

**GIRL SCOUTS OF SOUTHERN ILLINOIS COUNCIL
GIRL SCOUTS OF SOUTHERN ILLINOIS
COUNCIL TRUST FUND**

**COMBINED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED
SEPTEMBER 30, 2022 AND 2021**

Girl Scouts of Southern Illinois Council
Girl Scouts of Southern Illinois Council Trust Fund

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Independent Auditors' Report

To the Board of Directors of
Girl Scouts of Southern Illinois Council
Girl Scouts of Southern Illinois Council Trust Fund
Glen Carbon, Illinois

Opinion

We have audited the accompanying combined financial statements of Girl Scouts of Southern Illinois and Girl Scouts of Southern Illinois Council Trust Fund which comprise the combined statements of financial position as of September 30, 2022 and 2021, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Girl Scouts of Southern Illinois and Girl Scouts of Southern Illinois Council Trust Fund as of September 30, 2022 and 2021, and the combined changes in its net assets and its combined cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Southern Illinois and Girl Scouts of Southern Illinois Council Trust Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined 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 Southern Illinois and Girl Scouts of Southern Illinois Council Trust Fund's ability to continue as a going concern within one year after the date that the combined 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 combined 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 Southern Illinois's and Girl Scouts of Southern Illinois Council Trust Fund's and 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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Girl Scouts of Southern Illinois's and Girl Scouts of Southern Illinois Council Trust Fund's ability to continue as a going concern 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.

Schmersahl Treloar & Co.

St. Louis, Missouri
February 22, 2023

**COMBINED
FINANCIAL STATEMENTS**

Girl Scouts of Southern Illinois Council
 Girl Scouts of Southern Illinois Council Trust Fund
 COMBINED STATEMENTS OF FINANCIAL POSITION

	September 30,	
	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,213,810	\$ 1,132,125
United Way receivable	49,512	48,325
Other receivables, net of allowance	36,073	47,119
Inventories	83,030	91,733
Prepaid expenses	127,695	75,179
Total Current Assets	1,510,120	1,394,481
PROPERTY AND EQUIPMENT HELD FOR SALE	103,718	-
PROPERTY AND EQUIPMENT, NET	498,609	585,260
INVESTMENTS	5,728,328	7,328,853
Total Assets	\$ 7,840,775	\$ 9,308,594
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Line of credit	\$ 981,302	\$ 358,116
Accounts payable	44,862	48,369
Accrued expenses	242,514	208,123
Due to Girl Scouts of the United States of America (GSUSA)	699	1,440
Deferred revenue	40,233	34,189
Total Current Liabilities	1,309,610	650,237
Total Liabilities	1,309,610	650,237
NET ASSETS		
Without donor restrictions		
Undesignated	186,285	2,250,872
Girl scout experience quasi-endowment fund	3,883,293	4,651,170
Camp Torqua - renovation fund	773,986	-
Net investment in property and equipment	602,327	585,260
Total Net Assets Without Donor Restrictions	5,445,891	7,487,302
With donor restrictions		
Perpetual in nature	10,000	10,000
Purpose restrictions	1,025,762	1,112,730
Time-restricted for future periods	49,512	48,325
Total Net Assets With Donor Restrictions	1,085,274	1,171,055
Total Net Assets	6,531,165	8,658,357
Total Liabilities and Net Assets	\$ 7,840,775	\$ 9,308,594

See accompanying notes to combined financial statements

Girl Scouts of Southern Illinois Council
 Girl Scouts of Southern Illinois Council Trust Fund
 COMBINED STATEMENTS OF ACTIVITIES

	Year Ended September 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Public Support:			
Contributions and grants	\$ 180,779	\$ 121,353	\$ 302,132
In-Kind contributions	47,692	-	47,692
United Way allocation	135,372	49,512	184,884
Paycheck Protection Program grant	-	-	-
Net assets released from restrictions	<u>256,646</u>	<u>(256,646)</u>	<u>-</u>
 Total Public Support	 <u>620,489</u>	 <u>(85,781)</u>	 <u>534,708</u>
 Revenue:			
Product sales	4,284,911	-	4,284,911
Less: direct costs of product sales	<u>(1,875,939)</u>	<u>-</u>	<u>(1,875,939)</u>
 Gross Profit on Product Sales	 2,408,972	 -	 2,408,972
 Program service fees	 85,143	 -	 85,143
Special events	120,485	-	120,485
Miscellaneous income	<u>62,696</u>	<u>-</u>	<u>62,696</u>
 Total Revenue	 <u>2,677,296</u>	 <u>-</u>	 <u>2,677,296</u>
 Total Public Support and Revenue	 <u>3,297,785</u>	 <u>(85,781)</u>	 <u>3,212,004</u>
 EXPENSES:			
Program services	2,983,911	-	2,983,911
Management and general	710,362	-	710,362
Fundraising	<u>274,527</u>	<u>-</u>	<u>274,527</u>
 Total Expenses	 <u>3,968,800</u>	 <u>-</u>	 <u>3,968,800</u>
 CHANGE IN NET ASSETS FROM OPERATIONS	 <u>(671,015)</u>	 <u>(85,781)</u>	 <u>(756,796)</u>
Net gain on sale of property and equipment	-	-	-
Investment return, net of fees	<u>(1,370,396)</u>	<u>-</u>	<u>(1,370,396)</u>
 CHANGE IN NET ASSETS	 <u>(2,041,411)</u>	 <u>(85,781)</u>	 <u>(2,127,192)</u>
 NET ASSETS, Beginning of year	 <u>7,487,302</u>	 <u>1,171,055</u>	 <u>8,658,357</u>
 NET ASSETS, End of year	 <u>\$ 5,445,891</u>	 <u>\$ 1,085,274</u>	 <u>\$ 6,531,165</u>

