

MEMO

Attachment D


girl scouts
building girls of courage
confidence and character

Date: November 4, 2010
To: Board of Directors
From: Barbara J. Bonifas, CEO
Subject: 2011 Budget Presentation

In preparation for the budget presentation at the November board meeting, the following documents are provided for your review:

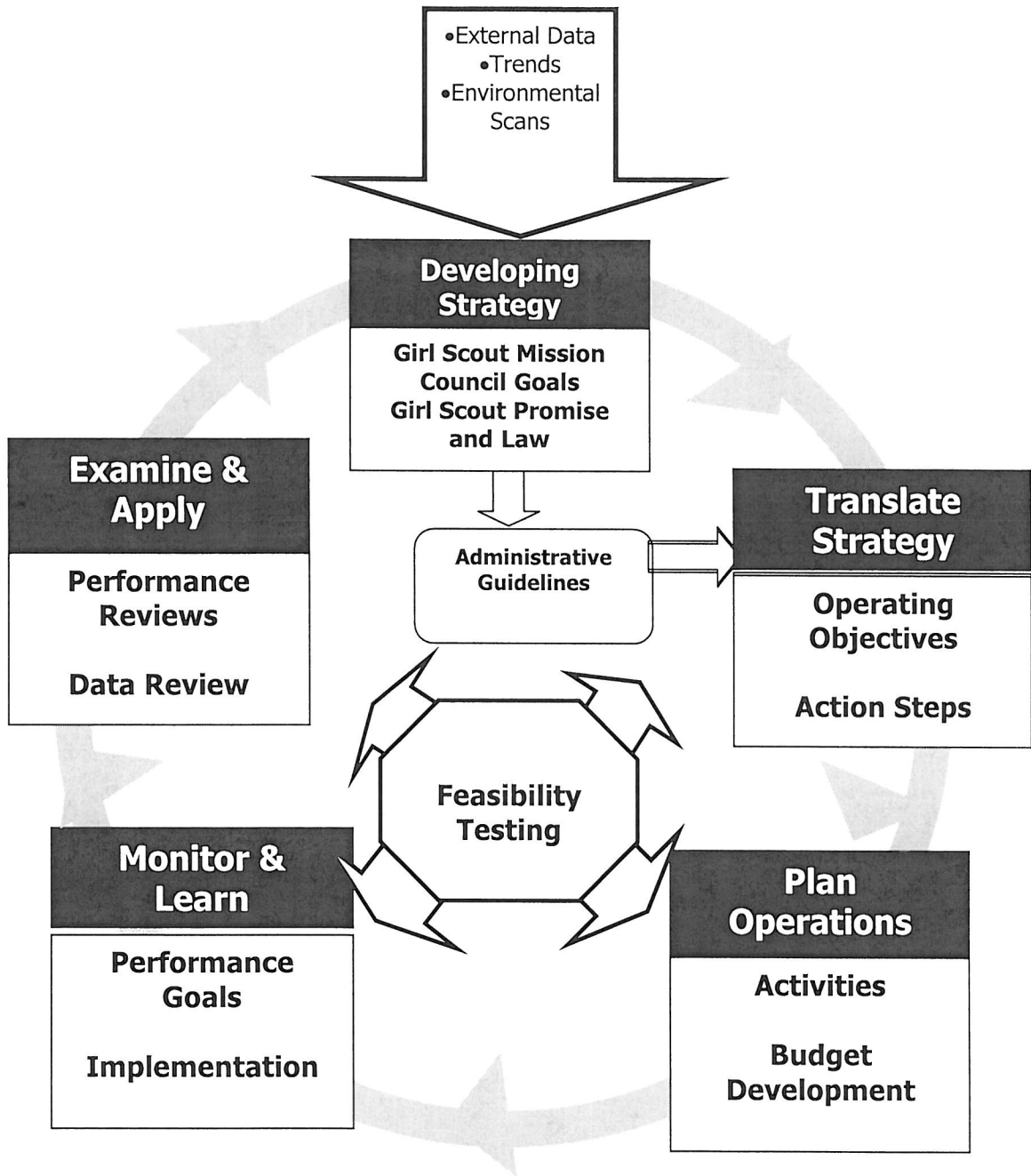
- Tactical planning process
- Budgeted cash sources and uses summary
- Cost center budget
- Line item budget
- Notes for the line item budget
- Capital budget

The following board members participated in a meeting to review the budget and provide input prior to its presentation to the board:

1. Jody Wainscott
2. Sue Matz
3. Kerry Roe (was unable to participate, but reviewed the materials)
4. Kim Turco
5. Karen Huelsman (was unable to participate, but reviewed the materials)

At the board meeting we will review, briefly, the process used in development of the budget. We welcome your questions.

