

# **Girl Scouts – Western Oklahoma, Inc.**

Auditor's Report and Financial Statements

September 30, 2014 and 2013





**Girl Scouts – Western Oklahoma, Inc.**  
**September 30, 2014 and 2013**

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## Independent Auditor's Report

Board of Directors  
Girl Scouts – Western Oklahoma, Inc.  
Oklahoma City, Oklahoma

We have audited the accompanying financial statements of Girl Scouts – Western Oklahoma, Inc. (the Council), which comprise the statements of financial position as of September 30, 2014 and 2013, 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 audits 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 Council'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 Council'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.

Board of Directors  
Girl Scouts – Western Oklahoma, Inc.  
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***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Council as of September 30, 2014 and 2013, 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*

Oklahoma City, Oklahoma  
January 8, 2015

**Girl Scouts – Western Oklahoma, Inc.**  
**Statements of Financial Position**  
**September 30, 2014 and 2013**

**Assets**

	<u>2014</u>	<u>2013</u>
Cash and cash equivalents	\$ 438,689	\$ 696,923
Accounts receivable, net	9,286	8,256
Contributions receivable, net	18,643	53,927
Grants receivable, net	346,526	350,120
Investments	2,424,565	1,845,156
Inventory, at cost	65,838	85,564
Prepaid expenses	47,271	44,344
Assets held for sale	-	111,621
Investments restricted for investment in capital campaign	29,608	26,311
Contributions receivable restricted for capital campaign, net	257,228	566,168
Property and equipment, net	4,128,692	3,957,275
Investments restricted for investment in endowment	8,926	8,926
Contributions receivable restricted for endowment, net	21,524	47,009
Beneficial interest in assets held by others	340,780	306,542
	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 8,137,576</u>	<u>\$ 8,108,142</u>

**Liabilities and Net Assets**

**Liabilities**

Accounts payable and accrued expenses	\$ 10,090	\$ 40,566
Accrued payroll and related benefits	63,396	58,563
Accrued compensated absences	55,094	33,356
Custodial funds	4,245	6,738
Obligations to girls and service units	114,488	95,276
Deferred revenue	7,740	955
Funds held for troops	13,242	10,962
Notes payable to bank	31,894	45,639
	<u>                    </u>	<u>                    </u>
Total liabilities	<u>300,189</u>	<u>292,055</u>

**Net Assets**

Unrestricted		
Undesignated	6,614,946	6,635,093
Board-designated for endowment	214,703	190,240
	<u>                    </u>	<u>                    </u>
Total unrestricted net assets	<u>6,829,649</u>	<u>6,825,333</u>
Temporarily restricted	841,120	825,818
Permanently restricted	166,618	164,936
	<u>                    </u>	<u>                    </u>
Total net assets	<u>7,837,387</u>	<u>7,816,087</u>
	<u>                    </u>	<u>                    </u>
Total liabilities and net assets	<u>\$ 8,137,576</u>	<u>\$ 8,108,142</u>

**Girl Scouts – Western Oklahoma, Inc.**  
**Statement of Activities**  
**Year Ended September 30, 2014**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
<b>Revenue</b>				
Public support				
Contributions	\$ 136,365	\$ 124,213	\$ 1,682	\$ 262,260
Grants	249,966	159,250	-	409,216
United Way	-	378,755	-	378,755
Special events	361,615	4,500	-	366,115
Total public support	<u>747,946</u>	<u>666,718</u>	<u>1,682</u>	<u>1,416,346</u>
<b>Program-Related Revenue</b>				
Product sales				
Gross product sales	4,407,443	-	-	4,407,443
Less cost of goods sold	(1,282,421)	-	-	(1,282,421)
Less allocations to troops and service units	(673,025)	-	-	(673,025)
Net product sales income	<u>2,451,997</u>	<u>-</u>	<u>-</u>	<u>2,451,997</u>
Merchandise sales				
Gross receipts	309,617	-	-	309,617
Cost of sales	(190,698)	-	-	(190,698)
Net merchandise sales income	<u>118,919</u>	<u>-</u>	<u>-</u>	<u>118,919</u>
Revenue from exchange transactions	62,116	-	-	62,116
Program service fees	146,294	-	-	146,294
Total program-related revenue	<u>2,779,326</u>	<u>-</u>	<u>-</u>	<u>2,779,326</u>
Gains and other revenue				
Interest and dividend income, net	35,383	-	-	35,383
Realized and unrealized gain on investments	95,106	-	-	95,106
Royalty income	4,386	-	-	4,386
Rental income	4,728	-	-	4,728
Miscellaneous income	17,252	-	-	17,252
Change in value of beneficial interest in assets held by others	24,463	9,775	-	34,238
Gain on sale of assets	269,399	-	-	269,399
Total gains and other revenue	<u>450,717</u>	<u>9,775</u>	<u>-</u>	<u>460,492</u>
Total public support, program revenue, gains and other revenue	<u>3,977,989</u>	<u>676,493</u>	<u>1,682</u>	<u>4,656,164</u>
Net assets released from restrictions	660,824	(660,824)	-	-
Total revenue	<u>4,638,813</u>	<u>15,669</u>	<u>1,682</u>	<u>4,656,164</u>

