



**GIRL SCOUTS OF GREATER ATLANTA, INC.
MABLETON, GEORGIA
AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
SEPTEMBER 30, 2021 AND 2020**

GIRL SCOUTS OF GREATER ATLANTA, INC.
INDEX TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	
STATEMENTS OF FINANCIAL POSITION	1
STATEMENTS OF ACTIVITIES AND NET ASSETS	2-3
STATEMENTS OF FUNCTIONAL EXPENSES	4-5
STATEMENTS OF CASH FLOWS	6-7
NOTES TO FINANCIAL STATEMENTS	8-21



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Girl Scouts of Greater Atlanta, Inc.
Mableton, Georgia

We have audited the accompanying financial statements of Girl Scouts of Greater Atlanta, Inc. (the "Council"), which comprise the statements of financial position as of September 30, 2021 and 2020, and the related statements of activities and net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council'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 Council'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 Greater Atlanta, 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 accordance with accounting principles generally accepted in the United States of America.

Jones and Kolb

February 10, 2022

GIRL SCOUTS OF GREATER ATLANTA, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 3,141,818	\$ 5,883,132
Investment securities	2,032,752	1,811,527
Pledges receivable, net	114,688	98,261
Other receivables, net	1,297,575	72,249
Prepaid expenses and other assets	264,036	301,020
Inventory	256,546	360,168
Beneficial interests in trusts	16,595	16,595
Property and equipment, net	9,550,121	10,197,983
Cash and cash equivalents - Endowment	474,285	339,583
Investment securities - Endowment	8,049,002	6,841,744
	<u>\$ 25,197,418</u>	<u>\$ 25,922,262</u>
Total assets		

LIABILITIES AND NET ASSETS

	<u>2021</u>	<u>2020</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 775,942	\$ 845,527
Deferred revenue	145,547	105,223
Paycheck Protection Program loan	1,726,196	1,819,000
	<u>2,647,685</u>	<u>2,769,750</u>
Total liabilities		
NET ASSETS		
Without donor restrictions		
Undesignated	13,755,582	15,697,487
Designated by the Board for an endowment	8,366,650	7,049,352
	<u>22,122,232</u>	<u>22,746,839</u>
Total without donor restrictions		
With donor restrictions		
	<u>427,501</u>	<u>405,673</u>
Total net assets	<u>22,549,733</u>	<u>23,152,512</u>
	<u>\$ 25,197,418</u>	<u>\$ 25,922,262</u>
Total liabilities and net assets		

The accompanying notes to financial statements are
an integral part of these statements.

GIRL SCOUTS OF GREATER ATLANTA, INC.
STATEMENT OF ACTIVITIES AND NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES			
Contributions, gains and other support			
Contributions	\$ 4,569,984	\$ 334,048	\$ 4,904,032
Investment income	107,135	1,483	108,618
Net realized and unrealized gain on investments	<u>1,412,525</u>	<u>23,178</u>	<u>1,435,703</u>
Total contributions, gains and other support	<u>6,089,644</u>	<u>358,709</u>	<u>6,448,353</u>
Program services			
Gross product sales	11,508,979	-	11,508,979
Direct cost of product sales	(3,021,420)	-	(3,021,420)
Product sales revenue retained by troops	<u>(1,955,942)</u>	<u>-</u>	<u>(1,955,942)</u>
Net revenue from product sales	6,531,617	-	6,531,617
Retail store sales	442,464	-	442,464
Direct cost of retail store sales	<u>(218,611)</u>	<u>-</u>	<u>(218,611)</u>
Net revenue from retail store sales	223,853	-	223,853
Program fees	1,251,318	-	1,251,318
Miscellaneous income	<u>180,716</u>	<u>-</u>	<u>180,716</u>
Total program services	<u>8,187,504</u>	<u>-</u>	<u>8,187,504</u>
Total revenues	<u>14,277,148</u>	<u>358,709</u>	<u>14,635,857</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>336,881</u>	<u>(336,881)</u>	<u>-</u>
EXPENSES			
Program services			
Girl Scout leadership experience	4,986,388	-	4,986,388
Outdoor programs	4,210,302	-	4,210,302
Member and volunteer services	<u>3,992,630</u>	<u>-</u>	<u>3,992,630</u>
Total program services expenses	13,189,320	-	13,189,320
Management and general	1,141,513	-	1,141,513
Fundraising	<u>907,803</u>	<u>-</u>	<u>907,803</u>
Total expenses	<u>15,238,636</u>	<u>-</u>	<u>15,238,636</u>
CHANGE IN NET ASSETS	(624,607)	21,828	(602,779)
NET ASSETS AT SEPTEMBER 30, 2020	<u>22,746,839</u>	<u>405,673</u>	<u>23,152,512</u>
NET ASSETS AT SEPTEMBER 30, 2021	<u>\$ 22,122,232</u>	<u>\$ 427,501</u>	<u>\$ 22,549,733</u>

The accompanying notes to financial statements are
an integral part of this statement.

