

# **Girl Scouts Council of Greater New York, Inc.**

Independent Auditor's Report and Financial Statements

September 30, 2021 and 2020



**Girl Scouts Council of Greater New York, Inc.**  
**September 30, 2021 and 2020**

**Contents**

**Independent Auditor’s Report ..... 1**

**Financial Statements**

Statements of Financial Position ..... 3  
Statements of Activities..... 4  
Statements of Functional Expenses ..... 5  
Statements of Cash Flows ..... 7  
Notes to Financial Statements ..... 8

## Independent Auditor's Report

Board of Directors  
Girl Scouts Council of Greater New York, Inc.  
New York, New York

We have audited the accompanying financial statements of Girl Scouts Council of Greater New York, Inc., which comprise the statements of financial position as of September 30, 2021 and 2020, and the related statements of activities, 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Girl Scouts Council of Greater New York, 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.

***Emphasis of Matter***

As discussed in *Note 1* to the financial statements, in 2021, the entity adopted new accounting guidance regarding recognition of revenue with customers. Our opinion is not modified with respect to this matter.

***BKD, LLP***

New York, New York  
March 2, 2022

**Girl Scouts Council of Greater New York, Inc.**  
**Statements of Financial Position**  
**September 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 4,055,594	\$ 411,191
Investments	8,279,378	7,048,267
Contributions receivable, net	442,185	397,764
Accounts receivable	24,169	19,740
Government grants receivable	567,527	277,700
Prepaid expenses and other assets	209,550	183,079
Inventory	61,810	98,008
Beneficial interest in a perpetual trust	512,825	434,752
Property and equipment, net	1,772,007	1,898,487
Total assets	\$ 15,925,045	\$ 10,768,988
 <b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 377,926	\$ 376,419
Deferred revenue	16,466	140,460
Loan payable	889,587	889,587
Deferred rent payable	767,467	736,599
Annuities payable	2,050	1,078
Total liabilities	2,053,496	2,144,143
 <b>Net Assets</b>		
Without donor restrictions		
Undesignated	11,183,629	6,872,146
Net assets without donor restrictions	11,183,629	6,872,146
 With donor restrictions		
Purpose and time restrictions	2,175,095	1,317,947
Perpetual in nature	512,825	434,752
Net assets with donor restrictions	2,687,920	1,752,699
Total net assets	13,871,549	8,624,845
Total liabilities and net assets	\$ 15,925,045	\$ 10,768,988

**Girl Scouts Council of Greater New York, Inc.**  
**Statements of Activities**  
**Years Ended September 30, 2021 and 2020**

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues, Gains, Losses and Other Support</b>						
Product sales	\$ 9,900,333	\$ -	\$ 9,900,333	\$ 5,504,911	\$ -	\$ 5,504,911
Direct cost of product sales	(2,675,826)	-	(2,675,826)	(1,553,812)	-	(1,553,812)
Contributions						
General public	629,478	1,160,236	1,789,714	1,101,766	678,835	1,780,601
Foundations and corporations	201,165	509,620	710,785	218,398	341,993	560,391
United Way of New York City	1,799	-	1,799	1,428	-	1,428
Legacies and bequests	16,838	-	16,838	16,872	-	16,872
Donated goods and services	26,043	-	26,043	113,683	-	113,683
Governmental grants	389,154	-	389,154	390,901	-	390,901
Gain on forgiveness of loan	889,587	-	889,587	-	-	-
Special events revenue	904,587	982	905,569	1,161,457	-	1,161,457
Direct cost of special events	(91,063)	-	(91,063)	(124,250)	-	(124,250)
Program fees (net of financial assistance of \$39,929 and \$45,977 for 2021 and 2020, respectively)	46,355	-	46,355	87,622	-	87,622
Net investment return	1,055,855	-	1,055,855	233,432	-	233,432
Change in value of beneficial interest in a perpetual trust	-	78,073	78,073	-	14,370	14,370
Other income	6,537	-	6,537	9,050	-	9,050
Actuarial loss on annuity obligations	(1,782)	-	(1,782)	-	-	-
Net assets released from restrictions	813,690	(813,690)	-	1,378,954	(1,378,954)	-
<b>Total revenues, gains, losses and other support</b>	<b>12,112,750</b>	<b>935,221</b>	<b>13,047,971</b>	<b>8,540,412</b>	<b>(343,756)</b>	<b>8,196,656</b>
<b>Expenses</b>						
Program services						
Membership services	2,119,321	-	2,119,321	2,520,855	-	2,520,855
Girl Scouts program services	1,866,192	-	1,866,192	2,023,070	-	2,023,070
Camp operations	793,343	-	793,343	849,844	-	849,844
Adult education	287,238	-	287,238	487,821	-	487,821
Advocacy and public information	439,504	-	439,504	518,356	-	518,356
<b>Total program services</b>	<b>5,505,598</b>	<b>-</b>	<b>5,505,598</b>	<b>6,399,946</b>	<b>-</b>	<b>6,399,946</b>
Supporting services						
Management and general	1,300,713	-	1,300,713	1,251,459	-	1,251,459
Fund development	994,956	-	994,956	1,013,737	-	1,013,737
<b>Total supporting services</b>	<b>2,295,669</b>	<b>-</b>	<b>2,295,669</b>	<b>2,265,196</b>	<b>-</b>	<b>2,265,196</b>
<b>Total expenses</b>	<b>7,801,267</b>	<b>-</b>	<b>7,801,267</b>	<b>8,665,142</b>	<b>-</b>	<b>8,665,142</b>
<b>Change in Net Assets</b>	<b>4,311,483</b>	<b>935,221</b>	<b>5,246,704</b>	<b>(124,730)</b>	<b>(343,756)</b>	<b>(468,486)</b>
<b>Net Assets, Beginning of Year</b>	<b>6,872,146</b>	<b>1,752,699</b>	<b>8,624,845</b>	<b>6,996,876</b>	<b>2,096,455</b>	<b>9,093,331</b>
<b>Net Assets, End of Year</b>	<b>\$ 11,183,629</b>	<b>\$ 2,687,920</b>	<b>\$ 13,871,549</b>	<b>\$ 6,872,146</b>	<b>\$ 1,752,699</b>	<b>\$ 8,624,845</b>