See accompanying notes to combined financial statements

Year Ended September 30, 2021

Without Donor Restrictions	With Donor Restrictions	Total
\$ 231,566	\$ 156,769	\$ 388,335
1,621	\$ -	1,621
139,588	48,325	187,913
420,000	-	420,000
<u>151,107</u>	<u>(151,107)</u>	<u>-</u>
<u>943,882</u>	<u>53,987</u>	<u>997,869</u>
3,125,293	-	3,125,293
<u>(1,402,604)</u>	<u>-</u>	<u>(1,402,604)</u>
1,722,689	-	1,722,689
102,292	-	102,292
108,969	-	108,969
<u>55,969</u>	<u>-</u>	<u>55,969</u>
<u>1,989,919</u>	<u>-</u>	<u>1,989,919</u>
<u>2,933,801</u>	<u>53,987</u>	<u>2,987,788</u>
2,647,748	-	2,647,748
608,773	-	608,773
<u>252,227</u>	<u>-</u>	<u>252,227</u>
<u>3,508,748</u>	<u>-</u>	<u>3,508,748</u>
(574,947)	53,987	(520,960)
4,973,850	-	4,973,850
<u>735,852</u>	<u>-</u>	<u>735,852</u>
5,134,755	53,987	5,188,742
<u>2,352,547</u>	<u>1,117,068</u>	<u>3,469,615</u>
<u>\$ 7,487,302</u>	<u>\$ 1,171,055</u>	<u>\$ 8,658,357</u>

Girl Scouts of Southern Illinois Council
 Girl Scouts of Southern Illinois Council Trust Fund
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
 For the Year Ended September 30, 2022

	Program Services				Total Program Services	Support Services		Total
	Girl/ Council Programs	Membership Development	Adult Volunteer Development	Public Relations		Management and General	Fund- raising	
EXPENSES								
Salaries	\$ 587,440	\$ 611,430	\$ 141,855	\$ 150,833	\$ 1,491,558	\$ 446,902	\$ 149,899	\$ 2,088,358
Employee benefits	126,096	131,246	30,450	32,377	320,169	95,930	32,177	448,276
Payroll taxes	54,381	56,603	13,132	13,963	138,079	41,372	13,877	193,328
Direct costs of product sales	1,875,939	-	-	-	1,875,939	-	-	1,875,939
Incentives and appreciation	157,044	-	-	-	157,044	-	-	157,044
Supplies	49,215	51,156	10,976	81	111,428	1,688	36,350	149,466
Professional fees	36,140	35,488	7,362	4,738	83,728	41,275	16,043	141,046
Equipment rental, IT and maintenance	45,858	43,765	8,433	6,637	104,693	17,216	6,267	128,176
Assistance to girls	43,767	82,896	-	-	126,663	-	-	126,663
Insurance	45,479	15,992	3,765	4,098	69,334	18,180	4,132	91,646
Travel	40,912	32,668	3,148	299	77,027	1,116	379	78,522
Occupancy	42,698	16,240	3,487	1,801	64,226	9,972	1,532	75,730
Depreciation	54,838	8,350	1,654	1,115	65,957	2,842	880	69,679
Bank fees	36,425	2,986	-	-	39,411	2,198	1,833	43,442
Program fees	40,676	350	-	-	41,026	-	2	41,029
Telephone, internet and web hosting	24,512	4,055	259	174	29,000	865	138	30,003
Printing and advertising	7,803	7,028	1,914	5,954	22,699	595	6,121	29,415
Interest expense	10,023	8,387	1,611	1,606	21,627	5,088	2,102	28,817
Conferences and meetings	5,936	3,618	1,385	582	11,521	7,820	882	20,223
Bad debt	-	-	-	-	-	16,350	-	16,350
Postage and shipping	4,662	242	89	20	5,013	234	1,651	6,898
Miscellaneous	3,291	313	62	42	3,708	719	262	4,689
	3,293,135	1,112,813	229,582	224,320	4,859,850	710,362	274,527	5,844,739
Less expenses included on the Combined Statements of Activities								
Direct costs of product sales	(1,875,939)	-	-	-	(1,875,939)	-	-	(1,875,939)
Total Functional Expenses	<u>\$ 1,417,196</u>	<u>\$ 1,112,813</u>	<u>\$ 229,582</u>	<u>\$ 224,320</u>	<u>\$ 2,983,911</u>	<u>\$ 710,362</u>	<u>\$ 274,527</u>	<u>\$ 3,968,800</u>

See accompanying notes to combined financial statements

Girl Scouts of Southern Illinois Council
 Girl Scouts of Southern Illinois Council Trust Fund
 COMBINED STATEMENT OF FUNCTIONAL EXPENSES
 For the Year Ended September 30, 2021

