

Girl Scouts of West Central Florida, Inc.

Financial Statements

September 30, 2021 and 2020



GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Girl Scouts of West Central Florida, Inc.
Tampa, Florida

We have audited the accompanying financial statements of Girl Scouts of West Central Florida, Inc. (the Council), which comprise the statements of financial position as of September 30, 2021 and 2020, and the related statements of activities and of cash flows for the years then ended, the statement of functional expenses for the year ended September 30, 2021, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Girl Scouts of West Central Florida, Inc. as of September 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

CONTINUED

INDEPENDENT AUDITOR'S REPORT - CONTINUED

Report on Summarized Comparative Information

We have previously audited the Council's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 6, 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.

PDR CPAs + Advisors

Oldsmar, Florida
February 15, 2022

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2021 AND 2020

	2021	2020
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 1,597,685	\$ 1,826,816
Receivables	82,701	137,179
Escrow receivable	1,000,000	-
Employee Retention Credit receivable	993,661	-
Inventory	189,199	228,267
Prepaid expenses and other assets	184,180	223,332
Total current assets	4,047,426	2,415,594
Property and Equipment, Net	6,981,717	7,062,378
Other Assets		
Assets held for sale	-	107,427
Beneficial interest in assets held by others	107,720	86,848
Investments	9,757,869	4,745,584
Total Assets	\$ 20,894,732	\$ 14,417,831
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable	\$ 187,271	\$ 131,834
Accrued expenses	505,504	346,290
Custodial funds	38,829	12,261
Deferred revenue	59,551	16,534
Current portion of notes payable	9,807	22,922
Total current liabilities	800,962	529,841
Paycheck Protection Program note payable	853,190	870,000
Note payable, net of current portion	-	9,807
Total liabilities	1,654,152	1,409,648
Net assets		
Without donor restrictions:		
Operating	7,914,609	5,629,821
Property and equipment	6,981,717	7,062,378
Board designated for preservation of properties	2,970,685	-
	17,867,011	12,692,199
With donor restrictions	1,373,569	315,984
Total net assets	19,240,580	13,008,183
Total Liabilities and Net Assets	\$ 20,894,732	\$ 14,417,831

See accompanying notes to financial statements

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2021	2020
Revenues and Other Support				
Public support:				
Contributions	\$ 460,705	\$ 33,112	\$ 493,817	\$ 545,346
United Way	109,249	-	109,249	159,245
Government contracts/grants	527,594	-	527,594	698,585
Special events, net of direct costs of \$12,221	89,677	-	89,677	198,378
Program:				
Product sales, net of cost of goods sold of \$3,184,000	4,493,432	-	4,493,432	6,649,497
Girl Scout store, net of cost of goods sold of \$214,293	197,199	-	197,199	179,485
Event fees	312,129	-	312,129	216,559
Other revenue:				
Rental income	(2,396)	-	(2,396)	32,749
Interest and dividend income	131,138	2,950	134,088	107,464
Other	119,054	-	119,054	74,613
Net assets released from restrictions	28,698	(28,698)	-	-
Total revenues and other support	6,466,479	7,364	6,473,843	8,861,921
Expenses				
Program services	5,804,799	-	5,804,799	6,376,768
Management and general	1,016,900	-	1,016,900	972,110
Fundraising	521,366	-	521,366	416,846
Total expenses	7,343,065	-	7,343,065	7,765,724
Change in Net Assets From Operations	(876,586)	7,364	(869,222)	1,096,197
Other Changes in Net Assets				
Realized and unrealized gains on investments, net	668,400	50,221	718,621	112,056
Income from forgiveness of debt	870,000	-	870,000	-
Contribution for capital improvements	-	1,000,000	1,000,000	-
Employee Retention Credit, net	943,978	-	943,978	-
Gain on sale of assets	3,569,020	-	3,569,020	240,000
	<u>6,051,398</u>	<u>1,050,221</u>	<u>7,101,619</u>	<u>352,056</u>
Change in Net Assets	5,174,812	1,057,585	6,232,397	1,448,253
Net Assets at Beginning of Year	12,692,199	315,984	13,008,183	11,559,930
Net Assets at End of Year	<u>\$17,867,011</u>	<u>\$ 1,373,569</u>	<u>\$19,240,580</u>	<u>\$13,008,183</u>

