

GIRL SCOUTS OF SILVER SAGE COUNCIL, INC.

FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2020 AND 2019

**GIRL SCOUTS OF SILVER SAGE COUNCIL, INC.
TABLE OF CONTENTS
YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	6
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9



INDEPENDENT AUDITORS' REPORT

Board of Directors
Girl Scouts of Silver Sage Council, Inc.
Boise, Idaho

We have audited the accompanying financial statements of Girl Scouts of Silver Sage Council, Inc. (the Council) (a nonprofit organization), which comprise the statements of financial position as of September 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Board of Directors
Girl Scouts of Silver Sage Council, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Girl Scouts of Silver Sage Council, Inc. as of September 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Boise, Idaho
March 25, 2021

GIRL SCOUTS OF SILVER SAGE COUNCIL, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,031,173	\$ 677,429
Certificate of Deposit	105,169	103,811
Accounts Receivable	12,372	3,508
Prepaid Expenses	32,727	38,407
Resale Inventory	65,985	65,356
Investments	600,235	570,636
Unconditional Promises:		
Grants Receivable	5,000	30,344
Total Current Assets	<u>1,852,661</u>	<u>1,489,491</u>
NONCURRENT ASSETS		
Long-Term Investments	72,574	72,574
Land, Buildings, and Equipment, Less Accumulated Depreciation of \$1,214,192 and \$1,121,366, Respectively	<u>2,373,973</u>	<u>2,335,352</u>
Total Noncurrent Assets	<u>2,446,547</u>	<u>2,407,926</u>
 Total Assets	 <u><u>\$ 4,299,208</u></u>	 <u><u>\$ 3,897,417</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 60,804	\$ 43,249
Accrued Liabilities	118,977	47,839
Current Maturities of Long-Term Debt	191,248	10,519
Cookie Bonuses Payable	228,385	150,681
Custodial Funds	18,446	22,963
Deferred Revenue	32,162	36,773
Total Current Liabilities	<u>650,022</u>	<u>312,024</u>
NONCURRENT LIABILITIES		
Long-Term Debt, Net of Issuance Costs and Current Maturities	<u>323,294</u>	<u>224,197</u>
 Total Liabilities	 973,316	 536,221
NET ASSETS		
Without Donor Restrictions	3,158,176	3,222,261
With Donor Restrictions	167,716	138,935
Total Net Assets	<u>3,325,892</u>	<u>3,361,196</u>
 Total Liabilities and Net Assets	 <u><u>\$ 4,299,208</u></u>	 <u><u>\$ 3,897,417</u></u>

See accompanying Notes to Financial Statements.

GIRL SCOUTS OF SILVER SAGE COUNCIL, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Grants and Contributions	\$ 75,485	\$ 160,914	\$ 236,399
In-Kind Donations	26,062	-	26,062
Cookie Sales, Net of Cost of \$1,617,540	1,991,995	-	1,991,995
Program Service Fees	83,870	-	83,870
Sales of Merchandise, Net of Cost of \$96,550	63,449	-	63,449
Special Events	29,211	-	29,211
Interest and Dividend Income, Net	24,783	-	24,783
Realized Loss on Investments	(5,237)	-	(5,237)
Unrealized Gain on Investments	18,761	-	18,761
Rental Income, Net	19,076	-	19,076
Miscellaneous Income	17,179	-	17,179
Net Assets Released from Program Restrictions	132,133	(132,133)	-
Total Support and Revenue	<u>2,476,767</u>	<u>28,781</u>	<u>2,505,548</u>
EXPENSES			
Program Services:			
Membership Development	1,303,062	-	1,303,062
Camps	591,096	-	591,096
Total Program Services	<u>1,894,158</u>	<u>-</u>	<u>1,894,158</u>
Support Services:			
Management and General	454,159	-	454,159
Fundraising	192,535	-	192,535
Total Support Services	<u>646,694</u>	<u>-</u>	<u>646,694</u>
Total Expenses	<u>2,540,852</u>	<u>-</u>	<u>2,540,852</u>
NET INCREASE IN NET ASSETS	(64,085)	28,781	(35,304)
Net Assets - Beginning of Year	<u>3,222,261</u>	<u>138,935</u>	<u>3,361,196</u>
NET ASSETS - END OF YEAR	<u>\$ 3,158,176</u>	<u>\$ 167,716</u>	<u>\$ 3,325,892</u>

See accompanying Notes to Financial Statements.

