

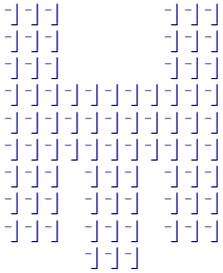
GIRL SCOUTS OF SOUTHEAST FLORIDA, INC.

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

**For the Year Ended September 30, 2025
(with comparable totals for September 30, 2024)**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Girl Scouts of Southeast Florida, Inc.
Lake Worth, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Girl Scouts of Southeast Florida, Inc. (a not-for-profit corporation), which comprise the statement of financial position as of September 30, 2025, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Girl Scouts of Southeast Florida, Inc. as of September 30, 2025, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Girl Scouts of Southeast Florida, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Southeast Florida, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement 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 Southeast Florida, 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Girl Scouts of Southeast Florida, Inc.'s ability to continue as a going for a reasonable period of time.

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

Report on Supplementary Information

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

Report on Summarized Comparative Information

We have previously audited Girl Scouts of Southeast Florida, Inc.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 23, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended **September 30, 2024**, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Holyfield & Thomas, LLC

West Palm Beach, Florida
January 15, 2026

**GIRL SCOUTS OF
SOUTHEAST FLORIDA, INC.**

STATEMENT OF FINANCIAL POSITION

As of September 30, 2025

(with comparable totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Totals	2024 Totals
ASSETS				
Cash and cash equivalents	\$ 1,599,363	\$ 25,994	\$ 1,625,357	\$ 3,457,645
Investments	8,504,561	-	8,504,561	5,747,289
Grants and other receivables	31,151	12,942	44,093	39,543
Inventories	115,317	-	115,317	136,564
Prepaid expenses and other assets	153,261	-	153,261	147,376
Total current assets	10,403,653	38,936	10,442,589	9,528,417
Cash and cash equivalents, designated	500,000	-	500,000	500,000
Investments in endowment	-	25,000	25,000	25,000
Property and equipment, net	4,889,877	-	4,889,877	4,806,429
Right-of-use assets:				
Operating lease, net	19,521	-	19,521	64,824
Finance leases, net	28,476	-	28,476	10,232
Total assets	<u>\$ 15,841,527</u>	<u>\$ 63,936</u>	<u>\$ 15,905,463</u>	<u>\$ 14,934,902</u>
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable	\$ 129,769	\$ -	\$ 129,769	\$ 79,675
Accrued expenses	325,591	-	325,591	319,606
Deferred revenue	182,876	-	182,876	147,122
Line of credit	-	-	-	-
Mortgage payable	137,467	-	137,467	132,495
Lease obligations, current portion:				
Operating lease	19,720	-	19,720	43,266
Finance leases	8,010	-	8,010	1,759
Total current liabilities	803,433	-	803,433	723,923
Mortgage payable	94,692	-	94,692	232,048
Lease obligations:				
Operating lease	-	-	-	19,720
Finance leases	20,577	-	20,577	8,097
Total liabilities	<u>918,702</u>	<u>-</u>	<u>918,702</u>	<u>983,788</u>
Net assets:				
Without donor restrictions:				
Board designated	500,000	-	500,000	500,000
Undesignated	14,422,825	-	14,422,825	13,385,256
Total without donor restrictions	14,922,825	-	14,922,825	13,885,256
With donor restrictions	-	63,936	63,936	65,858
Total net assets	<u>14,922,825</u>	<u>63,936</u>	<u>14,986,761</u>	<u>13,951,114</u>
Total liabilities and net assets	<u>\$ 15,841,527</u>	<u>\$ 63,936</u>	<u>\$ 15,905,463</u>	<u>\$ 14,934,902</u>

See accompanying notes to financial statements.

