

**girl scouts**   
of central indiana

GIRL SCOUTS OF CENTRAL INDIANA, INC.

FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT

September 30, 2024 and 2023

# GIRL SCOUTS OF CENTRAL INDIANA, INC.

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*Independent Auditor's Report*

To the Board of Directors  
Girl Scouts of Central Indiana, Inc.

***Opinion***

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

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

***Basis for Opinion***

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

***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Girl Scouts of Central Indiana, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

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

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

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

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

### ***Report on Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of activities by fund are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Katz, Sapper & Miller, LLP*

Indianapolis, Indiana  
February 4, 2025

**GIRL SCOUTS OF CENTRAL INDIANA, INC.**

**STATEMENTS OF FINANCIAL POSITION**  
**September 30, 2024 and 2023**

	<b>ASSETS</b>	
	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Cash and equivalents	\$ 811,316	\$ 543,435
Cash restricted for long-term purposes	14,876	14,876
ERC receivable	90,050	90,050
Program advances	70,000	140,000
Pledges receivable, net	20,250	23,358
Grants receivable	4,910,000	9,931,000
Inventories, net	377,787	344,925
Prepaid expenses	127,412	138,600
Investments - held for endowment	10,256,531	8,756,085
Investments	13,054,860	12,532,099
Beneficial interest in assets held by others	136,481	121,028
Beneficial interest in perpetual trust	422,401	363,306
Other assets	47,448	61,146
Land, buildings, and equipment, net	<u>9,704,436</u>	<u>10,383,874</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 40,043,848</u></u>	<u><u>\$ 43,443,782</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 575,636	\$ 712,320
Accrued expenses	508,686	422,018
Due to Girl Scouts USA	143,772	138,194
Deferred revenue	40,265	38,659
Finance lease liabilities	11,620	21,989
Long-term debt, net	2,412,208	2,682,388
Annuity payment liability		15,699
Total Liabilities	<u>3,692,187</u>	<u>4,031,267</u>
<b>NET ASSETS</b>		
Without donor restrictions	17,229,279	17,879,590
With donor restrictions:		
Purpose restrictions	8,203,450	12,173,534
Perpetual in nature	<u>10,918,932</u>	<u>9,359,391</u>
Total Net Assets	<u>36,351,661</u>	<u>39,412,515</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 40,043,848</u></u>	<u><u>\$ 43,443,782</u></u>

*See accompanying notes.*

**GIRL SCOUTS OF CENTRAL INDIANA, INC.**

**STATEMENT OF ACTIVITIES**  
**Year Ended September 30, 2024**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES AND OTHER SUPPORT</b>			
Public support:			
Contributions and grants	\$ 394,274	\$ 365,788	\$ 760,062
United Way allocations	137,008		137,008
	<u>531,282</u>	<u>365,788</u>	<u>897,070</u>
Product sales	11,254,904		11,254,904
Less: Cost of sales	<u>(3,236,154)</u>		<u>(3,236,154)</u>
	<u>8,018,750</u>		<u>8,018,750</u>
Other revenues:			
Retail sales, net	200,873		200,873
Program service fees	818,806		818,806
Special events, net	189,030		189,030
Investment return	1,424,697	1,865,505	3,290,202
Change in value of beneficial interest in assets held by others	96,452		96,452
Change in value of beneficial interest in perpetual trust		59,095	59,095
Other revenue	624,899		624,899
	<u>11,904,789</u>	<u>2,290,388</u>	<u>14,195,177</u>
Net assets released from restrictions	4,700,931	<u>(4,700,931)</u>	
Total Revenues and Other Support	<u>16,605,720</u>	<u>(2,410,543)</u>	<u>14,195,177</u>
<b>EXPENSES</b>			
Program services	14,680,503		14,680,503
General and administrative	1,926,247		1,926,247
Fundraising	649,281		649,281
Total Expenses	<u>17,256,031</u>		<u>17,256,031</u>
<b>CHANGE IN NET ASSETS</b>	<u>(650,311)</u>	<u>(2,410,543)</u>	<u>(3,060,854)</u>
<b>NET ASSETS</b>			
Beginning of Year	<u>17,879,590</u>	<u>21,532,925</u>	<u>39,412,515</u>
End of Year	<u>\$ 17,229,279</u>	<u>\$ 19,122,382</u>	<u>\$ 36,351,661</u>

See accompanying notes.

**GIRL SCOUTS OF CENTRAL INDIANA, INC.**

**STATEMENT OF ACTIVITIES**  
**Year Ended September 30, 2023**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES AND OTHER SUPPORT</b>			
Public support:			
Contributions and grants	\$ 438,620	\$ 15,109,180	\$ 15,547,800
United Way allocations	105,749		105,749
	<u>544,369</u>	<u>15,109,180</u>	<u>15,653,549</u>
Product sales	11,428,951		11,428,951
Less: Cost of sales	<u>(3,006,116)</u>		<u>(3,006,116)</u>
	<u>8,422,835</u>		<u>8,422,835</u>
Other revenues:			
Retail sales, net	269,538		269,538
Program service fees	701,507		701,507
Special events, net	144,481		144,481
Investment return	686,894	875,445	1,562,339
Change in value of beneficial interest in assets held by others	38,279		38,279
Change in value of beneficial interest in perpetual trust		22,576	22,576
Other revenue	<u>346,982</u>		<u>346,982</u>
	11,154,885	16,007,201	27,162,086
Net assets released from restrictions	<u>3,486,921</u>	<u>(3,486,921)</u>	
Total Revenues and Other Support	<u>14,641,806</u>	<u>12,520,280</u>	<u>27,162,086</u>
<b>EXPENSES</b>			
Program services	12,056,245		12,056,245
General and administrative	1,460,155		1,460,155
Fundraising	544,616		544,616
Total Expenses	<u>14,061,016</u>		<u>14,061,016</u>
<b>CHANGE IN NET ASSETS</b>	<u>580,790</u>	<u>12,520,280</u>	<u>13,101,070</u>
<b>NET ASSETS</b>			
Beginning of Year	<u>17,298,800</u>	<u>9,012,645</u>	<u>26,311,445</u>
End of Year	<u>\$ 17,879,590</u>	<u>\$ 21,532,925</u>	<u>\$ 39,412,515</u>

*See accompanying notes.*

**GIRL SCOUTS OF CENTRAL INDIANA, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended September 30, 2024**

	<b>Program Services</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Direct Benefit to Donors</b>	<b>Total</b>
Salaries and benefits	\$ 7,242,732	\$ 1,256,984	\$ 384,567		\$ 8,884,283
Professional fees and services	1,217,970	276,657	131,477		1,626,104
Supplies, awards, and fees	2,013,397	48,870	47,707	\$ 14,400	2,124,374
Telecommunications	134,070	15,228	6,336		155,634
Product cost of sales	3,570,399				3,570,399
Occupancy	642,348	29,452	5,562		677,362
Equipment expense	307,971	20,640	13,589		342,200
Printing and publications	384,262	56,598	16,856		457,716
Travel and meetings	608,286	89,502	15,955		713,743
Awards, grants and assistance	763,122				763,122
Depreciation	813,382	36,471	11,583		861,436
Interest expense	131,551	29,718	6,314		167,583
Insurance	179,004	42,792	8,705		230,501
Other	242,408	23,335	630		266,373
<b>TOTAL EXPENSES BY FUNCTION</b>	<b>18,250,902</b>	<b>1,926,247</b>	<b>649,281</b>	<b>14,400</b>	<b>20,840,830</b>
Less: Expenses included with revenue and support on the statement of activities:					
Product cost of sales	(3,570,399)				(3,570,399)
Cost of direct benefits to donors				(14,400)	(14,400)
<b>TOTAL EXPENSES</b>	<b><u>\$ 14,680,503</u></b>	<b><u>\$ 1,926,247</u></b>	<b><u>\$ 649,281</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 17,256,031</u></b>

