GIRL SCOUTS OF GULFCOAST FLORIDA, INC.

INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

CONTENTS

KERKERING BARBERIO

Established 1972

Kerkering, Barberio & Co.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Girl Scouts of Gulfcoast Florida, Inc.
Sarasota, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Girl Scouts of Gulfcoast Florida, Inc. (the Organization) which comprise the statement of financial position as of September 30, 2015, and the related statement of activities, functional expenses and cash flows for the year 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.

The Board of Directors
Girl Scouts of Gulfcoast Florida, Inc.
Sarasota, Florida

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Girl Scouts of Gulfcoast Florida, Inc., as of September 30, 2015 and the respective changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Kerkering Barberio + Co.

Sarasota, Florida
January 14, 2016

GIRL SCOUTS OF GULFCOAST FLORIDA, INC.

STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2015
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF SEPTEMBER 30, 2014)

	Unrestricted		
	Undesignated	Board Designated	Total Unrestricted
Assets			
Current Assets			
Cash and cash equivalents	$ 1,042,603	$ 31,870	$ 1,074,473
Accounts receivable	5,723		5,723
	1,048,326	31,870	1,080,196
Other Current Assets			
Merchandise for sale	105,761		105,761
Prepaid expenses and deferred charges	104,776		104,776
	210,537	-	210,537
Total Current Assets	1,258,863	31,870	1,290,733
Land, buildings and equipment, net	8,596,430		8,596,430
Non-Current Assets			
Long-term investments		2,324,656	2,324,656
Funds held at Community Foundations		63,643	63,643
	-	2,388,299	2,388,299
Total Assets	$ 9,855,293	$ 2,420,169	$ 12,275,462
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	$ 60,730	$	$ 60,730
Accrued liabilities	74,529		74,529
Capital lease obligation, current portion	6,117		6,117
	141,376	-	141,376
Other Current Liabilities			
Deferred revenue	68,281		68,281
Due (from) to other funds	693,250	(680,117)	13,133
Custodian funds	191,866		191,866
	953,397	(680,117)	273,280
Total Current Liabilities	1,094,773	(680,117)	414,656
Long Term Debt			
Capital lease obligation, net of current portion	14,643		14,643
Total Liabilities	1,109,416	(680,117)	429,299
Net Assets			
Unrestricted	8,745,877	3,100,286	11,846,163
Temporarily restricted			
Permanently restricted			
Total net assets	8,745,877	3,100,286	11,846,163
Total Liabilities and Net Assets	$ 9,855,293	$ 2,420,169	$ 12,275,462

Temporarily Restricted	Permanently Restricted	2015 Total	2014 Total
$	$	$ 1,074,473	$ 843,833
		5,723	13,452
-	-	1,080,196	857,285
		105,761	103,760
		104,776	118,629
-	-	210,537	222,389
-	-	1,290,733	1,079,674
174,667		8,771,097	9,197,804
391,844	101,073	2,817,573	2,876,849
		63,643	65,677
391,844	101,073	2,881,216	2,942,526
$ 566,511	$ 101,073	$ 12,943,046	$ 13,220,004
$	$	$ 60,730	$ 61,015
		74,529	78,043
		6,117	5,888
-	-	141,376	144,946
		68,281	61,396
(37,668)	24,535	-	-
		191,866	129,027
(37,668)	24,535	260,147	190,423
(37,668)	24,535	401,523	335,369
		14,643	20,760
(37,668)	24,535	416,166	356,129
		11,846,163	12,162,199
604,179		604,179	627,138
	76,538	76,538	74,538
604,179	76,538	12,526,880	12,863,875
$ 566,511	$ 101,073	$ 12,943,046	$ 13,220,004

The accompanying notes are an integral
part of these financial statements.

GIRL SCOUTS OF GULFCOAST FLORIDA, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2015
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2014)