**GIRL SCOUTS OF
SOUTHEAST FLORIDA, INC.**

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2025

(with comparable totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Totals	2024 Totals
Operating activities:				
Support:				
Gifts and bequests	\$ 688,252	\$ 28,850	\$ 717,102	\$ 472,992
Grants	104,974	20,000	124,974	231,137
United Way allocations	11,855	-	11,855	10,845
Fundraising events	152,887	-	152,887	109,626
In-kind contributions	6,500	-	6,500	-
Total support	<u>964,468</u>	<u>48,850</u>	<u>1,013,318</u>	<u>824,600</u>
Revenues:				
Product sales, net	4,873,660	-	4,873,660	4,536,959
Merchandise sales, net	118,568	-	118,568	104,291
Girl programs	358,503	-	358,503	402,224
Interest income	57,196	-	57,196	99,726
Other income	13,757	-	13,757	12,006
Total revenues	<u>5,421,684</u>	<u>-</u>	<u>5,421,684</u>	<u>5,155,206</u>
Total support and revenues	<u>6,386,152</u>	<u>48,850</u>	<u>6,435,002</u>	<u>5,979,806</u>
Net assets released from restrictions	<u>50,772</u>	<u>(50,772)</u>	<u>-</u>	<u>-</u>
Expenses:				
Program services	5,035,436	-	5,035,436	4,699,324
Supporting services:				
Management and general	423,307	-	423,307	460,546
Fundraising	693,306	-	693,306	550,445
Total expenses	<u>6,152,049</u>	<u>-</u>	<u>6,152,049</u>	<u>5,710,315</u>
Change in net assets from operating activities	<u>284,875</u>	<u>(1,922)</u>	<u>282,953</u>	<u>269,491</u>
Non-operating activities:				
Investment income, net	237,390	429	237,819	158,426
Realized and unrealized gain on investments	520,929	-	520,929	549,963
Loss on disposal of assets	(6,054)	-	(6,054)	(2,203)
Total non-operating activity	<u>752,265</u>	<u>429</u>	<u>752,694</u>	<u>706,186</u>
Net assets released from restrictions	<u>429</u>	<u>(429)</u>	<u>-</u>	<u>-</u>
Change in net assets from non-operating activities	<u>752,694</u>	<u>-</u>	<u>752,694</u>	<u>706,186</u>
Change in net assets	1,037,569	(1,922)	1,035,647	975,677
Net assets, beginning	<u>13,885,256</u>	<u>65,858</u>	<u>13,951,114</u>	<u>12,975,437</u>
Net assets, ending	<u>\$ 14,922,825</u>	<u>\$ 63,936</u>	<u>\$ 14,986,761</u>	<u>\$ 13,951,114</u>

See accompanying notes to financial statements.

**GIRL SCOUTS OF
SOUTHEAST FLORIDA, INC.**

STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2025

(with comparable totals for 2024)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash received from contributions and support	\$ 849,381	\$ 704,307
Cash received from fundraising events	152,887	109,626
Cash received from product and merchandise sales	4,992,228	4,641,250
Cash received from girl programs	394,257	403,809
Cash paid to suppliers and employees	(5,712,475)	(5,236,168)
Cash paid on operating leases	(46,767)	(58,115)
Interest income	57,196	99,726
Interest paid	(13,568)	(16,491)
Other income	13,757	12,006
Net cash provided by operating activities	<u>686,896</u>	<u>659,950</u>
Cash flows from investing activities:		
Proceeds from investment income, net	237,819	158,426
Proceeds from sale of certificate of deposit	-	756,347
Proceeds from sale of investments	2,605,132	2,228,301
Purchase of investments	(4,841,475)	(2,636,727)
Proceeds from sale of property and equipment	940	-
Purchase of property and equipment	(382,181)	(253,673)
Net cash provided by (used in) investing activities	<u>(2,379,765)</u>	<u>252,674</u>
Cash flows from financing activities:		
Principal payments on mortgage payable	(132,384)	(127,652)
Principal payments on finance lease obligation	(7,035)	(1,453)
Net cash used in financing activities	<u>(139,419)</u>	<u>(129,105)</u>
Net change in cash and cash equivalents	(1,832,288)	783,519
Cash and cash equivalents, beginning of year	<u>3,957,645</u>	<u>3,174,126</u>
Cash and cash equivalents, end of year	2,125,357	3,957,645
Cash and cash equivalents, non-current	500,000	500,000
Cash and cash equivalents, current	<u>\$ 1,625,357</u>	<u>\$ 3,457,645</u>

See accompanying notes to financial statements.

**GIRL SCOUTS OF
SOUTHEAST FLORIDA, INC.**

STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2025

(with comparable totals for 2024)

	<u>2025</u>	<u>2024</u>
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets from operations	\$ 282,953	\$ 269,491
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	298,937	304,722
Lease expense	45,627	53,647
(Increase) decrease in assets:		
Grants and other receivables	(4,550)	(10,417)
Inventories	21,247	13,176
Prepaid expenses and other assets	(5,885)	(14,061)
Increase (decrease) in liabilities:		
Accounts payable	50,094	11,253
Accrued expenses	5,985	82,038
Deferred revenue	35,754	1,585
Operating lease obligations	(43,266)	(51,484)
Net cash provided by operating activities	<u>\$ 686,896</u>	<u>\$ 659,950</u>

Supplemental cash flow information:

During 2025, the Organization incurred debt of approximately \$26,000 in the form of a finance lease.

See accompanying notes to financial statements.

