

GIRL SCOUTS OF NORTHEASTERN NEW YORK, INC.

**Financial Statements
as of September 30, 2021
Together with
Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

February 1, 2022

To the Board of Directors of
Girl Scouts of Northeastern New York, Inc.:

We have audited the accompanying financial statements of Girl Scouts of Northeastern New York, Inc. (a New York not-for-profit corporation), which comprise the statements of financial position as of September 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

(Continued)

6 Wembley Court
Albany, New York 12205
p (518) 464-4080
f (518) 464-4087

www.bonadio.com

INDEPENDENT AUDITOR'S REPORT

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Girl Scouts of Northeastern New York, Inc. as of September 30, 2021, and the changes in their net assets and their cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of Girl Scouts of Northeastern New York, Inc. as of and for the year ended September 30, 2020, were audited by other auditors whose report dated January 21, 2021, expressed an unmodified opinion on those statements.

Report on Summarized Comparative Information

In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020, as restated, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bonadio & Co., LLP

GIRL SCOUTS OF NORTHEASTERN NEW YORK, INC.

STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2021

(With Comparative Totals for 2020)

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 619,531	\$ 622,938
Investments	6,441,699	5,895,651
Accounts receivable, net	2,434	62,871
Pledges receivable, net	323,224	320,571
Inventory, net	22,171	58,408
Prepaid expenses	<u>69,615</u>	<u>97,449</u>
Total current assets	7,478,674	7,057,888
PROPERTY AND EQUIPMENT, net	<u>2,616,867</u>	<u>2,995,918</u>
BENEFICIAL INTEREST IN PERPETUAL TRUSTS	<u>4,725,959</u>	<u>4,379,769</u>
	<u>\$ 14,821,500</u>	<u>\$ 14,433,575</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Lines-of-credit	\$ 504,334	\$ 588,560
Accounts payable	35,088	479,073
Accrued liabilities	131,312	270,736
Due to Girl Scouts of USA and troops	100	16,415
Deferred revenue	113,950	43,751
Paycheck Protection Program	<u>-</u>	<u>553,900</u>
Total current liabilities	<u>784,784</u>	<u>1,952,435</u>
NET ASSETS:		
Without donor restrictions -		
Undesignated	8,492,752	7,285,425
Board designated	<u>260,053</u>	<u>308,715</u>
Total net assets without donor restrictions	8,752,805	7,594,140
With donor restrictions	<u>5,283,911</u>	<u>4,887,000</u>
Total net assets	<u>14,036,716</u>	<u>12,481,140</u>
	<u>\$ 14,821,500</u>	<u>\$ 14,433,575</u>

The accompanying notes are an integral part of these statements.

GIRL SCOUTS OF NORTHEASTERN NEW YORK, INC.

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**
(With Comparative Totals for 2020)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2021	2020
SUPPORT AND REVENUE:				
Product sales revenue, net				
Cookie sales revenue, net	\$ 1,869,068	\$ -	\$ 1,869,068	3,268,667
Magazine & nut sales revenue, net	197,421	-	197,421	166,730
Sale of merchandise, net	66,849	-	66,849	56,302
Total product sales revenue, net	<u>2,133,338</u>	<u>-</u>	<u>2,133,338</u>	<u>3,491,699</u>
Net gain on investments	93,858	1,495	95,353	129,942
Contributions	98,571	282,045	380,616	396,017
Program service fees	293,670	-	293,670	63,763
Paycheck Protection Program forgiveness	1,107,891	-	1,107,891	-
Net assets released from restrictions	<u>237,718</u>	<u>(237,718)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>3,965,046</u>	<u>45,822</u>	<u>4,010,868</u>	<u>4,081,421</u>
EXPENSES:				
Program expenses	2,690,516	-	2,690,516	3,154,904
Administrative expenses	478,156	-	478,156	636,348
Fundraising expenses	<u>260,544</u>	<u>-</u>	<u>260,544</u>	<u>293,710</u>
Total expenses	<u>3,429,216</u>	<u>-</u>	<u>3,429,216</u>	<u>4,084,962</u>
CHANGE IN NET ASSETS FROM OPERATIONS	<u>535,830</u>	<u>45,822</u>	<u>581,652</u>	<u>(3,541)</u>
NON-OPERATING REVENUE (EXPENSE):				
Investment earnings, net				
Investment fees	(29,590)	-	(29,590)	(26,900)
Realized gains on sales of investments, net	65,252	-	65,252	23,897
Unrealized gains on investments, net	565,701	4,492	570,193	288,911
Gain on sale of property and equipment	6,900	-	6,900	31,582
Gain on beneficial interest in perpetual trusts, net	-	346,190	346,190	228,374
Miscellaneous revenue	<u>14,572</u>	<u>407</u>	<u>14,979</u>	<u>39,938</u>
Total non-operating revenue (expense), net:	<u>622,835</u>	<u>351,089</u>	<u>973,924</u>	<u>585,802</u>
CHANGE IN NET ASSETS	<u>1,158,665</u>	<u>396,911</u>	<u>1,555,576</u>	<u>582,261</u>
NET ASSETS - beginning of year	<u>7,594,140</u>	<u>4,887,000</u>	<u>12,481,140</u>	<u>11,898,879</u>
NET ASSETS - end of year	<u>\$ 8,752,805</u>	<u>\$ 5,283,911</u>	<u>\$ 14,036,716</u>	<u>\$ 12,481,140</u>

