Girl Scouts of Western Ohio

Independent Auditor’s Report and Financial Statements

December 31, 2013 and 2012

Girl Scouts of Western Ohio

December 31, 2013 and 2012

Contents

BKD LLP
CPAs & Advisors

312 Walnut Street, Suite 3000 // Cincinnati, OH 45202-4025
513.621.8300 // fax 513.621.8345 // bkd.com

Independent Auditor's Report

Board of Directors
Girl Scouts of Western Ohio
Cincinnati, Ohio

We have audited the accompanying financial statements of Girl Scouts of Western Ohio, which comprise the statements of financial position as of December 31, 2013 and 2012, 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 Scouts of Western Ohio as of December 31, 2013 and 2012, 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.

BKD, LLP

Cincinnati, Ohio
April 16, 2014

Girl Scouts of Western Ohio

Statements of Financial Position

December 31, 2013 and 2012

Assets	2013	2012
Cash	$ 550,801	$ 728,141
Accounts receivable, net of allowance;		
2013 - $113,409; 2012 - $124,287	101,411	95,403
Contributions receivable	776,962	673,427
Inventories	259,466	239,798
Prepaid expenses and other	125,648	95,702
Investments	20,519,638	18,387,529
Property and equipment, at cost		
Land and improvements	5,066,458	5,336,266
Building and improvements	20,201,901	20,400,739
Equipment and vehicles	2,718,716	2,691,399
	27,987,075	28,428,404
Less accumulated depreciation	(15,921,138)	(15,261,791)
Net property and equipment	12,065,937	13,166,613
Assets held for sale	248,357	186,948
Beneficial interest in perpetual trusts	525,557	482,133
Beneficial interest in remainder trust	120,082	122,705
Total assets	$ 35,293,859	$ 34,178,399

Liabilities and Net Assets

	2013	2012
Liabilities		
Accounts payable and accrued liabilities	$ 220,288	$ 281,385
Custodial funds	6,775	10,384
Deferred income	51,773	55,607
Total liabilities	278,836	347,376
Net Assets		
Unrestricted		
Undesignated	2,188,207	1,300,428
Board designated	17,144,353	16,018,308
Property and equipment	12,065,937	13,166,613
	31,398,497	30,485,349
Temporarily restricted	1,087,193	1,005,142
Permanently restricted	2,529,333	2,340,532
Total net assets	35,015,023	33,831,023
Total liabilities and net assets	$ 35,293,859	$ 34,178,399

Girl Scouts of Western Ohio
Statement of Activities
Year Ended December 31, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains and Other Support				
Cookie and merchandise sales	$ 14,790,827	$ -	$ -	$ 14,790,827
Less direct cost of cookie and merchandise sales	(4,956,890)	-	-	(4,956,890)
Less allocations to troops and service units	(2,311,918)	-	-	(2,311,918)
Net cookie and merchandise sales	7,522,019	-	-	7,522,019
United Way allocations	56,460	980,108	-	1,036,568
Legacies, bequests and contributions	326,525	162,628	-	489,153
Government grants	41,543	-	-	41,543
Program fees and dues	587,884	-	-	587,884
Investment return				
Interest and dividends, net of fees	348,492	5,503	-	353,995
Net realized gains	279,481	-	10,915	290,396
Net unrealized gains	1,381,577	32,043	177,886	1,591,506
Total investment return	2,009,550	37,546	188,801	2,235,897
Other	72,874	-	-	72,874
Gain on sale of property and equipment	204,074	-	-	204,074
Net assets released from restrictions	1,098,231	(1,098,231)	-	-
Total revenues, gains and other support	11,919,160	82,051	188,801	12,190,012
Expenses				
Program services	9,571,578	-	-	9,571,578
Management and general	1,018,683	-	-	1,018,683
Fund raising	415,751	-	-	415,751
Total expenses	11,006,012	-	-	11,006,012
Change in Net Assets	913,148	82,051	188,801	1,184,000
Net Assets, Beginning of Year	30,485,349	1,005,142	2,340,532	33,831,023
Net Assets, End of Year	$ 31,398,497	$ 1,087,193	$ 2,529,333	$ 35,015,023

