

**GIRL SCOUTS CAROLINAS PEAKS
TO PIEDMONT, INC.**

FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2019 AND 2018



GIRL SCOUTS CAROLINAS PEAKS TO PIEDMONT, INC.

Table of Contents

	<u>Page No.</u>
Independent Auditor's Report	1
<i>Financial Statements</i>	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statements of Functional Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6



Independent Auditor's Report

To The Board of Directors
Girl Scouts Carolinas Peaks to Piedmont, Inc.
Colfax, North Carolina

We have audited the accompanying financial statements of Girl Scouts Carolinas Peaks to Piedmont, Inc. (the Organization), which comprise the statements of financial position as of September 30, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Girl Scouts Carolinas Peaks to Piedmont, Inc. as of September 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Bernard Robinson & Company, L.L.P.

Greensboro, North Carolina
January 7, 2020

GIRL SCOUTS CAROLINAS PEAKS TO PIEDMONT, INC.**Statements of Financial Position****September 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<u>Assets</u>		
Current Assets:		
Cash and cash equivalents	\$ 3,109,246	\$ 2,313,068
Investments	496,257	487,332
Accounts receivable	49,754	32,071
Pledges receivable	79,543	157,781
Inventory	223,966	217,426
Prepaid expenses	77,552	83,123
Note receivable current portion	-	100,000
Total Current Assets	<u>4,036,318</u>	<u>3,390,801</u>
Assets held for sale	<u>-</u>	<u>816,596</u>
Property and Equipment:		
Land	1,854,844	1,854,844
Land improvements and buildings	7,255,127	7,186,389
Furniture and equipment	1,323,308	1,255,868
Vehicles	101,057	-
Less Accumulated Depreciation	<u>5,516,619</u>	<u>5,211,319</u>
Total Property and Equipment	<u>5,017,717</u>	<u>5,085,782</u>
Total Assets	<u>\$ 9,054,035</u>	<u>\$ 9,293,179</u>
<u>Liabilities and Net Assets</u>		
Current Liabilities:		
Accounts payable	\$ 169,242	\$ 136,898
Accrued expenses	242,269	258,563
GSUSA payable	667	13,742
Deferred revenue	69,501	153,041
Total Current Liabilities	<u>481,679</u>	<u>562,244</u>
Total Liabilities	<u>481,679</u>	<u>562,244</u>
Net Assets:		
Without Donor Restrictions:		
Undesignated	5,787,588	5,474,399
Designated for Property Plant and Equipment	2,554,390	2,928,812
Designated for Program Use	50,000	50,000
Designated for Quasi-Endowment	15,055	14,943
Total Net Assets Without Donor Restriction	<u>8,407,033</u>	<u>8,468,154</u>
With Donor Restrictions	<u>165,323</u>	<u>262,781</u>
Total Net Assets	<u>8,572,356</u>	<u>8,730,935</u>
Total Liabilities and Net Assets	<u>\$ 9,054,035</u>	<u>\$ 9,293,179</u>

GIRL SCOUTS CAROLINAS PEAKS TO PIEDMONT, INC.

