

**GIRL SCOUTS OF NORTH-CENTRAL  
ALABAMA, INC.**

**Financial Statements**

**For the Year Ended  
September 30, 2024  
Including Summarized Information for  
September 30, 2023**

**GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.**

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For the Year Ended September 30, 2024**

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## GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.

### Nature of Operations For the Year Ended September 30, 2024

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Girl Scouts is the pre-eminent leadership development organization for girls. Girl Scouts began over 100 years ago with one woman, Juliette Gordon "Daisy" Low, who believed in the power of every girl and in providing them with skills to become leaders in their communities. She organized the first Girl Scout troop on March 12, 1912, in Savannah, Georgia. Every year since, Girl Scouts all over the United States and in Alabama made her vision a reality by helping girls discover their strengths, passions, and talents.

In 1917, the first Girl Scout troop was established in Alabama. Today, Girl Scouts of North-Central Alabama serves over 10,500 girls and adults in 36 counties in North and Central Alabama. The mission of Girl Scouts is to build girls of courage, confidence, and character, who make the world a better place.

In January 2024, the Board of Directors adopted a vision statement for the council that would serve as the focal point for the development of the Organization's long, short, and mid-range strategic plans. The vision statement reads as follows: Girl Scouts of North-Central Alabama (GSNCA) will be the best leadership, character development, and service program for all girls. GSNCA will be the organization of choice for volunteers who will empower and inspire girls to lead and explore their passions to make a lasting impact on their community.

The council's strategic objectives are as follows: to reach and serve more girls; to deliver consistent outcome-driven program activities; and to increase the community's awareness and investment in Girl Scouts. The traditional Girl Scout program is delivered in troops led by trained adult leadership with the support of the council staff. Our community outreach programs are staff-led experiences that bring the Girl Scout program to targeted low-income, at-risk, and underserved girls in our 36-county area. GSNCA can deliver our mission and vision with the support of the community, volunteers, staff, and donors. Together, we are building self-confidence and leadership skills in all girls— regardless of their socioeconomic status, race, or religious beliefs.

#### **Program Services**

**Volunteer Support Services** - The majority of the Girl Scout Leadership Experience is provided to girls through adult volunteer leadership. In Girl Scouts, girls are guided by trained supportive adults to develop their leadership potential through age-appropriate, outcome-measured activities that enable them to **discover** their values and skills in the world that surrounds them; **connect** with other people locally and globally, to make a difference in the world; and **take action** to make the world a better place. To ensure that girls receive quality and consistent Girl Scouts experiences, GSNCA supports the training of its adult volunteers by providing adult learning opportunities and training sessions that are conducted across the council's 36 counties. Additionally, training is also conducted through online course instruction and informal education sessions. Our training addresses three primary areas: girl leadership; troop leadership and management; and community service leadership and management. The training offered to troop leaders and volunteers involved in Girl Scouting not only benefits Girl Scouts, but also enhances the skills and knowledge of the volunteers as parents, mentors, and community leaders.

**Community Outreach** - Girl Scouts of North-Central Alabama provides many opportunities to underserved girls through outreach programs. Programs for girls through outreach are provided in safe and nurturing environments and are in locations accessible to girls who may not have transportation. Partnerships in the community are created to provide the girls served in our outreach programs the same Girl Scout program experience girls have that are served in a traditional troop.

## **GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.**

### **Nature of Operations (continued) For the Year Ended September 30, 2024**

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Girls served through community outreach participate in a series of four or six-week outcomes-based program activities focused on one of our four program pillars: Science Technology, Engineering and Math; Financial Literacy; Healthy Living; and Leadership Development. Girl Scouts of North-Central Alabama adds a fifty-program pillar – Girl Scout traditions, so girls can learn how the past shapes the future. Goals for girls served through the council’s outreach programs are developing leadership and confidence in girls who are not able to participate in Girl Scouts through traditional troops, and retaining them by recruiting adult leadership to continue offering the program. Underserved girls participating in outreach programs will develop values and healthy relationships (Healthy Living); gain practical life skills (Financial Literacy); and become resourceful problem solvers (STEM). Through these programs, girls develop leadership skills that help to break the negative cycles in which they find themselves. In addition to these short-term Girl Scout programs, girls are served in year-round programs in partnership with identified schools in after-school and club time.

