

Girl Scouts of Texas Oklahoma Plains, Inc.

Financial Statements

September 30, 2024 and 2023



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Girl Scouts of Texas Oklahoma Plains, Inc.
Fort Worth, Texas

Opinion

We have audited the accompanying financial statements of Girl Scouts of Texas Oklahoma Plains, Inc., which comprise the statement of financial position as of September 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Girl Scouts of Texas Oklahoma Plains, Inc. as of September 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 of Texas Oklahoma Plains, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 of Texas Oklahoma Plains, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

Prior Period Financial Statements

The financial statements of Girl Scouts of Texas Oklahoma Plains, Inc. as of September 30, 2023, were audited by other auditors whose report dated March 11, 2024, expressed an unmodified opinion on those statements.



Armanino^{LLP}
Dallas, Texas

January 29, 2025

Girl Scouts of Texas Oklahoma Plains, Inc.
 Statements of Financial Position
 September 30, 2024 and 2023

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 741,765	\$ 628,650
Contributions receivable	4,368	1,094
Accounts receivable, net	101,508	190,314
Employee retention credits receivable	-	607,059
Inventory	247,731	192,906
Prepaid expenses and other current assets	265,119	146,465
Short-term investments	2,886,955	2,800,336
Operating lease right-of-use assets	581,277	815,729
Property and equipment, net	3,657,795	3,947,056
Long-term investments	702,346	619,424
Investments restricted for endowment	1,390,437	1,137,401
 Total assets	 \$ 10,579,301	 \$ 11,086,434
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 63,495	\$ 42,110
Accrued liabilities	367,673	329,344
Program certificates payable	89,102	92,819
Note payable	486,745	499,686
Deferred revenue	28,769	41,746
Current lease liabilities - operating	106,230	140,823
Lease liabilities - operating, net of current portion	487,129	680,106
Total liabilities	1,629,143	1,826,634
 Net assets		
Without donor restrictions	7,288,562	8,046,312
With donor restrictions	1,661,596	1,213,488
Total net assets	8,950,158	9,259,800
 Total liabilities and net assets	 \$ 10,579,301	 \$ 11,086,434

The accompanying notes are an integral part of these financial statements.

Girl Scouts of Texas Oklahoma Plains, Inc.
Statement of Activities
For the Year Ended September 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Contributions	\$ 195,102	\$ 314,123	\$ 509,225
United Way	25,096	202,812	227,908
Special events, net of direct costs of \$41,341	164,906	-	164,906
Product sales, net of direct costs of \$4,074,762	7,323,457	-	7,323,457
Camping fees	389,435	-	389,435
Sales of merchandise, net of direct costs of \$224,349	173,387	-	173,387
Interest and dividend income	155,914	36,305	192,219
Mineral income	1,268	-	1,268
Realized and unrealized gains on investments	68,776	252,567	321,343
Other revenue	183,197	-	183,197
Net assets released from restriction	<u>357,699</u>	<u>(357,699)</u>	<u>-</u>
Total revenues, gains, and other support	<u>9,038,237</u>	<u>448,108</u>	<u>9,486,345</u>
Functional expenses			
Program services	<u>7,151,484</u>	<u>-</u>	<u>7,151,484</u>
Support services			
Management and general	1,966,353	-	1,966,353
Fundraising	<u>678,150</u>	<u>-</u>	<u>678,150</u>
Total support services	<u>2,644,503</u>	<u>-</u>	<u>2,644,503</u>
Total functional expenses	<u>9,795,987</u>	<u>-</u>	<u>9,795,987</u>
Change in net assets	(757,750)	448,108	(309,642)
Net assets, beginning of year	<u>8,046,312</u>	<u>1,213,488</u>	<u>9,259,800</u>
Net assets, end of year	<u>\$ 7,288,562</u>	<u>\$ 1,661,596</u>	<u>\$ 8,950,158</u>

The accompanying notes are an integral part of these financial statements.

Girl Scouts of Texas Oklahoma Plains, Inc.
Statement of Activities
For the Year Ended September 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Contributions	\$ 187,685	\$ 272,500	\$ 460,185
United Way	22,875	217,250	240,125
Special events, net of direct costs of \$44,720	102,475	-	102,475
Product sales, net of direct costs of \$4,230,196	6,793,813	-	6,793,813
Camping fees	498,983	-	498,983
Sales of merchandise, net of direct costs of \$297,548	122,138	-	122,138
Interest and dividend income	134,352	27,077	161,429
Mineral income	6,737	-	6,737
Realized and unrealized gains on investments	42,615	95,122	137,737
Gain on disposal of asset	959,088	-	959,088
Other revenue	374,970	-	374,970
Net assets released from restriction	632,211	(632,211)	-
Total revenues, gains, and other support	<u>9,877,942</u>	<u>(20,262)</u>	<u>9,857,680</u>
Functional expenses			
Program services	<u>7,222,652</u>	<u>-</u>	<u>7,222,652</u>
Support services			
Management and general	1,955,347	-	1,955,347
Fundraising	642,747	-	642,747
Total support services	<u>2,598,094</u>	<u>-</u>	<u>2,598,094</u>
Total functional expenses	<u>9,820,746</u>	<u>-</u>	<u>9,820,746</u>
Change in net assets	57,196	(20,262)	36,934
Net assets, beginning of year	<u>7,989,116</u>	<u>1,233,750</u>	<u>9,222,866</u>
Net assets, end of year	<u>\$ 8,046,312</u>	<u>\$ 1,213,488</u>	<u>\$ 9,259,800</u>

The accompanying notes are an integral part of these financial statements.