Girl Scouts of Western Ohio

Statement of Activities

Year Ended December 31, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains and Other Support				
Cookie and merchandise sales	$ 15,996,202	$ -	$ -	$ 15,996,202
Less direct cost of cookie and merchandise sales	(5,030,142)	-	-	(5,030,142)
Less allocations to troops and service units	(2,537,282)	-	-	(2,537,282)
Net cookie and merchandise sales	8,428,778	-	-	8,428,778
United Way allocations	77,183	885,021	-	962,204
Legacies, bequests and contributions	292,044	167,800	-	459,844
Government grants	18,161	-	-	18,161
Program fees and dues	689,062	-	-	689,062
Investment return				
Interest and dividends, net of fees	425,223	9,498	-	434,721
Net realized gains	25,026	-	4,132	29,158
Net unrealized gains	574,693	29,568	83,807	688,068
Total investment return	1,024,942	39,066	87,939	1,151,947
Other	109,863	-	-	109,863
Net assets released from restrictions	1,127,032	(1,127,032)	-	-
Total revenues, gains and other support	11,767,065	(35,145)	87,939	11,819,859
Expenses				
Program services	9,927,652	-	-	9,927,652
Management and general	1,259,309	-	-	1,259,309
Fund raising	451,633	-	-	451,633
Total expenses	11,638,594	-	-	11,638,594
Change in Net Assets	128,471	(35,145)	87,939	181,265
Net Assets, Beginning of Year	30,356,878	1,040,287	2,252,593	33,649,758
Net Assets, End of Year	$ 30,485,349	$ 1,005,142	$ 2,340,532	$ 33,831,023

Girl Scouts of Western Ohio

Statements of Functional Expenses

Years Ended December 31, 2013 and 2012

2013	Program Services	Management and General	Fund Raising	Total Expenses
Salaries, benefits and related taxes	$ 6,431,981	$ 568,540	$ 312,077	$ 7,312,598
Occupancy	768,248	43,842	26	812,116
Supplies and printing	459,399	17,834	11,715	488,948
Travel	204,731	26,689	6,717	238,137
Telephone and postage	159,855	9,355	5,967	175,177
Professional services	170,260	190,464	21,509	382,233
Financial assistance to individuals	207,817	-	11,475	219,292
Conference fees	3,048	5,344	616	9,008
Insurance	242,009	44,270	8,854	295,133
Other	130,702	9,469	1,599	141,770
Total expenses before depreciation	8,778,050	915,807	380,555	10,074,412
Depreciation	793,528	102,876	35,196	931,600
Total expenses	$ 9,571,578	$ 1,018,683	$ 415,751	$ 11,006,012

2012	Program Services	Management and General	Fund Raising	Total Expenses
Salaries, benefits and related taxes	$ 6,513,686	$ 777,548	$ 371,167	$ 7,662,401
Occupancy	852,081	39,933	340	892,354
Supplies and printing	527,546	18,454	15,970	561,970
Travel	225,368	40,010	5,395	270,773
Telephone and postage	152,455	9,475	6,927	168,857
Professional services	222,442	124,884	455	347,781
Financial assistance to individuals	234,839	-	10,625	245,464
Conference fees	6,664	32,901	904	40,469
Insurance	217,575	49,424	7,760	274,759
Other	167,327	18,936	2,541	188,804
Total expenses before depreciation	9,119,983	1,111,565	422,084	10,653,632
Depreciation	807,669	147,744	29,549	984,962
Total expenses	$ 9,927,652	$ 1,259,309	$ 451,633	$ 11,638,594

Girl Scouts of Western Ohio

Statements of Cash Flows

Years Ended December 31, 2013 and 2012

	2013	2012
Operating Activities		
Change in net assets	$ 1,184,000	$ 181,265
Items not requiring (providing) operating activities cash flows		
Depreciation	931,600	984,962
(Gain) loss on disposition of property and equipment	(204,074)	1,226
Bad debt allowance	10,878	(1,139)
Realized gains on investments	(290,396)	(29,158)
Unrealized gains on investments	(1,591,506)	(688,068)
Changes in		
Accounts receivable	(16,886)	(54,209)
Contributions receivable	(103,535)	64,442
Inventories, prepaid expenses and other	(49,614)	133,735
Accounts payable and accrued liabilities	(61,097)	(56,451)
Custodial funds	(3,609)	(10,766)
Deferred income	(3,834)	7,319
Net cash (used in) provided by operating activities	(198,073)	533,158
Investing Activities		
Proceeds from sale of property and equipment	439,299	-
Purchases of property and equipment	(127,558)	(345,357)
Proceeds from sale of investments	11,788,489	15,790,643
Purchases of investments	(12,079,497)	(15,385,126)
Net cash provided by investing activities	20,733	60,160
(Decrease) Increase in Cash	(177,340)	593,318
Cash, Beginning of Year	728,141	134,823
Cash, End of Year	$ 550,801	$ 728,141

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Girl Scouts of Western Ohio (the Council), is chartered by the Girl Scouts of the United States of America (GSUSA) and is incorporated in the State of Ohio as a charitable organization. As a non-formal educational organization, the Council's mission is to help girls grow up to be caring, competent, confident women.