**Girl Scouts Council of Greater New York, Inc.**  
**Statements of Functional Expenses**  
**Years Ended September 30, 2021 and 2020**

	2021										
	Program Services					Supporting Services			Direct Cost of Special Events	Direct Cost of Product Sales	Total
	Membership Services	Girl Scouts Program Services	Camp Operations	Adult Education	Advocacy and Public Information	Total	Management and General	Fund Development			
Salaries	\$ 1,182,927	\$ 998,884	\$ 457,623	\$ 92,244	\$ 225,019	\$ 2,956,697	\$ 426,703	\$ 465,746	\$ -	\$ -	\$ 3,849,146
Payroll taxes	115,512	94,851	39,331	8,849	21,587	280,130	39,566	44,490	-	-	364,186
Health and retirement benefits	162,361	135,707	56,272	12,661	30,885	397,886	63,657	63,654	-	-	525,197
Total salaries, payroll taxes and benefits	1,460,800	1,229,442	553,226	113,754	277,491	3,634,713	529,926	573,890	-	-	4,738,529
Professional and consulting fees	26,226	98,859	10,676	4,860	108,742	249,363	376,899	251,270	-	-	877,532
Cost of cookies and other products	-	-	-	-	-	-	-	-	-	2,675,826	2,675,826
Supplies	89,072	61,147	34,094	4,309	3,786	192,408	9,797	18,392	-	-	220,597
Postage and shipping	29,422	18,829	1,894	238	850	51,233	3,816	14,752	-	-	69,801
Printing and publications	9,885	1,198	391	106	4,251	15,831	285	13,534	-	-	29,650
Telephone	10,971	11,344	13,395	855	2,087	38,652	4,021	4,301	-	-	46,974
Girls and volunteer transportation	45,774	1,163	3,158	-	-	50,095	-	-	-	-	50,095
Travel	7,384	6,212	7,595	-	-	21,191	219	893	-	-	22,303
Conference and meetings	325	40	1,246	250	-	1,861	935	150	-	-	2,946
Event catering costs	-	-	-	-	-	-	-	-	91,063	-	91,063
Equipment leases and repairs	17,931	49,483	21,737	9,974	12,520	111,645	124,365	13,972	-	-	249,982
Assistance to individuals	100,001	76,614	2,235	5,525	-	184,375	-	-	-	-	184,375
Occupancy	204,027	204,027	85,011	102,014	17,002	612,081	76,510	68,009	-	-	756,600
Insurance	32,973	27,111	21,688	10,844	2,169	94,785	5,422	8,675	-	-	108,882
Bad debts	-	-	-	-	-	-	39,426	-	-	-	39,426
Interest	-	-	-	-	-	-	5,614	-	-	-	5,614
Miscellaneous	18,905	15,098	9,653	1,696	5,137	50,489	98,869	5,243	-	-	154,601
Total expenses before depreciation and amortization	2,053,696	1,800,567	765,999	254,425	434,035	5,308,722	1,276,104	973,081	91,063	2,675,826	10,324,796
Depreciation and amortization	65,625	65,625	27,344	32,813	5,469	196,876	24,609	21,875	-	-	243,360
Total expenses	2,119,321	1,866,192	793,343	287,238	439,504	5,505,598	1,300,713	994,956	91,063	2,675,826	10,568,156
Less direct costs of product sales, special events	-	-	-	-	-	-	-	-	(91,063)	(2,675,826)	(2,766,889)
Total expenses included on the expense section on the statements of activities	\$ 2,119,321	\$ 1,866,192	\$ 793,343	\$ 287,238	\$ 439,504	\$ 5,505,598	\$ 1,300,713	\$ 994,956	\$ -	\$ -	\$ 7,801,267

**Girl Scouts Council of Greater New York, Inc.**  
**Statements of Functional Expenses (Continued)**  
**Years Ended September 30, 2021 and 2020**

