



girl scouts
of new mexico trails

FINANCIAL STATEMENTS
GIRL SCOUTS OF NEW MEXICO TRAILS, INC.
SEPTEMBER 30, 2021 AND 2020

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SEPTEMBER 30, 2021 AND 2020

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Official Roster

SEPTEMBER 30, 2021 AND 2020

Board of Directors

Karen Bergren
Board Chair

Marti-Fournier Revo
Vice Chair

Molly Emkes
Secretary

Shunnae Love
Member

Anne Layne
Member

Duane Trythall
Member

Gill Berry
Member

Martha Benn
Member

Nancy Martira
Member

Linda Deck
Member

Mary Homan
Member

Patricia Komko
Member

Sheree Anderson
Girl Member





INDEPENDENT AUDITOR'S REPORT

Board of Directors

Girl Scouts of New Mexico Trails, Inc.
Albuquerque, New Mexico

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the Girl Scouts of New Mexico Trails, Inc. (formerly Girl Scouts of Chaparral Council, Inc.) (the Council) (a non-profit organization), which comprise the statement 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 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 the financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

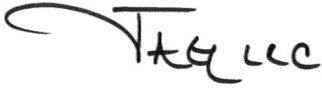
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about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

OPINION

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

A handwritten signature in black ink that reads "JAG LLC". The signature is stylized, with a large, sweeping initial "J" that loops around the "A", and the letters "G", "L", "L", and "C" are written in a cursive, connected style.

Jaramillo Accounting Group LLC (JAG)
Albuquerque, New Mexico
May 2, 2022



girl scouts
of new mexico trails

FINANCIAL STATEMENTS

Financial Statements

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2021 AND 2020

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 442,728	\$ 338,366
Grants receivable	34,597	3,013
Current portion of unconditional promises to give	23,614	26,460
Other receivables	10,626	17,434
Inventories	65,653	64,841
Prepaid expenses	33,107	37,447
Total current assets	610,325	487,561
Investments	1,717,115	1,252,501
Property and equipment, net	1,991,353	2,044,640
Other assets		
Beneficial interest in perpetual trust	111,718	97,132
Deposits	31,051	23,269
Unconditional promises to give, less current portion, net	2,994	14,818
Total other assets	145,763	135,219
Total assets	\$ 4,464,556	\$ 3,919,921
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current liabilities		
Accounts payable	\$ 69,937	\$ 32,725
Other accrued liabilities	56,184	59,146
Accrued payroll and related taxes	27,393	66,035
Accrued compensated absences	45,282	56,078
Deferred revenue	25,150	10,839
Current portion of long-term debt	15,071	6,779
Total current liabilities	239,017	231,602
Long-term debt, less current portion	315,229	286,836
Total liabilities	554,246	518,438
NET ASSETS		
Without donor restrictions	3,525,964	3,065,774
With donor restrictions	384,346	335,709
Total net assets	3,910,310	3,401,483
Total liabilities and net assets	\$ 4,464,556	\$ 3,919,921

See Accompanying Notes.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT			
Contributions and grants	\$ 100,522	\$ 186,395	\$ 286,917
PROGRAM RELATED REVENUE			
Gross product program sales	3,138,767	-	3,138,767
Allocations to troops	(497,389)	-	(497,389)
Direct cost of product program sales	(811,191)	-	(811,191)
Net revenue from product program sales	1,830,187	-	1,830,187
Retail revenue	84,263	-	84,263
Direct cost of retail sales	(54,944)	-	(54,944)
Net revenue from retail sales	29,319	-	29,319
Program and camp services	222,546	-	222,546
Total program related revenue	2,082,052	-	2,082,052
INVESTMENT AND OTHER REVENUE			
Federal contribution - PPP loan forgiveness	276,900	-	276,900
Net realized and unrealized gains on investments	179,218	-	179,218
Interest and dividend income	22,491	-	22,491
Change in value of beneficial interest in perpetual trust	-	14,586	14,586
Rental and service income and other	69,761	-	69,761
Gain on disposition of property and equipment	200	-	200
Total investment and other revenue	548,570	14,586	563,156
Net Assets Released from Donor Restrictions	152,344	(152,344)	-
Total revenue and support	2,883,488	48,637	2,932,125
EXPENSES			
Program services			
Program and camp services	1,023,581	-	1,023,581
Membership and volunteer support	701,912	-	701,912
Cookie/MagNut program	165,302	-	165,302
Total program services	1,890,795	-	1,890,795
Supporting services			
Management and general	333,449	-	333,449
Fundraising	199,054	-	199,054
Total supporting services	532,503	-	532,503
Total expenses	2,423,298	-	2,423,298
Change in net assets	460,190	48,637	508,827
Net assets, beginning of year	3,065,774	335,709	3,401,483
Net assets, end of year	\$ 3,525,964	\$ 384,346	\$ 3,910,310