**The Girl Scout Leadership Experience (GSLE)** — The framework for defining what girls do in Girl Scouting, how they do it, and who will benefit that was born out of years of research and development—engaging girls in three key activities: discovering who they are and what they value; connecting with others; and taking action to make the world a better place.

The Girl Scout Leadership Experience is designed to be girl-led, cooperative, and hands-on to create high-quality experiences conducive to learning. When girls participate in Girl Scouts, they benefit in five important ways:

1. They develop a strong sense of self. Girls have confidence in themselves and their abilities and form positive identities.
2. Girls have positive values. They act ethically and honestly, and show concern for others.
3. Girls are challenge-seeking. They take appropriate risks, try things, and learn from their mistakes.
4. Girls develop and maintain healthy relationships by communicating their feelings and resolving conflicts constructively.
5. Girls desire to contribute to the world in purposeful and meaningful ways.

When girls exhibit these attitudes and skills, they become responsible, productive, caring, and engaged citizens. Girls who develop these five outcomes are: happier; healthier; less likely to engage in problem behaviors or be victimized; achieve higher academically; feel more engaged in school; become strong college and job candidates, and become successful well-adjusted adults.

BORLAND  
BENEFIELD

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management  
Girl Scouts of North-Central Alabama, Inc.  
Birmingham, Alabama

**Opinion**

We have audited the accompanying financial statements of Girl Scouts of North-Central Alabama, Inc. (the Council), 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 the Council 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 the Council 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council'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 the Council'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 the Council'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.

#### **Report on Summarized Comparative Information**

We have previously audited the Council's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 12, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

  
Borland Benefield, P.C.  
Birmingham, Alabama  
April 3, 2025

**GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.**

**Statement of Financial Position**

**As of September 30, 2024**

**With Summarized Totals for the Year Ended September 30, 2023**

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Current Assets		
Cash		
Unrestricted	\$ 3,363,511	\$ 4,567,029
Restricted	30,960	76,327
Investments	8,688,644	7,195,276
Accounts receivable, net	346,319	1,421
Contributions receivable	8,333	37,500
Inventory	147,478	118,787
Prepaid expenses	78,177	72,537
Total Current Assets	12,663,422	12,068,877
Non-Current Assets		
Beneficial interest in charitable trusts	355,536	325,517
Operating lease right of use, net	1,500,659	5,491
Property and equipment, net (including finance lease ROU, net of \$51,087 and \$72,227)	6,107,386	4,513,416
Total Non-Current Assets	7,963,581	4,844,424
<b>Total Assets</b>	<b>\$ 20,627,003</b>	<b>\$ 16,913,301</b>
<b>Liabilities and Net Assets</b>		
Current Liabilities		
Accounts payable	\$ 171,182	\$ 87,927
Accrued liabilities	5,402	1,988
Accrued vacation	118,202	99,312
Custodial funds	6,138	17,300
Finance lease liability, current portion	21,300	20,970
Operating lease liability, current portion	122,712	5,491
Deferred revenue	31,460	37,754
Total Current Liabilities	476,396	270,742
Non-Current Liabilities		
Finance lease liability, non-current portion	30,749	52,049
Operating lease liability, non-current portion	1,377,947	-
Total Noncurrent Liabilities	1,408,696	52,049
Net Assets		
Without donor restrictions	17,338,837	13,376,957
Without donor restrictions - board designated	1,007,578	2,804,059
With donor restrictions	395,496	409,494
Total Net Assets	18,741,911	16,590,510
<b>Total Liabilities and Net Assets</b>	<b>\$ 20,627,003</b>	<b>\$ 16,913,301</b>

*See accompanying notes to financial statements.*

**GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.**

**Statement of Activities  
For the Year Ended September 30, 2024  
With Summarized Totals for the Year Ended September 30, 2023**

