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GIRL SCOUTS OF SOUTHERN ARIZONA AND AFFILIATES

AUDITED COMBINED FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2016
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2015) AND
SUPPLEMENTARY INFORMATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Girl Scouts of Southern Arizona and Affiliates
Tucson, Arizona

Report on the Financial Statements

We have audited the accompanying combined financial statements of Girl Scouts of Southern Arizona and Affiliates (collectively the "Organization") which comprise the combined statements of financial position as of September 30, 2016 and 2015, the related combined statements of cash flows for the years then ended, and the related combined statement of activities and changes in net assets for the year ended September 30, 2016, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined 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 combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the combined 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 Organization'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 combined financial statements.

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

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Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2016 and 2015, and its cash flows for the years then ended and the changes in net assets for the year ended September 30, 2016, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the Organization's 2015 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated April 6, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2015, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

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Tucson, Arizona
[January 19, 2017]

AUDITED COMBINED FINANCIAL STATEMENTS

COMBINED STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30,

	2016	2015
Assets		
Current assets		
Cash and cash equivalents	$ 401,523	$ 768,905
Accounts receivable, net	21,226	58,549
Accrued interest receivable	7,118	4,883
Contributions receivable	175,648	238,351
Inventory	166,562	145,966
Prepaid expenses	49,012	70,565
Investments		
Debt and equity securities	2,760,654	2,864,048
Other	1,049,801	200,341
Total current assets	4,631,544	4,351,608
Deposits	150	5,558
Contributions receviable, net	120,831	157,529
Investments - restricted	198,812	193,926
Property and equipment, net	3,236,929	2,767,257
Total assets	$ 8,188,266	$ 7,475,878
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$ 79,344	$ 103,115
Accrued expenses	121,440	136,652
Other current liabilities	19,533	56,550
Construction loan	93,761	-
Total current liabilities	314,078	296,317
Unrestricted net assets		
Expended for property and equipment	1,846,193	1,984,865
Capital campaign expenditures	1,390,736	782,392
Available for operations	948,352	963,410
Board designated		
Endowment funds	2,393,631	2,321,564
Operating and other reserves	638,012	638,012
Future capital expenditures	73,253	8,352
Total unrestricted net assets	7,290,177	6,698,595
Temporarily restricted net assets	385,199	287,040
Permanently restricted net assets	198,812	193,926
Total net assets	7,874,188	7,179,561
Total liabilities and net assets	$ 8,188,266	$ 7,475,878

COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(WITH COMPARATIVE SUMMARIZED TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2015)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2016	Summarized Total 2015
Revenues					
Public support					
Contributions	$ 146,688	$ 966,024	$ 213	$ 1,112,925	$ 1,141,103
Donated goods, property, and services	24,163	-	-	24,163	124,081
Grants and contracts	52,691	-	-	52,691	31,323
Allocations from United Way	10,769	-	-	10,769	26,592
Miscellaneous revenue	56	-	-	56	14,853
Total public support	234,367	966,024	213	1,200,604	1,337,952
Operating revenue					
Cookie sales					
Gross cookie sales	3,717,836	-	-	3,717,836	3,743,192
Troop incentives	(579,462)	-	-	(579,462)	(568,552)
Sales incentives and appreciation	(218,861)	-	-	(218,861)	(199,237)
Cost of goods sold	(975,852)	-	-	(975,852)	(950,363)
Cookie sales, net	1,943,661	-	-	1,943,661	2,025,040
Retail sales, net	110,201	-	-	110,201	105,195
Program service fees	333,302	-	-	333,302	267,110
Investment income (loss), net	205,748	1,037	4,673	211,458	(5,068)
Rental income	42,761	-	-	42,761	40,817
Total operating revenue	2,635,673	1,037	4,673	2,641,383	2,433,094
Total public support and operating revenue	2,870,040	967,061	4,886	3,841,987	3,771,046
Net assets released from restrictions	868,902	(868,902)	-	-	-
Total revenues	3,738,942	98,159	4,886	3,841,987	3,771,046
Expenses					
Program services	2,438,168	-	-	2,438,168	2,931,559
Supporting services					
General and administrative	370,634	-	-	370,634	560,437
Fundraising and development	338,558	-	-	338,558	438,885
Total expenses	3,147,360	-	-	3,147,360	3,930,881
Change in net assets	591,582	98,159	4,886	694,627	(159,835)
Net assets, beginning of year	6,698,595	287,040	193,926	7,179,561	7,339,396
Net assets, end of year	$ 7,290,177	$ 385,199	$ 198,812	$ 7,874,188	$ 7,179,561

COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30,

	2016	2015
Cash Flows From Operating Activities		
Change in net assets	$ 694,627	$ (159,835)
Adjustments to reconcile change in net assets		
to net cash used in operating activities		
Depreciation	167,983	177,824
Bad debt related to contributions	-	10,437
Net realized and unrealized (gain) loss on investments	(172,173)	43,870
Contributions restricted for long-term investment	(213)	(438)
Collections of contributions restricted for purchase of property and equipment	(794,387)	(471,813)
Changes in operating assets and liabilities		
Accounts receivable, net	37,323	(6,826)
Accrued interest receivable	(2,235)	3,192
Contributions receivable, net	99,401	(208,256)
Inventory	(20,596)	(22,091)
Prepaid expenses	21,553	15,852
Deposits	5,408	7,105
Accounts payable	(23,771)	(15,680)
Accrued expenses	(15,212)	(67,812)
Other current liabilities	(37,017)	(16,234)
Net cash used in operating activities	(39,309)	(710,705)
Cash Flows From Investing Activities		
Purchases of property and equipment	(637,655)	(46,570)
Purchases of investments	(4,495,958)	(3,585,691)
Proceeds from sale of investments	3,917,179	4,226,125
Net cash (used in) provided by investing activities	(1,216,434)	593,864
Cash Flows From Financing Activities		
Proceeds from construction loan	93,761	-
Contributions restricted for investment in endowment	213	438
Collections of contributions restricted for purchase of property and equipment	794,387	471,813
Net cash provided by financing activities	888,361	472,251
Net change in cash and cash equivalents	(367,382)	355,410
Cash and cash equivalents, beginning of year	768,905	413,495
Cash and cash equivalents, end of year	$ 401,523	$ 768,905

