GIRL SCOUTS HEART OF THE HUDSON, INC.

FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2021
(with comparative information for the year ended September 30, 2020)

GIRL SCOUTS HEART OF THE HUDSON, INC.
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(with comparative information for the year ended September 30, 2020)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Girl Scouts Heart of the Hudson, Inc.

We have audited the accompanying financial statements of Girl Scouts Heart of the Hudson, Inc., which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Girl Scouts Heart of the Hudson, Inc. as of September 30, 2021, 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.

Report on Summarized Comparative Information

We have previously audited the Girl Scouts Heart of the Hudson, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 15, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020, is consistent, in all material respects, with the audited financial statements from which it was derived.

Citrin Cooperman & Company, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Braintree, Massachusetts
March 24, 2022

GIRL SCOUTS HEART OF THE HUDSON, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2021
(with comparative information as of September 30, 2020)

	2021	2020
ASSETS		
Cash	$ 2,292,845	$ 1,974,020
Accounts receivable, net	98,961	195,338
Investments	2,259,992	1,875,335
Beneficial interest in perpetual trust	137,187	119,218
Inventory	370,999	446,184
Prepaid expenses and other current assets	27,530	31,050
Employee retention credit	765,564	-
Property and equipment, net	6,092,817	6,461,046
Property held-for-sale, net	104,542	104,542
TOTAL ASSETS	$ 12,150,437	$ 11,206,733
LIABILITIES AND NET ASSETS		
Liabilities:		
Line of credit	$ -	$ 425,000
Paycheck Protection Program - loan payable (Note 16)	651,620	651,621
Accounts payable and accrued expenses	283,758	426,038
Accrued salaries and vacation payable	117,956	110,116
Program credits payable	450,784	383,789
Deferred income	10,917	1,135
Total liabilities	1,515,035	1,997,699
Commitments and contingencies (Notes 9, 11, 12, 15 and 16)		
Net assets:		
Without donor restrictions	9,343,668	8,191,530
With donor restrictions:		
Purpose restrictions	742,457	486,196
Donor-restricted endowment fund and interest in perpetual trust	549,277	531,308
Total net assets with donor restrictions	1,291,734	1,017,504
Total net assets	10,635,402	9,209,034
TOTAL LIABILITIES AND NET ASSETS	$ 12,150,437	$ 11,206,733

See accompanying notes to financial statements.

GIRL SCOUTS HEART OF THE HUDSON, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(with summarized comparative financial information for the year ended September 30, 2020)

	2021			2020
	Without donor restrictions	With donor restrictions	Total	Summarized Total
Public support:				
Annual giving, contributions and bequests	$ 76,636	$ 149,051	$ 225,687	$ 287,608
Grants and contracts (Note 16)	889,516	-	889,516	110,423
Total public support	966,152	149,051	1,115,203	398,031
Revenues:				
Program-related revenues:				
Product sales, net of costs of $1,668,897 in 2021 and $2,264,598 in 2020	3,637,921	-	3,637,921	4,002,736
Sale of merchandise, net of costs of $196,060 in 2021 and $191,817 in 2020	93,370	-	93,370	133,834
Program service fees	179,846	-	179,846	64,610
Investment income	119,707	316,571	436,278	221,154
Rental income	80,845	-	80,845	98,151
Gain on sale of property and equipment	-	-	-	233,704
Net appreciation (depreciation) of beneficial interest in perpetual trust	-	17,969	17,969	(610)
Forgiveness of Paycheck Protection Program loan payable	651,621	-	651,621	-
Miscellaneous income	129,769	-	129,769	110,666
Net assets released from restrictions	209,361	(209,361)	-	-
Total public support and revenues	6,068,592	274,230	6,342,822	5,262,276
Expenses:				
Program services:				
Membership services	1,979,825	-	1,979,825	2,292,197
Girl program services	1,913,778	-	1,913,778	1,817,710
Public information	122,647	-	122,647	106,709
Total program services	4,016,250	-	4,016,250	4,216,616
Supporting services:				
Management and general	765,341	-	765,341	864,047
Fundraising	134,863	-	134,863	166,478
Total supporting services	900,204	-	900,204	1,030,525
Total expenses	4,916,454	-	4,916,454	5,247,141
Changes in net assets	1,152,138	274,230	1,426,368	15,135
Net assets - beginning	8,191,530	1,017,504	9,209,034	9,193,899
NET ASSETS - ENDING	$ 9,343,668	$ 1,291,734	$ 10,635,402	$ 9,209,034

See accompanying notes to financial statements.