Girl Scouts of Texas Oklahoma Plains, Inc.
Statement of Functional Expenses
For the Year Ended September 30, 2024

	Community Partnership	Outdoor and Property	Girl and Volunteer Experience	Total Program Services	Management and General	Fundraising	Total Support Services	Total
Salaries, benefits, and taxes	\$ 713,859	\$ 705,059	\$ 2,682,433	\$ 4,101,351	\$ 1,416,844	\$ 529,816	\$ 1,946,660	\$ 6,048,011
Cost of product sales	-	-	4,074,762	4,074,762	-	-	-	4,074,762
Cost of merchandise sales	-	36	224,313	224,349	-	-	-	224,349
Camping expense	30,205	258,172	120,783	409,160	2,271	5,282	7,553	416,713
Special event expenses	-	-	-	-	-	41,341	41,341	41,341
Program supplies	1,588	947	506,510	509,045	9,092	71	9,163	518,208
Technology	19,740	18,145	58,845	96,730	54,543	21,286	75,829	172,559
Office expenses	10,538	44,989	153,795	209,322	48,499	9,768	58,267	267,589
Occupancy	74,613	347,379	263,812	685,804	52,682	12,619	65,301	751,105
Repairs and maintenance	32	34,164	226	34,422	419	10	429	34,851
Printing and publications	557	6,001	80,925	87,483	1,820	8,139	9,959	97,442
Travel	17,363	19,683	88,901	125,947	54,537	31,441	85,978	211,925
Training and conferences	678	2,537	15,284	18,499	58,509	5,794	64,303	82,802
Specific assistance	99,161	3,070	21,595	123,826	-	-	-	123,826
Insurance	16,425	166,288	54,744	237,457	31,122	8,190	39,312	276,769
Accounting fees	-	-	-	-	57,508	-	57,508	57,508
Legal fees	-	4,988	-	4,988	23,307	-	23,307	28,295
Taxes and licenses	-	1,756	-	1,756	-	-	-	1,756
Other professional fees	5,116	19,441	53,464	78,021	41,336	41,516	82,852	160,873
Miscellaneous	10	3,619	4,185	7,814	98,708	230	98,938	106,752
Depreciation	23,206	333,401	63,252	419,859	15,156	3,988	19,144	439,003
Total	<u>1,013,091</u>	<u>1,969,675</u>	<u>8,467,829</u>	<u>11,450,595</u>	<u>1,966,353</u>	<u>719,491</u>	<u>2,685,844</u>	<u>14,136,439</u>
Less: costs included with revenue in the statement of activities	-	-	(4,299,111)	(4,299,111)	-	(41,341)	(41,341)	(4,340,452)
	<u>\$ 1,013,091</u>	<u>\$ 1,969,675</u>	<u>\$ 4,168,718</u>	<u>\$ 7,151,484</u>	<u>\$ 1,966,353</u>	<u>\$ 678,150</u>	<u>\$ 2,644,503</u>	<u>\$ 9,795,987</u>

The accompanying notes are an integral part of these financial statements.

Girl Scouts of Texas Oklahoma Plains, Inc.
Statement of Functional Expenses
For the Year Ended September 30, 2023