See Notes to Financial Statements

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
<b>Expenses</b>				
Program services	\$ 3,928,371	\$ -	\$ -	\$ 3,928,371
Supporting services				
Management and general	272,388	-	-	272,388
Fundraising	423,481	-	-	423,481
Total support services	695,869	-	-	695,869
Provisions for uncollectible receivables	10,257	367	-	10,624
Total expenses	4,634,497	367	-	4,634,864
<b>Change in Net Assets</b>	4,316	15,302	1,682	21,300
<b>Net Assets, Beginning of Year</b>	6,825,333	825,818	164,936	7,816,087
<b>Net Assets, End of Year</b>	<u>\$ 6,829,649</u>	<u>\$ 841,120</u>	<u>\$ 166,618</u>	<u>\$ 7,837,387</u>



**Girl Scouts – Western Oklahoma, Inc.**  
**Statement of Activities**  
**Year Ended September 30, 2013**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
<b>Revenue</b>				
Public support				
Contributions	\$ 326,676	\$ 381,102	\$ 427	\$ 708,205
Grants	-	64,000	-	64,000
United Way	-	413,825	-	413,825
Special events	79,648	54,500	-	134,148
Total public support	<u>406,324</u>	<u>913,427</u>	<u>427</u>	<u>1,320,178</u>
<b>Program-Related Revenue</b>				
Product sales				
Gross product sales	4,041,712	-	-	4,041,712
Less cost of goods sold	(1,176,269)	-	-	(1,176,269)
Less allocations to troops and service units	(612,300)	-	-	(612,300)
Net product sales income	<u>2,253,143</u>	<u>-</u>	<u>-</u>	<u>2,253,143</u>
Merchandise sales				
Gross receipts	307,988	-	-	307,988
Cost of sales	(212,087)	-	-	(212,087)
Net merchandise sales income	<u>95,901</u>	<u>-</u>	<u>-</u>	<u>95,901</u>
Revenue from exchange transactions	62,353	-	-	62,353
Program service fees	145,476	-	-	145,476
Total program-related revenue	<u>2,556,873</u>	<u>-</u>	<u>-</u>	<u>2,556,873</u>
Gains and other revenue				
Interest and dividend income, net	50,592	-	-	50,592
Realized and unrealized gain on investments	135,768	-	-	135,768
Royalty income	1,998	-	-	1,998
Miscellaneous income	20,434	-	-	20,434
Change in value of beneficial interest in assets held by others	20,849	7,864	-	28,713
Gain on sale of assets	230,485	-	-	230,485
Other gains and insurance claims	65,807	-	-	65,807
Total gains and other revenue	<u>525,933</u>	<u>7,864</u>	<u>-</u>	<u>533,797</u>
Total public support, program revenue, gains and other revenue	<u>3,489,130</u>	<u>921,291</u>	<u>427</u>	<u>4,410,848</u>
Net assets released from restrictions	774,134	(774,134)	-	-
Total revenue	<u>4,263,264</u>	<u>147,157</u>	<u>427</u>	<u>4,410,848</u>

See Notes to Financial Statements

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
<b>Expenses</b>				
Program services	\$ 3,441,397	\$ -	\$ -	\$ 3,441,397
Supporting services				
Management and general	406,211	-	-	406,211
Fundraising	308,928	-	-	308,928
Total support services	715,139	-	-	715,139
Provisions for uncollectible receivables	13,380	11,705	-	25,085
Total expenses	4,169,916	11,705	-	4,181,621
<b>Change in Net Assets</b>	93,348	135,452	427	229,227
<b>Net Assets, Beginning of Year</b>	6,731,985	690,366	164,509	7,586,860
<b>Net Assets, End of Year</b>	<u>\$ 6,825,333</u>	<u>\$ 825,818</u>	<u>\$ 164,936</u>	<u>\$ 7,816,087</u>

**Girl Scouts – Western Oklahoma, Inc.**  
**Statement of Functional Expenses**  
**Year Ended September 30, 2014**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries	\$ 1,519,650	\$ 154,261	\$ 223,517	\$ 1,897,428
Employee insurance benefits	108,507	11,015	15,960	135,482
Retirement	116,932	11,870	17,199	146,001
Payroll taxes	146,433	14,864	21,538	182,835
Workers' compensation insurance	15,051	1,528	2,214	18,793
Girl incentives on product sales	298,921	-	-	298,921
Legal and professional fees	134,445	8,974	40,912	184,331
Computer service	260	15	25	300
Background check	3,180	183	308	3,671
Contract labor	90,449	5,211	8,761	104,421
Supplies	339,151	24,176	24,219	387,546
Recognition	15,616	-	-	15,616
Small equipment	15,936	747	980	17,663
Vehicle costs	61,171	-	-	61,171
Telephone and internet	50,326	2,898	4,875	58,099
Postage and freight	13,332	768	1,291	15,391
Utilities	77,083	3,614	4,742	85,439
Repair and maintenance	121,580	5,475	7,183	134,238
Rents	70,701	967	1,268	72,936
Entrance fees	58,844	-	-	58,844
Printing and publications	70,466	4,059	6,825	81,350
Meeting, transportation and lodging	65,442	3,719	6,253	75,414
Camperships	18,857	-	-	18,857
Specific assistance – members	127,294	-	-	127,294
Organization dues	8,309	479	805	9,593
Insurance	64,553	2,438	13,969	80,960
Staff recruiting and development	15,341	792	1,331	17,464
Interest expense	657	31	40	728
Bank service charges	18,843	1,082	1,819	21,744
Property and other taxes	1,212	70	117	1,399
Other miscellaneous expenses	3,550	199	334	4,083
	<u>3,652,092</u>	<u>259,435</u>	<u>406,485</u>	<u>4,318,012</u>
Depreciation	276,279	12,953	16,996	306,228
	<u>3,928,371</u>	<u>272,388</u>	<u>423,481</u>	<u>4,624,240</u>
Total expenses	<u>\$ 3,928,371</u>	<u>\$ 272,388</u>	<u>\$ 423,481</u>	<u>\$ 4,624,240</u>