Statements of Activities and Changes in Net Assets

For the Years ended September 30, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support:						
Cookie program revenue	\$ 8,085,007	\$ -	\$ 8,085,007	\$ 7,841,480	\$ -	\$ 7,841,480
Fall product program revenue	474,229	-	474,229	261,338	-	261,338
Merchandise sales revenue	467,670	-	467,670	496,485	-	496,485
Program fees	842,940	5,607	848,547	802,938	4,861	807,799
United Way and other grants	-	112,466	112,466	-	249,713	249,713
Annual giving and pledges	199,026	7,645	206,671	230,935	10,101	241,036
Special event income	2,520	-	2,520	800	-	800
Investment income	10,130	8,964	19,094	6,199	35,646	41,845
Gain on sale of assets	218,409	-	218,409	-	-	-
Miscellaneous income	113,631	10,757	124,388	151,284	22,971	174,255
Total Revenue, Gains and Other Support	<u>10,413,562</u>	<u>145,439</u>	<u>10,559,001</u>	<u>9,791,459</u>	<u>323,292</u>	<u>10,114,751</u>
Net Assets Released From Restrictions	<u>256,687</u>	<u>(256,687)</u>	<u>-</u>	<u>329,971</u>	<u>(329,971)</u>	<u>-</u>
Expenses:						
Program services	9,122,387	-	9,122,387	9,066,789	-	9,066,789
Management and general	1,283,460	-	1,283,460	1,393,423	-	1,393,423
Fund raising	311,733	-	311,733	283,296	-	283,296
Loss on sale of assets	-	-	-	4,593	-	4,593
Total Expenses	<u>10,717,580</u>	<u>-</u>	<u>10,717,580</u>	<u>10,748,101</u>	<u>-</u>	<u>10,748,101</u>
Change in net assets	<u>(47,331)</u>	<u>(111,248)</u>	<u>(158,579)</u>	<u>(626,671)</u>	<u>(6,679)</u>	<u>(633,350)</u>
Net assets - beginning of year, as previously stated	8,468,154	262,781	8,730,935	9,094,825	269,460	9,364,285
Restatement of net assets (Note 9)	<u>(13,790)</u>	<u>13,790</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets - beginning of year, as restated	8,454,364	276,571	8,730,935	9,094,825	269,460	9,364,285
Net assets - end of year	<u>\$ 8,407,033</u>	<u>\$ 165,323</u>	<u>\$ 8,572,356</u>	<u>\$ 8,468,154</u>	<u>\$ 262,781</u>	<u>\$ 8,730,935</u>

GIRL SCOUTS CAROLINAS PEAKS TO PIEDMONT, INC.

Statements of Functional Expenses

For the Years ended September 30, 2019 and 2018

	2019				2018			
	Program Services	Management and General	Fund Raising	Total	Program Services	Management and General	Fund Raising	Total
Expenditures:								
Cookie program	\$ 3,437,961	\$ -	\$ -	\$ 3,437,961	\$ 3,316,875	\$ -	\$ -	\$ 3,316,875
Fall product expense	276,089	-	-	276,089	114,440	-	-	114,440
Merchandise sales expense	263,934	-	-	263,934	292,217	-	-	292,217
Salaries and wages	2,190,364	472,814	210,865	2,874,043	2,412,870	634,621	168,459	3,215,950
Employee benefits	237,977	31,786	16,785	286,548	229,474	58,263	25,131	312,868
Payroll taxes	188,528	41,353	18,228	248,109	137,210	61,678	57,305	256,193
Pension expense	325,382	84,225	37,129	446,736	432,318	-	-	432,318
Professional services and fees	50,583	263,542	1,220	315,345	40,393	231,994	2,238	274,625
Supplies	661,547	25,217	9,443	696,207	619,961	20,690	8,007	648,658
Telecommunications	12,292	86,474	1,020	99,786	14	96,642	-	96,656
Postage and delivery	16,479	12,136	622	29,237	13,188	15,341	-	28,529
Occupancy	629,055	-	-	629,055	564,512	-	1,840	566,352
Printing promotions and publications	62,030	2,351	6,256	70,637	59,333	4,445	6,636	70,414
Equipment rental and maintenance	30,570	101,999	3,720	136,289	31,834	93,150	1,000	125,984
Transportation and related expenses	73,576	11,119	112	84,807	77,585	12,673	1,593	91,851
Conferences and conventions	21,790	8,813	448	31,051	22,227	24,550	3,172	49,949
Assistance and grants	124,929	250	-	125,179	123,205	-	-	123,205
Dues to other organizations	1,205	3,253	-	4,458	1,315	4,699	15	6,029
Insurance	101,397	37,392	-	138,789	98,643	36,066	-	134,709
Interest	-	-	-	-	33,506	-	-	33,506
Other expenses	101,295	100,736	5,885	207,916	104,754	98,611	7,900	211,265
Depreciation	315,404	-	-	315,404	340,915	-	-	340,915
Total Expenditures	<u>\$ 9,122,387</u>	<u>\$ 1,283,460</u>	<u>\$ 311,733</u>	<u>\$10,717,580</u>	<u>\$ 9,066,789</u>	<u>\$ 1,393,423</u>	<u>\$ 283,296</u>	<u>\$10,743,508</u>

