Girl Scouts Heart of the Hudson, Inc.

Financial Statements
September 30, 2024 and 2023

Girl Scouts Heart of the Hudson, Inc.

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Contents

Independent Auditor's Report

Board of Directors
Girl Scouts Heart of the Hudson, Inc.

Opinion

We have audited the financial statements of Girl Scouts Heart of the Hudson, Inc. (Organization), which comprise the statement of financial position as of September 30, 2024, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of September 30, 2024, and the results of its operations 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1p to the financial statements, the financial statements as of and for the year ended September 30, 2023, have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Other Matter

The financial statements of the Organization, as of and for the year ended September 30, 2023, before they were restated for the matter discussed in Note 1p to the financial statements, were audited by other auditors, whose report, dated February 13, 2023, expressed an unmodified opinion on those statements.

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 the Organization'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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

BST+Co.CPAs, LLP

Latham, New York
January 30, 2025

Girl Scouts Heart of the Hudson, Inc.

Statements of Financial Position

	September 30, 2024		September 30, 2023 (Restated)	
ASSETS				
Cash and cash equivalents	$	4,052,624	$	1,890,592
Accounts receivable, net		57,512		23,793
Employee Retention Tax Credit		765,564		765,564
Inventory		319,021		455,062
Prepaid expenses and other current assets		68,051		101,275
Right-of-use assets, net		162,334		95,041
Property and equipment, net		5,832,622		5,481,695
Investments		2,416,477		4,429,741
Beneficial interest in perpetual trust		130,518		113,625
Total assets	**$**	**13,804,723**	**$**	**13,356,388**
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable and accrued expenses	$	141,975	$	383,429
Accrued salaries and vacation payable		156,726		164,721
Program credits payable		345,149		432,053
Deferred income		29,135		8,174
Lease liabilities		163,060		96,013
Total liabilities		836,045		1,084,390
COMMITMENTS AND CONTINGENCIES				
NET ASSETS				
Without donor restrictions		12,014,252		10,980,446
With donor restrictions		954,426		1,291,552
Total net assets		12,968,678		12,271,998
Total liabilities and net assets	**$**	**13,804,723**	**$**	**13,356,388**

See accompanying Notes to Financial Statements.

Girl Scouts Heart of the Hudson, Inc.

Statement of Activities

	Year Ended September 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Public support			
Annual giving, contributions and bequests	$ 89,752	$ 247,704	$ 337,456
Grants and contracts	7,985	-	7,985
In-kind contributions	-	-	-
Total public support	97,737	247,704	345,441
Program-related revenues			
Product sales, net of costs of $2,346,524	5,774,728	-	5,774,728
Sale of merchandise, net of costs of $216,274 and inventory reserve of $132,784	43,248	-	43,248
Program service fees	284,238	-	284,238
Total program-related revenues	6,102,214	-	6,102,214
Rental income	93,686	-	93,686
Miscellaneous income	231,750	-	231,750
Net assets released from restrictions	657,168	(657,168)	-
	982,604	(657,168)	325,436
Total revenues and other support	**7,182,555**	**(409,464)**	**6,773,091**
Expenses			
Program services			
Membership services	2,841,469	-	2,841,469
Girl program services	2,952,425	-	2,952,425
Communication	194,979	-	194,979
Total program services	5,988,873	-	5,988,873
Supporting services			
Management and general	623,124	-	623,124
Fundraising	242,529	-	242,529
Total supporting services	865,653	-	865,653
Total expenses	**6,854,526**	**-**	**6,854,526**
Change in net assets from operations	**328,029**	**(409,464)**	**(81,435)**
NONOPERATING GAINS (LOSSES)			
Investment income, net	705,777	55,445	761,222
Gain on sale of property and equipment	-	-	-
Change in fair value of beneficial interest in perpetual trust	-	16,893	16,893
	705,777	72,338	778,115
Changes in net assets	**1,033,806**	**(337,126)**	**696,680**
NET ASSETS, *beginning of year*	10,980,446	1,291,552	12,271,998
NET ASSETS, *end of year*	**$ 12,014,252**	**$ 954,426**	**$ 12,968,678**

See accompanying Notes to Financial Statements.

Girl Scouts Heart of the Hudson, Inc.