See accompanying notes to financial statements

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Other Support			
Public support:			
Contributions	\$ 464,766	\$ 80,580	\$ 545,346
United Way	159,245	-	159,245
Government contracts/grants	698,585	-	698,585
Special events, net of direct costs of \$48,046	198,378	-	198,378
Program:			
Product sales, net of cost of goods sold of \$4,543,409	6,649,497	-	6,649,497
Girl Scout store, net of cost of goods sold of \$204,446	179,485	-	179,485
Event fees	216,559	-	216,559
Other revenue:			
Rental income	32,749	-	32,749
Interest and dividend income	104,164	3,300	107,464
Other	74,613	-	74,613
Net assets released from restrictions	60,661	(60,661)	-
Total revenues and other support	<u>8,838,702</u>	<u>23,219</u>	<u>8,861,921</u>
Expenses			
Program services	6,376,768	-	6,376,768
Management and general	972,110	-	972,110
Fundraising	416,846	-	416,846
Total expenses	<u>7,765,724</u>	<u>-</u>	<u>7,765,724</u>
Change in Net Assets From Operations	1,072,978	23,219	1,096,197
Other Changes in Net Assets			
Realized and unrealized gains on investments, net	102,397	9,659	112,056
Gain on sale of assets	240,000	-	240,000
	<u>342,397</u>	<u>9,659</u>	<u>352,056</u>
Change in Net Assets	1,415,375	32,878	1,448,253
Net Assets at Beginning of Year	<u>11,276,824</u>	<u>283,106</u>	<u>11,559,930</u>
Net Assets at End of Year	<u>\$12,692,199</u>	<u>\$ 315,984</u>	<u>\$13,008,183</u>

See accompanying notes to financial statements

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	Program Services	Management and General	Fundraising	Total	
				2021	2020
Labor expenses					
Salaries	\$ 2,778,763	\$ 416,272	\$ 300,518	\$ 3,495,553	\$ 3,631,679
Employee benefits	865,955	119,273	82,227	1,067,455	1,055,882
Payroll taxes	213,295	28,888	22,736	264,919	286,983
Total salaries and related expenses	3,858,013	564,433	405,481	4,827,927	4,974,544
Other expenses					
Supplies	399,945	2,157	6,541	408,643	426,500
Building expense	354,021	46,953	-	400,974	412,058
Professional fees	115,569	68,239	20,028	203,836	269,564
Special assistance	48,508	-	39,809	88,317	100,186
Insurance	185,161	88,193	-	273,354	230,249
Grant subreceptent	115,643	-	-	115,643	190,184
Travel	54,158	241	291	54,690	87,036
Print and publications	56,021	1,260	1,891	59,172	127,622
Communications	142,268	31,085	20,260	193,613	172,179
Equipment	76,259	7,477	5,307	89,043	89,344
Staff development	11,243	5,181	1,828	18,252	77,874
Miscellaneous	53,429	2,656	2,049	58,134	33,360
Bank fees	65,451	11,740	8,882	86,073	72,481
Bad debt expense	14,384	-	-	14,384	56,673
Postage and shipping	28,309	1,642	8,999	38,950	88,679
Total other expenses	1,720,369	266,824	115,885	2,103,078	2,433,989
Total expenses before depreciation	5,578,382	831,257	521,366	6,931,005	7,408,533
Depreciation	226,417	185,643	-	412,060	357,191
Total expenses	\$ 5,804,799	\$ 1,016,900	\$ 521,366	\$ 7,343,065	\$ 7,765,724