GIRL SCOUTS OF GREATER ATLANTA, INC.
STATEMENT OF ACTIVITIES AND NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES			
Contributions, gains and other support			
Contributions	\$ 1,369,580	\$ 374,741	\$ 1,744,321
Investment income	167,007	2,193	169,200
Net realized and unrealized gain on investments	455,776	6,843	462,619
Total contributions, gains and other support	<u>1,992,363</u>	<u>383,777</u>	<u>2,376,140</u>
Program services			
Gross product sales	18,211,128	-	18,211,128
Direct cost of product sales	(4,808,316)	-	(4,808,316)
Product sales revenue retained by troops	(3,127,394)	-	(3,127,394)
Net revenue from product sales	10,275,418	-	10,275,418
Retail store sales	477,026	-	477,026
Direct cost of retail store sales	(227,631)	-	(227,631)
Net revenue from retail store sales	249,395	-	249,395
Program fees	435,375	-	435,375
Miscellaneous income	1,516,357	-	1,516,357
Total program services	<u>12,476,545</u>	<u>-</u>	<u>12,476,545</u>
Total revenues	<u>14,468,908</u>	<u>383,777</u>	<u>14,852,685</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>358,441</u>	<u>(358,441)</u>	<u>-</u>
EXPENSES			
Program services			
Girl Scout leadership experience	4,698,834	-	4,698,834
Outdoor programs	3,805,544	-	3,805,544
Member and volunteer services	4,356,912	-	4,356,912
Total program services expenses	12,861,290	-	12,861,290
Management and general	1,196,160	-	1,196,160
Fundraising	1,025,311	-	1,025,311
Total expenses	<u>15,082,761</u>	<u>-</u>	<u>15,082,761</u>
CHANGE IN NET ASSETS	(255,412)	25,336	(230,076)
NET ASSETS AT SEPTEMBER 30, 2019	<u>23,002,251</u>	<u>380,337</u>	<u>23,382,588</u>
NET ASSETS AT SEPTEMBER 30, 2020	<u>\$ 22,746,839</u>	<u>\$ 405,673</u>	<u>\$ 23,152,512</u>

The accompanying notes to financial statements are
an integral part of this statement.

GIRL SCOUTS OF GREATER ATLANTA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Girl Scout Leadership Experience	Outdoor Programs	Member and Volunteer Services	Total Program Services	Management and General	Fundraising	Total Expenses
Salaries	\$ 1,923,091	\$ 1,456,348	\$ 2,399,993	\$ 5,779,432	\$ 604,568	\$ 608,001	\$ 6,992,001
Staff health and retirement benefits	400,735	238,652	540,800	1,180,187	188,361	99,987	1,468,535
Payroll taxes	139,127	104,105	174,432	417,664	35,158	42,843	495,665
Total personnel	2,462,953	1,799,105	3,115,225	7,377,283	828,087	750,831	8,956,201
Occupancy	139,339	682,751	65,637	887,727	41,104	9,974	938,805
Donated cookies	812,256	-	-	812,256	-	-	812,256
Supplies	115,594	367,783	122,898	606,275	5,062	15,467	626,804
Equipment, maintenance and repairs	118,020	122,964	136,430	377,414	64,894	52,001	494,309
Girl rewards - product sales	429,184	-	-	429,184	-	-	429,184
Professional services and fees	86,164	60,695	84,926	231,785	94,082	35,290	361,157
Other expenses	282,148	38,596	27,011	347,755	73	1,231	349,059
Printing, promotion and publications	92,325	60,687	150,593	303,605	4,223	7,057	314,885
Insurance	43,638	181,790	48,844	274,272	31,310	7,514	313,096
Telecommunications	51,384	35,537	77,636	164,557	26,732	8,868	200,157
Assistance and grants	109,738	70,518	18,350	198,606	-	-	198,606
Travel	61,233	71,972	54,309	187,514	881	576	188,971
Postage and delivery	98,697	1,691	12,583	112,971	427	3,960	117,358
Conferences and meetings	20,077	40,886	22,692	83,655	9,064	6,496	99,215
Interest expense	228	125	287	640	184	44	868
Total expenses before depreciation	4,922,978	3,535,100	3,937,421	12,395,499	1,106,123	899,309	14,400,931
Depreciation	63,410	675,202	55,209	793,821	35,390	8,494	837,705
Total expenses	<u>\$ 4,986,388</u>	<u>\$ 4,210,302</u>	<u>\$ 3,992,630</u>	<u>\$ 13,189,320</u>	<u>\$ 1,141,513</u>	<u>\$ 907,803</u>	<u>\$ 15,238,636</u>