Statement of Activities

	Year Ended September 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
	(Restated)	*(Restated)*	*(Restated)*
REVENUES AND OTHER SUPPORT			
Public support			
Annual giving, contributions and bequests	$ 436,284	$ 316,920	$ 753,204
Grants and contracts	2,023	-	2,023
In-kind contributions	450	-	450
Total public support	438,757	316,920	755,677
Program-related revenues			
Product sales, net of costs of $2,397,694	5,001,406	-	5,001,406
Sale of merchandise, net of costs of $221,307	164,044	-	164,044
Program service fees	280,805	-	280,805
Total program-related revenues	5,446,255	-	5,446,255
Rental income	96,638	-	96,638
Miscellaneous income	168,988	-	168,988
Net assets released from restrictions	75,807	(75,807)	-
	341,433	(75,807)	265,626
Total revenues and other support	**6,226,445**	**241,113**	**6,467,558**
Expenses			
Program services			
Membership services	2,868,453	-	2,868,453
Girl program services	2,735,114	-	2,735,114
Communication	73,539	-	73,539
Total program services	5,677,106	-	5,677,106
Supporting services			
Management and general	858,842	-	858,842
Fundraising	154,469	-	154,469
Total supporting services	1,013,311	-	1,013,311
Total expenses	**6,690,417**	**-**	**6,690,417**
Change in net assets from operations	**(463,972)**	**241,113**	**(222,859)**
NONOPERATING GAINS (LOSSES)			
Investment income, net	312,507	23,865	336,372
Gain on sale of property and equipment	821,432	-	821,432
Change in fair value of beneficial interest in perpetual trust	-	6,152	6,152
	1,133,939	30,017	1,163,956
Changes in net assets	**669,967**	**271,130**	**941,097**
NET ASSETS, ***beginning of year, as restated***	10,310,479	1,020,422	11,330,901
NET ASSETS, ***end of year, as restated***	**$ 10,980,446**	**$ 1,291,552**	**$ 12,271,998**

See accompanying Notes to Financial Statements.

Girl Scouts Heart of the Hudson, Inc.

Statement of Functional Expenses

	Year Ended September 30, 2024							
	Program Services				Supporting Services			
	Membership Services	Girl Program Services	Communication	Total	Management and General	Fundraising	Total	Total Expenses
Salaries	$ 1,674,742	$ 687,700	$ 108,199	$ 2,470,641	$ 329,075	$ 173,837	$ 502,912	$ 2,973,553
Employee health and retirement benefits	368,121	92,250	10,851	471,222	36,027	25,320	61,347	532,569
Payroll taxes	150,249	92,627	9,287	252,163	22,378	15,169	37,547	289,710
Total salaries and related expenses	2,193,112	872,577	128,337	3,194,026	387,480	214,326	601,806	3,795,832
Assistance to individuals	43,989	51,636	-	95,625	-	-	-	95,625
Conferences, conventions and meetings	53,197	42,712	4,274	100,183	9,400	8,463	17,863	118,046
Credit losses	-	-	-	-	-	-	-	-
Dues and subscriptions	2,612	2,369	652	5,633	-	805	805	6,438
Equipment, rental and maintenance	100,939	74,293	23,821	199,053	11,827	102	11,929	210,982
Insurance	39,724	221,015	8,264	269,003	2,048	-	2,048	271,051
Maintenance and repairs	48,514	271,062	3,076	322,652	3,506	-	3,506	326,158
Occupancy	14,592	104,700	584	119,876	-	-	-	119,876
Postage	4,031	7,154	286	11,471	68	918	986	12,457
Printing and publications	650	1,835	315	2,800	70	3,185	3,255	6,055
Professional fees	73,649	233,276	8,117	315,042	141,916	1,793	143,709	458,751
Supplies	142,082	267,993	10,100	420,175	3,141	6,119	9,260	429,435
Telephone and internet	29,992	44,367	1,606	75,965	721	895	1,616	77,581
Travel and transportation	39,567	130,930	2,999	173,496	8,793	2,124	10,917	184,413
Utilities	10,665	172,280	602	183,547	-	-	-	183,547
Miscellaneous	44,154	34,792	1,946	80,892	54,154	3,799	57,953	138,845
Total expenses before depreciation	2,841,469	2,532,991	194,979	5,569,439	623,124	242,529	865,653	6,435,092
Depreciation	-	419,434	-	419,434	-	-	-	419,434
Total expenses reported by function	**$ 2,841,469**	**$ 2,952,425**	**$ 194,979**	**$ 5,988,873**	**$ 623,124**	**$ 242,529**	**$ 865,653**	**$ 6,854,526**

See accompanying Notes to Financial Statements.