GIRL SCOUTS HEART OF THE HUDSON, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(with summarized comparative financial information for the year ended September 30, 2020)

	2021								2020
	Program Services				Supporting Services				
	Membership Services	Girl Program Services	Public Information	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total	Summarized Total
Salaries	$ 1,121,782	$ 551,662	$ 71,322	$ 1,744,766	$ 359,650	$ 85,923	$ 445,573	$ 2,190,339	$ 2,450,457
Employee health and retirement benefits	198,162	70,129	3,599	271,890	280,042	26,804	306,846	578,736	639,015
Payroll taxes	81,520	38,642	5,451	125,613	21,951	6,228	28,179	153,792	174,803
Total salaries and related expenses	1,401,464	660,433	80,372	2,142,269	661,643	118,955	780,598	2,922,867	3,264,275
Supplies	66,514	268,122	191	334,827	1,652	-	1,652	336,479	197,010
Maintenance and repairs	60,882	124,378	3,475	188,735	-	-	-	188,735	158,081
Insurance	132,727	67,361	8,620	208,708	15,192	-	15,192	223,900	208,200
Professional fees	86,270	46,697	4,890	137,857	55,154	-	55,154	193,011	283,543
Utilities	30,911	106,558	1,773	139,242	-	-	-	139,242	157,842
Travel and transportation	8,257	9,843	402	18,502	138	-	138	18,640	58,465
Equipment and maintenance	65,874	42,545	16,883	125,302	3,197	10,874	14,071	139,373	148,997
Assistance to individuals	-	6,533	-	6,533	4,678	-	4,678	11,211	35,963
Miscellaneous	14,308	95	3	14,406	18,007	-	18,007	32,413	34,124
Occupancy	58,953	37,894	3,627	100,474	-	-	-	100,474	34,078
Bad debt	-	-	-	-	-	-	-	-	58,763
Communication	31,740	19,562	1,299	52,601	1,012	495	1,507	54,108	63,169
Conferences, conventions and meetings	52	13,750	1	13,803	1,749	40	1,789	15,592	7,337
Postage	5,132	26,594	30	31,756	593	440	1,033	32,789	7,243
Printing and publications	16,603	9,014	1,081	26,698	1,954	4,059	6,013	32,711	26,795
Merchandise and cookie expense	-	1,864,957	-	1,864,957	-	-	-	1,864,957	2,456,415
Dues and subscriptions	138	37	-	175	372	-	372	547	1,812
Total expenses before depreciation and amortization	1,979,825	3,304,373	122,647	5,406,845	765,341	134,863	900,204	6,307,049	7,202,112
Depreciation and amortization	-	474,362	-	474,362	-	-	-	474,362	501,444
Less: expenses included with revenues on the statement of activities	-	1,864,957	-	1,864,957	-	-	-	1,864,957	2,456,415
TOTAL EXPENSES REPORTED BY FUNCTION	$ 1,979,825	$ 1,913,778	$ 122,647	$ 4,016,250	$ 765,341	$ 134,863	$ 900,204	$ 4,916,454	$ 5,247,141

See accompanying notes to financial statements.

GIRL SCOUTS HEART OF THE HUDSON, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(with comparative information as of September 30, 2020)

	2021	2020
Cash flows from operating activities:		
Changes in net assets	$ 1,426,368	$ 15,135
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Paycheck Protection Program loan forgiveness	(651,621)	-
Depreciation and amortization	474,362	501,444
Bad debt expense	-	58,763
Net realized and unrealized loss (gain) on investment	(364,399)	(101,002)
Donated securities	-	(34,478)
Gain on sale of property and equipment	-	(233,704)
Change in fair value of beneficial interest in perpetual trust	(17,969)	610
Changes in operating assets and liabilities:		
Accounts receivable	96,377	(180,036)
Inventory	75,185	(90,289)
Prepaid expenses and other current assets	3,520	59,898
Employee retention credit	(765,564)	-
Accounts payable and accrued expenses	(142,280)	(287,379)
Accrued salaries and vacation payable	7,840	8,253
Program credits payable	66,995	(15,590)
Deferred income	9,782	(15,899)
Net cash provided by (used in) operating activities	218,596	(314,274)
Cash flows from investing activities:		
Acquisition of property and equipment	(106,133)	(65,047)
Proceeds from sale of property and equipment	-	530,000
Purchase of investments	(380,898)	(101,422)
Proceeds from sale of investments	360,640	29,970
Net cash provided by (used in) investing activities	(126,391)	393,501
Cash flows from financing activities:		
Net borrowings (repayments) on line of credit	(425,000)	275,000
Proceeds from Paycheck Protection Program - loan payable	651,620	651,621
Net cash provided by financing activities	226,620	926,621
Net increase in cash	318,825	1,005,848
Cash - beginning	1,974,020	968,172
CASH - ENDING	$ 2,292,845	$ 1,974,020
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 5,810	$ 9,548
Supplemental schedule for non-cash investing and financing activities:		
Transfer of property to held-for-sale	$ -	$ 104,542

See accompanying notes to financial statements.