GIRL SCOUTS CAROLINAS PEAKS TO PIEDMONT, INC.**Statements of Cash Flows****For the Years ended September 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Changes in net assets	\$ (158,579)	\$ (633,350)
Depreciation	315,404	340,915
(Gain) loss on stock sales	5	(20,936)
(Gain) loss on sale of assets	(218,409)	4,593
Change in allowance for uncollectable accounts	(26,861)	32,000
Unrealized (gains) losses on investments	8,902	(1,069)
(Increase) decrease in:		
Accounts receivable	9,178	33,866
Pledges receivable	78,238	(14,127)
Inventory	(6,540)	5,503
Prepaid expenses	5,571	(37,571)
Increase (decrease) in:		
Accounts payable	32,344	(53,604)
Accrued expenses	(16,294)	45,489
Membership dues payable	(13,075)	(26,753)
Deferred revenue	(83,540)	21,512
Net cash used in operations activities	<u>(73,656)</u>	<u>(303,532)</u>
Cash flows from investing activities:		
Payments from notes receivable	100,000	-
Purchase of property and equipment	(246,372)	(57,360)
Proceeds from assets held for sale	1,034,038	1,526,203
Purchase of investments	(98,025)	(51,092)
Proceeds from sales of investments	80,193	34,100
Net cash provided by investing activities	<u>869,834</u>	<u>1,451,851</u>
Cash flows from financing activities:		
Payments on note payable	-	(1,846,627)
Net cash used in financing activities	<u>-</u>	<u>(1,846,627)</u>
Net increase (decrease) in cash and cash equivalents	796,178	(698,308)
Cash and cash equivalents beginning	2,313,068	3,011,376
Cash and cash equivalents ending	<u>\$ 3,109,246</u>	<u>\$ 2,313,068</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	<u>\$ -</u>	<u>\$ 33,506</u>

GIRL SCOUTS CAROLINAS PEAKS TO PIEDMONT, INC.

Notes to Financial Statements

NOTE 1 - NATURE OF ORGANIZATION

Girl Scouts Carolinas Peaks to Piedmont, Inc. (the "Organization") began operations on October 1, 2009. On that date, the assets and liabilities of four councils were merged to form the Organization. The Organization serves 40 counties in central and western North Carolina. The Organization is a private not-for-profit 501(c)(3) organization, chartered by Girl Scouts of the United States of America (GSUSA) to deliver the Girl Scout program in central and western North Carolina. Girl Scouts Carolinas Peaks to Piedmont operates four regional service centers, and three camp facilities throughout their jurisdiction.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

The Organization includes all cash accounts and all highly liquid investments with a maturity of three months or less as cash and cash equivalents.

Investments

Investments in marketable equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statements of financial position. Unrealized gains and losses due to changes in market valuations are included in the changes in net assets. Realized gains and losses are determined using the specific identification method.

Inventory

Inventory consists of Girl Scout uniforms, equipment and supplies and is valued at the lower of cost (first-in, first-out) or net realizable value.

Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contributions and grants revenue. Conditional promises to give are not included as support until the conditions are substantially met.

An allowance for uncollectible pledges is based on a combination of factors, including the Organization's historical loss experience and any anticipated effects related to current economic conditions, as well as management's knowledge of the current composition of receivables. The Organization considers pledges receivable to be fully collectible as of September 30, 2019 and 2018.

Property and Equipment

Property and equipment are stated at cost, or if donated, at estimated fair market value at the date of donation. The Organization capitalizes all significant expenditures for property and equipment whose useful life exceeds one year. Depreciation is provided for over the estimated useful lives of the assets using the straight-line method.