	Unrestricted		
	Undesignated	Board Designated	Total Unrestricted
Public Support			
Individual contributions	$ 71,539	$	$ 71,539
Corporate contributions	40,662		40,662
Foundations contributions	71,686		71,686
In-kind contributions	4,000		4,000
United Way allocations	132,950		132,950
Special events	7,949		7,949
Government grants	-		-
Total Public Support	328,786	-	328,786
Revenue and Gains			
Program related revenue			
Cookie Sale (net of direct and allocated expenses of $1,140,517)	2,564,476		2,564,476
QSP Sale (net of direct and allocated expenses of $29,016)	32,230		32,230
Nut/Candy Sale (net of direct and allocated expenses of $111,363)	93,237		93,237
Program service fees	37,769		37,769
Sales of merchandise (net of direct and allocated expenses of $174,685)	92,099		92,099
Other revenue			
Interest and dividends (net of fees of $17,461)		77,145	77,145
Realized gain on investments		41,724	41,724
Unrealized gain (loss) on investments		(141,913)	(141,913)
Rental	31,278		31,278
Miscellaneous revenue	3,131		3,131
Total revenue and gains	2,854,220	(23,044)	2,831,176
Total Public Support, revenue and grants	3,183,006	(23,044)	3,159,962
Expenses			
Program Services			
Program services	2,913,570		2,913,570
Total Program Services	2,913,570	-	2,913,570
Supporting Services			
Management and general	339,587		339,587
Fund raising	242,720		242,720
Total supporting services	582,307	-	582,307
Total Expenses	3,495,877	-	3,495,877
Changes in net assets before transfers and releases	(312,871)	(23,044)	(335,915)
Interfund transfers	(124,942)	137,846	12,904
Net assets released from restrictions			
Satisfaction of program restrictions	6,975		6,975
Total Interfund Transfers	(117,967)	137,846	19,879
Changes in net assets	(430,838)	114,802	(316,036)
Net assets at beginning of year	9,176,715	2,985,484	12,162,199
Net assets at end of year	$ 8,745,877	$ 3,100,286	$ 11,846,163

Temporarily Restricted	Permanently Restricted	2015 Total	2014 Total
$	$ 2,000	$ 73,539	$ 72,403
		40,662	38,482
		71,686	85,185
		4,000	584
		132,950	152,718
		7,949	17,184
		-	20,297
-	2,000	330,786	386,853
		2,564,476	2,644,789
		32,230	40,664
		93,237	98,193
		37,769	42,458
		92,099	96,764
17,777		94,922	79,794
6,769		48,493	139,100
(27,626)		(169,539)	(12,451)
		31,278	31,011
		3,131	-
(3,080)	-	2,828,096	3,160,322
(3,080)	2,000	3,158,882	3,547,175
		2,913,570	2,905,413
-	-	2,913,570	2,905,413
		339,587	355,171
		242,720	255,760
-	-	582,307	610,931
-	-	3,495,877	3,516,344
(3,080)	2,000	(336,995)	30,831
(12,904)		-	-
(6,975)		-	-
(19,879)	-	-	-
(22,959)	2,000	(336,995)	30,831
627,138	74,538	12,863,875	12,833,044
$ 604,179	$ 76,538	$ 12,526,880	$ 12,863,875

The accompanying notes are an integral part of these financial statements.

GIRL SCOUTS OF GULFCOAST FLORIDA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2015

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2014)

		Supporting Services			
	Program Services	Management and General	Fund Raising	Total 2015	Total 2014
Salaries and related expenses					
Salaries	$ 1,246,805	$ 71,523	$ 111,315	$ 1,429,643	$ 1,424,014
Employee health & retirement benefits	344,637	19,854	30,899	395,390	362,888
Payroll taxes	100,491	5,765	8,972	115,228	124,805
Total Salaries & Related Expenses	1,691,933	97,142	151,186	1,940,261	1,911,707
Other expenses					
Professional fees	59,545	10,498	35,375	105,418	95,023
Supplies	272,943	2,258	9,151	284,352	278,141
Telephone	49,033	4,128	2,271	55,432	54,480
Postage and shipping	15,280	555	3,542	19,377	16,826
Occupancy	219,865	43,726	3,679	267,270	295,022
Rental, repair & maintenance	8,666	2,091	445	11,202	25,013
Printing and publications	28,470	431	10,103	39,004	34,045
Travel	63,569	8,710	4,616	76,895	57,464
Conference, conventions, meetings, GSUSA training courses	10,536	3,080	2,931	16,547	10,557
Specific assistance to individuals	39,779			39,779	63,184
Membership dues	3,686	352	1,363	5,401	4,200
Media promotions	24,590		2,115	26,705	20,285
Awards and grants	12,000			12,000	18,000
Insurance	43,796	46,860	1,219	91,875	100,085
Interest		916		916	961
Miscellaneous	33,672	22,446	3,583	59,701	72,539
Total Other Expenses	885,430	146,051	80,393	1,111,874	1,145,825
Total expenses before depreciation	2,577,363	243,193	231,579	3,052,135	3,057,532
Depreciation	336,207	96,394	11,141	443,742	458,812
Total Expenses	$ 2,913,570	$ 339,587	$ 242,720	$ 3,495,877	$ 3,516,344

The accompanying notes are an integral part of these financial statements.