Girl Scouts Heart of the Hudson, Inc.

Statement of Functional Expenses

	Year Ended September 30, 2023							
	Program Services				Supporting Services			
	Membership Services	Girl Program Services	Communication	Total	Management and General	Fundraising	Total	Total Expenses
				(Restated)				
Salaries	$ 1,381,216	$ 731,643	$ 36,422	$ 2,149,281	$ 376,040	$ 137,921	$ 513,961	$ 2,663,242
Employee health and retirement benefits	416,606	95,539	3,931	516,076	21,718	4,402	26,120	542,196
Payroll taxes	108,100	51,993	2,808	162,901	20,112	9,150	29,262	192,163
Total salaries and related expenses	1,905,922	879,175	43,161	2,828,258	417,870	151,473	569,343	3,397,601
Assistance to individuals	20,325	10,980	-	31,305	-	-	-	31,305
Conferences, conventions and meetings	85,883	49,853	1,860	137,596	11,134	2,189	13,323	150,919
Bad debt expense	78,170	36,060	1,770	116,000	-	-	-	116,000
Dues and subscriptions	1,936	2,747	44	4,727	-	30	30	4,757
Equipment, rental and maintenance	107,512	88,359	11,444	207,315	9,327	-	9,327	216,642
Insurance	109,267	127,373	-	236,640	60	-	60	236,700
Maintenance and repairs	62,231	314,464	1,404	378,099	3,506	-	3,506	381,605
Occupancy	12,068	112,878	250	125,196	-	-	-	125,196
Postage	6,640	3,368	149	10,157	68	-	68	10,225
Printing and publications	11,204	4,907	325	16,436	70	-	70	16,506
Professional fees	132,656	86,615	3,179	222,450	353,451	-	353,451	575,901
Supplies	169,657	313,180	7,054	489,891	3,141	-	3,141	493,032
Telephone and internet	31,957	34,043	654	66,654	721	-	721	67,375
Travel and transportation	48,420	97,174	750	146,344	8,793	-	8,793	155,137
Utilities	20,171	161,239	402	181,812	-	-	-	181,812
Miscellaneous	64,434	32,062	1,093	97,589	50,701	777	51,478	149,067
Total expenses before depreciation	2,868,453	2,354,477	73,539	5,296,469	858,842	154,469	1,013,311	6,309,780
Depreciation	-	380,637	-	380,637	-	-	-	380,637
Total expenses reported by function	**$ 2,868,453**	**$ 2,735,114**	**$ 73,539**	**$ 5,677,106**	**$ 858,842**	**$ 154,469**	**$ 1,013,311**	**$ 6,690,417**

See accompanying Notes to Financial Statements.

Girl Scouts Heart of the Hudson, Inc.

Statements of Cash Flows

	Years Ended September 30, 2024	Years Ended September 30, 2023 (Restated)
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
Changes in net assets	$ 696,680	$ 941,097
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities		
Depreciation	419,434	380,637
Bad debt expense	-	116,000
Obsolete inventory reserve	132,784	-
Realized gain on sale of investments	(6,491)	(66,348)
Unrealized gain on investments	(413,960)	(151,073)
Reinvested interest and dividends	(71,259)	-
Gain on sale of property and equipment	-	(821,432)
Change in fair value of beneficial interest in perpetual trust	(16,893)	(6,152)
Adjustment to right-of-use asset for operating lease	65,436	52,789
Accretion of lease liability	4,240	-
(Increase) decrease		
Accounts receivable	(33,719)	(95,426)
Inventory	3,257	(20,815)
Prepaid expenses and other current assets	33,224	(9,888)
Increase (decrease)		
Accounts payable and accrued expenses	(241,454)	(92,122)
Accrued salaries and vacation payable	(7,995)	42,058
Program credits payable	(86,904)	80,910
Deferred income	20,961	(1,236)
Operating lease liabilities for cash paid	(69,922)	(51,818)
	427,419	297,181
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES		
Acquisition of property and equipment	(770,361)	(321,244)
Proceeds from sale of property and equipment	-	1,272,882
Purchase of investments	-	(4,876,017)
Proceeds from sale of investments	2,504,974	2,399,514
	1,734,613	(1,524,865)
Net increase (decrease) in cash and cash equivalents	**2,162,032**	**(1,227,684)**
CASH AND CASH EQUIVALENTS, *beginning of year*	1,890,592	3,118,276
CASH AND CASH EQUIVALENTS, *end of year*	**$ 4,052,624**	**$ 1,890,592**
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Operating lease liability and right-of-use assets recognized	$ 132,729	$ 147,831