**Girl Scouts – Western Oklahoma, Inc.**  
**Statement of Functional Expenses**  
**Year Ended September 30, 2013**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries	\$ 1,418,466	\$ 208,634	\$ 143,990	\$ 1,771,090
Employee insurance benefits	105,053	15,452	10,664	131,169
Retirement	97,099	14,282	9,857	121,238
Payroll taxes	168,041	24,716	17,058	209,815
Workers' compensation insurance	11,867	1,745	1,205	14,817
Girl incentives on product sales	181,355	-	-	181,355
Legal and professional fees	168,102	70,454	8,693	247,249
Computer service	3,097	300	178	3,575
Background check	2,649	257	153	3,059
Contract labor	31,982	-	550	32,532
Supplies	167,011	3,653	33,931	204,595
Recognition	5,967	-	446	6,413
Small equipment	83,329	5,126	3,907	92,362
Vehicle costs	60,837	-	1,325	62,162
Telephone and internet	57,352	5,555	3,304	66,211
Postage and freight	11,536	1,102	1,555	14,193
Utilities	57,348	3,528	2,689	63,565
Repair and maintenance	84,456	5,105	3,891	93,452
Rents	23,357	260	6,162	29,779
Entrance fees	39,070	-	-	39,070
Printing and publications	74,274	7,134	11,496	92,904
Meeting, transportation and lodging	26,189	2,362	26,773	55,324
Camperships	20,087	-	-	20,087
Specific assistance – members	87,149	-	-	87,149
Organization dues	8,176	792	471	9,439
Insurance	71,173	11,320	2,631	85,124
Staff recruiting and development	11,476	1,112	661	13,249
Interest expense	75,747	4,660	3,551	83,958
Bank service charges	23,238	2,227	1,324	26,789
Property and other taxes	3,290	219	159	3,668
Other miscellaneous expenses	4,304	325	193	4,822
	<u>3,183,077</u>	<u>390,320</u>	<u>296,817</u>	<u>3,870,214</u>
Depreciation	<u>258,320</u>	<u>15,891</u>	<u>12,111</u>	<u>286,322</u>
Total expenses	<u>\$ 3,441,397</u>	<u>\$ 406,211</u>	<u>\$ 308,928</u>	<u>\$ 4,156,536</u>

**Girl Scouts – Western Oklahoma, Inc.**  
**Statements of Cash Flows**  
**Years Ended September 30, 2014 and 2013**

	<b>2014</b>	<b>2013</b>
<b>Operating Activities</b>		
Change in net assets	\$ 21,300	\$ 229,227
Items not requiring (providing) operating activities cash flows		
Depreciation	306,228	286,322
Increase in value of beneficial interest in assets held by others	(27,305)	(68,765)
Net realized and unrealized gain on investment	(95,105)	(135,768)
Discount on contributions receivable	16,557	(21,532)
Provision for uncollectible receivables	10,624	25,085
Gain on disposal of property and equipment	(269,399)	(230,485)
Donated assets	(32,497)	(2,386)
Changes in		
Accounts receivable	(11,287)	(17,201)
Contributions receivable	35,284	(24,569)
Contributions receivable restricted for capital campaign	(31,432)	(21,991)
Contributions receivable restricted for endowment	(8,349)	(427)
Grants receivable	3,227	(19,290)
Inventory	19,726	19,934
Prepaid expenses	(2,927)	(17,844)
Accounts payable and accrued liabilities	(30,476)	(252,265)
Accrued payroll and related benefits	4,833	20,880
Accrued compensated absences	21,738	(976)
Custodial funds	(2,493)	(1,951)
Obligations to troops and service units	19,212	(28,366)
Deferred revenues	6,785	716
Funds held for troops	2,280	6,299
	<u>(43,476)</u>	<u>(255,353)</u>
Net cash used in operating activities		
<b>Investing Activities</b>		
Purchases of investments	(1,729,008)	(304,825)
Proceeds from sale of investments	1,271,046	-
Purchase of investments with assets restricted to capital campaign	(55,951)	(2,400,000)
Proceeds from sale of investments restricted to capital campaign	26,312	3,733,430
Proceeds from distribution of beneficial interest in assets held by others	(6,933)	(7,547)
Purchase of beneficial interest in assets held by others with assets restricted for investment in endowment	-	23,800
Proceeds from sale of property and equipment	381,020	350,000
Purchases of assets restricted to investment in capital campaign	-	(122,056)
Purchase of property and equipment	(445,148)	(13,337)
	<u>(558,662)</u>	<u>1,259,465</u>
Net cash provided by (used in) investing activities		