NOTES TO COMBINED FINANCIAL STATEMENTS

1. Organization

The combined entities, Girl Scouts of Southern Arizona ("GSSA"), Girl Scouts of Southern Arizona Foundation and Girl Scouts of Southern Arizona Properties, Inc. (collectively the "Organization"), are nonprofit charitable organizations, incorporated in the State of Arizona and chartered by the Girl Scouts of the United States of America ("GSUSA").

The Organization has been engaging girls in the Girl Scout Leadership Experience in Southern Arizona for over 80 years. GIRL stands for Go-getter, Innovator, Risk taker and Leader. The Organization has structured its programs, assembled staff, and trained volunteers with focus and determination in order to further the mission to develop GIRLs of Courage, Confidence and Character who make the world a better place. While the Organization annually serves more than 7,000 girls throughout Southern Arizona every year, that number only tells a portion of the story.

The Organization believes that every girl deserves equal access to opportunity regardless of her socio-economic or "at-risk" status. While volunteer-led troops are extremely important to Girl Scouts, if GSSA allowed its leadership to be content with this model, it would only reach a fraction of the girls who want to be Girl Scouts each year, leaving out those who are the most vulnerable including girls in crisis, girls who live in foster care group homes and temporary shelters, girls with incarcerated mothers, girls who are in detention or on the brink of incarceration, girls who live in isolated and rural communities, and those who live in impoverished areas. The need for enrichment programs for girls in need was the catalyst for the Organization to change to a Social Justice model of program delivery to ensure that no girl ever slips through the cracks. The Organization serves at-risk and impoverished girls free-of-charge in order to break down any financial barriers that might prevent their participation.

The Organization's primary program focus is on cultivating leadership in girls, by facilitating a broad range of relevant, innovative and fun, informal learning experiences that give girls opportunities to learn and grow. Through the Organization's programs, girls gain life skills, a sense of civic responsibility, social conscience, self-worth and a variety of developmental assets that serve them well throughout their lives.

The Girl Scout Leadership Experience is supported by five initiatives: literacy, including financial literacy; health and wellness, which includes obesity prevention, nutrition education, physical fitness, self-esteem and body image; Science, Technology, Engineering and Math ("STEM"), which includes astronomy, technology, robotics, physics, and basic math skills; arts and culture, which gives girls the opportunity to explore culture locally and globally and use art as a vehicle for self-expression; and environmental education, which includes outdoor education, stewardship and green initiatives.

The goals of the Organization are to serve girls ages 5-17 through a wide range of contemporary programs that reflect the unique needs and interests of girls living in Southern Arizona; to provide preventative strategies that help girls succeed in school and life; to empower girls to reach their full potential; to give girls a voice in the community and their own lives; to provide access to programs to girls in need; to support a diverse adult leadership; to develop effective community collaborations; and to remain fiscally sound to ensure that Girl Scouting is available to girls long into the future.

NOTES TO COMBINED FINANCIAL STATEMENTS

Organization (continued)

The Organization's revenues are primarily generated from cookie sales, retail sales, program service fees and public support. Girl Scout cookie sale activities help girls learn invaluable skills such as goal-setting, decision-making, money management, and delivering on a promise. Each Girl Scout troop that sells products earns money for its troop's treasury and plans how to spend that money to achieve its goals. The Organization's share of proceeds from the cookie sale activities helps to provide the financial assistance needed to make Girl Scouting available for all girls, fund camp and program activities, keep event and camp fees for all members to a minimum, improve and maintain camp and other activity sites, recruit and train volunteer leaders, and to pay Organization operating expenses.

Retail sales consist primarily of sales of Girl Scout related items. Sales occur mainly at the Organization's retail stores located in Southern Arizona. Proceeds from these sales help to cover the cost of maintaining the Organization's retail stores as a service to its members.

Program service fees consist of fees for camp, special event, and other related programs for the girls to develop a sense of accomplishment, and increase self-confidence and leadership skills.

2. Summary of Significant Accounting Policies

Principles of Combination

Under the provisions of the Internal Revenue Code ("IRC") Section 509(a)(3) a support organization is an entity which achieves tax exempt charitable organization status by having a close relationship with a public charity. An organization is generally considered to have a close relationship with a public charity if the majority of its board of directors is common with the public charity, or its board of directors is appointed by the public charity and it has common charitable purposes and goals. The following affiliates are operated, supervised and controlled by GSSA; and are therefore considered supporting organizations, as defined by the IRC:

- Girl Scouts of Southern Arizona Foundation ("Foundation") is organized and operates exclusively for the benefit of and to carry out the purposes of GSSA, and specifically to hold endowment and board-designated unrestricted investments for GSSA.

- Girl Scouts of Southern Arizona Properties, Inc. ("Properties") is organized and operates exclusively for the benefit of and to carry out the purposes of GSSA, and specifically to hold investments, land, buildings and equipment for GSSA.

Accordingly, the accounts of GSSA and its affiliated support organizations have been combined for financial reporting purposes. Inter-organization transactions and balances have been eliminated.