	2020										
	Program Services					Supporting Services			Direct Cost of Special Events	Direct Cost of Product Sales	Total
	Membership Services	Girl Scouts Program Services	Camp Operations	Adult Education	Advocacy and Public Information	Total	Management and General	Fund Development			
Salaries	\$ 1,478,014	\$ 1,021,161	\$ 480,405	\$ 255,482	\$ 208,572	\$ 3,443,634	\$ 378,929	\$ 433,631	\$ -	\$ -	\$ 4,256,194
Payroll taxes	133,806	87,564	39,324	22,703	18,914	302,311	42,382	39,164	-	-	383,857
Health and retirement benefits	205,368	134,396	60,355	34,845	29,029	463,993	64,745	60,109	-	-	588,847
Total salaries, payroll taxes and benefits	1,817,188	1,243,121	580,084	313,030	256,515	4,209,938	486,056	532,904	-	-	5,228,898
Professional and consulting fees	18,964	137,668	45,802	3,267	216,008	421,709	386,589	319,377	-	-	1,127,675
Cost of cookies and other products	-	-	-	-	-	-	-	-	-	1,553,812	1,553,812
Supplies	126,740	117,057	30,493	7,040	1,724	283,054	18,028	11,798	-	-	312,880
Postage and shipping	2,460	32,269	1,066	594	24	36,413	11,851	8,528	-	-	56,792
Printing and publications	6,678	8,660	5,623	-	4,535	25,496	1,980	20,357	-	-	47,833
Telephone	15,115	12,680	13,226	3,391	2,863	47,275	8,711	7,738	-	-	63,724
Girls and volunteer transportation	13,445	56,036	1,893	-	-	71,374	1,009	-	-	-	72,383
Travel	21,307	7,930	4,318	1,607	52	35,214	1,334	2,734	-	-	39,282
Conference and meetings	3,843	1,351	2,883	-	2,922	10,999	1,879	172	-	-	13,050
Event catering costs	-	-	-	-	-	-	-	-	91,063	-	91,063
Equipment leases and repairs	26,492	75,095	17,157	12,220	6,080	137,044	54,384	8,425	-	-	199,853
Assistance to individuals	148,472	17,801	1,765	-	-	168,038	-	-	-	-	168,038
Occupancy	211,250	211,250	88,021	105,625	17,604	633,750	79,219	70,417	-	-	783,386
Insurance	25,443	21,195	21,209	8,478	1,696	78,021	3,391	3,391	-	-	84,803
Bad debts	-	-	-	-	-	-	81,809	-	-	-	81,809
Interest	-	-	-	-	-	-	22,091	-	-	-	22,091
Miscellaneous	18,320	15,819	9,163	-	2,905	46,207	68,701	6,183	-	-	121,091
Total expenses before depreciation and amortization	2,455,717	1,957,932	822,703	455,252	512,928	6,204,532	1,227,032	992,024	91,063	1,553,812	10,068,463
Depreciation and amortization	65,138	65,138	27,141	32,569	5,428	195,414	24,427	21,713	-	-	241,554
Total expenses	2,520,855	2,023,070	849,844	487,821	518,356	6,399,946	1,251,459	1,013,737	91,063	1,553,812	10,310,017
Less direct costs of product sales, special events	-	-	-	-	-	-	-	-	(91,063)	(1,553,812)	(1,644,875)
Total expenses included on the expense section on the statements of activities	\$ 2,520,855	\$ 2,023,070	\$ 849,844	\$ 487,821	\$ 518,356	\$ 6,399,946	\$ 1,251,459	\$ 1,013,737	\$ -	\$ -	\$ 8,665,142



**Girl Scouts Council of Greater New York, Inc.**  
**Statements of Cash Flows**  
**Years Ended September 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Operating Activities</b>		
Change in net assets	\$ 5,246,704	\$ (468,486)
Items not requiring (providing) operating cash flows		
Depreciation and amortization	243,360	241,554
Net realized and unrealized gains on investments	(819,452)	(148,315)
Contributed investments	-	(194,583)
Change in value of beneficial interest in a perpetual trust	(78,073)	(14,370)
Contributions received for building fund	(180,471)	(300,050)
Gain on forgiveness of loan	(889,587)	-
Changes in		
Contributions receivable	(119,421)	802,602
Accounts receivable	(4,429)	85,481
Government grants receivable	(289,827)	486,315
Prepaid expenses and other assets	(26,471)	(18,602)
Inventory	36,198	(12,276)
Accounts payable and accrued expenses	1,507	(49,224)
Deferred revenue	(123,994)	(78,139)
Deferred rent payable	30,868	30,867
Net cash provided by operating activities	3,026,912	362,774
<b>Investing Activities</b>		
Purchase of property and equipment	(116,880)	(42,342)
Proceeds from sales of investments	44,063	40,146
Purchases of investments	(455,722)	(130,668)
Net cash used in investing activities	(528,539)	(132,864)
<b>Financing Activities</b>		
Payment of annuity obligations	(810)	(810)
Proceeds from annuity obligations	1,782	-
Proceeds from loan	889,587	889,587
Proceeds from line of credit	1,250,000	850,000
Repayment of line of credit	(1,250,000)	(2,350,000)
Proceeds from contributions received for building fund	255,471	200,050
Net cash provided by (used in) financing activities	1,146,030	(411,173)
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	3,644,403	(181,263)
<b>Cash and Cash Equivalents, Beginning of Year</b>	411,191	592,454
<b>Cash and Cash Equivalents, End of Year</b>	\$ 4,055,594	\$ 411,191
<b>Supplemental Cash Flows Information</b>		
Interest paid	\$ 5,614	\$ 22,091

# **Girl Scouts Council of Greater New York, Inc.**

## **Notes to Financial Statements**

**September 30, 2021 and 2020**

### **Note 1: Nature of Operations and Summary of Significant Accounting Policies**

#### ***Nature of Operations***

Girl Scouts Council of Greater New York, Inc. (the Council) was organized in 1940 to carry out the informal educational programs of the Girl Scouts Council of the United States of America for girls ages 5 to 17 within the Greater New York area.

The Council's vision is to be the premiere leadership organization for girls in NYC delivered through the mission of building girls of courage, confidence and character who make the world a better place. The Council fulfills this purpose through the organization of troop and/or group activities; the operation and maintenance of a year-round camp; and the recruitment and development of adult volunteers. The Council is supported primarily by product sales, contributions and special events.

#### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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 reporting period. Actual results could differ from those estimates.

#### ***Cash and Cash Equivalents***

For financial statement presentation purposes, the Council considers all highly liquid investments with original maturities of three months or less at the date of acquisition to be cash equivalents and consist mainly of money market accounts.

At September 30, 2021, the Council's cash accounts exceeded federally insured limits by approximately \$3,600,000.

#### ***Investments and Net Investment Return***

The Council measures securities at fair value.

Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the statements of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

# **Girl Scouts Council of Greater New York, Inc.**

## **Notes to Financial Statements**

**September 30, 2021 and 2020**

### ***Governmental Grants***

Support funded by grants is recognized as the Council meets the conditions prescribed by the grant agreement, performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

### ***Accounts Receivable***

Accounts receivable are stated at the amount of consideration from customers, of which the Council has an unconditional right to receive plus any accrued and unpaid interest. The Council provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions.

### ***Inventory***

Inventory, which consists primarily of promotional materials such as tee shirts and sweatshirts, as well as program supplies and badges needed by girl members and adult volunteers, is stated at lower of cost or net realizable value. Cost is determined on the first-in, first-out (FIFO) method.

### ***Property and Equipment***

Property and equipment acquisitions over \$5,000 are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization is charged to expense on the straight-line basis over the estimated useful life of each asset. Leasehold improvements are amortized over the shorter of the lease term or respective estimated useful lives.

### ***Long-Lived Asset Impairment***

The Council evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended September 30, 2021 and 2020.

### ***Deferred Revenue***

The Council records monies received in advance of its annual breakfast event. These prepayments are recorded as liabilities and are applied against the period in which they are earned. All deferred revenue is expected to be earned in the next fiscal year. In 2021 and 2020, the Council had \$6,250 and \$134,430, respectively, of conditional contributions associated with monies received in advance of its annual breakfast event.

# Girl Scouts Council of Greater New York, Inc.

## Notes to Financial Statements

September 30, 2021 and 2020

### Charitable Gift Annuities

Charitable gift annuities are subject to the restrictions of gift instruments requiring the Council to pay stipulated amounts to beneficiaries. Such payments generally terminate at the beneficiary's death. The Council has used actuarial assumptions and discount rates to record the present value of estimated future payments to beneficiaries.

Contribution revenues for charitable gift annuities are recognized at the date the agreement is established, net of the liability recorded for the present value of the future payments to be made to the respective donors. The agreements provide that the trustee pay annuity amounts of 8.1 percent in quarterly installments and are discounted using a rate of 5 percent. Gains or losses resulting from changes in actuarial assumptions and accretions of the discount are recorded as increases or decreases in net assets without donor restrictions in the statements of activities.

### Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions.

Net assets with donor restrictions are subject to donor or certain grantor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity.

### Contributions

Contributions are provided to the Council either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

<b>Nature of the Gift</b>	<b>Value Recognized</b>
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Council overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value

# Girl Scouts Council of Greater New York, Inc.

## Notes to Financial Statements

September 30, 2021 and 2020

Nature of the Gift	Value Recognized
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor-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 as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

### ***Donated Goods and Services***

Donated goods and services are recognized at their fair values at the date of donation. Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. Contributions of services also include services received from personnel of an affiliate.

The Council received \$20,053 and \$113,683 of donated legal services in 2021 and 2020, respectively, and \$5,990 of donated goods for 2021.

### ***Volunteer Services***

The majority of the Council's activities are carried out by thousands of volunteers. No amounts representing the estimated fair value of these donated services are included in the accompanying financial statements, as those services do not meet the criteria for recognition under GAAP.

# **Girl Scouts Council of Greater New York, Inc.**

## **Notes to Financial Statements**

**September 30, 2021 and 2020**

### ***Product Sales – Cookie Revenue***

Cookie revenue is recognized as the Council satisfies performance obligations under its contracts. Revenue is reported at the estimated transaction price or amount that reflects the consideration to which the Council expects to be entitled in exchange for providing goods. The Council determines the transaction price based on standard charges for goods, reduced by implicit and explicit price concessions. The Council determines its estimates of implicit and explicit price concessions based upon contractual agreements, its discount policies and historical experience.

The Girl Scouts Cookie Sale in the five boroughs of New York City is an annual program activity in which Girl Scouts voluntarily participate. Of the \$6.00 and \$5.00 paid by customers for each box for the years ended September 30, 2021 and 2020, respectively:

- Cookies with \$5.00 sales price have an average cost of \$1.08 and \$1.07 in 2021 and 2020, respectively, while cookies with a \$6.00 sales price have an average cost of \$2.07 and \$2.06 in 2021 and 2020, respectively.
- In 2021, \$3.12 for \$5.00 boxes and \$3.13 for \$6.00 boxes went to the Council to provide for 8,088 girls and 3,850 volunteers. In 2020, \$3.13 for \$5.00 boxes and \$3.14 for \$6.00 boxes went to the Council to provide for 17,544 girls and 6,560 volunteers. The Council provides educational and cultural programs; leader training and materials; camping and service center facilities; publications; financial assistance and camperships; and professional and clerical services.
- \$0.80 in 2021 and 2020 went to the girls' troop treasury, to be used for troop program activities, trips, and materials for service projects and other supplies, as decided by the girls and their leaders.