See Accompanying Notes.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT			
Contributions and grants	\$ 20,486	\$ 201,241	\$ 221,727
PROGRAM RELATED REVENUE			
Gross product program sales	4,208,044	-	4,208,044
Allocations to troops	(628,385)	-	(628,385)
Direct cost of product program sales	(997,218)	-	(997,218)
Net revenue from product program sales	2,582,441	-	2,582,441
Retail revenue	92,693	-	92,693
Direct cost of retail sales	(55,744)	-	(55,744)
Net revenue from retail sales	36,949	-	36,949
Program and camp services	67,642	-	67,642
Total program related revenue	2,687,032	-	2,687,032
INVESTMENT AND OTHER REVENUE (LOSSES)			
Net realized and unrealized gains on investments	61,032	-	61,032
Interest and dividend income	19,871	-	19,871
Change in value of beneficial interest in perpetual trust	-	8,233	8,233
Rental and service income and other	41,750	-	41,750
Total investment and other revenue (loss)	122,653	8,233	130,886
Net Assets Released from Donor Restrictions	137,530	(137,530)	-
Total revenue and support	2,967,701	71,944	3,039,645
EXPENSES			
Program services			
Program and camp services	998,685	-	998,685
Membership and volunteer support	706,244	-	706,244
Cookie/MagNut program	231,507	-	231,507
Total program services	1,936,436	-	1,936,436
Supporting services			
Management and general	375,484	-	375,484
Fundraising	172,053	-	172,053
Total supporting services	547,536	-	547,536
Total expenses	2,483,973	-	2,483,973
Change in net assets	483,728	71,944	555,672
Net assets, beginning of year	2,582,046	263,765	2,845,811
Net assets, end of year	\$ 3,065,774	\$ 335,709	\$ 3,401,483

See Accompanying Notes.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Program			Supporting Services			Total Expenses
	Program and Camp Services	Membership and	Cookie/MagNut Program	Management and General	Fundraising		
		Volunteer Support			Fund Development	Capital Campaign	
Salaries and related expenses							
Salaries and wages	\$ 474,801	\$ 448,471	\$ 50,040	\$ 200,239	\$ 109,528	\$ 5,004	\$ 1,288,083
Payroll taxes	34,455	36,066	4,054	15,323	8,541	389	98,828
Employee retirement	15,573	24,363	7,601	15,704	2,867	335	66,443
Employee benefits	22,497	15,350	2,795	4,554	5,729	534	51,459
Workers' compensation insurance	7,059	2,136	148	513	286	16	10,158
Total salaries and related expenses	554,385	526,386	64,638	236,333	126,951	6,278	1,514,971
Professional services	26,475	18,500	2,083	24,974	34,396	523	106,951
Supplies	76,382	6,559	709	6,140	2,489	33	92,312
Incentives	220	11,689	76,417	228	76	-	88,630
Utilities	55,617	10,784	1,853	4,713	3,157	602	76,726
Maintenance	34,619	24,473	1,096	8,636	4,491	295	73,610
Insurance	30,649	9,978	1,482	12,450	2,783	532	57,874
Other occupancy	50,432	5,026	159	636	270	51	56,574
Telecommunications	18,283	22,262	1,180	3,850	2,319	372	48,266
Travel	29,609	6,299	1,731	440	-	-	38,079
Bank charges	5,146	6,679	847	3,756	1,759	-	18,187
Staff and volunteer development	2,246	6,320	100	2,577	4,172	-	15,415
Postage and delivery	4,857	4,902	719	681	1,859	116	13,134
Interest	1,655	-	-	11,400	-	-	13,055
Printing, promotion, and publications	1,121	9,616	164	165	446	-	11,512
Miscellaneous	809	324	9,175	806	71	6	11,191
Rental of program facilities	-	10,605	-	-	-	-	10,605
Investment fees	-	-	-	10,095	-	-	10,095
Assistance and grants	11,757	1,691	5	-	-	-	13,453
Recruitment	625	2,140	-	-	-	-	2,765
Total expenses before depreciation	904,887	684,233	162,358	327,880	185,239	8,808	2,273,405
Depreciation of property and equipment	118,694	17,679	2,944	5,569	4,145	862	149,893
Total expenses	\$ 1,023,581	\$ 701,912	\$ 165,302	\$ 333,449	\$ 189,384	\$ 9,670	\$ 2,423,298

