

**Girl Scouts of Gulfcoast Florida, Inc.**

Financial Statements and  
Independent Auditor's Report  
September 30, 2023  
(With Summarized Financial  
Information as of September 30, 2022)

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## Independent Auditor's Report

The Board of Directors  
Girl Scouts of Gulfcoast Florida, Inc.  
Sarasota, Florida

### **Opinion**

We have audited the financial statements of the Girl Scouts of Gulfcoast Florida, Inc. (the Council), which comprise the statement of financial position as of September 30, 2023, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as of September 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

## **Report on Summarized Comparative Information**

We have previously audited the Council's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 20, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Sarasota, Florida  
January 23, 2024

# Girl Scouts of Gulfcoast Florida, Inc.

Statement of Financial Position

September 30, 2023

(With Summarized Financial Information as of September 30, 2022)

	<b>Without Donor Restrictions</b>		
	<b>Undesignated</b>	<b>Board Designated</b>	<b>Total Without Donor Restrictions</b>
<b>Assets</b>			
Current Assets:			
Cash and cash equivalents	\$ 1,184,984	\$ 25,107	\$ 1,210,091
Accounts receivable	4,571	-	4,571
	1,189,555	25,107	1,214,662
Other Current Assets:			
Prepaid expenses and deferred charges	195,995	-	195,995
	195,995	-	195,995
Total current assets	1,385,550	25,107	1,410,657
Land, buildings and equipment, net	6,167,338	-	6,167,338
Other Non-Current Assets:			
Long-term investments	-	4,657,959	4,657,959
Funds held at community foundations	-	95,272	95,272
	-	4,753,231	4,753,231
Total Assets	\$ 7,552,888	\$ 4,778,338	\$ 12,331,226
<b>Liabilities and Net Assets</b>			
Current Liabilities:			
Accounts payable	\$ 76,156	\$ -	\$ 76,156
Accrued liabilities	130,225	-	130,225
Short-term finance lease obligations	5,154	-	5,154
	211,535	-	211,535
Other Current Liabilities:			
Deferred revenue	152,450	-	152,450
Due (from) to other funds	1,428,704	(1,515,331)	(86,627)
Custodian funds	162,252	-	162,252
	1,743,406	(1,515,331)	228,075
Total current liabilities	1,954,941	(1,515,331)	439,610
Long-Term Debt:			
Long-term finance lease obligations	15,285	-	15,285
Total liabilities	1,970,226	(1,515,331)	454,895
Net Assets:			
Without donor restrictions	5,582,662	6,293,669	11,876,331
Total net assets without donor restrictions	5,582,662	6,293,669	11,876,331
With donor restrictions:			
Purpose and time restricted	-	-	-
Perpetual in nature	-	-	-
Total net assets with donor restrictions	-	-	-
Total net assets	5,582,662	6,293,669	11,876,331
Total Liabilities and Net Assets	\$ 7,552,888	\$ 4,778,338	\$ 12,331,226

<u>With Donor Restrictions</u>	<u>2023 Total</u>	<u>2022 Total</u>
\$ 504,286	\$ 1,714,377	\$ 2,040,566
-	4,571	20,548
<u>504,286</u>	<u>1,718,948</u>	<u>2,061,114</u>
-	195,995	140,943
-	195,995	140,943
<u>504,286</u>	<u>1,914,943</u>	<u>2,202,057</u>
<u>58,160</u>	<u>6,225,498</u>	<u>6,440,395</u>
630,452	5,288,411	4,737,272
-	95,272	84,125
<u>630,452</u>	<u>5,383,683</u>	<u>4,821,397</u>
\$ <u><u>1,192,898</u></u>	\$ <u><u>13,524,124</u></u>	\$ <u><u>13,463,849</u></u>
\$ -	\$ 76,156	\$ 45,779
-	130,225	117,186
-	5,154	4,473
<u>-</u>	<u>211,535</u>	<u>167,438</u>
-	152,450	152,267
86,627	-	-
-	162,252	141,361
<u>86,627</u>	<u>314,702</u>	<u>293,628</u>
<u>86,627</u>	<u>526,237</u>	<u>461,066</u>
-	15,285	20,438
<u>86,627</u>	<u>541,522</u>	<u>481,504</u>
-	11,876,331	11,867,781
<u>-</u>	<u>11,876,331</u>	<u>11,867,781</u>
1,019,409	1,019,409	1,029,926
86,862	86,862	84,638
<u>1,106,271</u>	<u>1,106,271</u>	<u>1,114,564</u>
<u>1,106,271</u>	<u>12,982,602</u>	<u>12,982,345</u>
\$ <u><u>1,192,898</u></u>	\$ <u><u>13,524,124</u></u>	\$ <u><u>13,463,849</u></u>

See accompanying notes to financial statements.