The accompanying notes are an integral part of these statements.

GIRL SCOUTS OF NORTHEASTERN NEW YORK, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

(With Comparative Totals for 2020)

	Program Services					Supporting Services			2020 Total
	Advocacy	Camps	Product and Retail Sales	Membership and Customer Care	Adult Learning	Total Program Services	Management and General	Fundraising	
Salaries and wages	\$ 252,835	\$ 260,369	\$ 268,671	\$ 511,669	\$ -	\$ 1,293,544	\$ 175,464	\$ 152,098	\$ 1,621,106
Fringe benefits	78,183	80,358	82,920	157,918	-	399,379	49,494	40,682	489,555
Depreciation	64,756	66,559	68,681	130,800	-	330,796	40,995	33,696	405,487
Supplies and recognition awards	4,775	29,969	80,617	5,542	3,341	124,244	3,067	216	127,527
Insurance	14,162	14,350	15,373	28,173	-	72,058	21,464	7,258	100,780
Advertising	16,116	16,565	17,093	32,552	-	82,326	17,800	-	100,126
Contract services	14,127	14,521	14,984	28,624	-	72,256	12,423	9,888	94,567
Rent and utilities	19,395	8,919	9,203	17,527	-	55,044	16,252	412	71,708
Licenses and fees	7,946	7,804	7,623	14,517	-	37,890	29,903	960	68,753
Maintenance and repairs	11,220	11,533	11,900	22,663	-	57,316	7,057	2,921	67,294
Travel and transportation	5,582	40,768	6,254	11,752	-	64,356	2,698	49	67,103
Telephone	7,808	7,841	8,091	15,408	-	39,148	8,657	4,138	51,943
Miscellaneous	-	-	23,337	-	-	23,337	12,783	-	36,120
Professional service fees	-	-	-	-	-	-	31,536	-	31,536
Small equipment purchases	20	21	1,872	40	-	1,953	20,529	-	22,482
Interest	2,276	2,339	2,413	4,596	-	11,624	7,056	-	18,680
Staff recruitment	57	-	-	-	-	57	11,645	-	11,702
Camperships and other awards	1,763	1,812	1,870	3,562	-	9,007	1,663	-	10,670
Postage and shipping	1,440	742	2,751	1,703	-	6,636	630	3,166	16,471
Printing, publications, and subscriptions	777	2,220	(1,189)	1,568	-	3,376	2,259	4,733	10,432
Office supplies and equipment lease	668	506	522	995	-	2,691	1,769	289	4,749
Conferences, conventions, meetings, courses	25	1,898	795	269	-	2,987	1,677	-	4,664
Information technology	96	99	102	194	-	491	1,335	38	1,864
Provision for bad debts	-	-	-	-	-	-	-	-	-
	\$ 504,027	\$ 569,193	\$ 623,883	\$ 990,072	\$ 3,341	\$ 2,690,516	\$ 478,156	\$ 260,544	\$ 3,429,216
									\$ 4,084,962

The accompanying notes are an integral part of these statements.