Services are provided in 32 counties in western Ohio and southeast Indiana. The Council's primary method of delivery of the Girl Scout program is the troop. There were approximately 44,000 girls in the council during 2013.

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, liabilities, revenues, expenses and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from these estimates.

Cash and Cash Equivalents

At December 31, 2013, the Council's cash accounts exceeded federally insured limits by approximately $273,000.

Accounts Receivable

Accounts receivable generally consists of amounts owed from individuals for product sales. The Council provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. All product sale proceeds are due at the time products are delivered. Troops have a settlement date for all proceeds to be deposited into the council product sale account. Letters outlining the collection process are sent to all individuals with unpaid balances. Delinquent balances are referred to collections no later than 90 days subsequent to the settlement date. Balances are written off when the collection agency has exhausted all attempts at collection.

Inventories

Inventories consist primarily of merchandise for sale and are stated at the lower of cost or market, with cost determined on a first-in, first-out (FIFO) basis.

Girl Scouts of Western Ohio
Notes to Financial Statements
December 31, 2013 and 2012

Investments and Investment Return

Investments in equity and debt securities having a readily determinable fair value are carried at fair value. Other investments are valued at the lower of cost (or fair value at the time of donation, if acquired by contribution) or fair value. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is recorded as temporarily restricted then released from restriction. Other investment return is reflected in the statements of activities as unrestricted, temporarily restricted, or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions.

The Council maintains a pooled investment account. Realized and unrealized gains and losses from securities in the pooled investment account are allocated annually to the endowments based on the relationship or the fair value of the interest of each endowment to the total fair value of the pooled investments account, as adjusted for additions to or deduction from that account.

Property and Equipment

Property and equipment are depreciated on a straight-line basis over the estimated useful life of each asset.

Board Designated Net Assets

Board designated net assets are unrestricted net assets whose use by the Council has been designated by the Board for the following purposes:

	2013	2012
Operating reserve	$ 5,871,813	$ 5,871,813
Asset replacement	7,009,747	7,388,947
Pension reserve	2,704,223	1,403,795
Other	1,558,570	1,353,753
	$ 17,144,353	$ 16,018,308

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Council has been limited by donors to a specific time period or purpose. These assets, as well as the related releases from restriction, primarily consist of United Way allocations restricted for the following year. Permanently restricted net assets have been restricted by donors to be maintained by the Council in perpetuity.

Contributions

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as temporarily or permanently restricted revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as temporarily restricted and then released from restriction.

Contributed Services

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. A substantial number of volunteers have donated significant amounts of their time to the Council's programs and supporting services. However, such services are not reflected in the accompanying financial statements.

Income Taxes

The Council is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Council is subject to federal income tax on any unrelated business taxable income. The Council’s tax years still subject to examination by taxing authorities are years subsequent to 2010.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. Certain costs have been allocated among the program, management and general and fund raising categories based on the direct identification and other methods.

Note 2: Contributions Receivable

Contributions receivable, which include United Way allocations, consisted of $776,962 and $673,427 as of December 31, 2013 and 2012, respectively, all of which were due within one year.

Girl Scouts of Western Ohio
Notes to Financial Statements
December 31, 2013 and 2012

Note 3: Investments

Investments consisted of the following:

	2013	2012
Money market funds	$ 506,760	$ 633,041
U.S. Treasury and agency securities	523,626	338,155
Certificates of deposit	44,679	50,748
Equity mutual funds	4,627,378	3,273,764
Equity securities		
Energy	574,770	443,454
Materials	125,568	151,408
Industrials	703,643	559,059
Consumer discretionary	753,543	529,453
Consumer staples	612,687	446,132
Healthcare	609,530	620,958
Information technology	969,728	929,421
Financial	1,137,073	1,294,157
Fixed income mutual funds	6,221,059	6,089,986
Corporate debt securities	2,962,482	2,802,166
Municipal bonds	112,283	95,051
Mortgage backed securities	-	112,311
Pooled income funds	34,829	18,265
	$ 20,519,638	$ 18,387,529

Interest and dividends are reported net of investment fees of approximately $67,000 and $65,000 for 2013 and 2012, respectively.

