

GIRL SCOUTS OF OREGON  
AND SOUTHWEST WASHINGTON, INC.

Audited Financial Statements

For the Year Ended September 30, 2023



MCDONALD JACOBS

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Girl Scouts of Oregon and Southwest Washington

### Opinion

We have audited the accompanying financial statements of Girl Scouts of Oregon and Southwest Washington (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, and 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 financial statements referred to above present fairly, in all material respects, the financial position of Girl Scouts of Oregon and Southwest Washington as of September 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Girl Scouts of Oregon and Southwest Washington 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 Girl Scouts of Oregon and Southwest Washington's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

**Report on Summarized Comparative Information**

We have previously audited Girl Scouts of Oregon and Southwest Washington's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 6, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*McDonald Jacobson, P.C.*

Portland, Oregon  
January 18, 2024

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON  
STATEMENT OF FINANCIAL POSITION  
September 30, 2023  
(With comparative totals for 2022)

	2023	2022
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,555,588	\$ 4,005,823
Accounts and other receivables, net	25,544	25,377
Contributions receivable, net	623,162	189,389
Inventory	319,915	297,598
Prepaid expenses	151,476	108,881
Investments	8,632,789	6,868,930
Operating lease right-of-use assets	79,369	-
Beneficial interest in perpetual trusts	666,041	629,862
Property and equipment, net	8,760,309	8,771,356
<b>TOTAL ASSETS</b>	<b>\$ 21,814,193</b>	<b>\$ 20,897,216</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 579,879	\$ 606,088
Accrued payroll and related expenses	568,259	466,856
Deferred revenue	63,391	53,781
Operating lease liabilities	80,264	-
Total liabilities	1,291,793	1,126,725
Net assets:		
Without donor restrictions:		
Undesignated	1,826,158	2,849,088
Board designated investment reserve	7,094,461	5,461,979
Board designated endowment	292,840	268,548
Net investment in property and equipment	8,747,641	8,758,078
Total net assets without donor restrictions	17,961,100	17,337,693
With donor restrictions:		
Net assets with expiring restrictions	844,022	803,886
Net assets with perpetual restrictions	1,717,278	1,628,912
Total net assets with donor restrictions	2,561,300	2,432,798
Total net assets	20,522,400	19,770,491
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 21,814,193</b>	<b>\$ 20,897,216</b>

See notes to financial statements.

**GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON**  
**STATEMENT OF ACTIVITIES**  
**For the year ended September 30, 2023**  
**(With comparative totals for 2022)**

	2023			2022	
	Without Donor	With Donor Restrictions		Total	Total
	Restrictions	Expiring	Perpetual		
<b>Public support and revenue:</b>					
Product sales	\$ 12,670,399	\$ -	\$ -	\$ 12,670,399	\$ 8,969,550
Less: cost of sales	<u>(5,001,111)</u>	<u>-</u>	<u>-</u>	<u>(5,001,111)</u>	<u>(3,891,910)</u>
Net proceeds from product sales	7,669,288	-	-	7,669,288	5,077,640
Grants and contributions	411,255	461,722	-	872,977	1,080,263
Government grants	42,010	592,304	-	634,314	1,384,709
Bequests	95,977	105,177	52,187	253,341	333,196
Program fees	756,900	-	-	756,900	637,728
Rental income	183,909	-	-	183,909	122,702
Other income	101,257	-	-	101,257	231,521
Net assets released from restrictions and other transfers	<u>1,220,283</u>	<u>(1,220,283)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>10,480,879</u>	<u>(61,080)</u>	<u>52,187</u>	<u>10,471,986</u>	<u>8,867,759</u>
<b>Operating expenses:</b>					
Program services	8,742,243	-	-	8,742,243	7,231,894
Management and general	989,514	-	-	989,514	789,854
Fundraising	<u>520,313</u>	<u>-</u>	<u>-</u>	<u>520,313</u>	<u>477,579</u>
Total operating expenses	<u>10,252,070</u>	<u>-</u>	<u>-</u>	<u>10,252,070</u>	<u>8,499,327</u>
Operating income	228,809	(61,080)	52,187	219,916	368,432

*Continued*

See notes to financial statements.

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON  
STATEMENT OF ACTIVITIES  
For the year ended September 30, 2023  
(With comparative totals for 2022)

	2023			2022	
	Without Donor Restrictions	With Donor Restrictions		Total	Total
	Expiring	Perpetual			
Operating income					
<i>Brought forward</i>	228,809	(61,080)	52,187	219,916	368,432
<b>Non-operating activities:</b>					
Investment activity:					
Investment return, net	528,964	101,216	-	630,180	(1,152,001)
Change in value of beneficial interest in perpetual trusts	-	-	36,179	36,179	(175,328)
Total investment activity	528,964	101,216	36,179	666,359	(1,327,329)
Loss on disposal of property and equipment	(2,277)	-	-	(2,277)	(4,759)
Frozen defined benefit plan contributions - Board approved	(132,089)	-	-	(132,089)	(135,022)
Total non-operating activities	394,598	101,216	36,179	531,993	(1,467,110)
Change in net assets	623,407	40,136	88,366	751,909	(1,098,678)
<b>Net assets:</b>					
Beginning of year	17,337,693	803,886	1,628,912	19,770,491	20,869,169
End of year	<u>\$ 17,961,100</u>	<u>\$ 844,022</u>	<u>\$ 1,717,278</u>	<u>\$ 20,522,400</u>	<u>\$ 19,770,491</u>
					<i>Concluded</i>

See notes to financial statements.