### ***Program Fees and Financial Assistance***

Program revenue is recognized as the Council provides services. Revenue is reported at the amount of consideration which the Council expects to be entitled in exchange for providing program services. The Council determines the transaction price based on standard charges for services provided, reduced by discounts provided for financial assistance.

### ***Income Taxes***

The Council is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the Council is subject to federal income tax on any unrelated business taxable income.

The Council files tax returns in the U.S. federal jurisdiction.

### ***Functional Allocation of Expenses***

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the programs and supporting services benefited based on the time spent by level of employee.

# Girl Scouts Council of Greater New York, Inc.

## Notes to Financial Statements

September 30, 2021 and 2020

### **Revisions**

Certain immaterial revisions have been made to the 2020 financial statements. The financial assets available to meet general expenditures within one year as reported in *Note 16* were reduced by \$86,663 for the purpose and time restricted net assets. Additionally, contributions received for building fund as reported on the statement of cash flows were increased by \$100,000 and reposted as change in contributions receivable. These revisions did not have a significant impact on the financial statement line items impacted.

### **Changes in Accounting Principle**

*ASC 606, Revenue from Contracts with Customers* (Topic 606)

On October 1, 2020, the Council adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update 2014-09, *Revenue from Contracts with Customers* (Topic 606), (ASU 2014-09) using a modified retrospective method of adoption to all contracts with customers not completed at October 1, 2020.

The core guidance in ASU 2014-09 is to recognize revenue to depict the transfer of promised goods or services to customers in amounts that reflect the consideration to which the Council expects to be entitled in exchange for those goods or services.

The amount to which the Council expects to be entitled is calculated as the transaction price and recorded as revenue in exchange for providing goods or services.

Adoption of ASU 2014-09 resulted in changes to disclosures in the notes to the financial statements. The Council's adoption of ASU 2014-09 did not result in a change to the timing of revenue recognition.

### **Subsequent Events**

Subsequent events have been evaluated through March 2, 2022, which is the date the financial statements were available to be issued.

## **Note 2: Investments and Disclosures About Fair Value of Assets**

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy comprises three levels of inputs that may be used to measure fair value:

**Level 1** Quoted prices in active markets for identical assets

**Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

# Girl Scouts Council of Greater New York, Inc.

## Notes to Financial Statements

September 30, 2021 and 2020

**Level 3** Unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets

### Recurring Measurements

The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2021 and 2020:

	2021		
	Fair Value	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)
Investments			
Equity Securities			
Money Market Funds	\$ 777,059	\$ 777,059	\$ -
U.S. Large Cap	2,820,311	2,820,311	-
U.S. Mid Cap	300,426	300,426	-
U.S. Small Cap	389,249	389,249	-
International Developed	1,013,600	1,013,600	-
Emerging Markets	306,511	306,511	-
Commodity/REIT	232,864	232,864	-
	5,840,020	5,840,020	-
Fixed Income Mutual Funds	2,439,358	2,439,358	-
	\$ 8,279,378	\$ 8,279,378	\$ -
Beneficial interest in perpetual trust	\$ 512,825	\$ -	\$ 512,825



# Girl Scouts Council of Greater New York, Inc.

## Notes to Financial Statements

September 30, 2021 and 2020

	2020		
	Fair Value	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)
Investments			
Equity Securities			
Money Market Funds	\$ 571,703	\$ 571,703	\$ -
U.S. Large Cap	2,564,106	2,564,106	-
U.S. Mid Cap	211,624	211,624	-
U.S. Small Cap	180,347	180,347	-
International Developed	744,385	744,385	-
Emerging Markets	146,540	146,540	-
Commodity/REIT	198,729	198,729	-
	4,617,434	4,617,434	-
Fixed Income Mutual Funds	2,430,833	2,430,833	-
	\$ 7,048,267	\$ 7,048,267	\$ -
Beneficial interest in perpetual trust	\$ 434,752	\$ -	\$ 434,752

The following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended September 30, 2021. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

### **Investments**

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

### **Beneficial Interest in Perpetual Trust**

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement. Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy.

# Girl Scouts Council of Greater New York, Inc.

## Notes to Financial Statements

September 30, 2021 and 2020

### **Level 3 Reconciliation**

The tables below set forth a summary of changes in the fair value of the Level 3 assets of recurring fair value measurements for the years then ended:

	<u>2021</u>	<u>2020</u>
	<b>Beneficial Interest in Perpetual Trust</b>	<b>Beneficial Interest in Perpetual Trust</b>
Balance, beginning of year	\$ 434,752	\$ 420,382
Disbursements	(16,440)	(16,440)
Investment gains	94,513	30,810
Balance, end of year	<u>\$ 512,825</u>	<u>\$ 434,752</u>

### **Unobservable (Level 3) Inputs**

The following table presents quantitative information about unobservable inputs used in recurring Level 3 fair value measurements at September 30, 2021 and 2020:

	<u>Fair Value at</u>		<u>Valuation Technique</u>
	<u>2021</u>	<u>2020</u>	
Beneficial interest in perpetual trusts	\$ 512,825	\$ 434,752	Present value of future cash flows

### **Segregated Custodial Account**

The Council's investments include funds subject to charitable gift annuity agreements.

In accordance with New York insurance law, the Council is required to maintain in the segregated custodial account, held for the protection of all annuitants of the corporation, an amount at least equal to the greater of \$100,000 or reserves required by New York insurance law plus a surplus of 25 percent of the required reserve. The Council established a reserve of \$125,000 in the segregated account. The fair market value of the segregated custodial account, including earnings, was \$190,178 and \$193,291 as of September 30, 2021 and 2020, respectively.

