

Financial Statements
September 30, 2025 and 2024
**Girl Scouts - Arizona Cactus-Pine
Council, Inc.**

Girl Scouts - Arizona Cactus-Pine Council, Inc.

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Independent Auditor's Report

The Board of Directors
Girl Scouts - Arizona Cactus-Pine Council, Inc.
Phoenix, Arizona

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Girl Scouts - Arizona Cactus-Pine Council, Inc. (the Council), which comprise the statements of financial position as of September 30, 2025 and 2024, 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 accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Council as of September 30, 2025 and 2024, and the changes 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 (GAAS). 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 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, 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, which raise substantial doubt about the Council's ability to continue as a going concern for 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 GAAS 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 GAAS, 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, which 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.

Eide Bailly LLP

Phoenix, Arizona
January 22, 2026

Girl Scouts - Arizona Cactus-Pine Council, Inc.
Statements of Financial Position
September 30, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	\$ 4,152,176	\$ 8,310,455
Short-term investments	2,350,314	2,264,383
Promises to give		
United Way	6,000	5,508
Other	125,500	884,250
Accounts receivable, net of allowance for credit losses of \$50,197 and \$196,709, respectively	266,763	63,443
Employee retention credit receivable	577,795	577,795
Inventory	213,774	221,565
Prepaid expenses	437,140	253,897
Total current assets	8,129,462	12,581,296
Long-term promises to give, net	27,080	77,525
Investments	15,722,186	15,034,329
Property and equipment, net	16,721,200	17,113,002
Operating lease right of use asset	83,937	191,088
Total assets	\$ 40,683,865	\$ 44,997,240
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 862,423	\$ 940,750
Deferred income	59,636	112,242
Amount due to Girl Scouts of the USA	21,130	16,384
Operating lease liability, current portion	34,099	33,406
Finance lease liability, current portion	12,545	12,009
Current portion of bond payable	-	421,670
Total current liabilities	989,833	1,536,461
Operating lease liability, less current portion	50,530	173,661
Finance lease liability, less current portion	11,410	23,892
Bond payable, less current portion and unamortized bond issuance costs of \$0 and \$15,757, respectively	-	205,239
Total liabilities	1,051,773	1,939,253
Net Assets		
Without donor restrictions		
Board-designated	9,796,928	14,001,047
Undesignated	29,254,185	27,839,781
Total net assets without donor restrictions	39,051,113	41,840,828
With donor restrictions	580,979	1,217,159
Total net assets	39,632,092	43,057,987
Total liabilities and net assets	\$ 40,683,865	\$ 44,997,240

See Notes to Financial Statements

Girl Scouts - Arizona Cactus-Pine Council, Inc.
Statements of Activities
Years Ended September 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Support						
Contributions	\$ 1,263,383	\$ 421,297	\$ 1,684,680	\$ 957,290	\$ 324,912	\$ 1,282,202
United Way	20,169	6,000	26,169	17,307	7,344	24,651
Revenue						
Program service fees, including camp fees	598,426	-	598,426	618,415	-	618,415
Product program sales	17,203,203	-	17,203,203	17,874,711	-	17,874,711
Cost of product program sales	(4,283,691)	-	(4,283,691)	(4,172,147)	-	(4,172,147)
Allocation to Troops	(2,991,117)	-	(2,991,117)	(3,186,858)	-	(3,186,858)
Net product program sales	<u>9,928,395</u>	<u>-</u>	<u>9,928,395</u>	<u>10,515,706</u>	<u>-</u>	<u>10,515,706</u>
Sale of Girl Scout merchandise	584,888	-	584,888	573,689	-	573,689
Cost of Girl Scout merchandise sales	(362,631)	-	(362,631)	(367,877)	-	(367,877)
Net Girl Scout merchandise sales	<u>222,257</u>	<u>-</u>	<u>222,257</u>	<u>205,812</u>	<u>-</u>	<u>205,812</u>
Miscellaneous	99,461	-	99,461	56,549	-	56,549
Net assets released from restrictions	<u>1,063,477</u>	<u>(1,063,477)</u>	<u>-</u>	<u>1,827,943</u>	<u>(1,827,943)</u>	<u>-</u>
Total support and revenue	<u>13,195,568</u>	<u>(636,180)</u>	<u>12,559,388</u>	<u>14,199,022</u>	<u>(1,495,687)</u>	<u>12,703,335</u>
Expenses						
Program services	14,053,066	-	14,053,066	14,761,525	-	14,761,525
Management and general	2,022,579	-	2,022,579	1,922,388	-	1,922,388
Fundraising	975,391	-	975,391	772,891	-	772,891
Total expenses	<u>17,051,036</u>	<u>-</u>	<u>17,051,036</u>	<u>17,456,804</u>	<u>-</u>	<u>17,456,804</u>
Change in Net Assets before Non-Operating Activity	(3,855,468)	(636,180)	(4,491,648)	(3,257,782)	(1,495,687)	(4,753,469)
Net investment return	<u>1,065,753</u>	<u>-</u>	<u>1,065,753</u>	<u>2,979,054</u>	<u>-</u>	<u>2,979,054</u>
Change in Net Assets	(2,789,715)	(636,180)	(3,425,895)	(278,728)	(1,495,687)	(1,774,415)
Net Assets, Beginning of Year	<u>41,840,828</u>	<u>1,217,159</u>	<u>43,057,987</u>	<u>42,119,556</u>	<u>2,712,846</u>	<u>44,832,402</u>
Net Assets, End of Year	<u>\$ 39,051,113</u>	<u>\$ 580,979</u>	<u>\$ 39,632,092</u>	<u>\$ 41,840,828</u>	<u>\$ 1,217,159</u>	<u>\$ 43,057,987</u>