The accompanying notes to financial statements are
an integral part of this statement.

GIRL SCOUTS OF GREATER ATLANTA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Girl Scout Leadership Experience</u>	<u>Outdoor Programs</u>	<u>Member and Volunteer Services</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries	\$ 1,957,618	\$ 1,277,722	\$ 2,550,557	\$ 5,785,897	\$ 622,568	\$ 664,910	\$ 7,073,375
Staff health and retirement benefits	378,072	270,461	553,356	1,201,889	194,889	94,115	1,490,893
Payroll taxes	142,181	92,617	187,900	422,698	37,743	46,983	507,424
Total personnel	2,477,871	1,640,800	3,291,813	7,410,484	855,200	806,008	9,071,692
Occupancy	135,088	592,513	73,584	801,185	46,509	10,378	858,072
Supplies	122,738	250,621	112,314	485,673	16,810	17,217	519,700
Equipment, maintenance and repairs	111,407	185,312	128,024	424,743	58,565	52,171	535,479
Girl rewards - product sales	719,397	-	-	719,397	-	-	719,397
Professional services and fees	103,460	54,536	112,127	270,123	75,170	49,565	394,858
Other expenses	322,785	16,991	47,742	387,518	5,874	30,880	424,272
Printing, promotion and publications	144,580	29,504	126,069	300,153	2,635	8,646	311,434
Insurance	41,773	192,603	48,550	282,926	31,972	7,105	322,003
Telecommunications	54,581	44,989	95,051	194,621	31,759	10,260	236,640
Assistance and grants	168,664	2,717	90,390	261,771	-	-	261,771
Travel	85,857	35,494	60,956	182,307	4,805	6,091	193,203
Postage and delivery	104,451	19,786	62,153	186,390	183	5,326	191,899
Conferences and meetings	36,637	35,453	42,914	115,004	23,755	12,126	150,885
Interest expense	3,107	2,163	4,016	9,286	2,615	581	12,482
Total expenses before depreciation	4,632,396	3,103,482	4,295,703	12,031,581	1,155,852	1,016,354	14,203,787
Depreciation	66,438	702,062	61,209	829,709	40,308	8,957	878,974
Total expenses	<u>\$ 4,698,834</u>	<u>\$ 3,805,544</u>	<u>\$ 4,356,912</u>	<u>\$ 12,861,290</u>	<u>\$ 1,196,160</u>	<u>\$ 1,025,311</u>	<u>\$ 15,082,761</u>

The accompanying notes to financial statements are
an integral part of this statement.

GIRL SCOUTS OF GREATER ATLANTA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (602,779)	\$ (230,076)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH AND CASH EQUIVALENTS USED IN OPERATING ACTIVITIES:		
Depreciation	837,705	878,974
Net realized and unrealized gain on investments	(1,435,703)	(462,619)
Paycheck Protection Program loan forgiveness	(1,819,000)	-
In-kind donated equipment	(93,160)	-
Gain on disposal of property and equipment	(5,492)	(1,476,519)
Change in pledges receivable, net	(16,427)	162,007
Change in other receivables, net	(1,225,326)	28,946
Change in prepaid expenses and other assets	36,984	128,078
Change in inventory	103,622	(10,721)
Change in accounts payable and accrued liabilities	(69,585)	66,600
Change in deferred revenue	40,324	(163,574)
Total adjustments	<u>(3,646,058)</u>	<u>(848,828)</u>
Net cash and cash equivalents used in operating activities	<u>(4,248,837)</u>	<u>(1,078,904)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	3,788,115	4,595,432
Purchases of investments	(3,780,895)	(3,659,960)
Proceeds from sale of property and equipment	5,492	2,528,015
Purchases of property and equipment	<u>(96,683)</u>	<u>(259,775)</u>
Net cash and cash equivalents (used in) provided by investing activities	<u>(83,971)</u>	<u>3,203,712</u>

The accompanying notes to financial statements are
an integral part of these statements.