See accompanying Notes to Financial Statements.

Note 1. Organization and Summary of Significant Accounting Policies

a. Organization

Girl Scouts Heart of the Hudson, Inc. (Organization) is a not-for-profit organization chartered by the Girl Scouts of the USA and is governed by a maximum 18-member volunteer board of directors and an experienced management staff. The Organization's central administrative office is located in Montgomery, New York, with regional offices in New City, Wappinger Falls, Eastchester and New Rochelle. The Organization serves girls in a seven-county region (Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, and Westchester Counties).

The Organization has been providing girls with extraordinary programming throughout the region. Currently, the Organization serves approximately 14,500 girls between the ages of five and 18 and over 7,500 adult members. The Organization is committed to providing Girl Scouting to as many girls as possible throughout the lower Hudson Valley region year-round.

In addition to the administrative office and the regional offices, the Organization also maintains nine Girl Scout houses and four camp properties.

b. Basis of Accounting

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) for not-for-profit entities.

c. Estimates

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

d. Fair Value Measurements

The Organization reports certain assets at fair value, which is defined as the price that would be received to sell an asset in an orderly transaction between market participants on the measurement date (see Note 12).

e. Cash and Cash Equivalents

The Organization's cash and cash equivalents are defined as short-term, highly liquid investments with an initial maturity of three months or less.

f. Inventory

Inventory, consisting primarily of Girl Scout merchandise, is valued the lower of cost (specific-identification method) or net realizable value.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

g. Leases

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

When applicable, the Organization recognizes most leases on its statements of financial position as a right-of-use (ROU) asset, representing the right to use an underlying asset, and a lease liability, representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance or operating leases based on certain criteria. The classification of the lease affects the pattern of expense recognition in the statements of activities.

The Organization made an accounting policy election available not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or October 1, 2022 for existing leases upon the adoption of Financial Accounting Standards Board Accounting Standards Codification Topic 842, *Leases*). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives received. To determine the present value of lease payments, the Organization made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or the remaining term for leases existing upon the adoption of Topic 842).

h. Property and Equipment, Net

Property and equipment are valued at cost, net of accumulated depreciation. The Organization capitalizes expenditures for property and equipment in excess of $1,500 with an estimated useful life in excess of one year. Routine maintenance and repairs and minor replacement costs are charged to expense as incurred. When an asset is sold or retired, the cost and accumulated depreciation are removed from the respective accounts, and the resultant gain or loss is included in the statements of activities.

Depreciation is recorded on the straight-line basis over the estimated useful lives of the respective assets as described below:

Building and improvements	10-40 years
Land improvements	10-40 years
Furniture and fixtures	5-20 years
Vehicles	5-20 years
Computer and software	5-20 years

Amortization of leasehold improvements is computed over the shorter of the life of the lease or the life of the asset.

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount over its fair value. During the years ended September 30, 2024 and 2023, there were no impairment losses for long-lived assets.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

i. Investments

Investments are recorded at fair value, with net realized and unrealized gains and losses reflected in the statements of activities. The Organization uses the specific identification method to determine the cost of securities sold.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and such changes could materially affect the amounts reported in the statements of financial position.

j. Beneficial Interest in Perpetual Trusts

The Organization is the irrevocable beneficiary of perpetual charitable trusts held by a trustee. The beneficial interests in the trusts are reported at their fair value, which is estimated as the fair value of the underlying trust assets. Distributions of income from the trust assets are held for the use of the Service Units within program credits payable. The value of the beneficial interests in the trusts is adjusted annually for the change in their estimated fair values. Those changes in value are reported as increases or decreases in net assets with donor restrictions to be held in perpetuity because the trust assets will never be distributed to the Organization.

