

# FINANCIAL REPORT

GIRL SCOUTS OF GREATER MISSISSIPPI, INC.

JACKSON, MISSISSIPPI

SEPTEMBER 30, 2025

Presented by: Harper, Rains, Knight & Company, P.A.  
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The Board of Directors  
Girl Scouts of Greater Mississippi, Inc.  
Jackson, Mississippi

Independent Auditors' Report

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the financial statements of Girl Scouts of Greater Mississippi, Inc. (the "Organization"), which comprise the statements of financial position as of September 30, 2025 and 2024, the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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.

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***Responsibilities of Management for the Financial Statements (continued)***

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 Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with 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 Organization'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 Organization's ability to continue as a going concern for a reasonable period of time.

The Board of Directors  
Girl Scouts of Greater Mississippi, Inc. (continued)

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.

*Harper, Raina, Knight & Company, P.A.*

January 29, 2026  
Ridgeland, Mississippi

GIRL SCOUTS OF GREATER MISSISSIPPI, INC.

STATEMENTS OF FINANCIAL POSITION

September 30, 2025 and 2024

ASSETS		
	2025	2024
Current assets		
Unrestricted cash	\$ 4,074,599	\$ 3,870,531
Certificate of deposit	73,146	73,128
Trade accounts receivable (net of allowance for credit losses of \$7,500 for 2025 and 2024)	9,385	4,508
Grants receivable	7,500	30,733
Inventories, net	109,002	131,097
Prepaid expenses	138,660	138,496
Total current assets	<u>4,412,292</u>	<u>4,248,493</u>
Investments	383,055	348,345
Property and equipment, net	3,163,430	3,295,291
Right of use assets, net of accumulated amortization - financing lease	39,816	-
Right of use asset, net of accumulated amortization - operating lease	<u>23,369</u>	<u>49,920</u>
Total assets	<u>\$ 8,021,962</u>	<u>\$ 7,942,049</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 160,878	\$ 221,280
Current financing lease liability	12,937	-
Current operating lease liability	8,447	35,934
Contract liabilities	7,772	33,641
Total current liabilities	<u>190,034</u>	<u>290,855</u>
Long-term financing lease liabilities	27,825	-
Long-term operating lease liabilities	14,921	13,985
Total liabilities	<u>232,780</u>	<u>304,840</u>
Net assets		
Without donor restrictions	7,456,030	7,343,924
With donor restrictions	333,152	293,285
Total net assets	<u>7,789,182</u>	<u>7,637,209</u>
Total liabilities and net assets	<u>\$ 8,021,962</u>	<u>\$ 7,942,049</u>

The Notes to Financial Statements are an integral part of these statements.

GIRL SCOUTS OF GREATER MISSISSIPPI, INC.

STATEMENT OF ACTIVITIES  
Year Ended September 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, support and reclassifications:			
Cookie Sales	\$ 4,886,482	\$ -	\$ 4,886,482
Product sales	347,699	-	347,699
Less: Cost of cookies sold	1,463,036	-	1,463,036
Cost of product sold	144,607	-	144,607
Allocations to troops and service units (cookie sales)	755,632	-	755,632
Allocations to troops and service units (product sales)	60,023	-	60,023
Income from product sales	2,810,883	-	2,810,883
Retail shop product sales	140,554	-	140,554
Less: Cost of retail shop products	79,493	-	79,493
Income from retail shop product sales	61,061	-	61,061
Contributions	89,972	-	89,972
In-kind donated goods	9,000	-	9,000
United Way grants and allocations	6,446	-	6,446
Special events	83,386	-	83,386
Camping fees and event income	122,028	-	122,028
Interest and dividends	127,970	16,920	144,890
Loss on disposition of assets	(52)	-	(52)
Net realized and unrealized gains (losses)	(7,123)	22,947	15,824
Other income	13,658	-	13,658
Total support	445,285	39,867	485,152
Net assets released from restrictions	-	-	-
Total support and revenue	3,317,229	39,867	3,357,096
Expenses			
Program services:			
Membership recruitment	1,282,050	-	1,282,050
Camp	769,231	-	769,231
Program development	448,718	-	448,718
Adult services	288,461	-	288,461
Grant programs	64,102	-	64,102
Total program services	2,852,562	-	2,852,562
Support services:			
General and administrative	256,408	-	256,408
Fundraising	96,153	-	96,153
Total support services	352,561	-	352,561
Total expenses	3,205,123	-	3,205,123
Change in net assets	112,106	39,867	151,973
Net assets at beginning of year	7,343,924	293,285	7,637,209
Net assets at end of year	\$ 7,456,030	\$ 333,152	\$ 7,789,182

The Notes to Financial Statements are an integral part of this statement.