	Program Services				Total Program Services	Support Services		Total
	Girl/ Council Programs	Membership Development	Adult Volunteer Development	Public Relations		Management and General	Fund- raising	
EXPENSES								
Salaries	\$ 547,122	\$ 611,138	\$ 128,755	\$ 127,625	\$ 1,414,640	\$ 334,540	\$ 131,298	\$ 1,880,478
Employee benefits	121,554	135,777	28,605	28,354	314,290	74,326	29,171	417,787
Payroll taxes	47,643	53,217	11,212	11,113	123,185	29,131	11,433	163,749
Direct costs of product sales	1,402,604	-	-	-	1,402,604	-	-	1,402,604
Incentives and appreciation	79,700	-	-	-	79,700	-	-	79,700
Supplies	62,461	22,963	6,454	82	91,960	1,353	25,495	118,808
Professional fees	37,790	23,194	3,280	2,703	66,967	95,325	28,683	190,975
Equipment rental, IT and maintenance	48,796	44,239	5,949	4,971	103,955	14,923	8,765	127,643
Assistance to girls	24,639	42,482	-	-	67,121	-	-	67,121
Insurance	40,833	14,546	3,159	3,446	61,984	15,829	3,512	81,325
Travel	18,486	18,213	994	-	37,693	1,868	163	39,724
Occupancy	47,386	13,895	1,903	1,269	64,453	3,763	3,505	71,721
Depreciation	62,500	11,474	1,623	1,337	76,934	4,015	2,375	83,324
Bank fees	22,525	-	-	-	22,525	3,748	2,697	28,970
Program fees	43,404	450	-	-	43,854	-	-	43,854
Telephone, internet and web hosting	28,972	2,974	167	138	32,251	414	245	32,910
Printing and advertising	6,851	5,488	-	9,514	21,853	-	2,759	24,612
Interest expense	4,214	3,526	677	675	9,092	2,140	884	12,116
Conferences and meetings	1,356	2,940	230	1,016	5,542	7,837	408	13,787
Bad debt	-	-	-	-	-	6,122	-	6,122
Postage and shipping	5,884	1,663	74	-	7,621	928	834	9,383
Miscellaneous	1,810	252	40	26	2,128	12,511	-	14,639
	2,656,530	1,008,431	193,122	192,269	4,050,352	608,773	252,227	4,911,352
Less expenses included on the Combined Statements of Activities								
Direct costs of product sales	(1,402,604)	-	-	-	(1,402,604)	-	-	(1,402,604)
Total Functional Expenses	<u>\$ 1,253,926</u>	<u>\$ 1,008,431</u>	<u>\$ 193,122</u>	<u>\$ 192,269</u>	<u>\$ 2,647,748</u>	<u>\$ 608,773</u>	<u>\$ 252,227</u>	<u>\$ 3,508,748</u>

See accompanying notes to combined financial statements

Girl Scouts of Southern Illinois Council
 Girl Scouts of Southern Illinois Council Trust Fund
 COMBINED STATEMENTS OF CASH FLOWS

	Years Ended September 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	(\$ 2,127,192)	\$ 5,188,742
Adjustments to reconcile change in net assets to net change in cash and cash equivalents from operating activities:		
Depreciation	69,679	83,324
Bad debt	16,350	6,122
Obsolete inventories	4,653	5,209
Net gain on sale of property and equipment	-	(4,973,850)
Net realized and unrealized losses (gains) on investments	1,458,905	(688,502)
(Increase) decrease in assets:		
United Way receivable	(1,187)	22,488
Other receivables, net of allowance	(5,304)	(38,462)
Inventories	4,050	33,143
Prepaid expenses	(52,516)	(21,321)
Increase (decrease) in liabilities:		
Accounts payable	(3,507)	38,428
Accrued expenses	34,391	27,404
Due to Girl Scouts of the United States of America (GSUSA)	(741)	(12,317)
Deferred revenue	6,044	(14,112)
Net Change in Cash and Cash Equivalents from Operating Activities	(596,375)	(343,704)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(86,746)	(9,391)
Proceeds from sale of property and equipment	-	5,421,167
Purchase of investments	(2,430,818)	(12,200,699)
Proceeds from sale of investments	2,572,438	7,843,432
Net Change in Cash and Cash Equivalents from Investing Activities	54,874	1,054,509
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from line of credit	623,186	319,116
Net Change in Cash and Cash Equivalents from Financing Activities	623,186	319,116
NET CHANGE IN CASH AND CASH EQUIVALENTS	81,685	1,029,921
CASH AND CASH EQUIVALENTS, Beginning of year	1,132,125	102,204
CASH AND CASH EQUIVALENTS, End of year	\$ 1,213,810	\$ 1,132,125
SUPPLEMENTAL DISCLOSURES:		
Interest paid	\$ 28,817	\$ 12,116
Income taxes paid	\$ -	\$ -

See accompanying notes to combined financial statements

Girl Scouts of Southern Illinois Council
Girl Scouts of Southern Illinois Council Trust Fund
NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2022 and 2021

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Combination

The Girl Scouts of Southern Illinois Council (the “Council”) has elected to present combined financial statements. The accompanying combined financial statements reflect the combination of the financial statements of the Council and Girl Scouts of Southern Illinois Council Trust Fund (the “Trust Fund”) (collectively, the “Organization”). The Trust Fund, a separate legal entity, is managed by a trustee and the investments are valued at \$678,142 and \$837,306 at September 30, 2022 and 2021, respectively. All interrelated transactions and balances have been eliminated in this combination.