See Accompanying Notes.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Program			Supporting Services			
	Program and Camp Services	Membership and Volunteer Support	Cookie/ MagNut Program	Management and General	Fundraising		Totals Expenses
					Fund Development	Capital Campaign	
Salaries and related expenses							
Salaries and wages	\$ 465,120	\$ 439,924	\$ 64,790	\$ 195,527	\$ 110,352	\$ 4,021	\$ 1,279,734
Payroll taxes	33,019	32,603	4,811	14,514	7,965	80	92,993
Employee retirement	15,747	26,203	9,394	20,677	2,785	35	74,842
Employee benefits	36,241	16,530	1,422	4,365	6,220	235	65,012
Workers' compensation insurance	4,952	2,248	322	485	286	13	8,306
Total salaries and related expenses	555,079	517,508	80,739	235,568	127,608	4,384	1,520,886
Supplies	44,173	13,327	3,594	3,794	555	40	65,483
Professional services	27,898	16,875	2,224	25,938	11,609	545	85,090
Travel	30,054	19,734	7,892	3,082	425	25	61,212
Maintenance	30,114	21,535	1,168	8,848	7,360	233	69,258
Utilities	44,870	9,734	1,949	3,907	2,229	450	63,138
Other occupancy	53,424	6,900	183	1,264	171	33	61,974
Incentives	540	15,666	54,323	941	320	-	71,789
Insurance	40,339	11,677	2,040	7,867	2,353	476	64,751
Telecommunications	27,199	11,719	1,741	4,142	1,889	309	46,999
Miscellaneous	1,022	227	53,792	1,543	17	7	56,609
Staff and volunteer development	8,204	3,607	358	7,113	1,256	-	20,538
Interest	927	-	-	32,788	-	-	33,714
Printing, promotion, and publications	7,300	9,315	1,213	797	904	273	19,802
Assistance and grants	3,169	5,463	20	-	-	-	8,652
Bank charges	739	10,812	4,280	3,582	1,007	-	20,420
Rental of program facilities	630	8,434	2,000	-	-	-	11,064
Investment fees	-	-	-	9,642	-	-	9,642
Postage and delivery	5,465	3,382	271	330	3,333	46	12,828
Recruitment	350	5,781	-	18,907	-	-	25,038
Bad debt expense	-	-	11,023	-	-	-	11,023
Total expenses before depreciation	881,499	691,696	228,811	370,053	161,035	6,819	2,339,913
Depreciation of property and equipment	117,186	14,549	2,696	5,431	3,292	907	144,060
Total expenses	\$ 998,685	\$ 706,244	\$ 231,507	\$ 375,484	\$ 164,327	\$ 7,726	\$ 2,483,973

See Accompanying Notes.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	2021	2020
Cash flows from operating activities		
Changes in net assets	\$ 508,827	\$ 555,672
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	149,893	144,060
Net realized and unrealized gains on investments	(179,218)	(61,032)
Provision for bad debts	-	11,023
Gain on sale of property and equipment	200	-
Federal contribution - PPP loan forgiveness	(276,900)	-
Change in value of beneficial interest in perpetual trust	(14,586)	(8,233)
Change in assets and liabilities		
Grants receivable	(31,584)	8,577
Unconditional promises to give	14,670	2,766
Other receivables	6,808	(11,587)
Inventories	(812)	1,045
Prepaid expenses	4,340	(4,171)
Deposits	(7,782)	(1,117)
Accounts payable	37,212	(52,977)
Accrued expenses	(52,400)	23,765
Deferred revenues	14,311	10,839
Total adjustments	(335,848)	62,958
Net cash provided by operating activities	172,979	618,630
Cash flows from investing activities		
Proceeds from sale and maturities of investments	500,000	2,309,342
Purchases of property and equipment	(125,193)	(42,477)
Purchases of investments	(757,009)	(2,041,790)
Net cash (used in) provided by investing activities	(382,202)	225,075
Cash flows from financing activities		
Net activity on line-of-credit	-	(1,000,000)
Proceeds from long-term debt	325,553	276,900
Principal payments on long-term debt	(11,968)	(6,474)
Net cash provided by (used in) financing activities	313,585	(729,574)
Net increase in cash and cash equivalents	104,362	114,131
Cash and cash equivalents, beginning of year	338,366	224,235
Cash and cash equivalents, end of year	\$ 442,728	\$ 338,366
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ 13,055	\$ 33,714
Donation of materials, supplies, and services	\$ 2,046	\$ 20,103

See Accompanying Notes.

Notes to Financial Statements

SEPTEMBER 30, 2021 AND 2020

NOTE 1. THE ORGANIZATION

The Girl Scouts of New Mexico Trails, Inc. (formerly Girl Scouts of Chaparral Council, Inc.) (the Council) is a not-for-profit organization incorporated in New Mexico 1958. The Council's primary purpose is to service girl scouting under a charter from the Girl Scouts of the United States of America (the GSUSA). The Council provides programs and activities in its jurisdiction based on three program goals of developing courage, confidence, and character. The Council's jurisdiction was modified effective November 1, 2007, as part of the nation-wide realignment of councils as discussed below. As a result of the modification, the Council now serves girl scouting throughout the top two-thirds of the State of New Mexico. Previously, the Council served girl scouting in west central and northwest New Mexico.

The Council defines its programs and services as follows:

Camping Services - Through the camping experience, girls gain independence, self-esteem, and an appreciation for themselves and others. Camp activities teach girls to protect the environment and to use resources wisely.

Program Events (Cookie/MagNut Program) - Program events supplement the volunteer leaders' efforts to help girls grow strong emotionally and physically and become tomorrow's competent and self-confident leaders. Program events serve girls ages 5-17 throughout the Council's jurisdiction. Product program sales, including cookies, nuts, and magazines, teach Girl Scouts customer service, budgeting, goal setting, and product knowledge while providing funds for troop activities. The Girl Scout shop provides official GSUSA merchandise to the membership.