*See accompanying notes.*

**GIRL SCOUTS OF CENTRAL INDIANA, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended September 30, 2023**

	<b>Program Services</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Direct Benefit to Donors</b>	<b>Total</b>
Salaries and benefits	\$ 5,662,615	\$ 940,588	\$ 337,319		\$ 6,940,522
Professional fees and services	744,031	173,555	72,746		990,332
Supplies, awards, and fees	1,715,017	39,085	71,792	\$ 20,520	1,846,414
Telecommunications	118,396	13,432	4,686		136,514
Product cost of sales	3,228,296				3,228,296
Occupancy	586,603	29,686	5,586		621,875
Equipment expense	294,173	20,296	6,030		320,499
Printing and publications	371,902	51,225	12,902		436,029
Travel and meetings	511,366	74,972	12,394		598,732
Awards, grants and assistance	827,763	179			827,942
Depreciation	678,659	32,073	8,342		719,074
Interest expense	122,200	25,767	5,474		153,441
Insurance	174,187	39,039	6,170		219,396
Other	249,333	20,258	1,175		270,766
<b>TOTAL EXPENSES BY FUNCTION</b>	<b>15,284,541</b>	<b>1,460,155</b>	<b>544,616</b>	<b>20,520</b>	<b>17,309,832</b>
Less: Expenses included with revenue and support on the statement of activities:					
Product cost of sales	(3,228,296)				(3,228,296)
Cost of direct benefits to donors				(20,520)	(20,520)
<b>TOTAL EXPENSES</b>	<b><u>\$ 12,056,245</u></b>	<b><u>\$ 1,460,155</u></b>	<b><u>\$ 544,616</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 14,061,016</u></b>

*See accompanying notes.*

**GIRL SCOUTS OF CENTRAL INDIANA, INC.**

**STATEMENTS OF CASH FLOWS**  
**Years Ended September 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ (3,060,854)	\$ 13,101,070
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation of property and equipment	861,320	719,074
Amortization of bond issuance costs	9,088	9,088
Gain on sales of land, buildings, and equipment	(369,038)	
Net realized and unrealized gain on investments	(2,673,303)	(1,195,788)
Change in value of beneficial interest in funds held by others	(96,452)	(38,279)
Change in value of beneficial interest in perpetual trust	(59,095)	(22,576)
Contributions restricted for long-term purposes	(30,000)	(34,205)
Change in assets and liabilities:		
ERC receivable		548,050
Program advances	70,000	18,359
Pledges receivable	3,108	33,582
Grants receivable	5,021,000	(9,931,000)
Inventories	(32,862)	(140,552)
Prepaid expenses	11,188	23,609
Other assets	13,698	10,924
Accounts payable and accrued expenses	(50,016)	436,626
Deferred revenue	1,606	8,839
Due to Girl Scouts USA	5,578	90,171
Net Cash Provided (Used) by Operating Activities	<u>(375,034)</u>	<u>3,636,992</u>
<b>INVESTING ACTIVITIES</b>		
Purchases of land, buildings, and equipment	(459,182)	(1,153,523)
Proceeds from sale of land, buildings, and equipment	646,338	
Purchases of investments	(18,486,202)	(28,583,975)
Proceeds from sales and maturities of investments	22,812,947	26,250,075
Net Cash Provided (Used) by Investing Activities	<u>4,513,901</u>	<u>(3,487,423)</u>
<b>FINANCING ACTIVITIES</b>		
Principal payments on mortgages payable	(84,232)	(81,558)
Repayment on bonds payable	(181,834)	(176,601)
Repayments on auto loans	(13,202)	(12,283)
Repayment on finance lease liabilities	(10,369)	(10,038)
Payment on annuity obligation	(15,699)	(5,239)
Draw on line of credit		1,400,000
Repayment on line of credit		(1,400,000)
Contributions restricted for long-term purposes	30,000	34,205
Net Cash Used by Financing Activities	<u>(275,336)</u>	<u>(251,514)</u>
<b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	3,863,531	(101,945)
<b>CASH AND EQUIVALENTS</b>		
Beginning of Year	<u>3,005,847</u>	<u>3,107,792</u>
End of Year	<u>\$ 6,869,378</u>	<u>\$ 3,005,847</u>
<b>CASH AND EQUIVALENTS</b>		
Cash and equivalents	\$ 811,316	\$ 543,435
Cash restricted for long-term purposes	14,876	14,876
Cash equivalents included in investments	<u>6,043,186</u>	<u>2,447,536</u>
<b>TOTAL CASH AND EQUIVALENTS</b>	<u>\$ 6,869,378</u>	<u>\$ 3,005,847</u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Cash paid for interest	\$ 158,494	\$ 144,352
Noncash financing activities:		
Purchases of land, buildings, and equipment included in accounts payable		22,968
Cash paid for amounts included in the measurement of lease liabilities:		
Financing cash flows - finance leases	10,369	10,932

See accompanying notes.

# GIRL SCOUTS OF CENTRAL INDIANA, INC.

## NOTES TO FINANCIAL STATEMENTS September 30, 2024 and 2023

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**General:** Girl Scouts of Central Indiana, Inc. (the Council) is the preeminent leadership development organization for girls and the leading authority on girls' healthy development. Girl Scouts builds girls of courage, confidence, and character, who make the world a better place. The Council is a non-profit organization chartered by Girl Scouts of the USA (GSUSA) to deliver local and regional program opportunities. The Council currently serves more than 18,000 girls and has 10,000 volunteers in 45 counties across central Indiana.

In 2023, the Council established the Girl Coalition of Indiana (the Coalition), which is a statewide, girl-focused social innovation startup serving girls across Indiana. The Coalition is a partnership of the six Girl Scout Councils serving girls across Indiana. The Coalition seeks to enable every girl in Indiana to live her best life physically, academically, emotionally, and socially.

**New Accounting Pronouncement:** Effective October 1, 2023, the Council adopted Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The ASU replaces the incurred loss impairment methodology with a current expected credit losses model (CECL) for all financial assets measured at amortized cost. Assets held by the Council that are subject to CECL include trade accounts receivable, corporate bonds, and certificates of deposit. The ASU also amends the impairment model for certain debt securities. The Council adopted the standard using a modified retrospective approach as of the effective date. No cumulative-effect adjustment to net assets was required. The adoption of the standard did not have a material impact on the financial statements and primarily resulted in changes to disclosures.