See Notes to Financial Statements

	<b>2014</b>	<b>2013</b>
<b>Financing Activities</b>		
Proceeds from contributions restricted for the capital campaign	\$ 323,815	\$ 378,237
Proceeds from contributions restricted for endowment	33,834	16,501
Payments on notes payable	<u>(13,745)</u>	<u>(1,555,603)</u>
Net cash provided by (used in) financing activities	<u>343,904</u>	<u>(1,160,865)</u>
<b>Decrease in Cash and Cash Equivalents</b>	(258,234)	(156,753)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>696,923</u>	<u>853,676</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 438,689</u></u>	<u><u>\$ 696,923</u></u>
<b>Supplemental Information</b>		
Amount paid for interest	<u><u>\$ 748</u></u>	<u><u>\$ 87,598</u></u>
Noncash contributions		
Donated goods and services	<u><u>\$ 243,795</u></u>	<u><u>\$ 76,481</u></u>
Donated use of facilities	<u><u>\$ 7,110</u></u>	<u><u>\$ 781</u></u>
Donated property	<u><u>\$ 32,497</u></u>	<u><u>\$ 2,386</u></u>

# **Girl Scouts – Western Oklahoma, Inc.**

## **Notes to Financial Statements**

**September 30, 2014 and 2013**

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

#### ***Nature of Operations***

Girl Scouts – Western Oklahoma, Inc. (the Council) is a not-for-profit organization formed on March 1, 2008, to offer all girls, five through seventeen (grades Kindergarten through 12), residing within its jurisdiction an opportunity to participate in the Girl Scouts program in accordance with the purpose of Girl Scouts of the United States of America (GSUSA), which is to help girls develop as happy, resourceful individuals, willing to share their abilities in their home and as citizens in their communities, their county and world.

The Council was formed through the merger of the Girl Scouts – Sooner Council's and Girl Scouts – Redlands Council's operations to develop, manage and maintain Girl Scouting throughout the area of its jurisdiction (central and western half of the state of Oklahoma), in such manner and subject to such limitations as prescribed in the constitution, bylaws and policies of GSUSA, and by the terms of the charter granted to the Council by GSUSA.

The Council's revenues and other support are derived principally from the sale of products sold in the spring and fall by individual Girl Scout troops and from various United Way grants.

#### ***Use of Estimates***

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

#### ***Cash and Cash Equivalents***

The Council considers all liquid investments with original maturities of three months or less to be cash equivalents. At September 30, 2014 and 2013, cash equivalents consisted of a money market account with a financial institution.

At September 30, 2014, the Council's cash accounts exceeded federally insured limits by approximately \$202,000.

Cash does not include bank accounts held by Girl Scout troops and other groups, such as service units, committees and volunteer-led camps under the federal identification number of the Council. Bank accounts held by troops and groups are under the federal identification number of the Council but are not controlled by the Council. The Council has signature authority and provides limited oversight of the accounts but will not access the funds as long as the troop or group is functioning according to Girl Scout policies and procedures, except to withdrawal funds owed as a result of product sales. Individual troops and groups have the responsibility to use funds in their control for the purposes of Girl Scouting as determined by the members and adult volunteers.

# Girl Scouts – Western Oklahoma, Inc.

## Notes to Financial Statements

September 30, 2014 and 2013

### ***Investments and Investment Return***

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at 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 included in unrestricted net assets. Other investment return is reflected in the accompanying statement of activities as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions.

### ***Accounts Receivable***

Accounts receivable consist primarily of amounts due from individual troops 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. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the troop. The Council's allowance for uncollectible accounts receivable was approximately \$10,200 and \$14,400 at September 30, 2014 and 2013, respectively.

### ***Property and Equipment***

Property and equipment are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset. Leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives. Board-approved policy is to capitalize all items over \$5,000 on a per item basis.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Building	30 years
Leasehold improvements	10–15 years
Computer hardware and software	3–5 years
Furniture and fixtures	5–10 years
Motor vehicles	5 years

### ***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. Permanently restricted net assets have been restricted by donors to be maintained by the Council in perpetuity.



**Girl Scouts – Western Oklahoma, Inc.**  
**Notes to Financial Statements**  
**September 30, 2014 and 2013**

***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 accompanying 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.

Property and equipment, securities and other noncash contributions are recognized at fair value on the date the unconditional gift is made. The Council reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as temporarily restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Council reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized using the level-yield method and is reported as contribution revenue. The unamortized discounts were approximately \$6,400 and \$22,900 at September 30, 2014 and 2013, respectively.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met and the gift becomes unconditional.

An allowance is made for uncollectible contributions based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience, the general economic environment and other relevant factors. The Council's allowance for uncollectible contributions receivables were approximately \$22,300 and \$21,900 at September 30, 2014 and 2013, respectively.

***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.

# **Girl Scouts – Western Oklahoma, Inc.**

## **Notes to Financial Statements**

**September 30, 2014 and 2013**

### ***In-Kind Contributions***

In addition to receiving cash contributions, the Council receives in-kind contributions from various donors. It is the policy of the Council to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase contribution revenue by a like amount. For the years ended September 30, 2014 and 2013, approximately \$23,000 and \$57,900, respectively, were received as in-kind contributions.