See Notes to Financial Statements

Girl Scouts - Arizona Cactus-Pine Council, Inc.

Statements of Functional Expenses
Years Ended September 30, 2025 and 2024

	2025						
	Program Services			Total	Supporting Services		Total
	Girl Programs	Membership Support	Volunteer Support		Management and General	Fundraising	
Salaries and Related Personnel Expenses	\$ 3,640,885	\$ 2,808,198	\$ 1,001,013	\$ 7,450,096	\$ 1,358,116	\$ 450,647	\$ 9,258,859
Supplies and Incentives	1,435,717	123,550	413,995	1,973,262	21,348	44,125	2,038,735
Professional Services	301,622	156,977	66,828	525,427	196,190	204,878	926,495
Telephone	81,198	62,298	16,365	159,861	16,993	8,122	184,976
Postage and Shipping	22,028	13,306	4,567	39,901	3,320	4,054	47,275
Occupancy	649,579	52,496	35,536	737,611	19,840	14,332	771,783
Equipment Rental	42,207	695	366	43,268	356	29,014	72,638
Conferences, Conventions, and Meetings	47,298	33,134	9,479	89,911	59,427	7,564	156,902
Printing and Publications	136,625	77,247	33,246	247,118	32,219	23,868	303,205
Depreciation and Amortization	629,996	302,006	158,864	1,090,866	154,846	74,675	1,320,387
Interest	15,932	7,637	4,017	27,586	3,916	1,888	33,390
Miscellaneous	1,030,142	307,228	330,789	1,668,159	156,008	112,224	1,936,391
Cost of Sales - Product Program	4,283,691	-	-	4,283,691	-	-	4,283,691
Cost of Sales - Allocation to Troops	2,991,117	-	-	2,991,117	-	-	2,991,117
Cost of Sales - Girl Scout Merchandise	-	-	362,631	362,631	-	-	362,631
	<u>15,308,037</u>	<u>3,944,772</u>	<u>2,437,696</u>	<u>21,690,505</u>	<u>2,022,579</u>	<u>975,391</u>	<u>24,688,475</u>
Less Expenses Included with Revenues on the Statement of Activities							
Cost of sales - product program	(4,283,691)	-	-	(4,283,691)	-	-	(4,283,691)
Cost of sales - allocation to Troops	(2,991,117)	-	-	(2,991,117)	-	-	(2,991,117)
Cost of sales - Girl Scout merchandise	-	-	(362,631)	(362,631)	-	-	(362,631)
Total Expenses Included in the Expense Section on the Statement of Activities	<u>\$ 8,033,229</u>	<u>\$ 3,944,772</u>	<u>\$ 2,075,065</u>	<u>\$ 14,053,066</u>	<u>\$ 2,022,579</u>	<u>\$ 975,391</u>	<u>\$ 17,051,036</u>

Girl Scouts - Arizona Cactus-Pine Council, Inc.