Note 4: Assets Held for Sale

During 2012, the Council received an unsolicited offer from a third party to purchase one of its camp properties. On January 22, 2013, the Council signed a non-binding letter of intent to sell this property. The property was sold in March 2014 for $1,385,250.

During 2013, the Council received an unsolicited offer from a third party to purchase an additional camp property for approximately $400,000. On January 9, 2014, the Council signed a non-binding letter of intent to sell this property, which is expected to close during 2014.

Assets held for sale, recorded at adjusted cost basis, consists of the following:

	2013	2012
Land and improvements	$ 108,359	$ 101,949
Building and improvements	136,632	81,633
Equipment and vehicles	3,366	3,366
	$ 248,357	$ 186,948

Note 5: Beneficial Interests in Perpetual and Remainder Trusts

The Council is a beneficiary under various perpetual trusts administered by outside parties. Under the terms of these trusts, the Council has the irrevocable right to receive income earned on the trust assets in perpetuity, but never receives the assets held in trust. The estimated value of the expected future cash flows is $525,557 and $482,133, which represents the fair value of the trust assets at December 31, 2013 and 2012, respectively. The income from these trusts for 2013 and 2012 was $26,790 and $24,542, respectively.

The Council is a beneficiary of a charitable remainder trust administered by an outside party. Under the terms of the trust, the Council has the irrevocable right to receive annual distributions from the trust and a portion of the net assets of the trust at the end of the trust's term. The beneficial interest in this trust is recorded at the present value of the expected future cash flows discounted at a rate of 2.00% and 1.20% at December 31, 2013 and 2012, respectively. The estimated value of the expected future cash flows was $120,082 and $122,705 at December 31, 2013 and 2012, respectively. The Council's interest in the trust resulted in distributions of $1,607 in 2013 and $2,722 in 2012.

Note 6: Net Assets

Temporarily restricted net assets at December 31, 2013 and 2012 are available for various program activities. Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors for various program activities.

Permanently restricted net assets at December 31, 2013 and 2012 are restricted to investment in perpetuity, the income of which is expendable to support the general activities of the Council.

Note 7: Endowment

The Council's endowment consists of two funds established for a variety of purposes. An endowment may include both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. As of December 31, 2013 and 2012, all endowment funds consisted of donor-restricted funds.

The Council's governing body has interpreted the State of Ohio's version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Council classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of donor-restricted endowment funds is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Council in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Council considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Council and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Council
7. Investment policies of the Council

Changes in donor-restricted endowment net assets for the years ended December 31, were:

	2013 Temporarily Restricted	2013 Permanently Restricted	2013 Total
Endowment net assets, beginning of year	$ 56,328	$ 1,858,399	$ 1,914,727
Investment return:			
Investment income	3,732	-	3,732
Net appreciation	34,665	145,377	180,042
Total investment return	38,397	145,377	183,774
Appropriation of endowment assets for expenditure	(19,775)	-	(19,775)
Endowment net assets, end of year	$ 74,950	$ 2,003,776	$ 2,078,726

	2012 Temporarily Restricted	2012 Permanently Restricted	2012 Total
Endowment net assets, beginning of year	$ 37,877	$ 1,794,046	$ 1,831,923
Investment return:			
Investment income	4,915	-	4,915
Net appreciation	18,451	64,353	82,804
Total investment return	23,366	64,353	87,719
Appropriation of endowment assets for expenditure	(4,915)	-	(4,915)
Endowment net assets, end of year	$ 56,328	$ 1,858,399	$ 1,914,727

Amounts of donor-restricted endowment funds classified as permanently and temporarily restricted net assets at December 31, consisted of:

	2013	2012
Permanently restricted net assets - portion of perpetual endowment funds required to be retained permanently by explicit donor stipulation or UPMIFA	$ 2,003,776	$ 1,858,399
Temporarily restricted net assets - portion of perpetual endowment funds subject to a time restriction under UPMIFA with purpose restrictions	$ 74,950	$ 56,328

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the Council is required to retain as a fund of perpetual duration pursuant to donor stipulation. At December 31, 2013 and 2012, the Council had no deficiencies in its endowment funds.