See accompanying notes to financial statements

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021	2020
Cash Flows from Operating Activities:		
Change in net assets	\$ 6,232,397	\$ 1,448,253
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	412,060	357,191
Bad debt expense	14,384	56,673
Income from forgiveness of debt	(870,000)	-
Gain on sale of property and equipment	(3,569,020)	(240,000)
Realized and unrealized gains on investments	(737,028)	(132,571)
(Increase) decrease in:		
Receivables	40,094	(29,040)
Escrow receivable	(1,000,000)	-
Employee Retention Credit receivable	(993,661)	-
Prepaid expenses and other assets	39,152	(48,502)
Inventory	39,068	(13,924)
Increase (decrease) in:		
Accounts payable	55,437	(42,844)
Accrued expenses	159,214	(358,610)
Custodial funds	26,568	3,332
Deferred revenue	43,017	(97,910)
	(108,318)	902,048
Net cash (used in) provided by operating activities		
Cash Flows from Investing Activities:		
Proceeds from sale of property and equipment	3,676,575	240,000
Purchase of property and equipment	(331,527)	(1,308,007)
Purchase of investments	(17,316,519)	(6,936,151)
Proceeds from sale of investments	13,020,390	6,883,323
	(951,081)	(1,120,835)
Net cash used in investing activities		
Cash Flows from Financing Activities:		
Proceeds from new note payable	853,190	870,000
Payments on note payable	(22,922)	(22,080)
	830,268	847,920
Net cash provided by financing activities		
Net (Decrease) Increase in Cash and Cash Equivalents	(229,131)	629,133
Cash and Cash Equivalents at Beginning of Year	1,826,816	1,197,683
Cash and Cash Equivalents at End of Year	\$ 1,597,685	\$ 1,826,816
Supplemental Cash Flow Information:		
Cash paid during the year for interest	\$ 836	\$ 1,678

See accompanying notes to financial statements

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE A - NATURE OF ORGANIZATION

Girl Scouts of West Central Florida, Inc. (the Council) is a nonprofit organization incorporated in Florida on October 1, 2007 for the purpose of administering Girl Scouting in Hillsborough, Polk, Pinellas, Pasco, Citrus, Marion, Sumter, and Hernando counties. The Council administers Girl Scouting throughout its jurisdiction in accordance with the bylaws and policies of the Council and the charter requirements of the Girl Scouts of the United States of America (GSUSA).

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the Council have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP).

The Council presents information regarding its financial position and activities according to two classes of net assets described as follows:

- Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Council. These net assets may be used at the discretion of the Council’s management and the board of directors.
- Net assets with donor restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Council or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates include allocation of functional expenses, asset lives, and fair value measurement of investments.

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Council’s ongoing services. Nonoperating activities, if any, are limited to other activities considered to be of a more unusual or nonrecurring nature.

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fair Value Measurement

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on a measurement date. An entity is required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Cash and Cash Equivalents Accounts

For purposes of the statements of cash flows, the Council considers all operating bank accounts consisting of highly liquid investments with an original maturity of three months or less as cash. Cash and cash equivalents held in the investment accounts are not considered cash for the purposes of the statements of cash flows.

Financial instruments which potentially subject the Council to concentrations of credit risk consist principally of cash held in financial institutions in excess of federally insured limits. From time to time throughout the years ended September 30, 2021 and 2020, the Council's cash balance may have exceeded the federally insured limit. However, the Council has not experienced and does not expect to incur any losses in such accounts.

Receivables

Receivables consist mainly of grants receivable that are due from various granting agencies as well as amounts due from various troops for cookie sales. Receivables are stated at the amount that management expects to collect from outstanding balances. Management monitors the collection of its receivable balances on an ongoing basis. The Council provides for probable uncollectible amounts through a charge to earnings and a credit to the allowance for doubtful accounts when, in management's estimation, it is probable that the receivable is not collectible. The Council has determined that all amounts are collectible; accordingly, no allowance for potentially uncollectible accounts has been recorded at September 30, 2021 and 2020.

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Beneficial Interest in Assets Held by Others

The Organization established accounts with the Community Foundation of Tampa Bay which are included within net assets with donor restrictions. The Organization's interest in the assets held by the Community Foundation of Tampa Bay is recorded at fair value and included in the accompanying statements of financial position. Earnings on these funds are earmarked to be distributed on a periodic basis to the Council and are recorded as revenue without donor restrictions in the accompanying statements of activities. As of September 30, 2021 and 2020, the fair value of these assets was \$107,720 and \$86,848, respectively. Unrealized gains and losses are included in the statements of activities under other changes in net assets.

Investments

Investments include marketable debt and equity securities and are stated at fair market value in the statements of financial position. Investment income or loss (including gains or losses on investments, interest, and dividends) is included in the statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law. Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

Inventories

The Council maintains an inventory of Girl Scouting related equipment, uniforms, and badges for sale. The inventory is stated at the lower of cost or market on an average cost basis.

