocation of Expenses**

The costs of providing the Council's services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**T. Charitable Gift Annuities**

Charitable gift annuities are subject to the restrictions of gift instruments requiring the Council to pay stipulated amounts to beneficiaries. Such payments generally terminate at the beneficiary's death. The Council has used actuarial assumptions and discount rates to record the present value of estimated future payments to beneficiaries.

Contribution revenues for charitable gift annuities are recognized at the date the agreement is established, net of the liability recorded for the present value of the future payments to be made to the respective donors. The agreements provide that the trustee pay annuity amounts which range from 8.1% to 8.6% in quarterly installments and are discounted using a rate of 5%. Gains or losses resulting from changes in actuarial assumptions and accretions of the discount are recorded as increases or decreases in the unrestricted net asset class in the statements of activities.

**U. Fair Value Measurements**

*Fair Value Measurements* (FASB ASC Topic 820) 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 are described below. Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Council has the ability to access. Level 2 inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive 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.

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**GIRL SCOUT COUNCIL OF GREATER NEW YORK, INC.****NOTES TO FINANCIAL STATEMENTS****SEPTEMBER 30, 2015 AND 2014****NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****U. Fair Value Measurements (continued)**

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 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.

There have been no changes in the methodologies used at September 30, 2015 and 2014. The following is a description of the valuation methodologies used for assets measured at fair value:

*Exchange traded funds* - Valued at the closing price reported on the active market on which the individual securities are traded.

*Money market funds, fixed income and equity mutual funds* - Valued at the closing price reported on the active market, which is based on the net asset value (NAV) of shares held at year end.

*Beneficial interest in perpetual trust* - Valued at the Council's share of the fair value of the underlying assets held in the trust.

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.

The assets at fair value as of September 30, 2015 and 2014 are set forth by level within the fair value hierarchy in Note 3.

**V. Uncertainty in Income Taxes**

The Council has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending September 30, 2012 and subsequent remain subject to examination by applicable taxing authorities.

**W. Subsequent Events**

In accordance with generally accepted accounting principles, subsequent events (after September 30, 2015) have been evaluated through January 28, 2016, which is the date the financial statements were available to be issued.

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**GIRL SCOUT COUNCIL OF GREATER NEW YORK, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015 AND 2014**

**NOTE 3 - INVESTMENTS AND FAIR VALUE HIERARCHY**

The following table sets forth by level, within the fair value hierarchy, the investment balance and other assets recorded at fair value as of September 30, 2015 and 2014:

|  | 2015                |                   | 2014                |                   |
|--|---------------------|-------------------|---------------------|-------------------|
|  | Level 1             | Level 3           | Level 1             | Level 3           |
| Investments                                |                     |                   |                     |                   |
| Money market funds                         | \$ <u>389,524</u>   |                   | \$ <u>251,870</u>   |                   |
| Equity mutual and<br>exchange traded funds |                     |                   |                     |                   |
| U.S. Large Cap                             | 1,851,643           |                   | 2,154,026           |                   |
| U.S. Mid Cap                               | 253,002             |                   | 253,242             |                   |
| U.S. Small Cap                             | 121,976             |                   | 122,144             |                   |
| International                              |                     |                   |                     |                   |
| Developed                                  | 507,166             |                   | 806,000             |                   |
| Emerging markets                           | 91,957              |                   | 195,203             |                   |
| Absolute return                            | 240,000             |                   |                     |                   |
| Commodity/REIT                             | <u>169,114</u>      |                   | <u>198,374</u>      |                   |
|  | <u>3,234,858</u>    |                   | <u>3,728,989</u>    |                   |
| Fixed-income mutual<br>fund                | <u>1,834,158</u>    |                   | <u>1,851,678</u>    |                   |
| Total investments                          | \$ <u>5,458,540</u> |                   | \$ <u>5,832,537</u> |                   |
| Beneficial interest in<br>perpetual trust  |                     | \$ <u>379,286</u> |                     | \$ <u>417,979</u> |

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**GIRL SCOUT COUNCIL OF GREATER NEW YORK, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015 AND 2014**