### ***Grants***

Grants, including unconditional grants (grants receivable), are recognized in the period when the grant becomes unconditional. Grants which are conditioned upon the Council incurring certain qualifying expenses (or costs) are recognized to the extent that the expenses are incurred. Determination as to whether a transaction is a grant award or an exchange transaction requires the Council to exercise judgment concerning whether a reciprocal transaction has occurred. The Council evaluates transactions from both the Council's and the resource provider's point of view and the determination can be affected by a wide variety of factors, including the Council's intent on soliciting the funds, the resource provider's expressed intent in providing the funds, the method of delivering the services, the method of determining the amount of payment and other factors as deemed relevant by the Council. During 2014, Microsoft donated approximately \$32,000 of assets and \$218,000 of software and licensing.

### ***Exchange Transactions***

The Council accounts for exchange transactions as reimbursement arrangements in which revenue is recognized as services are performed and costs are incurred according to the terms of the underlying agreement. Revenue earned but not collected is included in grants receivable in the accompanying statements of financial position.

### ***Special Events Revenue***

The Council records revenue from special events at the time of the event.

### ***Product and Merchandise Sales***

Revenue is recognized once delivery of the product or merchandise to the purchaser has occurred. Sales consist primarily of cookie sales and fall product sales. Merchandise sales consist primarily of Girl Scout-related equipment and supplies sold at the Council's retail store and trading posts at campsites.

### ***Inventory Pricing***

Inventories consist primarily of Girl Scout supplies and merchandise sold in the Council's shops and trading posts at campsites. Inventories are stated at the lower of weighted-average cost or market.

# Girl Scouts – Western Oklahoma, Inc.

## Notes to Financial Statements

September 30, 2014 and 2013

### **Shipping and Handling Costs**

Shipping and handling costs of approximately \$15,400 and \$14,200 are included in program expenses for the years ended September 30, 2014 and 2013, respectively.

### **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 files tax returns in the U.S. federal jurisdiction. With a few exceptions, the Council is no longer subject to U.S. federal examinations by tax authorities for years before 2011.

### **Functional Allocation of Expenses**

The costs of supporting the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and functional expenses. Certain costs have been allocated among the program, management and general and fundraising categories based on time expended, usage and other methods.

### **Taxes Collected from Customers and Remitted to Governmental Authorities**

Taxes collected from customers and remitted to governmental authorities are presented in the accompanying statements of activities on a net basis.

### **Reclassifications**

Certain reclassifications have been made to the 2013 financial statements to conform to the 2014 financial statement presentation. These reclassifications had no effect on the change in net assets.

## **Note 2: Investments and Investment Return**

Investments consisted of the following at September 30:

	<u>2014</u>	<u>2013</u>
Mutual funds		
Fixed income	\$ 1,901,322	\$ 1,168,824
Equity	491,539	633,515
Money market	54,272	61,601
U.S. Treasury note	15,966	16,453
	<u>                    </u>	<u>                    </u>
Total investments	<u>\$ 2,463,099</u>	<u>\$ 1,880,393</u>

**Girl Scouts – Western Oklahoma, Inc.**  
**Notes to Financial Statements**  
**September 30, 2014 and 2013**

The Council's temporarily and permanently restricted net assets include various endowment funds established by donors.

	<b>2014</b>	<b>2013</b>
Unrestricted investments	\$ 2,424,565	\$ 1,845,156
Temporarily restricted investments	29,608	26,311
Permanently restricted investments	8,926	8,926
	<u>                    </u>	<u>                    </u>
Total investments	<u>\$ 2,463,099</u>	<u>\$ 1,880,393</u>

Total investment return is comprised of the following:

	<b>2014</b>	<b>2013</b>
Realized gains	\$ 52,937	\$ 211,873
Unrealized gains (losses)	42,169	(76,105)
	<u>                    </u>	<u>                    </u>
Total realized and unrealized gain	95,106	135,768
	<u>                    </u>	<u>                    </u>
Interest and dividends	49,928	68,672
Less investment fees	(14,545)	(18,080)
	<u>                    </u>	<u>                    </u>
Total interest and dividend income	35,383	50,592
	<u>                    </u>	<u>                    </u>
Net investment gain	<u>\$ 130,489</u>	<u>\$ 186,360</u>

# Girl Scouts – Western Oklahoma, Inc.

## Notes to Financial Statements

September 30, 2014 and 2013

### Note 3: Contributions Receivable

Contributions receivable consisted of the following at September 30:

	2014			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Due within one year	\$ 20,672	\$ 197,673	\$ 9,333	\$ 227,678
Due in one to five years	100	82,477	15,807	98,384
Total contributions receivable	20,772	280,150	25,140	326,062
Less				
Unamortized discount to present value (5.5%)	-	(4,803)	(1,552)	(6,355)
Allowance for uncollectible pledges	(2,129)	(18,119)	(2,064)	(22,312)
Total contributions receivable, net	\$ 18,643	\$ 257,228	\$ 21,524	\$ 297,395
	2013			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Due within one year	\$ 53,486	\$ 327,009	\$ 18,500	\$ 398,995
Due in one to five years	500	278,591	33,807	312,898
Total contributions receivable	53,986	605,600	52,307	711,893
Less				
Unamortized discount to present value (5.5%)	(26)	(19,678)	(3,234)	(22,938)
Allowance for uncollectible pledges	(33)	(19,754)	(2,064)	(21,851)
Total contributions receivable, net	\$ 53,927	\$ 566,168	\$ 47,009	\$ 667,104