# Girl Scouts Council of Greater New York, Inc.

## Notes to Financial Statements

September 30, 2021 and 2020

### Note 3: Contributions Receivable

Contributions receivable consisted of the following:

	<b>2021</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Due within one year	\$ -	\$ 476,217	\$ 476,217
Due within one to five years	-	79,600	79,600
	-	555,817	555,817
Less			
Allowance for uncollectible contributions	-	(113,632)	(113,632)
	\$ -	\$ 442,185	\$ 442,185
	<b>2020</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Due within one year	\$ -	\$ 352,146	\$ 352,146
Due within one to five years	-	124,250	124,250
	-	476,396	476,396
Less			
Allowance for uncollectible contributions	-	(78,632)	(78,632)
	\$ -	\$ 397,764	\$ 397,764

Discount for contributions were deemed immaterial and therefore not recognized for 2021 and 2020.

# Girl Scouts Council of Greater New York, Inc.

## Notes to Financial Statements

September 30, 2021 and 2020

### Note 4: Conditional Gifts

The Council has received the following conditional promises to give at September 30, 2021 that are not recognized in the financial statements:

	2021
Conditional promise to give upon obtaining \$750,000 in new unconditional promises to give to the Camp Kaufman campaign	\$ 250,000

### Note 5: Grant Reimbursements Receivable and Future Commitments

The Council receives its grant support through periodic claims filed with the respective funding sources, not to exceed a limit specified in the funding agreement. Since the financial statements of the Council are prepared on the accrual basis, all earned portions of the grants not yet received as of September 30, 2021, have been recorded as receivables. The following is the grant commitment that extends beyond September 30, 2021:

Grant	Term	Grant Amount	Earned Through 2021	Funding Available
Department of Homeless Services (DHS)	5/1/2020 - 4/30/2023	\$ 960,000	\$ 412,194	\$ 547,806

During December 2018, the Council signed a contract with the City of New York Department of Homeless Services (DHS) to provide necessary after-school programming for children so they can obtain necessary activities, workshops and education during a critical stage of their lives through the Troop 6000 program. The contract allowed for the reimbursement of certain direct expenses of up to \$960,000 from the commencement of the program May 1, 2017 through April 30, 2020. In November 2020, the contract was renewed at the same terms for the program from May 1, 2020 through April 30, 2023, and is considered a conditional grant.

### Note 6: Beneficial Interest in a Perpetual Trust

The Council has been named as 5 percent irrevocable beneficiary of the Gaston Trust. The assets in this trust are managed by a trustee other than the Council and are predominantly invested in equity and fixed-income instruments. Perpetual trust provides for the distribution of the net income of the trusts to the Council; however, the Council will never receive the assets of the trusts.

# Girl Scouts Council of Greater New York, Inc.

## Notes to Financial Statements

September 30, 2021 and 2020

At the date the Council receives notice of a beneficial interest, a contribution with donor restrictions of a perpetual nature is recorded in the statements of activities. A beneficial interest in perpetual trust is recorded in the statements of financial position at the fair value of the underlying trust assets. Thereafter, beneficial interests in the trusts are reported at the fair value of the trusts' assets in the statements of financial position, with trust distributions and changes in fair value recognized in the statements of activities.

The estimated value of the expected future cash flows is \$512,825 and \$434,752 which represents the fair value of the trust assets at September 30, 2021 and 2020, respectively. The income from this trust for 2021 and 2020 was \$78,073 and \$14,370, respectively.

### Note 7: Troop/Group Funds

Bank accounts for each troop/group are established under the Council's tax identification number. All funds are maintained for the beneficial interest of the girls within the respective troop/group. These funds are not under the financial control of the Council and have not been included in the financial statements.

### Note 8: Property and Equipment

Property and equipment at September 30, 2021 and 2020 consists of:

	2021	2020	Estimated Useful Lives
Land	\$ 115,654	\$ 115,654	
Land improvements	247,900	247,900	15 years
Buildings and building improvements	2,892,774	2,882,249	25 - 40 years
Leasehold improvements	538,519	538,519	7 - 15 years
Furniture and equipment	1,058,188	1,036,595	5 - 10 years
Construction in progress	84,763	-	
	4,937,798	4,820,917	
Less accumulated depreciation and amortization	(3,165,791)	(2,922,430)	
	<u>\$ 1,772,007</u>	<u>\$ 1,898,487</u>	

### Note 9: Loan Payable

On March 27, 2020, President Trump signed into law the *Coronavirus Aid, Relief, and Economic Security Act*. During May 2020, the Council received a loan in the amount of \$889,587 pursuant to the Paycheck Protection Program. The Council received forgiveness of the \$889,587 loan on May 15, 2021. The Council has elected to account for the funding as a loan in accordance with Accounting Standards Codification (ASC) Topic 470, *Debt*.

# Girl Scouts Council of Greater New York, Inc.

## Notes to Financial Statements

September 30, 2021 and 2020

On February 3, 2021, the Council received a second loan in the amount of \$889,587 pursuant to – the “second draw” from the *2021 Consolidated Appropriations Act* (PPP-2 or Second Draw). The loan is due five years from the date of the first disbursement under the loan and has a fixed interest rate of 1 percent per year. The Council has elected to account for the funding as a loan in accordance with ASC Topic 470, *Debt*. A portion of the loan may be forgiven; however, as of the date of this report any amount of forgiveness is unable to be determined.

