

**GIRL SCOUTS OF SOUTH CAROLINA –
MOUNTAINS TO MIDLANDS, INC.
GREENVILLE, SC**

AUDITED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

**GIRL SCOUTS OF SOUTH CAROLINA – MOUNTAINS TO MIDLANDS, INC.
GREENVILLE, SOUTH CAROLINA**

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YEARS ENDED SEPTEMBER 30, 2024 AND 2023

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Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Girl Scouts of South Carolina - Mountains to Midlands, Inc.
Greenville, South Carolina

Opinion

We have audited the accompanying financial statements of the Girl Scouts of South Carolina - Mountains to Midlands, Inc. (the "Council") (a nonprofit organization), 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.

Prior Period Financial Statements

The financial statements of the Council as of September 30, 2023, were audited by other auditors whose report dated January 18, 2024, expressed an unmodified opinion on those statements.

Responsibilities of Management's for the Financial Statements

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

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

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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.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
January 22, 2025

GIRL SCOUTS OF SOUTH CAROLINA - MOUNTAINS TO MIDLANDS, INC.
GREENVILLE, SOUTH CAROLINA

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2024 AND 2023

	2024	2023
ASSETS		
Current Assets:		
Cash	\$ 2,988,569	\$ 3,084,221
Cash - Restricted	214,393	223,163
Cash Equivalents - Short-Term Investments	32,364	35,577
Cash Equivalents - Short-Term Investments - Restricted	29,562	36,713
Accounts Receivable	15,830	11,123
Promises to Give, Net	9,402	19,564
Inventories, Net	93,816	100,014
Prepaid Expenses	88,406	76,403
Total Current Assets	3,472,342	3,586,778
Non-current Assets:		
Long-Term Investments	3,104,304	2,606,435
Long-Term Promises to Give, Net	-	7,872
Beneficial Interest in Assets Held by Others	132,102	110,147
Property and Equipment, Net	9,990,838	10,238,241
Operating Lease Right-of-Use Asset, Net	548,241	607,038
Total Non-current Assets	13,775,485	13,569,733
TOTAL ASSETS	\$ 17,247,827	\$ 17,156,511
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 118,164	\$ 61,684
Accrued Liabilities	242,790	181,381
Deferred Revenue	33,892	49,775
Funds Held for Others	72,445	76,581
Deposits	1,000	1,000
Current Portion of Mortgage Payable	355,989	344,098
Current Portion of Operating Lease Liability	58,295	51,135
Total Current Liabilities	882,575	765,654
Non-current Liabilities:		
Mortgage Payable	4,850,375	5,207,781
Operating Lease Liability	520,962	579,257
Total Non-current Liabilities	5,371,337	5,787,038
TOTAL LIABILITIES	6,253,912	6,552,692
NET ASSETS		
Without Donor Restrictions:		
Operating	2,235,657	2,422,705
Board-Designated	2,486,328	2,171,370
Net Investment in Property and Equipment	4,784,474	4,686,362
Total Without Donor Restrictions	9,506,459	9,280,437
With Donor Restrictions	1,487,456	1,323,382
TOTAL NET ASSETS	10,993,915	10,603,819
TOTAL LIABILITIES AND NET ASSETS	\$ 17,247,827	\$ 17,156,511

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

GIRL SCOUTS OF SOUTH CAROLINA - MOUNTAINS TO MIDLANDS, INC.
GREENVILLE, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2024

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUES, GAINS, AND OTHER SUPPORT			
United Way Support	\$ 68,598	-	\$ 68,598
Grants	115,027	-	115,027
Contributions:			
Individuals	95,462	6,939	102,401
Corporations and Civic Groups	44,213	55	44,268
Foundations	27,300	4,050	31,350
Product Sales:			
Gross Sales	6,751,414	-	6,751,414
Cost of Goods Sold	(1,635,090)	-	(1,635,090)
Retained by Troops	(1,081,897)	-	(1,081,897)
Girl Rewards	(189,601)	-	(189,601)
Net Product Sales	3,844,826	-	3,844,826
Council Shop:			
Gross Sales	302,522	-	302,522
Cost of Goods Sold	(170,469)	-	(170,469)
Net Council Shop Sales	132,053	-	132,053
Program Service Fees	230,254	-	230,254
Rental Income	52,715	-	52,715
Income on Investments	57,831	21,115	78,946
Unrealized Gain/(Loss) on Investments	310,477	218,669	529,146
Realized Gain/(Loss) on Investments	6,001	4,670	10,671
Donated Goods and Services	11,853	-	11,853
Special Fundraising, Net	(6,651)	-	(6,651)
Employee Retention Tax Credits	402,955	-	402,955
Other Income	61,681	-	61,681
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	5,454,595	255,498	5,710,093
Net Assets Released from Restrictions	91,424	(91,424)	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	5,546,019	164,074	5,710,093
EXPENSES			
Program Services	4,245,510	-	4,245,510
Supporting Services:			
Management and General	421,668	-	421,668
Fundraising	652,819	-	652,819
TOTAL EXPENSES	5,319,997	-	5,319,997
CHANGE IN NET ASSETS	226,022	164,074	390,096
NET ASSETS, BEGINNING OF THE YEAR	9,280,437	1,323,382	10,603,819
NET ASSETS, END OF THE YEAR	\$ 9,506,459	1,487,456	\$ 10,993,915

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

GIRL SCOUTS OF SOUTH CAROLINA - MOUNTAINS TO MIDLANDS, INC.
GREENVILLE, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2023