k. Program Credits Payable

The Organization awards program credits to eligible Girl Scouts for their participation in the product sales program. All rewards earned through the product sales program must fund legitimate program experiences and can be used to offset the cost to participate in programs offered by the Organization. Each year, these credits are awarded with an expiration of three years from the original date of issuance. Program credits are recorded as an offset of the related expense if not used by the Girl Scouts in the year of expiration.

l. Net Assets

Net assets, revenues and other support, 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:

<u>Net assets without donor restrictions:</u> Net assets available for use in general operations and not subject to donor restrictions.

<u>Net assets with donor restrictions:</u> Net assets 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 those resources be maintained in perpetuity.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or a purpose restriction is accomplished) in the reporting period the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions.

When a restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

m. Revenue Recognition

Revenue from contracts with customers is recognized in accordance with a five-step model as follows:

1. Identify the contract with the customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligation(s) in the contract; and
5. Recognize revenue when or as performance obligations are satisfied.

The Organization assesses the contract term as the period in which the parties to the contract have presently enforceable rights and obligations. The transaction price is the amount of consideration to which the Organization expects to be entitled in exchange for transferring goods and services to the customer. Revenue is recorded based on the transaction price, which is generally established in the contracts.

The Organization derives revenue and support primarily from program-related activities, which include cookie sales and merchandise sales. The Organization recognizes revenue relating to the sale of products and merchandise, when shipped or picked up by the customer, at which point control passes to the customer. Taxes assessed by a governmental authority are imposed on specific revenue-producing transactions and are collected by the Organization from a customer and are excluded from revenue.

Program services consist of camp fees, training, and other Girl Scout events and are offered by the Organization throughout the course of the year. Revenues from these services are recognized at the point that services are rendered.

The Organization records a contract asset when it has a right to payment from a customer that is conditional upon events other than the passage of time. The Organization also records a contract liability when a customer prepays but the Organization has not fulfilled its performance obligation. Contract liabilities are presented as deferred income on the accompanying statements of financial position. At September 30, 2022, accounts receivable, net was $44,367 and deferred income was $9,410.

Contributions are recognized when cash, securities or other assets, an unconditional promise or a notification of a beneficial interest is received. Conditional promises to give and contributions (that is, those with a measurable performance or other barrier and a right of return) are not recognized until the contributions on which they depend have been substantially met.

The Employer Retention Tax Credit (ERC) is a payroll-based tax credit that was made available to certain employers under Division A, Title II of the Coronavirus Aid, Relief, and Economic Security Act, which was enacted on March 27, 2020. The ERC was expanded by the Consolidated Appropriations Act, 2021 (Act), which was enacted on December 27, 2020. Under the Act, employers that experienced declines in gross receipts of 20% or more during the first, second or third quarters of 2021 (compared to the same quarter in 2019) were eligible to receive a credit of 70% of the first $10,000 of wages paid to each employee during the quarter.

The Organization recognizes ERC amounts as revenue when there is reasonable assurance (i.e., it is probable) that they have complied with all of the conditions required to receive the ERC.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

n. Functional Allocation of Expenses

The Organization incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Organization also conducts a number of activities that benefit both its program objectives and supporting services. Specifically, salaries and related expenses, supplies, insurance, professional fees, travel and transportation, equipment and maintenance, assistance to individuals, occupancy, communication, conferences, conventions and meetings, and other miscellaneous expenses that are not specifically attributable to a specific program or supporting activity are allocated by management on a consistent basis among program and supporting services benefited, based on estimates of time and effort incurred by personnel.

o. Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

When income tax returns are filed, some tax positions taken are highly certain to be sustained upon examination by the taxing authorities, while other tax positions are subject to uncertainty about the technical merits of the position or the amount of the position's tax benefit that would be ultimately sustained. The portion of the benefits associated with the tax positions taken that exceeds the amount measured as previously described is reflected as a liability for unrecognized tax benefits in the accompanying statements of financial position and includes, where applicable, accrued interest and/or penalties attributable to the unrecognized tax benefits. The Organization recognizes the tax benefits from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by taxing authorities. Management has concluded that the Organization has not taken any material uncertain tax positions that require adjustment in its financial statements.

p. Restatement

The financial statements of the Organization as of and for the year ended September 30, 2023 have been restated to decrease net assets with donor restrictions to correct the allocation of earnings in the endowment.