Basis of Presentation

The Organization follows accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets accounting principles generally accepted in the United States of America ("GAAP") that the Organization follows to ensure the consistent reporting of its financial position, changes in net assets and cash flows. References to GAAP issued by the FASB are to the FASB Accounting Standards Codification ("ASC").

NOTES TO COMBINED FINANCIAL STATEMENTS

Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)
The Organization's combined financial statements have been prepared on the accrual basis of accounting in accordance with the provisions of ASC 958, *Not-for-Profit Entities*. Under this authoritative guidance, the Organization is required to provide combined financial statements which are prepared to focus on the Organization as a whole and to present balances and transactions according to the existence or absence of donor imposed restrictions. Resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying combined financial statements, net assets that have similar characteristics have been combined into similar net asset categories as follows:

- **Unrestricted** – Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the board of directors or may otherwise be limited by contractual agreements with outside parties.

- **Temporarily Restricted** – Net assets whose use by the Organization is subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire through the passage of time.

- **Permanently Restricted** – Net assets that are subject to donor-imposed stipulations that assets be maintained permanently by the Organization. The donors of these assets may permit the Organization to use all or part of the investment return of these assets on continuing operations which may be subject to certain restrictions.

Expenses are generally reported as decreases in unrestricted net assets. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increase those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statement of activities and changes in assets as net assets released from restrictions. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as unrestricted.

Endowment Funds
The Organization's endowments were established to support and further enhance the mission of the Organization.

The Organization has interpreted the "Management of Charitable Funds Act" (Arizona's version of the Uniform Prudent Management of Institutional Funds Act or UPMIFA) as requiring the preservation of the fair value of the original gift. As a result of this interpretation, the Organization classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) if applicable, 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 the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the law.

NOTES TO COMBINED FINANCIAL STATEMENTS

Summary of Significant Accounting Policies (continued)

Endowment Funds (continued)

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by the endowment funds. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for donor-specified periods. Under this policy, the endowment assets are invested in a balanced portfolio comprised of mutual funds, bonds, and equities. To satisfy its long-term objectives, the Organization 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) while assuming a moderate level of investment risk. The Organization targets a diversified asset allocation that places more emphasis on equity securities to achieve its long-term return objectives within prudent risk constraints. The Organization expects its endowment funds, over time, to provide an absolute rate of return of approximately 5 percent annually. Actual returns in any given year may vary from that amount.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or current law requires the Organization to retain for a fund of perpetual duration. In accordance with GAAP, there were no deficiencies of this nature as of September 30, 2016 and 2015.

Cash and Cash Equivalents

The Organization considers all highly liquid instruments purchased with original maturities of three months or less to be cash equivalents. Cash equivalents include money market accounts. Cash equivalents are stated at cost plus accrued interest, which approximates fair value and are considered Level 1 inputs in the fair value hierarchy.

The Organization places its cash and cash equivalents with high credit quality institutions. At times, such deposits may be in excess of the Federal Deposit Insurance Corporation ("FDIC") insurance limits (see Note 19). However, management does not believe it is exposed to any significant credit risk on cash and cash equivalents. All such cash accounts are monitored by management to mitigate risk.

Accounts Receivable

Accounts receivable are stated at the amount the Organization expects to collect. The Organization evaluates allowances for doubtful accounts on a specific identification basis. Management considers the following factors when determining the collectability of specific accounts: credit-worthiness, past transactions history, current economic industry trends, and changes in payment terms. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. Accounts receivable are presented net of an allowance for doubtful accounts of $9,344 and $17,743 as of September 30, 2016 and 2015, respectively.

Contributions Receivable

The Organization accounts for contributions receivable to be made as unconditional promises to give in the year the promise is made. Unconditional promises to give to be received after one year are presented at their discounted present value at a risk-adjusted rate. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any, on the contributions. Management expects the entire contributions receivable balance to be collected; therefore, no allowance for uncollectible amounts has been provided as of September 30, 2016 and 2015.

NOTES TO COMBINED FINANCIAL STATEMENTS

Summary of Significant Accounting Policies (continued)

Inventory
Retail inventories are stated at the lower of cost (specific identification) or net realizable value. Donated inventories are initially recorded at fair value at the date of donation. Management has determined that there was no impairment of inventories as of September 30, 2016 and 2015.

Investments
Debt and Equity Securities
Investments are accounted for in accordance with ASC 958-320, *Investments - Debt and Equity Securities*. Investments in debt and equity securities are valued at their fair values in the accompanying combined statements of financial position. Investment income, including gains and losses are reported in the combined statement of activities and changes in net assets as increases or decreases in net assets. Gains and investment income limited to specific uses by donor-imposed restrictions are reported as increases in unrestricted net assets if the restrictions are met in the same reporting period as the gains and income are recognized. Donated investments are recorded at fair value at the date of donation.

The Organization invests in professionally managed portfolios. Such investments are exposed to various risks such as market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the combined financial statements.

Investments are considered to be impaired when a decline in fair value is judged to be other-than-temporary. The Organization employs a systematic methodology on an annual basis that considers available quantitative and qualitative evidence in evaluating potential impairment of investments. If the cost of an investment exceeds its fair value, the Organization evaluates, among other factors, general market conditions, the duration and extent to which the fair value is less than cost, and the intent and ability to hold the investment. The Organization also considers specific adverse conditions related to the financial health of and business outlook for the investee, including industry and sector performance, changes in technology, operational and financing cash flow factors, and rating agency actions. Once a decline in fair value is determined to be other-then-temporary, an impairment charge is recorded and a new cost basis in the investment is established.