GIRL SCOUTS OF NORTHEASTERN NEW YORK, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(With Comparative Totals for 2020)

	<u>2021</u>	<u>2020</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,555,576	\$ 582,261
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation	405,487	422,581
Unrealized gains on beneficial interest in perpetual trusts, net	(346,190)	(228,374)
Realized and unrealized gains on investments	(635,445)	(312,808)
Gain on sale of property and equipment	(6,900)	(31,582)
Provision for bad debts	-	514
Paycheck Protection Program forgiveness	(553,900)	553,900
Changes in:		
Accounts receivable	60,437	(41,615)
Pledges receivable	(2,653)	57,382
Inventory	36,237	36,189
Prepaid expenses	27,834	(24,135)
Accounts payable	(443,985)	382,071
Accrued expenses	(139,424)	3,285
Due to Girl Scouts of USA and troops	(16,315)	(18,009)
Deferred revenue	<u>70,199</u>	<u>19,920</u>
Net cash flow from operating activities	<u>10,958</u>	<u>1,401,580</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of investment securities	(144,990)	(1,936,987)
Purchases of property and equipment	(26,435)	(115,649)
Proceeds on sales and maturities of investment securities	234,386	2,025,255
Proceeds on sale of property and equipment	<u>6,900</u>	<u>43,711</u>
Net cash flow from investing activities	<u>69,861</u>	<u>16,330</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Lines-of-credit, net	(84,226)	(1,330,254)
Net cash flow from financing activities	<u>(84,226)</u>	<u>(1,330,254)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	(3,407)	87,656
CASH AND CASH EQUIVALENTS - beginning of year	<u>622,938</u>	<u>535,282</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 619,531</u>	<u>\$ 622,938</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	<u>\$ 18,048</u>	<u>\$ 71,264</u>

The accompanying notes are an integral part of these statements.

GIRL SCOUTS OF NORTHEASTERN NEW YORK, INC.

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2021

1. THE ORGANIZATION

Girl Scouts of Northeastern New York, Inc. (GSNENY) is a not-for-profit organization chartered by Girl Scouts of the USA. GSNENY offers an information education program for girls ages 5 to 18 in the upstate New York counties of Albany, Clinton, Columbia, Essex, Franklin, Fulton, Greene, Hamilton, Montgomery, Rensselaer, Saratoga, Schenectady, Schoharie, Warren, Washington, and a portion of St. Lawrence.

GSNENY provides opportunities in an accepting and nurturing environment for girls to build character and skill for success in the real world. In partnership with committed adult volunteers, girls develop qualities that should serve them all their lives, like leadership, strong values, social conscience, and conviction about their own potential and self-worth.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements were prepared in conformity with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include bank demand deposit accounts and money market accounts. GSNENY's cash balances may at times exceed federally insured limits. The Organization has not experienced any losses in these accounts and believes it is not exposed to any significant risk with respect to cash and cash equivalents.

Accounts Receivable

Accounts receivable primarily includes amounts due from grantors and GSNENY's share of revenue due from various troops relating to cookie sales. Accounts receivable are carried at original invoice amount less an estimate made for doubtful accounts based on review of outstanding amounts and historical collection percentages. Accounts receivable are written off when deemed uncollectible, and recoveries of accounts receivable previously written off are recorded when received. The allowance for doubtful accounts was \$20,242 and \$30,000 at September 30, 2021, and 2020, respectively.

An account receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 30 days. Interest is not charged on outstanding accounts receivable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pledges Receivable

Pledges receivable represent unconditional promises to give by donors. Pledges receivable that are expected to be collected during the next year are recorded at net realizable value. Pledges receivable expected to be collected after one year are recorded at fair value, which is measured as the present value of estimated future cash flows discounted at an adjusted risk-free rate. Amortization of the discount is reflected as contributions. Pledges receivable are also net of an estimated made for doubtful accounts based on review of outstanding items. The allowance for doubtful accounts was \$10,000 at both September 30, 2021, and 2020.

Pledges receivable are written off when deemed uncollectible. Recoveries of accounts previously written off are recorded when received. There were no amounts written off during the year ended September 30, 2021 and approximately \$10,000 during the year ended September 30, 2020. A contribution receivable is considered to be past due if any portion of the receivable balance has been outstanding for more than 90 days.