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUES, GAINS, AND OTHER SUPPORT			
United Way Support	\$ 110,799	-	\$ 110,799
Grants	58,130	-	58,130
Contributions:			
Individuals	107,205	18,581	125,786
Corporations and Civic Groups	55,635	480	56,115
Foundations	11,800	-	11,800
Product Sales:			
Gross Sales	6,426,142	-	6,426,142
Cost of Goods Sold	(1,518,583)	-	(1,518,583)
Retained by Troops	(982,296)	-	(982,296)
Girl Rewards	(207,288)	-	(207,288)
Net Product Sales	3,717,975	-	3,717,975
Council Shop:			
Gross Sales	272,663	-	272,663
Cost of Goods Sold	(160,933)	-	(160,933)
Net Council Shop Sales	111,730	-	111,730
Program Service Fees	195,066	-	195,066
Rental Income	33,275	-	33,275
Income on Investments	84,168	15,800	99,968
Unrealized Gain/(Loss) on Investments	94,810	101,070	195,880
Realized Gain/(Loss) on Investments	16,234	15,098	31,332
Donated Goods and Services	2,561	-	2,561
Special Fundraising, Net	8,920	-	8,920
Other Income	77,034	-	77,034
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	4,685,342	151,029	4,836,371
Net Assets Released from Restrictions	103,780	(103,780)	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	4,789,122	47,249	4,836,371
EXPENSES			
Program Services	3,772,752	-	3,772,752
Supporting Services:			
Management and General	389,082	-	389,082
Fundraising	545,546	-	545,546
TOTAL EXPENSES	4,707,380	-	4,707,380
CHANGE IN NET ASSETS	81,742	47,249	128,991
NET ASSETS, BEGINNING OF THE YEAR	9,198,695	1,276,133	10,474,828
NET ASSETS, END OF THE YEAR	\$ 9,280,437	1,323,382	\$ 10,603,819

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

GIRL SCOUTS OF SOUTH CAROLINA - MOUNTAINS TO MIDLANDS, INC.
GREENVILLE, SOUTH CAROLINA

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2024

	PROGRAM	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL EXPENSES
EXPENSES				
Salaries	\$ 1,866,770	227,987	431,923	\$ 2,526,680
Employee Health and Retirement Benefits	445,304	78,057	72,478	595,839
Payroll Taxes	159,831	20,130	35,752	215,713
Professional Services and Fees	31,532	13,155	2,173	46,860
Food and Beverage	30,067	674	1,476	32,217
Supplies	58,359	1,309	2,865	62,533
Printing and Publications	22,431	119	3,981	26,531
Advertising	17,919	95	3,180	21,194
Telecommunications	150,017	4,629	13,147	167,793
Postage and Delivery	6,065	829	2,001	8,895
Occupancy	301,319	7,901	16,950	326,170
Utilities	135,041	3,541	7,596	146,178
Equipment Purchase, Rental, Repair, & Maintenance	99,770	11,057	19,004	129,831
Taxes, Licenses and Permits	2,842	75	160	3,077
Travel	27,004	2,079	3,909	32,992
Automobile Expense	53,789	4,140	7,787	65,716
Training and Development - Volunteers and Staff	14,387	3,814	5,545	23,746
Assistance and Grants	105,198	-	-	105,198
Membership Dues (In Other Organization)	3,852	1,021	1,484	6,357
Interest Expense	166,016	-	4,001	170,017
Insurance	134,412	20,832	1	155,245
Recruiting Expense	5,626	13,087	-	18,713
Bank Fees	59,317	2,786	481	62,584
Miscellaneous	64	-	-	64
Depreciation	348,578	4,351	16,925	369,854
TOTAL EXPENSES	\$ 4,245,510	421,668	652,819	\$ 5,319,997

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

GIRL SCOUTS OF SOUTH CAROLINA - MOUNTAINS TO MIDLANDS, INC.
GREENVILLE, SOUTH CAROLINA

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2023

	PROGRAM	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL EXPENSES
EXPENSES				
Salaries	\$ 1,610,106	211,188	351,885	\$ 2,173,179
Employee Health and Retirement Benefits	404,970	72,105	73,755	550,830
Payroll Taxes	141,141	17,436	30,606	189,183
Professional Services and Fees	26,762	12,918	2,125	41,805
Food and Beverage	37,528	1,292	976	39,796
Supplies	52,774	1,816	1,373	55,963
Printing and Publications	28,121	56	1,050	29,227
Advertising	18,232	36	681	18,949
Telecommunications	138,103	3,478	5,330	146,911
Postage and Delivery	6,549	740	518	7,807
Occupancy	227,665	7,113	8,350	243,128
Utilities	144,610	4,518	5,306	154,434
Equipment Purchase, Rental, Repair, & Maintenance	103,472	6,371	14,016	123,859
Taxes, Licenses and Permits	3,017	94	111	3,222
Travel	18,804	3,256	4,407	26,467
Automobile Expense	40,818	7,068	9,565	57,451
Training and Development - Volunteers and Staff	9,273	4,884	9,220	23,377
Assistance and Grants	53,617	-	-	53,617
Membership Dues (In Other Organization)	2,049	1,079	2,037	5,165
Interest Expense	177,042	-	4,568	181,610
Insurance	127,076	20,832	-	147,908
Recruiting Expense	4,580	4,295	-	8,875
Bank Fees	49,508	3,316	1,000	53,824
Miscellaneous	39	293	-	332
Depreciation	346,896	4,898	18,667	370,461
TOTAL EXPENSES	\$ 3,772,752	389,082	545,546	\$ 4,707,380

