GIRL SCOUTS OF MIDDLE TENNESSEE, INC.

FINANCIAL STATEMENTS

As of and for the Years Ended September 30, 2023 and 2022

And Report of Independent Auditor

Cherry Bekaert LLP

Your Guide Forward

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Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor

To the Board of Directors
Girl Scouts of Middle Tennessee, Inc.
Nashville, Tennessee

Opinion

We have audited the accompanying financial statements of Girl Scouts of Middle Tennessee, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Girl Scouts of Middle Tennessee, Inc. as of September 30, 2023 and 2022, 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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Girl Scouts of Middle Tennessee, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Girl Scouts of Middle Tennessee, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Girl Scouts of Middle Tennessee, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Other Matter

We also have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated statements of financial position of Girl Scouts of Middle Tennessee, Inc. and affiliates as of September 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended (none of which is presented herein), and we expressed an unmodified opinion on those financial statements. Such consolidated financial statements are the general purpose financial statements of Girl Scouts of Middle Tennessee, Inc. and affiliates, and the financial statements of Girl Scouts of Middle Tennessee, Inc. presented herein are not a valid substitute for those consolidated financial statements.

Cherry Bekaert LLP

Nashville, Tennessee
January 4, 2024

GIRL SCOUTS OF MIDDLE TENNESSEE, INC.
STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2023

	Without Donor Restrictions				
	Camping, Operating, and Special Project Reserves	Land, Buildings, and Equipment, and Intangible Assets	Total Without Donor Restrictions	Total With Donor Restrictions	Total
ASSETS					
Current Assets:					
Cash and cash equivalents (Note 1)	$ 2,303,088	$ -	$ 2,303,088	$ -	$ 2,303,088
Accounts and other receivables, net (Note 4)	92,266	-	92,266	-	92,266
Contributions receivable, net (Note 4)	-	-	-	77,178	77,178
Other current assets	479,818	-	479,818	-	479,818
Due from Sue Peters Foundation	10,508	-	10,508	-	10,508
Total Current Assets	2,885,680	-	2,885,680	77,178	2,962,858
Contributions receivable, net - noncurrent (Note 4)	-	-	-	100,000	100,000
Investments (Notes 1 and 5)	3,273,067	-	3,273,067	209,131	3,482,198
Right-of-use assets, net - operating leases (Note 9)	1,309,822	-	1,309,822	-	1,309,822
Property and equipment, net of accumulated depreciation (Notes 1 and 6)	-	128,027	128,027	-	128,027
Intangible assets, net (Note 7)	-	513,719	513,719	-	513,719
Total Assets	$ 7,468,569	$ 641,746	$ 8,110,315	$ 386,309	$ 8,496,624
LIABILITIES AND NET ASSETS					
Current Liabilities:					
Accounts payable	$ 87,982	$ -	$ 87,982	$ -	$ 87,982
Accrued liabilities	449,491	-	449,491	-	449,491
Operating lease liabilities, current (Note 9)	13,793	-	13,793	-	13,793
Finance lease liabilities, current (Note 9)	7,006	-	7,006	-	7,006
Deferred income	127,645	-	127,645	-	127,645
Total Current Liabilities	685,917	-	685,917	-	685,917
Long-Term Liabilities:					
Custodian funds	224,350	-	224,350	-	224,350
Operating lease liabilities, net of current portion (Note 9)	1,296,375	-	1,296,375	-	1,296,375
Finance lease liabilities, net of current portion (Note 9)	10,782	-	10,782	-	10,782
Total Long-Term Liabilities	1,531,507	-	1,531,507	-	1,531,507
Total Liabilities	2,217,424	-	2,217,424	-	2,217,424
Net Assets (Notes 1 and 10):					
Without donor restrictions	5,251,145	641,746	5,892,891	-	5,892,891
With donor restrictions	-	-	-	386,309	386,309
Total Net Assets	5,251,145	641,746	5,892,891	386,309	6,279,200
Total Liabilities and Net Assets	$ 7,468,569	$ 641,746	$ 8,110,315	$ 386,309	$ 8,496,624

The accompanying notes to the financial statements are an integral part of these statements.

GIRL SCOUTS OF MIDDLE TENNESSEE, INC.
STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2022

