

**GIRL SCOUT COUNCIL OF
THE NATION'S CAPITAL**

AUDITED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2022 AND 2021

Girl Scout Council of the Nation's Capital

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Independent Auditor's Report

Board of Directors
Girl Scout Council of the Nation's Capital
Washington, D.C.

Opinion

We have audited the accompanying financial statements of **Girl Scout Council of the Nation's Capital** (a nonprofit organization), which comprise the statements of financial position as of September 30, 2022 and 2021, and the related statements of activities, changes in net assets and functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the 2022 financial statements referred to above present fairly, in all material respects, the financial position of **Girl Scout Council of the Nation's Capital** as of September 30, 2022, and the changes in its changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 **Girl Scout Council of the Nation's Capital** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements as of September 30, 2021, were audited by Aronson LLC, who merged with Aprio, LLP as of January 1, 2023, and whose report dated February 9, 2022, expressed an unmodified opinion on those statements.

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.

Independent Auditor's Report (Continued)

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 **Girl Scout Council of the Nation's Capital's** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

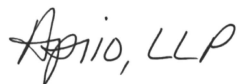
Auditor's Responsibilities for the Audit of the Financial Statements

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 generally accepted auditing standards 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 generally accepted auditing standards, 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 **Girl Scout Council of the Nation's Capital'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 **Girl Scout Council of the Nation's Capital'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.



Rockville, Maryland
February 10, 2023

Girl Scout Council of the Nation's Capital

Statements of Financial Position

<i>September 30,</i>	2022	2021
Assets		
Cash and cash equivalents	\$ 13,065,376	\$ 6,086,622
Accounts receivable, net	818,251	80,991
Contributions receivable, net	143,600	216,695
Inventory	353,474	313,916
Prepaid expenses and deposits	481,147	433,346
Investments	13,606,918	15,693,344
Beneficial interest in perpetual trusts	90,230	90,230
Property and equipment, net	25,407,261	25,414,505
Total assets	\$ 53,966,257	\$ 48,329,649
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 642,507	\$ 403,831
Accrued payroll and related liabilities	659,606	639,273
Deferred rent	721,383	804,099
Deferred revenue	35,905	50,793
Capital lease obligation	121,094	29,894
PPP loan	-	1,257,500
Note payable	19,566	27,716
Total liabilities	2,200,061	3,213,106
Net assets		
Without donor restrictions		
Board designated - operating reserve	7,998,306	10,102,641
Undesignated	39,465,541	31,191,830
Total net assets without donor restrictions	47,463,847	41,294,471
With donor restrictions	4,302,349	3,822,072
Total net assets	51,766,196	45,116,543
Total liabilities and net assets	\$ 53,966,257	\$48,329,649

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Girl Scout Council of the Nation's Capital

Statements of Activities

<i>For the Years Ended September 30,</i>	2022			2021
	Operating	Capital	Total	Total
Changes in net assets without Donor Restrictions				
Revenue, gains, and other support				
Sales	\$ 27,865,553	\$ -	\$ 27,865,553	\$ 17,234,758
Cost of Sales	13,019,096	-	13,019,096	7,303,807
Net Sales	14,846,457	-	14,846,457	9,930,951
Other Support				
Land contribution	-	-	-	145,000
Donated services	184,926	-	184,926	-
Camping and other program fees	1,032,891	-	1,032,891	830,597
Foundation and corporate contributions	4,016,734	-	4,016,734	99,382
Government contributions	1,921,505	-	1,921,505	1,340,600
Annual giving campaigns	697,061	-	697,061	754,731
United Way designations	21,903	-	21,903	30,472
Interest and dividends	374,293	-	374,293	326,237
Other income	214,909	-	214,909	183,155
Net realized and unrealized gains (loss) on investments	(2,703,654)	-	(2,703,654)	1,793,741
Total other support	5,760,568	-	5,760,568	5,503,915
Net assets released from restrictions:				
Satisfaction of program restrictions	1,480,750	-	1,480,750	961,151
Total revenue, gains, and other support	22,087,775	-	22,087,775	16,396,017
Expenses				
Program services:				
Troop-type service	7,288,638	80,919	7,369,557	6,644,177
Camping and property	1,077,566	566,430	1,643,996	1,511,375
Day Camps and outreach	132,401	80,919	213,320	268,693
Adult/volunteer development	3,253,946	80,919	3,334,865	3,245,799
Total program services	11,752,551	809,187	12,561,738	11,670,044
Support services:				
Fundraising	1,539,202	-	1,539,202	1,449,870
Management and general	1,817,459	-	1,817,459	1,474,725
Total support services	3,356,661	-	3,356,661	2,924,595
Total expenses	15,109,212	809,187	15,918,399	14,594,639
Increase in net assets without donor restrictions	6,978,563	(809,187)	6,169,376	1,801,378
Changes in net assets with donor restrictions				
Foundation and corporate contributions	970,944	-	970,944	667,047
Individual giving contributions	690,083	-	690,083	454,864
Event sponsorships	-	-	-	700
Net assets released from restrictions	(1,480,750)	-	(1,480,750)	(961,151)
Increase (decrease) in net assets with donor restrictions	180,277	-	180,277	161,460
Changes in net assets with donor restrictions in perpetuity				
Contributions	300,000	-	300,000	42,306
Increase in permanently restricted net assets	300,000	-	300,000	42,306
Increase (decrease) in net assets	\$ 7,458,840	\$ (809,187)	\$ 6,649,653	\$ 2,005,144

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Girl Scout Council of the Nation's Capital