NOTE 1. ORGANIZATION

Girl Scouts Heart of the Hudson, Inc. ("GSHH" or the "Organization") is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the United States Internal Revenue Code ("IRC"). GSHH is chartered by the Girl Scouts of the USA and is governed by a maximum 18-member volunteer board of directors and an experienced management staff. GSHH's central administrative office is located in Pleasantville, New York, with regional offices in Montgomery, New City and Poughkeepsie. GSHH serves girls in a seven-county region (Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, and Westchester Counties).

GSHH has been providing girls with extraordinary programming throughout the region. Currently, GSHH serves approximately 13,000 girls between the ages of five and 18 and over 7,500 adult members. In addition to the administrative office and the regional offices, GSHH also maintains nine Girl Scout houses and four camp properties. GSHH is committed to providing Girl Scouting to as many girls as possible throughout the lower Hudson Valley region all year round.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the Organization have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net assets classifications:

Net Assets without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both, and reported in the accompanying statement of activities as "Net assets released from restrictions."

Revenue Recognition

The Organization derives revenue and support primarily from grants, contributions, sales and program services.

Revenue is measured based on the consideration specified in a contract with a customer, and excludes any amounts collected on behalf of third parties. The Organization recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. The majority of the Organization's products or services are treated as a single performance obligation that is satisfied as the products or services are rendered. The Organization determines the transaction price based on contractually agreed upon rates, adjusted for any variable consideration, if any.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

The Organization recognizes revenue relating to the sale of products and merchandise, when shipped or picked up by the customer, at which point control passes to the customer. Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, and that are collected by the Organization from a customer are excluded from revenue.

Program services consist of camp fees, training, and other Girl Scout events and are offered by the Organization throughout the course of the year. Revenues from these services are recognized at the point at which services are rendered. Event revenue is recognized over the period the event takes place.

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from donor restrictions.

The Organization records a contract asset when it has a right to payment from a customer that is conditional on events other than the passage of time. The Organization also records a contract liability when a customer prepays but the Organization has not fulfilled its performance obligation. The Organization did not have any material unsatisfied performance obligations or contract assets as of September 30, 2021. Contract liabilities are presented as "deferred income" on the accompanying statement of financial position. At September 30, 2021 and 2020, deferred income was $10,917 and $1,135, respectively.

Grants and Contributions

Contributions, including unconditional promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported as either with or without donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Conditional contributions are recorded when the specified conditions have been met. Contributions received with donor-imposed restrictions that are met in the same fiscal year in which the contributions are received are classified as contributions without donor restrictions.

Revenue from cost-reimbursement grants is recognized when the Organization has expended the program costs in accordance with the grant agreements. Revenue from this source is subject to audits and possible adjustments by the funding agencies. The effects of any such adjustments are recorded when reasonably determinable. Management believes that the effect of audit adjustments, if any, will not have a material effect on the accompanying financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable from sale of products and other sources of income are recorded when services are rendered. Accounts receivable are reported at their outstanding unpaid principal balances net of allowances for doubtful accounts. GSHH estimates doubtful accounts based on historical bad debts, factors related to specific members and customers' ability to pay, and current economic trends. GSHH writes off accounts receivable against the allowance when a balance is determined to be uncollectible. At September 30, 2021 and 2020, accounts receivable was $210,347 and $306,868, respectively. At September 30, 2021 and 2020, the allowance for doubtful accounts was $111,386 and $111,530, respectively. Interest is not accrued on outstanding receivables.

Investments and Investment Income

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

Income from investments, including both realized and unrealized gains and losses, is treated as an increase in net assets without donor restrictions unless otherwise specified by donors.

Donated securities are recorded at their fair value on the date they are received.

GSHH holds certain investments with and without donor restrictions. Investment income and appreciation are allocated quarterly based on the percentage of each fund's net asset balance to the total, adjusted for additions to and withdrawals from the investment pool.

Fair Value Measurement

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurement*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Under this standard, fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement (Continued)

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

> Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
>
> Level 2 inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and, inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
>
> Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Concentrations of Credit Risk

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash, temporary cash investments, and accounts receivable. The Organization maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Organization believes that it is not exposed to any significant credit risk on cash. The Organization routinely assesses the collectibility of accounts receivable and believes that its accounts receivable credit risk exposure is limited.