Investments

All investments are stated at fair value. Fair value is determined using quoted market prices. All realized and unrealized gains and losses are reported directly in the accompanying statement of activities within investment income. Interest income is recognized on the accrual basis. Dividends are recorded on the ex-dividend date and purchases and sales of securities are recorded on a trade date basis (the date the order to buy or sell is executed).

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

Inventory

GSNENY's inventory consists of Girl Scout merchandise for sale and is valued at the lower of average cost or net realizable value. The reserve for obsolete inventory was \$16,500 at both September 30, 2021, and 2020.

Property and Equipment

Property and equipment are stated at cost at the date of acquisition or at fair value if acquired by donation, net of accumulated depreciation computed on a straight-line basis over the estimated useful lives of the respective assets, which range from 3 to 40 years. Total depreciation expense was \$405,486 and \$422,581 for the years ended September 30, 2021 and 2020, respectively.

Estimated useful lives are as follows:

Land and improvements	15 years
Building and improvements	15 – 39 years
Furniture and equipment	5 – 10 years
Vehicles	5 years
Computer hardware and software	3 – 5 years

Repairs and maintenance are charged to operations as incurred while significant additions and improvements with a cost of \$1,000 or greater and an estimated useful life of more than one year are capitalized. When assets are sold, retired, or otherwise disposed of, the applicable costs and accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of Long-Lived Assets

GSNENY assesses its long-lived assets for impairment when events or circumstances indicate their carrying amounts may not be recoverable. This is accomplished by comparing the expected undiscounted future cash flows of the long-lived assets with the respective carrying amount as of the date of assessment. If the expected undiscounted future cash flows exceed the respective carrying amount as of the date of assessment, the long-lived assets are considered not to be impaired. If the expected undiscounted future cash flows are less than the carrying value, an impairment loss is recognized and measured as the difference between the carrying value and the fair value of the long-lived assets. No impairment of long-lived assets was recognized in 2021 and 2020.

Beneficial Interest in Perpetual Trust

GSNENY is the irrevocable beneficiary of perpetual charitable trusts held by trustees. The beneficial interest in the trusts are reported at their fair value, which is estimated as the fair value of the underlying trust assets. Distributions of income from the trust assets are without donor restrictions. The value of beneficial interests in the trusts is adjusted annually for the change in their estimated fair values. Those changes in value are reported as increases or decreases in permanently restricted net assets because the trust assets will never be distributed to GSNENY.

Due to Third Parties

Amounts due to third parties consist of amounts due to Girl Scouts of the United States of America (GSUSA). Amounts represent amounts owed for membership dues into GSUSA.

Deferred Revenue

Deferred revenue represents advances received from Girls for which the GSNENY has not yet fulfilled its contractual and grant obligations related to camp rentals and programs. Deferred revenue is recognized as revenue when these obligations have been satisfied.

Financial Reporting

Net assets, revenues, public, and other support, and gains and losses are classified based on existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – which include resources which are available for the support of the GSNENY's operating activities and not subject to donor or restrictions. The Board of Directors have designated approximately \$260,100 and \$308,700 for girl scout financial assistance as of September 30, 2021 and 2020, respectively, from net assets without donor restrictions.

Net Assets With Donor Restrictions – which include amounts that have donor-imposed restrictions that expire when the donor-imposed restrictions have been satisfied by actions of GSNENY. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. GSNENY reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contract Revenue Recognition

Revenue from contracts with customers is recognized in accordance with a five-step model as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligation(s) in the contract
- Recognize revenue when or as performance obligations are satisfied

The majority of the GSNENY revenue is generated by selling products (cookies, magazines, nuts, and merchandise) to the general public. GSNENY also receives revenues through camping fees generated through the operation of several summer camp scouting programs. In addition, GSNENY receives income from sponsoring events.

Cookie, magazine/nut, and merchandise sale – GSNENY records the sale of products upon delivery to the customer, which is when the performance obligation is satisfied, and collection of payment is expected.

Camping fees and other program revenues – Revenues from camping fees and events are recognized at the point in time when the event happens. Payment of the fee by each participant is expected at the time of registration. Any amounts received in advance are deferred.

Contributions, Grants, and Fundraising

GSNENY recognizes contributions and sponsorships, and grants when cash, securities, or other assets are received. Conditional contributions and grants, that is, those with measurable performance or other barrier and a right of return, are not recognized until those conditions on which they depend have been met.