Membership and Volunteer Support

Membership - The Girl Scouts of New Mexico Trails, Inc. is dedicated to serving "Every girl, everywhere" ages 5-17 years within its jurisdiction. The Council currently supports a membership of 3,880 (unaudited) girls and adults through a wide range of programs and training opportunities. The Council believes it is investing in tomorrow's leaders by empowering young girls and women to reach beyond the conventional to achieve their goals.

Volunteers - Training is provided by Girl Scout volunteers and community professionals at no or minimal cost for adult volunteers.

Management and General - Management and general costs provide the administrative support to meet the Council's goals and objectives as stipulated by the Board of Directors.

Fundraising - Fundraising seeks financial support from the community to promote the Girl Scout program as a means to enhance the lives, self-esteem, and the future of girls and women.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Advertising Costs. Advertising costs which consist of both purchased and donated items are charged to expense as costs are incurred and contribution revenue as donated items are received. For the years ended September 30, 2021 and 2020, advertising expense was \$5,944 and \$2,131, respectively. None of the advertising expenses represented noncash contributions.

Basis of Presentation and Net Assets. The Council's financial statements are presented in accordance with the Financial Accounting Standards Board Accounting Standards Codification (ASC) 958-205, *Not-for-Profit Entities, Presenting Financial Statements*. Under ASC 958-205, the Council is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Contributions without donor restrictions are recorded as income when constructively received. Net assets subject to restrictions imposed by donors that may or will be met by the occurrence of a specific event or the passage of time, are at the time when the restriction expires, reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

The governing board has designated, from net assets without donor restrictions of \$3,525,964 and \$3,065,774, respectively, net assets for the following purposes as of September 30:

	2021	2020
Future projects/reserves	\$ 1,680,997	\$ 1,221,602
Master development	267,529	207,932
Endowment funds	38,163	38,163
Gold Award scholarships - earnings portion only - Harkey	30,112	21,904
Wengerd craft center	1,824	1,824
Total	\$ 2,018,625	\$ 1,491,425

Cash and Cash Equivalents. Cash and cash equivalents include all monies in banks and highly liquid investments purchased outside the trust (see Note 5) with original maturity dates of less than three months. Money market accounts purchased inside the trust and held at broker and security institutions are considered investments. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. Cash and cash equivalents do include cash that is considered restricted for specific purposes.

Contributions. Contributions received are recorded as unrestricted or restricted support depending on the existence and nature of any donor restrictions. However, contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services, Supplies, and Facilities. Donated supplies and other items have been recorded in the accompanying financial statements as noncash contributions at their estimated fair market value at the date of receipt. Included in non-cash contributions in the statements of activities and changes in net assets for the years ended September 30, 2021 and 2020 are \$2,046 and \$20,103, respectively, of donated supplies, equipment, and software of which none were capitalized.

Donated services are reflected as contributions at their estimated fair market value at date of receipt where the donor has specialized skills or the services enhance a nonmonetary asset, and the services would be purchased if not donated. There were no donated services received during the years ended September 30, 2021 or 2020.

A substantial number of volunteers have donated significant amounts of their time in the Council's program services and its fundraising activities. These services do not require specialized skills, nor do they enhance a nonmonetary asset, and accordingly, no amounts have been reflected in the statements for those services since they do not meet the criteria for recognition.

Donated merchandise utilized for fundraising events is recorded as a contribution at its estimated value on the date of receipt. This value is adjusted through contribution revenue to the actual amount received from the ultimate recipient of the item.

Functional Allocation of Expenses. The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities and changes in net assets. Most expenses are allocated directly to the program or the support service benefited. Certain costs are allocated to the appropriate program or support service using a variable percentage base, determined by management.

Grants and Other Receivables. Grants receivable consist primarily of grant awards due from United Way agencies and other grantor agencies. Other receivables consist primarily of amounts due for registration service fees and checks for Cookie and MagNut sales returned for non-sufficient funds. Other receivables are shown net of an allowance for doubtful accounts of \$3,500 at September 30, 2021 and 2020. The Council provides an allowance, as needed, for doubtful collections that is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Balances that are still outstanding after reasonable collection efforts are written off. Balances that are past due for 90 days or more are not significant at September 30, 2021 and 2020.

Income Taxes. The Council is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, its normal activities do not result in any income tax liability. The Council is classified as other than a private foundation.

The Council records a liability for uncertain tax positions when it is probable that a loss has been incurred and the amount can be reasonably estimated. Interest is recognized and accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. Expiring statutes of limitations, audit, proposed settlements, changes in tax law and new authoritative rulings are continually evaluated. As of September 30, 2021 and 2020, no liabilities for uncertain tax positions have been recorded. The Organization's tax returns for the tax years 2019 to 2021, by statute, may be subject to normal federal and state examination.