Inventory

Inventory, consisting primarily of Girl Scout merchandise, is stated at lower-of-cost or net realizable value. Cost is determined using the weighted-average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less reasonable predictable costs of disposal and transportation.

Property and Equipment

Property and equipment are stated at cost if purchased by GSHH, or at fair value at the date of donation. GSHH capitalizes expenditures for property and equipment in excess of $2,500 with an estimated useful life in excess of one year. Maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and any resulting gains or losses are included in income. Land is not subject to depreciation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the respective assets as described below:

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

	Years
Building and improvements	10 - 40
Land improvements	10 - 40
Furniture and fixtures	5 - 20
Vehicles	5 - 20
Computer and software	5 - 20
Leasehold improvements	Shorter of the useful life or the lease term

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. The Organization assesses recoverability by determining whether the net book value of the related asset will be recovered through the projected undiscounted future cash flows of the asset. If the Organization determines the carrying value of the asset may not be recoverable, it measures any impairment based on the asset's fair value as compared to the asset's carrying value. Management determined that no long-lived assets were impaired at September 30, 2021 and 2020.

Program Credits Payable

GSHH rewards program credits to eligible Girl Scouts for their participation in the Product Sales program. All rewards earned through the Product Sales program must fund legitimate program experiences and can be used to offset the cost to participate in programs offered by GSHH. Rewards are not based on a dollar per dollar calculation, but instead are based on bands or ranges. Each year these credits are awarded with an expiration of three years from the original date of issuance. Program credits are recorded as revenue if not used by the Girl Scouts in the year of expiration.

Tax Status

The Organization is a not-for-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the IRC, and from state income taxes.

The Organization recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, *Income Taxes*. Under this guidance, the Organization assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances, and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change.

Management has evaluated the Organization's tax positions and has concluded that the Organization has taken no uncertain tax positions that require adjustment to the financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis on the accompanying statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. The Organization incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Organization also conducts a number of activities which benefit both its program objectives as well as supporting services. Specifically, salaries and related expenses, supplies, insurance, professional fees, travel and transportation, equipment and maintenance, assistance to individuals, occupancy, communication, conferences, conventions and meetings, and other miscellaneous expenses which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited, based on estimates of time and effort incurred by personnel.

Girl Scout Troop Activity

Cash is held by troops and groups under GSHH's federal identification number but not under its control. GSHH has no signature authority over the accounts and will not access the funds as long as a troop or group is functioning according to Girl Scout policies and procedures. Individual troops and groups have the responsibility to use funds in their control for the purposes of Girl Scouting as determined by the members and adult volunteers.

The accompanying financial statements do not include financial data for individual Girl Scout troops and other groups such as service units and committees.

Prior-Year Summarized Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total but not by asset or functional expense classifications. Such information does not include sufficient detail to constitute a presentation in accordance with U.S. GAAP. Accordingly, such information should be read in conjunction with GSHH's financial statements for the year ended September 30, 2020, from which the summarized information was derived.

Accounting Pronouncements Issued but not yet Effective

Leases

In February 2016, FASB issued Accounting Standards Update ("ASU") No. 2016-02, *Leases* ("ASU 2016-02"). This update requires all leases with a term greater than 12 months to be recognized on the statement of financial position through a right-of-use asset and a lease liability and the disclosure of key information pertaining to leasing arrangements. In July 2018, FASB also issued ASU No. 2018-10, *Codification Improvements to Topic 842*, and ASU No. 2018-11, *Leases: Targeted Improvements*, which provided narrow amendments to clarify how to apply certain aspects of the new leases standard and options regarding transition. The standard requires either a modified retrospective transition approach with application in all comparative periods presented, or an alternative transition method, which permits the Organization to use its effective date as

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Pronouncements Issued but not yet Effective (Continued)

Leases (Continued)

the date of initial application without restating the comparative period financial statements and recognizing any cumulative effect adjustment to the opening statement of financial position. In November 2019, FASB issued ASU No. 2019-10 *Financial Instruments - Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842).* ASU No. 2019-10 amended the effective date for ASU 2016-02 and related amendments. In June 2020, FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers* (Topic 606) and *Lease*s (Topic 842) ("ASU 2020-05"). ASU 2020-05 provided for an optional election to defer the effective date for Topic 842 and related amendments for an additional year. Entities may elect to adopt the guidance on the adoption of Topic 842 for annual reporting periods beginning after December 15, 2021. The Organization has determined to defer Topic 842 and is evaluating the impact this new guidance will have on its financial statements and related disclosures.