GIRL SCOUTS OF GREATER ATLANTA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program loan	<u>1,726,196</u>	<u>1,819,000</u>
Net cash and cash equivalents provided by financing activities	<u>1,726,196</u>	<u>1,819,000</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(2,606,612)	3,943,808
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>6,222,715</u>	<u>2,278,907</u>
END OF YEAR	<u>\$ 3,616,103</u>	<u>\$ 6,222,715</u>
SUPPLEMENTAL CASH FLOW DISCLOSURES		
Interest paid	<u>\$ 868</u>	<u>\$ 12,482</u>
RECONCILIATION OF END OF YEAR CASH AND CASH EQUIVALENTS TO THE AMOUNTS REPORTED IN THE STATEMENTS OF FINANCIAL POSITION		
Cash and cash equivalents	\$ 3,141,818	\$ 5,883,132
Cash and cash equivalents - Endowment	<u>474,285</u>	<u>339,583</u>
Cash and cash equivalents, end of year	<u>\$ 3,616,103</u>	<u>\$ 6,222,715</u>

The accompanying notes to financial statements are
an integral part of these statements.

GIRL SCOUTS OF GREATER ATLANTA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Council

Girl Scouts of the USA ("USA") is the largest all-female serving volunteer organization in the world. Girl Scouts of Greater Atlanta, Inc. (the "Council") is one of the largest Girl Scout councils in the United States. The Council's mission statement is: Girl Scouting builds girls of courage, confidence and character, who make the world a better place.

B. Basis of Presentation of Financial Statements

The accompanying financial statements have been prepared on the accrual basis of accounting.

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

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor or grantor restrictions. The governing Board has designated, from net assets without donor restrictions, net assets for a Board designated endowment.

Net assets with donor restrictions - Net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature; for example, restrictions that may or will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature; for example, stipulating that resources be maintained in perpetuity. The donors of these assets permit the Council to use all of the income earned on related investments for general or specific purposes. More specifically, items included in net assets with donor restrictions are gifts for which restrictions have not been met.

When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Net Assets as "net assets released from restrictions."

C. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

GIRL SCOUTS OF GREATER ATLANTA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

D. Cash and Cash Equivalents

Cash equivalents at September 30, 2021 and 2020 consist primarily of money market funds held in investment accounts. The Council considers all short-term, interest-bearing deposits with maturities of three months or less to be cash equivalents.

The Council maintains cash balances at a financial institution which may, at times, exceed the federally insured limits. Management periodically reviews the financial viability of the financial institution and does not anticipate any credit risk related losses.

E. Subordinate Unit Bank Accounts

Girl Scout troops and groups establish bank accounts under the Council's tax identification number. All group funds are maintained for the benefit of the girls within the respective group. These funds are not under the financial control of the Council and have not been included in these financial statements.

F. Pledges Receivable

The Council records unconditional pledges at fair value in the period made by donor's net of allowances for amounts estimated as uncollectible. Conditional promises to give are not included as support until the conditions are substantially met. Unconditional promises with payments due in future years, which are not otherwise restricted, are deemed to have an implied restriction to be used in the year the payment is due and, therefore, are reported as temporarily restricted until the payment is due, unless the contribution is clearly intended to support activities of the current year or is received with permanent restrictions. All contributions are available for unrestricted purposes unless specifically restricted by the donor.

Pledges receivable as of September 30, 2021 and 2020 are shown net of an allowance for doubtful accounts of \$2,100 and \$23,694, respectively.

G. Other Receivables

Other receivables, net of allowances for uncollectible accounts, are recorded at the amounts of cash estimated as realizable. The Council provides reserves for uncollectible accounts when specific accounts are deemed uncollectible. Other receivable balances are considered delinquent based on age and how recently payments have been received. Other receivables as of September 30, 2021 and 2020 are shown net of an allowance for doubtful accounts of \$234 and \$862, respectively.

H. Inventory

Inventory consists of uniforms, books, badges and other scouting related items and is reported at cost.