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

GIRL SCOUTS OF SOUTH CAROLINA - MOUNTAINS TO MIDLANDS, INC.
GREENVILLE, SOUTH CAROLINA

STATEMENTS OF CASH FLOWS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

CASH FLOWS FROM OPERATING ACTIVITIES	2024	2023
Change in Net Assets	\$ 390,096	\$ 128,991
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	369,854	370,461
(Gain)/Loss on Sale of Investments	(10,671)	(31,332)
Unrealized (Gain)/Loss on Investments	(509,204)	(195,880)
Unrealized (Gain)/Loss on Beneficial Interest in Assets Held by Others	(19,942)	(8,964)
Investment Income from Beneficial Interest in Assets Held by Others	(1,313)	(1,033)
(Increase)/Decrease in Assets:		
Accounts Receivable	(4,707)	1,792
Promises to Give, Net	18,034	42,423
Inventories, Net	6,198	8,506
Prepaid Expenses	(12,003)	1,495
Operating Lease Right-of-Use Asset, Net	58,797	55,113
Increase/(Decrease) in Liabilities:		
Accounts Payable	56,480	506
Accrued Liabilities	61,409	10,879
Deferred Revenue	(15,883)	9,153
Funds Held for Others	(4,136)	1,057
Operating Lease Liability	(51,135)	(44,590)
Net Cash Provided by Operating Activities	<u>331,874</u>	<u>348,577</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(122,451)	(52,400)
Proceeds from Sales and Maturities of Long-Term Investments	645,131	651,621
Purchases of Long-Term Investments	(623,125)	(652,577)
Contributions to Beneficial Interest in Assets Held by Others	(2,200)	(600)
Proceeds from Beneficial Interest in Assets Held by Others	1,500	-
Net Cash Used in Investing Activities	<u>(101,145)</u>	<u>(53,956)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Mortgage Payable	(345,515)	(353,920)
Net Cash Used In Financing Activities	<u>(345,515)</u>	<u>(353,920)</u>
Net Decrease in Cash and Cash Equivalents	(114,786)	(59,299)
Cash and Cash Equivalents (Unrestricted and Restricted), Beginning of the Year	<u>3,379,674</u>	<u>3,438,973</u>
Cash and Cash Equivalents (Unrestricted and Restricted), End of the Year	<u>\$ 3,264,888</u>	<u>\$ 3,379,674</u>
Supplemental Disclosure:		
Interest Paid	\$ 170,017	\$ 181,610

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

**GIRL SCOUTS OF SOUTH CAROLINA – MOUNTAINS TO MIDLANDS, INC.
GREENVILLE, SOUTH CAROLINA**

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Girl Scouts of South Carolina – Mountains to Midlands, Inc. (the “Council”) is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Council’s management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) and have been consistently applied in the preparation of the financial statements. These financial statements do not include financial data for individual Girl Scout troops or service units.

Organization and Nature of Activities

Girl Scouts of South Carolina – Mountains to Midlands, Inc. is chartered by Girl Scouts of the USA. Its purpose is to provide the leadership and financial support to maintain scouting programs for girls aged 5 to 17 in a 22 county area of South Carolina.

Financial Statement Presentation

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and are presented in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) *Not-For-Profit Presentation of Financial Statements*.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Council considers unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Cash does not include bank accounts held by Girl Scout troops and service units, as customary with industry practice. Bank accounts held by troops and service units are established under the Council’s federal identification number, however, the Council has no signature authority over and will not access the funds if the troop or group is functioning according to the Council’s policies and procedures. Individual troops and service units have the responsibility to use funds appropriately for the purposes of Girl Scouting. Accordingly, these funds are not included in these financial statements. If a troop or service unit plans to disband, the group may pay for a final group activity, donate to a cause they consider worthwhile, or designate remaining funds to Council initiatives. If a troop or service unit disbands without specifying a distribution of funds, the funds will revert to the Council for a holding period of twelve months to be used if the troop reforms or members of the troop join other troops within the following year. After this time, the remaining funds are held by the Council to support the establishment of new troops and to support service units. These cash amounts are classified as funds held for others in the Statements of Financial Position.

**GIRL SCOUTS OF SOUTH CAROLINA – MOUNTAINS TO MIDLANDS, INC.
GREENVILLE, SOUTH CAROLINA**

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments consist primarily of assets invested in marketable equity and debt securities, alternative investments, commodities, and money-market funds. The Council accounts for investments in accordance with FASB ASC 958-320 and subsections. This standard requires that investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value in the Statements of Financial Position. Fair value of marketable equity and debt securities is based on quoted market prices.

Investment income is recorded net of investment expenses. The realized and unrealized gain or loss on investments is reflected in the Statements of Activities.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Financial Position.

Receivables

The Council records product and other accounts receivables on its books at the estimated net realizable value. An allowance for uncollectible receivables is estimated based on past experience and on analysis of collectability.

Promises to Give

Promises to give that are due within 12 months are reflected as current promises to give and are recorded at their net realizable value. Promises to give due in subsequent periods are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts. An allowance for uncollectible promises to give is estimated based on past experience and on analysis of collectability. The majority of the promises to give are received from a broad base of contributors within the Council jurisdictional area.

Inventories

Inventories of Girl Scout merchandise and equipment held for resale are valued at cost determined on average-cost, but not in excess of market value.

**GIRL SCOUTS OF SOUTH CAROLINA – MOUNTAINS TO MIDLANDS, INC.
GREENVILLE, SOUTH CAROLINA**

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Purchased property and equipment are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Council reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Council reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives. The Council capitalizes assets with a cost of \$1,000 or more and an estimated useful life of at least 3 years.

Beneficial Interest in Assets Held by Others

Assets transferred to a recipient organization, the beneficiary of which is the Council, are reported in accordance with FASB ASC 958-605, *Transfers of Assets to a Not-for-Profit Entity or Charitable Trust that Raises or Holds Contributions for Others*. Such beneficial interests in assets held by others are valued at their fair value. Unrealized gains and losses are included in the change in net assets.

Endowments

FASB ASC 958-205-50-1A, *Reporting Endowment Funds* provides guidance on the net asset classification of donor restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (“UPMIFA”) and also required disclosures about endowment funds, both donor-restricted endowment funds and board designated endowment funds. South Carolina enacted a version of UPMIFA into the Code of Laws effective July 1, 2008. See Note 10 for further discussion.

