GIRL SCOUTS OF SOUTHEAST FLORIDA, INC.

REPORT ON AUDIT OF FINANCIAL STATEMENTS

For the Year Ended September 30, 2021
(with comparable totals for September 30, 2020)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Girl Scouts of Southeast Florida, Inc.
Lake Worth, Florida

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Girl Scouts of Southeast Florida, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Girl Scouts of Southeast Florida, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Girl Scouts of Southeast Florida, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Girl Scouts of Southeast Florida, Inc.'s ability to continue as a going for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Girl Scouts of Southeast Florida, Inc. 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 14, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Holyfield & Thomas, LLC

West Palm Beach, Florida
January 18, 2022

As of September 30, 2021 ***(with comparable totals for 2020)***

	Without Donor Restrictions	With Donor Restrictions	2021 Totals	2020 Totals
ASSETS				
Cash and cash equivalents	$ 4,141,232	$ 106,920	$ 4,248,152	$ 4,426,828
Investments	3,536,151	-	3,536,151	3,034,411
Accounts and grants receivable	63,757	-	63,757	9,622
Inventories	138,422	-	138,422	159,227
Prepaid expenses and other assets	96,941	-	96,941	75,830
Total current assets	7,976,503	106,920	8,083,423	7,705,918
Investments in endowment	-	25,000	25,000	25,000
Property and equipment, net	5,004,782	-	5,004,782	5,117,949
Total assets	$ 12,981,285	$ 131,920	$ 13,113,205	$ 12,848,867
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable	$ 113,643	$ -	$ 113,643	$ 45,184
Accrued expenses	213,434	-	213,434	314,010
Deferred revenue	114,711	-	114,711	100,421
Current portion of mortgage payable	118,629	-	118,629	114,337
Total current liabilities	560,417	-	560,417	573,952
Note payable	500,000	-	500,000	484,300
Mortgage payable	615,317	-	615,317	734,034
Total liabilities	1,675,734	-	1,675,734	1,792,286
Net assets	11,305,551	131,920	11,437,471	11,056,581
Total liabilities and net assets	$ 12,981,285	$ 131,920	$ 13,113,205	$ 12,848,867

See accompanying notes to financial statements.

For the Year Ended September 30, 2021 ***(with comparable totals for 2020)***

	Without Donor Restrictions	With Donor Restrictions	2021 Totals	2020 Totals
Support:				
Gifts, grants and bequests	$ 424,121	$ 106,076	$ 530,197	$ 572,364
PPP loan forgiveness	484,300	-	484,300	-
United Way allocations	14,159	-	14,159	21,566
Fundraising events	48,265	-	48,265	25,105
Total support	970,845	106,076	1,076,921	619,035
Revenues:				
Product sales, net	3,028,519	-	3,028,519	4,741,992
Merchandise sales, net	83,597	-	83,597	96,796
Girl programs	288,956	-	288,956	346,144
Investment income, net of fees	69,030	97	69,127	104,026
Realized and unrealized gain on investments	437,152	-	437,152	174,042
Other income	85,929	-	85,929	3,141
Total revenues	3,993,183	97	3,993,280	5,466,141
Total support and revenues	4,964,028	106,173	5,070,201	6,085,176
Net assets released from restriction	99,607	(99,607)	-	-
Expenses:				
Program services	3,882,203	-	3,882,203	3,899,230
Supporting services:				
Management and general	410,030	-	410,030	430,209
Fundraising	393,483	-	393,483	406,514
Total expenses	4,685,716	-	4,685,716	4,735,953
Loss on disposal of assets	(3,595)	-	(3,595)	(454)
Change in net assets	374,324	6,566	380,890	1,348,769
Net assets, beginning	10,931,227	125,354	11,056,581	9,707,812
Net assets, ending	$ 11,305,551	$ 131,920	$ 11,437,471	$ 11,056,581

See accompanying notes to financial statements.

GIRL SCOUTS OF SOUTHEAST FLORIDA, INC.

STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2021 ***(with comparable totals for 2020)***

	2021	2020
Cash flows from operating activities:		
Cash received from contributions and support	$ 490,221	$ 609,582
Cash received from fundraising events	48,265	25,105
Cash received from product and merchandise sales	3,112,116	4,838,788
Cash received from girl programs	303,246	312,476
Cash paid to suppiers and employees	(4,416,201)	(4,438,172)
Interest and dividends received	87,366	119,300
Interest paid	(29,286)	(33,934)
Other income	85,929	3,141
Net cash provided by (used in) operating activities	(318,344)	1,436,286
Cash flows from investing activities:		
Proceeds from maturation of certificate of deposit	-	1,109,263
Proceeds from sale of investments	1,653,796	838,788
Purchase of investments	(1,718,384)	(909,464)
Purchase of property and equipment	(181,319)	(148,077)
Net cash provided by (used in) investing activities	(245,907)	890,510
Cash flows from financing activities:		
Proceeds from note payable	500,000	484,300
Principal payments on mortgage	(114,425)	(109,929)
Net cash provided by financing activities	385,575	374,371
Net change in cash and cash equivalents	(178,676)	2,701,167
Cash and cash equivalents, beginning of year	4,426,828	1,725,661
Cash and cash equivalents, end of year	$ 4,248,152	$ 4,426,828

See accompanying notes to financial statements.

For the Year Ended September 30, 2021 *(with comparable totals for 2020)*

	2021	2020
Reconciliation of change in net assets to net cash provided by (used in) operating activities:		
Change in net assets	$ 380,890	$ 1,348,769
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	290,891	294,741
PPP loan forgiveness	(484,300)	-
Realized and unrealized gain on investments	(437,152)	(174,042)
Loss on disposal of fixed assets	3,595	454
(Increase) decrease in assets:		
Accounts and grants receivable	(54,135)	15,652
Inventories	20,805	(6,568)
Prepaid expenses and other assets	(21,111)	(22,785)
Increase (decrease) in liabilities:		
Accounts payable	68,459	(50,984)
Accrued expenses	(100,576)	64,717
Deferred revenue	14,290	(33,668)
Net cash provided by (used in) operating activities	$ (318,344)	$ 1,436,286

See accompanying notes to financial statements.

For the Year Ended September 30, 2021 ***(with comparable totals for 2020)***

	Program Services	Supporting Services Management and General	Supporting Services Fundraising	2021 Totals	2020 Totals
Compensation	$ 1,923,848	$ 220,901	$ 200,585	$ 2,345,334	$ 2,472,828
Payroll taxes	144,409	17,054	15,726	177,189	173,816
Pension expense and benefits	212,922	25,146	23,186	261,254	266,740
Other benefit costs	144,979	15,895	14,741	175,615	205,229
	2,426,158	278,996	254,238	2,959,392	3,118,613
Bank and credit card fees	18,275	4,747	4,569	27,591	43,781
Communications	60,979	7,201	6,641	74,821	76,317
Conferences, conventions, and meetings	7,017	1,664	764	9,445	7,517
Equipment expenses	57,717	2,237	2,062	62,016	61,624
Financial assistance	50,197	-	-	50,197	51,290
Information technology	72,371	4,737	7,854	84,962	88,176
Insurance	190,680	22,519	20,764	233,963	157,745
Interest expense	23,868	2,819	2,599	29,286	33,934
Miscellaneous	11,539	467	430	12,436	14,869
Occupancy	320,914	12,094	11,315	344,323	298,839
Office expenses	7,885	2,919	1,661	12,465	9,273
Postage and shipping	8,637	1,020	941	10,598	8,679
Printing, advertising, and promotion	86,221	219	3,016	89,456	79,574
Professional fees for service	45,296	36,414	16,961	98,671	70,049
Program fees	35,585	-	-	35,585	53,289
Recognition and appreciation	141,207	1,788	7,427	150,422	181,838
Supplies	68,922	973	25,301	95,196	56,174
Travel	11,659	1,218	1,123	14,000	29,631
Total expenses before depreciation	3,645,127	382,032	367,666	4,394,825	4,441,212
Depreciation	237,076	27,998	25,817	290,891	294,741
Total expenses	$ 3,882,203	$ 410,030	$ 393,483	$ 4,685,716	$ 4,735,953

See accompanying notes to financial statements.

1. *Organization and Nature of Activities*

Organization and Nature of Activities

Girl Scouts of Southeast Florida, Inc. (the "Organization") is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code that locally administers the National Girl Scout Program. Girl Scouting builds girls of courage, confidence, and character, who make the world a better place. The program provides girls with the opportunity to experience activities that encourage social, ethical, leadership and individual development through a wide variety of activities and projects. The Organization recruits, trains and provides a support system of volunteers, who serve as troop leaders and in other program-related positions.

