# Girl Scouts, San Diego-Imperial Council, Inc.

## Financial Statements
## and Independent Auditor's Report

## September 30, 2024 and 2023

CohnReznick
ADVISORY • ASSURANCE • TAX

**Girl Scouts, San Diego-Imperial Council, Inc.**

Index

# Independent Auditor's Report

To the Board of Directors
Girl Scouts, San Diego-Imperial Council, Inc.

*Opinion*

We have audited the financial statements of Girl Scouts, San Diego-Imperial Council, Inc., which comprise the statements of financial position as of September 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Girl Scouts, San Diego-Imperial Council, Inc as of September 30, 2024 and 2023, 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.

*Basis for Opinion*

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

*Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Girl Scouts, San Diego-Imperial Council, Inc. ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Girl Scouts, San Diego-Imperial Council, Inc. internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Girl Scouts, San Diego-Imperial Council, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

CohnReznick LLP

San Diego, California
January 15, 2025

**Girl Scouts, San Diego-Imperial Council, Inc.**

**Statements of Financial Position**
**September 30, 2024 and 2023**

Assets

| | 2024 | 2023 |
|---|---|---|
| Current assets | | |
| Cash and cash equivalents | $ 2,435,966 | $ 4,885,882 |
| Accounts receivable, net | 348,309 | 24,260 |
| Unconditional promises to give, net | 222,400 | 60,437 |
| Inventory, net | 329,334 | 366,548 |
| Prepaid expenses and deposits | 615,256 | 672,385 |
| Total current assets | 3,951,265 | 6,009,512 |
| Investment assets | | |
| Investments | 15,026,330 | 12,570,936 |
| Beneficial interest in perpetual trust | 120,684 | 100,138 |
| Total investment assets | 15,147,014 | 12,671,074 |
| Property and equipment | | |
| Land, buildings and equipment | 25,252,303 | 25,198,835 |
| Less accumulated depreciation | (13,637,829) | (13,821,791) |
| Total property and equipment, net | 11,614,474 | 11,377,044 |
| Right-of-use assets | 23,723 | 150,910 |
| Total assets | $ 30,736,476 | $ 30,208,540 |

**Girl Scouts, San Diego-Imperial Council, Inc.**

**Statements of Financial Position**
**September 30, 2024 and 2023**

Liabilities and Net Assets

| | 2024 | 2023 |
|---|---|---|
| Current liabilities | | |
| Accounts payable | $ 273,549 | $ 512,883 |
| Accrued expenses | 640,482 | 507,919 |
| Deferred revenue | 305,038 | 26,626 |
| Current portion of operating lease liabilities | 13,321 | 148,335 |
| Total current liabilities | 1,232,390 | 1,195,763 |
| Long-term liabilities | | |
| Operating lease liabilities, net of current portion | 10,837 | 10,225 |
| Total long-term liabilities | 10,837 | 10,225 |
| Total liabilities | 1,243,227 | 1,205,988 |
| Commitments and contingencies | | |
| Net assets | | |
| Without donor restrictions | 28,861,132 | 28,539,764 |
| With donor restrictions | | |
| Perpetual in nature | 307,184 | 279,638 |
| Time or purpose restrictions | 324,933 | 183,150 |
| Subtotal net assets with donor restrictions | 632,117 | 462,788 |
| Total net assets | 29,493,249 | 29,002,552 |
| Total liabilities and net assets | $ 30,736,476 | $ 30,208,540 |

See Notes to Financial Statements.

**Girl Scouts, San Diego-Imperial Council, Inc.**

**Statement of Activities**
**Year Ended September 30, 2024**

| | Without donor restrictions | With donor restrictions | Total |
|---|---|---|---|
| Program, contribution and other revenue | | | |
| Contributions and bequests | $ 1,098,335 | $ 413,034 | $ 1,511,369 |
| In-kind contributions | 36,171 | - | 36,171 |
| Camp and program service fees | 1,456,885 | - | 1,456,885 |
| Government grant revenue | 668,395 | - | 668,395 |
| Net assets released from restriction | 293,934 | (293,934) | - |
| Total program, contribution and other revenue | 3,553,720 | 119,100 | 3,672,820 |
| Product program revenue (net of cost of goods sold) | | | |
| Cookie sales | 13,837,224 | - | 13,837,224 |
| Less cost of goods sold | 5,368,181 | - | 5,368,181 |
| Net cookie sales | 8,469,043 | - | 8,469,043 |
| Merchandise sales | 692,312 | - | 692,312 |
| Less cost of goods sold | 374,051 | - | 374,051 |
| Net merchandise sales | 318,261 | - | 318,261 |
| Fall product sales | 1,316,693 | - | 1,316,693 |
| Less cost of goods sold | 838,835 | - | 838,835 |
| Net Fall product sales | 477,858 | - | 477,858 |
| Total product program revenue (net of cost of goods sold) | 9,265,162 | - | 9,265,162 |
| Total program, contribution, other revenue and product program revenue (net) | 12,818,882 | 119,100 | 12,937,982 |
| Operating expense | | | |
| Program services expense | | | |
| Personnel and related | 7,364,134 | - | 7,364,134 |
| Nonpersonnel related | 4,831,970 | - | 4,831,970 |
| Total program services expense | 12,196,104 | - | 12,196,104 |
| Supporting services expense | | | |
| Management and general | 1,381,940 | - | 1,381,940 |
| Fundraising and development | 1,338,567 | - | 1,338,567 |
| Total supporting services expense | 2,720,507 | - | 2,720,507 |
| Total operating expenses | 14,916,611 | - | 14,916,611 |
| Operating loss | (2,097,729) | 119,100 | (1,978,629) |

**Girl Scouts, San Diego-Imperial Council, Inc.**

**Statement of Activities**
**Year Ended September 30, 2024**

| | Without donor restrictions | With donor restrictions | Total |
|---|---|---|---|
| Other income (expense) | | | |
| Employee pension expense | (262,614) | - | (262,614) |
| Investment gain, net | 2,595,817 | 29,683 | 2,625,500 |
| Change in value of beneficial interest in perpetual trust | - | 20,546 | 20,546 |
| Other income | 85,894 | - | 85,894 |
| Total other income | 2,419,097 | 50,229 | 2,469,326 |
| Change in net assets | 321,368 | 169,329 | 490,697 |
| Net assets, beginning | 28,539,764 | 462,788 | 29,002,552 |
| Net assets, end | $ 28,861,132 | $ 632,117 | $ 29,493,249 |

See Notes to Financial Statements.