Intentions to Give. Occasionally, the Council is notified that it has been named as beneficiary of trusts or life insurance policies. These intentions to give are to be paid on death of the designees, are revocable at any time prior to the death of the designees, and have not been received in writing by the Council. Since these amounts do not meet the criteria of revenue recognition, they are not reflected as contributions in the statements of activities and changes in net assets.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventory. Inventory consists solely of purchased Girl Scout supply merchandise and is stated at the lower of cost (FIFO) or net realizable value.

Investments. Investments are carried 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. Realized gains and losses are recorded using the specific identification method upon the sale of investment assets. The fair value of investments is subject to ongoing fluctuation. The amount ultimately realized upon disposition will differ from the amounts reported in these financial statements.

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.

Property and Equipment. Property and equipment are capitalized at cost. It is the Council's policy to capitalize expenditures for items in excess of \$5,000. Lesser amounts are expensed. When property and equipment is acquired by means of donation, such properties and equipment are reflected as contributions in the accompanying statements at their estimated fair market values at date of receipt. Depreciation of buildings and equipment is provided over the estimated useful lives of the respective assets on the straight-line basis ranging from three to forty years. The Council uses the direct expensing method to account for planned major maintenance activities.

Subsequent Events. The Council has evaluated subsequent events through May 2, 2022, the date which the financial statements were available to be issued. As a result of the recent COVID-19 outbreak, the Council is actively monitoring its potential impact on our employees, volunteers, donors, consumers, and operations. While we do not expect that the virus will have a material adverse effect on our operations or financial results at this time, we are unable to predict the impact that COVID-19 will have due to various uncertainties, including the severity of the disease, the duration of the outbreak, and actions that may be taken by governmental authorities. Management believes no other subsequent events have arisen that would require disclosure or accrual in these financial statements.

Unconditional Promises to Give. Contributions are recognized when the donor makes a promise to give to the Council in writing that is, in substance, unconditional and legally enforceable. If a donor states an intent verbally to give rather than a promise to give, contributions are recorded in the year payment is received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Those expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using present value techniques and a discount rate of 3%. Conditional promises to give are not included in support until the conditions are substantially met.

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

NOTE 3. CONCENTRATION OF CREDIT RISKS

The Council maintains its cash balances in several financial institutions. The balances at the financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. At various times balances may exceed federally insured limits; however, the Council maintains its cash with financial institutions which the Council believes limits these risks. At September 30, 2021 and 2020, the Council had no uninsured cash balances.

The Council is primarily supported through its cookie sales, grants, and program fees. Approximately 77% and 90% of the Council's support for the years ended September 30, 2021 and 2020, respectively, came from cookie sales.

NOTE 4. UNCONDITIONAL PROMISES TO GIVE

The Council received \$16,600 and \$40,950 in written multi-year promises to give during 2021 and 2020, respectively. Some of these are to be paid through 2021. Unconditional promises to give that are due in more than one year are recognized at net present value, using present value techniques and a discount rate of 3%. Unconditional promises to give that are expected to be collected within one year are recorded at fair value.

The unconditional promises to give consist of the following:

	2021	2020
Promises to give, gross	\$ 41,988	\$ 44,754
Additional pledges	16,600	40,950
Pledges written off	(2,182)	-
Received as of September 30	(29,088)	(43,716)
Promises to give at September 30	27,318	41,988
Less: unamortized discount	(710)	(710)
Net unconditional promises to give	\$ 26,608	\$ 41,278
Amounts due in		
Less than one year	\$ 23,614	\$ 26,460
One to five years	2,994	14,818
Total	\$ 26,608	\$ 41,278

Amortization of the discount is included in contribution revenue. The Council has not provided an allowance for doubtful accounts on outstanding amounts at September 30, 2021 and 2020, as the Council believes all remaining outstanding amounts will be fully collected.

NOTE 5. INVESTMENTS

The Council follows a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of fair value hierarchy are:

- **Level 1:** Unadjusted quoted prices for identical assets or liabilities in active markets

NOTE 5. INVESTMENTS (CONTINUED)

- **Level 2:** Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; valuation methodology using other observable inputs or inputs derived from or corroborated by observable market data by correlation or other means
- **Level 3:** Valuation methodology using unobservable inputs

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2021 and 2020.

Mutual fund: Valued at the net assets value (NAV) of shares held by the respective mutual fund. Net asset value is based on aggregate fair values of all individual shares traded on active markets.

Equities: Valued at the closing price reported on the active market on which the individual securities are traded.

Assets held in perpetual trust: Valued at fair value obtained from third-party trustee.

Cash management account: Valued at net realizable value and included in the accompanying table for reconciliation to the statements of financial position.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Council believes its valuation methods are 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.

The Council holds various investments in a trust established by the Council at a financial institution. The trust agreement authorizes the trustee to hold and invest the funds with the approval of the Council. Distributions of income or principal to the Council by the trustee shall only be made with the approval of 75% of the Board of Directors of the Council.

