

**GIRL SCOUTS OF SOUTHERN ILLINOIS COUNCIL
GIRL SCOUTS OF SOUTHERN ILLINOIS COUNCIL TRUST FUND**

**COMBINED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED
SEPTEMBER 30, 2024 AND 2023**

Girl Scouts of Southern Illinois Council
Girl Scouts of Southern Illinois Council Trust Fund

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1 - 2
COMBINED FINANCIAL STATEMENTS	
Combined Statements of Financial Position	3
Combined Statements of Activities	4
Combined Statements of Functional Expenses	5 - 6
Combined Statements of Cash Flows	7
Notes to Combined Financial Statements	8 - 27



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Girl Scouts of Southern Illinois Council
Girl Scouts of Southern Illinois Council Trust Fund
Glen Carbon, Illinois

Opinion

We have audited the accompanying combined financial statements of Girl Scouts of Southern Illinois Council and Girl Scouts of Southern Illinois Council Trust Fund, which comprise the combined statements of financial position as of September 30, 2024 and 2023, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Girl Scouts of Southern Illinois Council and Girl Scouts of Southern Illinois Council Trust Fund as of September 30, 2024 and 2023, and the combined changes in its net assets and its combined cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Girl Scouts of Southern Illinois Council and Girl Scouts of Southern Illinois Council Trust Fund 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 combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined 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 Southern Illinois Council and Girl Scouts of Southern Illinois Council Trust Fund's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

Schmersahl Treloar & Co.

Schmersahl Treloar, & Co.
St. Louis, Missouri
March 5, 2025

COMBINED
FINANCIAL STATEMENTS

Girl Scouts of Southern Illinois Council
Girl Scouts of Southern Illinois Council Trust Fund
COMBINED STATEMENTS OF FINANCIAL POSITION

	September 30,	
	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 192,930	\$ 1,132,954
Pledges and grants receivable	141,102	71,335
Accounts receivable, net	70,383	14,331
United Way receivable	46,605	48,860
Prepaid expenses	150,512	168,860
Inventories	68,350	66,485
Other assets	14,737	12,711
Total Current Assets	684,619	1,515,536
PROPERTY AND EQUIPMENT, NET	940,887	747,041
OPERATING LEASE RIGHT OF USE ASSET	42,407	32,110
INVESTMENTS	7,154,536	6,333,358
Total Assets	<u>\$ 8,822,449</u>	<u>\$ 8,628,045</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Line of credit	\$ 294,000	\$ 1,265,840
Accounts payable	82,409	48,076
Accrued expenses	274,583	235,788
Due to Girl Scouts of the United States of America (GSUSA)	4,791	5,001
Deferred revenue	57,462	41,776
Current portion, operating lease liabilities	19,931	11,605
Total Current Liabilities	733,176	1,608,086
OPERATING LEASE LIABILITIES	22,643	20,505
Total Liabilities	<u>755,819</u>	<u>1,628,591</u>
NET ASSETS		
Without donor restrictions		
Undesignated	545,934	282,471
Girl scout experience quasi-endowment fund	4,994,825	4,289,277
Camp Chan Ya Ta Proceeds	358,425	579,931
Net investment in property and equipment	940,887	747,041
Total Net Assets Without Donor Restrictions	<u>6,840,071</u>	<u>5,898,720</u>
With donor restrictions		
Perpetual in nature	10,000	10,000
Purpose restrictions	1,169,954	1,041,274
Time restrictions	46,605	49,460
Total Net Assets With Donor Restrictions	<u>1,226,559</u>	<u>1,100,734</u>
Total Net Assets	<u>8,066,630</u>	<u>6,999,454</u>
Total Liabilities and Net Assets	<u>\$ 8,822,449</u>	<u>\$ 8,628,045</u>

See accompanying notes to combined financial statements

Girl Scouts of Southern Illinois Council
Girl Scouts of Southern Illinois Council Trust Fund
COMBINED STATEMENTS OF ACTIVITIES

	Year Ended September 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Public Support:			
Contributions and grants	\$ 186,414	\$ 210,245	\$ 396,659
Contributions of nonfinancial assets	113,147	-	113,147
United Way allocation	134,578	46,605	181,183
Employee retention credit	-	-	-
Net assets released from restrictions	<u>131,025</u>	<u>(131,025)</u>	<u>-</u>
 Total Public Support	 <u>565,164</u>	 <u>125,825</u>	 <u>690,989</u>
 Revenue:			
Product sales	5,572,961	-	5,572,961
Less: direct costs of product sales	<u>(2,396,873)</u>	<u>-</u>	<u>(2,396,873)</u>
 Gross Profit on Product Sales	 3,176,088	 -	 3,176,088
 Program service fees	 155,917	 -	 155,917
Special events	136,308	-	136,308
Interest and dividend income net of fees	141,078	-	141,078
Miscellaneous income	<u>17,676</u>	<u>-</u>	<u>17,676</u>
 Total Revenue	 <u>3,627,067</u>	 <u>-</u>	 <u>3,627,067</u>
 Total Public Support and Revenue	 <u>4,192,231</u>	 <u>125,825</u>	 <u>4,318,056</u>
 EXPENSES			
Program services	3,401,727	-	3,401,727
Management and general	766,789	-	766,789
Fundraising	<u>284,957</u>	<u>-</u>	<u>284,957</u>
 Total Expenses	 <u>4,453,473</u>	 <u>-</u>	 <u>4,453,473</u>
 CHANGE IN NET ASSETS FROM OPERATIONS	 (261,242)	 125,825	 (135,417)
Net (loss) gain on sale of property and equipment	(8,125)	-	(8,125)
Investment gains - net	<u>1,210,718</u>	<u>-</u>	<u>1,210,718</u>
 CHANGE IN NET ASSETS	 941,351	 125,825	 1,067,176
NET ASSETS, Beginning of year	<u>5,898,720</u>	<u>1,100,734</u>	<u>6,999,454</u>
NET ASSETS, End of year	<u>\$ 6,840,071</u>	<u>\$ 1,226,559</u>	<u>\$ 8,066,630</u>