Organization

The Organization is a nonprofit organization established over 100 years ago to build girls of courage, confidence, and character who make the world a better place. The preeminent leadership development organization for girls provides programs from coast to coast and across the globe. Girl Scouts offers every girl a chance to practice leadership, adventure, and success. During the year ended September 30, 2022, 6,156 girls were served. The Organization operates in Alexander, Bond, Calhoun, Clark, Clay, Clinton, Coles, Crawford, Cumberland, Edgar, Edwards, Effingham, Fayette, Franklin, Gallatin, Hamilton, Hardin, Jackson, Jasper, Jefferson, Jersey, Johnson, Lawrence, Madison, Marion, Massac, Monroe, Perry, Pope, Pulaski, Randolph, Richland, Saline, Saint Clair, Union, Wabash, Washington, Wayne, White, and Williamson counties.

There are six program levels:

<u>Girl Scout Level</u>	<u>Grade Level</u>
Daisy	K – 1
Brownie	2 – 3
Junior	4 – 5
Cadette	6 – 8
Senior	9 – 10
Ambassador	11 – 12

Membership options are available at all levels. Many of the girls participate through a traditional troop. There are five additional ‘Pathways’ for individual girls to participate in Girl Scouting. Girls can participate through camp, travel opportunities, council wide events including expanded outdoor adventures, short-term series or virtually through online troops and programs. The flexibility allows for girls to participate in Girl Scouting in the way that best suits them. The diversity and options provided in the Girl Scout program provides opportunities for girls to grow through meeting new people and learning about new things.

Girl Scouts of Southern Illinois Council
Girl Scouts of Southern Illinois Council Trust Fund
NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2022 and 2021
(Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Basis of Accounting

The accompanying combined financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Use of Estimates

The preparation of the combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from estimates.

Net Assets without Donor Restrictions

Net assets available for use in general operations and not subject to donor or certain grantor restrictions. The Board of Directors (the “Board”) has designated, from net assets without donor restrictions, net assets to be reserved for the Girl Scout Experience Quasi-Endowment Fund. Additionally, the Board has designated, from net assets without donor restrictions, net assets to be reserved for the Camp Torqua – renovation fund. The Board is not bound by these designations and may adjust them as deemed necessary (Note F and Note I).

Net Assets with Donor Restrictions

Net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that such assets be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

Cash and cash equivalents typically consist of cash on hand and short-term investments that are easily converted to cash. The Organization maintains cash deposits in bank accounts which at times may exceed the federally insured limits of up to \$250,000 for each account. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Girl Scouts of Southern Illinois Council
Girl Scouts of Southern Illinois Council Trust Fund
NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2022 and 2021
(Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

United Way Receivable and Other Receivables

United Way receivable and other receivables are carried net of allowance for doubtful accounts. The allowance for doubtful accounts is increased by provisions charged to expense and reduced by amounts charged off, net of recoveries. The allowance is maintained at a level considered adequate to provide for potential account losses based on management's evaluation of the anticipated impact on the balance of current economic conditions, changes in the character and size of the balance, past and expected future loss experience and other pertinent factors.

Management has determined that the United Way receivable is fully collectible. However, management deemed an allowance necessary for other receivables. The allowance for uncollectible accounts for other receivables was \$18,000 and \$1,727 at September 30, 2022 and 2021, respectively.

Inventories

Inventories are stated at the lower of cost (first in, first out basis) or market. Inventories consist principally of Girl Scout apparel, insignia and patches. Obsolete, damaged, and otherwise unusable supplies are excluded from inventories.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. Contributed property and equipment is recorded at fair value at the date of the donation. If the donors stipulate how long the assets must be used, the contributions are recorded as support with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions. Depreciation is recorded on a straight-line basis over the estimated useful life of the assets, which range from three to forty years. The Organization capitalizes property and equipment with a cost over \$2,500. Renewals and betterments that extend the life of the property are capitalized. Maintenance and repairs are expensed as incurred.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values based on quoted prices in active markets in the Combined Statements of Financial Position. Net investment return is reported in the Combined Statements of Activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

Girl Scouts of Southern Illinois Council
Girl Scouts of Southern Illinois Council Trust Fund
NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2022 and 2021
(Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Deferred Revenue

Advance payments by participants for Organization event fees to be conducted in the following fiscal year are reported as deferred revenues and subsequently reported as a component of revenue in the following year. Deferred revenues also consist of conditional grants in which cash has been received but conditions of the grant have not been met as of September 30, 2022.

Financial Instruments

The carrying amounts of cash and cash equivalents, United Way receivable, other receivables, inventories, prepaid expenses, accounts payable, accrued expenses, due to Girl Scouts of the United States of America (GSUSA), and deferred revenue reported in the Combined Statements of Financial Position approximates fair values due to the short-term maturities of those instruments.

Support and Revenue Recognition

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

Contributions

Contributions are recognized when a donor makes a promise to give to the Organization that is, in substance, unconditional. Restricted contributions which are received and expended in the same fiscal year are reported as increases in net assets without donor restrictions. Amounts received that are restricted by the donor for use in future periods or for specific purposes are reported as support with donor restrictions that increases net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions.

Grants

A portion of the Organization's revenue is derived from cost-reimbursable federal, state, and local contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions.