Statements of Functional Expenses
Years Ended September 30, 2025 and 2024

	2024						
	Program Services			Total	Supporting Services		Total
	Girl Programs	Membership Support	Volunteer Support		Management and General	Fundraising	
Salaries and Related Personnel Expenses	\$ 3,578,087	\$ 2,697,691	\$ 1,041,294	\$ 7,317,072	\$ 1,315,310	\$ 316,894	\$ 8,949,276
Supplies and Incentives	2,227,682	141,004	394,809	2,763,495	29,905	86,476	2,879,876
Professional Services	355,377	172,271	91,084	618,732	198,224	97,598	914,554
Telephone	79,502	62,708	14,542	156,752	15,313	6,391	178,456
Postage and Shipping	20,928	14,473	11,554	46,955	3,199	2,058	52,212
Occupancy	677,709	46,557	32,809	757,075	18,109	7,234	782,418
Equipment Rental	45,635	1,270	1,247	48,152	645	26,290	75,087
Conferences, Conventions, and Meetings	72,445	49,884	14,226	136,555	27,980	23,046	187,581
Printing and Publications	122,741	65,776	25,922	214,439	23,730	46,532	284,701
Depreciation and Amortization	644,189	271,847	149,100	1,065,136	138,001	55,483	1,258,620
Interest	24,870	10,495	5,756	41,121	5,328	2,142	48,591
Miscellaneous	1,048,455	252,929	294,657	1,596,041	146,644	102,747	1,845,432
Cost of Sales - Product Program	4,172,147	-	-	4,172,147	-	-	4,172,147
Cost of Sales - Allocation to Troops	3,186,858	-	-	3,186,858	-	-	3,186,858
Cost of Sales - Girl Scout Merchandise	-	-	367,877	367,877	-	-	367,877
	<u>16,256,625</u>	<u>3,786,905</u>	<u>2,444,877</u>	<u>22,488,407</u>	<u>1,922,388</u>	<u>772,891</u>	<u>25,183,686</u>
Less Expenses Included with Revenues on the Statement of Activities							
Cost of sales - product program	(4,172,147)	-	-	(4,172,147)	-	-	(4,172,147)
Cost of sales - allocation to Troops	(3,186,858)	-	-	(3,186,858)	-	-	(3,186,858)
Cost of sales - Girl Scout merchandise	-	-	(367,877)	(367,877)	-	-	(367,877)
Total Expenses Included in the Expense Section on the Statement of Activities	<u>\$ 8,897,620</u>	<u>\$ 3,786,905</u>	<u>\$ 2,077,000</u>	<u>\$ 14,761,525</u>	<u>\$ 1,922,388</u>	<u>\$ 772,891</u>	<u>\$ 17,456,804</u>

Girl Scouts - Arizona Cactus-Pine Council, Inc.

Statements of Cash Flows
Years Ended September 30, 2025 and 2024

	2025	2024
Operating Activities		
Change in net assets	\$ (3,425,895)	\$ (1,774,415)
Adjustments to reconcile change in net assets to net cash used for operating activities		
Depreciation and amortization	1,320,387	1,258,620
Interest expense attributable to amortization of debt issuance costs	15,758	9,953
Net realized and unrealized gain on investments	(577,648)	(2,207,364)
Credit losses	46,700	106,714
Donated property and equipment	(25,290)	-
Change in assets and liabilities		
Promises to give, United Way	(492)	117
Promises to give, other	809,195	1,504,936
Accounts receivable, net	(250,020)	(81,945)
Inventory	7,791	(17,039)
Prepaid expenses	(183,243)	28,420
Operating lease assets and liabilities	(15,287)	(4,360)
Accounts payable and accrued expenses	(78,327)	87,262
Deferred income	(52,606)	40,165
Amount due to Girl Scouts of the USA	4,746	(3,243)
Net Cash used for Operating Activities	<u>(2,404,231)</u>	<u>(1,052,179)</u>
Investing Activities		
Purchases of property and equipment	(903,295)	(871,410)
Purchases of investments	(12,546,965)	(10,353,548)
Proceeds from sale of investments	12,350,825	10,138,848
Net Cash used for Investing Activities	<u>(1,099,435)</u>	<u>(1,086,110)</u>
Financing Activities		
Principal payments on finance leases	(11,946)	(11,488)
Payments on bond payable	(642,667)	(407,298)
Net Cash used for Financing Activities	<u>(654,613)</u>	<u>(418,786)</u>
Net Change in Cash and Cash Equivalents	(4,158,279)	(2,557,075)
Cash and Cash Equivalents, Beginning of Year	8,310,455	10,867,530
Cash and Cash Equivalents, End of Year	<u>\$ 4,152,176</u>	<u>\$ 8,310,455</u>

Girl Scouts - Arizona Cactus-Pine Council, Inc.
Statements of Cash Flows
Years Ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	<u>\$ 26,540</u>	<u>\$ 38,638</u>
Supplemental Disclosure of Non-Cash Investing Activity		
Donated property and equipment	<u>\$ 25,290</u>	<u>\$ -</u>

Note 1 - Nature of Operations and Significant Accounting Policies

Nature of Operations

Girl Scouts - Arizona Cactus-Pine Council, Inc. (the Council) shares the mission of Girl Scouts of the USA to “build girls of courage, confidence, and character who make the world a better place.” The Girl Scout Movement was founded to help all girls to reach their full potential and to create a safe place for girls to foster their individual growth, self-sufficiency, and leadership.

The Council provides access to skill-building program opportunities and supportive adults through the Girl Scout Leadership Experience—their research-backed learning model that guides girls through discovering, connecting, and taking action. Girls participate through troops, staff-led programs, day and residential camp, council sponsored events, program partnerships, and travel opportunities as they focus on four key areas: Outdoors, STEM (Science, Technology, Engineering, and Math), Entrepreneurship, and Life Skills. The Girl Scout Cookie Program is the nation's largest girl-run financial literacy enterprise.

The Council's membership is comprised of more than 12,300 K-12 girls and more than 6,400 adult members and volunteers across a jurisdiction that includes two-thirds of Arizona. About 85% of the girls who benefit from the Council's programs reside in Maricopa County, and membership also includes girls living in Apache, Coconino, Gila, La Paz, Mohave, Navajo, and Yavapai counties, the northern half of Pinal and Graham counties, the portion of the Navajo Nation that extends into Utah and New Mexico, and the southern portion of Clark County, Nevada.