Contributed Nonfinancial Assets

In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets ("ASU 2020-07").* ASU 2020-07 will increase the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. ASU 2020-07 is effective for annual reporting periods beginning after June 15, 2021, with early adoption permitted. The Organization is evaluating the impact this new guidance will have on its financial statements and related disclosures.

Subsequent Events

The Organization has evaluated subsequent events through March 24, 2022, the date on which these financial statements were available to be issued. The Organization did not identify any material subsequent events requiring adjustment to or disclosure in its financial statements.

NOTE 3. LIQUIDITY AND AVAILABILITY

The following represents the Organization's financial assets as of September 30, 2021:

Financial assets at year end:	
Cash	$ 2,292,845
Accounts receivable, net	98,961
Investments	2,259,992
Beneficial interest in perpetual trust	137,187
Employee retention credit	765,564
Total financial assets at year end	5,554,549
Less amounts not available to be used within one year:	
Funds with contractual or donor-imposed restrictions held in cash and investments:	
Net assets with donor restrictions	(1,291,734)
Financial assets available to meet cash needs for general expenditures within one year	$ 4,262,815

NOTE 3. LIQUIDITY AND AVAILABILITY (CONTINUED)

As part of the Organization's liquidity management, it has a goal to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, excess cash is invested in short-term investments, including equities and mutual funds. In the event of an unanticipated liquidity need, the Organization can also draw upon the line of credit (see Note 9).

NOTE 4. FAIR VALUE MEASUREMENTS

Assets and liabilities measured at fair value are based on one or more of three valuation techniques identified in the tables below. The valuation techniques are as follows:

(a) *Market approach*. Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;

(b) *Cost approach*. Amount that would be required to replace the service capacity of an asset (replacement cost); and

(c) *Income approach*. Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing and excess earnings models).

The following tables summarize the Organization's assets measured at fair value on a recurring basis, categorized by U.S. GAAP's valuation hierarchy as of September 30, 2021 and 2020:

Description	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total at September 30, 2021	Valuation Technique
Cash (included in investments)	$ 365,030	$ -	$ -	$ 365,030	(a)
Money market	4,591	-	-	4,591	(a)
Equities - consumer goods	1,194,678	-	-	1,194,678	(a)
Mutual funds - bonds	693,704	-	-	693,704	(a)
Mutual funds - equity funds	1,989	-	-	1,989	(a)
Total investments	$ 2,259,992	$ -	$ -	$ 2,259,992	
Beneficial interest in perpetual trust	$ -	$ -	$ 137,187	$ 137,187	(c)

NOTE 4. FAIR VALUE MEASUREMENTS (CONTINUED)

Description	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total at September 30, 2020	Valuation Technique
Cash (included in investments)	$ 4,669	$ -	$ -	$ 4,669	(a)
Money market	4,026	-	-	4,026	(a)
Equities - consumer goods	1,988	-	-	1,988	(a)
Common stock - communication services	35,284	-	-	35,284	(a)
Mutual funds - bonds	742,983	-	-	742,983	(a)
Mutual funds - equity funds	1,086,385	-	-	1,086,385	(a)
Total investments	$ 1,875,335	$ -	$ -	$ 1,875,335	
Beneficial interest in perpetual trust	$ -	$ -	$ 119,218	$ 119,218	(c)

Investment return for the years ended September 30, 2021 and 2020, are as follows:

	2021	2020
Interest and dividends, net	$ 71,879	$ 120,152
Realized gain on sale of investments	62,992	13,969
Unrealized gain (loss) on investments	301,407	87,033
	$ 436,278	$ 221,154

The following table reflects the changes in investments measured at fair value using Level 3 inputs during the years ended September 30, 2021 and 2020:

	2021	2020
Beginning balance - October 1	$ 119,218	$ 119,828
Total unrealized gain (loss), included in change in net assets	17,969	(610)
Ending balance - September 30	$ 137,187	$ 119,218

The following are descriptions of the valuation methodologies used for assets measured at fair value:

Money market funds: valued at cost plus accrued interest, which approximates fair value.

Common stocks: valued based on quoted market prices, when available, or market prices provided by recognized broker-dealers or fund managers.

Equities: valued at the quoted market prices, when available, or market prices provided by recognized broker-dealers or fund managers.

Mutual funds: valued at quoted market prices, which represent the net asset value of the securities held in such funds.