## Girl Scouts, San Diego-Imperial Council, Inc.

### Statement of Activities
### Year Ended September 30, 2023

| | Without donor restrictions | With donor restrictions | Total |
|---|---|---|---|
| Program, contribution and other revenue | | | |
| Contributions and bequests | $ 919,998 | $ 659,015 | $ 1,579,013 |
| In-kind contributions | 47,432 | - | 47,432 |
| Camp and program service fees | 1,434,669 | - | 1,434,669 |
| Government grant revenue | 151,405 | - | 151,405 |
| Net assets released from restriction | 731,303 | (731,303) | - |
| Total program, contribution and other revenue | 3,284,807 | (72,288) | 3,212,519 |
| Product program revenue (net of cost of goods sold) | | | |
| Cookie sales | 14,063,328 | - | 14,063,328 |
| Less cost of goods sold | 5,504,662 | - | 5,504,662 |
| Net cookie sales | 8,558,666 | - | 8,558,666 |
| Merchandise sales | 776,790 | - | 776,790 |
| Less cost of goods sold | 442,473 | - | 442,473 |
| Net merchandise sales | 334,317 | - | 334,317 |
| Fall product sales | 1,326,961 | - | 1,326,961 |
| Less cost of goods sold | 845,072 | - | 845,072 |
| Net Fall product sales | 481,889 | - | 481,889 |
| Total product program revenue (net of cost of goods sold) | 9,374,872 | - | 9,374,872 |
| Total program, contribution, other revenue (expense) and product program revenue (net) | 12,659,679 | (72,288) | 12,587,391 |
| Operating expense | | | |
| Program services expense | | | |
| Personnel and related | 7,057,472 | - | 7,057,472 |
| Nonpersonnel related | 4,778,981 | - | 4,778,981 |
| Total program services expense | 11,836,453 | - | 11,836,453 |
| Supporting services expense | | | |
| Management and general | 1,141,104 | - | 1,141,104 |
| Fundraising and development | 1,061,055 | - | 1,061,055 |
| Total supporting services expense | 2,202,159 | - | 2,202,159 |
| Total operating expenses | 14,038,612 | - | 14,038,612 |
| Operating loss | (1,378,933) | (72,288) | (1,451,221) |

**Girl Scouts, San Diego-Imperial Council, Inc.**

**Statement of Activities**
**Year Ended September 30, 2023**

| | Without donor restrictions | With donor restrictions | Total |
|---|---|---|---|
| Other income (expense) | | | |
| Employee pension expense | (277,034) | - | (277,034) |
| Investment gain, net | 1,590,558 | 10,759 | 1,601,317 |
| Change in value of beneficial interest in perpetual trust | - | (15,312) | (15,312) |
| Other income | 550,150 | - | 550,150 |
| Total other income (expense) | 1,863,674 | (4,553) | 1,859,121 |
| Change in net assets | 484,741 | (76,841) | 407,900 |
| Net assets, beginning | 28,055,023 | 539,629 | 28,594,652 |
| Net assets, end | $ 28,539,764 | $ 462,788 | $ 29,002,552 |

See Notes to Financial Statements.

## Girl Scouts, San Diego-Imperial Council, Inc.

### Statement of Functional Expenses
### Year Ended September 30, 2024

| | Program services | Management and general | Fundraising | Total |
|---|---|---|---|---|
| Operating expenses | | | | |
| Personnel and related | | | | |
| Salaries and contract labor | $ 6,222,472 | $ 659,273 | $ 697,920 | $ 7,579,665 |
| Employee benefits and payroll taxes | 1,141,662 | 127,846 | 154,579 | 1,424,087 |
| Total personnel and related | 7,364,134 | 787,119 | 852,499 | 9,003,752 |
| Nonpersonnel | | | | |
| Professional fees | 666,362 | 273,197 | 29,780 | 969,339 |
| Supplies | 197,764 | 3,092 | 12,350 | 213,206 |
| Communications and data services | 137,225 | 10,058 | 11,544 | 158,827 |
| Postage and shipping | 15,872 | 676 | 6,435 | 22,983 |
| Occupancy | 887,449 | 29,846 | 3,023 | 920,318 |
| Forestry maintenance | 336,482 | - | - | 336,482 |
| Insurance | 416,294 | 149,622 | - | 565,916 |
| Equipment purchases - minor | 92,600 | 7,421 | 7,246 | 107,267 |
| Equipment rent and maintenance | 359,454 | 50,539 | 137,130 | 547,123 |
| Printing and distribution | 146,523 | 10,059 | 44,561 | 201,143 |
| Transportation | 256,276 | 7,174 | 22,912 | 286,362 |
| Conferences and meetings | 158,389 | 5,563 | 136,624 | 300,576 |
| Public relations and marketing | 13,792 | - | - | 13,792 |
| Organization dues | 14,044 | 1,888 | 8,589 | 24,521 |
| Miscellaneous | 81,347 | 12,913 | 14,036 | 108,296 |
| Awards and appreciation | 66,877 | 607 | 14,276 | 81,760 |
| Program training events | 10,608 | - | 35 | 10,643 |
| Girl and adult assistance | 214,295 | - | - | 214,295 |
| Cookie sales cost of goods sold | 5,368,181 | - | - | 5,368,181 |
| Merchandise sales cost of goods sold | 374,051 | - | - | 374,051 |
| Fall product cost of goods sold | 838,835 | - | - | 838,835 |
| Total nonpersonnel | 10,652,720 | 562,655 | 448,541 | 11,663,916 |
| Total expenses by function before depreciation | 18,016,854 | 1,349,774 | 1,301,040 | 20,667,668 |
| Plus depreciation | 760,317 | 32,166 | 37,527 | 830,010 |
| Less expenses included with revenues on the statement of activities | | | | |
| Cookie sales cost of goods sold | (5,368,181) | - | - | (5,368,181) |
| Merchandise sales cost of goods sold | (374,051) | - | - | (374,051) |
| Fall product cost of goods sold | (838,835) | - | - | (838,835) |
| Total expenses included in the expense section of the statement of activities | $ 12,196,104 | $ 1,381,940 | $ 1,338,567 | $ 14,916,611 |

See Notes to Financial Statements.