Tactical Planning Process



GIRL SCOUTS OF WESTERN OHIO
 BUDGETED STATEMENT OF SOURCES AND USES
 FOR THE FISCAL YEARS 2010 AND 2011

	2010 BUDGET	2010 ESTIMATED ACTUAL	2011 BUDGET
SOURCES:			
Operating Revenues	10,685,552	11,041,261	11,182,324
Donor Restricted Funds (Grants)	224,500	198,757	331,500
Total Annual Sources	<u>10,910,052</u>	<u>11,140,018</u>	<u>11,513,824</u>
Decreases to Board Designated Funds:			
Asset Replacement Fund (Capital Budget)	201,370	201,370	421,500
Total Sources	<u>11,111,422</u>	<u>11,341,388</u>	<u>11,935,324</u>
USES:			
Operating Budget Expenses	10,044,533	9,196,869	10,198,168
Obligation to Frozen Pension Plans		178,762	390,888
Donor Restricted Expenses (Grants)	224,500	198,757	331,500
Total Annual Expenses	<u>10,269,033</u>	<u>9,574,388</u>	<u>10,920,556</u>
Increases to Board Designated Funds:			
Capital Budget	201,370	201,370	421,500
Operating Reserve (1)	0	0	0
Asset Replacement (2)	641,019	680,630	593,268
Pension Liability (3)		582,000	
2011 Salary Increases (4)		303,000	
Total Uses	<u>11,111,422</u>	<u>11,341,388</u>	<u>11,935,324</u>
TOTAL SOURCES MINUS USES:	<u>0</u>	<u>0</u>	<u>0</u>

Note: Operating Expenses do not include non-cash expenses such as depreciation.

- (1) Operating Reserve is currently \$5,871,813 (6.5 months). An Operating Reserve is a GSUSA Charter requirement.
- (2) 2010 Depreciation is estimated at \$1,059,000. We expect to increase the fund by \$680,630 in 2010. The current balance of the Asset Replacement Fund is \$7,454,090.
- (3 & 4) As I did last year, I would again like to roll over \$300,000 from 2010 for salary increases in 2011 and \$582,000 to contribute toward the 2012-2023 pension liability.

2011 COST CENTER BUDGET

CODE	DESCRIPTION	REVENUE	EXPENSE
Administrative		\$262,460	\$2,306,599
142 – Business Services	To provide business services and systems that support both our internal (staff and council goals) and external (volunteers and girls) customers through a council-wide, integrated business services plan while exercising stewardship over council resources.	\$0	\$765,452
144 – Corporate Management	To provide corporate management systems and fulfill corporate responsibilities.	\$262,460	\$1,368,157
145 – Governance	To provide support to the board of directors to maintain corporate responsibility.	\$0	\$172,990
Fund Development		\$1,832,660	\$412,796
243 – Fund Development	To raise \$1,772,090 through diversified funding sources by December 31, 2011.	\$1,832,660	\$412,796
Research & Development		\$0	\$102,261
311 – Evaluation & Research	To ensure that the program effectiveness measurement plan is implemented through a representative sampling of Girl Scout troops/groups by December 31, 2011.	\$0	\$102,261
Program Service Delivery		\$9,392,159	\$4,401,912
312 – Support to Troops	To provide resources that support Girl Scout pathways, including troop, series, travel, and event, resulting in retention rate of no less than 62%.	\$261,152	\$508,421
313 – Beyond the Troop	To promote program opportunities for all Girl Scouts that will enable girls to grow toward council goals as indicated by responses of at least 55% of girls saying that they meet program objectives (4 and 5 out of a 5 point scale; 3 on a 3 point scale).	\$145,897	\$481,991
314 – Summer Outdoor Program Activities	To provide progressive Girl Scout leadership experiences through the camp pathway that will enable girls to grow toward the council goals as indicated by responses of at least 55% of girls saying that they meet program objectives (4 and 5 out of a 5 point scale, 3 on a 3 point scale).	\$426,520	\$668,994
315 – Direct Service to Girls	To provide a progressive Girl Scout leadership experience through the series pathway to ensure girls have access to the Girl Scout program in communities where barriers to participation exists, resulting in 55% of girls saying that they meet program objectives (4 and 5 on a 5 point scale, 3 on a 3 point scale).	\$0	\$712,900
316 – Product Sales	To implement an integrated product sales plan to meet council net revenue goals in order to carry out the Girl Scout leadership experience.	\$8,403,590	\$400,844