GIRL SCOUTS OF GULFCOAST FLORIDA, INC.

STATEMENTS OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2015

(WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2014)

	2015	2014
Cash flows from operating activities		
Gifts and grants		
Unrestricted	$ 175,685	$ 185,368
Restricted	2,000	2,500
United Way allocations	132,950	152,718
Program related revenue		
Cookie sale	3,675,986	3,754,098
QSP sale	58,740	74,033
Nut/candy sale	194,588	209,434
Program service fees	37,769	42,458
Special events	7,949	17,184
Sales of merchandise, net	92,099	96,764
Interest and dividends	94,922	83,775
Rental	31,278	31,011
Miscellaneous revenue	3,131	-
Cash paid for operating expenses	(4,155,930)	(4,170,758)
Specific assistance to individuals and troops	(39,779)	(63,184)
Net cash flows from operating activities	311,388	415,401
Cash flows from investing activities		
Purchase of land, building and equipment	(17,034)	(71,015)
Proceeds from sale of investments	824,925	1,648,463
Purchase of investments	(882,751)	(1,707,721)
Net cash flows from investing activities	(74,860)	(130,273)
Cash flows from financing activities		
Payments on lease obligation	(5,888)	(10,303)
Net cash flows from financing activities	(5,888)	(10,303)
Net increase in cash and cash equivalents	230,640	274,825
Cash and cash equivalents - beginning of year	843,833	569,008
Cash and cash equivalents - end of year	$ 1,074,473	$ 843,833
Reconciliation of change in net assets to net cash flows from operating activities		
Change in net assets	(336,995)	30,831
Depreciation	443,742	458,812
Realized and unrealized (gain) loss on investment	117,101	(126,649)
Capital lease obligation		30,919
Change in funds held at Community Foundations	2,034	(4,836)
(Increase) decrease in		
Accounts receivable	7,729	(1,833)
Merchandise for sale	(2,001)	15,939
Prepaid expenses and deferred charges	13,853	(10,627)
Increase (decrease) in		
Accounts payable	(285)	7,847
Accrued liabilities	(3,514)	3,342
Deferred revenue	6,885	5,720
Custodian funds	62,839	5,936
Cash flows from operating activities	$ 311,388	$ 415,401
Supplemental cash flows information		
Cash paid for interest	$ 916	$ 961

The accompanying notes are an integral
part of these financial statements.

Note 1 - Summary of Significant Accounting Policies

Organization

Girl Scouts of Gulfcoast Florida, Inc. (the Council) is a non-profit, organization incorporated and operating in Florida since May, 1962. The Council serves Manatee, Hardee, Highlands, Sarasota, DeSoto, Charlotte, Glades, Lee, Hendry and Collier counties.

Girl Scouts of Gulfcoast Florida, Inc. is chartered by the Girl Scouts of the United States of America (GSUSA) whose mission is to build girls of courage, confidence, and character who make the world a better place.

Various troops and service units, which operate within the geographical area served, maintain individual bank accounts, which are not included in the accompanying financial statements.

Fund Accounting

Net assets, public support, revenue and gains are classified based on the existence or absence of donor-imposed restrictions. When the purpose of the 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. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Council records the support as unrestricted. Accordingly, net assets and changes therein are classified as follows:

> Unrestricted Net Assets include all undesignated, board designated resources available for support of Council operations, and expendable resources in the Land, Building and Equipment Fund designated for the Council's land, buildings and equipment.
>
> Temporarily Restricted Net Assets are utilized to account for contributions that are donor restricted for uses which have not yet been fulfilled either by time or purpose.
>
> Permanently Restricted Net Assets represent donor-restricted endowments whereby the use of principal is prohibited. The income generated by these endowments may be unrestricted or designated for Girl Scout programs.

Financial Statements

The financial statements and notes are representations of the Council's management who is responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Note 1 - Summary of Significant Accounting Policies (Continued)

Basis of Presentation

Financial statement presentation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The temporarily restricted fund has restrictions as to time and/or purpose for the use of funds. The permanently restricted fund is permanently restricted as to its principle only. Donors of these assets generally permit the Council to use all or part of the income earned on the related investments for general or specific purposes.