## Girl Scouts, San Diego-Imperial Council, Inc.

## Statement of Functional Expenses
## Year Ended September 30, 2023

| | Program services | Management and general | Fundraising | Total |
|---|---|---|---|---|
| Operating expenses | | | | |
| Personnel and related | | | | |
| Salaries and contract labor | $ 5,940,973 | $ 492,311 | $ 480,640 | $ 6,913,924 |
| Employee benefits and payroll taxes | 1,116,499 | 104,936 | 109,393 | 1,330,828 |
| Total personnel and related | 7,057,472 | 597,247 | 590,033 | 8,244,752 |
| Nonpersonnel | | | | |
| Professional fees | 641,152 | 243,727 | 76,758 | 961,637 |
| Supplies | 328,390 | 3,133 | 61,307 | 392,830 |
| Communications and data services | 132,213 | 7,171 | 8,681 | 148,065 |
| Postage and shipping | 25,090 | 838 | 6,209 | 32,137 |
| Occupancy | 901,140 | 24,314 | 20,348 | 945,802 |
| Forestry maintenance | 309,093 | - | - | 309,093 |
| Insurance | 364,471 | 165,536 | 57 | 530,064 |
| Equipment purchases - minor | 170,156 | 8,380 | 10,550 | 189,086 |
| Equipment rent and maintenance | 383,860 | 41,872 | 125,617 | 551,349 |
| Printing and distribution | 86,487 | 4,625 | 38,409 | 129,521 |
| Transportation | 239,194 | 2,923 | 14,203 | 256,320 |
| Conferences and meetings | 100,005 | 3,638 | 62,362 | 166,005 |
| Public relations and marketing | 26,585 | 806 | 968 | 28,359 |
| Organization dues | 5,240 | 1,145 | 3,399 | 9,784 |
| Miscellaneous | 72,257 | 7,353 | 11,226 | 90,836 |
| Awards and appreciation | 60,625 | 799 | 7,653 | 69,077 |
| Program training events | 25,108 | 233 | 472 | 25,813 |
| Girl and adult assistance | 185,773 | - | - | 185,773 |
| Cookie sales cost of goods sold | 5,504,662 | - | - | 5,504,662 |
| Merchandise sales cost of goods sold | 442,473 | - | - | 442,473 |
| Fall product cost of goods sold | 845,072 | - | - | 845,072 |
| Total nonpersonnel | 10,849,046 | 516,493 | 448,219 | 11,813,758 |
| Total expenses by function before depreciation | 17,906,518 | 1,113,740 | 1,038,252 | 20,058,510 |
| Plus depreciation | 722,142 | 27,364 | 22,803 | 772,309 |
| Less expenses included with revenues on the statement of activities | | | | |
| Cookie sales cost of goods sold | (5,504,662) | - | - | (5,504,662) |
| Merchandise sales cost of goods sold | (442,473) | - | - | (442,473) |
| Fall product cost of goods sold | (845,072) | - | - | (845,072) |
| Total expenses included in the expense section of the statement of activities | $ 11,836,453 | $ 1,141,104 | $ 1,061,055 | $ 14,038,612 |

See Notes to Financial Statements.

## Girl Scouts, San Diego-Imperial Council, Inc.

## Statements of Cash Flows
## Years Ended September 30, 2024 and 2023

| | 2024 | 2023 |
|---|---|---|
| Cash flows from operating activities | | |
| Change in net assets | $ 490,697 | $ 407,900 |
| Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities | | |
| Depreciation | 830,010 | 772,309 |
| Bad debt expense | 33,355 | 43,586 |
| Realized and unrealized (gains) losses on investments | (1,998,286) | 1,007,650 |
| Amortization of right-of-use assets | 141,827 | 136,395 |
| (Increase) decrease in beneficial interest in perpetual trust | (20,546) | 15,312 |
| Changes in operating assets and liabilities | | |
| Accounts receivable, net | (357,404) | (45,846) |
| Unconditional promises to give, net | (161,963) | (2,937) |
| Inventory, net | 37,214 | (25,642) |
| Prepaid expenses and deposits | 57,129 | (53,760) |
| Accounts payable | (239,334) | (118,158) |
| Accrued expenses | 132,563 | (221,175) |
| Deferred revenue | 278,412 | 90,319 |
| Operating lease liabilities | (149,042) | (145,321) |
| Net cash (used in) provided by operating activities | (925,368) | 1,860,632 |
| Cash flows from investing activities | | |
| Purchase of property and equipment | (1,067,440) | (1,023,402) |
| Purchase of investments | (2,187,031) | (3,607,892) |
| Sale of investments | 1,729,923 | 3,105,646 |
| Net cash used in investing activities | (1,524,548) | (1,525,648) |
| Net (decrease) increase in cash and cash equivalents | (2,449,916) | 334,984 |
| Cash and cash equivalents, beginning | 4,885,882 | 4,550,898 |
| Cash and cash equivalents, end | $ 2,435,966 | $ 4,885,882 |
| Supplemental schedule of noncash financing activities | | |
| Recognition of right-of-use asset and lease liability | $ 14,640 | $ 303,881 |

See Notes to Financial Statements.

## Note 1 - Summary of significant accounting policies

### Nature of organization

Girl Scouts, San Diego-Imperial Council, Inc. (the "Organization") is southern California's premier girl leadership development organization and the preeminent expert on girls. For over 100 years, the Organization has prepared girls to successfully face life challenges - from the wilderness to the boardroom - with courage, confidence, and character.

Girl Scouts thoroughly researches girls' needs, using the results to develop effective programming, delivered in an all-girl environment. Research finds that Girl Scouts shine above their peers in leadership, academics, career aspirations and hope for the future. Through programs focused on the outdoors; science, technology, engineering, and math ("STEM"); life skills and entrepreneurship - Girl Scouts develop a strong sense of self, have positive values, seek challenges and learn from setbacks, develop and maintain healthy relationships, and exhibit problem-solving skills.