**GIRL SCOUTS OF
SOUTHEAST FLORIDA, INC.**

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2025

(with comparable totals for 2024)

	Program Services	Supporting Services		2025 Totals	2024 Totals
		Management and General	Fundraising		
Salaries and wages	\$ 2,297,168	\$ 226,980	\$ 272,535	\$ 2,796,683	\$ 2,588,001
Payroll taxes	166,549	17,464	20,970	204,983	191,359
Employee benefits	439,974	46,137	55,396	541,507	496,836
	<u>2,903,691</u>	<u>290,581</u>	<u>348,901</u>	<u>3,543,173</u>	<u>3,276,196</u>
Bank and credit card fees	76,309	7,498	8,479	92,286	92,808
Equipment expenses	64,256	649	779	65,684	55,832
Financial assistance	105,565	-	-	105,565	122,309
Information technology	160,117	13,760	19,616	193,493	199,158
Insurance	288,589	15,138	9,336	313,063	296,630
Interest expense	11,024	1,156	1,388	13,568	16,491
Miscellaneous	20,098	2,102	2,523	24,723	19,164
Occupancy	368,027	13,232	23,928	405,187	401,078
Postage and shipping	10,357	1,086	1,304	12,747	8,525
Printing, advertising, and promotion	130,140	5,475	17,432	153,047	133,085
Professional fees for service	95,434	44,572	132,892	272,898	95,952
Program fees	49,913	-	-	49,913	44,903
Recognition and appreciation	225,407	2,300	2,300	230,007	241,544
Supplies	114,152	719	92,017	206,888	229,478
Telecommunications	49,278	5,167	6,205	60,650	59,092
Travel, meetings, and conferences	85,951	10,489	13,780	110,220	113,348
Total expenses before depreciation and amortization	<u>4,758,308</u>	<u>413,924</u>	<u>680,880</u>	<u>5,853,112</u>	<u>5,405,593</u>
Depreciation and amortization	<u>277,128</u>	<u>9,383</u>	<u>12,426</u>	<u>298,937</u>	<u>304,722</u>
Total expenses	<u>\$ 5,035,436</u>	<u>\$ 423,307</u>	<u>\$ 693,306</u>	<u>\$ 6,152,049</u>	<u>\$ 5,710,315</u>

See accompanying notes to financial statements.

For the Year Ended September 30, 2025

1. Organization and Nature of Activities

Organization and Nature of Activities

Girl Scouts of Southeast Florida, Inc. (the "Organization") is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code that locally administers the National Girl Scout Program. Girl Scouting builds girls of courage, confidence, and character, who make the world a better place. The program provides girls with the opportunity to experience activities that encourage social, ethical, leadership, and individual development through a wide variety of activities and projects. The Organization recruits, trains, and provides a support system of volunteers, who serve as troop leaders and in other program-related positions.

2. Significant Accounting Policies

Financial Statement Presentation

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*, the Organization reports information regarding its financial position and activities according to two classes of net assets described as follows:

Net assets without donor restrictions – Include financial resources that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objections of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors. The principal sources of income are unrestricted contributions, grants, and revenues from product sales.

Net assets with donor restrictions – Include financial resources that are those subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Use of Estimates

Management of the Organization has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include checking and saving accounts, and petty cash. The Organization considers all highly liquid investments with maturities of 90 days or less, as well as overnight investment sweeps and repurchase agreements, to be cash equivalents, other than those held as part of the Organization's investment portfolio.

For the Year Ended September 30, 2025

2. Significant Accounting Policies, continued

Investments

Investments include cash and equivalents, fixed income securities, equities, and alternative investments that are reported at fair value. The Organization contracts with investment managers to perform ongoing investment functions, investment performance monitoring, and invest according to the investment guidelines established by the Organization's Finance Committee and approved by the Board of Directors. The Organization's investment income is reported as non-operating activity in the statement of activities and includes interest and dividend income reported net of \$19,103 in investment fees.

Grants and Other Receivables

Grants and other receivables consist of program grant reimbursements due to the Organization for administrative and program expenses incurred. It also includes amounts due from Girl Scouts of the United States of America (GSUSA) for revenue sharing. Receivables are evaluated for collectability in accordance with ASC 958-310, *Not-for-Profit Entities – Receivables*. Management also evaluated the applicability of ASC 326, *Financial Instruments – Credit Losses*, and determined these balances represent non-exchange transactions and are therefore outside the scope of that standard. Based on this assessment, management believes the amounts recorded for grants and other receivables are fully realizable and therefore has not recorded for an allowance for uncollectible contributions in these amounts.