GIRL SCOUTS CAROLINAS PEAKS TO PIEDMONT, INC.

Notes to Financial Statements

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services

The Organization records the value of donated services when there is an objective basis available to measure their value. No amounts have been reflected in the financial statements for donated services as the services do not create or enhance nonfinancial assets, or require specialized skills for which those possessing those skills would typically charge for their services.

Deferred Revenues

Deferred revenues consist primarily of program revenues and camp fees collected in advance. Program and camp fees are recognized as revenue when the related program occurs.

Endowments

The Organization follows the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA") as enacted by the State of North Carolina on March 19, 2009 and its own governing documents.

The Board of Directors of Girl Scouts Carolinas Peaks to Piedmont has interpreted the enacted version of UPMIFA 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.

The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to preserve principal. The investment policy provides for cash to be invested in a broad range of diversified investments. The current spending policy is to expend only earnings and net appreciation over and above the corpus of the original endowment and any amounts required to be added by the endowment agreement.

Net Assets

The Organization classifies its funds for accounting and reporting purposes as either without donor restrictions or with donor restrictions:

Without donor restrictions: All revenue not restricted by donors, unrestricted contributions designated by the board and donor restricted contributions whose restrictions are met in the same period in which they are received are accounted for in net assets without donor restrictions.

With donor restrictions: All revenues restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in donor restricted net assets. The investment income arising from endowment funds, if any, are accounted for in accordance with donor stipulations. When a donor restriction expires, that is when a stipulated time restriction ends or the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. Those resources for which the restrictions are met in the same fiscal year they are received are included in net assets without donor restrictions.

Advertising Costs

Advertising costs primarily consist of promotional materials, which are expensed as incurred. Total advertising costs were \$5,589 and \$11,749 for the years ended December 31, 2019 and 2018 respectively.

GIRL SCOUTS CAROLINAS PEAKS TO PIEDMONT, INC.

Notes to Financial Statements

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expense Allocation

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Those expenses include salaries and benefits, operating expenses, and depreciation and amortization. Each staff member is assigned to either program, management or fund raising. Each year an allocation of time for those that serve in more than one functional area is determined and recorded so that functional expenses can be properly allocated. Operating expenses are assigned to specific departments to set the functional allocation. Depreciation is allocated based upon usage.

Income Tax Status

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"). Accordingly, no provision for income taxes is reflected in the accompanying financial statements. Qualifying contributions to the Organization are tax deductible.

It is the Organization's policy to evaluate all tax positions to identify any that may be considered uncertain. All identified material tax positions are assessed and measured by a more-likely-than-not threshold to determine if the tax position is uncertain and what, if any, the effect of the uncertain tax position may have on the financial statements. No material uncertain tax positions were identified for 2019 or 2018.

Estimates

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

Subsequent Events

Management has evaluated events and transactions for potential recognition or disclosure through January 7, 2020, which is the date the financial statements were available to be issued.

GIRL SCOUTS CAROLINAS PEAKS TO PIEDMONT, INC.**Notes to Financial Statements**

NOTE 3 - INVESTMENTS

The following is a summary of the Organization's investments at September 30, 2019 and 2018:

	2019		
	Fair Market Value	Historical Cost	Unrealized Gain (Loss)
Bond Funds	\$ 169,790	\$ 166,856	\$ 2,934
Mid Cap value and Growth Funds	57,504	40,608	16,896
Large value and Growth Funds	151,466	90,526	60,940
World Allocation	4,647	3,696	951
Foreign Large Blend	26,161	18,941	7,220
Conservative Allocation	16,593	18,859	(2,266)
Other	55,041	42,917	12,124
	<u>481,202</u>	<u>382,403</u>	<u>98,799</u>
Pooled Funds (a)	15,055	15,055	-
Total	<u>\$ 496,257</u>	<u>\$ 397,458</u>	<u>\$ 98,799</u>