# Girl Scouts of Gulfcoast Florida, Inc.

## Statement of Activities

Year Ended September 30, 2023

(With Summarized Financial Information for the Year Ended September 30, 2022)

	Without Donor Restrictions		
	Undesignated	Board Designated	Total Without Donor Restrictions
Public Support:			
Individual contributions	\$ 39,894	\$ -	\$ 39,894
Corporate contributions	27,082	-	27,082
Foundation contributions	111,627	-	111,627
United Way allocations	32,524	-	32,524
Total public support	211,127	-	211,127
Revenue and Gains:			
Program related revenue:			
Cookie Sale (net of direct and allocated expenses of \$1,132,373)	2,938,689	-	2,938,689
QSP Sale (net of direct and allocated expenses of \$48,273)	22,826	-	22,826
Nut/Candy Sale (net of direct and allocated expenses of \$161,480)	104,134	-	104,134
Program service fees	78,800	-	78,800
Sales of merchandise (net of direct and allocated expenses of \$0)	35,460	-	35,460
Other revenue:			
Investment return (loss), net of investment expenses	5,526	527,466	532,992
Gain on sale of assets	-	-	-
Rental income	129,446	-	129,446
Miscellaneous revenue	(10,426)	-	(10,426)
Total revenue and gains	3,304,455	527,466	3,831,921
Total public support, revenue and gains	3,515,582	527,466	4,043,048
Expenses:			
Program services	3,395,450	-	3,395,450
Total program services	3,395,450	-	3,395,450
Supporting services:			
Management and general	603,490	-	603,490
Fund raising	146,518	-	146,518
Total supporting services	750,008	-	750,008
Total expenses	4,145,458	-	4,145,458
Changes in net assets before transfers and releases	(629,876)	527,466	(102,410)
Interfund transfers	184,628	(154,380)	30,248
Net assets released from restrictions:			
Satisfaction of program restrictions	80,712	-	80,712
Total interfund transfers and releases from restrictions	265,340	(154,380)	110,960
Changes in net assets	(364,536)	373,086	8,550
Net assets at beginning of year	5,947,198	5,920,583	11,867,781
Net assets at end of year	\$ 5,582,662	\$ 6,293,669	\$ 11,876,331

<b>With Donor Restrictions</b>	<b>2023 Total</b>	<b>2022 Total</b>
\$ 4,375	\$ 44,269	\$ 65,867
40,000	67,082	36,408
-	111,627	83,279
-	32,524	34,282
<u>44,375</u>	<u>255,502</u>	<u>219,836</u>
-	2,938,689	2,829,745
-	22,826	16,764
-	104,134	83,721
-	78,800	61,127
-	35,460	40,205
58,292	591,284	(1,083,138)
-	-	19,469
-	129,446	90,701
-	(10,426)	9,175
<u>58,292</u>	<u>3,890,213</u>	<u>2,067,769</u>
<u>102,667</u>	<u>4,145,715</u>	<u>2,287,605</u>
-	3,395,450	2,967,028
<u>-</u>	<u>3,395,450</u>	<u>2,967,028</u>
-	603,490	578,045
-	146,518	155,083
<u>-</u>	<u>750,008</u>	<u>733,128</u>
<u>-</u>	<u>4,145,458</u>	<u>3,700,156</u>
<u>102,667</u>	<u>257</u>	<u>(1,412,551)</u>
(30,248)	-	-
(80,712)	-	-
<u>(110,960)</u>	<u>-</u>	<u>-</u>
(8,293)	257	(1,412,551)
1,114,564	12,982,345	14,394,896
<u>\$ 1,106,271</u>	<u>\$ 12,982,602</u>	<u>\$ 12,982,345</u>

See accompanying notes to financial statements.