As an independent 501(c)(3) nonprofit organization, chartered by Girl Scouts of the USA, the Council is governed and supervised by a volunteer Board of Directors elected by delegate members at an annual meeting.

Cash and Cash Equivalents

The Council considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to capital expenditures, permanent endowment, or other long-term purposes of the Council are excluded from this definition.

Cash does not include bank accounts held by Girl Scout troops and other groups such as service units under the federal identification number of the Council. Bank accounts held by troops and groups are under the federal identification number but are not under the control of the Council. The Council has no signature authority over and will not access the funds in these accounts as long as a troop or group is functioning according to Girl Scout policy and procedure. Individual troops and groups have the responsibility to use funds in their control for the purpose of Girl Scouting as determined by the members and adult volunteers. If a troop or group is about to disband, the troop may use the funds to pay for a final group activity or to donate to groups or projects considered worthwhile. If a troop or group disbands without making a determination as to the final distribution of funds, the funds will revert to the Council for a holding period in case the troop re-forms, or members of the troop join another troop. After this time, if funds are not claimed they will be considered a donation to the Council.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable consist primarily of noninterest-bearing amounts due for membership and cookie programs. Allowance for credit losses is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Management believes that the historical loss information it has compiled is a reasonable base on which to determine expected credit losses for accounts receivable held at September 30, 2025 and 2024 because the composition of the accounts receivable at those dates are consistent with that used in developing the historical credit-loss percentages (i.e., the similar risk characteristics of its customers and its lending practices have not changed significantly over time).

Management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical loss rates have not been adjusted for differences in current conditions or forecasted changes and are instead written off when deemed uncollectable. At September 30, 2025 and 2024, the allowance was \$50,197 and \$196,709, respectively.

Receivables from contracts with customers are reported as accounts receivable, net in the accompanying statements of financial position. Contract liabilities are reported as deferred income in the accompanying statements of financial position.

Changes in the allowance for credit losses for receivables are as follows for the years ended September 30:

	2025	2024
Allowance for credit losses, beginning of year	\$ 196,709	\$ 181,474
Provision for credit losses	46,700	106,714
Charge-offs	(193,212)	(91,479)
Allowance for credit losses, end of year	<u>\$ 50,197</u>	<u>\$ 196,709</u>

Promises to Give

Unconditional promises to give expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. Management determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At September 30, 2025 and 2024, the Council has determined all outstanding promises to give are collectible and no allowance has been recorded.

Inventory

Inventory is comprised of program-related merchandise held for sale in the Council shop and is stated at the lower of cost, determined on an average cost basis, or net realizable value.

Property and Equipment

Property and equipment additions over \$5,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 40 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Council reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended September 30, 2025 and 2024.

Right of Use Leased Assets and Liabilities

Right of use leased assets and the related liabilities are recognized at the lease commencement date and represent the Council's right to use an underlying asset and lease obligations for the lease term. Right of use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right of use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method. The amortization period varies among the leases.

Bond Issuance Costs

Bond issuance costs are amortized over the period the related obligation is outstanding using the straight-line method, which approximates the effective interest method. Bond issuance costs are included within bond payable in the statements of financial position. Amortization of bond issuance costs is included in interest expense in the accompanying financial statements.

Investments

The Council records purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

Beneficial Interest in Assets Held by Arizona Community Foundation

The Council established funds under the Arizona Community Foundation (the Foundation). The funds are held and invested by the Foundation for the Council's benefit and is included in investments and reported at fair value in the statements of financial position, with distributions and changes in fair value recognized in the statements of activities.

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for property replacement, recovery and future funds, and the pension obligation and succession planning.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor (or grantor) imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Council reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a donor 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 statements of activities as net assets released from restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service.

Revenue and Revenue Recognition

Earned revenue consists primarily of product sales consisting of program cookie and other product sales, program service fees, and other revenues which includes sale of Girl Scout merchandise. Revenue related to sale of Girl Scout merchandise is recognized at a point in time, when the sale takes place and the performance obligation is satisfied. Revenue related to program service fees received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, and are recognized over time. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Conditional promises to give received during the years ended September 30, 2025 and 2024 is \$0.

The Council arranges for its customers to purchase goods from a range of suppliers who deliver the product and direct online cookie orders directly to the customer or scout. When a good is purchased directly from the supplier, the Council is entitled to the net sales commission. The Council has determined that the specific goods to be provided to customers are the goods provided by the suppliers, and no other goods or services are promised to customers by the Council. When the Council satisfies its promise to arrange for the goods to be provided by the supplier to the end user and the goods are purchased by the customer, the Council recognizes revenue in the amount of net sales commission to which it is entitled.