**NOTE 3 - INVESTMENTS AND FAIR VALUE HIERARCHY (continued)**

**Level 3 Gains and Losses**

The table below sets forth a summary of changes in the fair value of the Level 3 assets for the years ended September 30, 2015 and 2014:

|                                   | <u>2015</u>       | <u>2014</u>       |
|-----------------------------------|-------------------|-------------------|
| Balance, beginning of year        | \$ 417,979        | \$ 406,557        |
| Change in carrying value of trust | <u>(38,693)</u>   | <u>11,422</u>     |
| Balance, end of year              | \$ <u>379,286</u> | \$ <u>417,979</u> |

The Council's investments include funds subject to charitable gift annuity agreements.

In accordance with New York insurance law, the Council is required to maintain in the segregated custodial account, held for the protection of all annuitants of the corporation, an amount at least equal to the greater of \$100,000 or reserves required by New York insurance law plus a surplus of 25% of the required reserve. The Council established a reserve of \$125,000 in the segregated account. The fair value of the segregated custodial account, including earnings, was \$182,755 and \$180,540 as of September 30, 2015 and 2014, respectively.

The Council transferred \$271,350 and \$25,000 during fiscal years ended September 30, 2015 and 2014, respectively, from the investment portfolio to the operating cash account.

Net investment return consisted of the following:

|  | <u>2015</u>         | <u>2014</u>       |
|--|---------------------|-------------------|
| Interest and dividends                                       | \$ 119,630          | \$ 113,421        |
| Net realized and unrealized gains<br>(losses) on investments | (208,233)           | 307,894           |
| Investment fees  | <u>(36,730)</u>     | <u>(35,384)</u>   |
| Net investment return  | \$ <u>(125,333)</u> | \$ <u>385,931</u> |

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**GIRL SCOUT COUNCIL OF GREATER NEW YORK, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015 AND 2014**

**NOTE 4 - CONTRIBUTIONS RECEIVABLE**

At the end of the fiscal year, contributions receivable were estimated to be due as follows:

| <b>Fiscal Year</b>   | <b>2015</b> | <b>2014</b>  |
|--|-------------|--------------|
| 2015   |             | \$ 713,657   |
| 2016   | \$ 333,492  | 165,250      |
| 2017   | 154,632     | 151,250      |
| 2018   | 101,700     | 50,250       |
| 2019   | 19,578      | 15,000       |
| 2020   | 11,500      |              |
| Thereafter   | 35,000      | 35,000       |
|  | 655,902     | 1,130,407    |
| Allowance for doubtful accounts  | (27,000)    | (20,000)     |
| Discount for contributions to be collected<br>in excess of one year, at 2% | (12,907)    | (17,684)     |
|  | \$ 615,995  | \$ 1,092,723 |

Contributions receivable at September 30, 2015 and September 30, 2014 include contributions from two donors which approximate 33%, respectively, of the receivable balance.

**NOTE 5 - DEFERRED RENT RECEIVABLE**

The Council entered into a sublease agreement with a local organization on September 15, 2010. The lease is noncancelable and expired on February 28, 2015 and was not renewed.

The Council agreed to a rent concession. The rental income was recorded on the straight-line basis. The deferred rent receivable is \$0 and \$37,195 as of September 30, 2015 and 2014, respectively.

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**GIRL SCOUT COUNCIL OF GREATER NEW YORK, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015 AND 2014**

**NOTE 6 - BENEFICIAL INTEREST IN A PERPETUAL TRUST**

The Council is a 5% beneficiary of the Gaston Trust. The assets in this trust are managed by a trustee other than the Council and are predominantly invested in equity and fixed-income instruments. The Council is entitled to receive its share of the annual net investment income earned from the trust's assets in perpetuity. The reported value of the Council's portion of the beneficial interest as of September 30, 2015 and 2014, which is measured by its share of the fair value of the trust's assets, is \$379,286 and \$417,979, respectively.