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON  
STATEMENT OF FUNCTIONAL EXPENSES  
For the year ended September 30, 2023  
(With comparative totals for 2022)

	2023				2022
	Program Services	Management and General	Fundraising	Total	Total
Salaries and related costs	\$ 5,450,681	\$ 799,865	\$ 427,176	\$ 6,677,722	\$ 5,987,100
Occupancy	482,879	3,588	2,354	488,821	398,201
Insurance	178,102	16,386	1,125	195,613	167,878
Travel, training and conference	158,806	61,633	36,855	257,294	131,113
Telephone	76,390	1,943	446	78,779	77,816
Printing	119,272	591	5,256	125,119	51,089
Supplies	252,036	989	6,325	259,350	195,021
Assistance to members	117,624	-	-	117,624	38,583
Professional fees	320,218	50,341	3,842	374,401	160,380
Incentives and appreciation	523,190	5,327	629	529,146	247,869
Postage and shipping	19,930	3,625	1,176	24,731	23,629
Equipment rental and maintenance	191,975	2,587	25,900	220,462	177,785
Bank and credit card charges, net of card benefits	107,540	99	3,168	110,807	103,690
Depreciation	666,424	3,082	3,013	672,519	629,199
Frozen defined benefit plan contributions	191,183	3,306	3,638	198,127	202,533
Other expenses	13,453	38,356	1,835	53,644	42,463
Cost of products sold	5,001,111	-	-	5,001,111	3,891,910
	13,870,814	991,718	522,738	15,385,270	12,526,259
Less cost of products sales	(5,001,111)	-	-	(5,001,111)	(3,891,910)
Less non-operating frozen defined benefit plan contribution	(127,460)	(2,204)	(2,425)	(132,089)	(135,022)
Total expenses	<u>\$ 8,742,243</u>	<u>\$ 989,514</u>	<u>\$ 520,313</u>	<u>\$ 10,252,070</u>	<u>\$ 8,499,327</u>

See notes to financial statements.



**GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON**  
**STATEMENT OF CASH FLOWS**  
For the year ended September 30, 2023  
(With comparative totals for 2022)

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities:</b>		
Cash receipts:		
Grants and contributions	\$ 640,358	\$ 1,235,157
Government grants	634,314	1,359,473
Product sales	12,670,399	8,969,550
Program fees	766,510	671,922
Interest, dividends and other income	<u>410,734</u>	<u>512,030</u>
Total cash receipts	<u>15,122,315</u>	<u>12,748,132</u>
Cash disbursements:		
Product purchases	5,023,428	3,833,762
Payroll and related expenses	6,510,281	5,916,073
Other operating expenses	2,887,119	1,994,621
Operating leases	82,619	-
Frozen defined benefit plan	<u>198,127</u>	<u>202,533</u>
Total cash disbursements	<u>14,701,574</u>	<u>11,946,989</u>
Net cash flows from operating activities	<u>420,741</u>	<u>801,143</u>
 <b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(663,749)	(449,969)
Purchase of investments	(3,328,780)	(1,473,060)
Proceeds from the sale of investments	<u>2,069,366</u>	<u>1,284,384</u>
Net cash flows from investing activities	<u>(1,923,163)</u>	<u>(638,645)</u>
 <b>Cash flows from financing activities:</b>		
Contributions to perpetual endowment	<u>52,187</u>	<u>69,699</u>
Net cash flows from financing activities	<u>52,187</u>	<u>69,699</u>
 Net change in cash and cash equivalents	(1,450,235)	232,197
 Cash and cash equivalents - beginning of year	<u>4,005,823</u>	<u>3,773,626</u>
 Cash and cash equivalents - end of year	<u>\$ 2,555,588</u>	<u>\$ 4,005,823</u>
 <b>Supplemental cash flow information:</b>		
Non-cash investing and financing activities:		
Obtaining right-of-use assets in exchange for lease liabilities	<u>\$ 158,753</u>	<u>\$ -</u>

See notes to financial statements.

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2023

I. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization

Girl Scouts of Oregon and Southwest Washington, a nonprofit corporation, (the Council) is a chartered Council of the Girl Scouts of the United States of America. The purpose of Girl Scouting is to build girls of courage, confidence, and character who make the world a better place. The Council serves approximately 14,000 members throughout Oregon, and Clark and Skamania Counties in Washington. The Council's revenues are derived primarily from contributions and product sales within those geographic areas.

Basis of Accounting

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

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions* - Net assets subject to donor- (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Council considers all highly liquid investments available for current use with maturities of three months or less at the time of purchase to be cash equivalents. Cash in investment accounts is reported in investments.