	Without Donor Restrictions				
	Camping, Operating, and Special Project Reserves	**Land, Buildings, and Equipment, and Intangible Assets**	**Total Without Donor Restrictions**	**Total With Donor Restrictions**	**Total**
ASSETS					
Current Assets:					
Cash and cash equivalents (Note 1)	$ 1,654,044	$ -	$ 1,654,044	$ 14,500	$ 1,668,544
Accounts and other receivables, net (Note 4)	841,153	-	841,153	-	841,153
Contributions receivable, net (Note 4)	-	-	-	85,025	85,025
Other current assets	562,081	-	562,081	-	562,081
Due from Sue Peters Foundation	54,508	-	54,508	-	54,508
Total Current Assets	3,111,786	-	3,111,786	99,525	3,211,311
Contributions receivable, net - noncurrent (Note 4)	-	-	-	150,000	150,000
Investments (Notes 1 and 5)	3,658,142	-	3,658,142	194,989	3,853,131
Property and equipment, net of accumulated deprecation (Notes 1 and 6)	-	146,578	146,578	-	146,578
Intangible assets, net (Note 7)	-	642,119	642,119	-	642,119
Total Assets	$ 6,769,928	$ 788,697	$ 7,558,625	$ 444,514	$ 8,003,139
LIABILITIES AND NET ASSETS					
Current Liabilities:					
Accounts payable	$ 238,213	$ -	$ 238,213	$ -	$ 238,213
Accrued liabilities	615,210	-	615,210	-	615,210
Deferred income	89,634	-	89,634	-	89,634
Total Current Liabilities	943,057	-	943,057	-	943,057
Custodian funds	231,844	-	231,844	-	231,844
Total Liabilities	1,174,901	-	1,174,901	-	1,174,901
Net Assets (Notes 1 and 10):					
Without donor restrictions	5,595,027	788,697	6,383,724	-	6,383,724
With donor restrictions	-	-	-	444,514	444,514
Total Net Assets	5,595,027	788,697	6,383,724	444,514	6,828,238
Total Liabilities and Net Assets	$ 6,769,928	$ 788,697	$ 7,558,625	$ 444,514	$ 8,003,139

The accompanying notes to the financial statements are an integral part of these statements.

GIRL SCOUTS OF MIDDLE TENNESSEE, INC.
STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support:			
Annual giving	$ 509,267	$ 27,178	$ 536,445
Golf tournament, net	55,764	-	55,764
Government grants	74,979	-	74,979
United Way contributions	9,548	-	9,548
Community receptions	115,713	-	115,713
Total Public Support	765,271	27,178	792,449
Revenue:			
Program Related Revenue:			
Cookie sales, net (Note 11)	4,028,589	-	4,028,589
Camping fees	684,054	-	684,054
Program fees	232,880	-	232,880
Sale of merchandise, gross	463,431	-	463,431
Less cost of sales	(381,965)	-	(381,965)
Other income, net	360,671	-	360,671
Total Revenue	5,387,660	-	5,387,660
Net Assets Released from Restrictions:			
Satisfaction of program and time restrictions	99,525	(99,525)	-
Total Revenues, Gains, and Other Support	6,252,456	(72,347)	6,180,109
Expenses:			
Program services	5,502,360	-	5,502,360
Supporting Services:			
Management and general	172,693	-	172,693
Fundraising and community relations	229,391	-	229,391
Total Expenses	5,904,444	-	5,904,444
Change in Net Assets from Operating Activities	348,012	(72,347)	275,665
Nonoperating Activities:			
Investment return, net (Note 5)	433,207	14,142	447,349
Change in net assets	781,219	(58,205)	723,014
Net assets, beginning of year	6,383,724	444,514	6,828,238
Transfer of net assets to Sue Peters Foundation, net (Note 1)	(1,272,052)	-	(1,272,052)
Net assets, end of year	$ 5,892,891	$ 386,309	$ 6,279,200

The accompanying notes to the financial statements are an integral part of these statements.

GIRL SCOUTS OF MIDDLE TENNESSEE, INC.
STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support:			
Annual giving	$ 704,689	$ 29,525	$ 734,214
Golf tournament, net	42,669	10,000	52,669
Government grants	1,069,145	-	1,069,145
United Way contributions	13,275	-	13,275
In-kind contributions	79,927	10,000	89,927
Total Public Support	1,909,705	49,525	1,959,230
Revenue:			
Program Related Revenue:			
Cookie sales, net (Note 11)	3,610,808	-	3,610,808
Camping fees	624,002	-	624,002
Program fees	207,102	-	207,102
Sale of merchandise, gross	441,144	-	441,144
Less cost of sales	(353,196)	-	(353,196)
Other income, net	365,720	-	365,720
Total Revenue	4,895,580	-	4,895,580
Net Assets Released from Restrictions:			
Satisfaction of program and time restrictions	411,279	(411,279)	-
Total Revenues, Gains, and Other Support	7,216,564	(361,754)	6,854,810
Expenses:			
Program services	5,637,786	-	5,637,786
Supporting Services:			
Management and general	169,034	-	169,034
Fundraising and community relations	268,801	-	268,801
Total Expenses	6,075,621	-	6,075,621
Change in Net Assets from Operating Activities	1,140,943	(361,754)	779,189
Nonoperating Activities:			
Investment return, net (Note 5)	(469,833)	(15,556)	(485,389)
Change in net assets	671,110	(377,310)	293,800
Net assets, beginning of year	7,398,288	821,824	8,220,112
Transfer of net assets to Sue Peters Foundation, net (Note 1)	(1,685,674)	-	(1,685,674)
Net assets, end of year	$ 6,383,724	$ 444,514	$ 6,828,238

The accompanying notes to the financial statements are an integral part of these statements.