CODE	DESCRIPTION	REVENUE	EXPENSE
341 – Property Management	To manage council properties and related assets to meet the program and administrative needs of the council and to ensure compliance with health and safety standards through December 31, 2011.	\$155,000	\$1,628,762
Recruitment & Registration of Girls		\$0	\$926,836
321 – Recruitment of Girls	To extend membership among girls reflective of the diversity of the community from a variety of sources for different pathways, resulting in 53,417 girls by established benchmarks of 10/31/10 = 29,705 (56%); 12/15/10 = 37,513 (70%); 3/1/11 = 47,745 (89%); 8/1/11 = 53,417 (100%).	\$0	\$926,836
Volunteer Management		\$26,545	\$2,376,740
331 – Volunteer Recruitment	To recruit adults from a variety of sources and to engage service unit volunteers in the recruitment of girls and adults, resulting in 14,211 adult members and an adult girl ratio of 1:3.5.	\$0	\$701,866
332 – Volunteer Training	To provide opportunities for required trainings through flexible delivery options within six months of appointment, and enrichment trainings that support the understanding of the Girl Scout leadership experience and volunteer job performance, resulting in 72% adult retention rate.	\$23,850	\$412,268
334 – Volunteer Management	To ensure implementation of all components of volunteer program management, resulting in an adult retention rate of 72%.	\$2,695	\$1,262,606
Communications		\$0	\$393,412
333 – Communications	To implement a communications plan using technology to communicate to all audiences within the council (girls, adults, volunteers, and the community).	\$0	\$393,412
TOTALS		\$11,513,824	\$10,920,556

GIRL SCOUTS OF WESTERN OHIO
COMPARATIVE LINE-ITEM STATEMENT

	2011	2010	
	BUDGET	ESTIMATED	VARIANCE
		ACTUAL	
Revenues			
Contributions	452,830	426,597	26,233
Grants - Non-Government	331,500	181,387	150,113
United Way	1,019,330	1,139,524	(120,194)
Government Grants	1,000	17,370	(16,370)
Special Fundraising Events	40,000	(1,007)	41,007
Cookie Sales - Net	8,047,369	7,675,370	371,999
Nut Sales - Net	356,221	340,654	15,567
Retail Sales - Net	257,895	304,790	(46,895)
Program Services	733,992	746,760	(12,768)
Investment Income - Net	256,460	263,198	(6,738)
Miscellaneous Income	17,227	45,375	(28,148)
Total Revenues	11,513,824	11,140,018	373,806
Expenses			
Salaries	5,709,307	5,374,938	334,369
Benefits	1,348,757	1,133,837	214,920
Payroll Taxes	589,223	493,368	95,855
Professional Services	387,498	154,891	232,607
Supplies	499,933	354,557	145,376
Communications	128,112	130,834	(2,722)
Postage & Shipping	84,749	62,900	21,849
Occupancy	739,703	688,065	51,638
Equipment, Repairs, & Maintenanar	108,716	68,929	39,787
Printing & Publications	207,881	192,131	15,750
Travel & Vehicle Expenses	232,026	181,440	50,586
Staff Development	26,634	10,145	16,489
Financial Assistance	301,495	268,334	33,161
Insurance	339,974	336,389	3,585
Miscellaneous Expense	216,548	123,630	92,918
Total Expenses	10,920,556	9,574,388	1,346,168
NET	593,268	1,565,630	

NOTES TO BUDGET REPORTS

The line item budget compares the 2011 budget to the 2010 estimated actual revenue and expenses. There are several issues that should be noted about the budget reports:

1. In our third year as Girl Scouts of Western Ohio, we are starting to have consistent historical data in which to build a more accurate budget than in the first two years. The 2011 budget reflects careful oversight by management and projections that are based on actual revenue and expense data for 2010, as well as plans for execution.
2. The effect of the economic downturn was significant to every revenue stream over the past eighteen months, except the cookie sale, which saw a \$414,000 increase over goal in 2010. We have been cautious in our estimates of revenue projections for 2011 and recognize that philanthropy continues to be a challenge in the communities we serve.
3. Late in 2009, based on economic conditions, we reviewed each expense line for 2010 and made significant cuts (approximately \$800,000) to ensure that the budget was as conservative as possible.
4. Additional IT expenses of \$155,400 are included in the 2011 budget to provide application support for all software, development and maintenance of a new website, creation of a volunteer extranet, and increased infrastructure support

The notes below are written to address the variance in our 2011 budget compared to what has actually happened in 2010 to date with a projection for the last three months of 2010. Those items with significant variances are explained below.