2. *Significant Accounting Policies*

Financial Statement Presentation

In accordance with FASB Accounting Standards Codification (FASB ASC) 958-605, *Not-for-Profit Entities, Revenue Recognition,* the Organization reports information regarding its financial position and activities according to two classes of net assets, as applicable: net assets without donor restrictions, and net assets with donor restriction. The categories of net assets are described as follows:

> Net Assets Without Donor Restrictions – is used to account for all resources over which the Board of Directors exercises discretionary control. The resources in these funds are used to carry out the activities of the Organization in accordance with its By-Laws. The principal sources of income are unrestricted contributions, grants, and revenues from product sales.
>
> Net Assets With Donor Restrictions – is used to account for those resources whose use has been limited by donors to either a later period of time, or after specified dates, for a specified purpose, or for endowments or other gifts restricted in perpetuity.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

Management of the Organization has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

Cash Equivalents

Bank deposits are maintained at high quality institutions. Except for money market fund investments held within the investment portfolio, the Organization considers all highly liquid investments with maturities of 90 days or less, as well as overnight investment sweeps and repurchase agreements, to be cash equivalents.

2. Significant Accounting Policies, continued

Accounts and Grants Receivable

Accounts and grants receivable consist of program grant reimbursements due to the Organization for administrative and program expenses incurred. It also includes amounts due from GSUSA for revenue sharing. Management believes the amounts recorded for accounts and grants receivable are fully realizable, and therefore has not recorded an allowance for doubtful accounts in these amounts.

Inventories

Merchandise inventories, which consist primarily of clothing, books, and patches, are stated at the lower of cost (first-in, first-out method) or market.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets ranging from three to forty years.

Additions, improvements, and expenditures for repairs and maintenance that exceed the Organization's policy limit and that significantly add to the productivity or extend the economic life of assets are capitalized. Any immaterial amounts or amounts incurred as recurring expenditures for repairs and maintenance are expensed.

Accrued Expenses

The Organization records accrued expenses for various liabilities that may be reasonably estimated. Significant accrued expenses as of September 30, 2021, include $84,812 of accrued vacation and $35,483 of accrued salaries.

Deferred Revenue

The Organization records as deferred revenue amounts received in advance for other Girl programs to be held or provided in the following fiscal year, and for amounts received to sponsor and attend special events in the following fiscal year. The Organization also collects a $15 annual council service fee from each girl during registration, with amounts received before the registration year reflected as deferred revenue. Registration this fiscal year opened in April 2021, resulting in $63,045 in deferred service fee revenue as of September 30, 2021.

Accounting for Contributions

The Organization follows FASB ASC 958-605, *Not-for-Profit Entities, Revenue Recognition*. In accordance with ASC 958-605, contributions received are recorded as support without or with donor restrictions depending on the existence and/or nature of any such restrictions. Under ASC 958-605, contributions that are initially restricted as to time or use are required to be reported as donor restricted revenue and are later reclassified to net assets without donor restriction upon expiration of the time restriction or compliance with the intended purpose.

2. Significant Accounting Policies, continued

Contributed Services

A substantial number of unpaid volunteers have made significant contributions of their time to develop the Organization's programs, principally membership development and educational programs. The value of this contributed time does not meet the criteria established by relevant accounting standards and is not reflected in these statements.

Investment Income

The Organization's investment income includes bank interest, money market interest, and investment dividends, net of $18,239 in investment fees.

Functional Expenses

The costs of providing various programs and other activities are summarized on a functional basis. Expenses, which can be specifically identified with a functional category, are charged accordingly. Other expenses are allocated among supporting services based on relative salaries incurred.

Advertising

Advertising costs are expensed when incurred and are included in the category of printing, advertising and promotion in the Statement of Functional Expenses. The total advertising expense for the year ended September 30, 2021 was $65,087.

Income taxes

The Organization is a nonprofit organization, other than a private foundation, pursuant to Internal Revenue Code Section 501(c)(3) and, as such, is not required to pay income taxes on its exempt function income. However, income from certain activities not directly related to the Organization's tax-exempt purpose would be subject to taxation as unrelated business income.

The Organization follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. This standard seeks to reduce the diversity in practice associated with certain aspects of measurement and recognition in accounting for income taxes. It prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position that an entity takes or expects to take in a tax return. An entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold. The Organization assesses its income tax positions based on management's evaluation of the facts, circumstances, and information available at the reporting date. The Organization uses the prescribed more likely than not threshold when making its assessment. There are currently no open Federal or State tax years under audit.

Recently Adopted Accounting Pronouncements

As of July 1, 2020, the Organization adopted the provisions of FASB ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition.

Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

2. Significant Accounting Policies, continued

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). ASU 2016-02 replaces existing leasing rules with a comprehensive lease measurement and recognition standard and expanded disclosure requirements. ASU 2016-02 will require lessees to recognize most leases on their Statement of Financial Position as liabilities, with corresponding “right-of-use” assets. The standard is effective for annual reporting periods in fiscal years that begin after December 15, 2021. Management is currently evaluating the magnitude and other potential impacts on the Organization's financial statements.

Prior Year Comparable Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should only be read in conjunction with the Organization’s financial statements for the year ended September 30, 2020, from which the summarized information was derived. Certain amounts in the 2020 financial statements may have been reclassified to conform to the 2021 presentation with no effect on total net assets or change in net assets as of or for the year ended September 30, 2020.

3. Liquidity and Availability of Resources

Financial assets available for general expenditure within one year, that is, without donor restrictions or other restrictions limiting their use within one year of the Statement of Financial Position date, comprise the following:

Cash and cash equivalents	$ 4,248,152
Investments	3,536,151
Accounts and grants receivable	63,757
Total financial assets available to meet general expenditures within one year	$ 7,848,060

The Organization is supported by product sales and contributions without donor and with donor restrictions. Because a donor’s restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Some of the Organization’s net assets with donor restrictions are available for general expenditure within one year of September 30, 2021 because the restrictions on the net assets are expected to be met by conducting the normal program activities of the Organization in the coming year. Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year. Furthermore, the Organization has a line of credit of which management may draw upon in the event of unanticipated financial distress or an immediate liquidity need (see Note 11).

4. Fair Value of Measurements

FASB ASC 820-10, *Fair Value Measurement and Disclosures,* establishes a framework for measuring fair value. That framework 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 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

The three levels of the fair value hierarchy under the framework are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's 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.

Following is a description of the valuation methodologies used for assets measured at fair value, on a recurring basis. There have been no changes in the methodologies used as of September 30, 2021.

Investments:

- *Money market funds* – The carrying value of money market funds approximated fair value.
- *Certificates of deposit* – Value based on amortized cost which approximates fair value due to the short-term nature of the instrument.
- *Fixed income funds and ETFs* – Funds are valued at Net Asset Value ("NAV") by the custodian, and ETFs are valued at quoted prices per share by the custodian as of the close of business as of September 30, 2021.
- *Common stocks* – Valued at quoted prices per share by the custodian as of the close of business as of September 30, 2021.
- *Non-traditional funds* – Valued at Net Asset Value ("NAV") primarily based on estimated portfolio values provided by the underlying fund sponsor as of the close of business as of September 30, 2021.
- Structured Products – Valued at estimated prices obtained from third parties or issuers and do not reflect adjustment arising from changes in the market value of such transactions.

4. *Fair Value of Measurements, continued*

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of September 30, 2021:

	Assets at Fair Value as of September 30, 2021			
	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	$ 539,068	$ -	$ -	$ 539,068
Fixed income funds and ETFs	468,091	-	-	468,091
Common stocks	1,986,476	-	-	1,986,476
Non-traditional funds	-	158,654	-	158,654
Structured products	-	-	408,863	408,863
Total investments at fair value	$ 2,993,635	$ 158,654	$ 408,863	$ 3,561,151

The table below sets forth a summary of changes in the fair value of Girl Scouts' Level 3 assets, structured products, for the year ended September 30, 2021.

Balance, beginning of year	$ 321,880
Change in value	(26,017)
Contributions (settlements)	113,000
Balance, end of year	$ 408,863

FASB ASC 820-10 requires disclosure of quantitative information about the unobservable inputs used to measure Level 3 assets and liabilities. The following table provides information about the beneficial interest in trusts:

Valuation Techniques	Fair Value	Unobservable Inputs
Estimated value per Custodian	$ 408,863	Credit worthiness of issuer, market liquidity, embedded derivatives

5. *Concentrations of Credit Risk and Uncertainties*

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash. While the cash balance as of September 30, 2021 exceeded the $250,000 FDIC limit by approximately $4,034,000, management uses financial institutions it believes are in sound financial condition, and do not expose the Organization to any significant credit risk on its cash and cash equivalents.

6. ***Investments***

The Organization's investments as of September 30, 2021 consisted of:

	Fair Value	Cost	Unrealized Gain (Loss)
Money market funds	$ 539,068	$ 539,068	$ -
Fixed income funds and ETFs	468,091	460,850	7,241
Common stocks	1,986,476	1,509,142	477,334
Non-traditional funds	158,654	152,211	6,443
Structured products	408,863	420,000	(11,137)
Total	$ 3,561,151	$ 3,081,271	$ 491,018

Investments are reported in the Statement of Financial Position as investments, $3,536,151, and investments in endowment, $25,000.