## Girl Scouts of Gulfcoast Florida, Inc.

### Statement of Functional Expenses

Year Ended September 30, 2023

(With Summarized Financial Information for the Year Ended September 30, 2022)

	<u>Supporting Services</u>			<u>Total 2023</u>	<u>Total 2022</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>		
Salaries and related expenses:					
Salaries	\$ 1,354,200	\$ 194,333	\$ 69,854	\$ 1,618,387	\$ 1,445,626
Employee health & retirement benefits	388,238	57,610	20,708	466,556	428,324
Payroll taxes	104,542	15,002	5,393	124,937	109,973
Total salaries and related expenses	<u>1,846,980</u>	<u>266,945</u>	<u>95,955</u>	<u>2,209,880</u>	<u>1,983,923</u>
Other expenses:					
Professional fees	100,210	44,102	35,262	179,574	163,677
Supplies	312,311	6,445	1,123	319,879	340,921
Telephone	38,978	3,826	1,041	43,845	41,262
Postage and shipping	5,003	453	1,092	6,548	7,663
Occupancy	398,527	55,866	2,462	456,855	369,179
Rental, repair & maintenance	63,285	11,753	1,138	76,176	61,541
Printing and publications	37,960	4,160	-	42,120	33,750
Travel	84,875	4,685	1,318	90,878	37,846
Conference, conventions, meetings, GSUSA training courses	21,932	1,294	657	23,883	9,708
Specific assistance to individuals	76,040	-	-	76,040	74,760
Membership dues	449	3,910	1,005	5,364	3,177
Media promotions	34,909	1,407	50	36,366	32,104
Awards and grants	11,500	-	-	11,500	15,060
Insurance	58,668	84,790	759	144,217	118,662
Interest	-	3,266	-	3,266	2,997
Miscellaneous	50,058	3,270	1,200	54,528	41,576
Total other expenses	<u>1,294,705</u>	<u>229,227</u>	<u>47,107</u>	<u>1,571,039</u>	<u>1,353,883</u>
Total expenses before depreciation	3,141,685	496,172	143,062	3,780,919	3,337,806
Depreciation	<u>253,765</u>	<u>107,318</u>	<u>3,456</u>	<u>364,539</u>	<u>362,350</u>
Total Expenses	<u>\$ 3,395,450</u>	<u>\$ 603,490</u>	<u>\$ 146,518</u>	<u>\$ 4,145,458</u>	<u>\$ 3,700,156</u>

See accompanying notes to financial statements.

# Girl Scouts of Gulfcoast Florida, Inc.

## Statement of Cash Flows

Year Ended September 30, 2023

(With Summarized Financial Information for the Year Ended September 30, 2022)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Gifts and grants:		
Without donor restrictions	\$ 178,603	\$ 186,634
With donor restrictions	44,375	10,600
United Way allocations	32,524	34,282
Employee Retention Credit revenue	-	151,334
Program related revenue:		
Cookie sale	4,030,501	3,796,666
QSP sale	69,001	54,634
Nut/candy sale	265,614	213,315
Program service fees	78,800	61,127
Sales of merchandise, net	36,256	39,625
Interest and dividends	208,818	239,272
Rental income	129,446	90,701
Miscellaneous revenue	(10,426)	9,175
Cash paid for operating expenses	(4,977,550)	(4,475,468)
Specific assistance to individuals and troops	(76,040)	(74,760)
Net cash flows provided by operating activities	<u>9,922</u>	<u>337,137</u>
Cash flows from investing activities:		
Purchase of land, buildings and equipment	(149,642)	(60,828)
Proceeds from sale of land, buildings and equipment	-	32,185
Proceeds from sale of investments	632,385	506,095
Purchase of investments	(814,382)	(715,987)
Net cash flows used in investing activities	<u>(331,639)</u>	<u>(238,535)</u>
Cash flows from financing activities:		
Payments on finance lease obligations	(4,472)	(5,159)
Net cash flows used in financing activities	<u>(4,472)</u>	<u>(5,159)</u>
Net change in cash and cash equivalents	(326,189)	93,443
Cash and cash equivalents - beginning of year	2,040,566	1,947,123
Cash and cash equivalents - end of year	\$ <u><u>1,714,377</u></u>	\$ <u><u>2,040,566</u></u>
Supplemental cash flows information:		
Cash paid for interest	\$ <u><u>3,266</u></u>	\$ <u><u>2,997</u></u>

See accompanying notes to financial statements.

# Girl Scouts of Gulfcoast Florida, Inc.

Notes to Financial Statements

September 30, 2023

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## I. Organization

Girl Scouts of Gulfcoast Florida, Inc. (the Council) is a non-profit organization incorporated and operating in Florida since May, 1962. The Council serves Manatee, Hardee, Highlands, Sarasota, DeSoto, Charlotte, Glades, Lee, Hendry and Collier counties.