NOTE 4. FAIR VALUE MEASUREMENTS (CONTINUED)

Beneficial interest in perpetual trust: valued at the unadjusted fair value of trust assets reported by the trustee, which the Organization considers to be a Level 3 measurement within the fair value measurement hierarchy since the Organization will never receive those assets or have the ability to direct the trustee to redeem them.

NOTE 5. BENEFICIAL INTEREST IN PERPETUAL TRUST

GSHH is a beneficiary of a perpetual trust (the "Trust") set up by Isabel K. Benjamin. The Trust's assets consist of cash and mutual funds. The Trust agreement requires the funds to reinvest and to collect the income in perpetuity and pay 50% of income to GSHH to be used for the general purposes of GSHH. At September 30, 2021 and 2020, the fair value of GSHH's beneficial interest in the Trust was $137,187 and $119,218, respectively.

NOTE 6. ENDOWMENT

GSHH currently maintains various donor-restricted endowment funds whose purposes are to provide long-term support of its programs. In classifying such funds for financial statement purposes as either with donor restrictions or without donor restrictions, the board of directors looks to the explicit directions of the donors. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The income generated by the donor-restricted endowment funds is available for the Organization's general operations and programs of GSHH and is recorded as net assets with donor restrictions until appropriated for expenditure.

The objective of GSHH is to maintain the principal endowment funds at the original amount designated by the donor. The investment policy to achieve this objective is to invest in conservative investments such as mutual funds. Interest earned in relation to the endowment funds is recorded as income with donor restrictions and released from restrictions upon expenditure for the program for which the endowment fund was established.

The following is a reconciliation of the activity in the endowment funds for the years ended September 30, 2021 and 2020:

	With Donor Restrictions
Balance - September 30, 2020	$ 560,418
Investment income	316,571
Balance - September 30, 2021	$ 876,989
Comprised of the following:	
Donor-restricted funds for purpose	$ 464,899
Donor endowment - to be held in perpetuity	412,090
	$ 876,989

NOTE 6. ENDOWMENT (CONTINUED)

		With Donor Restrictions
Balance - September 30, 2019	$	443,957
Investment income		116,461
Balance - September 30, 2020	$	560,418
Comprised of the following:		
Donor-restricted funds for purpose	$	148,328
Donor endowment - to be held in perpetuity		412,090
	$	560,418

NOTE 7. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at September 30, 2021 and 2020:

		2021		2020
Land	$	254,331	$	254,331
Land improvements		1,466,835		1,466,835
Leasehold improvements		13,498		13,498
Building and improvements		13,210,891		13,162,367
Furniture and fixtures		1,896,094		1,845,144
Vehicles		455,399		455,399
Computer and software		579,299		572,639
		17,876,347		17,770,213
Less: accumulated depreciation		11,783,530		11,309,167
Property and equipment, net	$	6,092,817	$	6,461,046

Depreciation and amortization expense for the years ended September 30, 2021 and 2020, was $474,362 and $501,444, respectively.

NOTE 8. PROPERTY HELD-FOR-SALE

Property held-for-sale at September 30, 2021 and 2020, consisted of the following:

		2021		2020
Property and equipment	$	597,447	$	597,447
Less: accumulated depreciation		492,905		492,905
Property held-for-sale, net	$	104,542	$	104,542

During the year ended September 30, 2020, the board of directors of the Organization decided to sell one property located in New York. Accordingly, at the date of this decision, the cost of the property, net of its accumulated depreciation, was reclassified to property held-for-sale, and no further depreciation has been recorded. As of March __, 2022, the Organization has not sold the property.

NOTE 9. LINE OF CREDIT

The Organization has a $750,000 revolving line of credit which bears interest at a per annum rate equal to London Interbank Offered Rate ("LIBOR") plus 1.50% (1.59% and 1.65% at September 30, 2021 and 2020, respectively). The line of credit is secured by certain of GSHH's investment accounts and expires on May 31, 2022. The bank requires the line of credit to be at least 50% of the market value of the pledged investment account. At September 30, 2021 and 2020, outstanding borrowings under the line of credit were $- and $425,000, respectively. Interest expense for the years ended September 30, 2021 and 2020, was $5,810 and $9,548, respectively.

NOTE 10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with purpose restrictions were available for Girl Scout programs and campership in the amount of $742,457 and $486,196 at September 30, 2021 and 2020, respectively.

During the years ended September 30, 2021 and 2020, net assets released from restrictions consisted of Girl Scout programs and campership in the amount of $209,361 and $73,347, respectively.