7. ***Accounts and Grants Receivable***

The Organization's accounts and grants receivable as of September 30, 2021 consisted of:

Accounts receivable	$ 14,878
Grants receivables	40,535
	$ 63,757

8. ***Prepaid Expenses and Other Assets***

Prepaid expenses and other assets as of September 30, 2021 consisted of:

Prepaid insurance and other	$ 84,643
Security deposits	12,298
	$ 96,941

9. ***Endowment***

The Organization's endowment consists of a contribution received for the Organization's scholarship program that is segregated in a money market fund account. The objective of this endowment is to accumulate enough principal to support scholarship related costs in future years. FASB ASC 958, *Not-for-Profit Entities*, provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and improves disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds), whether or not the organization is subject to UPMIFA.

The State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA), which provides a) consistent investment and spending standards to all forms of charitable funds, b) strengthens the concept of prudent investing, c) abandons historic dollar value as a floor for expenditures and provides more flexibility to the organization in making decisions about whether to expend any portion of an endowment fund, and d) provides a process for the release or modification of restrictions on a gift instrument. The adoption by the Organization of the provisions of the new law did not have a significant change in its management and investment policies of its endowment.

9. Endowment, continued

As a result of this interpretation, the Organization classifies as net assets with donor restriction (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) 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 in net assets with donor restriction in perpetuity is classified as net assets with donor restriction as to purpose until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence. The Organization considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Investment Objectives

Historically, the Organization's investment objectives and policies have been to provide: (a) sufficient liquidity to meet cash flow obligations, (b) sufficient income to meet budgeted requirements and, (c) a growth rate in the investment portfolio at least equal to the current rate of inflation. In light of the relatively small balance of the endowment at this time, the Organization currently invests its endowment funds in money market accounts.

The Organization retains the ability of revising its investment policy to specifically identify strategies and spending policies as they relate to the various designation and restricted categories.

Spending Policy

The amount of funds available for expenditure from donor-restricted endowments is governed by the applicable donor gift instrument. In absence of an agreement, the initial contribution amount is kept as permanently restricted and any income is considered available for spending.

The endowment net assets as of September 30, 2021 consisted of:

Kathryn Vecellio Scholarship Fund	$ 25,000

10. Property and Equipment

Property and equipment as of September 30, 2021 consisted of:

Land	$ 419,981
Land improvements	2,044,221
Buildings and leasehold improvements	6,925,733
Equipment	1,077,047
Furniture	260,186
Construction in progress	44,500
	10,771,668
Less accumulated depreciation	5,766,886
Property and equipment, net	$ 5,004,782

Depreciation expense for the year ended September 30, 2021, was $290,891.

Construction in progress consisted of costs related to the revitalization of the Camp Telogia property.

11. Credit Line

The Organization has a $1,200,000 secured credit line extended by an investment institution. The line of credit is secured by investments held with the institution. The credit line carries interest on the unpaid principal balance at a variable interest rate based on 30-day LIBOR plus 2.75% (2.83% as of September 30, 2021). There was no outstanding balance on the line of credit as of September 30, 2021.

12. Note Payable

Note payable as of September 30, 2020, consisted of a loan received in the amount of $484,300 under the Small Business Administration’s (“SBA”) Paycheck Protection Program ("PPP") as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). In July 2021, the loan was forgiven by the SBA based on qualified costs already incurred.

On March 1, 2021, the Organization received loan proceeds of $500,000 under the reauthorized second round of lending under the Paycheck Protection Program (known as PPP-2). PPP-2, established as part of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Economic Aid Act), provided for loans to qualifying businesses for an amount up to 2.5 times of the average monthly payroll expenses for the qualifying business. This loan and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels during the eight to 24 week covered period following loan disbursement. The Organization intends to use the loan proceeds for purposes consistent with the PPP-2 in order to meet the conditions for full forgiveness of the loan.

13. Mortgage Payable

In May 2017, the Organization obtained a $1,200,000 mortgage from financial institution for the purchase of a building where the main office is located. The Organization pays monthly principal and interest of $11,976 calculated at a fixed interest rate of 3.64%, and amortizes the obligation over a 10-year term. The mortgage matures on May 12, 2027. The loan is secured by the Organization's underlying assets and deposits with the Mortgagor.