Accounts Receivable

Accounts receivable are reported at the amount management expects to collect on balances outstanding at year-end. Management provides for potentially uncollectible amounts through a valuation allowance based on its assessment of the current status of individual accounts. The Council determines its allowance for uncollectible accounts by considering a number of factors, including the length of time accounts are past due, ability to pay and previous collection history, as well as the economy as a whole.

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
September 30, 2023

I. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *Continued*

Contributions Receivable

Contributions receivable are reported at the amount management expects to collect on balances outstanding at year-end. An allowance for uncollectible contributions receivable is provided based on management's judgment, including such factors as prior collection history, type of contribution, and nature of fundraising activity. The discount to present value of amounts receivable in more than one year is insignificant.

Inventory

Inventory consists of uniforms, badges, and other Girl Scout related merchandise. Inventory is valued at the lower of average cost or net realizable value.

Investments

Investments in equity securities, money market funds, and all debt securities are carried at fair value. Donor-restricted investment income is reported as an increase in net assets with donor restrictions and classified according to the nature of the restriction. All other investment income is reported as an increase in net assets without donor restrictions. Interest and dividend income is accrued as earned and reported net of investment advisory fees.

Leases

The Council determines if an arrangement is or contains a lease at inception. Under FASB ASC 842, *Leases*, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets represent the Council's right to use an underlying asset for the lease term, and lease liabilities represent the Council's obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Council has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Council's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Council will exercise the option.

The Council does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
September 30, 2023

I. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *Continued*

Property and Equipment

Acquisitions of property and equipment in excess of \$1,000 are capitalized. Property and equipment purchased are recorded at cost. Donated assets are reflected as contributions at their estimated values on the date received.

Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the assets, which range from 10 to 40 years for land improvements, buildings, and building improvements and from 3 to 10 years for office and program equipment. Land is not subject to depreciation.

Revenue Recognition

Revenues from various sources are recognized as follows:

**Product Sales:** Revenues from product sales are recognized at the time the goods are provided and the revenue is earned.

**Grants, Contributions and Bequests:** Grants and contributions (including United Way), which include unconditional promises to give (pledges), are recognized as revenues in the period the Council is notified of the commitment. Bequests are recorded as revenue at the time the Council has an established right to the bequest and the proceeds are measurable. 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 substantially met.

**Donated Assets and Services:** Donations of property, equipment, materials and other assets are recorded as support at their estimated fair value at the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

Donations of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about the duration these long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

The Council recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would be purchased if not provided by donation. These donated services are recognized at fair value. During the year ended September 30, 2023, the Council recorded approximately \$2,400 (\$3,100 in the year ended September 30, 2022) of in-kind professional services which are included in management and general.

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
September 30, 2023

I. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *Continued*

Revenue Recognition, Continued

**Program Fees and Rental Income:** Revenues from program services and rental income are recognized as revenue in the period services are provided. Amounts collected in advance of providing services are reported as deferred revenue in the statement of financial position.

Unemployment Insurance

The Council is self-insured for unemployment and maintains a balance with a trust company in an amount sufficient to pay estimated future claims. Deposits to the trust are recorded as prepaid expenses. Unemployment claims paid reduce the trust asset and are expensed as incurred. Unpaid claims outstanding at year end represent a potential liability of the Council.

Income Tax Status

Girl Scouts of Oregon and Southwest Washington is a nonprofit corporation exempt from income tax under section 501(c)(3) of the Internal Revenue Code. No provision for income taxes is made in the accompanying financial statements, as the Council has no activities subject to unrelated business income tax. The Council is not a private foundation.

The Council follows the provisions of FASB ASC Topic 740 *Accounting for Uncertainty in Income Taxes*. Management has evaluated the Council's tax positions and concluded that there are no uncertain tax positions that require adjustment to the financial statements to comply with provisions of this Topic.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as salaries and related costs, insurance, telephone, printing, supplies, postage and shipping, equipment rental and maintenance, frozen defined benefit plan contributions, and other expenses which are allocated on the basis of estimates of time and effort.

Advertising

Advertising costs are expensed as incurred. Total advertising expense approximated \$44,100 and \$11,000 for the years ended September 30, 2023 and 2022, respectively.

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
September 30, 2023

1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *Continued*

Use of Estimates

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

Summarized Financial Information for 2022

The financial information as of September 30, 2022 and for the year then ended is presented for comparative purposes and is not intended to be a complete financial statement presentation.

New Accounting Standard

Effective October 1, 2022, the Council adopted Accounting Standards Update (ASU) No. 2016-02, *Leases*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The Council elected not to restate the comparative period (2022). It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. As a result of implementing ASU No. 2016-02, the Council recognized right-of-use assets of \$148,196 and lease liabilities totaling \$148,196 in its statement of financial position as of October 1, 2022. The adoption did not result in a significant effect on amounts reported in the statement of activities for the year ended September 30, 2023.

Subsequent Events

The Council has evaluated all subsequent events through January 18, 2024, the date the financial statements were available to be issued.