Cookie Program Activity Credits

As a program reward, the Council issues credits to members who sell a certain number of cookies, which are redeemable for program and membership fees and Girl Scout merchandise. The value of these credits is recorded as an expense of cookie program sales. Unredeemed and available credits are reflected in the financial statements as accrued payables. Credits expire within a specified time period and are charged back to accrued expenses upon expiration.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to the Council's program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

Advertising Costs

Advertising costs are expensed as incurred and approximated \$221,000 and \$161,000 for the years ended September 30, 2025 and 2024, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation and amortization, and interest, which are allocated based on the percentage of overall direct expenses. Certain expenses are charged to program services and supporting services categories in the statements of functional expenses based on direct expenditures incurred.

Income Tax

The Council is organized as an Arizona nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifies for the charitable contribution deduction under Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be a private foundation under Sections 509(a)(1) and (3), respectively. The Council is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Council is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. Management has determined that the Council is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (IRS Form 990-T) with the IRS or the Arizona equivalent, Form 99-T.

Management believes that it has appropriate support for any tax positions taken affecting the Council's annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Council would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Financial Instruments and Credit Risk

The Council manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Council has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from board members, governmental agencies, and foundations supportive of the Council's mission. Investments are made by diversified investment managers whose performance is monitored by management and the Investment Committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Investment Committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Council. Additionally, a significant portion of the Council's revenues result from the annual cookie program. Loss of this revenue source would have a significant adverse effect upon the Council.

The Council maintains its cash in bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Administration (NCUA) up to \$250,000 per depositor, per insured bank, for each account ownership category. At September 30, 2025 and 2024, the Council had approximately \$820,000 and \$7,896,000, respectively, in excess of FDIC/NCUA-insured limits.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

The Council has evaluated subsequent events through January 22, 2026, the date which the financial statements were available to be issued.

Subsequent to September 30, 2025, the Council entered into a margin line of credit through Charles Schwab Bank, N.A., secured by the long-term investment portfolio. Borrowings under the line bear interest at the SOFR rate plus 1% with an effective rate of 4.75%. There is no expiration to the terms of this agreement. As of January 22, 2026, the Council has not borrowed against the line.

Note 2 - Liquidity and Availability

The Council regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the return on investment of its available funds. For purposes of analyzing resources available to meet general expenditures over the next 12 months, the Council considers all expenditures related to their ongoing activities, excluding depreciation and amortization expense, to be general expenditures. The Council prepares annual budgets to manage liquidity and to determine general expenditures over the next 12 months. The Council anticipates collections of seasonal product sales, program revenues, and donor contributions sufficient to cover general expenditures during that period.

The following table reflects the Council's financial assets as of September 30, 2025 and 2024, reduced by amounts that are not currently available to meet general expenditures within one year of the statement of financial position date due to donor restrictions or internal board designations. Board-designated funds are intended to fund future capital projects, future membership recovery, early-stage strategic initiatives, and pension/succession planning, which are Board-approved but not considered in the annual operating budget. In the event the need arises to utilize the board-designated funds for liquidity purposes, the reserves could be drawn upon through board resolution.

	2025	2024
Cash and cash equivalents	\$ 4,152,176	\$ 8,310,455
Short-term investments	2,350,314	2,264,383
Accounts receivable, net	266,763	63,443
Employee retention credit receivable	577,795	577,795
Promises to give, current portion	131,500	889,758
Investments	15,722,186	15,034,329
Total financial assets	23,200,734	27,140,163
Less Board-designated net assets	(9,796,928)	(14,001,047)
Less net assets with donor restrictions	(580,979)	(1,217,159)
Financial assets available to meet cash needs for general expenditures within one year	\$ 12,822,827	\$ 11,921,957

While a portion of the Council's investments are classified as long-term in the accompanying statements of financial position, based on management's intent, the investments could be readily liquidated without significant penalty to fund operating cash flow needs.

Note 3 - Promises to Give

Unconditional promises to give are estimated to be collected as follows as of September 30:

	<u>2025</u>	<u>2024</u>
Within one year	\$ 131,500	\$ 889,758
In one to five years	<u>30,000</u>	<u>120,000</u>
	161,500	1,009,758
Less discount to net present value at 5.0%	<u>(2,920)</u>	<u>(42,475)</u>
	<u>\$ 158,580</u>	<u>\$ 967,283</u>

At September 30, 2025, four donors accounted for 80% of the outstanding promises to give, and at September 30, 2024, two donors accounted for 79% of the outstanding promises to give. There were no concentrations of contributions during the years ended September 30, 2025 and 2024.

Note 4 - Property and Equipment

Property and equipment consist of the following at September 30:

	<u>2025</u>	<u>2024</u>
Buildings and improvements	\$ 31,034,557	\$ 30,392,022
Equipment	2,030,699	1,996,694
Vehicles	882,696	746,412
Computer hardware and software	<u>1,256,050</u>	<u>1,170,743</u>
	35,204,002	34,305,871
Accumulated depreciation	<u>(19,226,096)</u>	<u>(17,936,163)</u>
	15,977,906	16,369,708
Land	<u>743,294</u>	<u>743,294</u>
Property and equipment, net	<u>\$ 16,721,200</u>	<u>\$ 17,113,002</u>

Note 5 - Fair Value Measurements and Disclosure

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that the Council can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, the Council develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Council's assessment of the quality, risk or liquidity profile of the asset.