GIRL SCOUTS OF MIDDLE TENNESSEE, INC.
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2023

		Supporting Services			
	Program Services	Management and General	Fundraising and Community Relations	Total Supporting Services	Total
Salaries	$ 2,153,633	$ 105,760	$ 125,815	$ 231,575	$ 2,385,208
Payroll taxes	170,617	7,562	7,241	14,803	185,420
Employee health and other benefits	223,102	11,074	13,246	24,320	247,422
Total Salaries and Related Expenses	2,547,352	124,396	146,302	270,698	2,818,050
Occupancy	718,148	10,505	21,559	32,064	750,212
Legal fees	372,479	-	-	-	372,479
Professional fees	295,985	30,669	24,743	55,412	351,397
Scholarships and financial aid	262,834	-	-	-	262,834
Capital budget - repairs and maintenance	244,140	-	-	-	244,140
Supplies	212,123	441	1,153	1,594	213,717
Conferences, conventions, meetings, and training	189,781	343	890	1,233	191,014
Program consultants	108,400	-	18,257	18,257	126,657
Travel	74,216	720	2,264	2,984	77,200
Telephone	68,098	1,421	2,383	3,804	71,902
Miscellaneous	57,147	58	2,156	2,214	59,361
Awards and gifts	47,509	87	928	1,015	48,524
Printing and publications	37,978	426	4,195	4,621	42,599
Insurance	33,843	1,670	1,997	3,667	37,510
Rental, repair, and maintenance	26,017	1,730	971	2,701	28,718
Postage and shipping	7,198	83	1,270	1,353	8,551
Membership dues	2,274	144	323	467	2,741
Total Expenses Before Depreciation and Amortization	5,305,522	172,693	229,391	402,084	5,707,606
Depreciation and amortization	196,838	-	-	-	196,838
Total Expenses	$ 5,502,360	$ 172,693	$ 229,391	$ 402,084	$ 5,904,444

The accompanying notes to the financial statements are an integral part of these statements.

GIRL SCOUTS OF MIDDLE TENNESSEE, INC.
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2022

		Supporting Services			
	Program Services	Management and General	Fundraising and Community Relations	Total Supporting Services	Total
Salaries	$ 2,098,853	$ 103,817	$ 148,739	$ 252,556	$ 2,351,409
Payroll taxes	138,828	5,636	8,581	14,217	153,045
Employee health and other benefits	240,339	11,740	16,800	28,540	268,879
Total Salaries and Related Expenses	2,478,020	121,193	174,120	295,313	2,773,333
Occupancy	871,598	-	-	-	871,598
Legal fees	688,183	16,726	21,816	38,542	726,725
Professional fees	261,235	-	-	-	261,235
Scholarships and financial aid	212,108	23,971	13,806	37,777	249,885
Supplies	171,284	517	1,449	1,966	173,250
Capital budget - repairs and maintenance	164,314	448	1,358	1,806	166,120
Conferences, conventions, meetings, and training	139,017	-	-	-	139,017
Telephone	95,578	-	35,225	35,225	130,803
Insurance	71,045	1,541	2,233	3,774	74,819
Program consultants	65,992	556	2,424	2,980	68,972
Travel	58,026	90	2,680	2,770	60,796
Miscellaneous	48,805	2,364	3,383	5,747	54,552
Awards and gifts	36,178	423	5,851	6,274	42,452
Printing and publications	36,440	141	1,026	1,167	37,607
Rental, repair, and maintenance	31,054	880	1,259	2,139	33,193
Postage and shipping	8,316	51	1,857	1,908	10,224
Membership dues	2,049	133	314	447	2,496
Total Expenses Before Depreciation and Amortization	5,439,242	169,034	268,801	437,835	5,877,077
Depreciation and amortization	198,544	-	-	-	198,544
Total Expenses	$ 5,637,786	$ 169,034	$ 268,801	$ 437,835	$ 6,075,621

GIRL SCOUTS OF MIDDLE TENNESSEE, INC.
STATEMENTS OF CASH FLOWS

YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	$ 723,014	$ 293,800
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization	196,838	198,544
Amortization of right-of-use assets - operating leases	13,338	-
Gain on disposal of property and equipment	-	(183,734)
Net (gain) loss on investments	(303,743)	488,053
Contributions restricted for property and equipment	(25,000)	-
Changes in operating assets and liabilities:		
Accounts and other receivables, net	748,887	(816,294)
Contributions receivable, net	7,847	(30,000)
Other current assets	82,263	(435,937)
Due from Sue Peters Foundation	44,000	(204,043)
Accounts payable	(150,231)	(6,567)
Accrued liabilities	(165,719)	225,197
Deferred income	38,011	52,667
Custodian funds	(7,494)	59,652
Operating lease liabilities	(2,556)	-
Net cash flows from operating activities	1,199,455	(358,662)
Cash flows from investing activities:		
Proceeds from sale of investments	1,142,319	1,409,027
Purchases of investments	(467,643)	(653,498)
Proceeds from disposal of property and equipment	-	183,734
Purchases of property and equipment	(2,046,224)	(2,313,162)
Net cash flows from investing activities	(1,371,548)	(1,373,899)
Cash flows from financing activities:		
Collections of contributions restricted for property and equipment	75,000	150,000
Principal payment on finance lease liabilities	(18,363)	-
Transfer from Sue Peters Foundation	750,000	750,000
Net cash flows from financing activities	806,637	900,000
Change in cash and cash equivalents	634,544	(832,561)
Cash and cash equivalents, beginning of year	1,668,544	2,501,105
Cash and cash equivalents, end of year	$ 2,303,088	$ 1,668,544
Noncash investing activities:		
Transfer of property and equipment to Sue Peters Foundation	$ 2,022,052	$ 2,435,674
Purchases of land, buildings, and equipment financed through accounts payable	$ -	$ 131,573
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	$ 1,323,160	$ -
Financing leases	$ 36,151	$ -

The accompanying notes to the financial statements are an integral part of these statements.