**Girl Scouts – Western Oklahoma, Inc.**  
**Notes to Financial Statements**  
**September 30, 2014 and 2013**

**Note 4: Beneficial Interests in Assets Held by Others**

***Oklahoma City Community Foundation (OCCF)***

The Council has transferred assets to the OCCF and retained a beneficial interest in those assets. The Council receives annual distributions from these assets according to OCCF's spending policy which currently states that 5% of the average market value over the previous 12 quarters will be distributed each year. The Council has granted variance power to OCCF as the Council's agreement with OCCF states that funds received by OCCF are subject to variance power, described by the U.S. Treasury regulations as the power of the governing board of OCCF to modify any donor restrictions as to distributions if they determine them to become unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community. The fair value of the retained beneficial interest in the OCCF included in the accompanying statements of financial position was approximately \$255,500 and \$230,500 at September 30, 2014 and 2013, respectively.

***Cherokee Strip Community Foundation (CSCF)***

The Council has transferred assets to the CSCF and retained a beneficial interest in those assets. As specified in the agency agreement, CSCF has complete discretion in the investment and reinvestment of the assets held in the fund. The Council may withdraw part or all of the funds and property deposited in the fund no more frequently than quarterly and the Council is required to maintain a balance of no less than \$10,000. The Council's agreement with CSCF may be terminated upon 30 days written notice by either party; at which time, CSCF will deliver the assets to the Council "as soon as practical." The Council requested and received no distributions from CSCF during 2014 or 2013. The fair value of the retained beneficial interest in the CSCF included in the accompanying statements of financial position was approximately \$85,400 and \$76,100 at September 30, 2014 and 2013, respectively.

# Girl Scouts – Western Oklahoma, Inc.

## Notes to Financial Statements

September 30, 2014 and 2013

### Note 5: Property and Equipment

Property and equipment at September 30 consists of:

	<u>2014</u>	<u>2013</u>
Land	\$ 456,634	\$ 196,306
Land improvements	446,123	364,973
Buildings	2,418,545	2,418,545
Building improvements	1,831,384	1,735,230
Equipment and furnishings	486,717	479,202
Vehicles	162,329	162,329
Computer hardware	239,657	239,657
Computer software	67,391	34,894
	<u>6,108,780</u>	<u>5,631,136</u>
Less accumulated depreciation	<u>(1,980,088)</u>	<u>(1,673,861)</u>
Property and equipment, net	<u>\$ 4,128,692</u>	<u>\$ 3,957,275</u>

### Note 6: Notes Payable

	<u>2014</u>	<u>2013</u>
Installment notes payable (A)	<u>\$ 31,894</u>	<u>\$ 45,639</u>

(A) Consists of three notes that are maturing December 2016; payable \$1,208 monthly, including interest at a fixed rate of 1.9% annually and are secured by certain vehicles.

Aggregate annual maturities of notes payable at September 30, 2014, are:

2015	\$ 14,012
2016	14,280
2017	<u>3,602</u>
	<u>\$ 31,894</u>

**Girl Scouts – Western Oklahoma, Inc.**  
**Notes to Financial Statements**  
**September 30, 2014 and 2013**

**Note 7: Net Assets**

***Temporarily Restricted Net Assets***

Temporarily restricted net assets at September 30 are available for the following purposes or periods:

	<u>2014</u>	<u>2013</u>
Contributions received with donor-restricted purpose		
Capital campaign	\$ 329,613	\$ 358,500
Public housing and outreach	12,210	4,168
Leadership programming	98,127	60,255
Scholarship	4,828	3,638
Storm shelter campaign	86,997	-
Tornado relief	-	50,083
Capacity	21,080	-
	<u>552,855</u>	<u>476,644</u>
Contributions with donor-imposed time restrictions		
General operations	285,400	296,309
Special events	2,865	52,865
	<u>288,265</u>	<u>349,174</u>
Total contributions held with donor-imposed time restrictions	<u>288,265</u>	<u>349,174</u>
Total temporarily restricted net assets	<u>\$ 841,120</u>	<u>\$ 825,818</u>

***Permanently Restricted Net Assets***

Permanently restricted net assets at September 30 are restricted to:

	<u>2014</u>	<u>2013</u>
Building endowment	\$ 157,692	\$ 155,583
Camp scholarships	8,926	8,926
	<u>166,618</u>	<u>164,509</u>
Total permanently restricted net assets	<u>\$ 166,618</u>	<u>\$ 164,509</u>

***Net Assets Released from Restrictions***

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes by occurrence of other events specified by donors or by time restrictions satisfied by receipt of pledges.