A significant portion of the Council's investment assets are classified within Level 1 because they comprise equity securities, treasury notes, and exchange traded funds with readily determinable fair values based on daily redemption values. The Council invests in an annuity. The annuity is valued by the custodian of the securities using pricing models based on credit quality, time to maturity, stated interest rates and market-rate assumptions, and is classified within Level 2.

The fair value of the Council's beneficial interest in assets held by the Arizona Community Foundation (the Foundation) is based on the fair value of fund investments as reported by the Foundation. Funds held by the Foundation are part of pooled investments, invested in debt and equity securities, and are valued at the fair value reported by the Foundation. These funds held by the Foundation can be redeemed by the Council at any time. These are considered to be Level 3 measurements.

Girl Scouts - Arizona Cactus-Pine Council, Inc.

Notes to Financial Statements

September 30, 2025 and 2024

The following table presents assets measured at fair value on a recurring basis, except those measured at cost as identified in the following, at September 30, 2025:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Equity securities	\$ 8,747,012	\$ 8,747,012	\$ -	\$ -
Treasury notes	5,814,485	5,814,485	-	-
Cash and money market funds (at cost)	1,210,921	-	-	-
Exchange traded funds Equity securities	1,091,824	1,091,824	-	-
Annuity	87,524	-	87,524	-
	<u>16,951,766</u>	<u>15,653,321</u>	<u>87,524</u>	<u>-</u>
Beneficial interests in assets held by community foundation	1,120,734	-	-	1,120,734
Total	<u>\$ 18,072,500</u>	<u>\$ 15,653,321</u>	<u>\$ 87,524</u>	<u>\$ 1,120,734</u>

The following table presents assets measured at fair value on a recurring basis, except those measured at cost as identified in the following, at September 30, 2024:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Equity securities	\$ 8,913,013	\$ 8,913,013	\$ -	\$ -
Treasury notes	4,803,380	4,803,380	-	-
Cash and money market funds (at cost)	1,404,094	-	-	-
Exchange traded funds Equity securities	1,070,968	1,070,968	-	-
Annuity	75,194	-	75,194	-
	<u>16,266,649</u>	<u>14,787,361</u>	<u>75,194</u>	<u>-</u>
Beneficial interests in assets held by community foundation	1,032,063	-	-	1,032,063
Total	<u>\$ 17,298,712</u>	<u>\$ 14,787,361</u>	<u>\$ 75,194</u>	<u>\$ 1,032,063</u>

Girl Scouts - Arizona Cactus-Pine Council, Inc.

Notes to Financial Statements
September 30, 2025 and 2024

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended September 30, 2025:

	Beneficial Interests in Assets held by ACF
	<u> </u>
Balance, September 30, 2024	\$ 1,032,063
Net investment return	<u>88,671</u>
Balance, September 30, 2025	<u><u>\$ 1,120,734</u></u>

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended September 30, 2024:

	Beneficial Interests in Assets held by ACF
	<u> </u>
Balance, September 30, 2023	\$ 875,676
Net investment return	<u>156,387</u>
Balance, September 30, 2024	<u><u>\$ 1,032,063</u></u>

Net investment return consisted of the following for the years ended September 30:

	<u>2025</u>	<u>2024</u>
Dividends and interest	\$ 577,147	\$ 859,741
Net realized and unrealized gains	577,648	2,207,364
Investment fees	<u>(89,042)</u>	<u>(88,051)</u>
Net investment return	<u><u>\$ 1,065,753</u></u>	<u><u>\$ 2,979,054</u></u>

Note 6 - Due to Girl Scouts of the USA and Related Party Transactions

The Council holds disbanded troop treasury funds in the amounts of \$17,415 and \$15,039, as of September 30, 2025 and 2024, respectively. These funds are awaiting distribution to new troops in the area of the disbanded troops or being recognized as donations if no troop reforms in the area of the disbanded troops.

During the years ended September 30, 2025 and 2024, the Council made payments to Girl Scouts of the USA (GSUSA), totaling approximately \$479,000 and \$487,000, respectively, for membership dues for girls and adult volunteers with a demonstrated need for financial assistance, inventory, software licenses, and web hosting fees.

During the years ended September 30, 2025 and 2024, the Council received approximately \$130,000 and \$157,000, respectively, in grants and other financial assistance from GSUSA.

The Council's Board of Directors is committed to the financial success of the Council and regularly makes contributions to the Council. During the years ended September 30, 2025 and 2024, board members gave approximately \$42,000 and \$26,000, respectively.