The Organization is a volunteer-based not-for-profit that welcomes all girls, ages 5 to 17, who accept the Girl Scout Promise and Law. The Organization was established in 1927 and incorporated in April 1928 as Girl Scout Council of San Diego County, a California nonprofit corporation. In November 1965, the Organization was renamed Girl Scouts, San Diego-Imperial Council, Inc. to reflect the inclusion of Imperial County.

As of September 30, 2024, the Organization's management reports 15,099 girl members, 7,035 adult members/volunteers, 2,407 lifetime members and 1,069 troops/groups.

From the back yard to the backcountry, Girl Scouts has a long, storied, and successful history of getting girls outdoors. In fact, many Girl Scouts say "camping trips" are one of the best things about their Girl Scout experience. It's true: connecting with nature in a girl-led setting is a big benefit of belonging to Girl Scouts.

Studies show that girls today are not spending nearly enough time outdoors. Technology and structured activities leave less time for girls to get outside and enjoy nature. When girls spend quality time outdoors and increase their exposure to nature, they thrive physically, emotionally, and intellectually.

Four of the five facilities operated by the Organization offer opportunities for girls to create their own outdoor adventures and develop a lifelong appreciation for nature and the out-of-doors at camp or with their troops, friends, or family.

And that's great news - because when Girl Scouts get outside, they:

- Discover that they can better solve problems and overcome challenges;
- Develop leadership skills, build social bonds, and are happier overall; and
- Become team players and care more about protecting our environment.

The Organization operates the following facilities/properties to support its members and volunteers and provide mission-based programming:

- Balboa Program Center, San Diego (11 acres): headquarters, administrative offices, leadership training center, resource center, store, amphitheater, cabins, lawn for tent camping, climbing tower, archery zone, art center, nature/STEM center, and other activities and programs.

- Escondido Program Center, Escondido (2 acres): administrative offices, store, resource center, lodge, outdoor program space, and other activities and programs.

- North Coastal Program Center, Carlsbad: administrative offices, training center, store, resource center, and other activities and programs.

- Camp Winacka, near Julian (590 acres): resident camp facilities, lodge, cabins, pool, lake, fishing dock, nature center, art center, archery zone, helipad, telescope, garden, horseback riding facilities, and other activities and programs.

- Camp Whispering Oaks, near Julian (55 acres): resident camp facilities, lodge, cabins, art center, high ropes challenge course and zipline, archery zone, recreational field, and other activities and programs.

See Note 6 for specific leased properties.

The Organization operates under a charter issued by Girl Scouts of the United States of America ("GSUSA"). Girls and adults join GSUSA by paying annual dues of $25 or a lifetime fee of $400. Membership fees collected by the Organization are forwarded to GSUSA. Financial assistance is available for girl and adult members.

**Reclassification**
Certain reclassifications have been made to the prior years' financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations or net assets.

**Basis of accounting**
The Organization's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Financial statement presentation**
The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. They are described as follows:

> Net assets without donor restrictions - Net assets for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions, net assets for an operating reserve through a board-designated endowment. No such endowments existed for the years ended September 30, 2024 and 2023.
>
> 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, purpose 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.

**Income tax status**

The Organization is a California not-for-profit corporation exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Tax Code 23701(d). However, certain operations of the Organization may qualify as unrelated business taxable income and, to the extent that these operations generate income, they will be subject to federal and state taxes. During the years ended September 30, 2024 and 2023, respectively, there was no unrelated business income for the Organization.

The Organization's federal and state information returns prior to fiscal year 2021 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

Management has analyzed the tax positions taken by the Organization and has concluded that, as of September 30, 2024, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

The Organization recognizes interest and penalties associated with tax matters as part of management and general expenses and includes accrued interest and penalties in accrued expenses in the statements of financial position. There were no interest or penalties for the years ended September 30, 2024 and 2023.

**Revenue recognition**

Camp fees are recognized as revenue in the period in which campers utilize the program services. Fees received in advance are deferred until the service is provided. Revenue from the sale of program-related and fundraising items is recognized upon delivery of the items.

Product revenue consists of cookie sales, merchandise sales and fall product sales. Cookie sales are recognized when actual sales are made and funds are transferred to the Organization. Fall product sales are recognized at the time the products are transferred to the individual troops. There is no right of return by the troops once the products are transferred. Merchandise sales are recognized when they are sold to the customer.

Contributions and support, including unconditional promises to give, are considered to be available without restriction unless specifically restricted by the donor and are recognized as revenues in the period in which the Organization receives the unconditional promise to give. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Grants are reported as revenue and support when the Organization has expended funds which meet the grant's specific conditions, or when performance obligations are satisfied under Topic 606. Unexpended amounts are classified as deferred revenue in the accompanying financial statements.

Other income consists of nonrecurring items, including but not limited to, transfer of troop funds due to closure, reimbursements for expenses incurred in prior periods and other miscellaneous items which are not part of the ongoing operations of the Organization. Other income is recorded as without donor restrictions in the period it is received.

**Deferred revenue**
Payments received in advance are deferred to the applicable period in which the related services are performed. The deferred revenue balance was $305,038 and $26,626 as of September 30, 2024 and 2023, respectively.

**Accounts receivable**
Accounts receivable are stated at unpaid balances, less an allowance for expected credit losses. The Organization provides for losses on receivables using the allowance method. The allowance is based on past history, current and forecasted economic conditions, and other circumstances, which may affect the ability of the customer to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible receivables when management determines the receivable will not be collected.

**Cash and cash equivalents**
The Organization considers all highly-liquid investments purchased with an original maturity of three months or less to be cash equivalents.

**In-kind contributions**
Various individuals and organizations donate significant materials, services and facilities to the Organization. Contributed materials, services and facilities with a fair value of $36,171 and $47,432, at the date of donation for years ended September 30, 2024 and 2023, respectively, have been included in the accompanying financial statements as with or without donor-restricted support, and expended or capitalized as appropriate.

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

**Functional allocation of expenses**
The costs of program and supporting services activities have been summarized on a functional basis in the statements of functional expenses. The statements of functional expenses presents the natural classification detail of expenses by function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation and amortization, professional services, office expenses, information technology, insurance and other, which are allocated based on an analysis of direct labor dollars associated with program and nonprogram related functions.