See accompanying notes to combined financial statements

Year Ended September 30, 2023

Without Donor Restrictions	With Donor Restrictions	Total
\$ 425,198	\$ 104,088	\$ 529,286
168,482	-	168,482
136,641	48,860	185,501
212,418	-	212,418
<u>137,488</u>	<u>(137,488)</u>	<u>-</u>
<u>1,080,227</u>	<u>15,460</u>	<u>1,095,687</u>
4,710,140	-	4,710,140
<u>(2,113,164)</u>	<u>-</u>	<u>(2,113,164)</u>
2,596,976	-	2,596,976
114,213	-	114,213
121,565	-	121,565
150,384	-	150,384
<u>20,908</u>	<u>-</u>	<u>20,908</u>
<u>3,004,046</u>	<u>-</u>	<u>3,004,046</u>
<u>4,084,273</u>	<u>15,460</u>	<u>4,099,733</u>
3,169,834	-	3,169,834
762,832	-	762,832
<u>283,521</u>	<u>-</u>	<u>283,521</u>
<u>4,216,187</u>	<u>-</u>	<u>4,216,187</u>
(131,914)	15,460	(116,454)
9,500	-	9,500
<u>575,243</u>	<u>-</u>	<u>575,243</u>
452,829	15,460	468,289
<u>5,445,891</u>	<u>1,085,274</u>	<u>6,531,165</u>
<u>\$ 5,898,720</u>	<u>\$ 1,100,734</u>	<u>\$ 6,999,454</u>

Girl Scouts of Southern Illinois Council
 Girl Scouts of Southern Illinois Council Trust Fund
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
 For the Year Ended September 30, 2024

	Program Services				Total Program Services	Support Services		Total
	Girl/ Council Programs	Membership Development	Adult Volunteer Development	Public Relations		Management and General	Fund- raising	
EXPENSES								
Salaries	\$ 724,650	\$ 601,128	\$ 174,290	\$ 162,808	\$ 1,662,876	\$ 507,007	\$ 157,219	\$ 2,327,102
Employee benefits	123,491	102,441	29,702	27,745	283,379	86,401	26,792	396,572
Payroll taxes	54,417	45,141	13,088	12,226	124,872	38,073	11,806	174,751
Direct costs of product sales	2,396,873	-	-	-	2,396,873	-	-	2,396,873
Professional fees	33,491	101,091	3,289	1,832	139,703	53,301	5,763	198,767
Supplies	64,824	69,253	16,005	222	150,304	3,205	39,912	193,421
Assistance to girls	92,840	95,579	33	-	188,452	108	-	188,560
Incentives and appreciation	174,727	-	-	-	174,727	-	-	174,727
Occupancy	84,566	15,686	4,625	1,188	106,065	6,104	12,137	124,306
Equipment rental, IT and maintenance	47,591	35,291	5,429	3,660	91,971	8,078	4,703	104,752
Insurance	44,749	18,002	5,220	4,876	72,847	23,224	4,708	100,779
Depreciation	76,818	7,503	2,175	2,032	88,528	6,328	1,962	96,818
Travel	39,136	40,831	3,140	2,873	85,980	3,144	1,342	90,466
Bank fees	47,282	3,049	31	-	50,362	610	1,884	52,856
Interest expense	17,972	15,039	2,889	2,880	38,780	9,123	3,769	51,672
Program fees	41,865	3,300	-	-	45,165	-	-	45,165
Telephone, internet and web hosting	19,977	16,168	2,377	1,371	39,893	3,500	1,533	44,926
Conferences and meetings	9,549	4,719	486	311	15,065	17,034	887	32,986
Printing and advertising	10,021	8,055	620	9,148	27,844	400	4,338	32,582
Bad debt	7,018	-	-	-	7,018	-	4,423	11,441
Postage and shipping	4,354	147	383	5	4,889	312	1,694	6,895
Miscellaneous	1,955	844	132	76	3,007	837	85	3,929
	4,118,166	1,183,267	263,914	233,253	5,798,600	766,789	284,957	6,850,346
Less expenses included on the Combined Statements of Activities								
Direct costs of product sales	(2,396,873)	-	-	-	(2,396,873)	-	-	(2,396,873)
Total Functional Expenses	<u>\$ 1,721,293</u>	<u>\$ 1,183,267</u>	<u>\$ 263,914</u>	<u>\$ 233,253</u>	<u>\$ 3,401,727</u>	<u>\$ 766,789</u>	<u>\$ 284,957</u>	<u>\$ 4,453,473</u>

See accompanying notes to combined financial statements

Girl Scouts of Southern Illinois Council
 Girl Scouts of Southern Illinois Council Trust Fund
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
 For the Year Ended September 30, 2023