Merchandise for Sale

Inventory is stated at the lower of cost (first-in, first-out) or market (net realizable value).

Income Taxes

The Council is exempt from Federal and State income taxation under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made. However, the Council is subject to income tax on unrelated business income. For the year ended September 30, 2015, the Council incurred no income tax expense.

Under the Income Taxes Topic of the FASB Accounting Standards Codification, the Council has reviewed and evaluated the relevant technical merits of its tax position in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Council.

The Council files income tax returns in the U.S. federal jurisdiction. The tax periods open to examination by the major taxing jurisdictions to which the Council is subject include fiscal years ended September 30, 2012 through September 30, 2015.

Advertising and Promotion

Advertising and promotion costs are expenses as incurred. For the year ended September 30, 2015, advertising expense totaled $26,705.

Pledges Receivable

The Council records signed pledges as receivables based upon management evaluation of donors and pledge history. No allowance for uncollectible pledges has been established, as all receivables are determined to be collectible by management.

Note 1 - Summary of Significant Accounting Policies (Continued)

Land, Buildings and Equipment

The Council follows the practice of capitalizing all expenditures for land, buildings and equipment in excess of $1,000. Land, buildings and equipment are recorded at cost, except for donated assets, which are stated at their fair market value at date of donation. Depreciation of buildings and equipment is provided using the straight-line method over estimated useful lives, which range from three to thirty five years. The cost of maintenance and repairs is expended as incurred; major improvements and replacements are capitalized.

Donated Services

A substantial number of unpaid volunteers have made significant contributions of their time to support the programs of the Council. The estimated value of these donated services has not been recorded in the accompanying financial statements.

Functional Allocation of Expenses

The costs of providing the various programs and other activities of the Council have been summarized on a functional basis in the Statement of Activities. Accordingly, certain occupancy type costs have been allocated among the programs and supporting services benefited based on space used. Other costs are allocated directly.

Use of Estimates and Assumptions

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

Comparative Financial Statements

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Council's financial statements for the year ended September 30, 2014 from which the summarized information was derived.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and demand deposits held at financial institutions.

Note 1 - Summary of Significant Accounting Policies (Continued)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities. Increases and decreases in fair value are recognized in the period in which they occur and the carrying values of the investments are adjusted to reflect these fluctuations.

Note 2 - Concentration of Credit and Economic Risk

Financial instruments, which potentially subject the Council to concentrations of credit risk, consist principally of cash and cash equivalents, and investments. The Council places its cash and cash equivalents with high credit quality financial institutions. During the year, the Council may have deposits with financial institutions which exceed the FDIC insured limit.

The Council invests in a variety of investment vehicles, as described in Note 3. These investment securities are exposed to interest rate, market, credit and other risks depending on the nature of the specific investment. Accordingly, it is reasonably possible that these factors will result in changes to the value of the Council's investments, which could materially affect amounts reported in the financial statements.

Note 3 - Long -Term Investments

The components of investments at September 30, 2015 are summarized as follows:

	Cost	Fair Value	Accumulated Unrealized Gain (Loss)
Fixed income	$ 1,068,372	$ 1,063,070	$ (5,302)
Corporate equities	573,404	618,894	45,490
Mutual funds	373,292	437,247	63,955
Dynamic asset allocation overlay	715,411	698,362	(17,049)
Total	$ 2,730,479	$ 2,817,573	$ 87,094

Note 4 - Prepaid Expenses and Deferred Charges

Prepaid expenses and deferred charges are comprised of the following at September 30, 2015:

Prepaid insurance	$ 53,426
Prepaid postage	7,074
Other prepaid expenses	44,276
Total prepaid expenses and deferred charges	$ 104,776

Note 5 - Pension Plan
The Council participates in the National Girl Scout Council Retirement Plan ("NGSCRP") (the "Plan"), a noncontributory defined benefit pension plan sponsored by Girl Scouts of the USA. The National Board of Girl Scouts of the USA voted to freeze the Plan to new entrants and to freeze future benefit accruals for all current participants under the Plan effective July 31, 2010. The Plan covers substantially all of the employees of various Girl Scout councils who were eligible to participate in the Plan prior to the Plan freeze. Accrued and vested benefits prior to July 31, 2010 are based on years of service and salary levels.