GIRL SCOUTS OF SILVER SAGE COUNCIL, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2019

	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUE			
Grants and Contributions	\$ 95,247	\$ 223,132	\$ 318,379
In-Kind Donations	74,382	-	74,382
Cookie Sales, Net of Cost of \$1,476,058	1,961,892	-	1,961,892
Program Service Fees	289,434	-	289,434
Sales of Merchandise, Net of Cost of \$140,359	86,838	-	86,838
Special Events	42,398	-	42,398
Interest and Dividend Income, Net	28,523	-	28,523
Loss on Sale of Assets	(40,949)	-	(40,949)
Realized Loss on Investments	(5,708)	-	(5,708)
Unrealized Gain on Investments	12,066	-	12,066
Rental Income, Net	25,881	-	25,881
Insurance Proceeds	38,449	-	38,449
Miscellaneous Income	20,822	-	20,822
Net Assets Released from Program Restrictions	226,646	(226,646)	-
Total Support and Revenue	2,855,921	(3,514)	2,852,407
EXPENSES			
Program Services:			
Membership Development	1,247,332	-	1,247,332
Camps	709,807	-	709,807
Total Program Services	1,957,139	-	1,957,139
Support Services:			
Management and General	399,650	-	399,650
Fundraising	244,184	-	244,184
Total Support Services	643,834	-	643,834
Total Expenses	2,600,976	-	2,600,976
NET INCREASE IN NET ASSETS	254,945	(3,514)	251,431
Net Assets - Beginning of Year	2,967,316	142,449	3,109,765
NET ASSETS - END OF YEAR	<u>\$ 3,222,261</u>	<u>\$ 138,935</u>	<u>\$ 3,361,196</u>

See accompanying Notes to Financial Statements.

GIRL SCOUTS OF SILVER SAGE COUNCIL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2020

	Program Services		Support Services		
	Membership Development	Camps	Management and General	Fundraising	Total
Salaries and Wages	\$ 660,664	\$ 296,408	\$ 230,504	\$ 126,908	\$ 1,314,484
Employees' Health, Life, and Retirement Plan	34,985	17,444	109,705	5,354	167,488
Payroll Taxes and Workers' Compensation	58,036	24,368	19,768	10,966	113,138
Total Personnel Costs	<u>753,685</u>	<u>338,220</u>	<u>359,977</u>	<u>143,228</u>	<u>1,595,110</u>
Cookie Sales Cost of Goods Sold	1,617,540	-	-	-	1,617,540
Merchandise Cost of Goods Sold	96,550	-	-	-	96,550
Cookie Bonuses and Product Incentives	189,065	-	-	-	189,065
Professional Fees	15,880	5,709	3,716	3,125	28,430
Supplies	23,751	31,274	9,127	4,695	68,847
Telephone and Technology	44,506	18,368	5,451	9,264	77,589
Postage	7,730	1,814	662	1,088	11,294
Occupancy	77,737	64,966	13,113	8,350	164,166
Equipment Rental and Maintenance	21,411	20,557	4,939	3,070	49,977
Printing and Publication	7,330	3,410	805	296	11,841
Advertising	30,195	1,424	-	867	32,486
Travel	13,989	7,284	21,066	2,838	45,177
Meeting Costs	121	5,255	1,598	83	7,057
Financial Assistance	35,492	3,740	407	-	39,639
Bank Fees	14,702	4,494	1,674	1,906	22,776
Insurance	30,483	8,886	7,637	4,747	51,753
Bad Debt Expense	1,940	-	2,500	15	4,455
Interest	-	-	10,363	-	10,363
Depreciation	31,521	73,708	7,899	4,909	118,037
Miscellaneous	3,524	1,987	4,370	4,054	13,935
Total Functional Expenses	<u>\$ 3,017,152</u>	<u>\$ 591,096</u>	<u>\$ 455,304</u>	<u>\$ 192,535</u>	<u>\$ 4,256,087</u>
Less: Expenses Included with Revenues on the Statements of Activities:					
Cookie Sales Cost of Goods Sold	(1,617,540)	-	-	-	(1,617,540)
Merchandise Cost of Goods Sold	(96,550)	-	-	-	(96,550)
Rental Expenses	-	-	(1,145)	-	(1,145)
Total Expenses Included in the Expense Section of the Statements of Activities	<u>\$ 1,303,062</u>	<u>\$ 591,096</u>	<u>\$ 454,159</u>	<u>\$ 192,535</u>	<u>\$ 2,540,852</u>

See accompanying Notes to Financial Statements.