Property and Equipment

Property and equipment expenditures in excess of \$1,500 are capitalized at cost when purchased or, if donated, at estimated fair value. Improvements and betterments that materially prolong the useful lives of assets are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives with a range of three to thirty years.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Council reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Council reclassifies net assets with donor restrictions at that time.

Assets Held for Sale

At September 30, 2020, assets held for sale consisted of real property that was previously held for use in the Council's operations. This real property was sold during the fiscal year ended September 30, 2021.

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Impairment of Long-Lived Assets

The Council evaluates its long-lived assets (including assets held for sale) for any events or changes in circumstances which indicate that the carrying amount of such assets may not be fully recoverable. The Council evaluates the recoverability of long-lived assets by measuring the carrying amount of such assets against the estimated undiscounted future cash flows associated with them. At the time such evaluation indicates that the future undiscounted cash flows of certain long-lived assets are not sufficient to recover the carrying value of such assets, the assets are adjusted to their fair values.

Revenue Recognition

Certain grants received by the Council are considered conditional contributions since the grant agreements require the Council to perform services, incur expenses or meet contract objectives in order to earn the grant funding. Advance payments received under these grants, if any, are deferred until earned. Revenue is earned and recognized in the financial statements when eligible expenses are incurred, services performed or grant objectives met.

Other grants and contributions without conditions are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence or nature of any donor restrictions. Contributions are recognized when the donor makes a promise to give to the Council that is, in substance, unconditional. Unconditional promises to give are reported at present value at the date the promise is received to the extent estimated to be collected by the Council. Other conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire during the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Revenues from cookie sales, program fees, retail store sales and sponsorships are considered exchange transactions. Revenues from exchange transactions are recognized when control of the goods and services are transferred to the Council's customers or program participants in an amount that reflects the consideration the Council expects to be entitled to in exchange for those goods or services. Payments received in advance of the transaction are recorded as deferred revenue.

Revenues from program fees and sponsorships are recognized at the conclusion of the individual event or activity. Revenues from cookie sales and retail store sales are recognized at the point in time when the customer takes possession of the goods being sold.

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Donated Premises, Services, and Materials

Donated materials are recorded as support at their fair value at the date of donation. Contributions of services are recorded as support at their estimated fair value if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The value of contributed services meeting the requirements for recognition in the financial statements is recorded as unrestricted support at the date of the donation. There were no significant donated goods and services for the years ended September 30, 2021 and 2020, respectively. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Council, but these services do not meet the criteria for recognition as contributed services under US GAAP.

Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Council. These functions are defined as follows:

- Program services - the costs associated with the Council's efforts to achieve the stated mission and goals.
- Management and general - the costs of operating the Council's offices, including gathering, processing, and maintaining financial information.
- Fundraising - the costs associated with soliciting contributions or holding special events for the benefit of the Council.

Advertising

Advertising costs are expensed as incurred and were approximately \$38,000 and \$69,000, respectively, for the years ended September 30, 2021 and 2020.

Income Tax Status

The Council is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Uncertain Tax Positions

The Council accounts for the effect of any uncertain tax positions based on a “more likely than not” threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a “cumulative probability assessment” that aggregates the estimated tax liability for all uncertain tax positions. The Council has identified its tax status as a tax-exempt entity as its only significant tax position; however, the Council has determined that such tax position does not result in an uncertainty requiring recognition. The Council is not currently under examination by any taxing jurisdiction. The Council’s federal returns are generally open for examination for three years following the date filed.

Troops' Accounts and Activities

The accompanying financial statements do not include financial data for individual Girl Scout troops. Bank accounts held by troops are under the Council's federal identification number but not under the control of the Council. The Council has no signature authority nor does it access troop accounts, in accordance with the Council's established policies and procedures, other than for the purposes of closing dormant or forfeited accounts after an extended period of inactivity, and to process ACH payments to pay for product sales or event reimbursement or financial assistance. Annually, troops are required to report to the Council the balance in their accounts and the sources and uses of funds since the last reporting date.

Comparative Financial Information

The accompanying financial statements include certain prior year summarized comparative total amounts. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Council's financial statements for the year ended September 30, 2020, from which the summarized information was derived.