Inventories

Merchandise inventories, which consist primarily of clothing, books, and patches, are stated at the lower of cost (first-in, first-out method) or market.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets ranging from three to forty years.

Additions, improvements, and expenditures for repairs and maintenance that exceed the Organization's policy limit of \$5,000 and that significantly add to the productivity or extend the economic life of assets are capitalized. Any immaterial amounts or amounts incurred as recurring expenditures for repairs and maintenance are expensed.

Leases

The Organization recognizes right of use (ROU) asset and lease liability at the lease commencement date. The ROU asset is initially measured at cost, comprising the initial amount of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs, and an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset or site.

Subsequent to initial recognition, ROU assets are measured at cost less any accumulated depreciation and any accumulated impairment losses. ROU assets are amortized on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset.

The lease term includes non-cancellable periods and periods covered by an option to extend or terminate the lease if the lessee is reasonably certain to exercise or not exercise that option.

For the Year Ended September 30, 2025

2. Significant Accounting Policies, continued

Accrued Expenses

The Organization records accrued expenses for various liabilities that may be reasonably estimated. Accrued expenses as of September 30, 2025, include \$118,848 of accrued vacation and \$76,108 of accrued salaries.

Deferred Revenue

The Organization records as deferred revenue amounts received in advance for Girl Scouts programs to be held or provided in the following fiscal year, and for amounts received to sponsor and attend special events in the following fiscal year. The Organization also collects a \$15 annual council service fee from each girl during registration, with amounts received before the registration year reflected as deferred revenue. Registration this fiscal year opened in April 2025, resulting in \$63,885 in deferred service fee revenue as of September 30, 2025.

Accounting for Contributions

The Organization follows FASB ASC 958-605, *Not-for-Profit Entities, Revenue Recognition*. In accordance with ASC 958-605, contributions received are recorded as support without or with donor restrictions depending on the existence and/or nature of any such restrictions. Under ASC 958-605, contributions that are initially restricted as to time or use are required to be reported as donor restricted revenue and are later reclassified to net assets without donor restriction upon expiration of the time restriction or compliance with the intended purpose.

Gifts and Bequests

All contributions are considered available for the general programs of the Organization, unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as increases in net assets with donor restriction.

Grants

The Organization receives various grants from federal, state, local, and private agencies for program and supporting services. Grants on a cost reimbursement basis, including recoverable overhead, are deemed earned and recognized in the statement of activities when expenditures are made for the purpose specified. Funds that have been received but have not yet been expended for the purpose specified are reported as increases in net assets with donor restrictions. Grants which are not awarded on cost reimbursement basis are recorded as support in the year for which the grant was awarded and in which the conditions of the grant are met.

Contributed Services

A substantial number of unpaid volunteers have made significant contributions of their time to develop the Organization's programs, principally membership development and educational programs. The value of this contributed time does not meet the criteria established by relevant accounting standards and is not reflected in these statements.

In-kind Contributions

In kind contributions consist of donated professional services measured at fair value using customary billing rates applied estimated hours, based on observable market rates for comparable services.

For the Year Ended September 30, 2025

2. Significant Accounting Policies, continued

Functional Expenses

The costs of providing various programs and other activities are summarized on a functional basis. Expenses, which can be specifically identified with a functional category, are charged accordingly. Other expenses are allocated among supporting services based on relative salaries incurred.

Advertising

Advertising costs are expensed when incurred and are included in the category of printing, advertising, and promotion in the statement of functional expenses. The total advertising expense for the year ended September 30, 2025 was \$77,399.

Income Taxes

The Organization is a nonprofit organization, other than a private foundation, pursuant to Internal Revenue Code Section 501(c)(3) and, as such, is not required to pay income taxes on its exempt function income. However, income from certain activities not directly related to the Organization’s tax-exempt purpose would be subject to taxation as unrelated business income.

The Organization follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. This standard seeks to reduce the diversity in practice associated with certain aspects of measurement and recognition in accounting for income taxes. It prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position that an entity takes or expects to take in a tax return. An entity may only recognize or continue to recognize tax positions that meet a “more likely than not” threshold. The Organization assesses its income tax positions based on management’s evaluation of the facts, circumstances, and information available at the reporting date. The Organization uses the prescribed more likely than not threshold when making its assessment. There are currently no open Federal or State tax years under audit.

Prior Year Comparable Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should only be read in conjunction with the Organization’s financial statements for the year ended September 30, 2024, from which the summarized information was derived. Certain amounts in the 2024 financial statements may have been reclassified to conform to the 2025 presentation with no effect on total net assets or change in net assets as of or for the year ended September 30, 2024.