Note 7 - Bond Payable

In March 2015, the Council entered into an agreement with the Industrial Development Authority of the City of Phoenix to issue Direct Purchase Revenue Bonds, Series 2015 (the bond) in the amount of \$10,000,000 for a term of twenty-five years. The bond is collateralized by certain real property as set forth in the agreement. Effective March 29, 2017, the bond agreement was amended to reflect the Council's decision to prepay principal on the bond so that the outstanding principal of the bonds was \$7,000,000, and to cause a corresponding portion of the bond to be optionally redeemed. The repayment schedule was modified to reflect the new principal balance; however, no changes were made to the bond term. During the year ended September 30, 2018, the Council made an additional principal payment of \$3,600,000. This principal prepayment did not change the bond terms. At September 30, 2024, the Council had an outstanding principal of the bond of \$642,666, interest on the bond was payable monthly at a fixed rate of 3.3% and contained certain covenants. The Council paid off the remainder of the bond balance during 2025.

Note 8 - Employee Retention Credit

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) provided an employee retention credit (the credit), which is a refundable tax credit against certain employment taxes of up to \$5,000 per employee for eligible employers. The credit is equal to 50% of qualified wages paid to employees, capped at \$10,000 of qualified wages through December 31, 2020.

The Consolidated Appropriations Act of 2021 and the American Rescue Plan Act of 2021 (collectively the Acts) expanded the availability of the credit and extended the credit through September 30, 2021, and increased the credit to 70% of qualified wages, capped at \$7,000 per quarter. As a result of the changes to the credit, the maximum credit per employee increased from \$5,000 to \$21,000. During the year ended September 30, 2022, the Council recorded a \$1,168,363 benefit related to the credit. In November 2024, the Council received a denial notice from the Internal Revenue Service ("IRS") for the second Employee Retention Credit payment of approximately \$578,000 with the option to appeal. Management believes the council is eligible to receive such payment and has appealed against the IRS decision. As of September 30, 2025, the Council has an outstanding receivable balance of \$577,795.

The Council's credit filings remain open for potential examination by the Internal Revenue Service through the statute of limitations, which has varying expiration dates extending through 2027. Any disallowed claims resulting from such examinations could be subject to repayment to the federal government.

Note 9 - Board-Designated Net Assets Without Donor Restrictions

Board-designated net assets without donor restrictions consist of the following balance for the years ended September 30:

	2024	Designated	Released	2025
Board-designated net assets				
Property replacement	\$ 7,047,558	\$ -	\$ (959,627)	\$ 6,087,931
Future funds	-	300,000	(108,075)	191,925
Recovery fund	4,986,961	-	(3,124,321)	1,862,640
Succession/Pension fund	1,966,528	-	(312,096)	1,654,432
Total	\$ 14,001,047	\$ 300,000	\$ (4,504,119)	\$ 9,796,928

	2023	Designated	Released	2024
Board-designated net assets				
Property replacement	\$ 6,754,197	\$ 1,222,061	\$ (928,700)	\$ 7,047,558
Future funds	1,969,648	-	(1,969,648)	-
Recovery fund	5,971,072	785,304	(1,769,415)	4,986,961
Succession/Pension fund	782,186	1,184,342	-	1,966,528
Total	\$ 15,477,103	\$ 3,191,707	\$ (4,667,763)	\$ 14,001,047

Note 10 - Net Assets with Donor Restrictions

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

	2025	2024
Subject to Expenditure for a Specified Purpose		
Scholarships and camperships	\$ 57,004	\$ 44,672
Girl programming	233,500	148,155
Recruitment	33,999	30,698
Other	97,896	26,351
	422,399	249,876
Subject to the Passage of Time		
Fiscal year operations - United Way	6,000	5,508
Fiscal year operations - general	152,580	961,775
	158,580	967,283
Total net assets with donor restrictions	\$ 580,979	\$ 1,217,159

Girl Scouts - Arizona Cactus-Pine Council, Inc.

Notes to Financial Statements
September 30, 2025 and 2024

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended September 30:

	<u>2025</u>	<u>2024</u>
Satisfaction of purpose restrictions		
Scholarships and camperships	\$ -	\$ 2,660
Girl programming	159,310	175,495
Other	3,659	71,720
Expiration of time restrictions		
Fiscal year operations - United Way	5,508	7,461
Fiscal year operations - general	895,000	1,570,607
Total net assets released from restrictions	<u>\$ 1,063,477</u>	<u>\$ 1,827,943</u>

Note 11 - Leases

The Council leases certain facilities and equipment for various terms under long-term, non-cancelable operating lease and finance lease agreements. The leases expire at various dates through 2030 and provide for renewal options ranging from one year to five years. The Council included in the determination of the right of use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases. Also, the agreements generally require the Council to pay real estate taxes, insurance, and repairs.

The Council has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate. The Council has applied the risk-free rate option to all leases.

The Council has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

Total right of use assets at September 30, 2025 and 2024 were as follows:

<u>Lease Assets - Classification in Statement of Financial Position</u>	<u>2025</u>	<u>2024</u>
Operating right of use assets - Operating lease right of use asset	\$ 83,937	\$ 191,088
Finance right of use assets - Property and equipment, net	<u>22,517</u>	<u>34,837</u>
Total leased assets	<u>\$ 106,454</u>	<u>\$ 225,925</u>

Girl Scouts - Arizona Cactus-Pine Council, Inc.