GIRL SCOUTS OF GREATER MISSISSIPPI, INC.

STATEMENT OF ACTIVITIES (continued)

Year Ended September 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, support and reclassifications:			
Cookie Sales	\$ 5,120,820	\$ -	\$ 5,120,820
Product sales	351,574	-	351,574
Less: Cost of cookies sold	1,271,807	-	1,271,807
Cost of product sold	158,664	-	158,664
Allocations to troops and service units (cookie sales)	788,847	-	788,847
Allocations to troops and service units (product sales)	59,699	-	59,699
Income from product sales	<u>3,193,377</u>	<u>-</u>	<u>3,193,377</u>
Retail shop product sales	154,454	-	154,454
Less: Cost of retail shop products	90,730	-	90,730
Income from retail shop product sales	<u>63,724</u>	<u>-</u>	<u>63,724</u>
Contributions	72,411	-	72,411
United Way grants and allocations	14,859	-	14,859
Special events	63,912	-	63,912
Camping fees and event income	120,045	-	120,045
Interest and dividends	113,470	4,714	118,184
Loss on disposition of assets	(1,498)	-	(1,498)
Net unrealized and realized gains	2,417	43,843	46,260
Other income	<u>54,703</u>	<u>-</u>	<u>54,703</u>
Total support	<u>440,319</u>	<u>48,557</u>	<u>488,876</u>
Net assets released from restrictions	<u>5,000</u>	<u>(5,000)</u>	<u>-</u>
Total support and revenue	<u>3,702,420</u>	<u>43,557</u>	<u>3,745,977</u>
Expenses			
Program services:			
Membership recruitment	1,334,287	-	1,334,287
Camp	733,858	-	733,858
Program development	533,714	-	533,714
Adult services	333,570	-	333,570
Grant programs	66,712	-	66,712
Total program services	<u>3,002,141</u>	<u>-</u>	<u>3,002,141</u>
Support services:			
General and administrative	233,498	-	233,498
Fundraising	100,070	-	100,070
Total support services	<u>333,568</u>	<u>-</u>	<u>333,568</u>
Total expenses	<u>3,335,709</u>	<u>-</u>	<u>3,335,709</u>
Change in net assets	366,711	43,557	410,268
Net assets at beginning of year	<u>6,977,213</u>	<u>249,728</u>	<u>7,226,941</u>
Net assets at end of year	<u>\$ 7,343,924</u>	<u>\$ 293,285</u>	<u>\$ 7,637,209</u>

The Notes to Financial Statements are an integral part of this statement.

GIRL SCOUTS OF GREATER MISSISSIPPI, INC.

STATEMENTS OF CASH FLOWS  
Years Ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ 151,973	\$ 410,268
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Depreciation	178,350	173,189
Unrealized and realized gain on investments	(15,824)	(46,260)
Loss on disposition of property and equipment	731	1,498
Reduction in carrying amount of right of use assets - financing	12,059	-
Reduction in carrying amount of right of use assets - operating	32,725	33,881
Interest payments on finance lease	(2,076)	-
Change in:		
Trade accounts receivable	(4,877)	13,424
Grants receivable	23,233	(20,000)
Inventories	22,095	(20,610)
Prepaid expenses	(164)	(74,886)
Accounts payable and accrued expenses	(60,402)	29,546
Contract liabilities	(25,869)	12,946
Operating lease liabilities	(32,725)	(33,882)
Net change in cash from operating activities	<u>279,229</u>	<u>479,114</u>
Cash flows from investing activities:		
Purchase of property, plant and equipment	(47,220)	(390,195)
Purchase of investments	(20,700)	(7,588)
Purchase of certificate of deposit	(18)	(22)
Proceeds from sale of investments	1,814	652
Proceeds from the sale of property, plant and equipment	-	3,000
Net change in cash from investing activities	<u>(66,124)</u>	<u>(394,153)</u>
Cash flows from financing activities:		
Principal payment on finance leases	(9,037)	-
Net change in cash from financing activities	<u>(9,037)</u>	<u>-</u>
Net change in cash	204,068	84,961
Cash, beginning	<u>3,870,531</u>	<u>3,785,570</u>
Cash, ending	<u>\$ 4,074,599</u>	<u>\$ 3,870,531</u>
Supplementary disclosure of cash flow information:		
In-kind materials and services received	<u>\$ 9,000</u>	<u>\$ 6,678</u>
ROU assets obtained in exchange for new operating lease liabilities	<u>\$ 6,174</u>	<u>\$ -</u>
ROU assets obtained in exchange for new operating lease liabilities	<u>\$ 51,875</u>	<u>\$ -</u>

The Notes to Financial Statements are an integral part of these statements.