Other
Certificates of deposit held for investment that are not debt securities are included in other investments.

Investments - Restricted
This account group consists of donor-restricted endowment assets which are permanently restricted beyond the current period as to sale or disposal. In accordance with ASC 958-205, *Not-for-Profit Entities – Presentation of Financial Statements*, gains and losses on donor-restricted endowment assets are reported in the combined statement of activities and changes in net assets as temporarily restricted net assets until appropriated for expenditure unless otherwise permanently restricted by donor.

Property and Equipment
Property and equipment are stated at cost if purchased, or fair value if donated. Depreciation is calculated using the straight-line method over the estimated useful life of the assets as follows:

Building and building improvements	10 - 25 years
Furniture and equipment	3 - 10 years
Vehicles	3 - 5 years

NOTES TO COMBINED FINANCIAL STATEMENTS

Summary of Significant Accounting Policies (continued)

Property and Equipment (continued)
Acquisitions of property and equipment and repairs or betterments that prolong the useful life of assets more than one year, in excess of $2,000, are capitalized. Repairs and maintenance for normal upkeep are charged to expense as incurred. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the respective accounts, and any resulting gain or loss is recognized in the combined statement of activities and changes in net assets.

In accordance with ASC 360-10, *Property, Plant and Equipment*, the Organization periodically reviews the carrying value of long-lived assets held and used, and assets to be disposed of, for possible impairment when events and circumstances warrant such a review. Through September 30, 2016, the Organization had not experienced impairment losses on its long-lived assets.

Revenue Recognition
The Organization recognizes contributions received, including unconditional promises to give, at the time the contribution or promise is received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Revenue from cookie sales is recognized once delivery of the cookies has been made to the troops.

Revenue from retail sales is recognized at the time of the sale, and reported net of cost of goods sold.

Revenue from program service fees are recorded when services are rendered.

Rental income consists primarily of rental fees earned from renting certain camp and administrative facilities owned by the Organization. When not in use by the Organization these facilities are rented to various troops and nonprofit organizations. Revenue from rental income is recognized when earned.

Donated Goods, Property and Services
Donated services are recognized in the combined financial statements at their fair value. Donated services are recognized when the services are received and (a) create or enhance non-financial assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Organization utilizes the services of outside volunteers to perform a variety of tasks that assist the Organization; the fair value of these services may not be reflected in the accompanying combined financial statements because they do not meet the criteria for recognition under GAAP.

Contributions of donated non-cash assets including goods and property, are recorded at their fair values on the date the asset is donated. Donated investments are recorded at fair value at the date of donation. During the years ended September 30, 2016 and 2015, the Organization recognized $24,163 and $124,081, respectively, in donated goods, property and services.

Allocation of Expenses
The Organization allocates its expenses on a functional basis among its programs and supporting services. Expenses that can be identified with a specific program or supporting service are allocated directly according to their natural classification. Other expenses that are common to several functions are allocated by other reasonable methods.

NOTES TO COMBINED FINANCIAL STATEMENTS

Summary of Significant Accounting Policies (continued)

Advertising
The Organization expenses advertising costs as incurred. During the years ended September 30, 2016 and 2015, the Organization expensed $23,760 and $33,336 in advertising costs, respectively.

Tax Exempt Status
The Organization is exempt from federal and state income taxes under IRC Section 501(c)(3) and Arizona income tax laws, and is classified as other than a private foundation under IRC Section 509(a)(1). The Organization also qualifies for the charitable contribution deduction under IRC Section 170(b)(1)(a).

Management has considered its tax positions in accordance with the accounting standard for uncertainty in income taxes and believes that all of the positions taken in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. In addition, Management is not aware of any matters which would cause the Organization to lose its tax-exempt status. The Organization's tax returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

Should the Organization ever be subject to interest and penalties related to unrecognized tax benefits, they would be classified in general and administrative expenses in the accompanying combined financial statements. During the years ended September 30, 2016 and 2015, the Organization did not recognize any interest and penalties.

Use of Estimates
The preparation of the combined financial statements in conformity with GAAP 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 combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Prior Year Information
The combined 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 GAAP. Accordingly, such information should be read in conjunction with the Organization's combined financial statements for the year ended September 30, 2015, from which the summarized information was derived.

3. Recent Accounting Standards

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The amendments in this ASU affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards (e.g., insurance contracts or lease contracts). This ASU will supersede the revenue recognition requirements in ASC Topic 605, *Revenue Recognition*, and most industry-specific guidance, and creates Topic 606 *Revenue from Contracts with Customers*. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The updated standard will replace most existing revenue recognition guidance in GAAP when it becomes effective and permits the use of either the full retrospective or retrospective with cumulative effect transition method.

NOTES TO COMBINED FINANCIAL STATEMENTS

Recent Accounting Standards (continued)

In August 2015, the FASB issued ASU No. 2015-14 which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. Early adoption is permitted with certain restrictions. The Organization has not yet selected a transition method and is currently evaluating the effect this standard will have on the combined financial statements.

In March 2016, the FASB issued ASU No. 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*. The amendments relate to when another party, along with the entity, is involved in providing a good or service to a customer. Topic 606 *Revenue from Contracts with Customers* requires an entity to determine whether the nature of its promise is to provide that good or service to the customer (i.e., the entity is a principal) or to arrange for the good or service to be provided to the customer by the other party (i.e., the entity is an agent). The amendments amend certain existing illustrative examples and add additional illustrative examples to assist in the application of the guidance. The effective date and transition of these amendments is the same as the effective date and transition of ASU 2014-09, *Revenue from Contracts with Customers (Topic 606*).