Note 1—Summary of significant accounting policies

Nature of Activities – Girl Scouts of Middle Tennessee, Inc. (the "Organization") provides programs and administrative support for local Girl Scout troops in Middle Tennessee. The Organization is supported primarily through public support and the sale of cookies and merchandise. The following is a summary of the Organization's significant accounting policies.

Supporting Organization – The Sue Peters Foundation for Girls of Character, Courage, and Confidence in Middle Tennessee Trust (the "Trust") was established on December 11, 2014 and is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC"). The Trust was established to support Girl Scouts of Middle Tennessee, Inc. by providing real estate to be used for outdoor programs, a central office for the agency to conduct its operations, and scholarship opportunities for Girl Scout Gold Award recipients. Land, buildings, and equipment as well as investments were transferred from Girl Scouts of Middle Tennessee, Inc. to the Trust. Such transfers of net assets totaled $1,272,052 and $1,685,674 for the years ended September 30, 2023 and 2022, respectively. Girl Scouts of Middle Tennessee, Inc. has entered into agreements to lease certain properties from the Trust and also to provide administrative services to the Trust. Girl Scouts of Middle Tennessee, Inc. controls the Trust through the appointment of its Board of Directors (the "Board").

Subsidiary – The Organization established Align 3C LLC ("Align"), a separate for-profit Tennessee limited liability company, on January 9, 2017. Align is wholly owned by the Organization and was established to own and potentially to license certain software products. Align had no significant activity for the years ended September 30, 2023 or 2022.

Basis of Presentation – These financial statements represent only the financial activities of the Organization and do not include any financial information of the Trust or Align. These parent entity only financial statements are presented in addition to the consolidated audited financial statements of Girl Scouts of Middle Tennessee, Inc. and affiliates. Such consolidated financial statements are the general-purpose financial statements of Girl Scouts of Middle Tennessee, Inc. and affiliates, and the financial statements of Girl Scouts of Middle Tennessee, Inc. presented herein are not a valid substitute for those consolidated financial statements.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board. Net assets without donor restrictions may be designated for specific purposes by action of the Board.

Net Assets With Donor Restrictions – Net assets that are subject to stipulations by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. When a restriction expires, 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. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Net assets with donor restrictions in perpetuity are primarily comprised of the original endowment gifts given to the Organization by donors. Generally, the donors of these assets permit the Organization to use all or part of the income from these assets for the Organization's operations.

Note 1—Summary of significant accounting policies (continued)

Cash and Cash Equivalents – The Organization considers all cash funds, cash bank accounts, and highly liquid debt instruments, with an original maturity when purchased of three months or less, to be cash and cash equivalents.

Accounts and Other Receivables – Accounts receivable are reviewed periodically as to their collectability. An allowance for uncollectible accounts is provided based on past experience with collections and estimated collectability of current receivables. Uncollectible accounts are charged against the allowance in the period they are deemed uncollectible.

Contributions and contributions receivable are recognized when the donor makes a gift to the Organization that is, in substance, unconditional. Contributions may be subject to conditions in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligation to make future payments). Conditional contributions are recognized when the barrier is satisfied. All unconditional contributions are considered to be available for operations unless specifically restricted by the donor or grantor. Amounts received that are restricted for future periods or restricted by the donor or grantor for specific purposes are reported as increases to net assets with donor restrictions. When a restriction expires or restriction is met, net assets with restrictions are reclassified to net assets without restrictions and reported in the statements of activities as net assets released from restrictions. Contributions to be received over periods of more than one year are discounted to their net present value based on a credit risk adjusted rate. Amortization of net present value discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Inventory – Inventory consists principally of Girl Scout related clothing and supplies and is stated at the lower of cost or market determined on the first-in, first-out basis and is included in other current assets on the statements of financial position. The Organization purchases a majority of its merchandise inventory from Girl Scouts of the USA (“GSUSA”). Inventory totaling $335,396 and $302,632 is included in other current assets at September 30, 2023 and 2022, respectively.

Investments – Investments are stated at fair value on a recurring basis. Unrealized gains and losses as well as appreciation or depreciation in fair value are reflected as investment return, net in the accompanying statement of activities.

Property and Equipment – Property and equipment is recorded at cost to the Organization, or if contributed, at the approximate fair value at the date of acquisition. All depreciation is computed using the straight-line method based on the estimated useful life of the asset.