GSHH's net assets to be held in perpetuity consist of a beneficial interest in a perpetual trust and endowment fund assets, the income from which is expendable to support the following at September 30, 2021 and 2020:

	2021	2020
Girl Scout programs and training	$ 401,960	$ 401,960
Beneficial interest in a perpetual trust	137,187	119,218
Capital improvements	10,130	10,130
	$ 549,277	$ 531,308

NOTE 11. RENTAL COMMITMENTS

GSHH leases equipment, storage and store space under various non-cancelable operating leases, which will continue through July 2022. Rental payments during the terms of individual leases range from $2,800 to $2,913. Equipment lease expense for the years ended September 30, 2021 and 2020, amounted to $7,022 and $1,049, respectively. Facility lease expense for the years ended September 30, 2021 and 2020, amounted to $83,162 and $87,494, respectively.

At September 30, 2021, future obligations under the leases are payable as follows:

Year Ending September 30:	Amount
2022	$ 29,130

NOTE 12. PENSION PLANS

Multi-Employer - GSHH participates in the National Girl Scout Council Retirement Plan (EIN 13-1624016, Plan #002) (the "Plan"). The Plan is a multi-employer, noncontributory, defined benefit pension plan sponsored by Girl Scouts of the United States of America ("GSUSA"). Effective July 31, 2010, the Plan was frozen to new entrants and to further benefits accruals for existing participants, although previously earned benefits can continue to vest. The Plan covers substantially all of the employees of various Girl Scout councils who were eligible to participate in the Plan prior to the

NOTE 12. PENSION PLANS (CONTINUED)

Plan freeze. Accrued and vested benefits prior to July 31, 2010, are based on years of service and salary levels.

GSHH made contributions into the Plan of $252,967 and $290,501 for the years ended September 30, 2021 and 2020, respectively. GSHH is unable to provide additional quantitative information about total plan assets and accumulated benefit obligations without undue cost and effort. The Plan has implemented a funding improvement strategy, in which, the Plan was not required to pay a surcharge. Due to the nature of the Plan, no additional liability is required to be recognized at this time; however, it is projected that GSHH's contribution requirements will continue to increase.

403(b) - Additionally, GSHH has a 403(b) tax-deferred annuity retirement plan which covers all employees who meet specific eligibility requirements. GSHH ceased making employer contributions as of April 30, 2009.

NOTE 13. RELATED-PARTY TRANSACTIONS

GSUSA - GSHH is a separately incorporated 501(c)(3) organization chartered by GSUSA to deliver the Girl Scout program in New York's Hudson Valley. Based on the charter, GSHH collects membership dues on behalf of GSUSA from program participants. The dues are recorded as a liability by GSHH upon collection. The amount collected on behalf of GSUSA for the years ended September 30, 2021 and 2020, was approximately $445,000 and $589,000, respectively.

GSHH also purchases inventory for its council shops from GSUSA. Total purchases of inventory were approximately $105,000 and $246,000 for the years ended September 30, 2021 and 2020, respectively.

GSUSA provided pension relief to the councils included in the pension plan. Total financial assistance received for the year ended September 30, 2021, was $46,434. There was no financial assistance received for the year ended September 30, 2020.

As of September 30, 2021 and 2020, included in "Accounts payable and accrued expenses" on the accompanying statement of financial position, were amounts due to GSUSA of $51,458 and $51,715, respectively.

NOTE 14. CONCENTRATIONS OF CREDIT RISK

For the years ended September 30, 2021 and 2020, product sales, net of costs, accounted for approximately 57% and 76%, respectively, of total support and revenue.

For the years ended September 30, 2021 and 2020, one vendor accounted for approximately 74% and 83%, respectively, of total product sale costs.

NOTE 15. CONTINGENCIES

The Organization is, from time to time, involved in ordinary and routine litigation. Management presently believes that the ultimate outcome of these proceedings, individually or in the aggregate, will not have a material adverse effect on the Organization's financial position, results of activities or cash flows. Nevertheless, litigation is subject to inherent uncertainties, and unfavorable rulings could occur. An unfavorable ruling could include money damages and, in such event, could result in a material adverse impact on the Organization's financial position, results of activities or cash flows for the period in which the ruling occurs.

NOTE 16. COVID-19 PANDEMIC

During the 2020 fiscal year, the World Health Organization declared COVID-19 to constitute a "Public Health Emergency of International Concern." On March 13, 2020, GSHH closed all of its offices and properties and shifted all operations to a remote model. GSHH has continued to serve its membership using technology and has changed the way it shares its program resources. During this time GSHH has offered virtual programming including virtual summer camp, curbside retail sales and mobilized to ensure the success of its cookie program. Given the uncertainty of the situation, the duration of the disruption and related financial impact cannot be reasonably estimated at this time.