GIRL SCOUTS OF GREATER MISSISSIPPI, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended September 30, 2025

	Membership	Camp	Program Development	Adult Services	Grants	Total Program	Cost of Sales	General and Administrative	Fundraising	Totals
Salaries and wages	\$ 583,030	\$ 349,818	\$ 204,060	\$ 131,182	\$ 29,151	\$ 1,297,241	\$ -	\$ 116,606	\$ 43,727	\$ 1,457,574
Cost of cookies sales	-	-	-	-	-	-	1,463,036	-	-	1,463,036
Cost of fall product sales	-	-	-	-	-	-	144,607	-	-	144,607
Allocations of troops and service units (cookies)	-	-	-	-	-	-	755,632	-	-	755,632
Allocations of troops and service units (fall product)	-	-	-	-	-	-	60,023	-	-	60,023
Costs of retail shop products	-	-	-	-	-	-	79,493	-	-	79,493
Payroll taxes and benefits	158,283	94,970	55,399	35,614	7,914	352,180	-	31,657	11,871	395,708
Professional fees	16,431	9,859	5,751	3,697	822	36,560	-	3,286	1,232	41,078
Supplies	43,918	26,351	15,371	9,881	2,196	97,717	-	8,784	3,294	109,795
Awards and appreciation	65,344	39,207	22,871	14,702	3,267	145,391	-	13,069	4,901	163,361
Telephone	17,111	10,266	5,989	3,850	856	38,072	-	3,422	1,283	42,777
Postage and shipping	1,893	1,136	663	426	95	4,213	-	379	142	4,734
Occupancy	40,066	24,040	14,023	9,015	2,003	89,147	-	8,013	3,005	100,165
Building and grounds	73,462	44,077	25,712	16,529	3,673	163,453	-	14,692	5,510	183,655
Printing and advertising	13,686	8,212	4,790	3,079	684	30,451	-	2,737	1,026	34,214
Travel	8,886	5,332	3,110	1,999	444	19,771	-	1,777	666	22,214
Meetings	1,236	741	432	278	62	2,749	-	247	93	3,089
Special assistance	10,966	6,580	3,838	2,467	548	24,399	-	2,193	822	27,414
Interest	896	538	314	202	45	1,995	-	179	67	2,241
Bank fees	16,140	9,684	5,649	3,632	807	35,912	-	3,228	1,211	40,351
Insurance	134,393	80,636	47,037	30,238	6,720	299,024	-	26,879	10,079	335,982
Dues and subscriptions	1,386	831	485	312	69	3,083	-	277	104	3,464
Bad debt	4,042	2,425	1,415	909	202	8,993	-	808	303	10,104
Depreciation	71,340	42,804	24,969	16,052	3,567	158,732	-	14,267	5,351	178,350
Lease related expense	19,214	11,528	6,725	4,323	961	42,751	-	3,843	1,441	48,035
Miscellaneous	327	196	115	74	16	728	-	65	25	818
	<u>\$ 1,282,050</u>	<u>\$ 769,231</u>	<u>\$ 448,718</u>	<u>\$ 288,461</u>	<u>\$ 64,102</u>	<u>\$ 2,852,562</u>	<u>\$ 2,502,791</u>	<u>\$ 256,408</u>	<u>\$ 96,153</u>	<u>\$ 5,707,914</u>

The Notes to the Financial Statements are an integral part of this statement.

