

Girl Scouts of Western Ohio

Auditor's Report and Financial Statements

September 30, 2014

Girl Scouts of Western Ohio
September 30, 2014

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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 statement of financial position as of September 30, 2014, and the related statements of activities, functional expenses and cash flows for the nine-month period then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Girl Scouts of Western Ohio as of September 30, 2014, and the changes in its net assets and its cash flows for the nine-month period then ended in accordance with accounting principles generally accepted in the United States of America.

BKD, LLP

Cincinnati, Ohio
January 22, 2015

Girl Scouts of Western Ohio
Statement of Financial Position
September 30, 2014

Assets

Cash	\$ 302,037
Accounts receivable, net of allowance - \$153,537	77,811
Contributions receivable	319,748
Inventories	249,754
Prepaid expenses and other	186,607
Investments	23,937,387
Property and equipment, at cost	
Land and improvements	5,137,060
Building and improvements	20,328,783
Equipment and vehicles	2,781,180
	<u>28,247,023</u>
Less accumulated depreciation	(16,542,593)
Net property and equipment	<u>11,704,430</u>
Assets held for sale	61,439
Beneficial interest in perpetual trusts	520,550
Beneficial interest in remainder trust	115,945
Total assets	<u>\$ 37,475,708</u>

Liabilities and Net Assets

Liabilities

Accounts payable and accrued liabilities	\$ 281,893
Custodial funds	13,644
Deferred income	53,851
Total liabilities	<u>349,388</u>

Net Assets

Unrestricted	
Board designated	22,268,164
Property and equipment	11,704,430
	<u>33,972,594</u>
Temporarily restricted	602,557
Permanently restricted	2,551,169
Total net assets	<u>37,126,320</u>
Total liabilities and net assets	<u>\$ 37,475,708</u>

Girl Scouts of Western Ohio
Statement of Activities
Nine-Month Period Ended September 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues, Gains and Other Support				
Cookie and merchandise sales	\$ 14,150,639	\$ -	\$ -	\$ 14,150,639
Less direct cost of cookie and merchandise sales	(3,853,473)	-	-	(3,853,473)
Less allocations to troops and service units	<u>(2,102,438)</u>	<u>-</u>	<u>-</u>	<u>(2,102,438)</u>
Net cookie and merchandise sales	8,194,728	-	-	8,194,728
United Way allocations	27,025	265,413	-	292,438
Legacies, bequests and contributions	208,296	97,737	-	306,033
Government grants	7,232	-	-	7,232
Program fees and dues	510,757	-	-	510,757
Investment return				
Interest and dividends, net of fees	178,789	4,392	-	183,181
Net realized gains	615,208	2,121	41,709	659,038
Net unrealized losses	<u>(347,599)</u>	<u>(1,813)</u>	<u>(19,873)</u>	<u>(369,285)</u>
Total investment return	<u>446,398</u>	<u>4,700</u>	<u>21,836</u>	<u>472,934</u>
Other	154,467	-	-	154,467
Gain on sale of property and equipment	1,056,635	-	-	1,056,635
Net assets released from restrictions	<u>852,486</u>	<u>(852,486)</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	<u>11,458,024</u>	<u>(484,636)</u>	<u>21,836</u>	<u>10,995,224</u>
Expenses				
Program services	7,599,588	-	-	7,599,588
Management and general	831,222	-	-	831,222
Fund raising	<u>453,117</u>	<u>-</u>	<u>-</u>	<u>453,117</u>
Total expenses	<u>8,883,927</u>	<u>-</u>	<u>-</u>	<u>8,883,927</u>
Change in Net Assets	2,574,097	(484,636)	21,836	2,111,297
Net Assets, Beginning of Period	<u>31,398,497</u>	<u>1,087,193</u>	<u>2,529,333</u>	<u>35,015,023</u>
Net Assets, End of Period	<u><u>\$ 33,972,594</u></u>	<u><u>\$ 602,557</u></u>	<u><u>\$ 2,551,169</u></u>	<u><u>\$ 37,126,320</u></u>

Girl Scouts of Western Ohio
Statement of Functional Expenses
Nine-Month Period Ended September 30, 2014

	Program Services	Management and General	Fund Raising	Total Expenses
Salaries, benefits and related taxes	\$ 5,125,550	\$ 470,243	\$ 327,312	\$ 5,923,105
Occupancy	554,934	35,336	28,672	618,942
Supplies and printing	408,990	8,217	7,770	424,977
Travel	179,755	18,715	8,763	207,233
Telephone and postage	116,111	7,146	7,287	130,544
Professional services	174,657	158,527	22,020	355,204
Financial assistance to individuals	181,072	-	8,500	189,572
Conference fees	2,616	17,754	20	20,390
Insurance	158,601	23,477	8,664	190,742
Other	145,068	17,930	1,135	164,133
	<u>7,047,354</u>	<u>757,345</u>	<u>420,143</u>	<u>8,224,842</u>
Total expenses before depreciation				
Depreciation	<u>552,234</u>	<u>73,877</u>	<u>32,974</u>	<u>659,085</u>
	<u>\$ 7,599,588</u>	<u>\$ 831,222</u>	<u>\$ 453,117</u>	<u>\$ 8,883,927</u>
Total expenses				