Maturities of the mortgage payable as of September 30 is as follows:

2022	$ 118,629
2023	123,082
2024	127,657
2025	132,494
2026	137,467
Thereafter	94,617
	733,946
Less current portion	118,629
Long-term portion	$ 615,317

14. Net Assets With Donor Restrictions

Net assets with donor restriction as of September 30, 2021, were available for the following purposes or periods:

Subject to expenditures for a specific purpose:	
Barbara Turner Scholarship - Exceptional Community Service	$ 4,365
Batchelor Foundation – Telogia	50,000
Camp Welaka – Improvements	2,000
Emerald Event – Call from the Heart	3,000
Hobe Sound Community Chest – Leadership Experience	8,203
Meredith Trim – STEM Programming	16,321
PBC Sherriff's Foundation – Be a Friend First	23,031
	106,920
Perpetual in nature (Endowment):	
Kathryn Vecellio Scholarship Fund	25,000
	$ 131,920

15. Commitments and Contingencies

The Organization leases two retail locations and certain office equipment under operating lease arrangements, which extend through October 2024. The rent expense for the facilities totaled $63,109 for the year ended September 30, 2021, and is reported in Occupancy in the Statement of Functional Expenses.

15. Commitments and Contingencies, continued

Approximate future minimum lease payments according to these non-cancelable operating leases for the years ended September 30 are as follows:

2022	$ 56,791
2023	58,081
2024	58,936
2025	24,402
	$ 198,210

The Organization's most significant revenue is product sales of which approximately 95% is cookies. In an effort to establish greater certainty in its cost of sales, the Organization entered into a three-year purchase agreement with Little Brownie Bakers on October 27, 2017, whereby the Organization committed to utilizing Little Brownie Bakers for the baking, packaging, distribution, and delivery of its cookies in exchange for fixed percentage increases on future purchases. The agreement extended through the 2020-2021 Cookie Sale season. In December 2020, The Organization entered into a new agreement with Little Brownie Bakers that extends through the 2024-2025 Cookie Sale season.

The Organization may be involved in legal matters from time to time and maintains insurance to mitigate potential losses, if any.

16. United Way and Federated Campaigns

During the current year, the Organization had allocation agreements with various United Way agencies and Federated Campaigns. Amounts received during the year ended September 30, 2021 are recorded on the Statement of Activities as support without donor restriction.

17. Sales of Cookies, Fall Products and Merchandise

The following table illustrates the specific sales and cost of sales categories for the year ended September 30, 2021.

	Sales	Direct Costs	Gross Margin	%
Cookies	$ 3,981,672	$ 1,103,416	$ 2,878,256	72%
Fall products	195,567	45,304	150,263	77%
Total Product sales	4,177,239	1,148,720	3,028,519	
Merchandise	191,490	107,893	83,597	44%
	$ 4,368,729	$ 1,256,613	$ 3,112,116	

18. Pension Plan

The council participates in the National Girl Scout Council Retirement Plan (NGSCRP), 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.

18. Pension Plan, continued

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, $30,000,000 is remitted. The $30,000,000 calendar year minimum applies for each succeeding calendar year until the Plan is fully funded based upon the requirements of the Pension Protection Act of 2006 (PPA). In 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 NGSCRP the flexibility to adopt the Pension Protection Act (PPA) funding requirements immediately or not at all. NGSCRP 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 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 to be made in fiscal 2022 are expected to be $32.2 million.

The Organization made contributions into NGSCRP of $213,876 during the year ended September 30, 2021.

19. Employee Benefit Plan

The Organization provides a 401(k) defined contribution retirement plan, available to all employees who have attained 21 years of age and have completed one year of service. The Plan was most recently restated August 26, 2021. The Plan includes a safe harbor provision for employer contributions requiring the Organization to match 100% of participant deferrals up to 3% of compensation plus 50% of participant deferrals between 3% and 5% of compensation. Total employer expense for the year ended September 30, 2021 was $47,378, and is reported under pension benefits in the Statement of Functional Expenses.

20. Related Party Transactions

The Organization acts as an agent for purposes of receiving and remitting membership dues to GSUSA. The Organization also purchases from GSUSA program supplies and merchandise for sale in its retail shops. During the year ended September 30, 2021, the Organization remitted $153,266 to GSUSA. As of September 30, 2021, $9,303 was due to GSUSA, and was included in accounts payable.

21. Subsequent Events

The Organization's management has evaluated subsequent events through January 18, 2022, the date on which the financial statements were available to be issued, and determined there were no further disclosures required to be presented in these financial statements.