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, 2015. 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). In addition, on April 8, 2014, President Obama signed H.R. 4275 into law, a relief package unanimously passed by Congress that gives NGSCRP the flexibility to adopt the PPA funding requirements immediately or not at all. NGSCRP has elected to adopt this relief and not be subject to PPA. Aggregate annual contributions made in fiscal years 2015 and 2014 are $34,500,000. Aggregate contributions made in fiscal year 2016 are expected to be $34,500,000.

The Council made contributions into the NGSCRP of $161,298 during fiscal year ended September 30, 2015. These contributions represented 0.47% of total contributions into the NGSCRP.

Note 6 - Retirement Plan
The Organization offers a tax-deferred savings plan, which qualifies as a voluntary contribution savings plan under Internal Revenue Code Section 401(k). Employees may provide tax-deferred contributions to eligible individual retirement accounts up to the Internal Revenue Code limit. The plan covers all employees meeting eligibility criteria. All eligible employees are eligible to receive an employer contribution equal to 3% of base salary. Retirement plan costs for employees for the year ended September 30, 2015 totaled $27,628.

Note 7 - Board Designated Net Assets

The Board has designated the unexpended Board Designated Net Assets to be used for the following purposes as of September 30, 2015:

Scholarships	$	60,957
Operating reserve		2,951,286
Reserve for maintenance		7,500
Directors and officers insurance deductible		6,900
Liability insurance deductible		10,000
Funds held at community foundation		63,643
	$	3,100,286

Note 8 - Restricted Net Assets

The temporarily restricted net assets are restricted for the following purposes as of September 30, 2015:

Collier County program	$	234,207
Charlotte County program		39,942
Venice Girl Scout House		291,011
Grants		39,019
Total temporarily restricted net assets	$	604,179

The county program assets will be used exclusively for the benefit of persons in those counties.

In 1997 the Council was beneficiary of an estate of a donor. These assets are to be held in trust for a period of 35 years or until 2032 at which time restrictions will be released. The executive director of the Council will act as trustee. As a result, temporarily restricted net assets include the following assets related to the trust:

Land and building	$	174,667
Long-term investments		116,344
Total	$	291,011

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

The following donor restrictions were met during the period ended September 30, 2015:

Land and building depreciation	$	12,904
Camper grants and other		6,975
Total releases	$	19,879

Note 8 - Restricted Net Assets (Continued)

The permanently restricted net assets include endowment funds of $76,538 as of September 30, 2015.

Note 9 - Land, Buildings and Equipment Assets

Land, buildings and equipment consist of the following as of September 30, 2015:

Land	$	2,963,162
Land improvements		943,351
Buildings and improvements		9,896,352
Equipment and vehicles		757,903
Construction in progress		16,046
Total		14,576,814
Accumulated depreciation		(5,805,717)
Net land, buildings, and equipment	$	8,771,097

Note 10 - Capital Lease Obligations

The Council leases copiers with month payments of $567 expiring 2019. The following represents minimum lease payments under capital lease obligations, which existed at September 30, 2015:

2016	$	6,804
2017		6,804
2018		6,804
2019		1,696
Total minimum lease payments		22,108
Less interest		(1,348)
Total capital lease obligations		20,760
Current capital lease obligations		6,117
Long term lease obligations		14,643
Total lease obligations	$	20,760

The Council is also bound by certain lease arrangements with county governments for the use of land, which require only token annual lease payments. These leases are treated as operating leases for financial statement purposes. The fair market value of the leasehold agreement is not determinable and therefore has not been recorded in these financial statements.

Note 11 - Related Party Transactions
From time to time, members of the Board of Directors make pledges and contributions to the Council.

GSUSA provides membership and programming information to the Council in addition to training services, Membership fees of $15 per member are collected and forwarded to GSUSA. The Council forwarded and paid the following fees to GSUSA during the period ended September 30, 2015.

Membership fees	$	40,605
Merchandise for sale purchased		158,059
Total related party transactions	$	198,664

Note 12 - Manatee County Right of First Refusal Land Contract
In the event that the Council, or its successors, determines to offer for sale the property of Camp Honi Hanta, they must notify in writing Manatee County of the price and all material terms of the sale including any limitations on the future use of the property. The County will have thirty days from receipt of notice to notify the Council if they desire to purchase the property on the same terms and conditions set forth in the written proposal for sale. If the County fails to notify the Council or elects not to purchase the property then the Council may offer the property for sale to any interested party on the same terms as offered to the County. This right of first refusal is valid for a period of fifty years from 2007.