Maintenance and repairs are charged to operations when incurred. Betterments and renewals which extend the useful life of the asset over one year are capitalized. When buildings and equipment are sold or otherwise disposed, the asset and related accumulated depreciation are relieved, and any gain or loss is included in revenue.

Leases – The Organization leases certain buildings and equipment. The determination of whether an arrangement is a lease is made at the lease’s inception. For contracts entered into on or after the effective date or at the inception of a contract, the Organization assessed whether the contract is, or contains, a lease. The assessment is based on: (1) whether the contract involves the use of a distinct identified asset, (2) whether the Organization obtains the right to substantially all the economic benefit from the use of the asset throughout the period, and (3) whether the Organization has the right to direct the use of the asset. The Organization has also elected not to recognize right-of-use (“ROU”) assets and lease liabilities for short-term leases that have a term of twelve months or less. The effect of short-term leases would not be material to the ROU assets and lease liabilities.

Note 1—Summary of significant accounting policies (continued)

ROU assets and lease liabilities are recognized at the commencement date based on the present value of the future minimum lease payments over the lease term. Renewal and termination clauses are factored into the determination of the lease term if it is reasonably certain that these options would be exercised by the Organization. Lease assets are amortized over the lease term unless there is a transfer of title or purchase option reasonably certain of exercise, in which case the asset life is used. Certain of the Organization's lease agreements include variable payments. Variable lease payments not dependent on an index or rate primarily consist of common area maintenance, property tax, and property insurance charges and are not included in the calculation of the ROU asset and lease liability and are expensed as incurred. To determine the present value of lease payments, the Organization uses the implicit rate when it is readily determinable. As most of the Organization's leases do not provide an implicit rate, the Organization has elected to utilize the risk-free discount rate to calculate lease assets and liabilities.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Organization does not have leases where it is involved with the construction or design of an underlying asset. The Organization has no material obligation for leases signed but not yet commenced as of September 30, 2023. The Organization does not have any material sublease activities.

Fair Value of Financial Instruments – The carrying amounts of financial instruments including cash and cash equivalents, accounts and other receivables, and accounts payable and accrued expenses approximate their fair values because of the relatively short maturity of these instruments.

Endowment Funds – As required by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"), a nonprofit organization should classify the portion of a donor-restricted endowment fund that is not restricted by the donor in perpetuity or by law as net assets with donor restrictions (time restricted) until it is appropriated for expenditure and donor-imposed purpose restrictions, if any, are met.

When the purpose restrictions, if any, on the portion of donor-restricted endowment funds are met and the appropriation has occurred, donor-restricted net assets are reclassified to net assets without donor restrictions.

Membership – Membership fees are collected and forwarded to GSUSA. Accordingly, no membership fees are reflected in the statements of activities.

Expense Allocation – The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Salaries and related expenses are allocated to the various program and supporting services based on actual or estimated time employees spend on each function. The remaining expenses are specifically allocated whenever practical. Management and general expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Organization.

Donated Services – The Organization receives donated services from a variety of unpaid volunteers. No amounts have been recognized in the accompanying statements of activities related to volunteer services because the criteria for recognition of such volunteer effort under U.S. GAAP have not been satisfied.

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 1—Summary of significant accounting policies (continued)

Income Taxes – The Organization is a not-for-profit organization and is exempt from income taxes under Section 501(c)(3) of the IRC, and the Organization is classified as an organization that is not a private foundation as defined in Section 509(a) of the IRC. Therefore, no provision for federal income taxes is included in the accompanying financial statements.

The Organization follows FASB ASC guidance clarifying the accounting for uncertainty in income taxes recognized in an entity's financial statements. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The Organization has no tax penalties or interest reported in the accompanying financial statements.

Revenue Recognition – The Organization follows FASB Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU 2014-09 clarifies the principles for recognizing revenue and develops a common revenue standard under U.S. GAAP under which an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services (see Note 2).

Adoption of Accounting Pronouncements – On October 1, 2022, the Organization adopted the Financial Accounting Standards Board ("FASB") ASU) 2016-02, *Leases (Topic 842)*. The most significant change in the new leasing guidance is the requirement to recognize ROU assets and lease liabilities for operating leases on the statement of financial position. The Organization adopted this ASU using the modified retrospective approach. On October 1, 2022, the Organization recognized ROU assets and operating lease liabilities of $1,323,160 and property and equipment and finance lease liabilities of $36,151.

Recently Issued Accounting Pronouncement – In June 2016, FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326)* and subsequently related amendments (ASU 2018-19, ASU 2019-04, ASU 2019-05, ASU 2019-10, ASU 2019-11, and ASU 2022-02). This guidance replaces the existing incurred loss impairment guidance and establishes a single allowance framework for financial assets carried at amortized cost based on expected credit losses. The estimate of expected credit losses requires the incorporation of historical information, current conditions, and reasonable and supportable forecasts. This ASU will be effective for the year ended September 30, 2024. The Organization is currently evaluating the effect the adoption of this ASU will have on the financial statements.

Subsequent Events – The Organization evaluated subsequent events through January 4, 2024, when these financial statements were available to be issued.