Girl Scouts of Gulfcoast Florida, Inc. is chartered by the Girl Scouts of the United States of America (GSUSA) whose mission is to build girls of courage, confidence, and character who make the world a better place.

Various troops and service units, which operate within the geographical area served, maintain individual bank accounts, which are not included in the accompanying financial statements.

## 2. Summary of Significant Accounting Policies

### Financial Statements

The financial statements and notes are representations of the Council's management who is responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

### Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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 and assumptions.

### Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, public support, revenue and gains are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**Net assets without donor restrictions** - net assets that are not subject to donor-imposed stipulation. These net assets include all undesignated, board designated resources available for support of Council operations, and expendable resources in the Land, Building and Equipment Fund designated for the Council's land, buildings and equipment.

**Net assets with donor restrictions** - net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Council and/or the passage of time. When the purpose of the restriction is accomplished, these net assets are reclassified to net assets without donor restriction and reported in the Statement of Activities as net assets released from donor restrictions. However, if a restriction is fulfilled in the same time-period in which the contribution is received, the Council records the support as without donor restriction.

Other net assets are perpetual in nature. These net assets are subject to donor-imposed stipulations whereby the use of principal is prohibited and must be maintained permanently by the Council. The income generated by these net assets may be without donor restriction or designated for Girl Scout programs.

# Girl Scouts of Gulfcoast Florida, Inc.

Notes to Financial Statements (Continued)

September 30, 2023

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## 2. Summary of Significant Accounting Policies (Continued)

### Income Taxes

The Council is exempt from Federal and State income taxation under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made. However, the Council is subject to income tax on unrelated business income. For the year ended September 30, 2023, the Council incurred no income tax expense.

Under the Income Taxes Topic of the FASB Accounting Standards Codification, the Council has reviewed and evaluated the relevant technical merits of its tax position in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Council.

The Council files income tax returns in the U.S. federal jurisdiction. The tax periods open to examination by the major taxing jurisdictions to which the Council is subject include fiscal years ended September 30, 2020 through September 30, 2023.

### Donated Services

A substantial number of unpaid volunteers have made significant contributions of their time to support the programs of the Council. The estimated value of these donated services has not been recorded in the accompanying financial statements because it does not meet the criteria for recognition as donated revenue under generally accepted accounting principles.

### Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and demand deposits held at financial institutions.

### Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position. Increases and decreases in fair value are recognized in the period in which they occur and the carrying values of the investments are adjusted to reflect these fluctuations. Net investment return (loss) is reported in the Statement of Activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

### Land, Buildings and Equipment

The Council follows the practice of capitalizing all expenditures for land, buildings and equipment in excess of \$5,000. Land, buildings and equipment are recorded at cost, except for donated assets, which are stated at their fair market value at date of donation. Depreciation of buildings and equipment is provided using the straight-line method over estimated useful lives, which range from three to thirty five years. The cost of maintenance and repairs is expensed as incurred; major improvements and replacements are capitalized.

### Revenue Recognition

Cookie and other product sales are recognized when control of the promised goods are transferred to outside parties in an amount that reflects the consideration the Council expects to be entitled to in exchange for those goods.

All contributions are considered available without donor restrictions unless specifically restricted by the respective donor.

# Girl Scouts of Gulfcoast Florida, Inc.

Notes to Financial Statements (Continued)

September 30, 2023

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## 2. Summary of Significant Accounting Policies (Continued)

### Revenue Recognition (Continued)

Contributions received with donor stipulations and grants received with purpose restrictions that limit the use of donated assets are treated as net assets with donor restrictions. When the purpose of the restriction is accomplished, these net assets are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Council does not have any conditional promises to give.

### Advertising and Promotion

Advertising and promotion costs are expensed as incurred. For the year ended September 30, 2023, advertising expenses totaled \$36,366. These costs are shown as media promotions in the Statement of Functional Expenses.

### Financial Instruments Not Measured at Fair Value

Certain financial instruments are not measured at fair value on a recurring basis but are recorded at amounts that approximate fair value due to their liquid or short-term nature. Such financial assets and financial liabilities include: cash and cash equivalents, accounts receivable, prepaid expenses and deferred charges, accounts payable, accrued liabilities, deferred revenue, and custodian funds.