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE C - AVAILABILITY AND LIQUIDITY

The following represents the Council's financial assets as of the financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	<u>2021</u>	<u>2020</u>
Financial Assets:		
Cash and cash equivalents	\$ 1,597,685	\$ 1,826,816
Receivables	<u>82,701</u>	<u>137,179</u>
Total financial assets	1,680,386	1,963,995
Less financial assets unavailable for general expenditures within one year due to:		
Donor restricted contributions for program activities	<u>86,112</u>	<u>80,580</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,594,274</u>	<u>\$ 1,883,415</u>

As part of the Council's liquidity management, it invests cash for long-term purposes in a variety of investments as described in **NOTE E**. These investments are available to meet the Council's liquidity requirements as determined by Council management.

NOTE D - RECEIVABLES

Grants receivable are included in receivables on the statements of financial position and at September 30, 2021 consist of four grants receivable totaling \$27,222. Grants receivable at September 30, 2020 consist of five grants receivable totaling \$95,263.

NOTE E - INVESTMENTS

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

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE E - INVESTMENTS - CONTINUED

Investments consist of the following at September 30:

	2021		2020	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Cash and cash equivalents	\$ 573,479	\$ 573,479	\$ 294,455	\$ 294,455
Bonds	3,013,520	3,021,136	1,473,195	1,533,069
Mutual funds	4,575,278	5,270,378	820,574	855,681
Equities	746,685	892,876	1,837,344	2,062,379
Total	<u>\$8,908,962</u>	<u>\$ 9,757,869</u>	<u>\$4,425,568</u>	<u>\$4,745,584</u>

The following schedule summarizes the investment return for the years ended September 30:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 134,088	\$ 107,464
Unrealized gain/(loss) on investments	546,930	(1,738)
Realized gain on investments	208,208	134,309
Net investment fees	<u>(36,517)</u>	<u>(20,515)</u>
	<u>718,621</u>	<u>112,056</u>
Total	<u>\$ 852,709</u>	<u>\$ 219,520</u>

With regard to its invested assets, the Council has an investment policy with an overall objective of supporting the activities of the Council while providing long-term growth of assets at a level of risk deemed acceptable by the Council's Board of Directors. The Council funds its cash flow needs from investments rather than borrowing, which led to the creation of both short and long-term components of the Council's investment portfolio. The short-term component consists of highly liquid investments, while the long-term component consists primarily of equities. The Council maintains a prudent and diversified portfolio management by a third-party investment firm, subject to oversight by a Finance Committee staffed by volunteer professionals.

NOTE F - FAIR VALUE MEASUREMENTS

The following is a description of the valuation methodologies used for investments measured at fair value at September 30, 2021 and 2020:

Cash and cash equivalents: The carrying amounts reported in the statements of financial position approximate the fair value due to the short maturities of those investments.

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE F - FAIR VALUE MEASUREMENTS - CONTINUED

Bonds: Valued using quoted market prices and/or other observable market data for the same or comparable instruments and transactions in establishing the prices, discounted cash flow models and other pricing models. These models are primarily industry standard models that consider various assumptions including time value and yield curve as well as other relevant economic measures.

Mutual funds: Valued at the closing prices reported on the applicable exchange on which the fund is traded.

Equities: Comprised of common stock valued at the closing price reported in the active market in which the individual securities are traded.

Beneficial interest in assets held by others: The investments are managed by an unrelated third party and are valued based upon the third-party information without adjustment. The Organization does not develop nor are they provided with the quantitative inputs used to develop the fair market values.

The following is a summary of the levels within the fair value hierarchy for the Council's assets measured at fair value on a recurring basis as of September 30, 2021 and 2020:

Assets by Designated Type	September 30, 2021			
	Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 573,479	\$ 573,479	\$ -	\$ -
Bonds	3,021,136	-	3,021,136	-
Mutual funds	5,270,378	5,270,378	-	-
Equities	892,876	892,876	-	-
Beneficial interest in assets held by others	107,720	-	-	107,720
Total fair value	\$ 9,865,589	\$ 6,736,733	\$ 3,021,136	\$ 107,720

Assets by Designated Type	September 30, 2020			
	Fair Value	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 294,455	\$ 294,455	\$ -	\$ -
Bonds	1,533,069	-	1,533,069	-
Mutual funds	855,681	855,681	-	-
Equities	2,062,379	2,062,379	-	-
Beneficial interest in assets held by others	86,848	-	-	86,848
Total fair value	\$ 4,832,432	\$ 3,212,515	\$ 1,533,069	\$ 86,848