During the 2021 fiscal year, GSHH shifted its operations from all remote to a hybrid model. GSHH continued to offer virtual programming and services and started to offer limited in person activities, including in person summer camp.

Paycheck Protection Program

On April 17, 2020, the Organization received loan proceeds of $651,621 under the Paycheck Protection Program (the "PPP"). The PPP, which was established as part of the Coronavirus Aid, Relief and Economic Security (the "CARES") Act, provides for loans to qualifying businesses for amounts up to 2.5 times certain average monthly payroll expenses of the qualifying business. The loan and accrued interest, or a portion thereof, may be forgiven after 24 weeks so long as the borrower uses the loan proceeds for eligible purposes including payroll, benefits, rent, mortgage interest and utilities, and maintains its payroll levels, as defined by the PPP. At least 60% of the amount forgiven must be attributable to payroll costs, as defined by the PPP.

The PPP loan matures two years from the date of first disbursement of proceeds to the Organization (the "PPP Loan Date") and accrues interest at a fixed rate of 1%. Payments are deferred for at least the first six months and payable in 18 equal consecutive monthly installments of principal and interest commencing upon expiration of the deferral period of the PPP Loan Date.

The Organization applied for PPP loan forgiveness and received approval from the Small Business Administration ("SBA") in June 2021. The Organization has recorded $651,621 of forgiveness in the accompanying statement of activities. If it is determined that the Organization was not eligible to receive the PPP Loan or that the Organization has not adequately complied with the rules, regulations and procedures applicable to the SBA's Loan Program, the Organization could be subject to penalties and could be required to repay the amounts previously forgiven.

On March 18, 2021, the Organization received additional loan proceeds of $651,620 under the PPP. The loan and accrued interest, or a portion thereof, may be forgiven after the covered period, so long as the borrower uses the loan proceeds for eligible expenses as defined by the PPP. The PPP loan matures five years from the date of disbursement of proceeds to the Organization and accrues interest at a fixed rate of 1%. Payments are deferred until 10 months after the end of the covered period, and are payable in 50 equal consecutive monthly installments of principal and interest commencing upon expiration of the deferral period of the PPP loan.

NOTE 16. COVID-19 PANDEMIC (CONTINUED)

Paycheck Protection Program (Continued)

The Organization currently intends to use the proceeds for purposes consistent with the PPP, however, there can be no assurances that the Organization will ultimately meet the conditions for forgiveness of the loan or that the Organization will not take actions that could cause the Organization to be ineligible for forgiveness of the loan, in whole or in part.

U.S. GAAP does not contain authoritative accounting standards for forgivable loans provided by governmental entities to a not-for-profit entity. Absent authoritative accounting standards, interpretative guidance issued and commonly applied by financial statement preparers allow for the selection of accounting policies amongst acceptable alternatives. Based on the facts and circumstances, the Organization has determined it most appropriate to account for the PPP loan proceeds under the debt model. Under the debt model, the Organization recognizes the proceeds received as debt, recognizes periodic interest expense in the period in which the interest accrues at the stated interest rate and defers recognition of any potential forgiveness of the loan principal or interest until the period in which the Organization has been legally released from its obligation by the lender. The Organization deemed the debt model to be the most appropriate accounting policy for this arrangement as the underlying PPP loan is a legal form of debt and there are significant contingencies outside of the control of the Organization, mainly related to the third-party approval process for forgiveness.

At September 30, 2021, PPP loan debt matures as follows:

Year Ending September 30:	Amount
2022	$ 111,262
2023	156,248
2024	157,818
2025	159,402
2026	66,890
	$ 651,620

Employee Retention Credit

The Employee Retention Credit ("ERC"), as it existed under the CARES Act, was not available to taxpayers that received a PPP loan. Provisions in the Consolidated Appropriations Act of 2021 removed this restriction and allowed businesses that qualify for the ERC to retroactively apply for the ERC so long as the same wages are not used for both PPP loan forgiveness and the ERC. Management has determined it is probable that the Organization is eligible for and meets all the conditions to qualify for the ERC. The Organization submitted amended quarterly payroll tax returns claiming to recover $765,564. The ERC represents a conditional grant from the federal government and has been accounted for in accordance with ASC 958-605 *Not-for-Profit Entities: Revenue Recognition*. Such amounts have been included as grant and contracts in the accompanying statement of activities. However, there can be no assurances that the Company will ultimately meet the conditions of the ERC or realize the amount of the credits claimed, in whole or in part.