Statements of Changes in Net Assets

For the Years Ended September 30,

	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets, October 1, 2020	\$ 39,493,093	\$ 3,618,306	\$ 43,111,399
Change in net assets	1,801,378	203,766	2,005,144
Net Assets, September 30, 2021	41,294,471	3,822,072	45,116,543
Change in net assets	6,169,376	480,277	6,649,653
Net Assets, September 30, 2022	\$ 47,463,847	\$ 4,302,349	\$ 51,766,196

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Girl Scout Council of the Nation's Capital

Statement of Functional Expenses

<i>For the Year Ended</i> <i>September 30, 2022</i>	Program Services					Supporting Services				Total Expenses
	Troop-Type Service	Camping and Property	Day Camps and Outreach	Adult/Volunteer Development	Total Program Services	Fundraising	Management and General	Total		
Salaries	\$ 2,903,719	\$ 533,995	\$ 72,526	\$ 1,685,127	\$ 5,195,367	\$ 776,349	\$ 766,091	\$ 1,542,440	\$ 6,737,807	
Staff health and retirement benefits	\$708,273	\$77,833	\$13,915	\$433,229	1,233,250	193,179	189,415	382,594	1,615,844	
Payroll taxes	\$221,733	\$40,777	\$5,538	\$128,679	396,727	59,283	58,500	117,783	514,510	
Total salaries and related expenses	3,833,725	652,605	91,979	2,247,035	6,825,344	1,028,811	1,014,006	2,042,817	8,868,161	
Professional fees	85,749	141,486	11,953	28,243	267,431	41,629	367,449	409,078	676,509	
Supplies	1,120,134	177,229	18,415	285,279	1,601,057	57,324	42,492	99,816	1,700,873	
Communication	87,069	11,656	1,036	42,713	142,474	20,187	78,987	99,174	241,648	
Postage and shipping	64,173	6,515	656	14,910	86,254	22,448	5,403	27,851	114,105	
Occupancy	1,163,326	3,105	911	402,228	1,569,570	214,957	169,000	383,957	1,953,527	
Rentals and maintenance	13,031	723	60	4,283	18,097	4,223	4,223	8,446	26,543	
Outside printing and artwork	75,517	8,521	980	47,534	132,552	36,911	7,979	44,890	177,442	
Transportation and related expenses	152,299	56,371	4,742	62,723	276,135	14,977	14,148	29,125	305,260	
Adult conferences and conventions	8,085	10,563	945	9,392	28,985	2,995	4,126	7,121	36,106	
Specific assistance to individual girls and adults	381,559	-	-	34,110	415,669	-	-	-	415,669	
Dues for membership in other organizations	352	76	1	367	796	2,087	1,862	3,949	4,745	
Miscellaneous	48,955	8,716	723	22,077	80,471	50,874	81,165	132,039	212,510	
Bank and credit card fees	254,664	-	-	53,052	307,716	41,779	26,619	68,398	376,114	
Total expenses before depreciation and amortization	7,288,638	1,077,566	132,401	3,253,946	11,752,551	1,539,202	1,817,459	3,356,661	15,109,212	
Depreciation and amortization	80,919	566,430	80,919	80,919	809,187	-	-	-	809,187	
Total expenses	\$ 7,369,557	\$ 1,643,996	\$ 213,320	\$ 3,334,865	\$ 12,561,738	\$ 1,539,202	\$ 1,817,459	\$ 3,356,661	\$ 15,918,399	

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Girl Scout Council of the Nation's Capital

Statement of Functional Expenses

<i>For the Year Ended</i> <i>September 30, 2021</i>	Program Services				Total Program Services	Supporting Services			Total Expenses
	Troop-Type Service	Camping and Property	Day Camps and Outreach	Adult/Volunteer Development		Fundraising	Management and General	Total	
Salaries	\$ 2,894,014	\$ 513,012	\$ 68,231	\$ 1,715,594	\$ 5,190,851	\$ 773,326	\$ 716,881	\$ 1,490,207	\$ 6,681,058
Staff health and retirement benefits	717,121	78,658	13,331	448,392	1,257,502	205,444	190,639	396,083	1,653,585
Payroll taxes	205,163	36,369	4,837	121,622	367,991	54,823	50,821	105,644	473,635
Total salaries and related expenses	3,816,298	628,039	86,399	2,285,608	6,816,344	1,033,593	958,341	1,991,934	8,808,278
Professional fees	274,993	47,696	4,300	106,542	433,531	58,037	174,690	232,727	666,258
Supplies	647,030	160,083	13,632	149,923	970,668	16,696	7,021	23,717	994,385
Communication	88,716	13,930	1,205	46,062	149,913	16,179	53,116	69,295	219,208
Postage and shipping	42,829	7,390	706	11,027	61,952	15,863	2,334	18,197	80,149
Occupancy	1,004,289	300	26	372,357	1,376,972	174,305	154,209	328,514	1,705,486
Rentals and maintenance	14,785	1,542	129	4,800	21,256	4,671	4,671	9,342	30,598
Outside printing and artwork	51,091	7,153	738	29,282	88,264	34,594	1,322	35,916	124,180
Transportation and related expenses	73,869	382	71,020	26,894	172,165	7,390	7,537	14,927	187,092
Adult conferences and conventions	12,382	10,127	1,392	9,008	32,909	2,366	2,359	4,725	37,634
Specific assistance to individual girls and adults	235,899	18,161	1,513	83,459	339,032	-	-	-	339,032
Dues for membership in other organizations	1,029	1,069	75	418	2,591	2,361	2,011	4,372	6,963
Miscellaneous	46,685	6,415	522	33,383	87,005	83,815	107,114	190,929	277,934
Bank and credit card fees	247,246	-	-	-	247,246	-	-	-	247,246
Total expenses before depreciation and amortization	6,557,141	902,287	181,657	3,158,763	10,799,848	1,449,870	1,474,725	2,924,595	13,724,443
Depreciation and amortization	87,036	609,088	87,036	87,036	870,196	-	-	-	870,196
Total expenses	\$ 6,644,177	\$ 1,511,375	\$ 268,693	\$ 3,245,799	\$ 11,670,044	\$ 1,449,870	\$ 1,474,725	\$ 2,924,595	\$ 14,594,639