GIRL SCOUTS OF SILVER SAGE COUNCIL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2019

	Program Services		Support Services		
	Membership Development	Camps	Management and General	Fundraising	Total
Salaries and Wages	\$ 625,176	\$ 326,161	\$ 178,744	\$ 142,553	\$ 1,272,634
Employees' Health, Life, and Retirement Plan	27,139	9,065	103,068	5,301	144,573
Payroll Taxes and Workers' Compensation	59,747	24,565	15,340	11,907	111,559
Total Personnel Costs	<u>712,062</u>	<u>359,791</u>	<u>297,152</u>	<u>159,761</u>	<u>1,528,766</u>
Cookie Sales Cost of Goods Sold	1,476,058	-	-	-	1,476,058
Merchandise Cost of Goods Sold	140,359	-	-	-	140,359
Cookie Bonuses and Product Incentives	164,891	-	-	-	164,891
Professional Fees	21,248	6,654	5,074	3,754	36,730
Supplies	24,126	57,930	12,307	10,110	104,473
Telephone and Technology	48,969	20,286	6,845	7,899	83,999
Postage	6,446	1,932	856	2,168	11,402
Occupancy	82,961	76,511	13,579	9,940	182,991
Equipment Rental and Maintenance	21,674	29,458	5,213	3,240	59,585
Printing and Publication	18,757	3,015	1,356	15,912	39,040
Advertising	21,255	5,119	43	1,699	28,116
Travel	26,553	14,756	19,523	7,924	68,756
Meeting Costs	644	27,360	577	982	29,563
Financial Assistance	28,065	25,426	263	-	53,754
Bank Fees	13,290	8,234	1,286	1,968	24,778
Insurance	21,853	6,638	5,378	3,342	37,211
Bad Debt Expense	303	-	1,000	-	1,303
Interest	-	-	10,940	-	10,940
Depreciation	28,489	64,652	7,139	4,437	104,717
Miscellaneous	5,746	2,045	12,672	11,048	31,511
Total Functional Expenses	<u>\$ 2,863,749</u>	<u>\$ 709,807</u>	<u>\$ 401,203</u>	<u>\$ 244,184</u>	<u>\$ 4,218,943</u>
Less: Expenses Included with Revenues on the Statements of Activities:					
Cookie Sales Cost of Goods Sold	(1,476,058)	-	-	-	(1,476,058)
Merchandise Cost of Goods Sold	(140,359)	-	-	-	(140,359)
Rental Expenses	-	-	(1,553)	-	(1,553)
Total Expenses Included in the Expense Section of the Statements of Activities	<u>\$ 1,247,332</u>	<u>\$ 709,807</u>	<u>\$ 399,650</u>	<u>\$ 244,184</u>	<u>\$ 2,600,976</u>

See accompanying Notes to Financial Statements.

GIRL SCOUTS OF SILVER SAGE COUNCIL, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Increase in Net Assets	\$ (35,304)	\$ 251,431
Adjustments to Reconcile Net Increase In Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	118,037	104,717
Realized Loss on Sale of Property and Equipment	-	40,949
Realized (Gain) Loss on Investments	5,237	5,708
Unrealized (Gain) Loss on Investments	(18,761)	(12,066)
(Increase) Decrease in Assets:		
Accounts Receivable	(8,864)	573
Prepaid Expenses	5,680	(12,651)
Resale Inventory	(629)	20,451
Grants Receivable	25,344	(10,786)
Increase (Decrease) in Liabilities:		
Accounts Payable	17,555	(31,268)
Accrued Liabilities	71,138	4,316
Cookie Bonuses Payable	77,704	(12,426)
Custodial Funds	(4,517)	(1,471)
Deferred Revenue	(4,611)	7,503
Net Cash Provided by Operating Activities	<u>248,009</u>	<u>354,980</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(17,433)	(26,590)
Proceeds from Sale of Investments	-	6,620
Purchase of Property and Equipment	(156,658)	(170,888)
Net Cash Used by Investing Activities	<u>(174,091)</u>	<u>(190,858)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on Long-Term Debt	290,000	-
Payments on Long-Term Debt	(10,174)	(15,224)
Net Cash Provided (Used) by Financing Activities	<u>279,826</u>	<u>(15,224)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	353,744	148,898
Cash and Cash Equivalents - Beginning of Year	<u>677,429</u>	<u>528,531</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,031,173</u>	<u>\$ 677,429</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION		
Cash Paid for Interest	<u>\$ 10,363</u>	<u>\$ 10,940</u>

See accompanying Notes to Financial Statements.