Donated goods are recorded at their estimated fair values at the date of receipt. Support arising from donated services is recognized if the services received require specialized skills, are provided by the individual possessing those skills, and would typically need to be purchased if not provided by donation.

A substantial number of volunteers have donated significant amounts of their time to GSNENY's program services and fundraising activities; however, these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

Functional Allocation of Expenses

Expenses that are directly identifiable are charged to programs. Expenses related to more than one function are charged to program services and other functions using specific allocation methods. Management and general include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of GSNENY. The expenses that are allocated based on time and effort include salaries, benefits and payroll taxes, contract services, depreciation, insurance, and telephone. The expenses that are allocated based upon square footage include information technology, maintenance, and repairs, rent and utilities, office supplies and equipment lease, postage and shipping, and telephone.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

GSNENY is a not-for-profit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified by the Internal Revenue Service as an entity that is not a private foundation.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class and functional expense classification. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with GSNENY's financial statements as of and for the year ended September 30, 2020.

Fair Value Measurement – Definition and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and GAAP provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation methodology used for GSNENY's assets measured at fair value is to value the investments at quoted market prices on the last business day of the fiscal year.

GSNENY has financial instruments in the accompany financial statements including cash and equivalents and investments including money market funds, non-publicly traded funds, equities, U.S. government notes and bonds. The carrying value of cash and equivalents, and investments in money market funds, non-publicly traded funds, equities, U.S. government notes and bonds are a reasonable approximation of fair value due to the short-term nature of the instruments are considered to be a level 1 measurement. The fair value of the corporate bonds, and beneficial interest in perpetual trusts are determined to be a level 2 measurement using the market approach as the carrying amount of these investments approximates fair value based on the value of similar assets at which GSNENY could invest.

3. LIQUIDITY

GSNENY's financial assets available within one year to meet cash needs for general expenditures. The following reflects GSNENY'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.

	<u>2021</u>	<u>2020</u>
Financial assets		
Cash and cash equivalents	\$ 619,531	\$ 622,938
Accounts receivable, net	2,434	62,871
Investments	<u>6,441,699</u>	<u>5,895,651</u>
Total financial assets	7,063,664	6,581,460
Less: those unavailable for general expenditures within one year, due to:		
Board designated	(260,053)	(308,715)
Net assets with donor restrictions	<u>(557,952)</u>	<u>(507,231)</u>
Financial assets available to meet cash need for general expenditure within one year	<u>\$ 6,245,659</u>	<u>\$ 5,765,514</u>

As part of GSNENY's liquidity management, GSNENY has a policy to structure their financial assets to be available as their general expenditures, other liabilities, and other obligations as they come due. GSNENY's ability to meet its cash needs is dependent on timely collection of its accounts receivable and grants receivable. GSNENY employs procedures specifically designed to collect from these payers as quickly as possible. However, the timeliness of payment from these payers varies and is sometimes difficult to predict. Due to these factors, GSNENY has lines-of-credit available (Note 8), which can be drawn upon. In addition, GSNENY could also manage vendor relationships to extend payment terms where possible. Investment reserves could be used by GSNENY if approved by the Board if there was a shortage in liquidity.

4. PLEDGES RECEIVABLE

A summary of pledges receivable, net, are expected to be received as follows:

During the year ending September 30,	
2022	\$ 99,964
2023	85,895
2024	55,200
2025	50,000
2026	50,000
Thereafter	<u>-</u>
	341,059
Less: discount to present value	(7,835)
Less: allowance for doubtful pledges	<u>(10,000)</u>
Total pledges receivable, net	<u>\$ 323,224</u>

5. INVESTMENTS AND FAIR VALUE MEASUREMENT

A summary of investments their fair value measurements at September 30 is as follows:

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
September 30, 2021:				
Mutual funds	\$ 6,383,498	\$ -	\$ -	\$ 6,383,498
U.S. Government notes and bonds	32,939	-	-	32,939
Beneficial interest in perpetual trusts	-	4,725,959	-	4,725,959
Corporate bonds	-	25,262	-	25,262
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Investments measured at fair value	\$ 6,416,437	\$ 4,751,221	\$ -	\$ 11,167,658
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
September 30, 2020:				
Mutual funds	\$ 5,809,928	\$ -	\$ -	\$ 5,809,928
U.S. Government notes and bonds	34,980	-	-	34,980
Beneficial interest in perpetual trusts	-	4,379,769	-	4,379,769
Corporate bonds	-	50,743	-	50,743
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Investments measured at fair value	\$ 5,844,908	\$ 4,430,512	\$ -	\$ 10,275,420
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30:

	2021	2020
Land	\$ 171,316	\$ 171,316
Building and improvements	5,242,178	5,242,178
Furniture and equipment	852,801	841,999
Vehicles	461,538	471,532
Computer hardware and software	715,734	700,101
Construction-in-progress	22,380	22,380
	<u>7,465,947</u>	<u>7,449,506</u>
Less: Accumulated depreciation	<u>(4,849,080)</u>	<u>(4,453,588)</u>
	<u>\$ 2,616,867</u>	<u>\$ 2,995,918</u>

7. BENEFICIAL INTERESTS IN PERPETUAL TRUSTS

GSNENY is the beneficiary of perpetual irrevocable trusts held and administered by independent trustees. Under the terms of the trusts, GSNENY has the irrevocable right to receive distributions and the income earned (net of brokerage fees) on the trust assets in perpetuity, some of which is restricted for specific uses. The fair value of the beneficial interest in a trust is recognized as an asset and as a contribution with donor restrictions at the date the trust is established. GSNENY's estimate of fair value is based on fair value information received from the trustees. These assets are not subject to the control or direction of GSNENY.

7. BENEFICIAL INTERESTS IN PERPETUAL TRUSTS (Continued)

The following table summarizes the trust's activity at September 30:

	<u>2021</u>	<u>2020</u>
Beneficial interests in perpetual trusts, <i>beginning of year</i>	\$ 4,379,769	\$ 4,151,395
Change in beneficial interests in perpetual trusts	548,017	425,509
Amounts distributed to GSNENY	<u>(201,827)</u>	<u>(197,135)</u>
	<u>\$ 4,725,959</u>	<u>\$ 4,379,769</u>

8. LINES-OF-CREDIT

GSNENY has a \$3,000,000 working capital line-of-credit with NBT Bank, of which \$55,000 and \$78,000 was outstanding as of September 30, 2021 and 2020, respectively. The line-of-credit is renewable June 30, 2022. Interest is charged at the one-month LIBOR plus 1.75%, at the election of management.

GSNENY also has a \$1,000,000 capital improvements line-of-credit with NBT Bank, of which \$449,334 and \$510,560 was outstanding as of September 30, 2021 and 2020, respectively. The line-of-credit is renewable June 30, 2022. Interest is charged at the one-month LIBOR plus 1.75% or fixed for one year at the U.S. Treasury rate plus 1.75% with the fixed rate expiring in January 2022, at the election of management.

Both lines-of-credit are secured by the NBT Financial Group investment account. The borrowings under the lines-of-credit must not exceed 70% of the account value. In connection with the lines-of-credit, the GSNENY is required to meet certain reporting requirements. The working capital line-of-credit requires GSNENY to maintain a zero balance for 30 consecutive days during the loan year.

9. OPERATING LEASES

GSNENY is committed under noncancelable operating leases for commercial space, internet services, and equipment. The leases require monthly payments ranging from \$157 to \$1,175 and expire at various times ranging from April 2022 through January 2026. Rental expense under these leases was approximately \$27,700 and \$32,300 for the years ended September 30, 2021 and 2020. Future minimum lease payments for the next five years are as follows at September 30:

2022	\$ 27,235
2023	12,850
2024	7,414
2025	7,414
2026	3,089
Thereafter	-
	<u>\$ 58,002</u>

10. RETIREMENT PLANS

GSNENY maintains a 403(b) plan covering substantially all employees. Employer voluntary contributions are equal to \$25 per month, per employee, and are made for employees who contribute a minimum of \$100 per month and meet certain eligibility requirements. Total annual employer contributions are limited to \$300 per year, per employee. GSNENY expense related to the plan was approximately \$10,100 and \$59,100 for the years ended September 30, 2021 and 2020, respectively.