Compensated Absences

Paid time off hours (PTO) are accumulated by eligible employees. Upon retirement or other termination, eligible employees who satisfy the notification period are paid for unused PTO earned and not taken as of their departure date. The Council accrues a liability for compensated absences which meet the following criteria:

1. The payment of compensation is probable.
2. The amount can be reasonably estimated.

In accordance with the above criteria, as of September 30, 2024 and 2023, the Council has accrued a liability for earned but unused compensated absences (included in accrued liabilities on the Statements of Financial Position) in the amount of \$77,396 and \$63,057, respectively.

**GIRL SCOUTS OF SOUTH CAROLINA – MOUNTAINS TO MIDLANDS, INC.
GREENVILLE, SOUTH CAROLINA**

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly net assets of the Council and changes therein are classified and reported as follows:

Net assets without donor restrictions represent resources whose use is not limited or restricted by donors and are available for use in general operations. All contributions are considered to be available for general use unless specifically restricted by the donor. The Board, at its discretion, may designate a portion of the net assets without donor restrictions to be used for specific purposes, such as capital improvements.

Net assets with donor restrictions are those net assets whose use has been limited by donors to specified purposes or to later periods of time. Some donor-imposed restrictions are temporary in nature, such as those that will be met either by the actions of the Council or the passage of time. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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 restriction.

Contributions

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restrictions that increase those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Council reports that support as without donor restriction.

Contributions that are restricted for certain programs or restricted by donors for the Council's endowments are recorded as support with donor restrictions. When donor restrictions are met, the net assets with donor restrictions are reclassified to net assets without donor restrictions and are included in net assets released from restrictions in the accompanying Statement of Activities.

Revenue Recognition

Revenue from Exchange Transactions: The Council recognizes revenue in accordance with FASB ASU 2014-09, *Revenue from Contracts with Customers*, as amended ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Council records the following exchange transaction revenue in its Statement of Activities:

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

- Council store sales – The Council operates Council stores, which sell scouting-related merchandise on a retail basis to customers. The Council recognizes revenue as the customer pays and takes possession of the merchandise.
- Product sales – To help Girl Scout troops raise the money needed to fund programs and activities throughout the year, the Council sponsors a product sales program. Girl Scout troops purchase cookies, candies, and nuts from the Council, which they then resell to customers. Revenue recognition occurs when the product has been delivered. The Council presents separately in its Statement of Activities the gross revenue from product sales, costs of goods sold, proceeds retained by troops, and girl rewards.
- Camping and activity revenue – The Council conducts program-related experiences such as day camps, day hikes, weekend overnights, and summer camps where the performance obligation is delivery of the program. Fees collected in advance of delivery of the camp or activity are initially recognized as liabilities (deferred revenue) and are only recognized in the Statement of Activities after delivery of the program has occurred.
- Special fundraising event revenue – The Council conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event – the exchange component, and a portion represents a contribution to the Council. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Council. The direct costs of special events, which ultimately benefit the donor rather than the Council, are recorded as costs of direct benefit in the Statement of Activities. Special event fees collected by the Council in advance of its delivery are initially recognized as liabilities (deferred revenue) and recognized as special event revenue after delivery of the event.

Income Taxes

The Council has obtained exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as an organization which is not a private foundation as well as an eleemosynary corporation recognized in South Carolina. Therefore, no provision for income taxes has been included in the financial statements.

FASB ASC 740-10 prescribes a comprehensive model for how an organization should measure, recognize, present, and disclose in its financial statements uncertain tax positions that the Council has taken or expects to take on a tax return. The Council recognizes the tax benefits from uncertain tax positions only if it is more-likely-than-not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The Council's income tax filings are subject to audit by various taxing authorities.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain reclassifications have been made to the 2023 financial statement information to conform to the current year presentation. These reclassifications had no effect on the change in net assets for the year ended September 30, 2023.

Estimates

Management uses estimates and assumptions in preparing financial statements in conformity with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Accordingly, actual results could differ from those estimates.

NOTE 2—LIQUIDITY AND AVAILABILITY

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, are as follows:

	September 30, 2024
Cash	\$ 2,988,569
Cash Equivalents / Short-Term Investments	32,364
Promises to Give - for General Operations	5,152
Accounts Receivable	15,830
Total Liquid Assets as of Year End	<u>3,041,915</u>
Planned Appropriation From Endowments for General	
Expenditures in Subsequent Year:	
Board-designated Endowment	46,800
General Endowment	48,000
	<u>94,800</u>
Total Financial Assets Available to Meet General	
Expenditures Within the Next 12 Months	<u><u>\$ 3,136,715</u></u>

The Council's Endowment Fund includes donor-restricted endowments and funds designated by the Board of Directors to function as endowments (referred to as "quasi-endowments"). Income from donor-restricted endowment gifts may, or may not be available for general expenditure, subject to donor restrictions. The method of calculating distributable income from the Endowment Fund is described in Note 10.

As part of the Council's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Council invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, the Council has a secured revolving line of credit, with total availability of \$1,000,000, which it could draw upon. See Note 15 for further discussion. Additionally, the Council has Board-designated investment funds of \$2,029,521. Although the Council does not intend to spend from the Board-designated funds other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts without donor restrictions from the Board-designated funds could be made available if necessary.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 3 – FAIR VALUE MEASUREMENT

The accounting standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to measurements involving significant unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

Level 1 – financial instruments with quoted prices in active markets for identical assets or liabilities.

Level 2 – financial instruments with valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – financial instruments that are not actively traded on a market exchange and require using significant unobservable inputs in determining fair value. The inputs into the determination of fair value require significant judgment or estimation by the investment manager.