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE F - FAIR VALUE MEASUREMENTS - CONTINUED

The following is a reconciliation of the Council's level 3 investments:

	<u>2021</u>	<u>2020</u>
Balance at beginning of the year	\$ 86,848	\$ 84,009
Investment income	1,710	727
Net appreciation (realized/unrealized)	20,280	3,198
Grant disbursements	(1,118)	(1,086)
	<u>\$ 107,720</u>	<u>\$ 86,848</u>

NOTE G - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at September 30:

	<u>2021</u>	<u>2020</u>
Land	\$ 1,295,602	\$ 1,295,730
Buildings and improvements	10,456,229	10,313,090
Furnishings, equipment, and vehicles	1,978,537	1,948,580
Land and leasehold improvements	807,931	658,456
Livestock	26,775	28,275
	<u>14,565,074</u>	<u>14,244,131</u>
Less accumulated depreciation	<u>(7,583,357)</u>	<u>(7,181,753)</u>
Total	<u>\$ 6,981,717</u>	<u>\$ 7,062,378</u>

Depreciation expense was \$412,060 and \$357,191 for the years ended September 30, 2021 and 2020, respectively.

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE H - NOTE PAYABLE

Note payable consists of the following at September 30:

	2021	2020
Note payable to bank, bearing interest at 3.75% fixed rate, due in monthly installments of \$1,980 including interest, maturing February 2022, and secured by a vehicle	\$ 9,807	\$ 32,729
Less current portion	(9,807)	(22,922)
	\$ -	\$ 9,807

NOTE I - ENDOWMENT

The Council's endowment (the Fund) consists of three individual funds held by the Community Foundation of Tampa Bay (CFTB) and a permanent endowment created through a Council-wide pledge campaign. The endowments held by CFTB were established by the Council for a variety of purposes and are held by a third-party trustee. As such, the Council has no direct influence over the investment policies governing the funds held with CFTB, but has a separate investment policy for the funds managed exclusively by the Council. As required by US GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Council has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Council classifies as net assets with donor restrictions of a permanent nature (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 funds that are not classified in net assets with donor restrictions of a permanent nature is classified as net assets with donor restrictions of a temporary nature until those amounts are appropriated for expenditure by the Council in accordance with the calculation provided in the donor agreement as calculated by CFTB.

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE I - ENDOWMENT - CONTINUED

In accordance with FUPMIFA, the Council considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds that are overseen by the Council:

- (1) The duration and preservation of the fund
- (2) The purposes of the Council and the donor-restricted endowment fund
- (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 Council
- (7) The investment policies of the Council

For the years ended September 30, 2021 and 2020, the Council has elected not to add appreciation for cost of living or other spending policies, due to inflation and other economic conditions, to its permanently restricted endowment.

Summary of endowment assets:

Net Assets by Designated Type	September 30, 2021		
	Without Donor	With Donor	Total
	Restrictions	Restrictions	
Donor-restricted endowment funds	\$ -	\$ 287,457	\$ 287,457
Total	\$ -	\$ 287,457	\$ 287,457

Net Assets by Designated Type	September 30, 2020		
	Without Donor	With Donor	Total
	Restrictions	Restrictions	
Donor-restricted endowment funds	\$ -	\$ 235,404	\$ 235,404
Total	\$ -	\$ 235,404	\$ 235,404

**GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

NOTE I - ENDOWMENT - CONTINUED

Changes in endowment net assets for the years ended September 30 include:

<u>September 30, 2021</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 235,404	\$ 235,404
Grant disbursements	-	(1,118)	(1,118)
Investment income	-	4,549	4,549
Realized and unrealized gains on investments	-	48,622	48,622
Endowment net assets, end of year	\$ -	\$ 287,457	\$ 287,457
<u>September 30, 2020</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 223,531	\$ 223,531
Grant disbursements	-	(1,086)	(1,086)
Investment income	-	3,300	3,300
Realized and unrealized gains on investments	-	9,659	9,659
Endowment net assets, end of year	\$ -	\$ 235,404	\$ 235,404

In regards to the Council's permanently restricted endowment fund, all investment income and appreciation of the endowment is considered permanently restricted and added to the original value of the gift until the endowment reaches a donor directed level in accordance with the donor agreement.