The investment income distributed from the trust is unrestricted and is reported as such in the accompanying financial statements. The change in the fair value of the trust's assets is reported as an increase or decrease in permanently restricted net assets.

**NOTE 7 - FIXED ASSETS**

At the end of the fiscal year, fixed assets consisted of the following:

|   | <u>2015</u>         | <u>2014</u>        | <u>Estimated<br/>Useful Lives</u> |
|---|---------------------|--------------------|-----------------------------------|
| Land  | \$ 115,654          | \$ 115,654         |                                   |
| Buildings and building<br>improvements            | 1,676,355           | 1,667,134          | 25 - 40 years                     |
| Leasehold improvements                            | 538,519             | 350,337            | 3 - 10 years                      |
| Furniture and equipment                           | 794,906             | 1,064,116          | 5 - 10 years                      |
| Construction in progress                          | <u>541,533</u>      | <u>233,390</u>     |                                   |
|   | 3,666,967           | 3,430,631          |                                   |
| Less accumulated depreciation<br>and amortization | <u>(1,795,058)</u>  | <u>(2,625,053)</u> |                                   |
|   | <u>\$ 1,871,909</u> | <u>\$ 805,578</u>  |                                   |

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**GIRL SCOUT COUNCIL OF GREATER NEW YORK, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015 AND 2014**

**NOTE 8 - COMMITMENTS AND CONTINGENCIES**

- (1) The Council leased office space for its 23<sup>rd</sup> Street headquarters and field office under noncancelable operating lease agreements. The leases expired in February 2015. On March 30, 2014, the Council entered into a new office lease agreement for its headquarters in the Wall Street area. The new lease expires in November of 2030. The following are the minimum annual rental payments:

| <u>Year Ending<br/>September 30</u> |                      |
|-------------------------------------|----------------------|
| 2016                                | \$ 510,621           |
| 2017                                | 561,682              |
| 2018                                | 612,745              |
| 2019                                | 612,745              |
| 2020                                | 612,745              |
| Thereafter                          | <u>7,279,994</u>     |
|                                     | <u>\$ 10,190,532</u> |

Rent expense for the years ended September 30, 2015 and 2014 was \$658,839 and \$590,474, respectively.

- (2) The Council signed an agreement for a 5-year \$1,000,000 secured line of credit with Bank of New York Mellon on September 22, 2011. The line of credit's rate is one-month LIBOR plus 175 basis points with a minimum floor of 2%. On March 24, 2014, the Council converted its existing line into a new revolving credit line note with Bank of New York Mellon for \$2,750,000. The new line of credit's rate is one-month LIBOR plus 150 basis points with a minimum floor of 2%. The line of credit renews annually and borrowings against this line of credit are secured by the Council's investments. The line requires that the Council certify annually that collateralized securities are owned free of any restriction or encumbrances. As of September 30, 2015 and 2014, the interest rate was 2% with interest expense of \$13,709 and \$8,175, respectively, for the fiscal years then ended. \$900,000 and \$200,000 were outstanding at September 30, 2015 and 2014, respectively.

On April 4, 2014, Bank of New York Mellon issued a letter of credit to the Council's new landlord in the amount of \$101,468 that is set to expire April 4, 2016. The letter of credit is set to automatically renew annually until December 31, 2030 with the payment of a small administrative fee. The letter of credit is secured by the Council's investments and reduces the total amount of borrowings that the Council may draw under its line of credit.

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**GIRL SCOUT COUNCIL OF GREATER NEW YORK, INC.****NOTES TO FINANCIAL STATEMENTS****SEPTEMBER 30, 2015 AND 2014****NOTE 8 - COMMITMENTS AND CONTINGENCIES (continued)**

- (3) The Council is subject to litigation in the routine course of conducting business. The Council is not aware of any pending or threatened litigation as of September 30, 2015.
- (4) The Council is responsible to report to various third parties, among which are the Internal Revenue Service, the New York State Department of Charities Registration, the New York State Office of the Attorney General, and the Office of Inspector General (OIG). These agencies and others have the right to audit the Council. In management's opinion, there are no material adjustments that may arise from these potential audits.