GIRL SCOUTS OF GREATER ATLANTA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

I. Investment Securities

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

J. Depreciation

Property and equipment are recorded at cost, if the cost of the individual item is more than \$5,000 and are being depreciated on a straight-line basis over their estimated useful lives, which range from three to thirty years.

K. Revenue

The majority of the Council's revenues are from product sales, contributions and program fees. Product sales revenue is recorded as revenue when the sales take place or an order is shipped to the customer. Contributions are recognized as revenue when cash, securities or other assets, or an unconditional promise to give is received. Program fees are accounted for as exchange transactions and are recognized as revenue when a program or event takes place. Amounts received prior to the program or event are recorded as deferred revenue in the Statements of Financial Position.

L. In-kind Contributions

The Council records donated services as contribution revenue and expense if the services create or enhance a non-financial asset, or the services would (1) need to be purchased by the Council if not provided by contribution, (2) require specialized skills, and (3) are provided by individuals with those skills. Donated materials and services are reflected as contributions in the accompanying financial statements at their estimated value at date of receipt. During the years ended September 30, 2021 and 2020, the Council recorded donated materials and services totaling approximately \$169,000 and \$85,000, respectively.

M. Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and general office and occupancy, which are allocated on a square-footage basis, as well as salaries and benefits, which are allocated on the basis of estimated time and effort.

N. Federal and State Income Taxes

The Council is exempt from federal and state income taxes under Section 501(a) as an organization described in Section 501(c)(3) of the United States Internal Revenue Code of 1986,

GIRL SCOUTS OF GREATER ATLANTA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

as amended (the "Code"). As such, only unrelated business taxable income, as defined by Section 512(a)(1) of the Code, is subject to tax. The amount of the Council's unrelated business taxable income is immaterial to the financial statements. The Council had no unrelated business income tax liability for the years ended September 30, 2021 and 2020 due to the availability of net operating loss carryforwards.

At September 30, 2021, the Council has net operating loss carryforwards of approximately \$1,337,000 which could result in a tax benefit of up to \$361,000. This potential benefit has been fully offset by a valuation reserve. The loss carryforwards will expire between tax years 2021 and 2027.

The Council has taken into account the impact of ASC 740 regarding uncertain tax positions on the financial statements. The Council had no material uncertain tax positions for the years ended September 30, 2021 and 2020.

O. Subsequent Events

Subsequent events have been evaluated by management through February 10, 2022, the date these financial statements were available to be issued.

2. LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date, comprise the following as of September 30:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 3,616,103	\$ 6,222,715
Investment securities	10,081,754	8,653,271
Pledges and other receivables, net	<u>1,412,263</u>	<u>170,510</u>
Total financial assets, at year end	15,110,120	15,046,496
Less amounts unavailable for general expenditure:		
Donor restrictions for perpetual purposes	(156,637)	(131,975)
Designated by the Board for an endowment	<u>(8,366,650)</u>	<u>(7,049,352)</u>
Total financial assets available for general expenditure	<u>\$ 6,586,833</u>	<u>\$ 7,865,169</u>

GIRL SCOUTS OF GREATER ATLANTA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

The Council has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Council has a Board designated endowment of \$8,366,650 and \$7,049,352 as of September 30, 2021 and 2020, respectively, which is subject to an annual spending policy as described in Note 10. Although the Council does not intend to spend from this Board designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

3. FAIR VALUE OF INVESTMENT SECURITIES

U.S. generally accepted accounting principles establish a framework for measuring fair value. That framework provides for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to the unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

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

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; 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 (contractual) 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's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

As of September 30, 2021 and 2020, the only assets or liabilities that are measured at fair value on a recurring basis are investment securities. Common stocks and mutual funds are valued at the closing price reported on the active market on which the individual securities are traded. U.S. Treasury notes, U.S. government bonds and corporate bonds are valued based on quoted market prices for similar assets. Such investments are classified within Level 1 or Level 2 of the valuation hierarchy.