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Girl Scout Council of the Nation's Capital

Statements of Cash Flows

<i>For the Years Ended September 30,</i>	2022	2021
Cash flows from operating activities		
Change in net assets	\$ 6,649,653	\$2,005,144
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Bad debt expense	-	1,520
Realized and unrealized loss (gains) on investments and perpetual trusts	2,703,654	(1,793,741)
Depreciation and amortization	809,187	870,196
Proceeds from contributions restricted for investment in net assets with donor restrictions in perpetuity	(300,000)	(42,306)
Land contribution	-	(145,000)
PPP loan forgiveness	(1,257,500)	(1,340,600)
(Increase) decrease in assets		
Accounts receivable	(737,260)	36,918
Contributions receivable	73,095	(38,370)
Inventory	(39,558)	104,902
Prepaid expenses and deposits	(47,801)	42,494
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	238,676	124,320
Accrued payroll and related liabilities	20,333	83,865
Deferred revenue	(14,888)	43,637
Deferred rent	(82,716)	(52,709)
Net cash provided (used) by operating activities	8,014,875	(99,730)
Cash flows from investing activities		
Proceeds from sales and maturities of investments	2,842,494	2,686,514
Purchases of investments	(3,459,722)	(2,925,250)
Capital lease	148,503	-
Capital expenditures	(801,943)	(662,285)
Net cash used by investing activities	(1,270,668)	(901,021)
Cash flows from financing activities		
Proceeds from note payable	-	1,257,500
Proceeds from contributions restricted for investment in net assets with donor restrictions	300,000	42,306
Principal payments on note payable	(8,150)	(7,831)
Principal payments on capital lease obligations	(57,303)	(125,267)
Net cash provided by financing activities	234,547	1,166,708
Net change in cash and cash equivalents	6,978,754	165,957
Cash and cash equivalents, beginning of year	6,086,622	5,920,665
Cash and cash equivalents, end of year	\$ 13,065,376	\$ 6,086,622
Supplemental information		
Cash paid for interest	\$ 7,381	\$ 19,207
Supplemental non-cash investing activities		
Equipment obtained through capital lease	\$ 148,503	\$ -
Donation of land	-	145,000

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Girl Scout Council of the Nation's Capital

Notes to Financial Statements

1. Organization and significant accounting policies

Organization: The Girl Scout Council of the Nation's Capital ("the Council"), a nonprofit organization, was incorporated in the state of Virginia on January 1, 1963. The Council serves girls throughout the District of Columbia, eight counties in Maryland, ten counties in Virginia, and seven counties in West Virginia. The accompanying financial statements do not include financial data for individual Girl Scout Troops.

Description of Program and Supporting Services:

Troop-type Service:

The Council is the support organization of Girl Scouting in neighborhoods throughout the District of Columbia, eight counties in Maryland, ten counties in Virginia, and seven counties in West Virginia. It is responsible for the recruitment of girls and adults and the formation of Girl Scout troops throughout the region. The Council develops programs for girls and troops, provides outreach to low-income and linguistically diverse populations, as well as providing the financial support to ensure equal access to programs and activities by all members.

Camping and Property:

The Council provides overnight and multi-day outdoor experiences that teach teamwork, cooperation, self-reliance, and leadership while enhancing girls' skills in numerous sports, crafts, arts, and outdoor related activities. The Council maintains ten properties, eight with developed campsites that are used as overnight camps, summer day programs, service unit and troop camping and training. The Council provides financial support for resident camping through camperships to girls.

Day Camps and Outreach:

The Council provides weeks of summer programs for girls that focus on self-awareness and skill building activities, as well as outdoor education, science, arts, and crafts. Some of the programs are located in economically depressed and/or at-risk areas or in neighborhoods where English is not the primary language, while others are more traditional and are located on campsites and in state parks. Through the day camps, the Council is able to serve the diverse population of girls in the region. The Council also provides financial support for day camps through camperships to girls.

Girl Scout Council of the Nation's Capital

Notes to Financial Statements

Adult/Volunteer Development:

The Council facilitates volunteer involvement in Girl Scouts by providing the resources, the administrative and financial support, adult education courses, training for skills enhancement and safety, publications and communications materials, and the support services that enhance the delivery of the Girl Scout program.

Fundraising:

The Council also secures private financial support, grants, individuals, foundations and corporations, and the United Way and Combined Federal Campaigns. The Council coordinates a planned giving program, as well as communicating the progress and activities of the Council to the donor community.

Management and General:

The Council's resources are used to support a professional working environment, which allows for the coordination, articulation, and dissemination of the organization's mission and programs. The Council provides leadership support, guidelines, and policy for all the volunteers within the organization. The Council administers programs and manages the financial and budgetary responsibilities of the Council.

Basis of presentation: The financial statements of the Council have been prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

Net assets of the Council and changes therein are classified and reported as follows:

Net assets without donor restrictions – net assets result from revenues derived from contributions without donor restrictions, investment income, and other inflows of assets that are not subject to donor-imposed stipulations. This also included Board designated net assets which consist of net assets designated by the Board for a specific use.

