



BOARD OF DIRECTORS

MINUTES February 2, 2018

- Attendance
- Board members attending: Kathy Ambrose, Lacey Blake*, Tim Butler, Connie Campbell, Jennifer Casani, Alison Clark-Hardesty, Jennifer Colosimo, Caroline Cornell, Rae Ann Dougherty, Stephannie Fortune*, Jan Lucas*, Belle Markham*, Cindy Miller, Maggie Murray, Jodi Scott*, Shauna Shafer, Kim Staley*, Barbara Tucker, Catherine Viator*, Renita Wolf (*by conference call)
 - Board members excused: Brooke Bodart, Lori Leugers, Shannon Sisler, Cora Ohlgren
 - MCC representatives to the Board: Erica Fukuhara, Victoria Gigoux*, Charalotte Hardy, Laurelanne Hardy (* by conference call)
 - GSCO Staff: Sam Aghbashian, Stephanie Foote, Jan Haft, Kristin Hamm, Pene Harrison, Jamie Haxton, Donnell Heistand, Hannah Kuehl, Amy Myers
- Call to Order
- A quorum being present, Rae Ann Dougherty, Chair of the Girl Scouts of Colorado (GSCO) Board of Directors, called the meeting to order at 8:22 a.m. The meeting was held at the offices of Eide Bailly LLP, 7001 E. Belleview Ave., Suite 700, Denver, Colorado, and by conference call. Rae Ann Dougherty reviewed the international, national, and Colorado mission statements.
- Mission Moment
- Rae Ann Dougherty presented a video prepared by a volunteer and her troop. The volunteer was a GSCO delegate at the G.I.R.L. 2017 convention. Her troop, Troop 1631, was inspired by conversations about girls giving back to girls, and donated a portion of their troop cookie proceeds to become members of Daisy's Circle.
- CEO Report and Council Update
- Stephanie Foote reviewed the quarterly Dashboard and provided highlights from the past quarter.
- Hannah Kuehl reported on the outreach program expansion:
 - The expansion of the outreach program is underway in Grand Junction. Staff have been recruited and sites secured, with recruitment underway for girls on the western slope.
 - GSCO is hiring 2 outreach staff members for the expansion in Colorado Springs, and GSCO anticipates 10 sites in that area
 - Programs provided through the outreach expansion include:
 - Focus on Ability, serving children with profound special needs
 - Discover All You Can Be, and Girls Are Great, serving girls in low resource areas, and schools where GSCO does not have the traditional troop model due to barriers such as economics and transportation
 - Sam Aghbashian reported on current membership:
 - Currently down 3% from the same time last year, but better than the national average
 - GSCO adult membership is up, and above the national average

- GSCO forecasts 21,400 girls toward the annual goal of 22,000
- Girl and adult retention are strong, and well above the national averages
- Service Unit engagement continues to be a struggle, but staff are working with the MCC on this issue
- Jamie Haxton reported on preparations for the cookie sale, which starts Sunday, February 4, 2018
 - 65 delivery sites along the front range
 - Regional areas have already received their cookies
- Troop initial orders were 24.4% above last year's starting initial order
- GSCO's budget is based on selling 3.8 million packages
 - currently 4.6 million packages of cookies are in Colorado
- Per Girl Average (PGA):
 - GSCO's estimated per girl average (PGA) is 295 packages
 - National PGA is currently 154 packages
 - GSCO attributes its high PGA to increased understanding of what girls can use cookie credit for (i.e. shop merchandise, trips, camp., etc.)
- Risks for the cookie sale:
 - PGA
 - Moving forward, GSCO realizes that an ever-increasing PGA is not sustainable
 - Potential customer pool is growing as girl membership is decreasing causing future demand to not be met
 - GSCO anticipates PGA will stay flat for 1-2 years due to new cookie and new digital order card (DOC) pilot program
 - PGA will likely decrease and balance out to GSCO's historic normal rate of 150 packages
 - Weather
 - Good weather forecast for distribution day
 - Bad weather would delay sale and decrease momentum
 - Supply
 - No supply problem anticipated in the event of bad weather
 - ❖ Sufficient cookies in Colorado warehouse
 - ❖ Little Brownie Bakers (LBB) has duplicated lines across the nation, so in the event of emergency, they can bake on Kellogg lines
- Sales locations: Girl Scouts of Colorado allows troop leaders and families to determine the best location for My Sales. All My Sales sites are subject to approval. We feel our role is to help girls develop self-confidence and good decision-making skills that will help them make wise choices in all areas of their lives. Parents or guardians make all decisions regarding participation in council Booth Sales or My Sales. Girl Scouts of Colorado reminds all participants that when you are selling Girl Scout Cookies you are representing Girl Scouts.
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- Cookie returns:
 - GSCO is responsible for \$4.5 million in cookies, and pays for them upon delivery to Colorado
 - GSCO does not accept returns from troops
 - Troops are encouraged to do troop to troop transfers before getting cookies from cupboards