Girl Scouts of Southern Illinois Council
Girl Scouts of Southern Illinois Council Trust Fund
NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2022 and 2021
(Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Support and Revenue Recognition (Continued)

Product Sales

Sales of cookies, fall products, which include nut, candy and magazines, and scouting supplies (retail), are recorded as products are sold (Note N).

Program Service Fees

Program Service Fees are derived from local contracts and are recorded as performance obligations are met. Payments received in advance are deferred until earned.

Special Event Revenue

The portion of ticket sales and sponsorship revenue that relates to the commensurate value the attendee receives in return is recognized when the related events are held and performance obligations are met.

Donated Assets and Services

Donated assets and services are recorded as contributions at their estimated fair market values at the date of donation which is based on current rates for similar goods and services. Additionally, many individuals volunteer their time and perform a variety of tasks to assist with specific programs, campaign solicitations, and various administrative assignments. These volunteer hours have not been recorded in the Combined Statements of Activities since these services do not meet the criteria for recognition as contributed services. The Organization received donated household goods, supplies and auction items valued at \$40,192 and \$1,621 for the years ended September 30, 2022 and 2021, respectively. Also included within contributions is donated audio visual professional services which is valued at \$7,500 and \$0 for the years ended September 30, 2022 and 2021, respectively.

Advertising

The Organization expenses advertising costs as they are incurred. During the years ended September 30, 2022 and 2021, the Organization incurred \$5,806 and \$10,924, respectively, for advertising.

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A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Troop Accounts

Cash held in troops and groups accounts operate under the Council's federal identification number, but not under its control. The Organization has no signing authority and will not access the funds as long as a troop or group is functioning according to Girl Scout policies and procedures. Individual troops and groups have the responsibility to use funds in their control for the purposes of Girl Scouting as determined by the members and adult volunteers. The accompanying combined financial statements do not include financial data for individual Girl Scouts troops and other groups such as service units, committees, and volunteer-led camps. Management is unable to estimate the total funds held in troop accounts as of September 30, 2022 and 2021.

Asset Impairment Assessments

The Organization reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying value of such assets may not be fully recoverable. Impairment is recognized to the extent that the sum of undiscounted estimated future cash flows expected to result from use of the asset is less than the carrying value. If impairment is recognized, the carrying value of the impaired asset is reduced to its fair value. As of September 30, 2022 and 2021, there was no indication of impairment.

Compensated Absences

Compensated absences accrue at different rates for the employees depending on factors such as length of service and rate of pay. The combined financial statements reflect a compensated absences payable balance of \$122,602 and \$104,051 at September 30, 2022 and 2021, respectively. This amount is included in accrued expenses on the Combined Statements of Financial Position.

Functional Expense Allocation

The Combined Statements of Functional Expenses report certain categories of expenses directly traceable to certain programs and expenses allocable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated on the basis of time and effort include: salaries, employee benefits, payroll taxes, depreciation, occupancy, professional fees, telephone, internet and web hosting, insurance, equipment rental and maintenance, interest expense, and certain supplies. The remaining expenses are recorded on a direct basis to program services, management, and general, and fundraising categories.

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A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Income Taxes

The Organization qualifies as a nonprofit organization and is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization does not have unrelated business income, excise taxes or activities that would threaten the Organization's tax-exempt status. Accordingly, no provision for federal or state income taxes is provided. The Organization files an information return, IRS Form 990 for the Council, and a separate return for the Trust Fund.

Tax years 2018 and later remain subject to examination by taxing authorities. The Organization adopted the provisions relating to Accounting for Uncertainty in Income Taxes and management is not aware of any uncertain tax positions of the Organization related to the tax filings.

Subsequent Events

In preparing these combined financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through February 22, 2023 the date the combined financial statements were available to be issued.

B. **OTHER RECEIVABLES**

Other receivables consist of the following at September 30:

	2022	2021
Product sales	\$18,510	\$ 4,446
Pledges receivable	25,875	23,414
Miscellaneous receivables	9,688	20,986
 Total Other Receivables	 54,073	 48,846
 Less: Allowance for doubtful accounts	 (18,000)	 (1,727)
 Total Other Receivables, Net of Allowance	 \$36,073	 \$47,119

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C. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30:

	2022	2021
Land	\$ 58,743	\$ 112,706
Land improvements	206,888	220,784
Buildings	775,430	1,383,306
Building improvements	224,568	238,457
Furniture and equipment	573,673	599,610
	1,839,302	2,554,863
Less: accumulated depreciation	(1,340,693)	(1,969,603)
Total Property and Equipment, Net	\$ 498,609	\$ 585,260

Depreciation expense for the years ending September 30, 2022 and 2021 was \$69,679 and \$83,324, respectively.

During fiscal year end 2022, the Board of Directors listed an office building in Glen Carbon, IL for sale. The land, building, and all improvements made are shown on the Combined Statement of Financial Position as Property and equipment held for sale. Subsequent to year end, the Organization took the office building and related equipment off the market.

During fiscal year end 2021, Camp Butterfly was sold resulting in a gain of \$4,082,202 for the year ended September 30, 2021. Additionally, during fiscal year end 2021, Camp Chen Ya Ta was sold resulting in a gain of \$800,561 for the year ended September 30, 2021. Other gains on sale of property and equipment during the year amounted to \$91,087.