The effects of the restatement on the previously issued financial statements are as follows:

	As Previously Stated	Increase (Decrease)	As Restated
Net assets with donor restrictions, 10/1/2022	$ 1,315,312	$ (294,890)	$ 1,020,422
Net assets without donor restrictions, 10/1/2022	$ 10,015,589	$ 294,890	$ 10,310,479
Investment income, net with donor restrictions (2023)	$ 214,567	$ (190,702)	$ 23,865
Investment income, net without donor restrictions (2023)	$ 121,805	$ 190,702	$ 312,507
Net assets with donor restrictions, 9/30/2023	$ 1,777,144	$ (485,592)	$ 1,291,552
Net assets without donor restrictions, 9/30/2023	$ 10,494,854	$ 485,592	$ 10,980,446

q. Subsequent Events

The Organization has evaluated subsequent events for potential recognition or disclosure through January 30, 2025, the date the financial statements were available to be issued.

Note 2. Liquidity and Availability

A summary of the Organization's financial assets available for general expenditures within one year of the statement of financial position dates is as follows:

	September 30, 2024	September 30, 2023
Total assets	$ 13,804,723	$ 13,356,388
Less assets not available for general expenditures		
Employee Retention Tax Credit	-	(765,564)
Inventory	(319,021)	(455,062)
Prepaid expenses	(68,051)	(101,275)
Lease right-of-use assets	(162,334)	(95,041)
Property and equipment, net	(5,832,622)	(5,481,695)
Net assets with donor restrictions held in investments and cash	(823,908)	(1,177,927)
Beneficial interest in perpetual trust	(130,518)	(113,625)
Financial assets available to meet cash needs for general expenditures within one year	$ 6,468,269	$ 5,166,199

As part of the Organization's liquidity management, it has a goal to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, excess cash is invested in short-term investments, including equities and mutual funds. In the event of an unanticipated liquidity need, the Organization can also draw upon the line of credit (see Note 5).

The ERC is expected to be received during the year ending September 30, 2025.

Note 3. Property and Equipment

Property and equipment consisted of the following:

	September 30, 2024	September 30, 2023
Land	$ 36,458	$ 36,458
Land improvements	1,737,137	1,494,135
Leasehold improvements	13,498	13,498
Building and improvements	12,534,416	12,130,927
Furniture and fixtures	1,254,237	1,254,237
Vehicles	723,709	599,839
Computer and software	588,685	588,685
	16,888,140	16,117,779
Less accumulated depreciation	11,055,518	10,636,084
Property and equipment, net	$ 5,832,622	$ 5,481,695

In December 2022, the Organization sold its property located in Pleasantville, New York for $1,400,000, with $300,000 recognized as a donation from the buyer, which is included in annual giving, contributions and bequests in the statements of activities. The Organization recognized a gain on the sale of the property of $748,013 for the year ended September 30, 2023.

In June 2023, the Organization sold its land located in Beekman, New York for $346,000. The Organization recognized a gain on the sale of land of $73,419 for the year ended September 30, 2023.

Note 4. Beneficial Interest in Perpetual Trust

The Organization is the irrevocable beneficiary of perpetual trust held by a trustee. These resources are neither in the possession of, nor under the control of, the Organization. The terms of the trusts provide that the Organization is to receive quarterly distributions from the trusts, the amounts of which are at the discretion of the trustee. As discussed in Note 12, because there are no observable market transactions for assets similar to the beneficial interests in the trusts and because the trusts cannot be redeemed, the valuation technique used by the Organization is a Level 3 fair value measure.

	September 30, 2024	September 30, 2023
Beneficial interest in trust, *beginning of year*	$ 113,625	$ 107,473
Investment gains (losses) earned by the trustee	10,725	(4,683)
Amounts distributed to the Organization	6,168	10,835
Beneficial interest in trust, *end of year*	$ 130,518	$ 113,625

Note 5. Line of Credit

The Organization has a $750,000 revolving line of credit that bears interest at a per-annum rate equal to the one-month Secured Overnight Financing Rate plus 1.50% (6.33% and 6.94% at September 30, 2024 and 2023, respectively). The line of credit is secured by certain of the Organization's investment accounts and expires on August 31, 2025. The bank requires the line of credit to be at least 50% of the market value of the pledged investment account. There were no outstanding borrowings under the line of credit at September 30, 2024 or 2023.