The Council has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds the Council must hold in perpetuity. Under the Council's policies, endowment assets are invested in a manner that is intended to produce results that exceed the rate of inflation while assuming a low level of investment risk.

To satisfy its long-term rate of return objectives, the Council relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). The Council targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

For one endowment fund held and managed by the Council, 50% of the realized gains and losses and 100% of the unrealized gains and losses are retained as permanently restricted net assets. For the other endowment fund, all gains and losses are recorded as temporarily restricted net assets until appropriated for expenditure. These policies are consistent with the Council's objective to maintain the purchasing power of endowment assets held in perpetuity, as well as to provide additional real growth through new gifts and investment return.

Girl Scouts of Western Ohio
Notes to Financial Statements
December 31, 2013 and 2012

Note 8: Cookie and Other Merchandise Sales

Sales of cookies and other merchandise, including nuts and candy, and the related direct costs, which include cost of purchases, troop and individual incentive awards and uncollectible expenses are comprised of the following:

	2013			
	Gross Sales	Direct Costs	Allocations	Net Sales
Cookie sales	$ 13,405,047	$ 4,202,720	$ 2,249,247	$ 6,953,080
Nut and candy sales	619,009	271,479	62,671	284,859
Council store	766,771	482,691	-	284,080
	$ 14,790,827	$ 4,956,890	$ 2,311,918	$ 7,522,019

	2012			
	Gross Sales	Direct Costs	Allocations	Net Sales
Cookie sales	$ 14,142,156	$ 4,020,449	$ 2,442,286	$ 7,679,421
Nut and candy sales	894,410	391,647	94,996	407,767
Council store	959,636	618,046	-	341,590
	$ 15,996,202	$ 5,030,142	$ 2,537,282	$ 8,428,778

Note 9: Operating Leases

The Council has various operating lease agreements for office equipment expiring in various years through 2019. Future minimum lease payments at December 31, 2013 were:

2014	$ 42,336
2015	42,336
2016	42,336
2017	42,336
2018	42,336
Thereafter	17,946
	$ 229,626

Rental expense for all operating leases amounted to approximately $76,000 and $82,000 in 2013 and 2012, respectively.

Note 10: Retirement Plan

The Council participates in the National Girl Scout Council Retirement Plan (the Plan), a non-contributory defined benefit pension plan sponsored by Girl Scouts of the USA (GSUSA). The National Board of GSUSA voted to freeze the plan to new entrants and to freeze future benefit accruals for all current participants under the Plan effective July 31, 2010. The plan covers substantially all of the employees of various Girl Scout councils who were eligible to participate in the plan prior to the Plan freeze. Accrued and vested benefits prior to July 31, 2010 are based on years of service and salary levels. The Council's pension expense and contributions to this plan for 2013 and 2012 was $549,506 and $476,696, respectively. 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 standalone operation. In addition, because the plan is considered a multiemployer plan, it is only subject to certain minimum reporting requirements of FASB Accounting Standards Codification Subtopic 715-80: Multiemployer Plans, Disclosures about an Employer's Participation in a Multiemployer Plan. Due to unfavorable market conditions and the change in the interest rate and other assumptions used to calculate the actuarial present value of accumulated plan benefits, the accumulated plan benefits exceeded net plan assets available for plan benefits as of January 1, 2013. Based on communications from the Plan Sponsor, contributions will increase an average of 40% over 2013 contributions as the existing credit balance isn't sufficient to offset the impact of the plan's funded status on the estimated minimum required contributions for 2014. Legislative and regulatory solutions are being explored to reduce the minimum required contributions.

The Council also has a 403(b) Thrift plan covering substantially all employees. In 2010, the Board of Directors amended the plan to include a 3% non-contributory employer contribution and a 2% employer matching contribution. Council contributions to the Plan in 2013 and 2012 were $207,410 and $208,457, respectively.

Note 11: Troop Funds Held In Trust

Bank accounts for each troop are established under the Council's employer identification number. All troop funds are maintained for the beneficial interest of the girls within the respective troop. Management has estimated troop funds total approximately $1,670,000 and $2,470,000 at December 31, 2013 and 2012, respectively. These funds are not available for use by the Council and have not been included in the financial statements.