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

Although net Plan assets grew during the year, net Plan assets available for Plan benefits continue to be less than the actuarial present value of accumulated Plan benefits as of January 1, 2021. Based on the April 18, 2014, conditional approval by the Internal Revenue Service (IRS), all existing amortization bases in the Plan's funding standard account as of January 1, 2013, were combined into one base and the resulting amortization period for that single base was extended to 10 years. Approval applies as long as at a minimum, beginning with the January 1, 2013, calendar year until the Plan is fully funded based upon the requirements of the Pension Protection Act of 2006 (PPA). In 2021, the funded status of the plan increased, and the \$30,000,000 minimum will no longer apply. In addition, on April 8, 2014, President Obama signed H.R. 4275 into law, a relief package unanimously passed by Congress that gives NGSCR the flexibility to adopt the Pension Protection Act (PPA) funding requirements immediately or not at all. NGSCR has elected to adopt this relief and not be subject to PPA. In September 2020, the National Board of Girl Scouts of the USA approved to lower the contributions from \$30 million to \$26 million starting in calendar year 2023 until the Plan is fully funded on a market basis. Aggregate annual contributions made in fiscal years 2020 and 2021 were \$32.2 million and \$32.9 million, respectively. Aggregate contributions were made in fiscal year 2022 are expected to be \$32.2 million. GSNENY expense related to this Plan was approximately \$209,900 and \$210,200 for the years ended September 30, 2021 and 2020, respectively.

11. NET ASSETS, WITHOUT DONOR RESTRICTIONS, DESIGNATED BY THE BOARD

Net assets without donor restrictions, designated by the Board are available for the following uses at September 30:

	<u>2021</u>	<u>2020</u>
Financial assistance	\$ 260,053	\$ 259,546
Girl leadership development programs	<u>-</u>	<u>49,151</u>
	<u>\$ 260,053</u>	<u>\$ 308,697</u>

On November 4, 2011, the Board of Directors established a Board designated scholarship fund (financial assistance) totaling \$500,000, which after board resolution is expected to be used through 2022.

12. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following:

	<u>2021</u>	<u>2020</u>
Capital campaign	\$ 346,224	\$ 360,571
Maintaining and improving GSNENY's facilities for outdoor activities	113,839	66,248
Various GSNENY programs	44,046	26,569
Beneficial interest in perpetual trusts	4,725,959	4,379,769
Net assets, held in perpetuity	<u>53,843</u>	<u>53,843</u>
	<u>\$ 5,283,911</u>	<u>\$ 4,887,000</u>

13. PAYCHECK PROTECTION ARRANGEMENT

In April 2020, GSNENY entered into an arrangement with a bank under the auspices of the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief & Economic Security Act (CARES Act) under which GSNENY received \$553,900. This arrangement is evidenced by a loan agreement that includes provisions whereby the loan balance can be fully or partially forgiven based on GSNENY's use of the funds, maintenance of its personnel complement, and compliance with certain reporting elements to the bank in accordance with the requirements of the PPP Program.

GSNENY has elected to account for its PPP arrangement as a conditional contribution, meaning that revenue is recorded as the conditions meeting the requirements for forgiveness are met. GSNENY applied for forgiveness of their PPP loan and was approved in full. As such, GSNENY recognized \$553,991 as revenue during the year ended September 30, 2021 and is recorded as Paycheck Protection Program in the statement of activities.

In February 2021, GSNENY entered into another agreement with a bank under the Paycheck Protection Program (PPP) round 2 and received \$553,991. This arrangement is evidenced by a loan agreement that includes provisions whereby the loan balance can be fully or partially forgiven based on the Organization's use of funds, maintenance of its personnel complement, and compliance with certain reporting elements to the bank in accordance with the requirements of the PPP Program.

GSNENY has elected to account for its PPP round 2 arrangement as a conditional contribution, meaning that revenue is recorded as the conditions meeting the requirements for forgiveness are met. GSNENY applied for forgiveness of their PPP loan and was approved in full. As such, GSNENY recognized \$553,991 as revenue during the year ended September 30, 2021 and is recorded as Paycheck Protection Program in the statement of activities.

14. COMMITMENTS AND CONTINGENCIES

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on GSNENY and its future results and financial position is not presently determinable.

15. SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 1, 2022, which is the date the financial statements were available to be issued.