



girl scouts
diamonds of
arkansas, oklahoma
and texas

Financial Statements
September 30, 2025 and 2024

(With Independent Auditor's Report Thereon)

Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas
Little Rock, Arkansas

Opinion

We have audited the financial statements of **Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas** (the Council), which comprise the statements of financial position as of September 30, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as of September 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 Council 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.

Auditor’s Responsibilities for the Audit of the Financial Statements (Continued)

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

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

A handwritten signature in black ink that reads "Landmark PLC". The signature is written in a cursive, flowing style.

Little Rock, Arkansas
February 11, 2026

Financial Statements

Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas

Statements of Financial Position September 30, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 325,314	\$ 568,009
Investments	1,786,786	1,834,998
Accounts receivable:		
Cookie and fall product programs receivable, net of a reserve for credit losses of \$25,000 and \$30,000, respectively	5,092	16,216
Other accounts receivable	11,623	10,662
Contributions and grants receivable, net	128,855	182,740
Inventory	95,275	107,559
Prepaid expenses	125,013	84,445
Property and equipment, net	3,616,866	3,484,981
Operating lease right of use asset	24,191	62,803
Finance lease right of use asset	-	6,446
Other assets	22,770	22,770
	\$ 6,141,785	\$ 6,381,629
TOTAL ASSETS		
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 42,010	\$ 131,381
Accrued payroll expenses	115,045	115,106
Custodial funds	1,129	4,258
Operating lease liability	24,191	63,677
Finance lease liability	-	6,321
Deferred revenue	24,546	42,057
Lines of credit	1,199,209	-
Total Liabilities	1,406,130	362,800
Net Assets		
Net assets without donor restrictions		
Unrestricted	3,455,280	4,708,315
Board designated	84,635	84,214
Total net assets without donor restrictions	3,539,915	4,792,529
Net assets with donor restrictions		
Restricted as to purpose	1,035,318	1,065,878
Restricted in perpetuity	160,422	160,422
Total net assets with donor restrictions	1,195,740	1,226,300
Total Net Assets	4,735,655	6,018,829
	\$ 6,141,785	\$ 6,381,629
TOTAL LIABILITIES AND NET ASSETS		

See accompanying notes to financial statements.

Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas

Statement of Activities Year Ended September 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUE, GAINS AND RECLASSIFICATIONS			
Support			
Contributions of financial assets	\$ 460,509	\$ 33,293	\$ 493,802
Contributions of nonfinancial assets	78,132	-	78,132
Special event revenue	71,708	-	71,708
Grants	15,275	-	15,275
Total Support	625,624	33,293	658,917
Program Revenue			
Cookie program	5,043,150	-	5,043,150
Cost of cookies	(1,171,259)	-	(1,171,259)
Allocation to troops and service units	(767,214)	-	(767,214)
Net cookie program revenue	3,104,677	-	3,104,677
Fall product program	352,081	-	352,081
Cost of fall products	(147,566)	-	(147,566)
Allocation to troops and service units	(40,664)	-	(40,664)
Net fall product program revenue	163,851	-	163,851
Merchandise sales	138,992	-	138,992
Cost of sales	(72,337)	-	(72,337)
Net merchandise sales revenue	66,655	-	66,655
Camp and program fees	177,610	-	177,610
Total Program Revenue	3,512,793	-	3,512,793
Other Income			
Net investment return	159,175	2,280	161,455
Other support, gains and miscellaneous income	63,560	-	63,560
Total Other Income	222,735	2,280	225,015
Net Assets Released from Restrictions	66,133	(66,133)	-
Total Support, Revenue, Gains and Reclassifications	4,427,285	(30,560)	4,396,725
Expenses			
Program services	4,158,027	-	4,158,027
Management and general	1,061,322	-	1,061,322
Fundraising	460,550	-	460,550
Total Expenses	5,679,899	-	5,679,899
DECREASE IN NET ASSETS	(1,252,614)	(30,560)	(1,283,174)
NET ASSETS, BEGINNING OF YEAR	4,792,529	1,226,300	6,018,829
NET ASSETS, END OF YEAR	\$ 3,539,915	\$ 1,195,740	\$ 4,735,655

See accompanying notes to financial statements.

Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas

Statement of Activities Year Ended September 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUE, GAINS AND RECLASSIFICATIONS			
Support			
Contributions of financial assets	\$ 409,729	\$ 125,678	\$ 535,407
Contributions of nonfinancial assets	72,052	-	72,052
Special event revenue	148,381	-	148,381
Grants	829	-	829
Total Support	<u>630,991</u>	<u>125,678</u>	<u>756,669</u>
Program Revenue			
Cookie program	5,501,493	-	5,501,493
Cost of cookies	(1,263,287)	-	(1,263,287)
Allocation to troops and service units	(839,661)	-	(839,661)
Net cookie program revenue	<u>3,398,545</u>	<u>-</u>	<u>3,398,545</u>
Fall product program	442,053	-	442,053
Cost of fall products	(188,110)	-	(188,110)
Allocation to troops and service units	(51,628)	-	(51,628)
Net fall product program revenue	<u>202,315</u>	<u>-</u>	<u>202,315</u>
Merchandise sales	141,241	-	141,241
Cost of sales	(72,485)	-	(72,485)
Net merchandise sales revenue	<u>68,756</u>	<u>-</u>	<u>68,756</u>
Camp and program fees	214,068	-	214,068
Total Program Revenue	<u>3,883,684</u>	<u>-</u>	<u>3,883,684</u>
Other Income			
Net investment return	290,701	37,932	328,633
Other support, gains and miscellaneous income	188,758	-	188,758
Total Other Income	<u>479,459</u>	<u>37,932</u>	<u>517,391</u>
Net Assets Released from Restrictions	<u>35,022</u>	<u>(35,022)</u>	<u>-</u>
Total Support, Revenue, Gains and Reclassifications	<u>5,029,156</u>	<u>128,588</u>	<u>5,157,744</u>
Expenses			
Program services	4,388,566	-	4,388,566
Management and general	1,025,176	-	1,025,176
Fundraising	394,719	-	394,719
Total Expenses	<u>5,808,461</u>	<u>-</u>	<u>5,808,461</u>
INCREASE (DECREASE) IN NET ASSETS	(779,305)	128,588	(650,717)
NET ASSETS, BEGINNING OF YEAR	<u>5,571,834</u>	<u>1,097,712</u>	<u>6,669,546</u>
NET ASSETS, END OF YEAR	<u>\$ 4,792,529</u>	<u>\$ 1,226,300</u>	<u>\$ 6,018,829</u>

See accompanying notes to financial statements.

Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas

Statement of Functional Expenses Year Ended September 30, 2025

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, benefits and taxes	\$ 2,837,141	\$ 592,069	\$ 342,745	\$ 3,771,955
Professional services and fees	99,223	102,121	44,413	245,757
Program supplies and food	246,042	14,332	31,448	291,822
Communications and postage	27,611	81,809	51	109,471
Building rent, maintenance and utilities	142,346	92,289	-	234,635
Equipment rental and maintenance	44,194	15,441	334	59,969
Marketing and printing	56,108	1,777	3,724	61,609
Travel	82,754	9,480	6,203	98,437
Development and training	19,447	6,309	249	26,005
Girl and adult assistance and troop support	47,902	-	-	47,902
Cookie and fall product programs incentives	93,366	-	-	93,366
Bad debts/loss on uncollectible contributions	26,267	-	3,583	29,850
Insurance	102,050	33,651	-	135,701
Other operating expense	96,509	54,026	23,713	174,248
Depreciation and amortization	237,067	58,018	4,087	299,172
TOTAL EXPENSES	4,158,027	1,061,322	460,550	5,679,899
Costs of cookies, fall products and sales	1,391,162	-	-	1,391,162
Allocation to troops and service units	807,878	-	-	807,878
TOTAL EXPENSES AND COST OF COOKIES, FALL PRODUCTS AND SALES	\$ 6,357,067	\$ 1,061,322	\$ 460,550	\$ 7,878,939

See accompanying notes to financial statements.

Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas

Statement of Functional Expenses Year Ended September 30, 2024

	Program Services	Management and General	Fundraising	Total
Salaries, benefits and taxes	\$ 2,949,577	\$ 560,874	\$ 288,863	\$ 3,799,314
Professional services and fees	85,576	121,862	18,032	225,470
Program supplies and food	289,337	14,687	40,568	344,592
Communications and postage	15,319	74,539	23	89,881
Building rent, maintenance and utilities	144,946	85,210	14	230,170
Equipment rental and maintenance	47,861	9,195	-	57,056
Marketing and printing	56,291	3,306	11,423	71,020
Travel	111,733	9,809	10,349	131,891
Development and training	24,774	8,521	1,308	34,603
Girl and adult assistance and troop support	55,598	-	-	55,598
Cookie and fall product programs incentives	105,085	-	-	105,085
Bad debts/loss on uncollectible contributions	30,923	1,583	-	32,506
Insurance	91,740	31,461	-	123,201
Other operating expense	107,060	35,944	24,139	167,143
Depreciation and amortization	272,746	68,185	-	340,931
TOTAL EXPENSES	4,388,566	1,025,176	394,719	5,808,461
Costs of cookies, fall products and sales	1,523,882	-	-	1,523,882
Allocation to troops and service units	891,289	-	-	891,289
TOTAL EXPENSES AND COST OF COOKIES, FALL PRODUCTS AND SALES	\$ 6,803,737	\$ 1,025,176	\$ 394,719	\$ 8,223,632

See accompanying notes to financial statements.

Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas

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

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in Total Net Assets	\$ (1,283,174)	\$ (650,717)
Adjustments to Reconcile Changes in Net Assets to Net Cash Used In Operating Activities		
Depreciation and amortization	299,172	340,931
Gain on disposal of property and equipment	-	(122,285)
Net appreciation in the fair value of investments	(126,680)	(294,577)
Bad debts/loss on uncollectible contributions	29,850	32,506
Changes in operating assets and liabilities:		
Accounts receivable:		
Cookie and fall product programs receivable	(15,143)	(43,471)
Other accounts receivable	(961)	157,805
Contributions and grants receivable	50,302	(109,442)
Inventory	12,284	10,055
Prepaid expenses	(40,568)	(31,674)
Operating lease right of use assets and liabilities	(39,486)	(62,646)
Accounts payable and accrued expenses	(58,347)	(8,515)
Accrued payroll expenses	(61)	6,419
Custodial funds	(3,129)	(346)
Deferred revenue	(17,511)	21,694
Net Cash Used in Operating Activities	(1,193,452)	(754,263)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(417,023)	(712,415)
Proceeds from sale of property and equipment	-	700,743
Purchases of investments	(234,675)	(272,776)
Proceeds from sale of investments	409,567	432,389
Net Cash (Used in) Provided by Investing Activities	(242,131)	147,941
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on finance lease obligations	(6,321)	(10,094)
Draws on lines of credit	2,699,209	-
Payments on lines of credit	(1,500,000)	-
Net Cash Provided by (Used in) Financing Activities	1,192,888	(10,094)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(242,695)	(616,416)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	568,009	1,184,425
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 325,314	\$ 568,009

See accompanying notes to financial statements.

Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas

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

	<u>2025</u>	<u>2024</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Purchases of property and equipment included in accounts payable and accrued expenses	<u>\$ 2,676</u>	<u>\$ 33,700</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	<u>\$ 174</u>	<u>\$ 838</u>
Financing cash flows from finance leases	<u>\$ 6,446</u>	<u>\$ 10,094</u>
Operating cash flows from operating leases	<u>\$ 38,280</u>	<u>\$ 42,942</u>
Interest paid on lines of credit	<u>\$ 40,048</u>	<u>\$ -</u>

See accompanying notes to financial statements.

Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas

Notes to Financial Statements September 30, 2025 and 2024

NOTE 1: NATURE OF ACTIVITIES

Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas (the Council) is a nonprofit organization incorporated under the laws of the state of Arkansas and chartered by the Girl Scouts of the United States of America (GSUSA). As part of a national strategy developed by GSUSA to streamline and consolidate operations by creating high capacity, high performing Girl Scout councils throughout the United States, the Council was created and commenced operations effective October 1, 2008, as a result of a merger of five Girl Scout Councils (Girl Scout Councils of NOARK, Ouachita, Crowley's Ridge, Mount Magazine and Conifer).

The Council's mission is to build girls of courage, confidence and character who make the world a better place. To accomplish its mission, the Council strives to provide a variety of Girl Scout programs and exciting opportunities throughout the area it serves. The Council serves approximately 4,300 girls and has approximately 3,400 volunteers.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Council have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis of Presentation

The Council is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets without Donor Restriction – Net assets that are not subject to or are no longer subject to donor imposed stipulations.

Net Assets with Donor Restrictions – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Cash and Cash Equivalents

The Council considers all demand deposit accounts, money market mutual funds and highly liquid investments with original maturities of three months or less at the date of purchase to be cash and cash equivalents.

The accompanying financial statements do not report balances or transactions attributable to separate bank accounts established and maintained by individual Girl Scout troops under the employer identification number (EIN) of the Council. At September 30, 2025 and 2024, management estimates that the balance in such individual troop accounts totals approximately \$1,431,000 and \$1,438,000, respectively. The Council has no signature authority on or direct control over the individual troop accounts and will only have read-only access to the funds as long as a troop is functioning according to Girl Scout policy and procedure. Individual troops have the responsibility to use funds in their control for purposes of conducting Girl Scout-related programs. If a troop disbands and the troop bank account has a balance, the members of that troop may elect to return it to the Council.

Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas

Notes to Financial Statements September 30, 2025 and 2024

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents (Continued)

It is the Council's policy not to use any funds received from disbanded troops for operations for one year, so any continuing girls may get a portion of the funds for their new troop. After one year, any remaining funds are used for general operations.

Any amounts received from disbanded troops are included in cash and cash equivalents, and they are also included in the custodial funds liability in the Council's statements of financial position.

Investments

The Council's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly fashion between market participants at the measurement date. See Note 4 for further discussion of fair value measurements. Investment transactions are recorded on a trade-date basis.

Net investment return is reported in the statements of activities and consists of realized and unrealized gains and losses, as well as dividends, capital gain distributions and interest, less external investment expenses. Interest income is recorded when it is earned, and dividends and capital gain distributions are recorded as income on the ex-dividend date.

Accounts Receivable

The Council records accounts receivable for cookie and fall product programs proceeds due from individual troops. These accounts receivable are stated net of a reserve for credit losses, which are determined by management each year based on a review of collectability of each outstanding receivable, historical collection information and knowledge of current economic factors and conditions that may impact collectability. The Council writes off these receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery. The total amount of write-offs was immaterial to the financial statements as a whole for the years ending September 30, 2025 and 2024.