3. Liquidity and Availability of Resources

Financial assets available for general expenditure within one year, that is, without donor restrictions or other restrictions limiting their use within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$ 1,625,357
Investments	8,504,561
Accounts and grants receivable	<u>44,093</u>
Total financial assets available to meet general expenditures within one year	<u>\$ 10,174,011</u>

For the Year Ended September 30, 2025

3. Liquidity and Availability of Resources, continued

The Organization is supported by product sales and contributions without donor and with donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Some of the Organization's net assets with donor restrictions are available for general expenditure within one year of September 30, 2025 because the restrictions on the net assets are expected to be met by conducting the normal program activities of the Organization in the coming year. Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year. Furthermore, management believes the Organization has sufficient cash designated by the Board for contingencies plus a line of credit of which management may draw upon in the event of unanticipated financial distress or an immediate liquidity need.

4. Fair Value Measurements

FASB ASC 820-10, *Fair Value Measurement and Disclosures*, 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 under the framework 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; inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3* – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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.

Fair Value of Financial Instruments: The following methods and assumptions were used by the Organization in estimating fair value of financial instruments that are not disclosed under ASC 820.

Cash and cash equivalents – The carrying amount reported approximates fair value due to the short-term duration of the instrument.

Grants and other receivables – The carrying amount reported approximates fair value due to the short-term duration of the receivables.

For the Year Ended September 30, 2025

4. Fair Value Measurements, continued

Accounts payable, accrued expenses, and deferred revenue – The carrying amount reported approximates fair value due to the short-term duration of the instruments.

Mortgage payable – The carrying amount reported approximates fair value as the stated interest rate approximates market rates.

Lease obligations – The carrying amount reported approximates fair value as the leases are initially measured based on the present value of lease payments discounted at rates reflective of market rates at lease commencement.

The following is a description of the valuation methodologies used for assets measured at fair value, on a recurring basis. There have been no changes in the methodologies used as of September 30, 2025.

Investments:

- *Money market funds* – The carrying value of money market funds approximated fair value.
- *Fixed income funds and ETFs* – Funds are valued at Net Asset Value ("NAV") by the custodian, and exchange traded funds ("ETFs") are valued at quoted prices per share by the custodian as of the close of business as of September 30, 2025.
- *Common stocks and mutual funds* – Common stocks are valued at quoted prices per share by the custodian as of the close of business as of September 30, 2025. Mutual funds are valued at the quoted market prices or net asset value ("NAV") by the custodian as of the close of business as of September 30, 2025.
- *Non-traditional funds* – Valued at Net Asset Value ("NAV") primarily based on estimated portfolio values provided by the underlying fund sponsor as of the close of business as of September 30, 2025.
- *Structured products* – Valued at estimated prices obtained from third parties or issuers and do not reflect adjustment arising from changes in the market value of such transactions.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of September 30, 2025:

	<u>Assets at Fair Value as of September 30, 2025</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<i>Investments:</i>				
Money market funds	\$ 4,318,650	\$ -	\$ -	\$ 4,318,650
Fixed income funds and ETFs	492,468	-	-	492,468
Common stocks and mutual funds	2,789,892	-	-	2,789,892
Non-traditional funds	-	94,446	-	94,446
Structured products	-	-	834,105	834,105
Total investments at fair value	<u>\$ 7,601,010</u>	<u>\$ 94,446</u>	<u>\$ 834,105</u>	<u>\$ 8,529,561</u>

For the Year Ended September 30, 2025

4. Fair Value Measurements, continued

The table below sets forth a summary of changes in the fair value of the Organization's Level 3 assets, structured products, for the year ended September 30, 2025.

Balance, beginning of year	\$ 1,283,817
Change in value	124,788
Contributions (settlements)	<u>(574,500)</u>
Balance, end of year	<u>\$ 834,105</u>

FASB ASC 820-10 requires disclosure of quantitative information about the unobservable inputs used to measure Level 3 assets and liabilities. The following table provides information about the structured products:

<u>Valuation Techniques</u>	<u>Fair Value</u>	<u>Unobservable Inputs</u>
Estimated value per custodian	\$ 834,105	Credit worthiness of issuer, market liquidity, embedded derivatives

5. Investments

Investments as of September 30, 2025 consisted of:

	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>
Money market funds	\$ 4,318,650	\$ 4,318,650	\$ -
Fixed income funds and ETFs	492,468	480,848	11,620
Common stocks and mutual funds	2,789,892	2,394,524	395,368
Non-traditional funds	94,446	98,391	(3,945)
Structured products	<u>834,105</u>	<u>730,000</u>	<u>104,105</u>
Total	<u>\$ 8,529,561</u>	<u>\$ 8,022,413</u>	<u>\$ 507,148</u>

Investments are reported in the statement of financial position as investments, \$8,504,561, and investments in endowment, \$25,000.