In April 2016, the FASB issued ASU No. 2016-10, *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing*. The amendments clarify the following two aspects of Topic 606: (a) identifying performance obligations; and (b) the licensing implementation guidance. The amendments do not change the core principle of the guidance in Topic 606. The effective date and transition of these amendments is the same as the effective date and transition of ASU 2014-09, Revenue from Contracts with Customers (Topic 606).

In May and December 2016, the FASB issued Accounting Standards Updates No. 2016-12, *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients* and No. 2016-20, *Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers*. The amendments do not change the core revenue recognition principle in Topic 606. The amendments provide clarifying guidance in certain narrow areas and add some practical expedients. The effective dates and transition of these amendments is the same as the effective date and transition of ASU 2014-09, Revenue from Contracts with Customers (Topic 606).

In August 2014, the FASB issued ASU 2014-15, *Presentation of Financial Statements—Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*. ASU 2014-15 explicitly requires management to evaluate, at each annual or interim reporting period, whether there are conditions or events that exist which raise substantial doubt about an entity's ability to continue as a going concern and to provide related disclosures. ASU 2014-15 is effective for annual periods ending after December 15, 2016, and annual and interim periods thereafter, with early adoption permitted. The adoption of ASU 2014-15 is not expected to have a material effect on the Organization's combined financial statements or disclosures.

In April 2015, the FASB issued ASU 2015-03, *Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*. This ASU requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. This ASU will be effective for the Organization for fiscal years beginning after December 15, 2015. Early adoption is permitted, and retrospective application is required. The adoption of this standard is not expected to have a material impact on the combined financial statements.

NOTES TO COMBINED FINANCIAL STATEMENTS

Recent Accounting Standards (continued)

In July 2015, the FASB issued ASU 2015-11*, Inventory (Topic 330): Simplifying the Measurement of Inventory* ("ASU 2015-11"). Topic 330, Inventory, currently requires an entity to measure inventory at the lower of cost or market. Market could be replacement cost, net realizable value, or net realizable value less an approximately normal profit margin. ASU 2015-11does not apply to inventory that is measured using last-in, first-out ("LIFO") or the retail inventory method. ASU 2015-11 does apply to all other inventory, which includes inventory that is measured using first-in, first-out (FIFO) or average cost. An entity should measure in scope inventory at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Subsequent measurement is unchanged for inventory measured using LIFO or the retail inventory method. ASU 2015-11 is effective for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. ASU 2015-11 should be applied prospectively with earlier application permitted as of the beginning of an interim or annual reporting period. The Organization early adopted this ASU for the fiscal year ending September 30, 2016. The adoption of ASU 2015-11 did not have a material effect on the Organization's combined financial statements.

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The amendments in ASU 2016-14 change presentation and disclosure requirements for not-for-profit entities to provide more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors, and other users. These include qualitative and quantitative requirements in the following areas: Net Asset Classes; Investment Return; Expenses; Liquidity and Availability of Resources; and Presentation of Operating Cash Flows. ASU 2016-14 is effective for not-for-profit organizations for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Application to interim financial statements is permitted but not required in the initial year of application. Early application of the amendments is permitted. The Organization is currently evaluating the effect that implementation of the new standard will have on its combined financial statements and disclosures.

4. Contributions Receivable

Contributions receivable are restricted for capital purchases related to the Organization's capital campaign and are recorded at their estimated fair value. Amounts to be received after one year are recorded at the present value of the estimated future cash flows, discounted at adjusted rates applicable to the years in which the unconditional promises were received, which was 2% for the years ended September 30, 2016 and 2015. Contributions receivable consists of the following as of September 30:

	2016	2015
Unconditional promises expected to be collected in:		
Less than one year	$ 175,648	$ 238,351
One to five years	123,558	164,534
Total unconditional promises	299,206	402,885
Less discount to prevent value	(2,727)	(7,005)
Contributions receivable, net	$ 296,479	$ 395,880

NOTES TO COMBINED FINANCIAL STATEMENTS

Contributions Receivable (continued)

In 2013, the Organization began a capital campaign to raise funds for a new building to support programs and offer resources to young girls. The activity related to unconditional promises received for the campaign is as follows:

Description	Activity 2014	Activity 2015	Activity 2016	Total
Unconditional promises	$ 247,091	$ 419,620	$ 144,854	$ 811,565
Collections on 2014 promises	(43,800)	(36,467)	(49,156)	(129,423)
Write-off of 2014 promises	-	(10,000)	-	(10,000)
Collections on 2015 promises	-	(173,559)	(170,955)	(344,514)
Collections on 2016 promises	-	-	(28,422)	(28,422)
Total	$ 203,291	$ 199,594	$ (103,679)	$ 299,206

In addition, the Organization raised $545,874, $261,787 and $71,500 in cash contributions in connection with the capital campaign during the years ended 2016, 2015 and 2014, respectively.

The Organization expended $608,344, $10,683, and $184,398 during 2016, 2015, and 2014, respectively, in connection with the new building.

5. Investments

Debt and equity investments consist of the following as of September 30:

	2016	2015
U.S. Government sponsored entity bonds	$ 520,991	$ 529,283
Mutual funds	596,422	608,501
Corporate bonds	360,459	349,007
Equity securities	1,451,958	1,556,715
Commodities	29,636	14,468
Total investments	2,959,466	3,057,974
Less restricted investments	(198,812)	(193,926)
Unrestricted investments	$ 2,760,654	$ 2,864,048

NOTES TO COMBINED FINANCIAL STATEMENTS

Investments (continued)

Other investments consist of the following as of September 30:

	2016	2015
Certificates of deposit	$ 1,049,801	$ 200,341

Investment income (loss) consists of the following for the years ended September 30:

	2016	2015
Interest and dividends	$ 72,304	$ 73,576
Net realized and unrealized gain (loss)	172,173	(43,870)
Investment expenses	(33,019)	(34,774)
	$ 211,458	$ (5,068)

6. Fair Value Measurements

The Organization utilizes the fair value hierarchy required by ASC 820, which prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1: Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2: Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.