Board designated net assets – The board may designate the use of net assets without donor restrictions to enhance operational capabilities. For the years ended September 30, 2022 and 2021, the board approved the use of \$7,998,306 and \$10,102,641, respectively, of net assets without donor restrictions for operating reserves.

Girl Scout Council of the Nation's Capital

Notes to Financial Statements

Net assets with donor restrictions – The Council reports gifts of cash and other assets as restricted revenue if they are received with donor stipulations that limit the use of the donated assets. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Council or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Cash and cash equivalents: Cash and cash equivalents consist of deposits in checking, savings, and money market accounts, and all liquid debt instruments with original maturities of three months or less. Certain money market accounts intended for long-term investment are categorized as investments.

Inventory: Inventory, stated at net realizable value, consists of clothing, supplies, and other items sold in the Girl Scout shops. There is no cookie inventory because the cookie sales occur between December and March each year and all cookies are sold and delivered by year-end.

Investments: Investments are recorded at readily determinable fair values. The Council utilized readily available market prices to value its investments as of September 30, 2022 and 2021. Therefore, all assets are classified at Level 1 as defined under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820. Unrealized and realized gains and losses are included in the statements of activities.

Beneficial interest in perpetual trusts: The Council is the beneficiary of several trusts. Net unrealized gains and losses in these trusts are reported as restricted support based on the various donor gifts to the trusts which restrict distribution from the trust to interest and dividend income. The carrying value of these assets is equal to the estimated fair value of the underlying trust assets, which approximates the present value of the future cash flows to be derived from those trust accounts. The Council does not require collateral to secure its beneficial interest in perpetual trusts.

Fair value: The Council values its investments at fair value in accordance with a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Girl Scout Council of the Nation’s Capital

Notes to Financial Statements

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. There have been no changes to the fair value methodologies used at September 30, 2022 and 2021, respectively.

Accounts and contributions receivable: Accounts receivable consists mainly of receivables from the cookie program, fall product, troop loans and donor pledges. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are 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 risk-free interest rates applicable to the years in which the promises are received. Conditional promises to give are not included as support until the conditions are substantially met.

The allowance method is used to determine doubtful accounts. The allowance for doubtful accounts is based on specifically identified amounts that the Council believes to be uncollectible. The Council also records an additional allowance for doubtful accounts based on certain percentages of aged receivables, which are determined based on management’s historical experience and an assessment of general financial conditions. If actual collection experience changes, revisions to the allowance may be required. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. As of September 30, 2022 and 2021, the Council believes that the allowance for doubtful accounts is adequate. However, future write-offs might exceed the recorded allowance.

Financial instruments and credit risk: Financial instruments which potentially subject the Council to concentrations of credit risk consist principally of cash and investments held at creditworthy financial institutions. These investments are kept within limits designed to prevent risks caused by concentration. As of September 30, 2022 and 2021, the Council had no other significant concentration of credit risk.

Property and equipment, and depreciation: Land, buildings, and equipment are recorded at cost, or if donated, such assets are capitalized at the estimated fair market value at the date of receipt. The value of the land represents the historical cost at the date of acquisition or donation. Depreciation of buildings and equipment is computed using the straight-line method with the following estimated useful lives:

Buildings and improvements	20 to 40 years
Camp equipment	5 to 15 years
Vehicles	4 years
Office equipment	3 to 15 years

Girl Scout Council of the Nation's Capital

Notes to Financial Statements

The Council capitalizes all acquisitions of land, buildings, and equipment over \$2,500. When assets are sold or disposed of, the cost and corresponding accumulated depreciation and amortization are removed from the accounts with any gain or loss recognized currently. Expenditures for repairs and maintenance are charged to expense as incurred. Costs associated with leasehold improvements are amortized over the life of the lease. Costs associated with construction in progress are held until the asset is placed in service, at which point the asset is transferred out of construction in progress and depreciated over its estimated useful life. During the years ended September 30, 2022 and 2021, \$67,760 and \$602,907, respectively, of construction in progress was reclassified to buildings and improvements as the construction was completed. During the years ended September 30, 2022 and 2021, \$592,569 and \$111,693, respectively, remained as construction in progress.

It is not the Council's policy to imply time restrictions expiring over the useful life of donated assets. In the absence of donor-imposed restrictions on the use of the asset, gifts of long-lived assets are reported as support without donor restrictions once placed in service.

Impairment of long-lived assets: The Council reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the asset is reduced to its current fair value by a charge to the statements of activities. There was no impairment at September 30, 2022 and 2021.

Deferred rent: The Council recognizes the minimum non-contingent rents required under operating leases as rent expense on a straight-line basis over the life of the lease. Differences between amounts recognized as expense and the amounts paid are recorded as deferred rent on the statements of financial position.

Endowments: The Council has interpreted the Commonwealth of Virginia's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Council classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. The associated gains and income on donor-restricted endowment funds are classified as net assets with restriction until those amounts are appropriated for expenditure by the Council in a manner consistent with the standard of prudence prescribed by UPMIFA.

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

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

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Council to retain as a fund of perpetual duration.

Endowment Investment and Spending Policies – The objective of the Endowment Fund is principal preservation pursued as a long-term goal designed to maximize the income returns without exposure to undue risk. It is understood that fluctuating rates of return are characteristic of the securities markets. This fund has a long-term performance horizon of 3-5 years.

For purposes of measuring performance:

1. The total return, net of investment expenses, will be compared to an index comprised of a blend of indices whose mix approximates the mix of the Endowment Fund.
2. The total return, net of investment expenses, of each investment manager will be evaluated against an appropriate individual benchmark and a peer universe.