	Program Services				Total Program Services	Support Services		Total
	Girl/ Council Programs	Membership Development	Adult Volunteer Development	Public Relations		Management and General	Fund- raising	
EXPENSES								
Salaries	\$ 601,877	\$ 626,488	\$ 159,451	\$ 154,124	\$ 1,541,940	\$ 497,767	\$ 149,305	\$ 2,189,012
Employee benefits	107,934	112,349	28,595	27,639	276,517	89,265	26,775	392,557
Payroll taxes	46,609	48,515	12,348	11,935	119,407	38,547	11,562	169,516
Direct costs of product sales	2,113,164	-	-	-	2,113,164	-	-	2,113,164
Professional fees	28,373	92,037	3,282	2,000	125,692	34,700	7,955	168,347
Supplies	69,654	54,394	9,035	98	133,181	4,555	47,160	184,896
Assistance to girls	61,046	88,163	-	-	149,209	-	-	149,209
Incentives and appreciation	145,166	-	-	-	145,166	-	-	145,166
Occupancy	70,391	14,754	3,390	1,397	89,932	9,088	4,046	103,066
Equipment rental, IT and maintenance	70,068	48,765	11,055	5,709	135,597	17,525	11,214	164,336
Insurance	40,667	18,337	4,678	4,511	68,193	22,610	4,370	95,173
Depreciation	74,822	8,210	2,090	2,020	87,142	6,523	1,957	95,622
Travel	41,245	30,226	3,647	1,566	76,684	2,038	314	79,036
Bank fees	42,236	1,788	-	-	44,024	625	2,683	47,332
Interest expense	26,894	22,505	4,323	4,310	58,032	13,652	5,640	77,324
Program fees	38,217	-	-	-	38,217	-	-	38,217
Telephone, internet and web hosting	13,701	7,436	1,268	773	23,178	2,206	864	26,248
Conferences and meetings	16,468	7,464	1,625	690	26,247	20,212	2,345	48,804
Printing and advertising	8,300	8,037	1,582	7,405	25,324	899	5,584	31,807
Bad debt	-	868	-	-	868	2,070	-	2,938
Postage and shipping	2,916	293	380	-	3,589	162	1,587	5,338
Miscellaneous	853	641	125	76	1,695	388	160	2,243
	3,620,601	1,191,270	246,874	224,253	5,282,998	762,832	283,521	6,329,351
Less expenses included on the Combined Statements of Activities								
Direct costs of product sales	(2,113,164)	-	-	-	(2,113,164)	-	-	(2,113,164)
Total Functional Expenses	<u>\$ 1,507,437</u>	<u>\$ 1,191,270</u>	<u>\$ 246,874</u>	<u>\$ 224,253</u>	<u>\$ 3,169,834</u>	<u>\$ 762,832</u>	<u>\$ 283,521</u>	<u>\$ 4,216,187</u>

See accompanying notes to combined financial statements

Girl Scouts of Southern Illinois Council
Girl Scouts of Southern Illinois Council Trust Fund
COMBINED STATEMENTS OF CASH FLOWS

	Years Ended September 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,067,176	\$ 468,289
Adjustments to reconcile change in net assets to net change in cash and cash equivalents from operating activities:		
Depreciation	96,818	95,622
Bad debt	11,441	2,938
Obsolete inventories	4,077	4,992
Net loss (gain) on sale of property and equipment	8,125	(9,500)
Net realized and unrealized (gains) on investments	(1,210,718)	(575,243)
Reduction in carrying amount of operating lease ROU assets	14,913	11,266
(Increase) decrease in assets:		
Pledges and grants receivable	(69,767)	(45,460)
Accounts receivable, net	(56,052)	(11,791)
United Way receivable	2,255	652
Prepaid expenses	18,348	(41,165)
Inventories	(5,942)	11,553
Other assets	(13,467)	(7,991)
Increase (decrease) in liabilities:		
Accounts payable	34,333	3,214
Accrued expenses	38,795	(6,726)
Due to Girl Scouts of the United States of America (GSUSA)	(210)	4,302
Deferred revenue	15,686	1,543
Operating lease liabilities	(14,746)	(11,266)
 Net Change in Cash and Cash Equivalents from Operating Activities	 (58,935)	 (104,771)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(327,033)	(244,236)
Proceeds from sale of property and equipment	28,244	13,400
Purchase of investments	(2,686,690)	(797,459)
Proceeds from sale of investments	3,076,230	767,672
 Net Change in Cash and Cash Equivalents from Investing Activities	 90,751	 (260,623)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (payments) proceeds from line of credit	(971,840)	284,538
 NET CHANGE IN CASH AND CASH EQUIVALENTS	 (940,024)	 (80,856)
 CASH AND CASH EQUIVALENTS, Beginning of year	 1,132,954	 1,213,810
 CASH AND CASH EQUIVALENTS, End of year	 \$ 192,930	 \$ 1,132,954
 SUPPLEMENTAL DISCLOSURES:		
Interest paid	\$ 51,672	\$ 77,324
Income taxes paid	\$ -	\$ -
Operating lease right-of-use asset obtained in exchange for operating lease liability upon adoption of ASU 842	\$ 25,210	\$ 43,376

See accompanying notes to combined financial statements

Girl Scouts of Southern Illinois Council
Girl Scouts of Southern Illinois Council Trust Fund
NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2024 and 2023

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Combination

The Girl Scouts of Southern Illinois Council (the “Council”) has elected to present combined financial statements. The accompanying combined financial statements reflect the combination of the financial statements of the Council and Girl Scouts of Southern Illinois Council Trust Fund (the “Trust Fund”) (collectively, the “Organization”). The Trust Fund, a separate legal entity, is managed by a trustee and the investments were valued at \$756,530 at September 30, 2023. During the year ended September 30, 2024, the Organization began the process of dissolving the Trust Fund and transferred all the Trust’s assets to the Council. All interrelated transactions and balances have been eliminated in this combination.

Organization

The Organization is a nonprofit organization established over 100 years ago to build girls of courage, confidence, and character who make the world a better place. The preeminent leadership development organization for girls provides programs from coast to coast and across the globe. Girl Scouts offers every girl a chance to practice leadership, adventure, and success. During the year ended September 30, 2024, 6,363 girls were served. The Organization operates in Alexander, Bond, Calhoun, Clark, Clay, Clinton, Coles, Crawford, Cumberland, Edgar, Edwards, Effingham, Fayette, Franklin, Gallatin, Hamilton, Hardin, Jackson, Jasper, Jefferson, Jersey, Johnson, Lawrence, Madison, Marion, Massac, Monroe, Perry, Pope, Pulaski, Randolph, Richland, Saline, Saint Clair, Union, Wabash, Washington, Wayne, White, and Williamson counties.

There are six program levels:

<u>Girl Scout Level</u>	<u>Grade Level</u>
Daisy	K – 1
Brownie	2 – 3
Junior	4 – 5
Cadette	6 – 8
Senior	9 – 10
Ambassador	11 – 12

Membership options are available at all levels. Many of the girls participate through a traditional troop. There are five additional ‘Pathways’ for individual girls to participate in Girl Scouting. Girls can participate through camp, travel opportunities, council wide events including expanded outdoor adventures, short-term series or virtually through online troops and programs. The flexibility allows for girls to participate in Girl Scouting in the way that best suits them. The diversity and options provided in the Girl Scout program provides opportunities for girls to grow through meeting new people and learning about new things.