Inventory

Inventory, consisting primarily of shop merchandise, is stated at the lower of cost (determined using the first-in, first-out method) or net realizable value.

Property and Equipment, Net

Property and equipment are reported at historical cost, or if donated, at the approximate fair value at the date of donation. Such donations are reported as increases in net assets without donor restriction, unless the donor stipulations limit the use of the assets for a period of time or for a particular purpose, in which instance the donated assets are reported as net assets with donor restrictions.

Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas

Notes to Financial Statements September 30, 2025 and 2024

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment, Net (Continued)

Generally, major renewals and improvements in excess of \$5,000 are capitalized, while normal repairs and maintenance are expensed in the period incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to forty years.

Contributions

Contributions, including unconditional promises to give, are recognized as support in the period received or when the Council becomes aware that an unconditional promise to give has been made, whichever occurs first. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return are not recognized until the conditions on which they depend have been met.

Contributions that are restricted by the donor are recorded as increases in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions.

When a restriction expires (that is, when a stipulated time period ends or a purpose restriction is accomplished), donor restricted net assets are reclassified to net assets without donor restriction and reported in the statement of activities as “net assets released from restrictions.”

Revenue Recognition

Grants are recognized as revenue on a reimbursement of expense basis or when services are provided. Receivables from grants represent amounts required for reimbursement for allowable expenses incurred or services provided in excess of funds received. Grants are reported as deferred revenue to the extent funds are received before the required service is provided.

Revenues from cookie and fall product programs (e.g., nuts, snack mix, magazine subscriptions) are recognized as the performance obligation of delivering the cookies or products to the buyer occurs. Merchandise sales, which consist primarily of Girl Scout-related uniform components and supplies sold at the Council’s retail stores, are recognized at the time of the sale. Camp and other program fee revenues are recognized at the time the related camp or other program occurs.

Cost of Cookies, Fall Products and Sales

Costs of cookies, fall products and sales include all costs associated with the purchase of cookies, fall products and merchandise. Shipping and handling costs are also included in the cost of cookies, fall products and merchandise. All cookie inventory is purchased from one vendor, and all fall product inventory is purchased from another vendor. All Girl Scout-related merchandise is purchased from GSUSA and GSUSA approved vendors.

Allocation to Troops and Service Units

Individual troops and service units earn \$0.80 - \$1.00 and \$0.04 - \$0.06, respectively, for each box of cookies sold. Individual troops earn 11% - 13% for their gross fall product program revenues and service units earn \$200 when they meet a certain benchmark.

Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas

Notes to Financial Statements September 30, 2025 and 2024

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses

Expenses associated with certain activities and functions necessary for the support of programs provided by the Council are considered supporting services expenses. Supporting services include various costs associated with administration, fundraising, maintenance and other general functions of the Council.

The Council allocates its expenses on a functional basis among various programs and supporting services. Expenses that can be identified with a specific program or supporting service are charged directly to the related program or supporting service according to their natural expenditure classification. Other expenses that are common to several functions are allocated to programs and supporting services. Salaries, benefits and taxes are allocated based on estimates of time worked, while all other common expenses are allocated based on estimated use.

Income Taxes

The Council is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and is not a private foundation.

Accounting standards require the Council to evaluate tax positions and recognize a tax liability (or asset) if the Council has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS). The Council has analyzed the tax positions taken and has concluded that as of September 30, 2025 and 2024, there are no uncertain positions taken or expected to be taken that would require the recognition of a liability (or asset) or disclosure in the financial statements. The Council may be subject to audit by the IRS; however, there are currently no audits for any tax periods in progress.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts of certain assets and liabilities, and various disclosures in the financial statements. Accordingly, actual results could differ from those estimates.

Reclassification

Certain amounts in the prior year financial statements have been reclassified to conform to the current year financial statement presentation.

Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas

Notes to Financial Statements September 30, 2025 and 2024

NOTE 3: CONTRIBUTIONS AND GRANTS RECEIVABLE

The following is a summary of contributions and grants receivable as of September 30:

	2025	2024
Burnham Woods	\$ 60,000	\$ 100,000
Juliette's Circle	19,382	26,302
United Way	9,250	11,201
Other contributions	49,500	56,000
	138,132	193,503
Less unamortized discount on long-term receivables	(9,277)	(10,763)
Total contributions and grants receivable, net	\$ 128,855	\$ 182,740

Contributions and grants receivable at September 30, 2025 are expected to be collected as follows:

Amounts due in:	
Less than one year	\$ 19,707
One to five years	118,425
	\$ 138,132

Promises to give which are scheduled to be received after one year are reported at the present value of estimated future cash flows using a discount rate of 8.5%.

NOTE 4: 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 three levels of the fair value hierarchy are as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Council has the ability to access.