**Basis of Presentation:** The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which require the Council to report information regarding its financial position and activities according to the following net asset classifications:

- **Net Assets Without Donor Restrictions** are not subject to donor-imposed restrictions and may be used at the discretion of the Council's management and Board of Directors. This net asset category includes funds functioning as an endowment through designation by the Board of Directors.
- **Net Assets With Donor Restrictions** are subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Council or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions, and when a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities. Restrictions expire when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Contributions with donor restrictions associated with the acquisition of long-lived assets are released from restriction when the assets are placed in service.

**Estimates:** The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue and expenses. Actual results could differ from those estimates.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Equivalents:** For the purpose of the statements of cash flows, the Council considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

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

**Investment Valuation and Income Recognition:** Investments are initially recorded at cost, if purchased, or at fair value, if donated. Thereafter, investments are stated at fair value. See Note 3 for discussion of fair value measurements.

Investment return reported in the statements of activities consists of interest and dividend income and realized and unrealized capital gains and losses, net of external and direct internal investment expenses. Interest income is recorded on the accrual basis, and dividends are recorded on the ex-dividend date. Purchases and sales of investments are recorded on the trade date. Gains and losses on the sale of investments are determined using the specific-identification method.

**Program Advances** represent amounts due from a vendor of the Council as restitution for the vendor’s failure to provide contracted services in 2023.

**Pledges and Grants Receivable:** Unconditional pledges and grants receivable expected to be collected within one year are recorded at net realizable value. Amounts expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using risk-adjusted rates applicable in the years in which those promises are received. Amortization of the discounts is included in contributions and grants in the statements of activities. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Pledges and grants receivable are reviewed for collectability and a provision for doubtful accounts is recorded based on management’s judgment and analysis of the creditworthiness of the donors, historical experience, economic conditions, and other relevant factors.

For the years ended September 30, 2024 and 2023, the Council had receivables outstanding from one donor totaling \$4,900,000 and \$9,800,000, which accounted for approximately 99% and 98% of total pledges and grant receivables, respectively.

**Inventories:** Girl Scout supplies and merchandise for resale are stated at the lower of cost or net realizable value on a first-in, first-out basis (FIFO). Inventory reserves totaled \$4,734 at September 30, 2024 and 2023.

**Land, Buildings and Equipment:** Expenditures for land, buildings and equipment and items in excess of \$5,000 which substantially increase the useful lives of existing assets are capitalized at cost or at fair value at the date of the gift. Repairs and maintenance costs are expensed as incurred. Depreciation has been computed on straight-line method at rates designed to depreciate the costs of assets over their estimated useful lives as follows:

Buildings and improvements	10-40 years
Furniture, fixtures and equipment	3-10 years
Transportation equipment	5 years

Leasehold improvements and leased assets are depreciated over the shorter of the asset’s useful life or the lease term.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Council's land, buildings and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of the carrying amount to future net undiscounted cash flows expected to be generated by the related asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount exceeds the fair market value of the assets. No adjustments to the carrying amount of land, buildings and equipment were required in 2024 or 2023.

**Leases:** The Council determines if an arrangement is a lease at inception. The Council recognizes a lease asset for its right to use the underlying leased asset and a lease liability for the corresponding obligation to make lease payments. Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The present value is calculated using the rate implicit in the lease. If the rate is not readily determinable from the lease, the Council estimates an applicable incremental borrowing rate. Operating lease expense is recognized on a straight-line basis over the lease term. The Council does not recognize an asset and liability for leases with a term of 12 months or less. The Council does not separate lease and non-lease components for all leases.

**Beneficial Interest in Assets Held by Others:** The Council maintains a quasi-endowment fund with a number of Community Foundations throughout the state. The original principal of the funds cannot be committed, granted or expended by the Community Foundations. Beneficial interest in assets held by others is reported at fair value in the statements of financial position. See Note 3 for discussion of fair value measurements. Beneficial interest in assets held by others is included in net assets without donor restrictions, and changes in value of the beneficial interest in trust is recognized in other revenues.

**Beneficial Interest in Perpetual Trust:** The Council is also the sole income beneficiary of a perpetual trust administered by an outside party. Under the terms of the trust, the Council has the irrevocable right to receive 100% of the income earned on the trust's assets in perpetuity, but will never receive the assets held in trust. The Council's beneficial interest in perpetual trust is presented at fair value. See Note 3 for discussion of fair value measurements. Beneficial interest in perpetual trust is included in net assets with donor restrictions, and changes in value of the beneficial interest in perpetual trust is recognized in other revenues.

**Contributions and Grants** are recognized as support when they are received or unconditionally promised. Grants and contracts are classified as contributions in instances in which a resource provider is not itself receiving commensurate value for the resources provided. Contributions are considered conditional when the agreement with the resource provider includes a barrier that must be overcome and either a right of return of assets transferred or right of release of a promisor's obligation to transfer assets. Conditional contributions are not recognized as revenue until the conditions are substantially met. The Council had no outstanding conditional contributions as of September 30, 2024 and 2023.

For the year ended September 30, 2023, the Council received a restricted contribution from one donor totaling \$14,700,000, which accounted for approximately 56% of total revenue and support.

**Product and Retail Sales:** Product sales are recognized when such products are transferred to Girl Scout Troops. Revenue is recorded net of gross receipts allocated to troops and product and related costs. Retail sales, consisting of the sale of uniforms, pins, badges and other supplies, are recognized at the time of sale and are recorded net of cost of goods sold and product discounts. Program product sales, including the sale of Girl Scout Cookies, account for a significant portion of the Council's revenue. All Girl Scout Cookies are purchased from one vendor.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Product sales consisted of the following for the year ended September 30, 2024 and 2023:

<b>2024</b>	<b>Fall Sales</b>	<b>Cookie Sales</b>	<b>Total</b>
Product sales	\$ 698,459	\$10,556,445	\$11,254,904
Cost of sales	<u>(413,571)</u>	<u>(2,822,583)</u>	<u>(3,236,154)</u>
Product sales, net	<u>\$ 284,888</u>	<u>\$ 7,733,862</u>	<u>\$ 8,018,750</u>
<b>2023</b>			
Product sales	\$ 664,741	\$10,764,210	\$11,428,951
Cost of sales	<u>(380,154)</u>	<u>(2,625,962)</u>	<u>(3,006,116)</u>
Product sales, net	<u>\$ 284,587</u>	<u>\$ 8,138,248</u>	<u>\$ 8,422,835</u>

**Program Service Fees** are recognized when such program services are provided. Program fees received in advance are classified as deferred revenue. Deferred revenue as of September 30, 2024, 2023, and 2022 was \$40,265, \$38,659, and \$29,820, respectively.

**Special Events Revenue** is considered an unconditional contribution, except for the portion related to the direct benefit being provided to the donors that is considered an exchange transaction. The contribution portion of the revenue is recognized when received, and the exchange transaction portion of the revenue is recognized when the event occurs.

**Advertising:** The Council expenses advertising costs as incurred and totaled \$119,996 in 2024 and \$81,034 in 2023.

**Functional and Allocated Expenses:** The costs of providing program and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Directly identifiable expenses are charged to the specific program or supporting service benefited. Expenses related to more than one function are allocated among program and support services based on occupied space (including interest, occupancy, and depreciation) or time spent by the Council’s staff (including salaries and benefits). General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Council.