For purposes of measuring performance, total return is defined as all dividends and interest and both realized and unrealized gains and losses reduced by investment expenses and fees.

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 parameters.

The Council's fiscal policy governs the use of resources in the endowment fund for scholarships, camperships, and financial assistance for programs. Endowment funds are used for the specified purpose, or over the specified time period, designated by the donor.

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Revenue recognition:

The Council recognizes revenue in accordance with Accounting Standards Codification 606, *Revenue from Contracts with Customers* ("ASC 606"). The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied. The five-step model is outlined below:

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Sales: Sales are recognized as revenue at the point in time when the customer receives and pays for goods with cash. For online sales shipped to customers, sales are recognized at the point in time that the goods are shipped.

Camping and other program fees: Revenue from camping and other program fees are recognized at the point in time when the services have been rendered.

Contract costs – Costs to fulfill the contracts for sales, camping, and other program fees include materials, direct salaries, fringe benefits, allocated overhead, and other miscellaneous expenses. The Council does not incur incremental costs to obtain the contracts.

Contract assets and liabilities – Contract liabilities include payments received in advance of an event and not yet earned are included in deferred revenue. There was deferred revenue of \$35,905 and \$50,793 at September 30, 2022 and 2021, respectively. There was deferred revenue of \$7,156 at October 1, 2020. Contract assets at September 30, 2022, 2021, and October 1, 2020 were \$814,028, \$80,570 and \$118,808.

Other income: Other income arises from rebates of credit cards and vendors, and non-recurring camp site rentals. The rebates are recognized when received and camp site rentals, usually short-term, are recognized at the end of the rental period.

The following revenue streams are outside of the scope of ASC 606:

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Contributions: The Council recognizes all contributions as revenue in the period received or unconditionally promised. Contributions are recorded as net assets without restrictions or net assets with restrictions depending on the presence or absence of donor stipulations that limit the use of the contributions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with restrictions are reclassified as net assets without restrictions and reported in the statements of activities as net assets released from restrictions. SHARE is a contribution campaign wherein families and friends can donate to help make Girl Scouting possible.

Annual giving campaigns: Revenue from the annual giving campaigns is recognized when a pledge or contribution is received in accordance with contribution revenue policies.

Functional allocation of expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses that are allocated include the following:

Expense Type	Allocation Method
Professional fees	Time and effort
Supplies	Time and effort
Communication	Time and effort
Postage and shipping	Time and effort
Occupancy	Time and effort
Rentals and maintenance	Time and effort
Outside printing and artwork	Time and effort
Transportation and related expenses	Time and effort
Adult conferences and conventions	Time and effort
Specific assistance to individual girls and adults	Actual expenses
Dues for membership in other organizations	Time and effort
Bad debt expenses	Actual expenses
Miscellaneous	Time and effort
Depreciation and amortization	Actual expenses

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Notes to Financial Statements

Donated services and property: A substantial number of volunteers have donated significant amounts of time to the Council's program services and to its fund-raising campaigns. Although the value of these services is significant, the Council does not record such value in its financial statements since the criteria for recognition are not met. During the year ended September 30, 2022, the Council received donated professional services. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Council. The Council recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair values at the time of the donation.

Donated property is capitalized at the estimated fair market value at the date of receipt. During the year ended September 30, 2021, the Council purchased a parcel of land for \$135,000. The Council obtained an independent appraisal from a professional real estate analysis and consulting firm appraising this land at a value of \$280,000. This total appraised value is included in property and equipment on the accompanying Statements of Financial Position. The \$145,000 remaining value of the land value above the amount paid by the Council is included as an in-kind contribution of land. There was no donated property during the year ended September 30, 2022.

Income tax status: The Council is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code and has been classified as other than a private foundation within the meaning of Section 509(a)(2) of the Internal Revenue Code. Accordingly, no provision for income taxes is recognized in the financial statements.

The Council evaluates uncertainty in income tax positions taken or expected to be taken on a tax return based on a more-likely-than not recognition standard. If that threshold is met, the tax position is then measured at the largest amount that is greater than 50% likely of being realized upon ultimate settlement and is recognized in the financial statements. As of September 30, 2022 and 2021, the Council recognized no uncertain tax positions nor accrued interest and penalties associated with uncertain tax positions. If applicable, the Council records interest and penalties as a component of income tax expense. Tax years from 2019 through the current year remain open for examination by tax authorities.

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

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Notes to Financial Statements

Recently adopted accounting pronouncements: In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (“ASU”) No. 2020-07 Not-for-Profit Entities (Topic 958): *Presentation and Disclosure by Not-For-Profit Entities for Contributed Nonfinancial Assets* (“ASU 2020-07”). The standard requires nonprofits to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets the nonprofit entity has received, about monetization and utilization during the reporting period, information on donor-imposed restrictions and valuation techniques. Adoption of this standard did not have a material impact on the financial statements. See Note 22.

Recent accounting pronouncements not yet adopted: In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes the existing lease accounting standard and sets out principles for the recognition, measurement, presentation and disclosure of leases. Under the new guidance, a lessee will be required to recognize lease assets and lease liabilities for all leases with lease terms in excess of twelve months. The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. ASU 2016-02 was originally effective for the Council on July 1, 2021. In June 2020, the FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842), Effective Dates for Certain Entities*, which delays the effective date of ASU 2016-02 to annual reporting periods beginning after December 15, 2021. Entities are also allowed to choose to adopt the standard as of the original effective date. The Council adopted this new standard as of October 1, 2022. The Council is in the process of evaluating the impact from this new guidance.