Aggregate annual maturities of loan payable as of September 30, 2021 are:

2022	\$ 166,107
2023	209,199
2024	211,300
2025	213,423
2026	<u>89,558</u>
	<u>\$ 889,587</u>

### Note 10: Line of Credit

The Council has a \$2,750,000 line of credit with Bank of New York Mellon with a rate of one-month LIBOR plus 150 basis points with a minimum floor of 2 percent. As of September 30, 2021 and 2020, the interest rate was 1.58 percent with interest expense of \$5,614 and \$22,091, respectively, for the fiscal years then ended.

On April 4, 2014, Bank of New York Mellon issued a letter of credit to the Council’s new landlord in the amount of \$101,468 that is set to automatically renew annually until December 31, 2030 with the payment of a small administrative fee. The letter of credit is secured by the Council’s investments and reduces the total amount of borrowings that the Council may draw under its line of credit.

### Note 11: Operating Leases

On March 30, 2014, the Council entered into an agreement to lease office space for its headquarters in the Wall Street area. The lease expires in November of 2030. During 2019, the Council entered into an agreement to lease office equipment that expires in February of 2022. Future minimum lease payments at September 30, 2021, were:

2022	\$ 694,838
2023	769,640
2024	682,773
2025	682,773
2026	741,130
Thereafter	<u>3,136,671</u>
	<u>\$ 6,707,825</u>

# **Girl Scouts Council of Greater New York, Inc.**

## **Notes to Financial Statements**

**September 30, 2021 and 2020**

Rent expense for the years ended September 30, 2021 and 2020 was \$696,318 and \$711,081, respectively.

### **Note 12: Related Party**

The Council is a separately incorporated 501(c)(3) organization chartered by the Girl Scouts of the United States of America (GSUSA) to deliver the Girl Scouts program in the five boroughs of New York City. Based on the charter, the Council collects membership dues on behalf of GSUSA from program participants. The dues are recorded as a liability by the Council upon collection. As of September 1, 2018, most dues are paid directly to GSUSA without the Council's participation unless financial aid or lifetime dues are involved. The amount collected on behalf of GSUSA as of September 30, 2021 and 2020 was \$28,496 and \$15,976, respectively. As of September 30, 2021 and 2020, \$21,604 and \$1,319, respectively, was due to GSUSA and included in accounts payable and accrued expenses.

### **Note 13: Revenue from Contracts with Customers**

#### ***Cookie Sales***

Performance obligations are determined based on the nature of the goods provided by the Council in accordance with the contract. The Council believes this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to customers at a single point in time and the Council does not believe it is required to provide additional goods or services related to that sale.

#### ***Program Fees***

Revenue from contracts with individuals for program services is reported at the amount that reflects the consideration to which the Council expects to be entitled in exchange for the services provided. These amounts are due from individuals who register for the event and include variable consideration for financial aid.

Revenue is recognized as performance obligations are satisfied, which is ratably over the course of the program.

#### ***Special Events***

Revenue from special events is reported at the amount that reflects the consideration to which the Council expects to be entitled in exchange for the direct cost of the benefits received by the participant at the event. These revenues are recognized over time.

# Girl Scouts Council of Greater New York, Inc.

## Notes to Financial Statements

September 30, 2021 and 2020

### ***Transaction Price and Recognition***

The Council determines the transaction price based on standard charges for goods and services provided, reduced by discounts provided in accordance with the Council's policy and implicit price concessions provided to customers. The Council determines its estimates of explicit price concessions based on its discount policies. The Council determines its estimate of implicit price concessions based on its historical collection experience with this class of customers.

From time to time the Council will receive overpayments of customer balances resulting in amounts owed back to either the customers or third parties. These amounts are excluded from revenues and are recorded as liabilities until they are refunded. As of September 30, 2021, the Council does not have a liability for refunds to customers.

Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to revenue in the period of the change. For the year ended September 30, 2021, no additional revenue was recognized due to changes in its estimates of implicit price concessions, discounts and contractual adjustments for performance obligations satisfied in prior years. Subsequent changes that are determined to be the result of an adverse change in the customer's ability to pay are recorded as bad debt expense.

The Council has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the following factors:

- Geography of the service location
- Council's line of business that provided the service

For the year ended September 30, 2021, the Council recognized revenue of \$46,410 from services that transfer to the customer over time and \$9,900,333 from goods that transfer to the customer at a point in time.

### ***Contract Balances***

The following table provides information about the Council's receivable from contracts with customers:

	<u>2021</u>
Accounts receivable, beginning of year	\$ 19,740
Accounts receivable, end of year	24,169



# Girl Scouts Council of Greater New York, Inc.

## Notes to Financial Statements

September 30, 2021 and 2020

### Note 14: Pension and Other Postretirement Benefit Plans

#### ***Defined Benefit Plan***

The Council participates in the National Girl Scouts Council Retirement Plan (NGSCR) (EIN 13-1624016, Plan #002), 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, 2017. Based on the April 18, 2014 conditional approval by the Internal Revenue Service (IRS), all existing amortization basis 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 addition, on April 8, 2014, President Obama signed H.R. 4275 into law, a relief package unanimously passed by Congress that gives NGSCR the flexibility to adopt PPA funding requirements immediately or not at all. NGSCR has elected to adopt this relief and not be subject to PPA. Aggregate annual contributions made in fiscal years 2021 and 2020 were \$32.2 million.