**Cost of activities that include fundraising**
The Organization accounts for the cost of an activity that includes fundraising costs as fundraising, including the costs of credit card processing fees. Provided the criteria is met, costs of a joint activity that are identifiable with a particular function are charged to that function and joint costs are allocated between fundraising and the appropriate program or management and general function. During 2024 and 2023, all costs of activities that included fundraising were reported as fundraising costs.

### Investments

The Organization records investment purchases at cost or, if donated, at fair value on the date of donation. Investment return, net is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expense.

### Inventory

Inventory consists primarily of items held for resale, including uniforms, supplies, books, camping accessories, Girl Scout badges and patches and various other items. Inventories are carried at the lower of cost or net realizable value.

### Fair value of financial instruments

The Council's financial instruments consist of cash and cash equivalents, short-term receivables, investments in securities and short-term and long-term payables. The carrying value for all such instruments, considering the terms, approximates fair value at September 30, 2024 and 2023.

### Property and equipment

Property and equipment are stated at cost less accumulated depreciation. The Organization capitalizes all expenditures for property and equipment in excess of $5,000. Donated property and equipment are recorded at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the assets' estimated useful lives. Depreciation of building improvements is calculated using the straight-line method over the shorter of the estimated useful lives of the assets or lease terms, as applicable.

Estimated lives for financial reporting purposes are as follows:

| | |
|---|---|
| Building and building improvements | 5 - 50 years |
| Furniture and equipment | 3 - 20 years |
| Vehicles including forestry equipment | 5 - 25 years |

Construction in progress is included in property and equipment at cost until completion, at which time it is capitalized to its appropriate category and depreciated thereafter. Direct labor costs associated with construction in progress is capitalized as it is incurred.

Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in change in net assets for the year ended.

### Gifts of long-lived assets

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained; the Organization reports expirations of donor restrictions of acquired long-lived assets when placed in service. There were no gifts of long-lived assets during the years ended September 30, 2024 and 2023.

### Impairment of long-lived assets

The Organization reviews its long-lived assets for impairment whenever events or circumstances indicate the carrying value of the asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell. There were no impairment losses related to long-lived assets during the years ended September 30, 2024 and 2023.

**Endowment and spending policy**
The Organization has adopted investment policies for endowment assets that attempt to provide a reasonably predictable stream of funding for programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity and Board-designated funds. There were no Board-designated funds as of September 30, 2024 and 2023. Under this policy, as approved by the Board of Directors, the endowment assets are invested in accordance with sound investment practices that emphasize long-term investment fundamentals. It is recognized that short-term market fluctuations may cause variations in account performance.

To satisfy its long-term rate of return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization invests its assets in a diversified portfolio of stocks, fixed income securities and mutual funds to balance liquidity, current income and preserving the purchasing power of the assets over time.

The Organization's policy of appropriating for distribution each year is such that it allows for spending or accumulating so much of the appreciation as is prudent, considering preservation of the endowment, purposes of the Organization and endowment fund, general economic conditions, possible effects of inflation or deflation, expected total return from income and appreciation, other resources of the Organization and the investment policy. This policy will enable the Organization to consider the long-term expected return on its endowment. Accordingly, over the long-term, the Organization expects the proposed spending policy to allow its endowment to grow over time. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

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

**Concentrations of credit risk**
Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, receivables, and investments. The Organization maintains its cash and cash equivalents with high-credit quality financial institutions. The Organization has not experienced any losses in such accounts. Such balances may at times exceed the federally insured limits. However, the Organization periodically evaluates the creditworthiness of these institutions to minimize risk.

Unconditional promises to give and accounts receivable are reported at their realizable value, net of an allowance for doubtful accounts. Allowances for accounts and pledges receivable are determined by management based on assessment of their collectability. The allowance is based on the prior years' experience and management's analysis of specific promises made. The Organization believes it is not exposed to any significant credit risk on pledges and accounts receivable.

**Commitments and contingencies**
The Organization is subject to lawsuits, investigations and claims arising out of the normal conduct of its activities. The Organization believes it has adequate insurance coverage and reserves to provide for claims and related damages that may arise from these matters.

**Sales taxes**
The State of California imposes a sales tax on certain of the Organization's sales to nonexempt customers. The Organization collects that sales tax from customers and remits the entire amount to the State. The Organization's accounting policy is to exclude the tax collected and remitted to the State from revenue and cost of sales.

**New accounting pronouncement**
In June 2016, the FASB issued Accounting Standards Update No. 2016-13, *Financial Instruments-Credit Losses* ("ASC 326"), which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the current and expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in ASC 326 were trade accounts receivable. The Organization adopted the standard effective October 1, 2023. The impact of the adoption was not considered material to the financial statements and resulted in enhanced disclosures for accounts receivable only.

## Note 2 - Liquidity and availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following as of September 30, 2024 and 2023:

| | 2024 | 2023 |
|---|---|---|
| Cash and cash equivalents | $ 2,435,966 | $ 4,885,882 |
| Accounts receivable, net | 348,309 | 24,260 |
| Investments not encumbered by donor or board restrictions, excluding net asset value investments | 14,117,668 | 12,391,436 |
| Unconditional promises to give | 222,400 | 60,437 |
| | $ 17,124,343 | $ 17,362,015 |

The Organization's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts for general use. Distributions and appropriations that are made from the split-interest agreements that will be available over the next year are included in the table above. Donor-restricted endowment funds are not available for general expenditure. Private equity investments measured at net asset value are excluded from the table above.

In addition to a budgeting philosophy to budget for positive operating income, the Organization follows GSUSA guidance to build and maintain an adequate level of unrestricted net assets to support the Organization's day-to-day operations for a minimum of six (6) months in the event of unforeseen shortfalls. The Organization calculates this by considering funds maintained in operational demand accounts, savings accounts, and specific investment accounts to hold reserves that are not typically required for monthly cash management. As of September 30, 2024, these amounts exceeded 12 months of average operating costs sufficient to maintain ongoing operations and programs.

## Note 3 - Fair value measurements

The Organization values its financial assets and liabilities based on 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. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Investments that are measured at fair value using the net asset value (“NAV”) per share (or its equivalent), such as private equity investments, are not classified in the fair value hierarchy. Rather, these investments are included in the Investments measured at net asset value (“NAV”) section of the table that appears on page 21.