Notes to Financial Statements
September 30, 2025 and 2024

Total lease costs for the years ended September 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 14,220	\$ 37,781
Finance lease cost		
Interest expense	1,210	1,689
Amortization of right of use assets	12,320	12,320

The following table summarizes the supplemental cash flow information for the years ended September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 13,500	\$ 39,475
Operating cash flows from finance leases	1,210	1,689
Financing cash flows from finance leases	11,987	11,488
Right of use assets obtained in exchange for lease liabilities		
Operating leases	\$ 96,543	\$ -

The following summarizes the weighted-average remaining lease term and weighted-average discount rate for the years ended September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Weighted-average remaining lease term in years:		
Operating leases	2.34	5.67
Finance leases	1.83	2.83
Weighted-average discount rate:		
Operating leases	3.95%	3.79%
Finance leases	4.07%	4.07%

The future minimum lease payments under non-cancelable operating and finance leases with terms greater than one year are as follows as of September 30, 2025:

<u>Years Ending September 30,</u>	<u>Operating</u>	<u>Finance</u>
2026	\$ 36,600	\$ 13,198
2027	38,430	11,615
2028	13,230	-
	<u>88,260</u>	<u>24,813</u>
Total lease payments		
Less interest	(3,631)	(858)
	<u>84,629</u>	<u>23,955</u>
Present value of lease liabilities	\$	\$

Note 12 - Retirement Plans**Defined Benefit Plan**

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

Net plan assets increased during the year but are less than the actuarial present value of accumulated plan benefits as of January 1, 2024. On April 8, 2014, President Obama signed H.R. 4275 into law, a relief package unanimously passed by Congress that gives NGSCR the flexibility to adopt the Pension Protection Act (PPA) funding requirements immediately or not at all. NGSCR has elected to adopt this relief and not be subject to PPA. In September 2020, the National Board of Girl Scouts of the USA approved to lower the contributions from \$30 million to \$26 million starting in calendar year 2023 until the Plan is fully funded on a market basis. Aggregate annual contributions made in fiscal years 2025 and 2024 were \$29.7 million and \$27.4 million, respectively. Aggregate contributions to be made in fiscal 2026 are expected to be \$24 million.

The Council's contributions to the Plan and corresponding pension expense for the years ended September 30, 2025 and 2024, were approximately \$312,000. 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 standalone operation.

403(b) Plan

The Council has a 403(b) retirement plan in which all employees are eligible to participate. Investments in the plan are participant directed. The Council makes contributions to the plan on behalf of employees after one year of service when an employee has at least 1,000 hours of service during that year. The Council's contribution to the plan is equal to 2% of an employee's salary. Additionally, the Council matches 50% of the employee's contributions up to 4% of salary. The Council's contributions to the plan during the years ended September 30, 2025 and 2024 were \$190,716 and \$166,967, respectively.

Note 13 - Revenue from Contract with Customers

The following table disaggregates the Council's revenue based on timing of satisfaction of performance obligations for the years ended September 30:

	<u>2025</u>	<u>2024</u>
Revenue recognized over time		
Program service fees, including camp fees	\$ 598,426	\$ 618,415
Miscellaneous	99,461	56,549
Total revenue recognized over time	<u>697,887</u>	<u>674,964</u>
Revenue recognized at a point in time		
Product program sales	17,203,203	17,874,711
Sale of Girl Scout merchandise	584,888	573,689
Total revenue recognized at a point in time	<u>17,788,091</u>	<u>18,448,400</u>
Total revenue from contracts with customers	<u>\$ 18,485,978</u>	<u>\$ 19,123,364</u>

Deferred income consists of contract liabilities for gift cards, advance program service fees and other deferred revenue. The beginning and ending balances for accounts receivable and deferred income were as follows for the years ended September 30:

	<u>10/1/2023</u>	<u>9/30/2024</u>	<u>9/30/2025</u>
Accounts receivable, net	\$ 88,212	\$ 63,443	\$ 266,763
Deferred income	72,077	112,242	59,636

Note 14 - Contributed Nonfinancial Assets

For the years ended September 30, 2025 and 2024, contributed nonfinancial assets recognized within the statements of activities included the following:

	<u>2025</u>	<u>2024</u>
Facilities	\$ 18,000	\$ -
Commission fees	20,000	-
Advertising	-	25,000
Property and equipment	25,290	-
Other goods and services	9,923	523
	<u>\$ 73,213</u>	<u>\$ 25,523</u>

Contributed facilities are provided for use of a location for what would have been charged by the donor had they billed the Scouts.

Commissions were a reduction of the fees owed on billing to the Council.

Contributed advertising, property and equipment, and other goods and services are valued using estimated prices or identical or similar products or services.

All contributed nonfinancial assets received during the years ended September 30, 2025 and 2024 were without donor restrictions.