Inputs refer broadly to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics and other factors. Accounting standards require that the fair value determination be based on maximum use of observable inputs (Levels 1 and 2) and minimum use of unobservable inputs (Level 3). The Council considers observable data to be that market data, which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The following methods and assumptions were used to estimate the fair value for each class of financial instruments measured at fair value. There have been no changes in the methodologies used at September 30, 2024 and 2023.

Short-term Investments

The fair value of short-term investments, consisting primarily of money market funds, is classified as Level 1. The money market mutual fund consists primarily of domestic commercial paper and other cash management instruments, such as repurchase agreements and master notes, U.S. government and corporate obligations and other securities of foreign issuers. The fund seeks to maintain a stable net asset value of \$1.

Debt Investments

Investments in debt vehicles are comprised of U.S. Treasury obligations, corporate bonds and notes and residential mortgage-backed securities, which are classified as Level 2, based on multiple sources of information. These sources may include market data for assets from markets that are not active and/or quoted market prices for the same or similar assets in active markets. To estimate the fair value, the Council used an industry standard valuation model which is based on a market approach. Investments in fixed income daily traded mutual funds are classified as Level 1.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 3 – FAIR VALUE MEASUREMENT (CONTINUED)

Equity Investments

Investments in equity vehicles are comprised of corporate stocks and daily traded mutual funds. Securities held in corporate stocks and daily traded mutual funds are generally valued based on quoted market prices in active markets obtained from exchange or dealer markets for identical assets, and are accordingly categorized as Level 1, with no valuation adjustments applied. Corporate stocks that are traded in inactive markets are categorized as Level 2.

Beneficial Interests in Assets Held by Others

The Council's interest in assets held by others represent investments held by Central Carolina Community Foundation and the Spartanburg County Foundation, which are comprised of pooled investments and are valued using the fair value of the investment assets held by the foundations as a practical expedient, unless facts and circumstances indicate that the fair value of the assets held by the foundations differ from the fair value of the beneficial interest. The Council classifies its beneficial interest in the assets held by others as Level 3.

While the Council believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

NOTE 4 – CASH AND CASH EQUIVALENTS

Concentration of Credit Risk

The Federal Deposit Insurance Corporation ("FDIC") currently insures up to \$250,000 of substantially all depository accounts held at each financial institution. At various times during the year, the Council's cash deposits may exceed the federally insured limits and at September 30, 2024 and 2023, its uninsured deposits totaled \$2,566,203 and \$2,613,854, respectively. The Council has implemented a collateralized deposit policy that allows the Council to maintain excess balances at banks with capital ratios that meet or exceed the FDIC definition for a "well capitalized" institution. The Council has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on its cash and cash equivalents due to additional controls involving the oversight of the Council's Finance Committee.

Restrictions on Cash

The values of cash and money market funds that are included in the investment portfolios are presented as cash equivalents / short-term investments in the Statements of Financial Position, which combined with cash held in depository accounts, comprise cash and cash equivalents. Included in cash and cash equivalents at September 30, 2024 and 2023 is \$32,364 and \$35,577, respectively, which is designated by the Board of Directors to be used for property and equipment and other operations. Also included in cash and cash equivalents at September 30, 2024 and 2023 is \$243,955 and \$259,876 of restricted funds, respectively.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 5 – ACCOUNTS RECEIVABLES

Receivables represent amounts due for programs and camp, grants and donations, and returned checks/ACH drafts. Accounts receivable consist of the following at September 30:

	<u>2024</u>	<u>2023</u>
Accounts Receivable	\$ 15,830	\$ 11,123
Total	<u>\$ 15,830</u>	<u>\$ 11,123</u>

All receivables are considered collectible within the next year.

NOTE 6 – PROMISE TO GIVE

Promises to give due in excess of one year are discounted at 2.17%, based on the year the contribution was recorded. An allowance for doubtful accounts of 15% has been established. Promises to give at September 30 are as follows:

	<u>2024</u>	<u>2023</u>
Promises to Give Expected to be Collected in:		
Less Than One Year	\$ 11,061	\$ 23,017
Allowance for Uncollectible Promises to Give	<u>(1,659)</u>	<u>(3,453)</u>
	9,402	19,564
One to Five Years	-	10,000
Allowance for Uncollectible Promise to Give	-	(1,500)
Discount of Promise to Give	<u>-</u>	<u>(628)</u>
	-	7,872
Total	<u>\$ 9,402</u>	<u>\$ 27,436</u>

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 7 – INVESTMENTS

Investments are summarized as follows as of September 30:

	Fair Value Hierarchy	2024		2023	
		Cost	Fair Value	Cost	Fair Value
Short-Term Investments					
Money Market Funds	Level 1	\$ 61,926	61,926	72,290	\$ 72,290
Fixed Income Securities					
Corporate Bonds					
Domestic	Level 2	688,848	622,671	666,375	551,642
International	Level 2	18,473	18,054	18,542	17,076
Global	Level 2	117,849	102,725	119,501	95,281
Equities Securities					
Domestic	Level 1	859,391	1,240,027	902,643	1,011,665
International	Level 1	609,331	749,919	607,245	596,060
Global	Level 1	38,930	44,340	36,878	34,950
Commodities and					
Alternative Strategies	Level 1	294,346	326,568	290,652	299,761
Total Investments		<u>\$ 2,689,094</u>	<u>3,166,230</u>	<u>2,714,126</u>	<u>\$ 2,678,725</u>

Investment income from cash equivalents and investments comprise the following for the years ended September 30, 2024 and 2023:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Dividends and Interest	\$ 76,827	35,686	\$ 112,513
Investment Expense & Bank Fees	(18,996)	(14,571)	(33,567)
	<u>57,831</u>	<u>21,115</u>	<u>78,946</u>
Realized Gains	6,001	4,670	10,671
Unrealized Gains (Losses)	310,477	218,669	529,146
	<u>\$ 316,478</u>	<u>223,339</u>	<u>539,817</u>
Total Investment Income, Net			<u>\$ 618,763</u>