In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

Financial assets carried at fair value at September 30, 2024 are as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Money market funds | $ 11,209 | $ - | $ - | $ 11,209 |
| Exchange traded and mutual funds | | | | |
| US equity | 4,143,029 | - | - | 4,143,029 |
| Non-US equity | 3,897,419 | - | - | 3,897,419 |
| Blended and allocation | 1,070,253 | - | - | 1,070,253 |
| Fixed income | 5,182,258 | - | - | 5,182,258 |
| Beneficial interest in perpetual trust | - | - | 120,684 | 120,684 |
| Total investments by fair value level | $ 14,304,168 | $ - | $ 120,684 | 14,424,852 |
| Investments measured at net asset value (NAV) (1) | | | | |
| Private equity | | | | 722,162 |
| Total investments | | | | $ 15,147,014 |

(1) Certain investments that are measured at fair value using NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented on this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

Financial assets carried at fair value at September 30, 2023 are as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Money market funds | $ 15,934 | $ - | $ - | $ 15,934 |
| Exchange traded and mutual funds | | | | |
| US equity | 3,155,234 | - | - | 3,155,234 |
| Non-US equity | 3,193,368 | - | - | 3,193,368 |
| Blended and allocation | 943,952 | - | - | 943,952 |
| Real estate | 586,169 | - | - | 586,169 |
| Fixed income | 4,676,279 | - | - | 4,676,279 |
| Beneficial interest in perpetual trust | - | - | 100,138 | 100,138 |
| Total investments | $ 12,570,936 | $ - | $ 100,138 | $ 12,671,074 |

Securities are valued using market prices on active markets ("Level 1"). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets. Level 3 assets are valued using the income approach and assumptions about discounted cash flow and other present value techniques. There have been no changes to the Organization's valuation methodologies in the current period.

As of September 30, 2024, the Organization has investments in private equity funds that are measured at net asset value ("NAV").

The following table lists investments in private equity that are valued at NAV at September 30, 2024:

| Investment description | Fair value | Unfunded commitments | Redemption frequency | Redemption notice period |
|---|---|---|---|---|
| Private equity | $ 722,162 | $ 9,563 | Quarterly | Quarterly |

These investments allow for quarterly repurchases of investor capital, subject to limitation of 5% of fund shares. Because it is not probable that any individual investment will be sold, the fair value of the Organization's ownership interest in private equity has been determined using the NAV per share. Investments in private equity funds are subject to various risks, including market risk, liquidity risk, and valuation risk. The NAV of these investments may fluctuate based on the performance of the underlying assets and market conditions.

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

The following is a reconciliation of the beginning and ending balances for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended September 30, 2024 and 2023:

| | 2024 | 2023 |
|---|---|---|
| Balance, beginning | $ 100,138 | $ 115,450 |
| Change in value of beneficial interest in perpetual trust | 20,546 | (15,312) |
| Balance, end | $ 120,684 | $ 100,138 |

The following table represents the Organization's Level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments and the significant unobservable inputs and the ranges of values for those inputs for the year ended September 30, 2024:

| Instrument | Fair value | Principal valuation technique | Unobservable inputs | Significant input values | Weighted average |
|---|---|---|---|---|---|
| Beneficial interest in perpetual trust | $ 120,684 | Present value of expected cash flows | Investment yield<br>Discount rate | 2.390%<br>4.140% | N/A |

The following table represents the Organization's Level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments and the significant unobservable inputs and the ranges of values for those inputs for the year ended September 30, 2023:

| Instrument | Fair value | Principal valuation technique | Unobservable inputs | Significant input values | Weighted average |
|---|---|---|---|---|---|
| Beneficial interest in perpetual trust | $ 100,138 | Present value of expected cash flows | Investment yield<br>Discount rate | 2.570%<br>4.730% | N/A |

## Note 4 - Accounts receivable and unconditional promises to give

The Organization's accounts receivable and unconditional promises to give (pledges) as of September 30, 2024 and 2023 are summarized as follows:

| | 2024 | 2023 |
|---|---|---|
| Trade accounts receivable | $ 90,001 | $ 91,619 |
| Grant accounts receivable | 327,213 | - |
| Allowance for uncollectible accounts | (68,905) | (67,359) |
| Total accounts receivable, net | $ 348,309 | $ 24,260 |
| Unconditional promises to give | $ 222,400 | $ 60,437 |
| Allowance for uncollectible accounts | - | - |
| Total unconditional promises to give, net | $ 222,400 | $ 60,437 |

Accounts and pledges receivable are not collateralized and are expected to be collected in one year.

## Note 5 - Property and equipment

The carrying values of land, buildings and equipment at September 30, 2024 and 2023 are summarized as follows:

| | 2024 | 2023 |
|---|---|---|
| Construction in progress | $ 164,190 | $ 509,762 |
| Building and improvements | 21,928,492 | 21,583,430 |
| Land and improvements | 502,487 | 502,487 |
| Office equipment | 586,784 | 972,670 |
| Camp equipment | 1,235,703 | 1,248,515 |
| Vehicles including forestry equipment | 834,647 | 381,971 |
| Subtotal | 25,252,303 | 25,198,835 |
| Less accumulated depreciation | (13,637,829) | (13,821,791) |
| Total property and equipment, net | $ 11,614,474 | $ 11,377,044 |

Depreciation expense totaled $830,010 and $772,309 for the years ended September 30, 2024 and 2023, respectively.

## Note 6 - Lease commitments

The Organization has leases for office facilities and equipment for various terms. All contracts that implicitly or explicitly involve property, plant and equipment are evaluated to determine whether they contain a lease. Rent expense associated with short-term operating leases and variable leases is primarily recorded in expenses in the Organization's statement of activities.

At lease commencement, the Organization recognizes a lease liability, which is measured at the present value of future lease payments, and a corresponding right-of-use asset equal to the lease liability, adjusted for prepaid lease costs, initial direct costs and lease incentives. The Organization has elected and applies the practical expedient available to lessees to combine nonlease components with their related lease components and account for them as a single combined lease component for all its leases. The Organization remeasures lease liabilities and related right-of-use assets whenever there is a change to the lease term and/or there is a change in the amount of future lease payments, but only when such modification does not qualify to be accounted for as a separate contract.