- Level 2 Inputs to the valuation methodology include the following:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability; and
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas

Notes to Financial Statements September 30, 2025 and 2024

NOTE 4: FAIR VALUE MEASUREMENTS (Continued)

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

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

The asset's 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 maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in methodologies used during the years ended September 30, 2025 and 2024.

The fair values of mutual funds are determined based on the net asset value per share and the number of shares held by the Council.

The fair values of exchange-traded funds are determined based on the closing price as reported by the fund. The funds are priced continuously throughout the day, but are required to publish their daily net asset value at market close based on the value of the underlying securities. The funds held by the Council are deemed to be actively traded.

The fair values of corporate debt obligations are determined based on yields currently available on comparable securities of issuers with similar credit ratings.

The fair values of the Council's investments measured at fair value on a recurring basis as of September 30:

	2025			Fair Value
	Level 1	Level 2	Level 3	
Mutual funds				
Foreign large growth	\$ 22,927	\$ -	\$ -	\$ 22,927
High yield bond	60,181	-	-	60,181
Intermediate core bond	304,473	-	-	304,473
Large growth	63,267	-	-	63,267
Large value	44,924	-	-	44,924
Mid-cap growth	9,065	-	-	9,065
Mid-cap value	16,154	-	-	16,154
Multisector bond	38,441	-	-	38,441
Nontraditional bond	40,640	-	-	40,640
Short-term bond	19,582	-	-	19,582
Small blend	19,555	-	-	19,555
Small value	16,648	-	-	16,648
Ultrashort bond	7,273	-	-	7,273
World allocation	301,739	-	-	301,739
Total mutual funds	964,869	-	-	964,869

(Continued)

Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas

Notes to Financial Statements September 30, 2025 and 2024

NOTE 4: FAIR VALUE MEASUREMENTS (Continued)

	2025			Fair Value
	Level 1	Level 2	Level 3	
Exchange-traded funds				
Diversified emerging markets	\$ 21,747	\$ -	\$ -	\$ 21,747
Foreign large blend	60,584	-	-	60,584
Foreign large growth	118,220	-	-	118,220
US fund global large-stock growth	27,062	-	-	27,062
Intermediate core bond	141,721	-	-	141,721
Large blend	126,935	-	-	126,935
Large growth	119,932	-	-	119,932
Large value	112,866	-	-	112,866
Mid-cap blend	45,446	-	-	45,446
Total exchange-traded funds	<u>774,513</u>	<u>-</u>	<u>-</u>	<u>774,513</u>
Corporate debt obligations	-	47,404	-	47,404
Total investments	<u>\$ 1,739,382</u>	<u>\$ 47,404</u>	<u>\$ -</u>	<u>\$ 1,786,786</u>
	2024			Fair Value
	Level 1	Level 2	Level 3	
Mutual funds				
Foreign large growth	\$ 19,226	\$ -	\$ -	\$ 19,226
High yield bond	66,658	-	-	66,658
Intermediate core bond	291,280	-	-	291,280
Large growth	54,668	-	-	54,668
Large value	44,501	-	-	44,501
Mid-cap growth	9,695	-	-	9,695
Mid-cap value	16,486	-	-	16,486
Multisector bond	6,710	-	-	6,710
Nontraditional bond	10,835	-	-	10,835
Short-term bond	19,682	-	-	19,682
Small growth	16,743	-	-	16,743
Small value	17,035	-	-	17,035
Ultrashort bond	7,302	-	-	7,302
World allocation	312,360	-	-	312,360
Total mutual funds	<u>893,181</u>	<u>-</u>	<u>-</u>	<u>893,181</u>

(Continued)

Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas

Notes to Financial Statements September 30, 2025 and 2024

NOTE 4: FAIR VALUE MEASUREMENTS (Continued)

	2024			Fair Value
	Level 1	Level 2	Level 3	
Exchange-traded funds				
Diversified emerging markets	\$ 21,251	\$ -	\$ -	\$ 21,251
Foreign large blend	58,419	-	-	58,419
Foreign large growth	118,462	-	-	118,462
Global large stock growth	24,533	-	-	24,533
Intermediate core bond	146,828	-	-	146,828
Large blend	141,297	-	-	141,297
Large growth	129,634	-	-	129,634
Large value	127,226	-	-	127,226
Mid-cap blend	47,254	-	-	47,254
Total exchange-traded funds	<u>814,904</u>	<u>-</u>	<u>-</u>	<u>814,904</u>
Corporate debt obligations	-	126,913	-	126,913
Total investments	<u>\$ 1,708,085</u>	<u>\$ 126,913</u>	<u>\$ -</u>	<u>\$ 1,834,998</u>

NOTE 5: PROPERTY AND EQUIPMENT, NET

Property and equipment, net of accumulated depreciation, consist of the following as of September 30:

	2025	2024
Non-depreciable:		
Land	\$ 154,723	\$ 154,723
Construction in progress	537,850	166,938
Depreciable:		
Buildings and improvements	5,660,395	5,671,021
Furniture and equipment	233,991	227,587
Automobiles	505,320	514,970
Land improvements	428,434	428,434
	<u>7,520,713</u>	<u>7,163,673</u>
Accumulated depreciation	<u>(3,903,847)</u>	<u>(3,678,692)</u>
Total property and equipment, net	<u>\$ 3,616,866</u>	<u>\$ 3,484,981</u>

During the year ended September 30, 2025, work began on the Burnham Woods project, with approximately \$392,000 recorded as construction in progress related to this effort. The total estimated cost to complete the Burnham Woods project is approximately \$1,105,000 and includes renovations and new construction activities such as architectural design, project management and contractor services. The remaining balance of construction in progress consists of architectural fees for Camp NOARK and Camp Cahinnio.

Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas

Notes to Financial Statements September 30, 2025 and 2024

NOTE 6: LINES OF CREDIT

At September 30, 2025, the Council maintained three separate lines of credit of \$850,000 (LOC1), \$650,000 (LOC2) and \$852,750 (LOC3) from the same financial institution. Interest payments are due monthly at a variable rate based on the Wall Street Journal prime rate, which was 7.75% at September 30, 2025. Borrowings against the lines of credit are due on demand, but if no demand is made, both LOC1 and LOC2 mature on March 15, 2026 and LOC3 matures on August 5, 2027, at which time all outstanding advances and any unpaid interest thereon are due and payable.

LOC1 and LOC3 are cross collateralized by cash deposits totaling \$100,000 held at a financial institution. LOC1 is additionally secured by a camp property with a net book value of \$800,106, LOC2 is secured by the Little Rock office building with a net book value of \$878,878, and LOC3 is additionally secured by the Burnham Woods campus in Fort Smith with a net book value of \$200,831. At September 30, 2025, LOC1, LOC2 and LOC3 had a combined outstanding balance of \$1,199,209. There was no outstanding balance at September 30, 2024.

NOTE 7: LEASES

The Council leases an office building, computers and office equipment under long term noncancellable operating lease and finance lease agreements. The leases expire at various dates through 2026. The Council has elected the practical expedient to not separate lease and non-lease components for the office building, computers and office equipment leases.

The weighted-average discount rate is based on the discount rate implicit in the lease. The Council has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Council has applied the risk-free rate option to the office building and office equipment classes of assets.

Total lease costs for the years ended September 30 are as follows:

	<u>2025</u>	<u>2024</u>
Finance lease cost:		
Amortization of right of use assets	\$ 6,446	\$ 9,983
Interest on lease liabilities	174	838
Total finance lease cost	<u>\$ 6,620</u>	<u>\$ 10,821</u>
Operating lease cost	<u>\$ 38,960</u>	<u>\$ 41,892</u>

Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas

Notes to Financial Statements September 30, 2025 and 2024

NOTE 7: LEASES (Continued)

The following summarizes the weighted average remaining lease term and weighted average discount rate as of September 30:

	2025	2024
Weighted average remaining lease term in years:		
Finance leases	-	0.73
Operating leases	1.00	1.72
Weighted average discount rate:		
Finance leases	0%	7.64%
Operating leases	0.93%	0.79%

The future minimum lease payments under noncancellable operating leases with terms greater than one year for the year ended September 30, 2025 are as follows:

Total lease payments: September 30, 2026	\$ 24,294
Less: interest	(103)
Present value of lease liabilities	\$ 24,191

NOTE 8: ENDOWMENTS

At September 30, 2025 and 2024, the Council’s endowment funds include four restricted endowments – the Second Century Endowment established in association with the one hundredth anniversary of the Girl Scouts organization as well as three separate memorial endowment funds established by individual donors. The corpus of the restricted endowment funds must be maintained in perpetuity and the income earned thereon must be used for specific Girl Scout-related purposes.

The Council’s Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as 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 Council classifies the original value of gifts donated in perpetuity to the endowment, the original value of subsequent gifts to the endowment and accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund as net assets with donor restrictions. The remaining portion of the donor restricted endowment fund that are not classified as net assets with donor restrictions in perpetuity are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Council in a manner consistent with the standard of prudence prescribed by UPMIFA.

Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas

Notes to Financial Statements September 30, 2025 and 2024

NOTE 8: ENDOWMENTS (Continued)

In accordance with UPMIFA, the Council considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Council and (7) the Council’s investment policies.

The Council has adopted investment and spending policies, as approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long term. Endowment assets are invested in a diversified portfolio of investments, which consists primarily of money market accounts, mutual funds, exchange-traded funds and corporate debt obligations.

The Council’s investment strategy is to earn a consistent rate of return and maintain acceptable levels of risk, while providing sufficient liquidity to fund capital expenditures and various Girl Scout programs. Investment risk is measured in terms of the total endowment fund. Investment assets and allocations among asset classes and strategies are managed in an effort to not expose the fund to unacceptable levels of risk.