### Functional Allocation of Expenses

The costs of providing the various programs and other activities of the Council have been summarized on a functional basis in the Statement of Activities. Accordingly, costs have been allocated among the programs and supporting services benefited as follows: wages and related expenses are allocated based on job duties with staff not directly allocated to a single cost center by performing an annual time study; administrative costs are allocated based on the cost centers of full-time staff; information technology is allocated based on the number of computers per cost center; occupancy is allocated based on the square footage utilization of space by cost center; other costs are allocated directly.

### Comparative Financial Statements

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Council's financial statements for the year ended September 30, 2022 from which the summarized information was derived.

### Adoption of New Accounting Pronouncement

In February 2016, the FASB issued ASC Topic 842, Leases, to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their statement of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Topic 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in Topic 840, Leases) and operating leases, with classification affecting the pattern of expense recognition in the statement of activities.

# Girl Scouts of Gulfcoast Florida, Inc.

Notes to Financial Statements (Continued)

September 30, 2023

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## **2. Summary of Significant Accounting Policies (Continued)**

### **Adoption of New Accounting Pronouncement (Continued)**

The Council adopted Topic 842 on October 1, 2022, using the optional transitional method to the modified retrospective approach, which eliminates the requirement to restate the prior-period financial statements. Under this transition provision, the Council has applied Topic 842 to reporting periods beginning on October 1, 2022, while prior periods continue to be reported and disclosed in accordance with the Council's historical accounting treatment under ASC Topic 840, Leases.

The Council elected the "package of practical expedients" under the transition guidance within Topic 842, in which the Council does not reassess (1) the historical lease classification, (2) whether any existing contracts at transition are or contain leases, or (3) the initial direct costs for any existing leases. The Council has not elected to adopt the "hindsight" practical expedient and therefore will measure the ROU asset and lease liability using the remaining portion of the lease term upon adoption of Topic 842 on October 1, 2022.

The Council determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Council obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Council also considers whether its service arrangements include the right to control the use of an asset.

The Council made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or October 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. The Council's lease agreements do not provide a readily determinable implicit rate. Therefore, to determine the present value of lease payments, the Council made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Adoption of Topic 842 resulted in the recording of ROU assets and lease liabilities related to the Council's finance leases of \$31,379 and \$31,379, respectively, at October 1, 2022. The adoption of the new lease standard did not impact change in net assets or cash flows and did not result in a cumulative-effect adjustment to the opening balance of net assets.

# Girl Scouts of Gulfcoast Florida, Inc.

Notes to Financial Statements (Continued)

September 30, 2023

### 3. Liquidity and Availability

Financial assets available within one year of the Statement of Financial Position date for general expenditures are as follows:

Cash and cash equivalents	\$ 1,714,377
Investments	5,288,411
Accounts receivable	4,571
Total financial assets available within one year	<u>7,007,359</u>
Less: Amounts unavailable for general expenditures within one year due to:	
Restricted by donors with purpose and time restrictions	(1,019,409)
Restricted by donors in perpetuity	<u>(86,862)</u>
Total amounts unavailable for general expenditures within one year	<u>(1,106,271)</u>
Less: Amounts unavailable to management without Board approval:	
Board designated for reserves and other purposes*	<u>(6,293,669)</u>
Total financial assets available to management for general expenditure within one year*	<u>\$ (392,581)</u>

\*The board-designated funds of \$6,293,669 are designated for purposes described in Note 10. Although the Council does not intend to spend from board-designated funds, these amounts could be made available if necessary.

The Council manages its liquid assets in accordance with regular budgeting processes developed through the coordinated efforts of management and the Board of Directors. Monthly reporting by management to those charged with governance ensures the results from operating activities are monitored closely.

Endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes. Donor-restricted endowment funds are not available for general expenditure.

### 4. Concentration of Credit and Economic Risk

Financial instruments, which potentially subject the Council to concentrations of credit risk, consist principally of cash and cash equivalents, and investments. The Council places its cash and cash equivalents with high credit quality financial institutions. During the year, the Council may have deposits with financial institutions which exceed the FDIC insured limit.

The Council invests in a variety of investment vehicles, as described in Note 7. These investment securities are exposed to interest rate, market, credit and other risks depending on the nature of the specific investment. Accordingly, it is reasonably possible that these factors will result in changes to the value of the Council's investments, which could materially affect amounts reported in the financial statements.