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE J – RETIREMENT PLANS

The Council participates in the National Girl Scout Council Retirement Plan (NGSCRCP), 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 NGSCRCP the flexibility to adopt the Pension Protection Act (PPA) funding requirements immediately or not at all. NGSCRCP has elected to adopt this relief and not be subject to PPA. In September 2020, the National Board of Girl Scouts of the USA approved to lower the contributions from \$30 million to \$26 million starting in calendar year 2023 until the Plan is fully funded on a market basis. Aggregate annual contributions made in fiscal years 2020 and 2021 were \$32.2 million and \$32.9 million, respectively. Aggregate contributions to be made in fiscal 2022 are expected to be \$32.2 million.

Net Plan assets available and Plan liabilities are as follows:

	2021	2020
Fair value of Plan assets	\$ 513,905,000	\$ 459,200,000
Accumulated liability of the Plan	\$ 669,700,000	\$ 717,100,000
Plan funded ratio	77%	64%

The risks of participating in multiemployer plans are different from single-employer plans in the following aspects:

- a. Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

Contributions made by the Council in fiscal years 2021 and 2020 were \$440,628 and \$506,025, respectively. These contributions were not greater than 5% of total plan contributions during 2021 and 2020.

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE J – RETIREMENT PLANS – CONTINUED

The Council also maintains a 401(k)-retirement plan, in which the council will make a matching contribution not to exceed 2% of each individual's salary. The amount contributed to the 401(k) plan during 2021 and 2020 was \$28,163 and \$34,790, respectively.

NOTE K - RELATED PARTY TRANSACTIONS

The Council is a chartered member of GSUSA. As part of being a chartered member, the Council collects and passes through membership fees on behalf of GSUSA. The total paid to GSUSA by the Council for membership dues collected on behalf of GSUSA in 2021 and 2020 was \$39,600 and \$58,755, respectively. The Council purchases a majority of its merchandise inventory from GSUSA. In 2021 and 2020, approximately 71% and 76%, respectively, of the Council's merchandise inventory purchases were from GSUSA.

As part of the Council's product sales program, a portion of proceeds from the sale of items is retained by the troops and groups participating in the program. The amount of proceeds retained per troop or group varies and is based on the number of items sold by that particular troop or group. In 2021 and 2020, troops and groups retained approximately \$1,300,000 and \$1,900,000, respectively, in the Council's product sales program.

NOTE L - CONCENTRATION RISK

The Council received approximately 66% and 71% of its operating funds from the program-related sale of cookie products during 2021 and 2020, respectively. Due to licensing restrictions imposed by GSUSA, only two national suppliers are authorized to produce Girl Scout cookie products. This limited amount of suppliers may represent a business risk to the Council, and any adverse change in a supplier's ability to provide an adequate amount of goods for resale may have a negative impact on the Council's operations.

NOTE M – OPERATING LEASES

The Council leases office equipment under non-cancelable operating leases. Lease expense for the years ended September 30, 2021 and 2020 was approximately \$65,000 and \$70,000, respectively.

Future minimum payments due on the leases are as follows:

<u>Years Ending September 30,</u>	<u>Amount</u>
2022	\$ 32,796
2023	25,660
2024	23,281
2025	15,712
2026	<u>13,189</u>
	<u>\$ 110,638</u>

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE N - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of September 30:

	<u>2021</u>	<u>2020</u>
Temporary restrictions:		
Restricted contributions for programs	\$ 86,112	\$ 80,580
Restricted for capital improvements	<u>1,000,000</u>	<u>-</u>
Total net assets with temporary restrictions	1,086,112	80,580
Permanent restrictions:		
Scholarship fund endowment	16,654	14,205
Endowment	<u>270,803</u>	<u>221,199</u>
Total net assets with permanent restrictions	<u>287,457</u>	<u>235,404</u>
Total net assets with donor restrictions	<u>\$ 1,373,569</u>	<u>\$ 315,984</u>

Net assets of \$28,698 and \$60,661 were released from restrictions during the years ended September 30, 2021 and 2020, respectively, by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors.