- Volunteer Toolkit, e-learning, and cookie training provide information and assistance for troop to troop transfers
- Volunteer Support Service (VSS) staff also make direct calls to troops every quarter, with 2 calls specific to the cookie program
- Digital Order Card (DOC):
 - GSCO was number 1 in sales in the nation for councils using the DOC in 2017
 - GSCO anticipates sales through the DOC will continue to grow

Finance Update

Donnell Heistand reviewed the audit, Form 990, quarterly financials, auditor RFP, and new accounting standards

- Internal controls are in place and working well
- Clean audit opinion with no qualifications
- Approximately \$1 million increase in net assets from prior year due to reclassing Magic Sky Ranch to an asset held for sale (aka no depreciation), cookie proceeds, and investment income
- \$6 million cash in bank accounts
- \$9.3 million in funds at Rose Community Foundation
- \$80,000 in funds at Community First Foundation
- Accrued Liabilities increased due to increasing for gift card liability for cookies and vacation accrual recalculation
- Fall product sales grossed \$1 million in revenue (highest to date)
- The management letter comment concerned endowment funds released from restriction and other endowment funds which were reclassified to correctly reflect donor intent. The material weakness comment was required due to the amount of the assets that were reclassified.
 - This is a classification issue and not a change in dollar amount
 - Following review, all endowment funds are now in the correct category
- GSCO contributed almost \$700,000 to GSUSA for the pension plan.
 - GSUSA has given no indication of whether pension plan contributions will increase in the future
- GSCO's expenditures toward programmatic expense increased to 81% from 79%, which indicates GSCO put more funds toward providing program
- GSCO is in a strong cash position, and will not need to pull any funds from Rose Community Foundation
- The IRS Form 990 ties out to GSCO's audited financial statements
- When formed, the Audit Committee will review GSCO's whistleblower policy and open-door policy

ACTION: Following discussion, on the motion of the Finance Committee, the Board unanimously approved the Audit and IRS Form 990.

Donnell Heistand reviewed the first quarter financials:

- GSCO will draw down the full amount of the line of credit to pay for the cookies, and repay it with troop funds after the ACH debit in March
 - It is cost effective to use the line of credit instead of withdrawing funds from Rose Community Foundation since the interest rate on the LOC is lower than the current return on investments held at Rose Community Foundation

- GSCO will do an initial ACH withdrawal of troop funds, contact troops with any issues, do a second ACH withdrawal, follow up with troops with payment issues through a letter from our attorney, followed by collections referral
- GSCO streamlined its accounts payable process through increased use of P-Card transactions
- GSCO did an IT assessment last summer and has contracted Peter Horewitch from CKT to serve as a Virtual CIO. CKT will also provide back-up when GSCO IT staff are out of the office.

ACTION: following discussion, on the Finance Committee's motion, the Board unanimously approved the Q1 financials.