GIRL SCOUTS OF GREATER MISSISSIPPI, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended September 30, 2024

	Membership	Camp	Program Development	Adult Services	Grants	Total Program	Cost of Sales	General and Administrative	Fundraising	Totals
Salaries and wages	\$ 589,875	\$ 324,431	\$ 235,950	\$ 147,469	\$ 29,494	\$ 1,327,219	\$ -	\$ 103,228	\$ 44,241	\$ 1,474,688
Cost of cookies sales	-	-	-	-	-	-	1,271,807	-	-	1,271,807
Cost of fall product sales	-	-	-	-	-	-	158,664	-	-	158,664
Allocations of troops and service units (cookies)	-	-	-	-	-	-	788,847	-	-	788,847
Allocations of troops and service units (fall product)	-	-	-	-	-	-	59,699	-	-	59,699
Costs of retail shop products	-	-	-	-	-	-	90,730	-	-	90,730
Payroll taxes and benefits	159,525	87,739	63,810	39,881	7,976	358,931	-	27,917	11,964	398,812
Professional fees	19,972	10,984	7,989	4,993	999	44,937	-	3,495	1,498	49,930
Supplies	50,463	27,755	20,185	12,616	2,523	113,542	-	8,831	3,785	126,158
Awards and appreciation	65,909	36,250	26,364	16,477	3,295	148,295	-	11,534	4,943	164,772
Telephone	16,989	9,344	6,796	4,247	849	38,225	-	2,973	1,274	42,472
Postage and shipping	3,483	1,916	1,393	871	174	7,837	-	609	261	8,707
Occupancy	41,174	22,645	16,469	10,293	2,059	92,640	-	7,205	3,088	102,933
Building and grounds	137,138	75,426	54,855	34,284	6,857	308,560	-	23,999	10,285	342,844
Printing and advertising	24,016	13,209	9,606	6,004	1,201	54,036	-	4,203	1,801	60,040
Travel	11,268	6,197	4,507	2,817	563	25,352	-	1,972	845	28,169
Meetings	2,324	1,278	929	581	116	5,228	-	407	174	5,809
Special assistance	8,644	4,754	3,458	2,161	432	19,449	-	1,513	648	21,610
Interest	-	-	-	-	-	-	-	-	-	-
Bank fees	16,425	9,034	6,570	4,106	821	36,956	-	2,874	1,232	41,062
Insurance	92,070	50,638	36,828	23,017	4,603	207,156	-	16,112	6,905	230,173
Dues and subscriptions	1,985	1,092	794	496	99	4,466	-	347	149	4,962
Bad debt	7,926	4,360	3,171	1,982	396	17,835	-	1,387	594	19,816
Depreciation	69,275	38,102	27,710	17,319	3,464	155,870	-	12,123	5,196	173,189
Lease related expense	15,225	8,374	6,090	3,806	761	34,256	-	2,664	1,142	38,062
Miscellaneous	601	330	240	150	30	1,351	-	105	45	1,501
	<u>\$ 1,334,287</u>	<u>\$ 733,858</u>	<u>\$ 533,714</u>	<u>\$ 333,570</u>	<u>\$ 66,712</u>	<u>\$ 3,002,141</u>	<u>\$ 2,369,747</u>	<u>\$ 233,498</u>	<u>\$ 100,070</u>	<u>\$ 5,705,456</u>

The Notes to the Financial Statements are an integral part of this statement.

GIRL SCOUTS OF GREATER MISSISSIPPI, INC.

NOTES TO FINANCIAL STATEMENTS  
Years Ended September 30, 2025 and 2024

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NOTE 1 • SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The nature of the organization and the significant accounting policies which have been followed by the Girl Scouts of Greater Mississippi, Inc. (the "Organization") in preparing the accompanying financial statements are set forth below.

Organization and Operations

The Organization is a nonprofit organization, chartered by the Girl Scouts of the United States of America. The Organization's principal activity consists of organizing and providing services to local Girl Scout troops in central and south Mississippi. Its iconic cookie program, a learning pillar of the Girl Scout Leadership Experience, supports the vast programs and activities of over five thousand (5,400) girls and two thousand (2,000) volunteers in forty-five (45) counties. The Organization's cookie and fall product programs are the primary revenue sources for the Organization.

Description of Program Services

*Membership:*

Includes the costs associated with girl and adult recruitment for membership, organizing troops and the extension of girl scouting to untapped communities.

*Camp:*

Includes the costs associated with operating Council-owned camp properties used to host camp programs and activities throughout the year.

*Program Development:*

Includes the costs of services related to developing Girl Scout-oriented programs designed to meet the needs and expectations of today's girls.

*Adult Services:*

Includes the costs of staff attending leader and parent meetings, development of training materials and staff training of volunteers required to carry out the Girl Scout curriculum and administration of the adult awards and appreciation programs.

*Grants:*

Includes the costs for grant programs primarily related to outdoor education, STEM and life skills, staff delivery of the programs and report of program outcomes.

GIRL SCOUTS OF GREATER MISSISSIPPI, INC.