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D. FAIR VALUE MEASUREMENTS

The framework for measuring fair value 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) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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

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, and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at the fair value. There have been no changes in the methodologies used at September 30, 2022 and 2021.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held are deemed to be actively traded.

The following table sets forth by level, within the fair value hierarchy, the investments at fair value as of September 30:

	Fair Value Measurements at September 30, 2022			
	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Marketable Securities</u>				
Equity Mutual Funds	\$3,335,426	\$3,335,426	\$ -	\$ -
Fixed Income Mutual Funds	2,083,304	2,083,304		
Alternative Investment Funds	309,598	309,598	-	-
Total	\$5,728,328	\$5,728,328	\$ -	\$ -

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D. FAIR VALUE MEASUREMENTS (Continued)

	Fair Value Measurements at September 30, 2021			
	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Marketable Securities</u>				
Equity Mutual Funds	\$4,690,007	\$4,690,007	\$ -	\$ -
Fixed Income Mutual Funds	<u>2,638,846</u>	<u>2,638,846</u>	-	-
Total	<u>\$7,328,853</u>	<u>\$7,328,853</u>	\$ -	\$ -

Included in investments are donor-restricted perpetual endowment investments of \$10,000 for each of the years ended September 30, 2022 and 2021, and donor-restricted for purpose endowment investments of \$709,586 and \$773,577 as of September 30, 2022 and 2021, respectively (Note E). For the years ended September 30, 2022 and 2021, investments also included \$3,609,810 and \$4,616,530, respectively, of funds board designated for the Girl Scout Experience Quasi-Endowment (Note F).

E. GIRL SCOUTS OF SOUTHERN ILLINOIS COUNCIL ENDOWMENT

The endowment consists of individual donor-restricted funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board has interpreted the Illinois Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of donor restricted endowment funds, absent explicit donor stipulations to the contrary, at the greater of the fair value of the original gift as of the gift date. As a result of this interpretation, the Organization classifies as net assets held in perpetuity (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made according to the directive in the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as perpetual in nature is classified as time or purpose restricted until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

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E. GIRL SCOUTS OF SOUTHERN ILLINOIS COUNCIL ENDOWMENT (Continued)

Spending Policy

The Finance Committee, with assistance from professional investment advisors, has set the spending policy between 2 - 4%, an amount to be reviewed and approved in the annual operating budget each year.

Investment Return Objectives, Risk Parameters and Strategies

The Organization has adopted a total return approach to managing the investment portfolio. The primary objective of the investment policy is to align the investment portfolio with the strategic spending policy of the Organization. The three main investment asset classes will be allocated within the following ranges: Equities 38-70%; Fixed income 20-52%; Alternative asset class 0-20%. The social responsibility of Girl Scouting must be considered and no investments in companies that manufacture or market materials or any other activity not in alignment with Girl Scout philosophy is allowed. It is the responsibility of the Committee to review annually the performance of the investment account and investment policy guidelines, and report to the full board at least quarterly with updates and recommendations as needed.

Donor-restricted endowment funds refer to those endowed funds that are established by donor-restricted gifts for that purpose. The term endowment fund includes cash, securities, or other assets to provide income for the maintenance of a not-for-profit organization. The endowment net asset composition by type of fund as of September 30, 2022 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted for purpose endowment funds	\$ -	\$709,586	\$709,586
Donor-restricted perpetual endowment funds	-	10,000	10,000
Total Donor-Restricted Endowment Funds	\$ -	\$719,586	\$719,586

The endowment net asset composition by type of fund as of September 30, 2021 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted for purpose endowment funds	\$ -	\$773,577	\$773,577
Donor-restricted perpetual endowment funds	-	10,000	10,000
Total Donor-Restricted Endowment Funds	\$ -	\$783,577	\$783,577

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E. GIRL SCOUTS OF SOUTHERN ILLINOIS COUNCIL ENDOWMENT (Continued)

Changes in endowment net assets as of September 30, 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$783,577	\$783,577
Contributions	-	52,922	52,922
Amounts appropriated for expenditure	-	(116,913)	(116,913)
Endowment Net Assets, End of Year	<u>\$ -</u>	<u>\$719,586</u>	<u>\$719,586</u>

Changes in endowment net assets as of September 30, 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$754,761	\$754,761
Contributions	-	50,397	50,397
Amounts appropriated for expenditure	-	(21,581)	(21,581)
Endowment Net Assets, End of Year	<u>\$ -</u>	<u>\$783,577</u>	<u>\$783,577</u>

F. GIRL SCOUT EXPERIENCE QUASI-ENDOWMENT FUND

The Organization's Girl Scout Experience Quasi-Endowment Fund (GSE Fund) consists of funds designated by the Board of Directors to function as endowments. The purpose of the GSE Fund is to provide direct financial support for the delivery of Girl Scout programs and experiences. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board has interpreted the Illinois Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of donor restricted endowment funds, absent explicit donor stipulations to the contrary, at the greater of the fair value of the original gift as of the gift date. As a result of this interpretation, the Organization classifies as net assets held in perpetuity (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made according to the directive in the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as perpetual in nature is classified as time or purpose restricted until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

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F. **GIRL SCOUT EXPERIENCE QUASI-ENDOWMENT FUND** (Continued)

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

Spending Policy

The Board of Directors will review the expected program and experience needs to determine the annual appropriation each year.