6. Grants and Other Receivables

Grants and other receivables as of September 30, 2025 consisted of:

Grants receivable	\$ 29,155
Other receivables	<u>14,938</u>
	<u>\$ 44,093</u>

7. Prepaid Expenses and Other Assets

Prepaid expenses and other assets as of September 30, 2025 consisted of:

Prepaid insurance and other	\$ 147,460
Security deposits	<u>5,801</u>
	<u>\$ 153,261</u>

For the Year Ended September 30, 2025

8. Endowment

The Organization's endowment consists of a contribution received for the Organization's scholarship program that is segregated in a money market fund account. The objective of this endowment is to accumulate enough principal to support scholarship related costs in future years. FASB ASC 958, *Not-for-Profit Entities*, provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and improves disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds), whether or not the organization is subject to UPMIFA.

The State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA), which provides a) consistent investment and spending standards to all forms of charitable funds, b) strengthens the concept of prudent investing, c) abandons historic dollar value as a floor for expenditures and provides more flexibility to the organization in making decisions about whether to expend any portion of an endowment fund, and d) provides a process for the release or modification of restrictions on a gift instrument. The adoption by the Organization of the provisions of the new law did not have a significant change in its management and investment policies of its endowment.

As a result of this interpretation, the Organization classifies as net assets with donor restriction (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent 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 restriction in perpetuity is classified as net assets with donor restriction as to purpose until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence. The Organization considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

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

Investment Objectives

Historically, the Organization's investment objectives and policies have been to provide: (a) sufficient liquidity to meet cash flow obligations, (b) sufficient income to meet budgeted requirements and, (c) a growth rate in the investment portfolio at least equal to the current rate of inflation. In light of the relatively small balance of the endowment at this time, the Organization currently invests its endowment funds in money market accounts.

The Organization retains the ability of revising its investment policy to specifically identify strategies and spending policies as they relate to the various designation and restricted categories.

For the Year Ended September 30, 2025

8. Endowment, continued

Spending Policy

The amount of funds available for expenditure from donor-restricted endowments is governed by the applicable donor gift instrument. In absence of an agreement, the initial contribution amount is kept as permanently restricted and any income is considered available for spending.

Endowment net assets as of September 30, 2025, consisted of:

Kathryn Vecellio Scholarship Fund	\$ <u>25,000</u>
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9. Property and Equipment

Property and equipment as of September 30, 2025, consisted of:

Land	\$ 419,981
Land improvements	2,310,325
Buildings and leasehold improvements	7,294,213
Equipment	1,047,838
Furniture	252,904
Vehicles	<u>130,350</u>
	11,455,611
Accumulated depreciation	(6,707,355)
Construction in progress	<u>141,621</u>
Property and equipment, net	<u>\$ 4,889,877</u>

Depreciation expense for the year ended September 30, 2025, was \$291,415.

Construction in progress consisted of costs related to the revitalization of the Camp Telogia property.

10. Leases

Operating Lease

The Organization conducts its retail operation from a facility located in Palm Beach County that is leased under a non-cancellable operating lease expiring during 2026. The lease requires minimum monthly rental payments, plus proportional common area maintenance costs. The Organization has elected a package of practical expedients whereby non-lease components are not separated from the lease component and proportional common area maintenance costs are included in the lease component.

Operating right-of-use asset as of September 30, 2025, consisted of the following:

Retail space	\$ 49,417
Less accumulated amortization	<u>29,896</u>
Total operating right-of-use assets	<u>\$ 19,521</u>

For the Year Ended September 30, 2025

10. Leases, continued

Operating lease obligation as of September 30, 2025, consisted of the following:

Retail space	<u>\$ 19,720</u>
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Undiscounted future lease payments under operating lease as of September 30, 2025, are as follows:

Period Ended <u>September 30,</u>	
2026	\$ 20,282
Less discount to present value	<u>3,525</u>
Present value of future lease payments	19,720
Less current portion	<u>19,720</u>
Non-current portion	<u>\$ -</u>

Operating lease expense for the year ended September 30, 2025, is included within the occupancy category in the statement of functional expenses and consisted of the following:

	<u>Amortization</u>	<u>Finance Charges</u>	<u>Total</u>
Retail space	<u>\$ 45,304</u>	<u>\$ 3,824</u>	<u>\$ 49,128</u>

The lease discount for the retail space locations has been calculated using an interest rate of 8.50%, which approximates the incremental borrowing rate of the Organization at the time the lease was measured.