Changes in net assets attributable to the Council’s endowment funds during the years ended September 30 are as follows:

	2025	2024
Endowment net assets, beginning of year	\$ 193,103	\$ 148,303
Contributions	-	6,868
Investment income (loss)	4,422	(630)
Net appreciation in fair value of investments	19,346	38,562
Amounts spent	(21,490)	-
Amounts released	(17,388)	-
Endowment net assets, end of year	<u>\$ 177,993</u>	<u>\$ 193,103</u>

Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas

Notes to Financial Statements September 30, 2025 and 2024

NOTE 9: NET ASSETS

The following table provides a description of the amounts comprising net assets with donor restrictions as of September 30, all of which are restricted by purpose or in perpetuity.

	2025	2024
STEAM campaign ⁽¹⁾	\$ 903,882	\$ 893,839
Alternative Program Delivery ⁽²⁾	70,589	100,985
CEO discretionary ⁽³⁾	10,846	10,946
GSUSA program initiatives ⁽⁴⁾	15,275	20,300
Memberships, scholarships and troop support ⁽⁵⁾	11,857	7,127
Camperships ⁽⁶⁾	5,298	-
Lyon Memorial ⁽⁷⁾	41,289	44,644
Emde Memorial ⁽⁷⁾	20,799	18,520
Hensley Memorial ⁽⁷⁾	11,786	11,786
Second Century Endowment ⁽⁷⁾	104,119	118,153
Total net assets with donor restrictions	\$ 1,195,740	\$ 1,226,300

- (1) Represents contributions received from various donors related to the Council's capital campaign to renovate existing buildings into STEAM focused buildings which will include a new workshop building.
- (2) Represents contributions received from various donors to be utilized for Girl Scout leadership experiences outside of the traditional troop model.
- (3) Represents a contribution received from a donor that is designated to be used at the Council's CEO's discretion.
- (4) Represents funds received from GSUSA for specific program initiatives.
- (5) Represents the unspent balance of contributions from various donors to be utilized for Girl Scout memberships, camp scholarships and troop support.
- (6) Represents the unspent balance of contributions from various donors to be utilized for Girl Scout camperships.
- (7) Represents contributions received from donors, the corpus of which is to be maintained in perpetuity. The income earned thereon is to be utilized by the Council to provide various forms of assistance to girls participating in Girl Scout programs or for purposes of conducting Girl Scout programs.

Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas

Notes to Financial Statements September 30, 2025 and 2024

NOTE 9: NET ASSETS (Continued)

The following table provides a description of the amounts comprising net assets designated by the Board of Directors as of September 30:

	<u>2025</u>	<u>2024</u>
Emergency expenditures	\$ 25,296	\$ 25,170
Second Century Endowment	3,637	3,619
Windgate Foundation Challenge Grant ⁽⁸⁾	50,602	50,350
Other	5,100	5,075
Total board designated net assets	<u>\$ 84,635</u>	<u>\$ 84,214</u>

⁽⁸⁾ During the year ended September 30, 2018, the Council received a conditional promise to give (challenge grant), up to \$500,000, from a foundation contingent on raising the required matching gifts. The Council designated a portion of net assets without donor restrictions to begin the process of raising the necessary funds to receive the challenge grant.

NOTE 10: RETIREMENT PLANS

403(b) Thrift Plan

The Council sponsors a 403(b) thrift plan, which covers all employees of the Council. Employees are allowed to make salary deferrals to this plan subject to limitations set forth in the Internal Revenue Code. In addition, employees who have reached the age of eighteen and have completed one year of service are eligible to receive a base contribution of 3% of compensation and an employer matching contribution on salary deferrals, not to exceed 4% of the participant's compensation.

Employer contributions to the 403(b) thrift plan for the years ended September 30, 2025 and 2024 totaled approximately \$139,000 and \$122,000, respectively.

Defined Benefit Pension Plan

The Council participates in the National Girl Scout Council Retirement Plan (the Retirement Plan), a noncontributory defined benefit pension plan sponsored by GSUSA. The National Board of GSUSA voted to freeze the Retirement Plan to new entrants and to freeze future benefit accruals for all participants effective July 31, 2010.

The Retirement Plan covers substantially all of the employees of the various Girl Scout councils who were eligible to participate in the Retirement Plan prior to the effective date of the freeze. Accrued and vested benefits prior to July 31, 2010 are based on years of service and salary levels.

Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas

Notes to Financial Statements September 30, 2025 and 2024

NOTE 10: RETIREMENT PLANS (Continued)

Defined Benefit Pension Plan (Continued)

GSUSA utilizes the services of an independent actuary to estimate the Retirement Plan's unfunded liability, as well as each participating council's share of the liability and contribution requirements. As discussed in Note 15, subsequent to year end, the National Board of Directors of GSUSA voted to terminate the Retirement Plan. As of January 1, 2025 the Council's share of the total liability was estimated to be approximately \$160,000, which is disclosed but is not recorded in the accompanying financial statements in accordance with U.S. GAAP.