Girl Scouts of Southern Illinois Council
Girl Scouts of Southern Illinois Council Trust Fund
NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2024 and 2023
(Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Change in Accounting Principle

In June 2016, the FASB issued guidance (FASB 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 change in net assets. The most significant change in this standard is a shift from the incurred loss model to the 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. The Organization adopted the standard effective October 1, 2023. The impact of the adoption was not considered material to the financial statements.

Basis of Accounting

The combined financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net Assets without Donor Restrictions

Net assets available for use in general operations and not subject to donor or certain grantor restrictions. The Board of Directors (the "Board") has designated, from net assets without donor restrictions, net assets to be reserved for the Girl Scout Experience Quasi-Endowment Fund. Additionally, the Board has designated, from net assets without donor restrictions, net assets to be reserved for Camp Chin Ya Ta Proceeds. The Board is not bound by these designations and may adjust them as deemed necessary (Note E and Note H).

Net Assets with Donor Restrictions

Net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that such assets 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.

Girl Scouts of Southern Illinois Council
Girl Scouts of Southern Illinois Council Trust Fund
NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2024 and 2023
(Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Use of Estimates

The preparation of combined 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. Actual results could differ from those estimates.

Financial Instruments

The carrying amounts of cash and cash equivalents, United Way receivable, pledges and grants receivable, accounts receivable, other receivables, inventories, prepaid expenses, accounts payable, accrued expenses, due to Girl Scouts of the United States of America (GSUSA), and deferred revenue reported in the combined statements of financial position approximates fair values due to the short-term maturities of those instruments.

Cash and Cash Equivalents

The Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. The Organization maintains cash deposits in bank accounts which at times may exceed the federally insured limits of up to \$250,000 for each account. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

United Way Receivable and Pledges & Grants Receivable

United Way receivable and pledges receivable consist of pledges from various United Way entities throughout the Organization's region and from various contributors. It is always considered reasonably possible that benefactors, grantors, or contributors might be lost in the near term. The Organization's market is concentrated in Southern Illinois.

United Way receivable and pledges receivable are carried net of an allowance for doubtful accounts. The allowance for doubtful accounts is increased by provisions charged to expense and reduced by amounts charged off, net of recoveries. The allowance is maintained at a level considered adequate to provide for potential account losses based on management's evaluation of the anticipated impact on the balance of current economic conditions, changes in the character and size of the balance, past and expected future loss experience and other pertinent factors.

Management has determined that the United Way receivable and pledges receivable are fully collectible and, accordingly, an allowance for doubtful accounts has been deemed unnecessary for the years ended September 30, 2024 and 2023.

Girl Scouts of Southern Illinois Council
Girl Scouts of Southern Illinois Council Trust Fund
NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2024 and 2023
(Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The carrying amount of accounts receivable is reduced by an allowance for credit losses that reflects the best estimate by management of the amounts that will not be collected. Management provides for probable uncollectible amounts through a charge to earnings and a credit to the allowance based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance and a credit to accounts receivable. The allowance for credit losses on accounts receivable was \$18,000 for the years ended September 30, 2024 and 2023.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values based on quoted prices in active markets in the combined statements of financial position. Net investment return is reported in the combined statements of activities and consists of interest and dividend income less external and direct internal investment expenses and realized and unrealized gains and losses.

Inventories

Inventories are stated at the lower of cost (first in, first out basis) or market. Inventories consist principally of Girl Scout apparel, insignia and patches. Obsolete, damaged, and otherwise unusable supplies are excluded from inventories.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Contributed property and equipment are recorded at fair value at the date of the donation. If the donors stipulate how long the assets must be used, the contributions are recorded as support with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions. Depreciation is recorded on a straight-line basis over the estimated useful life of the assets, which range from three to forty years. The Organization capitalizes property and equipment with a cost over \$2,500. Renewals and betterments that extend the life of the property are capitalized. Maintenance and repairs are expensed as incurred.

Girl Scouts of Southern Illinois Council
Girl Scouts of Southern Illinois Council Trust Fund
NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2024 and 2023
(Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Contract Liabilities

Contract liabilities consist of payments received in advance for camps and other programmatic activities. They are recorded as deferred revenue on the combined statements of financial position. These amounts will be recognized as revenue once the camp or program takes place. As of September 30, 2024 and 2023, the balance of deferred revenue was \$57,462 and \$41,776, respectively.

Compensated Absences

Compensated absences accrue at different rates for the employees depending on factors such as length of service and rate of pay. The combined financial statements reflect a compensated absences payable balance of \$100,140 and \$101,857 at September 30, 2024 and 2023, respectively. This amount is included in accrued expenses on the combined statements of financial position.

Revenue Recognition – Contributions

Contributions and Grants

The Organization recognizes contributions and grants when cash, securities, or other assets; an unconditional promise to give, or a notification of a beneficial interest is received. 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 met. Contributions and grants are recognized when a donor makes a promise to give to the Organization that is, in substance, unconditional. Restricted contributions and grants received and expended in the same fiscal year are reported as increases in net assets without donor restrictions. Amounts received that are restricted by the donor for use in future periods or for specific purposes are reported as support with donor restrictions that increases net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions.

Revenue Recognition – Contracts with Customers

Retail and Product Sales

Revenue from sales of cookies, fall products, which include nuts, candy and magazines, and scouting supplies (retail), is recognized at a point in time, when a sale takes place, and the performance obligation is satisfied. See Note M.

Girl Scouts of Southern Illinois Council
Girl Scouts of Southern Illinois Council Trust Fund
NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2024 and 2023
(Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Revenue Recognition – Contracts with Customers (Continued)

Program Services

Program fees consist of payments for camp and other programmatic activities that are held for girls throughout the year. Revenue from program fees is recognized when the program takes place, when the performance obligation is satisfied.