Auditor RFP	<p>The Finance Committee recommends GSCO issue a RFP for a new audit firm since BKD has been GSCO's auditor for 6 years.</p> <ul style="list-style-type: none"> • The Finance Committee formed a RFP Committee • GSCO will solicit bids • Bid responses are due back in mid-March • Once staffed the Audit Committee shall, as authorized by the Bylaws, "hire independent auditors and consultants as necessary".
New Accounting Standards	<p>Donnell Heistand explained that a new audit standard for non-profit organizations, issued in 2016, is due for implementation in 2019.</p> <ul style="list-style-type: none"> • Requires changes in disclosures in financial statements • Affects endowments and their reclassification • Requires a liquidity reserve calculation • Requires new policies and processes for the fund development and finance departments • Will require expertise from our new audit firm to implement
Philanthropy Committee	<p>Cindy Miller reported on the Philanthropy Committee's work:</p> <ul style="list-style-type: none"> • \$10,000 remains in the Kathy and Rick Ambrose Daisy's Circle match challenge until July. • Most Board members are Daisy's Circle members • The committee is developing its plans for the committee's focus for what the Board should be doing • Board members are invited to a cookie party March 6, 2018 at Cindy Miller's home inviting people to learn about Girl Scouts increasing their awareness and ultimately building financial support.
Board Governance Committee	<p>Jodi Scott provided a BGC update:</p> <ul style="list-style-type: none"> • The Finance Committee reviewed and approved the audit this year since the Audit Committee is not yet constituted • The BGC is reviewing Audit Committee candidates to be elected at the May Board meeting • The BGC is reviewing the Board candidate recruiting and vetting process to increase BGC participation earlier in the process • Board members are encouraged to provide contact information and suggestions for potential Board members

- The BGC is reviewing current skill sets and needs for Board members to develop a good pipeline of candidates
- The BGC is still working on its charter and ways of work, and will present them at a future meeting

Membership Connection Committee

Caroline Cornell reported on the MCC's work:

- The MCC's 21 members provide a broad membership base, geographic representation, and age representation
- MCC looked at its networks to seek help recruiting outreach support, and suggested possible locations to recruit
- MCC goals for the current fiscal year include:
 - Strengthening Service units
 - Supporting volunteer appreciation and awards
- Highlights from 2017 volunteer surveys at regional events include:
 - Needs of new leaders
 - Networking by leaders / opportunities to share volunteer to volunteer
 - Communication needs
 - Mentoring for leaders
- Caroline Cornell reviewed the proposed MCC Charter, procedural rules, and practices, and requested Board ratification.

Standing Committees Work

Rae Ann Dougherty asked the Chairs of the standing committees to report on development of their charters and ways of work.

- Board Governance Committee (BGC):
 - Jodi Scott reported that the BGC is still working on making their charter and ways of work more tactical, and will present them at a future Board meeting.
- Philanthropy Committee:
 - Cindy Miller reported that the Philanthropy Committee is working on a new vision for the committee, and will report again at a future Board meeting.
 - Topics under consideration include increasing financial support to GSCO, and how to become leaders and drivers for getting outside investment and additional donors.
- Finance and Audit Committees
 - Shauna Shafer reported that the Finance Committee has its ways of work outlined (but not yet recorded) because of the financial reporting requirements throughout the year. Once the Audit Committee members are in place, the two committees will finalize their charters and ways of work.
- Membership Connection Committee (MCC):
 - Caroline Cornell reviewed the proposed revisions to the MCC charter and requested the Board's approval

ACTION: Following discussion, on a motion made and seconded, the Board unanimously approved the revised MCC Charter.

Chair's Report

Chair's Report: Rae Ann Dougherty reported the following:

- Rae Ann Dougherty, Kathy Ambrose, and Stephanie Foote presented Michelle Rose-Hughes with the Thanks Badge for her past service to GSCO.

- Tinesha Ross resigned from the Board due to other commitments, but she will continue to work with and support GSCO.
- There was no Executive Committee action between the last board meeting and this one.
- The May 2018 Board meeting will include a presentation on planned giving.
- Rae Ann will attend "Leading High Performing Boards" training by GSUSA next week at Edith Macy Conference Center.
- Cora Ohlgren is working on a way for Board members to use SignUp Genius to sign up for GSCO events and coordinate car-pooling.
- Discussion of potential risks for the Board to stay tuned and aware of
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Adjourn

There being no further business, Rae Ann Dougherty adjourned the meeting at 1:15 p.m.

APPROVED by electronic vote of the Girl Scouts of Colorado Board of Directors on March 20, 2018.



RENITA WOLF, SECRETARY
GIRL SCOUTS OF COLORADO
BOARD OF DIRECTORS