**Income Taxes:** The Council is exempt from income taxes on income from related activities under Section 501(c)(3) of the U. S. Internal Revenue Code and corresponding state tax law. Accordingly, no provision has been made for federal or state income taxes. Additionally, the Council is not considered to be a private foundation under Section 509(a) of the Internal Revenue Code.

The Council files U.S. federal and Indiana information returns. The Council is no longer subject to U.S. federal and state income tax examinations by tax authorities for fiscal years before 2021. Management believes that the Council’s income tax filing positions will be sustained on audit and does not anticipate any adjustments that will result in a material change.

**Reclassifications:** Certain amounts in the 2023 financial statements have been reclassified to conform to the presentation of the 2024 financial statements.

**Subsequent Events:** The Council has evaluated the financial statements for subsequent events occurring through February 4, 2025, the date the financial statements were available to be issued.

## NOTE 2 - AVAILABLE RESOURCES AND LIQUIDITY

The following reflects the Council's financial assets available for general expenditure that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date:

	<b>2024</b>	<b>2023</b>
Cash and equivalents	\$ 811,316	\$ 543,435
Cash restricted for long-term purposes	14,876	14,876
ERC receivable	90,050	90,050
Pledges receivable, net	20,250	23,358
Grants receivable	4,910,000	9,931,000
Investments	23,311,391	21,288,184
Beneficial interest in assets held by others	136,481	121,028
Beneficial interest in perpetual trust	<u>422,401</u>	<u>363,306</u>
Total Financial Assets	29,716,765	32,375,237
Cash restricted for long-term purposes	(14,876)	(14,876)
Donor-imposed Restrictions or Not Available for Withdrawal:		
Pledges receivable restricted by donors		(23,358)
Grants receivable restricted by donors	(4,910,000)	(9,931,000)
Donor-restricted endowment funds	(10,256,531)	(8,756,085)
Beneficial interest in assets held by others	(136,481)	(121,028)
Beneficial interest in perpetual trust	<u>(422,401)</u>	<u>(363,306)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$13,976,476</u>	<u>\$13,165,584</u>

The Council has certain donor-restricted assets limited to use which are available for general expenditures within one year in the normal course of operations. Accordingly, these assets have been included in the quantitative information above for financial assets to meet general expenditures within one year.

As part of the Council's liquidity management plan, the Council invests its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Additionally, the Council maintains a \$2,000,000 line of credit which is available to meet unexpected liquidity needs. There was no outstanding balance on the line of credit as of September 30, 2024 and 2023.

## NOTE 3 - FAIR VALUE MEASUREMENTS

The Council has categorized its assets and liabilities that are measured at fair value into a three-level fair value hierarchy. The hierarchy 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 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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy are described as follows:

**Level 1** – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Council has the ability to access.

**Level 2** – Inputs to the valuation methodology may 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/or 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 (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)**

**Level 3** – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. In situations where there is little or no market activity for the asset or liability, the Council makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

Following is a description of the valuation methodologies used by the Council for assets that are measured at fair value on a recurring basis. There have been no changes in the methodologies used at September 30, 2024 and 2023.

**Money Market Fund Shares:** Valued at the closing price as reported by the funds. These funds are required to publish their daily net asset value (NAV) and to transact at that price. These funds are deemed to be actively traded.

**Equity Mutual Funds:** Valued at the daily closing price as reported by the funds. These funds are required to publish their daily net asset value (NAV) and to transact at that price. These funds are deemed to be actively traded.

**Exchanged-traded Funds:** Valued at the closing price reported on the active market on which the individual securities are traded.

**Corporate Bonds and Municipal Bonds:** Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, those corporate bonds are valued under a discounted cash flow approach that maximizes observable inputs, such as current yields or similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

**Certificates of Deposit:** Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the creditworthiness of the issuer.

**Beneficial Interest in Assets Held by Others:** Valued based on the Council’s proportionate share of the fair value of the underlying investments in the Community Foundations’ pooled investment portfolios as reported by the Community Foundations, without adjustment. The valuation methodology for the beneficial interest in assets held by others does not utilize any unobservable inputs.

**Beneficial Interest in Perpetual Trust:** Valued using the Council’s proportionate share of the fair value of the assets in the trust, as provided by the trustee, unless there are facts and circumstances that indicate that the fair value of the beneficial interest differs from the fair value of the Council’s proportionate share of the assets held by the trust, in which case the present value of the estimated future cash flows would be used. When the Council’s proportionate share of the fair value of the assets in the trust is used to estimate fair value, these assets are not classified in the fair value hierarchy.

Following is a summary, by major nature and risks class within each level of the fair value hierarchy, of the Council’s assets that are measured at fair value on a recurring basis as of September 30, 2024 and 2023:

2024	Level 1	Level 2	Level 3	Total	Held at NAV
<b>Assets</b>					
Endowment Fund and Other Investments:					
Money market fund shares	\$ 6,043,186			\$ 6,043,186	
Equity mutual funds	11,489,256			11,489,256	
Exchanged-traded funds	2,751,465			2,751,465	
Corporate bonds		\$1,971,866		1,971,866	
Municipal bonds		363,606		363,606	
Certificates of deposit		692,012		692,012	

**NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)**

<b>2024 (Continued)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>	<b>Held at NAV</b>
Beneficial Interest in Assets Held by Others			\$136,381	\$ 136,481	
Beneficial Interest in Perpetual Trust					\$422,401
<b>Total</b>	<b><u>\$20,283,907</u></b>	<b><u>\$3,027,484</u></b>	<b><u>\$136,381</u></b>	<b><u>\$23,447,872</u></b>	<b><u>\$422,401</u></b>

  

<b>2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>	<b>Held at NAV</b>
<b>Assets</b>					
Endowment Fund and Other Investments:					
Money market fund shares	\$ 2,447,536			\$ 2,447,536	
Equity mutual funds	8,255,647			8,255,647	
Exchanged-traded funds	804,110			804,110	
Corporate bonds		\$1,898,265		1,898,265	
Municipal bonds		6,744,528		6,744,528	
Certificates of deposit		1,138,098		1,138,098	
Beneficial Interest in Assets Held by Others			\$121,028	121,028	
Beneficial Interest in Perpetual Trust					\$363,306
<b>Total</b>	<b><u>\$11,507,293</u></b>	<b><u>\$9,780,891</u></b>	<b><u>\$121,028</u></b>	<b><u>\$21,409,212</u></b>	<b><u>\$363,306</u></b>

**NOTE 4 - INVESTMENTS**

The Council's investments at September 30, 2024 and 2023 are as follows:

	<b>2024</b>		<b>2023</b>	
	<b>Cost</b>	<b>Fair Value</b>	<b>Cost</b>	<b>Fair Value</b>
Money market funds	\$ 6,043,186	\$ 6,043,186	\$ 2,447,536	\$ 2,447,536
Equity mutual funds	10,279,782	11,489,256	7,704,997	8,255,647
Exchange-traded funds	2,427,250	2,751,465	621,154	804,110
Corporate bonds	2,017,644	1,971,866	2,063,837	1,898,265
Municipal bonds	387,921	363,606	7,005,970	6,744,528
Certificates of deposit	710,000	692,012	1,200,000	1,138,098
<b>Total Investments</b>	<b><u>\$21,865,783</u></b>	<b><u>\$23,311,391</u></b>	<b><u>\$21,043,494</u></b>	<b><u>\$21,288,184</u></b>