GIRL SCOUTS OF SILVER SAGE COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Girl Scouts of Silver Sage Council, Inc. (the Council) is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). The Council oversees Girl Scout troops in most of southern Idaho, eastern Oregon, and northern Nevada. The Council's programs include camping and membership development. The primary purpose of the Council is to engage girls in discovering themselves, connecting with others, and taking action to make their world a better place. The Girl Scout Leadership Experience offers opportunities for girls to gain positive values and to contribute to society as leaders, thinkers, and responsible citizens and, to that end, to develop, manage, and maintain Girl Scouting throughout the area of its jurisdiction. The Council is affiliated with Girl Scouts of the United States of America (GSUSA).

Basis of Presentation

All financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Council follows financial statement presentation requirements issued by the Financial Accounting Standards Board (FASB) for nonprofit entities.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Any limitations on these funds are determined by the board of directors.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) 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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. 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.

GIRL SCOUTS OF SILVER SAGE COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

The Council reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions

Cash and Cash Equivalents

For the purpose of presenting the statements of cash flows, the Council considers all highly liquid financial instruments available for current use with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. The Council does not consider assets or other resources to be cash equivalents that would otherwise qualify if those resources are subject to restrictions imposed by the donor (such as investments held to provide long-term operating support).

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for uncollectible amounts through a charge to earnings in the period in which they are determined to be uncollectible. Management determines whether accounts will be collected by regularly evaluating individual receivables. Recoveries of receivables previously written-off are recorded when received. Management determined that an allowance for doubtful accounts was not necessary as of September 30, 2020 and 2019.

Resale Inventory

Inventory, consisting principally of Girl Scout supplies including uniforms, badges, and handbooks, is carried at the lower of cost or net realizable value.

Certificate of Deposit

The certificate of deposit is recorded at cost, plus accrued interest.

Land, Buildings, and Equipment

Land, buildings, and equipment are recorded at original cost. Donated assets are recorded at fair market value at the date of donation. Generally, according to the Council's capitalization policy, furniture, fixtures, equipment, buildings, and improvements over \$5,000, are capitalized, while replacements, maintenance, and repairs, which do not improve or extend the life of the respective assets are expensed as incurred.

GIRL SCOUTS OF SILVER SAGE COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Land, Buildings, and Equipment (Continued)

Depreciation is provided on a straight-line basis over the following estimated useful lives:

Land	Not Depreciated
Buildings and Improvements	15 – 40 Years
Furniture, Fixtures, and Equipment	5 – 10 Years
Land Improvements	5 Years

We review the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended September 30, 2020 and 2019.

Investments

The Council records investments purchased at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

Compensated Absences

Council employees accrue one day of sick leave per month. Any unused sick leave can be accumulated (up to 720 days) but is not payable upon termination of the employee, and therefore not accrued as part of compensated absences. Employees accrue vacation pay between 8 and 32 days per year, depending on employment classification. Employees may carry over 80 hours to be used in the subsequent year. Vacation pay is payable upon termination of the employee. The amount of compensated absences included in accrued liabilities is \$43,493 and \$30,903 at September 30, 2020 and 2019, respectively.

GIRL SCOUTS OF SILVER SAGE COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Revenue is recognized when earned. Program service fees received in advance are deferred to the applicable period in which the related services are performed or expenditures incurred, respectively. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions with donor restrictions are segregated for accounting purposes in order to ensure compliance with the donor's wishes. The Council reports support with donor restrictions if the assets were received with donor purpose or timing restrictions placed on them that will not be satisfied within the same fiscal year. When the applicable restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as Net Assets Released from Program Restrictions. The Council reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor restrictions are placed on the donated assets. Cookie sales are recorded net of product costs and discounts of \$906,926 and \$803,391 and troop proceeds of \$508,258 and \$481,324 for the years ended September 30, 2020 and 2019, respectively. Cost reimbursement grants are recorded as revenue when the costs are incurred. On multi-year grants, conditions need to be met in the current year to be eligible for the remainder of the grant funds. Accordingly, revenues are not recognized until the current year condition of the grant is met or the likelihood of having to return collected funds is remote. At September 30, 2020 and 2019, there were no remaining grant funds to be recognized as revenue for multi-year grants or conditional grants.

Donated Materials, Services, and Facilities

Donated materials, services, and facilities are reflected as contributions in the accompanying financial statements at their estimated values at the date of receipt. A substantial number of volunteers donated significant amounts of their time in the Council's program activities which have not been recorded. These items consisted largely of camp-related goods, advertising, and leases benefiting management and general and camp expenses. Donations of goods, services, and facilities valued at \$26,062 and \$74,382 were recorded in the financial statements for the years ended September 30, 2020 and 2019, respectively.