Note 6. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes:

	Years Ended September 30,	
	2024	2023
Subject to expenditure for specific purpose		
Girl scout programs and campership	$ 600,745	$ 558,866
Endowment		
Subject to spending policy and appropriations		
Earnings on investments to be held in perpetuity, which is expendable to support girl scout programs, training and capital improvements	73,921	206,971
Not subject to appropriations		
Gifts to be held in perpetuity to support girl scout programs and training	139,112	401,960
Gifts to be held in perpetuity to support capital improvements	10,130	10,130
	223,163	619,061
Beneficial interest in a perpetual trust, not subject to appropriations	130,518	113,625
Total net assets with donor restrictions	$ 954,426	$ 1,291,552

Note 7. Endowment

The Organization currently maintains various donor-restricted endowment funds whose purposes are to provide long-term support of its programs.

The Board of Directors of the Organization has interpreted the New York Not-for-Profit Corporation Law as generally requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization generally retains in perpetuity (a) the original value of initial and subsequent gifts to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Amounts not retained in perpetuity, earnings in amounts held in perpetuity, are subject to appropriation for expenditure by the Organization's Board of Trustees in a manner consistent with the standard of prudence prescribed by the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA allows institutions to spend endowment funds below their original historic dollar value without government approval or attorney general review if the institution's board concludes that such spending is prudent.

The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund;
2. The purposes of the Organization and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effects of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Organization;
7. The investment policies of the Organization; and
8. Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the fund, giving due consideration to the effects that such alternatives may have on the Organization.

All endowment net assets are donor-restricted. Changes in endowment funds consist of the following:

	Years Ended September 30,	
	2024	2023
Endowment net assets, *beginning of year*	$ 619,061	$ 538,270
Net appreciation of investments	55,445	23,865
Contributions	-	56,926
Release of restrictions for the Crispell fund	(451,343)	-
Endowment net assets, *end of year*	$ 223,163	$ 619,061

a. Funds With Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature would be reported in net assets with donor restrictions. There were no funds with deficiencies at September 30, 2024 or 2023.

Note 7. Endowment (Continued)

b. Return Objectives and Risk Parameters

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 of Directors, endowment assets are invested in conversative investments such as mutual funds.

c. Strategies Employed for Achieving Objectives

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.

d. Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization's policy for distributing endowment fund earnings is based on the need to support its programming. Whether any distributions are made from endowment funds is decided annually by the Board of Directors in conjunction with the Organization's annual operating budget. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow at a rate that exceeds the rate of inflation. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

Note 8. Pension Plans

a. Multi-Employer

The Organization participates in the National Girl Scout Council Retirement Plan (EIN 13-1624016, Plan #002) (Plan). The Plan is a multi-employer, noncontributory defined benefit pension plan sponsored by Girl Scouts of the United States of America (GSUSA). Effective July 31, 2010, the Plan was frozen to new entrants and to further benefits accruals for existing participants, although previously earned benefits can continue to vest. 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.

The Organization made contributions into the Plan of $228,445 and $240,475 for the years ended September 30, 2024 and 2023, respectively. The Organization is unable to provide additional quantitative information about total Plan assets and accumulated benefit obligations without undue cost and effort. The Plan has implemented a funding improvement strategy in which the Plan was not required to pay a surcharge. Due to the nature of the Plan, no additional liability is required to be recognized at this time; however, it is projected that the Organization's contribution requirements will continue to increase.

b. 403(b) Retirement Plan

Additionally, the Organization has a 403(b) tax-deferred annuity retirement plan that covers all employees who meet specific eligibility requirements. The Organization did not make any discretionary contributions to the plan for the years ended September 30, 2024 or 2023.

Note 9. Transactions With GSUSA

The Organization is a separately incorporated 501(c)(3) organization chartered by GSUSA to deliver the Girl Scout program in New York's Hudson Valley. Based on the charter, the Organization arranges for the collection of membership dues on behalf of GSUSA from program participants.