NOTES TO FINANCIAL STATEMENTS  
Years Ended September 30, 2025 and 2024

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NOTE 1 • SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-205, Presentation of Financial Statements of Not-for-Profit Entities. Under FASB ASC 958-05, the Council is required to report information regarding its financial position and activities according to two (2) classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

- *Without donor restrictions* - Net assets that are not subject to restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.
- *With donor restrictions* - Net assets whose use by the Council is subject to donor-imposed restrictions that can be fulfilled by actions of the Council pursuant to those restrictions or that expire by the passage of time or required to be maintained permanently by the Council due to donor-imposed restrictions, the corpus of which will be invested.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America using the accrual method of accounting.

Contributions

Contributions received are recorded as contributions with donor restrictions or contributions without donor restrictions depending on the existence or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. 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 statements of activities as net assets released from restrictions.

Revenue Recognition

Revenue recognized from contracts with customers is reported separately in the accompanying statements of activities for the years ended September 30, 2025 and 2024, as follows:

- Revenue recognized at a point in time - revenue related to cookie, product, retail sales, special events and camping fees and event income are recorded as revenue at a point in time (upon delivery of the goods or service) which is when payment is due.
- Revenue recognized over a period of time: grant and other income is recorded as revenues as services are provided, payment varies in accordance with grant agreements.

GIRL SCOUTS OF GREATER MISSISSIPPI, INC.

NOTES TO FINANCIAL STATEMENTS  
Years Ended September 30, 2025 and 2024

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NOTE 1 • SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contract Assets and Liabilities

Contract assets represent amounts related to services provided to others that have not been billed and that do not meet the conditions of unconditional rights to payment. The Organization does not report any contract assets in the accompanying statements of financial position as of September 30, 2025 and 2024. Income from sponsorships and grants paid in advance are reported as contract liabilities. These amounts are recognized as revenue and expenses upon the occurrence of the event.

Cash

The Organization considers all checking accounts, money market accounts and investments with an original maturity of three (3) months or less when purchased to be cash.

Cash does not include bank accounts held by Girl Scout troops and service units under the federal identification number of the Organization, as customary with industry practice. Bank accounts held by troops and service units are under the Organization's federal identification number; however, the Organization has no signature authority over and will not access the funds as long as a troop or group is functioning according to Girl Scout policy and procedure. Individual troops and service units have the responsibility to use funds appropriately for the purposes of girl scouting. If a troop or service unit plans to disband, the troop or service unit may pay for a final group activity, donate to groups or projects they consider worthwhile or designate remaining funds to our camps. If a troop or service unit disbands without making a determination as to the final distribution of funds, the funds will revert to the Organization for holding for a period of twelve (12) months in case the troop reforms or members of the troop join other troops within the following year. If, after this time, funds are not claimed, they will be considered a donation to the Organization to support its programs.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable primarily represent amounts due from special events and troops for the sale of Girl Scout cookies. Receivables are measured at amortized cost basis. The Organization provides an allowance for credit losses that is based upon management's review of historical collection experience and the aging of accounts receivable. The estimate is adjusted for management's assessment of current conditions and reasonable forecasts regarding future events. The Organization believes historical collection experience is a reasonable starting point to calculate the expected allowance for credit losses. Receivables are charged to the allowance account when they are determined to be fully uncollectible. Receivables are considered uncollectible when balances are ninety (90) days past due and when the collections process has not been successful. The allowance was \$7,500 at September 30, 2025 and 2024.

GIRL SCOUTS OF GREATER MISSISSIPPI, INC.

NOTES TO FINANCIAL STATEMENTS  
Years Ended September 30, 2025 and 2024

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NOTE 1 • SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories consist of goods held for resale and are valued at lower of cost or market, determined by the first-in, first-out method. The Organization provides an allowance for obsolete inventory that is based upon management's review of inventory recent sales and quantities. Inventories are charged to the allowance account when they are considered obsolete. The allowance was \$11,500 at September 30, 2025 and 2024, respectively.

Investments

The Organization reports all investments in its debt securities at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of all debt securities is determined by an evaluation of at least two or more bid prices and/or active trades of the same security reported by recognized broker dealers. Gains or losses on investments are reported in the statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted. See Note 4 for a discussion of fair value measurements.

Investment income is presented net of investment management fees.