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The Council's policy is to allocate and record expenses to various cost centers based on the direct association of that expense to the particular cost center. Cost centers are segregated into individual programs, general administration, and fundraising. Costs that cannot be directly associated with only one cost center are allocated to cost centers based on defined percentages that differ depending on the type of expense. Significant attention is focused to assure that only costs directly attributable to programs are allocated to programs. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on percentage of employees' time spent on each activity.

GIRL SCOUTS OF SILVER SAGE COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Council is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is subject to federal income tax only on net unrelated business income. The Council currently has no unrelated business income and is not considered a private foundation within the meaning of Section 509(a) of the Internal Revenue Code and all charitable contributions are considered tax deductible.

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

Advertising

Advertising costs are expensed as incurred. Advertising expense totaled \$32,486 and \$28,116 for the years ended September 30, 2020 and 2019, respectively.

Sales Taxes

The Council collects sales tax on cookie, camp, and retail sales. Sales taxes collected on cookie sales are recognized in gross cookie sales revenue. Upon remittance, this revenue is reduced by the amount of the remittance. Sales taxes collected on camp and retail sales are recognized in a liability account. Upon remittance, this account is reduced by the amount of the remittance.

Change in Accounting Principle

In June 2018, FASB issued ASU 2018-08 related to the accounting for contributions received and contributions made. This update applies to both resource recipients and resource providers and assists in evaluating whether a transfer of assets is an exchange transaction or a contribution and also assists with distinguishing between conditional and unconditional contributions. Distinguishing between contributions and exchange transactions determines which guidance should be applied. For contributions, the guidance in Subtopic 958-605 should be followed and for exchange transactions, Topic 606 should be followed. The financial statements reflect the adoption for ASU 2018-08 as of October 1, 2019.

New Accounting Pronouncement Effective in Future Accounting Periods

Revenue from Contracts with Customers

In May 2014, the FASB issued amended guidance to clarify the principles for recognizing revenue from contracts with customers. The guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Additionally, qualitative and quantitative disclosures are required regarding customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract.

GIRL SCOUTS OF SILVER SAGE COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncement Effective in Future Accounting Periods (Continued)

Revenue from Contracts with Customers (Continued)

The guidance will initially be applied retrospectively using one of two methods. The standard will be effective for the Council for annual periods beginning after December 15, 2020. Management is evaluating the impact of the amended revenue recognition guidance on the Council's financial statements.

Leases

In February 2016, the FASB issued Accounting Standards Update No. 2016- 02, *Leases (Topic 842)*, to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing essential information about leasing transactions. Topic 842 is a comprehensive lease accounting standard that requires entities that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the balance sheet for leases with terms exceeding 12 months. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. The standard will be effective for the Council for annual periods beginning after December 15, 2021; however, early application is permitted. Management is currently evaluating the impact this guidance will have on its financial statements.

Subordinate Unit Bank Accounts

Girl Scout troops establish bank accounts under the Council's tax identification number. All troop funds are maintained for the benefit of the girls within the respective troop. These funds are not under the financial control of the Council and have not been included in the financial statements.

Use of 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 as of the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Self-Insurance

The Council is self-insured for unemployment benefits. The Council has accrued estimated additional costs it expects to incur associated with unemployment claims of \$19,499 and \$12,746 for the years ended September 30, 2020 and 2019, respectively. During the years ended September 30, 2020 and 2019, the Council paid \$3,682 and \$8,058 in unemployment claims to the state of Idaho, respectively.

GIRL SCOUTS OF SILVER SAGE COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations of Credit Risk

The Council maintains its cash deposits at various financial institutions which at times may exceed federally insured limits.

Risks and Uncertainties

The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 may impact various parts of its 2021 operations and financial results. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these effects are still developing.

Subsequent Events

Subsequent to year-end, the Council received a Second Draw PPP loan of \$297,850 as part of the Paycheck Protection Program. These funds must be used in accordance with the program requirements. Additionally, some or all of the funds may be forgiven based on compliance with program requirements and approval by the U.S. Small Business Administration.