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>2024 Total</u></b>	<b><u>2023 Total</u></b>
<b>Public Support</b>				
United Way allocation	\$ 640,883	\$ -	\$ 640,883	\$ 625,821
Contributions	46,553	99,636	146,189	164,448
Other public support	100,500	-	100,500	129,400
Contributions of non-financial assets	5,999	-	5,999	10,453
Total Public Support	<u>793,935</u>	<u>99,636</u>	<u>893,571</u>	<u>930,122</u>
<b>Program Related Revenue</b>				
Gross product sales	5,117,836	-	5,117,836	5,329,165
Direct cost of product sales	<u>(1,735,549)</u>	<u>-</u>	<u>(1,735,549)</u>	<u>(1,742,919)</u>
Net revenue from product sales	<u>3,382,287</u>	<u>-</u>	<u>3,382,287</u>	<u>3,586,246</u>
Retail revenue	221,701	-	221,701	223,162
Direct cost of retail sales	<u>(111,520)</u>	<u>-</u>	<u>(111,520)</u>	<u>(116,619)</u>
Net revenue from retail sales	<u>110,181</u>	<u>-</u>	<u>110,181</u>	<u>106,543</u>
Program fees	166,432	-	166,432	139,904
Rental income	49,080	-	49,080	45,728
Total Program Related Revenue	<u>3,707,980</u>	<u>-</u>	<u>3,707,980</u>	<u>3,878,421</u>
<b>Investment and Other Revenue</b>				
Investment return, net	1,706,231	34,894	1,741,125	740,328
Gain on sales of fixed assets	256,451	-	256,451	188,917
Other income	<u>13,223</u>	<u>-</u>	<u>13,223</u>	<u>494,730</u>
Total Investment and Other Revenue	<u>1,975,905</u>	<u>34,894</u>	<u>2,010,799</u>	<u>1,423,975</u>
Net assets released from restrictions	<u>148,528</u>	<u>(148,528)</u>	<u>-</u>	<u>-</u>
<b>Total Revenue and Support</b>	<b><u>\$ 6,626,348</u></b>	<b><u>\$ (13,998)</u></b>	<b><u>\$ 6,612,350</u></b>	<b><u>\$ 6,232,518</u></b>

*See accompanying notes to financial statements.*

GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.

Statement of Activities (continued)

For the Year Ended September 30, 2024

With Summarized Totals for the Year Ended September 30, 2023

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>2024 Total</u>	<u>2023 Total</u>
<b>Expenses</b>				
Program services	\$ 3,885,380	\$ -	\$ 3,885,380	\$ 3,589,731
Management and general	368,880	-	368,880	342,952
Fundraising	206,689	-	206,689	192,677
<b>Total Expenses</b>	<u>4,460,949</u>	<u>-</u>	<u>4,460,949</u>	<u>4,125,360</u>
<b>Change in Net Assets</b>	2,165,399	(13,998)	2,151,401	2,107,158
<b>Net Assets, Beginning of Year</b>	<u>16,181,016</u>	<u>409,494</u>	<u>16,590,510</u>	<u>14,148,613</u>
<b>Prior Period Adjustments</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>334,739</u>
<b>Net Assets, Beginning of Year, Restated</b>	<u>16,181,016</u>	<u>409,494</u>	<u>16,590,510</u>	<u>14,483,352</u>
<b>Net Assets, End of Year</b>	<u>\$ 18,346,415</u>	<u>\$ 395,496</u>	<u>\$ 18,741,911</u>	<u>\$ 16,590,510</u>

See accompanying notes to financial statements.

**GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.**

**Statement of Functional Expenses  
For the Year Ended September 30, 2024**

**With Summarized Totals for the Year Ended September 30, 2023**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2024 Total</u>	<u>2023 Total</u>
<b>Functional Expenses</b>					
Salaries	\$ 1,701,872	\$ 167,236	\$ 98,374	\$ 1,967,482	\$ 1,838,799
Occupancy	358,846	35,262	20,743	414,851	361,333
Depreciation	338,117	33,225	19,544	390,887	353,957
Supplies	273,596	25,158	15,724	314,478	298,496
Benefits	205,744	20,218	11,892	237,854	199,855
Professional fees	169,672	26,481	-	196,153	174,548
Insurance	160,919	15,813	9,302	186,034	169,118
Retirement	157,477	14,481	9,050	181,008	191,355
Assistance to girls and adults	180,859	-	-	180,859	141,059
Payroll taxes	121,688	11,958	7,034	140,680	130,071
Transportation and travel	88,175	8,108	5,068	101,351	91,530
Telephones and connectivity	49,530	4,867	2,863	57,260	61,364
Printing/advertising/marketing	20,390	2,004	1,178	23,572	14,941
Equipment rental/purchase/lease	19,252	1,892	1,113	22,257	21,574
Miscellaneous/ bank and credit card fees	14,221	-	3,336	17,557	14,945
Postage	13,510	1,328	781	15,619	4,777
Conference and meetings	8,639	849	499	9,987	54,542
Organization dues	2,071	-	-	2,071	1,780
Interest expense	802	-	188	990	1,316
<b>Total Functional Expenses</b>	<u>\$ 3,885,380</u>	<u>\$ 368,880</u>	<u>\$ 206,689</u>	<u>\$ 4,460,949</u>	<u>\$ 4,125,360</u>