Investment Return Objectives, Risk Parameters and Strategies

The Organization will follow the established endowment policies (Note E) in the administration of the GSE Fund.

GSE Fund endowment net assets as of September 30, 2022 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total GSE Fund Endowment Net Assets
Board designated endowment funds	\$3,883,293	\$ -	<u>\$3,883,293</u>

Changes in GSE Fund endowment net assets as of September 30, 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total GSE Fund Endowment Net Assets
Board designated endowment net assets, beginning of year	\$4,651,170	\$ -	\$4,651,170
Board transfer in	95,318	-	95,318
Investment return			
Investment income, net of fees	90,708	-	90,708
Net depreciation	(937,804)	-	(937,804)
Amounts appropriated for expenditure	<u>(16,099)</u>	-	<u>(16,099)</u>
Board designated endowment net assets, end of year	<u>\$3,883,293</u>	<u>\$ -</u>	<u>\$3,883,293</u>

GSE Fund endowment net assets as of September 30, 2021 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total GSE Fund Endowment Net Assets
Board designated endowment funds	\$4,651,170	\$ -	<u>\$4,651,170</u>

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F. GIRL SCOUT EXPERIENCE QUASI-ENDOWMENT FUND (Continued)

Changes in GSE Fund endowment net assets as of September 30, 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total GSE Fund Endowment Net Assets
Board designated endowment net assets, beginning of year	\$ -	\$ -	\$ -
Board transfer in	4,465,152	-	4,465,152
Investment return			
Investment income, net of fees	22,585	-	22,585
Net appreciation	263,433	-	263,433
Amounts appropriated for expenditure	(100,000)	-	(100,000)
Board designated endowment net assets, end of year	<u>\$4,651,170</u>	<u>\$ -</u>	<u>\$4,651,170</u>

G. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at September 30:

	2022	2021
Subject to expenditures for specific purpose:		
Cohen fund	\$ 695,726	\$ 759,717
Lukas	246,931	216,710
STEM	27,418	69,559
River Bluffs girl scouts	16,924	16,924
Pickneyville girl scouts	13,860	13,860
Other programs	24,903	35,960
Subject to passage of time:		
United Way - general operations	49,512	48,325
Subject to the Organization's spending policy and appropriation:		
Original donor-restricted gift amount and amount required to be maintained by donor	<u>10,000</u>	<u>10,000</u>
Total Net Assets with Donor Restrictions	<u>\$1,085,274</u>	<u>\$1,171,055</u>

Net assets with donor restrictions are reclassified to net assets without donor restrictions when the time restriction expires or the funds are utilized for the restricted purpose. Net assets with donor restrictions that are perpetual in nature consist of investments held in perpetuity, the income from which is restricted to the Organization's operating expenses.

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H. NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified or by the passage of time. Releases are as follows at September 30:

	2022	2021
Purpose restrictions accomplished:		
Cohen Fund	\$116,913	\$ 21,581
STEM	20,041	6,324
Other programs	71,367	62,389
Time restrictions expired:		
United Way - general operations	48,325	60,813
Total Net Assets Released from Restrictions	\$256,646	\$151,107

I. DESIGNATED NET ASSETS – CAMP TORQUA

During the year ended September 30, 2022, the Board of Directors appropriated \$853,015 of net assets without donor restrictions to be designated for improvements at Camp Torqua. The intended purpose of these designated funds is to be spent on general and capital improvements to Camp Torqua located in Edwardsville, IL. \$79,029 was spent on improvements during the year ended September 30, 2022, and the balance at year end is \$773,986. These designated net assets are recorded on the Combined Statements of Financial Position as Camp Torqua – renovation fund.

J. LINE OF CREDIT

The Organization has a \$1,600,000 line of credit that expires August 17, 2023, with a variable interest rate 0.25% below the current Wall Street Journal published prime rate. At September 30, 2022 and 2021, this calculated interest rate was approximately 6.00% and 3.00%, respectively. The line is secured by assets of the Organization. There was \$981,302 and \$358,116 outstanding at September 30, 2022 and 2021, respectively.

Subsequent to year end, the Organization asked and the bank agreed to increase the line of credit to \$1,800,000.

K. BUSINESS AND CREDIT RISK

The Organization is located in Glen Carbon, Illinois. The Organization receives the majority of revenues from proceeds from the cookie sale programs and various United Way agency grants. The Organization also maintains investments in stocks of publicly traded companies, which are subject to upward and downward movements of the market in each of the respective industries.

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K. BUSINESS AND CREDIT RISK (Continued)

The Organization's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to the Organization's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that diversification of its invested assets among the various asset classes should mitigate the impact of changes in any one class.

L. RELATED PARTY TRANSACTIONS

The Organization enters into various transactions with GSUSA. The Organization is a chartered council of GSUSA and both the Organization and GSUSA are separate legal entities. The Organization purchases most of its inventories from GSUSA. Furthermore, the Organization acts as a pass-through entity for membership dues to GSUSA. The Organization owed GSUSA \$699 and \$1,440 as of September 30, 2022 and 2021, respectively, for unremitted membership dues.

M. LEASE OBLIGATIONS

The Organization rents office space and has several equipment and technology lease agreements with varying terms accounted for as operating leases.