The weighted average lease term for the operating lease is .75 years.

Finance Leases

The Organization leases office equipment under finance lease agreements expiring at various dates through 2029. The assets and liabilities under the finance leases are recorded at the lower of the present value of minimum lease payments or the fair value of the assets. The assets are amortized over their estimated useful lives on the straight-line basis. Total amortization expense under the finance leases was \$7,522 and is reported as amortization in the statement of functional expenses. Total interest expense was \$2,241 and is included in the statement of functional expenses with interest expense.

Finance right-of-use assets as of September 30, 2025, consisted of the following:

Office equipment	\$ 37,075
Less accumulated amortization	<u>8,599</u>
Total operating right-of-use assets	<u>\$ 28,476</u>

Finance lease obligations as of September 30, 2025, consisted of the following:

Office equipment	<u>\$ 28,587</u>
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For the Year Ended September 30, 2025

10. Leases, continued

Undiscounted future lease payments under finance leases as of September 30, 2025, are as follows:

Period Ended <u>September 30,</u>	
2026	\$ 9,975
2027	9,975
2028	9,975
2029	<u>2,584</u>
	32,509
Less discount to present value	<u>3,992</u>
Present value of future lease payments	28,587
Less current portion	<u>8,010</u>
Non-current portion	<u>\$ 20,577</u>

The lease discount for the office equipment has been calculated using interest rates ranging from 7.75% to 8.50%, which approximates the incremental borrowing rates of the Organization at the time the leases were measured.

The weighted average lease terms for the finance lease are 3.33 years. The weighted average discount rate for the financing lease is 7.96%.

11. Credit Line

The Organization has a \$1,200,000 secured credit line extended by an investment institution. The credit line is secured by investments held with the institution. The credit line carries interest on the unpaid principal balance at a variable interest rate based on 30-day LIBOR plus 2.75% (7.17% as of September 30, 2025). There was no outstanding balance on the credit line as of September 30, 2025.

12. Mortgage Payable

In May 2017, the Organization obtained a \$1,200,000 mortgage from financial institution for the purchase of a building where the main office is located. The Organization pays monthly principal and interest of \$11,976 calculated at a fixed interest rate of 3.64%, and amortizes the obligation over a 10-year term. The mortgage matures on May 12, 2027. The loan is secured by the Organization's underlying assets and deposits with the mortgagor.

Maturities of the mortgage payable as of September 30, 2025, are as follows:

Period Ended <u>September 30,</u>	
2026	\$ 137,467
2027	<u>94,692</u>
	232,159
Less current portion	<u>137,467</u>
Long-term portion	<u>\$ 94,692</u>

For the Year Ended September 30, 2025

13. Board-Designated Funds

The Organization's Board of Directors has designated funds for disaster recovery in the amount of \$500,000. These funds are set aside to support recovery efforts in the event of a disaster that impacts the locations owned by the Organization.

In accordance with FASB ASC 958-205, *Not-for-Profit Entities – Presentation of Financial Statements*, board-designated funds are classified as unrestricted net assets but are set aside for specific purposes by the Board. These designated funds may be used for recovery efforts at the discretion of the Board, and can be reallocated or re-designated as deemed necessary.

The Board regularly reviews the designated funds to ensure they are adequate and aligned with the Organization's mission and strategic priorities.

14. Net Assets With Donor Restrictions

Net assets with donor restriction as of September 30, 2025, were available for the following purposes or periods:

Subject to expenditures for a specific purpose:

Barbara Turner Scholarship	\$ 3,280
Gold Award Scholarship	3,250
Hobe Sound Community Chest – Girl Scouts Leadership Experience	9,912
Palm Beach County Sherriff's Foundation – Girl Scouts Leadership Experience	12,942
The Jacob Family Foundation – Girl Scouts Leadership Experience	3,496
The Patty Kraft – Counselor in Training Scholarship	1,056
You Are My Sunshine Scholarship	<u>5,000</u>
	38,936

Perpetual in nature (Endowment):

Kathryn Vecellio Scholarship Fund	<u>25,000</u>
	<u>\$ 63,936</u>

15. Concentrations of Credit Risk and Uncertainties

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and investments. While the cash balance as of September 30, 2025 exceeded the \$250,000 FDIC limit by approximately \$1,864,000, management uses financial institutions it believes are in sound financial condition, and do not expose the Organization to any significant credit risk on its cash and cash equivalents. Balances at brokerage accounts are guaranteed by the Securities Investor Protection Corporation (SIPC) up to \$500,000, which includes a \$250,000 limit for cash. As of September 30, 2025, the security balances exceeded the SIPC insurance limit.