Property and Equipment

Property and equipment acquisitions are recorded at cost at the date of acquisition or fair value at the date of donation. The Organization capitalizes any asset with a life expectancy longer than one (1) year and a cost greater than \$1,000 as a capital asset. Depreciation expense is computed on a straight-line basis over the estimated useful life of the asset as follows:

Building and camp facilities	15 to 39 years
Furniture and fixtures	5 to 10 years

Advertising

The Organization expenses all advertising costs related to fundraising activities and programs as incurred. Advertising expenses for the years ended September 30, 2025 and 2024, totaled \$9,550 and \$23,370, respectively.

GIRL SCOUTS OF GREATER MISSISSIPPI, INC.

NOTES TO FINANCIAL STATEMENTS  
Years Ended September 30, 2025 and 2024

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NOTE 1 • SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law.

The Organization has no unrecognized tax benefits identified or recorded at September 30, 2025 and 2024. The Organization would recognize interest and penalties, if any, related to unrecognized tax benefits as a component of income tax expense.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates used in preparing these financial statements include those assumed in determining the methods and useful lives of property and equipment, allowance for credit losses, estimated right of use asset and liability, allowance for obsolete inventory, allocation of functional expenses and estimated fair value for investments. It is at least reasonably possible that the significant estimates used will change within the next year.

Functional Allocation of Expenses

The costs of providing the Organization's various programs and activities have been summarized on a functional basis. Accordingly, costs have been allocated among the program and supporting services based on labor hours worked.

Concentration of Credit Risk

Cash is maintained at financial institutions and, at times, balances may exceed federally insured limits. The Organization has never experienced any losses related to these balances.

A major vendor is any single vendor representing ten (10) percent or more of total purchases. Ninety-one (91) and ninety (90) percent of total purchases were from one major vendor, Ferraro USA, Inc., for the purchase of cookies for the annual cookie sale for the years ended September 30, 2025 and 2024, respectively.

GIRL SCOUTS OF GREATER MISSISSIPPI, INC.

NOTES TO FINANCIAL STATEMENTS  
Years Ended September 30, 2025 and 2024

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NOTE 1 • SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentration of Credit Risk (continued)

For the years ended September 30, 2025 and 2024, cookie sales represented ninety-two (92) percent of total revenue.

Liquidity and Availability

The following represents the Organization's financial assets at September 30, 2025 and 2024:

	2025	2024
Financial assets at year-end:		
Cash	\$ 4,074,599	\$ 3,870,531
Certificate of deposit	73,146	73,128
Receivables	9,385	4,508
Total financial assets	\$ 4,157,130	\$ 3,948,167
Financial assets available to meet general expenditures over the next twelve months	\$ 4,157,130	\$ 3,948,167

The Organization follows the recommendation of Girl Scouts of the USA to maintain financial assets on hand to meet nine (9) months of normal operating expenses, which are, on average, approximately \$2,404,000 and \$2,502,000 for 2025 and 2024, respectively. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, as part of its liquidity management the Organization holds its investments in fixed income mutual funds.

Leases

The Organization recognizes and measures its leases in accordance with FASB 842 Leases. The Organization is a lessee in a noncancelable operating lease for office space and a copier. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract when the terms of an existing contract are changed. The Organization recognizes a lease liability and right of use ("ROU") asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. The Organization adopted the practical expedient to use the risk-free rate on all leases. The risk-free rate was determined by using the federal reserve secured overnight financing rate at the time of lease implementation.

GIRL SCOUTS OF GREATER MISSISSIPPI, INC.

NOTES TO FINANCIAL STATEMENTS  
Years Ended September 30, 2025 and 2024

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NOTE 1 • SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

The ROU assets are subsequently amortized throughout the lease term at the amount of the remeasured lease liability, plus unamortized indirect costs, (if any), plus/minus any prepaid/accrued lease payments, (if any), less the unamortized balance of lease incentives received, (if any), and any impairment recognized, (if any). Lease cost for leases payments is recognized on a straight-line basis over the lease term and lease expense and interest expense are included in the statements of activities.

Subsequent Events

Subsequent events were evaluated by the Organization through January 29, 2026, which is the date the financial statements were available to be issued.

NOTE 2 • PROPERTY AND EQUIPMENT

Details of property and equipment at September 30, 2025 and 2024, are as follows:

	<u>2025</u>	<u>2024</u>
Land (non-depreciable)	\$ 226,281	\$ 226,281
Building and camp facilities	7,010,173	6,597,309
Furniture and fixtures	689,809	680,709
Construction in process	-	403,730
	<u>7,926,263</u>	<u>7,908,029</u>
Less: accumulated depreciation	<u>(4,762,833)</u>	<u>(4,612,738)</u>
Property and equipment, net	<u>\$ 3,163,430</u>	<u>\$ 3,295,291</u>

GIRL SCOUTS OF GREATER MISSISSIPPI, INC.