Net plan assets increased during the year but are less than the actuarial present value of accumulated plan benefits as of January 1, 2025. The Council's required contribution rate is 16.3% of eligible salaries in 2025 and 2024, and the dollar amount of contributions totaled approximately \$234,000 and \$233,000 during the years ended September 30, 2025 and 2024, respectively.

NOTE 11: CONTRIBUTED NONFINANCIAL ASSETS

For the years ended September 30, contributed nonfinancial assets recognized within the statements of activities include the following:

	<u>2025</u>	<u>2024</u>
Rent	\$ 51,771	\$ 50,263
Livestock	-	7,815
Equipment	5,700	5,000
Program supplies	20,661	8,974
Total contributed nonfinancial assets	<u>\$ 78,132</u>	<u>\$ 72,052</u>

The Council recognized contributed nonfinancial assets within revenues, including rent for an office building, livestock, equipment and various program supplies. None of the contributed nonfinancial assets have any donor-imposed restrictions.

Contributed rent is used for the operations of the office in Rogers, Arkansas, and the Council estimated the fair value on the basis of the rental value of the property, less what is paid each month to the landlord for rent.

Contributed livestock is utilized by the Council for certain camp programs, and the Council estimated the fair value on the basis of what the Council would have paid to purchase the livestock.

Contributed equipment is used to assist in camp upkeep, and the Council estimated the fair value on the basis of what the Council would have paid to purchase the equipment.

Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas

Notes to Financial Statements September 30, 2025 and 2024

NOTE 11: CONTRIBUTED NONFINANCIAL ASSETS (Continued)

Contributed program supplies were utilized in operations of the Council. In valuing these program supplies, the Council estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

NOTE 12: CONCENTRATION OF CREDIT RISK

Cash and Cash Equivalents

The Council maintains cash and investment balances that may, at times, exceed applicable insurance limits available under the Federal Deposit Insurance Corporation (FDIC) or Securities Investor Protection Corporation (SIPC). In the event of a bank or investment banking firm failure, the excess of the balance over applicable limits may not be recoverable. The actual amount of uninsured cash and cash equivalents balances is not readily determinable due to the fact that individual troops maintain deposits in the EIN of the Council and all accounts at a single financial institution established under the same EIN are aggregated for purposes of determining the amount of insured balances.

Support and Revenue

The Council is dependent to some extent upon grants and private donations. If this level of support varies, there may be a resulting negative impact upon the level and types of activities and program services offered by the Council.

During the years ended September 30, 2025 and 2024, approximately 71% and 66%, respectively, of total support, revenue, gains and reclassifications is attributable to net cookie program revenue, respectively.

NOTE 13: RELATED PARTY TRANSACTIONS

Certain members of the Council's Board of Directors are employed at financial institutions in which the Council maintains cash accounts and investment accounts.

Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas

Notes to Financial Statements September 30, 2025 and 2024

NOTE 14: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Council monitors its liquidity so that it is able to meet its operating needs and contractual commitments while maximizing the investment of its excess operating cash.

The Council has the following financial assets that could readily be made available within one year of the statements of financial position to fund expenses without limitations:

	2025	2024
Cash and cash equivalents	\$ 325,314	\$ 568,009
Investments	506,411	524,484
Accounts receivable:		
Cookie and fall product programs receivable, net	5,092	16,216
Other accounts receivable	11,623	10,662
Contributions and grants receivable	128,855	182,740
	977,295	1,302,111
Less contributions due in more than one year	(118,425)	(137,390)
Financial assets available to meet cash needs for general expenditures within one year	\$ 858,870	\$ 1,164,721

Although not expected to be needed, the Council has available for spending without limitation board designated net assets of approximately \$85,000. These resources are invested for long-term appreciation, but may be spent at the discretion of the Board of Directors. See Note 9 for further information regarding board designated net assets. The Council also has three lines of credit which it could draw upon in the event of an anticipated liquidity need (see Note 6).

NOTE 15: SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 11, 2026, the date that the financial statements were available to be issued.

On October 23, 2025, the National Board of Directors of GSUSA approved the termination of the Retirement Plan. The termination process is expected to be completed in 2027 when all liabilities under the Retirement Plan will be settled through the payment of the lump sums or the purchase of annuity contracts. Monthly contributions are expected to continue until the settlement of all Retirement Plan liabilities.

In October 2025, the Council entered into a contract with a real estate company to list its Camp Cahinnio property for an asking price of \$1,500,000. The net book value of land, land improvements and building listed for sale totaled approximately \$248,000.

In October 2025, the Council entered into a contract with a real estate company to list its Camp Radford property for an asking price of \$950,000. The net book value of land, land improvements and building listed for sale totaled approximately \$61,000.

Girl Scouts – Diamonds of Arkansas, Oklahoma and Texas

Notes to Financial Statements
September 30, 2025 and 2024

NOTE 15: SUBSEQUENT EVENTS (Continued)

In October 2025, the Council entered into a contract with a real estate company to list its three lots in Little Rock for an asking price of \$10,000. The net book value of land listed for sale totaled approximately \$1,000.