	Community Partnership	Outdoor and Property	Girl and Volunteer Experience	Total Program Services	Management and General	Fundraising	Total Support Services	Total
Salaries, benefits, and taxes	\$ 495,840	\$ 742,485	\$ 2,778,289	\$ 4,016,614	\$ 1,320,761	\$ 503,391	\$ 1,824,152	\$ 5,840,766
Cost of product sales	-	-	4,230,196	4,230,196	-	-	-	4,230,196
Cost of merchandise sales	-	-	297,548	297,548	-	-	-	297,548
Camping expense	26,807	230,032	125,969	382,808	4,381	4,924	9,305	392,113
Special event expenses	-	-	-	-	-	44,720	44,720	44,720
Program supplies	1,080	554	658,875	660,509	7,114	161	7,275	667,784
Technology	18,100	20,406	76,869	115,375	60,573	19,814	80,387	195,762
Office expenses	17,396	50,151	156,094	223,641	58,501	17,925	76,426	300,067
Occupancy	31,496	374,878	272,973	679,347	35,377	13,127	48,504	727,851
Repairs and maintenance	239	29,005	831	30,075	564	125	689	30,764
Printing and publications	1,206	844	55,832	57,882	7,248	5,436	12,684	70,566
Travel	14,499	18,421	79,648	112,568	112,508	21,463	133,971	246,539
Training and conferences	397	7,165	13,071	20,633	96,678	4,078	100,756	121,389
Specific assistance	77,537	3,645	51,147	132,329	-	-	-	132,329
Insurance	14,188	152,364	65,298	231,850	32,634	9,932	42,566	274,416
Accounting fees	-	-	-	-	50,681	-	50,681	50,681
Legal fees	-	-	-	-	19,374	-	19,374	19,374
Taxes and licenses	-	1,141	-	1,141	-	-	-	1,141
Other professional fees	40,783	16,434	91,856	149,073	44,558	36,468	81,026	230,099
Bad debt	-	-	9,868	9,868	-	-	-	9,868
Miscellaneous	-	3,193	2,820	6,013	85,394	120	85,514	91,527
Depreciation	18,325	304,964	69,637	392,926	19,001	5,783	24,784	417,710
Total	757,893	1,955,682	9,036,821	11,750,396	1,955,347	687,467	2,642,814	14,393,210
Less: costs included with revenue in the statement of activities	-	-	(4,527,744)	(4,527,744)	-	(44,720)	(44,720)	(4,572,464)
	<u>\$ 757,893</u>	<u>\$ 1,955,682</u>	<u>\$ 4,509,077</u>	<u>\$ 7,222,652</u>	<u>\$ 1,955,347</u>	<u>\$ 642,747</u>	<u>\$ 2,598,094</u>	<u>\$ 9,820,746</u>

The accompanying notes are an integral part of these financial statements.

Girl Scouts of Texas Oklahoma Plains, Inc.
 Statements of Cash Flows
 For the Years Ended September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Change in net assets	\$ (309,642)	\$ 36,934
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	439,003	417,710
Bad debt expense	(6,214)	9,868
Realized and unrealized gain on investments	(321,343)	(137,737)
Gain on sale of asset	-	(959,088)
Changes in operating assets and liabilities		
Contributions receivable	(3,274)	3,406
Accounts receivable	95,020	(196,152)
Employee retention credits receivable	607,059	73,487
Inventory	(54,825)	65,406
Prepaid expenses and other assets	(118,654)	2,746
Operating lease right-of-use assets	234,452	(815,729)
Accounts payable	21,385	(134,553)
Deferred revenue	(12,977)	(65,307)
Accrued liabilities	38,329	(44,755)
Program certificates payable	(3,717)	26,282
Operating lease liabilities	<u>(227,570)</u>	<u>820,929</u>
Net cash provided by (used in) operating activities	<u>377,032</u>	<u>(896,553)</u>
Cash flows from investing activities		
Purchases of property and equipment	(149,742)	(1,042,459)
Proceeds from sale of assets	-	1,010,486
Purchase of investments	(192,454)	(114,000)
Proceeds from sale of investments	<u>91,220</u>	<u>979,406</u>
Net cash provided by (used in) investing activities	<u>(250,976)</u>	<u>833,433</u>
Cash flows from financing activities		
Proceeds from lines of credit	1,800,000	2,100,000
Payments on lines of credit	(1,800,000)	(2,100,000)
Payments on SBA EIDL Loan	<u>(12,941)</u>	<u>(314)</u>
Net cash used in financing activities	<u>(12,941)</u>	<u>(314)</u>
Net increase (decrease) in cash and cash equivalents	113,115	(63,434)
Cash and cash equivalents, beginning of year	<u>628,650</u>	<u>692,084</u>
Cash and cash equivalents, end of year	<u>\$ 741,765</u>	<u>\$ 628,650</u>

The accompanying notes are an integral part of these financial statements.

Girl Scouts of Texas Oklahoma Plains, Inc.
Statements of Cash Flows
For the Years Ended September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Supplemental disclosure of cash flow information		
Cash paid during the year interest	\$ 22,154	\$ 27,419
Supplemental schedule of noncash investing and financing activities		
Operating lease right-of-use asset obtained in exchange for lease liability	\$ 244,028	\$ 981,029

The accompanying notes are an integral part of these financial statements.

Girl Scouts of Texas Oklahoma Plains, Inc.
Notes to Financial Statements
September 30, 2024 and 2023

1. NATURE OF OPERATIONS

Girl Scouts of Texas Oklahoma Plains, Inc. (the "Council") is a nonprofit organization serving girls and adults in 81 countries throughout the Texas and Oklahoma Plains. The Council, formed in 2008 by merging four existing councils, reaches out to girls in large, small, and low-income communities. As an organization devoted to the Girl Scout movement, the Council has been issued a Girl Scout charter by the Girl Scouts of the USA ("GSUSA"), granting it the right to develop, manage, and maintain Girl Scouting in a specified area of jurisdiction, which is established by the national board of directors of GSUSA, and to call itself a Girl Scout Council. The Council collects dues from troop members which pass to GSUSA.