Subsequent events have been evaluated through March 25, 2021, which is the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2020	2019
Cash and Cash Equivalents	\$ 1,031,173	677,429
Certificate of Deposit	105,169	103,811
Accounts Receivable	12,372	3,508
Investments	600,235	570,636
Unconditional Promises:		
Grants Receivable	5,000	30,344
Donor Restricted Net Assets	(95,142)	(66,361)
Total	<u>\$ 1,658,807</u>	<u>\$ 1,319,367</u>

The Council receives some contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Council manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

GIRL SCOUTS OF SILVER SAGE COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)

The Council has a liquidity practice to maintain current financial assets less current liabilities at a minimum of 30 days operating expenses. The Council has a practice to target a year-end balance of reserves of unrestricted, undesignated net assets to meet 90 to 120 days of expected expenditures. To achieve these targets, the Council forecasts its future cash flows and monitors its liquidity quarterly and monitors its reserves annually. During the years ended September 30, 2020 and 2019, the level of liquidity and reserves was managed within these best practices.

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES

The Council reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique.

Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the

assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk or liquidity profile of the asset or liability.

GIRL SCOUTS OF SILVER SAGE COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Council believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Purchases and sales of securities are recorded on a trade-date basis. Investment income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

The following tables set forth by level within the fair value hierarchy, the Council's assets at September 30:

2020				
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Domestic Equity	\$ 146,210	\$ -	\$ -	\$ 146,210
Fixed Income	330,959	-	-	330,959
International Equity	138,152	-	-	138,152
Real Estate	12,526	-	-	12,526
Money Market	44,962	-	-	44,962
Total Mutual Funds	<u>\$ 672,809</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 672,809</u>

2019				
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Domestic Equity	\$ 135,464	\$ -	\$ -	\$ 135,464
Fixed Income	328,872	-	-	328,872
International Equity	139,392	-	-	139,392
Real Estate	8,039	-	-	8,039
Money Market	31,443	-	-	31,443
Total Mutual Funds	<u>\$ 643,210</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 643,210</u>

NOTE 4 PROMISES TO GIVE

Unconditional promises to give are recognized as revenues in the period received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Unconditional promises to give were \$5,000 and \$30,344 as of September 30, 2020 and 2019, respectively. Promises to give are considered to be fully collectible by management. Accordingly, no allowance for uncollectible promises is considered necessary. Promises to give due in less than one year and from one to five years as of September 30, 2020 were \$5,000 and \$-0-, respectively. Promises to give due in less than one year and from one-to-five years as of September 30, 2019 were \$30,344 and \$-0-, respectively.

GIRL SCOUTS OF SILVER SAGE COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 5 LAND, BUILDINGS, AND EQUIPMENT

Following is a summary of the Council's land, buildings, and equipment as of September 30:

	2020	2019
Land	\$ 320,087	\$ 320,087
Land Improvements	315,822	291,599
Buildings and Improvements	2,468,522	2,400,010
Equipment	601,823	537,848
Construction in Progress	-	-
Total	3,706,254	3,549,544
Less: Accumulated Depreciation	(1,332,281)	(1,214,192)
Net Land, Buildings, and Equipment	<u>\$ 2,373,973</u>	<u>\$ 2,335,352</u>

Depreciation and amortization expense for the years ended September 30, 2020 and 2019 was \$118,037 and \$104,717, respectively.

NOTE 6 COOKIE BONUSES PAYABLE

The Council has an incentive program for cookie sales. Girl Scouts selling cookies are rewarded with cookie bonuses based on the number of cookies sold. Cookie bonuses may be used for camping fees, badges, uniforms, or any other Girl Scouting activity or supplies. Cookie bonuses are forfeited if not used by the second fiscal year-end after issuance. Unused cookie bonuses as of September 30, 2020 and 2019, totaled \$228,385 and \$150,681, respectively, and are shown as a liability on the statements of financial position.

NOTE 7 LINE OF CREDIT

On December 14, 2017, the Council entered into a revolving line-of-credit agreement (the Agreement) with D. L. Evans Bank. The Agreement provides for borrowings through December 14, 2022. Borrowings will bear interest at prime plus 0.05%, with a minimum interest rate of 4.75%. The maximum amount that may be outstanding under the agreement is \$300,000. The line of credit is secured by real property owned by the Council. There was no balance due on the line of credit as of September 30, 2020.

On March 17, 2017, the Council entered into a revolving line-of-credit agreement (the Agreement) with D. L. Evans Bank. The Agreement provides for borrowings through March 20, 2027. Borrowings will bear interest at prime plus 0.05%, with a minimum interest rate of 4.5%. The maximum amount that may be outstanding under the agreement is \$154,000. The line of credit is secured by all assets owned by the Council. There was no balance due on the line of credit as of September 30, 2020.