Reclassifications: A reclassification of an amount previously reported has been made to the accompanying financial statements to maintain consistency between periods presented. The reclassification had no impact on previously reported net assets. The reclassification moved \$247,246 of expenses recorded to Cost of Sales in the prior year Statement of Activities to bank and credit card fees under the Troop-Type Service functional classification of the prior year Statement of Functional Expenses.

Subsequent events: Management has evaluated subsequent events for disclosure in these financial statements through February 10, 2023, which is the date the financial statements were available to be issued.

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Notes to Financial Statements

2. Liquidity and availability of Resources

The table below presents financial assets available for general expenditures within one year at September 30:

	2022	2021
Cash and cash equivalents	\$ 13,065,376	\$ 6,086,622
Accounts receivable	818,251	80,991
Contributions receivable	143,600	216,695
Investments	13,606,918	15,693,344
Total financial assets	27,634,145	22,077,652
Less: net assets with donor restrictions	(4,302,349)	(3,822,072)
Financial assets available to meet general expenditures over the next twelve months	\$ 23,331,796	\$ 18,255,580

The Council regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Council has various sources of liquidity including cash and cash equivalents, marketable equity securities, and contributions with and without donor restrictions. The board designated reserve fund is available for general expenditure with the authorization of the board. The Council considers all expenditures related to its ongoing activities of supporting the Council's operating activities, fundraising and administration to be general expenditures. The organization strives to maintain liquid financial assets sufficient to cover at least 6 months of general expenditures.

3. Uninsured cash balances

The Council maintains cash balances at several financial institutions. At times, during the year, these balances may exceed federally insured limits. The Council has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

4. Accounts receivable

Accounts receivable consist of the following at:

	2022	2021
September 30,		
Cookie receivables	\$ 11,387	\$ 44,535
Fall sales receivable	627,833	-
Other receivables	181,378	76,451
Total receivables	820,598	120,986
Less: allowance for doubtful accounts	(2,347)	(39,995)
Net accounts receivable	\$ 818,251	\$ 80,991

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Notes to Financial Statements

5. Contributions receivable Contributions receivable consist of the following at:

September 30,	2022	2021
Unconditional promises to give	\$ 168,600	\$ 241,695
Less: Allowance for doubtful accounts	(25,000)	(25,000)
Net unconditional promises to give	\$ 143,600	\$ 216,695

No discount has been recorded for the years ended September 30, 2022 and 2021 as the overall amount would be immaterial to the financial statements.

The expected future cash receipts of contributions receivable are as follows at:

September 30,	2022	2021
Amounts due in:		
Less than one year	\$ 93,600	\$ 191,695
One to five years	75,000	50,000
Unconditional promises to give before allowance for doubtful accounts	\$ 168,600	\$ 241,695

6. Fair value Investments, at fair value, consist of the following at:

September 30, 2022	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Corporate securities Exchange traded funds	\$ 1,715,612	\$ 1,715,612	\$ -	\$ -
Mutual funds	3,269,537	3,269,537	-	-
Money market funds	80,662	80,662	-	-
Total investments	\$ 13,606,918	\$ 13,606,918	\$ -	\$ -

September 30, 2021	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Corporate securities Exchange traded funds	\$ 2,139,496	\$ 2,139,496	\$ -	\$ -
Mutual funds	3,893,086	3,893,086	-	-
Money market funds	9,618,526	9,618,526	-	-
	42,236	42,236	-	-
Total investments	\$ 15,693,344	\$ 15,693,344	\$ -	\$ -

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Notes to Financial Statements

7. Property and equipment

Property and equipment consists of the following at:

September 30,	2022	2021
Land	\$ 20,017,677	\$ 20,017,677
Building and Improvements		
Aquasco	165,232	165,232
Brighton Woods	1,734,403	1,716,403
Coles Trip	1,793,682	1,793,682
Crowell	425,057	421,557
May Flather	335,174	334,476
Potomac Woods	1,534,611	1,534,611
White Rock	865,370	848,327
Winona	4,392,834	4,349,229
Leasehold improvements – headquarters	421,397	421,397
Frederick, MD Archive Center	207,750	207,750
Martinsburg Office Space	72,270	80,670
Total building and improvements	11,947,780	11,873,334
Equipment		
Office equipment	273,026	213,177
Equipment under capital lease	148,503	519,931
Vehicles	263,837	235,939
Camp and program equipment	103,345	95,734
Potomac Woods	69,236	69,236
Brighton Woods	15,616	15,616
Aquasco	17,829	17,829
Coles Trip	66,229	63,311
May Flather	21,409	21,409
White Rock	14,310	14,310
Winona	30,988	30,988
Total equipment	1,024,328	1,297,480
Construction in progress	592,569	111,693
Total Property and equipment at cost	33,582,354	33,300,184
Less: Accumulated depreciation and amortization	(8,175,093)	(7,885,679)
Property and equipment, net	\$ 25,407,261	\$ 25,414,505

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Notes to Financial Statements

The Council leases, for a nominal value, the land on which Camp May Flather is located from the National Park Service and a portion of the land used for Camp Aquasco from the Maryland Capital Parks and Planning Commission.

Depreciation and amortization expense for the years ended September 30, 2022 and 2021 was \$809,187 and \$870,196, respectively.