The Organization determines an appropriate discount rate to apply when determining the present value of the remaining lease payments for purposes of measuring or remeasuring lease liabilities. As the rate implicit in the lease is generally not readily determinable, the Organization estimates the risk-free rate as the discount rate. The risk-free rate is determined at either lease commencement or when a lease liability is remeasured over a period commensurate with the lease term and in a similar economic environment.

For accounting purposes, the Organization's leases commence on the earlier of (i) the date upon which the Organization obtains control of the underlying asset and (ii) the contractual effective date of a lease. Lease commencement for most of the Organization's leases coincides with the contractual effective date. The Organization's leases generally have minimum base terms with renewal options or fixed terms with early termination options. Such renewal and early termination options are exercisable at the option of the Organization and, when exercised, usually provide for rental payments during the extension period at then current market rates. Unless the Organization determines that it is reasonably certain that the term of a lease will be extended, such as through the exercise of a renewal option or nonexercise of an early termination option, the term of a lease begins at lease commencement and spans for the duration of the minimum noncancellable contractual term.

When the exercise of a renewal option or nonexercise of an early termination option is reasonably certain, the lease term is measured as ending at the end of the renewal period or on the date an early termination may be exercised.

The Organization's office facilities lease expires on October 31, 2024. The equipment leases expire at various dates through 2024 and 2029. The equipment leases provide for month-to-month renewal options. Total lease expense for the years ended September 30, 2024 and 2023 was $200,093 and $151,407, respectively, which is recorded as a component of occupancy expense on the statements of functional expenses. The Organization expenses other variable lease payments as incurred.

As of September 30, 2024 and 2023, the weighted-average remaining lease terms on the Organizations leases are approximately 30 months and 12 months, respectively, and the weighted-average discount rate is 4.17% and 4.12%, respectively.

Minimum lease payments under these leases as of September 30, 2024 are as follows:

| | | |
|---|---|---|
| 2025 | $ | 13,321 |
| 2026 | | 2,928 |
| 2027 | | 2,928 |
| 2028 | | 2,928 |
| 2029 | | 2,053 |
| Thereafter | | - |
| Total undiscounted lease payments | | 24,158 |
| Less: imputed interest | | - |
| Present value of operating lease liabilities | $ | 24,158 |

The Organization has certain low dollar leases that operate under agreements with the City of San Diego and the City of Escondido as follows:

**Balboa Program Center**: The Organization leases the land for its main service and program center from the City of San Diego under an agreement expiring on March 31, 2027 (the "Balboa Lease"). The Balboa Lease provides for annual rent in the amount of $1 per year plus an annual administrative fee. For the years September 30, 2024 and 2023, the annual administrative fee was $4,308 and $4,083, respectively. Annually the Organization submits financial and programmatic information to the City, and a general development plan is on file with the City which outlines the focus on improving and maintaining the existing structures on the Balboa Campus. The most recent large improvement was the replacement of a cabin facility in 2016 with an approximate cost of $1.9 million.

**Escondido Program Center**: The Organization leases the land for its Escondido program center from the City of Escondido under a 1987 agreement that expires in 2037 (the "Escondido Lease"). The Organization also has the option of renewing the lease for an additional 50 years. No payments are due under the terms of the Escondido Lease. However, under the Escondido Lease, the Organization agreed to construct a headquarters building of approximately 4,000 square feet and related improvements, a park maintenance facility, a parking lot and a trash enclosure. The Organization completed the construction of the building and related improvements in 1988.

Consistent with prior years, the fair values of the Balboa and Escondido leases have not been reflected in the accompanying financial statements because objective valuation information is not available due to the unique characteristics and public park locations of the program centers.

## Note 7 - Line of credit

The Organization has a $750,000 line of credit agreement with a financial institution that is scheduled to expire in April 2025 and is secured by the Organization's personal property. The interest rate is variable, not to fall below 4.0%. The Organization had no outstanding advances on this line of credit during the years ended September 30, 2024 and 2023, and the balance is $0 for the years ended September 30, 2024 and 2023.

## Note 8 - Related party transactions

The Organization is chartered by GSUSA. During the years ended September 30, 2024 and 2023, the Organization remitted to GSUSA membership fees of $97,640 and $116,945, respectively. The Organization purchases inventory from GSUSA, of which total purchases amounted to $313,652 and $375,621 for the years ended September 30, 2024 and 2023, respectively. At September 30, 2024 and 2023, amounts due to GSUSA and included in accounts payable were $28,019 and $57,529, respectively.

## Note 9 - Concentration

The Organization has one major supplier, its cookie baker, who represents approximately 23% of total payments to vendors for the years ended September 30, 2024 and 2023, respectively. The Organization was contracted to purchase all their cookies from this current supplier through the 2024 cookie season. For the 2025 through 2028 cookie seasons, the Organization is contracted to purchase all their cookies from a new cookie baker. As a result, any potential disruption from this supplier would have a negative effect on the Organization. At September 30, 2024 and 2023, there was $0 due to either supplier.

The Organization maintains its cash and cash equivalents with high-credit quality financial institutions. At times, such amounts may exceed federally insured limits.

## Note 10 - Beneficial interests in perpetual trust

In 1972, the Organization received a beneficial interest in the Llewellyn irrevocable perpetual split-interest charitable remainder trust administered by a third-party trustee. In 2001, the original trust was split into four separate wholly charitable trusts and was granted exempt private foundation status.

Accordingly, the Organization is entitled to receive annual distributions of the greater of (a) 33.333% of the related account's income or (b) a 5% private foundation minimum distribution amount, as required.

The fair value of the assets to be received under the agreement, discounted for the estimated time until receipt, has been recorded in beneficial interest in perpetual trust and in net assets with donor restrictions. The current period change in valuation of the Organization's interest in the trust is included in net assets with donor restrictions on the statements of activities.

Distributions from the trust to the Organization are unrestricted and the trust document does not provide the trustee with variance powers. For the years ended September 30, 2024 and 2023, the amount of the beneficial interests in perpetual trust included in net assets with donor restrictions were $120,684 and $100,138, respectively.

## Note 11 - Endowments

The Organization's endowment includes donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, 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, and the Board of Directors has the ability to release restrictions.