Investments consist of the following:

	Total	Quoted Prices in Active Markets for Identical Level 1	Significant Other Observable Level 2	Significant Unobservable Inputs Level 3
2021				
Equity mutual funds	\$ 1,099,575	\$ 1,099,575	\$ -	\$ -
Fixed income mutual funds	464,105	464,105	-	-
Registered investment companies	49,434	49,434	-	-
Assets held in perpetual trust	111,718	111,718	-	-
Cash management accounts	104,001	104,001	-	-
Total	\$ 1,828,833	\$ 1,828,833	\$ -	\$ -

NOTE 5. INVESTMENTS (CONTINUED)

	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
2020				
Equity mutual funds	\$ 685,180	\$ 685,180	\$ -	\$ -
Fixed income mutual funds	412,120	412,120	-	-
Assets held in perpetual trust	97,132	97,132	-	-
Cash management accounts	155,201	155,201	-	-
Total	\$ 1,349,633	\$ 1,349,633	\$ -	\$ -

A summary of investments by cost and fair value is as follows:

	September 30, 2021		September 30, 2020	
	Cost	Fair Value	Cost	Fair Value
Equity mutual funds	\$ 889,442	\$ 1,099,575	\$ 626,057	\$ 685,180
Fixed income mutual funds	445,950	464,105	375,981	412,120
Registered investment companies	49,969	49,434	-	-
Assets held in perpetual trust	N/A	111,718	N/A	97,132
Cash management accounts	104,001	104,001	155,201	155,201
Total investments held in trust		\$ 1,828,833		\$ 1,349,633

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of September 30:

	2021	2020
Buildings	\$ 2,871,962	\$ 2,843,056
Land improvements	885,051	865,051
Furniture, fixtures, and equipment	709,547	703,816
Building improvements	443,020	443,020
Vehicles	192,144	137,478
Construction in progress	-	28,586
	5,101,724	5,021,007
Less accumulated depreciation	(3,819,153)	(3,685,149)
Land	708,782	708,782
Total land, buildings, vehicles and equipment, net	\$ 1,991,353	\$ 2,044,640

Depreciation expense was \$149,893 and \$144,060 for the years ended September 2021 and 2020, respectively.

NOTE 7. LINE OF CREDIT

The Council has a \$1,200,000 revolving line of credit with a credit union. The line of credit was first obtained in February 2015 with a one-year term and provisions for annual extensions. In May 2018, the credit union extended the agreement and removed the provision for a fixed term and maturity date; however, the line of credit remains subject to a due on demand feature in which payment in full is due within 15 days of the lender's demand. The line is subject to a variable interest rate based on the prime rate as quoted in the money section of the Wall Street Journal plus 1% (3.25% at September 30, 2021 and 4.25% at September 30, 2020), with a floor of 3.85%. Interest is payable monthly with principal due upon lender's demand. The line is secured by property. The outstanding balance as of September 30, 2021 and 2020 was \$0 for both years. The Council is required to comply with certain covenants and provisions in connection with the line of credit. All such covenants and provisions were complied with as of September 30, 2021.

NOTE 8. LONG-TERM DEBT

Long-term debt consists of the following at September 30:

	2021	2020
Note payable to finance company, 4.68% interest; maturity February 2023; secured by vehicle; monthly payments (including interest) of \$617	\$ 9,936	\$ 16,715
Payroll Protection Program note payable to SBA, 1.0% interest; maturity May 2022; no monthly payments, expected to be fully forgiven in 2021.	-	276,900
Payroll Protection Program note payable to SBA, 1.0% interest; maturity April 2026; no monthly payments, expected to be fully forgiven in 2022.	274,804	-
Note payable to finance company, 3.25% interest; maturity March 2027; secured by vehicle; monthly payments (including interest) of \$389	22,779	-
Note payable to finance company, 3.25% interest; maturity March 2027; secured by vehicle; monthly payments (including interest) of \$389	22,781	-
Total long-term debt	330,300	293,615
Less current portion	(15,071)	(6,779)
Long-term portion	\$ 315,229	\$ 286,836

Maturities on long-term debt are as follows for the year ending:

<u>September 30,</u>	
2022	\$ 15,071
2023	11,069
2024	8,500
2025	8,776
2026	283,866
Thereafter	3,018
	<u>\$ 330,300</u>

NOTE 9. NET ASSETS WITH DONOR RESTRICTIONS

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

	2021	2020
Restricted by purpose		
Foundation and other grants	\$ 200,197	\$ 183,060
Gold Award scholarships - Harkey	11,226	11,226
Restricted by time		
Grants receivable	34,597	3,013
Unconditional promises to give	26,608	41,278
Amounts Required to be Invested in Perpetuity by Donors		
Donor-restricted endowment funds	<u>111,718</u>	<u>97,132</u>
Total	<u>\$ 384,346</u>	<u>\$ 335,709</u>

NOTE 10. PERPETUAL TRUST

During 2017, the Council determined that it has a one-third equal beneficiary share of a certain perpetual trust. The value of the perpetual trust at September 30, 2021 and 2020 was \$335,154 and \$291,396, respectively, of which the Council's one-third beneficial share of the assets is \$111,718 and \$97,132, respectively. The trust document intends for the corpus to be held in perpetuity and the investment income to be distributed to the beneficiary organizations no less frequently than on an annual basis. Distributions from the perpetual trust of \$1,363 and \$1,504 for the years ended September 30, 2021 and 2020, respectively, are reflected as temporarily restricted contribution income as the trust restricts the funds for the benefit of under-privileged children in and about the general vicinity and area of Albuquerque, New Mexico. Changes in the value of the trust are reflected as changes in net assets with donor restrictions in each respective year of the changes. The Council is permitted to select one of the trust's five-member governing board.