8. Note payable

In August 2014, the Council received donated land in Brookeville, Maryland from an individual donor and issued a deed of trust agreement (the agreement) between the Council and the donor to execute the purchase and donation of the land. At the time of the donation, the land was appraised at \$350,000. As part of the agreement, the Council was required to pay the donor \$50,000 in cash and issue a note payable amounting to \$75,000. The remaining amount of \$225,000 was recorded as a contribution from the donor and included in the statement of activities. The note bears a 4% interest rate, payable in 40 regular payments of \$2,284 starting in November 2014. As of September 30, 2022 and 2021, principal payments of \$8,149 and \$7,831, respectively, have been made.

Future maturities of the note payable are as follows:

Years Ending September 30,	Amount
2023	\$ 8,480
2024	8,825
2025	2,261
Total	\$ 19,566

Interest expense for the years ended September 30, 2022 and 2021 was \$987 and \$1,305, respectively.

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Notes to Financial Statements

9. Paycheck Protection Program loan The Council was granted two loans for \$1,340,600 and \$1,250,000 on April 15, 2020 and February 22, 2021, respectively, pursuant to the Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). The CARES Act provides that PPP loan may be partially or wholly forgiven if the funds are used for certain qualifying expenses as described in the CARES Act. On September 8, 2021, the Council was approved for loan forgiveness for \$1,340,600. The Council recorded \$1,340,600 as a contribution for the year ended September 30, 2021 and accounted for the remaining amount as a note payable for \$1,250,000 plus accrued interest of \$7,500 at September 30, 2021. On April 8, 2022, the Council was approved for loan forgiveness for \$1,250,000 plus accrued interest of \$14,201. In 2022 and 2021, the PPP loan forgiven were reported under government contributions on the Statements of Activities and Changes in Net Assets.

The Council elected ASC 470 – *Debt* to account for the initial proceeds of the PPP loans. Accordingly, the PPP loans were initially recorded as a liability. Upon notification of full loan forgiveness of the PPP loans, the Council recorded a contribution totaling \$1,257,500 and \$1,340,600 for the years ended September 30, 2022 and 2021, respectively, to reflect the nonreciprocal legal release of the obligation as required by ASC 958 – *Not-for-profit Entities*.

10. Lines-of-credit In November 2019, the Council opened an unsecured \$2,000,000 line-of-credit with PNC Bank. At September 30, 2022 and 2021, the balance of the line-of-credit was \$0. The interest rate on this line-of-credit was LIBOR plus 1.5% with a maturity date of April 30, 2021. In May 2021, the line-of-credit was amended to extend the maturity date to April 30, 2022 and to increase the interest rate to LIBOR plus 1.75% which was 4.9% and 1.8% as of September 30, 2022 and 2021.

11. Board designated net assets The Board established a fund called the “Operating Reserve”. In accordance with the guidelines of Girl Scouts of the USA, it is the goal of the Council to build a reserve fund equal to 50% of annual operating expenses. The fund is at 58.8% and 70.6% for the years ended September 30, 2022 and 2021, respectively.

12. Net assets with donor restrictions Net assets with donor restrictions were available for the following purposes as of:

September 30,	2022	2021
Camp programs	\$ 210,322	\$ 12,615
Troop-type service	1,742,350	1,701,157
Acquisition of land, building, and equipment	100,976	51,699
Event sponsorship	-	107,900
Endowment fund – held in perpetuity	2,248,701	1,948,701
Total net assets with donor restrictions	\$ 4,302,349	\$ 3,822,072

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Notes to Financial Statements

13. Net assets released from restrictions Net assets were released from donor restrictions during the years ended September 30, 2022 and 2021 by incurring expenses satisfying the purpose of restrictions specified by donors, as follows:

	2022	2021
Camp programs	\$ 263,655	\$ 94,768
Troop-type service	886,723	630,983
Acquisition of land, building, and equipment	278,045	229,600
Event sponsorship	100,280	5,800
Total net assets released from restrictions	\$ 1,528,703	\$ 961,151

14. Net assets with donor restrictions in perpetuity The Council's endowment fund consists of the following as of:

	2022	2021
September 30,		
Ewing Fund for Campership	\$ 15,578	\$ 15,578
Schwartz/Wolff Foundation Fund	18,208	18,208
Juliette Low Society	828,173	528,173
Phillips Gold Award Fund	250,000	250,000
Samuel Rosenstock Irrevocable Trust	225,277	225,277
Pangborn Trust	38,150	38,150
Shingleton Trust	41,913	41,913
Eva Woolridge Scholarship Fund	54,864	54,864
Verhage Campership Fund	759,374	759,374
Bobby Lerch Endowment Fund	17,164	17,164
Total net assets with donor restrictions in perpetuity	\$ 2,248,701	\$ 1,948,701

15. Sales For the year ended September 30, 2022:

	Cookies	Fall Sale	Girl Scout Shops	Total
Sales	\$ 22,808,055	\$ 3,707,416	\$ 1,350,082	\$ 27,865,553
Cost of Sales	10,305,291	2,090,561	623,244	13,019,096
Net Sales	\$ 12,502,764	\$ 1,616,855	\$ 726,838	\$ 14,846,457

For the year ended September 30, 2021:

	Cookies	Fall Sale	Girl Scout Shops	Total
Sales	\$ 14,400,774	\$ 1,798,445	\$ 1,035,539	\$ 17,234,758
Cost of Sales	6,043,856	799,362	460,589	7,303,807
Net Sales	\$ 8,356,918	\$ 999,083	\$ 574,950	\$ 9,930,951

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Notes to Financial Statements

Cookie sales are net of \$4,062,495 and \$2,942,244 retained by troops for the years ended September 30, 2022 and 2021, respectively. Fall sales are net of \$548,233 and \$329,497 retained by troops for the years ended September 30, 2022 and 2021 respectively.