*See accompanying notes to financial statements.*

**GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.**

**Statement of Cash Flows**  
**For the Year Ended September 30, 2024**  
**With Summarized Total for the Year Ended September 30, 2023**

	<u><b>2024</b></u>	<u><b>2023</b></u>
<b>Cash Flows From Operating Activities</b>		
Cash received from contributors and grants	\$ 571,842	\$ 863,194
Cash received from programs	160,138	158,598
Cash received from gross product sales	5,117,836	5,329,165
Cash received from merchandise	221,701	223,162
Cash received from other income	62,308	540,461
Cash paid to suppliers and employees	(5,851,068)	(5,674,466)
Interest received	182,842	125,633
Dividends received	234,201	192,862
<b>Net Cash Provided by Operating Activities</b>	<u>699,800</u>	<u>1,758,609</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of investments	(952,220)	(572,539)
Proceeds from sale of investments	697,057	408,070
Proceeds from sale of property plant and equipment	868,009	777,787
Income distributions from beneficial trusts	34,894	36,544
Purchase of property and equipment	(2,575,455)	(610,068)
<b>Net Cash (Used)/ Provided by Investing Activities</b>	<u>(1,927,715)</u>	<u>39,794</u>
<b>Cash Flows From Financing Activities</b>		
Principal payments on finance lease	(20,970)	(20,646)
<b>Net Cash (Used) by Financing Activities</b>	<u>(20,970)</u>	<u>(20,646)</u>
<b>Net Change in Cash, Cash Equivalents, and Restricted Cash</b>	(1,248,885)	1,777,757
<b>Cash, Cash Equivalents, and Restricted Cash Beginning of Year</b>	<u>4,643,356</u>	<u>2,865,599</u>
<b>Cash, Cash Equivalents and Restricted Cash, End of Year</b>	<u>\$ 3,394,471</u>	<u>\$ 4,643,356</u>
<b>Reconciliation of Cash, Cash Equivalents, and Restricted Cash</b>		
Unrestricted	\$ 3,363,511	\$ 4,567,029
Restricted	<u>30,960</u>	<u>76,327</u>
<b>Total Cash, Cash Equivalents, and Restricted Cash</b>	<u>\$ 3,394,471</u>	<u>\$ 4,643,356</u>

**Supplemental Schedule of Noncash Financing Activities**

During 2024 the Council entered into an operating lease totaling \$1,500,659.

*See accompanying notes to financial statements.*

**GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.**

**Notes to Financial Statements  
For the Year Ended September 30, 2024**

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**Note 1 – Summary of Significant Accounting Policies**

Basis of Accounting – The financial statements of the Council have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation – The financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Accounting Standards Codification 958-205, *Presentation of Financial Statements for Not-for-Profit Organizations*. Under ASC 958-205, the Council is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and are not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Council, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

Comparative Financial Information - The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2023, from which the summarized information was derived.

Use of Estimates – The preparation of financial statements in conformity with *Generally Accepted Accounting Principles* includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Income Taxes – The Council is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code. However, the Council is required to file an annual informational return.

The Council has implemented the accounting requirements associated with uncertainty in income taxes using the provisions of the Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. As of September 30, 2024, the Council had no uncertain tax positions that qualify for disclosure in the financial statements. The Council files an annual Form 990 with the Internal Revenue Service and its tax returns for the year 2021 and subsequent years remain subject to examination by tax authorities.

Cash and Cash Equivalents – For purposes of the Statement of Cash Flows, the Council considers demand deposits and investments with an original maturity of 90 days or less to be cash equivalents.

Receivables – Receivables consist of grant funds due from grantor agencies and service fee receivables.