16. Commitments and Contingencies

The Organization's most significant revenue is product sales of which approximately 95% is cookies. In an effort to establish greater certainty in its cost of sales, the Organization entered into a four-year purchase agreement with Little Brownie Bakers effective on May 9, 2024, whereby the Organization committed to utilizing Little Brownie Bakers for the baking, packaging, distribution, and delivery of its cookies in exchange for fixed percentage increases on future purchases. The agreement extended through the 2027-2028 Cookie Sale season.

For the Year Ended September 30, 2025

16. Commitments and Contingencies, continued

The Organization may be involved in legal matters from time to time and maintains insurance to mitigate potential losses, if any.

17. United Way and Federated Campaigns

During the current year, the Organization had allocation agreements with various United Way agencies and Federated Campaigns. Amounts received during the year ended September 30, 2025 are recorded on the statement of activities as support without donor restriction.

18. Sales of Cookies, Fall Products, and Merchandise

The following table illustrates the specific sales and cost of sales categories for the year ended September 30, 2025.

	<u>Sales</u>	<u>Direct Costs</u>	<u>Gross Margin</u>
Cookies	\$ 6,563,083	\$ 1,889,348	\$ 4,673,735
Fall products	<u>354,564</u>	<u>154,639</u>	<u>199,925</u>
Total Product sales	6,917,647	2,043,987	4,873,660
Merchandise	<u>239,866</u>	<u>121,298</u>	<u>118,568</u>
	<u>\$ 7,157,513</u>	<u>\$ 2,165,285</u>	<u>\$ 4,992,228</u>

19. Pension Plan

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

Net Plan assets decreased during the year and 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 contributions from \$30 million to \$26 million starting in calendar year 2023 until the Plan is fully funded on a market basis. Aggregate annual contributions made in fiscal year 2025 amounted to \$29.7 million. Aggregate contributions to be made in fiscal 2026 are expected to be \$24 million, a decrease from \$26 million given the annuity purchases that occurred in 2024 and 2025 for a select group of councils.

The Organization made contributions into NGSCR of \$174,072 during the year ended September 30, 2025.

For the Year Ended September 30, 2025

20. Employee Benefit Plan

The Organization provides a 401(k) defined contribution retirement plan, available to all employees who have attained 21 years of age and have completed one year of service. The Plan was most recently amended January 1, 2023. The Plan includes a safe harbor provision for employer contributions requiring the Organization to match 100% of participant deferrals up to 3% of compensation plus 50% of participant deferrals between 3% and 5% of compensation. Total employer expense for the year ended September 30, 2025 was \$107,367, and is reported under employee benefits in the statement of functional expenses.

21. Related Party Transactions

The Organization acts as an agent for purposes of receiving and remitting membership dues to GSUSA. The Organization also purchases from GSUSA program supplies and merchandise for sale in its retail shops. During the year ended September 30, 2025, the Organization remitted \$170,150 to GSUSA. As of September 30, 2025, the amount due to GSUSA was \$1,411, and was included in accounts payable.

22. Subsequent Events

The Organization's management has evaluated subsequent events through January 15, 2026, the date on which the financial statements were available to be issued, and identified a subsequent event requiring disclosure.

On October 23, 2025, the National Board of Directors of the Girl Scouts of the United States approved the termination of the National Girl Scout Council Retirement Plan (Plan). The termination process is expected to be completed in 2027 when all liabilities under the Plan will be settled through the payment of lump sums or the purchase of annuity contracts. The Organization's monthly contributions are expected to continue until the settlement of all Plan liabilities.

SUPPLEMENTARY INFORMATION

**GIRL SCOUTS OF
SOUTHEAST FLORIDA, INC.**

SCHEDULE OF FINANCIAL ASSISTANCE

For the Year Ended September 30, 2025

Supporting Agency / Program Title	Federal	State	Local	Total
Broward County Sheriff's Office: Girl Scouts Leadership Experience	\$ -	\$ -	\$ 10,000	\$ 10,000
Palm Beach County Sheriff's Office: Girl Scouts Leadership Experience	-	-	20,000	20,000
Palm Beach County Youth Services Department: Girl Scout Leadership Experience	-	-	65,000	65,000
State of Florida: Get Real! Mentoring Program	-	27,974	-	27,974
Town of Jupiter: Girl Scout Leadership Experience	-	-	2,000	2,000
Total financial assistance	<u>\$ -</u>	<u>\$ 27,974</u>	<u>\$ 97,000</u>	<u>\$ 124,974</u>

See independent auditor's report.