Note 2—Revenue recognition

The Organization follows Topic 606, which requires an entity to recognize revenue when it transfers the promised goods or services to a customer in an amount that reflects consideration to which the entity expects to be entitled to in exchange for those goods and services.

The Organization recognizes revenue for services in accordance with the following five steps outlined in ASC 606:

- Identification of the contract or contracts with a customer.
- Identification of the performance obligations in the contract.
- Determination of the transaction prices.
- Allocation of the transaction price to the performance obligations in the contract.
- Recognition of revenue when or as the Organization satisfies a performance obligation.

Note 2—Revenue recognition (continued)

The Organization has analyzed the provisions of Topic 606 and has concluded the following:

Contract Balances – Net accounts receivable related to exchange transactions were $43,690 and $20,283 as of September 30, 2023 and 2022, respectively. Deferred revenue was $127,645 and $89,634 as of September 30, 2023 and 2022, respectively.

Accounts receivable consist of amounts due from product sales and are presented net of an allowance for doubtful accounts. Management evaluates the collectability of accounts receivable based primarily on the length of time the receivables are past due, historical experience, and an individual customer's ability to meet their financial obligations. When it has been determined to be probable that an account is uncollectible, the Organization recognizes an allowance for doubtful accounts. However, actual accounts receivable write-offs might differ from management's estimate. The allowance for doubtful accounts included in accounts receivable, net totaled $18,748, at September 30, 2023 and 2022.

Deferred revenue represents cash received in advance of the program services rendered. Such revenues will be recognized in the subsequent year.

Sales of Products – Sales of product are recognized at the time of delivery to the customer and when collectability is reasonably assured. Such revenue is included in program related revenue in the accompanying statements of activities. Revenue is recorded net of estimated and actual sales adjustments in the same period the related revenues are recorded or when current information indicates additional allowances are required. These estimates are based on the Organization's historical experience, specific customer information, and current economic conditions.

Performance Obligations – A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account under Topic 606. The transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Organization's contracts with customers do not typically include multiple performance obligations.

Variable Consideration – The Organization's contracts with customers do not result in contract modifications. The Organization offers immaterial discounts to its customers, which it nets with total sales in the accompanying statements of activities. The discounts offered by the Organization are fixed and are recognized at the point in time the sale occurs.

Payment Terms – The Organization's payment terms vary by the type of products offered. The time between invoicing and when payment is due is not significant. The Organization's contracts with customers do not generally result in significant obligations associated with returns, refunds, or warranties. Revenue is recognized net of taxes collected from customers, which are subsequently remitted to governmental authorities.

Contract Costs – The Organization does not recognize any assets associated with the incremental costs of obtaining a contract with a customer (for example, a sales commission) the Organization expects to recover. Most revenue is recognized at a point-in-time or over a period of one year or less, and the Organization uses the practical expedient that allows the Organization to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that would have otherwise been recognized is one year or less.

Note 2—Revenue recognition (continued)

Practical Expedients and Exemptions – There are several practical expedients and exemptions allowed under Topic 606 that impact timing of revenue recognition and disclosures. The Organization applied a practical expedient in the adoption and application of ASC 606 that allows the Organization to elect to treat similar contracts as part of a portfolio of contracts. The contracts have the same provision terms and management has the expectation that the result will not be materially different from the consideration of each individual contract.

Disaggregation of Revenue – The statements of activities depict the disaggregation of revenue by revenue stream for the years ended September 30, 2023 and 2022, and is consistent with how the Organization evaluates financial performance.

Note 3—Liquidity and availability of resources

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program service activities as well as the conduct of services undertaken to support those activities to be general expenditures. Financial assets available for general expenditures, that is, without donor restriction or other restrictions limiting their use within one year of the statement of financial position comprise the following at September 30:

	2023	2022
Financial assets at year-end:		
Cash and cash equivalents	$ 2,303,088	$ 1,668,544
Accounts and other receivables, net	92,266	841,153
Contributions receivables, net	77,178	85,025
Contributions receivables, net - noncurrent	100,000	150,000
Investments	3,482,198	3,853,131
Total financial assets	6,054,730	6,597,853
Less amounts not available to be used for general expenditures within one year:		
Assets subject to restrictions	386,309	444,514
Financial assets available to meet cash needs for general expenditures within one year	$ 5,668,421	$ 6,153,339

Note 4—Accounts, contributions, and other receivables

Accounts, contributions, and other receivables consist of the following at September 30:

	2023	2022
Accounts receivable, net of allowance for doubtful accounts of $18,748 for both years	$ 43,690	$ 20,283
Government grants receivable - Employee Retention Credit	-	820,870
Other	48,576	-
Accounts and other receivables, net	$ 92,266	$ 841,153
Capital campaign gifts	$ 150,000	$ 200,000
Other	27,178	35,025
Contributions receivable, net	$ 177,178	$ 235,025

	2023	2022
Receivable in less than one year	$ 169,444	$ 926,178
Receivable in one to five years	100,000	150,000
	$ 269,444	$ 1,076,178

Net present value discount and uncollectible amounts for unconditional promises to give are expected to be insignificant and, accordingly, no net present value discount or provision is made for uncollectible unconditional promises to give.