The Council reaches girls of every age, ethnicity, ability, and background fulfilling the Girl Scout mission of building girls of courage, confidence, and character, who make the world a better place. This mission is accomplished through traditional troop programs, outreach programs, and camping opportunities. Adults are served through leadership development, governance opportunities, and various adult learning opportunities throughout the Council. Girl Scouting helps girls develop their full individual potential; relate to others with increasing understanding, skill, and respect; and contribute to the improvement of society through their abilities, leadership skills, and cooperation with others.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The financial statements of the Council have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP").

- *Net assets without donor restrictions* - Net assets available for use in general operations and not subject to donor-imposed restrictions. The Council's governing Board of Directors (the "Board") may designate net assets without restrictions for specific purposes.
- *Net assets with donor restrictions* - Net assets subject to stipulations imposed by donors and grantors. Some donor 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, whereby the donor has stipulated the funds to be maintained in perpetuity. Net assets with donor restrictions also include the portion of donor-restricted endowment funds that are not required to be maintained in perpetuity, until such funds are appropriated for expenditure by the Council. 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 Texas Oklahoma Plains, Inc.
Notes to Financial Statements
September 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of accounting and financial statement presentation (continued)

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets and liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor restriction or by law. Expirations of restrictions on net assets (i.e. the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as transfers between the applicable classes of net assets.

New accounting pronouncements

In June 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASC 326)*. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of expected credit losses for the remaining estimated life of the financial asset using historical experience, current conditions and reasonable and supportable forecasts. Financial assets held by the Council that are subject to the guidance in FASB ASC 326 are program service fees receivable and product sales receivable included in accounts receivable, net in the accompanying statements of financial position.

The Council adopted the standard effective October 1, 2023. The adoption of this standard did not have a material impact on the Council's financial statements.

Cash and cash equivalents

The Council considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Money market accounts as well as short-term investments of funds restricted in perpetuity are not considered to be cash equivalents since these funds are not used for general operations and are of a permanent nature, respectively. The Council places its cash with high-credit quality financial institutions and periodically maintains deposits in amounts that exceed federally insured limits. Management believes the risk of incurring material losses related to this credit risk is remote.

Accounts receivable, net

Accounts receivable, net represent amounts of program service fees or product sales billed to customers. Management evaluates the adequacy of the allowance for credit losses based on a review of the individual circumstances of the underlying balances. The primary factors considered in determining the amount of the allowance are collection history, expectations of future cash flows, and other specific information known to management that may affect collectability. At September 30, 2024 and 2023, the allowance for credit losses was \$3,654 and \$9,868, respectively.

Girl Scouts of Texas Oklahoma Plains, Inc.
Notes to Financial Statements
September 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory

Inventory consists primarily of Girl Scout insignia, literature, and clothing items. These items are reflected in the statement of financial position at average cost.

Prepaid expenses and other current assets

Prepaid expenses and other assets consist of prepaid expenses, deposits and deferred charges and the Council's insurance policies.

Fair value measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Council determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

- *Level 1* - Quoted prices in active markets for identical assets or liabilities. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- *Level 2* - Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.
- *Level 3* - Unobservable inputs that are supported by little or no market activity, are significant to the fair value of the assets or liabilities and reflect management's assumptions and best estimates based on available data.

The following methods and assumptions were used to estimate the fair value of assets and liabilities:

- Level 1 securities include mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Girl Scouts of Texas Oklahoma Plains, Inc.
Notes to Financial Statements
September 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurements (continued)

- The endowed component funds, representing a beneficial interest in a perpetual trust, are classified as Level 3 securities and may include money market accounts, certificates of deposit, U.S. government agency securities, common and preferred stocks, bonds, mutual funds, and limited partnership interests, including managed futures funds and multi-strategy hedge funds. The fair value of U.S. government agency securities and bonds are based on the present value of the stream of cash flows they are expected to generate. The fair value of the stocks and mutual funds are based upon quoted market prices in active markets. The fair value of the money market accounts and certificates of deposit are based on the carrying amount due to their short-term nature. The fair value of the limited partnerships are based on net asset value information provided by the general partner or manager of the funds, the financial statements of which generally are audited annually.

Valuation techniques used in fair value measurements need to maximize the use of observable inputs and minimize the use of unobservable inputs. A valuation method may produce a fair value measurement 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 those used by other market participants, the use of different methodologies or assumptions could result in different fair value measurements at the reporting date.

Investments, at fair value

Investments are recorded at fair value. Investments received by donation are recorded at fair value at the date of donation. Net realized and unrealized gains or losses are classified as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor restriction or by law.

The Council has investments in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the Council's account balances and the amounts reported in the statement of financial position.