Level 3: Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The Organization defines active markets for equity instruments based on the average daily trading volume both in absolute terms and relative to the market capitalization for the instrument. The Organization defines active markets for debt instruments based on both the average daily trading volume and the number of days with trading activity.

The Organization's financial assets are generally classified within Level 1 of the fair value hierarchy because they are valued using readily determinable fair values, or alternative pricing sources with reasonable levels of price transparency. The types of instruments valued based on readily determinable fair values in active markets include active listed equities, most U.S. government obligations, certain investment grade corporate bonds, and mutual funds. Such instruments are classified within Level 1 of the fair value hierarchy.

NOTES TO COMBINED FINANCIAL STATEMENTS

Fair Value Measurements (continued)

The following table presents the Organization's financial assets that are measured at fair value on a recurring basis as of September 30, 2016:

Description		Level 1
U.S. Government sponsored entity bonds	$	520,991
Mutual funds		
Commodities precious metals		29,148
Foreign large blend		153,606
Communications, Utilities, & Industrials		121,747
Equity Energy & Natural Resources		66,252
Diversified Emerging Markets		98,664
Real estate		31,127
Large Cap Blend		95,878
Total mutual funds		596,422
Corporate bonds		360,459
Equity securities (a)		1,451,958
Commodities		29,636
Total	$	2,959,466

The following table presents the Organization's financial assets that are measured at fair value on a recurring basis as of September 30, 2015:

Description		Level 1
U.S. Government sponsored entity bonds	$	529,283
Mutual funds		
Commodities precious metals		14,319
Foreign large blend		74,738
Intermediate-term bond		157,247
Long-term government bond		94,926
Intermediate government bond		126,146
Real estate		15,680
Short-term government bond		125,445
Total mutual funds		608,501
Corporate bonds		349,007
Equity securities (a)		1,556,715
Commodities		14,468
Total	$	3,057,974

(a) On the basis of its analysis of the nature, characteristic and risks of the investments, the Organization has determined that presenting them as a single class is appropriate.

NOTES TO COMBINED FINANCIAL STATEMENTS

Fair Value Measurements (continued)

The Organization's contributions receivable are classified within Level 3 of the fair value hierarchy because the inputs are unobservable and are generated by the Organization itself, using the Organization's own data. The fair value of the contributions receivable is measured using the income approach valuation technique. The key inputs for the fair value measurements of the Organization's contributions receivable are the schedule of expected future cash flows for each unconditional promise and the discount rate used to convert the expected future cash flows associated with the unconditional promise to a present value amount per the income approach. The determined discount rate is developed based on the notion of an exit price, the price that would be received to sell the asset in the most advantageous market. Only the current year's additions to contributions receivable are included in the fair value hierarchy non-recurring basis table because the Organization's contributions receivable involved fair value measurement only upon initial recognition.

The following tables represent the Organization's financial assets that are measured at fair value on a non-recurring basis as of:

Description	9/30/2016	Level 1	Level 2	Level 3	Contribution Revenue
Initially-recognized contributions receivable	$ 116,432	$ -	$ -	$ 116,432	$ 144,854
Total	$ 116,432	$ -	$ -	$ 116,432	$ 144,854

Description	9/30/2015	Level 1	Level 2	Level 3	Contribution Revenue
Initially-recognized contributions receivable	$ 241,061	$ -	$ -	$ 241,061	$ 419,620
Total	$ 241,061	$ -	$ -	$ 241,061	$ 419,620

Reconciliation of initially-recognized contributions receivable, which are included in fair value hierarchy, to total contributions receivable in the combined statements of financial position is as follows:

Description	2016	2015
Initially-recognized contributions receivable	$ 116,432	$ 246,061
Contributions receivable recognized in prior years	182,774	156,824
Less discount	(2,727)	(7,005)
Total	$ 296,479	$ 395,880

NOTES TO COMBINED FINANCIAL STATEMENTS

7. Property and Equipment

Property and equipment consists of the following as of September 30:

	2016	2015
Land and improvements	$ 581,005	$ 581,005
Buildings and building improvements	4,367,961	4,359,427
Furniture and equipment	632,497	611,720
Vehicles	106,745	106,745
Construction in progress	1,390,736	782,392
	7,078,944	6,441,289
Less accumulated depreciation	(3,842,015)	(3,674,032)
	$ 3,236,929	$ 2,767,257

Depreciation expense totaled $167,983 and $177,824 for the years ended September 30, 2016 and 2015, respectively.

8. Construction Loan

During 2016, the Organization entered into a construction loan agreement with a bank for the construction and improvement of real property. The loan has a maximum borrowing limit of $2,040,000 and allows the Organization to draw down advances on the loan during the construction period (which is through June 3, 2017). Interest is calculated at the LIBOR Daily Floating Rate rate plus 3%. The note is secured by a deed of trust on the property being constructed. The Organization will repay the outstanding principal balance and interest in equal monthly installments beginning on July 3, 2017. The loan matures on June 3, 2022 at which time all outstanding principal and interest is due. The loan agreement requires a debt coverage ratio to be maintained as measured at fiscal year-end. The Organization was in compliance with this covenant as of September 30, 2016. The outstanding balance of the construction loan as of September 30, 2016 totaled $93,761.