Special Event Revenue

The portion of ticket sales and sponsorship revenue that relates to the commensurate value the attendee receives in return is recognized when the related events are held, and performance obligations are met.

Contributions of Nonfinancial Assets

Nonfinancial assets are recorded as contributions at their estimated fair market values at the date of donation which is based on current rates for similar goods and services. Additionally, many individuals volunteer their time and perform a variety of tasks to assist with specific programs, campaign solicitations, and various administrative assignments. These volunteer hours have not been recorded in the combined statements of activities since these services do not meet the criteria for recognition as contributed services.

Advertising

The Organization expenses advertising costs as they are incurred. During the years ended September 30, 2024 and 2023, the Organization incurred \$9,148 and \$7,405, respectively, for advertising.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities on the statements of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. Variable lease costs are not included in the calculation. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as rent expense on a straight-line basis over the lease term.

Girl Scouts of Southern Illinois Council
Girl Scouts of Southern Illinois Council Trust Fund
NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2024 and 2023
(Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Functional Expense Allocation

The combined statements of functional expenses report certain categories of expenses directly traceable to certain programs and expenses allocable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated on the basis of time and effort include: salaries, employee benefits, payroll taxes, depreciation, occupancy, professional fees, telephone, internet and web hosting, insurance, equipment rental and maintenance, interest expense, and certain supplies. The remaining expenses are recorded on a direct basis to program services, management, and general, and fundraising categories.

Asset Impairment Assessments

The Organization reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying value of such assets may not be fully recoverable. Impairment is recognized to the extent that the sum of undiscounted estimated future cash flows expected to result from use of the asset is less than the carrying value. If impairment is recognized, the carrying value of the impaired asset is reduced to its fair value. As of September 30, 2024 and 2023, there was no indication of impairment.

Troop Accounts

Cash held in troops and groups accounts operate under the Council's federal identification number, but not under its control. The Organization has no signing authority and will not access the funds as long as a troop or group is functioning according to Girl Scout policies and procedures. Individual troops and groups have the responsibility to use funds in their control for the purposes of Girl Scouting as determined by the members and adult volunteers. The accompanying combined financial statements do not include financial data for individual Girl Scouts troops and other groups such as service units, committees, and volunteer-led camps. Management is unable to estimate the total funds held in troop accounts as of September 30, 2024 and 2023.

Income Taxes

The Organization qualifies as a nonprofit organization and is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization does not have unrelated business income, excise taxes or activities that would threaten the Organization's tax-exempt status. Accordingly, no provision for federal or state income taxes is provided. The Organization files an information return, IRS Form 990 for the Council, and a separate return for the Trust Fund.

Girl Scouts of Southern Illinois Council
 Girl Scouts of Southern Illinois Council Trust Fund
 NOTES TO COMBINED FINANCIAL STATEMENTS
 September 30, 2024 and 2023
 (Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Income Taxes (Continued)

Tax years 2020 and later remain subject to examination by taxing authorities. The Organization adopted the provisions relating to Accounting for Uncertainty in Income Taxes and management is not aware of any uncertain tax positions of the Organization related to the tax filings.

Reclassification

Certain 2023 amounts have been reclassified to conform with the 2024 financial statement presentation.

Subsequent Events

In preparing these combined financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 5, 2025, the date the combined financial statements were available to be issued.

B. **PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at September 30:

	2024	2023
Land	\$ 112,706	\$ 112,706
Land improvements	278,563	278,563
Buildings	1,488,368	1,488,368
Building improvements	491,651	379,148
Furniture and equipment	588,085	606,585
Construction in progress	172,630	-
	3,132,003	2,865,370
Less: accumulated depreciation	(2,191,116)	(2,118,329)
Total Property and Equipment, Net	<u>\$ 940,887</u>	<u>\$ 747,041</u>

Depreciation expense for the years ending September 30, 2024 and 2023 was \$96,818 and \$95,622, respectively.

Girl Scouts of Southern Illinois Council
Girl Scouts of Southern Illinois Council Trust Fund
NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2024 and 2023
(Continued)

C. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at the fair value. There have been no changes in the methodologies used at September 30, 2024 and 2023.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held are deemed to be actively traded.

The following table sets forth by level, within the fair value hierarchy, the investments at fair value as of September 30:

	Fair Value Measurements at September 30, 2024			
	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Marketable Securities</u>				
Equity Mutual Funds	\$4,422,049	\$4,422,049	\$ -	\$ -
Fixed Income Mutual Funds	2,479,989	2,479,989		
Alternative Investment Funds	252,498	252,498	-	-
Total	<u>\$7,154,536</u>	<u>\$7,154,536</u>	<u>\$ -</u>	<u>\$ -</u>

Girl Scouts of Southern Illinois Council
 Girl Scouts of Southern Illinois Council Trust Fund
 NOTES TO COMBINED FINANCIAL STATEMENTS
 September 30, 2024 and 2023
 (Continued)

C. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

	Fair Value Measurements at September 30, 2023			
	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Marketable Securities</u>				
Equity Mutual Funds	\$3,783,290	\$3,783,290	\$ -	\$ -
Fixed Income Mutual Funds	2,203,915	2,203,915		
Alternative Investment Funds	346,153	346,153	-	-
Total	<u>\$6,333,358</u>	<u>\$6,333,358</u>	<u>\$ -</u>	<u>\$ -</u>

Included in investments are donor-restricted for purpose endowment investments of \$0 and \$718,038 as of September 30, 2024 and 2023, respectively (Note D). For the years ended September 30, 2024 and 2023, investments also included \$4,958,948 and \$3,991,724, respectively, of funds board designated for the Girl Scout Experience Quasi-Endowment (Note E).

Total investment return net of fees was \$1,351,796 and \$725,627 for the years ended September 30, 2024 and 2023, respectively.