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 7 – INVESTMENTS (CONTINUED)

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Dividends and Interest	\$ 102,025	29,659	\$ 131,684
Investment Expense & Bank Fees	(17,857)	(13,859)	(31,716)
	<u>84,168</u>	<u>15,800</u>	<u>99,968</u>
Realized Gains	16,234	15,098	31,332
Unrealized Gains (Losses)	94,810	101,070	195,880
	<u>\$ 111,044</u>	<u>116,168</u>	<u>227,212</u>
Total Investment Income, Net			<u><u>\$ 327,180</u></u>

Investment restrictions and designations at September 30 are summarized as follows:

	2024	2023
Without Donor Restrictions		
Board-Designated	\$ 2,029,520	\$ 1,714,562
With Donor Restrictions		
Endowment Earnings for Programs and Activities	522,238	357,695
Term Endowment Funds	56,662	48,658
Endowment	557,810	557,810
Total Investments	<u><u>\$ 3,166,230</u></u>	<u><u>\$ 2,678,725</u></u>

NOTE 8 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of September 30:

	2024	2023
Land	\$ 2,894,274	\$ 2,894,274
Buildings and Improvements	9,841,388	9,771,301
Furniture and Equipment	1,270,503	1,229,287
Vehicles	195,309	195,309
	<u>14,201,474</u>	<u>14,090,171</u>
Less: Accumulated Depreciation	(4,210,636)	(3,851,930)
Property and Equipment, Net	<u><u>\$ 9,990,838</u></u>	<u><u>\$ 10,238,241</u></u>

Depreciation expense for the years ended September 30, 2024 and 2023 is \$369,854 and \$370,461, respectively.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 9 – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

At various times in prior years, donors have transferred assets to establish various funds for the benefit of the Council at the Central Carolina Community Foundation (“CCCF”) and the Spartanburg County Foundation (“SCF”). Likewise, in prior years, the Council has transferred assets to the same CCCF and SCF funds. These amounts are reported on the Council’s Statements of Financial Position as a beneficial interest in assets held by others. CCCF and SCF have variance power over these assets; however, the Council is the sole beneficiary as long as the Council is in existence.

Beneficial interests in assets held by others represent investments held by the foundations which are comprised of pooled accounts. The fair value of the asset is based on the fair value of the investment assets held by the Foundations for the benefit of the Council. Dividends, interest, realized and unrealized gains and losses and administrative fees are included in the Statements of Activities.

The fair value of these assets consists of the following as of September 30:

	<u>2024</u>	<u>2023</u>
Funds Held at CCCF		
Camperships from Lasley Endowment	\$ 11,747	\$ 9,603
Chandler-Burns Scholarships Endowments	27,670	22,361
Funds Held by SCF		
Camp Ponderosa Fund	36,374	30,683
Girl Scouts Endowment Fund	56,311	47,500
	<u>\$ 132,102</u>	<u>\$ 110,147</u>

The following table summarizes the changes in the Council’s beneficial interest in assets held by others to reflect the same categories as those used in the Statements of Activities.

	<u>2024</u>	<u>2023</u>
Balance, Beginning of Year	\$ 110,147	\$ 99,550
Contributions	2,200	600
Investment Income	2,595	2,626
Net Realized Gains (Losses)	355	(67)
Net Unrealized Gains (Losses)	19,942	8,964
Administrative Fees	(1,637)	(1,526)
Scholarships Granted	(1,500)	-
Balance, End Year	<u>\$ 132,102</u>	<u>\$ 110,147</u>

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 10 – ENDOWMENTS ASSETS

See Note 3 for discussions of the methodologies and assumptions used to determine the fair value of the Council's investments.

The Council's endowment consists of approximately 14 individual funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Council has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") enacted July 1, 2008 in the State of South Carolina as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Council considers donor-restricted net assets to be perpetual in nature that are comprised of (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulation of earnings required to be added to the permanent endowment as stipulated by the donor-applicable donor gift instrument.

The remaining portion of the donor-restricted endowment fund that is not considered perpetual in nature is classified as donor-restricted net assets until those amounts are appropriated for expenditure by the Council in a manner consistent with the standard of prudence prescribed by the Act. In accordance with the Act, the Council considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Endowment net assets consist of the following at September 30, 2024:

	Without Donor Restrictions	With Donor Restrictions
Donor-Restricted Endowment Funds	\$ (239)	\$ 1,343,391
Board-Designated Endowment Funds	1,038,610	-
Total Endowment Net Assets	<u>\$ 1,038,371</u>	<u>\$ 1,343,391</u>

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 10 – ENDOWMENTS ASSETS (CONTINUED)

Endowment net assets consist of the following at September 30, 2023:

	Without Donor Restrictions	With Donor Restrictions
Donor-Restricted Endowment Funds	\$ (249)	\$ 1,148,799
Board-Designated Endowment Funds	882,927	-
Total Endowment Net Assets	<u>\$ 882,678</u>	<u>\$ 1,148,799</u>

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

	Without Donor Restrictions	With Donor Restrictions
Donor-Restricted Endowment Funds	\$ (249)	\$ 1,148,799
Board-Designated Endowment Funds	882,927	-
Endowment Net Assets, September 30, 2023	<u>882,678</u>	<u>1,148,799</u>
Investment Return:		
Investment Income	18,216	21,028
Net Appreciation, (Realized and Unrealized)	184,277	223,339
	<u>202,493</u>	<u>244,367</u>
Contributions	<u>-</u>	<u>2,225</u>
Appropriation of Endowment Assets		
For Expenditure	(46,800)	(52,000)
Endowment Net Assets, September 30, 2024	<u>\$ 1,038,371</u>	<u>\$ 1,343,391</u>

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 10 – ENDOWMENTS ASSETS (CONTINUED)