REVENUES

Contributions – We are estimating a conservative increase (\$26,233) in the annual campaign in 2011. Board and staff members will be asked to take an increased role in fund development to raise additional dollars to support our program.

Grants-Non Government – A staff focus on grantwriting throughout the council has led to an increase in the revenue projected from non-government grants.

United Way – The budgeted revenue from United Way allocations (\$1 million) reflects a reduction of \$120,000 in anticipation of campaign shortfalls throughout the council.

Special Fundraising Events – The special event in the budget is the Women of Leadership luncheon in Dayton. In 2010 this was budgeted in the annual campaign, but is being moved to the special events line item to more accurately track revenue and expenses for the event.

Cookie Sales Net – The 2011 Cookie Sale shows a \$372,000 increase over 2010 actual net revenue. With the change in cookie supplier, we saw a wholesale price decrease of \$.06 per box, and are projecting a 3% increase in number of boxes sold.

Retail Sales – This decrease reflects cautious estimates of sales in 2011.

Miscellaneous Income – This line item includes retail discounts that were moved to retail sales and recovery of old troop treasury funds, which are not budgeted.

EXPENSES

Salaries, Benefits, and Payroll Taxes – These line items have increased by \$645,144 and include the following:

1. The addition of six positions in late 2010: Business Services Manager, Major Gifts Manager, Adult Development Manager, Program Director, and two Membership Managers to coordinate work across the council.
2. Exempt positions were graded by Girl Scouts of the USA and staff salaries were brought in line with the corresponding salary schedule in 2010. This was done in fall 2010, so the full impact was not seen in the 2010 budget, but will be realized in the 2011 budget.
3. For the first time in three years, salary increases were given in 2010 and the full year impact on those increases will be realized in the 2011 budget. (This budget does not project salary increases for 2011, which have been accounted for in the sources and uses report out of the current year surplus.)
4. Health benefits have remained flat in 2011; however there is an anticipated increase in workers' compensation rates.

Professional Services – This increase is due to a plan to enhance technology through contracted support (\$170,400). This will include the development of a new website and a volunteer extranet to create a communication and collaboration platform for volunteers. Also included is application support for all software. The remainder of this line item includes an increase in the cost of human resources consulting (\$15,600), the addition of an electronic timekeeping and personnel data hosted application (\$28,000), and fees for the additional audit needed for the 403(b) Plan (\$10,000) a new requirement beginning in 2010.

Supplies – The increase in supplies is due to new Journey resources used to support service unit and troops, additional recruitment supplies for volunteer-led recruitments, increased program activities which are offset by additional program revenue and increased program and training costs for food and program supplies related to two older girl conferences and two enrichment weekends for volunteers. In addition, we anticipate increased service unit allocations as some service units that came into the merger with large bank accounts have depleted their funds and will be requesting allocations.

Postage & Shipping – Postage is up as a result of increased usage of our online store, and the addition of a mail appeal to all parents for the Family Partnership Campaign.

Occupancy - An additional \$51,000 in this line item is due to projected increases in gas and electric expenses.

Equipment, Repairs & Maintenance – This line item has increased due to a one-time savings in printing equipment in 2010, purchase of replacement equipment for rock climbing and low/high ropes challenge courses, purchase of small maintenance equipment that has been delayed, and projected repairs on aging equipment.

Travel & Vehicle Expenses – This increase (\$50,000) is due primarily to participation in the national council meeting that is held every three years and includes airfare, food, and hotel expenses for 17 national council delegates, a number of alternate national council delegates, and a patrol of girls and their chaperones. The remainder is due to increased mileage expenses for staff.

Staff Development, Conferences, and Conventions - This line item was cut in 2010 to reflect the economic challenges and has been restored to previous rates. Reflected in this line item are registration fees for the national convention (\$7,000) and required trainings, including an overnight training for summer administrative staff in preparation for our triennial American Camping Association certification. We have also included certification for the multiple high adventure courses (high/low ropes and rock walls) on camp properties.

Financial Assistance – The increase in financial assistance reflects projected usage and is partially offset by grants and United Way allocations.

Miscellaneous Expense – This line item is made up primarily of bad debt expense and bank fees. The variance is due to year-end adjustment of bad debt expense related to the cookie sale. Once the adjustment is made, the variance will be immaterial.