NOTE O - SELF-INSURANCE

The Council is self-insured for certain losses related to unemployment compensation and medical claims losses. The expected ultimate costs for claims incurred are recognized as liabilities in the accompanying statements of financial position and are estimated based principally on an analysis of historical claims data and estimates of claims incurred but not reported. Losses are accrued and charged to operations when it is probable that a loss has been incurred and the amount can be reasonably estimated. The Council maintains third-party stop-loss insurance policies to cover health insurance liability costs in excess of predetermined retained amounts. Costs related to the administration of the plans and related claims are expensed as incurred. At September 30, 2021 and 2020, self-insurance related liabilities of approximately \$98,000 and \$106,000, respectively, were included in accrued liabilities in the accompanying statements of financial position. The Council had approximately \$85,000 and \$137,000 on deposit to cover claims at September 30, 2021 and 2020, respectively, which are included in prepaid expenses in the accompanying statements of financial position.

NOTE P- CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT

Paycheck Protection Program

In response to the coronavirus (COVID-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) that, among other economic stimulus measures, established the Paycheck Protection Program (PPP) to provide small business loans.

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE P- CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT - CONTINUED

In April 2020, the Council received a PPP loan in the amount of \$870,000. The Council used the proceeds from the loan for qualifying expenses and received forgiveness in September 2021 of \$870,000. Income from forgiveness of the PPP loan is included in the statement of activities for the year ended September 30, 2021.

In April 2021, the Council obtained a second PPP loan in the amount of \$853,190. The note matures in April 2026 and bears interest at a fixed annual rate of 1%, with loan payments being deferred until certain events occur in accordance with the PPP program regulations. Management intends to apply for forgiveness of this loan during fiscal year ended September 30, 2022 and the principal amount of the loan is included in long term liabilities in the accompanying statement of financial position at September 30, 2021.

Employee Retention Credit

The Council has determined it is eligible for the Employee Retention Credit (ERC) under the Cares Act. The Council has elected to treat amounts claimed under the ERC program as an in-substance government grant and the accounting aligned with conditional contributions. For calendar year 2020, the ERC provides for refundable tax credits against certain employment taxes up to \$5,000 per employee. For calendar year 2021, the credits are up to \$7,000 per employee per quarter. The ERC program terminated September 30, 2021. Credits are claimed by filing amended employer tax returns. At September 30, 2021, the Council has recorded a receivable of \$993,661 and other income of \$943,978, net of related fees of \$49,683. These amounts are included in the accompanying statements of financial position and statements of activities as of and for the year ended September 30, 2021.

NOTE Q – RISKS AND UNCERTAINTIES

Covid-19

In March 2020, the World Health Organization classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on The Council's financial condition, liquidity, and future results of operations. Management is actively monitoring the situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global response to curb its spread, The Council is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the year ended September 30, 2022.

Government Grants

The Council receives a substantial amount of support from grantor agencies for its programs. If this support were to be reduced or eliminated, it could affect the operation of the supported programs. In addition, the Council is subject to audit examination by grantor agencies. In the event that reimbursed expenditures were disallowed, repayments would be required. Management believes the Council is in compliance with the terms of its grant agreements.

GIRL SCOUTS OF WEST CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

NOTE Q – RISKS AND UNCERTAINTIES - CONTINUED

CARES Act

As described in **NOTE P**, the Council recognized income from forgiveness of debt of \$870,000 and income from the Employee Retention Credit program of \$943,978. Laws and regulations governing CARES Act programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future governmental review and interpretation. The Council believes it is in compliance with all applicable laws and regulations governing CARES Act programs in which it has participated.

NOTE R – ESCROW RECEIVABLE

During the year ended September 30, 2021, the Council sold a parcel of land adjacent to Camp Dorothy Thomas. The land had been held for sale for several years. The selling price of the land was \$3,715,000 and the Council realized a gain on the sale of approximately \$3,569,000. In addition to the sales price, the buyer agreed to fund a \$1,000,000 escrow account subject to an escrow agreement. Under the terms of the escrow agreement, the Council can draw from the escrow account to make improvements to Camp Dorothy Thomas. If the entire \$1,000,000 is not used by the Council for such improvements to Camp Dorothy Thomas within one year of the closing date of the sale, March 19, 2021, then the remaining funds in the escrow account will revert to the Council's general funds. At September 30, 2021, the Council has recognized a receivable from the escrow account of \$1,000,000 which is included in the accompanying statements of financial position.

NOTE S - SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 15, 2022, the financial statements were available to be issued. Management is not aware of any subsequent events which would require recognition or disclosures in the financial statements.