NOTES TO FINANCIAL STATEMENTS  
Years Ended September 30, 2025 and 2024

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NOTE 3 • INVESTMENTS

Investments consisted of the following at September 30, 2025:

	<u>Cost</u>	<u>Estimated Fair Value</u>
Fixed income mutual funds	\$ 298,869	\$ 383,055

Investments consisted of the following at September 30, 2024:

	<u>Cost</u>	<u>Estimated Fair Value</u>
Fixed income mutual funds	\$ 279,427	\$ 348,345

NOTE 4 • FAIR VALUE MEASUREMENTS

Accounting Standards Codification Topic 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

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

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of September 30, 2025 and 2024:

GIRL SCOUTS OF GREATER MISSISSIPPI, INC.

NOTES TO FINANCIAL STATEMENTS  
Years Ended September 30, 2025 and 2024

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NOTE 4 • FAIR VALUE MEASUREMENTS (continued)

Assets at Fair Value as of September 30, 2025

	Level 1	Level 2	Level 3	Total
Fixed income mutual funds	\$ 383,055	\$ -	\$ -	\$ 383,055
Total investments at fair value	\$ 383,055	\$ -	\$ -	\$ 383,055

Assets at Fair Value as of September 30, 2024

	Level 1	Level 2	Level 3	Total
Fixed income mutual funds	\$ 348,345	\$ -	\$ -	\$ 348,345
Total investments at fair value	\$ 348,345	\$ -	\$ -	\$ 348,345

NOTE 5 • RIGHT OF USE OF ASSETS AND LIABILITIES

The Organization is the lessee of operating leases for a building and telecommunications equipment and the lessee of a financing lease for a copier for which the Organization recognizes a lease liability and an intangible right of use lease asset in the statement of financial position.

The Organization elected the practical expedient that allows lessees to choose not to separate lease and non-lease components by class of underlying asset and are applying this expedient to all relevant asset classes. The Organization also elected the practical expedient package to not reassess at adoption (1) expired or existing contracts for whether they are, or contain, a lease, (2) the lease classification of any existing leases or (3) initial indirect costs for existing leases. The Organization's incremental borrowing rate at the time of lease implementation was used as the discount rate to estimate the right to use assets and liabilities for each lease. The Hattiesburg building leases has an incremental borrowing rate of 3.75 percent, the telecommunication equipment lease has an incremental borrowing rate of 4.35 percent, and the copier has an incremental borrowing rate of 4.84 percent.

GIRL SCOUTS OF GREATER MISSISSIPPI, INC.

NOTES TO FINANCIAL STATEMENTS  
Years Ended September 30, 2025 and 2024

NOTE 5 • RIGHT OF USE OF ASSETS AND LIABILITIES (continued)

	2025	2024
Operating cash flows from finance leases	\$ 2,076	\$ -
Financing cash flows from finance leases	\$ 11,276	\$ -
Operating cash flows from operating leases	\$ 34,763	\$ 38,062
ROU assets obtained in exchange for new finance lease liabilities	\$ 51,875	\$ -
ROU assets obtained in exchange for new operating lease liabilities	\$ 6,174	\$ 101,664
Weighted-average remaining lease term in years for finance leases	3.00	-
Weighted-average remaining lease term in years for operating leases	2.67	1.47
Weighted-average discount rate for finance leases	4.84%	-
Weighted-average discount rate for operating leases	4.35%	6.37%

The following table outlines maturities of lease liabilities as of September 30, 2025:

Year Ending September 30,	Operating Leases	Finance Leases
2026	\$ 9,263	\$ 14,566
2027	9,263	14,566
2028	6,176	14,566
Total undiscounted cash flows	24,702	43,698
Less: present value discount	(1,334)	(2,936)
Total lease liabilities	\$ 23,368	\$ 40,762

NOTE 6 • NET ASSETS WITH TIME AND USE RESTRICTIONS

Net assets were available for the following purposes at September 30, 2025 and 2024:

	2025	2024
Hederman Memorial Fund	14,029	7,261
	\$ 14,029	\$ 7,261

NOTE 7 • NET ASSETS WITH PERMANENT DONOR RESTRICTIONS

As of September 30, 2025 and 2024, the below net assets with donor restrictions required by the Hederman Memorial Fund were restricted for the purpose of establishing a permanent endowment that will fund the Organization's programs. The investment objectives of the mutual fund held by the endowment are to (1) conserve capital, (2) generate current income and (3) provide long-term growth of capital and income.