**Girl Scouts – Western Oklahoma, Inc.**  
**Notes to Financial Statements**  
**September 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
Purpose restrictions accomplished		
Capital campaign	\$ 53,506	\$ 257,223
Financial literacy	3,000	1,700
Public housing and outreach	12,074	32,732
Leadership programming	50,869	55,440
Scholarship	810	1,763
Tornado relief	62,502	7,739
Capacity	3,920	-
Contributions with satisfied time restrictions		
General operations	419,643	392,488
Special events	54,500	25,049
	<u>474,143</u>	<u>417,537</u>
Total temporarily restricted net assets released from restrictions	<u>\$ 660,824</u>	<u>\$ 774,134</u>

**Note 8: Endowment**

The Council's endowment consists of approximately four individual funds established for a variety of purposes. The endowment includes 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, net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Council's governing body has interpreted the *State of Oklahoma Prudent Management of Institutional Funds Act of 1972* (SPMIFA) 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 SPMIFA. In accordance with SPMIFA, 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

**Girl Scouts – Western Oklahoma, Inc.**  
**Notes to Financial Statements**  
**September 30, 2014 and 2013**

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

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

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
<b>2014</b>				
Donor-restricted endowment funds	\$ -	\$ 19,556	\$ 166,618	\$ 186,174
Board-designated endowment funds	214,703	-	-	214,703
Total endowment funds	<u>\$ 214,703</u>	<u>\$ 19,556</u>	<u>\$ 166,618</u>	<u>\$ 400,877</u>
<b>2013</b>				
Donor-restricted endowment funds	\$ -	\$ 9,843	\$ 164,936	\$ 174,779
Board-designated endowment funds	190,240	-	-	190,240
Total endowment funds	<u>\$ 190,240</u>	<u>\$ 9,843</u>	<u>\$ 164,936</u>	<u>\$ 365,019</u>

**Girl Scouts – Western Oklahoma, Inc.**  
**Notes to Financial Statements**  
**September 30, 2014 and 2013**

Changes in endowment net assets are as follows:

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
<b>Balance, September 30, 2012</b>	\$ 169,392	\$ 1,979	\$ 164,509	\$ 335,880
Change in value of beneficial interest in assets held by others	20,848	7,864	-	28,712
Contributions	-	-	427	427
<b>Balance, September 30, 2013</b>	190,240	9,843	164,936	365,019
Change in value of beneficial interest in assets held by others	24,463	9,775	-	34,238
Contributions	-	-	1,682	1,682
Other	-	(62)	-	(62)
<b>Balance, September 30, 2014</b>	<u>\$ 214,703</u>	<u>\$ 19,556</u>	<u>\$ 166,618</u>	<u>\$ 400,877</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 or SPMIFA. In accordance with generally accepted accounting principles, no deficiencies of this nature were reported in unrestricted net assets as of September 30, 2014 or 2013.

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 or for donor-specified periods, as well as those of board-designated endowment funds. Under the Council's policies, endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index and the Barclay's Capital Aggregate Bond index average while assuming a low to moderate level of investment risk. The Council expects its endowment funds to provide an average rate of return of approximately 5% annually over time. Actual returns in any given year may vary from this amount.

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 an equal emphasis on equity and fixed income based investments to achieve its long-term return objectives within prudent risk constraints.

# Girl Scouts – Western Oklahoma, Inc.

## Notes to Financial Statements

September 30, 2014 and 2013

At this time, the Council is not appropriating for distribution any earnings on its donor-restricted endowment funds. Earnings on the donor-restricted endowment fund managed by the Council are accumulating and the Council is evaluating the best method for administering the endowment in accordance with the donors' restrictions.

### Note 9: Related-Party Transactions

The Council is a chartered member of GSUSA. As part of being a chartered member, the Council collects and passes through membership dues on behalf of GSUSA. The Council also purchases a majority of its merchandise inventory from GSUSA. The Council also receives contributions and special events revenue from various board members and employees. The following summarizes activity from these related parties for the years ended September 30:

	<b>2014</b>	<b>2013</b>
Purchases of merchandise inventory from GSUSA	\$ 115,800	\$ 134,400
Payable to GSUSA for merchandise inventory at year-end	\$ 1,500	\$ 100
Membership dues paid to GSUSA	\$ 91,400	\$ 96,700
Grant revenue provided to the Council from GSUSA	\$ 50,000	\$ 27,000
Grants receivable from GSUSA at year-end	\$ 31,300	\$ 27,000
Contributions from board members and employees	\$ 42,700	\$ 36,400
Contributions receivable from board members and employees at year-end	\$ 30,400	\$ 49,900

### Note 10: 403(b) Thrift Plan and Multi-Employer Pension Plan

#### **403(b) Thrift Plan**

The Council has a 403(b) thrift plan covering employees who work 20 hours a week and have one year of employment. The Council matches the employee contributions 50 cents to the dollar up to 3% of qualified payroll. The Council's matching contributions for the years ended September 30, 2014 and 2013, were approximately \$11,400 and \$6,400, respectively.