GIRL SCOUTS OF GREATER ATLANTA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

This method may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Council believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investment securities, stated at fair value, are as follows at September 30:

	2021		
	Level 1	Level 2	Total
Common stocks	\$ 6,922,332	\$ -	\$ 6,922,332
Mutual funds	2,456,485	-	2,456,485
U.S. Treasury notes	377,918	-	377,918
Corporate bonds	-	225,312	225,312
U.S. government bonds	-	99,707	99,707
	<hr/>	<hr/>	<hr/>
Total investment securities	<u>\$ 9,756,735</u>	<u>\$ 325,019</u>	<u>\$ 10,081,754</u>
	2020		
	Level 1	Level 2	Total
Common stocks	\$ 6,118,971	\$ -	\$ 6,118,971
Mutual funds	1,856,782	-	1,856,782
U.S. Treasury notes	256,652	-	256,652
Corporate bonds	-	260,704	260,704
U.S. government bonds	-	160,162	160,162
	<hr/>	<hr/>	<hr/>
Total investment securities	<u>\$ 8,232,405</u>	<u>\$ 420,866</u>	<u>\$ 8,653,271</u>

Investment income consists of the following for the years ended September 30:

	2021	2020
Interest and dividend income	\$ 171,964	\$ 218,563
Investment fees and taxes	<u>(63,346)</u>	<u>(49,363)</u>
Total investment income	<u>\$ 108,618</u>	<u>\$ 169,200</u>

GIRL SCOUTS OF GREATER ATLANTA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

4. PLEDGES RECEIVABLE

Pledges receivable, net at September 30, 2021 and 2020 are summarized as follows:

	<u>2021</u>	<u>2020</u>
United Way	\$ 37,917	\$ 35,836
Other	<u>76,771</u>	<u>62,425</u>
Total pledges receivable, net	<u>\$ 114,688</u>	<u>\$ 98,261</u>

The Council received and executed a grant of \$140,000 from United Way of Greater Atlanta in September 2020, which was funded in quarterly installments of \$35,000. In accordance with provisions of the grant, \$35,000 was recorded as contribution revenue for the year ended September 30, 2020 and the remaining \$105,000 was recorded as contribution revenue upon receipt in the year ended September 30, 2021.

Total contribution income consists of the following for the years ended September 30:

	<u>2021</u>	<u>2020</u>
United Way	\$ 222,321	\$ 369,412
Government grants	3,044,142	-
Other	<u>1,637,569</u>	<u>1,374,909</u>
Total contribution income	<u>\$ 4,904,032</u>	<u>\$ 1,744,321</u>

The Council qualified for approximately \$1,250,000 of Employer Retention Credit to offset certain payroll taxes for qualifying wages paid as provided for in the Coronavirus Aid, Relief, and Economic Security Act. The Council recorded the amount as contribution revenue for the year ended September 30, 2021 and a receivable as of September 30, 2021.

GIRL SCOUTS OF GREATER ATLANTA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30:

	<u>2021</u>	<u>2020</u>
Land	\$ 1,970,974	\$ 1,970,974
Land improvements	3,609,278	3,603,117
Buildings and improvements	21,892,187	21,829,326
Vehicles	435,420	491,130
Furniture and equipment	2,924,270	2,841,783
Leasehold improvements	<u>5,015</u>	<u>5,015</u>
Total	30,837,144	30,741,345
Less accumulated depreciation	<u>21,287,023</u>	<u>20,543,362</u>
Property and equipment, net	<u>\$ 9,550,121</u>	<u>\$ 10,197,983</u>

During the year ended September 30, 2020, the Council disposed of two properties at a gain of approximately \$1,476,000 which is included in miscellaneous income on the Statement of Activities and Net Assets.

6. LOAN ACCOUNTS

The Council has a line of credit ("LOC") with a financial institution to finance the cost of the annual cookie orders (see Note 11). The LOC, which allows for maximum borrowings of \$6,600,000, is collateralized by all of the Council investment accounts. Amounts outstanding under the LOC accrue interest at LIBOR plus 2.00% per annum. The Council did not draw on the LOC during the year ended September 30, 2021. The Council borrowed approximately \$4,000,000 during the year ended September 30, 2020. The amount borrowed was repaid in full within a month of the draw. There were no outstanding borrowings at September 30, 2021 and 2020. Interest incurred on the LOC for the year ended September 30, 2020 was \$4,898.

7. PAYCHECK PROTECTION PROGRAM LOAN

During the year ended September 30, 2020, the Council received a Paycheck Protection Program ("PPP") loan in the amount of \$1,819,000 from the Small Business Administration. The loan accrued interest at 1.0% per annum, with no required payments for ten months after funding of the loan. The Council was eligible for loan forgiveness up to 100% of the loan proceeds upon meeting certain requirements. The PPP loan was forgiven in the year ended September 30, 2021 and the full amount was reported in contributions in the Statements of Activities and Net Assets.