Note 5—Investments and fair value measurements

The Organization has adopted the provisions of the *Fair Value Measurement* topic of the FASB ASC. This guidance establishes a framework for measuring fair value for financial assets and financial liabilities. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The applicable levels of the fair value hierarchy are described below:

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; and
- Inputs that are derived principally from or corroborated by the observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, 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.

Note 5—Investments and fair value measurements (continued)

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at September 30, 2023 or 2022.

Level 1 Assets – Determined by obtaining quoted market prices in active markets.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of September 30, 2023:

	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	$ 176,009	$ -	$ -	$ 176,009
Fixed income funds:				
Long duration fixed income	1,011,810	-	-	1,011,810
Total fixed income funds	1,011,810	-	-	1,011,810
Equity funds:				
Large cap foreign funds	573,989	-	-	573,989
Large cap U.S. funds	187,013	-	-	187,013
Small bond funds	119,255	-	-	119,255
Total equity funds	880,256	-	-	880,256
Common stock:				
Technology	275,622	-	-	275,622
Consumer goods	277,258	-	-	277,258
Industrial goods	155,183	-	-	155,183
Healthcare	194,949	-	-	194,949
Financial	180,157	-	-	180,157
Services	112,428	-	-	112,428
Basic materials	110,837	-	-	110,837
Utilities	61,244	-	-	61,244
Energy	46,444	-	-	46,444
Total common stock	1,414,123	-	-	1,414,123
Total investments at fair value	$ 3,482,198	$ -	$ -	$ 3,482,198

Note 5—Investments and fair value measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of September 30, 2022:

	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	$ 45,498	$ -	$ -	$ 45,498
Fixed income funds:				
Long duration fixed income	1,355,436	-	-	1,355,436
Total fixed income funds	1,355,436	-	-	1,355,436
Equity funds:				
Large cap foreign funds	493,660	-	-	493,660
Large cap U.S. funds	164,445	-	-	164,445
Small/mid cap U.S. funds	139,539	-	-	139,539
Real estate investment trust funds	96,204	-	-	96,204
Small bond funds	69,415	-	-	69,415
Total equity funds	963,263	-	-	963,263
Common stock:				
Technology	318,255	-	-	318,255
Consumer goods	267,433	-	-	267,433
Industrial goods	201,916	-	-	201,916
Healthcare	184,248	-	-	184,248
Financial	172,632	-	-	172,632
Services	96,408	-	-	96,408
Basic materials	90,339	-	-	90,339
Utilities	78,707	-	-	78,707
Communication	44,509	-	-	44,509
Energy	34,487	-	-	34,487
Total common stock	1,488,934	-	-	1,488,934
Total investments at fair value	$ 3,853,131	$ -	$ -	$ 3,853,131

Net gain (loss) on investments amounted to $303,743 and $(488,053) for the years ended September 30, 2023 and 2022, respectively. The following schedule summarizes the net investment return for the years ended September 30:

	2023	2022
Net gain (loss) on investments	$ 303,743	$ (488,053)
Interest and dividends	160,567	25,599
Investment fees	(16,961)	(22,935)
	$ 447,349	$ (485,389)

Note 6—Property and equipment

Property and equipment consist of the following at September 30:

	2023	2022
Equipment	$ 1,575,227	$ 1,591,144
Less accumulated depreciation	(1,447,200)	(1,444,566)
	$ 128,027	$ 146,578

Depreciation expense amounted to $68,438 and $70,144 for the years ended September 30, 2023 and 2022, respectively, based on estimated useful lives ranging from 3 to 15 years.

Note 7—Intangible assets

The Organization engaged a data solution company to develop new membership, training, and operations software. These costs will be amortized over a period of 10 years. Intangible assets consist of the following at September 30:

	2023	2022
Software development costs	$ 1,263,500	$ 1,263,500
Less accumulated amortization	(749,781)	(621,381)
	$ 513,719	$ 642,119

Amortization expense amounted to $128,400 for the years ended September 30, 2023 and 2022, respectively.

At September 30, 2023, estimated aggregate amortization expense in future years is as follows:

Years Ending September 30,	
2024	$ 128,400
2025	128,400
2026	128,400
2027	128,400
2028	119
	$ 513,719

Note 8—Government grants

The CARES Act contains the Employee Retention Credit (“ERC”), a refundable payroll tax credit available to employers that have experienced hardship in their operations due to the COVID-19 outbreak. During the year ended September 30, 2022, the Organization reviewed its eligibility for ERC and determined that the Organization qualified for $248,275 and $820,870 of ERC for various quarters related to 2020 and 2021, respectively. The Organization selected ASC 958-605 as the applicable standard for accounting for ERC and, as such, recognized the ERC when the amended payroll tax returns were filed. Employee retention credit income of $1,069,145 has been recorded in government grants on the statement of activities for the year ended September 30, 2022. Of that amount, $820,870 was included in accounts and other receivables on the statement of financial position at September 30, 2022. Such amounts were collected during the year ended September 30, 2023.