9. Line of Credit

During 2016, the Organization entered into a line of credit agreement with a financial services institution with a maximum borrowing limit of $550,000. Interest is calculated at LIBOR plus the daily spread (as defined by the agreement). The line of credit is secured by the securities held by the financial services institution, which exceeded $550,000. Amounts outstanding are due on demand at the discretion of the financial services institution. There was no outstanding balance on the line of credit as of September 30, 2016.

NOTES TO COMBINED FINANCIAL STATEMENTS

10. Board Designated Unrestricted Net Assets

In accordance with the investment plan established by the board of directors, the following unrestricted net assets have been designated for future purposes:

	2016	2015
Girl Scouts of Southern Arizona:		
Girl and Adult Opportunity Reserve – to provide financial assistance to girls and adults	$ 38,012	$ 38,012
Operating Reserve – to provide coverage of operating expenses, in the event of a substantial loss of operating income	600,000	600,000
	638,012	638,012
Girl Scouts of Southern Arizona Foundation – endowment funds	2,393,631	2,321,564
Girl Scouts of Southern Arizona Properties, Inc. – future capital expenditures	73,253	8,352
	$ 3,104,896	$ 2,967,928

11. Temporarily Restricted Net Assets

Temporarily restricted net assets were restricted for the following purposes as of September 30:

	2016	2015
Capital Campaign	$ 294,372	$ 211,988
Health and Wellness	1,250	750
Leadership Development (Social Justice Program)	60,336	34,660
STEM (Science, Technology, Engineering and Math)	14,384	17,917
Santa Cruz County	-	1,125
Camperships	-	5,500
Take Action and Community Service	-	2,182
Financial Literacy	2,500	-
Stewards of Children	12,357	12,918
Total temporarily restricted net assets	$ 385,199	$ 287,040

12. Permanently Restricted Net Assets

Permanently restricted net assets consist of the following as of September 30:

	2016	2015
Endowment contribution	$ 95,673	$ 91,000
Other contributions	103,139	102,926
Total permanently restricted net assets	$ 198,812	$ 193,926

NOTES TO COMBINED FINANCIAL STATEMENTS

13. Endowment Funds

Endowment net asset composition by type of fund as of September 30, 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ -	$ 198,812	$ 198,812
Board designated endowment funds	2,393,631	-	-	2,393,631
Total funds	$ 2,393,631	$ -	$ 198,812	$ 2,592,443

Changes in endowment net assets for the year ended September 30, 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, September 30, 2015	$ 2,321,564	$ -	$ 193,926	$ 2,515,490
Investment return				
Investment income, net	37,090	1,037	-	38,127
Net appreciation	165,952	-	4,673	170,625
Total investment return	203,042	1,037	4,673	208,752
Contributions to endowment funds	-	-	213	213
Transfers between funds	1,037	(1,037)	-	-
Appropriation of board-designated endowment funds for expenditure	(132,012)	-	-	(132,012)
Endowment net assets, September 30, 2016	$ 2,393,631	$ -	$ 198,812	$ 2,592,443

Endowment net asset composition by type of fund as of September 30, 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ -	$ 193,926	$ 193,926
Board designated endowment funds	2,321,564	-	-	2,321,564
Total funds	$ 2,321,564	$ -	$ 193,926	$ 2,515,490

NOTES TO COMBINED FINANCIAL STATEMENTS

Endowment Funds (continued)

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

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, September 30, 2014	$ 3,033,835	$ -	$ 200,933	$ 3,234,768
Investment return				
Investment income, net	35,167	4,066	-	39,233
Net depreciation	(40,898)	-	(7,445)	(48,343)
Total investment return	(5,731)	4,066	(7,445)	(9,110)
Contributions to endowment funds	-	-	438	438
Transfers between funds	4,066	(4,066)	-	-
Appropriation of board-designated endowment funds for expenditure	(710,606)	-	-	(710,606)
Endowment net assets, September 30, 2015	$ 2,321,564	$ -	$ 193,926	$ 2,515,490

14. Retail Sales, Net

The components of retail sales are as follows for the years ended September 30:

	2016	2015
Retail sales, net		
Gross sales	$ 294,640	$ 301,084
Less cost of goods sold	(184,439)	(195,889)
	$ 110,201	$ 105,195

15. Retirement Plan

The Organization participated in the National Girl Scout Council Retirement Plan ("Retirement Plan"); a noncontributory multi-employer defined benefit pension plan sponsored by GSUSA which covers substantially all employees of the Organization. Benefits are based on years of service and salary levels. The Organization's required annual contribution to the retirement plan for the years ended September 30, 2016 and 2015 totaled $131,151 and $124,939, respectively, and is included in general and administrative expenses on the accompanying combined statement of activities and changes in net assets. The risks of participating in this multiemployer plan are different from single-employer plans in the following aspects:

- Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.

- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

- If the Organization chooses to stop participating in the multi-employer plan, it may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

NOTES TO COMBINED FINANCIAL STATEMENTS

Retirement Plan (continued)

The National Board of GSUSA voted to freeze future benefits under the Retirement Plan effective July 31, 2010. The Retirement Plan is currently under funded; however, information is not available from GSUSA to allow the Organization to determine its share of funded or unfunded vested benefits.

As of September 30, 2016, the Retirement Plan was 58% funded. According to the Pension Protection Act of 2006, this gives the Retirement Plan a zone status of red based on information that the Organization received from the Retirement Plan. Plans in the red zone are generally less than 65 percent funded; plans in the yellow zone are less than 80 percent funded; and plans in the green zone are at least 80 percent funded.

On September 29, 2010, the board of directors approved a resolution to terminate its sponsorship of the Retirement Plan.