The Organization uses historical loss information based on the aging of receivables as the basis to determine expected credit losses for receivables and believes that the composition of receivables at year-end is consistent with historical conditions as credit terms, practices, and the client base have not changed significantly. On September 30, 2024, management believed that the total accounts receivable would be collected, and no allowance was estimated.

*See independent auditor's report.*

**GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.**

**Notes to Financial Statements (continued)  
For the Year Ended September 30, 2024**

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**Note 1 – Summary of Significant Accounting Policies (continued)**

Investments – Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met in the reporting period in which the income and gains are recognized.

Investments in certificates of deposits held with financial institutions are measured at cost. Interest income earned through these instruments is recognized through an increase in net assets without donor restrictions.

Investment Expenses – External and direct internal expenses relating to investment revenues amounted to \$39,433 as of September 30, 2024 and have been netted against investment revenues in the accompanying Statement of Activities.

Restricted and Unrestricted Revenue – Contributions that are restricted by the donor are reported as increases in net assets without restriction if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Promises to Give – Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of cash flows. Management has determined the discounts on those amounts to be immaterial.

Property and Equipment – Property and equipment are carried at cost or, if donated, the fair market value at the time of the donation and are depreciated or amortized over their estimated useful lives using the straight-line method. Major improvements and betterments that extend the useful life of the related asset are capitalized. Repairs and maintenance are expensed as incurred.

Inventory – Inventory consists of items for sale through the shops of the Council. They are stated at the lower of cost (first-in, first-out basis) or market.

Functional Expenses – The majority of expenses can be directly identified with the program or supporting service to which they relate and are charged accordingly. Other expenses by function have been allocated among program and supporting service classifications using bases determined by management to be reasonable.

For the year ended September 30, 2024, the Council's total expenses were \$6,308,018, consisting of program service expenses of \$3,885,380, management and general expenses of \$368,880, fundraising expenses of \$206,689, direct costs of product sales and special events of \$1,735,549, and direct costs of retail sales of \$111,520.

Advertising Costs – The Council expenses advertising costs as the advertising occurs. Advertising is used to promote the membership opportunities and various programs available within the Council. As of September 30, 2024, advertising expenses totaled \$100.

*See independent auditor's report.*

## GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.

### Notes to Financial Statements (continued) For the Year Ended September 30, 2024

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#### Note 1 – Summary of Significant Accounting Policies (continued)

Reclassifications – Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Revenue from Contracts with Customers – The Council has adopted ASC Topic 606, Revenue from Contracts with Customers (“ASC 606”), which provides guidance for reporting revenue from the Council’s contracts to provide goods or services to customers. The guidance requires recognition of revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration that it expects to be entitled to receive in exchange for those goods or services recognized as performance obligations are satisfied. A significant portion of the Council’s revenue-generating transactions are excluded from the scope of ASC 606, including revenue generated from financial instruments, such as securities, and from donor contributions.

Revenue-generating transactions that are within the scope of ASC 606 are described as follows:

Cookie Sales – Revenue from cookie sales is recognized at the point of sale.

Contributions of Nonfinancial Assets – Contributions of nonfinancial assets are recognized at fair value at the date of the donation. The amounts reflected in the accompanying financial statements as contributions of nonfinancial assets are offset by like amounts included in conferences and meetings and supplies expenses in the Statement of Functional Expense statement.

Leases – The Council has leased office space and equipment. The determination of whether an arrangement is a lease is made at the lease’s inception. Under FASB ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having the right to obtain substantially all of the economic benefits from the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

ROU assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Council uses the implicit rate when it is readily determinable. If the Council’s leases do not provide an implicit rate to determine the present value of lease payments, management uses the incremental borrowing rate based on information available at lease commencement. Operating lease ROU assets also include any payments made and exclude any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Council’s lease terms may include options to extend or terminate the lease when it is reasonably certain they will exercise the option.

Adoption of New Accounting Policies – 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 aren’t measured at fair value through net income. 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. Financial assets held by the company that are subject to the guidance in FASB ASC 326 were trade accounts receivable and notes receivable.

The Council adopted the standard effective October 1, 2023. The impact of the adoption was not considered material to the financial statements.

*See independent auditor’s report.*

**GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.**

**Notes to Financial Statements (continued)  
For the Year Ended September 30, 2024**

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**Note 2 – Liquidity and Availability of Financial Assets**

The Council also manages liquidity through the maintaining of an operating line of credit of \$500,000 with a bank that is drawn upon only in times of critical need. See Note 6 for further description of this line.