NOTE 11. ENDOWMENTS

The Council's endowments consist of two individual funds. The first was established as a quasi-endowment fund and includes funds designated by the Board of Directors to function as an endowment. The second includes funds which are donor-restricted and includes the Council's beneficial interest in a perpetual trust. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Endowment Net Asset Composition by type of fund as of September 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 111,718	\$ 111,718
Board-designated endowment funds	38,163	-	38,163
Total investments held in trust	<u>\$ 38,163</u>	<u>\$ 111,718</u>	<u>\$ 149,881</u>

NOTE 11. ENDOWMENTS (CONTINUED)

Changes in Endowment Net Assets for the fiscal year ended September 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning year	\$ 38,163	\$ 97,132	\$ 135,295
Investment return			
Interest and dividends	-	-	-
Net appreciation/depreciation (realized and unrealized)	-	14,586	14,586
Total investment return	-	14,586	14,586
Contributions	-	-	-
Appropriation of endowment assets for expending	-	-	-
Endowment net assets, end of year	<u>\$ 38,163</u>	<u>\$ 111,718</u>	<u>\$ 149,881</u>

Endowment Net Asset Composition by type of fund as of September 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 97,132	\$ 97,132
Board-designated endowment funds	38,163	-	38,163
Total investments held in trust	<u>\$ 38,163</u>	<u>\$ 97,132</u>	<u>\$ 135,295</u>

Changes in Endowment Net Assets for the fiscal year ended September 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning year	\$ 38,163	\$ 88,899	\$ 127,062
Investment return			
Interest and dividends	-	-	-
Net appreciation/depreciation (realized and unrealized)	-	8,233	8,233
Total investment return	-	8,233	8,233
Contributions	-	-	-
Appropriation of endowment assets for expending	-	-	-
Endowment net assets, end of year	<u>\$ 38,163</u>	<u>\$ 97,132</u>	<u>\$ 135,295</u>

NOTE 11. ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law

The Finance Committee of the Council has interpreted the accounting for its endowments 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. The Council classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence. The Council considers the following factors in making the determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation/depreciation of investments, (6) other resources of the Council, and (7) the Council's investment policies.

Return Objectives and Risk Parameters

The Council does not have an investment policy with regards to the Board-designated endowment and the funds and is currently holding the funds in a cash account with a financial institution. The donor-restricted endowment has an investment policy with a balanced level of investment risk. The objectives for the portfolio are preservation of principal and investment income. Funds are managed by an outside trustee, which is a financial institution. Currently the funds are allocated between money market, mutual fund, equity, alternative, and real asset investments.

NOTE 12. PROGRAM EVENTS

A summary of special program events during the years ended September 30, 2021 and 2020, is as follows:

	Sales	Allocations to Troops	Direct Costs	2021 Net Revenue	2020 Net Revenue
Cookie sales	\$ 2,979,737	\$ 474,833	\$ 735,019	\$1,769,885	\$ 2,499,644
Magazine subscriptions, nuts, and chocolate	159,030	22,556	76,172	60,302	82,797
Total	\$ 3,138,767	\$ 497,389	\$ 811,191	\$1,830,187	\$ 2,582,441

The direct cost of cookie sales includes \$716,225 and \$964,662 in purchases from a single vendor for the years ended September 30, 2021 and 2020, respectively. Sales revenue and cost of sales are reported net of discounts.

NOTE 13. EMPLOYEE BENEFIT PLANS

The Council participates in the National Girl Scout Council Retirement Plan (NGSCR) (the Plan), a noncontributory defined benefit pension plan sponsored by Girl Scouts of the USA. The National Board of the 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

NOTE 13. EMPLOYEE BENEFIT PLANS (CONTINUED)

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. The Council's pension expense and contributions to this plan for the years ending September 30, 2021 and 2020 were \$45,390 and \$53,724, respectively.