GIRL SCOUTS OF GREATER ATLANTA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

During the year ended September 30, 2021, the Council received a second PPP loan in the amount of \$1,726,196. The terms of this loan are identical to the PPP loan received in the year ended September 30, 2020 and management expects this PPP loan to be fully forgiven in the year ended September 30, 2022.

8. PENSION PLANS

A. Defined Contribution

The Council implemented a defined contribution pension plan as of July 1, 1996 that covers substantially all employees. Contributions to this plan for the years ended September 30, 2021 and 2020 were \$104,941 and \$109,144, respectively.

B. Defined Benefit

The Council participates in the National Girl Scout Council Retirement Plan (the "Plan"), a noncontributory defined benefit pension plan sponsored by USA (EIN 13-1624016; PN 002). 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, 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 million is remitted. The \$30 million 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 million minimum will no longer apply. In addition, on April 8, 2014, H.R. 4275 was signed into law, which gave the Plan the flexibility to adopt the PPA funding requirements immediately or not at all. The Plan 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 lowering the contributions from \$30 million to \$26 million starting in the calendar year 2023 until the Plan is fully funded on a market basis. Aggregate annual contributions made in the year ended September 30, 2021 and 2020 were \$32.9 million and \$32.2 million, respectively. Aggregate contributions to be made in fiscal 2022 are expected to be \$32.2 million.

GIRL SCOUTS OF GREATER ATLANTA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

The Council made contributions into the Plan of \$631,392 and \$635,392 during the years ended September 30, 2021 and 2020, respectively. These contributions represented approximately 1.9% of total contributions to the Plan for the years ended September 30, 2021 and 2020.

9. NET ASSETS WITH DONOR RESTRICTIONS

Changes to net assets with donor restrictions are as follows:

	<u>September 30,</u> <u>2020</u>	<u>Additions</u>	<u>Released from</u> <u>Restrictions</u>	<u>September 30,</u> <u>2021</u>
Subject to expenditure for specified purpose:				
Camperships	\$ 63,566	\$ 61,553	\$ (69,618)	\$ 55,501
Gold award projects	-	2,331	-	2,331
Financial assistance	833	-	(833)	-
	<u>64,399</u>	<u>63,884</u>	<u>(70,451)</u>	<u>57,832</u>
Subject to the passage of time:				
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	126,867	166,030	(134,653)	158,244
United Way allocation	65,837	104,133	(131,777)	38,193
Beneficial interests in trusts	16,595	-	-	16,595
	<u>209,299</u>	<u>270,163</u>	<u>(266,430)</u>	<u>213,032</u>
Subject to the Council's endowment spending policy and appropriation:				
Endowment	131,975	24,662	-	156,637
	<u>\$ 405,673</u>	<u>\$ 358,709</u>	<u>\$ (336,881)</u>	<u>\$ 427,501</u>

GIRL SCOUTS OF GREATER ATLANTA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<u>September 30,</u> <u>2019</u>	<u>Additions</u>	<u>Released from</u> <u>Restrictions</u>	<u>September 30,</u> <u>2020</u>
Subject to expenditure for specified purpose:				
Camperships	\$ 63,228	\$ 1,177	\$ (839)	\$ 63,566
STEM programming	9,256	-	(9,256)	-
Financial assistance	1,667	-	(834)	833
Outreach	15,000	-	(15,000)	-
	<u>89,151</u>	<u>1,177</u>	<u>(25,929)</u>	<u>64,399</u>
Subject to the passage of time:				
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	25,955	158,334	(57,422)	126,867
United Way allocation	125,697	215,230	(275,090)	65,837
Beneficial interests in trusts	16,595	-	-	16,595
	<u>168,247</u>	<u>373,564</u>	<u>(332,512)</u>	<u>209,299</u>
Subject to the Council's endowment spending policy and appropriation:				
Endowment	122,939	9,036	-	131,975
	<u>\$ 380,337</u>	<u>\$ 383,777</u>	<u>\$ (358,441)</u>	<u>\$ 405,673</u>

10. ENDOWMENT

The Council's endowment includes both a donor-restricted endowment fund, which the Council must hold in perpetuity for the donor-specified purpose, and funds designated by the Board of Directors to function as an endowment. The classification of the net assets of these funds is based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Council has interpreted the Georgia Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA") 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 restrictions the original value of gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified as perpetual in nature is restricted until those amounts are appropriated for expenditure by the Council in a manner consistent with the standard of prudence prescribed by UPMIFA. The Board of Directors will appropriate funds from the endowment funds based on specific needs and

GIRL SCOUTS OF GREATER ATLANTA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

budgeting requirements from year to year. In accordance with UPMIFA, the Council considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (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; and,
- (7) The investment policies of the Council.