GIRL SCOUTS OF GREATER MISSISSIPPI, INC.

NOTES TO FINANCIAL STATEMENTS  
Years Ended September 30, 2025 and 2024

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NOTE 7 • NET ASSETS WITH DONOR RESTRICTIONS (continued)

	2025	2024
Cost, beginning	\$ 213,326	\$ 205,992
Dividend and redemption reinvestments	16,980	7,334
Cost, ending	\$ 230,306	\$ 213,326
	2025	2024
Market value, beginning	\$ 286,024	\$ 238,881
Net realized/unrealized gain	33,099	47,143
Market value, ending	\$ 319,123	\$ 286,024

The Hederman Memorial Fund endowment requires a portion of investment income to be added back to the corpus of the endowment based on a sliding scale. The remaining investment income from the endowment is restricted for the programs of the Organization. These funds are required to be maintained in a separate account.

Until such time as the corpus of the Hederman Memorial Fund attains a value of as noted below, the respective percentage of the income may be appropriated from net assets with donor restrictions.

<u>Corpus amount</u>	<u>Percentage</u>
Under \$200,000	10%
\$200,000 to under \$250,000	20%
\$250,000 to under \$300,000	30%
\$300,000 to under \$350,000	40%
\$350,000 to under \$500,000	50%
\$500,000 to under \$600,000	60%
\$600,000 to under \$750,000	70%
\$750,000 to under \$1,000,000	80%
\$1,000,000 and over	90%

If there is a decline in the value of the corpus of the Memorial Fund from the prior year, then all the income from the fund should be accumulated and added to the corpus until the time when the fund equals the highest market value.

GIRL SCOUTS OF GREATER MISSISSIPPI, INC.

NOTES TO FINANCIAL STATEMENTS  
Years Ended September 30, 2025 and 2024

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NOTE 8 • DONATED SERVICES AND MATERIALS

The Organization recognizes revenues for certain services and materials received at the fair value of those services. Fair value of donated materials was determined based upon the price of comparable items on the open-market. Donated materials were used as part of the Organization's camp programs. Services and materials totaled \$9,000 and \$6,678 for the years ended September 30, 2025 and 2024, respectively. The fair value of the donated services and materials are reflected in revenues and expenses.

NOTE 9 • RETIREMENT PLANS

The Organization participates in the National Girl Scout Council Retirement Plan ("NGSCR") (the "Plan"), 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 decreased during the year, but are less than the actuarial present value of accumulated Plan benefits as of January 1, 2025. 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 contribution from \$30 million to \$26 million starting in calendar year 2023 until the Plan is fully funded on a market basis. Contributions made in fiscal years 2025 and 2024 are \$134,579 and \$134,260, respectively. Legislative and regulatory solutions are being explored to reduce the minimum required contributions.

The Organization has a 401(k) defined contribution plan (the "401(k)") which is offered to its employees. Employees are immediately eligible to begin contributing to the 401(k). The Plan provides for matching contributions to be made by the Organization for employees with one (1) year of service and have at least 1,000 hours of service normally. The Organization's contributions to the 401(k) for the years ended September 30, 2025 and 2024, were \$12,928 and \$10,905, respectively.

NOTE 10 • RELATED PARTY

The Organization is a separately incorporated organization chartered by the Girl Scouts of the United States of America ("GSUSA") to deliver the Girl Scout program in forty-five (45) counties of Mississippi. The Organization purchases store merchandise from GSUSA. For the years ended September 30, 2025 and 2024, the Organization purchased \$44,925 and \$91,503, respectively, of merchandise to be included as inventory in three (3) store locations.

GIRL SCOUTS OF GREATER MISSISSIPPI, INC.

NOTES TO FINANCIAL STATEMENTS  
Years Ended September 30, 2025 and 2024

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NOTE 10 • RELATED PARTY (continued)

Based on the charter, the Organization collects membership dues on behalf of GSUSA from program participants. The dues are directly transferred to GSUSA for online registrations and are recorded as a liability and subsequently submitted for paper registrations. The amounts collected on behalf of GSUSA for 2025 and 2024 were \$172,000 and \$176,975, respectively. As of September 30, 2025 and 2024, -\$0- and \$1,186 respectively, was due to GSUSA and included in accounts payable.