Investment return is summarized as follows for the years ended September 30, 2024 and 2023:

	<b>2024</b>	<b>2023</b>
Interest and dividend income	\$ 726,401	\$ 492,776
Realized net gain on sales of investments	<u>1,531,482</u>	<u>298,619</u>
Total interest, dividends and realized gains	2,257,883	791,395
Brokerage fees	<u>(109,502)</u>	<u>(126,225)</u>
Investment income, net	2,148,381	665,170
Unrealized net gain on investments	<u>1,141,821</u>	<u>897,169</u>
<b>Total Investment Return</b>	<b><u>\$3,290,202</u></b>	<b><u>\$1,562,339</u></b>

#### **NOTE 4 - INVESTMENTS (CONTINUED)**

Investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

The Council does not intend to sell, and more likely than not will not be required to sell, any securities in an unrealized loss position before recovery of the amortized cost basis. None of the contractual terms of the debt securities allow for the settlement at a price less than the amortized cost bases of the investments. Additionally, U.S. government securities are not impacted by changes in credit quality given the explicit or implicit guarantees provided by the U.S. government. Municipal bonds were primarily impacted by changes in the relationship between municipal and term funding credit curves rather than by changes in credit quality. While unrealized losses on corporate bonds and certificates of deposit were partially caused by changes in credit quality, the Council does not expect these investments to be settled at prices less than amortized cost. In addition, issuer defaults on certificates of deposit are covered by FDIC insurance up to \$250,000 per issuer.

#### **NOTE 5 - ENDOWMENT FUND**

The Council's endowment funds provide a source of income for operations and scholarships to program participants, as well as creating sustainability for the Council. The Council's endowment consists of seven individual funds and includes both donor-restricted endowment funds and funds designed by the Board to function as endowments. Additionally, the endowment includes a beneficial interest in a perpetual trust, which is not subject to the Indiana Uniform Prudent Management of Institutional Funds Act (UPMIFA). In 2020, the Council received a financial sustainability grant from the Lilly Endowment, Inc. The grant included donor-restricted funds designated for an endowment, which were pooled with other donor-restricted funds held for endowment by the Council.

The Council also holds endowments through Community Foundations. The principal amounts will permanently remain with the Community Foundation, with investment income earned on the investments to be paid back to the Council. Future donations made to the Community Foundation will continue to remain permanently with the Community Foundation, with income earned on those donations to be paid to the Council as described above.

#### ***Interpretation of Relevant Law***

The Council is subject to UPMIFA and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions, because those assets are time restricted until the Board of Directors appropriates such amounts for expenditure. The Board of Directors has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. The Council considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Council has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. However, the majority of the endowment is subject to additional restrictions provided by the donor related to spending from underwater funds. Additionally, the Council considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Council
- The investment policies of the Council

**NOTE 5 - ENDOWMENT FUND (CONTINUED)**

As of September 30, 2024, the Council had the following endowment net asset composition by type of fund:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Donor-restricted endowment funds		\$ 7,256,347	\$ 7,256,347
Accumulated investment gains		3,000,184	3,000,184
Beneficial interest in perpetual trust		422,401	422,401
Board designated funds held by Community Foundations	<u>\$136,481</u>		<u>136,481</u>
Total Endowment Funds	<u>\$136,481</u>	<u>\$10,678,932</u>	<u>\$10,815,413</u>

As of September 30, 2023, the Council had the following endowment net asset composition by type of fund:

	<b>Without Donor Restriction</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Donor-restricted endowment funds		\$ 7,256,347	\$ 7,256,347
Accumulated investment gains		1,499,738	1,499,738
Beneficial interest in perpetual trust		363,306	363,306
Board designated funds held by Community Foundations	<u>\$121,028</u>		<u>121,028</u>
Total Endowment Funds	<u>\$121,028</u>	<u>\$ 9,119,391</u>	<u>\$ 9,240,419</u>

Changes in endowment by net asset class are as follows for the years ended September 30, 2024 and 2023:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Balance at September 30, 2022	\$115,702	\$ 8,578,294	\$ 8,693,996
Net investment return	10,899	875,445	886,344
Change in value of beneficial trust		22,576	22,576
Appropriation of endowment assets for expenditure	<u>(5,573)</u>	<u>(356,924)</u>	<u>(362,497)</u>
Balance at September 30, 2023	121,028	9,119,391	9,240,419
Net investment return	21,274	1,865,505	1,886,779
Change in value of beneficial trust		59,095	59,095
Appropriation of endowment assets for expenditure	<u>(5,821)</u>	<u>(365,059)</u>	<u>(370,880)</u>
Balance at September 30, 2024	<u>\$136,481</u>	<u>\$10,678,932</u>	<u>\$10,815,413</u>

***Underwater Endowment Funds***

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original value of gifts donated to the donor-restricted endowment or the level that the donors otherwise require the Council to retain as a fund of perpetual duration. There were no underwater endowment funds at September 30, 2024 and 2023.

**NOTE 5 - ENDOWMENT FUND (CONTINUED)**

***Return Objectives and Risk Parameters***

The Council has adopted investment and spending policies for endowment assets that attempt to preserve the capital, maximize the return within reasonable and prudent levels of risk, and provide a return to the restricted funds. Endowment assets are comprised of the assets of donor-restricted funds that the Council must hold in perpetuity. Under this policy, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield a return while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount.

***Strategies Employed for Achieving Objectives***

To satisfy its long-term rate-of-return objectives, the Council relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Council targets a diversified asset allocation that places a greater emphasis on long-term growth and a reasonable return.

***Spending Policy and How the Investment Objectives Relate to Spending Policy***

The endowments held at various Community Foundations have adopted a spending policy based on the guidance of the Community Foundations. On average, the Community Foundations set a suggested spending policy of 5% of the fund balance. This policy is subject to change based on market and other factors.

The spending policy of the donor-restricted Lilly Endowment funds is governed by the grant agreement which provided the funds. Whenever the balance of the endowment fund is equal to or less than the original gift value, the maximum spending from the endowment fund for the Council's next fiscal year is 2% of the endowment fund balance. This maximum spending limit continues until the endowment fund balance exceeds the original gift value. Whenever the endowment fund balance is greater than the original gift value, the Council may spend any percentage or amount of the endowment fund as is consistent with its spending policy. In August 2021, the Council adopted a spending policy of appropriating for distribution each year 4% of its endowment assets' average fair value over the prior 12 quarters through the fiscal year-end preceding the fiscal year in which the distribution is planned. This policy is consistent with the Council's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide appropriate amounts to achieve the growth and sustainability goals of the Council. These funds continue to be governed by the grant agreement with Lilly Endowment. At no time will the Council violate that grant agreement.