The Council has adopted investment and spending policies that attempt to preserve endowment assets by using funding only when the Council determines it is prudent, such as when operating cash is insufficient. The current spending policy is to distribute an amount of earnings from investments not to exceed 4.5% of the three-year rolling average market value of the endowment's corpus annually. Accordingly, over the long term, the Council expects the current spending policy to allow the endowment assets to grow and improve the Council's overall financial strength. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed common benchmarks for a balanced portfolio, while assuming a moderate level of risk.

To satisfy its long-term rate-of-return objectives, the Council relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Council targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Activity in the endowment investment accounts was as follows:

	<u>Board Designated Endowment</u>	<u>Perpetual in Nature</u>	<u>Total</u>
Balance at September 30, 2020	\$ 7,049,352	\$ 131,975	\$ 7,181,327
Interest and dividends	130,088	2,436	132,524
Fees and taxes	(50,831)	(952)	(51,783)
Realized/unrealized gain	<u>1,238,041</u>	<u>23,178</u>	<u>1,261,219</u>
Balance at September 30, 2021	<u><u>\$ 8,366,650</u></u>	<u><u>\$ 156,637</u></u>	<u><u>\$ 8,523,287</u></u>

GIRL SCOUTS OF GREATER ATLANTA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	Board Designated Endowment	Perpetual in Nature	Total
Balance at September 30, 2019	\$ 6,566,696	\$ 122,939	\$ 6,689,635
Interest and dividends	155,965	2,920	158,885
Fees and taxes	(38,846)	(727)	(39,573)
Realized/unrealized gain	365,537	6,843	372,380
	<u>365,537</u>	<u>6,843</u>	<u>372,380</u>
Balance at September 30, 2020	<u>\$ 7,049,352</u>	<u>\$ 131,975</u>	<u>\$ 7,181,327</u>

11. PRODUCT PROGRAMS

Annually, the Council conducts entrepreneurship programs through which its girl members sell cookies and other products while learning business and life skills. Net revenue from product programs represents approximately 45% and 69% of total Council revenue for the years ended September 30, 2021 and 2020, respectively. Following is a detail of net revenue from product programs for the years ended September 30:

	<u>2021</u>	<u>2020</u>
Gross product sales:		
Cookies	\$ 10,848,115	\$ 17,348,941
Chocolate, nuts and magazines	660,864	862,187
	<u>660,864</u>	<u>862,187</u>
Total gross product sales	<u>11,508,979</u>	<u>18,211,128</u>
Direct cost of sales and other direct deductions:		
Cookies	2,785,619	4,488,538
Chocolate, nuts and magazines	235,801	319,778
Product sales revenue retained by troops	1,955,942	3,127,394
	<u>1,955,942</u>	<u>3,127,394</u>
Total direct cost of sales and other deductions	<u>4,977,362</u>	<u>7,935,710</u>
Net revenue from product sales	<u>\$ 6,531,617</u>	<u>\$ 10,275,418</u>

The product programs were materially affected by the pandemic as described in Note 13. Fewer Girl Scouts participated and in-person point of sales were severely limited due to social distancing guidelines. As a result, product programs sales declined by approximately 36.8% year over year. The decrease in sales also contributed to an excess inventory of approximately

GIRL SCOUTS OF GREATER ATLANTA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

\$800,000. The inventory was donated to local food banks and military bases throughout the Southeast United States in the year ended September 30, 2021.

12. OPERATING LEASES

The Council leases office equipment and retail space under operating leases with lease terms of 24 to 64 months. Rental expense for the operating leases was approximately \$86,000 and \$100,000 for the years ended September 30, 2021 and 2020, respectively. Future minimum payments required under the operating leases are approximately \$42,000 for the years ended September 30, 2022 and 2023

13. CORONAVIRUS PANDEMIC

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") a pandemic, with the outbreak widespread across the world. The Council is actively seeking ways to moderate operating expenses while remaining fully committed to continuing to provide program services to the Girl Scouts. During the year ended September 30, 2021, the Council re-opened selected camps at a reduced capacity to maintain proper social distancing guidelines. The Council intends to resume more programs going forward as conditions improve.