	2018		
	Fair Market Value	Historical Cost	Unrealized Gain (Loss)
Bond Funds	\$ 152,333	\$ 153,598	\$ (1,265)
Mid Cap value and Growth Funds	63,155	41,567	21,588
Large value and Growth Funds	129,293	68,783	60,510
World Allocation	16,405	15,947	458
Foreign Large Blend	34,444	24,757	9,687
Conservative Allocation	18,495	18,686	(191)
Other	58,263	42,870	15,393
	<u>472,388</u>	<u>366,208</u>	<u>106,180</u>
Pooled Funds (a)	14,944	14,944	-
Total	<u>\$ 487,332</u>	<u>\$ 381,152</u>	<u>\$ 106,180</u>

The fair value hierarchy of the Organization's investments at September 30, 2019 and 2018 is as follows:

	2019			
	Level 1	Level 2	Level 3	Total
Bond Funds	\$ 169,790	\$ -	\$ -	\$ 169,790
Mid Cap value and Growth Funds	57,504	-	-	57,504
Large value and Growth Funds	151,466	-	-	151,466
World Allocation	4,647	-	-	4,647
Foreign Large Blend	26,161	-	-	26,161
Conservative Allocation	16,593	-	-	16,593
Other	55,041	-	-	55,041
	<u>481,202</u>	<u>-</u>	<u>-</u>	<u>\$ 481,202</u>
Pooled Funds (a)	-	-	-	15,055
Total	<u>\$ 481,202</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 496,257</u>

GIRL SCOUTS CAROLINAS PEAKS TO PIEDMONT, INC.

Notes to Financial Statements

NOTE 3 - INVESTMENTS (Continued)

	2018			
	Level 1	Level 2	Level 3	Total
Bond Funds	\$ 152,333	\$ -	\$ -	\$ 152,333
Mid Cap value and Growth Funds	63,155	-	-	63,155
Large value and Growth Funds	129,293	-	-	129,293
World Allocation	16,405	-	-	16,405
Foreign Large Blend	34,444	-	-	34,444
Conservative Allocation	18,495	-	-	18,495
Other	58,263	-	-	58,263
	<u>472,388</u>	<u>-</u>	<u>-</u>	<u>\$ 472,388</u>
Pooled Funds (a)	-	-	-	14,944
Total	<u>\$ 472,388</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 487,332</u>

(a) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of financial position.

The following table summarized the Pooled Funds investments measured at fair valued based on NAV per share:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
September 30, 2019	\$ 15,055	N/A	Annually	Upon Request
September 30, 2018	\$ 14,944	N/A	Annually	Upon Request

NOTE 4 - ASSET LIQUIDITY

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts not available include amounts set aside for long-term investing in the quasi-endowment that could be drawn upon if the governing board approves that action.

Financial assets, at year end	\$3,734,800
Less those unavailable for general expenditures within one year:	
Due to donor-imposed restrictions	102,186
Board designations:	
Designated for property and equipment	2,554,390
Designated for program use	50,000
Quasi-endowment fund	<u>15,055</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$1,013,169</u>

GIRL SCOUTS CAROLINAS PEAKS TO PIEDMONT, INC.

Notes to Financial Statements

NOTE 4 - ASSET LIQUIDITY (Continued)

The Organization is substantially supported by cookie sales and other program revenue. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in various investments. These funds may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

NOTE 5 - ENDOWMENT

The Organization's endowment consists of amounts donated to the camp scholarship endowment in the name of specific people. 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.

Laws and regulations allow the governing board to appropriate so much of an endowment fund as is prudent considering the following relevant factors:

- 1) The duration and preservation of the endowment fund.
- 2) The purposes of the Organization and the endowment fund.
- 3) General economic conditions.
- 4) The possible effect of inflation or deflation.
- 5) The expected total return from income and the appreciation of investments.
- 6) The Organization's other resources and investment policy.

Under the Organization's endowment spending policy, no more than 2% of the average of the fair value at the end of the previous year ended September 30, 2018 can be spent in the current year, which was \$1,900. The donor restrictions allow all income each year to be appropriated for the purpose of supporting scholarships, however only 2% or less of the investment balance is spent each year. The investments of the endowment funds were \$96,747 and \$94,965 as of September 30, 2019 and 2018 respectively.