16. SIMPLE IRA Plan

Effective January 2, 2011, the Organization established a Savings Incentive Match Plan for Employees (SIMPLE) IRA for all eligible employees, as defined by the Plan. The Organization's required matching contribution totaled $23,728 and $16,139 for the years ended September 30, 2016 and 2015, respectively.

17. Related Party Transactions

The Organization is a chartered member of GSUSA. As part of being a chartered member, the Organization collects and passes through membership fees on behalf of GSUSA. The Organization also purchases a majority of its retail inventory from GSUSA. The Organization's inventory purchases from GSUSA for 2016 and 2015 totaled $129,342 and $207,177, respectively. The liability to GSUSA for purchases as of September 30, 2016 and 2015 totaled $11,534 and $36,589, respectively. The obligation to GSUSA is included in accounts payable in the accompanying combined statements of financial position. In addition, the total amount paid by the Organization to GSUSA for girls that could not afford the membership dues totaled $29,919 and $116,570 for the years ended September 30, 2016 and 2015, respectively.

18. Operating Leases

The Organization leases its retail space and certain pieces of office equipment under non-cancelable operating leases. The leases generally have options to renew for one to five year periods, and require the Organization to pay taxes, insurance and normal maintenance and repair costs. The following is a summary of future minimum lease payments under non-cancelable operating leases as of September 30, 2016:

Fiscal Year Ending	Total
2017	$ 38,663
2018	25,030
2019	9,972
2020	9,972

Rental expense totaled $38,276 and $54,088 for the years ended September 30, 2016 and 2015, respectively.

NOTES TO COMBINED FINANCIAL STATEMENTS

19. Concentration of Risk

Revenues

The Organization generates the majority of its revenue from cookie sales to the public, via the sales efforts of the Girl Scout troops. If the level of this support declines, there may be a resulting negative impact upon the level and types of activities and program services offered by the Organization. During 2016 and 2015, 52% and 54% respectively, of the Organization's revenue was generated from the net proceeds from cookie sales.

Cash Deposits at Banks

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the FDIC up to $250,000. As of September 30, 2016 and 2015, the Organization had approximately $187,270 and $54,938 in excess of FDIC insured limits, respectively.

20. Subsequent Events

The Organization evaluated subsequent events through January 19, 2017, which represents the date the combined financial statements were available to be issued and noted no material subsequent events that required recognition or additional disclosure in these combined financial statements.

SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Program Services	General and Administrative	Fundraising and Development	Total
Salaries and wages	$ 1,181,526	$ 146,794	$ 151,069	$ 1,479,389
Employee benefits	176,213	27,357	19,447	223,017
Payroll taxes and insurance	113,630	9,200	12,708	135,538
Total salaries and related expenses	1,471,369	183,351	183,224	1,837,944
Professional fees	174,011	90,381	76,827	341,219
Supplies	104,393	883	9,448	114,724
Postage	5,605	80	3,080	8,765
Girl and adult opportunities	82,394	-	-	82,394
Equipment rental and maintenance	35,069	1,584	6,369	43,022
Occupancy	152,924	3,746	954	157,624
Travel and transportation	66,224	1,153	1,072	68,449
Printing, publications and advertising	36,388	855	11,750	48,993
Insurance	69,084	14,427	-	83,511
Telephone	38,685	222	251	39,158
Conferences, conventions and meetings	15,653	849	2,500	19,002
Recruitment	4,537	4	9	4,550
Dues, licenses and fees	17,104	47,512	2,820	67,436
Interest and bank fees	18,734	301	7,606	26,641
Bad debt	11,781	-	-	11,781
Donated good and services	6,546	1,768	15,850	24,164
Total functional expenses before depreciation	2,310,501	347,116	321,760	2,979,377
Depreciation	127,667	23,518	16,798	167,983
Total functional expenses	$ 2,438,168	$ 370,634	$ 338,558	$ 3,147,360

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Program Services	General and Administrative	Fundraising and Development	Total
Salaries and wages	$ 1,392,063	$ 283,196	$ 168,119	$ 1,843,378
Employee benefits	12,188	127,408	1,472	141,068
Payroll taxes and insurance	192,432	39,148	23,240	254,820
Total salaries and related expenses	1,596,683	449,752	192,831	2,239,266
Professional fees	171,712	39,724	145,337	356,773
Program supplies and fees	169,787	3,359	17,401	190,547
Postage	6,820	286	5,815	12,921
Girl and adult opportunities	175,375	-	-	175,375
Equipment rental and maintenance	50,354	9,143	13,178	72,675
Occupancy	159,973	5,113	2,192	167,278
Travel and transportation	81,012	1,008	2,894	84,914
Printing, publications and advertising	42,816	594	21,291	64,701
Insurance	73,640	10,552	119	84,311
Telephone	43,290	611	433	44,334
Conferences, conventions and meetings	51,492	1,565	2,086	55,143
Recruitment	3,069	37	16	3,122
Dues, licenses and fees	10,868	4,046	397	15,311
Interest and bank fees	19,151	1,169	2,842	23,162
Bad debt	29,774	2,729	6,640	39,143
Donated goods and services	110,596	4,076	9,409	124,081
Total functional expenses before depreciation	2,796,412	533,764	422,881	3,753,057
Depreciation	135,147	26,673	16,004	177,824
Total functional expenses	$ 2,931,559	$ 560,437	$ 438,885	$ 3,930,881

NOTES TO SUPPLEMENTARY INFORMATION

1. Basis of Presentation

The accompanying schedules of functional expenses are presented on the accrual basis of accounting.

2. Functional Expenses

The Organization allocates its expenses on a functional basis among its programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural classification. Other expenses that are common to several functions are allocated by other reasonable methods.