### 5. Prepaid Expenses and Deferred Charges

Prepaid expenses and deferred charges are comprised of the following at September 30, 2023:

Prepaid insurance	\$ 142,513
Prepaid postage	6,386
Other prepaid expenses	47,096
Total prepaid expenses and deferred charges	<u>\$ 195,995</u>

# Girl Scouts of Gulfcoast Florida, Inc.

Notes to Financial Statements (Continued)

September 30, 2023

## 6. Land, Buildings and Equipment

Land, buildings and equipment consist of the following as of September 30, 2023:

Land	\$	2,776,562
Land improvements		1,046,751
Buildings and improvements		9,213,079
Equipment and vehicles		886,958
Work in progress		83,339
Total		<u>14,006,689</u>
Accumulated depreciation		<u>(7,781,191)</u>
Land, buildings and equipment, net	\$	<u>6,225,498</u>

Depreciation expense for the year ended September 30, 2023 totaled \$364,539.

## 7. Long -Term Investments

The components of investments at September 30, 2023 are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Accumulated Unrealized Gain (Loss)</u>
Fixed income	\$ 2,331,876	\$ 1,928,792	\$ (403,084)
Corporate equities	2,031,808	2,337,067	305,259
Mutual funds	1,161,156	1,022,552	(138,604)
Total	<u>\$ 5,524,840</u>	<u>\$ 5,288,411</u>	<u>\$ (236,429)</u>

Investment activity for the year ended September 30, 2023 is comprised of the following:

Interest and dividends	\$	239,307
Realized gains on investments		53,172
Unrealized gains on investments		326,584
Investment fees		<u>(27,779)</u>
Total investment return, net of investment expenses	\$	<u>591,284</u>

## 8. Pension Plan

The Council participates in the National Girl Scout Council Retirement Plan (NGSCR), a noncontributory defined benefit pension plan sponsored by Girl Scouts of the USA. The National Board of Girl Scouts of the USA voted to freeze the plan to new entrants and to freeze future benefit accruals for all current participants under the Plan effective July 31, 2010. The plan covers substantially all of the employees of various Girl Scout councils who were eligible to participate in the plan prior to the Plan freeze. Accrued and vested benefits prior to July 31, 2010 are based on years of service and salary levels.

Net Plan assets declined during the year and are less than the actuarial present value of accumulated Plan benefits as of January 1, 2023. 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 2022 and 2023 were \$32.2 million and \$27.5 million, respectively. Aggregate contributions to be made in fiscal 2024 are expected to be \$26 million.



# Girl Scouts of Gulfcoast Florida, Inc.

Notes to Financial Statements (Continued)

September 30, 2023

## 8. Pension Plan (Continued)

The Council made contributions into the NGSCR of \$126,653 during the fiscal year ended September 30, 2023. These contributions represented 0.40% of total contributions into the NGSCR.

## 9. Retirement Plan

The Council offers a tax-deferred savings plan, which qualifies as a voluntary contribution savings plan under Internal Revenue Code Section 401(k). Employees may provide tax-deferred contributions to eligible individual retirement accounts up to the Internal Revenue Code limit. The plan covers all employees meeting eligibility criteria. All eligible employees are eligible to receive an employer contribution equal to 4% of base salary. Retirement plan costs for employees for the year ended September 30, 2023 totaled \$52,867.

## 10. Board Designated Net Assets

The Board has designated the unexpended Board Designated Net Assets to be used for the following purposes as of September 30, 2023:

Scholarships	\$	71,715
Operating reserve		6,102,282
Reserve for maintenance		7,500
Directors' and officers' insurance deductible		6,900
Liability insurance deductible		10,000
Funds held at community foundations		95,272
	\$	<u>6,293,669</u>

## 11. Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following as of September 30, 2023:

Subject to expenditure for a specified purpose:

Collier County program	\$	31,116
Charlotte County program		36,621
Venice Girl Scout House		727,492
Grants		224,180
Total purpose restrictions		<u>1,019,409</u>
Perpetual in nature:		
Endowment funds		86,862
Total perpetual in nature		<u>86,862</u>
Total net assets with donor restrictions	\$	<u>1,106,271</u>

The county program assets will be used exclusively for the benefit of persons in those counties.