GIRL SCOUTS OF SILVER SAGE COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 8 LONG TERM DEBT

Long-term debt consisted of the following as of September 30:

<u>Description</u>	<u>2020</u>	<u>2019</u>
First Interstate Bank; monthly payments of \$628, plus interest at 5.0%, maturing December 10, 2019, secured by equipment	\$ -	\$ 1,871
DL Evans Bank; monthly payments of \$1,557, plus interest at 4.25%, maturing December 15, 2027, secured by property	227,030	235,678
DL Evans Bank PPP loan; no payments due until Oct 2020, plus interest at 1.00%, maturing April 1, 2022, no collateral	<u>290,000</u>	<u>-</u>
Subtotal	517,030	237,549
Less: Unamortized Debt Issuance Costs	<u>2,488</u>	<u>2,833</u>
Long-Term Debt, Net Unamortized Debt Issuance Costs	514,542	234,716
Less: Current Maturities	<u>191,248</u>	<u>10,519</u>
Total Long-Term Debt, Net of Issuance Costs and Current Maturities	<u>\$ 323,294</u>	<u>\$ 224,197</u>

On April 13th, the Company received a loan from DL Evans in the amount of \$290,000 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over 24 months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Company fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. The covered period from April 13, 2020 to September 28, 2020, is the time that a business has to spend their PPP Loan funds.

GIRL SCOUTS OF SILVER SAGE COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 8 LONG TERM DEBT (CONTINUED)

Scheduled principal payments on long-term debt are as follows as of September 30, 2020:

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 191,248
2022	117,299
2023	9,622
2024	10,001
2025	10,510
Thereafter	178,350
Total	<u>\$ 517,030</u>

NOTE 9 RESTRICTIONS ON NET ASSETS

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

	<u>2020</u>	<u>2019</u>
Net Assets with Temporary Donor Restrictions		
STEM Program	\$ 46,227	\$ 12,696
Financial Aid	31,738	30,448
Rural and Native Girl Scout Opportunities	10,613	16,565
Vision Program	5,000	4,725
Gold Award	1,564	1,927
Subtotal	<u>95,142</u>	<u>66,361</u>
Net Asset with Permanent Donor Restrictions		
Susan Cole Endowment	11,174	11,174
Tomorrow's Promises Endowment	61,400	61,400
Subtotal	<u>72,574</u>	<u>72,574</u>
Total Net Assets With Donor Restrictions	<u>\$ 167,716</u>	<u>\$ 138,935</u>

The investment income earned by the endowments above is considered available for use in general operations.

NOTE 10 ENDOWMENTS

The Council receives certain gift assets restricted for endowment purposes. The gift assets are generally donor directed for a variety of purposes. Restriction requirements for principal preservation are addressed by Idaho statute and are applicable in the absence of further guidance from the donor. As required by accounting principles generally accepted in the United States of America, net assets associated with the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The state of Idaho enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and the board of directors of the Council has interpreted the 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.

GIRL SCOUTS OF SILVER SAGE COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 10 ENDOWMENTS (CONTINUED)

As a result of this interpretation, the Council classifies as net assets with donor restrictions (a) the original value of gifts donated with donor restrictions, (b) the original value of subsequent gifts, and (c) accumulations to the accounts made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. The remaining portion of the donor-restricted endowment fund that is not required to be held in perpetuity are included in net assets with donor restrictions 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:

- a. The duration and preservation of the fund
- b. The purposes of Council and the donor-restricted endowment fund
- c. General economic conditions
- d. The possible effect of inflation and deflation
- e. The expected total return from income and the appreciation of investments
- f. Other resources of the Council
- g. The investment policies of the Council

Funds with Deficiencies

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 require the Council to retain as a fund of perpetual duration. Deficiencies of this nature are reported in net assets with donor restrictions. There were no such deficiencies as of September 30, 2020 and 2019, respectively.

Investment and Spending Policies

The Council has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Under this policy, the endowment assets are invested in a manner as to provide for safety of principal through diversification of investments while growing the corpus in real, inflation-adjusted terms after spending and expenses. 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).