Note 9—Leases

The Organization has lease agreements with a related party for camps and certain office space and with unrelated third parties for office space and office equipment. The following is a summary of the carrying values of ROU assets held under operating leases and property and equipment held under financing leases at September 30, 2023:

Operating Leases:		
Right-of-use assets	$	1,323,160
Less accumulated amortization		(13,338)
Right-of-use assets, net	$	1,309,822
Finance Leases:		
Property and equipment	$	36,151
Less accumulated depreciation		(10,437)
Property and equipment, net	$	25,714

The following operating payments related to operating a finance leases are expected to be paid for each of the following years ended September 30:

Years ending September 30,		Finance		Operating
2024	$	7,500	$	62,250
2025		3,300		50,000
2026		3,300		50,000
2027		3,300		50,000
2028		1,650		50,000
Thereafter		-		4,266,670
Total undiscounted cash flows		19,050		4,528,920
Less present value discount		(1,262)		(3,218,752)
Total lease liabilities	$	17,788	$	1,310,168

Required supplemental information relating to the Organization's leases for the year ended September 30, 2023 is as follows:

Lease expense:		
Finance lease expense		
Amortization of right-of-use assets	$	10,437
Interest on lease liabilities		911
Operating lease expense		62,346
Total	$	73,694

Other Information:	
Weighted-average remaining lease term for finance leases	3.79 years
Weighted-average remaining lease term for operating leases	89.51 years
Weighted-average discount rate for finance leases	3.94%
Weighted-average discount rate for operating leases	3.73%

Note 10—Restrictions on net assets

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

	2023	2022
Time and purpose restrictions:		
Unconditional promises to give due in future periods	$ 177,178	$ 235,025
LEAD program	-	14,500
Endowment earnings restricted for specified programs	67,715	53,573
Endowment restrictions in perpetuity:		
Dorothy May Campership fund	78,657	78,657
Judy Smith Promise Circle	42,102	42,102
Sue Peters endowment	12,363	12,363
Fran Barge endowment	8,294	8,294
	$ 386,309	$ 444,514

As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based upon the existence or absence of donor-imposed restrictions.

The Uniform Prudent Management of Institutional Funds Act ("UPMIFA") was enacted in Tennessee effective July 1, 2007. The Board has interpreted the UPMIFA as requiring that the Organization classify as net assets restricted in perpetuity: a) the original value of donor-restricted gifts to the endowment; b) the original value of subsequent donor-restricted gifts to the endowment; and c) accumulations (interest, dividends, capital gain/loss) to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions in perpetuity is classified as net assets with donor restrictions until those amounts are approved for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

Endowment net asset composition by type of fund as of September 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 209,131	$ 209,131

Changes in endowment net assets for the year ended September 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 194,989	$ 194,989
Investment return, net	-	14,142	14,142
Endowment net assets, end of year	$ -	$ 209,131	$ 209,131

Endowment Net asset composition by type of fund as of September 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 194,989	$ 194,989

Note 10—Restrictions on net assets (continued)

Changes in endowment net assets for the year ended September 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 210,545	$ 210,545
Investment return, net	-	(15,556)	(15,556)
Endowment net assets, end of year	$ -	$ 194,989	$ 194,989

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board, the endowment assets are to be invested primarily in equities, fixed income investments. and cash securities.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Organization has a policy of obtaining the Board’s approval for any distribution of dividend and interest income from the endowment fund. At September 30, 2023 and 2022, there were no underwater endowments.

Note 11—Concentrations

The Organization receives a substantial amount of its support from the sale of cookies. A significant reduction in the level of cookie sales, if this were to occur, could have an adverse impact on the Organization’s programs and services. A summary of the cookie sale program activity is as follows for the years ended September 30:

	2023	2022
Total gross cookie program sales	$ 7,784,194	$ 6,847,010
Less cost of goods sold	(2,591,699)	(2,223,880)
Less allocations to troops and service units	(1,163,906)	(1,012,322)
Total net cookie program sales	$ 4,028,589	$ 3,610,808

Financial instruments that potentially subject the Organization to credit risk consist principally of cash and cash equivalents and investments. The Organization’s cash and cash equivalent balances generally exceed Federal Deposit Insurance Corporation (“FDIC”) insured limits. The Organization has not experienced any losses in these balances and considers this to be a normal business risk. The Organization had approximately $1,938,979 and $1,749,000 of cash and cash equivalents in excess of FDIC insured limits at September 30, 2023 and 2022, respectively.

The Organization’s investments are subject to market risk, the risk inherent in a fluctuating market. To minimize risk related to investments, the Organization’s investment portfolio is diversified among a variety of asset categories. The Organization regularly evaluates its investment strategy.

Note 12—Defined contribution retirement plan

On January 1, 2013, the Organization adopted a 403(b) retirement plan. Employees who work at least 20 hours per week are eligible to contribute to the 403(b) plan upon reaching age 18. Effective January 1, 2014, unless the participant makes a contrary election, the Organization will automatically withhold 6% from the participant's payroll each pay period. Employees are eligible to receive discretionary contributions upon reaching age 18 and completing one year of qualified service. No discretionary contributions were made for the years ended September 30, 2023 or 2022.