Girl Scouts of Texas Oklahoma Plains, Inc.
Notes to Financial Statements
September 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments held in trusts

A donor gave the Council assets with a fair value of \$338,187 and \$303,432 for the years ended September 30, 2024 and 2023, respectively, but named the Amarillo Area Foundation ("AAF") as the trustee which is holding them as endowed component funds ("Funds") for the benefit of the Council in the form of distributions. The Council would have to request any corpus, if needed, and it would be up to the AAF board of directors to approve. The amount available for distribution is determined annually by AAF's board of directors and is based on a percentage of the market value of the fund. In setting the distribution policy, AAF considers the total average fair market value for the previous 13 quarters. Distributions are made quarterly if the Council elects to take distributions. AAF's percentage used for distributions was 5% in 2024 and 2023. The Council reports the net asset value, which approximates fair value, of the Funds as a component of "Investments held in trusts" which are included in "Investments restricted for endowment" in the statements of financial position.

The AAF considers observable market data and performs diligence procedures in validating the appropriateness of using the net asset value as a fair value measurement. Management and selection of securities are not controlled by the Council.

Leases

The Council leases office space and equipment. The Council determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets, current lease liabilities - operating, and lease liabilities - operating, net of current portion on the accompanying statements of financial position. The Council does not have any finance lease arrangements as of September 30, 2024.

The Council has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statement of financial position. The Council did not have any short-term leases as of September 30, 2024 or 2023. The Council's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Council has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

Girl Scouts of Texas Oklahoma Plains, Inc.
Notes to Financial Statements
September 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

The Council capitalizes all expenditures for property and equipment in excess of \$5,000 having a useful life of more than one year. Property and equipment that are purchased are recorded at cost and depreciated over estimated useful lives using the straight-line method. Routine repair and maintenance is expensed as incurred. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Absent donor stipulations regarding how long those donated assets must be maintained, the Council reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Council reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Depreciation of property and equipment is computed using the straight-line method over the following estimated useful lives:

Buildings and improvements	5 - 40 years
Furniture and equipment	3 - 10 years
Automobiles	3 - 7 years

Whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recovered, the Council, using its best estimates and projections, reviews for impairment the carrying value of long-lived identifiable assets to be held and used in the future. No long-lived assets were deemed to be impaired as of September 30, 2024.

Revenue recognition

The Council's program revenue is recognized as follows for each individual stream of revenue:

Product Sales - The Council sells Girl Scout cookies and Fall products consisting of nuts, candies, and magazines. Each package of cookies and Fall product sale item has a distinctive price they sell to customers for. Revenue is recognized at a point in time upon receipt of delivery of each product to the customer.

Sale of Merchandise - The Council sells Girl Scout merchandise at 5 different retail shop locations as well as online. Each item is assigned a distinctive price at which it is sold to customers. Revenue is recognized at a point in time upon receipt of in store purchase by customer or deliver to customer for online sales.

Camp Fees - The Council will hold camps for Girl Scouts to attend and participate in certain events and activities throughout their time at the camp. Rates are structured based on the camp location and camp package chosen by each girl scout. Revenue is recognized over time as the camp service or event occurs and is provided to each Girl Scout in attendance.

Girl Scouts of Texas Oklahoma Plains, Inc.
Notes to Financial Statements
September 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions and contributions receivable

Contributions received are reported as net assets with or without donor restrictions, depending upon the absence or presence of donor restrictions.

Contributions, including unconditional promises to give, are recognized as revenue in the period the promise is received. Contributions that are promised in one year but are not expected to be collected until after the end of that year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of any such discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for doubtful contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution and current aging of contributions receivable.

Conditional promises to give are not recognized until they become unconditional; that is, when the barriers on which they depend are substantially overcome, and there is no longer a right of return of the asset or right of release from the obligation. The Council had approximately \$25,000 in conditional promises to give as of September 30, 2024, conditioned upon meeting defined donor objectives related to the Financial Literacy Badge Program. The Council had no such conditional promises during the year ended September 30, 2023.

Contributed goods and services

Contributed goods are recognized as revenue at their estimated fair value during the period received. Contributed services are reflected in the financial statements at the fair value of the services received. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Although the Council may utilize the services of outside volunteers, no amounts have been recognized in the accompanying financial statements because the criteria for recognition of such volunteer efforts as contributed services have not been satisfied.

Functional expense allocation

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Expenses, such as payroll and benefits, have been allocated among program services and supporting services based upon the employees' estimated time spent by function. Facility related costs, depreciation and general office have been allocated based on estimated square footage used by various departments.

Income taxes

The Council is a qualified organization exempt from federal income taxes under the provisions of Sections 501(c)(3) of the Internal Revenue Code.

Girl Scouts of Texas Oklahoma Plains, Inc.
Notes to Financial Statements
September 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)

The Council's has evaluated its current tax positions and has concluded that as of September 30, 2024, the Council does not have any significant uncertain tax positions for which a reserve would be necessary.