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

	Without Donor Restrictions	With Donor Restrictions
Donor-Restricted Endowment Funds	\$ (260)	\$ 1,066,778
Board-Designated Endowment Funds	818,599	-
Endowment Net Assets, September 30, 2022	818,339	1,066,778
Investment Return:		
Investment Income	9,543	15,723
Net Appreciation, (Realized and Unrealized)	101,586	116,168
	111,129	131,891
Contributions	10	640
Appropriation of Endowment Assets For Expenditure	(46,800)	(50,510)
Endowment Net Assets, September 30, 2023	\$ 882,678	\$ 1,148,799

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Council to retain as a fund of perpetual duration. Deficiencies of this nature that are reported in net assets without donor restrictions were \$239 and \$249 as of September 30, 2024 and 2023, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of contributions with donor restrictions and continued appropriation for certain programs that was deemed prudent by the Board of Directors. Subsequent gains that restore the fair value of the assets of the endowment funds to the required level will be classified as an increase in net assets without donor restrictions or net assets with donor restrictions, as applicable.

Return Objectives and Risk Parameters

The Council has adopted investment and spending policies for endowment assets that attempt to provide a relatively predictable, stable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Council must hold in perpetuity or for a donor-specified period as well as Board-designated funds. As authorized by Board-approved policies, these assets are invested to maximize long-term returns, while simultaneously mitigating risk through maintaining a diversified portfolio. A multi-generational window not only allows for the typical diversification across asset classes, but also for time diversification across both up and down markets. The assets are invested in a manner that is intended to produce results that meet or exceed the composite return and are within the risk parameters of an appropriate benchmark that corresponds to each fund goal. The long-term objective is to attain, within acceptable risk parameters, an average annual total return that exceeds the sum of the Council's approved payout rate plus inflation, plus investment management and related fees. The objective is expected to be obtained over time but not in each and every reporting period.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 10 – ENDOWMENTS ASSETS (CONTINUED)

Strategies Employed for Achieving Objectives

To address 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 equity-based investments to achieve its long-term objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Council's spending policy appropriates for distribution each year a certain percentage of its endowment funds' average fair value for the prior three years through the fiscal year end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Council considered the expected return on its endowment. The goal of such spending policy is to allow the endowment to maintain its purchasing power, achieve a reasonable degree of stability and predictability in income availability for operations and to achieve a balance between present and future needs. Real growth is achieved through new gifts and any excess investment return.

NOTE 11 – BOARD-DESIGNATED FUNDS

As of September 30, the Board approved the designations of net assets without donor restrictions as follows:

	2024	2023
Girl Scouts Trust Fund	\$ 1,038,610	\$ 882,928
Congaree Area Property Fund	990,911	831,635
She Sees the Future Fund	456,807	456,807
	<u>\$ 2,486,328</u>	<u>\$ 2,171,370</u>

During the years ended September 30, 2024 and 2023, the Girl Scouts Trust Fund released \$46,800 and \$46,800, respectively, of earnings for general operating use by the Council, per year.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 12 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at September 30, 2024 are restricted for the following purposes or periods:

<u>Subject to Expenditure for a Specific Purpose:</u>	
Susan Phifer-Johnson Leadership Fund	\$ 66,268
Promises to Give - Capital Expenditures	4,250
CME & Me Program - Capital Expenditures	66,594
Other	6,953
Total Purpose Restrictions	<u>144,065</u>
<u>Endowment:</u>	
Perpetual in Nature:	
Camperships from Lasley Endowment	4,750
Juliette Low Endowment	24,186
Chandler-Burns Scholarship Endowment	11,000
Becky Johnson Fund	7,874
Pearl Society Endowment	557,810
Penny Cooper Girl Tech Fund	12,487
Bobbie Hagins Scholarship Fund	10,560
Lillian Holley Martin Travel Endowments	15,663
Total Perpetual in Nature Endowments	<u>644,330</u>
Subject to Endowments Spending Policy and Appropriation:	699,061
Total Net Assest With Donor Restrictions	<u><u>\$ 1,487,456</u></u>

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 12 – NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets with donor restrictions at September 30, 2023 are restricted for the following purposes or periods:

<u>Subject to Expenditure for a Specific Purpose:</u>	
Susan Phifer-Johnson Leadership Fund	\$ 75,594
Promises to Give - Capital Expenditures	25,909
CME & Me Program - Capital Expenditures	65,579
Camp Wabak - Capital Expenditures	4,600
Other	2,901
Total Purpose Restrictions	<u>174,583</u>
<u>Endowment:</u>	
Perpetual in Nature:	
Camperships from Lasley Endowment	4,550
Juliette Low Endowment	24,186
Chandler-Burns Scholarship Endowment	10,500
Becky Johnson Fund	7,874
Pearl Society Endowment	557,810
Penny Cooper Girl Tech Fund	12,462
Bobbie Hagins Scholarship Fund	10,560
Lillian Holley Martin Travel Endowments	15,663
Total Perpetual in Nature Endowments	<u>643,605</u>
Subject to Endowments Spending Policy and Appropriation:	505,194
Total Net Asset With Donor Restrictions	<u><u>\$ 1,323,382</u></u>

Net assets released from donor restrictions by incurring expenses, satisfying the restricted purposes, or by occurrence of other events specified by donors were \$91,424 and \$103,780 for the years ended September 30, 2024 and 2023, respectively.

NOTE 13 – LEASE OBLIGATIONS

The Council has entered into an operating lease for office space which houses the Council's operations. The lease is scheduled to expire July 31, 2031, and includes a one-time right by the Council to terminate the lease effective any time after July 31, 2028.