Girl Scouts of Western Ohio
Statement of Cash Flows
Nine-Month Period Ended September 30, 2014

Operating Activities	
Change in net assets	\$ 2,111,297
Items not requiring (providing) operating activities cash flows	
Depreciation	659,085
Gain on disposition of property and equipment	(1,056,635)
Bad debt allowance	(40,128)
Realized gains on investments	(659,038)
Unrealized losses on investments	369,285
Changes in	
Accounts receivable	63,728
Contributions receivable	457,214
Inventories, prepaid expenses and other	(51,247)
Accounts payable and accrued liabilities	61,605
Custodial funds	6,869
Deferred income	2,078
	<u>1,924,113</u>
Net cash provided by operating activities	<u>1,924,113</u>
Investing Activities	
Proceeds from sale of property and equipment	1,243,553
Purchases of property and equipment	(297,578)
Proceeds from sale of investments	10,184,021
Purchases of investments	<u>(13,302,873)</u>
Net cash used in investing activities	<u>(2,172,877)</u>
Decrease in Cash	(248,764)
Cash, Beginning of Period	<u>550,801</u>
Cash, End of Period	<u><u>\$ 302,037</u></u>

Girl Scouts of Western Ohio

Notes to Financial Statements

September 30, 2014

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 2014.

In 2014, the Council changed its fiscal year end from December 31 to September 30 to be more consistent with GSUSA.

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.

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 an average-cost basis.

Girl Scouts of Western Ohio

Notes to Financial Statements

September 30, 2014

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. Purchases of property and equipment in excess of \$1,000 are capitalized.

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 at September 30, 2014:

Operating reserve	\$ 9,299,384
Asset replacement	6,692,982
Pension reserve	3,796,696
Other	<u>2,479,102</u>
	<u>\$ 22,268,164</u>

Girl Scouts of Western Ohio
Notes to Financial Statements
September 30, 2014

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 2011.

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.

Girl Scouts of Western Ohio
Notes to Financial Statements
September 30, 2014

Note 2: Contributions Receivable

Contributions receivable, which include United Way allocations, consisted of \$319,748 as of September 30, 2014, all of which were due within one year.

Note 3: Investments

Investments consisted of the following at September 30, 2014:

Money market funds	\$ 284,861
U.S. Treasury and agency securities	821,220
Certificates of deposit	44,796
Equity mutual funds	5,089,729
Equity securities	
Energy	797,272
Materials	47,411
Industrials	819,275
Consumer discretionary	674,710
Consumer staples	418,589
Healthcare	982,566
Information technology	1,068,666
Financial	744,221
Fixed income mutual funds	8,850,727
Corporate debt securities	3,171,786
Municipal bonds	86,729
Pooled income funds	34,829
	<u> </u>
	<u><u>\$ 23,937,387</u></u>

Interest and dividends are reported net of investment fees of approximately \$55,000 for 2014.

Girl Scouts of Western Ohio
Notes to Financial Statements
September 30, 2014

Note 4: Assets Held for Sale

In 2013, the Council received an unsolicited offer from a third party to purchase a camp property for approximately \$400,000. On January 9, 2014, the Council signed a non-binding letter of intent to sell this property. This property was sold in January 2015 for \$396,768.

Assets held for sale at September 30, 2014, recorded at adjusted cost basis, consists of the following:

Land and improvements	\$	6,440
Building and improvements		54,999
		54,999
		\$ 61,439

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 \$520,550, which represents the fair value of the trust assets at September 30, 2014. The income from these trusts for 2014 was \$22,445.

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 2.20% at September 30, 2014. The estimated value of the expected future cash flows was \$115,945 at September 30, 2014. The Council's interest in the trust resulted in distributions of \$1,708 in 2014.

Note 6: Net Assets

Temporarily restricted net assets at September 30, 2014 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 September 30, 2014 are restricted to investment in perpetuity, the income of which is expendable to support the general activities of the Council.

Girl Scouts of Western Ohio
Notes to Financial Statements
September 30, 2014

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 September 30, 2014, 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

Girl Scouts of Western Ohio
Notes to Financial Statements
September 30, 2014

Changes in donor-restricted endowment net assets for the nine months ended September 30, 2014 were:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 74,950	\$ 2,003,776	\$ 2,078,726
Investment return:			
Investment income	2,568	-	2,568
Net appreciation	4,445	26,843	31,288
Total investment return	7,013	26,843	33,856
Appropriation of endowment assets for expenditure	(27,854)	-	(27,854)
Endowment net assets, end of year	\$ 54,109	\$ 2,030,619	\$ 2,084,728

Amounts of donor-restricted endowment funds classified as permanently and temporarily restricted net assets at September 30, 2014 consisted of:

Permanently restricted net assets - portion of perpetual endowment funds required to be retained permanently by explicit donor stipulation or UPMIFA	<u>\$ 2,030,619</u>
Temporarily restricted net assets - portion of perpetual endowment funds subject to a time restriction under UPMIFA with purpose restrictions	<u>\$ 54,109</u>

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 September 30, 2014, 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.