2. AVAILABLE RESOURCES AND LIQUIDITY

The Council regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Council considers all expenditures related to its primary operations to be general expenditures. It excludes financial assets with donor or other restrictions limiting their use.

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
September 30, 2023

2. AVAILABLE RESOURCES AND LIQUIDITY, Continued

Financial assets available for general expenditure consist of the following at September 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 2,555,588	\$ 4,005,823
Accounts and other receivables, net	25,544	25,377
Contributions receivable, net	623,162	189,389
Investments	8,632,789	6,868,930
Beneficial interest in perpetual trusts	<u>666,041</u>	<u>629,862</u>
	12,503,124	11,719,381
Less amounts unavailable for general expenditure:		
Net assets with donor restrictions, excluding restricted land and building	2,548,632	2,419,520
Board designations	<u>7,387,301</u>	<u>5,730,527</u>
Financial assets available for general expenditure	<u>\$ 2,567,191</u>	<u>\$ 3,569,334</u>

The board designated reserve is available for spending when approved by the Board of Directors. See Note 9 regarding board designated net assets.

3. ACCOUNTS AND OTHER RECEIVABLES

Accounts and other receivables are unsecured and consist of the following at September 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Accrued interest receivable	\$ 24,769	\$ 23,581
Accounts receivable	<u>8,570</u>	<u>11,007</u>
Total accounts and other receivables	33,339	34,588
Less allowance for uncollectible accounts	<u>7,795</u>	<u>9,211</u>
Accounts and other receivables, net	<u>\$ 25,544</u>	<u>\$ 25,377</u>



GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
September 30, 2023

4. CONTRIBUTIONS RECEIVABLE

Contributions receivable represent unconditional promises to give as follows at September 30, 2023 and 2022:

	2023	2022
Contributions receivable within one year	\$ 623,801	\$ 190,028
Less allowance for uncollectible accounts	639	639
Contributions receivable, net	\$ 623,162	\$ 189,389

Approximately 89% of balances receivable at September 30, 2023 are due from two governmental agencies.

The Council was awarded grants totaling \$201,000 contingent on meeting matching requirements and program performance. If the conditions are satisfied, the Council is eligible to receive \$171,500 and \$29,500 during the years ending September 30, 2024 and 2025, respectively. Accordingly, the conditional pledges are not reflected in the financial statements. The Council will recognize the pledges as revenue when conditions have been met.

5. INVESTMENTS

Investments are summarized as follows at September 30, 2023 and 2022:

	2023	2022
Cash and cash equivalents	\$ 459,825	\$ 95,540
U.S. Government and corporate debt securities	2,126,657	2,314,957
Equity securities	4,507,978	3,051,482
Beneficial interest in assets held at Oregon Community Foundation	1,538,329	1,406,951
Total investments	\$ 8,632,789	\$ 6,868,930

The Council entered into various agreements with Oregon Community Foundation (OCF) in order to achieve improved performance results with respect to investments and enhance long-term planned giving goals. Under the terms of the agreements, variance power has been granted to OCF; however, the Council is the beneficiary of the funds and the transfer is reciprocal in nature. Accordingly, OCF recognizes the funds as liabilities on its statement of financial position. The Council receives distributions based on the provisions of the agreement with OCF. Additional distributions up to the entire balance of the funds may be made on a resolution of both OCF and the Council's Boards of Directors.



GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
September 30, 2023

6. OPERATING LEASES

The Council evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent the Council's right to use underlying assets for the lease term, and the lease liabilities represent the Council's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms.

The Council's operating leases consist of leases for office space and equipment with remaining lease terms of 3 months to 5 years.

The office and storage lease agreements include escalating rent payments, which increase annually between 3% and 3.5%.

The statement of financial position reflects ROU assets of \$79,369 and operating lease liabilities of \$80,264 as of September 30, 2023.

The weighted-average remaining lease term for the Council's operating leases is approximately 2.4 years as of September 30, 2023. The weighted-average discount rate applied to calculate lease liabilities as of September 30, 2023 is 4.17%.

The maturities of operating lease liabilities as of September 30, 2023 are as follows:

Year ending September 31, 2024	\$	42,858
2025		22,661
2026		14,405
2027		2,354
2028		2,158
		84,436
Less discount/interest		(4,172)
Present value of lease liabilities	\$	80,264

For the year ended September 30, 2023, total operating lease cost of approximately \$83,500 is included in occupancy on the statement of functional expenses.

Rent expense under FASB ASC Topic 840, *Leases*, (pre-adoption of the new standards) for operating leases totaled \$84,900 for the year ended September 30, 2022. The aggregate minimum lease payments under those operating leases as of September 30, 2022, were as follows:

Year ending September 30, 2024	\$	74,300
2025		20,800
Total	\$	95,100

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
September 30, 2023

7. BENEFICIAL INTEREST IN PERPETUAL TRUSTS

The Council has a beneficial interest in two perpetual trusts that are held and administered by third-party trustees. Under the terms of the agreements, the Council receives periodic distributions from the trustees and retains an irrevocable right to such future distributions. The Council has recorded its interest in these trusts as a component of net assets with perpetual donor restrictions since the Council does not have access to the principal of the trusts.