Note 13 - Fair Value of Financial Assets and Liabilities
The Council adopted the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification. The Fair Value Measurements and Disclosures Topic provides enhanced guidance for using fair value to measure assets and liabilities and clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the assets or liabilities and establishes a hierarchy that prioritizes the information used to develop those assumptions.

Note 13 - Fair Value of Financial Assets and Liabilities (Continued)
The following tables present information about the Council's assets that are measured at fair value on a recurring basis as of September 30, 2015, and indicate that fair value hierarchy of the valuation techniques used to determine such fair value. The three levels for measuring fair value are based on the reliability of inputs and are as follows:

Level 1 - unadjusted quoted prices in active markets for identical assets, such as publically traded equity securities.

Level 2 - inputs other than quoted prices included In Level 1 that are observable, either directly or indirectly. Such inputs may include quoted prices for similar assets, observable inputs other than quoted prices (interest rates, yield curves, etc.) or inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability (for example, hedge funds, private equity and other). The inputs reflect the Council's assumptions based on the best information available in the circumstance.

		Assets at Fair Value on a Recurring Basis at Reporting Date Using		
Description	September 30, 2015	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Long-term investments	$ 2,817,573	$ 2,119,211	$ -	$ 698,362
Funds held at community foundations	63,643	28,292	-	35,351
Total assets at fair value	$ 2,881,216	$ 2,147,503	$ -	$ 733,713

Funds held at community foundations represent a pro rata share of a managed pool of investments.

Note 13 - Fair Value of Financial Assets and Liabilities (Continued)

The following is a reconciliation of the beginning and ending balances for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the period ended September 30, 2015:

	Dynamic Asset Allocation Overlay (a)	Funds Held at Community Foundations
Balance - September 30, 2014	$ 711,447	$ 36,898
Purchases	310,325	
Sales	(275,322)	
Changes in value	(48,088)	(1,547)
	$ 698,362	$ 35,351

(a) The investment objective of the fund is to moderate the volatility of equity-oriented and fixed-income-oriented asset allocations over the long term. The fund may invest in a diversified portfolio of securities and other financial instruments, including derivative instruments that provide investment exposure to a variety of asset classes, which may include: equity securities and fixed-income instruments within the U.S. and international, real estate securities, high yield securities, currencies, and commodities.

Note 14 - Endowments

The Council's endowment consisted of funds established for a variety of purposes. Its endowment includes donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the endowment has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) as requiring the 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, and (b) the original value of subsequent gifts to the permanent endowment.

Note 14 - Endowments (Continued)

Interpretation of Relevant Law (Continued)

In accordance with FUPMIFA, the Council considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund;
2. The purposes of the Council and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Council; and
7. The investment policies of the Council.

Funds with Deficiencies

At times, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor intended. There were no such deficiencies as of September 30, 2015. As of September 30, 2015, endowment net assets consisted of the following:

	Permanently Restricted
Donor-restricted endowment funds	$ 76,538

Return Objectives and Risk Parameters

The Council has adopted investment policies and spending polices for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Council must hold in perpetuity or for donor-specified periods as well as board designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce a long-term rate of return on assets that exceeds inflation by at least 1% while assuming a moderate level of investment risk. The Council expects its endowment funds, over time to provide an average rate of return of approximately 5% percent annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

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 capital appreciation (realized and unrealized) and current yield (interest and dividends). 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.

Note 14 - Endowments (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Council has a policy of appropriating for distribution up to 5% annually. In establishing this policy, the Council considered the long-term expected return on its endowment. Accordingly, over the long term, the Council expects the current spending policy to allow its endowment to remain at the current corpus amount. This is consistent with the Council's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Changes in endowment net assets for the year ended September 30, 2015 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, October 1 2014	$	$	$ 74,538	$ 74,538
Endowment investment return:				
Interest and dividends		2,692		2,692
Realized gains		504		504
Unrealized losses		(7,572)		(7,572)
Total endowment investment return	-	(4,376)	-	(4,376)
Contributions			2,000	2,000
Appropriations to endowment assets to maintain corpus	5,278	(902)		4,376
Net assets released from restrictions	(5,278)	5,278		-
Total endowment activity	-	-	2,000	2,000
Endowment assets, September 30, 2015	$ -	$ -	$ 76,538	$ 76,538

Note 15 - Subsequent Events

We have evaluated all events subsequent to the statement of financial position date of September 30, 2015, through the date these financial statements were available for issuance, January 14, 2016, and have determined that there are no subsequent events that require disclosure under the FASB Accounting Standards Codification.