**NOTE 6 - PLEDGES RECEIVABLE**

Pledges receivable consisted of the following at September 30, 2024 and 2023:

	<b>2024</b>	<b>2023</b>
Due in less than one year	\$20,520	\$25,000
Less: Unamortized discounts	<u>          </u>	<u>(1,642)</u>
Total Pledges Receivable, net	<u>\$20,250</u>	<u>\$23,358</u>

## NOTE 7 - LAND, BUILDINGS AND EQUIPMENT

At September 30, 2024 and 2023, land, buildings and equipment consisted of the following:

	<b>2024</b>	<b>2023</b>
Land	\$ 463,950	\$ 509,600
Buildings and improvements	16,683,902	17,089,889
Transportation vehicles	333,918	333,918
Furniture, fixtures and equipment	2,235,450	2,091,054
Leasehold improvements	<u>56,679</u>	<u>56,679</u>
	19,773,899	20,081,140
Less: Accumulated depreciation	<u>(10,069,463)</u>	<u>(9,697,266)</u>
Land, Buildings, and Equipment, net	<u>\$ 9,704,436</u>	<u>\$10,383,874</u>

## NOTE 8 - DEBT AND CREDIT ARRANGEMENTS

Long-term debt consisted of the following at September 30, 2024 and 2023:

	<b>2024</b>	<b>2023</b>
Series 2015A bond payable with monthly payments of \$16,979, including interest at a fixed interest rate of 3.10%, secured by real estate and maturing November 2027.	\$ 602,766	\$ 784,758
Series 2015B bond payable with interest-only monthly payments at a variable rate of .11448% plus the 1-month SOFR rate (7.57% at September 30, 2024) with principal payments beginning on December 1, 2027, secured by real estate and maturing November 2042.	1,749,926	1,749,926
Mortgage payable in monthly payments, including variable interest at the one-year treasury weekly average plus 3.00% (6.98% at September 30, 2024), secured by real estate and maturing August 2024. The building associated with the mortgage was sold in 2024 and the remaining balance on the loan was paid in full.		11,677
Mortgage payable in monthly payments of \$6,609, including interest at 5.26% at September 31, 2024, secured by real estate and maturing August 2025.	68,419	140,974
Auto loan payable in monthly payments of \$676, including interest at 6.79% at September 30, 2024, secured by the automobile and maturing January 2025.	1,306	9,259
Auto loan payable in monthly payments of \$522, including interest at 7.74% at September 30, 2024, secured by the automobile and maturing January 2026.	<u>7,210</u>	<u>12,302</u>
	2,429,627	2,708,896
Less: Bond issuance cost, net of accumulated amortization	<u>(17,419)</u>	<u>(26,508)</u>
Total Long-term Debt, net	<u>\$2,412,208</u>	<u>\$2,682,388</u>

**NOTE 8 - DEBT AND CREDIT ARRANGEMENTS (CONTINUED)**

On November 18, 2015, the Indiana Financial Authority (IFA) issued Education Facilities Revenue Bonds, Series 2015A and series 2015B, totaling \$3,500,000 to the Council to fund the construction of the Leadership and Adult Learning Center at Camp Dellwood. The bonds are a direct purchase by a financial institution and do not require a letter of credit. The bond issuances are subject to certain covenants, primarily financial coverage ratios, which the Council has reported compliance.

At September 30, 2024, estimated future principal payments of long-term debt in each of the next five years were as follows:

<b>Payable In Fiscal Year Ending September 30,</b>	<b>Principal Payments</b>
2025	\$263,329
2026	194,902
2027	199,688
2028	119,004
2029	116,667

In September 2020, the Council entered into a bank line of credit agreement which provides for borrowings up to a maximum aggregate amount of \$2,000,000, with interest computed at the *Wall Street Journal's* prime lending rate plus 0.5% (8.5% at September 30, 2024). There were no borrowings outstanding as of September 30, 2024 and 2023. Borrowings under the line of credit are collateralized by substantially all of the Council's assets and are payable on demand.

**NOTE 9 - LEASES**

The Council leases copiers under a noncancelable finance lease agreement that expires in October 2025. Principal and interest payments of \$911 are due monthly. Equipment under the finance lease had a cost of \$50,516 and accumulated depreciation of \$39,571 and \$29,467 at September 30, 2024 and 2023, respectively.

At September 30, 2024 and 2023, total right-of-use assets and lease liabilities, including classification in the balance sheet, were as follows:

	<b>2024</b>	<b>2023</b>
Lease Right-of-Use Assets:		
Finance lease right-of-use assets - land, buildings, and equipment, net	<u>\$10,945</u>	<u>\$21,049</u>
Total Lease Right-of-Use Assets	<u>\$10,945</u>	<u>\$21,049</u>
Lease Liabilities:		
Finance lease liabilities	<u>\$11,620</u>	<u>\$21,989</u>
Total Lease Liabilities	<u>\$11,620</u>	<u>\$21,989</u>

Total lease cost for 2024 was as follows:

Finance lease cost:		
Amortization of right-of-use assets	\$10,104	\$10,103
Interest on lease liabilities	<u>561</u>	<u>893</u>
Total Lease Cost	<u>\$10,665</u>	<u>\$10,996</u>

**NOTE 9 - LEASES (CONTINUED)**

The following summarizes the weighted-average remaining lease term and weighted-average discount rate at September 30, 2024 and 2023:

	<b>2024</b>	<b>2023</b>
Weighted-average remaining lease term:		
Finance leases	1 year	2 years
Weighted-average discount rate:		
Finance leases	3.25%	3.25%

The future minimum lease payments under noncancelable finance leases with terms greater than one year were as follows at September 30, 2024:

<b>Payable In Fiscal Year</b>	<b>Finance Leases</b>
2025	\$10,930
2026	<u>911</u>
Total future undiscounted lease payments	11,841
Less: Interest	<u>(221)</u>
 Total Lease Liabilities	 <u>\$11,620</u>

Additionally, as a lessor, the Council rents certain facilities to other parties under non-cancelable operating leases that expire at various dates through July 2026. The Council accounts for lease and non-lease components within a contract as a single lease component. At September 30, 2024, future minimum rental payments due to the Council under noncancellable operating lease agreements were as follows:

<b>Receivable In Fiscal Year Ending September 30,</b>	<b>Rental Payments</b>
2025	\$12,000
2026	<u>12,000</u>
	<u>\$24,000</u>

Total rental revenue recognized under these leases totaled \$20,945 and \$53,700 in 2024 and 2023, respectively.

**NOTE 10 - PENSION PLAN**

The Council participates in the Retirement Plan of the GSUSA, a noncontributory defined benefit multi-employer pension plan (Plan) sponsored by GSUSA. The risks of participating in this multi-employer plan are different from single-employer plans in the following respects:

- a) Assets contributed to the Plan by one employer may be used to provide benefits to employees of other participating employers.
- b) If a participating employer stops contributing to the Plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- c) If the Council chooses to stop participating in the Plan, the Council may be required to pay those plans an amount based on the Council's proportionate share of unfunded vested plan benefits, referred to as a withdrawal liability.

**NOTE 10 - PENSION PLAN (CONTINUED)**

The National Board of GSUSA 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. The Council’s participation in the Plan is outlined in the table below. “EIN/Pension Plan Number” provides the Employee Identification Number (EIN) and the three-digit plan number. “FIP/RP Status” indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. There have been no significant changes that affect the comparability of 2024 contributions.