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GREENVILLE, SOUTH CAROLINA**

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 13 – LEASE OBLIGATIONS (CONTINUED)

Future payments due under the lease obligations are as follows:

September 30,	
2025	\$ 101,162
2026	104,196
2027	107,322
2028	110,542
2029	113,858
Thereafter	217,433
Total Lease Payment	<u>754,513</u>
Less: Amounts Representing Interest	<u>175,256</u>
Present Value of Operating Lease Liability	<u>\$ 579,257</u>

As of September 30, 2024, right-of-use asset relating to operating leases were as follows:

Right-of-Use Assets	
Cost	\$ 722,321
Less: Accumulated Amortization	(174,080)
Total	<u>\$ 548,241</u>

Management has evaluated all lease contracts held by the Council and determined that no other current leases result in a material impact on the financial statements.

NOTE 14 – MORTGAGE NOTE PAYABLE

In December 2021, the Council refinanced a previous long-term construction loan and a furniture, fixtures, and equipment loan with a 15-year amortizing mortgage in the amount of \$6,150,000. The loan is payable in 180 equal payments of \$42,961 determined on a fixed interest rate of 3.12% and has a maturity date of December 28, 2036. The Cathy Novinger Girl Scout Leadership Center in Columbia serves as collateral.

Scheduled principal payments of the new loan for the next five years are as follows:

September 30,	
2025	\$ 355,989
2026	367,415
2027	379,208
2028	391,032
2029	403,929
Thereafter	3,308,791
	<u>\$ 5,206,364</u>

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NOTES TO FINANCIAL STATEMENTS

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NOTE 15 – LINE OF CREDIT

In December 2021, the Council obtained a \$1,000,000 revolving line of credit. Interest on amounts drawn will be payable monthly at a rate equal to the *Wall Street Journal Prime Rate*, but not more than 18.00% and not less than 3.75%. The Council renewed the line of credit on April 1, 2024, and the maturity date is April 1, 2025. The furniture, fixtures and equipment owned by the Council serve as collateral. The balance on the line of credit at September 30, 2024 and 2023 was \$0.

NOTE 16 – DONATED SERVICES

The Council receives a significant amount of donated services from unpaid volunteers who assist in programming, fundraising, and special projects. The value of these contributions is not susceptible to objective measurement and does not meet the criteria for recognition of in-kind contributions, and, accordingly, is not recognized in the financial statements. Gifts in-kind represent donated services from vendors, supplies, materials, and fixed assets and are recognized at their estimated fair value, if readily determinable, in the Statements of Activities.

NOTE 17 – RETIREMENT EXPENSES

The Council provides a 401(k) Plan for its employees. Participation in the 401(k) Plan is open to substantially all employees of the Council subject to length of employment, age, and hours worked per year. The 401(k) Plan is a safe harbor contributory plan where the Council matches the participant's contributions up to a maximum of 3% of the participant's wages and an additional one-half of the participant's contributions up to a maximum Council contribution of 4% of the participant's wages. Accordingly, the Council incurred employer-match contribution expenses of \$47,716 and \$43,486 for the years ended September 30, 2024 and 2023, respectively.

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

Net Plan assets increased during the year but are less than the actuarial present value of accumulated Plan benefits as of January 1, 2024. On April 8, 2014, President Obama signed H.R. 4275 into law, a relief package unanimously passed by Congress that gives NGSCR the flexibility to adopt the Pension Protection Act (PPA) funding requirements immediately or not at all. NGSCR has elected to adopt this relief and not be subject to PPA. In September 2020, the National Board of Girl Scouts of the USA approved to lower the contributions from \$30 million to \$26 million starting in calendar year 2023 until the Plan is fully funded on a market basis. Aggregate annual contributions made in fiscal years 2023 and 2024 were \$27.5 million and \$27.4 million, respectively. Aggregate contributions to be made in fiscal 2025 are expected to be \$26 million. Contributions made by the Council in fiscal year 2024 and 2023 respectively, were \$231,792 and \$245,040.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 18 – STATEMENT OF FUNCTIONAL EXPENSES

The costs of providing the various programs and supporting services have been summarized on a functional basis in the Statements of Functional Expenses. Costs that are not directly associated with providing specific services have been allocated based upon the relative time spent by employees of the Council providing those services.

NOTE 19 – COMMITMENTS

The Council's Wistagoman Lodge is constructed on land leased from the Secretary of the Army. The terms of the lease include the following:

1. Total cost for the current ten-year lease expiring June 30, 2028 is \$1,000 plus "any sum which may have to be expended after termination of the lease in restoring the premises to a condition satisfactory to the District of Engineer, U.S. Army District, Savannah, Georgia."
2. "This lease may be revoked by the Secretary of the Army in the event the lessee violates any of the terms and conditions of this lease and continues and persists therein for a period of 30 days after notice thereof in writing by the said officer or in the event the said officer determined the premises are required for project purposes of/for a higher priority use."

In management's opinion, no conditions exist which would cause this lease to be revoked by the Secretary of the Army.

NOTE 20 – EMPLOYEE RETENTION TAX CREDITS

In March 2023, the Council filed amended quarterly federal tax returns to claim refunds under the Employee Retention Tax Credit (ERTC) program offered by the IRS to organizations that were affected during the COVID-19 pandemic. Management of the Council determined it was eligible for the credits for 3 quarters in 2021, totaling \$598,751, plus accrued interest. Due to the nature of this program and delays in processing by the IRS, the Council did not recognize any revenue associated with the ERTC until confirmation of acceptance of the returns or the refunds were received by the Council. During the year ended September 30, 2024, the Council received and recognized revenue of \$402,955 from the program. In January 2025, the Council received the remaining credits plus accrued interest, which totaled \$322,425. This amount will be recognized as revenue during the year ended September 30, 2025.

NOTE 21 – VENDOR CONCENTRATION

The Council relies on a limited number of suppliers for the Girl Scout Cookie Program, which generates approximately 65% of Council revenues. A significant disruption in supply from these vendors could materially impact the Council's financial position and future operations.

NOTE 22 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.