Net revenues from product sales represented 66.3% and 59.8% of operating revenue for the years ended September 30, 2022 and 2021, respectively.

16. Annual giving campaigns

Annual giving campaigns revenue consists of the following:

September 30,	2022	2021
SHARE	\$ 521,111	\$ 531,892
Major Gifts	175,950	222,839
Total annual giving campaigns	\$ 697,061	\$ 754,731

17. Employee benefit 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 the majority 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. This obligation is held at NGSCR. Contributions made by the Council for the years ended September 30, 2022 and 2021 were \$690,746 and \$629,772, respectively.

During the year ended September 30, 2011, as a result of the National Girl Scout Council Retirement Plan being frozen, the Board of Directors appointed an Ad-Hoc Committee to develop a new single employer retirement plan for the Council's employees. The Committee worked with the Council's management to design a defined contribution plan that would include a 3% non-discretionary contribution by the Council for all employees who met the eligibility requirements and, in addition, the Council would also match up to 2% of the contribution made by each eligible employee to their retirement savings. The Council's pension expense and contributions to this plan for the years ended September 30, 2022 and 2021 were \$273,520 and \$269,870, respectively. Employees are fully vested in the Council's non-discretionary contributions immediately, and are fully vested in the Council's matching contributions after 3 years of service.

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Notes to Financial Statements

18. Commitments and contingencies

The Council has commitments under operating leases, expiring at various times through the year 2029, for office space and equipment. Some leases have scheduled rental increases and some contain options to renew.

Future minimum rental payments under non-cancelable operating leases are as follows:

Years Ending September 30,	Total
2023	\$ 1,222,546
2024	1,234,405
2025	1,183,078
2026	1,179,059
2027	462,661
Thereafter	404,012
Total	\$ 5,685,761

Rent expense was \$1,146,136 and \$1,149,290 for the years ended September 30, 2022 and 2021 respectively.

19. Capital lease

The Council is obligated for a lease of equipment as a lessee under an agreement classified as a capital lease. The following is a schedule by year of the future minimum lease payments under the capital lease together with the net present value of the minimum lease payments as of September 30, 2022:

Years Ending September 30,	Total
2023	\$ 32,073
2024	34,837
2025	37,891
2026	41,264
2027	3,129
Subtotal	149,194
Amount representing interest	(28,100)
Net present value of future minimum lease payments	\$ 121,094
Capital lease asset	
Original asset value	\$ 148,503
Less: accumulated amortization	(19,800)
Net book value at year end	\$ 128,703
Amortization expense	\$ 19,800

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Notes to Financial Statements

20. Endowments

The Council's endowment consists of contributions with donor restrictions to be held in perpetuity established for the purpose of funding scholarships and financial assistance to Girl Scouts. Net assets associated with the endowment funds are classified and reported on the existence or absence of donor-imposed restrictions.

The endowment net asset composition by type of fund was as follows:

September 30, 2022	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 2,248,701	\$ 2,248,701
Accumulated investment gains	-	-	-
Total endowment funds	\$ -	\$ 2,248,701	\$ 2,248,701

September 30, 2021	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 1,948,701	\$ 1,948,701
Accumulated investment gains	-	-	-
Total endowment funds	\$ -	\$ 1,948,701	\$ 1,948,701

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Notes to Financial Statements

Changes in endowment net assets during the year ended September 30, 2022 are as follows:

Endowments	Without Restrictions	With Restrictions	Total
Endowments, September 30, 2021	\$ -	\$ 1,948,701	\$ 1,948,701
Investment return			
Investment income	64,614	-	64,614
Net losses (realized and unrealized)	(506,147)	-	(506,147)
Total investment return	(441,533)	-	(441,533)
Contribution and transfers in	506,147	300,000	806,147
Appropriation of endowment income for expenditure	(64,614)	-	(64,614)
Endowments, September 30, 2022	\$ -	\$ 2,248,701	\$ 2,248,701

Changes in endowment net assets during the year ended September 30, 2021 are as follows:

Endowments	Without Restrictions	With Restrictions	Total
Endowments, September 30, 2020	\$ -	\$ 1,906,395	\$ 1,906,395
Investment return			
Investment income	36,790	-	36,790
Net appreciation (realized and unrealized)	131,885	-	131,885
Total investment return	168,675	-	168,675
Contribution and transfers in		42,306	42,306
Appropriation of endowment income for expenditure	(168,675)	-	(168,675)
Endowments, September 30, 2021	\$ -	\$ 1,948,701	\$ 1,948,701

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Notes to Financial Statements

21. Employee retention tax credit

The Council applied for the Employer Retention Tax Credit (ERTC) which is recorded in with government contributions on the accompanying Statements of Activities and Changes in Net Assets in accordance with FASB ASC 958-605, *Not-for-Profit Entities: Revenue Recognition*. The Council was eligible for 70% of the first \$10,000 of qualified wages, totaling \$671,505 for the third quarter of the year ended September 30, 2021. The credit for the third quarter was received in full in December 2021. The credits for the first quarter and second quarter of 2021, have been applied for but not yet received in the amounts of \$682,704 and \$692,005, respectively. These credits will be recorded upon receipt.

22. Donated services and property

The Council received donated services and property as follows for the years ended September, 30:

	<u>2022</u>	<u>2021</u>
Pro bono legal services	\$ 184,926	\$ -
Land contribution	-	145,000
Total donated services and property	\$ 184,926	\$ 145,000

All donated services were utilized by the Council's supporting services. Donated property was capitalized. There were no donor-imposed restrictions associated with the in-kind contributions.