D. GIRL SCOUTS OF SOUTHERN ILLINOIS COUNCIL ENDOWMENT

The endowment consists of individual donor-restricted funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board has interpreted the Illinois Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of donor restricted endowment funds, absent explicit donor stipulations to the contrary, at the greater of the fair value of the original gift as of the gift date. As a result of this interpretation, the Organization classifies as net assets held in perpetuity (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made according to the directive in the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as perpetual in nature is classified as time or purpose restricted until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

Girl Scouts of Southern Illinois Council
 Girl Scouts of Southern Illinois Council Trust Fund
 NOTES TO COMBINED FINANCIAL STATEMENTS
 September 30, 2024 and 2023
 (Continued)

D. GIRL SCOUTS OF SOUTHERN ILLINOIS COUNCIL ENDOWMENT (Continued)

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (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 Organization, and (7) the Organization's investment policies.

Spending Policy

The Finance Committee, with assistance from professional investment advisors, has set the spending policy between 2 - 4%, an amount to be reviewed and approved in the annual operating budget each year.

Investment Return Objectives, Risk Parameters and Strategies

The Organization has adopted a total return approach to managing the investment portfolio. The primary objective of the investment policy is to align the investment portfolio with the strategic spending policy of the Organization. The three main investment asset classes will be allocated within the following ranges: Equities 38-70%; Fixed income 20-52%; Alternative asset class 0-20%. The social responsibility of Girl Scouting must be considered and no investments in companies that manufacture or market materials or any other activity not in alignment with Girl Scout philosophy is allowed. It is the responsibility of the Committee to review annually the performance of the investment account and investment policy guidelines, and report to the full board at least quarterly with updates and recommendations as needed.

Donor-restricted endowment funds refer to those endowed funds that are established by donor-restricted gifts for that purpose. The term endowment fund includes cash, securities, or other assets to provide income for the maintenance of a not-for-profit organization.

During the year ended September 30, 2024, in connection with the dissolution of the Council Trust Fund, the Organization approved the transfer of the endowment assets to a managed investment account effectively ending the Council Endowment.

The endowment net asset composition by type of fund as of September 30, 2023 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted for purpose endowment funds	\$ -	\$708,038	\$708,038
Donor-restricted perpetual endowment funds	-	10,000	10,000
Total Donor-Restricted Endowment Funds	\$ -	\$718,038	\$718,038

Girl Scouts of Southern Illinois Council
 Girl Scouts of Southern Illinois Council Trust Fund
 NOTES TO COMBINED FINANCIAL STATEMENTS
 September 30, 2024 and 2023
 (Continued)

D. GIRL SCOUTS OF SOUTHERN ILLINOIS COUNCIL ENDOWMENT (Continued)

Changes in endowment net assets as of September 30, 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$718,038	\$718,038
Contributions	-	57,569	57,569
Amounts appropriated for expenditure	-	(39,227)	(39,227)
Transfer out		(736,380)	(736,380)
Endowment Net Assets, End of Year	\$ -	\$ -	\$ -

Changes in endowment net assets as of September 30, 2023 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$719,586	\$719,586
Contributions	-	34,460	34,460
Amounts appropriated for expenditure	-	(36,008)	(36,008)
Endowment Net Assets, End of Year	\$ -	\$718,038	\$718,038

E. GIRL SCOUT EXPERIENCE QUASI-ENDOWMENT FUND

The Organization's Girl Scout Experience Quasi-Endowment Fund (GSE Fund) consists of funds designated by the Board of Directors to function as endowments. The purpose of the GSE Fund is to provide direct financial support for the delivery of Girl Scout programs and experiences. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board has interpreted the Illinois Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of donor restricted endowment funds, absent explicit donor stipulations to the contrary, at the greater of the fair value of the original gift as of the gift date. As a result of this interpretation, the Organization classifies as net assets held in perpetuity (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made according to the directive in the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as perpetual in nature is classified as time or purpose restricted until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

Girl Scouts of Southern Illinois Council
 Girl Scouts of Southern Illinois Council Trust Fund
 NOTES TO COMBINED FINANCIAL STATEMENTS
 September 30, 2024 and 2023
 (Continued)

E. **GIRL SCOUT EXPERIENCE QUASI-ENDOWMENT FUND** (Continued)

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (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 Organization, and (7) the Organization's investment policies.

Spending Policy

The Board of Directors will review the expected program and experience needs to determine the annual appropriation each year.

Investment Return Objectives, Risk Parameters and Strategies

The Organization will follow the established endowment policies (Note D) in the administration of the GSE Fund.

GSE Fund endowment net assets as of September 30, 2024 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total GSE Fund Endowment Net Assets
Board designated endowment funds	\$4,994,825	\$ -	\$4,994,825

Changes in GSE Fund endowment net assets as of September 30, 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total GSE Fund Endowment Net Assets
Board designated endowment net assets, beginning of year	\$4,289,277	\$ -	\$4,289,277
Board transfer in	-	-	-
Investment return			
Investment income, net of fees	88,370	-	88,370
Net appreciation	789,409	-	789,409
Amounts appropriated for expenditure	(172,231)	-	(172,231)
Board designated endowment net assets, end of year	\$4,994,825	\$ -	\$4,994,825

Girl Scouts of Southern Illinois Council
 Girl Scouts of Southern Illinois Council Trust Fund
 NOTES TO COMBINED FINANCIAL STATEMENTS
 September 30, 2024 and 2023
 (Continued)

E. GIRL SCOUT EXPERIENCE QUASI-ENDOWMENT FUND (Continued)

GSE Fund endowment net assets as of September 30, 2023 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total GSE Fund Endowment Net Assets
Board designated endowment funds	\$4,289,277	\$ -	\$4,289,277

Changes in GSE Fund endowment net assets as of September 30, 2023 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total GSE Fund Endowment Net Assets
Board designated endowment net assets, beginning of year	\$3,883,293	\$ -	\$3,883,293
Board transfer in	-	-	-
Investment return			
Investment income, net of fees	77,740	-	77,740
Net appreciation	362,475	-	362,475
Amounts appropriated for expenditure	(34,231)	-	(34,231)
Board designated endowment net assets, end of year	\$4,289,277	\$ -	\$4,289,277