Total rent expense for the years ended September 30, 2022 and 2021, was approximately \$40,400 and \$30,700, respectively. The future minimum lease payments under these operating leases and the lease agreement are as follows at September 30:

<u>Year Ending</u> <u>September 30,</u>	<u>Amount</u>
2023	\$33,492
2024	25,030
2025	16,280
2026	<u>8,520</u>
Total	<u><u>\$83,322</u></u>

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N. PRODUCT SALES

The following chart provides a detailed breakdown of gross profit by product. Other includes the sale of nuts, candy, and magazines.

The breakdown of product sales by product as of September 30, 2022 was:

	<u>Cookie</u>	<u>Other</u>	<u>Retail</u>	<u>Total</u>
Gross Sales	\$3,655,051	\$442,589	\$187,271	\$4,284,911
Less: Troop/Service Unit Proceeds	(688,159)	(71,916)	-	(760,075)
Less: Cost of Goods Sold	<u>(837,718)</u>	<u>(181,550)</u>	<u>(96,596)</u>	<u>(1,115,864)</u>
Gross Profit on Product Sales	<u>\$2,129,174</u>	<u>\$189,123</u>	<u>\$ 90,675</u>	<u>\$2,408,972</u>

The breakdown of product sales by product as of September 30, 2021 was:

	<u>Cookie</u>	<u>Other</u>	<u>Retail</u>	<u>Total</u>
Gross Sales	\$2,659,059	\$314,168	\$152,066	\$3,125,293
Less: Troop/Service Unit Proceeds	(492,117)	(49,664)	-	(541,781)
Less: Cost of Goods Sold	<u>(635,925)</u>	<u>(128,611)</u>	<u>(96,287)</u>	<u>(860,823)</u>
Gross Profit on Product Sales	<u>\$1,531,017</u>	<u>\$135,893</u>	<u>\$ 55,779</u>	<u>\$1,722,689</u>

O. PAYCHECK PROTECTION PROGRAM GRANT

During the year ended September 30, 2021, the Organization was granted a loan in the amount of \$420,000 from a local bank, as part of the Economic Aid to Hard-hit Small Business, Nonprofits and Venues Act. Under certain circumstances, all or part of the loan may be forgiven and converted to a grant. During the year ended September 30, 2021, the Organization spent PPP funds on eligible expenses and the loan was forgiven on September 23, 2021 and recorded as grant income on the statement of activities.

P. EMPLOYEE BENEFITS

Employer Sponsored 403(b) Plan

Effective March 1, 2011, the Organization established a 403(b) retirement plan covering all eligible employees. The Organization makes a matching contribution for employees who make participant contributions. The match is between 4% and 8% of the participants' compensation depending on the participant contribution and years of service with the Organization. The Organization ceased making matching contributions in March 2020 and resumed subsequent to year end in October 2020. The cost of the plan was \$25,521 and \$19,990 for the years ended September 30, 2022 and 2021, respectively.

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P. **EMPLOYEE BENEFITS**(Continued)

National Girl Scout Council Retirement Plan

The council 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, \$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 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 2021 and 2022 were \$32.7 million and \$32.2 million, respectively. Aggregate contributions to be made in fiscal 2022 are expected to be \$27.55 million.

The Council made contributions to the Plan of \$255,072 for each of the years ended September 30, 2022 and 2021. Estimated future payments for the year ended September 30, 2023, are \$219,468.

Q. **CONCENTRATIONS**

Approximately 75% and 57% of support and revenue was derived from net cookie, nut, magazine, and retail sales for the years ended September 30, 2022 and 2021, respectively. A significant reduction in cookie, nut, and magazine sales, if it were to occur, could have a significant effect on the Organization's program and activities.

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 (Continued)

R. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization receives revenue from product sales, contributions with and without donor restrictions and program service fees and considers these to be major and central to its annual operations and available to meet cash needs for general expenditures. The Organization maintains financial assets, consisting of cash and investments, on hand to meet its normal operating expenses based on its annual budget. Operating expenses are compared to budgeted expenses on a monthly basis and financial assets on hand are adjusted as necessary.

The Organization's financial assets available within one year of the Combined Statements of Financial Position date for general expenditures are as follows:

	2022	2021
Cash and cash equivalents	\$1,213,810	\$ 1,132,125
United Way receivable	49,512	48,325
Other receivables, net of allowance	36,073	47,119
Investments	5,728,328	7,328,853
Total financial assets	7,027,723	8,556,422
Less amounts not available to be used within one year:		
Girl scout experience quasi-endowment fund	3,883,293	4,651,170
Camp Torqua – renovation fund	773,986	-
Donor-restricted perpetual endowment	10,000	10,000
Donor-restricted purpose restrictions	973,441	1,007,212
Financial assets available to meet cash needs for general expenditures within one year	\$1,387,003	\$2,888,040

As more fully described in Note J, the Organization has \$618,698 available on its \$1,600,000 line of credit it could draw upon in the event of liquidity need. In addition, the Organization does not intend to draw upon its designated funds other than for the intended purpose, these funds could be made available if cash needs arise.

S. SUBSEQUENT EVENT

Subsequent to September 30, 2022, the Organization filed a claim to receive Employee Retention Credit (ERC) refunds in the amount of \$212,418. The ERC program was established as part of the CARES Act and contains complex regulations. The timing of review and approval of these refunds is uncertain at this time.