# Girl Scouts of Gulfcoast Florida, Inc.

Notes to Financial Statements (Continued)

September 30, 2023

## 11. Net Assets with Donor Restrictions (Continued)

In 1997, the Council was beneficiary of an estate of a donor. These assets are to be held in trust for a period of 35 years or until 2032 at which time restrictions will be released. The executive director of the Council will act as trustee. As a result, net assets with donor restrictions include the following assets related to the trust which are also restricted to the passage of time:

Cash and cash equivalents	\$	504,286
Land, buildings and equipment, net		58,160
Long-term investments		165,046
Total	\$	<u>727,492</u>

## 12. 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.

The following donor restrictions were met during the year ended September 30, 2023:

Land improvements and building depreciation	\$	5,401
Camper grants and other		75,311
Total releases	\$	<u>80,712</u>

## 13. Leases

The Council leases copiers with monthly payments of \$645 expiring in fiscal year 2027. The components of lease expenses are as follows for the year ended September 30, 2023:

### Lease expense:

Finance lease expense:

Amortization of ROU assets	\$	7,241
Interest on lease liabilities		3,266
Operating lease expense		-
Short-term lease expense		-
Variable lease expense		-
Sublease income		-
Total	\$	<u>10,507</u>

### Other Information:

(Gains) losses on sale-leaseback transactions, net	\$	-
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases (i.e. interest)		3,266
Financing cash flows from finance leases (i.e. principal portion)		4,472
Operating cash flows from operating leases		-
ROU assets obtained in exchange for new finance lease liabilities		31,379
ROU assets obtained in exchange for new operating lease liabilities		-
Weighted-average remaining lease term in years for finance leases		3.33
Weighted-average remaining lease term in years for operating leases		-
Weighted-average discount rate for finance leases		4.01%
Weighted-average discount rate for operating leases		-

## Girl Scouts of Gulfcoast Florida, Inc.

Notes to Financial Statements (Continued)

September 30, 2023

### 13. Leases (Continued)

#### Maturity Analysis

#### Years Ended September 30

	<b>Finance Lease</b>	<b>Operating Lease</b>
2024	\$ 7,738	\$ -
2025	7,738	-
2026	7,738	-
2027	3,224	-
Total undiscounted cash flows	26,438	-
Less: present value discount	(5,999)	-
Total lease liabilities	\$ 20,439	\$ -

### 14. Lessor Agreements

On December 20, 2021 the Council entered into a tenant agreement to lease their property at 4740 Cattlemen Rd to an outside organization. The lease period is December 20, 2021 through December 19, 2026, with minimum monthly lease payments of \$8,000, increasing by 5% annually.

Future minimum rental income to be received under the lease is as follows for the years ending September 30:

2024	\$	105,000
2025		110,250
2026		115,763
2027		19,448
Total	\$	350,461

Rental income under this lessor agreement totaled \$100,000 for the year ended September 30, 2023.

### 15. Related Party Transactions

From time to time, members of the Board of Directors make contributions to the Council.

GSUSA provides membership and programming information to the Council in addition to training services. Membership fees of \$25 per member are collected and forwarded to GSUSA. The Council forwarded and paid the following fees to GSUSA during the year ended September 30, 2023:

Membership fees	\$	54,300
Merchandise for direct assistance purchased		18,318
Administrative service fees – web hosting, migration and accounting software		33,745
GSUSA Convention passes		51,500
Total related party transactions	\$	157,863

### 16. Manatee County Right of First Refusal Land Contract

In the event that the Council, or its successors, determines to offer for sale the property of Camp Honi Hanta, they must notify in writing Manatee County of the price and all material terms of the sale including any limitations on the future use of the property. The County will have thirty days from receipt of notice to notify the Council if they desire to purchase the property on the same terms and conditions set forth in the written proposal for sale. If the County fails to notify the Council or elects not to purchase the property, then the Council may offer the property for sale to any interested party on the same terms as offered to the County. This right of first refusal is valid for a period of fifty years from 2007.

# Girl Scouts of Gulfcoast Florida, Inc.

Notes to Financial Statements (Continued)

September 30, 2023

## 17. Girl Scouts of Florida Association

The Girl Scouts of Florida Association is a coalition of the six Florida councils who have united with a collective voice to leverage resources and investments around a set of actions to elevate the relevance of Girl Scouts for girls and families. The mission of the Girl Scouts of Florida Association is to strengthen and grow the Girl Scout movement in Florida. During the year ended September 30, 2019, the Council became the fiscal custodian of this group. Dues were collected from each council based on a rate of \$0.50 per girl member for a total of 37,553 girls, or \$18,777. Dues were waived for the 2022 financial year. The total balance held in custody at September 30, 2023 was \$122,856 and is included in custodian funds in the Statement of Financial Position.