# Girl Scouts – Western Oklahoma, Inc.

## Notes to Financial Statements

September 30, 2014 and 2013

### ***Multi-Employer Pension Plan***

The Council participates in the National Girl Scout Council Retirement Plan (NGSCR), a noncontributory defined benefit pension plan sponsored by GSUSA. The National Board of GSUSA voted to freeze NGSCR to new entrants and to freeze future benefit accruals for all current participants under NGSCR effective July 31, 2010. NGSCR covers substantially all of the employees of various Girl Scout councils who were eligible to participate in NGSCR prior to the freeze. Accrued and vested benefits prior to July 31, 2010, are based on years of service and salary levels. Although plan assets grew during the year, the impact and decline in interest rates used to value plan liabilities more than offset the asset growth and increased the excess accumulated benefits over net plan assets as of January 1, 2012, relative to January 1, 2011. Contributions made in fiscal years 2014 and 2013 were \$134,648 and \$114,882, respectively. As of January 1, 2014, contributions will increase an average of 62% over the next three years above the 2013 contributions. This is due to the further decline in interest rates used to value plan liabilities which more than offsets growth, further increasing the excess accumulated benefits over net plan assets. Legislative and regulatory solutions are being explored to reduce the minimum required contributions.

### **Note 11: Disclosures About Fair Value of Assets**

Fair value is 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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets; 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
- Level 3** Unobservable inputs supported by little or no market activity and significant to the fair value of the assets

# Girl Scouts – Western Oklahoma, Inc.

## Notes to Financial Statements

September 30, 2014 and 2013

### Recurring Measurements

The following table presents 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 year-end.

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>September 30, 2014</b>				
Investments				
Money market mutual funds	\$ 54,271	\$ 54,271	\$ -	\$ -
Fixed income mutual funds	1,901,322	1,901,322	-	-
Equity mutual funds	491,539	491,539	-	-
Treasury note	15,966	-	15,966	-
Beneficial interests in assets held by others	340,780	-	-	340,780
	<u>\$ 2,803,878</u>	<u>\$ 2,447,132</u>	<u>\$ 15,966</u>	<u>\$ 340,780</u>
<b>September 30, 2013</b>				
Investments				
Money market mutual funds	\$ 61,602	\$ 61,602	\$ -	\$ -
Fixed income mutual funds	1,168,824	1,168,824	-	-
Equity mutual funds	633,515	633,515	-	-
Treasury note	16,453	-	16,453	-
Beneficial interests in assets held by others	306,542	-	-	306,542
	<u>\$ 2,186,936</u>	<u>\$ 1,863,941</u>	<u>\$ 16,453</u>	<u>\$ 306,542</u>

Following is a description of the valuation methodologies and inputs used for assets 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 pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended September 30, 2014. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

# Girl Scouts – Western Oklahoma, Inc.

## Notes to Financial Statements

September 30, 2014 and 2013

### **Investments**

Where quoted market prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy. Level 1 investments include money market mutual funds, fixed income funds and equity mutual funds. If quoted market prices are not available, then fair values are estimated by using quoted prices of investments 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 investments are classified in Level 2 of the valuation hierarchy. Level 2 investments include a treasury note. In certain cases where Level 1 or Level 2 inputs are not available, investments are classified within Level 3 of the hierarchy. Level 3 investments include beneficial interests in assets held by others.

### **Beneficial Interest in Assets Held by Others**

The Council does not have the ability to redeem the funds held by OCCF and may redeem the funds held by CSCF only on a quarterly basis. Based on the methodology of determining fair value of beneficial interests held by OCCF and CSCF, the nonredeemable nature of the assets held at OCCF and the timing of the possible redemptions at CSCF, the Council has categorized these within Level 3 of the hierarchy.

### **Level 3 Reconciliation**

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:

	<b>Beneficial Interest in Assets Held by Others – OCCF</b>	<b>Beneficial Interest in Assets Held by Others – CSCF</b>
Balance, September 30, 2012	\$ 191,657	\$ 62,373
Purchase of beneficial interest	23,800	-
Change in value of beneficial interest	22,556	13,703
Distributions to the Council	(7,547)	-
Balance, September 30, 2013	230,466	76,076
Change in value of beneficial interest	24,944	9,294
Balance, September 30, 2014	<u>\$ 255,410</u>	<u>\$ 85,370</u>

**Girl Scouts – Western Oklahoma, Inc.**  
**Notes to Financial Statements**  
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The summary of changes in fair value of Level 3 assets has been prepared to reflect the activity in the same categories as those used in the accompanying statements of activities. The change in value of the beneficial interest in assets held by others includes realized and unrealized gains (losses) on investments, investment income (*i.e.*, interest and dividends) and administrative fees. The change in value of the beneficial interest is included in the change in net assets in the accompanying statements of activities.

**Note 12: Significant Estimates and Concentrations**

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

***Contributions and Grants***

At September 30, 2014 and 2013, approximately 71% of grants receivable was from one donor. For the year ended September 30, 2014, three donors comprised approximately 61%, 12% and 12% of total grant revenue. For the year ended September 30, 2013, two donors comprised approximately 47% and 39% of total grant revenue. At September 30, 2014, one donor made up approximately 31% of total contributions receivable. At September 30, 2013, four donors made up approximately 21%, 18%, 14% and 11% of total contributions receivable.

***Litigation***

The Council is subject to other claims and lawsuits that arise primarily in the ordinary course of its activities. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, change in net assets and cash flows of the Council. Events could occur that would change this estimate materially in the near term.

***Investments***

The Council invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of financial position.

**Note 13: 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.