The following reflects the Council's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or board restrictions within one year of the balance sheet date.

Financial Assets, at year end	\$ 12,585,245
Assets to be used for restricted use	
Board designated - capital expenditures	(756,234)
Board designated - pension	(3,109)
Board designated - scholarship	(173,235)
Board designated - Girl International Travel	(75,000)
Donor restricted funds	<u>(395,496)</u>
Financial assets available to met cash needs for general expenditures within one year	<u>\$ 11,182,171</u>

**Note 3 – Cash and Cash Equivalents**

The Council maintains accounts at three financial institutions. The accounts at each financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. On September 30, 2024, the Council has amounts over the FDIC coverage at one bank in the amount of \$3,053,524. The Council has not experienced any losses in the account. The Council believes it is not exposed to any significant credit risk on cash and cash equivalents. Restricted cash is only able to be used for capital purchases for the Council.

On September 30, 2024, the Council had total cash on hand and deposits with financial institutions in the amount of \$3,394,471 as follows:

Checking account:	
Operating	\$ 59,237
Capital	30,960
Money market	3,303,524
Petty cash	<u>750</u>
Total Cash and Cash Equivalents	<u>\$ 3,394,471</u>

*See independent auditor's report.*

**GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.**

**Notes to Financial Statements (continued)  
For the Year Ended September 30, 2024**

**Note 4 – Fair Value Measurements**

FASB ASC 820-10-50 establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
- 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: Significant unobservable inputs that reflect a reporting entity’s own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The fair values of assets measured on a recurring basis on September 30, 2024, we as follows:

	<b>Total Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Unobservable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Money market mutual fund	\$ 651,736	\$ -	\$ 651,736	\$ -
Equity mutual funds	4,667,657	4,667,657	-	-
Fixed income mutual funds	3,369,251	3,369,251	-	-
Total	<u>\$ 8,688,644</u>	<u>\$ 8,036,908</u>	<u>\$ 651,736</u>	<u>\$ -</u>
<b>Other Investments</b>				
Beneficial Interest in Arthur Lee perpetual trust	\$ 63,411	\$ -	\$ -	\$ 63,411
Beneficial Interest in Charles Hamilton perpetual trust	292,125	-	-	292,125
<b>Total Investments</b>	<u>\$ 9,044,180</u>	<u>\$ 8,036,908</u>	<u>\$ 651,736</u>	<u>\$ 355,536</u>

During 2024, the Council experienced unrealized gains on the Council’s beneficial interest in the Trust of Arthur Lee and Charles Hamilton (see Note 12). These amounts are separately stated as donor restricted investment income on the Statement of Activities. The table below summarizes the changes in the fair value of the Council’s Level 3 investment assets for the year ended September 30, 2024.

	<b>Level 3 Assets</b>
Beginning balance - October 1, 2023	325,517
Purchases	-
Sales	-
Distributions	(34,894)
Unrealized gains for instruments held at the reporting date	<u>64,913</u>
Ending balance - September 30, 2024	<u>\$ 355,536</u>

*See independent auditor’s report.*

## GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.

### Notes to Financial Statements (continued) For the Year Ended September 30, 2024

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#### Note 4 – Fair Value Measurements (continued)

All assets have been valued using a market approach.

Investment income was composed of the following on September 30, 2024:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest and dividends	\$ 417,044	\$ -	\$ 417,044
Beneficial interest in charitable trust distributions	-	34,894	34,894
Unrealized gains	1,207,135	-	1,207,135
Realized gains	121,485	-	121,485
Investment fees	<u>(39,433)</u>	<u>-</u>	<u>(39,433)</u>
<b>Total</b>	<u>\$ 1,706,231</u>	<u>\$ 34,894</u>	<u>\$ 1,741,125</u>

The total donor restricted beneficial interest in charitable distributions in the schedule above represents distributions from the Council's beneficial interest in the Trust of Arthur Lee and Charles Hamilton during 2024.

Assets in investment accounts are protected from custodial credit risk by SIPC up to \$500,000, of which \$250,000 may be cash. On September 30, 2024, investments in the amount of \$8,188,644 were uninsured under SIPC coverage.