**NOTE 9 - RELATED PARTY**

The Council is a separately incorporated 501(c)(3) organization chartered by the Girl Scouts of the United States of America (GSUSA) to deliver the Girl Scout program in the five boroughs of New York City. Based on the charter, the Council collects membership dues on behalf of GSUSA from program participants. The dues are recorded as a liability by the Council upon collection. The amount collected on behalf of GSUSA during 2015 and 2014 was \$255,195 and \$393,460, respectively. As of September 30, 2015 and 2014, \$133,468 and \$111,347, respectively, was due to GSUSA and included in accounts payable and accrued expenses.

**NOTE 10 - PENSION PLANS**

The Council participates in the National Girl Scout Council Retirement Plan (EIN 13-1624016, Plan #002), a noncontributory defined benefit pension plan sponsored by Girl Scouts of the United States of America, which covers substantially all of the employees of various Girl Scout councils. Benefits are based on years of service and salary levels. The Council's pension expense and contributions, net of GSUSA subsidy to this plan, for fiscal 2015 and 2014 was \$285,222 and \$255,898, respectively, which represents less than 5% of total contributions to the Plan. The National Board of Girl Scouts of the United States of America voted to freeze future benefits under the Plan effective July 31, 2010. Due to the nature of the Plan, it is not practicable to determine the extent to which the assets of the Plan cover the actuarially computed value of vested benefits for the Council as a stand-alone operation. The Plan is subject to certain funding requirements and, due to unfavorable market conditions, as of January 1, 2015 and 2014 the actuarial present value of accumulated plan benefits exceeded net plan assets available for plan benefits. Due to the nature of the Plan, no additional liability is required to be recognized at this time; however, it is projected that the Council's contribution requirements will continue to increase.

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**GIRL SCOUT COUNCIL OF GREATER NEW YORK, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015 AND 2014**

**NOTE 10 - PENSION PLANS (continued)**

In 2011, the Council established a discretionary defined contribution retirement plan. Additionally, the Council had a noncontributory tax-deferred 403(b) plan. During 2015, the Council merged these two plans into a single 403(b) plan. Contributions into the plan are based on a Board-approved percentage applied to employee earnings for the fiscal year. All employees are eligible as of the first day of employment. If the Board approves a contribution to the plan, the payments are made subsequent to year end. The Council contributed \$27,900 and \$21,668 to the plan during the years ended September 30, 2015 and 2014, respectively.

**NOTE 11 - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS**

At the end of the fiscal year, temporarily restricted net assets were available for the following purposes and periods:

|   | <u>2015</u>         | <u>2014</u>         |
|---|---------------------|---------------------|
| Girl Scout programs and adult education | \$ 60,000           | \$ 171,100          |
| 2 <sup>nd</sup> Century Campaign:       |                     |                     |
| Expansion Fund                          | 67,500              | 62,500              |
| Camp Kaufman Fund                       | 125,711             | 182,444             |
| Operations & Capacity Fund              | 100,000             | 100,000             |
| Campaign General Fund                   | 148,736             | 146,972             |
| For periods after September 30          | <u>615,995</u>      | <u>1,092,723</u>    |
| Total temporarily restricted net assets | \$ <u>1,117,942</u> | \$ <u>1,755,739</u> |

During the fiscal year ended September 30, 2013 the Council launched its strategic 2<sup>nd</sup> Century Campaign to fund the future physical and programmatic areas that the Council will need to continue and expand its mission for another 100 years. The 2<sup>nd</sup> Century Campaign is divided into six areas:

- Expansion Fund - Contributions to this fund will fund new program initiatives that drive membership growth and support the Council's focal areas: Business and Entrepreneurship, STEM, Environmental Leadership and Personal Identity Leadership.