The Organization has interpreted the State of California's Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization has classified as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the Organization 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 purpose of the Organization and the donor-restricted endowment fund;

c. General economic conditions;

d. The possible effects of inflation and deflation;

e. The expected total return from income and the appreciation of investments;

f. Other resources of the Organization; and

g. The Organization's investment policy.

Endowment net asset composition by type of fund for the year ended September 30, 2024 is as follows:

| | Without donor restrictions | With donor restrictions | Total |
|---|---|---|---|
| Beneficial interest in perpetual trust | $ - | $ 120,684 | $ 120,684 |
| Endowments in perpetuity | - | 186,500 | 186,500 |
| Total | $ - | $ 307,184 | $ 307,184 |

Endowment net asset composition by type of fund for the year ended September 30, 2023 is as follows:

| | Without donor restrictions | With donor restrictions | Total |
|---|---|---|---|
| Beneficial interest in perpetual trust | $ - | $ 100,138 | $ 100,138 |
| Endowments in perpetuity | - | 179,500 | 179,500 |
| Total endowment funds | $ - | $ 279,638 | $ 279,638 |

Changes in endowment net assets for the year ended September 30, 2024 are as follows:

| | Without donor restrictions | With donor restrictions | Total |
|---|---|---|---|
| Endowment net assets, beginning of period | $ - | $ 279,638 | $ 279,638 |
| Net gain (realized and unrealized) | - | 20,546 | 20,546 |
| Contributions | - | 7,000 | 7,000 |
| Endowment net assets, end of period | $ - | $ 307,184 | $ 307,184 |

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

| | Without donor restrictions | With donor restrictions | Total |
|---|---|---|---|
| Endowment net assets, beginning of period | $ - | $ 294,950 | $ 294,950 |
| Net loss (realized and unrealized) | - | (15,312) | (15,312) |
| Endowment net assets, end of period | $ - | $ 279,638 | $ 279,638 |

**Spending policy**
The Organization is entitled to receive annual distributions of the greater of (a) 33.333% of the related account's income or (b) a 5% private foundation minimum distribution amount, as required, for the beneficial interest in perpetual trust endowment. The Organization maintains perpetual endowments in which the Organization may withdraw all income to be distributed and expended on operational expenses on an unrestricted basis. The Organization has considered long-term expected return on its investment assets, the nature and duration of the individual endowment funds, some of which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation. The Organization expects the current spending policy to allow its endowment funds to grow at a nominal average rate annually.

From time-to-time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under the law. The Organization had no underwater endowments as of September 30, 2024 and 2023.

## Note 12 - Net assets with donor restrictions

Net assets with donor restrictions are restricted for the following purposes as of September 30, 2024 and 2023:

| | 2024 | 2023 |
|---|---|---|
| Subject to expenditure for specific purpose | | |
| Community outreach programs | $ 1,750 | $ 25,000 |
| Camperships | 19,328 | 17,295 |
| Financial assistance for girls/troops | 4,833 | 2,301 |
| Health, wellness and environmental awareness | - | 10,714 |
| Property and facilities | 98,500 | - |
| Science and technology ("STEM") | 62,969 | 2,969 |
| Other programs | - | 10,000 |
| | 187,380 | 68,279 |
| Subject to the passage of time | 137,553 | 114,871 |
| Amounts subject to the Organization's spending policy and appropriation | | |
| Beneficial interest in perpetual trust | 120,684 | 100,138 |
| Endowments in perpetuity | 186,500 | 179,500 |
| | 307,184 | 279,638 |
| | $ 632,117 | $ 462,788 |

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors as follows for the years ended September 30, 2024 and 2023:

| | 2024 | 2023 |
|---|---|---|
| Purpose or period restrictions accomplished | | |
| Community outreach programs | $ 78,930 | $ 207,616 |
| Camperships | 57,949 | 44,148 |
| Financial assistance for girls/troops | 15,724 | 7,826 |
| Health, wellness and environmental awareness | 20,714 | 4,586 |
| Property and facilities | 55,990 | 338,257 |
| Science and technology ("STEM") | 53,127 | 93,287 |
| Other programs | 11,500 | 35,583 |
| Net assets released from restrictions | $ 293,934 | $ 731,303 |

## Note 13 - Employee benefit plans

### Defined benefit plan

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

Net plan assets increased during the year but are less than the actuarial present value of accumulated plan benefits as of January 1, 2024. On April 8, 2014, President Obama signed H.R. 4275 into law, a relief package unanimously passed by Congress that gives NGSCRP the flexibility to adopt the Pension Protection Act ("PPA") funding requirements immediately or not at all. NGSCRP has elected to adopt this relief and not be subject to PPA. In September 2020, the National Board of Girl Scouts of the USA approved to lower the contributions from $30 million to $26 million starting in calendar year 2023 until the plan is fully funded on a market basis. Aggregate annual contributions made in fiscal years 2023 and 2024 were $27.5 million and $27.4 million, respectively. Aggregate contributions to be made in fiscal 2025 are expected to be $26 million.

The Organization's pension expense and contributions to the plan for the year ended September 30, 2024 and 2023 were $262,614 and $277,034, respectively. GSUSA estimates the Organization's payment for the year ending September 30, 2025 to be $273,300. All future required payments may change due to market conditions, interest rates and other factors.

Government regulations impose certain requirements relative to multi-employer plans. In the event of plan termination or employer withdrawal, an employer may be liable for a portion of the plan's unfunded vested benefits. The Organization does not anticipate withdrawal from the plan, nor is the Organization aware of any expected terminations.

### 125 cafeteria plan

The Organization also maintains an employee benefit plan qualifying under Internal Revenue Code 125, covering substantially all employees who meet the plan's eligibility requirements. Under the plan, certain employee benefits may be provided on a pre-tax basis to employees electing to participate in the plan.

### Employee benefit plan

The Organization maintains a 401(k) employee benefit plan covering substantially all employees who meet the plan's requirements. For the years ended September 30, 2024 and 2023, the Organization made contributions into employee benefit plans of $213,798 and $192,124, respectively.

## Note 14 - Subsequent events

The Organization has evaluated events and transactions for potential recognition or disclosure through January 15, 2025, which is the date the financial statements were available to be issued. There were no events identified requiring adjustment or disclosure.

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