Composition of endowment net assets for the years ended September 30:

	<u>2020</u>	<u>2019</u>
With Donor Restriction		
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by UPMIFA	<u>\$ 72,574</u>	<u>\$ 72,574</u>

GIRL SCOUTS OF SILVER SAGE COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 10 ENDOWMENTS (CONTINUED)

Changes in endowment assets for the years ended September 30, 2020 and 2019 were as follows:

	2020		
	Without Donor Restriction	With Donor Restriction	Total
Beginning of Year Balance	\$ -	\$ 72,574	\$ 72,574
Contributions	-	-	-
Investment Income	-	1,600	1,600
Realized and Unrealized Loss	-	(26)	(26)
Appropriated for Expenditures	-	(1,574)	(1,574)
End of Year Balance	<u>\$ -</u>	<u>\$ 72,574</u>	<u>\$ 72,574</u>

	2019		
	Without Donor Restriction	With Donor Restriction	Total
Beginning of Period Balance	\$ -	\$ 72,574	\$ 72,574
Contributions	-	-	-
Investment Income	-	1,567	1,567
Realized and Unrealized Gains	-	1,838	1,838
Appropriated for Expenditures	-	(3,405)	(3,405)
End of Period Balance	<u>\$ -</u>	<u>\$ 72,574</u>	<u>\$ 72,574</u>

NOTE 11 LEASING ACTIVITIES

The Council leases office space, equipment, and land under various noncancelable operating lease arrangements.

Minimum future rental payments under the long-term operating leases as of September 30, 2020 are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 45,842
2022	27,362
2023	13,419
2024	6,447
2025	6,447
Thereafter	8,059
Total	<u>\$ 107,576</u>

Rental expense under operating leases was \$60,025 and \$64,589 for the years ended September 30, 2020 and 2019, respectively.

The Council leases land from the city of Boise at below market value. The difference between the required annual payments and the fair market value is recorded as in-kind revenue in the year of receipt. The amount recognized in the years ended September 30, 2020 and 2019 for in-kind revenue and rental expense related to this lease was \$19,000.

GIRL SCOUTS OF SILVER SAGE COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 12 RELATED PARTY TRANSACTIONS

During the years ended September 30, 2020 and 2019, contributions received from members of the board of directors totaled \$16,335 and \$25,155, respectively. As of September 30, 2020 and 2019, unconditional promises to give from members of the board of directors totaled \$-0- and \$1,000, respectively.

A majority of the merchandise sold by the Council is purchased from GSUSA. Total payments made to GSUSA for merchandise purchases totaled \$71,026 and \$97,208 for the years ended September 30, 2020 and 2019, respectively. Amounts due to GSUSA for merchandise purchases totaled \$855 and \$3,409 as of September 30, 2020 and 2019, respectively.

NOTE 13 EMPLOYEE BENEFIT PLANS

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

Although net Plan assets grew during the year, net Plan assets available for Plan benefits continue to be less than the actuarial present value of accumulated Plan benefits as of January 1, 2020. Based on the April 18, 2014 conditional approval by the Internal Revenue Service (IRS), all existing amortization bases in the Plan's funding standard account as of January 1, 2013 were combined into one base and the resulting amortization period for that single base was extended to 10 years. Approval applies as long as at a minimum, beginning with the January 1, 2013 calendar year, \$30,000,000 is remitted. The \$30,000,000 calendar year minimum applies for each succeeding calendar year until the Plan is fully funded based upon the requirements of the Pension Protection Act of 2006 (PPA). In addition, on April 8, 2014, President Obama signed H.R. 4275 into law, a relief package unanimously passed by Congress that gives NGSCR the flexibility to adopt the Pension Protection Act (PPA) funding requirements immediately or not at all. NGSCR has elected to adopt this relief and not be subject to PPA. In September 2020, the National Board of Girl Scouts of the USA approved to lower the contributions from \$30 million for calendar years 2021 and 2022 to \$26 million starting in calendar year 2023 until the Plan is fully funded based upon the requirements of the Pension Protection Act of 2006 (PPA). Aggregate annual contributions made in fiscal years 2019 and 2020 were \$32.2 million and \$32.2 million, respectively.

Aggregate contributions to be made in fiscal 2021 are expected to be \$32.2 million. Pension expense was \$89,856 and \$89,856 for the years ended September 30, 2020 and 2019, respectively. GSUSA provided no financial assistance to the Council for the years ended September 30, 2020 and 2019, to reduce the pension expense of the Plan. The future costs of funding the unfunded liability will be subject to market conditions and could increase.

**GIRL SCOUTS OF SILVER SAGE COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019**

NOTE 13 EMPLOYEE BENEFIT PLANS (CONTINUED)

The Council adopted a defined contribution plan, beginning March 2000, covering all full-time employees over the age of 21. The Plan conforms to the provisions set forth by Internal Revenue Code Section 401(k). The Council did not make any matching contributions for the years ended September 30, 2020 and 2019 into this Plan.