F. NET ASSETS WITH DONOR RESTRICTIONS

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

	2024	2023
Subject to expenditures for specific purpose:		
Cohen fund	712,520	694,178
Lukas	285,180	271,488
Agency for Community Transit	92,490	-
STEM	19,056	16,744
River Bluffs girl scouts	16,924	16,924
Pickneyville girl scouts	13,860	13,860
Other programs	29,924	28,080
Subject to passage of time:		
United Way - general operations	46,605	48,860
Juliette Gordon Low Society	-	600
Subject to the Organization's spending policy and appropriation:		
Original donor-restricted gift amount and amount required to be maintained by donor	10,000	10,000
Total Net Assets with Donor Restrictions	\$1,226,559	\$1,100,734

Girl Scouts of Southern Illinois Council
 Girl Scouts of Southern Illinois Council Trust Fund
 NOTES TO COMBINED FINANCIAL STATEMENTS
 September 30, 2024 and 2023
 (Continued)

F. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets with donor restrictions are reclassified to net assets without donor restrictions when the time restriction expires or the funds are utilized for the restricted purpose.

Net assets with donor restrictions that are perpetual in nature consist of investments held in perpetuity, the income from which is restricted to the Organization's operating expenses.

G. NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified or by the passage of time. Releases are as follows at September 30:

	2024	2023
Purpose restrictions accomplished:		
Cohen Fund	\$ 39,227	\$ 36,009
STEM	15,652	26,227
Juliette	600	-
Other programs	25,470	25,740
Time restrictions expired:		
United Way - general operations	50,076	49,512
Total Net Assets Released from Restrictions	<u>\$131,025</u>	<u>\$137,488</u>

H. DESIGNATED NET ASSETS – CAMP CHAN YA TA PROCEEDS

During the year ended September 30, 2022, the Board of Directors appropriated \$853,015 of net assets without donor restrictions which came from the sale of Camp Chan Ya Ta to be designated for improvements at Camp Torqua and other property needs. \$221,506 and \$194,055 were spent on improvements during the years ended September 30, 2024 and 2023, respectively. The remaining balance at September 30, 2024 is \$358,425. These designated net assets are recorded on the combined statements of financial position as Camp Chan Ya Ta Proceeds.

I. LINE OF CREDIT

The Organization has a \$1,800,000 line of credit that expires April 11, 2026 with a variable interest rate of 0.25% below the current Wall Street Journal published prime rate. At September 30, 2024 and 2023, this calculated interest rate was approximately 7.75% and 8.25%, respectively. The line is secured by assets of the Organization. There was \$294,000 and \$1,265,840 outstanding at September 30, 2024 and 2023, respectively.

Girl Scouts of Southern Illinois Council
 Girl Scouts of Southern Illinois Council Trust Fund
 NOTES TO COMBINED FINANCIAL STATEMENTS
 September 30, 2024 and 2023
 (Continued)

J. BUSINESS AND CREDIT RISK

The Organization is located in Glen Carbon, Illinois. The Organization receives the majority of revenues from proceeds from the cookie sale programs and various United Way agency grants. The Organization also maintains investments in stocks of publicly traded companies, which are subject to upward and downward movements of the market in each of the respective industries.

The Organization's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to the Organization's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that diversification of its invested assets among the various asset classes should mitigate the impact of changes in any one class.

K. RELATED PARTY TRANSACTIONS

The Organization enters into various transactions with GSUSA. The Organization is a chartered council of GSUSA and both the Organization and GSUSA are separate legal entities. The Organization purchases most of its inventories from GSUSA. Furthermore, the Organization acts as a pass-through entity for membership dues to GSUSA. The Organization owed GSUSA \$4,791 and \$5,001 as of September 30, 2024 and 2023, respectively, for unremitted membership dues.

L. OPERATING LEASES

The Organization has operating leases for office space and certain equipment. The weighted average remaining lease term for these operating leases was 2.14 years and 2.67 years, respectively, and the weighted average discount rate was 6.13% and 4.38%, respectively, for the years ended September 30, 2024 and 2023.

The following summarizes the line items in the combined statements of financial position which include amounts for operating leases as of September 30:

	2024	2023
Operating lease right-of-use asset	\$42,407	\$32,110
Current portion, operating lease liabilities	19,931	11,605
Noncurrent portion, operating lease liabilities	22,643	20,505
Total operating lease liabilities	\$42,574	\$32,110

Girl Scouts of Southern Illinois Council
 Girl Scouts of Southern Illinois Council Trust Fund
 NOTES TO COMBINED FINANCIAL STATEMENTS
 September 30, 2024 and 2023
 (Continued)

L. OPERATING LEASES (Continued)

The following summarizes the line items in the statements of activities which include the components of lease expense for the year ended September 30:

	<u>2024</u>	<u>2023</u>
Operating lease expense included in equipment rental, IT, and maintenance	\$12,780	\$11,266
Operating lease expense included in occupancy expense	<u>3,917</u>	<u>-</u>
Total operating lease expense	<u><u>\$16,697</u></u>	<u><u>\$11,266</u></u>

The following summarizes the cash flow information related to the leases for the year ended September 30:

	<u>2024</u>	<u>2023</u>
Operating cash flows from operating lease	\$16,530	\$11,266

The maturities of operating lease liabilities as of September 30, 2024, were as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2025	\$22,030
2026	18,120
2027	<u>5,600</u>
	45,750
Less: present value discount	<u>(3,176)</u>
Operating lease liabilities	<u><u>\$42,574</u></u>

M. PRODUCT SALES

The following chart provides a detailed breakdown of gross profit by product. Other includes the sale of nuts, candy, and magazines.