**GIRL SCOUTS OF WESTERN OHIO
2011 CAPITAL BUDGET PROPOSAL**

Year	Site	Item	Proposed 2011	2008 - 2010 (Replace as Needed)	2008 - 2010 (Postponed)
ADMINISTRATIVE OFFICES					
Cincinnati Office					
2008-2010	GSC	Air Conditioners (2 @ \$2,500 Each)		\$5,000	
		TOTAL	\$0	\$5,000	\$0
Dayton Office					
2010	GSC	Stairs to Basement Entrance			\$10,000
2009	GSC	Rip Rap for Creek Erosion		\$6,500	
		TOTAL	\$0	\$6,500	\$10,000
Lima Office					
2011	GSC	Nothing requested for this year.			
		TOTAL	\$0	\$0	\$0
Toledo Office					
2008	GSC	Appliance Replacement		\$2,000	
2008	GSC	Carpet Replacement		\$2,500	
2008	GSC	Parking Lot Resurface & Seal		\$3,000	
2008	GSC	Light Fixture Replacement		\$5,000	
2010	GSC	New Signage			\$3,000
2008-2009	GSC	Office & Conference Room Furniture			\$8,400
Toledo Little House					
2008	LH	Air Conditioner Replacement		\$5,000	
2008	LH	Appliance Replacement		\$1,000	
2008	LH	Carpeting Replacement		\$5,000	
2008	LH	Security Lights			\$3,000
2008	LH	Vinyl Flooring Replacement		\$2,500	
		TOTAL	\$0	\$26,000	\$14,400
Administrative Non-Site Specific					
2010-2011	ADM	Council-Wide Phone System Overhaul* <i>(estimate; system features and cost are under investigation)</i>	\$150,000	\$16,000	
2009-2011	ADM	Computer Switches	\$4,500		
2009-2011	ADM	New Servers	\$11,000		
2009-2011	ADM	Replace Computers - Laptops & Desktops	\$40,000		
2011	ADM	New Printer	\$2,000		
		TOTAL	\$207,500	\$16,000	\$0
ADMINISTRATIVE OFFICES TOTAL			\$207,500	\$53,500	\$24,400

**GIRL SCOUTS OF WESTERN OHIO
2011 CAPITAL BUDGET PROPOSAL**

Year	Site	Item	Proposed 2011	2008 - 2010 (Replace as Needed)	2008 - 2010 (Postponed)
ACTIVE CAMPS					
Butterworth					
2011	BW	Dining Hall Roof Replacement	\$12,000		
2011	BW	Freedom - Roof Replacement	\$14,000		
2011	BW	Ranger's Residence Roof Replacement	\$7,000		
2009	BW	Beds for Tent Camping (30)		\$6,000	
2009	BW	Beehive Lodge Exterior Doors & Entrance Shelter		\$4,000	
2009	BW	Replace Culvert Pipe Along Main Entrance Road			\$8,000
2009	BW	Fireplace Beehive Lodge Chimney Pipe Insert			\$4,500
2009	BW	Fireplace Freedom Lodge Chimney Pipe insert			\$4,500
2009	BW	Grosebeck Lodge Exterior Doors		\$2,400	
2009	BW	Old Utility Pole Removal & Replacement			\$10,000
2008	BW	Freedom Lodge Carpet		\$4,500	
TOTAL			\$33,000	\$16,900	\$27,000
Libbey					
2011	LIB	New Camp Truck with Snow Plow	\$35,000		
2011	LIB	Commercial Zero Turn Mower	\$7,500		
2011	LIB	Convection Oven in Dining Hall - 1 of 2 Needed	\$7,800		
2011	LIB	Replace Wagon Decks	\$1,200		
2011	LIB	Tent Platform Replacement	\$3,000		
2011	LIB	Tree Removal - Ash Borer Issue Completion	\$3,000		
2010	LIB	Pool Shower House Privacy Stalls Installation			\$8,000
2010	LIB	Pool Shower House Water Heater Replacement		\$22,000	
2009	LIB	Canoes (8 x \$570)		\$4,560	
2009	LIB	Tables for Buildings (6 x \$585)		\$3,510	
TOTAL			\$57,500	\$30,070	\$8,000
Little House - Greeville City Park					
2011	LH	Roof Replacement	\$9,000	\$0	\$0
TOTAL			\$9,000	\$0	\$0
Myerah					
2011	MY	Tent Canvas (4)	\$4,300		
2011	MY	Tractor & DR Grader	\$33,000		
2010	MY	Lake House Renovation - Kitchen & Doors			\$3,000
2009	MY	John Deere Gator		\$7,000	
2009	MY	Gutters & Downspouts (Add/Replace All Buildings)		\$7,400	
TOTAL			\$37,300	\$14,400	\$3,000