#### Note 5 – Property and Equipment

The following is a summary of property and equipment as of September 30, 2024:

Land	\$ 1,365,593
Buildings and improvements	10,592,069
Equipment	869,718
Furniture and fixtures	445,612
Vehicles	337,018
Construction in Progress	<u>277,678</u>
	13,887,688
Less: Accumulated depreciation	<u>(7,780,302)</u>
Total Property and Equipment	<u>\$ 6,107,386</u>

Depreciation expense on September 30, 2024, was \$390,887.

#### Note 6 – Line of Credit

The Council has an available \$500,000 revolving line of credit agreement with ServisFirst Bank. The line matures on August 23, 2026. Borrowings are unsecured and the line bears interest at the bank's prime lending rate. There was no balance outstanding on the line of credit on September 30, 2024.

*See independent auditor's report.*

## GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.

### Notes to Financial Statements (continued) For the Year Ended September 30, 2024

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#### Note 7 – Employee Benefit Plans

The Council participates in the National Girl Scout Council Retirement Plan (NGSCR), a noncontributory defined benefit pension plan sponsored by Girl Scouts of the USA. The National Board of Girl Scouts of the USA voted to freeze the plan for 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 declined during the year and 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 lowering 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's pension expense and contributions to this plan for the year ended September 30, 2024 was \$181,008.

The Council sponsors a 403(b) defined contribution plan that covers all eligible employees at retirement based on years of service and compensation. For the year ended September 30, 2024 total Council contributions amounted to \$12,695.

#### Note 8 – Net Assets With Donor Restrictions

Net assets with donor restrictions have been restricted for specified purposes by donors and contributors. Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as reflected in the Statement of Activities. Net assets with donor restrictions are comprised of the following:

Hamilton Trust	\$	39,960
Charles Hamilton beneficial interest (note12)		292,125
Arthur Lee beneficial interest (note 12)		63,411
Total	\$	<u>395,496</u>

*See independent auditor's report.*

**GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.**

**Notes to Financial Statements (continued)  
For the Year Ended September 30, 2024**

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**Note 9 – Leasing Activities**

The Council has both operating leases for office space and a financing lease for office equipment. The leases each have terms between five and ten years. The Council also has certain leases for office space with terms less than 12 months for which the Council has elected to recognize in program, management and general, and fundraising expenses. No imputed interest rates for either of the leases, so the risk-free treasury rate was used to determine the present value of the lease payments. The following summarizes the line items in the Statement of Financial Position, which include amounts for operating and finance leases as of September 30, 2024:

	<u>2024</u>
<b>Operating Leases</b>	
Operating lease right-of-use-assets	\$ 1,500,659
Operating lease liabilities, current portion	\$ 122,712
Operating lease liabilities, non-current portion	<u>1,377,947</u>
Total Operating Lease Liabilities	<u>\$ 1,500,659</u>
<b>Finance Leases</b>	
Property and equipment	105,698
Accumulated depreciation	<u>(54,611)</u>
Property and Equipment, net	<u>\$ 51,087</u>
Finance lease liabilities, current portion	\$ 21,300
Finance lease liabilities, non-current portion	<u>30,749</u>
Total Finance Lease Liabilities	<u>\$ 52,049</u>

The following summarizes the weighted average remaining lease term and discount rate as of September 30:

<b>Weighted Average Remaining Lease Term</b>	
Operating lease	10 years
Finance leases	2.42 years
<b>Weighted Average Discount Rate</b>	
Operating lease	4.31%
Finance lease	1.56%

*See independent auditor's report.*

**GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.**

**Notes to Financial Statements (continued)  
For the Year Ended September 30, 2024**

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**Note 9 – Leasing Activities (continued)**

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

For the Years Ending September 30,	<u>Operating</u>	<u>Financing</u>
2025	\$ 184,986	\$ 21,960
2026	184,986	21,960
2027	184,986	9,150
2028	184,986	-
2029	184,986	-
Thereafter	924,935	-
Total lease payments	1,849,866	53,070
Less: Interest	(349,207)	(1,021)
Present Value of Lease Liabilities	<u>\$ 1,500,659</u>	<u>\$ 52,049</u>

The following summarizes the lines in the Statement of Activities, which include the components of lease expense for the year ended September 30, 2024:

Operating Lease Costs:

Short-term leases, included in program expenses	\$ 53,581
Short-term leases, included in management and general expenses	5,265
Short-term leases, included in fundraising expenses	<u>3,097</u>
Total Operating Lease Expenses	<u>\$ 61,943</u>

Finance Lease Costs:

Amortization of lease assets, included in program expenses	\$ 18,286
Amortization of lease assets, included in management and general expenses	1,797
Amortization of lease assets, included in fundraising expenses	1,057
Interest on lease liabilities, included in program expenses	856
Interest on lease liabilities, included in management and general expenses	84
Interest on lease liabilities, included in fundraising expenses	<u>49</u>
Total Finance Lease Expenses	<u>\$ 22,129</u>

*See independent auditor's report.*

## GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.

### Notes to Financial Statements (continued) For the Year Ended September 30, 2024

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#### Note 9 – Leasing Activities (continued)

The following summarizes cash flow information related to leases for the year ended September 30, 2024:

Cash Paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$	61,943
Operating cash flows from finance leases		990
Financing cash flows from finance leases		20,970

#### Note 10 – Contributions of Non-Financial Assets

The Council received contributions of non-financial assets for the year ended September 30, 2024:

Program facility fee	\$	2,500
Program services		2,999
Program supplies		<u>500</u>
Total Gifts-In-Kind	\$	<u>5,999</u>

The Council's policy related to contributions of non-financial assets is to utilize the assets given to carry out the Council.

The Council utilizes facilities for the operations of certain programs. The usage of this space was provided at no cost to the Council but, based on rental rates for the facilities, the Council would have paid \$2,500 for the space usage for the year ended September 30, 2024.

The Council received donated supplies with an estimated fair market value of \$3,499 for the operations of their programs.

#### Note 11 – Board Designated Net Assets

The Board of Directors designated a portion of funds for the following purposes for the year ended September 30, 2024:

Property plant and equipment fund	\$	756,234
GSUSA retirement fund		3,109
Alice Williams scholarship fund		173,235
Alice Williams travel fund		<u>75,000</u>
Total	\$	<u>1,007,578</u>

#### Note 12 – Beneficial Interest in Charitable Trusts

The Council is a 5% beneficiary of the Arthur H Lee charitable trust. Under the terms of the will, the Council has the irrevocable right to receive the income earned on trust assets in perpetuity. The Council's estimate of fair value at each reporting date is based on fair value information about the trust's assets received from trustees. Trust assets consist of, but are not limited to, cash and cash equivalents, fixed income, and equity securities. These assets are not subject to control or direction by the Council.

*See independent auditor's report.*

## **GIRL SCOUTS OF NORTH-CENTRAL ALABAMA, INC.**

### **Notes to Financial Statements (continued) For the Year Ended September 30, 2024**

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#### **Note 12 – Beneficial Interest in Charitable Trusts (continued)**

Distributions of income from the trust are reported as investment income. Gains and losses, which are not distributed by the trusts are reflected as either an unrealized gain or loss in the Statement of Activities. At September 30, 2024, the fair value of the Council's beneficial interest was valued at \$63,411. The amount is donor restricted.

The Council is a 15% beneficiary of the Charles A Hamilton charitable trust. Under the terms of the will, the Council has the irrevocable right to receive the income earned on trust assets in perpetuity. The Council's estimate of fair value at each reporting date is based on fair value information about the trust's assets received from trustees. Trust assets consist of, but are not limited to, cash and cash equivalents, fixed income, and equity securities. These assets are not subject to control or direction by the Council. Distributions of income from the trust are reported as investment income. Gains and losses, which are not distributed by the trusts are reflected as either an unrealized gain or loss in the Statement of Activities. At September 30, 2024, the fair value of the Council's beneficial interest was valued at \$292,125. The amount is donor restricted.

#### **Note 13 – Prior Period Adjustment**

Net assets at the beginning of 2023 have been increased by \$334,739 to recognize the Council's irrevocable beneficial interest in the Arthur Lee and Charles Hamilton Charitable Trust's (Note 12). The Council has determined that these gifts are irrevocable and the interest should be reflected in the accompanying financial statements. There was no effect on the net income for 2023 or 2024.

#### **Note 14 – Subsequent Events**

Subsequent events have been evaluated through April 3, 2025, which is the date the financial statements were issued.