Pension Fund	Retirement Plan of the Girl Scouts of the USA
EIN/Pension Plan Number	12-1624016
Council Contributions	
Year ended 9/30/2024	\$475,476
Year ended 9/30/2023	\$481,983
Year of Most Recent Form 5500 Filing	12/31/2023
FIP/RP Status	N/A
Surcharge Imposed	No
Council Contributed more than 5% of Total Contributions	No

Due to the nature of the Plan, it is not practicable to determine the extent to which the assets of the Plan cover the actuarially computed value of vested benefits for the Council as a stand-alone operation. In addition, because the Plan is considered a multi-employer plan, it is only subject to certain minimum reporting requirements. As of December 31, 2023, the date for which the most current information is available, the Retirement Plan of the Girl Scouts of the USA had assets of \$421,000,000 and liabilities of \$497,100,000 for a net funded deficit of \$(76,100,000). The Council expects to make contributions totaling approximately \$475,000 to the Plan during the year ending September 30, 2025.

**NOTE 11 - RETIREMENT PLAN**

The Council maintains a 403(b) thrift plan that matches 3% of contributions made by employees. In addition, the Council makes contributions of 2% and 4% based on years of service. The Council contributed \$184,303 and \$161,166 to the plan for the years ended September 30, 2024 and 2023, respectively.

**NOTE 12 - EMPLOYEE SELF-INSURANCE PROGRAM**

The Council has adopted a partially self-funded insurance plan for employee medical and prescription drug insurance. Expenses are recorded as incurred. Insurance policies in force at September 30, 2024 and 2023 limit the Council’s maximum claims cost to approximately \$1,000,000 and the maximum claim liability per covered individual to \$60,000. Actual claims costs were \$1,205,703 and \$548,571 for the years ended September 30, 2024 and 2023. The Council’s portion of the predetermined funding provision is charged to expense each month. At September 30, 2024 and 2023, the accrued liability related to these self-insured plans was \$116,848 and \$12,893, respectively.

**NOTE 13 - NET ASSETS WITH DONOR RESTRICTIONS**

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

	<b>2024</b>	<b>2023</b>
Subject to expenditure for specified purposes:		
Scholarships	\$ 90,721	\$ 89,721
Capital campaign		25,000
Capital improvements	44,876	14,876
Other	18,000	
Program support	<u>8,049,853</u>	<u>12,043,937</u>
Total Subject to Expenditure for Specified Purposes	<u>8,203,450</u>	<u>12,173,534</u>

**NOTE 13 - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

	<b>2024</b>	<b>2023</b>
Subject to the endowment's spending policy and appropriation	<u>\$10,256,531</u>	<u>\$ 8,756,085</u>
Illiquid assets not subject to the Council's spending policy or appropriation:		
Land	240,000	240,000
Beneficial interest in perpetual trust	<u>422,401</u>	<u>363,306</u>
	<u>662,401</u>	<u>603,306</u>
 Total Net Assets with Donor Restrictions	 <u>\$19,122,382</u>	 <u>\$21,532,925</u>

Net assets released from donor restrictions are as follows:

	<b>2024</b>	<b>2023</b>
Subject to Expenditures for specified purposes:		
Scholarships	\$ 4,000	\$ 4,000
Capital campaign	25,000	25,000
Capital improvements		71,784
Program support	4,669,931	3,386,137
Development capacity and energy-savings systems	<u>2,000</u>	<u>                    </u>
 Total Net Assets Released from Donor Restrictions	 <u>\$4,700,931</u>	 <u>\$3,486,921</u>

**NOTE 14 - RELATED PARTY TRANSACTIONS**

The Council is chartered by GSUSA to use the name, marks and programs of the national organization. The Council collected and subsidized annual dues on behalf of GSUSA totaling \$425,165 and \$526,350 for the years ending September 30, 2024 and 2023, respectively, and passed through the amounts to GSUSA. In addition, the Council purchased uniforms, IT software and licenses and other sales items from GSUSA totaling \$375,698 and \$329,726 for the years ending September 30, 2024 and 2023, respectively.

The Council recognized contributions from its Board of Directors of \$22,070 and \$19,600 for the years ended September 30, 2024 and 2023, respectively.

GSUSA serves as the grant manager for the funds received for the Coalition. The Council has an outstanding receivable of \$4,900,000 and \$9,800,000 as of September 2024 and 2023, respectively, from GSUSA relating to this grant.

**NOTE 15 - EMPLOYEE RETENTION CREDITS**

The Consolidated Appropriations Act, 2021 (CAA) eliminated the restriction that prevented Paycheck Protection Program (PPP) loan borrowers from claiming the Employee Retention Credit (ERC), which was made available under the CARES Act, and allowed for the ERC to be claimed retroactively by eligible employers. The ERC under the CARES Act is a fully refundable tax credit for eligible employers equal to 50% of qualified wages up to \$10,000 paid to each retained employee between March 13 and December 31, 2020. The CAA and American Rescue Plan Act of 2021 extended the availability of the ERC through December 31, 2021, allowing for a fully refundable tax credit for eligible employers equal to 70% of qualified wages up to \$10,000 paid to each retained employee per quarter during 2021. In fiscal year 2021, the Council claimed a retroactive credit of \$520,741 relating to calendar year 2020 and a retroactive credit of \$514,943 relating to calendar year 2021. Management treated these credits as contributions and determined that conditions related to the credits were substantially met during the year ended September 30, 2021. Therefore, the Council recorded contributions in fiscal year 2021 for the amount of the credits. Payments totaling \$945,634 were received as of September 30, 2024 and 2023. Credits totaling \$90,050 had yet to be received as of September 30, 2024 and 2023.