Use of estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Uses of estimates include, but are not limited to, accounting for the allowance for expected credit losses for accounts receivable, net, the allowance for doubtful contributions receivable, discounts on contributions receivable, the estimated useful lives of property and equipment and functional expense allocation. Actual results could differ from those estimates.

Reclassifications

Certain amounts presented in the prior year financial statements have been reclassified to conform to the current year presentation. Such reclassifications had no net effect on total assets, liabilities, net assets, changes in net assets, or cash flows from the amounts previously presented.

Subsequent events

The Council has evaluated subsequent events through January 29, 2025, the date the financial statements were available to be issued. No subsequent events have occurred that would have a material impact on the presentation of the Council's financial statements.

3. LIQUIDITY AND AVAILABILITY

The Council has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. Additionally, the Council has a \$2,600,000 line of credit that is used exclusively to pay the cookie vendor early in order to obtain a discount for initial orders and is paid back as soon as cash receipts are available to pay the line back.

The Council's working capital and cash flows have seasonal variations during the year attributed to product sales which happens in the second quarter of the fiscal year. To manage liquidity, the Council maintains an operating reserve which can be drawn on during the year to manage cash flow and then reinvested in the reserve when funds are received.

Girl Scouts of Texas Oklahoma Plains, Inc.
Notes to Financial Statements
September 30, 2024 and 2023

3. LIQUIDITY AND AVAILABILITY (continued)

The following quantitative disclosure describes assets that are available or expected to be available within one year of September 30, 2024 and 2023 to fund general expenditures and obligations as they become due:

	2024	2023
Cash and cash equivalents	\$ 741,765	\$ 628,650
Contributions receivable	4,368	1,094
Accounts receivable, net	101,508	190,314
Employee Retention Credits receivable	-	607,059
Short-term investments	2,886,955	2,800,336
Long-term investments	702,346	619,424
Less: amounts restricted by donors	(271,159)	(76,087)
Add: estimated endowment distribution	60,398	50,000
	\$ 4,226,181	\$ 4,820,790

4. INVESTMENTS, AT FAIR VALUE

Short-term investments consist of the following as of September 30:

	2024		2023	
	Fair Value	Cost	Fair Value	Cost
Money market mutual funds	\$ 2,886,955	\$ 2,886,955	\$ 2,800,336	\$ 2,800,336

Long-term investments consist of the following:

	2024		2023	
	Fair Value	Cost	Fair Value	Cost
Money market mutual funds	\$ 111,087	\$ 111,087	\$ 117,628	\$ 117,628
Fixed income mutual funds	581,946	607,088	478,535	550,884
Equity mutual funds	1,014,516	792,487	813,994	773,812
	1,707,549	1,510,662	1,410,157	1,442,324
Investments held in trust	385,234	-	346,668	-
	\$ 2,092,783	\$ 1,510,662	\$ 1,756,825	\$ 1,442,324

Girl Scouts of Texas Oklahoma Plains, Inc.
Notes to Financial Statements
September 30, 2024 and 2023

4. INVESTMENTS, AT FAIR VALUE (continued)

Reconciliation:

	2024	2023
Long-term investments	\$ 702,346	\$ 619,424
Investments restricted for endowment (see Note 11)	1,390,437	1,137,401
	\$ 2,092,783	\$ 1,756,825

The following table sets forth by level, within the fair value hierarchy, the Council's assets at fair value as of September 30, 2024:

	Level 1	Level 2	Level 3	Fair Value
Money market mutual funds	\$ 2,998,042	\$ -	\$ -	\$ 2,998,042
Fixed income mutual funds	581,946	-	-	581,946
Equity mutual funds	1,014,516	-	-	1,014,516
Investments held in trusts	47,047	-	338,187	385,234
	\$ 4,641,551	\$ -	\$ 338,187	\$ 4,979,738

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

	Level 1	Level 2	Level 3	Fair Value
Money market mutual funds	\$ 2,917,964	\$ -	\$ -	\$ 2,917,964
Fixed income mutual funds	478,535	-	-	478,535
Equity mutual funds	813,994	-	-	813,994
Investments held in trusts	43,236	-	303,432	346,668
	\$ 4,253,729	\$ -	\$ 303,432	\$ 4,557,161

The Council had no transfers in or out of Level 3 investments for the either the year ended 2024 or 2023.

Girl Scouts of Texas Oklahoma Plains, Inc.
Notes to Financial Statements
September 30, 2024 and 2023

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	2024	2023
Land	\$ 152,170	\$ 152,170
Buildings and improvements	10,758,147	10,663,488
Furniture and equipment	998,742	1,174,975
Automobiles	286,548	230,944
Construction in progress	-	44,513
	12,195,607	12,266,090
Accumulated depreciation	(8,537,812)	(8,319,034)
	\$ 3,657,795	\$ 3,947,056

6. NOTE PAYABLE AND LINE OF CREDIT

During the year ended September 30, 2024, the Council maintained a line of credit with a financial institution having an available balance of \$2,600,000. The line bore interest at an annual rate equal to the prime rate as published in The Wall Street Journal plus 1.25%. During the fiscal year, this line of credit was extended, establishing a new rate of interest at an annual rate equal to the prime rate as published in The Wall Street Journal plus 0.75% (8.75% as of September 30, 2024), and matures on September 9, 2025. As of September 30, 2024 and 2023, no amounts were outstanding against the line of credit.