The breakdown of product sales by product as of September 30, 2024 was:

	<u>Cookie</u>	<u>Other</u>	<u>Retail</u>	<u>Total</u>
Gross Sales	\$4,822,200	\$530,330	\$220,431	\$5,572,961
Less: Troop/Service Unit Proceeds	(851,668)	(95,251)	-	(946,919)
Less: Cost of Goods Sold	<u>(1,100,757)</u>	<u>(237,525)</u>	<u>(111,672)</u>	<u>(1,449,954)</u>
Gross Profit on Product Sales	<u><u>\$2,869,775</u></u>	<u><u>\$197,554</u></u>	<u><u>\$108,759</u></u>	<u><u>\$3,176,088</u></u>

Girl Scouts of Southern Illinois Council
 Girl Scouts of Southern Illinois Council Trust Fund
 NOTES TO COMBINED FINANCIAL STATEMENTS
 September 30, 2024 and 2023
 (Continued)

M. PRODUCT SALES (Continued)

The breakdown of product sales by product as of September 30, 2023 was:

	Cookie	Other	Retail	Total
Gross Sales	\$4,000,768	\$506,677	\$202,695	\$4,710,140
Less: Troop/Service Unit Proceeds	(747,646)	(76,104)	-	(823,750)
Less: Cost of Goods Sold	(993,908)	(212,026)	(83,480)	(1,289,414)
Gross Profit on Product Sales	<u>\$2,259,214</u>	<u>\$218,547</u>	<u>\$119,215</u>	<u>\$2,596,976</u>

N. EMPLOYEE RETENTION CREDIT

During the year ended September 30, 2023, the Organization qualified and applied for employee retention credits through the CARES act and subsequent modifications. In March 2023, the Organization received \$212,418 and reported this amount as Employee Retention Credit on the combined statements of activities.

Laws and regulations concerning government programs, including Employee Retention Credit established by the CARES Act, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Organization's claim to the ERTC, and it is not possible to determine the impact (if any) this would have upon the Organization.

O. CONTRIBUTIONS OF FINANCIAL ASSETS

The Organization received donated household goods, supplies and auction items included in supplies of \$33,147 and \$60,507 for the years ended September 30, 2024 and 2023, respectively.

The Organization received donated tickets included in professional fees of \$80,000 and \$74,000 for the years ended September 30, 2024 and 2023, respectively. The Organization received donated computer tablets in equipment, rental, IT, and maintenance of \$33,975 for the year ended September 30, 2023.

P. TRUST FUNDS NOT INCLUDED IN THE FINANCIAL STATEMENTS

The Organization is the partial beneficiary of a trust administered by a separate trustee designated under the last will and testament of the donor. The Organization receives quarterly income distributions but has no control over the assets in the trust. As of September 30, 2024, the Organization's portion of these assets is approximately \$3,060,000. The Organization received income distributions of \$57,569 in 2024.

Girl Scouts of Southern Illinois Council
Girl Scouts of Southern Illinois Council Trust Fund
NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2024 and 2023
(Continued)

Q. EMPLOYEE BENEFITS

Employer Sponsored 403(b) Plan

Effective March 1, 2011, the Organization established a 403(b) retirement plan covering all eligible employees. The Organization makes a matching contribution for employees who make participant contributions. The match is between 4% and 8% of the participants' compensation depending on the participant contribution and years of service with the Organization. The cost of the plan was \$32,247 and \$23,865 for the years ended September 30, 2024 and 2023, respectively.

National Girl Scout Council Retirement Plan

The council participates in the National Girl Scout Council Retirement Plan (NGSCR), a noncontributory defined benefit pension plan sponsored by Girl Scouts of the USA. The National Board of Girl Scouts of the USA voted to freeze the plan to new entrants and to freeze future benefit accruals for all current participants under the Plan effective July 31, 2010. The plan covers 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 NGSCR the flexibility to adopt the Pension Protection Act (PPA) funding requirements immediately or not at all. NGSCR has elected to adopt this relief and not be subject to PPA. In September 2020, the National Board of Girl Scouts of the USA approved to lower the contributions from \$30 million 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 Council made contributions to the Plan of \$207,600 and 219,468 for the years ended September 30, 2024 and 2023, respectively.

R. CONCENTRATIONS

Approximately 76% and 66% of support and revenue was derived from net cookie, nut, magazine, and retail sales for the years ended September 30, 2024 and 2023, respectively. A significant reduction in cookie, nut, and magazine sales, if it were to occur, could have a significant effect on the Organization's program and activities.

Girl Scouts of Southern Illinois Council
 Girl Scouts of Southern Illinois Council Trust Fund
 NOTES TO COMBINED FINANCIAL STATEMENTS
 September 30, 2024 and 2023
 (Continued)

S. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization receives revenue from product sales, contributions with and without donor restrictions and program service fees and considers these to be major and central to its annual operations and available to meet cash needs for general expenditures. The Organization maintains financial assets, consisting of cash and investments, on hand to meet its normal operating expenses based on its annual budget. Operating expenses are compared to budgeted expenses on a monthly basis and financial assets on hand are adjusted as necessary.

The Organization's financial assets available within one year of the combined statements of financial position date for general expenditures are as follows:

	2024	2023
Cash and cash equivalents	\$ 192,930	\$1,132,954
Pledges and grants receivable	141,102	71,335
Accounts receivable, net	70,383	14,331
United Way receivable	46,605	48,860
Other assets	14,737	12,711
Investments	<u>7,154,536</u>	<u>6,333,358</u>
 Total financial assets	 7,620,293	 7,613,549
 Less amounts not available to be used within one year:		
Girl scout experience quasi-endowment fund	4,994,825	4,289,277
Camp Chan Ya Ta Proceeds	358,425	579,931
Donor-restricted perpetual endowment	10,000	10,000
Donor-restricted purpose restrictions	<u>1,028,484</u>	<u>996,450</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$1,228,559</u>	 <u>\$1,737,891</u>

As more fully described in Note I, the Organization has \$1,506,000 available on its \$1,800,000 line of credit it could draw upon in the event of liquidity need. In addition, while the Organization does not intend to draw upon its designated funds other than for the intended purpose, these funds could be made available if cash needs arise.