The beneficial interest has been recorded using the fair value of each trust (based on quoted market prices) multiplied by the Council's interest in each as follows:

	<u>Value</u>	<u>Percentage</u>	<u>Beneficial Interest</u>
<b>September 30, 2023</b>			
Vanstrom Trusts	\$ 1,875,141	25%	\$ 468,785
Lynch Trust	986,282	20%	<u>197,256</u>
Total beneficial interest			<u>\$ 666,041</u>
<b>September 30, 2022</b>			
Vanstrom Trusts	\$ 1,762,024	25%	\$ 440,506
Lynch Trust	946,781	20%	<u>189,356</u>
Total beneficial interest			<u>\$ 629,862</u>

In accordance with the trust agreement, distributions from the Lynch Trust are restricted for use in specific Council programs. A separate bank account has been established to account for unspent distributions from the trust.

8. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Land and land improvements	\$ 2,285,369	\$ 2,285,369
Buildings	8,134,056	8,131,506
Building improvements	4,977,538	4,451,997
Furniture and equipment	1,594,876	1,488,634
Vehicles	<u>179,841</u>	<u>166,861</u>
	17,171,680	16,524,367
Less accumulated depreciation	<u>8,411,371</u>	<u>7,753,011</u>
Property and equipment, net	<u>\$ 8,760,309</u>	<u>\$ 8,771,356</u>

**GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
September 30, 2023

**8. PROPERTY AND EQUIPMENT, Continued**

Property and equipment includes land carried at \$10,486 that was received as a donation in a previous year. The donor included a stipulation that the land must always be used for Girl Scouting activities. As such, this land has been recorded as a component of the net assets with perpetual restrictions class (Note 10).

Property and equipment includes buildings and improvements with a net book value of \$2,182 and \$2,792 at September 30, 2023 and 2022, respectively that were received as a donation in a previous year. The donors included a stipulation that the buildings must be used for Girl Scouting activities. Since these buildings do not have a permanent life, they have been recorded as a component of the net assets with expiring restrictions class (Note 10). Releases from restrictions are recorded ratably over the estimated useful lives of the buildings.

**9. BOARD DESIGNATED NET ASSETS**

Board designated net assets include investments totaling \$5,973,290 and \$5,461,979 at September 30, 2023 and 2022, respectively, that the Board has reserved for future programs and unexpected circumstances. Additionally, during the year ended September 30, 2023, the board has designated \$1,121,171 of property sold in prior years for future programs and capital needs. The Board has designated funds to function as an endowment totaling \$292,840 and \$268,548 at September 30, 2023 and 2022, respectively (see Note 12). Funds can be released from the reserve by a vote of the Board.

**10. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following at September 30, 2023 and 2022:

	2023	2022
Net assets with expiring donor restrictions:		
Lynch Trust distributions	\$ 46,706	\$ 36,330
Net book value of donated buildings	2,182	2,792
Endowment earnings (Note 12)	222,390	167,491
Other restrictions	572,744	597,273
Total net assets with expiring donor restrictions	844,022	803,886
Net assets with perpetual donor restrictions:		
General endowments	88,373	88,373
Named endowments	952,378	900,191
Beneficial interest in perpetual trusts	666,041	629,862
Total endowments (Note 12)	1,706,792	1,618,426
Donated land	10,486	10,486
Total net assets with perpetual donor restrictions	1,717,278	1,628,912
Total net assets with donor restrictions	\$ 2,561,300	\$ 2,432,798

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
September 30, 2023

II. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets with expiring restrictions were released from associated restrictions during the years ended September 30, 2023 and 2022 as follows:

	2023	2022
Satisfaction of purpose and time restrictions	\$ 1,173,356	\$ 794,811
Expended earnings from donor-restricted endowment funds and other adjustments	46,317	41,214
Depreciation of donated buildings and improvements	610	610
Total net assets released from restrictions	\$ 1,220,283	\$ 836,635

12. ENDOWMENT

The Council's endowment consists of 16 individual funds established for a variety of purposes. These funds include beneficial interests in perpetual trusts, which are further discussed in Note 6. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as an endowment. As required by U.S. generally accepted accounting principles (GAAP), net assets associated with endowment funds, including funds designated by the board of directors to function as an endowment, are classified and reported based on the existence or absence of donor-imposed restrictions or board designations.

Interpretation of Relevant Law

The Board of Directors of Girl Scouts of Oregon and Southwest Washington has interpreted Oregon's enacted Uniform Prudent Management of Institutional Funds Act (the Act or 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 as net assets with perpetual restrictions (a) the original value of gifts, including subsequent gifts, donated to the perpetual endowment and (b) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with perpetual restrictions is classified as net assets with expiring restrictions until those amounts are appropriated for expenditure by the Council in a manner consistent with the standard of prudence prescribed by the Act.