On June 29, 2020, the Council received a loan from a bank in the amount of \$150,000 to fund certain operating costs under the EIDL program as authorized by the CARES Act. On July 22, 2021, the loan was modified to increase the amount by \$350,000 for a total of \$500,000. The loan bears interest at a fixed rate of 2.75% per annum, with fixed payments of \$2,210 per month beginning thirty months after the date of the promissory note, has a term of thirty years, and is secured by the general assets of the Council. There is no prepayment penalty for early repayment of the balance. The outstanding loan balance as of September 30, 2024 and 2023 totaled \$486,745 and \$499,686, respectively.

The future maturities of the note payable at September 30, 2024 are as follows:

<u>Year ending September 30,</u>	
2025	\$ 13,301
2026	13,672
2027	14,053
2028	14,444
2029	14,846
Thereafter	416,429
	\$ 486,745

Girl Scouts of Texas Oklahoma Plains, Inc.
Notes to Financial Statements
September 30, 2024 and 2023

7. REVENUE RECOGNITION

The following table shows the Council's revenue disaggregated according to the timing of transfer of goods or services:

	2024	2023
Revenue recognized over a period of time		
Camp fees	\$ 389,435	\$ 498,983
Revenue recognized at a point in time		
Product sales, net	7,323,457	6,793,813
Sales of merchandise, net	173,387	122,138
	7,496,844	6,915,951
	\$ 7,886,279	\$ 7,414,934

8. CONTRACT ASSETS AND LIABILITIES

The Council's contract assets and liabilities consist of:

	2024	2023
Accounts receivable		
Product sales, net	\$ 46,257	\$ 3,741
Liabilities		
Program certificates payable	\$ 89,102	\$ 92,819
Deferred revenue - sponsorships	2,500	30,449
Deferred revenue - camp fees	27,794	4,862
Deferred revenue - training	1,670	3,610
Deferred revenue - membership dues	(3,195)	2,825
	\$ 117,871	\$ 134,565

9. LEASES

The Council leases office space and equipment for various terms under long-term, noncancelable lease agreements. The lease agreements go through 2033. In the normal course of business, it is expected that these leases will be renewed or replaced by a similar lease.

Girl Scouts of Texas Oklahoma Plains, Inc.
Notes to Financial Statements
September 30, 2024 and 2023

9. LEASES (continued)

The following table provides quantitative information concerning the Council's operating leases at September 30, 2023 and 2024:

	2024	2023
Lease costs		
Operating lease costs	\$ 150,606	\$ 192,053
Other information		
Cash paid for amounts included in the measurement of lease liabilities	\$ 147,532	\$ 187,700
Weighted-average remaining lease term	7.18 years	8.00 years
Weighted-average discount rate	4.01%	4.00%

Future minimum lease payments under non-cancellable leases were as follows:

Year ending September 30,	
2025	\$ 127,337
2026	92,086
2027	92,086
2028	89,655
2029	58,250
Thereafter	223,292
	682,706
Less: imputed interest	(89,347)
	\$ 593,359

Girl Scouts of Texas Oklahoma Plains, Inc.
Notes to Financial Statements
September 30, 2024 and 2023

10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

	2024	2023
Subject to expenditure for specific purpose		
Program services	\$ 271,159	\$ 76,087
Unappropriated endowment earnings	<u>290,338</u>	<u>37,302</u>
	<u>561,497</u>	<u>113,389</u>
Endowments		
Subject to the Council's spending policy - general endowment	689,513	689,513
Subject to endowment trust spending and appropriation approval	227,390	227,390
Subject to approved appropriation for: camperships, scholarships, and innovative programs	58,196	58,196
Subject to approved appropriation for: scholarships and capital improvements	<u>125,000</u>	<u>125,000</u>
	<u>1,100,099</u>	<u>1,100,099</u>
	<u>\$ 1,661,596</u>	<u>\$ 1,213,488</u>

Net assets with donor restrictions released from restriction during the year were as follows:

	2024	2023
Purpose restriction met	\$ 321,863	\$ 547,314
Appropriation of endowment earnings	<u>35,836</u>	<u>84,897</u>
	<u>\$ 357,699</u>	<u>\$ 632,211</u>

11. ENDOWMENT

The Council's endowment fund consists of certificates of deposit with various maturities and interest rates, bonds, stocks, mutual funds, and funds invested with Amarillo Area Foundation (see Note 2). The Council's endowment fund consists of contributions made to establish an endowment in perpetuity, the earnings from which are to be used to support the Council's operations. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based upon the existence or absence of donor-imposed restrictions.