**GIRL SCOUTS OF WESTERN OHIO
2011 CAPITAL BUDGET PROPOSAL**

Year	Site	Item	Proposed 2011	2008 - 2010 (Replace as Needed)	2008 - 2010 (Postponed)
Rolling Hills					
2011	RH	Wagon Covers (5 @ \$500)	\$2,500		
2009	RH	Tent Platform & Canvas Replacement (2)		\$4,000	
2008	RH	Commercial Mower		\$13,000	
		TOTAL	\$2,500	\$17,000	\$0
Stonybrook					
2011	SB	Gravel for Driveway & Roads - Main Entrance	\$2,500		
2011	SB	New Deck & Railings on Bridge to Cedar Crest	\$1,500		
2011	SB	Pool & Water Heating Systems Enclosure	\$7,000		
2011	SB	Pool Shower House Water Heater (100 Gallon)	\$6,000		
2011	SB	Ranger Residence New Garage Door & Opener	\$1,000		
2011	SB	Tent Canvas (6)	\$6,450		
2011	SB	Tent Platform Rebuilds (Railings)	\$1,500		
2010	SB	Replace Damaged Floor & Trim in Ranger's Home		\$3,500	
2010	SB	Upgrade Pool Shower House (Stalls, Curtains, etc.)			\$5,000
2009	SB	Gravel & Road Repair - Day Camp Entrance		\$2,500	
2008	SB	Day Camp Shelter			\$6,800
		TOTAL	\$25,950	\$6,000	\$11,800
Whip-Poor-Will					
2011	WPW	Pool Bottom Repairs	\$10,000		
2011	WPW	Towhee Foundation & Basement Wall Repairs	\$15,000		
2011	WPW	Tree Removal - Ash Borer Issue	\$18,000		
2011	WPW	Wagon Decks (2) Replacement	\$3,500		
2010	WPW	Challenge Course & Climbing Wall Repairs		\$15,000	
2010	WPW	Power Line Work - Transformers, Insulators, Poles		\$12,000	
2010	WPW	Rangers Residence - New Furnace & AC Unit		\$9,000	
2010	WPW	Replace Kitchen Commercial Metal Doors & Frame		\$3,500	
2010	WPW	Water Regulator Pressure Valve Control		\$3,500	
2009	WPW	Pool Deck Repairs - Sandblast, Patch, & Paint		\$5,000	
2009	WPW	Tent Platforms Replacement (6)		\$7,000	
2008	WPW	Bridge(s) Repair/Replacement		\$3,000	
		TOTAL	\$46,500	\$58,000	\$0
Woodhaven Program Center					
2010	WPC	Duffy Lodge Chair Replacement		\$2,000	
2011	WPC	Shagbark Lodge Remodel	\$2,500		
2009	WPC	Sweetbriar Lodge - Exterior Door Replacements (3)		\$5,000	
		TOTAL	\$2,500	\$7,000	\$0
ACTIVE CAMPS TOTAL			\$214,250	\$149,370	\$49,800

**GIRL SCOUTS OF WESTERN OHIO
2011 CAPITAL BUDGET PROPOSAL**

Year	Site	Item	Proposed 2011	2008 - 2010 (Replace as Needed)	2008 - 2010 (Postponed)
		RESTED CAMPS			
		Greene			
2009	GN	Commercial Mower - 48" Zero Turn			\$6,000
2009	GN	Tent Platform Replacement (1)			\$1,250
2009	GN	Latrine Upgrades (3 @ \$500 Each)			\$1,500
		TOTAL	\$0	\$0	\$8,750
		Ladigrau			
2009	LAD	Ranger Residence Kitchen Remodel			\$8,000
2009	LAD	Tent Platform Replacement (2)			\$2,500
2008	LAD	Workshop Repairs			\$10,500
		TOTAL	\$0	\$0	\$21,000
		RESTED CAMPS TOTAL	\$0	\$0	\$29,750
		GRAND TOTAL CAPITAL BUDGET	\$421,750	\$202,870	\$103,950

Light green indicates item was a part of the 2008-2010 capital budgets and does NOT affect 2011 totals.

* The purchase of a new phone system is currently under investigation for 2011, to provide improved, cost-effective, inter-regional communication and teleconferencing.