Although net Plan assets grew during the year, net Plan assets available for Plan benefits continue to be less than the actuarial present value of accumulated Plan benefits as of January 1, 2021. Based on the April 18, 2014 conditional approval by the Internal Revenue Service (IRS), all existing amortization bases in the Plan's funding standard account as of January 1, 2013 were combined into one base and the resulting amortization period for that single base was extended to 10 years. Approval applies as long as at a minimum, beginning with the January 1, 2013 calendar year, \$30,000,000 is remitted. The \$30,000,000 calendar year minimum applies for each succeeding calendar year until the Plan is fully funded based upon the requirements of the Pension Protection Act of 2006 (PPA). In 2021, the funded status of the plan increased and the \$30,000,000 minimum will no longer apply. In addition, on April 8, 2014, President Obama signed H.R. 4275 into law a relief package unanimously passed by Congress that gives NGSCR the flexibility to adopt the Pension Protection Act (PPA) funding requirements immediately or not at all. NGSCR has elected to adopt this relief and not be subject to PPA. In September 2020, the National Board of Girl Scouts of the USA approved to lower the contributions from \$30 million to \$26 million starting in calendar year 2023 until the Plan is fully funded on a market basis. Aggregate annual contributions made in fiscal years 2020 and 2021 were \$32.2 million and \$32.9 million, respectively. Aggregate contributions to be made in fiscal 2022 are expected to be \$32.2 million.

The Council instituted a 401(k) pension plan in January 2000. Employees are immediately eligible to contribute upon being hired. The Council matches 100% of the first 3% of employee contributions after the employee has completed 90 days of employment. Employees become vested in the Council contribution after three years of service. Investments are directed by the participants. For the years ended September 30, 2021 and 2020, the Council's 401(k) matching contributions were \$21,053 and \$21,118, respectively.

NOTE 14. UNEMPLOYMENT TRUST

The Council has elected to contract with a third-party vendor for unemployment compensation and claims management. The costs of claims under this program are expensed as claims arise. The Council contributed to an unemployment trust account during the years ended September 30, 2021 and 2020. Contributions and deductions from the trust account are as follows as of September 30:

	2021	2020
Beginning balance	\$ 18,469	\$ 17,860
Contributions	16,039	13,121
Claims paid	(4,216)	(9,039)
Other deductions	(3,515)	(3,473)
Ending balance	\$ 26,777	\$ 18,469

NOTE 15. OPERATING LEASE REVENUE

The Council received rental income from the use of its camp properties, on a case by case basis. The rental income related to the Council's camp properties during September 30, 2021 and 2020 totaled \$15,470 and \$4,529, respectively.

NOTE 16. OPERATING LEASE COMMITMENTS

The Council (lessee) leases certain office space and equipment under operating leases. Monthly payments range from \$302 to \$806. Future minimum payments under leases having initial lease terms in excess of one year are as follows:

2022	\$ 13,295
2023	<u>8,462</u>
	<u>\$ 21,757</u>

Equipment lease expense was \$25,899 and \$26,927 for the years ended September 30, 2021 and 2020, respectively. Office lease expense was \$10,600 and \$8,911 for the years ended September 30, 2021 and 2020, respectively.

NOTE 17. RELATED PARTY TRANSACTIONS

Contributions from the Council’s Board of Directors and Council staff totaled \$26,515 and \$54,310 for the years ended September 30, 2021 and 2020, respectively.

The Council purchases the majority of inventory for the store from Girl Scouts of the United States of America (the GSUSA), its national affiliate. For the years ended September 30, 2021 and 2020, total inventory purchases from GSUSA were \$39,622 and \$26,323, respectively.

In addition, the Council collects member dues on behalf of the GSUSA and remits those dues periodically throughout the year for members who register through the Council’s office. Dues for members that register online are collected directly by the GSUSA and are at no time in the custody of the Council. For the years ended September 30, 2021 and 2020, dues remitted totaled approximately \$16,575 and \$18,730, respectively. Dues collected and payable to the GSUSA and other amounts due at September 30, 2021 and 2020 were \$0 for both years.

NOTE 18. TROOP BANK ACCOUNTS (UNAUDITED)

Girl Scout troops establish bank accounts under the Council’s tax identification number. All troop funds are maintained for the benefit of the girls within the respective troop. These funds are not under the control of the Council and have not been included in the accompanying financial statements. However, the Council has established procedures and oversight protocols to ensure that funds are used appropriately. If a troop becomes inactive, any funds remaining in the account are surrendered to the Council. The funds are then used to provide financial aid to girls in the region in which the troop existed. Troop funds totaled approximately \$422,000 and \$531,000 as of May 31, 2021 and 2020, respectively, the most recent data available based on the schedule in which troops report to the Council (unaudited).

NOTE 19. LIQUIDITY AND AVAILABILITY

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

	2021	2020
Financial assets, at year-end		
Cash and cash equivalents	\$ 442,728	\$ 338,366
Receivables	71,831	61,725
Investments	<u>1,717,115</u>	<u>1,252,501</u>
Total financial assets, at year end	2,231,674	1,652,592
Amounts unavailable for general expenditures within one year, due to donor-imposed restrictions	<u>(249,014)</u>	<u>(212,117)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,982,660</u>	<u>\$ 1,440,475</u>

To help manage unanticipated liquidity needs, the Council has access to a \$1,200,000 line of credit with a local credit union. Amounts outstanding on the line of credit at September 30, 2021 and 2020 were \$0 for both years. Details of the line of credit are more fully described in Note 7.

Governance has designated from net assets, \$2,018,625 and \$1,491,425 for the years ended September 30, 2021 and 2020, respectively, which could impact liquidity.