## **SUPPLEMENTARY INFORMATION**

**GIRL SCOUTS OF CENTRAL INDIANA, INC.**

**SCHEDULE OF ACTIVITIES BY FUND**  
Year Ended September 30, 2024

	OPERATING & ENDOWMENT FUND			GIRL COALITION OF INDIANA FUND			STRATEGIC INITIATIVES FUND			INTERFUND TRANSFERS	
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		Total
<b>REVENUES AND OTHER SUPPORT</b>											
Public support:											
Contributions and grants	\$ 981,142	\$ 365,788	\$ 1,346,930							\$ (586,868)	\$ 760,062
United Way allocations	137,008		137,008								137,008
	<u>1,118,150</u>	<u>365,788</u>	<u>1,483,938</u>							<u>(586,868)</u>	<u>897,070</u>
Product sales	11,254,904		11,254,904								11,254,904
Less: Cost of sales	<u>(3,236,154)</u>		<u>(3,236,154)</u>								<u>(3,236,154)</u>
	<u>8,018,750</u>		<u>8,018,750</u>								<u>8,018,750</u>
Other revenues:											
Retail sales, net	200,873		200,873								200,873
Program service fees	818,806		818,806								818,806
Special events, net	189,030		189,030								189,030
Investment return	1,424,697	1,865,505	3,290,202								3,290,202
Change in value of beneficial interest in assets held by others	96,452		96,452								96,452
Change in value of beneficial interest in perpetual trust		59,095	59,095								59,095
Other revenue	624,899		624,899								624,899
	<u>12,491,657</u>	<u>2,290,388</u>	<u>14,782,045</u>							<u>(586,868)</u>	<u>14,195,177</u>
Net assets released from restrictions	525,431	(525,431)		\$ 4,175,500	\$ (4,175,500)						
Total Revenues and Other Support	<u>13,017,088</u>	<u>1,764,957</u>	<u>14,782,045</u>	<u>4,175,500</u>	<u>(4,175,500)</u>					<u>(586,868)</u>	<u>14,195,177</u>
<b>EXPENSES</b>											
Salaries and benefits	7,397,127		7,397,127	1,486,769		\$ 1,486,769	\$ 387		\$ 387		8,884,283
Professional fees and services	342,673		342,673	1,121,177		1,121,177	162,254		162,254		1,626,104
Supplies and program expenses	1,554,056		1,554,056	803,403		803,403	35,933		35,933	(283,418)	2,109,974
Telecommunications	147,574		147,574	8,060		8,060					155,634
Occupancy	551,053		551,053	60,125		60,125	66,184		66,184		677,362
Equipment expense	295,578		295,578	45,787		45,787	835		835		342,200
Printing and publications	348,808		348,808	48,006		48,006	60,902		60,902		457,716
Travel and meetings	528,090		528,090	159,346		159,346	26,307		26,307		713,743
Awards, grants and assistance	467,097		467,097	588,785		588,785	10,690		10,690	(303,450)	763,122
Depreciation	861,436		861,436								861,436
Interest expense	167,583		167,583								167,583
Insurance	230,501		230,501								230,501
Other	262,819		262,819	1,280		1,280	2,274		2,274		266,373
Total Expenses	<u>13,154,395</u>		<u>13,154,395</u>	<u>4,322,738</u>		<u>4,322,738</u>	<u>365,766</u>		<u>365,766</u>	<u>(586,868)</u>	<u>17,256,031</u>
<b>CHANGE IN NET ASSETS</b>	<u>(137,307)</u>	<u>1,764,957</u>	<u>1,627,650</u>	<u>(147,238)</u>	<u>(4,175,500)</u>	<u>(4,322,738)</u>	<u>(365,766)</u>		<u>(365,766)</u>		<u>(3,060,854)</u>
<b>NET ASSETS</b>											
Beginning of Year	<u>15,672,669</u>	<u>9,621,960</u>	<u>25,294,629</u>		<u>11,910,965</u>	<u>11,910,965</u>	<u>2,206,921</u>		<u>2,206,921</u>		<u>39,412,515</u>
End of Year	<u>\$ 15,535,362</u>	<u>\$ 11,386,917</u>	<u>\$ 26,922,279</u>	<u>\$ (147,238)</u>	<u>\$ 7,735,465</u>	<u>\$ 7,588,227</u>	<u>\$ 1,841,155</u>	<u>\$ -</u>	<u>\$ 1,841,155</u>	<u>\$ -</u>	<u>\$ 36,351,661</u>

**GIRL SCOUTS OF CENTRAL INDIANA, INC.**

**SCHEDULE OF ACTIVITIES BY FUND**  
Year Ended September 30, 2023

	OPERATING & ENDOWMENT FUND			GIRL COALITION OF INDIANA FUND			STRATEGIC INITIATIVES FUND			INTERFUND TRANSFERS	
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		Total
<b>REVENUES AND OTHER SUPPORT</b>											
Public support:											
Contributions and grants	\$ 1,180,939	\$ 409,180	\$ 1,590,119		\$ 14,700,000	\$ 14,700,000				\$ (742,319)	\$ 15,547,800
United Way allocations	105,749		105,749								105,749
	<u>1,286,688</u>	<u>409,180</u>	<u>1,695,868</u>		<u>14,700,000</u>	<u>14,700,000</u>				<u>(742,319)</u>	<u>15,653,549</u>
Product sales	11,428,951		11,428,951								11,428,951
Less: Cost of sales	<u>(3,006,116)</u>		<u>(3,006,116)</u>								<u>(3,006,116)</u>
	<u>8,422,835</u>		<u>8,422,835</u>								<u>8,422,835</u>
Other revenues:											
Retail sales, net	269,538		269,538								269,538
Program service fees	701,507		701,507								701,507
Special events, net	144,481		144,481								144,481
Investment return	686,894	875,445	1,562,339								1,562,339
Change in value of beneficial interest in assets held by others	38,279		38,279								38,279
Change in value of beneficial interest in perpetual trust		22,576	22,576								22,576
Other revenue	<u>346,982</u>		<u>346,982</u>								<u>346,982</u>
	11,897,204	1,307,201	13,204,405		14,700,000	14,700,000				(742,319)	27,162,086
Net assets released from restrictions	<u>697,886</u>	<u>(697,886)</u>		\$ 2,789,035	<u>(2,789,035)</u>						
Total Revenues and Other Support	<u>12,595,090</u>	<u>609,315</u>	<u>13,204,405</u>	<u>2,789,035</u>	<u>11,910,965</u>	<u>14,700,000</u>				<u>(742,319)</u>	<u>27,162,086</u>
<b>EXPENSES</b>											
Salaries and benefits	6,429,349		6,429,349	511,173		511,173					6,940,522
Professional fees and services	303,089		303,089	760,246		760,246	\$ 80,641		\$ 80,641	(153,644)	990,332
Supplies and program expenses	1,358,019		1,358,019	697,003		697,003	18,122		18,122	(247,250)	1,825,894
Telecommunications	131,819		131,819	3,192		3,192	1,503		1,503		136,514
Occupancy	613,066		613,066	8,809		8,809					621,875
Equipment expense	279,467		279,467	36,032		36,032	5,000		5,000		320,499
Printing and publications	348,202		348,202	20,212		20,212	67,615		67,615		436,029
Travel and meetings	484,093		484,093	96,000		96,000	18,639		18,639		598,732
Awards, grants and assistance	513,636		513,636	655,686		655,686	45		45	(341,425)	827,942
Depreciation	719,074		719,074								719,074
Interest expense	153,441		153,441								153,441
Insurance	219,396		219,396								219,396
Other	<u>268,570</u>		<u>268,570</u>	<u>682</u>		<u>682</u>	<u>1,514</u>		<u>1,514</u>		<u>270,766</u>
Total Expenses	<u>11,821,221</u>		<u>11,821,221</u>	<u>2,789,035</u>		<u>2,789,035</u>	<u>193,079</u>		<u>193,079</u>	<u>(742,319)</u>	<u>14,061,016</u>
<b>CHANGE IN NET ASSETS</b>	<u>773,869</u>	<u>609,315</u>	<u>1,383,184</u>		<u>11,910,965</u>	<u>11,910,965</u>	<u>(193,079)</u>		<u>(193,079)</u>		<u>13,101,070</u>
<b>NET ASSETS</b>											
Beginning of Year	<u>14,898,800</u>	<u>9,012,645</u>	<u>23,911,445</u>				<u>2,400,000</u>		<u>2,400,000</u>		<u>26,311,445</u>
End of Year	<u>\$ 15,672,669</u>	<u>\$ 9,621,960</u>	<u>\$ 25,294,629</u>	<u>\$ -</u>	<u>\$ 11,910,965</u>	<u>\$ 11,910,965</u>	<u>\$ 2,206,921</u>	<u>\$ -</u>	<u>\$ 2,206,921</u>	<u>\$ -</u>	<u>\$ 39,412,515</u>