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
September 30, 2023

12. ENDOWMENT, Continued

Interpretation of Relevant Law, 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 Council
- (2) The purposes of the Council and the donor-restricted 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
- (7) The investment policies of the Council

The Council classifies gift amounts received from donors that are restricted to the endowment fund as net assets with perpetual restrictions. If the market value of a donor-restricted endowment fund exceeds the original gift as a result of investment earnings, then the excess amount is classified within net assets with expiring restrictions, until all or a portion of the excess is appropriated for expenditure by the Council in a manner consistent with the standard of prudence prescribed by the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

If the market value of an endowment is less than the original gift amount, the valuation difference is reflected in the financial statements as a reduction of net assets with donor restrictions. Funds designated by the Board of Directors to function as an endowment are classified as net assets without donor restrictions. Donated land that is perpetually restricted is not included in the endowment fund.

Investment Objectives and Endowment Spending Policies

The Council has adopted investment and spending policies, approved by the Board of Directors, which attempt to provide a predictable stream of funding to programs supported by its endowment funds without subjecting those assets to investment risk. As such, the Council's endowment assets are primarily invested in funds held at OCF.

Funds held at OCF follow investment and spending policies determined by the Board of Directors of OCF. OCF's investment policy is intended to provide for long-term growth and currently the spending rate is 4.3 percent (per annum) of the average fair market value of the invested assets based on a 13-quarter trailing average.

The Council's interest in perpetual trusts, described in Note 6, is included in the Council's endowment funds. The investment of these funds is determined by the trustees of the trusts rather than the Council.

**GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
September 30, 2023

**12. ENDOWMENT, Continued**

Changes in endowment net assets and the composition of those endowment net assets, for the year ended September 30, 2023 and 2022, are as follows:

	Board	<u>Donor-Restricted Endowment</u>		<u>Total</u>
	Designated Endowment	<u>With Expiring Restrictions</u>	<u>With Perpetual Restrictions</u>	
<b>Endowment fund activity</b>				
Endowment net assets -				
September 30, 2022	\$ 268,548	\$ 167,491	\$ 1,618,426	\$ 2,054,465
Contributions			52,187	52,187
Investment return	24,292	101,216	-	125,508
Appropriation of endowment assets for expenditure, net	-	(46,317)	-	(46,317)
Change in value of interest in perpetual trusts	-	-	36,179	36,179
Endowment net assets -				
September 30, 2023	<u>\$ 292,840</u>	<u>\$ 222,390</u>	<u>\$ 1,706,792</u>	<u>\$ 2,222,022</u>
<b>Endowment fund composition</b>				
September 30, 2023				
OCF balances	\$ 292,840	\$ 222,390	\$ 1,023,099	\$ 1,538,329
Perpetual trusts	-	-	666,041	666,041
Savings account	-	-	17,652	17,652
	<u>\$ 292,840</u>	<u>\$ 222,390</u>	<u>\$ 1,706,792</u>	<u>\$ 2,222,022</u>
<b>Endowment fund activity</b>				
Endowment net assets -				
September 30, 2021	\$ 302,537	\$ 347,667	\$ 1,724,055	\$ 2,374,259
Contributions	-	-	69,699	69,699
Investment return	(33,989)	(138,962)	-	(172,951)
Appropriation of endowment assets for expenditure, net	-	(41,214)	-	(41,214)
Change in value of interest in perpetual trusts	-	-	(175,328)	(175,328)
Endowment net assets -				
September 30, 2022	<u>\$ 268,548</u>	<u>\$ 167,491</u>	<u>\$ 1,618,426</u>	<u>\$ 2,054,465</u>
<b>Endowment fund composition</b>				
September 30, 2022				
OCF balances	\$ 268,548	\$ 167,491	\$ 970,912	\$ 1,406,951
Perpetual trusts	-	-	629,862	629,862
Savings account	-	-	17,652	17,652
	<u>\$ 268,548</u>	<u>\$ 167,491</u>	<u>\$ 1,618,426</u>	<u>\$ 2,054,465</u>

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.  
 NOTES TO FINANCIAL STATEMENTS, CONTINUED  
 September 30, 2023

12. ENDOWMENT, Continued

Funds with Deficiencies

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level of the donor or UPMIFA requires the Council to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in the net assets with expiring restrictions. There were no funds with deficiencies at September 30, 2023 and 2022.

13. REVENUE FROM CONTRACTS WITH CUSTOMERS

For revenue from contracts with customers, the timing of revenue recognition, billings, and cash collections may result in billed accounts receivable (contract asset) and customer advances and deposits and deferred revenue (contract liabilities) on the statements of financial position.

- Revenue from cookie sales and council shop and trading posts are recognized when control passes to the customer, generally at point of sale.
- Revenue from camp, training, and other program fees are recognized as the activities are provided to the participants.
- Revenue from rent is recognized at the time the space is provided.

Total revenue by contract type is as follows:

	2023	2022
Cookie sales	\$ 12,061,741	\$ 8,407,932
Council shop and trading post sales	608,658	561,618
Program fees	756,900	637,728
Rental income	183,909	122,702
Total revenue recognized at a point in time	\$ 13,611,208	\$ 9,729,980

The beginning and ending contract balances are as follows:

	September 30,		
	2023	2022	2021
Contract liabilities:			
Deferred revenue - program fees	\$ 63,391	\$ 53,781	\$ 19,587

Deferred revenue is recognized when programs are delivered which is generally in the year immediately following. The Council has no significant contract assets associated with these activities at September 30, 2023 and 2022.



GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.  
 NOTES TO FINANCIAL STATEMENTS, CONTINUED  
 September 30, 2023

14. PRODUCT SALES ACTIVITY

Product sales activity consists of the following for the year ended September 30, 2023, with comparative net proceeds totals for the year ended September 30, 2022:

	Sales	Cost of Sales	Net Proceeds	
	<u>          </u>	<u>          </u>	<u>2023</u>	<u>2022</u>
Cookies and fall sale	\$ 12,061,741	\$ 4,690,586	\$ 7,371,155	\$ 4,800,224
Council shop and trading post	<u>608,658</u>	<u>310,525</u>	<u>298,133</u>	<u>277,416</u>
	<u>\$ 12,670,399</u>	<u>\$ 5,001,111</u>	<u>\$ 7,669,288</u>	<u>\$ 5,077,640</u>

15. PENSION PLANS

Defined Benefit Plan

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

Net Plan assets declined during the year and are less than the actuarial present value of accumulated Plan benefits as of January 1, 2023. On April 8, 2014, President Obama signed H.R. 4275 into law, a relief package unanimously passed by Congress that gives NGSCR the flexibility to adopt the Pension Protection Act (PPA) funding requirements immediately or not at all. NGSCR has elected to adopt this relief and not be subject to PPA. In September 2020, the National Board of Girl Scouts of the USA approved to lower the contributions from \$30 million to \$26 million starting in calendar year 2023 until the Plan is fully funded on a market basis. Aggregate annual contributions made in fiscal years 2022 and 2023 were \$32.2 million and \$27.5 million, respectively. Aggregate contributions to be made in fiscal 2024 are expected to be \$26 million.

Aggregate annual contributions made in fiscal years 2023 and 2022 totaled approximately \$198,100 and \$202,500, respectively.

Defined Contribution Plan

The Council has established a 403(b) employer contribution plan covering all employees meeting certain eligibility requirements. The Council's contribution is at the discretion of the Board of Directors and is currently 3.5% of eligible participants' gross wages. The Council's contributions to this plan for the years ended September 30, 2023 and 2022 totaled approximately \$164,400 and \$149,300, respectively.



GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
September 30, 2023

16. UNEMPLOYMENT RESERVE

The Council has elected to be self-insured for unemployment benefits. The Council has mitigated the potential for a large number of claims in one year by purchasing a stop loss policy that limits the annual benefit payments. The Council has contracted with a third-party trust to manage its unemployment program, and generally maintains a deposit with the trust which is used to pay unemployment claims as they arise. The deposit balance totaled approximately \$83,100 and \$80,300 at September 30, 2023 and 2022, respectively, which is included with prepaid expenses on the statement of financial position.

17. CONCENTRATIONS OF CREDIT RISK

The Council maintains its cash balances in two financial institutions. Balances in each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The balances, at times, may exceed the federally insured limit. Balances in excess of insured limits were approximately \$2.5 million and \$3.7 million as of September 30, 2023 and 2022.

For the years ended September 30, 2023 and 2022, the Council received approximately 70% and 52%, respectively, of total revenue from its cookie sales and fall sale programs respectively. The cookie sale program, which is the most significant program, takes place during the winter each year and involves the selling of cookies by Girl Scout members. This program provides life-long business literacy skills such as goal setting, decision making, money management, people skills, and business ethics. The Council contracts with one supplier for the purchase of the cookies (Note 18). If the supplier were to be unable to supply the required amount of cookie inventory, the Council could be significantly impacted.

During the year ended September 30, 2022, 11% of operating support and revenue was received from pandemic relief government programs including the Paycheck Protection Program and Employee Retention Credits and included in government grant revenue.

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 that such changes could materially affect the amounts reported in the statement of financial position.

18. COMMITMENTS

The Council has entered into a contract with an unrelated company, for the purchase of all cookies related to the cookie sale program described in Note 17. The contract was renewed for a new term ending September 30, 2025. Based on historical trends, purchases under this contract have approximated \$2,122,000 per year.

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
September 30, 2023

19. FAIR VALUE MEASUREMENTS

Assets recorded at fair value in the statements of financial position are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

Level inputs are defined as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets and liabilities.

**Level 2:** Observable inputs other than those included in Level 1, such as quoted market prices for similar assets or liabilities in active markets, or quoted market prices for identical assets or liabilities in inactive markets.

**Level 3:** Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair values requires significant management judgment or estimation.