Note 12: Disclosures about Fair Value of Assets and Liabilities

ASC Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also specifies 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 in active markets for identical assets or liabilities

Girl Scouts of Western Ohio
Notes to Financial Statements
December 31, 2013 and 2012

Level 2 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 for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2013 and 2012:

		2013 Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	$ 506,760	$ 506,760	$ -	$ -
Equity mutual funds	4,627,378	4,627,378	-	-
Equity securities				
Energy	574,770	574,770	-	-
Materials	125,568	125,568	-	-
Industrials	703,643	703,643	-	-
Consumer discretionary	753,543	753,543	-	-
Consumer staples	612,687	612,687	-	-
Healthcare	609,530	609,530	-	-
Information technology	969,728	969,728	-	-
Financial	1,137,073	1,137,073	-	-
Fixed income mutual funds	6,221,059	6,221,059	-	-
U.S. Treasury and agency securities	523,626	-	523,626	-
Corporate debt securities	2,962,482	-	2,962,482	-
Municipal bonds	112,283	-	112,283	-
Beneficial interest in perpetual trusts	525,557	-	525,557	-
Beneficial interest in remainder trust	120,082	-	-	120,082
Pooled income funds	34,829	-	34,829	-

Girl Scouts of Western Ohio
Notes to Financial Statements
December 31, 2013 and 2012

		2012		
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	$ 633,041	$ 633,041	$ -	$ -
Equity mutual funds	3,273,764	3,273,764	-	-
Equity securities				
Energy	443,454	443,454	-	-
Materials	151,408	151,408	-	-
Industrials	559,059	559,059	-	-
Consumer discretionary	529,453	529,453	-	-
Consumer staples	446,132	446,132	-	-
Healthcare	620,958	620,958	-	-
Information technology	929,421	929,421	-	-
Financial	1,294,157	1,294,157	-	-
Fixed income mutual fund	6,089,986	6,089,986	-	-
U.S. Treasury and agency securities	338,155	-	338,155	-
Corporate debt securities	2,802,166	-	2,802,166	-
Municipal bonds	95,051	-	95,051	-
Mortgage-backed securities	112,311	-	112,311	-
Beneficial interest in perpetual trusts	482,133	-	482,133	-
Beneficial interest in remainder trust	122,705	-	-	122,705
Pooled income funds	18,265	-	18,265	-

Following is a description of the inputs and valuation methodologies used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include money market funds, equity securities and fixed income securities (bond funds). If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. Level 2 securities include U.S. Treasury and agency securities, pooled income funds and fixed income securities. In certain cases where Level 1 or 2 inputs are not available, securities are classified within Level 3 of the hierarchy. See the table below for inputs and valuation techniques used for Level 3 securities. Fair value determinations for Level 3 measurements of securities are the responsibility of the Finance office.

Beneficial Interest in Perpetual Trusts

Fair value is calculated as the present value of the perpetual future distributions expected to be received over the term of the agreement and is estimated using the current fair value of the investments. Due to the nature of the valuation inputs, the interest is classified within Level 2 of the hierarchy.

Beneficial Interest in Remainder Trust

The fair value is estimated using a discounted cash flow model. Inputs in the calculation include the current fair value of assets in the trust, life expectancy of beneficiaries, discount rates and expected earnings rates. Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy.

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying statements of financial position using significant unobservable (Level 3) inputs:

	Beneficial Interest in Remainder Trust	
	2013	**2012**
Balance, January 1	$ 122,705	$ 112,919
Total unrealized (losses) gains included in change in net assets	(2,623)	9,786
Balance, December 31	$ 120,082	$ 122,705

Unobservable (Level 3) Inputs

The following table presents quantitative information about unobservable inputs used in recurring Level 3 fair value measurements.

	Fair Value at 12/31/13	Valuation Technique	Unobservable Inputs	Assumption
Beneficial interests in remainder trusts	$ 120,082	Discounted cash flow	Discount rates	2.00%
			Term of the trust	14 years

Girl Scouts of Western Ohio
Notes to Financial Statements
December 31, 2013 and 2012

Note 13: Significant Contingencies

The Council is subject to certain claims and legal proceedings covering certain matters that arise in the ordinary course of its business activities. These matters are subject to various uncertainties. However, management believes that any liability that may ultimately result from the resolutions of these matters will not have a material adverse effect on its financial position or results of operations.

Note 14: Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.