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**GIRL SCOUT COUNCIL OF GREATER NEW YORK, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015 AND 2014**

**NOTE 11 - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS**  
(continued)

- Camp Kaufman Fund - Contributions to this fund will support the preservation and expansion of the 425-acre Girl Scout Camp in Dutchess County and ensure its programs remain relevant for girls. Together with outdoor classrooms, upgraded and new facilities will house innovative environmental leadership.
- Research Fund - Contributions to this fund will enable the Council to conduct in-depth research studies to learn how to best respond to the changing needs, circumstances and challenges confronting New York City girls, so that we can prepare them to be the leaders they can be and the world needs them to be.
- Leadership Center Fund - Contributions to this fund will establish a new centralized location in New York City where girls from all five boroughs will have a “safe haven” where they can come for shared experiences. The new Leadership Center also will house the Council’s administrative offices and provide space to develop and deliver programming and training for volunteers.
- Operations & Capacity Fund - Contributions to this fund will allow the Council to hire new staff members trained in specialized education areas to better our Girl Scouts in the 2<sup>nd</sup> Century, improve administrative office’s technological capacity, website and upgrade the administrative office.
- Campaign General Fund - Contributions to this fund will be eligible to be spent at the discretion of the Council’s management solely for the express purposes of the above five areas.

Temporarily restricted net assets classified above as restricted for time restrictions that are also purpose restricted to the 2<sup>nd</sup> Century campaign totaled \$487,852 and \$681,323 for the years ended September 30, 2015 and September 30, 2014, respectively.

During the fiscal year, net assets released from restrictions consisted of the following:

|   | <u>2015</u>       | <u>2014</u>       |
|---|-------------------|-------------------|
| Girl Scout programs and adult education | \$ 147,500        | \$ 52,500         |
| 2 <sup>nd</sup> Century Campaign        | 441,947           | 21,866            |
| Lapse of time restrictions              | <u>365,004</u>    | <u>323,236</u>    |
|   | \$ <u>954,451</u> | \$ <u>397,602</u> |

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**GIRL SCOUT COUNCIL OF GREATER NEW YORK, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015 AND 2014**

**NOTE 11 - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS**  
(continued)

Permanently restricted net assets are restricted in perpetuity, the income from which is expendable to support:

|  | <u>2015</u>       | <u>2014</u>       |
|--|-------------------|-------------------|
| Camp scholarships  | \$ 15,000         | \$ 13,000         |
| General operations (beneficial interest<br>in a perpetual trust) | <u>379,286</u>    | <u>417,979</u>    |
|  | \$ <u>394,286</u> | \$ <u>430,979</u> |

**NOTE 12 - MEASURE OF OPERATIONS**

The Council's measure of operations includes all unrestricted operating revenues and expenses that are an integral part of its program and supporting activities, including product sales, special events, program services fees, unrestricted donations, and net assets released from donor restrictions to support operating activities. The measure of operations also includes distributions from reserve funds as appropriated by the Council's Finance Committee of the Board. The measure of operations excludes net income and gains or losses on the Council's investments, and changes in fair value of the annuities, depreciation and amortization, interest and related expenses, and contributions to temporarily and permanently restricted funds.

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**GIRL SCOUT COUNCIL OF GREATER NEW YORK, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015 AND 2014**

**NOTE 12 - MEASURE OF OPERATIONS (continued)**

|   | <u>2015</u>       | <u>2014</u>       |
|---|-------------------|-------------------|
| Increase (decrease) in unrestricted net assets          | \$ <u>20,552</u>  | \$ <u>376,515</u> |
| Adjustments to revenue, gains, losses and other support |                   |                   |
| Investment return                                       | 125,333           | (385,931)         |
| Actuarial gain/losses on annuity obligations            | (1,383)           | 1,998             |
| Appropriation from reserve                              | <u>77,500</u>     | <u>155,000</u>    |
| Total revenue adjustments                               | <u>201,450</u>    | <u>(228,933)</u>  |
| Adjustments to expenses                                 |                   |                   |
| Depreciation  | 268,460           | 201,766           |
| Interest  | <u>13,709</u>     | <u>8,175</u>      |
| Total expense adjustments                               | <u>282,169</u>    | <u>209,941</u>    |
| Operating results                                       | \$ <u>504,171</u> | \$ <u>357,523</u> |