Fair values of assets measured on a recurring basis at September 30, 2023 are as follows:

	Level 1	Level 2	Level 3	Total
U.S. Government and corporate debt securities:				
Treasury bonds	\$ 932,473	\$ -	\$ -	\$ 932,473
Corporate bonds	-	1,194,184	-	1,194,184
<b>Total U.S. Government and corporate debt securities</b>	<b>\$ 932,473</b>	<b>\$ 1,194,184</b>	<b>\$ -</b>	<b>\$ 2,126,657</b>
Equity securities:				
Common stocks:				
Communication services	\$ 225,062	\$ -	\$ -	\$ 225,062
Consumer discretionary	252,965	-	-	252,965
Consumer staples	202,343	-	-	202,343
Energy	124,026	-	-	124,026
Financials	287,909	-	-	287,909
Healthcare	366,399	-	-	366,399
Industrials	272,722	-	-	272,722
Information technology	751,745	-	-	751,745
Other	371,197	-	-	371,197
Small cap mutual fund	240,496	-	-	240,496
Exchange traded funds	1,008,357	-	-	1,008,357
International stocks	231,308	-	-	231,308
International equity mutual funds	132,626	-	-	132,626
Real estate investment trusts	40,823	-	-	40,823
<b>Total equity securities</b>	<b>\$ 4,507,978</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,507,978</b>
<b>Investments held at OCF</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,538,329</b>	<b>\$ 1,538,329</b>
<b>Perpetual trusts</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 666,041</b>	<b>\$ 666,041</b>

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
September 30, 2023

19. FAIR VALUE MEASUREMENTS, Continued

Fair values of assets measured on a recurring basis at September 30, 2022 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Government and corporate				
debt securities:				
Treasury bonds	\$ 1,127,070	\$ -	\$ -	\$ 1,127,070
Corporate bonds	<u>-</u>	<u>1,187,887</u>	<u>-</u>	<u>1,187,887</u>
<b>Total U.S. Government and</b>				
<b>  corporate debt securities</b>	<u>\$ 1,127,070</u>	<u>\$ 1,187,887</u>	<u>\$ -</u>	<u>\$ 2,314,957</u>
Equity securities:				
Common stocks:				
Communication services	\$ 131,997	\$ -	\$ -	\$ 131,997
Consumer discretionary	247,923	-	-	247,923
Consumer staples	126,443	-	-	126,443
Energy	99,214	-	-	99,214
Financials	245,112	-	-	245,112
Healthcare	336,957	-	-	336,957
Industrials	229,183	-	-	229,183
Information technology	583,938	-	-	583,938
Other	121,675	-	-	121,675
Small cap mutual fund	225,376	-	-	225,376
International stocks	234,751	-	-	234,751
International equity mutual funds	119,496	-	-	119,496
Real estate investment trusts	<u>349,417</u>	<u>-</u>	<u>-</u>	<u>349,417</u>
<b>Total equity securities</b>	<u>\$ 3,051,482</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,051,482</u>
<b>Investments held at OCF</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,406,951</u>	<u>\$ 1,406,951</u>
<b>Perpetual trusts</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 629,862</u>	<u>\$ 629,862</u>

The fair value of debt and equity securities is determined by reference to quoted market prices or other relevant market data as provided by the bank or broker.

The fair value for corporate debt securities are based on pricing models, quoted prices of securities with similar characteristics, yield curves, and other relevant economic measures.

GIRL SCOUTS OF OREGON AND SOUTHWEST WASHINGTON, INC.  
NOTES TO FINANCIAL STATEMENTS, CONTINUED  
September 30, 2023

19. FAIR VALUE MEASUREMENTS, Continued

Investments held at OCF represent the Council's share of a pooled investment portfolio managed by OCF. The Council's share of the pooled investment portfolio is not actively traded and significant other observable inputs are not available. However, the underlying investments of OCF are measured by management of OCF using a variety of valuation methods including Level 1, Level 2, and Level 3 inputs. A portion of the investments held at OCF consists of investments held in limited partnerships and real estate whose fair market values have been estimated by OCF management in the absence of readily determinable market values. The estimates are based on information provided by fund managers or the general partners, and real estate appraisals; therefore, the reported values may differ from the values that would have been used, had a quoted market price existed. The Council carries its interest in perpetual trusts, described in Note 6, at fair value based on the Council's proportionate share of the underlying investments.

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs):

	2023		2022	
	OCF	Perpetual Trusts	OCF	Perpetual Trusts
Balance at beginning of year	\$ 1,406,951	\$ 629,862	\$ 1,551,417	\$ 805,190
Investment return	125,508	36,179	(172,951)	(175,328)
Additions	52,187	-	69,699	-
Distributions and adjustments	(46,317)	-	(41,214)	-
Balance at end of year	<u>\$ 1,538,329</u>	<u>\$ 666,041</u>	<u>\$ 1,406,951</u>	<u>\$ 629,862</u>

20. RELATED PARTY TRANSACTIONS

The Council purchases the majority of the inventory for the Council shop from the Girl Scouts of the United States of America, its chartering organization. For the years ended September 30, 2023 and 2022, total inventory purchases approximated \$213,300 and \$156,500, respectively.

In addition, the Council collects member dues on behalf of Girl Scouts of the United States of America and remits those dues periodically throughout the year for members who register through the Council's office. Dues for members who register online are collected directly by Girl Scouts of the United States of America and are at no time in the custody of the Council. For the years ended September 30, 2023 and 2022, dues remitted totaled approximately \$58,000 and \$42,700 respectively.