Girl Scouts of Texas Oklahoma Plains, Inc.
Notes to Financial Statements
September 30, 2024 and 2023

11. ENDOWMENT (continued)

Interpretation of relevant law

The Council has interpreted the Texas Uniform Prudent Management of Institutional Funds Act ("Texas UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Council retains in perpetuity (a) the original value of initial and subsequent gifts donated to the endowment, (b) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Council in a manner consistent with the standard of prudence prescribed by Texas UPMIFA. For gifts with no restrictions upon earnings of the corpus, earnings in excess of the corpus are shown as amounts without donor restrictions to be used at the Council's discretion to further its mission. The Council considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Return objectives and risk parameters

The Council's overall objective is to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets may include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Currently, the Council has no board-designated endowment funds. The Council expects its endowment funds, over time, to provide an average rate of return that equals or exceeds the national rate. Actual returns in any given year may vary from this amount.

Strategies employed for achieving objectives

In order to meet the objectives for a predictable stream of funding, the equity portion of the portfolio may be invested in the funds of common stock, convertible preferred stocks, convertible fixed income securities, real estate investment trusts, Standard & Poor's Depository Receipts, and cash reserves. The equity portion of the portfolio should be well diversified among economic sectors, industry groups, and individual securities to avoid any undue exposure to any of the U.S. equity markets.

Girl Scouts of Texas Oklahoma Plains, Inc.
Notes to Financial Statements
September 30, 2024 and 2023

11. ENDOWMENT (continued)

Strategies employed for achieving objectives (continued)

The securities invested in should be of good quality, publicly traded, and have adequate market liquidity to the size of the investment. The short-term investments shall consist of individual fixed income securities such as certificates of deposits, commercial paper, U.S. Treasury Bills, and other similar instruments with less than one year to maturity.

Spending policy and how the investment objectives relate to spending policy

The Council shall appropriate for distribution each year earnings in accordance with the donor's guidance not to exceed 7% of its endowment fund's average fair value over the prior three years through the calendar year-end preceding the fiscal year in which the distribution is planned, excluding funds invested with the Amarillo Area Foundation (see Note 2). In establishing this policy, the Council considered the long-term expected return on its endowment. The actual percentage distribution shall be determined by the board on an annual basis. The Council's objective is 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. 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 Texas UPMIFA requires the Council to retain as a fund of perpetual duration. There were no such deficiencies as of September 30, 2024 or 2023.

Activity of endowment funds

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, September 30, 2023	\$ -	\$ 1,137,401	\$ 1,137,401
Interest earned	-	36,305	36,305
Realized/unrealized Gain	-	252,567	252,567
Management fees	-	(9,159)	(9,159)
Appropriation for expenditure	-	(26,677)	(26,677)
	<u>\$ -</u>	<u>\$ 1,390,437</u>	<u>\$ 1,390,437</u>

Girl Scouts of Texas Oklahoma Plains, Inc.
Notes to Financial Statements
September 30, 2024 and 2023

11. ENDOWMENT (continued)

Activity of endowment funds (continued)

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

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, September 30, 2022	\$ -	\$ 1,100,099	\$ 1,100,099
Interest earned	-	27,077	27,077
Realized/unrealized gain	-	95,122	95,122
Management fees	-	(7,621)	(7,621)
Appropriation for expenditure	-	(77,276)	(77,276)
	\$ -	\$ 1,137,401	\$ 1,137,401

12. EMPLOYEE BENEFIT PLANS

The Council participates in the National Girl Scout Council Retirement Plan (the "Plan"), a noncontributory defined benefit pension plan sponsored by Girl Scouts of the USA. Effective July 31, 2010, the Plan was frozen to new entrants and to further benefit accruals for existing participants, although previously earned benefits can continue to vest. Accrued benefits earned prior to July 31, 2010 are based on years of service and salary levels. The Council made contributions into the Plan of \$309,220 and \$326,199 during the years ended September 30, 2024 and 2023, respectively. For the plan year ending December 31, 2018, the Plan implemented a funding improvement strategy, in which the Council was not required to pay a surcharge.

Additionally, the Council offers a tax-deferred annuity plan qualified under Section 403(b) of the IRC. This plan covers full-time employees of the Council who elect to participate. During the years ended September 30, 2024 and 2023, the Council matched employee contributions up to 3% of eligible compensation, which totaled \$57,366 and \$75,116, respectively.

13. CONCENTRATIONS

Contributions and contributions receivable represent concentrations of credit risk to the extent they are receivable from concentrated sources. For the year ended September 30, 2024, contributions from two donors represent approximately 26% of total contributions. For the year ended September 30, 2023, there were no significant concentrations in contributions receivable.

The Council is dependent on a third-party cookie manufacturer as their primary supplier of Girl Scout cookies. The supplier accounted for approximately 20% of total expenditures as of September 30, 2024 and 2023. The loss of this supplier or a significant reduction in product availability could have a material adverse effect on the Council.