The Organization also purchases inventory for its council shops from GSUSA. Total purchases of inventory were approximately $220,000 and $204,000 for the years ended September 30, 2024 and 2023, respectively.

As of September 30, 2024 and 2023, accounts payable and accrued expenses on the accompanying statements of financial position included amounts due to GSUSA of $33,335 and $15,155, respectively.

Note 10. Leases

The Organization has operating leases for store space and equipment expiring at various times from April 2025 to June 2027.

Operating lease cost is recognized on a straight-line basis over the lease term and is included in occupancy and equipment, rental and maintenance in the statements of functional expenses. The components of lease expense are as follows:

	September 30, 2024	September 30, 2023
Operating lease cost	$ 68,746	$ 57,864
Variable lease cost	5,720	-
Short-term lease cost	131,673	154,618
	$ 206,139	$ 212,482

At September 30, 2024 and 2023, the weighted-average remaining lease term was 2.25 and 1.71 years, respectively, and the weighted-average discount rate was 4.50% and 4.24%, respectively.

Future undiscounted cash flows for each of the next three years and a reconciliation to the lease liabilities recognized on the statement of financial position are as follows as of September 30, 2024:

Year ending September 30,	
2025	$ 88,532
2026	47,256
2027	35,422
Total lease payments	171,210
Less imputed interest	8,150
Total present value of lease liabilities	$ 163,060

Note 10. Leases (Continued)

In October 2024, the Organization exercised an option to extend the term of an existing lease at Wappinger Falls through March 2028. The ROU asset and related operating lease liability will be $81,157, which will be recognized at the lease modification date. The liability was discounted using the risk-free rate of 3.89%. Future undiscounted cash flows for the lease liability are as follows:

Year ending September 30,		
2025	$	23,905
2026		24,623
2027		25,361
2028		1,268
Total lease payments	$	75,157

Note 11. Contingencies, Risks and Uncertainties

a. Concentrations of Credit Risk

The Organization maintains cash and cash equivalents balances at various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times during the year, the Organization may have bank deposits in excess of amounts insurance by the FDIC.

The Organization maintains its investment holdings at two financial institutions. One financial institution is a member of the Securities Investment Protection Corporation, which protects securities up to $500,000, with a $250,000 limit for cash.

b. Litigation

Through the ordinary course of business, the Organization is involved in a claim. It is the opinion of management that any liability arising from this action would be covered by insurance proceeds.

Note 12. Fair Value Measurements

The framework for measuring fair value 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) and the lowest priority to unobservable inputs (Level 3).

The following three levels of inputs may be used to measure fair value:

Level 1: Unadjusted quoted market prices in active markets for identical assets.

Note 12. Fair Value Measurements (Continued)

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in inactive markets;
- Inputs other than quoted prices that are observable for the asset; and
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

If the asset has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The 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.

Following are descriptions of the valuation methodologies used for assets measured at fair value at September 30, 2024 and 2023:

Mutual funds and equities: Valued at the quoted net asset value of shares held at year-end.

Corporate debt: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

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

A summary of assets measured at fair value on a recurring basis is summarized below:

	September 30, 2024			
	Level 1	Level 2	Level 3	Total
Equities - consumer goods	$ 1,988	$ -	$ -	$ 1,988
Mutual funds				
Equity	1,593,029	-	-	1,593,029
Fixed income	821,460	-	-	821,460
	$ 2,416,477	$ -	$ -	$ 2,416,477

Note 12. Fair Value Measurements (Continued)

	September 30, 2023			
	Level 1	Level 2	Level 3	Total
Equities - consumer goods	$ 1,988	$ -	$ -	$ 1,988
Mutual funds				
Equity	744,826	-	-	744,826
Fixed income	1,185,902	-	-	1,185,902
Corporate debt	-	2,497,025	-	2,497,025
	$ 1,932,716	$ 2,497,025	$ -	$ 4,429,741

Investment return is as follows:

	Years Ended September 30,	
	2024	2023
Interest and dividends, net	$ 340,771	$ 118,951
Realized gain on sale of investments, net	6,491	66,348
Unrealized gain on investments, net	413,960	151,073
	$ 761,222	$ 336,372