Girl Scouts of Western Ohio

Notes to Financial Statements

September 30, 2014

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. Unless otherwise authorized by the board of directors, appropriations shall not exceed 5% of the rolling three-year average market value as of September 30.

Note 8: Cookie and Other Merchandise Sales

Sales of cookies and other merchandise, and the related direct costs, which include cost of purchases, troop and individual incentive awards and uncollectible expenses are comprised of the following at September 30, 2014:

	<u>Gross Sales</u>	<u>Direct Costs</u>	<u>Allocations</u>	<u>Net Sales</u>
Cookie sales	\$ 13,670,828	\$ 3,544,413	\$ 2,102,438	\$ 8,023,977
Council store	479,811	309,060	-	170,751
	<u>\$ 14,150,639</u>	<u>\$ 3,853,473</u>	<u>\$ 2,102,438</u>	<u>\$ 8,194,728</u>

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 September 30, 2014 were:

2015	\$ 42,336
2016	42,336
2017	42,336
2018	42,336
2019	28,530
	<u>\$ 197,874</u>

Rental expense for all operating leases amounted to approximately \$47,000 in 2014.

Girl Scouts of Western Ohio

Notes to Financial Statements

September 30, 2014

Note 10: Retirement Plan

The Council participates in two non-contributory multiemployer defined pension plans. The risks of participating in these multiemployer plans are different from single-employer plans in the following aspects:

1. Assets contributed to the multiemployer plan by one employer/council may be used to provide benefits to employees of other participating employers/councils.
2. If a participating employer/council stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers/councils.
3. If the Council chooses to stop participating in its multiemployer plan, the Council may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The National Girl Scout Council Retirement Plan, sponsored by Girl Scouts of the USA (GSUSA), was frozen for new entrants and future benefit accruals for all current participants under the Plan effective July 31, 2010 as voted by The National Board of GSUSA. 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 2014 was \$450,324. 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. Although net plan assets grew during the year, net plan assets available for plan benefits continue to be less than the actuarial present value of accumulated plan benefits as of January 1, 2014. Based on the April 18, 2014 conditional approval by the Internal Revenue Service (IRS), all existing amortization bases in the plan's funding standard account as of January 1, 2013 were combined into one base and the resulting amortization period for that single base was extended to 10 years. Approval applies as long as at a minimum, beginning with the January 1, 2013 calendar year, \$30,000,000 is remitted. The \$30,000,000 calendar year minimum applies for each succeeding calendar year until the plan is fully funded based upon the requirements of the Pension Protection Act of 2006 (PPA). Aggregate contributions made in fiscal year 2014 and 2013 are \$34,500,000 and \$30,000,000 respectively. Aggregate contributions made in fiscal 2015 are expected to be \$34,500,000.

The Council also participates in The Defined Benefit Pension Plan of United Way of Greater Toledo and Affiliated Agencies (EIN/Plan Number 34-4427947/PN 333) and covers certain employees of one of its legacy councils. This plan was approximately 79% funded as of December 31, 2013, which is the most recent information available. For 2014, pension expense and contributions to this plan was \$40,198.

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 2014 were \$156,073.

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Notes to Financial Statements
September 30, 2014

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 \$1,650,000 at September 30, 2014. 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
- 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

Girl Scouts of Western Ohio
Notes to Financial Statements
September 30, 2014

The following table presents the fair value measurements of assets recognized in the accompanying statement 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 September 30, 2014:

	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	\$ 284,861	\$ 284,861	\$ -	\$ -
Equity mutual funds	5,089,729	5,089,729	-	-
Equity securities				
Energy	797,272	797,272	-	-
Materials	47,411	47,411	-	-
Industrials	819,275	819,275	-	-
Consumer discretionary	674,710	674,710	-	-
Consumer staples	418,589	418,589	-	-
Healthcare	982,566	982,566	-	-
Information technology	1,068,666	1,068,666	-	-
Financial	744,221	744,221	-	-
Fixed income mutual funds	8,850,727	8,850,727	-	-
U.S. Treasury and agency securities	821,220	-	821,220	-
Corporate debt securities	3,171,786	-	3,171,786	-
Municipal bonds	86,729	-	86,729	-
Pooled income funds	34,829	-	34,829	-
Beneficial interest in perpetual trusts	520,550	-	520,550	-
Beneficial interest in remainder trust	115,945	-	-	115,945

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 statement 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.

Girl Scouts of Western Ohio
Notes to Financial Statements
September 30, 2014

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 statement of financial position using significant unobservable (Level 3) inputs:

	Beneficial Interest in Remainder Trust
Balance, January 1, 2014	\$ 120,082
Total unrealized losses included in change in net assets	(4,137)
Balance, September 30, 2014	\$ 115,945

Unobservable (Level 3) Inputs

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

	Fair Value at 9/30/2014	Valuation Technique	Unobservable Inputs	Assumption
Beneficial interests in remainder trusts	\$ 115,945	Discounted cash flow	Discount rates Term of the trust	2.20% 12.5 years

Girl Scouts of Western Ohio

Notes to Financial Statements

September 30, 2014

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.