For the years ended September 30, 2021 and 2020, the total actuarial required payment for the plan, for the Council, was \$239,300 and \$274,816, respectively. These contributions did not represent more than 5 percent of total contributions to NGSCR. The future costs of the funding of the unfunded liability will be subject to market conditions and accrued actuarial evaluations.

The unfunded liability for the plan has been accrued in total by GSUSA, the plan sponsor.

#### ***Defined Contribution Plan***

In 2011, the Council established a discretionary defined contribution retirement plan. Additionally, the Council had a noncontributory tax-deferred 403(b) plan. During 2015, the Council merged these two plans into a single 403(b) plan. Contributions into the plan were based on a board-approved percentage applied to employee earnings for the fiscal year. All employees are eligible as of the first day of employment. The Council did not earmark any amount into the plan under this provision for 2021 and 2020. The plan was modified as of January 1, 2019 to call for matching 50 percent of the employee's own contribution into the plan up to 3.0 percent. Council contributions under the matching provision were \$33,445 and \$27,427 in 2021 and 2020, respectively.

# Girl Scouts Council of Greater New York, Inc.

## Notes to Financial Statements

September 30, 2021 and 2020

### Note 15: Net Assets

#### *Net Assets with Donor Restrictions*

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

	<b>2021</b>	<b>2020</b>
Subject to expenditure for specified purpose		
Girl Scout programs and adult education	\$ 276,162	\$ 311,755
Camp Building	370,758	300,050
2nd Century Campaign		
Expansion Fund	917	-
Troop 6000 Program	901,271	379,858
Campaign General Fund	5,000	917
	1,554,108	992,580
Subject to the passage of time		
Promises to give that are not restricted by donor but which are unavailable for expenditure until due and assets received for future periods	620,987	325,367
	2,175,095	1,317,947
Not subject to spending policy or appropriation		
Beneficial interests in perpetual trusts	512,825	434,752
	\$ 2,687,920	\$ 1,752,699

#### *Net Assets Released from Restrictions*

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<b>2021</b>	<b>2020</b>
Expiration of time restrictions	\$ 68,161	\$ 865,115
Girl Scouts programs and adult education	308,342	26,000
2nd Century Campaign	437,187	487,839
	\$ 813,690	\$ 1,378,954

# Girl Scouts Council of Greater New York, Inc.

## Notes to Financial Statements

September 30, 2021 and 2020

### Note 16: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of September 30, 2021 and 2020, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 4,055,594	\$ 411,191
Investments at fair value	8,279,378	7,048,267
Contributions receivable, net	442,185	397,764
Accounts receivable	24,169	19,740
Government grants receivable	<u>567,527</u>	<u>277,700</u>
Total financial assets	13,368,853	8,154,662
Less amounts not available to be used within one year		
Investments in segregated custodial account	(190,178)	(193,291)
Purpose and time restrictions	<u>(2,175,095)</u>	<u>(1,317,947)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 11,003,580</u>	<u>\$ 6,643,424</u>

The Council manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. Additionally, the Council has a spending policy that permits them to draw down funds from its investments to meet its operating requirements, fund capital expenditures and fund other approved special activities. The Council monitors liquidity and cash flows on an ongoing basis to ensure an appropriate amount of cash and cash equivalents are available to meet current expenditure needs. Management reports its financial position regularly to different committees of the board and to the whole board.

### Note 17: Significant Estimates and Concentrations

GAAP require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

#### ***Grants and Contributions***

All government grants were received from two agencies as of September 31, 2021. Approximately 88 percent of all government grants were received from one agency as of September 30, 2020.

All government grants receivable at September 30, 2021 were from two agencies. Approximately 83 percent of all government grants receivable are due from one agency as of September 30, 2020.

# **Girl Scouts Council of Greater New York, Inc.**

## **Notes to Financial Statements**

**September 30, 2021 and 2020**

Contributions receivable at September 30, 2021 include contributions from three donors which approximate 55 percent of the contributions receivable balance. Contributions receivable at September 30, 2020 includes a contribution from four donors which approximate 53 percent of the contributions receivable balance.

### ***Investments***

The Council invests in various investment securities. 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 values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of financial position.

### ***Pension and Other Postretirement Benefit Obligations***

The Council has a noncontributory defined benefit pension whereby it agrees to provide certain postretirement benefits to eligible employees. The benefit obligation is the actuarial present value of all benefits attributed to service rendered prior to the valuation date based on the projected unit credit cost method. It is reasonably possible that events could occur that would change the estimated amount of this liability materially in the near-term.

### ***General Litigation***

The Council is subject to claims and lawsuits that arise primarily in the ordinary course of its activities. It is the opinion of management the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, change in net assets and cash flows of the Council. Events could occur that would change this estimate materially in the near term.

## **Note 18: Future Changes in Accounting Principles**

### ***Accounting for Leases***

FASB amended its standard related to the accounting for leases. Under the new standard, lessees will now be required to recognize substantially all leases on the statements of financial position as both a right-of-use asset and a liability. The standard has two types of leases for statements of activities recognition purposes: operating leases and finance leases. Operating leases will result in the recognition of a single lease expense on a straight-line basis over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating or finance will be done in a manner similar to existing standards. The new standard also contains amended guidance regarding the identification of embedded leases in service contracts and the identification of lease and nonlease components in an arrangement. The new standard is effective for annual periods beginning after December 15, 2021, and any interim periods within annual reporting periods that begin after December 15, 2022. The Council is evaluating the effect the standard will have on the financial statements; however, the standard is expected to have a material effect on the financial statements due to the recognition of additional assets and liabilities for operating leases.