Endowment net assets composition by type of fund as of September 30, 2019 and 2018 are as follows:

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 10,600	\$ -	\$ 10,600
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	67,902	67,902
Accumulated investment gains	4,455	13,790	18,245
	<u>\$ 15,055</u>	<u>\$ 81,692</u>	<u>\$ 96,747</u>

GIRL SCOUTS CAROLINAS PEAKS TO PIEDMONT, INC.**Notes to Financial Statements**

NOTE 5 - ENDOWMENT (Continued)

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 10,600	\$ -	\$ 10,600
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	67,902	67,902
Accumulated investment gains	4,343	12,120	16,463
	<u>\$ 14,943</u>	<u>\$ 80,022</u>	<u>\$ 94,965</u>

Changes in Endowment Net Assets and Composition by Type of Fund consist of the following as of September 30, 2019 and 2018:

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment, Beginning of the year	\$ 14,943	\$ 80,022	\$ 94,965
Interest and Dividends, net fees	425	3,150	3,575
Realized /Unrealized Losses	(313)	(1,480)	(1,793)
Appropriations by Board	-	-	-
Endowment End of Year	<u>\$ 15,055</u>	<u>\$ 81,692</u>	<u>\$ 96,747</u>

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment, Beginning of the year	\$ 14,355	\$ 74,311	\$ 88,666
Interest and Dividends, net fees	160	2,242	2,402
Realized /Unrealized Gains	428	3,469	3,897
Appropriations by Board	-	-	-
Endowment End of Year	<u>\$ 14,943</u>	<u>\$ 80,022</u>	<u>\$ 94,965</u>

GIRL SCOUTS CAROLINAS PEAKS TO PIEDMONT, INC.**Notes to Financial Statements**

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes for the years ended September 30:

	<u>2019</u>	<u>2018</u>
Subject to the passage of time:		
United Way agencies (for periods after September 30, 2019 and 2018)	\$ 63,137	\$ 171,471
Subject to expenditures for specified purpose:		
Scholarships	25,465	14,100
Programs	8,819	9,308
Subject to Organization's spending policy and appropriation to support	<u>67,902</u>	<u>67,902</u>
	<u>102,186</u>	<u>91,310</u>
Total net assets with donor restrictions	<u>\$ 165,323</u>	<u>\$ 262,781</u>

Amounts donated to the camp scholarship endowment in the name of specific people are included in this fund. Restrictions associated with those designations are honored each year.

NOTE 7 - OPERATING LEASES

The Organization leases office space and office equipment under various operating lease agreements. Rental expense under these agreements amounted to \$208,845 and \$194,435 for the years ended September 30, 2019 and 2018, respectively.

Future minimum lease payments under non-cancelable operating leases ending September 30 are as follows:

2020	\$ 195,970
2021	205,659
2022	155,886
2023	155,299
2024	96,547
Thereafter	<u>6,190</u>
	<u>\$ 815,551</u>

NOTE 8 - RECLASSIFICATION OF FUNCTIONAL EXPENSES

For the year ended September 30, 2018, certain functional expenses were reclassified from Program Expenses to Management and General Expenses, and to Fundraising Expenses, to conform with allocation methods used for the year ended September 30, 2019. There was no impact on the change in net assets as a result of this reclassification.

GIRL SCOUTS CAROLINAS PEAKS TO PIEDMONT, INC.

Notes to Financial Statements

NOTE 9 - RESTATEMENT OF BEGINNING NET ASSETS

Certain adjustments were made to restate beginning net assets without donor restrictions and with donor restrictions. This restatement occurred as a result of review of the donor restricted endowment fund by management. Management noted the earnings on the donor restricted endowment funds were restricted for the purpose of scholarships. These adjustments result in a increase in net assets with donor restrictions of \$13,790, and a decrease in net assets without donor restrictions of \$13,790.