## 18. Fair Value of Financial Assets and Liabilities

The Council adopted the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification. The Fair Value Measurements and Disclosures Topic provides enhanced guidance for using fair value to measure assets and liabilities and clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the assets or liabilities and establishes a hierarchy that prioritizes the information used to develop those assumptions.

The following tables present information about the Council's assets that are measured at fair value on a recurring basis as of September 30, 2023 and indicate that fair value hierarchy of the valuation techniques used to determine such fair value. The three levels for measuring fair value are based on the reliability of inputs and are as follows:

Level 1 - unadjusted quoted prices in active markets for identical assets, such as publicly traded equity securities.

Level 2 - inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly. Such inputs may include quoted prices for similar assets, observable inputs other than quoted prices (interest rates, yield curves, etc.) or inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability (for example, hedge funds, private equity and other). The inputs reflect the Council's assumptions based on the best information available in the circumstance.

The following sets the fair value hierarchy by level for the Council's assets measured at fair value as of September 30, 2023:

Description	Total	Level 1	Level 2	Level 3
<b>Assets:</b>				
Fixed income	\$ 1,928,792	\$ 1,928,792	\$ -	\$ -
Corporate equities	2,337,067	2,337,067	-	-
Mutual funds	1,022,552	1,022,552	-	-
Funds held at community foundations	95,272	50,060	-	45,212
Total assets at fair value	\$ <u>5,383,683</u>	\$ <u>5,338,471</u>	\$ <u>-</u>	\$ <u>45,212</u>

Funds held at community foundations represent a pro rata share of a managed pool of investments.

# Girl Scouts of Gulfcoast Florida, Inc.

Notes to Financial Statements (Continued)

September 30, 2023

## 19. Endowments

The Council's endowment consisted of funds established for a variety of purposes. Its endowment includes donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

### Interpretation of Relevant Law

The Board of Directors of the endowment has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Council classifies as net assets with donor restrictions-perpetual in nature (a) the original value of gifts donated to the perpetual endowment, and (b) the original value of subsequent gifts to the perpetual endowment.

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

1. The duration and preservation of the fund;
2. The purposes of the Council and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Council; and
7. The investment policies of the Council.

### Funds with Deficiencies

At times, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor intended. There were no such deficiencies as of September 30, 2023.

### Endowment Net Asset Composition

As of September 30, 2023, endowment net assets consisted of the following:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>
Accumulated investment gains appropriated for expenditure	\$ 80,747	\$ -
Donor-restricted endowment funds:		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	86,862
Accumulated investment gains with purpose restrictions	-	10,635
Total funds	<u>\$ 80,747</u>	<u>\$ 97,497</u>

### Return Objectives and Risk Parameters

The Council has adopted investment policies and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Council must hold in perpetuity or for donor-specified periods, as well as board designated funds.

# Girl Scouts of Gulfcoast Florida, Inc.

Notes to Financial Statements (Continued)

September 30, 2023

## 19. Endowments (Continued)

### Return Objectives and Risk Parameters (Continued)

Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce a long-term rate of return on assets that exceeds the Consumer Price Index by at least 4% and exceeds the 3-Month Treasury Bill Index by a minimum of 4% annually, while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount.

### Strategies Employed for Achieving Objectives

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

### Spending Policy and How the Investment Objectives Relate to Spending Policy

The Council has a policy of appropriating for distribution up to 5% annually. In establishing this policy, the Council considered the long-term expected return on its endowment. Accordingly, over the long term, the Council expects the current spending policy to allow its endowment to remain at the current corpus amount. This is consistent with the Council's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment returns.

### Change in Endowment Net Assets

Changes in endowment net assets for the year ended September 30, 2023 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, October 1, 2022	\$ 50,499	\$ 95,271	\$ 145,770
Endowment investment return:			
Interest and dividends	-	6,593	6,593
Realized gains	-	74	74
Unrealized gains	-	24,295	24,295
Total endowment investment return	-	30,962	30,962
Contributions	-	2,225	2,225
Investment fees	-	(713)	(713)
Interfund transfers	30,248	(30,248)	-
Total endowment activity	30,248	(28,736)	1,512
Endowment net assets, September 30, 2023	\$ 80,747	\$ 97,497	\$ 178,244

As of September 30, 2023, \$6,325, in endowment contributions has not been transferred to the Council's endowment investment account.

## 20. Subsequent Events

The Council has evaluated all events subsequent to the Statement of Financial Position date of September 30, 2023 and through the date these financial statements were available to be issued, January 23, 2024, and have determined that there are no subsequent events that require disclosure.